



सत्यमेव जयते



ORDER
OF THE
WEST BENGAL ELECTRICITY REGULATORY COMMISSION

In Case No. A-6/14/90

In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order to pass on the benefit of subsidy to the consumers under the Scheme "Hasir Alo" announced by the Government of West Bengal and to other eligible consumer/class of consumers and direction issued by Government of West Bengal under section 108 read with section 65 of the Electricity Act 2003

PRESENT:

SHRI SUTIRTHA BHATTACHARYA, CHAIRPERSON

SHRI DURGADAS GOSWAMI, MEMBER

SHRI PULAK KUMAR TEWARI, MEMBER

DATE: 31-03-2020

certified true copy

[Signature]



Order of the West Bengal Electricity Regulatory Commission on the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order to pass on the benefit of subsidy to the consumers under the Scheme "Hasir Alo" announced by the Government of West Bengal and to other eligible consumer/class of consumers and direction issued by Government of West Bengal under section 108 read with section 65 of the Electricity Act 2003



FACTS IN BRIEF

1. Vide Memo no. 53-POW-13012(12)/2/2018-SECTION (POWER) dated 17th March, 2020 it has been communicated to the Commission that the State Government has announced a new scheme called "Hasir Alo", providing free electricity to the poor of the State. Under the Scheme, no electricity charges will be levied on all poor Life line Domestic Consumers
2. The State Government has decided to provide full subsidy (including meter rent) to the following group of consumers of WBSEDCL, CESC and IPCL in exercise of the power conferred by section 108 read with section 65 of the Electricity Act, 2003 (in short 'the Act') :
 - i) Lifeline Domestic consumers with a connected load upto 0.3 KW, having quarterly consumption of electricity upto 75 units or monthly consumption upto 25 units.

The above subsidy would be effective for consumption from 01/04/2020 on prevailing tariff and shall continue till further order. However, the dues, if any prior to 01.04.2020 will not be covered by this subsidy.

3. The State Government has also decided that the resultant shortfall in revenue realization of WBSEDCL, CESC and IPCL due to above decision shall be compensated upfront to WBSEDCL, CESC and IPCL in terms of regulation framed under section 65 of the Act.
4. The West Bengal State Electricity Distribution Company Limited (WBSEDCL) have submitted an application praying for an appropriate order to pass on the benefit of subsidy to the eligible consumer/class of consumers as per the direction of the State Government vide dated 17.03.2020.
5. In their petition WBSEDCL have submitted that the amount of annual bill (including

West Bengal Electricity Regulatory Commission

Carthik Jha

31/3/20



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meter rent) is expected to be Rs. 31661 Lakh for the Lifeline Domestic consumers under WBSEDCL covered under "HasirAlo" scheme based on (i) estimated consumption for FY 2019-20 and (ii) considering prevailing Tariff of Lifeline Domestic consumers as per Tariff order 2017-18 and MVCA @ 23 Paise / Kwh as applicable.

6. WBSEDCL have further submitted that the State Government in the order dated 17.03.2020 also directed to continue with the existing subsidy for other category of consumers of WBSEDCL till further order and the expected subsidy (as per the existing subsidy orders against the Tariff Order of the year 2017-18 of WBSEDCL and MVCA) during the year 2019-20 comes to Rs. 101880 lakh.
7. WBSEDCL have also submitted that Multi Year Tariff application for the control period 2020-21 to 2022-23 is yet to be filed and Tariff Order for the year 2018-19 and 2019-20 are still awaited. Therefore, the total expected subsidy amount for the FY 2020-21 as per subsidy order dated 17.03.2020 may vary from the expected subsidy level of Rs. 133541 lakh computed for FY 2019-20 and this subsidy amount will depend on the Tariff order to be passed for the year 2020-21 on submission of tariff application for the year 2020-21.
8. WBSEDCL have also submitted that on approval from the Commission, WBSEDCL shall pass on the benefit of subsidy to the eligible consumer/class of consumers for the consumption from 01.04.2020 as per Government Order dated 17.03.2020 and also as per provision of the regulation 1.4 of SCHEDULE-6 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended (in short ('Tariff Regulations'))

OBSERVATION OF THE COMMISSION

9. In terms of Section 65 of the Electricity Act, 2003, the State Government can

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provide subsidy, to any consumer or class of consumers in the tariff determined by the State Commission.

10. In terms of Section 108 of the Electricity Act, 2003, the State Government can issue direction to the Hon'ble Commission in matters of policy involving public interest.
11. Regulation 2.3 of the Tariff Regulations provides for the "Manner for provision of subsidy by State Government".
12. In terms of Regulation 2.3.1 of the Tariff Regulations, the State Government is required to pay the subsidy in advance to the licensee.
13. The manner for provision of subsidy by the State Government has been detailed in Schedule-6 of the Tariff Regulations.
14. Now the State Government has decided to provide full subsidy (including meter rent) to Lifeline Domestic consumers of WBSEDCL, CESC Ltd. and IPCL with a connected load upto 0.3 KW, having quarterly consumption of electricity upto 75 units or monthly consumption upto 25 units and has given direction in exercise of the power conferred by section 108 read with section 65 of the Act vide Memo no. 53-POW-13012(12)/2/2018-SECTION (POWER) dated 17th March, 2020. State Government has also mentioned that the shortfall in revenue realization of WBSEDCL, CESC and IPCL due to extension of subsidy shall be compensated upfront to WBSEDCL, CESC and IPCL as provided in regulation 2.3.1 of the Tariff Regulations and in Schedule- 6 to the Tariff Regulations. .
15. WBSEDCL has also submitted the expected amount of subsidy required to extend the benefit of subsidy to those consumers/class of consumers for whom the State Government has granted subsidy.
16. As per submission of WBSEDCL the estimated amount of subsidy for the year 2020-21 is Rs. 31661 Lakh for the Lifeline Domestic consumers (including meter

West Bengal Electricity Regulatory Commission

Chandrababu Naidu
27/3/20



Order of the West Bengal Electricity Regulatory Commission on the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for issuance of appropriate order to pass on the benefit of subsidy to the consumers under the Scheme "Hasir Alo" announced by the Government of West Bengal and to other eligible consumer/class of consumers and direction issued by Government of West Bengal under section 108 read with section 65 of the Electricity Act 2003



rent) under WBSEDCL covered under "Hasir Alo" scheme based on (i) estimated consumption for FY 2019-20 and (ii) considering prevailing Tariff of Lifeline Domestic consumers as per Tariff order 2017-18 and MVCA @ 23 Paise / Kwh as presently applicable. Beside that, WBSEDCL is required to pay subsidy to other class of consumers as already extended and the estimated amount of such subsidy during the year 2019-20 shall be Rs. 101880 lakh as per the existing subsidy Orders against the Tariff Order of the year 2017-18 of WBSEDCL and MVCA. Thus, the total amount of estimated subsidy for the year 2020-21 shall be Rs. 133541 lakh (Rs. 31661 lakh+Rs. 101880 lakh). This estimated subsidy amount for the year 2020-21 will, however, be revised on issuance of tariff order for 2020-21 based on the tariff petition to be submitted by WBSEDCL for the seventh control period (2020-21 to 2022-23).

17. In view of the above, the Commission decides that WBSEDCL can extend the benefit of subsidy to the consumers/class of consumers as granted by State Government vide memo no.53-POW-13012(12)/2/2018-SECTION (POWER) dated 17th March, 2020 pertaining to the consumption from 01.04.2020 onwards following the provisions made in regulation 2.3 and Schedule-6 of the Tariff Regulations.

ORDER OF THE COMMISSION

18. WBSEDCL shall extend the benefit of subsidy to the consumers/class of consumers as granted by the State Government vide memo no.53-POW-13012(12)/2/2018-SECTION (POWER) dated 17th March, 2020 for the consumption from 01.04.2020 onwards in compliance with the provisions made in regulation 2.3 ~~and Schedule 6~~ of the Tariff Regulations.
19. WBSEDCL shall clearly indicate in those consumer/ consumers' bill:



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- a) the amount payable in terms of the tariff determined by the Commission,
 - b) the amount of State Government subsidy and
 - c) net amount payable.
20. WBSEDCL in their petition for determination of tariff for the seventh control period comprising the years 2020-21, 2021-22 and 2022-23 shall submit the total amount of subsidy to be received from the State Government in terms of the direction vide memo no 53-POW-13012(12)/2/2018-SECTION (POWER) dated 17th March, 2020.
21. Commission shall adjust the subsidy amount in the Annual Aggregate Revenue Requirement (ARR) of WBSEDCL while determining the tariff for the respective year(s) under seventh control period.
22. WBSEDCL shall publish a gist of this order in the newspapers and also in their web-site.
23. The petition is disposed off .
24. Let a copy of this order may be served upon WBSEDCL.
25. Let a copy of this order may also 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: 27.3.20

Check and give copy
27/3/20
Secretary