ORDER

OF THE

WEST BENGAL ELECTRICITY REGULATORY COMMISSION

IN THE MATTER OF

CASE NO: OA-309/19-20

IN REGARD TO THE APPLICATION SUBMITTED BY WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED (WBSEDCL) FOR APPROPRIATE ORDER IN ORDER TO IMPLEMENT COMPETITIVE TARIFF OF WBSEDCL FOR THE INDUSTRIAL CONSUMER SUPPLIED AT 33 KV AND 132 KV AND TRACTION CONSUMERS WHO ARE ADDED WITH WBSEDCL FROM ERSTWHILE DPL AND OPERATING IN COMMAND AREA OF DAMODAR VALLEY ON EXERCISING THEIR OPTION SEEKING THE COMPETITIVE TARIFF OFFERED BY WBSEDCL IN THE SAID AREA AT THE LEVEL OF OTHER DISTRIBUTION LICENSEE FOR ABOVE CATEGORIES OF CONSUMERS.

PRESENT:

SRI SUTIRTHA BHATTACHARYA, CHAIRPERSON
SRI DURGADAS GOSWAMI, MEMBER
SRI PULAK KUMAR TIWARI, MEMBER

DATE: 08.11.2019
In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for appropriate order in order to implement competitive tariff of WBSEDCL for the industrial consumer supplied at 33 KV and 132 KV and traction consumers who are added with WBSEDCL from erstwhile DPL and operating in command area of Damodar Valley on exercising their option seeking the competitive tariff offered by WBSEDCL in the said area at the level of other distribution licensee for above categories of consumers.

FACTS IN BRIEF

The West Bengal State Electricity Distribution Company Limited (in short 'WBSEDCL') submitted an application on 25th June, 2019 for issuance of an appropriate order to WBSEDCL in order to implement competitive tariff of WBSEDCL for the industrial consumer supplied at 33 KV and 132 KV and traction consumers who are added with WBSEDCL from erstwhile Durgapur Project Limited (in short 'DPL') and operating in command area of Damodar Valley Corporation on exercising their option seeking the competitive tariff offered by WBSEDCL in the said area at the level of other distribution licensee for the said categories of consumers.

WBSEDCL submitted that the Commission had transferred the distribution and transmission functions of erstwhile DPL to WBSEDCL and WBSETCL vide order dated 31.12.2018 and had allowed WBSEDCL the following:

a) To take over the entire distribution business of erstwhile DPL along with all associated assets and liabilities and undertake distribution functions within the licensed area of DPL with effect from 01.01.2019.

b) To charge the existing tariff with MVCA as on 31.12.2018 of erstwhile DPL from the consumers of DPL's licensed area as an interim measure until further order of the Commission.

The Government of WB, Department of Power & NES, in exercise of the power conferred under section 108 of the Electricity Act, 2003, has issued the following directions upon the Commission under paragraph 8 of the order no. 332-PO/O/C-IV/IE-60/13(Part-VA) dated 31.12.2018.

a) To approve transfer of the entire distribution business of DPL to WBSEDCL to be effective from 01.01.2019;
In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for appropriate order in order to implement competitive tariff of WBSEDCL for the industrial consumer supplied at 33 KV and 132 KV and traction consumers who are added with WBSEDCL from erstwhile DPL and operating in command area of Damodar Valley on exercising their option seeking the competitive tariff offered by WBSEDCL in the said area at the level of other distribution licensee for above categories of consumers.

b) To approve transfer of the entire transmission business of DPL to West Bengal State Electricity Transmission Company Limited (in short 'WBSETCL') to be effective from 01.01.2019;

c) To allow WBSEDCL to undertake distribution functions within the licensed area of DPL with effect from 01.01.2019;

d) To allow WBSETCL to undertake transmission functions within the licensed area of DPL with effect from 01.01.2019;

e) To allow WBSEDCL to continue charging existing tariff and present MVCA of DPL as on 31.12.2018 from consumers in the DPL's licensed area in accordance with section 62(3) of the Electricity Act, 2003 as an interim measure until further order.

In view of the aforesaid order of the Government of West Bengal, Department of Power & NES, the Commission issued an order dated 31.12.2018 in case no. A-6/14 to WBSEDCL and WBSETCL to the following extent:

a) WBSEDCL is allowed to take over the entire business of distribution of electricity of DPL along with all associated assets and liabilities and undertake distribution functions within the licensed area of DPL with effect from 01.01.2019.

b) WBSETCL is allowed to take over the entire transmission business of DPL along with all associated assets and liabilities and undertake transmission functions within the licensed area of DPL with effect from 01.01.2019.

c) WBSEDCL shall continue to charge the existing tariff and present MVCA of DPL as on 31.12.2018 from the consumers of DPL's licensed area in accordance with the section 62(3) of the Electricity Act, 2003 as an interim measure until further order.

d) Both WBSEDCL and WBSETCL shall take necessary steps for notifying this order for information of all stake holders in appropriate manner.

West Bengal Electricity Regulatory Commission
In regard to the application submitted by West Bengal State Electricity Distribution Company Limited (WBSEDCL) for appropriate order in order to implement competitive tariff of WBSEDCL for the industrial consumer supplied at 33 KV and 132 KV and traction consumers who are added with WBSEDCL from erstwhile DPL and operating in command area of Damodar Valley on exercising their option seeking the competitive tariff offered by WBSEDCL in the said area at the level of other distribution licensee for above categories of consumers.

WBSEDCL also submitted that though they are continuing with charging the tariff in the licensed area of erstwhile DPL in line with the above order, one 132 kV industrial consumer, namely Shyam Steel, has recently shifted to DVC from WBSEDCL. DVC is also a distribution licensee in the licensed area of erstwhile DPL.

WBSEDCL further submitted vide their letter no. REG/SERC/224 dated 22<sup>nd</sup> October, 2019 that the State Government, in the meantime, vide order dated 21.06.2019 has relaxed/amended the direction given by the State Government in the tariff matter at paragraph 8 (e) of order dated 31.12.2018.

Accordingly, WBSEDCL has prayed for modifications of their prayer submitted vide application dated 25.06.2019 in line with the direction given by the State Government in their order dated 21.06.2019 so that WBSEDCL may implement the said order of the State Government.

**OBSERVATIONS OF THE COMMISSION**

The Commission observes that as per proviso to section 62(1) of the Electricity Act, 2003, the Commission, in case of distribution of electricity in the same area by two or more distribution licensees, may, for promoting competition amongst distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity.

The Commission also observes that in terms of third proviso to regulation 2.2.2 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff), 2011, as amended, (in short 'Tariff Regulations'), the tariff applicable to the consumers of erstwhile DPL area in terms of the order dated 31.12.2018 of the Commission in case no. A-6/14, is the ceiling tariff in erstwhile DPL area. Thus, in line with the order dated 21.06.2019 of the Government of West Bengal in amendment to their earlier order dated 31.12.2018, WBSEDCL may, at its option, charge any tariff to any class of consumers in the area of erstwhile DPL within the maximum ceiling tariff as mentioned in the order dated 31.12.2018 of the Commission. That would, however, be subject to the condition that any loss, suffered by WBSEDCL by charging any...
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lesser tariff, shall not be allowed to be passed on to other consumers of WBSEDCL as also manifest in third proviso to regulation 2.2.2 of the Tariff Regulations.

ORDER

In view of above observations, the Commission directs that –

a) WBSEDCL may, at its option, charge any tariff to any class of consumers in the area of erstwhile DPL within the maximum ceiling tariff as mentioned in the order dated 31.12.2018 of the Commission; and

b) Any loss suffered by WBSEDCL by charging any lesser tariff shall not be passed on to other consumers of WBSEDCL.

This petition is, thus, disposed off.

Let a copy of this order be served upon WBSEDCL.

Sd/-
(PULAK KUMAR TEWARI) (DURGADAS GOSWAMI) (SUTIRTHA BHATTACHARYA)
MEMBER MEMBER CHAIRPERSON

DATED: 08.11.2019

T. K. MUKHERJEE)
SECRETARY

West Bengal Electricity Regulatory Commission