



सत्यमेव जयते



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

In Case No. *A-6/14/G.O*

In regard to the application submitted by CESC Limited (CESC) for issuance of appropriate order to implement the "Hasir Alo" Scheme announced by the Government of West Bengal 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: *21.03.2020*

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*Jm*  
*21/3/20*



### 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. CESC Limited ( CESC) have submitted an application praying for an appropriate order for implementation of 'Hasir Alo ' scheme as per the direction of the State Government vide dated 17.03.2020.
5. In their application CESC have submitted that the tariff for all categories of consumers are continuing as per tariff order for 2017-18. The number of consumers under Life line Category is about 2 lakhs and amount billed during the period

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February 2019 to January 2020 at the prevailing tariff is Rs. 14.97 crores. The amount of required subsidy will depend on applicable tariff as decided by the Hon'ble Commission and may require suitable revision (s), as appropriate in terms of Clause 1.2 of the Schedule-6 of the Tariff Regulations.

#### OBSERVATION OF THE COMMISSION

6. In terms of Section 65 of the Electricity Act, 2003, the State Government can provide subsidy, to any consumer or class of consumers in the tariff determined by the State Commission.
7. 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.
8. Regulation 2.3 of the Tariff Regulations provides for the "Manner for provision of subsidy by State Government".
9. 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.
10. The manner for provision of subsidy by the State Government has been detailed in Schedule-6 of the Tariff Regulations.
11. 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

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Regulations and in Schedule- 6 to the Tariff Regulations. .

12. CESC have also submitted the expected amount of subsidy required to extend the benefit of subsidy to those consumers for whom the State Government has granted subsidy.
13. As per submission of CESC the estimated amount of subsidy for the year 2020-21 is Rs. 1497 Lakh for the Lifeline Domestic consumers (including meter rent) under CESC covered under "Hasir Alo" scheme based on the amount billed during the period February 2019 to January 2020 at the prevailing tariff as per Tariff order 2017-18. 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 CESC for the seventh control period (2020-21 to 2022-23).
14. In view of the above, the Commission decides that CESC can extend the benefit of subsidy to the 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

15. CESC shall extend the benefit of subsidy to the 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.
16. CESC shall clearly indicate in those consumer/ consumers' bill:
  - a) the amount payable in terms of the tariff determined by the Commission,
  - b) the amount of State Government subsidy and

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c) net amount payable.

17. CESC 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.
18. Commission shall adjust the subsidy amount in the Annual Aggregate Revenue Requirement (ARR) of CESC while determining the tariff for the respective year(s) under seventh control period.
19. CESC shall publish a gist of this order in the newspapers and also in their web-site.
20. The petition is disposed off .
21. Let a copy of this order may be served upon CESC.
22. 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: .....*31/03/20*.....

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*[Signature]*  
*31/3/20*  
*Secretary,*