



Approval of capital investment by West Bengal State Electricity Distribution Company Limited for SAUBHAGYA scheme in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, as amended.



project was accepted by Govt. of West Bengal and was intimated to REC vide Memo No. 121-PO/O/C-VII/5S-17/17 dated 14.09.2018.

2.4 The Central Government grant is 75% of the sanctioned project cost i.e. Rs. 194.29 Crore and the Government of West Bengal has given its approval towards grant of 25% of the project cost i.e. Rs. 64.77 Crore vide Memo No. 59 (Sanc) – POW - 13012 (11)/1 8/ 2018- SECTION (POWER) dated 04.01.2019.

2.5 WBSEDCL has already achieved universal electrification under Saubhagya scheme on 26.11.2018 which was communicated to RECL by Department of Power & NES, Government of West Bengal vide Memo No. 118/ SP/ 18 dated 05.12.2018.

2.6 WBSEDCL has stated the following salient features of the SAUBHAGYA scheme:

- a) Providing last mile connectivity and electricity connections to all unelectrified households in rural areas.
- b) Providing Solar Photo Voltaic (SPV) base standalone systems for unelectrified households located in remote and inaccessible villages/ habitations where grid connectivity/ extension is not possible/ feasible or cost effective.

2.7 In view of the above, WBSEDCL has prayed before the Commission to –

Approve total investment of Rs. 259.05 Crores (Rupees Two Hundred Fifty-Nine Crores and Five Lakh) for providing last mile connectivity and electricity connections to all unelectrified households in all 23 districts of West Bengal under 'SAUBHAGYA' scheme in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended.

3.0 The Commission after carefully analyzing the application directed WBSEDCL to submit additional information/ clarifications/ documents on the following observations:

- a) The Monitoring Committee in its meeting held on 09.07.2018 had approved the project cost of Rs. 259.05 Crore for providing last mile connectivity and electrification of 556860







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nos. of rural households in West Bengal under SAUBHAGYA scheme. The amount comprises of Rs. 155.43 Crore as 60% grant from Government of India, Rs. 38.86 Crore as additional 15% grant from Government of India subject to achievement of prescribed milestones and Rs. 64.77 Crore as remaining 25% grant from Government of West Bengal.

Accordingly, WBSEDCL was directed to confirm the fulfilment of the prescribed milestones to receive the additional grant of 15% from Government of India amounting to Rs. 38.86 Crore.

- b) WBSEDCL in their petition has submitted that the DPR under SAUBHAGYA scheme was for electrification of total 554999 rural households from grid and 1861 rural households from off-grid in 23 districts of West Bengal which was approved by the Monitoring Committee. However, the certificate dated 05.12.2018 states that 732250 households which were unelectrified as on 10.10.2017 in the state of West Bengal have been electrified up to 26.11.2018.

In view of the above, WBSEDCL was directed to confirm the number of households electrified under SAUBHAGYA scheme and subsequently the cost to be capitalized under the scheme.

- c) WBSEDCL was directed to clarify whether Repair and Maintenance for Solar Photo Voltaic (SPV) based standalone systems for 5 years has been included in the SAUBHAGYA scheme.
- d) WBSEDCL was directed to clarify the reasons for not seeking prior approval from the Commission in terms of regulation 2.8.2.3 of the Tariff Regulation.

4.0 WBSEDCL vide supplementary petition dated 25.02.2020 inter-alia submitted the following clarifications:

- a) WBSEDCL has already become eligible for additional grant of 15% for timely fulfilment of the prescribed milestones as laid in clause 2.5.9 of the SAUBHAGYA Guidelines dated 20.10.2017. Further, Ministry of Power, Government of India has also recognized the timely completion of the project by WBSEDCL through 'SAUBHAGYA Award'.







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- b) 646439 households have been electrified as on 31.12.2019 under SAUBHAGYA scheme instead of sanctioned on-grid connections of 554999 under SAUBHAGYA scheme since the scope of connection was increased on account of public awareness while executing the work. WBSEDCL also continued to provide connection beyond sanction figures within the initial project cost as 'SAUBHAGYA' envisages 100% electrification. WBSEDCL further requested REC Limited for re-appropriation of funds against revised household connections within the sanctioned project cost.
- c) WBSEDCL stated that while effecting 1861 off-grid connections, that comes under Solar Photovoltaic Based (SPV) based standalone system, observed that most habitations/villages are temporary in nature and hence may not be allowed connection as per 'SAUBHAGYA' guidelines. Thus, the connections under off-grid mode were not provided resulting in non-utilization of sanctioned cost of Rs. 9.30 Crore.
- d) WBSEDCL stated that owing to urgency and immediate completion of the project within the stipulated time frame as desired by Government for availing additional 15% grant, all out effort was exerted upon field work before prior approval of investment from the Commission. WBSEDCL has already issued instruction to all directorates to start work of such type of project in future only after approval of the Commission.

WBSEDCL also stated that the 'SAUBHAGYA' project is entirely financed by the Central Government and the State Government and thus the project cost will accordingly be capitalized considering such grants. Only O&M cost and outsourcing cost for such project will be applicable in the tariff as per relevant Regulations.

WBSEDCL further has prayed before the Commission to –

Approve total investment of Rs. 242.24 Crores (Rupees Two Hundred Forty-Two Crores and Twenty-Four Lakh) for providing last mile connectivity and electrification of 646439 rural households (on-grid) in 23 districts of West Bengal under 'SAUBHAGYA' scheme in terms of regulation 2.8.2.3 of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 as amended against initial estimated target

