

**Sub : In the matter of taking over of business of distribution of Gramin Vidyut Sahkari Samitis Ltd., Sidhi by MP Poorv Kshetra Vidyut Vitaran Co. Ltd.**

**ORDER**

**(Date of Hearing 13<sup>th</sup> July, 2010)  
(Date of Order 19<sup>th</sup> July, 2010)**

Managing Director,  
Gramin Vidyut Sahkari Samitis Ltd. (GVSS), Sidhi  
District Sidhi (M.P.) - Petitioner

V/s

MP Poorv Kshetra Vidyut Vitaran Co. Ltd. (MPPKVVC)  
Jabalpur (M.P.) - Respondent No. 1

Energy Department,  
Government of M.P., Vallabh Bhawan,  
Bhopal. - Respondent No. 2

Shri Ajay Dubey, Advocate and Shri R.P.Mishra, O.S. appeared on behalf of GVSS, Sidhi.

Shri S.K. Baghel, Executive Engineer (Comm.) appeared on behalf of Respondent No. 1

Shri S.S. Agrawal, Addl. SE appeared on behalf of Respondent No. 2

2. The Petitioner has filed this petition for merging of Gramin Vidyut Sahkari Samitis Ltd. (GVSS), Sidhi in MP Poorv Kshetra Vidyut Vitaran Co. Ltd. (East Discom). The case was listed for hearing on 22.06.2010.

3. During the hearing on 22.06.2010, the Commission has enquired from the representative of the Petitioner whether the Petitioner has requested to merge the Gramin Vidyut Sahkari Samitis (GVSS) in East Discom or to hand over the business of distribution of Electricity to the East Discom. The representative of the Petitioner submitted that the petition may be considered for handing over the business of distribution of Electricity to the East Discom.

4. During the hearing, the representative of the Respondent had submitted that the Board of Directors of the East Discom had principally agreed to take over the business of distribution of Electricity with consideration of following issues by the Commission :

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- (i) The normative loss level of East Discom will increase by 2.35% in case the four Societies (Laundi, Sidhi, Nowgong and Amarpatan) are taken over by East Discom.
- (ii) Writing off of the liabilities of GVSS in excess of their assets and permit the East Discom to amortize over a period of not more 5 years. The Employees of GVSS shall be initially taken over on deputation for 1 year and shall be absorbed or otherwise on the terms and conditions decided by the MPSEB.

5. On hearing the representative of the Petitioner and the Respondent, the Commission had directed the Petitioner to make the Energy Department, Government of Madhya Pradesh also Respondent in this petition. The Petitioner had sought two weeks' time for submitting the amended petition.

6. The case was listed for hearing on 13.7. 2010. As directed by the Commission vide order dated 28.6.2010, the Petitioner had submitted the amendment petition, thereby, making Energy Department, Government of Madhya Pradesh as a party (Respondent No. 2) in this petition.

7. During the hearing on 13.07.2010, the representative of Respondent No. 2 informed the Commission that the State Government had taken following decisions on 18.04.2005 in respect of all the Rural Cooperative Societies :

- (i) As all the six societies have MPSEB arrears outstanding against them towards the cost of energy supplied to them. It was decided not to recommend their cases regarding exemption under Section 13 of Electricity Act, 2003 and as under Section 14 for operating as deemed Licensee.
- (ii) It was also agreed that Registrar Cooperative Societies will issue orders for liquidation of 6 Societies after revocation of their licenses.
- (iii) MPSEB shall take over the supply of electricity to consumers of the areas serviced by these societies immediately after revocation of their licenses so that no inconvenience is caused to consumers.
- (iv) As regards employees of these societies, it was decided to take over their services in MPSEB as was done earlier in case of the 8 societies already taken over as per the terms and conditions adopted in the past.

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8. After hearing the Petitioner and the Respondents, the Commission has directed the Respondent No.2 to ensure that the decision taken by the State Government in the meeting held on 18.04.2005 in respect of the Rural Co-operative Societies which interalia includes Gramin Vidyut Sahkari Samiti, Sidhi is implemented at the earliest and compliance be reported to the Commission within two months.

9. With the above directions, the Petition No. 17/2010 stands disposed off.

Ordered accordingly,

**(C.S.Sharma)**  
**Member (Eco.)**

**(K.K.Garg)**  
**Member (Engg.)**