



# Madhya Pradesh Electricity Regulatory Commission

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**Date: 22.8.2007**

**Sub: In the matter of review of tariff order dated 30.3.07--case of M/s HEG Ltd., Mandideep..**

**ORDER**  
**(Petition No. 28/07)**

Shri K.N.Mathur, Technical Advisor, M/s HEG Ltd., Mandideep appears on behalf of the Petitioner.

Shri R.C.Yadav,SE and Shri A.R.Verma,ASE appear on behalf of M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal. Shri D.K.Ojha, SE appears on behalf of M.P. Pashchim Kshetra Vidyut Vitaran Co. Ltd., Indore and Shri P.K.Jain,AEE appears on behalf of M.P. Poorva Kshetra Vidyut Vitaran Co. Ltd., Jabalpur.

2. During the hearing on 22.8.07, the representative of the petitioner submitted the following grounds for review of tariff order dated 30.3.07:--

- Due to the levy of fixed charges, tariff for 132 KV consumers is more than that of 33/11 KV consumers at load factor below 45%, which constitutes error apparent.
- Recovery of fixed cost through demand charges is not desirable for low load factor industries. Also, tariff minimum for 132 KV consumers should be lower than that of 33 KV consumers.
- Minimum Fixed charges are being billed on 90% of contract demand instead of 75% of contract demand as was the case earlier.
- Power factor incentive should be available for power factor above 90%.
- Load factor concession is not rationalised.

The representative of the petitioner has also made a written submission.

3. During the hearing on 22.8.07, the representatives of the Discoms have made a request that the petitioner's request may not be considered.

4. Having heard the representatives of petitioner and respondents, the Commission is of the view that :--

(i) It would not be feasible to design a tariff for each load factor at different voltage levels. It has to be designed based on average load factor for a particular voltage level. The Commission has already rationalized the tariff for EHT/HT categories as mentioned in point 6.15 of the tariff order.

(ii) The fixed cost cannot be recovered through fixed charges only. Hence, tariff minimum is prescribed to recover part of the fixed cost. The fixed charges should not be considered in isolation, but the effective tariff should be considered at an average load factor at a particular voltage, which shows that tariff at 132 KV is lower than that at 33 KV.

(iii) The EHT/ HT consumers are already being given unlimited flexibility while deciding their contract demand by a factor of diversity. Also, the minimum billing demand is further kept at 90 % of contract demand, which gives them 10 % leverage. As such, the EHT/HT consumers may not be required further flexibility.

(iv) The matter regarding power factor incentive for more than 90 % has already been discussed in the tariff order at point no. 5.37 & 5.38 and petitioner's contention was not found feasible to accept.

(v) The basic purpose of load factor incentive is that if the consumer utilizes licensee grid supply at high load factor, the per unit rate should be reduced. Therefore, if the incentive is provided at a load factor below the average load factor of that category, the basic purpose will be defeated.

5. The Commission, therefore, directs that the representative of the petitioner could not submit any ground to establish an error apparent in the tariff order dated 30.3.07. Hence, the Commission is not inclined to review its tariff order dated 30.3.07 on the above issues.

6. With the above directions, the petition no. 28/07 stands closed.

Sd/-  
**(R.Natarajan)**  
Member (Econ.)

Sd/-  
**(D.Roybardhan)**  
Member (Engg.)

Sd/-  
**(Dr. J.L.Bose)**  
Chairman