



Madhya Pradesh Electricity Regulatory Commission

5th Floor, Metro Plaza, Arera Colony, Bittan Market, Bhopal 462 016

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SMP No. 78/2006

ORDER
(Dated 25TH April 2007)

Sub : In the matter of energy audit for Distribution companies.

Shri J.L. Garg, SE (Works) and Shri N. Tiwari, Addl. SE appear on behalf of MP Paschim Kshetra Vidyut Vitaran Co. Ltd. Shri R.K. Vishnoi appears on behalf of MP Poorv Kshetra Vidyut Vitaran Co. Ltd. Mrs Deepti Mishra, EE appears on behalf of MP Madhya Kshetra Vidyut Vitaran Co. Ltd..

2. The National Electricity Policy at clause 5.4.6 directs for ensuring energy accounting and declaration of its results by March 2007. The Commission taking cognizance of the directive had instituted a suo motu petition and sent notices to the Discoms vide letter dated 02.08.06. It was pointed out by the Commission intends to consider an 11 KV feeder as a defined unit for the purposes of the directives of the National Electricity Policy. It was directed to submit the details of 33 KV feeders, sub-stations, 11 KV feeders and number of DTRs connected to each 11 KV feeder. It was also directed to submit the details of energy accounting carried out on month-to-month basis from 01.04.04 onwards for 33 KV feeders, 33/11 KV sub-stations and 11 KV feeders.

3. The first hearing was held on 29.08.06. The West Discom and Central Discom submitted the details of existing 33 KV feeders, 11 KV feeders, 33/11 KV sub-stations and number of DTRs connected on each 11 KV feeder. The East Discom submitted the information with regard to 4 circles only as against total 15. None of the Discoms submitted details of energy accounting from 01.04.04 onwards. It was pointed out by the Commission that the Commission had earlier declared an O&M division as a defined unit and at present due to practical difficulties, it is not possible to work out 11 KV feeder-wise losses. The Commission then emphasized that energy accounting for the defined unit of O&M division should be ensured. The status of energy audit meters on 33 KV and 11 KV feeders was reviewed and it was observed that a substantial number of energy audit meters are required to be installed. The Commission felt that a road map is required to be developed in the matter. A draft road map was forwarded to the Companies to submit their comments.

4. The next hearing in the matter was held on 27.09.06. During the course of hearing, the West Discom informed that energy audit is being done regularly and wherever meters are not available, losses are being determined by estimation. The East Discom submitted the information in respect of 8 circles in addition to 4 circles submitted earlier for existing number of feeders, sub-stations, DTRs. The Central Discom and West Discom submitted a draft road map while the East Discom did not submit the road map. The draft road map submitted by the Central Discom and West Discom indicated that they will be in a position to ensure 100% metering of required input points at 33 KV and 11 KV by June'07. The Commission observed that this proposed schedule will not fulfil the compliance of the National Electricity Policy, as the results of energy audits are required to be declared by March'07. The road map submitted by the West Discom was also found incomplete, as the target dates for installation of DTR meters, consumer indexing and fixing of accountability, etc., were not indicated. The Central Discom stated that the work of consumer indexing will be completed by March'07 for urban consumers and by June'07 for rural consumers. Target dates with regard to installation of DTR meters, and implementation of billing software were not indicated.

5. During the course of hearing on 31.10.06, it was observed that all the Distribution companies have submitted the road map. However, the road map submitted by the West Discom did not stipulate any target dates for installation of DTR meters, consumer indexing and implementation of billing software and fixing of accountability. The road map submitted by the East Discom indicated June'07 as the target date for cent-percent metering of 33 KV and 11 KV feeders. Installation of meters on DTR for urban areas by December'07 and for rural areas by June'08 was also indicated. The consumer indexing has been completed in 14 divisions and shall be completed for remaining 35 divisions by March'07. Formation of Energy Audit Monitoring Cell at Company level is under consideration. The Central Discom indicated that by June'07, they propose to replace the defective energy accounting meters at 33 KV and 11 KV level and also install 196 new meters at 11 KV level. Target date for installation of remaining 907 number of 11 KV meters was not indicated and it was stated that metering of individual 11 KV feeders is not going to affect the energy accounting for defined unit of O&M division. All the DTRs of City Circle Gwalior and division HQ towns will be provided with meters by December'07 and for remaining DTRs, the work is proposed to be completed by 2010. Regarding implementation of billing software, it is stated that the contract is likely to be awarded by April'07 and completed by Sept'08. The work of consumer indexing is targeted for completion by March'07 for urban consumers and June'07 for rural consumers. The Commission observed that the proposed schedule indicates that completion of various activities related to energy accounting in desired manner would not be achieved by March'07 and expressed its concern over the delay. The Commission also indicated that it may take a view that while determining the tariff it may not admit the declared quantum of losses where the input is assessed and not measured through a correct meter.

6. During the course of hearing today, it is observed that the Distribution companies are carrying out the energy audit for O&M divisions as a defined unit. It is however further observed that a large number of 33 KV feeders and 11 KV feeders have still not been provided with meters and similarly in a large number of cases the energy audit meters are lying defective. In such cases, the input energy from such feeders is estimated. Thus, the energy audit carried out in such cases is not credible. The Commission had earlier directed that as per the requirement of the National Electricity Policy, the results of energy audit for a defined unit will be declared not later than March'07. This directive is partially fulfilled. The Discoms are working out energy input and sale for O&M divisions on a monthly basis. However, a number of input energy audit meters are not installed, therefore the compliance is partial. The Commission further feels that the intention of the National Electricity Policy to carry out energy audit is not only for the sake of working out losses, but in fact to identify high loss pockets and take redressal action where losses are more than the permissible limit. To carry out purposeful energy audit would require installation of energy audit meters not only at the input points of 33 KV and 11 KV distribution network, but also at each DTR. In addition, the work of consumer indexing for linking of LT consumer at each DTR is required along with suitable billing software to work out the losses on a month-to-month basis for each DTR. The Commission would like to emphasize that only after DTR metering is provided; it would be possible to localize the area of high loss for taking suitable action for reduction of losses. The Commission feels that nothing

much has been done since institution of this petition. It further feels that a consultative approach is essential to ascertain the constraints and the difficulties that are being faced in achieving fulfillment of the compliance of the directives and to work out a practically achievable road map. A draft road map was issued for this petition wherein the Discoms have partially responded earlier. A draft of the road map is again enclosed without indicating the target date for completion of the activities related to carrying out the energy audit effectively. The Discoms are directed to consider all the relevant aspects and prepare a road map indicating the present status and propose the target date for completion of various activities envisaged in the road map.

7. The Commission further discussed the matter with the officers present on behalf of the Discoms and feels that following time schedule should be adopted for the activities listed below:

- (i) Installation of energy audit meters on all the 33 KV and 11 KV feeders at input points should be completed by 31.03.08. Quarterly targets for the current year be made out and quarterly reports be submitted indicating the target and achievements. The officers present indicated that the work for procurement of meters for energy audit is under process at different stages in each Discom and they are hopeful of achieving the above target.
- (ii) The West Discom indicated that they are required to provide DTR meters on about 23000 DTRs having predominantly agricultural loads and they propose to install 10000 meters during 2007-08 and remaining in 2008-09. Similar action by other two Discoms is also required to ensure that all those DTRs, which are having predominantly agricultural loads, are provided with meters within two years.
- (iii) As mentioned earlier, a draft of activities for preparation of road map for ensuring energy audit is enclosed. The present status against each of the activities is required to be reviewed and practically achievable target dates are required to be worked out for completion of each activity envisaged in the road map. These activities mostly include installation of energy audit meters on 33 KV feeders, 11 KV feeders, DTR meters, consumer indexing, implementation of billing software, and preparation / review of energy audit reports.

8. The Commission directs the Discoms to review the progress made under above-mentioned points and prepare a draft road map for completion of the activities for ensuring energy audit.

9. The Commission would like to visit the headquarters of the Discoms for consultation with the higher management and field officers to discuss the issue and finalize the road map. The dates for visit of the Commission will be intimated separately. The Commission decides to close the petition.

Ordered accordingly.

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

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

Sd/-
(P.K.)
Chairman