

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL

Sub :- In the matter of review petition on the “ARR & Retail Supply Tariff Order for (FY 10-11) passed by the Commission on 18th day of May, 2010” (Tariff Schedule LV-4, Industrial).

ORDER

(Date of hearing 19.10.2010)

Date of order _____

M/s. Govindpura Industries Association, Bhopal
(Petition No.48/2010)

Petitioner

M/s. Association of Industries, Mandideep
(Petition No.52/2010)

Petitioner

Vs.

M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal

Respondent No.1

M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. Indore

Respondent No.2

M.P. Poorva Kshetra Vidyut Vitaran Co. Ltd. Jabalpur

Respondent No.3

Shri Yogesh Goel, Shri Pankaj Bindra, Shri Mukesh Sachdeva and Shri Rajesh Khare, appeared on behalf of M/s. Govindpura Industries Association, Bhopal. Shri Sanjay Khandelwal, President appeared on behalf of Association of Industries, Mandideep.

2. Shri P.K. Jain, E.E. appeared on behalf of East Discom, Shri R.K. Khade, E.E., appeared on behalf of Central Discom. None appeared on behalf of West Discom.

3. The subject review petitions were filed by M/s. Govindpura Industries Association, Bhopal and M/s. Association of Industries, Mandideep through their authorized representatives. The petitions were filed under section 10(f) of Vidyut Sudhar Adhinyam and MPERC (Conduct & Business) Regulations. The petitioners indicated in the petitions that they have their reservations to the manner in which the categorization and tariff for LT Tariff Schedule LV-4 has been fixed. The case was last heard on 12.08.2010 and vide Commission’s Order Sheet of 30.09.2010 issued on the hearing held on 12.08.2010, the Commission observed that the Distribution Licensees, during the

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of the issuing of the Tariff Order for the year 2010-11 while responding to the objections raised by the consumers in the matter of increase in ceiling of maximum connected load, had not taken a consistent view. The Commission, therefore, decided to make the Discoms respondents and directed to issue the notices so as to provide the Discoms opportunity to present their views before the Commission. The case was slated for hearing on 19.10.2010.

5. During the course of hearing on 19.10.2010, the Commission has observed that the Respondent East Discom and Central Discom have filed their responses through their authorised representatives while the West Discom has neither filed any submission nor made any representation in person in the hearing before the Commission, nor sought any time extension in the matter.

6. During the hearing, the petitioners have reiterated that –

- (a) There should not be any ceiling on connected load for LT industrial consumers, as all these consumers have been provided with two part meters which have the feature of recording maximum demand along with the consumption.
- (b) SSI units have lot of diversity of use. Thus, although they have a higher connected load, say within the range of 200 to 300 HP, the contract demand is low of the order of 40 HP only. Forcing such units to go for HT connection is not financially viable for them.
- (c) Cost of installation of HT sub-stations is around Rs.6 to 8 lacs.
- (d) An area approximately 500 to 600 square feet is required for installation of HT sub-stations for HT consumers and SSI units have space constraints.
- (e) In case, when the LT industrial consumers would migrate to HT connection and they would be required to avail minimum of 60 KVA on 11 KV and 100 KVA on 33 KV. This would require them to pay huge amount against unconsumed energy every month in the name of tariff minimum when compared to LT connection, as per the provisions of Tariff Order.

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- (f) Even if the MD remains within the contract demand and if the connected load is found in excess of sanctioned load, the supplementary billing under Section 126 of Electricity Act, 2003 is levied.

7. By referring to the Clause 1.32 of MPERC (Details to be furnished and fee payable by Licensee or generating company for determination of tariff & manner of making application) Regulation 2004, the East Discom has submitted that the petition for review can be admitted by the Commission under the conditions that the review petition is filed within 60 days from the date of the order and it is proved that an error apparent from the record is there. The representatives of East Discom submitted before the Commission that since there is no error apparent indicated by the petitioners, the review petition may not be accepted. The Commission observed that a review can be taken up on the following grounds:-

- (i) There is an error apparent on the face of Order.
(ii) Any facts surfaced after the release of the Order which have the effect on the contents of the Order.
(iii) Any other sufficient reason.

Therefore, in view of this fact, a review can always be taken up on any order by the Commission, if conditions so warrant.

8. The representative of East Discom further submitted that removal of ceiling limit of connected load may lead to infinite diversity of the load of the consumers and if the connected load is allowed without any ceiling, there may be increase in LT connections which would lead to increase in the LT losses. This may further hamper the implementation of HVDS system. The East Discom has further submitted that since the licensee installs its system including the Distribution transformer on the basis of the requirement of load of the consumers, the use of excess load in absence of ceiling on maximum connected load may result in damage to the transformer. It is further submitted by the Distribution Company that there is a marked difference in the ownership of distribution assets and in case of LT connection and in case of HT connection. In case of LT connection, the transformer and other equipments are under the ownership of the Distribution Licensee. Any damage/operation and maintenance has to be looked after by

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the Distribution Licensee while in case of HT connections, the transformer and other equipments installed are under the ownership of the consumer and are being maintained by consumers only. These views were also shared by Central Discom in its reply.

9. In addition, the Central Discom vide its submission filed in the hearing, has referred to Section 6.30 & 6.31 of M.P. Electricity Supply Code, 2004 which are adopted as per Section 45 of Indian Electricity Rules 1956 in respect of the contention of the petitioner for removal of categorisation based on the connected load for LT Industrial consumers. The Central Discom has further referred to the Section 126 of Electricity Act, 2003 with regard to explanation of unauthorised use of electricity. In support, the Central Discom has also attached a judgment of Hon’ble Supreme Court of India of 19.03.2010 in the matter of litigation between M/s. Vishwa Caliber Builders Pvt. Ltd. And Punjab State Electricity Board. In support of the argument for not removing the ceiling of connected load in case of LT consumers, the Central Discom has submitted that-

- (i) The licensee installs its system including the distribution transformer as per the load of the consumers. If the consumer uses excess load due to urgency of its work or for additional work, it may result in damage to the equipments of Licensee and it is very difficult for the Licensee to prove whether the failure is due to overloading done by some consumers or some other technical reasons.
- (ii) Presently, the numbers of LT Industrial connections are nearly 25 times the HT Industrial connections. The situation would become even worse in case LT industrial connections are encouraged by allowing them connections without a ceiling on connected load.

10. The Central Discom has further indicated that the proposal intends to abolish the ceiling on connected load as put forth by the petitioners is not acceptable in light of existing Rules and Regulations, decision of Hon’ble Supreme Court and the technical aspects described in its reply. If the request of the petitioner is considered it would lead to increase in Distribution Losses, thus, jeopardising the efforts of the Distribution Companies to reducing distribution losses.

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11. On the response filed by the Distribution Companies, the petitioners were asked to comment upon. The petitioners requested the Commission to allow them some time so as to enable them to furnish their reply on the contentions of the Distribution Companies. The Commission accepted the request of the petitioner and directed that they may submit their response within 10 days to the Commission. The Commission did not receive any communication in this regard from the petitioners.

12. The core issue here is that whether there should be any ceiling on connected load for LT industrial consumers and other LT consumers as well. This issue was also raised during the course of determination of Retail Supply Tariff Order for the year 2010-11. This issue has been dealt in details at Chapter-A4, Issue No.25 and in the same Chapter under the “Comments on Approach Paper” at Sr. No. 2. Section 5.12 of the Tariff Order gives in details the Commission’s views on this issue, that there has to be some ceiling on the connected load to maintain discipline in use of load in the premises of LT consumers. However, considering the difficulties expressed by the consumers, the Commission had specified that the ceiling of connected load be raised to 150 HP in case of LT connections availing two-part demand based tariff. The Commission has again considered the submissions made by the petitioners and also the respondents. The Commission is of the view that no change in the prevailing provisions of the Tariff Order is warranted.

Ordered accordingly.

(C.S. Sharma)
Member (Economics)

(K.K. Garg)
Member (Engineering)

(Rakesh Sahni)
Chairman