

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL**

Sub: In the matter of implementation of Domestic Efficient Lighting Program (DELP) for LED bulbs in the Central, East and West Discoms of Madhya Pradesh.

Petition No. 32/2016

ORDER

(Date of Hearing: 8th July, 2016)
(Date of Order : 8th July , 2016)

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| <ol style="list-style-type: none">1. M.P. Power Management Company Ltd., Jabalpur2. M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd Indore (West Discom)3. M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd Jabalpur (East Discom)4. M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd Bhopal (Central Discom) | } | Petitioner |
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Shri F.K. Meshram, CGM(RM), and Shri Gagan Diwan, AO appeared on behalf of M.P. Power Management Co. Ltd. (MPPMCL), Jabalpur

Shri Shailendra Jain, Dy. Director (Tariff) appeared on behalf of MP Paschim Kshetra V.V.Co. Ltd, Indore

Shri B.K. Sharma, GM and G.D. Wasnik, GM appeared on behalf of MP Poorv Kshetra V.V.Co. Ltd, Jabalpur

Shri A.R. Verma, GM (Commercial) and Shri H. Saxena, A.O. (Commercial) appeared on behalf of MP Madhya Kshetra V.V.Co. Ltd, Bhopal

2. The petitioners MPPMCL, East, West and Central Discom have jointly filed the subject petition and prayed the Commission to consider the petition and pass necessary order to-

- (i) Allow MPMKVVCL, MPPuKVVCL and MPPaKVVCL to implement the Domestic Efficient Lighting Programme (DELP) in their license area.
- (ii) Allow MPMKVVCL, MPPuKVVCL and MPPaKVVCL to recover the cost of LED Bulbs in 5 monthly installments through their electricity bill for the consumers who opt for OBF scheme.
- (iii) In order to recover project cost as indicated in para 4.15 from consumers through their electricity bill, allow MPMKVVCL, MPPuKVVCL and MPPaKVVCL to make necessary modifications/ additions in electricity bill of consumers.
- (iv) Authorize MPMKVVCL, MPPuKVVCL and MPPaKVVCL to treat default in payment of installments by consumers as “default of payment” under sec 56 of the Electricity Act, 2003 read with Madhya Pradesh Electricity Supply Code (i.e. disconnection of supply in default of payment) as amended from time to time and recover such charges by suit, cut-off the supply of electricity.

3. During the hearing held on 21.06.2016, the Commission has enquired from the

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representatives of the petitioners that under what provisions of the Electricity Act, 2003 the conditions of Distribution License for distribution licensee (including deemed licensee), 2004, the Discoms are under taking this scheme. The Commission has also enquired regarding further recourse in the event of default of payment of installments by the consumers and its further recovery mechanism under the ambit of the provisions of the Electricity Act, 2003 as the same are not spelled out in the petition. In response, representatives of the petitioners had requested the Commission to grant time extension so as to furnish their reply in comprehensive manner which is accepted by the Commission and scheduled next hearing on 08.07.2016 having regard to saliency of the matter as scheme is energy efficient and would reduce energy consumption and cost to the consumers.

4. During the hearing today, when Commission enquired from the petitioners on the queries raised in previous hearing held on 21.06.2016, the petitioner have requested the Commission as below:

- (i) To allow the petitioners to add and recover the cost of LED bulbs in five monthly installments through their electricity bills and for this the Discom shall seek consent from the consumers for the same.
- (ii) A separate account would be created to manage the cost of LED bulbs and the same will not form a part of calculation for AT&C loss.
- (iii) The Discoms shall pay M/s. EESL only with amount that is received from the consumers through their electricity bills.
- (iv) The petitioners also requested the Commission to allow them to disconnect the consumers under Section 56 of the Electricity Act, 2003 in case of default in the payment against payment of monthly installments of cost of LED bulbs.

5. The Commission on perusal of the petition and the submissions put forth by the petitioners during the hearing has observed that the scheme formulated by the petitioners promotes energy efficiency and reduces energy consumption and does not have financial impact on the Discoms in respect of ARR. The Commission has therefore deemed it appropriate not to take cognizance of the agreement between M/s. EESL and the Discoms.

6. The petitioners have also indicated that the consumer can buy LED bulbs by paying Rs. 15 at the time of purchase and the balance cost of Rs. 75 per bulb would be recovered from the consumer's electricity bill @ Rs. 15 per bulb per month over a period of 5 months. The petitioners have also sought permission to disconnect the electricity connection of the consumers if such amount is not paid in any month treating the same as default under Section 56 of the Electricity Act, 2003.

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On enquiry, the petitioners submitted that it is difficult and impractical for them to resort to the disconnection of electricity to the consumers having bill amount/ arrears below Rs. 100. The Commission observed that in such a scenario, the request of the petitioner seeking legal recourse for treating default in payment of monthly installment against the cost of LED bulb i.e. to the extent of Rs. 15 per month per bulb does not have any merit. Even so Section 56 of the Electricity Act, 2003 has provided for disconnection of supply in default of payment of charge for electricity or charge in respect of supply, transmission or distribution or wheeling of electricity. In view of forgoing, the petitioners request to disconnect the supply of electricity under the provisions of Section 56 of the Electricity Act, 2003 is misplaced and therefore can not be invoked by the licensee. However, in view of the wider interest of energy efficiency and the arguments put forth by the petitioners during the hearing, the Commission allows the following:

- (i) The petitioners may add the monthly installments in the electricity bill after taking prior consent from the consumers and pay to M/s. EESL only the amount received from the consumers. The additional amount on account of monthly installment towards cost of LED bulb is to be shown separately in the consumers' bill.
- (ii) The recovery on account of these bills shall not constitute a part of the collection efficiency to form part of AT&C computation.
- (iii) No surcharge is applicable through the electricity bills on behalf of delayed payment surcharge towards aforesaid installments.
- (iv) No cost of this scheme shall be passed through ARR of distribution companies.
- (v) The option of buying LED bulbs on monthly installment shall be available to domestic consumers only. These domestic consumers should not have any arrear in their last electricity bill.
- (vi) This approval does not provide for any budgetary provisions and legal liability on part of the distribution companies and the Discoms shall not make any capital investment or incur any other expenditure for implementation of this programme.
- (vii) The Discoms shall not be liable to pay any levy/ taxes etc. arising due to additional recovery of cost LEDs.
- (viii) Excess payment recovered from consumer if any, shall be refunded to consumer as per Section 62(6) of the Electricity Act, 2003

The petition is disposed of as per the directions.

(Alok Gupta)
Member

(A. B. Bajpai)
Member

(Dr. Dev Raj Birdi)
Chairman