

Sub : In the matter of reduction of contract demand from 2200 kVA to 1100 kVA

ORDER

(Date of hearing: 18th June, 2013)

(Date of order: 12th July, 2013)

M/s Jaiprakash Agri Initiatives Co. Ltd., - Petitioner
Village : Chhijwar, Tehsil: Huzur,
District Rewa (M.P.)

V/s

MP Poorv Kshetra Vidyut Vitaran Co. Ltd., - Respondent
Shakti Bhawan, Jabalpur

Shri Avinash Zargar, Advocate appeared on behalf of the petitioner.

Shri A.R.Verma, SE(O&M), Rewa and Smt. S.Dixit, EE(Com) appeared on behalf of the respondent.

2. The petitioner, M/s Jaiprakash Agri Initiative Co. Ltd. has filed this petition seeking reduction in contract demand from 2200 kVA to 1100 kVA and quashing the order dated 05.03.2013 from Chief Engineer, Rewa .

3. **Facts of the case:**

(a) M/s Jaiprakash Agri Initiative Co. Ltd., Rewa is an HT consumer of the respondent with a contract demand of 2200 kVA at 33 kV. The supply is being availed under HT agreement dated 25.04.2011. The petitioner is availing supply from 132/33 kV Rampur Baghelan S/s through a separate 33 kV feeder and has started consuming power w.e.f. 24.07.2012. As per sanction letter dated 28.12.2010, the erection of line was done by the petitioner through 'A' class Electrical Contractor under the supervision of the respondent.

(b) By letter dated 16.08.2012, the petitioner informed the respondent that conductor of 8 spans of 33 kV feeder near village Turki has been stolen due to which supply of power to its industry has been disrupted. The FIR was lodged on 29.08.2012. The supply could be restored on 10.12.2012.

(c) The petitioner was not charged by the respondent for the period of non-availability of supply as per provisions of clause 11.3 of M.P. Electricity Supply Code, 2004.

(d) The petitioner applied to the respondent for reduction in contract demand

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from 2200 kVA to 1100 kVA on 01.02.2013 which was not found in order by the respondent under the provisions of clause 7.9 of M.P. Electricity Supply Code, 2004 and was rejected on 05.03.2013. Hence, this petition.

- (e) In its petition, the petitioner has submitted that as per clause 7.9 of the M.P. Electricity Supply Code, 2004, the consumer can seek reduction in contract demand by 50% within six months from the date of commencement of the agreement. Out of the period of 6 months within which reduction in contract demand could be sought, it was supplied with the contract demand only for a period of about 2 months. Also, as per clause 7.11 of the M.P. Electricity Supply Code, 2004, the respondent “has to communicate to the petitioner its decision within 15 days of its drawing attention to the matter that no decision has been taken within 15 days of its application and any failure of the above would result in the permission i.e. contract demand would be deemed to have been reduced as desired.” The petitioner has prayed that impugned order dated 05.03.2013 be quashed and the petitioner’s application dated 01.02.2013 be allowed.

4. The matter was heard on 01.06.2013. Respondent made a written submission. During the hearing on 01.06.2013, the parties were heard and the respondent was directed to produce all original records/documents before the Commission. The next date of hearing was fixed for 18.06.2013.

5. During the hearing on 18.06.2013, the respondent produced original records/ documents before the Commission. The Commission observed that the note-sheet for processing the request for reduction in contract demand was not available in the relevant file. It was informed by representative of the respondent that in this particular case no note-sheet was prepared. The Commission directed the respondent that its Managing Director shall submit this contention on affidavit.

6. By letter dated 26.06.2013, the Managing Director of the respondent company submitted that he had delegated full powers to Regional Chief Engineers to deal with HT consumers’ cases and the instant case of load reduction in contract demand has also been dealt with in the office of Chief Engineer, Rewa Region. It was also submitted that the Chief Engineer, Rewa Region has informed the Managing Director of the respondent company that normally while processing the cases of load reduction in respect of HT consumers, approval is obtained on note sheet by the office staff. However in this particular case since the provisions of the regulations are clear, the request of the petitioner was rejected as per the provisions of M.P. Electricity Supply Code, 2004 without preparing note sheet. The

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affidavit of Chief Engineer, Rewa Region has also been submitted to this effect. The respondent has stated that officers are being advised to process requests of HT consumers on note sheets for the sake of clarity and transparency.

7. The Commission notes with dismay the manner in which the case is claimed to have been handled by the Chief Engineer, Rewa. The Commission hopes that in future the respondent and its officers shall process the cases according to the prescribed procedure and transparently.

8. Before we proceed to the merits of the petition, a reading of the relevant Clauses 7.9 and 7.11 of the M.P. Electricity Supply Code, 2004 would be in order:

“ 7.9 If the consumer so desires, one time reduction in the contract demand shall be allowed within the period of first six months from the date of commencement of agreement

“7.11 On receipt of application for reduction in contract demand, the Licensee shall take the following steps:

(a) The licensee shall consider the grounds stated in the application and allow the application or convey the reasons for non-consideration in writing within a period of 15 days.

(b) If the application is not decided by the Licensee within above-mentioned period of 15 days, the consumer may, by a written notice to the Licensee, draw its attention to the matter and if no decision is still communicated to him within the period of further 15 days, the permission of reduction of contract demand shall be deemed to have been granted.

(c) The reduction in contract demand shall take effect from the first day of the month following the month in which the decision for reduction in contract demand is communicated or deemed permission is granted.”

9. The connection to the petitioner was served on 24.07.2012 which is the date of commencement of supply in terms of clause 2(a) of the standard HT agreement executed between the parties. Normally, therefore, the period of six months would be reckoned from 24.07.2012 and expire on 24.01.2013 within the meaning of clause 7.9 quoted above. However, this is a peculiar case. It is not denied by the respondent that between 13.08.2012 and 10.12.2012, the supply to the petitioner remained interrupted owing to theft of HT line. Effectively, therefore, the petitioner was able to take supply only for a total period of 119

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days until the end of the nominal six months' period on 24.01.2013.

10. The rationale behind the prescription of six months in clause 7.9 is merely to enable the consumer to assess his genuine demand after commencement of operation. The presumption implicit in the provision is that supply would by and large remain uninterrupted for this period of six months to enable a proper appreciation of demand by the consumer. The provision of clause 7.9 is not purported to be oppressive to the consumer even as it protects the commercial interest of the licensee. It is a genuine effort to reconcile the interests of both parties.

11. Within the limited period that the petitioner was able to access supply the task of assessing its genuine contract demand was without any doubt made difficult. Yet the petitioner did put in an application for reduction in contract demand on 01.02.2013 i.e. merely 8 days after the notional date of expiry of period of six months i.e. 24.01.2013. In this context, the petitioner's request merits sympathetic consideration.

12. The respondent has made it clear that the petitioner's application was rejected purely on account of its being time barred within the meaning of clause 7.9. No other reason has been adduced by the respondent for the rejection of the application. It would be reasonable to surmise that there are no other technical reasons to reject the application.

13. In the aforesaid circumstances, the Commission feels that this is a fit case to invoke the Commission's inherent powers under clause 11.17 of the Supply Code in the interests of justice. The prayer of the petitioner is, therefore, accepted and the respondent is directed to process the petitioner's application and grant reduction in contract demand as sought.

Ordered accordingly.

(Alok Gupta)
Member

(A.B.Bajpai)
Member

(Rakesh Sahni)
Chairman