



# Madhya Pradesh Electricity Regulatory Commission

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17<sup>th</sup> October 2006

**Sub : In the matter of under section 9 of MP Vidyut Sudhar Adhiniyam 2000 and in compliance of direction given on 27.10.04 by High Power Committee constituted by State Government in compliance of order dated 12.01.04 passed in LPA No. 143/02 by the Hon'ble High court of MP Bench at Indore.**

**ORDER**  
**Petition No. 86/2006**

Municipal Corporation, Indore ----- Petitioner  
**V/s**  
MP Paschim Kshetra Vidyut Vitaran Co. Ltd. ----- Respondent  
Indore

Shri Ajay Mishra, Sr. Advocate, Shri R. Gautam, Advocate and Shri M.S. Chandel of Indore Municipal Corporation appear on behalf of the Petitioner.

Shri D.K. Ojha, Addl. S.E. % CMD (WZ) appears on behalf of the MP Paschim Kshetra Vidyut Vitaran Co. Ltd. – Respondent.

2. Petitioner has filed this petition in the matter of grant of permission to waive of surcharge on electricity.

3. During the course of hearing, Shri Ajay Mishra Sr. Advocate on behalf of the Petitioner submitted before the Commission the present status of financial instability of the Corporation and consequent delay in clearing the electricity bills. Indore being the most populated city in Madhya Pradesh, it is essential to provide all the requisite civic amenities for the very survival of such a huge population and maintaining the demand of water supply at least to the minimum level of 180 MLD every day from Narmada River through pipelines covering a distance of 70 Kms. Annual expenditure for running and maintaining water supply is more than Rs 95 crores out of which electricity expenditure itself attracts Rs 64 crores. It was further informed that total annual revenue recovery from water tax is only to the tune of Rs 13 to Rs 14 crores which is a recurring revenue loss to the Corporation. Owing to financial constraints, delay in payment of electricity bill has been experienced leading to accumulation of arrears. However, priority has been extended in clearance of electricity bills from the grant received from the State Government as well as from limited internal resources which is evident from the fact that during the period March'02 to November'05, an amount of Rs 556/- has been cleared towards discharge of electricity bills leaving a balance of Rs 117.83 crores.

4. It is further stated by the petitioner that MPSEB preferred LPA No. 143/2000 and LPA was finally disposed off by the Division Bench of High Court with the direction that the State Government shall constitute a High Level Committee comprising of Principal Secretary, Energy; Principal Secretary Urban Administration and Development and Secretary Finance and the Committee shall be headed by the Chief Secretary which shall examine the respective contentions of MPEB and the Municipal Corporation and shall resolve the controversy by issuing appropriate directions. The above mentioned Committee had its meetings from time to time and finally the said committee had resolved in its meeting dated 27/10/2004 that the Corporation should submit a proposal before the Commission for waiver of surcharge claimed by MPEB against outstanding bills. It is therefore submitted by the petitioner that with pursuance to the aforesaid direction the present petition is filed before the Commission. Therefore the petitioner prays to the Commission to pass appropriate order waiving the surcharge claimed by

5. The officer present on behalf of MP Paschim Kshetra Vidyut Vitaran Co. Limited submitted that it is the statutory obligation of the consumers to clear the payment of electricity bills in time.

6. Having heard the submissions made by the Petitioner, the Commission observes that the matter was within the purview of the High Level Committee constituted by the State Government on the direction of Hon'ble High court in LPA No. 143/2000. Hence committee should resolve the issue at its level. The Commission also will not come in its way to take suitable decision therefore the Commission does not want to take any decision or to give any directions or to issue any guidelines on the question of waiving of surcharge. Moreover the matter does not come under the jurisdiction of the Commission. The Commission also observes that taking into account the commercial interest of the Licensee; it may take appropriate

decision on the question of waiver of surcharge. The Commission has also expressed such views earlier in other cases also. In view of aforesaid, the Commission decides to close the case.

7. Ordered Accordingly

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

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

Sd/-  
**(P.K.)**  
**Chairman**