

## Madhya Pradesh Electricity Regulatory Commission

5<sup>th</sup> Floor, Metro Plaza, Arera Colony, Bittan Market, Bhopal 462 016

#### **ORDER**

#### Petition no. 08/2004

#### Madhya Pradesh Electricity Regulatory Commission: Bhopal

#### IN THE MATTER OF CHANGING II PART TARIFF TO SLAB TARIFF.

M/s Saurabh Metals Pvt. Ltd. - **Petitioner** Plot No. 1, 22 Industrial Area,

V/:

Mandideep - 462 046

M.P. State Electricity Board, Jabalpur - Respondent

# ORDER (Passed on this day 9th September, 2004)

Shri Rakesh Agarwal, M.D. along with Shri Saurabh Agarwal, Director appears for the petitioner.

Shri V.K.S.Parihar, A.E., O/o S.E. (O&M), Bhopal appears for the respondent Board.

- 2. The petition is in the matter of change of two part tariff to slab tariff.
- 3. The case was last heard on 27.7.2004 wherein the Commission directed the Board to state whether the sick industries covered by BIFR sanctioned schemes can be included as a new category for slab tariff and to inform their views to the Commission within 15 days.
- 4. The facts of the case in brief are as follows:-

The petitioner submitted that their company is a jobbing industry and of seasonal nature because its sales fluctuate from month to month and sales from April to June are very low. The petitioner Company is availing HT supply for 2000 KVA with slab tariff from MPSEB since 01.03.94 which was reduced to 1600 KVA since 1.4.98. MPSEB has sanctioned slab tariff to the petitioner company in November 1993 and same continued upto August 2003 but MPSEB sent power bills on two part tariff from September 2003. It is also submitted by the petitioner that the petitioner Company is registered with the BIFR. The BIFR has sanctioned a scheme for revival of the petitioner's sick company on 21.8.1996. MPSEB has partially complied with the terms of the scheme by waiving penal charges amounting to Rs.94.88 lakh under the sanction scheme of BIFR. But the petitioner further stated that their efforts of the revival has been adversely affected by change in tariff from slab tariff to two part tariff w.e.f. September 2003. While under the terms of the scheme, MPSEB would have charged energy charges only on the basis of actual consumption. Therefore the petitioner requests the Commission to direct MPSEB to restore slab tariff and also to direct the Board to refund of security deposit or its adjustment against future bills.

- 5. The respondent Board in its reply stated that slab tariff was changed to two part tariff in July 2003 vide Commission's letter dated 5.7.2003 but it has already been made clear in the last hearing that there was no such direction in the aforesaid letter of the Commission. The respondent further stated that the reimbursement of power subsidy not availed by the company due to non-availability of power to the company and the extension of power subsidy for another period of 5 years from 1.9.95 shall be considered on receipt of sanction from Government. The respondent also submitted that to consider the request of security deposit as requested by the consumer, it has to approach the State ERC. The respondent during the hearing submitted the copy of the order of AAIFR vide which the para 10-A of the order of BIFR dated 31.5.2000 was set aside.
- 6. It is also submitted by the Board in its reply dated 24.7.2004 that Board has no objection if the slab tariff is restored by the Commission although Board has never proposed a separate new tariff for sick industries covered by BIFR scheme.
- 7. Commission heard both the parties. During the course of hearing, petitioner submitted that as per provision of tariff Schedule HV-8.2 of the Tariff Order dated 30.11.2002, the tariff will be available to such seasonal industries /consumers requiring energy for a minimum period of four months and a maximum period of nine months in a year. The Board can give facility of slab tariff to any other industries in consultation with the Commission. As mentioned above, petitioner is a sick industry and it is covered under the sanction scheme of BIFR for its revival, but due to the change of tariff from slab tariff to two part tariff petitioner has been adversely effected. Although the petitioner's company does not come under the definition of seasonal industry, but as mentioned aforesaid in tariff order, Board can give this facility to other industry in consultation with the Commission. The respondent Board submitted in its reply that Board has no objection if the tariff is restored by the Commission. Commission gave a thought to the submission made by the petitioner.
- 8. Having considered the facts and circumstances of the case, Commission directs the Board to give benefit of the seasonal tariff to the petitioner company from the date of receipt of the application in the Commission's office i.e. 15.1.2004, because the petitioner is covered in the sanctioned scheme of BIFR for its revival and the petitioner is availing HT supply with slab tariff since last couple of years as per the agreement. Regarding request of the petitioner to exempt the company from the payment of security deposit, the petitioner during the hearing agrees to withdraw their requests regarding refund of security deposit or its adjustment against future bills. With the direction as aforesaid, the case is disposed of.

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Non-Conventional
Tenders Info
Tariff Orders &
Petitions
Suo Motu Orders
Final Orders

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MIS Status Contact Us Ordered accordingly.

Sd/- Sd/- Sd/-

(D.Roybardhan) (R. Natarajan) (P.K.Mehrotra) Member (Engg.) Member (Econ.) Chairman

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