

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION
BHOPAL**

Sub: In the matter of true-up of ARR for FY 2007-08 as per compliance with judgment passed by the Hon'ble Appellate Tribunal for Electricity in Appeal No. 150/2010 for FY 2007-08.

ORDER

(Date of hearing : 09/04/2013)

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- 1. MP Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur
(East Discom)**
- 2. MP Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore
(West Discom)**
- 3. MP Madhya Kshetra Vidyut Vitaran Co. Ltd. Bhopal
(Central Discom)**

Petitioners

1. Shri Lokesh Malviya, AE (Comml.) appeared on behalf of East Discom. Shri Pavan Kumar Jain, ASE appeared on behalf of West Discom. Shri A.R. Verma, G.M. and Shri B.S. Khanooja, AGM (Comml.), have appeared on behalf of Central Discom.

2. Hon'ble APTEL had given directions to the Commission, in its order while deciding appeal no. 150/2010 that the Commission may assess the additional supply based on the additional hours of actual supply made to agriculture after scrutinising the records of the distribution licensees and the State Load Dispatch Centre or any other method that it may like to adopt.

3. During the hearing on 05.02.2013, the Commission observed that the data submitted by the petitioner in support of their claim of additional supply to un-metered agricultural consumers was grossly inadequate to lead to any conclusion. The only argument that appears to be decipherable is that the extra hours of supply during the rabi season should lead to pro-rata assessment over the bench marks prescribed by the Commission for the relevant months. The Commission gave another opportunity to the petitioners to present details in the next 45 days with directions that they establish their claim of sales in addition to the prescribed benchmarks with related data/ information/ evidence indicating feeder wise details of hours of supply vis-à-vis sale booked giving the methodology for arriving at such figures so that Commission could examine the prudence of such claim.

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4. During the hearing on 9.4.2013, the distribution companies did not submit any new relevant data or information or document or any other evidence which could establish their claim for quantum of additional supply to the agricultural un-metered consumers due to additional hours of supply. The distribution companies also did not submit the methodology adopted or working calculations made by them to arrive at the quantum of sale claimed in addition to the prescribed benchmarks.

5. The Commission finds the argument of sale in addition to the prescribed benchmarks unacceptable at this juncture, in the absence of submission of supporting data. Since the petitioners have booked additional sales to unmetered agricultural consumers they need to furnish the methodology of calculation based on monthly and daily details of 11 kV feeder-wise number of hours of supply. SLDC data alone in this regard cannot convince the Commission that each distribution feeder was indeed actively supplying electricity to unmetered (or, for that matter, metered) agricultural consumers for the entire duration that the EHT lines showed supply.

6. The Commission had already stated earlier that assessment of actual supply in excess of bench marks is a detailed exercise for which comprehensive data is required. This data should be read from duly recorded details of actual hours of supply on each feeder. In the absence of such data, the Commission would not be able to convince itself of the petitioners' contention.

7. Section 55 of the Electricity Act, 2003 provides a clear mandate for supply of electricity through a correct meter. There is hardly any metering in agricultural consumers' connections of the state. Taking a considerate view on the pleadings of the Distribution companies, the Commission had directed metering on the agricultural predominant distribution transformers so that the use by un-metered agricultural consumers could be fairly assessed. The Distribution companies, in spite of repeated directions have failed to achieve any significant progress nor have they submitted any proper analysis of duly authenticated consumption data of these DTRs meters which could lead to a fair assessment of consumption. The Commission observes that while the Distribution companies have failed to comply with the directions of the Electricity Act, 2003 with regard to metering, they have also not taken adequate steps to ensure that the alternate interim arrangement as directed by the Commission is implemented. Several meetings with the top management of the Distribution Companies in the past have failed to evoke reasonable results. The assurances given time and again by the Distribution Companies have not materialized. The segment of un-metered consumption is growing every year which is highly undesirable and is against the law. The

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notion that the Distribution companies are trying to book some portion of their distribution losses under the garb of sale to un-metered agricultural consumers appears to be a reality. This belief is further strengthened by the fact that the situation as of now i.e. in the year 2013 as compared to the period of this true up of 2007-08 has not changed substantially. Individual agricultural consumers are not being provided with meters nor is there appears to be any serious effort to install meters on the agricultural DTRs. In addition, it was observed during the ARR/ Tariff determination exercise for FY 2013-14 that there are about 17 lakh un-metered domestic consumers in the rural area. It appears that un-metered connections are being willfully allowed to continue. On one hand the Discoms claim additional supply to unmetered consumers on account of extra hours of supply while on the other they do not seem to be willing to provide meters on unmetered connections so that actual consumption gets recorded. Such a situation is detrimental to the interests of the honest paying consumers of the state as well as of the Distribution Companies themselves. The Commission is of the firm view that the consumers should not be made to pay for the inefficiencies of the Distribution Companies.

8. Under the circumstances explained in the preceding narration, the Commission is not convinced at this juncture of the claim of additional supply to un-metered agricultural consumers on account of extra hours of supply. The Commission would like to reiterate that such claim by the distribution companies needs to be elaborately supported by relevant data/information/ evidence as its consideration of such claim favourably is likely to affect the consumers in the state. In the event, keeping the interest of the consumers in the state, at large in mind, the Commission is in not a position to concede the petitioners claim at this time. The petitioners have failed to substantiate their claims to the satisfaction of the Commission.

9. The case cannot be allowed to pend indefinitely. The Commission has, therefore, decided to close it for now. If and when the petitioners can come up with enough data and evidence to corroborate their claim, the Commission would be willing to re-examine the issue. Such re-examination shall, necessarily, get reflected in the relevant year. For the year at hand, however, the matter is closed.

10. Ordered accordingly.

Sd/-
(Alok Gupta)
Member

Sd/-
(A.B. Bajpai)
Member

Sd/-
(Rakesh Sahni)
Chairman