



# Madhya Pradesh Electricity Regulatory Commission

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**Date: 24.8.2006**

**Subject : In the matter of withdrawal of applicability of fixed cost charges imposed on contract demand in place of actual maximum demand recorded per month for HV-2 and HV-6 Bulk Residential Users of NCL.**

**ORDER SHEET  
(Petition No. 32/06)**

Shri R.P.Singh, SE(E&M) and Shri Greeshm Jain, Advocate appear on behalf of Petitioner and submitted an additional submission. Shri O.S.Parihar, SE and Shri P.K.Jain, Addl.EE appear on behalf of M.P. Poorva Kshetra Vidyut Vitaran Co. Ltd., Jabalpur.

2. During the hearing on 24.8.2006, the representatives of the petitioner has pointed out that the transmission charges paid by the East Discom for the contract demand of the petitioner is less than the fixed charges paid by the petitioner to the Discom. Therefore, the fixed charges should be levied on billing demand or 75 % of contract demand whichever is more instead of on full contract demand. The petitioner has also stated that the average rate per unit works out to around Rs. 6.50 against average cost of supply of Rs. 3.49 per unit for FY06-07.

3. The Commission has reviewed the statements of the petitioner and noted that that the average rate per unit works out to around Rs. 5.42 instead of Rs.6.50, which is 55 % above the average cost of supply for FY06-07 and is charged as cross subsidy. The Commission directs that this statement does not constitute an error apparent as some of the categories of consumers have to be subsidized by other categories of consumers to make revenue balance. However, the percentage of cross subsidy shall be reduced gradually in terms of National Tariff Policy.

4. The Commission directs that the issue regarding determination of fixed charges for EHT consumers shall be discussed during the hearing on 29.8.06 along with other cases on the same issue and any general relief is given to EHT consumers shall also be passed on the petitioner.

5. With the above directions, this petition no. 32/06 stands closed.

**(R.Natarajan)  
Member(Econ.)**

**(D.Roybardhan)  
Member(Engg.)**

**(P.K. Mehrotra)  
Chairman**