



Madhya Pradesh Electricity Regulatory Commission

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Date of Issue

Sub: In the matter of review of tariff order dated 31.3.06

ORDER
(Petition No. 47/06)

None appears on behalf of the Petitioner, viz. Association of Industries, Dewas.

Shri O.S.Parihar, SE appears on behalf of M.P. Poorva Kshetra Vidyut Vitaran Co. Ltd., Jabalpur. Shri I on behalf of M.P. Pashchim Kshetra Vidyut Vitaran Co. Ltd., Indore. Shri R.C.Yadav, SE appears on behalf of M.P. M Vitaran Co. Ltd., Bhopal. The East and West Discom have submitted the written reply and requested not to consid petitioner. The Central Discom has not submitted the reply in writing.

2. The petitioner in its petition made following requests :--

- (a) Power factor incentive should be as per tariff order for FY05-06 for all categories.
- (b) No minimum charges should be imposed on load factor basis.
- (c) No minimum charges should be imposed on LT consumer except fixed charge as being charged.
- (d) Billing demand should be "minimum of 75% of C.D. or actual recorded Maximum Demand whichever is higher as
- (e) Whenever there is change in tariff philosophy, consumer should be allowed to reduce or increase their contract de their economy without condition of minimum of 2 years.
- (f) Load factor incentive should be started for consumer maintaining load factor more than 50%.

3. The Commission, after going through the points raised in the petition and after hearing the respondents have c that the petitioner could not substantiate that there was an error apparent from the records but were relying on th been put to hardship because of its tariff order. This contention of the petitioner does not warrant a review of the ta Commission decides to close the petition.

Sd/-
(R.Natarajan)
Member(Eco.)

Sd/-
(P.K. Mehrotra)
Chairman

Dissenting View of Member (Engg.)

4. In the instant petition, the issue regarding inclusion of billing demand clause needs due consid apparent error as pointed out by them. On the above issue my views are as follows:

(i) In the Tariff Order dated 31.3.2006 the fixed cost has been indicated 100% of Contract Demand. The HT cons and requested for review on various technical and commercial grounds. It is mentioned in the Regulations ar 31.3.2006 that fixed cost shall be linked to full contract demand (for HT and LT consumers). The plea of the pet a inherent meaning of using the word "linked" i.e. it may be some percentage of full contract demand i.e. (billing actual MD reading whichever is more. In the past the minimum billing used to be 75% of contract demand since decades. In the other states also the billing demands are ranging between 75% to 85%. This is the first time that i the demand has been directly linked 100% of contract demand which has been protested by the petitioner and othe tariff consumers on the following reasons:

(a) There must be some flexibility for operation of the machines which can never operate at100% the time. Technically, it is a fact whenever the supply voltage is poor the motor draws more current to meet the i power and due to this there is incremental losses in the cable and motors windings and this causes recording of there must be a flexibility in operation below full contract demand and therefore the plea of the petitioner that in contract demand it should be linked to certain percentage of demand. In my opinion, Commission should reconsi technical ground and may decide to reduce the billing on full contract demand to say 85% of Contract Deman Demand recorded whichever is more.

(b) In most of the States, the Regulatory Commissions are not incorporating billing on full contract den

(c) Contracted load of EHV lines of the Board for payment of capacity charges is limited to 6130 MW v handles the power to the extent of 9200 MW of connected/contracted load and therefore billing on full contracted l recovery.

(d) During the hearing it is brought to notice that if billing on 100% contract demand is followed the tendency to reduce the contract demand and the net effect is that apparently load factor will increase without an consumption and in consequence the consumer will be entitled for claiming load factor concession benefit which licensees. This also appears to be an error apparent if the billing demand is linked to 100% contract demand.

(e) The representative of the Licensees have taken the stand that if billing of full contract demand is al to certain percentage of contract demand (i.e. billing demand) they are likely to loss revenue. Incidentally, it may Tariff Order dated 31.3.2006 nowhere it has been shown that the revenue accrual is based on full contract demand.

(f) As stated above linking of fixed cost to full contract demand is error apparent and needs reviev demand in a range between 75% to 85% as may be decided.

(g) This issue cannot be decided at a later stage during the examination of next Tariff Order by way of be most impossible task for the Commission to decide the individual cases. Therefore, we may clearly spelt or apparent on account of this issue in the Tariff Order and the Discom may re-calculate the demand charges on percentage of contract demand as would be decided by the Commission.

(h) As stated above, in my opinion this is the case of error apparent and amendment order extent of 85% of Contract Demand or actual Maximum Demand whichever is higher from the date of the tariff order. Incidentally similar amendments were already done on number of issues after the detail tariff order was issued.

(i) Further, the licensees in their tariff proposals have asked for fixed charges to be billed at 75 % of maximum demand, whichever is more. They have, however, not asked for fixed charges to be billed for full contract

(ii) In nutshell we may consider fixed cost of 85% of contract demand or recorded maximum demand from the date of tariff order i.e. 31.3.2006. As far as other issues raised by the petitioner as brought out in para 2 cannot be considered as error apparent and have no merit for review.

Sd/-

(D.Roybardhan)
Member (Engg.)

ORDER

In terms of Section 92(3) (3&4) of the Electricity Act, 2003 (Act 36 of 2003), the majority view of Shri P.K and Shri R. Natarajan, Member (Econ.), will be the order of the Commission.

This order is signed, dated and issued by the Madhya Pradesh Electricity Regulatory Commission on 3rd Feb

Date: 3.2.2007
Place: Bhopal

Sd/-
(R.Natarajan)
Member(Eco.)

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

Sd/-
(P.K. Mehrotra)
Chairman