

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION,**  
**BHOPAL**

Date of order : 10<sup>th</sup> November, 2009

**Sub: In the matter of period of temporary connections to Agricultural consumers.**

**Order**

**(Date of Hearing 30.10.2009)**

M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal (Central Discom)	Petitioner
M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore (West Discom)	Co-Petitioner
M.P. Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur (East Discom)	Co-Petitioner

Shri A.R. Verma, S.E.(Comml.) appeared on behalf of the petitioner, M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal. P. K. Singh, SE (Comm.) appeared on behalf of Co-Petitioner, M.P. Poorv Kshetra V.V. Co. Ltd., Jabalpur, Shri S.S. Tripathi, Addl. SE(Comml.) and Shri K.S. Vyas, Advisor appeared on behalf the co-petitioner, M.P. Paschim Kshetra V.V. Co. Ltd., Indore, Shri Ravidutt Singh, Kshetriya mantri, Bhartiya Kisan Sangh, Rewa, Shri Sandeep Shrivastava, Prachar Prasar Pramukh, Bhartiya Kisan Sangh, Bhopal, Shri Devnarayan Patel, President , Bhartiya Kisan Sangh, Bhopal, Shri Harish D. Kasrekar, Up Sachiv, Bhartiya Kisan Sangh, Bhopal and Shri Arjun Singh Bhugweg, Bhartiya Kisan Sangh, Sehore appeared on behalf of Respondents.

The petitioner M.P. Madhya Kshetra V.V. Co. Ltd., Bhopal has filed a petition seeking review of Retail Supply Tariff Order for 2009-10 in Tariff Schedule LV-5 under Terms and Conditions at Clause 3.5.1. The clause provides that ***“Consumer opting for temporary supply shall have to pay the charges in advance for two months subject to replenishment from time to time for extended period and adjustment as per final bill after disconnection.....”*** The petitioner has requested that they may be allowed to recover advance for three months instead of two months as provided for in the Tariff Order. The Co-petitioners, M.P. Paschim Kshetra V.V. Co. Ltd. and M.P. Poorv Kshetra V.V. Co. Ltd. have also made submissions in line with the petitioner. The M.P. Poorv Kshetra V. V. Co. Ltd.,

however, has requested that the condition with regard to temporary connection for the purpose of threshing the crops may not be amended.

During the course of hearing on 13<sup>th</sup> Oct., 09, the representatives on behalf of the petitioner and co-petitioners submitted that normally the use of supply by the agricultural consumers during the season is for at least three months and once the advance of two months is recovered, it is difficult to monitor or physically approach the cultivator again for recovering the advance for extended period of such temporary connections. Under the circumstances, such cultivators continue to avail the electricity for a period more than the period for which the advance has been deposited. The difficulty is further compounded by the fact that the petitioner and co-petitioners are facing acute shortage of manpower and other resources to approach the cultivators spread across the State, in rural far flung areas. The petitioner and co-petitioners, therefore, requested that they may be permitted to recover advance against estimated energy consumption for three months, however, the consumers may be continued to be permitted to avail connection for a period of one month, which can be subsequently extended, if required against the three month's advance deposit. In case the period of temporary connection is actually availed for a period of less than three months and the refund to such consumers become due, prompt action will be taken to make refund in such cases. A suitable mechanism will be devised to monitor such cases and the Commission shall be informed. Since the petition involve review of tariff order, the Commission directed to invite the comments of stakeholders by issuing a public notice and to conduct a public hearing.

Accordingly, a public notice was issued in the newspapers and the public hearing was scheduled on 30<sup>th</sup> Oct., 2009. The public hearing was held on 30<sup>th</sup> Oct., 2009 in the Office of the Commission and the petitioner, co-petitioners made their submission and the respondents made their submissions on behalf of the consumers. During the course of public hearing, the petitioner and co-petitioner again reiterated the views expressed by them in their submissions and also during the hearing on 13<sup>th</sup> Oct., 09 that the Rabi Season lasts for about 3 to4 months and thereafter the temporary connections are also required for threshing purposes. However, the acute shortage of resources including the shortage of manpower does not allow them to approach the cultivators more than once during the Rabi Season. Under the circumstances, most of such temporary agricultural pump connections continue to avail supply even after the period of two months of the connection is over. They may therefore be permitted to recover advance against three months estimated consumption bill as per the prevailing tariff instead of two months.

The Respondents on behalf of the agriculture consumers submitted that the supply for agricultural use is provided hardly 6-7 hours per day. There are predominant tribal areas in Indore and Ujjain Commissionaries under Jhabua, Khargone, Badwani, Khandwa, Burhanpur, Dewas and Dhar Districts where the cultivable area is very less and most of the farmers are marginal farmers. They are dependent on dugwells to meet the requirement of irrigating the crops. The crop that is sowed is of the type that requires watering at the most for 60 days. Generally the crop of wheat and gram is taken during the Rabi Season which requires power supply for less than 2 months. The cultivators of East and West Nimad area take the cotton crop which also requires electricity supply for less than 2 months. In view of this, the present provisions of the tariff to recover advance for two months only are in order and should not be changed. Moreover, it is the duty of the Distribution Company to check the connections, if they are availing power for a period which is more than the period of the temporary connection and take suitable action in such cases. During the course of the hearing, it was also submitted by the respondents that the Distribution Companies are insisting to release the connections for a load of 5Hp only and accordingly they are charging the advance payment even if the load is less than 5 HP. In case, the consumers insist for a connection for a load less than 5 HP, physical verification is insisted upon by the Distribution Company due to which the release of connections is delayed.

The issue of providing tariff rebates to such cultivators who use efficient motors, PVC pipe, footvalve and Capacitor have not been propagated adequately by the Distribution Companies and since the farmers are not aware of such provisions they are not able avail such rebates. Another issue that was raised by the respondents was that the refund in case of temporary pump connections is inordinately delayed and there is no clear-cut/laid down procedure for making refund once the connection is over.

Replying to the issues raised by the respondents, the representatives on behalf of the petitioners emphasized that generally during the rabi season, the wheat crop is taken and some of the cultivators take mixed crop of wheat and gram which generally require supply for a period of 3to 4 months. It would be therefore appropriate to recover the advance against the energy consumption for three months at least, if not more. This will not only be reasonable approach but at the same time would also avoid inconvenience to the farmers who wish to avail supply for a period of more than two months as they would not be required to approach the Distribution Centers of licensee leaving their fields in the midst of their busy seasonal activities. The request is not to increase the period of connection from existing level of one month

but to increase the duration of period of advance, which is refundable in case the connection is surrendered before the amount of advance is fully adjusted against the bill. The petitioner and co-petitioner further replied that they are not insisting to avail temporary agricultural pump connections for a minimum load of 5 HP, however, they are ensuring the physical verification of the load, as is the requirement for release of connections. They further informed that there are areas in the jurisdiction of their Company where the load of pumps is of the order of 3 HP or even less for which they have been releasing temporary agricultural pump connection and therefore the allegation that the Distribution Companies are not releasing pump connections for a load of less than 5 HP is not well placed. As regards, propagating the tariff rebates, the Distribution Companies stated that they are ready to provide tariff rebates, if the associated conditions i.e. use of energy efficient equipments are fulfilled and rebates are claimed by such users.

On the issue of delay in refund of balance amount against the advance charges paid by the cultivators, the petitioner and co-petitioner expressed that there could be some difficulties on the ground level. They assured to the Commission that they would devise suitable mechanism to ensure that those cultivators who are found actually not using the connection, the company will ensure prompt disconnection and ensure prompt refund of the balance amount.

The Commission considered the submissions made both by the petitioner, co-petitioner and the respondents in the matter. It is observed that the financial health of the Distribution Companies is deteriorating. In fact the Distribution Companies are faced with a severe financial crisis. They have not been able to procure additional resources for efficiently monitoring various field activities. The ground reality is that the appointment of employees is on hold since past almost two decades while the size of network, number of consumers and expectations of the consumers with regard to quality and quantity of supply have been ever growing. Under the circumstances, the imminent option is to optimize the use of resources available to the Discoms. Another fact is that, the demand for power during the Rabi Season is increasing every year, leading to the inference that use of power for agricultural activities is becoming more intensive. Due to inadequacy of resources, it is difficult to physically check over drawing of power in individual cases, where the consumer is using power beyond the permitted period (about 7 lac temporary agricultural connections are released every year in the State). A substantial portion of power supplied during the rabi season remains unaccounted for due to this reason. Such unaccounted portion of power supply is thereby attributed to the losses. It is necessary to restrict this trend by

ensuring that the Distribution Companies get their due and simultaneously protecting the interests of the genuine consumers.

The Commission is of the opinion that use of power by the agricultural connections during the Rabi Season is generally for a period of 3 to 4 months. However, there could be cases where the actual use is for a lesser period. Therefore, the interests of such consumers also need to be properly protected.

In view of the foregoing and after considering all the relevant facts keeping in mind the ground realities, the Commission has decided that the agricultural pump consumers requesting for temporary pump connections be continued to be allowed to avail such connections for a period of one month only, however, the advance against the estimated energy consumption for three months would be recoverable. In case, the actual use of the supply is for a period lesser than three months say one month or two months, the balance amount against the advance of three months deposited by the agricultural consumers, shall be refunded to such cultivators.

***The Commission, therefore, directs the Distribution Licensees as follows:-***

- (i) The agricultural consumers can avail temporary pump connection for a period of one month or two months only, if he so desires subject to payment of advance against estimated energy consumption of three months.***
- (ii) The agricultural consumers should not be unnecessarily insisted upon to avail the connections for a particular load and the connections should be released for the loads as requested. The licensee may carry out due verification of load before release of connections, however, there should not be any undue delay in release of connections on this account.***
- (iii) On application of the consumer for disconnection which should be duly acknowledged by a dated receipt, the Distribution Licensee shall ensure disconnection within 7 days of receipt of application. If the temporary pump connection is availed for a period less than 3 months, the licensee shall arrange to refund the balance amount due against the advance deposited within a period of 30 days from the date of receipt of application for disconnection in the Licensee's concerned offices.***

- (iv) *Failure to make refund in 30 days from the date of application made for refund shall attract an interest payable to the consumer @ 1.5% per month or part thereof on the entire amount of refund due from the date of deposit of advance till the refund is actually made.*
- (v) *To submit the information with regard to refund cases in case of temporary pump connections for agriculture purposes on a monthly basis to the Commission in the format prescribed at Annexure-1. Information for the month of Nov., 2009 should be submitted by 15<sup>th</sup> December, 2009 and so on for subsequent months till March, 2010.*

Ordered accordingly.

**(C.S. Sharma)**  
**Member (Economics)**

**(K.K. Garg)**  
**Member (Engg.)**

**(Dr. J.L. Bose)**  
**Chairman**

**Annexure-1**

**STATUS OF REFUND AGAINST THE ADVANCE FOR AGRICULTURAL  
TEMPORARY PUMP CONNECTIONS**

Name of Distribution Company \_\_\_\_\_ Reporting Month \_\_\_\_\_

<b>Load of Pump</b>	<b>No. of temporary agricultural pump connections availed till the end of the reporting month</b>	<b>No. of temporary agricultural pump consumers who applied for refund</b>	<b>No. of temporary agricultural pump consumers to whom the refund was due and has been made within 30 days of application</b>	<b>No. of temporary agricultural pump consumers applied for refund but were found using supply beyond the period of use as stated in their application</b>	<b>No. of temporary agricultural pump connections where refund was due but could not be made within 30 days of application</b>	<b>No. of temporary agricultural pump connections where refund was due but could not be made within 60 days of application .</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
(a) Upto 3HP (b) 5HP (c) More than 5 HP						