



Madhya Pradesh Electricity Regulatory Commission

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Sub: In the matter of clarification for billing purpose for implementation of the tariff order dated 10.12.2004 issued by MPERC-issue related to LT two part tariff.

ORDER **Suo Motu Petition No. 32/2005**

This case relates to billing of fixed charges in respect of LT two part demand based tariff and for clarification for implementation of tariff order dated 10.12.2004.

2. Various consumer associations/consumers have made representations against billing to LT industrial consumers under two part tariff. Following are the issues on which clarification/revision was sought:

- Basis of conversion of M.D. in KW to M.D. in KVA is not correct.
- Whether consumers opted for demand based tariff earlier can again shift to normal tariff on request of consumer.
- Can consumer opting demand based tariff increase its connected load to 150 HP with increase or without increase in contract demand.
- Since the agreement in respect of demand based tariff is executed on the basis of contract demand then connected load has no relevance.
- The increase in demand charges is almost 200 % whereas it was argued by MPSEB that increase is 10-12 % only.

3. The Commission had considered the issues and registered a Suo Motu petition no. 32/2005. The Board and consumer representatives were heard on 15.3.2005, 21.3.2005 and 12.4.2005 to get their views in the matter. However, the Board had not yet submitted any comment in writing.

4. The Commission therefore considered the matter and issues the following directions to the Board on each point :

(a) Basis of conversion of M.D. in KW to M.D. in KVA is not correct.

As per clause (k) (page 234 of tariff order dated 10.12.2004) of other terms and conditions under tariff schedule LV-4 for LT industrial consumers,

For the purpose of Tariff mentioned in 4.2, the maximum demand of the consumer in each month shall be four times the largest amount of **kilovolt ampere hours** delivered at the point of supply of the consumer during any consecutive fifteen minutes in that month.

As the meter is only recording largest amount of **kilowatt hours** delivered at the point of supply of the consumer during any consecutive fifteen minutes in that month and the meter is not recording/displaying power factor at that instance, due to which the computation of maximum demand in KVA at that particular instance based on average power factor during any month may not be correct. The average power factor in LT industries usually remains lower and therefore the maximum demand in KVA computed on the basis of aforesaid procedure (KW / average power factor) may not be reasonable.

The clarification regarding computation of billing demand in KVA was issued vide this office no. 134 dated 14.1.2005 stating that existing meters are also recording power factor and as such KVA demand can be calculated accordingly. However, the power factor recorded is the average power factor, therefore computation of demand on this basis is not correct.

Further, the Board was also directed to submit necessary schedule for replacement of meters with facility of recording maximum demand in KVA, but the reply is still awaited.

The Commission therefore directs that the fixed charges for consumers opting demand based tariff may be billed at the rate of Rs. 375 per kilowatt of maximum demand instead of Rs. 300 per KVA of maximum demand till the existing meters are replaced by meters having facility of recording MD in KVA. This shall be applicable with effect from the date of applicability of tariff order dated 10.12.2004.

(b) Whether consumers opted for demand based tariff earlier can again shift to normal tariff on request of consumer.

The Commission directs that the consumer shall be allowed change the option of tariff only once during the period tariff order is in vogue subject to execution of supplementary agreement for change of tariff.

(c) Can consumer opting demand based tariff increase its connected load to 150 HP with increase or without increase in contract demand.

The Commission directs that the existing LT consumer with connected load up to 100 HP be not allowed to increase their connected load for more than 100 HP on LT. The tariff for more than 100 HP & up to 150 HP is fixed only for those existing LT industrial consumers having connected load of more than 100 HP who could not be converted to HT connections in the past.

(d) Since the agreement in respect of demand based tariff is executed on the basis of contract demand the connected load has no relevance.

The Commission directs that the consumer should restrict connected load up to 100 HP in case demand based tariff opted. However, the consumer has to indicate connected load in the agreement executed with MPSEB.

(e) The increase in demand charges is almost 200 % whereas it was argued by MPSEB that increase is 10-12 % only.

The Commission clarifies that the fixed charges have been increased whereas energy charges have been reduced. Therefore, the consumer's contention is not correct.

5. Ordered accordingly._

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(R.Natarajan)
Member (Econ.)

(D.Roybardhan)
Member(Engg.)

(P.K.Mehrotra)
Chairman

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