

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL**

**Sub : In the matter of misinterpretation of tariff order passed by the Commission and thereby incorrect bills raised by MP Poorv Kshetra Vidyut Vitaran Co. Ltd. on M/s BLA Power Pvt. Ltd. towards start-up power connection for the months of April 2012 and May 2012.**

**Petition No. 53/2012**

**ORDER**

**(Date of hearing 10<sup>th</sup> July, 2012)**

**(Date of order 13<sup>th</sup> July, 2012)**

M/s BLA Power Pvt. Ltd.,  
84, Maker Chambers III,  
Nariman Point, Mumbai – 400021. - Petitioner

V/s

M.P.Poorv Kshetra Vidyut Vitaran Co. Ltd.,  
Shakti Bhawan, Rampur, Jabalpur - 482008. - Respondent

Shri D.B.Madan, Advisor, Shri Neil Heildreth, Advocate and Shri Pratik, Sr. Manager (Finance) appeared on behalf of Petitioner.

Smt. S.Dixit, EE appeared on behalf of Respondent.

2. The Petitioner M/s BLA Power Pvt. Ltd. has filed this petition in the matter of misinterpretation of tariff order passed by the Commission and raising of incorrect bills by MP Poorv Kshetra Vidyut Vitaran Co. Ltd. on M/s BLA Power Pvt. Ltd. towards start-up power connection for the months of April 2012 and May 2012.

3. The petitioner is an independent power producer whose thermal power plant (Unit-1 of 45 MW) was commissioned on 03.04.2012. The petitioner approached the respondent East Discom for start-up power of 6000 KVA at 132 KV on 21.06.2011 which was sanctioned by the respondent. An agreement for the same was executed on 17.11.2011. The petitioner started drawing start-up power w.e.f. 03.04.2012. The respondent issued bills for the month of April and May, 2012 directing the petitioner to make payment by 25.06.2012. The petitioner protested against the incorrect and abnormal billing method adopted by the respondent for issuing bills contrary to the agreement and tariff order. Aggrieved by the response given by the respondent, the

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petitioner had submitted a representation before the Commission vide letter dated 28.06.2012. The Commission after considering the representation directed the petitioner to file a petition in the matter.

4. The petitioner has, accordingly, filed this petition with the following prayer:

- (a) Set aside and / or quash the bills dated 05.05.2012 and 05.06.2012, including the letter dated 27.06.2012 demanding payment of money in terms of the above illegal bills.
- (b) Direct the respondent to comply with the terms of the tariff order dated 31.03.2012 and revise/reissue fresh bills for the period April to May 2012 and raise future bills towards start-up power consumption by the petitioner in the manner provided in Annexure P-XII of the petition.
- (c) Direct the respondent to refund the petitioner an amount of Rs. 8,31,735/- illegally collected by the respondent for the month of April, 2012.
- (d) Clarify that the respondent cannot discriminate between generators for supply of start-up power and that the exemption granted to other generators in the State should be made available to the petitioners.
- (e) Any other further relief as may be deemed appropriate by the Commission.

5. The petitioner also requested the Commission to take up the matter on or before 03.07.2012 for grant of interim relief as there is a threat of disconnection of supply in terms of the letter dated 27.06.2012 issued by the respondent.

6. The case was listed for motion hearing on 03.07.2012.

7. During the motion hearing, the petitioner reiterated the contents of the petition and requested the Commission to direct the respondent that recovery on account of

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bills issued with effect from the date of connection for start-up may not be insisted upon till disposal of this petition. The petitioner also requested the Commission to direct the respondent not to disconnect the supply.

8. The Commission admitted the petition and directed that the respondent shall not take any coercive action to recover the impugned bills issued towards start-up power till disposal of this matter by the Commission. The Commission also directed that the respondent shall not disconnect the supply on account of non-payment of amount of aforesaid bills till disposal of this case.

9. The Commission further directed that the case be listed for hearing on 10.07.2012 and issue of notice to the respondent. Accordingly, the case was listed for hearing on 10.07.2012.

10. During the hearing on 10.07.2012, the representative of the petitioner reiterated the contents of the petition and submitted that the fixed charges have to be levied *prorata* as and when power is drawn and not on a full monthly basis.

11. During the hearing, the representative of respondent submitted that the start-up connection was treated as temporary connection on each occasion because the word 'occasion' is not defined in the Retail Supply Tariff Order.

12. On hearing the petitioner and the respondent, the Commission is of the view that the provisions of Clause 1.28 of the retail supply tariff order for FY 2012-13 have not been correctly applied by the Licensee. The demand charges are prescribed for an entire billing period and cannot be claimed for each of the several draws during that billing period. As the tariff order provides that for synchronization or start up power to generators already connected to grid, demand charges are to be billed for each occasion, the demand charges prescribed for billing period will have to be pro-rated for

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the period the said demand was availed. For this purpose, the prescribed demand charges should be multiplied by demand availed and the hours (to be rounded off to next higher integer) for which the demand was availed and then divided by total hours in that month. This should be done for each occasion the start-up power is availed and sum total of such demand charges should be claimed as demand charges for the billing period. However, the total energy recorded as consumed during the billing period may be billed as per retail supply tariff order. This clarification shall take effect from the date of effect of tariff order i.e. 10.04.2012. The bills raised thereafter be revised according to abovesaid clarification. A copy of this order be also served on other two distribution companies for compliance.

13. With the above directions, the Petition No. 53 of 2012 stands disposed of.

Ordered accordingly,

sd/-  
**(C.S.Sharma)**  
**Member**

sd/-  
**(Rakesh Sahni)**  
**Chairman**