

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

PETITION NO. 1829 OF 2019

In the matter of:

Petition under section 45, 46, 86 and other applicable provisions of the Electricity Act, 2003 read with the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charge) Regulations, 2005 for approval of levy of per kVA based charges from applicant toward expenditure to be incurred by Distribution Licensee for development of electrical network for providing power supply at 11kV/22kV voltage level to new HT connection/additional demand.

Petitioner	:	Gujarat Urja Vikas Nigam Ltd (GUVNL)
Represented by	:	Shri K.P. Jangid and Ms. Samina Mohinuddin
Co-Petitioner No. 1	:	Madhya Gujarat Vij Company Limited
Represented by	:	Shri A.V. Saxena
Co-Petitioner No. 2	:	Uttar Gujarat Vij Company Limited
Represented by	:	Nobody was present
Co-Petitioner No. 3	:	Paschim Gujarat Vij Company Limited
Represented by	:	Shri J.J. Gandhi
Co-Petitioner No. 4	:	Dakshin Gujarat Vij Company Limited
Represented by	:	Shri J.S. Kedaria

CORAM:

**Shri Anand Kumar, Chairman
Shri P.J. Thakkar, Member**

Date: 16/12/2019

DAILY ORDER

1. The matter was kept for hearing on 09.12.2019.
2. Shri K.P. Jangid, on behalf of Gujarat Urja Vikas Nigam Limited (GUVNL) (hereinafter referred to as "the Petitioner"), submitted that the present petition has been filed by the Petitioner under Section 45, 46, 86 and other applicable provisions of the Electricity Act,

2003 read with the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charge) Regulations, 2005 for approval of levy of per kVA based charges from applicant toward expenditure to be incurred by Distribution Licensee for providing power supply at 11 kV / 22 kV voltage level for new HT connection / additional demand.

- 2.1. The Petitioner submitted that in respect of Low Tension (LT) new electricity connection / load extension, the Regulations (Notification No. 9 of 2005) provides that Distribution Licensee may dispense with recovery of expenditure on per kW basis. Accordingly, State owned Distribution Licensees have already adopted per kW based estimate for new LT connection/load extension with effect from 01.01.2011 as per the terms and per kW charges approved by the Commission from time to time.
- 2.2. Further, the Petitioner submitted that in respect of applications for new High Tension (HT) and Extra High Tension (EHT) connection / load extension, the applicable regulation for recovery of expenditure incurred by Distribution Licensee is Regulation 5 of the GERC (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) Regulations, 2005, which reads as under:

“

CHAPTER – V

5. PROVISION FOR HIGH TENSION / EXTRA HIGH TENSION SUPPLY

- (i) *In case of applications where there is a need to erect a new HT line or EHT line from the sub station or extend the existing HT or EHT line or strengthening of existing HT or EHT line in order to extend supply to the applicants, the Distribution Licensee, on its own in case of HT, and in coordination with Transmission Licensee in case of EHT, shall prepare an estimate of the cost of aforementioned work including the cost of terminal and metering arrangements at the premises of the consumer, but not including the cost of meter. Such estimate shall be based on the latest cost data as published by the Distribution Licensee and/or Transmission Licensee.*
- (ii) *In case of applications where there is a need to erect a new sub-station for extending supply to the applicant, the Distribution Licensee, on its own or in co-ordination with Transmission Licensee, shall prepare an estimate of the cost of the necessary works in the same way as indicated in subclause 4.2 (i) above. In cases of applications when the capacity of existing substation is required to be augmented, the differential cost of existing and new such electrical plant will form the basis of calculation of pro-rata charges. The estimate of the cost of such substation shall be based on the latest cost data as published by the Distribution Licensee and/or the Transmission Licensee.”*

It is submitted that in terms of the provisions of the above Regulations, the State owned distribution licensees are recovering charges for new HT/EHT connection/load extension based on actual expenditure incurred at prevailing cost data.

- 2.3. The Petitioner submitted that as per the present provisions of the regulations, the amount of estimate for new HT Connection/Load Extension is governed by two major factors namely (a) Location of Power Supply to be catered with respect to existing feeder or sub-station and (b) Balance load catering capacity available in such existing nearby feeders/sub-station against the new/additional demand sought for. This is resulting into major variations in the estimate amount to be recovered from HT/applicant for new connection/additional load and also leads to wide variability and non-uniformity in the estimate charges.

Moreover, various consumer groups / applicants have been representing to rationalise and bring uniformity in the charges to be recovered by Distribution Licensees from an applicant for new HT connections/load extension.

The major variation in estimate amount specifically when new feeder is to be erected at the cost of single / few applicants, is creating sense of injustice in the mind of such applicants and also leading to conflict amongst consumers and DISCOM's officials.

- 2.4. The Petitioner also submitted that in order to provide power supply in time bound manner as a part of "Ease of doing business" and at the same time to ensure simplicity, uniformity and acceptability in the estimate charges, it is suggested for per kVA based estimate charges for new HT connection/load extension instead of present norms of recovery of charges on the basis of actual expenditure incurred by the Distribution Licensee.
- 2.5. It is submitted that as per existing provisions for recovery of charges from HT/EHT applicant, it lead to the following issues:
- a) The applicant has applied for comparatively smaller power demand and at the same time, it is not feasible to cater such power demand from existing HT feeder either due to applicant's point of supply is too far from existing feeder/substation or due to non-availability of balance capacity in the existing nearby feeder. This necessitates to erect new feeder having more length to cater even such small demand resulting into disproportionate estimate amount to be paid by HT /applicant.
 - b) In contrast, there could be another extreme situation wherein it is feasible to cater comparatively larger power demand from nearby existing feeder/electrical network by virtue of point of supply in near vicinity to the existing network having adequate spare capacity to cater the larger demand sought for. Under such scenario, large demand can be catered by erecting only a small length of Tertiary line from nearby network. This would lead to comparatively a small amount estimate to cater a large demand.

- c) In another situation, a consumer has obtained a new connection or additional power demand by paying huge cost of new feeder as first applicant. Since, new feeders/network is erected at the cost borne by first applicant, the subsequent applicants can be catered on this feeder with nominal charges till full load capacity of feeder is achieved. After that, if the same consumer (first applicant) demands for additional load and there is no feasibility to cater from existing feeder, in that case the consumer (first applicant) will once again end up with payment of significantly higher charges towards network erection expenditure.
- 2.6. Based on above, the Petitioner has submitted that the expenditure for HT connection shall be reconsidered based on above regulations. The calculation of the expenditure to be recovered from the HT consumer shall be based on normative feeder cost and load catering capacity of 4000 kVA with fulfilment of necessary technical requirements.
- 2.7. The Petitioner has proposed the methodology to work out charges to be recovered on Rs. per kVA basis from the prospective applicants seeking new demand / load extension at HT level as under:
- For determination of per kVA based charges, maximum allowable feeder length considering feeder capacity and permissible HTVR is worked out. Based on permissible feeder length, normative cost of 11 kV / 22 kV feeder is worked out taking into consideration the cost of all possible components of a feeder excluding cost towards Railway Crossing and Highway Crossing for which recovery shall be based on actual expenditure incurred for crossing work. The total normative cost of feeder with allowable feeder length divided by total permissible kVA load that can be catered from such feeder shall be the basis for recovery of per kVA charges irrespective of actual expenditure involved/incurred.
 - For determining permissible feeder length, maximum permissible % HTVR is considered at -9% as per GERC (Standard of Performance of Distribution Licensee) Regulations, 2005. Maximum feeder capacity to be considered is 4000 kVA in case of 11 kV feeder and 8000 kVA in case of 22 kV feeder as per GERC (Electricity Supply Code and Related Matters) Regulations, 2015. For working of normative feeder cost, all components of feeder including Support Pole / underground cable, VCB, indoor and outdoor cable termination kit, feeder gentry with cross boundary protection, guarding, tapping, CTPT structure with CTPT and TVM etc. are to be taken into consideration.
 - Considering % HT VR and maximum current capacity of given conductor, the length of the feeder work out the feeder cost may be taken 5.5 km with 100 Sq. mm Dog conductor in case of overhead line and 14.5 km with 240 Sq. mm XLPE Cable in case of underground line.
- 2.8. The Petitioner has prayed as under:

- a) To allow recovery of per kVA based estimate charges for release of new HT connection/load extension.
 - b) To approve the methodology for determination of per kVA based estimate charges for new HT connection/load extension, as mentioned in the present petition.
 - c) To decide recovery of per kVA rate of Rs. 2000 per kVA for release of new HT Connection / load extension within 11 kV / 22 kV up to 5.5 km overhead network and Rs. 12,960 per kVA for release of new HT connection / load extension with 11 kV / 22 kV up to 14.5 km underground network.
 - d) To continue recovery of actual expenditure in case of (i) overhead network above 5.5 km, (ii) underground network above 14.5 km, (iii) railway crossing and (iv) highway crossing over and above the per kVA rate.
 - e) To allow for revision in per kVA based estimate charges every year based on current year standard cost data of DISCOMs prevailing in the month of March for its applicability of ensuring year.
3. During the course of hearing, the Petitioner argued that for implementing the proposed methodology of the per kVA charges towards new HT connection / load extension in place of existing methodology of recovering actual expenditure, an amendment in the GERC (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) Regulations, 2005 is required and the Petitioner requested that the same is to be taken up by the Commission.
4. During the hearing, Shri Chetan Bundela, on behalf of the Torrent Power Limited (TPL), submitted that it has taken up this matter during the State Advisory Committee meeting during the previous year. He further submitted that TPL has submitted a report on Study on per kW charges for HT connection and TPL would also like to implement the same as per their present costing.

Further, TPL submitted that the per kW charges in its case is different than that of GUVNL due to different nature of network and distribution system which is mostly the underground cable network.

5. We have considered the submission made by the parties. By way of present petition the Petitioner is seeking amendment to the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 and uniform per kVA charges from applicant toward expenditure to be incurred by Distribution Licensee for development of network for providing power supply at 11 kV / 22 kV voltage level to new HT connection / additional demand.
- 5.1. Section 45 (Power to recover charges) of the Electricity Act, 2003 provides for tariff as may be determined by the Commission from time to time.

Section 46 of the Electricity Act, 2003 provides as under:

Section 46. (Power to recover expenditure):

The State Commission may, by regulations, authorise a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.”

Further, Regulation 22 of the GERC (Distribution Licence) Regulations, 2005 has provision as mentioned below:

“22. Power to recover expenditure

The Distribution Licensee may charge from a person requiring a supply of electricity in pursuance of Regulation 21 above, any expenses reasonably incurred and approved by the Commission, in providing any electric line or electrical plant used for the purpose of giving that supply.”

- 5.2. Since, Regulation 5 of the GERC (Licensee’s Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 provide to recover actual expenditure for providing high tension supply to a consumer by a Distribution Licensee, an amendment in the said Regulations is required for enabling the necessary changes in the methodology of recovering expenditure for new HT connection / load extension applications by a Distribution Licensee.
- 5.3. Moreover, various consumer groups / applicants have been representing before the Commission to rationalise and bring uniformity in the charges to be recovered by Distribution Licensees for new HT connections / load extension.
- 5.4. Keeping in view the intent of the petition which is in the interest of consumers at large and will ensure simplicity, uniformity and acceptability in the estimate charges, the petition is admitted.

With regard to the prayer of the Petitioner for implementing per kVA charges for new HT connections / load extension, an amendment in GERC (Licensee’s Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 shall be required. The staff of the Commission is directed to initiate the process of amending the relevant provisions, in line with provision for LT consumers, which shall be finalised as may be required, after due consultation. Further, the staff of the Commission is directed to prepare and publish the Draft Amendment in the newspapers and upload it on Commission’s website for inviting objections / suggestions from the stakeholders and take further course of action as may be required.

- 5.5. In order to take a final view in the present matter, it is necessary to issue a public notice and invite objections / suggestions from all the stakeholders in the present matter. We, therefore, decide and direct the Petitioner to issue a public notice in two daily Gujarati Newspapers and one English Newspaper having wide circulation in the State of Gujarat stating that they have filed Petition No. 1829 of 2019 before the Commission. The Petitioner is also directed to upload the present petition with all the documents on its website and invite comments and suggestions from the stakeholders on affidavit within 30 days from the date of issuance of public notice. The Petitioner shall also state in the public notice that the stakeholders / objectors shall file their objections / suggestions on the petition to the Secretary of the Commission, in five copies, along with affidavit in support of their submissions. The staff of the Commission is directed to upload the petition along with all the relevant documents on the Commission's website after the public notice is issued and a copy thereof is provided to this Office by the Petitioner.
6. We Order accordingly.
7. The next date of hearing will be intimated separately.

Sd/-

(P. J. THAKKAR)
MEMBER

Sd/-

(ANAND KUMAR)
CHAIRMAN

Place: Gandhinagar
Date: 16/12/2019