

HARYANA ELECTRICITY REGULATORY COMMISSION
PANCHKULA, HARYANA

ORDER DATED: 16/07/2007

Shri. Bhaskar Chatterjee	Chairman
Er. T. R. Dhaka	Member
Shri. T. S. Tewatia	Member

In the matter of petitions filed by the Confederation of Indian Industry (CII), Gurgaon Industrial Association (GIA) and RICO Auto for imposing reliability-based charges on the electricity consumers of Gurgaon urban area to make the city power cut free zone.

ORDER

A proposal dated 1/05/2007 had been received from Confederation of Indian Industry (CII), Northern Region, Gurgaon, Gurgaon Industry Association and RICO Auto Gurgaon regarding making Gurgaon a power cut free zone. The proposal was duly backed up DHBVN for implementation. A brief outline of the proposal as submitted by CII is reproduced below:

The industries having CPP will be impressed upon to generate and consume electricity themselves by running the CPPs at hours agreed upon between CPPs and power utilities rather than drawing from the DHBVN system. The differential cost per unit of power generated by the CPPs and tariff applicable to each category of consumers will be paid out to the CPPs for the units consumed by the CPPs themselves at a mutually agreed upon hours between the CPPs and DHBVN through the mode of adjustments in the monthly energy bills of such consumers. The differential cost to be imposed on all sectors of consumers to be called reliability

charges, to be approved by the Commission. The petitioner projected the following data in their filings:

- Energy Shortage for Domestic & Non Domestic consumers 7.7 LUs
- Energy shortage for Industrial consumers 15 LUs
- Industrial Load shortage 150 MWs
- Total Consumption per month 17100 LUs
- Total shortage per month 681 LUs
- Electricity Tariff Rs. 4.09/unit
- CPPs Generation Cost (based on present price of fuel)
 - A. Based on Furnace Oil Rs. 6.50 per unit
 - B. Based on HSD / LDO Rs. 10.60 per unit

- Total CPP capacity available in Gurgaon 3,56,000 kVA
- Units generated by CPPs per day 76.8 LUs
- Units generated by CPPs per month 2306 LUs
- Units generated by CPPs with 50% standby 1153 LUs

DHBVNL vide its memo no. Ch-6/SE/RA-295 dated 28/05/2007 filed clarifications to the issues raised by the Commission in the meeting held on 25/04/2007 with respect to the implementation of the instant proposal. After examination of the proposal and clarifications provided by DHBVNL, the Commission raised further queries with regard to its feasibility and technical details, to which DHBVNL replied vide its memo no. Ch -11/SE/RA - 295 dated 15/06/2007. While correspondence was on with DHBVNL on the subject, the Commission thought it appropriate to hold a public hearing at Gurgaon to get feedback from the stakeholders with regard to the acceptance of the scheme.

The public hearing was held, as scheduled, on 19.06.2007 at Gurgaon which was attended by a large number of residents of Gurgaon alongwith other stakeholders. The details of participants are enclosed at ANNEXURE –A”.

To begin with, the representative(s) of Gurgaon Industrial Association and CII explained the details of the proposed scheme. They informed that in the present scenario, power shortage to the extent of about 80 to 100 LUs per day is being experienced in Gurgaon city area resulting in scheduled and unscheduled power cuts. Consequently, the electricity consumers of the area are put to great hardship besides setback to the industrial and commercial activities. It was explained that since it was envisaged that the power shortage in the state was expected to continue for another few years, they have framed a scheme in which Industry would generate and consume hence the power spared by these entities will be available to DHBVNL for being diverted to other consumers. Thus, the contribution by the CPPs with no profit no loss will mean establishing power cut fee zone in Gurgaon area as a benchmark towards mitigating the problems of power cut on all sections of the society. The CPPs will be compensated for their generation at the rate to be decided by the Commission, which would, in turn, be recovered from the other consumers in the shape of reliability charge, again to be decided by the Commission. Summarizing other benefits of the proposal, it was stated that cost of not having power has a ‘multiplier’ effect on the financial health of the economy including state revenue and quality of life. Moreover, the CPPs shall generate and consume power in their own premises, there will be no transmission / distribution loss.

The Managing Director of DHBVNL, in his submission, clarified that in the existing constrained transmission and distribution system in the area, it would not be possible to immediately implement the scheme in the entire Gurgaon city area as proposed by CII/GIA and RICO Auto. He stated that the vast majority of Grid sub-station out of 25 Grid sub – stations serving Gurgaon are over – loaded. The scheme can be implemented in stages beginning with sub – stations where capacity is available. However, even after the scheme is implemented 24 hrs supply cannot be

guaranteed due to technical faults leading to breakdowns. On the issue of improvement in electrical infrastructure, it was stated that HVPNL and DHBVNL envisaged spending a sum of Rs. 400 Crores during FY 2007 – 08 on the improvement and up gradation of the system. The 220 kV system is also being augmented with addition of two 100 MVA transformers by September 2007. To further augment power availability, tender was floated by HPGCL for 30 Crore units of energy, which did not elicit much response from the suppliers. Hence, it is not possible to increase supply from conventional sources to make good the deficit. Therefore, the proposed scheme, which has been successfully implemented by Maha Discom in Pune city, was considered a viable alternative. There also, the proposal was implemented in phases and still, entire Pune city has not been brought under its ambit. Regarding reliability charge, DHBVNL proposed to recover from Domestic and Non – Domestic consumers with a consumption of more than 300 units a month @ Rs. 1.14/kWh.

After the initial presentation of the scheme and subsequent clarification given by DHBVNL, the residents of the city were invited to make their submissions regarding implementation of the same in Gurgaon city. Various Sector Welfare Associations, representative of semi urban villages, besides individual residents of the area expressed their views on the necessity, merit and feasibility of the scheme as presented to them. In their submissions, the residents dwelt at length on the existing deficiencies in the power supply system of the city. The interveners did not support the scheme and considered it not feasible of implementation in the present power supply scenario obtaining at Gurgaon. The views / comments and observations of the interveners who made oral submissions before the Commission are summarized as under: -

1. It was expressed that the scheme as explained to them lacked vital details including area wise quantum of shortage and methodology of supplying reliable power, given the present system constraints. It was

stated that the accountability for ensuring reliable supply was not clear from the proposal. There is a need to jointly find a solution, hence all aspects of any such proposal should be discussed and sorted out amongst CII/GIA/RICO Auto etc, the distribution & transmission licensees of the area, RWAs and other stakeholders, before the same is promoted further. It was felt that presently the scheme did not appear to be well conceived and coordinated. Moreover, the time gap between the public notice appearing on 8/06/2007 inviting objections and suggestions and the public hearing scheduled for 19/06/2007 was too short for any comprehensive intervention by the public. Further, as reliability of supply is even otherwise the duty of the distribution licensee, any extra charges for the same is unjustified and unacceptable.

2. It was also stated by the stakeholders that the licensee was resorting to frequent unscheduled power cuts over and above the scheduled power cuts due to system constraints, breakdowns and lack of power availability. Thus, DHBVNL is not able to comply with the terms and conditions of the distribution license granted by the Commission wherein it is laid down that the licensee is required to supply quality power to the consumers at a reasonable rate. When the normal reliability of power is not being ensured, the proposed additional charges based on reliability are bad in law and should be rejected. They stated that most of these problems can be taken care of by mere up-gradation of the infrastructure and that there is no need of this scheme.
3. Reacting to the submission of DHBVNL that it would be possible to implement the scheme only in small pockets of the city in the first instance, it was expressed that in this way, the scheme was discriminatory and not consumer friendly. They wanted that any such scheme should be for the area as a whole and not area specific and that

piece-meal solution is not acceptable. In this regard, some stakeholders were of the view that the distribution licensee should charge a uniform tariff for the same category of consumers at all places.

4. One of the interveners opined that since the big malls, which have come into existence for the past few years and consuming huge power, the licensee should not supply power to them and they should be made to generate their own power. In this way, power not supplied to the malls can be diverted to other consumers in order to ease power shortage and distribution problems. Another intervener did not favour the scheme because in his opinion, the generation of power by CPPs was dependent on Diesel whose supply was not assured/guaranteed at all times. It was also expressed that DHBVNL should not sanction fresh load if it faces availability constraints.
5. Some interveners suggested that there is a need to obtain a detailed feedback from Pune. According to them, even in Pune a similar scheme implemented by Maha Discom was not very successful due to technical problems. Also, that Pune model should be studied in more detail and suitably modified for the conditions prevailing in Gurgaon before considering its implementation in the city.
6. The interveners also stated that it would not be possible to carry the additional power spared by the CPPs as envisaged in the scheme on the weak distribution system of the city, thus negating the very concept of the proposal. A large section of the interveners were, therefore, of the opinion that any such proposal cannot be viable without first adequately upgrading the electrical infrastructure of the city.

7. It was also stated by the interveners that most of the problems of power supply in Gurgaon can be solved merely by better management, control and cooperation of the staff instead of purchasing high cost power @ Rs.9.00 or so per unit from the CPPs and this was not acceptable to them. They stated that as a part of their responsibility to the society, the CPP owners should rather come forward to generate and use their own power at their own cost instead of passing on additional burden to the consumers at large.

8. Sh. J.C. Narang of CII, one of the proposer, reacting to the objections raised by the interveners agreed that the scheme could not be properly presented and explained to the stakeholders. Thus, they were unable to appreciate the same at present. He further submitted that even in Pune the proposed scheme was deliberated over a period of two years before the same could be implemented. As such, a similar deliberation is required here for the scheme to evolve in a manner that would be acceptable to all.

9. The deficiencies in the existing state of power supply system in Gurgaon and associated issues were pointed out by the interveners, which are also a cause of concern to the Commission are summed up below:
 - i) Frequent breakdowns of the distribution system on account of its overloading and poor maintenance. Augmenting existing power system by HVPNL/DHBVNL will go a long way in providing more reliable power without any extra cost (reliability charge).

 - ii) Difficulty in getting defective meters tested for accuracy and dead meters changed or repaired. Installation of electricity meters on poles outside the houses by DHBVNL has become an irritant for

consumers who are saddled with the additional responsibility to safeguard the meters installed in the open. Further, washing away of consumer account numbers on the meter cupboards installed on the poles results in wrong billing due to incorrect linking of consumer account number with the meter.

- iii) Even a marginal reduction in theft would result in increased availability of power thereby obviating any need for expensive CPP power and additional reliability charge.
- iv) Non cooperative attitude of the field staff of DHBVNL and their non availability to the public causing harassment to the consumer on one pretext or the other.
- v) Depleted strength of DHBVNL staff in the last few years whereas the load served has gone up considerably during the same period.
- vi) Non availability of information to the consumers about the scheduled power cuts due to passing on the responsibility by DHBVNL staff to HVPNL and non adherence to the schedule of power cuts. This is besides the frequent unscheduled power cuts.

Some technical experts also made their submission to the Commission on the proposed scheme. They dwelt at length on the technical aspects of the scheme and the problems that the same would pose in the absence of a well conceived and properly formulated scheme.

All the Resident Welfare Associations' representatives and the individuals present in the hearing considered the scheme as non-feasible and appealed to the Commission to reject the same.

After hearing the views of interveners, the Commission noted that their main concern was that even if reliability charges are paid as determined by the Commission, the guarantee for continuous power supply in the present scenario is practically impossible. The proposers are, therefore, advised to examine and frame their proposal in the light of the views expressed in the hearing. They should also have proper coordination with DHBVNL who would bear the main responsibility of implementing the scheme. It is also advised that the proposer and the power utilities may jointly formulate the scheme and give adequate publicity to establish its acceptability even in a smaller geographical area of the city. Success of the pilot scheme in a smaller area is of utmost importance to demonstrate its suitability in the entire city.

The Commission at this stage does not feel necessary to comment on the merits of the scheme and would expect the party(ies) to resubmit after thorough examination of all aspects.

The Commission will welcome any practical, technically feasible and commercially viable proposal for making Gurgaon a power cur free city. It was informed at the time of presentation by Gurgaon Industrial Association/CII that the proposal was modelled on a similar scheme being successfully implemented in Pune in Maharashtra. The proposers are advised to study the Pune scheme in details and find out the technical and financial feasibility of improvising the same for implementation in Gurgaon. It is felt that the scheme should be tailor-made for Gurgaon city so as to make it acceptable to the electricity consumers of the city.

After carefully going through the filings under reference and after hearing the proposers, DHBVNL and the residents of the city, the

Commission is of the considered view that the proposal in its present form cannot be implemented. Consequently, the Commission rejects the proposal in its present form for implementation in Gurgaon city.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 16th day of July 2007.

Date: 16 July, 2007

Place: Panchkula

T. S. Tewatia
(Member)

T. R. Dhaka
(Member)

Bhaskar Chatterjee
(Chairman)

ANNEXURE – I

List of Individuals/organizations who attended the public hearing:

Sr. No.	Name	Designation
1	R.S. Rathee	President, QERWA
2	D.P. Dhillon	M.C. Ward No. 31
3	K.B. Wadhwa	M.C. W-25
4	Laxmi Narayan Goyal	-
5	Anoop Singh	Ward No. 6
6	Naresh Yadav	Sarpanch Sashand village
7	Lal Goel	President, QERWA
8	O.P. Nasa	Auditor, QERWA
9	Neelam (Balu)	M.C. Gurgaon
10		M.C. Gurgaon
11	Basant Ram	-
12	Col V.S. Khaloni	Sector 15 I Gurgaon
13	Dr. Yuvraj	DLF
14	Krishan Kapoor	HIA
15	Col Raj Singla	President, Chamber of Udyog Vihar
16	S.S. Verma	Vice President, Chamber of Udyog Vihar
17	Col. R.D. Dhawan	Ex-President, Chamber of Udyog Vihar
18	Dr. Suresh Vashistha	President, IMA
19	R.S. Sahney	V.P. DLF, QERWA
20	S.P. Uppal	V.P. QERWA
21	Kavita Nair	CII
22	Amit Nanchahal	CII
23	P.K. Gupta	QERWA
24	V.K. Singhal	QERWA
25	Dr. R.N. Wahi	Vice President, QERWA
26	S.K. Sarin	Ex-Member, QERWA
27	Lt. Col. T.K. Sood (Retd.)	Umhal Hospital
28	Dr. P.C. Rao	Med. Supdt. Umhal Hospital
29	Dr. S.P. Yadav	Puspajali Hospital
30	R.K. Satija	Secretary
31	R.S. Raghav	President, QERWA
32	Ashok Kumar Lohiya	Assistant Gen. Secretary, QERWA
33	Madan Yadav	Vice President, QERWA
34	Sundeep Virmaani	Gen. Sec. QERWA (DLF)
35	R.S. Gupta	Assistant Secretary, QERWA
36	H.R. Yadav	B.E. Elect., QERWA
37	O.P. Gupta	Member Technical and Ex-NERA Consultant to HERC

38	Narinder	CTM, Gurgaon
39	Dr. S.S. Dalal	Civil Surgeon
40	A.C. Dhingra	
41	R.K. Sehgal	CE (Retd.), HPGCL
42	V.P. Bajaj	President, GIA
43	H.C. Papuja	H. General Secretary, GIA
44	K.S. Ahlawat	GM., DLF, Gurgaon
45	K.G. Yadav	CGM'Op' DHBVNL, Delhi
46	V.K. Garg	GM 'OP' DHBVNL
47	Dr. D.S. Dhanuvar	M.S. Govt. Hospital
48	Rahul Kakkar	GCCI, President
49	Mohit Jain	Past President, GCCI
50	S.K. Ahuja	Secretary, Gurgaon Chamber of Commerce
51	G.S. Arora	Project Manager, DIC, Gurgaon
52	R.C. Sapea	Director, DHBVNL, Hissar
53	I.S. Nain	Director, DHBVNL
54	C.K. Sharma	GM/Commercial, DHBVNL, Hissar
55	V.K. Seth	GM/Op, DHBVNL, Fairdabad
56	V.B. Chaudhary	S.E., HVPNL
57	R.P. Palwal	President, JVT
58	S.S. Bist	Member, MC Elect., JVT
59	K.S. Yadav	QERWA
60	B.D. Pahuja	Sanyut Kalyan Parishad, Gurgaon
61	Dalip Singh	Xen/Enforcement, DHBVNL
62	S.S. Gupta	Xen/ Power Procurement, DHBVNL
63	Ram Mehar Singh	AEE/RA, DHBVNL
64	A.K. Jain	S.E. System, DHBVNL
65	M.M. Abrol	-
66	Deepak Sharma	MHI, News
67	V.K. Aggarwal	Xen/Works, DHBVNL
68	M.B. Vashisth	GM, M&P
69	K.G. Ahuja	RICO Auto, Gurgaon
70	G.D. Wadhwa	Joint Council
71	Ishwar Singh Dahiya	QERWA
72	Des Ram Singh	QERWA
73	Capt. Net Ram	Sarpanch, Village, Manesar
74	Capt. S.S. Yadav	Gram Panchayat
75	G.C. Narang	CII
76	Alka Chaudhary	BDO, Gurgaon
77	S.K. Joshi	Dy. Director
78	R.S. Sangwan	DPRO
79	Rajpal Relatiya	Xen, DHBVNL
80	Daljeet Singh	Xen, DHBVNL
81	CDR. S.S. Yadav	President, Federation

82	Lal Singh	President, QERWA
83	Hoshiar Singh Yadav	President, QERWA
84	Rampal Yadav	QERWA, Member
85	Ravi S. Singh	The Tribune
86	Major R.K. Lakra	Paras Health Care (P) Ltd.
87	Cdr. Dharam Vir Yadav (Retd.)	President, QERWA
88	Dr. K.S. Sachdeva	MD, Pvt. Hospital
89	R.S. Yadav	CME, Pvt. Hospital
90	D.D. Sharma	Secretary, Aravali View
91	K.P. Sharma	Vice President, Allottees Welfare Association
92	Sarpand Basa	Sector 56, Gurgaon
93	Rajesh Kumar	Sarpanch, Kodipur
94	Ali Yadav	Chokhedpur
95	Surb Singh	Wazirabad
96	Fateh	Sarpanch, Naderpur Rupa
97	Udaibir Singh	Sarpanch, Khandsy
98	Sube Singh	Sarpanch, Jhansa
99	M.K. Vats	SSE, Mech, HVPN, Mehrauli Road
100	Amit Kumar	SSE
101	S. Singh	Sarpanch, larsauli Khurd
102	A.B. Dai	President, CAWA
103	R.k. Dig	Secretary, CAWA
104	S.P. Bhij	ICIT
105	P.S. Sodhi	IRWO Classic
106	K.L. Gambhir	IRWO Classic
107	Jagram	Sarpanch
108	Rajendra Bhat	President, Sushant Lok RWA
109	R.L. Munshi	Member, Sushant Lok RWA
110	Sheoshankar	AGS SCI
111	R.V. Giri	Member, Panchayat
112	Comdt. P.S. Daber (Retd.)	Gurgaon
113	K.L. Jasuja (Retd.)	Gurgaon
114	Col. Man Singh	President, RWA, Sector 31, Gurgaon
115	Col. O.P. Mehta	Gurgaon
116	K.L. Arora	Gen. Secy, RWA Sector 23 Gurgaon
117	Maj. Gen Satbir Singh SM	JAFRA
118	P.K. Sabhlok	Ex-Member, JAFRA
119	V.k. Srivastava	Vice President, JAFRA
120	M.L. Gulati	President, Grahak Sahayak, AGS, DLF
121	H.N. Chopra	Vice President, RWA DLF City Gurgaon
122	B.R. Wassan	President, RWA, DLF City,

		Gurgaon
123	Sudhir Kapoor	Secy. General, RWA DLF City Gurgaon
124	Avinash Chawla	Vice-President, PURA, Jt. Secretary, JAFRA
125	D.C. Mahajan	Treasurer, QERWA
126	Sant Ram	Secretary, RWA, Sector 40 Gurgaon
127	Wg. Cdr. R.P. Nadar	Vice President, RWA, Sector 17 A Gurgaon
128	D.J. Daryani	Secretary, Sanyugt Kalyan Parishad
129	R.K. Saluja	Secretary, Sanyugt Kalyan Parishad
130	R.S. Raghav	President, RWA, Sector 15 – I, Gurgaon