

HARYANA ELECTRICITY REGULATORY COMMISSION

Bays No. 33-36, Sector – 4, Panchkula  
Telephone No. 2582531 (O), Fax No. 2572359  
Email: [herc-chd@nic.in](mailto:herc-chd@nic.in) Website: [www.herc.gov.in](http://www.herc.gov.in)

To

The Financial Commissioner &  
Principal Secretary to Govt. of Haryana (Power Deptt)  
Haryana Civil Secretariat, Sector-17  
Chandigarh.

The Chairman  
HVPNL, Shakti Bhavan, Sector-6  
Panchkula-134109.

The Managing Director  
HVPNL, Shakti Bhavan, Sector-6,  
Panchkula-134109.

The Managing Director  
UHBVNL, Shakti Bhavan, Sector-6,  
Panchkula-134109.

The Managing Director  
DHBVNL, Vidyut Sadan, Vidyut Nagar,  
Hisar-125005.

**Fax: 01662-223734 / 223098**

The Managing Director,  
HPGCL, Shakti Bhawan, Sector-6,  
Panchkula-134109.

Memo No. HERC/D(Tariff)/ARR-10-11/ 1974-78

Dated: 04.10.10

Sub: Clarification on some issues in respect of Distribution and retail supply tariff for FY 2010-11 issued on 13<sup>th</sup> September, 2010.

General Managers / RA, UHBVNL and DHBVNL vide letter No. Ch – 2 / TR – 72 (90) GM / Coml / CE dated 20<sup>th</sup> September, 2010 and Ch-03/SE/RA-399 dated 24<sup>th</sup> September, 2009 respectively have sought clarification on some issues in respect of the Commission's order dated 13<sup>th</sup> September, 2010 on distribution and retail supply tariff for FY 2010-11. Necessary clarifications are given in the table below:

Issues raised by UHBVNL and DHBVNL	Clarification
<b><u>1. Surcharge for unpaid bills (UH):</u></b> The Hon'ble Commission vide its order dated 23 <sup>rd</sup> August, 2006 has reduced the surcharge on unpaid bills from 2 / 5% to 1½ / 3% in the D&RS business order for	It is clarified that the rate of surcharge on the unpaid amount of energy bills shall be as per Commission's distribution tariff order dated 23 <sup>rd</sup> August, 2006 for FY 2006-07 i.e. 1 ½ % and 3% instead of

<p>FY 2006-07. Now the Commission has again increased the surcharge to 2 / 5%. The Commission is requested to clarify whether surcharge applicable hence forth is 1½ / 3% or 2 / 5%?</p> <p><b><u>(DH) Surcharge on unpaid bills:</u></b> schedule of tariff for supply of charges has a provision of levying a surcharge at the rate of 5% bimonthly for domestic / non domestic consumers for the unpaid amount of the bill and 2% monthly for other consumer categories. However, the Commission has reduced the surcharge to 3% bimonthly and 1.5% monthly vide it is order dated 23rd August, 2006 on the D&amp;RS business for the FY 2006-07. Hence Commission is requested to confirm the surcharge rates required to be levied for domestic consumers in its ARR order on D&amp;RS Business for FY 2010-11.</p>	<p>2% / 5% mentioned in the Annexure -1 to the D&amp;RS tariff for 2010-11”.</p>
<p><b><u>2. LT Industrial Consumers (UH):</u></b> There is no MMC applicable on LT industries for loads upto 20 kW which appears to be an inadvertent omission. It may be added that around 35% of LT consumers of load less than 20 kW are billed on MMC basis and in case no MMC is levied, the Distribution Utilities are going to suffer a lot. Hon’ble Commission may review their order and requested to levy MMC on LT industries having load less than 20 kW.</p> <p><b><u>(DH) MMC charges for LT consumer category:</u></b> The HERC in its recent ARR order has removed the MMC charges for the LT industrial consumers. Its pertinent to mention that many LT industrial consumers are being billed under MMC out of which majority of the consumers fall in below 20KW slab of LT industry. Hence, the utilities would be losing significant amount of revenue from this consumer category (LT industrial consumer category below 20 KW as per approved tariff order. Hence a revised schedule of MMC charges should be allowed t be levied from LT industrial consumers below 20KW.</p>	<p>It is clarified that MMC in case of LT consumers having load upto 20 kW shall be levied @ ₹ 225 per kW of the connected load per month.”</p>
<p><b><u>3. Agriculture consumers (UH):</u></b></p> <p>No MMC has been levied in the present order on agriculture metered consumers.</p>	<p>It is clarified that MMC to metered agriculture consumers shall be levied at the existing rates.</p>

<p>previously MMC of ` 200/- per BHP per annum used to be charged from metered AP consumers. Hon'ble Commission may kindly review and issue necessary orders in this regard also. It is further requested that enhancing the MMC from ` 200/- per BHP per annum to ` 420 per BHP per annum may be considered equivalent to flat rate tariff.</p> <p><b><u>(DH) MMC for Agriculture Consumer category:</u></b> HERC in its ARR order for D&amp;RS business for FY 2010-11 has not increased any tariff for agriculture consumers. However, in the "Schedule of Tariff for Supply of Energy" of the ARR order, the Commission has not levied any MMC charges for the agriculture consumers. It is pertinent to mention that at present the agriculture consumers are being charges a minimum charge f Rs. 200/ BHP/ Annum.</p>	
<p><b><u>4. HT Industrial and steel Furnace supply (UH):</u></b> In the case of HT industrial and Steel Furnace power supply, a fixed charge of ` 120/- per KVA per month has been ordered. In Schedule of Tariff (Annexure D) Clause 5 Note c, it has been stated that the demand for any month shall be defined as the highest average load measured in KVA during any 30 consecutive minutes period of the month. This has created ambiguity whether the fixed charge has to be levied on sanctioned Contract Demand or on recorded Contract Demand during the month? This office is of the opinion that it should be on the sanctioned contract Demand. Hon'ble Commission may please clarify.</p>	<p>It is clarified that:</p> <ol style="list-style-type: none"> <li>1. The contract demand for the purpose of levy of fixed charges shall be the sanctioned contract demand.</li> <li>2. Note (c) below clause 5 shall be deleted.</li> <li>3. Clause 5 (vii) (b) shall be replaced with the following clause:  (b) In case the consumer exceeds his Sanctioned Contract Demand in any month by more than 5% a surcharge of 25% will be levied on the Sale of Power.</li> </ol>
<p><b><u>5. Railway Traction and DMRC (UH):</u></b> Under clause 10 of Annexure 1, the same clarification is required whether fixed charge has to be levied on sanctioned Contract Demand or recorded Contract Demand? Further Note (v) b has also to be revised accordingly.</p> <p><b><u>(DH) Ambiguity in contract demand definition for Railway Traction and DMRC:</u></b> As per Annexure – 1 (Schedule of Tariff for Supply of Energy), the railway traction and DMRC consumers being charged a fixed charge of Rs. 125</p>	<p>It is clarified that the contract demand for the purpose of levy of fixed charges shall be the recorded contract demand and note (b) requires no change.</p>

<p>per kVA of the contract demand per month further, there is an ambiguity due to the following:</p> <p>Clause: 10 (v) (a) “The demand for any month shall be defined as the highest average load measure in kilovolt ampere during nay 30 consecutive minutes period of the month”</p> <p>Clause 10 (v) (b) “ The billable demand shall be the actual maximum demand or 65% of the contract demand or 100 kVA whichever is higher”</p> <p>Therefore, as the fixed charges for the railway traction and DMRC consumers are proposed to be levied based upon Contract Demand instead of demand charges, the Commission is requested to delete the Clause 10 (v) (b) in order to clear the ambiguity since the billable demand definition irrelevant now.</p>	
<p><b><u>6. Tariff for Elementary Schools (DH):</u></b> In the proposed tariff schedule, the government primary and middle schools have not been included under the domestic category, currently, these elementary schools are being charged under domestic category as per the directive of the State Government and also as per the old tariff schedule of HERC. It is to be clarified whether same should be included under domestic category or non-domestic category (similar to private schools).</p>	<p>It is clarified that Commission has kept all the schools under NDS category and tariff shall be applicable accordingly.</p>
<p><b><u>7. Tariff for women consumers (DH):</u></b> regarding women consumers the Hon’ble Chief Minister of Haryana had announced in Vidhan Sabha on 16.06.2005 that in case of properties owned by women and a domestic electricity connection in the name of women on that property, the domestic tariff shall be discounted by 10 Paise per unit and the licensee was directed to provide the relief to such consumers from the next billing cycle. Accordingly, the licensee had implemented the above directive and also filed a petition with HERC for approval of the above. The new tariff schedule does not have any provision for providing rebate to women consumers. Hence, it may be clarified that the existing rebate be continued or withdrawn.</p>	<p>It is clarified that Commission has not determined any concessional tariff for women consumers. However, if the distribution licensee (s) extends any such concession on the instructions of the State Government then they must seek commitment of the State Government for payment of subsidy.</p>
<p><b><u>8. Street Lighting in Anaj Mandis &amp; HUDA Sectors (DH) :</u></b> It needs to be clarified that the street lighting for Anaj</p>	<p>It is clarified that street lighting supply tariff shall be applicable as per the details given in clause 9 (i) of Annexure – 1 to</p>

<p>Mandis and HUDA sectors is covered under Non-domestic category or under street lighting category. Under the previous tariff schedule, the same was covered under Non-domestic category but in the revised tariff schedule, the street lighting categories and the street lighting of HUDA sectors have been included under street light category. Further, while deliberating on the revised tariff schedule of street light category under section 5.8 of the tariff order of FY 2010-11, the Commission has stated that since the tariff for this category impacts local bodies like municipalities, panchayats etc., the tariff of street light has been retained as per the old tariff schedule. In line with this, the tariff schedule of street light in Anaj Mandis and HUDA sectors should be under Non-domestic category as per the old tariff schedule since these do not fall under the category of local public bodies and indulging in commercial activities</p>	<p>the Commission's order dated 13<sup>th</sup> September, 2010 except in respect of roads in HUDA sectors which have not been transferred to the local municipal bodies and roads in Anaj Mandi which are being maintained by the State Agriculture Marketing Board for which the NDS tariff shall be applicable. The clause 9(i) and 2 (i) of Annexure -1 shall accordingly get modified.</p>
<p><b><u>9. Resale of power for Non-domestic category (DH):</u></b> Under the Non-domestic category, a note is desired to clarify that resale of power is strictly prohibited except where special provision / dispensation is allowed by the Commission, similar to the note under domestic category.</p>	<p>Resale of electricity is a prohibited activity for which no separate note is required to be given.</p>
<p><b><u>10. MMC for NDS category (DH):</u></b> The MMC charges for NDS category has been mentioned as Rs. 240/- per KW or part thereof of the connected load. But it may be noted that NDS consumer above 20 KW are being charged fixed charges and as such a separate schedule of MMC charge may not be necessary for such consumers. Hence, it may be clarified that the schedule of MMC is applicable for all NDS consumer or NDS consumers above 20 KW.</p>	<p>In case of NDS consumer category MMC shall be applicable in addition to fixed charges irrespective of connected load.</p>
<p><b><u>11.Regarding new category of independent hoarding / decorative lighting (DH):</u></b> It is submitted that it would e difficult for the licensee to implement the new tariff category of independent hoardings as separate connections need to be released to the existing huge number of commercial establishments for all such hoardings. Hence the following are proposed: a) the new category of independent</p>	<p>The new category for “independent hoarding / decorative lighting” has been introduced for independent hoardings installed on standalone basis which are being supplied with independent meters only.</p>

<p>hoardings needs more elaboration in terms of the definition of large commercial establishments and large hoardings for applicability. It may be noted that there are a large number and range of independent hoardings / hoardings on shops / malls / offices and other decorative lighting deployed by commercial establishments for brand building depending on the size, load of the hoardings and purpose for which the same has been installed.</p> <p>b) to have better clarity for the definition of hoardings on commercial establishments (non-independent) like shops / offices / other NDS consumers, it is proposed that the limit of say 5% of the total connected load may be fixed for the load of such hoarding, beyond which a surcharge of 10% on the total consumption may be charged from the NDS consumer.</p> <p>c) However, the proposed schedule of independent hoardings / decorative lightings may be made applicable only for the independent hoardings installed on standalone basis and being supplied with independent meters.</p>	
<p><b><u>12. Temporary Disconnection of LT &amp; HT industrial consumers (DH):</u></b> The old tariff schedule had a provision of allowing minimum monthly consumption equivalent to the applicable MMC charges for HT &amp; LT industrial consumers availing temporary disconnection of supply for the first month of TDCO. This provision has been excluded from the revised tariff schedule. It may be clarified whether the facility of minimum consumption equivalent to MMC is to be allowed to HT &amp; LT industrial consumers availing TDCO facility.</p>	<p>In “Schedule of tariff for supply of energy” to the tariff order for the year 2000 the provision was available under clause 3 (vi)(b)(vii) and in Annexure -1 to FY 2010-11 tariff order the provision has been covered under clause 4 (vi) (b) (vii). Similar provision exists in revised schedule in respect of HT consumers also.</p>
<p><b><u>13. Provision of separate NDS connection of load up to 5 KW for industrial consumers (DH):</u></b> under the old tariff schedule, there was a provision of allowing industrial consumers to have a separate NDS connection of load up to 5 KW for meeting the lighting load which should not be used for industrial activity during any time of the year. The same has been excluded under the revised tariff schedule. It may be clarified whether the same would be applicable or not.</p>	<p>In case of industrial consumers all the provisions of the old schedule have been retained as it is in the revised schedule. In case there is still some doubt then the copy of the Commission’s order being referred to by the distribution licensee may be supplied for any clarification that may be needed</p>

<p><b><u>14. Excess load surcharge for LT industrial consumers in case of change of category (DH):</u></b> in this case, the revised tariff schedule does not specify the charges applicable for the LT industrial consumer whose actual load is more than 50 KW and hence should be billed under HT category. Earlier, there was a provision of LT surcharge along with the applicable MMC charges which would be applicable to the consumer as penalty for unauthorized load. It is submitted that the same schedule may be continued since the above case falls under unauthorized use of electricity / theft of electricity and hence the consumer should be penalized for the same even if a lower tariff is applicable in case of HT consumers.</p>	<p>Since the LT industrial power supply has been restricted only upto 50 KW and all the supply there above shall be at HT, necessary paper formalities shall be got done by the distribution licensees at their own level without any harassment to consumers till the next ARR order is passed by the Commission.</p>
<p><b><u>15. Power factor rebate on HT industrial / Railway traction / DMRC billed on MMC basis (DH):</u></b> It needs to be clarified that power factor rebate would be applicable to consumers who are being billed on MMC basis or not. Earlier, the same was applicable on these consumers and rebate / penalty was being provided on actual consumption recorded.</p>	<p>The issue may be explained for further clarification from the Commission, if any.</p>
<p><b><u>16. Provision of temporary disconnection of agriculture category (DH):</u></b> the revised tariff schedule has excluded the facility of temporary disconnection for agricultural consumers, which was earlier available to single crop belt consumers subject to certain conditions. It is submitted that the same provision may be retained under the revised tariff schedule for the benefit of these consumers.</p>	<p>It is clarified that no such provision has been made in the tariff order of the Commission, nor did it exist earlier.</p>
<p><b><u>17 Excess load surcharge on consumers with MDI meters (DH):</u></b> it may be clarified that the applicable schedule for excess load surcharges would be applicable for previous six months on all consumers or on consumers without MDI meters. Earlier, the consumers with MDI meters were charged excess load surcharge only for the month in which the MDI meter showed excess load till such load was regularized.</p>	<p>Excess load surcharge shall be applicable to consumers with MDI meters.</p>
<p><b><u>18. Applicability of Fixed Charges to Bulk Domestic Supply</u></b></p>	<p>Clause 8 (ii) of Annexure -1 to the HERC order on distribution and Retail Supply ARR and Tariff for FY 2010-11 dated 13<sup>th</sup> September, 2010 shall be replaced with the following:</p>

	(ii) Tariff: 360 Paise per kWh plus fixed charges @ ₹ 50 per kW of the recorded demand per month
--	---

This issues with the approval of the Commission.

Sd/-  
Director (Tariff)