

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION  
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134113, HARYANA**

**Date of Hearing: 27.8.2010  
Date of Order: 4/10/2010**

**IN THE MATTER OF: Levy of Peak Load Exemption Charges in the tariff applicable to  
the Consumers in the State of Haryana.**

**Parties:**

1. Faridabad Industries Association (FIA) & Others  
Petitioner/Appellant
2. M/s Dakshin Haryana Bijli Vitran Nigam Ltd (DHBVNL) -  
Respondent

**Present:**

- |                                   |                 |
|-----------------------------------|-----------------|
| <b>1. Shri Bhaskar Chatterjee</b> | <b>Chairman</b> |
| <b>2. Shri Rohtash Dahiya</b>     | <b>Member</b>   |

**ORDER**

The Faridabad Industries Association, Bata Chowk, Faridabad had filed a petition dated 29<sup>th</sup> July 2010 seeking clarification and direction from the Commission on the issue of applicability of Peak Load Exemption Charges (PLEC) in the electricity tariff to the consumers in the State of Haryana by the respondent i.e. DHBVNL.

1. The Commission's order dated 22/12/2000 provided for PLEC as under:

*"The HT Industrial consumers where metering is through Electronic Tri-vector Meters, using electricity by availing permitted special dispensation or exemption during peak load hours notified by the Licensee from time to time shall be billed at extra charge of Rs. 2/- per kWh over and above the normal tariff on the consumption recorded by the Electronic Tri – Vector Meter during this period. If the consumption of a consumer during peak load hours in a month exceeds the prescribed limit, the consumption during peak load hours shall be charged @ Rs. 4/- per kWh extra over and above the normal tariff. The permissible load equivalent to percentage of contract demand during peak load hours shall be converted into units by the following formula.*

*Permissible Consumption:-*

*Contract demand allowed during the month in KVA X Average Standard Power Factor X No. of peak load hours X 30*

*Note: The average standard power factor shall be taken as 0.90*

*All HT Industrial consumers with Electronic Tri – Vector Meters who have not sought / granted special dispensation, can avail 10% of Contract Demand during peak load hours and the consumption recorded during such peak load hours shall be subject to additional charge and regulated as mentioned above”.*

**2. The issues raised by the petitioner are presented below:-**

- Since the year 2000 the respondent neither enforced the above stipulation as per the order of the Commission nor did they take any step to generate awareness amongst the consumers regarding the same. The Commission, in their subsequent orders directed the respondent to file details of the amount collected through General & Miscellaneous charges and sought a comprehensive proposal to revise the same as these charges were determined almost a decade back. As the direction was not complied with, the Commission once again directed the respondent to do so along with their ARR filing for FY 2010-11.
- Thus the amount collected through General & Miscellaneous charges are not reflected in the ‘Other Income’ of the respondent which would have reduced their revenue requirement by the said amount. Further, there is no specific approval of the Commission in the subsequent orders after FY 2000-01 to continue with the provisions of PLEC.
- In the light of the above the appellant submitted that given the present state of affairs and the power supply position in the state, it is not possible for the respondent to apply and recover PLEC in an effective, fair and non – discriminatory manner. As the respondent is unable to supply uninterrupted power during non peak hours and the supply is extremely erratic, the appellant is left with little option but to draw power during the peak load hours (6.5 hours every day) specified by the respondent. Further, the levy of PLEC is selective and applicable only to those consumers who have installed Electronic Tri – Vector Meters. Additionally, there are numerous occasions when the consumers on independent feeders get message from the sub – stations to operate at full load in view of the Grid situation. In such circumstances, to impose extra charges for such consumption is unjust.

- Consequently, the appellant has prayed that even if PLEC is to be levied the period should not exceed 2 to 3 hours as against 6.5 hours specified by the respondent for the purpose. Further PLEC can be levied only in the case the consumers are provided with concessional tariff during the non- peak hours so that the consumers may shift their consumption to non – peak period. In the absence of these the respondent may be directed to withdraw the levy of PLEC on the HT consumers in the state of Haryana.

### **3. DHBVNL's Reply:**

DHBVNL, the respondent, in their reply to the above issues submitted that they are levying PLEC in accordance with the Commission's order for distribution and retail supply business for FY 2000-01. As per the said order PLEC can be levied on consumers having electronic tri-vector meters and those who have opted for exemption from peak load regulatory measures. In order to create awareness the respondent had sent the copies of the circular to all industrial associations including the petitioner and the same was also posted on the official website of the Nigam well in time. The contention of the appellant regarding no mention of PLEC in subsequent orders of the Commission is factually incorrect as even the order of the Commission dated 4/12/2009 the same is mentioned under General & Miscellaneous charges. Further the proposal for revised schedule of General & Miscellaneous charges has already been submitted to the Commission. The revenue collected from these charges is reflected collectively under the head of revenue from sale of power; hence the contention of the appellant that PLEC has not been effectively implemented is misleading. The consumers who have not opted for PLEC are not paying any additional charges and hence are not permitted to draw power during the defined peak load hours. If such restrictions are not applied it would be very difficult to manage the demand and control the Grid frequency.

In the light of the above it was submitted that PLEC is optional and are being charged from only those consumers who opt for this facility. Hence it was prayed that the application of the petitioner may be rejected and DHBVNL may be allowed to levy PLEC from those consumers who wish to avail of this facility by paying additional charges.

### **4. Commission's Order:**

The Commission, in order to have the benefit of the views and difficulties faced by the HT Industry consumers due to imposition of peak load exemption charges , decided to hold a hearing before taking a decision in the matter. As most of the petitioners were from Gurgaon and the surrounding areas, the Commission decided to hold a hearing of the parties at Gurgaon. Accordingly a hearing was held on 27/08/2010 at 11.30 A.M. in the Mini Secretariat Gurgaon. The hearing was attended by large number of consumers / representatives of HT Industry consumers association as well as the officers of the distribution licensee of the area i.e. DHBVNL.

After hearing the parties at length, the Commission felt that there are quite a few issues which need further clarity and hence issued an interim order dated 31/08/2010 by which

a committee was constituted under the chairmanship of the Managing Director, DHBVNL comprising of the representatives of UHBVNL, HVPNL and the appellant / petitioner(s) to deliberate the issues including management of peak load as well as the period during which PLEC determined by the Commission shall be applicable. The Committee was required to submit a report within 15 days.

DHBVNL vide their memo no. Ch-12/SE/RA-396 dated 24/09/2010 submitted minutes of the meeting held on 10/09/2010 under the Chairmanship of the Managing Director, DHBVNL with the representatives of Industries / Industries Association of Haryana. As per the minutes the following were agreed to:

- (a) Abolish morning peak load hours i.e. 0530 hrs to 0800 hrs.
- (b) Evening peak load hours to be restricted to 1830 hrs to 2200 hrs.
- (c) PLEC will be levied on the consumption to be billed in the month of October, 2010.
- (d) On the issue of considering power factor actually achieved by the industry instead of 0.90, the matter is referred to the Commission.
- (d) Periodic review of peak load duration shall be done by the Nigam on a monthly basis.
- (e) The issue of rebate during off peak load hours, the industry is at liberty to represent their case separately to the HERC.

The Commission has examined the compliance report received from DHBVNL. It would be appropriate to take note at this stage that the distribution licensee during peak load hours are generally required to schedule comparatively expensive generating stations or even resort to expensive market / short term purchases which increases the average cost of power purchased by them for onward distribution. Hence unless a higher price in terms of Peak Load Exemption Charges is collected from the consumers (HT Industry) who opts for such facility the other consumers would be adversely affected. Additionally, in a shortage scenario as prevailing in Haryana, if unhindered drawl is resorted to during the peak load hours, the stability of entire grid may be in jeopardy.

The Commission finds that the rate at which PLEC has been levied is in line with the Commission's order dated 22/12/2000. It needs to be noted that a tariff or charge as determined by the Commission continues to be applicable till the time the same is reviewed / re-determined or discontinued by another explicit order of the Commission. Hence it is difficult to agree with the contention of the petitioner that PLEC was not levied in the initial years since FY 2000-01 order of the Commission and hence the same cannot to be levied at a subsequent period.

Hence there is no illegality in the action of the licensee charging tariff / fees in accordance with the Commission's order. On the issue of power factor it is observed that the order of the Commission in vogue provides that the average standard power factor shall be taken as 0.90 for estimating permissible energy consumption, the same shall continue to be applicable. However, if the licensee need any further clarification in this regard, they may make separate reference to the Commission for examination and order.

In conclusion the Commission orders that let the PLEC be levied by the licensee at present as per the agreement arrived by the parties in the meeting held on 10/09/2010. Further change / modification, if need be, can be considered by the Commission while deciding ARR / Tariff for FY 2010-11.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on October 4, 2010.

**Date: 4/ 10 / 2010**

**Place: Panchkula.**

**(Rohtash Dahiya)**

Member

**(Bhaskar Chatterjee)**

Chairman