

Before Uttarakhand Electricity Regulatory Commission, Dehradun

In the matter of:

Works Charges for enhancement/reduction of contracted load for HT/EHT connections to be charged by the distribution licensee

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Sh. V.J. Talwar	Chairman
Sh. Anand Kumar	Member

Date of the Order: 18.05.2009

Order

The Commission had issued UERC (Release of New HT & EHT Connections, Enhancement and Reduction of Loads) Regulations, 2008 (hereinafter termed as "Regulations") on 5.12.2008 after following due process of law. These Regulations were effective from 20.12.2008, the date of their notification in the official gazette.

These Regulations specify the following:

- (i) Conditions for grant of HT/EHT connections (Regulation 3);
- (ii) Procedure for making application and release of new HT/EHT connection including time frame, charges (security, works charges etc.) to be paid for it and penalty for delay in release of connection (Regulations 4, 5 & 6);
- (iii) Withdrawal/lapse of application and delay by applicant in taking supply (Regulations 7 & 8);
- (iv) Procedure for Enhancement/Reduction in contracted load (Regulation 9);
- (v) Information dissemination on procedure and charges specified in the Regulations (Regulation 10); and
- (vi) Savings

The Commission has received complaints from consumers that while enhancing the contracted load as per Regulation 9, UPCL is charging entire amount of works charges specified for terminal equipment in Table 1 of Regulation 4(11), which includes the charges for HT Cables, CT, PT, Meter cubicle etc., whereas only CT is replaced with other equipment remaining the same for which the cost has already been paid by them.

Regulation 9(5) in this regard stipulates that:

"(5) A consumer seeking enhancement in load shall pay security for enhanced load after duly adjusting the amount already paid for existing load and, if augmentation or replacement of existing equipment/lines is required, the works charges for the terminal equipment and/or lines as per Table 1 above."

Similarly, Regulation 9(6) regarding reduction in contracted load stipulates that:

“(6) If the reduction in load, sought by the consumer involves replacement of existing equipment, then the consumer shall pay the works charges for the terminal equipment as per Table 1 above and the difference between security deposit required for the reduced load and that already deposited shall be adjusted in the bills within the next three billing cycles.”

The Commission has examined the matter and finds that there is genuine difficulty being faced by consumers in implementing the existing provisions of the Regulations for enhancement/reduction of contracted load for HT/EHT connections as they stand today. The Commission had specified normative charges for terminal equipment with the assumption that enhancement/reduction of contracted load would entail change of all terminal equipment and hence the normative cost of all equipment would need to be recovered. However, practically all equipment/lines are neither replaced nor need replacement if they can be re-used for enhanced/reduced load if they meet the technical/commercial requirements for the enhanced/reduced load. Replacing every equipment/line irrespective of its condition would mean unnecessary wastage of existing resources. Even the removed component if usable somewhere else by the distribution licensee should be used there and valued at its depreciated cost.

MD, UPCL was asked to present UPCL’s views before the Commission on 30.4.2009. MD, UPCL agreed with Commission’s above arguments and the following decision.

Therefore, the Commission, in exercise of powers conferred to it by Regulation 10 of the UERC (Release of New HT & EHT Connections, Enhancement and Reduction of Loads) Regulations, 2008, decides that:

- (i) in Regulation 9(5) and 9(6) of these Regulations, the works charges for enhancement/reduction of contracted load shall be payable based on estimated cost of new equipment and labour charges, equal to 10% of the cost of new equipment, for dismantling old terminal equipment and installing new equipment subject to a maximum of the charges specified for all equipment in Table 1 and such charges shall be reduced by the depreciated cost of equipment removed if their cost had been borne by the consumer and they are re-usable by UPCL;
- (ii) the estimate of works charges has to be communicated to the consumer as per Regulation 4(8);
- (iii) the adjustment for these charges based on actual expenditure for equipment replacement shall be done in the demand note to be issued as per Regulation 5(10).
- (iv) (i) and (iii) above shall be deemed to have come into effect from 20.12.2008, the date of coming into effect of the Regulations.

(Anand Kumar)
Member

(V.J. Talwar)
Chairman