

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE No. 82 of 2017

In the matter of

Petition of Tata Power Co. Ltd.(Distribution) for revision in Service Connection Charges

Coram

Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member

ORDER

Date: 9 February, 2018

Background

1. Regulation 18 of the MERC (Supply Code and other Conditions of Supply) Regulations, 2005 ('Supply Code') require Distribution Licensees obtain the approval of the Commission for their Schedule of Charges. The Tata Power Company Limited (Distribution) (TPC-D) had filed a Petition on 10.10.2012 in Case No. 47 of 2012 for approval of the Schedule of Charges payable by its consumers. The Commission approved the Schedule of Charges for TPC-D vide its Order dated 28.12.2012 in Case No.47 of 2012. In a subsequent Petition, TPC-D sought a review of the Service Connection Charges (SCC) for switch-over consumers and for Service shifting and Meter shifting, which the Commission decided on 25.7.2014 in Case No. 83 of 2014. Thereafter, in its Mid-Term Review (MTR) Order dated 26.06.2015 in Case No 18 of 2015, the Commission accepted TPC-D's proposal to reduce the SCC for three-phase LT Supply with motive power upto 27 HP, or other loads upto 20 kW.

Present Petition for revision in Service Connection Charges

2. TPC-D has now submitted a Petition on 18.5.2017 for revision of the SCC for Low Tension (LT) supply upto 150 kW. The Commission, in exercise of the powers vested in it under the provisions of the Electricity Act (EA), 2003, the Supply Code and all other powers enabling it in this behalf, and after taking into consideration the submissions made by TPC-D, the comments received during the public consultation

process, the responses of TPC-D and other relevant material, now determines the revised SCC for Low Tension (LT) connections upto 150 kW applicable to TPC-D.

3. The Petition states as follows:

3.1. Vide its Order dated 28.12.2012 in Case No. 47 of 2012, the Commission had approved the Schedule of Charges for TPC-D. TPC-D had filed a Petition for review of the Order on the following issues:

- a) Exemption to Switch-over Consumers from payment of SCC;
- b) Segregation of charges for “Shifting of Services” and “Shifting of Meter” under different heads, and providing for actual costs in certain cases.

3.2. In its Order dated 25.07.2014 on a Review Petition of TPC-D in Case No. 83 of 2014, the Commission accepted the change suggested with respect to the second issue:

“6.5 Data furnished by TPC-D indicates that, while most cases of Meter shifting involve an expenditure upto Rs. 10,000, in some the cost can be as high as Rs 1.90 lakh. TPC-D has submitted that, if slabs are created, some consumers will be unnecessarily burdened, or the cost may be loaded on the ARR and tariff. Hence TPC-D has proposed that Service shifting that may be involved at the consumer’s request could be charged on an actual basis, and sub-categorisation done accordingly as shown below:

Particulars	Proposed by TPC-D (Rs.)
Shifting of Meters, if carried out only on consumer’s request	
Single Phase	100
Three Phase	200
Shifting of Services, if carried out only on consumer’s request	Actual expenses incurred for providing the facility

6.7 Considering these subsequent dispensations, the data and considerations set out by TPC-D in the present Petition, and the fact that the gross under-recovery of charges from particular consumers arising partly from not segregating two distinct activities would unfairly have to be borne by all consumers, the Commission accepts TPC-D’s proposal in this regard. TPC-D may levy the actual costs involved for shifting of Service at the request of the consumer, and amends Para 3.5.2 of the Order dated 28 December, 2012 in Case No. 47 of 2012 to that extent. Consequently, the amended charges in this respect shall be as set out in the Table at para 6.5 above with effect from the date of this Order.”

- 3.3. The Appellate Tribunal for Electricity (APTEL) ruled as follows in its Judgment dated 2.12.2013 in Appeal No. 246 of 2012:

"44. We find some force in the Tata Power's contention that low end consumers did not opt to switch-over as it involved payment of service line charges and high payback period thereof and also due to uncertainty in economics of future tariff of Tata Power vs. RInfra."

Considering this Judgment, the Commission in its MTR Order in Case No. 18 of 2015 dated 26.6.2015 had accepted the proposal to reduce the SCC for three-phase LT Supply with motive power upto 27 HP, or other loads upto 20 kW, to Rs. 3000 per consumer:

"Commission's Analysis

The Commission had determined the service connection charges for three-phase consumers, based on TPC-D's submissions in this regard in Case No. 47 of 2012. However, the Commission accepts its contention that the higher service connection charges may be a deterrent to the migration of consumers and that, with the increase in migration, the service connection charges per consumer would reduce. Hence, the Commission accepts TPC-D's proposal to reduce the service connection charges for three-phase LT Supply with motive power upto 27 HP, or other loads upto 20 kW, to Rs. 3000 per consumer."

Further, the APTEL has directed the Commission to use the same methodology for calculating various charges for competing Distribution Licensees for maintaining a level playing field.

- 3.4. In its Judgment in Appeal No. 331 of 2013 dated 26.11.2014, the APTEL had also held as follows:

"96. We, however, do not understand why the State Commission has used different methodologies for recovery of the regulatory asset surcharge for Tata and Reliance. We feel that the same methodology should have been used for both the distribution licensees.

97. The reason given by the State Commission for a separate Regulatory Asset Charge is for maintaining a separate regulatory asset recovering account. We do not understand why the need for maintaining a separate Regulatory Asset recovery account was not felt for Tata Power. We do not think that there is any need to maintain a separate regulatory asset account. The Opening and Closing balance of the Regulatory Asset and carrying cost can be determined without creating Regulatory Asset Charge as a separate line item in tariff. We, therefore, direct the State commission to use same methodology for all the

distribution companies in future for maintaining level playing field between the competing distribution licensees.”

- 3.5. A meeting was held with Govt. of Maharashtra (GoM) on 9.5.2017 on "Doing Business in India--Getting Electricity" in which reduction in the cost of getting a new electricity connection (upto 150 kVA) to 25% of per capita income was discussed. The Minutes of Meeting (MoM) have been submitted.
- 3.6. TPC-D has been levying various charges to its consumers based on the Schedule of Charges approved by the Commission in Case No. 47 of 2012. However, there is a significant difference between the SCC approved for levy by the Parallel Distribution Licensees in Mumbai as compared with the charges approved for TPC-D. This not only causes additional burden on the consumers but also creates an entry barrier for consumers, especially in the LT categories, who opt to take power supply from TPC-D, thus adversely impacting the competitive position of TPC-D. In view of this, the Commission may approve the same charges as applicable to the other Distribution Licensee, which will help the consumers to decide on their choice of preferred supplier based on a level playing field.

3.7. Proposed Service Connection Charges for LT category:

- 3.7.1. In view of the above, the comparison of approved SCC for TPC-D with that of other Distribution Licensees and the proposed charges for LT category of consumers are as given in Table below:

Sr. No	Particulars	Approved by the Commission for Tata Power - D(Rs.)	Approved by the Commission for R - Infra (Rs.)	Approved by the Commission for BEST (Rs.)	Proposed by Tata Power-D (Rs.)
Service Connection Charges/Connection					
A	L. T. Supply				
1	Single Phase				
i	For loads upto 5 kW	2000	2000	2000	2000
ii	For loads above 5 kW and upto 10 kW	3000	2000	3000	2000
2	Three Phase				
i	Motive power upto 27 HP or other loads upto 20 kW	3000	4500	9000	3000
ii	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	19500	6500	19500	6500
iii	Motive power > 67 HP but <= 134 HP or other loads > 50 kW but <= 100 kW	40000	12000	40000	12000
iv	Motive power >134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW	60000		60000	12000

- 3.7.2. The proposed reduction in SCC would enable TPC-D to be on the same level playing field to offer new connections to consumers who opt to take power from it to get a tariff advantage. Thus this will also reduce the burden of initial costs to significant number of potential consumers, as shown in the Table below:

Category	LT-II Commercial (A)-Up to 20 kW	LT-II Commercial (B)- > 20 kW & ≤ 50 kW	LT-II Commercial (C)-> 50 kW	LT III - Industry (A)-≤ 20 kW	LT III - Industry (B)-> 20 kW	LT above 100 kW
Charges for Tata Power-D	3000	19500	40000	19500	40000	60000
Charges for R Infra-D	4500	6500	12000	6500	12000	12000
Difference	-1500	13000	28000	13000	28000	48000
Potential Consumers	22667	734	576	2750	503	

3.7.3. As seen from the above Table, there is a significant difference between the charges of the two Distribution Licensees which not only adversely impact the competitiveness of TPC-D but also unduly burdens the consumers. In view of this, TPC-D is proposing that the charges be made the same as the lowest of the charges of the other Distribution Licensees in order to maintain a level playing field.

3.7.4. For this purpose, TPC-D has approached the Commission in its jurisdiction under Section 86 (1) (k) of the EA, 2003 read with Regulation 92 of the MERC (Conduct of Business) Regulations, 2004 and all enabling powers in this regard, including the inherent powers and extensive regulatory authority vested in the Commission, seeking in-principle approval for the revision of the SCC for TPC-D.

Admission of Petition and Regulatory Process

4. The Commission held a Technical Validation Sessions (TVS) on 4.7.2017 in the presence of Representatives of TPC-D and Reliance Infrastructure Ltd. (Distribution) (RInfra-D) and Authorised Institutional Consumer Representatives.

4.1. In response to the Commission's query regarding the basis of the proposed reduced SCC, TPC-D stated that the existing SCC had been calculated considering the 75-80 meter distance for the Service Connection. The proposed SCC has been arrived at by considering 20 meter distance, in line with the other Licensees.

4.2. TPC-D stated that the impact due to the proposed revision in SCC will be around Rs. 3.5 crore in its Annual Revenue Requirement (ARR).

4.3. The proposed change in SCC in comparison with the SCC of RInfra-D, another parallel Distribution Licensee in parts of Mumbai, is as below:

Particulars	Approved by Commission for TPC-D in Case Nos. 47 of 2012 and 18 of 2015 (Rs.)	Now Proposed by TPC-D (Rs.)	Approved by Commission for RInfra-D in Case No. 73 of 2012 (Rs.)
	TPC-D		RInfra-D
Service Connection Charges			
L.T. Supply			
Single Phase			

For loads upto 5 kW	2000	2000	2000
For loads above 5 kW and upto 10 kW	3000	2000	2000
Three Phase			
Motive power upto 27 HP or other loads upto 20 kW	3000	3000	4500
Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	19500	6500	6500
Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	40000	12000	12000
Motive power >134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW	60000	12000	12000
Above 150 kW	250000		250000

4.4. The Commission asked TPC-D for details of the per capita income to be considered for determining the cost of getting new connection (upto 150 kW), with regard to the World Bank benchmark for “Doing Business in India-Getting Electricity”, as compared to the per capita income of Mumbai or of Maharashtra. Certain other queries were raised in data gaps and at the TVS, which TPC-D addressed subsequently as set out below.

4.5. The list of persons who participated in the TVS is at **Annexure-1**

5. On 11.8.2017, TPC-D responded to the points raised during the TVS and data gaps, and its Addendum to the original Petition states as follows:

5.1. *Provide the basis for computation of SCC*

The methodology applied used by TPC-D for computing SCC in its Petition in Case No. 47 of 2012 is based on the estimated expenses for typical cases of providing power supply to consumers of various categories. The computations for arriving at the Schedule of Charges proposed in Case No. 47 of 2012 are shown in Table No. 1.

5.2. *Justification for change in SCC*

TPC-D has proposed SCC equivalent to the lowest SCC amongst the three Mumbai Distribution Licensees. While approving the charges originally for Brihanmumbai Electric Supply and Transport Undertaking (BEST) in Case No. 26 of 2006, the Commission had at that time considered a cable length of 20 m. for arriving at the SCC:

"Accordingly, BEST should extend their distribution network by providing adequate numbers of Auxiliary distribution pillars / Mini pillars to the load clusters such that the average length of service can be maintained minimum. The Commission has considered average service length of 20 metres while approving the normative charges for service connection. The cost of infrastructure expansion could be claimed through ARR."

If the same cable length of 20 m. is taken for the computation of SCC for TPC-D, the estimated expenses for typical cases of supply to consumers of various categories works out as follows:

Table 1: Service Connection Charges considering 20 m. cable length

Category	Rs/Connection			
	For loads above 5 kW and upto 10 kW	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	Motive power > 67 HP but <= 134 HP or other loads > 50 kW but <= 100 kW	Motive power >134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW
Service Connection Charges approved for Tata Power-D (Case 47 of 2012)	3000	19500	40000	60000
Propose Charges (Case 82 of 2017)	2000	6500	12000	12000
With Average cable length of 20 Meters	3000	7500	15000	22500

As can be seen from the above Table, the SCC arrived at with 20 m. cable length become comparable with that now proposed by TPC-D in this Petition. The detailed working with 20 m. cable length is at Tables 5 and 6 below.

5.3. *Submit the impact of reduction in SCC*

The impact of the proposed reduction in SCC is as shown in the Table below -

Table 2: Impact of proposed reduction in Service Connection Charges

Sr. No	Particulars	No. of Consumers released in FY 2017	Service connection charges as approved in (Case 47 of 2012)	Service connection charges as proposed in (Case 82of 2017)	Total Impact
A	L. T. Supply	No.	Rs./connection	Rs./connection	Rs. Crores
1	Single Phase				
	upto 5 kw	6239	2000	2000	0.000
ii	For loads above 5 kW and upto 10 kW	550	3000	2000	0.055
	above 10kW	23	3000	2000	0.002
2	Three Phase				0.000
A	upto 20kW	5167	3000	3000	0.000
B	Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	1645	19500	6500	2.139
C	Motive power > 67 HP but <= 134 HP or other loads > 50 kW but <= 100 kW	174	40000	12000	0.487
D	Motive power >134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW	149	60000	12000	0.715
E	above 150kW	71	250000	250000	0.000
3	High Tension - above 150kW	15	350000	350000	0.000
Total		14033			3.398

As seen from the above Table, the total impact on the collection of SCC would be around Rs. 3.40 crore in the ARR of TPC-D.

5.4. SCC of TPDDL

During the TVS, the Commission had asked for the SCC approved for Tata Power Delhi Distribution Ltd. (TPDDL). The Delhi Electricity Regulatory Commission had issued its Electricity Supply Code and Performance Standards Regulations in April 2007, in which the Service Line-cum-Development Charges have been specified. These Regulations are applicable to all the Distribution Licensees, including Deemed Licensees, and all consumers in the National Capital Territory of Delhi. The approved Service Line-cum-Development Charges according are as shown below:

Table 4
Service Line cum Development Charge

S.No.	Sanctioned Load (kW)	Amount (Rs)
1	Upto 5	3000
2.	More than 5 upto 10	7000
3.	More than 10 upto 20	11000
4.	More than 20 upto 50	16000
5.	More than 50 upto 100	31000
6.	More than 100 kW (at 11kV)	50 % of the cost of HT cables /line/switchgear

5.5. *What is 25 % of the per capita income of Mumbai?*

A meeting was held with GoM on 9.5.2017 with regard to "Doing Business in India--Getting Electricity". Reduction of SCC to reduce the cost of getting new electricity connections (upto 150 kVA) to 25% of per capita income was one of the items for discussion. In this regard, according to the report on District Domestic Product of Maharashtra 2004-05 to 2013-14 (Base Year 2004-05) available on the GoM website. According to this report, Mumbai (City and Suburban) has a per capita income of Rs.1,88,739/- Therefore, 25 % of the per capita income of Mumbai works out to Rs. 47,185/-. The SCC proposed is lower than 25% of the per capita income of Mumbai. [The Commission notes that the monthly per capita income of the State of Maharashtra (first revised estimate at current prices, as per the Economic Survey 2016-17) was Rs. 12,283, of which 25% is Rs. 3,071.]

Table No. 5: Proposed Category-wise Service Connection Charges considering 20 m. cable length

Service Connection Charges				
Consumer Category	Load	Rate (Rs./kW)	Mid of Range (kW)	Lumpsum Charges Proposed (Rs.)
L.T. Supply				
Single Phase 230 Volts	above 5 KW - upto 10 KW	300	10	3000
Three Phase 440 Volts	above 20 KW - upto 50 KW	300	25	7500
Three Phase 440 Volts	above 50 KW - upto 100 KW	300	50	15000
Three Phase 440 Volts	above 100 - upto 150 KW	300	75	22500

Table No. 6: Detailed Computation of Cost per kW for Service Connection Charges

Power Supply to LT Consumers			SFU												Average	per kW
Material / Equipment	Unit	Quantity per outlet	63 A			125 A			250 A			400 A				
			Rate (Rs.)	Quantity (m)	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)		
LT Cables		per m														
Cable	m	1	237	20	4,736	290	20	5,796	639	20	12,777	869	20	17,387		
Cable Terminations	no.	4	500	2	1,000	500	2	1,000	500	2	1,000	500	2	1,000		
Cable Transportation	Rs./m	1	9	20	175	9	20	175	9	20	175	9	20	175		
Cable Termination Services	Rs./no.	4	1,840	2	3,680	1,840	2	3,680	1,840	2	3,680	1,840	2	3,680		
Cable laying charges	m	1	50	20	1,000	50	20	1,000	50	20	1,000	50	20	1,000		
Cable excavation / backfilling charges	m	1	800	20	16,000	800	20	16,000	800	20	16,000	800	20	16,000		

Power Supply to LT Consumers															Average	per kW
Material / Equipment	Unit	Quantity per outlet	SFU													
			63 A			125 A			250 A			400 A				
			Rate (Rs.)	Quantity (m)	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)		
Cable reinstatement charges	m/trench	NA														
Total Cable related Cost per 20 m					26,591			27,651			34,632			39,242		
SFU	no.	1	4,364		4,364	11,159		11159	16,340		16,340	24,834		24,834		
Meter	no.	1	4,100		4,100	4,100		4100	4,100		4,100	4,100		4,100		
SFU at meter end	no.															
Services Cost comprising of SFU installation, meter installation & testing	LS	1	7,450		7,450	7,450		7,450	7,450		7,450	7,110		7,110		

Power Supply to LT Consumers															Average	per kW
Material / Equipment	Unit	Quantity per outlet	SFU													
			63 A			125 A			250 A			400 A				
			Rate (Rs.)	Quantity (m)	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)	Rate (Rs.)	Quantity	Cost (Rs.)		
Cost of Equipment / Material					15,914			22,709			27,890			36,044		
Cost of Equipment / Material + Cable					42,505			50,360			62,522			75,285	57,668	300
															136,582	300

6. Thereafter, the Commission admitted the Petition on 28.8.2017 for public consultation with the following documents:
 - a) Main Petition dated 18 May, 2017
 - b) Replies to Data Gaps and addendum submitted vide letter dated 3 August 2017 with relevant Annexures
 - c) Replies to Data Gaps submitted vide letter dated 11 August, 2017 with relevant Annexures
 - d) Addendum to the Petition dated 11 August, 2017.
7. In accordance with Section 64 of the EA 2003, the Commission directed TPC-D to publish its Petition in an abridged form and manner, and make available the above documents for public consultation. TPC-D published a Public Notice on 31.8.2017 inviting suggestions and objections on its Petition in four daily newspapers (in English in Financial Express and Indian Express, and in Marathi in Loksatta and Saamna). Copies of TPC-D's Petition and accompanying documents were made available for inspection/purchase at TPC-D's offices and on TPC-D's website (www.tatapower.com). The Public Notice was also made available on the websites of the Commission (www.mercindia.org.in/www.merc.gov.in) in downloadable format. The Public Notice stipulated that the suggestions and objections, in English or in Marathi, may be filed along with proof of service on TPC-D, and that a Public Hearing would be held on 4.10.2017.
8. The Public Hearing was held on 4.10.2017 at 11:00 hours at Centrum Hall, 1st Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai. The list of persons who submitted written responses or made oral submissions at the Public Hearing is at **Annexure 2**. The list of persons at the Public Hearing is at **Annexure 3**.
9. The Commission has ensured that the due process contemplated under law to ensure transparency and public participation has been followed and adequate opportunity was given to all to give their views.

Issue-wise summary of Suggestions and Objections received, TPC-D's Replies and Commission's Views

10. Public Awareness

Suggestions/Objections

Shri N. Ponrathnam stated that, although TPC-D had admittedly published the Public Notice in the newspapers, there has been hardly any response since most electricity consumers are not aware of the Public Hearing. As suggested during the last Schedule of Charges proceedings in 2012, consumers should have been intimated through their electricity bills also.

He also submitted that such revisions in the Schedule of Charges would better be done along with the Aggregate Revenue Requirement (ARR) revision.

TPC-D's Response

TPC-D stated that, as directed by the Commission, the approved Public Notice was published in 4 daily newspapers, viz. Indian Express and Financial Express (in English), and Loksatta and Saamna (in Marathi) on 31.8.2017. The Public Notice and Petition were made available on TPC-D's website.

As regards the methodology, TPC-D has submitted the methodology adopted to work out SCC considering the estimated cost of material and labour.

Commission's View

The Commission notes that in many other Tariff and other proceedings in which the same practice for intimating Public Hearings is followed, there is considerable participation by consumers and others, and many also respond only through written submissions instead. Moreover, unlike many of those proceedings, in this case the proposal is to reduce certain Charges. That may also have contributed to the limited response.

The present proposal is a very limited one. However, in its MYT Order in Case No. 48 of 2016, the Commission had directed Maharashtra State Electricity Distribution Co. Ltd. present updated details and data on each item of its Schedule of Charges with its MTR Petition since the Schedule ought to be reviewed at reasonable intervals. By its letter dated 15 November, 2017, the Commission has asked the other Distribution Licensees to do so as well. Thus, a wider review of the Schedule of Charges is expected during the MTR.

11. Approach to Determination of Charges

Suggestions/Objections

Bharatiya Udhami Avam Upbhokta Sangh (BUAUS) (Shri. Rakshpal Abrol) stated that Motive Power has not been defined in the EA, 2003. TPC-D had been permitted as per the Commission's Order dated 20.8.2008 to provide three-phase supply on 400/440 V and has been doing it since 1919. TPC-D has proposed two slabs for single phase connections, up to 5 kW, and from above 5 kW to 10 kW. As per GoM's order of 1987, single phase supply on two wire, one phase and neutral maximum current shall be 40 and 240 V x 40 A equals 9.6 kW. As per Regulation 6.4 of the Supply Code Regulations, 2005, the sanctioned load of 50 kW/67 HP/63 kVA has not been superseded. Regulation 5.3 of the Commission's Standards of Performance (SoP)

Regulations, 2005 refers to four wire systems with one neutral above 40 A in any premises upto 150 kW/201 HP. He asked whether this was not applicable to TPC-D.

Shri. N. Ponrathnam asked how the two categories of 5 kW and 10 kW installations were created, and stated they are neither mentioned in the Tariff Orders nor in any of the Regulations framed by the Commission. He also asked how 10 kW is considered as single phase, and submitted that 10 kW in single phase 240 V will exceed 40 A which would amount to contravention of the Regulations. He further stated that there is a differentiation based on fuse rating or on the cross-section of wire/cable installed.

He also asked on what basis various installations are differentiated from each other, such as 20 kW, 50 kW, 100 kW and 150 kW installations, and the definition of motive power.

TPC-D's Response

Motive Power is the source of energy used to produce motion and drive machinery. Generally, industrial consumer loads are of motive power. The terminology may have been used in the earlier Order on the Schedule of Charges for the convenience of the consumers.

The load for 40 A comes to around 9.6 kW. For the sake of simplicity, TPC-D is considering a round figure of 10 kW and providing three-phase connections accordingly.

The fuse rating selected for any particular consumer depends on the current allowed to be drawn based on his load, and the cable size depends on the total load being released. The sanctioned load determines the size of the cable/fuse to be used. Also, the various installations are distinguished from each other as 20 kW, 50 kW, 100 kW and 150 kW installations based on their connected load.

Commission's View

These issues are not relevant to the present proceedings, which are limited only to a proposed reduction in the SCC payable for different levels of LT load upto 150 kW as stipulated in the existing Schedule of Charges. They may be raised when a wider review of the Schedule of Charges is undertaken.

12. Service Connection Charges

Suggestions/Objections

BUAUS suggested (in its presentation at the Public Hearing) that the SCC for LT three-phase load from 10 to 50 kW should be lower than proposed, at Rs. 4500; and Rs. 7000 thereafter upto 150 kW.

BAUS also stated that TPC had been supplying electricity to premises on a “four wire system and three-phase supply” as per Rule 50-A of the Electricity Rules, 1956.

According to BUAUS, electricity consumers other than residential consumers are termed as ‘non-domestic’ under the Tax on Sale of Electricity (ToSE) Act, and as ‘commercial’ under the Bombay Electricity Duty (ED) Act. GoM is collecting ToSE at 19 paisa per unit and 23 paisa per unit, respectively, and ED at 15%, 17% and 9%.

No cross-subsidy is provided to consumers of Mumbai or others. Consumers are also paying wheeling charges in addition to tariff rates as per the Order of Supreme Court dated 8 July, 2008. While TPC-D is given rebate of Rs 10000 per year, others are given a rebate of Rs 75 per consumer per year. The proposal of TPC-D should not be approved as per that Order as the consumers are paying the wheeling charges as determined by the Commission.

BUAUS stated that TPC-D is violating Regulation 6.4 of the Supply Code, which stipulates sanctioned load 50 kW/67HP/63 kVA, and also Regulation 5.3 of the SoP Regulations as amended in 2017.

BUAUS stated that the single-phase supply of 240 V on two wires is up to 40 A. Four-wire system with one neutral and three-phase is up to 150 kW. As per Rule 50-A of the Indian Electricity Rules, 1956, buildings above 15m height must have three-phase supply, and the load as agreed upon mutually.

Shri N. Ponrathnam referred to the SCC for three-phase connections (above 150kW). The SoP Regulations, 2014, as amended in 2017, provides the classification of installations as four / three wires, three-phase, 230 / 240 V between phase wire and neutral or 400 / 415 V between the phases / lines, and Contract Demand (CD) not exceeding 150 kW/ 187kVA.

Shri N. Ponrathnam also stated that, in case of multiple consumers in the same building / premises with cumulative CD exceeding 150 kW/ 187 kVA, the limit would be 480 kW / 600 kVA. Giving an example regarding the Charges for 600 kVA, he suggested that the Commission clarify the matter of multiple consumers in the same building / premises with cumulative CD. He also stated that this provision does not give consumers the option to have a single meter for supplying several galas/flats in the same building/premises. The size of cable / fuse determines the size of the installation. Hence, this should be specified in the Schedule of Charges. The installation size which is capable of taking the load should be denoted in the bill as Sanctioned Load.

Shri N. Ponrathnam stated that the SCC should be based on the classification of installation. The Charges should be uniform depending on the size of the installation. He referred to the SoP Regulations, which provide the classification of installations as below:

“.....5.3 Except where otherwise previously approved by the Authority, the classification of installations shall be as follows:

(i) A.C. system

(a) Two wire, single phase, 240 volts- General supply not exceeding 40 amperes... ”

Shri Ponrathnam also asked whether the proposed SCC is inclusive of taxes.

TPC-D's Response

As regards multiple consumers in the same building / premises, this Clause of the Regulations does not provide the option to consumers to have a single meter for supplying several galas or flats in the same building or premises.

Commission's View

The present proposal for revision of the SCC is based on cable length of 20 m., which was earlier considering a length of 75-80 m. The Commission is not concerned with the duties and taxes (such as ED and ToSE) levied by GoM and the definitions in those statutes.

There is no option of clubbing of consumers for supply on a single meter to all the galas/flats in the same building/premises. Ordinarily, the galas/flats in a building taken together cannot be supplied on a single meter except in cases covered by the Electricity (Removal of Difficulties) (Eighth) Order, 2005 notified by the Central Govt. Even so, the provisions of the Commission's SoP (1st Amendment) Regulations, 2017 would apply.

As regards the other point made by Shri Ponrathnam, the Commission notes that the originally approved Schedule of Charges Table with regard to SCC in Case No. 47 of 2012 carries a footnote that they are exclusive of taxes, if any.

13. Other Issues

Suggestions/Objections

BUAUS suggested that residential consumers be allowed to have three-phase supply for lighting, cooking, heating, mixer and grinder, washing machine, ACs, TVs, refrigerator, computers, etc. on LT up to a reasonable sanctioned load, for instance 150 kW. This would be 50 kW per phase and could be easily balanced. It would reduce the distribution loss also.

BUAUS stated that the commercial and industrial purposes as applicable earlier under erstwhile the Indian Electricity Act, 1910 on LT were up to 150 kW and the same may be made applicable. The ED is charged on consumption and there would not be any misuse as is being felt by some Distribution Licensees.

Since many residential consumers are consuming electricity for heating, ironing, geysers, computer and other activities, except lighting, this is not a correct interpretation of residential consumer. Section 2 (15) of the EA, 2003 (defining ‘consumer’) must be taken into account for this purpose. He also suggested that Miniature Circuit Breakers may be replaced free of cost.

BUAUS further stated that it is mandatory that work completion and test reports be certified by a Licensed Electrical Contractor and approved by Class Holder/supervisor and duly signed by the applicant.

TPC-D’s Response

The present Petition is for revision in the SCC, and TPC-D has followed the categories as defined in the earlier Schedule of Charges Order in Case No. 47 of 2012.

The test report signed by the Licensed Electrical contractor is one of the mandatory documents. TPC-D collects it from new consumers and in cases of load enhancement and load reduction.

Commission’s View

The issues raised by BUAUS regarding the residential and other categorisation of consumers, etc. are irrelevant to the present Petition, which is restricted to the proposal to reduce the rates chargeable as SCC in the existing Schedule of Charges. Those rates are not defined in terms of the consumer tariff categories but on the basis of the loads.

Commission’s Analysis and Ruling

14. **Section 46 of the EA, 2003 provides that the State Commission may, by Regulations, authorize the Distribution Licensee to charge from a person requiring supply of electricity any expenses reasonably incurred in providing any electricity line or electricity plant used for the purpose of giving such supply. In this context, the Supply Code specifies as follows:**

“3.2 The charges that a Distribution Licensee is authorized to recover under these Regulations include-

(a) recovery of such expenses as may be reasonably incurred by the Distribution Licensee in providing electric line or electrical plant used for the purpose of giving supply, in accordance with Regulation 3.3 below;

(b) charges for electricity supplied by the Distribution Licensee in accordance with Regulation 3.4 below.

3.3 Recovery of expenses for giving supply

3.3.1 The Distribution Licensee shall recover the expenses referred to in Regulation 3.2(a) above, in accordance with the principles contained in this Regulation 3.3 and based on the rates contained in the schedule of charges approved by the Commission under Regulation 18:

Provided that the Distribution Licensee may, with the approval of the Commission, in case of any category of consumers, recover such expenses on the basis of an average or normative rate for providing the electric line or electrical plant for the purpose of giving supply.

3.3.2 Where the provision of supply to an applicant entails works of laying of service line from the distributing main to the applicant's premises, the Distribution Licensee shall be authorized to recover all expenses reasonably incurred on such works from the applicant, based on the schedule of charges approved by the Commission under Regulation 18:

Provided that the Distribution Licensee shall be entitled to use such service-line to supply electricity to any other person, notwithstanding that all expenses reasonably incurred have been recovered in accordance with this Regulation 3.3.2, except if such supply is detrimental to the supply to the consumer already connected therewith.”

- 15. In pursuance of these provisions, TPC-D levies SCC to its consumers based on the Schedule of Charges which were approved by the Commission in Case No. 47 of 2012 and certain specific revisions which were approved subsequently.**
- 16. However, it is a fact that that the SCC for certain lower load levels approved for TPC-D is significantly higher than the corresponding SCC for consumers of RInfra-D, one of its parallel Distribution Licensees in Mumbai. The Commission notes that there are similar disparities between the SCC of BEST, another Mumbai Licensee whose supply area overlaps with that of TPC-D, and the**

corresponding SCC applicable to RInfra-D consumers; and that BEST has also separately sought a reduction of its SCC for certain LT loads.

Particulars	SCC in Case No. 47 of 2012 and 18 of 2015 (Rs.)	SCC in Case No. 73 of 2012 (Rs.)	SCC in Case No.90 of 2012 (Rs.)	Proposed by TPC-Din this Case (Rs.)
	TPC-D	RInfra-D	BEST	TPC-D
Service Connection Charges				
L.T. Supply				
Single Phase				
For loads upto 5 kW	2000	2000	2000	2000
For loads above 5 kW and upto 10 kW	3000	2000	3000	2000
Three Phase				
Motive power upto 27 HP or other loads upto 20 kW	3000	4500	9000	3000
Motive power > 27 HP but <= 67 HP or other loads >20 kW but <= 50 kW	19500	6500	19500	6500
Motive power > 67 HP but <= 134 HP or other loads > 50 kW but <= 100 kW	40000	12000	40000	12000
Motive power >134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW	60000	12000	60000	12000

17. This disparity is to the disadvantage of lower-load LT consumers of TPC-D in comparison to other similarly placed consumers in the same area. It may also act as an entry barrier to such consumers to opt for power supply from TPC-D, thus affecting its competitive position and the objective of a level playing field.

18. The Commission also notes TPC-D's submission that, as against the longer cable length of 75-80 m. considering which the present SCC was approved in 2012, the estimated expense and corresponding SCC for providing power supply in typical cases of consumers of the relevant LT load levels considering a shorter cable length of 20 m. (on the analogy of RInfra-D) works out as follows:

Service Connection Charges considering 20 metre cable length (Rs.)

Category	For loads above 5 kW & upto 10 kW	Motive power > 27HP but <= 67 HP or other loads > 20 kW but <= 50 kW	Motive power > 67 HP but <= 134 HP or other loads > 50 kW but <= 100 kW	Motive power > 134 HP but <= 201 HP or other loads > 100kW but <= 150 kW
Service Connection Charges approved for TPC-D (Case 47 of 2012)	3000	19500	40000	60000
Proposed Charges (Present Case 82 of 2017)	2000	6500	12000	12000
With average cable length of 20 meters	3000	7500	15000	22500

19. The above Table indicates that the SCC arrived at considering the expenses involved considering an average cable length of 20 m. is comparable with the revised SCC now proposed by TPC-D.
20. The proposed reduction in SCC is estimated by TPC-D to have a marginal impact of Rs. 3.40 crore on its ARR, which shall be recovered through the consumer tariffs.
21. In view of the foregoing discussion, the Commission considers the proposal of TPC-D to be reasonable and justified. Accordingly, the Commission approves the revised normative SCC for consumers of TPC-D as set out in the Table below, from the date of this Order:

Sr. No	Particulars	Existing Approved SCC(Rs.)	SCC now proposed by TPC-D (Rs.)	SCC approved by Commission in this Order (Rs.)
Service Connection Charges				
A	L.T. Supply			
1	Single Phase			
i	For loads upto 5 kW	2000	2000	2000
ii	For loads above 5 kW and upto 10 kW	3000	2000	2000
2	Three Phase			
i	Motive power upto 27 HP or other loads upto 20 kW	3000	3000	3000
ii	Motive power > 27 HP but <= 67 HP or other loads > 20 kW but <= 50 kW	19500	6500	6500
iii	Motive power > 67 HP but <= 134 HP or other loads >50 kW but <= 100 kW	40000	12000	12000
iv	Motive power > 134 HP but <= 201 HP or other loads > 100 kW but <= 150 kW	60000	12000	12000

The Petition of M/s. Tata Power Co. Ltd. (Distribution) in Case No. 82 of 2017 stands disposed of accordingly.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member


(Ashwani Kumar Sinha)
Secretary



Annexure - 1

List of persons who attended the TVS on 4.7.2017

Sr. No.	Name	Organisation
1.	Shri. Rahul M.Ranade	TPC
2.	Shri. Kishor Patil	RInfra
3.	Smt. Swati Mehendale	TPC
4.	Ms. Hawwa Inamdar	TPC
5.	Shri. N.C. Potphode	TPC
6.	Shri. R.M. Kasar Patil	TPC
7.	Shri. M.P. Kulkarni	TPC
8.	Shri. Jagdeep Sangwar	TPC

Annexure - 2

List of persons who provided written responses or made oral submissions at the Public Hearing

Sr. No.	Name of the representative
1	Shri. Rakshpal Abrol, Bharatiya Udhami Avam Upbhokta Sangh
2	Shri. N. Ponrathnam

Annexure- 3

List of persons who attended the Public Hearing on 4.10.2017 at 11.00 hrs.

Sr. No.	Name
1	Shri. Rakshpal Abrol, President, Bharatiya Udhami Upbhokta Sangh
2	Shri. N. Ponratham
3	Shri. Shantilal P. Patel
4	Smt. Swati Mehendale, TPC
5	Ms. Hawwa Inamdar, TPC