

BEFORE H.P. ELECTRICITY REGULATORY COMMISSION,
KHALINI, SHIMLA-171002.

M/s Jaiswal Metals Pvt. Ltd.,
Trilokpur Road, Industrial Area,
Kala Amb, Distt. Sirmour,HP.

... Petitioner

Versus

1. The Secretary, HPSEB,
Vidyut Bhawan, Shimla-4.
2. The Superintending Engineer
(Operation Circle),
HPSEB, Nahan, HP.
3. The Asstt. Executive Engineer,
HPSEB, Electrical Sub-Division,
Kala Amb, Distt. Sirmour, HP.

... Respondents.

Petition under regulation 52 of the HPERC (Conduct of Business) Regulations, 2005 and section 142 of the Electricity Act, 2003 for compliance of the HPERC (Recovery of Expenditure) Regulations, 2005 and for direction for change of the voltage of power supply from 11 kV to standard voltage of power supply at 33kV to the petitioner in a fixed time frame.

Petition No. 156/08

Decided on 23.1.2009

CORAM

Yogesh Khanna,
Chairman

Counsel:

For the petitioner : Sh.P.C.Dewan.

For the respondents : Sh.Narinder Thakur, Adv.

ORDER

(Last heard on 06.12.2008 and orders reserved)

FACTUAL MATRIX:

M/s Jaiswal Metal Pvt. Ltd. Trilokpur Road, Industrial Area Kala Amb, Distt. Sirmaur, HP, which is a registered company, (hereinafter referred as “the petitioner”) has set up an industrial unit at Trilokpur Road, Kala Amb, Sirmaur Distt. for manufacturing of Stainless Steel, MS Ingots, flat/ round sheets etc. and got extended from the Himachal Pradesh State Electricity Board (hereinafter referred as “the respondents Board”) the connected load of 1,370 kW on 11 kV supply voltage to 2,571 kW with 2,500 kVA contract demand also at the same voltage level 11 kV.

2. Until FY 2007-08, no surcharge was levied on the petitioner for the reason of his getting supply at 11 kV voltage. But in the Tariff Order dated 16.04.2007 for FY 2007-08 for the loads in the range of 2,000-10,000 kW loads (to which the petitioner belongs) the standard supply voltage has been fixed at 33 kV and accordingly a surcharge called LVSS is being charged from the petitioner. As the standard voltage and the LVSS provided in the said Tariff Order, being the Multi Year Tariff to remain in force, is to continue in the FY 2009-FY-11, the petitioner is to pay LVSS as long his voltage is not upgraded to 33 kV load.

3. The petitioner, in order to switch over to the standard voltage for his load applied on May 25, 2007 for change of voltage of his supply to 33,000 Volts from 11,000 Volts and the CE (Operation) South, Shimla conveyed the sanction on 24-07-2007, with the stipulation that the petitioner will bear the entire cost for establishing 33 kV System upto his premises. But after a lapse of period of more than a year, the respondent No. 2, i.e. SE (Operation Circle) Nahan, through a letter dated 19.06.2008, which is stated to have been received by the petitioner on 07.07.2008, asked for the deposit of Rs. 25,10,305/- as estimated expenditure for conversion from 11 kV to 33 kV supply voltage with a provision for 0.210 km 33 kV HT line upto the consumer premises pole mounted 33 kV auto reclosure/breaker.

4. The petitioner objected to the requirement of the auto reclosure on the grounds that as per the Indian Electricity Rules, 1956, auto recloser is not necessary to be provided for the load of the petitioner nor the same has been provided at other

tapping points elsewhere in Kala Amb. The petitioner has also contended that for the purpose of working out the estimates the respondents Board was required to get the standard cost data approved from the Commission under the HPERC (Recovery of Expenditure) Regulations, 2005 (hereinafter referred as “the Recovery of Expenditure Regulations”) and further the standard cost of any equipment/line has not been got approved from this Commission and different offices of the respondent Board are applying different rates for the same material. For example the SDO (Operation) Kala Amb prepared estimate for Rs. 14,63,800/-; which was changed by the Sr.XEN, Nahan to Rs. 13,71,730/-; and further jacked up to Rs. 25,10,305/- by the S.E. (Operation), Nahan.

PLEADINGS:

5. According to the averments made by the petitioner, the petitioner has not only applied for upgradation of the voltage, but has also completed 33 kV Sub-Station in his factory, by investing more than Rs. 30 lacs, which is lying idle for the last one year. It is further alleged that the respondents, despite petitioner’s request in May, 2007, have neither cared to convert the voltage to standard voltage nor have come to the Commission for getting approved the time lines for compliance by the respondents to up-grade the voltage. A very long time has been consumed by respondent No.3, i.e. the AEE, Electrical Sub-Division, Kala Amb to intimate the estimated amount of expenditure and the respondent Board has continued to charge the LVSS from the petitioner for no delay on his part in changing from 11,000 Volts supply to 33,000 Volts supply.

6. In addition to the above, the petitioner has also questioned the imposition of LVSS on him, on the ground -

- (a) that the ARR proposal filed by the respondent Board for the financial year 2007-08 did not contain any proposal of LVSS in respect of the large supply consumers and hence could not be discussed and debated;

- (b) that the connection was granted by the respondent Board at 11 kV and at that time no such proposal or surcharge existed in the tariff;
- (c) that for such an imposition, which changed the basic structure of the tariff, a notice should have been given to the petitioner granting him opportunity and time to change over to standard voltage. The principles of natural justice demand that at least a notice and reasonable time be allowed to the petitioner consumers to switchover to new voltages;
- (d) that the imposition could be made upon only the prospective consumers in the manner it was imposed and the existing consumers were required to be given opportunity and time to change over to the standard voltage level;
- (e) that there have been no changes in the power supply system of the respondent Board and the respondent Board has not incurred any additional expenses for supply of power to the petitioner over the last year's situation justifying the additional levy;
- (f) that the loss level at different voltages has also not undergone any change over the last year justifying the levy of the surcharge, nor any study has been carried out in this regard;
- (g) that the respondent Board has so far not come out with a calculation of cost of supply at different voltage levels, therefore, there is no calculation to justify the imposition of the levy at all;
- (h) that a law abiding consumer, who has applied for switching over to the standard voltage or is already in the process of the switching over to standard voltage, should not be subjected to the LVSS after submitting the application as the actual switch over is not in his hands as in the present case.

7. In view of the above submissions, the petitioner prayed, inter alia, for directions to the Board –

- (a) to comply with the Recovery of Expenditure Regulations and to complete the up-gradation of voltage immediately;

- (b) to exempt the petitioner from the LVSS during the time taken by the respondent in up-gradation of voltage, after the submission of application by the petitioner for the up-gradation of the voltage;
- (c) to rework out the expenditure recoverable from the petitioner as per the approved rates by the Commission and standard design 33 kV line, deleting auto reclosure;
- (d) to refund with interest the amount collected as LVSS from the petitioner.

8. In response to the petition, the respondent Board admitted that the petitioner is a large supply consumer having initially 98.5 kW load on 11 kV supply voltage and his load was extended from time to time, and ultimately reached to 2,570 kW load on 11 kV supply voltage w.e.f. 16.06.2005, Initially there was no LVSS for getting supply at 11 kV supply voltage. Regarding the load in the range of 2,000-10,000 kW in the Tariff Order for financial year 2007-08, the standard supply voltage has been fixed at 33 kV and a surcharge called the LVSS has been imposed on the petitioner.

9. The respondent Board further submits that the petitioner was not ready to avail the infrastructure for receiving the supply on 33 kV supply voltage and if the petitioner fails to abide by the Tariff Orders of the Board, which were approved by the Commission, the petitioner is liable to pay LVSS so long as voltage is not upgraded to a 33 kV system.

10. In relation to the variation in the cost estimates of SDO (Operation) Kala Amb, Sr.XEN, Nahan and SE, Nahan, it is stated that the present capacity of conductor is inadequate to carry the load and as such it had become necessary to include re-conductoring of some part of main 33 kV line and as such the variation in estimates was due to re-conductoring of 33 kV line for which the spur line to the petitioner's premises has been proposed to be tapped through 33 kV auto re-closure. Keeping in view the fact that the auto-reclosure on solid Tee Off arrests the fault on the spur line and does not affect other consumers; and the respondent Board's policy; the 33 kV auto-reclosure on Tee off line has to be provided for the consumers on 33 kV supply voltage being fed from the main line. Initially only spur-line and auto re-closure have been proposed by the SDO and the XEN, the S.E (OP) remanded the file to lower officers for also considering the loading conditions

of main line. For matching the loading status with the size conductor, it has become necessary to include re-conductoring of some part of main 33 kV line and finally the estimate reached a cost of Rs. 25 lacs. (approx.).

11. So far as the cost data is concerned the respondent Board asserts that in the instant case the petitioner is the only consumer for which line is to be augmented and the estimates have been provided on actual basis. Since the existing main 33 kV line, catering the load to the consumer, is old and has not the adequate capacity, it is to be augmented at the cost of the consumer for which the cost is to be paid by the first consumer till some other consumer comes to share. The RGGVY cost data does not cover the augmentation beyond the conductor size O.I (square inch) and the matter has been taken up for incorporating the items required to be incorporated in the cost data.

12. In the rejoinder the petitioner has refuted that the LVSS is continued to be imposed on him as long as the system is not upgraded and has reasserted that the change of voltage is not in the hands of the petitioner. The petitioner could only apply for the upgradation, which he did most urgently, but the respondents have taken too long to work out the upgradation cost even after the formal sanction accorded by the CE (Operation) South of the respondent Board and even the estimate of the cost prepared is highly belated, totally wrong and exaggerated. It is wrong to suggest that petitioner was not ready to take supply at 33 kV. The petitioner, in fact, procured the 33/kV transformer and other equipments etc. long ago and placed the equipment in position. Laying of control cable and testing etc. are the final stage issues and would be completed much ahead of the respondents readiness to supply power at 33 kV system. The explanation of variation in the cost estimates is far from the truth. As against the capacity of the line stated to be 220 Amp., a load of 260/272 Amp. consistently continues to be fed from the line. It is, therefore, clear that the line capacity is more than 272 Amps. and the respondents just want to augment the conductor size of the line at the cost of the petitioner. Moreover no explanation has been given for the application of different rates of the same item by different authorities. For example the cost of 11 mtr Steel Tubular pole has been taken as Rs. 11,000/- each by the SDO/AEE whereas the XEN/SE have taken it as Rs. 14,000/- each. Similarly the cost of Reclosure is taken as Rs.

12,08,000/- by the SDO/AEE which has been revised to Rs. 13,43,000/- by the SE. The correct amount needs to be reworked out and the reclosure needs to be deleted as the same has no where been installed in such situation in Kala Amb. The stand taken by the respondents in the written statement is wrong. The cost data had to be got approved from the Commission and the permission to follow the RGGVY rates was only for a limited period because the complete cost data could not be worked out by the respondent Board. The respondents are duty bound to follow the rates proved by the Commission and the technical scheme as per the provisions of Indian Electricity Rules, 1956 and the regulations framed by the Commission. The petitioner has further prayed for deferring the payment of LVSS till the decision of the case.

13. After taking note of the circumstances of this case and the arguments put forth by the petitioner, the Commission, in exercise of the powers vested in it under regulation 26 of the CBR of this Commission considered it necessary to constitute a Committee of the following:-

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|-------|--|----------|
| (i) | the Executive Director(TA), HPERC | Convener |
| (ii) | the Superintending Engineer(OP) Nahan | Member |
| (iii) | Sh. P.C. Dewan, Representative of the M/s Jaiswal Metal Pvt. Ltd. Kala Amb | Member |

14. The said Committee was asked to look into the estimates being framed so as to:-

- (a) examine the technical requirement of auto-reclosure and cost valuation thereof;
- (b) examine the necessity of reconductoring of 33 kV line at the cost of the petitioner as proposed by the Board; if found necessary, to ascertain the extent of charges payable by the petitioner;
- (c) assess validation of the estimated cost vis-a-vis approved cost data;
- (d) assess the cost of the items not covered in the approved cost data; and
- (e) express views and make recommendations on other connected issues, if any.

15. The Committee visited Kala Amb area and specific places of concern, i.e. the line route of 33 kV feeder emanating from 132/33 kV Sub-Station Kala Amb, the proposed tapping points from this feeder, the 3.5 MVA, 33/11 kV Switchyard constructed inside the premises of the petitioner company. Thereafter the Committee concluded issue-wise as under:

(i) Technical requirement of auto-reclosure and cost valuation thereof:

Keeping in view the guidelines issued by the respondent Board, SE (Op) Nahan stressed for the need of providing auto reclosure at the tapping point, as per estimate.

Shri P C Dewan, however, held the view that for short spur lines of lengths upto 500 mtrs, the provision of circuit breaker at tee-offs should not be insisted upon as the fault in the consumer system will be cleared by his switchgear and the fault in the small lines would be rarely faced. However, if the respondent Board wanted to provide the additional equipment in the interest of system operation, then the cost should be borne by the respondent Board. In the case of M/s Saboo Alloys Pvt. Ltd., no reclosure was provided at the tee off point.

After discussions it was concluded that in order to avoid solid taps from the 33 kV line, feeding many industrial units, the requirement of circuit breaker is necessary at each tapping. The outdoor pole mounted auto reclosure with remote controlled communicable GSM etc. as proposed by the Board may not be the only solution. Other option of providing of the metal clad indoor type VCB/SF6 switchgear which can be installed inside the proposed four pole structure should also be considered. SE (Op) Nahan was asked to rework the estimated cost of the circuit breaker preferably with 33 kV indoor type VCB/SF6 switchgear.

(ii) Necessity of re-conductoring of 33 kV lines and the extent of charges payable by the petitioner:

While analyzing the loading positions of the 33 kV feeder, it was observed that there has been a sudden increase in load during the month of Oct., 2008 onwards from (170-190) Amps to (260-270) Amps. When enquired, it was

given to understand that a load of 2.4 MW appx. has been released from this feeder vide SCO No.5581 dated 3-10-2007 by AEE, ESD, Kala Amb, to M/s. Saboo Alloys (P) Ltd and the line needed re-conductoring at that stage. The loading capacity of the existing conductor of size 0.1 Sq. inch i.e. 220 Amp appx., as submitted by the field officers of the respondent Board had exceeded at the time of releasing this load itself. Any further load on this line cannot be released till the conductor of this line is augmented. Hence the proposed augmentation as per estimate was found necessary, but the extent of charges payable by the petitioner shall have to be worked out on prorata basis between M/s Saboo Alloys Pvt. Ltd., and M/s Jaiswal Metal, keeping in view the load already released to M/s. Saboo Alloys Pvt. Ltd. SE (Op) Circle, Nahan was accordingly asked to rework the estimated cost chargeable to the petitioner.

(iii) Validation of estimated cost vis-à-vis approved cost data:

The cost of a few items as given in the estimate such as 11 Mtr. Poles and ACSR conductor were checked with respect to the cost data as approved by the Commission and it was found that there are variations in the estimated costs. The Committee agreed for making necessary revision in the costs of all these items which are covered in the cost data book. SE (O) Nahan was asked to rework the estimated cost in line with the cost data.

(iv) Cost of items not covered in approved cost data:

The rates of auto reclosure as mentioned at para (i) above have not been included in the approved cost data. The budgetary prices as received by M/s. Jaiswal Metal Pvt Ltd; were made available to SE (Op) Nahan. For other items which are not found in the 33 kV cost data as approved by the Commission, the stock issue rates of Electrical Division Nahan are to be considered for estimate purpose.

(v) Other connected recommendations:

- (a) It was observed that the cost data for 2008-09 and approved by the Commission has not been widely circulated by the Board in

its field units. The same needs to be circulated each time and immediately on receipt of approval from the Commission.

- (b) The items not covered in the approved cost data and otherwise required for estimation purposes etc. should be incorporated and got approved in the fixed time lines.
- (c) 33/11 kV sub-transmission system is required to be planned and maintained as per the statutory requirements of relevant standards and Codes in order to have an efficient, economical and reliable distribution system, which has been found lacking in the areas visited by the Committee members.

In view of (i) to (iv) above, SE (Op) Nahan, has been asked to prepare and finalise the revised estimate within a period of fifteen days from 7th October, 2008 and submit the same to the Commission with a copy to M/s. Jaiswal Metals Pvt. Ltd.

16. On receipt of the report, the Commission, in pursuant to the provisions contained in sub-regulation (2) of regulation 26 of the Conduct of Business Regulations, afforded an opportunity to both the parties for filing objections and making submissions on the report of the Committee.

17. The petitioner has reiterated its stand taken before the Committee and has stressed that the Board's orders for providing auto-reclosures on all spur lines, were issued earlier than October, 2007, but no auto-reclosure was provided on the Tee Off of M/s. Saboo Alloys at Kala Amb itself in October, 2007, when his connection was granted. It would be totally discriminating against the petitioner if his estimate is loaded with the cost of reclosure, Installation of any reclosure or any other device on tapping points of 33 kV line in isolation of one consumer out of many consumers fed from the same 33 kV line is of little gain as all the faults (if any) occurring in the spur lines feeding the consumers fed from the same 33 kV line will continue to reflect on the power system and will be cleared only by the protection provided at the Grid Sub-station and it has, therefore, been urged that installation of any auto reclosure on the Tee Off point in isolation may not be insisted upon without providing on other Tee Off points as well. In a well maintained line of 33 kV the

faults are also rare and take care of such eventualities back up protection on the Grid Sub-station and for short spur lines of length of 300/500 metres, the provision of circuit breaker at Tee Offs should not be insisted upon as the fault in the consumer system will be cleared by his switchgear and the fault in small lines would be rarely faced.

18. The respondent Board has stated to the extent that due to right of way constraints in the Industrial Areas, the dedicated feeders/lines cannot be provided for each industrial concern and construction of composite lines becomes necessary. The provision of switchgear at Tee Off point isolates the faulty portion on the composite consumer line and does not affect the entire supply i.e. of healthy consumers. In the absence of auto reclosures/circuit breaker on spur point, the supply of all consumers will be affected. Thus it is absolutely necessary in the interest of the consumers and system reliability to provide auto-reclosures/circuit breakers on the Tee Off point of the lines to the premises of the consumers at least on 33 kV voltage level. The auto-reclosure/ circuit breaker at the Tee Off point also helps the Board to monitor the consumption and managing the system during exigencies of load shedding and break downs effectively.

MAIN ISSUES

19. With the background, as delineated in the foregoing paragraphs, the issues which arise for consideration and determination in this petition are:-

- (A) Whether levy of the Low Voltage Supply Surcharge on Large Supply category of consumers is valid and is the petitioner liable to pay the LVSS?
- (B) Whether the cost of augmentation is to be solely borne by the petitioner or to be shared by other consumers on prorata basis?
- (C) Whether requirement of auto reclosure/circuit breaker is necessary?
- (D) Whether the estimated cost for augmentation needs to be reworked out?
- (E) Whether the petitioner is entitled to any relief?

ISSUE-A Whether levy of the Low Voltage Supply Surcharge on Large Supply category of consumers is valid and is the petitioner liable to pay the LVSS?

20. Section 62(3) of the Electricity Act, 2003, empowers the Commission to differentiate between consumers based on certain pre-defined parameters, and reads as under:-

“62(3) The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer’s load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.”

21. The Commission in its earlier tariff order issued on 29th June, 2005 for the FY 2005-06, designed the cost of supply (COS) model on the basic assumption that power in Himachal Pradesh electricity net work flows through each voltage level to reach low tension (LT) consumer. In other words, the power to reach at LT network will transmit through 220 kV, 132 kV, 66 kV, 33 kV, 22kV and 11 kV. Though this is not a correct assumption, as power does flow from a higher voltage to lower voltage without passing through the intermediate voltages, for instance, 132 kV to 33 kV to 11 kV, the Commission had to make this assumption in the absence of load flow study and accounted power flow diagram outlining the flow of energy from one voltage to another. The Commission also made certain assumptions to arrive at the sales and losses, at each voltage level and hence the network cost at various voltage levels.

22. Clauses “G”, “I” & “J” under Part-I- General of Annexure-II to the Notification issued, in pursuance of the Tariff Order dated June, 29, 2005, by the Board read as under:-

“G” Standard Supply Voltage- The standard of supply voltage, as existing on the relevant network system, in KV, to be followed by HPSEB, based on the connected load measured in KW, as specified under each consumer category of this ‘Schedule Of Tariff’, in respect of supply of electricity to prospective consumers OR at the time of application of ‘Lower Voltage Supply Surcharges’ and ‘Higher Voltage Rebates’ respectively to its existing consumer categories in their bills.

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“I” Lower Voltage supply Surcharge (LVSS)- Consumers availing electricity supply at a voltage lower than the ‘Standard Supply Voltage’ as specified under the relevant category, shall be charged a ‘Lower Voltage

Supply Surcharge’ at the following rates on only the amount of energy charges, billed, for each level of specified step down (as given in table below) from the ‘Standard Supply Voltage’ to the level of Actually Aailed Supply Voltage. The existing consumer availing supply at a voltage lower than the specified standard supply voltage, shall be given six months time from he date of this notification, to avail supply at the standard voltage specified and till such time such consumer shall not be liable to pay such surcharge.

Standard Supply Voltage	Actually Aailed Supply Voltage	LVSS
11 kV or 15 kV or 22 kV	LT(1Ø 0.23 kV or 3Ø 0.415 kV) OR 2.2 kV	7.5%
33 kV or 66 kV	11 kV or 15 kV or 22 kV	5%
>=132 kV	33 kV or 66 kV	3%

“J” Higher Voltage Supply Rebate (HVSR)- A consumer availing electricity supply at a voltage higher than the ‘Standard Supply Voltage’ as specified under the relevant category, shall be given ‘Higher Voltage Supply Rebate’ at the following rates on only the amount of energy charges, billed, for each level of specified step up from the ‘Standard Supply voltage’ to the level of Actually Aailed Supply Voltage.

Standard Supply Voltage	Actually Aailed Supply Voltage	HVSR
LT(1Ø 0.23 kV or 3Ø 0.415 kV) OR 2.2 kV	11 kV or 15 kV or 22 kV	7.5%
11 kV or 15 kV or 22 kV	33 kV or 66 kV	5%
33 kV or 66 kV	>=132 kV	3%

23. The tariff determination methodology as adopted in the Tariff Order issued for the FY 2005-06, has been followed in the subsequent Tariff Orders issued for the FY 2006-07 & FY 2008-09 with the modifications as under:-

- (a) in clause “G” the words “OR at the time of change of supply voltage on the request of the existing consumer” have been inserted; and
- (b) in clause “I” the sentence “The existing consumers availing supply at a voltage lower than the Specified Standard Supply Voltage, shall be given six months time from the date of this notification, to avail supply at the Standard Voltage supplied and till such time consumer shall not be liable to pay such surcharge” has been omitted; and
- (c) the rates of LVSS & HVSR have been decreased from 7.5%, 5% & 3% to 5%, 3% & 2% respectively.

24. Apart from this Schedule- LARGE INDUSTRIAL POWER SUPPLY (L.S) of the notification issued in relation to Tariff for FY 2007-08, approved by this

Commission on 16.4.2007, specifies the Standard Supply Voltage for the L.S Category as under:-

Character of Service

Connected load KW	Standard Supply Voltage (AC 50 Hz).
101 KW to 2000 KW	11kV or 15kV or 22 kV
2000 kW to 10,000KW	33 or 66 kV
> 10,000 KW	> 132kV

25. From the above it is evident that the LVSS has been levied in the phased manner by way of various tariff orders and the Standard Supply Voltage for the L.S consumers has been fixed in the Tariff Order for the FY 2007-2008, in transparent manner and in pursuance of the statutory provisions contained in sections 62 and 63 by the Electricity Act, 2003. Existing consumers availing supply at a voltage lower than the Specified Standard Supply Voltage, initially were given on 29.6.2005 six months time to avail supply at the Standard Voltage Supply and LVSS has been levied on 16.4.2007, i.e. to say approximately after the expiry of 2 years thereafter. Thus it is wrong to conclude that the levy of LVSS on the petitioner was in any way infringement of the principles of natural justice and was without affording opportunity of being heard. The consumers of L.S category, therefore, are liable to pay the LVSS. This issue is answered accordingly.

ISSUE-B

Whether the cost of augmentation is to be solely borne by the petitioner or to be shared by other consumers on prorata basis?

26. Regulation 6 of the HPERC (Recovery of Expenditure for Supply of Electricity) Regulations, 2005 provides that, in case of augmentations/erection of new electrical plant, DTR, switchgear etc, for extending supply (where licensee's investment approval does not permit the cost) the licensee shall recover the total cost from the applicant and shall refund the cost to the applicant as and when new connections are installed or given from the electrical plant/and or electrical line on prorata basis, with the interest rate of 8% commuted annually. Thus the cost of augmentation is not be solely borne by the petitioner but is to be shared by the consumers accordingly. As the load also stands released to M/S Saboo Alloys Pvt. Ltd; the extent of charges payable by the petitioner are required to be reworked out on prorata basis between M/s Saboo Alloys Pvt. Ltd and the petitioner M/S Jaiswal Metal Ltd; and other beneficiaries, if any.

ISSUE-C Whether requirement of auto reclosure/circuit breaker is necessary?

27. To avoid solid taps from the 33 kV line feeding many industrial units, the requirement of circuit breaker is necessary at each tapping. Due to right of way constraints in Industrial areas, the dedicated feeders/ lines cannot be provided for each industrial concern and construction of composite lines becomes necessary. The provision of switchgear at Tee Off points isolates the faulty portion on the composite consumer line and does not affect entire supply i.e. of healthy consumers. In the absence of auto reclosures/circuit breakers on spur point, the supply of all consumers is likely to be affected. Apart from this the auto reclosure/circuit breaker at the Tee Off points also helps to monitor the consumption and managing the system during exigencies of load shedding and break downs effectively. Thus, as stated in the Board's orders, it is absolutely necessary in the interest of consumers and system reliability to provide auto- reclosurers/ circuit breakers on the Tee Off point of the lines to premises of the consumers at least on 33 kV voltage level. The outdoor pole mounted auto reclosure with remote controlled communicable GSM etc, as proposed by the Board, may not only be the solution. Other option of providing of the metal clad indoor type VCB/SF6 switchgear, which can be installed inside the proposed four pole structure, should also be considered.

ISSUE-D

Whether the estimated cost for augmentation needs to be reworked out?

28. Commission considers it necessary that the estimated cost chargeable to the petitioner be reworked as the expert committee, constituted by the Commission, found that-

- (i) there are variations in the estimated cost of few items covered in the cost data book, such as 11 Mtrs Poles/ ACSR Conductor;
- (ii) as the rates of items such as auto-reclosure, are not given in the 33 kV cost data, as approved by the Commission, the current market rates/stock rates of Electrical Division, Nahan are to be considered;
- (iii) the line augmentation charges payable by the petitioner are to be worked on prorata basis between the petitioner company (i.e. M/s Jaiswal Metal Ltd; and other beneficiaries such as M/s Saboo Alloys Ltd;

- (iv) the option for providing the metal clad indoor type VCB/SF6 switchgear instead of outdoor pole mounted reclosure, needs to be considered.

ISSUE-E Whether the petitioner is entitled to any relief?

29. In the instant case the Standard Supply Voltage for the LS Category of consumers has been fixed in the Tariff Order, for the FY 2007-2008, issued on 16.4.2007 and the petitioner approached the Board on 25th May, 2007 for conversion of the voltage to Standard Voltage and the Chief Engineer (Operation), Shimla conveyed the sanction on 24.7.2007, with the stipulation that the petitioner will bear the entire cost for establishing 33 kV system upto his premises. But after a lapse of a period of more than a year, the respondent No.2 i.e. Superintending Engineer (Operation), Nahan worked out the estimated cost and asked for the deposit of Rs. 25,10,305/- as estimated expenditure for conversion, based on the cost data allegedly not approved by the Commission under the Recovery of Expenditure Regulations; and also concluded the cost of auto-reclosure was loaded to the estimated expenditure discriminatory as no auto-reclosure was provided or insisted upon on the Tee Off points of other industrial concerns in the area. Tariff determined by the Commission and the directions given in the Tariff Order by the Commission are the quid pro quo and mutually inclusive. As such, the Board is also required to be quick in action. Consuming a long time in simply working out the estimated cost for converting the voltage to standard voltage requires no more proof in regard to the inaction on the part of the Board. The consumers should not be burdened for the delays and inaction on the part of the licensee i.e. the Board. In view of this, the LVSS should not be charged from the petitioner for the period following after the date when he applied on 25.5.2007 for conversion of his supply voltage to standard voltage till the date accurate estimated expenditures, based on the cost data approved by the Commission, is made available to the petitioner.

30. In the result the Commission-

- (a) sets aside the estimated expenditure worked by the respondent No.2, i.e. S.E. (Operation), Nahan, being incorrect and also not in conformity with the provisions of Recovery of Expenditure Regulations;

- (b) directs the Board to rework the estimated cost of conversion of supply voltage to standard voltage, after taking into consideration the recommendations made by the expert committee as mentioned in paras 13 and 28 of this Order;
- (c) directs the Board not to charge the LVSS from the petitioner during the time taken by the respondents in up-gradation /change of voltage, after the submission of application by the petitioner on 25th May, 2007 for the up-gradation/change of voltage;
- (d) directs the Board to allow the petitioner time to switchover to new voltage, a period of three months reckoned from the date on which revised and correct cost estimates are given to the petitioner.
- (e) directs the Board to refund the LSVSS charged from the petitioner, by way of adjustment in future bills.

31. Before, parting with this Order, the Commission would like to point out that the levy of LVSS, necessity of requirement of auto-reclosure and cost valuation, thereof, based on approved cost data, is designed to avoid losses to the Board. It is in the Board's own interest that such provisions are implemented in letter and spirit and any laxity in this regard should be severely dealt with. In this regard, the Commission also directs the Board-

- (a) to widely circulate in field units the cost data for FY 2008-09; and also subsequently as and when the cost data is annually approved by the Commission under the Recovery of Expenditure Regulations;
- (b) the items not covered in the approved cost data and otherwise required for estimate purposes should be incorporated and got approved from the Commission in the fixed time lines;
- (c) 33 kV Sub-transmission system be planned and maintained as per the statutory requirements of relevant standards and Codes in order to have an efficient and reliable distribution system;
- (d) to provide within a period of 1 year from the date of this order, auto-reclosures/circuit breakers on Tee Off points of the lines to the premises of the consumers at least on 33 kV voltage level in the State, feeding many industrial units; so that it does not affect entirely supply of the healthy consumers; and also helps to monitor the

consumption and managing the system during exigencies of load shedding and break downs effectively.

- (e) ensure that a similar exercise for above requirements is undertaken within a specified time frame in the overall HPSEB system so that all Industrial Areas are covered, implementation undertaken and the Board's orders carried out briskly and fully.

It is so ordered.

(Yogesh Khanna)
Chairman.