

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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Case No. 26 of 2006

In the matter of

Approval of BEST'S Schedule of Charges

ORDER

Dated: 12th October, 2006

IN THE MATTER OF
Approval of BEST'S Schedule of Charges

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Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

ORDER

Dated: 12th October, 2006

Preface:

Presently, Brihan-Mumbai Electric Supply & Transport Undertaking (BEST) is recovering various charges from the consumers for the services, besides supply, provided to them as per the BEST's Conditions and Miscellaneous Charges for the Supply of Electrical Energy, which are in force since April 1998.

Section 50 of EA, 2003 provides that the State Electricity Regulatory Commission, hereinafter referred to as the Commission shall specify an Electricity Supply Code to be adhered to by the Distribution Licensee in the State. Accordingly, the Maharashtra Electricity Regulatory Commission (MERC) has issued Electricity Supply Code and Other Conditions of Supply Regulations, 2005 effective from January 20, 2005.

As per Regulation No. 18 of the Supply Code Regulations, the distribution licensees are required to file with the Commission for approval, a 'Schedule of Charges' for such matters required by the distribution licensee to fulfill its obligation to supply electricity to consumers under the Act and other relevant Regulations.

Accordingly, BEST submitted the 'Schedule of Charges' payable by its consumers vide letters dated 18th March 2005 and 15th April 2005, and subsequently by their letter dated 3rd June 2005, the Terms & Conditions of Supply, for the approval of the Commission.

The Commission in exercise of the powers vested in it under the provisions of MERC (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 and all other powers enabling it in this behalf, and after taking into consideration, all the submissions made by BEST, all the objections and issues raised during public



hearing, the responses of BEST, and all other relevant material, hereby determines the Schedule of Charges for various services provided by BEST.

1: Background and Process

1.1 BEST's Proposal:

BEST has proposed the Schedule of Charges in seven broad categories, namely, (a) Processing fees, (b) Charges for Sanctioned Load (c) Charges for Temporary Sanctioned Load, (d) Charges for restoration of Supply, (e) Service Call Charges, (f) Charges related to the Meter and (g) Security Deposit against regular payment of energy.

1.2 Regulatory Process:

On receipt of the proposal, after due scrutiny, the Commission in line with Regulation 18 of Supply Code decided to invite public comment/suggestions on the draft Schedule of Charges. Accordingly, a public notice dated 21st August 2006 inviting suggestions and objections from interested parties was published in Mumbai editions of Business Standard, DNA, Financial Express, The Free Press Journal, Economic Times, Times of India, Navbharat Times, Maharashtra Times, Indian Express, Dainik Samna, Loksatta, Sakal, Navakal, Mumbai Samachar and Navshakti on 22nd August 2006.

BEST was also advised to make available copies of BEST's petition, for inspection and acquiring, to the members of public at BEST's office and to host the same on BEST's web site (www.bestundertaking.com). The last date of filing written objection was fixed as 18th September 2006, which allowed a period of one month to the public to enable them to file their objections. Meanwhile, vide their letter dated 22nd August 2006, BEST submitted revised rates for Processing fees to the Commission.

The Commission received one written objection/comment regarding proposed Schedule of Charges submitted by BEST. The Commission also admitted objections filed during the Public hearing, which was held on 21st September 2006 in Mumbai. List of Objectors to the BEST's proposal on 'Schedule of Charges' is annexed at Appendix-I. Based on the various objections received and proceedings during Public Hearing, BEST submitted their response on 4th October 2006.

The Commission has ensured that the due process contemplated under law to ensure transparency and public participation, has been followed at every stage meticulously and an adequate opportunity was given to all the persons concerned to file their say in the matter.

The Commission after taking into consideration all the objections, including the submissions and responses of BEST, issues raised during the Public Hearing and all other relevant material, issues the order as per following structure having three sections.

Section I above covers Preface, Background and Regulatory Process.

Section II is covering –

- BEST's proposal, dealt itemwise
- Under each item the objections received
- BEST's response to such objections
- The Commission's ruling on each item.

Section III is covering –

- Commission's Analysis and Tariff Philosophy towards determination of itemwise charges
- Applicability and Validity.

II - Item-wise, proposal of BEST, summary of objections received, response filed by BEST and the Commission's ruling:

1) Processing Fees

1.1 BEST's Proposal

BEST has proposed to charge Rs. 100/- per application towards application processing charges for supply or for additional load/ shifting of service/ extension of service or restoration of supply and Rs. 50/- per application for change of name.

1.2 Objections

Electrical Contractor's Association of Maharashtra (ECAM) submitted that BEST have themselves defined 'Processing Fee' as a nominal cost for handling applications. He further suggested that considering all establishment costs are recovered through ARR, a token amount of Rs. 10/- per application should be allowed.

Shri Manohar Panshikar stated that before approving the schedule of charges, it is necessary to determine the standards and principles for the schedule of charges. Also the existing charges should be made available for comparison purpose and till standards and principles are decided, the existing schedule of charges may be continued for a period of 2 years. He further suggested that the Commission should direct the distribution licensee to denote each service type with an account code and the accounts of each such service type should be separately maintained.

1.3 BEST's Response

In their response to the objections raised by ECAM, BEST has stated that in their original proposal the nominal processing fee of Rs. 10/- was proposed. However, subsequently BEST has requested MERC to make it Rs. 100/- for new connection, additional load etc. and Rs. 50/- for change of name. This has been necessitated due to receipt of very large number of requisitions due to very low application fee of Rs. 4/-, about 30% of which were cancelled for various reasons. Thus lot of their manpower was wasted for investigating such cases. The revised processing fees will act as a deterrent to non serious/frivolous applicants.

1.4 Commission's Ruling

The Commission holds that charges under this category should be at nominal rates and the same are indicated in **Annexure-1**. [For detailed ruling refer Section-III (1)]

2) Charges for Sanctioned Load

2.1 BEST's proposal

BEST has proposed a connection fee of Rs. 50/- per connection for new connection and extension of load in addition to a normative charge of Rs. 450/- per kW for all categories of consumers, wherein the service line length is less than 100 metres. In cases wherein the service line length is more than 100 metres, BEST has proposed a rate of Rs. 1150/- per metre for the length exceeding 100 metres, in addition to the above charges.

In case of non regular service such as fire fighting service, BEST has proposed the charges in two parts, namely, a) Fixed charges of Rs. 11,100/- per connection and b) Variable charges of Rs. 1340/- per metre of length of service line.

2.2 Objections

ECAM submitted that BEST's proposal to increase the existing rate of Rs 6/- per connection to Rs. 50/- per connection may be rejected. He further suggested to allow a rate of Rs. 10/- per connection.

Regarding BEST's proposed normative charge of Rs. 450/- per kW for new connection and additional load, he submitted that it is arbitrary and should not be accepted. He further stated that when concept of normative charge (per kW) is introduced then BEST's contention to charge an additional amount for a service length exceeding a length of 100 metres is totally unjustified.

The supervision charges claimed by BEST @ 25% on labour are on higher side and should not exceed 15% of the cost of labour. He finally suggested to consider a normative cost of Rs. 225/- per kW.

Regarding BEST's proposed charges on non regular service such as fire fighting service, he submitted that BEST's concept of 'fixed charge' and 'variable charge' is unacceptable and may be totally denied.

2.3 BEST's response

In their response to the objections raised by ECAM, BEST has submitted that the existing rate of Rs. 6/- was arbitrary and the proposed rate of Rs. 50/- is based on the actual minimum cost of Rs. 102/- incurred by BEST as elaborated in Annexure-2 of their proposal.

The rate of Rs. 450/- per kW proposed by BEST is not arbitrary but based on factual data of past 9 months. BEST has worked out the average length required for laying service cable for each size of service cables. Based on each sizes of service length, the cost has been worked out on normative basis. The working has been shown in Annexure-3 of their proposal.

BEST has further clarified that as per their experience, an average of maximum length for any service line between distributor mains and the point of termination does not exceed 100 metres. This can be seen from the average length for each of size of service cable given in Annexure-3 of their proposal. The maximum length is 70 metres for 120 sq.mm. cable. Hence, the apprehension that exceeding length of 100 metre being arbitrary, is not correct. In few cases, if a small load is requisitioned at a considerable distance from distributor, actual expenditure would be much higher and in such cases the charges above 100 metres may be applicable.

The supervision charges in the proposed schedule of charges are as per the present prevalent practice. However the suggestion of ECAM is acceptable and BEST will abide by MERC's directives.

The earlier rate of Rs. 150/- per kW and Rs. 300/- per kW were charged for residential and commercial categories respectively, as service line charges were fixed in the year 1997 and were not revised subsequently. The present proposed charges are realistic and are based on factual data.

On their response to non regular service charges, BEST has stated that these services are exclusively for fire fighting and standby purposes and have necessarily to be given from a substation other than that feeding the normal service. Therefore it is not 'T' jointed to a distributor but taken from the substation terminations and as such two glands, one each at both ends are provided unlike other services where only one gland is required. As these services are normally longer, BEST has proposed higher cost. However, they will abide by MERC's directives.

2.4 Commission's Ruling

In order to simplify the procedure while releasing the connection and to avoid discretion and disputes at field level, the Commission hereby dispenses with the measurement linked variable charges. The normative Service Connection Charges as approved by the Commission are indicated in **Annexure-2**.

Further, in case of non regular service such as fire fighting service, the Commission rejects BEST's proposal of charging in two parts and directs BEST to charge actual cost involved in giving fire fighting service connection.

In case a consumer applies for an additional load/contract demand i.e. extension of load and if the release of additional load/contract demand entails any new works, the Commission allows BEST to recover the normative charges for the total load/contract demand (existing as well as additional load) as per the applicable load slabs indicated in **Annexure-2**. *[For detailed ruling refer Section-III (2)]*

3) Charges for Temporary Sanctioned Load

3.1 BEST's Proposal

In case of Temporary connection, BEST has proposed the charges in two parts, namely, a) Fixed charges of Rs. 8180/- per connection and b) Variable charges of Rs. 2070/- per metre of length of service line.

3.2 Objections

ECAM submitted that BEST's concept of 'fixed charge' and 'variable charge' for Temporary service is unacceptable and may be totally denied. He further stated that very often temporary supply is released from an existing laid service cable. In such cases, the charges proposed by BEST should not be considered.

3.3 BEST's response

BEST has submitted that in case temporary supply is released from an existing laid service cable, no charges are being presently collected and BEST proposes to maintain the same.

3.4 Commission's Ruling

The Commission rejects BEST's proposed charges for temporary connection and directs BEST to charge the actual cost involved in giving temporary supply. *[For detailed ruling refer Section-III (3)]*

4) Charges for Restoration of Supply

4.1 BEST's Proposal

For an installation which is disconnected on account of vacation of premises, defects in installation, non payment of energy bills or infringement of Supply Code, BEST has proposed the rates from Rs. 50/- to Rs. 1000/- per restoration for reconnecting the supply.

4.2 Objections

ECAM stated that the charges for restoration of supply shall neither be applied to cases which are related with claims of 'arrears' and 'amendment bills' under dispute nor to the cases where BEST has wrongly disconnected the supply.

He further submitted that the BEST's proposed rates of Rs. 50/- to Rs. 1000/- are very high and suggested rates ranging between Rs. 35/- to Rs. 500/-. He opined that the charges of Rs. 500/- for reconnection should be applicable only in case where disconnection is done from underground mains. However, if disconnection is effected above ground i.e. if disconnection is effected from feeder pillar, HT breaker etc., reconnection charge of Rs. 35/- should be made applicable.

4.3 BEST's Response

BEST has stated that the proposed charges are for the activities covered under MERC (Electricity Supply Code & other Conditions of Supply) Regulations, 2005. Further, the existing rate of Rs. 20/- are concessional though the actual cost incurred is Rs. 48/-. Hence, BEST has proposed to maintain the same charges.

The actual charges for reconnection at cut-outs in cases where meter is removed, varies from Rs. 102/- to Rs. 408/- and therefore, the proposed charges of Rs. 200/- are realistic and reasonable (it involves two visits, administrative charges and meter testing charges).

In case the reconnection is made from underground mains, the actual cost works out to Rs. 1027/- as against the proposed cost of Rs. 1000/-. Also, such cases are very rare.

The cases of disconnection of H.V. consumers are very rare. As such, BEST proposes to reduce the proposed charges to Rs. 200/- at par with other disconnections.

4.4 Commission's Ruling

Considering the provision in Section 56 of the Act, wherein it is expressly mentioned that the licensee can recover the cost incurred for cutting off and reconnecting supply, the Commission opines that reasonable charges reflecting the cost involved may be levied. The Commission approves the charges proposed by BEST for restoration of supply as indicated in **Annexure-3**. [For detailed ruling refer Section-III (4)]

5) Service Call Charges

5.1 BEST's Proposal

BEST has proposed a charge of Rs. 50/- per call for temporary removal of fuses to enable consumer's Licensed Electrical Contractor (LEC) to work on consumer's installation and replacing the same thereafter.

BEST has further proposed a charge of Rs. 1000/- per call per person for attendance of BEST's representative at consumer's premises during any function (upto 3 hours) on consumer's request. In case the service call extends beyond 3 hours, an additional charge @ Rs. 300/- per hour per person has been proposed.

5.2 Objections

ECAM submitted that till date BEST was not levying any charges for removal of fuses to enable consumer's LEC to work on his installation and replacing the same thereafter. If the consumer's LEC needs to carry out any work, he can isolate the installation using the main switch next to the meter. He further suggested that since no such charges exist as on date, the same status should be maintained.

Regarding charges for attendance of BEST's representative at consumer's premises during any function (upto 3 hours), he stated that such payment should be refunded to the consumer upon receipt in writing of any deficiency in service and behavior of such representative.

5.3 BEST's response

BEST has stated that the present rate of Rs. 4/- for temporary removal of fuses to enable consumer's LEC to work on consumer's installation and replacing the same thereafter is arbitrary and being increased to realistic & reasonable figure of Rs. 50/-.

Regarding ECAM's objection on refund of charges to the consumer upon receipt in writing of any deficiency in service and behavior of such representative, BEST has accepted the suggestion.

5.4 Commission's Ruling

The Commission does not consider these services i.e. temporary removal of fuses to enable consumer's LEC to work on consumer's installation and replacing the same thereafter and attendance of BEST's representative at consumer's premises during any function as a part of Schedule of Charges as these services fall under non-regulatory services resulting in 'other income' for the Licensee. *[For detailed ruling refer Section-III (5)]*

6) Charges related to Meter

6.1 BEST's Proposal

i) Changing the position of the meter at consumer's request

BEST has proposed a charge of Rs. 50/- per request for changing the position of the meter at consumer's request.

ii) Testing of Installation on consumer's request

BEST has proposed a charge of Rs. 50/- per request for checking and testing of installation on consumer's request.

iii) Testing of meters

BEST has proposed charges of Rs. 100/- per test for single phase & Rs. 300/- for three phase meter testing at their laboratory. Further, as per BEST, in case of disputed hired meters, if the errors of meter tested are outside the limits of accuracy as stipulated in Supply Code Regulations, the consumer would not be charged for testing.

iv) Lost/ Burnt meters

BEST has proposed charges for lost/burnt meters ranging from Rs. 1078/- to Rs. 2119/- for conventional meters and from Rs. 1373/- to Rs. 16080/- for static meters.

6.2 Objections

i) Changing the position of meter at consumer's request

There were no objections on this item.

ii) Testing of Installation on consumer's request

ECAM stated that testing of installation under the law can only be carried out by a LEC.

iii) Testing of meters

ECAM submitted that the charges for testing of meters in BEST's laboratory shall not be levied on the consumer, as the meters are the properties of BEST and it is obligatory on the part of the BEST to check, test and maintain all its meters within the

specified limits of accuracy. Also, BEST should issue test certificates giving full details of tests conducted and the results thereof.

iv) Lost/ Burnt meters

ECAM submitted that meters, though issued to a consumer, are the properties of BEST. Hence, though the consumer may be morally responsible for the safe-keeping of the meter, for all practical purposes it is beyond his control. He further urged the Commission to direct BEST to 'insure' all their energy meter against damage/ burnt condition/ lost cases and thereby to seek compensation from the Insurance Company.

Regarding burnt meter charges, he stated that the consumer may be asked to pay only actual cost of the meter or buy a similar meter from the market and handover the same to BEST within a period of 30 days, only if it is determined that the meter has burnt owing to circumstances other than loose connection at the meter lead terminals.

6.3 BEST's response

i) Changing the position of meter at consumer's request

BEST has not submitted any response in absence of any objection.

ii) Testing of Installation on consumer's request

BEST has submitted that this being an optional service, consumer can choose the option. As per prevailing practice, installations in the premises of the consumer's, certified by LEC, are again inspected by BEST before connecting the supply. However, BEST will abide by Commission's directives in this regard.

iii) Testing of meters

BEST has clarified that the charges for testing of meters are in conformity with Regulation 14.4.2 of MERC (Electricity Supply Code and other Conditions of Supply) Regulations, 2005. As far as issuing of test certificate is concerned, BEST has accepted ECAM's suggestion.

iv) Lost/ Burnt meters

Regarding ECAM's objection on responsibility of consumer for the safe-keeping of meter, BEST has stated that the Commission is requested to review and issue directives in this regard. As regards insurance, MERC may consider the suggestions for introducing it in the Regulations.

BEST has accepted ECAM's suggestion, that the consumer may be asked to pay the actual cost of meter, only if it is determined that the meter has burnt owing to circumstances other than loose connection at the meter lead terminals. Regarding ECAM's contention of buying a similar meter from the market and handover the

same to BEST within a period of 30 days, BEST has objected that they can not continue without meter for 30 days.

6.4 Commission's Ruling

i) Changing the position of the meter at consumer's request

Considering the average cost of material and labour involved in shifting of meter, the Commission approves the normative charges of Rs. 50/- proposed by BEST with the condition that this would cover the total cost including the cost of material, labour, all other costs etc. required for changing the location of the meter and no other charges be added on it.

The charges for changing the location of meter within the premise will be applicable only in cases where the shifting is to be done at the request of the consumer. However, when BEST desires to have the location changed, then the cost of such shifting shall be entirely borne by BEST.

ii) Testing of Installation on consumer's request

The Commission approves the charges proposed by BEST for installation testing on consumer's request. BEST should provide copy of the test report of Installation testing to the concerned consumer. *[For detailed ruling refer Section-III (6)(ii)]*

iii) Testing of meters

The Commission approves the charges for testing of meters as proposed by BEST. The testing charges approved shall be applicable only in case the consumer requests BEST to test the meter. *[For detailed ruling refer Section-III (6)(iii)]*

iv) Lost/ Burnt meters

The Commission approves the rates as indicated in **Annexure-3**, which would be applicable only in case of a burnt or a lost meter or where a consumer opts to purchase the meter from BEST. *[For detailed ruling refer Section-III (6)(iv)]*

7) Security deposit against regular payment of energy

7.1 BEST's proposal

i) Permanent Connection

BEST has proposed a Security Deposit of Rs. 300/- per kW of contract demand/sanctioned load for residential consumers and Rs. 500/- per kW for other consumers

against regular payment of energy citing Regulation 11 of Supply Code, calculated on the basis of average consumption.

ii) Temporary Connection

BEST has proposed a Security Deposit of Rs. 50/- per kW per day for religious purposes and Rs. 150/- per kW per day for other purposes, calculated on the basis of connected load and period and to be paid before the commencement of supply to cover energy consumption and electricity duty.

7.2 Objections

i) Permanent Connection

ECAM submitted that proposed charges are exorbitantly high and without any justification. He suggested to maintain the present rates of security deposit. He further requested the Commission to direct BEST to open a separate bank account wherein all security deposit transactions may be debited and credited.

ii) Temporary Connection

ECAM suggested a rate of Rs. 100/- per kW for other purposes. He further stated that in case the consumer has availed temporary connection using pre-paid meters, no security deposit shall be made applicable.

7.3 BEST's Response

i) Permanent Connection

BEST has submitted that the security deposit proposed is for new connections and proposed to be computed and adjusted as per the relevant provisions of Electricity Supply Code after the actual consumption. Further, the present rates were fixed in 1997 and in view of subsequent upward increase in tariff, Fuel Adjustment Charges and taxes, the proposed rate is reasonable. As regards returning the security deposit in a separate bank account, MERC may kindly issue directives in this regard.

ii) Temporary Connection

BEST has accepted ECAM's suggestion of revising the rate of security deposit for other purposes. Regarding non applicability of security deposit in case of temporary connections using pre-paid meters, BEST has stated that the EA, 2003 has no such provision and do not permit such collections of deposit.

7.4 Commission's Ruling

As the Security deposit against regular payment of energy is a tariff related issue, the Commission directs BEST to collect security deposit for regular electricity

consumption as per the provisions of Regulation 11.3 of Supply Code and directives given in the tariff order, from time to time. [For detailed ruling refer Section-III (7)]

III - COMMISSION'S ANALYSIS, TARIFF PHILOSOPHY AND DECISION ON ITEMWISE SCHEDULE OF CHARGES

1) Processing Fees

As per Supply code regulation 4, in respect of Application for supply, the applicant is required to submit various documents and details. Besides, as per Regulation no. 4.1(ix), consumer is required to pay fee for processing the application or receipt thereof, based on schedule of charges approved by the Commission under Regulation 18.

Following activities are involved in processing the application as mentioned in Regulation 5 of Supply Code:

- i) study of technical requirements of giving supply,
- ii) inspect the premises,
- iii) joint inspection along with an applicant to fix the position of service, mains, meters, sanction of load, etc.

However, all the above activities fall under normal activities of the Licensee's staff. As the expenditure on the staff is covered under ARR, the Processing fee should not include the expenditure towards the staff employed for processing the application to avoid double accounting. At the same time the Commission feels that there should be a minimum barrier to discourage frivolous or non serious consumers.

In view of above, the Commission allows BEST to collect a token amount towards the application processing or receipt thereof as indicated in **Annexure-1**.

2) Charges for Sanctioned Load

Section 46 of EA, 2003 provides that the State Commission may by Regulation; 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 that supply.

Thus as per the Act, powers are vested with the Commission to formulate Regulations specifying the principles for recovering the expenses involved in releasing the connections, which are set out in Regulation 3 of MERC (Supply Code and Other Conditions of Supply) Regulations, 2005.

Regulation 3.3.2 of Electricity Supply Code authorizes the Distribution licensee to recover all expenses reasonably incurred in laying down service line from the distribution mains to applicant's premises, from the applicant. Thus the applicant is

required to pay the entire cost of Service connection from the distributing main to his premise.

BEST has proposed to recover charges for new connection and extension of load at normative rates based on the sanctioned load (kW)/Contract Demand (kVA). The rates are worked out on the basis of average cost involved in releasing the connection to the consumer.

The proposal of BEST to recover charges on normative basis is in line with the Regulation 3.3.1 of Supply Code Regulations. However, BEST has proposed a variable component based on per metre cost of connection, for providing service connection of length more than 100 metres. By measurement-linked charges, the very purpose of providing normative charges would be defeated.

Section 42(1) of the Act stipulates that *'it shall be the duty of the distribution licensee to develop and maintain an efficient, co-ordinated and economical distribution system in his area of supply....'*

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.

Further, in order to simplify the procedure while releasing the connection and to avoid discretion and disputes at field level, the Commission has decided to dispense with the measurement linked variable charges. The normative Service Connection Charges as approved by the Commission are indicated in **Annexure-2**.

Further, in case of non regular service such as fire fighting service, BEST has proposed the charges in two parts, namely, a) Fixed normative charges and b) Variable charges based on per metre length of service line. For a consumer, usage of fire fighting service is like a dedicated distribution facility. In view of above, the Commission rejects BEST's proposal of charging in two parts for a fire fighting service and directs BEST to charge actual cost involved in giving fire fighting service connection.

In case a consumer applies for an additional load/contract demand i.e. extension of load and if the release of additional load/contract demand entails any new works, the Commission allows BEST to recover the normative charges for the total load/contract demand (existing as well as additional load) as per the applicable load slabs indicated in **Annexure-2**.

3) Charges for Temporary Sanctioned Load

Regulation 3.3.6 of Supply Code authorizes the licensee to recover all expenses reasonably incurred for the purpose of giving temporary supply & for the purpose of discontinuance of such temporary supply. Where the works relating to such temporary supply are carried out by the licensee and paid for by the person requiring such temporary supply, then such person shall receive credit for the depreciated value of such works at the time of discontinuance of such temporary supply and return of facilities to the licensee.

In view of above, the Commission rejects BEST's proposed charges for temporary connection and directs BEST to charge the actual cost involved in giving temporary supply.

4) Charges for Restoration of Supply

Section 56 of Electricity Act, 2003 empowers the licensee to discontinue electric supply to the consumer for non-payment of electricity bills after following the due procedure laid down under the Act. It further says that the supply can be discontinued until such charge or other sum, together with any expenses incurred by him in cutting off and reconnecting the supply, has been paid.

Considering the provision in the Act, wherein it is expressly mentioned that the licensee can recover the cost incurred for cutting off and reconnecting supply, the Commission views the proposed charges to be reasonable and reflect the cost involved. The Commission approves the charges proposed by BEST for restoration of supply as indicated in **Annexure-3**.

5) Service Call Charges

The charges proposed by BEST will be presumably applicable only when any consumer opts to avail these services from BEST. Though providing these services i.e. temporary removal of fuses to enable consumer's LEC to work on consumer's installation and replacing the same thereafter and attendance of BEST's representative at consumer's premises during any function on consumer's request would be beneficial to both i.e. consumer and the licensee, these items are matters of mutual consent of BEST and consumer. The Commission, therefore does not consider these services as a part of Schedule of Charges as these services fall under non-regulatory services resulting in 'other income' for the Licensee.

6) Charges related to Meter

i) Changing the position of meter at consumer's request

Considering the average cost of material and labour involved in shifting of meter, the normative charges of Rs. 50/- proposed by BEST appears to be reasonable and the Commission approves the proposed charges with the condition that this should cover the total cost including the cost of material, labour, all other costs etc. required for changing the location of the meter.



The charges for changing the location of meter within the premise will be applicable only in cases where the shifting is to be done at the request of the consumer. However, when BEST desires to have the location changed, then the cost of such shifting shall be entirely borne by BEST.

ii) Testing of Installation on consumer's request

Regulation 9 of Supply Code provides that the wiring of consumer's premises shall conform to the standards specified in the Indian Electricity Rules, 1956. As per Rule 47, it is the duty of the supplier to inspect & test applicant's installation before connecting the supply. As per Rule 53(1), the cost of first inspection & testing of a consumer's installation carried out in pursuance of the provisions of Rule 47 shall be borne by the supplier & the cost of every subsequent inspection & test shall be borne by the consumer.

In view of above, the Commission approves the charges proposed by BEST for installation testing on consumer's request. Further, BEST should provide copy of the report of Installation testing to the concerned consumer.

iii) Testing of meters

Supply Code Regulation 14.4 covers testing & maintenance of meters. As per regulation 14.4.1, the distribution licensee shall be responsible for periodic testing & maintenance of all consumers' meters.

As per regulation 14.4.2, the consumer may, upon payment of such testing charges as may be approved by the Commission under regulation 18, request the distribution licensee to test accuracy of the meter.

As per regulation 14.4.3, the distribution licensee shall provide a copy of meter test report within a period of two months from the date of request for the testing of the meter by the consumer.

As per regulation 14.4.4, in the event of the meter being tested & found beyond the limits of accuracy as prescribed under Regulation 8 of CEA (Installation & Operation of Meters) Regulation, 2006 under section 55 of the Act, the distribution licensee shall refund the testing charges paid by the consumer & adjust the amount of bill in accordance with the results of the test. Subject to the above provisions in the Supply Code Regulations, the Commission approves the charges (**Annexure-3**) for testing of meters as proposed by BEST. The testing charges approved shall be applicable only in case the consumer requests BEST to test the meter.

iv) Lost/ Burnt meters

As per Section 55 of the Act, it is the responsibility of licensee to supply electricity through installation of correct meter in accordance with the regulations made in this regard by the Authority i.e. CEA.

The Government of India has notified CEA (Installation & Operation of Meters) Regulation, 2006 on 17th March 2006. As per Regulation 6(2)(a) of CEA (Installation & Operation of Meters) Regulation, 2006, '*consumer meters shall generally be owned by the licensee*'.

The above provision implies that meter for new connection should be provided by the licensee and the cost of meter shall be borne by the licensee, except where a consumer elects to purchase the meter from licensee.

Further, as per Regulation 14.2 of Supply Code, the Distribution licensee may recover the price of new meter from the consumer towards replacement of Lost/ Burnt meters.

BEST has not furnished any supporting documents to establish reasonability of cost of meters, proposed for replacement against lost/burnt meters. Based on the market rates of static meters, the Commission approves the rates as indicated in **Annexure-3**, which would be applicable only in case of a burnt or a lost meter or where a consumer opts to purchase the meter from BEST.

7) Security deposit against regular payment of energy

As per Section 47 (1) of the Act, '*a distribution licensee may require any person, who requires a supply of electricity, to give him reasonable security, as may be determined by regulations, for the payment to him of all monies which may become due to him-*

(a) in respect of the electricity supplied to such person; or'

Under Section 181(2) (v) of the Act, powers are vested with the Commission to make Regulations regarding security payable to the distribution licensee under sub-section (1) of Section 47. Accordingly appropriate provision has been incorporated in Supply Code Regulations.

As per Regulation 11.3 of Supply Code, where the distribution licensee requires security from a consumer at the time of commencement of service, the amount of such security shall be estimated by the distribution licensee based on the tariff category and contract demand/sanctioned load, load factor, diversity factor and number of working shifts of the consumer.

As the Security deposit against regular payment of energy is a tariff related issue, the Commission directs BEST to collect security deposit for regular electricity consumption as per the directives given in the tariff order, from time to time.

Applicability & Validity:

The entire Schedule of Charges as approved by the Commission shall be applicable with effect from October 12, 2006 and will continue to remain in force till further orders.

BEST is directed to promptly disseminate instructions upto ward office level to stop recovering charges at existing rates & issue necessary commercial circular (vetted by the Commission) within 7 days from the date of this order. This circular so dispatched should also be made available on BEST's website.

Sd/-
(S. B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr. Pramod Deo)
Chairman



Secretary, MERC



APPENDIX -I

List of Objectors to the BEST'S Schedule of Charges

Sr. No.	Name & address of the objector
1	Shri R. Abrol, Bombay Small Scale Industries Association, Madhu Compound, 2 nd Floor, Sonawala Cross Road No. 2, Goregaon (E), Mumbai – 400 063.
2	Shri U.S. Chitre, Electrical Contractors' Association of Maharashtra, Mumbai.
3	Shri Manohar Panshikar, 4/10, Wimbeldon Park, J K Gram, Thane- 400606.
4	Shri Mahesh Barbhaya

Annexure - 1			
SCHEDULE OF RATES			
Application Registration & Processing Charges			
Sr. No.	Particulars	Proposed by BEST (Rs.)	Approved by MERC (Rs.) **
1	New connections/ Reduction or addition of Load/ Shifting of service/ Extension of service/ Restoration of Supply/ Temporary connection		
	a) Single phase	100	25
	b) Three phase	100	50
	c) HT supply	100	100
	Change of name		
2	a) Single phase	50	25
	b) Three phase	50	50
	c) HT supply	50	50

** - As per Commission's Order dated October 12, 2006 (Case No. 26 of 2006).

Annexure-2			
SCHEDULE OF RATES			
Service Connection Charges for New Connection and Extension of Load			
Sr. No.	BEST's Proposal	As approved by MERC *	
		Category	Service Connection charges in (Rs.)
1	i) Connection Fee for new connection – Rs. 50/- per connection plus ii) Normative charge of Rs. 450/- per kW plus iii) Variable charge of Rs. 1150/- per metre for service length exceeding 100 metres	L.T. Supply	
		Single Phase	
		For loads upto 5 kW	1500
		Loads above 5 kW and upto 10 kW	2500
		Three Phase	
		Motive power upto 27 HP or other loads upto 20 kW	6000
		Motive power above 27 HP but upto 67 HP or other loads above 20 kW but upto 50 kW	13000
		Motive power above 67 HP but upto 134 HP or other loads above 50 kW but upto 100 kW	27000
	Motive power above 134 HP but upto 201 HP or other loads above 100 kW but upto 150 kW	45000	
2		H.T. Supply	
		For loads upto 500 kVA	275000
		Loads above 500 kVA	300000

* - As per Commission's Order dated October 12, 2006 (Case No. 26 of 2006).

SCHEDULE OF RATES			
Miscellaneous and General Charges			
Sr. No.	Particulars	Proposed by BEST (Rs.)	Approved by MERC (Rs.) **
1	Reconnection charges		
	L.T. Service at cut-outs -		
	a) where meter is not removed	50	50
	b) where meter is removed	200	200
	At underground mains #	1000	1000
	H.T. Supply	200 *	200
2	Changing the position of meter at consumer's request	50	50
3	Testing of Installation on consumer's request	50	50
4	Testing of meters at BEST's laboratory		
	Single phase	100	100
	Three phase	300	300
5	Cost of meter (applicable in case consumer opts to purchase the meter from BEST & in case of Lost and Burnt meter)		
	Single phase Meter	1373	700
	Three phase whole current Meter	11396	3000
	Three phase CT operated Meter	16080	5500
	H.T. TOD Meter	-	5500

* - As per BEST's response letter dated 4th October 2006.

** - As per Commission's Order dated October 12, 2006 (Case No. 26 of 2006).

- Applicable only in cases, where during disconnection entry to service position is prevented.