

## **Statement of Reasons**

The Gujarat Electricity Regulatory Commission notified the 'Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing Supply and other Miscellaneous Charges) Regulations, 2005 dated 31<sup>st</sup> March, 2005.

According to the present provision 4.2 (i), pro-rata cost of transformer is being recovered from the applicant, only if, either a new transformer is to be erected or an existing transformer is to be upgraded on his demand. Subsequent consumers are provided power from the existing transformer without paying pro-rata cost of transformer. To eliminate the discrepancy and to give equal treatment to the consumers, Discoms recommended to recover uniform amount for recovery of cost of DTR from all applicants. Supply Code Review Panel has also recommended equal treatment for recovery of such charges.

During Meeting of State Advisory Committee, this issue was discussed. The members also pointed out about misuse of this provision by the consumers. The Discoms were asked to submit the practice of charging pro-rata cost of DTR. They confirmed the aforesaid discriminatory practice.

In light of the above background, with a view to avoid any inequality among LT applicants, the Commission proposes draft amendment in regulation as enclosed.