

**GUJARAT ELECTRICITY REGULATORY COMMISSION
BEFORE THE ELECTRICITY OMBUDSMAN, GUJARAT STATE
Polytechnic Compound, Barrack No.3, Ambawadi,
Ahmedabad-380015**

**CASE NO. 147/2015
(UNDER REVIEW)**

Appellant: Chief Engineer,
Madhya Gujarat Vij Company Ltd.,
Corporate Office, S.P.Vidyut Bhavan,
Race Course, Vadodara-390007

Represented by: Shri T.C.Chokshi, SE, MGVCL, Vadodara
Shri H.R.Patel, DE, MGVCL, Vallabh Vidyanagar

V/s.

Respondent: Smt. Jamanaben Pachanbhai Prajapati
C/o. Shri Mukeshbhai Patel
Shop No.6, Shreeram Complex-2
Nr. Sardar Patel statue, Vallabh Vidyanagar.
Dist.Anand.

Represented by: Shri Mukeshbhai A.Patel, Authorized representative.

:::PROCEEDINGS:::

- 1.0.** The Appellant had submitted review representation aggrieving with the order No.778 dated 29.02.2016, passed by Electricity Ombudsman, Ahmedabad, in case No.147/2015. The representation was heard on 19.04.2016.
- 2.0.** The Appellant has represented the review case as under.
 - 2.1.** Appellant had issued Firm Quotation amounting to Rs.16537/- against load demand of 1.5 KW for single phase residential connection at revenue Survey No. 1414/2/P1, situated outside the gamtal area of village Bakrol. The main point of representation was for recovery of Rs. 12111/- as line charges instead of KW based fixed charges.
 - 2.2.** As per Para No. 4.8 of Ombudsman order, siting reference of GERC letter dated 24.06.2014, it is noted that Respondent had

demanded single phase lighting connection in N.A. land near gamtal of village Bakrol, Appellant can only recover KW based fixed charges as per the load demand of Respondent.

- 2.3. In this regard it is mentioned that previously the proposal was sent to Hon'ble Commission in February,2013 it was requested by GUVNL to allow DISCOM to recover actual cost from the prospective consumers, who are demanding electric connection in agriculture fields (i.e. in sim-vistar/agriculture area where normally the agriculture activities are going on). The basic intention was to recover the actual cost from the prospective consumers, who are situated in scattered rural area/sim-vistar/agriculture field, where DISCOM has to erect long HT/LT line which results into under recovery if the same are released by recovering KW based fixed charges. Accordingly, Hon'ble Commission vide letter dated 24.06.2014 has allowed to recover actual cost as per latest cost data subject to maximum amount of Rs. 1 lakh, for single phase lighting connection in agriculture land. From the above, it is evident that meaning of 'agriculture' land is not to be restricted to its 'use' but it is to be interpreted as location of land, which normally situated outside the gamtal area/sim-vistar/agriculture fields, where DISCOM infrastructure is not readily available.
- 2.4. It is stated that if any prospective consumer demands new electric connection at a place which is situated outside gamtal area/in agriculture field, converts his small piece of land in to NA land, which is surrounded by agriculture area, then it does not alter the situation for the DISCOM as far as cost of laying of infrastructure is concerned. DISCOM has to incurred same cost for laying infrastructure to cater his demand irrespective of the fact that whether his land is having agriculture use or non-agriculture use.

- 2.5. It is stated that under 'Ease of doing business in India' GOG has directed all DISCOMs to relax the documents requirement for all type of connections. Hence, now N.A. permission is not deciding factor for recovery of cost from the prospective consumers.
- 2.6. It is submitted that place of demand of electric connection of Respondent is outside the gamtal area in agriculture field and is away from the existing infrastructure and to cater the demand of Respondent DISCOM has to extend its network and hence actual cost subject to maximum Rs. 1 lakh was recoverable. Without considering the above basic issue Ombudsman has directed to refund the line charges to the Respondent, which is against the directives given vide letter dated 24.06.2014 by Hon'ble Commission, which is put huge financial burden to the DISCOM.
- 2.7. Appellant has referred the order passed by Hon'ble Supreme Court in Civil Appeal No.1220/2015, and stated that while issuing any order by statutory authority the issues propounded by the party against whom such order/decision has been given, the authority has to deal the issue rationally as well as legally and should not pronounce the order without dealing the issue raised and without going into the details of the stand taken by the party during the course of hearing.
- 3.0.** During the hearing, Respondent has stated as under.
- 3.1. It is submitted that he had applied for residential purpose lighting connection at revenue Survey No.1414/2P1 in NA land at village Bakrol. Appellant has recovered estimated amount of Rs. 3500/- against fixed charges as well as Rs. 12111/- against line charges.
- 3.2. As per GERC Notification No.9 of 2005, Appellant cannot recover line charges as well as transformer charges from the residential/water-works/commercial consumers up to 100 KW load demand. The erection of electric network is a part of duty of Appellant.

Appellant has wrongly recovered the estimated amount for the residential connection.

- 3.3. It is submitted that in the letter dated 24.06.2015 issued by GERC, it is clearly mentioned that in case of single phase lighting connection in agriculture land should be allowed with load limit of not more than 3 KW due to technical constraint of SDT and DISCOMs are allowed to recover actual cost as per the latest cost data subject to maximum amount of Rs. 1 lakh. While Respondent has demanded residential connection in NA land and submitted the required documents.
- 3.4. It is submitted that Appellant has wrongly interpreted the contents of letter dated 24.06.2014 issued by GERC, and for that GERC is the authority to interpret the contents.
- 3.5. Respondent has referred the issue wherein Appellant has issued an estimate of Rs. 4.25 lakhs for demand of 20KW petrol pump connection in the area of Petlad Division. He has pointed out that Appellant is not observing the guidelines given by GERC vide letter dated 24.06.2014 for issue of estimate for new connection. Respondent has also referred the circular issued by Appellant vide letter No. 2559 dated 01.10.2015 wherein guidelines for recovery of expenditure for providing new lighting connection are mentioned.
- 3.6. Appellant has given the connection in NA land by tapping from nearby existing network of agriculture feeder.
- 3.7. Respondent has requested to direct the Appellant to implement the order passed by Ombudsman and to refund the wrongly recovered the line charge.

:::ORDER:::

- 4.0. I have considered the contentions of the review representation of the Appellant and the Respondent and the facts, statistics and

relevant papers, which are on record, and considering them in detail, my findings are as under.

- 4.1. Appellant (MGVCL) has asked review against order passed vide letter dated 29.02.2016 by Ombudsman with contention as narrated in Para No.2. The basic issue involved in the review representation is recovery of line charges from the prospective consumers who are demanding electric supply in agriculture land. Prior to deal with review representation, it is necessary to show that how Appellant has calculated estimated amount from the Respondent (Smt. Jannaben Prajapati).

Firm Quotation was issued on 14.09.2015 by Appellant as under:

SR No.: 3197032. RS No.: 1414/2/P1

Date of Application: 02.09.2015.

Load: 1.5 KW single phase LT supply.

| <u>Items:</u> | <u>Qty.</u> | <u>Value(Rs.).</u> |
|------------------------------------|-------------|--------------------|
| 1. Adjustment of fixed charges: | 1 | 12111.00 |
| 2. Fixed charges: | 1 | 3500.00 |
| 3. S.D. for residential connection | 1 | <u>926.00</u> |
| | | 16537.00 |

It is observed that Appellant has recovered fixed charges as well as adjustment of fixed charges value. Thus Appellant has recovered estimated amount by charging fixed cost amount and line charges amount.

As per proposal for giving single phase LT supply to Respondent, LT line single phase, 2-wire, 0.08 KM has been proposed by Appellant.

As per submission, Appellant pointed out that single phase residential connection demanded in outside gamtal area i.e. agriculture land, while as per documents submitted by Respondent, he has demanded single phase LT supply for residential purpose at RS No. 1414/2/P1, being NA land.

The dispute involved in the present argument of Appellant is that 'agriculture' land and interpretation of location of land.

Normally said land situated outside the Gamtal area where infrastructure of DISCOM is not available.

- 4.2. To deal with above arguments it is better to refer guidelines issued by Hon'ble GERC vide letter dated 24.06.2014.

Charges to be recovered towards service line, transformer centre and service connections charges for new connection/additional load/shifting of connection was asked to revise by GUVNL vide letter dated 14.02.2013 and requested to revise the same as existing fixed charges approved vide No. GERC/T.2010/2066 dated 30.12.2010 is inadequate and put huge loss to DISCOM. Hon'ble GERC has revised the rate of fixed charges as under:

| Sr. No. | Load in KW(aggregate) | Existing charges (approved vide letter dated 30.12.2010) | Proposed by GUVNL | Approved by the Commission |
|---------|-----------------------------|--|-------------------|------------------------------|
| 1. | Upto 2 KW | 3500 | 7000 | 3500 |
| 2. | Above 2KW and up to 6 KW | 5000 | 10000 | 6500 |
| 3. | Above 6KW and up to 12 KW | 8500 | 17000 | 12000 |
| 4. | Above 12W and up to 20 KW | 14500 | 29000 | 21000 |
| 5. | Above 20KW and up to 40 KW | 20000 | 40000 | Rs.21000+ 1100 per KW* |
| 6. | Above 40W and up to 60 KW | 30000 | 60000 | |
| 7. | Above 60KW and up to 80 KW | 60000 | 120000 | |
| 8. | Above 80KW and up to 100 KW | 90000 | 180000 | |

*If customer applied for 25KW load demand, the charges would be Rs.21000 + 5x1100 = Rs.26500/-.

Hon'ble GERC has allowed request of DISCOM in case of single phase lighting connection in agriculture land shall be allowed upto 3 KW load limit due to technical constraint of SDT.

GERC has directed DISCOM that they shall entertain all such type of applications including the cases where agriculture connection does not exist in same survey number. However, GERC has allowed DISCOM to recover actual cost as per latest cost data subject to maximum amount of Rs. 1 lakh.

From the above guidelines, it is very clear that in agriculture land, if any demand of single phase lighting connection needs to cater in that circumstances whether agriculture connection situated in said survey number or not, but such type of single phase lighting connection shall be allowed by DISCOM up to 3 KW load. The actual cost up to Rs. 1 lakh to be recovered when demanded electric supply in agriculture land.

In this case, NA land documents submitted by Respondent where only 1.5 KW load was demanded. To cater electric supply, Appellant has proposed only 0.08 KM LT line from the nearest existing infrastructure of Appellant.

It is proved that location of Respondent is not in scattered area/Sim Vistar. Location of Appellant is just far away of 80 Metres from the existing electric network of Appellant. Thus, arguments raised by Appellant regarding agriculture land and location of premises in scatter area/sim vistar is not true.

GERC has allowed single phase lighting connection in agriculture land survey number irrespective of having agriculture connection in said land and allowed 3 KW load due to technical constraint of SDT. On above grounds, recovery of expenditure up to maximum Rs. 1 lakh allowed by GERC.

- 4.3. To deal with present issue, GERC guidelines reference letter dated 24.06.2014, wherein it has mentioned that single phase lighting connection in agriculture land and specified the directives to be implemented by DISCOM. While in present case, single phase lighting connection is demanded in NA land.

‘Agriculture’ land and its use is not a basic question as pointed out by Appellant as far as recovery of estimated amount is concerned while processing new applications of applicants based on fixed charges recovery guideline issued on 24.06.2014 by GERC.

Previously GERC has rationally decided all issues of DISCOM and framed out the guidelines vide letter dated 24.06.2014, which are being applicable and DISCOM has to follow the same.

However, if any doubt or any query relating to recovery of estimated amount, from the prospective consumers in agriculture land or any issue relating to interpretation of said guideline issued by GERC on 24.06.2014, Appellant shall have to approach before GERC as above issues largely effect the mass of applicants who demand single phase lighting connection in agriculture land. GERC is the competent authority to deal with such issue as per power vested in Electricity Act,2003.

From the above observations, contentions of Appellant have no merits and therefore original order passed by Ombudsman on 29.02.2016 is found in order. Compliance report should be submitted by Appellant within 60 days on receipt of this order.

- 4.4. As per Section 42(1) of Electricity Act,2003, it is the duty of Distribution Licensee to develop and maintain an efficient, coordinated and economical distribution system in his area of supply and to supply electricity in accordance with the provisions contained in this Act.
- 4.5. I order accordingly.
- 4.6. No order as to costs.
- 4.7. With this order, representation/Application stands disposed of.

(Dilip Raval)
Electricity Ombudsman
Gujarat State

Ahmedabad.
Date: 16.05.2016.