



## Chhattisgarh State Electricity Regulatory Commission

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**Petition No.38 of 2009 (M)**

**In the matter of granting the categorization of the petitioner as a composite consumer for additional charges**

M/s Bhilai Steel Plant ..... Petitioner  
Bhilai

V/s

Chhattisgarh State Power Distribution Co. Ltd ..... Respondent  
Raipur. (successor to Chhattisgarh State  
Electricity Board)

Present: Manoj Dey, Chairman  
B.K. Sharma, Member

**ORDER**  
**(Passed on 30.09.09)**

M/s Steel Authority of India Ltd., Bhilai Steel Plant, Bhilai (petitioner, hereafter) filed a petition under section 62 and 64 of the Electricity Act, 2003 for granting categorization as a composite consumer to the petitioner for the purpose of levying additional charges by Chhattisgarh State Power Distribution Company Ltd. (CSPDCL, in short or respondent, hereafter) for existing maximum demand limit against respective consumer supply voltage. The petitioner has stated in his petition that they have a special agreement with the respondent dated 15.01.92 for supply of 198 MVA power up to 31.05.91 and 180 MVA from 01.06.91 onwards. They also have a supplementary agreement with the respondent dated 15.04.94, as per which the respondent has agreed to supply power to petitioner through 2X220 KV feeder emanating from 400 KV Khedamara sub-station and 2X132 KV feeder emanating from 220 KV sub-station at Bhilai. The contract demand of the petitioner was enhanced to 216.099 MVA from September 2003 and further revised to 250 MVA w.e.f. 04.08.08. As per clause 6.7 (11) of tariff schedule for HT consumer w.e.f. 01.11.07 a new tariff parameter 'additional charge' was introduced as per which "the existing consumer having contract demand exceeding maximum limit as prescribed in clause 6.7 (1) with the approval of competent authority shall be levied additional charges @5% on the energy charges of the respective consumer category." It is further stated by the petitioner that the new tariff parameter "additional charge" was not envisaged in the tariff proposal for the year 2007-08 submitted by the respondent, however, this has appeared in the final tariff order for the year 2007-08 made effective from 01.11.07, and thus the petitioner could not get an opportunity to put forward its

opinion/objection. As per para 1 of clause 6.7 of the tariff schedule for HT consumer maximum contract demand permissible for 132 KV connection is 40 MVA and for 220 KV connection is 150 MVA and there is no provision for the permissible contract demand for a composite HT consumer like petitioner where supply is taken combinely on 132 KV and 220 KV feeders (each two circuits). Considering the maximum permissible load as 150 MVA on highest voltage i.e. 220 KV the respondent is billing 5% additional charge on cost of energy, whereas, the total permissible load on 2 nos. 220 KV feeder and 2 nos. 132 KV feeder shall be considered as 380 MVA. The petitioner has been paying this additional charges under protest every month and so far the payment of Rs.38.56 crore have been made under protest for the period from November 2007 to May 2009. The petitioner has therefore prayed to grant suo motu stay on levying of additional charge, review the supply voltage dependent limit of contract demand of the HT tariff and categorize the petitioner as a composite consumer, consider contract demand limit of 380 MVA with present supply arrangement for computing additional charges and direct the respondent to refund the amount paid by petitioner towards additional charges alongwith electricity duty paid under protest w.e.f. November 2007.

2. The respondent CSPDCL (successor to CSEB) in its reply has stated that there was provision of billing of "additional charge" for availing a higher demand than prescribed at particular voltage of supply even before the determination of tariff by CSERC but the same was not made applicable to the petitioner as the same was within the competence of respondent as Board. Now, in the status of distribution licensee, CSPDCL i.e. the respondent cannot extend any undue preference to any individual consumer and provision of the tariff order are to be made applicable uniformly to all the consumers without any exception. Accordingly, the petitioner was being billed for additional charges @ 5% on energy charges as per the provision of the tariff order. It has also been expressed by the respondent that technically 250 MVA load can well be supplied with 220 KV double circuit feeder. Regarding special agreement with BSP, respondent has stated that BSP is undoubtedly a valuable consumer.

3. The petitioner in their rejoinder has submitted that as per the special agreement between the respondent and the petitioner the billing demand is highest of actual demand for the month or 75% of the contract demand or 90% of highest billing demand in preceding 12 months, which is not the case in respect of other HT consumers. The petitioner is being billed by the respondent with this provision of billing demand. There is no provision of billing of additional charge @5% on energy charge in the special agreement executed between the petitioner and the respondent. Thus, the respondent is unilaterally following either of the provisions in HT tariff approved by the Commission or special agreement, whichever is beneficial to the respondent. It is also submitted by the petitioner that latest supplementary agreement to special agreement signed between the BSP (the petitioner) and the erstwhile CSEB now respondent on 02.08.08 in respect of increase in contract demand to 250 MVA was executed well after issue of tariff order by the Commission w.e.f. 01.11.07 and it also does not contain the provision of levying of additional charges. It is further stated that technically the additional charges have been introduced with a view to avoid over-loading of

system line beyond the permissible limit. In case of petitioner this is not relevant as the power supply is through 2 nos 132 KV and 2 nos. 220 KV feeders which will never get over-loaded in extreme loading condition also.

4. We have heard the petitioner and the respondent in length and came to the view that looking to the time required to decide the case, it will not be appropriate to grant stay on levying of additional charges accordingly no stay was granted. The maximum limit of the load to be supplied on a particular voltage is related with the current carrying capacity of the conductor used in system and in case the additional load is permitted to be supplied, will cause over-loading of the conductor and result into incremental loss of energy. Thus, we agree with the contention of the petitioner that conceptually the additional charges have been introduced to avoid the situation of over-loading of the transmission system beyond permissible limit. In the present case 250 MVA supply is through 4 nos. feeders (2 nos. 220 KV and 2 nos. 132 KV), the total power carrying capacity of all the 4 feeders will be 380 MVA and hence the system will not be over-loaded. The views of the petitioner also cannot be denied as CSPDCL, the respondent is following the provision either of the tariff or of the special agreement whichever is beneficial to them, as such, the billing of maximum demand is being done as per the provision in the special agreement though no such provision exists in the tariff order issued by this Commission w.e.f. 01.11.07. Further, no such provision of billing of additional charges have been made in the supplementary agreement to the special agreement executed between the respondent and the petitioner on 02.08.08 for increase in the contract demand to 250 MVA though this supplementary agreement was executed after issue of the tariff order for 2007-08 and made effective from 01.11.07. The clause 6.7 (11) of this Commission's tariff order for the year 2007-08 effective from 01.11.07 read as "the existing consumer having contract demand exceeding the maximum limit as prescribed in clause 6.7 (1) with the approval of the competent authority shall be levied additional charges @ 5% on energy charges of the respective consumer category." As already stated above the supply to the petitioner is through 4 feeders as per provision in the supplementary agreement dated 15.04.94 between the petitioner and the erstwhile MPEB of which CSPDCL is subsequent successor and this arrangement has been continuing on the date of issue of tariff order for the year 2007-08. Accordingly, as per provision of clause 6.7 (11) of the tariff order the CSEB of which CSPDCL is successor company should have obtained the approval from competent authority for levying additional charges @5% on energy charges which is not done in this case. Further, as expressed by the respondent the provision of billing of additional charge for availing higher demand than prescribed at particular voltage of supply was there even before the determination of tariff by CSERC, but the same was not made applicable to the petitioner as the same was within the competence of respondent as Board. Thus, even before issue of tariff order by this Commission for the year 2007-08, provision of billing of additional charge @5% on energy charge for consumers having MD higher than the capacity of feeder was available in the tariff, but was not made applicable to the petitioner being valuable consumer.

5. Considering the various points mention in para 4 above, we have come into conclusion that there is no justification of billing of 5% additional charge to

the petitioner on the energy charge. We, therefore, order that billing of additional charge @5% on energy charge to the petitioner be stopped forthwith by the respondent. The payment so collected on this account since November 2007 be refunded to the petitioner maximum within three months in three equal monthly instalments. However, the duty part of this additional charge be refunded/adjusted from the payment of the duty of the petitioner after receipt of approval from the Chief Electrical Inspector for refund/adjustment.

**Sd/-  
Member**

**Sd/-  
Chairman**