

PUNJAB STATE ELECTRICITY REGULATORY COMMISSION
SCO NO.220-221, SECTOR 34-A, CHANDIGARH

Petition No. 66 of 2011
Date of Hearing 19.10.2012
Date of Order 23.10.2012

In the matter of: Petition against Clause No. 18.4 of the General Conditions of Tariff approved by the Punjab State Electricity Regulatory Commission.

AND

In the matter of: Shri Tarsem Lal Saini, President, Rice Millers Association (Regd.), New Grain Market, Sirhind Road, Patiala.

Versus

Punjab State Power Corporation Limited, The Mall, Patiala.

Present: Smt. Romila Dubey, Chairperson.
Shri. Virinder Singh, Member.
Shri. Gurinderjit Singh, Member.

ORDER:

Punjab Rice Millers Association (Regd.), Sirhind Road, Patiala, through its President, Shri Tarsem Lal Saini, has filed their petition with the Commission praying for charging lumpsum seasonal charges worked out on the basis of seasonal Monthly Minimum Charges (MMC) of 4½ months with an increase of 15% to 20%.

2. The Association in its Petition has pointed out that its Members (rice Millers) have to run their industry as per milling policy of the State Govt./Govt. of India and the rice millers have absolutely no control over it. Due to shortage of space with the Govt./FCI to store the rice, the rice millers cannot run their plants to full capacity. At the same time proper space and its preservation technique is also not available with the rice millers, but just to cover MMC they convert paddy into rice for Central Government PDS supply. This results in deterioration of quality of rice which is not accepted by FCI causing financial loss to the millers which is also a national loss.

3. The Petition was heard on 6.12.2011, 20.12.2011, 27.12.2011, 10.1.2012, 21.2.2012, 27.3.2012, 25.4.2012, 29.5.2012, 3.7.2012, 14.8.2012, 28.8.2012, 11.9.2012, 18.9.2012, and 19.10.2012.

4. To mitigate the problem faced by the rice milling industry, the Punjab State Power Corporation Limited, after holding meeting with the petitioners, submitted the following proposal to the Commission for making amendments in the General Conditions of Tariff and Schedule of Tariff in respect of seasonal industries.

Proposal

(a) Rice shellers may be excluded from the existing clause of Seasonal Industries and a separate clause exclusively for rice shellers may be introduced in the seasonal industries with a separate billing procedure.

(b) Rice millers may neither be required to serve any advance notice before closing/starting of their seasonal industry nor an undertaking not to run their seasonal load during off season. There may be no single-phasing during off season.

(c) **Billing of rice shellers**

(i) For rice sheller seasonal industry billing may be done monthly. Seasonal Minimum Energy Charges (SMEC) will principally be based on energy consumption formula $(4800+nx)9$ wherein monthly energy consumption of 50 KW rice sheller has been computed as 4800 units in accordance with LDHF formula (L-load: 50KW, D-days: 24 days, H-hours: 10, F-demand factor: 0.4); where 'n' represents numerical number rounded off to two decimal points and will be positive/negative 0,1,2,3,4,5.....upto 'n' for each 10 KW increase/decrease, respectively, over base load of 50 KW. "x" has been taken as 400 units per 10 KW change in load over base load of 50 KW.

(ii) Season of consumer automatically starts from 1 Sept. (00 hrs. midnight) of the corresponding year and ends on 31 May (24 hrs. midnight) of the subsequent year (no documentation/representation in this regard is required).

(iii) Consumer will have to deposit the required Minimum Energy Charges (MEC) under all circumstances month-wise for 9 month season.

(iv) Minimum energy charges (MEC) in a month will be applicable, as per formula $(4800+nx)$ and billing during each month will be done either on MEC or actual energy consumption whichever is higher.

(v) At the end of the season the total energy charges shall be adjustable against SMEC (worked out under para (i) above) and consumer will be charged higher of the two.

(vi) No interest will be charged/payable from the consumer/by PSPCL on any excess amount as referred in para (v) above.

(vii) Off season pertains to 1st June (00 hrs. midnight) to 31 Aug. (24 hrs. midnight) and no document/representation in this regard is needed.

(viii) During off season electricity supply will not be disconnected but consumer will be required to restrict his monthly consumption to base energy units as per formula $(4800+nx)$ and he will be charged at off season energy rates as applicable from time to time.

(ix) If any consumer crosses base energy units during off season month then he will be charged $1/3^{\text{rd}}$ MEC extra calculated at seasonal tariff rate in addition to his regular off seasonal energy charges during that month, to curb the tendency of running of shellers during off season.

5. The proposal submitted by PSPCL was put on public notice for inviting objections/suggestions of the stakeholders so as to reach the Commission by 15th October, 2012.

6. In pursuance to public notice published in different newspapers on 27.9.2012, the following objections were received: -

Sr. No.	Name of the objector
1.	Shri J.K. Gupta, # 400, Phase-2, Urban Estate, Patiala.
2.	Luxmi Rice & Agro Products, Khanna Road, Malerkotla, District Sangrur.
3.	Hero Rice Industries, Nabha Road, Malerkotla, District Sangrur.
4.	Shiv Shankar Rice & Gen. Mills, Kothe Jiwa Road, Jagraon-142026, District Ludhiana.
5.	Shree Rama Krishna Rice Mills, Hathur Mandi-142031 (Ludhiana).

7. Public hearing was held on 19.10.2012 in the office of the Commission. Shri Pawan Kumar of Laxmi Rice and Agro Products, Malerkotla; Shri Hari Om of Shiv Shankar Rice & General Mills, Jagraon; Shri Ramesh Kumar of Shree Rama Krishna Rice Mills, Hathur Mandi; Shri Tarsem Lal Saini, President, Rice

Millers Association; Shri J.K. Gupta and Shri G.S. Cheema were present during the hearing. The issues highlighted during the public hearing and in the objections are summarized below:

- (i) Once the amount equivalent to Minimum Energy Charges for nine months is deposited by the millers in the form of consumption charges, thereafter the bill should be on actual consumption basis only. PSPCL may have to modify its software for such a provision, manual billing may be carried out till then, to implement the same.
- (ii) During off season, PSPCL may charge the entire consumption at off seasonal rate but it should not charge 1/3rd additional Monthly Energy Charges, for use of excess consumption than the base energy units, as the tariff during off season is already higher by about 15%.
- (iii) Alternatively, if the PSPCL is to charge 1/3rd additional Monthly Energy Charges for excess consumption than the base energy, then seasonal tariff should be charged.
- (iv) The milling period of Rice Shellers, as declared by the State Government should be from 1st October every year to 30th June next year.
- (v) Rice Sheller Association should approach the State Govt./Govt. of India to amend/announce its policies in such a way so that running of rice shellers is viable for its owners. Alternatively, the Rice Shellers can opt to be treated as General Industry consumers instead of Seasonal Industry and MMC clause of General Industry may be made applicable to them.

8. The Commission observes that there is a need for amendment in the General Conditions of Tariff and Schedule of Tariff because of peculiar nature of problem of rice milling industry. The Commission agrees with the pleadings of the consumers that once the amount equivalent to Minimum Energy Charges for nine months (seasonal period) is deposited by the millers in the form of consumption charges, thereafter the bill should be on actual consumption only.

The Commission further observes that during the off season period of seasonal industry, heavy demand of paddy load comes on the PSPCL system. Due to this heavy load, the rice milling industry needs to be discouraged to

consume energy in excess of the base energy units. As such proposal of charging 1/3rd extra MEC at seasonal tariff rate in addition to regular off seasonal energy charges during that month is justified.

Govt. of Punjab vide letter no. RP-2-2012/5615 dated 23.10.2012 has informed the Commission that as per State Govt., the milling period is officially from 1st October to 30th June next year. The Commission decides to adopt the change in the seasonal period for Rice Sheller industry i.e. w.e.f. 1st October to 30th June, next year.

9. In view of the above, the Commission decides to make the following amendments in the existing General Conditions of Tariff for Seasonal Industries:

Sr. No.	Existing clause	Amended clause
1.	18.1 Seasonal Industries mean industries/factories, which by virtue of nature of their production, work during part of the year up to a maximum of 9 months during the period of Sept. 01 to 31 st May, next year.	18.1 Seasonal Industries mean industries/factories, which by virtue of nature of their production, work during part of the year up to a maximum of 9 months during the period of Sept. 01 to 31 st May, next year. However, seasonal period for rice shellers shall be during the period 1 st October to 30 th June, next year.
2.	18.4(i) For exclusive seasonal industries, Monthly minimum charges as applicable in respective schedules of tariff shall be levied on full sanctioned load for the period these industries work during seasonal period of 9 months (from 1 st September to 31 st May next year). However, this working period shall be taken as minimum of 4½ months for the purpose of billing/levy of MMC on month to month basis. Industries which work for more than 9 months and upto 12 months billing shall be done/monthly minimum charges levied on full sanctioned load as mentioned below for the seasonal period of 9 months and for the remaining 3 months (i.e. 1 st June to 31 st August) billing shall be done as per tariff applicable to general	18.4(i) For exclusive seasonal industries Monthly minimum charges as applicable in respective schedule of tariff shall be levied on full sanctioned load for the period these industries work during seasonal period of 9 months (from 1 st September to 31 st May next year). However, this working period shall be taken as minimum of 4½ months for the purpose of billing/levy of MMC on month to month basis. Industries which work for more than 9 months and upto 12 months billing shall be done/monthly minimum charges levied on full sanctioned load as mentioned below for the seasonal period of 9 months and for the remaining 3 months (i.e. 1 st June to 31 st August) billing shall be done as

	<p>industrial consumers tariff rate/rate of monthly minimum charges shall be as given in schedule of tariff for large supply/medium supply/small power and as applicable depending upon the sanctioned load.</p>	<p>per tariff applicable to general industrial consumers. Tariff rate/rate of monthly minimum charges shall be as given in schedule of tariff for large supply/medium supply/small power and as applicable depending upon the sanctioned load.</p> <p>However, billing of rice shellers shall be done as under: -</p> <ul style="list-style-type: none"> • Billing for the rice sheller seasonal industry shall be done monthly. The Seasonal Minimum Energy Charges (SMEC) will principally be based on energy consumption formula $(4800+nx)9$ wherein monthly energy consumption of 50 kW rice sheller will be taken as 4800 units in accordance with LDHF formula (L-load: 50 KW, D-days: 24 days, H-hours: 10, F-demand factor: 0.4); where 'n' represents numerical number rounded off to two decimal point and will be positive/negative 0,1,2,3,4,5.....upto 'n' for each 10 kW increase/decrease, respectively, with respect to base load of 50 kW. "x" has been taken as 400 units per 10 kW change in load over base load of 50 kW. • Once the amount equivalent to minimum energy charges for 9 months (seasonal period) is deposited by the consumer in the form of consumption, thereafter the bill shall be raised on actual consumption only. • During off season period, if the consumption of the consumer exceeds the base energy units worked out with energy consumption formula
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		(4800+nx), 1/3 rd extra monthly energy charges at seasonal tariff rate in addition to regular off season energy charges during that month shall be charged.
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- Note: - 1. Rice Sheller consumers shall not be required to serve any advance notice before closing/starting of the unit.
2. The Rice Sheller consumer shall also not be required to give an undertaking not to run his sheller during off season.

The General Conditions of Tariff and Schedule of Tariff shall get amended in terms of the above.

10. The billing with the revised/amended methodology shall be implemented by PSPCL from the date of issue of this order. PSPCL shall make necessary changes in the existing software to make it compatible with the now approved billing system. However, till such time the modified software becomes executable, energy bills in respect of Rice Shellers shall be manually prepared by the PSPCL.

Sd/-
(Gurinderjit Singh)
Member

Sd/-
(Virinder Singh)
Member

Sd/-
(Romila Dubey)
Chairperson

Chandigarh
Dated: 23.10.2012