The Discoms have submitted that the aforementioned revenue gap has been proposed to be met from efficiency improvement in the subsequent year. Resultantly, the Discoms have prayed for being allowed aforesaid revenue gap for APR year and adjusted appropriately in the relevant year.

Aggregate Revenue Requirement for FY 2022-23

The Discoms have submitted that as per the Regulation 71 and 75 of the HERC MYT Regulation 2019, Tariff Petition is required to be filed before the Hon'ble Commission by 30th November of each financial year of the MYT control period. Besides the ARR is required to be prepared in accordance with the details provided under the Regulations 8.3, 11 &13 of MYT Tariff Regulation, 2019.

That in accordance with the Regulation 8.3 of MYT Regulations 2019, ARR for FY 2022-23 has been prepared by the Discoms. The various components of ARR are projected based on the past trend, regulatory norms, activities planned & undertaken for ensuing years and other policy interventions initiated by the Central and the State Government.

It has been submitted that the COVID-19 Pandemic has impacted adversely the Gross Domestic Production (GDP) in last year and the same is not yet over and may also have some impact on business-as-usual in the ensuing year as well. Accordingly, the effect of the same is considered in energy sales, revenue stream and financial projections in ensuing year. Thus, in order to mitigate the financial risk of the Discoms, certain relaxations from the MYT principles and directions given in by the Hon'ble Commission in the tariff orders have been sought in ARR filing for FY 2022-23. The Discoms have prayed that the same may be allowed to the petitioner in the backdrop of COVID-19 Pandemic.

Aggregate Revenue Requirement for FY 2022-23 as per Discoms petition

That the Aggregate Revenue Requirement of UHBVNL and DHBVNL for the FY 2022-23, as proposed by the Discoms, are tabulated as under:

Proposed Aggregate Revenue Requirement for FY 2022-23 UHBVNL (Rs Crores)

| Sr. No | Particulars | FY 2022-23 | |
|-----------|------------------------------------|------------|--|
| 1 | Total Power Purchase Expense | 12,056.57 | |
| 1.1 | Power Purchase Expense | 10,196.74 | |
| 1.2 | Interstate transmission Charge | 945.02 | |
| 1.3 | Intrastate transmission & SLDC | 914.81 | |
| 2 | Operations and Maintenance Expense | 1,630.94 | |
| 2.1 | Employee Expense | 859.40 | |

Chapter 1 Page 16 of 307

| Sr. No | Particulars | FY 2022-23 | |
|-----------|---------------------------------------|------------|--|
| 2.2 | Administration & General Exp. | 112.85 | |
| 2.3 | Repair & Maintenance Expense | 158.69 | |
| 2.4 | Terminal Liability | 500.00 | |
| 3 | Depreciation | 432.51 | |
| 4 | Total Interest & Finance Charges | 462.96 | |
| 4.1 | Interest on CAPEX loans | 159.61 | |
| 4.2 | Interest on Working Capital incl. CC | 198.74 | |
| 4.3 | Interest on Consumer Security Deposit | 69.71 | |
| 4.4 | Interest on other bonds | 34.90 | |
| 5 | Return on Equity Capital | 350.46 | |
| 6 | Other Expenses | 49.75 | |
| 7 | Total Expenditure | 14,983.19 | |
| 8 | Less: Non-Tariff Income | 221.56 | |
| 9 | Net Aggregate Revenue Requirement | 14,761.63 | |

Proposed Aggregate Revenue Requirement for FY 2022-23 DHBVNL (in Crores)

| S.No. | S.No. Particulars | | | | |
|-------|---|-----------|--|--|--|
| 1.0 | Power Purchase Expenses | 16,290.31 | | | |
| 1.1 | Power Purchase Cost | 13,821.01 | | | |
| 1.2 | Transmission Charges | 1,384.75 | | | |
| 1.3 | Transmission Charges & SLDC | 1,084.55 | | | |
| 2.0 | Operation & Mainenance Expenses | 1,855.98 | | | |
| 2.1 | Employee Expenses (net) | 1,072.88 | | | |
| 2.2 | Administration & General Expenses (net) | 145.77 | | | |
| 2.3 | Repair & Maintenance Expenses | 194.43 | | | |
| 2.4 | Terminal Benefits | 442.90 | | | |
| 3.0 | Depreciation | 446.92 | | | |
| 4.0 | Interest & Finance Charges | 486.01 | | | |
| 4.1 | Interest on Long Term Loan | 208.67 | | | |
| 4.2 | Interest on Working Capital | 155.70 | | | |
| 4.3 | Interest on Consumer Security Deposit | 86.64 | | | |
| 4.4 | Other Interest & Finance Charges | 4.92 | | | |
| 4.5 | HVPNL Bond Charges | 0.08 | | | |
| 4.7 | LC Charges | 6.00 | | | |
| 4.8 | Guarantee Fee | 24.00 | | | |
| 5 | Return on Equity Capital | 331.44 | | | |
| 6 | Provision for Bad & Doubtful Debt | 71.66 | | | |
| 7 | Aggregate Revenue Requirement | 19,482.31 | | | |
| 8 | Less: Non-Tariff Income | 307.66 | | | |
| 9 | Net Aggregate Revenue Requirement | 19,174.65 | | | |

Chapter 1 Page 17 of 307

Proposed Revenue Gap for ARR year FY 2022-23

Based on Aggregate Revenue Requirement at the existing tariff as well as the proposed trueup and expected revenue from sale of power and AP Subsidy, revenue (gap)/surplus for ARR year FY 2022-23 for Haryana Discoms, as proposed, is presented below: -

Proposed Revenue Surplus/(Gap) FY2022-23 (Rs Crores)

| Sr. No. | Particulars | UHBVN | DHBVN | Haryana | |
|------------|--|-----------|-----------|------------|--|
| 1 | Aggregate Revenue Requirement | 14,761.63 | 19,174.65 | 33,936.28 | |
| 2 | Revenue for Discoms | 13,885.72 | 18,448.52 | 32,334.24 | |
| 2.1 | Sale of Power | 9,949.51 | 14,331.23 | 24,280.74 | |
| 2.2 | Inter State Sales | 509.47 | 690.56 | 1,200.03 | |
| 2.3 | Subsidy | 3,426.74 | 3,426.74 | 6,853.47 | |
| 2.3.1 | -Subsidy-AP | 3,196.74 | 3,196.74 | 6,393.47 | |
| 2.3.2 | -Subsidy-Dom | 230.00 | 230.00 | 460.00 | |
| 3 | Revenue Surplus/(Gap) | (835.60) | (726.13) | (1,561.74) | |
| 6 | Revenue surplus for FY 2020-21 | | | 414.36 | |
| 7 | Holding cost for 1.5 years @ 8.5% | | | 52.83 | |
| 8 | Revenue Surplus/(Gap) to be carried over | | | (1,094.54) | |

Prayer- In view of the above submissions the petitioner(s) / distribution licensees in Haryana viz. UHBVNL and DHBVNL have prayed that the Commission may accept and take on record:-

- Petition(s) of UHBVN and DHBVNL for determination of Truing up of ARR for FY 2020-21, for FY 2021-22 and Aggregate Revenue Requirement for FY 2022-23 may be accepted and taken on record by the Hon'ble Commission;
- Current petition, filing of any additional /supplementary submissions during these proceedings may kindly be allowed;
- Proposed Return on Equity may be allowed;
- Proposed sharing of gains and losses may be allowed;
- Entire fixed charges of the long term tied generating sources, having PPAs duly approved from the Hon'ble Commission and the energy charges of the power purchase from these sources as proposed in the filing may kindly be allowed;
- Truing-Up of ARR for FY 2020-21 along with the holding cost, revised estimate for the expenses projected in Annual performance Review for FY 2021-22, and Aggregate Revenue Requirement for FY 2022-23 along with actual interest cost on the entire loan may kindly be allowed;
- Current levels of tariff and charges may kindly be continued;
- Inadvertent omissions/ errors/ shortcomings, addition/ change/ modification/ alteration in this filing, if any, may be allowed along with the further submissions as may be required during these proceedings;
- Pass the Order, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case submitted by the Petitioner.

Chapter 1 Page 18 of 307

Chapter 2

PROCEDURAL ASPECTS OF THE ARR PETITION (S)ARR Petitions filed by UHBVNL & DHBVNL

The Petition(s) filed by the distribution licensees viz. UHBVNL and DHBVNL as reproduced in the preceding chapter, were examined at length. The Commission, vide Memo No. 4166/HERC/PRO 46 of 2021 dated 17.12.2021 (UHBVNL) and vide memo no. 4165/HERC/PRO 47 of 2021 dated 17.12.2021 (DHBVNL) sought clarifications / additional information from the petitioners, which were provided by them.

Public Notice

The Discoms (UHBVN & DHBVN), in fulfillment of the statutory requirement u/s 64(2) of the Electricity Act, 2003, issued a Public Notice in two Newspapers i.e. UHBVNL, in The Tribune (English) and Amar Ujala and Dainik Jagran (Hindi) dated 03.12.2021 and DHBVNL, in The Tribune (English) and Dainik Tribune (Hindi) dated 03.12.2021 informing the stakeholders/General Public regarding their petition / availability of documents and inviting objections on the same.

Additionally, the Commission also issued public notice dated 29.12.2021 in Dainik Jagran (Hindi) and The Tribune (English) inviting objections/suggestions/comments from the stakeholders/general public on the ARR petitions filed by the distribution licensees in Haryana.

In response to the ibid public notice the following interveners filed their objections / comments / suggestions in the Commission.

Objections filed by the Interveners & Discoms Reply thereto Comments by Sh. Pankaj Bhalotia

Vide email dated 01.01.2022, Sh. Pankaj Bhalotia shared the below comments:

- 1. Since both the Discoms of the State are under profit, therefore, we should actually see reduction in tariff for FY 2022-2023 from its current level, whereas DHBVN and UHBVN both through their respective petitions have pleaded to continue with the current levels of Tariff to meet the expenses. Conceptually, both the discoms of the state works as a no profit and no loss organization and accordingly they should have proposed reduction in tariff from current level but instead they proposed to continue with same tariff structure for FY 2022-23 as exist presently.
- 2. No Consideration by the Discoms in the present petition of the Directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for FY 2021-22 in Appeal No. HERC/PRO 77 of 2020 and

Chapter 2 Page 19 of 307

HERC/PRO - 78 of 2020. Both the Discoms of the State have done nothing in respect of the directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for FY 2021-22 in Appeal No. HERC/PRO - 77 of 2020 and HERC/PRO - 78 of 2020 related to -

- a. Instead of applying the Fixed Charges determined by the Commission in terms of Rs. / kW or kVA per month the same is being interpreted in terms of 30 days, whereas different months may have different number of days.
- b. Minimum Monthly Charge (MMC) is redundant as well as counterproductive. Hence, MMC ought to be replaced by an appropriate demand charge. Further, despite Commission Observations and Directions on Page 274 of the Tariff Order dated: 01-June-2020 that
 - a. In effect the MMC indirectly encourages wasteful consumption.
 - b. in order to make attractive billing on the basis of tariff instead of MMC However, both the Discoms have done nothing in the present petitions to come out with an appropriate demand charges to replace Minimum Monthly Charge (MMC) as envisaged by the Commission. Two years have passed away and both the Discoms have done nothing in this regard and the Commission is also helpless in this regard despite its own observations. My request to Commission is to act on its observations and provide relief on MMC.
- c. In the present schedule of tariff, there are large number of consumer categories / sub-categories, the Commission intends to reduce the categories and hence the need to identify categories / sub-categories that can be merged without significantly disturbing the revenue balance
- d. The tariff / billing ought to be based on kVA / kVAh instead of kW / kWh wherever feasible. The Discoms are directed to examine the feasibility of introducing kVA / kVAh based billing for such consumer category where kW/kWh-based billing exists as per the schedule of tariff approved by the Commission.
- 3. Rebate/discount in Tariff for consumers availing supply through Independent Feeder:

The Commission while deciding tariff for FY 2017-18 in Appeal No. HERC/PRO-39 of 2016 and HERC/PRO-40 of 2016, did acknowledge my suggestions/ objections to have separate tariff structure for Independent Feeder, but so far nothing has been done in this regard neither by the Commission nor by the Discoms of the State to have separate tariff structure for an Independent Feeder Consumer.

A consumer availing electricity through Independent Feeder gets billed as per meter placed at the power-house and not as per meter installed at the consumer place and accordingly bear all the feeder losses as well as distribution and transmission losses, whereas in case of all other consumers the feeder and distribution/transmission loss is borne by the Discom of the State.

Chapter 2 Page 20 of 307

So there is discrimination exists with regard to tariff which an Independent Feeder Consumer pays, the same tariff is also paid by a consumer who is not under Independent Feeder and the Commission would like to remove this discrimination by allowing some Discount/Rebate in tariff for consumer that avails supply of electricity through Independent Feeder because of reason as explained that Independent Feeder Consumer bears the Feeder as well as distribution and transmission losses, which a consumer who is not under Independent Feeder does not bear and does not pay. May be a rebate of 4% for supply upto 11kV and 5% for supply at higher voltage should be allowed to an Independent Feeder Consumer towards Feeder and Distribution and Transmission Losses.

- 4. Discoms are liable to pay compensation as per the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020: The foot-note of the tariff order should clearly say that Discoms of the state are liable to pay compensation to its consumer in accordance of the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance of Distribution Licensee and Determination of Compensation) Regulations, 2020. I believe, currently, due to lack of awareness neither the consumer demands nor the Discoms pays any compensation/penalty to its consumers.
- 5. A Consumer under Single Point Supply and getting billed on bulk supply (domestic) Tariff, is allowed to get a rebate of 4% or 5% as the case may be and billing is done after allowing such rebate only, so accordingly if the Commission can clarify while deciding tariff for FY 2022-23 that for calculating the total consumption in a month whether it has exceeded 800 units per flat/unit/DU or not, the same calculation is to be done only after allowing the rebate of 4% or 5% and not before that. Meaning the calculation to apply the tariff rate of Rs. 5.25/unit or Rs. 6.20/unit which is based on condition that whether the consumption has exceeded 800 units in a month or not, the calculation is to be always done and based on billed units and not on consumed units.

For example, let's say total unit consumed in a month is 410,000 units and there are 500 Flats, so total consumption per flat is coming 820 unit and accordingly tariff of Rs. 6.20/unit is applicable, but if 4% rebate is allowed on 410,000 units then total billed units comes out to 393,600 units, and in that case tariff of Rs. 5.25/unit is applicable, because consumption is less than 800 unit per flat, So accordingly a clarification is required from the Commission that to apply the tariff of Rs. 5.25/unit or Rs. 6.20/unit, should 410,000 be looked into or should it be 393,600 units?

- 6. No Corresponding Reduction in Tariff for Bulk Supply (Domestic) when Domestic Supply (DS) supply category tariff was reduced by the Commission during Tariff announcement on June 01, 2020 for FY 2020-2021 and in Subsequent Years.
 - (a) While announcing tariff on June 1, 2020 the Commission reduced the tariff for a Domestic Supply (DS) Category consumer under Category- I and II, but there was no corresponding reduction made in tariff for bulk supply domestic

Chapter 2 Page 21 of 307

category. The Tariff for bulk supply domestic category kept at same structure as it was in previous year.

(b) By not reducing the tariff for bulk supply domestic category, the residents of a Group Housing Society were not benefited for the reduction in Tariff made under Domestic Supply (DS) Category. Basically, the reduction in Tariff made under Domestic Supply (DS) Category under I and II has resulted into lower tariff for individual consumption inside the flat, but at the same time, it has resulted into increase in the share in common area electricity (CAE). So there is no impact on the pocket of a Resident of Group Housing Society under Single Point Supply by reducing the Tariff for DS Category, because such reduction has increased the share in common area electricity (CAE) and thus no benefit for reduction in tariff for domestic supply category if there is corresponding reduction in Tariff for Bulk Supply Domestic category. See the example below to understand it better-

Let's say the monthly electricity bill of the housing society for November month was Rs. 10 Lakhs and out of that Rs. 10 lakhs bill, 50% (Rs. 5 Lakhs was for individual consumption inside the flat on which DS tariff was applicable) and balance 50% was for common area use. Now, after the Tariff Order dated: June 01, 2020 and due to reduced DS Category Tariff the share of individual consumption has got reduced to 40% from earlier 50% and consequently the common area share got increased to 60% from earlier 50%, whereas common area share should have remained same to 50%. The Question is why reduction in DS category Tariff would result into increase in share of common area electricity for a resident of a group housing society?

- (c) See copy of notice issued by RWA of my housing society as Annexure 1, to elaborate more on the issue that how a reduction in DS category tariff by Tariff order dated: June 1, 2020 has resulted into increase in share of common area electricity and accordingly there is overall no change in electricity bill for a Resident. Such Resident is continue to discharge same amount as it was discharging before reduction in Tariff in DS category and Isn't it a hardship created by the Commission on the Resident by not reducing tariff of Bulk Supply (Domestic) at the same time when tariff for Domestic Supply Category Consumer was reduced and accordingly Commission would like to correct it while announcing Tariff for Fy 2022-23 by making reduction in Tariff for bulk supply (domestic) so that a resident of a group housing society can also get benefit of reduction in tariff structure for domestic supply (DS) category.
- (d) I am sure we all would agree that why the reduction in Domestic Supply (DS) Tariff shall increase share in Common Area Electricity (CAE) for a resident of a group housing society having single point supply and accordingly a

Chapter 2 Page 22 of 307

reduction in tariff for Bulk Supply (Domestic) is needed to compensate the hardship on the Resident of a Group Housing Society.

- 7. No Subsidy, Discount, Rebate, Offer, Cashback is Available to a Resident of a Group Housing Society under Single Point Supply under Option 1.
 - (a) We all know that for all purposes, a Resident of a group housing society under bulk supply domestic is a domestic category consumer and it has a same right and obligations which a consumer under domestic supply category has and accordingly entitled to receive all types of subsidy, discount, rebate, Offer, Cashback etc as available to a domestic supply (DS) category consumer.
 - (b) The Commission did acknowledge this while deciding Tariff last year and accordingly reduced the Fixed Charges from Rs. 100/kW to Rs. 90/kW by providing some relief in this regard but the reduction of Rs. 10/kW in fixed charges is actually nothing by comparing it to amount of subsidy, rebate, discount, Offer, Cashback is available to a Domestic Category Consumer.
 - (c) As far as I know, there is an ongoing subsidy being provided to a Domestic Category Consumer in terms of subsidy in tariff announced by the Chief Minister of the Haryana on 11.09.2018, so how that Rs. 10 reduction in Fixed Charges is compensating the same amount of Subsidy to a Resident of a Group Housing Society which a Domestic Category Consumer is receiving and enjoying, if the Commission can clarify.
 - (d) In my view, a better approach should be made by the Commission in providing relief in Tariff to cover the amount of subsidy, discount, rebate, Offer, Cashback etc. for a resident of a Group Housing Society as being available to a Domestic Category Consumer.

Reply of UHBVNL vide Memo no. CH-64/RA/R-25/Vol-80 dated 02.03.2022

UHBVNL filed reply on the objections/ suggestions filed by Mr. Pankaj Bhalotia as under:

| Sr. No. | Particulars | Reply | | | | |
|------------|--|---|--|--|--|--|
| 1 | Since both the Discoms of the State are under profit, so there should be reduction in tariff for FY 2022-2023 from its current level, whereas DHBVN and UHBVN both through their respective petitions have pleaded to continue with the current levels of Tariff to meet the expenses. Conceptually, both the discoms of the state works as a No profit and No loss organization and accordingly they should have proposed reduction in tariff from current level but instead they proposed to continue with same tariff structure for FY 2022-23 as exist | In this regard, it is submitted that the True Up FY 2020-21 has been submitted based on the audited accounts while APR & ARR have been projected as per MYT Regulation, 2019. Discoms have requested to the Hon'ble Commission vide petition HERC/PRO-46 of 2021 & HERC/PRO-47 of 2021 to continue with the current levels of tariff in order to meet the revenue requirement for the financial year 2022-23. Further, the basis of projections has already been submitted to the Hon'ble Commission. On the finalization of audited accounts, the profit or loss shall be passed on in the subsequent year tariff. Therefore, there is no merit in the contention of the Objector to reduction in tariff. | | | | |
| 2 | presently. No Consideration by the Discoms in the present Petition of the Directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for | Nigam has submitted compliance of the said directive before the Hon'ble Commission vide memo no. Ch-71/RA/F-173/Vol-XII dated 03.08.2021. Point wise response are submitted as follows: a) Tariff is implemented in the same letter and spirit as | | | | |

Chapter 2 Page 23 of 307

FY 2021-22 in Appeal No. HERC/PRO - 77 of 2020 and HERC/PRO - 78 of 2020

Both the Discoms of the State have done nothing in respect of the directions passed by Commission on Page 218 and 219 under S. No. 9.3 of Tariff Approach while announcing Tariff for FY 2021-22 in Appeal No. HERC/PRO – 77 of 2020 and HERC/PRO – 78 of 2020 related to –

- a) Instead of applying the Fixed Charges determined by the Commission in terms of Rs. / kW or kVA per month the same is being interpreted in terms of 30 days, whereas different months may have different number of days.
- b) Minimum Monthly Charge (MMC) is redundant as well as counterproductive. Hence, MMC ought to be replaced by an appropriate demand charge. Further, despite Commission Observations and Directions on Page 274 of the Tariff Order dated: 01-June-2020 that
- i. In effect the MMC indirectly encourages wasteful consumption.
- ii. in order to make attractive billing on the basis of tariff instead of MMC

However, both the Discoms have done nothing in the present petitions to come out with an appropriate demand charges to replace Minimum Monthly Charge (MMC) as envisaged by Commission. Two years have passed away and both the Discoms have done nothing in this regard And Commission is also helpless in this regard despite its own observations. My request to Commission is to act on its observations and provide relief on MMC.

- c) In the present schedule of tariff, there are large number of consumer categories / sub-categories, the Commission intends to reduce the categories and hence the need to identify categories / sub-categories that can be merged without significantly disturbing the revenue balance
- d) The tariff / billing ought to be based on kVA / kVAh instead of kW /

- notified by the Hon'ble Commission. However, to capture the variation in number days of each billing cycle, annual fixed charges are computed on per day basis and charged accordingly to the consumers for the respective billing period. Thus, the net impact of the fixed charges gets nullified in 6/12 billing cycles on computation of fixed charges on annual basis. But since fixed charges are computed on per day basis and as such number of days in a month does not have any impact on billing.
- b) MMC charge is being levied to consumer to ensure a minimum monthly drawl from the grid against their connected load. Adequate generating sources and other associated facilities on long term basis have been tied by the Discoms to ensure uninterrupted supply of power at consumer doorstep. So, if in case such facilities get underutilized, then Discoms will be bound to pay deviation settlement charges and other associated charges as per their contracted capacity. Therefore, to safeguard the larger interest of consumers, MMC charges are recovered from those consumers who have failed to fulfil their minimum energy drawl from the grid against their applied load.

Moreover, these charges have been kept to promote the per capita consumption of consumers and waived off once the consumption of consumer reaches the threshold limit. Thus, this allows the Discoms to maintain adequate pool of cross subsidization within the respective consumer category, by incentivizing the consumers for their higher consumption. If such charges are replaced with the demand charges, it might cause distress to the higher paying consumers as they will be bound to pay fixed charges along the higher electricity tariff. This might disturb the tariff balance of the category and consequently may either burden the poor economic strata or increase the cross-subsidy burden on HT category to retain the tariff balance.

It is pertinent to mention here that in some states consumers take advantage of the net metering and net billing facilities block the available capacity of the distribution network by taking benefit of lower fixed charges. This thereby discriminates the right to electricity of other consumers and restrict the Discoms to get adequately compensated for the long term tied up assets. As the Retail supply Tariff of Haryana specifically in the Domestic category is lowest among the neighbouring and other power intensive states, any under recovery of the charges for the long term tied up assets from the respective consumer, will lead to severe imbalance in the overall financial health of the Discoms as well as the larger interest of the consumers. Thus, it is requested that these charges may be reviewed critically before replacement of the same with the demand charges.

c) The Hon'ble Commission vide Tariff Order dated 30.03.2021 merged most of the prevailing categories into voltage wise supply. Remaining consumer categories cannot be remerged into voltage wise supply categories because of their nature of use. It is

Chapter 2 Page 24 of 307

kWh wherever feasible. The Discoms are directed to examine the feasibility of introducing kVA/kVAh based billing for such consumer category where kW/kWh-based billing exists as per the schedule of tariff approved by the Commission.

- worth to mention here that consumer categories in Haryana are relatively lower than the states undertaken for study to shift billing from kW/kWh to KVA/kVAh based billing.
- d) Most of consumer categories have already been shifted into KVA/kVAh based billing. At present only Domestic, Agriculture, Street Light, Bulk Supply (Domestic), Public Water Works, Lift Irrigation and MITC are being billed on KW/kWh basis. In this regard, UHBVN has examined the retail supply tariff of different states. It has been observed that consumer categories like Domestic and Agriculture are invariably billed on kW/kWh basis, whereas the same is not the case in the consumer categories like Street Light, Bulk Supply (Domestic), Public Water Works, Lift Irrigation and MITC. Yet there are some exceptions in tariff type but still these categories are being billed on KW/kWh basis in most of the States.

Further, it is submitted that primary reason to bill Domestic and Agriculture categories on KW/kWh basis is their nature of use. If these consumer categories shifted into KVA/kVAh based billing, then such consumers would burden unreasonably. Therefore, keeping in view the uniformity in type of billing for these consumer categories in different states, it is requested that prevailing mode of billing may please be continued for these consumer categories.

It is also pertinent to mention here that the existing meters installed at the consumer premises uniformly don't have functioning of KVA/kVAh billing. As such, the proposal of kVAh billing for all categories of consumers may be kept in abeyance. In view of the same installation of smart meters has been initiated by the Discoms, once a major chunk of smart meters may get installed, a suitable tariff proposal for shifting of consumers categories like Street Light, Bulk Supply (Domestic), Public Water Works, Lift Irrigation and MITC into KVA/kVAh billing will be submitted accordingly before the Hon'ble Commission.

Comparative statement highlighting the billing structure for above discussed categories in different states is tabulated as under:

Tariff type in Different States

| Category | HR | PB | DL | UP | GJ | MH | AP |
|--------------------|-----|------|------|-----|-----|------|------|
| Domestic | kWh | kWh | kWh | kWh | kWh | kWh | kWh |
| Agriculture | kWh | kWh | kWh | kWh | kWh | kWh | kWh |
| Streetlight | kWh | kWh | kVAh | kWh | kWh | kWh | kWh |
| Bulk Supply | kWh | kVAh | kWh | kWh | kWh | kVAh | kVAh |
| PWW | kWh | kWh | kVAh | kWh | kWh | kVAh | kWh |
| Lift Irrigation | kWh | kWh | kWh | kWh | kWh | kVAh | kVAh |

Rebate/discount in Tariff for consumers availing supply through Indepedent Feeder:

The Commission while deciding tariff for FY 2017-18 in Appeal No.

As per the Regulation 4 of the HERC Single Point Supply to Employers' Colonies, Group Housing Societies and Residential or Residential cum Commercial/ Commercial Complexes of Developers and Industrial Estates/ IT

Chapter 2 Page 25 of 307

HERC/PRO-39 of 2016 and HERC/PRO-40 2016. did of acknowledged my suggestions/ objections to have separate tariff structure for Independent Feeder, but so far nothing has been done in this regard neither by the Commission nor by the Discoms of the State to have separate tariff structure for an Independent Feeder Consumer.

Sir, A consumer availing electricity through Independent Feeder get billed as per meter placed at power-house and not as per meter installed at consumer place and accordingly bear all the feeder losses as well as distribution and transmission losses, whereas in case of all other consumers the feeder and distribution/transmission loss is bear by the Discom of the State.

So there is discrimination exists with regard to tariff which an Independent Feeder Consumer pays, the same tariff is also paid by a consumer who is not under Independent Feeder and the Commission would like to remove this discrimination by allowing some Discount/Rebate in tariff for consumer that avails supply of electricity through Independent Feeder because of reason as explained that Independent Feeder Consumer bears the Feeder as well as distribution and transmission losses. which a consumer who is not under Independent Feeder does not bear and does not pay. May be a rebate of 4% for supply upto 11kV and 5% for supply at higher voltage should be allowed to an Independent Feeder Consumer towards Feeder and Distribution Transmission Losses.

parks/SEZ) Regulations 2020, single point supply connection is being released to the willing consumers of the Group Housing Societies (GHS). GHS consumers may submit an undertaking specified in Annexure-1 of the aforesaid regulations to the Disocms, if they want to be billed individually.

Moreover, the electricity bill of the bulk supply domestic consumers for average consumption upto 800 units/dwelling/month, after accounting voltage supply rebate (4% @ 11KV & 5% @ 33 KV). Thus, in consideration to above the separate tariff for single point supply bulk domestic consumers is not required.

Discoms are liable to pay compensation as per the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance of Distribution Licensee and Compensation) Determination of Regulations, 2020: The foot-note of the tariff order should clearly say that Discoms of the state are liable to pay compensation to its consumer in accordance of the provisions of the Haryana Electricity Regulatory Commission (Standards of Performance ofDistribution Licensee Determination of Compensation) Regulations, 2020. I believe, currently, due to lack of awareness neither the consumer demands nor the Discoms pays any compensation/penalty to its

The Standards of Performance regulation is available in public domain and same may not be intermingled with tariff. So it is requested that same may not be specified in the notes related to tariff.

Chapter 2 Page 26 of 307

consumers.

A Consumer under Single Point Supply and getting billed on bulk supply (domestic) Tariff, is allowed to get a rebate of 4% or 5% as the case may be and billing is done after allowing such rebate only, so accordingly if the Commission can clarify while deciding tariff for FY 2022-23 that for calculating the total consumption in a month whether it has exceeded 800 units per flat/unit/DU or not, the same calculation is to be done only after allowing the rebate of 4% or 5% and not before that. Meaning the calculation to apply the tariff rate of Rs. 5.25/unit or Rs. 6.20/unit which is based on condition that whether the consumption has exceeded 800 units in a month or not, the calculation is to be always done and based on billed units and not on consumed units.

For example, lets say total unit consumed in a month is 410,000 units and there are 500 Flats, so total consumption per flat is coming 820 unit and accordingly tariff of Rs. 6.20/unit is applicable, but if 4% rebate is allowed on 410,000 units then total billed units comes out to 393,600 units, and in that case tariff of Rs. 5.25/unit is applicable, because consumption is less than 800 unit per flat, so accordingly a clarification is required from the Commission that to apply the tariff of Rs. 5.25/unit or Rs. 6.20/unit, should 410,000 be looked into or should it be 393,600 units?

It is submitted that the Nigam is levying tariff to the Bulk Supply Domestic consumers as per the applicable tariff as approved by the Hon'ble Commission from time to time in line and to the provisions of Haryana Electricity Regulatory Commission (Single Point Supply to Employers' Colonies, Group Housing Societies and Residential or Commercial cum Residential Complexes of Developers) Regulations, 2020 (hereinafter referred as Single Point Supply Regulations, 2020).

To further clarify the matter, the rebate of 4%/5% is given to cover the expenses that are incurred by the GHS/Employer in meeting their obligations of individual metering, billing, collection of charges from individual residents/users etc.

The contention of the petitioner is based on a specific instance that may benefit him whereas policies are made by keeping in view larger interests of all stakeholders. As such, there is no merit in the contention of the petitioner.

No Corresponding Reduction in Tariff for Bulk Supply Domestic when Domestic Supply (DS) supply category tariff was reduced by the Commission during last year Tariff announcement on June 01, 2020

- a) While announcing tariff last year on June 1, 2020 the Commission reduced the tariff for a Domestic Supply (DS) Category consumer under Category- I and II, but there was no corresponding reduction made in tariff for bulk supply domestic category. The Tariff for bulk supply domestic category kept at same structure as it was in previous year.
- b) By not reducing the tariff for bulk supply domestic category, the residents of a -Group Housing

At the outset, it is submitted that as per the tariff order dated 30.03.2021, the fixed charges for Bulk Domestic supply have also been reduced from Rs. 100/kW per month of the recorded demand to Rs 90/kW per month of the recorded demand.

Further, the Tariff for Bulk Supply Domestic consumers is being charged as per HERC Tariff Order notified by the Hon'ble Commission from tine to time. Further, there is separate tariff for the Bulk Supply domestic, which is at the lower side of the tariff within the consumer category.

It is also submitted that it is the responsibility of the Employer/Developer/RWA/GHS/User Association that the billing is to be done as per the relevant tariff orders and HERC regulations. Any deviation from the applicable tariff order and regulation may be intimated to the CGRF as per the HERC Single Point Supply Regulations 2020 as clearly stipulated in regulations 5.3 reproduced as under:-

"The individual consumers in the GHS/Employer's Colonies/Residential cum Commercial/Commercial

Chapter 2 Page 27 of 307

Society were not benefited for the reduction in Tariff made under Domestic Supply (DS) Category. Basically, the reduction in Tariff made under Domestic Supply (DS) Category under I and II has resulted into lower tariff for individual consumption inside the flat, but at the same time, it has resulted into increase in the share in common area electricity (CAE). So Net Net there is no impact on the pocket of a Resident of Group Housing Society under Single Point Supply by reducing the Tariff for DS Category, because such reduction increases the share in common area electricity (CAE) and thus no benefit for reduction in tariff for domestic supply category if there is corresponding reduction in Tariff for Bulk Supply Domestic category. See the example below to understand it better

Let's say the monthly electricity bill of the housing society for July month was Rs. 10 Lakhs and out of that Rs. 10 lakhs bill, 50% (Rs. 5 Lakhs was for individual consumption inside the flat on which DS tariff was applicable) and balance 50% was for common area use. Now, after the Tariff Order dated: June 01, 2020 and due to reduced DS Category Tariff individual the share of consumption has got reduced to 40% from earlier 50% and consequently the common area share got increased to 60% from earlier 50%, whereas common area share should have remained same to 50%. The Question is why reduction in DS category Tariff would result into increase in share of common area electricity for a resident of a group housing society?

c) See copy of notice issued by RWA of housing society as Annexure -1, to elaborate more on the issue that how a reduction in DS category tariff by Tariff order dated: June 1, 2020 has resulted into increase in share of common area electricity and accordingly there is overall no change in electricity bill for a Resident. Such Resident will continue to discharge same amount as it was discharging before

Complexes/ Shopping Malls/Industrial Estates/IT Park where Single Point Supply has been provided shall be treated at par with the consumers of the distribution licensees and shall have the same rights and obligations as that of other consumers of distribution licensee. These consumers shall also be covered under all other relevant Regulations of the Commission including CGRF and Ombudsman Regulations, and tariff order issued by the Commission, provided that in case of the provision of section 126, 135 and 138 of the Act the distribution licensee shall be authorized to take necessary action as per these provisions of the Act in coordination with such Employer's Colony/GHS/RWAs/Users Associations."

Chapter 2 Page 28 of 307

reduction in Tariff in DS category. The reduction in Tariff under DS category has infact not provided any relief and reduction on the pocket of a resident of a Group Housing Society which is clearly evident from the Notice of RWA as attached and I am sure both Commission and Discom would agree to it, so isn't it unfair, unjustify and requires correction by the Commission while announcing Tariff this year for FY 2021-22 by making reduction in Tariff for bulk supply domestic so that a resident of a group housing society can also get benefit of reduction in tariff structure for domestic supply (DS) category.

d) I am sure we all would agree that why the reduction in Domestic Supply (DS) Tariff shall increase share in Common Area Electricity (CAE) for a resident of a group housing society having single point supply and accordingly a reduction for Bulk tariff Supply (Domestic) is needed compensate the hardship on the Resident of a Group Housing Society.

No Subsidy, Discount, Rebate, Offer, Cashback is available to a Resident of a Group Housing Society under Single Point Supply under Option-1.

- a) We all know that for all purposes, a Resident of a group housing society under bulk supply domestic is a domestic category consumer and it has a same right and obligations which a consumer under domestic supply category has and accordingly entitled to receive all types of subsidy, discount, rebate, Offer, Cashback etc as available to a domestic supply (DS) category consumer.
- b) The Commission did acknowledge this while deciding Tariff last year and accordingly reduced the Fixed Charges from Rs. 100/kW to Rs. 90/kW by providing some relief in this regard but the reduction of Rs. 10/kW in fixed charges is actually nothing by comparing it to

Nigam does not provide any discount, rebate, offer or cashback to the prevailing categories of consumer in the state of Haryana. Further, as per Section 65 of the Electricity Act, 2003, if the State Govt. gives a rebate or exemption to category/categories of consumer on the tariff determined by the Commission, subsidy to that extent has to be given by the State Government to the Discom. The subsidy announced by the State Govt. is being provided to the consumers under Domestic Category.

Furthermore, such contention of the petitioner has already been addressed in the PRO-48 of 2018 in which the Commission did not find any merit in the similar submissions of the petitioner and disposed off the matter vide order dated 21.02.2019.

Chapter 2 Page 29 of 307

- amount of subsidy, rebate, discount, Offer, Cashback is available to a Domestic Category Consumer.
- c) As far as I know, there is an ongoing subsidy being provided a Domestic Category Consumer in terms of subsidy in tariff announced by the Chief Minister of the Harvana on 11.09.2018, so how that Rs. 10 reduction in Fixed Charges is compensating the same amount of Subsidy to a Resident of a Group Housing Society which Domestic Category Consumer is receiving and enjoying, if the Commission can clarify.
- d) In my view, a better approach should me made by the Commission in providing relief in Tariff to cover the amount of subsidy, discount, rebate, Offer, Cashback etc. for a resident of a Group Housing Society as being available to a Domestic Category Consumer.

Commission's View - The Commission has carefully pursued the comments / objections filed by the intervener herein. It is observed that the foremost objection is with respect to no proposal from the Discoms for reduction in distribution and retail supply tariff(s) in Haryana despite the Discoms being in profit. The Commission observes that the intervener has lost sight of the fact that the Discoms, as evident their latest balance sheet for the FY 21, available in the public domain, are carrying substantial accumulated losses (negative retained earnings). Nonetheless, the Fuel Surcharge Adjustment (FSA) @ 37 Paise / Unit being levied has been discontinued. Further, the tariff for the Domestic Supply category, except the highest slab rate, as well as Bulk Supply (DS) are below the CoS, the benefit of which goes to each and every electricity consumer of Haryana, without any exception. As far as Monthly Minimum Charge (MMC) is concerned, it is comparatively less onerous than a fixed / demand charge from consumers as electricity bill is issued on MMC basis only when the consumption falls below a threshold level vis-à-vis connected load as against a demand charge which has to be paid irrespective of consumption. Nonetheless, the Discoms, in order to ensure certainty in their revenue stream, may propose fixed / demand charge for DS consumers as well either based on connected load (per kWh/month) or on the basis of connections as revenue from MMC cannot be projected with any degree of certainty. Further, the Commission is gradually moving towards kVAh based tariff and expects that the Discoms would ensure that all meters are compatible. The Bulk Supply (DS) tariff is governed by the terms and conditions of the Single Point Supply Regulations in vogue. The said Regulations provide that the individual flat / apartment owner would be charged tariff not higher than the DS tariff(s). Moreover, the comparatively smaller consumer within the BS (DS) tariff

Chapter 2 Page 30 of 307