

**BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION
BAYS No. 33-36, SECTOR-4, PANCHKULA- 134112, HARYANA**

**Case No. HERC/Petition No. – 59 of 2019 and 60 of 2019
Appeal No. 25 of 2021**

**Date of Hearing : 18.01.2023
Date of Order : 19.01.2023**

IN THE MATTER OF:

Petition for True-up of the ARR for the FY 2018-19, Annual (Mid-Year) Performance Review for the FY 2019-20, determination of ARR for the MYT period from the FY 2020-21 to FY 2024-25 and Distribution and Retail supply tariff for the FY 2020-21 for Uttar Haryana Bijli Vitaran Nigam Limited (UHBVNL) and Dakshin Haryana Bijli Vitaran Nigam Limited (DHBVNL), as per the provisions of the Haryana Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff for Distribution & Retail Supply under Multi Year Tariff Framework) Regulations, 2019 and Section 45, 46, 47, 61, 62, 64 & 86 of the Electricity Act, 2003.

Original Petitioner

Uttar Haryana Bijli Vitaran Nigam Limited (UHBVNL)
Dakshin Haryana Bijli Vitaran Nigam Limited (DHBVNL)

Appellant before Hon'ble APTEL

M/s. Merino Industries Ltd.
(Formerly known as Merino Panel Products Ltd.)

Present

Shri Amal Nair, Advocate for M/s. Merino Industries Ltd.
Smt. Nitika Chauksi, Advocate for UHBVNL and DHBVNL

Quorum

**Shri R.K. Pachnanda
Shri Naresh Sardana**

**Chairman
Member**

ORDER

1. The case was heard on 18.01.2023, as scheduled, in the court room of the Commission.
2. At the outset, the Commission observes that the operative part of the judgement of the Hon'ble Appellate Tribunal for Electricity (APTEL) dated 25.11.2022, is as under:

"23. The only issue which is assailed by the present appeal is on the pooling of the distribution losses at HT levels and LT levels resulting into an artificial increase in the distribution losses to 10.61% adversely affecting the Appellant. Further, the State Commission vide its earlier orders as noted in the foregoing paragraphs, has determined and considered the distribution losses separately for HT levels and LT levels, in consonance with the Electricity Act, 2003 which mandates losses to be

determined voltage-wise basis and also settled by this Tribunal through various judgments.”

“ORDER

For above reasons, we allow the appeal and set aside the impugned order to the extent thereby wheeling losses at 10.61% have been levied on average basis combing the HT< consumers. The State Commission is directed to reconsider the issue in light of the judgments referred to above and the provisions of the Electricity Act, 2003 as indeed the regulatory framework.”

3. Hence, in the aforesaid judgement the Hon’ble APTEL has directed this Commission to reconsider the issue of pooling HT and LT losses. Admittedly, in catena of judgements the Hon’ble APTEL has held that voltage wise CoS ought to be computed including voltage wise loss allocation.
4. Shri Amal Nair, the learned counsel for M/s. Merino Industries Ltd. and Smt. Nitika Chauksi, the learned counsel for the discoms, mainly reiterated the contents of the order passed by Hon’ble APTEL, dated 25.11.2022. Additionally, Smt. Chauksi informed the Commission that from next year (i.e. from the FY 2021-22) onwards the Commission has determined wheeling charges separately for HT and LT consumers. Further, since the order of Hon’ble APTEL has not been challenged, the same has attained finality.
5. In this regard, the Commission observes that in the impugned order dated 01.06.2020, the wheeling charge for the FY 2020-21 was approved at Rs. 1/unit, considering the combined technical losses of HT and LT consumers at 10.61%, comprising of HT level loss at 6.39% and LT level loss at 12.17%. Accordingly, the wheeling charge was computed as under:-

1 Network Expenses (per kWh)		
a.	Network establishment and operation cost [8.051% of the net ARR (Rs. 278356.4 Million)] of the distribution licensees for the FY 2020-21(Rs. Million)	22414.18
b.	Allowed gross volume of power purchase by the Discoms at State Periphery (MUs) excluding inter-state sales.	47207.03
c.	Expenses (Rs / kWh) (a/b)	0.47
2. Cost of losses in the system		
a	Approved Energy available for sale to Discoms (MU)	47207.03
b	Distribution system losses (technical) %	10.61%
c	Losses (MU) (2a X 2b))	5009.58
d	Bulk supply power purchase rate for the Discoms (Rs. / kWh)	4.93
e	Total cost of losses (2dx2c) Rs. Million	24693
f	Cost per unit of losses (Rs. /unit) (2e/1b)	0.52
3. Wheeling Charges (Rs. / kWh) (1c+2f) rounded off		1.00

The aforesaid methodology was based on a simple premise that the embedded consumers who may also be drawing power under open access mechanism, are the consumers of the Distribution Licensee (s). Hence, the high pressure voltage cable/lines in such cases are an

essential part of its distribution system. Consequently, the technical loss in the distribution system ought to be shared by consumers connected at higher voltage.

6. Nonetheless, as averred by the learned counsel Shri Nair, no party has preferred statutory appeal against the Hon'ble APTEL's judgement dated 25.11.2022 within the limitation period prescribed for the purpose. Hence, the said judgement has attained finality. Accordingly, as per the judgement of the Hon'ble Appellate Tribunal for Electricity (APTEL), the wheeling charges, for the FY 2020-21, separately for HT and LT consumers are computed as under:-

(A) HT Consumers

1 Network Expenses (per kWh)		
a.	Network establishment and operation cost [8.051% of the net ARR (Rs. 278356.4 Million)] of the distribution licensees for the FY 2020-21(Rs. Million)	22414.18
b.	Allowed gross volume of power purchase by the Discoms at State Periphery (MUs) excluding inter-state sales.	47207.03
c.	Expenses (Rs / kWh) (a/b)	0.47
2. Cost of losses in the system		
a	Approved Energy available for sale to Discoms (MU)	47207.03
b	HT losses (technical) %	6.39%
c	Losses (MU) (2a X 2b))	3016.53
d	Bulk supply power purchase rate for the Discoms (Rs. / kWh)	4.93
e	Total cost of losses (2dx2c) Rs. million	14871.49
f	Cost per unit of losses (Rs. /unit) (2e/1b)	0.32
3. Wheeling Charges (Rs. / kWh) (1c+2f) rounded off		0.79

(B) LT Consumers

1 Network Expenses (per kWh)		
a.	Network establishment and operation cost [8.051% of the net ARR (Rs. 278356.4 Million)] of the distribution licensees for the FY 2020-21(Rs. Million)	22414.18
b.	Allowed gross volume of power purchase by the Discoms at State Periphery (MUs) excluding inter-state sales.	47207.03
c.	Expenses (Rs / kWh) (a/b)	0.47
2. Cost of losses in the system		
a	Approved Energy available for sale to Discoms (MU)	47207.03
b	LT losses (technical) %	12.17%
c	Losses (MU) (2a X 2b))	5745.10
d	Bulk supply power purchase rate for the Discoms (Rs. / kWh)	4.93
e	Total cost of losses (2dx2c) Rs. million	28323.34
f	Cost per unit of losses (Rs. /unit) (2e/1b)	0.60
3. Wheeling Charges (Rs. / kWh) (1c+2f) rounded off		1.07

7. The present petition is disposed of in terms of the above order.

This order is signed, dated and issued by the Haryana Electricity Regulatory Commission on 19.01.2023.

Date: 19.01.2023
Place: Panchkula

(Naresh Sardana)
Member

(R.K.Pachnanda)
Chairman