

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

In the matter of:

Gujarat Electricity Regulatory Commission (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024.

CORAM:

Anil Mukim, Chairman
Mehul M. Gandhi, Member
S.R. Pandey, Member

STATEMENT OF REASONS

1. BACKGROUND:

- 1.1. The Gujarat Electricity Regulatory Commission (GERC) in exercise of the powers conferred under Section 181 (2) (x) read with Section 50 of the Electricity Act, 2003 (Act 36 of 2003) and under Section 42 (1) (b) of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act 24 of 2003), and all powers enabling it in that behalf, has notified the GERC (Electricity Supply Code and Related Matters) Regulations, 2015 (Notification No. 4 of 2015) vide notification dated 24.09.2015 taking reference of the Model Supply Code of the Forum of Regulators.
- 1.2. The Electricity Supply Code Review Panel (ESCRP) was also formulated in accordance with Clause 1.1 of the principal regulations. The role of ESCRP is also to consider and deliberate on the requests received for amendment in the Supply Code and recommend the conclusion of the deliberations to the Commission.
- 1.3. Various consumers organisations have requested the Commission to enhance the threshold limit for Low Tension (LT) connection from 100 kVA/kW to 150 kVA/kW. The said proposals / requests were sent to ESCRP.
- 1.4. Subsequently, there were communications from Ministry of Power (MoP), Government of India (GoI) regarding facilitating Discoms to undertake reforms linked with release of new connection under Ease of Doing Business and Ease of Living initiative.

- In its letter, MoP has stated that the Electricity (Rights of Consumer) Rules, 2020 promulgated by the Government of India extensively covers provisions to facilitate release of new electricity connection. Rule 13 of the extant Rules states that for electrified areas up to 150 kW or such higher load as the Commission may specify the connection charges for new connection shall be fixed on the basis of the load, category of connection sought and average cost of connection of the distribution licensee so as to avoid site inspection and estimation of demand charges for each and every case individually. The demand charges, in such cases, may be paid at the time of application for new connection.
 - It is stated that to facilitate ease of doing business, DISCOMs have been advised to provide connection through LT supply for up to 150 kW of load.
- 1.5. Considering all these, ESCRP in Minutes of Meeting (MoM) of its 26th Meeting recommended the Commission to amend the Clause 3.2 of the Supply Code, 2015 by giving option to LT consumers to increase the threshold limit of their LT connection from 100 kVA/kW to 150 kVA/kW
- 1.6. In view of above, the Commission decided to make amendments in the GERC (Electricity Supply Code and Related Matters) Regulations, 2015 (the Principal Regulations).
- 1.7. Accordingly, Draft GERC (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024 was published inviting comments / suggestions from Stakeholders.
- 1.8. Public Notice in this regard was given on 01.09.2024 in two Gujarati Newspapers i.e. Sandesh and Gujarat Samachar in Gujarati language and one English Newspaper i.e. The Times of India in English Language.
- 1.8.1. Last date of submission of comments / suggestions was 17.09.2024.
- 1.8.2. In response to the above, the Commission received objections / suggestions from 3 stakeholders. The list of the stakeholders, who submitted their objections/suggestions on this draft Amendment Regulations is as per Table below:

List of the Stakeholders, who submitted their objections / suggestions on draft Amendment Regulations

Sr. No.	Name of Stakeholder
1	Rajkot Chamber of Commerce & Industry
2	Gujarat Chamber of Commerce & Industry
3	Gujarat Urja Vikas Nigam Limited

1.8.3. Hearing in the matter was conducted on 19.09.2024 at 11:30 AM at the Commission's Office. The list of the stakeholders who were present and participated in the hearing is as per Table below:

List of the Stakeholders who were present and participated in the hearing

Sr. No.	Name of Stakeholder
1	Rajkot Chamber of Commerce & Industry
2	Gujarat Chamber of Commerce & Industry
3	Gujarat Urja Vikas Nigam Limited
4	Madhya Gujarat Vij Company Limited
5	Paschim Gujarat Vij Company Limited
6	Uttar Gujarat Vij Company Limited

2. VIEWS OF THE STAKEHOLDERS, ANALYSIS AND FINDINGS OF THE COMMISSION THEREON:

The Commission has considered the comments / suggestions received from the stakeholders and the submissions made by the stakeholders who had participated in the public hearing conducted on 19.09.2024. The Amendment Regulations have been finalised after detailed analysis and with due consideration of various issues raised by the stakeholders on the Draft Amendment Regulations

3. OBJECTIONS / SUGGESTIONS ON THE DRAFT AMENDMENT REGULATIONS AND FINDINGS OF THE COMMISSION THERETO:

3.1. Objections / Suggestions from Gujarat Chamber of Commerce & Industry (GCCCI):

Gujarat Chamber of Commerce & Industry (GCCCI) has submitted that with the passage of time there are huge innovations in technology and simultaneously space constraints

have increased at the consumer end as well as while laying line. Additionally, to control pollution, restrictions have been imposed on coal and oil-based furnaces, requiring units to switch to electric furnaces and other electrical equipment. As the demand for electrical equipment rises, it has become increasingly challenging and costly for units to transition to high-tension (HT) categories.

In view of above, GCCI supports the draft notification and requests the Commission to approve it.

Commission's decision:

The submission of GCCI is noted.

3.2. Objections / Suggestions from Rajkot Chamber of Commerce & Industry (RCCI):

- (i) Rajkot Chamber of Commerce & Industry (RCCI) submitted that they supports the proposed amendment. However, it is submitted that the existing consumers should also be given the benefit of the proposed amendment. Moreover, the LT consumers who have already opted for HT connection, the expensed incurred by them should be refunded.

Commission's decision:

The proposed Amendment shall come into force from the date of publishing of notification in Official Gazette and it shall be applicable to the applications for new connection / additional load received by the Discoms on or after the date of publication of notification.

Further, it is not possible to allow refund of charges paid by the existing consumers for HT supply. Conversion from HT to LT supply is possible only in the case where the consumer desires to get contracted demand reduced to 100 kW/kVA or below. If any consumer desires to convert from HT to LT supply, it may be possible on payment of necessary charges and technical feasibility.

- (ii) RCCI has requested that for all installation with Contract Demand exceeding 100 kVA/kW up to 4000 kVA/kW, the limit shall be enhanced to 5000 kVA/kW for supply on 11 kV system.

Commission's decision:

Regarding request for enhancing the limit of 4000 kVA to 5000 kVA for supply on 11 kV system, RCCI may give its suggestions on the said matter to the Electricity Supply Code Review Panel (ESCRP) for deliberation in the next meeting of ESCRP. In view of the above, no change is made in the draft Amendment Regulations.

3.3. Objections / Suggestions from Gujarat Urja Vikas Nigam Limited (GUVNL):

- (i) Gujarat Urja Vikas Nigam Limited (GUVNL) has requested the Commission to allow recovery of approved service connection charges vide letter dated 24.01.2014, which is applicable to “above 20 kW & up to 100 kW” for “above 20 kW & up to 150 kW” (i.e. Rs. 21000 + Rs. 1100 per kW), if the applicant / consumer opt for Low voltage category.

In case, if the applicant / consumer opt for High Voltage, than DISCOMs are allowed to recover prevailing Service connection charge approved by the Commission vide Order dated 07.07.2020 in Petition No. 1829/2019.

Commission's decision:

The Commission has approved service connection charges for LT supply (up to 100 kW) for State Discoms and TPL vide letters dated 24.06.2014. In view of the proposed Amendment in Supply Code, 2015, necessary changes are required in the said letter. Revised letter in this regard shall be issued by the Commission.

- (ii) GUVNL has submitted that the Commission has notified Tariff Order dated 01.06.2024 which provides for Tariff Schedule applicable for FY 2024-25 for all categories of consumer, wherein consumers having contracted demand up to 100 kW/kVA are categorized under ‘LT’ tariff category and consumer having contracted demand above 100 kVA are covered under HT category.

Therefore, in case if the Commission notifies the present amendment, appropriate amendment in the existing Tariff Schedule of FY 2024-25, for inclusion of consumers opting for LT category having contracted demand between 100 kW/kVA to 150 kW/kVA under applicable LT Tariff categories is required.

Commission's decision:

Regarding the necessary changes required in the Tariff Schedule of FY 2024-25 for inclusion of consumers opting for LT category having contracted demand between 100 kW/kVA to 150 kW/kVA under applicable LT Tariff categories, same shall be taken up by the Commission.

3.4. Objections / Suggestions from Madhya Gujarat Vij Company Limited (MGVCL):

MGVCL submitted that in the draft Amendment, for HT supply it is mentioned that it is applicable for installations with contract demand 'exceeding 100 / 150 kVA'. In this regard, it is submitted that the Commission may only include 'exceeding 150 kVA' in the final amendment.

Commission's decision:

At present there are number of consumers having contract demand more than 100 kW/kVA and having HT supply. It is required to continue their HT supply as it is. In view of the above, no change is made in the draft Amendment Regulations.

3.5. Objections / Suggestions from Paschim Gujarat Vij Company Limited (PGVCL):

PGVCL submitted that the proposed Amendment should be applicable only to the new consumers.

Commission's decision:

The proposed Amendment shall come into force from the date of publishing of notification in Official Gazette and it shall be applicable to the applications for new connection / additional load received by the Discoms on or after the date of publication of notification.

3.6. Objections / Suggestions from Uttar Gujarat Vij Company Limited (UGVCL):

UGVCL submitted that in view of the proposed Amendment, the Commission shall devise a methodology for calculation of compensation for distribution losses.

Commission's decision:

As it is proposed to revise load limit for regular LT consumers from 100 kW/kVA to 150 kW/kVA, there is no need to provide any mechanism for compensation of distribution losses.

4. The Commission directs that the Gujarat Electricity Regulatory Commission (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024 be published in the Official Gazette.

Sd/-
(S. R. PANDEY)
MEMBER

Sd/-
(MEHUL M. GANDHI)
MEMBER

Sd/-
(ANIL MUKIM)
CHAIRMAN

Place: Gandhinagar
Date: 23/09/2024

