

#### PR-3- Tariff/ 8864

#### Date : 28/03/2008

## **COMMERCIAL CIRCULAR NO. 78**

**Sub. :** Consideration of power factor of 0.80 for computation of derived contract demand of LT consumers – guidelines thereof

**Ref. :** 1) Commercial Circular No. 9 dt. 21.09.2005 2) Commercial Circular No. 45 dt. 09.10.2006

The Hon'ble Commission is desirious on implementing M.D. based tariff to LT Industrial consumers, however in case of LT Industrial consumers only sanctioned load is considered for billing purpose, as contract demand is neither given by consumer & hence it is not considered.

For implementing the M.D.based tariff it is essential to arrive at definite Contract Demand of the consumer.

The definition of contract demand is "the demand in Kilowatt (KW) or Kilo-volt Ampere (KVA) mutually agreed between the MSEDCL and the consumer as entered into the agreement or agreed through other written communication."

Accordingly consumers were given option to declare their contract demand & some of the consumers have given their C.D. however, the consumers who have not given their C.D. on their own; it is required to be determined & for determination of contract demand a procedure is laid down & conveyed vide Commercial Circular No. 9 dt. 21.09.2005 wherein it is stated that " the contract demand has to be derived on the basis of sanctioned load in HP or KW with 90% power factor irrespective of whether the consumer has opted for LTMD based tariff or otherwise.

Now, the Hon'ble Commission has modified the definition of Contract Demand in prevailing tariff order w.e.f. 1.05.2007 as under.

Contract demand means demand in Kilowatt (KW)/ Kilo-volt Ampere (KVA) mutually agreed between the MSEDCL and the consumer as entered into in the agreement or agreed through other written communication (for conversion of KW into KVA power factor of 0.80 shall be considered.)

From the above, it is seen that, for conversion of HP/KW in to KVA, the commission has directed to consider the power factor as 0.80 instead of 0.90.

The determination of C.D. as above, is applicable only to those consumers who doesn't exercise the option of declaration of C.D.

In case where consumer opts for determination of C.D. on their own; then this method of determining C.D. is not applicable.

In view of the Hon'ble Commissions prevailing tariff order, we shall consider power factor as 0.80 w.e.f. 01.05.2007 onwards for LT-V Industrial consumer for determination of Contract Demand where the consumers have not declared their Contract Demand.

All the field officers are instructed to follow the above instructions scrupulously.

# Chief Engineer (Comm)

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- 2) The Chief Engineers of All O & M Zones, MSEDCL.

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- 4) The Assistant Engineers of All O & M Sub-Divisions, MSEDCL

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#### Copy f. w. c. to:

Vice President-Bhiwandi Operations, Torrent Power Ltd., Old Agra Road, Anjur Phata, Bhiwandi-421 302.