

Maharashtra State Electricity Distribution Co. Ltd.

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PR-3/COS/

No 3 3 4 4 5

Date 16 OCT 2009

COMMERCIAL CIRUCLAR NO. 1 01

Sub. :- Procedure of Reduction in Contract Demand/ Sanctioned Load in accordance with MERC (Electricity Code and other conditions of supply) Regulations, 2005 – Delegation of powers thereof.

The field offices have forwarded the proposals for approval of reduction in Contract Demand/ Connected load in the line of the provisions of Departmental Circular (Commercial) No. 333 dt. 23.05.79 Clause VII A&B and amendment to Departmental Circular (Commercial) No. 333 by Departmental Circular No. 494 Clause 3 VII-A. The powers were delegated to respective authorities vide provisions of above clauses of Circular No. 333 & 494 with stipulated conditions i.e initial period of agreement, after the expiry of initial agreement period adequate percentage of revenue return etc.

Now, in the light of MERC (Electricity Supply Code & other conditions of supply) Regulation, 2005, the provisions of Agreement & increase/reductions of Contract Demand/ Sanctioned Load are governed by the Clause No. 6.1,6.5,6.6,6.7 & 6.8 of MERC supply code, which are revealed as under;

6.1 The Distribution Licensee may require the applicant to execute an agreement for obtaining a new connection, for change of name and for enhancement of sanctioned load :

Provided that for sanctioned load of less than fifty kilo-watts (67 HP/ 63 killo-volt-ammperes), the agreement provided for in this Regulations 6.1 shall not be required and the application form submitted and accepted shall constitute the agreement.

6.5 The agreement shall be deemed to be terminated upon permanent disconnection of the consumer or where the consumer remains disconnected for a period of more than six (6) months :

Provided that the termination of agreement is without prejudice to the rights of the Distribution Licensee or of the consumer under the Act for recovery of any amounts due under the agreement.

6.6 A consumer may terminate the agreement after giving a notice of thirty days to the Distribution Licensee.

6.7 *Whenever an agreement is terminated by notice given by the consumer, the Distribution Licensee shall give a written intimation to the consumer within fourteen days after termination failing which it shall be construed that such intimation has been given to the consumer.*

6.8 *The Distribution Licensee shall increase or reduce the contract demand/ sanctioned load of the consumer upon receipt of an application for the same from the consumer :*

Provided that where such increase or reduction in contract demand/ sanctioned load entails any works, the Distribution Licensee may recover expenses relating thereto in accordance with the principles specified in Regulations 3.3, based on the rates contained in the schedule of charges approved by the Commission under Regulations 18 :

Provided further that any dispute with regard to the need for and extent of any such works pursuant to an application for increase or reduction in contract demand/ sanctioned load shall be determined in accordance with the procedure set out in the Grievance Redressal Regulations."

In view of the above provisions, agreement is not required other than the period specified in MERC Supply Code. The agreement can be terminated by the consumer as per Clause No. 6.6 and Licensee can terminate the agreement as per Clause No.6.5 as above & hence for reduction in Contract Demand/ Sanctioned Load the Agreement period and delegation of powers vide Circular No. 333 & 494 has been superseded by the Supply Code Regulations after coming into force.

The proposal with regards to the provisions of Clause No. VII A & B Commercial Circular No. 333 dt. 23.05.79 & Clause No. VII-A Departmental Circular No. 494 dt. 05.10.91 was under consideration of Competent Authority.

In this regards, the Competent Authority has accorded the approval for modification of existing delegation of powers & redelegation of powers as under;

- 1) Provision of delegation of powers for reduction in Contract Demand vide Clause No. VII-A (A&B) of Departmental Circular Commercial No. 333 dtd. 23.05.79 and Clause No. 3 of Departmental Circular Commercial No. 494 dt. 05.10.91 stand withdrawn with immediate effect as now there is no "Agreement Period" i.e initial agreement period (i.e one year) or 2 years/7 years agreement period in existence in the light of MERC Supply Code.
- 2) The procedure of reduction in Contract Demand should be followed hereafter as per the Clause No. 6.8 of MERC (Electricity Supply Code & other Condition of Supply) Regulations, 2005.
- 3) The powers for reduction in Contract Demand shall be delegated to the field officers as under.

Sr. No.	Delegation of Powers to the Authorities for reduction in Contract Demand	Consumers having Existing Loads as below and applied for reduction in contract demand
1.	E.E.s. of O&M Divisions in consultation with J.M. (F&A)	a) LT consumer's with sanctioned Load upto 107 HP in all areas except Municipal Corporation area. b) LT consumer's with sanctioned Load upto 201 HP in Municipal Corporation area
2.	S.E.'s of O&M Circle in consultation with Dy. M (F&A)/ A.M. (F&A)	HT Consumer's upto and inclusive 5 MVA
3.	C.E.'s of O&M Zones in consultation with Manager (F&A)/ Dy. M. (F&A)	HT Consumer's above 5 MVA & upto and inclusive 10 MVA
4.	Dir. (Operation) in consultation with Dir. (Finance)	HT Consumer's above 10 MVA

- 4) Above provision will be as per the Regulations in force or as may be modified by MERC for time to time.

Further it may please be noted that ; MERC (Standards of Performance of Distribution Licensees, Period for giving Supply and Determination of Compensation) Regulation, 2005 has determined the Standards of Performance in Appendix "A". In Clause No. 7 (ii) of this appendix, period for reduction in Contract Demand/ Sanctioned Load is mentioned that the same should be effected from second billing cycle.

All the field offices are therefore requested to take due note of this and the cases of reduction in Contract Demand/ Sanctioned Load may please be dealt as per above provisions.


Director (Operation)

Copy s. w. r. to:

The Managing Director, MSEB,Holding Company Ltd., Mumbai,
The Managing Director, M.S.E.D.Company Ltd., Mumbai,
The Managing Director, M.S.E.T.Company Ltd., Mumbai,
The Managing Director, M.S.E.P.G.Company Ltd., Mumbai,
The Director (Operations), M.S.E.D.Company Ltd., Mumbai
The Director (Finance), M.S.E.D.Company Ltd., Mumbai.
The Director (Projects), M.S.E.D.Company Ltd., Mumbai.
The Director (V&S), M.S.E.D.Company Ltd., Mumbai.