



Maharashtra State Electricity Distribution Co. Ltd.

Prakashgad, Plot No.G-9, Bandra (East), Mumbai – 400 051

☎ (P) 26474753, (O) 26474211 / 26472131, Fax- 26472366,

E-Mail: cecomm@mahadiscom.in

REF. PR-3 / TARIFF/ No 15570

DATE:

COMMERCIAL CIRCULAR No. 168 - 4 JUN 2012

Subject: Applicability of Tariff to Liquefied Petroleum Gas (LPG) Bottling Plant.

Reference: 1. Letter No. PR-3/Tariff/21962 dt. 26/06/2009.
2. Office Note No. SE/TRC/0-6/214 dt. 09/03/2012 approved by Competent Authority.

Maharashtra Electricity Regularity Commission vide its Tariff Order dt. 20th June 2008 had introduced a new Tariff Category viz HT II – Commercial for Non-Domestic and Non-Industrial consumers. Accordingly local office at Sangli had re-categorized the Liquefied Petroleum Gas (LPG) Bottling Plant at Hazarwadi, Taluka- Bhilwadi, Dist- Sangli from HT I – Industry to HT II – Commercial w.e.f. 1st June 2008.

M/s. Hindustan Petroleum Corporation Ltd. had approached Hon'ble High Court, Mumbai and filed Write Petition No. 945 of 2011 against decision of Ombudsman for Electricity regarding levy of HT-II Commercial category to LPG Bottling Plant.

Hon'ble High Court has disposed off the said Write Petition by its Order dt. 19/01/2012 with giving observation that, neither the CGRF, Kolhapur nor Ombudsman considered the relevant provisions of the Explosives Act, 1884 & Gas Cylinder Rules, 2004 and has reminded the matter to the Electricity Ombudsman to decide afresh whether the said Corporation carries on manufacturing activities when it is running its gas bottling plant.

In exercise of the power conferred by Sections 5 and 7 of the Explosives Act, 1884, the Central Government has framed the Gas Cylinder Rules, 2004. Rule 2 (XXXIII) defines the word "manufacture of gas" which reads as under:-

(xxxiii) *"manufacture of gas" means filling of a cylinder with any compressed gas and also includes transfer of compressed gas from the cylinder to any other cylinder".*

The Recovery Committee in its meeting held on 26th May 2009 has already examined the issue of categorization of booster station of M/s. Hindustan Petroleum Corporation Ltd. and has decided that Industrial Tariff should be made applicable in all such similar cases where the consumer has a license or a document from any competent

Government authority about their being an industrial activity. Accordingly, instructions have also been issued to all Superintending Engineer of field offices by letter under reference "1".

In the case of re-categorization of LPG Bottling Plant of M/s. Hindustan Corporation Ltd. situated at Hazarwadi, Taluka Bhilwadi, District Sangli, the Explosives Act, 1884 as well as the Gas Cylinder Rules, 2004 clearly confirms the LPG Bottling activity as an industrial activity.

In view of this statutory provision to be read with the above mentioned decision of the Recovery Committee, it is decided to consider LPG Bottling Plant as Industrial consumers.

All field officers are therefore requested to take due note of above decision for applicability of tariff to LPG Bottling Plant.


Chief Engineer (Commercial)

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