

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 16 of 2006

In the matter of
Petition filed by Shri. Vinodkumar Girdharilal Mittal of Malegoan Jankalyan
Seva Samiti, Dist., Nashik raising issues of discrimination
in supply and load shedding on industrial and residential consumers.

Dr. Pramod Deo, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member

ORDER

Dated: 9th October, 2006

Under a Petition filed before the Commission on 26th June 2006, Shri. Vinodkumar Giridharilal Mittal, Member, Malegoan Jankalyan Seva Samiti, Dist., Nashik has complained of large scale load shedding by Maharashtra State Electricity Distribution Company Limited (“MSEDCL”). It has been contended that, while MSEDCL provides uninterrupted supply of electricity to industrial category of consumers, residential consumers are subjected to load shedding. This is a blatant discrimination and ought to be restrained. The agriculture consumers, who were earlier promised with free electricity, are being deprived of the same. As a result, the agriculture consumers have suffered losses. The Petitioner pointed out the impact on the society at large due to non-availability of uninterrupted supply of electricity to agriculture consumers. It has also been contended that the State Government should be compelled to provide free electricity to agriculture consumers as promised. The Petitioner has complained that the Governmental machinery has failed to make provision for additional generation. The Petitioner has prayed for directions upon MSEDCL, essentially, to continue to provide free supply of electricity to agricultural consumers and to provide uninterrupted supply to residential consumers. The Petitioner has also prayed that tariffs should be uniform for different consumer categories.



2. MSEDCL filed its reply on 29th August 2006 and have submitted as follows:—

- (a) Pursuant to submission of proposal by MSEDCL, for undertaking load shedding, public hearings were held by the Commission at various places in the State of Maharashtra in order to give an opportunity of hearing and submission of views and comments by stakeholders and consumers. MSEDCL has submitted that, thereafter, an Order dated 3rd August 2005 was passed by the Commission, in terms of which the principles and protocol for load shedding had been determined. Subsequently, due to the alarming demand-supply gap, on account of increase in demand, MSEDCL had to undertake emergency load shedding and the Commission's approval, for modification of the aforesaid principles and protocol for load shedding, was sought. However, in view of the critical nature of the situation, and in order to maintain grid stability, MSEDCL implemented the modified principles and protocol for load shedding, in anticipation of the Commission's approval. MSEDCL's proposal was made available to the public by way of a Public Notice issued by the Commission and public hearings were held by the Commission at Nagpur, Aurangabad and Mumbai. After considering the submissions made by all stakeholders and consumers, the Commission issued an Order dated 10th January 2006 in Case No. 35 of 2005, whereunder the Commission determined the principles and protocol to be followed in designing the load shedding plan by MSEDCL. Thus, load shedding carried out by MSEDCL to agricultural and residential consumers cannot be said to be unlawful;
- (b) MSEDCL has further submitted that vide the aforesaid Order dated 10th January 2006, and Corrigendum and Clarificatory Order dated 21st February 2006, high tension non-continuous process industries and high tension continuous process industries have been directed to restrict their monthly consumption to less than or equal to 80% and 90% of their respective monthly consumption over the past 12 months, in MU terms, failing which their feeders would be subjected to an additional day of 'no-supply' during the week, beginning from March 2006. Therefore, as per MSEDCL, it would be incorrect on the part of the Petitioners to contend that the industrial consumers enjoy un-interrupted supply of electricity;
- (c) MSEDCL has submitted that, in terms of various orders of the Government of Maharashtra, supply for agricultural pumps was provided at a subsidised rate during the period 1st December 2004 to 30th June 2004, and thereafter, free of cost during the period 1st July 2004 to 31st May 2005. The difference in cost between regular bills and subsidised bills as well as free electricity during the period of subsidised and free power supply was paid by the Government of Maharashtra. Free power scheme was discontinued from 1st June 2005 and regular electricity bills were sent to the consumers;



- (d) MSEDCL has submitted that, although there is a huge demand - supply gap, which necessitates load shedding and load regulation measures, steps have been taken by MSEDCL to overcome the power shortage and load shedding programme in the State. Such steps are: (i) single phasing programme; (ii) separate feeders for Gaothans; (iii) Akshay Prakash Yojna (rural and urban) and others.

3. An admissibility hearing was held in the matter on 29th August 2006. The Petitioner reiterated his contentions as raised in the Petition. Shri D.S. Kadam, on behalf of MSEDCL, submitted that the Petition is time barred. The Petitioners should have raised their contentions in the Public Hearings that were conducted by the Commission, pursuant to the due advertisement of Public Notices, where the issue of revised principles and protocol of load shedding to be implemented by MSEDCL were discussed at length. Further, if MSEDCL is directed to resort to load shedding for all sectors equally, the cost of power would increase for residential consumers. The Commission enquired as to whether the staggering day is implemented by MSEDCL and how many industrial consumers continue to get electricity even on the designated staggering day. It was submitted on behalf of MSEDCL that necessary analysis would be conducted by MSEDCL and the same would be submitted before the Commission. The Commission directed MSEDCL to submit a status report on enforcement of “staggering day of no supply” in terms of the Order dated 3rd August 2005 pointing out a number of industrial consumers continue to get electricity even on the designated staggering day.

4. The Commission is of the view that the relief prayed for in the Petition, viz., that load shedding be curbed so that uninterrupted supply is provided to residential and agriculture consumers, is the subject matter of Orders that have already been passed by the Commission in earlier proceedings. The Commission had issued a detailed Order dated 3rd August 2005 in the matter of principles and protocol for load shedding to be adopted by MSEDCL. Thereafter, Orders dated 10th January 2006, 13th January 2006 and 21st February, 2006 have been passed by the Commission with regard to a Petition filed by MSEDCL requesting the Commission’s approval for modification to the principles and protocol for load shedding to be adopted, as stipulated by the Commission in Case No. 5 of 2005, in view of the prevailing shortage of electricity in the State of Maharashtra. MSEDCL had submitted that the deteriorating demand - supply situation had put immense strain on the power system in the State and MSEDCL and SLDC were compelled to undertake immediate drastic and emergent measures including EHV openings to ensure system security and avoid grid collapse. Considering that the proposals submitted by MSEDCL, were in the context of the prevailing load shedding in MSEDCL’s license area in the State, and would have an impact on all the consumers in the State of Maharashtra, the Commission issued a Public Notice on 9th December 2005 making MSEDCL’s proposal available, inviting written comments and suggestions from the public, and intimating dates of Public Hearings for those who wished to be heard in person. Thereafter, Public Hearings were conducted at three locations in the State, viz., Nagpur, Aurangabad, and Mumbai, on 19th, 22nd, and 23rd December, 2005, respectively. After considering the submissions made by all stakeholders including consumer representatives, the Commission issued an Order dated 10th January 2006,



whereunder the Commission determined the principles and protocol to be followed in designing the load shedding plan by MSEDCL.

Difference in the hours of load shedding due to load profiles, regions, demand and other factors, have been considered while passing the aforesaid Order dated 10th January 2006 in terms of which, essentially, load shedding has to be shared between all consumers in some manner or other as it is not possible to address the requirement of specific consumer categories, as relief granted to any category will adversely affect another category of consumers. As regards load shedding for industrial category the Commission has introduced the concept of load regulation under its Order dated 17th January 2006.

5. In view of the above, the relief prayed for in the Petition pertaining to load shedding, the same have been dealt in the principles and protocol of load shedding to be followed by the Respondents herein by the Commission and decided under Order dated 10th January 2006.

6. As regards the relief prayed for by the Petitioner for continuance of free supply of electricity to agricultural consumers, since the subject matter in relation thereto is vested in the State Government by virtue of the Orders passed by the State Government in this regard, the Commission is not the appropriate authority to grant the desired relief.

7. The Petitioner has also prayed that uniform tariffs be maintained amongst consumer categories. However, Section 62(3) of the Electricity Act, 2003 ("EA 2003") stipulates differential tariffs according to various factors stipulated therein. Moreover, the procedure for determination of tariffs is set out under Section 64 of the EA 2003. Members of the public are entitled to offer their suggestions and objections before a tariff order is issued in accordance with the procedure set out in the said Section 64. Therefore, the Commission cannot consider the issue raised in the present Petition separately case wise.

8. In the circumstances, the Commission dismisses the Petition with the above observations.

MSEDCL should comply with the directions given under Para 3 of this Order and submit status report within two months.

Sd/-
S.B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr Pramod Deo)
Chairman



Secretary, MERC