

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 17 of 2005

**IN THE MATTER OF
Excessive drawal of power by the Tata Power Co.**

**Dr. Pramod Deo, Chairman
A. Velayutham, Member**

INTERIM ORDER

Dated 16th August, 2005

In their joint Petition dated 19.7.2005, Maharashtra State Distribution Company Limited (MSDC) and Maharashtra State Transmission Co. (MSTC) (in whom the distribution and transmission functions, respectively, of the erstwhile Maharashtra State Electricity Board (MSEB) have been vested recently), have, inter alia, prayed that the Commission direct Tata Power Co. (TPC) to refrain from 'overdrawal' from the grid, and to operate in this regard strictly in accordance with the instructions given by the State Load Dispatch Centre (SLDC), Kalwa from time to time. These directions have been sought in the context of the demand-supply gap necessitating load-shedding by MSDC to their own consumers, and purchase of outside power, including overdrawals by them from the western regional grid, at a high cost. TPC have submitted their Reply dated 9.8.05 citing, inter alia, an agreement of 1964 and raising certain other contentions.

2. The parties were heard on 10.8.05. Considering the deliberations at the hearing, and as sought by the Commission, TPC have filed a further submission regarding such drawal of power in the present circumstances of MSDC on 16.8.05, stating, inter-alia, the need and background for arrangements for adequate and uninterrupted power for Mumbai, the small quantum of 'normal' drawal compared to MSDC's total shortfall, and reiterating their contentions with regard to the 1964 agreement.

3. A number of legal and other issues have been raised in oral and written submissions by both sides. These would be considered and addressed in detail by the Commission in its final Order in these proceedings. Pending that Order and final disposal of the Petition, the Commission is of the view that the present circumstances justify an emergent dispensation in the form of the directions contained in this interim Order.

4. Briefly, there is an arrangement for 'normal' exchange of power on either side between the erstwhile MSEB and TPC, and the present Petition concerns the drawal by TPC under that arrangement. This is independent of the standby facility provided to TPC which can be operated in certain specific exigencies.



5. In a series of recent Orders dated 4th March, 2005, 26th April, 2005, 4th May, 2005, 16th June, 2005 and 3rd August, 2005, the Commission has addressed load shedding and other issues arising from the serious supply-demand gap prevailing in the MSDC area, particularly during the peak hours, but often also at other times during the day. This situation is likely to persist for quite some more time. It has necessitated extensive load shedding for several hours a day in most of Maharashtra, which is supplied by MSDC, and for which certain principles have been laid down by the Commission.

6. At hours or times when MSDC and their consumers are facing serious shortages of power, it cannot be expected that a part of the MSDC allocation would continue to be provided to TPC through the mechanism of 'normal' exchange of power, apart from the separate standby commitment which would continue to be available.

7. Accordingly, the Commission directs that the SLDC shall allow TPC to draw power from the MSDC allocation based on TPC's arrangement with the erstwhile MSEB for 'normal' exchange of power to the extent which is possible taking into account grid stability and frequency, and the generation availability considering MSDC's demand requirement. When SLDC instructs TPC not to draw from MSDC's allocations considering these parameters, TPC shall desist from doing so, pending further orders or the final disposal of this Petition. The Commission also notes in passing that it is in the process of developing an intra-State balancing and settlement mechanism for the exchange of power, as well as a State Grid Code, which would be relevant to addressing of such issues in future.

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr Pramod Deo)
Chairman, MERC



(A.M. Khan)
Secretary, MERC