

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

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Case No. 76 of 2010

In the matter of

**Application of Maharashtra State Electricity Distribution Company Limited for
continuation of Zero Load Shedding in the Headquarters of Revenue Division
of MSEDCL Licence Area**

**Shri V.P. Raja, Chairman
Shri Vijay L. Sonavane, Member**

Maharashtra State Electricity Distribution Co Ltd.

Registered office:

Prakashgad, Bandra (East),

Mumbai 400 051

.....Applicant

ORDER

Dated: 20th October, 2011

Maharashtra State Electricity Distribution Co Ltd. (MSEDCL) submitted a Petition on November 1, 2010 for continuation of Zero Load Shedding in the Headquarters of Revenue Divisions in MSEDCL Licence Area for one year from 1st December 2010. The Petition was marked as Case 76 of 2010. The prayers made by MSEDCL are:-

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- a. *The Hon'ble Commission may be pleased to permit MSEDCL to Continue the implementation of withdrawal of load shedding in the Headquarters of Revenue Divisions in MSEDCL i.e. Amravati, Nagpur, Aurangabad, Pune, Thane (Excluding Kalwa) and Navi Mumbai as approved by Hon'ble Commission in its Order dated 30th November 2009 in Case No. 31 of 2009 for a further period of one year from 1st December 2010.*

- b. *MSEDCL may please be further permitted to levy and recover Reliability Charges from consumers of benefited area at the rate linked up with the Load Shedding protocol as may be applicable from time to time. (As shown in the Table No. 6)*
 - c. *The Hon'ble Commission may consider the above proposal for a favourable dispensation;*
 - d. *The Hon'ble Commission may allow to implement normal Load Shedding as per existing PPLS to all Agricultural and Rural feeder in areas wherever zero load shedding is now proposed;*
 - e. *The Hon'ble Commission may condone errors/ omission, if any, and may please give an opportunity to rectify the same and to file additional data, information as may be required."*
2. Certain additional data was required to be submitted by MSEDCL as part of the above Petition before the Commission could dispose of the Petition. However, MSEDCL required additional time for submission of those data.
 3. In view of the above, the Commission passed an Order on November 26, 2010, extending the applicability of Order dated November 30, 2009 in Case 31 of 2009 for a further period of three months, i.e. with effect from December 1, 2010 to February 28, 2011. The Commission extended the Order in public interest as expiry of applicability of the Order by efflux of time would have made the consumers suffer from Load Shedding.
 4. Admissibility hearing for the Case was held on December 16, 2010. During the hearing, Dr. Ashok Pendse, & Dr. S. L. Patil (of Thane Belapur Industries Association), Consumer Representatives, were present. Dr. Pendse drew attention of the Commission to MSEDCL's Petition in another matter (Case 93 of 2010), wherein MSEDCL proposed to withdraw load shedding of Divisions A, B, C, D groups of Other Region area by procuring 200 MW of additional power round the clock and another 200 MW during peak hours, with no proposal for recovery of any Reliability Charge. Therefore, Dr. Pendse submitted that MSEDCL's approach in the present case was different from Case 93 of 2010. The Commission directed MSEDCL to respond with rationale to the observation made by Dr. Pendse. The Commission also received a written submission from Shri R. B. Goenka, Consumer Representative, Vidharbha Industries Association, asking some additional data from MSEDCL in relation to its Petition. Shri Goenka also submitted that MSEDCL shall submit a revised Petition with all the data asked for. During the admissibility hearing, the Commission further suggested to MSEDCL that Nashik Divisional HQ might be included in the proposal for withdrawal of Load Shedding, as it was not there in the Petition of MSEDCL. The Commission also directed to hear the matter further on January 5, 2011 along with Case 93 of 2010. This was subject to MSEDCL filing a revised Petition by end of December, 2010.

5. On January 3, 2011 MSEDCL submitted an amended Petition, dated December 31, 2010. Shri R. B. Goenka, Consumer Representative, Vidharbha Industries Association, submitted a rejoinder to MSEDCL's amended Petition on January 4, 2011, seeking additional data from MSEDCL and requesting the Commission to direct MSEDCL to amend its Petition with these data. On January 4, 2011, the Commission wrote a letter to MSEDCL directing it to submit audited reconciliation statement for ZLS of Pune for the period December 2009 to March 2010, latest by January 15, 2011. Also, in the same letter, the Commission directed MSEDCL to explain the rationale for considering 100% of the effective days of load shedding in audited statements, whereas the Commission had considered effective days of load shedding as 80% in its Order dated November 30, 2009 in Case 31 of 2009, based on MSEDCL's submission in this regard for assessing MWh requirement.

6. The Commission heard MSEDCL on January 5, 2011, as scheduled. Consumer Representatives from Prayas Energy Group (PEG), Thane Belapur Industries Association (TBIA), and Vidarbha Industries Association (VIA) were present during the proceedings. Consumer representatives stressed upon the need of examination of the transparency of the power purchase transactions for ZLS and requirement of making available all such data on the website of MSEDCL. They also stressed the need for finalising the Case 93 of 2010 before disposing of the present Case. Representative of Nashik Industries Manufacturing Association welcomed the proposal of implementing ZLS by MSEDCL in Revenue Headquarter of Nashik. Shri Pratap Hogade of MVRGS objected to the assumption of MSEDCL for supplying power for only 8 hours per day for Load Management Schemes, arguing that it did not comply with the Commission's earlier Orders for giving 10 hours per day of power supply. Officers of the Commission made a presentation pointing out certain data discrepancies observed in the submissions of MSEDCL in relation to ZLS power purchase vis a vis its submissions made for FAC for the period December 2009 through June 2010. The Commission directed MSEDCL to submit the reasons for such discrepancies and to reconcile the information.

7. After the proceedings of January 5, 2011, the Commission received various letters from MSEDCL in response to the queries raised during TVS, directions given by the Commission and the different issues raised by the Consumer Representatives. However, on February 24, 2011 the Commission passed an Order in Case 76 of 2010 for continuity of Order in Case 31 of 2009 dated November 30, 2010, as more time was needed for passage of final Order in Case 76 of 2010. Applicability of the Order in Case 31 of 2009 was extended till June 30, 2011 starting from March 1, 2011 or till the final Order in the Case 76 of 2010 was passed, whichever was earlier. On February 25, 2011, the Commission admitted MSEDCL's Petition in Case 76 of 2010.

8. On June 7, 2011 MSEDCL filed a Miscellaneous Application in Case 76 of 2011. MSEDCL prayed for withdrawal of its Petition in Case 76 of 2010. MSEDCL also prayed that the Commission approve its Petition in Case 32 of 2011 for review of Order in Case 31 of 2009 and allow modification of model of determination of Reliability Charge as proposed in the said Petition. This Miscellaneous Application was numbered as MA. No. 3 of 2011 in Case 76 of 2010. On June 20, 2011, MSEDCL submitted a letter to the Commission stating that in view of the fact that MSEDCL filed Misc Application No. 3 of 2011 in the matter of Case 76 of 2010 proposing to withdraw Zero Load Shedding Scheme, the Petition in Case 76 of 2010 stands withdrawn. MSEDCL also submitted that it would not collect Reliability Charges from consumers wef July 1, 2011 though Load Shedding would be withdrawn from that date. MSEDCL also submitted that the Commission may take the submissions in this letter on record.

9. VIA, Consumer Representative, submitted an objection in Miscellaneous Application No. 3 of 2011 in Case 76 of 2010 on July 9, 2011, essentially objecting to MSEDCL's non-submission of ZLS data reconciliation and audited reports for the same. It submitted that it is strongly suspected that MSEDCL had actually collected large revenue through ZLS Scheme, well in excess of the cost of ZLS Power Purchase and did not intend to refund the money to the consumers from whom it was collected. It argued that the actual cost of power purchase for ZLS had been much lower than what was assumed in the determination of Reliability Charges in the Order of Case 31 of 2009.

10. Hearing in this matter was held on July 11, 2011. MSEDCL submitted that in view of the improved power supply scenario in the State MSEDCL had proposed to withdraw its Petition in Case 76 of 2010 seeking extension of the ZLS scheme. The Commission directed MSEDCL to submit para-wise reply to VIA's submissions and to complete audit of all quarters and upload them on its website.

11. MSEDCL submitted its replies to VIA's submissions vide letter dated July 30, 2011. VIA submitted a rejoinder to MSEDCL's replies on August 2, 2011, essentially stressing the need of audit of ZLS accounts and refund of excess money to consumers, if any, collected from such consumers. The Commission further heard the matter on August 3, 2011. During the proceeding MSEDCL submitted that out of the period of 19 months (Dec 2009 to June 2011) Audited Accounts for four quarters had already been done and uploaded on MSEDCL's website. In the meantime MSEDCL has submitted the audit reports of ZLS accounts to the Commission in phases.

12. As MSEDCL has sought to withdraw its present Petition in terms of prayers made in its Miscellaneous Application filed on June 7, 2011, the present Petition is liable to be dismissed as withdrawn. In any case, ZLS scheme has ceased to exist by efflux of time as the Commission had extended the applicability of the Order in Case 31 of 2009 till June 30, 2011. This was not extended further by the Commission.
13. Accordingly, the Petition of MSEDCL in Case 76 of 2010 stands dismissed as withdrawn.

Sd/-
(Vijay L. Sonavane)
Member

Sd/-
(V. P. Raja)
Chairman