

**MERC (STANDARDS OF PERFORMANCE OF DISTRIBUTION LICENSEES,
PERIOD FOR GIVING SUPPLY AND DETERMINATION OF COMPENSATION)
(FIRST AMENDMENT) REGULATIONS, 2017**

STATEMENT OF REASONS

Date: 19 September, 2017

1. The Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014 ('SoP Regulations') classifies installations based on contract demand and accordingly specifies the voltage level for connecting such installations to the electrical system. Regulation 5.3 (a) (ii) specifies the following limit on the load which can be released on Low Tension (LT) lines:

“(ii) Four / Three wires, three phase, 230 / 240 volts between phase wire and neutral or 400 / 415 volts between the phases / lines and contract demand not exceeding 80 kW/ 100 kVA in all areas, except in Municipal Corporation areas where such limit would be 150 kW/ 187kVA :

Provided that in case of multiple consumers with contract demand more than 150 kW / 187 kVA, in the same building / premises as a single point supply in the Municipal Corporation areas where such limit would be 480 kW / 600 kVA :”

Thus, except in Municipal Corporation areas, the load limit for releasing connections at the LT level is up to 80 kW/100 kVA. In Municipal Corporation areas, this limit is 150 kW/187 kVA.

2. The Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) filed a Petition (Case No. 9 of 2016) for amending the SoP Regulations to increase the load limit for releasing connections outside Municipal Corporation areas so as to bring it on par with the limit specified for Municipal Corporation areas. The Commission rejected this proposal vide its Order dated 16 May, 2016. MSEDCL filed a Review Petition (Case No. 151 of 2016). Vide its Order dated 26 July, 2017 in Case No. 151 of 2016, the Commission held as follows:

“11. The Commission has noted the arguments by MSEDCL as well as CMIA and VIA (both Authorized Consumer Representatives) in support of the original proposal and the Review Petition and, in particular, the limitations on the affected industries by increasing space constraints and difficulties in land availability and its cost for upgradation even outside Municipal Corporation areas. The Commission observes that, due to rapid urbanization and other factors, areas around the Municipal Corporations and other urban and semi-urban areas in particular are increasingly facing space constraints in the development of electrical infrastructure similar to those in the Corporation areas. Therefore, it is necessary to revisit the existing limits for release of connections with connected load above 80 kW on LT line in such areas along the lines of the limits for Municipal Corporations, subject to technical feasibility in each case. For this purpose, the Commission will undertake a process of public consultation for appropriately amending the SoP Regulations.”

Thus, considering the increasing space constraints, particularly in urban and semi-urban areas, and other factors, the Commission accepted the need for revisiting the load limit (80 kW / 100 kVA) for releasing connections in areas outside Municipal Corporations.

3. Accordingly, a Public Notice inviting suggestions and objections on the MERC (Standards Of Performance Of Distribution Licensees, Period For Giving Supply And Determination Of Compensation) (First Amendment) Regulations, 2017 was published in four daily newspapers (Times of India and Indian Express in English, and Maharashtra Times and Loksatta in Marathi) on 2 August, 2017, and the draft Regulations were made available on the Commission’s websites along with an Explanatory Memorandum. The last date for receipt of comments was 24 August, 2017.
4. In response, the Commission has received 124 responses (list annexed), including from Distribution Licensees, Authorized Consumer Representatives and others. All of those who have responded have supported the draft amendment, except for one who has objected to it on the ground that it may lead to an increase in LT line losses. Those who have supported the draft amendment have made the following points:
 - a. Load of 80 to 150 kW should be released on LT network so that the cost involved in erection of Distribution Transformer, the space required and the time taken will be saved. Hence, as proposed in the amendment, load limit for releasing connection at the LT level should be made uniform throughout the State as 150 kW.
 - b. The existing tariff applicable to consumers up to 80 kW load should continue to apply to consumers taking connections up to 150 kW. There should be no tariff change or a separate tariff or extra charges so as to avoid any new discrimination.
 - c. The Commission may issue a corrigendum to the Multi-Year Tariff Order dated 3 November 2016 and the Tariff schedules up to FY 2019-20.

5. In its Order dated 26 July, 2017 and the Explanatory Memorandum accompanying the draft amendment, the Commission has explained the circumstances in which the load limit for releasing connections at the LT level in areas outside Municipal Corporations is proposed to be increased. The Distribution Licensees are expected to take steps to achieve the Distribution Loss reduction trajectory set by the Commission. Hence, the increase in such loss, if any, is to be mitigated by the Distribution Licensee. This cannot be a reason for not increasing the load limit for releasing connections at the LT level in the rest of the State to bring it on par with the limit specified for Municipal Corporation areas. The amendment to the SoP Regulations is limited to the load limit for releasing connections. Tariff-related issues, if any, are not a part of this process and are to be dealt with in subsequent Tariff proceedings.
5. In view of above, the Commission concludes that no substantive change is required in the draft Regulations, and they are finalised accordingly.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M Khan)
Member

Sd/-
(Anand B Kulkarni)
Chairperson

Annexure

List of persons who have submitted comments and suggestions on draft MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) (First Amendment) Regulations, 2017.

Sr.No.	Name of Person
1	M/s. Bharatiya Udhami Avam Upbhokta Sangh, Malad (West) , Mumbai
2	M/s.Maharashtra Veej Grahak Sanghatana , Ichalkaranji, Dist.-Kolhapur
3	M/s. Vita Yamtramag Audyogik Sahakari Sangh Ltd ,Vita, Dist-Sangli
4	Shri. Hemant Kapadia , Aurangabad. (Authorised Consumer representative)
5	Shri. B.R. Mantri, Kalyan (West)
6	M/s. Ichalkarangi Electrical Contractors Association, Ichalkaranji, Dist-Kolhapur
7	M/s. Yantramagdharak Jagruti Sanghatana, Ichalkaranji, Dist-Kolhapur
8	M/s. Prayas Energy Group, Pune (Authorised Institutional Consumer representative)
9	M/s. Shree Laxmi Sahakari Audyogik Vasahat Ltd. , Hatkanangale,Dist-Kolhapur
10	M/s. Central Engineering Service, Ichalkaranji,Dist-Kolhapur
11	M/s. Kolhapur Jilha Sahakari Powerloom Association, Hatkanangale,Dist-Kolhapur
12	M/s. The Ichalkaranji Powerloom Weaver's Co-Op. Association Ltd. Ichalkaranji, Dist-Kolhapur
13	Maharashtra State Electricity Distribution Company Ltd., Prakashgad, Bandra (E), Mumbai
14	Reliance Infrastructure Ltd. , Borivali (W),Mumbai
15	The Brihanmumbai Electric Supply & Transport Undertaking, Mumbai
16	Shri. Praneta Desale, Dhule (Authorised Individual Consumer Representative)
17	Shri. Harshad Sheth
18	The Tata Power Company Ltd., Mumbai
19	M/s. Electrical Contractors' Association of Maharashtra, Mumbai
20	Shri. S. P. Banait, Nagpur.
26	Shri. Sunil Sonawane , Shrirampur, Dist.-Ahmednagar (Authorised Individual Consumer Representative)
27	Shri. Dhanajay Gaikwad, Shahad (W), Tak-Kalyan, Dist.-Thane
28	Ms. Shaila Gaikwad, Shahad (W), Tak-Kalyan, Dist.-Thane
29	Miss. Nidhi Sharma , Boisar,Tal & Dist- Palghar
30	Shri. Ganesh Uke, Boisar
31	Shri. Shyamlal Roy, Boisar
32	Shri. Omprakash Singh, Boisar

Sr.No.	Name of Person
33	Shri. Pankaj Tiwari, Boisar
34	Shri. Manoj Yadav, Boisar
35	Shri. Suresh Ramchandra Patil, Boisar
36	Shri. Ravindrakumar Rana, Boisar
37	Shri. Sushil Kumar Singh, Boisar
38	Shri. Sunil Niwate , Boisar.
39	Shri. Pravin Arekar, Dandi, Tal & Dist- Palghar
40	Shri. Yogesh J Pawar, Dandi.
41	Shri. Nishad Naik, Vasai, Tal & Dist- Palghar
42	Shri. Rajkumar Sharma, Bhayander (East)
43	M/s. Siyaram Silk Mill Ltd.
44	Shri. Hanumant Mahadik, Boisar.
45	Shri. Ganesh Punde, Boisar.
46	Ms. Punam Kataria, Dombivali (East)
47	Shri. Kishor Patil, Boisar.
48	Ms. Indramani Shastri
49	Shri. Krishnamurty M.S.
50	Shri. Vikas Vaze, Vasai.
51	Shri. Vijay Pandey, Boisar.
52	Shri. Dinabandu Das
53	Shri. Parvin Yadav, Boisar.
54	Shri. Rizwan Ahmad, Worli, Mumbai
55	Shri. Rajesh Rai
56	Shri. Shail Chauhan
57	Shri. Krishnamoorthi, Boisar.
58	Shri.Shailendra Chauhan
59	Shri. Sanju Chauhan
60	Shri. Ashokkumar Rai, Boisar.
61	Shri. Pankaj Sharma, Boisar.
62	Shri. Vivek Pandey, Dahanu.
63	Shri. Tukuna Kumar Gouda , Boisar.
64	Shri. Amey Vartak , Dahanu,Tal & Dist.- Palghar
65	Shri. Dilip Sutar, , Boisar.

Sr.No.	Name of Person
66	Shri. Sachin Sonawane, , Boisar.
67	Shri. Kanhaiyalal Gochar, , Boisar.
68	Shri. Alok Singh
70	Shri. Parigh More , Satpati,Tal & Dist.- Palghar
71	Shri. Sandeep Shinde, , Boisar.
72	Ms. Sonali Juvekar, Salwad
73	Shri. Pankaj Chaudhari, Boisar.
74	Shri. Dhruvkumar Yash
75	Shri. Parvin Kumar Jha , Boisar (West)
76	Shri. Sandeep Singh
77	Shri. Vinay Bhoir , Kalyan (W), Dist.-Thane
78	Shri. Surender Nain
79	Mrs. Shyja Varghese, Kalyan,Dist.-Thane
80	Shri. Rahul Sharma
81	Shri. Chandrajeet Yadav
83	Shri. Yogesh Patil
84	Shri. Kiran Chaudhari
85	Shri. Dipak Kulkarni
86	Shri. Mehul Patil
87	Shri. Sanjay Gharat
88	Shri. Akshay Vartak , Kelve-Mahim ,Tal & Dist.-Palghar
89	Shri. Dhiraj Vartak,, Boisar.
90	Shri. Sachin Patil, Satpati, Tal & Dist.-Palghar
91	Shri. Nilesh Dubey, Boisar.
92	Shri. Milind Bhoir
93	Shri. Nagesh Balurangi, Palghar
94	Shri. Gopal Nare, Boisar.
95	Shri. Vikas Gunjal, Boisar.
96	Shri. Tushar Walunjkar
97	Shri. Sachit Prasad, Dahanu, Dist.-Palghar
98	Shri. Manek Homavazir, Mumbai.
99	Shri. Janamejay Singh
100	Shri. Peer Mohammad, Boisar.
101	Shri. Vivek Sankh , Boisar.
102	Shri. Rupesh Patil, Umroli.

Sr.No.	Name of Person
103	Shri. Dilip Sharma, Boisar.
104	Shri. Sandeep Pol, Boisar.
105	Shri. Ashish Nayak, Boisar.
106	Shri. Rajesh Tendulkar, Boisar.
107	Shri. Krishnveer Singh, Boisar.
108	Shri. Ranjith Kumar Shetti, Mira Road (E), Thane
109	Shri. Sanjay Laddha, Boisar.
110	Shri. Yashwant Patil, Boisar.
111	Shri. Chandan Sahoo, Boisar.
112	Shri. Darshana Naik, Vasai.
113	Shri. Viraj Patil, Vasai.
114	Shri. Rajendra Vanjare, Boisar.
115	Shri. Shivaji Bachate, Boisar.
116	Shri. Naresh Gharat, Saphale.
117	Shri. Sitaram Yadav, Boisar.
118	Shri. Surendra Nain
119	Shri. Deepak Kulkarni
120	M/s. Katdare Food Products Pvt. Ltd., Satara.
121	M/s. Shree Plast Industries, Satara.
122	M/s. Z. S. Engineers, Add.MIDC, Kodoli, Satara.
123	M/s. Gajanan Packwell Pvt. Ltd., Add.MIDC, Satara.
124	M/s. Manufactures' Association of Satara (MAS), Add. MIDC, Satara.