

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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CASE No. 4 of 2005

In the matter of
Directions to Distribution Licensees under Section 23 of Electricity Act, 2003 to curb demand.

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

ORDER

Dated: April 26, 2005

In their Application dated 9th April, 2005, the Maharashtra State Electricity Board (MSEB) have sought directions under Section 23 of the Electricity Act (EA), 2003 to all Distribution Licensees in the State to take certain measures for a limited period to restrict evening peak demand in particular in the context of the serious demand supply gap prevailing in the State as a result of which MSEB are undertaking load shedding on an extensive scale. The measures proposed include restricting use of electricity in the evenings by cinema houses and major commercial establishments for two days a week, restricting the timings of industrial units, banning use of neon signs and illuminations, stopping electricity supply to shops after 17.00 hours and restricting use of agricultural pumps to non-peak hours.

2. MSEB, other Distribution Licensees and consumer representatives were heard on 26th April, 2005, along with the separate matter of the principles and protocol to be adopted for load shedding arising from the Commission's Order dated 4th March, 2005 concerning load shedding and related issues.

3. Having considered the various submissions made, and in the context of the critical situation that has emerged on account of the prevailing demand supply gap, the Commission believes that it is necessary to take emergent measures to curb electricity demand, primarily during the evening peak hours but also during the rest of the day. Through this summary Order, and in exercise of its powers under Section 23 of the EA, 2003, the Commission therefore directs all Distribution Licensees in Maharashtra, (viz. MSEB, BEST Undertaking, Mula Pravara Electric Co-operative Society, Tata Power Company Ltd. and Reliance Energy Ltd.) as follows:

- (a) A 'Load Management Charge' shall be levied on all electricity consumers in Maharashtra (including Mumbai) whose consumption exceeds 500 units per month in the billing months of May and June, 2005 (billing months of June and July in the case of BEST). This charge will be levied at the rate of Re. 1 per unit



- (b) for the electricity consumed in excess of 80% of the consumption recorded in the corresponding billing months of 2004. Similarly, those whose consumption is less than 80% as compared to the corresponding period in 2004 will be given a 'Load Management Rebate' of 50 paise per unit. This Charge and Rebate will be applicable to all metered consumers.
- (c) In the case of consumers having Time of Day (ToD) meters, however, the above benchmark period, Charge and Rebate will apply only to consumption recorded from 1800 hrs to 2200 hrs.
- (d) In the case of new consumers, the past reference period for comparison of consumption will be the last bill period.
- (e) The Charge and Rebate will not be applicable to (i) electricity sales from one Distribution Licensee to another, (ii) Railways, and (iii) unmetered consumers.
- (f) The net amount recovered from the Charge/ Rebate will be kept separately by the Licensees to be used for energy conservation and other programmes, for which separate instructions will be issued.
- (g) MSEB and the other Distribution Licensees will ensure that electricity is not supplied for neon signs, illumination of hoardings and flood lighting of buildings (except heritage structures) between 1800 hrs to 2200 hrs from 1st May, 2005 to 30th June, 2005.

It may be noted that these directions are applicable to the whole of Maharashtra, including Mumbai. The detailed Order will follow shortly. In the meantime, MSEB and other Licensees should give wide publicity to the above directions so that all concerned consumers are aware of them.

4. At its hearing on 26th April, 2005, the Commission also considered the principles that should be adopted for undertaking load shedding by MSEB. In addition to the various points suggested by MSEB, the Commission directed that the transmission & distribution losses and collection efficiency in different areas need to be taken into account while deciding the load shedding protocol. The Commission will pass Orders on the principles and protocol for load shedding separately later. In the meantime, MSEB should publish their load shedding programme on their website.

Sd/-
(A. Velayutham)
Member

Sd/-
(Dr Pramod Deo)
Chairman, MERC



(A.M. Khan)
Secretary, MERC