MERC

Maharashtra Electricity Regulatory Commission

MERC

Annual Report 2002 -03

Annual Report 2002 -03

Contents

FROM THE CHAIRMAN 1

AN OVERVIEW 2002-03 2

DETAILS OF MAJOR ORDERS 3

- Differential T&D Loss Charge
  Procurement of power from bagasse and other non-fossil fuel-based co-generation plants
  Recovery of meter costs, security deposit and service line and other charges for conversion from LTPG to HT category
  Retrospective recovery of arrears after 8 years following reclassification of consumer
- State Advisory Committee 4

ANNEXURES 5

FROM THE CHAIRMAN

It gives me great pleasure to introduce this Annual Report reflecting the work done, including major initiatives and Orders, by the Maharashtra Electricity Regulatory Commission in 2002-03, the fourth year of its existence.

As in the first three years, the Commission continued its sustained efforts to bring about greater transparency, efficiency and a consumer-oriented, participatory approach in the working of the electricity sector in Maharashtra.

The Commission has been guided in its work by the objects and reasons set out in the Electricity Regulatory Commissions Act, 1998 - to promote competition, efficiency and economy in the industry, safeguard the interests of consumers and ensure that the business of electricity generation, transmission, distribution and supply is conducted on commercial principles.

In line with these goals, the Commission has endeavoured to establish itself as an independent, transparent, consumer-oriented, consultative institution. It has attempted to put in place a system and a methodology that would be useful in future deliberations of the Commission. Our vision has been to make the Commission a vital and credible institution for the development of the power sector in the State.

The Orders passed by the Commission during the financial year 2002-03 were no less significant than those in the first three years. One of these follows from its last Order on MSEB's tariff, and focuses on the cost of transmission and distribution losses.

Another major Order pertains to the use of bagasse from Maharashtra's sugar factories and other non-fossil fuels as non-conventional sources of energy in co-generation projects. There is vast potential for developing the renewable and non-conventional energy sector. Rural areas with a widely dispersed population, and which have low level of demand and load factors which increase the unit cost of service, may offer attractive economic options for renewable and non-conventional sources of energy to make electricity available for all. Our effort has been to create a policy framework that makes investors look at these projects more favourably, while keeping the interests of the public in view. In this context, the Commission also started looking into the dispensation for wind energy projects, another renewable energy source with high potential.

It would not be out of place here to say that our Order on the purchase of power from bagasse and other non-fossil fuel based co-generation projects was much appreciated. Maharashtra has been one of the few States to deviate from the MNES methodology. The tariff we worked out and the framework was hailed in several quarters as being 'competitive' and a 'pioneering effort'. One of the strengths of our Order is the distinct frame of tariff setting that is linked to the year of operation of the project, and not to the fiscal year. Hopefully, this will create an enabling environment for attracting speedy investment in this sector as well as a win-win situation for the utilities, which would have the benefit of much needed power from such low gestation power projects.

Such projects also contribute positively to the T&D system, plagued by high technical losses partly owing to lack of investment over a long period, by displacement of power that is distributed locally.

This Report, under Section 105 of the Electricity Act 2003, seeks to place before State legislators, consumers and other stakeholders in the power sector, and the people of Maharashtra in general, the efforts of the Commission in working towards these goals. Undoubtedly, a great deal more is required to be done. We are confident that, with the support of all concerned, that expectation will be met.

P. Subrahmanyam.

AN OVERVIEW 2002-03

The Maharashtra Electricity Regulatory Commission (MERC) presents a Review and Report of its work during the fourth year of its existence, 2002-03.

Established on August 5, 1999 under the Electricity Regulatory Commissions (ERC) Act, 1998, MERC is mandated to promote competition, efficiency and economy in power generation, transmission and distribution, and to protect the interests of consumers and other stakeholders. It is also mandated to regulate power procurement and tariffs of the different utilities .

The main functions of the MERC as stipulated in the Act under Section 22 (1) are to:

a. determine the tariff for electricity, wholesale, bulk, grid or retail
b. determine the tariff payable for use of transmission facilities
c. regulate power purchase and procurement process of transmission and distribution utilities, including the price at which the power will be purchased and
d. promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of the Act.

Other regulatory functions under Section 22 (2) are assigned to the MERC as and when notified by the State Government. Under Section 22(2), the Government of Maharashtra has already conferred upon the Commission the functions under sub-clause (b) (to aid and advise the State Government in matters concerning electricity generation, transmission, distribution and supply); sub-clause (e) (to regulate and promote the working of licensees and others in the electricity industry in an efficient, economical and equitable manner); sub-clause (j) (to aid and advise the State Government in the formulation of the State power policy); sub-clause (k) (to collect information on electricity generation, transmission, distribution and utilisation); sub-clause (l) (to collect and publish data and forecast demand on the demand for, and use of, electricity in the State and to require the licensees to collect & publish such data); sub-clause (h) (to adjudicate upon disputes between licensees and refer them for arbitration); and sub-clause (p) (to aid and advise the State Government on any other matter referred to it).

Due Process Involving All Stakeholders

Over the past four years of its existence, MERC has made efforts to carry out the mandate given to it in an independent, consultative and transparent manner, as stipulated under Section 37 of the then prevailing ERC Act.

The Commission has followed due process of law, giving all stakeholders - consumers, the State Government,

Shri Jayant Deo
Member

Dr Pramod Deo
Member

Maharashtra State Electricity Board (MSEB) and other licensees like Tata Power Company and BSES Ltd. (subsequently renamed as Reliance Energy Ltd.) – a chance to be heard through public hearings in line with the aims and objectives spelt out in the Act. This ensures that information is disclosed in a transparent manner to facilitate informed decision making. This has opened up the utilities to far greater public scrutiny and accountability than ever before.

The Commission's approach has been to address core issues keeping in mind the goal of developing a strong and viable power sector, capable of meeting the present and future needs of the diversified and complex economy of Maharashtra.

Major Orders in 2002-03

During the year under review, the Commission held 6 meetings, received 61 new Petitions and passed 37 Orders.

As a follow up to the previous Tariff Order for the MSEB, the Commission phased out the Transmission and Distribution (T&D) Loss Charge applied to consumers in 11 Circles where such losses had fallen below the benchmark of 26.87% set by it.

Other noteworthy Orders relate to

- determination of the procurement process and rates for power purchase by MSEB and licensees from co-generation plants using non-fossil fuels such as bagasse
- recovery by MSEB of cost of meters, security deposit/additional security deposit and service-line charges from consumers, excess tariff charges levied by it on Low Tension consumers while converting to High Tension category and
- retrospective recovery following reclassification of a consumer.

A total of 12 cases of MERC Orders that were appealed against were pending before the Mumbai, Nagpur and Aurangabad benches of the High Court during the year under review.

DETAILS OF MAJOR ORDERS

DIFFERENTIAL T&D LOSS CHARGE

Interim order dated January 9, 2003

In its Tariff Order for MSEB dated January 10, 2002 the Commission had noted with concern MSEB's estimate of T&D losses as 39.49%, as against the target of 26.87% set by MERC. Considering that both MSEB and certain sections of consumers were equally responsible for the high level of losses, and in order to focus attention on this situation and encourage paying consumers to build up pressure against it, the Commission decided that the cost of the excess T&D loss should be shared equally (50% each) by MSEB and its consumers (barring certain exceptions). Thus, consumers were required to pay a uniform 'T&D Loss Charge'. The Commission also stated its intention to differentiate in future between the charge applicable in different Circles, depending on their respective levels of losses.

Against this background, after meeting with MSEB and consumer representatives, considering several representations seeking introduction of a differential rather than a uniform levy, and holding a hearing with them, the Commission issued an interim Order introducing differential T&D loss charge on January 9, 2003, without awaiting MSEB's tariff revision proposal.

The interim Order recognized the efforts of Circles which had shown improved performance and reported lower T&D loss levels.

Circle-wise performance

The Commission's analysis showed that 11 Circles – Sangli, Vashi, Chandrapur, Pen, Ratnagiri, Nagpur (rural), Kolhapur, Wardha, Pune (urban), Vasai and Bhandup -- had T & D loss levels below the Commission's performance benchmark of 26.87%. The Circles with T & D losses ranging between 26.87% and 39.49% were Ahmednagar, Aurangabad (rural), Pune (rural), Nashik, Satara, Buldhana, Gadchiroli, Solapur, Jalna, Sindhudurg, Kalyan, Jalgaon and Nagpur (urban). Twelve Circles showed losses above 39.49% -- Nanded, Bhandara, Yavatmal, Aurangabad (urban), Amravati, Latur, Parbhani, Dhule, Akola, Osmanabad, Beed and Bhiwandi.

The Commission decided that the T&D loss charge would be levied as per the T&D loss level in each Circle, through a scheme to be formulated subsequently. In the interim period, the Circles where the T&D loss levels were lower than the benchmark of 26.87% were exempted from the levy of T&D loss charge. The Circles with T&D losses above 26.87% would continue to pay the existing T&D loss charges.

PROCUREMENT OF POWER FROM BAGASSE AND OTHER NON-FOSSIL FUEL BASED CO-GENERATION PLANTS

Order dated August 16, 2002

Through this Order, MERC determined the rate and process for procurement of power by MSEB and other utilities/licensees from co-generation plants using bagasse and other non-fossil fuels. It also gave guidelines to aid the State Government in the formulation of its policy in this matter.

MSEB had first approached the Commission on March 28, 2001 for approval of renewal and/or amendments to Power Purchase Agreements (PPAs) signed by it with various bagasse-based co-generators, and seeking uniform policy guidelines for purchase of power from such projects.

After conducting a Technical Validation Session for the specific projects posed by MSEB, its Petitions (along with a proposed dispensation for such types of projects prepared with the assistance of individual experts and organisations and after discussions in the State Advisory Committee) were thrown open to the public for comments and objections. Thereafter, a public hearing was held.

Several complex issues were involved, on which a wide range of views was expressed. Keeping in view the deliberations in the State Advisory Committee, and after careful consideration of all the suggestions and objections, the views of consultants and experts, issues raised during the public hearing, submissions made by the project developers, consumer representatives, MSEB and others, and after carrying out considerable analysis, the Commission issued a 'Summary Order' on July 15, 2002, and a detailed Order on August 16, 2002 with the following salient features:

Tariff Rate and Tariff Structure

The tariff for the purchase of electricity by MSEB and other utilities/licensees from co-generation projects based on non-fossil fuels (such as bagasse, biomass, biogas, agriculture waste such as rice husk, groundnut shells, etc.) would be Rs. 3.05 per kWh for the first year of operation of the project. The tariff would escalate at the rate of 2% per annum on a compounded basis.

This would be valid for co-generation projects commissioned before the end of the 10th 5-year Plan, i.e. March 31, 2007. The Commission would review the Tariff Rate and Tariff Structure after that date, or on attaining 300 MW of additional capacity of the projects commissioned after April 1, 2001 , whichever is earlier.

Approval of Energy Purchase Agreement (EPA)

It was not the intention of the Commission to approve the EPA for each co-generation project separately. Therefore, the Commission formulated the principles of such EPAs, and directed that they be made public after they are executed.

RECOVERY OF METER COSTS, SECURITY DEPOSIT AND SERVICE LINE AND OTHER CHARGES FOR CONVERSION FROM LTPG TO HT CATEGORY

Order dated June 27, 2002

MERC received three Petitions on these issues, which it clubbed together as they were similar. The essence of the complaints was that, though the Commission had abolished the collection of meter rent through its Tariff Order of May 5, 2000, MSEB had billed consumers Rs 1,000 for the cost of meters as well as Security Deposit/ Additional Security Deposit.

The Bhandup Zone had replaced about 3,30,000 meters, only some of which were the new type of advanced 'static meters'. The rest were meters that had been repaired. In some cases no replacements had taken place at all. Under Section 26 of the Indian Electricity Act, 1910 recovery of cost is permitted only when it is incurred. Therefore, the Petitioners alleged, MSEB's action in attempting to recover costs without incurring them was illegal.

After hearing the contesting parties with the consumer representatives, the Commission directed that:

a. MSEB will refund the excess collection of meter cost and security deposit through the next bill, with interest at the rate of 12% per annum
b. Replacing old meters with repaired ones will not involve an additional cost. On informing the concerned consumers, faulty meters will be replaced with new ones within three months
c. Additional security deposit collected in violation of the Commission's order of January 10, 2002, will be refunded with interest at the rate of 12% p.a.
d. Regarding collection of SLC charges, MSEB shall also observe the Mumbai High Court's directive dated September 28, 2001 -- "pending the hearing and final disposal of the Appeals, the Appellant shall not further amend or modify the existing terms and conditions of supply or commercial circulars issued prior to August 5, 1999" (MSEB's Appeal before the Honourable High Court, Mumbai, No.1 and 2 of 2001 on the MERC Case No.10 & 11 of 2001).

While disposing of MSEB's Appeal in this matter on February 24, 2003, the High Court ruled that any terms and conditions of supply impacting the commercial interest of consumers have to be approved by the Commission.

The High Court stated that the: "ERC Act confers exclusive jurisdiction on the State Regulatory Commission to determine the tariff for electricity. The terms and conditions for supply of electricity also go with the cost of electricity. Therefore, while fixing the tariff for electricity, the State Commission has to necessarily take into consideration terms and conditions for supply of electricity in so far as they add to the costs of the electricity. Charges such as service line charges, transmission charges, etc. which were charged by MSEB will have to be approved by the Commission."

RETROSPECTIVE RECOVERY OF ARREARS AFTER 8 YEARS FOLLOWING RECLASSIFICATION OF CONSUMER

Order dated February 11, 2003

Under its Petition dated October 11, 2001, the Maharashtra Industrial Development Corporation (MIDC) challenged the change in the tariff category applied by the MSEB to its streetlight services in Murbad and Additional Murbad Industrial Areas, and its attempt to recover 'arrears' retrospectively since 1992 on that basis.

MSEB refused to accept payment under protest and resorted to disconnection in September, 2001 leaving the area in darkness for more than 3-1/2 months. MIDC then decided to pay the bill and approach the Commission.

After hearing the parties with consumer representatives, in its Order dated February 11, 2003, the Commission ruled that:

"No retrospective recovery of arrears can be allowed on the basis of any abrupt reclassification of a consumer, even though the same might have been pointed out by the auditor. Any reclassification must follow a definite process of natural justice and the recovery, if any, would be prospective only as the earlier classification was done, with a distinct application of mind by the competent people. The same cannot be categorised as an escaped billing in the strict sense of the term, to be recovered retrospectively".

STATE ADVISORY COMMITTEE

A meeting of the State Advisory Committee, established by the Commission under Section 24 of the ERC Act, was held on June 17, 2002, shortly after the public hearing conducted in respect of bagasse and other non-fossil fuel based co-generation. The Committee discussed in detail the issues involved in the dispensation for such projects, and provided useful inputs for the Order that was subsequently passed by the Commission.

Annexure I

MEETINGS OF THE COMMISSION FOR THE YEAR 2002-03		
Number of Commission meetings held	6	May 10, 2002 July 11, 2002 August 5, 2002 August 28, 2002 December 11, 2002 January 1, 2003

Annexure II

CASES FILED IN 2002 – 2003

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
1	Vidarbha Industries Association	MSEB	01.04.2002	8 of 2002	Review Application on Tariff Order dated 10.01.2002
2	Electricity Consumers Association and Indian Hotels & Restaurants Association	BEST	05.04.2002	10 of 2002	In respect of Security Deposit by BEST Undertaking
3	Seeds & Cakes Millers Association	MSEB	08.04.2002	6 of 2002	Application of "Seasonal Tariff" as provided for in the Original Tariff Order dated 05.05.2000
4	Bharat General Oil Mills Association & Bharat General Textile	MSEB	09.04.2002	6 of 2002	Application of "Seasonal Tariff" as provided for in the Original Tariff Order dated 05.05.2000
5	Datar Switchgear Limited, Nashik	MSEB	23.04.2002	9 of 2002	In the matter of deliberate and wilful breach of Commission's Orders by MSEB
6	Vidarbha Iron & Steel Industries Ltd.	MSEB	24.04.2002	11 of 2002	Review Application on Tariff Order dated 10.01.2002
7	Shri Pratap Hogade	MSEB	26.04.2002	3 of 2002	Procurement of wind energy and wheeling for third party sale by MSEB
8	Indian Wind Energy Association		30.04.2002	4 of 2002	Procurement of wind energy and wheeling for third party sale by MSEB
9	Renewable Energy Developers Association of Maharashtra		08.05.2002	5 of 2002	Procurement of wind energy and wheeling for third party sale by MSEB
10	Maharashtra State Electricity Board	-	14.05.2002	17 (3) of 2002	Procurement of wind energy and wheeling for third party sale by MSEB
11	Shri S.R. Paranjpe, Kalyan	MSEB	14.05.2002	6 of 2000	Violation of MERC's directions by MSEB on Merit Order Despatch and unwanted purchase of most expensive energy from DPC, ignoring cheaper alternatives during the year 2000-2001 (Review of Order dated 01.04.2002)
12	Nagrika Exports Limited	MSEB	16.05.2002 06.01.2003	42 of 2002	Payment of Security Deposit and refund of interest on Security Deposit by MSEB
13	Maharashtra State Electricity Board	Datta SSK	(22.07.2001) 22.05.2002	9 of 2001	Request for Interim Order regarding renewal of PPA between MSEB and Datta SSK
14	Maharashtra State Electricity Board	(i) Adinath SSK (ii) Chopda SSK & (iii) Deogiri SSK	04.06.2002	17 (5) of 2002	Compliance Reporting of bagasse-based co-generation orders-Energy Purchase Agreement
15	Maharashtra State Electricity Board	(i) Purti SSK (ii) Baliraja SSK (iii) Adinath SSK (iv) Gayatri Agro Ind.		17 (6) of 2002	Compliance Reporting of bagasse-based co-generation orders-Energy Purchase Agreement

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
16	Shri Vijaykumar Hirakhanwala	BEST	10.06.2002	10 of 2002	In respect of Security Deposit by BEST Undertaking
17	BSES Limited	Tata Power Company	10.06.2002	13 of 2002	Review of TPC tariff so far as Petitioner is concerned
18	Nagpur Municipal Corporation	MSEB	12.06.2002	12 of 2002	Denial of Power Factor Incentives & Violation of Commission's Order dated 10.01.2002
19	Datar Switchgear Limited, Nashik	MSEB	17.06.2002	9 of 2002	Review of Commission's Order dated 04.06.2002
20	Shiroli Manufacturers Association	MSEB	19.07.2002	28 of 2002	Compensation for loss sustained by industries on account of additional load shedding, cancellation of demand charges etc.
21	BSES Limited (Bombay Small-Scale Industries Association-Intervenor)	Tata Power Company	23.07.2002	14 of 2002	Violation of law and non-observance of terms of licence by Tata Power Company
22	MSW Power (India) Ltd.	MSEB	26.07.2002	15 of 2002	Sale of Power generated by Waste-to-Energy Plant
23	(i) Electricity Consumers Association (ii) Bombay Small Scale Industries Association	MSEB	06.08.2002 26.08.2002	18 of 2002	Action against MSEB for violation of I.E. Rules, 1956
24	MSEB	Dabhol Power Company	14.08.2002	19 of 2002	Offtake of Power from DPC Project - Phase I
25	Prayas, Pune	MSEB	27.08.2002	16 of 2002	Review of Tariff being charged by Tata Power Company and BSES Limited
26	Millennium Plastics	MSEB	28.08.2002	41 of 2002	Discriminatory provisions in conditions of supply prescribed by MSEB, relating to maximum limit on connected load for Low Tension power supply
27	Rani Sati Rice Mill, Gondia	MSEB	(20.12.2001) 29.08.2002	27 of 2001	Optional treatment proposed by Commission in case of LTPG Consumers and not to force on them the MD-based tariff, as provided for in the original Tariff Order dated 05.05.2000
28	(i) Indian Wind Energy Association (ii) Renewable Energy Developers Association of Maharashtra (REDAM)	MSEB	29.08.2002 10.03.2003 24.09.2002	20 of 2002	Approval for extending applicability of the Interim Order dated 03.06.2002 to wind farm developers not having valid NOCs and drawing interim relief
29	Maharashtra State Electricity Board	Dodson Lindblom Hydro Power Pvt. Ltd.	25.09.2002	16 of 2001	Approval of tariff for second year energy exported to MSEB against tripartite Power Purchase Agreement (PPA), dated 21.01.1999 entered into between MSEB, Irrigation Dept. of GoM and Dodson, for Bhandardara Hydro Power Project Phase - I
30	Shri Pratap G. Hogade	MSEB	03.10.2002	29 of 2002	Compensation for alleged loss sustained by industries on account of additional load shedding, cancellation of demand charge, etc.
31	Jain Irrigation System Ltd.	MSEB	07.10.2002	21 of 2002	Withdrawal of SP - I Tariff to three units by MSEB
32	Reliance Patalganga Power Ltd.	MSEB	07.10.2002	11 of 2001	Approval of Amendment Agreement dated 04.02.2000 entered into between MSEB & Reliance to amend Power Purchase Agreement dated 03.08.1996
33	Shri S.R. Paranjpe	MSEB	11.10.2002	24 of 2002	Review of Order dated 16.08.2002 for purchase of power from bagasse-based co-generation projects
34	Mohanrao Shinde SSK Ltd	MSEB	14.10.2002	23 of 2002	Review of Order dated 16.08.2002 for purchase of power from bagasse-based co-generation projects
35	Rajarambapu Patil SSK Ltd	MSEB	16.10.2002	22 of 2002	Review of bagasse-based co-generation order dated 16.08.2002

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
36	Gokul Shirgaon Mfrs. Association	MSEB	23.10.2002	30 of 2002	Compensation for alleged loss sustained by industries on account of additional load shedding, cancellation of demand charge, etc.
37	Maharashra State Farming Corpn.	MSEB	25.10.2002	25 of 2002	Illegal and arbitary action of MSEB in billing on basis of HTP-II
38	The EIH Ltd.	BEST	31.10.2002	27 of 2002	Review of tariff applicable to petitioner u/s. 22(1)(c) & 29 of ERC Act 1998.
39	Hanil Era Textiles Ltd.	MSEB	11.11.2002	32 of 2002	Credit of Demand Charges and Line Loss % charged by MSEB applicable to Hanil.
40	NRC Limited	MSEB	13.11.2002	31 of 2002	Excess billing for supply of electricity and MSEB's threat to disconnect power supply
41	Shri Halari Powerloom Owners & Weavers Association	MSEB	14.11.2002	36 of 2002	Non-compliance with Tariff Order regarding metering and billing of powerlooms at Bhiwandi
42	Murbad Mfrs. Association	MSEB	15.11.2002	25 of 2001	Tariff for powerloom Industries on fixed rate basis
43	Krishna Valley Chamber of Industries & Commerce	MSEB	15.11.2002	Addressed through Case No. 28/29/ 30 of 2002	Compensation for alleged loss sustained by industries on account of additional load shedding, cancellation of demand charges, etc.
44	Vinayaka Ispat	MSEB	16.11.2002	37 of 2002	Waiver of demand charge penalty and refund of penalty charges
45	Lloyds Steel Industries Ltd.	MSEB	28.11.2002	38 of 2002	Duplication of Service Line Charges / Security Deposit
46	Lupin Chemicals Ltd.	MSEB	29.11.2002	33 of 2002	MSEB - Commercial Circular No. 627 dated 02.09.1999, on minimum energy offtake by CPP & any other
47	Amit Spinning Ind. Ltd.	MSEB	29.11.2002	34 of 2002	MSEB - Commercial Circular No. 627 dated 02.09.1999, on minimum energy offtake by CPP & any other
48	Eurotex Industries & Exports Ltd.	MSEB	29.11.2002	35 of 2002	MSEB - Commercial Circular No. 627 dated 02.09.1999, on minimum energy offtake by CPP & any other
49	Primlaks Waffles Pvt. Ltd.	MSEB	02.12.2002	(Case No. Not allotted) Addressed through Case No. 28/29/ 30 of 2002	Waiver and refund of excess demand charges as per new definition of billing demand, repair of booster at Pirangut, etc.
50	Balaji Electrosmelters Ltd.	MSEB	07.12.2002	39 of 2002	To review policy in respect of NTPC Power to export-oriented ferro alloys industries and tariff applicability of the petitioner
51	Ispat Industries Limited - Review Petition	MSEB	09.12.2002 22.01.2003	12 of 2000	Review of Clarificatory Order dated October 23, 2000 passed by Commission in Case No. 01 of 1999 & seeking relief in the matter of availing of bulk discount
52	RHT Constructions	MSEB	17.12.2002	40 of 2002	Application u/s. 29(1)(c) & (d) of the ERC Act regarding consumers option for ORC Scheme
53	Tata Power Company Limited	BSES	15.01.2003	3 of 2003	Principles of agreement dated 31.01.1998 - 220 KV inter-connection at Borivali and its operation
54	Tata Power Company Limited	BSES	16.01.2003	1 of 2003	Wrongful grant of rebates by BSES Limited
55	Oil & Natural Gas Corpn. Ltd.	MSEB	29.01.2003	26 of 2002	Reduction of Contract Demand for CPP
56	Ispat Profiles India Ltd.	MSEB	06.02.2003	8 of 2003	For waiver of various dues and other reliefs
57	Ispat Industries Limited & Ispat Metallics (I) Limited	MSEB	24.02.2003	7 of 2003	Completion of the scheme of power supply by MSEB and related matters, including compensation and other reliefs

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
58	BSES Limited	Tata Power Company Ltd.	28.02.2003	4 of 2003	220 KV inter-connection at Borivali and its Operation
59	Ispat Industries Limited & Ispat Metallics (I) Ltd.	MSEB	10.03.2003	1 of 2001	Review of Interim Order dated 09.01.2003 in the matter of levying of T&D Loss charges on the basis of differential (circle/zone) T&D loss evaluation
60	Vidarbha Chamber of Small Scale Industries, Yavatmal	MSEB	10.03.2003	1 of 2001	Review of Interim Order dated 09.01.2003 in the matter of determination of tariff 2001-02 applicable to various consumers of MSEB, and levying of T&D Loss charges on the basis of differential (circle/zone) T&D loss evaluation
61	Shri Shirish Deshpande	BEST	19.03.2003	6 of 2003	Permitting competition in Mumbai in electricity supply, applying concessional tariff by BSES & TPC and determination of rational and fair tariff

Annexure III

LIST OF ORDERS PASSED BY THE COMMISSION IN THE YEAR 2002-03

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
1	06 of 2000	21.05.2001	29.01.2002	01.04.2002	Shri S.R. Paranjpe, Kalyan - Violation of directions on Merit Order Despatch by MSEB and unwanted purchase of most expensive energy from DPC ignoring cheaper alternatives during 2000-01
02	27 of 2001	20.12.2001	20.02.2002	03.04.2002	Rani Sati Rice Mill, Gondia - Optional treatment proposed by the Commission in case of LTPG Consumers and not to force on them the MD-based tariff, as provided for in the original Tariff Order dated 05.05.2000
03	Case Nos. 2,3 & 5 of 2000	05.10.2000 16.10.2000 08.11.2000	03.12.2001	11.04.2002	Supply of NTPC Power to applicants (i) Universal Ferro & Allied Chemicals Ltd. (ii) Balaji Electrosmelters Ltd. and (iii) Maharashtra Elektrosmelt Ltd. in accordance with terms and conditions of agreements between MSEB and the applicants.
04	01 of 2001	15.02.2002	Nil	11.04.2002	Maharashtra State Electricity Board - Determination of tariff 2001-02 applicable to various categories of its consumers **[Clarificatory Order]**
05	01 of 2001	15.02.2002	Nil	11.04.2002	Maharashtra State Electricity Board - Determination of tariff 2001-02 applicable to various categories of its consumers **[Corrigendum Order]**
06	32 of 2001	13.03.2002	02.05.2002	07.05.2002	Pune Chapter of Cost Accountants - Determination of application filed by Pune Chapter of Cost Accountants in respect of conducting Cost Audit by Cost & Management Accountants in MSEB Generating Stations **[Interim Order]**

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
07	10 & 21 of 2001	11.10.2001 25.09.2001	17.10.2001 18.10.2001	09.05.2002	Determination of application filed by MSEB in respect of PPA with (i) Kay Pulp & Paper Mills Ltd., Satara, (ii) Jawahar Shetkari Sahakari Sakhar Karkhana Ltd., Hupari **[Interim Order]**
08	1(A) of 2001	18.03.2002	13.05.2002	30.05.2002	State Govt. Subsidy – Determination for MSEB consumers during FY 2001-02 u/s. 29 (5) of ERC Act 1998
09	3, 4 & 5 of 2002	26.04.2002 30.04.2002 08.05.2002	24.05.2002	03.06.2002	(i) Shri Pratap Ganpatrao Hogade, (ii) Indian Wind Energy Association (InWEA),(iii) Renewable Energy Developers' Association of Maharashtra (REDAM), Procurement of Wind Energy & Wheeling for third party sale by MSEB **[Interim Order]**
10	6 of 2002	08.04.2002 09.04.2002	21.05.2002	04.06.2002	Seeds & Cakes Millers Association and Bharat General, Malkapur in the matter of seasonal tariff as provided for in the Original Tariff Order dated 05.05.2000
11	9 of 2002	23.04.2002 20.05.2002	23.05.2002	04.06.2002	Datar Switchgear Ltd., Nashik in the matter of Application filed under section 44 & 45 of the ERC Act 1998 by Datar Switchgear for deliberate and wilful breach of Commission's Orders by MSEB
12	26 of 2002	21.11.2001 29.11.2001 30.11.2001 06.12.2001	13.05.2002	27.06.2002	(i) Mrs. Sunita Arun Karnik, Thane (ii) Electricity Consumers Association, Kanjurmarg & (iii) Bhandara Zilla Laghu Udhyojak Sanstha, Bhandara - In the matter of recovery of Cost of Meters, Security Deposit and converting LTPG to HT Category
13	8/9/10/15/ 17/18/19/20 /21 of 2001	16.08.2001	11.06.2002	15.07.2002 16.08.2002	Purchase of Power from bagasse-based co-generation projects and in the matter of aiding the State Government in formulation of Policy **(Summary Order 15.07.2002 and Detailed Order dated 16.08.2002)**
14	1 of 2002	26.03.2002	05.07.2002	18.07.2002	Mula Pravara Electric Co-operative Society Limited - Tariff Revision for 2002-03
15	2 of 2000	07.06.2002	05.08.2002	28.08.2002	M/s. Universal Ferro & Allied Chemicals Limited - Alleged non-payment of energy bill charges and notice of disconnection issued by MSEB
16	10 of 2002	05.04.2002 [(i) & (ii) submitted jointly] 10.06.2002	06.08.2002	02.09.2002	Applications filed by (i) Indian Hotel & Restaurant Association (ii) Electricity Consumers Association, Mumbai, and (iii) Shri Vijaykumar M. Hirakhanwala In respect of recovery of Security Deposit by BEST Undertaking
17	2 of 2002	05.03.2002	06.08.2002	04.09.2002	South Indian Education Society - Adjudication of differences between the licensee (BEST) and a consumer
18	14 of 2002	23.07.2002	12.09.2002	10.10.2002	BSES Limited - Violation of law and non observation of the terms of licence by Tata Power Company Limited **[Order on Admission]**
19	7 of 2002	27.03.2002	12.09.2002	17.10.2002	Tata Power Company Limited (i) Payment of standby charges (ii) Payment of energy charges for actual drawal and (iii) Minimum guaranteed offtake
20	20 of 2002	29.08.2002	24.05.2002	18.10.2002	Indian Wind Energy Association - Approval for extending applicability of Interim Order dated 03.06.2002 to such wind farm developers not having valid NOCs and drawing interim relief **[Interim Order]**
21	11 of 2001	13.07.2001	17.10.2002	01.11.2002	Reliance Patalganga Power Limited -Amendment Agreement dated 04.02.2000 entered into between MSEB & Reliance to amend Power Purchase Agreement dated 03.08. 1996

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
22	16 of 2002	27.08.2002	30.10.2002	01.11.2002	Prayas, Pune - Review of Tariff being charged by Tata Power Company and BSES Limited
23	17 of 2002	06.09.2002	18.09.2002	01.11.2002	M/s. Chalet Hotels Limited - Power supply to its Hotel Complex at Powai, Mumbai
24	13 of 2002	10.06.2002	12.09.2002	07.11.2002	BSES Limited - Review of TPC tariff so far as the Petitioner is concerned
25	16 of 2001	25.09.2002	22.11.2002	03.12.2002	Dodson Lindblom Hydro Power Pvt Ltd. - Approval of tariff for second year energy exported to MSEB against tripartite Power Purchase Agreement (PPA) dated 21.01.1999 entered into between MSEB, Irrigation Dept. of GoM and Dodson, for Bhandardara Hydro Power Project Phase - I (12 MW) **[Ad-Interim Order]**
26	14 of 2001	07.11.2002	04.12.2002	24.12.2002	Sunflag Iron & Steel Company Limited- Approval of PPA under section 22(1)(c) of ERC Act, 1998 and payment of energy exported to MSEB against PPA entered between Sunflag and MSEB, on 15.12.1997
27	9 of 2002	17.06.2002	11.07.2002	26.12.2002	Datar Switchgear Limited - Review of the Commission's Order dated 04.06.2002
28	23 of 2002	14.10.2002	11.12.2002	31.12.2002	Mohanrao Shinde Sahakari Sakhar Karkhana Limited - Review of MERC Order dated 16.08.2002 for purchase of power from bagasse-based co-generation projects
29	18 of 2002	06.08.2002 26.08.2002	27.11.2002	07.01.2003	Electricity Consumers Association & Bombay Small Scale Industries Association-Action against MSEB having violated I.E. Rules, 1956
30	1 of 2001	-	30.12.2002	09.01.2003	Determination of Tariff [2001-02] applicable to various categories of consumers of MSEB and levying of T & D Loss charges on the basis of differential (Circle / Zone) T & D Loss Evaluation **[Interim Order]**
31	37 of 2002	16.11.2002	31.12.2002	04.02.2003	Vinayaka Ispat, Nagpur - waiver of demand charge penalty and refund of penalty charges wrongly charged to petitioner
32	24 of 2001	11.10.2001 09.11.2001	08.08.2002 15.01.2003	11.02.2003	MIDC - MSEB Tariff rate applicable to streetlight services for Murbad and additional Murbad Industrial Areas and differential tariff recovery through supplementary bill raised by MSEB
33	42 of 2002	06.01.2003	17.02.2003	20.02.2003	Nagrika Exports Limited - Payment of Security Deposit and refund of interest on Security Deposit by MSEB
34	36 of 2002	14.11.2002	07.01.2003 30.01.2003	21.02.2003	Shri Halari Powerloom Owners' & Weavers Association, Bhiwandi
35	41 of 2002	28.08.2002	11.02.2003	11.03.2003	Millennium Plastics, Mumbai - discriminatory provisions in the conditions of supply prescribed by MSEB relating to maximum limit on connected load for Low Tension power supply
36	39 of 2002	07.12.2002	03.02.2003	24.03.2003	Balaji Electrosmelters Limited, Yavatmal - Withdrawal / termination of wheeling of NTPC Power from 15% unallocated quota to export-oriented ferro alloy industries
37	40 of 2002	17.12.2002	20.02.2003	24.03.2003	RHT Constructions, Dhule - consumers' options for ORC Scheme

Annexure IV

RECEIPTS & PAYMENTS ACCOUNT FOR THE PERIOD APRIL 1, 2002 TO MARCH 31, 2003

RECEIPTS	Amount Rs.	Amount Rs.
(A) Opening Balance		**12,322,081.58**
Cash on Hand	5,367.79	
SBI-TATA-BSES MSEB Dispute Account	-	
SBI Current Account	3,513,003.64	
SBI Fees & Cost Recovered A/c	8,803,710.15	
(B) Grant Received		**22,532,000.00**
(C) Pension Adjusted Against Salaries		**210,015.00**
(D) DA Recovered from Salary		**7,726.00**
(E) Interest on STDR		**54,090.00**
Receipts during the year	68,468.00	
Less : TDS paid on Interest	14,378.00	
(F) Tender Fees		
(G) Misc. Receipts		**1,471.50**
(H) Fees & Costs Recovered		**9,613,839.98**
Receipts during the year	10,082,176.98	
Less : Paid during the year	4,68,337.00	
(I) TATA-BSES Standby Dispute		**10,000.00**
Receipts during the year	990,000,000.00	
Less : Paid during the year	989,990,000.00	
(J) Earnest Money Deposits		**200,000.00**
Receipts during the year	200,000.00	
(K) Security Deposit		**38,500.00**
Receipts during the year	38,500.00	
Balance C/F		**44,989,724.06**

PAYMENTS	Amount Rs.	Amount Rs.
(A) Personnel Expenditure		**4,140,163.00**
1) Salary to Members & Secretary	1,733,905.00	-
2) Staff Salary	2,226,258.00	-
3) Residential Rent for Member	180,000.00	
4) Contribution to		**298,989.66**
Provident Fund	21,264.00	
Medical Reimbursement	39,184.00	
Gratuity	69,333.00	
Leave Encashment	85,453.00	
Leave Salary Contribution	8,160.66	
Pension Contribution	9,884.00	
Leave Travel Concession	6,906.00	
Peon Allowance	58,805.00	
(B) Establishment Expenses		**6,411,634.64**
Conveyance	3,447.00	
Telephone Expenses	393,222.64	
Office Rent	4,964,400.00	
Car Parking	96,000.00	
Printing & Stationery	226,495.25	
Petrol Expenses	228,000.00	
Postage & Courier	40,111.00	
Bank Commission	3,770.00	
Entertainment	6,311.00	
Electricity Charges	182,801.00	
Books & Periodicals	71,098.00	
Office Expenses	35,917.00	
Housekeeping Expenses	110,500.00	
Canteen Expenses	30,661.75	
Transfer Travelling Expenses	18,900.00	
(C) Expenses on the Object		**4,945,761.50**
Public Hearing Expenses	60,285.00	
Consultancy Charges	2,455,123.00	
Legal Fee	432,850.00	
Advertisement & Publicity	268,436.00	
Tour & Travel Expenses	794,952.50	
Membership & Subscription	119,787.00	
Publication Printing Expenses	525,548.00	
Meeting Expenses	27,589.00	
Internet Expenses	108,991.00	
Website Expenses	152,200.00	
Balance C/F		**15,796,548.80**

RECEIPTS	Amount Rs.	Amount Rs.
Balance B/F		**44,989,724.06**
(L) Statutory & Other Liabilities		
1) Income Tax Deducted from Salaries	409,837.00	
Less : Paid	409,837.00	
2) Profession Tax Deducted from Salaries	52,840.00	
Less : Paid	52,840.00	
3) General Provident Fund Deducted from Salaries	28,366.00	
Less : Paid	28,366.00	
4) Deduction for GIS from Salaries	1,500.00	
Less : Paid	1,500.00	
5) Licence Fees Deducted from Salaries	12,804.00	
Less : Paid	12,804.00	
6) Contribution to P.F. from Salaries	19,976.00	
Less : Paid	19,976.00	
7) Computer Advance deducted from Salaries	5,450.00	
Less : Paid	5,450.00	
8) House Building Advance Deducted from Salaries	10,340.00	
Less : Paid	10,340.00	
9) T.D.S. on Contract Recovered	1,271,993.00	
Less : Paid	1,271,993.00	
TOTAL		**44,989,724.06**

PAYMENTS	Amount Rs.	Amount Rs.
Balance B/F		**15,796,548.80**
(D) Advances & Deposits		
Deposit to suppliers paid during the year	19,000.00	
Less : Recovered	1,500.00	17,500.00
E.M.D. Refunded		10,000.00
Security Deposit refunded		102,500.00
(E) Expenditure on Assets		**634,958.00**
Computer Expenses	285,500.00	
Repair & Maintenance for Vehicle	111,478.00	
Repair & Maintenance	183,196.00	
Vehicle Insurance	54,784.00	
(F) Assets Purchased		**38,772.13**
Office Equipment		
Air-Conditioners		
Vehicles		
Furniture & Fixtures	31,697.00	
Library Books	7,075.13	
Computers		
Telephone & E.P.A.B.X.		
Electricity Installation		
(G) Misc. Recoveries		
Income Tax Excess paid in respect of T. D. S.		
(H) Investments		**16,712,813.00**
Investment in STDR	27,252,813.00	
less: STDR matured	10,540,000.00	
Investment in STDR	10,833,273.00	5,224,400.00
less: STDR matured	5,608,873.00	
(I) Cash & Bank Balance		**6,452,232.13**
Cash in hand	13,845.29	
SBI-TATA-BSES MSEB Dispute A/c	10,000.00	
SBI Current Account	4,722,865.71	
SBI Fees & Cost Recovered A/c.	1,705,521.13	
TOTAL		**44,989,724.06**

Stakeholders presenting their case at MERC's Public Hearings in 2002-03

Shri Moreshwar Save
Citizens' Forum,
Aurangabad

Shri Avinash Shethji
Technical Member, MSEB,
Mumbai

Shri Atmaram Bhamare, Director,
Agricultural Produce
Market Committee,
Satana

MERC

Shri Suresh N Tendulkar
Prakash Fabricators,
Kolhapur

Adv Niranjan B Agrawal
Vidarbha Chamber of
Commerce, Akola

Adv Vilas Bhoskar, Legal Committee,
Grahak Panchayat,
Nagpur

MERC

Maharashtra Electricity Regulatory Commission

Centre 1, 13th Floor, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400 005
www.mercindia.com

Designed and Produced by R&P Management Communications Pvt. Ltd . www.rnpmc.com