

## FROM THE CHAIRMAN

The year under review, 2005-06, was a very challenging year for the Maharashtra Electricity Regulatory Commission. We continued to work steadily towards the development of an open market in electricity in the State of Maharashtra, by putting several rules of the game in place, even as we had to grapple with severe power shortages.

We began the year with the constraint of several power shortages during the summer of 2005, resulting in heavy load shedding in the State. The threat of disruptive load shedding, created by the absence of planned capacity addition over a prolonged period, loomed large over the financial capital of the country. This called for new approaches to create an awareness of the need to conserve electric energy, as well as offer an incentive/penalty system to encourage its voluntary acceptance.

The Commission issued several directions to power distribution companies during the year to control and reduce the demand for power through incentives/disincentives rather than penalties, and through equitable distribution of load shedding throughout the State.

An interesting development was the proposal that emanated from the Pune chapter of the Confederation of Indian Industry to tap the dormant surplus captive power available with some of its members to save Puneites from load shedding. The Commission accepted the proposal after a public process with due safeguards.

A major step towards a free market in electricity in the State came in June, with the restructuring of the erstwhile Maharashtra State Electricity Board (MSEB) into four Companies. This is key to bringing about healthy competition and accountability in the power sector in all three areas of generation, transmission and distribution.

In line with this step, the Commission notified four Regulations under the Electricity Act, 2003 pertaining to Transmission Open Access, Distribution Open Access, Terms and Conditions of Tariff and the State Grid Code. These lay down rules, guidelines and standards to be followed by various agencies and participants in the intra-State Transmission System in the most efficient, reliable and economical manner.

During the year, the Commission issued the first-ever electricity Tariff Order applicable to the BEST Undertaking in Mumbai, after a public process.

The Commission introduced a new category "BPL" for Consumers Below the Poverty Line with consumption slab of 0-30 units in the licensed area of this Municipal utility. This is in accordance with the National Electricity Policy, whereby Consumers Below the Poverty Line who consume below a specified level, may receive special support through a cross subsidy.

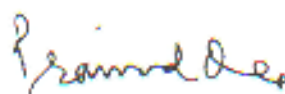
Since EA, 2003 mandates the Commission to promote electricity generation from renewable energy through various means, and to specify a percentage for purchase from such sources by distribution licensees, non-conventional sources of energy continue to engage the Commission's attention. Two orders were passed in this year for purchase of power from bagasse and other non-fossil fuels based non-qualifying co-generation projects, as well as for tariff for procurement of power from biomass-based projects. It also determined tariff rates for Small Hydro Projects to ensure adequate return to developers over the Build, Operate and Transfer (BOT) period. However, the initial high tariff burden is spread over many years, so as to put the minimum financial burden on the distribution licensee, when the licensee is in the process of improving its efficiency.

The Commission firmly rejected the proposal of the State Government for adjustment of the subsidy due from it for free power supplied to the agriculture sector, against the dues of the Maharashtra State Electricity Distribution Company Ltd. The Commission ruled that the Government would have to pay the subsidy amount in advance, or pay interest at the prevailing Bank Rate on the subsidy payable.

The Commission also took steps towards the development of a road map for an intra-state Availability Based Tariff (ABT) regime. A discussion paper on this will be floated soon for public comments. The Commission has also begun work on a Multi-Year-Tariff framework to be introduced from 1st April, 2007.

It will not be an exaggeration to say that one of the major concerns of the Commission during the year was capturing demand side resources, in view of the load shedding caused by the severe power shortage in the State. Electricity consumers outside Mumbai have come to live with load shedding. But for the first time in many years, the prospect of a prolonged phase of LS began to loom large over India's commercial capital.

As a result of the proactive rulings and directives of the Commission, the year saw the first ever serious efforts being made by the power licensees in the State to tap demand side resources by developing, planning and implementing demand side management (DSM) and energy conservation (EC) programmes. Such programmes have the capacity to add significant short and long-term economic value to the electricity system, when there has been absence of planned capacity addition over a prolonged period.



Dr. Pramod Deo

## 2005-2006 - MSEB Unbundled

The enactment of the Electricity Act, 2003 (EA, 2003) paved the way for undertaking comprehensive market reforms in the electricity sector. Significant enabling provisions in the Act include de-licensing of generation, introduction of competition through open access, etc.

One of the major objectives of power sector reforms in Maharashtra was achieved during the year under review when the Government of Maharashtra (GoM) with effect from 6th June 2005 restructured the erstwhile Maharashtra State Electricity Board (MSEB) into four Companies – a holding company, MSEB Holding Company Ltd., and three functional entities: Maharashtra State Power Generation Company Limited (MSPGCL), Maharashtra State Electricity Transmission Company Limited (MSETCL) and Maharashtra State Electricity Distribution Company Limited (MSEDCL).

### Commission Meetings and New Member

The Commission held 18 meetings during the year. During this period, Shri S.B. Kulkarni joined the Commission as a member on 13th September 2005. He was earlier Director (Finance) of the Nuclear Power Corporation of India Ltd. for five years. His work with NPCIL gave him wide experience in Bulk Power Supply, Tariff Formulations and Regulatory issues. He was also Director (Finance) with MSEB for five years, and Controller of Accounts in VSNL for three years, where he was sent on deputation from Railway Accounts Service.

### State Advisory Committee

The State Advisory Committee met once on 20th December 2005 to discuss the advice on Rural Electrification Policy that the Commission proposed to give the GoM. Shri Anish De, Ernst & Young, presented the draft policy document prepared for MERC, and the draft National Rural Electrification Policy circulated by the Power Ministry, Government of India.

The Commission decided that, based on the suggestions of the members, the draft policy document would be modified. A Marathi version would be prepared and circulated as widely as possible in rural areas. The Commission would then elicit views of different stakeholders by holding public hearings before submitting its advice to GoM.

### Demand Side Management and Energy Conservation Campaign

One of the major concerns of the Commission during the year was capturing demand side resources, in view of the load shedding (LS) caused by the severe power shortage in the State. Electricity consumers outside Mumbai have come to live with LS. But for the first time in many years, the prospect of a prolonged phase of LS began to loom large over India's commercial capital.

As a result of the proactive rulings and directives of the Commission, the year saw the first ever serious efforts being made by the power licensees in the State to tap demand side resources by developing, planning and

implementing demand side management (DSM) and energy conservation (EC) programmes. Such programmes have the capacity to add significant short and long-term economic value to the electricity system, when there has been absence of planned capacity addition over a prolonged period.

The Commission, in its Order of 4th March 2005 had directed MSEDCL to submit a DSM plan for capturing EC and energy efficiency potential in various electricity-consuming sectors in Maharashtra. Subsequently, other licensees in the State were also directed to prepare DSM plans and undertake DSM and EC programmes.

On the basis of the DSM plan prepared by MSEDCL, a pilot project involving the promotion of compact fluorescent lamps (CFLs) in the Nashik area of MSEDCL to save lighting consumption was taken up for implementation by MSEDCL. The CFL pilot project resulted in consumer purchase of more than 3.8 lakh CFLs, giving an estimated demand relief of about 7.9 MW in the Nashik area.

Similarly, a pilot project by Reliance Energy Limited (REL) for promotion of CFLs to capture the electricity-saving potential in lighting in Mumbai, resulted in REL consumers purchasing more than 5.5 lakh CFLs, giving an estimated relief of 11-15 MW. Under the Commission's direction, MSEDCL, REL, Brihan Mumbai Electric Supply & Transport Undertaking (BEST) and Tata Power Company Limited (TPC) have initiated steps to plan, develop and implement DSM and EC projects in various end-uses, such as municipal water pumping, street lighting, agricultural pumps, lighting and air-conditioning, which are expected to provide significant savings in power consumption and demand during the coming years.

DSM initiatives have a potential of saving about 2200-2400 MW in the entire State. But these initiatives, whether in the nature of pilots or full-fledged programmes, require resources for implementation. Realizing this, the Commission has allowed licensees in the State, including Mumbai, to mobilise resources for the purpose while creating an awareness of the need for conservation initiatives by imposing a Load Management Charge on those who fail to reduce consumption.

In addition, the Commission has allowed licensees to use the amount collected as "load management charge" (as a result of the Commission's May 2005 Order) for DSM activities. This meant a sum of Rs. 70 crore was immediately available for DSM and energy efficiency programmes being undertaken, i.e., energy-conservation communications strategies, pilot DSM projects, etc.

As a follow-up to its Order of 2nd March 2006, MERC focused its attention on the development of a communications strategy aimed at consumers in Mumbai, to increase awareness of the need to save electricity and how and where end-users could do this.

Such a communications strategy, apart from mass media consumer awareness campaigns, is expected to focus on consumer education, exhibitions, energy efficiency seminars, round-tables, events and panel discussions, and will involve school and college students,

consumer bodies, trade associations, NGOs and social service organizations.

All three electricity distribution licensees in Mumbai – BEST, REL and TPC – as well as the Commission are working on this. The joint working group first focused on newspaper advertisements. The next phase was to work with a professional agency to ensure that the execution of the plan coincides with the rise in demand in summer.

### Regulations Notified

The Commission notified four Regulations under the Electricity Act, 2003, during the year. These were:

1. MERC (Transmission Open Access) Regulations, 2005

This lays down eligibility criteria for transmission open access to be provided in the intra-State Transmission System, provisions for allocation of transmission capacity rights and specifies the principles for levy of charges for use of the intra-State Transmission System.

2. MERC (Distribution Open Access) Regulations, 2005 (Superseding Earlier Regulations)

This lays down the eligibility criteria for distribution open access to be provided to consumers in accordance with the time frame contained in the Act. It specifies provisions governing the Connection and Use of Distribution System Agreement between the Applicant (who has been granted open access), Distribution Licensee (over whose network the open access is being sought) and Supplier (from whom the applicant proposes to source electricity). It also specifies the procedure for calculation of cross-subsidy surcharge to be borne by consumers who are granted open access in accordance with the provisions of the Act and the Regulations.

3. MERC (Terms & Conditions of Tariff) Regulations, 2005

This lays down the principles for determination of tariff by the Commission for generating, transmission and distribution companies, including a multi-year tariff framework. It specifies the procedure for making applications for tariff determination, the procedure relating to issuance of Tariff Order by the Commission and specifies the manner for payment of subsidy by the State Government.

4. MERC (State Grid Code) Regulations, 2006

The State Grid Code lays down the rules, guidelines and standards to be followed by various agencies and participants in the intra-State Transmission System to plan, develop, maintain and operate the intra-State Transmission System (a part of the Western Region Grid System), in the most efficient, reliable and economic manner, while facilitating healthy competition in the generation and supply of electricity.

It includes the Operating Code, which lays down the conditions under which users and the State Load Dispatch Centre will operate the Transmission System

to maintain its security, quality of supply and safety under normal and abnormal operating conditions. It also includes the Scheduling and Despatch Code, and the Metering Code (for development of minimum requirements and standards for meters).

### General and Specific Conditions Applicable to Distribution Licensees

After the coming into force of EA, 2003, the Commission notified the Maharashtra Electricity Regulatory Commission (Distribution Licence Conditions) Regulations, 2004 dealing with some aspects of Distribution Licences. The Commission also framed other Regulations applicable to the Distribution Licensees from time to time. These include the MERC (Terms and Conditions of Tariff) Regulations, the MERC (Standards of Performance of Distribution Licensees) Regulations and the MERC (Supply Code and Other Conditions of Supply) Regulations.

As these are applicable to all licensees including those as a result of reorganization of MSEDCL, the Commission floated in 2005 draft General Conditions and model draft Specific Conditions applicable to all Distribution Licensees for stakeholders' comments. The Commission held a public hearing on 6th February 2006 but the order could not be issued by 31st March. The regulations are yet to be notified.

### Transmission Pricing for Transmission Open Access

The EA, 2003 has recognized transmission as a distinct licensed business activity to be undertaken by the transmission licensee in accordance with its licence conditions and Regulations thereof. The National Electricity Policy (NEP) notified by the Government of India (GoI) in February 2005, advocates nationwide uniformity and consistency in Transmission Pricing in order to facilitate cost-effective transmission of power across the country.

GoM has notified MSETCL to operate as the State Transmission Utility (STU).

In order to meet the revenue requirement of the STU and transmission licensees, and to facilitate sustainable growth of the transmission network in the State, the Commission set about establishing sound principles to assure a steady revenue stream to STU/transmission licensees within the regulatory framework introduced by EA, 2003 and to devise an appropriate mechanism for determination of Transmission Tariff. The Commission also addressed the underlying obligations of STU/transmission licensees to enable open access to promote competition, while devising principles for Transmission Tariff.

In this context, the Commission appointed a Consultant to develop a Transmission Pricing framework within Maharashtra and assist it in finalizing the regulatory process. The Consultant submitted a Discussion Paper and the Commission invited comments/suggestions from Utilities and other stakeholders. Subsequently, a public hearing was held on the transmission-pricing framework.

### Load Flow Study on Transmission Losses

The EA, 2003 envisages an open access system for transmission and distribution of power and has conferred powers on State Regulatory Commissions to permit open access in phases and determine wheeling & transmission charges, and surcharges on them.

In order to estimate the technical losses in the present system in the State with a reasonable level of accuracy, and compute energy losses in transmission and sub-transmission at different voltage levels under different conditions, the Commission engaged the services of Central Power Research Institute. The Institute will also consider seasonal variations in the demand through digital simulation studies, as well as estimation of energy losses at each voltage level in the MSEB, TPC and REL networks.

### Availability Based Tariff (ABT)

The Commission is now working towards the introduction of an Availability Based Tariff. This will ensure that the tariff at any point during the day will be determined by the availability of power from the different generating companies.

Its introduction will lead to healthy competition among the generating companies to supply power at the lowest possible cost to the transmission and distribution companies, ultimately benefiting the end-user. The generating company is paid a fixed cost based on its declaration of availability, and a variable cost based on how many units it generates. If it fails on its declaration commitment, it is charged a penalty.

To prepare a road map towards an intra-State ABT regime, MSEB formed a committee under the direction of the Commission. This included officers from MSEB, Western Region Electricity Board, Western Region Load Despatch Centre, TPC and REL. The Committee finalized the Terms of Reference (ToR) for a consultant to develop a road map for introduction of ABT and assess the readiness of licensees and other stakeholders. Power Grid Corporation of India Ltd (PGCIL) was appointed, but its report was not accepted by the Commission, since it was seen as a mere replica of the Inter-State ABT System and did not take the peculiarities of the Maharashtra system, with its seven Utilities, into account.

The Commission, therefore, decided to carry out its own study and engaged another Consultant, which submitted its Discussion Paper on the subject. The Commission will now draft a Discussion Paper and float it for public comments.

### Multi Year Tariff (MYT) Framework

Under the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005, the Commission was to determine the tariff under a Multi Year Tariff framework with effect from 1st April 2006 for the following:

- a) Supply of Electricity by a Generating Company to a Distribution Licensee

- b) Intra-State transmission of electricity
- c) Wheeling of electricity
- d) Retail sale of electricity

The objective of the MYT framework is to provide a road map and benchmarks for licensees so that the annual tariff setting exercise, a costly and time-consuming process, can be avoided. However, introduction of MYT requires a sound database, preparedness and regular flow of information.

Hence, the Commission decided to defer the MYT framework for all utilities in Maharashtra to 1st April 2007 instead of 1st April 2006, so that it could be implemented for all Utilities together. The first MYT framework will therefore be from 1st April 2007 to 31st March 2010. The Commission directed all seven utilities in the State to submit their respective ARR and Tariff Petitions for FY 2006-07 by 31st December 2006 in the specified formats.



## MAJOR ORDERS 2005-06

### Load Shedding

The Commission issued several directions to power distribution companies during the year to control and reduce the demand for power through incentives/disincentives rather than penalties, and through equitable distribution of LS (load shedding) throughout the State.

The first Order was issued on 26th April 2005 when the erstwhile MSEB sought directions to all Distribution Licensees to restrict evening peak demand in view of the heavy LS in the State arising out of the wide demand-supply gap. The question arose because Mumbai was excluded from the LS, even though TPC was drawing power from the MSEB network under normal conditions. The MSEB, therefore, sought directions to all Distribution Licensees through measures that included restricting the 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 5 p.m. and restricting the use of agricultural pumps to non-peak hours.

The Commission noted that the demand-supply gap was very wide and likely to be a prolonged one. There was nothing on the horizon to indicate early relief. Hence, there was an urgent need for a serious energy conservation effort and for increasing awareness and sensitivity of Mumbaikars to the situation. It therefore directed all distribution licensees – MSEB, BEST Undertaking, Mula Pravara Electric Co-operative Society, Tata Power Company Ltd. and Reliance Energy Ltd. – as follows:

- (a) To levy a 'Load Management Charge' at the rate of Re. 1 per unit on all consumers (including in 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 for 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/Rebate will be applicable to all metered consumers.
- (b) In the case of those having Time of Day (ToD) meters, Charge/Rebate will apply only to consumption from 6-10 p.m.
- (c) 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.
- (d) MSEB and the other Distribution Licensees will ensure that electricity is not supplied for neon signs, illumination of hoardings and floodlighting of buildings (except heritage structures) from 6-10 p.m. from 1st May 2005 to 30th June 2005.

### Principles and Protocol for Load Shedding

On 16th June 2005, the Commission issued an order on the Principles and Protocol to be adopted for LS by MSEB, in perhaps the first exercise of its kind to establish transparent and equitable principles through a public regulatory process since the coming into force of the EA, 2003.

"Considering the persistence of power shortages, by its very nature this dispensation will have to be seen as 'work in progress'; to be reviewed and refined periodically by the Commission, considering actual working and the ground realities obtaining from time to time, further data and analysis, other measures that are undertaken, the performance of different divisions, and other factors," the Commission observed.

As shortages would continue to prevail in the MSEB area for a considerable period, the Commission stressed the urgent need for Demand Side Management measures, and pro-actively encouraging intervention through energy conservation and efficiency promotion schemes, so as to build a critical mass of consumer awareness and adoption. It aimed at joint load management with the participation of consumers, rather than through load regulation. The Commission had also emphasized, in its Order of 4th March 2005, the need for separation of agriculture feeders, which would also give greater flexibility and control in agricultural and other load management.

The Commission asked MSEB to identify clusters of consumers in each division with whom it could work out an arrangement for a ceiling on the load at different times of the day. All divisions would be subject to LS as planned, but the number of hours of LS in each division would differ on the basis of the above principles and the total load required to be shed.

Given the fact that power shortage is a reality to be lived with, and in order to reduce the disruptive effects of unplanned LS, the Commission decided to promote a planned LS process. The maximum hours of planned LS on any day in any division would not be more than 8 hours and MSEB should not shed load for more than 4 hours at a stretch in any division. If the total LS to be carried out is more than 4 hours, it should be undertaken in two or more blocks. In circumstances in which the application of the principles in this Order would result in this ceiling being exceeded in any division category (e.g. rural), the LS in the same category in the next higher Group would be increased up to the ceiling of 8 hours. Similarly, if it was found that the quantum of load relief actually required was less than planned, it should be distributed by a pro-rata reduction in the hours of LS. In any case, there should be no LS in any area beyond 8 hours.

The Commission also had to adjudicate in cases of excessive drawal of power by Distribution Licensees during the year. One of these pertained to excessive drawal of power by TPC from MSEDCL. The Commission ruled that the State Load Despatch Centre (SLDC) would allow TPC to draw power from the MSEDCL allocation based on TPC's arrangement with it, taking into account grid stability and frequency, generation availability and MSEDCL's demand requirement. But TPC should desist from drawing power when SLDC instructed it not to do so.

In October 2005 the Commission had to intervene on the issue of ensuring uninterrupted electricity supply to courts. The Nagpur bench of the High Court issued an Order to MSEDCL to supply uninterrupted electricity to the High Court building for proper and smooth administration of justice.

In view of the High Court order and the various submissions made, and since MSEDCL expressed its inability to supply electricity to court buildings on a continuous basis due to the absence of dedicated/separate feeders connecting court buildings, the Commission directed that GoM would have to make necessary arrangements for installing diesel generation sets in all court buildings.

### Revised Principles and Protocol for Load Shedding

On 10th January 2006, the Commission revised the Principles and Protocol for LS. The broad principles of the earlier Order of 3rd August 2005 were retained. The main features of the modifications to the principles and protocol for LS were as follows:

- (i) The Commission directed MSEDCL to undertake the agricultural feeder separation programme in earnest. This would enable strict regulation of 3-phase supply to agricultural consumers, ensuring that the situation did not reach critical levels. The single-most important reason for the increase in LS was the increased consumption by the agricultural category, due to the onset of the Rabi season and the plentiful rainfall received in the post-monsoon period. The progress of the single phasing scheme, being undertaken with the help of funds released by the GoM, was also very slow. In the absence of separate feeders and lack of metering, the only solution was a greater level of LS on all feeders connected to agricultural consumers.
- (ii) The Commission debated the effectiveness of introducing a second staggering no-supply day for HT industrial category, in view of the huge shortfall. But since LS to this category would adversely affect the State's economy and employment, it introduced the concept of load regulation, with HT non-continuous industries restricting their monthly consumption to 80% (or less) of their average monthly consumption over the previous calendar year, in MU terms. Similarly, HT continuous industries would have to restrict their monthly consumption to 90% of their average monthly consumption over the previous calendar year. Only if the target was not achieved by the end of February 2006, would the entire MIDC area, or the dedicated feeder, be subjected to an additional day of no-supply from March 2006.
- (iii) The Commission's view was that 8 hours of LS is itself very high, and permitting LS for a maximum of 12 hours goes against the Commission's philosophy. At the same time, if it did not permit the higher ceiling of 12 hours, MSEDCL would resort to unplanned, emergency LS to maintain grid security. Hence, it very reluctantly permitted the higher ceiling of 12 hours in emergency situations, such as failure of a generating station.

(iv) The Commission also felt that decentralised generation as well as franchisee operations by community-based organisations may bring in a sense of responsibility and people's participation, to meet the needs of local population, Lift Irrigation Schemes and special requirements of rural areas.

### CII Proposal to Mitigate Load Shedding

Though the Commission had issued an Order on the tariff applicable for sale of power by captive units, in order to tap the dormant captive power capacity in the State to meet some portion of the shortage, the response was not encouraging. But with LS playing havoc with day-to-day activities, the Confederation of Indian Industry (CII), Western Region, took the initiative to help tide over the shortage by offering to make available surplus Captive Power available with some of its members in MSEDCL's urban circles in Pune.

CII compiled information on captive/standby gensets in Pune and found the total installed capacity to be more than 400 MW. Thirty undertakings with Captive Power Plants (CPPs) had unutilised capacity in excess of 100 MW. Even in a worst-case scenario of LS of 540 MWh/day, the maximum LS in Pune urban circles would be 90 MW. Hence, CII proposed that these 30 undertakings run their CPPs to generate 90 MW, freeing up that supply from the grid and eliminating the need for LS in Pune.

In return for the units generated, the CII asked that the CPPs be reimbursed the incremental cost, i.e., the difference between the variable cost of running CPPs and the applicable MSEDCL tariff. The CII said that at prevailing fuel prices, the weighted average variable cost of generation worked out to Rs 10.18/kWh. Considering the average tariff for HT industrial users as Rs 4.04/kWh, the reimbursement required per kWh generated and consumed by the CPP worked out to Rs 6.14/kWh. As the shortfall would be met by the CPPs generating power at higher cost, consumers of Pune urban circles should be willing to bear the extra cost for the comfort of no LS, CII submitted.

Mumbai Grahak Panchayat (MGP) and the Maharashtra Chamber of Commerce and Industries and Agriculture welcomed the CII Proposal and recommended its adoption. The Residents Forum of Pune submitted that the proposal should be tried out for two years. Mitcon Consultancy Services Limited (Mitcon) submitted that the CII initiative encouraged decentralised power generation.

However, Prayas, Akhil Bhartiya Grahak Panchayat (ABGP) and others submitted that due to the prevailing high oil prices, this was a high cost solution and a debatable measure to overcome LS. They submitted that the proposal was uneconomical, went against prudent public policy as well as utility policy principles, and should be carefully evaluated before large-scale implementation. They submitted that consumers in Pune urban circles would prefer LS of two hours to paying an additional charge. It was also argued by several stakeholders that the CII proposal did not mention the basis for arriving at the variable charge such as fuel cost, calorific value, heat rate of

the generators, etc. Without these details it was impossible to determine fuel charges and hence, the additional charge on consumers.

After hearing all stakeholders, the Commission accepted the CII proposal to utilise surplus captive power during peak hours and make available grid power for supply to other consumers. However, since the incremental costs of this scheme would have to be borne by Pune urban circle consumers, it was necessary to study all aspects thoroughly. It therefore asked for more details of variable cost computations for captive power plants.

After these details were submitted by CII, the Commission approved the normative fuel efficiency and the variable cost of generation by captive units of Pune during peak hours. The payment to be made by MSEDCL to captive generators, till the Tariff Order for MSEDCL is issued, may be funded by MSEDCL through a special loan taken for this purpose. The total payment made by MSEDCL to captive generators, including interest on the loan taken for funding it, would be allowed while processing MSEDCL's ARR and Tariff Petition.

However, MSEDCL approached the Commission asking that it be allowed recovery of the incremental cost of power purchase from Pune urban circle consumers, as it was unable to source a loan. The Commission held a public hearing in Pune and, based on the inputs and detailed analysis of the MSEDCL's proposal, determined that the Reliability Surcharge payable by consumers in Pune urban circles would be Rs. 0.42/kWh, in exchange for the assurance of zero LS.

### **Bridging Demand-Supply Gap in Mumbai**

Given the prevailing demand-supply scenario in Mumbai and the steady growth in demand, the Commission anticipated that Mumbai would also have to face LS unless drastic steps were taken. The Commission therefore explored a strategy in early 2006, to bridge the demand-supply gap in Mumbai in April-May 2006, when the peak hour demand was expected to outstrip supply by 250-275 MW.

The Commission has always maintained that LS is the most inefficient way of rationing a scarce resource and tried to implement alternate measures to avoid LS. Instead, it prefers a well-thought out and planned strategy to bridge the demand-supply gap.

Hence, the Commission followed up its Order of 26th April 2005 with a suo-motu notice on 14th February 2006, to come into effect from 3rd March 2006, for load regulation measures in the licence areas of TPC, REL and BEST. It stipulated the following mandatory load regulation targets:

- (i) All residential and commercial consumers consuming more than 300 units per month, and all industrial consumers (irrespective of consumption level) in the TPC, REL and BEST licence areas, to reduce monthly consumption to 80% of consumption in the corresponding month in the past year. Failure to do so would invite punitive action in the form of temporary disconnection.
- (ii) No electricity for neon signs, hoardings, illuminated advertisements, lighting for outdoor functions and public meetings, including floodlighting (for sports stadiums and heritage structures) from 5-11 p.m.

After a public hearing, the Commission issued an Order on a strategy to bridge the demand-supply gap in Mumbai, where it specified the load regulation targets, combined with the threat of disconnection if consumption exceeded those targets.

### **More Outlets for Mumbai Distribution System**

With Mumbai's load demand increasing and getting concentrated in locations like the Bandra-Kurla Complex, and disputes between TPC and REL over providing additional outlets to meet the demand, the Commission appointed IIT, Powai, to look into review of connection and planning practices followed by licensees in Mumbai. IIT was also asked to examine planning standards used by REL and TPC while planning their distribution and transmission network, respectively; international practices in distribution planning; load growth in Mumbai and its impact on the transmission network; adequacy of the TPC network to transmit power over its network as required by REL, and the criteria and adequacy for their sanction.

### **BEST's First-ever Tariff Order**

The Brihan-Mumbai Electric Supply & Transport Undertaking (BEST), a municipal authority in Mumbai, had submitted its application for approval of Annual Revenue Requirement and Tariff for FY 2004-05 and FY 2005-06 on 30th November 2004, in response to the Commission's Interim Order of 15th July 2004. However, reconciliation of the numbers in the data submitted took time. Accounting methods to be followed for regulatory purpose were also streamlined before inviting public objections.

On 25th February 2006, the Commission determined the Annual Revenue Requirement of the BEST Undertaking, and issued the first-ever electricity Tariff Order applicable to it after a public process. The Revised Electricity Supply Tariffs were made applicable from 1st March 2006.

As the BEST's existing tariff structure was complicated, with many consumer categories following no rationale, the Commission undertook significant rationalization of categories and subcategories/slabs. As is inevitable in such a process, the billing rate for some categories went up, while that of others went down. The rationalization was undertaken in such a way that the categories and slabs are similar to those of other utilities supplying power in the city to the extent possible. A gradual reduction in cross-subsidy was initiated, while at the same time ensuring that no consumer category is faced with a tariff shock.

The Commission introduced a new category, 'BPL' for consumers Below the Poverty Line with consumption slab of 0-30 units. This is in accordance with the National Electricity Policy, whereby "consumers Below Poverty Line, who consume below a specified level, may receive special support through a cross subsidy. Tariffs for such designated

group of consumers will be at least 50% of the average cost of supply." As the existing tariff for these consumers was at a much lower level than the average cost of supply (19% of cost of supply), the Commission specified a lower tariff in order to avoid tariff shock to BPL consumers.

The Commission has envisaged introduction of 'Time of Day' (ToD) Tariffs for Commercial and Industrial consumers and asked BEST to install ToD meters in a time-bound manner for its consumers in low tension, commercial/industrial categories with consumption above 3,000 kWh/month, and to all HT consumers.

#### **Disruption of Supply in Mumbai on 26th July 2005**

A major event during the year was the unusually heavy rain and floods that took a heavy toll of life and disrupted power supply in several parts of Mumbai's suburbs.

While the impact on electricity supply at many places may have been beyond the control of the concerned licensees, the Commission felt it was also necessary to see whether the response time of the licensees after restoration became possible was quick enough in terms of mobilization and deployment of men and materials.

"The issue of avoidable external difficulties faced by the licensees also needs to be addressed, which the Commission might do by rendering advice to the State Govt. The events from 26th July 2005 onwards also indicate the need to review the preparedness, and the extent to which such occurrences can or should be planned for considering the costs to be borne by consumers. Another aspect is the need and modalities for inter-licensee co-ordination in such situations. This would be a broader exercise which may take considerable time, but is essential," the Commission observed in its Order.

In the meantime, as a part of what would essentially be 'work in progress', the Commission directed on 19th August 2005 that the four distribution licensees in the Mumbai Metropolitan Region area, and the authorised consumer representatives, jointly submit to the Commission within 3 weeks (i) their detailed suggestions to meet the difficulties faced in laying and accessing of cables, etc., location of transformers, and other relevant matters relating to the rules and practices of the municipal bodies and other agencies, as inputs to the Commission for furnishing advice to the State Govt. and (ii) the mechanism they propose to adopt for inter-licensee co-ordination and assistance in such situations.

The Commission asked the Group so formed to consider and suggest to the Commission redundancy norms for material and equipment that should be built into the licensees' operations as part of their ARRs taking into account the events of 26th July 2005, and suggest a template to the Commission within 2 months.

The Group was also asked to submit guidelines for disaster management and recovery of the distribution system in Maharashtra. It was also asked to consider whether a more detailed exercise needs to be undertaken jointly by the licensees with the assistance of experts/consultants. REL and MSEDCL cover the largest number of consumers in the

Mumbai Metropolitan Region (MMR) area, and faced the largest disruption in distribution. They were also asked to provide to the Commission detailed maps of their distribution system in the Mumbai Metropolitan Region, showing the disruptions that took place, along with explanatory notes with regard to the reasons and details of restoration.

#### **State Govt. Subsidy for Free Electricity**

The Government of Maharashtra (GoM) petitioned the Commission on 22nd September 2005 for release of Rs. 319.84 crore to MSEDCL towards compensation of loss of revenue on account of concession/subsidy in tariff to agricultural and powerloom consumers for 2004-05, by way of adjustment against the dues payable by MSEDCL.

It also sought the Commission's permission to release the compensation of Rs. 230.32 crore by way of adjustment against the dues payable by MSEDCL, and further compensation of Rs. 80.63 crore by way of cash payment to MSEDCL because of free power supply to agricultural consumers for April and May 2005, as well as to adjust the amount of subsidy for June-March 2006 against the dues payable by MSEDCL to GoM, and dues payable by Mula Pravara Electric Co-operative Society Ltd. to MSEDCL.

The Commission, through its order dated 31st October 2005, ruled that the proposal for adjustment of MSEDCL dues to GoM, with the subsidy payable by the GoM to MSEDCL and MPECS, could not be accepted. Since the GoM has not paid the subsidy amount in advance for April and May 2005 as well as subsequent periods, it would have to pay interest at the prevailing bank rate on the amount of subsidy payable, from the date the subsidy was due till it is paid. MSEDCL was directed that no bills should be issued to consumers reflecting the subsidy proposed against tariff, merely on issue of Government Resolutions in this regard.

#### **Recovery of Regulatory Liability Charges (RLC) by MSEDCL**

The point at issue in this was that the RLC introduced by the Commission through its last Tariff Order, and effective from 1st December 2003, had a one-year tenure. The petitioner wanted to know whether or not it should have been discontinued by MSEDCL from December 2004, and whether any subsequent recovery should be refunded with interest.

Certain related issues were also raised, like the rate of interest at which RLC is to be returned to consumers and whether incentives and discounts provided for in the tariff should take RLC into account also.

The Commission had earlier ruled that "the revised tariffs would be applicable for 4 months of FY 2003-04, i.e. from 1st December 2003 to 31st March 2004, and till such further time as the MSEDCL does not approach the Commission for tariff revision." Thus, it was made unambiguously clear that RLC, being a separate component of tariff as clarified in the Order, would continue to be charged beyond 30th November 2004, and until the next tariff revision takes place.



The Commission noted in its Order dated 9th September 2005, that since its last Tariff Order significant changes had taken place in the ground realities, notably the unbundling of MSEB into three functional entities and a Holding Company, changes in the demand scenario, LS on an extensive scale, changes in the price scenario with regard to outside purchases, and other parameters. These require MSEDCCL to approach the Commission at the earliest with its ARR, which is already overdue, along with a proposal for tariff revision where necessary. The Commission accordingly directed MSEDCCL to submit its ARR and tariff proposal by the end of November 2005. The RLC dispensation would also be re-examined during that process.

## TARIFF ISSUES AND FAC CHARGES

### Review of Cap on Monthly Recovery of FAC Charges by TPC and REL

With international fuel prices showing an increasing trend, one of the first decisions of the Commission in 2005-06 was to initiate a formal review of the provisions of its Tariff Orders of 2004 relating to the cap on monthly FAC charge recovery linked to Consumer Price Index (CPI) in the case of the tariffs of TPC and REL.

In those orders, the Commission, while setting out the formula for Fuel Adjustment Cost (FAC) charges, had observed that the "the total FAC to be charged to consumers in any year should not exceed 10% of the variable component of tariff or increase in Consumer Price Index (CPI) in a similar period, whichever is lower. In case, the FAC chargeable during any month exceeds any of these limits, then the Licensee will carry forward the variation in costs and recover (it) through FAC charge in the future period." This was done with the intention of mitigating any sudden tariff shock to consumers.

After considering the various submissions made during the proceedings before it, the Commission observed that the ceiling on FAC based on CPI, which hardly captured the fuel (more so liquid fuel) cost movement, did not benefit the consumer since he would eventually be burdened with a cumulative shock, including interest, at the end of the day considering the prevailing level and volatility in fuel prices and the fuel mix.

Thus, not only would the purpose of the cap be defeated, but the generating company's cash flow may also be adversely affected, with possible impact on service standards. The Commission therefore felt that doing away with the CPI-related ceiling while retaining the other provisions in the Tariff Order, viz., of a ceiling on monthly recovery of 10% of the variable component of tariff, would be fair and equitable to both TPC and REL and their consumers, and also address the stated purpose of the ceiling on monthly FAC recovery.

Therefore, it modified its Tariff Order and directed that the total FAC to be charged to consumers in any year should not exceed 10% of the variable component of tariff. If the FAC chargeable during any month exceeds this limit, then

the energy companies would carry forward the variation in costs and recover it through FAC charge in the future.

In February 2006, the distribution company MSEDCCL filed a petition for review of regulations relating to FAC formula, including the removal of the cap on FAC charges, as due to unprecedented power shortage, it was compelled to tap every available source, irrespective of price. The cap on FAC charges restricted the recovery permissible through FAC to approximately Rs 80 crore per month, which may not even cover the generating company MSPGCL's fuel cost variation.

The Commission ruled that the National Tariff Policy stipulates the speedy recovery of uncontrollable costs, but the EA, 2003 permits only the variation in fuel costs to be passed on to consumers. The Commission's Regulations are in consonance with the provisions of EA, 2003. After detailed submissions, the Commission stated it would approve the FAC to be recovered by MSEDCCL in excess of 10% of the variable charge, after detailed vetting of the actual FAC data on a case-to-case basis. This mechanism would only be applicable till the Commission issued the ARR and Tariff Order for MSEDCCL for FY 2006-07.

## NON-CONVENTIONAL SOURCES OF ENERGY

### Power Purchase from Bagasse

The Commission had stated in its Order dated 16th August 2002 that it would review the Tariff Rate and the Tariff Structure for the qualifying Co-generation Projects based on non-fossil fuels, either after 31st March 2007 or on addition of 300 MW of additional capacity commissioned after 1<sup>st</sup> April 2001, whichever is earlier.

The Commission had stated that the Order was not applicable to incidental bagasse and other non-fossil fuel based Co-generation Projects, which would not be able to meet the qualifying criteria of co-generation efficiency stipulated under the Order. However, there could be several such installations already existing and likely to come up in future.

Since India's energy scenario calls for the optimum management of all available resources in order to attain the national goals of development and social equality, the Commission issued another Order on 25th May 2005 to include incidental bagasse and other non-fossil fuel based Co-generation Projects within the benchmarks of the 16th August 2002 order for review of the tariff rate and structure, so as to enable an integrated assessment.

### Power Procurement from Biomass-based Projects

The Commission passed an Order on 8th August 2005 for Tariff and Related Dispensation for Procurement of Power from Biomass-based Generation Projects in exercise of the power vested in it under the Electricity Act, 2003.

The Tariff Rate comprises two parts, viz. (i) fixed charge component and (ii) variable charge component. The fixed

charge component of the Tariff Rate is linked to the year of operation of the plant based on its year of commissioning, whereas the variable charge component is linked to the financial year, with the first year being 2005-06. The Tariff Rate and Structure is applicable to Projects commissioned in the State before 31st March 2010, or until installed plant capacity based on biomass reaches 250 MW, whichever is earlier. Thereafter, the Commission will review the Tariff Rate and Structure.

### Small Hydro Projects

The GoM Water Resource Department (GOMWRD), after studying the advice of the Commission, notified a revised 'State Hydel Policy for Development of Small Hydro Power Projects through Private Sector Participation' on 15th September 2005, with provisions on grid interface, evacuation arrangements, tariffs, related dispensation and the procurement process applicable between licensees and the SHP developer left to the exclusive jurisdiction of the Commission.

The Commission, through its Order dated 9th November 2005, determined Tariff Rates for SHPs, putting the minimum financial burden on distribution licensee in the initial years, when the licensee is in the process of improving its efficiency. This ensures adequate return to developers over the EPA period, and incentivises developers to properly maintain the plants so as to generate higher quantum of energy, particularly in later years when it can be a very useful contribution to the grid.

The SHP will be on a Build, Operate & Transfer Basis (BOT) of 30 years. The electricity generated can be sold to any consumer in Maharashtra. There will be no limitation on the supply of energy units by the Developer to Distribution Licensees. Sale of power will be in accordance with the Orders, Regulations and Directions of the Commission.

## CONSUMER GRIEVANCES

### Average Billing by MSEB

Prayas (Energy Group), Pune submitted an application dated 11th January 2005 alleging non-compliance with directives in the Commission's Tariff Order dated 10th March 2004 with regard to 'average' billing resorted to by MSEB whose distribution function has been vested in MSEDCCL.

The Commission disposed of Prayas' Petition on 22nd August with the following directions, which would apply to the period from 1st June 2004 to 19th January 2005:

- (a) no billing using past consumption or some related 'average' basis should be resorted to for more than three months;
- (b) in all cases where bills have been raised and/or recoveries made which are not in accordance with the above, the bills should be withdrawn and money refunded to consumers by 30th November 2005, with interest at the same rate as payable by consumers to MSEB for delayed payments.

As regards the prayer for an independent audit to be undertaken under the aegis of the Commission with regard to MSEB's billing and related software and protocol, the Commission felt it would not be appropriate or tenable for it to step into the shoes of MSEB and ascribe to itself such executive and management functions. It is the outcome of such systems and procedures that are actionable and within the Commission's domain. However, considering the various instances cited during these proceedings, and elsewhere, MSEB would be well advised to conduct a third party review on its own. Costs were awarded to the petitioner, payable by MSEB.

### Provision of Meters

The Commission accepted a petition by Sameer Electricals & Electronics Pvt. Ltd. (SEEPL), Pune, for instructions to MSEB to allow consumers to procure meters from the open market and arrange for their testing in compliance with the Commission's orders of 13th July 2004, so long as they meet the technical specifications.

### Recovery of Meter Cost by MSEB

In line with its second Tariff Order and the Supply Code, the Commission ruled on 28th June 2005 that meter cost could be recovered from the consumer upon replacement:

- (a) only once during continuance as a consumer, except in cases of burnt or lost meters
- (b) in the case of agricultural consumers with land holding less than 1 hectare, only 50% of such cost may be recovered
- (c) the cost of any replacement required by MSEB cannot be recovered (except for lost/burnt meters).

### Installation of Meters, Violation of Connected Load, Power Factor Norms, etc.

Mumbai Grahak Panchayat (MGPP) brought to the Commission's notice the non-compliance of Tariff Order directions by MSEB regarding installation of meters for accurate and correct metering for sanctioned load, Power Factor norms for LTPG consumers, etc., while persisting with the connected load concept, which the Commission has progressively dispensed with, and penalizing or disconnecting consumers on that basis.

Keeping the circumstances of the case in mind, the Commission directed on 14th July 2005:

- (a) all LT consumers (except LT agricultural consumers) who have been disconnected on the charge of exceeding sanctioned load governed by MSEB's terms and conditions of supply from 10th June 2003 shall be reconnected forthwith without any charges or preconditions within a month.
- (b) all LT consumers (except LT agricultural consumers) with sanctioned load exceeding 20 kW will be assessed only by Maximum Demand recorded through the meter. MSEB will take immediate steps to install suitable meters in line with the directions in the Tariff Order dated 10th March 2004.

- (c) MSEB shall refund any amounts collected on account of Connected Load/Power Factor penalty not in line with this dispensation to the concerned consumers, with interest at the rate applied by MSEB to its consumers, from the date of collection till the date of refund.

### **Illegal Recovery of Service Line Charges**

Lloyds Steel Industries Ltd. (LSIL) has two units manufacturing steel at Bhugaon, Dist. Wardha, and Thane District. Initially, in 1994, LSIL's contract demand with MSEB at its Wardha plant was 9 MVA. It paid the required Service Line Charges (SLC) and Service Connection Charges (SCC), and provided land for the sub-station. When its business improved, LSIL sought an increase in its contract demand and when business declined, it asked for a reduction. But apart from additional Security Deposit (SD) of Rs. 440 lakh, MSEB asked LSIL to pay Rs. 221 lakh and Rs. 6.9 lakh towards SLC and SCC.

LSIL argued that these charges were not warranted since it had already paid for the infrastructure earlier. MSEB argued that due to frequent revision in Contract Demand, it was unable to recover the maintenance cost of the line and earn a reasonable return on its investment. Besides, it had to reallocate power to other consumers when LSIL reduced its Contract Demand.

The Commission noted in its Order dated 18th October 2005 that SLC and SCC are not intended to recover maintenance cost associated with service line or substation infrastructure, as there already exists a separate mechanism for recovery of such maintenance costs through Annual Revenue Requirement process. It also noted that the consumer had paid for the capital cost of works for receiving power supply. Thus the recovery of SLC and SCC was not in accordance with its Conditions of Supply and the relevant Commercial Circulars. It directed MSEB to refund the money within a month with interest at the rate of 12% p.a. The order was challenged before the Appellate Tribunal, which ruled against the appeal and upheld the Commission's direction.

### **NOC from MSEB to Bhushan Steel & Strips Ltd. to Obtain Power from TPC**

Bhushan Steel & Strips Ltd. (BSSL) filed a Petition on 29th October 2004 seeking a declaration that no permission was required by TPC from MSEB for supplying electricity to it. The Commission noted in its Order dated 5th October 2005 that the Petitioner essentially sought open access to power from TPC because of higher capital cost of transmission lines, as well as administrative difficulties involved in obtaining right of way permissions for sourcing power from MSEB.

The Commission held that these reasons are not sufficient to enable such direct sourcing of power under the provisions of EA, 2003, bypassing the existing licensee and outside the open access dispensation. However, the Commission noted that MSEB was supplying its consumers in Kalyan and Ambarnath area using TPC's network, for which necessary wheeling and energy accounting arrangements are already in place. MSEB may consider a similar arrangement making use of the Commission's Transmission Open Access Regulations in order to lower costs for consumers.

## **FUNCTIONING OF OMBUDSMAN**

The office of the Electricity Ombudsman, constituted on 27<sup>th</sup> December, 2004 under the Electricity Act, 2003, received 58 representations against the orders of various Forums in the State in 2005-06 and 55 of them were heard and decided during the year. Three representations from those received in the previous year were also decided.

The Ombudsman issued several orders compensating consumers in accordance with the Maharashtra Electricity Regulatory Commission (Standards of Performance of Distribution Licensees, Period of Giving Supply & Determination of Compensation) Regulations, 2005. The average time required for redressal of grievances was only 49 days, well below the limit of 60 days prescribed under the Regulations. This boosted the confidence and faith of an average consumer in the redressal mechanism set up under the Electricity Act, 2003.

Several grievances related to billing disputes, more specifically about the excess and incorrect penalty levied, adoption of wrong basis for calculation of bills, billing when the meter had stopped, defective meters and recovery of arrears of the previous occupier of premises. Occasionally, issues like certain consumers also raised tariff applicability to the office-cum-residence of certain professionals. A large number of grievances show that the licensees failed to record the readings of the meters at required intervals, and often delayed it inordinately. One group of applicants for electricity was aggrieved by the refusal of a licensee to entertain their grievance in the mistaken belief that they were not consumers.

Constitution of the Electricity Ombudsman under the Act has indeed made a modest beginning to provide an alternative efficient remedy to consumers to sort out their issues expeditiously, as envisaged under the Act.

Annexure I

**CASES FILED IN 2005 - 2006**

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
1.	MSEB	-	24.3.2005	1 of 2005	Rate of power purchase, etc. from Bhandara Hydro Project (Phase-II)
2.	BEST Undertaking	-	8.4.2005	2 of 2005	Review of Order dated 23.2.2005 in Case No. 19 of 2004 regarding Amendment - Supplementary bills
3.	Shree Charbhujra Sales Corporation	MSEB	29.3.2005	3 of 2005	Breach of the Clarificatory Orders dated 10.9.2004 and 30.9.2004 regarding Wind Energy
4.	MSEB	TPC, REL, BEST, MPECS Ltd.	Letter dated 9.4.2005	4 of 2005	Directions to Licensees under Section 23 of EA, 2003
5.	MSEDCL	-	16.05.2005	5 of 2005	Principles and Protocol for Load Shedding by Maharashtra State Electricity Distribution Co.
6.	Bnushan Steel & Strips Ltd	MSEDCL	18.04.2005	6 of 2005	Grant of Licence for Captive Power Plant for sale of power to a single consumer in terms of High Court's order dated 4.4.2005
7.	Vidarbha Industries Association	MSEDCL	20.1.2005	7 of 2005	Levy and recovery of Regulatory Liability Charges beyond December 2004. - Compliance of MSEB Tariff Order dated 10.3.2004 (Case No. 2 of 2003)
8.	Electricity Consumers Association (ECA)	MSEDCL	1.12.2004	8 of 2005	Levy and recovery of Regulatory Liability Charges beyond December 2004. - Compliance of MSEB Tariff Order dated 10.3.2004 (Case No. 2 of 2003)
9.	Mumbai Hoarding Owners' Association	MSEDCL, TPC, REL, BEST, MPECS Ltd	27.5.2005	9 of 2005	Review of Order dated 26th April 2005 in Case No. 4 of 2005
10.	Dr. Anil Bhagwantrao Lonare, Wardha	MSEDCL	Letter dated 30.5.2005	10 of 2005	Non-compliance of CGRF (Ragpur-Rural) directives by MSEB, Wardha sub-division
11.	Shah Construction Co	TPC & REL	13.5.2005	11 of 2005	Order dated 3.7.2003 in Case No. 14 of 2002
12.	Tata Power Company Ltd.	-	30.12.2004	12 of 2005	Approval of TPC's ARB and determination of Tariff proposal for 2005-06
13.	BSC Textiles	MSEDCL	3.6.2005	13 of 2005	Contravention of Clarificatory Order dated 10.9.2004 in Case No. 59 of 2003
14.	BNS Channabasappa & Sons	MSEDCL	3.6.2005	14 of 2005	Contravention of Clarificatory Order dated 10.9.2004 in Case No. 59 of 2003
15.	Supt. Engineer MSEDCL, Vasai	Amin Exhaust Systems	21.04.2005	15 of 2005	Appeal by MSEDCL against the decision/Order of Forum, Kalyan
16.	REL	-	06.06.2005	16 of 2005	Approval of Rate of Power Purchase of peak power, etc.
17.	MSEDCL & MSETCL	TPC	19.07.2005	17 of 2005	Excessive drawal of power on the grid by TPC and disputes and differences thereof
18.	REL	-	11.03.2005	18 of 2005	Review of directions on Fuel Adjustment Cost (FAC) Charges dated 19th January 2005 in respect of Reliance Energy Ltd.
19.	MERC's letter dated 01.08.2005	MSEDCL, BEST, TPC, REL	01.08.2005	19 of 2005	Disruption of Power Supply from 26th July 2005 in Mumbai Metropolitan Region
20.	TPC	MSETCL, MSEDCL, REL & BEST	Letter dated 30.08.2005	20 of 2005	Rate of Power Purchase by TPC from Southern Region
21.	Suo - motu	-	-	21 of 2005	Disruption of Power Supply during 16th June 2005
22.	MSEDCL	-	13.07.2005	22 of 2005	Proposal from MSEDCL for approval of long-term purchase of power through competitive bidding process
23.	TPC	-	12.09.2005	23 of 2005	Removal of 10% Cap on FAC Charge
24.	MERC's Notice dated 01.12.2005	BEST, TPC, REL	01.12.2005	24 of 2005	General Conditions and Specific Conditions applicable to Distribution Licensees

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
25.	REL	-	01.03.2005	25 of 2005	Application of M/s REL for approval of ARR / Tariff for 2005-06
26.	Mula Pravara ECS Ltd.	-	13.06.2005	26 of 2005	Approval of ARR and Determination of Tariff
27.	BEST Undertaking	TPC	13.07.2005	27 of 2005	Approval of Power Purchase Agreement (PPA) between BEST and TPC
28.	GoM (E&LD)	MSEDCL & MPECS	22.09.2005	28 of 2005	State Govt. subsidy for providing free electricity supply to agricultural consumers
29.	CII, Pune	MSEDCL	25.10.2005	29 of 2005	CII Proposal to use Captive Power in Mitigating Load shedding in Pune Urban Circle
30.	MSETCL	REL, TPC, BEST, MPECS	04.11.2005	30 of 2005	Approval of Budget of SLDC for the year 2005-06
31.	MSEDCL	Prayas	30.09.2005	31 of 2005	Review of Order dated 23.2.2005 in case No. 19 of 2004 regarding Amendment / Supplementary bills
32.	Thermo Touch Enterprises	MSEDCL	07.12.2004	32 of 2005	Seeking redressal under Section 142 and Section 146 of EA, 2003
33.	GoM	MSEB	06.06.2003	33 of 2005	Government Resolution dated 24th August 2004 continuation of Mula-Pravara Electric Co-operative Society
34.	MSEDCL	REL, TPC, BEST, MPECS	06.12.2005	34 of 2005	Directions to Licensees under Section 23 of the Electricity Act, 2003
35.	MSEDCL	-	24.11.2005	35 of 2005	Principles and Protocol for Load Shedding by MSEDCL - MSEDCL's Proposal for modification and direction under Section 23 of EA, 2003
36.	Raymonds Ltd	MSEDCL	27.09.2005	36 of 2005	Withdrawal of additional 10% demand charges in energy bills, and refund thereof, etc
37.	MSEDCL	Maharashtra Biomass Energy Developers Association	14.12.2005	37 of 2005	Review of Order dated 8th August 2005 in Case 37 of 2003 regarding dispensation for procurement of power from biomass based power generators
38.	REL	TPC	03.01.2006	38 of 2005	Review of Order dated 9.12.2005 in Case No. 3 of 2003
39.	Hanil Era Textiles Ltd	MSEDCL, MSETCL	12.12.2005	39 of 2005	Application for Transmission Licence
40.	National Stock Exchange of India Ltd	MSEDCL, MSETCL	18.11.2005	40 of 2005	Transmission of power for self-use
41.	Menon Ancillaries & Siddharth Industries	MSEDCL	21.12.2005	41 of 2005	Complaint against violation of Sections 126, 135 & 138 of EA, 2003 and non-compliance of directions of the Commission's Orders dated 8.4.2005 & 19.7.2005
42.	Shri B. M. Kanitkar	MSEDCL	28.09.2005	42 of 2005	Use of electrical distribution system for the purpose other than electricity u/s 51 of EA, 2003
43.	MSEDCL	-	09.12.2005	43 of 2005	Applicability provision for the Standard of Performance for providing new connections to agricultural pump sets in Maharashtra
44.	Shri Harshvardhan E. Shirsale	MSEDCL	02.02.2006	44 of 2005	Non-compliance of CGRF directives
45.	Sanjay Ashok CHS Ltd	BEST	06.02.2006	45 of 2005	Objecting to the construction of Sub-station in the premises of Appellant
46.	MERC (notice)	REL, BEST, TPC & MSEDCL	14.02.2006	46 of 2005	Notice for load restriction measures within the licence area of TPC, REL & BEST
47.	MSEDCL	-	02.02.2006	47 of 2005	Approval of rates for power purchase from CPP project holders.
48.	MSPGCL	-	18.02.2006	48 of 2005	Determination of Annual Revenue Requirement for FY 2006-07
49.	MSETCL	-	13.02.2006	49 of 2005	Determination of Annual Revenue Requirement for FY 2006-07

NO.	APPLICANT	RESPONDENT	DATE OF PETITION	CASE NO.	SUBJECT
50.	BEST	-	13.02.2006	50 of 2005	Determination of Annual Revenue Requirement (ARR) of BEST Undertaking for FY 2006-07
51.	MPECS	-	20.02.2006	51 of 2005	Approval of ARR for 2004-05, 2005-06 and 2006 - 07
52.	MSEDCL	-	23.02.2006	52 of 2005	Review of Regulation relating to FAC - removal of ceiling on recovery, etc.
53.	REL	-	24.02.2006	53 of 2005	Determination of ARR for FY 2006 - 07
54.	MSEDCL	-	28.02.2006	54 of 2005	Determination of ARR for FY 2006 - 07
55.	Vidarbha Ind. Assocn.	MSEDCL	21.02.2006	55 of 2005	Refund of Load Management Charges to the consumers of MSEDCL
56.	TPC	-	30.06.2005 09.02.2006	56 of 2005	Approval of TPC's ARR and determination of Tariff proposal for 2006-07
57.	Lloyds Steel Ind.	MSEDCL	18.1.2006	57 of 2005	Refund of excess amount recovered on account of demand charges.
58.	Sup- manu	-	-	58 of 2005	Development of 'Transmission Pricing Framework' within Maharashtra
59.	Electricity Consumers Association	MSEDCL	10.02.2005	59 of 2005	Violation of Regulation 4.2 of MERC CGRF&D Regulations, 2003 w/s 42 (5), (6)/(7) of EA, 2003 by MSEDCL
60.	Mumbai Hoarding Owners Association	BEST, REL, TPC	13.03.2006	60 of 2005	Review of MERC Order dated 2nd March 2006
61.	Smt. Prathiba Datta	REL	10.03.2006	61 of 2005	Contravening provision of Section 46 of the EA, 2003 and Regulation 10.5 of the MERC (Electricity Supply Code & Other Conditions of Supply) Regulations, 2005
62.	Bekaert Ind. Pvt. Ltd.	MSEDCL	14.03.2006	62 of 2005	Exemption from staggering day and 90% load regulation target
63.	MSEDCL	Thermo Touch Enterprises	18.03.2006	63 of 2005	Review of Order dated 1.02.2006 in Case No. 32 of 2005
64.	Maharashtra Enviro Power Ltd.	MSEDCL	20.02.2006	64 of 2005	Deciding tariff for supply of electricity to the Distribution Licensee generated from Common Hazardous Waste Treatment
65.	Vidarbha Enviro Protection Ltd	MSEDCL	20.02.2006	65 of 2005	Deciding tariff for supply of electricity to the Distribution Licensee generated from Common Hazardous Waste Treatment
66.	Dr. Kirit Somaiya & Shri Prakash Mehta	TPC, REL, MSEDCL	23.03.2006	66 of 2005	Review of MERC Order dated 02.03.2006 in Case No. 46 of 2005
67.	Dr. Kirit Somaiya & Shri Sardar Tarasingsh	MSEDCL	23.03.2006	67 of 2005	Review of MERC Order dated 10.01.2006 in Case No. 35 of 2005
68.	Dr. Kirit Somaiya & Shri Prakash Mehta	BEST	23.03.2006	68 of 2005	Review of MERC Order dated 25.02.2006 in Case No. 4 of 2004
69.	TPC	MSETCL	28.03.2006	69 of 2005	Review of Order dated 2.3.2006 in Case No. 46 of 2005 regarding strategy to bridge demand-supply gap in the City of Mumbai
70.	MSEDCL	-	15.06.2005	70 of 2005	Approval of MSEDCL's Schedule of Charges

## ORDERS PASSED BY THE COMMISSION IN FY 2005-06

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
1.	30 of 2003	13.05.2004	25.01.2005	04.04.2005	M/s. Tata Power Company Ltd - (Determination of tariff of M/s. Tata Power Company limited - Review of cap on monthly recovery of F&C Charges)
2.	18 of 2003	29.05.2004	02.02.2005	13.04.2005	M/s. Reliance Energy Ltd - (Determination of tariff of M/s. Reliance Energy Ltd - Review of cap on monthly recovery of F&C Charges)
3.	4 of 2005	09.04.2005	26.04.2005	26.04.2005	Maharashtra State Electricity Board - (Directions to distribution licensees under Section 23 of Electricity Act, 2003 to curb demand)
4.	4 of 2005	09.04.2005	26.04.2005	04.05.2005	Maharashtra State Electricity Board - (Directions to distribution licensees under Section 23 of Electricity Act, 2003 to curb demand)
5.	28 of 2004	19.01.2005	24.02.2005	24.05.2005	Yardha Industries Association - (Passing on tax on sale of Electricity to Industrial and commercial consumers by MSEB)
6.	3 of 2004	08.02.2005	10.03.2005	24.05.2005	Sameer Electricals & Electronics Pvt. Ltd. (Compliance of Order dated 13.07.2004 regarding provision of meters by MSEB)
7.	26 of 2004	16.08.2004	05.04.2005	25.05.2005	Maharashtra State Electricity Board - (Rate and other dispensation for purchase of power from Bagasse and other non-fossil fuel based non-qualifying co-generation projects)
8.	18 of 2003	07.01.2005	01.02.2005	06.06.2005	Reliance Energy Limited - (Determination of tariff (2003-04 and 2004-05) applicable to various categories of consumers of REL - Review of Electricity Order dated 25.11.2004 regarding billing comparison)
9.	5 of 2005	16.05.2005	26.05.2005	16.06.2005	Maharashtra State Electricity Board - (Principles and Protocol to be adopted for load shedding by MSEB)
10.	26 of 2002	07.02.2005	11.05.2005	28.06.2005	Maharashtra State Electricity Distribution Company Limited (MSEDCL) (Recovery of meter cost by MSEB)
11.	2 of 2003	22.03.2005	21.04.2005	28.06.2005	Shri Pratap & Hodge, Maharashtra Rajya Veel Gralak Sanghiana (Review of Order dated 04.03.2005 regarding compliance of Tariff Order in respect of Load Shedding by MSEB and related issues)
12.	26 of 2002	07.02.2005	11.05.2005	05.07.2005	Maharashtra State Electricity Distribution Company Limited (MSEDCL) (Recovery of meter cost by MSEB) (ERRATA)
13.	09 of 2005	27.05.2005	28.06.2005	06.07.2005	Mumbai Hearing Owners Association - (Review of Orders dated 26.04.2005 and 06.05.2005 in Case No. 4 of 2005 concerning directions to licensees under Section 23 of EA, 2003)
14.	02 of 2003	18.01.2005	25.04.2005	14.07.2005	Mumbai Gralak Purchase - (Three Small Scale Industries Association - (Non-compliance of Tariff Order directions by MSEB regarding installation of meters, violation of connected load, power factor norms by LTFS consumers, etc.)
15.	18 of 2005	15.02.2005	21.04.2005	03.08.2005	Reliance Energy Limited - (Review of directions on Fuel Adjustment Cost (FAC) Charges dated 19.01.2005 in respect of Reliance Energy Ltd)
16.	05 of 2005	16.05.2005	26.05.2005	03.08.2005	Maharashtra State Electricity Board - (Detailed Order regarding Principles and Protocol to be adopted for load Shedding by MSEB)

Public Hearing  
16 Division wise  
16 03/06/2005

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
17	37 of 2003	23.09.2003 29.01.2005	06.04.2005	08.08.2005	Maharashtra Biomass Energy Developers Association (MBEDA) – [Tariff and related dispensation for procurement of power from biomass based generation projects]
18	17 of 2005	19.07.2005	10.08.2005	16.08.2005	Maharashtra State Distribution Co. Ltd. Maharashtra State Transmission Co. Ltd. (Excessive drawal of power by Tata Power Co. Ltd.)
19	19 of 2005	02.08.2005	03.08.2005	19.08.2005	BEST Undertaking – Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) – Tata Power Company Ltd. (TPC) – Reliance Energy Ltd. (REL) – (Disruption of power supply from 26.07.2005 in Mumbai Metropolitan Region)
20	2 of 2003	11.01.2005	01.03.2005	22.08.2005	Prayas (Energy Group), Pune (Compliance of Tariff Order in respect of Average Billing by MSEDCL)
21	37 of 2003	23.09.2003 29.01.2005	06.04.2005	30.08.2005	Maharashtra Biomass Energy Developers Association (MBEDA) – [Tariff and related dispensation for procurement of power from biomass based generation projects]. (CORRIGENDUM)
22	21 of 2005	17.06.2005	28.06.2005	08.09.2005	BEST Undertaking – Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) – Tata Power Company Ltd. (TPC) – Reliance Energy Ltd. (REL) – Mula Pravara Elec. Co.op. Soc. Ltd. (MPECS) (Disruption of power supply during 16.06.2005)
23	22 of 2005	27.10.2004 15.07.2005	09.08.2005	08.09.2005	Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) – (Demand forecast methodology for long-term purchase of power through competitive bidding by MSEDCL)
24	7 & 8 of 2005	20.01.2005 10.01.2005	14.07.2005	09.09.2005	Vidarbha Industries Association (VIA) – Electricity Consumers Association (ECA) – (Compliance of Tariff Order with regard to continued recovery of Regulatory Liability Charges (RLC) by MSEDCL / MSEDCL)
25	32 of 2001	13.03.2002 17.03.2005 06.04.2005	18.06.2003 05.07.2004	12.09.2005	Pune Chapter of Cost Accountants of the Institute of Cost & Works Accountants of India (ICWAI) Pune (Application filed by Pune Chapter of Cost Accountants in respect of conducting Cost Audit by Cost & Management Accountants in generating stations, etc. of the MSEDCL)
26	24 of 2005	-	09.01.2006	21.09.2005 (Suo motu Case)	BEST Undertaking – Tata Power Company Ltd. (TPC) – Reliance Energy Ltd. (REL) – Mula Pravara Elec. Co.op. Soc. Ltd. (MPECS) (General Conditions and Specific Conditions applicable to distribution licensees)
27	02 of 2005	23.02.2005	04.05.2005	29.09.2005	BEST Undertaking – (BEST Review Petition against Order dated 23.02.2005 in Case No. 19 of 2004 regarding Amendment / Supplementary Bills)
28	24 of 2004	29.10.2004	13.01.2005	05.10.2005	Bhushan Steel & Strips Limited – (NOC from MSEDCL to Bhushan Steel & Strips Ltd. to obtain power from Tata Power Co. Ltd.)
29	20 of 2005	13.09.2005	14.09.2005	05.10.2005	Tata Power Company Ltd. – (Approval of rate of power purchase by Tata Power Company Ltd. from Southern Region)



NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
30.	27 of 2004	08.11.2004	15.06.2005	17.10.2005	Simla Industries - Application by Simla Industries for sanction of additional load and related issues]
31	02 of 2003	18.01.2005 11.03.2005	25.04.2005	17.10.2005	Mumbai Grahak Panchayat - Thane Small Scale Industries Association - [Non-compliance of Tariff Order directions by MSEB regarding installation of meters, violation of connected load, power factor norms by LTPG consumers, etc]. [CORRIGENDUM]
32.	23 of 2004	18.05.2004	21.12.2004	18.10.2005	Lloyds Steel Industries Ltd. - [Illegal recovery of Service Line Charges, etc. from Lloyds Steel for reinstatement of contract demand]
33.	04 of 2005	09.04.2005	26.04.2005	25.10.2005	Maharashtra State Electricity Board - [Directions to distribution licensees under Section 23 of Electricity Act, 2003 to curd demand] [CLARIFICATORY ORDER]
34.	05 of 2005	16.09.2005	30.09.2005 13.10.2005	27.10.2005	Principles and protocol to be adopted for load shedding by MSEB - uninterrupted electricity supply to Courts
35.	28 of 2005	22.09.2005	18.10.2005	31.10.2005	Government of Maharashtra (IE&DI) [State Government subsidy for providing free electricity supply to agricultural consumers, etc.]
36.	23 of 2005	12.09.2005	04.10.2005	09.11.2005	TPC [Removal of 10% cap on FAC charge]
37.	6 of 2005	18.04.2005	10.06.2005 27.10.2005 08.11.2005	09.11.2005	Bhusan Steel & Strips Ltd. [Grant of Licence and interim Relief]
38	25 of 2004	30.09.2004 05.12.2004 01.06.2005	10.05.2005 27.09.2005	09.11.2005	Government of Maharashtra (WRD) [Determination of tariff for Small Hydel Power (SHP) projects within Maharashtra]
39.	3 of 2005	25.03.2005	16.06.2005	30.11.2005	Sirn Charbhuj Sales Corporation (Breach of the Clarificatory Orders dated 10.09.2004 and 30.09.2004 related to Wind Energy)
40.	1 of 2003	15.01.2003	03.06.2003 17.09.2003 09.12.2003 07.01.2004 06.02.2004	09.12.2005	Disputes between Tata Power Company Limited and Reliance Energy Limited in the matter of Principles of Agreement dated 31st January 1998
41.	4 of 2003	28.02.2003	03.06.2003 07.01.2004 06.02.2004	09.12.2005	Additional Outlets for drawal of Power by REL from TPC
42.	18 of 2004	05.05.2004	27.10.2004	15.12.2005	Rice Millers Association [Non-compliance by MSEB of Section 126 of the Electricity Act, 2003 and other issues]
43.	33 of 2005	06.06.2003 (GoM's letter)	5.10.2005	16.12.2005	Government of Maharashtra [Government of Maharashtra Resolution dated 24.08.2004 - Continuation of Mula - Pravara Electric Co-operative Society (MPECS)]
44.	Terms & Conditions of Tariff Regulations 2005	MERC's letters dt. 14.11.2005, 21.11.2005	-	20.12.2005	Multi Year Tariff Framework under Regulation 12 of Part C of the MERC (Terms and Conditions of Tariff) Regulations, 2005
45.	35 of 2005	24.11.2005 12.12.2005	19.12.2005 22.12.2005 23.12.2005	10.01.2006	MSEDCL - [Revision in the principles and protocol for load shedding by MSEDCL]
46.	16 of 2005	06.06.2005	26.07.2005 14.09.2005 20.09.2005	12.01.2006	REL - [Approval of rate of power purchase of peak power by M/s. Reliance Energy Ltd. and determination of transmission charges and losses for awaiting open access]

NO.	CASE NO.	DATE OF PETITION	DATE OF HEARING	DATE OF ORDER/ INTERIM ORDER	DESCRIPTION
47.	35 of 2005	24.12.2005	19.12.2005	13.01.2006	Revision in the principles and protocol for load shedding by MSEDCIL - Clarification of reference period for comparison of consumption and contingent on Annexure to Order (Clarification & Contingent Order)
48.	34 of 2005	06.12.2005	19.12.2005	17.01.2006	MSEDCIL [Directions to licensees under Section 23 of the Electricity Act, 2003]
49.	17 of 2005	19.07.2005	10.09.2005	20.01.2006	MSEDCIL & MSETC. [Excessive drawal of power on the grid by TPC and disputes and divergence thereof.]
50.	29 of 2005	25.10.2005	25.10.2005	25.01.2006	Confederation of Indian Industry [OI Proposal to use Captive Power to mitigate load shedding in Pune Urban Circles of MSEDCIL]
51.	32 of 2005	06.12.2004	24.01.2006	01.02.2006	Thermo Touch Enterprise [Seeking redressal under Section 142 and Section 146 of EA, 2003]
52.	4 of 2004	30.11.2004	11.08.2005	25.02.2006	Determination of Annual Revenue Requirement (ARR) 2004-05 & 2005-06 and Tariff for 2005-06 of Brihan-Mumbai Electric Supply & Transport Undertaking (BEMTU).
53.	46 of 2005	5th month of 2005	27.02.2006	02.03.2006	Strategy to bridge the demand supply gap in the city of Mumbai
54.	29 of 2005	10.02.2006	10.02.2006	02.03.2006	OI Proposal to use captive power to mitigate load shedding in Pune Urban Circles of MSEDCIL.
55.	4 of 2004	30.11.2004	11.08.2005	09.03.2006	Determination of Annual Revenue Requirement (ARR) 2004-05 & 2005-06 and Tariff for 2005-06 of Brihan-Mumbai Electric Supply & Transport Undertaking (BEMTU).
56.	40 of 2005	18.11.2005	03.02.2006	13.03.2006	Clarifying the modalities in respect of Wind Energy Generation for Self Use
57.	52 of 2005	23.02.2006	08.03.2006	21.03.2006	MSEDCIL's petition for review of regulations relating to FAC Formula.
58.	39 of 2005	09.12.2005	14.03.2006	28.03.2006	Application of M/s. Hani Era Textiles Ltd for Transmission Licence

## Annexure III

## MAHARASHTRA ELECTRICITY REGULATORY COMMISSION

(Constituted as per power conferred u/s 58 of Electricity Regulatory Commission Act 1998 by Government of Maharashtra)

RECEIPTS & PAYMENTS ACCOUNT FOR THE PERIOD 1<sup>ST</sup> APRIL 2005 to 31<sup>ST</sup> MARCH 2006

Previous Year 2004-05	Current Year RECEIPTS	(Rs.) 2005-06	Previous Year 2004-05	Current Year PAYMENTS	(Rs.) 2005-06
9,325,128.77	(A) Opening Balance	10,182,766.25	4,392,279.00	(A) Personnel Expenditure	5,405,772.00
12,858.54	Cash on Hand	1,868.04	1,707,783.00	i) Salary to Members & Secretary	1,842,031.00
9,500.00	SBI TATA BSES MSEB DISPUTE	-	2,448,496.00	ii) Staff Salary	1,279,741.00
8,239,043.24	SBI Current Account	635,010.83	236,000.00	iii) Resident Rent for Member	284,000.00
1,063,726.99	SBI Fees & Cost Recovery Saving A/c	9,545,887.38	714,838.00	iv) Contribution to Provident Fund	149,511.50
31,629,598.39	(B) Grants & Other Receipts	116,788,882.00	21,264.00	Medical Reimbursement	25,891.00
22,000,000.00	Grants from GoM	8,270,000.00	41,515.00	Gratuity	15,444.50
694,805.00	Interest on STDR Current A/c	2,432,865.00	257,765.00	Leave Encashment	-
8,206,156.00	Fees & Cost Recovered	105,710,828.00	325,231.00	Leave Salary Contribution	-
428,202.39	Interest on STDR Fees & Cost SB A/c	-	4,852.00	Pension Contribution	-
2,492.00	Misc Receipts	2,923.00	64,211.00	Leave Travel Concession	50,316.00
297,943.00	Pension recovered from Members Salary	372,266.00	10,903,013.91	(B) Establishment Expenses	9,302,137.50
3,233,748.00	(C) Recoveries From Salaries & Other Payments	2,782,655.00	3,159.50	Conveyance Expenses	5,600.50
6,000.00	Computer Advance	4,850.00	247,152.41	Telephone Expenses	316,550.00
18,720.00	CPF MEDA Employees Share	23,347.00	9,377,200.00	Office Rent	7,096,910.00
60,000.00	General Provident Fund	41,000.00	96,000.00	Car Parking	216,000.00
1,440.00	Group Insurance Scheme	1,640.00	295,067.00	Printing & Stationery Expenses	162,512.00
6,000.00	Int. on Motor Car Advance	3,500.00	213,139.00	Petrol Expenses	339,694.00
12,780.00	Licence Fee	10,488.00	48,750.00	Postage & Courier Expenses	67,849.00
25,680.00	Loan Recovery	61,608.00	3,078.00	Bank Commission	5,397.00
47,255.00	Profession Tax	51,340.00	19,306.00	Entertainment Expenses	13,363.00
352,448.00	TDS on Consultancy	573,893.00	276,096.00	Electricity Charges	183,803.00
18,941.00	TDS on Contract	70,775.00	42,623.50	Books & Periodicals Expenses	61,416.00
2,159,451.00	TDS on Rent	1,512,040.00	16,884.00	Office Expenses	197,649.00
525,033.00	TDS on Salary	371,279.00	115,794.00	House Keeping Expenses	122,570.00
-	MERC Employees Provident Fund Share	35,331.00	24,783.50	Canteen Expenses	45,308.00
-	Motor Car Advance	6,000.00	24,855.00	Transfer Traveling Expenses	-
-	Recovery of Advance paid by MEDA	12,564.00	17,950.00	Audit Fee	-
-	House Building Advance	3,000.00	79,546.00	Rental for equipment	139,126.00
154,435.00	(D) Receipts of Deposits from others	418,536.00	1,630.00	Office Equipment	15,173.00
154,435.00	Security Deposits	418,536.00	9,414,493.00	Office Equipment	15,173.00
-	Earnest Money Deposits	-	288,006.00	Vehicle Lease Rental Charges	342,217.00
26,893.00	(E) Recoveries of Staff Advances paid	248,880.00	5,960,518.00	(C) Expenses on the Object	15,225,691.00
19,293.00	Advances for Expenses	237,795.00	307,500.00	Public Hearing Expenses	1,026,311.00
7,600.00	Festival Advance	5,250.00	146,902.00	Consultancy Charges	10,434,608.00
1,370,034.00	(F) Recoveries of Deposits/ Advances paid	94,350.00	660,807.00	Legal Fee	548,010.00
5,000.00	Telephone Deposits	3,000.00	13,257.00	Advertisement & Publicity Expenses	483,142.00
2,108.00	Advance to suppliers against supply	91,350.00	1,728,134.00	Tour & Travel Expenses	1,468,802.00
1,362,926.00	Advance to MERC Ombudsman	-	12,192.00	Membership & Subscription	113,549.00
18,665,733.00	(G) Encashment of Investment/F.D.	48,382,965.00	128,677.00	Publication Printing Expenses	365,510.00
18,665,733.00	SBI Short Term Deposits	48,382,965.00	168,500.00	Meeting Expenses	23,242.00
-	(H) Receipts against sale of assets	384,001.00	168,500.00	Internet Expenses	167,317.00
-	Laptop	16,000.00	146,902.00	Website Expenses	158,215.00
-	Vehicles	333,001.00	660,807.00	FOR Membership Fee	44,000.00
-	Telephone EPBX System	35,000.00	1,728,134.00	Seminars/Workshop Expenses	94,687.00
64,405,570.16	BALANCE C/F	179,283,035.25	849,381.00	(D) Expenditure on Assets	1,925,231.00
			343,220.00	Computer Expenses	316,304.00
			184,973.00	Repair & Maint. For Vehicle	77,684.00
			246,496.00	Repair & Maintenance	1,516,240.00
			74,692.00	Vehicle Insurance	15,003.00
			56,489.00	(E) Purchases of Assets	1,584,583.00
			2,306.00	Furniture & Fixture	437,509.00
			47,783.00	Library Books	25,466.00
			2,950.00	Office equipment	101,250.00
			3,450.00	Telephone Instrument & EPBX System	244,865.00
			-	Computers	755,493.00
			26,330,493.91	BALANCE C/F	33,592,926.00

Previous Year 2004-05	Current Year Receipts	(Rs.) 2005-06	Previous Year 2004-05	Current Year Payments	(Rs.) 2005-06
64,405,570.16	BALANCE B/F	179,283,035.25	26,330,493.91	BALANCE B/F	33,592,926.00
			283,684.00	IFI Misc. Payments	427,612.00
			283,684.00	TDS on interest	427,612.00
			1,233,658.00	(G) Payment against Recoveries	2,704,322.00
			6,000.00	Computer Advance	4,400.00
			18,720.00	CPF /MEDA Employees Share	23,347.00
			60,000.00	General Provident Fund	39,000.00
			1,440.00	Group Insurance Scheme	1,520.00
			6,000.00	Int. on Motor Car Advance	3,500.00
			12,780.00	Licence Fee	10,151.00
			25,680.00	Loan Recovery payment	53,618.00
			47,165.00	Profession Tax	51,340.00
			352,448.00	TDS on Consultancy	554,788.00
			18,941.00	TDS on Contract	70,775.00
			2,159,451.00	TDS on Rent	1,512,040.00
			525,033.00	TDS on Salary	367,279.00
				Motor Car Advance payment	-
				Recovery of Advance paid to MEDA	12,564.00
			509,000.00	(H) Payment against receipt of Deposit/ Advance	385,928.00
			489,500.00	Security Deposit	375,928.00
			10,000.00	Earnest Money Deposits	10,000.00
			9,500.00	MSEB TATA BSES Dispute	-
			30,693.00	(I) Payment of Advance to Staff	307,895.00
			9,600.00	Festival Advance	1,500.00
			21,093.00	Advance for Expenses	236,795.00
				Advance against salary	69,600.00
			1,500.00	(J) Refund of Fees/Cost Collected	-
			1,500.00	Refund of fees of application	-
			6,036,554.00	(K) Investment	92,000,000.00
			6,036,554.00	Investment in Short Term Deposits	92,000,000.00
			1,365,034.00	(L) Deposits/Advances Paid	10,091,850.00
			1,362,926.00	MERC Ombudsman Office	-
			2,108.00	Advance to Suppliers against supply	91,350.00
			-	Deposit for Resident Accommodation	10,000,000.00
			-	Deposit for BPL Mobile Telephone	500.00
			16,432,187.00	(M) Payment of Outstanding Dues	-
			15,488,920.00	WTC Rent payment of earlier years	-
			822,820.00	WTC Electricity Payment of earlier years	-
			96,000.00	WTC Vehicle parking payment	-
			24,132.00	WTC Public hearing payment	-
			315.00	WTC Misc. Payments	-
			10,182,756.25	(N) Closing Balance	39,772,502.25
			1,868.04	Cash on Hand	7,377.04
			-	SBI TATA BSES/MSEB DISPUTE	-
			6,35,010.83	SBI Current Account	39,765,125.21
			9,545,887.38	SBI Fees & Cost Recovery Saving A/c	-
64,405,570.16	TOTAL	179,283,035.25	64,405,570.16	TOTAL	179,283,035.25

For Maharashtra Electricity Regulatory Commission

Sd/-  
Member

Sd/-  
Member

Sd/-  
Chairman

Sd/-  
Secretary, MERC

## Road Map



2nd July 1998	Electricity Regulatory Commissions (ERC) Act, 1998 passed by Parliament
5th Aug 1999	Maharashtra Electricity Regulatory Commission (MERC) notified
21st Sept 1999	Chairman takes oath of office, Commission fully constituted
27th Dec 1999	Conduct of Business Regulations notified
10th June 2003	Electricity Act, 2003 passed by Parliament, giving additional powers to ERCs
2004-06	MERC notified several Regulations under Electricity Act, 2003 by adopting a novel consultative process involving Utilities and consumer representatives

## National Objectives

- Access to Electricity for all by 2012 (around 50% of households do not have access to electricity today)
- Increase in per capita consumption to 1000 units by 2012
- Minimum lifeline consumption of 1 kWh/household/day by 2012
- Demand to be fully met by 2012 (as against current peak shortages of around 12.8%)
- Availability of Adequate Spinning Reserve
- Financial Turnaround and Commercial Viability of the Sector