

Date: - 30th October, 2018

Sub: - Scrutiny of proposal submitted to M-DNAC for power supply to M/s Medinee Niketan CHS Ltd., Village Sahar, Andheri(East) Mumbai.

Ref: - (i) Order of the Maharashtra Electricity Regulatory Commission (the Commission) in Case No.182 of 2014 dated 12th June 2017.
(ii) AEML's letter dated 17.09.2018 with respect to power supply application of M/s Medinee Niketan CHS Ltd.
(iii) TPC-D's response letter dated 25.09.2018.
(iv) TPC-D's letter dated 19.10.2018.
(v) AEML's letter No. dated 23.10.2018.

With reference to the above subject, the views, expressed in letter of TPC – D dated 19.10.2018 and letter of AEML dated 17.09.2018 were preferably regarding policy matter and will be addressed in subsequent meeting in future.

As regards, scrutiny of proposal was submitted to M-DNAC for power supply to M/s Medinee Niketan CHS Ltd., Mumbai, for evaluation and decision. The meeting of the Committee was held on 16th October 2018. The representatives of the licensees were also called and present for the meeting.

(1) During the meeting AEML stated as below:-

The applicant has applied for power supply to Medinee Niketan CHS, on 07th September, 2018. After receipt of application, the AEML-D has carried out the site inspection of the said premises on 14th September 2018. Considering the applied load and Maximum Demand as assessed, AEML-D is in a position to extend power supply to the applicant by commissioning CSS i.e. at Level 3, as classified in the Order in Case No. 182 of 2014.

As per AEML-D's knowledge, the network of Tata Power Company (TPC-D) both at 11 kV, as well as LT, is located outside of Approx, 650 Meters from the proposed site. However, AEML-D's HT distribution mains are located in close proximity to the applicant's premises.

Now, as per the order in Case No. 182 of 2014, areas or locations where only one of the Licensees has its distribution mains present, is classified as Scenario 53(a) and in

such a Scenario, only such Licensee would develop its network to cater to additional load of existing consumers or to cater to new consumers.

The Commission has clarified in **Scenario 53 (a)** in Section **136.1 of the Order of 182 of 2014. In Level 1 for new consumer it was mentioned as below:-**

A New Consumer

may opt for a connection from Licensee A, which shall provide it on its already existing network;

or

may opt for a connection from Licensee B, in which case Licensee B shall provide it using Licensee A's already existing network since it does not have its own, so as to avoid unnecessary network duplication....

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b. Levels 2 to 5

Over time, in such areas, the existing distribution network of Licensee A may require extension, addition or augmentation to the extent of Level 2 or higher to cater to the increasing load of its existing consumers or to cater to new consumers(for instance, because of redevelopment).....

Also, in Section 143 of the said order, it was mentioned as under;-

143.1 The Licensee concerned shall submit to the M-DNAC details of the applications it is considering for new connection at Levels 3 to 5 in areas identified by it as falling under Scenario 53 (a)

According to AEML-D, the location is under Scenario 53(a). Therefore the AEML requested to consider their proposal of releasing the Supply to M/s Medinee Niketan CHS Ltd., Village Sahar, Andheri (East) Mumbai in Scenario 53(a).

(2) During meeting, TPC-D stated as below:-

- a. At the outset, AEML's claim that the consumer is situated in/ covered by Scenario 53(a) is wrong and disputed by the TPC-D. As is evident from the Commission, in its Order dated 12.06.2017 in Case No. 182 of 2014 and 40 of 2015 ("Order dated 12.06.2017"), Scenario 53(a) comprises areas or locations which are '*completely covered*' by one licensee and the other licensee does not have its own distribution network.
- b. In this regard it is pertinent to note that, the term '*completely covered*' has no nexus with the distance between distribution network of a distribution licensee and the premise of the consumer. The term '*completely covered*', as defined in the Commission's Order dated 12.06.2017 is provided as under:-

123.6 In view of the foregoing, the Commission rules that a Distribution Licensee will be considered as 'completely covering' an area, locality or location, for the purposes of this Order, when it has its Distribution mains in place there and the consumer connection can be given by laying a service line without augmenting or extending the distribution mains.

- c. Further, the area or a location is to be determined on the basis of the consumer to whom connection is to be provided. In this regard, the relevant part of the Hon'ble MERE's Order dated 12.06.2017 is reproduced herein below for ease of reference:-

136. 6:- As explained earlier in this Order, as a general principle for determining whether an area or location falls in one Scenario or another, the unit of reference would be the consumer to whom connection is to be provided. Thus, for instance, if a new connection cannot be provided by a Licensee without establishing, extending or augmenting its distribution mains, that location would not be considered as being completely covered by it.

- d. It is also pertinent to note the following term:
- i. 'Distribution main' means the portion of any main with which a service line is, or is intended to be, immediately connected.
 - ii. 'Service line' means any electric supplying through which electricity is, or is intended to be supplied:
 - A. To a single consumer either from a distributing main or immediately from the Distribution Licensee's premises; or
 - B. From a distributing main to a group of consumers on the same premises or on contiguous premises supplied from the same point of the distributing main.
- e. (As is evident from the facts represented by AEML, AEML can only provide connection to the said consumer by commissioning a sub-station (which as per the Commission's Order dated 12.06.2017 falls within the definition of distribution mains) and therefore the connection to the said premises requires extension of its Distribution Mains in the area and is not merely a case where only a service line or a LT Distribution line is to be laid and thus falls in Level 3. Therefore, the area where 'M/s Medinee Niketan CHS' is situated cannot be said to be "*completed covered*" by AEML. Hence, in our humble view the said consumer would not fall under Scenario 53(a) under any circumstances.
- f. Since the distribution network of both the distribution licensees is present in the area where the said consumer is situated, in our understanding, the said consumer falls within Scenario 53(d). Thus, AEML's unilateral categorization of the area of the said consumer is disputed by Tata Power.
- g. The TPC-D requested to the Committee to consider this proposal of M/s Medinee Niketan CHS in Scenario 53(d) instead of Scenario 53(a) and the decision may be taken accordingly.

- (3) Heard both the licensee on 16th Nov-2018. Considering their arguments, clarifications, suggestions and submission, the M-DNAC states as under :-

The AEML-D is of the view of, as their distribution system is in place and completely covered. The AEML is required to install new Consumer Sub-Station, laying of 90 meter HT underground cable, allied Switchgear and LT Network. The claim for releasing the supply to the Society falls under Scenario 53(a), Level.3. On the other hand, the TPC-D claims that, their supply system is also present in the proximity of new site of M/s Medinee Niketan CHS and falls in Scenario 53(d). If a connection for new consumer can be provided by laying the service lines from its existing distribution main or by augmenting its LT Distribution Mains then preliminary the Scenario 53(a) is applicable and area is completely covered by licensee. The relevant portion of the Order in Case No. 182 of 2014 of the Commission dated 12 June, 2017 is reproduced as below:-

136.1 Scenario 53 (a)

comprises areas or locations which are completely covered by one Licensee since it has its distribution mains there but Licensee B does not.

a. Level 1

A New Consumer

may opt for a connection from Licensee A, which shall provide it on its already existing network;

or

may opt for a connection from Licensee B, in which case Licensee B shall provide it using Licensee A's already existing network since it does not have its own, so as to avoid unnecessary network duplication

An Existing Consumer may continue with Licensee A

or

may opt for a connection from Licensee B using Licensee A's already existing network through the Change-over Protocol since it does not have its own, so as to avoid unnecessary network duplication

b. Levels 2 to 5

Over time, in such areas, the existing distribution network of Licensee A may require extension, addition or augmentation to the extent of Level 2 or higher to cater to the increasing load of its existing consumers or to cater to new consumers (for instance, because of redevelopment).

In such cases also, since Licensee B has no distribution network in place and Licensee A does, Licensee A would develop its network further to cater to the additional load of existing and new consumers.

Similarly, the same options as are available to existing and new consumers at Level 1 would be available to them if the network has to be further developed by Licensee A to Levels 2 and higher.

The Commission has also taken view in section 134 of the Order in Case No. 182 of 2014 which is reproduced below:-

Protocol and Procedure for processing applications in Scenario 53(d)

134.1 The Committee has recommended a detailed protocol and procedure for processing applications for new connections in Scenario 53(d), with the following steps:

a. The applicant should submit the completed application for a new connection to the Distribution Licensee (say Licensee A) of its choice.

b. Upon receipt of the application, Licensee A shall inspect the premises. If a connection can be provided by laying a service line from its existing distribution mains or by augmenting its LT distribution mains, it shall release the connection to the applicant after payment of applicable charges.

c. If the connection requires augmentation of CSS, a new CSS or augmentation of the HT distribution mains, etc. not covered in 'b' above, Licensee A shall forward the application for new connection to the other Distribution Licensee (Licensee B) in that licensed area.

d. If Licensee B can release the connection by laying a service line from its existing Distribution mains or by augmenting its LT distribution mains, the applicant will be informed that the connection will be given from the network of Licensee B. However, he will have the choice of availing power supply from either Licensee A or Licensee B. If he chooses to avail supply from Licensee A through the network of Licensee B, it will be provided as per the Change-over Protocol.

e. If neither Licensee is able to provide the connection by merely laying a service line or augmenting its LT distribution mains as envisaged at 'b' and 'd' above, both Licensees shall submit their respective proposals for augmenting their distribution mains, along with cost estimates, to the Institutional Mechanism which will select the least-cost option for laying the network. The least-cost Licensee will connect the consumer irrespective of whether or not the original application was made to it. However, the consumer will have the choice to obtain supply from either Licensee depending upon their respective tariffs and charges or any other considerations. This will be intimated to the applicant by Licensee A to whom the application for connection was made.

In view of the above, M-DNAC concludes that as both the licensees are present; this proposed new consumer falls in scenario 53(d). As such both licensees are requested to process the application accordingly and submit the estimates to M-DNAC to verify

the cost effectiveness and further process will be done accordingly as per MSEDCL norms for ascertaining demand.

Summary

- 1. For the proposal of M/s. Medinee Niketan both the distribution licensees should submit their respective cost estimates based on MSEDCL's norms circulated by the Committee earlier as the Committee is of view that the proposal falls under scenario 53 (d).**
- 2. For the future proposals the norms will be finalised after both the distribution licensees arrive at the consensus.**