

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 59 of 2015 and M.A. No. 8 of 2015 in Case No.59 of 2015

Date: 12 January, 2016

CORAM: Shri. Azeez M. Khan, Member
Shri. Deepak Lad, Member

Petition of M/s. Laxmi Organic Industries Ltd (LOIL) for Arbitrary Levy of Wheeling Charges & Applicable Loss from FY 2014-2015 in contradiction to Open Access Permission granted to LOIL for FY 2013-2014 and 2012-2013 and Petition for erroneous and illegal temporary tariff charges to LOIL for FY 2013-14 pursuant to Open Access permission granted to LOIL for FY 2013-14

M/s. Laxmi Organic Industries Ltd (LOIL)Petitioner

Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) Respondent

Present During the hearing

For the Petitioner : Shri Subir Kumar, (Adv), LOIL

For the Respondent : 1. Smt. Deepa Chawan, Counsel, MSEDCL
2. Shri A.V.Bute, (Rep), MSEDCL

Daily Order

Heard the representatives of the Petitioner and the Respondent.

The Petitioner submitted that:

- 1) It has filed the instant Petition against MSEDCL which has levied wheeling charges & applicable loss for FY 2014-2015 and temporary tariff charges from May, 2013 to October, 2013.
- 2) MSEDCL in its earlier Open Access approval for FY2012-13 and FY2013-14 in respect of the Petitioner had not levied wheeling charges & applicable loss as the infrastructure was erected and maintained by the Petitioner.

- 3) However, MSEDCL has taken a totally different stand while granting open access for 2014-15 and levied wheeling charges and wheeling loss.
- 4) On 20 December, 2010, the Petitioner wrote to MSEDCL for :
 - a. Permission for installation of own underground HT Cable from its CPP Unit-1 to Unit -2 under the same Company, LOIL.
 - b. Grid Connectivity at 22KV for export of power from its CPP to MSEDCL.
- 5) In pursuance of the approval for the above, Petitioner laid the express feeder and installed bay under DDF scheme. The express feeder is thus owned by the Petitioner and maintained by the Petitioner. This express feeder is used by MSEDCL in order to get the surplus power generated by the CPP at Unit-1, and for supplying electricity to the Petitioner for its consumption at Unit-1 and Unit-2 during scheduled maintenance and sudden breakdown situations of the generator. In such situation, MSEDCL charges Standby Charges. Therefore, the Petitioner is not liable for levy of wheeling charges & wheeling loss to MSEDCL.
- 6) With respect to levy of temporary tariff, Petitioner vide letter dated 3 April, 2013 requested MSEDCL for enhancement of contract demand from 2.95MVA to 4 MVA for Unit-2. Before the sanction of enhancement of contract demand, Petitioner vide letter dated 6 May, 2013 revised its proposed contract demand from 2.95MVA to 4.8 MVA for Unit-2. However, MSEDCL gave approval to enhancement of contract demand only vide letter dated 10 October, 2013. Thus MSEDCL replied to the requests made for enhancement of load after six months. In order to justify these lapses, MSEDCL levied temporary tariff from May, 2013 to October, 2013 to the Petitioner for the over drawal of power.
- 7) Moreover, from the meters installed at Unit1 and Unit 2, it is clear that total generated units at CPP Unit-1 were injected to Unit-2, and under such circumstances MSEDCL has not supplied any actual power to the Petitioner. Further, MSEDCL has not shown any documents to show that the extra energy consumed by the Petitioner was supplied by MSEDCL. Hence, levy of temporary tariff in addition to contract demand penalty charges for May 2013 to October 2013 by MSEDCL are illegal, erroneous and misconceived.

MSEDCL submitted that:

- 1) It stands to its Reply dated 18 September, 2015 with respect to levy of wheeling charges and losses. The Petitioner wrote a letter to MSEDCL asking for permission to install 22kV underground HT Cable as well as grid connectivity to 22 KV level for export of power to MSEDCL from its proposed 4.8 MW coal based power plant. On 31 March, 2012, MSEDCL accorded grid connectivity to Petitioner subject to certain terms and conditions. Thus, CPP at Unit 1 was grid connected from the beginning. Further, as per request of Petitioner the Unit 2 was also connected on the new dedicated feeder.

- 2) Moreover, Section 9(2) of EA, 2003 neither distinguishes the captive generating plant and generating company for supply of electricity through grid nor exempts it from wheeling charges and wheeling losses.
- 3) Hence, wheeling of energy to and from the grid is the outcome of such grid connectivity of CPP Unit1 and Unit 2, which makes the Petitioner liable to pay the wheeling charges and losses as determined by the Commission from time to time. Further, MSEDCL stated that the express feeder is maintained by MSEDCL.
- 4) MSEDCL has followed the due process of enhancement of contract demand. In case any delay occurred in enhancement of contract demand, it is only due to Petitioner's pending necessary formalities and changes with respect to contract demand applied, additional load and technical specifications of metering CTs and PTs.

The Commission directed Petitioner and MSEDCL to submit following details within two weeks, with copy to each other.

- (i) Physical Meter locations with line configuration/single line diagram at CPP (Generator) and its Consumer at Unit-1 and Consumers at Unit-2 based on a joint survey.
- (ii) Documentary evidence for the maintenance of the express feeder by both parties.

Case is reserved for Order

**Sd/-
(Deepak Lad)
Member**

**Sd/-
(Azeez M. Khan)
Member**