

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 54 of 2016

Date: 18 October, 2016

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

Petition of M/s Sai Wardha Power Limited for directions and refund of excess Transmission Charges levied and collected by MSETCL

M/s Sai Wardha Power Limited (SWPL)Petitioner

V/s

Maharashtra State Electricity Transmission Co Ltd. (MSETCL)

The Tata Power Company Ltd. (TPC-D)

M/s Mahindra & Mahindra Ltd. (MML) Respondents

Present during the hearing

For the Petitioner : Shri Anand K. Ganesan (Adv)

For the Respondents : 1. Shri R.N.Farkade (Rep), MSETCL
2. Ms. Swati Mehendale (Rep), TPC-D

Daily Order

Heard the Advocates /Representatives of the Petitioner and the Respondents.

1. SWPL submitted that:

- i) SWPL has a Generating Plant with a capacity of 540 MW (4 x 135 MW) at Warora, Dist. Chandrapur. Out of 540 MW, two Units of 135 MW each are for Captive generation for supplying power to shareholders of SWPL.
- ii) SWPL has entered into a Bulk Power Transmission Agreement (BPTA) on 28 February, 2012 for 25 years for Transmission Capacity Rights (TCR) of 135.15 MW with MSETCL. As per BPTA, Transmission Charges were billed and collected by MSETCL for the Open Access granted to the system of MSETCL.

iii) M/s Mahindra & Mahindra Ltd. is one of the captive consumers of SWPL situated in the supply area of TPC-D. Regulation 15.2(v) of the DOA Regulations, 2014 provides that when a consumer avails partial Open Access (OA) from a Distribution Licensee, such consumer shall pay the Transmission Charges to the Distribution Licensee instead of the Transmission Licensee for the use of the Transmission network. Accordingly, TPC-D is also billing and collecting Transmission Charges on a monthly basis.

iv) Transmission Charges through BPTA and again by the Distribution Licensee in OA billing is a double recovery for the consumer.

2. MSETCL submitted that:

(i) A BPTA for Long Term Transmission access was executed between MSETCL and SWPL. As per the BPTA, SWPL is liable and has agreed to pay the Transmission Charges for the allotted Transmission Capacity Rights (TCR) of 135.15 MW on monthly basis.

(ii) TPC-D has been raising monthly Transmission Charges to M/s Mahindra & Mahindra Ltd. as per the DOA Regulations, 2014. TPC-D should have informed MSETCL regarding levy of such Transmission Charges to M/s Mahindra and Mahindra Ltd.

(iii) The Commission, in its InSTS Tariff Order dated 26 June, 2015 in Case No.57 of 2015, has stated that the Long Term OA consumers are embedded in the existing Distribution Licensees' network area, and their demand is already factored into the demand of Licensees. Accordingly, Long Term OA Consumers are not being considered for sharing of the TTSC at present. However, they shall pay the applicable Long Term OA Charges on the basis of the capacity for which the OA has been granted to such consumers.

3. The Commission asked MSETCL as to why the issue was not resolved at its level. MSETCL replied that there are certain difficulties regarding billing of Transmission Charges such as:-

i) Captive consumer's may changes their status of Open Access from MTOA to STOA and a few consumers may not avail the power through Open Access from SWPL. In such cases, it becomes difficult to reconcile bill correctly

ii) While paying Transmission Charges as per the BPTA, SWPL makes the payment after deducting TDS, which may not be the case while making payments towards Transmission Charges through energy bills of the Discoms.

4. TPC-D submitted that the period of the dispute before the Commission is prior to the DOA Regulations, 2016. In accordance with the DOA Regulations, 2016, TPC-D is paying the Transmission Charges to MSETCL after collecting then from the captive consumer, M/s Mahindra & Mahindra Ltd.

5. The Commission directed MSETCL to conduct a meeting within 15 days to resolve the issues involved in the levy of Transmission Charges with all the Distribution Licensees and

concerned Generators under the chairmanship of CE (STU), and submit a report to the Commission within a month.

Next date of hearing will be communicated by the Secretariat of the Commission.

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

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