

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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CASE Nos. 119 of 2016

Date: 10 January, 2016

Coram: Shri. Azeez M. Khan, Member

Shri. Deepak Lad, Member

Petition of Shri Taraprakash Prabhakar Vartak under Section 61 (h), 62(1) (a) and 86(1)(e) of EA 2003 for determination of generic Capital cost for Mini and Micro Hydro power projects for sale of electricity to Distribution Licensees of Maharashtra under BOT Policy of Water Resources Department, GoM.

Shri. Taraprakash Prabhakar Vartak

..... Petitioner

V/s

- 1) Maharashtra State Electricity Distribution Co. Ltd.
- 2) Tata Power Company Limited (Distribution)
- 3) Reliance Infrastructure Limited (Distribution)
- 4) BEST Undertaking
- 5) Maharashtra Energy Development Agency
- 6) Water Resources Department, Government of Maharashtra. Respondents

Appearance

For the Petitioner	: Shri. Taraprakash Prabhakar Vartak
For Respondent No1	: Shri. R. M. Jinde (Rep)
For Respondent No2	: Shri. Kartik Kadle (Rep)
For Respondent No3	: None
For Respondent No4	: Shri. Sanjay Adlinge(Rep)
For Respondent No5	: None
For Respondent No6	: Shri. R.K. Darade(Rep)

DAILY ORDER

Heard the Representatives of the Petitioner and Respondents.

1. At the outset, Petitioner requested the Commission to accept a correction in his Petition, about collection of Green Cess by MSEDCL instead of ' Government '.
2. Petitioner reiterated his submissions as made in his Petition. He sought determination of an appropriate generic capital cost and corresponding tariff for Mini and Micro Hydro power projects for sale of electricity to Distribution Licensees. He further requested that, until such generic capital costs and tariffs are determined, the Mini and Micro hydro projects that have

been sanctioned by the Water Resources Department, Government of Maharashtra (WRD, GOM) by issuing Letters of Allotment (LOA) before the RE Tariff Regulations, 2015 were published, be allowed to retain the capital subsidies given to them by the State and Central Governments. He further pleaded that mark-up of Rs. 0.50 and Rs. 1.00 allowed over the generic Tariff determined by the Commission does not exactly account for the capital expenditure incurred in establishing Mini and Micro Hydro projects, and as such these projects are not coming up despite a large unexplained potential in the State. Petitioner therefore requested interim relief for such projects.

3. The Commission observed that, if such projects were allowed to retain the capital subsidies received from State/ Central Governments, it would amount to a discriminatory treatment among such developers, and also amount to undue enrichment. The Commission also observed that the provisions regarding subsidies in the RE Tariff Regulations, 2015, only gave more clarity to the manner in which any subsidy received will be adjusted. At no point of time were the subsidies allowed to be retained by the developers or not to be taken into account, even in the earlier Regulations.
4. In light of Tata Power Company Limited (Distribution)'s statement that it had not received a copy of the Petition, the Commission directed the Petitioner to provide copies, and the Respondents to file their Replies within ten days, with a copy to the Petitioner. Petitioner may file his Rejoinder within a week thereafter.

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

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member