

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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CASE No. 106 of 2016

Dated: 4 May, 2017

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

**In the matter of
Petition of Development Commissioner cum Chairperson, SEEPZ Special Economic
Zone Authority for Specific Conditions of Distribution Licence for SEEPZ SEZ,
Mumbai to undertake distribution of power within the SEZ area through network of
existing Licensee till its own distribution network is developed**

Development Commissioner : Petitioner
SEEPZ SEZ, Mumbai

V/s

Reliance Infrastructure Ltd. (RInfra) : Respondent No.1
The Tata Power Company Ltd. (TPC) : Respondent No. 2

Representative of the Petitioner : Shri Ashish Singh (Adv.)

Representative of the Respondent No.1 : Shri Ghanshyam Thakkar (Rep.)

Representative of the Respondent No.2 : Shri Abhishek Munot (Adv.)

Daily Order

Heard the Advocate/Representatives of the Petitioner and Respondents.

1. Representatives of the Petitioner stated that:
 - i. Pursuant to directions in Daily Order dated 24 November, 2016, a meeting was held on 6 February, 2017 with RInfra and TPC to discuss the related issues to

bring some common understanding among the parties. RInfra has stated that it has no objection to its distribution network being used by the Petitioner as long as the applicable charges, as determined by the Commission are paid to it. The Minutes of Meeting have been signed by RInfra.

- ii. Though TPC has not signed the Minutes of Meeting, in its submission dated 5 April, 2017, TPC has indicated its willingness for sharing its network on the similar condition of payment of applicable charges.
- iii. The Deemed Distribution Licensee status of the Petitioner has not been challenged by RInfra and TPC.
- iv. In view of the above, directions may be given to the parties for further discussion on some of the alternatives and options mentioned by the Commission at para. 6 of the Daily Order dated 24 November, 2016. In the mean time, public consultation process for issue of Specific Conditions of Distribution Licence may be initiated.

To a query of the Commission, the Petitioner informed that RInfra has not put any time limit period for utilization of its network. To another query regarding the proposed timeframe for network development, the Petitioner stated that the network rollout plan will be submitted within three months.

The Commission observed that, as mentioned at para. 6 of the Daily Order dated 24 November, 2016, other alternatives such as SEEPZ SEZ acquiring the distribution assets of the existing Licensees and corresponding commercial settlements would require to be deliberated among the parties. The Commission also observed that grid connectivity may also be a critical issue. The Petitioner stated that it would make its submission on grid connectivity.

2. RInfra stated that:

- i. RInfra has no objection to its distribution network being used by the Petitioner as long as the applicable charges are paid to it.
- ii. The Petitioner did not indicate its intention of developing its own network during the meeting dated 6 February, 2017.
- iii. The Commission's Order in Case No. 182 of 2014 on TPC's network rollout plan is likely to be issued by the Commission shortly. The approach and principles in that Order would be equally applicable to the Petitioner for its network development.

The Commission stated that RInfra should clarify its stand on the issue of network development by the Petitioner independent of the outcome of Case No. 182 of 2014. RInfra stated that it would make its submission on the issue within four weeks.

3. TPC stated that:

- i. It is not the Petitioner, but the consumers who would be using the Distribution Licensee's network to get supply from the Petitioner and the existing changeover protocol would have to apply in the present matter. Further, the Tariff payable by the consumers needs to be determined by the Commission under such circumstances.
 - ii. The principles laid down by ATE in its Judgment in Appeal No. 246 of 2012 and batch would be applicable for the network development by the Petitioner.
4. The Parties are directed to discuss the issues and options further. The Minutes of Meeting and their respective submissions on issues shall be filed within one month. The Petitioner is directed to submit its network rollout plan within three months.

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

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member