

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
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**Case No.142 of 2016**

**Date: 9 May, 2017**

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

**Petition of The Tata Power Company Limited-Distribution seeking review of Order dated 22 July, 2016 in Case No. 91 of 2016 for determination of Transmission Tariff of Intra-State Transmission System for Third Control Period FY 2016-17 to FY 2019-20.**

The Tata Power Company Limited - Distribution (TPC-D) .....Petitioner

- 1) State Transmission Utility (STU)
- 2) Maharashtra State Electricity Distribution Company Ltd. (MSEDCL)
- 3) Reliance Infrastructure Limited - Distribution (RInfra-D)
- 4) Brihanmumbai Electricity Supply and Transport Undertaking (BEST)
- 5) Mindspace Business Park Pvt. Ltd. (MBPPL)
- 6) Indian Railways (IR)
- 7) Maharashtra State Load Dispatch Centre (MSLDC) ..... Respondents

**Present during the hearing**

For the Petitioner : 1. Shri Bhaskar Sarkar (Rep.),  
2. Shri Rahul Ranade (Rep).

For the Respondents : 1. Shri S.B. Petkar, (Rep.), MSETCL (STU).  
2. Mrs. Kavita Gharat (Rep.), MSEDCL  
3. Shri Ghansham Thakkar, (Rep.), RInfra-D  
4. Shri S.K. Shukla (Rep.), BEST.  
5. Shri Mayur Wasnik, (Rep) Indian Railways  
6. Shri A.P. Rewagad, (Rep), MSLDC.

**Daily Order**

Heard the Representatives of the Petitioner and the Respondents.

**1. The Petitioner (TPC-D) stated that :**

1.1 At the previous hearing in the matter held on 9.3.2017, it has presented all issues involved in the review Petition and Distribution Licensees were directed to file their submissions.

1.2 In compliance of the Daily Order dated 9.3.2017, it has received submissions from following Respondents.

- a) Indian Railways(IR) ;
- b) The Brihanmumbai Electric Supply and Transport Undertaking (BEST);
- c) Reliance Infrastructure Ltd.-Distribution;
- d) Maharashtra State Electricity Distribution Co. Ltd.(MSEDCL);
- e) State Transmission Utility (STU);

1.3 BEST in its submission has in-principle accepted the segregation of IR's demand from the Base Transmission Capacity Right (TCR) of TPC-D fed from the 110 kV Chola point as it is included in the IR's LTOA of 250 MW.

1.4 The agreement of TPC-D with IR for supply of 80 MW (now 100 MW) at the capping rate of Rs. 4.17 /kwh needs to be honored. However, this issue is outside the purview of the present matter and will be discussed with IR separately.

1.5 RInfra-T in its submission has raised the following four issues:

- a) As per the MYT Regulations, 2015, revision of TPC-D's Base TCR needs to be done at the time of Mid-Term Review (MTR) of InSTS Order.
- b) Short term PPA has been signed between TPC-D and IR which includes Transmission Charges. Hence, there is no need for revision in Base TCR of TPC-D.
- c) Review of the impugned Order will change the Base TCR of other Distribution Licensees.
- d) By reviewing the InSTS Order, TPC-D is in effect seeking review of the MYT Regulations, 2015.

2. RInfra-D stated that:

2.1 TPC-D, in its Petition, has not brought out any new facts/any other sufficient reasons or any mistake or error apparent on the face of the record in the impugned Order as required under Regulation 85 of MERC (Conduct of Business) Regulations, 2004. TPC-D, under the guise of review of the impugned Order, is seeking review of the MYT Regulations, which is not permissible.

2.2 It has referred to the provisions of MYT Regulations, 2015 and Commission's Order dated 22.7.2016 in respect of methodology of determination of the Transmission Charges, Base TCR, and sharing of Transmission Charges .TPC-D has filed the Petition to revise its Base TCR for FY 2016-17 which is considered by the Commission based on the actual figures of FY 2015-16.

2.3 Second Proviso to Regulation 61.3 of the MYT Regulations, 2015 provides that any revision in Base TCR due to variation in actual and approved CPD and NCPD shall be

made at the time of Mid Term Review and at the end of the Control Period for the subsequent years.

2.4 For 80 MW (now 100 MW) load, IR has entered into a Short-Term Power Procurement arrangement with TPC-D as a Licensee to Licensee Transaction. This capacity is not part of the BPTA entered into by IR with MSETCL/STU for 250 MW.

2.5 As per IR's submission dated 5 May 2017, the PPA between IR and TPC-D for supply of power provides for a bundled rate of supply by TPC-D inclusive of all Transmission Charges, Transmission Losses and SLDC charges.

2.6 At the first DOA Review Committee meeting held on 7.9.2016, TPC-D confirmed that the Transmission Charges corresponding to STOA of 80 MW to IR are already included in the demand of TPC-D. SLDC further confirmed that TPC-D is collecting Transmission Charges for the STOA transactions.

2.7 TPC-D is seeking re-determination of its Base TCR after excluding IR's demand. Also it is seeking revision of other Distribution Licensees' Base TCR, thereby reducing its own Transmission Charges and increasing the share of Transmission Charges of other Distribution Licensees.

3. BEST stated that it has filed its written submission on 12.4.2017, and has nothing for them to add.

4. IR stated that :

4.1 The demand of 40 MW drawn from the Chola point is part of the BPTA signed for 250 MW. Earlier this demand was included in the Base TCR of TPC-D, and may be excluded from the TPC-D's demand.

4.2 To a query of the Commission, IR stated that it is in the process of signing the LTOA/BPTA of 350 MW (250MW +100 MW) which will cover the entire demand of IR as a Distribution Licensee.

5. MSEDCL stated that :

TPC-D's submission in the Petition is based on estimation and no actual data is available. Hence, the Commission may decide the matter at the time of MTR as per the MYT Regulations and the impugned Order.

6. MSLDC stated that :

To a query of the Commission regarding 350 MW BPTA of IR, MSLDC stated that IR has communicated about BPTA but not yet submitted the proposal to MSLDC, and it has informed STU and discussed this in the DOA review meeting.

7. In reply to RInfra-D's submission , TPC-D stated that:
- a) Correction in Base TCR at the time of MTR would be for the subsequent period only. There is no provision for Truing-up up of InSTS Tariff for the current period like Annual Revenue Requirement (ARR) Orders. Hence, corrections in the Base TCR at the time of MTR will not resolve the issues of current period.
  - b) There is a short-term PPA of 80 MW between IR and TPC-D which is valid upto August, 2017. However, IR's demand and consumption will continue in future, so proper arrangement needs to be made. The PPA was signed as a bilateral arrangement as there was no InSTS Order and demand segregation.
  - c) In the impugned Order, the Commission has considered 887 MW demand of TPC-D for FY 2016-17 considering monthly average of CPD and NCPD of last 12 months. This 887 MW includes the demand of IR, which was a consumer of TPC-D upto February, 2016. Thereafter, IR ceased to be a consumer of TPC-D and its Base TCR should be arrived at after segregation of the demand of IR. Revision in Base TCR of TPC-D will impact the Base TCR of TPC-D and IR, and will not impact other Distribution Licensees. In the InSTS Order , 10 % escalation in Base TCR of TPC-D was arrived at considering 13 % CAGR from FY 2010-11 to FY 2015-16 and 6 % from FY 2016-17 to FY 2019-20, which appears to be incorrect. It is appropriate to consider the last two years demand to reflect the realistic projection of Base TCR. In the past there were significant changes in the demand of TPC-D due to migration of consumers, which is not considered in the impugned Order and needs to be corrected as there is no other platform to do so.
  - d) TPC-D's submission is within the ambit of the MYT Regulations and it is not seeking changes in the Regulations.
8. TPC-D stated that the demand of the Distribution Licensees is changing dynamically due to changes in market conditions. Hence, the Commission may consider the following to minimize the impact on Distribution Licensees:
- i) Determine the Transmission Charges annually, considering the actual demand of the previous year.
  - ii) Alternatively, consider Truing up of Transmission Charges paid.
  - iii) Make a provision for revision of the Transmission Charges in case of addition of a new Distribution Licensee as a TSU, in line with addition of a new Transmission Licensee.

**The Case is reserved for Order.**

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

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