

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005**  
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**Case No. 99 of 2017**

**Date: 20 July, 2017**

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

**Shri. Deepak Lad, Member**

**In the matter of**  
**Petition for intervention and Commission's direction regarding Wheeling Charges applicable for the consumers connected on 33 kV line introduced in the new Tariff Order dated 3.11.2016 in Case No. 48 of 2016 are applicable to the Petitioners herein and not as per the Wheeling Charges applicable to the consumers connected on 22 kV line.**

Petitioners:

- 1) M/s. Guardian Castings Pvt. Ltd
- 2) M/s. Surya Ferrous Alloys Pvt. Ltd.
- 3) M/s. New Steel Trading Pvt. Ltd.
- 4) M/s. Shivkrupa Steel & Alloys Pvt. Ltd.
- 5) M/s. Jay Jagdamba Profile Engineering Products .Ltd
- 6) M/s. Solo Metals Pvt. Ltd.
- 7) M/s. Bholaram Metal Industries Pvt.Ltd.
- 8) M/s. Alok Ingots (Mumbai) Pvt. Ltd.
- 9) M/s. Sun Metallics & Alloys Pvt. Ltd.
- 10) M/s. Thane Steels Pvt. Ltd.
- 11) M/s. Balbir Alloys Pvt. Ltd.
- 12) M/s. Jaideep Metallics & Alloys Pvt. Ltd.

V/s

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)

..... Respondent

**Appearance:**

For the Petitioner:

...Shri. Vijay Agrawal (Adv.)

For the Respondent:

...Shri.Ashish Singh (Adv.)

**Daily Order**

1. Heard the Advocates of the Petitioner and MSEDCL and Authorized Consumer Representative.
2. Advocate of the Petitioner stated as follows:
  - a) Vide its Order dated 3 November, 2016, in Case No. 48 of 2016, the Commission has introduced wheeling charges based on the voltage level on which the consumer is connected. Accordingly, MSEDCL is levying Rs.0.83/kWh and Rs.0.09/kWh for consumers connected on 22 kV and 33kV respectively.
  - b) The Petitioners with regard to their expansion plans applied for load enhancement and are entitled to be supplied on 33kV voltage as per MERC (Standards of Performance (SoP) of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2014. The applications are still not sanctioned except in the case of M/s. Guardian Castings Pvt. Ltd.
  - c) All the Petitioners are engaged in business of steel industry where electricity is the major input cost. Even a slight change in tariff affects the business to large extent. Due to non-availability of 33kV network in the Petitioners' area, MSEDCL supplies power to them at 22kV and hence levying the wheeling charges applicable to 22kV voltage level, which is Rs.0.74/kWh higher. This leads to a loss of Rs.25 lakhs and even in some cases up to 50 lakhs per month, which makes it difficult for them to sustain in competition.
  - d) As per the SoP Regulations, all the Petitioners are eligible to be supplied power on 33 kV network and are also ready to pay the requisite charges. Hence, all of them applied to MSEDCL for load enhancement after the MYT Order dated 3 November, 2016. Even after pursuing with MSEDCL for last 6 months, it has still not given any concrete solution in this matter. Instead, MSEDCL instructed that a clarification may be sought from the Commission with regard to applicability of wheeling charges. On the one hand, it is not developing the 33kV network and on the other hand it is forcing the Petitioners to pay the higher wheeling charges applicable to consumers connected on 22kV network.

- e) With no alternatives left, this Petition is filed for Commission's direction regarding whether the wheeling charges applicable for the consumers connected on 33 kV network, which were introduced in the MYT Order, are applicable to the Petitioners, or whether the wheeling charges applicable to consumers connected on 22 kV network are applicable.
  - f) Till MSEDCL develops 33kV network, the Commission is requested to grant interim relief by directing MSEDCL to levy the Petitioners the wheeling charges which are applicable to 33kV instead of 22kV network.
3. The Commission asked whether it was the MYT Order, which introduced wheeling charges as per the voltage level, which triggered the Petitioners to apply for 33kV network by enhancing their load to be commensurate with 33kV, since the wheeling charges of 22kV were higher than 33kV. Advocate of the Petitioners replied that they are actually in need of increase in contract demand, and will submit the details. He further stated that one of the Petitioners, M/s. Guardian Castings Pvt. Ltd., had already applied for additional load in the year 2007, which was sanctioned by MSEDCL and the charges for which were paid in 2012.
  4. The Commission asked if the Petitioners after getting connected on 33kV network, fail to maintain the contract demand eligible for 33kV, i.e. 10,000 KVA and above, and would again be eligible to be supplied on 22kV network, they would pay the higher wheeling charges applicable to 22kV network. Advocate of the Petitioner replied that he will file the submission after consultation with the Petitioners.
  5. Advocate of MSEDCL sought 2 weeks' time to file its Reply since the Petition was served on 5 July, 2017. He further stated that the Commission does not have jurisdiction in this matter, and the Petitioners may approach the Consumer Grievance Redressal Forum. He pointed out that most of the Petitioners are just marginally up to the contract demand which is eligible for being connected on 33kV. However, the billing data of the Petitioners reveals that the Maximum Demand recorded has never reached the contract demand applied for by the Petitioners.
  6. In view of the financial losses being suffered by the Petitioners, the Advocate of the Petitioners requested the Commission to grant interim relief by directing MSEDCL not to levy wheeling charges as per 22kV. The Commission rejected this request at this stage since the issue has wider ramifications and needs to be resolved first.
  7. Dr. Ashok Pendse, for Thane - Belapur Industries Association (TBIA, an Authorised Consumer Representative) stated that MSEDCL is bound by the SoP Regulations.
  8. The Commission directed MSEDCL to file its Reply within 2 weeks, including on its proposed course of action with regard to wheeling charges applicable to the

consumers anywhere in its Licensee area where the 33kV infrastructure is not available.

9. The Petitioner may submit its Rejoinder, if any, within a week after MSEDCL's submission.

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

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

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