

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 88 of 2017

Dated: 3 August, 2017

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

In the matter of Petition of Maharashtra Veej Grahak Sanghatana against MSEDCL for violation of various Commission's directions relating to Load Shedding.

Maharashtra Veej Grahak Sanghatana (MVGS)Petitioner

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)Respondent

Appearance:

Representative for MVGS: Shri Pratap Hogade

Representative for MSEDCL: Shri Satish Chavan

Consumer Representative: Dr. Ashok Pendse, TBIA
Shri Raghunath Kaparthi (CMIA)

Daily Order

1. Heard the Representatives of the Petitioner, Respondent and the Consumer Representatives.
2. MVGS stated that:
 - a. In the month of March and April, 2017, consumers faced power failure and tripping. On 4th and 5th May, 2017, MSEDCL declared that there is shortage of 4000 MW and hence Load Shedding would be implemented in the areas of Group D, G1, G2 and G3. This violated the Commission's Load Shedding Protocol. The Load Shedding was continued in the June and July, 2017.
 - b. MSDCL has filed its Reply only on 1 August, 2017, just 2 days before the hearing. Hence, 15 days may be given for filing its Reply. MSEDCL should be directed to file its Replies at least 15 days before the hearings.

- c. The Commission in its MYT Order dated 26 June, 2015 stated that Load Shedding can be implemented only in a scenario of power shortage. In its subsequent MYT Order dated 3 November, 2016, the Commission noted MSEDCL's submission that Load Shedding on all Feeders has been withdrawn. However, till date MSEDCL's website is displaying only its earlier Circulars No. 46, 47 and 48 for implementation of Load Shedding.
 - d. The Commission in its MYT Order dated 3 November, 2016 has approved 46558 MU (6644MW) as surplus contracted capacity for FY 2017-18 for which the consumers are paying Rs. 3363 crore as fixed capacity charge through Tariff.
 - e. In spite of such surplus energy approved by the Commission, on 4th and 5th May, 2017 MSEDCL declared shortage of 4000 MW and started Load Shedding in Groups D, G1, G2 and G3. Although MSEDCL has given wide publicity to such Load Shedding, implementing Load Shedding in Groups G1, G2 and G3 when the shortage is 4000 MW is against the Commission's Order dated 26 November, 2012 which stipulated that Load Shedding in Groups G1, G2 and G3 can be implemented only in Scenario V, i.e. when demand-supply gap is between 4600 to 5000 MW.
 - f. MSEDCL is not uploading Feeder-wise losses and Load Shedding details on its website. Further, there is no Circular on MSEDCL's website relating to the Load Shedding carried out from 26 April to 7 May, 2017.
 - g. Various instances of Load Shedding / interruptions in different areas (including Industrial Feeders) were communicated to MSEDCL vide emails dated 8 May and 19 June, 2017 for necessary action, but no reply has been received. As per SLDC Report, there is no Load Shedding after 6 May, 2017. However, due to local faults, the consumers have experienced interruptions in power supply.
 - h. MSEDCL has incurred around Rs. 50000 crore on infrastructure development in the last 17 years, but consumers are still facing average of 2 hours of interruptions per day. Such interruptions are causing a revenue loss of around Rs. 2600 crore per interruption hour to MSEDCL, which would be passed on to consumers through tariff. When there is availability of surplus power, such revenue loss on account of interruptions is not justifiable.
 - i. This Petition is not restricted to Load Shedding. It also includes issues of non-supply of power due to local faults and interruptions. MVGS has provided details of interruptions experienced at different locations in the State. MSEDCL should be instructed to inquire into the causes of such interruptions and take corrective action.
3. Dr. Ashok Pendse on behalf of Thane Belapur Industries Association (TBIA), an Authorised Consumer Representative, stated that:

- a. As per SLDC data, from 2 May to 6 May, 2017, 1125 MW was the maximum Load Shedding. There were instances of Load Shedding of 120 MW during night off-peak period also.
 - b. During April, 2017, MSEDCL was able to meet the peak demand of 19500 MW. In May, 2017, demand never crossed 19500 MW. Under such circumstances, forced Load Shedding of 1125 MW, especially when 4000 MW of surplus capacity was available, needs to be scrutinized carefully.
 - c. This may be due to various reasons such as non-availability of power from Koyana due to full utilization of the water quota in April itself, banking of power with other States, coal shortage, frequent tripping of new commissioned Units of MSPGCL, etc.
 - d. MSEDCL needs to introspect to find out what went wrong in its planning which led to Load Shedding of around 1125 MW when the Commission had approved surplus power capacity.
 - e. Consumers are paying for the surplus power capacity through Tariff. In spite of that, consumers have suffered Load Shedding of 1125 MW. Hence MSEDCL should refund Rs. 58 crore towards the surplus capacity charges said for the month of May, 2017 through the FAC mechanism.
 - f. It is a matter of investigation as to how IPPs generation reduced. The reason of coal shortages need to be looked into.
4. Shri Raghunath Kaparathi on behalf of Chamber of Marathwada Industries and Agriculture (CMIA), an Authorised Consumer Representative, stated that:
- a. Distribution and Collection Loss of Agricultural Feeders is high because of low collection efficiency and not on account of technical loss. MSEDCL should make efforts to increase the collection efficiency of Agricultural consumers. MSEDCL should not impose Load Shedding on Agricultural Feeders.
 - b. Earlier the Commission had imposed a T&D Loss Charge based on the T&D loss of the area. The Bombay High Court had upheld this. On similar lines, the Commission should impose Load Shedding on feeders having 50% or more losses as penal action. The Commission observed that it had made it clear Load Shedding per se cannot be undertaken as a penal action even when adequate power is available. Discrimination between areas on the basis of loss level, etc. has been mandated only while implementing Load Shedding during power shortage.
5. MSEDCL made a detailed presentation providing factual details of the power supply and availability situation during the relevant period. MSEDCL stated that:

- a. The prayers in the Petition are related only to Load Shedding issues, and hence it should be restricted to Load Shedding only. Although the issues relating to interruptions are important, they have to be dealt with separately.
 - b. During April and May, 2017, MSEDCL experienced a 25% increase in demand, and in terms of energy it was 16%. When consumer demand was increasing, there was also a reduction in power availability, which led to emergency Load Shedding.
 - c. Although there was no reduction in availability from Central Sector Generating Stations, the availability from MSPGCL's Stations and IPP's reduced considerably, few Units of Adani Power Maharashtra Ltd and RattanIndia Power Ltd were under shut down on account of coal shortage. Further, in order to stabilize the Grid operation on account of frequent tripping of newly commissioned Units of MSPGCL, utilization of Koyana water increased, which resulted in full utilization of the allocated quota of water in April, 2017 itself. Hence, power from the Koyana Hydro Generating Plant was not available during May, 2017. All these factors resulted in lower availability of generation.
 - d. MSEDCL took various steps to mitigate this situation. In April, 2017, except for Nashik, all contracted Generators were asked to remain available. In May, 2017, Nashik was also asked to remain available. When generation availability started reducing, MSEDCL wrote several letters to the Generators for increasing power availability. Further, it procured power from Power Exchanges and also through short term bi-lateral contracts via the e-bidding portal.
 - e. MSEDCL has also filed a separate Petition for making Generators Pool Participants in the ABT mechanism, mandating a certain minimum availability of Generators in each month, and other related issues.
 - f. The Load Shedding imposed during 27 April to 6 May, 2017 was distress Load Shedding required on account of reduction in availability of contracted Generation coupled with increased demand. MSEDCL made all efforts to restore the situation and, from 7 May, 2017, there is no Load Shedding. MSEDCL has not violated any Order of the Commission.
6. The Commission allowed 15 days to MVGS for filing its Rejoinder. TBIA would file its written submission within a week.

The Case is reserved for Order

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

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