

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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Case No. 110 of 2017

Dated: 19 September, 2017

CORAM: Shri. Anand B. Kulkarni, Chairperson

Shri. Azeez M. Khan, Member

Shri. Deepak Lad, Member

In the matter of Petition filed by Mumbai International Airport Private Limited (MIAL) under Section 86 (1) (k) of the Electricity Act, 2003 read with Regulation 37 of the MERC (Distribution Open Access) Regulations, 2016 for providing clarification regarding applicability of Power Factor Incentive/Rebate towards Open Access consumption by HT consumers.

Mumbai International Airport Private Limited (MIAL)

...Petitioner

The Tata Power Company Limited (TPC-D)

...Respondent

Appearance:

Representative for MIAL:

Shri. S. R. Nargolkar (Adv)

Representative for TPC-D:

Smt. Swati Mehandale (Rep.)

Daily Order

1. Heard the Advocate of the Petitioner and the representatives of the Respondent.
2. MIAL stated that
 - a. TPC-D has been providing Power Factor (PF) Incentive for electricity consumption of MIAL as a consumer of TPC-D, but it has failed to provide PF Incentive with respect to its Open Access consumption, inclusive of Regulatory Asset Charges, Wheeling Charges, Cross Subsidy Surcharge, etc.
 - b. MIAL is relying on APTEL's Judgment dated 14.11.2013 in Appeal No. 231 of 2012 in the matter of Jindal Stainless Limited Vs. Dakshin Haryana Bijli Vitran Nigam and Haryana Electricity Regulatory Commission. The very purpose of providing higher PF Incentive is to encourage the consumers to improve their Power Factor by providing shunt compensation and bring it as close as possible to unity so that the system losses are reduced to the minimum. APTEL in its Judgment has also recorded that Power Factor rebate is also payable to a consumer who avails Open Access. If a

consumer procures power from other sources through Open Access at high power factor, the system loss would also be less, as in the case of his drawal of power from the Distribution Licensee.

- c. Cross Subsidy Surcharge payable by an Open Access consumer is a part of the consumer's bill and, therefore, the PF Incentive would also be applicable on it. Accordingly, the rebate should be allowed on Cross Subsidy Surcharge as well.
 - d. The list of various charges shown in Clause 14.1 of MERC (Distribution Open Access) Regulations, 2016 is not an exhaustive list, and hence PF Incentive should be applied on the entire bill, excluding taxes and duties. This was MIAL's response to TPC-D's argument.
3. TPC-D stated that
- a. In case of change-over consumers, which is akin to Open Access, the Supply Licensee is providing the PF incentive (TPC-D is a Supply Licensee and providing PF Incentive), whereas in the present case of Open Access, MIAL is demanding PF incentive from TPC-D as the Wheeling Licensee.
 - b. PF Incentive or Penalty is payable to or by a consumer irrespective of voltage of the system, whereas Reactive Energy Charges are dependent on the voltage of the system.
 - c. With reference to the Judgment of APTEL in Appeal No. 231 of 2012, TPC-D stated that the consumer in that matter did not have a meter which records and stores RkVA component of power in 15 minutes time block. Hence, it was not possible to allocate the Reactive Energy consumption for the purpose of arriving at the Reactive Energy Charges. However, in the present case, TPC-D can record the consumption of MIAL in 15 minute time block.
 - d. TPC-D submitted that the views of the other Licensees also need to be considered.
4. The Commission asked whether, in the event that Reactive Energy is made applicable, PF incentive would be applicable.

The Commission directed both the parties to submit their additional submission/Rejoinder, if any, within a week.

The Case is reserved for Order.

Sd/-
(Deepak Lad)
Member

Sd/-
(Azeez M. Khan)
Member

Sd/-
(Anand B. Kulkarni)
Chairperson