

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
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**Case No. 53 of 2017**

**Dated: 19 September, 2017**

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

**In the matter of Petition of Tata Power Co. Ltd. (Distribution) for review of the Stand-by Arrangement provided by MSEDCL to the Mumbai Distribution area.**

The Tata Power Company Ltd. (TPC-D)	Petitioner
Maharashtra State Electricity Distribution Co. Ltd.(MSEDCL)	Respondent No. 1
Reliance Infrastructure Ltd. (Distribution) (RInfra-D)	Respondent No. 2
BEST Undertaking (BEST)	Respondent No. 3
Indian Railways	Respondent No. 4

**Appearance:**

For TPC-D:	Shri. S.V.Doijode (Adv)
For MSEDCL:	Shri. Paresh Bhagwat (Rep.)
For RInfra-D:	Shri. Ghansham Thakkar (Rep.)
For BEST:	Shri. R.D. Waikar (Rep.)
For Indian Railways:	Smt. Ranjitha Ramchandran (Adv)
	Shri. S.K. Shukla (Rep.)
	Shri. Rajnish Kumar Goyal (Rep.)

**Daily Order**

1. Heard the Representatives and Advocates of the Petitioner and the Respondents.
2. TPC-D stated that the only issue remaining in this Case is that deemed Distribution Licensees should also share in the Stand-by Charges being paid by the other Mumbai Distribution Licensees. In the last Daily Order of 20 July, 2017, the Commission had directed Indian Railways, a deemed Distribution Licensee with operations in Mumbai, to respond to the Petition.

3. TPC-D stated that, in its Reply, Indian Railways has admitted enjoying the benefit of the existing Stand-by Arrangement of 550 MVA provided by MSEDCL for the Mumbai system. However, it is not contributing to the Stand-by Charges.
4. TPC-D stated that the allocation of Stand-by Charges is in proportion to the average of the coincident and non-coincident peak demand (CPD and NCPD) of the Distribution Licensees in the Mumbai system during a financial year. Indian Railways was previously a consumer of TPC-D and its demand was recorded in the CPD and NCPD of TPC-D. Indian Railways now being a deemed Distribution Licensee, the Commission should direct it to pay its share of Stand-by Charges, with interest, to TPC-D from the commencement of its operations as a deemed Distribution Licensee in Mumbai.
5. TPC-D stated that, in its Reply, Indian Railways has said that it has an alternative arrangement for stand-by in Gujarat State and with MSEDCL in Maharashtra. In this context, TPC-D mentioned that, in the Daily Order of 5 January, 2017 in Case No. 114 of 2016, the Commission had asked Indian Railways, MSEDCL, MSLDC and STU to sit together to resolve the issue of stand-by supply arrangements of Indian Railways and any other related issue. TPC-D is not a party in Case No. 114 of 2016, nor is it concerned with those separate stand-by arrangements.
6. TPC-D also referred to the Minutes of Meeting (MoM) of the Western Regional Power Committee (WRPC) dated 22 February, 2017 which records that Railways would make arrangements with the respective States for stand-by power, which would be billed at the Temporary category tariff. Indian Railways has agreed to sign an agreement with MSEDCL for supply of stand-by power in the event of Ratnagiri Gas and Power Pvt. Ltd. (RGPPL) tripping. Indian Railways can schedule power in the respective States as per the Indian Electricity Grid Code (IEGC). TPC-D stated that it was not a party to the WRPC meeting. Moreover, MSEDCL expressly stated that this arrangement between it and Indian Railways would not affect other such arrangements.
7. Referring to the schedule of Indian Railways demand set out in the Petition, TPC-D stated that Indian Railways is linked to the Mumbai system, with a share of around 3%. Hence, it must pay Stand-by Charges considering its share in the average of CPD and NCPD, as in the case of the other Mumbai Distribution Licensees and considering the stand-by support to it in Mumbai if RGPPL fails. Alternatively, the demand of Indian Railways may be removed from these computations.
8. TPC-D also stated that the Intra-State Transmission System (InSTS) Tariff Order takes care of changes in the CPD and NCPD of the Distribution Licensees that take place during the period of the Order and the cost is apportioned between the Distribution Licensees accordingly. The Regulations and Orders do not provide for the truing-up of past eventualities in future InSTS Tariff Orders. The transmission charges, once

determined, have to be borne irrespective of the actual demand experienced, and the Stand-by Charges are accordingly not trued-up.

9. Indian Railways stated that it is in the process of entering into a stand-by arrangement with MSEDCL for its demand in Maharashtra. Indian Railways does not distinguish between Mumbai and the rest of Maharashtra, and this arrangement will cater to its requirement in the whole of the State. All WRPC constituents have agreed to a certain dispensation, but there are some issues regarding the charges. MSEDCL is levying capacity charges for the stand-by for the entire month, whereas Indian Railways may need the power only when the contracted generation fails. Hence, it is not inclined to pay MSEDCL the fixed charges for the entire month. Further, in view of this arrangement, there is no need for it to pay separate Stand-by Charges for Mumbai. Indian Railways is no longer a consumer of TPC-D and is not concerned about the Stand-by Charges payable by Mumbai Distribution Licensees to MSEDCL.
10. MSEDCL stated that the agreed WRPC dispensation for stand-by support is only for the rest of the Maharashtra area, excluding Mumbai. As such, there is a distinction between the stand-by arrangements for these two distinct areas. Indian Railways has sought stand-by to the extent of 200 MW from MSEDCL for the rest of Maharashtra area, and not for 90 MW of the Mumbai area. The matter in Case No. 114 of 2016 referred to by TPC-D relates to stand-by support to be provided with regard to RGPPL failure. Indian Railways is taking supply from two different sources, namely from RGPPL for the rest of Maharashtra and from BRPL for the Mumbai region. At the WRPC meeting, the issue of stand-by support for Mumbai was never discussed.
11. MSEDCL brought to the notice of the Commission that Indian Railways is frequently overdrawing power from the Grid in spite of MSLDC instructions, taking undue advantage of the Final Balancing and Settlement (FBSM) mechanism. It is enjoying the stand-by support of MSEDCL without payment of its stand-by charges, which include the fixed charges. It is also not entering into an agreement for such stand-by support. MSEDCL has to pick up Hydro Generation to meet its consumer demand as a result.
12. The Commission asked Indian Railways whether its traction operations would be affected if Mumbai embedded generation is disrupted. Indian Railways replied that it would be affected if there are also transmission issues at the same time, and not otherwise. It also stated that, for its Mumbai operations, it is organizing supply through PTC Ltd., a Trader, to the extent of the unrequired power from Dadri for which fixed charges are being paid. The Commission asked Indian Railways to provide the details in a week.
13. Indian Railways stated that it could not conclude the issue of paying fixed charges to MSEDCL for its stand-by support. However, it is ready to pay the Energy Charges applicable to the Temporary consumer category. Indian Railways sought to be treated on a different footing, being a public utility. The Commission observed that electricity

Distribution Licensees are also public utilities catering to millions of consumers. Indian Railways stated that it is pursuing the matter, and is agreeable to paying the fixed charge of the temporary tariff also but only a per-day basis and when it actually avails the stand-bypower from MSEDCL.

14. MSEDCL stated that it has offered Indian Railways stand-by power as per the Temporary category tariff, i.e., Fixed Charge of Rs. 290/kVA/month and Energy Charge of Rs. 10.14 /kWh, as determined in the Multi-Year Tariff (MYT) Order in Case No. 48 of 2016 dated 3 November, 2016.
15. The Commission asked Indian Railways whether, in the absence of any agreement with MSEDCL or other entity for stand-by power, it is following the law when it takes support from the Grid in case of tripping/outages of RGPPL. The Commission expressed its displeasure at the conduct of Indian Railways, which does not seem to be aligned with the regulatory framework in this regard. It cannot enjoy the fruits of the system at the cost of others.
16. The Commission also observed that the role of the Maharashtra State Load Despatch Centre (MSLDC) in this regard is also questionable. It ought to have instructed Indian Railways to shut its operation when there were trippings/outages of RGPPL in the absence of any stand-by support agreement with MSEDCL or other entity.
17. RInfra-D stated that it has filed a separate Petition regarding the determination of Stand-by Charges which is closed for Order. If that is agreed to, TPC-D's present Petition will become infructuous. Without prejudice to that Petition, RInfra-D supports TPC-D's claim for a demand-based methodology for Stand-by Charges which includes deemed Distribution Licensees in Mumbai. It also stated that, in respect of change-over of consumers, the demand of RInfra-D and Stand-by Charges were considered only prospectively in the subsequent InSTS Tariff Order. The same practice may be followed here also. As regards MSEDCL's claim for revision of Stand-by Charges, that is a tariff-related issue that may be raised separately in Tariff proceedings and not here.
18. BEST stated that it has nothing to add to its written Reply.
19. TPC-D stated that Indian Railways must also be required to pay its share of Stand-by Charges for the past period but borne by TPC-D, and a dispensation needs to be put in place for the future.

**The Case is reserved for Order.**

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

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