

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 181 of 2017

Date: 2 January, 2018

Coram: Shri. Anand B. Kulkarni, Chairperson

In the matter of Petition filed by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for in principle approval for Short Term Power Purchase at higher cost than the ceiling rate approved by the Commission in Case No. 48 of 2016.

Maharashtra State Electricity Distribution Company Limited (MSEDCL) ...Petitioner

Appearance

Representative for the Petitioner: Shri. Sanjeev Kumar, CMD
Shri. Satish Chavan

Consumer Representative:
For Thane Belapur Industries Association, (TBIA) Dr. Ashok Pendse
For Prayas Energy Group (Prayas) Shri. Shantanu Dixit, Prayas

DAILY ORDER

1. Heard the representatives of Petitioner and Consumer Representatives.
2. MSEDCL stated that
 - a. The Commission vide Order dated 6 October, 2017 in Case No. 135 of 2017 has allowed MSEDCL in principle to procure additional power as and when required on the e-bidding portal in accordance with the Short-Term Competitive Bidding Guidelines by Government of India, and any residual power from the Power Exchanges, till the end of December, 2017, at higher than the ceiling rate.
 - b. Accordingly, MSEDCL has purchased short term Power with average rate of Rs.3.97 per unit during October, 2017 and November, 2017.

- c. For the months of March to May, it is not easy to estimate the coal stock at Generating Stations.
 - d. On a query of the Commission, MSEDCL stated that the bids floated during November and December, 2017, for the short term power procurement for the period of January, 2018 to May, 2018 are for the limited power, i.e., 500 MW. It would be difficult for MSEDCL to estimate the situation for requirement of power more than 500 MW. In that situation, MSEDCL may have to come before the Commission for every bid and quantum if it is more the ceiling rate provided by the Commission in Case No. 48 of 2016, which is not feasible.
3. Shri. Ashok Pendse, Consumer Representative for TBIA stated that
 - a. MSEDCL is paying around Rs. 3800 crore against Stranded Capacity. If MSEDCL will procure the power for the rate more than ceiling rate approved by MSEDCL, the Commission may disallow the excess cost which is more than ceiling rate.
 4. Shri. Shantanu Dixit, Consumer Representative for Prayas stated that
 - a. MSEDCL is paying Fixed Charges for the Contracted Capacity of MSPGCL, CGS and IPPs. MSEDCL should ensure that penalty mechanism is applied for non supply of contracted power as per the PPA and MSEDCL should take review of coal stock. The Commission may after prudence check allow the power purchase cost at the time of MTR Order for MSEDCL. As per MYT Regulation, 2015, MSPGCL has been provided IoWC for 30 days coal stocking, where as only 2-3 coal stocking has been done by MSPGCL. The Commission may do a prudence check regarding coal stocking at power stations, while approving the ARR of MSPGCL.

The Case is reserved for Order.

Sd/-

(Anand B. Kulkarni)
Chairperson