

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005
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CASE No. 152 of 2017

Dated: 12 June, 2018

**CORAM: Shri Anand B. Kulkarni, Chairperson
Shri Mukesh Khullar, Member**

**In the matter of
Petition of Prayas (Energy Group) seeking analysis and examination of the reasons
leading to sudden fall in availability of MSEDCL's contracted generating capacity
during September 2017**

Prayas (Energy Group), Pune : Petitioner

Vs

Maharashtra State Power Generation Co. Ltd. (MSPGCL) : Respondent No.1
Maharashtra State Electricity Distribution Company Ltd. (MSEDCL) : Respondent No. 2

Appearance:

For the Petitioner : Ms Ashwini Chitnis (Rep.)

For the Respondent No. 1 : Shri S.B.Soni (Rep.)

For the Respondent No. 2 : Shri Satish Chavan (Rep.)

Daily Order

Heard the Representatives of the Petitioner and the Respondents.

1. The Petitioner made a presentation and stated that:
 - i. More than 4000 MW of contracted capacity of MSEDCL is planned to be backed down till 2020. However, at the same time MSEDCL is buying short term power at rates higher than the ceiling rate. Also, MSEDCL has committed to sell power to BEST for the next few years.

- ii. MSPGCL's Generating units are claimed to be unavailable due to coal shortage however, it is observed that MSPGCL is undertaking case 4 bidding for allocating its share of coal to other generators.
 - iii. Non-availability of contracted generating capacity and the short term power purchase by MSEDCL have serious implications on Tariff.
 - iv. From the data available in public domain such CEA data, SEWA portal, statements of the Ministry of Coal, it is not clear whether there indeed was any coal shortage.
 - v. Regulations allow Interest on Working Capital for cost of coal for 30 days for non-pit head stations and this interest on working capital is recovered from the consumers.
 - vi. If coal shortage is on account of any lapses in coal procurement, the costs arising on account of such failures cannot be passed on to consumers. Hence, the Commission needs to scrutinize coal procurement and utilization practices of MSPGCL.
 - vii. Coal companies are in commercial contract with MSPGCL and failure to honour those contracts by any party should not result into burden on the consumers.
 - viii. MSPGCL and MSEDCL need to publish related data on their respective websites and the Petitioner would file the related formats within next 3 days.
2. Representative of MSEDCL stated that:
- i. The rates of short term power purchased by MSEDCL in FY 2017-18 are less than the average power purchase cost. Thus, MSEDCL has not purchased costlier power.
 - ii. From October, 2017, no load shedding was carried out in MSEDCL's area due to non-availability of supply.
 - iii. The data sought by the Petitioner is already available on MSEDCL's website.

The Case is reserved for Order.

Sd/-
(Mukesh Khullar)
Member

Sd/-
(Anand B. Kulkarni)
Chairperson