

RECORD OF PROCEEDINGS

DATE OF HEARING : April 16, 2007 at 11.00 hrs
CASE No. : 5 of 2007
APPLICANTS : Maharashtra State Electricity Distribution Company Limited (“MSEDCL”)

MATTER : Application filed by MSEDCL seeking revision in the principles and protocol of load shedding which are existing with respect to their area of supply.

With the passage of the Order dated February 20, 2007 in Case No. 78 of 2006 (in the matter of MSEDCL's Proposal to increase the hours of planned Load Shedding across the State as a temporary emergency measure), MSEDCL filed an application dated April 12, 2007 seeking revision in the principles and protocol of load shedding which are existing with respect to their area of supply. The Commission directed MSEDCL to furnish certain information with relation to the prayer for revision of the load shedding protocol, on or before April 16, 2007, on which date the matter will be heard in the presence of consumer representatives authorised on a standing basis under the Electricity Act, 2003 (“EA 2003”), the Managing Director-MSEDCL, the Managing Director-MSETCL, the Managing Director-MSPGCL, Chief Engineer-SLDC and the Principal Secretary (Energy)-Government of Maharashtra. Notices were issued accordingly.

2. At the hearing held on April 16, 2007, on an enquiry made by the Commission, Shri. Sonawane submitted that information as sought for by the Commission shall be submitted on affidavit on April 17, 2007. Shri. Sonawane made a power-point presentation and submitted that subsequent to the Order dated February 20, 2007 in Case No. 78 of 2006, and the revision of load shedding protocol, MSEDCL has increased the load shedding hours from 4 to 5.5 hrs in urban areas, from 13 to 14 hrs in agricultural dominated areas and from 6 to 7.5 hrs in other areas. However, March 5, 2007 onwards, the demand-supply situation so worsened that MSEDCL was forced to subject consumers to increased load shedding for one and a half hours in the urban areas, for 45 minutes in other areas and for 1 hour in agriculture dominated areas. MSEDCL was even forced to resort to EHV openings repeatedly (totaling to 6 instances in March 2007 and 187

instances in April 2007) in order to ensure some amount of load relief. The Commission observed that issues raised in the present application are mostly similar to the issues raised in the Order dated February 20, 2007 in Case No. 78 of 2006. Vide the said Order, sufficient cushion has been provided to MSEDCL for adequately planning the load shedding hours vis-à-vis capacity availability. The Commission enquired as to whether any demand forecast has been made with respect to energy availability as per the said Order dated February 20, 2007 and as to whether energy requirement has been assessed by MSEDCL as per 50 Hz. The Commission observed that the demand gap of 5,700 MW as projected by MSEDCL, is not continuous in nature. It is incumbent on MSEDCL, as a utility, to assess its annual energy requirement and manage all internal affairs with respect to energy availability. MSEDCL shall not be permitted to shift this responsibility on MSPGCL as MSEDCL should have adequately pre-planned the outages. Shri. Sonawane submitted that overdrawal capacity of MSEDCL from the central grid has reduced to almost 7 MUs to 8 MUs. The Commission enquired for the source-wise break-up of energy availability which has been identified by MSEDCL with the passage of the Order dated February 20, 2006 and the reason/s as to why capacity generation has reduced. Shri. Sonawane submitted that the energy availability from Pareli and Paras gas stations has reduced considerably. On the Commission's further enquiring as to how the demand in the last 5 weeks has increased by 1000 MW, it was submitted that the expected load relief has reduced owing to substantial increase in the day-time usage and the night-time usage in the Akshaya Prakash Yojnas. On the Commission enquiring the reason/s behind the sudden reduction in supply from Akshaya Prakash Yojnas February 2007 onwards, and as to the changing factors responsible for the same, Shri. Ajay Pandey, MSEDCL, submitted that presently the frequency level has fallen below 50 Hz and the opportunity to overdraw from the Central Grid has greatly reduced, which has caused reduction in generation for about 750 MW. Further, RGPPL has substantially failed to supply the quantum of energy contracted for, owing to their units being under repairs. Shri. Ajay Pandey submitted that MSEDCL has borne expenditure to the tune of Rs. 85 crores towards such plant maintenance and repair,. Supply of power from RGPPL has been less. This has led to reduction in generation by 330 MW. These two factors are responsible for MSEDCL's inability to meet the demand for 1000 MW. While Parli-VI

has been synchronized on April 15, 2007 for the supply of 145 MW, the said unit is presently facing teething problems. On the issue of Akshaya Prakash Yojnas, Shri. Pandey submitted that the data pertaining to reduction in expected load relief has been acquired by MSEDCL in March 2007. On an analysis of the said data, MSEDCL admits that though there have been certain incidences of non-compliance, which shall be rectified, the present shortfall requires a revision in the load shedding protocol. Further, the said analysis undertaken by MSEDCL suggests that the Akshaya Parakash Yojana scheme should be closed down. On the issue of unexpected rise in demand, Shri. Pandey submitted that the rise in temperature in North India has severely reduced the overdrawal limits of MSEDCL. Further, incidences of EHV openings, agricultural consumers increasing their capacity by a large denomination, large scale use of inverters, have led to the shortfall which has risen to about 6800 MW. Shri. Pandey undertook to submit to the Commission the aforesaid data, and the analysis undertaken by MSEDCL.

3. Shri. Sonawane submitted that MSEDCL has floated tenders on April 2, 2007 to undertake power procurement within for the ensuing 13 months. The Commission enquired as to why the said tenders were floated in April 2007 when the tie-up was up to March 2007. Shri. Sonawane submitted that they had initiated tie-ups for April 2007 also e.g., 100 MW of infirm power from Sikkim for 6 hours; 50 MW RTC power from Tamil Nadu; 50 MW firm power from WSEB to meet the demand from 5.00 am to 8.00 am. Further, 150 to 250 MW have been acquired from one unit of MBPI on an RTC basis and 300 MW infirm power from the other unit of MBPI. MSEDCL have raised tenders to separately avail supply of 500 MW to 600 MW from May 1, 2007 to May 6, 2007 and from June 1, 2007 to June 6, 2007; 500 MW to 600 MW from May 6, 2007 to May 6, 2007 and from June 1, 2007 to June 6, 2007; 500 MW to 600 MW from May 10, 2007 to May 17, 2007 and from June 10, 2007 to June 17, 2007; 500 MW to 600 MW from May 17, 2007 to May 21, 2007 and from June 17, 2007 to June 21, 2007; 500 MW to 600 MW from May 21, 2007 to May 24, 2007 and from June 21, 2007 to June 24, 2007. Though the availability would not be continuous in nature, it would ensure maximum supply of power when the supply is available. The Commission directed MSEDCL to submit details of energy availability source-wise and month-wise which MSEDCL has identified

since February 2007 to meet peak and off-peak demand. Shri. Sonawane undertook compliance for submitting the said details. Shri. Sonawane further submitted that MSEDCL would implement Akshaya Prakash Yojnas to provide steady power for three months. Shri. Ajay Pandey submitted that the Commission may fix/ determine a category-based ratio based on which increased load shedding may be undertaken, should situation so arise. The Commission observed that no such category-based ratio may be provided. The existing load shedding protocol has already reached maximum limits. MSEDCL, on the contrary, may make necessary representations before the Government of Maharashtra for procurement of adequate quantum of power. The Commission observed that from the months following September 2007, MSEDCL should be in a position to both record the rise in demand, and plan the load shedding hours, feeder-wise. Since MSEDCL is operating on strategies based on uncertainties and unpredictable technicalities, there is no requirement for revising the principles and protocol for load shedding. The Commission observed in dismay that MSEDCL has time and again failed to predict its load. Revision in the load shedding protocol cannot be allowed based on the vague and varying data projected by MSEDCL. This inefficiency in predicting energy demand is the chief cause of MSEDCL resorting to EHV openings and UFR operations. Citing the 16th EPS report and other MSEB committee reports, Shri. Pandey submitted that MSEDCL has initiated various demand forecasting mechanisms in the past. Estimated demand has varied from actual demand by 3% to 4% only. However, the situation of MSEDCL is difficult when supply of power, as contracted for, is not available. Further, the present situation in the Central Grid is such that MSEDCL cannot undertake any emergency overdrawal.

4. Shri. S.L. Patil, Thane Belapur Industries Association, submitted that the data provided by MSEDCL in the present application is very frivolous. The said data does not reveal the actual demand and the actual supply that is subsisting in the area of supply of MSEDCL. MSEDCL has not been able to limit/ control transmission and distribution losses. In spite of repeated directives issued in the regard, MSEDCL has not maintained grid discipline. MSEDCL has not been seriously initiating their capacity addition programmes.

5. Shri. R.P. Goenka, Vidarbha Industries Association, submitted that the data submitted by MSEDCL under the present application is baseless. The said data does not substantiate the plea of MSEDCL for revision in the load shedding protocol. Referring to the peak demand projections submitted by MSEDCL during the MYT tariff determination process, Shri. Goenka submitted that peak load normally undergoes a gradual decline from the month of December in each year and on the implementation of adequate DSM schemes, the said peak load further decreases. The contentions of MSEDCL that their peak load has risen in the month of April 2007, is false. If such a situation has genuinely arisen, MSEDCL should be put to the strictest proof as to whether the same is actually attributable to rise in demand. The load projections submitted under the present application are not based on scientific standards. MSEDCL has failed to ensure adequate supply from generation units as per contractual schedule. MSEDCL should be directed to control the distribution losses that are sustained in their distribution business. Industrial consumers should not be subject to second staggering day owing to MSEDCL failing to control their distribution losses.

6. The Commission enquired of the officials present on behalf of SLDC to submit adequate information/ data vide which it can be ascertained that TPC has been undertaking excessive drawal from the Grid. The submission of the said data was directed by the Commission during the hearing held in Case No. 1 of 2007 on April 12, 2007. Shri. Barbole, SLDC, submitted that the frequency in the said overdrawals of from the Grid has reduced since April 2007 and presently, TPC has not been overdrawing from the Grid. However, Shri Barbole submitted that the required data is available in the official website of SLDC. Shri. Ajay Pandey, MSEDCL, submitted that MSEDCL shall submit the required data in due course of time.

7. Shri. Satej Patil submitted that MSEDCL should initiate Akshaya Prakash Yojnas again. MSEDCL has wrongfully contended that the said scheme has not failed. The Commission should reject the present application and not increase the load shedding hours. The Akshaya Prakash Yojna should re-commence at Kolhapur.

8. Shri. Prasanna Tambe submitted that the projections made by MSEDCL to substantiate a revision in the load shedding protocol are totally baseless. Despite the institution of local committees to monitor the implementation of load shedding protocol, it has been observed in Dombivli that the duration of load shedding carried on daily in one wing of a building is different from duration of load shedding carried on daily in another wing of the same building. The Commission should issue appropriate directions to reduce the supply in various malls located in Mumbai. The Commission should further initiate appropriate action under Section 142 and 146 against MSEDCL, on their repeated violation of the directions issued by the Commission with regard to reduction in transmission and distribution losses.

9. Shri S.N. Mhatre, Shri S.K. Saxena, and Shri. Mahabir submitted that increased load shedding hours in the areas of Kanjurnarg, Bhandup and Mulund, has adversely affected the industrial consumers and workers in the said areas. The business of continuous-process industries has been severely affected. The Commission should direct MSEDCL to connect industrial consumers and residential consumers on separate feeders for.

10. Shri Anmol Bhushan, Shri. Manmohan Agarwal, Shri. Manoj Kotak, Shri. Vishwanath Mhaske, Shri M.R. Khambete and Shri B.J. Singh submitted that MSEDCL should not discriminate against their industrial consumers located in Mulund, Bhandup and Kanjurmarg discriminately. The said consumers should be subjected to the same load shedding protocol that subsists in other parts of Mumbai.

11. Shri. Yogesh Kaitra submitted that MSEDCL should not be directed to provide any new connection in the current scenario where schemes like Akshaya Prakash Yojnas are being terminated.

12. Shri Pratap Hogade submitted that the rise in the demand-supply gap is not attributable to rise in demand, but to shortage of availability. On several enquiries it has been found that MSEDCL's planning is based on presumptions and assumptions.

Consumers should not be made to suffer due to the inadequate planning and management of MSEDCL. MSEDCL has failed to implement the second staggering day which industrial consumers have been directed to observe. The Commission should reject the present application of MSEDCL. The Commission should issue directives creating limitations on the use of air conditioners and supply of power to the various malls located in Mumbai. MSEDCL has incurred distribution losses to the tune of about Rs. 3,600 Crores of losses. Punitive action must be taken against MSEDCL, its directors, managers and officials.

13. Shri Sanjay Mehta, representing the interest of TDC, an industrial park located in Mumbai, submitted that no additional staggering should be introduced on industrial consumers connected to express feeders.

14. Shri R.R. Shenoy submitted that directions may be issued under Section 23 of the EA 2003 requiring MSEDCL to subject the consumers of Thane District to the same load shedding hours as applicable in other areas of Mumbai.

15. Shri Ashok Patil, President of Maharashtra Rajya Irrigation Federation submitted that a power emergency may be declared over the distribution area of MSEDCL. Energy should be supplied only to those industries which contribute to the industrial growth in Maharashtra. Industries that are running into losses should not be provided with supply of power. MSEDCL should be required to justify the termination of the Akshaya Prakash Yojnas, the termination of which has caused grave harm and loss to agricultural consumers. Agricultural consumers should not suffer on account of the improper planning of MSEDCL. The Commission should reject the present application of MSEDCL.

16. Shri. Babasaheb Patil submitted that the Akshaya Prakash Yojnas was successful in Kolhapur. The said scheme should not be stopped in the said area. There should be continuity in supply of power to agricultural consumers. Further, agricultural consumers should have the right to decide the time slot during which of continuous supply should be

provided to them. There should be equitable distribution of load shedding in rural and urban areas.

17. Shri R.B. Kachare and Shri. B.R. Patil endorsed the submissions of Shri. Vijay Patil and submitted that increased load shedding has affected water supply in agricultural areas. Adequate power supply should be provided to agricultural consumers inasmuch as ensuring no inadequacy in water supply. Load shedding should be reduced in agricultural dominated areas.

18. Shri P.R. Kohale submitted that the industry sector in Maharashtra is the highest tax payer and should be provided with adequate supply.

19. Shri. Milind Chimote submitted that the since sufficient revenue is generated from the industries located in the Amravati District, there should not be any discrimination between the Amravati District and other districts in Maharashtra, so far as load shedding protocol is concerned. The Amravati District should be categorised as an urban and industrial agglomeration in line with Pune, Nagpur, Nashik and Thane.

20. Shri. Pramod Pandey, submitted that the Commission should direct MSEDCL not to continue with the new concept of emergency load shedding.

21. Shri. Ashil Relewat submitted that small scale industries contribute a lot to State revenue. The second staggering day should not be implemented on these industries. The small-scale industries should be provided with continuous power supply atleast for duration of 8 hours.

22. Shri. Subrat Ratho, MD-MSEB Holding Company, submitted that the date-wise hourly data recording the incidences of excess drawal done by TPC are available in the official website of SLDC. Officials of MSEDCL have been convening meetings with officials of TPC to resolve the said issue. Written notices have been sent to TPC in this

regard. The Commission observed that stringent action will be taken against TPC should the Commission come to a finding that TPC has undertaken overdrawal.

The hearing in the above matter concluded thereafter.

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