

RECORD OF PROCEEDINGS

DATE OF HEARING : July 4, 2007 at 11.00 hrs
CASE No. : 13 of 2007
PETITIONERS : Maharashtra State Electricity Distribution Company Limited (“MSEDCL”)
RESPONDENTS : 1. Maharashtra State Electricity Transmission Distribution Company Limited (“MSETCL”)
2. Tata Power Company Limited (“TPC”)
3. Reliance Company Limited (“REL”)
4. Brihan Mumbai Electricity Supply and Transport Undertaking (“BEST”)

MATTER : Petition of MSEDCL seeking permission for payment of transmission service charges in three installments i.e., 1/3rd of the bill amount on the 7th, 14th and 21st day of the following month, and further, applicability of surcharge only on default in the payment of scheduled installments

QUORUM : Chairman, Member (T) and Member (F)

MSEDCL filed a Petition on June 7, 2007 seeking permission for the payment of transmission service charges in three installments i.e., 1/3rd of bill amount on the 7th, 14th and 21st day of the following month, and further, applicability of surcharge only on default in the payment of scheduled installments. MSEDCL filed statements of (i) week-wise average cash flow (February 2007 to April 2007) and (ii) average outgoing during the respective weeks, in support of their aforesaid Petition. The Commission vide its Notification dated June 15, 2007 directed MSEDCL to serve a copy of their Petition to MSETCL, TPC, REL, and BEST and scheduled the hearing of the matter for July 4, 2007 in the presence of consumer representatives authorised on a standing basis under the Electricity Act, 2003 (“EA 2003”). Notices were issued accordingly.

2. At the hearing held in the matter on July 4, 2007, Shri. V.R. Shiroorkar, General Manager(F)-MSEDCL, referred to the various cash flow difficulties – payment of interests towards working capital loans, delay in the recovery of amounts from consumers, etc., – that do not enable full payment of transmission service charges (which comes in the vicinity of Rs. 121 crores) on the 7th day of the month. The Commission enquired of the representatives present on behalf of MSEDCL as to whether a consensus from all licensees has been achieved for the staggered mode of payment of transmission charges (7th, 14th and 21st day of the month). Referring to the discussions in the Grid Committee Meetings dated October 13, 2006 and November 21, 2006 during which consensus of MSETCL, REL and BEST was recorded on the issues raised under the Petition, Shri. Shiroorkar submitted that MSEDCL has received written consent for

staggered mode of payment of transmission service charges from REL and BEST. However, no consent from TPC has yet been received.

3. Shri. J.D. Kulkarni, TPC, submitted that MSEDCL has obtained consent from entities that are required to pay transmission service charges. However, MSEDCL is required to obtain consent from the transmission licensees, viz. MSETCL and TPC, primarily, which receives transmission service charges. He also stated that TPC did not agree to the proposal in the Grid Coordination Committee meeting referred to by MSEDCL representative.

4. The Commission enquired of the representatives present on behalf of MSETCL as to whether the request of MSEDCL, considering their difficulties, can be accommodated. It was observed by the Commission that MSETCL did not have any clarity in the stand to be taken so far as the prayers of MSEDCL are concerned. The Commission directed MSETCL to obtain the consent of the transmission licensees and make written submission of their final stand in the matter within two weeks of date of hearing.

The hearing in the matter was adjourned thereafter.

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List of Persons present at the hearing on July 4, 2007

1. Shri. R.K. Shenoi, V.P., REL.
2. Shri. V.A. Semilatty, Dy Mgr, REL.
3. Shri. A.V. Deshpande, C.G.M., MSETCL.
4. Shri. P.G. Khandalkar, Director (F), MSETCL.
5. Shri. R.R. Khedkar, SE (STU), MSETCL.
6. Shri. R.N. Munde, SE (Kalwa), SLDC.
7. Shri. B.V. Patil, MSEDCL.
8. Shri. P.H. Aher, Dy EE, MSEDCL.
9. Shri. S.G. Kelkar, CE (O&M), MSEDCL.
10. Shri. S.D. Talnikar, Jt CAO (IF), MSEDCL.
11. Shri. C.M. Gadkari, Jt CAO (LM), MSEDCL.
12. Shri. V.R. Shirborkar, GM (F), MSEDCL.
13. Shri. K.N. Rajgopal, DCE, BEST.
14. Shri. S.B. Dhake, ACAO, BEST.
15. Shri. S.D. Darve, BEST.
16. Shri. V.T. Phirke, EE, MSETCL.
17. Shri. Sandeep Dharma, AGM, Feedback Ventures.
18. Shri. J.D. Kulkarni, DGM, TPC.
19. Shri. V.H. Wagle, Mgr, TPC.