

RECORD OF PROCEEDINGS

DATE OF HEARING : December 20, 2007 at 11.00 hrs
CASE NO. : 75 of 2007
PETITIONERS : Maharashtra Chamber of Commerce, Industries and
Agriculture (“MCCIA”)
RESPONDENTS : None
MATTER : Petition filed by MCCIA seeking certain
clarifications of the Order dated October 3, 2006 in
Case Nos. 25 and 53 of 2005, with regard to supply
on single point to commercial building/ industrial
complexes for mixed load

CORAM : Dr. Pramod Deo, Shri. A. Velayutham, Shri. S.
B. Kulkarni

MCCIA filed a Petition on November 28, 2007 seeking certain clarifications of the Order dated October 3, 2006 in Case Nos. 25 and 53 of 2005, with regard to supply on single point to commercial building/ industrial complexes for mixed load. The Commission scheduled the hearing in the matter for December 20, 2007 in the presence of the Maharashtra State Electricity Transmission Company Limited (“MSETCL”), the Maharashtra State Electricity Distribution Company Limited (“MSEDCL”), Reliance Energy Limited (“REL”), the Tata Power Company Limited (“TPC”), the Brihan Mumbai Electricity Supply and Transport Undertaking (“BEST”), Mula Pravara Electric Co-Operative Society Limited (“MPECS”) and four consumer representatives authorized on a standing basis under the Electricity Act, 2003 (“EA 2003”). Notices were issued accordingly.

2. At the hearing held in the matter on December 20, 2007, Shri. Abhay Nevagi, Advocate for MCCIA, submitted that clarification may be issued by the Commission as to whether, in case of HT consumers located in one commercial building, supply should be through separate transformers or through one common transformer. The Commission observed that MCCIA should have addressed these issues with the concerned distribution licensee. MCCIA should apprise the Commission as to whether MCCIA seeks any modification of the MERC (Electricity Supply Code and Other Conditions of Supply) Regulations, 2005 (“Supply Code Regulations”). It should be clarified as to whether any industrial consumer or any distribution licensee is facing any difficulty in the implementation of the Supply Code Regulations.

3. Shri. Jayant Deo, MCCIA, submitted that after the passing of the Order dated October 3, 2006 in Case Nos. 25 and 53 of 2005, distribution licensees have not been adopting a uniform system to supply HT consumers in a commercial building. It was submitted that BEST and TPC have adopted a mechanism to provide supply to such consumers through single point. REL in the alternative has maintained a stand that supply in case of such HT consumers may be possible through single point only under the limited distribution franchisee model. So far as MSEDCL is concerned, the system that is

adopted in this regard is not consistent, and is varying circle-wise. Representing the case of IT companies, which are desirous of commencing/expanding their businesses in the area of supply of REL, and seeking HT industrial tariff, Shri. Deo submitted there is no clarity on how single point supply may be provided. It was submitted that though the Supply Code Regulations require distribution licensees to issue Conditions of Supply, REL has not made its Conditions of Supply available for public view on its website.

4. On an enquiry made by the Commission, Shri. Jayant Deo submitted that the existing Conditions of Supply of distribution licensees are silent on the issue of whether supply to HT consumers located in a commercial building shall be through separate transformers or on a single point.

5. On an enquiry made by the Commission, Shri. R.G. Sonawane, S.E.-MSEDCL, submitted that in cases where supply is being provided to two HT consumers through one transformer, MSEDCL has required the execution of a tri-partite agreement.

6. The Commission observed that the provision of separate transformer for each HT industrial consumer located in one commercial building may not be technically feasible. Inadequacy of space is the main difficulty in this regard. It was observed that however, separate metering is essential for issues connected with the application of tariff. There is no technical or legal necessity for providing separate transformers for each HT consumer located in a commercial building.

7. Shri. A.G. Patil, BEST, submitted that at present, in the BEST area of supply, HT consumers are allowed to avail supply through separate transformer. Considering a situation where various consumers (HT and LT) are located in a commercial building, there is no need for supply through separate transformers. BEST is in the process of finalizing draft franchisee agreement to be executed by the owner of the building (as the franchisee for the individual consumers) and BEST. It was submitted that, at the present juncture, a proper system has not been put in place on whether such HT consumers shall be supplied through individual transformer or through a common transformer.

8. Responding to the submissions of Shri. A.G. Patil, Shri. Jayant Deo submitted that a proper system must be promptly put in place. The number of IT companies whom MCCIA is representing desire to commence their operations very soon. It was submitted that the technical design that is required to be prepared by the distribution licensee shall have bearing on the building plans, so far as supply to HT consumers in new buildings are concerned. Shri. Jayant Deo further submitted that as per CEA regulations, meters should be installed conspicuously for consumers to control consumption. The Commission observed that licensees would be in a position to install meters at a conspicuous location in the consumer's premises, in the case of new establishments. In the case of old buildings, the distribution licensees should take appropriate steps to re-install meters.

9. Shri. Kapil Sharma, REL, submitted that as meter is to be provided on HT side of transformer, it can not be shared by the consumers. SoP provisions mandate HT supply above certain load limits and as per definition of point of supply in Supply Code. As point of supply is at HT side, meter is to be provided on HT side. Therefore, it necessitates separate transformer for individual HT consumer. Shri. Jayant Deo submitted that as per definition of point of supply, metering at LV side for HT consumers is permitted as per the definition of point of supply. REL submitted that in this case separate switchgear is required to be installed by each consumer, but this does not overcome difficulty of space constraint. Shri. Pandya, REL, submitted that consumer can opt for LT supply in this case. Shri. Jayant Deo submitted that for such cases LT Tariff would be applicable which is costlier as compared to HT Tariff.

10. The Commission observed that considering the necessity of supplying HT consumers on single point (separate HT transformer) to ensure the applicability of HT tariff, the existing Regulations may need to be accordingly modified. Various issues need to be considered as a whole. The availability of space is of paramount concern. The Commission directed all distribution licensees to form a Working Group constituted by one representative per distribution licensee. Each member licensee shall submit within one month, suggestions in writing on how HT consumers in a commercial building can be supplied through a common transformer without disturbing the requirements necessary in the applicability of HT tariff, vis-à-vis meeting stipulated performance standards on voltage level and contract demand. The Working Group shall collate all the suggestions and submit a draft to the Commission for approval. Approval to the same shall be considered after inviting public opinion.

11. Shri. Abhay Nevagi sought an order of status quo in view of a case as reported in the Times of India (Pune Edition) and *the Sakal* on December 20, 2007 [copies filed and served upon MSEDCL]. It was submitted that, in the said case, the owner of a building, being an HT industrial consumer, has been accused of illegally supplying and arbitrarily billing 16 tenants, without the installation of separate meters. The Commission directed MCCIA to file appropriate proceedings seeking reliefs for the said matter, and directed MSEDCL to submit in writing within two days, as to whether MSEDCL has sought for any clarification before the Commission on the said case and what steps it has taken to prevent such illegalities. Shri. Abhay Nevagi undertook to institute separate proceedings in this regard.

12. Shri. Deo submitted that prayers under Relief clause A (2), (3) and (4) should also be granted by the Commission. The Commission observed that regulations on open access consumption are already in place. Operational issues in the implementation of the said regulations may be addressed before concerned licensees.

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List of Persons present during the hearing held on December 20, 2007

1. Shri. Abhishek Khare, Advocate for MSEDCL.
2. Shri. Sunil Bhagwat, Lodha Group of Companies.
3. Shri. S.S. Dhande, SE (Dist), MSEDCL.
4. Shri. S.B. Mali, BEST.
5. Shri. R.U. Patil, BEST.
6. Shri. B.A. Shaikh, BEST.
7. Shri. Abhishek Srivastava, REL.
8. Shri. R.G. Malame, EE (TRC), MSEDCL.
9. Shri. R.G. Sonawane, SE, MSEDCL.
10. Shri. A.G. Patil, BEST.
11. Shri. K. Shenoy, REL.
12. Shri. D.S. Khalap, BEST.
13. Shri. C.H. Shinde, BEST.
14. Shri. K. Vinodraj, BEST.
15. Shri. N. V. Bhandari, BEST.
16. Shri. P.S. Pandya, Consultant, REL.
17. Shri. Kapil Sharma, Head-Regulatory Affairs, REL.
18. Shri. Jayant Deo, MCCIA.
19. Shri. Abhay Nevagi, Advocate for MCCIA.
20. Shri. Yogesh Paranjape, Advocate for MCCIA.
21. Shri. Hrishikesh Mirashi, Advocate for MCCIA.
22. Shri. S.M. Gadgil, MCCIA.
23. Shri. S.R. Khedkar, BEST.
24. Shri. S.G. Dhishe, BEST.
25. Shri. P.V. Anvekar, TPC.