BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION, MUMBAI

PETITION No. of 2019

IN THE MATTER OF

Petition for Non-Compliance of the Hon'ble MERC Order dated 19.03.2018 (in case no. 114 of 2016) under Section 142 & 146 of EA 2003 by Indian Railways.

Maharashtra State Electricity Distribution Co. Ltd.

... Petitioner

Vs.

Indian Railways, Govt. of India

... Respondent No. 01

And

Maharashtra State Load Dispatch Center

... Respondent No. 02

Petition filed by Maharashtra State Electricity Distribution Company Ltd.

I, Paresh R Bhagwat, aged 46 Years, having my office at MSEDCL, Prakashgad, Plot No. G-9, Anant Kanekar Marg, Bandra (E), Mumbai-400051 do solemnly affirm and say as follows:

I am Chief Engineer (Power Purchase) of Maharashtra State Electricity Distribution Co. Ltd., the Petitioner in the above matter and am duly authorized by the said Petitioner to make this affidavit.

The statements made in the enclosed Petition for Non-Compliance of the Hon'ble MERC Order dated 19.03.2018 (in case no. 114 of 2016) are based on the information received from the concerned officers of the Company and I believe them to be true.

I say that there are no proceedings pending in any court of law/tribunal or arbitrator or any other authority, wherein the Petitioner is a party and where issues arising and /or relief sought are identical or similar to the issues arising in the matter pending before the Commission.

I solemnly affirm at Mumbai on this 17 day of January, 2019 that the contents of this affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

NOTARY RANJEET SINGH SANTACRUZ (E), MUMBAI M.S. Regd. No. 9136 Exp. Dt. 20/10/2021 GOVT. OF INDIA

Deponent
Chief Engineer (Power Purchase)
M. S. E. D. C. L.

Identified before me

BEFORE ME

RANJEET SINGH
M.Sc.LL.B
NOTARY
MAHARASHTRA
GOVT. OF INDIA

17 JAN 2019

NOTARY RANJEET SINGH SANTACRUZ (E), MUMBAI M.S. Regd. No. 9136 Exp. Dt. 20/10/2021 NOTARIAL

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1. Background

1.1 Maharashtra State Electricity Distribution Company Limited (hereinafter to be referred "MSEDCL") is a Company constituted under the provisions of Government of Maharashtra General Resolution No.

PLA – 1003 / C. R. 8588 dated 25th January 2005 and is duly registered with the Registrar of Companies, Mumbai on 31st May 2005. MSEDCL is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged, within the framework of Electricity Act, 2003, in the business of distribution of electricity to its consumers situated over the entire State of Maharashtra, except Mumbai City & its suburbs (excluding Mulund & Bhandup).

1.2 MSEDCL had filed a Petition, citing Regulations 92 and 94 of the MERC (Conduct of Business) Regulations, 2004, on 19th August, 2016 with regard to issues arising from over-drawl by Indian Railways from the Grid and the need for an arrangement for stand-by supply.

1.3 Hon'ble Commission in its daily order dated 05.01.2017 has directed MSEDCL, MSLDC and Indian Railways, GoI to sit together to resolve the issues of stand-by supply arrangements of Indian Railways, and the calculations and levy of Transmission Charges and Losses for over-drawl of power over and above the injected ex-bus generation on account of tripping of RGPPL or any other reasons.

1.4 Further, parallely, as per the recommendation of 33rd WRPC to resolve the issue; a special meeting was held at WRPC, Mumbai office on 22.02.2017. In the meeting,

the stakeholders discussed details of the arrangement of alternate Power supply to Indian Railways. It was agreed in the meeting that

.....

The power scheduled by Indian Railways shall be billed by the states to IR as per the temporary tariff as notified by their respective Hon'ble State Electricity Regulatory Commission and IR shall settle the same with the States.

The above arrangement between Indian Railways and the states is being made under temporary tariff and shall be treated as a special case.

.....

1.5 Further, Hon'ble Commission, during the hearing held on 9th March, 2017 (in the matter of 114 of 2016), Indian Railways also stated that, at the WRPC meeting, it had agreed to sign an Agreement with MSEDCL for supply of power in the event of RGPPL tripping.

1.6 Accordingly, a draft Standby Power Supply Agreement has been submitted to Indian Railways. However, vide letter dated 27.06.2017, Indian Railways told that it is not possible for Indian Railways to enter a standby power supply agreement as it will attract huge fixed charges liability on the Indian Railways.

1.7 In the 34th WRPC meeting held on 28 July 2017; the matter was discussed to resolve the issue and it was minute in the meeting as under

....

Maharashtra may explore some other tariff other than the existing Temporary category tariff, which is on a monthly basis, so that the Indian Railways' requirement of four to five hours temporary supply is charged at reasonable rates.

....

1.8 Accordingly, a meeting was held on 05.08.2017 @ 14:30 hrs at MSEDCL Corporate Office, Fort, and Mumbai. In this meeting, MSEDCL has proposed following options to Indian railways for standby power supply:

- Temporary Tariff as determined by MERC and agreed by IR in the Special Meeting on 22.02.2017 at WRPC, Mumbai.

- In line with present standby power support by MSEDCL to Mumbai distribution Utilities.

MSEDCL, vide email dated 14.08.2017, has sent the Minutes of Meeting (MoM) to Indian Railways. However, there was no response from Indian Railways.

1.9 After detailed hearing, Hon'ble Commission, vide its order dated 19.03.2018 (Case No. 114 of 2016) has directed as under:

> *15.8 "...there is prima facie no reason to discriminate in favour of the Indian Railways in the Demand Charge applicable to Temporary category supply, in terms of Section 62(3) of the EA, 2003.*
>
> *15.9 Indian Railways is also at liberty to source stand-by power through a separate arrangement with any other Generator or entity which it considers to be more financially beneficial to it, provided that arrangement adequately addresses the circumstances discussed above.*
>
> *15.10 In the absence of such a stand-by arrangement with MSEDCL or other entity, MSLDC shall take appropriate steps to curtail the drawal of Indian Railways and limit it to the availability of the Generator(s) contracted by it."* **(Annexure-I)**

2. Basis of Review Petition and MSEDCL Submission

2.1 It is submitted that Hon'ble Commission, vide its Order dated 19.03.2018 (in case no. 114 of 2018) has given liberty to Indian Railways to source stand-by power through a separate arrangement with any other Generator or entity which it considers to be more

financially beneficial to it and directed as under:

16. "....Indian Railways, being a part of the State Pool, shall fulfill its obligations towards maintaining Grid stability".

2.2 MSEDCL humbly submits that even after six (6) months of issuing the Commission order dated 19.03.2018 (Case No. 114 of 2016); Indian Railways has not signed any standby arrangement agreement till date. Further, during this period, Indian Railways has continued to over-draw from the Grid from time to time, which is not only affecting Grid security but also has financial implications on the other SPPs majorly to MSEDCL.

2.3 MSEDCL humbly submits that there are several instances when the contracted generators of Indian Railways tripped but Indian Railways has continued over-drawl of power from the grid. The details of these tripping is annexed as **Annexure –II.**

2.4 MSEDCL further submits that Hon'ble Commission, vide its order dated 19.03.2018 (Case No. 114 of 2016) has also noted that

"....

In the ordinary course, in pursuance of its obligations under Section 33 of the EA, 2003, ***MSLDC would have been expected to ask Indian Railways to curtail its load to match***

the reduced availability of its contracted Generator. However, for reasons best known to it, MSLDC has not done so. *Indian Railways cannot be allowed to continue to violate Grid discipline.*

.... "

2.5 MSEDCL submits that it is the responsibility of MSLDC to ask Indian Railways to curtail its load to match the reduced availability of its contracted Generator whenever the contracted source of Indian Railways (i.e. RGPPL and BRBCL) trips.

2.6 It is submitted that, in events of failure of contracted generators of Indian Railways (i.e. RGPPL and BRBCL), MSEDCL has informed MSLDC to instruct Indian Railways. The correspondences are annexed as **Annexure III**.

In spite of all these correspondences, MSLDC has not taken any concrete action against Indian Railways and has failed to perform its duty by allowing Indian Railways to over draw the power from the State Grid and also endangered the Grid stability.

2.7 It is humbly submitted that as per the Hon'ble CERC Notification dated 06.05.2016 (Deviation Settlement Mechanism and related matters) (Third Amendment) Regulations, 2016, to manage real time fluctuations in the Demand Supply, the over drawl quantum for the

Renewable Rich State is only 250 MW.

2.8 It is humbly submitted that Hon'ble Commission, vide Order dated 12.09.2018 in the matter of revision of Intra-State Transmission Tariff determined in Order dated 22 July, 2016 in Case No. 91 of 2016 in pursuance of Mid-term Review process (in Case no. 265 of 2018) has defined the Base TCR for different State Transmission System Users (TSUs). According, to this order, the Base TCR of Indian Railways is having 328.63 MW (i.e. 1.53% of the total Base Base TCR of the State) for FY 2018-19.

2.9 MSEDCL humbly that the purpose of the DSM Regulation is to meet out deviation in real time between scheduled drawl and actual drawl of the distribution licensees. Hence, it is expected that each and every distribution utilities will utilize this deviation limit in proportion to its Base Transmission Capacity Right (Base TCR) i.e. on the basis of average of CPD and Non CPD (demand).

2.10 MSEDCL humbly submits that it is observed that when the contracted generators of the Indian Railways (i.e. RGPPL or BRBCL) has tripped, Indian Railways has continuously over-drawn the power from the Grid to the full contracted capacity of the tripped generator i.e. about 200 to 300 MW which is more than 100% of its expected allowable limit on the basis of Base TCR (1.53% of 250 MW i.e. 3.82 MW). Due

to this it was very difficult to other state utilities including MSEDCL which is having @ 83.52% Base TCR to manage the real time deviation between scheduled drawl and actual drawl during that period.

2.11 MSEDCL submits that till date MSLDC has issued provision FBSM bill till 16.10.2016. According to this provisional FBSM Bill, the over drawl quantum of Indian Railways from the month of November 2015 to October 2016 is as under:

FY 2015-16	OD (Mus)	FY 2016-17	OD (Mus)
Nov-15	-0.870596	Apr-16	-8.136953
Dec-15	0.000000	May-16	-10.262469
Jan-16	-2.705970	Jun-16	-17.129368
Feb-16	-5.373047	Jul-16	-6.223139
Mar-16	-9.296266	Aug-16	-4.348937
		Sep-16	-1.375547
		Oct-16 (till 16.10.2016)	0.000000
Total	-18.245879	Total	-47.476412

Note: In FBSM, OD is shown by –ve sign.

2.12 It is submitted that as per FBSM data, the over-drawl quantum of Indian Railways is 18.24 MUs for FY 2015-16 and 47.47 MUs for FY 2016-17 (till 16.10.2016) resulting net over drawl of 65.72 MUs from November 2015 to 16th October 2016.

2.13 Further, it is submitted that even after the Hon'ble Commission Order dated 19.03.2018 (Case No. 114 of 2016), when the contracted generators of Indian Railways has failed several times till date. During this period of outage, Indian Railways is continuously over draw power from the state grid and the expected over-drawl quantum of Indian Railways is much higher than the 65.72 MUs.

3. Non-Payment of Standby Fixed Charges (As per Hon'ble Commission Order dated 12.09.2018 (in Case no. 195 of 2017)

3.1 MSEDCL humbly submits that Hon'ble Commission vide its order dated 12.09.2018 (in case no. 195 of 2017) has approved standby fixed charges of Rs. 12.38 Crs. for Indian Railways (Mumbai Area) for FY 2018-19. Accordingly, MSEDCL has raised standby fixed charges bill for the month from September 2018 to November 2018 as under:

Sr. No.	Month	Amount
01	September 2018	1.03
02	October 2018	1.03
03	November 2018	1.03
	Total	3.09

Annexure IV.

3.2 It is submitted that Indian Railways has not paid this amount till date. Hence, it is humbly requested that Hon'ble Commission may direct Indian Railways to pay this amount immediately along with the carrying cost and also pay the monthly standby fixed charges bill (For Mumbai Area) to MSEDCL regularly as per Hon'ble

Commission Order dated 12.09.2018 (in case no. 195 of 2017).

4. MSEDCL's Prayer

In view of the above, MSEDCL humbly pray for following relief

a) To admit the petition for non-compliance of Hon'ble Commission Order dated 19.03.2018 (in case no. 114 of 2018) as per Section 142 & 146 of EA 2003;

b) To direct Indian railway to sign Standby Agreement;

c) To direct Indian Railways to pay standby fixed charges bill alongwith carrying cost (for Mumbai Area).

d) To direct MSLDC to take immediate action against Indian Railways in case over-drawl by Indian Railways from the State Grid in the absence of standby arrangement;

e) To pass any other order/relief as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice;

f) To condone any error/omission and to give opportunity to rectify the same;

g) To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time;

Deponent
Chief Engineer (Power Purchase)
M. S. E. D. C. L.