



Maharashtra State Electricity Distribution Co. Ltd.

Prakashgad, Plot No.G-9, Bandra (East), Mumbai – 400 051

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Ref.No: SE/TRC/Z-20/5204

Date: 18/02/2010

To
The Secretary,
Maharashtra Electricity Regulatory Commission,
13th Floor, World Trade Centre,
Cuffe Parade, MUMBAI-400 005

Sub: Petition for determination of Reliability charge for withdrawal of load shedding in the District Headquarters of MSEDCL license area.

Respected Sir,

MSEDCL has implemented Zero Load Shedding in the Head Quarters of the Revenue Divisions as per Hon'ble Commission's Order dated November 30, 2009 in Case No. 31 of 2009. As a next step towards the phase – wise reducing / eliminating Load Shedding in the State, MSEDCL is now proposing to withdraw load shedding of District Head Quarters.

MSEDCL is herewith filing a proposal for withdrawal of Load Shedding in the District Headquarters of MSEDCL license area having DCL group A,B,C and D as per Principles & Protocols of Load Shedding and proposing Reliability Charges to be recovered thereof.

The requisite fees of Rs. 10,000/- (Ten thousand only) is enclosed herewith vide Pay Order No. 184121 dated 05/02/2010.

Thanking you,

Yours faithfully,

Executive Director (Commercial)
MSEDCL

Encl: As above.

**BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI**

**FILING NO.
CASE NO.**

**IN THE MATTER OF SECTION 62 (3), SECTION 62 (4), SECTION 86 (1) (B) &
SECTION 94 (2) OF THE ELECTRICITY ACT, 2003**

AND

IN THE MATTER OF CLAUSE 8.2.1 OF THE TARIFF POLICY

AND

**IN THE MATTER OF DETERMINATION OF RELIABILITY CHARGE FOR
WITHDRAWAL OF LOAD SHEDDING IN THE DISTRICT HEADQUARTERS OF
MSEDCL LICENSE AREA.**

AND

**IN THE MATTER OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION
COMPANY LIMITED, PRAKASHGAD, BANDRA (EAST), MUMBAI.**

I, **Abhijit Deshpande**, Aged 44 years, son of **Shri Jayant Deshpande**, 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 Executive Director (Commercial) of Maharashtra State Electricity Distribution Co. Ltd., the petitioner in the above matter and am duly authorized to make this affidavit.

All the other necessary details as specified in the petition 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 Petitioners are the Party and where the 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 18th February, 2010 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.

Executive Director (Commercial)
MSEDCL

Identified before me

**BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

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Case No. : _____

IN THE MATTER OF SECTION 62 (3), SECTION 62 (4), SECTION 86 (1) (B) &
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IN THE MATTER OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION
COMPANY LIMITED, PRAKASHGAD, BANDRA (EAST), MUMBAI – 400 051.

**MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
RESPECTFULLY SUBMITS AS FOLLOWS:**

- 1) Maharashtra State Electricity Distribution Company Limited (MSEDCL) is a Company constituted under the provisions of Government of Maharashtra, General Resolution No. PLA-1003/C.R.8588/Energy-5 dated 25th January 2005 and is duly registered with the Registrar of Companies, Mumbai on 31st May 2005.
- 2) MSEDCL is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged, within the framework of the Electricity Act, 2003, in the business of Distribution of Electricity to its consumers situated over the entire State of Maharashtra, except Mumbai City and its suburbs & License area of Mula Pravara Electric Co-operative Society Limited.

A. Background of Zero Load Shedding

- 3) MSEDCL submits that the Hon'ble Commission by its Interim Order dated 30th May 2008, followed by Final Order dated 23rd March 2009 (Case No. 10 of 2008) had permitted MSEDCL to implement "Zero Load Shedding (ZLS)" in the area of Thane Urban Circle & Vashi Circle, against recovery of "Reliability Charge" from the consumers situated in the said Circles, during the period 1st June 2008 to 31st May 2009.
- 4) MSEDCL further submits that, the Hon'ble Commission by its Order dated 20th June 2008 (Case No. 5 of 2008), had similarly permitted MSEDCL to implement "Zero Load Shedding (ZLS)" in the area of Ganeshkhind Circle, Pune & Rasta Peth Circle, Pune, against recovery of "Reliability Charge" from the consumers situated in the said Circles during the period 4th April 2008 to 31st May 2009.
- 5) MSEDCL submits that, for the purpose of implementation of "Zero Load Shedding (ZLS)" as above, vis-à-vis procurement of power for the same, MSEDCL had appointed region – wise independent interim franchisees to implement the ZLS in a more smooth and efficient way.
- 6) MSEDCL states that, as requested by the said Interim Franchisees, MSEDCL had approached the Hon'ble Commission for continuation of said arrangement of procurement of power through interim franchisee for implementing "Zero Load Shedding" in the area of above mentioned Circles beyond 31st May 2009 (Case No. 18 of 2009 & Case No. 19 of 2009).
- 7) MSEDCL further submits that, during preliminary hearing of the said Petitions (Case No. 18 & 19 of 2009), the Hon'ble Commission permitted conditional extension to the scheme of implementation of Zero Load Shedding directing MSEDCL to file a comprehensive Petition covering various issues highlighted by the Hon'ble Commission including the steps taken by MSEDCL to minimize Load Shedding and a "roadmap" for the same.
- 8) MSEDCL submits that, accordingly MSEDCL had filed an exhaustive Petition (Case No. 31 of 2009) before the Hon'ble Commission proposing to revise the scope of the then followed "Zero Load Shedding" models by introducing "Zero Load Shedding" in the area covered by the Head Quarters of the Revenue Divisions of Petitioner Company's license area, i.e. the cities like Nagpur, Amravati, Aurangabad, Nasik, Pune, & Thane, including the suburban Cities like Mulund, Bhandup, etc.

- 9) MSEDCL has submitted in the said Petition (Case No. 31 of 2009), for withdrawal of Load Shedding from the Head Quarters of the Revenue Divisions. It was submitted that the Petition should be treated as first step towards the phase-wise reducing/eliminating Load Shedding and accordingly had also submitted the roadmap for the same in the said Petition to be considered on priority basis as specified under:
- Headquarters of Revenue Division areas;
 - District Headquarters;
 - Municipal Corporation areas;
 - Other Areas having national and regional significance like tourist areas etc.
 - Taluka Headquarters;
- 10) The Hon'ble Commission vide its Order dated November 30, 2009 in Case No. 31 of 2009, approved the Reliability Charge for withdrawal of load shedding from December 1, 2009 to November 30, 2010 in the headquarters of Revenue Divisions in MSEDCL license area, **except Nasik** and the same is implemented by MSEDCL as under:

Table 1: Reliability Charges of Revenue Headquarters

Region	Reliability Charge	Implementation date
Nagpur	0.51	6th Dec 2009
Amravati	0.69	6th Dec 2009
Pune	0.21	10th Dec 2009
Thane	0.28	10th Dec 2009
Vashi	0.23	10th Dec 2009
Aurangabad	0.75	10th Dec 2009

- 11) MSEDCL has implemented Zero Load Shedding in the Head Quarters of the Revenue Divisions in phased manner (from 6th December 2009 & 10th December 2009) after making appropriate arrangement of procurement of additional power, initially on day ahead basis and subsequently MSEDCL has entered into contracts with Traders for procurement of power.
- 12) MSEDCL further submits that the Hon'ble Commission by the said Order dated 30th November 2009 has permitted MSEDCL to procure power on 12 hour basis, however the cost of procurement of power on 12 hours basis being obviously too high, MSEDCL has again approached the Hon'ble Commission to permit procurement of power on "Round the Clock" basis. MSEDCL submits that the Petition filed in this regard (Case No. 82 of 2009) has been admitted by the Hon'ble Commission and also conducted

preliminary hearing on 7th January 2010; however decision of the Hon'ble Commission is awaited.

- 13) MSEDCL craves leave of the Hon'ble Commission to refer to & rely up on the Petitions / Orders of the Hon'ble Commission referred here in above.

B. Present Proposal:

- 14) MSEDCL submits that as envisaged in the "roadmap for reduction of load shedding" and as a next step towards the phase – wise reducing / eliminating Load Shedding in the State, MSEDCL now proposes to withdraw load shedding of District Head Quarters against recovery of "Reliability Charge" from the beneficiary consumers.
- 15) In the Order dated 20th June 2008 in Case No. 72 of 2007, the Commission has approved MSEDCL's proposal for modification to the load shedding protocol and revised the groups and classifications on the basis of the distribution losses and collection efficiency as Group A, B, C, D, E & F.

Table 2: Classification of Group for Load shedding

Group	Weighted average distribution loss and collection efficiency level (DCL 70/30)	
	Other Region	Ag. Dominated
A	0% to 18%	0% to 21%
B	>18% to 26%	>21% to 29%
C	>26% to 34%	>29% to 37%
D	>34% to 42%	>37% to 45%
E	>42% to 50%	>45% to 53%
F	Above 50%	Above 53%

- 16) In line with the principles followed in the above order, MSEDCL has planned to implement the plan of reducing / eliminating Load shedding of District Headquarters based on the Group identified as per the Hon'ble Commission order dated 20th June 2008 alongwith Head Quarter of Revenue Division at Nasik as was proposed in Case no. 31/2009.
- 17) Considering the implementation on group wise basis, initially MSEDCL proposes to restrict the scheme of withdrawal of load shedding to such District Head Quarters having DCL group up to "D" only (i.e. Group A, B, C and D), and intends to extend the scheme to other areas also on a gradual time period.

- 18) In the present petition, the cities proposed to be covered under this new scheme of withdrawal of load Shedding are as under:

Table 3: Cities covered under the new Scheme

Sr. No.	City	Division	% DCL	Group
1.	Kolhapur	Kolhapur (U)	13	A
2.	Sangli	Sangli Urban	14	A
3.	Solapur	Solapur (U)	22	B
4.	Ratnagiri	Ratnagiri	24	B
5.	Sindhudurg	Kudal	25	B
6.	Chandrapur	Chandrapur	26	B
7.	Wardha	Wardha	24	B
8.	Ahmednagar	Ahmednagar (UCR)	26	C
9.	Bhandara	Bhandara	30	C
10.	Satara	Satara	30	C
11.	Buldhana	Buldhana	33	C
12.	Latur	Latur	40	D
13.	Akola	Akola (U)	38	D
14.	Washim	Washim	40	D
15.	Nanded	Nanded U	42	D
16.	Yavatmal	Yavatmal	43	D
17.	Revenue Head Quarter – RHQ of Nashik	Nashik U-I	16	A
18.		Nashik U - II	27	C
19.	Gadchiroli District	Bramhapuri	28	B
20.		Gadchiroli	37	C
21.		Allaplli	38	D

- 19) MSEDCL in Case No. 31 of 2009 had initially proposed to procure power in normal manner & to allocate the costliest power for the Zero Load Shedding scheme. MSEDCL hereby submits that for implementation of Zero Load Shedding scheme of District Head Quarters the Hon'ble Commission may, instead of directing MSEDCL to independently procure power as may be required for withdrawal of load shedding from the District Head Quarters, permit MSEDCL to continue power procurement process in normal manner and to allocate the costly power according to merit order dispatch for withdrawal of load shedding from the District Head Quarters.
- 20) In the alternative and on the basis of submissions made in the foregoing paragraph 12 of the present petition, MSEDCL by way of its Petition (Case No. 82 of 2009) has already submitted before the Hon'ble Commission the drawbacks of power procurement on 12 hours basis and has requested the

Hon'ble Commission to permit MSEDCL to procure power on RTC basis. Though the decision is still awaited, MSEDCL expects that the Hon'ble Commission will consider the said Petition in favourable manner. In line with the above petition, MSEDCL submits that for the purpose of mitigating load shedding from the District Head Quarters MSEDCL may please be permitted to procure power on RTC basis.

C. Legal & Regulatory Framework

21) National Tariff Policy

- The petition is based on the provisions of National Tariff Policy and the relevant clause 8.2.1. is extracted as under:

*"All power purchase costs need to be considered legitimate unless it is established that the merit order principle has been violated or power has been purchased at unreasonable rates. The reduction of Aggregate Technical & Commercial (ATC) losses needs to be brought about but not by denying revenues required for power purchase for 24 hours supply and necessary and reasonable O&M and investment for system up-gradation. **Consumers, particularly those who are ready to pay a tariff which reflects efficient costs have the right to get uninterrupted 24 hours supply of quality power...."***

- Thus, as can be seen from the above provision, the National Tariff Policy envisages that the consumers who have a willingness to pay have a right to uninterrupted supply of power. In other words, it can also be stated that the consumers who desires to have uninterrupted power supply can be levied certain additional charge. The basic premise here is the willingness of the consumers to pay for getting additional benefit.

22) Provisions of Electricity Act

- MSEDCL submits that the petition should be considered under Section 62(3), Section 62 (4), Section 86 (1) (b) and section 94 (2) of the Electricity Act 2003 as detailed below:

Section 62(3) states that *"The Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or **the geographical position of any area**, the nature of supply and the purpose for which the supply is required."*

- The particular section provides sufficient room for consideration of revised proposal and determines Reliability Charge by differentiating and using various factors. In the present petition, the purpose of supply is of utmost importance to the growth of the state of Maharashtra as a whole. These regions will be considered as one of the key drivers for development of the state and hence require special consideration.
- It is thus submitted here that, the case under consideration is special in nature and considering that the proposal is going to benefit a particular group of consumers, it merits a separate "Tariff Dispensation" from other consumers in the same category.

Section 62(4) stipulates "No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified."

- MSEDCL acknowledges that the change in tariff or levy of additional charge is governed by section 62 of the Electricity Act and it may not be possible to effect any change in the same more than once a year. However MSEDCL would like to humbly submit that the present proposal is not an "ordinary" proposal within the normal business operations of MSEDCL and hence warrants a special treatment and speedy dispensation from the Commission.

Section 86 (1) - "The State Commission shall discharge the following functions, namely: --

(b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;"

Section 94(2) states that "The Appropriate Commission shall have the powers to pass such interim order in any proceeding, hearing or matter before the Appropriate Commission, as that Commission may consider appropriate."

D. Approach and Methodology

- 23) MSEDCL submits that MSEDCL proposes to continue power procurement on normal basis and costly power as per merit order dispatch will be allocated

for withdrawal of load shedding of the District Head Quarters as it would be beneficial not only for the consumers who would be levied the Reliability Charge but would also be beneficial for other consumers of the State since the cost of power procurement to that extent would get reduced from the Aggregate Revenue Requirement of the MSEDCL.

- 24) MSEDCL submits that it proposes to procure additional power through the regular power purchase activity, based on the principles and protocols of load shedding (PPLS) existing at a given point of time, availability of power, seasonal variations etc. MSEDCL will allocate the costly power from its Merit Order Despatch to the District headquarters, such that the consumers of those regions will have to bear the additional cost only to the extent required for mitigation of load shedding on these areas.
- 25) MSEDCL would consider the following steps for working of the proposal as under:
- Estimate minimum requirement of power for maintaining PPLS;
 - Estimate the Power purchase requirement of the areas considered for withdrawal of load shedding;
 - Allocate costliest power from the power available through normal power procurement process, however without disturbing the prevailing PPLS as may be applicable to consumers situated in other areas;
 - Or in the alternative, procure additional power to mitigate load shedding in these particular areas (District Head Quarters);
 - After every quarter, reconciliation to be carried out to ensure complete recovery of the cost of power allocated / procured for implementation of the Zero Load Shedding exclusively from the beneficiary consumers, so that MSEDCL is revenue neutral in the entire process;
- 26) MSEDCL further submits that, by way of introducing "Zero Load Shedding" model for District Head Quarters, MSEDCL is now proposing to extend the scope of the existing "Zero Load Shedding" model for Head Quarters of Revenue Divisions and may approach the Hon'ble Commission to further extend the scope so as to include Municipal Corporation Areas, Taluka Head Quarters, etc. MSEDCL accordingly submits that it would therefore not be appropriate to have region specific Reliability Charge, which would obviously different for different regions, and therefore for the purpose of determination of Reliability Charge, all the District Head Quarters have been clubbed as per DCL rating in to four groups (A, B, C & D) and a uniform Reliability Charge for respective group has been estimated. Therefore, the calculation of Reliability charges has been estimated based on the identified District headquarters cities in Group A, B, C and D.

- 27) The National Electricity Policy and Tariff Policy require Commissions to facilitate marginal and poor consumers to increased access to electricity by prescribing reasonable tariffs. Paying capacity has a bearing on the reasonableness of the rates. As specified in the Table 2 of the present petition, MSEDCL submits that, although the region of Gadchiroli District has been included in the present proposal, however considering the consumer mix, the paying ability of the consumers, as well as being a badly affected naxalite area, the Additional Cost incurred for withdrawal of Load shedding in form of reliability charges will not be charged to the consumers of Gadchiroli District but the impact of the additional cost of power allocated to Gadchiroli District would be passed on to the other respective beneficiary consumers of DCL group "B, "C" and "D" since the divisions situated in said district belong to either "B, "C" and "D" group.
- 28) District Head Quarters presently having DCL rating as E & F have not been considered for the time being in the present proposal and will be considered after the DCL rating improves up to or above D or any such later stage.
- 29) MSEDCL had approached the Commission for withdrawal of Load Shedding in Nashik Division in Case No. 31 of 2009 in the matter of withdrawal of Load Shedding in the Headquarters of Revenue Divisions, however, in view of the objections and the rejection by the consumers, the Commission had not approved MSEDCL's proposal for Nashik region. Considering the request of the consumers, MSEDCL requests the Commission to reconsider Nashik Region for withdrawal of Load shedding and approve the Reliability Charge as was proposed in the said petition as 37 paisa per unit.
- 30) All Agricultural and Rural feeder in the area wherever Zero Load Shedding is proposed will be subjected to normal Load Shedding as per the existing PPLS.

E. Assumptions for Calculation of Reliability Charge

31) Period of model:

The proposal envisages allocation of costliest power available under normal power procurement process vis-à-vis implementation of Zero Load Shedding model for a period of one year from the date of issue of the order.

32) Load shedding protocol:

The existing principles and protocols of load shedding (PPLS) effective from 31st December 2009 (Circular No. of 29) are in line with the Scenario IV as specified in the order dated 28th November 2008 (Case no. 77 & 78 of 2008) and also outlined below:

Table 4: Load Shedding protocol – Scenario IV

Region	Other regions	Agricultural dominated regions
Groups	Hours	Hours
A	2.45	10
B	3.3	10.3
C	4.15	11
D	5	11.3
E	5.45	12
F	6.3	12

33) Power Requirement:

Based on this existing PPLS, the MW and MU requirement at the transmission periphery, for District Headquarters including Urban and Staggering feeder works out to be 127.11 MW on 24 Hr basis and 3.07 MU as shown in the below table:

Table 5: Power Requirement to Mitigate Load Shedding

Sr. No.	City	Group	MW	MU
1	Nashik	A	11.50	0.28
2	Nashik	C	11.77	0.28
	Nashik		23.27	0.56
3	Kolhapur	A	4.85	0.12
4	Sangli	A	6.37	0.15
	Sub-group - A	A	11.22	0.27
5	Solapur	B	10.59	0.25
6	Ratnagiri	B	1.53	0.04
7	Sindhudurg	B	2.40	0.06
8	Chandrapur	B	9.09	0.22
9	Wardha	B	2.42	0.06
10	Brahmapuri - Gadchiroli	B	2.84	0.07
	Sub-group - B	B	28.87	0.69
11	Ahmednagar	C	10.19	0.24
12	Bhandara	C	1.55	0.04
13	Satara	C	3.45	0.08
14	Buldhana	C	1.38	0.03
15	Gadchiroli	C	5.71	0.14
	Sub-group - C	C	22.28	0.53
16	Latur	D	6.09	0.15
17	Akola	D	11.51	0.28
18	Washim	D	1.62	0.04
19	Nanded	D	15.35	0.37
20	Yavatmal	D	3.73	0.09
21	Allapali – Gadchiroli	D	3.17	0.08
	Sub-group - D	D	41.47	1.00
	Total		127.11	3.07

34) Power Procurement cost:

MSEDCL will appropriately allocate costliest power to mitigate Load Shedding in these areas. As per the present trend, the power purchased from RGPPL is the costliest power having power purchase rate of Rs. 4.42 per unit and therefore for estimation of Reliability Charges payable by the beneficiary consumers, power purchase rate has been considered as Rs. 4.42 per unit for calculation purpose, which will be subject to change depending on the cost of power purchase and also considering that reconciliation will have to factor in full recovery of power purchase cost irrespective of the additional consumption against additionally procured power for ZLS or otherwise.

35) Distribution Loss and ABR:

- MSEDCL submits that, though the Average Distribution Loss of the respective Headquarters of respective Districts, selected for implementing the withdrawal of load shedding plan, is different, it is submitted that power though allocated for the specified areas, will be transmitted through the MSEDCL distribution network and therefore it would be more appropriate to consider the average distribution loss of the state as a whole for calculation of the power requirement at the consumer end.
- MSEDCL also submits that though Average Billing Rate for the respective headquarters of respective districts is different, MSEDCL is considering the Average Billing Rate of the state for estimation of reliability charges. This will ensure the lower variation during the reconciliation process. It is submitted that, in any case, MSEDCL shall remain revenue neutral and the additional cost will be refunded or recovered from the beneficiary consumers based on the reconciliation statement.

Table 6: Load shedding protocol – Scenario IV

Average Distribution Loss	20.98%
Average Billing Rate	Rs. 4.32 per unit. – As per T.O. 17 th August 2009. OR
Average Billing Rate - LT	Rs. 3.52 per unit. – As per T.O. 17 th August 2009.

36) Summary of Assumptions

Table 7: Summary of Assumptions

Particulars	Assumptions
Sales	<ul style="list-style-type: none"> Sales considered on Yearly basis; No Seasonal Variation considered;
Load Shedding Protocol	<ul style="list-style-type: none"> Scenario IV – Circular No.29 dated 31.12.09
Effective Days of Load Shedding	<ul style="list-style-type: none"> 80% - for assessing MWh requirement
Power Purchase Rate	<ul style="list-style-type: none"> Allocation Basis – Rs. 4.42 /kWh (RGPPL Rate);
Category Exempted	<ul style="list-style-type: none"> BPL Consumers; Agricultural Consumers; Express: Railway Traction, Industry, PWW;
Growth Rate	<ul style="list-style-type: none"> 5.23% - T.O. 17th August 2009;
Transmission Losses	<ul style="list-style-type: none"> 4.85% - T.O. 28th May 2009;
Distribution Loss	<ul style="list-style-type: none"> 20.98%
Average Billing Rate	<ul style="list-style-type: none"> Rs. 4.32 / kWh – T.O. 17th August 2009* (* - Subject to reconciliation to ensure recovery of power purchase expenses from beneficiaries consumers only)

F. Reliability Charge:

Based on the above assumptions, Reliability Charge is estimated for respective groups as outlined in the below table, which shall however be subject to reconciliation after every quarter and shall also be subject to the condition that MSEDCL is completely revenue neutral in the process i.e. reconciliation will have to factor in full recovery of power purchase cost irrespective of the additional consumption against additionally procured power for ZLS or otherwise.

Table 8: Reliability Charges for each group

GROUP	Reliability Charge paise per unit
ABR	Rs. 4.32 per unit
A	22
B	37
C	40
D	47
Nashik	37

G. Other Issues for consideration of proposal:

The present arrangement is based on the prevailing Principles and Protocols of Load Shedding (PPLS). It is submitted that any revision in PPLS during the period of proposal will have an impact on such arrangement. If the LS hours are increased, and there is a constraint on the availability of additional power; proportionate load shedding will have to be carried out by MSEDCL. Alternatively, if there is a reduction in the PPLS, the Consumers will get benefit of the reduced Load shedding hours and MSEDCL will procure power to the extent required to mitigate load shedding for these areas.

- H. MSEDCL further submits that the implementation of Zero Load Shedding in District Head Quarters or any other place is exclusively a voluntary scheme and is always subject to acceptance by the beneficiary consumers, who are willing to pay the Reliability Charge as have been estimated and are also willing to share the burden after appropriate reconciliation of the cost of the power procured and Reliability Charges recovered, since MSEDCL in the entire process has to be revenue neutral.

I. Prayer:

Based on the submission made in the foregoing paragraphs, MSEDCL prays that:

- a. The Hon'ble Commission may be pleased to permit MSEDCL to implement withdrawal of load shedding in the District headquarters in Group A, B, C and D;
- b. The Hon'ble Commission may be pleased to permit MSEDCL to implement withdrawal of Load Shedding in Nashik Revenue Head Quarter on the same principles as proposed in Case No. 31 of 2009 with the same Reliability Charge (of 37 paise per unit) as was proposed in the said petition.

- c. The Hon'ble Commission may be further pleased to approve the determination of Reliability Charge for the above areas as proposed by MSEDCL based on the allocation of costliest power;
- d. The Hon'ble Commission may determine a ceiling rate for procurement of power purchase on a yearly basis, beyond which the power is not to be allocated for the beneficiary area;
- e. The Hon'ble Commission may be pleased to allow exemption for the consumers situated in the district of Gadchiroli from payment of Reliability Charge and may also permit to pass on the burden of Reliability Charge of Gadchiroli District on the beneficiary consumers situated in other District Head Quarters in respect of the group they belong to having DCL rating as "B", "C" and "D" or alternatively such burden may be allowed as a pass through in ARR;
- f. The Hon'ble Commission may approve implementation of such model for the period one year from the date of issue of the order and thereafter;
- g. The Hon'ble Commission may permit a detailed reconciliation of all costs and recovery of any shortfall on a quarterly basis whereby the reconciliation will have to factor in full recovery of power purchase cost irrespective of the additional consumption against additionally procured power for ZLS or otherwise;
- h. The Hon'ble Commission may consider the above proposal for a favourable dispensation;
- i. The Hon'ble Commission may allow to implement normal Load Shedding as per existing PPLS to all Agricultural and Rural feeder in areas wherever zero load shedding is not proposed;
- j. The Hon'ble Commission may condone errors/omission, if any, and may please give an opportunity to rectify the same and to file additional data, information as may be required.

Deponent

Executive Director (Commercial)
MSEDCL