

CONSUMER GRIEVANCE REDRESSAL FORUM
(Established under the section 42 (5) of the Electricity Act, 2003)
MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LTD.
NASHIK ZONE

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No. / CGRF /Nashik/NUC/N.U.Dn.1/586/65/2016-17/

Date: **14/03/2017**

(BY R.P.A.D.)

In the matter of

Excess collected amount towards transmission charges and wheeling charges

Date of Submission of the case :30/01/2017

Date of Decision :14/03/2017

To.

M/s. CEAT Limited
82, M.I.D.C. Industrial Area,
Satpur Nashik 422007.
(Consumer No. 049069002284)

Complainant

1. Nodal Officer ,
Maharashtra State Electricity Distribution Com. Ltd.,
Urban Circle office, Shingada Talav,
Nashik
2. Executive Engineer (U-1)
Maharashtra State Electricity Distribution Com. Ltd.
Kharbanda Park Nashik .

Distribution Company

DECISION

M/s. CEAT Limited , (hereafter referred as the Complainant). Satpur Nashik is the HT consumer of the Maharashtra State Electricity Distribution Company Ltd. (hereafter referred as the Distribution Company). The Complainant has submitted grievance against MSEDCL for excess collected amount towards transmission charges and wheeling charges for the open access period.. The Complainant filed a complaint regarding this with the Internal Grievance Redressal Committee of the Maharashtra State Electricity Distribution Company Ltd. But not satisfied with the decision of the Respondent , the consumer has submitted a representation to the Consumer Grievance Redressal Forum in Schedule "A". The representation is registered at Serial No.22 of 2017 on 30 /01/2017.

The Forum in its meeting on 31/01/2017, decided to admit this case for hearing on 21/02/2017 (later changed to 22/02/2017 because of holiday for Municipal elections) at 11.30 am in the office of the forum . A notice dated 31/01/2017 to that effect was sent to the appellant and the concerned officers of the Distribution Company. A copy of the grievance was also forwarded with this notice to the Nodal Officer, MSEDCL, Urban I Circle Office Nashik for submitting para-wise comments to the Forum on the grievance within 15 days under intimation to the consumer.

Shir. R.S. Bhagat , Nodal Officer/Ex. Engr. represented the Distribution Company during the hearing. Shri . B.R. Mantri appeared on behalf of the consumer.

Consumers Representation in brief :

1. The complainant noticed that MSEDCL has charged **Wheeling charges and Transmission charges** on the total units after consideration of losses.

2. As per MERC regulation, wheeling charges and transmission charges, cross subsidy surcharge and additional surcharge, (all charges and surcharges) should be charged on adjusted units, i.e. on the actual energy drawn at the consumption point as provided in Regulation 15 and 16 of the DOA regulation.
3. MSEDCL has recovered the excess amount against **Wheeling charges and Transmission charges on the total units including line losses units**, since from the beginning, when open access has allowed by the MSEDCL.
4. The open access transaction for June -2016 are submitted by the complainant as per letter dated 06/03/2017 are as under::

In this month, consumer open access demand as per below:

Total Contract demand: 9000 KVA

MSEDCL Contract demand: 4000KVA

Open access demand: Conventional: 5000 KVA

Open Access demand: Non-Conventional: 2400 KVA (wind)

OA Billing Details:

	Wind	Conventional
A. Export Unit:	748982	0
B. Units for OA Adjustment (KWH)	748968	3419655
C. Units after transmission loss (KWH)	676643	3089433
D. Units after Distribution loss	704029	3089433
E. Final Units	676643	3089433
F. Units adjusted against OA (KWH)	670583	2865385
G. Over Injected unit	6059	224048

1. Payment to generating company as per (B) Units for OA Adjustment (KWH).
2. MSEDCL system credit unit by generating company as per (B) Units for OA Adjustment (KWH).
3. Total loss of units in MSEDCL Tr&Wh: (B) Units for OA Adjustment (KWH) – (f) Units adjusted against OA (KWH).
4. MSEDCL adjusted units against Open access (F) Units adjusted against OA (KWH).
5. We are over injected unit in MSEDCL system but this will free to MSEDCL.

Actual Charges levied by MSEDCL for Open access units as per below:

1. Cross Subsidy Surcharge:

Conventional 2865385 @1.49

+ Non-Conventional 676642 @ 0.3725 = Rs.4521472.80

2. Wheeling charges:

Conventional units: (B) Units for OA Adjustment - (Units for OA Adjustment x 3.89%)

=3419655 – (3419655 x 0.389) = 3286630

Non-Conventional units: Same Voltage level = (B) Units for OA Adjustment

=748968

Total units = 4035598 @ 0.15 = Rs.605339.70

3. Transmission charges:

Conventional (B) Units for OA Adjustment 3419655 @ 0.26 = Rs.889110.3

Non- Conventional (D) Units after Distribution loss: 704029 @ 0.26 = Rs.183047.54

= Total Rs.1072157.84

From the above, it seem that

1. For charging of CSS, MSEDCL has considered the units as actual drawl units. The same formula to be applied on wheeling and transmission charges also.

2. For charging of wheeling charges, MSEDCL has considered the wheeling charges including loss of units.
- 5 Under MYT Regulation 12.1 Part C of the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005 notified on 26th August 2005, stipulates that the Commission shall determine the tariff for following matters under a multi-year tariff framework with effect from 1st April, 2006:
 - a) Supply of Electricity by a Generating Company to a Distribution Licensee
 - b) Intra-State transmission of Electricity
 - c) Wheeling of Electricity
 - d) Retail Sale of Electricity
6. Hon'ble Commission has introduced the wheeling charges and transmission charges from the tariff order of MSEDCL for FY 2006-07 based on MERC (Terms and condition of tariff) Regulation 2004.
7. The Commission has considered the approved wires and Supply ARR, past period adjustment and Energy Sales at various voltage levels as approved by the Commission while deciding the voltage wise cost of Supply.
8. The Commission has determined the wheeling charges for use of wire network for eligible open access consumers for each voltage level based on the voltage-wise asset base and capacity levels at each voltage, as submitted by MSEDCL, with certain assumptions.
9. The Commission prescribes that the distribution system users who are eligible for open access to the distribution system of MSEDCL in accordance with the
10. Distribution Open Access Regulations, 2005 would be required to pay the wheeling charges and bear wheeling losses in kind as determined.
11. From the tariff order FY 2009-10, the Commission has determined the wheeling charges in terms of energy units Rs/KWH instead of Rs/KW/month for 33 kV, 22 kV/11 kV and LT level, based on the allocation of asset base and considering sales at respective voltage levels.
12. As per D O Regulation, consumer has to pay the wheeling charges on drawal units at consumption end (Sales unit) and to bear the wheeling loss on the adjustment of extra units for losses.
13. MSEDCL has charged wheeling charges including loss of units.
14. The consumer has already borne the distribution loss with % of loss units which are credited in to MSEDCL system. So MSEDCL has wrongly charged wheeling charges including loss of units. MSEDCL has to charge wheeling charges as per drawal of energy at the consumption end (Sales end).
15. For charging of transmission charges, MSEDCL has considered for (B) Units for OA Adjustment and for Non- Conventional (D) Units after Distribution loss. For charging of transmission charges, MSEDCL has to consider the MERC ruling as below:

MERC Order in Case No. 58 of 2005 dated 27/06/2006 for development of "Transmission Pricing Framework" for the State of Maharashtra and other related matters: in this order the Commission has devised a composite scheme for pricing of 'Intra-State Transmission system'. In this policy, Commission has decided the recovery of revenue in Para 4.2.7.

4.2.7 "Further, the Transmission Tariff has been designed such that recovery of revenue requirement of transmission licensees is achieved only through **drawal of energy**, i.e., all off-takers (licensee, open access users) shall bear the transmission tariff. The generating company should be charged for **injection of energy** only if they seek open access for sale to consumers/licensees **outside the state**.

4.2.10 "Transmission loss shall be borne by all TSU (off-takers) on prorata basis based on their energy drawal depending on actual transmission loss level.

16. The consumer has already borne the transmission loss with % of loss units which are credited in to MSEDCL system. So MSEDCL has wrongly charged transmission charges on the injection points. MSEDCL has to charge as per drawal of energy at the consumption end.

Relief Sought:

1. MSEDCL has to revise the charges levied for wheeling and transmission at actual drawal (sales point – Consumption end) as below:
Wheeling charges: (F) Units adjusted against OA (KWH)
 $670583 + 2865385 = 3535968 @ 0.15 = \text{Rs.}530395.20$
Transmission charges:
(F) Units adjusted against OA
 $670583 + 2865385 = 3535968 @ 0.26 = \text{Rs.}919351.68$
2. MSEDCL has to refund the excess collected charges for the billing month of June 2016 as below:
 $= (\text{Rs.}605339.70 + \text{Rs.}1072157.84) - (\text{Rs.}530395.20 + \text{Rs.}919351.68)$
 $= \text{Already charged (Rs. }1677497.54) - \text{To be charged (1449746.88)}$
 $= \text{Refund Rs.}227750.66$

Arguments from the Distribution Company:

The Distribution Company submitted a common reply for all the issues raised by M/s CEAT Ltd. by letter dated 20/02/2017 of the Nodal Officer, MSEDCL, Urban Circle Office Nashik and other correspondence in this case. The portion of the reply relevant to this grievance is as under:

Regarding wheeling & transmission charges: Wheeling & transmission charges should be implemented through bill to the consumer & consumer bill should be generated as per directives of Head Office, Mumbai through billing by IT department. No any interaction should be made by any one. So bill issued to the consumer is correct.

Action by IGRC :

1. Internal Grievance Redressal Cell Nashik Urban Circle conducted hearing on 09/01/2017 for the complaint submitted on 21/11/2016 .
2. After hearing both the parties IGRC gave decision regarding FAC and AEC as per letter dated 18/01/17 as under:

*^xkgdkl fotns dkr yko.; kr vkysys FAC r l p AEC-1. , AEC-2, pkt# (MERC order dtd. 05/09/2013 for case no. 95 of 2013 i ek. ks) AEC-3 pkt# (MERC order dtd. 03/09/2013 for case no. 28 of 2013 i ek. ks), AEC-4 pkt# (MERC order dtd. 04/09/2013 case No. 44 of 2013 i ek. k) r l p okf.kT; h d i f j i = d d a 209 fn- 07@09@2013 u l k j ; k x ; v k g r - ***

3. No decision is given regarding Wheeling & Transmission charges

Observations by the Forum:

1. The grievance is regarding the charges levied for wheeling and transmission by the Distribution Company.
2. The MERC has framed the MERC (Distribution Open Access), Regulations, 2016 ('DOA Regulations') notified on 30th March 2016 . These regulations provide directives for the levy of Wheeling Charges on Open Access Consumers . Also the MERC (Transmission Open Access) Regulations, 2016 ('TOA Regulations') notified on 30th March 2016 provide for the levy of Transmission Charges on Open Access Consumers. The section 32 of the 'DOA Regulations' states that " any dispute under these

regulations shall be adjudicated upon by the Commission.

3. This being a dispute related to the DOA and TOA regulations , the Forum does not have jurisdiction to resolve it.
4. However , the MERC has issued Practice Directions under order dated 08/03/2017 which contains the following directives regarding Wheeling Charges or Transmission Charges:

A STOA Consumer, Generating Station or Licensee using a Distribution System shall pay Wheeling Charges or Transmission Charges, as the case may be, on the basis of the actual energy drawal at the consumption end on Rs/kWh basis. The Distribution Licensee shall refund any amounts recovered in excess of these stipulations within a month, with applicable interest, without requiring such refund to be applied for.

The Distribution Company may decide the grievance in the light of these directives. . If not satisfied with resolution . the Complainant may approach Hon'ble Commission .

The case is disposed off with the above observations.

If aggrieved by the non-redressal of his Grievance by the Forum, the Complainant may make a representation to the Electricity Ombudsman, 606, 'KESHAVA', Bandra Kurla Complex, Bandra (East), Mumbai 400 051 within sixty (60) days from the date of this order under regulation 17.2 of the MERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2006.

(Rajan S. Kulkarni)
Member

(Sandeep D.Darwade)
Member-Secretary
& Executive Engineer

(Suresh P.Wagh)
Chairman

Consumer Grievance Redressal Forum Nashik Zone

Copy for information and necessary action to:

- 1 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 (For Ex.Engr.(Admn)
- 2 Chief Engineer , Nashik Zone, Maharashtra State Electricity Distribution Company Ltd. , Vidyut Bhavan, Nashik Road 422101 (For P.R.O)
- 3 Superintending Engineer, Maharashtra State Electricity Distribution Company Ltd. , Urban Circle office, Nashik .

