

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
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**Case No. 41 of 2007**

**In the matter of**  
***Suo Motu* proceedings with regard to Demand Side Management initiatives of Maharashtra State Electricity Distribution Company Limited.**

**Dr Pramod Deo, Chairman**  
**Shri. A. Velayutham, Member**  
**Shri S. B. Kulkarni, Member**

**ORDER**

**Dated: October 1, 2007**

In compliance of Commission's Order of 4<sup>th</sup> March 2005 pertaining to Case No. 2 of 2003 (Compliance of tariff order in respect of load shedding and related issues by MSEB), the Maharashtra State Electricity Distribution Company Limited (erstwhile MSEB) had submitted to the Commission, in May 2005, a preliminary energy conservation/Demand Side Management (DSM) plan, that it assured it will take up for implementation. Apart from identifying focus areas, the Plan outlined the programmes that would be implemented to capture the energy conservation potential in identified focus areas. The focus areas and the programmes identified/described in the Plan submitted by Maharashtra State Electricity Distribution Company Limited ("MSEDCL") included: promotion of Compact Fluorescent Lamps (CFLs) in place of incandescent lamps, use of capacitors on agricultural pumps to improve energy efficiency and reduce losses in agricultural pumping application, and energy efficiency improvement in municipal pumping and street lighting.

2. Apart from assuring to implement the DSM in focus areas identified in the Plan, MSEDCL, in response to the Commission's Orders dated 4<sup>th</sup> March 2005 and 16<sup>th</sup> August 2006 (in respect of Case No. 2 of 2003 and Case No. 18 of 2006, respectively) and in response to Commission's instructions and advise (made during review meetings, meetings, and through Commission's various letters), has also assured to implement several DSM initiatives.

3. In reality, apart from pilot CFL promotion project in Nashik and a pilot agricultural pump capacitor project in Dindori area of Nashik (for which, MSEDCL has not followed the methodology MSEDCL had outlined in its DSM Plan of May 2005 and consequently has no base line data to estimate the savings), nothing of any significance has been taken up / implemented by MSEDCL either with respect to the programmes described in the preliminary DSM Plan submitted by MSEDCL or with respect to any other DSM initiatives it assured it would take up.

4. MSEDCL, also seems to have not complied with the directives of the Commission contained in the recent Multi Year Tariff Order dated 18.05.2007 in respect of Case No. 65 of 2006 (MYT Tariff Order). Despite specific DSM related directives in MYT Tariff Order, MSEDCL, in its letter No. Director-Operations/SE/TRC/MERC/27824 dated 6<sup>th</sup> July 2007 on “compliance of directives issued by the Commission in the MYT Order”, has not provided any information regarding status of implementation of any of the DSM related directives in the MYT Tariff Order.

5. Thus, as against directives issued prior to the MYT Tariff Order, MSEDCL, time and again, has assured to comply with the DSM related directives and has also been giving assurances to implement DSM initiatives in response to the Commission’s directives / instructions and advise. However, there has been dismal progress at the grassroots/field level to convert assurances into actual implementation. Consequently, even after more than two years since MSEDCL submitted its preliminary DSM Plan, at the field level, apart from CFL and Dindori pilot projects, none of the assured DSM activities have been taken up or accomplished. In its compliance report submitted vide letter dated 6<sup>th</sup> July, 2007 on MYT Tariff Order directives, MSEDCL has chosen to be silent about compliance with DSM related directives in the MYT Tariff Order.

6. In view of the failure of MSEDCL to comply with the directives issued from time to time by the Commission and failure of MSEDCL to report on the status of compliance with respect to DSM related directives in the MYT tariff Order, it was considered necessary to grant MSEDCL an opportunity to explain their position before any penal action under Electricity Act, 2003 (“EA 2003”) is initiated. The Commission held a *suo motu* hearing on 11<sup>th</sup> September 2007 with the participation by consumer representatives authorised on a standing basis under the EA 2003, MSEDCL and others.

7. At the hearing held on 11th September 2007, Shri. V. M. Baswante, Chief Engineer – Distribution Special Projects, representing MSEDCL, submitted that MSEDCL would like to make a power point presentation outlining various DSM initiatives of MSEDCL.

8. During the hearing MSEDCL agreed that the presentation made by Shri Basavante shall be recorded as MSEDCL’s stand in the matter. The Commission also directed MSEDCL to provide all the submissions and presentations, including the

replies to the points raised in the Notice Ref. No. MERC / Case No. 41 of 2007/1810 dated 23rd August 2007, on affidavit.

9. The Salient Features of MSEDCL's Submissions made through a Power Point Presentation, covering the following broad points, are as under:

(i) CFL Programme

- (a) MSEDCL presented highlights of its Nashik pilot project implemented in 2005-06. MSEDCL submitted that this pilot project was evaluated by Prayas and the findings of the evaluation carried out by Prayas were presented to the Commission on 17<sup>th</sup> October 2006 in a meeting held for the purpose. At this meeting, which was also attended by MSEDCL, the Commission recommended that a "working group" be formed to provide guidance to MSEDCL for undertaking State level CFL promotion programme. MSEDCL further submitted that, as per the Commission's recommendations, a working group comprising of two officials of MSEDCL (Shri V. M. Baswante and Shri H. R. Jadhav); representative of Prayas; and regulatory experts (DSM) from the Commission was constituted.
- (b) MSEDCL submitted that the Working Group held three meetings (on 17<sup>th</sup> November 2006, on 15<sup>th</sup> December 2006 and on 20<sup>th</sup> February 2007) during which it was decided that, instead of a State level programme, in the first instance, a second pilot CFL promotion programme covering Aurangabad, Kolhapur, Nagpur and Pune districts be undertaken. MSEDCL submitted that the working group also decided that before embarking on the CFL programme in the four districts, a consumer survey also be undertaken in these four districts to identify proper consumer segment to target under the CFL promotion programme. MSEDCL further submitted that the tender for selection of a suitable agency to carry out consumer survey as well as to design the CFL promotion programme in the four districts was floated during February 2007. MSEDCL also submitted that, due to inadequate response received to the tender, MSEDCL could not finally select and appoint any agency either for conducting the consumer survey or for designing the CFL promotion programme.
- (c) MSEDCL submitted, that, it now proposes to undertake State wide CFL programme in association with Osram India Private Limited (Osram) to be implemented under the Clean Development Mechanism (CDM). MSEDCL further stated that an MOU to this effect has been signed between MSEDCL and Osram and the programme envisages supplying high quality CFLs, having life of more than 15000 hours, free of cost to

MSEDCL's consumers. MSEDCL also stated that, initially, a pilot project in Pune and Thane districts will be taken up for implementation from December 2007. It was further submitted by MSEDCL that Osram is expected to benefit from Carbon Credits generated by implementation of the project in return for covering all project risks and costs. MSEDCL also submitted that costs associated with development of project design documentation as per United Nations Framework Convention on Climate Change (UNFCCC) standard, validation process, as well as costs incurred for paying customs duties, state and central government taxes and transportation costs will be borne by Osram. MSEDCL also submitted that Osram will carry out monitoring, validation and verification. MSEDCL further informed that it will provide, at its own cost, data base for project area and information on grid voltage. MSEDCL also submitted that, it will, at its own cost, conduct information campaign to promote the project and carry out activities such as distribution of CFLs or exchange of CFLs with "working" incandescent bulbs or collection and replacement of fused CFLs through self help groups or through its (MSEDCL's) collection centres.

(ii) Energy efficiency improvement in street lighting and water pumping

MSEDCL submitted that Maharashtra Energy Development Agency (MEDA) submitted a project proposal to MSEDCL for undertaking a project on energy efficiency improvement in street lighting and water pumping applications in August 2005. MSEDCL submitted that it approved MEDA's project proposal in October 2005 and agreed to meet the project cost of Rs. 1.65 crore. MSEDCL submitted that the project involves supply, installation and commissioning of energy saving devices for street lighting and water pumping stations in 819 Grampanchayats in Aurangabad and in 632 Grampanchayats in Osmanabad districts. MSEDCL informed that the project envisages introduction of light sensitive switches for street lighting that would switch-on or switch-off street lights as light intensity reduces or increases beyond the pre-set limits. MSEDCL further informed that the project envisages water pumping systems to be fitted with auto time starters for shifting load to off-peak hours. MSEDCL submitted that the completion period for the project was one year, comprising of six months of supply, installation and commissioning phase, followed by six months of monitoring phase. MSEDCL further submitted that, till date, MSEDCL had released a payment of Rs. 99 lakh to MEDA and, as of 26<sup>th</sup> July 2007, MEDA had utilised Rs. 20.35 lakh. MSEDCL's presentation further indicated that, in physical terms, out of total envisaged installation of 1840 numbers of energy efficiency improvement devices/light sensitive switches, MEDA, as of 1<sup>st</sup> August, 2007, had installed 1237 numbers of devices/switches. MSEDCL further submitted that MEDA has now requested MSEDCL to take over the project for further implementation as MEDA does not have the necessary staff, either for completion of the remaining implementation phase work or for monitoring. MSEDCL further submitted that the

proposal for taking over the scheme by MSEDCL is under the consideration of MSEDCL.

(iii) Single phasing schemes (Phases I & II)

Observing that single phasing schemes do not fall under DSM, the Commission asked MSEDCL to skip this part of the presentation.

(iv) Gaothan feeder separation schemes (Phases I & II)

(a) MSEDCL submitted that feeder separation has been completed in respect of 571 feeders out of total of 1482 feeders under Phase I. MSEDCL further submitted that probable date for completion of Phase I is December 2007. MSEDCL clarified that it has received sanction from Rural Electrification Corporation (REC) for financial assistance.

(b) MSEDCL further submitted that it has, vide its letter No. 33418 dated 27<sup>th</sup> August 2007, submitted a detailed project report for Phase II to the Commission, for Commission's approval. MSEDCL also submitted that Phase II involves separation of a total of 1145 feeders to obtain an estimated load relief of 1762 MW. MSEDCL further submitted that the Phase II is estimated to cost Rs. 1446 crore and will be financially assisted by Rural Electrification Corporation. MSEDCL submitted that, under Phase II, provision has been made to provide single phase supply to farm houses and "wasties" fed from agriculture feeders by installing special design transformers with change-over switch at the sub-station. MSEDCL further submitted that, presently, tendering activities for award of turnkey contract for undertaking Phase II work are being carried out. MSEDCL submitted that probable date for completion of Phase II is December 2008.

(v) Shunt compensation schemes involving installation of LT LMS and fixed capacitors

MSEDCL submitted that, as regards LTMS LMS capacitors scheme, MSEDCL had envisaged installation of 62,666 nos. of 27/36 kVAr capacitors along with thyristor controlled switching and GSM communication systems. The tender was invited in May 2005 however the same was cancelled in March 2007 due to various techno-economic reasons. MSEDCL submitted that it was considering the option of providing fixed capacitors on distribution transformers of agricultural feeders (being separated under Gaothan feeder separation schemes). As regards fixed capacitors scheme, MSEDCL had envisaged installation of 19900 nos. of 25/30 kVAr capacitors, the tender for which has been cancelled in August 2007 for techno-economic reasons.

10. The Commission's observations and views on MSEDCL's presentation as well as issues raised and the comments and suggestions made by consumer representatives and Commission's regulatory experts during the hearing are summarized below. The clarifications and responses provided by the MSEDCL, during the course of the hearing, to some of the observations, questions, comments and suggestions have also been set along side.

#### CFL Programme

- a) As regards the proposed pilot project to be implemented in Pune and Thane districts by Osram under the CDM, the Commission enquired from MSEDCL the details about the pilot project, including what the project is, how many CFLs will be distributed per person, how many CFLs will be distributed in total, how would the target consumers for distribution of the CFLs be identified, how long will the pilot project take to complete, and what arrangements have been made for measurement and verification of the savings? In response, Shri Basavante of MSEDCL submitted that the proposed pilot project envisages distribution of 7 lakh CFLs each in Pune and Thane districts. Shri Basavante further submitted that the proposed pilot project will run from December 2007 and March 2008. Shri Basavante also submitted that, at present, MSEDCL is not in a position to provide further details about the proposed pilot project/project implementation plan as the same are being worked out and are expected to be available in a month's time.
- b) The Commission also enquired from MSEDCL regarding the details about the State level CFL programme proposed to be undertaken in association with Osram under the CDM. Shri Basavante of MSEDCL clarified that, after completion of the proposed pilot project in Pune and Thane districts, a State wide CFL programme would be taken up in 16 districts involving distribution of 7 lakh CFLs in each district for a total distribution of 1.12 crore CFLs. Shri Basavante submitted that further details about the program were not available. Thereafter, the Commission asked MSEDCL to provide details, on affidavit, about the proposed pilot project in Pune and Thane as well as provide details about the State wide CFL programme to be taken up in association with Osram under the CDM. The Commission observed that the details to be provided by MSEDCL should address the issues/questions raised by the Commission with regard to identification of target consumers, measurement and verification, etc. In response, Shri Basavante of MSEDCL agreed to provide the required information and details about the pilot project and the State wide CFL programme.
- c) As regards Nashik pilot project implemented by MSEDCL in 2005-06, the Commission enquired if the cost of CFLs supplied under the Nashik pilot project had been recovered from the consumers? The Commission further enquired if the replacement of the failed bulbs had been carried out? In response, Shri Basavante of MSEDCL submitted that the cost of CFLs supplied under Nashik pilot project

is being recovered from consumers. He further submitted that the failed CFLs had already been replaced. Taking objection to this submittal from MSEDCL, Dr. Pendse of Mumbai Grahak Panchayat informed that only the CFLs that had failed in the first 2/3 days had been replaced but those CFLs that failed after one month of distribution, had not been replaced. Dr. Pendse further informed that cost of CFLs supplied under Nashik project is being recovered and about 80-85% of the cost had been recovered from consumers. To get an accurate picture about replacement of failed CFLs and about recovery of cost from consumers, the Commission asked MSEDCL to file a report, on affidavit, providing details about replacements of failed CFLs and also about the extent to which recovery of cost from consumers had been done, including details about number of complaints received, number of CFLs replaced, period of replacement, how many still remained to be replaced, cost recovered from consumers, how much more remained to be recovered, etc. Shri Basavante of MSEDCL agreed to file the report.

#### Energy efficiency improvement in street lighting and water pumping

- d) The Commission asked MSEDCL whether MEDA had submitted any project proposal/report for undertaking this energy efficiency improvement project in street lighting and water pumping systems in Aurangabad and Osmanabad districts. Shri Basavante of MSEDCL informed that project proposal/report had indeed been prepared by MEDA and submitted to MSEDCL. The Commission asked MSEDCL to submit this project proposal/report to the Commission. Shri Basavante of MSEDCL agreed to submit the same.
- e) As regards energy efficiency improvement in street lighting systems, the Commission enquired from MSEDCL if any savings in consumption or load have been achieved. The Commission also asked MSEDCL if it had data on the extent of savings achieved. In response, Shri Doye, Executive Engineer, MSEDCL, submitted that the project is still under implementation and monitoring and measurement of savings will be taken up once the project is fully implemented. Similarly, the Commission also enquired from MSEDCL the extent of savings and load shifting achieved as a result of implementing this project with respect to water pumping systems. In this regard, Commission's regulatory expert mentioned that, in view of the prevailing load shedding in Aurangabad and Osmanabad districts, it was important to know the extent of load shifting achieved as a result of the implementation of this project. MSEDCL responded that the project is still under implementation and it does not have data on savings or load shifting achieved. MSEDCL however, assured that the necessary data will be collected. The Commission thereafter asked MSEDCL to provide details of monitoring and evaluation methodology for these projects. With a view to understand whether implementation of these projects has resulted in tangible benefits, the Commission further asked MSEDCL to file on affidavit a report on

benefits accrued out of these projects. The Commission observed that the report should highlight the consumption and load prior to implementation and after implementation, substantiated by data and observations.

- f) Responding to the MSEDCL's submission that MEDA has now asked MSEDCL to take over the implementation of the project, the Commission asked MSEDCL to file a report explaining how it proposes to implement and monitor these projects. The Commission further observed that MSEDCL shall not claim in any media (publicity and literature) that it has, as part of its DSM initiative, successfully implemented this project.
- g) On the issue of funding of this project, the Commission enquired about the source of funding. MSEDCL responded by submitting that MSEDCL is funding this project. Responding to MSEDCL's submission about source of funding, the Commission enquired if MSEDCL had taken Commission's approval for funding this project. In this regard, the Commission observed that, since consumer money was being used for implementing this project, consumers have the right to know how the money is being utilised. The Commission further observed that, from consumer's view point, it is important to know, whether or not the project that is being implemented with consumer money, would ultimately benefit the consumers. The Commission further observed that, if MSEDCL has not taken approval from the Commission, the Commission will not allow MSEDCL to claim expense for implementing this project if it does not result in benefiting the consumers.
- h) Enquiring if the MSEDCL has any data on the failure of the devices/switches installed under this project, the Commission asked MSEDCL to provide details of failure of electronic devices/switches so far installed under this project.

#### Gaothan feeder separation schemes ( Phases I & II)

- i) The Commission observed that MSEDCL has a long way to go before completion of Phase I of the Gaothan feeder separation scheme as separation with respect to only about 571 feeders out of a total number of 1482 feeders has been completed. In view of the fact that separation with respect to majority of the 1482 feeders remains to be completed, the Commission enquired if MSEDCL would be able to meet the probable date for completion of Phase I. MSEDCL, in response submitted that there could be a slippage of three months for completion of Phase I and the same is likely to be completed by March 2008.
- j) The Commission asked MSEDCL to explain the need for going in for special designed transformers with change over switch at the sub-station. In response, MSEDCL submitted that such special transformers would enable MSEDCL to

give single phase power supply to those domestic consumers who are on the agriculture feeder, even when the supply to agriculture pumps is switched off.

- k) Commission's regulatory expert in his comments mentioned that Gaothan feeder separation is not a DSM initiative but is a demand management initiative. The Commission's regulatory expert further mentioned that this aspect has been clarified in the MYT Tariff Order.

#### Shunt compensation schemes

- l) The Commission asked MSEDCL to explain the reasons behind opting for fixed capacitors in place of switched capacitors. MSEDCL, in response, submitted that, since the capacitors are to be put on feeders separated under feeder separation schemes, the need for switched capacitors would not be there because the capacitors would also be switched off when the supply to agriculture feeder is switched-off or alternatively, capacitors would be switched on and operational only when supply to agriculture pumps is switched-on. Responding to MSEDCL's submission, the Commission observed that that under the fixed capacity capacitor schemes, there is possibility of facing higher voltage problem if the agriculture feeder on which the supply is switched-on, does not have adequate load. MSEDCL responded by submitting that MSEDCL is taking care of this likely problem at the design stage by selecting the capacity of the fixed capacity capacitors in such a way that possibility of higher voltage does not occur.
- m) Referring to MSEDCL's submittal that tender for fixed capacitor has also been cancelled, the Commission asked MSEDCL to explain in what respect the new tender for fixed capacitors would be different than the one that has been cancelled. In response, the MSEDCL submitted that the scope of work under the old tender covered supply, installation, commissioning and maintenance of the capacitors by the selected contractor. In the new tender, however, in view of the problems faced by MSEDCL with respect to the past contracts involving maintenance of the capacitors by the contractors, MSEDCL has now opted for deleting capacitor maintenance from the scope of work of contractors. MSEDCL further submitted that, it is envisaged that MSEDCL itself will do the maintenance. The Commission then enquired if MSEDCL had the infrastructure, resources and the manpower to not only carry out regular maintenance but also to monitor if the installed capacitors are functional and are performing as per design/expectation. MSEDCL, in response, submitted that the technical specifications for the capacitors are also being changed to ensure that the installed capacitors will have life of 5/7 years. At this juncture, Dr. Pendse from Mumbai Grahak Panchayat wanted to know the steps, if any, taken by MSEDCL for maintenance of capacitors that were installed in the past under the leasing arrangement and where leasing arrangement has got over or has been terminated. The Commission, thereafter, asked MSEDCL to file a reply explaining the steps

being taken to maintain the capacitors installed in the past under leasing arrangement and also to file a reply on how MSEDCL will carry out regular maintenance and monitoring of the capacitors that it proposes to install under this initiative.

- n) The Commission's regulatory expert submitted that Gaothan feeder separation is not a DSM initiative but is a demand management initiative. The Commission's regulatory expert further mentioned that this aspect has been clarified in the MYT tariff Order.

#### General observations/comments

- o) The Commission enquired from MSEDCL as to the quantum of the amount it has collected as Load Management Charge (LMC) from consumers. The Commission also enquired about the status of utilisation of this amount. The Commission also wanted to know how the LMC amount is being utilised by MSEDCL. In response, MSEDCL submitted that the LMC is being used on advertisements. Responding to MSEDCL's submittal, it was enquired as to whether the permission of the Commission has been obtained to spend the amount collected as LMC on advertisements. MSEDCL could not answer this question. The Commission then observed that MSEDCL can not utilise the amount collected as LMC, unless prior written permission is obtained from the Commission.
- p) Referring to the MYT Tariff Order, the Commission's regulatory expert pointed out that despite the "Notice" for this *suo motu* hearing clearly stating that MSEDCL has failed to report on the status of compliance with respect to DSM related directives in the MYT Tariff Order, the power point presentation made by MSEDCL during this hearing, does not contain any information on the status of compliance with respect to DSM related directives in the MYT Tariff Order. Referring to the meeting held between MSEDCL and the Secretary of the Commission on 19<sup>th</sup> April 2007, minutes of which have been circulated vide Commission's letter MERC/Case 18 of 2006/889 dated 25<sup>th</sup> April 2007, the Commission's regulatory expert pointed out that although MSEDCL had agreed, besides other things, to initiate steps to institutionalise DSM within MSEDCL by forming a dedicated division/department to undertake energy efficiency/DSM activities and to submit to the Commission a detailed plan for institutionalisation within 15 days of the said meeting, no feedback, communication, report has been received from MSEDCL. The Commission's regulatory expert further pointed out that, even in this *suo motu* hearing, MSEDCL has not provided any information not only about institutionalisation of DSM within MSEDCL but also with respect to other DSM initiatives referred or discussed during 19<sup>th</sup> April 2007 meeting and contained in minutes of this meeting circulated vide Commission's above referred letter of 25<sup>th</sup> April 2007. Responding to these points made by Commission's regulatory expert, the Commission asked MSEDCL to submit a report on the

status of compliance with respect to DSM related directives in MYT Tariff Order, as well as with respect to the issues addressed in Commission's letter of 25<sup>th</sup> April 2007, containing the minutes of the meeting held between MSEDCL and Commission's Secretary.

11. With the aforesaid observations, the Commission's directives to MSEDCL have been elaborated below:

#### CFL Programme

- a) The Commission directs MSEDCL to submit for its approval, detailed project report on the proposed CFL promotion pilot project in Pune and Thane to be implemented in association with Osram under the CDM as well as the detailed project report on the proposed State wide CFL programme to be taken up in association with Osram under the CDM. The Commission directs that the detailed project reports to be submitted by MSEDCL should, besides other things, address issues/question raised by the Commission during this *sou motu* hearing, especially with regard to identification of target consumers, measurement and verification, etc.
- b) With respect to the pilot project involving promotion of CFLs in Nashik district, implemented by MSEDCL in 2005-06, the Commission directs MSEDCL to file a report, on affidavit, within two weeks of this Order, providing details about replacements of failed CFLs and also about the extent to which recovery of cost from consumers had been done, including details about number of complaints received, number of CFLs replaced, period of replacement, how many still remained to be replaced, cost recovered from consumers, how much more remained to be recovered.

#### Energy efficiency improvement in street lighting and water pumping

- c) The Commission directs MSEDCL to submit to the Commission within a period of two weeks of this Order, MEDA's project proposal/report.
- d) The Commission directs MSEDCL to provide details of monitoring and evaluation methodology for these projects involving energy efficiency improvement in street lighting and water pumping systems in Aurangabad and Osmanabad districts. With a view to understand whether implementation of these projects has resulted in tangible benefits, the Commission further directs MSEDCL to file on affidavit a report on benefits accrued out of these projects. The Commission also directs that the details of monitoring and evaluation methodology, as well as the report should be submitted to the Commission within a period of one month from the date of this Order.
- e) The Commission directs MSEDCL to file a report, on affidavit, within two weeks of this Order, explaining how it proposes to implement and monitor these projects now that MEDA has expressed its inability to be further involved in the implementation or monitoring of this project.

- f) The Commission directs MSEDCL to provide details of failure of electronic devices/switches so far installed under this project within a period of one month from the date of this order.

Shunt compensation schemes

- g) The commission directs MSEDCL to file a reply explaining the steps being taken to maintain the capacitors installed in the past under leasing arrangement and also file a reply on how MSEDCL will carry out regular maintenance and monitoring of the capacitors that it proposes to install under this initiative.
- h) The Commission directs MSEDCL to submit a report, on affidavit, within two weeks of this Order, on the status of compliance with respect to DSM related directives in MYT Tariff Order, as well as with respect to the issues addressed in Commission's letter of 25<sup>th</sup> April 2007, containing the minutes of the meeting held between MSEDCL and Commission's Secretary.

12. While concluding the hearing, the Commission observed that MSEDCL should submit all the information and documents mentioned above on affidavit. The Commission would call for hearing on the basis of these submissions. The Commission would take appropriate action in the event the directives that it has issued to MSEDCL in respect of DSM and energy efficiency initiatives are not followed.

Sd/-  
(S. B. Kulkarni)  
Member

Sd/-  
(A. Velayutham)  
Member

Sd/-  
(Dr. Pramod Deo)  
Chairman

(P. B. Patil)  
Secretary, MERC