

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 121 of 2008

**In the matter of
Reliance Infrastructure Ltd. Distribution Business' (RInfra-D) Petition for
Truing Up for FY 2007-08, Annual Performance Review for FY 2008-09 and
Tariff Determination for FY 2009-10.**

**Shri V. P. Raja, Chairman
Shri A. Velayutham, Member
Shri S. B. Kulkarni, Member**

CLARIFICATORY ORDER

Dated: July 22, 2009

The Commission, in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 (EA 2003) and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by RInfra-D, all the suggestions and objections of the public, responses of RInfra-D, issues raised during the Public Hearing, and all other relevant material, and after review of Annual Performance for FY 2008-09, determined the ARR and Tariff for RInfra-D for FY 2009-10 vide its Order dated June 15, 2009 in Case No. 121 of 2008.

In the above-said Order, the Commission has determined the wheeling charges and wheeling losses for utilisation of RInfra-D's wire network as under:

“5.5 WHEELING CHARGES AND LOSS COMPENSATION

...

Approved Wheeling Charges and Wheeling loss at HT and LT level for FY 2008-09 is summarised in the following Table.

<i>Item Description</i>	<i>Wheeling Charge (Rs/kW/month)</i>	<i>Wheeling Loss (%)</i>
<i>HT level</i>	<i>108</i>	<i>1.5%</i>
<i>LT level</i>	<i>121</i>	<i>9.0%</i>



Note: There is a typographical error in the above paragraph in that ‘FY 2008-09’ should be read as **FY 2009-10**

Further, in another Order dated June 15, 2009 in Case No. 113 of 2008 in the matter of the Petition filed by The Tata Power Ltd. Distribution Business’ (TPC-D) for Truing Up for FY 2007-08, Annual Performance Review for FY 2008-09 and Tariff Determination for FY 2009-10, the Commission had ruled as under:

*“Section 43 of the Electricity Act, 2003 specifies the distribution licensee’s duty to supply on request, within one month of the application being received. Further, in terms of the MERC (Specific Conditions of Distribution Licence applicable to The Tata Power Company Limited) Regulations, 2008, notified by the Commission on August 20, 2008, TPC-D has to comply with all the provisions of the EA 2003 as well as the MERC (General Conditions of Distribution Licence) Regulations, 2006, notified on November 28, 2006. Accordingly, **the Commission directs TPC-D not to discriminate between various consumer categories while providing connections to new consumers, and ensure that the Universal Service Obligations are met. The Commission also directs TPC-D to submit quarterly status report of category-wise applications received for new connections and new connections released by TPC-D, to the Commission. Further, TPC-D should ensure wide publicity periodically to communicate to all categories of consumers in its entire licence area that they can approach TPC-D for availing supply, detailing the procedure and contact addresses, ward-wise, etc., for going about the process of submitting applications, etc.***

*As stated above, TPC-D has proposed a roll-out plan covering only 9 Wards, primarily overlapping with the licence area currently being served primarily by Reliance Infrastructure Limited – Distribution Business (RInfra-D), and no roll out plan has been proposed for the Wards being served primarily by the BEST till FY 2011-12, except one Ward at Wadala. **TPC-D will have to meet its licence obligations in its entire licence area, and cannot pick and choose the Wards wherein it will supply electricity. Moreover, incurring heavy capital expenditure for the network roll-out is not the only option available to TPC-D in its efforts to supply electricity to different consumers in its licence area, and the provisions of the EA 2003 relating to Open Access and the provisions of the MERC (General Conditions of Distribution Licence) Regulations, 2006 relating to use of the distribution network of another***



distribution licensee, need to be explored by TPC-D, so that the cost is optimised. The Honourable Supreme Court also, in its Judgment on the matter of TPC's distribution licence, observed that TPC could supply to consumers in its licence area, by utilising the distribution network of the other distribution licensee already present in the area. Hence, incurrance of capex cannot be a condition for meeting the Licensee's obligations to all the consumers. In fact, the capital costs should be incurred only when there is no better optimal solution.” (emphasis added) (refer Section 2.11, pp 24-25 of the Order)

“Section 42 of the EA 2003 and the MERC (Distribution Open Access) Regulations, 2006, specify the framework for supplying to certain consumers through the Open Access route. Also, the MERC (General Conditions of Distribution Licence) Regulations, 2006, specify as under:

“8.3.5 The Distribution Licensee shall provide “Non discriminatory Open Access” to the Distribution System (for wheeling of electricity) for use by any Licensee, Generating Companies including Captive Generating Plants or Consumers in accordance with the Regulations made by the Commission for the purpose.

8.3.6 The Distribution Licensee shall provide to other licensees the intervening distribution facilities to the extent of surplus capacity available, in his Distribution System in accordance with the Regulations made by the Commission for the purpose or as directed by the Commission and in the event of any dispute as to the availability of the surplus capacity the same shall be determined by the Commission. The charges, terms and conditions for the use of the intervening facilities may be mutually agreed between the Licensees subject to any order made by the Commission for the purpose.”” (refer Section 4.7, page 104 of the Order)

The objective of the Commission is to ensure that competitive forces are able to work, to achieve the overall objective of reduction in tariffs and improvement in quality of supply and customer service. In this context, the Commission is of the view that there is a need to simplify the levy of wheeling charges and wheeling losses, to facilitate supply of electricity by TPC to consumers, who are currently supplied by RInfra-D, by utilising the wire network of RInfra-D. Based on the data submitted by RInfra-D along with the APR Petition for FY 2008-09, the wheeling charges were



determined in terms of Rs/kW/month in the above-said Order. In order to operationalise the system and to enable the consumers and distribution licensees to understand the implications correctly, these Wheeling Charges are now being expressed in terms of Rs/**kWh**. This is because the metering and billing is done on the basis of energy consumed in kWh, and this will facilitate practical implementation of the system. It is clarified that no substantive change has been made to the wheeling charges and the wheeling charges have not been freshly determined.

Approved Wheeling Charges and Wheeling loss at HT and LT level for FY 2009-10 for RInfra-D wire network is summarised in the following Table:

Item Description	Wheeling Charge (Rs/kWh)	Wheeling Loss (%)
HT level	0.46	1.5%
LT level	0.88	9.0%

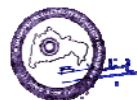
The Commission is of the view that for the consumers in the Mumbai licence area to benefit from the parallel licensee situation prevailing now, the shift of consumers from one licensee to another needs to be facilitated. Illustrations are provided on the mechanism of levy of base tariff, wire charges and wheeling losses for use of RInfra-D's wire network by TPC-D for supply to different consumer categories in the Annexures to this Order, so that the consumers can take appropriate decision to their benefit.

The Utilities are directed to not only enable the consumers to exercise their choice easily but also facilitate the same proactively, by allowing the use of their distribution network to the other distribution licensees to implement the Judgment of the Honourable Supreme Court in letter and in spirit.

Sd/-
(S. B. Kulkarni)
Member

Sd/-
(A. Velayutham)
Member

Sd/-
(V.P. Raja)
Chairman



(P.B. Patil)
Secretary, MERC

Annexure I: Illustrative Charges in case of shift of LT I Residential Category consumers from RInfra-D to TPC-D

SI	Particulars	LT I Residential – 100 units/month		LT I Residential - 300 units/month		LT I Residential - 500 units/month		LT I Residential - 700 units/month	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
1	Consumer Category	LT I Residential	LT I Residential	LT I Residential	LT I Residential	LT I Residential	LT I Residential	LT I Residential	LT I Residential
2	Supply Licensee	RInfra-D	TPC-D	RInfra-D	TPC-D	RInfra-D	TPC-D	RInfra-D	TPC-D
3	Distribution/Wire Licensee	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D
4	Sanctioned Load (kW)	5	5	5	5	10	10	10	10
5	Contract Demand (kVA)								
8	Average monthly consumption (Units)	100	100	300	300	500	500	700	700
9	Fixed Charges (Rs/month)	30	30	50	50	50	50	100	100
10	Demand Charges (Rs/kVA/month)								
11	Energy Charges (Rs/kWh)								
	0-100 units	2.96	1.30	2.96	1.30	2.96	1.30	2.96	1.30
	101-300 units	5.56	2.70	5.56	2.70	5.56	2.70	5.56	2.70
	301-500 units	9.16	4.20	9.16	4.20	9.16	4.20	9.16	4.20
	Above 500 units	10.61	4.90	10.61	4.90	10.61	4.90	10.61	4.90
12	Wheeling Charge - HT Category (Rs/kWh)								
	TPC-D	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
	RInfra-D	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
13	Wheeling Charge - LT Category (Rs/kWh)								



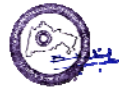
SI	Particulars	LT I Residential – 100 units/month		LT I Residential - 300 units/month		LT I Residential - 500 units/month		LT I Residential - 700 units/month	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
	TPC-D	0.37	0.37	0.37	0.37	0.37	0.37	0.37	0.37
	RInfra-D	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
16	Wheeling Loss - HT Category (%)								
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Wheeling Loss - LT Category (%)								
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	9%	9%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
	Tariff Payable (Rs/month)								
18	Units Billable (gross up for wheeling losses)	100	109.9	300	329.7	500	549.5	700	769.2
19	Fixed Charges	30	30	50	50	50	50	100	100
20	Demand Charges								
21	Energy Charges	296.00	156.70	1408	794.62	3240	1752.31	5362	2829.23
22	Wheeling Charges		96.70		290.11		483.52		676.92
23	Total Monthly Bill	326	283.41	1458	1134.73	3290	2285.82	5462	3606.15
24	Average Billing Rate	3.26	2.83	4.86	3.78	6.58	4.57	7.80	5.15
25	Total Savings (Rs/month)	0	42.59	0	323.27	0	1004.18	0	1855.85
26	Total Savings (%)	0%	13%	0%	22%	0%	31%	0%	34%

Note: The above example has been given only for illustration purposes, with assumed values of consumption and sanctioned load, in order to explain the concept and the above illustration is not to be used for billing purposes



Annexure II: Illustrative Charges in case of shift of LT II Commercial Category consumers from RInfra-D to TPC-D

SI	Particulars	LT II Commercial <=20 kW		LT II Commercial > 20 kW & <=50 kW		LT II Commercial > 50 kW	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
1	Consumer Category	LT II Commercial (A)	LT II Commercial (A)	LT II Commercial (B)	LT II Commercial (B)	LT II Commercial (C)	LT II Commercial (C)
2	Supply Licensee	RInfra-D	TPC-D	RInfra-D	TPC-D	RInfra-D	TPC-D
3	Distribution/Wire Licensee	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D
4	Sanctioned Load (kW)	20	20				
5	Contract Demand (kVA)			50	50	75	75
8	Average monthly consumption (Units)	350	350	4500	4500	13500	13500
9	Fixed Charges (Rs/month)	200	150				
10	Demand Charges (Rs/kVA/month)			150	150	150	150
11	Energy Charges (Rs/kWh)						
	0-100 units						
	101-300 units	7.95	3.85	10.26	4.30	10.91	4.65
	301-500 units						
	Above 500 units						
12	Wheeling Charge - HT Category (Rs/kWh)						
	TPC-D	0.18	0.18	0.18	0.18	0.18	0.18
	RInfra-D	0.46	0.46	0.46	0.46	0.46	0.46
13	Wheeling Charge - LT Category (Rs/kWh)						
	TPC-D	0.37	0.37	0.37	0.37	0.37	0.37
	RInfra-D	0.88	0.88	0.88	0.88	0.88	0.88
16	Wheeling Loss - HT Category (%)						



SI	Particulars	LT II Commercial <=20 kW		LT II Commercial > 20 kW & <=50 kW		LT II Commercial > 50 kW	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Wheeling Loss - LT Category (%)						
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
	Tariff Payable (Rs/month)						
18	Units Billable (gross up for wheeling losses)	350	384.6	4500	4945.1	13500	14835.2
19	Fixed Charges	200	150	0	0	0	0
20	Demand Charges			7500	7500	11250	11250
21	Energy Charges	2782.5	1480.77	46170	21263.74	147285	68983.52
22	Wheeling Charges		338.46		4351.65		13054.95
23	Total Monthly Bill	2982.5	1969.23	53670	33115.38	158535	93288.46
24	Average Billing Rate	8.52	5.63	11.93	7.36	11.74	6.91
25	Total Savings (Rs/month)	0	1013.27	0	20554.62	0	65246.54
26	Total Savings (%)	0%	34%	0%	38%	0%	41%

Note: The above example has been given only for illustration purposes, with assumed values of consumption and sanctioned load/Contract Demand, in order to explain the concept and the above illustration is not to be used for billing purposes



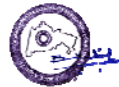
Annexure III: Illustrative Charges in case of shift of LT III and LT IV Industry Category consumers from RInfra-D to TPC-D

SI	Particulars	LT III Industrial <= 20 kW		LT IV Industrial > 20 kW	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
1	Consumer Category	LT III Industrial	LT III Industrial	LT IV Industrial	LT IV Industrial
2	Supply Licensee	RInfra-D	TPC-D	RInfra-D	TPC-D
3	Distribution/Wire Licensee	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D
4	Sanctioned Load (kW)	20	20		
5	Contract Demand (kVA)			40	40
8	Average monthly consumption (Units)	800	800	9000	9000
9	Fixed Charges (Rs/month)	200	150		
10	Demand Charges (Rs/kVA/month)			150	150
11	Energy Charges (Rs/kWh)				
	0-100 units				
	101-300 units	7.76	4.10	7.41	4.60
	301-500 units				
	Above 500 units				
12	Wheeling Charge - HT Category (Rs/kWh)				
	TPC-D	0.18	0.18	0.18	0.18
	RInfra-D	0.46	0.46	0.46	0.46
13	Wheeling Charge - LT Category (Rs/kWh)				
	TPC-D	0.37	0.37	0.37	0.37
	RInfra-D	0.88	0.88	0.88	0.88
16	Wheeling Loss - HT Category (%)				
	TPC-D	0.66%	0.66%	0.66%	0.66%
	RInfra-D	1.50%	1.50%	1.50%	1.50%



SI	Particulars	LT III Industrial <= 20 kW		LT IV Industrial > 20 kW	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
17	Wheeling Loss - LT Category (%)				
	TPC-D	0.66%	0.66%	0.66%	0.66%
	RInfra-D	9.00%	9.00%	9.00%	9.00%
	Tariff Payable (Rs/month)				
18	Units Billable (gross up for wheeling losses)	800	879.1	9000	9890.1
19	Fixed Charges	200	150	0	0
20	Demand Charges			6000	6000
21	Energy Charges	6208	3604.40	66690	45494.51
22	Wheeling Charges		773.63		8703.30
23	Total Monthly Bill	6408	4528.02	72690	60197.80
24	Average Billing Rate	8.01	5.66	8.08	6.69
25	Total Savings (Rs/month)	0	1879.98	0	12492.20
26	Total Savings (%)	0%	29%	0%	17%

Note: The above example has been given only for illustration purposes, with assumed values of consumption and sanctioned load/Contract Demand, in order to explain the concept and the above illustration is not to be used for billing purposes



Annexure IV: Illustrative Charges in case of shift of HT I (Industry), HT II (Commercial) and HT III (Group Housing Society) Category consumers from RInfra-D to TPC-D

SI	Particulars	HT I Industry		HT II Commercial		HT III Group Housing Society	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
1	Consumer Category	HT I Industry	HT I Industry	HT II Commercial	HT II Commercial	HT III Grp Hsg Soc	HT III Grp Hsg Soc
2	Supply Licensee	RInfra-D	TPC-D	RInfra-D	TPC-D	RInfra-D	TPC-D
3	Distribution/Wire Licensee	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D	RInfra-D	TPC-D + RInfra-D
4	Sanctioned Load (kW)						
5	Contract Demand (kVA)	475	475	550	550	400	400
8	Average monthly consumption (Units)	225000	225000	150000	150000	150000	150000
9	Fixed Charges (Rs/month)						
10	Demand Charges (Rs/kVA/month)	150	150	150	150	150	150
11	Energy Charges (Rs/kWh)						
	0-100 units						
	101-300 units	7.56	4.10	8.41	4.35	5.16	3.80
	301-500 units						
	Above 500 units						
12	Wheeling Charge - HT Category (Rs/kWh)						
	TPC-D	0.18	0.18	0.18	0.18	0.18	0.18
	RInfra-D	0.46	0.46	0.46	0.46	0.46	0.46
13	Wheeling Charge - LT Category (Rs/kWh)						
	TPC-D	0.37	0.37	0.37	0.37	0.37	0.37
	RInfra-D	0.88	0.88	0.88	0.88	0.88	0.88



SI	Particulars	HT I Industry		HT II Commercial		HT III Group Housing Society	
		Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added	Continue with RInfra-D	Shift to TPC-D, RInfra whlg chgs & whlg losses added
16	Wheeling Loss - HT Category (%)						
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
17	Wheeling Loss - LT Category (%)						
	TPC-D	0.66%	0.66%	0.66%	0.66%	0.66%	0.66%
	RInfra-D	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
	Tariff Payable (Rs/month)						
18	Units Billable (gross up for wheeling losses)	225000	228426.4	150000	152284.3	150000	152284.3
19	Fixed Charges	0	0	0	0	0	0
20	Demand Charges	71250	71250	82500	82500	60000	60000
21	Energy Charges	1701000	936548.22	1261500	662436.55	774000	578680.20
22	Wheeling Charges		105076.14		70050.76		70050.76
23	Total Monthly Bill	1772250	1112874.37	1344000	814987.31	834000	708730.96
24	Average Billing Rate	7.88	4.95	8.96	5.43	5.56	4.72
25	Total Savings (Rs/month)	0	659375.63	0	529012.69	0	125269.04
26	Total Savings (%)	0%	37%	0%	39%	0%	15%

Note: The above example has been given only for illustration purposes, with assumed values of consumption and Contract Demand, in order to explain the concept and the above illustration is not to be used for billing purposes

