

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 93 of 2009

In the matter of
Petition filed by MSEDCL seeking approval of project for the supply of power above 10 MVA and 22 kV level through Independent dedicated distribution facility at Rajiv Gandhi Infotech park, Hinjewadi.

Shri. V.P. Raja, Chairman
Shri. S.B. Kulkarni, Member
Shri. V.L. Sonavane, Member

ORDER

Dated: July 19, 2010

The Maharashtra State Electricity Distribution Company Limited (MSEDCL) submitted a Petition under affidavit on 11.01.2010, under Regulations 85 of the MERC (Terms and Conditions of Tariff) Regulations, 2005 (hereinafter referred as the “Tariff Regulations”) and Regulation 14 of the MERC (Standards of Performance of Distribution Licensee, period for giving supply and determination of Compensation) Regulations, 2005 (hereinafter referred as the “SoP Regulations”), seeking approval of project for the supply of power above 10 MVA and at 22 KV level through independent dedicated distribution facility at Rajiv Gandhi Infotech Park, Hinjewadi, Pune.

2. The main prayers in the Petition are as follows:

1. *The Hon’ble Commission may be pleased to approve the Project;*



2. *The Hon'ble Commission may be pleased to allow power supply above 10 MVA and at 22 KV voltage level through independent dedicated distribution facility on the grounds mentioned herein above;*
3. *Permit to allow to levy 2% extra units on account of supplying power at lower voltage i.e. 22 KV instead of prescribed voltage on the units consumed by the consumer as an interim arrangement till final decision on the petition No. Co-ord cell/Petition/35433 dtd. 11.11.2009;*
4. *The above relaxation in SoP may be allowed to be made applicable in all such similar cases where the connections are released at lower voltage.*
5. *Any other relief just and equitable as the Hon'ble Commission deems fit.*

3. MSEDCL, in its Petition, submitted as under:

a) The Rajiv Gandhi Infotech Park (RGIP) has been developed at Hinjewadi, Pune by the Maharashtra Industrial Development Corporation (MIDC). The MIDC has agreed to provide land for erection of sub-station and also agreed to provide all infrastructure support for supply of power through towers and transmission lines. At present RGIP Phase I is supplied through 220 kV, 75 MVA receiving Station No. I. The said receiving station is in village Hinjewadi. The separate 220kV, 100MVA receiving station no. II, is constructed for supply of power to RGIP phase II. The later substation is within the limits of village Maan which caters to power requirements of Industrial houses requiring power less than 5 MVA and other buildings of Phase II in village Maan. Following IT companies have approached MSEDCL for electric supply in RGIP Phase II in village Hingewadi and Maan:

i) Ascendas India	- 21 MVA
ii) Infosys Technologies	- 23 MVA
iii) Wipro Technologies	- 22 MVA
iv) DLF Aakruti	- 41 MVA
v) Pune Embassy	- 29 MVA
vi) Pune Dynasty	- 14 MVA

150 MVA

The individual power requirement of the above companies is more than 10 MVA for which they have submitted the Load Sanction Requests to the Petitioner.



As per SoP Regulations the power supply to these consumers will have to be given on EHV but the same is not possible due to following reasons

- i) Limitation of Corridor (RoW) for EHV lines due to existing development of Industries.
- ii) Residents of village Maan objected for erection of EHV sub-station as well as lines.

Therefore the facility available at present cannot be utilized. Also in addition to above companies with their respective loads, few more companies are likely to get associated in this project since they will encounter the same problem of 220kV corridor.

- b) Considering requirement of uninterrupted power supply for rapidly developing IT Industry the above companies/ MSEDCL (i to vi) have devised a following scheme for availing supply on 22kV feeders emanating from single 220kV substation instead of individual connections on EHV side.

- i) The MIDC will provide land to these above 6 consumers on lease for making 220/22kV, 150 MVA substation. Cost of this substation shall fully be borne by MSETCL/MSEDCL.
- ii) The 220Kv Transmission lines with transmission towers is already erected along with the road developed and maintained by MSETCL.
- iii) The power shall be supplied at 220kV level to the said substation to step down further to 22kV voltage level so as to facilitate distribution of this
- iv) Power to individual prospective consumers. However, the metering of all applicant companies shall be installed in the vicinity of individual prospective consumers.
- v) The exact and entire technical arrangement of this system shall be worked out in coordination with all companies and MSETCL/MSEDCL local officers (Testing and O&M)
- vi) The substation also provides for supply of power by separate feeder to individual Companies. The power shall be supplied through 22kV switchgear and power cables shall run till consumer premises through plenum to be constructed under the ground owned by MIDC from 220kV substation dedicated for the project. The plenum is like a tunnel under the ground. The plenum shall be of substantial height and breadth with well secured covered man holes at regular intervals, so as to allow only authorised person to enter the plenum to carry out any servicing or repairs etc. The power cables shall



be carried by separate racks fixed on the RCC walls of the plenum leaving the passage between or one side of the plenum.

c) Grounds/submission in support of the case.

i) The petition is in pursuance to the object of Electricity Act, 2003 more particularly protecting the interests of the consumers as this project consisting of laying of power cables through Plenum is totally new concept & supply of electricity above 10 MVA and 22kV level also the project proposes funding of entire project by consortium of consumers. The consumers under the project need to be treated as the 22kV consumers. The said project is also based on the policy of the Government of Maharashtra pertaining to development of the IT sector.

ii) Functions of the State Commission under Section 86 read with sub-section 1(i) 'specify or enforce standards with respect to quality, continuity and reliability of services by licensees.'

iii) IT and ITES policy, 2003 declared by The Government of Maharashtra deals with the standards of power supply required for companies in this sector and to provide uninterrupted power supply in required quantities to enable them to function optimally. Therefore in pursuance of the said policy Hon'ble Commission should allow the supply of power above 10 MVA at 22kV level through independent grid.

iv) Even today individual cases are considered on merit for release of loads at lower voltage. However this being a group of consumers requesting for release of load on lower voltage through feasible technical arrangement without compromising on Standards of Performance.

v) Commission requires to intervene in this matter since the specific circumstances of the premises do not permit installation of separate EHV substations.

vi) It is proposed to levy voltage surcharge to the consumers to supply power at lower voltage than the prescribed voltage as per MERC SoP Regulation-2005. The petition for charging voltage surcharge is submitted by MSEDCL vide No. PCom/Cos/33281 dt.14.10.2005. Till such time MERC decides the surcharge consumer will be billed at extra 2% units consumed as is being done presently for all such consumers as an interim arrangement. After decision of MERC on the petition referred above, charges shall be levied as per provisions/decision and same shall be binding.

vii) The MIDC jointly with IT industries filed the petition on 09 March 2007



Seeking amendments in MERC (Standards of Performance of Distribution Licensee period for Giving Supply and Determination of Compensation) Regulation, 2005 for supply of 10 MVA and the above power at 22kV for IT Industries located at Rajiv Gandhi Infotech Park in Hinjewadi, Pune.

viii) The present petition is within jurisdiction under the MERC Standards of Performance Regulation and the Commission is fully empowered to consider and amend regulation for specific case.

d) Relevant Policy issued by Central and State Government

SEZ Policy:

i) 'State Government Policy regarding setting up of Special Economic Zones in Maharashtra' issued by the Government of Maharashtra dated 12th October 2001. The policy is intended to promote the establishment of large, self contained areas supported by world-class infrastructure oriented towards export production.

ii) As per the Policy, under the clause "Power", the policy states that

"4. The SEZ authority will ensure continuous and good quality power supply to the SEZs. Public sector enterprise(s) or joint ventures promoted by them can establish 'Independent Power Producers' (IPPs) which will be permitted to establish dedicated provision of power to the SEZ, including generation, transmission and distribution, besides fixing tariffs for the zone. The SEZ authority should ensure standby arrangements. The IPPs will also be permitted to establish grid connectivity so as to draw power from the grid in case of stand by arrangements, subject to their entering into a separate agreement with Maharashtra State Electricity Board (MSEB) on mutually acceptable terms. Industrial units and other establishments in those SEZs for which no 'Independent Power Producer' has been established will be permitted to generate their own power for captive use."

IT and ITES Policy 2003:

i) The Government of Maharashtra has issued 'IT and ITES Policy 2003' dated 12th July 2003. The policy was intended to make Maharashtra the most favoured destination for investment in the IT and ITES industry.

ii) As per the clause 7 of the unique Info Infrastructure, the policy states as follows



“7.4 For reliable and quality power supply round the clock, Private IT parks and Public IT parks will have freedom of unlimited back up power, permission for captive power generation and status as ‘Independent Power Producers’.

7.5 IT and ITES units shall be declared as continuous process units and shall be exempted from statutory power cuts to enable them to perform on 24x7 basis.

7.6 IT and ITES Units will be entitled for supply of power at industrial rates under the MERC tariff orders. These units will be categorised as a separate group of consumers through the MERC.”

- e) The Commission has powers to issue interim orders on any matter as deemed appropriate under section 94(2) of the Act and under Regulation 85 of the MERC (Terms and Conditions of Tariff) Regulations, 2005.

The Commission has power to amend under Regulation 14 of MERC (Standards of Performance of Distribution Licensee period for Giving Supply and Determination of Compensation) Regulation, 2005.

The Commission has power to remove difficulties under Regulation 14 of MERC (Standards of Performance of Distribution Licensee period for Giving Supply and Determination of Compensation) Regulation, 2005.

4. The Commission vide its Notice dated January 19, 2010, scheduled a hearing in the matter on February 22, 2010 and directed MSEDCL to serve a copy of the Petition to the four Consumer Representatives authorised on a standing basis under Section 94 of the EA 2003.

5. During the hearing MSEDCL submitted that they have proposed the project considering techno-economical view instead of constructing of 6 no. of EHV substations.

6. During the hearing Shri. N. Ponrathnam appeared as an Intervener. He referred to Regulation No. 5.3 of SoP Regulations, Section 62 sub-sections (3), (4) and (5), Section 64(1) of EA 2003 and submitted as under:

- (i) The Commission had approved Wheeling charges and Wheeling Losses for FY 2008-09 as under:

Voltage Level	Wheeling Charge (Rs./kW/Month)	Wheeling Loss (%)
33kV	20	6%



22kV/11kV	110	9%
LT Level	191	14%
EHT 132kV or more	Nil	Nil

The Commission should fix the charges based on wheeling charge, wheeling losses and cost of supply at different voltages.

(ii) The Commission should encourage supply of electricity for a particular load at higher voltages as losses are lower at high Voltage.

Similarly, the Commission should have a concrete principle regarding levy of Voltage Surcharge to discourage supply of electricity for a particular load at voltages lower than that specified in the SoP Regulations as losses are high at low voltage.

(iii) The Commission while determining the charges should consider the following techno-commercial constraints:

- a. Space constraints for construction of EHV sub-station
- b. Cost of EHV substation
- c. Time required for construction of EHV Sub-station
- d. Right of way/ way Leave/clearance problems.
- e. Non-availability of prescribed voltage level infrastructure.

7. Having heard the Parties and after considering the material placed on record, the Commission during the hearing held on February 22, 2010 observed that the Commission cannot deal on case to case basis on such type of matters and at the same time Commission is also concerned about the non-discriminatory approach. During the hearing, the Commission had directed MSEDCL to form a technical committee to find a technical solution by studying various issues such as up to what extent relaxation is allowed in voltage or load, how different foreign countries executed the project in the similar conditions, are there any technological solutions available etc. MSEDCL was also directed, after getting the solution, to file detailed proposal for supply to Rajiv Gandhi Infotech Park, Hinjewadi, Pune within a month from the date of hearing i.e. up to 22nd March, 2010.

8. Despite the reminders sent on April 7, 2010 and on April 26, 2010 the report of the technical committee has yet not been submitted .



However MSEDCL vide its letter dated May 21,2010 informed that the consumers covered in the petition are not interested in the proposed project and have applied for independent connections under DDF and MSEDCL desires to obtain *in principle* approval for such type of arrangement even though the individuals have applied for separate connections.

Further to this once again reminder was sent to MSEDCL vide letter dated July 1, 2010 to submit the said report/solution within a week from the date of this letter without fail. But till date the said report has not been submitted.

In view of the above, without the aforesaid study report, the present case is hereby dismissed, with liberty to MSEDCL to file a fresh Petition after conducting the detailed study, as directed by the Commission.

Sd/-
(V. L. Sonavane)
Member

Sd/-
(S. B. Kulkarni)
Member

Sd/-
(V. P. Raja)
Chairman



(K.N Khawarey)
Secretary, MERC