

# **MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**

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## **PRESS NOTE**

### **Order dated 9<sup>th</sup> September 2011 of Maharashtra Electricity Regulatory Commission (MERC) for decision on the Review Petition filed by MSEDCL on Cross Subsidy Surcharge (CSS) (Case No. 9 of 2006 dated September 5, 2006) and De novo re-determination of CSS payable by Open Access/Change Over Consumers (Group II as per Tariff Order of MERC on Case No. 72 of 2010 dated July 29, 2011 – TPC consumers using RInfra-D's wires)**

1. MERC in the Tariff Order dated 29 July 2011 of Reliance Infrastructure Ltd's-Distribution business had decided to allow applicability of CSS on Group II Change-over consumers who are still connected to Reliance Infrastructure-Distribution network but are getting supply from Tata Power Company –Distribution.
2. MERC in its order dated 9<sup>th</sup> September 2011 in Case No. 43 of 2010, in the matter of review of 2006 CSS Order (Case No. 9 of 2006 dated 5<sup>th</sup> September , 2006) and De novo re-determination has computed the CSS to be levied on Group II Change-over consumers. The CSS computed as per the present Order would be **prospectively** applicable on the Group II Change-over consumers.
3. Infact the CSS is applicable to the Change-over consumers from the date of migration as per MERC Tariff Order dated 29<sup>th</sup> July 2011. Prior to the issue of this Order, CSS was computed as Zero vide MERC Order dated 5<sup>th</sup> September 2006 and in various tariff orders from time to time. With the issue of the present Order, CSS stands revised and will be applicable **prospectively** from the date of this present Order.
4. The applicability of CSS is in accordance with the Hon'ble Supreme Court's judgment (Order dated July 8, 2008 in Civil Appeal No. 2898 of 2006 with Civil Appeal Nos. 3466 and 3467 of 2006). MERC has complied with the above Order of the Hon'ble Supreme Court.
5. MERC, after appropriate deliberations, has adopted the CSS formula as specified in the Tariff Policy, Ministry of Power, Government Of India, which is in tune with the objectives of Electricity Act, 2003 (EA 2003). In one of the Judgments in appeal on an Order of APERC, the Hon'ble Appellate Tribunal for Electricity (APTEL) viewed that all the Regulatory Commissions must follow the Tariff Policy formula for CSS.

Therefore, MERC in this Order dated 9<sup>th</sup> September 2011 has followed the formula specified under the Tariff Policy.

6. The CSS computed in the present Order dated 9<sup>th</sup> September 2011 is provided in the table below for reference. The table shows that as an example the CSS applicable for changeover consumers, such as, HT/EHV Commercial Consumers (below 66 kV & above 66 kV) will have applicable CSS in the range of 26 Paise per unit to 83 Paise per unit respectively. The applicable CSS for the consumer categories is provided below:-

Consumer Category	Applicable CSS
	(Rs./Unit)
<b>HT Consumers (Below 66kV)</b>	
Commercial	0.26
Temporary Supply	2.22
<b>EHV Consumers (Above 66kV)</b>	
Commercial	0.83
Temporary Supply	2.79
<b>LT Consumers</b>	
Non Domestic	
<i>'&gt; 20 kW &amp; &lt; 50kW'</i>	0.84
<i>Above 50kW</i>	1.90
<b>Residential Single Phase</b>	
500 units and Above	0.03
Advertisements	8.35
Temporary Others	5.51

7. MERC has also analysed the impact of CSS on the consumers opting for change-over from RInfra – D to TPC – D (for Group II Consumers). The result of the analysis shows that even after the levy of CSS on Change-over consumers, such as, the HT Commercial Category consumers, they would still benefit. The savings that may accrue to these consumers would be 29.19% for HT Commercial Category consumers.

The detailed Order dated 9<sup>th</sup> September 2011 is available on the Commission's website [www.mercindia.org.in](http://www.mercindia.org.in) in downloadable format.

Sd/-  
(Kuldip N. Khawarey)  
Secretary

Dated: 9<sup>th</sup> September 2011