



**Maharashtra State Electricity Distribution Co. Ltd.**

(A Govt. of Maharashtra Undertaking)

**CIN : U40109MH2005SGC153645**

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Ref. No: SE/TRC/ **No 0 6 1 5 1**

Date: **1 8 MAR 2017**

To,  
Secretary,  
Maharashtra Electricity Regulatory Commission,  
13<sup>th</sup> Floor, World Trade Center,  
Cuffe Parade, Colaba, Mumbai-400005

**Subject:** Comments on the Draft MERC (Fees and Charges) Regulations, 2017.

**Reference:** MERC Public Notice dated 27.02.2017

Sir,

Hon'ble Commission vide Public Notice dated 27.02.2017 has invited Comments, Suggestions and Objections on Draft MERC (Fees and Charges) Regulations, 2017.

Accordingly, MSEDCL is hereby submitting its comments on the Draft MERC (Fees and Charges) Regulations, 2017. MSEDCL has highlighted certain key issues in brief regarding the Draft MERC (Fees and Charges) Regulations, 2017 which are outlined as below:

A. Delayed Payment Charge (DPC) for delay in the payment of the License Fee:

A Delayed Payment Charge (DPC) is proposed to be levied at a simple interest rate of 1.25% on the outstanding amount for each month, along the lines of the DPC provision in the Commission's Multi-Year Tariff Regulations, 2015, in order to promote timely payment.

MERC (General Conditions of Distribution Licence) Regulation, 2006 stipulates following:

“

*8.9 Payment of licence fees*

.....

*8.9.2 Where the Distribution Licensee fails to pay fees or other charges required by his licence, to the Commission, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted there for:*

*(a) without prejudice to other obligations, the Distribution Licensee shall be liable to pay interest on the outstanding amount for the overdue period at such rate as the Commission may direct from time to time and unless so directed at a simple interest rate of 1.5 per cent per month; and*

.....”

Now, in proposed Draft Regulation the Commission intends to levy a Delayed Payment Charge (DPC) at a simple interest rate of 1.25% on the outstanding amount. Here, it seems that rate of interest is different in Draft Regulation and MERC (General Conditions of Distribution Licence) Regulation, 2006. In view of forgoing clarity may be provided in this regard.

MSEDCL suggest that there shall be a provision by way of which the Commission may have discretion to waive of DPC, upon application of any Licensee.

The following proviso may be consider by the Commission for insertion in provisions 3 in Schedule:

*Provided that the Commission is at its discretion may waive of DPC, upon application of any Licensee.*

B. Historically wheeling charges on account of Open Access have not been considered for calculation of Annual License fees.

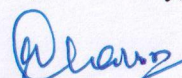
Annual License fee may be prescribed by considering the base for levy, only on revenue from sale of power without including revenue from other income. Also ceiling on the amount of License fee may be specified.

C. According to provision at Sr.No.(1) in Schedule of Draft Regulation, for adjudication of disputes under the provisions of the Act the fees for Licensees or conventional generators is Rs.3,00,000/- and that for RE Generator it is 50,000/- .

This seems to be discriminatory, means for any dispute against RE Generator, Licensee has to pay Rs.3,00,000/- and on the other hand RE generator can initiate proceedings at the cost of Rs.50,000/-. The fees for either party shall be same.

It is requested that aforementioned comments may be taken on record and considered while finalization of Draft MERC (Fees and Charges) Regulations, 2017.

Yours Sincerely,



(Satish Chavan)

Executive Director (Commercial)