BEFORE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION, MUMBAI

Filing No.: ______________

Case No.:_______________

IN THE MATTER OF

PETITION SEEKING REVIEW OF ORDER DATED 12th SEPTEMBER 2018 IN CASE NO. 195 OF 2017 IN THE MATTER OF PETITION OF MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD. FOR TRUING-UP OF AGGREGATE REVENUE REQUIREMENT (ARR) FOR FY 2015-16 & FY 2016-17, PROVISIONAL TRUING-UP OF ARR FOR FY 2017-18 AND REVISED PROJECTIONS OF ARR FOR FY 2018-19AND FY 2019-20.

IN THE MATTER OF

SECTION 94 (1) (f) OF THE ELECTRICITY ACT, 2003;

IN THE MATTER OF

REGULATION 85 (REVIEW OF DECISIONS, DIRECTIONS & ORDERS) OF MERC (CONDUCT OF BUSINESS) REGULATIONS, 2004;

IN THE MATTER OF

REGULATION 94 (INHERENT POWER OF THE COMMISSION) OF MERC (CONDUCT OF BUSINESS) REGULATIONS, 2004;

AND

IN THE MATTER OF

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED, PRAKASHGAD, BANDRA (EAST), MUMBAI –REVIEW PETITIONER

Submission on behalf of Maharashtra State Electricity Distribution Company Limited.

1. Background

1.1. Maharashtra State Electricity Distribution Co. Ltd. (hereinafter to be referred to as "MSEDCL" or "the Petitioner") has been incorporated under Indian Companies Act, 1956 pursuant to decision of Government of Maharashtra to reorganize erstwhile Maharashtra State Electricity Board (herein after referred to as "MSEB"). The Petitioner submits that the said reorganization of the MSEB has been done by Government of Maharashtra pursuant to "Part XIII – Reorganization of Board" read with section 131 of The Electricity Act 2003. The Petitioner has been incorporated on 31.5.2005 with the Registrar of Companies, Maharashtra, Mumbai and has obtained Certificate of Commencement of Business on 15th Sep 2005. The Petitioner is a Distribution Licensee under the provisions of the Electricity Act, 2003 (EA, 2003) having license to supply electricity in the State of Maharashtra except some parts of city of Mumbai.

1.2. The Petitioner is a Company constituted under the provisions of Government of Maharashtra, General Resolution No. PLA-1003/C.R.8588/Energy-5 dated 25thJanuary 2005 and is duly registered with the Registrar of Companies, Mumbai on 31stMay 2005.

1.3. The Petitioner is functioning in accordance with the provisions envisaged in the Electricity Act, 2003 and is engaged, within the framework of the Electricity Act, 2003, in the business of Distribution of Electricity to its consumers situated over the entire State of Maharashtra, except some parts of city of Mumbai.

1.4. The Petitioner had submitted a petition in accordance with the MERC (Multi Year Tariff) Regulations 2015 for Truing-up of Aggregate Revenue Requirement (ARR) of FY 2015-16 and FY 2016-17, Provisional Truing-up of ARR of FY 2017-18 and Revised Projections of ARR for FY 2018-19 and FY 2019-20. (MERC Case no. 195 of 2017). Hon'ble Commission, in exercise of the powers vested in it under Section 61 and Section 62 of the Electricity Act, 2003 and all other powers enabling it in this behalf and after taking into consideration submissions made by the Petitioner, suggestions and objections of the public and responses of the Petitioner thereto, issues raised during the Public Hearing, and all other relevant material, has issued Order dated 12thSeptember 2018 for Truing-up of ARR for FY 2015-16 and FY 2016-17, Provisional Truing-up of ARR for FY 2017-18 and Revised Projections of ARR & Tariff for FY 2018-19 and FY 2019-20 (*hereinafter to be referred to as "MTR Order"*).

1.5. However, the Petitioner respectfully submits that in the MTR Order dated 12th September 2018, there are certain apparent errors and the Petitioner has apprehension over the way certain issues have been dealt with by the Hon'ble Commission. Therefore the Petitioner is approaching the Hon'ble Commission with this Petition seeking review of the said MTR Order dated 12th September 2018.

1.6. The Petitioner is submitting this Petition seeking review of said MTR Order dated
12thSeptember2018 in Case No. 195 of 2017for kind consideration of the Hon'ble Commission under the following provisions:

a) Electricity Act 2003

Section 94 (1) (f) of the Electricity Act 2003 allows the Appropriate Commission to review its own decisions, directions and orders. The relevant clause is reproduced below for reference:

"94. Powers of Appropriate Commission

(1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely:--

....

(f) reviewing its decisions, directions and orders;

..."

b) MERC Regulation

Regulation 85 (Review of Decisions, Directions & Orders) of MERC (Conduct of Business) Regulations, 2004, which is reproduced here below:

"85 (a) – Any person aggrieved by a direction, decision or order of the Commission, from which (i) no appeal has been preferred or (ii) from which no appeal has been allowed, may, upon discovery of new & important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when direction, decision or order was passed or on account of some mistake or error apparent from the face of the record, or for any other sufficient reasons, may apply for a Review of such order, within forty-five (45) days of the date of the direction, decision or order, as the case may be, to the Commission."

Regulation 94 (Inherent powers of the Commission) of MERC (Conduct of Business) Regulations, 2004, which is reproduced here below:

"Nothing in these Regulations shall bar the Commission to deal with any matter or exercise any power under the Act for which no regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit"

1.7. Based on the above Section of the Electricity Act, 2003 and the relevant Regulations issued by the Hon'ble Commission, the Petitioner requests the Hon'ble Commission to admit the Petition without prejudice to its rights to seek redressal under the Appellate remedy provided in Section 111 of the Electricity Act, 2003 or by initiating any other proceedings as may be advised.

1.8. The Petitioner humbly submits that the Petition is submitted for consideration and rectification of the apparent errors and review of the certain critical rulings of the Hon'ble Commission so that the resultant Revenue Gap after Truing-up of ARR for FY 2015-16 & FY 2016-17, Provisional Truing-up of ARR for FY 2017-18and Revised Projections of ARR for FY 2018-19 and FY 2019-20 is appropriately re-stated for the Petitioner to sufficiently discharge its duties as mandated in Electricity Act, 2003.

1.9. The Petitioner submits that the Petition is being filed within the prescribed time limit;

1.10. The Petitioner therefore requests the Hon'ble Commission to admit the Petition and permit review of the said MTR Order dated 12th September 2018 (Case No. 195 of 2017) on the following grounds:

2. <u>GROUNDS SEEKING REVIEW OF THE MTR ORDER FOR THE PERIOD FY 2015-16 TO FY 2019-20</u>

I. Error in value of Opening Gross Fixed Assets (GFA) considered for computation of Normative O&M Expenses for FY 15-16

The Petitioner respectfully submits that it has submitted the reconciliation of GFA as detailed in Chapter 2.9 of its Mid Term Review Petition and requested Hon'ble Commission to approve an additional amount of Rs. 1,135 Cr. in the opening GFA of FY 2015-16 the details of which are as given below:

Table 1: Reconciliation submitted by MSEDCL for reinstatement of GFA

S. No.	Particulars	Amount (Rs. Cr.)
1	Difference in capitalization approved for FY 2007-08	815
2	Difference in capitalization approved for FY 2009-10	208
3	Difference in capitalization approved for FY 2011-12	112
	Total	**1,135**

The Hon'ble Commission has approved Rs. 927 Cr. as detailed in para 3.8.16 of MTR Order as against Rs. 1,135 Cr. requested by the Petitioner. Accordingly, the opening GFA of FY 2015-16 gets revised to Rs. 40,568

Cr. (Rs 39641 Crs + Rs 927 Crs) which is net of GFA of Franchisee area for the purpose of computation of O&M Expenses.

However, in para 3.7 of MTR Order, for the computation of O&M Expenses for FY 2015-16, the Hon'ble Commission considered Opening GFA as Rs. 39,641 Cr thereby missing out the inclusion of Rs. 927 Cr. in the opening GFA for computation of O&M Expenses. This is error apparent on face of records.

Hence, the Petitioner most humbly requests the Hon'ble Commission to revise the approved normative O&M expenses for FY 2015-16 as provided in the following table:

Table 2: Revised computation of O&M Expenses for Wire Business for FY 15-16

S. No.	Particulars	Units	Amount
A)	**Composite O&M Norms**		
1	**O&M Expenses Norm specified in Regulations**		
1.1	For Wheeled Energy	paise/kWh	14.34
1.2	For No. of Consumers in Wires Business	Rs Lakh/ '000 Consumers	7.40
1.3	For R&M Expenses	% of GFA	4.00%
2	**Parameters for O&M Expenses**		
2.1	Wheeled Energy	MU	1,09,543.29
2.2	No. of Consumers in Wires Business	'000 Consumers	23,150.97
2.3	Opening GFA	Rs. Crore	36,511.30
B)	**Total O&M Expenses**	Rs. Crore	**4,744.47**

Table 3: Revised computation of O&M Expenses for Supply Business for FY 2015-16

S. No.	Particulars	Units	Amount
A)	**Composite O&M Norms**		
1	**O&M Expenses Norm specified in Regulations**		
1.1	For Sales in Supply	paise/kWh	9.94

S. No.	Particulars	Units	Amount
	Business		
1.2	For No. of Consumers in Supply Business	Rs Lakh/ '000 Consumers	5.13
1.3	For R&M Expenses	% of GFA	0.50%
2	**Parameters for O&M Expenses**		
2.1	Sales	MU	87,903
2.2	No. of Consumers in Supply Business	'000 Consumers	23,151
2.3	Opening GFA	Rs. Crore	4,056.70
B)	**Total O&M Expenses**	Rs. Crore	**2,081.68**

The Petitioner therefore requests to Hon'ble Commission to revise the normative O&M expenses of Rs. 6,826 Cr. as against Rs. 6,792 Cr. approved in para 3.7.8 of the MTR Order.

Further, the Petitioner most humbly requests that due to change in normative O&M expenses, the computation of sharing of gains/ (losses) for FY 2015-16 would also get revised as provided below:

Table 4: Revised computation of Sharing of Gains on account of O&M Expenses for FY 2015-16

All figures in Rs Cr.

Sharing of Gains	Normative O&M Expenses	Actual O&M Expenses	Savings	2/3 of saving (To be retained by MSEDCL)	1/3 of saving (To be passed on to the consumer)
Review	6,826	5,418	1,408	939	(469)

The Petitioner, therefore requests Hon'ble Commission to approve Rs. 469 Cr. as gains to be passed on to the consumer as against Rs. 458 Cr. approved in para 3.27.7 of the MTR Order.

The Petitioner most humbly requests that as per the Regulations 72 and 81 of the MYT Regulations, 2015 as amended; the O&M expenses for FY 2015-16 forms the basis for computation of normative O&M expenses for future years. The relevant abstract of the amended regulations is reproduced as below:

"72.3 The Operation and Maintenance expenses for each subsequent year shall be determined by escalating these Base Year expenses for FY 2015-16 by an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the past five financial years as per the Office of Economic Advisor of Government of India and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years as per the Labour Bureau, Government of India, as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:

Provided that, in the Truing-up of the Operation and Maintenance expenses for any particular year of the Control Period, an inflation factor with 30% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the past five financial years (including the year of Truing-up) and 70% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the past five financial years (including the year of Truing-up), as reduced by an efficiency factor of 1% or as may be stipulated by the Commission from time to time, shall be applied to arrive at the permissible Operation and Maintenance Expenses for that year."

The Petitioner most respectfully submits that in the MTR Orders, the Hon'ble Commission has uniformly deducted 1% as efficiency factor in escalation rate for computation of O&M expenses for all utilities i.e. BEST, R-Infra, Tata Power and MSEDCL. The Petitioner submits that applying such uniform efficiency factor to Mumbai licensees which operates only in Urban area and MSEDCL is incorrect considering the vast difference in operational activities. In case of Mumbai licensees, the boundaries are not expanding whereas in case of the Petitioner, through various schemes, it has been expanding its network to remote uncovered areas and also strengthening its network & presence in hitherto scantily covered areas. Thus, applying similar efficiency factor of 1% for computation of O&M expenses for MSEDCL has resulted into lower approval restricting the Petitioner to allocate sufficient funds to its O&M activities. As such, expenditure incurred by MSEDCL are suppressed expenditure.

The petitioner further submits that though the MYT Regulations, 2015 specify an efficiency factor of 1%, it also provides that a different efficiency factor can be stipulated by the Hon'ble Commission. This has also resulted in lower base which is considered for approval of future O&M expenses. This further lowers the approval of O&M expenditure for future period.

Hence, in view of the above, the Petitioner requests the Hon'ble Commission to correct the escalation factor to 6.06 % as requested in the MTR petition without reducing it by 1% efficiency factor.

The Petitioner therefore most humbly requests Hon'ble Commission to revise the normative O&M expenses for FY 2016-17 to FY 2019-20 as submitted below:

Table 5: Revised computation of Normative O&M Expenses for FY 2016-17 to FY 2019-20

All figures in Rs Cr.

Sr. No.	Particulars	Actual	Ensuing Years			
		FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
1	Employee Expenses	4,187				
2	A&G Expenses	641				
3	R & M Expenses	589				
4	**Total O&M Expenses**	**5,418**				
5	Sharing of Gains/(Losses)	939				
6	**Total O&M Expenses after sharing of Gains/(losses)**	**6,357**	**6,742**	**7,151**	**7,584**	**8,043**

Further, the Petitioner most humbly requests that due to change in normative O&M expenses, the computation of sharing of gains/ (losses) for

FY 2016-17 would also get revised, the revised computation is provided below:

Table 6: Revised computation of Sharing of Gains on account of revision in O&M Expenses for FY 2016-17

All figures in Rs Cr.

Sharing of Gains	Normative O&M Expenses	Actual O&M Expenses	Savings	2/3 of saving (To be retained by MSEDCL)	1/3 of saving (To be passed on to the consumer)
Review	6,742	5,797	945	315	(630)

The Petitioner, thus requests to approve Rs. 630 Cr. as gains to be passed on to the consumer as against Rs. 572 Cr. approved in para 4.27.7 of the MTR Order.

The Petitioner most respectfully submits that the overall impact on O&M expenses for FY 2015-16 to FY 2019-20 due to reasons as detailed above is summarized in the table given below:

Table 7: Overall impact

Impact (Rs Cr.)	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total Impact
Additional Normative O&M Expenses to be approved	34	87	159	240	328	**849**
Impact on sharing of gains on account of revised O&M expenses	*(11)*	*(58)*	*0*	*0*	*0*	***(69)***

II. Energy Balance for FY 2016-17 & Sharing of Gains/ (Losses) on account of Distribution Loss

a. Error in considering energy at T<>D periphery by Hon'ble Commission as against the metered energy submitted by the Petitioner

The Petitioner most respectfully submits that as detailed out in Section 3.4 of its MTR Petition, the energy at Distribution Periphery is metered energy at sub-station end which has been verified with the final data received from MSLDC and thus while submitting the Energy Balance for FY 2016-17,the Petitioner has considered the Distribution Losses based on the actual metered energy sales and metered energy available at T<>D periphery.

Thus, MSEDCL has derived Intra-State losses as power purchase, sales and energy at Distribution Periphery all are metered figures.

However, in the MTR Order, the Hon'ble Commission has considered Energy at T<>D Periphery for FY 2016-17 as 1,17,126 MUs instead of actual metered energy of 1,16,300 MUs. This is an error apparent on face of records and need correction.

Based on the above submissions, the Petitioner has calculated the revised Energy Balance and corresponding change in Distribution Loss for FY 2016-17. The revised Energy Balance is provided in Annexure 1

The Petitioner most humbly submits that while computing the sharing of gains/ (loss) on account of distribution loss, the Hon'ble Commission in MTR Order has considered the MYT approved loss trajectory as 13.50%. The Petitioner most humbly submits that the Hon'ble Commission in MYT Order dated 3rd November 2016has approved the distribution loss trajectory as 17.76% (excluding EHV sales) for FY 2016-17. The actual distribution loss as computed by MSEDCL for FY 2016-17 works out to be 15.33% (excluding EHV) and hence the comparison should have been done w.r.t. EHV excluding loss trajectory as approved in MYT order and not with 13.50%. This is an error apparent on face of records and needs correction.

The Petitioner further submits that revised computation for sharing of gains/ (losses) on account of distribution loss for FY 2016-17 is provided in the table given below:

Table 8: Revised computation of sharing of gains on account of Distribution Loss for FY 2016-17

Particulars	UoM	Approved sharing of gains / (loss)	Revised sharing of gains/ (losses)
MTR Approved Distribution Loss Trajectory	%	15.95%	15.33%
MYT approved Loss Trajectory	%	13.50%	17.76%
Projected Total Sales	MU	91,732	91,732
Intra STS loss (Approved)	MU	3.63%	4.31%
Power Requirement at Ex-Bus Periphery (Actual)	MU	1,12,175	1,09,796
Power Requirement at Ex-Bus Periphery (Normative)	MU	1,09,155	1,12,873
Additional/ (lower) Power purchase due to higher distribution loss	Rs/ kWh	3,019	(3,076)
Marginal Variable Cost of Power Purchase	Rs. Cr.	3.43	3.43
Savings in Power purchase Cost due to lower distribution loss	Rs. Cr.	1,036	(1,055)
Efficiency loss/ (Gains) to be shared by MSEDCL	Rs. Cr.	690	(352)
Efficiency loss/ (Gains) to be shared with the consumer	Rs. Cr.	345	(703)

The Petitioner therefore most respectfully submits that the overall impact on sharing of gains to be passed on to the consumer on account of distribution losses for FY 2016-17 is provided in the table given below:

Table 9: Summery of Impact of change in distribution loss on sharing of gains for FY 2016-17

All figures in Rs Cr.

S. No.	Particulars	Sharing of efficiency gain/ (loss) due to distribution loss to be passed on to consumer
A	Approved in MTR Order	(690)
B	Revised	352
C	Net Impact (B – A)	1,042

III. Other expenses of Rs. 8 Cr. disallowed in FY 2015-16

The Petitioner most respectfully submits that while considering the other expenses for FY 2015-16, the Hon'ble Commission has not approved other expenses of Rs. 8 Cr. on account of *"loss of obsolescence of fixed assets and on account of natural calamities."* While disallowing the said expenses, the Hon'ble Commission in para 3.16.3 of the MTR Order stated as

"…………………..certain heads were disallowed, based on the principles detail in the previous Orders of the Commission."

However, it is most humbly submitted that, in the MYT order in Case No.48 of 2016, the Hon'ble Commission in Table 3.61 (Page 142) has approved Rs. 10 Cr. on account of "loss of obsolescence of fixed assets and on account of natural calamities" for FY 2014-15.

The Petitioner therefore most humbly submits that the disallowance of Rs 8 Crs in FY 2015-16 is error apparent on face of records as the same has been approved for FY 2014-15 and therefore as far as expenses under this heads are concerned, the reason given by Hon'ble Commission for disallowance is incorrect and thus needs correction.

In view of the same, the Petitioner most respectfully requests the Hon'ble Commission to approve Rs. 8 Cr. as other expense on account of loss of obsolescence of fixed assets and on account of natural calamities.

IV. Other expenses of Rs. 113 Cr. disallowed in FY 2016-17

The Petitioner most respectfully submits that while approving the "Other Expenses" for FY 2016-17, the Hon'ble Commission has not allowed Rs. 113 Crs. on account of *"Interest to be given to consumers on the amount of refund of service line charges, ORC and meter cost."* While disallowing the said expenses, the Hon'ble Commission in para 4.15.4 of the MTR Order has stated as follows:

"As regards, the amount claimed towards 'interest to be given to consumers on the amount of refund of service line charges, ORC and meter cost', the Commission notes that the same has arisen on account of delay in implementation of the Commission's directive in the matter in the past by MSEDCL. Therefore, the same cannot be allowed to be passed on to the consumers."

In this regards, the Petitioner most respectfully submits that in para 9 to 11 of the order dated 21st August 2007 (Case No. 82 of 2006) in the matter of compliance of directions issued under Order dated May 17, 2007, the Hon'ble Commission directed MSEDCL to refund the amount collected along with the interest.

The Petitioner therefore most respectfully submits that the Hon'ble Commission nowhere restricted the pass through of the interest amount in the ARR.

The Petitioner further submits that, it had filed a statutory appeal before the Hon'ble Supreme Court (Appeal no. 4305 of 2007) under section 125 of the Electricity Act, 2003 against the order dated 15th May 2007 passed by Appellate Tribunal for Electricity in Appeal no. 22 of 2007. The Hon'ble Supreme Court was pleased to stay the refund vide its order dated 31st August 2007 and the said order was further made absolute on 14th September 2007.

The Petitioner further submits that the Hon'ble Commission in its order dated
16-02-2008, in case no. 56 of 2007 acknowledged the stay granted by the Hon'ble Supreme Court.

Hence, the Petitioner submits that the issue of refund was subjudiced before the Hon'ble Supreme Court from year 2007 to year 2016during which the stay order was in vogue. The Petitioner therefore most humbly submits that holding the Petitioner responsible for delay in refund is totally unjustified and therefore disallowance of Interest amount of Rs 113 Crs is an error apparent on the face of record.

In view of the submission made in forgoing paragraphs, the Petitioner most humbly requests the Hon'ble Commission to approve Rs. 113 Cr. towards interest.

V. Deferred Income Liability has not been deducted from Non-Tariff Income for FY 2018-19 and FY 2019-20.

The Petitioner most humbly submits that in the para 2.11.9 of its MTR Petition (No 195 of 2017), the Petitioner had requested the Hon'ble Commission to take cognizance of prevailing INDAS 20 and accordingly consider Depreciation on Gross Asset (including Grant) and Grant deferred (other income) as per Audited Accounts. The Petitioner further submitted that in case the Hon'ble Commission adheres to the provisions in MYT Regulations, 2015 and computes depreciation by deducting grant and consumer's contribution from GFA, the Hon'ble Commission may exclude deferred income from Non-tariff income.

The Petitioner submits that accordingly for FY 2016-17 &FY 2017-18, The Hon'ble Commission computed the depreciation by deducting grant and consumer's contribution from GFA and accordingly, excluded the deferred income from Non-tariff income.

However, for FY 2018-19 &FY 2019-20, Hon'ble Commission computed depreciation by deducting grant and consumer contribution from GFA but has not excluded the projected deferred income liability from Non-tariff income. This is clearly an error apparent on the face of record and needs correction.

In view of the above, the Petitioner most respectfully submits that Rs. 670 Cr. and Rs. 704 Cr. which is included in other/ miscellaneous receipts should be deducted from the projected Non-Tariff Income for FY 2018-19 and FY 2019-20, respectively as deferred income liability. Accordingly, the revised Non-Tariff Income for FY 2018-19 and FY 2019-20 should be considered as Rs. 381 Cr. and Rs. 400 Cr., respectively.

Detailed head-wise projection of Non-Tariff Income is provided below:

Table 10: Revised projection of Non-Tariff Income for FY 2018-19 & FY 2019-20

All figures in Rs Cr.

Particulars	**FY 2018-19 (Projected)**	**FY 2019-20 (Projected)**
Rents of land or buildings	1.21	1.27
Sale of Scrap	53.42	56.10
Income from investments	16.43	17.25
Income from sale of tender documents	6.56	6.88
Prompt payment discount from REC/PFC	15.45	16.22
Other/Miscellaneous receipts	958.12	1,006.03
Income transferred from deferred income	*670.20*	*703.71*
Other miscellaneous	*287.92*	*302.31*
Total Non-Tariff Income	**1,051.19**	**1,103.75**
Less: *Income transferred from deferred income*	*(670.20)*	*(703.71)*
Non-Tariff Income that should have been approved by Hon'ble Commission	**380.99**	**400.04**

VI. Interest Rate on Working Capital requirement for FY 2018-19 and FY 2019-20

The Petitioner most respectfully submits that Regulations 31.3 & 31.4 of the MYT Regulations, 2015 provides for the rate of interest on working capital. The relevant abstract of the said Regulation is reproduced below:

……

(b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points"

……

The Petitioner further submits that as per the MERC MYT Regulations, (First Amendment), 2017, the Base rate means one year Marginal Cost of Funds-based Lending Rate ('MCLR') as declared by the State Bank of India from time to time"

Accordingly, the Petitioner has calculated the Interest on Working Capital for the period FY 2018-19 and FY 2019-20 by considering the rate of interest as9.75% (One year MCLR as on June 2018 – 8% + 150 basis points). (Source: *https://www.sbi.co.in/portal/web/interest-rates/mclr-historical-data*).

However, the Hon'ble Commission has calculated the Interest on Working Capital for the period FY 2018-19 to FY 2019-20 considering the rate of Interest Rate as9.45%.This is an error apparent on face of the record and needs correction.

The Petitioner therefore humbly requests the Hon'ble Commission to approve the Interest on Working Capital considering the rate of interest rate as 9.75% instead of 9.45% considered by the Hon'ble Commission. The revised computation of Interest on Working Capital for Wires and Supply business is provided below:

Table 11: Revised computation of Interest on Working Capital for Wire Business for FY 2018-19 & FY 2019-20

Particulars	FY 2018-19	FY 2019-20
	Review (Rs. Cr.)	Review (Rs. Cr.)
O&M expenses for a month	398	418
Maintenance Spares at 1% of Opening GFA	481	522
One and half months equivalent of the expected revenue from charges for use of Distribution Wires	1,206	1,247
Less: Amount held as Security Deposit from Distribution System Users	(768)	(845)

Particulars	FY 2018-19 Review (Rs. Cr.)	FY 2019-20 Review (Rs. Cr.)
Total Working Capital Requirement	**1,317**	**1,342**
Computation of Working Capital Interest		
Interest Rate	9.75%	9.75%
Interest on Working Capital	128	131

The Petitioner most respectfully submits that, based on the above, the total Interest on Working Capital would increase by Rs. 4 Cr. each i.e. Rs. 128 Cr. and Rs. 131 Cr. for FY 2018-19 and FY 2019-20, respectively.

VII. Capacity Charges of Koradi Unit 6 has not been considered for FY 2019-20

The Petitioner most respectfully submits that while approving the Power Purchase Cost of for FY 2019-20, the Hon'ble Commission has considered the capacity charges of Koradi Unit 6 as NULL as seen in the Table 6.40 of the MTR Order.

The Petitioner further submits that in chapter 8.25 of the MTR Order for MSPGCL (Case No. 196 of 2017), the total capacity charges approved for Koradi Unit 6 & 7 for FY 2019-20 is Rs. 334.16 Cr. Thus, for Koradi Unit 6, the same comes out to be Rs. 167.08 Cr.

The Petitioner therefore most humbly submits that non-consideration of Capacity Charges amounting to Rs 167 Crs for Koradi 6 for FY 2019-20 is an error apparent on face of records and needs correction. The Petitioner therefore requests the Hon'ble Commission to approve the Capacity Charges of Rs. 167.08 Cr. for Koradi Unit 6 for FY 2019-20.

VIII. Difference in opening normative equity for FY 2015-16 as submitted by the Petition and as approved in the MTR Order

The Petitioner most respectfully submits that in the Form 8 – Return on Regulatory Equity of the MTR Petition, it has submitted Rs. 10,244 Cr. as opening normative equity (Rs 9220 Crs for Wires + Rs 1024 Crs for Supply) for FY 2015-16 whereas the Hon'ble Commission has approved Rs. 9,681 Crs. (Rs 8713 Crs for Wires + Rs 968 Crs for Supply) as opening normative equity in MTR Order (Page No. 183 of the MTR Order).

While scrutinizing the same, it has been observed that:

i. in the Form F4.4 – Funding Details of MYT Petition (Case No. 48 of 2016) submitted by the Petitioner, the portion of Internal Accruals in capex for FY 2014-15 was Rs. 1,400 Cr. which was inclusive of Consumer Contribution (CC) of Rs. 350 Cr.

ii. However, while computing equity portion of capex in Form 8 – Return on Regulatory Equity of the MYT Petition, Internal Accrual considered as Rs. 1050 Cr. and CC of Rs. 350 Cr. was again erroneously deducted from the same.

iii. This has resulted in lower regulatory equity at the end of year for FY 2014-15.

iv. As the same is on account of error, the Petitioner most humbly requests the Hon'ble Commission to consider the revised computation of normative opening equity for FY 2015-16 and its corresponding impact is computed as below:

Table 12: Revised computation of Equity portion of capitalized assets for FY 2014-15 and Opening Equity for FY 2015-16

Particulars	**As per petition 48 of 2016 (Rs Cr)**	**Review Petition (Rs Cr)**
Capital Expenditure	3,128	3,128
Less: Grant	316	316
Capital Expenditure incurred (excluding Grants)	2,812	2,812

Particulars	As per petition 48 of 2016 (Rs Cr)	Review Petition (Rs Cr)
Equity		
Internal Accrual	1,050	1,400
GoM Equity	255	255
Consumer contribution	352	352
Total Equity	953	1,303
Equity portion of capital expenditure 4 = (3 / 1 b)	33.90%	46.35%
Assets Capitalization		
Capitalisation	3,854	3,854
Assets Capitalization (to be considered in proportionate to 1 b)	3,464	3,464
Equity portion of Assets Capitalisation (upto 30%) with impact of Equity portion of assets retired during the year	1,036	1,036
Balance Equity Portion to be treated as Loan	**138**	**569**
Additional equity to be treated as normative loan	**431**	

The Petitioner most humbly submits that, since the equity addition during
FY 2014-15 being in excess of 30% of capitalization (Net of grants & consumer contribution), the excess portion would get converted into normative loan as per Regulation26 of MYT Tariff Regulations 2015 and accordingly the impact has been computed in the above table.

The Petitioner further respectfully submits that the impact of the correction in the Normative Opening Equity for FY 2015-16 for the corresponding years has been computed in the table given below:

Table 13: Computation of Interest Charges on normative loan on Equity portion of capitalized assets converted to normative loan

Particulars (Rs. Cr.)	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
Additional equity to be treated as normative loan	431	431	431	431	431	431	--
Interest Rate	11.83%	11.83%	11.37%	11.37%	11.37%	11.37%	
Total Interest Charge	26	51	49	49	49	49	273

The Petitioner thus requests the Hon'ble Commission to consider the revision in normative loan and approve interest charges on normative loan amounting to Rs. 273 Cr. as computed above.

IX. Impact of Utilization Factor on computation of revenue from Demand/ Fixed Charges for LT Categories for FY 2018-19 and FY 2019-20

The Petitioner respectfully submits that in its MTR Petition, while computing the revenue from existing tariff for FY 2018-19 & FY 2019-20 in Form 14.1 and Form 14.2 respectively, the Petitioner has considered actual billed demand for the LT categories where the demand based fixed charges have been approved. Further, the Petitioner in Para 7.4.9 of the MTR petition prayed to the Hon'ble Commission for revision in definition of billing demand for LT category as follows:

1. Actual MD recorded OR 85% of the Contract Demand whichever is higher

However, in the MTR Order, the Hon'ble Commission has not accepted MSEDCL's prayer for revision in definition of Billing Demand.

The Petitioner further submits that while approving the revenue from demand/fixed charges for LT category, the Hon'ble Commission considered projected Contract Demand/ Sanctioned Load and applied the utilization factor of 65% and 75% for FY 2018-19 & FY 2019-20 respectively.

The petitioner most humbly submits that since the revision in definition of billing demand has not been approved by the Hon'ble Commission, it should have computed the revenue from Fixed/Demand Charges for demand based LT Categories considering the utilization factor as submitted by the Petitioner (i.e. actual billed demand in Form 13.2 – Revenue from Existing Tariff divided by projected billed demand in Form 14.1 – revenue from Proposed Tariff).

A comparative chart of utilization factors derived for FY 2018-19 & FY 2019-20 and utilization factor considered by Hon'ble Commission for FY 2018-19 and FY 2019-20 is provided below:

Table 14: Utilization Factors as per the Petitioner and the Hon'ble Commission

Category	FY 2018-19		FY 2019-20	
	As per MSEDCL submission in MTR Petition	Considered by Hon'ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Considered by Hon'ble Commission in MTR Order
LT COMM 20-50 KW	45%	65%	46%	75%
LT COMM > 50 KW	39%	65%	39%	75%
LT PWW 0-20 KW	59%	65%	59%	75%
LT-PWW 20-40 KW	61%	65%	61%	75%
LT-PWW > 40 KW	53%	65%	52%	75%
LT IND > 27 HP	47%	65%	47%	75%
POWERLOOM > 27 HP	57%	65%	57%	75%
LT-PUB.SER.GOVT (20-50 KW)	43%	65%	43%	75%
LT-PUB.SER.GOVT (>50 KW)	55%	65%	57%	75%
LT-PUB.SER.OTHER (20-50KW)	71%	65%	71%	75%
LT-PUB.SER.OTHER (>50KW)	69%	65%	69%	75%

From the above comparison it can be seen that the Hon'ble Commission has computed the projected revenue from fixed charges for demand based LT categories by considering a much higher utilization factor.

The Petitioner therefore most humbly submits that this is an error apparent on face of the records and needs to be corrected.

The Petitioner most respectfully submits that it has computed the demand/ fixed charges for LT categories (where the demand based fixed charges have been approved) based on the actual utilization factors as indicated the table below:

Table 15: Impact of Utilization Factor on Demand Charges for LT categories (where demand based fixed charges are computed)

(All figures in Rs. Cr.)

Particulars	FY 2018-19	FY 2019-20
Approved Projected Revenue from Fixed/Demand Charges from demand based LT Categories	1,175.30	1,530.60
Revised Projected Revenue from Fixed/Demand Charges from demand based LT Categories	844.66	953.05
Excess Projected Revenue	330.67	577.05

The Petitioner requests the Hon'ble Commission to approve the Revised Projected Revenue from Fixed/Demand Charges from demand based LT Categories as shown in the above table.

The detailed computation of revised demand/ fixed charges for LT category (where the demand based fixed charges have been approved) is provided in Annexure 2.

X. Sharing of loss due to Interest on working Capital for FY 2016-17

The Petitioner most respectfully submits that in Para 3.12 of the MTR petition it has submitted the actual interest on Working Capital as per the audited accounts for FY 2016-17 as Rs. 771 Cr. In para 4.12 of the MTR Order, Hon'ble Commission approved Rs 1250 Crs as the normative Interest on Working Capital for FY 2016-17.

The Petitioner most respectfully submits that while approving the Sharing of Gains/Losses for FY 2016-17 in MTR Order in Para 4.27.7, the Hon'ble Commission has considered actual Interest on Working Capital as Rs. 438 Crs. instead of Rs 771 Crs. This has resulted into wrong computation of sharing of gains/losses. The Petitioner submits that this is an error apparent on face of records and needs correction. The revised computation for sharing of gains/losses on account of Interest on Working Capital for FY 2016-17 is provided below:

Table 16: Computation of Sharing of Loss on account of Interest on Working Capital

(All figures in Rs. Cr.)

Particulars	**Approved**	**Actual**	**Gains/ (Loss)**	**2/3 of Efficiency gains/Losses**	**1/3 of Efficiency Gains/Losses**	**Net Entitlement after Sharing**
Review	125	771	(646)	(431)	(215)	340

The Petitioner thus most respectfully requests the Hon'ble Commission to approve Rs. 340 Crs. as the Petitioner's entitlement as against Rs. 228 Crs. as approved in the MTR Order i.e. additional impact of Rs 112 Crs.

XI. Disallowance of 50% of IDC in GFA due to excess capitalization

The Petitioner most respectfully submits that the Hon'ble Commission in MTR Tariff Order dated 12th September 2018 (Case No. 195 of 2017) has disallowed 50% of IDC on account of excess capitalization as given below:

Table 17: Disallowance of 50% IDC due to excess capitalization

Financial Year	**Amount (Rs. Cr.)**	**MTR Order Reference**
FY 2015-16	7.00	Para 3.9.8
FY 2016-17	1.31	Para 4.8.10
FY 2017-18	2.01	Para 5.7.8
FY 2018-19	0.13	Para 6.9.5
FY 2019-20	0.04	
Total	**10.50**	

In this regards, the Petitioner most humbly submits that while executing different network schemes at ground level it faces various difficulties such as getting Right of Way, forest clearance, clearances from various Government departments, change of scope as per the actual field conditions etc. which are beyond the normal control of Petitioner resulting in revision in time & cost. The Petitioner further submits that excess capitalization also happen due to provision of Price Variation built in the contract which also affects the project cost. Thus, excess capitalization is not only due to time/ cost overrun but also due to above mentioned contingent factors. Thus considering these circumstances, the interest during construction (IDC) due to excess capitalization should not be disallowed for distribution utilities.

Hence, the Petitioner most respectfully requests the Hon'ble Commission to approve the disallowed amount of 50% IDC on excess capitalization as given in above table and restate the GFA for the respective years.

Accordingly, the computation of Depreciation, RoE and Interest on Loan for FY 2015-16 to FY 2019-20 would also get revised. The Petitioner therefore submits the financial impact of the same in the following tables:

Table 18: Impact on Depreciation due to disallowance of 50% IDC

Depreciation (Rs Cr.)	**Approved**	**Review**	**Impact**
FY 2016-17	2,023.32	2,023.63	0.31
FY 2017-18	2,183.38	2,183.78	0.40
FY 2018-19	2,329.35	2,329.79	0.44
FY 2019-20	2,411.30	2,411.75	0.44
Total Impact			**1.59**

Table 19: Impact on Interest on loan due to disallowance of 50% IDC

Interest (Rs. Cr.)	**Approved**	**Review**	**Impact**
FY 2015-16	1,701.35	1,701.54	0.20
FY 2016-17	1,587.80	1,588.20	0.40
FY 2017-18	1,586.38	1,586.86	0.48

FY 2018-19	1,592.66	1,593.17	0.51
FY 2019-20	1,471.02	1,471.49	0.46
Total Impact			**2.05**

Table 20: Impact on Return on Equity due to disallowance of 50% IDC

RoE (Rs. Cr.)	**Approved**	**Review**	**Impact**
FY 2015-16	1,571.97	1,572.06	0.10
FY 2016-17	1,666.44	1,666.66	0.22
FY 2017-18	1,826.01	1,826.31	0.30
FY 2018-19	1,985.57	1,985.92	0.34
FY 2019-20	2,145.59	2,145.94	0.35
Total Impact			**1.30**

The Petitioner submits that the total impact comes out to be Rs. 4.94 Cr. and accordingly requests the Hon'ble Commission to approve the same.

XII. Revision in RoE, Depreciation & Interest on Loan for intervening years on account of approval of Rs. 927 Crs capitalization for past years.

Hon'ble Commission in the MTR Order allowed capitalizationto the extent of Rs. 927 Cr. pertaining to past years, the details of which are as provided below:

Table 21: Details of reconciliation of capitalization of Rs. 927 Cr.

S. No	**Amount**	**For Financial year**
1	Rs 815 Crs	2007-08
2	Rs 112 Crs	2011-12

However, the Hon'ble Commission has not approved RoE, Depreciation and Interest on Loan on this amount for intervening years i.e. for the period FY 2007-08 to FY 2014-15 for capitalisation of Rs. 815 Cr. and the period FY 2011-12 to FY 2014-15 for capitalization of Rs. 112 Cr. citing that MSEDCL has not made in claim for the same.

The Petitioner most respectfully submits that in the previous tariff petitions, it has always requested the approval of the disallowed capitalisation and also requested Hon'ble Commission to approve the corresponding impact on depreciation, RoE and Interest on Working Capital. Moreover, as directed by Hon'ble Commission, it has also submitted the detailed reconciliation of the GFA. However, the Hon'ble Commission has repeatedly disallowed the approval of the disallowed capitalization. In the MTR Order, the Hon'ble Commission though has allowed the GFA of Rs. 927 Cr. but still not approved MSEDCL's rightful claim of depreciation, RoE and Interest on Loan on such amount for the past period.

In view of the above, the Petitioner most respectfully requests the Hon'ble Commission to approve RoE, depreciation and Interest of Loan for the intervening period as given below:

Table 22: Details of RoE, Interest and Depreciation due on account of reconciliation of capitalization of Rs. 927 Cr.

Particulars	**Amount (Rs. Cr.)**
Depreciation	244.96
RoE	310.55
Interest on Loan	411.85
Total	**967.36**

The detailed computation of the aforementioned claim is provided in Annexure 3.

XIII. Revision in definition of Billing Demand disallowed by the Hon'ble Commission

The Petitioner most respectfully submits that in Para 7.4.7 of its MTR Petition, it has clearly mentioned that due to restriction on billing demand (i.e. due to existing definition of billing demands) the recovery of the revenue from Fixed Charges as approved by the Hon'ble Commission is not happening. The Petitioner also submitted an example wherein it has been shown that due to such restriction; the Petitioner is losing revenue of around Rs 1000 Crs per annum from HT Industrial Category alone during FY 15-16 to FY 17-18. Hence, in order to ensure that fixed cost is recovered through fixed charges, the Petitioner requested the Hon'ble Commission to revise the Definition of Billing Demand in the MTR Petition.

However, the Hon'ble Commission in its MTR Tariff Order rejected the proposal of the Petitioner for revision in definition of billing demand citing as follows,

> *"9.22.10. Accordingly, the Commission has revised the eligibility conditions for applicability LF incentive, which would hopefully address the concerns raised by MSEDCL. Hence, the Commission has not accepted MSEDCL's proposal for revision in definition of Billing Demand but has put restriction on the eligibility of LF incentive; in case Billing Demand exceeds Contract Demand in any of the time block duration through the day."*

The Petitioner submits that though the Hon'ble Commission's directive of putting restriction on the eligibility of LF incentive may put a check on the misuse of load factor incentive to some extent, it will still not ensure the recovery of approved revenue from fixed charges and the concern of the Petitioner regarding under recovery of revenue still remain unaddressed.

The Petitioner therefore respectfully submits that linking of revision in billing definition to only one factor of LF incentive is error apparent on face of record and needs to be corrected. Hence, the Petitioner again requests the Hon'ble Commission to consider the proposal of revision in definition of billing demand as given below:

Table 23: Proposed changes in definition of Billing Demand

	Existing	**Proposed**
	Maximum of	**Maximum of**
LT	65% of actual MD recorded during 06 to 22 Hrs OR 40% of the Contract Demand	Actual MD recorded OR **85% of the Contract Demand**

	Existing	Proposed
	Maximum of	**Maximum of**
HT	Actual MD recorded during 06 to 22 Hrs OR 75% of the highest Billing Demand OR 50% of the Contract Demand	Actual MD recorded OR **90% of the Contract Demand**

XIV. Modification in Cross Subsidy Surcharge

The Petitioner most respectfully submits that in Para 9.3 of its MTR Petition, it has proposed Cross Subsidy Surcharge as per the formula in National Tariff Policy 2016 (NTP) without putting any ceiling keeping in view the full recovery of current level of Cross Subsidy as mandated in the Act. While proposing the Cross Subsidy Surcharge in the petition, MSEDCL has taken the cognizance of the Consultation paper by MoP issued on 24th August 2017 wherein it has been proposed that:

"It is essential for SERCs to implement both Para 8.3 -2 and First proviso to para 8.5.1 of the Tariff Policy 2016 simultaneously. If one of the provisions could not be implemented due to some reason, the second provision should also not be implanted to that extent."

However, the Hon'ble Commission, it the MTR Order has worked out the Cross Subsidy Surcharge within the ceiling of +/- 20% as provided in the NTP.

In this regard, The Petitioner most respectfully submits that the proviso (2) of Section 42 of the Electricity Act, 2003provides for complete recovery of the current level of cross subsidy through Cross Subsidy Surcharge and does not provide for any ceiling on Cross Subsidy Surcharge. The Petitioner further submits that National Tariff Policy can only be guiding principle and does not take any precedence on the Electricity Act.

The Petitioner further respectfully submits that it is the mandate of the Hon'ble Commission to reduce cross subsidies in tariffs so as to bring the tariffs within ±20% of Average Cost of Supply (ACoS) and once, that is achieved; the Cross Subsidy Surcharge will automatically fall within 20% of ACoS. Hence till the time the tariffs are not within ±20% of ACoS, the Hon'ble Commission should approve the entire Cross Subsidy Surcharge without putting any ceiling of 20%.

In view of the above, the Petitioner requests the Hon'ble Commission to approve the Cross Subsidy Surcharge without putting any ceiling.

XV. Standby charges for railways and SEZ

<u>Standby charges for Railways</u>

The Petitioner most respectfully submits that in para 7.23 of its MTR Petition, it has submitted that SEZ and Deemed Licensees including railways do not have any Standby arrangement and hence in order to maintain grid stability, requested the Hon'ble Commission to make it mandatory for SEZ and Deemed licensee to contract Standby arrangement for supply of power in case of failure of the source generator.

The Petitioner respectfully submits that, the Hon'ble Commission has approved the Stand-by charges for the three Mumbai Licensees and Indian Railways for Mumbai Area for FY 2018-19 and FY 2019-20 in the InSTS Tariff Order dated 12th September 2018.

The Petitioner respectfully submits that, the Hon'ble Commission has determined Standby charges for Indian Railways only pertaining to Mumbai area, and no information of standby charges for Indian Railways outside Mumbai area has been elaborated in the order. Thus, this is an error apparent on face of records and need correction.

The Petitioner further submits that Indian Railway has tie up with BRBCL (Bharat Rail Bijalee Corporation Ltd, Nabinagar, Bihar) for meeting its demand of Mumbai area and with RGPPL, Ratnagiri for meeting its demand in rest of Maharashtra. The Petitioner submits that in case of tripping of any unit of RGPPL, there is presently no arrangement for controlling its overdrawl from the grid. The India Railway is acting as a

Deemed Distribution Licensee since 26th November 2015 and based on FBSM data available for FY 2015-16&FY 16-17 (till 30-09-2016), it is observed that there are instances where Indian Railway has resorted to overdrawl of more than allowed 12% of demand from the grid.

Table 24: Instances of overdrawl from the GRID as per FBSM for FY 2015-16 by Indian railway

FY	Total Nos of Time blocks for which Bills prepared (Time Block)	Net over drawl Energy (Mus)	Nos of Instance of having OD more than 12% Demand (Time Block)	% of instance having OD more than 12% of Demand	Nos of Instance of 100% demand drawl from grid (Time Block)
2015-16	**12,192**	18.2	714	**5**.9%	35
2016-17	**17,568**	48.8	2,459	14.0%	0

In view of the same, MSEDCL requests the Hon'ble Commission to approve the standby charges for Railways for Rest of Maharashtra area also.

<u>Standby charges for SEZ</u>

The Petitioner further respectfully submits that in the para 7.23 of its MTR Petition, it has requested the Hon'ble Commission to determine Standby charges for SEZs also. However, in the MTR Order the Hon'ble Commission has not accepted the same citing that many of the deemed licensees including SEZs have their own standby arrangements where the demand is fulfilled by DG sets installed in different premises within their licensee area.

The Petitioner most respectfully submits that at present there is no mechanism to ensure that whether there is really any such standby arrangement within the SEZ/Deemed Licnesee area as claimed. Moreover there is no real time monitoring system with SLDC to ensure such standby arrangement.

The Petitioner further submits that M/s. Serene Properties Private Limited (SPPL) for the IT/ITES SEZ at Airoli, Thane (Presently name changed to Mind space Business Parks Private Limited vide notification dated 04.08.2016) is state pool participant from 09th April 2015 and M/s. Gigaplex Estate Pvt. Ltd. for IT & ITES SEZ at Airoli (Airoli Knowledge Park, TTC Industrial Area, Airoli, Distt. Thane) is state pool participant from 09th April 2015. The Petitioner submits that in case of both the aforesaid SEZs which have started working independently as Deemed Distribution licenses, power is being scheduled under interstate short term transaction. In case of tripping of generator, SEZs have to meet their demand either by curtailment of load or by meeting part/full load from standby arrangement like Diesel generator.

However, the Petitioner submits that as per the latest FBSM data available for FY 2015-16 and FY 16-17 (till 30-09-2016), it can be seen that there are instances where SEZs have resorted to overdrawl of more than allowed 12% demand from the grid. Further on 18thJuly 2018 for some time blocks, power under STOA to M/S Serene Properties was revised to zero and M/S Serene Properties was meeting its 100% demand by overdrawal from grid. If the SEZs would have had their own standby arrangement then there was no need for overdrawl of power from the grid. The representative data regarding instances of overdrawl from the grid as per FBSM is provided below:

For FY 15-16

Table 25: Instances of overdrawl from the GRID as per FBSM for FY 2015-16

Name of SEZ	Total Nos of Time blocks for which Bills prepared (Time Block)	Netover drawl Energy (MUs)	Nos of Instance of having OD more than 12% Demand (Time Block)	% of instance having OD more than 12% of Demand	Nos of Instance of 100% demand drawl from grid (Time Block)
Serene properties	34,363	5.4	7,056	20.5%	0

For FY 16-17(Till 30-09-2016)

Table 26: Instances of overdrawl from the GRID as per FBSM for FY 2016-17 (Till 30th Sept 2016)

Name of SEZ	**Total Nos of Time blocks for which Bills prepared (Time Block)**	**Net over drawl Energy (MUs)**	**Nos of Instance of having OD more than 12% Demand (Time Block)**	**% of instance having OD more than 12% of Demand**	**Nos of Instance of 100% demand drawl from grid (Time Block)**
Serene Properties	17,568	2.7	3,772	21.5%	36
Gigaplex	15,698	0.3	2,985	19%	0

The Hon'ble Commission may obtain such data from MSLDC for verification.

The undue financial burden of such instances is getting passed onto the consumers of MSEDCL for no fault on their part. In view of the submissions made in the above paras, the Petitioner most respectfully submits that not approving standby charges for SEZs and Railways for rest of Maharashtra area is error apparent from face of record and hence requests Hon'ble Commission to make it mandatory for the SEZs and deemed licensees to have standby arrangement and also approve standby charges as proposed in the MTR Petition.

XVI. Amendment in formula of Load Factor Incentive

The Petitioner most respectfully submits that as per S. No. 4 and 12 - "Miscellaneous and General Charges" on page no. 589 and 628 respectively of the MTR Order, the formula for computation of load factor is as follows:

$$Load\ Factor = \frac{Consumption\ during\ the\ month\ (MU)}{Maximum\ possible\ consumption\ during\ the\ month\ (MUs)}$$

Where the Maximum consumption possible = Contract Demand (kVA) x Actual Power Factor x (Total no. of hours during the month, less planned load shedding hours*)

* - Interruption/non-supply to the extent of 60 hours in a 30-day month.

The Petitioner respectfully submits that as can be seen from the above formula, the maximum possible consumption is computed based on the actual load factor. However, there is a lacuna in the formula for computation of maximum possible consumption. For a consumer having low power factor, the computed maximum possible consumption would be low resulting in higher computed Load Factor thereby increasing the Load factor incentive. Thus the consumer having low power factor ends up having better LF incentive. This is not the desirable situation as per the grid stability is concerned.

The Petitioner therefore submits that the said shortcoming in the formula can be addressed by considering the unity Power Factor as maximum possible consumption is for unit Power Factor only.

In view of the above, The Petitioner most respectfully requests the Hon'ble Commission to revise the formula for computation of Load Factor by considering normative Power Factor of unity for maximum possible consumption.

As this is the realization of new fact, it is well within the ambit of the Review Petition.

XVII. Metered AG consumers for FY 2016-17

The Petitioner most respectfully submits that in the regulatory formats of MTR Petition, it has submitted the live metered AG consumers as on 31st March of the respective years of FY 15-16, FY 16-17 and FY 17-18 as per its IT System. The Hon'ble Commission in its MTR Order in Table 4.2 has approved 24.65 Lakhs metered Ag consumers as against 25.38 Lakhs submitted by the Petitioner. It is observed that Hon'ble Commission has computed the metered AG consumers for FY 2015-16 and FY 2016-17 by adding the AG pumps released during the said financial years on the live metered AG consumers for FY 2014-15.

However, in the entire process, the disconnected AG consumers which were reconnected in FY 2015-16 and FY 2016-17 were excluded by the Hon'ble Commission. This is an error apparent on face of records and need correction. The Hon'ble Commission is requested to consider the live consumers data as on 31st March of every financial year as submitted by MSEDCL in the regulatory formats of its MTR petition.

Thus, the Petitioner most respectfully requests the Hon'ble Commission to approve the AG metered consumers as submitted in the MTR Petition.

XVIII. Industrial Tariff to hotels in Notified Tourist Districts

The Petitioner most respectfully submits that in line with Government of Maharashtra's letter No. Sankirna 2017/ Pra.Ka.235/ Urja-5 dated 7th March 2018 it has proposed Industrial Tariff for hotels in Special Tourism Districts of Nagpur, Aurangabad and Sindhudurg having eligibility certificate issued by MTDC in para 7.16 of its MTR Petition.

However, in para 9.16.4 of MTR Order, the Hon'ble Commission did not considered proposal of the Petitioner citing that,

"…………Petitioner has not referred to any GR notification as such but only referred to a letter. Hence, the Commission has not allowed the same"

The Petitioner most respectfully submits that the Government of Maharashtra in the GR No. MTC 0399/ CR 201/ Tourism dated 07th April 1999 of Tourism Department has given the industrial status to tourism. The said GR is annexed as Annexure 4

The Petitioner also submits that as per Tourism Policy 2016 of Government of Maharashtra; Nagpur, Aurangabad and Sindhudurg are declared as Special Tourism Districts. The Government of Maharashtra vide its letter no Misc-2017/CR-235/Energy-5 dated 9th October 2018 has requested the Petitioner to submit a review petition for change in tariff of said eligible hotels. The letter of Government of Maharashtra is also attached with the petition as Annexure 5.

Thus, the Petitioner again requests Hon'ble Commission to allow applicability of Industrial Tariff to hotels in Nagpur, Aurangabad and Sindhudurg districts, having eligibility certificate issued by MTDC.

XIX. Disallowance of Metered AG Sales

The Petitioner respectfully submits that Hon'ble Commission has revised the AG Unmetered as well as Metered Sales (LT Ag IV - A & B categories) based on the methodology as elaborated in para 3.2.29 for FY 15-16 to FY 19-20.

In this regards, the Petitioner most respectfully submits that except the sales of AG unmetered category (LT Ag IV – A) all other category wise sales of the Petitioner are metered sales. Hon'ble Commission approves the sales of all other categories except LT Ag IV - A & B categories. The Petitioner most respectfully submits that not approving the sales of metered AG (LT IV – B) category, even these being metered, as submitted by the Petitioner is incorrect. Hence, as a principle, the petitioner requests that AG Metered sales, being a metered one, should be approved as submitted without any disallowance/changes.

XX. Linking of 0.25% incentive towards online payment with prompt payment

The Petitioner most respectfully submits that in para 7.21 of its MTR Petition, it has proposed a discount of 0.5% on the bill amount for LT category consumers making online payments. The Petitioner further submitted that this incentive shall be applicable if the consumer makes full payment within due date and has no previous arrears.

Hon'ble Commission, in the MTR Order, in para 9.27 has approved a discount of 0.25% (subject to cap of Rs 500) but has not mentioned anything about linking the same to the prompt payment as proposed by the Petitioner. This is error apparent from the face of records and hence the Petitioner most respectfully submits that the discount for online payment for LT category shall be made applicable only if the consumer makes full payment within due date and has no previous arrears.

XXI. Disallowance of Non DPR schemes

The Petitioner respectfully submits that in its MTR Petition it has proposed capitalization of DPDC-NT/SCP/TSP+OTSP under non DPR category. The bifurcation of these schemes and other Non-DPR Schemes is as follows:

Table 27: Disallowance in Non DPR Schemes

(All figures in Rs. Cr.)

Financial Year	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**
DPDC/Non-Tribal+ DPDC SCP+ DPDC/(TSP+OTSP)					
Capital Expenditure	266	298.05	389	475	475
Capitalisation	135	423.22	372	418	458
Other Non-DPR Schemes					
Capital Expenditure	561	1003.55	1332	1500	1400
Capitalisation	330	1195.05	1263	1301	1380

The Petitioner submits that these DPDC - NT/SCP/TSP+OTSP schemes are driven by Government of Maharashtra Grant. The implementation of said schemes is carried out at circle (District) level and grant component is released by respective District Collectors, as per requirement and agenda of District Planning Development Council. As the DPDC-NT/SCP/TSP+OTSP scheme is implemented at circle level and the circle wise capital expenditure does not exceeds the limit of capital expenditure as specified in MYT Regulation, 2015, MSEDCL used to include DPDC-NT/SCP/TSP+OTSP scheme as Non-DPR scheme in its CAPEX portfolio of tariff petitions.

The Petitioner further submits that Hon'ble Commission in MTR order has allowed capitalisation towards non-DPR schemes only up to that threshold level of 20% of the total capital expenditure approved for that year as per Regulation 23.6 of MYT Regulations, 2015. It is to submit that such capping has impacted the capitalization of such important schemes having social benefits which are rolled out using grant received from Government of Maharashtra. The Hon'ble Commission has given combined approval to Non DPR schemes in its tariff Order, due to which it is difficult to ascertain which schemes are approved and which are not. Non DPR schemes basket is having various schemes with different funding pattern and it will further intricate computations of components like RoE, Depreciation, Interest on long term loans etc.

In view of above, the Petitioner submits that the Hon'ble Commission may pass appropriate directions to consider the DPDC-NT/SCP/TSP+OTSP schemes in approval of capitalisation for FY 2016-17 onwards and allow MSEDCL to submit the DPRs for said schemes for in principle approval as per MERC Guidelines. Accordingly, the Petitioner requests Hon'ble Commission to reinstate its GFA to the extent of above schemes and appropriate adjustments in other relevant expenditure heads be approved as per MYT Regulations, 2015.

XXII. Revision in reconnection charges

The Petitioner most humbly submits that in para 7.25 of its MTR Petition it has sought revision in reconnection charges. The Petitioner also submitted the detailed computation of the schedule of charges as part of replies to the Data Gap Set (Annexure 11) as sought by the Hon'ble Commission.

The Petitioner further submits that, the Hon'ble Commission in para 10.7.12 and 10.7.13 of the MTR Order stated that,

"10.7.12. The Commission notes that in its calculation, MSEDCL has allocated 100% cost of concerned employee to the activity. However, most of the cases such employees are also performing various other

works and hence it is not appropriate to assume 100% allocation of employee expenses to such activity. Also time take to perform such activities has not been substantiated with any documentary evidence or industrial standards."

The Petitioner most humbly submits that while proposing the revision in reconnection charges, MSEDCL has not considered 100% cost of manpower and the detailed computation of reconnection charges as submitted with the replies to data gaps Set V is reproduced below.

Table 28: Detailed computation of reconnection charges

Particulars	**Labour**	**Average of Basic pay**	**Per Day**	**Per Hr**	**Total Time reqd. to complete the work (Hrs.)**	**Cost**	**Total (Rs)**	**Proposed (Rs)**
Low Tension Service at Meter Incomer								
a) Single Phase	Principal Technician	41,466.40	1,382.21	172.78	1	172.78	**297.63**	**300.00**
	Technician	29,965.12	998.84	124.85	1	124.85		
b)Three Phase	Principal Technician	41,466.40	1,382.21	172.78	2	345.55	**595.26**	**500.00**
	Technician	29,965.12	998.84	124.85	2	249.71		
At Overhead mains								
a) Single Phase	Principal Technician	41,466.40	1,382.21	172.78	1	172.78	**297.63**	**300.00**
	Technician	29,965.12	998.84	124.85	1	124.85		
b)Three Phase	Principal Technician	41,466.40	1,382.21	172.78	2	345.55	**595.26**	**500.00**
	Technician	29,965.12	998.84	124.85	2	249.71		
At Underground mains								
a) Single Phase	Principal Technician	41,466.40	1,382.21	172.78	2	345.55	**595.26**	**500.00**
	Technician	29,965.12	998.84	124.85	2	249.71		
b)Three Phase	Principal Technician	41,466.40	1,382.21	172.78	2	345.55	**595.26**	**500.00**
	Technician	29,965.12	998.84	124.85	2	249.71		
High Tension Supply	Addl. EE (Dist)/ Deputy EE (Dist)	96,236.61	3,207.89	400.99	3	1202.96	**3,206.47**	**3000.00**

Particulars	Labour	Average of Basic pay	Per Day	Per Hr	Total Time reqd. to complete the work (Hrs.)	Cost	Total (Rs)	Proposed (Rs)
	Assistance Engineer (Dist)	65,038.76	2,167.96	270.99	3	812.98		
	Principal Technician	41,466.40	1,382.21	172.78	4	691.11		
	Technician	29,965.12	998.84	124.85	4	499.42		

From the calculation, it can be clearly seen that the estimated time required to complete the activity is in the range of 1 to 4 hours and accordingly, labor charges computation has been done considering average per hour cost of the employee for the estimated duration for the activity. Hence the Hon'ble Commission's rationale that it is not appropriate to consider 100% allocation of employee expenses to such activity is not true as the calculation has been done only on the basis of time required to carry out the activity.

The Petitioner therefore most humbly submits that approval of lower reconnection charges is error apparent on the face of records and hence requests Hon'ble Commission to approve the Reconnection Charges as proposed by it in the MTR Petition.

XXIII. Carrying cost on Financial Impact of Review Petition

The Petitioner most respectfully submits that the Hon'ble Commission in MTR Order dated 12th September, 2018 has calculated the carrying cost. Therefore, considering the same principle as followed by the Hon'ble Commission, the Petitioner most humbly requests the Hon'ble Commission to allow the carrying cost on the Financial Impact of Review Petition. In view of the same, the Petitioner requests the Hon'ble Commission to approve Rs. 1,205 Cr. as carrying Cost on the financial impact of review petition and accordingly, the net financial impact of review petition is Rs. 6,962 Cr. The detailed computation of carrying Cost is provided in Annexure 6.

XXIV. Financial Impact of Review Petition

Considering the above submissions, the total financial impact of the Review Petition works out to be as shown below:

Table 29: Total Financial Impact of Review Petition

S. No.	**Particulars**	**Impact (Rs. Cr.)**
1	Wrong Opening GFA for FY 15-16 and 1% efficiency factor considered by the Hon'ble Commission for computation of O&M expenses for FY 2016-17 to FY 2019-20	
(a)	*Impact on O&M Expenses*	*849*
(b)	*Impact on sharing of gains due to revision in O&M Expenses*	*(69)*
2	Impact on sharing of gains due to revision in Energy Balance & Distribution Loss	1,042
3	Impact on Other Expenses	121
4	Impact on Non-Tariff Income due to deduction of deferred income liability	1,374
5	Impact of Interest Rate on Interest on Working Capital	8
6	Impact on Power Purchase due to inclusion of fixed cost of Koradi Unit 6	167
7	Impact of Utilization Factor on revenue from demand/ fixed charges for LT Categories	908
8	Revision in sharing of loss on account of Interest on Working Capital for FY 2016-17	112
9	Impact on Interest Charges due to additional equity converted into loan	273
10	Disallowance of 50% IDC due to excess capitalization	
(a)	*Depreciation*	*2*
(b)	*Interest on Loan*	*2*
(c)	*RoE*	*1*
10	Impact of allowance of GFA of Rs. 927 Cr. for intervening years	
(a)	*Depreciation*	*245*
(b)	*Interest on Loan*	*412*

S. No.	Particulars	Impact (Rs. Cr.)
(c)	*RoE*	*311*
	Total Financial Impact	**5,757**
	Add: Carrying Cost	**1,205**
	Total Financial Impact including carrying cost	**6,962**

3. Prayers

3.1. The Petitioner therefore, based on the submission made in the foregoing paragraphs, most respectfully prays to this Hon'ble Commission:

1. To admit the Petition as per the provisions of the Section 94 (1) (f) of the Electricity Act 2003 read with Regulation 85 (a) of the Maharashtra Electricity Regulatory Commission (Conduct of Business) Regulations 2004;
2. To allow the Review of the MTR Order No. 195 of 2017 dated 12^{th} September 2018 passed by Hon'ble Commission;
3. To consider the submission made by the Petitioner and consider the same while deciding the Petition;
4. To condone the delay in filing of this review petition;
5. To correct the opening GFA amount considered for calculation of O&M Expenses for FY 15-16;
6. To correct O&M expenses for FY 2016-17 to FY 2019-20 based on the revised base O&M expenses of FY 2015-16;
7. To correct sharing of gains on account of O&M expenses for FY 2015-16 and FY 2016-17;
8. To correct Energy Balance and Distribution Losses for FY 16-17 based on metered energy at Distribution Periphery as submitted by Petitioner;
9. To allow correction in sharing of gains on account of distribution losses;

10. To allow expenses on account of obsolescence of fixed assets and on account of natural calamities for FY 2015-16;
11. To allow expenses on account of the interest on the amount of refund of service line charges, ORC and meter cost for FY 2016-17;
12. To allow correction in Non-Tariff Income for FY 2018-19 and FY 2019-20;
13. To correct interest rate on Working Capital requirement for FY 2018-19 and FY 2019-20 and accordingly interest charges on Working Capital;
14. To allow Fixed Cost of Koradi 6 TPP for FY 2019-20;
15. To allow revision in normative loan and approve interest charges on normative loan due to difference in opening normative equity for FY 2015-16;
16. To correct the utilization factors for computation of revenue from demand/ fixed charges for LT category and approve the required fixed charges for FY 2018-19 and FY 2019-20;
17. To correct sharing of loss due to Interest on working Capital for FY 2016-17
18. To allow 50% of IDC due to excess capitalization and corresponding depreciation, RoE and Interest on loan disallowed by the Hon'ble Commission;
19. To allow depreciation, RoE and Interest on Loans on GFA of Rs. 927 Cr. for intervening years disallowed by the Hon'ble Commission;
20. To consider revision in definition of Billing Demand;
21. To allow Cross Subsidy Surcharge as per the formula in National Tariff Policy 2016 (NTP) without putting any ceiling;
22. To allow standby charges for SEZ and Railways;
23. To allow amendment in formula of Load Factor Incentive;
24. To approve metered AG consumers for FY 2016-17 as submitted by the Petitioner in MTR Petition;

25. To change the tariff applicability to hotels in Notified Tourism Districts (having eligibility certificate from MTDC) as Industry;
26. To allow metered AG sales as submitted by MSEDCL and not as per derived AG Index;
27. To allow linking of 0.25% incentive towards online payment with prompt payment and past arrears;
28. To allow Carrying Cost on the Financial Impact of this Review Petition.
29. To allow the recovery of the Financial Impact of Review Petition by way of revision in retail tariff for FY 2018-19 and FY 2019-20;
30. To allow capitalization due to Non DPR Schemes disallowed in the MTR Order
31. To allow revision in reconnection charges;
32. To condone any error/omission and to give opportunity to rectify the same;
33. To permit the Petitioner to make further submissions, addition and alteration to this Petition as may be necessary from time to time.

Sd/-

Satish Chavan
Director (Commercial)
MSEDCL

Date: 29/10/2018

Place: Mumbai

Annexure 1: Energy Balance for FY 2016-17

S No.	Particulars	Calculation	UoM	MTR Petition	MTR Order	Revised	Remarks
1	Agriculture Sales (Including D.F)	a	MU	27,525	27,582	27,582	
2	LT Sales excluding Agriculture Sales (Including D.F)	b	MU	34,750	34,750	34,750	
3	HT Sales excluding EHV level sales (Including D.F)	c	MU	23,865	23,920	23,920	
4	Total Sales including D.F (Excluding EHV Sales)	d=a+b+c	MU	86,139	86,252	86,252	
5	OA Sales (Renewables)	e	MU	770	770	770	
6	OA Sales (Conventional)	f	MU	7,219	7,229	7,229	
7	Retail Energy Sale to Consumers (Excluding EHV Sales)	A=d+e+f	MU	94,128	94,251	94,251	
8	Total Power Purchase	B=g+h	MU	1,16,104	1,16,104	1,16,104	
9	Power Purchase Quantum from Intra-State sources	g	MU	76,290	76,290	76,290	
10	Power Purchase Quantum from Inter-State sources	h	MU	39,815	39,815	39,815	
11	Inter-State Losses	i	%	3.66%	3.66%	3.66%	
12	Power Purchase Quantum from Inter-State sources at MS Periphery	j=h*(1-i)	MU	38,359	38,359	38,359	
13	Power Quantum handled at	k=g+j	MU	1,14,649	1,14,649	1,14,649	
14	Infirm Non-PPA Wind Power	l	MU	933	933	933	
15	Input for OA Consumption	m=f/(1-6%)	MU	7,680	7,691	7,691	
16	Total Power Purchase Quantum Handled	n=k+l+m-v	MU	1,22,767	1,22,778	1,22,778	

S No.	Particulars	Calculation	UoM	MTR Petition	MTR Order	Revised	Remarks
17	Surplus Power Traded	o	MU	1,244	1,240	1,240	
18	Energy Requirement at G<>T Periphery	p=n-o	MU	1,21,524	1,21,538	1,21,538	
19	Intra-State Transmission Loss	q	%	4.29%	3.63%	4.31%	• Derived based on the Actual Power Purchase and Net Energy available at T<>D Periphery
20	Intra-State Transmission Loss	r=p*q	MU	5,218	4,412	5,238	• On account of change in net energy required at T<>D Periphery
21	Net Energy requirement at T<>D Periphery	s=p-r	MU	1,16,306	1,17,126	1,16,300	• Metered energy at T<>D periphery has been kept constant based on data received from MSLDC
22	EHV Sales	t	MU	5,533	5,480	5,480	
23	Net Energy Available for Sale at 33kV	u=s-t	MU	1,10,773	1,11,646	1,10,820	• On account of change in net energy required at T<>D Periphery
24	Energy injected and drawn at 33kV	v	MU	494	494	494	
25	Total Energy Available for Sale at 33kV	C=u+v	MU	1,11,268	1,12,140	1,11,315	• On account of change in net energy required at T<>D Periphery
26	Distribution Loss	D=C-A	MU	17,139	17,889	17,063	• On account of change in net energy required at T<>D Periphery
27	Distribution Loss	E=D/C	%	15.40%	15.95%	15.33%	• On account of change in net energy required at T<>D Periphery

Annexure 2: Computation of revised Demand Charges of LT Categories (where demand based fixed charges are applicable)

FY 2018-19	Contract Demand (kVA)	Demand Charges Rate (Rs/kVA/mth)	Considered by Hon'ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Demand Charges (As per MERC) (Rs. Cr.)	Demand Charges (As per MSEDCL) (Rs. Cr.)	Impact
LT							
LT Commercial							
LT COMM 20-50 KW	7,85,353	350	65%	45%	214.40	150.05	64.36
LT COMM > 50 KW	5,41,771	350	65%	39%	147.90	88.70	59.20
Total	**13,27,125**				**362.31**	**238.75**	**123.56**
LT PWW							
LT PWW 0-20 KW	2,43,177	90	65%	59%	17.07	15.41	1.66
LT-PWW 20-40 KW	29,993	110	65%	61%	2.57	2.40	0.18
LT-PWW > 40 KW	25,269	140	65%	53%	2.76	2.27	0.49
Total	**2,98,440**				**22.40**	**20.07**	**2.33**
LT INDUSTRIES							
LT IND > 27 HP	31,75,936	280	65%	47%	693.62	496.52	197.11
Total	**31,75,936**				**693.62**	**496.52**	**197.11**
LT POWERLOOM							
POWERLOOM > 27 HP	2,99,835	280	65%	57%	65.48	56.96	8.53
Total	**2,99,835**				**65.48**	**56.96**	**8.53**
LT-PUB.SER.GOVT							

FY 2018-19	Contract Demand (kVA)	Demand Charges Rate (Rs/kVA/mth)	Considered by Hon'ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Demand Charges (As per MERC) (Rs. Cr.)	Demand Charges (As per MSEDCL) (Rs. Cr.)	Impact
LT-PUB.SER.GOVT- 20-50 KW	10,066	310	65%	43%	2.43	1.62	0.82
LT-PUB.SER.GOVT- > 50 KW	8,103	310	65%	55%	1.96	1.65	0.31
Total	**18,169**				**4.39**	**3.26**	**1.13**
LT-PUB.SER.OTHER							
LT-PUB.SER.OTHER- 20-50KW	47,709	350	65%	71%	13.02	14.23	(1.20)
LT-PUB.SER.OTHER- >50KW	51,643	350	65%	69%	14.10	14.88	(0.78)
Total	**99,352**				**27.12**	**29.10**	**(1.98)**
Total LT	**52,18,857**			**-**	**1,175.33**	**844.66**	**330.67**

FY 2019-20	Contract Demand (kVA)	Demand Charges Rate (Rs/kVA/mth)	Considered by Hon'ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Demand Charges (As per MERC) (Rs. Cr.)	Demand Charges (As per MSEDCL) (Rs. Cr.)	Impact
LT							
LT Commercial							
LT COMM 20-50 KW	8,42,538	391	75%	46%	296.49	180.65	115.83
LT COMM > 50 KW	5,95,948	391	75%	39%	209.71	109.00	100.71

FY 2019-20	Contract Demand (kVA)	Demand Charges Rate (Rs/kVA/mth)	Considered by Hon'ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Demand Charges (As per MERC) (Rs. Cr.)	Demand Charges (As per MSEDCL) (Rs. Cr.)	Impact
Total	**14,38,486**				**506.20**	**289.66**	**216.55**
LT PWW							
LT PWW 0-20 KW	2,51,367	97	75%	59%	21.94	17.41	4.54
LT-PWW 20-40 KW	31,017	117	75%	61%	3.27	2.67	0.60
LT-PWW > 40 KW	27,142	146	75%	52%	3.57	2.46	1.10
Total	**3,09,526**				**28.78**	**22.54**	**6.24**
LT INDUSTRIES							
LT IND > 27 HP	32,83,299	294	75%	47%	868.76	539.39	329.37
Total	**32,83,299**				**868.76**	**539.39**	**329.37**
LT POWERLOOM							
POWERLOOM > 27 HP	3,28,425	294	75%	57%	86.90	65.79	21.11
Total	**3,28,425**				**86.90**	**65.79**	**21.11**
LT-PUB.SER.GOVT							
LT-PUB.SER.GOVT- 20-50 KW	10,573	323	75%	43%	3.07	1.77	1.31
LT-PUB.SER.GOVT- > 50 KW	8,121	323	75%	57%	2.36	1.80	0.56
Total	**18,695**				**5.43**	**3.57**	**1.87**
LT-PUB.SER.OTHER							
LT-PUB.SER.OTHER- 20-50KW	52,480	351	75%	71%	16.58	15.69	0.88

FY 2019-20	Contract Demand (kVA)	Demand Charges Rate (Rs/kVA/mth)	Considered by Hon’ble Commission in MTR Order	As per MSEDCL submission in MTR Petition	Demand Charges (As per MERC) (Rs. Cr.)	Demand Charges (As per MSEDCL) (Rs. Cr.)	Impact
LT-PUB.SER.OTHER- >50KW	56,808	351	75%	69%	17.95	16.41	1.53
Total	**1,09,288**				**34.52**	**32.11**	**2.42**
Total LT	**54,87,719**			**-**	**1,530.60**	**953.05**	**577.55**

Annexure 3: Computation of Depreciation, RoE and Interest on Loan on account of GFA of Rs. 927 Cr.

Computation of Depreciation	**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**
Opening	-	815.00	815.00	815.00	815.00	927.00	927.00	927.00
Addition	815.00	-	-	-	112.00	-	-	-
Closing	815.00	815.00	815.00	815.00	927.00	927.00	927.00	927.00
Dep Rate (%)	3.69%	3.77%	3.79%	3.65%	3.66%	3.66%	5.03%	4.44%
Depreciation	-	30.73	30.89	29.75	31.88	33.93	46.63	41.16

Computation of RoE for Wire Business	**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**
Opening	0.00	244.50	244.50	244.50	244.50	278.10	250.29	250.29
Addition	244.50	0.00	0.00	0.00	33.60	0.00	0.00	0.00
Closing	244.50	244.50	244.50	244.50	278.10	278.10	250.29	250.29
Average	122.25	244.50	244.50	244.50	261.30	278.10	250.29	250.29
ROE (%)	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	15.50%	15.50%
ROE	19.56	39.12	39.12	39.12	41.81	44.50	38.79	38.79

Computation of RoE for Supply Business	**FY 07-08**	**FY 08-09**	**FY 09-10**	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**
Opening	0.00	0.00	0.00	0.00	0.00	0.00	27.81	27.81
Addition							0.00	0.00
Closing	0.00	0.00	0.00	0.00	0.00	0.00	27.81	27.81

Computation of RoE for Supply Business	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Average	0.00	0.00	0.00	0.00	0.00	0.00	27.81	27.81
ROE (%)							17.50%	17.50%
ROE	0.00	0.00	0.00	0.00	0.00	0.00	4.87	4.87

Particulars	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Opening	0.00	570.50	539.77	508.89	479.14	525.66	491.73	445.10
Addition	570.50	0.00	0.00	0.00	78.40	0.00	0.00	0.00
Repayment	0.00	30.73	30.89	29.75	31.88	33.93	46.63	41.16
Closing	570.50	539.77	508.89	479.14	525.66	491.73	445.10	403.94
Average	285.25	555.14	524.33	494.01	502.40	508.70	468.42	424.52
Rate of interest	9.95%	10.50%	10.40%	10.40%	10.92%	11.49%	11.90%	11.83%
Interest	28.38	58.29	54.53	51.38	54.86	58.45	55.74	50.22