

Data Gaps-Set-1

Petition of M/s Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) for Final True up of ARR for FY 2019-20, FY 2020-21 & FY 2021-22, Provisional True up of ARR for FY 2022-23 and Revised Projections & ARR for FY 2023-24 to FY 2024-25. (Case No. 226 of 2022)

1. Data Gaps on Energy Sales

Data Gaps related to True-up of FY 2019-20

Query 1. Para 2.3.1: Category-wise sales for FY 2019-20. (Table-1)

- a) **Petitioner has submitted the energy sales of agricultural consumers for FY 2019-20 as below:**

Particulars	As per MYT Order	Actuals	Deviation
FY 2019-20	24,551.31	29,245.28	4,693.97

There is a significant deviation in agriculture sales w.r.t. the sales approved in MYT Order 322 of 2019. The petitioner should justify it with appropriate details of methodology used for computation of AG sales. Further, MSEDCL should provide break up of deviation in sales to metered category and deviation to unmetered category.

- b) **In addition to the above, Petitioner should submit the following in Excel format.**
- **Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)**
 - **Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers)**
 - **Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)**
 - **Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)**
 - **Circle-wise and month-wise details (for FY2019-20) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered)**
- c) **Further, MSEDCL was directed to submit detailed roadmap and action plan for undertaking activities mentioned in Para 4.2.25 of MYT Order 322 of 2019 and additional activities that MSEDCL wishes to undertake so as to improve the AG sales estimation process. Relevant extract of the MYT Order is as quoted below:**

“4.2.25 Upon careful consideration of above points and suggestions made by AGWG, the Commission is of the view that key activities that MSEDCL needs to focus in order to operationalise feeder-input based energy accounting and to further improve the estimation of AG consumption shall cover amongst various aspects following

specific action points:

- Ensuring availability of (month-wise/time-slot-wise) feeder metering (AMR/MRI) for feeders (>95% time slot data).
- Addressing the difficulty in feeder metering (AMR/MRI) and minimising assessment of feeder meter data (month-wise/time-slot wise) due to CT/PT errors, mapping errors, communication error etc. (<5% time-slot data)
- Web-publishing of Feeder-wise AMR/MRI data in timely manner (By 7th of month for previous month).
- Metering the DTC (AMR), to start with the DTC on all the 502 feeders which were taken up for survey. Web-publishing of Feeder wise DTC wise AMR data in timely manner (By 7th of month for previous month)
- Feeder-wise mapping of consumers (AG and Non-AG) and indexing/geotagging of consumer data to DTC and feeder and regularly updating (not later than one month) it in case of shifting of load from one DTC/feeder to another.
- Compiling/updating Feeder profile information and undertaking technical loss assessment of Feeder based on feeder length, no. of DTCs and its distribution across feeder, current loading pattern, LT circuit distribution and number of pumpsets/connected load
- Updating Master records of AG consumers for Addition/Deletion of consumer based on field validation (before MTR and end of Control Period)
- Updating Master records of Connected Load of AG consumers for Addition/Deletion of Connected Load based on field validation (before MTR and end of Control Period)

4.2.26 The Commission hereby directs MSEDCL to submit detailed roadmap and action plan for undertaking above activities mentioned at 4.2.25 and also additional activities that MSEDCL wishes to undertake so as to improve the estimation process.

In line with the above directive in MYT Order 322 of 2019, MSEDCL shall submit detailed roadmap and action plan for AG sales estimation.

- d) **MSEDCL shall submit the feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2019-20.**

MSEDCL Reply:

- a) Break up of deviation in sales to metered category and deviation to unmetered category is attached herewith as **Annexure Query 1a**
- b)
- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)

- Desired details are attached herewith in **Annexure Query 1b(1 to 4)**
 - Circle-wise and month-wise details (for FY2019-20) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered) - Desired details are attached herewith in **Annexure Query 1b(5)**.
- c) The roadmap submitted to the Hon'ble Commission vide letter no. 03410 dated 09.02.2021 is attached herewith as **Annexure Query 1c(i)**. Further, it is to submit that, the Letter of Award vide ref. no. 28421 dated 02.11.2022 is issued by MSEDCL to the successful bidder for installation of metering to DTs of selected 502 AG feeders. The copy of LoA is attached herewith in **Annexure Query 1c(ii)**.
- d) Feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2019-20 is attached herewith in **Annexure Query 1d**

Query 2. Para 2.3.4

- a) **Hon'ble Commission in MYT order dated 30th March 2020 in Case No. 322 of 2019 has ruled as:**

“5.3 Distribution Loss for FY 2019-20

5.3.5 The Commission would undertake a detailed review of the operationalisation of Feeder Input based methodology of determination of AG Sales at the time of MTR, as per the roadmap and action plan put in place by MSEDCL. The outcome of results and methodology finalised through this AG exercise shall form the basis for approval of AG sales from FY2019-20 to 2021-22 during truing up exercise to be carried out at time of MTR.”

- b) **It is understood that MSEDCL had filed an appeal before Hon'ble APTEL regarding issues related with AG sales. But for scrutiny of the current petition, petitioner shall submit the methodology adopted by MSEDCL to estimate AG sales and distribution loss along with excel spreadsheet with detailed computations of circle-wise energy input, agriculture sales, and distribution loss for FY 2019-20, FY 2020-21 and FY2021-22.**

MSEDCL Reply:

(a) & (b)

The excel spreadsheet with desired details is attached herewith in **Annexure Query 2a and b.**

Query 3. MTR Format F13

- a) **Energy sales including DF as per MTR format F13 does not match with energy sales submitted in petition Table No. 1 and Table No. 3.**

Particulars	As per Petition (Table No. 3)	As per MTR format F13
Energy Sales (MUs) (Excl. DF Sales)	99,162.03	99,791
DF Energy Sales	4,473.55	4519.96

Total Sales incl. DF (MUs)	1,03,635.58	1,04,311.05
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- b) **Petitioner should reconcile the discrepancy with justification related to DF energy sales.**
- c) **Further, Petitioner should provide information about distribution loss in Distribution Franchisee area.**

MSEDCL Reply:

(a) & (b)

- i. In this context, it is relevant to refer to MYT Order dated 30th March, 2020 recording MSEDCL submission.

“6.3.16 Accordingly, the Distribution franchisee of Nagpur is terminated as per the provisions of Distribution Franchisee Agreement (DFA) on September 8, 2019. The distribution operations of Nagpur DF have been taken over by MSEDCL on September 9, 2019.

...

6.3.36 Further, as per MSEDCL’s submission, the Franchisee Agreement of Nagpur DF has been terminated on September, 2019. Thus, the Commission while projecting Sales for the 4th Control Period has merged the Category wise Sales of Nagpur DF area along with MSEDCL’s Sales similar to the approach adopted by MSEDCL for projection purpose...”

- ii. MSEDCL submits that above observation of Hon’ble Commission is w.r.t to sales for 4th Control Period (i.e., from FY 2020-21 to FY 2024-25). However, for the purpose of ‘Form F13: Revenue from Sale of electricity’, for FY 2019-20 ‘Energy Sales (MUs) (Excl. DF Sales)’ as quoted/referred by the Hon’ble Commission in above table was inclusive of sales excluding distribution franchisees and category-wise actual sales at consumer end from the month of September 2019 to March 2020.
- iii. MSEDCL has now merged category-wise actual sales at consumer end from the month of September 2019 to March 2020 (in the Nagpur Franchisee area) in the month-wise energy sales for MSEDCL (i.e. excluding DF sales) for FY 2019-20.
- iv. Accordingly, sales are updated to that extent and same shall in incorporated in the revised Petition.
- v. As regards query related to DF energy sales it is clarified that actual sales referred by Hon’ble Commission against ‘Add: Category wise sales in DF area’ under Table 3 is category-wise sales, whereas the sales referred by the Hon’ble Commission under ‘Form 13: Revenue from Sale of Electricity’ is already shown against ‘Sale of energy to Distribution Franchisee @ Input’ level. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference.

(c) Distribution Loss in franchisee area:

Distribution Franchisee Area	Distribution Loss (%)
Nagpur	14.46%
Bhiwandi	14.89%

Query 4. Revenue for FY 2019-20 (Table No. 36)

- a) It is observed that, there is difference between revenue from sale of power submitted in Petition (Table No. 36) and revenue from sale of power from audited accounts of FY 2019-20 as below:

Particulars	As per Petition	Revenue as per audited accounts
Revenue from Sale of Power (INR Crores)	72,944.55	73,480.21

- b) Petitioner should reconcile the difference and rectify the submission, as appropriate.

MSEDCL Reply:

(a) & (b)

- i. The Audited Annual Accounts for FY 2019-20 was restated during approval of Audited Annual Accounts for FY 2020-21 & FY 2021-22. In this context, Para 2.1.2 of the Petition states as under:
“2.1.2 The Board of Directors of MSEDCL has approved the Audited Annual Accounts for the period April 2019 to March 2020 and Statutory Auditors M/s. CNK & Associates LLP, M/s. Shah & Taparia and M/s. Kalyaniwalla & Mistry LLP have audited the Accounts vide report dated 11/12/2020 attached as Annexure 1 to this Petition. **Subsequently, this Audited Annual Accounts for FY 2019-20 was restated during approval of Audited Annual Accounts for FY 2020-21 & FY 2021-22. MSEDCL hereby proposes to true up its expenses and revenues based on the said Audited Accounts for FY 2019-20.” (emphasis added)**
- ii. MSEDCL submits that it seems that Hon’ble Commission has considered Audited accounts dated 11th December 2020.
- iii. The revenue from sale of power for the year FY 2019-20 was Rs. 73,480.21 crs, However, the same has been restated during approval of Audited accounts for FY 2021-22 as Rs. 72,944.55 crs excluding Prompt payment discount, open access charges, income from traders & income from additional surcharge.
- iv. MSEDCL further submits that the reconciliation of revenue from sale of power with revenue as per restated Audited Accounts is given below:

Particulars	Rs. Cr
Revenue from Sale of Power as per Restatement (in FY 2021-22)	72,925.82
Less : Prompt Payment Discount	337.25
Add: Standby charges	399.26
Add: Miscellaneous charges from consumers	219.22
Total Revenue from Operations as per Note 29	73,207.05
Add: Prompt Payment Discount claimed separately	337.25

Less: Income from Open Access Charges	-312.95
Less: Income from Traders /Income from Trading of Surplus Power	335.99
Less: Income from Wheeling Charges	1.10
Less: Income from Additional Surcharge	575.60
Total Revenue from Operations shown on Form 13	72,944.55

- v. The copy for restated audited accounts of FY 2019-20 and FY 2020-21 is attached herewith **Annexure Query 4 and 11**. The same may please be referred wherever required.

Query 5. Month-wise & Category-wise Revenue from sale of electricity for FY 2019-20

- a) The petitioner should provide a table of month-wise and Category wise sales and revenue for FY 2019-20 with break-up of revenue components in terms of demand/fixed charge, energy charge, wheeling charge and other components of revenue.

MSEDCL Reply:

- i. MSEDCL submits that month-wise and Category-wise sales for FY 2019-20 is already submitted in MTR Petition Formats Form 1 'F1 MSEDCL Excl DF Mon 19-20'.
- ii. Month-wise and Category-wise revenue for FY 2019-20 is attached herewith in **Annexure Query 5**.

Query 6. Category-wise Revenue for FY 2019-20 (Table No. 37)

- a) It is observed that, AG Sales increased significantly in FY 2019-20 than approved sales whereas revenue from agriculture consumer category is not increased in the same proportion.

Particulars	Approved in MYT Order 322 of 2019	As per Petition	Deviation
AG Sales (MUs)	24,551.31	29,245.28	4,693.97
Revenue from Agriculture Consumer Category	10,975.53	10,031.52	(944.01)

- b) Petitioner shall justify the claim of AG sales and revenue from AG consumers with appropriate rationale.

MSEDCL Reply:

Please refer to reply submitted to 'Query 7' below

Query 7. Sales/Revenue for HT-Industry & LT-Non-domestic for FY19-20 (Table No. 1)

- a) It is observed that there is significant reduction in sales and revenue in FY 2019-20 from sale of power in respect of consumer categories viz. (HT-Industry, LT-Non-domestic and LT-domestic) and also corresponding

reduction in revenue w.r.t. the approved sales/revenue in MYT Order 322 of 2019. Petitioner should provide month-wise details of sales and revenue in respect of these three categories (viz. HT-Industry, LT-Non-domestic and LT-Domestic) for FY2019-20.

- b) Petitioner should submit the justification and rationale for significant reduction in the sales in HT-Industry sales, LT-Non-domestic and LT-domestic categories.

MSEDCL Reply:

- a) Please refer to reply submitted to 'Query 5. Month-wise & Category-wise Revenue from sale of electricity for FY 2019-20' above.
- b) MSEDCL submits that the reply to this data gap is attached in **Annexure Query 7a and b.**

Query 8. Format F13 FY 2019-20

- a) Petitioner to reconcile the following Income heads claimed during the Financial Year FY 2019-20, under its MTR submission with its Annual Audited Accounts:

Particulars	FY 2019-20 (Audited Accounts)	Ref. to Notes of Audited Accounts
Non-Tariff Income	494.19	
Income from Open Access Charges	83.44	
Income from Trading of Surplus Power	335.99	
Income from Wheeling Charges	1.10	
Income from Additional Surcharge	575.60	

- b) Petitioner should submit details of category-wise open access wheeled units (MU) during FY2019-20 and category-wise detailed break-up of revenue from various open access charges such as wheeling charges, cross-subsidy surcharge, additional surcharge.
- c) Further, the Petitioner should submit break-up of open access wheeled units (MU) in FY 2019-20 in terms of category-wise (a) captive RE OA wheeled units (b) captive Non-RE OA wheeled units (c) Non-captive RE OA wheeled units and (d) Non-captive Non-RE OA wheeled units.
- d) Further, MSEDCL shall justify the reason behind lower income from wheeling charges and higher additional surcharge.

MSEDCL Reply:

- a) MSEDCL submits that following details as per restated Audited Accounts for FY 2019-20 (restated during approval of Audited accounts for FY 2021-22)

Particulars	FY 2019-20	Ref. to Notes of Audited Accounts
Non-Tariff Income	494.19	Note 30

Income from Open Access Charges	83.44	Note 29
Income from Trading of Surplus Power	335.99	Note 29
Income from Wheeling Charges	1.10	Note 29
Income from Additional Surcharge	575.60	Note 29

- b) Please refer to reply submitted to '**Query 25c**' below. As regards detailed break-up of revenue from various open access charges, MSEDCL submits that the reply to this data gap shall be submitted subsequently
- c) Please refer to reply submitted to '**Query 25c**' below.
- d) Justification
- i. Lower income from wheeling charges: Wheeling charges are recovered from OA consumer if consumer or generator is connected to distribution network. Recently there is an exponential rise in development of solar parks and in maximum cases the capacity is much higher than 20MW. As such, the connectivity of these Solar Park / Plants is on EHV levels. In many cases the generation evacuation is carried out on EHV levels and if in such cases, the consumers are also connected to EHV level then wheeling charges are not levied. Further, the increase in new wind generator which are connected to distribution network is near about stagnant and so wheeling charges applicable to such consumers have not increased.
 - ii. Higher income from Additional Surcharge: As per Hon'ble Commission Order in Case No. 195 of 2017 dated 12.09.2018, Additional Surcharge was also made applicable to group captive consumers hence, additional surcharge was collected.

Data Gaps related to True-up of FY 2020-21

Query 9. Para 3.3.1: Category-wise sales for FY 2020-21. (Table-45)

- a) Petitioner has submitted the energy sales of agricultural consumers for FY 2020-21 as below:

Particulars	As per MYT Order	Actuals	Deviation
FY 2020-21	27,727.32	34,060.49	6,333.17

There is a significant deviation in agriculture sales w.r.t. the sales approved in MYT Order 322 of 2019. The petitioner should justify it with appropriate details of the methodology used for the computation of AG sales. Further, the Petitioner should provide a breakup of sales deviation to the metered and unmetered categories.

- b) In addition to the above, Petitioner should submit the following in Excel format.
- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers)

- Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)
 - Circle-wise and month-wise details (for FY2020-21) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered)
- c) Further, MSEDCL was directed to submit detailed roadmap and action plan for undertaking activities mentioned in Para 4.2.25 of MYT Order 322 of 2019 and additional activities that MSEDCL wishes to undertake so as to improve the AG sales estimation process.
- d) MSEDCL shall submit the feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2020-21.

MSEDCL Reply:

- a) Break up of deviation in sales to metered category and deviation to unmetered category is attached herewith as **Annexure Query 9a**
- b)
- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)
 - Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)
 - Desired details are attached herewith in **Annexure Query 9b(1 to 4)**
 - Circle-wise and month-wise details (for FY2020-21) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered) - Desired details are attached herewith in **Annexure Query 9b(5)**.
- c) Please refer to reply submitted to 'Query 1(c)' above.
- d) Feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2020-21 is attached herewith in **Annexure Query 9d**.

Query 10. MTR Format F13

- a) **Energy sales including DF as per MTR format F13 does not match with energy sales submitted in petition Table No. 45 and Table No. 47**

Particulars	As per Petition (Table No. 3)	As per MTR format F13
Energy Sales (MUs) (Excl. DF Sales)	1,01,688.22	1,02,861.00
DF Energy Sales	3,549.73	4,761.00
Total Sales incl. DF (MUs)	1,05,237.95	1,07,612.00

- b) **Petitioner should reconcile the discrepancy with justification related to DF energy sales.**
- c) **Further, Petitioner should provide information about distribution loss in Distribution Franchisee area.**

MSEDCL Reply:

(a) & (b)

- i. Query refers to Table No. 3, however, MSEDCL submits that correct reference would be Table No. 47.
- ii. MSEDCL submits that unit of energy sales in Table No. 45 and Table No. 47 of the Petition is in MU, whereas, for the purpose of 'Form F13: Revenue from Sale of electricity', energy sales is in Mn kVAh for all HT Categories and MU (i.e. Mn kWh) for all LT Consumer categories. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference. The relevant Note 5 to that effect was already mentioned in the Petition (Ref. Page No. 723) and MTR Petition formats Form F13.
- iii. As regards query related to DF energy sales it is clarified that actual sales referred by Hon'ble Commission against 'Add: Category wise sales in DF area' under Table 47 is category-wise sales at consumer end, whereas the sales referred by the Hon'ble Commission under 'Form 13: Revenue from Sale of Electricity' is already shown against 'Sale of energy to Distribution Franchisee @ Input' level. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference.

(c) Distribution Loss in franchisee area:

Distribution Franchisee Area	Distribution Loss (%)
Bhiwandi	13.27%
Thane DF- SMK area	44.22%
Malegaon	43.84%

Query 11. Revenue from sale of electricity for FY 2020-21 (Table No. 84)

- a) **It is observed that there is a difference between revenue from the sale of power submitted in Petition (Table No. 84) and revenue from the sale of power from audited accounts of FY 2020-21 as below:**

Particulars	As per Petition	Revenue as per audited accounts
Revenue from Sale of Power (INR Crores)	73,309.04	73,457.29

- b) **Petitioner should reconcile the difference and rectify the submission, as appropriate.**

MSEDCL Reply:

(a) & (b)

- i. The Audited Annual Accounts for FY 2020-21 was restated during approval of Audited Annual Accounts for FY 2021-22. In this context, Para 3.1.1 of the Petition states as under:

*“3.1.1 ...The Board of Directors of MSEDCL has approved the Audited Annual Accounts for the period April 2020 to March 2021 and Statutory Auditors M/s. CNK & Associates LLP, M/s. Shah & Taparia, and M/s. GMJ & Co have audited the Accounts vide report dated 24/11/2021 attached as to this Petition. **Subsequently, this Audited Annual Accounts for FY 2020-21 was restated during approval of Audited Annual Accounts for FY 2021-22. MSEDCL hereby proposes to true up its expenses and revenues based on the said Audited Accounts for FY 2020-21.**”*

- ii. The revenue from sale of power for the year FY 2020-21 was Rs. 73,457.29 Cr and Rs. 73,309.04 crs derived after excluding Prompt payment discount, open access charges, income from traders & income from additional surcharge.
- iii. MSEDCL further submits that the reconciliation of revenue from sale of power with revenue as per restated Audited Accounts is given below:

	Rs. Cr
Particulars	FY 2020-21
Revenue from Sale of Power as per Restatement (in FY 2021-22)	73,457.29
Less : Prompt Payment Discount	644.20
Add: Standby charges	401.90
Add: Miscellaneous charges from consumers	268.32
Total Revenue from Operations as per Note 29	73,483.31
Add: Prompt Payment Discount claimed separately	644.20
Less: Income from Open Access Charges	213.14
Less: Income from Traders /Income from Trading of Surplus Power	126.21
Less: Income from Wheeling Charges	0.09
Less: Income from Additional Surcharge	479.03
Total Revenue from Operations shown on Form 13	73,309.04

- iv. The copy for restated audited accounts of FY 2019-20 and FY 2020-21 is attached herewith **Annexure Query 4 and 11**. The same may please be referred wherever required.

Query 12. Month-wise & Category-wise Revenue from sale of electricity for FY 2020-21

- a) The petitioner should provide a table of month-wise and Category wise sales and revenue for FY 2020-21 with break-up of revenue components in terms of demand/fixed charge, energy charge, wheeling charge and other components of revenue.

MSEDCL Reply:

- i. MSEDCL submits that month-wise and Category-wise sales for FY 2020-21 is already submitted in MTR Petition Formats Form 1 'F1 MSEDCL Excl DF Mon 20-21'.
- ii. Month-wise and Category-wise revenue for FY 2020-21 is attached herewith in **Annexure Query 12.**

Query 13. Sales/Revenue for HT-Industry and LT-Non-domestic for FY 2020-21 (Table No. 45)

- a) It is observed that there is significant reduction in sales and revenue in FY 2020-21 from sale of power in respect of consumer categories viz. (HT-Industry, LT-Non-domestic and LT-Domestic) and also corresponding reduction in revenue w.r.t. the approved sales/revenue in MYT Order 322 of 2019. Petitioner should provide month-wise details of sales and revenue in respect of these three categories (viz. HT-Industry, LT-Non-domestic and LT-Domestic) for FY2020-21.

Particulars	Approved in MYT Order 322 of 2019	As per Petition
Energy Sales - (HT- Industry)	34,157	29,053.83
Revenue from Sale of Power (HT-Industry) (INR Crores)	29,046	24,102.74
Energy Sales – (LT- Non-domestic)	6,779	3703.29
Revenue from Sale of Power (LT-Non-Domestic) (INR Crores)	7,883	4,756.40
Energy Sales – (LT- domestic)	22,653	21,219.70
Revenue from Sale of Power (LT-Domestic) (INR Crores)	17,354	16,545.46

- b) Petitioner should submit the justification and rationale for significant reduction in the sales in HT-Industry sales, LT-Non-domestic and LT-Domestic categories.

MSEDCL Reply:

- a) Please refer to reply submitted to 'Query 12. Month-wise & Category-wise Revenue from sale of electricity for FY 2020-21' above.
- b) MSEDCL submits that the reply to this data gap is attached in **Annexure Query 13a and b.**

Query 14. Format F13 (FY 2019-20)

Petitioner to reconcile the following Income heads claimed during the Financial Year FY 2020-21, under its MTR submission with its Annual Audited Accounts:

Particulars	FY 2020-21 (Audited Accounts)	Ref. to Notes of Audited Accounts
Non-Tariff Income	316.85	
Income from Open Access Charges	213.07	

Income from Trading of Surplus Power	126.21	
Income from Wheeling Charges	0.09	
Income from Additional Surcharge	479.03	

Further, MSEDCL shall justify the reason behind lower income from wheeling charges and higher additional surcharge.

MSEDCL Reply:

- a) MSEDCL submits that following details as per restated Audited Accounts for FY 2020-21 (restated during approval of Audited accounts for FY 2021-22)

Particulars	FY 2020-21	Ref. to Notes of Audited Accounts
Non-Tariff Income	316.85	Note 30
Income from Open Access Charges	213.07	Note 29
Income from Trading of Surplus Power	126.21	Note 29
Income from Wheeling Charges	0.09	Note 29
Income from Additional Surcharge	479.03	Note 29

Justification:

- i. Lower income from wheeling charges: Wheeling charges are recovered from OA consumer if consumer or generator is connected to distribution network. Recently there is an exponential rise in development of solar parks and in maximum cases the capacity is much higher than 20MW. As such, the connectivity of these Solar Park / Plants is on EHV levels. In many cases the generation evacuation is carried out on EHV levels and if in such cases, the consumers are also connected to EHV level then wheeling charges are not levied. Further, the increase in new wind generator which are connected to distribution network is near about stagnant and so wheeling charges applicable to such consumers have not increased.
- ii. Higher income from Additional Surcharge: As per Hon'ble Commission Order in Case No. 195 of 2017 dated 12.09.2018, Additional Surcharge was also made applicable to group captive consumers hence, additional surcharge was collected. Now as per Judgement dated 10.12.2021 in Civil Appeal No. 5074-5075 of 2019, Hon'ble Supreme Court held that group captive consumers are not liable to pay Additional Surcharge and directed to refund the collected Additional Surcharge to group captive consumers. Now, as per Hon'ble Supreme Court Judgment Additional Surcharge is being refunded by MSEDCL and not levied to such group captive consumers.

Data Gaps related to True-up of FY 2021-22

Query 15. Para 4.3 Page No.93

- a) **Petitioner has submitted the following information in respect of AG sales for FY 2021-22**

Agriculture Sales (Excl. D.F) (MUs)	As per MYT Order	Actuals	Deviation
FY 2021-22	28,279.08	36,394.46	8,115.38

There is a significant deviation in category sales of Agriculture w.r.t. the sales approved in MYT Order 322 of 2019. The petitioner should provide detailed justification with appropriate details of the methodology used for the computation of AG sales. Further, the Petitioner should provide a breakup of sales deviation to the metered and unmetered categories

- b) In addition to the above, Petitioner should submit the following in Excel format.
- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers).
 - Circle-wise and month-wise details (for FY2021-22) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered).
- c) Further, MSEDCL was directed to submit detailed roadmap and action plan for undertaking activities mentioned in Para 4.2.25 of MYT Order 322 of 2019 and additional activities that MSEDCL wishes to undertake so as to improve the AG sales estimation process
- d) MSEDCL shall submit the feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2021-22.

MSEDCL Reply:

- a) Break up of deviation in sales to metered category and deviation to unmetered category is attached herewith as **Annexure Query 15a**
- b)
- Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers).
 - Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers).
- Desired details are attached herewith in **Annexure Query 15b(1 to 4)**

- Circle-wise and month-wise details (for FY2021-22) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered) - Desired details are attached herewith in **Annexure Query 15b(5)**.
- c) Please refer to reply submitted to 'Query 1(c)' above.
- d) Feeder wise annual consumption data of 502 feeders selected for AG study conducted by Commission for FY 2021-22 is attached herewith in **Annexure Query 15d**.

Query 16. MTR Format F13

- a) **Energy sales including DF as per MTR format F13 does not match with energy sales submitted in petition Table No. 93 and Table No. 95**

Particulars	As per Petition (Table No. 95)	As per MTR format F13
Energy Sales (MUs) (Excl. DF Sales)	1,12,054.50	1,13,110.32
DF Energy Sales	4,274.48	5,448.68
Total Sales incl. DF (MUs)	1,16,328.98	1,18,559

- b) **Petitioner should reconcile the discrepancy with justification related to DF energy sales.**
- c) **Further, Petitioner should provide information about distribution loss in Distribution Franchisee area.**

MSEDCL Reply:

(a) & (b)

- i. MSEDCL submits that unit of energy sales in Table No. 95 and Table No. 97 of the Petition is in MU, whereas, for the purpose of 'Form F13: Revenue from Sale of electricity', energy sales is in Mn kVAh for all HT Categories and MU (i.e. Mn kWh) for all LT Consumer categories. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference. The relevant Note 5 to that effect was already mentioned in the Petition (Ref. Page No. 724) and MTR Petition formats Form F13
- ii. As regards query related to DF energy sales it is clarified that actual sales referred by Hon'ble Commission against 'Add: Category wise sales in DF area' under Table 95 is category-wise sales at consumer end, whereas the sales referred by the Hon'ble Commission under 'Form 13: Revenue from Sale of Electricity' is already shown against 'Sale of energy to Distribution Franchisee @ Input' level. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference.

(c) Distribution Loss in franchisee area:

Distribution Franchisee Area	Distribution Loss (%)
Bhiwandi	11.26%
Thane DF- SMK area	39.96%
Malegaon	39.53%

Query 17. Revenue from Sale of Power for FY 2021-22 (Table No. 133)

- a) It is observed that, there is difference between revenue from sale of power submitted in Petition (Table No. 133) and revenue from sale of power from audited accounts of FY 2021-22 as below

Particulars	As per Petition	Revenue as per audited accounts
Revenue from Sale of Power (INR Crores)	85,903.28	85,927.78

- b) Petitioner should reconcile the difference and rectify the submission, as appropriate.

MSEDCL Reply:

- i. The revenue from sale of power for the year FY 2020-21 was Rs. 85,927.78 Cr and Rs. 85,903.28 crs derived after excluding Prompt payment discount, open access charges, income from traders & income from additional surcharge.
- ii. MSEDCL further submits that the reconciliation of revenue from sale of power with revenue as per restated Audited Accounts is given below:

Particulars	Rs. Cr FY 2021-22
Revenue from Sale of Power	85,927.78
Less : Prompt Payment Discount	913.81
Add: Standby charges	396.04
Add: Miscellaneous charges from consumers	307.91
Total Revenue from Operations as per Note 29	85,717.94
Add: Prompt Payment Discount claimed separately	913.81
Less: Income from Open Access Charges	129.92
Less: Income from Traders /Income from Trading of Surplus Power	195.93
Less: Income from Wheeling Charges	0.04
Less: Income from Additional Surcharge	402.62
Total Revenue from Operations shown on Form 13	85,903.24

Query 18. Month-wise & Category-wise Revenue from sale of electricity for FY 2021-22

The Petitioner should provide the table of Month-wise and Category-wise break-up of sales and Revenue for FY 2021-22 with break-up of revenue components in terms of demand/fixed charge, energy charge, wheeling charge and other components of revenue.

MSEDCL Reply:

- i. MSEDCL submits that month-wise and Category-wise sales for FY 2021-22 is already submitted in MTR Petition Formats Form 1 'F1 MSEDCL Excl DF Mon 21-22'.
- ii. Month-wise and Category-wise revenue for FY 2021-22 is attached herewith in **Annexure Query 18**.

Query 19. Sales/Revenue for HT-Industry and LT-Non-domestic for FY 2021-22 (Table No. 45)

- a) It is observed that there is significant reduction in sales and revenue in FY 2021-22 from sale of power in respect of consumer categories viz. (HT-Industry, LT-Non-domestic and LT-Domestic) and also corresponding reduction in revenue w.r.t. the approved sales/revenue in MYT Order 322 of 2019. Petitioner should provide month-wise details of sales and revenue in respect of these three categories (viz. HT-Industry, LT-Non-domestic and LT-Domestic) for FY2021-22.

Particulars	Approved in MYT Order 322 of 2019	As per Petition
Energy Sales - (HT- Industry)	35,518	34,575.17
Revenue from Sale of Power (HT-Industry) (INR Crores)	30,178	28,464.20
Energy Sales – (LT- Non-domestic)	7,334	4,433.86
Revenue from Sale of Power (LT-Non-Domestic) (INR Crores)	8,396	6,957.50
Energy Sales – (LT- domestic)	23,756	21,477.14
Revenue from Sale of Power (LT-Domestic) (INR Crores)	18,007	20,512.34

- b) Petitioner should submit the justification and rationale for significant reduction in the sales.

MSEDCL Reply:

- a) Please refer to reply submitted to 'Query 18. Month-wise & Category-wise Revenue from sale of electricity for FY 2021-22' above.
- b) MSEDCL submits that the reply to this data gap is attached in **Annexure Query 19a and b**.

Query 20. MTR Format (ARR-Summary) (FY 2021-22)

- a) Petitioner to reconcile the following Income heads claimed during the Financial Year FY 2021-22, under its MTR submission with its Annual Audited Accounts:

Particulars	FY 2021-22 (Audited Accounts)	Ref. to Notes of Audited Accounts
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Non-Tariff Income	1208.37	
Income from Open Access Charges	129.23	
Income from Trading of Surplus Power	195.93	
Income from Wheeling Charges	0.04	
Income from Additional Surcharge	402.62	

MSEDCL Reply:

a) MSEDCL submits that following details as per Audited Accounts for FY 2021-22

Particulars	FY 2021-22	Ref. to Notes of Audited Accounts
Non-Tariff Income	1208.37	Note 30
Income from Open Access Charges	129.23	Note 29
Income from Trading of Surplus Power	195.93	Note 29
Income from Wheeling Charges	0.04	Note 29
Income from Additional Surcharge	402.62	Note 29

Query 21. Para 5.3.2: Category-wise sales for FY 2022-23. (Table-140)

a) **Petitioner has submitted the energy sales of agricultural consumers for FY 2022-23 as below:**

Particulars	As per MYT Order	Actuals	Deviation
FY 2020-21	27,727.32	34,060.49	6,333.17

b) **There is a significant deviation in agriculture sales w.r.t. the sales approved in MYT Order 322 of 2019. The petitioner should justify it with appropriate details of the methodology used for the computation of AG sales. Further, the Petitioner should provide a breakup of sales deviation to the metered and unmetered categories.**

c) **In addition to the above, Petitioner should submit the following details for H1 (Apr to Sep) for FY2022-23, in Excel format.**

- **Circle-wise consumption recorded on separated AG feeders (along with information of connected load, no. of AG consumers)**
- **Circle-wise consumption recorded on Feeders with SDT (along with information of connected load, no. of AG consumers)**
- **Circle-wise consumption recorded on Feeders in Single Phasing Scheme (along with information of connected load, no. of AG consumers)**
- **Circle-wise consumption recorded on other Feeders with AG consumers (along with information of connected load, no. of AG consumers)**
- **Circle-wise and month-wise details (for H1 of FY2022-23) of No. of AG consumers (metered and un-metered), connected load (HP) (metered and un-metered) and billed units (metered and un-metered)**

MSEDCL Reply:

(a), (b) & (c) - MSEDCL submits that the reply to this data gap shall be submitted subsequently

Query 22. MTR Format F13

- a) **Energy sales including DF as per MTR format F13 does not match with energy sales submitted in petition Table No. 140 and Table No. 142**

Particulars	As per Petition (Table No. 95)	As per MTR format F13
Energy Sales (MUs) (Excl. DF Sales)	1,20,294.33	1,21,546.95
DF Energy Sales	4,651.70	5,927.05
Total Sales incl. DF (MUs)	1,24,946.03	1,27,474

- b) **Petitioner should reconcile the discrepancy with justification related to DF energy sales.**
- c) **Further, Petitioner should provide information about distribution loss in Distribution Franchisee area.**

MSEDCL Reply:

(a) & (b)

- i. Query refers to Table No. 95, however, MSEDCL submits that correct reference would be Table No. 142.
- ii. MSEDCL submits that unit of energy sales in Table No. 140 and Table No. 142 of the Petition is in MU, whereas, for the purpose of 'Form F13: Revenue from Sale of electricity', energy sales is in Mn kVAh for all HT Categories and MU (i.e Mn kWh) for all LT Consumer categories. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference. The relevant Note to that effect was already mentioned in the Petition (Ref. Page No. 725 & 729) and MTR Petition formats Form F13
- iii. As regards query related to DF energy sales it is clarified that actual sales referred by Hon'ble Commission against 'Add: Category wise sales in DF area' under Table 142 is category-wise sales at consumer end, whereas the sales referred by the Hon'ble Commission under 'Form 13: Revenue from Sale of Electricity' is already shown against 'Sale of energy to Distribution Franchisee @ Input' level. This is as per the MYT Order dated 30.03.2020 in Case No. 322 of 2019. Hence, the difference.
- (c) Distribution Loss in franchisee area: MSEDCL submits that distribution loss in distribution franchisee area will be submitted after completion of financial year.

Query 23. Month-wise & Category-wise Revenue from sale of electricity for FY 2022-23

- a) **The Petitioner should provide the table of Month-wise and Category-wise break up of Sales and Revenue for FY 2022-23 (H1 actuals and Estimates for H2 of FY2022-23) with break-up of revenue components in terms of demand/fixed charge, energy charge, wheeling charge and other components of revenue.**

MSEDCL Reply:

- i. MSEDCL submits that month-wise and Category-wise sales for FY 2022-23 is already submitted in MTR Petition Formats Form 1 'F1 MSEDCL Excl DF Mon 22-23'.
- ii. Month-wise and Category-wise break-up of revenue components for FY 2022-23 will be submitted subsequently.

Query 24. Table No. 176

- a) **The petitioner should justify significant increase in energy sales under category viz. "MSPGCL AUX SUPPLY" to 295 MU as compared to approved sales of 184 MU under this category as per MYT Order and may like to appropriately modify its submission.**

MSEDCL Reply:

MSEDCL submits that it has considered FY 2022-23 as the base year for projection of sales for FY 2023-24 and FY 2024-25 (i.e., for fourth and fifth year of the Control Period). Based on the sales for FY 2022-23 and the CAGR considered, MSEDCL has projected the sales for various categories. MSEDCL submits that for FY 2022-23 it has estimated energy sales of ~295MU against the MSPGCL AUX SUPPLY category and it has considered realistic growth rate of zero percent for projecting of sales for FY 2023-24 and FY 2024-25.

Query 25. CAGR consideration for sales projection Para 6.3.4 (Table 175)

- a) **Petitioner has submitted that it has considered FY2021-22 as base year for projection of sales for FY2021-22. Considering the fact that sales during FY2021-22 as abnormal year as sales suffered due to extended period of Lock-down on account of COVID restrictions, the Petitioner should justify its rationale for considering FY2021-22 as base year.**
- b) **Further, Petitioner should provide its assessment of impact on sales on account of COVID lock-down restrictions during FY2021-22, particularly for HT-Industry, LT-Non-domestic and LT-Domestic consumer categories.**
- c) **Petitioner should provide consumer-category-wise details of open access wheeled units during last three and half years (FY2019-20, FY2020-21 and FY2021-22 and H1 of FY2022-23) and details of pending open access applications (category-wise capacity and no. of OA consumers) as on date.**
- d) **Petitioner should provide its assessment of likely projected reduction sales/wheeled units on account of recent notification of MOP Green Energy Open Access Rules, 2022. Petitioner should provide details of applications (category-wise capacity and no. of applications) received and processed through Green Energy Open Access portal as on date.**
- e) **Petitioner should provide detailed break-up of the Rooftop solar installations (as on Nov 2022) (category-wise RTPV capacity and no. of consumers) and pending RTPV applications (category-wise RTPV capacity and no. of consumers), as on date.**

- f) Petitioner should provide detailed information about projected growth in New Load category such as – Electric Vehicles charging stations installations (as on Nov 2022) (Contract Demand, no. of consumers, sales), pending applications as on date (Contract Demand, no. of consumers, sales), and projected EV installations/sales in FY2023-14 and FY2024-25 (Contract Demand, no. of consumers, sales).
- g) Petitioner should provide detailed information about projected growth in New Load category such as – Metro/Monorail/other public transportation (as on Nov 2022) (Contract Demand, no. of consumers, sales), pending applications as on date (Contract demand, no. of consumers, sales), and projected EV installations in FY2023-14 and FY2024-25 (Contract Demand, no. of consumers, sales).
- h) The Petitioner should correct the Justification given for the below-mentioned “highlighted” categories in Table 175 as the justification provided appear to be wrong. The petitioner should correct the Table in its revised Petition.

		considered which in equivalent to 5 Yr. CAGR,
301-500 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR of Domestic consumer category
above 501 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR of Domestic consumer category
LT-II : LT- Non Residential		
0-20 KW	4%	Considering the varying CAGRs, realistic growth of 4%
>20-<=50 KW	4%	Considering the varying CAGRs, realistic growth of 4%
>50 KW	4%	Considering the varying CAGRs, realistic growth of 4%
LT-III : LT-Public Water Works		
0-20 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category
20-<=40 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category
> 40 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category
*** LT-AG-Unmetered (Pumpsets)	0%	No new connections, hence 0%
LT-AG Metered (Pumpsets)	4%	5 year CAGR 8%. Realistic growth of 4% which in equivalent to 3 Yr. CAGR
LT-AG Metered (Others)	8%	5 year CAGR 9%. Realistic growth of 8% which in equivalent to 3 Yr. CAGR
LT V: LT Industry- Power Looms		
0-20 KW (Upto & including 27 HP)	3%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of Powerloom consumer category
Above 20 KW (above 27 HP)	3%	

MSEDCL Reply:

- a) MSEDCL submits that it has considered FY 2022-23 as the base year for projection of sales for FY 2023-24 and FY 2024-25 (i.e., for fourth and fifth year of the Control Period). MSEDCL further submits that inadvertently in Para 6.4.1 of the Petition it has mentioned FY 2021-22 as the base year and the same shall be updated in revised submission.
- b) MSEDCL submits that the reply to this data gap shall be submitted subsequently
- c) Consumer-category-wise details of open access wheeled units during last three and half years (FY2019-20, FY2020-21 and FY2021-22 and H1 of FY2022-23) is attached herewith as Annexure Query 25c.

Pending open access applications as on today - Nil

- d) MSEDCL respectfully submits that Regulations regarding MOP Green Energy Open Access Rules, 2022 is yet to be notified by Hon'ble Commission. Further, projected reduction sales/wheeled units on account of aforementioned notification cannot be ascertained as historical data is not available for analysis.

Number of Open Access applications received under Green Energy Open Access Rules, 2022 - Nil.

- e) Detailed break-up of the Rooftop solar installations (as on Nov 2022)

Category	Category-wise RTPV	
	No. of Consumers	Capacity Installed (MW)
HT-RESIDENTIAL	19	5.15
HT-COMMERCIAL	371	56.50
HT-INDUSTRIAL	1411	440.79
HT-PUBLIC SERVICES	214	42.97
HT-RAILWAY	9	2.65
HT-AG	38	10.32
HT OTHER	380	90.48
HT Sub Total	2442	648.86
LT RESIDENTIAL	51362	322.54
LT COMMERCIAL	11699	155.45
LT INDUSTRIAL	2221	85.75
LT AGRICULTURE OTHERS	1	0.01
LT TEMPORARY	21	0.43
LT PUBLIC SERVICES	137	2.37
LT-AG	6	0.18
LT-Strret light	38	0.34
LT-Public Water Works	98	1.79
LT OTHER	4184	66.19
LT POULTRY_Cold Storage	60	2.62
LT TEMP-CONN	32	0.40
LT Sub Total	69859	638.07
Grand Total (HT + LT)	72301	1286.93

Pending RTPV applications as on 27.12.2022

Category	Pending RTPV applications Category-wise RTPV	
	No. of Consumers	Capacity (MW)
HT-RESIDENTIAL	4	0.56
HT-COMMERCIAL	107	17.83
HT-INDUSTRIAL	448	212.86
HT-PUBLIC SERVICES	74	11.76
HT-RAILWAY	4	2.28
HT-AG	9	0.99
HT Sub Total	646	246.28
LT RESIDENTIAL	15055	72.35
LT COMMERCIAL	1948	25.41

Category	Pending RTPV applications Category-wise RTPV	
	No. of Consumers	Capacity (MW)
LT INDUSTRIAL	575	22.82
LT-AG	49	0.23
LT-Street light	5	0.06
LT-Public Water Works	57	0.61
LT OTHER	782	20.71
LT POULTRY Cold Storage	27	0.47
LT TEMP-CONN	20	0.24
LT Sub Total	18518	142.88
Grand Total (HT + LT)	19164	389.17

f) i. Details of EV charging stations installations (as on Nov 2022)

Contract Demand (kVA)	No. of consumers (No.)	Sales (MU)
45957	260	63.72

ii. Pending applications as on date

Particulars	Contract Demand (kVA)	No. of consumers (No.)	Sales (MU)
As on Nov.22	Nil	Nil	Nil

iii. Projected EV installation

Year	Contract Demand (kVA)	No. of consumers (No.)	Sales (MU)
FY 2023-24	50553	273	66.90
FY 2024-25	55608	287	70.25

g) MSEDCL submits that the reply to this data gap shall be submitted subsequently

h) MSEDCL submits that the revised details are as under:

Consumer Category	CAGR Considered	Justification/Rationale
LT-I (A): LT- BPL	5%	Considering the vaying CAGRs, realistic growth of 5% considered
LT-I (B) : LT-Residential(Other than BPL)		
1-100 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR;
101-300 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR;
301-500 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR of Domestic consumer category as a whole
above 501 Units	3%	Considering the varying CAGRs, realistic growth of 3% considered which in equivalent to 5 Yr. CAGR of Domestic consumer category as a whole
LT-II : LT- Non Residential		
0-20 KW	4%	Considering the varying CAGRs, realistic growth of 4%
>20-<=50 KW	4%	Considering the varying CAGRs, realistic growth of 4%
>50 KW	4%	Considering the varying CAGRs, realistic growth of 4%
LT-III : LT-Public Water Works		
0-20 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category as a whole
20-<=40 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category as a whole
> 40 KW	5%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of PWW consumer category as a whole
*** LT-AG-Unmetered (Pumpsets)	0%	No new connections, hence 0%
LT-AG Metered (Pumpsets)	4%	5 year CAGR 8%. Realistic growth of 4% which in equivalent to 3 Yr. CAGR
LT-AG Metered (Others)	8%	5 year CAGR 9%. Realistic growth of 8% which in equivalent to 3 Yr. CAGR
LT V: LT Industry- Power Looms		
0-20 KW (Upto & including 27 HP)	3%	Considering the varying CAGRs, realistic growth of 5% considered which in equivalent to 5 Yr. CAGR of Powerloom consumer category as a whole
Above 20 KW (above 27 HP)	3%	
LT V : LT Industry- General		
0-20 KW (Upto & including 27 HP)	4%	Considering the vaying CAGRs, realistic growth of 4% considered
Above 20 KW (above 27 HP)	4%	Considering the vaying CAGRs, realistic growth of 4% considered
LT VII(A) - Public services - Govt		
0-20 KW	6%	CAGRs are varying, realistic growth of 6% considered
>20-50 kW	6%	CAGRs are varying, realistic growth of 6% considered
>50 kW	6%	CAGRs are varying, realistic growth of 6% considered
LT VII(B) - Public services - Other		
0-20 KW	6%	CAGRs are varying, realistic growth of 6% considered
>20-50 kW	6%	CAGRs are varying, realistic growth of 6% considered
>50 kW	6%	CAGRs are varying, realistic growth of 6% considered
LT VI – Street Light		
Gram panchayat A, B & C Class Municipal Council	0%	Negative CAGRs, hence, 0% considered
Municipal corporation Area	0%	Negative CAGRs, hence, 0% considered
LT VIII EV Charging Stations	10%	Considering Plan as per Maharashtra EV Policy, a realistic growth rate of 10% has been considered

Query 26. CAGR consideration for projection of no. of consumers Para 6.7.2 (Table No. 180)

- a) The Petitioner should correct the Justification given for the below-mentioned “highlighted” categories in Table 180 as the justification

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	Considered	
HT-IND 11 KV	1%	3 Year CAGR considered
HT-IND 22 KV	1%	3 Year CAGR considered
HT-IND 33 KV	1%	3 Year CAGR considered
HT-IND EHV	1%	3 Year CAGR considered
HT-COMM 11 KV	1%	3 Year CAGR Negative. Hence, 5 Year CAGR considered
HT-COMM 22 KV	1%	YoY Growth considered
HT-COMM 33 KV	1%	Realistic rate of 0% in line with 5 Year CAGR of category considered
HT-COMM EHV	1%	5 Year CAGR Negative. Realistic growth of 0% in line with 5 Year CAGR of category considered, as the no. of consumers are very less
HT RAILWAY/METRO/MONO 11 KV	4%	3 & 5 year CAGR quite high. Realistic growth of 4%
HT RAILWAY/METRO/MONO 22 KV	4%	3 year CAGR considered
HT RAILWAY/METRO/MONO 33 KV	4%	3 year CAGR quite high. Realistic growth of 4%
HT RAILWAY/METRO/MONO EHV	4%	Realistic growth of 0% considered
HT-PWW 11 KV	1%	3 year CAGR considered
HT-PWW 22 KV	1%	3 year CAGR considered
HT-PWW 33 KV	1%	3 year CAGR considered
HT-PWW EHV	1%	3 year CAGR considered
HT-AGRICULTURE 11 KV	1%	3 & 5 year CAGR negative. Realistic growth of 0%
HT-AGRICULTURE 22 KV	1%	5 year CAGR negative. Realistic growth of 0%
HT-AGRICULTURE 33 KV	1%	3 year CAGR considered
HT-AGRICULTURE EHV	1%	3 year CAGR quite high. 3 year CAGR considered
HT-AGRICULTURE OTHERS 11 KV	2%	5 year CAGR negative. 3 year CAGR considered
HT-AGRICULTURE OTHERS 22 KV	2%	3 year CAGR considered
HT-AGRICULTURE OTHERS 33 KV	2%	3 year CAGR considered
HT-GROUP HOUSING 11 KV	1%	5 year CAGR negative. Realistic growth of 0%
HT-GROUP HOUSING 22 KV	1%	5 year CAGR negative. Realistic growth of 0%
HT-GROUP HOUSING 33 KV	1%	Realistic rate of 0% considered
HT-PUBLIC SER.-GOVT 11 KV	2%	5 Year CAGR considered
HT-PUBLIC SER.-GOVT 22 KV	2%	Realistic rate of 2% considered
HT-PUBLIC SER.-GOVT 33 KV	2%	Realistic rate of 0% considered
HT-PUBLIC SER.-OTHER 11 KV	2%	Y-o-Y growth rate Considered
HT-PUBLIC SER.-OTHER 22 KV	2%	Y-o-Y growth rate Considered
HT-PUBLIC SER.-OTHER 33 KV	2%	Y-o-Y growth rate Considered
HT-PUBLIC SER.-OTHER EHV	2%	Y-o-Y growth rate Considered
HT-EV CHARGING STATIONS 11 KV	25%	0% growth considered

e

petitioner should correct the Table in its revised Petition.

MSEDCL Reply:

MSEDCL submits that the revised details are as under:

Category	CAGR Considered	Justification/Rationale
HT-IND 11 KV	1%	3 Year CAGR of category as a whole considered
HT-IND 22 KV	1%	3 Year CAGR of category as a whole considered
HT-IND 33 KV	1%	3 Year CAGR of category as a whole considered
HT-IND EHV	1%	3 Year CAGR of category as a whole considered
HT-COMM 11 KV	1%	Realistic growth of 1% considered
HT-COMM 22 KV	1%	Realistic growth of 1% considered
HT-COMM 33 KV	1%	Realistic growth of 1% considered
HT-COMM EHV	1%	Realistic growth of 1% considered
HT RAILWAY/METRO/MONO 11 KV	4%	3 & 5 year CAGR quite high. Realistic growth of 4%
HT RAILWAY/METRO/MONO 22 KV	4%	3 year CAGR considered
HT RAILWAY/METRO/MONO 33 KV	4%	3 year CAGR quite high. Realistic growth of 4%
HT RAILWAY/METRO/MONO EHV	4%	Realistic growth of 4% considered
HT-PWW 11 KV	1%	3 year CAGR of category as a whole considered
HT-PWW 22 KV	1%	3 year CAGR of category as a whole considered
HT-PWW 33 KV	1%	3 year CAGR of category as a whole considered
HT-PWW EHV	1%	3 year CAGR of category as a whole considered
HT-AGRICULTURE 11 KV	1%	3 & 5 year CAGR negative. Realistic growth of 1%
HT-AGRICULTURE 22 KV	1%	3 year CAGR negative. Realistic growth of 1%
HT-AGRICULTURE 33 KV	1%	3 year CAGR considered
HT-AGRICULTURE EHV	1%	3 year CAGR quite high. Realistic growth of 1% considered
HT-AGRICULTURE OTHERS 11 KV	2%	5 year CAGR negative. 3 year CAGR considered
HT-AGRICULTURE OTHERS 22 KV	2%	3 year CAGR considered
HT-AGRICULTURE OTHERS 33 KV	2%	Realistic growth of 2%
HT-GROUP HOUSING 11 KV	1%	5 year CAGR negative. Realistic growth of 1%
HT-GROUP HOUSING 22 KV	1%	5 year CAGR negative. Realistic growth of 1%
HT-GROUP HOUSING 33 KV	1%	Realistic rate of 1% considered
HT-PUBLIC SER.-GOVT 11 KV	2%	5 Year CAGR considered
HT-PUBLIC SER.-GOVT 22 KV	2%	Realistic rate of 2% considered
HT-PUBLIC SER.-GOVT 33 KV	2%	Realistic rate of 2% considered
HT-PUBLIC SER.-OTHER 11 KV	2%	Y-o-Y growth rate of category as a whole considered
HT-PUBLIC SER.-OTHER 22 KV	2%	Y-o-Y growth rate of category as a whole considered
HT-PUBLIC SER.-OTHER 33 KV	2%	Y-o-Y growth rate of category as a whole considered
HT-PUBLIC SER.-OTHER EHV	2%	Y-o-Y growth rate of category as a whole considered
HT-EV CHARGING STATIONS 11 KV	25%	25% growth considered
HT-EV CHARGING STATIONS 22 KV	25%	25% growth considered

Query 27. Table No. 181

- a) The Petitioner should correct the Justification given for the below-mentioned “highlighted” categories in Table 181 as the justification provided are wrong. The petitioner should correct the Table in its revised Petition.

<i>LT-II : LT- Non Residential</i>		
0-20 KW	3%	3 year CAGR considered
>20-<=50 KW	3%	3 year CAGR negative. 5 Year CAGR considered
>50 KW	3%	3 & 5 year CAGR coming high. Y-o-Y growth rate Considered
<i>LT-III : LT-Public Water Works</i>		
0-20 KW	2%	3 year CAGR considered
20-<=40 KW	2%	3 year CAGR considered
> 40 KW	2%	3 & 5 year CAGR coming high. Y-o-Y growth rate Considered
<i>LT-IV: LT-Agriculture</i>		
*** LT-AG-Unmetered (Pumpsets)	0%	5 Year CAGR considered
LT-AG Metered (Pumpsets)	2%	Y-o-Y growth rate Considered
<i>LT V : LT Industry- Power Looms</i>		
0-20 KW (Upto & including 27 HP)	0%	3 & 5 year CAGR negative. Realistic growth of 0%
Above 20 KW (above 27 HP)	0%	3 & 5 year CAGR negative. Realistic growth of 0%
<i>LT V : LT Industry- General</i>		
0-20 KW (Upto & including 27 HP)	4%	3 year CAGR quite high. 5 Year CAGR considered
Above 20 KW (above 27 HP)	4%	3 year CAGR quite high. 5 Year CAGR considered
<i>LT VII(A) - Public services - Govt</i>		
0-20 KW	10%	5 year CAGR quite high. 3 Year CAGR considered
>20-50 kW	10%	3 & 5 year CAGR coming quite high. Realistic growth of 10% considered in line with 5 year CAGR of category
>50 kW	10%	
<i>LT VII(B) - Public services - Other</i>		
0-20 KW	10%	Realistic growth of 10% considered
>20-50 kW	10%	3 & 5 year CAGR coming quite high. Realistic growth of 10% considered in line with 5 year CAGR of category
>50 kW	10%	
<i>Street Light (LT-VI)</i>		
Grampanchayat A, B & C Class Municipal Council	2%	Y-o-Y Considered
Municipal corporation Area	2%	Y-o-Y Considered

MSEDCL Reply:

MSEDCL submits that the revised details are as under:

Consumer Category	CAGR Considered	Justification/Rationale
LT Category		
LT-I (A): LT- BPL	2%	3 year CAGR negative. 5 Year CAGR considered
LT-I (B) : LT-Residential(Other than BPL)	3%	3 year CAGR considered
LT-II : LT- Non Residential		
0-20 KW	3%	5 year CAGR considered
>20-<=50 KW	3%	3 year CAGR negative. 5 Year CAGR of category as a whole considered
>50 KW	3%	3 & 5 year CAGR coming high. 5 Year CAGR of category as a whole considered
LT-III : LT-Public Water Works		
0-20 KW	2%	3 year CAGR considered
20-<=40 KW	2%	3 year CAGR considered
> 40 KW	2%	3 & 5 year CAGR coming high. 3 Year CAGR of category as a whole considered
LT-IV: LT-Agriculture		
*** LT-AG-Unmetered (Pumpsets)	0%	5 Year CAGR considered
LT-AG Metered (Pumpsets)	2%	Y-o-Y growth rate Considered
LT V : LT Industry- Power Looms		
0-20 KW (Upto & including 27 HP)	0%	3 & 5 year CAGR negative. Realistic growth of 0%
Above 20 KW (above 27 HP)	0%	3 & 5 year CAGR negative. Realistic growth of 0%
LT V : LT Industry- General		
0-20 KW (Upto & including 27 HP)	4%	3 year CAGR quite high. 5 Year CAGR of category as a whole considered
Above 20 KW (above 27 HP)	4%	3 year CAGR quite high. 5 Year CAGR of category as a whole considered
LT VII(A) - Public services - Govt		
0-20 KW	10%	5 year CAGR of this slab quite high. 5 Year CAGR of category as a whole considered
>20-50 kW	10%	3 & 5 year CAGR individual slabs coming quite high. Realistic growth of 10% considered in line with 5 year CAGR of category as a whole considered.
>50 kW	10%	
LT VII(B) - Public services - Other		
0-20 KW	10%	Realistic growth of 10% considered
>20-50 kW	10%	3 & 5 year CAGR individual slabs coming quite high. Realistic growth of 10% considered in line with 5 year CAGR of category as a whole considered.
>50 kW	10%	
Street Light (LT-VI)		
Grampanchayat A, B & C Class Municipal Council	2%	5 Year CAGR of category as a whole considered
Municipal corporation Area	2%	5 Year CAGR of category as a whole considered
L.T. EV Charging Stations	75%	75% growth considered

Query 28. CAGR considered for Connected Load/ Contract Demand Projection Para 6.10.2 (Table 186 & 187)

- a) The petitioner should provide justification for CAGR considered in Table 186 & Table 187.

MSEDCL Reply:

As required, MSEDCL submits that the revised details are as under:

Category	CAGR Considered	Justification/Rationale
HT-IND 11 KV	1%	Realistic growth of 1% considered
HT-IND 22 KV	1%	
HT-IND 33 KV	1%	
HT-IND EHV	1%	
HT-COMM 11 KV	2%	Realistic growth of 1% considered
HT-COMM 22 KV	2%	
HT-COMM 33 KV	2%	
HT-COMM EHV	2%	
HT RAILWAY/METRO/MONO 11 KV	5%	Realistic growth of 5% considered
HT RAILWAY/METRO/MONO 22 KV	5%	
HT RAILWAY/METRO/MONO 33 KV	5%	
HT RAILWAY/METRO/MONO EHV	5%	
HT-PWW 11 KV	2%	5 Year CAGR of category as a whole considered
HT-PWW 22 KV	2%	
HT-PWW 33 KV	2%	
HT-PWW EHV	2%	
HT-AGRICULTURE 11 KV	1%	5 Year CAGR of category as a whole considered
HT-AGRICULTURE 22 KV	1%	
HT-AGRICULTURE 33 KV	1%	
HT-AGRICULTURE EHV	1%	
HT-GROUP HOUSING 11 KV	1%	3 Year CAGR of category as a whole considered
HT-GROUP HOUSING 22 KV	1%	
HT-GROUP HOUSING 33 KV	1%	
HT-GROUP HOUSING EHV	0%	Realistic growth of 0% considered
HT-PUBLIC SER.-GOVT 11 KV	5%	Realistic growth of 5% considered
HT-PUBLIC SER.-GOVT 22 KV	5%	
HT-PUBLIC SER.-GOVT 33 KV	5%	
HT-PUBLIC SER.-GOVT EHV	0%	Realistic growth of 0% considered
HT-PUBLIC SER.-OTHER 11 KV	3%	5 Year CAGR of category as a whole considered
HT-PUBLIC SER.-OTHER 22 KV	3%	
HT-PUBLIC SER.-OTHER 33 KV	3%	
HT-PUBLIC SER.-OTHER EHV	3%	

Category	CAGR Considered	Justification/Rationale
LT-I (A): LT- BPL	5%	5 Year CAGR of category as a whole considered
LT-I (B) : LT-Residential(Other than BPL)	5%	5 Year CAGR of category as a whole considered
LT-II : LT- Non Residential		
0-20 KW	4%	5 Year CAGR of category as a whole considered
>20-<=50 KW	4%	5 Year CAGR of category as a whole considered
>50 KW	4%	5 Year CAGR of category as a whole considered
LT-III : LT-Public Water Works		
0-20 KW	2%	Realistic growth of 2% considered
20-<=40 KW	2%	Realistic growth of 2% considered
> 40 KW	2%	Realistic growth of 2% considered
LT-AG Metered (Pumpsets)	2%	3 year CAGR considered
LT-AG Metered (Others)	5%	Realistic growth of 5% considered
LT V : LT Industry- Power Looms		
0-20 KW (Upto & including 27 HP)	0%	3 yr and 5 yr CAGR are negative. Realistic growth of 0% considered
Above 20 KW (above 27 HP)	5%	3 year CAGR considered
LT V : LT Industry- General		
0-20 KW (Upto & including 27 HP)	4%	5 year CAGR considered
Above 20 KW (above 27 HP)	4%	Realistic growth of 4% considered
LT VII(A) - Public services - Govt		
0-20 KW	6%	Realistic growth of 6% considered
>20-50 kW	6%	Realistic growth of 6% considered
>50 kW	6%	Realistic growth of 6% considered
LT VII(B) - Public services - Other		
0-20 KW	6%	Realistic growth of 6% considered
>20-50 kW	6%	Realistic growth of 6% considered
>50 kW	6%	Realistic growth of 6% considered
LT EV Charging	10%	Realistic growth of 10% considered

Query 29. CAGR considered for Connected Load/ Contract Demand Projection Para 6.10.2 (Table 186)

- a) The below-mentioned highlighted figures in table 187 does not match with the MTR Formats.

LT V : LT Industry- Power Looms	
0-20 KW (Upto & including 27 HP)	0%
Above 20 KW (above 27 HP)	5%
LT V : LT Industrv- General	

- b) The Petitioner should rectify the same

MSEDCL Reply:

- a) MSEDCL submits that as per MTR Petition formats submitted by MSEDCL above-mentioned details match with petition submitted. Please refer cell no. M136 & M137 of excel sheet 'Form: Historical Load/Billing Demand (excl. Distribution Franchisee)' of MTR Petition formats. MSEDCL also submits that these details also match with the pdf copy of the MTR Petition formats – Pl. refer page No. 546.
- b) MSEDCL submits that there is no error is submission of the formats.

Query 30. Table 175, Table 181 & Table 187

- a) **The Petitioner should provide details regarding the following categories as these are missing in the said tables.**
1. **LT VII – Temporary connection**
 2. **LT VIII - Advertisements & Hoardings**
 3. **LT IX - Crematorium and Burial Grounds**

MSEDCL Reply:

MSEDCL submits that Hon'ble Commission in its MYT Order dated 30.03.2020 in Case No. 322 of 2019 has undertaken rationalization of tariff categories and slabs within tariff categories by merging them with existing categories. The relevant extract of the Order is reproduced below:

“8.1.11 Accordingly, the Commission has undertaken merging of few consumer categories and rationalisation of consumption slabs/sub-categories. The Commission recognises that any such rationalisation should not cause undue burden on any particular consumer category/consumption slab and hence such rationalisation and tariff design has been undertaken in gradual manner.”

As per the directions of the Hon'ble Commission MSEDCL has implemented MYT Order and accordingly consumer categories referred in query above have been abolished and usage has been merged in the appropriate categories in the said MYT Order.

Query 31. Format- Historical Load Demand

The cells 'J132', 'K132', 'L132' & 'M132' in the said format have missing values. The petitioner should rectify the same.

MSEDCL Reply:

MSEDCL submits that the same shall be incorporated in the revised Petition.

Query 32. General

As per regulation 23.4 of MERC MYT Regulations, 2019, licensees shall submit cost audit report to justify the revenue expenses incurred as well as inventory management policies for truing up years. Accordingly, MSEDCL shall submit the cost audit report for FY 2019-20, FY 2020-21 and FY 2021-22.

MSEDCL Reply:

MSEDCL submits that Cost Audit Report for FY 2019-20 and FY 2020-21 are attached herewith in **Annexure Query 32**. The Cost Audit Report for FY 2021-22 is under process.

2. Data Gaps of Tariff design and Methodology

Query 1. Net Recovery from Tariff: Excel Sheet in MTR Formats

- a) **Petitioner should link carrying cost in the Excel Sheet of “Net Recovery from Tariff: Cell D18” to appropriate carrying cost computation sheet in MTR Forms and formats.**

MSEDCL Reply:

MSEDCL submits that the same shall be incorporated in revised Petition.

Query 2. Para 8.1 Background

- a) **The paragraph of background is incomplete. Petitioner shall complete the context in background paragraph of chapter 8.**

MSEDCL Reply:

MSEDCL submits that the same shall be incorporated in revised Petition.

Query 3. Para 8.5.3: Continuation of 30-min Demand Integration Period for LT meters

- a) **Petitioner submitted that, to reprogram 1,34,900 Nos. of 40-200 Amps CT Embedded meters, it shall take time duration of minimum 18 months and estimated cost of such reprogramming is approximately INR 19 Crores.**
- b) **Petitioner shall clarify the appropriate timeline up to which the reprogramming of meters will be completed. Further, basis of INR 19 Crores shall also be submitted.**

MSEDCL Reply:

(a) & (b)

MSEDCL submits that considering past experience of previous orders of reprogramming of 40,900 embedded meters (kWh to kVAh reprogramming work was completed in 12 months, however, the projected time was six months), the timeline required to complete the reprogramming of 1,34,900 nos. of 40-200 Amps CT Embedded meters from 30 min Demand Integration Period is minimum 18 months. Also, rates informed by concerned meter manufacturers to reprogram 1,34,900 nos. of 40-200 Amps CT Embedded meters is Rs. 1,368.80/meter. Hence, the estimated cost of reprogramming is Rs. 18.46 Crs.

3. Data Gaps of Power Purchase Cost

TRUE UP for FY 2019-20, FY 2020-21 & FY 2021-22

Query 1. RE Sources

- a) Petitioner should provide the details of power purchase from NCE in the following template along with the list of source wise RE PPAs, PPA tenure, capacity with estimated energy generation and tariff rates:

Source	FY 2019-20		FY 2020-21		FY 2021-22	
	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)
Wind						
SHP (including Min/Micro)						
Bagasse based Cogen.						
Biomass						
MSW						
Non-Solar RECs						
Total Non-Solar						
SPV						
Solar Thermal						
Procurement from Solar PV under Net-metering						
Solar REC						
Total Solar						
Total RE						

MSEDCL Reply:

Source	FY 2019-20		FY 2020-21		FY 2021-22	
	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)
Wind	6,371.06	3,205.70	5,533.11	2,581.67	6,068.25	2,707.30
SHP (including Mini/Micro)	327.52	139.03	400.55	169.07	591.01	190.38
Bagasse based Cogen.	2,622.06	1,713.77	3,747.21	2,401.97	4,486.81	2,882.41
Biomass	368.40	263.83	344.02	247.79	324.85	231.45
MSW	0.85	0.41	0.09	0.04	0.25	0.12
Non-Solar RECs	-	-	-	-	-	-
Total Non-Solar	9,689.89	5322.74	10,024.97	5,400.53	11,471.16	6,011.66
SPV	3117.78	1488.90	4805.67	2011.44	5,395.25	2,158.36
Solar Thermal	-	-	-	-	-	-
Procurement from Solar PV under Net-metering	19.32	6.83	87.46	11.03	89.28	30.18
Solar REC	-	-	-	-	-	-
Total Solar	3137.10	1495.73	4,893.13	2022.47	5,484.53	2,188.54
Total RE	12,826.99	6,818.47	14,918.10	7,423.00	16,955.69	8,200.21

MSEDCL respectfully submits that source wise RE PPAs, PPA Tenure, PPA Rate, Estimated Generation and other details attached as **Annexure Query 3_1(a) and 29**.

- b) Further, the petitioner should also provide the RPO target and its compliance for FY 2019-20, FY 2020-21, and FY 2021-22 in the following template:

Source	FY 2019-20		FY 2020-21		FY 2021-22	
	Target Quantum (MU)	Achieved Quantum (MU)	Target Quantum (MU)	Achieved Quantum (MU)	Target Quantum (MU)	Achieved Quantum (MU)
Solar						
Non-Solar						

MSEDCL Reply:

Source	FY 2019-20		FY 2020-21		FY 2021-22	
	Target Quantum (MU)	Achieved Quantum (MU)	Target Quantum (MU)	Achieved Quantum (MU)	Target Quantum (MU)	Achieved Quantum (MU)
Solar	4469	3616	5555	5673	8164	7184
Non-Solar	14683	10453	14196	10769	15648	12186

- c) Further, the petitioner should provide detailed write-up on the steps taken to mitigate the shortfall and plans to address the same

MSEDCL Reply:

FY 2019-20, FY 2020-21 & FY 2021-22:-

I. Efforts taken for meeting Non-Solar RPO target:

- i. MSEDCL has procured 400-800 MW Wind Power from Wind Generators on short term basis for a period of minimum 3 months to maximum 12 months with due approval of Hon'ble Commission vide Order dated 15.11.2017 in Case No. 155 of 2017 and the energy generated from these generators has also been considered for fulfillment of Non-Solar RPO.
- ii. MSEDCL has contracted EPA to the tune of 6611 MW capacity with Non-Solar RE Generators (as on 31.03.2022) Details as below:

S.No.	Non Solar - RE Sources	Contracted capacity (as on 31.03.2019)	Capacity Addition during FY 19-20	Contracted capacity (as on 31.03.2020)	Capacity Addition during FY 20-21	Contracted capacity (as on 31.03.2021)	Capacity Addition during FY 21-22	Contracted capacity (as on 31.03.2022)
1	Wind	4457	-643	3814	-200	3614	-68	3546
2	Small Hydro	295	12	307	10	317	10	327
3	Bagasse (Co-gen)	2306	112	2418	19	2437	198	2635
4	Biomass	236	-8	228	-70	158	-71	87
5	MSW	16	0	16	0	16	0	16
	Total	7310		6783		6542		6611

Remark: (-) sign indicates expiry of Long term EPA

- iii. MSEDCL submits that from above table it is clear that the current contracted capacity (as on 31.03.2019, 31.03.2020 and 31.03.2022) is well sufficient for fulfilment of Non-Solar RPO Compliance. However, due to natural factors beyond the control of MSEDCL viz. Changes in climate and inefficiency of Generators, the actual resulting CUF / PLF is not at par with the normative CUF / PLF, which eventually affects the actual generation from non-solar RE-sources and leads towards shortfall in meeting RPO target.
- iv. Further, it is to submit that, the main reason observed for shortfall in meeting non-solar RPO target for FY 2019-20 is due to less generation from the bagasse based co-generation projects. There was drought situation in the Districts such as Ahmednagar, Solapur and Marathwada region due to which crushing was less and also generation was less by around 50% as compared to previous year. Many of the sugar factories were not even started for crushing. Whereas some of the districts such as Kolhapur, Sangli and Satara were flooded. Due to water logging in this area for very longer period, the crop was damaged and hence there was less crushing and eventually less generation.
- v. Further, it is most respectfully submits that reasons for the less wind generation in the FY 2020-21 may be due to contract violation of O & M between Wind Generator and Wind Developer, RoW issues or due to major breakdown and low wind. Similarly, Generation from Bagasse is also less due to Covid-19 outbreak, there were labor issues those are required for cutting and transporting the sugar cane from field to the sugar plant. Because of which the start of crushing season was delayed and also the sugar factory were not able to run at full capacity.
- vi. In line with MNRE directions for pandemic situation of Covid-19, blanket extension of 5 (five) months from 25th March 2020 to 24th August 2020 has been given and Scheduled Commercial Operation date of about 726 MW wind power projects has been extended. Almost 5 months blanket extension is provided to all the ongoing wind projects. Due to delay in project commissioning, power purchase through competitive bidding is also being delayed.
- vii. Further, most of the wind EPA's are expired during FY 2019-20, FY 2020-21 and FY 2021-22 and wind generators have opted open access NOC instead of participating in the post expiry tenders issued by MSEDCL.
- viii. It is to submit that after December 2017 MSEDCL has switched to procurement of RE Power (Wind and Bagasse) through competitive bidding process as per MNRE guidelines so as to purchase the same at competitive rates. The bidding process has its own timeframe/milestones and after floating of the bids it takes approximately 18 Months for commission of RE Power project and injection of power into the grid. MSEDCL has floated sufficient tenders for procurement of RE Power so as to meet

the current RE shortfall and future RPO targets.

- ix. It is also to submit that MSEDCL had floated more than 4100 MW of Non-Solar based tenders during last three years (till 31.03.2022) but had received very poor response which has resulted in contracting about 1000 MW in Non-Solar only. Despite multiple efforts in floating RE tenders and giving enormous publicity over newspapers, response has been poor over past three years.
- x. Apart from above MSEDCL has contracted 500 MW wind power of which 53.05 MW commissioned as on date. The projects are yet to be commissioned full capacity and are delayed due to impact of COVID-19 Pandemic.

II. Efforts taken for meeting Solar RPO target:

- i. MSEDCL has executed long term power purchase agreements for the total capacity of 5390 MW as on 31.03.2022 to meet the solar target under various schemes of MNRE, GoI and with MSPGCL.

Generation Source	Contracted capacity (as on 31.03.2019)	Capacity Addition during FY 19-20	Contracted capacity (as on 31.03.2020)	Capacity Addition during FY 20-21	Contracted capacity (as on 31.03.2021)	Capacity Addition during FY 21-22	Contracted capacity (as on 31.03.2022)
Solar	2717	1300	4017	592	4609	781	5390

- ii. The expected generation from the Commissioned capacity during FY 2019-20, FY 2020-21 and FY 2021-22 is not at par with the normative CUF, which eventually affects the actual generation from solar sources and leads towards shortfall in meeting solar RPO target
- iii. As per MERC (Net Metering for Roof-top Solar Photo Voltaic Systems) Regulations, 2015) Regulations, solar energy purchased by MSEDCL through the net metering is eligible towards meeting its solar RPO. Rooftop solar capacity (Cumulative) of 511.39 MW, 693.42 and 987.97 MW has been installed as on 31.03. 2020, 31.03.2021 and 31.03.2022 respectively and the same has been considered for Solar RPO.
- iv. As per Hon'ble Commissions Order dated 19.03.2019 in Case No. 33 of 2019, the Hon'ble Commission allowed MSEDCL to consider solar generation from the Off-Grid Solar pumps for fulfillment of its solar RPO targets.
- v. In view of above, the off-grid generation from Solar pump (around 50000 no.) of 4.08 MU, 86.98 MU and 621.91 MU has been considered for meeting Solar RPO target for FY 2019-20, FY 2020-21 and FY 2021-22 respectively.
- vi. To achieve the RPO targets set by the Hon'ble Commission, MSEDCL has been aggressively calling for tenders through transparent competitive bidding from

December 2017, under Solar category. MSEDCL floated more than 3500 MW capacity inter/intra state Solar tenders during FY 2019-20, FY 2020-21 and FY 2021-22. However, bids received very poor response with only 1350 MW capacity.

- vii. Further, MSEDCL floated tenders under 'Mukhyamantri Saur Krishi Vahini Yojana' through competitive bidding for more than 6000 MW during the last three years and contracted only 348 MW as on 31.10.2022. MSEDCL submits that it has been issuing tenders under PM KUSUM-A and PM KUSUM-C scheme to promote the scheme and to meet solar RPO targets. As on 31.10.2022, 1876 MW and 500 MW tenders were floated under PM KUSUM-A and C respectively. However, bids under these two schemes received very poor response from the bidders. Only 68.75 MW bids received for PM KUSUM-A tender and no response received for PM KUSUM-C tender.
- viii. In continuation to MSEDCL's earlier contracted 200 MW Solar power with M/s Energy Efficiency Service limited (EESL) on 20.01.2018, additional 300 MW PPA was contracted with M/s EESL on 30.10.2019 to meet the solar RPO targets. However, only ~169 MW is commissioned out of 200 MW.
- ix. Apart from above MSEDCL has contracted 1000 MW Solar power with M/s SECI of which 850 MW is commissioned as on date. The projects are yet to be commissioned full capacity and are delayed due to impact of COVID-19 Pandemic.
- x. MSEDCL tried to fulfill the above said shortfall in RPO target by purchase of RECs and energy. But for FY 2019-20, MSEDCL faced difficulties in purchasing RECs due to non-availability of sufficient quantities of RECs during these periods and increased rates of RECs in the market. Further, for FY 2020-21 and FY 2021-22 MSEDCL didn't participate in REC procurement due to worst financial situation due to COVID-19 outbreak.

d) MSEDCL shall certify that it has procured RE power only from generators with valid EPA/PPA

MSEDCL Reply:

It is to certify that MSEDCL shall procure RE power from generators who are having valid EPA/PPA with MSEDCL.

Query 2. Petitioner should submit following data from MSLDC

- a) Monthly quantum of energy (MUs) drawn by MSEDCL at the distribution periphery (T<=>D interface) for the period FY 2019-20 (Apr 19 to Mar 20), FY 2020-21 (Apr 20 to Mar 21) and FY 2021-22**
- b) Monthly report providing data on Backing down of generating stations during the period FY 2019-20, FY 2020-21 and FY 2021-22**

- c) Monthly report providing data on Reserve shutdown/ zero schedule of generating stations during the period FY 2019-20, FY 2020-21 and FY 2021-22
- d) Month-wise MoD stacks applicable for the State of Maharashtra during the period FY 2019-20 and FY 2020-21 and FY 2021-22
- e) Copy of Month-wise InSTS loss statement for the period FY 2019-20 and FY 2020-21, and FY 2021-22 or as available to the latest month
- f) Month-wise Generating Plants' Availability for – for the period FY 2019-20 (Apr 19 to Mar 20) and FY 2020-20 (Apr 20 to Mar 21) and FY 2021-22
- g) Month-wise Generating Plants' PLF achieved for calculating Incentives availed – for the period FY 2019-20 (Apr 19 to Mar 20) and FY 2020-21 (Apr 20 to Mar 21) and FY 2021-22

All above documents to be submitted in (MS- Excel Spreadsheet forms)

MSEDCL Reply:

Following are the point wise replies submitted by MSEDCL

- a. MSEDCL submits that the reply to this data gap shall be submitted subsequently
- b. Monthly report on Backing down of generating stations during the period FY 2019-20, FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_2b and 2c.**
- c. Monthly report on Reserve shutdown/ zero schedule of generating stations during the period FY 2019-20, FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_2b and 2c.**
- d. Month-wise MoD stacks applicable for the State of Maharashtra during the period FY 2019-20 and FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_2d.**
- e. Month-wise InSTS loss statement for the period FY 2019-20 and FY 2020-21, and FY 2021-22 is provided as **Annexure Query 3_2e.**
- f. Month-wise Generating Plants' Availability for the period FY 2019-20, FY 2020-20 and FY 2021-22 is provided as **Annexure Query 3_2f and 2g.**
- g. Month-wise Generating Plants' Load Factor for the period FY 2019-20, FY 2020-20 and FY 2021-22 is provided as **Annexure Query 3_2f and 2g.**

Query 3. Power Grid charges inclusive of Reactive energy charges

- a. Petitioner should provide supporting documents along with the summary of expenses for justifying the expenses claimed towards PGCIL and POSOCO WRLDC charges for FY 2019-20 and FY 2020-21 and FY 2021-22
- b. Petitioner should provide basis of reactive power charges and supporting documents along with the summary of expenses for justifying reactive energy charges in the forms for FY 2019-20 and FY 2020-21

MSEDCL Reply:

- a. The summary of expenses towards PGCIL charges for FY 2019-20 to FY 2021-22 is submitted as below.

FY 2019-20

Rs. Crore

Month	PGCIL	WRLDC	Total
April	414.38	0.68	415.06
May	269.73	0.32	270.05
June	271.54	0.67	272.21
July	309.28	1.24	310.52
August	244.58	(2.54)	242.04
September	240.47	0.21	240.68
October	368.60	5.51	374.11
November	289.09	0.35	289.44
December	514.88	1.31	516.18
January	280.90	0.90	281.80
February	271.29	7.41	278.70
March	431.15	(19.61)	411.54
Total	3905.89	(3.55)	3902.33

FY 2020-21

Rs. Crore

Month	PGCIL	WRLDC	Total
April	260.66	0.43	261.09
May	282.88	0.43	283.30
June	318.00	-	318.00
July	288.24	0.43	288.67
August	290.80	0.43	291.23
September	355.54	0.43	355.97
October	281.70	0.43	282.13
November	288.40	0.42	288.82
December	281.50	0.42	281.92
January	248.54	0.42	248.96
February	239.55	-	239.55
March	474.56	(1.27)	473.28
Total	3610.37	2.57	3612.92
Rebate	(109.13)	-	(109.13)
Net amount	3,501.23	2.57	3,503.80

FY 2021-22

Rs. Crore

Month	PGCIL	WRLDC	Total
April	235.82	-	235.82
May	232.19	-	232.19
June	254.71	-	254.71
July	219.54	-	219.54
August	244.09	-	244.09

September	248.06	-	248.06
October	218.70	-	218.70
November	341.26	-	341.26
December	201.56	-	201.56
January	230.65	-	230.65
February	275.00	-	275.00
March	592.52	-	592.52
Total	3294.10	-	3294.10

The supporting documents with respect to the above Table is provided as **Annexure Query 3_3a**.

- b. It is submitted that Hon'ble CERC while notifying IEGC Regulations 2010, had devised a methodology for reactive power compensation. Reactive power compensation should be ideally provided locally by generating reactive power as close to the reactive power consumption as possible. The regional entities are therefore expected to provide local VAR compensation or generation such that they do not draw VARs from the EHV grid, particularly under low-voltage condition. To discourage VAR draws by regional entities, reactive power charges and methodology have been prescribed by Hon'ble CERC.

(a) The regional entity pays for VAR drawal when voltage is below 97%

(b) The regional entity gets paid for VAR return when voltage is below 97%.

(c) The regional entity gets paid for VAR drawal when voltage is above 103%.

(d) The regional entity pays for VAR return when voltage is above 103%.

Reactive Charges may be receivable or payable depending on VAR drawal or return at ISTS interface point of concerned entity. Accordingly, WRPC issues bills towards reactive charges.

The summary of expenses towards reactive power charges for FY 2019-20 to FY 2021-22 is submitted as below.

FY 2019-20 and FY 2020-21

Rs. Crore

Month	FY 2019-20	FY 2020-21
April	-	-
May	-	-
June	0.01	-
July	-	-
August	-	0.45
September	-	-
October	-	-
November	-	33.77
December	-	-
January	-	-
February	-	-

March	-	-
Total	0.01	34.22

FY 2021-22

Rs. Crore

Month	WRLDC	WRPC	Other	Total
April	0.84	-	0.70	1.54
May	0.42	-	0.18	0.59
June	0.55	-	(0.51)	0.04
July	0.55	-	(0.02)	0.52
August	0.54	-	(0.11)	0.43
September	0.53	-	0.48	1.01
October	(0.28)	0.21	(0.19)	(0.25)
November	(0.01)	0.00	0.04	0.04
December	0.54	(0.05)	0.23	0.72
January	(4.19)	-	0.43	(3.75)
February	(2.17)	-	0.25	(1.92)
March	(1.62)	-	(1.17)	(2.79)
Total	(4.30)	0.17	0.32	(3.81)

The supporting documents with respect to reactive energy charges is provided as **Annexure Query 3_3b**.

Query 4. Interstate Purchase, Other Adjustment, Rebate

Petitioner should provide supporting documents for justifying the expenses claimed towards “Intrastate Purchase”, “FBSM”, “Other Adjustment” and “Rebate” for FY 2019-20 and FY 2020-21 and FY 2021-22.

MSEDCL Reply:

The supporting documents for justifying the expenses claimed towards “Intrastate Purchase” is provided as **Annexure Query 3_4**.

The supporting documents for justifying the expenses claimed towards “FBSM” is provided as **Annexure Query 3_4**.

The supporting documents for justifying the expenses claimed towards “Rebate” is provided as **Annexure Query 3_4**.

It is further submitted that the head “Other Adjustment” is reflecting only in FY 2021-22. The following Table shows the break-up of “Other Adjustment” for FY 2021-22.

Particulars	Amount (Rs. Crore)
G-DAM Non Solar	15.62
G-DAM Solar	10.10
WRLDC	(4.30)
WRPC Reactive Charges	0.17
Others	0.32

Total	21.91
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Query 5. Short Term Provisions

- a. The Petitioner should provide month-wise short term power purchase and the rate for such purchase along with the break break-up between (bilateral/trader or purchase from market/PX) for FY 2019-20, FY 2020-21 and FY 2021-22. Further, the petitioner should also provide the details of procedures followed for selecting trader for bilateral/trader purchase
- b. The petitioner should provide the details of month-wise traded surplus power and the rate for sale and break-up between (bilateral/trader or sale on market/PX) for FY 2019-20 and FY 2020-21. Further the petitioner should also provide the details of procedures followed for selecting trader/offtake for bilateral/trader purchase along with the rate discovered for such sale

MSEDCL Reply:

It is submitted that MSEDCL procured power through Short term tenders by the competitive bidding process. For procurement of short term power, MSEDCL floated Short Term Power Purchase tenders on DEEP-E-bidding portal in accordance with the Guidelines issued by Ministry of Power, Gol for Procurement of Power on Short term basis. As per the guidelines, the tenders were processed on DEEP-Bidding portal and LOAs were issued to successful bidders and accordingly power was procured.

Further, it is submitted that various Utilities floated tender for procurement of short term power on DEEP –Bidding portal. MSEDCL participated in the said Short term tenders and was declared as successful bidder in some of the tenders. Accordingly, LOAs were issued to MSEDCL for sale of power to Other Utilities/Traders etc.

- a. The month wise short term purchase and corresponding rate from bilateral/trader/exchanges for FY 2019-20, FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_5**.
- b. The month wise surplus power traded and corresponding rate from bilateral/trader/exchanges for FY 2019-20, FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_5**.

Query 6. Change in Law

- a. The Petitioner has claimed certain amount regarding change in law in FY 2019-20, FY 2020-21 and FY 2021-22. The petitioner is required to submit the following details for FY 2019-20, FY 2020-21 and FY 2021-22 in this regard

S. N o.	Name of Generator	Energy quantum (MU) and period for claim of	Amount claimed by the generator (Rs Cr) for	Amount claim accepted by the MSEDCL (Rs. Cr.) for	Payment made by MSEDCL (Rs. Cr) for Change in	Reason for Change in law under below category	MERC Change in law Order reference
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		Change in Law	Change in Law	Change in Law	law	(For ex. Variation in energy charge, impact of taxes and duties etc)	

- b. The petitioner should also provide detailed excel computation of the change in law claims as specified in the above tables.
- c. Further, the petitioner should also provide the details of pending claim under the change in law for FY 2019-20, FY 2020-21 and FY 2021-22 as below

S. No.	Name of Generator	Energy quantum (MU) for claim of Change in Law	Estimate of Pending claim amount	Reason for Change in law under below category	MERC petition reference

MSEDCL Reply:

The detailed excel computation of the Change in Law claims and the amount of pending claims as specified in the given format is provided as **Annexure Query 3_6**.

Query 7. Form F2 FY 2019-20, FY 2020-21 and FY 2021-22

FY 2019-20

The actual Total Power Purchase Cost (Excl. Transmission and reactive charges) which is given in the Cell No. Q193 of Form F2 FY 2019-20 does not match with the Note 29 (Page 895 of audited accounts for FY 2019-20). The Petitioner should rectify this issue in Revised Petition and Tariff Model

Particulars	As per Cell No. Q193	As per Note 29
Total PP (excl. Transmission & Reactive Charges)	58,001 Crs.	60,083.25 Crs.

FY 2020-21

The actual Total Power Purchase Cost (Excl. Transmission and reactive charges) which is given in the Cell No. Q201 of Form F2 FY 2020-21 does not match with the Note 29 (Page 1016 of audited accounts for FY 2020-21). The Petitioner should rectify this issue in Revised Petition and Tariff Model

Particulars	As per Cell No. Q201	As per Note 29
Total PP (excl. Transmission & Reactive Charges)	52751.23 Crs.	53534.00 Crs.

FY 2021-22

The actual Total Power Purchase Cost (Excl. Transmission and reactive charges) which is given in the Cell No. Q193 of Form F2 FY 2021-22 does not match with the Note 31 (Page 1142 of audited accounts for FY 2021-22). The Petitioner should rectify this issue in Revised Petition and Tariff Model

Particulars	As per Cell No. Q193	As per Note 31
Total PP (excl. Transmission & Reactive Charges)	58,001.32 Crs.	61,778.99 Crs.

MSEDCL Reply:

The following Tables shows the reconciliation of power purchase expenses as claimed by MSEDCL and as per amounts reflecting in Audited accounts of respective years.

FY 2019-20

Particulars	As per Cell No. Q193	As per Note 29	Difference
Total PP (excl. Transmission & Reactive Charges)	Rs. 58,001 Cr.	Rs. 60,083.25 Cr.	Rs. 2,081.93 Cr.

FY 2019-20 Reconciliation

Particulars	Amount (Rs. Cr.)
RPO Provision considered	2,003.60
Excess RE provision reversed	(63.75)
FBSM Provision	144.66
Excess RE DPC Provision reversed	(2.57)
Total	2,081.93

FY 2020-21

Particulars	As per Cell No. Q193	As per Note 29	Difference
Total PP (excl. Transmission & Reactive Charges)	Rs. 52,751.23 Cr.	Rs. 53,534.00 Cr.	Rs. 782.77 Cr.

FY 2020-21 Reconciliation

Particulars	Amount (Rs. Cr.)
Restatement due to RPO	1,351.19
RPO Provision of Prior Period	(703.00)
Rebate	168.64
POSOCO Reactive Charges considered in Transmission Charges	1.39
Provisions related to RE not considered in restatement	(35.44)
Total	782.77

FY 2021-22

Particulars	As per Cell No. Q193	As per Note 29	Difference
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Total PP (excl. Transmission & Reactive Charges)	Rs. 66,184.68 Cr.	Rs. 61,778.99 Cr.	Rs. (4,405.69) Cr.
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FY 2021-22 Reconciliation

Particulars	Amount (Rs. Cr.)
RPO Provision reversal	(4,409.50)
WRLDC Charges	4.30
WRPC Reactive charges	(0.17)
Others Charges	(0.32)
Total	(4,405.69)

Query 8. Para 2.6.6 (Page no. 58), Para 3.6.7 (Page no. 98) and Para 4.6.7 (Page no. 154)

FY 2019-20:

The actual Total Power Purchase Cost from Non-Conventional energy which is given in the table under Para 2.6.6 does not match with the Note 29 (Page 895 of audited accounts for FY 2019-20). The Petitioner should rectify this issue in Revised Petition and Tariff Model.

Particulars	As per Para 2.6.6	As per Note 29
Total PP from Non-Conventional Energy	6818.47 Crs.	8755.74 Crs.

FY 2020-21

The actual Total Power Purchase Cost from Non-Conventional energy which is given in the table under Para 3.6.7 does not match with the Note 29 (Page 1016 of audited accounts for FY 2020-21). The Petitioner should rectify this issue in Revised Petition and Tariff Model.

Particulars	As per Para 3.6.7	As per Note 29
Total PP from Non-Conventional Energy	7423.00 Crs.	7978.82 Crs.

FY 2021-22

The actual Total Power Purchase Cost from Non-Conventional energy which is given in the table under Para 4.6.7 does not match with the Note 31 (Page 1142 of audited accounts for FY 2021-22). The Petitioner should rectify this issue in Revised Petition and Tariff Model

Particulars	As per Para 4.6.7	As per Note 31
Total PP from Non-Conventional Energy	8200.21 Crs.	3816.42 Crs.

MSEDCL Reply:

The following Tables shows the reconciliation of power purchase expenses from Non-Conventional Energy as claimed by MSEDCL and as per amounts reflecting in Audited accounts of respective years

FY 2019-20

Particulars	As per Para 2.6.6	As per Note 29	Difference
Total PP from Non-Conventional Energy	Rs. 6,818.47 Crs.	Rs. 8,755.74 Crs.	Rs. 1,937.27 Cr.

FY 2019-20 Reconciliation

Particulars	Amount (Rs. Cr.)
RPO Provision considered	2,003.60
Excess RE provision reversed	(63.75)
Excess RE DPC Provision reversed	(2.57)
Total	1,937.27

FY 2020-21

Particulars	As per Para 3.6.7	As per Note 29	Difference
Total PP from Non-Conventional Energy	Rs. 7,423.00 Cr.	Rs. 7,978.82 Cr.	Rs. 555.82 Cr.

FY 2020-21 Reconciliation

Particulars	Amount (Rs. Cr.)
Restatement due to RPO	1,351.19
RPO Provision of Prior Period	(703.00)
Provisions related to RE not considered in restatement	(92.37)
Total	555.82

FY 2021-22

Particulars	As per Para 4.6.7	As per Note 31	Difference
Total PP from Non-Conventional Energy	Rs. 8,200.21 Cr.	Rs. 3,816.42 Cr.	Rs. (4,383.79) Cr.

FY 2021-22 Reconciliation

Particulars	Amount (Rs. Cr.)
RPO Provision reversal	(4,409.50)
G-DAM not considered under this head	25.72
Total	(4,383.79)

Query 9. FY 2019-20 (Cell Q134), FY 2020-21 (Cell Q133) and FY 2021-22 (Cell Q126)

The petitioner should provide detailed justification for the total Power Purchase cost of Rs. 171.22, Rs. 425.05 and Rs. 374.64 Crs for FY 2019 20, FY 2020-21 and FY 2021-22 respectively for MSPGCL-Dhariwal

MSEDCL Reply:

Central Electricity Authority (CEA), Gol, vide notification no. CEA/Plg/FM/1/37/2016/779-836 dated 08.06.2016 issued a 'Methodology for flexibility in utilization of domestic coal amongst power generating stations' to reduce the cost of power generation and ultimately reduction in cost of electricity to the end consumers.

There are five cases envisaged for allowing flexibility of utilization of coal under this policy as given below:

- **Case-1:** Use of Coal aggregated with the State in its own State Generating Stations.
- **Case-2:** Use of Coal aggregated with the one State in Generating Stations of other state's Utilities.
- **Case-3:** Use of Coal aggregated with State in Central Generating Stations and vice versa
- **Case-4:** Use of Coal by any State/ Central generating company in Private Generating Stations (IPPs).
- **Case-5:** Use of coal assigned to the Central Generating Company in their own plants or any other more efficient plants.

Ministry of Power, Gol, vide notification no. 5/3/2015-OM dated 20.02.2017 issued detailed 'Methodology for use of coal by State in private generation stations (IPPs)'.

Further, as per para 7 of the MoP notification dated 20.02.2017

*"The quantum of power procured and tariff discovered through the bidding process shall be within the approved Annual Revenue Requirement (ARR) / Tariff Orders of the respective year by the appropriate commission, and the same will be considered to have been **deemed approved by the said Commission.**"*

Accordingly, MSPGCL floated tender for procurement of power under Case-IV against one unit of Nashik TPS.

MSEDCL had signed a Tri-Partite Agreement (TPA) on 18.10.2019 for the period from 01.11.2019 to 31.10.2020 under Case IV (Phase II) with M/s. Dhariwal Infrastructure Ltd. (DIL) and MSPGCL for 185 MW with the quoted (contracted) tariff of Rs. 2.889/unit.

The TPA was further extended on 29.10.2020, 20.01.2021 and 25.10.2021 for a period of three months, nine months and five months respectively.

In view of the above, MSEDCL has purchased power worth Rs. 171.22 Cr., Rs. 425.05 Cr. and Rs. 374.64 Cr. in FY 2019-20, FY 2020-21 and FY 2021-22 respectively from MSPGCL-Dhariwal.

Query 10. NTPC Stations (FY 2020-21)

The petitioner should provide detailed justification for the deviation of total Power Purchase of 3462.42 MUs.

MSEDCL Reply:

It is submitted that the MoD rates approved in MYT Order for NTPC Stations were considered on estimated basis based on the actual billed rates available at that point of time. However, the actual MoD rates for NTPC stations were discovered to be lower than the MoD rates approved by MERC for FY 2020-21. Hence, based on the MoD principle laid down in the Regulations, MSEDCL purchased more power than approved from NTPC stations for FY 2020-21.

For better understanding, following Table showcases the variable rates approved by MERC and actual variable rates for FY 2020-21. It can be observed from the Table below that the variable cost of almost all NTPC stations has reduced as compared to approved.

Name of Plant	Variable rates approved (Rs./kWh)	Actual Variable Rates (Rs./kWh)	Difference (Rs./kWh)
KSTPS	1.49	1.39	-0.10
KSTPS III	1.45	1.37	-0.08
VSTP I	1.78	1.67	-0.11
VSTP II	1.68	1.60	-0.08
VSTP III	1.72	1.59	-0.13
VSTP IV	1.71	1.57	-0.14
VSTP V	1.71	1.62	-0.09
Kawas	2.93	2.00	-0.93
Gandhar	2.89	2.05	-0.84
KhSTPS-II	2.20	2.12	-0.08
SIPAT TPS 2	1.44	1.47	0.03
SIPAT TPS 1	1.43	1.42	-0.01
Mauda I	3.34	2.71	-0.63
Mauda II	3.07	2.91	-0.16
NTPC Solapur	3.75	2.99	-0.76
Lara	2.38	2.05	-0.33
Gadarwara	3.52	2.50	-1.02
Khargone	3.03	2.69	-0.34

Query 11. Section 2.6.5, 3.6.5 and 4.6.5 Adani Power

FY 2019-20 (Table 6)

The justifications given by the Petitioner for the increase in the cost of Power purchase for Adani Station does not completely justify the total increase of Rs. 3749.72 Cr. over actual MTR approved values. The provided justification refers to deviation of Rs. 3790 Cr. (1680+ 1663.5+447).

Further, the petitioner should provide detailed computations along with documentary evidence on each of such claims in the following templet

Sr. No.	Claim (Rs. Cr.)	Detailed Justification and Documentary evidence
1	Rs 1680 cr against Shakti policy	

2	Rs 1663.5 cr against domestic coal shortage	
3	Rs 447 cr against actual fixed charge	

FY 2020-21 (Table 49)

The petitioner should provide detailed justification for deviation of total Power Purchase of 2926.88 MUs. Further, the justifications given by the Petitioner for the increase in the cost of Power purchase for Adani Station does not justify the total increase of Rs. 419.89 Cr. over actual MYT approved values.

FY 2021-22 (Table 98)

1. The petitioner needs to give clarification on deviation in power purchase from Adani power is 7624.27 Cr, However, the increment in power purchase around 528.80 MUs compared to MYT order. Please justify on it.
2. The petitioner should also provide the reference of the Supreme Court Judgement as mentioned in the Para 4.6.5 (e) on page no. 156

MSEDCL Reply:

The following Table shows the detailed justification for claims made against Adani Power Stations.

FY 2019-20

Sr. No.	Claim (Rs. Cr.)	Detailed Justification and Documentary evidence
1	Rs 1680 Cr against Shakti policy	<p>Since the matters relating to computation of compensation are still under litigation before the Hon'ble Supreme Court as well as before the Hon'ble APTEL, the actual compensation is yet to be finalized.</p> <p>Moreover, despite some clear rulings of the Hon'ble Commission, M/s. APML has submitted claims by computing the impact as per their interpretation.</p> <p>For e.g. Adani has been claiming compensation separately for Unit 1 (660MW) & Unit 2 (520 MW) instead of claiming compensation for 1180 MW capacity as a whole as per its FSA.</p> <p>Further, APML has been claiming cost of imported coal & transportation cost on domestic quantity of coal on hypothetical basis, without any consumption of coal at Mundra UMPP for supply to Haryana Discoms</p> <p>APML has been considering Aux. Consumption for 1320 MW PPA which is contrary to Hon. Commission's ruling in case no 289 of 2018 dtd. 15.01.2019</p> <p>Claim of Washery Charges which is not justified</p> <p>APML has been claiming carrying cost on compound interest basis instead of simple interest basis which is contrary to this Hon. Commissions' clear ruling in relevant orders;</p> <p>APML has been claiming compensation towards supply from alternate sources despite of having clear provisions and is contrary to the PPA etc.</p>
2	Rs 1663.5 Cr against domestic coal shortage	

		However, MSEDCL, from time to time have paid ad hoc amount to APML. MSEDCL has paid an amount equal to 50% of the balance outstanding claims (Principle and interest) of M/s. APML up to generation month Dec 2021 subsequent to Hon. SC interim order on 31.01.2022.
3	Rs 447 cr against actual fixed charge	While projecting the Capacity charges of APML (440 MW) in MYT, MSEDCL had projected Rs. 77 Crs. inadvertently on the basis of capacity charges to be paid for the months of Feb 17 and Mar 17 when it had actually commenced supply. However, actual capacity charges were paid as per quoted rates and same is claimed in truing up.

FY 2020-21

It is submitted that the deviation of Rs. 288.58 Crores with respect to approved is only on account of Change in Law due to domestic coal shortfall.

Further, it is submitted that due to lower demand during COVID-19 pandemic, APML stations were under zero scheduled for most times of the year. Hence actual power procured is less than that of approved. Though stations were under zero schedule, MSEDCL was liable to pay Capacity Charges as per provisions of the PPA. This also resulted into an increase in Power Purchase cost as compared approved cost.

FY 2021-22

It is submitted that increase in power purchase cost by Rs. 7,920.72 Cr. is on account of domestic coal shortfall, while the increase of Rs. 301.97 Cr. is on account of compensation paid towards Evacuation Facility charges.

The copy of the Hon'ble Supreme Court Order is provided as **Annexure Query 3_11**.

Query 12. Section 3.6.4 Sai Wardha

FY 2020-21 (Table 49) and FY 2021-22 (Table 98)

The petitioner should provide details of the approved quantum, cost and Term for Sai Wardha generator in the following templet

S.	Name of generator	Quantum (Mus)	Cost (Rs. /kwh)	Year
1	Sai Wardha			

MSEDCL Reply:

It is submitted that the MSEDCL had filed a Petition (Case No. 91 of 2020) for seeking approval to adoption of tariff under Section 63 of the Electricity Act 2003 for long term procurement of 210 MW power from M/s. Sai Wardha Power Generation Limited (SWPGL).

The Hon'ble Commission vide Order dated 15 June 2020 granted approval for purchase of power from SWPGCL. The following are the extracts of the Order under Commissions rulings.

“2. Power Purchase Agreement between Maharashtra State Electricity Distribution Co. Ltd and Sai Wardha Power Generation Co. Ltd is approved with following modification:

- a. Contracted capacity should be 240 MW with condition that it shall stand reduced to 210 MW once RattanIndia Power Ltd commences its power supply or will not be so reduced if MSEDCL gets due approval for additional procurement of 97 MW of power.*
- b. 1st year’s quoted tariff as per 25 years tariff stream of 1200 MW PPA of Adani Power Maharashtra Ltd shall be the 1st year tariff post Scheduled Commercial Operation Date as per the PPA*
- c. Tenure of the PPA shall be 25 years from Scheduled Commercial Operation Date*
- d. Units of the Power Plant need not be identified under the PPA for Contracted capacity”*

In view of the above, MSEDCL started procuring power from SWPGL since July 2020 after due approval of the Hon’ble Commission vide the aforesaid Order.

It is submitted that the MYT Order for MSEDCL was issued on 30th March 2020 which was before the issuance of Order by the Hon’ble Commission on adoption of Tariff for SWPGL. Hence, the quantum and cost from SWPGL was not approved by the Hon’ble Commission in the MYT Order for MSEDCL. However, as mentioned in the above extract, the tenure of PPA shall be for a period of 25 years from July 2020 onwards.

**Query 13. Section 3.6.5 (g) Rattan India
FY 2020-21 (Table 49)**

Petitioner has submitted that during COVID 19 Pandemic, units were under Zero Schedule for 8.5 months. However, a quantum of 2597 Mus was scheduled in just 3.5 months which is even higher than the MYT approved quantum of 2085 Mus for FY 2020-21 (12 months). Petitioner should provide a detailed justification for the above

MSEDCL Reply:

Hon’ble MERC vide order dated 30.12.2020 in Case no.232 of 2020 had accorded approval for a supplementary PPA initialed between MSEDCL and Rattan India Power Ltd (RIPL). for advancing non-escalable energy charge applicable from 01.04.2021 (which was lower than actual rate applicable as per PPA) and also directed that the same to be made applicable with prospective effect and same shall be reflected in MoD stack preferably before 01.01.2021.

Accordingly, in terms of above directive, MSEDCL and RIPL made supplementary agreement on 31.12.2020 and Quoted Non-Escalable Energy charges were paid at Rs.0.500/Kwh instead of Rs.0.960/kwh for the period starting from 01.01.2021 to 31.03.2021.

Query 14. Section 2.6.5 (d) CGPL

FY 2019-20 (Table 6)

Petitioner should provide documentary evidence for amount paid under change in law as claimed in Para 2.6.5 (d).

MSEDCL Reply:

The documentary evidence for amount paid under Change in Law as claimed in Para 2.6.5 (d) is provided as **Annexure Query 3_14**.

Query 15. Audited Statements

Petitioner should provide the station-wise break-up of the Power purchase cost provided under note 29 of audited statements for FY 2019-20, FY 2020-21 and note 31 of FY 2021-22. The same should be duly certified by the statutory Auditor

MSEDCL Reply:

It is submitted that the Station wise break-up of Power Purchase cost is already provided in Form F2 submitted along with the MTR Petition. It is further submitted that MSEDCL has also provided reconciliation statement of power purchase cost claimed in Form F2 and that reflecting in Audited Account statement of respective years in Reply to Query No. 7 of Power Purchase Section. Since the accounting statements are already certified by the Statutory Auditor, it can be concluded that the station wise break-up of power purchase cost submitted in Form F2 is also certified by the Statutory Auditor.

Query 16. Variation in PP rates from PPA

- a. **The Petitioner should submit month-wise actual quantum and rate (indicating Fixed and Variable rate separately) for each generating stations over the period FY 2019-20 & FY 2020-21 and FY 2021-22**
- b. **The Petitioner should submit the Sample bills (Main and Supplementary) for all Power plants (for at least 2 months in each financial year) for FY 2019-20 and FY 2020-21 and FY 2021-22**
- c. **The Petitioner should provide reason for deviation in Power purchase cost due to compensatory Tariff, Change in Law, etc for FY 2019-20 and FY 2020-21 and FY 2021-22 for the below generators**

FY 2019-20 (Table No. 6)

S. No.	Name of Generator	PPC in Rs. / kWh (as approved in Case 322 of 2019)	PPC in Rs. / kWh (as per MTR petition)	Justification for the deviation
1	NPCIL	2.88	4.04	
2	Adani Power	3.80	5.11	
3	EMCO	4.27	4.85	
4	Rattan India	6.32	6.79	

FY 2020-21 (Table 49)

S. No.	Name of Generator	PPC in Rs. / kWh (as approved in Case 322 of 2019)	PPC in Rs. / kWh (as per MTR petition)	Justification for the deviation
1	Dodson	1.54	2.30	
2	Adani Power	3.73	4.84	

FY 2021-22 (Table __)

S. No.	Name of Generator	PPC in Rs. / kWh (as approved in Case 322 of 2019)	PPC in Rs. / kWh (as per MTR petition)	Justification for the deviation
1	Dodson	2.88	4.04	
2	Adani Power	3.80	7.62	

MSEDCL Reply:

- The month wise actual quantum and rate (indicating Fixed and Variable rate separately) for each generating stations over the period FY 2019-20 & FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_16a**.
- The Sample bills for all Power plants (for at least 2 months in each financial year) for FY 2019-20 and FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_16b**.
- The reasons for deviation in Power purchase cost due to compensatory Tariff, Change in Law, etc. for FY 2019-20 and FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_16c**.

Query 17. Re-conciliation of MSPGCL and MSEDCL Audited Accounts

Petitioner should submit the reconciliation of cost of power purchase from MSPGCL and revenue from sale of power by MSPGCL as reported in audited accounts of MSEDCL and MSPGCL for FY 2019-20 & FY 2020-21 and FY 2021-22

MSEDCL Reply:

The statement of cost of power purchase from MSPGCL and revenue from sale of power by MSPGCL as reported in audited accounts of MSEDCL and MSPGCL for FY 2019-20 & FY 2020-21 and FY 2021-22 is provided as **Annexure Query 3_17**.

It is submitted that the deviation in cost of power purchase from MSPGCL and revenue from sale of power by MSPGCL for FY 2019-20 & FY 2020-21 and FY 2021-22 is due to following reasons

- 1. Difference due to AFC Disallowance:** As per provisions of PPA/MYT Regulations, Annual Fixed Cost (AFC) may be disallowed proportion to actual cumulative availability of the station if the same is lowered to Normative/Approved Availability of the station. Accordingly, MSPGCL calculates the AFC disallowance considering

availability declared by MSPGCL itself whereas MSEDCL calculates AFC disallowance based on availability provided by Load Management Cell of MSEDCL as the MSLDC certificates were not available. Hence, there is difference in AFC disallowance calculated by MSPGCL & MSEDCL resulting into difference in amount of bill raised by MSPGCL & admitted by MSEDCL.

Recently, MSLDC has provided the certificates of actual availability of the Declare Capacity of MSPGCL's Generating Stations. Therefore, the process of reconciliation of Annual Fixed Charges for the FY 2019-20 to FY 2021-22 payable to MSPGCL based MSLDC Certificates is under process between MSPGCL & MSEDCL.

2. **Difference due to AFC Disallowance of Koradi 6 & 7 Stations:** Koradi Unit 6-7 were under zero schedule since Aug-2019 due to its higher position in MOD stack. However, it has been noticed that MSPGCL was considering its present on-Bar DC for calculation of fixed charges and claiming full capacity charges from MSEDCL. Thus, MSEDCL recalculated DC for Koradi Unit 6-7, as per Regulation 35.8 of State Grid Code Regulation, 2020.
3. **Difference in MU's considered by MSPGCL & MSEDCL:** As per DSM Regulation, Energy bills shall be processed based on the Scheduled Energy from Oct. 2021 onwards. However, there is difference in Scheduled MU's considered by MSPGCL & MSEDCL for calculating energy charges leading to difference in amount of Energy bill between MSPGCL & MSEDCL

Query 18. Transmission Charges

Year	As per MTR Petition (Cr)	As per Audited account (Cr)
2019-20	4871.25 (Table 7)	8773.58 (Note 29)
2020-21	5715.74 (Table 50)	9396.94 (Note 29)
2021-22	5977.83 (Table 99)	9268.11 (Note 31)

Petitioner should justify above discrepancy on Petition value and Audited account value

MSEDCL Reply:

The following Tables shows the reconciliation of amount of Transmission charges claimed in MTR Petition and as reflecting in Audited Accounts.

Year	As per MTR Petition (Rs. Cr)	As per Audited account (Rs. Cr)	Difference (Rs. Cr.)
2019-20	4871.25 (Table 7)	8773.58 (Note 29)	3,902.33
2020-21	5715.74 (Table 50)	9396.94 (Note 29)	3,681.20
2021-22	5977.83 (Table 99)	9268.11 (Note 31)	3,290.28

Reconciliation Statement

Particulars	FY 2019-20 (Rs. Cr.)	FY 2020-21 (Rs. Cr.)	FY 2021-22 (Rs. Cr.)
PGCIL Charges	3,905.88	3,501.23	3,294.10
WRLDC	(3.55)	2.57	(4.30)
WRPC Reactive Charges	0.01	32.83	0.17

PGCIL Rebate	-	109.13	-
Others	-	-	0.32
RE Provision Restatement		35.43	
Total	3,902.33	3,681.20	3,290.28

Power Purchase (Provisional True Up FY 2022-23)

Query 19. RE Sources

According to the petitioner, the Hon'ble Commission vide Case No. 49 of 2021 has allowed MSEDCL to fulfil its cumulative shortfall till FY 2022-23 (Section 2.6.7, page 59 of the present petition). However, the Petitioner has not mentioned how it would meet RE resource specific RPO targets for the cumulative shortfall till FY 2022-23.

- a) Petitioner should provide the details of power purchase from NCE in the following template along with the PPA copy which should verify the injection:

Source	FY 2022-23 (Provisional)		FY 2022-23 (Estimated)	
	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)
Wind				
SHP				
Bagasse based Cogen.				
Biomass				
MSW				
Non-Solar RECs				
Total Non-Solar				
SPV				
Solar Thermal				
Procurement from Solar PV under Net-metering				
Solar REC				
Total Solar				
Min/Micro Hydro				
Total RE				

MSEDCL Reply:

Source	FY 2022-23 (H1) (Actual)		FY 2022-23 (H2) (Estimated)	
	Quantum (MU)	Cost (in Rs. Crs.)	Quantum (MU)	Cost (in Rs. Crs.)
Wind	4,443.04	1,994.42	1720.78	776.89
SHP	469.37	141.39	294.79	88.60
Bagasse based Cogen.	1,097.98	689.37	3906.35	2497.42
Biomass	123.10	88.36	150.10	107.32
MSW	0.32	0.16	0.06	0.04
Non-Solar RECs	-	-	-	-

G-DAM Non-Solar	30.45	22.50	-	-
Total Non-Solar	6,164.26	2,936.20	6,072.08	3,470.27
SPV	3657.85	1302.22	4017.89	1435.38
Solar Thermal	-	-	-	-
Procurement from Solar PV under Net-metering	-	-	-	-
Solar REC	-	-	-	-
G-DAM Solar	19.93	14.86	-	-
Total Solar	3,677.78	1,317.08	4,017.89	1,435.38
Mini/Micro Hydro	-	-	-	-
Total RE	9,842.04	4,253.28	10,089.97	4,905.65

b) Further, the petitioner should also provide the RPO target and its likely compliance for FY 2022-23

Source	FY 2022-23 (H1)	FY 2022-23 (H1)	FY 2022-23	
	Quantum (MU)	Quantum (MU)	Target Quantum (MU)	Estimated Achieved Quantum (MU)
Solar				
Non-Solar				

MSEDCL Reply:

Source	FY 2022-23 (H1) (Actual)	FY 2022-23	
	Achieved Quantum (MU)	Target Quantum (MU)	Estimated Achieved Quantum (MU)
Solar	3,677.78	11,508	7,696
Non-Solar	6,164.26	16,542	12,236

Query 20. RPO Obligation

a) The petitioner should provide detailed write-up on the steps taken to mitigate the shortfall and plans to address the same.

MSEDCL Reply:

1. Renewable Energy Position of MSEDCL

1.1 As on 31.10.2022, MSEDCL has contracted 5,928 MW capacity of Solar Power and 6,878 MW capacity of Non-Solar Power. Breakup of source wise contracted and commissioned capacity is as below:

S. No.	Source	Contracted Capacity in MW	Commissioned in MW
1a	Solar (Centralised)	4428.00	3553.00

1b	Solar (MSKVY)	1478.00	538
1c	Solar (Kusum)	22.00	0.00
1.	Total Solar	5928.00	4090.86
2.	Wind	3511.91	2839.36
3.	Bagasse based Co-generation	2634.70	2407.30
4.	Biomass	87.00	87.00
5.	Small Hydro	327.33	320.68
6.	Wind-Solar Hybrid	300.00	0.00
7.	Municipal Solid waste	17.19	4.00
Total		12806.13	9749.20

2. MSEDCL's efforts for RE procurement in the FY 2022-23

2.1 To achieve the RPO targets set by the Hon'ble Commission and to mitigate the shortfall, MSEDCL has been aggressively calling for tenders through transparent competitive bidding during last three financial years i.e., FY 20220-21, FY 2021-22 and FY 2022-23, under Solar and Non-Solar category. Details of such tenders under both categories are summarized below discussed further:

S.No.	Technology	No.of Tenders (Nos)	Total Tendered Capacity (MW)	Rate discovered (Rs/unit)	Bid received	Finalized/ Contracted Capacity (MW)
1	Solar	16	9620	2.41-3.10	4906	560
2	Wind	3	1142	2.65	208	161
3	Other than Wind in Non-Solar	2	1000	2.62	1450	300
Total		20	11762		6564	1021

2.2 Solar power Tenders under MSKVY issued in the FY 2020-21, FY 2021-22 and FY 2022-23

2.2.1 The Government of Maharashtra (GoM) vide Government Resolution (G.R) dated 14 June, 2017 and its amendment dated 17.03.2018 has issued Policy under "Mukhyamantri Saur Krishi Vahini Yojana: to provide power to Agricultural (AG) Consumers during day time by installation of Solar Projects and appointed MSEDCL as implementation agency.

2.2.2 The details of tenders floated by MSEDCL under 'Mukhyamantri Saur Krishi Vahini Yojana' through competitive bidding is as shown below:

Sr. No.	Date of Tender	Capacity of Tender (MW)	Bids received (MW)	Tariff discovered (Rs/kWh)	PPAs signed (MW)
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Sr. No.	Date of Tender	Capacity of Tender (MW)	Bids received (MW)	Tariff discovered (Rs/kWh)	PPAs signed (MW)
1	24.04.2021	1300	111	3.00-3.05	34
2	28.10.2021	1250	386.4	3.05-3.10	5
3	31.01.2022	865	535	3.10	-
4	27.06.2022	1000	0	NA	-
5	18.08.2022	1000	52	4.0-4.10	-
6	11.11.2022	230	-	-	-
		5645	1084		39

2.2.3 The abstract shows the tenders floated under MSKVY are under subscription and has shown the same pattern for the last two years. Out of total tendered capacity of 5645 MW under MSKVY, bids for only 1084 MW capacity received and Power Purchase Agreements for 39 MW Solar capacity were executed 31.12.2022.

2.2.4 MSEDCL would like to submit that further solar tenders under MSKVY received poor response, due to the various reasons including change in GST rate, Basic Custom Duty impact on Solar modules and cells and increase in cost of raw materials, etc.

2.3 Solar power Tenders under PM KUSUM-A the FY20-21, FY 21-22 and FY22-23

2.3.1 The Government of India vide O.M dated 22.07.2019 has appointed DISCOMSs (MSEDCL) as an implementing agency for „Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhiyan“ (PM-KUSUM) Scheme launched for farmers. Being the Distributed generation of solar power projects under this scheme, the power will be consumed for agriculture load at local level. Hence, the distribution losses will be reduced. Solar plants near these sub-stations may be developed, preferably by farmers, giving them an opportunity to increase their income by utilising their barren and uncultivable land for solar or other renewable energy based power plants.

2.3.2 The details of tenders floated by MSEDCL under “PM KUSUM-A” through competitive bidding is as shown below:

Sr. No.	Date of Tender	Capacity of Tender (MW)	Bids received (MW)	Tariff discovered (Rs/kWh)	PPAs signed (MW)
1	01.06.21	500	12.5	3.0-3.10	9
2	18.08.21	487	46.75	2.93-3.10	10.5
3	28.10.21	444	13	3.10	2
4	17.02.22	445	15	3.05-3.10	2.5
5	06.05.22	431	139.25	3.10	7

Sr. No.	Date of Tender	Capacity of Tender (MW)	Bids received (MW)	Tariff discovered (Rs/kWh)	PPAs signed (MW)
6	03.08.22	298	11.7	3.29- 4.12	-
		2605	238.2		31

2.3.3 The abstract shows the tenders floated under PM KUSUM-A are under subscription and has shown the poor response from the bidders since first tender. Out of total tendered capacity of 2605 MW, bids for only 238 MW capacity received and Power Purchase Agreements for 31 MW Solar capacity were executed as on 31.12.2022.

2.3.4 It is to submit that, even after continuous tenders issued by MSEDCL response from the developers is poor. MSEDCL has been aggressively issuing tender under PM KUSUM-A scheme to promote the benefits of the scheme and to fulfil the RPO shortfall.

2.3.5 MSEDCL is of view that the poor response is due to existing high module prices, size and scale of the projects, increase labor cost, land acquisition rates in Maharashtra and falling rupee exchange rate, etc.

2.4 Solar power Tenders other than MSKVY in the FY 2020-21, FY 2021-22 and FY 2022-23

2.4.1 MSEDCL floated following inter/intra state Solar tenders during last two years. The details are as follows.

S. No.	Tender Type	Capacity (MW)	Tender Date/ Month	Capacity of bids received (MW)	Discovered Tariff (Rs./kWh)	PPAs signed (MW)
1	Inter/Intra state	500	06.05.2021	1365	2.41-2.42	500
2	Intra state	500	08.06.2022	1200	2.90-291	NA
3	Inter/Intra state	500	29.07.2022	1900	2.82-2.83	NA
4	Intra state	500	30.09.2022	760	2.90-3.15	-
	Total	2000		5225		500

2.4.2 It is also important to note here that the Grid connected Inter/Intra state Solar Tenders of total 2000 MW Capacity received good response but only 500 MW contract were executed. This is mainly due to non-availability of ATC margin at CTU-STU network for evacuation of power. Further, the rate discovered in the recent Intra State tender is higher compared to the prevailing market conditions.

2.4.3 MSEDCL has also issued PM KUSUM-C 500 MW capacity tender but have not received response from the bidders even after multiple extensions to the bid

submission due date. Accordingly, MSEDCL canceled the tender and floated again with same capacity and received 137.25 MW.

2.5 Wind Power Tenders for post expiry EPA

2.5.1 Hon'ble Commission vide Order dated 12 July, 2018 in Case No. 84 of 2015 in the matter of Petition filed by Jawahar Shetkari Sahakari Sakhar Karkhana Ltd, ruled that extension of Wind EPA has to be based on a competitive bidding mechanism and MSEDCL would have to necessarily float tenders and interested projects will have to participate in the bid process for EPA extension.

2.5.2 MSEDCL floated following Wind Power tenders under Post Expiry Energy Purchase Agreement projects in the FY 2020-21, FY 2021-22 and FY 2022-23 and despite re-tendering of capacities and huge advertisement subscription is almost negligible.

Wind Tenders						
S.No.	Tender Type	Capacity (MW)	Tender Date	Ceiling Tariff (Rs./kWh)	Capacity of bids received (MW)	Discovered Tariff (Rs./kWh)
1	Post Expiry	200	11.09.2020	2.52	NA	NA
2	Post Expiry	500	20.08.2021	2.65	170.7	2.64 to 2.65
3	Post Expiry	342	26.11.2021	2.65	15.85	2.65
4	Post Expiry	300	13.05.2022	2.65	21.68	2.65

2.5.3 MSEDCL observes that most these tenders of 'post expiry of EPA' have received very low response due to low commercial attractiveness of the ceiling tariffs set and the generators with such projects are selling in Open Access markets for better prices.

2.5.4 In spite of such multifold efforts taken by MSEDCL, MSEDCL could not add to the capacity of expired Wind EPA again in its non-solar Capacity which results in increase in shortfall in the non-solar RPO Target fulfillment. MSEDCL had floated tenders for more than 1342 MW during last three years but received very poor response which resulted in contracting with 161 MW Capacity only.

2.5.5 Further, it is pertinent to note that even-though MSEDCL had floated more than 9620 MW of Solar and about 2142 MW of Non-Solar based tenders during last three years but had received very poor response which has resulted in contracting 560 MW in Solar and about 461 MW in Non-Solar only. Despite multiple efforts in floating RE tenders and giving enormous publicity over newspapers, response has been poor over past three years. Disruptions in supply chain due to COVID-19 and increase in raw material cost has also shown impact on bidders because of that response in the MSEDCL tenders is very poor. Therefore, MSEDCL is getting less RE power during the recent period which is resulting in the increase in shortfall to fulfill the RPO targets, despite multiple sincere efforts by MSEDCL to retain such quantum.

- 2.5.6 Further, due to pandemic situation of Covid-19, Scheduled Commercial Operation date of about 726 MW wind power projects (which were contracted in FY 2018-19) has been extended almost 1 and ½ years and hence, MSEDCL did not get power of around 1500 MUs per year since FY 2019-20. Similarly, Scheduled Commercial Operation date of about 950 MW Solar power projects has been extended for 7 to 8 months and hence, MSEDCL did not get solar power of around 1200 Mus per year since FY 2021-22. This will also impact meeting cumulative shortfall RPO targets by FY 2022-23.
- 2.5.7 In view of the above, MSEDCL submits that it may not be possible to 100% achieve/fulfill the cumulative shortfall till FY 2022-23 as allowed by the Hon'ble Commission vide Case No. 49 of 2021.

Query 20. RPO Obligation

- b) The petitioner should also clarify regarding the non-procurement of REC for the shortfall of RPO targets**

MSEDCL Reply:

- i. Due to Covid-19 outbreak there was a delay in payment from domestic consumers and loss of revenue from industrial and commercial consumers due to low energy demand which lead to further drop in revenue of the MSEDCL.
- ii. Furthermore, it is humbly submitted that the REC vide its letter dated 07.10.2021, informed the MSEDCL that the Ministry of Power has mandated additional prudential norms to REC for providing future sanctions to State Power utilities. It is stated that the said prudential norms requires compliance of such additional prudential norms for lending working capital loans to distribution companies and states that the "Working Capital shall be restricted to 25% of total revenue as per audited accounts." It is therefore humbly submitted that considering the stringent nature of these norms which are mandatory, the MSEDCL is likely to face difficulty in procuring working capital loans from REC/PFC and banks in future if the said mandatory prudential norms are not followed which has been drafted after careful consideration.
- iii. In view of the above financial issues and difficulties to avail working capital loans from REC/PFC, it is difficult for MSEDCL to procure REC to fulfil cumulative shortfall RPO targets till FY 2022-23.

Query 21. Data from MSLDC

Petitioner should submit following data from MSLDC

- a) **Monthly quantum of energy (MUs) drawn by MSEDCL at the distribution periphery (T<=>D interface) for the period FY 2022-23 (Apr 22 to Sept 23).**
- b) **Month-wise MoD stacks applicable for the State of Maharashtra during the period FY 2022-23 (Apr 22 to Sept 23).**
- c) **Copy of Month-wise Energy Account Statement for state-wise energy account (FBSM/IBSM) and Month-wise InSTS loss statement for the period FY 2022-23 (Apr 22 to Sept 23), or as available to the latest month**

- d) **Monthly report providing data on Reserve shutdown/ zero schedule of generating stations during the period FY 2022-23 (Apr 22 to Sept 23)**
- e) **Month-wise Inter-State Power Sale /traded power by MSEDCL (Power Exchanges etc.) – for the period FY 2022-23 (Apr 22 to Sept 23)**
- f) **Month-wise Generating Plants' Availability for – for the period FY 2022-23 (Apr 22 to Sept 23).**
- g) **Month-wise Generating Plants' PLF achieved for calculating Incentives availed – for the period FY 2022-23 (Apr 22 to Sept 23)**

All above documents to be submitted in (MS- Excel Spreadsheet forms)

MSEDCL Reply:

Following are the point wise replies submitted by MSEDCL

- a) MSEDCL submits that the reply to this data gap shall be submitted subsequently
- b) Month-wise MoD stacks applicable for MSEDCL during the period FY 2022-23 (Apr 22 to Sept 23) is provided as **Annexure Query 3_21b.**
- c) It is submitted that the month wise Energy Accounting Statement for state-wise energy account is not being prepared/published by MSLDC even after rigorous follow-up by MSEDCL. Hon'ble Commission in its Order on Case no. 28 of 2019 has already given clear directions for MSLDC to prepare the same. The relevant extracts of the Order are as below.

“The Commission directs SLDC to take full responsibility in timely execution of the work order. The issue raised by MSEDCL on preparation of monthly state energy accounts would require to be resolved in time bound manner by MSLDC”

In view of the above, MSEDCL has also filed an Appeal before the Hon'ble APTEL (Appeal No. 158 of 2020) requesting Hon'ble APTEL to direct MSLDC to publish energy accounting statements. The relevant prayer made in the Appeal is as below:

“That a specific deadline must be given to MSLDC being nodal agency to prepare monthly state energy account report for energy transacted in Maharashtra in line with monthly REA as prepared by WRPC for energy transacted in Western region.”

Month-wise InSTS loss statement for the period FY 2022-23 (Apr 22 to Sept 23) is provided as **Annexure Query 3_21c**

- d) Monthly report on Reserve shutdown/ zero schedule of generating stations during the period FY 2022-23 is provided as **Annexure Query 3_21d**
- e) Month-wise Inter-State Power Sale /traded power by MSEDCL (Power Exchanges etc.) – for the period FY 2022-23 (Apr 22 to Sept 23) is provided as **Annexure Query 3_21e.**
- f) Month-wise Generating Plants' Availability for the period FY 2022-23 (Apr 22 to Sept 23) is provided as **Annexure Query 3_21f and 21g.**
- g) Month-wise Generating Plants' PLF achieved for the period FY 2022-23 (Apr 22 to Sept 23) is provided as **Annexure Query 3_21f and 21g.**

Query 22. Variation in PP rates from PPA

- a) The Petitioner should submit month-wise actual quantum and rate (indicating Fixed and Variable rate separately) for each generating stations over the period FY 2022-23 (H1).
- b) The Petitioner should submit the Sample bills (Main and Supplementary) for all Power plants (for at least 2 months) for FY 2022-23 (H1).
- c) The Petitioner should provide reason for deviation in Power purchase cost due to compensatory Tariff, Change in Law, etc for FY 2022-23 (H1). for the below generators

S. No.	Name of Generator	PPC in Rs. / kWh (as approved in Case 322 of 2019)	PPC in Rs. / kWh (as per MTR petition)	Justification for the deviation
1	CGPL	3.15	6.40	
2	Adani Power	3.91	5.80	
3	JSW	4.04	5.12	

MSEDCL Reply:

- a. The month-wise actual quantum and rate (indicating Fixed and Variable rate separately) for each generating stations over the period FY 2022-23 (H1) is provided as **Annexure Query 3_22a**.
- b. The Sample bills (Main and Supplementary) for all Power plants (for at least 2 months) for FY 2022-23 (H1) is provided as **Annexure Query 3_22b**.
- c. The reason for deviation in Power purchase cost due to compensatory Tariff, Change in Law, etc. for FY 2022-23 (H1) is provided in the Table below:

S. No.	Name of Generator	PPC in Rs. / kWh (as approved in Case 322 of 2019)	PPC in Rs. / kWh (as per MTR petition)	Justification for the deviation
1	CGPL	3.15	6.40	Due to Imported coal procurement, power is procured under Section 11 as per MoP guidelines dated 06-05-2022.
2	Adani Power	3.91	5.80	Increase in power purchase cost is due to domestic coal shortfall compensation.
3	JSW	4.04	5.12	Due to Imported coal procurement, power is procured under Section 11 as per MoP guidelines dated 06-05-2022.

Query 23. Change in Law

- a) The Petitioner has claimed certain amount regarding change in law in FY 2022-23. The petitioner is required to submit the following details for FY 2022-23 in this regard

S. No.	Name of Generator	Energy quantum (MU) and period for claim of Change in Law	Amount claimed by the generator (Rs Cr) for Change in Law	Amount claim accepted by the MSEDCL (Rs. Cr.) for Change in Law	Payment made by MSEDCL (Rs. Cr) for Change in law	Reason for Change in law under below category (For ex. Variation in energy charge, impact of taxes and duties etc)	MERC Change in law Order reference

- b) The petitioner should also provide detailed excel computation of the change in law claims as specified in the above tables
- c) Further, the petitioner should also provide the details of pending claim under the change in law for FY 2022-23 as below

S. No.	Name of Generator	Energy quantum (MU) for claim of Change in Law	Estimate of Pending claim amount	Reason for Change in law under below category	MERC petition reference

MSEDCL Reply:

The detailed excel computation of the Change in Law claims and the amount of pending claims as specified in the given format is provided as **Annexure Query 3_23**.

Query 24. Hard Punch Numbers

The Petitioner has submitted the hard punched no.s for the estimated value for the Power Purchase Quantum and Cost in Form 2.1 Power Procurement (for FY 2022-23 (Oct-Mar), FY 2023-24 and FY 2024-25).
Petitioner is required to submit the estimated values with proper linkages and calculations.

MSEDCL Reply:

The estimated value for the Power Purchase Quantum and Cost in Form 2.1 Power Procurement (for FY 2022-23 (Oct-Mar), FY 2023-24 and FY 2024-25) with linkages and calculations shall be submitted along with the Revised Petition.

Query 25. Power Grid Charges inclusive of Reactive Energy Charges

- a) **Petitioner should provide supporting documents along with the summary of expenses for justifying the expenses claimed towards PGCIL charges for FY 2022-23**
- b) **What is the basis for considering reactive energy charges? Petitioner should provide supporting documents along with the summary of expenses for justifying reactive energy charges in the forms for FY 2022-23**

MSEDCL Reply:

- a. The summary of expenses towards PGCIL charges for H1 of FY 2022-23 is submitted as below.

Rs. Crore

Month	FY 2022-23
April	228.96
May	285.41
June	275.21
July	224.31
August	220.85
September	444.23
Total	1678.97

The supporting documents along with summary of expenses claimed towards PGCIL charges for H1 of FY 2022-23 is provided as **Annexure Query 3_25a**.

- b. The supporting documents along with summary of expenses claimed towards reactive energy charges for H1 of FY 2022-23 is provided as **Annexure Query 3_25b**.

Query 26. Inter-State Purchase, Other Adjustment, Rebate, G-DAM

Petitioner should provide supporting documents for justifying the expenses claimed towards “Intrastate Purchase”, “Other Adjustment”, “G-DAM” and “Rebate” for FY 2022-23

MSEDCL Reply:

It is submitted that no amount has been claimed towards “Rebate” and “Other Adjustment” during FY 2022-23.

The supporting documents justifying the claimed towards “Intrastate Purchase” and “G-DAM” for H1 of FY 2022-23 is provided as **Annexure Query 3_26**.

Query 27. Short Term Provisions

- a) **The Petitioner should also provide month-wise short term power purchase and the rate for such purchase along with the break break-up between (bilateral/trader or purchase from market/PX) for FY 2022-23. Further, the petitioner should also provide the details of procedures followed for selecting trader for bilateral/trader purchase**

- b) The petitioner should provide the details of month-wise traded surplus power and the rate for sale and break-up between (bilateral/trader or sale on market/PX) for FY 2022-23. Further, the petitioner should also provide the details of procedures followed for selecting trader/off taker for bilateral/trader purchase along with the rate discovered for such sale

MSEDCL Reply:

The procedures adopted by MSEDCL for purchase and sale of power through bilateral/traders/exchanges has already been provided in Reply 5 of this submission.

- a. The month-wise short term power purchase and the rate for such purchase along with the break break-up between (bilateral/trader or purchase from market/PX) for H1 of FY 2022-23 is provided as **Annexure Query 3_27**.
- b. The month-wise traded surplus power and the rate for sale and break-up between (bilateral/trader or sale on market/PX) for H1 of FY 2022-23 is provided as **Annexure Query 3_27**.

Query 28. DSM Charges

The petitioner is required to submit the charges payable/receivable under DSM for FY 2022-23.

MSEDCL Reply:

The charges payable/receivable for MSEDCL under DSM for H1 of FY 2022-23 is provided in the Table below:

Month	DSM Payable/Receivable (Rs. Cr.)
April 2022	23.58
May 2022	31.45
June 2022	(14.78)
July 2022	(9.19)
Aug 2022	8.00
Sep 2022	(37.16)
Total	1.90

The total charges payable under DSM for FY 2022-23 (up to Sep-22) is **Rs. 1.90 Cr.**

Power Purchase (Projected FY 2023-24 and FY 2024-25)

Query 29. RPO Compliance

Petitioner should provide the detailed list of all RE generators with which it has contracted PPA, and steps undertaken to fulfil the RPO compliance for FY 2023-24 and FY 2024-25 in the following templet:

RPO	Generator	Estimated Quantum (MU)	RPO Target Quantum (MU)	Cost (Rs. Crs.)
Solar				

Non-Solar				
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MSEDCL Reply:

Power Purchase (Projected FY 2023-24 and FY 2024-25)

Petitioner should provide the detailed list of all RE generators with which it has contracted PPA, and steps undertaken to fulfil the RPO compliance for FY 2023-24 and FY 2024-25 in the following templet:

FY 2023-24

RPO	Generator	Estimated Quantum (MU)	Cost (Rs. Cr.)	RPO Target Quantum (MU)
Solar	Inter/Intra State projects Commissioned - Competitive bidding	7232	1929	15,383
	Other than Competitive bidding	1879	1219	
	Wind Solar Hybrid (Solar component)	438	110	
	EESL-200 MW	332	100	
	MSKVY-Competitive bidding	859	276	
	MSKVY through MSPGCL	688	212	
	PM KUSUM-A	115	35	
	Solar rooftop and Decentralised projects expected to be commissioned	1782	535	
	Total Solar	13,325		
Wind	Competitive Bidding	2184	590	16,848
	Preferential Tariff	3562	2028	
	Short term procurement	1227	325	
Bagasse	Commissioned projects	3731	2462	
	Additional Procurement through MoU route (as per RE policy)	1943	616	
Biomass	Commissioned projects	204	146	
MSW	Commissioned projects	1.51	0.93	
SHP	Commissioned projects	630	265	
	Total Non-Solar	13,482		

FY 2024-25

RPO	Generator	Estimated Quantum (MU)	Cost (Rs. Cr.)	RPO Target Quantum (MU)
Solar	Inter/Intra State projects Commissioned - Competitive bidding	7232	1929	20,163
	Other than Competitive bidding	1879	1219	
	Wind Solar Hybrid (Solar component)	438	110	
	Projects expected to be commissioned - Wind Solar Hybrid-II (Solar component), Flexible tender and Intra tenders	3101	868	
	EESL-200 MW	332	100	
	MSKVY-Competitive bidding	859	276	
	MSKVY through MSPGCL	688	212	

RPO	Generator	Estimated Quantum (MU)	Cost (Rs. Cr.)	RPO Target Quantum (MU)	
	PM KUSUM-A	115	35		
	Solar rooftop and Decentralised projects expected to be commissioned	1782	535		
	Total Solar	16,426			
Wind	Competitive Bidding	2184	590	17,176	
	Preferential Tariff	3347	1918		
	Previous year Short term procurement	1227	325		
Bagasse	Commissioned projects	3731	2462		
	Additional Procurement through MoU route (as per RE policy)	1943	616		
Biomass	Commissioned projects	204	146		
MSW	Commissioned projects	1.51	0.93		
SHP	Commissioned projects	630	265		
	Total Non-Solar	13,267			

MSEDCL respectfully submits that if all contracted projects get commissioned within Schedule Commissioning Date and generates energy as per the declared CUF MSEDCL may fulfil standalone RPO target for FY 2023-24 and FY 2024-25. MSEDCL also submits that, it is planning to float new tenders in Solar, and Non-Solar category. However, commissioning such plants would take at least eighteen (18) to twenty-four (24) months from now and generation would be available after FY 2024-25. MSEDCL will also try to procure REC to fulfil cumulative shortfall and expected standalone shortfall by end of the control period.

It is to submit that detailed list of generator wise estimated generation, PPA Rate and cost is attached as **Annexure Query 3_1(a) and 29**.

Query 30. Merit Order Dispatch

The petitioner is required to submit the Merit Order Dispatch workings on variable charges for all the generators envisaged for FY 2023-24 and FY 2024-25

MSEDCL Reply:

The Merit Order Dispatch working on the variable charges for all generators envisaged for FY 2023-24 and FY 2024-25 shall be submitted along with the Revised Petition.

Query 31. Audited Report of FY 2019-20 and FY 2020-21

Values of total power purchase cost for FY 2019-20 in the Note 29 of Audited account of FY 2019-20 are not matching with the total power purchase cost for FY 2019-20 in the Note 29 of Audited account of FY 2020-21

MSEDCL Reply:

It is submitted that the difference in power purchase cost for FY 2019-20 in the Note 29 of Audited account and total power purchase cost for FY 2019-20 in the Note 29 of Audited account of FY 2020-21 is on account of re-statement of Audited Accounts of FY 2019-20 at a later stage. However, it is submitted that there is no deviation in the station wise power purchase cost of FY 2019-20 as reflecting in Form F2 of MTR Petition which is already reconciled with the Audited Accounts of FY 2019-20 in Reply to Query no. 7 of Power Purchase Section

Query 32. Compensation to Generator

As per the MERC Grid Code regulation 2020, the buyers are liable to pay compensation to the generators if, the generator operates below the normative PLF as directed by SLDC. Further, such information and details shall be also submitted to the Commission while submitting the FAC claims to the Commission for approval and during tariff filing process

The relevant extract from the regulations is given below:

“InSGS may be directed by SLDC to operate its unit(s) at or above the technical minimum but below the normative plant availability factor on account of grid security or due to the fewer schedules given by the buyer.

Provided that, for computation of compensation for generator supplying power to multiple buyers, the compensation shall be calculated as per the same mechanism specified in these Regulations and its Annexures-4, and the total charges computed shall be allocated among the buyers of the generator in proportion to their implemented schedule for that period.

Provided further that, the generators shall maintain separate account for the claims submitted to buyers for operation of Unit below 85% as per the instructions of SLDC. Such information and details shall be also submitted to the Commission while submitting the FAC claims to the Commission for approval and during tariff filing process.”

Hence, the Petitioner is required to submit the compensation paid to the generators in FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23 in the following format

S. No.	Generator	Compensation paid for lower PLF	Reference of FAC Claim Order

MSEDCL Reply:

It is submitted that there was no compensation paid to MSPGCL generators during FY 2019-20 and FY 2020-21.

The amount of compensation paid to MSPGCL generators for lower PLF during FY 2021-22 is as shown in the Table below.

S. No.	Generator	Compensation paid for lower PLF (Rs. Cr.)	Reference of FAC Claim Order
1	MSPGCL	32.98	Not claimed under FAC

It is submitted that the compensation bills raised by MSPGCL with respect to lower PLF were not received in a timely manner and therefore the same could not be claimed under FAC. However, this amount has been claimed in the True-up of FY 2021-22. Further, it is submitted that during FY 2022-23, MSEDCL has received only a single bill against compensation for the month of April 2022 claiming an amount of Rs. 0 Cr.

4. Data Gaps on CAPEX and ARR

TRUE-UP FOR FY 2019-20

O&M Expenses

Query 1. Table 9: Actual O&M Expenses for FY 2019-20

- a) MSEDCL has claimed O&M Expenses for FY 2019-20, as per audited accounts and then segregated for both Wires and Supply Business. However, it is observed that while claiming O&M Expenses, Employee expense, A&G expense and R&M expense is not matching with Note 30, 31 and 32 of the audited accounts. MSEDCL needs to rectify any error or provide the reconciliation for the same.
- b) Form 3.3 is for detail of R&M expense and Form 3.4 is for detail of A&G expense, but MSEDCL has provided the detail of R&M expense and A&G expense in form 3.4 and 3.3 respectively. MSEDCL needs to rectify the error.

MSEDCL Reply:

- a) MSEDCL submits that it seems that Hon'ble Commission has considered Audited accounts dated 11th December 2020.
- i. MSEDCL submits the reconciliation of O&M expenses with restated Audited Accounts as below:
Reconciliation of "Note-32: Employee Benefits Expenses" of restated Audited Accounts with MTR Petition

Rs. Cr	
Particulars	For the year ended 31-Mar-20
Salaries, Wages and Allowances	4092.39
Contribution to Provident and Other Funds	1260.77
Staff Welfare Expenses	208.02
Less : Employee Cost Capitalised	374.93
Total :::::	5186.25
Total as per Audited Accounts	5186.25
Add: Other Comprehensive Income	121.13
Total as per MTR Petition formats	5307.38

Reconciliation of "Note-34: Administration and General Expenses" of restated Audited Accounts with MTR Petition

Rs. Cr	
Particulars	For the year ended 31-Mar-20
Administrative Expenses	54.10

Particulars	For the year ended 31-Mar-20
Legal & Professional Fees	38.74
Statutory Auditors fees [refer Note no. 38(18)]	1.24
Expenses towards Consumer Grievance Redressal Forum	1.00
Conveyance and Travel	56.44
Commission/Collection charges	68.63
Fees & Subscription	15.15
Printing & stationery	14.76
Advertisement Expenses	8.77
Electricity Charges	40.35
Security Measures for Safety & Protection	136.85
Expenditure on Computer Billing	274.05
Others	23.44
Less: Administrative Charges Capitalised	56.66
Total as per Audited Accounts	676.86
Add: Expenditure shown separately in MTR (in Audited Accounts considered as reduction from sales)	
Incentive to prepaid Consumers	0.06
Go Green Discount to Consumers	0.99
Add: Payment to MPECS	28.42
Add: Lease Rent	47.22
Less: Expenditure already considered in F3.2 (Employee Expenses)	
Director's Sitting Fees	0.0195
Total claimed as per MTR format	753.53
Less: Claimed separately under "Impact of Payment to MPECS in future years"	40.42
Total claimed as per MTR Petition format (F3.3)	713.11

Reconciliation of "Note-33: Repairs & Maintenance Expenses" of restated Audited Accounts with MTR Petition

Particulars	For the year ended 31-Mar-20
Plant & Equipment	656.96
Building and Civil works	21.15
Others	95.74
Total as per Audited Accounts	773.84
Total as per MTR Petition formats	773.84

- b) MSEDCL submits that there is no error in submission of the Forms. As per the Email dated 21st August, 2019 from the Hon'ble Commission, in the "MERC - MTR 2019

Petition Formats – Discom”, the Form 3.3 is for A&G and 3.4 is for R&M. The index is reproduced below for reference:

<Name of the Distribution Licensee>
MTR Petition Formats - Distribution Wires and Retail Supply

Sr. No.	Title	Reference
1	Customer Sales Forecast	Form 1
2	Wheeling Forecast	Form 1.1
3	Voltage wise Sales	Form 1.2
4	Distribution Losses	Form 1.3
5	Energy Balance	Form 1.4
6	Demand & Supply Position	Form 1.5
7	Power Purchase Expenses	Form 2
8	Power Procurement Quantum	Form 2.1
9	Intra-State Transmission Charges and MSLDC Charges	Form 2.2
10	Summary of Operations and Maintenance Expenses	Form 3
11	Operation and Maintenance Expenses -Normative	Form 3.1
12	Employee Expenses	Form 3.2
13	Administration & General Expenses	Form 3.3
14	Repair & Maintenance Expenses	Form 3.4
15
...
...

Capitalisation for FY 2019-20

Query 2. Table 13: Addition to GFA as per Annual Accounts Note 3 (page no 878)

- a) In Table 13 MSEDCL needs to recheck numbers of General asset, Vehicles, land and Computer software expenses submitted in MTR Petition as same are not matching with Audited accounts.

Particulars	2019-20 (submitted in MTR petition)	2019-20 (In audited accounts)
Land	4.91	5.52
Buildings	12.11	12.11
Vehicles	-0.89	0.19
Furniture & Fixtures	0.83	0.82
General Assets	1.57	??
Other Civil Works	5.11	5.10
Computer software	10.70	0

MSEDCL Reply:

- i. MSEDCL submits that it seems that Hon'ble Commission has considered Audited accounts dated 11th December 2020.
- ii. MSEDCL submits that while calculating the impact, addition as well as deletion/adjustment needs to be considered. MSEDCL further submits that in the petition it has considered entire head-wise cost shown under 'Deduction/Adjustments' as deletion, however, out of that amount certain amount is adjustment and balance amount is disposal. MSEDCL has now considered the actual disposal as submitted under Form 5 of MTR Petition formats.
- iii. The revised details are as below

Particulars	FY 2019-20
Land	2.67
Buildings	12.11
Vehicles	-0.89
Furniture & Fixtures	0.82
General Assets	1.57
Other Civil Works	5.11
Computer Software	10.70

Query 3. Format Capex and Capitalization

- a) **The petitioner is required to provide the CBA for the various DPR schemes approved by the Commission and is to provide the details in the template provided below:**

Scheme ref.	Status of CBA submission	Reference Letter

MSEDCL Reply:

- i. The details regarding the CBA for the various DPR schemes approved by the Commission as per the given format is provided as **Annexure Query 4_3_CBA Details.**
- ii. The supporting documents regarding CBA is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA.**

Query 4. Capex-Capitalization

- b) **The petitioner need to submit the Capex information into Approved DPR, pending for approval DPR, DPR Not received and Non-DPR. The Capital cost of Schemes should be shown under a separate header approved cost, actual cost and cost overrun and provide the in-principle approval no. The time phasing for the scheme should be shown by the Petitioner as**

approved time of completion, actual time for completion, time overrun and interest during construction due to time overrun. The following details should be provided by the Petitioner in the template given below.

Scheme Name	In-principle Approval No. & Date *	Details for Cost Over Run (if any)			Details for Time Over Run			
		Approved Cost	Revised Cost	Justification for overrun	Original Completion	Revised Completion	Justification for the overrun	IDC (in Rs.)
DPR - Approved By the Commission								
DPR - Pending for Approval								
Non - DPR								

*Copy of Approval letters to be submitted for every in-principle approved scheme

MSEDCL Reply:

- i. The Capex related information into Approved DPR, pending for approval DPR, DPR Not received and Non-DPR is provided as **Annexure Query 4_4_Capex Details**.
- ii. The supporting documents regarding Capex approvals is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA**.

Query 5. Table 14: (Pg no 66) Depreciation for FY 19-20

Revised Opening GFA for FY 19-20 as per MERC is Rs 52,374.60 Cr needs to be revised as addition during FY 2019-20 approved by the MERC is Rs 2665.53 Cr (Order 322 of 2019) whereas MSEDCL is taken 2696.37 Cr in Table 14 of this petition. MSEDCL needs to rectify any error or provide the reconciliation for the same.

Addition during FY 2019-20 (Order 322 of 2019)	Addition during FY 2019-20 (Table 14 of Present Petition)
Rs 2665.53 Cr	Rs 2696.37 Cr

MSEDCL Reply:

1. It is submitted that the term 'addition during FY 2019-20' along with quoted figures referred in above query are w.r.t. depreciation and not addition to GFA.
2. As regards consideration of opening GFA, MSEDCL submits that Hon'ble Commission in MYT Order ruled as under:

"5.8.4 The Commission has taken the Opening GFA as the closing GFA approved for FY 2018-19 in Truing Up for computing the depreciation, and on the revised capitalization approved during FY 2019-20....

5.8.5

Table 5-27: Depreciation approved for FY 2019-20 (Rs. crore)

Particulars	Approved in this Order
--------------------	-------------------------------

Opening GFA	52,374.60
Depreciation	2,665.53
% Depreciation	4.95%

...”

Accordingly, as submitted under Table 14 of the Petition, MSEDCL has considered Opening GFA of Rs. 52,374.60 Crs as approved by Hon'ble Commission.

3. As regards, addition during FY 2019-20, MSEDCL submits that Hon'ble Commission in MYT Order ruled as under:

“5.8.8 Thus, for provisional truing up the Commission approves Depreciation expense at Rs. 2,665.53 for FY 2019-20, which shall be subject to prudence check at the time of final true-up.”

Accordingly, MSEDCL in Para 2.12 of the MTR Petition submitted stated as under:

“2.12.1 The Opening GFA as per MSEDCL’s Audited Accounts is Rs. 57,924.40 Crs excluding the impact of Final Transfer Scheme/Restructuring Plan and subsequent revaluation. Accordingly, the depreciation has been reworked on a pro-rata basis on the revised Opening GFA for FY 2019-20 for the purpose of True-Up which is summarized below.

Table 14: Depreciation for FY 19-20

Sr. No.	Particulars	Amount
1	Opening GFA for FY 19-20 (Actual)	57,924.40
2	Opening GFA for FY 19-20 as per MERC	52,374.60
3	Less: Consumer Contribution and Grants	
4	Net Opening GFA (Approved)	52,374.60
5	Depreciation (Actual)	2,696.37
6	Depreciation (Claimed in proportion to Actual)	2,438.03

The above claim is in line with the methodology adopted by the Hon'ble Commission in Table 4-54 (Page 200) (for FY 2017-18 & FY 2018-19) of MYT Order dated 30.03.2020 in Case No. 322 of 2019.

Query 6. Table 17 & 19: Interest on loan FY 19-20

- a) Opening and closing balance of loan from PFC, REC and total term loan not matching with audited accounts (Note 17 Pg no 888).

	As per Audited accounts (Opening and closing)		As per present petition (Tariff format F6 – E)	
PFC	2274.79	533.09	2857.40	2496.26
REC	2410.93	2462.66	11181.75	14061.70
Others
Total	5462.67	4362.73	14182.66	16695.91

- b) Table No 17 of Petition: Closing balance of net normative loan of FY 2019-20 in the order 322 of 2019 (pg no 277) (Rs. 12,892 Cr) is not matching with opening normative loan. MSEDCL needs to provide clarification on that.
- c) In Table 19 (pg no 71) Approved value (Rs. 83.56 Cr) in FY 2019-20 is not matching with Format 7 E28 (Rs 79.60 Cr).

MSEDCL Reply:

MSEDCL

- a) MSEDCL submits that balances referred under the Column “As per Audited accounts (Opening and closing)” in above query are “Current Maturities” amount under the “Note-18: Borrowings – Non-current”. These current maturities amount shown against FY 2019-20 is a provision for next year principal repayment (i.e., for FY 2020-21) and same will be withdrawn in FY 2020-21. MSEDCL submits that actual opening and closing balance of loan from PFC, REC and other loans tallies with the restated Audited Accounts.

MSEDCL submits that as per the Audited Accounts Note-18

- i. PFC opening balance of Rs. 4357.39 Crs has included PFC MTL of Rs. 1500 Crs
- ii. PFC closing balance of Rs.2679.75 Crs has included interest accrued but not due provision of Rs.183.49 Crs.
- iii. REC opening balance of Rs.19263 Crs has included REC MTL of Rs. 8081.25 Crs
- iv. REC closing balance of Rs.21651.63 crs has included REC MTL of Rs. 1512.49 Crs , Loan against regulatory assets is Rs.6000 Crs. and interest accrued but not due provision of Rs.77.43 Crs.

GL Code	Name of GL Code	Closing balance for FY 2019-20	Opening Balance for FY 2019-20
10301005	Medium Term Loan From REC	11,87,49,99,993.00	13124999998.00
10900203	Medium Term Loan From REC	3,25,00,00,000.00	5687499999.00
10700017	Loan against the Regulatory Assets	60,00,00,00,000.00	61999999993.00
10902335	Interest accrued but not due REC	37,15,64,388.00	
10902341	Interest Accrued but not due on MTL from REC	40,19,81,493.00	
10902342	Interest Accrued but not due for REC RG	7,97,475.00	
10902352	Interest accrued but not due PFC (RAPDRP)	1,83,48,95,960.00	
10301006	Medium Term Loan From PFC		15000000000.00

- b) MSEDCL respectfully submits there is no error in submission.

i. MSEDCL submits the relevant extract of MYT Order as under:

“Table 5-31: Interest Expenses approved by the Commission for FY 2019-20 (Rs. Crore)

<i>Particulars</i>	<i>MTR Order</i>	<i>MSEDCL Petition</i>	<i>Approved in this Order</i>
Opening Balance of Net Normative Loan	13,686	13,004	12,974
<i>Less: Reduction of Normative Loan due to retirement or replacement of assets</i>	-	-	-
<i>Addition of Normative Loan due to capitalization during the year</i>	920	2,854	2,584
<i>Repayment of Normative Loan during the year</i>	2,411	2,594	2,666
<i>Closing Balance of Net Normative Loan</i>	12,195	13,264	12,892
<i>Closing Balance of Gross Normative Loan</i>	12,940	13,695	12,933
<i>Average Balance of Net Normative Loan</i>	11.37%	10.28%	10.28%
<i>Weighted average Rate of Interest on actual Loans (%)</i>	1,471	1,350	1,329
<i>Interest Expenses</i>	1,471	1,350	1,329
<i>Expenses Capitalized</i>	-	-	-
Total Interest Expenses	1,471	1,350	1,329

5.9.8 ***Thus, for provisional truing up the Commission approves Rs. 1,329 Crores for Interest Expense for FY 2019-20, which shall be subject to prudence check at the time of final true-up.”***

ii. MSEDCL further submits that it has considered opening balance of net normative loan in the MTR Petition i.e. Rs 12,973.91 Cr, as approved by the Hon’ble Commission (Pl. refer Table 17 of MTR Petition).

c) MSEDCL submits that Hon’ble Commission in its MYT Order mentioned rate of 10.55% and 10.05% for computation of Interest on Security Deposit for wires and supply business respectively. However, it is observed that Hon’ble Commission calculated the Interest on Security Deposit at the rate of 10.05% for both wires as well as supply business. MSEDCL in its petition had mentioned rate of 10.55% for wires business and calculated accordingly, whereas in the Format F7 it has considered approved amount by the Hon’ble Commission. MSEDCL shall remove above discrepancy in the revised petition.

Other Finance Charges for FY 2019-20

Query 7. Table 21 (pg no 73): Other Finance Charges for FY 19-20

Other Finance Charges for FY 19-20 as per the table does not match with audited accounts. MSEDCL needs to reconcile another finance charge with Note 33 (Pg no 897) of the audited accounts or rectify the error if any as the same is not matching with the audited accounts.

Particulars	As per present Petition	As per audited accounts
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Other Finance charge	22.08 Cr	Financial charge – 8.927 Cr Bank Charges – 21.01 Cr
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MSEDCL Reply:

- i. MSEDCL submits that it seems that Hon'ble Commission has considered Audited accounts dated 11th December 2020.
- ii. MSEDCL submits the reconciliation of "Other Finance Charges" with Note 35 of restated Audited Accounts as below:

		Rs. Cr
Particulars		31.03.2020
(B) Other Borrowing Costs		
Financial Charges	8.9276	
Bank Charges	21.0154	
Total		29.943
<u>Total As per MTR form 6A</u>		22.08
Difference		7.86
<u>Reasons for difference:</u>		
<u>Amount taken in Note 37 (i.e., Form 6B)</u>		
Incentive to Distribution Franchisee	0.22	
Other Interest and Charges	0.10	
Interest on security deposit on bill collection agency	7.54	
Difference		7.86

Provision for Bad Debts for FY 2019-20

Query 8. Table 22 of Petition. Provision for bad and doubtful debts for FY 2019-20

Provision for bad and doubtful debts for FY 2019-20 - As per audited accounts is Rs 3282.25 Cr (Note 22, pg no 895) while in the petition Rs 854.96 Cr is mentioned (Table 22) (. MSEDCL needs to rectify any error or provide the reconciliation for the same.

MSEDCL Reply:

MSEDCL submits that in Para 2.12 of the MTR Petition submitted it has already stated as under:

"2.17.2 Regulation 73 and 82 of the MYT Regulations, 2015 specifies that a provision of bad and doubtful debt may be allowed up to 1.5% of the amount shown as trade receivables or receivables in the Audited Accounts of the distribution licensee duly allocated for wires and supply business respectively....

...

2.17.4 MSEDCL has written off Rs. 3282.25 Crs against the bad debt during the FY 2019-20.

2.17.5 **MSEDCL has computed the provision for bad and doubtful debts for FY 2019- 20 as per the provisions of the MYT Regulations, 2015 considering the receivables as per Audited Accounts.**

...” (emphasis added)

Other Expenses for FY 2019-20

Query 9. Table 24: Other Expenses for FY 2019-20

- a) **Other Expenses for FY 2019-20: MSEDCL should provide a reconciliation of other expenses from the audited accounts or rectify errors if any. In the petition it is Rs 83.23 Cr, whereas in audited account Note 35 it is 43.52 Cr (1.43 Cr miscellaneous losses + 40.33 sundry expenses + 1.77 Cr refund of regulatory liability charges)**
- b) **Interest on Income Tax: Petitioner has claimed amount of Rs 20.26 Crore towards interest on Income tax for AY 2018-19 (i.e. FY2017-18) and Rs 5.39 Crore towards interest on I Tax for AY 2020-21 (i.e. FY 2019-20). Petitioner should justify its claims towards such interest payments on I. Tax as per provisions of MYT Regulations.**
- c) **Petitioner should provide copy of ITR filings for concerned Financial years (FY2017-18 to FY 2021-22) along with copy of IT assessment orders/ refund claims/ I Tax refund allowances, (if any)**

MSEDCL Reply:

- (a)
 - i. MSEDCL submits that it seems that Hon’ble Commission has considered Audited accounts dated 11th December 2020.
 - ii. MSEDCL submits the reconciliation of “Form 6B: Other Expenses (Supply Business)” with Note 37 of restated Audited Accounts as below:

		Rs. Cr
Particulars		31.03.2020
Amount as per Audited Accounts Note 37		3447.05
Less:		
Contingency Reserve	142.76	
Expected Credit Loss	3257.84	
		3400.60
Add:		
<u>Amount taken in Note 35 of Audited Accounts</u>		
Incentive to Distribution Franchisee	0.22	
Interest to suppliers/Contractors	3.38	
Other Interest and Charges	0.10	
Interest on security deposit on bill collection agency	7.54	
Interest on Income Tax for FY 2018-19	20.16	
Interest on Income Tax for FY 2020-21	5.39	

Incentive payable to vendor	0.05	
		36.84
Total Amount as per Form 6B		83.28

- (b) MSEDCL submits that interest amount of Rs. 55.71 Crs is related with FY 2017-18. Interest on income tax paid of Rs. 36.46 Crs was booked in FY 2018-19 & Rs. 20.16 Crs booked in FY 2019-20. Rs 5.39 Crs provision made and reversed. MSEDCL has already deposited above tax amount & challan in this regard is attached herewith in **Annexure Query 4_9(b)**.
- (c) Desired details are attached herewith in **Annexure Query 4_9(c)**.

Incentives and Discounts for FY 2019-20

Query 10. 2.21.1 (pg no 77)

MSEDCL has claimed Rs 337.25 Cr towards incentives and discounts given to the customer in FY 2019-20. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts and reconcile the same with the claim made under the Petition with details. Further MSEDCL need to submit the sub-head wise details of the incentives and discounts provided such as prompt payment rebate, power factor incentive.

MSEDCL Reply:

- i. MSEDCL submits that it is shown under the head 'Prompt Payment and Incremental Discount'. Further, this amount is deducted from 'Revenue from Sale of Power' i.e., as per "Note- 29 Revenue from operations" in FY 2019-20 (restated Audited Accounts).
- ii. MSEDCL submits sub-head wise details of incentives and discounts as per the Audited Accounts as below:

	Rs. Cr
Particulars	FY 2019-20
Discount to consumers for timely payment of bills	320.54
Incentive to prepaid Consumers	0.06
Go Green Discount to Consumers	1.00
Digital Payment Discount	15.65
Total	337.25

Return on Equity for FY 2019-20

Query 11. Table 29 & 30 – RoE for wire and supply business

Cell number F15 (consumer contribution) of tariff form F8 (RoE) is not linked. It should be linked with relevant cell in from 4.4 (consumer contribution).

MSEDCL Reply:

MSEDCL submits that the scheme wise Consumer contribution amount is not available in SAP and hence, the amount as shown in the balance sheet is taken in MTR Petition format F8. Further, it will be difficult to project and allocate the consumer contribution to any particular scheme.

Income from Open access charges

Query 12. 2.30 (pg no 87)

MSEDCL has claimed Rs 83.44 Cr towards income from open access charges in FY 2019-20. MSEDCL to clarify the item under which head such income have been booked in the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2019-20. The detailed rationale behind the claim under the Petition is already stated in the Para 2.30 of the MTR Petition.

Income from wheeling charges and Income from Additional surcharges for FY 2019-20

Query 13. 2.32 and 2.32 (Pg no 89)

MSEDCL has claimed Rs 1.10 Cr towards income from wheeling charges in FY 2019-20 and Rs 575.60 Cr income from Additional surcharges in FY2019-20. MSEDCL to clarify the head under which such expenses have been booked in the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2019-20.

TRUE-UP FOR FY 2020-21

O&M expenses

Query 14. Section 3.9 (Pg no 104) of MYT Petition, Audited Accounts Balance Sheet

The value of O&M accounts claimed by the petitioner in Section 3.9 Rs.7168.28 Cr (Rs. 1036.21 Cr (R&M). and Rs. 763.87 Cr (A&G) and Rs 5368.20 Cr (Employee cost) does not match with the value provided in the audited accounts (Note 30,31 &32) (Employee Expenses (Rs. 5372.59 Cr.) + R&M (Rs. 1127.65 Cr.) + A&G (Rs. 661.78 Cr.) = Rs. 7162.02 Cr.)

MSEDCL Reply:

- i. MSEDCL submits that it seems that Hon’ble Commission has considered Audited accounts dated 24th November 2021.
- ii. MSEDCL submits the reconciliation of O&M expenses with restated Audited Accounts as below:

Reconciliation of “Note-32: Employee Benefits Expenses” of restated Audited Accounts with MTR Petition

Rs. Cr

Particulars	For the year ended 31-Mar-21
Salaries, Wages and Allowances	4317.39
Contribution to Provident and Other Funds	1138.51
Staff Welfare Expenses	264.63
Less : Employee Cost Capitalised	346.90
Total :::::	5373.63
Total as per Audited Accounts	5373.63
Less : Other Comprehensive Income	5.43
Total as per MTR Petition formats	5368.20

Reconciliation of “Note-34: Administration and General Expenses” of restated Audited Accounts with MTR Petition

Rs. Cr

Particulars	For the year ended 31-Mar-21
Administrative Expenses	86.86
Legal & Professional Fees	14.23
Statutory Auditors fees [refer Note no. 38(18)]	1.14
Expenses towards Consumer Grievance Redressal Forum	0.80
Conveyance and Travel	58.03
Commission/Collection charges	60.69
Fees & Subscription	15.20
Printing & stationery	15.22
Advertisement Expenses	6.59
Electricity charges	32.21
Security Measures from Safety & Protection	161.78
Expenditure on Computer Billing	257.34
OPEX Scheme Expenses	63.43
Others	29.04
Less: Administrative Charges Capitalised	46.84
Total as per Audited Accounts (Note 34)	755.71
Add: Payment to MPECS	25.41
Add: Lease related payments	47.21
Total claimed as per MTR format	828.33
Less: Claimed separately under “Impact of Payment to MPECS in future years”	37.41
Less: Claimed separately under “Opex Scheme”	27.05
Total claimed as per MTR Petition format (F3.3)	763.87

Query 15. Table 55: O&M Expenses for Wires and Supply Business for FY 20-21

O&M expense - Table 55 of the petition for the truing up of O&M expense for FY 2020-21 is not matching with the O&M expense filled in Tariff Forms form no. 3.

Particulars	FY 2020-21 (actual) (Petition)	FY 2020-21 (actual) (Tariff Forms)
O&M Expenditure for Wires business	4,698.89	4,668.40
O&M Expenditure for Retail Supply business	2,530.67	2,526.93
Total Operation and Maintenance Expenses	7,229.07	7,195.33

MSEDCL Reply:

- i. MSEDCL submits that there is no error in submission of the Forms/Table in the Petition. As per the Email dated 21st August, 2019 from the Hon'ble Commission, in the "MERC - MTR 2019 Petition Formats – Discom", the Form 3 is "Summary of Operations and Maintenance Expenses" whereas, Form 3.1 is "Operation and Maintenance Expenses –Normative". As per specified format Form 3 requires inputs to be entered from Form 3.2, Form 3.3 & Form 3.4.
- ii. Further, description preceding in paragraphs before Table 55 i.e. under Para 3.10 of the Petition explains/states only about normative O&M expenses (Rs. 7,229.07 Cr). For which Form 3.1 of the MTR Petition formats should be referred.
- iii. Para 3.9 of the Petition submitted explains/states about Actual O&M expenses.

Query 16. General

The petitioner is to provide a reconciliation for the value of GFA as claimed by the petitioner, in the audited book of accounts and as approved by the Commission in the past as shown in the Table below:

GFA Opening Balance				
		2019-20	2020-21	2021-22
As per the Order 322 of 2019	Pg no 275 &381	52374.60	55286.46	58529.35
As per the Audited Book of Accounts				
As per the petition				
Depreciation Calculation	Actual	57924.40		
	Regulatory	52374.60	54631.59	57669.39

MSEDCL Reply:

- i. MSEDCL submits that it has considered Regulatory opening GFA i.e., one which is approved by the Hon'ble Commission for FY 2019-20 in MYT Order in Case No. 322 of 2019. This is in line with approach adopted by the Hon'ble Commission. The relevant extract of MYT Order in Case No. 322 of 2019 dated 30.03.2020.
"5.8.4 The Commission has taken the Opening GFA as the closing GFA approved for FY 2018-19 in Truing Up for computing the depreciation, and on the revised capitalization approved during FY 2019-20. Further,

as per Regulation 25.2 (c) of the MYT Regulations, 2015, the Commission has excluded contribution from grants and consumer contribution for the purpose of computation of depreciation for FY2019-20.

5.8.5

Table 5-27: Depreciation approved for FY 2019-20 (Rs. crore)

Particulars	Approved in this Order
Opening GFA	52,374.60
Depreciation	2,665.53
% Depreciation	4.95%

...”

- ii. Accordingly, as submitted under Table 14 of the Petition, MSEDCL has considered Opening GFA of Rs. 52,374.60 Crs as approved by Hon'ble Commission. As regards, addition during FY 2019-20, MSEDCL submits that Hon'ble Commission in MYT Order ruled as under:

“5.8.8 Thus, for provisional truing up the Commission approves Depreciation expense at Rs. 2,665.53 for FY 2019-20, which shall be subject to prudence check at the time of final true-up.”

- iii. Accordingly, MSEDCL in Para 2.12 of the MTR Petition submitted stated as under:

“2.12.1 The Opening GFA as per MSEDCL’s Audited Accounts is Rs. 57,924.40 Crs excluding the impact of Final Transfer Scheme/Restructuring Plan and subsequent revaluation. Accordingly, the depreciation has been reworked on a pro-rata basis on the revised Opening GFA for FY 2019-20 for the purpose of True-Up which is summarized below.

Table 14: Depreciation for FY 19-20

Sr. No.	Particulars	Amount
1	Opening GFA for FY 19-20 (Actual)	57,924.40
2	Opening GFA for FY 19-20 as per MERC	52,374.60
3	Less: Consumer Contribution and Grants	
4	Net Opening GFA (Approved)	52,374.60
5	Depreciation (Actual)	2,696.37
6	Depreciation (Claimed in proportion to Actual)	2,438.03

The above claim is in line with the methodology adopted by the Hon'ble Commission in Table 4-54 (Page 200) (for FY 2017-18 & FY 2018-19) of MYT Order dated 30.03.2020 in Case No. 322 of 2019.

- iv. The difference in opening GFA approved for FY 2020-21 and FY 2021-22 and Petitioned is owing to actual capitalization and corresponding treatment of consumer contribution & grants considered in relevant years.

Capex and Capitalization

Query 17. Table 59, Capitalization Format, Audited book of accounts Note-3

Petitioner is to provide necessary reconciliation for item of Table 59 which is General assets. also the discrepancy regarding the value Vehicle and land and general assets in the Format. The illustration is shown in the calculation as shown below:

Sl. No.	Item	As provided in Capitalization Format	As provided in Petition Table 59	As provided in Audit Accounts -Note 3
a	General Asset	1.57	2.89	-
b	Other Civil Work	5.11	4.28	4.28
c	Vehicle	-0.89	-0.04	0.0015
d	Land	4.91	-83.37	1.73
e	Furniture & Fixtures	0.83	0.65	0.65
f	Buildings	12.10	11.30	11.33
g	Computer software	10.70	11.54	11.53

MSEDCL Reply:

MSEDCL

- i. It is respectfully submitted that numbers quoted in query are for FY 2019-20, whereas query is for FY 2020-21
- ii. MSEDCL submits that it seems that Hon'ble Commission has considered Audited accounts dated 24th November 2021.
- iii. MSEDCL submits that while calculating the impact, addition as well as deletion/adjustment needs to be considered. MSEDCL further submits that in the petition it has considered entire head-wise cost shown under 'Deduction/Adjustments' as deletion, however, out of that amount certain amount is adjustment and balance amount is disposal. MSEDCL has now considered the actual disposal as submitted under Form 5 of MTR Petition formats.
- iv. The revised details are as below

Particulars	FY 2019-20
Land	3.17
Buildings	11.31
Vehicles	-0.04
Furniture & Fixtures	0.65
General Assets	2.89
Other Civil Works	4.28
Computer Software	11.53

Query 18. Format Capex and Capitalization

- a) The petitioner is required to provide the CBA for the various DPR schemes approved by the Commission and is to provide the details in the template provided below:

Scheme ref.	Status of CBA submission	Reference Letter
-------------	--------------------------	------------------

MSEDCL Reply:

- i. The details regarding the CBA for the various DPR schemes approved by the Commission as per the given format is provided as **Annexure Query 4_3_CBA Details.**
- ii. The supporting documents regarding CBA is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA.**

Query 19. General

The petitioner is to classify all the schemes claimed in the petition in the formats for of capex and capitalization into Approved DPR, DPR not yet received, pending for approval DPR and Non-DPR. The Capital cost of Schemes should be shown under separate head of approved cost, actual cost and cost overrun and also provide the in-principle approval no. The time phasing for the scheme should be shown by the Petitioner as approved time of completion, actual time for completion, time overrun and interest during construction due to time overrun. The following details should be provided by the Petitioner in the template given below.

Scheme Name	In-principle Approval No. & Date *	Details for Cost Over Run (if any)			Details for Time Over Run			
		Approved Cost	Revised Cost	Justification for overrun	Original Completion	Revised Completion	Justification for the overrun	IDC (in Rs.)
DPR - Approved By the Commission								
DPR - Pending for Approval								
Non - DPR								

***Copy of Approval letters to be submitted for every in-principle approved scheme**

MSEDCL Reply:

- i. The Capex related information into Approved DPR, pending for approval DPR, DPR Not received and Non-DPR is provided as **Annexure Query 4_4_Capex Details.**
- ii. The supporting documents regarding Capex approvals is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA.**

Depreciation for FY 2020-21

Query 20. Para 3.13, Table 60 of petition, Audited Accounts Note 34 (Pg no 1014)

Revised Opening GFA for FY 20-21 as per MERC is Rs 54631.59 Cr needs to be revised as addition during FY 2020-21 approved by the MERC is Rs 2817.91 Cr (Order 322 of 2019) whereas MSEDCL is taken 3031.64 Cr in Table 60 of this petition. MSEDCL needs to rectify any error or provide the reconciliation for the same.

Depreciation claimed in petition Rs 3031.64 Cr which is not matching with audited account Note 34 (Rs 3394.54 Cr)

MSEDCL Reply:

- i. It is submitted that the term 'addition during FY 2020-21' along with quoted figures referred in above query are w.r.t. depreciation and not addition to GFA.
- ii. MSEDCL submits that Hon'ble Commission in MYT Order has approved depreciation based on Opening GFA which is same as the closing GFA approved in FY 2019-20 in the provisional truing-up for computation the depreciation.
- iii. As per MERC MYT Regulations, 2019 '*Depreciation shall be re-computed for assets capitalized at the time of Truing-up along with the Mid-term Review*'.
- iv. Accordingly, MSEDCL in Para 3.13 of the MTR Petition submitted stated as under:
"3.13.1The Opening GFA as per MSEDCL's Audited Accounts is Rs. 62,400.97 Crs excluding the impact of Final Transfer Scheme/Restructuring Plan mand subsequent revaluation. Accordingly, the depreciation has been reworked on a pro-rata basis on the revised Opening GFA for FY 2020-21 for the purpose of True-Up which is summarized below.

Table 60: Depreciation for FY 20-21

Sr. No.	Particulars	Amount
1	Opening GFA for FY 20-21 (Actual)	62,400.97
2	Opening GFA for FY 20-21 as per MERC	54,631.59
3	Less: Consumer Contribution and Grants	
4	Net Opening GFA (Approved)	54,631.59
5	Depreciation (Actual)	3,031.64
6	Depreciation (Claimed in proportion to Actual)	2,654.18

..."

The above claim is in line with the methodology adopted by the Hon'ble Commission in Table 4-54 (Page 200) (for FY 2017-18 & FY 2018-19) of MYT Order dated 30.03.2020 in Case No. 322 of 2019.

- v. MSEDCL further submits that as the audited figures are inclusive of Financial Restructuring Plan & FRP is not considered while claiming the depreciation.

Funding Pattern for 2020-21

Query 21. Table 61 (pg no 110), Audited Accounts Note 28 (pg no 1012)

The values of Consumer contribution (Rs. 367.83 Cr.) and Grants (Rs. 1120.54 Cr.) as provided the petitioner in the Table 61 does not reconcile with the value of Contribution Grants and subsidies towards cost of Capital assets (Rs. 986.38 Cr.) and UDAY grant (Rs. 992 Cr.) as provided in the audited book of accounts.

MSEDCL Reply:

- i. MSEDCL submits that description preceding in paragraph before Table 61 i.e. under Para 3.14.3 of the Petition clearly states that funding pattern of capitalization is in proportion to the capital expenditure. The relevant extract of the Petition submitted is reproduced below:
“3.14.3 The funding pattern for FY 2020-21 for the capitalization achieved by MSEDCL, in proportion to the funding pattern of capital Expenditure, is presented in the following table.”
- ii. Further, MSEDCL submits the MTR Petition Format “Form 8: Return on Regulatory Equity” clearly provides funding pattern of capital expenditure i.e., Consumer contribution (Rs. 302.05 Crs) and Grant received during the year (Rs. 920.13 Crs)
- iii. The reconciliation is provided below: Note No. 36(20) Additional Notes to balance sheet shows total consumer contribution received during the year.
- iv. Reconciliation of Grant with Balance sheet

Particulars	Amount (Rs. Cr)
Addition as per Balancesheet (Refer Note no. 36 (20) Additional Notes to B/S)	917.67
Add: HVDS Consumption for AG Pump entries taken in GL but not considered in MYT	2.47
Grant (Capital Expenditure) as per MTR	920.13

Other Finance Charges**Query 22. Table 67, Format 6A, 6B, Audited book of accounts Note 34**

The value of finance charges for 2020-21 as provided in Format 6A and 6B (Rs. 32.19 Cr.) does not match with the value provided in the Audited book of accounts note 34 (Rs. 36.28 Cr.=Rs 6.57 Cr + Rs 29.71 Cr). The petitioner is to rectify the same or provide the necessary reconciliation for the same.

MSEDCL Reply:

- i. MSEDCL submits that it seems that Hon'ble Commission has considered Audited accounts dated 24th November 2021.
- ii. MSEDCL submits the reconciliation of “Other Finance Charges” with Note 35 of restated Audited Accounts as below:

Particulars		Rs. Cr
		For the year ended 31-Mar-21
(B) Other Borrowing Costs		
Financial Charges	6.57	
Bank Charges	29.70	
Total as per Audited Accounts (Note 35)		36.27

Total As per MTR form 6A		32.19
Difference		4.08
Reasons for difference:		
Amount taken in Note 37 (i.e., Form 6B)		
Incentive to Distribution Franchisee	0.24	
Other Interest and Charges	0.02	
Interest on security deposit on bill collection agency	3.82	
Difference		4.08

Provision for bad and doubtful debts FY 2020-21

Query 23. Table 68 of Petition. Provision for bad and doubtful debts for FY 2020-21

Provision for bad and doubtful debts for FY 2020-21 - As per audited accounts is Rs 465.05 Cr (Note 28, pg no 1016) while in the petition Rs 1071.50 Cr is mentioned (Table 68). MSEDCL needs to rectify any error or provide the reconciliation for the same.

MSEDCL Reply:

MSEDCL submits that in Para 3.18 of the MTR Petition submitted it has already submitted detailed rationale of its claim. Further, MSEDCL in the concluding para submitted as under:

“3.18.7 The total Bad Debt provision for FY 2020-21 works out to be Rs. 1,071.50 as against Rs. 732.63 Cr. MSEDCL humbly requests the Hon’ble Commission to approve the actual bad debt written off.”

Other Expenses

Query 24. Table 70, Audited account Note 35 (pg no 1018)

The petitioner is to provide reconciliation for the value of other expenses claimed Rs 113.70 Cr with the audited accounts (Note 35) Rs 36.78 Cr (Rs 28.05 Cr + Rs 8.73 Cr)

MSEDCL Reply:

- i. MSEDCL submits that it seems that Hon’ble Commission has considered Audited accounts dated 24th November, 2021
- ii. MSEDCL submits the reconciliation of “Form 6B: Other Expenses (Supply Business)” with Note 37 of restated Audited Accounts as below:

Particulars	Rs. Cr
Amount as per Audited Accounts Note 37	4422.70
Less:	
Contingency to Contingency Reserve as per MERC Regulations [refer Note No. 36(26)]	157.56
Expected Credit Loss (Trade +Others)	4227.21

Add: Components added for MTR	
Expected Credit Loss (Others)	67.24
<u>Expenses taken from Finance Expenses (Note 35 of Audited Accounts)</u>	
Incentive to Distribution Franchisee	0.23
Other Interest and Charges	0.02
Interest on security deposit on bill collection agency	3.81
Interest from Suppliers & Contractors	4.32
Others	0.17
Total Amount as per Form 6B	113.70

Other Expenses

Query 25. FY 2020-21 Section 3.20 (pg no 122) FY 2021-22 section 4.20 (pg no 177)

As per provision of Regulation 35.1 of MYT Regulation 2019, Petitioner is required to deposit the contingency reserve contribution in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.

Petitioner need to submit the details of the contribution invested in the securities authorised under the Indian Trusts Act, 1882 and the date of investments.

However, it is noted that, as per para 5.19.2 of petition, due to financial crunch owing to COVID-19 pandemic, MSEDCL has not invested any amount towards contribution to contingency reserves for FY 2020-21 & FY 2021-22.

As regulations in case of non-investment of amount of contribution to contingency reserves in authorised securities for two consecutive years, then the contribution to contingency reserves shall not be allowed in calculation of ARR from the subsequent year onwards. Petitioner need to submit its view on the above provisions of the Regulations.

MSEDCL Reply:

MSEDCL submits that the reply to this data gap shall be submitted subsequently

Incentives and Discounts

Query 26. Table 72

MSEDCL has claimed Rs 307.40 Cr towards incentives and discounts given to the customer in FY 2020-21. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts. In Audited account Note 33 MSEDCL has claimed Rs. 304.04 Crore under head interest on bill discounting. MSEDCL need to confirm if it is the claim against incentives and discounts. If yes, same need to reconcile with

MSEDCL Reply:

- i. MSEDCL submits that it is shown under the head 'Prompt Payment and Incremental Discount'. Further, this amount is deducted from 'Revenue from Sale

of Power' i.e., as per "Note- 29 Revenue from operations" in FY 2020-21 (restated Audited Accounts).

- ii. Interest on bill discounting referred in above query is not claimed against Incentives and Discounts for FY 2020-21

Rate on Regulatory Equity FY 2020-21 and FY 2021-22

Query 27. Format 8

Cell number I15 (consumer contribution) of tariff form F8 (RoE) is not linked it should be linked with relevant cell in form 4.4 (consumer contribution).

The Commission approved Return on Regulatory Equity for Retail Supply Business at a rate 18.78% in order 322 of 2019 but now petitioner is computed at rate 15.5% for retail business.

The Commission approved Return on Regulatory Equity for wires Business at a rate 16.96% in order 322 of 2019 but now petitioner is computed at rate 14% for distribution wire business Petitioner clarify on this issue.

MSEDCL Reply:

- i. MSEDCL submits that the scheme wise Consumer contribution amount is not available in SAP and hence, the amount as shown in the balance sheet is taken in MTR Petition format F8. Further, it will be difficult to project and allocate the consumer contribution to any particular scheme
- ii. Return on Equity: MSEDCL submits that required clarification is already provided in the MTR Petition. In this context, MSEDCL submits that Hon'ble Commission in MYT Order dated 30.03.2020 (Case No. 322/2019) ruled as under:

*"6.13.7 However MSEDCL has submitted that though it has paid income tax for FY 2018-19 it is not expecting any income tax for the Fourth control period and has not projected any income tax for the period. It has further **submitted income in case of actual tax incurred it shall submit the same during the mid-term review process.***

...

Commission's Analysis and Ruling

*6.13.12 For projection over 4th control period, RoE has been considered at Return on Equity base rate at 14% and 15.50% for wire and supply business, in accordance with MYT regulation 2019. For the purpose of projections of pre-Tax RoE, **the Commission observes that MSEDCL has not considered a tax rate** which is the MAT rate for grossing up of return on Equity for 4th Control Period. **However, Commission has considered the actual MAT rate notified for FY 2019-20 as per Finance Act is 17.47% which is lower than that compared to MAT rate prevalent in the past period.** The Commission observes that it would only be appropriate to consider the latest notified Tax Rate for the purpose of projections rather than Tax Rate applicable in FY 2018-19 for grossing up of RoE. Accordingly, for*

the purpose of approval of projections of pre-Tax RoE, the Commission has considered a pre-Tax RoE of 16.96% (for wire business) and 18.78% (for supply business) considering 14% and 15.50% as the RoE of wire and supply business after grossing base rate RoE with 17.47% as the MAT rate.

- iii. MSEDCL submits that in Para 3.23.2 (for FY 2020-21) and Para 4.23.2 (for FY 2021-22) Petition submitted it is already mentioned as under:

“3.23.3 MSEDCL has not paid any income tax for FY 2020-21. The return on equity has been computed as per the methodology specified in the MYT Regulations, 2019...”

....

4.23.3 MSEDCL has not paid any income tax for FY 2021-22. The return on equity has been computed as per the methodology specified in the MYT Regulations, 2019...”

Impact of Payment to MPECS for FY 2020-21

Query 28. Section 3.26.3 (pg no 138)

The Petitioner should provide the reference to the audited book of accounts or provide documentary evidence to validate the payment made to MPECS of Rs. 37.41 Cr.

MSEDCL Reply:

MSEDCL submits that details of payment made to MPECS and MERC towards use of MPECS assets for FY 2020-21 are clearly mentioned in the restated Audited Accounts. MSEDCL submits Rs. 12 Crs are shown in “Note-34: Administrative & General Expenses” and Rs. 25.41 Crs are shown under the head “Note 6: Other Financial Assets”.

Alternatively, the same may be also referred from the Petition copy earlier submitted. Please refer Page No. 1021 of the Petition (Breakup- Page 1015 of the Petition: Rs. 25.41 Cr. ‘Note No. 36- Additional Notes to Accounts’ and Page 1013 of the Petition: Rs. 12 Crs shown in ‘Note-32 – Administrative Expenses’).

Further, though the details of amount paid to MPECS during FY 2020-21 & FY 2021-22 are not accounted in separate expense head, it is accounted as Rent expense (SAP GL 40400001) cumulatively with MSEDCL’s other rent payments under one head i.e. Administrative Expenses with other administrative expenses of MSEDCL’s like rent, rates and taxes

Incremental and Consumption and Bulk Consumption Rebate for FY 2020- 21

Query 29. Section 3.27 (Pg no 138)

The Petitioner should provide the reference to the audited accounts or provide documentary evidence to validate the payment made to Incremental and consumption and Bulk consumption Rebate of Rs. 336.80 Cr.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2020-21.

Income from open access charges

Query 30. 3.31 (pg no 142)

MSEDCL has claimed Rs 213.07 Cr towards income from open access charges in FY 2020-21. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2020-21.

Income from wheeling charges and Income from Additional surcharges for FY 2020-21

Query 31. 3.33 and 3.34 (Pg no 144)

MSEDCL has claimed Rs 0.09 Cr towards income from wheeling charges in FY 2020-21 and Rs 479.03 Cr income from Additional surcharges in FY2020-21. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2020-21.

ARR Summary FY2020-21, FY 2021-22, FY 2022-23, FY 2023-24, FY 2024-25

Query 32. ARR Summary Format

Particulars	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Approved in MYT Order 322 of 2019	Considered as approved by Petitioner in MTR Petition	Approved in MYT Order 322 of 2019	Considered as approved by Petitioner in MTR Petition	Approved in MYT Order 322 of 2019	Considered as approved by Petitioner in MTR Petition	Approved in MYT Order 322 of 2019	Considered as approved by Petitioner in MTR Petition	Approved in MYT Order 322 of 2019	Considered as approved by Petitioner in MTR Petition
Aggregate Revenue requirement	81,180.15	81935.15	82,771.43	85,450.43	85,112.48	89130.48	87,428.50	93013.50	90,084.23	97101.23
Revenue from Sales of power	85,020.69	80918.00	88,667.05	84,400.00	92,479.07	88039.00	96,504.45	91883.00	1,00,738.19	95927.00

Petitioner has considered the Revenue Gap Recovery Allowed in MYT approved columns of the Petition as above. Petitioners need to provide the justification for the same.

MSEDCL Reply:

- i. MSEDCL submits that considering the previous revenue gaps, carrying cost and other adjustments, Hon'ble Commission computed the Aggregate Revenue Requirement and revised tariffs for period from FY 20-21 to FY 24-25 so that the total approved revenue recovery gets considered over the Control Period.
- ii. MSEDCL further submits that it has given the details of revenue gap recovery allowed, for FY 2020-21 at paragraph 3.25, for FY 2021-22 at paragraph 4.25, for FY 2022-23 at Paragraph 5.23, for FY 2023-24 & FY 2024-25 at Paragraph 6.34 of the Petition, which was used to approve the revenue from the revised tariff.

TRUE-UP FOR FY 2021-22

O&M Expenses

Query 33. Section 4.9 (Pg no 161) of MYT Petition, Audited Accounts Balance Sheet

The value of O&M accounts claimed by the petitioner in Section 4.9 Rs.7367.31 Cr (Rs. 969.95 Cr (A&G) and Rs 6397.36 Cr (Employee cost) does not match with the value provided in the audited accounts (Note 32,33 &34) (Employee Expenses (Rs. 6298.41 Cr.) + A&G (Rs. 966.41 Cr.) = Rs. 7264.82 Cr.)

MSEDCL Reply:

- i. MSEDCL submits the reconciliation of O&M expenses with Audited Accounts as below:

Reconciliation of "Note-32: Employee Benefits Expenses" of Audited Accounts with MTR Petition

Particulars	Rs. Cr
	For the year ended 31-Mar-22
Salaries, Wages and Allowances	4810.86
Contribution to Provident and Other Funds	1431.56
Staff Welfare Expenses	394.88
Less : Employee Cost Capitalised	338.89
Total ::::	6298.42
Total as per Audited Accounts	6298.42
Add: Other Comprehensive Income	98.94
Total as per MTR Petition formats	6397.36

Reconciliation of "Note-34: Administration and General Expenses" of restated Audited Accounts with MTR Petition

Particulars	Rs. Cr
	For the year ended 31-Mar-22

Administrative Expenses	53.35
Legal & Professional Fees	40.29
Statutory Auditors fees [refer Note no. 38(18)]	1.14
Expenses towards Consumer Grievance Redressal Forum	0.47
Conveyance and Travel	69.55
Commission/Collection charges	126.46
Fees & Subscription	16.43
Printing & stationery	13.71
Advertisement Expenses	7.48
Electricity charges	32.98
Security Measures from Safety & Protection	175.46
Expenditure on Computer Billing	378.74
OPEX Scheme Expenses	62.46
Others	30.29
Less: Administrative Charges Capitalised	42.41
Total as per Audited Accounts (Note 34)	966.41
Add: Expenditure shown separately in MTR (in Audited Accounts considered as reduction from sales)	
Incentive to prepaid Consumers	0.0004696
Payment to MPECS	22.40
Lease related payments	47.21
Total claimed as per MTR format	1036.02
Less: Claimed separately under "Impact of Payment to MPECS in future years"	34.40
Less: Claimed separately under "Opex Scheme"	31.67
Total claimed as per MTR Petition format (F3.3)	969.95

Query 34. O&M Expenses for Wires and Supply Business for FY 2021-22

- a) O&M expense - Table 103 of the petition for the truing up of O&M expense for FY 2021-22 is not matching with the O&M expense filled in Tariff Forms form no. 3. (pg.np 64 need to check)

Particulars	FY 2021-22 (actual) (Petition)	FY 2021-22 (actual) (Tariff Forms)
O&M Expenditure for Wires business	4,936.62	4982.67
O&M Expenditure for Retail Supply business	2658.18	2663.76
Total Operation and Maintenance Expenses	7594.79	7646.43

MSEDCL Reply:

- i. MSEDCL submits that there is no error in submission of the Forms/Table in the Petition. As per the Email dated 21st August, 2019 from the Hon'ble Commission, in the "MERC - MTR 2019 Petition Formats – Discom", the Form 3 is "Summary of Operations and Maintenance Expenses" whereas, Form 3.1 is "Operation and

Maintenance Expenses –Normative”. As per specified format, Form 3 requires inputs to be entered from Form 3.2, Form 3.3 & Form 3.4.

- ii. Further, description preceding in paragraphs before Table 103 i.e. under Para 4.10 of the Petition explains/states only about normative O&M expenses (Rs. 7,594.79 Cr). For which Form 3.1 of the MTR Petition formats should be referred.
- iii. Para 4.9 of the Petition submitted explains/states about Actual O&M expenses.
- iv. MSEDCL submits that Page no. 64 of the Petition submitted is not relevant/related to the query stated above.

Capex and Capitalization

Query 35. Table 107, Capitalization Format, Audited book of accounts Note-3

The petitioner is to provide necessary reconciliation for item of Table 107. In which find the discrepancy regarding the value which is General assets, other civil works, vehicle, and land in the Format. The illustration is shown in the calculation as shown below:

Sl. No.	Item	As provided in Petition Table 107 and format	As provided in Audit Accounts -Note 3
a	General Asset	-8.64	0.0087
b	Other Civil Work	-23.09	9.44
c	Vehicle	-5.13	0.83
d	Land	2.66	6.17
e	Furniture & Fixtures	-2.61	3.55
f	Buildings	32.82	32.78
g	Computer software	24.39	24.94

MSEDCL Reply:

MSEDCL

- i. MSEDCL submits that while calculating the impact, addition as well as deletion/adjustment needs to be considered. MSEDCL further submits that in the petition it has considered entire head-wise cost shown under 'Deduction/Adjustments' as deletion, however, out of that amount certain amount is adjustment and balance amount is disposal. MSEDCL has now considered the actual disposal as submitted under Form 5 of MTR Petition formats.
- ii. The revised details are as below

Particulars	FY 2019-20
Land	7.83
Buildings	32.79
Vehicles	-5.13
Furniture & Fixtures	-2.62
General Assets	-8.70
Other Civil Works	-23.10
Computer Software	24.39

Query 36. Format Capex and Capitalization

The petitioner is required to provide the CBA for the various DPR schemes approved by the Commission and is to provide the details in the template provided below:

Scheme ref.	Status of CBA submission	Reference Letter

MSEDCL Reply:

- i. The details regarding the CBA for the various DPR schemes approved by the Commission as per the given format is provided as **Annexure Query 4_3_CBA Details**.
- ii. The supporting documents regarding CBA is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA**.

Query 37. General

- a) The petitioner is to classify all the schemes claimed in the petition in the formats for of capex and capitalization into Approved DPR, DPR not yet received, pending for approval DPR and Non-DPR
- b) The Capital cost of Schemes should be shown under separate header approved cost, actual cost and cost overrun and also provide the in-principle approval no.
- c) The time phasing for the scheme should be shown by the Petitioner as approved time of completion, actual time for completion, time overrun and interest during construction due to time overrun.
- d) Following details should be provided by the Petitioner in the template given below.

Scheme Name	In-principle Approval No. & Date *	Details for Cost Over Run (if any)			Details for Time Over Run			
		Approved Cost	Revised Cost	Justification for overrun	Original Completion	Revised Completion	Justification for the overrun	IDC (in Rs.)
DPR - Approved By the Commission								
DPR - Pending for Approval								
Non - DPR								

*Copy of Approval letters to be submitted for every in-principle approved scheme

MSEDCL Reply:

- i. The Capex related information into Approved DPR, pending for approval DPR, DPR Not received and Non-DPR is provided as **Annexure Query 4_4_Capex Details**.

- ii. The supporting documents regarding Capex approvals is provided as **Annexure Query 4_3 and 4_Approval Letters & CBA.**

Depreciation

Query 38. Para 4.13, Table 109, Audited Accounts Note 36 (Pg no 1144)

- a) Revised Opening GFA for FY 2021-22 as per MERC is Rs 57669.39 Cr needs to be revised as addition during FY 2021-22 approved by the MERC is Rs 2963.97 Cr (Order 322 of 2019) whereas MSEDCL is taken 3342.91 Cr in Table 109 of this petition. MSEDCL needs to rectify any error or provide the reconciliation for the same. Depreciation claimed in petition Rs 3342.91 Cr that is not matched with audited account Note 36 (Rs 3613.07 Cr)

MSEDCL Reply:

- i. It is submitted that the term 'addition during FY 2021-22' along with quoted figures referred in above query are w.r.t. depreciation and not addition to GFA.
- ii. MSEDCL submits that Hon'ble Commission in MYT Order stated as under:
"6.11.4 The Commission has taken the Opening GFA as the closing GFA approved for FY 2019-20 in the provisional truing-up for computing the depreciation for pursuing years..."
- iii. As per MERC MYT Regulations, 2019 '*Depreciation shall be re-computed for assets capitalized at the time of Truing-up along with the Mid-term Review*'.
- iv. Accordingly, MSEDCL in Para 4.13 of the MTR Petition submitted stated as under:

"3.13.1 The Opening GFA as per MSEDCL's Audited Accounts is 66,927.14 Crs (excluding the impact of Final Transfer Scheme/Restructuring Plan and subsequent revaluation). Accordingly, the depreciation has been reworked on a pro-rata basis on the revised Opening GFA for FY 2021-22 for the purpose of True-Up which is summarized below.

Table 60: Depreciation for FY 2021-22

Sr. No.	Particulars	Amount
1	Opening GFA for FY 21-22 (Actual)	66,927.14
2	Opening GFA for FY 21-22 as per MERC	57,669.39
3	Less: Consumer Contribution and Grants	
4	Net Opening GFA (Approved)	57,669.39
5	Depreciation (Actual)	3,342.91
6	Depreciation (Claimed in proportion to Actual)	2,880.50

..."

The above claim is in line with the methodology adopted by the Hon'ble Commission in Table 4-54 (Page 200) (for FY 2017-18 & FY 2018-19) of MYT Order dated 30.03.2020 in Case No. 322 of 2019.

- v. MSEDCL further submits that as the audited figures are inclusive of Financial Restructuring Plan & FRP is not considered while claiming the depreciation.

Funding Pattern for 2021-22

Query 39. Table 110, Audited book of Accounts Note 30 (pg no 1141)

The values of Consumer contribution (Rs. 7740.83 Cr.) and Grants (Rs. 959.20 Cr.) as provided the petitioner in the Table 61 does not reconcile with the value of Contribution Grants and subsidies towards cost of Capital assets (Rs. 1229.83 Cr.) and UDAY grant (Rs. 0) as provided in the audited book of accounts.

MSEDCL Reply:

- i. MSEDCL submits that description preceding in paragraph before Table 110 i.e. under Para 4.14.3 of the Petition clearly states that funding pattern of capitalization is in proportion to the capital expenditure. The relevant extract of the Petition submitted is reproduced below:
“4.14.3 The funding pattern for FY 2021-22 for the capitalization achieved by MSEDCL, in proportion to the funding pattern of capital Expenditure, is presented in the following table:”
- ii. Further, MSEDCL submits the MTR Petition Format “Form 8: Return on Regulatory Equity” clearly provides funding pattern of capital expenditure i.e., Consumer contribution (Rs. 479.01 Crs) and Grant received during the year (Rs. 620.21 Crs)
- iii. The reconciliation is provided below: Note No. 38(19) Additional Notes to balance sheet shows total consumer contribution received during the year.
- iv. Reconciliation of Grant with Balance sheet

Particulars	Amount (Rs. Cr)
Addition as per Balancesheet (Refer Note no. 38 (19) Additional Notes to B/S)	2,553.19
Add: HVDS Consumption entries taken in GL but not considered in MYT	5.94
Less: HVDS Grant used in next year	994.12
Less: DPDC Grant used in next year	314.84
Less: RAPDRP Grant (Loan converted into Grant)	531.55
Less: DDUGJY Grant received for past expenses	30.76
Less: IPDS Grant received for past expenses	67.65
Grant (Capital Expenditure) as per MTR	620.21

Interest Expenses

Query 40. Format 6, Note 35 (Pg no 1143)

The Actual interest expenses for FY 2021-22 as per petition is Rs. 1058.59 Cr. Petitioner need to submit the details of loan portfolio of each loan including loan account, interest rate, repayment done for each year etc. in table format with calculations of weighted average interest rate.

MSEDCL Reply:

- i. MSEDCL submits that there is no error in submission of the Forms/Table in the Petition.
- ii. As per the Email dated 21st August, 2019 from the Hon'ble Commission, in the "MERC - MTR 2019 Petition Formats – Discom", the Form 6 is "Interest on Loan Capital". Part A of Form 6 requires to compute Normative Loan, whereas Part B requires details of "Existing Actual Long-term Loans"
- iii. MSEDCL submits that as per Form 6 of formats and Table 111 (Page 147) of MTR Petition submitted its actual interest expenses are Rs. 1421.22 Cr. The details of such expenses are provided in Form 6B, wherein MERC prescribed details such as opening balance, addition in loan, repayment, closing balance, interest rate, etc. details are already provided.
- iv. MSEDCL further submits that Rs. 1058.59 Cr as referred in query above is normative expenses and not the actual. The same are computed and submitted in compliance with MERC MTR Formats.

Provision for Bad and Doubtful debts

Query 41. Table 117 of Petition (pg no 175), Audited book of Accounts

The value of Receivables as given in the format (Rs. 1248.18 Cr.) it does not available in Note 30 (Other income) of the Audited accounts. The petitioner is required to provide the reconciliation for the value of Receivables as provided in the Format. Bad debt should be in Note 30 (Other income).

MSEDCL Reply:

MSEDCL respectfully submits that Bad debts is an expense item and cannot be shown under the Income head.

Other Finance Charges

Query 42. Table 116, Format 6A, 6B, Audited accounts Note 35 (pg no 1143)

The value of finance charges for 2021-22 as provided in Format 6A and 6B (Rs. 45.47 Cr.) does not match with the value provided in the Audited book of accounts note 35 (Rs. 50.16 Cr.=Rs 4.76 Cr + Rs 45.40 Cr). The petitioner is to rectify the same or provide necessary reconciliation for the same.

MSEDCL Reply:

MSEDCL submits the reconciliation of "Other Finance Charges" with Note 35 of Audited Accounts as below:

Particulars	Rs. Cr	
		For the year ended 31-Mar-22
(B) Other Borrowing Costs		
Financial Charges	4.76	

Bank Charges	45.10	
Total as per Audited Accounts (Note 35)		49.86
Total As per MTR form 6A		45.47
Difference part of other exp. considered in Form 6B		4.39
Reasons for difference:		
Amount taken in Note 37 (i.e., Form 6B)		
Incentive to Distribution Franchisee	0.64	
Other Interest and Charges	0.004	
Interest on security deposit on bill collection agency	3.73	
Difference		4.39

Other Expenses

Query 43. Table 119, Audited account Note 37 (Pg no 1144)

The petitioner is to provide reconciliation for the value of other expenses claimed Rs 655.40 Cr with the audited book of accounts Rs 445.51 Cr (Rs 230.49 Cr + Rs 215.02 Cr)

MSEDCL Reply:

MSEDCL submits the reconciliation of "Form 6B: Other Expenses (Supply Business)" with Note 37 of restated Audited Accounts as below:

	Rs. Cr
Particulars	For the year ended 31-Mar-21
Miscellaneous Losses	230.49
Sundry Expenses	215.02
Contingency to Contingency Reserve as per MERC Regulations	171.02
Expected Credit Loss	2593.90
Amount as per Audited Accounts as per Note 37	3210.43
Less:	
Contingency to Contingency Reserve as per MERC Regulations [refer Note No. 36(26)]	171.02
Expected Credit Loss	2593.90
Add: Components added for MTR	
<u>Expenses taken from Finance Expenses (Note 35 of Audited Accounts)</u>	
Incentive to Distribution Franchisee	0.64
Interest from Suppliers & Contractors	205.49
Other Interest and Charges	0.0036
Interest on security deposit on bill collection agency	3.73

Total Amount as per Form 6B	655.40

Query 44. General

The petitioner is to provide the necessary documentary evidence to validate the investments made in contingency reserve.

MSEDCL Reply:

MSEDCL submits that the reply to this data gap shall be submitted subsequently

Query 45. Table 121 (Pg no 184)

MSEDCL has claimed Rs 367.37 Cr towards incentives and discounts given to the customer in FY 2021-22. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under the head 'Prompt Payment and Incremental Discount'. Further, this amount is deducted from 'Revenue from Sale of Power' i.e., as per "Note- 29 Revenue from operations" in FY 2021-22.

Return on Regulatory Equity

Query 46. Format 8

Cell number L15 (consumer contribution) of tariff form F8 (RoE) is not linked it should be linked with relevant cell in from 4.4 (consumer contribution).

In FY2021-22 Petitioner takes Debt : equity = 74:26 in Format 8. However in FY 2019-20 and FY 2020-21 Debt:Equity = 70:30. So Petitioner need to clarify on that.

MSEDCL Reply:

- i. MSEDCL submits that the scheme wise Consumer contribution amount is not available in SAP and hence, the amount as shown in the balance sheet is taken in MTR Petition format F8. Further, it will be difficult to project and allocate the consumer contribution to any particular scheme
- ii. As regards consideration of Debt: Equity ratio, MSEDCL respectfully submits that it has followed MERC MYT Regulations, 2019. Detailed explanation in this regard is already provided at Para 4.14 of the MTR Petition.

Impact of Payment to MPECS for FY 2021-22

Query 47. Section 4.27 (pg no 194)

The Petitioner should provide the reference to the audited book of accounts or provide documentary evidence to validate the payment made to MPECS of Rs. 34.15 Cr.

MSEDCL Reply:

MSEDCL submits that inadvertently the amount mentioned above in above points is taken from Apr.- 2021 (payment month of May-2021) to Mar. 22 (Payment month of Apr. 2022), hence, the same need to be corrected as per accrual basis to Rs. 34.40 which is mentioned in the Audited Accounts.

MSEDCL submits that details of payment made to MPECS and MERC towards use of MPECS assets for FY 2020-21 are clearly mentioned in the Petition copy earlier submitted. Please refer Page No. 1147 of the Petition 'Note No. 38- Additional Notes to Accounts' (Breakup- Page 1122 of the Petition: Rs. 22.40 Cr. "Note 6: Other Financial Assets" and Page 1139 of the Petition: Rs. 12 Crs shown in 'Note-34 – Administrative Expenses').

Further, though the details of amount paid to MPECS during FY 2020-21 & FY 2021-22 are not accounted in separate expense head, it is accounted as Rent expense (SAP GL 40400001) cumulatively with MSEDCL's other rent payments under one head i.e. Administrative Expenses with other administrative expenses of MSEDCL's like rent, rates and taxes

Incremental and Consumption and Bulk Consumption Rebate for FY 2021- 22

Query 48. Section 4.28 (Pg no 195)

The Petitioner should provide the reference to the audited accounts or provide documentary evidence to validate the payment made to Incremental and consumption and Bulk consumption Rebate of Rs. 546.44 Cr.

MSEDCL Reply:

MSEDCL submits that it is shown under head "Note 29: Revenue From Operations" of restated Audited Accounts for FY 2020-21.

Income from open access charges

Query 49. Section 4.32 (Pg no 198)

The Petitioner should provide the reference to the audited accounts or provide documentary evidence to validate the payment made to Incremental and consumption and Bulk consumption Rebate of Rs. 129.33 Cr.

MSEDCL Reply:

MSEDCL submits that it is shown under head "Note 29: Revenue From Operations" of restated Audited Accounts for FY 2020-21.

Income from wheeling charges and Income from Additional surcharges for FY 2021-22

Query 50. 4.34 and 4.35 (Pg no 199)

MSEDCL has claimed Rs 0.04 Cr towards income from wheeling charges in FY 2021-22 and Rs 402.62 Cr income from Additional surcharges in FY2021-22. MSEDCL to clarify the item under which such expenses have been booked under the Audited Accounts and reconcile the same with the claim made under the Petition.

MSEDCL Reply:

MSEDCL submits that it is shown under head “Note 29: Revenue From Operations” of restated Audited Accounts for FY 2020-21.

ARR Summary FY 2021-22

Query 51. Table 139, ARR summary Format

The Commission approved values of ARR (Rs. 85450.43) and Revenue from Sale of Power (Rs. 84400 Cr.) as provided in the Table 139 and the Format does not match with the value of ARR (Rs. 86100.30 Cr. projected) and Revenue from Sale of Power (Rs. 79927.39 Cr. projected) as provide in the order 322 of 2019. Petitioner is required to rectify this mismatch.

MSEDCL Reply:

Please refer to reply submitted to ‘Query 32. ARR Summary Format’ above.

Non-Tariff Income FY 2019-20, FY2020-21 and FY 2021-22

Query 52. Table 38,134,167

Petitioner should submit the break up of Other/Miscellaneous expense under head of Non- Tariff income for FY2019-20, FY2020-21 and FY2021-22 duly reconciled with Audited accounts for respective years.

MSEDCL Reply:

MSEDCL submits that the break up of Other/Miscellaneous expense under head of Non-Tariff income for FY2019-20, FY2020-21 and FY2021-22 duly reconciled with Audited accounts for respective years attached in **Annexure Query 4_52**.

Income- Tax expenses for FY 2019-20, FY 2020-21 and FY 2020-22

Query 53. FY 2019-20

Petitioner should submit the Income Tax assessment Orders for the FY 2019-20 to support its income tax claims.

MSEDCL Reply:

Please refer to reply submitted to ‘**Query 9(C)**’ above.

Query 54. FY 2020-21 and FY 2020-22

Petitioner should submit the Income Tax assessment Orders for the FY 2020-21 and FY 2021-22 to support its income tax claims and verify the income tax rate considered for ROE gross up.

MSEDCL Reply:

Please refer to reply submitted to 'Query 9(C)' above.

Capitalisation for FY 2022-23

Query 55. Table 148&149: Capitalisation for FY 2022-23, Para 5.11.1&5.11.2

- a) **MSEDCL has estimated capitalization of Rs. 5,165.40 Cr. for FY 2022-23, whereas Commission approved capitalisation for FY 2022-23 is Rs 2,090.36 Cr. MSEDCL needs to provide proper justification for the significant deviation of Capitalisation from the Commission approved figure.**
- b) **Petitioner should provide capitalization details of Estimated other Assets as claimed by MSEDCL for FY 2022-23.**

MSEDCL Reply:

- a) MSEDCL submits that Hon'ble Commission has approved the capitalization for FY 2022-23 to FY 2024-25 by calculating average of the five years for which Petition was submitted. The justification for the same is enumerated in Para No. 6.10.6 and 6.10.7 of the Order in Case No. 322 of 2019. Hon'ble Commission has admitted in these para, that lower capital projection has arisen due to fact that DPR for schemes to be executed in future (i.e., FY 2022-23 onwards) were not submitted for scrutiny and approval. Now, the estimates are taken on the basis schemes already approved or in pipeline.

Please refer **Annexure Query 4_55**.

- b) Capitalization details of estimated other assets for FY 2022-23 are already provided under MTR Petition formats "Form F5".

Depreciation

Query 56. Table 150: Depreciation for FY 2022-23 Para 5.12.1

MSEDCL has considered the Opening GFA for FY 2022-23 without grants and consumer contribution. MSEDCL have to reconcile grants and consumer contribution received in FY 2021-22 from its audited accounts.

MSEDCL Reply:

Please refer to reply submitted to 'Query 39. Table 110, Audited book of Accounts Note 30 (pg no 1141)' above.

Interest Expenses for loan capital

Query 57. Table 152: Interest Expenses for FY 2022-23, Para.5.14.4

In MTR format F6 the cell linkages for FY 22-23 are incorrect. (O15 to O25). Petitioner need to check the cell linkages and revise the numbers. Accordingly Petitioner need to update the revised numbers in Table 152 of Petition.

MSEDCL Reply:

MSEDCL shall submit the updated number in revised Petition.

Provision for Bad Debts for FY 2022-23

Query 58. Table 156: Provision for Bad and Doubtful debts (Wires and Supply)

- a) Provision for bad & doubtful debts during the FY 2022-23 instead of 2021-22.
- b) For Retail Supply Business provision for Bad Debts is estimated 953.66 crores whereas approved is 659.37 crores. So, petitioner should provide specific proof regarding this deviation.

MSEDCL Reply:

- a) MSEDCL submits that the same shall be incorporated in the revised Petition.
- b) MSEDCL respectfully submits that under Para 5.17.3 to 5.17.6 of MTR Petition it is already stated as under:

“5.17.3 MSEDCL submits that Provision of bad debt generally depends on the nature of the business and the risk involved in the business. A business typically estimates the amount of bad debt based on historical experience.

*5.17.4 MSEDCL has computed the provision for bad and doubtful debts for FY 2022- 23 as per the provisions of the MYT Regulations, 2019 considering the estimated receivables for FY 2022-23. The receivables are taken as per provisional till September 2022 in order to arrive at the receivables for FY 2022-23. For the interest part a y-o-y rise of 2% and 10% is taken for Non-Ag and Ag respectively. **MSEDCL further submits that the provision estimated for FY 2022- 23 shall be written off after the approval of the Hon’ble Commission.***

*5.17.5 MSEDCL for estimation purpose has presently considered provisioning @1.50% instead of 7.50% (as Ag sales are more than 20% of total sales). However, **MSEDCL reserves its right to seek claim on bad-debts at the time of truing-up as per the provisions of the MYT Regulations, 2019....”***

Other Expenses for FY 2022-23B

Query 59. Table 157: Other Expenses FY 2022-23 Para. 5.18.1

Provision for Non-Moving Items, Incentive to Distribution Franchisee, Interest to suppliers/Contractors, Other Interest and Charges, Interest on security deposit on bill collection agency are the following which is not approved by commission in 322 of 2019 but now Petitioner requests to allow these expenses too.

The petitioner should validate reasons for such claims.

MSEDCL Reply:

MSEDCL respectfully submits that expenditure of similar nature is booked in FY 2021-22 Audited Accounts.

Contribution to contingency reserve FY 2022-23

Query 60. Table 158 (pg no 227)

As per provision of Regulation 35.1 of MYT Regulation 2019, Petitioner is required to deposit the contingency reserve contribution in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.

Petitioner need to submit the details of the contribution invested in the securities authorised under the Indian Trusts Act, 1882 and the date of investments.

However, it is noted that, as per para 5.19.2 of petition, due to financial crunch owing to COVID-19 pandemic, MSEDCL has not invested any amount towards contribution to contingency reserves for FY 2020-21 & FY 2021-22.

As regulations in case of non-investment of amount of contribution to contingency reserves in authorised securities for two consecutive years, then the contribution to contingency reserves shall not be allowed in calculation of ARR from the subsequent year onwards. Petitioner need to submit its view on the above provisions of the Regulations.

MSEDCL Reply:

MSEDCL submits that the reply to this data gap shall be submitted subsequently

Non-Tariff Income for FY 2022-23

Query 61. Table 167: Non-Tariff Income for FY 2022-23 Para:5.29.2

- a) The Commission approved values of Sale of Scrap in 322 of 2019 was 60.25 crores but petitioner estimates 43.74 crores. So, petitioner should specify this deviation in sale of scrap. And petitioner should give detailed break up of Rs. 359.01 crores considered in Other/Miscellaneous receipts.

MSEDCL Reply:

MSEDCL submits that it has estimated amount from sales of scrap as Rs. 43.74 Cr, considering the average of previous three years' actual 'Sale of Scrap' amount. In this regard review has been taken and it is found that some of items such as R- APDRP interest converted into grant, Sundry credit balance written back etc. are not of recurring nature. The same have been inadvertently considered while projecting "Other/Miscellaneous receipts". The revised estimated expenses are provided in table below and the same shall in incorporated in the revised Petition.

	FY 2022-23 (Approved)	FY 2022-23 (Estimated)	Deviation
Rents of land or buildings	1.20	0.96	(0.24)
Sale of Scrap	60.25	43.74	(16.51)
Income from investments	21.42	-	(21.42)
Income from sale of tender documents	10.33	4.95	(5.38)
Prompt payment discount from REC/PFC	14.08	-	(14.08)

Other/Miscellaneous receipts	311.40	240.41	(70.99)
Revenue from subsidy & grant	-	0.50	0.50
Interest on Contingency Reserve Investments	-	27.41	27.41
Non-Tariff Income	418.67	317.96	(100.71)

	FY 23-24 Approved	FY 23-24 Projected	FY 24-25 Approved	FY 24-25 Projected
Rents of land or buildings	1.26	1.00	1.32	1.05
Sale of Scrap	63.27	45.93	66.43	48.23
Income from investments	22.49	-	23.61	-
Income from sale of tender documents	10.84	5.19	11.38	5.45
Prompt payment discount from REC/PFC	14.78	-	15.52	-
Other/Miscellaneous receipts	326.97	252.43	343.32	265.05
Revenue from subsidy & grant	-	0.53	-	0.55
Interest on Contingency Reserve Investments	-	28.78	-	30.21
Total	439.60	333.86	461.59	350.55

OPEX for FY 2023-24 to FY 2024-25

Query 62. Para 6.2 / Table 199 (Opex)

The petitioner has not provided the cost-benefit analysis and savings in O&M Expenses resulting from the Opex schemes as part of the submissions in the Petition. The Petitioner is required to provide the same for all the schemes claimed under Opex.

MSEDCL Reply:

Detailed cost-benefit analysis for all OPEX schemes is provided below:

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
1	Centralised Customer Care Center services and establishment of Consumer Facilitation Centers (CFC)	<p>Benefits:</p> <ul style="list-style-type: none"> • Better & professional Customer Care service to MSEDCL Consumers calling its Toll free numbers (1912, 19120, 1800-233-3435, 1800-212-3435). High Availability of CCC operations. BPO companies maintain robust CCC Infrastructures, trained manpower backups & redundant telecom lines to avoid disruptions and SLA penalty. • Faster call handling and quicker resolution of Consumers' Calls. • Outbound campaign like payment follow-ups can be easily

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
		<p>arranged for better outcome.</p> <p>CFC are established to enhance customer experience equipped with state of the art facilities with following objectives</p> <ul style="list-style-type: none"> • Division level Facilitation Centers (for in-person resolutions). • Single Window Service for all types of consumer complaints / issues. • Quick In-Person resolutions of all Complaints/Enquiries/ Service Request, etc. • Improved quality of services. • Ease of Access to all consumer related information. <p>Cost benefits:</p> <p>In addition to address the consumer complaints for which Customer Care Centre has been established, MSEDCL has utilized Centre for follow up of payments and achievements of Outbound Campaign for payment follow-ups as under:-</p> <p>For the period Apr-2019 to Mar-2020 total no. of calls made to defaulting consumers were 2,59,733 nos. (monthly avg. 21,644 nos.) and payment received from consumers was of Rs. 220.08 crore (monthly avg. Rs. 18.34 crore). For the period Apr-2020 to Mar-2021, no outbound calls for Arrears feedback were made due to COVID 19 Lockdown guidelines. For the period Apr-2021 to Mar-2022, total no. of calls made to defaulting consumers were 7,35,547 nos. (monthly avg. 61,295 nos.) and payment received is of Rs. 1739.82 Crore (monthly avg. Rs. 144.99 crore). Outbound Campaign for payment follow-ups with defaulting consumers helped MSEDCL in realization of revenue.</p> <p>Due to redressal of billing complaints and power supply related complaints through call center, the consumer satisfaction is improved thereby improving collection efficiency and billing quality, which is intangible benefit.</p>
2	RF-DCU (Expression of Interest & Tender)	<p>Benefits:</p> <ul style="list-style-type: none"> • No need to visit the consumer premise/ carry Hand Held Terminals (HHT) to take meter readings. • Readings downloaded by DCUs can be seen online through web based data collection software of agencies. • Accuracy of reading is 100%. <p>Cost benefits:</p> <p>RF-DCU project is implemented in towns with high losses like Jalgaon, Nanded and Latur on pilot basis. The detailed analysis has shown rise of 1.63% in sale for FY21-22 after RF DCU implementation in above zones. Also there is rise of 1.87% in sale for FY21-22 in all RF-DCU project area across Maharashtra.</p>

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
3	Substation Monitoring System (SMS)	<p>Benefits to MSEDCL:</p> <ul style="list-style-type: none"> • Improved monitoring and situational awareness of remote substations • Feeder Interruption analysis and computation of reliability indices such as SAIDI, SAIFI, etc. • Monitoring failures and breakdowns, Feeder load profiling, Load growth planning, and management • Data for Strategic, Managerial, and Operational decisions <p>Benefits to Customers:</p> <ul style="list-style-type: none"> • Quick actions from MSEDCL to reduce downtime and improve customer satisfaction. • SMS alerts facility can be extended to consumers so that consumers will know that the feeder is under breakdown. <p>Cost Benefits: The cost benefits of the project are intangible</p> <p>As per the MYT order (Case No. 322 of 2019 dated 30.03.2022) the Hon'ble Commission has approved the Substation monitoring system project across MSEDCL with the following cost benefit. Implementing a Substation Monitoring System will help MSEDCL in controlling outages by bringing an effective Outage Management System of feeders and health monitoring of equipment. At present, the revenue loss due to forced outage is approx. Rs. 339.77 Crore/year, with the help of Station Monitoring System saving of nearly 20% of revenue loss is envisaged.</p> <p>Present Status of the Project is as under: The tender no. MSEDCL/HO/CGM-IT/Substation Monitoring System/19-20 was floated on OPEX basis with an estimated cost of Rs. 330.64 Crores for 5 years on date 03.07.2019. Due to poor response the same was cancelled and now Tender No: MSEDCL/HO/CGM-IT/Substation Monitoring System/22-23/1 is floated on CAPEX + OPEX basis on date 25.08.2022 with the last date of bid submission as 30.12.2022. The estimated cost of the tender is Rs 450.41 Crore. The implementation period is of 1.5 year and the FMS period is of 8 years.</p>
4	MSEDCL Cloud Project	<p>Project Benefits:</p> <ul style="list-style-type: none"> • Less operational issues: The cloud service provider company has to maintain the cloud uptime as per the Service level Agreement with the Customer which is normally 99.99%. Therefore, cloud computing actually has fewer issues than On-Premises infrastructures. • Security: Cloud Service Provider is usually backed by top class security professionals managing the security infrastructure of Cloud 24x7. The cloud service providers also perform more regular security audits. Cloud providers even back up data to additional remote servers so data loss just won't happen. • Cost Benefits: The LOA issued for Rs. 88.77 Cr is less than cost of On-premise infra required at Data Centre and Disaster Recovery

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
		<p>Centre for hosting applications. The amount Rs. 17.75 Cr. contains opex as well as capex amounts whereas above table contains only Opex amounts.</p> <p>Estimated on premises IT Infra cost for 5 years would have been Rs. 205.79 crs (all capex) (i.e 205.79/5= Rs. 41.15 crs per year)</p> <p>In case of cloud, LOA issued for 5 years is Rs. 88.77 Crs. (Capex 5.26 Crs. and Opex Rs. 83.51 Crs. ie. Rs 88.77/5 = Rs 17.75 Crs. Hence there is cost savings in case of Cloud, compared to On-Premise Dc & DR Center.</p>
5	Vehicle Tracking System	<p>Project Benefits:</p> <ul style="list-style-type: none"> • Provide effective monitoring, better decision making, planning and management of MSEDCL vehicles. • Track the vehicles on real-time basis, so that the current location of the vehicle can be identified for effective monitoring. • Identify the vehicles doing violations based on the time of travel, distance travelled, destinations, etc. • Generate analytical / graphical reports based on the various parameters, as desired by MSEDCL from time-to-time (development/customization to be done if required). • Better Customer Services When Customer is having an outage, we need to respond quickly. Sending the closest vehicle during the outage will enhance customer service. • Faster Access to help in Emergencies. Cost Benefits: The benefits of this project are intangible .
6	Business Analytics and Demand Forecasting Solution	<p>Project Benefits:</p> <p>The proposed solution will enable measurable improvements including:</p> <ul style="list-style-type: none"> • Demand Forecasting • Scenario Analysis • Demand Supply Position Map (Load Generation Balance) • Power Portfolio Management • Scheduling Optimization • Trade Optimization • Enterprise Visualization <p>Cost Benefits:</p> <p>The benefits of this project are intangible.</p>
7	Enterprise GIS & Network Analysis Solution	<p>Project Benefits:</p> <p>The proposed solution will enable measurable improvements including:</p> <ul style="list-style-type: none"> • GIS Implementation at Enterprise Level • Reliability and Performance Indices • Network System behaviour and response to disturbances • Optimization of asset utilization and operating efficiency of the electric power system. <p>Cost Benefits:</p> <p>The benefits of this project are intangible .</p>

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
8	ERP SAP S4 HANA	<p>Benefits of SAP S4 HANA:</p> <ul style="list-style-type: none"> • The SAP HANA in-memory database helps organizations to execute transactions and analyse business data in real-time. • User experience is powered by Fiori – browser based and convenient to use. • Embedded real-time analytics, and HANA powered in-memory processing to handle large data volumes of operational and transactional business data. <p>Benefits of SAP Treasury and Risk Module (TRM):</p> <ul style="list-style-type: none"> • With the SAP TRM application, one can integrate cash flows, transactions, loan, grant and optimize straight-through processing with full-view and real-time analysis, audit trails, and compliance reporting. <p>Cost Benefits: The benefits of this project are intangible .</p>
9	Procurement of SD-WAN Solution	<p>The benefits of this project are intangible eg.</p> <ul style="list-style-type: none"> • Faster Access, Better availability, Resilience for MSEDCL applications. A resilient SD-WAN reduces network downtime. The technology shall feature real time detection and automatic switch over to working links. • Field offices connected to each other • Quality of service: SD-WAN technology supports quality of service by having application level awareness, giving bandwidth priority to the most critical applications. This may include dynamic path selection, sending an application on a faster link, or even splitting an application between two paths to improve performance by delivering it faster. • Security: SD-WAN communication is secured using IPsec, SSL, Application Control, Malicious URL filtering, IPS/IDS, Firewall etc. • Application optimization: SD-WANs can improve application delivery using caching, storing recently accessed information in memory to speed future access. • Multipoint Communication: SD-WAN forms multipoint communication across branch offices using MPLS over SD-WAN • Centralized Control: SD-WAN provide Centralized Management Control to manage traffic, assign policies, configured devices (switches, routers, firewalls) etc. • Cost Effective: SD-WAN improves cost effectiveness and flexibility by leveraging commercially available Bandwidth hardware and network devices. <p>Cost Benefits: MSEDCL's MPLS Network costing upto subdivision level (capex+opex) is Approx 80.44Cr for 5 Years Whereas for cost of SD-WAN Project for availing same type of services with highest level of cyber security is approx. Rs. 72.66 Crs including 2 broadband links (SD-WAN cost 53.47+ Broad Band cost 19.19)for 5 Years (thus</p>

Sr. No.	Project Name	Cost Benefit analysis of Opex Schemes
		saving Rs. 7.78 Crs for 5 years).

OPEX for FY 2023-24 to FY 2024-25

Query 63. Table 199 (Pg no 272) (Opex)

- a) The petitioner is to provide a brief note on the selection of service providers for various Opex schemes as claimed in the petition which includes cost competitiveness of selection process followed, letter of award for the various schemes as mentioned in the Scheme.

The Note should also refer the provision of Capex Regulations 2022 of the Commission.

MSEDCL Reply:

The selection of service provider for various OPEX scheme projects, is done through competitive bidding process. The RFP / tenders are processed through e-tender portal of MSEDCL. A wide publicity is given to bid notice through website notification, print media etc. The cost competitiveness is ensured in each OPEX scheme project, by awarding project to L1 bidder only, after ensuring rate reasonability.

Capex & Capitalization for FY 2023-24 & 2024-25

Query 64. Para 6.22 / Table 200 (Capex & Capitalization)

The Petitioner has submitted the capex and capitalisation for FY 2023-24 and FY 2024-25:

	FY 23-24	FY 23-24	FY 24-25	FY 24-25
	Approved	Projected	Approved	Projected
Capital Expenditure	-	17,857.23	-	19,961.71
Capitalisation	2,090.36	17,294.95	2,090.36	20,287.05

- a) The petitioner needs to provide details of capex approved by the Commission during MYT and MTR period with ref of approval in table below:

Sr.	Particulars of capex approved	Amount of approved Capex in Rs. Lakh	MERC approval Ref.

Petitioner also need to provide the year wise of phasing of expenditure approved by the Commission.

- b) The petitioner has claimed projected Capex requirements for RDSS (System Strengthening) as Rs. 1458 Cr. For FY 23-24 and Rs. 5835 Cr. For

FY 24-25 in the excel sheet regarding Capex. The petitioner needs to provide details of the System strengthening scheme and funding details of these schemes.

MSEDCL Reply:

- a) The details of Capex approved by Hon'ble Commission during MYT and MTR as per the given format shall be submitted subsequently.
- b) The System strengthening works are yet to be sanctioned by the Gol. The details of the proposed System strengthening scheme and funding details of these schemes is as under.

#	Targeted interventions for system strengthening		Applicable Units	Physical Targets as per DPR (Numbers)			Total	Estimated Outlay as per DPR (Rs. Crore)
				FY24	FY25	FY26	Qty.	
1	Augmentation of substations							
	a.	Additional Power Transformer	Nos.	38	189	151	378	421.7
	b.	Augmentation of Power Transformer	Nos.	33	164	131	327	345.3
	c.	33 KV & 11KV Feeder bay	Nos.	120	602	482	1204	178.1
2	Substations							
	a.	New traditional substations	Nos.	50	250	200	499	1325.9
	b.	New GIS substations	Nos.	3	14	11	28	134.0
3	New switchings		Nos.	3	17	14	34	102.8
4	HT lines							
	a.	33kV HT Lines	Ckm	788	3941	3153	7883	1051.01
	b.	22kV HT Lines	Ckm	171	856	684	1711	186.99
	c.	11kV HT Lines	Ckm	1465	7326	5861	14651	1538.77
5	HT Cables							
	a.	33kV HT Cables	Ckm	124	619	495	1237	505.66
	b.	22kV HT Cables	Ckm	75	375	300	750	258.75
	c.	11kV HT Cables	Ckm	218	1092	874	2184	951.66
7	Fault passage indicator (11, 22KV) othan SCADA towns		Nos.	5113	25564	20451	51128	222.00
8	Augmentation of DTs							
	a.	Augmentation of 22kV DTCs (All KVA Class)	Nos.	301	1507	1205	3013	280.0
	b.	Augmentation of 11kV DTCs (All KVA Class)	Nos.	1334	6669	5335	13338	538.0
9	New of DTs							
	a.	New 22kV DTCs (All KVA Class)	Nos.	354	1770	1416	3539	349.1
	b.	New 11kV DTCs (All KVA Class)	Nos.	2280	11399	9119	22798	1126.9
10	New LT Lines							
	a	New LT / UGCables	Ckm	1448	7240	5792	14480	882.71

#	Targeted interventions for system strengthening		Applicable Units	Physical Targets as per DPR (Numbers)			Total	Estimated Outlay as per DPR (Rs. Crore)
				FY24	FY25	FY26	Qty.	
	b	LT Mini-Pillar/ Feeder Pillar	Nos.	3617	18086	14468	36171	135.98
11	Replacement of poles and Equipments							
	a	HT Pole	Nos.	1707	8533	6826	17065	89.8
	b	LT Pole	Nos.	2592	12958	10366	25915	29.6
	c	CT	Nos.	194	970	776	1940	5.7
	d	PT	Nos.	114	571	456	1141	2.8
	e	LA	Nos.	56	279	223	558	1.342
	f	Replacement of Existing 33KV Line by Monobase Tower Line	Nos.	5	23	18	46	9.6
	g	CR Panel	Nos.	11	54	43	107	1.2
	h	Breaker	Nos.	68	339	271	677	34.0
	i	Isolator	Nos.	372	1858	1486	3715	35.7
	j	Battery Charger	Nos.	57	287	229	573	7.1
	k	RMU	Nos.	233	1167	933	2333	209.4
	l	LT Distribution Box	Nos.	926	4629	3703	9257	27.7
16	SCADA/ DMS implementation							
	a.	Group-A: SCADA, DMS, OMS (Population >= 2.75 Lakh)	Nos.	1	7	6	14	843
	b.	Group-B: SCADA (25k <Population < 2.75 Lakh)	Nos.	0	0	0.0	-	0
	c.	Group-C: RT-DAS (Population <= 2.75 Lakh)	Nos.	0	4	3.0	7	459
17	NCRMP Works		LS	120	602	481.7	-	1204.23
18	HT/LT OH to UG Conversion		Ckm	545.02	2725.1	2180.1	5450.2	327.27
19	IT/OT (Substation Monitoring)		LS	56	278	222.0	-	555.00
20	Miscellaneous Works		LS	21	105	84.4	-	210.97
	Total Outlay			1458.9	7294.3	5835.4	Total	14588.52

The following is the funding pattern for System Strengthening Scheme under RDSS

System Strengthening	GBS (Govt. Budgetary Support) from GoI - Max 60% of the approved cost of Distribution infrastructure works	Balance 40% amount to be arranged through Internal Sources / Loan from Financial Institutes as per RDSS Guidelines.
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Depreciation for FY 2023-24 to FY 2024-25

Query 65. Regulatory Formats F5

- a) **There is a typo error in the block “H88”. The Petitioner should rectify FY 2024-25 as FY 2023-24**

MSEDCL Reply:

MSEDCL submits that the same shall be incorporated in revised Petition.

Other Expenses for FY 2023-24 to FY 2024-25

Query 66. Para 6.29.3 (other expenses)

The petitioner has applied an escalation factor of 5% for calculating the value of other expenses for each subsequent year of the control period. The petitioner is required to provide justification for assuming the escalation at 5% with due consideration of past trends.

MSEDCL Reply:

MSEDCL submits that expenses booked projected under this head are of varying nature, therefore, 5% escalation is considered.

Contribution to contingency reserves

Query 67. Para 6.30.2 (pg no 285) (contribution to contingency reserve)

As per para 6.30.2 of petition, MSEDCL submits that due to financial crunch owing to COVID-19 pandemic, it has not invested any amount towards contribution to contingency reserves for FY 2020-21 and FY 2021-22. As per regulations in case of non-investment of amount of contribution to contingency reserves in authorised securities for two consecutive years, then the contribution to contingency reserves shall not be allowed in calculation of ARR from the subsequent year onwards.

MSEDCL Reply:

MSEDCL submits that the reply to this data gap shall be submitted subsequently.

Incentives and Discounts for FY 2023-24 to FY 2024-25

Query 68. Para 6.32.1

- a) **The petitioner is to provide the basis for the value of escalation of 5% considered for incentives and discounts**

MSEDCL Reply:

MSEDCL submits that Hon'ble Commission in its MYT Order dated 30.03.2020 in Case No. 322 of 2019 ruled as under:

“6.19.4 The Commission in the MTR Order dated 12th September 2018 allowed “Incentives & Discount” for FY 2015-16 and FY 2017-18 at Rs. 249 Crore and 239 Crore respectively, after verifying it from the audited accounts. In this

order for truing up of FY 2017-18 and FY 2018-19, the Commission approved Rs 242 Crore and Rs. 287 Crore after verifying it from the audited accounts. For provisional truing up based on the available information of six months the Commission approves Rs. 307 Crore for FY 2019-20. **The annual escalation of 5% for projecting Incentives and Discounts by MSEDCL appears to be reasonable.** The Commission has thus approved the projection of Incentives/Discounts accordingly, as shown in the Table below:
...” (emphasis added)

Additional Surcharge refund for FY 2023-24 and FY 2024-25

Query 69. Para 6.37.2

- a) **Petitioner is claiming to refund the ASC in every month to eligible consumers to the tune of Rs. 15 Crs. And thus claiming the refund burden of Rs. 180 Crs annually. The petitioner should provide supporting methodology for computation of proposed ASC.**

MSEDCL Reply:

- i. MSEDCL submits that required clarification is already provided in the MTR Petition. The same is reproduced hereunder:

4.26.5 Hon'ble Supreme Court vide Order dated 1st July 2019 granted stay on the APTEL Order dated 27 March 2019. MSEDCL again started levying Additional Surcharge to Group Captive Consumers from July-2019. The Hon. Supreme Court vide Order dated 10th December, 2021 in Civil Appeal No 5074/5075 of 2019 upheld the APTEL Order dated 27 March, 2019 and ruled as under:

“16. ...Therefore, as such once it is held that the captive consumers/captive users are not liable to pay the additional surcharge leviable under Section 42(4) of the Act, 2003, the appellant – distribution licensee has to refund the same. However, considering the fact that there shall be huge liability on the appellant – distribution license if they have to now refund the amount of additional surcharge recovered at a stretch, we direct that the additional surcharge already recovered from the captive consumers/captive users shall be adjusted in the future wheeling charges bills.”

4.26.6 Subsequently, the group captive consumers viz M/s JSW Energy Ltd & Ors filed the Contempt Petition (Civil) 112-113 of 2022 in March 2022 for alleged noncompliance of the Hon'ble Supreme Court Order dated 10 December 2021 in Civil Appeal No 5074/5075 of 2019. The Hon'ble Supreme Court vide Order dated 15.3.2022 in Contempt Petition (Civil)

112-113 of 2022 was pleased to close the contempt proceedings and further directed that,

“... the amount of additional surcharge already recovered which the Distribution Company is liable to refund to the captive consumers/captive users, the same may be adjusted in the future wheeling charge bills (as ordered earlier) by giving 50% of the credit of the actual bills meaning thereby the 50% of the actual wheeling charge bills shall be given credit and adjustment towards the additional surcharge already recovered, meaning thereby the concerned captive consumers/captive users have to make the payment of 50% of the actual wheeling charge bills and the rest 50% would be adjusted towards amount due and payable/refunded to them.”

4.26.7 As per the Hon. SC orders, MSEDCL immediately stopped levy of ASC to group Captive Consumers in January 2022. **MSEDCL has adopted following methodology for refund of ASC.**

a) For Non- Open Access Consumer:

Group Captive consumers who are presently not under open access, the ASC is being refunded in installments through IT Billing system from the bill for the month of March-2022. The number of installments are equal to number of months for which ASC was levied in their monthly Open Access bills and paid by the consumers

b) For Open Access Consumer:

The ASC amount in respect of live group captive open access consumers is being refunded limited to 50% of their Wheeling Charges or Transmission charges in every monthly open access bill as per the directives of the Supreme Court through IT Billing system from the bill for the month of March-2022.

4.26.8 **MSEDCL has refunded amount to the tune of Rs. 12.27 Cr in the month of March 2021. MSEDCL is refunding the ASC in every month to eligible consumers to the tune of Rs. 15 Crs. The refund burden will be Rs. 180 Crs annually. The refund will continue at least for three years for such non-OA consumers and more than five years from open access consumers. Accordingly, the same is being claimed in the ARR. Hon'ble Commission is requested to approve the same.**”

ii. MSEDCL is also submitting herewith monthly refunded amount

Month	Open Access Consumers		Non-Open Access Consumers (HT Consumers)		Total	
	No. of consumer	Amount in Crs	No. of consumer	Amount in Crs	No. of consumer	Amount in Crs

Mar-22	42	8.82	6	3.45	50	12.27
Apr-22	42	8.69	6	3.82	50	12.51
May-22	42	8.90	6	3.82	50	12.72
Jun-22	43	10.55	7	5.59	50	16.13
July-22	43	9.05	7	5.68	50	14.73
Aug-22	43	9.24	7	5.68	50	14.92

Revenue from sale of electricity for FY 2023-24 to FY 2024-25

Query 70. Para 6.38.2 / Table 216 (Revenue from sale of electricity)

a) The petitioner has submitted the year-wise revenue from sale of power at

Particulars	FY 23-24	FY 23-24	FY 24-25	FY 24-25
	Approved	Projected	Approved	Projected
Revenue from Sale of Power at Existing Tariff	91,883.00	90,420.28	95,927.00	92,352.22

the existing tariff as:

The revenue approved figures in the table do not meet the Approved figures in the MYT order 322 of 2019. Petitioners need to recheck and confirm.

MSEDCL Reply:

Please refer to reply submitted to 'Query 32. ARR Summary Format' above.

Non-Tariff Income for FY 2023-24 to FY 2024-25

Query 71. Para 6.39.4 / Table 217 (Non-tariff income)

Petitioner should submit the breakup of expenses considered under Other/Miscellaneous expense, under head of Non- Tariff income for FY 23-24 and FY 24-25'.

MSEDCL Reply:

MSEDCL respectfully submits that amount in on projected basis and same is derived considering 5% escalation. Please also refer to reply submitted to 'Query 61. Non-Tariff Income for FY 2022-23' above.

Schedule of Charges

Query 72. Para 16.2.2 Actual expenditure incurred by MSEDCL in providing power supply

MSEDCL has submitted that actual expenditure incurred by MSEDCL in providing power supply to new consumers is on higher side. MSEDCL need to provide details of such cases wherein actual expenditure incurred is above normative expenditure.

MSEDCL Reply:

MSEDCL submits that in case of bulk consumer (Residential/ commercial complex) generally involves multiple connections. In such cases if load is more than 3 MVA, new substations/ switching stations is proposed. In such cases generally 1 power transformer and DTCs erected in said complex are taking load of consumers of said complex only. In view the said power transformer and DTCs are dedicated to said complex only. Accordingly, considering the said expenditure on infrastructure is generally greater than the amount of normative service connection charges.

Query 73. Para 16.2.4 information on power supply released to the new consumers
MSEDCL has provided the circle wise details of new connections released under different categories. MSEDCL need to further provide the break-up of submitted statistics between No. of connection which are done by paying only 1.3% supervision charges and works done by MSEDCL.

MSEDCL Reply:

MSEDCL submits that information is attached herewith as **Annexure Query 4_73.**

Query 74. Para 16.2.5 Range of estimates

MSEDCL has provided the range of estimated amount of service connection charges required for OH & UG systems. It is necessary to provide the basis for the said argument.

MSEDCL Reply:

MSEDCL submits that the estimates are prepared referring the cost data for FY 2019-20

Query 75. Para 16.2.10 Basis for estimate preparation

MSEDCL has mentioned that estimates have been prepared based on revision (provisional) in cost data of FY 2019-20 and centages (25.50%).

MSEDCL need to provide Central Purchase Agency (CPA) data in support of the rates of materials as considered by it.

The Commission while approving SoC in Case No.322 of 2019 considered cost data for FY 2019-20. MSEDCL need to provide cost data considered by it in this proposal.

As cost data considered is quite old, it is suggested that approach of market-based pricing may be followed up. Accordingly, estimates based on prevalent market rates (considering bulk procurement) may be prepared and furnished with the proposal.

What is the basis for centages (of 25.50%) calculations?

MSEDCL Reply:

It is to submit that the MSEDCL has circulated its Cost Data for FY 2022-23 which is approved vide Board Resolution 2593 dated 03.11.2022. The latest cost data is attached. Further, the rate of materials procured by CPA at Corporate level is attached as **Annexure Query 4_75.**

The centages of 25.50% (Labour Charges, Transportation Charges, Tools & Plants, Contingencies and Insurance & Finance Cost) considered based on realistic estimates.

Query 76. Para 16.3

For availing load above 20kW in OH and UG system, MSEDCL proposes SoC on actual basis.

Works of releasing the connection is divided in to two parts (1) Service connection works- in this case backbone infra is ready and extension of service line is only required along with metering (2) Augmentation of mains.

It is expected that while proposing normative charges, Distribution Licensee will propose only Service connection works assuming the fact that all backbone infra is ready.

Creation of backbone infra can be done under DDF or through CAPEX schemes. MSEDCL is suggested to provide the normative estimate for releasing Service connection works only.

Further for any backbone infra works, MSEDCL shall provide the cost details on per km basis for OH/UG cables based on ratings.

MSEDCL Reply:

As suggested the normative estimates **Annexure Query 4_76a** for releasing service connection works are attached referring the MSEDCL's Cost Data for FY 2022-23 **Annexure Query 4_76b**.

Query 77. Para 16.3.4 Cost of metering

MSEDCL has worked out the normative rates based on rates obtained through e-procurement +4% indirect cost towards transportation.

MSEDCL need to provide the details of meter e-procurement in past 2 years along with rates.

MSEDCL in its proposal mentioned that meter box will be provided by MSEDCL at its own cost. Kindly provide the details of meter boxes fixed by MSEDCL in last (2) years.

MSEDCL Reply:

The details of various types of meter e-procurement by MSEDCL in past two years along with rates are attached as **Annexure Query 4_77**

Meters are generally procured along with enclosures (meter box). Separate meter boxes are not purchased at corporate level. The single phase meter procured with enclosure (Meter Box) is specified in **Annexure Query 4_77**

Query 78. Missing Item

As per Regulation 4.3.5 of MERC Supply Code, 2021, MSEDCL is required to propose charges for the purpose of giving temporary supply and for the purpose of discontinuance of such temporary supply.

MSEDCL Reply:

For the purpose of giving temporary supply, estimated charges 'at actual' shall be recovered from the applicant. For the purpose of discontinuance of such temporary supply, the service charges on the depreciated cost of material to be removed is proposed as under:

1. Dismantling charges 15% on total material valuation
2. Contractor's Supervision Charges 5% on total material valuation
3. Contractor's Profit 5% on (1) and (2) above.
4. Tools & Plants 1% on total material valuation
5. Labour Cess 1% on (1) to (4)
6. Insurance 1% on (1) to (5)
7. Charges of MSEDCL Supervision 1.3% on total material valuation and dismantling charges (1)
8. GST extra as applicable shall be recovered.

Query 79. Typo Error

In annexure 10 estimates mention 'Proposal for MYT 4th Control period (2019-23) Petition'. The present Petition is MTR Petition.

MSEDCL Reply:

MSEDCL submits that the same shall be incorporated in revised Petition.

Proposed Tariff Applicability

Query 80.

MSEDCL proposed classification of Dam operation including Lighting and other activities, Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees and Water ATM under LT VII (B): LT - Public Services – Others category.

MSEDCL need to provide its rationale for said consideration

MSEDCL Reply:

MSEDCL submits the rationale towards proposed classification as below:

- i. Dam operation including Lighting and other activities:
 - Motors and allied load used for dam operations i.e. opening / closing of dam gates to control water flow.
 - In tariff order applicability for Construction of dam is mentioned.
 - Due to this ambiguity tariff applied to the dam operation is HT Group Housing Societies (Residential).
 - Industrial or Public Water Works tariff may not appropriate as not falling under Industrial activity or any water supply schemes.
 - Benefit of dam water is availed by public at large hence dam operations proposed under Public Services – Others category.

- ii. Accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees
- Accommodation facility (Bhakta Nivasa) is provided by various religious places to the devotees visiting at these places.
 - These religious places registered under Maharashtra Public Trust Act.
 - Though the charges / rent are taken from the visitors / devotees who availed the accommodation but are of less than the Hotels, lodge, guest house etc.
 - Thus, services provided by these trusts are not commercial in nature, hence public service is proposed to the accommodation facilities provided by religious trusts registered under Maharashtra Public Trust Act for devotees.
- iii. As regards "Water ATM", MSEDCL submits that rationale for said consideration is already incorporated in Para 8.15.7 of the Petition submitted (Page 325). The relevant extract is reproduced below:
- "8.15.7 Water ATM (RO/UV/UF) Water Purifier Plants*
- 8.15.7.1 The novel concept of 'water ATMs', has been initiated in remote areas of vidharbha where there is severe water scarcity or flow of contaminated water. Majority of Water ATMs are being installed with the funds received from multinational Companies and state run Mahagenco under corporate social responsibility fund. In some cases, these machines are being handed over to Grampanchayat or directly to women's self-help groups for operation. Considering this MSEDCL proposes to charge such units under Public services (Others) category, if Gram panchayat or local body operates the same. Otherwise Non-residential tariff may be made applicable."*

Details of OPEX Schemes

Query 81. Para 15.6, 15.8 & 15.9

- **MSEDCL has proposed new schemes namely Business Analytics and Demand Forecasting Solutions, ERP SAP S4 HANA and Procurement of SD-WAN Solution. MSEDCL stated that these schemes are approved and proposed in RDSS.**
- **In this regard MSEDCL need to clarify that which agency has approved this scheme? Further details of modalities for funding like subsidy component, debt/ equity (internal accrual) needs to be provided.**

MSEDCL Reply:

MSEDCL submits that these schemes were proposed in DPR for IT/OT implementation under RDSS scheme and same is approved by Monitoring Committee constituted under the Chairmanship of Secretary Power, Government of India in its 12th meeting held on 29.08.2022 vide letter no. 02:10:RDSS:2021:I:MSEDCL dated 22.09.2022.

As per sanction letter, 60% cost of approved DPR is provided as grant and funding for remaining cost is to be arranged by MSEDCL.

Query 82. Para 15.1

With regards to Centralized Customer Care Center (CCCC), it is observed that for True up years FY 20-21 and FY 21-22 there has been substantial increase in expenditure than approved MYT Order in Case No.322 of 2019. Further, in provisional true up and projections around 300% increase in expenditure has been observed. It is requested to submit justification for the same. Also provide the details with regards to nature of work performed in CCCC and No. of call made vis-à-vis payments made to CCCC operator.

MSEDCL Reply:

MSEDCL submits that as per the initial call center contract M/s Teleperformance Global Services Pvt. Ltd provided services of 114 nos. of agents i.e. FTE (Full Time Equivalent) at the Customer care centres (for total 3 shifts) to handle all calls of MSEDCL Consumers.

During the contract period, MSEDCL issued extension orders to M/s Teleperformance for additional man power deployment as per the MSEDCL requirements.

- i. On dtd. 27-June 2018 extension for 75 nos. of additional FTEs for calling AG Paid pending consumers and for outbound campaigns such as payment reminders, consumer survey, etc.)
- ii. Order for 25 nos. of additional FTEs (order dtd. 01-Sep-2018) for 6 months for outbound calling activity such as arrears recovery, consumer surveys etc.
- iii. Work order (dtd. 23-Jan-2020) for implementation of new service i.e. automated missed call based complaint registration for power fail complaints.
- iv. Work order (w.e.f. 3rd July 2020) for 150 additional FTEs for remaining 7 months of the contract for dealing with high call volume during the aftermath of Nisarg Cyclone, high bill complaints due to average billing during lockdown period and establishment of Energy Minister helpdesk.
- v. It is observed that trend of high call volume & large number of billing complaints still exist and therefore total 200 FTEs will be consistently required for handling the calls within acceptable parameters of call waiting time and abandoned ratio. Hence, extension orders for 200 FTE instead of 114 FTE issued to M/s Teleperformance Global Services Pvt Ltd. during the period Jan. 2021 to Sept. 2022.

Following activities are handled by call centre agents:

- 1) Inbound call response
- 2) Outbound calling
- 3) Response to complaints received through E-mail
- 4) Response to complaints received through Social Media.
- 5) Energy Minister helpdesk.

The details of calls received for FY 20-21, FY 21-22 & FY 22-23 and monthly payments are as below:

Month	FY 2020-21	FY 2021-22	FY 2022-23
April	3720025.84	22739822.62	8444299.08
May	7831635.68		
June		49624039.94	82,41,732.20
July	3915113.78		
August			2,09,98,531.25
September	5789571		
October	13335119.33	9194337.58	70,29,712.70
November		9696183.32	65,44,905.10
December	8623021.07	13270106.28	5,28,610.46
January	23797538.23	28504295.37	
February		60,21,840.00	
March			
Total	6,70,12,024.93	13,90,50,625.11	5,17,87,790.79

Customer Care Inbound Call Load Data				
Sr. No.	Month	Calls offered		
		FY 20-21	FY 21-22	FY 22-23
1	April	169746	210819	260984
2	May	248000	355985	244906
3	June	450784	325509	210895
4	July	454983	305734	206362
5	August	421360	236798	180371
6	September	317172	260852	146134
7	October	273340	235856	
8	November	168495	156051	
9	December	168052	156509	
10	January	159583	161181	
11	February	148308	155257	
12	March	221263	221263	
Total		3201086	2781814	1249652

Query 83. Para 15.5

- For vehicle system scheme, it is observed that cost for year FY 2022-23 is projected with 47% escalation. MSEDCL in its write up has categorially stated that cost per year is 0.51 Crs.

MSEDCL need justify this escalation. Further, MSEDCL shall provide the Zonewise data of no of vehicles which are fitted with GPS monitoring system.

MSEDCL Reply:

Due to delay in submission of invoices by agency, there is no expenditure done in FY 20-21 & FY21-22. As the previous year invoices are processed in FY22-23, the cost shown in FY22-23 is accumulated cost.

The zone wise data of no. of vehicles fitted with GPS monitoring system is as below.

MSEDCL VTS Current Status as on date (27-12-2022)				
S.No.	MSEDCL Zone	Total Installed VTS	Total Operational Vehicle/Device	Total Non-operational Vehicle/Device (before 24hours)
1	Akola Zone	55	30	25
2	Amravati Zone	24	17	7
3	Aurangabad Zone	52	27	25
4	Baramati Zone	79	59	20
5	Bhandup(U) Zone	80	46	34
6	Chandrapur Zone	38	14	24
7	Gondia Zone	36	22	14
8	Jalgaon Zone	74	47	27
9	Kalyan Zone	62	38	24
10	Kolhapur Zone	39	26	13
11	Konkan Zone	43	37	6
12	Latur Zone	57	30	27
13	Nagpur Zone	140	84	56
14	Nanded Zone	59	32	27
15	Nashik Zone	48	37	11
16	Pune Zone	115	82	33

Query 84. Para 15.3

Substation monitoring system is mentioned as one of the scheme and elaborated in write up and MERC in its MYT Order in Case no 322 of 2022 has approved expenditure on account of it. It is observed that MSEDCL has not incurred any expenditure till date and no expenditure is proposed. Whether MSEDCL is intended to proceed this scheme or not need to be clarified.

MSEDCL Reply:

MSEDCL submits that it has implemented Substation Monitoring System project as pilot project for 44 no. of substations in Akola District. The tender no. MSEDCL/HO/CGM-IT/Substation Monitoring System/19-20 was floated on OPEX basis with an estimated cost of Rs. 330.64 Crores for 5 years in Jul-2019. However, due to poor response the same was cancelled and now Tender No: MSEDCL/HO/CGM-IT/Substation Monitoring System/22-23/1 is floated on CAPEX + OPEX basis and the same is in process. The estimated cost of the

tender is Rs 450.41 Crore. The implementation period is of 1.5 year and the FMS period is of 8 years.

Sr. No.	Particulars	Rs. Cr
1	Capex cost	270.24
2	Opex cost	180.164
3	Total cost	450.41

The expenditure proposed for balance years of the Control Period is already submitted as part of MTR Petition.

		Rs. Cr				
		FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Substation Monitoring System (SMS)		0.47	1.03	21.30	36	72

The expenditure incurred for FY 20-21, FY 21-22 are of Pilot project of substation monitoring system, for FY 22-23 onwards, the projected amount of expenditure taken against the estimated cost of new tender is published.

Query 85. Para 15

- The regulation 75.7 and 84.7 under MYT Regulation 2019 states that:

“

A Distribution Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc and such expenses may allowed over and above normative O & M expenses, subject to prudence check by the commission:

Provided that the Distribution Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex scheme, and saving in O&M expenses, if any”

MSEDCL has not provided the cost-benefit analysis of such schemes as against capex scheme and savings in O&M Expenses resulting from the OPEX schemes as part of the submissions in the MTR Petition. MSEDCL is required to provide the same for all the schemes claimed under OPEX.

MSEDCL Reply:

Please refer to reply submitted to ‘Query 62. OPEX for FY 2023-24 to FY 2024-25’ above.

Query 86. Para 15

- **MSEDCL need to provide brief note on selection of service provider for various opex as claimed in in the Petition**

MSEDCL is to submit as to how cost competitiveness is ensured in the selection process followed.

MSEDCL Reply:

The selection of service provider for various OPEX scheme projects, is done through competitive bidding process. The RFP / tenders are processed through e-tender portal of MSEDCL. A wide publicity is given to bid notice through website notification, print media etc. The cost competitiveness is ensured in each OPEX scheme project, by awarding project to L1 bidder only, after ensuring rate reasonability.