

Replies to Data Gaps dated 10th January 2018 on MBPPL's MTR Petition in Case No. 194 of 2017

1. MBPPL may provide details of any penalties / compensation paid by the Deemed Licensee to any party/consumer for failure to meet any specific Standards of Performance or for damages.

Reply:

MBPPL submits that there was no occasion for paying any compensation/penalties to any party/consumer for failure to meet any specific Standards of Performance or for damages. Hence, no penalties/compensation have been paid by MBPPL in FY 2015-16, FY 2016-17 and FY 2017-18 (till date).

2. Response to Directive 2 - MBPPL has specified that it purchased G-Sec Bonds as investment of contingency reserves after the publication of the MYT Order in Case No 10 of 2016. MBPPL is requested to provide specific details and documentary evidence regarding the same.

Reply:

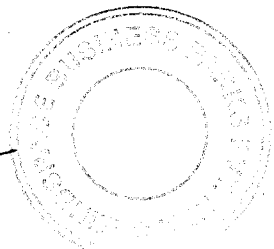
The documentary evidences against for the purchase of G-Sec Bonds as investment of contingency reserves for FY 2015-16 and FY 2016-17 have been attached as **Annexure I-A & Annexure I-B**, respectively.

3. Table 2-1 - Number of consumers in FY 2015-16 and FY 2016-17 - The Table mentions Consumer categories as LTVB(i) and LTVB(ii) instead of LTV(A) and LTV(B).

Reply: The inadvertent typo error is regretted. The consumer categories are LT V(A) and LT V (B), however, there is no change in the number of consumers. The corrected Table 2-1 is given below:

Tariff	No. of Consumers
HT I	43
HT II	-
LTIIA	8

Reply



Tariff	No. of Consumers
LTIIB	8
LTV (A)	17
LTV (B)	29
Total	105

4. **Para 2.2 - Distribution Losses - MBPPL should submit following data from MSLDC:**
- (a) **Monthly quantum of energy (MUs) drawn by MBPPL at the distribution periphery (T<>D interface) for the period FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).**

Reply:

It is respectfully submitted that the MERC MYT Regulations and the Formats prescribed by the Hon'ble Commission require submission of data upto September 2017 for FY 2017-18. The monthly quantum of energy in MU drawn by MBPPL at the distribution periphery for FY 2015-16, FY 2016-17 and FY 2017-18 (April-Sept.) has already been provided in the prescribed Format F2.1. MBPPL will submit the monthly data for October 2017 and November 2017 at a later stage, after reconciliation of the same.

- (b) **Monthly quantum of energy purchased by MBPPL from various generators (with generator-wise break-up of quantum purchased) for the period FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).**

Reply:

It is respectfully submitted that the MERC MYT Regulations and the Formats prescribed by the Hon'ble Commission require submission of data upto September 2017 for FY 2017-18. Monthly quantum of energy purchased by MBPPL from various generators (with generator-wise break-up of quantum purchased) for FY 2015-16, FY 2016-17 and FY 2017-18 (Apr 17 to Sep 17) has already been provided in the prescribed Format F2.1. MBPPL will submit the monthly data for October 2017 and November 2017 at a later stage, after reconciliation of the same.



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- (c) Copy of Month-wise Energy Account Statement for state-wise energy account (FBSM/IBSM) and FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).

Reply:

Copy of latest available Month-wise Energy Account Statements for State-wise energy accounts (FBSM/IBSM) for FY 2015-16, FY 2016-17 and FY 2017-18 (Apr 17 to Sep 17) have already been attached with the Petition as **Annexure-VI**. The same is re-submitted as **Annexure-II** of these replies for reference.

- (d) Month-wise InSTS loss statement for the period FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).

Reply:

The month-wise InSTS loss statements for FY 2015-16, FY 2016-17 and FY 2017-18 (Apr 17 to Sep 17), as available from the MSLDC's website, have already been submitted along with the Petition and are again attached herewith as **Annexure III**.

- (e) Month-wise Inter-State Power Sale /traded power by MBPPL (Power Exchanges etc.) - for the period FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).

Reply:

It is respectfully submitted that the MERC MYT Regulations and the Formats prescribed by the Hon'ble Commission require submission of data upto September 2017 for FY 2017-8. The month-wise Inter-State/Power Exchange sale of power for FY 2015-16, FY 2016-17 and FY 2017-18 (Apr 17 to Sep 17) has already been provided in the prescribed Format F2.1. MBPPL will submit the monthly data for October 2017 and November 2017 at a later stage, after reconciliation of the same.



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- (f) **Month-wise Generating Plants' Availability for the period FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).**

Reply:

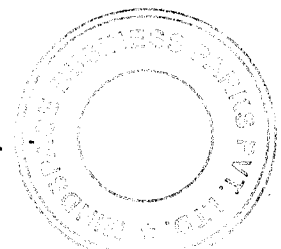
For FY 2015-16 and FY 2016-17 (April to June 2017), MBPPL has contracted with a Trader, viz., Global Energy Power Limited (GEPL) to meet its entire power requirement and has purchased power on short-term basis. Hence, MBPPL does not have the data available for the Month-wise Generating Plants' availability for the said period. From July 2017 onwards, MBPPL has contracted 10 MW of power each from Jindal Power Limited (Base Load) and GMR Energy Trading Limited (Peak Load). The Generating Plant's availability for full capacity is not available with MBPPL, however, the Generator is liable for supply of 85% of contracted capacity, which is very small quantum compared to capacity of plant/unit.

- (g) **Month-wise Generating Plants' PLF achieved for calculating Incentives availed - FY 2015-16 (Apr 15 to Mar 16), FY 2016-17 (Apr 16 to Mar 17) and FY 2017-18 (Apr 17 to Nov 17).**

Reply:

For FY 2015-16 and FY 2016-17 (April to June 2017), MBPPL has contracted with a Trader, viz., Global Energy Power Limited (GEPL) to meet its entire power requirement and has purchased power on short-term basis. Hence, MBPPL does not have the data available for the Month-wise Generating Plants' PLF for the said period. From July 2016 onwards, MBPPL has contracted 10 MW of power each from Jindal Power Limited (Base Load) and GMR Energy Trading Limited (Peak Load). The Generating Plant's PLF for full capacity is not available with MBPPL, however, the Generator is entitled to incentive for supply beyond 85% of contracted capacity. The incentive to the generator and rebate to the is calculated on monthly basis as per the Agreement of Power Purchase (APP) - Clause no. 11.6 Incentive and Damages. For ready reference the specific Clause is attached as **Annexure IV** with this reply.

5. **Intra-state Transmission Losses - MBPPL may provide details of the values for intra-state transmission Losses considered for FY 2016-17**



Reply:

The Intra-State Transmission losses for FY 2016-17 as available on MSLDC website is shown in the Table below:

Month	Energy Input InSTS (MU)	Energy Output to Utilities (MU)	Transmission Loss
Apr-16	12,515.52	12,048.51	3.73%
May-16	12,763.48	12,338.80	3.33%
Jun-16	11,500.22	11,089.81	3.57%
Jul-16	10,343.98	9,960.32	3.71%
Aug-16	11,139.77	10,729.98	3.68%
Sep-16	10,986.69	10,584.90	3.66%
Oct-16	11,707.42	11,277.21	3.67%
Nov-16	12,191.76	11,732.11	3.77%
Dec-16	12,501.94	12,075.00	3.41%
Jan-17	12,383.08	11,944.13	3.54%
Feb-17	12,032.42	11,590.10	3.68%
Mar-17	13,762.49	13,242.22	3.78%
Total	1,43,828.77	1,38,613.09	3.63%

6. Sale of surplus power - MBPPL may provide documentary evidence of sale of surplus power

Reply:

MBPPL submits the summary statement of the surplus power sold in the market as **Annexure V**. The sample documentary evidence of sale of surplus Power has been attached as **Annexure VI**. It is respectfully submitted that the documentary evidence of each and every transaction of sale of surplus power is not being submitted, as the same is of huge size. If required, the documentary evidence of every transaction of sale of surplus power can be submitted to the Hon'ble Commission later.

7. Solar RPO obligations for FY 2016-17 - Solar RPO Obligation in FY 2016-17 is 1% while that considered in the petition is 1.5%



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Reply:

The Solar RPO obligation mentioned as 1.5% in the Petition is a typo error. The corrected text in the Petition is -

**3.3 Power Purchase Cost -
Renewable Purchase Obligation -**

MBPPL has taken the RPO targets for FY 2016-17 and FY 2017-18 as specified in the MERC RPO Regulations, 2016. The RPO targets are 1% for Solar and 10.00% for Non-Solar for FY 2016-17 and 2.00% for Solar and 10.50% for Non-Solar for FY 2017-18.

MBPPL clarifies that it has purchased Solar RECs equivalent to 1% of total approved Power purchase for FY 2016-17 as per the MERC RPO Regulations, 2016. Hence, there is no error in computation of Solar RECs for FY 2016-17.

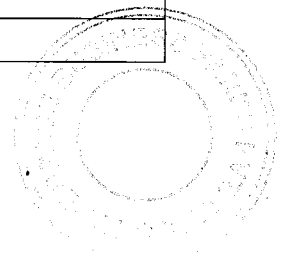
8. **REC purchase in FY 2015-16 and FY 2016-17 - REC purchase in FY 2015-16 and FY 2016-17 as provided in the petition does not seem to match the total requirement as per RPO. Kindly reconcile the total RPO requirement with the total energy equivalent of REC certificates purchased to highlight the meeting of RPO obligations.**

Reply:

The Hon'ble Commission, in its Order dated June 20, 2017 in Case No. 174 of 2017, has carried out the verification of RPO compliance for FY 2015-16. The same has been considered in the Petition.

The reconciliation of RPO for FY 2015-16 and FY 2016-17 is shown in the following Table:

Particulars	FY 2015-16	FY 2016-17
Energy Requirement approved in MYT Order (MU)	81.81	98.67
Solar RPO		

Solar RPO Target (%)	0.50%	1.00%
Solar RPO Target (MU)	0.409	0.987
Solar RECs Purchased (Nos.)	403	678
Solar RPO Achieved (MU)	0.403	0.678
% Achievement	98.53%	68.69%
Non-Solar RPO		
Non-Solar RPO Target (%)	8.50%	10.00%
Non-Solar RPO Target (MU)	6.95	9.867
Non-Solar RECs Purchased (Nos.)	6,845	6,945
Non-Solar RPO Achieved (MU)	6.845	6.945
% Achievement	98.49%	70.39%

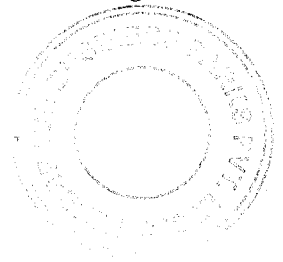
9. **Contract Capacity (in MW) in format F 2.1-C-Total Energy Availability - Kindly include the total contract capacity (in MW) corresponding to the Generating Company for FY 2015-16**

Reply:

MBPPL submits the contracted capacity for power supply by Global Energy Private Limited (GEPL) (a trading Licensee) as approved by the Commission in Case No. 178 of 2014, as shown below:

Supplier	Time Slot	Contracted Capacity (MW)
Global Energy Pvt. Ltd.	Slot-1 (Round The Clock)	6 MW
	Slot-2 (Monday to Friday - 0800 hours to 2300 hours)	6 MW

MBPPL shall re-submit the format F 2.1 (c) 'Total Energy Availability from sources' along with the revised Formats and Petition, after incorporating all the changes to the Model.

- 10. Cost of Power Purchase in FY 2015-16 and FY 2016-17 in format F2 - Total Cost of Power Purchase as per Format F 2 is found to be Rs. 35.43 Cr while the books show the power cost to be Rs. 36.83 Cr. Similar is the case for FY 2016-17. Kindly provide details in order to reconcile with the actual cost in this regard.**

Reply:

The FBSM settlements by MSLDC are ready even now only till end January 2016, i.e., the same are not available even now for complete FY 2015-16. As a result, the power purchase expenses of FY 2015-16 (which is MBPPL's first year of operations) as well as for FY 2016-17, were not finalised at the time of preparing the Accounts of the respective year. While preparing the books of Accounts for FY 2015-16 and FY 2016-17, MBPPL management included provisioning towards IBSM/FBSM settlements, based on estimates. The power purchase expenses shown in the Accounts are hence, seen to be higher than that claimed in the true-up Petition. In the true-up Petition, MBPPL has claimed lower power purchase expenses including the DSM amount, based on actual expenses incurred on this account till date. In case of any difference on account of subsequent DSM reconciliations, the difference in amount shall be claimed in the true up of subsequent years.

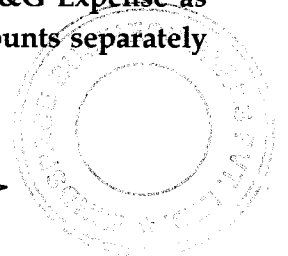
- 11. UI Purchase Cost in FY 2015-16 in Format F2 - The Actual UI purchase in FY 2015-16 is shown as zero against 0.26 Crores as approved in MYT Order. Kindly confirm if the same is zero.**

Reply:

MBPPL would like to submit that Actual UI purchase for FY 2015-16 is not zero, but 0.36 MU at MBPPL periphery at a cost of Rs. 1.20 Crore, as submitted by MBPPL in Format F2-Power Purchase Expense - FY 2015-16 Actual. MBPPL requests the Hon'ble Commission to consider the same. The zero quantum against the value of Rs. 0.26 crore has been considered in the MYT Order.

- 12. O&M Expenses for FY 2015-16 and FY 2016-17 -**

- (a) Kindly provide reconciliation between the Employee Cost and A&G Expense as specified in the petition with the corresponding values in the accounts separately for Distribution Wires business and Retail Supply Business.**



Reply:

MBPPL submits the reconciliation of Employee Expense and A&G Expenses for the Distribution Wires business and Retail Supply business claimed in the Petition with the corresponding accounts shown in the Accounts for FY 2015-16 and FY 2016-17, as shown in the Table below:

Year	Distribution Wires	Retail Supply	Total	Audited Accounts	Reference
Employee Expenses					
FY 2015-16	1.86	1.00	2.86	2.86	FY15-16-Refer Note 19 - Project Support Fees (Non-Technical)
FY 2016-17	2.10	1.13	3.23	3.23	FY16-17-Refer Note 17 - Project Support Fees (Non-Technical)
A&G Expenses					
FY 2015-16	0.34	0.19	0.53	0.53	FY15-16-Refer Note 19 - Other Expenses, excluding Repair & Maintenance, Project Support fees
FY 2016-17	0.19	0.10	0.29	0.29	FY16-17-Refer Note 17 - Other Expenses, excluding Repair & Maintenance, Project Support fees, and regulatory liability

- (b) Kindly provide justification for inclusion of Business promotion expense as an A&G expense which is approximately a third of the total A&G expense in FY 2015-16.

Reply:

MBPPL respectfully submits that the 'Business Promotion Expenses' under Note 19 - Other Expense of Audited Accounts for FY 2015-16 comprises cost of all Advertisements, including publication of Notices and Tenders for the regulated




distribution business only. It is a component to be considered under the A&G expenses and has hence, been booked accordingly. The fact that these expenses are around 1/3rd of the A&G expenses only shows that the overall A&G expenses of MBPPL are very low and completely reasonable.

(c) Kindly explain the nature of expenditure under 'Project Support Fees (Non-technical) amounting to Rs. 2.86 Cr

Reply:

MBPPL respectfully submits that the 'Project Support fees (Non-Technical)' amounting to Rs. 2.86 Crore under 'Other Expense' in audited accounts for FY15-16 is the actual Employee expenses incurred by MBPPL during FY 2015-16. As mentioned in the Petition, MBPPL has entered into a Corporate Services Agreement with its parent organisation KRCSP. As per the said Agreement, Employee Expenses are payable to KRCSP at 35 paise per unit of Energy Sales for FY 2015-16 and further escalation of 12% shall be applied annually, to arrive at the norm for subsequent years. The detailed rationale and process followed has already been provided in the Petition.

13. R&M Quotes of bidders - MBPPL may kindly provide summary of submission by the bidders and corresponding scope of work for the bids discussed in the petition regarding R&M

Reply:

MBPPL submits the tender document, which details the scope of work for the bids discussed in the Petition regarding R&M expenses, as **Annexure-VII**. The summary of the bids submitted by the bidders has already been captured in the Petition, as shown in the following Table:

Sl.	Name of the bidder / Company	Scope of work covered	Scope of work not Covered	Amount in Rs. (Per Annum)	Escalation per year%
1	Energy Therapy Co. Pvt. Ltd.	Technical R&M	Corporate functions such as Finance, IT, Legal, HR etc.	Rs. 2.02 Crore	12%
2	Jones Lang LaSalle Building Operations Pvt Ltd	Technical R&M	Corporate functions such as Finance, IT, Legal, HR etc.	Rs. 1.59 Crore	Not Quoted