

AEQUS SEZ

Preliminary Observations on the Applications filed by the AEQUS for approval of APR for FY21 and ARR for FY23-FY25 & Retail Supply Tariff for FY23 under MYT Framework

1. **APR for FY21:**

a. Reduction in Sales during FY21:

1. The Commission, in its Tariff Order dated 04.11.2020 had approved sales of 27.904 MU for FY21 as proposed by the AEQUS SEZ. The actual sales as per current filing is 21.415 MU, indicating a decrease in sales of 6.489 MU with respect to the approved sales. AEQUS has stated that their campus is catering to Aerospace sector which was severely affected by COVID pandemic and as a result there was a reduction in contract demand by 4.24kVA and reduction in sales by 6.49MU. It is stated that the aerospace industry would take 3 to 4 years to recover from the impact of COVID.

The AEQUS has attributed the reduction in sale in FY21 to COVID19, which is noted by the Commission.

2. The Preliminary observations of the Commission on sales estimates are as follows:

i) FY21 sales:

- a. The Commission notes that at page -7 of the filing, 2-consumers are indicated under 'construction activity' consuming 0.37 MU for FY22 upto September, whereas at Table -1, the number of installations is indicated as zero for FY21 under 'Construction'. This shall be reconciled. Further, for FY21 the sales under 'construction activity' are zero. AEQUS SEZ shall clarify as to whether in FY21 no construction activity was going on.

b. The total CD for FY21 is indicated as 9303kVA at Page-6, whereas the same is indicated as 9328kVA at Page-19. The data shall be reconciled.

c. The CD for AEQUS Pvt. Ltd., Unit-3, which was 200kVA in FY21 has reduced to 100kVA in FY22. Similarly, for UFI filters the CD has increased from 230kVA to 275kVA. Also in FY22 Deephole Solution India Pvt. Ltd., and AEQUS Automotive Pvt. Ltd., are not included in the list of installations. AEQUS shall clarify as to whether these installations are in existence or otherwise.

ii) FY22 sales:

AEQUS SEZ has revised the sales for FY22 to 24.664MU as against 22.898MU approved by the Commission in the Tariff Order dated, 09.06.2021. AEQUS shall furnish the working details for the same.

2. ARR for FY23-25:

Sales estimate for FY23 to FY25:

AEQUS has submitted that to develop realistic forecast, it has approached consumer's business Heads and Electrical Department. Based on the estimate provided by the consumers and the present consumption pattern, sales for various consumers are estimated. It is stated that the aerospace industry would take 3 to 4 years to recover from the impact of COVID. Further, it is submitted that average CAGR of 6% is considered for the control period.

AEQUS shall furnish the working details for arriving at 6% growth. AEQUS shall also clarify as to whether the above growth rate is applied individually to each consumer.

3. Further, the Commission notes the following:

a. At Table-29 the total number of installations for FY25 should be 35 and not 36.

b. At Page 148 the number of installations is indicated as 33 for the control period, whereas in Table-29 it is indicated as 34 to 36 for the control period.

c. In the annexure, data is furnished for consumers at Sl. No. 21, 14,18,17,15,11,7,12,10,13,8,19 and16 only. AEQUS shall furnish the details obtained from other consumers regarding the sales estimates for the control period.

4. Wheeling Charges and Cross Subsidy Surcharge:

AEQUS SEZ has requested the Commission to follow the previous year methodology, as there are no OA consumers. The Commission notes that AEQUS SEZ has segregated its cost between distribution business and retail supply business. **As such AEQUS SEZ may consider working out the wheeling charges, CSS and Additional surcharge considering its own costs and furnish the same to the Commission.**

5. RPO Compliance

AEQUS shall furnish RPO compliance for FY21.
