

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

1. Sales for FY21

The Commission in its Tariff Order dated 04.11.2020, had approved sales of 57.22 MU for FY21. The actual sales as per current filing [D-2 Format] is 63.99 MU, indicating an increase in sales to the extent of 6.77 MU. MSEZ has submitted that the sales to HT Industrial has increased by 6.79 MU when compared to the approved sales of 56.79 MU.

The Commission notes that the increase in sales is attributed to HT-industries. MSEZ shall analyze the reasons for increase in HT Industrial Sale and furnish consumer-wise details.

2. Sales for FY22 and FY23 to FY25

1. MSEZ has revised the sales for FY22 to 66.59 MU, as against approved sales of 60.69 MU in the Tariff Order 2021 dated 09.06.2021. MSEZ shall furnish the reasons for revising the sales figure for FY22 along with the working details.
2. MSEZ has stated that, sales for the FY23 to FY25 is estimated, considering the existing consumer profile only and base year sales of FY22 at page-37, Para A (i). Whereas at Page 38, Para B (i), it is stated that sales is estimated considering the existing consumers and incremental sales due to addition of new consumers. However, it is observed that during the control period MSEZ has not proposed any additions to the number of installations. MSEZ shall clarify in the matter.

It is also submitted that MSEZ has considered reduction in energy sales on account of M/s. Syngene International Limited and M/s. Cardolite Speciality India LLP opting for open access. MSEZ shall quantify the amount of reduction considered for these consumers during the control period.

Further, the Commission directs MSEZ to furnish the details of sales calculation including the following:

- a. For existing consumers, consumer-wise details of the actual energy sales made in FY21 and the energy estimation for FY22 to FY25, along with the details of connected load;
- b. As per the load forecast no addition to number of installation is envisaged during the control period. Reasons for the same shall be furnished.
- c. Though the number of installations is retained at 28 for the control period, the connected load for FY25 is increased to 35.40 MVA. Similarly, sales increase is proposed during the control period, even though there is no addition to the number of installations. Reasons for the same shall be furnished.
- d. For FY22, consumer-wise details of energy estimation along with the details of connected load and
- e. Actual consumer-wise sales for FY22 upto November-2021 end.

MSEZ shall also furnish the working details of sales estimates for each of the consumers for FY23 to FY25 along with documentary proof of power requirement request made by such consumers.

3. Wheeling Charges and Cross Subsidy Surcharge:

MSEZL has requested to continue the adoption of wheeling charges as determined by the Commission in the previous years. i.e., FY20 to FY22.

Since, the MSEZ is having its own network, MSEZL shall work out the wheeling charges, CSS and additional surcharge for FY22 independently and submit the same.

4. RPO Compliance:

MSEZ shall furnish the status of solar and non-solar RPO compliance for FY21. It is observed that MSEZ has procured power to the extent of 60.98 MU from MESCOM

and 3.42 MU under open access. As per the extant Regulations, deemed Licensee(s), procuring bulk power, partly or wholly, from the ESCOM(s), shall be deemed to have complied with the RPO to the extent of such procurement from the ESCOM(s) if, such ESCOM(s) has/have complied with the RPO. Thus, to the extent of power procured from MESCOM, MSEZ is deemed to have met the RPO to that extent, if MESCOM has complied with RPO. However, for the power procured from sources other than ESCOMs, the RPO has to be separately complied with. Thus, for the quantum of 3.42 MU purchased under open access, MSEZ has to comply with RPO either by procuring Solar / Non-solar RE Energy or by procuring the relevant REC. MSEZ shall clarify in the matter.
