

MSEZ-Preliminary Observations on Sales

1. APR-18 Sales

The Commission had in its Tariff Order dated 08.05.2017 had approved sales of 84.60 MU for FY-18 as proposed by MSEZ. The actual sales as per current filing [D-2 Format] is 41.80 MU, indicating substantial reduction in sales to an extent of 42.80 MU. The MSEZ has stated that the energy sales were less than anticipated levels, due to cautious drawing of power from grid by one of its consumers. As the consumer had experienced increased power jerks due disruptions/grid outages at upstream KPTCL grid, resulting in production loss it had reduced the load from the grid.

The Commission notes that the reduction in sales is attributed to reduced off-take by one of the bulk consumer. **In this regard HT bulk consumer-wise details of estimated sales and actuals for FY18 shall be furnished.**

2. ARR-FY20-FY22 sales

1. MSEZ has estimated the revised sales for FY19 as 42.64 MU, against 44.69 MU approved by the Commission, which is less by 2.05 MU. **MSEZ shall analyse the reasons for such reduction in sales in FY19.**
2. MSEZ has stated that:
 - a. Estimates of sales for the control period, is based on the consumption of existing consumers and anticipated sales due additions of consumers in the future.
 - b. The connected load of existing consumers is 16.45 MVA and further power demand of 10.55 MVA is sanctioned, which would be operational in FY20.

- c. For existing consumers, the actual energy sales made in FY 17 and provisional energy estimation of FY 18 is considered for determining the projected energy sales for FY 20 and for new consumers, it is based on the requirement furnished by the consumers.
- d. Sales estimation for FY 21, FY 22, FY 23 and FY 24 have been made based on FY 20 energy sales estimation.

The Commission notes that though the number of installations has remained constant at 23 for all the years during the period from FY20 to FY24, the demand projection in MVA has increased from 27 MVA to 37 MVA and the sales have increased from 50.54 MU to 65.47 MU. **MSEZ shall explain the reasons for the same and also furnish the working details of sales estimates for each of the 23 consumers.** It is also noted that at page-44, the sales are indicated as 50.54 MU in FY20 increasing to 65.47 MU in FY24, whereas the same is indicated as 51.13 MU in FY20 increasing to 66.34 MU in FY24, at page-48. **MSEZ shall reconcile the figures and furnish the correct data of sales and power purchase quantum.**

3. Demand Side Management:

The MSEZ shall furnish the annual DSM plan for FY19 & FY20, if any, indicating the various DSM programs taken up/proposed to be taken up. Further, if the cost of such DSM programs is being incurred by MSEZ, the same shall be included in the Capex program.

4. Wheeling Charges and Cross Subsidy Surcharge:

Regarding Wheeling charge and CSS, for the MYT control period FY 20 to FY 22, MSEZL has requested the Commission to adopt similar procedure as adopted in the previous order. **MSEZL may consider working out the wheeling charges and CSS considering its own costs.**

5. RPO Compliance:

MSEZ shall furnish the **status of solar and non-solar RPO compliance for FY18 and also the estimates of RPO to be met in FY19-FY22** and the plan of action to meet the same.