

ಕರ್ನಾಟಕ ವಿದ್ಯುಚ್ಛಕ್ತಿ
ನಿಯಂತ್ರಣ ಆಯೋಗ



**KARNATAKA ELECTRICITY
REGULATORY COMMISSION**

6 ಮತ್ತು 7ನೇ ಮಹಡಿ, ಮಾಲಾಕ್ಷ್ಮಿ ಚೇಂಬರ್ಸ್
ನಂ. 9 /2, ಎಂ.ಜಿ. ರಸ್ತೆ, ಬೆಂಗಳೂರು - 560 001

6th & 7th Floor, Mahalaxmi Chambers
No. 9/2, M.G. Road, Bengaluru - 560 001

No/B/10/16/2266

Date:27th December, 2016

**The Managing Director
Mangalore SEZ Limited
MUDA building, Urva Stores
Mangaluru-575006.**

Sir,

**Sub: Application for APR for FY16 and ARR for FY18
Revision of Distribution and Retail Supply Tariff for FY18**

Ref: Your letter No.MSEZL/KERC/ARR/01/2016-17/01

Dated: 29th November,2016.

Please refer to your letter cited above wherein the application for APR for FY16 and ARR and Revision of distribution and Retail Supply Tariff for FY18 has been filed before the Commission. After scrutiny of the application, it is found that certain additional information is required from SEZ Mangalore for taking further necessary action. The details of additional information required are enclosed to this letter.

I am directed to request you to furnish clarification / additional information within 4th January,2017 positively.

Yours faithfully,
for Karnataka Electricity Regulatory Commission

SECRETARY

**Additional Information required on Application filed by MSEZ on approval of
APR for FY16, ARR & Revised Tariff for FY18**

1. Sales:

MSEZ has proposed sales of 84.60MU for FY18 as against 13.88 MU of actual energy sold in FY16 and projected sales of 18.45MU for FY17. In its Tariff Order dated 2nd March, 2015, the Commission had approved sales of 78.50 MU for FY16 and in the Tariff Order dated 30th March, 2016, the Commission had approved sales of 79.40 MU for FY17. Considering the requirement of one of the SEZ consumers, MSEZ has projected sales of 84.60MU for FY18. The Commission notes that based on similar pleadings of MSEZ, the Commission had allowed higher sales in FY16 and FY17. However, the actual sales is far less than approved sales. In this backdrop, MSEZ may consider reassessing the sales for FY18 on a realistic basis.

2. Distribution Losses:

MSEZ has reported negative actual distribution losses for FY16 at 1.74%. MSEZ has stated that, the negative losses are due to meter calibration issues. Further, as per the data furnished by MSEZ indicates that for a lesser input energy, MSEZ is showing cumulative sales in excess of the input energy. This results in collecting energy bills from consumers of MSEZ for energy in excess of actual energy received. The Commission cannot accept such computations with negative loss figures. The distribution system should invariably include technical losses and negative losses are only due to measurement issues. MSEZ is required to determine technical losses in its system and furnish revised data for the input energy. MSEZ shall also furnish the month-wise input energy purchases and the payments made to MESCOM.

3. Power Purchase:

MSEZ has proposed to purchase 85.33 MU at a cost of Rs.47.87 Crores from MESCOM for FY18. In this regard, MSEZ is required to furnish the consent of MESCOM for supplying the said quantum of power at the estimated cost.

4. Other Issues:

a) MSEZ shall furnish the actual data of demand/fixed charges and energy charges demanded from LT and HT Consumers during FY16 and FY17 (Upto October,2016).

b) MSEZ shall furnish the details of monthly Minimum and Maximum load recorded during January, 2016 to November, 2016 for the morning (6.00AM to 10.00 AM)/evening (6.00PM to 10.00 PM) peak periods and off-peak periods (10.00PM to 6.00 AM). Also, for the same period, MSEZ shall furnish the amount of penalty levied and incentives given under the existing ToD scheme.