B/11/19/1164

The Managing Director,
Mangalore SEZ Limited,
Sy. No 168/3A, Plot No U-1, Administrative Building,
Mangalore Special Economic Zone,
Bajpe Village, Mangalore Taluk,
Dakshina Kannada (Dist),
Karnataka-574142

Date: 23rd December, 2019

Sir,

Sub: Preliminary observation on MSEZ application for approval of APR for FY19 and ARR for FY21.


Please refer to your letter cited above, wherein, MSEZL has submitted the application for the approval of the Annual Performance Review (APR) for FY19 and ARR for FY21. I am directed to inform MSEZL that after scrutiny of the application, the Commission has made certain preliminary observations and the same are enclosed to this letter.

MSEZL is requested furnish clarifications/additional information/compliance to these observations within ten days from the date of this letter to enable the Commission to take further necessary action in the matter.

Yours faithfully

[Signature]

Secretary
for Karnataka Electricity Regulatory Commission

Phone : 080-22268677/78/79 ● Fax : 080-22268667 (Chairman Office) ● 080-22370214 (Secretary Office)
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MSEZL

Preliminary Observations on the Application file for APR of FY19 and approval of revised ARR and Retail Supply Tariff for FY21,

under MYT Framework

1. Sales:

a. APR-19 Sales:

The Commission, in its Tariff Order dated 14.05.2018, had approved sales of 44.69 MU for FY19. The actual sales as per current filing [D-2 Format] is 41.50 MU, indicating reduction in sales to an extent of 3.19 MU. The MSEZ has stated that the energy sales were less than anticipated levels, due to reduced consumption by HT Industries & HT construction consumers.

The Commission notes that the reduction in sales is attributed to reduced off-take from HT consumer. In this regard HT consumer-wise details of estimated sales and actuals for FY19 shall be furnished.

b. Sales for FY20 & FY21

1. MSEZ has estimated the revised sales for FY20 as 52.88 MU, against 50.54 MU approved by the Commission, which is more by 2.34 MU. MSEZ shall analyze and furnish the reasons for such increase in sales in FY20 with reference to the approved sales as per tariff order, 2019.

2. MSEZ has stated that, sales for the FY21 are re-estimated at 57.22 MU, after evaluating the energy consumption of new consumers who have commenced operations in FY20 and those who would commence the operations in FY21.

In this regard, the Commission directs MSEZ to furnish the details of sales calculation with the following data:
a. For existing consumers, consumer-wise details of the actual energy sales made in FY 18 & FY19 and the estimated energy sale for FY 20 & FY21, along with the details of connected load;
b. For new consumers coming up in FY20, consumer-wise details of energy estimation for FY 20 & FY21, along with the details of connected load;
c. For new consumers coming up in FY21, consumer-wise details of energy estimation for FY21, along with the details of connected load; and

MSEZ shall also furnish the working details of sales estimates for each of the consumers for FY21.

2. Wheeling Charges and Cross Subsidy Surcharge:

MSEZL shall work out the wheeling charges, CSS and additional surcharge for FY21.

3. RPO Compliance:

MSEZ shall furnish the status of solar and non-solar RPO compliance for FY19 and also the estimates of RPO to be met in FY20 and FY21 and the plan of action to meet the same.