

Subject: Data Gaps in TPC-D's Petition for implementation of ATE Judgment dated 18 March, 2019

- 1) TPC-D has filed its Petition seeking implementation of ATE's Judgment dated 18 March, 2019 in Appeal No. 84 of 2018. In its Petition, TPC-D has proposed method of computing wheeling charge based on Commission's approach in MYT Order 2016. The Commission notes that ATE in its judgement has ruled as follows:

*10.6 Admittedly, we find force in the submissions of the learned counsel for the Respondents that for a mere distance of 1.90 kms., the consumer-HPCL is being made liable to pay much higher wheeling charges than the transmission charges for the entire network of 110 kV and 220 kV of Tata Power and also the 220 kV system of MSETCL. This is because of the fact that 33 kV (HT) wheeling charges are being applied to a consumer of 110 kV. **In view of these facts, we are of the opinion that in case the State Commission was to determine the charges for use of 110 kV line in the distribution tariff order, the same ought to have been separately determined as EHT cost and EHT wheeling charges, which would be based on the cost of the 110 kV lines.** This would obviously be lower than the 33 kV wheeling charges and would be the same, irrespective of which legal entity owns and operates the said line. Thus, after deciding that the said 110 kV lines connecting to HPCL are part of the distribution network of TPC-D, we consider that it would be prudent on the part of the State Commission to determine wheeling charges at EHT level (110 kV) along with computation of wheeling charges at LT/HT levels so that the visible disparity is appropriately addressed in a judicious manner. (emphasis added)*

In Order to comply with above directives of the ATE, TPC-D should submit details of the following:

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	(Trued Up)	(Trued Up)	(As per MTR)	(As per MTR)
Direct Sales (MU)				
EHT level				
HT level				
LT level				
GFA (Rs Crores)				
EHT level				
HT level				
LT level				

Response

Year wise Details of Direct Sales and GFA is as given in the table below:

Table 1: Year wise Sales and GFA Data

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	(Trued Up)	(Trued Up)	(As per MTR)	(As per MTR)
Direct Sales (MU)	3176	3290	3488	3635
EHT level	592	693	698	702
HT level	1752	1657	1746	1767
LT level	833	939	1044	1165
GFA (Rs Crores)	2177	2363	2474	2564
EHT level	15	15	15	15
HT level	1513	1643	1893	1963
LT level	648	704	566	586

Further, based on the GFA ratio of FY 2017-18 Tata power-D is submitting the estimated GFA for FY 2018-19 & FY 2019-20.

Table 2: Year wise Sales and GFA Data based on the FY 2017-18 GFA

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	(Trued Up)	(Trued Up)	(As per FY 2017-18)	(As per FY 2017-18)
Direct Sales (MU)	3176	3290	3488	3635
EHT level	592	693	698	702
HT level	1752	1657	1746	1767
LT level	833	939	1044	1165
GFA (Rs Crores)	2177	2363	2474	2564
EHT level	15	15	15	15
HT level	1513	1643	1721	1784
LT level	648	704	738	765

In this regard, we wish to submit that Tata Power-D has considered GFA of Consumer Sub Substation (CSS) as a part of HT GFA as has been the practice in the past.

2. *Based on the above details, TPC-D needs to submit computation for Wheeling Charges for EHT, HT and LT level.*

Response

Considering the GFA and Sales approved as per the MTR Tariff Order in Case No. 69 of 2018 (as shown in Table above), the Wheeling Charges for FY 2019-20 work out as follows:

Table 3: Wheeling Charges FY 2019-20

	Level	Wheeled Sales (MUs)	Level wise % Wheeled Sales mix	% Wheeled sales mix between HT & LT	% GFA Ratio	Wheeling Cost segregation (as per % GFA) (Rs. Crore)	Wheeling Cost allocation for EHV (Rs. Crore)	Wheeling Cost allocation for HT (Rs. Crore)	Wheeling Cost allocation for LT (Rs. Crore)	Total Wheeling Cost allocation (Rs. Crore)	Wheeling Charges allocation (Rs/kWh)
1	EHV (110 kV)	702	19%		1%	4	4			4	0.06
2	HT	1767	49%	60%	76%	493		297		297	1.68
4	LT	1165	32%	40%	23%	148		196	148	344	2.95
	Ave	3635	100%	100%	100%	645	4	493	148	645	1.78

However, we wish to submit that the GFA ratio considered for FY 2018-19 and FY 2019-20 is based on the MYT Order (EHT:HT:LT – 1:76:23) and is different from the actual GFA ratio for FY 2016-17 and FY 2017-18 (EHT:HT:LT – 0.69:69.5:29.7). It is submitted that it may be appropriate to arrive at the Wheeling Charges based on a realistic GFA ratio. Accordingly, we have computed the Wheeling Charges based on the GFA for FY 2017-18. The same is worked out as shown in the Table below:

Table 5: Wheeling Charges FY 2019-20 with GFA ratio of 1:70:30

	Level	Wheeled Sales (MUs)	Level wise % Wheeled Sales mix	% Wheeled sales mix between HT & LT	% GFA Ratio	Wheeling Cost segregation (as per % GFA) (Rs. Crore)	Wheeling Cost allocation for EHV (Rs. Crore)	Wheeling Cost allocation for HT (Rs. Crore)	Wheeling Cost allocation for LT (Rs. Crore)	Total Wheeling Cost allocation (Rs. Crore)	Wheeling Charges allocation (Rs/kWh)
1	EHV (110 kV)	702	19%		1%	4	4			4	0.06
2	HT	1767	49%	60%	70%	449		270		270	1.53
4	LT	1165	32%	40%	30%	192		178	192	371	3.18
	Ave	3635	100%	100%	100%	645	4	449	192	645	1.78

Further, with respect to determination of wheeling charges, we wish to submit that the Hon'ble Commission had adopted certain principles in the MYT Tariff Order while determining wheeling charges. While the Hon'ble ATE has suggested that the EHT Wheeling Charges are required to be determined separately, the Hon'ble ATE has also ruled that the principles set in the MYT Order cannot be changed during the MTR. The Hon'ble Commission has followed this principle in the MTR Order and the same needs to be continued for this control period i.e. till FY 2019-20. Considering this we request the Hon'ble Commission to compute Wheeling Charges as submitted in the petition. The relevant extract of our petition is reproduced below:

21. As stated in the foregoing paragraphs, this Hon'ble Commission had based on its tariff philosophy and rationale employed in its MYT Order dated 21st October, 2016 in Case No. 47 of 2016 included the EHV Sales in HT sales while determining the Wheeling Charges for HT/EHV consumers of Tata Power-D and other Mumbai Utilities. Subsequently, in its MTR Order dated 12th September, 2019, this Hon'ble Commission has continued with the same principles for determining wheeling charges but excluded EHV sales based on the finding in the Order in Case No. 58 of 2017 that they were not distribution assets. In view of the Hon'ble ATE's aforementioned recent Judgment, Wheeling Charges applicable for FY 2019-20 are to be recomputed in line with the fundamental principles/ philosophy set out/ considered by this Hon'ble Commission in the MYT Order dated 21st October, 2016, as set out in Table No.3 below. It is to be noted that, the determination of Wheeling Charges is just a redistribution of the already approved Wires ARR in MTR Order dated 12th September, 2018 in Case No. 69 of 2018, considering the EHV sales and does not entail redetermination of ARR:

Particulars		FY 2019-20
Direct (Mus)		
HT Sale with 15 days adjustment (Mus)	1	2470
LT Sale with 15 days adjustment (Mus)	3	1165
Total Sale (Mus)	4=1 to 3	3635
Direct Sale %		
HT Sale	5	68%
LT Sale	6	32%
GFA %		
HT GFA	7	77%
LT GFA	8	23%
Wires ARR (Rs Crores)	9	645
Network Cost- HT	10=7*9	497
Network Cost- LT	11=9-10	148
Wheeling Cost HT	12=5*10	338
Wheeling Cost LT	13=9-12	308
HT wheeling Charge -Rs/kWh	14=12/(1+2)*10	1.37
LT wheeling Charge -Rs/kWh	15=13/3*10	2.64

Accordingly, we request the Hon'ble Commission not to change the methodology during the Control Period.