

5th September, 2015
CREG/MUM/MERC/15/247

Principal Secretary,
Maharashtra Electricity Regulatory Commission,
13th Floor, Centre No-1, World Trade Centre
Cuffe Parade, Colaba
Mumbai 400 005

Dear Sir,

Subject: Response to R-Infra Letters in Case 182 of 2014 - Network Rollout Plan

Ref: i. R-Infra Letter No DJK/ 11136 dtd.20.08.2015

ii. RInfra Letter No DJK/11399 dtd. 26.08.2015

iii. RInfra Letter No DJK/11406 dtd. 26.08.2015

iv. RInfra Letter No RInfra-D/MERC/Case 182 of 2014 Dtd. 02.09.2015

This has reference to the petition filed by Tata Power for approval of the Revised Network Rollout Plan and subsequent hearings held by the Hon'ble Commission in Case 182 of 2014 on 30th July, 2015 and 12th August, 2015.

The Hon'ble Commission, in its daily order dated 17th August, 2015 had directed the following:

"...The Commission further directed the Petitioner to review its proposal for BEST's area. It will be necessary for the Petitioner to enter into formal dialogue with BEST for this purpose."

...

"... The Commission observed that data regarding reliability of existing network is crucial input for network rollout. Therefore, the Commission decided to nominate Director (Electrical Engineering), MERC for this purpose. He will convene a meeting of both the parties and decide the format and nature of information that needs to be shared and will further co-ordinate with the parties for information exchange. It needs to be ensured that such information is made available before next date of hearing."

...

"...the Commission directed the Parties to submit the following for assisting the Commission in interpretation of the ATE Judgment:

- i. Difference between the terms 'observations', 'finding', 'ruling' and its legal implications.*
- ii. Meaning of 'new connection' mentioned in ATE judgment and its implication on network laying.*
- iii. Situation specific scenarios for network laying."*

...

“...On the receipt of the information related to network of RInfra, TPC may require to revise its network rollout plan.

The Commission directs TPC to file its submission by 19 August, 2015 with copy served on all the parties. RInfra and BEST are directed to file their submissions by 26 August, 2015 with copy served on all the parties.”

The Commission had also opined in the same daily order that:

“...There can be various scenarios within the framework of ATE’s Judgment for providing supply on own wires or other Licensees’ wires. Such scenarios need to be further developed depending upon the availability of existing network and its reliability.”

In line with the above directions, Tata Power-D has taken the following actions:

- Duly reviewed the Network Rollout Plan and submitted the Revised Network Rollout Plan on 19th August, 2015.
- Entered into formal dialogue with BEST for this purpose. Three rounds of discussions have been held with BEST officials.
- Participated in discussions chaired by The Director (Electrical Engineering) MERC to finalise the formats even though there was tremendous resistance and objection by RInfra team to agree to share any data on Network Reliability.
- Submitted the complete data regarding Reliability of its Network as per the formats prescribed by Hon’ble Commission duly on 27th August, 2015.
- Submitted the legal interpretation of ATE Judgment on “Difference between the terms ‘observations’, ‘finding’, ‘ruling’ and its legal implications” on 20th August, 2015.
- Submitted “Meaning of ‘new connection’ mentioned in ATE judgment and its implication on network laying” on 24th August, 2015.
- Analysed the data on Reliability provided by RInfra on 28th August, 2015 as per formats of Hon’ble Commission and further submitted revised Network Rollout Plan on 2nd September, 2015.
- Submitted the Scenario for Network Rollout on 4th September, 2015.

In this regard, we wish to submit, that the submission regarding Revised Network Rollout Plan for South Mumbai was not pertaining to R-Infra. Hence, submission date for the same was immaterial to R-Infra.

Further, as per our understanding and the directions of the Hon'ble Commission during the Hearing, both the Distribution Utilities were to submit their independent views on the understanding of observations, rulings and findings, definition on New Consumer and situation specific scenario planning as is clear from the directive of the Hon'ble Commission reproduced below:

"...the Commission directed the Parties to submit the following for assisting the Commission in interpretation of the ATE Judgment:

- i. Difference between the terms 'observations', 'finding', 'ruling' and its legal implications.*
- ii. Meaning of 'new connection' mentioned in ATE judgment and its implication on network laying.*
- iii. Situation specific scenarios for network laying."*

Hence, R-Infra is actually trying to camouflage their own delay under the guise of delay from Tata Power. Further, in our opinion, the role of R-Infra, in the above submissions, is not to give an opinion on Tata Power's interpretation, but to give their independent interpretation which will assist the Hon'ble Commission in a meaningful interpretation of the ATE judgment.

Further, the Commission had also opined in the same daily order that:

"...There can be various scenarios within the framework of ATE's Judgment for providing supply on own wires or other Licensees' wires. Such scenarios need to be further developed depending upon the availability of existing network and its reliability."

In view of the above, we thought it prudent to await R-Infra data on Reliability before making the scenarios which was only made available on 28th August, 2015 after the meetings held in the office of the Hon'ble Commission.

RInfra, in their preliminary submissions to this Case had provided certain formats in Annexure 2 & 5 whereby certain Zone wise data were demanded. This included Zone wise Load projection data, Network Rollout details, capex projections etc which had already been provided in our submissions on 6th August, 2015 and had been reproduced and a detailed response has been sent again on 28th August, 2015 as agreed in the meeting with Director (Electrical Engineering), MERC on 20th August, 2015.

In these Annexures Rlnfra has also demanded certain impractical data regarding exact segregation of load booked in Residential, Commercial & Industrial Loads, exact details of consumer details of load booked, location details of proposed substations which cannot not be provided since practically such data becomes available only when actual applications are received or DPRs are submitted. Rlnfra should have realised that such data cannot be asked at the Network Rollout Planning stage whereby it is a prudent practice to plan the network as per parameters like overall growth of Peak load, Growth of Mus, Diversity factor, Density factor etc based on past trends and assumptions of future developments.

Rlnfra had also asked for some irrelevant data on Zone wise Capex phasing details which, in our understanding is the prerogative of Hon'ble Commission to decide as also details of CWIP network which are pertaining to case 50 of 2015. Hence such data has not been provided.

However, R-Infra has been regularly writing letters to Hon'ble Commission, as mentioned in reference to this letter, repeatedly alleging that Tata Power is not submitting data as per "what R-Infra thinks is relevant" with respect to Case 182 of 2014.

Further, repeated references are being made to bring alive past allegations of Tata Power as Cherry Picking & Selective network laying which have been decided and settled, discarded and closed by Hon'ble ATE in their judgment in Appeal 246 of 2012 in favour of Tata Power. In our humble submission, such unwarranted intents of Rlnfra in unnecessarily prejudicing the minds of all concerned, by making baseless allegations should be looked upon very seriously and we request Rlnfra to be advised to resist from such practices.

We are providing a detailed response to the above mentioned letter of R-Infra in the **Appendix** attached to this letter.

We request the Hon'ble Commission to take the same on record to get a correct perspective.

Yours faithfully,

-sd/-

Bhaskar Sarkar
Head Business Strategy & Regulations (MO)

Encl:

Response to recent Letter from R-Infra regarding submission of data vide letter No RInfra-D/MERC/Case 182 of 2014 Dtd. 02.09.2015

Before we provide our point wise response to the issues tried to be created by R-Infra, we wish to bring out the role of R-Infra as per the ATE judgment:

The State Commission shall consider to give approval for laying down of network by Tata Power only in areas where there are distribution constraints and laying down of a parallel network by Tata Power will improve reliability of supply and benefit the consumers, only after hearing RInfra and the consumers.

In our opinion, the role of R-Infra is limited to providing their view on the submission made by Tata Power. In case, R-Infra is of the opinion that the network rollout is inadequate in any manner, they should point out the same in their submissions and it is for the Hon'ble Commission to decide the further course of action and direct the Utilities accordingly.

With this understanding, our point wise response to the submissions made by R-Infra are provided below:

1. Para 1 being a statement of fact does not require a response.
2. R-Infra is quoting paras from the submissions of Tata Power without reference or providing the background of the matter. In this regard, we wish to submit that R-Infra has requested a detailed ward wise breakup of the consumers (including their category) who have approached Tata Power for power supply. Their format even asks for the area and the landmarks for the consumers who have approached Tata Power. In our humble submission, such data is irrelevant to the petition under consideration. R-Infra's self-proclaimed responsibility to ensure that Tata Power is not cherry picking consumers is totally uncalled for and against the findings and rulings of the Hon'ble ATE in Appeal 246 of 2012. In our humble submission, the Hon'ble ATE has not cast any such responsibility on R-Infra regarding deciding on the performance of Tata

Power. If R-infra has reservations regarding any issue, they have to highlight the same in their submissions to the Hon'ble Commission. It is for the Hon'ble Commission to ask for clarifications, if required, in the matter. Notwithstanding the above, Tata Power has already provided details of load estimated wardwise on Tata Power network with a breakup of load estimated through migration, in brownfield and in green field areas, which in our opinion is more relevant to finalise the network rollout plan. Tata Power has also submitted that the category wise load would follow a general pattern of the ratio of categories of load pattern in the particular ward.

3. Tata Power's intent behind seeking data on a common platform, that too from both Utilities, not only from R-Infra was towards achieving optimisation of the network development proposed.
4. Once again, R-Infra, by quoting the para out of context, without bringing out the data requested by them has tried to prejudice the minds of the Hon'ble Commission. In this regard, we wish to submit that R-Infra has requested data which is not a subject matter of the present Cases 182 of 2014 and Case 40 of 2015. The data requested is pertaining to Case 50 of 2015 which, in our understanding, the Hon'ble Commission has consciously not included in the current proceedings. Further, the data requested is in depth details of individual schemes, which, in our opinion, even if the matter was under consideration are not relevant in deciding the matter. Further, the network development carried out by Tata Power was with the full knowledge & constant monitoring of the Hon'ble Commission. To this extent Tata Power had been duly submitting detailed quarterly reports regularly to Hon'ble Commission on the progress made towards network development. Hence, in our opinion, R-Infra is deliberately trying to bring in aspects in the matter which apart from delaying the matter will not achieve anything purposeful.
5. In this regard, we wish to submit that we have given a separate and detailed submission for the Mumbai city area in respect of load projections considered and consequent network requirement and capex phasing. We have also provided ward wise details of load projections in our earlier submissions as well as the revised

submissions, which in effect bring out the Mumbai suburban area details for the loads. The principles adopted for load projections continue to remain same for the Mumbai suburban area as in our earlier submission. However, we have not like Mumbai City area separately provided the capex phasing and projections for Mumbai suburban area though it can be inferred from the data provided. However, for ample clarity we are providing in **Annexure 1**, the detailed breakup for Mumbai Suburban area.

6. R-Infra, in their submission in Annexure 1 have provided the reasons for the requirement of data. We have explained in detail in the earlier paras why the data is not relevant. Further, we are providing below the response to each of the justifications given by R-Infra which were earlier not known to us.

R-Infra justification for data requirement

In view of the above, the Hon'ble Commission needs to analyse the load mix proposed to be acquired by TPC through its Roll-out Plan, including the load mix targeted through ongoing capex works of TPC, which TPC may be allowed to commission and capitalize.

Tata Power Response

In our opinion, R-Infra is trying to bring in aspects which have been settled by the Hon'ble ATE in their judgment in Appeal 246 of 2012.

...evidently it is the tariff fixed by the State Commission which is ultimately deciding the trend of movement of consumers and in no way can be termed as 'cherry picking' by Tata Power.

As has been said in the judgment, the tariff is the deciding factor for a consumer to choose a Distribution Licensee over another. In this regard, it is obvious from the current tariffs, that the low end consumers will choose Tata Power over R-Infra as Tata Power's tariff for low end consumers is lowest not only in Mumbai alone but

probably in the country. Hence, the question of cherry picking if at all, is applicable is to R-infra and not to Tata Power. The above submission and the previous approaches of R-Infra in fact indicate a monopolistic approach and that they do not want any other utility to be present in their area of licence. However, to completely remove all doubts, we wish to submit that around 85% of the load projected is for residential consumers.

R-Infra justification for data requirement

The Hon'ble Commission, in Case No. 182 of 2014 will have to decide whether the said ongoing capital expenditure of TPC was undertaken in pursuance to the directions of the directions of the Commission in Case No. 151 of 2011. The information sought in the formats seeks to assist the Commission in performing the said evaluation.

Tata Power Response

As submitted earlier, the entire capital expenditure carried out was with the full knowledge of the Hon'ble Commission. Tata Power was submitting detailed quarterly reports to the Hon'ble Commission regarding the network development. Hence, the allegations made by R-Infra are completely baseless.

R-Infra justification for data requirement

this segregation sought in the formats is important to reveal whether TPC is intending to switchover existing consumers of RInfra onto its network, other than those consumers who are specifically permitted to switchover under para 59 of the judgment. If that be so, the proposal of TPC would run counter to the judgment, which clearly requires that it is not in consumer interest to switchover existing consumers already connected to network of a Licensee.

Tata Power Response

Tata Power is strictly abiding the directions of Hon'ble Commission in its order in case 151 of 2011 and the judgment of Hon'ble APTEL in para 59 of its judgment in Appeal 246 of 2012. In fact, it is R-Infra who is showing a monopolistic anti competitive approach by not allowing even 0-300 consumption category consumers to switchover

to Tata Power inspite of they being eligible for switchover. This is against the judgment of Hon'ble APTEL and also against the intent of the Electricity Act 2003 to promote competition and provide the right to consumers to choose their Distribution Licensee.

7. R-Infra has denied the data sharing proposed by Tata Power in line with ATE judgment without providing any justification. Merely denying a proposal indicates R-Infra's non-cooperation to comprehensively arrive at an optimum network rollout plan, so that they can retain their monopoly in the Mumbai suburban area.
8. We completely deny that no information other than the scenario analysis was forthcoming from Tata Power, which has now been submitted on 4th September, 2015. We have provided all the data directed by the Hon'ble Commission over the course of the hearings and also provided the relevant data requested by R-Infra. In fact RInfra has provided incomplete data on Division wise Reliability Indices, impact of cable damages etc on Reliability Indices.
9. It is pertinent to note here that this is not an adjudication process for any dispute but a network rollout proposal of Tata Power submitted for approval wherein R-Infra views are to be heard.

In view of the above submissions, we submit that all the relevant data required for a network rollout plan has been made available by Tata Power.

In case, still if the Hon'ble Commission desires any data which is necessary for the completion of the proposal, Tata Power is willing to submit the same. Similarly, if some data is necessary from R-infra, the Hon'ble Commission may accordingly direct.

Network Rollout for Mumbai Suburban Area

We are making the following submission to separately bring out the network rollout capex details for Mumbai Suburban area. As the principles and philosophy have already been explained in our earlier submissions and all other submissions have been provided for Mumbai City Area and Mumbai Suburban Area, that too ward wise, we are only providing below the data regarding capex separately for Mumbai Suburban Area:

Table 16: Comprehensive Network Rollout Plan for Mumbai Suburban Area

Network Components	Realistic Scenario		Optimistic Scenario	
	Network Projected	Capex Projected (Rs. Crore)	Network Projected	Capex Projected (Rs. Crore)
	d	f=d*e	a	c=a*b
DSS of 20 MVA	8	102	10	127
DSS of 40 MVA	4	102	5	127
33 kV Cable Network (km)	120	89	150	111
11 kV Cable Network (km)	256	211	320	264
CSS - 0.5 / 1 MVA	364	163	455	204
Additional Transformer for CSS	233	28	291	35
LT Cable Network (km)	320	117	399	146
Total		811		1014

Table No. 17: Year wise Network Rollout Plan Phasing for Mumbai Suburban Area

Network Components	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Number of DSS of 20 MVA	1 to 2	1	1	1	1 to 2	1	2	8 to 10
Number of DSS of 40 MVA	0	1	0 to 1	1	0 to 1	1	1	4 to 5
33 kV Cable Network (km)	10	20	10 to 15	25 to 40	10 to 15	20 to 25	25	120 to 150
11 kV Cable Network (km)	20 to 40	40 to 42	30 to 60	40 to 44	40 to 48	40	46	256 to 320
Number of CSS - 0.5 MVA	29 to 40	30	30 to 40	30 to 50	40 to 60	40 to 70	40	239 to 330
Number of CSS - 1 MVA or more	16	17	17	18	19	20	18	125
Additional Transformer for CSS	30	32	30 to 35	32 to 40	30 to 48	32 to 51	47 to 55	233 to 291
LT Cable Network (km)	40 to 45	43	40 to 52	62	42 to 72	48 to 81	45	320 to 399

Table 18: Year wise Capex Phasing for Mumbai Suburban Area

Network Components	Rs. Crore							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
DSS of 20 MVA	13 to 25	13	13	13	13 to 25	13	25	102 to 127
DSS of 40 MVA	0	25	0 to 25	25	0 to 25	25	25	102 to 127
33 kV Cable Network	7	15	7 to 11	19 to 30	7 to 11	15 to 19	19	89 to 111
11 kV Cable Network	16 to 33	33 to 35	25 to 49	33 to 36	33 to 40	33	38	211 to 264
Consumer Substation (CSS) - 0.5 MVA	11 to 16	12	12 to 16	12 to 20	16 to 24	16 to 28	16	94 to 130
Consumer Substation (CSS) - 1 MVA or more	9	10	10	11	11	12	11	74
Additional Transformer for CSS	4	4	4 to 4	4 to 5	4 to 6	4 to 6	6 to 7	28 to 35
LT Cable Network	15 to 16	16	15 to 19	23	15 to 26	18 to 29	16	117 to 146
Capex in Mumbai Suburbs (Rounded Values)	80 to 110	130	80 to 150	140 to 160	100 to 140	130 to 160	160	820 to 1010