



08 August 2019

CREG/MUM/MERC/2019/176

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

Dear Sir,

Sub: Comments on Fact Finding Committee Report

Ref: Email from MERC dated 4th July, 2019

This is with reference to the above mentioned email in which the Hon'ble Commission has requested for the comments on Fact Finding Committee report.

We are enclosing our comments as **Appendix** to this submission.

We trust this satisfies your requirement.

Yours faithfully,

Peyush Tandon
Chief - Regulatory

TATA POWER

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Tata Power -D's Comments on Fact-Finding Committee Report

In the Fact-Finding Committee report the Hon'ble Commission has given some recommendations for all distribution licensees. The Tata power-D's comments on those recommendations are as below:

Sr.No.	Committee Recommendations	Process being followed at Tata Power	Comments
1	It is recommended to switch over to smart meters in a phased and time bound manner so that on one hand manual interface in meter reading could be minimise and on the other hand the consumers could have the facility of viewing their consumption on the real time basis.	<ol style="list-style-type: none"> 1. Tata Power plans to roll out a pilot of around 65,000 smart meters in next 3 years to test the new communication technologies as well as validate the claims on reliability of the meters and actual benefits accruing to the DISCOM as well as consumer. 2. Tata Power has introduced a WiFi based meter reading system to obtain meter reading of Single part consumers without a manual intervention. A pilot project has already been completed and implementation for all the consumers is in progress. 3. High Revenue based consumers are covered under AMR, CMRI meter reading system to avoid manual intervention. 4. Tata Power has also introduced KYEC (Know Your Consumption) facility for AMR based consumers. This facility enables consumer to view their todays half hourly, day-wise consumption on next day to plan its energy consumption during the month. 	The meters have useful life hence we urge the regulator to schedule their replacement post their useful life. Also, it would be better if there is some sort of standardisation in the meters being used by Mumbai Utilities due to possible changeover/switchover scenarios.
2	Till such time the changeover takes place the Distribution Licensees may communicate the level of consumption, date of meter reading, the recorded reading and amount of bill etc. through short messages on consumer mobile phones as practiced by the MSEDCL.	<ol style="list-style-type: none"> 1. Tata Power- D provides SMS to consumers post meter reading, indicating date & time of meter reading, consumption and probable date of bill generation. SMS is also sent post bill generation. 2. In addition to above SMS communication is provided for Bill Discount Date, Before & After Due Date, Payment Receipt. 3. In certain cases, Tata Power - D identifies the consumers likely to exceed the normal range of consumption, basis the trend tracked and climatic changes, informs the consumers to watch out for consumption as well as expect a higher bill 	Tata Power-D already meets the recommendations
3	The Distribution Licensees can proactively test the meters of such consumers whose consumption is abnormally high and accordingly inform the consumers by way of messages or record on the ensuing bill. This will enhance transparency in billing and reduce consumer complaints to some extent	In this regard we wish to say that in Tata Power-D, the abnormal consumption is identified by Meter Reading group post meter reading & before bill generation. Further, bill for such a consumer is generated based on past 12 months' average consumption. This is done through a stringent quality check process for Meter Reading quality & for Bill Quality. Abnormal consumption case is then investigated by a meter management team by capturing recorded meter reading thru data download and analysis. In case of any abnormality detected the meter is tested on case to case basis.	
4	The Committee observed the initiative of AEML-D of executing a contract of banking of power with generators in other States so that cheaper energy will be available to the consumers. This concept of banking has already been adopted and implemented by MSEDCL in past. The Commission has also recognised the same in respective tariff orders. This could be adopted by other DLs with a view to reduce the cost of power	Tata Power-D had executed banking contracts in past and we will explore the possibility in future based on the requirement.	
5	All the Distribution Licensees in the State remain vigilant to anticipate consumer grievances, and take proactive measures to avoid consumer complaints, and resolve such complaints promptly, without waiting for public outcry or intervention by the Commission or the Government	<p>Through complaint redressal mechanism concerns of consumers are addressed appropriately. However, TPC D has adopted a proactive approach of intimating the consumers on following aspects -</p> <ol style="list-style-type: none"> 1. Communication to a large set of consumers, whose consumption exceeds normal consumption during summer. This communication alerts the consumers and explains of all energy conservation techniques and tips. 2. Message on bill in the beginning of summer to all consumers informing about the season change. 3. Communication regarding Change in Tariff in Apr Bills. 4. SMS to consumers in case bill generation or dispatch is delayed. A revised expected date is mentioned in the message. 	Tata Power - D has lot of consumers who have changed over from AEML - D network. The responsibilities towards consumer remain divided and joint. Most of the issues are governed by the orders in the past but commercial issue like non-payment to Tata Power for the last bill etc during reverse change over cases need to be addressed on urgent basis.

Other than above we also have following suggestions -

- 1. Tariff Revision** – In this regard we wish to submit that Tariff Orders are made applicable in the month they are issued for which the Billing Cycle is already initiated. This creates arrears to be collected for the month in which Tariff Order is issued resulting in increased bills in subsequent months. To avoid increase in bills on account of arrears, Tariff Order could be made applicable from the next to next Billing Cycle. For e.g. if order is issued on 29th September, it should be implemented from 1st November. This will allow distribution licensees to make changes in their billing system and also allow distribution licensees to issue necessary communication to consumers regarding change in tariff.

Further, in our opinion, setting a specific date for Tariff Revision say 1st April / 1st June for every year may help as consumers clearly know Tariff gets revised in a particular month every year. Accordingly, the ARR process cycle timelines may be reorganised to ensure that the new Tariff is applicable from the specified date every year.

- 2. Fuel Adjustment Charge** – Fuel Adjustment charges (FAC) is for recovery or refund of variation in the cost of power purchase due to variation in the rate of power purchase from approved sources. Tata Power is charging FAC in line with Regulation 10 of MYT regulation 2015.

The Hon'ble Commission has deviated from earlier methodology being considered for FAC by removing the units procured through Unscheduled Interchange in quantum as well as cost as the bills for such power procurement was not issued by concerned entity. Although the bills of imbalance pool are delayed, distribution licensees are procuring power from the pool. Therefore, pool power purchase cost on estimation basis should be allowed in FAC. We have already submitted the letter regarding this vide letter No. CREG/MUM/MERC/2018/357 dated 27th December 2018. This will ensure that there is no abnormal changes in FAC on account of delayed bills etc.

Further, we also suggest that Distribution Licensee should be allowed to plan and keep even FAC throughout the year, based on their own analysis. So that there will not be tariff shock to the consumers.

