

MINUTES OF MEETING
OF THE
MUMBAI DISTRIBUTION NETWORK ASSESSMENT COMMITTEE (M-DNAC)

Date :- 21 August, 2018 at 15.00 Hrs.

Venue :- MERC, 12th Floor Conference Hall

Present :- **M-DNAC Members**

Shri Rakesh Guhagarkar, Convener and Member (Commission's Officer)

Shri Nikhil Meshram, Member (Commission's Officer)

Shri Pradeep Nichat, Member (External)

Shri Rajendra Mashalkar, Member (External)

Dr. Ashok Pendse, Member (External)

Shri Dilip Dumbre, Member (Ombudsman's Officer)

Representatives of Distribution Licensees

S.R. Mehendale- Tata Power

Ganesh Shrinivasan- Tata Power

Girish Pednekar – Tata Power

Nilesh C. Potphode – Tata Power

Vivek Mishra – RInfra-D

Vighnesh Gawade – RInfra-D

S.P. Sarpotdar- RInfra-D

P.V.Chavande- RInfra-D

Discussions held

1. Meeting of Mumbai Distribution Network Assessment Committee (M-DNAC) was held on 21 August, 2018 in the Commission's Office to discuss the issue related to fixation of basic parameters for Maximum Demand (MD) estimation.
2. TPC-D contended that the Case No. 182 of 2014 does not allow such fixation and only the cost estimate submitted by the Licensees needs to be considered for deciding the least cost licensee for releasing the connection. This cost would be the ceiling cost for recovery of the capital expenditure during Tariff proceeding. One may assume that Licensee may purposely submit a lower cost. However, under such circumstances also, it is the Licensee only, which will suffer on account of under-recovery, if any, through ARR and there is no impact on the consumers at large due to above.
3. AEML-D stated that it would be necessary to ensure that there is a fair competition among the Licensees. The Order states that the Committee has to decide the Licensee

who can release the connection in cost-effective manner. Hence, it needs to be seen whether the cost submitted is sustainable or not. There is a possibility that a Licensee may submit a lower cost while submitting its proposal to M-DNAC and in future, it may seek DPR approval of the Commission for augmentation of the network. Thus, ultimately, the cost would be passed on to the consumers only.

4. TPC-D stated that since the cost submitted by it is lower than AEML-D's cost, TPC-D must be allowed to connect to the consumer.
5. The Committee was of the opinion that although these two Distribution Licensees have their own design philosophies and different parameter assumptions, few basic parameters such as Diversity Factor, Wattage per Sq. Feet Area etc. for estimation of MD may be defined on which both the Distribution Licensees need to have a common assumption. With this approach, the two Licensees will be at par to some extent while estimating their respective costs which will avoid extra-ordinary variation in the cost estimation to a large extent.
6. The Committee is in receipt of the letter from RInfra-D in which it has given the watts/per sqmtr norms and norms for demand factor alongwith the other suggested parameters. However, no such information has been received from TPC-D. In such circumstances, the Committee stated that independent norms of the third party such as MSEDCL which is State Licensee and supply in part of Mumbai such as Bhandup and Mulund may be used for MD estimation while submitting the cost estimates.
