

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

Date :- 23 February, 2024 at 02.30 pm

Venue :- MERC, 13th Floor Conference Hall

Present :- Dr. Prafulla Varhade, Chairman (Commission's Officer)
Shri. Dineshchandra Saboo, Member (External)
Shri. Dilip Dumbre, Member (Ombudsman's Officer)
Shri. Rakesh Guhagarkar, Member (Commission's Officer)

Discussions held

Item No. 1: Clarification to TPC-D's objections regarding reference of Order dated 25 December 2022 in Case No. 163 of 2021 for modification of format regarding connections released at Level 1 and Level 2 under Scenario 53(d):

1. M-DNAC has sought comments from AEML-D as well as TPC-D on the draft format for providing details of connections released at Level 1 and Level 2 under Scenario 53(d). TPC-D and AEML-D have submitted their comments on 21 January 2024 and 30 January 2024 respectively.
2. While examining the comments received from TPC-D, the Committee observed that TPC-D has raised its objection for modification of the present format and inter alia stated the following:
 - a) Vide email dated 29 December 2023, M-DNAC has sought comments on the draft format and the format is prepared in terms of Para 35 of the Hon'ble Commission's Order dated 25 December 2022 in Case No. 163 of 2022. Relevant part of the said email is reproduced hereinbelow for ease of reference:

“The Commission vide its Order dated 26 December 2022 in Case No. 163 of 2021 has given following directions to MDNAC:

*“All future Level 1/Level 2 connections shall be processed in accordance with **directions issued at para. 35 of this Order.**”*

Accordingly, to seek necessary details for confirming the scenario, MDNAC has prepared its draft format to be followed by the Licensees while submitting their monthly reports regarding submission of report of new connections released at Level 1 (L1) and Level 2 (L2) under Scenario 53(d) as per the Order of the Commission in Case No. 182 of 2014. The draft format is attached h/w for your reference, please....”

- b) On 10 January 2024, a meeting was scheduled by M-DNAC at MERC office with TPC-D and AEML-D for discussing the draft format including objections, if any. During the said meeting, TPC-D stated that M-DNAC cannot act in furtherance of Para 35 of the Hon’ble Commission’s Order dated 25 December 2022. In support of the same, it is stated that an Appeal (bearing Appeal No. 87 of 2023) was filed by TPC-D, challenging the Hon’ble Commission’s Order dated 25 December 2023. Along with the said Appeal, TPC-D had also filed an Interim Application (bearing I. A. No.124) of 2023, inter alia, seeking stay of Para 35 to the extent it mandates obtaining prior approval of M-DNAC before releasing connection at Level 1 and 2.
 - c) On 20 March 2023, the Hon’ble APTEL passed an Interim Order interpreting Para 35, and Hon’ble ATE stated that Para 35 of the Hon’ble Commission’s Order dated 25 December 2022 was applicable only till M-DNAC submits its report to the Hon’ble Commission for its consideration i.e. upto 25 March 2023 (i.e. the date on which M-DNAC was to submit its report to Hon’ble Commission in terms of the Order dated 25 December 2022). Learned Senior Counsel appearing for the Hon’ble Commission had argued that the applicability of para 35 is not restricted upto 25 March 2023, but the same goes beyond 25 March 2023 till the time the Hon’ble Commission passes fresh direction on the basis of the report submitted by M-DNAC, which was rejected by the Hon’ble ATE. In view of the same, M-DNAC cannot act in furtherance of Para 35.
3. In this regards, the Committee observed that TPC-D has raised other legal objections on amendments of the format. Without prejudice to the above, TPC-D has also provided its suggestions on the draft format. However, highlighting its legal objections as stated above, it has requested M-DNAC to withdraw its email dated 10 January 2024 and revised format till appropriate Orders are passed by Hon’ble Commission and / or Hon’ble APTEL.
4. In this context, the Committee notes that while seeking the comments on the draft format from the licensees vide email dated 29 December 2023, reference was made of directions issued in Case No. 163 of 2021. However, the original Order in Case No. 182 of 2014 itself contemplates the preparation and revision of formats for submission of monthly reports regarding connections released by the Licensees under L1 & L2 levels in 53 (d) scenario.

*135.7 The Licensees shall submit monthly reports to the Institutional Mechanism regarding new connections released at Levels 1 and 2 in Scenario 53 (d), and upload them on their websites. The reports shall include the consumer names, locations, tariff categories, load applied for, and the existing CSS and LT feeder panels from which connections have been given. **The Commission or the***

Institutional Mechanism may stipulate any other information requirement or periodicity from time to time (Emphasis added)

5. Accordingly, the draft format itself specifies the title reference as per Order in Case No. 182 of 2014. The snapshot of the draft format capturing the reference is as under:

Format 1 (Multiple Connections in same Premises)											
Report regarding new connections released at Level 1 (L1) and Level 2 (L2) under Scenario 53(d) (in accordance with para. 135.7 of the Order dated 12 June, 2017 in Case No. 182 of 2014)											

6. Hence, the Committee clarifies that TPC-D may have its objection for reference of the Order dated 25 December 2022 in Case No. 163 of 2021 for modification of formats, in light of Hon'ble ATE judgments. However, M-DNAC has revised the format for improvement of capturing L1 / L2 level information as per the para 135.7 of the Order dated 12 June 2017 in Case No. 182 of 2014 as the Committee is empowered to stipulate, from time to time, the information requirement regarding connections released under L1 and L2 category. The existing formats are being followed since issuance of the Order in Case No. 182 of 2014 in June 2017 and there is no stay on any part the said Order. Hence, the Committee is of the opinion that there is no violation as regards to the Hon'ble ATE directions as objected by TPC-D and hence the Committee can proceed ahead with the revision of existing format as permitted under 182 of 2014 for improvement in the scrutiny process and data analysis.

Item No. 2: Finalisation of format regarding connections released at Level 1 and Level 2 under Scenario 53(d):

1. TPC-D and AEML-D have submitted their comments on 21 January 2024 and 30 January 2024 respectively on the revised format circulated by the M-DNAC vide its email dated 29 December 2023 which are annexed to this MoM as Annexure 1 & 2.
2. Brief contentions of TPC-D on the revised format and the M-DNAC's view:
 - I. TPC Comments / Suggestions:
 - a) Carpet Area (Sq. Meters) of complete plot proposed for development may not be relevant. Also, practically difficult for old buildings consumers and need relaxation for them.
 - b) For Demand Factor, licensees be permitted to use their methodology till MD method is finalized or use the formula considered by BEST
 - c) Estimated / Applied MD (kW) will not be made applicable to residential consumers as beyond his scope. Estimated MD in KVA gives demand values for individual connection only so irrelevant.

Committee's view:- Estimated MD will be calculated based on carpet area of the plot. Applied MD will be the contract demand (CD requested by the non-residential consumers having load more than 20 kW).

- d) CSS requirement as per DCPR 2034 is not relevant and applicable for each consumer. It is a part of discretion to utilities and against Section 61(c) of the EA 2003 encouraging efficiency with safeguard standards. So, requires flexibility for it.
- e) Considerable time is required for new system as report will require lot of manual data capturing.
- f) Need clarity if there is any other format for other connections as provided format is for Multiple Connections in same Premise.
- g) Need flexibility and licensees not to be penalized for not furnishing said information due to exhaustive and onerous data.

II. The M-DNAC's view:

The M-DNAC, while formulating revised format, has already analysed many of these issues like requirement of details of complete Carpet area, submission of estimated MD, present method to be followed till finalisation of MD calculation method and incorporated appropriate solutions. The detail view of M-DNAC regarding above issues is as follows:

- a) Carpet area-based approach requires details of complete carpet area for getting estimated MD. It is observed that the carpet area is mandatorily available on the sanctioned plans issued by the respective authorities in Mumbai (like MCGM).
- b) Regarding use of norms of third-party Licensee, the M-DNAC has already issued the guidelines vide its MoM dated 21 August 2018 as follows:

“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.”

As the MSEDCL is also serving in certain part of Mumbai, its norms can serve maximum purpose. So, being in practice till date, the M-DNAC is not inclined to change based norms till finalisation of proposed norms.

- c) The main intension of the MD estimation norms is to determine requirement of new infrastructure. Thus, it is not intended to get it calculated by the consumers rather it is needed to be calculated by Licensee upon receipt of application with load demand. Thus,

contentions of TPC-D related to applicability of MD for residential consumers are not holding any ground.

- d) Regarding CSS, it is necessary to have spare space acquired by licensees for installation of Transformer depending on MD estimation, either immediately or in later stage when full load will come on existing system. Thus, the M-DNAC is of the opinion that it is appropriate to make it compulsory to get such land in possession once the carpet area increases 2000 sqmm. The Commission will take appropriate decision and will issue its direction for such compulsion.
- e) The M-DNAC observed that the requisite data for MD estimation can be readily made available to Licensee from developer for upcoming every project though it might be hard for projects for which documents are already received. But, the M-DNAC is of the opinion that if such documents are demanded from already registered projects too, developer can provide the same. Therefore, the M-DNAC thinks it appropriate to make it compulsory for each case to be reported henceforth. The Commission will take appropriate decision and will issue its direction for such compulsion.
- f) As the revised format is only for premises which holds multiple connections, Licensee needs to submit details of other single connections in earlier formats. The data of multiple connections in single premise should not be covered again in earlier formats.
- g) Any kind of action for non-submission of data will be taken as per the directions of the Commission in this regard. New format shall be submitted with effect from 1 October, 2024

3. Brief contentions of AEML-D on the revised format and the M-DNAC's view:

I. AEML Comments / Suggestions:

- a) New information being sought in the formats is presently not captured in the system – which can be available, but to gather all the new information - SAP system development will be required.
- b) Lead time required for system development for providing the monthly reports in the revised formats:
 - i. Some data captured in load remark / assessment process of new application - not collated and unified on a single application / database.
 - ii. Will need to carry out MIS changes in Business Objects (BO) report of SAP system.
 - iii. Will require IT resources - take time (6 to 9 months), based on availability of AEML-D's IT personnel - May allow 9 months post issuance of revised formats.
- c) Exception for gathering Carpet area data should be allowed for already registered projects as no carpet area is available with AEML-D:

- i. Carpet Area information is presently not captured at all - to gather data, need to
 - 1) Put in place the process,
 - 2) Identify a valid source of data,
 - 3) Modify its formats / online application form / load remark form, etc.,
 - 4) Cross-check and validate.
 - 5) Upload it in the system.
- ii. M-DNAC to issue guidelines to estimate MD of the project based on Carpet Area:
 - 1) AEML-D is not gathering information of carpet area at all as for already registered projects, the demand estimation and network requirement has already proceeded on the basis of MD estimated on BuA.
 - 2) Revised method will apply to new projects that will be registered post issuance of the new guidelines.
 - 3) Already registered projects will need to be excluded from reporting Carpet Area data under the new L1/L2 formats - may be allowed to provide BuA.

II. The M-DNAC's view:

The detail view of M-DNAC regarding above issues is as follows:

- a) For effective implementation of revised format, AEML-T has demanded 6 to 9 months span for updating its existing software and SAP system. M-DNAC is of the opinion that:
 - i. Development of software system like SAP will not be a major hurdle and it is just a one-time activity to update the system according to new format.
 - ii. Both the Utilities (AEML-T & TPC-T) have team of experts and prolonged experience of handling bulk data of their existing huge consumer data base and have ample practice to adopt any tariff related changes in time bound manner. Therefore, present activity of adoption of changes in the format seems to be minor one against those major activities.
- b) Further, regarding Carpet area-based approach, AEML-T raised some issues about data gathering, its authentication and updating process. Therefore, AEML-T requested the applicability of norms only for upcoming projects and demanded relaxations for the projects for which applications are already received. M-DNAC is of the opinion that:
 - i. Gathering additional data from applied consumers will not be a tedious task.
 - ii. Required information is limited to the carpet area only which is mandatorily available on the sanctioned plans issued by the respective authorities in Mumbai (like MCGM, Mira Bhayandar Municipal Corporation, etc.).

- iii. The authentication issue will remain same for Carpet area as it could have been for Built-up area. Therefore, Utilities can resolve those issues in future too like it is resolving them usually.
- iv. Data updating is a continuous process, and Utilities are observed as master in handling that process.
- v. Utilities can face issues for one or two older projects, but not for all. Therefore, such blanket exception is not necessary. Rather, Utilities can justify any such case in later stage if Project Developer fails to provide requisite additional data.

Item No. 3: Selection of Sites and scheduling of Site Visits:

1. Considering issues related to the earlier site visits, M-DNAC was of the opinion that few discrepancies about the data submitted by Utilities were required to be resolved before actual site visits.
2. Therefore, M-DNAC decided to carry preliminary scrutiny of reports submitted by AEML-T and TPC-T from Jan 2023 to Dec 2023 (except April and May 2023 – as Site visits for these reports have already been carried out) within one week. Further, it was also decided to discuss those discrepancies with utilities in next week and resolve them.
3. Thereafter, M-DNAC will select the sites for visits.

Sd/-
Shri. Rakesh Guhagarkar,
Member (Commission's Officer)

Sd/-
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