



# Mangalore SEZ Limited

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CIN: U45209KA2006PLC038590

MSEZL/F&A/KERC/2017-18

26<sup>th</sup> December, 2017

To,  
The Secretary,  
Karnataka Electricity Regulatory Commission  
6<sup>th</sup>& 7<sup>th</sup> Floor, Mahalaxmi Chambers  
No. 9/2, M.G. Road  
BENGALURU - 560 001.

Dear Sir,

**Sub: Clarification/Additional Information on Application for APR for FY17 and ARR for FY 19 Revision of Distribution and Retail Supply Tariff for FY 19.**

**Ref.: Your letter No. B/09/17/1604 dated 21.12.2017.**

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In pursuance to the above referred letter, we have noted the preliminary observations made by Hon'ble Commission on our application for APR for FY17 and ARR for FY 19 and Revision of Tariff for FY19.

We would like to furnish below point-wise reply to your observations:

### Reply to 1<sup>st</sup> Observation:

Details of HT bulk consumers estimated sales and actual sales for FY 17:

Sl. No.	Consumers	Estimated projections for FY 17 - MUs	Actual Energy sales in FY 17 - MUs
1.	ONGC Mangalore Petrochemicals Limited	67.01	4.33
2.	Indian Strategic Reserve Petroleum Limited	4.13	5.31
3.	Cardolite Speciality Chemicals India LLP	6	5.75
4.	MSEZL Utilities	1.15	0.54
5.	JBF Petrochemicals Limited	1.11	2.67
	Total	79.40	18.60

### Reply to 2<sup>nd</sup> Observation:

a) Details of sales for FY 18:

Sl. No.	Consumers	Actual Electricity Consumption up to 31.10.2017(*)	Actual production** in relevant units up to 31.10.2017(*)	Estimated production in relevant units from 01.11.2017 to 31.03.2018 (*)
1.	ONGC Mangalore Petrochemicals Limited	14.59	14.59	13.76





2.	Indian Strategic Reserve Petroleum Limited	2.89	2.89	1.77
3.	Cardolite Speciality Chemicals India LLP	3.97	3.97	2.79
4.	MSEZL Utilities	0.54	0.54	0.44
5.	JBF Petrochemicals Limited	0.22	0.22	-
6.	Authentic Ocean Treasure	0.62	0.62	1.26
7.	Shree ULKA LLP	0.01	0.01	0.01
	<b>Total</b>	<b>22.84</b>	<b>22.84</b>	<b>20.03</b>

(\*) While filing the revised estimates for FY 18, we have considered the actual energy consumption upto October 2017 and estimated the projections from November 2017 to March 2018.

(\*\*) We understand that "production" means, the units sold and the same is furnished.

b) Details of energy consumption:

Sl. No.	Name of the Company	Actual Electricity Consumption in FY17- kWh	Revised Estimates of production in relevant units for FY18	Estimated production in relevant units in FY19
1.	ONGC Mangalore Petrochemicals Limited	4.33	28.35	30
2.	Indian Strategic Reserve Petroleum Limited	5.31	4.66	4.60
3.	Cardolite Speciality Chemicals India LLP	5.75	6.76	6.75
4.	MSEZL Utilities	0.54	0.98	1.29
5.	JBF Petrochemicals Limited	2.67	0.22	-
6.	Authentic Ocean Treasure	-	1.88	2.50
7.	Shree ULKA LLP	-	0.02	2.05
8.	Syngene International Limited	-	-	1.04
9.	Yashawi Fish Meal and Oil Company	-	-	1.99
10.	Gadre Marine Exports Private Limited	-	-	2.05
	<b>Total</b>	<b>18.60</b>	<b>42.87</b>	<b>52.27</b>

Reply to 3<sup>rd</sup> Observation:

- The area of operation of MSEZL is limited and options/avenues available for managing the demand side management is also limited.
- However, at the consumer level, solar streetlight; LED lamps etc., have been installed.





- On our part, we have also fixed LED lamps for streetlights in the entire SEZ.
- Further, as per KERC Orders, MSEZL is giving ToD benefit to the consumers to encourage power consumption during non-peak hours.

**Reply to 4<sup>th</sup> Observation:**

The Hon'ble Commission until FY 18 tariff order has not passed any orders on wheeling charges, applicable for SEZ consumers. The charges would be worked out and proposed by MSEZL considering the facts relevant at that point in time to enable determination of wheeling and cross subsidy surcharge.

**Reply to 5<sup>th</sup> Observation:**

The Hon'ble Commission regulations on RPO obligations provides that deemed licenses procuring bulk power, partly or wholly, from ESCOMs shall be deemed to have complied with the RPO if such ESCOMs have complied with the RPO. Further, in power purchase cost approved by the Hon'ble Commission from MESCOM (for FY 18), is calculated after considering 5% of energy consumption and corresponding cost considering short-term power purchases/Renewable Power.

Hence, a standalone compliance of RPO is not necessitated.

We trust our reply clarifies your observations made in the above referred letter.

Thanking you,

Yours faithfully,

**For MANGALORE SEZ LTD**

*V. Srinivasan*

**Authorised Signatory**

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