

● PRAYAS

Initiatives in Health, Energy,
Learning and Parenthood



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Ref. No. : PEG / 556 / 2003

Date : 26 Dec. 2003

To,
The Secretary,
MERC

Subject: BSES's ARR Application and BSES letter to Prayas (dt. 18th December 2003)

Sir,

We are writing to you with reference to the technical validation session on 27th November 03 and BSES's above-mentioned letter. We wish to bring to the notice of the commission that BSES has still not furnished substantial data requested by Prayas during the technical validation session on 27th November 03. BSES letters to Prayas (dt. 8th and 18th Dec. 03) is also silent on when those data would be made available. The said (Prayas) list, along with the status of data furnished by BSES is enclosed. From the attached list it is evident that BSES has not made available much of the data requested by Prayas during the validation session.

Regarding the fuel supply contracts, BSES has again claimed confidentiality. In this context also we wish to bring to the notice of the commission that during the technical validation session on 27th November 03, the commission had remarked that if TPC was required to and if TPC has provided fuel supply contracts, then BSES is also required to submit its fuel supply contracts. In this context, it is also pertinent to note that the MERC has already established (in case 8/2000, orders dt. 12 Jan.2001 and 31 July 2001 on Prayas petition regarding IPP documents as well as three tariff revision cases of MSEB) that utilities are required to submit fuel supply contracts (apart from many other critical contracts and information) to the commission and public at large.

Hence, we request the MERC to direct BSES to submit the remaining data (as per the list enclosed), including projections for FY 04-05 and fuel supply contracts (also for FY 04-05) within a fixed time frame. We also request that MERC should not accept BSES's request for confidentiality without giving consumer representatives an opportunity to make oral submission. Further, we also bring to the notice of the commission that BSES's failure to provide the data demanded by MERC is delaying the further processing of BSES's ARR application.

With regards,

Shantanu Dixit
For Prayas

CC:

1. Mr. Ramesh Shenoy, CS, BSES
2. M/s ICRA Advisory Services
3. Consumer representatives
4. Mr. J. D. Kulkarni, AGM, TPC

**Status of Additional Data Requirement Submitted by Prayas during Technical
Validation held on November 27, 2003**

1. Soft copies of data already submitted:
 - ARR Tables, Tables from additional data submitted
Status – Not submitted
2. Item 3 - Prayas list dt. 20th October 2003 [BSES Anex A-1] few statements are missing.
Status – Not submitted
3. Item 6 b - Prayas list [BSES Anex A-4] Please show interest payments on account of DTPS for the years covered in the table.
Status – Submitted
4. Item 8 - Prayas list [BSES Anex A-11] BSES has submitted half hourly load data for TPC interconnections (hard copy) as well as hourly generation at DTPS (soft copy). We request BSES to provide soft copy of hourly purchases from TPC (in worksheet format).
Status – Submitted
5. Item 9 - Prayas list [BSES Anex A-12] There appears to be a discrepancy in the two tables given (consumption of 0 to 100 v/s breakup of the same 0-25, 26-50 etc.).
Status – BSES has provided some explanation
6. Item 11 - Prayas list [BSES Anex A-14] BSES should provide yearly purchase of meters, average cost of meter (Rs per meter) by individual manufacture.
Status – Manufacturer wise details not provided
7. Item 12 - Prayas list [BSES Anex A-15] BSES is requested to separate out the expenditure (for example not to club SCADA with transformers or back-up supply) and use same classification as in the summary table (first table) of Annex 15.
Status- Not submitted
8. Item 13 - Prayas list [BSES Anex A-16] BSES is requested to give breakup of “revenue from sale of energy” in different components such as Fixed Charges, Energy Charges, stand-by charges. Further, BSES should clarify whether stand-by charges were part of the approved tariff schedule in 1998.
Status- Not submitted
9. Item 18 - Prayas list [BSES Anex A-23] As in case of TPC, BSES has also not provided analysis showing the impact of the capEx financing plan. We request the BSES to provide an analysis indicating the tariff impact of different financing plans (for a typical investment of Rs 100 crore). For example the financing plan could be debt:equity ratio of 4:1 or 1:1 or 0:1.
Status- Not submitted
10. We request BSES to clearly identify and list details of any loans / mortgage / guarantee / or any other form of encumbrance created on assets or revenues of Mumbai license area operations for the benefit of non (Mumbai) license area operation. The timing, nature, quantum and purpose of the same should also be indicated.
Status- Not submitted

11. Item 6 c - Prayas list [BSES Anex A-5] BSES has not provided copies of the agreements (coal import as well as coal washing). BSES should submit copies of all coal purchase contracts for the period FY 2000-01 to the current year (FY 03-04). Similarly copy of the coal washing agreement should also be provided.

Status- *Not submitted*

12. Item 6 d - Prayas list [BSES Anex A-8] BSES has provided a descriptive note on the fuel procurement process but the critical information such as number of successful bidders has not been provided. We request BESE to submit fuel purchase related information in the following format for the period FY 1999-00 to FY 2003-04. Further the BSES should submit a copies of bid evaluation analysis mentioned in BSES note.

Status- *Not submitted*

Table - A

Sr. No.		FY 1999-00	FY 2000-01 etc
1 a	Total number of purchase contracts		
1 b	Value of contracts (in Rs Cr)		
2 a	Number of contracts directly with manufacturers		
2b	Value of above contracts (in Rs Cr)		
3 a	Number of contracts with agents / traders / re-sellers		
3 b	Value of contracts (in Rs Cr)		
4 a	Number of contracts with other group companies / affiliates		
4 b	Value of contracts (in Rs Cr)		
5	Commission, consultancy or any other charges paid to group / affiliate companies (related to fuel purchase)		

Table B - Information about Competitive tender process for all years

Sr.No.	Parameter	Tender 1	Tender 2
1	Type of fuel (imported coal)		
2	Tender Details		
	Quantity		
	Quality		
	Other details (receiving port, time-frame etc.)		
3	Whether final contract and tender terms were same?		
4	Number of parties invited by BSES to bid		
5	Number of bidders		
6	Number of technically qualified bidders		
7	Was contract awarded to lowest bidder?		
8	If answer to above is no, then please provide reasons for the same		
9	Was any group company involved in this process (e.g. as bidder, seller, consultant, procurement agent etc.)		
10	Value of the contract		

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