

## **Framing of Issues for Hearing Regarding MYT Petition of MEPCO for FY 2015-16 to 2019-20**

The Technical Department has gone through the MYT petition of MEPCO and the information regarding investment plans and T&D losses. The following issues are hereby framed for the hearing:

- a. Whether the base line conditions identified by MEPCO in its 5 years investment plans present a true sense for which expansion and rehabilitation projects are selected?
- b. Whether the cumulative addition of 1129170 new consumers in next 5 years as per identified forecasted category wise consumer growth is justified? Whether this forecasting is based on recently conducted PMS or on the basis of PMS conducted in FY 2012-13?
- c. Whether the 5 years forecasted category wise demand in MW and energy sales in GWh are justified? MEPCO may provide a detailed reply on this issue.
- d. MEPCO showed a cumulative reduction of only 1.8% in T&D losses in next 5 years. It is also noted that in 3<sup>rd</sup> and 4<sup>th</sup> year of control period, the losses will remain the same as 15.60%. Whether this implies that MEPCO system has reached a saturation level in this area? MEPCO needs to clarify this issue in detail.
- e. MEPCO submitted that 100% collection efficiency will be maintained throughout the control period. On what basis MEPCO will ensure this claim?
- f. Whether the energy savings of 2216 GWh in terms of best case scenario and 1496 GWh in terms of optimally achievable case are justified?
- g. Whether the identified claim of Internal Financial Rate of Return (IFRR) as 10.45% for Transmission and Distribution investment plans is justified?
- h. MEPCO showed 1% reduction in terms of failure rate of distribution transformers. MEPCO may provide comprehensive failure data of all types of equipment for last 3 years as well as for next 5 years.
- i. MEPCO showed an improvement in HT/LT ratio as 2:1 over 5 years control period as compared to current ratio of 1.5:1. MEPCO also requires identifying

the reduction in average length of 11 kV feeders. What are the outcomes/cost-benefits will MEPCO get in next 5 years?

- j. Whether total cost of Rs. 66337 million for proposed projects under best case scenario for next 5 years is justified? MEPCO may submit a comprehensive analysis in terms of project selection and costs incurred.
- k. Whether total cost of Rs. 49534 million for proposed projects under optimally achievable scenario for next 5 years is justified? MEPCO may submit a comprehensive analysis in terms of project selection and costs incurred.
- l. Whether the total capital and operational expenditure cost of Rs. 21753 million showed against improvements in commercial, financial, human resource and communication plans is justified?
- m. The linkage between investment plans and performance standards is the core component of investment plans as per DIIP Form 49 which is not provided therefore MEPCO needs to provide a comprehensive year wise analysis about improvement in SAIFI, SAIDI and other performance standards achieved through its investments.
- n. Whether the proposed HR improvement plan submitted by MEPCO aligned with 5 years investment plans is justified? How MEPCO will justify the engagement of 1479 additional staff in implementation of its investment plans?