

Vidarbha Industries Power Limited - Generation

Tariff Petition towards:

Revised Truing Up of Annual Revenue Requirement (ARR) for FY 2014-15

*Mid-Term Review and Truing Up of Annual Revenue Requirement (ARR) for FY 2015-16
& FY 2016-17,*

Provisional True Up of Annual Revenue Requirement for FY 2017-18,

*Revised Annual Revenue Requirement & determination of Tariff for FY 2018-19 & FY
2019-20*

Filed Before

Maharashtra Electricity Regulatory Commission

EXECUTIVE SUMMARY**1.1. Facts of the case**

- 1.1.1. VIPL-G has setup a 600 MW (2 x 300 MW) Power Plant at MIDC Butibori, District Nagpur in Maharashtra which supplies electricity to Adani Electricity Mumbai Limited (AEML), which has taken over the Distribution Business from Reliance Infrastructure Ltd. (RInfra-D), under a long term Power Purchase Agreement (PPA) dated 14.08.2013.
- 1.1.2. A petition under Case No. 91 of 2015 was filed by VIPL-G before this Hon'ble Commission for Truing up of ARR for FY 2014-15, Provisional Truing up of ARR for FY 2015-16 and determination of Multi Year Tariff (MYT) for the 3rd Control Period FY 2016-17 to FY 2019-20. The Hon'ble Commission passed an Order dated June 20, 2016 in the said Case No. 91 of 2015 (*hereinafter referred to as "the MYT Order"*) disallowing the certain claims related to fuel cost of VIPL-G.
- 1.1.3. Aggrieved by the MYT Order, VIPL-G preferred an Appeal before the Hon'ble Appellate Tribunal for Electricity (ATE) against the MYT Order, and the Hon'ble ATE passed its Judgment and Order on November 3, 2016 allowing VIPL - G's appeal partly with regards to disallowance of fuel cost (*herein after referred to as "the ATE Judgment"*).
- 1.1.4. Pursuant to the ATE Judgment, VIPL-G submitted a Petition on December 8, 2016 under the MYT Order as per Regulation 10.10 of the Maharashtra Electricity Regulatory Commission Regulations, 2015 for implementation of the said ATE Judgment. However, the Petition is pending before this Hon'ble Commission.
- 1.1.5. This Hon'ble Commission appealed against the said ATE Judgment before the Hon'ble Supreme Court of India. The matter (numbered as CA No. 372 of 2017) is still pending for final disposal.
- 1.1.6. In line with Regulation 8 of the MYT Regulations, VIPL-G submitted the Petition for the Mid-Term Review on 21.10.2017 in Case No. 199 of 2017 before the Hon'ble Commission.
- 1.1.7. In the meanwhile, the Hon'ble Commission passed an Order in Case No. 189 of 2013 and 140 of 2014 dated 07.03.2018 in terms of the ratio determined in the Judgment passed by the Hon'ble Supreme Court in Civil Appeal No 5399-5400 of 2016 [Energy

Watchdog vs CERC] (*hereinafter referred to as "the SC Judgment"*) wherein the curtailment of coal supply as well as non-availability of coal by Coal India Limited (CIL)/ Subsidiaries under Fuel Supply Agreements (FSAs) / Letter of Assurances (LoAs) issued under the New Coal Distribution Policy, 2007 (NCDP, 2007) leading to inadequate fuel supply to operate the plant at Normative Availability / Plant Load Factor (PLF) as well as non-signing of the FSA despite having granted the Letter of Assurances has been held as 'Change in Law' events.

- 1.1.8. Accordingly, VIPL-G filed Miscellaneous Applications No. 03 of 2018 in Case No. 91 of 2015 and M.A. No. 04 of 2018 in Case No. 199 of 2017 on 02.07.2018 and 03.07.2018 respectively, for amending its existing Petitions for raising additional grounds and prayers for approving the methodology for compensation under Change in Law.
- 1.1.9. This Hon'ble Commission in its Daily Order dated 14.09.2018 in M.A. Nos 3, 4, 5 and 6 of 2018 has allowed the prayers made by VIPL-G in its M.A.s seeking amendment in the Mid Term Review Petition (Case No. 199 of 2017) as per the Supreme Court Judgement in Civil Appeal 5399-5400 of 2016 (Energy Watchdog Vs CERC) and has directed VIPL-G to submit revised consolidated Petition for True up of ARR for FY 2014-15.

1.2. Revised Truing Up of ARR and Revenue Gap for FY 2014-15

- 1.2.1. The Hon'ble Commission had approved the True Up of ARR for FY 2014-15 in the MYT Order. However, on account of the aforementioned order dated 14.09.2018, by which, the Hon'ble Commission allowed the prayers made by VIPL-G in its M.A.s seeking amendment in the MTR Petition as per the SC Judgment for claiming compensation under Change in Law, the revised True Up of ARR for FY 2014-15 is hereby submitted..
- 1.2.2. Accordingly, the details of expenses and revenues for FY 2014-15 based on the audited accounts and principles stipulated in the MERC MYT Regulations, 2011, and in terms of the ratio laid down in the SC Judgment for the purpose of truing up of ARR and tariff is shown in table below.

Table 1: Truing up of ARR and Revenue Gap for FY 2014-15

Particulars	FY 2014-15	
	Normative	Net Entitlement
Expenditure		
Total Fuel Related Expenses	1154.05	1166.27
Operation & Maintenance Expenses	105.00	76.86
Depreciation	203.42	203.42
Interest on Long-term Loan Capital	282.00	282.00
Interest on Working Capital	76.92	33.42
Other Expenses	31.28	31.28
Income Tax	31.70	31.70
Total Expenditure (A)	1884.37	1824.94
Return on Equity	179.49	179.49
<i>Less: Reduction in Fixed Charges on account Availability lower than Target Availability</i>		1.67
<i>Add: 2/3rd of Efficiency gain in Fuel Cost</i>		-8.14
<i>Add: 2/3rd of Efficiency gain in O&M Expenses</i>		18.76
<i>Add: 2/3rd of Efficiency gain in Working Capital Interest</i>		29.00
<i>Less: Non Tariff Income</i>	16.67	16.67
Total of RoE+ Gains+ Incentive (B)		200.76
Revenue		
As approved by Commission in MYT Order		1570.65
Total Revenue (C)		1570.65
Revenue Gap / (Surplus) = [(A) + (B)] - (C)		455.05

1.3. Truing Up of ARR and Revenue Gap of FY 2015-16

- 1.3.1. The details of expenses and revenues for FY 2015-16 based on the audited accounts and principles stipulated in the MERC MYT Regulations, 2011, and in terms of the ratio laid down in the SC Judgment for the purpose of truing up of ARR and tariff is being submitted herein.
- 1.3.2. As per Regulation 8.2 of the MERC (MYT) Regulations, 2015, the scope of the Mid-term Performance Review shall be a comparison of the actual operational and financial performance vis-à-vis the approved forecast for the first two years of the Control Period; and revised forecast of ARR, estimated revenue gap, and proposed category-wise Tariffs for the third and fourth year of the Control Period.

1.3.3. The summary of actual Operational Performance of VIPL-G and as approved in MYT Order for FY 2015-16 is as under:

Table 2 : Operational Performance for FY 2015-16

Particulars	UoM	VIPL-G	
		As per Normative Performance	Actual & Audited
Availability	%	85.00%	97.32%
PLF	%	85.00%	76.32%
Heat Rate	kcal/ kWh	2401	2425
Auxiliary Power Consumption (excluding RO plant and WPS)	%	9.00	9.00
Auxiliary Power Consumption for RO plant and WPS	MU	1.48	1.48
Auxiliary Power Consumption (including RO plant and WPS)	%	9.04	9.04
Secondary Oil Consumption	ml/kWh	1.00	0.16
Gross Generation	MU	4468	4022
Net Generation	MU	4064	3659

1.3.4. **Fuel Cost:** As per the SC Judgment as well as this Hon'ble Commission Order dated 07.03.2018 in Case No. 140 of 2013 and 189 of 2014, curtailment of coal supply as well as non-availability of coal by CIL/ Subsidiaries under FSAs / LoAs issued under the NCDP, 2007 resulting in to inadequate fuel supply to operate the plant at Normative Availability / PLF as well as non-signing of the FSA despite having granted the LoAs has been held as 'Change in Law' events. Accordingly, the fuel cost has been computed based on MYT Regulations, 2011 after taking the effect of an additional component of compensation under Change in Law.

Accordingly, the source wise details of coal purchase in FY 2015-16 are as under:

Table 3: Details of source wise coal purchased in FY 2015-16

Particulars	Quantity (MMT)	GCV (As Fired) (Kcal/kg)	Landed Cost (Rs./MT)
FY 2015-16			
WCL FSA Coal	1.12	3794	3794
e-Auction Coal	0.74	3663	4025
Imported Coal	0.58	4856	6107
Wt. Average	2.43	4006	4413

1.3.5. **Other Expenses related to Fuel and Water:** The Hon'ble Commission in the MYT Order had approved Rs. 38.89 Crore as other Generation related Costs whereas the actual expenses are Rs 30.48 Crore. The same have been considered for the present True Up.

1.3.6. The table below indicates the comparison of the Energy Charges as approved by the Hon'ble Commission in the MYT Order and actual Energy Charges incurred for FY 2015-16:

Table 4: Energy Charges for FY 2015-16

Particulars	UoM	VIPL-G	
		MYT Order	Actual considering Change in Law
Rate of Energy Charge (ex-bus)	Rs/kWh	2.113	3.034
Net Generation	MU	3658.89	3658.89
Total Fuel Costs	Rs Cr	773.12	1110.13

1.3.7. **Operation and Maintenance Expenses:** Actual and Audited O&M expenses incurred vis-a-vis the one approved in MYT Order are provided in the table below. In accordance with MYT Regulations, 2011 as part of the efficiency gain earned in the O&M expenses are required to be shared with the consumers and balance to be retained by VIPL-G.

Table 5 : O&M Expenses for FY 2015-16

Particulars	Unit	MERC	VIPL-G
		MYT Order	Actual & Audited
Total O&M Expenses	Rs Cr	111.00	98.82

1.3.8. **Additional Capitalisation:** The Hon'ble Commission in the MYT Order provisionally approved the additional capitalisation of Rs 62.35 Crore for FY 2015-16 towards pending works in railway siding, RO plant and procurement of BTG and other spares. Majority of works have been completed and an amount of Rs. 62.50 Crore has been capitalised in FY 2015-16. Further, assets amounting to Rs. 1.66 Cr have been retired.

1.3.9. **Depreciation:** Depreciation has been computed in accordance with the overall applicable depreciation rate and GFA approved by the Hon'ble Commission

considering actual capitalisation for FY 2015-16. Actual and audited Depreciation vis-a-vis approved in MYT Order is as presented below:

Table 6 : Depreciation for FY 2015-16

Particulars	Units	MYT Order	Actual & Audited
Depreciation	Rs Cr	216.20	216.00

1.3.10. **Interest on long term loan and Finance charges:** Interest on long term loan has been computed in accordance with the MYT Regulations, 2011.

Further, other finance expenses actually incurred during FY 2015-16 towards refinancing of loan to reduce the borrowing cost, Foreign Exchange Rate Variation (FERV) cost post COD of plant have been considered based on the Hon'ble Commission's order dated 30th Nov 2015 in Case No. 150 of 2014 under Financing Charges.

Accordingly, the Total Interest on Long Term loan and Financing Charges for FY 2015-16 vis-a-vis approved in MYT Order are as under:

Table 7: Interest and Finance Charges for FY 2015-16

Sr	Particular	Unit	MERC	VIPL-G
			MYT Order	Actual & Audited
1	Interest on Long term loan	Rs Cr	311.77	278.26
2	Other Finance Charges	Rs Cr		23.24
	Total	Rs Cr		301.50

1.3.11. **Interest on Working Capital:** Revised amount of Normative Working Capital Requirement and Interest thereon for FY 2015-16 has been worked out as per the provisions of MYT Regulations 2011. Comparison of the charges vis-a-vis actual as well as as approved in MYT Order are shown in table below.

Further, IoWC being a controllable factor, gain in IoWC is proposed to be shared with consumers as per provisions of MYT Regulations 2011.

Table 8 : Interest on Working Capital for FY 2015-16

Particulars	Units	MYT Order	VIPL-G	
			Normative	Actual
Interest on Working Capital	Rs Cr	61.74	86.01	47.97

1.3.12. **Return on Equity (RoE):** The table below presents the RoE approved by the Hon'ble Commission vis-à-vis entitlement for FY 2015-16 as under.

Table 9 : RoE for FY 2015-16

Particulars	Unit	MERC	VIPL-G
		MYT Order	Normative
Return on Equity	Rs Cr	201.72	201.72

1.3.13. **Income Tax:** The Hon'ble Commission in the MYT Order had approved Rs. 31.7 Crore as Income tax for FY 2015-16, same as approved for FY 2014-15, in the MYT Order subject to final True Up. A comparison of Normative Income Tax reimbursable to VIPL for FY 2015-16 vis-a-vis as approved in MYT Order is shown in table below.

Table 10 : Income Tax for FY 2015-16

Particulars	Unit	MYT Order	Normative
Income Tax	Rs Cr	31.70	44.05

1.3.14. **Non-Tariff Income:** A comparison of actual non tariff income for FY 2015-16 applicable as per MYT Regulations, 2011 vis-a-vis as approved in MYT Order are as under:

Table 11 : Non-Tariff Income for FY 2015-16

Particulars	Unit	MYT Order	Normative Actual
Non-Tariff Income	Rs Cr	4.25	8.19

1.3.15. **True up of ARR and Revenue Gap for FY 2015-16:** Based on the above parameters, the ARR and Revenue Gap requested for FY 2015-16 is summarized in the table below:

Table 12 : Summary of Truing Up of ARR for FY 2015-16 (in Rs Cr)

Particulars	FY 2015-16	
	Normative	Net Entitlement
Expenditure		
Total Fuel Related Expenses	1079.65	1072.33
Operation & Maintenance Expenses	111.00	98.82
Depreciation	216.20	216.00
Interest on Long-term Loan Capital	311.77	301.50
Interest on Working Capital	86.01	47.97

Particulars	FY 2015-16	
	Normative	Net Entitlement
Other Expenses	30.48	30.48
Income Tax	31.70	44.05
Total Expenditure (A)	1866.81	1811.15
Return on Equity	201.72	201.72
<i>Add: Incentive for Higher PLF</i>	0.00	9.60
<i>Add: 2/3rd of Efficiency gain in Fuel Cost</i>	0.00	4.88
<i>Add: 2/3rd of Efficiency gain in O&M Expenses</i>	0.00	8.12
<i>Add: 2/3rd of Efficiency gain in Working Capital Interest</i>	0.00	25.36
<i>Less: Other Income</i>		8.19
Total of RoE+ Gains+ Incentive (B)	201.72	241.49
Revenue		
Revenue from sale of electricity as per MYT Order		1703.36
Total Revenue (C)		1703.36
Revenue Gap / (Surplus) = [(A) + (B)] - (C)		349.28

1.4. Truing Up of ARR and Revenue Gap of FY 2016-17

1.4.1. The details of expenses and revenues for FY 2016-17 based on the audited accounts and principles stipulated in the MERC MYT Regulations, 2015 and in terms of the ratio laid down in the SC Judgment for the purpose of truing up of ARR and tariff is submitted herein.

1.4.2. The summary of actual Operational Performance of VIPL-G and as approved in the MYT Order for truing up of tariff of FY 2016-17 is as under:

Table 13 : Operational Performance for FY 2016-17

Particulars	UoM	VIPL-G	
		MYT Order	Actual & Audited
Availability	%	85.00	88.39
PLF	%	85.00	71.57
Heat Rate	kcal/ kWh	2400	2358
Auxiliary Power Consumption (including RO plant and WPS)	%	9.03	8.41

Secondary Oil Consumption	ml/kWh	0.50	0.13
Gross Generation	MU	4468	3762
Net Generation	MU	4064	3446

1.4.3. **Fuel Cost:** As stated in section 1.3 hereinabove, Fuel Cost has been computed based on MYT Regulations, 2015 taking the effect of compensation under Change in Law after considering the ratio laid down in the SC Judgment.

Accordingly, the source wise details of the coal purchased in FY 2016-17 are presented below:

Table 14: Details of source wise coal purchased in FY 2016-17

Particulars	Quantity (MMT)	GCV (As Fired) (Kcal/kg)	Landed Cost (Rs./MT)
FY 2016-17			
WCL FSA Coal	1.20	3751	3702
e-Auction Coal	0.90	3725	3370
Imported Coal	0.21	4754	5785
Wt. Average	2.31	3834	3766

1.4.4. **Other Expenses related to Fuel:** VIPL-G has incurred Rs 21.48 Cr as other fuel related expenses towards handling and transportation supervision of coal at from collieries of WCL against which the actual expense is Rs 11.47 Crore.

1.4.5. The table below indicates the comparison of the Energy Charges as approved by the Hon'ble Commission in the MYT Order and actual Energy Charges incurred for FY 2016-17:

Table 15 : Energy Charges for FY 2016-17

Particulars	UoM	VIPL-G	
		MYT Order	Actuals considering Change in Law
Rate of Energy Charge (ex-bus)	Rs/kWh	2.181	2.641
Actual Net Generation	MU	3445.73	3445.73
Total Fuel Costs	Rs Cr	751.51	910.14

- 1.4.6. **Operation and Maintenance Expenses:** Actual and Audited O&M expenses incurred vis-a-vis the one approved in MYT Order are provided in the table below. In accordance with MYT Regulations, 2015 as part of the efficiency gain earned in the O&M expenses are required to be shared with the consumers and balance to be retained by VIPL-G.

Table 16 : O&M Expenses for FY 2016-17

Particulars	Unit	MYT Order	Actual & Audited
Total O&M Expenses	Rs Cr	136.11	129.19

- 1.4.7. **Additional Capitalisation:** The Hon'ble Commission in the MYT Order provisionally approved the additional capitalisation of Rs 22.77 Crore for FY 2016-17 majorly for procurement of BTG and other spares. An amount of Rs. 18.96 Crore has been capitalised in FY 2016-17.

- 1.4.8. **Depreciation:** Depreciation has been computed in accordance with the overall applicable depreciation rate and GFA approved by the Hon'ble Commission considering actual capitalisation for FY 2016-17. Actual and audited Depreciation vis-a-vis approved in MYT Order is as presented below:

Table 17: Depreciation for FY 2016-17

Particulars	Units	MYT Order	Normative Actual
Depreciation	Rs Cr	218.44	218.26

- 1.4.9. **Interest on long term loan and Finance charges:** Interest on long term loan has been computed in accordance with the MYT Regulations, 2015.

Further, other finance expenses actually incurred during FY 2016-17 towards refinancing of loan to reduce the borrowing cost, Foreign Exchange Rate Variation (FERV) cost post COD of plant has been worked out based on the Hon'ble Commission's order dated 30th Nov 2015 in Case No. 150 of 2014 under Financing Charges.

Accordingly, the Total Interest on Long Term loan and Financing Charges for FY 2016-17 vis-a-vis the as approved in MYT Order are as under:

Table 18: Interest and Finance Charges for FY 2016-17

Sr	Particular	Unit	MERC	VIPL-G
			MYT Order	Actual & Audited
1	Interest on Long term loan	Rs Cr	285.42	273.98
2	Other Finance Charges	Rs Cr		4.08
3	FERV	Rs Cr		15.87
	Total	Rs Cr		293.93

1.4.10. **Interest on Working Capital:** Revised amount of Normative Working Capital Requirement and Interest thereon for FY 2016-17 has been worked out as per the provisions of MYT Regulations-2015. Comparison of the charges vis-a-vis actual as well as as approved in MYT Order are shown in table below.

Further, IoWC being a controllable factor, gain in IoWC is proposed to be shared with consumers as per provisions of MYT Regulations 2015.

Table 19: Interest on Working Capital for FY 2016-17

Particulars	Units	MYT Order	VIPL	
			Normative	Actual
Interest on Working Capital	Rs Cr	37.66	60.54	53.49

1.4.11. **Return on Equity (RoE):** The table below presents the RoE approved by the Hon'ble Commission vis-à-vis the same for FY 2016-17 s as under.

Table 20: RoE for FY 2016-17

Particulars	Unit	MYT Order	Normative
Return on Equity	Rs Cr	205.10	205.09

1.4.12. **Income Tax:** The Hon'ble Commission in the MYT Order had approved Rs. 31.7 Crore as Income tax for FY 2016-17, same as FY 2014-15, subject to final True Up. A comparison of Normative Income Tax reimbursable to VIPL for FY 2016-17 vis-a-vis as approved in MYT Order is shown in table below.

Table 21 : Income Tax for FY 2016-17

Particulars	Units	MYT Order	Normative
Income Tax	Rs Cr	31.70	58.27

1.4.13. **Non-Tariff Income:** A comparison of actual non tariff income for FY 2016-17 applicable as per MYT Regulations, 2015 vis-a-vis as approved in MYT Order are as under is as under.

Table 22 : Non-Tariff Income for FY 2016-17

Particulars	Unit	MYT Order	Actual & Audited
Sale of Scrap	Rs Cr	4.25	2.84
Other/Miscellaneous receipts	Rs Cr		4.48
Total Non-Tariff Income	Rs Cr		7.42

1.4.14. **True up of ARR and Revenue Gap for FY 2016-17:** Based on the above parameters, the ARR and Revenue Gap requested for FY 2016-17 is summarized in the table below:

Table 23 : Summary of Truing Up of ARR for FY 2016-17 (in Rs Cr)

Particulars	FY 2016-17	
	Normative	Net Entitlement
Expenditure		
Total Fuel Related Expenses	898.66	866.79
Operation & Maintenance Expenses	136.11	129.19
Depreciation	218.44	218.26
Interest on Long-term Loan Capital	285.42	293.93
Interest on Working Capital	60.54	53.49
Other Expenses	11.47	11.47
Income Tax	31.70	58.27
Total Expenditure (A)	1642.35	1631.40
Return on Equity	205.10	205.09
<i>Add: Incentive for Higher PLF</i>	0.00	0.00
<i>Add: 1/3rd of Efficiency gain in Fuel Cost</i>	0.00	10.62
<i>Add: 1/3rd of Efficiency gain in O&M Expenses</i>	0.00	2.31
<i>Add: 1/3rd of Efficiency gain in Working Capital Interest</i>	0.00	2.35
<i>Less: Other Income</i>		7.42
Total of RoE+ Gains+ Incentive (B)	205.10	212.95
Revenue		
Revenue from sale of electricity as per MYT Order		1661.69

Particulars	FY 2016-17	
	Normative	Net Entitlement
Total Revenue (C)		1661.69
Revenue Gap / (Surplus) = [(A) + (B)] - (C)		182.66

1.5. Provisional Truing up of ARR and Revenue Gap for FY 2017-18

1.5.1. Performance Parameters:

Since the revised MTR Petition is being submitted after completion of the FY 2017-18, the actual parameters for the entire year have been taken into consideration. It is respectfully submitted that VIPL-G, like many other stations in the country, has faced severe shortage of coal in FY 2017-18 which has severely affected the performance of the plant. The performance parameters for FY 2017-18 are as follows:

Table 24 : Operational Performance for FY 2017-18

Particulars	UoM	FY 2017-18	
		Normative	Provisional Actual
Availability	%	85.00	75.09
PLF	%	85.00	63.05
Heat Rate	kcal/ kWh	2400	2355
Auxiliary Power Consumption (including RO plant and WPS)	%	9.13	8.29
Secondary Oil Consumption	ml/kWh	0.50	0.11
Gross Generation	MU	4468	3314.11
Net own Generation	MU	4060	3039.47
Power supplied through bilateral source	MU		74.12

1.5.2. Provisional Truing up of ARR & Tariff of FY 2017-18: The provisional truing up of ARR & tariff for FY 2017-18 is required to be approved based on the actual performance for the FY 2017-18. Further, as stated in section 1.3 hereinabove, Fuel Cost has been worked out based on MYT Regulations 2015, after taking the effect of compensation under Change in Law considering the ratio laid down in the SC

Judgment. The summary of the provisional true up of ARR for FY 2017-18 is as follows:

Table 25 : Provisional Truing up of ARR and Revenue Gap for FY 2017-18 (in Rs Cr)

Particulars	Normative	Provisional True up
Fuel Related Expenses	896.59	896.59
Operation & Maintenance Expenses	141.99	134.38
Depreciation Expenses	219.05	219.22
Interest on Long-term Loan Capital	270.09	264.38
Interest on Working Capital	54.29	64.94
Other Expenses - Fuel	22.55	17.68
Income Tax	31.70	58.27
Total Revenue Expenditure	1636.26	1655.46
Add: Return on Equity Capital	205.62	205.67
Less: Reduction in Fixed Charges on account Availability lower than Target Availability		111.30
Less: Non-Tariff Income	4.25	4.94
Aggregate Revenue Requirement	1837.63	1744.89
Revenue		
Revenue from sale of electricity as per MYT Order		1476.11
Total Revenue Gap/(Surplus)		268.77

1.6. Revised Projected ARR and Tariff for FY 2018-19 and FY 2019-20

1.6.1. **Projections of Availability and Generation plan:** Based on the MYT Order, operational parameters for FY 2018-19 and FY 2019-20 have been projected as under.

Table 26 : Operational Parameters for FY 2018-19 and FY 2019-20

Particulars	UoM	VIPL-G			
		FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
Availability	%	85.00	85.00	85.00	85.00
PLF	%	85.00	85.00	85.00	85.00
Heat Rate	kcal/kWh	2400	2400	2400	2400
Auxiliary Power Consumption	%	9.13	9.13	9.13	9.13

Particulars	UoM	VIPL-G			
		FY 2018-19		FY 2019-20	
		MYT Order	Revised Projection	MYT Order	Revised Projection
(including RO plant and WPS)					
Secondary Oil Consumption	ml/kWh	0.50	0.50	0.50	0.50
Gross Generation	MU	4467.60	4467.60	4479.84	4479.84
Net Generation	MU	4059.72	4059.72	4070.86	4070.86

1.6.2. **Coal Cost and GCV:** VIPL-G has filed a Writ Petition before the Hon'ble Delhi High Court seeking the signing of FSA for Unit 1. Consequently, the Hon'ble High Court in its interim orders dated 31.01.2018 and 07.03.2018 has directed CIL to commence the coal supply at notified price. However, the implementation of the said order is awaited and is subject the outcome of appeals filed by CIL and MOC before the Division Bench of Delhi High Court. Therefore, VIPL-G has proceeded with procurement of coal from alternate sources to fulfil the requirement for operation of Unit 1 and submit its claim for pass through of actual cost of coal in absence of FSA for Unit 1 pending the assurance of coal supply under valid and subsisting LoA based on MYT Regulations, 2015 after taking into account the compensation under Change in Law considering the ration laid down in the SC Judgment. The basis of coal cost and GCV is taken as average of actual cost for April, May and June 2018:

Table 27: Projected Weighted average Landed Cost and GCV for FY 2018-19 and FY 2019-20

Particulars	Quantity (MMT)	GCV (As Fired) (Kcal/kg)	Landed Cost (Rs./MT)
FY 2018-19			
Cost Plus Coal (WCL)	1.11	3664	3265
E Auction	1.75	3469	4058
Imported Coal	0.12	4741	7541
Wt. Average	2.98	3593	3903
FY 2019-20			
Cost Plus Coal (WCL)	1.11	3664	3265
E Auction	1.76	3469	4058

Particulars	Quantity (MMT)	GCV (As Fired) (Kcal/kg)	Landed Cost (Rs./MT)
Imported Coal	0.12	4741	7541
Wt. Average	2.99	3593	3903

1.6.3. Based on the above principles, the ARR and Tariff for FY 2018-19 and FY 2019-20 is as under.

Table 28: Aggregate Revenue Requirement for FY 2018-19 and FY 2019-20 (in Rs Cr)

Particulars	UoM	FY 2018-19		FY 2019-20	
		Approved	Revised Estimate	Approved	Revised Estimate
Fuel Related Expenses	Rs Cr	887.50	1172.70	891.05	1176.16
Other Expenses	Rs Cr	23.68	23.68	24.86	24.86
Operation & Maintenance Expenses	Rs Cr	148.17	148.17	154.71	154.49
Depreciation	Rs Cr	219.05	219.37	219.05	219.37
Interest on Long-term Loan Capital	Rs Cr	254.01	251.76	239.08	235.88
Interest on Working Capital	Rs Cr	37.59	65.15	32.53	65.20
Income Tax	Rs Cr	31.70	58.27	31.70	58.27
Total Revenue Expenditure	Rs Cr	1601.70	1939.11	1592.98	1934.23
<i>Add: Return on Equity Capital</i>	Rs Cr	205.62	205.81	205.62	205.81
Less: Non Tariff Income	Rs Cr	4.25	4.94	4.25	4.94
Revenue Gap for FY 15-16 and FY 16-17 & FY 17-18	Rs Cr		1255.76		
Aggregate Revenue Requirement	Rs Cr	1803.07	3395.74	1794.35	2135.10

Accordingly, revised fixed cost and Energy Charge for FY 2018-19 and FY 2019-20 is shown in the table below:

Table 29: Capacity (Fixed) Charges and Energy Charge Rate ex-bus for FY 2018-19 and FY 2019-20

Particulars	UoM	FY 18-19		FY 19-20	
		Approved	Revised Projection	Approved	Revised Projection
Total Annual Fixed Charges	Rs Cr	915.57	943.60	903.30	934.09
Fixed Charges per Month	Rs Cr	76.30	78.63	75.27	77.84

Particulars	UoM	FY 18-19		FY 19-20	
		Approved	Revised Projection	Approved	Revised Projection
Annual Energy Charge	Rs Cr	887.50	1196.38	891.05	1201.02
Rate of Energy Charge	Rs/kWh	2.19	2.95	2.19	2.95

1.7. Prayers

VIPL-G respectfully prays before the Hon'ble Commission to:

- a. Admit the present Petition;
- b. Grant an expeditious hearing of this Petition;
- c. Approve the Revised ARR and Revenue Gap for FY 2014-15;
- d. Approve ARR and Revenue Gap for FY 2015-16, FY 2016-17 and Provisional True up of ARR and Revenue Gap for FY 2017-18;
- e. Approve revised Annual Revenue Requirement and Tariff for FY 2018-19 and FY 2019-20 of the third Control Period under MYT Regulations 2015;
- f. Allow VIPL-G to recover the Revenue Gap amounts for FY 2014-15, FY 2015-16 , FY 2016-17 & FY 2017-18 through monthly billing during FY 2018-19 along with carrying cost and issue appropriate directives to AEML for the payment of the same;
- g. Provide the workable excel model used by the Hon'ble Commission for approval of True up of ARR and Revenue Gap amount for VIPL-G;
- h. Condone any shortcomings in the petition and allow the Petitioner to submit additional information as may be required by the Hon'ble Commission at a later stage;
- i. Pass any such order as deemed appropriate in the circumstance of this case.