

EXECUTIVE SUMMARY

Maharashtra State Load Despatch Centre (**MSLDC**) is the apex body for integrated operation of electricity grid in the State of Maharashtra and constituted under Section 31 of the Electricity Act (EA), 2003. MSLDC operates from two centres i.e. at Kalwa and Ambazari (Nagpur) in Maharashtra and has an additional sub-LDC in Mumbai, which was shifted to MSLDC Control room at Kalwa and being operated through separate desk.

In accordance with the first proviso to Section 31(2) of the EA 2003, the Maharashtra State Electricity Transmission Company Limited (MSETCL), which is the State Transmission Utility (STU) in the State of Maharashtra, operates the MSLDC.

The Hon'ble Commission (Maharashtra Electricity Regulatory Commission (MERC) notified the MERC (Multi Year Tariff) Regulations 2015 (the MYT Regulations 2015) on 8 December, 2015. In accordance with the provisions of the MYT Regulations, 2011, Hon'ble Commission approved the 'Truing-Up of Budget of Cost of Operations for FY 2014-15 and provisional Truing-Up for FY 2015-16. Whereas the Aggregate Revenue Requirement (ARR) forecast and determination of Fees & Charges for FY 2016-17 to FY 2019-20' has been approved as per provisions under MYT Regulations 2015 in Case No 20 of 2016 in its order dated 22 July 2016. The truing -up of budget cost of operation for FY 2015-16 was approved under MERC MYT Regulations 2011. Whereas, 'Truing up of Aggregate Revenue Requirement (ARR) for FY 2016-17, Provisional Truing-Up of ARR for FY 2017-18 and ARR forecast and determination of Fees & Charges for FY 2018-19 & FY 2019-20', was approved by Hon'ble Commission as per provisions under MERC MYT Regulations 2015 in its order dated 12 September 2018 in Case No 171 of 2017.

In accordance with Regulations 5.1 of the MYT Regulations, 2019 (notified on 1st August 2019), MSLDC is filing present Petition for:

- Approval of Truing-up for FY 2017-18 and FY 2018-19;
- Approval of Provisional Truing-up for FY 2019-20; and
- Approval of ARR forecast for FY 2020-2021 to FY 2024-2025 and Determination of Fees and Charges for FY 2020-2021 to FY 2024-2025.

The present filing for the truing-up for FY 2017-18 and FY 2018-19 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 (the MYT Regulations, 2015). The same Regulations have been referred for presenting the provisional truing-up for FY 2019-20. However, the ARR forecast for the control period of five years (FY 2020-2021 to FY 2024-2025) is prepared on the basis of the provisions given in the MERC (Multi Year Tariff) Regulations, 2019 (the MYT Regulations, 2019).

The truing- up for FY 2017-18 and FY 2018-19 is based on, audited account of MSLDC. Actual gain/loss on account of controllable factor, as per provisions of the MYT Regulations, 2015, has been factored in appropriately. The provisional truing-up is based on actual data available for April to September of FY 2019-20 and projected data for remaining period of the

financial year.

MSLDC have also considered the directives and approach followed by the Hon'ble Commission in its earlier two orders (MYT orders dated 22 July 2016 and MTR Order dated 12 September 2018) while preparing the present filing.

Truing-up for FY 2017-18

In the Order in Case No.171 of 2017, the provisional true-up approved for FY 2017-18 was surplus of Rs. 101.80 Lakh. The head wise actual expenditure against actual receipts and surplus / shortfall shown is summarized in the table below.

Table 1: Truing -up for FY 2017-18 (Rs Lakhs)

| Sr. No. | Particulars | FY 2017-18 | | |
|---------|---|----------------------------------|------------------------|---------------------|
| | | Approved in Case No. 171 of 2017 | April-March (Audited) | True-Up requirement |
| | | (a) | (b) | (c) = (b) - (a) |
| 1 | Operation & Maintenance Expenses | 2146.23 | 2181.42 | 35.19 |
| 2 | Depreciation Expenses | 388.41 | 345.51 | (42.90) |
| 3 | Interest on Loan Capital | 152.56 | 217.56 | 65.00 |
| 4 | Interest on Working Capital | 42.19 | 40.49 | (1.70) |
| 5 | RLDC Fees and WRPC Charges | 712.36 | 128.66 | (583.70) |
| 6 | Reactive Energy Charges paid to Generators/TSUs | | | 0.00 |
| 7 | Income Tax | | | 0.00 |
| 8 | Total Revenue Expenditure | 3441.76 | 2913.66 | (528.10) |
| 9 | Return on Equity Capital | 199.62 | 243.70 | 44.08 |
| 10 | Total Expenditure for MSLDC | 3641.37 | 3157.36 | (484.01) |
| 11 | Less: Non-Tariff Income | 13.88 | 26.43 | 12.55 |
| 12 | Less: Income from Open Access charges | 1187.85 | 1409.15 | 221.30 |
| 13 | Less: Income from Reactive Energy Charges | | | 0.00 |
| 14 | Gross Annual Fixed Charges for MSLDC | 2439.64 | 1721.78 | (717.86) |
| 15 | Less: Impact of sharing of Gain / Loss | | 50.46 | 50.46 |
| 16 | Less: Adjustment | 661.84 | 661.84 | 0.00 |

| Sr. No. | Particulars | FY 2017-18 | | |
|---------|--------------------------------|----------------------------------|-----------------------|---------------------|
| | | Approved in Case No. 171 of 2017 | April-March (Audited) | True-Up requirement |
| | | (a) | (b) | (c) = (b) - (a) |
| 17 | Annual Fixed Charges for MSLDC | 1777.80 | 1009.49 | (768.31) |
| 18 | Revenue approved/actual | 1879.60 | 1881.19 | 1.59 |
| 19 | Revenue gap/(surplus) | (101.80) | (871.70) | (769.90) |

Thus, on truing up for FY 2017-18, there is surplus of Rs. 871.70 Lakh, treatment of which has been discussed subsequently in this Petition. As per the directives of the Hon'ble Commission under Case No 171 of 2017, the surplus after truing up is being transferred to LDC development fund.

Truing-up for FY 2018-19

In the Commission's Order, in Case No.171 of 2017, the ARR forecast for FY 2018-19 was 1690.82 Lakh after incorporating the holding cost. Based on the discussion, the head wise actual expenditure against actual receipts and surplus/ shortfall shown is summarized in the table below.

Table 2: Truing-up for FY 2018-19 (Rs Lakhs)

| Sr. No. | Particulars | FY 2018-19 | | |
|---------|---|---------------------------------|--------------------------|-----------------------|
| | | Approved in Case no 171 of 2017 | April to March (Audited) | Truing Up Requirement |
| 1 | Operation & Maintenance Expenses | 2471.36 | 2296.81 | (174.55) |
| 2 | Depreciation Expenses | 397.12 | 316.14 | (80.98) |
| 3 | Interest on Loan Capital | 123.36 | 181.28 | 57.92 |
| 4 | Interest on Working Capital | 39.43 | 48.04 | 8.61 |
| 5 | RLDC Fees and WRPC Charges | 759.29 | 541.75 | (217.54) |
| 6 | Reactive Energy Charges paid to Generators/TSUs | | | 0.00 |
| 7 | Income Tax | | | 0.00 |
| 8 | Total Revenue Expenditure | 3790.57 | 3384.02 | (406.55) |
| 9 | Return on Equity Capital | 208.05 | 246.34 | 38.29 |
| 10 | Total Expenditure for MSLDC | 3998.62 | 3630.36 | (368.26) |
| 11 | Less: Non-Tariff Income | 13.88 | 14.90 | 1.02 |
| 12 | Less: Income from Open Access charges | 1149.28 | 1260.78 | 111.50 |
| 13 | Less: Income from Reactive Energy Charges | | | 0.00 |

| Sr. No. | Particulars | FY 2018-19 | | |
|---------|---------------------------------------|---------------------------------|--------------------------|-----------------------|
| | | Approved in Case no 171 of 2017 | April to March (Audited) | Truing Up Requirement |
| 14 | Gross AFC | 2835.46 | 2354.68 | (480.78) |
| 15 | Add: Impact of sharing of gain / loss | | 26.16 | 26.16 |
| 16 | Less: Adjustment of Surplus | | | 0.00 |
| 17 | Less: Carrying / (Holding) Cost | 1144.65 | 1144.65 | 0.00 |
| 18 | Annual Fixed Charges for MSLDC | 1690.82 | 1236.19 | (454.63) |
| 19 | Revenue approved/actual | 1690.82 | 1788.50 | 97.68 |
| 20 | Standalone Revenue gap/(surplus) | 0.00 | (552.31) | (552.31) |

Thus, on truing up for FY 2018-19, there is surplus of Rs. 552.31 Lakh. As per the directives of the Hon'ble Commission under Case No 171 of 2017, the surplus after trueing up is being transferred to LDC development fund. As per the directives of Hon'ble Commission under Case No 171 of 2017 funding for capitalization during FY 2018-19 has considered from the proceeds accumulated in LDC development fund and hence normative interest, depreciation and RoE is not claimed for FY 2018-19.

Provisional True-up for FY 2019-20

For projecting the provisional true-up figure for FY 2019-20, MSLDC follows the relevant provisions of the MYT Regulations, 2015. As per the Petition Formats stipulated by Hon'ble Commission, MSLDC considered actual unaudited expenses from April 2019 to September 2019 (6 months) for FY 2019-20 and estimates for various expenses and revenue for balance months for FY 2019-20. Based on the above discussion, the head-wise projected expenses for FY 2019-20 for provisional true up are summarized in Table below

Table 3: Provisional True-up for FY 2019-2020 (Rs. Lakh)

| Sr. No. | Particulars | FY 2019-20 | | |
|---------|---|------------------------------|----------------------------|-----------------------------------|
| | | Approved in case 171 of 2017 | April to March (Estimated) | Provisional Truing Up Requirement |
| 1 | Operation & Maintenance Expenses | 2774.29 | 2793.44 | 19.15 |
| 2 | Depreciation Expenses | 202.49 | 277.71 | 75.22 |
| 3 | Interest on Loan Capital | 92.23 | 152.51 | 60.28 |
| 4 | Interest on Working Capital | 56.13 | 60.00 | 3.87 |
| 5 | RLDC Fees and WRPC Charges | 809.30 | 782.14 | (27.16) |
| 6 | Reactive Energy Charges paid to Generators/TSUs | 0.00 | 0.00 | 0.00 |
| 7 | Income Tax | 0.00 | 0.00 | 0.00 |

| Sr. No. | Particulars | FY 2019-20 | | |
|---------|---|------------------------------|----------------------------|-----------------------------------|
| | | Approved in case 171 of 2017 | April to March (Estimated) | Provisional Truing Up Requirement |
| 8 | Total Revenue Expenditure | 3934.44 | 4065.80 | 131.36 |
| 9 | Return on Equity Capital | 208.05 | 246.34 | 38.29 |
| 10 | Total Expenditure for MSLDC | 4142.49 | 4312.14 | 169.65 |
| 11 | Less: Non-Tariff Income | 13.88 | 13.88 | 0.00 |
| 12 | Less: Income from Open Access charges | 1226.64 | 1134.00 | (92.64) |
| 13 | Less: Income from Reactive Energy Charges | 0.00 | 0.00 | 0.00 |
| 14 | Annual Fixed Charges for MSLDC | 2901.97 | 3164.26 | 262.29 |
| 15 | Revenue approved/actual | 2901.97 | 2901.97 | 0.00 |
| 16 | Stand-alone Revenue gap/(surplus) | 0 | 262.29 | 262.29 |

Thus, on Provisional Truing up for FY 2019-20, there is gap of Rs. 262.29 Lakh. As per the directives in Case No 171 of 2017, MSLDC propose to transfer this amount to proceeds of LDC development fund.

ARR Projections FY 2020-21 to FY 2024-25

Hon'ble Commission has published the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019 (MYT Regulations, 2019) which is applicable for the control period comprising five Years from April 1, 2020 to March 31, 2025. As per Regulation 3.1 of MYT Regulations, 2019 the Hon'ble Commission shall determine the Aggregate Revenue Requirement, Tariff and Fees and Charges, including terms and conditions thereof, in accordance with MYT Regulations, 2019 including MSLDC.

Table 4: Summary of Annual Fixed Charges for FY 2020-21 to FY 2024-25 (Rs. Lakh)

| SR NO | Particulars | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|-------|---|----------------|----------------|----------------|----------------|----------------|
| 1 | Operation & Maintenance Expenses | 3120.79 | 2975.08 | 3070.28 | 3168.53 | 3269.92 |
| 2 | Depreciation Expenses | 277.62 | 261.72 | 288.30 | 382.73 | 455.20 |
| 3 | Interest on Loan Capital | 124.41 | 97.12 | 137.83 | 218.76 | 269.55 |
| 4 | Interest on Working Capital | 61.61 | 61.86 | 66.42 | 73.02 | 76.87 |
| 5 | RLDC Fees and WRPC Charges | 874.41 | 1055.16 | 1195.43 | 1361.35 | 1361.35 |
| 6 | Reactive Energy Charges paid to Generators/TSUs | | | | | |
| 7 | Income Tax | | | | | |
| 8 | Total Revenue Expenditure | 4458.84 | 4450.94 | 4758.26 | 5204.40 | 5432.89 |

| SR NO | Particulars | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|-------|---|----------------|----------------|----------------|----------------|----------------|
| 9 | Return on Equity Capital | 246.34 | 246.34 | 291.33 | 366.74 | 427.91 |
| 10 | Total Expenditure for MSLDC | 4705.18 | 4697.28 | 5049.59 | 5571.13 | 5860.80 |
| 11 | Less: Non-Tariff Income | 13.88 | 13.88 | 13.88 | 13.88 | 13.88 |
| 12 | Less: Income from Open Access charges | 1156.68 | 1179.81 | 1203.41 | 1227.48 | 1252.03 |
| 13 | Less: Income from Reactive Energy Charges | | | | | |
| | Gross Annual Fixed Charges for (AFC) MSLDC | 3534.62 | 3503.58 | 3832.30 | 4329.78 | 4594.89 |

Sharing of MSLDC Charges for FY 2020-21 to FY 2024-25

Table 5: Proposed sharing of MSLDC charges for FY 2020-21 to FY 2024-25 (Rs lakhs)

| Sharing of MSLDC Charges | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|--|----------------|----------------|----------------|----------------|----------------|
| MSEDCL | 2971.76 | 2945.66 | 3222.03 | 3640.29 | 3863.19 |
| TPC-D | 131.93 | 130.77 | 143.04 | 161.61 | 171.51 |
| AEML-D | 237.17 | 235.09 | 257.14 | 290.53 | 308.31 |
| BEST | 133.58 | 132.41 | 144.83 | 163.63 | 173.65 |
| Central Railway (Indian Railways) | 57.10 | 56.60 | 61.91 | 69.95 | 74.23 |
| Mindspace Business Parks Pvt. Ltd. (MBPPL) | 2.21 | 2.19 | 2.40 | 2.71 | 2.88 |
| Gigaplex Estates Pvt. Ltd. (GEPL) | 0.80 | 0.79 | 0.86 | 0.98 | 1.04 |
| Nidar Utilities Panvel LLP | 0.07 | 0.07 | 0.08 | 0.09 | 0.09 |
| Total | 3534.62 | 3503.58 | 3832.30 | 4329.78 | 4594.89 |

Further, as per the MYT Regulations, 2019, MSLDC Charges per MW per month shall be computed in accordance with the following formula:

$$\text{Monthly MSLDC Charges (Rs. / MW / Month)} = [\text{AFC (u) (t)} \div \sum [\text{Base TCR (u) (t)}] \div 12$$

Accordingly, the projected MSLDC Charges works out as under:

Table 6: Proposed MSLDC Charges for FY 2020-21 to FY 2024-25 (Rs./MW/Month)

| Monthly MSLDC Charges | FY 2020-21 | FY 2021-22 | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---------------------------------------|------------|------------|------------|------------|------------|
| Total MSLDC Charges (Rs. Lakh) | 3534.62 | 3503.58 | 3832.30 | 4329.78 | 4594.89 |
| Base Transmission Capacity Right (MW) | 23048 | 23910 | 24804 | 25732 | 26694 |
| Proposed MSLDC charges (Rs/MW/Month) | 1278.00 | 1221.11 | 1287.52 | 1402.22 | 1434.43 |

MSLDC humbly requests the Hon'ble Commission to allow MSLDC to levy and recover following proposed fees and charges for the period for FY 2020-21 to FY 2024-25 as given below

Table 7: Proposed Fees and Charges for FY 2020-21 to FY 2024-25

| Particulars | Proposed Charges |
|------------------------------|--------------------------|
| Registration/Connection fees | Rs 20,000 per connection |
| Scheduling fees | Rs 2250 per day |
| Re- Scheduling fees | Rs 2250 per revision |
| STOA application fees | Rs 7500 per application |
| REC processing fees | Rs 1000 per applications |

Prayers

MSLDC respectfully prays the Hon'ble Commission to

1. Admit the Multi-Year Tariff in accordance with Regulations 5.1 of the MERC MYT Regulations, 2019.
2. Allow truing-up for FY 2017-18 and FY 2018-19 of Maharashtra State Load Despatch Centre (MSLDC) based on the Audited Accounts and Allocation Statement for the respective financial year, and according to the applicable provisions under MERC (Multi Year Tariff) Regulations, 2015 and other Regulations.
3. Allow Provisional true up for FY 2019-20 of MSLDC according to applicable provisions under MERC (Multi Year Tariff) Regulations, 2015, and other Regulations.

4. Approve MSLDC Charges for FY 2020-21 to FY 2024-25 as per MERC MYT Regulations 2019 that would help in recovery of consolidated ARR for respective years of the 4th Control Period.
5. Allow MSLDC to use the LDCD fund, as created by the Hon'ble Commission in MSLDC MTR Order in Case No. 171 of 2017 dated 12 Sept 2018, for the purpose of capitalization during FY 2018-19 to FY 2021-22.
6. Continue the various charges i.e., Short-term Open Access Application Processing Fees, Registration or Connection Fees, Scheduling Fees/Charges and Re-Scheduling Fees, Renewable Energy Certificate Processing Fees as approved by the Hon'ble Commission in MSLDC MTR Order in Case No. 171 of 2017 dated 12 Sept 2018.
7. Approve the SLDC's request for relaxation of certain parameters as sought in the Petition, while approving this Multi-Year Tariff Petition.
8. Grant an opportunity in person before Hon Commission during the hearing on the above matter.
9. Condone any inadvertent omission/errors/short comings and permit the petitioner to add/change/modify/alter this filing and make future submissions as may be required at a future date.

Anil Vilas Kolap

Chief Engineer MSLDC

Place: Airoli, Navi Mumbai

Date: 11 December 2019
