

BEFORE  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,  
MUMBAI

**MULTI YEAR TARIFF PETITION FOR APPROVAL OF TRUE UP OF  
FY 2017-18 & FY 2018 –19, PROVISIONAL TRUE-UP OF FY  
2019-20 AS PER MYT REGULATIONS 2015 AND AGGREGATE  
REVENUE REQUIREMENT FOR CONTROL PERIOD FY 2020-21  
TO FY 2024-25 AS PER MYT REGULATIONS 2019  
(EXECUTIVE SUMMARY)**

**FILED BY  
AMRAVATI POWER TRANSMISSION COMPANY LTD.**

PETITION NO. 295 of 2019

## 1 EXECUTIVE SUMMARY

### 1.1 Preamble

Amravati Power Transmission Company Limited (**APTCL**) is an intra-state transmission licensee in Maharashtra as per the Transmission License No. 3 of 2010 granted by the Hon'ble Commission vide order dated 30<sup>th</sup> December 2010 and amended vide order dated 4<sup>th</sup> August 2014. As per provisions of Electricity Act, 2003 (**EA**), APTCL being a transmission licensee, is required to submit its Aggregate Revenue Requirement (**ARR**) and Tariff Petition as per procedures outlined in Section 61, 62 and 64 of EA 2003, and the governing Regulations thereof

This section summarizes the petition filed by APTCL for Approval of True Up of FY 2017-18 & FY 2018 –19, Provisional True-Up of FY 2019-20 as per MULTI YEAR TARIFF (**MYT**) Regulations 2015 and ARR for Control Period FY 2020-21 to FY 2024-25 as per MYT Regulations 2019.

### 1.2 True up for FY 2017-18 and FY 2018-19

#### 1.2.1 ARR for FY 2017-18 and 2018-19

APTCL has worked out its ARR for FY 2017-18 and FY 2018-19 as part of True Up exercised, based on audited annual accounts and applied norms wherever applicable as per MERC (MYT) Regulations 2015. The detailed comparison of various cost components is undertaken with cost approved by the Hon'ble Commission as per MERC Order dated 12 September, 2018 in Case No. 197 of 2017. A summary of the proposed ARR for Truing Up of FY 2017-18 and 2018-19 is presented below:

**Table 1: Summary of True-up of FY 2017-18 and 2018-19 (Rs. Crores)**

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains/(losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains/(losses)	Deviation
		FY 2017-18				FY 2018-19			
1	Operation & Maintenance Expenses	2.53	3.44	2.83	0.30	2.65	3.40	2.90	0.25
2	Depreciation	14.14	14.21	14.21	0.07	14.34	14.31	14.31	-0.03
3	Interest on Long-term Loan	21.00	33.01	33.01	12.01	19.21	19.44	19.44	0.23
4	Interest on Working Capital	0.99	1.00	0.33	-0.66	1.52	1.33	0.44	-1.07
5	Income Tax Expense	6.47	2.84	2.84	-3.63	6.47	5.36	5.36	-1.11
6	Contribution to Contingency Reserves	2.00	2.00	2.00	0.00	0.68	0.68	0.68	0.00
7	<b>Total Revenue Expenditure</b>	<b>47.14</b>	<b>56.50</b>	<b>55.22</b>	<b>8.08</b>	<b>44.87</b>	<b>44.51</b>	<b>43.13</b>	<b>-1.74</b>
8	Return on Equity Capital	10.42	10.44	10.44	0.02	10.57	10.54	10.54	-0.03
9	<b>Gross Aggregate Revenue Requirement</b>	<b>57.56</b>	<b>66.94</b>	<b>65.67</b>	<b>8.10</b>	<b>55.44</b>	<b>55.05</b>	<b>53.67</b>	<b>-1.77</b>
10	Less: Non-Tariff Income	0.29	0.25	0.25	-0.04	0.19	0.06	0.06	-0.13
11	Add: Incentive	0.00	1.01	1.01	1.01	0.00	0.96	0.96	0.96
12	<b>Net Aggregate Revenue Requirement</b>	<b>57.27</b>	<b>67.70</b>	<b>66.43</b>	<b>9.16</b>	<b>55.24</b>	<b>55.95</b>	<b>54.56</b>	<b>-0.68</b>
	<b>Past Gaps</b>								
13	Add: Gap/ (Surplus) for FY 2010-11 to FY 2014-15					33.26	33.26	33.26	0.00
14	Add: Gap/ (Surplus) for FY 2015-16 & FY 2016-17					14.04	14.04	14.04	0.00
15	Add: Gap/ (Surplus) for FY 2017-18					2.38	0.00	0.00	-2.38
16	<b>Total Annual Revenue Requirement including past gaps</b>	<b>57.27</b>	<b>67.70</b>	<b>66.43</b>	<b>9.16</b>	<b>104.92</b>	<b>103.25</b>	<b>101.86</b>	<b>-3.06</b>

### 1.2.2 Revenue gap for FY 2017-18 and FY 2018-19

The Revenue recovery of FY 2017-18 and FY 2018-19 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its Order dated 22 July, 2016 in Case No. 91 of 2016 and as per Order dated 12 September, 2018 in Case No. 265 of 2018. Accordingly, considering the past gaps and the revenue recovered during the FY 2017-18 and FY 2018-19, the revenue gap claimed by APTCL is as under:

**Table 2: Revenue Gap for FY 2017-18 and FY 2018-19 (Rs. Crores)**

Sl.No.	Particulars	FY 2017-18	FY 2018-19
1	Total ARR	66.43	101.86
2	ARR recovered through Transmission Tariff	54.89	83.49
3	Revenue Gap	11.54	18.37

### 1.3 Provisional Truing up for FY 2019-20

#### 1.3.1 ARR for FY 2019-20

As per the provisions of MERC MYT Regulations, 2015, the provisional true up is carried out by comparing the performance of Transmission licensee with the approved forecast in the MYT order. Accordingly, the comparison of approved ARR as per MERC order dated 12 September, 2018 in Case No. 197 of 2017 with the revised forecast based on performance during the first half of FY 2019-20 and other factors is shown in the table as under:

**Table 3: Summary of Provisional True-up of FY 2019-20 (Rs. Crores)**

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	2.77	1.41	2.14	3.55
Depreciation	14.43	7.16	7.16	14.31
Interest on Long-term Loan Capital	17.55	8.74	8.74	17.49
Interest on Working Capital	0.91	0.46	0.46	0.92
Income Tax	6.47	0.00	5.36	5.36
Contribution to contingency reserves	0.68	0.34	0.34	0.68
<b>Total Revenue Expenditure</b>	<b>42.82</b>	<b>18.11</b>	<b>24.19</b>	<b>42.30</b>
RoE	10.64	5.27	5.27	10.54
<b>Aggregate Revenue Requirement</b>	<b>53.47</b>	<b>23.38</b>	<b>29.46</b>	<b>52.84</b>
Less: Non-Tariff Income	0.25	0.02	0.02	0.03
<b>Net Aggregate Revenue Requirement</b>	<b>53.21</b>	<b>23.36</b>	<b>29.45</b>	<b>52.81</b>

#### 1.3.2 Revenue gap for FY 2019-20

The Revenue recovery of FY 2019-20 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its order dated 12 September, 2018 in Case No. 265 of 2018. Accordingly, considering estimated revenue

to be recovered during the FY 2019-20, the revenue gap claimed by APTCL is as under:

**Table 4: Revenue Gap for FY 2019-20 (Rs. Crores)**

Particulars	FY 2019-20
Total ARR	52.81
ARR recovered through Transmission Tariff	53.21
<b>Revenue Gap / (Surplus)</b>	<b>-0.40</b>

#### 1.4 Multi Year Tariff petition for the control period FY 2020-21 to FY 2024-25

Based on the MERC MYT Regulations, 2019, APTCL has prepared the projections for the MYT control period of FY 2020-21 to FY 2024-25. The summary of the ARR for the control period is as under:

**Table 5: Aggregate Revenue Requirement for MYT Control Period (Rs. Crores)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
O&M Expenses	4.71	4.91	5.09	5.28	5.49
Depreciation	14.31	14.31	14.31	14.31	14.31
Interest on Long-term Loan Capital	15.66	13.84	12.02	10.20	8.37
Interest on Working Capital	1.31	0.86	0.84	0.82	0.80
Income Tax					
Contribution to contingency reserves	0.68	0.68	0.68	0.68	0.68
<b>Total Revenue Expenditure</b>	<b>36.67</b>	<b>34.60</b>	<b>32.94</b>	<b>31.28</b>	<b>29.65</b>
RoE	12.13	12.13	12.13	12.13	12.13
<b>Gross Aggregate Revenue Requirement</b>	<b>48.81</b>	<b>46.73</b>	<b>45.07</b>	<b>43.41</b>	<b>41.78</b>
Less: Non-Tariff Income	0.03	0.03	0.03	0.03	0.03
<b>Net Aggregate Revenue Requirement</b>	<b>48.78</b>	<b>46.70</b>	<b>45.04</b>	<b>43.38</b>	<b>41.75</b>
Add: Gap/ (Surplus) for True-up for FY 2017-18	11.54				
Add: Gap/ (Surplus) for True-up for FY 2018-19	18.37				
Add: Gap/ (Surplus) for ARR for FY 2019-20	-0.40				
Carrying Cost/ (Holding Cost) for FY 2015-16 to FY 2019-20	6.40				
<b>Total Annual Revenue Requirement including past gaps</b>	<b>84.69</b>	<b>46.70</b>	<b>45.04</b>	<b>43.38</b>	<b>41.75</b>

#### 1.5 Prayers to the Hon'ble Commission

APTCL respectfully hereby submits the revised Petition and prays that the Hon'ble Commission may:

- Admit the Petition for Approval of True Up of FY 2017-18 & FY 2018 -19, Provisional True-Up of FY 2019-20 as per MYT Regulations 2015 and Aggregate Revenue Requirement for Control Period FY 2020-21 to FY 2024-25 as per MYT Regulations 2019;
- Approve the True-up of ARR of APTCL including past gaps and incentive for higher Transmission Availability for FY 2017-18 & FY 2018-19 as per MYT Regulations 2015;
- Approve the Provisional True Up for FY 2019-20 as presented in this Petition as per MYT Regulations 2015;
- Approve the finance charges as claimed by APTCL for refinancing of the Loan as presented or worked out in this Petition;
- Approve the projected ARR for the MYT control period FY 2020-21 to FY 2024-25

- as per MYT Regulations 2019;
- f. To allow the recovery of the past gaps in the transmission charges as submitted in the Petition;
  - g. Condone any inadvertent omissions, errors, shortcomings, rounding off and permit APTCL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
  - h. Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case;