

1 EXECUTIVE SUMMARY

1.1 Preamble

- 1.1.1 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 30th December 2010 and amended vide Order dated 4th 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.
- 1.1.2 This section summarizes the Petition filed by APTCL for Approval of True Up of FY 2019-20 as per Multi Year Tariff (**MYT**) Regulations, 2015, True-up of FY 2020-21 and FY 2021-22, Provisional True-up of FY 2022-23 and Revised ARR for FY 2023-24 and FY 2024-25 as per MYT Regulations, 2019 of Amravati Power Transmission Company Limited (**APTCL**).

1.2 True up for FY 2019-20

- 1.2.1 APTCL has calculated its ARR for Truing up of FY 2019-20 whereby it has presented the actual cost based on audited annual accounts for FY 2019-20 and applied norms wherever applicable as per MERC (Multi Year Tariff) Regulations 2015.
- 1.2.2 The detailed comparison of various cost components with cost approved by the Hon'ble Commission vide MYT Order dated 30th March, 2020 in Case No. 295 of 2019 along with deviations, if any, has been presented in Chapter for True Up for FY 2019-20. A summary of the True Up of FY 2019-20 with the approved ARR for is presented below:

Table 1: Annual Revenue Requirement (ARR) for Truing up of FY 2019-20 (Rs. Crores)

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains/(losses)	Deviation
1	Operation & Maintenance Expenses	2.77	3.52	3.02	0.25
2	Depreciation	14.26	14.27	14.27	0.01
3	Interest on Long-term Loan	17.40	18.44	18.44	1.04
4	Interest on Working Capital	0.92	0.93	0.31	(0.60)
5	Income Tax Expense	5.17	4.19	4.19	(0.98)
6	Contribution to Contingency Reserves	0.68	0.68	0.68	(0.00)
7	Total Revenue Expenditure	41.20	42.03	40.91	(0.29)
8	Return on Equity Capital	10.49	10.49	10.49	0.00
9	Gross Aggregate Revenue Requirement	51.69	52.52	51.40	(0.29)
10	Less: Non-Tariff Income	0.11	0.14	0.14	(0.03)
11	Add: Incentive	0.00	0.39	0.39	0.39
12	Total Annual Revenue Requirement	51.58	52.77	51.65	0.06

- 1.2.3 Further For FY 2019-20, the ARR (Revenue) allowed to be recovered through

transmission tariff is Rs. 53.21 Crs as per Case No. 197 of 2017 dated 12th September 2018 and as per Revision of Intra-State Transmission Tariff as per Order dated 12th September 2018 in Case No. 265 of 2018.

- 1.2.4 Considering the revenue recovered during the FY 2019-20 and ARR computed for truing up, the resultant revenue surplus is outlined below:

Table 2: Revenue Gap/(surplus) for FY 2019-20 (Rs. Crores)

Sl. No.	Particulars	FY 2019-20
1	Total ARR	51.65
2	ARR recovered through Transmission Tariff	53.21
3	Revenue Gap	(1.56)

1.3 True up for FY 2020-21 and FY 2021-22

- 1.3.1 APTCL has calculated its ARR for Truing up of FY 2020-21 and FY 2021-22 whereby it has presented the actual cost based on audited annual accounts of the respective years viz., FY 2020-21 and FY 2021-22 and applied norms wherever applicable as per MERC (Multi Year Tariff) Regulations 2019.
- 1.3.2 The detailed comparison of various cost components with cost approved by the Hon'ble Commission vide MYT Order dated 30th March, 2020 in Case No. 295 of 2019 along with deviations, if any, has been presented in Chapter for True Up for FY 2020-21 and FY 2021-22.
- 1.3.3 Also, the past gap alongwith carrying cost, as approved in Case No. 295 of 2019 allowed to be recovered by spreading the Revenue Requirement of APTCL over the 5 years of the 4th Control Period has been included in total ARR of the respective years for truing-up purpose.
- 1.3.4 A summary of the True Up for FY 2020-21 and FY 2021-22 with the approved ARR for is presented below:

Table 3: Annual Revenue Requirement (ARR) for Truing up of FY 2020-21 and FY 2021-22 (Rs. Crores)

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	FY 2020-21		FY 2021-22	
						Approved	Actual	Approved	Actual
		1.	O&M Expenses	4.71	4.78	4.74	0.02	4.91	4.95
2.	Depreciation	14.26	14.27	14.27	0.01	14.26	14.27	14.27	0.01
3.	Interest on Loan	15.58	16.74	16.74	1.16	13.77	17.35	17.35	3.57
4.	Interest on Working Capital	0.91	0.82	0.27	(0.64)	0.90	0.80	0.27	(0.63)
5.	Contribution to Contingency Reserves	0.68	0.68	0.68	0.00	0.68	0.68	0.68	0.00
6.	Total Revenue Expenditure	36.14	37.29	36.70	0.55	34.51	38.04	37.48	2.97

Revised True Up Petition for FY 2019-20 to FY 2021-22, Provisional True-up of FY 2022-23 and ARR for FY 2023-24 and FY 2024-25 – APTCL

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2020-21				FY 2021-22			
7.	Return on Equity	11.48	12.83	12.83	1.35	11.48	12.74	12.74	1.26
8.	Gross ARR	47.63	50.12	49.53	1.90	46.00	50.78	50.23	4.23
9.	Less: Non-Tariff Income	0.16	0.16	0.16	0.00	0.31	0.16	0.16	(0.15)
10.	Net ARR	47.47	49.96	49.37	1.90	45.69	50.62	50.07	4.38
11.	Add: Net Entitlement for restatement of interest rate						1.78	1.78	1.78
12.	Past Gap for FY 2017-18 to FY 2019-20 including Carrying cost - as approved in Case No. 295 of 2019	3.93	3.93	3.93		4.41	4.41	4.41	0.00
13.	Total Annual Revenue Requirement including past gaps	51.40	53.89	53.30	1.90	50.09	56.81	56.26	6.16

1.3.5 Further For FY 2020-21 and FY 2021-22, the ARR (Revenue) allowed to be recovered through transmission tariff as per Case No. 295 of 2019 dated 30th March 2020 and as per Transmission Tariff of Intra-State Transmission System for 4th MYT Control Period for FY 2020-21 to FY 2024-25 as per Case No. 327 of 2019 dated 30th March 2020 has been considered for calculation of Revenue Gap.

1.3.6 Considering the past gaps and the revenue recovered during the FY 2020-21 and FY 2021-22, the revenue gap claimed by APTCL is outlined below and request the Hon'ble Commission to allow the same along with the carrying cost.

Table 4: Revenue Gap for FY 2020-21 and FY 2021-22 (Rs. Crores)

Sl. No.	Particulars	FY 2020-21	FY 2021-22
1	Total ARR	53.30	56.26
2	ARR recovered through Transmission Tariff	51.40	50.09
3	Revenue Gap	1.90	6.17

1.4 Provisional Truing up for FY 2022-23

1.4.1 As per MERC (Multi Year Tariff) Regulations, 2019, the Annual Revenue Requirement for APTCL for FY 2022-23 is summarized in the table below with the break-up of H1 (April 2022 to September 2022) and H2 (estimates for October 2022 to March 2023):

Table 5: Aggregate Revenue Requirement for FY 2022-23 (Rs. Crores)

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	5.09	2.42	2.67	5.09
Depreciation	14.26	7.13	7.13	14.27
Interest on Long-term Loan Capital	11.95	4.68	4.68	9.36
Interest on Working Capital	0.87	0.43	0.43	0.86
Income Tax	0.00	0.00	0.00	0.00
Contribution to contingency reserves	0.68	0.00	0.68	0.68
Total Revenue Expenditure	32.85	14.66	15.59	30.26
Return on Equity	11.48	5.76	5.76	11.51
Aggregate Revenue Requirement	44.34	20.42	21.35	41.77
Less: Non-Tariff Income	0.36	0.10	0.10	0.21
Net Aggregate Revenue Requirement	43.98	20.32	21.24	41.56
Rebate on Revenue from FY 2016-17 to FY 2021-22	0.00	0.00	0.72	0.72
Past Gap for FY 2017-18 to FY 2019-20 including Carrying cost - as approved in Case No. 295 of 2019	4.09	2.05	2.05	4.09
Aggregate Revenue Requirement from Transmission Business	48.08	22.36	24.01	46.37

1.4.2 For FY 2022-23, the ARR (Revenue) allowed to be recovered through transmission tariff is Rs. 48.08 Crs as per Case No. 295 of 2019 dated 30th March 2020 and as per Transmission Tariff of Intra-State Transmission System for 4th MYT Control Period for FY 2020-21 to FY 2024-25 as per Case No. 327 of 2019 dated 30th March 2020.

1.4.3 Accordingly, based on the revised ARR proposed by APTCL for provisional truing up of FY 2022-23 and the approved revenue to be recovered, APTCL hereby submits the resultant Gap / (Surplus) as outlined below:

Table 6: Revenue Gap / Surplus for FY 2022-23

Particulars	FY 2022-23
Total ARR	46.37
ARR recovered through Transmission Tariff	48.08
Revenue Gap / (Surplus)	(1.71)

1.5 Mid Term Performance Review of FY 2023-24 and FY 2024-25

1.5.1 As per MERC (Multi Year Tariff) Regulations, 2019, the Annual Revenue Requirement for APTCL for FY 2023-24 and FY 2024-25, is summarized in the table below:

Revised True Up Petition for FY 2019-20 to FY 2021-22, Provisional True-up of FY 2022-23 and ARR for FY 2023-24 and FY 2024-25 – APTCL

Table 7: Aggregate Revenue Requirement for MYT Control Period – FY 2023-24 and FY 2024-25 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2023-24		FY 2024-25	
O&M Expenses	5.28	5.28	5.49	5.49
Depreciation	14.26	14.27	14.26	14.27
Interest on Long-term Loan Capital	10.14	7.93	8.32	6.51
Interest on Working Capital	0.85	0.89	0.83	0.80
Contribution to contingency reserves	0.68	0.68	0.68	0.68
Total Revenue Expenditure	31.20	29.04	29.57	27.74
Return on Equity	11.48	11.51	11.48	11.51
Gross Aggregate Revenue Requirement	42.69	40.55	41.05	39.25
Less: Non-Tariff Income	0.40	0.25	0.44	0.28
Net Aggregate Revenue Requirement	42.28	40.30	40.61	38.97
Past Gap for FY 2017-18 to FY 2019-20 including Carrying cost - as approved in Case No. 295 of 2019	3.78	3.78	3.46	3.46
Add: Gap/ (Surplus) for True-up for FY 2019-20		(1.56)		
Add: Gap/ (Surplus) for True-up for FY 2020-21		1.90		
Add: Gap/ (Surplus) for True-up for FY 2021-22		6.17		
Add: Gap/ (Surplus) for Provisional True-up for FY 2022-23		(1.71)		
Carrying Cost/ (Holding Cost) for FY 2019-20 to FY 2021-22		0.95		
Total Annual Revenue Requirement including past gaps	46.06	49.83	44.07	42.43

1.6 Prayers to the Hon'ble Commission

The Petitioner respectfully prays that the Hon'ble Commission may:

- Admit the Petition for Approval of True-up of FY 2019-20 as per MYT Regulations, 2015, True-up of FY 2020-21 and FY 2021-22, Provisional True-up of FY 2022-23 and Mid Term Performance review of Aggregate Revenue Requirement for FY 2023-24 and 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 2019-20 as per MYT Regulations, 2015;
- Approve the True-up of ARR of APTCL including performance based RoE for higher Transmission availability for FY 2020-21 and FY 2021-22 as per MYT Regulations, 2019;
- Approve the Provisional True-up for FY 2022-23 as presented in this Petition as per MYT Regulations 2019;
- Approve the Revised Annual Revenue Requirement for FY 2023-24 and FY 2024-25 as per MYT Regulations, 2019;
- To Approve the finance charges as claimed by APTCL against the revision in interest rate as presented and worked out in this Petition;

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