

1. EXECUTIVE SUMMARY

Introduction

1.1 ATIL (formerly known as Adani Power Maharashtra Limited (Transmission Business)) was granted Transmission Licence No. 2 of 2009 by Maharashtra Electricity Regulatory Commission (hereinafter referred to as the "Hon'ble Commission" or "MERC") vide its Order dated 06.07.2009 in case No. 138 of 2008. The said license was amended by Commission vide its order dated 30.03.2011. Subsequently, to ring fence the licensed business of Transmission from other Business of APML, APML-T filed a petition for assignment of its Transmission License to ATIL. Vide Order dated 8.12.2014 in Case no. 189 of 2014, the Commission approved assignment of the aforementioned license to ATIL. The said License was further amended by MERC vide Order dated 09.07.2015 in Case no. 136 of 2014 to include 2X80 MVAR Bus Reactor along with associated bays at the Tiroda Sub-station.

Statutory Provisions

1.2 The Petitioner, being a Transmission Licensee endeavours to operate under the stipulated regulatory regime. The Transmission Business is governed and regulated under following Act, Policy and Regulations:

- Electricity Act 2003;
- National Electricity Policy;
- National Tariff Policy; and
- MERC (Multi Year Tariff) Regulations, 2015 and
- MERC (Multi Year Tariff) Regulations, 2019

1.3 The Hon'ble Commission has notified MYT Regulations, 2019 for determination of tariff for Generation, Transmission and Distribution on 01.08.2019. Regulation 5 (1) (b) specifies Mid-Term Review ("MTR") Petition to be filed by 01.11.2022 by Transmission Licensees, comprising:

- a) Truing-up for FY 2019-20 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2015;
- b) Truing-up for FY 2020-21 and FY 2021-22 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
- c) Provisional Truing-up for FY 2022-23 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
- d) Revised forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff and charges, expected revenue gap, and proposed category-wise Tariff for the fourth and fifth year of the Control Period;

1.4 In view of the above, ATIL submits the following

- a) Petition for True-up of ARR for FY 2019-20 as per provisions of MYT Regulations, 2015.
- b) Petition for True-up of ARR for FY 2020-21 and FY 2021-22 as per provisions of MYT Regulations, 2019.
- c) Petition for Provisional True-Up of ARR for FY 2022-23 as per provisions of the MYT Regulations, 2019.
- d) Determination of Revised ARR for FY 2023-24 and FY 2024-25 as per provisions of the MYT Regulations, 2019.

Basis for Computation of True-up, Provisional True-up & Revised Forecast of ARR

1.5 Without prejudice to outcome of both pending appeals, based on the closing capital cost approved for FY 2018-19 by the Hon'ble Commission in case No. 289 of 2020 dated 30 March, 2020, True-up of ARR for FY 2019-20, FY 2020-21 & FY 2021-22, provisional true-up of ARR of FY 2022-23 and Revised ARR for FY 2023-24 & FY 2024-25 has been determined by the Petitioner. The carved out Audited Annual Accounts for FY 2019-20, FY 2020-21 and FY 2021-22 are submitted at **Annexure 1, Annexure 2 & Annexure 3 respectively**. The components considered in True-up of ARR are:

- (a) Operation and Maintenance Expense
- (b) Depreciation
- (c) Interest on Loan Capital
- (d) Interest on working capital and deposits from Transmission System Users
- (e) Income Tax
- (f) Contribution to contingency reserves
- (g) Return on Equity Capital
- (h) Non-Tariff Income
- (i) Income from Other Business, to the extent specified in the Regulations
- (j) Sharing of gains and losses
- (k) Carrying cost and incentive

1.6 The Petitioner has carried out the Mid-Term Review of ARR on the following basis:

- (a) True-up of ARR for FY 2019-20, FY 2020-21 and FY 2021-22 based on closing capital cost approved for FY 2018-19 by the Hon'ble Commission in case no. 289 of 2020 dated 30 March, 2020 as per provisions of MYT Regulations, 2015 & 2019 and other Regulations.
- (b) Provisional True up for ARR for FY 2022-23 based on closing Capital Cost approved for FY 2018-19 by the Hon'ble Commission in case no. 289 of 2020 dated 30 March, 2020 and additional Capital cost for FY 2019-20, FY 2020-

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21, FY 2021-22 & 2023-24, and provisions of MYT Regulations, 2019 and other Regulations.

(c) Revenue Gap/ (Surplus) has been determined as per provisions of the MYT Regulations, 2015 for FY 2019-20 and as per provisions of the MYT Regulations, 2019 for FY 2020-21, 2021-22 and 2022-23.

(d) Carrying cost for recoveries during FY 2023-24 as follows:

- Carrying cost for difference in approved ARR & actual Revenue Requirement after adjusting gain (Loss) for delay in approval of recovery in FY 2019-20.
- Carrying cost for difference in approved ARR & actual Revenue Requirement after adjusting gain (Loss) for delay in approval of recovery in FY 2020-21.
- Carrying cost for difference in approved ARR & actual Revenue Requirement after adjusting gain (Loss) for delay in approval of recovery in FY 2021-22.

(e) Revised ARR for the FY 2023-24 & FY 2024-25 projected as per the provisions of MYT Regulations, 2019 and other Regulations.

1.7 The Petitioner has filed an appeal before Hon'ble APTEL challenging order dated 12.09.2018 of Hon'ble Commission in case No. 170 of 2017. This Appeal has been registered with Hon'ble APTEL as Appeal No. 402 of 2018.

1.8 The Petitioner aggrieved by the Order of Hon'ble Commission dated 30.03.200 in case No. 289 of 2019 filed Appeal before Hon'ble APTEL registered as Appeal No. 154 of 2020.

1.9 The Petitioner would like to submit that this Petition is filed by the Petitioner without Prejudice to its rights arising out orders of Hon'ble APTEL in above referred appeals.

1.10 Trued up ARR of the Petitioner for FY 2019-20 considering above factors, is summarized in the table below.

Table 1-1: True Up of ARR for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
1	Operation & Maintenance Expenses	8.37	8.37	14.46	6.09	6.09	-	10.40
2	Depreciation Expenses	37.61	37.69	37.69	0.08		0.08	37.69
3	Interest on Long-term Loan Capital	28.45	30.92	30.92	2.47		2.47	30.92

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Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
4	Interest on Working Capital and on security deposits	2.11	2.14	6.38	4.27	4.24	0.03	3.55
5	Income Tax	9.10	20.12	20.12	11.02		11.02	20.12
6	Contribution to Contingency reserves	1.78	1.78	1.78	(0.00)		(0.00)	1.78
7	Total Revenue Expenditure	87.43	101.02	111.35	23.92	10.33	13.59	104.46
8	Return on Equity Capital	33.13	33.14	33.14	0.01		0.01	33.14
9	Aggregate Revenue Requirement	120.55	134.16	144.49	23.93	10.33	13.60	137.60
10	Less: Non Tariff Income	-	1.65	1.65	1.65		1.65	1.65
11	Less: Income from Other Business	-	-	-	-		-	-
							-	
12	Aggregate Revenue Requirement from Transmission Tariff	120.55	132.51	142.84	22.28	10.33	11.95	135.95

1.11 Trued up ARR of the Petitioner for FY 2020-21 considering above factors, is summarized in the table below.

Table 1-2: True Up of ARR for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
1	Operation & Maintenance Expenses	12.27	12.27	12.31	0.04	0.04	-	12.29
2	Depreciation Expenses	37.61	37.77	37.77	0.16		0.16	37.77
3	Interest on Long-term Loan Capital	23.86	25.96	25.96	2.10		2.10	25.96
4	Interest on Working Capital and on security deposits	2.44	2.19	4.31	1.87	2.12	(0.25)	2.89
5	Income Tax	-	-	-	-		-	-

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Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
6	Contribution to Contingency reserves	1.78	1.82	1.82	0.04		0.04	1.82
7	Total Revenue Expenditure	77.96	80.01	82.16	4.20	2.16	2.04	80.73
8	Return on Equity Capital	36.25	40.17	40.17	3.92		3.92	40.17
9	Aggregate Revenue Requirement	114.22	120.18	122.34	8.12	2.16	5.96	120.90
10	Less: Non Tariff Income	0.34	0.35	0.35	0.01		0.01	0.35
11	Less: Income from Other Business	-	-	-	-		-	-
							-	
12	Aggregate Revenue Requirement from Transmission Tariff	113.88	119.83	121.98	8.11	2.16	5.95	120.55

1.12 Trued up ARR of the Petitioner for FY 2021-22 considering above factors, is summarized in the table below.

Table 1-3: True Up of ARR for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
1	Operation & Maintenance Expenses	12.78	12.78	12.85	0.07	0.07	-	12.80
2	Depreciation Expenses	37.61	37.77	37.77	0.16		0.16	37.77
3	Interest on Long-term Loan Capital	19.27	21.01	21.01	1.74		1.74	21.01
4	Interest on Working Capital and on security deposits	2.42	2.16	4.50	2.08	2.34	(0.27)	2.94
5	Income Tax	-	-	-	-		-	-
6	Contribution to Contingency reserves	1.78	2.92	2.92	1.14		1.14	2.92

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Sr. No.	Particulars	MYT Order	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	d = c - a	e = d - f	f = b - a	g = a + e/3 + f
7	Total Revenue Expenditure	73.86	76.64	79.05	5.18	2.41	2.77	77.44
8	Return on Equity Capital	36.25	40.18	40.18	3.92		3.92	40.18
9	Aggregate Revenue Requirement	110.12	116.81	119.22	9.10	2.41	6.69	117.62
10	Less: Non Tariff Income	0.73	0.49	0.49	(0.24)		(0.24)	0.49
11	Less: Income from Other Business	-	-	-	-		-	-
		-	-	-	-		-	-
12	Aggregate Revenue Requirement from Transmission Tariff	109.39	116.32	118.73	9.34	2.41	6.93	117.13

1.13 The Petitioner would like to draw kind attention to Regulation No. 57.2 of MYT Regulation, 2015, which provides that Availability Incentive is entitled on achieving Annual Availability beyond the Availability of 99%. In view of this, the Petitioner has claimed Availability Incentive for the FY 2019-20 for actual availability beyond target availability 99%. These regulations further provide that Availability incentive shall be granted for the availability upto 99.75%. The Annual availability of the Petitioner for the FY 2019-20 is 99.93%. The Annual Availability Certificate issued to the Petitioner by MSLDC is attached to the Petition as **Annexure 4**.

1.14 The Petitioner would like to draw kind attention to Regulation No. 29.7 of MYT Regulation, 2019, which provides that Additional rate of Return on Equity shall be allowed on transmission availability. In view of this, the Petitioner has achieved transmission availability of 99.87% and 99.81% for FY 2020-21 and FY 2021-22 respectively and accordingly claimed additional rate of return on equity. The Annual Availability Certificate for FY 2020-21 and FY 2021-22 issued to the Petitioner by MSLDC is attached to the Petition as **Annexure 4**.

Table 1-4: True Up Summary for FY 2019-20, FY 2020-21 & FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Formula	Actual for FY 2019-20	Actual for FY 2020-21	Actual for FY 2021-22
1	ARR allowed after truing up and post sharing of gains/losses	a	135.95	120.55	117.13
2	Past Period Gap approved in MYT Order Case 289 of 2019	b	-	24.95	27.96

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Sr. No.	Particulars	Formula	Actual for FY 2019-20	Actual for FY 2020-21	Actual for FY 2021-22
3	Income Tax impact @ 17.472% due to past period gap approved in MYT Order Case 289 of 2019	c		0.85	1.48
4	ARR allowed after truing up and post sharing of gains/losses and past recoveries	d = a + b + c	135.95	146.34	146.57
5	Less : Revenue as per InSTS Order	e	114.58	138.83	137.34
6	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	f = d - e	21.37	7.51	9.23
7	Carrying/(Holding) Cost on account of Revenue Gap / (Surplus)	g	7.71	2.03	1.70
8	Availability Incentive	h	1.03	-	-
9	Net Revenue gap to be recovered including carrying cost and availability incentive	i = f + g + h	30.11	9.54	10.93

1.15 For FY 2022-23, ATIL has compared actual performance for the first half year based on un-audited half yearly accounts and estimates for the second half with the approved ARR in the MYT Order. A comparison of the approved and revised ARR for FY 2022-23 is provided in the table below.

Table 1-5: Comparison of Approved Vs. Estimated ARR for FY 2022-23 (Rs. Crore)

Particulars	FY 2022-23		
	MYT Order	Estimated	Provisional True Up Requirement
O&M Expenses	13.26	13.26	0.00
Depreciation Expenses	37.61	37.75	0.14
Interest on Long-term Loan Capital	14.68	15.95	1.27
Interest on Working Capital and on consumer security deposits	2.35	2.33	-0.02
Income Tax	-	0.00	0.00
Contribution to contingency reserves	1.78	3.57	1.78
Total Revenue Expenditure	69.68	72.85	3.17
Return on Equity Capital	36.25	36.29	0.04
Aggregate Revenue Requirement	105.93	109.14	3.21
Less: Non-Tariff Income	0.86	0.89	0.03
Less: Income from Other Business			
Aggregate Revenue Requirement from Transmission Tariff	105.08	108.25	3.18

Table 1-6: Provisional True Up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Formula	FY 2022-23
1	ARR allowed after truing up and post sharing of gains/losses	A	108.25
2	Past Period Gap approved in MYT Order Case 289 of 2019	B	25.96
3	Income Tax impact @ 17.472% due to past period gap approved in MYT Order Case 289 of 2019	c	1.06
4	ARR allowed after truing up and post sharing of gains/losses and past recoveries	d = a + b + c	135.27
5	Less : Revenue as per InSTS Order	e	131.03
6	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	f = d - e	4.24

1.16 The Petitioner has not claimed any carrying cost for FY 2022-23 in the present Petition.

1.17 Revised estimate of ARR for the FY 2023-24 and FY 2024-25 is provided in the following table:

Table 1-7: Summary of Revised estimate of ARR for FY 2023-24 & FY 2024-25 (Rs. Crore)

Particulars	FY 2023- 24 (Approved)	FY 2023- 24 (Estimated)	FY 2024-25 (Approved)	FY 2024-25 (Estimated)
O&M Expenses	13.74	13.74	14.29	14.29
Depreciation Expenses	37.61	37.72	37.61	37.78
Interest on Loan Capital	10.09	11.06	5.50	6.17
Interest on Working Capital	2.28	3.03	2.21	2.22
Income Tax	-	-	-	-
Contribution to contingency reserves	1.78	3.57	1.78	3.58
Total Revenue Expenditure	65.51	69.11	61.39	64.03
Add: Return on Equity Capital	36.25	36.35	36.25	36.41
Aggregate Revenue Requirement	101.76	105.46	97.64	100.44
Less: Non-Tariff Income	0.98	1.11	1.10	1.35
Less: Income from Other Business				
Less: Income from Open Access charges				
Aggregate Revenue Requirement from Transmission	100.78	104.35	96.54	99.09

1.18 The Petitioner would like to submit that the Cumulative ARR for FY 2023-24 & FY 2024-25 (incl of Revenue Gap/ (Surplus)) is as below:

Table 1-8: Cumulative ARR for FY 2023-24 & 2024-25 (Rs Crore)

Sr. No.	Particulars	FY 2023-24	FY 2024-25
1	Revised Estimate of ARR in present Petition	104.35	99.09
2	Recovery of Past Year Gap/ (Surplus) including Carrying Cost as approved in Case No. 289 of 2019	23.95	21.95
3	Revenue Gap/ (Surplus) for FY 2019-20	22.40	
4	Carrying cost on Revenue Gap/ (Surplus) for FY 2019-20	7.71	
5	Impact of Income tax on past due recoveries	6.79	0.21
6	Revenue Gap/ (Surplus) for FY 2020-21	7.51	
7	Carrying cost on Revenue Gap/ (Surplus) for FY 2020-21	2.03	
8	Revenue Gap/ (Surplus) for FY 2021-22	9.23	
9	Carrying cost on Revenue Gap/ (Surplus) for FY 2021-22	1.70	
10	Carrying cost on Revenue Gap/ (Surplus) for FY 2022-23	4.24	
11	Total Estimated Recovery through InSTS	189.90	121.26

Prayers to the Hon'ble Commission

In view of the above facts and circumstances, the Petitioner prays to the Hon'ble Commission that it may be pleased to:

- (a) Admit the present Petition.
- (b) Allow Additional Capital Cost claimed in this Petition.
- (c) Approve the true-up of ARR along with carrying cost and incentive for FY 2019-20
- (d) Approve the true-up of ARR along with additional Return on Equity and carrying cost for FY 2020-21 and FY 2021-22
- (e) Allow grossed up income tax on the recoveries pertaining up to FY 2019-20 which are allowed in ARR of FY 2020-21 and onwards
- (f) Approve the provisional true-up of ARR for FY 2022-23 as indicated in this Petition
- (g) Approve the revised projections of ARR for FY 2023-24 & FY 2024-25 as indicated in this Petition
- (h) Allow recovery of the impact of the above prayers from the TSUs along with applicable carrying cost
- (i) Condone any inadvertent omissions/errors/shortcomings and permit ATIL to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- (j) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued

- (k) Pass such further orders, as the Hon'ble Commission may deem fit and appropriate, keeping in view the facts and circumstances of the case.