

1 Executive Summary

1.1 Background

VIPL, a Special Purpose Vehicle (SPV) fully owned by Reliance Power Limited, has established a 600 MW (i.e. 2 x 300 MW each) thermal generating station at Butibori location near Nagpur in the State of Maharashtra. VIPL has signed a PPA with Adani Electricity Mumbai Limited – Distribution (Earlier known as Reliance Infrastructure Limited-Distribution) for procurement of entire 600 MW power from VIPL to serve the energy requirement of its consumers in its license area.

The Hon'ble Commission granted a Transmission Licence to VIPL for a period of 25 years, vide Order dated 5 January, 2015 from the date of the Order, under Alternative 2 and in accordance with the MERC (Transmission Licence Conditions) Regulations, 2004 as amended in 2006.

1.2 Submission

As per Regulation 5.1(b) and Regulation 8 of the MYT Regulations 2019, Transmission licensee is required to file Mid-Term Review Petition by 1 November, 2022. VIPL-T submitted the Petition for Truing Up of FY 2019-20, FY 2020-21 and FY 2021-22, Provisional True Up for FY 2022-23 and revised projections of ARR and determination of Tariff for FY 2023-24 to FY 2024-25 on 01.11.2022.

VIPL-T is submitting the revised Petition based on the responses submitted to the data gaps and as per the directions of the Hon'ble Commission.

1.3 Truing up of ARR for FY 2019-20, FY 2020-21 and FY 2021-22

The summary of ARR for FY 2019-20, FY 2020-21 and FY 2021-22 is tabulated below:

Table: Truing up Summary for FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Entitlement as per Regulations	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.84	1.14	0.94
2	Depreciation Expenses	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	1.21	1.26	1.26
4	Interest on Working Capital and on security deposits	0.09	0.09	0.09
5	Income Tax	0.44	0.11	0.11
6	Contribution to Contingency reserves	0.06	0.07	0.07

Sr. No.	Particulars	MYT Order	Entitlement as per Regulations	Net Entitlement after sharing of gains/(losses)
7	Total Revenue Expenditure	3.88	3.92	3.71
8	Return on Equity Capital	1.12	1.12	1.12
9	Aggregate Revenue Requirement	5.00	5.04	4.83
10	Less: Non Tariff Income	0.01	0.02	0.02
11	Less: Income from Other Business	0.00	0.00	0.00
12	Total Aggregate Revenue Requirement from Transmission Tariff	4.98	5.01	4.81
13	Revenue from transmission tariff as per InSTS Order dated 12 September, 2018 in Case No. 265 of 2018	4.68	4.68	4.68
14	Add: Availability Incentive for FY 2019-20	-	0.04	0.04
15	Revenue Gap/(Surplus) (Sr. No.12+ Sr. No. 14- Sr. No. 13)		0.37	0.17

Table: Truing up Summary for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Entitlement as per Regulations	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.49	0.86	0.61
2	Depreciation Expenses	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	1.06	1.10	1.10
4	Interest on Working Capital and on security deposits	0.08	0.07	0.07
5	Contribution to Contingency reserves	0.06	0.07	0.07
6	Total Revenue Expenditure	2.93	3.34	3.10
7	Return on Equity Capital	1.22	1.36	1.36
8	Aggregate Revenue Requirement	4.16	4.70	4.46
9	Less: Non Tariff Income	0.02	0.02	0.02
10	Less: Income from Other Business	0.00	0.00	0.00
11	Aggregate Revenue Requirement from Transmission Tariff	4.14	4.68	4.43
12	Add: Past Gap approved in MYT Order	0.26	0.26	0.26
13	Total Aggregate Revenue Requirement from Transmission Tariff	4.40	4.94	4.69
14	Revenue from transmission tariff as per InSTS Order dated 30 March, 2020 in Case No. 327 of 2019	4.40	4.44	4.44
15	Revenue Gap/(Surplus) (Sr. No. 13- Sr. No. 14)	-	0.50	0.25

Table: Truing up Summary for FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Entitlement as per Regulations	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.51	1.00	0.67
2	Depreciation Expenses	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	0.91	0.93	0.93
4	Interest on Working Capital and on security deposits	0.08	0.07	0.07
5	Contribution to Contingency reserves	0.06	0.06	0.06
6	Total Revenue Expenditure	2.80	3.31	2.98
7	Return on Equity Capital	1.22	1.36	1.36
8	Aggregate Revenue Requirement	4.02	4.66	4.34
9	Less: Non Tariff Income	0.02	0.03	0.03
10	Less: Income from Other Business	0.00	0.00	0.00
11	Aggregate Revenue Requirement from Transmission Tariff	4.01	4.63	4.31
12	Add: Past Gap approved in MYT Order	0.29	0.29	0.29
13	Total Aggregate Revenue Requirement from Transmission Tariff	4.29	4.92	4.60
14	Revenue from transmission tariff as per InSTS Order dated 30 March, 2020 in Case No. 327 of 2019	4.29	4.29	4.29
15	Revenue Gap/(Surplus) (Sr. No. 13- Sr. No. 14)	-	0.63	0.31

1.4 Provisional Truing up of ARR for FY 2022-23

The provisional revenue gap / surplus for FY 2022-23 is arrived at on comparing the revenue received from InSTS and the ARR as summarized in the Table below:

Table: Summary of ARR for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	MYT Order	Estimated
1	Operation & Maintenance Expenses	0.53	0.53
2	Depreciation Expenses	1.25	1.25
3	Interest on Long-term Loan Capital	0.76	0.77
4	Interest on Working Capital and on security deposits	0.08	0.08
5	Contribution to Contingency reserves	0.06	0.06
6	Total Revenue Expenditure	2.67	2.69
7	Return on Equity Capital	1.22	1.22
8	Aggregate Revenue Requirement	3.89	3.91
9	Less: Non tariff income	0.02	0.03
10	Less: Income from Other Business	0.00	0.00
11	Aggregate Revenue Requirement from	3.87	3.88

Sr. No.	Particulars	MYT Order	Estimated
	Transmission Tariff		
12	Add: Past Gap approved in MYT Order	0.27	0.27
13	Total Aggregate Revenue Requirement from Transmission Tariff	4.13	4.15
14	Revenue from transmission tariff as per InSTS Order dated 30 March, 2020 in Case No. 327 of 2019.	4.13	4.13
15	Revenue Gap/(Surplus) (Sr. No. 13- Sr. No. 14)	-	0.02

1.5 Cumulative Revenue Gap/(Surplus)

The following Table provides the computation of Carrying Cost/Holding Cost for FY 2019-20, FY 2020-21 and FY 2021-22.

Table: Carrying Cost/ Holding Cost (Rs. Crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Opening Gap/ (Surplus)	-	0.13	0.39	0.70	0.70
Addition during year	0.13	0.25	0.31	-	-
Recovery during Year	-	-	-	-	0.70
Closing Gap/ (Surplus)	0.13	0.39	0.70	0.70	-
Average Gap/ (surplus)	0.07	0.26	0.54	0.70	0.35
Interest Rate	9.66%	8.57%	8.50%	9.45%	9.45%
Carrying Cost/ (Holding) Cost	0.01	0.02	0.05	0.07	0.03
Total Carrying Cost/ (Holding) Cost for Recovery in FY 2023-24					0.17

The Cumulative Revenue Gap/(Surplus) till the middle of FY 2023-24 is as shown in Table below:

Table: Cumulative Revenue Gap/(Surplus) (Rs. Crore)

Particulars	Value
Revenue Gap/ (Surplus) of FY 2019-20	0.17
Revenue Gap/ (Surplus) of FY 2020-21	0.25
Revenue Gap/ (Surplus) of FY 2021-22	0.31
Provisional Revenue Gap/ (Surplus) of FY 2022-23	0.02
Carrying cost on Revenue Gap of FY 2019-20, FY 2020-21 & FY 2021-22	0.17
Total	0.93

1.6 Revised ARR for FY 2023-24 and FY 2024-25

Revenue Gap/(Surplus) after working of truing up of FY 2019-20, FY 2020-21 and FY 2021-22 along with associated Carrying/(Holding) cost and Provisional Truing up for FY 2022-23 have been added to the standalone Revenue Requirement of FY 2023-24. Accordingly, the net ARR projected by VIPL-T for FY 2023-24 and FY 2024-25 is presented in the Table below:

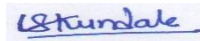
Table: ARR for FY 2023-24 and FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	FY 2023-24		FY 2024-25	
		MYT Order	Revised Projection	MYT Order	Revised Projection
1	Operation & Maintenance Expenses	0.55	0.55	0.57	0.57
2	Depreciation Expenses	1.25	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	0.60	0.62	0.45	0.47
4	Interest on Working Capital and on security deposits	0.07	0.09	0.07	0.07
5	Contribution to Contingency reserves	0.06	0.06	0.06	0.06
6	Total Revenue Expenditure	2.53	2.56	2.40	2.42
7	Return on Equity Capital	1.22	1.22	1.22	1.22
8	Aggregate Revenue Requirement	3.76	3.79	3.63	3.64
9	Less: Non tariff income	0.03	0.04	0.03	0.04
10	Less: Income from Other Business	0.00	0.00	0.00	0.00
11	Aggregate Revenue Requirement from Transmission Tariff	3.73	3.75	3.60	3.60
12	Past Gap approved in MYT Order in Case No. 301 of 2019	0.25	0.25	0.23	0.23
13	Total Aggregate Revenue Requirement from Transmission Tariff	3.98	4.00	3.82	3.83
14	Revenue Gap/(Surplus) of FY 2019-20		0.17		
15	Revenue Gap/(Surplus) of FY 2020-21		0.25		
16	Revenue Gap/(Surplus) of FY 2021-22		0.31		
17	Provisional Revenue Gap/(Surplus) of FY 2022-23		0.02		
18	Carrying cost on Revenue Gap of FY 2019-20, FY 2020-21 & FY 2021-22		0.17		
19	Aggregate Revenue Requirement from Transmission Tariff	3.98	4.93	3.82	3.83

1.7 Prayers

In view of the above facts and circumstances, VIPL-T prays to the Hon'ble Commission to:

1. Admit this Petition;
2. Approve True-up of FY 2019-20, FY 2020-21 and FY 2021-22;
3. Approve Provisional True-up of FY 2022-23;
4. Approve the Revised projected ARR for FY 2023-24 and FY 2024-25 as submitted herewith;
5. Allow recovery of ARR from 1 April, 2023 onwards through InSTS Order;
6. Allow additions / alterations / modifications / changes to this Petition at a future date;
7. Condone any inadvertent errors / inconsistencies / omissions / rounding off differences, etc. as may be there in this Petition; and
8. Allow any other relief, order or direction, as the Hon'ble Commission may deem fit.



Umesh Kundale
Deputy General Manager
Vidarbha Industries Power Limited

Mumbai
12 December, 2022