

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 present filing for the truing-up for FY 2019-20 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 (the MYT Regulations, 2015). However, the true-up for FY 2020-21 and FY 2021-22 is prepared on the basis of the provisions given in the MERC (Multi Year Tariff) Regulations, 2019 (the MYT Regulations, 2019). The same Regulations have been referred for presenting the provisional truing-up for FY 2022-23. Also, the revised ARR forecast for the remaining period of the control period (FY 2023-2024 to FY 2024-2025) is prepared on the basis of the provisions given in the MERC MYT Regulations, 2019.

As per Regulations 5.1(b) of the MYT Regulations 2019, the Petition for mid-term review should be filed by the Petitioner with true-up, provisional true-up and revised ARR and fees and charges. Therefore, in accordance with Regulations 5.1(b) of the MYT Regulations, 2019, MSLDC is filing present Petition for:

- Approval of Truing-up for FY 2019-20 to FY 2021-22;
- Approval of Provisional Truing-up for FY 2022-23; and
- Approval of revised ARR forecast for FY 2023-24 to FY 2024-2025 and Determination of Fees and Charges for the same period.

The truing-up for FY 2019-20 to FY 2021-22 is based on, audited account of MSLDC. Actual gain/loss on account of controllable factor, as per provisions of the MYT Regulations, 2015 and 2019, has been factored in appropriately. The provisional truing-up is based on actual data available for April to September of FY 2022-23 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 order dated 30 March 2020 and MTR Order dated 12 September 2018) while preparing the present filing.

Truing-up for FY 2019-20

In the Order in Case No.291 of 2019, the provisional true-up approved for FY 2019-20 was surplus of Rs. (427.53) 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 2019-20 (Rs Lakhs)

Sr. No.	Particulars	FY 2019-20			Net Entitlement after sharing of gains /(losses)
		Approved in Case No. 291 of 2019	April-March (Audited)	True-Up requirement	
		(a)	(b)	(c) = (b) - (a)	
1	Operation & Maintenance Expenses	2555.48	2675.33	119.85	2550.91
2	RLDC Fees and WRPC Charges	782.14	498.59	-283.55	498.59
3	Depreciation Expenses	167.01	290.55	123.54	290.55
4	Interest on Loan Capital	109.08	150.51	41.43	150.51
5	Interest on Working Capital	54.98	54.30	-0.68	18.10
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00	0.00
8	Total Revenue Expenditure	3668.69	3669.28	0.59	3508.67
9	Return on Equity Capital	196.45	246.34	49.89	246.34
10	Total Expenditure for MSLDC	3865.14	3915.62	50.48	3755.01
11	Less: Non-Tariff Income	256.71	411.58	154.87	411.58
12	Less: Income from Open Access charges	1134.00	1365.87	231.87	1365.87
13	Less: Income from Reactive Energy Charges	0.00	0.00	0.00	0.00
14	Annual Fixed Charges for MSLDC	2474.44	2138.17	-336.27	1977.56
15	Revenue	2901.97	2902.08	0.11	2902.08
16	Revenue Gap/(Surplus)*	-427.53	-763.91	- 336.38	-924.52

*Surplus amount is shown with a minus sign in table and within a bracket in text

Thus, on truing up for FY 2019-20, there is surplus of Rs. (924.52) Lakh, treatment of which has been considered in LDCD fund. As per the directives of the Hon'ble Commission under Case No 291 of 2019, the surplus after truing up is being transferred to LDC development fund.

Truing-up for FY 2020-21

In the Commission's Order, in Case No.291 of 2019, the ARR forecast for FY 2020-21 was 3391.60

Lakh. Based on the above 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 2020-21 (Rs Lakhs)

Sr. No.	Particulars	Approved in Case No. 291 of 2019	April-March (Audited)	True-Up requirement	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	3403.73	3025.96	- 377.77	2800.49
2	RLDC Fees and WRPC Charges	874.41	511.83	-362.58	511.83
3	Depreciation Expenses	142.40	290.46	148.06	290.46
4	Interest on Loan Capital	93.43	122.58	29.15	122.58
5	Interest on Working Capital	67.58	54.53	-13.05	18.18
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00	0.00
8	Total Revenue Expenditure	4581.55	4005.35	-576.20	3743.53
9	Return on Equity Capital	177.44	222.50	45.06	222.50
10	Total Expenditure for MSLDC	4758.99	4227.85	-531.14	3966.03
11	Less: Non-Tariff Income	210.71	456.04	245.33	456.04
12	Less: Income from Open Access charges	1156.68	854.33	-302.35	854.33
	Less: Income from Reactive Energy Charges	0.00	0.00	0.00	0.00
13	Annual Fixed Charges for MSLDC	3391.60	2917.48	-474.12	2655.66
14	Revenue	3391.60	3388.77	-2.83	3388.77
15	Revenue Gap/(Surplus)	0.00	-471.29	-471.29	-733.11

Thus, on truing up for FY 2020-21, there is surplus of Rs. (733.11) Lakh. As per the directives of the Hon'ble Commission under Case No 291 of 2019, the surplus after truing up is being transferred to LDC development fund.

True-up for FY 2021-22

The head-wise projected expenses for FY 2021-22 for true up are summarized in Table below

Table 3: Provisional True-up for FY 2021-2022 (Rs. Lakh)

Sr. No.	Particulars	Approved in Case No. 291 of 2019	April-March (Audited)	True-Up requirement	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	3021.35	3453.80	432.45	3116.32
2	RLDC Fees and WRPC Charges	1055.16	584.98	-470.18	584.98
3	Depreciation Expenses	116.30	242.82	126.52	242.82
4	Interest on Loan Capital	80.34	84.25	3.91	84.25
5	Interest on Working Capital	62.35	53.76	-8.59	17.92
6	Reactive Energy Charges paid to Generators/TSUs	0.00	0.00	0.00	0.00
7	Income Tax	0.00	0.00	0.00	0.00
8	Total Revenue Expenditure	4335.50	4419.61	84.11	4046.29
9	Return on Equity Capital	177.44	222.55	45.06	222.50
10	Total Expenditure for MSLDC	4512.94	4642.11	129.17	4268.79
11	Less: Non-Tariff Income	124.56	357.75	233.19	357.75
12	Less: Income from Open Access charges	1179.81	1572.47	392.66	1572.47
	Less: Income from Reactive Energy Charges	0.00	0.00	0.00	0.00
13	Annual Fixed Charges for MSLDC	3208.57	2711.89	-496.68	2338.56
14	Revenue	3208.57	3211.24	2.67	3211.24
15	Revenue Gap/(Surplus)	0.00	-499.36	-499.36	-872.68

Thus, after Truing up for FY 2021-22, there is surplus of Rs. (872.68) Lakh. As per the directives in Case No 291 of 2019, MSLDC proposes to transfer this amount to proceeds of LDC development fund. As per the directives of Hon'ble Commission under Case No 291 of 2019 funding for capitalization during FY 2019-20 to FY 2021-22 has been considered from the proceeds accumulated in LDC development fund.

Capitalization (actual for FY 2019-20 to FY 2021-22 and proposed for FY 2022-23 to FY 2024-25)

Sr. No.	Particulars	FY 2019-20		FY 2020-21		FY 2021-22	
		Approved	Audited	Approved	Audited	Approved	Audited
1	Capitalization	1012.36	531.24	1922.8	181.42	1441.00	800.69

Sr. No.	Particulars	FY 2022-23 (Provisional true-up)		FY 2023-24		FY 2024-25	
		Approved	Revised	Approved	Revised	Approved	Revised
1	Proposed Capitalization	1203.00	1169.41	306.00	4792.78	320.00	4566.90

The LDCD fund is sufficient to finance the capitalization up to FY 2023-24 in totality; however, for FY 2024-25, partial capitalization is proposed from amount available from LDCD fund. Remaining amount is proposed to be funded through debt and equity.

Provisional true-up for FY 2022-23 and revised ARR for FY 2023-24 to FY 2024-25

The 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. The details of Provisional true-up for FY 2022-23 and revised ARR projection for FY 2023-24 to FY 2024-25 (remaining period of current control period) are given below.

Table 4: Provisional true-up for FY 2022-23 and revised ARR for FY 2023-24 to FY 2024-25 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23 (Provisional true-up)	
		Approved	Revised
1	Operation & Maintenance (O&M)	3117.88	3412.46
2	Depreciation Expenses	114.02	237.09
3	Interest on Loan Capital (IoWC)	68.68	62.82
4	Interest on Working Capital	66.35	64.53
5	RLDC Fees and WRPC Charges	1195.43	651.52
6	Reactive Energy Charges paid to Generators/ TSUs		
7	Income Tax		
8	Total Revenue Expenditure	4562.36	4428.42
9	Return on Equity Capital	177.44	222.50
10	Total Expenditure for MSLDC	4739.80	4650.92
11	Less: Non-Tariff Income	56.84	338.86
12	Less: Income from Open Access Charges	1203.41	1203.41
13	Less: Income from Reactive Energy Charges		
14	Gross Annual Fixed Charges (AFC) for MSLDC	3479.56	3108.64
15	Revenue	3479.56	3479.56
16	Gap / (Surplus)	0.00	-370.92*

* The surplus amount is considered under LDCD fund

Sr. No.	Particulars	FY 2023-24		FY 2024-25	
		Approved	Revised	Approved	Revised
1	Operation & Maintenance (O&M)	3217.49	3769.65	3320.39	3851.42
2	Depreciation Expenses	116.38	202.90	127.63	249.72
3	Interest on Loan Capital (IoWC)	60.17	43.18	62.30	140.87
4	Interest on Working Capital	70.46	66.54	72.56	73.11
5	RLDC Fees and WRPC Charges	1361.35	684.10	1361.35	718.30
6	Reactive Energy Charges paid to Generators/ TSUs		0.00		0.00
7	Income Tax		0.00		0.00
8	Total Revenue Expenditure	4825.85	4766.36	4944.13	5033.42
9	Return on Equity Capital	179.31	222.50	187.89	301.72
10	Total Expenditure for MSLDC	5005.15	4988.85	5132.02	5335.14

Sr. No.	Particulars	FY 2023-24		FY 2024-25	
11	Less: Non-Tariff Income	20.47	193.49	14.90	48.22
12	Less: Income from Open Access Charges	1227.48	1227.48	1252.03	1252.03
13	Less: Income from Reactive Energy Charges				
14	Gross Annual Fixed Charges (AFC) for MSLDC	3757.21	3567.88	3865.10	4034.89
15	Revenue	3757.21	3567.88	3865.10	4034.89
16	Gap / (Surplus)	0.00	0.00	0.00	0.00

While projecting the O&M expenses for FY 2022-23 onwards, the Petitioner considers the same based on base O&M expenses for FY 2020-21 (derived as average O&M expenses of FY 20-21 and FY 21-22) along with escalation factor derived on the basis of WPI and CPI. The Petitioner requests the Hon'ble Commission to consider the above approach by availing powers vested in 'Regulations 105: Power to Relax' under MYT Regulations 2019.

LDCD fund (in Rs lakh)

Particulars						
	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
LDCD fund at the starting of the year	4,657.25	5,762.15	6,313.85	6,385.84	5,587.35	794.57
Add: Apportionment of gap to be recovered as per Case No. 20 of 2016	711.62					
Less: Revenue Gap / (Surplus) of the Year	-924.52	-733.11	-872.68	-370.92		
Less: Utilisation of LDCD Fund	531.24	181.42	800.69	1169.41	4792.78	794.57
LDCD fund at the end of year	5,762.15	6,313.85	6,385.84	5,587.35	794.57	0.00

Sharing of MSLDC Charges for FY 2023-24 to FY 2024-25

Table 5: Proposed sharing of transmission capacity rights and MSLDC charges for FY 2023-24 to FY 2024-25 (Rs lakhs)

Sr. No.	Transmission system users	FY 2023-24		FY 2024-25	
		TCR (MW)	TCR (%)	TCR (MW)	TCR (%)
1	MSEDCL	21479	86.41%	22129	86.41%
2	TPC-D	789	3.17%	812	3.17%
3	AEML-D	1429	5.75%	1473	5.75%
4	BEST	741	2.98%	764	2.98%
5	IR	380	1.53%	391	1.53%
6	Mindspace Business Parks Pvt. Ltd. (MBPPL)	7	0.03%	7	0.03%
7	Gigaplex Estates Pvt. Ltd. (GEPL)	4	0.02%	4	0.02%
8	KRC infrastructure	3	0.01%	3	0.01%
9	Nidar Utilities Panvel LLP	2	0.01%	3	0.01%
10	Maharashtra Airport Development Corporation	12	0.05%	12	0.05%
11	E ON Phase-1	6	0.02%	6	0.02%
12	E ON Phase-2	3	0.01%	3	0.01%
13	JNPT	0	0.00%	0	0.00%
14	Laxmipati Balaji	1	0.00%	1	0.00%
		0	0.00%	0	0.00%
	Total Transmission Capacity Rights of all TSUs	24856	100.00%	25608	100.00%

Transmission system users	FY 2023-24	FY 2024-25
MSEDCL	3083.17	3486.73
TPC-D	113.19	128.00
AEML-D	205.18	232.04
BEST	106.42	120.35
Central Railway (Indian Railways)	54.50	61.64
Mindspace Business Parks Pvt. Ltd. (MBPPL)	1.04	1.17
Gigaplex Estates Pvt. Ltd. (GEPL)	0.55	0.62
Nidar Utilities Panvel LLP	0.35	0.40
KRC Infrastructure Projects and Private Ltd	0.40	0.45
Maharashtra Airport Development Corporation	1.69	1.91
E ON Phase-1	0.89	1.00
E ON Phase-2	0.37	0.42
JNPT	0.06	0.07
Laxmipati Balaji	0.09	0.10
Total	3567.88	4034.89

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)] ÷ 12

Accordingly, the projected MSLDC Charges works out as under:

Table 6: Proposed MSLDC Charges for FY 2023-24 to FY 2024-25 (Rs. /MW/Month)

Monthly MSLDC Charges	FY 2023-24	FY 2024-25
Total MSLDC Charges (Rs. Lakh)	3567.88	4034.89
Base Transmission Capacity Right (MW)	24856	25608
Proposed MSLDC charges (Rs/MW/Month)	1196.18	1313.04

MSLDC humbly requests the Hon'ble Commission to allow MSLDC to levy and recover following proposed fees and charges for the period for FY 2023-24 to FY 2024-25 as given below

Table 7: Proposed Fees and Charges for FY 2023-24 to FY 2024-25

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

Prayers

MSLDC respectfully prays the Hon'ble Commission to:

1. Admit the Mid-term review Petition in accordance with Regulations 5.1 of the MERC MYT Regulations, 2019.
2. Allow truing-up for FY 2019-20 to FY 2021-22 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 MERC (Multi Year Tariff) Regulations, 2019.
3. While truing-up of FY 2020-21 and FY 2021-22, the normative O&M expenses may be considered based on final true-up approved expense for FY 2019-20 before sharing of

loss and gain due to efficiency parameters. The Petitioner humbly requests the Commission not to project the normative O&M expenses for future years (FY 2020-21 & FY 2021-22) based on performance achieved in base year FY 2019-20 (i.e. after sharing of gain / loss) as it may not be appropriate to judge the performance of future years based on the performance achieved in past year (i.e. after sharing of gain / loss). The Commission may review and revise the methodology of re-computing the normative O&M expenses while trueing-up for FY 2020-21 and FY 2021-22 by availing powers vested in 'Regulations 105: Power to Relax' under MYT Regulations 2019.

4. Allow and approve GFA and capitalization as per audited account of the Petitioner including earlier period capitalization as per detailed explanation submitted by the Petitioner.
5. Allow Provisional true up for FY 2022-23 of MSLDC according to applicable provisions under MERC (Multi Year Tariff) Regulations, 2019.
6. Approve O&M expenses as projected by the Petitioner for FY 2022-23 to FY 2024-25 considering average O&M expenses of FY 2020-21 and FY 2021-22 (before sharing of gain and loss), since true impact of wage revision is not captured in FY 2019-20 which is the base year as per the MYT Regulations 2019. The Petitioner humbly requests the Hon'ble Commission for the said relaxation under 'Regulations 105: Power to Relax' under MYT Regulations 2019.
7. Approve MSLDC Charges for FY 2023-24 to FY 2024-25 as per MERC MYT Regulations 2019 that would help in recovery of consolidated ARR for respective years of the remaining period of 4th Control Period.
8. Allow MSLDC to use the LDCD fund, as created by the Hon'ble Commission in MSLDC MYT Order in Case No. 291 of 2019, for the purpose of financing the capitalization during FY 2019-20 to FY 2024-25.
9. 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 MYT Order in Case No. 291 of 2019.
10. Approve the SLDC's request for relaxation of certain parameters as sought in the Petition, while approving this Petition.
11. Allow the Petitioner for further submission, addition and alteration to this petition as may be necessary from time to time.
12. Grant an opportunity in person before Hon'ble Commission during the hearing on the above matter.
13. 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.

Chief Engineer (I/c) MSLDC

Place: Airoli, Navi Mumbai

Date: 07/12/2022
