

PUBLIC NOTICE

[Case No. 57 of 2023]

Suggestions / Objections on **Shreehari Associates Private Limited** Petition for determination of Project Specific Tariff for Mukane Hydro Electric Project (MHEP) (1 x 1.45MW) under Regulation 9.1 & 10.2 of MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2019 and Section 62 (1) (a) & 86 (1) (e) of the Electricity Act, 2003.

- Shreehari Associates Private Limited** (SAPL) has filed a Petition for determination of Project Specific Tariff for Mukane Hydro Electric Project (MHEP) (1 x 1.45MW) located at Mukane Dam, Dist. Nashik under Regulation 9.1 & 10.2 of MERC (Terms and Conditions for Determination of Renewable Energy Tariff) Regulations, 2019 and Section 62(1)(a) and 86(1)(e) of the Electricity Act, 2003.
- The Commission has admitted the Petition on 24 March 2023 and directed SAPL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions/Objections from the Public.
- SAPL has prayed as under:
 - Determine the project specific tariff at the rate of rupees 10.33/kwh considering net levelised tariff of Rs. 7.69/- (Rupees Seven and Paise Sixty Nine Only) for Mukane Hydro Power Project located at Mukane village, Taluka- Igatpuri, District- Nashik to be applicable for the entire tariff period of thirty five (35) years for supply of power by the Petitioner to MSEDCL as per the terms of EPA dated May 06, 2015;
 - Direct MSEDCL to issue Permission to Commission for Mukane Hydro Power Project located at Mukane village, Taluka- Igatpuri, District- Nashik with the installed capacity of 1.45 MW with immediate effect;
 - Direct MSEDCL to purchase power from Mukane Project and adopt ad-hoc tariff of atleast Rs.3.85 Rupees/kWh till disposal of the Petition;
 - Direct MSEDCL to pay compensation to the Petitioner for the power to the tune of 1,07,940 units injected in the grid from 11.02.2022 to 16.02.2022 with interest at the rate of 1.25% per month from March 2022 till payment or realization thereof;
 - Grant interim and ad-interim reliefs in terms of prayers (b) and (c) above..
 - Award costs of these proceedings and impose exempla/ costs; and
 - Pass such further order(s) as the Hon'ble Commission may deem just in the facts of the present case."
- The salient features of the Petition are provided below:

Table 1: Capital Cost Break-up for proposed (1 x 1.45) MW Small Hydro Project at Mukane Dam Dist. Nashik (Rs Lakh)

Sr. No.	Parameters	Estimated CAPEX as per Petition (Rs.)
1.	Preliminary Work and preoperative expenses	11,73,615/-
2.	Building & Civil Works	4,92,16,070.35/-
3.	Electro & Mechanical Work	4,15,71,330.45/-
4.	Grid Connectivity and Transmission Line & Electrical Work	1,13,52,586.52/-
5.	Threshold Premium	79,40,753/-
6.	Upfront Premium	24,45,000/-
7.	Interest on Loan and other Bank Charges	3,23,32,294.14/-
8.	Other expenses	47,84,307.97/-
	Grand Total	15,08,15,957.43/-

Table 2. Parameter Assumptions

Sr. No.	Assumption Head	Sub Head	Sub Head (2)	Unit	Assumptions			
1.	Power Generation	Capacity	Installed Power Generation Capacity	MW	1.45			
			Capacity Utilization Factor	%	25.67			
			Auxiliary Consumption	%	1%			
			Useful Life	Years	35			
2.	Project Cost	Capacity Cost / MW	Power Plant Cost	Rs. (in Lakhs) / MW	1040.11			
3.	Sources of Fund	Debt: Equity	Tariff Period	Years	35			
			Debt	%	70			
			Equity	%	30			
			Total Debt Amount	Rs. (in Lakhs)	1055.71			
			Total Equity Amount	Rs. (in Lakhs)	452.45			
			Loan Amount	Rs. (in Lakhs)	1055.71			
			Repayment Period (including Moratorium)	Years	12			
			Interest Rate	%	9.00 %			
			Equity amount	Rs. (in Lakhs)	452.45			
			Return on Equity	% p.n.	14.00%			
		Debt: Component	RoE Period	Years	35			
			Weighted average of RoE		80.74			
			Discount Rate		8.67%			
			4.	Financial Assumptions	Fiscal Assumptions	Minimum Alternate Tax (MAT) Rate	%	21.55%
						Depreciation		
						Depreciation Rate for first 12 years	%	5.83%
						Depreciation Rate 13th year onwards	%	0.87%
			5.	Working Capital	For Fixed Charges	O & M Charges	Rs. (in Lakhs)	4.80
						Per Month		
						Maintenance Spare	(% of OSM expenses)	15%
Receivables for Debtors	Month	2						
Interest On Working Capital	%	8.50%						
6.	Operation & Maintenance	Power Plant Base Year				Total O&M Expenses	Rs. (in Lakhs) / MW	54.29
			Escalation Factor	%	2.63%			

Table 3: Determination of Tariff component

Year	Unit	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross/Net Generation	MU	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
Costs																
Depreciation	Rs.(in Lakhs)	87.93	82.80	77.97	73.43	69.11	65.11	61.32	57.74	54.38	51.21	48.22	45.41	6.38	6.33	6.27
Return On Equity	Rs.(in Lakhs)	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74
Interest On Term Loan	Rs.(in Lakhs)	92.04	84.13	76.21	68.29	60.37	52.46	44.54	36.62	28.70	20.78	12.87	4.95	-	-	-
Interest On Working Capital	Rs.(in Lakhs)	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19
O&M Cost	Rs.(in Lakhs)	57.59	59.18	60.82	62.50	64.24	66.02	67.86	69.74	71.69	73.69	75.75	77.87	80.05	82.29	84.61
Total Cost	Rs.(in Lakhs)	323.49	312.04	300.93	290.15	279.69	269.52	259.65	250.04	240.70	231.61	222.77	214.16	172.36	174.55	176.81
Net Tariff	Rs./kWh	10.02	9.67	9.33	8.99	8.67	8.35	8.05	7.75	7.46	7.18	6.90	6.64	5.34	5.41	5.48

Year	Unit	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Gross/Net Generation	MU	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23	3.23
Costs																
Depreciation	Rs.(in Lakhs)	6.22	6.16	6.11	6.06	6.00	5.95	5.90	5.85	5.80	5.75	5.70	5.65	5.60	5.55	5.50
Return On Equity	Rs.(in Lakhs)	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74	80.74
Interest On Term Loan	Rs.(in Lakhs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest On Working Capital	Rs.(in Lakhs)	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19	5.19
O&M Cost	Rs.(in Lakhs)	86.99	89.44	91.96	94.56	97.23	99.98	102.82	105.74	108.75	111.85	115.04	118.33	121.72	125.22	128.82
Total Cost	Rs.(in Lakhs)	179.14	181.53	184.00	186.54	189.17	191.87	194.65	197.52	200.48	203.53	206.67	209.91	213.25	216.70	220.25
Net Tariff	Rs./kWh	5.55	5.63	5.70	5.78	5.86	5.95	6.03	6.12	6.21	6.31	6.40	6.50	6.61	6.72	6.83

Year	Unit	31	32	33	34	35
Gross/Net Generation	MU	3.23	3.23	3.23	3.23	3.23
Costs						
Depreciation	Rs.(in Lakhs)	5.45	5.41	5.36	5.31	5.27
Return On Equity	Rs.(in Lakhs)	80.74	80.74	80.74	80.74	80.74
Interest On Term Loan	Rs.(in Lakhs)	-	-	-	-	-
Interest On Working Capital	Rs.(in Lakhs)	5.19	5.19	5.19	5.19	5.19
O&M Cost	Rs.(in Lakhs)	132.52	136.35	140.29	144.35	148.53
Total Cost	Rs.(in Lakhs)	223.91	227.69	231.58	235.59	239.73
Net Tariff	Rs./kWh	6.94	7.06	7.18	7.30	7.43

Table 4: Levelised Tariff

- The Commission has directed SAPL to invite suggestions/objections from the public on the above Petition through this Notice. In response to the Public Notice published, every person who intends to file suggestions / objections can submit the same in English or Marathi language in writing by uploading it through e-Public Consultation' Tab on MERC Website (www.merc.gov.in/e-public-consultation). In case of any difficulty in accessing this feature, concerned stakeholders can contact the MERC Office on Mobile No. 8928071522 or on email id: suggestions@merc.gov.in between 10.00 AM to 5.00 PM on all the working days.
- A Person who has uploaded suggestion and objection on e-Public Consultation' Tab need not file any hard copy of its submission. Persons who do not have access to electronic media can file their suggestion and objection in a hard copy addressed to The Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai - 400 005, along with proof of service on SAPL [Plot No. 36, Gut No. 41, Golwadi, Pathan - Waluj Link Road, Aurangabad - 431005. E-mail: bohead.sapl@gmail.com, hydro@sapl.biz and contact@telemillegal.com and should carry the full name, postal address and E-mail address. If any of the sender, it should be indicated whether the objection is being filed on behalf of any organization or category of consumers. Suggestions and/or objections received after 5 PM on 24 May 2024 shall not be considered. Suggestions / Objections filed through any other mode shall not be considered.
- SAPL shall reply to each of the objections / comments received within three days of the receipt of the same but not later than 29 May 2024 for all the objections / comments received till 24 May 2024. Stakeholders can submit their rejoinders on replies provided by SAPL either during the e-public hearing or latest by 20 June 2024.
- If the sender / objector who has submitted his comments / suggestions as per above and wants to be heard in person in e-Public Hearing, then he/she should specifically mention the same at the time of filing of suggestions / objections along with venue. In such cases, submission of valid email ID and Mobile Number would be mandatory. The Commission at its sole discretion, may permit such sender / objector to be heard in the e-Public Hearing. All participants attending the e-Public Hearing shall follow the Practice Directions on 'Operational procedure and protocol to be followed for e-hearing of the Petition before the Commission' issued by the Commission on 14 November 2022.
- The detailed Petition document and the Executive Summary are available on SAPL's website <https://www.sapl.biz/index.html> and the Executive Summary is also available on the websites of the Commission www.merc.gov.in in downloadable format (free of cost).
- Hearing to be held through video conference on 14 June 2024 at 10:30 AM, when SAPL's application for tariff determination will be considered. No separate notice will be issued for the purpose.

Place : Mumbai
Date : 25.04.2024

Mr. Kapil Ramakant Hokarne
Authorised Signatory
Shreehari Associates Private Limited