

# 1 Executive Summary

## 1.1 Preamble

1.1.1 Jaigad PowerTransco Limited (JPTL) is a Joint Venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Limited (MSETCL), set up for developing, operating and maintaining a Transmission Lines along with associated equipment and terminal Bays at MSETCL's New Koyna and Karad Sub-stations. JPTL is an intra-state transmission licensee in Maharashtra, as per License No. 1 of 2009 on 8<sup>th</sup> February, 2009, for a period of 25 years. As per provisions of Electricity Act, 2003 (**EA**), JPTL 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 JPTL for Approval of True Up of FY 2022-23 & FY 2023-24, Provisional True-Up of FY 2024-25 as per MULTI YEAR TARIFF (MYT) Regulations 2019 and ARR for Control Period FY 2025-26 to FY 2029-30 as per MYT Regulations 2024.

## 1.2 True up for FY 2022-23 and FY 2023-24

### ARR for FY 2022-23 and 2023-24

1.2.1 JPTL has worked out its ARR for FY 2022-23 and FY 2023-24 as part of True Up exercised, based on audited annual accounts and applied norms wherever applicable as per the MERC (MYT) Regulations 2019 and its amendments thereof. The detailed comparison of various cost components is undertaken with cost approved by the Hon'ble Commission vide its MTR Order dated 31 March, 2023 in Case No. 213 of 2022. A summary of the proposed ARR for Truing Up of FY 2022-23 and 2023-24 is as under:

**Table 1: Summary of True-up of FY 2022-23 and 2023-24 (Rs. Crores)**

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2022-23				FY 2023-24			
1.	O&M Expenses	4.87	5.64	5.13	0.25	5.07	5.59	5.36	0.30
2.	Additional OPEX	0.52	0.55	0.55	0.03	0.58	0.15	0.15	-0.43
3.	Depreciation	29.18	29.22	29.22	0.04	29.25	29.33	29.32	0.07
4.	Interest on Loan	7.80	7.80	7.80	0.01	5.56	5.55	5.55	-0.01
5.	Interest on Working Capital	1.37	1.35	1.13	-0.23	1.35	1.46	1.00	-0.36

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2022-23				FY 2023-24			
6.	Contribution to Contingency Reserves	1.38	1.38	1.38	0.00	1.39	1.39	1.39	0.00
7.	<b>Total Revenue Expenditure</b>	<b>45.12</b>	<b>45.94</b>	<b>45.22</b>	<b>0.10</b>	<b>43.20</b>	<b>43.47</b>	<b>42.78</b>	<b>-0.42</b>
8.	Return on Equity	23.49	25.44	25.44	1.95	23.58	26.24	26.24	2.67
9.	<b>Gross ARR</b>	<b>68.61</b>	<b>71.38</b>	<b>70.66</b>	<b>2.05</b>	<b>66.78</b>	<b>69.70</b>	<b>69.02</b>	<b>2.24</b>
10.	Less: Non-Tariff Income	1.07	1.07	1.07	0.00	1.17	1.17	1.17	0.00
11.	<b>Net ARR</b>	<b>67.54</b>	<b>70.31</b>	<b>69.59</b>	<b>2.05</b>	<b>65.61</b>	<b>68.54</b>	<b>67.85</b>	<b>2.224</b>
12.	Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022					0.92	1.22	1.22	0.30
13.	<b>Total Annual Revenue Requirement (ARR) including past gaps</b>	<b>67.54</b>	<b>70.31</b>	<b>69.59</b>	<b>2.05</b>	<b>66.54</b>	<b>69.76</b>	<b>69.07</b>	<b>2.54</b>

### **Revenue gap for FY 2022-23 and FY 2023-24**

1.2.2 The Revenue recovery of FY 2022-23 and FY 2023-24 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its MYT Order dated 30 March 2019 in Case No. 294 of 2019 and as per the MTR Order dated 31 March, 2023 in Case No. 213 of 2022, respectively. Also, the Recovery of the same was allowed as per Transmission Tariff of Intra-State Transmission System for 4<sup>th</sup> MYT Control Period for FY 2020-21 to FY 2024-25 as per Order dated 30 March 2020 in Case No. 327 of 2019 and determination of revised InSTS Tariff for FY 2023-24 and FY 2024-25 as per Order dated 31 March 2023 in Case No. 239 of 2022 for FY 2022-23 and FY 2023-24 respectively. Accordingly, considering the past period gaps and the revenue recovered during the FY 2022-23 and FY 2023-24, the revenue gap claimed by JPTL is as under:

**Table 2: Revenue Gap for FY 2022-23 and FY 2023-24 (Rs. Crores)**

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Total ARR	69.59	69.07
2	ARR recovered through Transmission Tariff	68.08	67.67
3	<b>Revenue Gap / (Surplus)</b>	<b>1.51</b>	<b>1.40</b>

### **1.3 Provisional Truing up for FY 2024-25**

#### **Provisional ARR of FY 2024-25**

1.3.1 As per the provisions of the MERC MYT Regulations, 2019 and its amendments thereof, the Provisional True-up is carried out by comparing the performance of

Transmission Licensee with the approved forecast in the MTR Order. Accordingly, the comparison of approved ARR as per MERC Order dated 31 March, 2023 in Case No. 213 of 2022 with the revised forecast based on performance during the first half of FY 2024-25 and other factors are as shown in the following table:

**Table 3: Summary of Provisional True-up of FY 2024-25 (Rs. Crores)**

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	5.27	2.74	2.74	5.48
Additional OPEX	0.33	0.00	0.36	0.36
Depreciation	29.36	14.68	14.68	29.36
Interest on Long-term Loan Capital	3.27	1.58	1.58	3.16
Interest on Working Capital	1.33	0.74	0.74	1.47
Contribution to contingency reserves	1.39	0.70	0.70	1.39
<b>Total Revenue Expenditure</b>	<b>40.95</b>	<b>20.43</b>	<b>20.80</b>	<b>41.23</b>
Return on Equity	23.69	11.86	11.86	23.73
<b>Aggregate Revenue Requirement</b>	<b>64.64</b>	<b>32.30</b>	<b>32.66</b>	<b>64.96</b>
Less: Non-Tariff Income	1.27	0.63	0.63	1.26
<b>Net Aggregate Revenue Requirement</b>	<b>63.37</b>	<b>31.67</b>	<b>32.03</b>	<b>63.70</b>
Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022	0.92	0.61	0.61	1.22
<b>Total Aggregate Revenue Requirement from Transmission Business</b>	<b>64.29</b>	<b>32.28</b>	<b>32.64</b>	<b>64.91</b>

### **Revenue gap for FY 2024-25**

1.3.2 The Revenue recovery of FY 2024-25 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its Order dated 31 March, 2023 in Case No. 239 of 2022. Accordingly, considering estimated revenue to be recovered during the FY 2024-25, the revenue gap claimed by JPTL is provided as under:

**Table 4: Revenue Gap for FY 2024-25 (Rs. Crores)**

Particulars	FY 2024-25
Total ARR	64.91
ARR recovered through Transmission Tariff	64.28
<b>Revenue Gap / (Surplus)</b>	<b>0.63</b>

### **1.4 Multi Year Tariff Petition for the 5<sup>th</sup> Control Period for FY 2025-26 to FY 2029-30**

Based on the MERC MYT Regulations, 2024, JPTL has prepared the projections for the 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30. The summary of the ARR for the 5<sup>th</sup> Control Period is provided as under:

**Table 5: Aggregate Revenue Requirement for 5<sup>th</sup> MYT Control Period (Rs. Crores)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses	5.62	5.85	6.13	6.39	6.68
Additional OPEX Expenses	0.25	0.00	0.00	0.00	0.00
Depreciation	7.92	8.15	8.22	8.31	8.33
Interest on Long-term Loan Capital	1.94	1.58	1.01	0.74	0.69
Interest on Working Capital	1.26	1.21	1.21	1.22	1.23
Contribution to contingency reserves	1.39	1.42	1.42	1.43	1.43
<b>Total Revenue Expenditure</b>	<b>18.38</b>	<b>18.22</b>	<b>18.00</b>	<b>18.09</b>	<b>18.36</b>
Return on Equity	26.57	26.87	26.97	27.09	27.13
<b>Gross Aggregate Revenue Requirement</b>	<b>44.95</b>	<b>45.09</b>	<b>44.97</b>	<b>45.18</b>	<b>45.49</b>
Less: Non-Tariff Income	1.36	1.45	1.55	1.64	1.74
<b>Net Aggregate Revenue Requirement</b>	<b>43.59</b>	<b>43.63</b>	<b>43.42</b>	<b>43.54</b>	<b>43.75</b>
Add: Gap/ (Surplus) for FY 2022-23	1.51				
Add: Gap/ (Surplus) for FY 2023-24	1.40				
Add: Gap/ (Surplus) for FY 2024-25	0.63				
Carrying cost/ Holding Cost for FY 2022-23 to FY 2023-24	0.75				
<b>Total Annual Revenue Requirement including past gaps</b>	<b>47.88</b>	<b>43.63</b>	<b>43.42</b>	<b>43.54</b>	<b>43.75</b>

### 1.5 Prayers to the Hon'ble Commission

JPTL respectfully hereby submits the revised Petition and Prays before this Hon'ble Commission to:

- a) Admit this Petition for the Approval of True Up of FY 2022-23 & FY 2023-24, Provisional True-Up of FY 2024-25 in accordance with the MYT Regulations 2019 and its amendments thereof and Aggregate Revenue Requirement for the 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- b) Approve the True-up of ARR of JPTL including past gaps and Performance based RoE for higher Transmission availability for FY 2022-23 & FY 2023-24 in accordance with the MYT Regulations 2019 and its amendments thereof;
- c) Approve the Provisional True Up for FY 2024-25 as presented in this Petition in accordance with the MYT Regulations 2019 and its amendments thereof;

- d) To allow the overhauling cost and additional OPEX of the transmission system as proposed in the petition in addition to normative O&M Expenses;
- e) Approve the projected ARR for the 5<sup>th</sup> MYT Control Period FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- f) To approve the CAPEX and Capitalisation as proposed in the Petition for FY 2023-24 to FY 2024-25 as per MYT Regulations 2019 and for 5<sup>th</sup> MYT Control Period i.e. FY 2025-26 to FY 2029-30 as per MYT Regulations 2024.
- g) To allow to claim interest on loan for existing and new assets separately so as to fund the new capitalisation as per the norms of MYT Regulations 2024.
- h) To allow the recovery of the past gaps in the transmission charges as submitted in the Petition;
- i) Condone any inadvertent omissions, errors, shortcomings, rounding off and permit JPTL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- j) Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.