

1. EXECUTIVE SUMMARY

Introduction

- 1.1 Maharashtra Eastern Grid Power Transmission Company Limited (MEGPTCL/ Petitioner) has been granted Transmission Licence No. 1 of 2010 vide the Commission's Order dated September 14, 2010 to establish and operate the licensed transmission system.
- 1.2 The transmission system under Licence is required for evacuation of power from Thermal Power Stations in the north-eastern part of Maharashtra to the load centres in central and western part of the State. The said objective has been fulfilled by successfully commissioning the MEGPTCL Transmission system in phases by March 31, 2015.
- 1.3 The entire transmission system was segregated in different Sets for the purpose of tariff determination based on Commercial Operation Date. The commissioning schedule was worked out in such a way that each set was independently capable of transmitting power from the date of its commissioning and become an integral part of the Intra-State Transmission System (InSTS).

Statutory Provisions

- 1.4 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
 - MERC (Multi Year Tariff) Regulations, 2019 and
 - MERC (Multi Year Tariff) Regulations, 2024
- 1.5 The Hon'ble Commission has notified MYT Regulations, 2024 for determination of tariff for Generation, Transmission and Distribution on 19.08.2024.
- 1.6 In view of the above, MEGPTCL submits the following
 - a) Petition for True-up of ARR for FY 2022-23 and FY 2023-24 as per provisions of MYT Regulations, 2019.
 - b) Petition for Provisional True-up of ARR for FY 2024-25 as per provisions of the MYT Regulations, 2019
 - c) Forecast of ARR for FY 2025-26 to FY 2029-30 as per provisions of the MYT Regulations, 2024.
 - d) Additional financial implication (relief) along with carrying cost on account of additional demand note of MSETCL towards 2x 765 kV Bays at 765 kV Ektuni s/s for FY 2019-20 to FY 2021-22 as per applicable MYT Regulations (2015 & 2019)

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

- 1.7 Based on the opening capital cost approved for FY 2019-20 by the Hon'ble Commission in case No. 237 of 2022 dated 31 March, 2023; Additional impact on already True-up FY 2019-20 to FY 2021-22, True-up of ARR for FY 2022-23 & FY 2023-24, provisional true-up of ARR of FY 2024-25 and Forecast of ARR for 2025-26 to FY 2029-30 has been determined by the Petitioner. The Audited Annual Accounts for FY 2022-23 and FY 2023-24 are submitted at **Annexure 1 & Annexure 2 respectively.**
- 1.8 Financial implication (relief) along with carrying cost on account of additional demand note of MSETCL towards 2x 765 kV Bays at 765 kV Ektuni s/s of Rs. 31.31 Crore during FY 2019-20, ARR for FY 2019-20 to FY 2021-22 undergo change. As true-up of FY 2019-20 is already carried out by the Hon'ble Commission, differential amount along with carrying cost is shown in the table below:

Table 1-1: Additional recovery in FY 2025-26 due to additional claim of Capex by MSETCL for FY 2019-20 to FY 2021-22 (Rs. Crore)

Sr. No.	Particulars	Amount
1	Revised Trued up ARR for FY 2019-20 to FY 2021-22	14.68
2	Carrying cost on revised Trued up ARR for FY 2019-20 to FY 2021-22	6.79
3	Impact on approved Incentive for the period FY 2019-20	0.02
4	Carrying cost on additional incentive to be recovered	0.01
5	Estimated impact of Income Tax on past due recovery of FY 2019-20 @ 17.472%	1.32
6	Additional recovery in FY 2025-26 due to additional claim of Capex by MSETCL for FY 2019-20 to FY 2021-22	22.82

- 1.9 Trued up ARR of the Petitioner for FY 2022-23 considering above factors, is summarized in the table below:

Table 1-2: True Up of ARR for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Case 237 of 2022 dated 31.03.2023	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	115.71	115.71	139.80	24.09	24.09	-	123.74
2	Depreciation Expenses	304.13	306.30	306.30	2.17		2.17	306.30
3	Interest on Long-term Loan Capital	205.19	217.19	217.19	12.00		12.00	217.19
4	Interest on Working Capital and on security deposits	17.18	16.93	-	(17.18)	(16.93)	(0.25)	5.64

Sr. No.	Particulars	Case 237 of 2022 dated 31.03.2023	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
5	Income Tax	-	-	-	-		-	-
6	Contribution to Contingency reserves	14.46	14.69	14.69	0.23		0.23	14.69
7	Total Revenue Expenditure	656.67	670.82	677.98	21.30	7.16	14.15	667.56
8	Return on Equity Capital	294.48	328.01	328.01	33.53		33.53	328.01
9	Aggregate Revenue Requirement	951.15	998.83	1,005.99	54.84	7.16	47.68	995.57
10	Less: Non-Tariff Income	4.62	3.95	3.95	(0.67)		(0.67)	3.95
11	Less: Income from Other Business	-	-	-	-		-	-
12	Aggregate Revenue Requirement from Transmission Tariff	946.53	994.88	1,002.04	55.51	7.16	48.35	991.62

1.10 Trued up ARR of the Petitioner for FY 2023-24 considering above factors, is summarized in the table below:

Table 1-3: True Up of ARR for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Case 237 of 2022 dated 31.03.2023	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	119.95	119.95	146.54	26.59	26.59	-	128.82
2	Depreciation Expenses	304.25	306.97	306.97	2.72		2.72	306.97
3	Interest on Long-term Loan Capital	166.84	177.04	177.04	10.20		10.20	177.04
4	Interest on Working Capital and on security deposits	26.11	27.85	26.79	0.68	(1.06)	1.74	27.14
5	Income Tax	-	-	-	-		-	-
6	Contribution to Contingency reserves	14.47	13.90	13.90	(0.57)		(0.57)	13.90
7	Total Revenue Expenditure	631.62	645.71	671.24	39.61	25.53	14.08	653.86
8	Return on Equity Capital	294.59	328.31	328.31	33.72		33.72	328.31
9	Aggregate Revenue Requirement	926.21	974.02	999.55	73.34	25.53	47.81	982.18

Sr. No.	Particulars	Case 237 of 2022 dated 31.03.2023	Revised Normative/ Actual	Actual	Deviation	Controllable	Uncontrollable	Net Entitlement after sharing of gains/(losses)
		a	b	c	$d = c - a$	$e = d - f$	$f = b - a$	$g = a + e/3 + f$
10	Less: Non Tariff Income	5.54	3.19	3.19	(2.35)		(2.35)	3.19
11	Less: Income from Other Business	-	-	-	-		-	-
12	Aggregate Revenue Requirement from Transmission Tariff	920.67	970.83	996.36	75.69	25.53	50.16	978.99

1.11 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 99.85% and 99.79% for FY 2022-23 and FY 2023-24 and accordingly claimed additional rate of return on equity. The Annual Availability Certificate for FY 2022-23 and FY 2023-24 issued to the Petitioner by MSLDC is attached to the Petition as **Annexure 3**.

1.12 **Summary of True Up of ARR for FY 2022-23 & FY 2023-24 is tabulated below:**

Table 1-4: True Up Summary for FY 2022-23 & FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Formula	Actual for FY 2022-23	Actual for FY 2023-24
1	ARR allowed after truing up and post sharing of gains/losses	a	991.62	978.99
2	Past Period Gap approved in MYT Order Case 290 of 2019	b	39.75	746.58
3	Additional Income tax for recoveries pertaining to FY 2019-20 and earlier	c		226.02
4	ARR allowed after truing up and post sharing of gains/losses and past recoveries	$d = a + b + c$	1,031.37	1,951.58
5	Less: Revenue as per InSTS Order	$e = c - d$	914.17	1,667.25
6	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	$f = d - e$	117.20	284.33
7	Recovery allowed during Provisional Truing-up in Order No. 237 of 2022	g	72.11	-
8	Carrying/(Holding) Cost on account of Revenue Gap / (Surplus)	h	20.69	58.88
9	Net Revenue gap to be recovered including carrying cost and availability incentive	$i = f - g + h$	65.78	343.21

1.13 For FY 2024-25, MEGPTCL 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 2024-25 is provided in the table below:

Table 1-5: Comparison of Approved Vs. Estimated ARR for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved (Case No. 237 of 2022)	Estimated	Provisional True Up Requirement
O&M Expenses	124.33	124.33	-
Depreciation Expenses	304.35	307.41	3.06
Interest on Long-term Loan Capital	128.44	136.85	8.41
Interest on Working Capital and on consumer security deposits	26.13	28.94	2.81
Income Tax	-		-
Contribution to contingency reserves	14.48	14.57	0.09
Total Revenue Expenditure	597.74	612.10	14.35
Return on Equity Capital	294.69	296.87	2.18
Aggregate Revenue Requirement	892.43	908.97	16.54
Less: Non-Tariff Income	6.46	6.60	0.14
Less: Income from Other Business	-		-
Less: Income from Open Access charges	-		-
Aggregate Revenue Requirement from Transmission Tariff	885.97	902.37	16.40

Table 1-6: Provisional True Up for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Formula	FY 2024-25
1	ARR allowed after truing up and post sharing of gains/losses	a	902.37
2	Past Period Gap approved in MTR Order Case 237 of 2022	b	780.20
3	ARR allowed after truing up and post sharing of gains/losses and past recoveries	c = a + b	1,682.57
4	Less: Revenue as per InSTS Order	d	1,666.17
5	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	e = c - d	16.40

1.14 The Petitioner has not claimed any carrying cost for FY 2024-25 in the present Petition.

1.15 Projected estimate of ARR for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 is provided in the following table:

Table 1-7: Summary of ARR for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses	134.90	158.65	184.91	192.32	200.88
Depreciation Expenses	236.17	231.09	135.46	135.26	134.71
Interest on Loan Capital	104.11	108.07	115.93	98.00	80.11
Interest on Working Capital	24.06	18.97	19.39	19.30	19.23
Income Tax					
Contribution to contingency reserves	14.60	14.75	16.48	16.48	16.48
Total Revenue Expenditure	513.84	531.53	472.17	461.37	451.42
Add: Return on Equity Capital	330.67	351.88	371.41	371.41	371.41
Aggregate Revenue Requirement	844.51	883.40	843.58	832.78	822.83
Less: Non-Tariff Income	7.55	8.51	9.59	10.66	11.74
Less: Income from Other Business					
Less: Income from Open Access charges					
Aggregate Revenue Requirement from Transmission	836.96	874.89	833.99	822.12	811.09

1.16 The Petitioner would like to submit that the Cumulative ARR for FY 2025-26 to FY 2029-30 (inclusive of Revenue Gap/ (Surplus)) is as below:

Table 1-8: Cumulative ARR for FY 2025-26 to 2029-30 (Rs Crore)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	ARR in present Petition	836.96	874.89	833.99	822.12	811.09
2	Revenue Gap/ (Surplus) for FY 2022-23	45.09				
3	Carrying cost on Revenue Gap/ (Surplus) for FY 2022-23	20.69				
4	Revenue Gap/ (Surplus) for FY 2023-24	284.33				
5	Carrying cost on Revenue Gap/ (Surplus) for FY 2023-24	58.88				

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
6	Revenue Gap/ (Surplus) for FY 2024-25	16.40				
7	Revenue Gap along with carrying cost for FY 2019-20 to FY 2021-22 due to additional capitalization of Ektuni Bays	22.82				
8	InSTS Revenue in present Petition	1,285.17	874.89	833.99	822.12	811.09

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) Allow financial implication (relief) along with carrying cost on account of additional demand note of MSETCL towards 2x 765 kV Bays at 765 kV Ektuni s/s.
- (d) Approve the true-up of ARR along with additional Return on Equity and carrying cost for FY 2022-23 and FY 2023-24.
- (e) Allow grossed up income tax on the recoveries pertaining up to FY 2019-20 which are allowed in ARR of FY 2023-24 along with carrying cost.
- (f) Approve capital expenditure carried out/ proposed for FY 2022-23 to FY 2029-30 as per provisions of MERC (Approval of Capital Investment Schemes) Regulations, 2022.
- (g) Approve capital expenditure proposed for strengthening of delta type towers proposed during FY 2024-25 to FY 2026-27 as per Regulation 21 of MERC (Approval of Capital Investment Schemes) Regulations, 2022.
- (h) Approve the provisional true-up of ARR for FY 2024-25 as indicated in this Petition.
- (i) Approve the Forecast of ARR for FY 2025-26 to FY 2029-30 as indicated in this Petition.
- (j) Allow recovery of the impact of the above prayers from the TSUs along with applicable carrying cost.
- (k) Condone any inadvertent omissions/errors/shortcomings and permit MEGPTCL to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- (l) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.

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