

1. EXECUTIVE SUMMARY

Introduction

- 1.1 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.
- 1.2 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.

Statutory Provisions

- 1.3 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, 2019 and
 - MERC (Multi Year Tariff) Regulations, 2024
- 1.4 The Hon'ble Commission has notified MYT Regulations, 2024 for determination of tariff for Generation, Transmission and Distribution on 19.08.2024:
 - a) Truing-up for FY 2022-23 and FY 2023-24 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
 - b) Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
 - c) Aggregate Revenue Requirement for each year of the Control Period under these Regulations;
- 1.5 In view of the above, VIPL-T 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.

VIPL (T) - True Up & MYT Petition

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

- 1.6 Based on the MTR Order by the Hon'ble Commission in case No. 224 of 2022 dated 31 March, 2023, True-up of ARR for FY 2022-23 and FY 2023-24, provisional true-up of ARR of FY 2024-25 and Forecast of ARR for FY 2025-26 to FY 2029-30 has been determined by the Petitioner. Audited Annual Accounts of VIPL (as a whole) for FY 2022-23 and FY 2023-24 are submitted at **Annexure 1 & Annexure 2 respectively**. Audited Annual Accounts of VIPL (Transmission) for FY 2022-23 and FY 2023-24 are submitted at **Annexure 3 & Annexure 4 respectively**.
- 1.7 Trued up ARR of the Petitioner for FY 2022-23 considering above factors, is summarized in the table below:

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

Sr. No.	Particulars	Case 224 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	0.53	0.53	0.83	0.30	0.30	0.00	0.63
2	Depreciation Expenses	1.25	1.25	1.25	(0.00)		(0.00)	1.25
3	Interest on Long-term Loan Capital	0.76	0.77	0.77	0.01		0.01	0.77
4	Interest on Working Capital and on security deposits	0.08	0.07	-	(0.08)	(0.07)	(0.01)	0.02
5	Income Tax	-	-	-	-		-	-
6	Contribution to Contingency reserves	0.06	-	-	(0.06)		(0.06)	-
7	Total Revenue Expenditure	2.68	2.63	2.85	0.17	0.22	(0.05)	2.68
8	Return on Equity Capital	1.01	1.50	1.50	0.48		0.48	1.50
9	Aggregate Revenue Requirement	3.69	4.12	4.35	0.65	0.22	0.43	4.17
10	Less: Non Tariff Income	0.02	0.03	0.03	0.01		0.01	0.03
11	Less: Income from Other Business	-	-	-	-		-	-
12	Aggregate Revenue Requirement from Transmission Tariff	3.67	4.09	4.32	0.64	0.22	0.42	4.14

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

VIPL (T) - True Up & MYT Petition

Table 1-2: True Up of ARR for FY 2023-24 (Rs. Crore)

Sr. No.	Particulars	Case 224 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	0.55	0.55	1.00	0.45	0.45	0.00	0.70
2	Depreciation Expenses	1.25	1.25	1.25	(0.00)		(0.00)	1.25
3	Interest on Long-term Loan Capital	0.60	0.62	0.62	0.02		0.02	0.62
4	Interest on Working Capital and on security deposits	0.07	0.07	-	(0.07)	(0.07)	0.00	0.02
5	Income Tax	-	-	-	-		-	-
6	Contribution to Contingency reserves	0.06	-	-	(0.06)		(0.06)	-
7	Total Revenue Expenditure	2.53	2.49	2.87	0.34	0.37	(0.04)	2.59
8	Return on Equity Capital	1.01	1.50	1.50	0.48		0.48	1.50
9	Aggregate Revenue Requirement	3.54	3.99	4.36	0.82	0.37	0.45	4.09
10	Less: Non Tariff Income	0.02	0.02	0.02	-		-	0.02
11	Less: Income from Other Business	-	-	-	-		-	-
12	Aggregate Revenue Requirement from Transmission Tariff	3.52	3.97	4.34	0.82	0.37	0.45	4.07

1.9 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 99.91% and 99.85% 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 5**. Summary of True Up of ARR for FY 2022-23 & FY 2023-24 is tabulated below:

Table 1-3: 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	4.14	4.07
2	Past Period Gap approved in MYT Order Case 301 of 2019 & MTR Order Case No. 224 of 2022	b	0.27	0.13
3	ARR allowed after truing up and post sharing of gains/losses and past recoveries	c = a + b	4.41	4.20

VIPL (T) - True Up & MYT Petition

Sr. No.	Particulars	Formula	Actual for FY 2022-23	Actual for FY 2023-24
4	Less: Revenue as per InSTS Order	d	4.13	3.65
5	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	$e = c - d$	0.28	0.55
6	Recovery allowed during Provisional Truing-up in Order No. 224 of 2022	f	(0.20)	
7	Carrying/(Holding) Cost on account of Revenue Gap / (Surplus)	g	0.13	0.11
8	Net Revenue gap to be recovered including carrying cost and availability incentive	$h = e - f + g$	0.61	0.66

1.10 For FY 2024-25, VIPL-T 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 1-4: Comparison of Approved Vs. Estimated ARR for FY 2024-25 (Rs. Crore)

Particulars	FY 2024-25		
	Approved (Case No. 224 of 2022)	Estimated	Provisional True Up Requirement
O&M Expenses	0.57	0.57	0.00
Depreciation Expenses	1.25	1.25	(0.00)
Interest on Long-term Loan Capital	0.45	0.47	0.02
Interest on Working Capital and on consumer security deposits	0.07	0.08	0.01
Income Tax			-
Contribution to contingency reserves	0.06	0.06	0.00
Total Revenue Expenditure	2.40	2.42	0.02
Return on Equity Capital	1.01	1.35	0.34
Aggregate Revenue Requirement	3.41	3.77	0.36
Less: Non-Tariff Income	0.02	0.02	0.00
Less: Income from Other Business	-	-	-
Aggregate Revenue Requirement from Transmission Tariff	3.39	3.75	0.36

Table 1-5: Provisional True Up for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	Formula	Provisional for FY 2024-25
1	ARR allowed after truing up and post sharing of gains/losses	a	3.75
2	Past Period Gap approved in MTR Order Case 224 of 2022	b	0.23
3	ARR allowed after truing up and post sharing of gains/losses and past recoveries	$c = a + b$	3.98
4	Less: Revenue as per InSTS Order	d	3.62

VIPL (T) - True Up & MYT Petition

Sr. No.	Particulars	Formula	Provisional for FY 2024-25
5	Revenue Gap/ (Surplus) for computation of Carrying Cost/(Holding) Cost	$e = c - d$	0.36

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

1.12 Projected estimate of ARR for the FY 2025-26 to FY 2029-30 is provided in the following table:

Table 1-6: Summary of Projected estimate 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	0.63	0.66	0.69	0.72	0.75
Depreciation Expenses	1.25	1.25	1.25	0.31	0.30
Interest on Loan Capital	0.31	0.16	0.04	-	-
Interest on Working Capital	0.10	0.08	0.08	0.07	0.07
Income Tax	-	-	-	-	-
Contribution to contingency reserves	0.06	0.06	0.06	0.06	0.06
Total Revenue Expenditure	2.35	2.20	2.11	1.15	1.17
Add: Return on Equity Capital	1.50	1.50	1.50	1.50	1.50
Aggregate Revenue Requirement	3.84	3.69	3.60	2.65	2.67
Less: Non-Tariff Income	0.03	0.03	0.04	0.04	0.05
Less: Income from Other Business	-	-	-	-	-
Less: Income from Open Access charges	-	-	-	-	-
Aggregate Revenue Requirement from Transmission	3.81	3.66	3.57	2.61	2.62

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

Table 1-7: 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	Forecast of ARR in present Petition	3.81	3.66	3.57	2.61	2.62
2	Revenue Gap/ (Surplus) for FY 2022-23	0.48				
3	Carrying cost on Revenue Gap/ (Surplus) for FY 2022-23	0.13				

VIPL (T) - True Up & MYT Petition

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
4	Revenue Gap/ (Surplus) for FY 2023-24	0.55				
5	Carrying cost on Revenue Gap/ (Surplus) for FY 2023-24	0.11				
6	Revenue Gap/ (Surplus) for FY 2024-25	0.36				
7	Total Estimated Recovery through InSTS	5.44	3.66	3.57	2.61	2.62

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) Condone delay in filing of present Petition.
- (c) Approve the true-up of ARR along with additional Return on Equity and carrying cost for FY 2022-23 and FY 2023-24
- (d) Approve the provisional true-up of ARR for FY 2024-25 as indicated in this Petition
- (e) Approve the projections of ARR for FY 2025-26 to FY 2029-30 as indicated in this Petition
- (f) Allow recovery of the impact of the above prayers from the TSUs along with applicable carrying cost
- (g) Condone any inadvertent omissions/errors/shortcomings and permit to add/change/modify/alter this filing and make further submissions as may be required at a future date.
- (h) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued
- (i) Pass such further orders, as the Hon'ble Commission may deem fit and appropriate, keeping in view the facts and circumstances of the case.