

THE MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

Prakashgad, Plot No. G-9, Bandra (East), Mumbai – 400 051

Website: www.mahagenco.in

PUBLIC NOTICE

**Objections / suggestions on Maharashtra State Power Generation Company Limited (MSPGCL)
Petition for approval of MYT Business Plan for the period from FY 2013-14 to FY 2015-16
(Case No. 91 of 2012)**

1. The MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL) has filed the Petition for approval of its Multi-Year Tariff (MYT) Business Plan for the second Control Period from FY 2013-14 to FY 2015-16 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61 and 62 of the Electricity Act, 2003 (Act) and Regulation 7 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. MERC has admitted the Petition on **Friday 9 November, 2012** and directed MSPGCL to publish a Public Notice under Section 64(2) of the Act, for inviting suggestions and objections from the Public through this Notice.
2. The salient Features of the Petition are provided below:
 - a) Capacity addition of 1000 MW in FY 2012-13 and 3230 MW during the second Control Period i.e. from FY 2013-14 to FY 2015-16 is envisaged by MSPGCL.
 - b) The Business Plan Petition of MSPGCL enumerates various strategic and operational plans including Capital Investment Plan, Human Resource Plan, Risk Mitigation Plan, Environment Plan, Financial Plan, etc., for the second Control Period from FY 2013-14 to FY 2015-16.

**Table 1 Projected Capital Expenditure and Capitalization during second Control Period
(including R&M)**

(Rs. crore)

Sr. No.	Station/Unit	Capital Expenditure			Capitalisation		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
1	Bhusawal TPS	194.64	294.67	173.42	94.64	94.67	473.42
2	Chandrapur TPS	822.34	891.69	845.64	723.89	714.42	967.24
3	Khaperkheda TPS	147.23	53.49	85.68	177.20	54.29	54.63
4	Koradi TPS	382.86	894.53	172.56	89.99	51.37	553.74
5	Nashik TPS	388.94	555.18	681.49	207.60	113.85	525.39
6	Parli TPS	132.06	229.19	407.39	132.06	179.19	57.39
7	Uran GTPS	355.51	826.34	29.64	44.74	1195.79	244.60
8	Paras Unit 3	17.69	7.25	1.15	20.32	7.75	1.15
9	Paras Unit 4	10.98	1.09	0.48	10.98	1.09	0.48
10	Parli Unit 6	2.33	80.67	108.85	7.80	77.70	106.35
12	Parli Unit 7	0.00	25.62	16.40	0.00	25.62	16.40
13	Koyna HPC	20.74	13.44	22.34	20.74	13.44	22.34
14	Nashik HPC	2.85	1.95	2.02	2.85	1.95	2.02
15	Pune HPC	9.10	3.19	0.63	9.10	3.19	0.63
	Total	2487.27	3878.3	2547.69	1541.91	2534.32	3025.78

Table 2 Trajectory of Operational Parameters for Thermal Stations/Units (Availability, Heat Rate and Auxiliary Consumption)

Sr. No.	Station/Unit	Projected Availability (%)			Projected Heat Rate (Kcal/kWh)			Projected Auxiliary Consumption (%)		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Existing Stations										
1	Bhusawal TPS	80.00%	80.00%	61.05%	2778	2780	2777	10.79%	10.75%	10.75%
2	Chandrapur TPS	73.15%	74.07%	73.77%	2686	2680	2684	9.09%	9.09%	9.00%
3	Khaperkheda TPS	80.59%	81.00%	81.59%	2612	2617	2625	9.74%	9.71%	9.70%
4	Koradi TPS	66.36%	51.62%	70.53%	2851	2861	2762	11.96%	12.03%	11.20%
5	Nashik TPS	80.00%	69.00%	80.00%	2825	2815	2785	13.35%	13.48%	13.41%
6	Parli TPS	62.00%	65.00%	72.00%	2949	2928	2917	14.02%	14.21%	14.57%
7	Uran GTPS	60.00%	67.00%	67.00%	2045	2045	2030	3.00%	3.00%	3.00%
New Units										
8	Paras Unit 3	70.00%	75.00%	75.00%	2521	2509	2499	10.00%	10.00%	10.00%
9	Paras Unit 4	70.00%	75.00%	75.00%	2501	2494	2490	10.00%	10.00%	10.00%
10	Parli Unit 6	70.00%	70.00%	70.00%	2580	2580	2580	10.50%	10.50%	10.50%
11	Parli Unit 7	70.00%	70.00%	70.00%	2580	2580	2580	10.50%	10.50%	10.50%
12	Khaperkheda Unit 5*	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
Upcoming Units*										
13	Bhusawal Unit 4	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
14	Bhusawal Unit 5	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
15	Chandrapur Unit 8	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
16	Chandrapur Unit 9	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
17	Parli Replacement Unit 8	85.00%	85.00%	85.00%	2450	2450	2450	8.50%	8.50%	8.50%
18	Koradi Unit 8	85.00%	85.00%	85.00%	2425	2425	2425	6.00%	6.00%	6.00%
19	Koradi Unit 9		85.00%	85.00%		2425	2425		6.00%	6.00%
20	Koradi Unit 10		85.00%	85.00%		2425	2425		6.00%	6.00%

*The performance parameters for upcoming units as suggested in the table above are based on regulations subject to receipt of required quantity and quality of coal.

Table 3 Trajectory of Operational Parameters for Hydro Stations (Availability and Auxiliary Consumption)

Sr. No.	Station/Unit	Projected Availability (%)			Projected Auxiliary Consumption (%)		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2013-14	FY 2014-15	FY 2015-16
Hydro							
1	Koyna Stage I	89.73	95.89	100.00	1.2	1.2	1.2
2	Koyna Stage II	89.73	95.89	100.00	1.2	1.2	1.2
3	Koyna Stage III	82.53	83.56	85.62	1.2	1.2	1.2
4	Koyna Stage IV	74.25	79.18	83.70	1.2	1.2	1.2
5	K.D.P.H	84.66	93.84	93.15	0.7	0.7	0.7
6	Bhira TR	90	90	90	1	1	1
7	Tillari HPS	90	90	90	1.2	1.2	1.2
8	Vaitarna HPS	92	92	84	0.9	0.9	0.9
9	Vaitarna D.T.	92	92	92	0.7	0.7	0.7
10	Bhatsa	97	97	92	1	1	1
11	Bhatghar	85	85	85	0.7	0.7	0.7
12	Pawana	90	90	90	1	1	1
13	Panshet	90	90	90	1	1	1
14	Varasgaon	90	90	90	1	1	1
15	Kanher	90	90	90	1	1	1
16	Dhom	90	90	90	1	1	1
17	Yeldari	96	96	96	0.7	0.7	0.7
18	Radhanagari	80	80	80	0.7	0.7	0.7
19	Manikdoh	90	90	90	1	1	1
20	Dimbhe	90	90	90	1	1	1
21	Warna	90	90	90	1	1	1
22	Dudhganga	85	85	85	1	1	1
23	Surya	96	92	96	1	1	1
24	Terwanmedhe	90	90	90	1	1	1
25	Paithan PSS	95	95	95	NA	NA	NA
26	Ujjani PSS	90	90	90	NA	NA	NA
27	Ghatghar PSS	88	88	86	NA	NA	NA

Table 4 Projection of Fuel Requirement

Sr. No.	Fuel	FY 2013-14		FY 2014-15		FY 2015-16	
		Required	Tied-up#	Required	Tied-up#	Required	Tied-up#
1	Domestic Coal (MMT)	37.70	48.38	40.21	51.38	43.57	55.58
2	Imported Coal (MMT)	8.53	*	14.44	*	14.40	*
3	APM Gas (mmcmd)	840	1278	705	1278	725	963
4	RIL Gas(mmcmd)	438	438	363	24	373	-
5	Secondary Fuel Oil	33.60	*	32.52	*	29.94	*

* MSPGCL will invite annual Contracts to meet the imported coal and secondary fuel oil requirement depending upon the market scenario

Though the tied up quantity appears to be more than the requirement, actual realization is always less than the requirement.

Table 5 Design Energy for Hydro Stations

(MU)

Sr. No.	Station	Second Control Period (FY 2013-14 to FY 2015-16)
1	Koyna Stage I	788
2	Koyna Stage II	
3	Koyna Stage III	
4	Koyna Stage IV	
5	K.D.P.H	90
6	Bhira TR	70
7	Tillari HPS	131
8	Vaitarna HPS	144
9	Small Hydro*	
10	Pumped Storage Stations*	

* Regarding the recovery mechanism for 50% of AFC based on design energy, MSPGCL submits that it is important to appreciate that MSPGCL is merely the operator of these hydro assets that are owned by the Govt, of Maharashtra. Further, the water input is also controlled by the Government. On its part, MSPGCL ensures that the machines are available to the extent of normative parameters. Therefore, MSPGCL has submitted in the Business Plan that it should not be penalized under such regulatory mechanisms which are beyond the control of the utility.

Further, MSPGCL is submitting the previous 10 year Average of actual generation of its small hydro stations and Pumped Storage station.

Table 6: 10 years Average Actual generation of MSPGCL Hydro stations

Sr. No	Hydro Station	10 years Average Actual generation (MU)
1	VAITARNA D. T.	3.73
2	BHATSA	83.14
3	YELDARI	31.99
4	PAITHAN	14.65
5	SURYA	15.65
6	BHATGHAR	45.55
7	PAWANA	14.45
8	PANSHET	28.72
9	VARASGAON	39.16
10	KANHER	11.11
11	DHOM	7.63
12	RADHANAGARI	9.12
13	UJJANI	32.84
14	MANIKDOH	6.43
15	DIMBHE	15.05
16	WARNA	54.89
17	DUDHGANGA	65.58
18	TERWANMEDHE	0.23
19	Ghatghar*	237.91

* 4 years actual Average generation for Ghatghar PSS post commissioning

Table 7 Projection of Aggregate Revenue Requirement in Realistic Scenario

(Rs. crore)

Sr. No	Particulars	FY 2013-14			FY 2014-15			FY 2015-16		
		Existing Stations	New Units	Upcoming Units	Existing Stations	New Units	Upcoming Units	Existing Stations	New Units	Upcoming Units
1	Fuel Related Expenses	10595.41	2389.93	3,475.15	10955.72	2569.67	9,250.00	12081.29	2724.00	10,891.16
2	Operation & Maintenance Expenses	1424.57	278.39	263.75	1542.96	301.53	675.54	1671.18	326.58	858.13
3	Depreciation	204.79	477.82	476.97	509.78	484.90	1,115.69	657.59	491.15	1,386.46
4	Interest on Long-term Loan Capital	153.67	533.84	820.41	278.95	492.84	1,888.55	392.77	449.81	2,319.45
5	Interest on Working Capital	876.12	270.45	347.56	809.95	245.55	773.56	862.83	243.12	884.04
6	Income Tax	83.35	81.00	54.32	97.34	82.50	128.30	119.88	83.54	159.44
7	Return on Equity Capital	416.57	404.78	271.45	486.46	412.28	641.17	599.09	417.49	796.82
8	Lease rental	326.26	0.00	0.00	321.55	0.00	0.00	318.35	0.00	0.00
9	Aggregate Revenue Requirement	14080.75	4436.20	5,709.61	15002.70	4589.26	14,472.80	16702.97	4735.70	17,295.50
10	Less: Non-Tariff Income	87.61	10.11	0.00	91.12	10.52	0.00	94.76	10.94	0.00
11	Net Aggregate Revenue Requirement	13993.13	4426.09	5,709.61	14911.59	4578.74	14,472.80	16608.21	4724.76	17,295.50

3. Copies of the following documents can be obtained on written request from the offices of The Maharashtra State Power Generation Company Limited (MSPGCL) mentioned below:
- Executive Summary of the proposals (free of cost, in Marathi or English).
 - Detailed Petition documents along with CD (in English) (on payment of **Rs. 150/-** by DD/ Cheque/ Cash drawn on “**Maharashtra State Power Generation Company Limited**” payable at Mumbai.
 - Detailed Petition documents (in English) (on payment of **Rs. 100/-**).
 - CD of detailed Petition document (in English) (on payment of **Rs. 50/-**).

Head Office:

Chief Engineer, Regulatory & Commercial Deptt.,
 Maharashtra State Power Generation Co. Ltd.
 3rd Floor, Prakashgad, Prof. A.K. Marg,
 Bandra (E), Mumbai - 400051

Other Offices of:

1. The Chief Engineer, GTPS Uran, Dist. Raigad – 400702. STD Code: (022) Phone:27222285, Fax: 27222235/27221157	2. The Chief Engineer, CSTPS, Urja Bhavan, PO. Durgapur, Dist. Chandrapur- 442404. STD Code-07172, Phone: 220155, Fax: 220203	3. The Chief Engineer, Koradi TPS, Urja Bhavan, Adm. Bldg., Koradi (Nagpur)-41111, STD Code-07109, Phone-
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		262141, Fax – 26212
4. The Chief Engineer, Khaperkheda TPS, Post-Khaperkheda, Dist. Nagpur STD Code-07113, Phone-268168, Fax-268123	5. The Chief Engineer, Parli TPS, Parli Vaijanath Dist. Beed- 431520 STD Code-02446, Phone-222356, Fax-222492	6. The Chief Engineer, Bhusawal TPS Post Deepnagar, Bhusawal, Dist. Jalgaon – 425307, STD Code-02582, Phone-250012, Fax-250308
7. The Chief Engineer, Nashik TPS Adm Bldg, PO Eklahare, Nashik-422105, STD Code – 0253, Phone-2810076, Fax-2810072	8. The Chief Engineer, TPS, Paras, Dist. Akola-444109, STD Code-07257, Phone-224848, Fax-224846	9. The Supdtg. Engineer, Small Hydro Power Circle, 925 Kasba Peth, Administrative Building, 1st& 2ndFloor, Pune-411011. STD Code-020, Phone-24467610, Fax-24460359
10. The Dy. Chief Engineer, (TIC), Vidyut Bhavan, Katol Road, Nagpur – 440013, STD Code-0712, Phone – 2591151, Fax-2591717.		

4. The Commission has directed MSPGCL to invite comments/suggestions from the public on the above Petition through this Notice. Suggestions/comments may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by **Thursday 13 December 2012**, along with proof of service on MSPGCL.
5. Every person who intends to file objections and comments/suggestions can submit the same in English or in Marathi, in six copies, 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. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at **World Trade Center-1, 1st Floor Centrum Hall, Cuffe Parade Colaba Mumbai-400005 on Thursday 20 December 2012, at 1100 Hrs**, for which no separate notice will be given.
6. MSPGCL shall reply to each of the objections and objections/comments/suggestions received within three days of the receipt of the same but not later than **Monday 17 December, 2012** for all the objections and comments/suggestions received till **Thursday 13 December, 2012**. Stakeholders can submit their rejoinders on replies provided by MSPGCL either during the public hearing or latest **by Monday 24 December, 2012**.
7. The detailed Petition document and the summary are available on MSPGCL's website www.mahagenco.in and the executive summary is also available on the web site of the Commission www.mercindia.org.in in downloadable format (free of cost).

Signature
Name: Laxman Margade
Designation: Chief Engineer,
Regulatory and Commercial
Department,
Maharashtra State Power Generation
Company Ltd.