RInfra–Generation (RInfra-G)

Executive Summary:

Truing up of FY 2010-11 and FY 2011-12

Filed with

Maharashtra Electricity Regulatory Commission

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EXECUTIVE SUMMARY

A.1 INTRODUCTION

Reliance Infrastructure Limited (hereafter referred to as RInfra) operates a coal based thermal power generating station at Dahanu, Maharashtra with a total installed capacity of 500 MW (2 x 250 MW). This regulated generating business of RInfra is hereinafter referred to as "RInfra-G".

RInfra-G has a Power Purchase Arrangement (PPA) with Reliance Infrastructure Limited – Distribution ("RInfra-D", a distribution licensee under Section 14 of the Electricity Act), approved by the Hon'ble Commission vide its Order dated February 12, 2009 in Case No. 8 of 2008. As per the Arrangement, all power generated by RInfra-G is to be sold to RInfra-D for a period of 10 years from the date of effectiveness of the Arrangement, which is February 23, 2008.

RInfra – G supplies power from DTPS to RInfra-D through the Intra State Transmission network collectively owned by Maharashtra State Electricity Transmission Company Limited (MSETCL), Reliance Infrastructure Limited - Transmission (RInfra-T) and Tata Power Company – Transmission (TPC-T). The combined system of the three transmission licensees being referred to as the Intra-State Transmission System (InSTS, for short). The electricity generated at DTPS flows through the network of 220 kV transmission lines and stepped down to 33 kV at the receiving stations of RInfra-T, for further supply to end consumers.

A.2 OBJECTIVE OF THE PETITION

Pursuant to the enactment of the Electricity Act 2003, RInfra-G is required to submit its tariff petitions as per procedures laid under Sections 86, Section 62 (read with Section 61 and Section 64) of Electricity Act 2003 and under the Regulation 17 (read with Regulation 3 (Part A), Regulations 6& 7 (Part B), Regulations 12-15 (Part C & Part E) of MERC (Terms and Conditions of Tariff) Regulations, 2005 (hereafter referred to as MERC Tariff Regulations) and governing regulations thereof.

As both FY 11 and FY 12 are governed by the Tariff Regulations, 2005 and the applicability of MYT Regulations, 2011 only commences from FY 12-13 onwards, RInfra-G is submitting the actual audited expenditure and revenue and actual performance for the FY 2010-11 and

FY 2011-12 herein for final truing up by the Hon'ble Commission, with the objective that the revenue gap so approved herein can be included for recovery from tariffs during the second Control Period for which RInfra-G shall be submitting its MYT Petition, after the Hon'ble Commission issues Order on MYT Business Plan, as explained above.

A.3 PAST PERIOD EXPENSES

1) Additional Truing Up For FY 2009-10

Capitalisation for FY 2009-10

RInfra-G submits that the capitalization of various schemes for the FY 2009-10 was Rs 48.25 Cr, inclusive of interest and finance charges etc. However, the Hon'ble Commission has approved only an amount of Rs. 40.99 Crore in its Order in Case No. 122 of 2011.

RInfra-G submits that the capex schemes, for which the capitalization of FY 2009-10 was deferred by the Hon'ble Commission, actually received in-principle approval by the Hon'ble Commission much before the date of issuance of Order in Case No. 122 of 2011. The table below provides the approval details of such DPR schemes:

Table 1: DPR Details for FY 2009-10

DPR Number	Description of DPR	Date of DPR Submission	Date of In-principle Approval	Capitalisation for FY 2009-10 (Rs Cr)
REL-G/FY07/03	Procurement and replacement of HP Turbine Module	04-Feb-06	19-Mar-08	22.70
RINFRA-G/DPR/FY10/01	Renovation & Modernization projects at DTPS	24-Sep-09	31-Mar-11	7.10
RINFRA-G/DPR/FY10/02	Township Residential area renovation and Construction of Boundary wall	20-Nov-09	22-Sep-11	0.17

RInfra-G further submits that it has also submitted the project completion report containing the above said schemes to the Hon'ble Commission vide its letter ref no RInfra-G/MERC/PCR/FY 2010-11 & FY 2011-12 dated June 27, 2012.

Evidently, the disallowance for actual capitalization of these schemes by the Hon'ble Commission in the above said Order on the pretext that in-principal approval was not granted appears to be an error of oversight, considering the fact that the in-principal approval was granted much before the Order was issued. RInfra-G requests the Hon'ble Commission kindly provide correction for the same through its Order in the instant petition, based on the facts submitted above.

Accordingly RInfra-G has computed various ARR components impacted by this deferred capitalization for the FY 2009-10 as in table below:

Table 2: Depreciation for FY 2009-10

Particulars	Units	MERC Approved in Case No 122 of 2011	RInfra-G (Actual & Audited)	Reinstated Claim of RInfra-G as per Commission
Opening GFA	Rs Cr	1,570.82	1,571.46	1,570.82
Addition of Assets during year	Rs Cr	40.99	48.25	48.25
Retirement of assets during year	Rs Cr	-2.91	-2.91	-2.91
Closing GFA	Rs Cr	1,608.90	1,616.80	1,616.16
Depreciation (as % of average GFA)	Rs Cr	0.94%		0.94%
Depreciation	**Rs Cr**	**14.96**	**15.00**	**14.99**

As shown in table above, considering actual capitalization of the above-said schemes, RInfra-G has re-computed the depreciation for FY 2009-10 using the principle adopted by the Hon'ble Commission in its order in Case No 122 of 2011 dated February 27, 2012.

As per the Tariff Regulations, the Return on Equity is not permitted on addition of equity during the year, for generating company. Accordingly, additional capitalization during FY 2009-10 has no impact on the RoE allowed by the Hon'ble Commission for FY 2009-10 in its Order in Case No. 122 of 2011.

RInfra-G submits that prior to passing of Truing Up Order in Case No 122 of 2011, the Hon'ble Commission has been approving the repayment period for normative debt presented by RInfra-G different for different years i.e. loan repayment tenure of 10 years for loans drawn during FY 2004-05 and FY 2005-06 and 20 years for loans drawn during FY 2006-07 and thereafter.

However, the Hon'ble Commission while passing the order in Case No 122 of 2011 has considered the repayment amount for normative debt equal to the depreciation allowed during the year. Though this leads to regulatory inconsistency across various APR Orders, however, in accordance with the methodology adopted by the Hon'ble Commission, RInfra-G has considered the loan repayment during FY 2009-10 same as depreciation during the year. For this purpose, the total depreciation during FY 2009-10 is distributed in the ratio of the opening balance of loan and average loan addition during the year and the amount so arrived is assigned to opening balance and loan addition as repayment. The interest on loan capital for the projects completed during FY 2003-04 to FY 2005-06 has been considered at 10% and for FY 2008-09 onwards, the interest is considered at 9%. Further, as said above, loan repayment has been assumed to be equal to depreciation. The interest on long term loans for FY 2009-10 is re-computed as in table below adopting the principle stated by the Hon'ble Commission in aforementioned order:

Table 3: Interest on loan for FY 2009-10

Particulars	**Units**	**MERC Approved in Case No 122 of 2011**	**RInfra-G (Actual & Audited)**	**Reinstated Claim of RInfra-G**
Opening Loan Balance	Rs Cr	178.52	178.51	178.51
Additions during Year	Rs Cr	28.69	33.78	33.78
Repayments during Year	Rs Cr	-14.96	-12.21	-14.99
Closing Loan Balance	**Rs Cr**	192.25	200.08	197.29
Gross Interest Expenses	Rs Cr	15.25	15.56	15.47
Less: IDC	*Rs Cr*	*1.65*	*1.65*	-
Net Interest Expenses	**Rs Cr**	**13.60**	**13.91**	**15.47**

Thus, from the above, the total impact of depreciation, interest and RoE on account of the above additional capitalization is Rs. 1.91 Cr, which may kindly be permitted as additional allowance for FY 09-10. RInfra-G submits that there is no interest capitalization considered in arriving interest on loan and requests the Hon'ble Commission to consider it true for all future communications. However, in case of any actual interest capitalization, the same will be communicated to the Hon'ble Commission.

2) Impact of ATE Judgment

RInfra-G had filed an Appeal No. 202 of 2010 against the Hon'ble Commission's Order in Case No. 99 of 2009 dated September 8, 2010. The issues raised in the Appeal pertained to treatment of efficiency gains on working capital interest and carrying cost on past revenue gaps / trued-up amounts. The claims pertained to the period FY 06-07 onwards till FY 08-09. However, as the said issues are matters of principle, the impact of the judgment has been determined for FY 09-10 and onwards same principle as set by the Hon'ble ATE is also applied for FY 10-11 and FY 11-12 truing-up in this petition.

Interest on Working Capital

Hon'ble ATE vide its Judgment in Appeal No 202/2010 dated September 13, 2012 has laid down the law that no efficiency gains can be considered out of the interest on working capital that is allowed by the Hon'ble Commission under the Tariff Regulations, 2005. In fact, in Appeal No. 173 of 2009, as shown above, the Hon'ble ATE has directed the Hon'ble Commission to restore the amounts considered as efficiency gains on the account of the purported savings in the interest expenditure. Thus, RInfra-G submits that the aforementioned judgment of Hon'ble ATE has now become a settled law and it needs to be recognized by the Hon'ble Commission not only for restoring the amounts considered as efficiency gains in the past, but also for implementation in future tariff orders. Accordingly, RInfra-G has computed the additional claim of working capital interest on account of the above-said judgment for previous years in table below:

Table 4: ATE Judgment Impact on IoWC for past years (in Rs Crore)

Particulars	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Normative Interest on Working Capital Approved by MERC	6.35	5.78	9.15	10.19
IoWC allowed by Hon'ble MERC considering sharing of efficiency gains	4.23	3.85	6.10	6.79
IoWC claim to be allowed in accordance with Hon'ble ATE Judgment	2.12	1.93	3.05	3.40

Carrying Cost

The above said judgment also deals with the issue of carrying cost and how the same should be permitted by the Hon'ble Commission for revenue gaps pertaining to the previous periods. However, as the present petition only deals with true-up of FY 10-11 and FY 11-12 (with additional allowance for previous years) and does not propose tariffs for recovery, carrying cost has not been worked out in this Order. RInfra-G, though, submits that the above said judgment of the Hon'ble ATE will have impact on carrying cost allowed in the past as well, in addition to what shall be permitted in future. The carrying cost shall be applicable till the recovery period. Since the current petition is linked to true-up of FY 11 and FY 12 and do not envisage the recovery of the past period which would be proposed in the MYT petition, all such additional claims of the past, including carrying cost on true-up gaps of FY 11 and FY 12, shall be considered for inclusion in the MYT petition, when tariffs are proposed.

A.4 TRUING UP FOR FY 2010-11

Hon'ble Commission in its APR order (Case 122 of 2011) dated February 27, 2012, partially trued up various ARR expenditures of FY 2010-11 based on the details submitted by RInfra-G. RInfra-G, by way of this petition, is submitting the actual expenses incurred and revenues earned for FY 2010-11 based on the audited accounts of FY 2010-11.

1) Operational Performance of RInfra-G

RInfra-G has generated 4,423.66 MU (gross) energy at a PLF of 102.23% and maintaining the Availability of 96.48% for the FY 2010-11, which is well above the norms specified in the governing MERC Tariff Regulations. The Operational performance of the generating station is as below:

Table 5: Operational Parameters for FY 2010-11

<table>
<tr><th rowspan="2">Particulars</th><th rowspan="2">Units</th><th rowspan="2">MERC Approved in Case No 99 of 2009</th><th colspan="2">RInfra-G</th><th rowspan="2">MERC Approved in Case No 122 of 2011</th></tr>
<tr><th>Actual & Audited</th><th>As per Normative Performance</th></tr>
<tr><td>Availability</td><td>%</td><td>95.89</td><td>96.48</td><td>80.00</td><td>96.48</td></tr>
<tr><td>PLF</td><td>%</td><td>-</td><td>102.23%</td><td>80.00%</td><td>102.23%</td></tr>
<tr><td>Heat Rate</td><td>kcal/ kWh</td><td>2500</td><td>2282</td><td>2500</td><td>2500</td></tr>
<tr><td>Auxiliary Power Consumption (excluding FGD Plant)</td><td>%</td><td>8.50%</td><td>7.38%</td><td>8.50%</td><td>8.50%</td></tr>
<tr><td>Auxiliary Power Consumption (including FGD Plant)**</td><td>%</td><td>9.86%</td><td>8.64%</td><td>9.75%</td><td>9.75%</td></tr>
<tr><td>Secondary Oil Consumption</td><td>ml/kWh</td><td>2.00</td><td>0.13</td><td>2.00</td><td>2.00</td></tr>
<tr><td>Gross Generation*</td><td>MU</td><td>4200.00</td><td>4,423.66</td><td>4,477.84</td><td>4,423.66</td></tr>
<tr><td>Net Generation</td><td>MU</td><td>3786.00</td><td>4041.44</td><td>4041.44</td><td>NA***</td></tr>
<tr><td>Energy Charges (Variable Cost @ ex bus)</td><td>Rs./ kWh</td><td>2.120</td><td>1.931</td><td>2.198</td><td>NA***</td></tr>
</table>

Note: **Normative Gross Generation is derived from actual generation using normative Auxiliary Consumption*
***Derived from Aux consumption of FGD in MU*
**** NA = Not Approved*

The table shown above highlights the sustained operational excellence of RInfra-G, which resulted in the station achieving its operational parameters (e.g. SHR, Specific Oil

Consumption, PLF and Availability) way better than the norms specified in the MERC Tariff Regulations. The technical parameters of the DTPS have always been cynosure, setting benchmark not only for coal based generating station across the state but also across the country. The better operational parameters compared to norms are a result of world class O&M practices adopted by DTPS and periodic preventive maintenance schedule to contain the deviations though timely and adequate infusion of requisite capex.

Further to this, the best of O&M knowledge and experience of DTPS personnel has led them to explore possible innovative design changes that help in improving the SHR, reducing the auxiliary consumption and reducing the specific oil consumption.

By harnessing the energy saving potential in each of its major equipment, DTPS has been able to reduce its auxiliary consumption much lower compared to the norms. This has been possible due to online energy monitoring system installed by DTPS for its critical equipment.

2) Environmental Performance

DTPS has always excelled in its environmental performance, beating the norms by miles. The table below indicates the performance comparison of DTPS for the FY 2010-11 compared to the norms specified by various agencies.

Table 6: Environmental Parameters for FY 2010-11

Environmental Performance	MPCB Limit	World Bank Limit	RInfra-G FY 2010 -11 (Actual)
Total Particulate Matter (T.P.M.) mg/Nm^3	150.00	100.00	42.30
Sulphur Dioxide (SO_2) TPD	8.04	100.00	3.90
NO_x (ppm at 15 % excess oxygen v/v)	150.00	150.00	75.90

3) Fuel Cost

The sustained better technical performance due to the collective efforts of technical and management staff of RInfra-G ensures that cost of generation remains low. RInfra-G submits that the fuel cost comprises 70-80% of the total cost of electricity generation.

The cost of fuel used for generation of electricity is dependent upon the quantum of fuel consumed and its price. For primary fuel i.e. coal the quantity of fuel consumed, in turn, depends on the amount of the Plant Load Factor (representing the quantum of generation), the technical performance of the station, represented by the Station Heat Rate (SHR) and the quality of fuel, represented by its Heat Value (or Gross Calorific Value). The consumption of secondary fuel depends entirely on the number of start-ups required post planned and forced outages and a host of other reasons. The total fuel cost for FY 10-11 has been as below:

Table 7: Fuel Cost for FY 2010-11

Particulars	Units	MERC Approved in Case No 99 of 2009	RInfra-G	
			Actual & Audited	As per Normative Performance
Rate of Energy Charge (ex-bus)	Rs./ kWh	2.120	1.931	2.198
Net Generation	MU	3,786.00	4,041.44	4,041.44
Total Fuel Costs	**Rs Crore**	**804.62**	**780.51**	**888.29**

As can be seen from above, the total actual fuel cost incurred by RInfra-G during FY 2010-11 of Rs. 780.51 Crore has been much lower compared to the allowable normative fuel cost of Rs. 889.29 crore, both determined at actual prices. The difference between the two represents the additional revenue earned by RInfra-G on account of its performance being better than the norms. This is called "Efficiency Gains" and is shared with the consumers in accordance with the terms of tariff Regulations. The total efficiency gains and its sharing for FY 10-11 are as follows:

Table 8: Sharing of Efficiency Gains/ (Losses) for FY 2010-11

Particulars	Units	Amount
Efficiency Gains		
[RECn- Act. Var cost] X ex bus energy sold	Rs Crore	107.78
To be passed to the consumers (through RInfra-D) (1/3rd)	Rs Crore	35.93
To be Retained by RInfra-G (2/3rd)	Rs Crore	71.86

RInfra-G submits that the Hon'ble Commission would appreciate the fact that the better performance has yielded not only the reduced cost of generation but also the higher generation to offset the power purchase cost of RInfra-D. The efficiency gain on account of such better performance shared with the consumers is Rs. 35.93 Crore.

RInfra-G submits that during FY 2010-11, the Rate of Energy Charges (REC) works out to be Rs.2.198 /kWh at ex-bus energy generation compared to Rs 2.120/kWh and Rs 2.082/kWh as approved by the Hon'ble Commission in its APR Order in Case No 120 of 2008 and Case No 99 of 2009 (i.e. both the orders has partially impacted the FAC of FY 2010-11 being passed in mid of FY 2010-11), both determined at normative performance parameters. RInfra-G has computed the FAC based on REC submitted as part of FAC submission of RInfra-D for the FY 2010-11 and comparison of the same with the approved rate of energy in respective tariff orders of the Hon'ble Commission. The average FAC for FY 2010-11, thus works out as Rs. 38.06 crore, which has been passed through to RInfra-D during FY 2010-11.

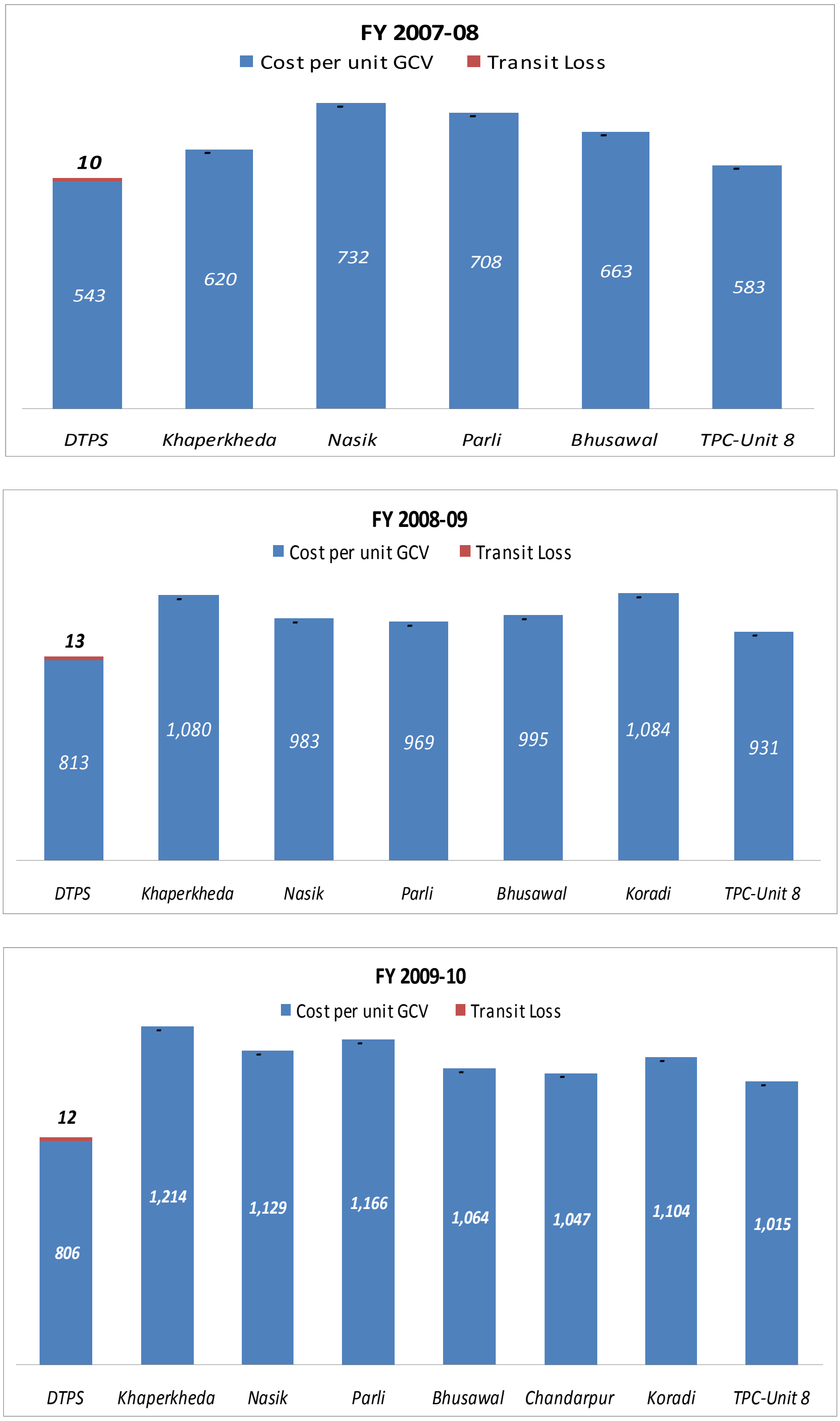
Table 9: FAC for FY 2010-11

Particulars	Units	Amount
REC approved in Tariff Order in Case No 120/2008	Rs./ kWh	2.120
REC approved in Tariff Order in Case No 99/2009	Rs./ kWh	2.082
REC trued up	Rs./ kWh	2.198
Ex-bus Energy Sold	MU	4,041.44
FAC	**Rs Crore**	**38.06**

RInfra-G further submits that the fuel cost computed based on normative parameters for FY 2010-11 and FY 2011-12 does not include transit losses on imported coal, in accordance with the ruling of the Hon'ble ATE in Appeal No. 148 of 2009. This submission is, however, without prejudice to the Civil Appeal No. 4825 of 2012 filed by RInfra in Hon'ble Supreme Court of India against the above-said decision of the Hon'ble ATE.

RInfra-G submits that the Hon'ble Commission may kindly appreciate the fact that disallowance of transit loss on imported coal should be based on the cost impact of the contract rather than nature of contract. If the Hon'ble Commission would delve the nature of contracts for coal procurement by all generating stations, it would be evident that even though RInfra-G does not have delivery based contracts, the landed cost of imported coal of RInfra-G is lowest among various generating stations for the past three years as shown below (cost has been compared relative to GCV as fuel price depends on quality of fuel):

Figure F.1: Landed Cost Comparison among generating Stations



RInfra-G submits DTPS always strives to achieve the lower fuel cost, however, have only few option to explore, which are either by varying the fuel mix within design GCV limits or by improving the technical parameters, which helps in reducing the fuel consumption and increasing the generation and thus reducing the per unit variable cost of generation

4) PLF Incentive

During FY 2010-11, RInfra-G, achieved a PLF of 102.23%, which results in the PLF incentive as below:

Table 10: PLF Incentive for FY 2010-11

Particulars	**Units**	**Target/ Norm**	**RInfra-G (Actual & Audited)**
PLF	%	80	102.23
Ex-bus Generation	MU	3162.51	4041.44
Excess ex-bus generation above 80% PLF	MU	878.929	
PLF Incentive @ Rs 0.25/kWh	**Rs Crore**	**21.97**	

As per the Hon'ble Commission's directions in the Tariff Order of Sept, 8 2010 for RInfra-G, the revenue from PLF incentive is being accounted in the year in which it accrues i.e. PLF Incentive is being considered in the revenues of FY 2010-11 only.

5) Capital Expenditure and Capitalisation

RInfra-G submits that the capitalization for the FY 2010-11 including interest and expense capitalization is Rs. 14.15 Crore, against Rs.70.66 Crore as approved by the Hon'ble Commission in Case No 99 of 2009 dated September 8, 2010. The same was submitted to the Hon'ble Commission during Provisional Truing up of FY 2010-11 in Case No 122 of 2011 along with reasons for deviation from the capitalization approved during determination of ARR for FY 2010-11 as done in Case No 99 of 2009. However, the Hon'ble Commission only approved Rs. 7.28 crore of capitalization in its Order in Case No. 122 of 2011.

Table 11: Capitalisation during FY 2010-11

Particulars	**Units**	**MERC Approved in Case No 99 of 2009**	**RInfra-G (Actual & Audited)**	**MERC Approved in Case No 122 of 2011**
Capitalisation	Rs Crore	70.66	14.15	7.28

RInfra-G has considered actual capitalization during FY 2010-11 considering the capitalization of the schemes disallowed by the Hon'ble Commission in its Order in Case No.

122 of 2011 on the pretext of lack of in-principal approval. RInfra-G further adds that there are capex schemes which are mandatory from the perspective of either statutory compliance or from the point of view of ensuring the reliability of plant or safety of plant and equipment and the implementation of the same cannot be deferred beyond reasonable time period for want of In-principle approval.

6) Depreciation

The Tariff Regulations specify the depreciation schedule including the depreciation rates on different types of assets. It is submitted that depreciation has been worked out in accordance with the Regulations and has been calculated on the opening level of GFA of FY 2010-11 as well as on the assets added during the year. Depreciation on the asset added during the year has been considered pursuant to the Hon'ble ATE's judgment in Appeal No 137 of 2008 dated July 15, 2009 in the matter.

Table 12: Depreciation for FY 2010-11

Particulars	Units	MERC Approved in Case No 99 of 2009	RInfra-G (Actual & Audited)	MERC Approved in Case No 122 of 2011
Depreciation	Rs Crore	17.13	15.98	15.87

RInfra-G submits that the difference in depreciation between the Hon'ble Commission's approval in Case No. 122 of 2011 and what is claimed herein is on account of lower capitalization considered by the Hon'ble Commission in the said Order, which has been elaborated earlier in this petition.

7) Interest on Working Capital

In accordance with the Regulations, RInfra-G has considered the State Bank of India (SBI) Prime Lending Rate (PLR) for FY 2010-11 as 11.75%, being the rate prevailing at the time the tariff determination petition for FY 2010-11 was filed with the Hon'ble Commission.

Table 13: Interest on Working Capital for FY 2010-11

Particulars	Units	MERC Approved in Case No 99 of 2009	RInfra-G	MERC Approved in Case No 122 of 2011
			As per Normative Performance	
Interest on Working Capital	Rs Crore	9.29	9.85	9.74

RInfra-G has not considered any amounts towards efficiency gains from the actual interest on working capital determined above, in accordance with the rulings of the Hon'ble ATE in various judgments of the past, including the recent judgment in Appeal No. 202 of 2010, as already mentioned earlier in this petition.

8) Long Term Loans

RInfra-G submits that prior to passing of Truing Up Order in Case No 122 of 2011, the Hon'ble Commission has been approving the different repayment period for normative debt presented by RInfra-G for different years. However, the Hon'ble Commission while passing the order in Case No 122 of 2011 has considered the repayment period same as depreciation during the year in accordance with Regulation 32.2 of MERC Tariff Regulations. Though this leads to regulatory inconsistency across various APR Orders, however, in accordance with the methodology adopted by the Hon'ble Commission, RInfra-G has considered the loan repayment during FY 2010-11 same as depreciation. For this purpose, total depreciation during FY 2010-11 is distributed in the ratio of the opening balance of loan and average loan addition during the year and the amount so arrived at is assigned to opening balance and loan addition as repayment.

The interest on loan capital for the projects completed during FY 2003-04 to FY 2005-06 has been considered at 10% and for FY 2008-09 onwards the interest is considered at 9%. Further, as said above, loan repayment has been assumed to be equal to depreciation. The interest on long term loans for the FY 2010-11 is computed as in table below:

Table 14: Interest on Long Term Loan for FY 2010-11 (in Rs Crore)

Particulars	**MERC Approved in Case No 99 of 2009**	**RInfra-G (Actual & Audited)**	**MERC Approved in Case No 122 of 2011**
Opening Loan Balance	200.10	197.10	192.26
Additions during Year	49.46	9.90	5.10
Repayments during Year	-17.14	-15.98	-15.87
Closing Loan Balance	232.42	191.02	181.49
Gross Interest Expenses	18.04	16.10	15.46
Less: IDC	-	-	-
Net Interest Expenses	**18.04**	**16.10**	**15.46**

9) Operation & Maintenance Expenses

RInfra-G submits that the actual O&M expenses incurred during FY 2010-11 is Rs 93.45 Crore compared to Rs. 82.49 Crore as approved by the Hon'ble Commission in its Order in Case No. 122 of 2011.

Table 15: O&M Expenses for FY 2010-11

Particulars	Units	MERC Approved in Case No 99 of 2009	RInfra-G (Actual & Audited)	MERC Approved in Case No 122 of 2011
Operation & Maintenance Expenses	Rs Crore	82.99	93.45	82.49

RInfra-G submits that the Hon'ble Commission's approach of O&M allowance, being based on the Tariff Regulations, 2005, resulted in suppressed base expenses and with inflationary escalation thereafter, continued to remain suppressed in subsequent years. In this regard, the justification for variation of actual O&M expenses with respect to the previous years will hold true for FY 2010-11 and ensuing years.

Further, as the Hon'ble Commission would appreciate, the very fact that year-on-year increase in actual expenses is very marginal, the same is testimony to the changes in cost structuring, management and control of costs being brought about by RInfra-G and thus requests the Hon'ble Commission to kindly acknowledge RInfra-G's efforts and grant actual expenses for truing up of FY 10-11.

10) Return on Equity

Regulation 31 of MERC Tariff Regulations specifies the provision of Return on Equity capital @ 14% per annum on the opening equity base of the particular year. The table below presents the RoE approved by the Commission vis-à-vis actual for the FY 2010-11:

Table 16: RoE for FY 2010-11 (in Rs Crore)

Particulars	MERC Approved in Case No 99 of 2009	MERC Approved in Case No 122 of 2011	RInfra-G (Actual & Audited)
Opening Regulatory Equity	535.14	531.34	533.52
Equity Portion of Capitalization	21.20	2.18	4.24
Less: Equity portion of retired Assets	*0.00*	*0.56*	*0.56*
Closing Regulatory Equity	556.34	532.96	537.20
Total Return on Regulated Equity	**74.92**	**74.39**	**74.69**

The variance between the Commission approved figure and the actual is on account of lower capitalization considered by the Hon'ble Commission in its Order in Case No. 122 of 2011.

11) Income Tax

RInfra-G has computed the Income tax for FY 2010-11 based on the methodology of Income less expense as prescribed by the Hon'ble ATE in its Judgment dated 15th February 2011 in Appeal No 174 of 2009.

RInfra-G submits that while computing Income Tax for the FY 2010-11, the normative Interest on both the working capital and long term loans has not been adjusted in accordance with the principle suggested by the Hon'ble Commission in its Order in Case No 122 of 2011 and Case No 163 of 2011. The table below indicates the claim of RInfra-G based on rational provided above and is without prejudice to the contention raised in appeal pending with Hon'ble ATE against various Orders of the Hon'ble Commission:

Table 17: Income Tax for FY 2010-11 (in Rs Crore)

Particulars	FY 2010-11
Revenue	
Revenue from Sale of Power	1,126.87
Non Tariff Income	10.29
Total Income	**1,137.16**
Less: Expenses	
Fuel Cost	780.51
O&M Expenses	93.45
Depreciation	15.98
Interest on Long Term Loan	16.10
Interest on Working Capital	9.85
Profit Before Tax	**221.27**
Add: depreciation as per ARR	15.98
Less: depreciation as per I-Tax	43.14
Total Profit	**194.11**
Corporate Income Tax @ 33.22%	64.48
MAT Payable @19.93%	44.10
Unutilized MAT Credit	8.93
Net Income Tax Liability	**55.55**

RInfra-G submits that the Hon'ble Commission, in Case 163 of 2011, worked out Income Tax for FY 10-11 based on the segmental working of profit and has allowed Income Tax on such segmental profit at MAT rate. RInfra has filed an Appeal against the said Order in the Hon'ble ATE bearing No. 138 of 2012, which is presently being heard. In this petition, therefore, RInfra-G has continued to maintain its position in line with the ruling of the Hon'ble ATE in Appeal No. 173 and 174 of 2009 and prior to that in Appeal No. 251 of 2006 and 90 of 2007, regarding allowing Income Tax to a regulated compartment in isolation of other compartments of the business and determination of stand-alone Income Tax on such compartment's profit before tax.

12) Revenue from Sale of Power

RInfra-G submits that the revenue from sale of electricity generated at the generating stations is solely for serving the consumers of RInfra-D and the tariff realized from such sale is at the rate of energy charge as approved by the Hon'ble Commission in its Order in Case No 120 of 2008 dated May 28, 2009 and Case No 99 of 2009 dated September 8, 2010, however, the fixed charges are considered same as approved in Case No 99 of 2009 for recovery of charges in FY 2010-11.

Table 18: Revenue for FY 2010-11

Particulars	UoM	FY 2010-11
Fixed Charge	Rs Cr	216.61
Net Generation	MU	4,041.44
Variable Cost	Rs/kWh*	2.08
	Rs/kWh**	2.12
	Rs Cr	850.23
PLF Incentive	Rs Cr	21.97
FAC Revenue	Rs Cr	38.06
Total Revenue	**Rs Cr**	**1,126.87**

*Note: * Tariff order as in Case No 120 of 2008 was effective which says REC as Rs 2.082 /kWh*
*** Tariff order as in Case No 99 of 2009 was effective which says REC as Rs 2.120 /kWh*

13) Non Tariff Income

The actual audited Non-Tariff Income realized mainly from sale of scrap and fly ash is Rs 10.29 Cr for the FY 2010-11 and the same was approved by the Hon'ble Commission in its Order in Case No 122 of 2011 dated February 27, 2012.

Summary of Truing Up for FY 2010-11

The summary of Truing Up for the FY 2010-11 is as below:

Table 19: Truing Up Summary FY 2010-11

(in Rs Crore)

Particulars	FY 2010-11		
	Approved	Actual	Deviation
Expenditure			
Fuel Related Expenses	*850.23*		
FAC for Fuel Price Variation'	*38.06*		
Total Fuel Related Expenses	*888.29*	*780.51*	107.78
Operation & Maintenance Expenses	*82.49*	*93.45*	-10.96
Depreciation	15.87	15.98	-0.11
Interest on Long-term Loan Capital	15.46	16.10	-0.64
Interest on Working Capital	9.74	9.85	-0.11
Income Tax	22.26	55.55	-33.29
Total Expenditure (A)	**1,034.11**	**971.45**	**62.66**
Return on Equity	74.39	74.69	-0.30
Add: Incentive for Higher PLF		21.97	
Add: 2/3rd of Efficiency gain) to be retained by RInfra-G	-	71.86	
Total of RoE+ Gains+ Incentive (B)	**74.39**	**168.52**	
Revenue			
Revenue from sale of electricity	1098.21	1126.87	
Other Income	10.29	10.29	
Total Revenue ('C)	**1,108.50**	**1,137.16**	
Revenue Gap = ('C) - [(A) + (B)]	**-**	**-2.81**	

RInfra-G submits that the revenue gap approved by the Hon'ble Commission for FY 10-11 will be recoverable through tariffs of such future year in whose ARR the same is added for recovery.

A.5 TRUING UP FOR FY 2011-12

RInfra-G, as part of the present petition, is submitting the actual expenses incurred and revenues earned for FY 2011-12 based on the audited accounts for the FY 2011-12, for the purpose of truing up of FY 2011-12 since the financial year has concluded and RInfra-G is capable of providing the audited accounts. Since FY 2011-12 is already over, RInfra-G requests the Hon'ble Commission to carry out final truing up rather than provisional truing up for FY 11-12 as the same would avoid repetitive filings for the same year and valuable time of all stakeholders involved would be saved.

1) Operational Performance

RInfra-G has generated 4,450.62 MU (gross) at a PLF of 102.53% and has maintained an Availability of 97.48% for the FY 2011-12 which is not only well above the norms specified in the governing MERC Tariff Regulations but also better than the performance achieved during FY 2010-11. The Operational performance of the generating station is as below:

Table 20: Operational Parameters for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G	
			Actual & Audited	As per Normative Performance
Availability	%	95.90	97.48	80.00
PLF	%	-	102.53%	80.00%
Heat Rate	kcal/ kWh	2500	2282	2500
Auxiliary Power Consumption (excluding FGD Plant)	%	8.50%	7.42%	8.50%
Auxiliary Power Consumption (including FGD Plant)**	%	9.82%	8.67%	9.74%
Secondary Oil Consumption	ml/kWh	2.00	0.09	2.00
Gross Generation*	MU	4,211.93	4,450.62	4,503.10
Net Generation	MU	3,798.14	4,064.56	4,064.56
Energy Charges (Variable Cost @ ex bus)	**Rs./ kWh**	***NA***	**2.299**	**2.601**

Note: **Normative Gross Generation is derived from actual generation using normative Auxiliary Consumption*
***Derived from Aux consumption of FGD in MU*
**** NA = Not Approved*

The Hon'ble Commission would appreciate that the sustained efforts of DTPS to explore and utilize the energy saving opportunities and exploring avenues to improve the efficiency has lead the generating station to not only reduce the specific oil consumption but also maintain the SHR. For instance, in one of the experiments to reduce the specific oil consumption, RInfra-G has adopted to change the gun trial of boiler from weekly to fortnightly and now on monthly basis and observed the trend in reduction of specific oil consumption. This experiment has provided fruitful results and contributed to DTPS achieving significantly lower specific oil consumption compared to previous years. Such achievement has also been made possible by:

- Reviewing the start-up procedure, guidelines and bringing criteria as close as OEM manual guidelines.
- Reducing LDO pressure to 7kg/cm^2 by installing new LDO pressure digital indicator

Such O&M practices has resulted in reducing the average oil consumption per warm outage is reduced from 44.36 kl/start-up to 33.20 kl/start-up.

2) Environmental Performance

The Hon'ble Commission would appreciate that DTPS is the first generating station to receive the ISO 50001:2011 certification, which is the new global standard for Energy Management developed by the International Standard Organization by Bureau Veritas. Effective energy management is a priority focus because of the significant potential to conserve energy and reduce greenhouse gas (GHG) emissions worldwide. The ISO 50001:2011 certification is given to the organizations that can demonstrate and showcase commitment towards environment, conservation, social accountability and energy management. The table below indicates the environmental excellence of DTPS for the FY 2011-12:

Table 21: Environmental Parameters for FY 2011-12

Environmental Performance	MPCB Limit	World Bank Limit	RInfra-G FY 2011 -12
Total Particulate Matter (T.P.M.) mg/Nm^3	150.00	100.00	43.90
Sulphur Dioxide (SO_2) TPD	8.04	100.00	4.10
NO_x (ppm at 15 % excess oxygen v/v)	150.00	150.00	71.80

3) Fuel Cost

RInfra-G submits that the fuel costs for all thermal generating stations across the country have increased and the same has impacted the generating station of Dahanu as well, on account of notifications issued by Coal India Limited (CIL) and Ministry of Railway w.r.t Pricing of Coal and Change of Railway Freight for Coal respectively. The table below indicates the fuel costs for the FY 2011-12:

Table 22: Fuel Cost for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G	
			Actual & Audited	As per Normative Performance

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G	
			Actual & Audited	As per Normative Performance
Rate of Energy Charge (ex-bus)	Rs./ kWh	NA**	2.299	2.601
Net Generation	MU	3,798.14	4,064.56	4,064.56
Total Fuel Costs	**Rs Crore**	**801.51**	**934.34**	**1,057.02**

As can be seen from the table above, the total fuel cost incurred by RInfra-G during FY 2011-12 is Rs 934.34 Cr is much lower compared to the allowable fuel cost (i.e. computed at normative parameters) of Rs 1057.02 Cr, both computed at actual prices. This results in efficiency gains, which in accordance with the MERC Tariff Regulations, are proposed to be shared with the consumers as shown in the table below:

Table 23: Sharing of Efficiency Gains/ (Losses) for FY 2011-12

Particulars	**Units**	**Amount**
Efficiency Gains		
[REC_n- Act. Var cost] X ex-bus energy sold	Rs Crore	122.68
To be passed to the consumers (through RInfra-D) (1/3rd)	Rs Crore	40.89
To be Retained by RInfra-G (2/3rd)	Rs Crore	81.79

The Hon'ble Commission would appreciate that better than normative performance of DTPS only the reduced cost of generation but also led to higher generation to offset the costlier short-term purchase of RInfra-D.

RInfra-G submits that during FY 2011-12, the REC works out to be Rs 2.601/kWh at ex-bus energy generation compared to Rs 2.120/kWh as approved by the Hon'ble Commission – both determined at normative performance parameters. The average FAC for FY 2011-12, thus works out as gap of Rs. 0.48/kWh or total gap of Rs.195.33 Crore, shown in table below:

Table 24: FAC for FY 2011-12

Particulars	**Units**	**Amount**
REC approved in Tariff Orders	Rs./ kWh	2.120
REC trued up	Rs./ kWh	2.601
Ex-bus Energy Sold	MU	4,064.56
FAC	**Rs./ kWh**	**0.48**
	Rs Crore	**195.33**

4) PLF Incentive

During FY 2011-12, RInfra-G, achieved a PLF of 102.53%, which results in the PLF incentive as below:

Table 25: PLF Incentive for FY 2011-12

Particulars	Units	Target/Norm	RInfra-G (Actual & Audited)
PLF	%	80.00	102.53
Ex-bus Generation	MU	3,171.42	4,064.56
Excess ex-bus generation above 80% PLF	MU	893.14	
PLF Incentive @ Rs 0.25/kWh	**Rs Crore**	**22.33**	

As per the Hon'ble Commission's directions in the Tariff Order of Sept, 8 2010 for RInfra-G, the revenue from PLF incentive is being accounted in the year in which it accrues i.e. PLF Incentive is being considered in the revenues of FY 2011-12 only.

5) Capital Expenditure and Capitalisation

RInfra-G submits that the capitalization for FY 2011-12 including interest and expense capitalization is Rs. 16.47 Crore against Rs. 12.69 Crore as approved by the Hon'ble Commission in Case No 163 of 2011 dated May 16, 2012. The table below indicates the comparison of actual capitalization based on audited accounts and approved by the Hon'ble Commission.

Table 26: Capitalisation for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G (Actual & Audited)
Capitalisation	Rs Crore	12.69	16.47

The Hon'ble Commission would observe that the actual capitalization presented herein is lower than that claimed in the petition under Case No. 156 of 2011 (the business plan of RInfra-G presently under consideration of the Hon'ble Commission). This is due to the fact that the Business Plan also considered capitalization of the Coarse Ash Grinding unit, which was commissioned in FY 2011-12. The capitalization of the said Unit was considered based on informal communication of Dahanu Taluka Environmental Protection Authority (DTEPA) and MPCB authorities for consent to operate the Coarse Ash Grinding Unit. However, our internal auditor did not accept such capitalization citing reason for lack of documentary evidence of consent to operate.

6) Depreciation

The table below indicates the Depreciation for FY 2011-12.

Table 27: Depreciation for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G (Actual & Audited)
Depreciation	Rs Crore	16.93	15.93

RInfra-G submits that actual depreciation of FY 11-12 is lower than that approved for FY 2011-12 because the Hon'ble Commission while approving the depreciation in ARR considered a weighted average depreciation rate and even addition of assets during the year. However, actual depreciation has been worked out considering individual depreciation rate for each category of assets as in books of accounts and considering actual date of addition of assets.

7) Interest on Working Capital

In accordance with the Regulations, RInfra-G has considered the State Bank of India (SBI) Prime Lending Rate (PLR) for FY 2011-12 as 14.75%, being the rate prevailing at the time the tariff determination petition for FY 2011-12 was filed with the Hon'ble Commission.

Table 28: Interest on Working Capital for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G
			As per Normative Performance
Interest on Working Capital	Rs Crore	11.54	14.04

RInfra-G submits that in line with the judgments of the Hon'ble ATE detailed and other justification given in previous sections, no efficiency gains have been considered on the interest on working capital and entire actual interest on working capital as worked out above has been claimed in the truing-up.

8) Long Term Loans

RInfra-G is complying the directive of the Hon'ble Commission and has considered the loan repayment during FY 2011-12 same as depreciation during the year.

The interest expenses for FY 2011-12 are on account of debt outstanding as on 1st April 2011 as well as fresh loans considered in accordance with capitalization during FY 2011-12. As regards existing debt as on 1st April 2011, RInfra-G had sought revision of interest rates to 11.5% on all such debt, so as to reflect the prevailing market conditions and the fact that interest rates are regularly reset by lending agencies in accordance with market conditions. The Hon'ble Commission did not consider the request of RInfra-G on the grounds that review of decisions taken in the previous Tariff Orders cannot be sought by RInfra. RInfra-G has approached the Hon'ble ATE with an Appeal against the said disapproval of revision in interest rates (Appeal No. 138 of 2012).

However, without prejudice to the contentions raised therein, we wish to apprise the Hon'ble Commission that RInfra-G is not seeking review of previous Orders through this request as no change in previously allowed interest is sought. RInfra-G is only seeking approval to reset the interest rates going forward.

RInfra-G without prejudice to the contentions raised in the Appeal No. 138 of 2012, has considered the rate of interest on balance normative debt outstanding as on 1st April 2011 same as what has been approved by the Hon'ble Commission in previous tariff orders. That is, the interest rate on loan capital for the projects completed during FY 2003-04 to FY 2005-06 has been considered at 10% and for FY 2008-09 & up to FY 2010-11, the interest is considered at 9%.

With regard to fresh debt drawn during FY 11-12, RInfra-G had, in its earlier petition in Case No. 163 of 2011, requested the Hon'ble Commission to revise the Interest rate to 11.5% based on prevailing market conditions, which was approved by the Hon'ble Commission in its Order in Case No 163 of 2011 dated May 16, 2012. The same has accordingly been considered for fresh normative debt taken during FY 2011-12.

Based on the above discussion, the interest expenses for FY 2011-12 work out as shown below:

Table 29: Interest on Long Term Loan for FY 2011-12 (in Rs Crore)

Particulars	**MERC Approved in Case No 163 of 2011**	**RInfra-G (Actual & Audited)**
Opening Loan Balance	181.48	191.02
Additions during Year	8.88	11.53

Particulars	MERC Approved in Case No 163 of 2011	RInfra-G (Actual & Audited)
Repayments during Year	-16.93	-15.93
Closing Loan Balance	173.43	186.62
Gross Interest Expenses	14.84	15.88
Less: IDC	-	-
Net Interest Expenses	**14.84**	**15.88**

9) Operation & Maintenance Expenses

RInfra-G submits that the actual O&M expenses incurred during FY 2011-12 is Rs 97.28 Crore compared to Rs. 93.97 Crore as approved by the Hon'ble Commission shown in table below:

Table 30: O&M Expenses for FY 2011-12

Particulars	Units	MERC Approved in Case No 163 of 2011	RInfra-G (Actual & Audited)
Operation & Maintenance Expenses	Rs Crore	93.97	97.28

As can be observed, actual O&M expenses are slightly higher compared to what was approved by the Hon'ble Commission in its Order in Case No 163 of 2011 dated May 16, 2012. This is due to allocation of a portion of Corporate Expenses to RInfra-G in accordance with the directive in this regard issued by the Hon'ble Commission in its Order in Case No. 163 of 2011. On account of the directive, which required Corporate Expenses to be allocated not only to Distribution business of RInfra, but to generation and transmission business as well, there is an additional amount of Rs. 8.33 crore allocated to O&M expenses of RInfra-G for FY 11-12.

The main reason for lower O&M expenses is the deferment of annual overhaul by RInfra-G during FY 11-12. It is submitted that annual overhaul is the regular maintenance shutdown exercise where existing and prospective equipment related issues are identified, which cause or have the potential to cause disruptions and equipment failure. . It has been observed that normally, as a result of annual overhaul, repairs and maintenance expenses increase by around Rs. 10 to Rs. 12 crore, or in other words, if annual overhaul is deferred in a given year, the O&M expenses of such year would be less by that amount.

10) Return on Equity

The table below presents the RoE approved by the Commission vis-à-vis actual for the FY 2011-12:

Table 31: RoE for FY 2011-12(in Rs Crore)

Particulars	**MERC Approved in Case No 163 of 2011**	**RInfra-G (Actual & Audited)**
Opening Regulatory Equity	532.96	537.20
Equity Portion of Capitalisation	3.81	4.94
Less: Equity portion of retired Assets	*0.57*	*0.19*
Closing Regulatory Equity	536.20	541.95
Total Return on Regulated Equity	**74.61**	**75.21**

Actual RoE is slightly higher compared to what is permitted by the Hon'ble Commission on account of actual capitalization being higher than what is allowed by the Hon'ble Commission in its Order in Case No. 163 of 2011.

11) Income Tax

RInfra-G has computed Income tax for FY 2011-12 based on the methodology of Income less expense as prescribed by the Hon'ble ATE in its Judgment dated 15th February 2011 in Appeal No 174 of 2009. RInfra-G has adopted the same methodology for FY 2011-12 as well.

RInfra-G submits that while computing Income Tax for the FY 2011-12, the normative Interest on both the working capital and long term loans has not been adjusted in accordance with the principle suggested by the Hon'ble Commission in its Order in Case No 122 of 2011 and Case No 163 of 2011. The table below indicates the claim of RInfra-G based on rational provided above and is without prejudice to the contention raised in appeal pending with Hon'ble ATE against various Orders of the Hon'ble Commission:

Table 32: Income Tax for FY 2011-12(in Rs Crore)

Particulars	**FY 2011-12**
Revenue	
Revenue from Sale of Power	1,295.95
Non Tariff Income	11.89
Total Income	**1,307.84**
Less: Expenses	
Fuel Cost	934.34
O&M Expenses	97.28
Depreciation	15.93
Interest on Long Term Loan	15.88

Particulars	FY 2011-12
Interest on Working Capital	14.04
Profit Before Tax	**230.37**
Add: depreciation as per ARR	15.93
Less: depreciation as per I-Tax	40.70
Total Profit	**205.61**
Corporate Income Tax @ 32.45%	66.72
MAT Payable @19.93%	45.91
Unutilised MAT Credit	-
Net Allowable Income Tax	**66.72**

12) Revenue from Sale of Power

RInfra-G submits that it has sold all actual generation to RInfra-D during FY 11-12 and has realized revenue from such sale of electricity generated the tariff approved by the Hon'ble Commission in its Order in Case No 99 of 2009 dated September 8, 2010.

Table 33: Revenue for FY 2011-12

Particulars	UoM	FY 2011-12
Fixed Charge	Rs Cr	216.61
Net Generation	MU	4,064.56
Variable Cost	Rs/kWh	2.12
	Rs Cr	861.69
PLF Incentive	Rs Cr	22.33
FAC Revenue	Rs Cr	195.33
Total Revenue	**Rs Cr**	**1,295.95**

13) Non Tariff Income

The actual audited Non-Tariff Income realized mainly from sale of scrap and fly ash is Rs 11.89 Cr for the FY 2011-12 compared to Rs 9.11 Cr as approved by the Hon'ble Commission in its Order in Case No 163 of 2011 dated May 16, 2012. The primary reason for the same is higher revenue realized from sale of fly ash.

Summary of Truing Up for FY 2011-12

The summary of Truing Up for the FY 2011-12 is as below:

Table 34: Truing Up Summary for FY 2011-12

(in Rs Crore)

Particulars	FY 2011-12		
	Approved	Actual	Deviation
Expenditure			
Fuel Related Expenses	*861.69*		
FAC for Fuel Price Variation'	*195.33*		
Total Fuel Related Expenses	*1,057.02*	*934.34*	122.68
Operation & Maintenance Expenses	*93.97*	*97.28*	-3.31
Depreciation	16.93	15.93	1.00
Interest on Long-term Loan Capital	14.84	15.88	-1.04
Interest on Working Capital	11.54	14.04	-2.50
Income Tax	16.89	66.72	-49.83
Total Expenditure (A)	**1,211.19**	**1,144.19**	**66.99**
Return on Equity	74.61	75.21	-0.60
Add: Incentive for Higher PLF		22.33	
Add: 2/3rd of Efficiency gain) to be retained by RInfra-G		81.79	
Total of RoE+ Gains+ Incentive (B)	**74.61**	**179.32**	**-0.60**
Revenue			
Revenue from sale of electricity	1,276.69	1,295.95	
Other Income	9.11	11.89	
Total Revenue ('C)	**1,285.80**	**1,307.84**	
Revenue Gap = ('C) - [(A) + (B)]	**-**	**-15.67**	

A.6 CUMULATIVE REVENUE GAP TILL FY 2011-12

Table 35: Cumulative Revenue Surplus/ (Gap)

Particulars	Unit	Amount
Additional Revenue Gap of FY 2009-10	Rs Crore	-1.91
ATE Impact on previous years Revenue Gap of FY 06-07 to FY 09-10	Rs Crore	-10.49
Revenue Gap for FY 2010-11	Rs Crore	-2.81
Revenue Gap for FY 2011-12	Rs Crore	-15.67
Net Entitlement	**Rs Crore**	**-30.88**

As seen from table above, RInfra-G is estimated to have a consolidated entitlement of Rs. 30.88 Crore (as revenue gap), till FY 2011-12 without carrying cost. As explained earlier, the impact of the judgment of the Hon'ble ATE in Appeal No. 202 and 203 of 2010 on the issue of carrying cost would be considered while presenting the above-said revenue gap for recovery from tariffs, in the MYT Petition.