

## **EXECUTIVE SUMMARY**

1. Jaigad Power Transco Limited (JPTL) is a joint venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Ltd. (MSETCL), incorporated on 23<sup>rd</sup> April 2008 for the purpose of developing, operating and maintaining 400kV D/C (Quad) Jaigad – New Koyna and Jaigad – Karad Transmission lines along with the associated equipment/ Terminal Bays.
2. The Honourable Commission had granted Transmission License, (License No 1 of 2009) dated 8<sup>th</sup> February 2009, to JPTL for a period of 25 years for establishing, operating and maintaining the proposed Transmission System.
3. The Honourable Commission vide its letter No. MERC/CAP/DPR/11/10/00616 dated 29<sup>th</sup> June, 2010 granted In-Principle approval for a capital investment of Rs. 576.29 Cr for this project as against JPTL's estimate of Rs. 580.35 Cr.
4. The Honourable Commission had issued its MYT Regulation, 2011 on 4<sup>th</sup> February, 2011, thereby, introducing the MYT regime in the state with effect from 1<sup>st</sup> April, 2011.
5. The Honourable Commission vide its aforementioned letter, directed JPTL to submit a Business Plan for the second Control Period. Accordingly, JPTL submitted its Transmission Business Plan petition for MYT control period from FY 2012-13 to FY 2015-16. The Honourable Commission carried out the due regulatory proceedings in the matter and approved the Business plan vide Order dated 20<sup>th</sup> December, 2012.
6. JPTL in its Business Plan petition had submitted the revised estimates of the capital costs of Rs 569.66 Cr. The revised capital cost submitted in the Business Plan included provision of Rs. 19.47 crores towards final settlement with EPC Contractor. JPTL submitted that subsequent to final settlement with EPC contractor the capital cost of the Transmission Project is Rs. 554.30 Crore (including margin money of Rs. 4.06 Cr.). The Honourable Commission had approved vide MYT Business Plan order dated 20<sup>th</sup> December 2012, capital cost of Rs. 550.23 Cr. (excluding margin money of Rs. 4.06 Cr.) for computation of ARR for FY 2012-13 to FY 2015-16.

7. The Honourable Commission vide aforementioned Business Plan order directed JTPL to submit its true-up of ARR for FY 2011-12 based on revised capital cost as per MERC Tariff Regulations, 2005 as a separate section in its MYT Petition for FY 2012-13 to FY 2015-16 as per MERC MYT Regulations, 2011. Taking this into consideration, JPTL is submitting this Petition for approval of True up of ARR for FY 2011-12 and Approval of Annual Revenue Requirement for MYT control period from FY 2012-13 to FY 2015-16.
8. JPTL has prepared this petition for true-up of ARR for FY 2011-12 based on the approved revised capital cost of Rs. 550.23 Crore. The summary of earlier estimated expenses, approved expenses by the Honourable Commission and actual / Normative expenses for FY 2011-12, is as shown in the table below:

**Table 1: Aggregate Revenue Requirement for FY 2011-12**

<b>Particulars (All figures in Rs. Crs.)</b>	<b>Earlier Estimate</b>	<b>Approved</b>	<b>Actual / Normative</b>
ROE	13.04	10.76	12.77
Interest on Long-term Loan Capital	29.81	30.10	30.34
Depreciation including AAD and Amortisation of intangible assets	27.51	7.90	7.86
Income Tax	6.44	2.69	8.46
O&M Expenses	6.03	4.60	5.49
Interest on Working Capital and deposits from Transmission System Users	1.69	1.17	1.35
Contribution to contingency reserves	1.41	1.41	1.38
<b>Aggregate Revenue Requirement</b>	<b>85.93</b>	<b>58.62</b>	<b>67.64</b>
Less: Non-Tariff Income	0.00	0.02	0.06
Less: Income from Other Business	0.00	0.00	0.00
<b>Net Aggregate Revenue Requirement</b>	<b>85.93</b>	<b>58.60</b>	<b>67.58</b>
<b>Incentive for higher Transmission Availability</b>			<b>0.08</b>
<b>Carrying cost</b>			<b>12.76</b>
<b>Net ARR including incentive and carrying cost</b>			<b>80.42</b>

9. JPTL has projected ARR for the 2<sup>nd</sup> Control Period from FY-2013 to FY-2016 based on the provisions of MERC MYT Regulations, 2011. The ARR Projections made for the 2<sup>nd</sup> Control Period are as follows:

**Table 2: Aggregate Revenue Requirement for MYT control period**

<b>Particulars (Figures in Rs. Crs.)</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>	<b>FY 16</b>
ROE	21.44	21.55	21.55	21.55
Interest on Long-term Loan Capital	45.22	40.31	37.00	33.70
Depreciation	29.17	29.28	29.28	29.28
Income Tax	5.36	5.39	5.39	5.39
O&M Expenses	9.31	9.86	10.45	11.07
Interest on Working Capital and deposits from Transmission System Users	2.25	2.18	2.13	2.09
Contribution to contingency reserves	1.39	1.39	1.39	1.39
<b>Aggregate Revenue Requirement</b>	<b>114.13</b>	<b>109.95</b>	<b>107.18</b>	<b>104.46</b>
Less: Non-Tariff Income	0.09	0.20	0.32	0.43
Less: Income from Other Business	0.00	0.00	0.00	0.00
<b>Net Aggregate Revenue Requirement</b>	<b>114.03</b>	<b>109.74</b>	<b>106.87</b>	<b>104.03</b>

10. The present Petition is submitted to the Honourable Commission for approval of True-up of ARR for FY 2011-12 and approval of ARR for the second MYT Control Period. In view of the above facts, and circumstances, JPTL respectfully prays to the Honourable Commission the following:
- Approve the True-up of ARR of JPTL including carrying cost and incentive for higher Transmission availability for FY 2011-12;
  - Approve the Aggregate Revenue Requirement of JPTL for MYT control period from FY 2012-13 to FY 2015-16;
  - Condone any inadvertent omissions, errors, short comings and permit JPTL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
  - Pass all such necessary orders, including MYT Order and Transmission Tariff order allowing JPTL to recover the Transmission Charges, revenue gap for FY 2011-12 and ARR for MYT control period from FY 2012-13 to FY 2015-16
  - Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.