

THE MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

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

Website: www.mahagenco.in

PUBLIC NOTICE

Comments / suggestions on Maharashtra State Power Generation Company Limited (MSPGCL) Petition for Capital Cost and Tariff Determination of Khaperkheda Unit #5 for FY 2012-13 (Case No. 44 of 2013)

1. The MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL) has filed the Petition for Capital cost and Tariff Determination of Khaperkheda Unit #5 of 500 MW for FY 2012-13 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61, 62 and 86(1)(A)(B) of the Electricity Act, 2003 (Act). MERC has admitted the Petition on 12 June , 2013 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:

Table 1: Project Cost of MSPGCL's Khaperkheda Unit #5

| S. No. | Particulars | Installed Capacity (MW) | Original Project Cost | Actual Project Cost | Reasons for Variation |
|--------|---------------------|-------------------------|-----------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------|
| | | | Rs. Crore | Rs. Crore | |
| 1. | Khaperkheda Unit #5 | 500 | 2169.88* | 3376.90 | 1. Difference between estimated cost and ordering cost 2. Interest During Construction (IDC) 3. Price Variation |

* The Board has considered the initial cost of project as Rs. 2619.88 Crore (approval dated 28th March, 2006) which was based on indicative assessment of project cost since none of the orders were placed at that time and Interest During Construction (IDC) was considered on notional basis at 7.5%.

MSPGCL in its petition has considered a base capital cost of Rs. 3000.24 Crore (approval dated 24th May, 2010) since it includes the ordering cost and estimated Price Variation applicable on various contracts and has computed the IDC applicable on this base cost.

Table 2: Annual Fixed Charge of Khaperkheda Unit #5 (Rs. crore)

| S. No. | Particulars | FY 2012-13 |
|----------|-----------------------------------------------------|--------------------|
| 1 | Operation & Maintenance Expenses | 78.01 ¹ |
| 2 | Depreciation including Advance Against Depreciation | 120.34 |
| 3 | Interest on Long-term Loan | 263.32 |
| 4 | Interest on Working Capital | 37.98 |
| 5 | Income Tax | 16.10 |
| 6 | Return on Equity Capital | 80.46 |
| 7 | Less: Other Income | - |
| 8 | Annual Fixed Charge | 596.21 |

Note: Annual Fixed Charges are computed for 350 days of operation in FY 2012-13

¹ O&M Expenses are as per norms after taking into account the impact of Pay Revision.

Table 3: Energy Charges for Khaperkheda Unit #5

| Fuel | Calorific Value (kcal/kg) | Heat Contribution (kcal/kWh)# | Price (Rs./MT) | Cost at Generator Terminal (Rs./kWh) | Energy Charge (Rs./kWh) |
|------------------------------------|---------------------------|-------------------------------|----------------|--------------------------------------|-------------------------|
| During Stabilisation Period | | | | | |
| Secondary Fuel Oil | | | | | |
| a. Fuel Oil | 10196.41 | 132.43 | 43511.33 | 0.61 | 0.68 |
| b. Light Diesel Oil | 10603.00 | 12.68 | 48548.97 | 0.07 | 0.08 |
| Coal (Domestic) | 2991.42 | 2489.08 | 1895.60 | 1.60 | 1.81 |
| Coal (Imported) | 5452.00 | 180.02 | 7317.25 | 0.45 | 0.51 |
| Other Variable costs | | | | 0.12 | 0.13 |
| Total | | | | 2.84 | 3.21 |
| Post Stabilisation Period | | | | | |
| Secondary Fuel Oil | | | | | |
| a. Fuel Oil | 10100.82 | 20.08 | 43623.20 | 0.09 | 0.10 |
| b. Light Diesel Oil | 10596.29 | 2.31 | 58430.15 | 0.01 | 0.02 |
| Coal (Domestic) | 2744.27 | 1742.25 | 1935.03 | 1.11 | 1.19 |
| Coal (Imported) | 4500.00 | 754.40 | 5554.56 | 1.38 | 1.48 |
| Other Variable costs | | | | 0.05 | 0.06 |
| Total | | | | 2.65 | 2.84 |

Heat Contribution is computed based on Bunkered Coal Calorific Value i.e., 2941.00 kcal/kg (during Stabilisation) and 3033.63 kcal/kg (post Stabilisation).

Table 4: Operational Parameters for FY 2012-13 for Khaperkheda Unit #5

| S. No. | Particulars | FY 2012-13 | | |
|--------|-----------------------------------------|--------------------------|--------------------------------|--------------------|
| | | Stabilisation* (Actuals) | Post Stabilisation (Estimates) | Total* (Estimates) |
| 1 | No. of days | 180 | 170 | 350 |
| 2 | Availability (%) | 32.85% | 73.67% | 51.68% |
| 3 | PLF (%) | 32.85% | 73.64% | 51.68% |
| 4 | Secondary Fuel Oil Consumption (ml/kWh) | 15.32 | 2.39 | 6.78 |
| 5 | Auxiliary Consumption (%) | 11.45% | 6.58% | 8.24% |
| 6 | Transit Loss (%) | 0.80% | 0.80% | 0.80% |
| 7 | Heat rate (kcal/kWh) | 2814.00 | 2519.19 | 2619.37 |

*Performance impacted due to coal shortages and stabilization period of the unit during the year. The unit was operating at a PLF of 90% towards the last few months of FY 2012-13.

Table 5: Gross Generation and Net Generation for FY 2012-13 for Khaperkheda Unit #5

| S. No. | Particulars | Gross Generation (MU) | Net Generation (MU) |
|--------|---------------------|-----------------------|---------------------|
| 1. | Khaperkheda Unit #5 | 2170.70 | 1991.93 |

Table 6: Per Unit Variable Charge for FY 2012-13 for Khaperkheda Unit #5

| Station/Unit | FY 2012-13 |
|--------------|------------|
|--------------|------------|

| | Stabilisation | Post Stabilisation | Total |
|--------------------|---------------|--------------------|-------|
| Khaperkheda Unit 5 | 3.21 | 2.84 | 2.96* |

* The aforesaid rate is cost estimates for FY 2012-13 which is subject to prudence check by the Commission. It is clarified that only the rate approved by the Hon'ble Commission is charged to the Discom.

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:
 - a. Executive Summary of the proposals (free of cost, in Marathi or English).
 - b. 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.
 - c. Detailed Petition documents (in English) (on payment of **Rs. 100/-**).
 - d. 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-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 Vajjanath 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, | | |

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| Nagpur – 440013, STD Code-0712, Phone –2591151, Fax-2591717. | | |
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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/mercindia@merc.gov.in] by **09 July 2013**, 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 Maharashtra Electricity Regulatory Commission, World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005 on Tuesday 16 July, 2013 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 **12 July, 2013** for all the objections and comments/suggestions received till **9 July, 2013**. Stakeholders can submit their rejoinders on replies provided by MSPGCL either during the public hearing or latest by **19 July, 2013**.
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.gov.in in downloadable format (free of cost).

Signature

Name: L. N. Margade

Designation: Chief Engineer (RCD)

Maharashtra State Power

Generation Company Ltd.