

 <p>MAHATRANSCO Maharashtra State Electricity Transmission Co. Ltd.</p>	<p style="text-align: right;">Office of The Chief Engineer Maharashtra State Load Despatch Center Thane–Belapur Road, Airoli, Navi Mumbai – 400 708 (INDIA) <i>(ISO 9001–2000 certified unit of Mahatransco)</i></p>
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Executive Summary

The Maharashtra State Load Dispatch Centre (MSLDC) is submitting the Revised Budget petition for FY 2014-15 as per the MERC Transmission Open Access Regulations 2005 Clause 18.1, based on the actual expenditure till September 2013 and projections from October 2013 to March 2014 along with Actual Budget for the FY 2012-13. As per the provisions of said Regulations MSLDC is also submitting the projections for the F.Y.2014-15 for approval of Budget.

MSLDC's Budget

MSLDC has provided actual expenses data based on audited accounts for the period from 1st April 2012 to 31st March 2013. The expenditure for FY 2013-14 has been estimated on the basis of actual till Sept.2013 and projections for the remaining six months on the basis of past trends and other considerations. Projections for FY 2014-15 also have been made on the same principles.

- a) The operations and maintenance expenses have been projected considering the actual of FY 2012-13 as a basis for projection. Employee Expenses have been projected on the basis of sanctioned strength and D.A. has been also considered and Administration and General (A&G) Expenses have been projected with escalation @ 3.25%. However, Repair and Maintenance (R&M) Expenses have been projected as per the estimates.
- b) A estimate of capital expenditure of MSLDC is of Rs.2663.65 Lakhs in F.Y.2013-14 and Rs.952 lakhs in F.Y.2014-15.
- c) Depreciation has been computed as per rates specified in the MERC (Terms & Conditions of Tariff) Regulations, 2005 for F.Y.2012-13 and for F.Y.2013-14 & F.Y.2014-15 MERC (Multi Year Tariff) Regulations, 2011 is applied.
- d) Interest on long term loans has been projected on the outstanding loans and fresh loans taken towards Capital expenditure.
- e) Interest on working capital has been computed on the normative basis in accordance with the MERC (Terms & Conditions of Tariff) Regulations, 2005 for 2012-13 and for F.Y.2013-14& F.Y.2014-15 MERC (Multi Year Tariff) Regulations, 2011 has been adopted.
- f) MSLDC has projected the Return on Equity @ 14% and in accordance with methodology specified in the MERC (Terms & Conditions of Tariff) Regulations, 2005 for F.Y.2012-13 and for F.Y.2013-14 & F.Y.2014-15 Return on Equity is 15.5% in accordance with methodology specified in the MERC (Multi Year Tariff) Regulations, 2011.
- g) Other income has been projected based on past trends.

The details of revenue realized from various sources for FY 2012-13 and FY 2013-14.
(in Rs Lakh)

Item Description	FY 2012-13			FY 2013-14				
	Approved	Actual	Difference for final true up	Approved	Actual (Upto Sep 2013)	Estimation (Sep 2013-Mar 2014)	Total	Difference
	(A)	(B)	(A-B)	(A)	(B)	(C)	(D)	for provisional true-up
							(B+C)	(A-D)
Receipts from SLDC fees and charges	1424.68	1424.68	0	2563.15	1125.82	1437.33	2563.15	0
Grants and other contributions from Govt.	0	0	0	0	0	0	0	0
Scheduling Charges	253.44	306.07	(52.63)	0	165.25	161.00	326.25	(326.25)
Re-scheduling charges	174.39	175.17	(0.78)	0	37.11	37.00	74.11	(74.11)
Other receipts & income	3.70	7.70	(4.00)	0	4.39	4.50	8.89	(8.89)
Grand Total	1856.21	1913.62	(57.41)	2563.15	1332.57	1639.83	2972.40	(409.25)

The MSLDC Budget is the summation of the above costs and the RoE.

Summary of MSLDC Budget is presented below:-

Revenue Budget for MSLDC

(Rs.in lakhs)

Sr.No.	Particulars	Previous Year FY 2012-13		Current Year FY 2013-14		Ensuing Year FY 2014-15 Projections
		Provisional Truing up (Case No.133 of 2012)	Audited	Approved (Case No. 133 of 2012)	Revised Estimate	
I	Operating Cost Budget					
1	Employee Expenses	982.98	1050.13	1324.35	1170.00	1460.22
2	Administration & General Expenses	345.17	362.96	374.44	441.73	456.14
3	Repair & Maintenance Expenses	104.21	66.34	110.97	166.61	210.00
4	Interest on Working Capital	63.54	64.99	79.02	79.27	92.01
5	RLDC Fees and WRPC Charges	596.21	596.21	596.35	602.93	602.93
	Sub-total (Operating Cost Budget)	2092.11	2140.63	2485.13	2460.54	2821.31
II	Capital Charge Budget					
6	Depreciation	222.48	99.65	425.98	370.41	474.03
7	Interest & Finance Charges	144.01	80.27	297.27	273.70	441.69
8	Return on Equity	88.02	50.14	200.08	162.59	255.58
	Sub-total (Capital Charge Budget)	454.51	230.07	923.33	806.69	1171.30
	Total MSLDC Budget	2546.62	2370.7	3408.46	3267.23	3992.61

Thus, the MSLDC Budget is projected to be Rs.3,992.61 Lakhs for F.Y.2014-15.

After trueing-up on the actual and provisional basis for the F.Y. 2012-13 and the F.Y.2013-14, the revenue requirement is as below.

Summary of Revenue Budget FY 2014-15

Particulars	Rs.In Lakhs
Operating Cost Budget	
Employee Expenses	1460.22
Administration & General Expenses	456.14
Repairs & Maintenance Expenses	210.00
Interest on Working Capital	92.01
RLDC Fees & WRPC Charges	602.93
Sub Total	2821.31
Provisional true up of Operating Cost Budget for FY 2013-14	(433.84)
True up of Operating Cost Budget for FY 2012-13	(8.89)
A) Net Operating Cost	2378.57
Capital Charge Budget	
Depreciation	474.03
Interest Costs	441.69
Return on Equity	255.58
Sub Total	1171.30
Provisional true up of Capital Charge Budget for FY 2013-14	-116.64
True up of Capital Cost Budget for FY 2012-13	(224.44)
B) Net Capital Charge Budget	830.22
Total SLDC Budget (A+B)	3208.79

Summary of Net MSLDC Fees in FY 2014-15

(Rs.in lakhs)

Sr.No.	Particulars	Amount
1	Total MSLDC Budget for FY 2014-15	3,992.61
2	Carry forward Revenue Gap/ (Surplus) for FY 2012-13	(233.33)
3	Carry forward Revenue Gap/ (Surplus) for FY 2013-14	(550.48)
	Net Total (1+2+3)	3,208.79

As per the Hon'ble Commission's Order in Case No.133of 2012 on MSLDC Budget for FY 2013-14, this MSLDC Budget amount is to be recovered from the Distribution Licensees in proportion to average of their Coincident Peak Demand (MW) & Non Coincident Peak Demand (MW) met during the period Oct.2012 to Sept.2013.

Prayer

In this premise, the Applicant respectfully prays that this Hon'ble Commission may:

- a) Consider and approve the Revised Budget of Cost of Operations of the Maharashtra State Load Despatch Centre (MSLDC) for the Financial Year 2014-15, true up for F.Y. 2012-13 and Annual Performance Review for F.Y. 2013-14.
- b) Approve the MSLDC Fees & Charges as deemed appropriate, and approve the principles for levy of MSLDC Fees and Charges.
- c) Continue the other charges i.e. Scheduling charges, Rescheduling Charges, Registration Fees, Processing Charges and Delayed Payment Charges as approved in MSLDC Budget Petition Order in Case No.133of 2012 dtd.22nd March 2013.

Considering the rates charged by other SLDCs, it is proposed to approve following charges for FY 2014-15.

SN	Particulars	Existing Charges (Rs.)	Proposed charges (Rs.)
1	Registration Fees	10,000 Per Connection	20,000 Per Connection
2	Scheduling Charges	1,000 Per Day	3,000 Per Day
3	Rescheduling Charges	3,000 Per Revision	3,000 Per Revision
4	STOA Application Fee	5,000 Per Application	10,000 Per Application

- d) Retain the revenue through Scheduling, Rescheduling, Registration Fees and Processing Fees as a surplus and reserves of MSLDC which would help in providing the margin money for further CAPEX as recommended by the Task Force set up by MoP.

Pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.

Date: - 18th Jan.2014.
Airoli, Navi Mumbai.

Sd/-
Chief Engineer
MSLDC, Airoli.