

ADANI POWER MAHARASHTRA LIMITED

Achalraj Building, Opposite Mayor's Bungalow, Law Garden, Ahmedabad 380 006, Gujarat, India

Website: www.adanipower.com

PUBLIC NOTICE

Objections / suggestions on

Petition filed by Adani Power Maharashtra Limited's Transmission Business (APML-T) for Mid-term Performance Review of Aggregate Revenue Requirement (ARR) approved as per Multi Year Tariff (MYT) Principles for Second Control Period from FY 2012-13 to FY 2015-16 (Case No. 190 of 2013)

1. Adani Power Maharashtra Limited's Transmission business (APML-T) has filed a Petition for approval of truing up of Aggregate Revenue Requirement (ARR) for FY 2012-13 , approval of estimated Aggregate Revenue Requirement (ARR) projections for FY 2013-14 and revised Aggregate Revenue Requirement (ARR) projections for FY 2014-15 to FY 2015-16, before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61 and 62 of the Electricity Act, 2003 (Act), the Maharashtra Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2005 and the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011.
2. A Technical Validation Session (TVS) for the aforesaid Petition was held at MERC on 06February, 2014. Thereafter, APML-T filed a revised Petition on 3 March, 2014 incorporating necessary revisions based on the queries raised by the Commission on the original Petition. The said revised Petition carries the following main prayers.

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- *Approve the revenue gap of FY 2012-13 as presented in the Petition along with revised carrying cost and incentive*
- *Approve estimated Aggregate Revenue Requirement for FY 2013-14.*
- *Approve revised projections of Aggregate Revenue Requirement for FY 2014-15 to FY 2015-16 as presented in the Petition*

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3. MERC has admitted the Petition on 30 April, 2014 and directed APML-T to publish a Public Notice under Section 64(2) of the Act.
4. MERC had granted Transmission Licence (Licence No. 2 of 2009) dated 6 July, 2009, for a period of 25 years to APML authorizing the licensee to establish and operate identified transmission system in the State. Subsequently, based on the application from APML, the MERC granted amendment to the 'Area of transmission' of Transmission Licence No. 2 of 2009 on 30 March, 2011.
5. The amended licence authorizes APML to establish and operate the following Transmission Line inclusive of the related infrastructure:

Details of Transmission System of APML-T:

- 400 kV Double Circuit Transmission Line with quad conductor from Tiroda(Gondia) to proposed 400 kV Warora Switching Station ;
- 2 Nos. 400 kV bays for above Tiroda-Warora Double Circuit Transmission lines at Tiroda Project switchyard;
- 2 Nos. 400 kV bays for Tiroda-Warora Double Circuit Transmission lines at Warora switching station.

6. MERC vide its Order in Case No. 44 of 2012 dated 10 January, 2013, approved the ARR of APML-T as per Multi Year Tariff (MYT) Principles for Second Control Period from FY 2012-13 to FY 2015-16.
7. Regulation 11.1 and 11.2 of the MERC(Multi Year Tariff) Regulations, 2011 specifies the requirement of entities including Transmission Licensees to make an application for Mid-term Performance Review for a comparison of audited performance of the applicant for the previous two years with the approved ARR of such period, a comparison of the performance of the applicant for the first half of the current financial year with the approved ARR for current financial year and to decide on carrying cost on surplus/deficit amounts at the time of Mid-term Performance Review. In compliance with these directions, APML-T has filed the present Petition before MERC.
8. The salient features of the Petition are provided below:

Table 1: Truing Up of ARR for FY 2012-13 proposed by APML-T (Rs. Crore)

Sl No	Particulars	Approved*	Actual for Truing up as petitioned
1	Operation and maintenance Expenses	3.83	4.88
2	Depreciation	21.59	22.32
3	Interest on Long-term Loan Capital	34.97	38.03
4	Interest on Working Capital	1.61	1.82
5	Other Expenses	-	-
6	Contribution to Contingency Reserves	1.02	1.06
7	Income tax	4.76	4.56
8	Total Revenue Expenditure	67.78	72.67
9	Add: Return on Equity Capital	19.01	19.66
10	Gross Aggregate Revenue Requirement	86.80	92.33
11	Less: Income from other business	-	-
12	Less: Non tariff Income	-	-
13	Net Aggregate Revenue Requirement	86.80	92.33

(* Approved by MERC vide Order in Case No. 44 of 2012 dated 10 January, 2013)

Table 2: Revenue Gap for FY 2012-13 based on truing up of ARR for FY 2012-13 proposed by APML-T (Rs. Crore)

Sl No	Particulars	Formula	Actual for Truing up as petitioned
1	ARR approved in the MYT Order for FY 2012-13	a	86.80
2	Approved Carrying Cost for FY 2012-13	b	4.20
3	Incentive for FY 2012-13	c	1.98
4	Sub total	d	92.97
5	1/3 rd Gain (loss) on account of Controllable factor to be passed on to the consumers	e	
6	Gain (loss) on account of Uncontrollable factor to be passed on to the consumers	f	(5.53)
7	Trued up ARR of FY 2012-13	g= d-e-f	98.51
8	Additional Carrying Cost on account of revision in ARR for FY 2012-13	h	0.27
9	Additional carrying cost on account of delayed and staggered recovery for ARR of FY 2012-13	i	6.72
10	Trued up ARR for FY 2012-13 including total carrying cost	j= g+h+i	105.50
11	Less : Expected revenue from TSUs	k	91.00
12	Net Revenue Gap/ (Surplus) for FY 2012-13	l= j-k	14.50

Table 3: Comparison of approved Vs revised estimates of ARR for FY 2013-14, FY 2014-15 and FY 2015-16 (Rs. Crore)

Sl No	Particulars	FY 2013-14		FY 2014-15		FY 2015-16	
		Approved*	Estimated	Approved*	Estimated	Approved*	Estimated
1	Operation and maintenance Expenses	6.78	10.52	7.19	11.12	7.58	11.76
2	Depreciation	36.15	37.37	36.15	37.37	36.15	37.37
3	Interest on Long-term Loan Capital	54.94	55.67	50.43	51.10	45.91	46.52
4	Interest on Working Capital	2.64	2.98	2.56	2.91	2.49	2.84
5	Other Expenses	-	-	-	-	-	-
6	Contribution to Contingency Reserves	1.71	1.77	1.71	1.77	1.71	1.77
7	Income tax	7.96	8.73	7.96	8.73	7.96	8.73
8	Total Revenue Expenditure	110.18	117.04	106.00	113.01	101.80	108.99
9	Add: Return on Equity Capital	31.83	32.91	31.83	32.91	31.83	32.91
10	Gross Aggregate Revenue Requirement	142.01	149.96	137.83	145.92	133.63	141.91
11	Less: Income from other business	-	-	-	-	-	-
12	Less: Non tariff Income	0.04	-	0.16	0.16	0.30	0.31
13	Net Aggregate Revenue Requirement	141.97	149.96	137.68	145.76	133.33	141.60

(* Approved by MERC vide Order in Case No. 44 of 2012 dated 10 January, 2013)

9. Copies of the following documents can be obtained on written request from the offices of APML-T mentioned below:
- Executive Summary of the proposals (free of cost, in Marathi or English)
 - Detailed MYT Petition along with CD (in English) (on payment of Rs. 100/- by Cash/DD/ Cheque drawn on “Adani Power Maharashtra Ltd”.
 - Detailed MYT Petition (in English) (on payment of Rs. 50/-).
 - CD of detailed MYT Petition (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Tele / Fax No.
Corporate Office (Ahmedabad)	Mr. Jignesh Langalia_ Adani Power Maharashtra Ltd Achalraj Opp-Mayor Bunglow, Law garden Ahmedabad 380006 Gujarat	(+91 79 25557400 +91 79 25558758)
Corporate Office (Mumbai)	Mr. Ajit Barodia 601, Hallmark Business Plaza, Sant Dnyaneshwar Mrag, Nr. Kalamandir Talkies, Opp. Gurunanak Hospital, Bandra (East), Mumbai-400 051,	(+91 22 22022480 +91 22 26561616)

10. The Commission has directed APML-T to invite objections/suggestions from the public on the above Petition for Mid-term Performance Review of ARR approved as per MYT Principles for Second Control Period from FY 2012-13 to FY 2015-16 through this Notice. Objections/suggestions may be sent to the Principal Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail: mercindia@merc.gov.in] by 26 May, 2014, along with proof of service on Adani Power Maharashtra Limited.
11. Every person who intends to file objections/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 objections/suggestions are being filed on behalf of any organization of 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, Court Room, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai-400 005 on Thursday, 29 May, 2014 at 11.30 hrs for which no separate notice will be given.

12. APML-T shall reply to each of the objections/suggestions not later than 27 May, 2014 for all the objections/suggestions received till 26 May, 2014. Stakeholders can submit their rejoinders on replies provided by APML-T either during the public hearing or latest by 26 May, 2014. The detailed Petition for Mid-term Performance Review of ARR approved as per MYT Principles for Second Control Period from FY 2012-13 to FY 2015-16 along with Executive Summary is available on www.adanipower.com and the Executive Summary is also available on the web site of the Commission www.merc.gov.in in downloadable format (free of cost).

Signature Sd/-

Name (Jignesh Langalia)

Adani Power Maharashtra Ltd.