

## EXECUTIVE SUMMARY

- 1.1 Jaigad PowerTransco Limited (JPTL) is a joint venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Ltd. (MSETCL). The Company was 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.
- 1.2 The Honourable Commission had granted Transmission License, (License No 1 of 2008) dated 8<sup>th</sup> February 2009, to JPTL for a period of 25 years for establishing, operating and maintaining the proposed Transmission System.
- 1.3 The Honourable Commission had issued its MYT Regulation, 2011 on 4<sup>th</sup> February, 2011. These Regulations are applicable for the second Control Period starting from FY 2011-12 to FY 2015-16.
- 1.4 However, MERC vide its First Amendment to Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 dated 21 October, 2011, had specified that for the Utility for whom there is no Order of exemption and if the Hon'ble Commission is satisfied that there is a difficulty in giving effect to the determination of tariff with effect from 1 April, 2011 under MYT Regulations and in the event tariff is required to be determined from 1 April, 2012 or any further period under these Regulations, the repealed regulations (MERC 2005 Tariff Regulations) shall continue to be in-force.
- 1.5 Further, pursuant to the First Amendment to the MERC MYT Regulations, the Commission, through its letter dated 4 November, 2011 also directed JPTL to submit its Petition for approval of ARR for FY 2011-12, as per the MERC (Terms and Conditions of Tariff) Regulations, 2005 latest by 30 November, 2011.
- 1.6 In accordance with the above, the True-up for FY 2010-11 and approval of Annual Revenue Requirement for FY 2011-12 was determined as per MERC (Terms and Conditions of Tariff) Regulations, 2005 in Case 170 of 2011.

- 1.7 Subsequently, JPTL had submitted its MYT Petition for the second Control Period from FY 2012-13 to FY 2015-16 on 16<sup>th</sup> February, 2013 based on the numbers approved in the Business Plan Order dated 20<sup>th</sup> December 2012. The Commission had approved the ARR for the MYT second Control Period FY 2012-13 to FY 2015-16 vide its MYT Order dated 16<sup>th</sup> August 2013.
- 1.8 In accordance with the provisions of the MYT Regulations, 2011, the Hon'ble Commission in its MYT Order dated 16<sup>th</sup> August, 2013 for JPTL had directed JPTL to submit its Petition for Mid-Term Review of its performance during the third quarter of FY 2014-15, with detailed reasons for deviation in performance, latest by 30 November, 2014.
- 1.9 JPTL has prepared this petition for Mid Term Performance Review for the MYT Second Control Period in accordance with relevant provisions of the MYT Regulations, 2011.
- 1.10 The present Mid-Term Performance review Petition by JPTL is submitted to the Hon'ble Commission for Truing up of ARR for FY 2012-13 and FY 2013-14, approval of estimated ARR projections for FY 2014-15 and revised ARR projections for FY 2015-16. In the given Petition, the Petitioner has also requested the Honourable Commission to approve the 2 months overdue ARR amount of Rs. 14.46 crores for FY 2012-13, missed out inadvertently in the Tariff Order dated 14<sup>th</sup> August, 2014, along with the carrying cost while approving the Tariff for FY 2015-16.
- 1.11 The summary of earlier estimated expenses, approved expenses by the Honourable Commission and actual / normative expenses for FY 2012-13 and FY 2013-14, is as shown in the table below.

**Table 1: Aggregate Revenue Requirement for FY 2012-13 & FY 2013-14**

Particulars (All figures in Rs. Crs.)	Earlier Estimate MYT Petition		Approved MYT Order		Actual / Normative	
	FY13	FY14	FY13	FY14	FY13	FY14
O&M Expenses	9.31	9.86	5.81	6.14	5.81	6.14
Depreciation including AAD and Amortization of intangible assets	29.17	29.28	29.05	29.05	29.13	29.34
Interest on Long-term Loan Capital	45.22	40.31	47.97	40.04	45.98	41.04

Interest on Working Capital and deposits from Transmission System Users	2.25	2.18	2.18	2.04	2.08	2.11
ROE	21.44	21.55	21.32	21.32	21.43	21.58
Contribution to contingency reserves	1.39	1.39	1.38	1.38	1.39	1.39
Income Tax	5.36	5.39	5.35	5.35	1.17	6.91
Loss on assets Written Off					2.78	2.91
Other debits (differential depreciation on written off assets)					0.13	0.04
<b>Aggregate Revenue Requirement</b>	<b>114.13</b>	<b>109.95</b>	<b>113.07</b>	<b>105.33</b>	<b>109.39</b>	<b>110.41</b>
Less: Non-Tariff Income	0.09	0.20	0.20	0.32	0.02	0.02
Less: Income from Other Business	0.00	0.00	0.00	0.00	0.00	0.00
<b>Add: Incentive</b>					0.48	1.34
<b>Net Aggregate Revenue Requirement</b>	<b>114.03</b>	<b>109.75</b>	<b>112.86</b>	<b>105.01</b>	<b>109.85</b>	<b>111.73</b>

1.12 The summary of carrying cost for delay in recovery of revenue for FY 12-13, FY 13-14 and for under recovery in initial 2 months of FY 12-13 against the ARR approved in FY 10-11 and FY 11-12 ARR Order is summarized below:

**Table 2: Summary of Carrying Cost**

Particulars	Rs. Crs
Carrying cost for FY 2012-13	27.43
Carrying cost for FY 2013-14	11.15
Carrying cost for delay in recovery of FY 10-11 and FY 11-12 ARR in initial 2 months of FY 12-13	4.89
<b>Total</b>	<b>43.48</b>

1.13 In line with the provisions of the MYT Regulations, JPTL has submitted revised estimations for FY 2014-15 based on actual for the first half and estimations for the second half of the FY 2014-15.

**Table 3: Aggregate Revenue Requirement for FY 2014-15**

Particulars (All figures in Rs. Crs.)	Earlier Estimate (MYT Petition)	Approved (MYT Order)	H1 Actuals	H2 Estimated	Total Estimate
O&M Expenses	10.45	6.51	3.26	3.26	6.51
Depreciation including AAD and Amortisation	29.28	29.05	14.67	14.67	29.34
Interest on Long-term Loan Capital	37.00	36.76	19.58	18.64	38.21

Interest on Working Capital	2.13	1.99	1.04	1.02	2.06
ROE	21.55	21.32	10.81	10.81	21.63
Contribution to contingency reserves	1.39	1.38	0.69	0.69	1.39
Income Tax	5.39	5.35	3.46	3.46	6.91
<b>Aggregate Revenue Requirement</b>	<b>107.19</b>	<b>102.37</b>	<b>53.51</b>	<b>52.55</b>	<b>106.06</b>
Less: Non-Tariff Income	0.32	0.43	0.16	0.16	0.32
Less: Income from Other Business	0.00	0.00	0.00	0.00	0.00
<b>Net Aggregate Revenue Requirement</b>	<b>106.87</b>	<b>101.94</b>	<b>53.35</b>	<b>52.39</b>	<b>105.73</b>

1.14 As per Regulation 11.6 of MYT Regulations, the Hon'ble Commission is required to approve the modifications to the forecast for the remaining years of the control period at the time of Mid Term Performance Review. Accordingly, JPTL has submitted modified forecast for FY 2015-16, which was originally approved by the Hon'ble Commission vide its MYT Order dated 16<sup>th</sup> August, 2013

**Table 4: Aggregate Revenue Requirement for FY 2015-16**

<b>Particulars (All figures in Rs. Crs.)</b>	<b>Earlier Estimate (MYT Petition)</b>	<b>Approved (MYT Order)</b>	<b>Projected</b>
O&M Expenses	11.07	6.86	6.86
Depreciation including AAD and Amortisation	29.28	29.05	29.34
Interest on Long-term Loan Capital	33.70	33.48	34.51
Interest on Working Capital	2.09	1.94	2.00
ROE	21.55	21.32	21.63
Contribution to contingency reserves	1.39	1.38	1.39
Income Tax	5.39	5.35	6.91
<b>Aggregate Revenue Requirement</b>	<b>104.47</b>	<b>99.39</b>	<b>102.65</b>
Less: Non-Tariff Income	0.43	0.54	0.44
Less: Income from Other Business	0.00	0.00	0.00

<b>Net Aggregate Revenue Requirement</b>	<b>104.04</b>	<b>98.85</b>	<b>102.21</b>
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1.15 Vide this Petition, JPTL respectfully prays to the Honourable Commission the following:

- a) Admit the Petition for Truing up of Aggregate Revenue Requirement for FY 2012-13 and FY 2013-14, approval of estimated Aggregate Revenue Requirement for FY 2014-15 and revised ARR for FY 2015-16.
- b) Approve the capex incurred and net write off against insulator replacement during the respective years of truing up for FY 2012-13 and FY 2013-14.
- c) Approve the True-up of ARR of JPTL including carrying cost and incentive for higher Transmission availability for FY 2012-13 & FY 2013-14;
- d) Approve revised estimates/ projections of ARR for FY 2014-15 and FY 2015-16 as presented in this Petition.
- e) Approve the 2 months overdue ARR amount of Rs. 14.46 crores for FY 2012-13, missed out inadvertently in Tariff Order dated 14<sup>th</sup> August, 2014, along with the carrying cost while approving the Tariff for FY 2015-16.
- f) 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
- g) Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.