

PUBLIC NOTICE

Suggestions / Objections on Maharashtra State Electricity Transmission Company Limited Petition for approval of Truing up of Aggregate Revenue Requirement (ARR) for FY 2012-13, Provisional True up for FY 2013-14 and Revised Estimates of ARR for FY 2014-15 & FY 2015-16 along with the impact of past period Disallowed Capitalization for FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11 & FY 2011-12. (Case No. 207 of 2014)

1. Maharashtra State Electricity Transmission Company Limited (MSETCL) has filed a Petition for approval of Truing Up of Aggregate Revenue Requirement (ARR) for FY 2012-13 as per Maharashtra Electricity Regulatory Commission (MERC) (Terms and Conditions of Tariff) Regulations, 2005, Provisional True up for FY 2013-14 and Revised Estimates of ARR for FY 2014-15 & FY 2015-16 in accordance with MERC (Multi Year Tariff) Regulations, 2011 and in compliance with the direction issued by the Commission in the Order dated 13 February, 2014 in Case No. 39 of 2013 along with the Impact of past period Disallowed Capitalization for FY 2007-08, FY 2008-09, FY 2009-10, FY 2010-11 & FY 2011-12. The Commission has admitted the Petition on 13 February, 2015 and directed MSETCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003. The salient features of the Petition are provided below:

Table 1: Claim of Disallowed Capitalization (Rs. Crore)

Particulars	Balance disallowed capitalisation to be claimed	Capitalisation Claimed in the Petition
FY 2007-08	89.96	89.96
FY 2008-09	36.59	34.28
FY 2009-10	11.35	2.26
FY 2010-11	213.85	135.94
FY 2011-12	49.12	19.79

Table 2: Impact of Disallowed Capitalisation (Rs. Crore)

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	Total
Difference in Interest on long term loan	14.16	54.53	163.91	15.50	23.07	271.17
Difference in ROE	1.26	3.00	3.51	5.45	7.63	20.86
Difference in Incentive on Transmission system availability	0.07	0.51	2.14	0.38	0.93	4.03
Difference in Depreciation including AAD	0.00	0.00	0.00	0.00	22.99	22.99
Total	15.50	58.05	169.56	21.33	54.61	319.04

Table 3 : Final Truing up summary for FY 2012-13 (Rs. Crore)

Particulars	MYT Order in Case No. 39 of 2013	Petition	Net Entitlement of MSETCL after sharing of gain/(loss)
Operation & Maintenance Expenses	1179.92	1,121.03	1,195.10
Depreciation	539.58	449.93	449.93
Advance against depreciation	274.21	189.79	189.79
Interest on Long-term Loan Capital	668.09	606.97	606.97
Interest on Working Capital and on consumer security deposits	79.11	80.34	64.24
Other Interest and finance charges	18.50	4.64	4.64
Other Expenses	1.12	(10.02)	(10.02)
Income Tax	153.25	315.43	315.43
Contribution to contingency reserves	37.99	39.54	39.54
Total Revenue Expenditure	2,951.78	2,797.64	2,855.62
Return on Equity Capital	612.71	601.59	601.59
Aggregate Revenue Requirement	3,564.49	3,399.23	3,457.21
Less: Non Tariff Income	192.21	180.89	180.89
Less: Income from Goa & Dadra Nagar wheeling charges	26.30	90.20	90.20
Aggregate Revenue Requirement from Transmission Tariff	3345.98	3128.15	3186.13
(add) Incentive on Transmission Availability of HVAC System	-	46.42	46.42
(add) Incentive on Transmission Availability of HVDC System	-	12.51	12.51
Revenue from Transmission tariff	3338.08	3338.08	3,338.08
Revenue (Gap)/surplus for current year	(7.90)	-	93.03
Past period expenses for FY 2011-12	-	(23.41)	(23.41)
Revenue (Gap)/surplus till previous year approved in Case No. 39 of 2013	(1128.91)	-	(1,128.91)
Cumulative Revenue Gap till the year	(1136.81)		(1059.29)

Table 4 : Provisional Truing-up Summary for FY 2013-14 (Rs. Crore)

Particulars	MYT Order in Case No. 39 of 2013	Petition	Net Entitlement of MSETCL after sharing of gain/(loss)
Operation & Maintenance Expenses	1,334.49	1,107.85	1,254.76
Impact of wage revision	-	298.74	298.74
Depreciation	1,072.61	727.38	727.38
Interest on Long-term Loan Capital	878.22	715.79	715.79
Interest on Working Capital and on consumer security deposits	113.05	114.28	89.97
Other Interest and finance charges	16.60	3.60	3.60
Other Expenses	1.14	26.24	26.24
Income Tax	179.67	587.74	587.74
Contribution to contingency reserves	47.87	45.75	45.75
Total Revenue Expenditure	3,643.65	3,627.37	3,749.96
Return on Equity Capital	782.24*	721.31	721.31
Aggregate Revenue Requirement	4,425.90	4,348.68	4,471.27
Less: Non Tariff Income	199.04	198.69	198.69
Less: Income from Goa & Dadra Nagar wheeling charges	26.30	90.17	90.17
Aggregate Revenue Requirement from Transmission Tariff	4200.55	4059.82	4182.41
(add) Incentive on Transmission Availability of HVAC System	-	60.59	60.59
(add) Incentive on Transmission Availability of HVDC System	-	21.74	21.74
Revenue from Transmission tariff	5152.22	5152.22	5152.22
Revenue (Gap)/surplus for current year	951.67		887.48

* Revised approved as Rs. 784.74 Crore for FY 2013-14 in Review Order in Case No. 79 of 2014

Table 5 : Revised Estimates of Aggregate Revenue Requirement for FY 2014-15 to FY 2015-16 (Rs. Crore)

Particulars	FY 2014-15		FY 2015-16	
	MYT Order in Case No. 39 of 2013	Petition	MYT Order in Case No. 39 of 2013	Petition
Operation & Maintenance Expenses	1,542.12	1,491.09	1,774.95	1,670.22
Impact of wage revision	-	171.52	-	181.98
Depreciation	1,250.94	818.02	1,411.53	922.57
Interest on Long-term Loan Capital	1071.50	793.36	1,222.39	868.42
Interest on Working Capital and on consumer security deposits	112.15	115.84	127.39	127.45
Other Interest and finance charges	18.64	10.96	15.56	12.23
Other Expenses	1.17	6.18	1.19	6.31
Income Tax	179.67	574.60	179.67	212.26
Contribution to contingency reserves	55.72	48.82	64.65	53.27
Total Revenue Expenditure	4,231.90	4,030.38	4,797.34	4,054.71
Return on Equity Capital	886.33*	772.57	983.74*	831.98
Aggregate Revenue Requirement	5,118.23	4,802.94	5,781.08	4886.69

Sd/-
Pratap G. Mohite
Director (Finance)
Maharashtra State Electricity Transmission Co. Ltd.

Particulars	FY 2014-15		FY 2015-16	
	MYT Order in Case No. 39 of 2013	Petition	MYT Order in Case No. 39 of 2013	Petition
Less: Non Tariff Income	208.56	334.85	218.83	342.59
Less: Income from Goa & Dadra Nagar wheeling charges	26.30	90.17	26.30	90.17
Aggregate Revenue Requirement from Transmission Tariff	4883.37	4377.92	5535.95	4,453.93
Revenue from Transmission tariff	5044.19	5044.19	5535.95	5535.95
Revenue (Gap)/surplus for current year	160.82	666.27	-	1082.02

* Revised approved as Rs. 888.83 Crore and Rs. 986.24 Crore for FY 2014-15 & FY 2015-16 respectively in Review Order in Case No. 79 of 2014

Table 6 : MSETCL's Capital Expenditure Plan (Rs. Crore)

S.No	Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
A	Capital expenditure	2302.06	1580.36	1596.74	1805.27
B	Capitalisation	2086.34	1571.52	1837.71	2112.39

Table 7 : Cumulative Revenue (Gap)/Surplus Summary for FY 2015-16 (Rs. Crore)

Particulars	FY 2015-16
Net ARR for FY 2015-16	4453.93
Revenue from Transmission Tariff for FY 2015-16 as approved in InSTS Order	5535.95
Stand Alone (Gap)/Surplus for the year	1082.02
Stand Alone (Gap)/Surplus for FY 2014-15	666.27
Stand Alone (Gap)/Surplus for FY 2013-14	887.48
Impact of past period dis-allowed capitalization	(319.04)
Revenue (Gap)/Surplus for FY 2012-13	(1,059.29)
Impact of revised return on equity & incentive on higher availability on account of Order in Case No. 79 of 2014	(15.48)
Total	1241.96

Table 8: Impact on recovery of MSETCL from Transmission Tariff for FY 2015-16 (Rs. Crore)

Particulars	Contribution (%)	DISCOMs contribution in MSETCL ARR approved in Case No. 123 of 2014	DISCOMs contribution in MSETCL ARR based on current Petition (Case No.207 of 2014)	Difference (Gap)/Surplus
MSEDCL	82.17%	4,548.89	3,528.37	1,020.52
TPC-D	6.37%	352.64	273.53	79.11
RInfra-D	6.60%	365.37	283.40	81.97
BEST	4.86%	269.05	208.69	60.36
Total	100.00%	5535.95	4293.99	1,241.96
Monthly Recovery from Transmission Tariff by MSETCL		461.33	357.83	103.50

The Commission in InSTS Order in Case No. 123 of 2014 has approved the monthly recovery of MSETCL from the Transmission Tariff. Accordingly, based on the revenue (gap)/surplus submitted in this Petition, there is overall reduction of Rs. 103.50 Crore in the per month recovery of transmission tariff from the Distribution Licensees in the State.

2. Copies of the following documents can be obtained on written request from the offices of MSETCL mentioned below:
- Executive Summary of the proposals (free of cost, in Marathi or English)
 - Detailed Petition documents along with CD (in English) (on payment of Rs. 100/- by Cash/DD/Cheque drawn on "Maharashtra State Electricity Transmission Company Limited" payable at Mumbai).
 - Detailed Petition documents (in English) (on payment of Rs. 50/-).
 - CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Details of MSETCL's office address:

Office	Address	Tele / Fax No.	Email
Head Office	Superintending Engineer, STU (R&C), 3rd Floor Prakashganga, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051	022 2659 5177	se.rc.stu@gmail.com
Amravati	The Chief Engineer, EHV CC O&M Zone, Old Power House Premises, Dufferin Hospital Road, Shrikrishna Peth Amravati-446601	0721 2552870 / 2552880	ceamravati@mahatransco.in
Aurangabad	The Chief Engineer, EHV CC O&M Zone, Aurangabad, Old Power House, Near Mill Corner, Dr. Ambedkar Road, Aurangabad-431001	0240 2346291 / 2346288	ceabd@mahatransco.in
Karad	The Chief Engineer, EHV CC O&M Zone, Karad, Administrative Bldg., 1st Floor, At- Vijaynagar, Post- Supane, Taluka- Karad, Dist- Satara- 415114	02164 2255054	cekarad@mahatransco.in
Nagpur	The Chief Engineer, EHV CC O&M Zone, Ingole Bhavan, Faras, Chindwara Road, Nagpur-440030	0712 2596864	cenagpur@mahatransco.in
Nashik	The Chief Engineer, EHV CC O&M Zone, 2nd Floor, Admn Bldg, Old Saikheda Road, Saillanibaba Stop, Jail Road, Nashik Road, Nashik- 422101	0253 2403010	cenashik@mahatransco.in
Pune	The Chief Engineer, EHV CC O&M Zone, Administrative Building, 3rd Floor, Block No. 402, Rasta Peth, Pune- 411011	020 26136106	cepune@mahatransco.in
Vashi	The Chief Engineer, EHV CC O&M Zone Vashi, Admn. Bldg, Plot No. 5, 4th Floor, Sector 17, Vashi, Navi Mumbai- 400703	022 27665994	cevashi@mahatransco.in

3. The Commission has directed MSETCL to invite suggestions and objections from the public on the above Petition through this Notice. Suggestions and objections 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@merc.gov.in] by **9 March, 2015**, along with proof of service on Shri Pratap G Mohite, Director (Finance), Maharashtra State Electricity Transmission Company Limited Prakashganga, C-19, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051.

4. Every person who intends to file suggestions and objections 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 suggestion/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 in **Centrum Hall, First Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005 on Wednesday, 11 March, 2015, at 12:00 Hrs**, for which no separate notice will be given.

5. MSETCL shall reply to each of the suggestions and objections and received within three days of the receipt of the same but not later than **11 March, 2015**, for all the objections and comments / suggestions received till **9 March, 2015**.

6. The detailed Petition document and the Executive Summary are available on MSETCL's website www.mahatransco.in and the executive summary is also available on the website of the Commission www.merc.gov.in/www.mercindia.org.in in downloadable format (free of cost).