

THE MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED

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

Website: www.mahagenco.in

PUBLIC NOTICE

**Suggestions and Objections on Maharashtra State Power Generation Company Limited
Petition for Capital Cost and Tariff Determination of Bhusawal Unit # 4 and Unit # 5 for
FY 2012-13 to FY 2015-16
(Case No. 201 of 2014)**

1. The MAHARASHTRA STATE POWER GENERATION COMPANY LIMITED (MSPGCL) has filed the Petition for Capital cost and Tariff Determination of Bhusawal Unit # 4 and Unit # 5 of 500 MW each for FY 2012-13 to FY 2015-16 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61, 62 and 86 (1) (A) (B) of the Electricity Act, 2003 (Act), Part E of MERC (Terms and Conditions of Tariff) Regulations, 2005 and Part F of MERC (Terms and Conditions of MERC MYT Regulations, 2011. Vide the additional submission dated 17 January, 2015, MSPGCL has filed for true up for FY 2012-13 and FY 2013-14. MERC has admitted the Petition on **13 February, 2015** 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 Bhusawal Unit # 4 and Unit # 5

S. No.	Particulars	Installed Capacity	Estimated Project Cost *	Actual Project Cost
		MW	Rs. Crore	Rs. Crore
1	Bhusawal Unit 4 & 5	1000	6761.45	6730.32

*based on the hard cost discovered through competitive bidding and subsequently approved by Board dated Aug 25, 2014.

The Board had approved the initial cost of the Project Rs. 4124 crores (approval date 28th March 2006).

Table 2: Annual Fixed Charge of Bhusawal Unit # 4 and Unit # 5 (Rs. Crore)

S. No.	Particulars	FY 2012-13 (Actuals)	FY 2013-14 (Actuals)	FY 2014-15 (Estimates)	FY 2015-16 (Projection)
1	Operation & Maintenance Expenses	26.54	67.82	190.84	206.78
2	Depreciation	51.69	237.78	354.44	361.31
3	Interest on Long-term Loan	139.20	427.32	576.45	554.87
4	Interest on Working Capital	20.00	64.95	103.20	110.08
5	Income Tax	0.00	0.00	42.01	44.96
6	Return on Equity Capital	41.52	141.06	200.41	214.50
7	Less: Other Income	0.13	3.85	6.56	4.87
8	Annual Fixed Charge	278.83	935.08	1460.78	1487.64

Table 3: Operational Parameters for Bhusawal Unit # 4 and Unit # 5

S. No.	Particulars	FY 2012-13 (Actuals)	FY 2013-14 (Actuals)	FY 2014-15 (Estimates)	FY 2015-16 (Projection)
1	Capacity (MW)	500	900*	1000	1000
2	No. of days	136	365	365	366
3	Availability (%)	63.12%	59.13%	82.71%	85.00%
4	PLF (%)	63.12%	53.15%	73.95%	85.00%
5	Secondary Fuel Oil Consumption (ml/kWh)	3.83	4.54	0.95	1.00
6	Auxiliary Consumption (%)	9.00%	8.66%	6.97%	6.00%
7	Transit Loss (%)	0.76%	0.73%	0.89%	0.89%
8	Gross Heat rate (kcal/kWh)	2685.10	2691.75	2476.25	2443.11
9	Gross Generation (MU)	908.64	2778.38	5681.07	7466.40
10	Net Generation (MU)	826.83	2537.75	5284.91	7018.42

*Due to ESP Restoration work.

Table 4: Per Unit Variable Charge for Bhusawal Unit # 4 and Unit # 5 (Rs/kWh)

Station/Unit	FY 2012-13* (Actuals)	FY 2013-14 (Actuals)	FY 2014-15 (Estimates)	FY 2015-16 (Projection)
Bhusawal Unit # 4 and Unit # 5	3.63	3.55	3.08	2.55

*MERC Tariff Regulations allow additional heat rate, oil consumption and auxiliary consumption in 2012-13. FY 2013-14 includes stabilisation time for Unit-4

Table 5: Summary of true up for FY 2012-13 after sharing of gains and losses (Rs Crore)

	Particulars	As per Norms	2012-13 (Actuals)	Gap	Net Entitlement after sharing of gains and loss
1	Depreciation		51.69		51.69
2	Advance Against Depreciation		0.00		0.00
3	Operation & Maintenance Expenses	30.29	26.54	3.75	29.04
4	Interest on Long Term Loan		139.20		139.20
5	Interest on Working Capital	19.88	20.00		19.88
6	Return on Equity Capital		41.52		41.52
7	Less: Other Income		0.13		0.13
8	Total Annual Fixed Charges		278.83		281.20
9	Energy Charges	294.00	299.93	-5.93	295.98
	Total ARR				577.18
10	Disallowance due to low availability				71.78
	Net ARR				505.40
	Revenue Billed				449.32
	Gap				-56.08

Note: 1. Since the entire actual interest on working capital loans is considered as part of true-up for existing stations, no sharing of gains and losses has been proposed in this submission
2. Since the entire income tax paid by MSPGCL is considered as part of existing stations, no tax liability has been considered by MSPGCL in the expenses.

Table 6: Summary of true up for FY 2013-14 after sharing of gains and losses (Rs Crore)

S. No.	Particulars	As per Norms	2013-14 (Actuals)	Gap	Net Entitlement after sharing of gains and loss
1	Depreciation		237.78		237.78
2	Advance Against Depreciation				
3	Operation & Maintenance Expenses	109.30	67.82	41.48	95.47
4	Interest on Long Term Loan		427.32		427.32
5	Interest on Working Capital	60.04	64.92		60.04
6	Return on Equity Capital		141.06		141.06
7	Less: Other Income		3.85		3.85
8	Total Annual Fixed Charges		935.05		957.82
9	Energy Charges	803.85	901.70	-97.85	836.47
	Total ARR				1794.29
10	Disallowance due to low availability				286.00
	Net ARR				1508.29
	Revenue Billed				1332.53
	Gap				-175.76

Note: 1. Since the entire actual interest on working capital loans is considered as part of true-up for existing stations, no sharing of gains and losses has been proposed in this submission

2. Since the entire income tax paid by MSPGCL is considered as part of existing stations, no tax liability has been considered by MSPGCL in the expenses.

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 – 262127
4. The Chief Engineer, Khaperkheda TPS, Post-	5. The Chief Engineer, Parli TPS, Parli Vajjanath	6. The Chief Engineer, Bhusawal TPS Post

Khaperkheda, Dist. Nagpur STD Code-07113, Phone-268168, Fax- 268123	Dist. Beed- 431520 STD Code-02446, Phone-222356, Fax-222492	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-234465/66, Fax-234846	9. The Supdtg. Engineer, Small Hydro Power Circle, Prakash Bhavan, plot no.106 opp-Sahara Hotel/ BOB, Senapati Bapat Marg Pune-411016. STD Code- 020, Phone-25630055, 25634917, Fax-25638697
10. The Dy. Chief Engineer, (TIC), Vidyut Bhavan, Katol Road, Nagpur – 440013, STD Code-0712, Phone –2591151, Fax-2591717.		

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@merc.gov.in] by **9 March, 2015**, 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 **Centrum Hall, First Floor, Centre No.1, World Trade Centre on Wednesday, 11 March, 2015, at 11:30 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 **11 March, 2015** for all the objections and comments/suggestions received till **9 March, 2015**. Stakeholders can submit their rejoinders on replies provided by MSPGCL either during the public hearing or latest by **14 March, 2015**.
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.merc.gov.in in downloadable format (free of cost).

Sd/-
Vijay Rathod
Superintending Engineer,
(Regulatory and Commercial
Department)
Maharashtra State Power
Generation Company Ltd.