

THE RELIANCE INFRASTRUCTURE LIMITED - DISTRIBUTION

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Website: www.relianceenergy.in

PUBLIC NOTICE

Suggestions & Objections on RInfra-Distribution Business' Petition for approval of Mid Term Review for Multi Year Tariff (MYT) second Control Period including Truing up for FY 2012-13 and FY 2013-14, Annual Performance Review for FY 2014-15, and Annual Revenue Requirement and determination of Tariff for FY 2015-16 as per MERC (Multi Year Tariff) Regulations, 2011 (Case No. 4 of 2015)

1. THE RELIANCE INFRASTRUCTURE LIMITED's Distribution Business (RInfra-D) has filed the Petition for approval of Mid Term Review for Multi Year Tariff (MYT) second Control Period including Truing up for FY 2012-13 and FY 2013-14, Annual Performance Review for FY 2014-15, and Annual Revenue Requirement and determination of Tariff for FY 2015-16 as per MERC (Multi Year Tariff) Regulations, 2011 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61 and 62 of the Electricity Act, 2003 (Act) and Regulation 11 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. The Commission has admitted the Petition on **13 February, 2015** and directed RInfra-D to publish a Public Notice under Section 64(2) of the Act.

Truing-Up for FY 2012-13 and FY 2013-14

2. The summary of combined ARR for Wires & Retail Supply Business for FY 2012-13 and FY 2013-14 based on audited values and comparison with the values approved by the Commission in the MYT Order, is shown below:

Table 1: Aggregate Revenue Requirement of RInfra-D

(Rs. Crore)

Sl. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Audited / Normative	Approved in the MYT Order	Audited / Normative
1	Power Purchase Expenses	3,559.57	3,563.92	3,262.37	3,089.37
2	Operation & Maintenance Expenses	942.63	971.50	913.18	925.09
2.1	Employee Expenses		592.49		554.50
2.2	Administration & General Expenses		153.93		166.94
2.3	Repair & Maintenance Expenses		225.07		203.66
3	Depreciation	182.41	177.60	199.70	186.01
4	Interest on Long-term Loan Capital	127.89	151.58	133.38	147.47
5	Interest on Working Capital and on consumer security deposits	91.80	85.08	97.54	94.89
6	Provisioning for Bad & Doubtful Debts	-	9.33	-	12.45
7	Other Expenses	-	-	-	-
8	Income Tax	-	-	-	117.52
9	Transmission Charges - intra-State	265.39	261.37	428.11	428.16
10	Contribution to contingency reserves	10.36	10.36	11.23	10.77
11	Total Revenue Expenditure	5,180.05	5,230.74	5,045.51	5,011.74
12	Return on Equity Capital	254.99	250.60	270.49	260.31
13	Aggregate Revenue Requirement	5,435.04	5,481.34	5,316.00	5,272.04
14	Less: Non Tariff Income	183.17	172.12	195.00	175.96

Sl. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Audited / Normative	Approved in the MYT Order	Audited / Normative
15	Less: Income from Other Business	0.25	0.17	0.25	0.49
16	Add: TPC-G Charge	-	-	165.68	165.68
17	Add: Interest on FAC	-	-	2.96	3.81
18	Additional Returns due to Wires/Supply Availability	-	9.67	-	9.62
19	Net Aggregate Revenue Requirement	5,251.62	5,318.72	5,289.39	5,274.71
20	Sales (MU)	6,192.32	6,207.18	6,593.68	6,467.96
21	Average Cost of Supply (Rs./kWh)	8.48	8.57	8.02	8.16

3. Table 2: Energy Sales in FY 2012-13

(MU)

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
1	LT I - Below Poverty Line	0.04	0.04	942.45	0.00
	LT -I Residential (Single Phase)	-	-		-
2	0-100	1,830.72	1,830.77		234.98
3	101-300	1,062.35	1,062.36		169.99
4	301-500	131.00	131.00		43.06
5	500and above	43.94	43.94		40.92
	LT -I Residential Three phase	-	-		-
6	0-100	198.08	198.14		86.14
7	101-300	283.77	283.89		130.32
8	301-500	132.94	133.01		71.06
9	500and above	215.19	215.19	176.86	
10	LT II (a) - 0-20 kW	1,255.41	1,258.29	915.90	416.55
11	LT II (b) - 20-50 kW	129.94	131.77		109.77
12	LT II (c) - above 50 kW	210.63	220.17		388.16
13	LT III - LT Industrial upto 20 kW	118.86	118.86	369.24	62.44
14	LT IV - LT Industrial above 20 kW	179.16	179.16		310.37
15	LT-V : LT- Advertisements and Hoardings	3.17	3.17	0.16	0.17
16	LT VI: LT -Street Lights	56.38	56.38	-	-
17	LT-VII (A): LT -Temporary Supply Religious	1.66	1.66	-	-
18	LT-VII (B): LT -Temporary Supply Others	91.03	91.36	0.80	0.79
19	LT VIII: LT - Crematorium & Burial Grounds	0.83	0.83	-	0.32
20	LT IX: LT -Agriculture	0.05	0.05	-	-
21	LT X: LT -Public Service	-	-	-	-
22	Total- LT Sales	5,945.15	5,960.02	2,228.55	2,241.90

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
23	HT I: HT-Industry	83.31	83.31	281.66	278.96
24	HTII : HT- Commercial	136.83	136.83	563.51	576.70
25	HT III: HT-Group Housing Society	23.05	23.05	16.79	16.64
26	HTIV : HT - Temporary Supply	3.97	3.97	0.18	0.17
27	HT V - Railway	-	-	-	-
28	HT VI - Public Service	-	-	-	-
29	Total - HT Sales	247.16	247.16	862.13	872.47
30	Total	6,192.32	6,207.18	3,090.69	3,114.37

**The changeover sales approved for FY 2012-13 in the MYT Order was 3,328.14 MU (grossed up). The approved changeover sales (metered) for FY 2012-13 by grossing down 3,328.14 MU becomes 3,090.69 MU*

4. Table 3: Energy Sales for FY 2013-14

(MU)

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
1	LT I - Below Poverty Line	0.04	0.03		0.00
	LT -I Residential (Single Phase)	-	-		-
2	0-100	1,788.26	1,736.99		347.31
3	101-300	1,116.92	993.61		237.12
4	301-500	173.65	119.69		43.53
5	500and above	61.79	39.53	1,034.18	32.45
	LT -I Residential Three phase	-	-		-
6	0-100	195.17	200.46		94.35
7	101-300	286.17	286.85		142.76
8	301-500	151.06	132.65		72.23
9	500and above	246.92	219.36		172.59
10	LT II (a) - 0-20 kW	1,343.51	1,276.92		403.36
11	LT II (b) - 20-50 kW	141.20	146.14	974.33	96.10
12	LT II (c) - above 50 kW	233.99	278.61		326.22
13	LT III - LT Industrial upto 20 kW	123.65	121.09	372.13	60.57
14	LT IV - LT Industrial above 20 kW	191.30	222.05		238.82
15	LT-V : LT- Advertisements and Hoardings	3.23	3.14	0.16	0.13
16	LT VI: LT -Street Lights	57.73	57.28	-	-
17	LT-VII (A): LT -Temporary Supply Religious	1.04	1.71	-	-
18	LT-VII (B): LT -Temporary Supply Others	94.93	85.66	0.80	0.40
19	LT VIII: LT - Crematorium & Burial Grounds	0.88	0.82	-	0.36
20	LT IX: LT -Agriculture	0.04	0.05	-	-

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
21	LT X: LT -Public Service	-	8.01	-	0.23
22	Total- LT Sales	6,211.67	5,930.66	2,381.60	2,268.52
23	HT I: HT-Industry	83.30	181.59	301.12	163.31
24	HTII : HT- Commercial	214.25	289.12	593.80	393.83
25	HT III: HT-Group Housing Society	22.49	28.27	16.79	15.12
26	HTIV : HT - Temporary Supply	4.17	3.24	0.18	0.03
27	HT V - Railway	57.80	5.87	-	-
28	HT VI - Public Service	-	29.22	-	2.55
29	Total - HT Sales	382.01	537.30	911.89	574.85
30	Total	6,593.68	6,467.96	3,293.49	2,843.37

* The changeover sales approved for FY 2013-14 in the MYT Order was 3,547.07 MU (grossed up). The approved changeover sales (metered) for FY 2013-14 by grossing down 3,547.07 MU becomes 3,293.49 MU

5. Table 4: Revenue in FY 2012-13 & FY 2013-14

(Rs. Crore)

Sr. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Audited	Approved in the MYT Order	Audited
1	Revenue from Sale of Power	4,441.62	4,421.69	4,663.85	4,747.59
2	Revenue from Wheeling Charges from Changeover Consumers	256.00	258.79	377.90	296.15
3	Revenue from CSS	98.70	99.20	818.80	288.74
4	Revenue from Regulatory Asset Charges			924.82	497.73
5	Total	4,796.32	4,779.68	6,785.37	5,830.21

6. Table 5: Energy Balance in FY 2012-13 & FY 2013-14

Sr. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
1	Energy Sold (MU) by RInfra-D	6,192.32	6,207.18	6,593.68	6,467.96
2	Consumption (MU) by Changeover consumers	3,090.69	3,114.37	3,293.49	2,843.37
3	Consumption (MU) by OA consumers	-	13.58	-	9.92
4	Total (MU)	9,283.01	9,335.13	9,887.17	9,321.25
5	Distribution Loss (%)	9.46%	9.49%	9.46%	9.50%
6	Energy Input (MU) at T<>D	10,252.94	10,313.36	10,920.22	10,299.44
7	Migrated HT Sales + OA consumption	862.13	886.05	911.89	584.77

Sr. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
	(MU)				
8	HT Loss	1.94%	1.94%	1.94%	1.94%
9	HT grossed up energy at T-D boundary (MU)	879.19	903.58	929.93	596.34
10	Migrated LT sale (MU)	2,228.55	2,241.90	2,381.60	2,268.52
11	LT loss	9.00%	9.00%	9.00%	9.00%
12	LT grossed up energy at T-D boundary (MU)	2,448.96	2,463.62	2,617.14	2,492.88
13	Total T-D energy attributable to TPC-D sale & OA consumption (MU)	3,328.15	3,367.20	3,547.07	3,089.21
14	Net T-D energy attributable to RInfra-D sale (MU)	6,924.79	6,946.15	7,373.15	7,210.22
15	InSTS losses %	5.59%	5.18%	4.17%	4.09%
16	Total requirement of RInfra-D at G-T (MU)	7,334.57	7,325.95	7,693.99	7,517.52

7. Table 6: Power Purchase Cost in FY 2012-13

Sr. No.	Particulars	Approved in MYT Order			Actual		
		Quantum (MU)	Cost (Rs. Crore)	Rate	Quantum (MU)	Cost (Rs. Crore)	Rate
1	DTPS	3,994.95	1,370.28	3.43	3,994.95	1,361.66	3.41
2	WPCL	2,039.49	1,001.85	4.91	2,039.49	1,000.36	4.90
3	Abhijeet MADC	441.97	204.27	4.62	441.97	204.25	4.62
4	VIPL	1,001.05	510.05	5.10	1,001.05	510.05	5.10
5	Renewable	196.22	163.48	8.33	196.22	163.46	8.33
6	REC	-	90.81		-	90.81	
7	Banking Return	55.79	26.44	4.74	29.68	15.06	5.07
8	Short Term Purchase	447.45	167.98	3.75	473.55	179.85	3.80
9	Surplus Power	(842.34)	(197.70)	2.35	(850.97)	(183.69)	2.16
10	Standby Charges		221.06			221.06	
11	SLDC Charges		1.05			1.05	
12	Transmission Charges		265.39			261.37	
13	Total	7,334.58	3,824.96	5.21	7,325.95	3,825.29	5.22

8. Table 7: Power Purchase Cost in FY 2013-14

Sr. No.	Particulars	Approved in MYT Order			Actual		
		Quantum (MU)	Cost (Rs. Crore)	Rate	Quantum (MU)	Cost (Rs. Crore)	Rate
1	DTPS	3,787.60	1,309.68	3.46	3,738.81	1,325.41	3.54
2	WPCL	1,935.96	793.68	4.10	1,489.99	508.65	3.41
3	Abhijeet MADC	409.53	177.94	4.34	420.91	180.41	4.29
4	VIPL	997.76	511.75	5.13	994.82	506.71	5.09
5	Renewable	264.82	175.23	6.62	288.89	227.41	7.87

Sr. No.	Particulars	Approved in MYT Order			Actual		
		Quantum (MU)	Cost (Rs. Crore)	Rate	Quantum (MU)	Cost (Rs. Crore)	Rate
6	REC	-	65.00		-	63.66	
7	Short Term Purchase	746.44	280.22	3.75	883.82	289.29	3.27
8	Surplus Power	(448.13)	(111.88)	2.50	(299.72)	(73.44)	2.45
9	Standby Charges		59.64			59.64	
10	SLDC Charges		1.10			1.64	
11	Transmission Charges		428.11			428.11	
12	Total	7,693.98	3,690.48	4.80	7,517.52	3,517.53	4.68

9. Table 8: Operational Parameters in FY 2012-13 & FY 2013-14

Sr. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
1	Distribution Loss (%)	9.46%	9.49%	9.46%	9.50%
2	Collection Efficiency (%)	-	100%	-	100%

10. Table 9: RInfra-D's Capital Expenditure and Capitalisation in FY 2012-13 & FY 2013-14 (Rs. Crore)

Sr. No.	Particulars	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Actual	Approved in the MYT Order	Actual
1	Capital Expenditure				
1.1	DPR Projects	-	159.09	-	248.14
1.2	Non DPR Projects	-	24.67	-	4.79
	Total	-	183.76	-	252.92
2	Capitalisation				
2.1	DPR Projects		180.91		288.85
2.2	Non DPR Projects		18.57		14.60
	Total	362.96	199.47	361.45	303.45

Revised Projections for FY 2014-15 and FY 2015-16

11. RInfra-D has made revised projections for ARR for FY 2014-15 and FY 2015-16 from those approved by the Commission in the MYT Order dated August 22, 2013.

12. Table 10: Aggregate Revenue Requirement of RInfra-D for FY 2014-15 & FY 2015-16

(Rs. Crore)

Sl. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved in the MYT Order	Revised	Approved in the MYT Order	Revised
1	Power Purchase Expenses	3,197.69	4,693.30	3,349.77	4,386.10
2	Operation & Maintenance Expenses	971.17	1,023.29	1,032.86	1,112.29
2.1	<i>Employee Expenses</i>		610.06		671.19
2.2	<i>Administration & General Expenses</i>		180.69		195.58
2.3	<i>Repair & Maintenance Expenses</i>		232.54		245.52
3	Depreciation	219.14	202.64	240.99	213.34
4	Interest on Long-term Loan Capital	138.91	150.62	146.59	165.08
5	Interest on Working Capital and on consumer security deposits	90.91	103.76	82.12	125.72
6	Provisioning for Bad & Doubtful Debts	-	13.96	-	13.96
7	Other Expenses	-	-	-	-
8	Income Tax	-	117.52	-	117.52
9	Transmission Charges - intra-State	390.27	431.07	453.23	505.53
10	Contribution to contingency reserves	12.10	11.48	13.11	12.26
11	Total Revenue Expenditure	5,020.19	6,747.64	5,318.68	6,651.80
12	Return on Equity Capital	287.19	271.72	306.78	289.22
13	Aggregate Revenue Requirement	5,307.38	7,019.36	5,625.46	6,941.01
14	Less: Non Tariff Income	207.64	188.21	224.52	198.69
15	Less: Income from Other Business	0.42	0.44	0.56	0.44
16	Add: Interest on FAC	-	3.14	-	-
17	Net Aggregate Revenue Requirement	5,099.32	6,833.84	5,400.38	6,741.89

13. Table 11: Category-wise Sales Projections for FY 2014-15

(MU)

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Revised	Approved in the MYT Order*	Revised
1	LT I - Below Poverty Line	0.05	0.02		0.00
	LT -I Residential (Single Phase)	-	-		-
2	0-100	1,817.57	1,604.73		405.27
3	101-300	1,077.43	1,016.51		384.92
4	301-500	179.99	154.44		68.80
5	500and above	64.71	52.26	1,217.63	26.07
	LT -I Residential Three phase	-	-		-
6	0-100	200.36	198.10		90.66
7	101-300	287.09	295.88		147.92
8	301-500	156.39	151.80		83.35
9	500and above	257.60	270.07		150.23
10	LT II (a) - 0-20 kW	1,412.06	1,457.36		244.92
11	LT II (b) - 20-50 kW	150.00	202.08	1,036.50	49.50
12	LT II (c) - above 50 kW	253.45	453.46		146.16

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Revised	Approved in the MYT Order*	Revised
13	LT III - LT Industrial upto 20 kW	127.36	138.47	375.03	45.03
14	LT IV - LT Industrial above 20 kW	198.44	367.94		78.54
15	LT-V : LT- Advertisements and Hoardings	3.40	3.20	0.16	0.02
16	LT VI: LT -Street Lights	58.96	55.89	-	-
17	LT-VII (A): LT -Temporary Supply Religious	1.08	2.56	-	-
18	LT-VII (B): LT -Temporary Supply Others	98.26	83.58	0.80	0.15
19	LT VIII: LT - Crematorium & Burial Grounds	0.90	0.57	-	0.30
20	LT IX: LT -Agriculture	0.04	0.10	-	-
21	LT X: LT -Public Service	-	40.14	-	0.29
22	Total- LT Sales	6,345.36	6,549.17	2,630.13	1,922.12
23	HT I: HT-Industry	85.37	312.82	321.94	12.57
24	HTII : HT- Commercial	274.59	586.62	625.72	22.96
25	HT III: HT-Group Housing Society	22.96	41.56	16.79	5.30
26	HTIV : HT - Temporary Supply	4.25	6.09	0.18	-
27	HT V - Railway	57.80	17.42	-	-
28	HT VI - Public Service	-	102.71	-	-
29	Total - HT Sales	444.97	1,067.22	964.63	40.82
30	Total	6,790.34	7,618.79	3,594.75	1,962.94

*The Changeover sales for FY 2014-15 approved in the MYT Order was 3,873.95 MU (grossed up). Metered changeover sales by grossing down 3,873.95 MU becomes 3,594.75 MU.

14. Table 12: Category-wise Sales Projections for FY 2015-16

(MU)

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Revised	Approved in the MYT Order*	Revised
1	LT I - Below Poverty Line	0.05	0.02	1,401.09	0.00
	LT -I Residential (Single Phase)	-	-		-
2	0-100	1,847.94	1,539.99		526.84
3	101-300	1,036.34	1,007.06		434.18
4	301-500	186.59	177.07		52.57
5	500and above	67.74	64.56		16.03
	LT -I Residential Three phase	-	-		-
6	0-100	205.75	198.14		98.80
7	101-300	288.04	302.87		153.52
8	301-500	161.93	165.72		76.12
9	500and above	268.66	303.64		128.70
10	LT II (a) - 0-20 kW	1,483.80	1,577.25		1,102.64
11	LT II (b) - 20-50 kW	159.23	226.78	29.66	
12	LT II (c) - above 50 kW	274.34	544.34	75.02	

Sr. No.	Consumer Category	Own Sales		Changeover Sales	
		Approved in the MYT Order	Revised	Approved in the MYT Order*	Revised
13	LT III - LT Industrial upto 20 kW	131.18	155.12	377.96	33.19
14	LT IV - LT Industrial above 20 kW	205.81	431.09		37.94
15	LT-V : LT- Advertisements and Hoardings	3.59	3.35	0.16	0.01
16	LT VI: LT -Street Lights	60.23	56.83	-	-
17	LT-VII (A): LT -Temporary Supply Religious	1.12	2.63	-	-
18	LT-VII (B): LT -Temporary Supply Others	101.70	86.12	0.80	0.12
19	LT VIII: LT - Crematorium & Burial Grounds	0.94	0.59	-	0.33
20	LT IX: LT -Agriculture	0.05	0.10	-	-
21	LT X: LT -Public Service	-	42.11	-	-
22	Total- LT Sales	6,485.03	6,885.37	2,882.65	1,858.58
23	HT I: HT-Industry	87.49	318.61	344.19	10.22
24	HTII : HT- Commercial	341.21	630.95	659.36	9.91
25	HT III: HT-Group Housing Society	23.45	46.65	16.79	3.06
26	HTIV : HT - Temporary Supply	4.34	6.28	0.18	-
27	HT V - Railway	78.40	18.31	-	-
28	HT VI - Public Service	-	107.98	-	-
29	Total - HT Sales	534.88	1,128.79	1,020.51	23.19
30	Total	7,019.92	8,014.16	3,903.16	1,881.77

*The Changeover sales for FY 2015-16 approved in the MYT Order was 4,208.44 MU (grossed up). Metered changeover sales by grossing down 4,208.44 MU becomes 3,903.16 MU.

15. Table 13: Projected Revenue for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	FY 2014-15	
		Approved in the MYT Order	Revised
1	Revenue from Sale of Power	4,191.32	5,799.41
2	Revenue from Wheeling Charges from Changeover Consumers	421.30	265.41
3	Revenue from CSS	895.90	222.04
4	Revenue from Regulatory Asset Charges	924.82	877.87
5	Total	6,433.34	7,164.72

16. Table 14: Projected Energy Balance for FY 2014-15 & FY 2015-16

Sr. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved in the MYT Order	Revised	Approved in the MYT Order	Revised
1	Energy Sold (MU) by RInfra-D	6,790.34	7,616.39	7,020.09	8,014.16
2	Consumption (MU) by Changeover consumers	3,594.75	1,962.95	3,903.16	1,881.77

Sr. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved in the MYT Order	Revised	Approved in the MYT Order	Revised
3	Consumption (MU) by OA consumers	-	11.64	-	11.64
4	Total (MU)	10,385.09	9,590.98	10,923.25	9,907.58
5	Distribution Loss (%)	9.41%	9.41%	9.36%	9.36%
6	Energy Input (MU) at T\leftrightarrowD	11,463.84	10,587.24	12,051.25	10,930.69
7	Migrated HT Sales + OA consumption (MU)	964.63	52.47	1,020.51	34.83
8	HT Loss	1.94%	1.94%	1.94%	1.88%
9	HT grossed up energy at T-D boundary (MU)	983.71	53.51	1,040.70	35.50
10	Migrated LT sale (MU)	2,630.13	1,922.12	2,882.65	1,858.58
11	LT loss	9.00%	9.00%	9.00%	9.90%
12	LT grossed up energy at T-D boundary (MU)	2,890.25	2,112.22	3,167.75	2,062.80
13	Total T-D energy attributable to TPC-D sale & OA consumption (MU)	3,873.96	2,165.73	4,208.45	2,098.30
14	Net T-D energy attributable to RInfra-D sale (MU)	7,589.88	8,421.51	7,842.80	8,832.39
15	InSTS losses %	4.17%	3.94%	4.17%	4.08%
16	Total requirement of RInfra-D at G-T (MU)	7,920.15	8,767.22	8,184.08	9,208.08

17. Table 15: Projected Power Purchase Cost for FY 2014-15

(Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order			Actual		
		Quantum (MU)	Cost (Rs. Crore)	Rate	Quantum (MU)	Cost (Rs. Crore)	Rate
1	DTSPS	3,787.60	1,400.66	3.70	4,032.51	1,464.87	3.63
2	VIPL	4,047.82	1,384.87	3.42	3,445.69	2,048.06	5.94
3	TPC Unit 6	-	-	-	188.41	252.18	13.38
4	WPCL	-	-	-	-	95.00	
5	Renewable	265.95	179.19	6.74	285.85	230.12	8.05
6	REC		67.92			80.40	
7	Short Term Purchase	493.34	185.21	3.75	1,271.01	483.13	3.80
8	Surplus Sale	(674.58)	(158.32)	2.35	(456.25)	(99.50)	2.18
9	Standby Charges		137.00			137.00	
10	SLDC Charges		1.16			2.04	
11	Transmission Charges		390.27			431.07	
12	Total	7,920.15	3,587.96	4.53	8,767.22	5,124.37	5.84

18. Table 16: Projected Power Purchase Cost for FY 2015-16

(Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order			Actual		
		Quantum (MU)	Cost (Rs. Crore)	Rate	Quantum (MU)	Cost (Rs. Crore)	Rate
1	DTPS	3,798.13	1,449.27	3.82	3,802.80	1,626.02	4.28
2	VIPL	4,058.91	1,404.58	3.46	4,070.83	1,793.33	4.41
5	Renewable	267.87	183.78	6.86	285.85	231.94	8.11
6	REC		71.24			86.10	
7	Short Term Purchase	631.09	236.92	3.75	1,527.52	611.01	4.00
8	Surplus Sale	(571.94)	(134.23)	2.35	(478.94)	(106.02)	2.21
9	Standby Charges		137.00			141.48	
10	SLDC Charges		1.22			2.24	
11	Transmission Charges		453.23			505.53	
12	Total	8,184.07	3,803.00	4.65	9,208.08	4,891.63	5.31

19. Table 17: Projected Capital Expenditure and Capitalisation for the Wire Business for the period from FY 2012-13 to FY 2015-16 (Rs. Crore)

Sr. No.	Particulars	FY 2014-15		FY 2015-16	
		Approved in the MYT Order	Revised	Approved in the MYT Order	Revised
1	Capital Expenditure				
1.1	DPR Projects	-	266.93	-	377.27
1.2	Non DPR Projects	-	25.25	-	27.84
	Total	-	292.19	-	405.12
2	Capitalisation				
2.1	DPR Projects		296.44		377.64
2.2	Non DPR Projects		26.51		31.48
	Total	416.81	322.95	490.42	409.12

Revenue Gap

20. Table 18: Revenue Gap for Wires Business (Rs. Crore)

Sr. No.	Particulars	FY 2012-13	FY 2013-14	FY 2014-15
1	ARR for Wires Business	1,198.19	1,218.68	1,289.68
2	Less : Revenue from Wheeling Charges from Changeover Consumers	258.79	296.15	265.41
3	Net ARR for Wires Business	939.40	922.52	1,024.27
4	Revenue from Wheeling Charges from Own Consumers	535.85	663.98	879.69
5	Revenue Gap / (Surplus)	403.55	258.54	144.58

21. Table 19: Revenue Gap for Retail Supply Business (Rs. Crore)

Sr. No.	Particulars	FY 2012-13	FY 2013-14	FY 2014-15
1	ARR for Retail Business	4,120.52	4,056.03	5,544.16
2	Less: Revenue from CSS	99.20	288.74	222.04
3	Net ARR for Retail Business	4,021.32	3,767.30	5,322.12
4	Revenue from Sale of Power	3,885.83	4,083.61	4,919.72
5	Revenue Gap / (Surplus)	135.49	(316.31)	402.39

22. Table 20: Impact of ATE Judgments

Sr. No.	Particulars	Rs. Crore
1	Wires Business	75.66
2	Retail Business	219.76
3	Total	295.42

RInfra-D has claimed the impact of various Judgements of Hon'ble ATE. The issues are briefly explained below:

a. Income Tax for FY 2009-10, FY 2010-11 and FY 2011-12-

The Hon'ble Commission had approved the income tax for FY 2009-10, FY 2010-11 and FY 2011-12 for RInfra-D in its previous Orders based on segmental allocation of revenue and expenses and allocating the total tax paid by RInfra as a whole over the different segments in proportion of taxable income so arrived at through segmental allocation. RInfra-D has preferred Appeals before the Hon'ble ATE against these Orders of the Hon'ble Commission, which are pending. However, RInfra-G and RInfra-T had preferred Appeals on the same issue before the Hon'ble ATE (Appeal No. 138 & 139 of 2012), the Judgment of which has been issued by the Hon'ble ATE on 2nd December 2013. The Judgment holds that the income tax should be allowed by considering the Profit Before Tax of each stand alone regulated business by considering revenues and allowable expenses. Accordingly, RInfra-D has claimed the difference in income tax allowable if computed on standalone basis and income tax allowed by the Commission in previous Orders for FY 2009-10, FY 2010-11 and FY 2011-12, as additional allowance to be recovered along with ARR of FY 15-16. The amount on account of differential of income tax from FY 2009-10 to FY 2011-12 is Rs. 100 Crore.

b. Interest on Long Term Loans for FY 2011-12-

The Hon'ble Commission while approving the ARR for FY 2011-12 for RInfra-D, had allowed the market reflective debt of 11.50% for new loans taken during FY 2011-12. However, the Hon'ble Commission did not allow resetting of interest rate for opening balance of loans as on 1st April 2011 to take into account market reflective debt for loans as on 1st April 2011. RInfra-D has raised this issue in its Appeal before the Hon'ble ATE, which is pending. However, similar issue of not allowing interest expenses on existing normative loans by considering prevailing cost of debt was raised by RInfra-G and RInfra-T (in Appeal No. 138 & 139 of 2012), the Judgment of which has been issued by the Hon'ble ATE on 2nd December 2013. The Judgment holds that the interest allowable on normative loans should be in line with the interest rates of loans available in the market. Accordingly RInfra-D has recomputed the interest expenses allowable to RInfra-D in FY 2011-12 by considering the interest rate for normative portion of its loans as equal to the weighted average rate of interest of actual loans pertaining to distribution business of RInfra. The amount on account of differential of interest expenses for FY 2011-12 is Rs. 27.99 Crore.

c. Interest on Delayed Payment in FY 2008-09

The Hon'ble Commission, while truing up the accounts of RInfra-D for FY 2008-09 in Case No. 72 of 2010, had double counted interest on delayed payment in Non-tariff Income for FY 2008-09. RInfra-D had raised this issue before the Hon'ble ATE, the Judgment of which is issued on 14th

November 2013 and the Hon'ble ATE has allowed this issue in favour of RInfra-D. The amount of interest on delayed payment, which was double counted was Rs. 6.68 Crore.

The impact on account of above Judgements along with carrying cost up to FY 2015-16 is shown in the above table.

23. Cumulative Revenue Gap

The cumulative revenue gap upto FY 2015-16 is shown in the table below:

Table 21: Cumulative Revenue Gap for FY 2015-16

Particulars	Retail Business	Wires Business	Total
Impact of Hon'ble ATE Judgments with carrying cost	219.76	75.66	295.42
Revenue Gap of FY 2012-13 and FY 2013-14 with carrying cost	(212.74)	952.61	739.87
Provisional Revenue Gap of FY 2014-15 (without carrying cost)	403.39	144.59	546.98
Total	469.41	1,172.86	1,582.27

Tariff Proposal of RInfra-D

24. Tariff Philosophy

RInfra-D has proposed to recover the cumulative revenue gap up to the close of FY 2014-15 by way of increase of retail tariffs in FY 2015-16. RInfra-D realizes that there would be significant increase in retail tariffs for FY 2015-16. However the increase lasts only for a period of one year and thereafter the retail tariffs would not only drop but also show nominal changes due to year on year cost variations only. The proposal is also in the interest of consumers because if the cumulative revenue gap is deferred for recovery over a longer future period, it will accumulate interest cost (carrying cost) over time, while also burdening future consumers with past costs. RInfra-D submits that it is already recovering Regulatory Assets as approved by the Hon'ble Commission over six years commencing from FY 2013-14 and lasting up to FY 2018-19. Hence, deferment of further revenue gap over future years would only amount to creating more Regulatory Assets, which is undesirable.

With this background, RInfra-D proposes the following principles of design of the revised tariffs for FY 2015-16:

1. Retail Tariff of 0-100 units and 101-300 units residential consumers is increased at a lower rate as compared to the other categories. This results in an increase of cross-subsidy for these two slabs (i.e. new ABR/ACoS % < existing ABR/ACoS %). However, this distortion has been made up by increasing the tariffs of higher slabs of residential category (i.e. >300 units), so that the cross-subsidy for the LT Residential category as a whole is maintained at almost the same level as existing. RInfra-D submits that the increase in tariffs of consumers consuming more than 300 units would not be as much due to the telescopic benefit available from lower slabs.
2. It is ensured in tariff design that the cross-subsidy measured as % of ABR/ACoS reduces from existing levels for categories having the present ratio more than 100% and increases for categories, where present ratio is less than 100%.
3. No change is proposed in the fixed charges or demand charges of any category and the increase required is adjusted through changes in Energy Charges
4. In view of the drop expected in the marginal cost of power purchase in FY 2015-16 than that prevalent in FY 2014-15, tariffs of LT Temporary Supply (Other than Religious) and HT Temporary supply have been reduced from the present levels.
5. Tariff of HT Public Service category have been kept lower than the LT Public Service category, based on the philosophy that tariffs for consumers availing supply at higher voltage level should be lower than that for consumers availing supply at lower voltage levels.

As stated above, RInfra-D's proposal for retail tariffs for FY 2015-16 includes recovery of all past revenue gap, (including the provisional revenue gap of FY 2014-15) and the projected ARR of FY 2015-16. RInfra-D understands that proposing recovery of large revenue gap in one year would cause significant rise in tariffs during FY 2015-16 and hence RInfra-D has attempted to soften the impact of tariff on small and marginal consumers of LT Residential category, i.e., consumers consuming up to 300 units /month.

25. Proposed Customer Categories

RInfra-D has not proposed any new customer category in the Petition, i.e., RInfra-D has proposed to continue with the prevailing customer categories, as approved by the Hon'ble Commission in RInfra-D's MYT Order dated 22nd August 2013.

26. Tariff Proposal

Considering the tariff philosophy suggested above, revised tariff has been proposed. Comparison of existing and proposed tariff is shown in the table below:

Table 22: Proposed Wheeling Charges for FY 2015-16

Sr. No.	Voltage Level	Existing (Rs./kWh)	Proposed (Rs./kWh)
1	HT	0.64	1.42
2	LT	1.24	2.73

Table 23: Proposed Retail Tariff for FY 2015-16

Customer Category	Fixed Charges (Rs./Consumer/ Month)			Demand Charges (Rs./kVA/Month)			Energy Charges (Rs./kWh)			Wheeling Charges (Rs./kWh)		
	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed
LT I - BPL	5	5	-	-	-	-	0.53	0.30	-44%	1.24	2.73	120%
LT -I (Single Phase)												
0-100	40	40	-	-	-	-	2.86	1.85	-35%	1.24	2.73	120%
101-300	75	75	-	-	-	-	4.69	4.25	-9%	1.24	2.73	120%
301-500	75	75	-	-	-	-	5.65	7.65	35%	1.24	2.73	120%
500and above	100	100	-	-	-	-	8.04	10.17	26%	1.24	2.73	120%
LT -I (Three phase)												
0-100	40	40	-	-	-	-	2.87	1.85	-35%	1.24	2.73	120%
101-300	75	75	-	-	-	-	4.66	4.25	-9%	1.24	2.73	120%
301-500	75	75	-	-	-	-	5.62	7.65	36%	1.24	2.73	120%
500and	100	100	-	-	-	-	8.02	10.17	27%	1.24	2.73	120%

Customer Category	Fixed Charges (Rs./Consumer/Month)			Demand Charges (Rs./kVA/Month)			Energy Charges (Rs./kWh)			Wheeling Charges (Rs./kWh)		
	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed	Existing	Proposed	% Increase proposed
above												%
LT II (a)	250	250	-	-	-	-	7.02	8.00	14%	1.24	2.73	120%
LT II (b)	-	-	-	200	200	-	9.22	9.00	-2%	1.24	2.73	120%
LT II (c)	-	-	-	200	200	-	9.84	9.80	0%	1.24	2.73	120%
LT III	250	250	-	-	-	-	7.01	7.25	3%	1.24	2.73	120%
LT IV	-	-	-	200	200	-	6.76	7.15	6%	1.24	2.73	120%
LT-V	400	400	-	-	-	-	17.22	17.85	4%	1.24	2.73	120%
LT VI	-	-	-	200	200	-	7.38	8.00	8%	1.24	2.73	120%
LT-VII (A)	200	200	-	-	-	-	5.53	6.00	8%	1.24	2.73	120%
LT-VII (B)	200	200	-	-	-	-	18.20	10.20	-44%	1.24	2.73	120%
LT VIII	200	200	-	-	-	-	4.84	5.40	12%	1.24	2.73	120%
LT IX	20	20	-	-	-	-	1.00	1.00	0%	1.24	2.73	120%
LT X	250	250	-	-	-	-	7.04	7.50	6%	1.24	2.73	120%
							-					
HT I	-	-	-	200	200	-	7.36	8.35	13%	0.64	1.42	122%
HTII	-	-	-	200	200	-	9.20	10.10	10%	0.64	1.42	122%
HT III	-	-	-	200	200	-	6.60	7.80	18%	0.64	1.42	122%
HTIV	200	200	-	-	-	-	12.71	10.10	-21%	0.64	1.42	122%
HT V	-	-	-	200	200	-	8.27	8.80	6%	0.64	1.42	122%
HT VI	-	-	-	200	200	-	8.27	8.30	0%	0.64	1.42	122%

***Existing Energy Charges includes prevailing Fuel Adjustment Charges (FAC).**

RInfra-D proposes to continue with the Regulatory Asset Charge (RAC) approved by the Hon'ble Commission for FY 2015-16 in RInfra-D's MYT Order, which shall be in addition to the retail tariffs proposed above. The comparison of existing and approved total variable charge (including the RAC) is shown in table below:

Table 24: Proposed Total Variable Charges for FY 2015-16

Sr. No.	Particulars	Total Variable Charge (Existing) - including RAC approved for FY 2014-15	Total Variable Charge (Proposed) - including RAC approved for FY 2015-16	% Change
1	LT I - Below Poverty Line	1.99	3.30	66%
	LT -I Residential (Single Phase)			
2	0-100	4.67	5.14	10%
3	101-300	6.67	7.73	16%
4	301-500	7.75	11.27	45%
5	500and above	10.45	13.97	34%
	LT -I Residential Three phase			
6	0-100	4.68	5.14	10%
7	101-300	6.64	7.73	16%
8	301-500	7.72	11.27	46%
9	500 and above	10.43	13.97	34%
10	LT II (a) - 0-20 kW	9.29	11.57	25%
11	LT II (b) - 20-50 kW	11.77	12.74	8%
12	LT II (c) - above 50 kW	12.47	13.75	10%
13	LT III - LT Industrial upto 20 kW	9.29	10.95	18%
14	LT IV - LT Industrial above 20 kW	9.00	10.81	20%
15	LT-V : LT- Advertisements and Hoardings	20.77	22.77	10%
16	LT VI: LT -Street Lights	9.70	11.66	20%
17	LT-VII (A): LT -Temporary Supply Religious	7.62	9.57	26%
18	LT-VII (B): LT -Temporary Supply Others	21.90	15.29	-30%
19	LT VIII: LT - Crematorium & Burial Grounds	6.85	8.99	31%
20	LT IX: LT -Agriculture	2.52	4.07	61%
21	LT X: LT -Public Service	9.32	11.15	20%
22	Total- LT Sales			
23	HT I: HT-Industry	9.00	10.81	20%
24	HTII : HT- Commercial	11.07	12.69	15%
25	HT III: HT-Group Housing Society	8.15	10.20	25%
26	HTIV : HT - Temporary Supply	15.04	13.04	-13%
27	HT V - Railway	10.03	11.23	12%
28	HT VI - Public Service	10.03	10.73	7%

Table 25: Cross Subsidy for FY 2015-16

Sr. No.	Consumer Categories	ABR/ACoS – Existing	ABR/ACoS - Proposed*
1	LT I – Below Poverty Line	35%	43%
2	LT I - Residential (Overall)	77%	76%

Sr. No.	Consumer Categories	ABR/ACoS – Existing	ABR/ACoS - Proposed*
3	LT II (a) – 0-20 kW	122%	120%
4	LT II (b) - 20-50 kW	153%	130%
5	LT II (c) - above 50 kW	160%	138%
6	LT III - LT Industrial up to 20 kW	115%	109%
7	LT IV - LT Industrial above 20 kW	116%	108%
8	LT-V : LT- Advertisements and Hoardings	269%	237%
9	LT VI: LT -Street Lights	125%	121%
10	LT-VII (A): LT -Temporary Supply Religious	125%	103%
11	LT-VII (B): LT -Temporary Supply Others	264%	150%
12	LT VIII: LT - Crematorium & Burial Grounds	83%	88%
13	LT IX: LT –Agriculture	30%	40%
14	LT X: LT Public Service		110%
15	Total – LT	98%	97%
16	HT I: HT-Industry	116%	105%
17	HTII : HT- Commercial	141%	124%
18	HT III: HT-Group Housing Society	103%	103%
19	HTIV : HT - Temporary Supply	180%	124%
20	HT V - Railways	127%	109%
21	HT VI – HT Public Service		107%
22	Total – HT	133%	116%
23	Total	100%	100%

**Including the approved RAC for FY 2015-16 in the MYT Order*

Table 26: Proposed Cross subsidy surcharge for FY 2015-16

Sr. No.	Consumer Category	Cross Subsidy Surcharge (Rs./kWh)		
		Existing	Proposed	% Increase
1	LT I - Below Poverty Line	-	-	-
	LT -I Residential (Single Phase)			
2	0-100	-	-	-
3	101-300	0.09	-	-
4	301-500	0.60	3.16	426%
5	500and above	2.40	5.54	131%
	LT -I Residential Three phase			
6	0-100	-	-	-
7	101-300	0.09	-	-
8	301-500	0.60	2.96	394%
9	500and above	2.40	5.30	121%
10	LT II (a) - 0-20 kW	2.02	3.72	84%

Sr. No.	Consumer Category	Cross Subsidy Surcharge (Rs./kWh)		
		Existing	Proposed	% Increase
11	LT II (b) - 20-50 kW	3.92	4.62	18%
12	LT II (c) - above 50 kW	4.34	5.21	20%
13	LT III - LT Industrial upto 20 kW	1.54	2.50	62%
14	LT IV - LT Industrial above 20 kW	1.66	2.38	43%
15	LT-V : LT- Advertisements and Hoardings	11.07	14.44	30%
16	LT VI: LT -Street Lights	2.18	3.77	73%
17	LT-VII (A): LT -Temporary Supply Religious	2.41	1.98	-18%
18	LT-VII (B): LT -Temporary Supply Others	10.56	5.24	-50%
19	LT VIII: LT - Crematorium & Burial Grounds	-	0.46	-
20	LT IX: LT -Agriculture	-	-	-
21	LT X: LT -Public Service	-	2.57	-
22	HT I: HT-Industry	2.49	3.68	48%
23	HTII : HT- Commercial	4.04	5.52	37%
24	HT III: HT-Group Housing Society	1.68	3.54	111%
25	HTIV : HT - Temporary Supply	6.35	5.11	-20%
26	HT V - Railway	3.19	4.06	-
27	HT VI - Public Service	-	3.89	-

27. Copies of the following documents can be obtained on written request from the offices of RInfra mentioned below:

- Executive Summary of the Petition (free of cost, in English or Marathi)
- Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD/Cheque drawn on “**Reliance Infrastructure Limited**”)
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Offices:

Office	Address	Tele / Fax No.
Registered & Head Office	H Block, 1 st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710	Tel:+91-22-3038 6101 Fax:+91-22-3037 6622/23
Office	Devidas Lane, Off SVP Road, Near Devidas Telephone Exchange, Borivali (W), Mumbai 400 103	Tel:+91-22-3009 9999 Fax: +91-22-3009 8799
North Division	369 D, Jn of Shanker Lane & S V Road, Kandivali (W), Mumbai 400 067	Tel:+91-22-3009 6999 Fax:+91-22-3009 4580
Central Division	Western Expressway, Opp: Patel Aluminium, Dindoshi, Goregaon (E), Mumbai 400 097	Tel:+91-22-3009 6999 Fax:+91-22-3009 4844
South Central Division	E-4, MIDC, Andheri (E), Mumbai 400 093	Tel:+91-22-3009 6999 Fax:+91-22-3009 4200
South Division	RNA Corporate Park, Old Kala Mandir, Near Collector's Office, Bandra (E), Mumbai 400 051	Tel:+91-22-3009 6999 Fax:+91-22-3009 6263
East Division	Near Sahakar Cinema, Tilak Nagar, Road No.3, Chembur, Mumbai 400 089	Tel:+91-22-3009 6999 Fax:+91-22-3009 2022

28. The Commission has directed RInfra-D to invite suggestions & objections from the public on the above Petition through this Notice. Suggestions & objections may be sent to the Secretary,

Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: mercindia@merc.gov.in] by **11 March, 2015** along with proof of service on Shri. Kishor Patil, Regulatory Affairs, 7th Floor, Devidas Lane, Off SVP Road, Near Devidas Telephone Exchange, Borivali (W), Mumbai 400 103.

29. Every person who intends to file suggestions & 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 objection/comment is 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 First Floor, Centrum Hall, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai 400 005 on Monday, 16 March, 2015 at 11.30 AM**, for which no separate notice will be given.
30. RInfra-D shall reply to each of the suggestions & objections received within three days of the receipt of the same but not later than **14 March, 2015** for all the suggestions & objections received till **11 March, 2015**. Stakeholders can submit their rejoinders on replies provided by RInfra-D either during the public hearing or latest by **18 March, 2015**.
31. The detailed Petition document and the Executive Summary are available on Reliance Infrastructure's website www.relianceenergy.in and the Executive Summary is also available on the website of the Commission www.mercindia.org.in/www.merc.gov.in in downloadable format (free of cost).

Signature

(Ramesh Shenoy)
Company Secretary
Reliance Infrastructure Limited