

The Tata Power Company Limited Bombay House, 24 Homi Mody Street, Mumbai 400 001 Website: www.tatapower.com CIN No.: L28920MH1919PLC000567

PUBLIC NOTICE

Suggestions & Objections on Tata Power – Generation Petition for Mid-Term Review for MYT Second Control Period (Truing up for FY 2012-13 & FY 2013-14, Annual Performance Review for FY 2014-15, Revised estimates for FY 2015-16 along with Impact of ATE judgments)

(Case No. 6 of 2015)

1. The Tata Power Company Limited's Generation Business (Tata Power-G) has filed the Petition for approval of its Mid Term Review for the second control period from before the Maharashtra Electricity Regulatory Commission as per the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. MERC has admitted the Petition on 24th February, 2015 and directed $Tata\ Power-G\ to\ publish\ a\ Public\ Notice\ under\ Section\ 64(2)\ of\ the\ Electricity\ Act\ ,2003,\ for\ inviting\ suggestions\ and\ objections\ from\ the\ Public\ Pub$ through this Notice.

2. The salient features of the Petition are provided below:

Table 1: Impact of ATE Judgments

(Rs. crore)

Sr. No.	Particulars	Applicable to Generating Units	Impacts
1	Hon'ble ATE Judgment in:	Unit 4 to 7	179.55
	(i) Appeal 182 of 2012 regarding applicability	and Hydro	
	of MYT Regulations, 2011 to FY 2011-12 and		
	(ii) Appeal 212 of 2013 against the Order dated 5th June,2013 in Case		
	177 of 2011 regarding MYT Tariff Determination for Tata Power.	Unit 8	20.30
	(Impact includes Carrying Cost)		
2	Hon'ble ATE Judgment in Appeal 105 of 2012 against the Order dated	Unit 4 to 7	640.19
	15th February, 2012 in Case 105 of 2011 for Truing up of FY 2009-10 &	and Hydro	
	FY 2010-11 (Impact includes Carrying Cost)		
3	Hon'ble ATE Judgment in Appeal 18 of 2011 with respect to disallowed	Unit 4 to 7	44.74
	capitalization (Impact includes Carrying Cost)	and Hydro	
4	Hon'ble ATE Judgment in Appeal 212 of 2013 allowing Carrying Cost for	Unit 4 to 8	65.71
	past recovery	and Hydro	
5=1 to 4	Total ATE Impact		950.49

Table 2: Capitalisation during Second Control Period

(Rs. crore)

				Capita	lisation			
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
Unit 4 to 7 & Hydro	228.72	148.84	556.90	315.01	998.03	134.46	15.94	266.72
Unit 8	32.69	10.10	106.54	8.24	57.20	39.32	2.29	4.91
HO & SS Allocation		12.24		21.71		-		-
Total Including HO & SS Allocation	261.41	171.18	663.44	344.96	1055.23	173.78	18.23	271.63

Table 3: Operation Parameters (Unit 4)

				Unit 4				
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
PLF (%)	6.85%	0.00%	9.59%	0.00%	24.66%	0.00%	6.85%	0.00%
Availability (%)	98%	100.00%	98%	100.00%	98%	0.00%	98%	0.00%
Station Heat Rate (kCal/kWh)	2,576		2,581		2,586		2,591	
Auxiliary Consumption (%)	8.00%	0.00%	8.00%	0.00%	8.00%	0.00%	8.00%	0.00%
Net Generation (MU)	59.62	-3.45	83.46	-2.84	214.62	-2.25	59.62	-2.88

* As the Unit did not generate during Second Control Period, hence there is no actual auxiliary consumption considered against operation of the Unit.

Table 4: Operation Parameters (Unit 5)

				Unit 5				
Particulars	FY 20	FY 2012-13		FY 2013-14		014-15	FY 2015-16	
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
PLF (%)	94.17%	88.75%	85.03%	85.43%	94.88%	76.42%	88.38%	75.20%
Availability (%)	96%	98.25%	87%	97.96%	96%	85.02%	89%	97.40%
Station Heat Rate (kCal/kWh)	2,583	2,476	2,591	2,501	2,573	2,573	2,581	2,581
Auxiliary Consumption (%)	6.00%	5.62%	6.00%	5.54%	6.00%	5.69%	6.00%	6.17%
Net Generation (MU)	3877.00	3669.08	3500.80	3534.57	3906.52	3156.74	3648.85	3090.64

Table 5: Operation Parameters (Unit 6)

				Unit 6				
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
PLF (%)	42.77%	45.93%	56.09%	11.29%	48.80%	12.66%	75.45%	0.00%
Availability (%)	92%	96.69%	95%	85.51%	74%	99.77%	87%	99.30%
Station Heat Rate (kCal/kWh)	2,524	2,510	2,529	2,649	2,534	2,641	2,641	2,641
Auxiliary Consumption (%)	3.50%	5.13%	3.50%	8.23%	3.50%	8.94%	3.50%	*
Net Generation (MU)	1807.58	1908.68	2370.68	453.68	2062.52	504.75	3197.74	-25.55

No generation from Unit 6 is projected in FY 2015-16, actual auxiliary consumption in standby mode has been projected 25.55 Mus.

Table 6: Operation Parameters (Unit 7)

				Unit 7				
Particulars	FY 2012-13		FY 2013-14		FY 20	014-15	FY 2015-16	
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
PLF (%)	96.58%	101.25%	86.03%	80.85%	96.58%	93.32%	96.58%	92.20%
Availability (%)	97.00%	97.89%	86.00%	86.19%	97.00%	96.72%	97.00%	97.40%
Station Heat Rate (kCal/kWh)	2,013	1,960	2,017	1,998	2,021	2,021	2,025	2,025
Auxiliary Consumption (%)	3.00%	2.28%	3.00%	2.60%	3.00%	2.30%	3.00%	2.63%
Net Generation (MU)	1477.15	1560.24	1315.78	1241.60	1477.15	1437.61	1481.20	1415.58

Table 7: Operation Parameters (Unit 8)

				Uni	it 8			
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
PLF (%)	78.10%	88.02%	88.01%	71.78%	84.47%	36.33%	87.70%	89.42%
Availability (%)	85.00%	92.18%	90%	77.74%	89%	35.97%	91.00%	99.30%
Station Heat Rate (kCal/kWh)	2,450	2,299	2,450	2,260	2,450	2,450	2,450	2,450
Auxiliary Consumption (%)	8.50%	6.71%	8.50%	6.57%	8.50%	8.65%	8.50%	8.33%
Secondary Fuel Oil Consumption (ml/kwh)	1.00	0.79	1.00	0.10	1.00	1.00	1.00	1.00
Net Generation (MU)	1565.02	1798.45	1763.53	1468.75	1692.75	726.85	1762.29	1795.14

Table 8: Operation Parameters (Bhivpuri)

				Bhiv	puri			
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
Availability (%)	95.70%	100.00%	98.80%	99.98%	96.30%	97.64%	97.40%	96.00%
Auxiliary Consumption (%)	1.78%	2.50%	1.78%	2.15%	1.78%	2.18%	1.78%	2.26%
Net Generation (MU)	224.13	294.06	199.41	298.00	224.13	293.34	224.13	293.22

Table 9: Operation Parameters (Khopoli)

				Khop	oli			
Particulars	FY 20	12-13	FY 20	13-14	FY 2	014-15	FY 2	015-16
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate
Availability (%)	97.66%	100.00%	99.04%	98.44%	97.78%	99.09%	99.12%	99.58%
Auxiliary Consumption (%)	1.78%	4.22%	1.78%	3.00%	1.78%	4.27%	1.78%	4.27%
Net Generation (MU)	215.16	280.45	191.43	313.23	215.16	255.61	215.16	255.61

		Bhira										
Particulars	FY 20	FY 2012-13		FY 2013-14		014-15	FY 2	015-16				
	Approved	Actual	Approved	Actual	Approved	Revised Estimate	Approved	Revised Estimate				
Availability (%)	96.45%	85.05%	96.60%	98.99%	98.50%	98.60%	93.25%	91.23%				
Auxiliary Consumption (%)	1.78%	4.01%	1.78%	2.41%	1.78%	2.67%	1.78%	2.67%				
Net Generation (MU)	896.50	821.31	797.62	946.03	896.50	859.46	896.50	859.46				

Table 11: Fuel Prices

Particulars	FY 20	12-13	FY 20	13-14	FY 20)14-15	FY 2	015-16
	Rs. / Tonne	Rs. / Mkcal						
APM Gas	12790.42	972.03	14135.12	1077.12	17594.11	1339.19	17594.11	1339.19
RLNG	39131.64	3006.22	54615.20	4204.53	49126.32	3783.85	49126.32	3783.85
Oil	51141.94	4902.31	51666.94	4956.90	50679.31	4738.66	50679.31	4738.66
Coal	6867.53	1397.04	5814.45	1187.43	5440.70	1132.11	5440.70	1132.11
Non-APM					17926.38	1364.48	17926.38	1364.48

Sr No	Particulars	FY 2012	2-13	FY 20	13-14
		Approved	Actual	Approved	Actual
1	Fuel Related Expenses	-	3811.88	-	2031.80
2	Operation & Maintenance Expenses	425.75	408.94	450.11	413.34
3	Depreciation Expenses	91.57	103.96	109.46	116.97
4	Interest on Long-term Loan Capital	63.46	69.59	83.05	75.55
5	Interest on Working Capital	152.39	106.86	154.68	70.35
6	Interest and Finance Charges	-	0.17	-	0.05
7	Income Tax	104.17	89.95	104.17	79.74
8	Less : Cost of Shared Services Unit 8	(12.50)	(12.50)	(12.50)	(12.50)
9	Less : Unit 4 fixed cost towards unallocated capacity	(3.64)	(4.91)	(4.23)	(3.87)
10	Total Revenue Expenditure	-	4573.94	-	2771.44
11	Add: Return on Equity Capital	202.12	207.09	212.52	213.91
12	Add: Incentive (PLF, Hydro Incentive)	-	41.66		54.12
13	Add: 2/3rd Efficiency Gain / (Loss) on Fuel Cost	-	54.92		11.19
14	Add: 2/3rd Efficiency Gain / (Loss) on Auxiliary	-	(16.01)		(1.79)
	Consumption				
15	Add: 2/3rd Efficiency Gain / (Loss) on O&M Expenses	-	13.64		24.67
16	Total RoE+Incentive+Gain		301.30		302.11
17	Adjustment for Fuel Cost on Entry tax shown separately				
	in the past recovery table				76.20
18	Adjustment for Transportation Cost shown separately				
	in the past recovery table				(58.41)
	Revenue				
19	Revenue from sale of electricity		4611.88		3069.52
20	Non-Tariff Income	13.94	32.39	15.60	35.05
21	Total Revenue		4644.27		3104.58
22	Revenue Gap / (Surplus)	-	230.97	-	(48.81)
	Carrying Cost				
23	FY 2013-14 (@14.58%)		33.68		
24	FY 2014-15 (@14.75%)		34.07		(7.20)
25	Total Recovery including Carrying Cost		298.72		(56.01)

Table 13: Truing Up of FY 2012-13 & FY 2013-14 (Unit 8)

(Rs. crore)

Sr. No.	Particulars	FY 2012	-13	FY 2013-14	
		Approved	Actual	Approved	Actual
1	Fuel Related Expenses	-	620.67	_	411.23
2	Operation & Maintenance Expenses	39.15	52.63	41.38	48.78
3	Depreciation	55.30	56.46	58.76	57.33
4	Interest on Long-term Loan Capital	69.65	67.41	68.86	62.35
5	Interest on Working Capital	18.66	19.10	18.80	16.67
6	Interest and Finance Charges	-	0.05	-	-
7	Cost of Shared Services	12.50	12.50	12.50	12.50
8	Income Tax	20.25	39.31	20.25	32.39
9	Total Revenue Expenditure	-	868.13	-	641.24
10	Add: Return on Equity Capital	49.86	49.86	51.38	50.43
11	Add: Incentive (PLF, Hydro Incentive)	-	1.52	-	-
12	Add: 2/3rd Efficiency Gain / (Loss) on Fuel Cost	-	27.77	-	32.54
13	Add: 2/3rd Efficiency Gain / (Loss) on Auxiliary	-	8.87	-	7.80
	Consumption				
14	Add: 2/3rd Efficiency Gain / (Loss) on O&M Expenses	-	(0.31)		(4.93)
15	Total RoE+Incentive+Gain		87.71		85.84
	Revenue				
16	Revenue from sale of electricity		946.24		750.58
17	Non-Tariff Income	2.13	3.85	2.23	4.21
18	Reduction in Fixed Cost due to non availability	-	-	-	12.58
19	Total Revenue	-	950.10	-	767.37
20	Revenue Gap / (Surplus)	-	5.74	-	(40.29)
	Carrying Cost				
21	FY 2013-14 (@14.58%)	-	0.84	-	-
22	FY 2014-15 (@14.75%)	-	0.85	-	(5.94)
23	Total Recovery including Carrying Cost		7.42		(46.23)

Table 14: Annual Revenue Requirement FY 2014-15 & FY 2015-16 (Unit 4 to 7 & Hydro)

(Rs. crore)

Sr. No.	Particular	FY	FY 2015-16			
		Approved	Projected	Approved	Projected	
1	Fuel Related Expenses	-	2,005.61	-	1,367.80	
2	Operation & Maintenance Expenses	475.87	475.87	503.08	503.08	
3	Depreciation Expenses	142.15	142.15 129.62		135.66	
4	Incentive	-			-	
5	Interest on Long-term Loan Capital & Other					
	Finance Charges	128.60	79.29	150.74	80.01	
6	Interest on Working Capital	161.60	70.39	99.57	56.60	
7	Interest and Finance Charges	-	-	-	-	
8	Income Tax	104.17	104.17	104.17	104.17	
9	Less: Cost of shared Services Unit 8	(12.50)	(12.50)	(12.50)	(12.50)	
10	Less: Unit 4 fixed cost towards unallocated capacity	(7.19)	(10.36)	(3.95)	(9.86)	
11	Total Revenue Expenditure	-	2,842.09	-	2,224.96	
12	Add: Return on Equity Capital	237.91	228.82	283.85	235.07	
13	Less: Non-Tariff Income	16.00	16.00	16.73	16.73	
14	Aggregate Revenue Requirement	-	3,054.90	-	2,443.3	

Table 15: Annual Revenue Requirement FY 2014-15 & FY 2015-16 (Unit 8)

Sr. No.	Particular	FY	FY 2015-16			
		Approved	Projected	Approved	Projected	
1	Fuel Related Expenses	-	223.49	-	552.37	
2	Operation & Maintenance Expenses	43.75	43.75	46.25 64.30	46.25	
3	Depreciation	62.82	60.14		61.04	
4	Incentive	-	-			
5	Interest on Long-term Loan Capital	68.50	58.04	63.95	53.25	
6	Interest on Working Capital	19.23	16.31	19.26 -	16.40	
7	Interest and Finance Charges	-	-			
8	Cost of shared Services	12.50	12.50	12.50	12.50	
9	Income Tax	20.25	20.25	20.25	20.25	
10	Total Revenue Expenditure	-	434.48	-	762.06	
11	Add: Return on Equity Capital	56.33	51.02	58.99	52.85	
12	Less: Non-Tariff Income	2.22	2.22	2.26	2.26	
13	Less: Reduction in Fixed Cost due to					
	non availability	-	77.66	-	-	
14	Aggregate Revenue Requirement	-	405.63	-	812.65	

Table 16: Unit-wise Tariff Proposal (Fixed Cost in Rs. Crores and Variable Cost in Rs./ kWh)										(Rs. crore)	3. Copies of the following do	cuments can be obtained on written request from the offices	of The Tata Power
Unit /			FY 2014-15			FY 2015-16					Company Ltd. mentioned in the Table below: a) Executive summary of the proposals (free of cost, in Marathi or English).		
Station	Approved Fixed Cost Rs. Crores	Estimated Fixed Cost Rs. Crores	Fuel	Approved Variable Cost Rs./ kWh	Estimated Variable Cost Rs./ kWh	Approved Fixed Cost Rs. Crores	Estimated Fixed Cost Rs. Crores	Fuel	Approved Variable Cost Rs./ kWh	Estimated Variable Cost Rs./ kWh	drawn on " The Tata P c) Detailed Petition doo	 b) Detailed Petition documents along with CD (in English) (on payment of Rs. 150/-by DD/Cheque/Cas drawn on "The Tata Power Company Limited". c) Detailed Petition documents (in English) (on payment of Rs. 100/-). d) CD of detailed Petition document (in English) (on payment of Rs. 50/-). 	
Unit 4	18.13	-	Oil	14.04	-	9.23	-	Oil	14.06	-	Office Details :		
1			Gas	2.65	3.47			Gas	2.65	3.75	Office	Address	Telephone no.
Unit 5	401.44	393.40	RLNG	-	12.08	386.80	422.92	RLNG	-	10.39			TOTOPHONE NO.
1			Oil	13.67	13.22			Oil	13.71	13.01		Mr Uday Bhide, The Tata Power Company Ltd,	
!			Coal	3.90	3.13			Coal	3.91	3.11	Registered Office	Bombay House, 24, HomiMody Street, Fort,	6717 1032
			Oil & Gas	10.59	-			Oil & Gas	-	-		Mumbai 400 001	
Unit 6	338.99	148.82	Gas	-	3.33			Non APM	-	3.73		Mr. S K Raphel, The Tata Power Company Limited,	
!			RLNG	-	10.57	414.13	135.96	RLNG	-	10.36	Head Office	Corporate Finance & Accounts, 'B' Block, 6th Floor,	6717 1608
			Oil	-	13.28			Oil	-	12.97	11	Carnac Receiving Station, 34 Sant Tukaram Road,	

RLNG 6.20 132.09 66.20 0.904 Bhira Bhivpuri 62.85 39 30 1.656 88.23 53.92 Khopoli

205.01

182.14

172.88

281.17

Unit 7

Unit 8

2.571 Coal 3.85

Coal

APM Gas

1 55 2.26 3.07

2.56

9.19

0.85

132.88 63 44 91.18 283.25

170.00

209.01 69.80 42 14 57.31

Oil Coal APM Gas RLNG

(Rs. crore)

12.97 3.78 2.02 2.80 6.21 7.90 0.909 0.86 1.671 1.58 2.657 2.31 3.85 3.08

Office	Address	Telephone no.	
	Mr Uday Bhide, The Tata Power Company Ltd,		
Registered Office	Bombay House, 24, HomiMody Street, Fort,	6717 1032	
	Mumbai 400 001		
	Mr. S K Raphel, The Tata Power Company Limited,		
Head Office	Corporate Finance & Accounts, 'B' Block, 6th Floor,	6717 1608	
	Carnac Receiving Station, 34 Sant Tukaram Road,		
	Carnac Bunder, Mumbai 400 009		
	Mr Rahul Ranade, The Tata Power Company Ltd.,		
Dharavi R/S	Near Shalimar Indl. Estate, Matunga (East),	6717 2634	
	Mumbai 400 019.		
	Tata Power Consumer Relation Centre, Unit No. 8 A		
Kandivali (W)	& B, Kalpavruksha Garden, Building No. 1,	2868 5933	
	Near Vasant Complex, Mahavir Nagar,		

New Link Road, Kandivali (W), Mumbai 400067

Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: mercindia@merc.gov.in by 17th March,2015, along with proof of service on Mr. Bhaskar Sarkar, Head-Business Strategy & Regulations, The Tata Power Company Ltd. Dharavi Receiving Station, Near Shalimar Industrial Estate, Matunga (East), Mumbai - 400 019, Email: bhaskar,sarkar@tatapower.com 5. Every person who intends to file Suggestions & Objections can submit the same in English or Marathi, in (1+6) 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 filled on behalf of any organization or category of consumers. It should also be mentioned if the sender wants to be heard by in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at Centrum Hall 1st Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005 on Friday, 20th March, 2015 at 11.30Hrs, for which no separate notice will be given. Tata Power-G shall reply to each of the Suggestions & Objections received within three days of receipt of the same but not later

4. The Commission has directed Tata Power-G to invite Suggestions & Objections from the public on the above Petition through this

than 19th March, 2015 for all Suggestions & Objections received till 17th March, 2015. Stakeholders can submit their rejoinders on replies provided by Tata Power-G either during the public hearing or latest by 25th March, 2015.

7. The detailed Petition document and the executive summary are available on Tata Power's website www.tatapower.com and the executive summary is also available on the website of the Commission www.merc.gov.in or www.mercindia.org.in in downloadable format (free of cost).

Sr. **Particulars**

Table 17: Past recoveries from the Distribution Licensees and Proposed Recovery

2.01

260.33

Coal

Notice, Suggestions & Objections may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor,

Distribution Licensees No. BEST Tata Power-d Rinfra Total 436.64 335.26 178.59 1 **ATE Judgments** 950.49 Impact of ATE Judgment (Ref: Table 1 above) 436.64 335.26 178.59 950.49 а 108.66 95.24 0.00 2 Truing Up Gap / (Surplus) 203.90 Truing up gap for FY 2012-13 - Unit 4 to 8 & Hydro (including carrying cost) 155.81 150.34 0.00 306.15 Truing up gap for FY 2013-14 - Unit 4 to 8 & Hydro (including carrying cost) -47.15 -55.10 0.00 -102.25 -11.81 -15.44 16.80 - 10.45 Fuel Cost recovery pertaining to past period 4=1+2+3 Total amount to be passed on in FY 2015-16 533.49 415.07 195.39 1143.94

-sd/-

Bhaskar Sarkar **Head -Business Strategy & Regulations** The Tata Power Company Limited