

2. EXECUTIVE SUMMARY

2.1 Overall Approach to the Present Filing

Historical Perspective

The Tata Power Company Limited (“Tata Power”) is a company established in 1919. On 1st April, 2000, The Tata Hydro-Electric Power Supply Company Limited (established in 1910) and The Andhra Valley Power Supply Company Limited (established in 1916) were merged into Tata Power, to form one unified entity. Consequent to the merger, the licences of the above mentioned companies were also merged and Tata Power was granted a licence by the Government of Maharashtra (GoM) for the supply of energy to the public in its Mumbai License Area and to supply energy in bulk to Distribution Licensees, vide resolution No: IEA – 2001/ CR-10509/NRG-1, dated 12th July, 2001.

2.2 Filings under Present Petition

The Hon’ble Commission had notified the MYT Regulations, 2011 on 4th February, 2011. Regulation 11 of the MYT Regulations specified the requirement of filing of Mid Term Performance Review by Generating Companies, Transmission Licensees and Distribution Licensees. Further Regulations 11.3 of the MYT Regulations, specify as follows:

The scope of the Mid-term Performance Review shall be a comparison of the actual performance of the Generating Company or Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:

- (a) a comparison of the audited performance of the applicant for the previous two financial years with the approved forecast for such previous financial year; and*
- (b) a comparison of the performance of the applicant for the first half of the current financial year with the approved forecast for the current financial year.*
- (c) carrying cost on surplus/deficit amounts, if any, at the time of Mid-term Performance review.*

In view of the above Tata Power-G is filing the present Petition which consist of the following, for different years of the Second Control Period:

- Truing up for FY 2012-13 and FY 2013-14 based on actual performance
- Performance Review for FY 2014-15 with actual performance for H1 of FY 2014-15 and estimation for H2 of FY 2014-15
- Revised Projections and Tariff for FY 2015-16

- Impact of judgments of Hon'ble ATE in Appeal No. 18 of 2011 (with respect to non DPR capitalisation), Appeal No. 105 of 2012, Appeal No. 182 of 2012 and Appeal No. 212 of 2013.
- Reconciliation of capitalization, loan, refinancing of loans and RoE in view of the various judgments of the Hon'ble ATE and the Hon'ble Commission.

2.3 Installed Capacity of Unit 4 to 8 and Hydro

The existing installed generation capacity of Tata Power-G is 2027 MW comprising of 447 MW of Hydro Generation and 1580 MW of Thermal Generation. The station-wise and unit-wise break up of total capacity of Tata Power-G is given in the following Table:

Table 2-1: Tata Power Generating Station

Generation Unit	Type of Fuel	Capacity
Unit 4	Oil and Gas	150
Unit 5	Coal, Oil and Gas	500
Unit 6	Oil and Gas	500
Unit 7	Gas	180
Unit 8	Coal	250
Bhira	Hydro	300
Bhivpuri	Hydro	75
Khopoly	Hydro	72
Total		2027

- **Generation from Tata Power-G**

The actual generation during the period FY 2011-12 to FY 2013-14 by from the various Generating Units of Tata Power - G and proposed generation after running MOD for the period FY 2014-15 and FY 2015-16 is as given in the table below.

Table 2-2: Gross & Net Generation of Tata Power Generating Stations

	Gross Generation					Net Generation				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Unit 4	1.57	0.00	0.00	0.00	0.00	-4.14	-3.45	-2.84	-0.81	0.00
Unit 5	3542.69	3887.46	3741.90	3347.24	3293.71	3351.16	3669.08	3534.57	3156.74	3090.64
Unit 6	2399.91	2011.88	494.35	554.33	0.00	2291.52	1908.68	453.68	504.75	-25.55
Unit 7	1567.89	1596.58	1274.79	1471.39	1453.77	1536.81	1560.24	1241.60	1437.61	1415.58
Unit 8	1491.56	1927.74	1571.98	795.71	1958.22	1395.86	1798.45	1468.75	726.85	1795.14
Hydro	1532.05	1450.00	1596.89	1450.00	1450.00	1485.33	1395.81	1557.26	1408.40	1408.29
Total	10535.67	10873.66	8679.92	7618.67	8155.70	10056.54	10328.81	8253.01	7233.55	7684.10

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2.4 Norms for Operation

Performance of the various Generating Units of Tata Power-G on operational parameters during the Second Control Period is presented as follows:

Table 2-3: Auxiliary Consumption and PLF for Thermal Generating Units

	Auxiliary Consumption					PLF				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Unit 4	0%	0%	8%	8%						
Unit 5	5.41%	5.62%	5.54%	6%	6%	80.66%	88.75%	85.43%	76.42%	75.20%
Unit 6	4.52%	5.13%	5.50%	3.50%	3.50%	54.64%	45.93%	11.29%	12.66%	0.00%
Unit 7	1.98%	2.28%	2.60%	3%	3%	101.92%	101.25%	80.85%	33.59%	92.20%
Unit 8	6.42%	6.71%	6.57%	8.50%	8.50%	84.90%	92.18%	71.78%	36.33%	89.42%
Hydro	3.05%	3.47%	2.48%	1.78%	1.78%					

2.5 Capital Expenditure and Capitalisation

For FY 2011-12, Tata Power – G has considered the actual audited capital expenditure and capitalisation figures, as the details and replies to address all the data gaps raised by the Hon'ble Commission for Non DPR schemes listed in the MYT Tariff Order dated 5th June, 2013 have been already submitted based on the Judgment of the Hon'ble ATE. Similarly, for FY 2012-13 and FY 2013-14 the actual and audited capitalization has been considered. For the estimation of FY 2014-15 and FY 2015-16 the capitalization based on the approved schemes under MYT Orders and the new schemes proposed by Tata Power-G has been considered. Further, the schemes which had been approved but not implemented by Tata Power-G have not been considered under this Petition.

Based on the above the capital expenditure and capitalisation for the various years of the Control Period are as shown in the Table below:

Table 2-4: Capital Expenditure & Capitalisation (Unit 4 to Unit 7 & Hydro)

Particulars	Capital Expenditure					Capitalization				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
DPR	107.72	108.17	276.71	246.08	255.75	103.96	121.93	261.03	112.05	222.26
Non DPR	39.03	26.36	58.56			40.20	26.91	53.96		
HoSS	7.82	9.40	16.77			7.82	9.40	16.79		
Additional 20% towards unplanned expenditure									22.41	44.45
Total	154.57	143.93	352.04	246.08	255.75	151.98	158.24	331.78	134.46	266.72

Rs Crores

Table 2-5: Capital Expenditure & Capitalisation (Unit 8)

Particulars	Capital Expenditure					Capitalization					Rs Crores
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
DPR	12.69	8.44	7.58	43.37	1.22	13.30	8.47	7.23	32.77	4.09	
Non DPR	4.13	1.63	10.45			3.78	1.63	1.01			
HoSS		2.84	4.93				2.84	4.93			
Additional 20% towards unplanned expenditure									6.55	0.82	
Total	16.82	12.91	22.95	43.37	1.22	17.08	12.94	13.17	39.32	4.91	

2.6 Annual Fixed Charges

- **Unit 4 to Unit 7 and Hydro**

The Annual Fixed Charges have been arrived at for Unit 4 to 7 , Hydro and Unit 8 by using the principles laid down in Tariff Regulations, 2011 for FY 2011-12 to FY 2015-16 and the MYT Tariff Order dated 5th June, 2013 in Case No. 177 of 2011 and are as shown in the Table below:

Table 2-6: Annual Fixed Charges (Unit 4 to 7 and Hydro)

	Rs Crores				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
RoE	200.32	207.09	213.91	228.82	235.07
Depreciation	105.83	103.96	116.97	129.62	135.66
O&M	402.11	422.03	437.48	475.87	503.08
Interest on LT Loans	69.02	69.76	75.60	79.29	80.00
Interest on Working Capital	104.00	106.86	70.35	70.39	56.60
Less Other Income	-15.06	-32.39	-35.05	-16.00	-16.73
Income Tax	70.83	89.95	79.74	104.17	104.17
Total Fixed Charges to be recovered from Distribution Licensees	937.05	967.26	959.01	1072.16	1097.86
Less: Unit 4 Fixed Charges towards unallocated capacity	-5.19	-4.91	-3.87	-10.36	-9.86
Less Share of Unit 8 from Shared Service	-12.50	-12.50	-12.50	-12.50	-12.50
Total Annual Fixed Charges	919.36	949.85	942.64	1049.29	1075.50

- **Unit 8**

Similarly, for Unit 8, the Annual Fixed Charges for Unit 8 for the Second Control Period work out as under:

Table 2-7: Annual Fixed Charges (Unit 8)

	<i>Rs Crores</i>				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
RoE	39.31	49.86	50.43	51.02	52.85
Depreciation	44.55	56.46	57.33	60.14	61.04
O&M	31.88	52.32	43.85	43.75	46.25
Interest on LT Loans	57.76	67.41	62.35	58.04	53.25
Interest on Working Capital	14.42	19.10	16.65	16.31	16.40
Less Other Income	-1.04	-3.85	-4.21	-2.22	-2.26
Income Tax	23.53	39.31	32.39	20.25	20.25
Total Fixed Charges to be recovered from Distribution Licensees	210.41	280.60	258.78	247.30	247.78
Regulated Capacity	200.00	250.00	250.00	250.00	250.00
Add: Share of Unit 8 from Shared Service	10.00	12.50	12.50	12.50	12.50
Reduction in Fixed Cost due to non availability			-12.58	-77.66	
Total Annual Fixed Charges	220.41	293.10	258.70	182.14	260.28

2.7 Fuel Prices and Energy Charges Projections

The actual fuel prices have been considered for FY 2011-12 upto H1 of FY 2014-15. The projections of fuel prices from H2 FY 2014-15 till FY 2015-16 have been presented in the table below which include the revision in the APM Gas price.

Further, it may be noted that based on the directive of the Ministry of Power and Natural Gas (MoPNG), GAIL (Gas Authority of India Ltd.) has sent a letter to Tata Power attached as **Annexure 7** stating that there is a likelihood of reduction in availability of Non APM Gas to Tata Power due to diversion of the same to fertiliser sector (Directive of MoPNG and letter from GAIL attached as **Annexure .7a.**). In view of this shortfall, GAIL has offered to supply RLNG on term contract / spot contract to make up for the shortfall.

On account of this, the 180 MW Unit 7 of Tata Power which is a gas based generating plant may be required to use RLNG for generation as it is likely to face a shortfall of around 0.4 to 0.5 MMSCMD, which is around 50% of its total requirement, for generation. At such low gas levels, the unit will need to run at technical minimum load resulting in highly inefficient operation which will make the heat rate reach a value of 2300 Kcal/kwh.

While we are making efforts for restoration of supply of Non APM gas to Tata Power (our letter to **MoPNG** is attached for reference), **we request the Hon'ble Commission to "in principally" approve the use of RLNG, in case such a situation does arise during FY 2015-16.**

Table 2-8: Fuel Prices considered under Mid Term Review for the Second Control Period

Rs Crores

	FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
	Rs/MT	Rs/Mkcal	Rs/MT	Rs/Mkcal	Rs/MT	Rs/Mkcal	Rs/MT	Rs/Mkcal	Rs/MT	Rs/Mkcal
APM	11,765.20	893.04	12790.42	972.03	14135.12	1077.12	17594.11	1339.19	17594.11	1339.19
RLNG	26,583.73	2,030.39	39131.64	3006.22	54615.20	4204.53	49126.32	3783.85	49126.32	3783.85
Oil	44,814.36	4,289.62	51141.94	4902.31	51666.94	4956.90	50679.31	4738.66	50679.31	4738.66
Coal	6,079.95	1,258.67	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

Based on the above, the Energy Charges for each of the Generating Units - Unit 5 to 8 (actual for the period FY 2011-12 to FY 2013-14 and projected for the period FY 2014-15 to FY 2015-16) are shown in the Tables below:

Table 2-9: Energy Charges (Unit 5 to Unit 8)

Rs/kWh

Unit		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Unit 5	Gas	2.45		2.95	3.67	3.68
Unit 5	RLNG	5.56	8.88	11.40	10.36	10.39
Unit 5	Oil	11.75	13.34	16.84	12.97	13.01
Unit 5	Coal	3.45	3.81	3.26	3.10	3.11
Unit 5	C Series				3.73	3.75
Unit 6	Gas	2.38	2.60	0.00	3.66	3.66
Unit 6	RLNG	5.41	7.78	10.92	10.36	10.36
Unit 6	C Series				3.73	3.73
Unit 6	Oil	11.43	12.80	14.05	12.97	12.97
Unit 7	Gas	1.85	1.97	2.23	2.79	2.80
Unit 7	RLNG	4.46	6.24	9.13	7.88	7.90
Unit 8	Coal	3.52	3.90	3.27	3.03	3.03
Unit 8	Sec Oil	0.05	0.05	0.05	0.05	0.05

The Actual Energy Cost for FY 2011-12 to FY 2013-14 and the projected Energy Cost for the period FY 2014-15 to FY 2015-16 is given in the Table below:

Table 2-10: Energy Cost (Unit 4 to Unit 8)

Unit	Fuel	FY 2011-12			FY 2012-13			FY 2013-14			FY 2014-15			FY 2015-16		
		Net Generation - Mus	Rs/kWh	Rs Cr	Net Generation - Mus	Rs/kWh	Rs Cr	Net Generation - Mus	Rs/kWh	Rs Cr	Net Generation - Mus	Rs/kWh	Rs Cr	Net Generation - Mus	Rs/kWh	Rs Cr
Unit 4	Auxiliary	-3.44	4.56	-1.57	-3.45	0.86	-0.30	-2.84	0.00	0.00	-2.25	0.00	-2.88	0.00	0.00	
Unit 4	RLNG	0.26	5.67	0.15												
Unit 4	Oil	0.28	11.98	0.34												
Unit 5	RLNG	8.13	5.56	4.52	4.25	8.88	3.77	5.07	11.40	5.77	9.17	12.08	11.07	10.39	0.00	
Unit 5	APM/C Series	17.34	2.45	4.24				139.38	2.95	41.11	0.94	3.47	0.32	3.75	0.00	
Unit 5	Oil	57.07	11.75	67.06	30.13	13.34	40.21	2.54	16.84	4.27	6.47	13.22	8.56	11.43	13.01	14.87
Unit 5	Coal	3268.61	3.45	1127.00	3634.70	3.81	1385.91	3387.59	3.26	1104.59	3140.16	3.13	982.81	3079.21	3.11	957.17
Unit 6	Non APM	21.34	2.38	5.08	12.69	2.60	3.30				2.86	3.33	0.95	3.73	0.00	
Unit 6	RLNG	1095.77	5.41	593.06	907.20	7.78	705.64	304.69	10.92	332.64	127.49	10.57	134.80	10.36	0.00	
Unit 6	Auxiliary										-11.91	0.00	0.00	-25.55	0.00	0.00
Unit 6	Oil	1174.41	11.43	1342.87	988.79	12.80	1265.18	148.99	14.05	209.27	2.06	13.28	2.74	12.97	0.00	
Unit 6	Actual										384.24	13.43	516.03	13.43	0.00	
Unit 7	Gas	1349.84	1.85	249.67	1270.18	1.97	250.11	1199.84	2.23	267.72	1435.06	2.56	367.80	1415.58	2.80	395.76
Unit 7	RLNG	186.96	4.46	83.35	290.06	6.24	180.99	41.77	9.13	38.15	2.55	9.19	2.35	7.90	0.00	
Unit 8	Coal+Sec Oil	1395.86	3.57	498.01	1798.45	3.95	710.93	1468.75	3.32	487.28	726.85	3.07	223.49	1795.14	3.08	552.37
Total		8572.43	4.64	3973.77	8932.99	62.23	4545.76	6695.75	3.72	2490.79	5823.71	3.87	2250.93	6272.93	3.06	1920.17

2.8 Incentives, Uncontrollable Expenditure and Sharing of Gains and Losses

Tata Power-G is entitled to earn incentives in the event of the operational performance exceeding the norms set by the Hon'ble Commission. Similarly, any approved uncontrollable expenditure has to be passed on to the consumers, whereas any approved gain or loss in the controllable factors has to be shared with the consumers in the ratio as specified in the Regulations. The truing up for FY 2011-12 to FY 2013-14 has been carried out considering the above mentioned principles set under the Regulations.

2.9 Net Annual Revenue Requirement and Gap / (Surplus) for FY 2011-12 to FY 2013-14

Based on the above discussions, the net entitlement and the (Gap) for FY 2011-12 to FY 2013-14 is shown in the Table below (For FY 2011-12, the impact of the ATE judgments in Appeal Nos. 182 of 2013 and 212 of 2013 dated 28th November, 2013 and 27th October, 2014 respectively have also been taken to arrive at the net entitlement, the details of which have been provided in the next paragraph.)

Table 2-11: Revised Net Entitlement for Unit 4 to 7 & Hydro for FY 2011-12

				<i>Rs Crores</i>
Sr. No.	Particulars	Approved in the MYT T.O.	Revised as per ATE Judgment in Appeal 182 of 28th November 2013 and 212 of 27th October 2014	Impact of ATE Judgment
I	Revenue	4247.66	4194.54	-53.12
	- Power Supply	4179.48	4179.48	0.00
	- Non-Tariff Income	68.18	15.06	-53.12
II	Expenditure			
1	Fuel Related Expenses	3417.76	3421.93	4.17
2	Aux. Benefit	-10.12	-6.38	3.74
3	Operation & Maintenance Expenses	391.75	402.11	10.36
4	Depreciation	71.79	105.83	34.04
4	Interest on Long-term Loan Capital	54.66	68.99	14.33
5	Interest on Working Capital	109.72	104.00	-5.72
7	Income tax	104.17	70.83	-33.34
8	Return on Equity	177.47	200.32	22.85
11	Incentive - PLF	8.05	5.44	-2.61
12	Hydro Incentive	18.94	45.73	26.79
13	Other Finance Charges	0.03	0.03	0.00
12	Total Incl. Incentive	4344.22	4418.83	74.61
IV	Less Unallocated fixed cost portion of Unit 4	2.20	5.19	2.99
V	Less Allocation from Unit 8 for Shared Capacity	12.50	12.50	0.00
	Total	4329.52	4401.14	71.62
V	Net Gap/ (Surplus)	81.86	206.60	124.74

Table 2-12: Revised Net Entitlement for Unit 8 for FY 2011-12

<i>Rs Crores</i>				
Sr. No.	Particulars	Approved in the MYT T.O.	Revised as per ATE Judgment in Appeal 182 of 28th November 2013 and 212 of 27th October 2014	Impact of ATE Judgment
I	Revenue	701.51	697.86	3.65
	- Power Supply	696.82	696.82	0.00
	- Non-Tariff Income	4.69	1.04	-3.65
II	Expenditure			0.00
1	Fuel Related Expenses	483.18	477.42	-5.76
2	Aux. Benefit	4.70	4.70	0.00
3	Operation & Maintenance Expenses	32.08	31.88	-0.20
4	Depreciation	32.12	44.55	12.43
5	Interest on Long-term Loan Capital	59.97	57.75	-2.22
6	Interest on Working Capital	13.36	14.42	1.06
7	Income tax	20.25	23.53	3.28
8	Return on Equity	35.50	39.31	3.81
9	Incentive - PLF	1.95	0.00	-1.95
10	Other Finance Charges	0.01	0.01	0.00
11	Add: Fixed charge on account of sharing facilities by 200 MW of Unit # 8	10.00	10.00	0.00
12	Total Incl. Incentive	693.12	703.57	10.45
V	Net Gap / (Surplus)	-8.39	5.71	14.10

Table 2-13: Net Entitlement for Unit 4 to 7 & Hydro for FY 2012-13

Rs. Crores					
Sr. No.	Particulars	Approved in the MYT T.O.	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	Net Entitlement (Including Transfer to Reserves) after Impact of Gains / (Loss) from Controllable factors
I	Revenue				4644.27
	- Power Supply				4611.88
	- Non-Tariff Income	13.94	32.39		32.39
II	Expenditure				
1	Fuel Related Expenses		3894.25	27.46	3866.80
2	Aux. Benefit		-24.02	-8.01	-16.01
3	Operation & Maintenance Expenses with uncontrollable expenditure	425.75	428.85	6.82	422.03
4	Depreciation	91.57	103.96		103.96
5	Interest on Long-term Loan Capital	63.46	69.59		69.59
6	Other Charges		0.17		0.17
7	Interest on Working Capital	152.39	106.86		106.86
8	Add Colony Consumption of Hydro		0.55		0.55
9	Income tax	104.17	89.95		89.95
10	Return on Equity	202.12	207.09		207.09
12	Total Expenditure	1039.46	4877.27	26.27	4850.99
13	Incentive (PLF, Hydro Incentive.)		41.66		41.66
14	Total Incl. Incentive		4918.93	26.27	4892.66
	<i>Less:</i>				
IV	Unallocated fixed cost portion of Unit 4		4.91	0.00	4.91
V	Allocation from Unit 8 for Shared Capacity		12.50	0.00	12.50
	Total ARR for FY 2012-13		4901.52	26.27	4875.24
V	Net Gap/(Surplus)				230.97

Table 2-14: Net Entitlement for Unit 8 for FY 2012-13

Rs. Crores

Sr. No.	Particulars	Approved in the MYT T.O.	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	Net Entitlement (Including Transfer to Reserves) after Impact of Gains / (Loss) from Controllable factors
I	Revenue		950.10		950.10
	- Power Supply		946.24		946.24
	- Non-Tariff Income	2.13	3.85		3.85
II	Expenditure				
1	Fuel Related Expenses		662.33	13.89	648.44
2	Aux. Benefit		14.35	4.78	9.56
3	Operation & Maintenance Expenses	39.15	52.16	-0.16	52.32
4	Depreciation	55.30	56.46		56.46
5	Interest on Long-term Loan Capital	69.65	67.41		67.41
6	Interest on Working Capital	18.66	19.10		19.10
7	Other Finance Charges		0.05		0.05
8	Income tax	20.25	39.31		39.31
9	Return on Equity	49.86	49.86		49.86
10 = 1 to 9	Total Expenditure	252.87	961.03	18.51	942.52
11	PLF Incentive		1.52		1.52
12 =10+11	Total Incl. Incentive	252.87	962.54	18.51	944.03
III	Net Gap/(Surplus)				-6.07
IV	Add: Expenditure towards shared capacity of Unit 4 to 7	12.50	12.50		12.50
V	Net Gap/(Surplus)	12.50	12.50		6.43

Table 2-15: Net Entitlement for Unit 4 to 7 & Hydro for FY 2013-14

Rs. Crores					
Sr. No.	Particulars	Approved in the MYT T.O.	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	Net Entitlement after Impact of Gains / (Loss) from Controllable factors
I	Revenue		3104.58		3104.58
	- Power Supply		3069.52		3069.52
	- Non-Tariff Income	15.60	35.05		35.05
II	Expenditure				
1	Fuel Related Expenses		2048.59	5.60	2043.00
2	Aux. Benefit		-2.68	-0.89	-1.79
3	Operation & Maintenance Expenses with uncontrollable expenditure	450.11	449.82	12.34	437.48
4	Depreciation	109.46	116.97		116.97
5	Interest on Long-term Loan Capital	83.05	75.55		75.55
6	Other Charges		0.05		0.05
7	Interest on Working Capital	154.68	70.35		70.35
8	Add Colony Consumption of Hydro		0.53		0.53
9	Income tax	104.17	79.74		79.74
10	Return on Equity	212.52	213.91		213.91
12	Incentive (PLF, Hydro Incentive.)		54.12		54.12
13	Total Incl. Incentive	1113.99	3106.96	17.04	3089.92
	<i>Less:</i>				
14	Unallocated fixed cost portion of Unit 4	4.23	3.87	0.00	3.87
15	Allocation from Unit 8 for Shared Capacity	12.50	12.50	0.00	12.50
III	Total ARR for FY 2013-14	1097.26	3090.59	17.04	3073.55
IV	Adjustment for Fuel Cost on Entry tax shown seperately in the Past recovery table				76.20
V	Adjustment for Transportation Cost shown seperately in the Past recovery table				-58.41
VI	Net Gap/(Surplus)		13.99	-17.04	-48.81

Table 2-16: Net Entitlement for Unit 8 for FY 2013-14

Rs. Crores					
Sr. No.	Particulars	Approved in the MYT T.O.	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	Net Entitlement after Impact of Gains / (Loss) from Controllable factors
I	Revenue				754.79
	- Power Supply		750.58		750.58
	- Non-Tariff Income	2.23	4.21		4.21
II	Expenditure				
1	Fuel Related Expenses		460.04	16.27	443.77
2	Aux. Benefit		11.70	3.90	7.80
3	Operation & Maintenance Expenses	41.38	41.38	-2.47	43.85
4	Depreciation	58.76	57.33		57.33
4	Interest on Long-term Loan Capital	68.86	62.35		62.35
5	Interest on Working Capital	18.80	16.65		16.65
6	Other Finance Charges		0.00		0.00
7	Income tax	20.25	32.39		32.39
8	Return on Equity	51.38	50.43		50.43
9	Total Expenditure	259.43	732.25	17.70	714.55
11	PLF Incentive		0.00		0.00
12	Reduction in Annual Fixed Charge on account of lower availability		-12.58		-12.58
13	Total Incl. Incentive	259.43	719.67	17.70	701.97
III	Gap / (Surplus)				-52.82
	<i>Add:</i>				
IV	Expenditure towards shared capacity of Unit 4 to 7	12.50			12.50
V	Net Gap/(Surplus)				-40.32

2.10 ARR & Average Cost of Generation

Based on the above entitlement for FY 2011-12 to FY 2013-14 and the projections for FY 2014-15 to FY 2015-16, the ARR and average cost of generation is worked out as given in the table below:

Table 2-17: ARR & Average Cost of Generation

Particulars		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Fixed Charges						
Fixed Charges (Unit 4 to 7)	Rs Cr	919.36	949.85	942.64	1049.29	1075.50
Fixed Charges (Unit 8)	Rs Cr	220.41	293.10	258.70	182.14	260.28
Total Fixed Charges	Rs Cr	1139.76	1242.96	1201.33	1231.43	1335.78
Energy Charges						
Unit 4 to 7 and Hydro	Rs Cr	3475.77	3834.82	2003.52	2027.44	1367.80
Unit 8	Rs Cr	498.01	710.93	487.28	223.49	552.37
Total Energy Charges	Rs Cr	3973.77	4545.76	2490.79	2250.93	1920.17
Incentive						
Unit 4 to 7	Rs Cr	5.44	10.08	0.44		
Unit 8	Rs Cr	0.00	1.52	0.00	0.00	0.00
Hydro	Rs Cr	45.73	31.58	53.68		
Total Incentive	Rs Cr	51.17	43.18	54.12	0.00	0.00
ARR = Fixed Charges + Energy Charges + Incentives						
Unit 4 to 7 and Hydro	Rs Cr	4446.29	4826.34	3000.28	3076.73	2443.30
Unit 8	Rs Cr	718.41	1005.55	745.97	405.63	812.65
Total ARR	Rs Cr	5164.71	5831.89	3746.25	3482.36	3255.95
Quantum of Net Generation	Mus	10056.54	10328.81	8253.01	7233.55	7684.10
Avg Cost of Net Generation	Rs/Kwh	5.14	5.65	4.54	4.81	4.24

Based on the above the Unit wise Fixed Cost and Energy charge is as given below:

Table 2-18: Estimated Unit wise Fixed Cost for FY 2014-15

FY 2014-15	Total	Rs Crores	
		BEST	Tata Power-D
Unit 4	0.00	0.00	0.00
Unit 5	393.40	201.30	192.10
Unit 6	148.82	76.15	72.67
Unit 7	205.01	104.91	100.11
Unit 8	182.14	72.85	109.28
Hydro capacity Charge	159.42	81.58	77.84
Total	1088.79	536.79	552.00

Table 2-19: Proposed Unit wise Fixed Cost recovery from Distribution Licensees for FY 2015-16

FY 2015-16	Total	Rs Crores	
		BEST	Tata Power-D
Unit 4	0.00	0.00	0.00
Unit 5	422.92	216.41	206.51
Unit 6	135.96	69.57	66.39
Unit 7	209.01	106.95	102.06
Unit 8	260.33	104.13	156.20
Hydro capacity Charge	169.26	86.61	82.65
Total	1197.48	583.67	613.81

Table 2-20: Estimated Unit wise Energy Charge for FY 2014-15

Unit	FY 2014-15	Total			BEST			Tata Power-D			R Infra		
		Mus	Rs/kWh	Rs Crores	Mus	Rs/kWh	Rs Crores	Mus	Rs/kWh	Rs Crores	Mus	Rs/kWh	Rs Crores
Unit 4	Auxiliary	-2.25	0.00	0.00	-1.41	0.00	0.00	-0.84	0.00	0.00			
Unit 5	RLNG	9.17	12.08	11.07	4.69	12.08	5.67	4.48	12.08	5.41			
Unit 5	Non APM	0.94	3.47	0.32	0.48	3.47	0.17	0.46	3.47	0.16			
Unit 5	Oil	6.47	13.22	8.56	3.31	13.22	4.38	3.16	13.22	4.18			
Unit 5	Coal	3140.16	3.13	982.81	1606.82	3.13	502.90	1533.34	3.13	479.90			
Unit 6	Non APM	2.86	3.33	0.95	1.47	3.33	0.49	1.40	3.33	0.47			
Unit 6	RLNG	127.49	10.57	134.80	65.23	10.57	68.98	62.25	10.57	65.82			
Unit 6	Auxiliary	-11.91		0.00	-6.09	0.00	0.00	-5.82	0.00	0.00			
Unit 6	Oil	2.06	13.28	2.74	1.06	13.28	1.40	1.01	13.28	1.34			
Unit 6	Actual	384.24	13.43	516.03	107.04	13.47	144.17	143.01	13.44	192.25	134.19	13.38	179.61
Unit 7	Gas	1435.06	2.56	367.80	734.32	2.56	188.21	700.74	2.56	179.60			
Unit 7	RLNG	2.55	9.19	2.35	1.31	9.19	1.20	1.25	9.19	1.15			
Hydro	Energy Charge	1408.40	1.25	176.32	720.68	1.25	90.22	687.72	1.25	86.10			
Unit 8	Coal+Sec Oil	726.85	3.07	223.49	290.74	3.07	89.40	436.11	3.07	134.09			
Total		7232.11	3.36	2427.25	3529.65	3.11	1097.18	3568.27	3.22	1150.47	134.19	13.38	179.61

Table 2-21: Proposed Unit wise Energy Charge for FY 2015-16

Unit	FY 2015-16	Total			BEST			Tata Power-D		
		Mus	Rs/kWh	Rs Crores	Mus	Rs/kWh	Rs Crores	Mus	Rs/kWh	Rs Crores
Unit 4	Auxiliary	-2.88	0.00	0.00	-1.80	0.00	0.00	-1.08	0.00	0.00
Unit 5	RLNG									
Unit 5	C Series									
Unit 5	Oil	11.43	13.01	14.87	5.85	13.01	7.61	5.58	13.01	7.26
Unit 5	Coal	3079.21	3.11	957.17	1575.63	3.11	489.78	1503.58	3.11	467.39
Unit 6	Non APM									
Unit 6	RLNG									
Unit 6	Auxiliary	-25.55		0.00	-13.07	0.00	0.00	-12.48	0.00	0.00
Unit 6	Oil					0.00	0.00	0.00	0.00	0.00
Unit 6	Actual					0.00	0.00	0.00	0.00	0.00
Unit 7	Gas	1415.58	2.80	395.76	724.35	2.80	202.51	691.23	2.80	193.25
Unit 7	RLNG									
Hydro	Energy Charge	1408.29	1.27	179.09	720.62	1.27	91.64	687.67	1.27	87.45
Unit 8	Coal+Sec Oil	1795.14	3.08	552.37	718.06	3.08	220.95	1077.08	3.08	331.42
		7681.22	2.73	2099.26	3729.63	2.71	1012.49	3951.59	2.75	1086.77

2.11 Past Recoveries from the Distribution Licensees

In this petition, Tata Power –G has discussed and arrived at the various amounts due from the Distribution Licensees on account of the impact of the judgments of the Hon’ble ATE. The recoveries pertain to the following judgments:

- ATE Judgment dated 31st August, 2012 in Appeal No. 18 of 2011 with reference to disallowance of non DPR capitalisation.
- ATE Judgement dated 28th November, 2013 in Appeal No. 105 of 2012 with respect to issues raised against the Truing up Order for FY 2009-10 and FY 2010-11 in Case No. 105 of 2011 of the Hon’ble Commission.
- ATE judgement dated 28th November, 2013 in Appeal No. 182 of 2012 regarding applicability of MYT Regulations, 2011 to FY 2011-12.

- ATE judgment dated 27th October, 2014 in Appeal No. 212 of 2013 regarding issues raised against Truing up of FY 2011-12.

The summary of the amounts recoverable is presented in the Table below:

Table 2-22: Summary of Amounts Recoverable from Distribution Licensees

								<i>Rs Crores</i>
	Particulars	Year	SBI PLR rate		Distribution Licensees			Total
					BEST	Tata Power - D	Rinfra	
1	Impact of Hon'ble ATE Judgment in Appeals 182 of 2012 and 212 of 2013 including Carrying Cost			Unit 4 to 7 and Hydro	91.87	87.68		179.56
2	Impact of Hon'ble ATE Judgment in Appeals 182 of 2012 including Carrying Cost			Unit 8	9.86	10.43		20.30
3	Impact of Hon'ble ATE Judgment in Appeals 105 of 2012 including Carrying Cost			Unit 4 to 7 and Hydro	284.54	206.17	149.48	640.19
4	Impact of Hon'ble ATE Judgment in Appeals 18 of 2011 w.r.t disallowed capitalization including Carrying Cost			Unit 4 to 7 and Hydro	21.99	13.59	9.16	44.74
5	Carrying Cost allowed for past recovery in Appeal 212 of 2013				28.38	17.39	19.95	65.71
5=1 to 4	Total ATE Impact				436.64	335.27	178.59	950.50
6	Truing up gap for FY 2012-13			Unit 4 to 7 and Hydro	118.18	112.80		230.97
7	Truing up gap for FY 2012-13			Unit 8	2.57	3.86		6.43
8= 6 to 7	Total				120.75	116.65	0.00	237.41
9	Carrying Cost	FY 2013-14	14.58%		17.61	17.01		34.62
10	Carrying Cost	FY 2014-15	14.75%		17.81	17.21		35.02
11 = 8 to 10	Total with Carrying Cost				156.17	150.87	0.00	307.04
12	Truing up gap for FY 2013-14			Unit 4 to 7 and Hydro	-24.97	-23.84	0.00	-48.81
13	Truing up gap for FY 2013-14			Unit 8	-16.13	-24.19	0.00	-40.32
14	Total				-41.10	-48.03	0.00	-89.13
15	Carrying Cost	FY 2014-15	14.75%		-6.06	-7.08	0.00	-13.15
16 = 14 to 15	Total with Carrying Cost				-47.17	-55.11	0.00	-102.28
17	Fuel Cost recovery pertaining to past period				-11.81	-15.44	16.80	-10.45
18=5+11+16 +17	Total amount to be passed on in FY 2015-16				533.84	415.59	195.39	1144.81

2.12 Proposed Recovery

It is submitted that the above amount of **Rs. 1144.81 Crores** is due to Tata Power –G from the various Distribution Licensees. Since, this amount is pertaining to the period of FY 2008-09 to FY 2013-14 on account of impact of ATE judgments pertaining to the past period, any further delay in recovery of these amounts, would have a substantial financial impact on Tata Power-G.



We, therefore request the recovery of the amount of Rs. 1144.81 Crores within one month of the issue of order. Further, we request the Hon'ble Commission to consider the impact of carrying cost in case, the Hon'ble Commission deems appropriate to allow recovery of the same in instalments.