



TATA POWER

The Tata Power Company Limited

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CIN No. : L28920MH1919PLC000567

PUBLIC NOTICE

Suggestions & Objections on Tata Power-Distribution Business Petition for approval of Mid Term Review for Multi Year Tariff (MYT) Second Control Period including revised true-up for FY 2011-12, 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 18 of 2015)

1. The Tata Power Company Limited's Distribution Business (Tata Power-D) has filed the Petition for approval of Mid Term Review for Multi Year Tariff (MYT) Second Control Period including revised true-up for FY 2011-12, 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 24 February, 2015 and directed Tata Power-D to publish a Public Notice under Section 64(2) of the Act.

Revised Truing-up for FY 2011-12

2. The Commission had issued Maharashtra Electricity Regulatory Commission (Multi-Year Tariff Regulations) 2011 dated 4th February, 2011 (hereinafter called "MYT Regulations 2011") for the Second Control Period from FY 2011-12 to FY 2015-16. The MYT Regulations, 2011 provided for filing of Business Plan for the Control Period of 5 years and upon the approval of the same, the MYT Petition to be filed by the Distribution Licensee. In compliance with the same Tata Power - D had filed the Business Plan with the Hon'ble Commission on 29th November, 2011. The Commission had issued the Order on the same dated 26th August, 2012 in Case 165 of 2011. In the said order, the Commission had directed Tata Power - D to file a MYT Petition for the Second Control Period from FY 2012-13 to FY 2015-16. However for FY 2011-12, the Hon'ble Commission had directed Tata Power-D to file the ARR for the year FY 2011-12 as per MERC Tariff Regulations, 2005.

Tata Power-D filed an Appeal against the Business Plan Order with regarding to the issue of applicability of MERC Tariff Regulations, 2005 for the year FY 2011-12 in the ATE in Case 183 of 2012. The Hon'ble ATE had passed the judgment on the same dated 28th November, 2013 stating that the MYT Regulations, 2011 are applicable for Tata Power-D as against MERC Tariff Regulations, 2005. The impact of this judgment has been taken into consideration in the present filing.

3. The summary of impact of Judgment of Hon'ble APTEL on ARR for FY 2011-12 is as shown in the following Table:

Table 1: Revised Aggregate Revenue Requirement of TPC-D for FY 2011-12

(Rs. crores)

Sr. No.	Particular	MYT T.O.		FY 2011-12			ATE Impact + Other Adjustments
		FY 2011-12	Wires Business	Supply Business	Total		
1	Power Purchase Expenses	3234.31	0.00	3234.31	3234.31	0.00	
2	Operation & Maintenance Expenses	106.39	50.25	59.02	109.27	2.88	
3	Depreciation	27.75	36.56	0.89	37.46	9.71	
4	Interest and Finance Charges on Long-term Loan Capital	32.11	31.42	0.54	31.97	-0.14	
5	Interest on Working Capital and on consumer security deposits (incl. Finance Charges)	55.30	5.67	60.58	66.25	10.96	
6	Bad debts written off	-0.69	-2.34	0.39	-1.95	-1.26	
7	Income Tax	30.03	20.73	0.96	21.69	-8.34	
8	Contribution to contingency reserves	1.80	1.80	0.00	1.80	0.00	
9	Interest on FAC	22.47	0.00	22.47	22.47	0.00	
10	Return on Equity Capital	39.73	37.14	1.72	38.86	-0.87	
11	Aggregate Revenue Requirement	3549.20	181.24	3380.90	3562.14	12.94	
12	Less: Non Tariff Income	75.04	7.70	7.35	15.05	-59.99	
13	Less: Income from sale of surplus power	3.75	0.00	3.75	3.75	0.00	
14	Aggregate Revenue Requirement from Retail Tariff	3470.41	173.54	3369.80	3543.34	72.94	
15	Revenue	3009.10	60.97	2948.13	3009.10	0.00	
16	Gap/(Surplus)	461.30	112.57	421.67	534.24	72.94	

4. The carrying cost on the revised truing-up for FY 2011-12 works out to Rs.32.05 Crores and the total recovery due to revised truing up of FY 2011-12 (including carrying cost) works out to Rs.104.99 Crores.

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

5. 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 2: Aggregate Revenue Requirement of TPC-D for FY 2012-13 & FY 2013-14

(Rs. crore)

Sr. No.	Particular	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Audited / Normative	Approved in the MYT Order	Audited / Normative
1	Power Purchase Expenses	3644.46	3564.82	3421.56	2888.51
2	Operation & Maintenance Expenses	130.55	132.12	158.43	157.76
3	Depreciation	64.97	48.24	108.58	59.88
4	Interest on Long-term Loan Capital	64.81	43.99	121.49	58.12
5	Interest on Working Capital and on consumer security deposits (incl. Finance Charges)	84.04	83.21	76.75	71.46
6	Provisioning for Bad & Doubtful Debts	0.00	6.73	0.00	9.02
7	DSM Expenses			3.21	0.33
8	Income Tax	30.03	38.25	30.03	36.69
9	Transmission Charges - intra-State (incl. SLDC Charges)	233.58	233.58	469.41	469.42
10	Contribution to contingency reserves	2.27	2.20	4.20	2.78
11	Total Revenue Expenditure	4254.71	4153.13	4393.66	3753.98
12	Return on Equity Capital	61.00	49.10	100.16	60.57
13	Aggregate Revenue Requirement	4315.71	4202.24	4493.82	3814.55
14	Less: Non Tariff Income	73.48	13.34	80.53	15.65
15	Less: Income from Other Business	0.00	0.00	0.00	0.00
16	Add: Interest on FAC	0.00	19.70	0.00	-2.62
17	Net Aggregate Revenue Requirement	4242.23	4208.60	4413.29	3796.28
18	Sales (MU)	6592.58	6600.40	6974.04	6538.01
19	Average Cost of Supply (Rs./kWh)	6.43	6.38	6.33	5.81

Table 6: Power Purchase Cost in FY 2012-13 & FY 2013-14

Particulars	FY 2012-13						FY 2013-14					
	Approved in the MYT Order			Actuals			Approved in the MYT Order			Actuals		
	Mus	Rs. Crore	Rs./kWh	Mus	Rs. Crore	Rs./kWh	Mus	Rs. Crore	Rs./kWh	Mus	Rs. Crore	Rs./kWh
Tata Power-G	5244.84	2818.54	5.37	5244.84	2820.87	5.38	3936.52	1885.67	4.79	4194.33	1948.62	4.65
Renewable Energy Sources	326.87	142.03	4.35	327.15	142.15	4.34	657.72	323.16	4.91	323.48	144.00	4.45
Renewable Energy Certificates		49.78			49.78						43.09	
Case I Bidding							996.45	448.40	4.50			
Bilateral Power Purchase	394.05	141.05	3.58	394.05	141.06	3.58	1716.91	614.65	3.58	1422.06	404.79	2.85
Unscheduled Inter change	977.65	347.86	3.56	966.23	347.84	3.60				883.80	172.16	1.95
Adjustment In UI for past FBMS Settlement												-55.99
Energy Under Standby	13.65	5.77		13.64	6.15	4.51				21.13	8.75	4.14
Banking Returns	-24.83			-24.83								
Sale to Outside License Area	-2.13	-1.08	5.06	-2.13	-1.08	5.06						
Power Purchase	6930.10	3503.95	5.06	6918.96	3497.73	5.06	7307.60	3271.89	4.48	6844.80	2665.42	3.89
Standby Charges Payable		140.51			67.09			149.67			223.09	
Transmission & SLDC Charges Payable		233.58			233.58			469.41			469.42	
Total	6930.10	3878.04	5.60	6918.96	3798.40	5.49	7307.60	3890.97	5.32	6844.80	3357.93	4.91

Table 7: Operational Parameters in FY 2012-13 & FY 2013-14

Sr.No.	Particulars	FY 2012 - 13		FY 2013 - 14	
		Approved in the MYT Order	Actuals	Approved in the MYT Order	Actuals
1	Distribution Loss (%)	1.02%	1.07%	1.12%	0.97%
2	Collection Efficiency (%)		100.08%		99.89%

Table 3: Energy Sales in FY 2012-13 & FY 2013-14 (MUs)

Consumer Category	FY 2012-13			FY 2013-14					
	Actuals			Approved in the MYT Order			Actuals		
	Direct Sales	Changeover Sales	Total Sales	Direct Sales	Changeover Sales	Total Sales	Direct Sales	Changeover Sales	Total Sales
LT Categories									
LT I - Residential (BPL)	0.00	0.02	0.02	0.00	0.00	0.00	0.00	0.00	0.00
LT I - Residential	138.83	1035.66	1174.49	150.63	1136.45	1287.08	152.97	1240.551	1393.52
- S1 (0-100 units)	32.01	281.56	313.57	35.49	222.38	257.87	36.23	388.82	425.05
- S2 (101-300 units)	42.38	376.91	419.28	46.60	403.94	450.54	47.03	471.13	518.15
- S3 (> 301-500 Units)	18.48	151.32	169.80	19.26	164.5	183.76	19.60	158.06	177.66
- S4 (Above 500 units (balance units))	45.96	225.87	271.83	49.28	345.63	394.91	50.11	222.54	272.65
LT II - Commercial									
- Upto 20 kW	33.33	460.27	493.59	32.07	489.64	521.71	35.22	446.60	481.82
- > 20 kW & < 50kW	29.13	120.56	149.69	32.67	128.25	160.92	31.12	104.93	136.05
- > 50kW	227.29	425.65	652.94	254.96	452.80	707.76	229.02	343.60	572.61
LT III - Industry < 20 kW	26.35	71.35	97.70	26.22	71.91	98.13	25.77	69.94	95.71
LT IV - Industry > 20kW	159.31	334.40	493.72	159.31	337.02	496.33	152.41	262.67	415.08
LT V - Advertisement & Hoardings, incl. floodlights & neon signs	0.00	0.18	0.18	0.00	0.18	0.18	0.02	0.13	0.15
LT VI - Streetlights	0.01	0.00	0.01	0.00	0.00	0.00	0.11	0.00	0.11
LT VII - Temporary Supply									
- TSR - Temporary Supply Religious	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.02
- TSO - Temporary Supply Others	16.08	0.88	16.96	16.08	0.87	16.95	18.06	0.47	18.53
LT VIII - Crematoriums and Burial Grounds	0.00	0.34	0.34	0.00	0.00	0.00	0.00	0.38	0.38
LT IX - Public Services				5.44	0.00	5.44	5.30	15.83	21.13
HT Categories									
HT I - Industry & CPP	1072.01	287.23	1359.24	1149.97	307.08	1457.05	1139.25	177.63	1316.88
HT II - Commercial	697.97	574.66	1272.63	566.84	605.55	1172.39	664.52	354.63	1019.14
HT III Group Housing	0.00	17.12	17.12	0.00	17.12	17.12	0.00	15.43	15.43
HT IV - Temporary Supply	10.14	0.18	10.31	11.24	0.18	11.42	7.96	0.03	7.99
HT V - Railways									
- 22/33 kV	291.34	0.00	291.34	453.75	0.00	453.75	296.36	0.00	296.36
- 100kV	561.58	0.00	561.58	399.17	0.00	399.17	598.04	0.00	598.04
HT VI - Public Services				168.64	0.00	168.64	123.95	28.62	152.57
15 day adjustments	-6.23	14.78	8.55	0.00	0.00	0.00	-4.63	1.11	-3.52
Total Sales	3257.13	3343.27	6600.40	3426.99	3547.05	6974.04	3475.47	3062.55	6538.01

* Note: For FY 2012-13, the approved values are same as actuals

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

(Rs. crores)

Consumer Category	FY 2012-13			FY 2013-14					
	Actuals			Approved in the MYT Order			Actuals		
	Direct	Changeover	Total	Direct	Changeover	Total	Direct	Changeover	Total
LT Categories									
LT I - Residential (BPL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LT I - Residential	63.10	366.39	429.49	79.17	381.82	460.99	77.86	348.00	425.86
- S1 (0-100 units)	2.02	3.48	5.50	8.27	7.83	16.10	2.27	3.91	6.17
- S2 (101-300 units)	8.53	64.07	72.60	19.11	85.20	104.31	11.98	69.79	81.77
- S3 (> 301-500 Units)	10.05	73.74	83.78	12.77	78.19	90.96	12.47	68.13	80.60
- S4 (Above 500 units (balance units))	42.50	225.11							

Revenue Gap

Table 9: Revised Aggregate Revenue Requirement of TPC-D for FY 2014-15 & FY 2015-16

(Rs. crore)

Sr. No.	Particular	FY 2012-13		FY 2013-14	
		Approved in the MYT Order	Revised	Approved in the MYT Order	Revised
1	Power Purchase Expenses	3728.50	2868.76	4049.30	2666.93
2	Operation & Maintenance Expenses	195.39	156.72	219.67	171.59
3	Depreciation	133.46	81.10	133.78	96.53
4	Interest on Long-term Loan Capital	146.29	76.14	134.67	91.10
5	Interest on Working Capital and on consumer security deposits	84.36	66.19	96.10	65.08
6	Provisioning for Bad & Doubtful Debts	0.00	0.00	0.00	0.00
7	DSM Expenses	5.33	5.33	5.56	5.56
8	Income Tax	30.02	30.02	30.02	30.02
9	Transmission Charges - intra-State	428.17	436.72	497.04	487.80
10	Contribution to contingency reserves	6.69	3.54	6.66	4.51
11	Total Revenue Expenditure	4758.21	3724.51	5172.80	3619.12
12	Return on Equity Capital	123.10	76.34	124.98	91.67
13	Aggregate Revenue Requirement	4881.31	3800.85	5297.78	3710.80
14	Less: Non Tariff Income	88.45	26.55	98.21	29.99
15	Less: Income from Other Business	0.00	0.00	0.00	0.00
16	Net Aggregate Revenue Requirement	4792.86	3774.30	5199.57	3680.80

Table 15: Revenue Gap for Wires Business

(Rs. Crore)

Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
1	ARR for Wires Business	173.54	235.56	281.01	323.61
2	Less: Revenue from Wheeling Charges	60.97	73.74	288.10	470.95
3	Revenue Gap / (Surplus)	112.57	161.82	-7.10	-147.34

Table 16: Revenue Gap for Retail Supply Business

(Rs. Crore)

Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
1	ARR for Retail Supply Business	3369.80	3972.40	3517.56	3450.69
2	Less: Revenue from Sale of Power	2948.13	3649.05	3493.51	3527.10
3	Revenue Gap / (Surplus)	421.67	323.36	24.05	-76.42

ATE Judgments Impact

Impact of following ATE judgments have been considered in the present filing:

Table 17: Impact of ATE Judgments

Particulars	Appeal No. 106 of 2012	Appeal No. 183 of 2012	Remarks
Disallowance of Income Tax	51.55		Income Tax is allowed to be computed by considering Tata Power-D as a separate business unit, by Hon'ble ATE.
Disallowance of De-Capitalisation of assets approved earlier in FY 2008-09	12.65		*Certain asset which were earlier decapitalised, were directed to be recapitalised by the Hon'ble Commission. Hon'ble ATE allowed the decapitalisation.
Disallowance of Refinancing of Loans	3.08		Refinancing of normative loans was allowed by Hon'ble ATE
Renewable Power Purchase for FY 2010-11	1.14		Landed cost of renewable energy procured from bilateral sources was permitted.
Disallowance of treasury income from 'gain on exchange' as part of Non tariff income for FY 2009-10 and FY 2010-11	3.79		Certain Corporate Treasury Income was passed on to the consumer by the Hon'ble Commission. Hon'ble ATE disallowed such passing of Corporate Treasury Income which did not pertain to Licence Area.
Disallowance of O&M expenditure with respect to gifts in FY 2009-10 and FY 2010-11	0.77		The amount pertaining to gifts to employees was disallowed by the Hon'ble Commission.
Regulations, 2011 Truing up as per MERC MYT		72.94	Hon'ble Commission had trued up FY 2011-12 as per Tariff Regulations, 2005. Hon'ble ATE allowed truing up as per MYT Regulations, 2011
Total	72.98	72.94	
Carrying Cost	57.21	32.05	
Total Recovery on account of ATE Judgment	130.19	104.99	

Further, following issues, dealt in the judgment of Hon'ble ATE in Appeal No. 244 of 2013 have been included in the revised truing up of FY 2011-12:

- Income from Gain or Loss on Foreign Exchange as a part of Non-tariff Income
- Wrongful Computation of O&M Expenditure

It is also submitted that, there have been recoveries proposed on following issues dealt in the judgment of Hon'ble ATE in Appeal No. 244 of 2013 have been included in the revised truing up of FY 2011-12:

- Wrongful determination of Wheeling Charges
- Amortization of entire Regulatory Asset

Further, impact of issues dealt in the judgement of Hon'ble ATE in Appeal 229 & 246 of 2012 and Appeal 331 of 2013, have been considered in terms of projections and/or tariff proposal and no recoveries are proposed on this account.

Table 18: Past Recoveries of Tata Power-D – Wires Business

Sr.No.	Particulars	Rs. Crore
1	Tata Power -D Wires Business Pure Gap / (surplus) of 2011-12	112.57
2	Carrying Cost	16.45
3	Carrying Cost	16.42
4	Carrying Cost	16.60
5	Total Recovery of FY 2011-12 including carrying cost	162.04
6	Tata Power -D Wires Business Pure Gap / (surplus) of 2012-13	161.82
7	Carrying Cost	23.60
8	Carrying Cost	23.87
9	Total Recovery of FY 2012-13 including carrying cost	209.28
10	Tata Power -D Wires Business Pure Gap / (surplus) of 2013-14	-7.10
11	Carrying Cost	-1.05
12	Total Recovery of FY 2013-14 including carrying cost	-8.14
13	Provision Gap / (surplus) of 2014-15 - Wires Business	-147.34
14	Total Past Recoveries upto FY 2015-16	215.83

Table 19: Past Recoveries of Tata Power-D – Supply Business

Sr.No.	Particulars	Rs. Crore
1	Total Recoveries of Tata Power-D upto FY 2015-16	2186.83
2	Less: Past Recoveries attributable to Wires Business	215.83
3	Past Recoveries attributable to Retail Supply Business	1970.99

Table 20: Proposed recovery from TPC-D Wire Business (Rs. Crore)

Sr. No.	Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1	Opening Balance	215.84	211.28	198.52	174.82	136.69	79.77
2	Allowed to recovered	5	13	24	38	57	81
3	Closing Balance	211.28	198.52	174.82	136.69	79.77	-1.41
4	Average	213.56	204.90	186.67	155.75	108.23	39.18
5	Interest	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
6	Carrying Cost	29.90	28.69	26.13	21.81	15.15	5.49
7	Recovery	34.46	41.44	49.84	59.93	72.07	86.67

Table 21: Proposed recovery from TPC-D Supply Business

Sr. No.	Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
1	Opening Balance	1970.99	1920.57	1810.97	1600.31	1256.25	738.09
2	Add Unit 6 staggered Cost	0.00	17.42	17.42	17.42	17.42	17.42
3	Allowed to recovered	50	127	228	361	536	761
4	Closing Balance	1920.57	1810.97	1600.31	1256.25	738.09	-5.13
5	Average	1945.78	1865.77	1705.64	1428.28	997.17	366.48
6	Interest	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
7	Carrying Cost	272.41	261.21	238.79	199.96	139.60	51.31
8	Recovery	322.83	388.23	466.87	561.45	675.18	811.95
9	Sales	5880.38	6233.21	660.20	7003.63	7423.85	7869.28
10	Average RAC	0.55	0.62	0.71	0.80	0.91	1.03

Tariff Proposal of TPC-D

7. Tariff Philosophy

Tata Power-D proposes to recover the ARR for FY 2015-16. Further, Tata Power-D also proposes to recover the Past Recoveries in a span of 6 years in order to avoid tariff shock to the consumers. The Past Recoveries pertaining to Wires Business have been proposed to be included as a part of Wheeling Charges, whereas Past Recoveries pertaining to Supply Business have been proposed to be recovered through a separate charge in the form of Regulatory Asset Charge. In order to recover this ARR, the existing tariffs of Tata Power-D (applicable for FY 2014-15) are inadequate. Further, if the tariffs approved for FY 2015-16 by the Hon'ble Commission in the MYT Order are considered to be charged, the same would lead to a certain over recovery for the year. **Therefore, an Average Billing Rate (ABR) lesser than the ABR approved for FY 2015-16 have been proposed in this submission.**

Further, the category wise tariff has been worked out considering the following:

- The fixed charges / demand charges are proposed to be retained at the same level as approved for FY 2015-16 in the MYT Tariff Order dated 28th June, 2013 except Fixed Charges for Three phase Residential consumers wherein the Fixed charges and Additional fixed charges have been

proposed to be levied the same as approved for FY 2015-16 i.e. Rs. 100 per month upto 10 kW and Additional Fixed Charge of Rs. 100 per 10 kW load or part thereof above 10 kW load as against the increased Fixed charges of Rs. 150 per month upto 10 kW and and Additional Fixed Charge of Rs. 150 per 10 kW load or part thereof above 10 kW load as revised in the Review Petition Order of Tata Power-D.

- The variable cost for 0-300 Residential Consumers is substantially low for Tata Power-D as compared to all other distribution utilities in the State. This is primarily on account of increased cross subsidy provided to 0-300 Residential Consumers. However, to avoid any tariff shock to these consumers, Tata Power-D is proposing to retain the tariff as approved by the Hon'ble Commission for FY 2015-16.
- The tariffs for LT Temporary supply others & LT Advertisements are proposed to be maintained at same level as approved by Hon'ble Commission for FY 2014-15 since these tariffs are already at very high levels.
- For all the other category of consumers Tata Power has proposed a nominal 3-4% increase in Tariff over that of FY 2014-15 Tariff, which is less than the approved tariffs for FY 2015-16 in most categories.

Table 10: Category-wise Sales Projections for FY 2014-15 & FY 2015-16 (MUs)

Consumer Category	FY 2014-15						FY 2015-16					
	Approved in the MYT Order			Projected			Approved in the MYT Order			Projected		
	Direct Sales	Changeover Sales	Total Sales	Direct Sales	Changeover Sales	Total Sales	Direct Sales	Changeover Sales	Total Sales	Direct Sales	Changeover Sales	Total Sales
LT Categories												
LT I - Residential (BPL)	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
LT I - Residential	176	1338.06	1514.10	203.78	1598.60	1802.38	206	1539.66	1745.66	268.71	1460.76	1729.47
- S1 (0-100 units)	42	273.54	315.05	24.59	500.24	524.83	49	314.74	363.74	14.88	557.23	572.10
- S2 (101-300 units)	55	436.99	491.50	49.97	627.25	677.22	64	502.87	566.87	55.13	660.55	715.69
- S3 (> 301-500 Units)	23	202.35	224.86	35.30	214.16	249.46	26	232.84	258.84	50.38	120.95	171.33
- S4 (Above 500 units (balance units))	58	425.18	482.69	93.92	256.95	350.87	67	489.21	556.21	148.31	122.02	270.34
LT II - Commercial												
- Upto 20 kW	41	520.88	561.88	39.04	289.17	328.21	52	554.11	606.11	43.15	124.85	168.00
- > 20 kW & < 50kW	41	136.44	177.44	35.13	54.54	89.67	51	145.14	196.14	40.76	33.45	74.22
- > 50kW	317	481.70	798.70	235.52	156.13	391.65	394	512.43	906.43	252.47	89.80	342.27
LT III - Industry < 20 kW	26	72.47	98.47	24.43	52.14	76.57	26	73.04	99.04	24.14	28.96	53.10
LT IV - Industry > 20kW	159	339.65	498.65	146.80	84.17	230.96	159	342.30	501.30	145.76	34.02	179.78
LT V - Advertisement & Hoardings, incl. floodlights & neon signs	0	0.18	0.18	0.01	0.02	0.04	0	0.18	0.18	0.02	0.01	0.02
LT VI - Streetlights	0	0.00	0.00	0.27	0.00	0.27	0	0.00	0.00	0.00	0.00	0.00
LT VII - Temporary Supply												
- TSR - Temporary Supply Religious	0	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00
- TSO - Temporary Supply Others	16	0.87	16.87	18.00	0.17	18.17	16	0.87	16.87	18.51	0.00	18.51
LT VIII - Crematoriums and Burial Grounds	0	0.00	0.00	0.00	0.31	0.31	0	0.00	0.00	0.16	0.16	0.16
LT IX - Public Services	6	0.00	6.00	10.68	6.31	16.99	6	0.00	6.00	10.76	0.47	11.23
HT Categories												
HT I - Industry & CPP	1316	328.31	1644.31	1382.54	9.14	1391.68	1506	351.00	1857.00	1478.56	1.86	1480.42
HT II - Commercial	602	638.10	1240.10	618.50	21.25	639.76	639	672.40	1,311.40	630.78	1.98	632.76
HT III Group Housing	0	17.12	17.12	0.00	5.53	5.53	0	17.12	17.12	0.00	1.62	1.63
HT IV - Temporary Supply	11	0.18	11.18	9.18	0.00	9.18	11	0.18	11.18	9.83	0.00	9.83
HT V - Railways												
- 22/33 kV	454	0.00	454.00	299.10	0.00	299.10	454	0.00	454.00	305.99	0.00	305.99
- 100kV	399	0.00	399.00	618.82	0.00	618.82	399	0.00	399.00	621.25	0.00	621.25
HT VI - Public Services	173	0.00	173.00	227.62	3.36	230.99	178	0.00	178.00	251.76	0.00	251.76
15 day adjustments				2.99	12.84	15.83						
Total Sales	3737.02	3873.95	7610.98	3872.43	2293.69	6166.12	4097.18	4208.46	8305.44	4102.45	1777.94	5880.38

Table 11: Projected Revenue for FY 2014-15 & FY 2015-16 (Rs. Crore)

Consumer Category	FY 2014-15						FY 2015-16					
	Approved in the MYT Order			Projected			Approved in the MYT Order			Projected		
	Direct	Changeover	Total	Direct	Changeover	Total	Direct	Changeover	Total	Direct	Changeover	Total
LT Categories												
LT I - Residential (BPL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LT I - Residential	107.02	535.52	642.54	143.56	475.79	619.35	138.99	758.98	897.97	212.07</		

8. Proposed Consumer Categories

Tata Power-D has proposed to retain the same categories of consumers as approved by the Hon'ble Commission in its MYT Tariff Order dated 28th June, 2013, in Case No. 179 of 2011.

9. Tariff Proposal

Considering the tariff philosophy suggested above, revised tariffs have 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	1.02	0.84
2	LT	2.08	1.72

Table 23: Proposed Retail Tariff for FY 2015-16 (excluding RAC)

Consumer Category	Fixed Charges (Rs./Consumer/ Month)			Demand Charge (Rs./kVA/Month)			Energy Charges (Rs./kWh)		Wheeling Charges (Rs./kWh)	
	Existing	Proposed	% Increase Proposed	Existing	Proposed	% Increase Proposed	Existing	Proposed	Existing	Proposed
LT Categories										
LT I - Residential (BPL)	3	3	0%				0.10	0.51	2.08	1.72
LT I - Residential										
- S1 (0-100 units)	40	40	0%				0.41	0.82	2.08	1.72
- S2 (101-300 units)	75	75	0%				2.05	2.57	2.08	1.72
- S3 (> 301-500 Units)	75	75	0%				5.23	5.33	2.08	1.72
- S4 (Above 500 units (balance units))	100	100	0%				7.01	7.00	2.08	1.72
LT II - Commercial										
- Upto 20 kW	250	250	0%				5.75	5.80	2.08	1.72
- > 20 kW &< 50kW				200	200	0%	5.91	5.89	2.08	1.72
- > 50kW				200	200	0%	6.46	6.44	2.08	1.72
LT III - Industry < 20 kW	250	250	0%				5.30	5.38	2.08	1.72
LT IV - Industry > 20kW				200	200	0%	6.12	6.10	2.08	1.72
LT V - Advertisement & Hoardings, incl. floodlights & neon signs*	400	400	0%				17.01	15.97	2.08	1.72
LT VI - Streetlights				200	200	0%	4.80	4.77	2.08	1.72
LT VII - Temporary Supply										
- TSR - Temporary Supply Religious	200	200	0%				2.65	2.95	2.08	1.72
- TSO - Temporary Supply Others	400	400	0%				13.85	12.93	2.08	1.72
LT VIII - Crematoriums and Burial Grounds	200	200	0%				2.40	2.55	2.08	1.72
LT IX - Public Services	250	250	0%				5.64	5.64	2.08	1.72
HT Categories										
HT I - Industry & CPP				200	200	0%	7.00	6.82	1.02	0.84
HT II - Commercial				200	200	0%	7.29	7.07	1.02	0.84
HT III Group Housing				200	200	0%	5.87	5.83	1.02	0.84
HT IV - Temporary Supply	200	200	0%				12.05	11.62	1.02	0.84
HT V - Railways										
- 22/33 kV				200	200	0%	6.86	6.67	1.02	0.84
- 100kV				200	200	0%	6.73	6.54	1.02	0.84
HT VI - Public Services				200	200	0%	7.22	7.00	1.02	0.84

* Fixed Charges of Rs. 100 per month upto 10 kW and Additional Fixed Charge of Rs. 100 per 10 kW load or part thereof above 10 kW load for three phase residential consumers has been proposed as against existing Fixed Charge of Rs. 150 per month upto 10 kW and Additional Fixed Charge of Rs. 150 per 10 kW load or part thereof above 10 kW load.

Tata Power-D has proposed a Regulatory Asset Charge (Rs./kWh) on its consumers, which was earlier embedded in the Energy Charge. A comparison of Variable Charge (including RAC) has been presented in the following table:

Table 24: Proposed Variable Charge (including RAC) for FY 2015-16

Consumer Category	RAC (Rs./kWh)		Variable Charges (Rs./kWh)		
	Existing	Proposed	Existing	Proposed	% Increase Proposed
LT Categories					
LT I - Residential (BPL)		0.05	2.18	2.28	5%
LT I - Residential					
- S1 (0-100 units)		0.08	2.49	2.62	5%
- S2 (101-300 units)		0.27	4.13	4.56	10%
- S3 (> 301-500 Units)		0.52	7.31	7.56	3%
- S4 (Above 500 units (balance units))		0.69	9.09	9.40	3%
LT II - Commercial					
- Upto 20 kW		0.58	7.83	8.10	3%
- > 20 kW &< 50kW		0.66	7.99	8.27	3%
- > 50kW		0.68	8.54	8.83	3%
LT III - Industry < 20 kW		0.54	7.38	7.63	3%
LT IV - Industry > 20kW		0.66	8.20	8.48	3%
LT V - Advertisement & Hoardings, incl. floodlights & neon signs*		1.41	19.09	19.09	0%
LT VI - Streetlights		0.61	6.88	7.10	3%
LT VII - Temporary Supply					
- TSR - Temporary Supply Religious		0.23	4.73	4.89	3%
- TSO - Temporary Supply Others		1.28	15.93	15.93	0%
LT VIII - Crematoriums and Burial Grounds		0.37	4.48	4.63	3%
LT IX - Public Services		0.63	7.72	7.99	3%
HT Categories					
HT I - Industry & CPP		0.64	8.02	8.30	3%
HT II - Commercial		0.69	8.31	8.60	3%
HT III Group Housing		0.52	6.89	7.18	4%
HT IV - Temporary Supply		1.06	13.07	13.52	
HT V - Railways					
- 22/33 kV		0.65	7.88	8.15	3%
- 100kV		0.64	7.75	8.02	3%
HT VI - Public Services		0.68	8.24	8.52	3%

10. Cross Subsidy

Given the significant change in consumer mix of Tata Power-D as against the consumer mix projected in the MYT Order, no cross subsidy reduction could be proposed. The change in consumer mix over a period of time has been presented in the following table:

Table 25: Change in Consumer Mix

Sales (MUs)	FY 2013-14		FY 2013-14		FY 2013-14	
	Approved	Actual	Approved	Projected	Approved	Projected
0-300 Residential	708.41	943.20	807.53	1202.05	930.61	1287.79
Other Residential	595.79	465.74	725.65	605.85	832.17	443.29
Commercial	3618.33	3301.40	3836.36	2659.00	4085.50	2436.00
Industrial	2051.51	1827.67	2241.43	1699.21	2457.34	1713.30
Total	6974.04	6538.01	7610.97	6166.12	8305.62	5880.38
Sales %	FY 2013-14		FY 2013-14		FY 2013-14	
	Approved	Actual	Approved	Projected	Approved	Projected
0-300 Residential	10%	14%	11%	19%	11%	22%
Other Residential	9%	7%	10%	10%	10%	8%
Commercial	52%	50%	50%	43%	49%	41%
Industrial	29%	28%	29%	28%	30%	29%
Total	100%	100%	100%	100%	100%	100%

With reference to the above table indicating the significant change in consumer mix, in case, cross subsidy reduction is proposed, it would result in a tariff shock to the 0-300 residential and other cross subsidized consumers of Tata Power-D. Tata Power-D has avoided such tariff shock and proposed the Cross-subsidy. The Cross-Subsidy trend for each category has been presented in the following table:

Table 26: Proposed Cross subsidy for FY 2015-16

Consumer Category	Existing Cross Subsidy (ABR/ACoS)	Proposed Cross Subsidy (ABR/ACoS)
LT Categories		
LT I - Residential (BPL)		
LT I - Residential	60%	55%
- S1 (0-100 units)	11%	15%
- S2 (101-300 units)	37%	50%
- S3 (> 301-500 Units)	81%	95%
- S4 (Above 500 units (balance units))	104%	125%
LT II - Commercial		
- Upto 20 kW	86%	106%
- > 20 kW &< 50kW	100%	120%
- > 50kW	113%	124%
LT III - Industry < 20 kW	84%	99%
LT IV - Industry > 20kW	102%	121%
"LT V - Advertisement & Hoardings, incl. floodlights & neon signs"	251%	321%
LT VI - Streetlights		
LT VII - Temporary Supply		
- TSR - Temporary Supply Religious		
- TSO - Temporary Supply Others	223%	234%
LT VIII - Crematoriums and Burial Grounds		
LT IX - Public Services	105%	115%
HT Categories		
HT I - Industry & CPP	112%	116%
HT II - Commercial	118%	125%
HT III Group Housing	84%	94%
HT IV - Temporary Supply	184%	193%
HT V - Railways		
- 22/33 kV	114%	118%
- 100kV	112%	116%
HT VI - Public Services	118%	124%

Table 27: Proposed Cross subsidy surcharge for Y 2015-16

Consumer Category	Cross Subsidy Surcharge (Rs./kWh)		
	Existing	Proposed for FY 2015-16	% Increase Proposed
LT Categories			
LT I - Residential (BPL)	0.00	0.00	0%
LT I - Residential			
- S1 (0-100 units)	0.00	0.00	0%
- S2 (101-300 units)	0.00	0.00	0%
- S3 (> 301-500 Units)	0.91	1.12	23%
- S4 (Above 500 units (balance units))	2.44	3.20	31%
LT II - Commercial			
- Upto 20 kW	1.57	1.89	20%
- > 20 kW &< 50kW	2.50	2.90	16%
- > 50kW	2.71	3.13	15%
LT III - Industry < 20 kW	0.76	1.42	87%
LT IV - Industry > 20kW	1.89	2.93	55%
LT V - Advertisement & Hoardings, incl. floodlights & neon signs	11.21	16.79	50%
LT VI - Streetlights	0.00	0.00	0%
LT VII - Temporary Supply			
- TSR - Temporary Supply Religious	0.00	0.00	0%
- TSO - Temporary Supply Others	9.14	10.76	18%
LT VIII - Crematoriums and Burial Grounds	0.00	0.00	0%
LT IX - Public Services	1.37	2.50	83%
HT Categories			
HT I - Industry & CPP	2.45	3.45	41%
HT II - Commercial	3.25	4.10	26%
HT III Group Housing	0.26	1.97	658%
HT IV - Temporary Supply	7.34	8.81	20%
HT V - Railways			
- 22/33 kV	2.34	3.58	53%
- 100kV	2.20	3.45	57%
HT VI - Public Services	2.60	4.02	55%

11. Copies of the following documents can be obtained on written request from the offices of Tata Power 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 "The Tata Power Company Limited")
- Detailed Petition documents (in English) (on payment of Rs. 100/-)
- CD of detailed Petition document (in English) (on payment of Rs. 50/-)

Offices Details:

Office	Address	Telephone No.
Registered Office	Mr Uday Bhide, The Tata Power Company Ltd, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001	6717 1032
Carnac	Mr S K Raphael, The Tata Power Company Limited, Corporate Office, Accounts Department, 'B' Block, 5th Floor, 34 Sant Tukaram Road Carnac Bunder, Mumbai 400 009	6717 1608
Dharavi	Mr. Amey Naik, The Tata Power Company Ltd., Dharavi Receiving Station, Near Shalimar Indl. Estate, Matunga (East), Mumbai 400 019.	6717 2626
Borivali (E)	Tata Power Consumer Relations Centre, Tata Power Housing Colony, Dattapada Road, Near Magathane Bus Dept, Borivali (E), Mumbai 400 066.	6717 3552 / 6717 3558
Kandivali (W)	Tata Power Consumer Relations Centre, Unit No.8 A & B, Kalpavruksh Garden, Bldg No.1, Near Vasant Complex, Mahavir Nagar, New Link Road, Kandivali (W), Mumbai 400 067.	28685933
Andheri(E)-Sakinaka	Tata Power Consumer Relation Centre, Unit No 8 /55, Corporate Avenue, Saki Vihar Road, Opposite Saki Vihar Telephone Exchange, Andheri (E), Mumbai 400072	6518 1675
Chembur	Tata Power Consumer Relations Centre, Shop No.13, Vani Building, Shop No 13, Opposite Borla Society, Next to Basant Theatre, Dr. C. Gidwani Road, Chembur, Mumbai 400 074	25214721

- The Commission has directed Tata Power-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 **17th March, 2015** along with proof of service on Shri. 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
- Every person who intends to file suggestions & objections can submit the same in English or in 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/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 **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-D shall reply to each of the suggestions & objections received within three days of the receipt of the same but not later than **19th March, 2015** for all the suggestions & objections received till **17th March, 2015**. Stakeholders can submit their rejoinders on replies provided by TPC-D either during the public hearing or latest by **25th March, 2015**.
- 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).

-sd/-

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