

 <p>MAHATRANSCO Maharashtra State Electricity Transmission Co. Ltd.</p>	<p style="text-align: right;">Office of The Chief Engineer Maharashtra State Load Despatch Center Thane–Belapur Road, Airoli, Navi Mumbai – 400 708 (INDIA) <i>(ISO 9001–2000 certified unit of Mahatransco)</i></p>
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Executive Summary

The Maharashtra State Load Dispatch Centre (MSLDC) is submitting the Revised Budget petition for FY 2015-16 in compliance with Section 32 of Electricity Act 2003, applicable provisions under the MERC (Multi Year Tariff) Regulations, 2011, previous Orders issued by the Hon’ble Commission on MSLDC’s Operating and Capital Charges and Clause 18.9 of MERC (Transmission Open Access) Regulations 2014.

Revised Budget estimates for FY 2014-15 have been prepared based on the actual expenditure till December 2014 and estimations for January 2015 to March 2015 along with Actual Budget for the FY 2013-14. As per the provisions of said Regulations MSLDC is also submitting the projections for FY 2015-16 for approval of Budget.

MSLDC’s Budget

MSLDC has provided actual expenses data based on audited accounts for the period from 1st April 2013 to 31st March 2014. The expenditure for FY 2014-15 has been estimated on the basis of actual expenses data till December 2014 and estimates for the remaining three months have been made on the prorata basis on the actual expenses for the period from April 2014 to December 2014 .Projections for FY 2015-16 have been made on the basis of CPI-WPI indexation mechanism philosophy as per the Hon’ble Commission.

- a) The operations and maintenance expenses have been projected considering the estimates of FY 2014-15 as a basis for projection. Employee Expenses have been projected on the basis of sanctioned strength and D.A. has also been considered and Administration and General (A&G) Expenses have been projected with escalation @ 8.26% after considering the average of CPI WPI index from FY 2011-12 to FY 2013-14 to smoothen the inflation curve.
- b) The petitioner has made estimates for capital expenditure of Rs. 2052.18 Lakh in FY 2014-15 and Rs. 889.00 Lakh in FY 2015-16.
- c) Depreciation has been computed as per rates specified in the MERC (Multi Year Tariff) Regulations, 2011.

- d) Interest on long term loans has been considered on the pre-existing actual loan as admitted by the Commission and normative loan on the capitalization of previous years and fresh normative loans taken towards Capital expenditure.
- e) Interest on working capital has been computed on the normative basis in accordance with the MERC (Multi Year Tariff) Regulations, 2011.
- f) MSLDC has projected the Return on Equity @ 15.5% and in accordance with methodology specified in the MERC (Multi Year Tariff) Regulations, 2011 for FY 2013-14, FY 2014-15 & FY 2015.
- g) Other income has been projected based on past trends

The details of revenue realized from various sources for FY 2013-14 and FY 2014-15 are as below:

(Rs. Lakh)

Items	FY 2013-14			FY 2014-15				
	Approved (A)	Actual (B)	Difference for final true up (A-B)	Approved (A)	Actual (Upto Dec 2014) (B)	Estimation (Jan 2015-Mar 2015) (C)	Total (B+C)	Difference for provisiona l true-up (A-(B+C))
Receipts from SLDC fees and charges	2563.15	2563.10	0	3265.25	3152.12	113.13	3265.25	0.00
Grants and other contributions from Govt.	0	0.00	0	0	0.00	0.00	0.00	0.00
Scheduling Charges	326.25	483.09	(156.84)	0	760.82	253.61	1014.42	(1014.42)
Re-scheduling charges	74.11	121.17	(47.06)	0	122.16	40.72	162.88	(162.88)
Other receipts & income	8.89	21.88	(12.99)	0	18.51	6.17	24.68	(24.68)
Grand Total	2972.39	3189.24	(216.85)	3265.25	4053.60	413.62	4467.23	(1201.97)

The MSLDC Budget is the summation of the above costs and the RoE.

Summary of MSLDC Budget is presented below:-

Revenue Budget for MSLDC

(Rs. Lakh)

Sr.No	Particulars	Previous Year		Current Year		Ensuing Year
		FY 2013-14		FY 2014-15		FY 2015-16
		Provisional Truing up (Case No.178 of 2013)	Audited	Approved (Case No. 178 of 2013)	Revised Estimate	Projections
	Operating Cost Budget					
1	Employee Expenses	1,170.10	1156.66	1594.14	1589.67	1619.68
2	Administration & General Expenses	453.07	491.43	548.15	465.28	576.88
3	Repair & Maintenance Expenses	164.25	114.08	175.86	175.86	278.95
4	Interest on Working Capital	75.79	72.60	95.72	94.30	104.24
5	RLDC Fees and WRPC Charges	602.93	602.00	602.93	634.20	646.89
	Sub-total (Operating Cost Budget)	2466.14	2436.76	3016.80	2959.32	3226.65
II	Capital Charge Budget					
6	Depreciation	369.85	242.77	461.20	491.72	568.56
7	Interest & Finance Charges	238.48	298.19	374.46	327.47	437.14
8	Return on Equity	150.30	141.35	240.50	199.23	279.77
	Sub-total (Capital Charge Budget)	758.63	682.30	1076.16	1018.42	1285.47
	Total MSLDC Budget	3224.77	3119.06	4092.96	3977.74	4512.12

Thus, the MSLDC Budget is projected to be Rs. 4512.12 Lakh for FY 2015-16.

After truing-up on the actual and provisional basis for the FY 2013-14 and the FY 2014-15, the annual revenue requirement is as below.

Summary of Revenue Budget FY 2015-16:

Particulars	(Rs. Lakh) FY 2015-16
Operating Cost Budget	
Employee Expenses	1619.68
Administration & General Expenses	576.88
Repairs & Maintenance Expenses	278.95
Interest on Working Capital	104.24
RLDC Fees & WRPC Charges	646.89
Sub Total	3226.65
Provisional true up of Operating Cost Budget for FY 2014-15	(1259.45)
True up of Operating Cost Budget for FY 2013-14	(246.23)
A) Net Operating Cost	1720.97
Capital Charge Budget	
Depreciation	568.56
Interest Costs	437.14
Return on Equity	279.77
Sub Total	1285.47
Provisional true up of Capital Charge Budget for FY 2014-15	(57.74)
True up of Capital Cost Budget for FY 2013-14	(76.33)
B) Net Capital Charge Budget	1151.40
Total SLDC Budget (A+B)	2872.37

Summary of Net MSLDC Fees in FY 2015-16

(Rs. Lakh)

Sr.No.	Particulars	Amount
1	Total MSLDC Budget for FY 2015-16	4512.12
2	Carry forward Revenue Gap/ (Surplus) for FY 2013-14	(322.56)
3	Carry forward Revenue Gap/ (Surplus) for FY 2014-15	(1317.19)
	Net ARR Total (1+2+3)	2872.37

This MSLDC Budget amounting to Rs. 2872.37 Lakh is to be recovered from the Distribution Licensees in proportion to average of their Coincident Peak Demand (MW) & Non Coincident Peak Demand (MW) met during the period January 2014 to December 2104.

Monthly Operating Charges for FY 2015-16

(Rs. Lakh)

Licensee	Average of Peak Co Incident Demand & Non- Co Incident Peak Demand (MW)	Percentage Share (%)	Semi-Annual MSLDC Charges	Monthly Operating Charges
MSEDCL	15295	83.08	478.27	119.14
TPC	942	5.12	29.45	7.34
REL	1332	7.24	41.67	10.38
BEST	841	4.57	26.31	6.55
Total	18410	100.00	575.70	143.41

Proposed Charges:

Sr. No.	Particulars	Existing Charges (Rs.)	Proposed charges (Rs.)
1	Registration Fees	20,000 Per Connection	20,000 Per Connection
2	Scheduling Charges	3,000 Per Day	3,000 Per Day
3	Rescheduling Charges	3,000 Per Revision	3,000 Per Revision
4	STOA Application Fee	7,500 Per Application	10,000 Per Application

Prayer:

In this premise, the Applicant respectfully prays that this Hon'ble Commission may:

- a) *Consider and approve the Revised Budget of Cost of Operations of the Maharashtra State Load Despatch Centre (MSLDC) for the Financial Year 2015-16, true up for FY 2013-14 and Annual Performance Review for FY 2014-15.*
- b) *Approve the MSLDC Fees & Charges as deemed appropriate, and approve the principles for levy of MSLDC Fees and Charges.*
- c) *Continue the other charges i.e. Scheduling charges, Rescheduling Charges, Registration Fees, Processing Charges and Delayed Payment Charges as approved in MSLDC Budget Order in Case No.178 of 2013 dtd. 7 March, 2014.*
- d) *Retain the revenue through Scheduling, Rescheduling, Registration Fees and Processing Fees as a surplus and reserves of MSLDC which would help in providing the margin money for further CAPEX as recommended by the Task Force set up by MoP.*

Pass such other and further Orders as are deemed fit and proper in the facts and circumstances of the case.

(Mr. Sanjay S. Kulkarni)
Chief Engineer
MSLDC

Place: Airoli, Navi Mumbai
Date: 11 May, 2015