

EXECUTIVE SUMMARY

1.1 Jaigad PowerTransco Limited (JPTL) is a Joint Venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Limited (MSETCL) for the purpose of developing, operating and maintaining the Transmission System as given below consisting of two Transmission Lines along with the associated equipment/ Terminal Bays etc.:

Table 1: Details of proposed transmission system of JPTL

Name of the line	Line length & Capacity	District	Interface Point
Jaigad-New Koyna Transmission Line	55Km – 400 KV Double Circuit(Quad) Transmission Line	Ratnagiri, Maharashtra	MSETCL Substation, New Koyna
Jaigad-Karad Transmission Line	110Km – 400 KV Double Circuit (Quad) Transmission Line	Ratnagiri /Satara, Maharashtra	MSETCL Substation, Karad

1.2 The JV Agreement was executed between JSWEL and MSETCL on 5th August 2008 with MSETCL holding 26% and JSWEL holding the balance 74% of the equity.

1.3 The Hon'ble Commission had granted Transmission License, (License No 1 of 2008) dated February 8, 2009, for a period of 25 years to JPTL for establishing, operating and maintaining the above referred Transmission System inclusive of related infrastructure:

1.4 The 400 kV D/C (Quad) Jaigad-New Koyna Transmission Line was commissioned on 7th July, 2010 and 400 kV D/C (Quad) Jaigad – Karad Transmission Line was commissioned on 2nd December, 2011.

1.5 True up for FY 2014-15

1.5.1 JPTL has worked out its Aggregate Revenue Requirement for FY 2014-15 as a part of the True Up for FY 2014-15. JPTL has presented the actual cost components based on audited annual accounts for FY 2014-15. The detailed comparison of various cost components with the values approved by the Hon'ble Commission has been presented in Chapter True up of FY 2014-15. A summary of the proposed ARR for Truing-up of FY 2014-15 compared with the approved ARR for FY 2014-15 is presented in the table given below. The approved ARR for FY 2014-15 has been taken from the MTR Order dated 26th June 2015, passed by the Hon'ble Commission.

Table 2: Summary of the True Up for FY 2014-15

SR. No.	Particulars	MTR Order	JPTL Petition	Net Entitlement after sharing of gains/(losses)	Deviation
1	Operation & Maintenance Expenses	6.51	3.27	5.43	-1.08
2	Depreciation	29.34	29.34	29.34	0.00
3	Interest on Long-term Loan	37.79	38.20	38.20	0.41
4	Interest on Working Capital	2.02	1.96	2.00	-0.02
5	Contribution to Contingency Reserves	1.39	1.39	1.39	0.00
6	Income Tax Expense	6.21	6.59	6.59	0.38
7	Total Revenue Expenditure	83.26	80.74	82.94	-0.32
8	Return on Equity Capital	21.63	21.63	21.63	0.00
9	Aggregate Revenue Requirement	104.89	102.36	104.57	-0.32
10	Less: Non-Tariff Income	0.32	0.32	0.32	0.00
11	Less: Income from Other Business	0.00	0.00	0.00	0.00
12	Add: Incentive	0.00	1.74	1.74	1.74
13	Add: Carrying Cost	0.00	0.47	0.47	0.47
14	Aggregate Revenue Requirement from Retail Tariff	104.57	104.25	106.46	1.89

1.5.2 Based on the provisions of MYT Regulations, 2011 JPTL has computed the gains and losses on account of controllable and uncontrollable parameters and proposed its sharing mechanism. Summary of the same is outlined in the table below:

Table 3: Sharing of gains/ losses for FY 2014-15

Particulars	MYT Order	Actual	Variation	2/3rd of efficiency gain retained by JPTL	Net entitlement after sharing of gains /losses
O & M Expense	6.51	3.27	3.24	2.16	5.43
Working Capital Interest	2.02	1.96	0.07	0.04	2.00

1.6 Annual Performance Review for FY 2015-16

1.6.1 Based on the MERC MYT Regulations, 2011, the annual performance review is carried out by comparing the actual performance of the Transmission licensee with the approved forecast in the Mid Term Review order. The summary of the ARR for FY 2015-16 is shown in the table below:

Table 4: Summary of the Annual performance review of the ARR for FY 2015-16

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
O&M Expenses	6.86	3.43	3.43	6.86
Depreciation	29.34	14.67	14.68	29.35
Interest on Long-term Loan Capital	34.42	17.82	16.97	34.79
Interest on Working Capital and deposits from Transmission System Users	2.48	1.47	1.47	2.94
Contribution to contingency reserves	1.39	0.69	0.69	1.39
Income Tax	6.21	13.73	0.00	13.73
Total Revenue Expenditure	80.70	51.83	37.25	89.07
RoE	21.63	10.81	10.81	21.63
Aggregate Revenue Requirement	102.32	62.64	48.06	110.70
Less: Non-Tariff Income	17.17	0.22	0.22	0.44
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	85.15	62.42	47.84	110.26

Table 5: Revenue Gap for FY 2014-15

Particulars	JPTL Petition (Rs. Crore)
Net ARR as petitioned	105.99
ARR recovered through Transmission Tariff	101.94
Revenue Gap	4.05
Carrying Cost	0.47
Total Impact including carrying Cost	4.52

Table 6: Revenue Gap for FY 2015-16

Particulars	JPTL Petition (Rs. Crore)
Net ARR as petitioned	110.26
Net ARR approved in MTR Order	85.15
Revenue Gap	25.11

1.7 Multi Year Tariff petition for the control period FY 2016-17 TO FY 2019-20

1.7.1 Based on the MERC MYT Regulations, 2015, JPTL has prepared the projection for the third control period of FY 2016-17 to FY 2019-20. The summary of the ARR for the control period is shown below:

Table 7: Summary of the ARR for Control Period FY 2016-17 to FY 2019-20

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
O&M Expenses	4.35	4.57	4.79	5.02
Depreciation	29.39	29.42	29.42	29.41
Interest on Long-term Loan Capital	30.36	27.14	23.84	20.54
Interest on Working Capital and deposits from Transmission System Users	1.92	1.88	1.84	1.80
Contribution to contingency reserves	1.39	1.39	1.39	1.39

Income Tax	6.26	6.27	6.27	6.27
Total Revenue Expenditure	73.67	70.68	67.55	64.44
RoE	21.68	21.72	21.72	21.72
Aggregate Revenue Requirement	95.34	92.40	89.28	86.16
Less: Non-Tariff Income	0.55	0.67	0.79	0.90
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	94.79	91.73	88.49	85.26
Add: Revenue gap including carrying cost for FY 2014-15	4.52	0.00	0.00	0.00
Add: Revenue gap for FY 2015-16	25.11	0.00	0.00	0.00
Total Revenue Requirement	124.42	91.73	88.49	85.26

1.8 The Applicant respectfully prays that the Hon'ble Commission may:

1.8.1 Admit the Petition for Truing up of Aggregate Revenue Requirement for FY 2014-15

1.8.2 Approve revised estimates/ projections of ARR for FY 2015-16 as presented in this Petition.

1.8.3 Approve the projected Annual Revenue Requirement for the third control period FY 2016-17 to FY 2019-20

1.8.4 Approve the revenue requirement along with the under recovery for FY 2015-16 in the subsequent InSTS Order of the Hon'ble Commission

1.8.5 Condone any inadvertent omissions, errors, short comings and permit JPTL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and

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