

PUBLIC NOTICE

[Case No. 21 of 2016]

Suggestions/Objections on Vidarbha Industries Power Ltd.'s Petition for True-up for FY 2014-15, Provisional True-up for FY 2015-16 and ARR forecast for FY 2016-17 to FY 2019-20 for its Transmission Business.

- Vidarbha Industries Power Ltd. (VIPL) has filed a Petition for True-up for FY 2014-15, Provisional True-up for FY 2015-16 and Aggregate Revenue Requirement (ARR) forecast for FY 2016-17 to FY 2019-20. The filing for the True-up for FY 2014-15 and Provisional True-up for FY 2015-16 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2011. The filing for the Control Period from FY 2016-17 to FY 2019-20 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
- The Commission has admitted the Petition on **14 March, 2016** and directed VIPL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 for inviting Suggestions/Objections from the public.
- The salient features of the Petition are provided below:

Table 1: True up for FY 2014-15 (Rs. Crore)

Sr. No.	Particulars	Approved in Case No. 36 of 2015	Approved in MYT Order / Revised normative based on actual	VIPL Petition	Difference
1	Operation & Maintenance Expenses	0.66	0.66	0.22	0.44
2	Depreciation	1.41	1.41	1.41	0.00
3	Interest on Long-term Loan	2.46	2.46	2.57	- 0.10
4	Interest on Working Capital and deposits from Transmission system Users	0.13	0.10	0.00	0.10
5	Contribution to Contingency Reserves	0.07	0.07	0.00	0.07
6	Income Tax	0.34	0.34	0.00	0.34
7	Total Revenue Expenditure	5.07	5.04	4.20	0.84
8	Add: Return on Equity Capital	1.27	1.27	1.27	0.00
9	Aggregate Revenue Requirement	6.33	6.31	5.47	0.84
10	Add: 2/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL-T in O&M Expenses			0.29	
11	Add: 2/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL-T in Working Capital requirement			0.07	
12	Less: Income from Other Business			0.00	
13	Less: Non-Tariff Income			0.00	
14	Add: Availability Incentive			0.10	
15	Aggregate Revenue Requirement from Transmission Tariff			5.93	
16	Revenue from Transmission Tariff			0.00	
a	Long-term TSUs including Distribution Licensees			0.00	
b	Medium Term OA Users			0.00	
c	Short-term OA Users			0.00	
17	Revenue Gap/(Surplus)			5.93	

Table 2: Carrying cost on Revenue Gap/(Surplus) for FY 2014-15 (Rs. Crore)

Particulars	FY 2014-15	FY 2015-16	FY 2016-17
SBAR	14.75%	14.75%	10.80%
Opening Balance of Principal	-	6.37	7.31
Addition	5.93		
Closing Balance of Principal	5.93	6.37	7.31
Carrying Cost on opening	-	0.94	0.39
Carrying Cost on addition	0.44	-	-
Total carrying cost	0.44	0.94	0.39
Total gap including Carrying cost			7.70

Table 3: Break up of True up of FY 2014-15 including carrying cost to be recovered through ARR of FY 2016-17 of Transmission and Generation Business of VIPL (Rs. Crore)

Sr. No.	Particulars	Period of ARR	Case No. 36 of 2015	True Up FY 2014-15
1	Revenue Gap/(Surplus) to be recovered through ARR of FY 16-17 of Transmission Business (next InSTS Order) (Including Carrying cost)	5 January, 2015 to 31 March, 2015	1.49	1.82
2	Revenue Gap prior to grant of Transmission Licence to be recovered through ARR of FY 16-17 of VIPL-Generation Business	1 April, 2014 to 4 January, 2015	4.84	5.89
3	Total Revenue Gap of FY 14-15 to be recovered through ARR of FY 16-17 of Generation and Transmission Business of VIPL	1 April, 2014 to 31 March, 2015	6.33	7.70

Table 4: Provisional True up for FY 2015-16 (Rs. Crore)

Sr. No.	Particulars	Approved in Case No. 36 of 2015	FY 2015-16 (Estimated) Total
1	Operation & Maintenance Expenses	0.69	0.69
2	Depreciation	1.41	1.41
3	Interest on Long-term Loan	2.11	2.12
4	Interest on Working Capital and deposits from Transmission system Users	0.12	0.12
5	Contribution to Contingency Reserves	0.07	0.07
6	Income Tax	0.34	0.00
7	Total Revenue Expenditure	4.74	4.41
8	Add: Return on Equity Capital	1.27	1.27
9	Aggregate Revenue Requirement	6.01	5.68
10	Less: Non-Tariff Income	0.00	0.00
11	Less: Income from Other Business	0.00	0.00
12	Aggregate Revenue Requirement from Transmission Tariff	6.01	5.68
13	Revenue from Transmission Tariff		0.00
a	Long-term TSUs including Distribution Licensees		0.00
b	Medium Term OA Users		0.00
c	Short-term OA Users		0.00
14	Revenue Gap/(Surplus)		5.68

Table 5: Capitalisation for FY 2014-15 and FY 2015-16 (Rs. Crore)

Particulars	FY 2014-15		FY 2015-16	
	Approved in Case No. 36. of 2015	VIPL Petition	Approved in Case No. 36. of 2015	VIPL Petition
Capitalisation	0.00	0.00	0.00	0.00

Table 6: Proposed Capitalisation for FY 2016-17 to FY 2019-20 (Rs. Crore)

Particulars	Ensuing Years			
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Capitalisation	0.00	0.00	0.00	0.00

Table 7: Summary of Aggregate Revenue Requirement for FY 2016-17 to FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
1	Operation & Maintenance Expenses	0.73	0.76	0.80	0.84
2	Depreciation	1.41	1.41	1.41	1.41
3	Interest on Long-term Loan	1.84	1.67	1.50	1.34
4	Interest on Working Capital and deposits from Transmission system Users	0.24	0.11	0.11	0.11
5	Contribution to Contingency Reserves	0.07	0.07	0.07	0.07
6	Income Tax	1.87	0.34	0.34	0.34
7	Total Revenue Expenditure	6.15	4.37	4.24	4.11
8	Add: Return on Equity Capital	1.27	1.27	1.27	1.27
9	Aggregate Revenue Requirement	7.42	5.64	5.51	5.38
10	Less: Non-Tariff Income	0.01	0.01	0.02	0.02
11	Less: Income from Other Business	0.00	0.00	0.00	0.00
12	Less: Income from Open Access charges	0.00	0.00	0.00	0.00
13	Add: Revenue gap of FY 14-15 including Carrying cost	1.82			
14	Add: Revenue gap for FY 2015-16	5.68			
15	Aggregate Revenue Requirement from Transmission Tariff	14.90	5.62	5.49	5.35

- Copies of the following documents can be obtained on written request from the offices of VIPL.

- Executive Summary of the proposals (free of cost, in Marathi/English).
- Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD) drawn on "Vidarbha Industries Power Ltd."
- Detailed Petition documents (in English) (on payment of Rs. 100/-)
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office	Address	Tele / Fax No.	Email
Office	Vidarbha Industries Power Limited, Dhirubhai Ambani Knowledge City, G Block, 2 nd floor, Thane Belapur Road, Koparkhairane, Navi Mumbai 400 710	Tel: +91-22-3038 5604 Fax: +91-22-30385851	madhav.tekawade@relianceada.com
Registered Office	Vidarbha Industries Power Limited, H-Block, 1 st Floor, Dhirubhai Ambani Knowledge City, Thane Belapur Road, Koparkhairane, Navi Mumbai 400710.	Tel: +91-22-3038 6600 Fax: +91-22-3038 6999 / 3038 6799	
Nagpur Site Office	Vidarbha Industries Power Limited, Reliance Power Limited, D-3, MIDC Industrial Area, Butibori, Nagpur - 441122	Tel: +91-7104-305601 Fax: +91-7104-305720	

- The Commission has directed VIPL to invite Suggestion/Objections from the Public on its Petition through this Notice. Suggestions / Objections may be submitted in English or in Marathi, in six (1+5) copies, to the **Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Mumbai 400 005**, or by Fax or E-mail [Fax: 022 22163976, E-mail: mercindia@merc.gov.in] by **Friday 8 April, 2016**, along with proof of service on VIPL [Business Head, Vidarbha Industries Power Limited, G-Block, 2nd Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710, E-mail: madhav.tekawade@relianceada.com], 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 filed on behalf of any organization or 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 the **Office of the Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Colaba, Mumbai 400 005 on Wednesday 13 April, 2016, at 11:00 Hours**, for which no separate notice will be given.
- VIPL shall reply to each of the Suggestions /Objections received within three days of its receipt, but not later than **Wednesday 13 April, 2016** for all the Suggestions/Objections received till **Friday 8 April, 2016**. Rejoinders may be submitted on the replies provided by VIPL either during the Public Hearing or by **Tuesday 19 April, 2016**.
- The detailed Petition document and the Summary are available on VIPL's website www.reliancepower.co.in, and the Executive Summary is also available on the websites of the Commission www.mercindia.org.in/ www.merc.gov.in in downloadable format (free of cost).

Sd:
Name: Vibhav Agarwal
Designation: Director
Vidarbha Industries Power Limited

Place: Mumbai
Date: 17th March, 2016