Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India, Tel: (91 22) 6665 8282, Fax: (91 22) 6665 8801 Website: <u>www.tatapower.com</u>
CIN NO.: L28920MH1919PLC000567

PUBLIC NOTICE

(Case No. 32 of 2016)

Inviting Suggestions/Objections on Petition of The Tata Power Company Limited (Generation)'s Petition for Truing-up for FY 2014-15, Provisional Truing-up for FY 2015-16 and ARR forecast for FY 2016-17 to FY 2019-20

- 1. The Tata Power Company Limited Generation Business (Tata Power-G) has filed a Petition for Truing-up for FY 2014-15, Provisional Truing-up for FY 2015-16 and Aggregate Revenue Requirement (ARR) forecast for FY 2016-17 to FY 2019-20 in respect of its Generation Business in Maharashtra.
 - The filing for the truing-up for FY 2014-15 and Provisional truing up for FY 2015-16 is based on 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 the provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
- 2. The Commission has admitted the Petition on 29th March 2016 and directed Tata Power-G to publish a Public Notice under Section 64 (2) of the Electricity Act, 2003 inviting suggestions/objections from the Public.
- $3. \ \ \, \text{The salient features of the Petition are provided below:}$

Table 1: Operational Parameters (Unit-5)

Particulars	FY 2	2014-15	FY 20	15-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	85.00%	85.07%	97.00%	94.02%	87.02%	97.40%	87.83%	96.86%
PLF (%)	75.70%	75.71%	75.20%	79.61%	85%	85%	85%	85%
Station Heat Rate								
(kCal/kWh)	2573	2507	2581	2526	2525	2533	2541	2549
Gross Generation(MUs)	3316.00	3316.29	3294.00	3496.31	3723.00	3723.00	3722.76	3723.00
Auxiliary								
Consumption (%)	6.00%	5.69%	6.00%	5.86%	5.64%	5.65%	5.54%	5.43%
Net Generation (MUs)	3117.04	3127.66	3096.36	3291.36	3512.99	3512.78	3516.41	3520.76

Table 2: Operational Parameters (Unit-6)

Particulars		FY 2014-15			FY 20)15-16
	Approved	Actual (as per PPA)	Actual (as per MSLDC directions)	Approved	Estimated (as per PPA)	Estimated (as per MSLDC directions)
Availability (%)	100%	99.96%	99.96%	99.00%	90.26%	90.26%
PLF (%)	19.10%	4.61%	14,53%	0.00%	0.31%	0.65%
Station Heat Rate						
(kCal/kWh)	2647	2846	2831	2539	2944	2890
Gross Generation (MUs)	838.00	201.80	636.40	0.00	13.80	28.33
Auxiliary Consumption (%)	3.50%	6.88% *	6.65%	3.50%	6.96%*	6.54%
Auxiliary Consumption						
(MUs)	29.33	13.89	42.34	0.00	0.96	1.85
Auxiliary Consumption in						
standby mode (MUs)	0.00	11.78	0.00	0.00	25.73	0.00
Net Auxiliary Consumption						
(MUs)	29.33	25.67	42.34	0.00	26.69	1.85
Net Generation (MUs)	808.67	176.13	594.05	0.00	-12.89	26.48

* The % auxiliary consumption for Unit 6 (Under PPA Operation) is exclusive of auxiliary consumption under standby mode. #Note: No generation has been projected for Unit-6 in the Control Period of FY 2016-17 to FY 2019-20 but auxiliary consumption under standby mode is considered as 23.73 MUs per annum.

Table 3: Operational Parameters (Unit-7)

Particulars	FY:	2014-15	FY 20)15-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	77.00%	77.34%	97.00%	92.84%	97.40%	97.40%	86.51%	97.40%
PLF (%)	72.80%	72.84%	92.20%	68,22%	56.07%	56.07%	49.65%	55.92%
Station Heat Rate								
(kCal/kWh)	2021	1968	2025	2192	2023	2027	2031	2035
Gross Generation (MUs)	1148.00	1148.48	1454.00	1078.61	884.12	884.12	782.86	884.12
Auxiliary								
Consumption (%)	3.00%	2.54%	3.00%	2.78%	3.50%	3.50%	3.75%	3.50%
Net Generation (MUs)	1113.56	1119.27	1410.38	1048.62	853.15	853.15	753.52	853.15

Table 4: Operational Parameters (Unit-8)

Particulars	FY:	2014-15	FY 2	015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	37.00%	36.61%	99.00%	95.19%	92.66%	97.21%	93.21%	97.05%
PLF (%)	32.70%	32.67%	89.40%	89.23%	85.05%	85.07%	85.07%	84.84%
Station Heat Rate								
(kCal/kWh)	2450	2275	2450	2290	2450	2450	2450	2450
Gross Generation (MUs)	715.00	715.47	1958.00	1959.51	1862.59	1863.00	1863.00	1863.00
Auxiliary								
Consumption (%)	8.50%	6.48%	8.50%	6.16%	6.50%	6.40%	6.36%	6.36%
Net Generation (MUs)	654.23	669.14	1791.57	1838.82	1741.47	1743.72	1744.60	1744.56

Table 5: Auxiliary Consumption (Unit-4)

Particulars	FY 201	4-15	FY 2015-16		
	Approved Actual		Approved	Estimated	
Auxiliary Consumption under standby mode (MUs)	3.68	2.11	3.68	1.77	

Note: Unit-4 was on standby mode for entire period. Auxiliary consumption in standby mode is claimed at actuals and is within the normative approved value.

Table 6: Operational Parameters (Bhivpuri)

Particulars	FY	2014-15	FY 2	015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	97.64%	99.47%	98.99%	96.00%	99.58%	98.18%	98.18%	99.58%
Auxiliary								
Consumption (%)	1.78%	2.31%	1.78%	2.65%	2.13%	1.84%	1.80%	1.81%
Net Generation (MUs)	324.13	322.39	294.66	222.04	273.06	291.55	294.59	294.58
	1							

Table 7: Operational Parameters (Khopoli)

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Particulars	FY 2014-15		FY 2015-16		FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	99.09%	96.99%	98.44%	99.58%	99.53%	99.58%	99.58%	98.12%
Auxiliary								
Consumption (%)	1.78%	3.62%	1.78%	3.44%	3.04%	2.93%	2.89%	2.88%
Net Generation (MUs)	271.09	265,65	262,25	233,58	262,75	265,97	266.07	266,11

Table 8: Operational Parameters (Bhira)

Particulars	FY	2014-15	FY 2	015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Availability (%)	98.60%	99.46%	99.98%	91.24%	97.64%	96.39%	98.06%	98.26%
Auxiliary								
Consumption (%)	1.78%	2.57%	1.78%	2.85%	2.33%	2.29%	2.31%	2.30%
Net Generation (MUs)	822.10	815.56	867.28	623.55	854.64	878.44	875.26	875.43

Table 9: Capitalisation (Rs. Crore)

Particulars	FY:	2014-15	FY 2	015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Thermal and Hydro	124.02	153.60	252.98	181.33	199.52	227.09	218.50	47.38
Unit 8	37.55	44.00	2.93	23,95	2.04	0.00	10.86	0.00
HO & SS Allocation	0.00	13.25	0.00	0.00	0.00	0.00	0.00	0.00
Total	161.57	210.85	255.91	205.29	201.56	227.09	229.36	47.38

Table 10: Gross Calorific Value and Fuel Prices

Particulars	FY:	2014-15	FY 20)15-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Approved	Actual	Approved	Estimated	Projected	Projected	Projected	Projected
Calorific Value								
APM Gas (kcal/Kg)	13124	13090	13124	13143	13109	13109	13109	13109
Non-APM Gas								
(kcal/Kg)	13099	13130	13099	13169	13109	13109	13109	13109
RLNG (kcal/Kg)	12988	12988	12988	13003	13109	13109	13109	13109
Oil (Kcal/Litre)	10500	10460	10500	10463	10462	10462	10462	10462
Coal (Kcal/Kg)	4862	4840	4862	4806	4960	4940	4920	4900
Fuel Price								
APM Gas (Rs./MT)	15834	17848	15834	16940	15957	17799	18979	20215
Non-APM Gas (Rs./MT)	18565	18580	18565	18675	16320	18132	19310	20545
RLNG (Rs./MT)	44842	54420	44842	36628	25393	28895	31565	34281
Coal (Rs./MT)	5386	5415	5386	4928	4747	4831	4992	5080
Oil (Rs./KL)	51708	51418	51708	50601	47211	46930	47073	47582
Total Fuel Cost								
(Rs. Crores)	1531.45	1533.40		1671.70	1587.56	1646.96	1689.06	1765.62

Table 11: Truing-up for FY 2014-15 and Provisional Truing-up for FY 2015-16 for Thermal and Hydro (Rs. Crore)

Sr.No.	Particulars	FY 2014	-15	FY 201	5-16
		Approved	Actual	Approved	Estimated
Α	Expenditure				
1	Total Fuel Related Expenses	2090.46	1372.76		1215.68
2	Auxiliary Benefit	0.00	-1.26		
3	Operation & Maintenance Expenses	475.87	489.13	503.08	503.08
4	Depreciation	126.37	117.29	132.05	141.39
5	Interest on Long-term Loan Capital	72.49	82.38	72.72	81.45
6	Interest on Working Capital	78.46	72.51	56.85	54.83
7	Income Tax	104.17	99.24	104.17	85.85
8	Other Expense	0.00	0.21		
9	Add: Colony Consumption of Hydro	0.00	0.56		
В	Total Revenue Expenditure	2947.82	2232.83		2082.28
10	Add: Return on Equity	224.30	228.82	229.60	236.01
С	Aggregate Revenue Requirement	3172.12	2461.64		2318.29
11	Add: Incentive (PLF, Hydro Incentive)	39.38	39.70		
12	Less: fixed cost of Unit 4	9.78	12.86	9.31	12.75
13	Less : Allocation for Unit 8 for Shared Capacity	12.50	12.50	12.50	12.50
14	Less: Reduction in fixed cost due to lower availability of				
	Unit 7	18.68	10.76		
D	Net Aggregate Revenue Requirement	3170.54	2465.22	1076.66	2293.04
E	Revenue				
15	Revenue from sale of electricity	3331.19	2609.92		2297.15
16	Non-Tariff Income	16.00	31.64	16.73	16.73
F	Total Revenue	3347.19	2641.56		2313.88
G	Revenue Gap/(Surplus) = (D - F)	176.65	-176.34		-20.84

Table 12: Truing-up for FY 2014-15 and Provisional Truing-up for FY 2015-16 for Unit 8 (Rs. Crore)

Sr.No.	Particulars	FY 2014	-15	FY 201	5-16
		Approved	Actual	Approved	Estimated
Α	Expenditure				
1	Total Fuel Related Expenses	174.92	189.71		456.02
2	Auxiliary Benefit		3.72		
3	Operation & Maintenance Expenses	43.75	46.50	46.25	46.25
4	Depreciation	59.95	57.69	60.73	64.62
5	Interest on Long-term Loan Capital	59.89	60.95	54.77	56.92
6	Interest on Working Capital	15.75	16.28	15.28	15.29
7	Other Expense		0.02		
8	Income Tax	20.25	25.03	20.25	40.32
В	Total Revenue Expenditure	374.51	399.91		679.43
9	Add: Return on Equity	50.71	51.02	52.46	53.18
С	Aggregate Revenue Requirement	425.22	450.93		732.61
10	Add: Expenditure towards shared capacity of Unit 4 to 7	12.50	12.50	12.50	12.50
11	Less: Reduction in fixed cost due to lower availability	74.31	82.55		
D	Net Aggregate Revenue Requirement	363.42	380.87		745.11
E	Revenue				
12	Revenue from sale of electricity	475.19	475.55		777.13
13	Non-Tariff Income	2.22	1.45	2.26	2.26
F	Total Revenue	477.41	477.00		779.39
G	Revenue Gap/(Surplus) = (D - F)	-113.99	-96.12		-34.28

Table 13: Projections for ARR for Thermal and Hydro (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Α	Expenditure				
1	Total Fuel Related Expenses	1165.98	1215,31	1242,21	1308,25
2	Operation & Maintenance Expenses	506.27	511.77	517.33	522.95
3	Depreciation	147.86	152.83	154.51	150.14
4	Interest on Long-term Loan Capital	80.22	80.10	80.35	73.87
5	Interest on Working Capital	39.31	40.07	42.03	43.26
6	Income Tax	124.24	127,21	131,51	151,26
7	Other Expense				
8	Add: Colony Consumption of Hydro				
В	Total Expenditure	2063.87	2127.29	2167.94	2249.74
9	Add: Return on Equity	249.08	259.00	269.36	275.54
С	Aggregate Revenue Requirement	2312.96	2386.29	2437.30	2525.28
10	Less : Fixed cost of Unit 4	12.03	11.77	11.44	10.96
11	Less : Allocation for Unit 8 for Shared Capacity	12.50	12,50	12.50	12,50
12	Less: Non-Tariff Income	18.28	19.04	19.83	20,66
D	Net Aggregate Revenue Requirement	2270.15	2342.98	2393.54	2481.16

Table 14: Projections for ARR for Unit 8 (Rs. Crore)

Sr. No.	Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Α	Expenditure				
1	Total Fuel Related Expenses	421,58	431,65	446.85	457,36
2	Operation & Maintenance Expenses	59.50	62.48	65.60	68.88
3	Depreciation	65.31	65.24	65.23	63.40
4	Interest on Long-term Loan Capital	50.73	43.58	36.77	30.06
5	Interest on Working Capital	11.41	11.59	11.89	12.07
6	Income Tax	64.44	67.93	70.50	72.37
7	Other Expense				
В	Total Expenditure	672.98	682.46	696.83	704.14
8	Add: Return on Equity	54.34	54.39	54.64	54.90
С	Aggregate Revenue Requirement	727.32	736.86	751.48	759.04
9	Add: Expenditure towards shared capacity of Unit 4 to 7	12.50	12,50	12.50	12,50
10	Less: Non-Tariff Income	2.40	3.17	4.24	5.72
D	Net Aggregate Revenue Requirement	737.42	746.18	759.74	765.83

Table 15: Past Gap to be recovered (Rs. Crore)

Sr. No.	Particulars	BEST	Tata Power-D	RInfra-D	Total
1	Gap/(Surplus) of Unit 4 to 7 and Hydro for				
	FY 2014-15 (excluding Unit-6 under MSLDC directions)	-90.23	-86.11	0.00	-176.34
2	Gap/(Surplus) of Unit 6 for FY 2014-15	1,79	2,35	24,52	28.67
3	Entry Tax Amount to be recovered	13.61	8.03	12.36	34.01
4	Gap/(Surplus) of Unit 8 for FY 2014-15	-38.45	-57.67	0.00	-96.12
Α	Total Gap/(Surplus) for FY 2014-15	-113.26	-133.40	36.89	-209.78
В	Total Gap/(Surplus) allowed to be recovered for				
	FY 2014-15 in MTR Order	-135.98	-154.65	0.00	-290.63
С	Net Gap/(Surplus) for FY 2014-15	22.72	21.25	36.89	80.85
D	Total Recovery for FY 2014-15 including Carrying Cost	27.64	25.85	44.88	98.36
5	Gap/(Surplus) of Unit 4 to 7 and Hydro for FY 2015-16				
	(excluding Unit-6 under MSLDC directions)	-11.43	-10.91	0.00	-22.33
6	Gap/(Surplus) of Unit 6 for FY 2015-16	0.97	1.79	0.74	3.50
7	Entry Tax Amount to be recovered	13.39	15.56	7.36	36.31
8	Gap/(Surplus) of Unit 8 for FY 2015-16	-14.72	-22,08	0.00	-36.81
E	Total Recovery for FY 2015-16	-11.79	-15.64	8.10	-19.33
F	Total past recovery for Tata Power-G	15.84	10.21	52.98	79.03

Table 16: Unit Wise Tariff Proposal (Fixed Cost in Rs. Crore and Variable Charge in Rs./kWh)

Particulars Fixed Cost (Rs. Crore)				Variable Charge (Rs./kWh)					
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Fuel	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
					APM	3.31	3.69	3.95	4.22
Unit-5	470.91	489.42	499.02	502.97	Oil	12.12	12.09	12.16	12.33
					Coal	2.65	2.72	2.83	2.90
Unit-6	157.98	158.29	158.82	161.54	RLNG	5.40	6.16	6.74	7.33
					Oil	12.47	12.42	12.48	12.64
Unit-7	190.76	192.26	202.73	214.26	APM	2.57	2.86	3.06	3.26
					RLNG	4.08	4.65	5.09	5.54
Unit-8	315.84	314.53	312.89	308.47	Coal	2.66	2.72	2.82	2.88
Bhivpuri	70.07	70.12	63.58	64.33	-	1.83	1.83	1.66	1.68
Khopoli	101.02	101.58	102.69	103.06	-	2.92	2.94	2.97	2.98
Bhira	113.43	115.99	124.48	126.75	-	0.77	0.79	0.84	0.86

- 4. Copies of the following documents can be obtained on written request from the offices of Tata Power-G mentioned below:
 - a) Executive Summary of the Proposals (free of cost, in Marathi or English).
 - b) Detailed Petition documents along with CD (in English) (on payment of Rs.150/- by Cash/DD) drawn on "The Tata Power Company Limited", Payable in Mumbai.
 - c) Detailed Petition documents (in English) (on payment of Rs. 100/-).
 - d) CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office	Address	Tel. No.,/Fax No. /Email Id		
Registered	Mr U V Bhide, The Tata Power Company Ltd, Bombay House,	Tel: (91 22) 6717 1032		
Office	24, Homi Mody Street, Fort, Mumbai 400 001	uvbhide@tatapower.com		
	Mr. S K Raphel, The Tata Power Company Limited,			
Head Office	Corporate Finance & Accounts, 'B' Block, 6th Floor,	Tel: (91 22) 6717 1608		
	Carnac Receiving Station, 34 Sant	skraphel@tatapower.com		
	Tukaram Road, Carnac Bunder, Mumbai 400 009			
Dharavi	Mr. A S Mhapsekar, Tata Power Company Ltd., Dharavi Receiving Station,	Tel: (91 22) 6717 2543		
	Near Shalimar Industrial Estate, Matunga (West), Mumbai 400 019.	ameym@tatapower.com		
	Tata Power Consumer Relation Centre, Ground Floor,			
Borivali (W)	Ekta Main Building, Link Road, Near Eskay Resort,	Tel: (91 22) 2891 3336		
	Borivali (W), Mumbai 400092	-		

- 5. The Commission has directed Tata Power-G to invite Suggestions/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 Id: mercindia@merc.gov.in] by Friday 22 April, 2016, along with proof of service on Tata Power-G [Mr. Bhaskar Sarkar, Head-Business Strategy and Regulations (MO), The Tata Power Company Limited, Dharavi Receiving Station, Near Shalimar Industrial Estate, Matunga(W), Mumbai 400019, Tel. No.: (91 22) 6717 2628, E-mail Id: bhaskar.sarkar@tatapower.com], and should carry the full name, postal address and E-mail address, if any, of the sender. It should be indicated whether the Suggestion/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-400005 on Tuesday 26 April 2016 at 12.30 Hrs., for which no separate notice will be given.
- Tata Power-G shall reply to each of the Suggestions/ Objections received within three days of its receipt, but not later than
 Monday 25 April, 2016, for all the Suggestions/Objections received till Friday 22 April, 2016. Rejoinders may be submitted
 on the replies provided by Tata Power-G either during the Public Hearing or by Friday 29 April, 2016.
- 7. The detailed Petition document and the Executive Summary are available on Tata Power-G's website www.tatapower.com 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/-(Bhaskar Sarkar) Head – Business Strategy & Regulations -MO The Tata Power Company Limited

Place: Mumbai
Dated: Wednesday, 30 March, 2016