

## PUBLIC NOTICE

### Suggestions/Objections on Maharashtra State Electricity Transmission Company Limited'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 along with impact of Past Period Disallowed Capitalisation for FY 2010-11 to FY 2013-14

- Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) has filed a Petition (Case No. 31 of 2016) for Truing up for FY 2014-15, Provisional Truing-up for FY 2015-16 and Annual Revenue Requirement (ARR) forecast for FY 2016-17 to FY 2019-20 along with impact of past period disallowed capitalisation for FY 2010-11 to FY 2013-14. The filing for the Truing-up for FY 2014-15 and Provisional Truing 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 the applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
- The Commission has admitted the Petition on **21 April, 2016** and directed MSETCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions/Objections from the public.
- The salient features of the Petition are provided below:

**Table 1: Claim of Disallowed Capitalisation (Rs. Crore)**

Particulars	Balance Disallowed Capitalisation to be claimed	Capitalisation claimed in the Petition
FY 2010-11	96.94	22.15
FY 2011-12	45.03	14.11
FY 2012-13	149.50	101.74
FY 2013-14	81.24	68.42

**Table 2: Impact of Disallowed Capitalisation (Rs. Crore)**

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	Total
Difference in interest on long term loan	0.86	2.37	6.88	14.55	24.67
Difference in ROE	0.31	0.82	2.44	5.34	8.91
Difference in incentive on Transmission System Availability	0.02	0.11	0.18	0.54	0.85
Difference in depreciation including AAD	0.00	3.39	0.00	6.68	10.07
<b>Total</b>	<b>1.19</b>	<b>6.70</b>	<b>9.50</b>	<b>27.11</b>	<b>44.50</b>

**Table 3: Capital Expenditure and Capitalisation for FY 2014-15 and FY 2015-16 (Rs. Crore)**

Particulars	FY 2014-15		FY 2015-16	
	MTR Order in Case No. 207 of 2014	MSETCL Petition (Audited)	MTR Order in Case No. 207 of 2014	MSETCL Petition (Estimated)
Capital Expenditure	-	1,413.53	-	1,168.25
Capitalisation	1,609.56	1,383.81	1,648.10	1,875.75

**Table 4: True up for FY 2014-15 (Rs. Crore)**

Sr. No.	Particulars	MTR Order in Case No. 207 of 2014	MSETCL Petition (Actual)	Net Entitlement after sharing of gain/(loss)
1	Operation & Maintenance Expenses net of wage revision and service tax on lease rent	1,450.78	1,242.61	1,380.59
2	Impact of wage revision	-	42.01	42.01
3	Impact of service tax on Lease Rent	-	1.06	1.06
4	Depreciation Expenses	788.76	775.50	775.50
5	Interest on Long-term Loan Capital	763.57	759.03	759.03
6	Interest on Working Capital and on security deposits	112.86	2.58	75.96
7	Other Interest and Finance Charges	10.04	1.94	1.94
8	Other Expenses	6.18	-	-
9	Income Tax	577.44	692.61	692.61
10	Contribution to Contingency Reserves	48.20	48.72	48.72
11	<b>Total Revenue Expenditure</b>	<b>3,757.83</b>	<b>3,566.06</b>	<b>3,777.42</b>
12	Return on Equity Capital	761.40	764.66	764.66
13	<b>Aggregate Revenue Requirement</b>	<b>4,519.23</b>	<b>4,330.72</b>	<b>4,542.08</b>
14	Less: Non -Tariff Income	196.02	269.77	269.77
15	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	90.17	61.91	61.91
16	Less: Income from PoC Charges for Inter-State lines	-	20.09	20.09
17	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>4,233.04</b>	<b>3,978.95</b>	<b>4,190.31</b>
18	Add: Incentive on Transmission Availability of HVAC system		59.73	59.73
19	Add: Incentive on Transmission Availability of HVDC system		18.55	18.55
20	<b>Revenue from Transmission Tariff</b>		<b>5,044.14</b>	<b>5,044.14</b>
21	Revenue Gap/(Surplus) for Current Year		(986.92)	(775.56)
22	Impact of past period Disallowed capitalisation in 2014-15		44.50	44.50
23	<b>Revenue Gap/(Surplus) till previous year (2013-14)</b>		(171.11)	(171.11)
24	<b>Cumulative Revenue Gap/(Surplus) till the year</b>		(1,113.53)	(902.17)

**Table 5: Provisional Truing up of ARR for FY 2015-16 (Rs. Crore)**

Sr. No.	Particulars	MTR Order in Case No. 207 of 2014	Petition
1	Operation & Maintenance Expenses	1,608.35	1,405.79
2	Depreciation Expenses	872.54	862.37
3	Interest on Long-term Loan Capital	811.85	740.13
4	Interest on Working Capital and on Consumer Security Deposits	73.63	58.12
5	Other Interest and Finance Charges	10.38	5.46
6	Other Expenses	6.31	-
7	Income Tax	47.05	26.62
8	Contribution to Contingency Reserves	52.08	52.09
9	<b>Total Revenue Expenditure</b>	<b>3,482.19</b>	<b>3,150.57</b>
10	Add: Return on Equity Capital	810.11	813.91
11	<b>Aggregate Revenue Requirement</b>	<b>4,292.30</b>	<b>3,964.48</b>
12	Less: Non -Tariff Income	681.07	161.81
13	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	90.17	61.91
14	Less: Income from PoC Charges for Inter-State lines	0.00	59.10
15	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>3,521.06</b>	<b>3,681.66</b>
16	<b>Revenue from Transmission Tariff</b>		<b>3,159.26</b>
17	Revenue Gap/(Surplus) for current year		522.40
18	Revenue Gap/(Surplus) till previous year		(902.17)
19	Impact of past period Disallowed capitalization approved by MERC vide order in case no 207 of 2014		82.53
20	Impact of revised return on equity & incentive on higher availability on account of Review Order in Case No 79 of 2014		15.48
21	Carrying Cost / (Holding Cost)		47.13
22	<b>Cumulative Revenue Gap/(Surplus) till the year</b>		<b>(234.63)</b>

**Table 6: Proposed Capital Expenditure and 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
Capital Expenditure	1,668	1,836	1,887	1,317
Capitalisation	1,974	1,685	1,705	1,625

**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
		Projected	Projected	Projected	Projected
1	Operation & Maintenance Expenses	1,476.08	1,549.88	1,627.37	1,708.74
2	Depreciation Expenses	961.54	1,053.44	1,139.94	1,224.23
3	Interest on Long-term Loan Capital	786.60	829.53	850.04	857.95
4	Interest on Working Capital and on Consumer Security Deposits	58.12	58.12	58.12	58.12
5	Other Interest and Finance Charges	5.46	5.46	5.46	5.46
6	Income Tax	90.11	95.96	209.77	221.15
7	Contribution to Contingency Reserves	56.65	61.45	65.51	69.62
8	<b>Total Revenue Expenditure</b>	<b>3,434.56</b>	<b>3,653.83</b>	<b>3,956.21</b>	<b>4,145.27</b>
9	Add: Return on Equity Capital	422.21	449.63	982.90	1,036.26
10	<b>Aggregate Revenue Requirement</b>	<b>3,856.77</b>	<b>4,103.46</b>	<b>4,939.11</b>	<b>5,181.53</b>
11	Less: Non- Tariff Income	229.97	237.57	245.56	253.97
12	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	61.91	61.91	61.91	61.91
13	Less: Income from PoC Charges for Inter-State lines	178.55	178.55	178.55	178.55
14	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>3,386.34</b>	<b>3,625.43</b>	<b>4,453.09</b>	<b>4,687.09</b>
15	<b>Revenue Gap/(Surplus) till FY 2015-16</b>	(234.63)			
16	<b>Net Revenue required from Transmission Tariff</b>	<b>3,151.71</b>			

**Table 8: Impact on recovery of MSETCL from Transmission Tariff for FY 2016-17 (Rs. Crore)**

Particulars	(%) Contribution	DISCOMs contribution in MSETCL ARR approved in Case No. 207 of 2014	DISCOMs contribution in MSETCL ARR based on current Petition	Difference
MSEDCL	83.05%	2,229.01	2,617.50	388.48
TPC-D	5.01%	134.47	157.90	23.44
Rlnfra-D	7.36%	197.54	231.97	34.43
BEST	4.57%	122.66	144.03	21.38
<b>Total</b>	<b>100%</b>	<b>2,683.94</b>	<b>3,151.71</b>	<b>467.77</b>
<b>Monthly Recovery from Transmission Tariff by MSETCL</b>		<b>223.66</b>	<b>262.64</b>	<b>38.98</b>

- Copies of the following documents can be obtained on written request from the office of MSETCL.
  - 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 "Maharashtra State Electricity Transmission Co. 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
Head Office	Chief General Manager (F&A), Finance and Accounts Department, 6 <sup>th</sup> Floor, Prakashganga, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051	022 2659 5200/ 26594946	<a href="mailto:cgmfi@mahatransco.in">cgmfi@mahatransco.in</a>
Amravati	The Chief Engineer, EHV CC O&M Zone Amravati, Old Power House Premises, Near Dafrin Hospital, Amravati - 444601	0721 2552870 / 2552860	<a href="mailto:ceamravati@mahatransco.in">ceamravati@mahatransco.in</a>
Aurangabad	The Chief Engineer, EHV CC O&M Zone, Aurangabad, Old Power House Premises, Dr. Ambedkar Road, Jubilee Park, Aurangabad – 431001	0240 2346288 / 2346290	<a href="mailto:ceabd@mahatransco.in">ceabd@mahatransco.in</a>
Karad	The Chief Engineer, EHV CC O&M Zone, Karad, Administrative Bldg., 1 <sup>st</sup> Floor, Vijaynagar, Taluka- Karad, Dist- Satara- 415114	02164 255054/ 255186	<a href="mailto:cekarad@mahatransco.in">cekarad@mahatransco.in</a>
Nagpur	The Chief Engineer, EHV CC O&M Zone, Ingole Bhavan, Faras, Chindwara, Mankapur, Nagpur- 440030	0712 2306875/ 2306833	<a href="mailto:cenagpur@mahatransco.in">cenagpur@mahatransco.in</a>
Nashik	The Chief Engineer, EHV CC O&M Zone, Admn Bldg, Block No 01, 2 <sup>nd</sup> Floor, Old Saikheda Road, Near Durgamata Mandir, Jail Road, Nashik Road, Nashik- 422101	0253 2403010/ 2403000	<a href="mailto:cenashik@mahatransco.in">cenashik@mahatransco.in</a>
Pune	The Chief Engineer, EHV CC O&M Zone, Pune, Administrative Building, 3 <sup>rd</sup> Floor, Block No. 402, Rasta Peth, Pune- 411011	020 26061132/ 26061101	<a href="mailto:cepune@mahatransco.in">cepune@mahatransco.in</a>
Vashi	The Chief Engineer, EHV CC O&M Zone Vashi, Administrative Bldg. Plot No. 5, 4 <sup>th</sup> Floor, Sector 17, Vashi, Navi Mumbai - 400703	022 27665984/ 27662055	<a href="mailto:cevashi@mahatransco.in">cevashi@mahatransco.in</a>

- The Commission has directed MSETCL 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, 13<sup>th</sup> 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](mailto:mercindia@merc.gov.in)]** by **Monday 16 May, 2016**, along with proof of service on Shri Santosh J. Amberkar, Chief General Manager (F&A), Maharashtra State Electricity Transmission Company Limited, 6<sup>th</sup> Floor, Prakashganga, Plot No C-19, E-Block, Bandra-Kurla Complex, Mumbai - 400051, Fax No.022 26594946, E-mail Id: [cgmfi@mahatransco.in](mailto:cgmfi@mahatransco.in) 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, 13<sup>th</sup> Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Colaba, Mumbai - 400005 on Tuesday 17 May, 2016 at 11.00 Hours**, for which no separate notice will be given.
- MSETCL shall reply to each of the Suggestions/ Objections received within three days of its receipt, but not later than **Tuesday 17 May, 2016** for all the Suggestions/Objections received till **Monday 16 May, 2016**. Rejoinders may be submitted on replies provided by MSETCL either during the Public Hearing or by **Friday 20 May, 2016**.
- The detailed Petition document and the Summary are available on MSETCL's website [www.mahatransco.in](http://www.mahatransco.in) and the Executive Summary is also available on the websites of the Commission [www.mercindia.org.in/www.merc.gov.in](http://www.mercindia.org.in/www.merc.gov.in) in downloadable format (free of cost).

Signature:

**Name: Santosh J. Amberkar**

Designation: Chief General Manager (F&A)

Maharashtra State Electricity Transmission Co. Ltd.

Place : Mumbai

Date : 23 April, 2016