

MAHARASHTRA EASTERN GRID POWER TRANSMISSION COMPANY LIMITED

"Adani House" Near Mithakhali Six Roads, Navrangapura, Ahmedabad- 380009. Website: www.megptcl.com

PUBLIC NOTICE

Suggestions/Objections on Maharashtra Eastern Grid Power Transmission Company Limited's Petition for determination of Capital Cost, Truing-up for FY 2013-14 & FY 2014-15, Provisional Truing-up for FY 2015-16 and ARR forecast for FY 2016-17 to FY 2019-20

- Maharashtra Eastern Grid Power Transmission Co. Ltd. (MEGPTCL) has filed a Petition (Case No. 50 of 2016) for determination of Capital Cost, Truing-up for FY 2013-14 & FY 2014-15, Provisional Truing-up for FY 2015-16 and Annual Revenue Requirement (ARR) forecast for FY 2016-17 to FY 2019-20. The filing for the Truing-up for FY 2013-14 & 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 12 April, 2016 and directed MEGPTCL 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: Capital Cost of MEGPTCL's Transmission System (Rs. Crore)

Sr. No.	Particulars	In-principle Approval	Business Plan	MYT Order in Case No. 66 of 2014	Capital Cost as per Present Petition	Difference (Petition - In-principle approval)	Diff (Petition-MYT Order)
		A	B	C	D	D - A	D - C
1	Preliminaries	4.00	4.00	4.00	0.75	(3.25)	(3.25)
2	Transmission lines	2,210.71	2,212.33	2,335.86	2,435.55	224.84	99.69
3	Substation works	1,946.88	1,963.16	2,221.64	2,283.39	336.51	61.75
4	Revised Taxes and Duties	-	38.50	46.29	44.35	44.35	(1.94)
5	Overheads	317.31	363.78	317.30	226.12	(91.19)	(91.18)
6	Deposit Work for bays at Aurangabad substation + Civil work	32.00	32.00	32.00	28.89	(3.11)	(3.11)
7	Financing & IDC	210.98	467.57	610.74	574.25	363.27	(36.49)
8	Impact of foreign exchange rate variations	-	209.57	162.26	180.56	180.56	18.30
9	Total (1 to 8)	4,721.88	5,290.91	5,730.10	5,773.87	1,051.99	43.77

Table 2: Capitalisation for FY 2013-14 to FY 2016-17 (Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual*	Actual	Estimated	Estimated
Capital Expenditure	4849.89	923.97	24.59	7.50
Capitalisation	2213.67	3560.19	24.59	7.50

* Capital Expenditure and Capitalisation upto FY 2013-14 is shown in the year FY 2013-14.

Table 3: True up for FY 2013-14 & FY 2014-15 (Rs. Crore)

Sr. No.	Particulars	FY 2013-14		FY 2014-15	
		Approved in Case No. 66 of 2014	MEGPTCL Petition (Actual)	Approved in Case No. 66 of 2014	MEGPTCL Petition (Actual)
1	Operation & Maintenance Expenses	4.71	5.25	51.48	58.35
2	Depreciation Expenses	11.75	11.83	142.22	144.27
3	Interest on Long-term Loan Capital	17.68	17.58	216.18	206.48
4	Interest on Working Capital and on consumer security deposits	0.98	1.04	11.51	12.08
5	Income Tax	2.75	4.59	30.17	43.04
6	Contribution to contingency reserves	5.49	5.53	6.76	6.82
7	Total Revenue Expenditure	43.36	45.82	458.32	471.03
8	Return on Equity Capital	10.36	10.43	113.75	127.27
9	Aggregate Revenue Requirement	53.71	56.26	572.07	598.31
10	Less: Non-Tariff Income	-	-	0.24	-
11	Less: Income from Other Business	-	-	-	-
12	Net Aggregate Revenue Requirement from Transmission Tariff	53.71	56.26	571.83	598.31

Table 4: Impact of truing up and related claims (Rs. Crore)

Sr. No.	Particulars	Formula	FY 2013-14	FY 2014-15
1	ARR approved in the MYT Order	a	53.71	571.83
2	Gain (loss) on account of Uncontrollable factor to be passed on to the consumers	b	2.54	26.48
3	1/3 rd Gain (loss) on account of Controllable factor to be passed on to the consumers	c	-	-
4	Trued-up ARR	d = a+b+c	56.25	598.31
5	Availability Incentive	e	1.00	10.68
6	Carrying Cost for Delay in Recovery of Incremental ARR for FY 2013-14	f	1.04	-
7	Carrying Cost for Delay in Recovery of ARR for FY 2014-15	g	-	50.70
8	Total revenue recovered from TSUs during the year	h	53.71	571.83
9	Revenue Gap/(Surplus)	i=d+e+f+g-h	4.58	87.86

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

Sr. No.	Particulars	FY 2015-16	
		Approved in Case No. 66 of 2014	MEGPTCL Petition (Estimated)
1	Operation & Maintenance Expenses	99.20	118.43
2	Depreciation Expenses	300.16	304.17
3	Interest on Long-term Loan Capital	424.98	440.74
4	Interest on Working Capital and on consumer security deposits	23.98	25.62
5	Income Tax	70.35	98.66
6	Contribution to contingency reserves	14.33	14.43
7	Total Revenue Expenditure	933.00	1,002.06
8	Return on Equity Capital	265.29	269.06
9	Aggregate Revenue Requirement	1,198.28	1,271.12
10	Less: Non-Tariff Income	0.78	-
11	Less: Income from Other Business	-	-
12	Net Aggregate Revenue Requirement from Transmission Tariff	1,197.50	1,271.12

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	125.47	132.93	140.83	149.20
2	Depreciation Expenses	305.00	305.20	305.20	305.20
3	Interest on Long-term Loan Capital	392.98	359.64	325.85	291.90
4	Interest on Working Capital and on consumer security deposits	23.63	23.35	23.05	22.76
5	Other Expenses	73.20	73.25	73.25	73.25
6	Contribution to contingency reserves	14.50	14.51	14.51	14.51
7	Total Revenue Expenditure	934.78	908.88	882.70	856.83
8	Return on Equity Capital	269.80	269.98	269.98	269.98
9	Aggregate Revenue Requirement	1204.59	1178.86	1152.68	1126.81
10	Less: Non-Tariff Income	1.53	2.66	3.80	4.93
11	Less: Income from Other Business	-	-	-	-
12	Aggregate Revenue Requirement from Transmission Tariff	1203.06	1176.20	1148.88	1121.88

- Copies of the following documents can be obtained on written request from the office of MEGPTCL.
 - 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 Eastern Grid Power 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
Registered office	Maharashtra Eastern Grid Power Transmission Company Limited "Adani House" Near Mithakhali Six Roads, Navrangapura, Ahmedabad- 380009	Tele:+917925557634 Fax:+917925558758	Jignesh.langalia@adani.com

- The Commission has directed MEGPTCL 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: mercindia@merc.gov.in] by Thursday 5 May, 2016 along with proof of service on MEGPTCL [Jignesh Langalia, Maharashtra Eastern Grid Power Transmission Company Limited, "Achalraj" Opposite Mayor Bungalow, Law Garden, Ahmedabad-380006, Fax No. 917925558758, E-mail Id: jignesh.langalia@adani.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-400005 on Friday 6 May, 2016 at 11.30 Hours, for which no separate notice will be given.
- MEGPTCL shall reply to each of the Suggestions/ Objections received within three days of the receipt of its receipt, but not later than Friday 6 May, 2016 for all the Suggestions/Objections received till Thursday 5 May, 2016. Rejoinders may be submitted on replies provided by MEGPTCL either during the Public Hearing or by Wednesday 11 May, 2016.
- The detailed Petition document and the Summary are available on MEGPTCL's website www.megptcl.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).

Signature
Jignesh Langalia
Associate General Manager

Place: Ahmadabad
Date: 14th April, 2016

Maharashtra Eastern Grid Power Transmission Co. Ltd.