

PUBLIC NOTICE

[Case No. 168 of 2017]

Suggestions/Objections on Maharashtra State Electricity Transmission Co. Ltd.'s Petition for Truing-up for FY 2015-16 and FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of Aggregate Revenue Requirements (ARR) for FY 2018-19 and FY 2019-20 along with Impact of Past Period Disallowed Capitalisation for FY 2010-11 to FY 2014-15

1. Maharashtra State Electricity Transmission Co. Ltd. (MSETCL) has filed a Petition for Truing up for FY 2015-16 and FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of ARR for FY 2018-19 and FY 2019-20 along with Impact of Past Period Disallowed Capitalisation for FY 2010-11 to FY 2014-15.
2. The filing for the Truing-up for FY 2015-16 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2011. The filing for the Truing up of FY 2016-17, Provisional Truing up of FY 2017-18 and revised estimates of ARR for FY 2018-19 and FY 2019-20 is based on the applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
3. The Commission has admitted the Petition on **12 June, 2018** and directed MSETCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions/Objections from the Public.
4. 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	74.79	15.33
FY 2011-12	40.01	8.54
FY 2012-13	108.16	53.37
FY 2013-14	74.97	57.93
FY 2014-15	110.02	88.19
Total	407.96	223.36

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

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Total
Difference in Interest on long term loan	0.60	1.56	3.89	8.88	15.05	29.97
Difference in ROE	0.21	0.55	1.42	3.29	5.56	11.03

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Total
Incentive on Transmission system availability	0.01	0.09	0.10	0.33	0.00	0.53
Depreciation including AAD	0.00	2.95	0.00	4.12	6.90	13.97
Total	0.82	5.15	5.41	16.62	27.50	55.50

Table 3: Capital Expenditure and Capitalisation for FY 2015-16, FY 2016-17 and FY 2017-18 (Rs. Crore)

Particulars	FY 2015-16		FY 2016-17		FY 2017-18	
	Approved in Case No. 31 of 2016	MSETCL Petition (Actual)	Approved in Case No. 31 of 2016	MSETCL Petition (Actual)	Approved in Case No. 31 of 2016	MSETCL Petition (Provisional)
Capital Expenditure	-	1,238.70	-	1,165.29	-	952.36
Capitalisation	1,638.72	2,128.86	1,393.21	1,690.69	1,083.97	1,375.95

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

Sr. No.	Particulars	Approved in Case No. 31 of 2016	MSETCL Petition (Actual)	Net Entitlement after sharing of gain/(loss)
1	Operation & Maintenance Expenses	1,399.10	1,314.87	1,668.76
2	Depreciation Expenses	845.39	716.12	716.12
3	Interest on Long-term Loan Capital	755.49	831.48	831.48
4	Interest on Working Capital	58.06	1.55	38.56
5	Other Interest and Finance Charges	5.46	6.80	6.80
6	Income Tax	26.62	23.09	23.09
7	Contribution to Contingency Reserves	51.49	52.04	52.04
8	Total Revenue Expenditure	3,141.61	2,945.96	3,336.86
9	Add: Return on Equity Capital	802.77	817.53	817.53
10	Aggregate Revenue Requirement	3,944.38	3,763.49	4,154.39
11	Less: Non -Tariff Income	1,016.80	210.04	210.04
12	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	61.91	47.82	47.82
13	Less: Income from PoC Charges for Inter-State lines	59.10	59.13	59.13
14	Aggregate Revenue Requirement from Transmission Tariff	2,806.57	3,446.50	3,837.40
15	Add: Incentive on Transmission Availability of HVAC system	-	51.44	51.44
16	Add: Incentive on Transmission Availability of HVDC system	-	14.35	14.35
17	Revenue from Transmission Tariff	3,159.26	3,159.26	3,159.26
18	Revenue Gap/(Surplus) for Current Year	(352.71)	-	743.92

Sr. No.	Particulars	Approved in Case No. 31 of 2016	MSETCL Petition (Actual)	Net Entitlement after sharing of gain/(loss)
19	Revenue Gap/(Surplus) till previous year (2014-15)	(1,114.75)	-	(1,337.78)
20	Cumulative Revenue Gap/(Surplus) till the year	(1,337.79)	-	(593.86)

Table 5: Truing up for FY 2016-17 (Rs. Crore)

Sr. No.	Particulars	Approved in Case No. 31 of 2016	MSETCL Petition (Actual)	Net Entitlement after sharing of gain/(loss)
1	Operation & Maintenance Expenses	1,469.05	1,374.21	1,592.96
2	Depreciation Expenses	921.22	923.18	923.18
3	Interest on Long-term Loan Capital	786.12	895.33	895.33
4	Interest on Working Capital	58.06	42.72	49.73
5	Other Interest and Finance Charges	5.46	0.69	0.69
6	Income Tax	111.41	11.45	11.45
7	Contribution to Contingency Reserves	55.46	57.27	57.27
8	Total Revenue Expenditure	3,406.78	3,304.86	3,530.62
9	Add: Return on Equity Capital	410.62	423.98	423.98
10	Aggregate Revenue Requirement	3,817.40	3,728.84	3,954.60
11	Less: Non -Tariff Income	229.97	167.51	167.51
12	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	61.91	43.62	43.62
13	Less: Income from PoC Charges for Inter-State lines	178.55	97.68	97.68
14	Aggregate Revenue Requirement from Transmission Tariff	3,346.97	3,420.02	3,645.78
15	Add: Incentive on Transmission Availability of HVAC system	-	-	18.80
16	Add: Incentive on Transmission Availability of HVDC system	-	-	5.70
17	Revenue from Transmission Tariff	-	1,979.51	1,979.51
18	Revenue Gap/(Surplus) for Current Year	-	-	1,690.78
19	Impact of past period disallowed capitalisation	8.23	-	-
20	Revenue Gap/(Surplus) till previous year	(1,337.79)	-	(593.86)
21	Carrying cost/(holding cost)	(272.71)	-	-
22	Cumulative Revenue Gap/(Surplus) till the year	(1,602.27)	-	1,096.93

Table 6: Provisional Truing up of ARR for FY 2017-18(Rs. Crore)

Sr. No.	Particulars	Approved in Case No. 31 of 2016	MSETCL Petition (Provisional)
1	Operation & Maintenance Expenses	1,542.51	1,329.69
2	Depreciation Expenses	982.17	999.10

Sr. No.	Particulars	Approved in Case No. 31 of 2016	MSETCL Petition (Provisional)
3	Interest on Long-term Loan Capital	784.75	858.79
4	Interest on Working Capital	58.06	18.68
5	Other Interest and Finance Charges	5.46	0.27
6	Income Tax	116.38	157.05
7	Contribution to Contingency Reserves	58.81	61.48
8	Total Revenue Expenditure	3,548.14	3,425.06
9	Add: Return on Equity Capital	428.93	443.49
10	Aggregate Revenue Requirement	3,977.07	3,868.55
11	Less: Non -Tariff Income	237.56	178.58
12	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	61.91	164.96
13	Less: Income from PoC Charges for Inter-State lines	178.55	97.68
14	Aggregate Revenue Requirement from Transmission Tariff	3,499.05	3,427.32
15	Revenue from Transmission Tariff	-	3,499.03
16	Revenue Gap/(Surplus) for current year	-	(71.71)
17	Revenue Gap/(Surplus) till previous year	-	1,096.93
18	Cumulative Revenue Gap/(Surplus) till the year	-	1,025.22

Table 7: Proposed Capital Expenditure and Capitalisation for FY 2018-19 and FY 2019-20(Rs. Crore)

Particulars	FY 2018-19		FY 2019-20	
	Approved in Case No. 31 of 2016	MSETCL Petition (Projected)	Approved in Case No. 31 of 2016	MSETCL Petition (Projected)
Capital Expenditure	-	1,085.33	-	1,009.65
Capitalisation	672.63	1,200.19	827.68	1,271.63

Table 8: Revised estimates of ARR for FY 2018-19 and FY 2019-20 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		Approved in Case No. 31 of 2016	MSETCL Petition (Projected)	Approved in Case No. 31 of 2016	MSETCL Petition (Projected)
1	Operation & Maintenance Expenses	1,619.63	1,627.43	1,700.61	1,708.80
2	Depreciation Expenses	1,023.60	1,062.50	1,061.49	1,125.91
3	Interest on Long-term Loan Capital	746.40	850.36	692.43	832.65

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		Approved in Case No. 31 of 2016	MSETCL Petition (Projected)	Approved in Case No. 31 of 2016	MSETCL Petition (Projected)
4	Interest on Working Capital and on Consumer Security Deposits	58.06	10.00	58.06	10.00
5	Other Interest and Finance Charges	5.46	2.59	5.46	2.59
6	Income Tax	247.82	98.07	254.10	102.40
7	Contribution to Contingency Reserves	61.37	64.67	62.91	67.56
8	Total Revenue Expenditure	3,762.35	3,715.62	3,835.06	3,849.90
9	Add: Return on Equity Capital	913.40	459.57	936.55	479.83
10	Aggregate Revenue Requirement	4,675.75	4,175.19	4,771.60	4,329.73
11	Less: Non- Tariff Income	245.55	196.44	253.96	216.09
12	Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	61.91	181.46	61.91	199.60
13	Less: Income from PoC Charges for Inter-State lines	178.55	55.62	178.55	5.99
14	Aggregate Revenue Requirement from Transmission Tariff	4,189.74	3,741.67	4,277.18	3,908.05
15	Revenue Gap/(Surplus) till previous year	-	1,025.22	-	-
16	Add: Impact of disallowed capitalisation	-	55.50	-	-
17	Add: carrying/(holding) cost	-	362.44	-	-
18	Net Revenue required from Transmission Tariff	4,189.74	5,184.83	4,277.18	3,908.05

Table 9: Impact on recovery of MSETCL from Transmission Tariff for FY 2018-19(Rs. Crore)

Particulars	% Contribution	DISCOMs contribution in MSETCL ARR approved in Case No. 31 of 2016	DISCOMs contribution in MSETCL ARR based on current Petition	Difference
MSEDCL	82.86%	3,471.61	4,296.15	824.54
TPC-D	4.99%	209.07	258.72	49.66
RInfra-D	6.70%	280.71	347.38	66.67
BEST	4.15%	173.87	215.17	41.30
MBPPL	0.09%	3.77	4.67	0.90
Indian Railways	1.21%	50.70	62.74	12.04
Total	100.00%	4,189.73	5,184.83	995.10
Monthly Recovery from Transmission Tariff by MSETCL		349.14	432.07	82.93

5. Copies of the following documents can be obtained on written request from the office of MSETCL.

- a. Executive Summary of the proposals (free of cost, in Marathi/English).
- b. Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD) drawn on “**Maharashtra State Electricity Transmission Co. Ltd.**”
- 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	Tele/ Fax No.	Email
Head Office	Chief General Manager (F&A), Finance and Accounts Department, 6 th Floor, Prakashganga, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051	022 2659 5200/ 26594946	cgmfi@mahatransco.in
Amravati	The Chief Engineer, EHV PC O&M Zone Amravati, Old Power House Premises, Near Dafrin Hospital, Amravati- 444601	0721 2552870 / 2552860	ceamravati@mahatransco.in
Aurangabad	The Chief Engineer, EHV PC O&M Zone, Aurangabad, Block No. 201 & 205, 2 nd Floor, MSETCL Administrative Building, Near Harsool T-Point, Jalgaon Road, Aurangabad- 431008	0240 2346288 / 2346290	ceabd@mahatransco.in
Karad	The Chief Engineer, EHV PC O&M Zone, Karad, Administrative Bldg., 1st Floor, Vijaynagar, Taluka- Karad, Dist- Satara- 415114	02164 255054/ 255186	cekarad@mahatransco.in
Nagpur	The Chief Engineer, EHV PC O&M Zone, MSETCL, 132 kV Power House Premises, Chindwara road, Mankapur, Nagpur- 440030	0712 2580144	cenagpur@mahatransco.in
Nashik	The Chief Engineer, EHV PC O&M Zone, AdmnBldg, Block No 01, 2 nd Floor, Old Saikheda Road, Near Durgamata Mandir, Jail Road, Nashik Road, Nashik- 422101	0253 2403062	cenashik@mahatransco.in
Pune	The Chief Engineer, EHV PC O&M Zone, Pune, Administrative Building, 3rd Floor, Block No. 402, Rasta Peth, Pune- 411011	020 26066106/ 26066596	cepune@mahatransco.in
Vashi	The Chief Engineer, EHV PC O&M Zone Vashi, Administrative Bldg. Plot No. 5, 4th Floor, Sector 17, Vashi, Navi Mumbai- 400703	022 27665984	cevashi@mahatransco.in

6. 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, 13thFloor, 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 9 July, 2018, along with proof of service on Shri Sunil Dutt Sharma, General Manager (F&A), Maharashtra State Electricity Transmission Company Limited, 6th Floor, Prakashganga, Plot No C-19, E- Block, Bandra-Kurla Complex, Mumbai-400051, Fax No.022 26594946, E-mail Id:gmfi@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, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005 on Monday, 23 July, 2018 at 10.00 Hrs**, for which no separate notice will be given.

7. MSETCL shall reply to each of the Suggestions/ Objections received within three days of its receipt, but not later than **Thursday, 12 July, 2018** for all the Suggestions/Objections received till **Monday, 9 July, 2018**. Rejoinders may be submitted on replies provided by MSETCL either during the Public Hearing or by **Thursday, 26 July, 2018**.
8. The detailed Petition document and the Summary are available on MSETCL's website www.mahatransco.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).

Place: Mumbai.
Date: , 2018

Signature:
Name: Sunil Dutt Sharma
Designation: General Manager (F&A)
Maharashtra State Electricity Transmission Co. Ltd.