

**Maharashtra Eastern Grid Power Transmission Company Ltd.**

Registered Office: "Sambhav House", Judges Bungalow Road, Bodakdev, Ahmedabad-380015

Website: www.megptcl.com

**PUBLIC NOTICE**

**Inviting Suggestions/Objections on Maharashtra Eastern Grid Power Transmission Company Ltd.'s Petition for Truing Up of ARR for FY 2015-16 and FY 2016-17, Provisional truing-up for FY 2017-18 and revised ARR estimate for FY 2018-19 and FY 2019-20 [Case No. 169 of 2017]**

1. **Maharashtra Eastern Grid Power Transmission Company Ltd. (MEGPTCL)**, has filed a Mid-term Review (MTR) Petition for the 3<sup>rd</sup> Control Period for Truing up of Aggregate Revenue Requirement (ARR) for FY 2015-16 and FY 2016-17, Provisional truing-up for FY 2017-18 and revised estimate of ARR for FY 2018-19 and FY 2019-20. The filing for truing-up for FY 2015-16 is based on applicable provisions of MERC (Multi Year Tariff) Regulations, 2011, whereas filing for truing-up for FY 2016-17 and Provisional truing-up for FY 2017-18, revised estimate of ARR for FY 2018-19 and FY 2019-20 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
2. The Commission has admitted the Petition on **12 June, 2018** and directed MEGPTCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting suggestions/objections from the Public.
3. 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. 50 of 2016	Capital Cost as per Present MTR Petition	Difference (MTR Petition – In-principle approval)	Difference (MTR Petition – MYT Order)
		(a)	(b)	(c)	(d)	(d)-(a)	(d)-(c)
1	Preliminaries	4.00	4.00	0.75	0.75	(3.25)	0
2	Transmission Lines	2210.71	2212.33	2337.88	2440.55	229.84	102.67
3	Substation Works	1946.88	1963.16	1983.94	2300.99	354.11	317.05
4	Revised Taxes and Duties	-	38.50	44.35	44.35	44.35	-
5	Overheads	317.31	363.78	226.12	227.78	(89.53)	1.66

Sr. No.	Particulars	In-principle Approval	Business Plan	MYT Order in Case No. 50 of 2016	Capital Cost as per Present MTR Petition	Difference (MTR Petition – In-principle approval)	Difference (MTR Petition – MYT Order)
6	Depository work for bays at Aurangabad Substation + Civil Work	32.00	32.00	28.89	28.89	(3.11)	-
7	Financing and IDC	210.98	467.57	527.63	611.11	400.13	83.48
8	Impact of Foreign Exchange Rate Variations	-	209.57	180.56	194.19	194.19	13.63
	<b>Total (1 to 8)</b>	4721.88	5290.92	5330.12	5848.61	1126.73	518.49

**Table 2: Capitalisation for FY 2015-16 and FY 2016-17**

(Rs. Crore)

Particulars	FY 2014-15*		FY 2015-16		FY 2016-17	
	Approved (Cumulative till FY 2014-15)	Petitioned (Cumulative till FY 2014-15)	Approved in Case No.50 of 2016	MTR Petition (Actual)	Approved in Case No.50 of 2016	MTR Petition (Actual)
Capitalisation	2597.08	2766.77	2719.97	3034.70	36.39	33.50

\*(Cumulative till end of FY 2014-15)

**Table 3: Truing-up for FY 2015-16 and FY 2016-17**

(Rs. Crore)

Sr. No.	Particulars	FY 2015-16		FY 2016-17	
		Approved in Case No.50 of 2016	MTR Petition (Actual)	Approved in Case No.50 of 2016	MTR Petition (Actual)
1	Operation & Maintenance Expenses*	89.74	120.19	92.64	112.55
2	Depreciation Expenses	260.00	283.20	280.88	306.42
3	Interest on Loan Capital	376.18	424.26	363.95	438.29
4	Interest on Working Capital and on Consumer Security Deposits	21.14	32.37	21.28	23.71
5	Income Tax	95.80	97.54	67.44	35.22
6	Contribution to contingency reserves	12.35	13.83	13.29	29.01
7	<b>Total Revenue Expenditure</b>	<b>855.20</b>	<b>971.39</b>	<b>839.49</b>	<b>945.19</b>
8	Add: Return on Equity	230.29	250.49	248.55	271.08

Sr. No.	Particulars	FY 2015-16		FY 2016-17	
		Approved in Case No.50 of 2016	MTR Petition (Actual)	Approved in Case No.50 of 2016	MTR Petition (Actual)
	Capital				
<b>9</b>	<b>Aggregate Revenue Requirement</b>	<b>1085.49</b>	<b>1221.88</b>	<b>1088.04</b>	<b>1216.27</b>
10	Less: Non-Tariff Income	31.57	0.06	1.03	0.04
<b>11</b>	<b>Aggregate Revenue Requirement from Transmission</b>	<b>1053.92</b>	<b>1221.82</b>	<b>1087.01</b>	<b>1216.23</b>

\*(MEGPTCL has petitioned to treat O&M expense as 'uncontrollable' and claimed for actual O&M expenses incurred for FY 2015-16 and FY 2016-17, as against the normative O&M expense permissible as per MYT Regulations)

**Table 4: Impact of Truing-up of FY 2015-16 and F 2016-17 and related claims (Rs. Crore)**

Sr. No.	Particulars	Formula	Actual for FY 2015-16	Actual for FY 2016-17
1	ARR approved in the MYT Order	a	1053.93	1087.01
2	Gain (loss) on account of Uncontrollable factor to be passed on to the consumers	b	167.89	129.22
3	1/3 <sup>rd</sup> Gain (loss) on account of Controllable factor to be passed on to the consumers	c	0.00	0.00
<b>4</b>	<b>Trued-up ARR</b>	<b>d = a+b+c</b>	<b>1221.82</b>	<b>1216.23</b>
5	Availability Incentive	e	21.82	9.21
6	Carrying Cost for Delay in Recovery of ARR for FY 16 *	f	60.96	
7	Carrying Cost for Delay in Recovery of Rs 483 Crore ARR for FY 15-16 *	g	71.63	
8	Carrying Cost for Delay in Recovery of Incentive of FY 2015-16 *	h	6.23	
9	Carrying Cost for Delay in Recovery of ARR for FY 17 *	i		61.48
10	Carrying Cost for Delay in Recovery of Incentive of FY 2016-17 -	j		0.94
11	Total revenue recovered from TSUs during the year	l	1053.93	883.92
12	FERV Expenses	m	20.40	5.82
13	<b>Revenue Gap/(Surplus)</b>	<b>n=d+e+f+g+h+i+j-k+l+m</b>	<b>348.94</b>	<b>409.76</b>

(\*calculated upto 31.3.2018.)

**Table 5: Capitalisation for FY 2017-18, FY 2018-19 and FY 2019-20**

(Rs. Crore)

Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
	Approved in Case No.50 of 2016	MTR Petition (Provisional truing-up)	Approved in Case No.50 of 2016	Projected	Approved in Case No.50 of 2016	Projected
Capitalisation	-	13.64	-	-	-	-
IDC	-	-	-	-	-	-
Capitalisation + IDC	-	13.64	-	-	-	-

**Table 6: Provisional Truing-up of ARR for FY 2017-18 and revised ARR projected for FY 2018-19 to FY 2019-20**

(Rs. Crore)

Sr. No.	Particulars	FY 2017-18		FY 2018-19		FY 2019-20	
		Approved in Case No.50 of 2016	MTR Petition (Provisional truing-up)	Approved in Case No.50 of 2016	Projected	Approved in Case No.50 of 2016	Projected
1	Operation & Maintenance Expenses*	97.89	118.71	102.83	126.87	108.10	135.44
2	Depreciation Expenses	281.31	307.06	281.31	307.42	281.31	307.42
3	Interest on Loan Capital	333.61	424.90	302.48	383.56	271.20	342.83
4	Interest on Working Capital and on Consumer Security Deposits	21.00	22.84	20.67	22.51	20.34	22.17
5	Income Tax	67.54	73.70	67.54	73.79	67.54	73.79
6	Contribution to contingency reserves	13.38	29.17	13.38	29.24	13.38	29.24
<b>7</b>	<b>Total Revenue Expenditure</b>	<b>814.74</b>	<b>976.38</b>	<b>788.20</b>	<b>943.39</b>	<b>761.88</b>	<b>910.88</b>
8	Add: Return on Equity Capital	248.93	271.64	248.93	271.96	248.93	271.96
<b>9</b>	<b>Aggregate Revenue Requirement</b>	<b>1063.67</b>	<b>1248.03</b>	<b>1037.14</b>	<b>1215.35</b>	<b>1010.81</b>	<b>1182.84</b>
10	Less: Non-Tariff Income	2.03	0	3.07	0	4.12	0
<b>11</b>	<b>Aggregate Revenue Requirement from Transmission</b>	<b>1061.64</b>	<b>1248.03</b>	<b>1034.07</b>	<b>1215.35</b>	<b>1006.69</b>	<b>1182.84</b>

\*(MEGPTCL has petitioned to treat O&M expense as 'uncontrollable' and claimed estimated O&M expenses for FY 2017-18, FY 2018-19 and FY 2019-20, as against the normative O&M expense permissible as per MYT Regulations)

**Table 7: Cumulative ARR for FY 2018-19 and FY 2019-20****(Rs. Crore)**

Particulars	FY 2018-19	FY 2019-20
<b>Standalone ARR for the year</b>	<b>1215.35</b>	<b>1182.84</b>
Revenue Gap/ (Surplus) including carrying cost & incentives - FY 2015-16 *	348.94	-
Revenue Gap/ (Surplus) including carrying cost & incentives- FY 2016-17 *	409.76	-
Revenue Gap/(Surplus)- FY 2017-18	185.03	-
<b>Cumulative ARR Recovery</b>	<b>2159.09</b>	<b>1182.84</b>

(\* Carrying Cost calculated upto 31.3.2018.)

4. Copies of the following documents can be obtained on written request from the office of MEGPTCL as mentioned below:
- Executive Summary of the Petition (free of cost, in English or Marathi)
  - Detailed Petition documents along with CD (in English) (on payment of Rs.150/- by Cash/ DD) drawn on “**Maharashtra Eastern Grid Power Transmission Company Ltd.**” payable at Mumbai.
  - Detailed Petition documents (in English) (on payment of Rs. 100/-).
  - CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office	Address	Telephone/Fax No	Email
Registered Office	Maharashtra Eastern Grid Power Transmission Company Ltd., “Sambhav House”, Judges Bungalow Road, Bodakdev, Ahmedabad-380015	Tel: (91 79)- 25556900 Fax: (91 79) 25557155	bhavesk.kundalia@adani.com

5. 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-400005; or by Fax or E-mail [Fax: 02222163976, E-Mail: mercindia@merc.gov.in]** by **Wednesday, 11 July, 2018**, along with proof of service on MEGPTCL **Shri Bhavesh Kundalia, Maharashtra Eastern Grid Power Transmission Company Ltd., “Sambhav House”, Judges Bungalow Road, Bodakdev, Ahmedabad-380015, Tel No. +91-7925556900, Fax No. +917925557155, Email id: [bhavesk.kundalia@adani.com](mailto:bhavesk.kundalia@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 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 **Office of the Commission, 13th Floor, Centre No. 1, World**

**Trade Centre, Cuffe Parade, Colaba, Mumbai-400005, on Tuesday, 24 July, 2018, at 10.00 Hours**, for which no separate notice will be given.

6. MEGPTCL shall reply to each of the suggestions/objections received within three days of its receipt, but not later than **Monday, 16 July, 2018** for all the suggestions/objections received till **Wednesday, 11 July, 2018**. Rejoinders may be submitted on the replies provided by MEGPTCL either during the Public Hearing or by **Friday, 27 July, 2018**.
7. The detailed Petition document and the Executive Summary are available on MEGPTCL's website [www.adanitransmission.com](http://www.adanitransmission.com) and the Executive Summary is also available on the websites of the Commission [www.mercindia.org.in](http://www.mercindia.org.in)/ [www.merc.gov.in](http://www.merc.gov.in) in downloadable format (free of cost).

Place: Ahmedabad, Gujarat

Date: June, 2018

Signature:

Name: Bhavesh Kundalia

Designation: General Manager

**Maharashtra Eastern Grid Power  
Transmission Company Ltd.**