



MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED

8th Floor, 'Prakashganga', MSETCL, Plot No. C-19, E - Block, Bandra Kurla Complex, Bandra (East),

Mumbai 400 051. Website: www.mahatransco.in

PUBLIC NOTICE

Suggestions /Objections on Maharashtra State Electricity Transmission Company Limited –Petition for approval of True up of FY 2011-12, Provisional True up of FY 2012-13 and Multi Year Tariff Determination from FY 2013-14 to FY 2015-16 (Case No. 39 of 2013)

1. Maharashtra State Electricity Transmission Company Limited (MSETCL) has filed a Petition for approval of True up of FY 2011-12, Provisional True up of FY 2012-13 and Multi Year Tariff Determination from FY 2013-14 to FY 2015-16 along with the impact of disallowed past period Capitalisation for FY 2007-08, FY 2008-09 and FY 2010-11 before the Maharashtra Electricity Regulatory Commission under the Section 61 and 62 of the Electricity Act, 2003 read with MERC (Terms and Conditions of Tariff) Regulations, 2005 and MERC (Multi Year Tariff) Regulations, 2011. The Commission has admitted the Petition on **17 September, 2013** and directed MSETCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003.
2. The salient Features of the Petition are provided below:

Table 1: Claim due to Disallowed Capitalisation (Rs. Crore)

Particulars	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Return on Equity	3.69	11.40	12.43	13.22	40.73
Depreciation including Advance against Depreciation	-	-	-	-	-
Interest on long-term Loan	11.08	28.76	28.75	28.33	96.91
Interest on working capital Loan (Efficiency Gain)	0.29	0.90	0.54	0.51	2.24
Contribution to contingency reserve	-	1.34	0.84	0.85	3.02
Incentive for Higher Availability	0.13	0.78	0.55	0.79	2.25
Total	15.19	43.17	43.11	43.69	145.16*

* MSETCL proposes to recover Rs. 145.16 Crore due to the impact of disallowed capitalisation for past years in the ARR for FY 2013-14

Table 2: Final Truing up for FY 2011-12 (Rs. Crore)

Particulars	MERC Approved (Review Order in Case No. 106 of 2012)	Audited	True up Amount	Efficiency Gain/(Loss) shared with TSUs	Net Entitlement of MSETCL
Operation & Maintenance Expenses	1,040.66	967.20	(73.46)		967.20
Employee Expenses	605.79	581.61	(24.18)		581.61
A&G Expenses	108.92	181.37	72.45		181.37
R&M Expenses	325.95	204.21	(121.74)		204.21
Depreciation	407.97	421.79	13.82		421.79
Advance against depreciation	224.04	323.36	99.32		323.36
Interest on Long-term Loan Capital	417.95	384.47	(33.48)		384.47
Interest on Working Capital and on consumer security deposits	66.58	66.10	(0.48)	15.04	51.06
Other Interest and finance charges	18.42	13.61	(4.81)		13.61
Other Expenses	87.87	109.52	21.65		109.52
Income Tax	133.98	179.67	45.69		179.67
Contribution to contingency reserves	32.57	33.39	0.82		33.39
Total Revenue Expenditure	2,430.05	2499.09	69.04		2484.06
Return on Equity Capital	535.68	559.21	23.53		559.21
Aggregate Revenue Requirement	2,965.73	3058.30	92.57		3043.26
Less: Non Tariff Income	174.66	308.84	134.18		308.84
Less: Income from Goa & Dadra Nagar wheeling charges	20.52	26.30	5.78		26.30
Less: Amortisation of Income due to Revaluation of Stocks	0.00	0.00	0.00		0.00
Aggregate Revenue Requirement from Transmission Tariff	2,770.55	2723.15	(47.40)		2708.12
Revenue from Transmission tariff	2,264.28	2264.25	(0.03)		2264.25
Revenue (Gap)/surplus for current year	(506.27)	(458.90)	47.37		(443.87)
Revenue (Gap)/surplus till previous year	(752.90)	(752.90)	0.00		(752.90)
Cumulative Revenue Gap till the year	(1259.17)	(1211.80)	47.37		(1196.77)
(add) Incentive on Transmission Availability of HVAC System					45.65
(add) Incentive on Transmission Availability of HVDC System					7.46
Cumulative Revenue Gap till the year					(1249.88)

MSETCL proposes to include this Revenue Gap in the ARR for FY 2013-14 and humbly requests the Hon'ble Commission to consider this Gap by including it in the proposed ARR for FY 2013-14

Table 3: Provisional Truing Up for FY 2012-13 and Aggregate Revenue Requirement for FY 2013-14 to FY 2015-16 of MSETCL (Rs. Crore)

S. No	Particulars	FY2012-13		FY2013-14		FY2014-15		FY2015-16	
		Approved *	Petition	Approved#	Petition	Approved#	Petition	Approved#	Petition
1	Operation and Maintenance Expenses	1115.42	1115.42	1329.81	1401.24	1516.52	1633.21	1757.32	1878.65
A	Employee Expenses	651.87	651.87	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
B	Administration and General Expenses	115.24	115.24						
C	Repair and Maintenance Expenses	348.30	348.30						
2	Depreciation	501.50	560.49	1,101.46	1102.75	1,283.08	1285.25	1,456.72	1455.87
3	Advance against depreciation	155.65	418.33	-	32.41	-	0.00	-	115.57
4	Interest on Long-term Loan Capital	464.41	504.52	991.12	752.39	1,185.70	1017.49	1,343.55	1226.17
5	Interest on Working Capital and consumer security deposits, if any	71.10	80.34	97.60	94.19	112.98	111.35	129.09	130.26
6	Other interest and finance charges	18.50	18.50	16.91	16.91	19.21	19.21	16.22	16.22
7	Other Expenses	1.23	1.12	1.21	1.14	1.23	1.17	1.26	1.19
8	Income tax	157.34	275.40	103.67	179.67	103.67	179.67	103.67	179.67
9	Contribution to Contingency Reserves	40.11	40.20	49.24	49.24	57.29	57.29	66.58	66.59
A	Total Revenue Expenditure (1+2+3+4+5+6+7+8+9)	2525.26	3,014.32	3,691.01	3,629.95	4,279.69	4,304.65	4,874.42	5,070.19
B	Add: Return on Equity Capital	629.04	641.38	802.96	816.63	910.51	924.17	1,012.71	1026.37
C	Aggregate Revenue Requirement (A+B)	3154.30	3,655.70	4,493.97	4,446.57	5,190.20	5,228.82	5,887.13	6,096.56

S. No	Particulars	FY2012-13		FY2013-14		FY2014-15		FY2015-16	
		Approved *	Petition	Approved#	Petition	Approved#	Petition	Approved#	Petition
	Less: Non-tariff income	178.15	232.60	197.94	240.39	205.70	248.94	214.22	258.28
	Less: Income from Goa and Dadra Nagar wheeling charges	20.52	26.30	20.52	26.30	20.52	26.30	20.52	26.30
	Less: Amortisation of income due to revaluation of stocks			-	30.50	-	30.50	-	30.50
D	Aggregate Revenue Requirement from Transmission Tariff	2955.63	3396.80	4,275.51	4,149.39	4,963.98	4,923.08	5,652.39	5,781.48

N.A. Not Applicable

* Order dated 18 May, 2012 in Case No. 169 of 2011

Order dated 11 January, 2013 in Case No. 137 of 2011

Table 4: MSETCL's Capital Expenditure Plan (Rs Crore)

S. No	Particulars	FY 2011-12 *	FY2012-13	FY2013-14	FY2014-15	FY2015-16
A	Capital expenditure					
	DPR	2456.31	4704.17	3779.11	3267.9	1542.5
	Non- DPR	278.92	190.83	56.55	38.55	138.28
	Total capital expenditure	2735.23	4,895.00	3835.66	3306.45	1680.78
B	Capitalisation					
	DPR	1967.69	3732.25	3362.27	3901.02	3121.91
	Non- DPR	274.34	142.37	78.59	75.15	65.98
	Intangible Assets	19.5	N.A	N.A	N.A	N.A
	Less: SLDC	0.11	N.A	N.A	N.A	N.A
	Total Capitalisation	2261.32	3874.62	3440.86	3976.17	3187.89

* As per Actual N.A. Not Applicable

Table 5: Details of Operational Performance

S. No.	Particulars	FY 2011-12 #	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
A	Availability (%)	Actual	Provisional	Estimated	Estimated	Estimated
1	HVAC	99.72%	> 98%	> 98%	> 98%	> 98%
2	HVDC	96.55%	> 92% for HVDC bi pole links and > 95% for HVDC back-to-back stations	> 92% for HVDC bi pole links and > 95% for HVDC back-to-back stations	> 92% for HVDC bi pole links and > 95% for HVDC back-to-back stations	> 92% for HVDC bi pole links and > 95% for HVDC back-to-back stations
B	Transmission loss (%)	4.17%	4.85%	4.85%	4.85%	4.85%

FY 2011-12 based on Actual

Table 6: Revenue for MSETCL

S. No.	Particulars	FY 2011-12		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
		Approved by MERC	Actual as per audited accounts	Provisional	Approved*	Approved*	Approved*
1	Revenue (Rs Crore)	2264.28	2264.25	3338.04	5152.23	4963.98	5652.39

* Revenue as per the Commission's InSTS Order in Case No. 56 of 2013 dated 13 May, 2013.

Table 7: Revenue Gap (in Rs Crore)

S. No	Particulars	FY 2011-12	FY2012-13
1	Aggregate Revenue Requirement	2708.12	3396.80
2	Revenue from existing Transmission Tariff	2264.25	3338.04
3	Stand alone Revenue (Gap)/ Surplus for the year	(443.87)	(58.76)
4	Revenue (Gap)/surplus till previous year	(752.90)	
5	Cumulative Revenue Gap till the year	(1196.77)	
6	(add) Incentive on Transmission Availability of HVAC System	45.65	
7	(add) Incentive on Transmission Availability of HVDC System	7.46	
8	Cumulative Revenue Gap till the year	(1249.88)	

Table 8: Cumulative Revenue Gap from FY 2013-14 to FY 2015-16 (in Rs. Crore)

Particulars		FY 2013-14	FY 2014-15	FY 2015-16
Net ARR		4149.39	4923.08	5781.48
Revenue from Transmission Tariff on stand alone basis as approved in InSTS Order dtd. 13 May, 2013		4275.51	4963.98	5652.39
Stand Alone (Gap)/Surplus for the year -Provisional		126.12	40.90	(129.09)
Un-recovered Revenue (Gap)/Surplus for FY 2011-12		(1249.88)	-	-
Un-recovered Revenue (Gap)/Surplus for FY 2012-13		(58.76)	-	-
Impact of past period dis-allowed capitalisation		(145.16)	-	-
Revenue from Transmission Tariff on account of past period recovery as approved in InSTS Order dtd. 13 May, 2013		876.72	0.00	0.00
Cumulative un-recovered (Gap)/Surplus till the year		(450.95)	40.90	(129.09)

Table 9: Transmission Tariff (Rs./kWh) during the period

S. No.	Particulars	Unit	FY 2011-12*	FY 2012-13 [†]	FY 2013-14 [‡]	FY 2014-15 [§]	FY 2015-16 [§]
1	ARR of MSETCL as submitted in the present MYT Petition	Rs. Crore	2264.25	3552.80	5603.18	4923.08	5781.48
2	Average Coincident and Non Coincident Peak Demand (CPD and NCPD) as per Applicable InSTS Order [¶]	MW	13429.00	15634.00	17748.00	19533.00	21102.00
3	Contribution of MSETCL in InSTS Tariff as per ARR of MSETCL submitted in the MYT Petition [®]	Rs./kW/ month	140.51	189.37	263.09	210.03	228.32
4		Rs./kWh	0.19	0.25	0.35	0.28	0.31
5	Transmission Tariff in Maharashtra as per InSTS	Rs./kW/ month	164.68	213.39	320.22	265.25	285.13
6	Order	Rs./kWh	0.22	0.29	0.43	0.36	0.38

* Order dated 10 September, 2010 in Case No. 120 of 2009. No separate Transmission Tariff Order for FY 2011-12. Approved Transmission Tariff for the State is Rs. 0.22/kWh and Rs. 164.68/kW/Month

Order dated 21 May, 2012 in Case No. 51 of 2012.

\$ It is to be noted that the ARR of MSETCL for FY 2013-14 to FY 2015-16 is as per its submission in present MYT Petition. TTSC and demand projection for FY 2013-14 to FY 2015-16 is as per the Commission's InSTS Order in Case No. 56 of 2013 dated 13 May, 2013.

@ Contribution of MSETCL in InSTS Tariff not approved separately in InSTS order and has been computed here only for illustration purpose by considering ARR as submitted in the present MYT Petition and demand as projected by the Commission in InSTS Order in Case No 56 of 2013 dated 13 May, 2013.

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3. Copies of the following documents can be obtained on written request from the offices of MSETCL 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. 100/- by Cash/DD/Cheque drawn on **“Maharashtra State Electricity Transmission Company Limited”** payable at Mumbai.

c. Detailed Petition documents (in English) (on payment of Rs. 50/-).

d. CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office :

Office	Address	Tele / Fax No.	Email
Head Office	Superintending Engineer (R&C), Prakashganga, Plot No. C-19, E- Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051	022 2659 5177	se.rc.stu@gmail.com
Amravati	The Chief Engineer, EHV CC O&M Zone, Old Power House Premises, Duffrin Hospital Road, Shrikrishna Peth Amravati – 446601	0721 2552870	ceamravati@mahatransco.in
Aurangabad	The Chief Engineer, EHV CC O&M Zone, Aurangabad, Old Power House, Near Mill Corner, Dr.Ambedkar Road, Aurangabad – 431 001	0240 2346291	ceabd@mahatransco.in
Karad	The Chief Engineer, EHV CC O&M Zone, Karad, Administrative Bldg., 1st Floor, At- Vijaynagar, Post – Supane, Taluka – Karad, Dist – Satara – 415114	02164 2255054	cekarad@mahatransco.in
Navi Mumbai	The Chief Engineer, EHV CC O&M Zone Vashi, Admn. Bldg. Plot No. 5, 4th Floor, Sector 17, Vashi, Navi Mumbai – 400 703	022 27665994	cevashi@mahatransco.in
Nasik	The Chief Engineer, EHV CC O&M Zone, City Arcade, 3rd Floor, Ingale Nagar, Jail Road, Nashik Road – 422 101	0253 2418072	cenasik@mahatransco.in
Nagpur	The Chief Engineer, EHV CC O&M Zone, Ingole Bhavan, Faras, Chindwara Road, Nagpur – 440 030	0712 2596864	cenagpur@mahatransco.in
Pune	The Chief Engineer, EHV CC O&M Zone, Administrative Building, 3rd Floor, Block No. 402, Rasta Peth, Pune – 411011	020 26136106	cepune@mahatransco.in

4. The Commission has directed MSETCL to invite suggestions and objections from the public on the above Petition through this Notice. Suggestions and objections may be sent to the Principal Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail: mercindia@merc.gov.in] by **Monday, 21 October, 2013**, along with proof of service on Shri Pratap G. Mohite, Director (Finance), Maharashtra State Electricity Transmission Company Limited, Prakashganga, C-19, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051.

5. Every person who intends to file suggestions and objections can submit the same in English or in Marathi, in six copies (1+5), 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 on **Tuesday, 29 October, 2013, at 11:30 AM in the office of the Commission at 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005**, for which no separate notice will be given.

6. MSETCL shall reply to each of the suggestions and objections and received within three days of the receipt of the same but not later than **Thursday, 24 October, 2013**, for all the objections and comments/ suggestions received till **Monday, 21 October, 2013**. Stakeholders can submit their rejoinders on replies provided by MSETCL either during the public hearing or latest by **Friday, 1 November, 2013**.

7. The detailed Petition document and the Executive Summary are available on MSETCL's website www.mahatransco.in and the executive summary is also available on the website of the Commission www.merc.gov.in/ www.mercindia.org.in in downloadable format (free of cost).

Sd/-
Pratap G. Mohite
Director (Finance)
Maharashtra State Electricity Transmission Co. Ltd.

Size 16 X 25