MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED
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PUBLIC NOTICE

Suggestions and Objections on Maharashtra State Electricity Distribution Company Limited's (MSEDCL) Annual Performance Review (APR) Petition for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of Aggregate Revenue Requirement and tariff for FY 2009-10

(MERC Case No. 116 of 2008)

1. The Maharashtra State Electricity Distribution Company Limited (MSEDCL) has filed a Petition for Approval of Annual Performance Review (APR) for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of ARR and tariff for FY 2009-10 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003. The Commission has admitted the Petition on May 8, 2009 and directed MSEDCL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 for inviting suggestions and objections from the Public through this Notice[1].

2. Comparison of Existing and Proposed Tariffs

Category-wise comparison of existing and proposed tariffs (i.e., Fixed Charge, Energy Charge, etc.,) along with percentage increase in tariff (i.e., Average billing Rate) is as under:

Table 1: Comparison of Existing and proposed HT Tariff Schedule

Categories	Existing Tariff					Proposed Tariff		Percentage Increase	
	Fixed / Demand Charge	Energy Charge	Additional Charge	FAC Charge	Total Energy Charge	Fixed / Demand Charge	Energy Charge	Fixed / Demand Charge	Energy Charge
	Rs/KVA /Month	Paise/ kWh	Paise/ kWh	Paise/ kWh	Paise/ kWh	Rs/KVA /Month	Paise/ kWh	%	%
	A	B	C	D	E=B+C+D				
HT I-Cont (Express Feeders)	150	430	9	25	464	300	692	100%	49%
HT I-Non Cont (Non Express Feeders)	150	395	8	25	428	300	576	100%	35%
HT I - Seasonal Category	150	500	10	25	535	300	715	100%	34%
HT II	150	700	14	25	739	300	981	100%	33%

[1] **NOTE: The ARR and Tariff proposal for FY 2009-10 are based on MSEDCL's projected reduction of Distribution Loss of 1% during FY 2009-10, and quantum of power purchase from MSPGCL as per MSEDCL's projections. However, if Distribution Loss is considered in accordance with the loss reduction trajectory of 4% as approved by the Commission in the MYT Order, and the quantum of power purchase from MSPGCL is considered as per MSPGCL's APR Petition, the likely impact on Revenue Gap for FY 2009-10 has been shown under Supplementary Submission as well as under the shaded portion at relevant places under this Public Notice.**

Categories	Existing Tariff					Proposed Tariff		Percentage Increase	
	Fixed / Demand Charge	Energy Charge	Additional Charge	FAC Charge	Total Energy Charge	Fixed / Demand Charge	Energy Charge	Fixed / Demand Charge	Energy Charge
	Rs/KVA /Month	Paise/ kWh	Paise/ kWh	Paise/ kWh	Paise/ kWh	Rs/KVA /Month	Paise/ kWh	%	%
Commercial									
HT III Railways		470	9	25	504		699		39%
HT IV- Public Water Works (PWW)									
Express Feeders	150	310	6	25	341	150	341	0%	0%
Non-Express Feeders	150	300	6	25	331	150	331	0%	0%
HTV - Agricultural	25	160	3	25	188	25	188	0%	0%
HT VI - Bulk Supply									
Residential Complex	125	300	6	25	331	250	754	100%	128%
Commercial Complex	125	525	10	25	560	250	984	100%	76%
MPECS	100	200	4	25	229	100	229	0%	0%

Table 2: <u>Comparison of Existing & proposed LT Tariff Schedule</u>

Categories	Existing Tariff					Proposed Tariff		Percentage Increase	
	Fixed / Demand Charge	Energy Charge	Additional Charge	FAC Charge	Total Energy Charge	Fixed / Demand Charge	Energy Charge	Fixed / Demand Charge	Energy Charge
	Rs./Connection/ month	Paise/ KWh	Paise/ KWh	Paise/ KWh	Paise/ KWh	Rs./Connection/ month	Paise/ KWh	%	%
	A	B	C	D	E=B+C+D				
Domestic (LT I)									
BPL (0-30 Units)	3	40	1		41	3	41	0%	0%
Consumption > 30 Units Per Month									
0-100 Units	30	205	4	25	234	60	258	100%	10%
101-300 Units	30	390	8	25	423	60	550	100%	30%
301-500 Units	30	530	11	25	566	60	770	100%	36%
Above 500 Units	100	620	12	25	657	200	921	100%	40%
Non Domestic (LT II)									
0-20 kW									
0-200 Units	150	340	7	25	372	300	466	100%	25%
Above 200 units	150	525	7	25	557	300	753	100%	35%
>20- 50 kW *	150	550	11	25	586	300	794	100%	35%
>50 kW *	150	750	15	25	790	300	1,110	100%	40%

Categories	Existing Tariff					Proposed Tariff		Percentage Increase	
	Fixed / Demand Charge	Energy Charge	Additional Charge	FAC Charge	Total Energy Charge	Fixed / Demand Charge	Energy Charge	Fixed / Demand Charge	Energy Charge
	Rs./Connection/ month	Paise/ KWh	Paise/ KWh	Paise/ KWh	Paise/ KWh	Rs./Connection/ month	Paise/ KWh	%	%
LT VIII Advertisement and Hoarding	400	1400	28	25	1,453	800	1,932	100%	33%
LT Industries (LT V)									
0-20 KW	150	300	6	25	331	200	429	33%	30%
Above 20 KW*	100	450	9	25	484	200	641	100%	32%
LT III Public Water Works									
0-20 kW *	40	125	2	25	152	40	152	0%	0%
20-40 kW *	50	175	3	25	203	50	203	0%	0%
40-50 kW *	70	250	5	25	280	70	280	0%	0%
Agriculture (LT IV)									
Unmetered Tariff									
**Zones with Consumption norm <1318 hrs/HP annum	150		3 $	25		177		0%	
**Zones with Consumption norm >1318 hrs/HP/annum	180		2 $	25		207		0%	
**Metered Tariff (Including Poultry Farms)	15	110	2	25	137	15	137	0%	0%
Street Light (LT VI)									
***Grampanchayat, A, B & C Class Municipal Council	30	240	5	25	270	60	358	100%	33%
***Municipal Corp. Areas	30	290	6	25	321	60	427	100%	33%
LT VII Temporary Connection									
Temporary Connections (Other Purposes)	250	1200	24	25	1,249	500	1,661	100%	33%
Temporary Connections (Religious)	200	200		25	225	400	306	100%	36%

Note:

* Fixed Charges/Demand Charges in Rs/KVA/Month ,

** Fixed Charges/Demand Charges in Rs/HP/Month

*** Fixed Charges/Demand Charges in Rs/kW/Month

$ Additional Charge is in Rs/kW/Month

Table 3: Comparison of Existing & proposed Average Billing Rate of HT and LT Category

Sl. No.	Consumer Category & Consumption Slab	FY 2009-10				
		Existing ABR	Proposed ABR Considering Distribution loss reduction of 1%	Percentage Increase Considering Distribution loss reduction of 1%	Proposed ABR Considering Distribution loss reduction of 4%	Percentage Increase Considering Distribution loss reduction of 4%
		Rs/Unit	Rs/Unit	%	Rs/Unit	%
A	**HT Category**					
1	**HT I - Industry**	**4.89**	**7.24**	**48%**		
1.1	*Continuous Industry (on express feeder)*	*4.98*	*7.62*	*53%*		
1.2	*Non-continuous Industry (not on express feeder)*	*4.79*	*6.78*	*42%*		
2	**HT Seasonal Industry**	**6.69**	**9.82**	**47%**		
3	**HT II – Commercial**	**7.84**	**10.69**	**36%**		
4	**HT – III - Railway Traction**	**5.04**	**6.99**	**39%**		
5	**HT IV – PWW**	**3.68**	**3.68**	**0%**		
5.1	*Express Feeders*	*3.78*	*3.78*	*0%*		
5.2	*Non- Express Feeders*	*3.59*	*3.59*	*0%*		
6	**HT V- Agriculture**	**2.09**	**2.09**	**0%**		
7	**HT- VI (7.1+7.2)**	**4.16**	**8.8**	**112%**		
7.1	*Group Housing Society*	*3.67*	*8.25*	*125%*		
7.2	*Commercial Complex*	*6.26*	*11.16*	*78%*		
8	**MPECS**	**2.55**	**2.55**	**0%**		
9	**HT TOTAL**	**4.86**	**7.06**	**45%**		
B	**LT Category**					
10	**LT BPL Domestic**	**0.76**	**0.76**	**0%**		
11	**LT Domestic**	**4.1**	**5.47**	**33%**		
12	**LT II - Non Domestic**	**6.19**	**8.98**	**45%**		
13	**LT III - PWW**	**2.23**	**2.23**	**0%**		
14	**LT IV - Agriculture**	**1.79**	**1.79**	**0%**		
15	**LT V - Industrial**	**4.55**	**6.15**	**35%**		
16	**LT VI - Street Light**	**3.09**	**4.21**	**36%**		
17	**LT VII - Temporary**	**12.69**	**17**	**34%**		
18	**LTVIII - Advt & Hoardings**	**14.68**	**19.61**	**34%**		
19	**LT TOTAL**	**3.42**	**4.4**	**28%**		
20	**MSEDCL Total**	**4.07**	**5.55**	**36.60%**	**5.25**	**29.72%**

3. The salient Features of the Petition are provided below:

Table 4: Aggregate Revenue Requirement of MSEDCL

(Rs. Crore)

S. No.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year (FY 2009- 10)		
		MERC APR Order	Audited	MERC APR Order	Estimated	MERC order dated 18th May 2007	Considering power purchase quantum from MSPGCL as per MSEDCL Projections (Rs Crore)	Considering power purchase quantum from MSPGCL as per MSPGCL Petition (Rs Crore)
1	Power Purchase Expenses	14963	15537	19403	18488	-	21342	21342
2	Operation & Maintenance Expenses (2.1+2.2+2.3)							
2.1	*Employee Expenses*	*1727*	*1782*	*1874*	*2400*	*1690*	*2602*	*2602*
2.2	*Administration & General Expenses*	*156*	*219*	*181*	*257*	*126*	*302*	*302*
2.3	*Repair & Maintenance Expenses*	*436*	*526*	*456*	*578*	*399*	*636*	*636*
3	Depreciation, including advance against depreciation	384	429	428	457	490	560	560
4	Interest on Long-term Loan Capital	237	242	347	353	375	827	827
5	Interest on Working Capital, consumer security deposits and Finance Charges	252	202	271	278	285	299	299
6	Provision for Bad Debts	267	302	335	373	283	429	429
7	Other Expenses	5	18	5	5	2	6	6
8	Income Tax	0	0	86	86	86	86	86
9	Transmission Charges paid to Transmission Licensee	1460	1469	1786	1733	1786	1786	1786
10	Contribution to contingency reserves	52	52	29	30	63	36	36
11	Incentives/Discounts	75	74	79	77	79	81	81
12	Interest on account of short term REC Loan	Nil	72	Nil	26	Nil	Nil	Nil
13	**Total Revenue Expenditure (Sum 1 to 12)**	**20013**	**20924**	**25278**	**25143**	**3877**	**28992**	**28992**
14	Return on Equity Capital	555	545	581	629	450	782	782
15	**Aggregate Revenue Requirement (13+14)**	**20569**	**21469**	**25860**	**25772**	**4327**	**29773**	**29773**
16	Less: Non Tariff Income	904	841	1074	898	1209	1182	1182
17	Less: Net Prior Period Charges	Nil	26	Nil	Nil	Nil	Nil	Nil
18	**Aggregate Revenue Requirement from Retail Tariff (15-16-17)**	**19664**	**20603**	**24785**	**24875**	**3119**	**28591**	**28591**
19	**Estimated MSPGCL Impact**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**2741**	**1811**
20	**Estimated MSETCL Impact**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**691**	**691**
21	**Net ARR (18+19+20)**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**32023**	**31029**

Truing up for FY 2007-08 and Provisional Truing up for FY 2008-09

Summary table on truing up for FY 2007-08 after considering the sharing of gains and losses on account of controllable/uncontrollable factors, and provisional truing up for FY 2008-09 is given below:

Table 5: True Up for FY 2007-08

(Rs.Crore)

Sr. No	Particulars	MERC Approved (A)	FY2007-08 Actual (Audited) (B)	True–up Amount (B-A)
1	Power Purchase Cost	14963	15537	574
2	Operation and Maintenance Expenses (2.1+2.2+2.3)			
2.1	*R&M Expenses*	*436*	*526*	*90*
2.2	*Employee Expenses*	*1727*	*1782*	*55*
2.3	*A&G Expenses*	*156*	*219*	*63*
3	Depreciation including AAD	384	429	45
4	Interest on Long-term Loan Capital	237	242	5
5	Interest and Finance Charges	252	202	-50
6	Other Expenses	5	18	13
7	Income tax	0	0	0
8	Provisioning of Bad Debts	267	302	35
9	Contribution to Contingency reserves	52	52	0
10	Incentives/ Discounts	75	74	-1
11	Transmission Charges paid to Transmission Licensee	1460	1469	9
12	Interest on working capital on account of REC short term loan	Nil	72	72
13	**Total Expenditure (sum 1 to 12)**	**20013**	**20924**	**910**
14	Return on Equity Capital (RoE)	555	545	-10
15	**Gross Annual Revenue Requirement (13+14)**	**20568**	**21469**	**900**
16	Non Tariff Income	904	841	-63
17	Prior Period Charges	Nil	26	26
18	**Net Annual Revenue Requirement (18-17-16-15)**	**19664**	**20603**	**938**
19	**Revenue from Sale of Power**	**19651**	**20159**	**-508**
20	**Revenue Gap of FY 2007-08 (18-19)**	**14***	**444**	**444**

*Gap of Rs 14 Crore is without considering "Part Over recovery to be set-off against Non-Costly ARR" as its effect is reflected in Revenue Gap Calculation of FY 2008-09

Table 6: Provisional True Up for FY 2008-09

(Rs.Crore)

S No.	Particulars	FY 2008-09		
		MERC approved	**MSEDCL (revised estimate)**	**Provisional True-up**
		(A)	**(B)**	**(B-A)**
1	Power Purchase Expenses	19403	18488	-915
2	O & M Expenses (2.1+2.2+2.3)			
2.1	Employee Expenses	1874	2400	526
2.2	*A & G Expenses*	*181*	*257*	*76*
2.3	*R & M Expenses*	*456*	*578*	*122*
3	Depreciation & AAD	428	457	29
4	Interest Expenses	347	353	6
5	IOWC & Finance Charges	271	278	7
6	Provision for Bad Debts	335	373	38
7	Other Expenses	5	5	0
8	Income Tax	86	86	0
9	Intra State Trans. Charges	1786	1733	-53
10	Contribution to contingency reserves	29	30	1
11	Incentives/Discounts	79	77	-2
12	IOWC on account of REC short term loan	-	26	26
13	**Total Revenue Expenditure (sum 1 to 130**	**25278**	**25143**	**-135**
14	Return on Equity Capital	581	629	48
15	**ARR (13+14)**	**25860**	**25772**	**-87**
16	Less: Non Tariff Income	1074	898	-176
17	**Net ARR from Retail Tariff (17-16)**	**24785**	**24875**	**90**
18	RLC refund	500	500	0
19	Pending Claim- FAC interest	11.59	-	-11.59
20	Truing up for FY 2001-02	-468.82	-	468.82
21	Truing up for FY 2006-07	-214	-	214
22	Provisional Truing up for FY 2007-08	-756	-	756
23	**ARR (17+18+19+20+21+22)**	**23858**	**25375**	**1517**
24	Less FPA considered in PP Cost		1169	1169
25	**Net ARR (A=23-24)**	**23858**	**24206**	**348**
26	**Revenue from Sale of Power (B)**	**23858**	**22533**	**-1325**
27	Revenue Gap / (Surplus) (A-B)	0	1673	1673
28	**Net Remaining Revenue gap of FY 2008-09**	**0**		**1673**

Energy Sales

Category wise energy sales for FY 2007-08, estimated energy sales for FY 2008-09, projections for FY 2009-10 and Compounded Annual Growth Rate (CAGR)/Basis used for projections, along with the Commission approved values, wherever available, is given below.

Table 7: Energy Sales for HT **Figure in MU**

Sl No.	Category	FY 2007-08		Assumption Growth Rate		MERC Approved for FY 2008-09	Sales Projection	
		MERC APR Order	Actual	FY 2008-09	FY 2009-10		FY 2008-09	FY 2009- 10
1	**HT I- Industries (1.1+1.2)**	**20292**	**21671**	**-0.25%**	**8%**	**22448**	**21617**	**23347**
1.1	*HT I- Cont (Express Feeders)*	**12009**	*12568*	*7%*	*8%*	*13284*	*13411*	*14484*
1.2	*HT I- Non Cont (Non Express Feeders)*	**8284**	*9103*	*-10%*	*8%*	*9164*	*8207*	*8863*
2	**HT I Seasonal**	**107**	**108**	**-34%**	**10%**	**118**	**71**	**79**
3	**HTP III Railways**	**1196**	**1206**	**6%**	**6%**	**1276**	**1274**	**1351**
4	**HT IV-PWW**	**897**	**1179**	**7%**	**7%**	**930**	**1256**	**1344**
5	**HT V Agricultural**	**499**	**472**	**-1.06%**	**5%**	**575**	**467**	**491**
6	**HT VI Residential/Commercial Complex**	**458**	**398**	**1.70%**	**10%**	**496**	**477**	**525**
7	**HT II Commercial**		**86**	**815%**	**15%**		**783**	**900**
8	**HT VII –Mula Pravara Society**	**657**	**661**	**-9%**	**10%**	**672**	**600**	**660**
9	**Tata**	**520**				**272**		
10	**HT Total (sum 1 to 10)**	**24627**	**25852**	**3%**	**8%**	**26786**	**26547**	**28697**

Table 8: Energy Sales for LT **Figure in MU**

Sl. No.	Category	FY 2007-08		Assumption Growth Rate		MERC Approved for FY 2008-09	Sales Projection	
		MERC APR Order	Actual	FY 2008-09	FY 2009-10		FY 2008- 09	FY 2009-10
1	**LT I Domestic**	**9110**	**9226**	**13.62%**	**14%**	**11629**	**10483**	**11961**
1.1	*LT I –BPL*	**16.99**	*17*	*188.01 %*	*9%*	*22*	*48*	*52*
1.2	*LT I Domestic*	**9093**	*9210*	*13.30%*	*14%*	*11607*	*10435*	*11909*
2	**LT II Non Domestic**	**2127**	**2404**	**14.00%**	**13%**	**2128**	**2741**	**3097**
3	**LT III PWW**	**538**	**537**	**-11.60%**	**7%**	**868**	**475**	**508**
3.1	LT IV-Agriculture Unmetered	**6493**	**7322**	**-2.68%**	**0%**	**7939**	**7126**	**7126**
3.2	LT IV-Agriculture Metered	**4451**	**4529**	**15.93%**	**21%**	**7619**	**5251**	**6333**
4	**LT V Industrial**	**3680**	**5048**	**2.15%**	**11%**	**4971**	**5157**	**5729**
5	**LT VI Streetlight**	**606**	**667**	**1.11%**	**5%**	**768**	**674**	**709**
6	**LT VII- Temporary Connection**	**113**	**112**	**54.78%**	**10%**	**200**	**173**	**190**
7	**LT VIII Advertisement & Hoardings**	**4**	**4**	**10.00%**	**10%**	**5**	**4**	**5**
8	**LT IX Shopping Malls**		**13**					
9	**LT Total**	**27253**	**29863**	**7%**	**11%**	**36989**	**32082**	**35659**

Table 9: Total Sales: **Figure in MU**

Category	Actual	Revised Estimate	Considering Distribution loss reduction of 1%	Considering Distribution loss reduction of 4%
	FY 2007-08	FY 2008-09	FY 2009-10	
HT Sales (MUs)	**25852**	**26547**	**28697**	
LT Sales (MUs)	**29863**	**32082**	**35659**	
Total MSEDCL Consumer Sales (MUs)	**55715**	**58629**	**64356**	**66283**

Revenue at Existing Tariffs

Category-wise Revenue at existing tariffs for FY 2007-08, FY 2008-09 and FY 2009-10 is given below

Table 10: Revenue at existing tariff **(Rs. Crore)**

Sl. No.	Category as per MERC	FY 2007-08	FY 2008-09	Considering Distribution loss reduction of 1% (Rs Crore)	Considering Distribution loss reduction of 4% (Rs Crore)
				FY 2009-10	
1	LT-I BPL & Domestic	2929	4043	4857	
2	LT II Non Domestic	1335	1601	1873	
3	LT III PWW	91	92	113	
4	LT IV Agriculture	2042	1961	2411	
5	LT V Industrial	1593	1619	1890	
6	LT VI Street Lighting	201	191	219	
7	LT VII Temporary	185	214	241	
8	LT VIII Advertisement & Hoarding	1	6	7	
9	LT IX Multiples	12			
10	HT I Industrial	9211	10005	11355	
11	HT I Seasonal	8	46	53	
12	HT II Commercial		597	706	
13	HT III Railway Traction	560	611	681	
14	HT IV PWW	371	335	385	
15	HT V Agriculture	89	86	103	
16	HT VI Group Housing	115	195	218	
17	HT VII Mula Pravara	243	139	168	
18	Bulk Supply	575			
19	**MSEDCL Total (sum 1 to 19)**	**19562**	**21741**	**25280**	
20	Standby Charges	397	396	396	
21	Revenue from Bhiwandi Franchisee		396	494	
22	Other Revenue heads in Schedule-1	199			
23	**MSEDCL Total**	**20159**	**22533**	**26169**	**26839**

Energy Balance

Energy Balance table for FY 2007-08, FY 2008-09 and FY 2009-10, with details of sales, distribution losses, intra-State and inter-State transmission losses and Energy Input quantum required is given below.

Table 11: Energy Balance for MSEDCL

Particulars	Units	FY 2007-08	FY 2008-09	FY 2009-10 Considering Distribution loss reduction of 1%	FY 2009-10 Considering Distribution loss reduction of 4%
Purchase from MSPGCL	*MUs*	*48,257*	*46,667*	*48,091*	*47,419*
Purchases from other sources within the State	*MUs*	*7,044*	*8,069*	*11,623*	*11,623*
Total Purchase from sources within the State	**MUs**	**55,301**	**54,736**	**59,714**	**59,042**
Effective gross purchase from outside the State	**MUs**	**23,433**	**25,709**	**27,509**	**27,509**
Central Generating Station	*MUs*	*21,066*	*22,532*	*24,509*	*24,509*
UI	*MUs*	*225*	*703*	*0*	*0*
Kawas/ Gandhar/ Traders	*MUs*	*2,142*	*2,475*	*3000*	*3000*
Inter-State transmission losses	**%**	**4.70%**	**4.84%**	**5.05%**	**5.05%**
Net purchase from outside the State	**MUs**	**22,331**	**24,464**	**26,119**	**26,119**
Total Power Purchase payable	**MUs**	**78,734**	**80,446**	**87,223**	**86,551**
Energy at Transmission Periphery	**MUs**	**77,486**	**79,200**	**85833**	**85,160**
Intra- State Losses	**%**	**5.27%**	**4.85%**	**4.85%**	**4.85%**
Energy at Distribution Periphery	**MUs**	**73400**	**75359**	**81670**	**81,030**
Distribution losses	**%**	**24.09%**	**22.20%**	**21.20%**	**18.20%***
Energy available for Sales	**MUs**	**55715**	**58629**	**64356**	**66283**

Table 12: Trajectory of Operational Parameters

Sl.	Particulars	Distribution Losses (%)				Collection Efficiency (%)		
		FY 2007-08	FY 2008-09	FY 2009-10		FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Revised Estimate	**Considering Distribution loss reduction of 1% (Rs Crore)**	**Considering Distribution loss reduction of 4% (Rs Crore)**	Actual	Revised Estimate	Projected
1	MSEDCL	**24.09%**	**22.20%**	**21.20%**	**18.20%**	**97.80%**	**94.87%**	**94.87%**

Table 13: MSEDCL's Capital Expenditure Plan (Rs. Crore)

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			FY 2007-08		FY 2008-09		FY 2009-10	
	Project Title	**Estimated Cost**	**Capex Incurred till FY 2007-08 end**	**Capitalisation till FY 2007-08 end**	**Capex Proposed during the year**	**Capitalis ation**	**Capex Proposed during the year**	**Capitalisa tion**
(1) AMR	Automatic Meter Reading	84	0	0	6	6	30	30
(2) Rural Electrifica tion - Distributi on	(a) DPDC / Non-Tribal	264	124	67	45	101	95	95
	(b) DPDC / SCP	160	61	39	35	57	63	63
	(c) DPDC / TSP + OTSP	112	58	28	24	54	30	30
	(d) SPA:PE	813	329	122	112	263	234	290
	(e) P:SI	232	202	122	30	95	0	15
	(f) P:IE	230	40	11	40	49	149	169
	(g) New Consumers	320	0	0	25	25	160	160
	(h) R E Grant	24	7	7	7	7	10	10
(3) GoI Grant	RGGVY	778	35	3	68	66	564	598
(4) Distributi on Schemes	(a) PFC urban distribution Scheme	376	335	305	41	50	0	21
	(b) MIDC (int. free loan) Scheme	241	41	16	0	25	200	201
	(c)Evacuation of Power	11	2	2	0	0	3	3
	(d) Evacuation of Wind Generation	90	10	10	0	0	35	35
	Ag.Metering	766	0	0	10	10	361	289
	JBIC	60	7	6	30	17	23	38
(5) Infra Works	Infra plan Works	9602	323	67	100	357	2500	1250
(6) Special Projects	(a)GFSS - Phase I & Phase II	2572	487	257	249	480	1836	1836
	(b)GFSS - Phase III	0	0	0	0	0	0	0
	(c) Fixed Capacitor scheme.	20	0	0	0	0	20	20
(7) APDRP	Phase -1	849	649	133	200	716	0	0
	Phase-2	242	109	94	133	148		
	Phase-3	2310		0	0	0	162	162
(8) Internal Reform	a) DTC metering - Ph 1 and Ph 2	96	83	80	12	15	0	0
	b) DTC metering - Ph 3	150	0	0	0	0	90	90
	c) MIS (Communication backbone)	139	29	27	5	7	50	50
	d) DRUM	168	23	0	115	138	29	29
(9) Load Managem ent	a) R & M	62	11	4	35	25	16	33
(10) FMS	Feeder Management	2		0	0	0	2	2
(11) Backlog	Backlog	684	151	55	104	148	250	302
	Opening Expenditure		677	677				
	SUM Total	**21456**	**3793**	**2131**	**1427**	**2860**	**6914**	**5821**

Table 14: Computation of Revenue Gap for FY 2008-09 (Rs. Crore)

Sl. No.	Particulars	MERC Approved	MSEDCL (revised estimate)	Difference
1	ARR	24785	24875	90
2	RLC refund	500	500	0
3	Pending Claim- FAC interest	11.59		-11.59
4	Truing up for FY 2001-02	-468.82		468.82
5	Truing up for FY 2006-07	-214		214
6	Provisional Truing up for FY 2007-08	-756		756
7	**ARR (sum 1to 6)**	**23858**	**25375**	**1517**
8	Less FPA considered in PP Cost	Nil	1169	1169
9	**Net ARR (A=7-8)**	**23858**	**24206**	**348**
10	**Revenue from Sale of Power (B)**	**23858**	**22533**	**-1325**
11	**Revenue Gap / (Surplus) (A-B)**	**0**	**1673**	**1673**
12	**Net Remaining Revenue gap of FY 2008-09**			**1673**

Table 15: Aggregate Revenue Gap of MSEDCL for FY 2009-10 (Rs. Crore)

Sl. No.	Particulars	Considering Distribution loss reduction of 1% (Rs Crore)	% increase in Tariff	Considering Distribution loss reduction of 4% (Rs Crore)	% increase in Tariff
1	True Up requirement of FY 2007-08	444	1.70%	444	
2	Provisional True up of FY 2008-09	1673	6.35%	1673	
3	**Aggregate Revenue Requirement from Retail Tariff for FY 2009-10**	**28591**		**28591**	
4	**Revenue at existing tariff for FY 2009-10**	**26196**		**26839**	
5	**Revenue Gap of FY 2009-10 (3-4)**	**2422**	**9.25%**	**1751**	
6	**Estimated MSPGCL Impact**	**2741**	10.47%	**1811**	
7	**Estimated MSETCL Impact**	**691**	2.64%	**691**	
8	Incentive for FY 2007-08 for reduction in Distribution Losses	284	1.09%	284	
9	Review Petition: Interest Expenses & AAD Disallowances	61	0.23%	61	
10	ATE Judgment: Allowance of Employee and A&G expenses for FY 2005-06	103	0.39%	103	
11	**MSEDCL Revenue Gap TOTAL (1+2+5+6+7+8+9+10)**	**8419**	**32.17%**	**6817**	
12	Provision for RLC Refund for FY 2009-10	500	1.91%	500	
13	Provision for ASC refund for FY 2009-10	659	2.52%	659	
14	**Total Revenue Gap (11+12+13)**	**9578**	**36.60%**	**7976**	**29.72%**

4. Recovery of Revenue Gap in FY 2009-10

MSEDCL proposes to recover the entire projected revenue gap of Rs. 9578 crore in FY 2009-10

Table 16: Recovery of revenue gap in FY 2009-10 **Rs. crore**

Particulars	Considering Distribution loss reduction of 1%	Considering Distribution loss reduction of 4%
Proposed Revenue Gap to be recovered in FY 2009-10	9578	7976
Revenue from Existing tariff for FY 2009-10	26169	26839
Total Revenue Requirement for FY 2009-10	35747	34815
Revenue from Proposed tariff	**35747**	**34815**
Net Gap	**0**	**0**

5. Tariff Proposal of MSEDCL

a. Tariff Philosophy Suggestions

MSEDCL would like to submit the following suggestions for determination of tariff

a) 10% ceiling on levy of FAC should be removed.

b) MSEDCL requests the Hon'ble Commission to permit MSEDCL to pass on the variations in the cost of power procurement to the consumers, excluding the consumers belonging to BPL Domestic, LT & HT Agricultural and LT & HT Public Water Works category consumers and may please permit MSEDCL to levy FAC on remaining categories of consumers in proportion to the base tariff as may be applicable to respective consumer category.

c) MSEDCL is requesting the Hon'ble Commission for removal of Load factor and TOD Tariff Incentive applicable to all the consumers for the FY 2009-10.

d) MSEDCL requests the Hon'ble Commission for rationalisation of Fixed/ Demand Charges with a rationale that Fixed Component of Tariff should reflect the recovery of Fixed Cost incurred by MSEDCL.

e) MSEDCL would like to submit that applicability of BPL Domestic tariff should be such that the BPL Domestic tariff shall be exclusively applicable to individual consumer / person and shall not be applicable to any institution, even though the Domestic tariff is applicable to such an institution. The procedure for determining applicability of BPL Domestic tariff may be decided by Hon'ble Commission.

f) MSEDCL requests the Hon'ble Commission that the existing tariff as applicable to Low Tension BPL Domestic consumers, LT / HT agricultural consumers and LT / HT PWW consumers may be retained at current levels.

g) MSEDCL requests Hon'ble Commission that energy charges for LT I Domestic-0-100 Units be approved as proposed in the Petition.

h) Consumers on Express feeders are proposed to be charged an express feeder charge which shall be calculated as 15% of energy charge of the respective category for any of the HT

tariff categories except HT III Railways, HT Agriculture (pumping), Govt (fully owned only) Hospitals and educational institutions and HT PWW (pumping).

i) MSEDCL is authorised to decide the tariff category of the consumer based on the usage of electricity. The IT and IT enabled industry is classified by the Industry Department. The mobile towers and the commercial broadcasting towers and all other similar activities are proposed to be classified under commercial category.

j) MSEDCL proposes to modify the existing applicability of Hi-Tech Agriculture consumers.

k) MSEDCL proposes a separate category covering the consumers of LT Flour Mills, LT Power loom and LT cold storage (Agriculture produce)

b. Tariff Schedule

The revenue from proposed tariffs in FY 2009-10 has been estimated by applying the proposed rates to the projected sales and consumer related data as per segregation provided by Hon'ble Commission in its previous Tariff Order dated June 20, 2008. MSEDCL has also included the impact of Review Order dated December 10, 2008.

MSEDCL has considered the following while determining proposed tariff for FY 2009-10

1. Existing tariff as applicable to Low Tension BPL Domestic consumers, LT / HT agricultural consumers and LT / HT PWW consumers may be retained at current levels.
2. LT I Domestic-0-100 Units energy charge is marginally increased and increase of demand charges as proposed in the Petition.
3. Double the fixed charges to rationalise the fixed charge revenue and ensure recovery of fixed cost except Low Tension BPL Domestic consumers, LT / HT agricultural consumers and LT / HT PWW consumers.
4. HT I Continuous energy charge proposed to be 15% higher compared to HT I Non Continuous as premium for better supply.
5. Increase the energy charge for remaining revenue gap after carrying above mentioned considerations.

c. Proposed wheeling charges for FY 2009-10 and wheeling loss

Table 17: Proposed wheeling charges for FY 2009-10

Voltage Level	Unit	Wheeling Charges
33 kV Level	Rs/KW/Month	152
22/11 kV level	Rs/KW/Month	202
LT level	Rs/KW/Month	224

MSEDCL proposes that wheeling losses determined by Hon'ble Commission in its Order dated June 20, 2008 for drawal at 33kVand 22/11 kV shall be applicable for FY 2009-10.

MSEDCL would also like to submit that consumers seeking open access at LT level shall be levied with opening distribution loss of FY 2009-10. Hence, MSEDCL proposes that wheeling loss applicable for open access transactions entailing drawal at LT level is 22.2%.

6. Cross–subsidy Reduction for FY 2009-10

Category wise cross-subsidy reduction for FY 2009-10 in accordance with the format specified by the Commission is as below.

Table 18: Category wise Cross-Subsidy for FY 2009-10

Consumer Category & Consumption Slab	Average Cost of Supply	FY 2009-10 Net ABR (in Rs/unit)		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)			% increase / decrease in Tariff
		Existing	Proposed*	Existing	Proposed*	% increase / decrease in Tariff w.r.t Avg. CoS	
HT I - Industry	**5.67**	**4.89**	**6.86**	**86%**	**121%**	35%	40%
Continuous Industry (on express feeder)		*4.98*	*7.17*	**88%**	**126%**	39%	44%
Non-continuous Industry (not on express feeder)		*4.79*	*6.48*	**84%**	**114%**	30%	35%
HT Seasonal Industry		**6.69**	**9.67**	**118%**	**170%**	53%	45%
HT II - Commercial		**7.84**	**10.54**	**138%**	**186%**	48%	35%
HT – III - Railway Traction		**5.04**	**6.52**	**89%**	**115%**	26%	29%
HT IV - PWW		**3.68**	**3.43**	**65%**	**60%**	-4%	-7%
Express Feeders		*3.78*	*3.39*	**67%**	**60%**	-7%	-10%
Non- Express Feeders		*3.59*	*3.47*	**63%**	**61%**	-2%	-3%
HT V- Agriculture		**2.09**	**2.08**	**37%**	**37%**	0%	-1%
HT- VI		**4.16**	**8.74**	**73%**	**154%**	81%	110%
Group Housing Society		*3.67*	*8.20*	**65%**	**144%**	80%	123%
Commercial Complex		*6.26*	*11.07*	**110%**	**195%**	85%	77%
MPECS		**2.55**	**2.55**	**45%**	**45%**	0%	0%
HT TOTAL		**4.86**	**6.71**	**86%**	**118%**	33%	38%
LT BPL Domestic	**5.67**	*0.76*	*0.76*	**13%**	**13%**	0%	0%
LT Domestic		**4.10**	**5.44**	**72%**	**96%**	24%	33%
LT II - Non Domestic		**6.19**	**8.86**	**109%**	**156%**	47%	43%
LT III - PWW		**2.23**	**2.23**	**39%**	**39%**	0%	0%

Consumer Category & Consumption Slab	Average Cost of Supply	FY 2009-10		Ratio of Average Billing Rate to Projected Average Cost of Supply (%)			% increase / decrease in Tariff
		Net ABR (in Rs/unit)					
		Existing	Proposed*	Existing	Proposed*	% increase / decrease in Tariff w.r.t Avg. CoS	
LT IV - Agriculture		**1.79**	**1.79**	**32%**	**32%**	0%	0%
LT V - Industrial		**4.55**	**5.94**	**80%**	**105%**	24%	30%
LT VI - Street Light		**3.09**	**4.18**	**54%**	**74%**	19%	35%
LT VII - Temporary		**12.69**	**16.96**	**224%**	**299%**	75%	34%
LTVIII - Advt & Hoardings		**14.68**	**19.56**	**259%**	**345%**	86%	33%
LT TOTAL		***3.42***	**4.35**	**60%**	**77%**	16%	27%
Total		**4.07**	**5.37**	**72%**	**95%**	23%	32%

** Net ABR Proposed for FY 2009-10 has been calculated after including RLC and ASC refund.*

7. Copies of the following documents can be obtained on written request from the offices of MSEDCL mentioned below:

a. Executive Summary and Supplementary Submission of the proposals (free of cost, in Marathi or English)

b. Detailed Petition documents along with CD (in English) (on payment of Rs. 200/- by DD/

Cheque/Cash drawn on "**Maharashtra State Electricity Distribution Company Limited")**

c. Detailed Petition documents (in English) (on payment of Rs. 150/-).

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

e. Copy of the power purchase bills (on payment of Rs. 100/-)

Head Office:

Superintending Engineer (TRC),

Maharashtra State Electricity Distribution Company Limited,

5th Floor, Prakashgad, Plot No. G-9,

Bandra (East), Mumbai 400 051.

STD code :022, Phone No. 26476843(P), 26474211(O).

E-mail : setrc@mahadiscom.in

Other Offices:

1. The Chief Engineer (O&M), MSEDCL, Bhandup Urban Zone, Vidhyut, 1st floor, Near Asian Paint, L.B.S.Marg, Bhandup, Mumbai-400078, STD Code- 022, Phone : 25661836 (P), 25663984 (O), Fax: 25663990, E-mail : cebhandup@mahadiscom.in	2. The Chief Engineer (O&M), MSEDCL, Kalyan Zone, Tejashree, Jahangir Maidan, Karnik Road, Kalyan-421301, STD Code-0251,Phone : 2305960 (P), 2328283 (O), Fax:2329488, E-mail : cekalyan@mahadiscom.in	3.The Chief Engineer (O&M),MSEDCL, Konkan Zone,Ratnagiri, New Adm.Bldg., Nachane Road, Ratnagiri-415639 STD Code-02352, Phone : 225853 (P), 222049 (O), Fax: 226504, E-mail: cekonkan@mahadiscom.in
4. The Chief Engineer (O&M),MSEDCL, Kolhapur Zone, Adm.Bldg., Tarabai Park, Kolhapur-416003. STD Code-0231, Phone : 2653583 (P), 2650581 (O), Fax: 2658060, E-mail : cekolhapur@mahadiscom.in	5. The Chief Engineer (O&M),MSEDCL, Latur Zone, Old Power House, Sale lane, Latur-413512. STD Code-02382, Phone : 253344 (P), 250843 (O), Fax: 251866, E-mail : celatur@mahadiscom.in	6. The Chief Engineer (O&M),MSEDCL, Aurangabad Zone, Vidhyut Bhawan, Dr.Babasaheb Ambedkar Marg, Aurangabad-431001, STD Code-0240, Phone : 2331347(P), 2334065 (O), Fax: 2331056, E-mail : ceaurangabad@mahadiscom.in
7. The Chief Engineer (O&M),MSEDCL, Pune Zone, Adm.Bldg., Power House, Rasta Peth, Pune-411011, STD Code- 020, Phone : 26135740 (P), 26131389 (O), Fax: 26132052, E-mail : **cepuneurban@mahadiscom.in**	8. The Chief Engineer (O&M),MSEDCL, Amravati Zone, Akola, Vidyut Bhawan,, Ratanlal Plot, Akola-444001, STD Code-0724, Phone : 2434740 (P), 2434476 (O), Fax: 2438025, E-mail : ceakola@mahadiscom.in	9. The Chief Engineer (O&M), MSEDCL, Nagpur Rural Zone, Vidyut Bhawan, Katol Road, Nagpur-440013, STD Code- 0712, Phone : 2591993 (P), 2591976 (O), Fax: 2591927, E-mail: cenagpur@mahadiscom.in
10. The Chief Engineer (O&M), MSEDCL, Nagpur Urban Zone, Prakash Bhawan, Link Road, Gaddi Gudam, Sadar, Nagpur-440001, STD Code-0712, Phone: 2532142 (P), 2531561 (O), Fax: 2520148, E-mail: cenagpururban@mahadiscom.in	11. The Chief Engineer (O&M), MSEDCL, Nashik Zone, Vidyut Bhavan, Bytco Point, Nashik Road, Nashik- 422101, STD Code-0253, Phone: 2461767 (P), 2462491 (O), Fax: 2461581, E-mail: cenashik@mahadiscom.in	

8. The Commission has directed MSEDCL to invite suggestions and objections from the public on the above Petition through this Notice. Suggestions and objections may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by **Monday, June 8, 2009** along with proof of service on the Superintending Engineer (TRC), MSEDCL.

9. Every person who intends to file suggestions and objections can submit the same in English or in Marathi, in six copies, and should mention the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the suggestions and objection are 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 following venues, for which no separate notice will be given.

S No.	Place /Venue of Public Hearing	Time	Date of Hearing
1	**Amravati** Sant Dnyaneshwar Sanskrutik Bhavan, Morshi Road, District-Amravati	11.00 hours	Wednesday, June 17, 2009
2	**Nagpur** Vanamati Hall, V.I.P. Road, Dharampeth, Nagpur, District-Nagpur	11.00 hours	Thursday, June 18, 2009
3	**Aurangabad** Meeting Hall, Office of the Divisional Commissioner, Aurangabad, District-Aurangabad-431 001	11.00 hours	Monday, June 22, 2009
4	**Nashik** Office of the Commissioner, Niyojan Bhavan, Nasik Revenue Division, Nashik Road, Nashik-422 101	11.00 hours	Thursday, June 25, 2009
5	**Pune** Council Hall, Office of the Divisional Commissioner, Pune, District- Pune – 411 011	11.00 hours	Monday, June 29, 2009
6	**Navi Mumbai,** Conference Hall, 7th Floor, CIDCO Bhavan, CBD, Belapur, Navi Mumbai - 400 614	11.00 hours	Wednesday, July 1, 2009

10. MSEDCL shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Thursday, June 11, 2009** for all the suggestions and objections received till **Monday, June 8, 2009**. Stakeholders can submit their rejoinders on replies provided by MSEDCL either during the public hearing or latest by **Wednesday, July 8, 2009**.

11. The detailed Petition document and the Executive Summary are available on MSEDCL's website www.mahadiscom.in and the Executive Summary is also available on the web site of the Commission [http://www.mercindia.org.in] in downloadable format (free of cost).

(Sd/-)
Name: Mr. Maruti Deore
Designation: Executive Director (Corporate Planning)
Maharashtra State Electricity Distribution Company Limited