

Website: www.aptcld.com

PUBLIC NOTICE

**Suggestions and Objections on the Petition of
Amravati Power Transmission Company Limited (APTCL) for approval of
Business Plan for Second Control Period from FY 2011-12 to FY 2015-16
(Case No. 135 of 2011)**

1. M/s Amravati Power Transmission Company Limited (APTCL) (Transmission Licensee) has submitted a Petition under Regulation 7 and 57 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 for approval of Business Plan for its Licensed Transmission Business, with the following main prayers:
"
 - a. *Admit the Petition of APTCL for approval of Business Plan for the MYT second Control Period from FY 2011-12 to FY 2015-16 submitted herewith;*
 - b. *Approve the Business Plan for the Second Control Period from FY 2011-12 to FY 2015-16 along with the relevant operational and financial parameters as proposed in this Petition;...*"
2. APTCL is a proposed Joint Venture company between Maharashtra State Electricity Transmission Company Ltd. (MSETCL) and Indiabulls Power Limited. Maharashtra Electricity Regulatory Commission (MERC) had granted Transmission License (License No 3 of 2010) dated December 30, 2010, and authorised APTCL to establish and operate the following transmission lines inclusive of related infrastructure.
 - 400 kV D/C Quad Moose Amravati TPP-Akola S/S Transmission Line (104 km) (Line to be taken and connected to Akola-I substation of MSETCL initially and subsequently extended and connected to Akola-II substation of MEGPTCL);
 - LILO of 400 kV S/C Akola-Koradi Transmission line at Amravati TPP (7km);
 - 2 Nos. 400 kV Line Bays at MSETCL Akola-I Substation.
3. The capital expenditure of the transmission line under the transmission licence issued to APTCL has been granted in-principle approval by the MERC on May 10, 2011. MERC further directed APTCL to submit its Business Plan for the MYT Second Control Period (FY 2011-12 to FY 2015-16). In view of the above, APTCL has filed a Petition for approval of its Business Plan for the second Control Period from FY 2011-12 to FY 2015-16 before the MERC under Regulation 7 and 57 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. MERC has admitted the Business Plan Petition on January 25, 2012 and directed APTCL to publish a Public Notice under Section 64(2) of the Act.
4. The capital expenditure for the above scheme as approved in-principle by MERC was Rs 275.95 Crore, and the revised estimate of APTCL is Rs 272.31 Crore vide the current Business Plan Petition considering the inclusion of cost for initial spares and margin money, revision on account of actual audited expenditure incurred for FY 2010-11, IDC applicable during FY 2010-11 and revision in interest rates for debt based on new application to PFC. A summary of revised capital cost projected by APTCL in the Business Plan Petition is as under:

Table 1: In-principle approval of the Capital Cost by MERC and revised capital cost estimates considered by APTCL in the Business Plan (Rs. Crore)

Sl. No	Particulars	In-principle Approval	Revised Cost	Difference
1	Preliminaries			
1.1	Licence and other Statutory approvals	1.00	1.00	-
1.2	Detailed route survey	0.22	0.22	-
1.3	Compensation for ROW	5.55	5.55	-
2	Transmission Lines			
2.1	400 KV Quad Moose D/C Line from Amravati TPP – Akola-I S/S	187.20	196.67	2.47
2.2	LILO of 400KV S/C transmission line at Amravati TPP	7.00		
3	Sub-Station			
3.1	400 kV Line Bays at MSETCL Akola-I Sub-station- 2 nos.	10.00	18.34	8.34
4	Sub-Total- I (1+2+3)	210.97	221.78	10.81
5	Overheads including Establishment, management, engineering, spares, audit and accounts and maintenance during construction etc	12.66	12.66	-
6	Escalation towards completion cost	21.10	10.29	(10.81)
7	Initial Spares and Tools	0.00	1.93	1.93
8	Contingency	6.33	6.33	-
9	Consultancy	7.80	7.80	-
10	Margin Money for working capital	0.00	1.68	1.68
11	Sub-Total-II (4+5+6+7+8+9+10)	258.85	262.48	3.63
12	Financing & IDC	17.10	9.84	(7.26)
	Total	275.95	272.31	(3.64)

- The Business Plan Petition details various strategic plans and operational plans of APTCL for the second Control Period from FY 2011-12 to FY 2015-16. Envisaging that the transmission project expected to be ready for charging by May 2012, APTCL has projected two scenarios of its Aggregate Revenue Requirement (ARR) from FY 2012-13 to FY 2015-16 during the second Control Period. In the first scenario, ARR is projected at the revised capital cost for the operational years during the Control Period while in the second scenario, the ARR is projected considering a 2% escalation in the revised capital cost.
- The Aggregate Revenue Requirement of APTCL under the aforementioned two scenarios are provided below:

Table 2: Scenario-1, Projected Aggregate Revenue Requirement of APTCL at revised Capital Cost (Rs. Crore)

Sl No	Particulars	FY13	FY14	FY15	FY16
1	Operation and maintenance Expenses	2.69	3.41	3.61	3.81
2	Depreciation	11.98	14.38	14.38	14.38
3	Interest on Long-term Loan Capital	20.38	22.72	20.81	18.91

Sl No	Particulars	FY13	FY14	FY15	FY16
4	Interest on Working Capital and on consumer security deposits	0.99	1.16	1.13	1.10
5	Other Expenses				
6	Income tax	2.64	3.17	3.17	3.17
7	Contribution to Contingency Reserves	1.13	1.36	1.36	1.36
8	Total Revenue Expenditure	39.80	46.19	44.46	42.72
9	Add: Return on Equity Capital	10.55	12.66	12.66	12.66
10	Aggregate Revenue Requirement	50.35	58.85	57.13	55.38
11	Less: Non tariff Income	0.09	0.11	0.11	0.11
12	Less: Income from other business	-	-	-	-
13	Aggregate Revenue Requirement from transmission tariff*	50.26	58.75	57.02	55.28

*Projected ARR is subject to MERC Approval

Table 3: Scenario-2, Projected Aggregate Revenue Requirement of APTCL considering a 2% escalation in the revised capital cost (Rs. Crore)

Sl No	Particulars	FY13	FY14	FY15	FY16
1	Operation and maintenance Expenses	2.69	3.41	3.61	3.81
2	Depreciation	12.22	14.67	14.67	14.67
3	Interest on Long-term Loan Capital	20.79	23.17	21.23	19.29
4	Interest on Working Capital and on consumer security deposits	1.01	1.18	1.15	1.12
5	Other Expenses				
6	Income tax	2.69	3.23	3.23	3.23
7	Contribution to Contingency Reserves	1.16	1.39	1.39	1.39
8	Total Revenue Expenditure	40.55	47.05	45.28	43.50
9	Add: Return on Equity Capital	10.76	12.92	12.92	12.92
10	Aggregate Revenue Requirement	51.31	59.96	58.20	56.42
11	Less: Non tariff Income	0.09	0.11	0.11	0.11
12	Less: Income from other business	-	-	-	-
13	Aggregate Revenue Requirement from transmission tariff	51.22	59.86	58.09	56.31

7. Copies of the following documents can be obtained on written request from the offices of APTCL mentioned below:
- Executive Summary of the proposals (free of cost, in Marathi or English)
 - Detailed MYT Business Plan along with CD (in English) (on payment of Rs. 100/- by Cash/DD/ Cheque drawn on “**Amravati Power Transmission Company Limited**”.
 - Detailed MYT Business Plan (in English) (on payment of Rs. 50/-).
 - CD of detailed MYT Business Plan (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Tele / Fax No.
Corporate Office	Ms. Reena Kori, Director, Amravati Power Transmission Company Ltd., 1A, Hamilton House, First Floor, Connaught Place, New Delhi 110001	Tel: +91-124-3081896, Fax: +91-124-3081948
Site Office	Mr. Ajit Ingole, DGM, Amravati Power Transmission Company Ltd., Flat No. T1 & T2, Kalpana Palace, Athavate Plot, Ramdespeth, Dist. Akola, Maharashtra	Tel. / Fax: +91-721-2552364

8. The Commission has directed APTCL to invite Suggestions and objections from the public on the above Petition for approval of Business Plan 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-400 005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by Friday, February 24, 2012, along with proof of service on Amravati Power Transmission Company Limited.
9. Every person who intends to file Suggestions and objections can submit the same in English or in Marathi, in six copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the Suggestions and objections are being filed on behalf of any organization of 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 Maharashtra Electricity Regulatory Commission, Court Room, 13th Floor, Centre No. 1, world Trade Centre, Cuffe Parade, Mumbai-400 005 on Friday, March 2, 2012 at 11.00 hrs**, for which no separate notice will be given.
10. APTCL shall reply to each of the Suggestions and objections not later than Tuesday, February 28, 2012 for all the Suggestions and objections received till Friday, February 24, 2012. Stakeholders can submit their rejoinders on replies provided by APTCL either during the public hearing or latest by Tuesday, March 6, 2012.
11. The detailed Petition for approval of Business Plan along with Executive Summary is available on www.aptcld.com and the Executive Summary is also available on the web site of the Commission www.mercindia.org.in in downloadable format (free of cost).

Signature: Sd/-

Name: (Reena Kori)

Amravati Power Transmission Company Ltd.