

**PUBLIC NOTICE**

**Suggestions / Objections on TPC-Transmission Business' (TPC-T) Annual Performance Review (APR) Petition for FY 2009-10 under MYT framework, truing up for FY 2008-09 and determination of Aggregate Revenue Requirement for FY 2010-11 (Case No. 97 of 2009)**

1. THE TATA POWER COMPANY LIMITED's Transmission Business (TPC-T) has filed the Petition for Approval of Annual Performance Review (APR) for FY 2009-10 under MYT framework, truing up for FY 2008-09 and determination of Aggregate Revenue Requirement for FY 2010-11 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003. The Commission has admitted the Petition on March 18, 2010 and directed TPC-T to publish a Public Notice under Section 64(2) of the Act.
2. The salient features of the Petition are provided below:

**Table 1: Aggregate Revenue Requirement of TPC Transmission Business (Rs. Crore)**

Sl.	Particulars	Previous Year (FY 2008-09)		Current Year (FY 2009-10)		Ensuing Year FY 2010-11	
		MERC APR Order	Audited	MERC APR Order	Revised Estimate	MERC MYT Order	Projections
1	Operation and Maintenance Expenses	98	96	105	105		121
1.1	Employee Expenses	62	53	67	63		73
1.2	Administration and General Expenses	26	32	28	32		33
1.3	Repair and Maintenance Expenses	10	11	11	11		15
2	Depreciation, including advance against depreciation	28	29	30	34		41
3	Interest on Long-term Loan Capital	10	15	14	31		45
4	Other Interest and Finance Charges, including Working Capital interest	6	6	6	7		7
5	Other Expenses	-	-	-	-		-
6	Income tax	25	39	20	43		58
7	Contribution to Contingency Reserves	0	5	0	6		7
8	<b>Total Revenue Expenditure</b>	<b>167</b>	<b>190</b>	<b>175</b>	<b>226.52</b>		<b>280</b>
9	Add: Return on Equity Capital	61	62	65	70.45		79
10	Add: Incentive for higher Transmission Availability		3				
11	Less: Non tariff Income	(9)	(10)	(12)	(11)		(9)
12	Less: Income from other business						
13	Less: Load Control Centre cost allocated to Tata Power-G and Tata Power-D	(7)	(2)	(7)	(3)		(3)
14	<b>Aggregate Revenue Requirement from transmission tariff</b>	<b>211</b>	<b>243</b>	<b>221</b>	<b>284</b>	<b>0</b>	<b>345</b>

\* Approved Values for A&G Expenditure do not include Brand Equity Expenditure which has been later allowed by ATE

\*\* Actual LCC Cost shown here separately will be merged with O&M expenditure as per directions of the Hon'ble Commission

**Table 2: Truing up for FY 2008-09 and Provisional Truing up for FY 2009-10****Table 2A: Truing up for FY 2008-09**

Rs. Crores

Sr. No.	Particulars	FY 2008-09			Net Entitlement (Including Transfer to Reserves) after Impact of Gains / (Loss) from Controllable factors
		Approved	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	
<b>I</b>	<b>Revenue</b>				<b>252</b>
	-Transmission Charges				242
	- Other Income	9			10
<b>II</b>	<b>Expenditure</b>				
	1 Operation & Maintenance Expenses	98	104	3	101
	2 Depreciation, including advance against depreciation	28	29		29
	3 Interest on Long-term Loan Capital	10	15		15
	4 Interest on Working Capital	6	6		6
	5 Other Finance Charges	1	0		0
	6 Incentive	-	3	-	3
	7 Statutory Appropriations/ Contingency Reserve	0	5		5
	8 Income Tax	25	39		39
	9 Return on Equity	61	62		62
	10 LCC Costs allocated to Tata Power-G and Tata Power-D	(7)	(2)		(2)
	<b>11 Total Expenditure</b>	<b>221</b>	<b>261</b>	<b>3</b>	<b>258</b>
<b>III</b>	<b>Previous year expenditure allowed</b>				<b>2</b>
	Transmission Line Incentive for FY 2006-07				2
<b>III</b>	<b>(Gap)/Surplus</b>				<b>(8)</b>

\* Approved Value for O&M Expenditure does not contain Brand Equity Expenditure which was later allowed by ATE and hence is eligible for inclusion in the approved amount

**Table 2B: Provisional Truing up for FY 2009-10**

Rs. Crores

Sr. No.	Particulars	FY 2009-10			Net Entitlement (Including Transfer to Reserves) after Impact of Gains / (Loss) from Controllable factors
		Approved	Entitlement as per the Regulations	Efficiency Gains / (Loss) from Controllable factors shared with Consumers	
<b>I</b>	<b>Revenue</b>				<b>208</b>
	-Transmission Charges				198
	- Other Income	12			10
<b>II</b>	<b>Expenditure</b>				
	1 Operation & Maintenance Expenses	105	108	1	107
	2 Depreciation, including advance against depreciation	30	34		34
	3 Interest on Long-term Loan Capital	14	31		31
	4 Interest on Working Capital	6	7		7
	5 Other Finance Charges	-	0		0
	6 Incentives				-
	7 Statutory Appropriations/ Contingency Reserve	0	6		6
	8 Income Tax	20	43		43
	9 Return on Equity	65	70		70
	Less: LCC Costs allocated to Tata Power-G & Tata Power-D				
	10 D	(7)	(3)		(3)
	<b>11 Total Expenditure</b>	<b>233</b>	<b>298</b>	<b>1</b>	<b>296</b>
<b>III</b>	<b>(Gap)/Surplus</b>				<b>(88)</b>

\* Approved Value for O&M Expenditure does not contain Brand Equity Expenditure which was later allowed by ATE and hence is eligible for inclusion in the approved amount

**Table 3: Trajectory of Operational Parameters**

Sl.	Particulars	Availability (%)			Transmission Losses (%)		
		FY 2008-09	FY 2009-10	FY 2010-11	FY 2008-09	FY 2009-10	FY 2010-11
		Actual	Estimated	Projected	Actual	Estimated	Projected
1	TPC-T	99.31%	98.00%	98.00%	-	-	-

**Table 4: TPC-T's Capacity addition plan (Rs. Crore)**

Sl.	Name of Project	Estimated Cost	Expenditure incurred till FY 2008-09	Expenditure Planned & Capitalisation Projected			
				FY 2009-10		FY 2010-11	
				Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects	1992	347	252	190	476	138
	DPR	1810	252	230	158	468	125
	Non- DPR	182	95	23	33	8	13
2	New Projects	1345	-	18	12	164	40
	DPR	1285	-	6	0	124	10
	Non- DPR	60	-	13	12	40	30
3	HOSS allocation	102	11	5	4	16	12
	<b>Total</b>	<b>3439</b>	<b>358</b>	<b>276</b>	<b>207</b>	<b>656</b>	<b>189</b>

**Table 5: Revenue**

The Revenue earned by TPC-T is as follows:

Sl.	Particulars	Rs. Crores			
		Previous Year (FY 2008-09)		Current Year (FY 2009-10)	
		MERC APR Order	Actual	MERC APR Order	Revised Estimate
1	Revenue	242.24	252	188	208

3. Copies of the following documents can be obtained on written request from the offices of TPC mentioned below:
  - a. Summary of the proposals (free of cost, in Marathi or English)
  - b. Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD/ Cheque drawn on “**The Tata Power Company Limited**”).
  - 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:**

Office	Address	Tele / Fax No.
Registered Office	Mr. Uday Bhide – Corporate Communications, The Tata Power Company Ltd, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001	67171032/ 66657517
Mahalaxmi	Mr. B Tholan – Accounts Department, The Tata Power Company	67172214

	Ltd., Distribution Division, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	
Dharavi	Mr. Karthik Krishnan, Regulations Department, The Tata Power Company Ltd., Near Shalimar Indl. Estate, Matunga (East), Mumbai 400 019.	67172627
Borivli	Mr. S V Shetye, The Tata Power Company Ltd., Tata Power House Road, Borivli (East), Mumbai 400 066	67173511

4. The Commission has directed TPC-T 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, 13<sup>th</sup> Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail: [mercindia@mercindia.org.in](mailto:mercindia@mercindia.org.in)] by **April 10, 2010**, along with proof of service on **Mr Vidyadhar H Wagle, Asst. General Manager, Regulations Department, Dharavi Receiving Station, Near Shalimar Indl. Estate, Matunga (East), Mumbai 400 019.**
5. 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 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 **5<sup>TH</sup> FLOOR, SUNDERBAI HALL, SHRI NATHIBAI THACKERSEY ROAD, OFF MAHARSHI KARVE ROAD, (BEHIND INCOME-TAX OFFICE) CHURCHGATE, MUMBAI 400 020 on Friday, April 16, 2010, at 11.00 Hrs**, for which no separate notice will be given.
6. TPC-T shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **April 13, 2010**, for all the objections and suggestions received till **April 10, 2010**. Stakeholders can submit their rejoinders on replies provided by TPC-T either during the public hearing or latest by **April 23, 2010**.
7. The detailed Petition document and the summary are available on TPC's website [www.tatapower.com](http://www.tatapower.com) and the executive summary is also available on the web site of the Commission [www.mercindia.org.in](http://www.mercindia.org.in) in downloadable format (free of cost).

Sd/-

Name: V H Wagle

Designation: Asst. General Manager

The Tata Power Company Limited