

PUBLIC NOTICE

Suggestions and objections on Tata Power's-Transmission Business' (Tata Power-T) Petition for Approval of Annual Performance Review (APR) for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of Aggregate Revenue Requirement for FY 2009-10 (MERC Case No. 112 of 2008)

1. The Tata Power Company Limited's Transmission Business (Tata Power-T) 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 Aggregate Revenue Requirement for FY 2009-10 before the Maharashtra Electricity Regulatory Commission (MERC) under the Electricity Act, 2003. The Commission has admitted the Petition on February 20, 2009 and directed Tata Power-T 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.
2. The salient Features of the Petition are provided below:

Table 1: Aggregate Revenue Requirement of Tata Power Transmission Business (Rs. Crore)

Sl.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year FY 2009-10	
		MERC APR Order	Audited	MERC APR Order	Revised Estimate	MERC MYT Order	Projections
1	Operation and Maintenance Expenses	98	91	96	101	91	114
1.1	Employee Expenses	60	55	56	60	48	66
1.2	Administration and General Expenses*	26	27	27	29	28	33
1.3	Repair and Maintenance Expenses	12	9	13	12	15	15
2	Depreciation, including advance against depreciation	27	27	31	28	33	32
3	Interest on Long-term Loan Capital	6	5	13	14	17	36
4	Other Interest and Finance Charges, including Working Capital interest	5	5	6	6	6	7
5	Other Expenses	-	-	-	-	-	-
6	Income tax	33	37	30	42	34	37
7	Contribution to Contingency Reserves	5	2	3	3	6	3
8	Total Revenue Expenditure	175	167	179	194	187	229
9	Add: Return on Equity Capital	59	58	63	63	69	74
10	Add: Incentive		3				
11	Less: Non tariff Income	9	13	9	9	9	12
12	Less: Income from other business						
13	Less: Load Control Centre cost allocated to TPC-G and TPC-D	0	0		4		4
14	Aggregate Revenue Requirement from transmission tariff	225	215	233	244	247	288

Note: *Administration and General expenses excludes Tata Brand Equity

Table 2: Truing up for FY 2007-08 and Provisional Truing up for FY 2008-09

Sr. No.	Particulars	FY 2007-08			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	
I	Revenue				224
	-Transmission Charges				212
	- Other Income				13
II	Expenditure				-
	1 Operation & Maintenance Expenses	98	98	3	96
	2 Depreciation, including advance against depreciation	27	27		27
	3 Interest on Long-term Loan Capital	6	5		5
	4 Interest on Working Capital	5	5	1	4
	5 Other Finance Charges	0	(0)		(0)
	6 Incentive	-	3	-	3
	7 Statutory Appropriations/ Contingency Reserve	5	2		2
	8 Income Tax	33	37		37
	9 Return on Equity	59	58		58
	10 Total Expenditure	234	236	4	232
III	Gap/(Surplus)				8

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	
I	Revenue				252
	-Transmission Charges				242
	- Other Income				9
II	Expenditure				-
	1 Operation & Maintenance Expenses	96	96	(1)	99
	2 Depreciation, including advance against depreciation	31	28		28
	3 Interest on Long-term Loan Capital	13	14		14
	4 Interest on Working Capital	6	6	2	4
	5 Other Finance Charges	-	1		1
	6 Statutory Appropriations/ Contingency Reserve	3	3		3
	7 Income Tax	30	42		42
	8 Return on Equity	63	63		63
	9 Less: LCC Costs allocated to Tata Power-G & Tata Power-D	-	(4)		(4)
	10 Total Expenditure	242	249	1	250
III	Gap/(Surplus)				(1)

Table 3: Trajectory of Operational Parameters

Sl.	Particulars	Availability (%)			Transmission Losses (%)		
		FY 2007-08	FY 2008-09	FY 2009-10	FY 2007-08	FY 2008-09	FY 2009-10
		Actual	Estimated	Projected	Actual	Estimated	Projected
1	TPC-T	99.46%	98.00%	98.00%	-	-	-

Table 4: Tata Power-T's Capacity addition plan (Rs. Crore)

Sl.	Name of Project	Estimated Cost	Expenditure incurred till Previous Year	Expenditure Planned & Capitalisation Projected			
				FY 2008-09		FY 2009-10	
				Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects	720	102	160	130		
		1797	420			646	308
2	New Projects	1095	-	180	45		
		276	-			68	37
	Total			340	175	714	345

Table 5: Revenue

The Revenue earned by Tata Power-T is as follows: (Rs. Crore)

Sl.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)	
		MERC APR Order	Actual	MERC APR Order	Revised Estimate
1	Revenue	225	225	248	242

3. Copies of the following documents can be obtained on written request from the offices of Tata Power 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. 150/- by DD/ Cheque/ Cash 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	Ms. Shalini Singh, Chief-Corporate Communications, The Tata Power Company Ltd, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001	6665 8282
Head Office	Mr. Rahul Ranade, Executive - Regulations,, The Tata Power Company Limited, Corporate office, Regulation Department, 'A' Block, 4 th Floor, 34 Sant Tukaram Road Carnac Bunder, Mumbai 400 009	6717 1208
Mahalaxmi	Mr. B Tholan, The Tata Power Co Ltd., Distribution Division, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	6717 2214
Dharavi	Mr. M. S .Medhi, Tata Power Company Ltd., Near Shalimar Indl. Estate, Matunga (East), Mumbai 400 019.	6666 8021
Borivli	Mr. S S Dalvi, Tata Power Co Ltd., Tata Power House Road, Borivli (East), Mumbai 400 066	6717 3517

4. The Commission has directed Tata Power-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, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by **Wednesday, March 18, 2009**, along with proof of service on **Mr V H Wagle, Asst. General Manager, The Tata Power Company Limited, B Block, Corporate Centre, 34, Sant Tukaram Road, Carnac Bunder, Masjid, Mumbai 400 009**, The Tata Power Company Limited.
5. Every person who intends to file suggestions and objection 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 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 VISTA HALL, 30th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400005 on Tuesday, March 24, 2009 at 11:00 Hrs**, for which no separate notice will be given.
6. Tata Power-T shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than Saturday, March 21, 2009 for all the suggestions and objections received till **Wednesday, March 18, 2009**. Stakeholders can submit their rejoinders on replies provided by Tata Power-T either during the public hearing or latest by **Tuesday, March 31, 2009**.
7. The detailed Petition document and the summary are available on Tata Power's website www.tatapower.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).

Sd/-

Name (Vidyadhar H Wagle)
Designation: Assistant General Manager
The Tata Power Company Limited