

MAHARASHTRA STATE ELECTRICITY TRANSMISSION CO.LTD.

STATE LOAD DESPATCH CENTRE, KALWA



Office of The Chief Engineer
State Load Dispatch Center
Thane-Belapur Road, P.O. Airoli,
Navi Mumbai Pin – 400 708



Executive Summary

The Maharashtra State Load Dispatch Centre (MSLDC) is submitting the revised Budget for the FY 2008-09 as per the MERC Transmission Open Access Regulation 2005 Clause 18.1, based on the actual expenditure till September 2008 and projections from October 2008 to March 2009. As per the provisions of said regulations MSLDC is also submitting the revised projections for the FY 2009-10 for approval of Budget.

MSLDC's Budget

MSLDC has provided actual expenses data based on audited accounts for the period from April 2007 to 31st March 2008. The expenditure for FY 2008-09 has been estimated on the basis of actual till Sept.2008 and projection for the remaining six months on the basis of past trends and other considerations. Projections for FY 2009-10 also have been made on the same principles.

- a) The operations and maintenance expenses have been projected considering the actual of FY 2007-08 as basis for projection. Employee expenses and Administration and General (A&G) expenses have been projected with escalation rates determined by the MERC. However, Repair and Maintenance (R&M) expenses have been projected as per the estimates.
- b) A revised estimate of capital expenditure of MSLDC is of Rs. 1020 Lakhs in FY 2008-09 and Rs. 2416 Lakhs in FY 2009-10.
- c) Depreciation has been computed as per rates specified in the MERC (Terms & Condition of Tariff) Regulations 2005.
- d) Interest on long term loans has been projected on the outstanding loans and fresh loans taken towards Capital expenditure.
- e) Interest on working capital has been computed on the normative basis in accordance with the MERC (Terms & Condition of Tariff) regulation 2005.
- f) MSLDC has projected the Return on Equity @ 14% and in accordance with methodology specified in the MERC (Terms & Condition of Tariff) regulation 2005.
- g) Other income has been projected based on past trends.

The MSLDC Budget is the summation of the above fixed costs and the RoE.

Summary of MSLDC Budget is presented below.

Revenue Budget for MSLDC (Rs. Lakh)

SN	Particulars	Previous Year		Current Year		Ensuing Year
		FY 2007-08		FY 2008-09		FY-2009-10
		Provisional True up (Case No. 88 of 2007)	Audited	Approved (Case No. 88 of 2007)	Revised Estimate	Projections
I	Operating Cost Budget					
1	Employee Expenses	540.88	639.68	703.64	737.41	753.86
2	Administration & General Expenses	117.97	126.75	159.22	148.13	214.59
3	Repair & Maintenance Expenses	100.76	48.51	121.60	129.30	174.85
4	Interest on working capital	30.44	40.06	38.05	39.50	48.55
5	RLDC Fees and charges	237.55	238.00	237.55	240.07	240.07
	Other Payments	0	40.69		4.74	
	Sub-total (Operating Cost Budget)	1027.60	1133.69	1260.06	1299.15	1431.92
II	Capital Charge Budget					
6	Depreciation	141.95	126.56	143.52	138.14	206.94
7	Interest Expense	95.85	95.85	197.33	135.96	268.25
8	Return on Equity	0.92	0.92	111.64	22.76	145.24
	Sub-total (Capital Charge Budget)	238.72	223.33	452.49	296.87	620.42
	Total SLDC Budget	1266.32	1357.02	1712.55	1596.01	2052.34

Thus the MSLDC Budget is projected to be Rs. 2052.34 Lakhs for FY 2009-10.

After truing up on the actual and provisional basis for the FY year 2007-08 and the FY 2008-09, the revenue requirement is as below.

Summary of Revenue Budget

Particulars	Total Rs in Lakhs
Operating Cost Budget	
Employee Expenses	753.86
Administration & General Expenses	454.66
Repair & Maintenance Expenses	174.85
Interest on Working Capital	48.55
Sub Total	1431.92
Provisional true up of operating cost Budget for FY 2008-09	-250.95
True up of operating cost Budget for FY 2007-08	52.74
a) Net Operating Cost	1233.71

Capital Charge Budget	
Depreciation	206.94
Interest Costs	268.25
Return on Equity	145.24
Sub Total	620.43
Provisional true up of Capital Charge Budget for FY 2008-09	47.46
True up of capital cost Budget for FY 2007-08	-218.48
b) Net Capital Charge Budget	449.41
Total SLDC Budget (a+b)	1683.12

Summary of Net MSLDC Fees & Charges to be recovered for FY 2009-10 (Rs. Lakh)

Sl.	Particulars	Amount
1	Total MSLDC Budget for FY 2009-10	2052.35
2	Carry forward Revenue Gap/ (Surplus) for FY 2007-08	(165.74)
3	Carry forward Revenue Gap/ (Surplus) for FY 2008-09	(203.49)
4	Net Total (1+2+3)	1683.12

As per the Hon'ble Commission's order this MSLDC's Budget amount is to be recovered from the Distribution Licensees in proportion to their co-incident peak demand during the period Oct.2007 to Sept.2008. The recovery proposed is as below.

Recovery of Charges

Licensee	Coincident Peak Demand	Semi-Annual MSLDC Charge	Monthly Charges	Operation
MSEDCL	10631	184.49		84.41
TPC	347	6.03		2.76
REL	1314	22.80		10.43
BEST	656	11.39		5.21
Total	12948	224.71		102.81

Prayer

In this premise, the Applicant respectfully prays that this honourable commission may:

- a) Consider and approve the Budget of cost of Operation of the State Load Dispatch centre for the Financial Year 2009-10
- b) Approve the MSLDC Fees & charges as deemed appropriate.
- c) Approve the draft principles for Levy of MSLDC Fees and Charges.

- d) Approve the non-refundable application processing fee for Intra-State STOA as Rs. 5000 / - per application.
- e) Approve scheduling charges as Rs. 1000 /- per day for Intra-State STOA.
- f) Approve delayed payment charges for MSLDC fees and operating charges at the rate equal to SBI PLR+4% as prescribed by the commission in case no 42 of 2007 on intra state ABT order.

Kalwa
Date: February 21, 2009

(S.G.Kelkar)
Chief Engineer, MSLDC