



MAHARASHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED
 Prakashganga, C-19, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051]
 website: www.mahatransco.in

PUBLIC NOTICE

Suggestions and objections on Maharashtra State Electricity Transmission Company Limited's (MSETCL) Annual Performance Review (APR) Petition for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of Aggregate Revenue Requirement for FY 2009-10 (Case No. 114 of 2008)

1. The Maharashtra State Electricity Transmission Company Limited (MSETCL) 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 MERC under the Electricity Act, 2003. The Commission has admitted the Petition on February 20, 2009 and directed MSETCL 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 MSETCL (Rs. Crore)

Sl.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year FY 2009-10	
		MERC APR Order (Provisional Truing up)	Audited	MERC APR Order	Revised Estimate	MERC MYT Order	Projections
1	Operation and maintenance Expenses	527.07	568.83	566.72	776.85	438.88	970.52
1.1	Employee Expenses	318.51	248.44	347.22	402.01	315.62	542.40
1.2	Administration and General Expenses	43.21	73.83	45.53	65.07	28.25	68.11
1.3	Repair and Maintenance Expenses	165.35	246.56	173.97	309.77	95.01	360.01
2	Depreciation, including advance against depreciation	443.09	430.42	379.97	411.71	424.19	455.45
3	Interest on Long-term Loan Capital	203.44	194.21	235.48	259.07	253.87	299.70
4	Interest on Working Capital and security deposits, if any	39.49	49.45	45.69	65.21	37.66	80.57
5	Other Interest and Finance Charges	30.50	26.06	31.56	34.36	21.91	44.15
6	Other Expenses	1.38	9.48	1.38	6.65	0.00	20.47
7	Income tax	29.69	96.50	31.81	248.20	56.27	127.15
8	Contribution to	44.82	44.83	24.32	24.58	49.25	27.54

Sl.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year FY 2009-10	
		MERC APR Order (Provisi onal Truing up)	Audited	MERC APR Order	Revised Estimat e	MERC MYT Order	Projecti ons
	Contingency Reserves						
9	Prior-period adjustments#		2.82				
10	Total Revenue Expenditure	1319.48	1,422.60	1,316.93	1,826.63	1,282.03	2,025.55
11	Add: Return on Equity Capital	397.43	398.88	422.54	427.60	427.90	484.50
12	Add: Incentive on Transmission Availability of HVAC System (FY 2007-08)		15.65				
13	Add: Incentive on Transmission Availability of HVDC System (FY 2007-08)		(7.80)				
14	Less: Non tariff Income	34.78	76.86	35.45	86.59	9.86	88.32
15	Less: Income from other business	0.00	0.00	0.00	0.00	0.00	0.00
16	Less: Income from Transmission Charges for wheeling power to Goa		8.90		8.90		8.90
17	Aggregate Revenue Requirement from transmission tariff	1682.13	1,743.58	1,704.02	2,158.74	1700.07	2412.83

Note:

Impact on account of the Commission's Order dated September 12, 2008 in Case No. 40 of 2008

Table 2(a): Truing up for FY 2007-08

Sl. No.	Particulars	Truing Up for Previous Year (2007-08)					
		Approv ed by Commis sion	Actual	True-up Require ment	Efficien cy Gain Shared with TSUs	Net Entitlem ent of MSETC L	Transfe rred to Reserve under Reg 19.1 (b)
A	Expenditure						
1	Operation & Maintenance Expenses	527.07	568.83	41.76		568.83	
1.1	Employee Expenses	318.51	248.44	(70.07)		248.44	
1.2	Administration & General Expenses	43.21	73.83	30.62		73.83	
1.3	Repair & Maintenance Expenses	165.35	246.56	81.21		246.56	
2	Depreciation, including advance against depreciation	443.09	430.42	(12.67)		430.42	

Sl. No.	Particulars	Truing Up for Previous Year (2007-08)					
		Approved by Commission	Actual	True-up Requirement	Efficiency Gain Shared with TSUs	Net Entitlement of MSETCL	Transferred to Reserve under Reg 19.1 (b)
3	Interest on Long-term Loan Capital	203.44	194.21	(9.23)		194.21	
4	Interest on Working Capital and on consumer security deposits	39.49	49.45	9.96	16.48	32.97	16.48
5	Other Interest and Finance Charges	30.50	26.06	(4.44)		26.06	
6	Other Expenses (pls give details)	1.38	9.48	8.10		9.48	
7	Income Tax	29.69	96.50	66.81		96.50	
8	Prior-period adjustments (Review Petition)		2.82	2.82		2.82	
9	Contribution to contingency reserves	44.82	44.83	0.01		44.83	
	Total Expenditure	1319.48	1422.60	103.12		1406.12	16.48
B	Return on Equity	397.43	398.88	1.45		398.88	
C	Aggregate Revenue Requirement	1716.91	1821.48	104.57		1805.00	
D	Revenue						
1	Revenue from transmission charges	1682.13	1546.95	(135.18)		1546.95	
2	Income from wheeling central sector power to Goa		8.90	8.90		8.90	
3	Other Income	34.78	76.86	42.08		76.86	
	Total Income	1716.91	1632.71	(84.20)		1632.71	
E	True-up						
1	Revenue Surplus / (Gap)	0.00	(188.78)	(188.78)		(172.30)	
2	Provisional true-up of FY 2007-08 adjusted in tariff of FY 2008-09					(135.18)	
3	Net True-up amount of FY 2007-08					37.12	
E	Incentive on Transmission Availability of HVAC System					15.65	
F	Incentive on Transmission Availability of HVDC System					(7.80)	
G	Total True-up Amount Required					44.97	

Table 2(b): Provisional Truing up for FY 2008-09

Sl. No.	Particulars	Provisional Truing Up for Current Year(2008-09)				
		Approved by Commission	Apr-Mar (Estimated)	Efficiency Gain to be Shared with TSUs	Net Entitlement of MSETCL	True-up Amount Required
A	Expenditure					
1	Operation & Maintenance Expenses	566.72	776.85		776.85	210.13
1.1	<i>Employee Expenses</i>	347.22	402.01		402.01	54.79
1.2	<i>Administration & General Expenses</i>	45.53	65.07		65.07	19.54
1.3	<i>Repair & Maintenance Expenses</i>	173.97	309.77		309.77	135.80
2	Depreciation, including advance against depreciation	379.97	411.71		411.71	31.74
3	Interest on Long-term Loan Capital	235.48	259.07		259.07	23.59
4	Interest on Working Capital and Consumer Security Deposits	45.69	65.21	21.74	43.47	(2.22)
5	Other Interest and Finance Charges	31.56	34.36		34.36	2.80
6	Other Expenses (pls give details)	1.38	6.65		6.65	5.27
7	Income Tax	31.81	248.20		248.20	216.39
8	Contribution to contingency reserves	24.32	24.58		24.58	0.26
	Total Expenditure	1,316.93	1,826.63	21.74	1,804.89	487.96
B	Return on Equity	422.54	427.60		427.60	5.06
C	Aggregate Revenue Requirement	1739.47	2254.22		2232.48	493.01
	Less: Non Tariff Income	(35.45)	(86.59)		(86.59)	(51.14)
	Less: Income from Transmission Charges due to Goa		(8.90)		(8.90)	(8.90)
	Add: Shortfall in revenue in Apr-May 2008 due to delayed applicability of tariff order of FY 2008-09				52.92	52.92
D	Aggregate Revenue Requirement from Transmission Tariff	1,704.02	2,158.74		2,189.91	485.89

Table 3: Trajectory of Operational Parameters

Sl.	Particulars	Availability (%)				Transmission Losses (%) (Intra State)			
		FY 2007-08	FY 2008-09		FY 2009-10	FY 2007-08	FY 2008-09		FY 2009-10
		Actual	H1 Actual	H2 Estimated	Projected	Actual	H1 Actual	H2 Estimated	Projected
1	HVAC	98.99	99.02	99.00	98.00	4.67	4.68	4.85	4.85
2	HVDC	92.28	87.85	99.00	95.00	3.89	3.74	3.80	3.80

Table 4: MSETCL's Capacity addition plan (Rs. Crore)

Sl.	Name of Project	Estimated Cost 2007-08	Expenditure incurred till FY 2007-08 end	Capitalisation till FY 2007-08 end	Expenditure Planned & Capitalisation Projected			
					FY 2008-09		FY 2009-10	
					Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects	984	671	523	1866	814	3118	1852
2	New Projects	653	446	347	537	233	1729	1027
	Total	1637	1117	869	2400	1047	4847	2879

Table 5: Revenue

The Revenue earned by MSETCL is as follows: (Rs. Crore)

Sl.	Particulars	Previous Year (FY 2007-08)		Current Year (FY 2008-09)	
		MERC APR Order (Provisional Truing up)	Actual	MERC APR Order	Revised Estimate
1	Revenue (Actual Revenue includes non-tariff income, but without adjustment for MSETCL's share of open access charges amounting to Rs. 4.11 crore.)	1682.13	1636.82	1864.40	1811.48

Table 6: Net Annual Revenue Requirement for FY 2009-10 from Transmission Tariff (Rs. Crore)

Sl.	Particulars	Amount
1	Annual Revenue Requirement for FY 2009-10	2,412.83
2	Truing up Requirement for FY 2007-08	44.97
3	Provisional Truing up for FY 2008-09	485.89
4	Net Revenue Requirement for FY 2009-10 from Transmission Tariff (1+2+3)	2943.69

3. Copies of the following documents can be obtained on written request from the offices of MSETCL mentioned below:
- Executive Summary of the proposals (free of cost, in Marathi or English)
 - Detailed Petition documents along with CD (in English) (on payment of Rs. 200/- by DD/Cheque/ Cash drawn on “**Maharashtra Electricity Transmission Company Limited**” payable at Mumbai.
 - Detailed Petition documents (in English) (on payment of Rs. 150/-).
 - CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Tele / Fax No.	Email
Head Office	Superintending Engineer (R&C) 3rd Floor, Prakashganga, Plot No. C-19, E- Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	022 26595113	se.rc.stu@gmail.com
Amravati	The Chief Engineer, EHV CC O&M Zone , Old Power House Premises, Duffrin Hospital Road, Amravati – 446601.	0721 2552870	ceamravati@mahatransco.in
Aurangabad	The Chief Engineer, EHV CC O&M Zone, Old Power House, Near Mill Corner, Dr.Ambedkar Road, Aurangabad – 431 001.	0240 2348889	ceabd@mahatransco.in
Karad	The Chief Engineer, EHV CC O&M Zone, At- Vijaynagar, Post – Supane, Taluka – Karad, Dist – Satara –415114.	02164 2255054	cekarad@mahatransco.in
Navi Mumbai	The Chief Engineer, EHV CC O&M Zone, Admn. Bldg. Plot No. 5- Sector 17,Vashi, Navi Mumbai – 400 703.	022 27665994	cekalwa@mahatransco.in
Nasik	The Chief Engineer, EHV CC O&M Zone, City Arcade, 3 rd Floor, Ingle Nagar, Jail Road, Nashik Road –422101.	0253 2418072	cenasik@mahatransco.in
Nagpur	The Chief Engineer, EHV CC O&M Zone, Vidyut Bhavan, Katol Road Chowk, Nagpur – 440013.	0712 2596864	cenagpur@mahatransco.in
Pune	The Chief Engineer, EHV CC O&M Zone, Administrative Building, 3 rd Floor, Block No. 402, Rasta Peth, Pune – 411011.	020 26136106	ceconstpune@mahatransco.in

4. The Commission has directed MSETCL 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 **Tuesday, March 17, 2009**, along with proof of service on **Shri P G Khandalkar, Director (finance), Prakashganga, C-19, E-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051, MSETCL.**

5. 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 or objections 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 **Commission's Office at 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400005 on Monday, March 23, 2009, at 11:00 Hrs**, for which no separate notice will be given.
6. MSETCL shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Friday, March 20, 2009** for all the suggestions and objections received till **Tuesday, March 17, 2009**. Stakeholders can submit their rejoinders on replies provided by MSETCL either during the public hearing or latest by **Monday, March 30, 2009**.
7. The detailed Petition document and the summary are available on MSETCL's website www.mahatransco.in and the executive summary is also available on the web site of the Commission www.mercindia.org.in in downloadable format (free of cost).

PRAMOD GOPALRAO KHANDALKAR
Director (Finance)
Maharashtra State Electricity Transmission
Company Limited