

Executive Summary

RInfra-Generation
Annual Performance Review
under MYT Framework towards
Truing up of FY08 and
Determination of tariff for FY10

Filed with
Maharashtra Electricity Regulatory Commission

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A. Executive Summary

A.1. Introduction

Reliance Infrastructure Limited (hereafter referred to as RInfra) operates a coal based thermal power generating station at Dahanu, Maharashtra (Dahanu Thermal Power Station – DTPS) (herein referred to as RInfra – G) with a total installed capacity of 500 MW (2 x 250 MW).

As per present arrangement, power so generated from DTPS is transmitted to the licensed area of Reliance Infrastructure Limited – Distribution (RInfra-D, a distribution licensee) by Reliance Infrastructure Limited- Transmission (RInfra-T, a transmission licensee and part of Intra-State transmission System of Maharashtra) through a network of four 220 kV transmission lines and stepped down to 33 kV at three nos, of 220/33 kV Receiving Stations viz Aarey, Ghodbunder & Versova.

A.2. Objective of Annual Performance Review

RInfra-G is submitting the current petition, under Sections 86, Section 62 (read with Section 61 and Section 64) of Electricity Act 2003 and under the Regulation 17 (read with Regulation 3 (Part A), Regulations 6& 7 (Part B), Regulations 12-15 (PartC) and Regulations under Part E) of MERC (Terms and Conditions of Tariff) Regulations, 2005 (hereafter referred to as MERC Tariff Regulations), for the purpose of “truing up” of its ARR of FY 2007-08 (“Previous Year”, FY08), mid-year review of ARR of FY2008-09 (“Current Year”, FY 09), and for submitting revised estimates of ARR for FY 2009-10 (“Ensuing Year”, FY10), to enable the Commission to determine the tariff for FY10.

A.3. Truing up of ARR of FY08

The Commission in its MYT Order dated April 18, 2007 (in Case No. 74 of 2006) has determined the Annual Revenue Requirement (ARR) & Tariff of RInfra-G for the control period FY08- FY10. The Commission had, vide its Order dated April 21, 2008 (In Case No.65 of 2007), partially trued up fixed cost elements of ARR for FY08. In the current petition, RInfra-G is filing the Annual Revenue Requirement (ARR) and revenues for the year FY08 based on ex-post performance data, for final truing up by the Commission.

A.3.1. Operating Performance of RInfra-G

RInfra-G generated 4459.12 MU at a PLF of 101.53% with an Availability of 96.70 . The details of plant operating parameters during FY08 as summarized below:

Table: ES 1 – Operational Performance of RInfra-G during FY08

	UoM	Actual	Norm
Availability	%	96.70	80.0
PLF	%	101.53	80.0
Heat Rate	kcal/ kWh	2279	2500
Auxiliary Power Consumption (excluding FGD Plant)	%	7.67	8.50
Auxiliary Power Consumption (including FGD Plant)	%	8.30	9.12
Secondary Oil Consumption	ml/kWh	0.127	2.00
Gross Generation	MU	4459.12	4459.12
Net Generation	MU	4089.09	4089.09
Energy Charges (variable cost @ ex bus)	Rs./ kWh	1.412	1.610

As seen from above, performance of DTPS in FY08, on all the controllable parameters (Heat Rate, APC, Secondary Oil Consumption), was better than norms specified in MERC Tariff Regulations.

Owing to this better performance, variable cost of generation ex bus was lower (Rs. 1.412/ kWh) compared to Rate of Energy Charges-REC (Rs. 1.610/kWh) estimated on normative parameters.

A.3.2. Total Fuel Related Expenses

Based on rate of energy charges, the total fuel related costs are computed for energy sold during FY08 and is tabulated below.

Table: ES 2 –Total Fuel Related Cost of RInfra-G during FY08

	UoM	MERC Tariff Order	As per Norms	Actual
Rate of Energy Charges (ex bus)		1.552	1.610	1.412
Net Generation (ex us energy sold)		3742	4089.09	4089.09
Total Fuel cost	Rs. Crore	580.92	658.48	577.46

It may be observed that the actual fuel cost is lower than the cost allowable as per norms.

A.3.3. Fuel Adjustment Charges (FAC)

During FY08, the REC works out to Rs.1.610 per kWh at ex bus compared to Rs.1.552 per kWh approved by MERC. The average FAC for FY08 thus works out to Rs. 0.058/ kWh or total FAC of Rs. 23.72 Crore.

Table ES 3 – Fuel Adjustment Charges for RInfra-G during FY08

	UoM	
REC approved in Tariff Order	Rs./kWh	1.552
REC trued up	Rs./kWh	1.610
Ex-bus energy sold (<i>from Table 2.2</i>)	MU	4089.09
FAC	Rs./kWh	0.058
	Rs. Crore	23.72

A.3.4. Sharing of efficiency gains

During FY08, RInfra-G has performed better than the norms in terms of controllable factors like Heat Rate, Auxiliary Power Consumption, Specific Secondary Oil Consumption. This results in efficiency gains.

Efficiency gains are shared, as per Regulation 19 of MERC Tariff Regulations. The details are presented in the following table;

Table: ES 4 – Sharing of efficiency Gains

	UoM	Amount (Rs. Crore)
Efficiency Gains [REC _n - Act. Var cost] X ex bus energy sold	Rs. Crore	81.02
To be passed to the consumers (through RInfra-D) (1/3 rd)	Rs. Crore	27.01
To be Retained by RInfra-G (2/3 rd)	Rs. Crore	54.01

Thus it can be seen that on account of better operating performances of DTGS, the benefit of Rs.27.01 Crore is passed on to RInfra-D consumers.

A.3.5. Incentive for Higher PLF

Regulation 37 of MERC Tariff Regulations provides for incentive to generators for achieving PLF in excess of 80%. During FY08, DTGS achieved a PLF of 101.53 %.

The following table details the incentive applicable to DTGS

Table: ES 5 – Incentive for Higher PLF

	UoM	Target/Norm for PLF incentive	Actual
PLF	%	80	101.53
Ex-bus Generation	MU	3222.03	4089.09
Excess Ex-bus generation above 80% PLF	MU	867.06	
PLF Incentive @ Rs.0.25/kWh	Rs. Crore	21.68	

The generation of DTGS in excess of targeted 80% PLF in fact replaces the power procurement at higher rates (Rs.5.52 / kWh is the average cost of power procured from bilateral and imbalance pool) compared to REC of DTGS (Rs.1.610/ kWh). Thus generation in excess of targeted 80% PLF to the extent of 867.06 MU during FY08 have had a favorable impact of Rs.339.02 Crore to the consumers.

A.3.6. Capital Expenditure

During FY08, RInfra-G has capitalized (including interest capitalization) assets worth Rs. 249.18 Compared to Rs. 272.14 Crore approved by MERC. The primary reason for deviation is lower capitalization under FGD project due to few initial spares which were yet to be received.

A.3.7. Debt-Equity ratio

The capital expenditure, discussed in the above section, has been financed from corporate treasury. Accordingly, for the purpose of truing up of interest on loan and return on equity, a normative Debt: Equity ratio of 70:30 is considered as per Regulation 31 of MERC Tariff Regulations.

A.3.8. Loan Repayment Schedule

A normative loan repayment tenure of 10 years has been considered for loans drawn during FY 05 and FY06 and 20 years for loans drawn during FY 07 and thereafter.

A.3.9. Operation and Maintenance (O&M) Expenses

The O&M expenditure represents the component of Employee expenses, Administrative & General expenses and Repair & Maintenance expenses. The O&M expenses, for FY08, are summarized below:

Table: ES 6– Summary of O&M Expenditure of RInfra-G during FY08

	UoM	MERC Tariff Order	Actual
Total O&M Expenses	Rs. Crore	69.95	77.51

The deviation is on account of following factors:

- Under-estimation of base O&M expenses due to averaging of expenses pertaining to different performance levels pertaining to pre and post FY03 (pre FY03 performance and costs represents less than normal levels whereas post FY03 performance and cost represent normal expenses thus averaging over FY00-FY04 resulted in lower base expenses), and normative escalation not in tune with actual expenses incurred and approved by the Commission.
- Impact on Terminal benefits on account of wage revision being not considered by the Commission for FY08, while same was approved for FY07.
- Increase in number of employees (from 487 in FY07 to 519 in FY08) to ensure availability of trained manpower for increasing requirements of O&M on account of ageing of the power station and installation of new systems/ equipment such as FGD plant
- Additional R&M expenses incurred in R&M of a collapsed bridge which connects the power station with ash pond area
- Additional R&M expenses incurred for repairing drains and roads damaged during the construction of FGD plant.

- The actual rate of increase (10%-15%) for employee expenses and for O&M contracts/ spares procured from OEMs (like BHEL) not concurring with normative or inflationary increase considered by MERC

A.3.10. Depreciation and AAD during FY08

The MERC has specified the Depreciation Schedule in the Tariff Regulations. The depreciation rate is determined as per the Regulation.

The results are summarized in the following table;

Table: ES 7 – Depreciation & AAD of RInfra-G during FY08

	UoM	MERC Tariff Order	Actual
Total depreciation	Rs. Crore	44.03	44.03

A.3.11. Interest on Loan Capital

RInfra-G has considered a normative Debt: Equity ratio of 70:30 for financing the capital expenditure projects (corresponding to capitalized assets only). The interest on the loan capital is computed @ 10% p.a for projects initiated during FY 05 and FY 06 and 8% p.a. for FY 07 onwards.

The total interest payable during FY08, is Rs. 4.40 Crore compared to Rs. 4.80 Crore approved by MERC. It is submitted that since FGD plant is put to use during H2FY08, RInfra-G has considered loan repayment and interest on loan capital for half the year only.

A.3.12. Interest on Working Capital

Regulation 34.5 of MERC Tariff Regulations specified the detailed constituents comprising the Working Capital. In line with the above, the Working Capital has been calculated.

The Commission, in its Orders dated April 18, 2007 and April 21, 2008, has calculated the interest on working capital at the prevailing (at the time of submission of tariff petition for FY08) PLR of State Bank of India (SBI-PLR), which was 11.50%. Accordingly, the interest on working capital, which works out to Rs .6.00 Crore in comparison to MERC approved amount of Rs. 7.72 Crore.

A.3.13. Non-Tariff and Other Business Income

During FY08, RInfra-G accrued an amount of Rs.3.88 Crore as Non Tariff income, as compared to Rs.6.17 Crore provided by the Commission in its Order dated April 21, 2008. The deviation was on account of lower actual income through sale of scrap and consideration of interest income on contingency reserves by MERC where as same is not applicable to Generation Business as per MERC tariff Regulations

A.3.14. Return on Equity (RoE)

As per MERC Tariff Regulations, Return on Equity (RoE) is computed @ 14% on the Regulatory Equity at the beginning of the year. Accordingly, the return on equity is Rs. 61.57 Crore as per the details in the following table;

Table: ES 8 – Return on Regulated Equity of RInfra-G during FY08

	UoM	MERC Tariff Order	Actual
Regulated Equity at the beginning of the year	Rs. Crore	439.78	439.78
Capitalized Expenditure (Total Capitalization)	Rs. Crore	272.14	249.18
Equity portion of capitalized Expenditure (30% of capital exp)	Rs. Crore	81.64	74.75
Regulated Equity at the end of the year	Rs. Crore	521.42	514.53
Return on Regulated Equity at the beginning of the year (@14%)	Rs. Crore	61.57	61.57

A.3.15. Income Tax

In case of RInfra-G, DTSP plant is eligible for section 80 IA benefit under Income Tax Act 1961 up to FY09 and therefore the Income Tax payable during FY08 is at applicable Minimum Alternate Tax (MAT) Rate. During FY08, Income Tax payable at MAT rate (@11.33%) is Rs. 11.97 Crore.

A.3.16. Truing Up Summary for FY08

The following table details the truing up summary of ARR and Revenue for FY08, reflecting a surplus of Rs. 15.71 Crore.

Table: ES 9 –Truing Summary of RInfra-G during FY08

S. No.	Particulars	FY08		
		Approved	Actual	Deviation
A	Expenditure			
1	Fuel Related Expenses [€]	580.92	577.46	
2	Operation & Maintenance Expenses	Error! Reference source not found.	77.51	-3.46
2.1	Employee Expenses			
2.2	Administration & General Expenses			
2.3	Repair & Maintenance Expenses			
3	Depreciation, including advance against depreciation	44.03	44.03	0
4	Interest on Long-term Loan Capital	4.80	4.40	0.04
5	Interest on Working Capital	7.72	6.00	1.72
6	Other Expenses	0.00	0.00	0.00
7	Income Tax	8.39	11.97	-3.58
	Total Expenditure	715.81	721.36	
B	Return on Equity	61.57	61.57	
	Add: Incentive for Higher PLF	0	21.68	
	Add: 2/3rd of Efficiency gain(due to controllable factors) <i>to be retained by RInfra-G</i>	0	54.01	
	Total of RoE + Gains + Incentive	61.57	137.26	
	Revenue			
C	Revenue from sale of electricity	771.21	870.45	
1	Other Income	6.17	3.88	
2	Total Revenue	777.38	874.33	
D	Revenue Gap Surplus = (C) - [(A) + (B)]	0.00	15.71	

The surplus revenue of Rs. 15.71 Crore is considered in estimation of ARR and tariff for FY10.

A.4. Annual Performance Review (APR) for FY09

The Commission vide its Order dated April 21, 2008 has also determined the tariff for RInfra-G for FY09. The current application/petition is being filed with MERC towards mid-year review and partial truing up of FY09, to arrive at estimated gap/surplus in revenue for consideration in determination of tariff for FY10.

A.4.1. Estimated Operating Performance of RInfra-G

The following table summarizes the estimated performance of DTGS (RInfra-G) during FY09.

Table: ES 10 – Operational Performance of RInfra-G during FY09

	UoM	Estimate	Norm
Availability	%	94.49	80.00
PLF	%	99.09	80.00
Heat Rate	kcal/ kWh	2308	2500
Auxiliary Power Consumption (Excluding FGD)	%	7.76	8.50
Auxiliary Power Consumption (Including FGD)	%	9.14	9.89
Secondary Oil Consumption	ml/kWh	0.084	2.000
Gross Generation	MU	4340.16	4128
Net Generation	MU	3943.29	3721

As seen from above, performance of DTGS in FY09, on all the controllable parameters (Heat Rate, APC, Secondary Oil Consumption), is expected to be better than norms/ targets specified..

A.4.2. Rate of Energy Charges and Total Fuel Related Expenses

Rate of Energy Charges (REC) have been considered at normative operating parameters, as per MERC Tariff Regulations for determination of Fuel Cost. The results are summarized in the following table

Table: ES 11 –Rate of Energy Charges & Total Fuel Related Cost during FY09

	UoM	MERC Order	Tariff	Total Estimate	FY08
Rate of Energy Charges	Rs./kWh	1.660		1.993	
Net Generation	MU	3721		3943.29	
Total Fuel related	Rs. Crore	619.02		785.79	

The total fuel related cost is projected to be higher on account of higher REC (higher fuel prices) and higher generation being projected compared to REC approved and generation considered by the Commission in its tariff Order dated April 21, 2008.

A.4.3. Fuel Adjustment Charges (FAC)

For FY09, the REC projected works out to Rs.1.993 per kWh at ex bus compared to Rs.1.660 per kWh approved by MERC. The projected FAC for FY09 thus works out to Rs. 0.333/ kWh or total FAC of Rs.131.20 Crore.

Table ES 12 – Fuel Adjustment Charges for RInfra-G during FY09

	UoM	
REC approved in Tariff Order	Rs./kWh	1.660
REC trued up	Rs./kWh	1.993
Ex-bus energy sold (<i>from Table 2.2</i>)	MU	3943.29
FAC	Rs./kWh	0.333
	Rs. Crore	131.20

The above projected FAC for FY09 is considered in the estimation of expected revenue of RInfra-G for FY09.

A.4.4. Capital Expenditure of RInfra-G during FY09

During FY09, RInfra-G propose to capitalize assets amounting to Rs. 38.24 Crore (including interest capitalized) as against Rs. 12.67 Crore approved in the MERC Tariff Order dated April 21, 2008. The deviation in capitalization is on account of spill over of capitalization of FGD plant and implementation of several non DPR schemes towards energy efficiency, ash pond, construction of roads around periphery for patrolling by security, PC based simulator for training of technical personnel, ash grinding unit for increased utilization of fly ash, construction of living spaces for personnel working on annual overhaul of the plant, up-gradation of turbine governing system for reliability improvement etc.

A.4.5. Debt-Equity ratio

The capital expenditure, discussed in the above section, has been financed from corporate treasury. Accordingly, for the purpose of APR of interest on loan and return on equity, a normative Debt: Equity ratio of 70:30 is considered as per Regulation 31 of the Tariff Regulations.

A.4.6. Loan Repayment Schedule

A normative loan repayment tenure of 10 years has been considered for loans drawn during FY 05 and FY06 and 20 years for loans drawn during FY 07 and thereafter

A.4.7. Operation and Maintenance (O&M) Expenses

The O&M expenditure represents the Cost component of Employee expenses, Administrative & General expenses and Repair & maintenance expenses.

The estimated O&M expenses for FY09 stands at Rs.92.13 Crore as against Rs. 78.38 Crore approved by the Commission. The reasons for deviation are already explained under section A.3.9 above. Apart from those mentioned in section A.3.9, there is loss on sale of obsolete asset, to the extent of Rs. 3.05 Crore. Also DTPS recruited 41 graduate engineers during H1FY09 to meet trained and skilled manpower requirement in medium and long term. Together with 32 additional professionals recruited during FY08, the total impact of increase in employee strength is estimated to be around Rs, 6.5 Crore for FY09. Similarly RInfra-G has incurred an amount of Rs. 2.89 Crore additional R&M expenses (over and above normal O&M expenses) during the overhaul of Unit 1 towards *first-time* replacement of baskets of Air Pre-Heater, Silencers of FD Fans and PA Fans, radiators of Generator Transformer, servicing of service transformer & Unit Auxiliary Transformers (UATs), servicing of 6.6 kV motors of coal mills.

A.4.8. Depreciation and AAD

The MERC has specified the Depreciation Schedule in the Tariff Regulations. The depreciation rate is determined as per the Regulation.

The results are summarized in the following table;

Table: ES 13 – Depreciation & AAD of RInfra-G during FY09

	UoM	MERC Tariff Order	Estimated
Total depreciation	Rs. Crore	48.38	24.11

The deviation is on account of many assets reaching depreciation of 90% of original cost of the asset, which will not be eligible for further depreciation as per MERC Tariff Regulations.

A.4.9. Interest on Loan Capital

RInfra-G has considered a normative Debt: Equity ratio of 70:30 for financing the capital expenditure projects (corresponding to capitalized assets only). The interest on the loan capital is computed @ 10% p.a for projects initiated during FY 05 and FY 06 and 8% p.a. for FY 07 and FY08.

It is submitted that the Commission has considered rate of interest at 8% p.a for determination of tariff for FY07 and for MYT control period (FY08-FY10) on the premise that erstwhile MSEB could borrow loan at 8% p.a. interest rate.

However, the economic scenario has undergone a change since then. The prevailing PLRs of various banks hover around 13.50% (p.a). In fact, Reliance Metro (one of the subsidiary of RInfra) has availed of finance from IDBI (lead bank in a consortium) for its on-going project at PLR minus 200 bps, which works out to 11.50%. The interest rate currently being allowed by the Commission at 8% for projects initiated in FY09 onwards, in the humble submission of RInfra-G, does not reflect the market reality. However as a support to the consumer and our gesture, we have recomputed the loan borrowing at 9% for FY09 and FY10, which is 3.5% lower than originally computed (at 12.50%), even when the supporting submitted to the Hon'ble Commission reflects that 12.50% (p.a) was a reasonable estimate.

The total interest payable during FY 09, is Rs. 15.04 Crore compared to Rs. 15.62 approved by the Commission.

A.4.10. Interest on Working Capital

The Commission, in its Order dated April 21, 2007, has calculated the interest on working capital at the prevailing PLR of State Bank of India (SBI-PLR), which was 12.75%. Accordingly, the interest on working capital, which works out to Rs.8.13 Crore compared to Rs. 8.13 Crore approved by the Commission.

A.4.11. Non-Tariff and Other Business Income

During FY09, RInfra-G us projected to accrue an a mount of Rs.6.25 Crore as Non Tariff income, as compared to Rs.6.17 Crore provided by the Commission in its Order dated April 21 , 2008.

A.4.12. Return on Equity (RoE) for FY09

As per MERC Tariff Regulations, Return on Equity (RoE) is computed @ 14% on the Regulatory Equity at the beginning of the year. Accordingly, the return on equity is Rs. 72.03 Crore compared to Rs. 73.00 approved by the Commission.

A.4.13. Income Tax

In case of RInfra-G, DTSPS plant is eligible for section 80 IA benefit under Income Tax Act 1961 and the Income Tax payable is at applicable Minimum Alternate Tax (MAT) Rate. During FY09, the Income Tax payable at MAT rate (@11.33%) is Rs. 12.17 Crore.

A.4.14. Summary of revised ARR for FY09

The following table details the truing up summary of ARR and Revenue for FY09,.

Table: ES 14 –APR of RInfra-G for FY09

S. No.	Particulars	FY09		
		Approved	Estimated (Normative)	Deviation
A	Expenditure			
1	Fuel Related Expenses [€]	619.09	785.79	-166.70
2	Operation & Maintenance Expenses	78.38	92.13	-13.75
2.1	Employee Expenses			
2.2	Administration & General Expenses			
2.3	Repair & Maintenance Expenses			
3	Depreciation, including advance against depreciation	48.38	24.11	24.27
4	Interest on Long-term Loan Capital	15.62	15.04	0.58
5	Interest on Working Capital	8.13	8.13	0.00
6	Other Expenses	0.00	0.00	0.00
7	Income Tax	10.84	12.17	-1.33
	Total Expenditure	780.44	937.37	-156.93
B	Return on Equity	73.00	72.03	0.96
C	Revenue			
1	Revenue from sale of electricity	847.27	967.58	
2	Other Income	6.17	6.25	0.08
	Total Revenue	853.44	973.83	
D	Revenue Gap = (C) - [(A) + (B)]	0.00	-35.57	

As seen from table above, RInfra-G is estimated to have a revenue gap of Rs. 35.57 Crore in FY09. RInfra-G has considered this gap of FY09 in the determination of tariff for FY10.

A.5. Aggregate Revenue Requirement (ARR) for FY10

A.5.1. Key Assumptions in estimation of revised ARR for FY10

The ARR of FY10 is revised as per MERC Tariff Regulations based on following key assumptions:

- Plant availability and PLF are considered same as those for FY09.
- APC of FGD plant is considered at same level as in FY09.
- Average prices of primary fuels (washed coal, raw coal and imported coal) of FY09 are considered for FY10
- The average price of secondary oil (LDO) of FY08 is considered for FY10, keeping in current economic trend.
- Rate of Energy Charges is estimated as per norms and procedure specified in Regulation 35 of MERC tariff Regulations.
- O&M expenses are estimated with 6% (based on historic and recent movement in Consumer price Index- CPI and Wholesale Price Index- WPI) increase over FY09 expenses (excluding O&M expenses for FGD plant). Additionally, Rs. 10.00 Crore is considered for O&M of FGD plant.
- Rate of interest for normative loan capital is considered at 9.00% p.a
- Interest on Working Capital is estimated as MERC Tariff Regulations and prevailing SBI PLR of 13% p.a.
- Commencing from FY10, the benefit of Section 80 IA will not be available to DTSPS. Accordingly Income Tax liability is computed at corporate tax rate of 33.99% and income tax is estimated as per procedure elaborated by MERC in its previous tariff Orders.
- The surplus/ gap from FY08 and FY09 is considered in ARR of FY10.

RInfra-G submits its ARR summary for FY10 in the following table;

Table: ES 15– Revised Estimate of ARR of RInfra-G for FY10

S. No.	Particulars	FY10 (figures in Crores)		
		Approved	Estimated (Normative)	Deviation
1	Fuel Related Expenses	581.37	772.36	-190.99
2	Operation & Maintenance Expenses	83.66	104.48	-20.82
2.1	Employee Expenses			
2.2	Administration & General Expenses			
2.3	Repair & Maintenance Expenses			
3	Depreciation, including advance against depreciation	56.15	14.52	41.63
4	Interest on Long-term Loan Capital	15.85	17.25	-1.40
5	Interest on Working Capital	4.55	8.26	-3.71
6	Other Expenses	0.00	0.00	0.00
7	Income Tax	8.60	33.27	24.67
8	Total Expenditure	750.18	950.13	-199.96
9	Add: Return on Equity	73.28	73.64	- 0.36
10	Less: Other Income	6.17	6.25	0.08
11	Less: Surplus from FY08 Truing up		(15.71)	
12	Add: Gap from FY09 APR		35.57	
13	Aggregate Revenue Requirement	817.29	1037.39	-220.10

A.5.2. Tariff Proposal of RInfra-G for FY10

As per MERC tariff Regulations, tariff for generating company contains two parts; Fixed Charges and Rate of Energy Charges (REC). Accordingly, ARR of FY10, is segregated into Fixed charges and Rate of Energy Charges. The details are presented below

Table: ES 16– Tariff Proposal of RInfra-G during FY10

	UoM	FY10
Total Fixed Charges for FY10	Rs. Crore	265.03
Rate of Energy Charges	Rs./kWh	1.975

RInfra-G respectfully request that the Commission may pleased be approve the above tariff for FY10.

A.6. Prayer

In view of the above facts and circumstances, RInfra prays to MERC that it may be pleased to:

- a. Admit the APR Application/petition as submitted herewith.
- b. Approve the Annual Revenue Requirement for FY08
- c. Approve revised estimates of ARR for FY09 and FY10 for purpose of determination of tariff for FY10.
- d. Allow additions/alterations/changes/modifications to the application at a future date.
- e. Allow any Other Relief, order or direction, which the Honorable Commission deems fit to be issued.
- f. Condone any inadvertent Omissions / errors / rounding off difference / shortcomings