

PUBLIC NOTICE

Suggestions and objections on Reliance Infrastructure Ltd.-Generation Business's (RInfra-G) Petition for Annual Performance Review (APR) of FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of Tariff for FY 2009-10. (Case No. 120 of 2008)

- The Reliance Infrastructure Limited's Generation Business (RInfra-G) 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 Tariff 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 RInfra-G 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.
- The salient features of the Petition are provided below:

Table 1: Aggregate Revenue Requirement of RInfra-G (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	Estimated	MERC MYT Order	Projections
1	Fuel Related Expenses	580.92	577.46	619.09	785.79	581.37	772.36
2	Operation and maintenance Expenses	69.95	77.51	78.38	92.13	83.66	104.48
2.1	Employee Expenses		29.94				
2.2	Administration and General Expenses		16.49				
2.3	Repair and Maintenance Expenses		31.08				
3	Depreciation, including advance against depreciation	44.03	44.03	48.38	24.11	56.15	14.52
4	Interest on Long-term Loan Capital	4.80	4.40	15.62	15.04	15.85	17.25
5	Interest on Working Capital	7.72	6.00	8.13	8.13	4.55	8.26
6	Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00
7	Income tax	8.39	11.97	10.84	12.17	8.60	33.27
8	Adjustment for profit/ loss on account of controllable/ uncontrollable factors	0.00	54.01	0.00	0.00	0.00	0.00
9	Total Revenue Expenditure	715.81	775.37	780.44	937.37	750.18	950.13
10	Add: Return on Equity Capital	61.57	61.57	73.00	72.03	73.28	73.64
11	Add: Incentive for higher PLF	0.00	21.68	0.00	0.00	0.00	0.00
9	Less: Non Tariff Income	6.17	3.88	6.17	6.25	6.17	6.25
10	Less: Surplus from FY08 truing up						15.71
11	Add: Gap from FY09 APR						35.57
12	Aggregate Revenue Requirement	771.21	854.74	847.27	1003.15	817.29	1037.39

Table 2: Truing up for FY 2007-08 and Provisional Truing up for FY 2008-09 (Rs. Crore)

Sl.	Particulars	Previous Year FY 2007-08				
		Approved	Actual	Deviation	Controllable	Uncontrollable
A	Expenditure					
1	Fuel Related Expenses	580.92	577.46		81.02	0.00
2	Operation & Maintenance Expenses	69.95	77.51	-7.56	0	-7.56
2.1	Employee Expenses		29.94			
2.2	Administration & General Expenses		16.49			
2.3	Repair & Maintenance Expenses		31.08			
3	Depreciation, including advance against depreciation	44.03	44.03	0.00	0	0.00
4	Interest on Long-term Loan Capital	4.80	4.40	0.40	0	0.40
5	Interest on Working Capital	7.72	6.00	1.72	0.00	1.72
6	Other Expenses	0	0.00	0.00	0.00	0.00
7	Income Tax	8.39	11.97	-3.58	0	-3.58
	Total Expenditure	715.81	721.36		81.02	-9.01
	Return on Equity	61.57	61.57			
	Add: Incentive for Higher PLF	0	21.68			
B	Add: 2/3rd of Efficiency gain (due to controllable factors) to be retained by RInfra-G	0	54.01			
	Total of RoE+Gains+Incentive Revenue	61.57	137.26			
C	Revenue					
1	Revenue from sale of electricity	771.21	870.45			
2	Other Income	6.17	3.88			
	Total Revenue	777.38	874.33			
D	Revenue Gap = (C) - [(A) + (B)]	0.00	15.71			

(Rs. Crore)

Sl.	Particulars	Current Year (FY 2008-09)				
		Approved	Estimated (Normative)	Deviation	Controllable	Uncontrollable
A	Expenditure					
1	Fuel Related Expenses	619.09	785.79	-166.70	0.00	-166.70
2	Operation & Maintenance Expenses	78.38	92.13	-13.75	0	-13.75
2.1	Employee Expenses		0.00	0.00	0	0.00
2.2	Administration & General Expenses		0.00	0.00	0	0.00
2.3	Repair & Maintenance Expenses		0.00	0.00	0	0.00
3	Depreciation, including advance against depreciation	48.38	24.11	24.27	0	24.27
4	Interest on Long-term Loan Capital	15.62	15.04	0.58	0	0.58
5	Interest on Working Capital	8.13	8.13	0.00	0.00	0.00
6	Other Expenses	0.00	0.00	0.00	0.00	0.00
7	Income Tax	10.84	12.17	-1.33	0	-1.33
	Total Expenditure	780.44	937.37	-156.93	0.00	-156.93
	Return on Equity	73.00	72.03	0.96		0.96
B	Revenue					
1	Revenue from sale of electricity	847.27	967.58			
2	Other Income	6.17	6.25	-0.08		-0.08
	Total Revenue	853.44	973.83			
D	Revenue Gap = (C) - [(A) + (B)]	0.00	-35.57			

(Rs. Crore)

Table 3.1: Trajectory of Operational Parameters (Availability and Plant Load Factor)

Station	Availability (%)			PLF (%)		
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2007-08	FY 2008-09	FY 2009-10
	Actual	Estimated	Projected	Actual	Estimated	Projected
DTPS	96.70	94.59	94.59	101.53	99.09	99.09

€: Unit # 1 of DTPS underwent over-haul in November 2008 • £: Projection based on FY 09 performance and may change in actual.

Table 3.2: Trajectory of Operational Parameters (Station Heat Rate and Auxiliary Consumption)

Station	Station Heat Rate (kcal/kWh)			Auxiliary Consumption (%)		
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2007-08	FY 2008-09	FY 2009-10
	Actual	Estimated	Projected	Actual	Estimated	Projected
DTPS	2279	2307.87	2500	7.67a (excl FGD plant)	7.76 (excl FGD plant)	8.50 (excl FGD plant)

¥: MERC norm of 2500 kcal/kWh considered for purpose of tariff determination.
 ¤: MERC norm is 8.5% without FGD plant. • £: MERC norm of 8.5% considered for tariff determination

Table 3.3: Trajectory of Operational Parameters (Secondary Fuel Consumption and Transit Loss)

Station	Secondary Fuel Consumption (ml/kWh)			Transit Loss (%)		
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2007-08	FY 2008-09	FY 2009-10
	Actual	Estimated	Projected	Actual	Estimated	Projected
DTPS	0.127	0.084	2.000	Washed coal: 1.50 Raw coal: 0.00 Imported coal: 0.35	Washed coal: 1.99 Raw coal: 3.78 Imported coal: 0.34	Washed coal: 1.99 Raw coal: 3.78 Imported coal: 0.34

Table 4: Fixed Cost and Variable Cost of Generation

Station	FY 2007-08						FY 2008-09					
	MERC APR Order			Audited			MERC APR Order			Estimated		
	FC	VC	T	FC	VC	T	FC	VC	T	FC	VC	T
DTPS	190.29	0.509	1.552	2.061	2.061	2.061	1.618	2.228	1.618	1.618	1.618	2.548

Station	FY 2007-08*					
	MERC MYT Order			Projected		
	FC	VC	T	FC	VC	T
DTPS	236.16	0.635	1.562	2.197	2.650	2.652

Legend: FC - Fixed Cost, VC - Variable Cost of Generation at Bus Bar, T - Total Cost of Generation
 * Includes Rs. 21.68 Crores PLF Incentive

Table 5: Net Generation (MU)

Station	FY 2007-08		FY 2008-09		FY 2009-10
	MERC APR Order	Actual	MERC APR Order	Estimated	Projected
DTPS	3742	4089.09	3721	3943.29	3911.06

Table 6: RInfra-G's Capital expenditure plan (Rs. Crore)

Sl.	Name of Project	Expenditure incurred till FY 2007-08 end	Capitalisation till FY 2007-08 end	Expenditure Planned and Capitalisation Projected			
				FY 2008-09		FY 2009-10	
				Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects	171.84	242.14	6.82	13.39	19.88	23.47
2	New Projects	8.79	7.04	27.05	24.85	37.55	39.77
	Total	180.63	249.18	33.87	38.24	57.43	63.24

- Copies of the following documents can be obtained on written request from the offices of RInfra-G mentioned below:
 - Executive Summary of the Petition (free of cost, in Marathi or English).
 - Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by DD/ Cheque/ Cash drawn on

"Reliance Infrastructure Limited".

- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office

Office	Address	Tele / Fax No.
Registered & Head Office	Reliance Energy Center, Santa Cruz (East), Mumbai- 400 055	Tel:+91-22-3009 9999 Fax:+91-22-3009 9775
North Division	369 D, Jn of Shanker Lane & S V Road, Kandivali (W), Mumbai- 400 067	Tel:+91-22-3009 6999 Fax:+91-22-3009 4580
Central Division	Western Expressway, Opp: Patel Aluminium, Dindoshi, Goregaon (E), Mumbai- 400 097	Tel:+91-22-3009 6999 Fax:+91-22-3009 4844
South Central Division	E-4, MIDC, Andheri (E), Mumbai- 400 093	Tel:+91-22-3009 6999 Fax:+91-22-3009 4200
South Division	RNA Corporate Park, Old Kala Mandir, Near Collector's Office, Bandra (E), Mumbai- 400 051	Tel:+91-22-3009 6999 Fax:+91-22-3009 6263
East Division	Near Sahakar Cinema, Tilak Nagar, Road No.3,Chembur, Mumbai- 400 089	Tel:+91-22-3009 6999 Fax:+91-22-3009 2022

- The Commission has directed RInfra-G 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: 221 63976 E-Mail: mercindia@mercindia.org.in] by **Thursday, March 19, 2009**, along with proof of service on Shri. Ramesh Shenoy, Company Secretary, Reliance Infrastructure Limited.
- 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 and 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 **Rangsharda Natya Mandir, Bandra Reclamation, Bandra (W), Mumbai 400050 on Thursday, March 26, 2009 at 11.00 hours**, for which no separate notice will be given.
- RInfra-G shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than **Monday, March 23, 2009** for all the suggestions and objections received till **Thursday, 19, 2009**. Stakeholders can submit their rejoinders on replies provided by RInfra-G either during the public hearing or latest by **Thursday, April 2, 2009**.
- The detailed Petition document and the summary are available on RInfra-G's website www.rinfra.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).

Suggestions and objections on Reliance Infrastructure Limited - Transmission Business (RInfra-T) Petition for 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 (Case No. 119 of 2008)

- The Reliance Infrastructure Limited - Transmission Business (RInfra-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 MERC under the Electricity Act, 2003. The Commission has admitted the Petition on February 20, 2009, and directed RInfra-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.
- The salient features of the Petition are provided below:

Table 1: Aggregate Revenue Requirement of RInfra-T (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 & Maintenance Expenses	12.09	12.35	12.80	13.70	11.97	15.05
1.1	Employee Expenses	7.33	7.32	7.78	8.07	6.69	9.08
1.2	Administration & General Expenses	2.27	2.35	2.39	2.39	2.52	2.53
1.3	Repair & Maintenance Expenses	2.49	2.68	2.62	3.24	2.76	3.43
2	Depreciation, including advance against depreciation	7.36	8.12	7.66	8.26	8.13	11.90
3	Interest on Long-term Loan Capital	0.70	0.76	2.31	3.96	1.68	23.16
4	Interest on Working Capital and on consumer security deposits	0.73	0.76	0.84	1.27	0.75	1.31
5	Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00
6	Income Tax	10.05	10.47	7.88	10.32	4.53	8.80
7	Contribution to contingency reserves	1.49	1.49	0.76	0.76	1.58	1.01
8	Adjustment for profit/loss on account controllable/uncontrollable factors						
9	Total Revenue Expenditure	32.42	33.95	32.26	38.26	28.64	61.23
10	Return on Equity Capital	18.42	18.41	20.81	20.68	19.27	34.10
11	Aggregate Revenue Requirement	50.85	52.36	53.06	58.94	47.91	95.33
12	Less: Income from Other Business	0.12	0.12	0.19	0.17	3.61	0.25
13	Less: Revenue from Other Business						
14	Net ARR	50.72	52.24	52.87	58.77	44.30	95.08
	Add:						
15	Incentive for higher availability during FY 07			0.45	0.45		
16	Incentive for higher availability during FY 08						0.77
17	Revenue Gap of FY 07			5.71	5.71	</	

Table 5: Revenue

The Revenue earned by RInfra-T 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
	Revenue from Transmission Tariff	41.73	41.73	68.02	63.51

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

Sl.	Particulars	Amount (Rs./Crore)
1	Aggregate Revenue Requirement	95.33
2	Less: Non Tariff Income	0.25
3	Less: Income from Other Business	
	Net ARR	95.08
	Add:	
	Incentive for higher availability during FY 08	0.77
	Revenue Gap of FY 09	
	(includes revenue gap of FY 08, over and above the provisional gap allowed during FY 09)	11.93
	Aggregate Revenue Requirement from Transmission Tariff	107.77

3. Copies of the following documents can be obtained on written request from the offices of RInfra-T 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. 150/- by DD/ Cheque/ Cash drawn on "Reliance Infrastructure Limited" payable at Mumbai.
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Tele / Fax No.
Office Registered & Head Office	Address Reliance Energy Centre, Santa Cruz (East), Mumbai- 400 055	Tele / Fax No. Tel:+91-22-3009 9999 Fax:+91-22-3009 9775
North Division	369 D, Jn of Shanker Lane & S V Road, Kandivali (W), Mumbai- 400 067	Tel:+91-22-3009 6999 Fax:+91-22-3009 4580
Central Division	Western Expressway, Opp: Patel Aluminium, Dindoshi, Goregaon (E), Mumbai- 400 097	Tel:+91-22-3009 6999 Fax:+91-22-3009 4844
South Central Division	E-4, MIDC, Andheri (E), Mumbai- 400 093	Tel:+91-22-3009 6999 Fax:+91-22-3009 4200
South Division	RNA Corporate Park, Old Kala Mandir, Near Collector's Office, Bandra (E), Mumbai- 400 051	Tel:+91-22-3009 6999 Fax:+91-22-3009 6263
East Division	Near Sahakar Cinema, Tilak Nagar, Road No.3,Chembur, Mumbai- 400 089	Tel:+91-22-3009 6999 Fax:+91-22-3009 2022

- The Commission has directed RInfra-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 Thursday, March 19, 2009, along with proof of service on Shri Ramesh Shenoy, Company Secretary, Reliance Energy Centre, Santa Cruz (East), Mumbai - 400055, RInfra-T.
- 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 objection is being filed on behalf of any organization of category or 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 Rangsharda Natya Mandir, Bandra Reclamation, Bandra (W), Mumbai 400050 on Thursday, March 26, 2009 at 11.00 hours, for which no separate notice will be given.
- RInfra-T shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than Monday, March 23, 2009 for all the suggestions and objections received till Thursday, March 19, 2009. Stakeholders can submit their rejoinders on replies provided by RInfra-T either during the public hearing or latest by Thursday, April 2, 2009.
- The detailed Petition document and the Executive Summary are available on RInfra-T's website www.rinfra.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).

Suggestions and Objections on RInfra-Distribution Business (RInfra-D) Annual Performance Review (APR) Petition for FY 2008-09 under MYT framework, truing up for FY 2007-08 and determination of ARR and tariff for FY 2009-10 (Case No. 121 of 2008)

- The Reliance Infrastructure Limited's Distribution Business (RInfra-D) 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 ARR and tariff 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 RInfra-D to publish a Public Notice under Section 64(2) of the Act.
- The salient features of the Petition are provided below:

Table 1: Aggregate Revenue Requirement of RInfra-Distribution (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	Power Purchase Expenses						
1.1	From RInfra-G	800.45	870.44	815.09	967.69		1,038.15
1.2	From TPC-G	1743.22	1835.03	1132.60	1,373.46		1,119.06
1.3	From RPS	0.00	0.78	173.60	22.32		54.75
1.4	From Bilateral Sources/Traders	241.85	255.71	1495.42	1,683.44		2,039.23
1.5	From Imbalance Pool	81.22	45.72	0.00	701.41		-
1.6	Reduction of Cost (DSM)	-4.71	-	-16.01			
2	Standby Charges Payable	220.21	220.21	222.40	222.40	20.21	222.35
3	Transmission Charges Payable	189.55	189.55	221.63	221.63	189.55	260.81
4	MSLDC Charges	1.56	1.56	1.60	1.52	1.56	
5	Operation & Maintenance Expenses	483.32	515.71	517.35	545.79		578.53
5.1	Employee Expenses	246.29	273.09	265.51	293.28	213.75	310.87
5.2	Administration & General Expenses	99.36	107.43	106.84	111.64	101.04	118.34
5.3	Repair & Maintenance Expenses	137.67	135.19	145.00	140.87	160.30	149.32
6	Depreciation, including advance against depreciation	69.48	70.08	72.31	77.53	81.64	87.72
7	Interest & other Finance Charges						
7.1	Interest on Long-term loan capital	64.79	64.48	77.73	82.41		102.42
7.2	Interest on Working Capital and on consumer security deposits	39.63	39.53	37.85	47.08		67.65
7.3	Other Finance Charges	-	-	-	-	-	-
8	Provision for Bad debts	7.17	7.15	7.17	5.00	7.17	5.50
9	Income Tax	90.44	97.45	98.73	106.17		117.18
10	DSM Budget	-	-	13.61			
11	Contribution to contingency reserves	11.74	11.74	6.47	12.97	11.67	14.78
12	Total Revenue Expenditure	4039.91	4225.13	4877.48	6,070.82		5,709.66
13	Return on Equity Capital	174.35	174.81	189.84	190.68	164.29	212.61
14	Aggregate Revenue Requirement	4214.26	4399.94	5067.32	6,261.49		5,922.27
15	Less: Non Tariff Income	59.03	71.22	59.05	120.66	51.81	77.90
16	Less: Income from other Business	-	-	-	-	-	-
17	Less: Income from Wheeling	-	-	-	-	-	-
18	Aggregate Revenue Requirement from Retail Tariff	4155.23	4328.72	5008.27	6,140.83		5,844.36

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

(Rs. Crore)

S.No.	Particulars	Year: Previous Year FY 07 - 08		Deviation
		Approved	Actual	
1	Power Purchase Expenses	3,083.80	3,229.45	145.65
2	Operation & Maintenance Expenses	483.32	515.71	32.39
2.1	Employee Expenses	246.29	273.09	26.80
2.2	Administration & General Expenses	99.36	107.43	8.07
2.3	Repair & Maintenance Expenses	137.67	135.19	(2.48)
3	Depreciation, including advance against depreciation	69.48	70.08	0.60
4	Interest on Long-term Loan Capital	64.79	64.48	(0.31)
5	Interest on Working Capital and on consumer security deposits	39.63	39.53	(0.10)
6	Bad Debts Written off	7.17	7.15	(0.02)
7	Other Expenses	-	-	-
8	Income Tax	90.44	97.45	7.01
9	Transmission Charges paid to Transmission Licensee	189.55	189.55	-
10	Contribution to contingency reserves	11.74	11.74	-
	Total Expenditure	4,039.92	4,225.13	185.21
B	Return on Equity	174.35	174.81	0.46
C	Revenue			
1	Revenue from sale of electricity	4,190.09	4,116.67	(73.42)
2	Other Income	59.03	71.22	12.19
D	Gap	(35)	212	247

(Rs. Crore)

S.No.	Particulars	Year: Current Year FY 08 - 09		Deviation
		Approved	Actual	
1	Power Purchase Expenses	3,838.23	4,972.23	1,134.00
2	Operation & Maintenance Expenses	517.35	545.79	28.44
2.1	Employee Expenses	265.51	293.28	27.77
2.2	Administration & General Expenses	106.84	111.64	4.80
2.3	Repair & Maintenance Expenses	145.00	140.87	(4.13)
3	Depreciation, including advance against depreciation	72.31	77.53	5.22
4	Interest on Long-term Loan Capital	77.74	82.41	4.67
5	Interest on Working Capital and on consumer security deposits	37.85	47.08	9.23
6	Bad Debts Written off	7.17	5.00	(2.17)
7	Other Expenses (pls prepare details)	-	-	-
8	Income Tax	98.73	106.17	7.44
9	Transmission Charges paid to Transmission Licensee	221.63	221.63	-
10	Contribution to contingency reserves	6.47	12.97	6.50
	Total Expenditure	4,877.48	6,070.82	1,193.34
B	Return on Equity	189.84	190.68	0.84
C	Revenue			
1	Revenue from sale of electricity	4,932.15	5,270.58	338.43
2	Other Income	59.05	120.66	61.61
D	Gap	76	870	794

Table 3: Category-wise Sales (MU)

Sl.	Consumer Category	Previous Year (FY 2007-08)		Current Year (FY 2008-09)		Ensuing Year (FY 2009-10)	CAGR or Basis used for Projections for FY 2009-10
		MERC MYT Order	Actual	MERC APR Order	Revised Estimate	Projections	
LOW TENSION CATEGORIES							
1	Below Poverty Line	29	2	2.25	2	2	No change
2	Residential	4018	4071	4414	4273	4485	3 yr. CAGR basis
3	Commercial	1294	1369	1371	2163	2238	Based on Annual growth for last 2 years
4	LT-3 (Industry upto 20kW)	325	177	193	160	165	3yr. CAGR basis
5	LT-4 (Industry above 20 kW)	1093	1178	1345	497	514	Based on Annual growth for last 2 years
6	LT-5 (Agriculture)	0.01	0.01	0.01	0.01	0.01	No change
7	LT-6 (Streetlights)	57	53	52	53	53	No change
8	LT-7 (Temporary)	81	93	95	98	100	3yr CAGR basis
9	LT-8 (Advt. & Hoardings)	0.52	3	3	4	4	No change
HIGH TENSION CATEGORIES							
1	HT Housing	37	33	37	33	34	No change
2	HT-II (Industrial)	774	825	832	304	311	3 yr CAGR basis
3	HT-III (Commercial)				539	551	

Table 4: Energy Balance

	Unit	FY2007-08 (Actual)	FY2008-09 (Revised Estimate)	FY2009-10 (Projected)
Net Sales	MU	7807	8126	8457
Distribution Loss %	%	11.10%	10.25%	10.25%
Energy Input Requirement at <T><D> Interface	MU	8782	9054	9423
Transmission Loss %	%	4.61%	4.83%	4.85%
Power Purchase Required	MU	9207	9513	9903

Table 5: Trajectory of Operational Parameters

Sl. No	Particulars	Distribution Losses (%)			Collection Efficiency (%)		
		FY 2007-08 Actual	FY 2008-09 Revised Estimate	FY 2009-10 Projected	FY 2007-08 Actual	FY 2008-09 Revised Estimate	FY 2009-10 Projected
1	RInfra-D	11.10%	10.25%	10.25%	97%	95%	99%

Table 6: RInfra-D's Capital Expenditure Plan (Rs. Crore)

Sl.	Name of Project	Expenditure incurred till FY 2007 -08 end	Expenditure Planned and Capitalisation Projected			
			FY 2008-09		FY 2009-10	
			Expenditure	Capitalisation	Expenditure	Capitalisation
	Total	491.87	521.15	375.69	740.25	538.05

Table 7: Aggregate Revenue Gap of RInfra Distribution for FY 2008-09 and FY 2009-10

(Rs. Crore)

Sl.	Particulars	FY 2008-09	FY 2009-10
1	Aggregate Revenue Requirement from Retail Tariff	6140.83	5844.36
2	Revenue from Existing tariff	5270.58	5938.77
3	Revenue gap	870.25	(94.41)
4	True up amount for FY 2007-08 (after considering gains and losses due to controllable/ uncontrollable factors)		212.06
5	Carrying cost on (4) for 2 years		25.00
6	MERC Order dated April 24, 2007		138.00
7	Carrying Cost on (6) for 3 years		25.00
8	MERC Order dated June 4, 2008		178.00
9	Carrying Cost on Rs. 365 crore for 1 year		22.00
10	Net Revenue requirement		1375.90

8. Recovery of Revenue Gap in FY 2009-10

(Rs. Crore)

FY 10 (Tariff hike proposed)		
Total Revenue Gap for FY 10		1,376
Average Tariff rise required		23%
Tariff Hike proposed		5%
Revenue gap recovered from proposed tariff hike		297
Adjusted towards carrying cost		72
Balance towards Gap		225
Balance Revenue Gap to be carried forward for FY 11 & FY 12		1,079

9. Tariff Proposal of RInfra-D

Proposed Tariff Philosophy:

- Equitable allocation of TPC-G capacity
- To reduce the cross-subsidy between the categories of consumers.
- Achieving a near parity in tariff for subsidizing categories to the extent possible in comparison with other Distribution Licensees in trying to create a fair competitive environment.
- Minimize the impact of tariff on the subsidized consumers in the Residential category

New Tariff Category Proposed:

In last Tariff Order, MERC created additional category for HT consumer i.e. HT Commercial. Since there were only three categories namely HT-I, HT-II and HT-III, all HT consumers who are taking supply for purpose other than Residential and Industrial purpose were covered under HT Commercial category.

The consumers covered under this category who are "Non Commercial" in nature objected to such nomenclature and categorization. Further, MERC in its aforesaid Order opined that the nomenclature of categories will be such that it ensures consistency with other licensees. Moreover, in view of TPC's status as Distribution Licensee in the area served by RInfra-D, it is imperative to have a uniform categorization and nomenclature for all categories of Consumers. Thus, RInfra proposes to introduce new sub category in HT as "HT - Public and Government."

RInfra-D proposes the following types of services to be included under this category:

- Airport terminals
- BEST terminals
- BMC Offices
- Central and State Government Offices, including State Govt. owned dairy farms and poultry farms

RInfra-D's tariff proposal includes the projected number of consumers, load and sales for consumers under this proposed category and the revenue computations at proposed tariffs include the impact of this category as well. The said consumers and sales are shifted from HT-Industries (6 consumers and 24 MU) and from HT-Commercial (54 consumers and 201 MU).

- At present, hospitals run by charitable trusts are being billed under LT-I (if seeking supply at LT voltage) or HT-II Commercial (if seeking supply at HT voltage). In this Tariff proposal, RInfra-D proposes to bring parity among such hospitals at LT and HT voltages and has therefore, proposed categorization of such charitable hospitals at HT voltage in the category HT-III Housing. The effect of the same is built in the revenue at proposed tariffs. The said consumers and sales are shifted from HT-Commercial (8 consumers and 41 MU).vv

Tariff Proposal

	Reliability Charges*		Energy Charges	Fixed Charges	Energy Charges	Fixed Charges
--	----------------------	--	----------------	---------------	----------------	---------------

Sub Total	-1%
LT III (below 20 kW load)	30%
LT IV (above 20 kW load)	-8%
LT VI (Street Light)	35%
LT VII (Temporary)	30%
LT VIII (Advt & Hoardings)	30%
HT I (Housing)	9%
HT II (Industrial)	1%
HT III (Commercial)	-11%
Total	5%

Wheeling Charges & Wheeling Losses

Wheeling charges have been determined using the methodology of the Commission, which is as below. This is in conformance with the method approved by the Commission; The ARR of wires business is allocated in the ratio of HT and LT Asset base. The asset base of wires business alone has been considered for this purpose. The HT assets and, consequently, related expenses shall be utilized by both HT and LT consumers, while the LT assets and consequently, the related expenses shall be utilized by LT consumers alone. Hence, the HT voltage costs arrived at using the asset ratio is apportioned between HT and LT consumers using contract demand/ sanctioned load (kW) as the basis.

Using this method, the proposed wheeling charges for FY 10 are shown in the table below:

Category	Wheeling Charges Rs./kVA/Month	Wheeling Charges Rs./kW/Month
(applicable on Demand contracted under open access)		
HT Category	42.98	50.53
LT Category	82.73	97.33

Losses for FY 10 applicable on wheeling transactions

The HT and LT losses applicable on wheeling transactions for FY 10 are as proposed below;

Losses applicable on HT wheeling:

(in MU)	FY 10	
22-33 kV cable up to Transformer	0.53%	50.22
Power Transformer 22-33 kV/11kV up to 11kV panel	0.36%	34.36
11kV cable feeder up to DT	0.64%	60.67
HT Capacitors		
Total upto DT (excluding DT)	1.54%	145.25
Input Energy at T<>D Interface		9423
HT Loss		1.54%

Losses applicable on LT wheeling:

(in MU)	FY 10	
Input Energy at T<>D Interface		9,423
HT Loss		145
HT Sale		896
Balance Input Energy for LT Sale		8,382
Sales to LT		7,562
LT Loss		820
LT Loss in %		9.79%

10. Cross-subsidy Reduction for FY 2009-10

Category	Projected Average Cost of Supply for FY 2009-10 (Rs/kWh)	Average Billing Rate (Rs/kWh) Existing Tariff	Average Billing Rate (Rs/kWh) Revised Tariff	Ratio of Average Billing Rate to Projected Average Cost of Supply (%) Existing Tariff	Ratio of Average Billing Rate to Projected Average Cost of Supply (%) Revised Tariff	% increase / decrease in Tariff w.r.t Avg. CoS	% increase in tariff (%)
	(A)	(B)	(C)	(D) = (B) / (A)	(E) = (C) / (A)	(F) = (E) - (D)	G) = (C) / (B) - 1
LT Category							
LT I (Residential)	7.43	4.91	5.73	66%	77%	11%	17%
LT II (Commercial)	7.43	9.88	9.79	133%	132%	-1%	-1%
LT III (below 20 kW load)	7.43	7.70	10.00	104%	135%	31%	30%
LT IV (above 20 kW load)	7.43	7.83	7.17	105%	97%	-9%	-8%
LT VI (Street Light)	7.43	8.80	11.85	118%	160%	41%	35%
LT VII (Temporary)	7.43	14.49	18.89	195%	254%	59%	30%
LT VIII (Advt & Hoardings)	7.43	17.84	23.14	240%	311%	71%	30%
HT Housing	7.43	5.41	5.92	73%	80%	7%	9%
HT Industrial	7.43	7.93	8.04	107%	108%	2%	1%
HT Commercial	7.43	10.39	9.21	140%	124%	-16%	-11%
Total	7.43	7.08	7.43	95%	100%	5%	5%

11. Copies of the following documents can be obtained on written request from the offices of Rlnfra 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. 150/- by DD/ Cheque/ Cash drawn on "RelianceInfrastructure Limited"
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Office:

Office	Address	Tele / Fax No.
Registered & Head Office	Reliance Energy Center, Santa Cruz (East), Mumbai- 400 055	Tel:+91-22-3009 9999 Fax:+91-22-3009 9775
North Division	369 D, Jn of Shanker Lane & S V Road, Kandivali (W), Mumbai- 400 067	Tel:+91-22-3009 6999 Fax:+91-22-3009 4580
Central Division	Western Expressway, Opp: Patel Aluminium, Dindoshi, Goregaon (E), Mumbai- 400 097	Tel:+91-22-3009 6999 Fax:+91-22-3009 4844
South Central Division	E-4, MIDC, Andheri (E), Mumbai- 400 093	Tel:+91-22-3009 6999 Fax:+91-22-3009 4200
South Division	RNA Corporate Park, Old Kala Mandir, Near Collector's Office, Bandra (E), Mumbai- 400 051	Tel:+91-22-3009 6999 Fax:+91-22-3009 6263
East Division	Near Sahakar Cinema, Tilak Nagar, Road No.3,Chembur, Mumbai- 400 089	Tel:+91-22-3009 6999 Fax:+91-22-3009 2022

- The Commission has directed Rlnfra-D 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-400005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by Thursday, March 19, 2009, along with proof of service on Shri Ramesh Shenoy, Company Secretary, Reliance Infrastructure Limited.
- 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 and 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 Rangsharda Natya Mandir, Bandra Reclamation, Bandra (W), Mumbai 400050 on Thursday, March 26, 2009 at 11.00 hours, for which no separate notice will be given.
- Rlnfra-D shall reply to each of the suggestions and objections received within three days of the receipt of the same but not later than Monday, March 23, 2009 for all the suggestions and objections received till Thursday, March 19, 2009. Stakeholders can submit their rejoinders on replies provided by Rlnfra-D either during the public hearing or latest by Thursday, April 2, 2009.
- The detailed Petition document and the Executive Summary are available on Rlnfra's website www.rlnfra.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/-)
(Ramesh Shenoy)
Company Secretary
Reliance Infrastructure Limited