

VIDARBHA INDUSTRIES POWER LTD.

H-Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400710

Website: www.reliancepower.co.in

PUBLIC NOTICE

[Case No. 198 of 2017]

Inviting Suggestions/Objections on Vidarbha Industries Power Limited's Petition for approval of Truing-up for FY 2015-16 & FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of Aggregate Revenue Requirement (ARR) for FY 2018-19 & FY 2019-20 for its Transmission Business

- Vidarbha Industries Power Ltd. (VIPL) has filed a Petition for Truing up for FY 2015-16 & FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of the ARR for FY 2018-19 & FY 2019-20 for its Transmission Business.
- The filing for the Truing-up for FY 2015-16 is based on applicable provisions of the MERC (Multi Year Tariff) Regulations, 2011. The filing for the Truing-up of FY 2016-17, Provisional Truing-up for FY 2017-18 and revised estimates of the Aggregate Revenue Requirement (ARR) for FY 2018-19 & FY 2019-20 is based on the applicable provisions of the MERC (Multi Year Tariff) Regulations, 2015 and other relevant Regulations.
- The Commission has admitted the Petition on **18th June, 2018** and directed VIPL to publish a Public Notice under Section 64(2) of the Electricity Act, 2003 inviting Suggestions/Objections from the Public.
- The salient features of the Petition are provided below:

Table 1: Capital Expenditure and Capitalisation for FY 2015-16, FY 2016-17 and FY 2017-18 (₹ Crore)

Particulars	FY 2015-16		FY 2016-17		FY 2017-18	
	Approved in Case No. 21 of 2016	April-March (Audited)	Approved in Case No. 21 of 2016	April-March (Audited)	Approved in Case No. 21 of 2016	April-March (Estimated)
Capital Expenditure	-	-	-	-	-	-
Capitalisation	-	-	-	-	-	-

Table 2: Truing up for FY 2015-16 (₹ Crore)

Sr. No.	Particulars	FY 2015-16		
		Approved in Case No. 21 of 2016	Actual	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.69	0.50	0.50
2	Depreciation Expenses	1.41	1.41	1.41
3	Interest on Long-term Loan	2.12	1.97	1.97
4	Interest on Working Capital	0.12	-	-
5	Income Tax	0.00	0.29	0.29
6	Contribution to Contingency reserves	0.07	0.07	0.07
7	Total Revenue Expenditure	4.41	4.24	4.24
8	Return on Equity Capital	1.27	1.27	1.27
9	Aggregate Revenue Requirement	5.67	5.51	5.51
10	Add: 2/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL in O&M Expenses	-	-	0.13
11	Add: 2/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL in Working Capital requirement	-	-	0.08
12	Less: Income from Other Business	-	-	-
13	Aggregate Revenue Requirement from Transmission Tariff	-	-	5.71
14	Revenue from Transmission Tariff	-	4.25	4.25
15	Add: Availability Incentive for FY 2015-16	-	-	0.10
16	Revenue Gap/(Surplus)	-	-	1.56

Table 3: Truing up for FY 2016-17 (₹ Crore)

Sr. No.	Particulars	FY 2016-17		
		Approved in Case No. 21 of 2016	Actual	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.73	0.48	0.48
2	Depreciation Expenses	1.41	1.41	1.41
3	Interest on Long-term Loan	1.84	1.83	1.83
4	Interest on Working Capital	0.121	-	-
5	Income Tax	0.87	0.31	0.31
6	Contribution to Contingency reserves	0.07	0.07	0.07
7	Total Revenue Expenditure	5.04	4.10	4.10
8	Return on Equity Capital	1.27	1.27	1.27
9	Aggregate Revenue Requirement	6.30	5.37	5.37
10	Add: 1/3rd of Efficiency Gain/ 2/3rd (Efficiency Losses) (due to controllable factors) to be retained by VIPL in O&M Expenses	-	-	0.08
11	Add: 1/3rd of Efficiency Gain/ 2/3rd(Efficiency Losses) (due to controllable factors) to be retained by VIPL in Working Capital requirement	-	-	0.04
12	Less: Non-Tariff Income	0.01	-	-
13	Aggregate Revenue Requirement from Transmission Tariff	6.29	5.37	5.49
14	Revenue from Transmission Tariff	-	4.72	4.72
15	Add: Availability Incentive for FY 2016-17	-	-	0.04
16	Revenue Gap/(Surplus)	-	-	0.81

Table 4: Provisional Truing up for FY 2017-18

Sr. No.	Particulars	FY 2017-18	
		Approved in Case No. 21 of 2016	Provisional
1	Operation & Maintenance Expenses	0.76	0.50
2	Depreciation Expenses	1.41	1.41
3	Interest on Long-term Loan	1.67	1.60
4	Interest on Working Capital	0.11	0.10
5	Income Tax	0.34	0.31
6	Contribution to Contingency reserves	0.07	0.07
7	Total Revenue Expenditure	4.37	3.99
8	Return on Equity Capital	1.27	1.27
9	Aggregate Revenue Requirement	5.64	5.26
10	Less: Non-Tariff Income	0.02	0.02
11	Aggregate Revenue Requirement from Transmission Tariff	5.62	5.25
12	Revenue from Transmission Tariff	-	5.64
13	Revenue Gap/(Surplus)	-	(0.39)

Table 5: Capital Expenditure and Capitalisation for FY 2018-19 & FY 2019-20 (₹ Crore)

Particulars	FY 2018-19		FY 2019-20	
	Approved in Case No. 21 of 2016	Projected	Approved in Case No. 21 of 2016	Projected
Capital Expenditure	-	-	-	-
Capitalisation	-	-	-	-

Table 6: Revised Forecast of ARR for FY 2018-19 & FY 2019-20 (₹ Crore)

Sr. No.	Particulars	FY 2018-19		FY 2019-20	
		Approved in Case No. 21 of 2016	Projected	Approved in Case No. 21 of 2016	Projected
1	Operation & Maintenance Expenses	0.80	0.80	0.84	0.84
2	Depreciation Expenses	1.41	1.41	1.41	1.41
3	Interest on Long-term Loan	1.50	1.44	1.34	1.28
4	Interest on Working Capital	0.11	0.17	0.11	0.11
5	Income Tax	0.34	0.34	0.34	0.34
6	Contribution to Contingency reserves	0.07	0.07	0.07	0.07
7	Total Revenue Expenditure	4.24	4.24	4.11	4.05
8	Return on Equity Capital	1.27	1.27	1.27	1.27
9	Aggregate Revenue Requirement	5.51	5.50	5.38	5.32
10	Less: Non-Tariff Income	0.02	0.02	0.03	0.03
11	Aggregate Revenue Requirement from Transmission Tariff	5.49	5.49	5.35	5.29
12	Revenue gap /(surplus) for FY 2014-15	-	0.45	-	-
13	Revenue gap /(surplus) for FY 2015-16	-	1.56	-	-
14	Revenue gap /(surplus) for FY 2016-17	-	0.81	-	-
15	Carrying cost on cumulative revenue gap	-	2.04	-	-
16	Aggregate Revenue Requirement from Transmission Tariff including past period gaps	5.49	10.34	5.35	5.29

- Copies of the following documents can be obtained on written request from the office of Vidarbha Industries Power Ltd.
 - Executive Summary of the proposals (free of cost, in Marathi/English).
 - Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD) drawn on **“Vidarbha Industries Power Ltd.”** 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	Address	Tele / Fax No.	Email
Office	Vidarbha Industries Power Limited, Reliance Centre, South Wing, Third Floor, Prabhat Colony, Santacruz East, Mumbai-400055	Tel:+91-22-33033277 Fax:+91-22-33033669	himanshu.n.agarwal@relianceada.com
Nagpur Site Office	Vidarbha Industries Power Limited, Reliance Power Limited, D-3, MIDC Industrial Area, Butibori, Nagpur-441122	Tel:+91-7104-305601 Fax:+91-7104-305720	

- The Commission has directed VIPL to invite Suggestions/Objections from the Public on its Petition through this Notice. Suggestions/Objections may be submitted in English or in Marathi, in six (1+5) copies, to the **Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005, or by Fax or E-mail [Fax: 022 22163976, E-Mail: mercindia@merc.gov.in] by Monday, 16th July 2018, along with proof of service on along with proof of service on the Shri. Himanshu N Agarwal, Senior Manager, Reliance Centre, South Wing, Third floor, Prabhat Colony, Santacruz (East), Mumbai-400055** and should carry the full name, postal address and E-mail address, if any, of the sender. It should be indicated whether the Suggestions/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 **Office of the Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No. 1, World Trade Centre, Cuffe Parade, Colaba, Mumbai-400005 on Thursday, 26th July 2018 at 10.00 Hours**, for which no separate notice will be given.
- VIPL shall reply to each of the Suggestions/ Objections received within three days of its receipt, but not later than **Thursday, 19th July 2018** for all the Suggestions/Objections received till **Monday, 16th July 2018**. Rejoinders may be submitted on replies provided by VIPL either during the Public Hearing or by **Monday, 30th July 2018**.
- The detailed Petition document and the Executive Summary are available on VIPL's website www.reliancepower.co.in., and the Executive Summary is also available on the websites of the Commission www.mercindia.org.in/ www.merc.gov.in in downloadable format (free of cost).

Mumbai

Date: 23 June 2018

s/d Name: Himanshu N Agarwal

Designation: Senior Manager

Vidarbha Industries Power Ltd.