

## **1 INTRODUCTION**

VIPL, a Special Purpose Vehicle (SPV) fully owned by Reliance Power Limited, has established a 600 MW (i.e. 2 x 300 MW each) thermal generating station at Butibori location near Nagpur in the State of Maharashtra. VIPL has signed a PPA with Adani Electricity Mumbai Limited – Distribution (Earlier known as Reliance Infrastructure Limited-Distribution) for procurement of entire 600 MW from the station to serve the energy requirement of its consumers in its license area.

The Commission granted a Transmission Licence to VIPL for a period of 25 years vide order dated January 5, 2015 from the date of the order, under Alternative 2 and in accordance with the MERC (Transmission Licence Conditions) Regulations, 2004 as amended in 2006.

### **1.1 Background for submission of Multi-Year Tariff (MYT) Petition**

Regulation 5.1 (a) of MYT Regulations, 2019 provide filing of Multi-Year Tariff Petition comprising of truing up for FY 17-18 and FY 18-19, provisional truing up for FY 19-20 and projection of ARR for Control Period from FY 20-21 to FY 24-25. As per the said Regulation, the truing up of FY 17-18, FY 18-19 and FY 19-20 is governed under the MYT Regulations, 2015 and thereafter for projections of ARR for Control Period FY 20-21 to FY 24-25 the MYT Regulations, 2019 shall be applicable.

### **1.2 Objective of the MYT Petition**

The present revised Multi-Year Tariff Petition is being filed by VIPL-T with the objective of seeking truing up of FY 17-18, FY 18-19 and Provisional truing up of FY 19-20 under the provisions of MYT Regulations, 2015; and projection of ARR for Control Period from FY 20-21 to FY 24-25 under the provisions of MYT Regulations, 2019.

## 2 OVERVIEW OF VIPL-T'S TRANSMISSION SYSTEM

### 2.1 VIPL-Transmission

The petitioner, VIPL-T, has set up the power evacuation arrangement separately for Unit-1 & Unit- 2. The details of power evacuation arrangement are as follows:

**Table 1: VIPL-T system – Present Status**

Particulars	UoM	Value
Total length of 220 kV line	Ckt Kms.	6.12
Total no. of 220 kV bays	Nos.	4

### 2.2 Transmission Line Availability

Regulation 57 of MYT Regulations, 2015 specifies normative minimum availability of AC system as 98% for full recovery of Annual Transmission Charges. VIPL-T has AC transmission system in place and the actual availability of VIPL-T system for the year 2017-18 and 2018-19 has been 99.94% and 99.78% respectively, which is significantly more than the normative minimum Availability.

### 3 TRUING UP FOR FY 17-18

In this petition, VIPL-T is submitting the actuals for FY 17-18 in terms of revenue expenditure and revenue income based on the audited accounts for the purposes of truing up.

#### 3.1 Operation & Maintenance (O&M) expenses

The O&M expenses as per norms provided for VIPL-T in MYT Regulations, 2015 and actual O & M expenses are summarised as follows:

**Table 2 : O&M expenses as per Norms FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
O & M Expenses	0.76	0.52	0.24

The normative approved O&M expenses of Rs. 0.76 Cr comparing with actual expenses of Rs. 0.52 Cr resulting in controllable efficiency gains of Rs. 0.24 Cr out of which Rs 0.08 Cr is claimed in the ARR. Therefore, the net entitlement in O&M expenses is Rs.0.60 Cr. The Hon'ble Commission is requested to approve the total O&M expenses as claimed by VIPL-T.

#### 3.2 Depreciation

The details of depreciation for FY 17-18 are as follows:

**Table 3 : Depreciation FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Depreciation	1.25	1.25	0.00

#### 3.3 Interest on loan capital

Interest on loan capital is calculated by applying weighted average interest rate computed on the basis of actual loan portfolio during the FY 17-18, which is 11.40%.

**Table 4 : Interest on Loan Capital FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Interest on long-term loan	1.45	1.42	(0.02)

#### 3.4 Return on Equity

The Return on Equity (RoE) has been computed based on Regulation 28 of the MYT Regulations, 2015 i.e. at the rate of 15.5% on the equity capital at the beginning of the year.

**Table 5 : Return on Equity FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
<b>Total Return on Equity</b>	<b>1.12</b>	<b>1.12</b>	<b>0.00</b>

**3.5 Interest on Working Capital**

Working capital requirement has been calculated as per Regulation 31.2 of the MYT Regulations, 2015.

**Table 6: Interest on Working Capital FY 17-18**

Particulars (Rs. Cr)	MTR Order	Normative	Difference
Interest on Working Capital	0.10	0.10	0.00

**3.6 Income Tax**

Hon'ble Commission in its Order in Case No. 198 of 2017 has approved the Income Tax for the purpose of Provisional truing up of FY 17-18 in line with provision of the Regulation 33.1 of the MYT Regulations 2015. The income tax is computed as per the Regulated PBT approach defined in tariff regulations, 2015.

**Table 7 : Income Tax FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Income Tax	0.16	0.24	0.08

**3.7 Contribution to Contingency Reserve**

The Hon'ble Commission in its Order in Case No. 198 of 2017 has approved contribution to contingency reserve of Rs. 0.06 Cr for FY 2017-18. VIPL has not created any contribution to contingency reserve for FY 17-18 and therefore not claiming the same in this petition.

**Table 8 : Contribution to Contingency Reserve FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Contribution to Contingency Reserve	0.06	0.00	(0.06)

**3.8 Revenue for FY 17-18****3.8.1 Revenue from InSTS**

The Hon'ble Commission's vide Order dated 22<sup>nd</sup> July 2016 in Case No. 91 of 2016 for Transmission tariff for Intra-State Transmission system, directed VIPL to recover the ARR for FY 17-18. Accordingly, VIPL-T billed total revenue for FY 17-18 which is Rs. 5.64 Cr.

### 3.8.2 Non-Tariff Income

The details of Non-Tariff Income for FY 17-18 are as following:

**Table 9 : Non-Tariff Income for FY 17-18**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Non-Tariff Income	0.02	0.01	(0.01)

### 3.8.3 Income from Other Business

VIPL-T submits that it has not earned any revenue from any other business during FY 17-18.

### 3.8.4 Incentive on Availability of VIPL-T network

On conjoint reading of the Regulations 57.1 and 57.2, VIPL-T has computed the incentive on Transmission availability by restricting the availability to 99.75%. The incentive amounts to Rs. 0.04 Cr for FY 17-18.

### 3.9 Revenue Gap / Surplus for FY 17-18

The summary of ARR for FY 17-18 is tabulated below:

**Table 10: Truing up Summary for FY 17-18**

Sr. No.	Particulars (Rs. Cr)	MYT Order	Actual	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.76	0.52	0.52
2	Depreciation Expenses	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	1.45	1.42	1.42
4	Interest on Working Capital and on security deposits	0.10	0.10	0.10
5	Income Tax	0.16	0.24	0.24
6	Contribution to Contingency reserves	0.06	0	0
7	Total Revenue Expenditure	<b>3.78</b>	<b>3.53</b>	<b>3.53</b>
8	Return on Equity Capital	1.12	1.12	1.12
9	Aggregate Revenue Requirement	<b>4.90</b>	<b>4.65</b>	<b>4.65</b>
10	Add: 1/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL in O&M Expenses			0.08
11	Add: 1/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL in Working Capital requirement			0.00
12	Less: Non Tariff Income	0.02	0.01	0.01
13	Less: Income from Other Business			

Sr. No.	Particulars (Rs. Cr)	MYT Order	Actual	Net Entitlement after sharing of gains/(losses)
14	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>4.88</b>	<b>4.64</b>	<b>4.72</b>
15	Revenue from transmission tariff	<b>5.64</b>	<b>5.64</b>	<b>5.64</b>
16	Add: Availability Incentive for FY 2017-18		0.04	0.04
17	<b>Revenue Gap/(Surplus)</b>		<b>(0.97)</b>	<b>(0.89)</b>

Petitioner requests the Hon'ble Commission to approve the revenue gap as sought by the petitioner for FY 2017-18.

## 4 TRUING UP FOR FY 18-19

In this petition, VIPL-T is submitting the actual for FY 18-19 in terms of revenue expenditure and revenue income on the basis of audited accounts for the purposes of truing up.

### 4.1 Operation & Maintenance (O&M) expenses

The O&M expenses as per norms provided for VIPL-T in MYT Regulations, 2015 and actual O & M expenses are summarised as follows:

**Table 11 : O&M expenses as per Norms FY 18-19**

O&M expenses as per Norms (Rs. Cr)	FY 18-19
Circuit Km. basis	0.02
Number of Bays	0.78
<b>Total</b>	<b>0.80</b>

The normative approved O&M expenses of Rs. 0.80 Cr ought to be compared with actual expenses of Rs. 0.57 Cr resulting in controllable efficiency gains of Rs. 0.23 Cr.

The 1/3<sup>rd</sup> of the gain i.e. Rs. 0.08 Cr. is claimed in the ARR as part of O&M expense efficiency gains. Therefore, the net entitlement in O&M expenses is Rs.0.65 Cr.

### 4.2 Depreciation

The details of depreciation for FY 18-19 are as follows:

**Table 12 : Depreciation FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Depreciation	1.25	1.25	0.00

### 4.3 Interest on loan capital

Interest on loan capital is calculated by applying weighted average interest rate computed on the basis of actual loan portfolio during the FY 18-19, which is 12.30 %.

**Table 13 : Interest on Loan Capital FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Interest on long-term loan	1.30	1.38	0.08

### 4.4 Return on Equity

The Return on Equity (RoE) has been computed based on Regulation 28 of the MYT Regulations, 2015 i.e. at the rate of 15.5% on the equity capital at the beginning of the year.

**Table 14 : Return on Equity FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
<b>Total Return on Equity</b>	<b>1.12</b>	<b>1.12</b>	<b>0.00</b>

**4.5 Interest on Working Capital**

Working capital requirement has been calculated as per Regulation 31.2 of the MYT Regulations, 2015.

**Table 15: Interest on Working Capital FY 18-19**

Particulars (Rs. Cr.)	MTR Order	Actual	Difference
Interest on Working Capital	0.101	0.102	0.001

The resulting controllable loss of Rs. (0.001) Cr is shared. As per regulation, 2/3<sup>rd</sup> of the loss i.e. Rs. (0.0007) Cr is claimed in the ARR. Therefore, the net entitlement of VIPL-T in IoWC is Rs.0.1014 Cr.

**4.6 Income Tax**

Hon'ble Commission in its Order in Case No. 198 of 2017 has approved the Income Tax for FY 18-19 same as that approved for FY 2016-17, in line with provision of the Regulation 33.1 of the MYT Regulations 2015. The income tax is computed as per the Regulated PBT approach defined in tariff regulations, 2015.

**Table 16 : Income Tax FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Income Tax	0.16	0.24	0.08

**4.7 Contribution to Contingency Reserve**

The Hon'ble Commission in its order in Case No. 198 of 2017 has approved contribution to contingency reserve of Rs. 0.06 Cr for FY 2018-19. VIPL has not created any contribution to contingency reserve for FY 18-19 and therefore not claiming the same in this petition.

**Table 17 : Contribution to Contingency Reserve FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Contribution to Contingency Reserve	0.06	0.00	(0.06)

**4.8 Revenue for FY 18-19**

The Hon'ble Commission vide Order dated 22<sup>nd</sup> July 2016 in Case No. 91 of 2016 and vide Order dated 12<sup>th</sup> September 2018 in Case No. 198 of 2017 (Revised ARR) for Transmission



tariff for Intra-State Transmission system, directed to recover the ARR for FY 18-19. Accordingly, VIPL-T billed revenue for the period of five months of FY 2018-19 based on Order dated 22<sup>nd</sup> July 2016 in Case No. 21 of 2016 i.e. Rs.2.30 Cr and revenue for balance period of 7 months based on Order dated 12<sup>th</sup> September 2018 in Case No. 198 of 2017 i.e. Rs. 3.50 Cr .

VIPL-T has billed total revenue of Rs.5.80 Cr for FY 2018-19.

#### 4.8.1 Non-Tariff Income

The details of Non-Tariff Income for FY 18-19 are as following:

**Table 18 : Non-Tariff Income for FY 18-19**

Particulars (Rs. Cr)	MTR Order	Actual	Difference
Non-Tariff Income	0.02	0.02	0.00

#### 4.8.2 Income from Other Business

VIPL-T submits that it has not earned any revenue from any other business during FY 18-19.

#### 4.8.3 Incentive on Availability of VIPL-T network

On conjoint reading of the Regulations 57.1 and 57.2, VIPL-T has computed the incentive on Transmission availability by restricting the availability to 99.75%. The incentive amounts to Rs. 0.04 Cr for FY 18-19.

#### 4.9 Revenue Gap / Surplus for FY 18-19

The summary of ARR for FY 18-19 is tabulated below:

**Table 19: Truing up Summary for FY 18-19**

Sr. No.	Particulars (Rs. Cr)	MYT Order	Actual	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	0.80	0.57	0.57
2	Depreciation Expenses	1.25	1.25	1.25
3	Interest on Long-term Loan Capital	1.30	1.38	1.38
4	Interest on Working Capital and on security deposits	0.1011	0.1021	0.1021
5	Income Tax	0.16	0.24	0.24
6	Contribution to Contingency reserves	0.06	0	0
7	Total Revenue Expenditure	<b>3.68</b>	<b>3.54</b>	<b>3.54</b>
8	Return on Equity Capital	1.12	1.12	1.12
9	Aggregate Revenue Requirement	<b>4.80</b>	<b>4.66</b>	<b>4.66</b>

Sr. No.	Particulars (Rs. Cr)	MYT Order	Actual	Net Entitlement after sharing of gains/(losses)
10	Add: 1/3rd of Efficiency Gain/(losses) (due to controllable factors) to be retained by VIPL in O&M Expenses			0.08
11	Add: 2/3rd of (losses) (due to controllable factors) to be retained by VIPL in Working Capital requirement			(0.0007)
12	Less: Non tariff Income	0.02	0.02	0.02
<b>13</b>	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>4.78</b>	<b>4.64</b>	<b>4.71</b>
14	Revenue from transmission tariff		5.80	5.80
15	Availability Incentive FY 2018-19		0.04	0.04
<b>16</b>	<b>Revenue Gap/(Surplus)</b>		<b>(1.13)</b>	<b>(1.05)</b>

The Hon'ble Commission is requested to approve the actual expenses and revenue and consider the same for truing-up of FY 2018-19.

## 5 PROVISIONAL TRUING UP FOR FY 19-20

In this section, VIPL-T is submitting the provisional expenses and revenue for FY 19-20 based on unaudited actual for the first half (H1) and estimates for the second half (H2).

### 5.1 Operation & Maintenance (O&M) expenses

The Hon'ble Commission vide its order in Case No. 198 of 2017 approved the normative O&M expenses of Rs. 0.84 Cr for FY19-20.

**Table 20 : O&M expenses as per Norms FY 19-20**

O&M expenses as per Norms (Rs. Cr)	FY 19-20
Circuit Km. basis	0.02
Number of Bays	0.82
<b>Total</b>	<b>0.84</b>

VIPL-T submits that the efficiency gains/loss on O&M expenses with respect to audited actuals vis-à-vis the O&M expenses approved by the Hon'ble Commission in its order in Case No. 198 of 2017 will be claimed at the time of truing up for FY 19-20.

### 5.2 Depreciation

The summary for depreciation is tabulated below:

**Table 21 : Depreciation FY 19-20**

Particulars (Rs. Cr)	MTR Order	Projected	Difference
Depreciation	1.25	1.25	0

### 5.3 Interest on Loan Capital

Due to shutdown of VIPL's generating station from January, 2019 onwards, no debt servicing has been made in the current financial year till date. Therefore, weighted average interest rate has been considered same as of FY 18-19.

**Table 22 : Interest on Loan Capital FY 19-20**

Particulars (Rs. Cr)	MTR Order	Projected	Difference
Interest on long-term loan	1.16	1.23	0.07

### 5.4 Return on Equity

The Return on Equity (RoE) has been computed based on Regulation 28 of the MYT Regulations, 2015 i.e. at the rate of 15.5% on the equity capital at the beginning of the year.

**Table 23 : Return on Equity FY 19-20**

Particulars (Rs. Cr)	MYT Order	Projected	Difference
<b>Total Return on Equity</b>	<b>1.12</b>	<b>1.12</b>	<b>0.00</b>

**5.5 Interest on Working Capital**

The working capital requirement for FY 2019-20 has been computed based on Regulation 31.2 of the MYT Regulations, 2015 and same is as under.

**Table 24: Interest on Working Capital FY 19-20**

Particulars (Rs. Cr)	MYT Order	Projected	Difference
Interest on Working Capital	0.08	0.09	0.01

**5.6 Income Tax**

The Income Tax is computed following the Regulated PBT approach defined in tariff regulations, 2015. The Income Tax has been computed by grossing up the RoE by the MAT rate of 21.5488% for the FY2019-20.

**Table 25: Income Tax FY 19-20**

Particulars (Rs. Cr)	MTR Order	Projected	Difference
Income Tax	0.16	0.24	0.08

**5.7 Contribution to Contingency Reserve**

The Hon'ble Commission in its order in Case no. 198 of 2017 has approved contribution to contingency reserve of Rs. 0.06 Cr for FY 2019-20.

**Table 26 : Contribution to Contingency Reserve FY 19-20**

Particulars (Rs. Cr)	MTR Order	Projected	Difference
Contribution to Contingency Reserve	0.06	0.06	0.00

**5.8 Revenue for FY 19-20****5.8.1 Revenue from InSTS**

In September, 2018 the Hon'ble Commission's vide Order dated 12<sup>th</sup> September 2018 in Case No. 198 of 2017 for Revision of Transmission tariff for Intra-State Transmission system, directed to recover the revised ARR for FY 19-20. Accordingly, VIPL-T billed total revenue for the period of Six months of FY 2019-20 (i.e. Rs.2.34 Cr). Revenue for the balance period of six months will be billed based on the same Order (i.e. Rs.2.34 Cr). Therefore, total revenue for FY 19-20 will be of Rs.4.68 Cr.

### 5.8.2 Non-Tariff Income

The details of Non-Tariff Income for FY 19-20 are as following:.

**Table 27 : Non-Tariff Income FY 19-20**

Particulars (Rs. Cr)	MTR Order	Projected	Difference
Non Tariff Income	0.03	0.03	-

### 5.8.3 Income from Other Business

VIPL-T submits that it does not have any income from other Business other than Generation Business.

### 5.9 Provisional Revenue Gap / Surplus for FY 19-20

The summary of ARR for FY 19-20 is tabulated below:

**Table 28: Provisional gap / surplus for FY 19-20**

Sr. No.	Particulars (In Rs. Cr)	MYT Order	Projected	Difference
1	Operation & Maintenance Expenses	0.84	0.84	0.00
2	Depreciation Expenses	1.25	1.25	0.00
3	Interest on Long-term Loan Capital	1.16	1.23	(0.07)
4	Interest on Working Capital and on security deposits	0.08	0.09	(0.01)
5	Income Tax	0.16	0.24	(0.08)
6	Contribution to Contingency reserves	0.06	0.06	0.00
<b>7</b>	<b>Total Revenue Expenditure</b>	<b>3.55</b>	<b>3.70</b>	<b>(0.15)</b>
8	Return on Equity Capital	1.12	1.12	0.00
<b>9</b>	<b>Aggregate Revenue Requirement</b>	<b>4.67</b>	<b>4.82</b>	<b>(0.15)</b>
12	Less: Non tariff income	0.03	0.03	0.00
<b>13</b>	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>4.64</b>	<b>4.80</b>	<b>(0.15)</b>
<b>14</b>	<b>Revenue from transmission tariff</b>	<b>4.64</b>	<b>4.68</b>	
<b>15</b>	<b>Revenue Gap / (surplus) for FY 2017-18</b>		<b>(0.89)</b>	
<b>16</b>	<b>Revenue Gap / (surplus) for FY 2018-19</b>		<b>(1.05)</b>	
<b>17</b>	<b>Revenue Gap/(Surplus)</b>		<b>(1.82)</b>	

The Hon'ble Commission is requested to approve the revenue gap for FY 2019-20.

### **5.10 Additional O & M Charges raised by MSETCL towards Bays maintenance by MSETCL**

- (i). VIPL is not claiming this additional O&M charges claimed by MSETCL in this Petition as VIPL is yet to pay these charges to MSETCL. VIPL-T request this Hon'ble Commission to direct MSETCL to claim additional O&M charges towards Bays maintenance as per the executed Memorandum of Understanding for the period FY 14-19. Therefore, VIPL-T request this Hon'ble Commission to allow recovery of this additional O&M charges as and when the existing issue with MSETCL is settled and the amount is due and payable by VIPL-T based on the actuals as these charges are over and above the O&M expenses claimed and allowed in the truing up.
- (ii). VIPL-T would like to clarify that in the truing up of FY 14-15 to FY 18-19 has been claiming actual O&M expenses of only two bays which are being maintained by VIPL and has not claimed in truing up the O&M expenses of the bays being maintained by MSETCL.

### **5.11 VIPL's Transmission Assets are in put-to use**

- (i). VIPL-T submits that the VIPL's generating station is under shut down from January 2019 onwards. As per the OEM, all equipment / systems needs to keep under preservation once the shut down period extended more than one month to keep the equipment / system in healthy condition. So, VIPL need all types of Transmission Assets (Power Transformer, Switchyard and all four Transmission lines) in charged condition for continuous power available for said activities. Hence VIPL is drawing power from the Grid since January 2019 through 220 KV Transmission lines and Switchyard.
- (ii). Apart from the above, VIPL - Transmission assets are being part of Intra-State network that is VIPL switchyard & Transmission lines are being utilized as an extended bus for Butibori Sub Station -1 and 3 for power flow. Therefore VIPL - transmission assets are in use under Intra-Sate network and can not be remotely considered as Assets are not in use.

### **5.12 Resolution of debt repayment situation**

- (i). As mentioned in para 5.2.2 Interest on Loan Capital for FY 19-20, VIPL's generating station is under shutdown from January, 2019 onwards and no debt servicing has been made in the current financial year till date.
- (ii). In order to salvage the situation in current circumstances, VIPL lenders have entered into an Inter Creditors Agreement amongst themselves in accordance with the Reserve Bank of India Circular under reference RBI/2018-19/203 bearing DBR No. BP.BC.45/21.04.048/2018-19 dated 07.06.2019 to enable VIPL to cure all defects and defaults in repayment of loans, with a specific direction to convert its account back to "Current". The implementation of Resolution Plan including restructuring of existing debt and curing of all financial defaults with the lenders is in process and likely to be implemented shortly.

## 6 PROJECTIONS OF ARR FOR CONTROL PERIOD FROM FY 20-21 TO FY 24-25.

In this section, VIPL-T is submitting the projections of ARR for the Control Period from FY 20-21 to FY 24-25 as per the provisions of the relevant Regulations of MYT Regulations, 2019.

### 6.1 Operation & Maintenance (O&M) expenses

Regulation 61.6 and 61.7 of the MYT Regulations, 2019 provides the year wise norms for O&M expenses for other existing Transmission licensees for Control Period from FY20-21 to FY 24-25.

**Table 29 : O&M expenses as per Norms**

O&M expenses as per Norms (Rs. Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Circuit Km. basis	0.01	0.01	0.01	0.02	0.02
Number of Bays basis	0.48	0.50	0.52	0.54	0.56
<b>Total</b>	<b>0.49</b>	<b>0.51</b>	<b>0.53</b>	<b>0.55</b>	<b>0.57</b>

### 6.2 Depreciation

The details of depreciation for Control Period from FY 20-21 to FY 24-25 are as follows:

**Table 30: Projected Depreciation**

Particulars (Rs. Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Depreciation	1.25	1.25	1.25	1.25	1.25

### 6.3 Interest on Loan Capital

The total interest chargeable to ARR is shown in the table below.

**Table 31 : Projected Interest on Loan Capital**

Particulars (Rs.Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Interest on long-term loan	1.08	0.92	0.77	0.62	0.46

### 6.4 Return on Equity and Income Tax

For Control Period from FY20-21 to FY 24-25, the RoE is computed based on Regulation 29 of the MYT Regulations, 2019 i.e. rate of 14% on the equity capital at the beginning of the year plus 50% of the equity portion for the assets capitalized during the year and grossing up with the effective tax rate.

**Table 32 : Projected Return on Equity**

Particulars (Rs. Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
<b>Total Return on Equity</b>	<b>1.29</b>	<b>1.29</b>	<b>1.29</b>	<b>1.29</b>	<b>1.29</b>

**6.5 Interest on Working Capital**

For Control Period from FY 20-21 to FY 24-25, working capital requirement has been calculated as per Regulation 32.2 of the MYT Regulations, 2019.

**Table 33: Projected Interest on Working Capital**

Particulars (Rs. Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Interest on Working Capital	0.08	0.08	0.07	0.07	0.07

**6.6 Contribution to Contingency Reserve**

VIPL-T has considered the contribution to contingency reserve at 0.25% of the original cost of fixed assets as on 1<sup>st</sup> April of each FY of the Control Period.

**Table 34 : Projected Contribution to Contingency Reserve**

Particulars (Rs.Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Contribution to Contingency Reserve	0.06	0.06	0.06	0.06	0.06

**6.7 Revenue**

For projections of Revenue for Control Period from FY 20-21 to FY 24-25, VIPL-T has considered revenue as per above discussed components of ARR.

**6.7.1 Non-Tariff Income**

For projections of Control Period from FY 20-21 to FY 24-25, non tariff income has been considered as following:

**Table 35: Projected Non-Tariff Income**

Particulars (Rs. Cr)	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Non-Tariff Income	0.03	0.04	0.04	0.04	0.04

**6.7.2 Income from Other Business**

VIPL-T submits that it has not envisaged any income from other business for the third control period.



## 6.8 Revised projections of Annual Revenue Requirement for Control Period from FY 20-21 to FY 24-25

The total ARR for Control Period from FY 20-21 to FY 24-25 is as following :

**Table 36: ARR for the Control Period from FY 20-21 to FY 24-25**

Sr. No.	Particulars	Ensuing Years				
		FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
		Projected	Projected	Projected	Projected	Projected
1	Operation & Maintenance Expenses	0.49	0.51	0.53	0.55	0.57
2	Depreciation Expenses	1.25	1.25	1.25	1.25	1.25
3	Interest on Loan Capital	1.08	0.92	0.77	0.62	0.46
4	Interest on Working Capital and on Consumer Security Deposits	0.08	0.08	0.07	0.07	0.07
5	Income Tax	0.00	0.00	0.00	0.00	0.00
6	Contribution to contingency reserves	0.06	0.06	0.06	0.06	0.06
<b>7</b>	<b>Total Revenue Expenditure</b>	<b>2.95</b>	<b>2.81</b>	<b>2.68</b>	<b>2.55</b>	<b>2.41</b>
8	Add: Return on Equity Capital	1.29	1.29	1.29	1.29	1.29
<b>9</b>	<b>Aggregate Revenue Requirement</b>	<b>4.24</b>	<b>4.10</b>	<b>3.97</b>	<b>3.83</b>	<b>3.70</b>
10	Less: Non Tariff Income	0.03	0.04	0.04	0.04	0.04
11	Less: Income from Other Business	0.00	0.00	0.00	0.00	0.00
12	Less: Income from Open Access charges	0.00	0.00	0.00	0.00	0.00
<b>13</b>	<b>Aggregate Revenue Requirement from Transmission Business</b>	<b>4.21</b>	<b>4.07</b>	<b>3.93</b>	<b>3.79</b>	<b>3.66</b>

## 6.9 Carrying Cost/ Holding Cost

The Details of holding cost are given in the table below:

**Table 37: Carrying Cost/Holding Cost**

Particulars (Rs.Cr)	FY 17-18	FY 18-19	FY 19-20
Opening Gap/(Surplus)	-	(0.89)	(1.94)
Addition during year	(0.89)	(1.05)	
Recovery during Year	-	-	
Closing Gap/(Surplus)	(0.89)	(1.94)	(1.94)
Average Gap/(surplus)	(0.44)	(1.41)	(1.94)
Interest Rate	10.20%	9.89%	9.73%
Carrying Cost/(Holding) Cost	(0.05)	(0.14)	(0.19)
<b>Total Holding cost</b>			<b>(0.37)</b>

## **7 Prayers:**

In view of the above facts and circumstances, VIPL-T prays to the Hon'ble Commission to:

1. Admit this revised petition;
2. Approve True up of FY 2017-18 and FY 2018-19;
3. Approve provisional true up of FY 2018-19;
4. Approve the projected Aggregate Revenue Requirement for the Control Period from FY 20-21 to FY 24-25 as submitted herewith;
5. Direct MSETCL to claim of additional O&M charges towards Bays maintenance as per the executed Memorandum of Understanding for the period FY 14-19 and allow VIPL to recover the same charges as when the said payment liability arises based on actual;
6. Allow recovery of ARR from April 1, 2020 onwards through revised InSTS Order
7. Allow additions / alterations / modifications / changes to this Petition at a future date;
8. Condone any inadvertent errors / inconsistencies / omissions / rounding off differences, etc. as may be there in this Petition
9. Allow any other relief, order or direction, as the Hon'ble Commission may deem fit