

## EXECUTIVE SUMMARY

### 1.1 Preamble

Jaigad PowerTransco Company Limited (JPTL) is an intra-state transmission licensee in Maharashtra as per the Transmission License No. 1 of 2009 granted by the Hon'ble Commission. As per provisions of Electricity Act, 2003, JPTL being a transmission licensee, is required to submit its ARR and Tariff Petition as per procedures outlined in Section 61, 62 and 64 of EA 2003, and the governing Regulations thereof.

This section summarises the petition filed by Jaigad PowerTransco Limited for Approval of True Up of FY 2017-18 & FY 2018 –19, Provisional True-Up of FY 2019-20 as per MYT Regulations 2015 and Aggregate Revenue Requirement for Control Period FY 2020-21 to FY 2024-25 as per MYT Regulations 2019.

### 1.2 True Up for FY 2017-18 and 2018-19

#### 1.2.1 ARR for FY 2017-18 and 2018-19

JPTL has worked out its Aggregate Revenue Requirement for FY 2017-18 and FY 2018-19 as part of True Up exercised, based on audited annual accounts and applied norms wherever applicable as per MERC (Multi Year Tariff) Regulations 2015. The detailed comparison of various cost components is undertaken with cost approved by the Hon'ble Commission as per MERC order in Case No. 167 of 2017 dated 12<sup>th</sup> September 2018. A summary of the proposed ARR for Truing Up of FY 2017-18 and 2018-19 is presented below:

**Table 1: Summary of True-up of FY 2017-18 and 2018-19 (Rs. Crores)**

Particulars	Approved	Actual	Net Entitlement after sharing of gains/(losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains/(losses)	Deviation
	FY 2017-18				FY 2018-19			
Operation & Maintenance Expenses	4.44	4.28	4.37	-0.07	4.79	3.91	4.20	-0.58
Depreciation	29.10	29.10	29.10	0.00	29.12	29.11	29.11	-0.01
Interest on Long-term Loan	24.93	24.81	24.81	-0.12	19.41	19.74	19.74	0.34
Interest on Working Capital	1.75	1.74	0.58	-1.17	1.37	1.52	0.51	-0.86
Income Tax Expense	5.59	6.60	6.60	1.01	5.59	6.03	6.03	0.44
Contribution to Contingency Reserves	1.38	1.38	1.38	0.00	1.38	1.38	1.38	0.00
<b>Total Revenue Expenditure</b>	<b>67.19</b>	<b>67.90</b>	<b>66.83</b>	<b>-0.35</b>	<b>61.65</b>	<b>61.70</b>	<b>60.98</b>	<b>-0.67</b>
Return on Equity Capital	21.44	21.44	21.44	0.01	21.46	21.46	21.46	0.00
<b>Gross Aggregate Revenue Requirement</b>	<b>88.61</b>	<b>89.34</b>	<b>88.28</b>	<b>-0.33</b>	<b>83.11</b>	<b>83.16</b>	<b>82.43</b>	<b>-0.68</b>
Less: Non-Tariff Income	0.68	0.68	0.68	0.00	0.79	0.80	0.80	0.01
Add: Incentive	0.00	1.74	1.74	1.74	0.00	1.41	1.41	1.41
<b>Net Aggregate Revenue Requirement</b>	<b>87.93</b>	<b>90.39</b>	<b>89.33</b>	<b>1.40</b>	<b>82.31</b>	<b>83.77</b>	<b>83.04</b>	<b>0.73</b>
Add: Net Entitlement after sharing of gains/(losses) of refinancing of loan	0.00	0.63	0.63	0.63	0.00	0.91	0.91	0.91
Add: Addition of DPC Considered as NTI for FY 15-16 ( Case No. 167 of 2017) _ APTEL Order 250 OF 2016 & IA NO. 899 OF 2017	0.00	16.19	16.19	16.19				
Add: Gap/ (Surplus) for FY 2010-11 to FY 2014-15					-3.45	-3.45	-3.45	0.00
Add: Gap/ (Surplus) for FY 2015-16 & FY 2016-17					-5.28	-5.28	-5.28	0.00
Add: Gap/ (Surplus) for FY 2017-18					-1.95	0.00	0.00	1.95
Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)					-3.22	-3.22	-3.22	0.00
Add: Recovery of additional income tax of FY 2015-16					0.00	0.74	0.74	0.74
<b>Total Annual Revenue Requirement including past gaps</b>	<b>87.93</b>	<b>107.21</b>	<b>106.15</b>	<b>18.22</b>	<b>68.41</b>	<b>73.46</b>	<b>72.74</b>	<b>4.33</b>

### 1.2.2 Revenue gap for FY 2017-18 and FY 2018-19

The Revenue recovery of FY 2017-18 and FY 2018-19 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its order dated Case No. 91 of 2016 dated 22<sup>nd</sup> July 2016 and as per Case No. 265 of 2018 dated 12<sup>th</sup> September 2018. Accordingly, considering the past gaps and the revenue recovered during the FY 2017-18 and FY 2018-19, the revenue gap claimed by JPTL is outlined below:

**Table 2: Revenue Gap for FY 2017-18 and FY 2018-19 (Rs. Crores)**

Sl.No.	Particulars	FY 2017-18	FY 2018-19
1	Total ARR	106.15	72.74
2	ARR recovered through Transmission Tariff	89.42	76.06
3	Revenue Gap	16.73	-3.32

### 1.3 Provisional Truing up for FY 2019-20

#### 1.3.1 ARR for FY 2019-20

As per the provisions of MERC MYT Regulations, 2015, the provisional true up is carried out by comparing the performance of Transmission licensee with the approved forecast in the MYT order. Accordingly, the comparison of approved ARR as per MERC order in Case No. 167 of 2017 dated 12<sup>th</sup> September 2018 with the revised forecast based on performance during the first half of FY 2019-20 and other factors is shown in the table below

**Table 3: Summary of Provisional True-up of FY 2019-20 (Rs. Crores)**

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	5.02	1.95	3.07	5.02
Depreciation	29.16	14.55	14.55	29.11
Interest on Long-term Loan Capital	16.80	8.48	8.48	16.96
Interest on Working Capital	1.51	0.76	0.77	1.52
Income Tax	5.59	2.45	3.58	6.03
Contribution to contingency reserves	1.38	0.00	1.38	1.38
<b>Total Revenue Expenditure</b>	<b>59.45</b>	<b>28.19</b>	<b>31.83</b>	<b>60.02</b>
RoE	21.52	10.73	10.73	21.46
<b>Aggregate Revenue Requirement</b>	<b>80.98</b>	<b>38.92</b>	<b>42.56</b>	<b>81.48</b>
Less: Non-Tariff Income	0.91	0.45	0.45	0.91
<b>Net Aggregate Revenue Requirement</b>	<b>80.07</b>	<b>38.47</b>	<b>42.10</b>	<b>80.57</b>

**1.3.2 Revenue gap for FY 2019-20**

The Revenue recovery of FY 2019-20 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its order dated Case No. 265 of 2018 dated 12<sup>th</sup> September 2018. Accordingly, considering estimated revenue to be recovered during the FY 2019-20, the revenue gap claimed by JPTL is outlined below:

**Table 4: Revenue Gap for FY 2019-20 (Rs. Crores)**

Particulars	FY 2019-20
Total ARR	80.57
ARR recovered through Transmission Tariff	80.07
<b>Revenue Gap / (Surplus)</b>	<b>0.50</b>

**1.4 Multi Year Tariff petition for the control period FY 2020-21 to FY 2024-25**

Based on the MERC MYT Regulations, 2019, JPTL has prepared the projections for the MYT control period of FY 2020-21 to FY 2024-25. The summary of the ARR for the control period is shown below:

**Table 5: Aggregate Revenue Requirement for MYT Control Period (Rs. Crores)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
O&M Expenses	5.28	5.44	5.62	5.07	5.27
Depreciation	29.15	29.19	29.18	29.18	29.19
Interest on Long-term Loan Capital	14.32	11.69	8.96	6.23	3.51
Interest on Working Capital	1.72	1.44	1.41	1.37	1.34
Income Tax					
Contribution to contingency reserves	1.38	1.39	1.39	1.39	1.39
<b>Total Revenue Expenditure</b>	<b>51.86</b>	<b>49.13</b>	<b>46.56</b>	<b>43.24</b>	<b>40.69</b>
RoE	24.83	24.91	24.91	24.91	24.91
<b>Gross Aggregate Revenue Requirement</b>	<b>76.69</b>	<b>74.04</b>	<b>71.46</b>	<b>68.14</b>	<b>65.60</b>
Less: Non-Tariff Income	1.01	1.12	1.23	1.33	1.44
<b>Net Aggregate Revenue Requirement</b>	<b>75.68</b>	<b>72.92</b>	<b>70.24</b>	<b>66.81</b>	<b>64.15</b>
Add: Gap/ (Surplus) for True-up for FY 2017-18	16.73				
Add: Gap/ (Surplus) for True-up for FY 2018-19	-3.32				
Add: Gap/ (Surplus) for ARR for FY 2019-20	0.50				
Carrying Cost/ (Holding Cost) for FY 2015-16 to FY 2019-20	7.28				
<b>Total Annual Revenue Requirement including past gaps</b>	<b>96.87</b>	<b>72.92</b>	<b>70.24</b>	<b>66.81</b>	<b>64.15</b>

### 1.5 Prayers to the Hon'ble Commission

JPTL respectfully hereby submits the revised Petition and prays that the Hon'ble Commission may:

- Admit the Petition for Approval of True Up of FY 2017-18 & FY 2018 –19, Provisional True-Up of FY 2019-20 as per MYT Regulations 2015 and Aggregate Revenue Requirement for Control Period FY 2020-21 to FY 2024-25 as per MYT Regulations 2019;
- Approve the True-up of ARR of JPTL including past gaps and incentive for higher Transmission availability for FY 2017-18 & FY 2018-19 as per MYT Regulations 2015;
- Approve the Provisional True Up for FY 2019-20 as presented in this Petition as per MYT Regulations 2015;
- Approve the projected Annual Revenue Requirement for the MYT control period FY 2020-21 to FY 2024-25 as per MYT Regulations 2019;
- To allow the overhauling cost of transmission system for the MYT Control Period i.e. FY 2020-21 to FY 2024-25 in addition to normative O&M Expenses;
- To reconsider the O&M norms on a realistic basis for the MYT Control Period i.e from FY 2020-21 to FY 2024-25;
- To allow the recovery of the past gaps in the transmission charges as submitted in the petition;

- h. To allow the claim of Delay Payment Charges of FY 2015-16, as not to be included in Non-Tariff Income, in line with the Hon'ble APTEL Order and allow the passthrough of subsequent impact of the same on calculation of Tax and incentive for FY 2015-16;
- i. Condone any inadvertent omissions, errors, short comings and permit JPTL to add/change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- j. Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case;