

BEFORE
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,
MUMBAI

REVISED PETITION
FOR
APPROVAL OF
TRUE UP OF ARR FOR FY 2014-15, ANNUAL PERFORMANCE
REVIEW OF FY 2015-16 AND
MULTI YEAR TARIFF
FOR THE CONTROL PERIOD
FY 2016-17 TO FY 2019-20

FILED BY
JAIGAD POWERTRANSCO LTD



BEFORE THE HON'BLE MAHARASHTRA STATE ELECTRICITY REGULATORY COMMISSION

FILE / PETITION NO.....

IN THE MATTER OF

FILING OF THE PETITION FOR TRUE UP OF FY 2014-15 AND MULTI YEAR TARIFF PETITION FOR THE CONTROL PERIOD FY 2016-17 TO FY 2019-20 OF THE JAIGAD POWERTRANSO LIMITED (JPTL) UNDER THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (MULTI YEAR TARIFF) REGULATIONS, 2011, (MULTI YEAR TARIFF) REGULATIONS, 2015 AND UNDER SECTION-62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003.

AND IN THE MATTER OF

JAIGAD POWERTRANSO LIMITED; NANDIWADI, KUNBIWADI, POST- JAIGAD, RATNAGIRI – 415614, MAHARASHTRA

PETITIONER

Chandraprakash Tated,
Chief Financial Officer (CFO),
For and on behalf of
Jaigad PowerTranSCO Corporation Ltd

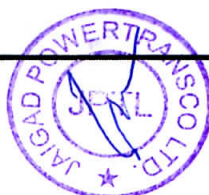


TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	7
1.1	PREAMBLE	7
1.2	TRUE UP FOR FY 2014-15	7
1.3	ANNUAL PERFORMANCE REVIEW FOR FY 2015-16	8
1.4	MULTI YEAR TARIFF PETITION FOR THE CONTROL PERIOD FY 2016-17 TO FY 2019-20	9
2	INTRODUCTION	11
2.1	PREAMBLE	11
2.2	BACKGROUND	11
2.3	PROVISION OF LAW	13
2.4	PETITION STRUCTURE	15
3	TRUE UP OF ARR FOR FY 2014-15	16
3.1	PREAMBLE	16
3.2	TRUE UP OF AGGREGATE REVENUE REQUIREMENT OF FY 2014-15	16
3.3	OPERATION & MAINTENANCE EXPENSES	16
3.4	CAPITAL EXPENDITURE AND CAPITALIZATION	18
3.5	DEPRECIATION	18
3.6	INTEREST ON LOAN CAPITAL	19
3.7	INTEREST ON WORKING CAPITAL	20
3.8	RETURN ON EQUITY (ROE)	21
3.9	CONTRIBUTION TO CONTINGENCY RESERVE	21
3.10	INCOME TAX	22
3.11	NON-TARIFF INCOME	22
3.12	INCOME FROM OTHER BUSINESS	23
3.13	INCENTIVE ON TRANSMISSION AVAILABILITY	23
3.14	SHARING OF GAINS AND LOSSES	24
3.15	SHARING OF EFFICIENCY GAINS AND LOSS FOR O&M EXPENSE & WORKING CAPITAL INTEREST	25
3.16	AGGREGATE REVENUE REQUIREMENT	26
3.17	CARRYING COST FOR UNDER RECOVERY OF FY 2010-11 AND FY 2011-12 ARR FOR TWO MONTHS OF FY 2012-13	26
3.18	CARRYING COST FOR DELAY IN RECOVERY OF ARR FOR FY 2014-15	27
3.19	REVENUE GAP	28
4	ANNUAL PERFORMANCE REVIEW (APR) OF ARR FOR FY 2015-16	29
4.1	PREAMBLE	29
4.2	AGGREGATE REVENUE REQUIREMENT FOR APR OF FY 2015-16	29
4.3	OPERATION & MAINTENANCE EXPENSES	29
4.4	DEPRECIATION	29
4.5	INTEREST ON LONG-TERM LOAN	30
4.6	INTEREST ON WORKING CAPITAL	31
4.7	CONTRIBUTION TO CONTINGENCY RESERVE	32
4.8	RETURN ON EQUITY	33
4.9	INCOME TAX	34
4.10	NON-TARIFF INCOME	34
4.11	NET AGGREGATE REVENUE REQUIREMENT FOR FY 2015-16	36



4.12	REVENUE FROM TRANSMISSION TARIFF	36
4.13	DETAILS OF REVENUE GAP.....	37
5	ARR FOR THE THIRD MYT CONTROL PERIOD FY 2016-17 TO FY 2019-20	38
5.1	OPERATION & MAINTENANCE EXPENSES	38
5.2	DEPRECIATION.....	38
5.3	INTEREST ON LONG-TERM LOAN	39
5.4	INTEREST ON WORKING CAPITAL.....	39
5.5	CONTRIBUTION TO CONTINGENCY RESERVE.....	41
5.6	RETURN ON EQUITY.....	42
5.7	INCOME TAX	43
5.8	NON-TARIFF INCOME.....	43
5.9	NET AGGREGATE REVENUE REQUIREMENT FOR THE MYT CONTROL PERIOD FY 2016-17 TO FY 2019-20	44
6	ADDITIONAL SUBMISSION AND PRAYERS TO THE COMMISSION	46
6.1	DIRECTIVES	46
6.2	SUBMISSION.....	46
6.3	THE APPLICANT RESPECTFULLY PRAYS THAT THE HON'BLE COMMISSION MAY:.....	46



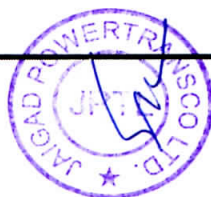
List of Tables

TABLE 1-1: SUMMARY OF THE TRUE UP FOR FY 2014-15	8
TABLE 1-2: SHARING OF GAINS/ LOSSES FOR FY 2014-15	8
TABLE 1-3: SUMMARY OF THE ANNUAL PERFORMANCE REVIEW OF THE ARR FOR FY 2015-16	9
TABLE 1-4: SUMMARY OF THE ARR FOR CONTROL PERIOD FY 2016-17 TO FY 2019-20	10
TABLE 2-1: DETAILS OF PROPOSED TRANSMISSION SYSTEM OF JPTL	11
TABLE 3-1: O&M EXPENSES AS PER NORMS FOR FY 2014-15.....	17
TABLE 3-2: ACTUAL O&M EXPENSES FOR FY 2014-15	17
TABLE 3-3: COMPARISON OF O&M EXPENSES FOR FY 2014-15 (Rs Cr).....	18
TABLE 3-4: DEPRECIATION EXPENSES FOR FY 2014-15 (Rs Cr)	19
TABLE 3-5: INTEREST ON DEBT FOR FY 2014-15 (Rs Cr).....	20
TABLE 3-6: INTEREST ON WORKING CAPITAL FOR FY 2014-15 (Rs Cr)	20
TABLE 3-7: RETURN ON EQUITY FOR FY 2014-15 (Rs Cr)	21
TABLE 3-8: CONTINGENCY RESERVE FOR FY 2014-15 (Rs Cr)	22
TABLE 3-9: INCOME TAX FOR FY 2014-15 (Rs Cr).....	22
TABLE 3-10: NON-TARIFF INCOME FOR FY 2014-15 (Rs Cr)	23
TABLE 3-11: NON-TARIFF INCOME FOR FY 2014-15 (Rs Cr)	23
TABLE 3-12: INCENTIVE ON HIGHER TRANSMISSION AVAILABILITY FOR FY 2014-15 (Rs Cr)	24
TABLE 3-13: SHARING OF GAINS FOR FY 2014-15 (Rs Cr)	26
TABLE 3-14: AGGREGATE REVENUE REQUIREMENT FOR FY 2014-15 (Rs Cr).....	26
TABLE 3-15: CARRYING COST CALCULATION FOR FY 2014-15 (Rs Cr).....	28
TABLE 3-16: REVENUE GAP FOR FY 2014-15 (Rs Cr).....	28
TABLE 4-1: O&M EXPENSES FOR FY 2015-16 (Rs Cr)	29
TABLE 4-2: DEPRECIATION FOR FY 2015-16 (Rs Cr)	30
TABLE 4-3: INTEREST ON THE DEBT CAPITAL FOR FY 2015-16 (Rs Cr)	31
TABLE 4-4: INTEREST ON WORKING CAPITAL FOR FY 2015-16 (Rs Cr)	32
TABLE 4-5: CONTINGENCY RESERVE FOR FY 2015-16 (Rs Cr)	33
TABLE 4-6: ROE FOR FY 2015-16 (Rs Cr)	34
TABLE 4-7: INCOME TAX FOR FY 2015-16 (Rs Cr).....	34
TABLE 4-8: NON-TARIFF INCOME FOR FY 2015-16 (Rs Cr)	36
TABLE 4-9: NET ANNUAL REVENUE REQUIREMENT FOR FY 2015-16 (Rs Cr)	36
TABLE 4-10: REVENUE GAP FOR FY 2015-16 (Rs Cr).....	37
TABLE 5-1: O&M EXPENSES FOR FY 2016-17 TO FY 2019-20 (Rs Cr).....	38
TABLE 5-2: DEPRECIATION FOR FY 2016-17 TO FY 2019-20 (Rs Cr)	39
TABLE 5-3: INTEREST ON THE DEBT CAPITAL FOR FY 2016-17 TO FY 2019-20 (Rs Cr)	39
TABLE 5-4: INTEREST ON WORKING CAPITAL FOR FY 2016-17 TO FY 2019-20 (Rs Cr).....	41
TABLE 5-5: CONTINGENCY RESERVE FOR FY 2016-17 TO FY 2019-20 (Rs Cr)	42
TABLE 5-6: ROE FOR FY 2016-17 TO FY 2019-20 (Rs Cr)	43
TABLE 5-7: INCOME TAX FOR FY 2016-17 TO FY 2019-20 (Rs Cr).....	43
TABLE 5-8: NON-TARIFF INCOME FOR FY 2016-17 TO FY 2019-20 (Rs Cr)	44
TABLE 5-9: NET ANNUAL REVENUE REQUIREMENT FOR FY 2016-17 TO FY 2019-20 (Rs Cr).....	45



ABBREVIATIONS

AC	Alternate Current
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Ckt-Km	Circuit Kilometre
FY	Financial Year
GoM	Government of Maharashtra
HVDC	High Voltage Direct Current
IPTC	Independent Power Transmission Company
KV	Kilo Volt
Commission/ MERC	Maharashtra Electricity Regulatory Commission
MVA	Mega Volt Ampere
MW	Mega Watt
MYT Regulations, 2011	MERC (Multi Year Tariff), Regulation, 2011
MYT Regulations, 2015	MERC (Multi Year Tariff), Regulation, 2015
MYT	Multi Year Tariff
MTR	Mid Term Review
O&M	Operation & Maintenance
R&M	Renovation & Modernisation
RoE	Return on Equity
S/S	Sub Station
Third Control Period	FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20
TVS	Technical Validation Session
WREB	Western Region Electricity Board
WRPC	Western Region Power Committee



1 EXECUTIVE SUMMARY

1.1 Preamble

1.1.1 This section highlights the summary of Petition for True Up for FY 2014-15 and Annual performance review for FY 2015-16 and Multi Year Tariff petition for the control period FY 2016-17 To FY 2019-20.

1.2 True up for FY 2014-15

1.2.1 JPTL has worked out its Aggregate Revenue Requirement for FY 2014-15 as a part of the True Up for FY 2014-15. JPTL has presented the actual cost components based on audited annual accounts for FY 2014-15. The detailed comparison of various cost components with the values approved by the Hon'ble Commission has been presented in Chapter True Up of FY 2014-15. A summary of the proposed ARR for Truing-up of FY 2014-15 compared with the approved ARR for FY 2014-15 is presented in the table given below. The approved ARR for FY 2014-15 has been taken from the MTR Order dated 26th June 2015, passed by the Hon'ble Commission.



Table 1-1: Summary of the True Up for FY 2014-15

SL.No.	Particulars	MTR Order	JPTL Petition	Net Entitlement after sharing of gains/(losses)	Deviation
1	Operation & Maintenance Expenses	6.51	3.27	5.43	-1.08
2	Depreciation	29.34	29.34	29.34	0.00
3	Interest on Long-term Loan	37.79	38.20	38.20	0.41
4	Interest on Working Capital	2.02	1.96	2.00	-0.02
5	Contribution to Contingency Reserves	1.39	1.39	1.39	0.00
6	Income Tax Expense	6.21	6.59	6.59	0.38
7	Total Revenue Expenditure	83.26	80.74	82.94	-0.32
8	Return on Equity Capital	21.63	21.63	21.63	0.00
9	Aggregate Revenue Requirement	104.89	102.36	104.57	-0.32
10	Less: Non-Tariff Income	0.32	0.32	0.32	0.00
11	Less: Income from Other Business	0.00	0.00	0.00	0.00
12	Add: Incentive	0.00	1.74	1.74	1.74
13	Aggregate Revenue Requirement from Retail Tariff	104.57	103.78	105.99	1.42

1.2.2 Based on the provisions of MYT Regulations, 2011 JPTL has computed the gains and losses on account of controllable and uncontrollable parameters and proposed its sharing mechanism. Summary of the same is outlined in the table below:

Table 1-2: Sharing of gains/ losses for FY 2014-15

Particulars	MYT Order	Actual	Variation	2/3rd of efficiency gain retained by JPTL	Net entitlement after sharing of gains /losses
O & M Expense	6.51	3.27	3.24	2.16	5.43
Working Capital Interest	2.02	1.96	0.07	0.04	2.00

1.3 Annual Performance Review for FY 2015-16

1.3.1 Based on the MERC MYT Regulations, 2011, the annual performance review is carried out by comparing the actual performance of the Transmission licensee with the approved forecast in the Mid Term Review order. The summary of the ARR for FY

2015-16 is shown in the table below:

Table 1-3: Summary of the Annual performance review of the ARR for FY 2015-16

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
O&M Expenses	6.86	3.43	3.43	6.86
Depreciation	29.34	14.67	14.68	29.35
Interest on Long-term Loan Capital	34.42	17.82	16.97	34.79
Interest on Working Capital and deposits from Transmission System Users	2.48	1.47	1.47	2.94
Income Tax	6.21	13.73	0.00	13.73
Contribution to contingency reserves	1.39	0.69	0.69	1.39
Total Revenue Expenditure	80.70	51.83	37.25	89.07
RoE	21.63	10.81	10.81	21.63
Aggregate Revenue Requirement	102.32	62.64	48.06	110.70
Less: Non-Tariff Income	17.17	0.22	0.22	0.44
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	85.15	62.42	47.84	110.26

1.4 Multi Year Tariff petition for the control period FY 2016-17 TO FY 2019-20

1.4.1 Based on the MERC MYT Regulations, 2015, JPTL has prepared the projection for the third control period of FY 2016-17 to FY 2019-20. The summary of the ARR for the control period is shown below:



Table 1-4: Summary of the ARR for Control Period FY 2016-17 to FY 2019-20

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
O&M Expenses	4.35	4.57	4.79	5.02
Depreciation	29.39	29.42	29.42	29.41
Interest on Long-term Loan Capital	30.36	27.14	23.84	20.54
Interest on Working Capital and deposits from Transmission System Users	1.92	1.88	1.84	1.80
Income Tax	6.26	6.27	6.27	6.27
Contribution to contingency reserves	1.39	1.39	1.39	1.39
Total Revenue Expenditure	73.67	70.68	67.55	64.44
RoE	21.68	21.72	21.72	21.72
Aggregate Revenue Requirement	95.34	92.40	89.28	86.16
Less: Non-Tariff Income	0.55	0.67	0.79	0.90
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	94.79	91.73	88.49	85.26
Revenue gap including carrying cost for FY 2014-15	4.52	0.00	0.00	0.00
Revenue gap for FY 2015-16	25.11	0.00	0.00	0.00
Total Revenue requirement	124.42	91.73	88.49	85.26



2 INTRODUCTION

2.1 Preamble

2.1.1 This section presents the background and reasons for filing of this Petition

2.2 Background

2.2.1 Jaigad PowerTransco Limited (JPTL) is a Joint Venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Limited (MSETCL) for the purpose of developing, operating and maintaining the Transmission System as given below consisting of two Transmission Lines along with the associated equipment/ Terminal Bays etc.:

Table 2-1: Details of proposed transmission system of JPTL

Name of the line	Line length & Capacity	District	Interface Point
Jaigad-New Koyna Transmission Line	55Km – 400 KV Double Circuit (Quad) Transmission Line	Ratnagiri, Maharashtra	MSETCL Substation, New Koyna
Jaigad-Karad Transmission Line	110Km – 400 KV Double Circuit (Quad) Transmission Line	Ratnagiri /Satara, Maharashtra	MSETCL Substation, Karad

2.2.2 The JV Agreement was executed between JSWEL and MSETCL on 5th August 2008 with MSETCL holding 26% and JSWEL holding the balance 74% of the equity.

2.2.3 The Hon'ble Commission had granted Transmission License, (License No 1 of 2008) dated February 8, 2009, for a period of 25 years to JPTL for establishing, operating and maintaining the above referred Transmission System inclusive of related infrastructure:

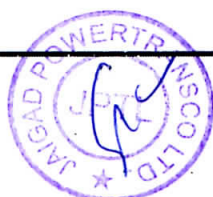
2.2.4 The 400 kV D/C (Quad) Jaigad-New Koyna Transmission Line was commissioned on 7th July, 2010 and 400 kV D/C (Quad) Jaigad – Karad Transmission Line was commissioned on 2nd December, 2011.

2.2.5 The Hon'ble Commission vide its letter No. MERC/CAP/DPR/11/10/00616 dated June



29, 2010 granted In-Principle approval for a capital investment of Rs. 576.29 Cr as against the Rs. 580.35 Cr estimate submitted by JPTL. The Hon'ble Commission also agreed to a Debt: Equity ratio of 75:25 for funding the project.

- 2.2.6 JPTL filed the petition for approval of ARR for FY 2010-11 and the Hon'ble Commission approved the ARR for FY 2010-11 dated: 25th May, 2011. As per the provisions of the MYT Regulations, 2011, the Hon'ble Commission directed JPTL to submit a petition for approval of ARR for FY 2011-12 and in compliance with the directions JPTL submitted the petition for approval of Truing up of ARR for FY 2010-11 and approval of ARR for FY 2011-12. Subsequently the Hon'ble Commission vide its Order dated 16th May, 2012 approved the Truing up of FY 2011-12 and ARR for FY 2011-12.
- 2.2.7 As per the provisions of the MYT Regulations, 2011, the Hon'ble Commission directed JPTL to submit a Business Plan for the second Control Period which as applicable for the FY 2011-12 to FY 2015-16. Accordingly, JPTL submitted its Transmission Business Plan petition for MYT control period from FY 2012-13 to FY 2015-16. The Hon'ble Commission carried out the due regulatory proceedings in the matter and approved the Business plan vide Order dated 20th December, 2012.
- 2.2.8 JPTL in its Business Plan petition had submitted the revised estimates of the capital costs of Rs 569.66 Cr. However, subsequent to the final settlement with its EPC Contractor and during the public hearing process, JPTL specified a revised Capital cost of Rs 554.30 Cr (including margin money of Rs 4.06 Crore).
- 2.2.9 The Hon'ble Commission had approved, vide MYT Business Plan order dated 20th December 2012, capital cost of Rs. 550.23 Cr. (excluding margin money of Rs. 4.06 Cr.) for computation of ARR for FY 2012-13 to FY 2015-16.
- 2.2.10 Pursuant to issuance of MYT Business Plan Order for JPTL and in compliance with the directions of the Hon'ble Commission in the said Order, JPTL had submitted its MYT Petition for the second Control Period from FY 2012-13 to FY 2015-16 on 16th February 2013. The Hon'ble Commission had approved the ARR for the second Control Period FY 2012-13 to FY 2015-16 vide its Order dated 16th August 2013.
- 2.2.11 Subsequently JPTL submitted the Mid-Term review petition vide dated: 28th November 2014 which was approved by the Hon'ble Commission under the Mid-Term Review Order dated: 26th June 2015 approving the true up for FY 2012-13, FY 2013-14, provisional true up for FY 2014-15 and revised estimates for FY 2015-16.



2.2.12 As per the notification of the MERC MYT Regulations, 2015, JPTL submitted the petition on 20th January 2016.

2.2.13 Subsequently, the Hon'ble Commission asked for data gap queries Set-1 notified by MERC vide letter no. MERC/Case No. 12 of 2016/ 01425 dated 5th February'2016.

2.2.14 Further JPTL had replied to the same vide letter dated: 18th February 2016 and the same was admitted by the office of MERC on 22nd February 2016.

2.2.15 The Hon'ble Commission conducted the Technical Validation Session (TVS) on 26th February 2016 and asked for additional data gap with respect to the TVS and JPTL submitted the reply to the TVS data gaps on 3rd March 2016.

2.2.16 In line with the same as per the directions of the Hon'ble Commission, JPTL is submitting the revised petition.

2.3 Provision of Law

2.3.1 The Hon'ble Commission has notified the MYT Regulations, 2015.

"3. Scope of Regulations—

3.1 The Commission shall determine the Aggregate Revenue Requirement, Tariff and Fees and Charges, including terms and conditions thereof, in accordance with these Regulations for all matters for which the Commission has jurisdiction under the Act, including the following :—

(i) For supply of electricity by a Generating Company, except from Renewable

Sources of energy, to a Distribution Licensee ;

(ii) For Intra-State transmission of electricity ;

(iii) For use of intervening transmission facilities ;

(iv) For Wheeling of electricity ;

(v) For Retail supply of electricity ;

(vi) For MSLDC, in terms of Fees and Charges ;

(vii) For Surcharge in addition to the charges for wheeling under the first proviso to sub-section (2) of section 42 of the Act, in accordance with the Regulations of

the Commission governing Distribution Open Access and Orders issued by the Commission ;

(viii) For Additional surcharge on the charges for wheeling under sub-section (4) of Section 42 of the Act, in accordance with the Regulations of the Commission governing Distribution Open Access and Orders of the Commission :

Provided that the Commission shall determine such Tariff and Fees and Charges, having regard to the terms and conditions contained in Parts E, F, G, H and I of these Regulations, as may be applicable.

3.2 Notwithstanding anything contained in these Regulations, the Commission shall adopt the Tariff if such Tariff has been determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government under section 63 of the Act :

Provided that the Petitioner shall provide such information as the Commission may require to satisfy itself that the guidelines issued by the Central Government have been duly followed."

2.3.2 For the petitions to be filed in the control period:

"5. Petitions to be filed in the Control Period—

5.1 The Petitions to be filed in the Control Period under these Regulations are as under :—

(a) Multi-Year Tariff Petition shall be filed by January 15, 2016, comprising:—

(i) Truing-up for FY 2014-15 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011:

Provided that the Commission may, if it considers appropriate, carry out the Truing-up for years prior to FY 2014-15 under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011, along with the Truing-up for FY 2014-15, in case such Truing-up is yet to be completed ;

(ii) Provisional Truing-up for FY 2015-16 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 ;

(iii) Aggregate Revenue Requirement for each year of the Control Period under these Regulations;

(iv) Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;

(v) Proposed category-wise Tariff or Fees and Charges for each year of the Control Period under these Regulations.”

- 2.3.3 JPTL had requested the Hon’ble Commission for extension of filing the Petition under MYT regulations 2015 vide letter No: 2015-16/001 dated: 11th January 2016.
- 2.3.4 The Hon’ble Commission had granted the extension up to 31st January 2016 for filing of the Multi Year Tariff petition vide its Order dated: 15th January 2016.
- 2.3.5 Accordingly the JPTL has prepared the True Up for FY 2014-15 and APR for FY 2015-16 are prepared under Tariff regulations 2011 and Annual revenue requirement for the third control period FY 2016-17 to FY 2019-20 under MERC MYT Regulations 2015. The same is submitted to the Hon’ble Commission for consideration along with the specified formats for providing information on various parameters under consideration.

2.4 Petition structure

- 2.4.1 The MYT Petition includes the following Chapters:
- a) **Section 1** contains the executive summary of the Petition
 - b) **Section 2** contains introduction and overall approach to filing of the Petition
 - c) **Section 3** contains True up for FY 2014-15
 - d) **Section 4** contains Annual performance Review for FY 2015-16
 - e) **Section 5** contains projections of Aggregate Revenue Requirement for JPTL for the third Control Period FY 2016-17 to FY 2019-20
 - f) **Section 6** contains JPTL’s compliance with the directions of the Hon’ble Commission in the Mid Term Review Order and Prayers to the Hon’ble Commission.



3 TRUE UP OF ARR FOR FY 2014-15

3.1 Preamble

3.1.1 This section outlines performance of JPTL for FY 2014-15. In line with the provisions of the MYT Regulations, 2011, JPTL hereby submits the True up Petition comparing the actual performance of JPTL during FY 2014-15 in line with the MYT norms with the forecast approved by the Hon'ble Commission vide Mid-term performance review Order dated 26th June, 2015.

3.2 True Up of Aggregate Revenue Requirement of FY 2014-15

3.2.1 JPTL submits the audited annual accounts for FY 2014-15, appended as **Annexure – A**. As per the MYT Regulations, 2011, JPTL seeks the true up of expenses and revenue for FY 2014-15.

3.3 Operation & Maintenance expenses

3.3.1 The Regulation 61.5, 61.6 and 61.7 of the MERC (MYT) Regulations, 2011 specifies the normative Operation and Maintenance expense (O&M) expenses allowed for the new Transmission Licensee for the second Control Period. The relevant provision is as follows:

“61.5 Operation and Maintenance expenses

61.5.1 The norms for O&M expenses for existing and new Transmission Licensees have been stipulated for the Second Control Period on the basis of circuit kilometer of transmission lines and number of Bays in the substation of the Transmission Licensee, as given below:

....

61.7 O&M Norms for New Transmission Licensee

61.7.1 For the new Transmission Licensee, the year-wise O&M norms as stipulated for MSETCL shall be the applicable norms for transmission assets added by such new Transmission Licensee (s) for respective year during the third Second Control Period.

Provided that the same shall not be applicable to those new projects which are awarded on a competitive bidding basis.

Explanation: The term “New Transmission Licensee” shall mean the Transmission Licensee(s) for which Transmission Licence is granted by the Commission prior to or after the date of effectiveness of these Regulations, and whose transmission project assets are commissioned after March 31, 2011.

....”



- 3.3.2 As specified above, the O&M norms for each year of the Control Period from FY 2012-13 to FY 2015-16 for 'New Transmission Licensees' in the State are linked to the norms specified for MSETCL and same is made applicable for arriving at the O&M norms for JPTL.
- 3.3.3 Accordingly, the Hon'ble Commission approved the net O&M Expense of Rs 6.51 Crores for FY 2014-15 based on the norms stipulated under the MYT Regulations.
- 3.3.4 JPTL submits that the actual O&M expenses for FY 2014-15 are lower than the norms. It was able to control the O&M expense due to low R&M expenses towards both lines and bays (being new in nature).

Table 3-1: O&M Expenses as per Norms for FY 2014-15

Particulars	Unit	Normative
Length of Line (A)	ckt. kms.	330.00
Norms as per Regulations (B)	Rs. lakh/ ckt. kms.	0.63
Cost (C = A * B)	Rs. Crore	2.08
No of bays (D)	No.	4.00
Norms as per Regulations (E)	Rs. lakh/ bay	110.78
Cost (F = D * E)	Rs. Crore	4.43
Total O&M expenses (G = C + F)	Rs. Crore	6.51

Table 3-2: Actual O&M Expenses for FY 2014-15

Particulars	As per norms (Rs. Cr.)	Actual (Rs. Cr.)
	FY 2014-15	
Employee expense		0.80
Administrative and General expense	2.08	1.69
Repairs and Maintenance expense		0.51
O&M expenses for lines		3.00
O&M expenses for terminal bays as per the contract with MSETCL	4.43	0.27
Total O&M expenses	6.51	3.27

- 3.3.5 The comparison of O&M Expense approved by the Hon'ble Commission and the O&M Expense as per norm for FY 2014-15 and actuals are shown below:

Table 3-3: Comparison of O&M Expenses for FY 2014-15 (Rs. Cr)

Particulars	MTR Order	Normative	Actual
O & M Expenses for line	2.08	2.08	
O & M Expenses for terminal bays	4.43	4.43	
Total O & M Expenses	6.51	6.51	3.27

3.4 Capital Expenditure and Capitalization

- 3.4.1 The Hon'ble Commission had provisionally approved the capitalization of Rs 0.02 Crore towards nominal items like LCD, projector, camera, power batteries, etc. in its mid Term Review order dated: 26th June 2015.
- 3.4.2 In line with the same, JPTL has capitalized assets of Rs 0.02 Crore and written off assets of Rs 0.01 Crore pertaining to furniture & fixtures and office equipments in accordance with the Regulation 27.10 of MYT Regulation 2011.
- 3.4.3 Addition of Rs. 0.13 Cr. to GFA has been sufficed by documentary evidence provided as per reply to Data Gap-7 vide letter dated 22nd February 2016.
- 3.4.4 Considering the above, JPTL humbly submits to the Hon'ble Commission to approve the GFA addition and net write off against furniture & fixtures and office equipments.

3.5 Depreciation

- 3.5.1 Regulation 31 of the MERC (MYT) Regulations, 2011 provides for computation of the depreciation to be estimated by the Petitioner based on the capital cost of the assets admitted by the Hon'ble Commission and the rates of depreciation applicable as per Annexure I specified in the Regulation 31.2 (b) of the MERC (MYT) Regulations, 2011.
- 3.5.2 Additionally, Regulation 31.5 of the MERC (MYT) Regulations, 2011 provides for depreciation to be calculated based on the average of opening and closing value of assets for the assets having commercial operation for only part of the year.
- 3.5.3 The actual addition of assets as per the audited statement of accounts is taken in consideration for depreciation calculation.
- 3.5.4 Accordingly, JPTL has computed depreciation considering the addition & retirement of assets during the year and the applicable depreciation rates as per the rates specified in the MYT Regulations, 2011. The depreciation has been computed taking

into consideration the actual date of addition/ retirement of asset during the year.

Table 3-4: Depreciation Expenses for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Opening GFA	555.69	555.70
Addition of GFA	0.02	0.02
Retirement of GFA	0.00	0.01
Closing GFA	555.71	555.70
Depreciation	29.34	29.34

3.6 Interest on loan capital

3.6.1 The Hon'ble Commission had approved a debt equity ratio of 75:25 as part of the in-principle approval of project cost for JPTL.

3.6.2 JPTL has considered debt equity ratio of 70:30 for small additional capital expenditure towards LCD Projector, Camera, Power Batteries etc in line with norms specified in the Regulation 33.1 of MYT Regulations. Further, for retired assets, JPTL has reduced the debt component by 75% of the original cost of the retired asset as per the debt equity ratio approved in the MYT business plan, in accordance with Regulation 30 of MYT Regulations, 2011.

3.6.3 The repayment for FY 2014-15 has been considered equal to the depreciation for that year as stipulated in Regulation 33.3 of MERC MYT Regulations, which specifies that

"The repayment for the year of the tariff period FY 2011-12 to FY 2015-16 shall be deemed equal to the depreciation allowed for that year."

3.6.4 Documentary evidence for weighted average interest @ 11.62% on loan capital for FY14-15 has been submitted by JPTL as reply to Data Gap-1 & Data Gap-15 vide letter dated 18th February 2016 admitted by the Commission on 22nd February 2016.

Table 3-5: Interest on Debt for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Opening balance of Debt	343.29	343.29
Addition	0.01	0.02
Repayment	29.34	29.34
Retirement	0.00	0.00
Closing Debt	313.96	313.96
Interest Rate (%)	11.50%	11.62%
Interest on the Debt Capital operation	37.79	38.20
Finance Charges	0.00	0.00
Total Interest and Finance charges	37.79	38.20

3.7 Interest on Working Capital

3.7.1 Interest on working capital has been calculated according to Clause 35.2(b) of MERC (MYT) Regulations 2011 reproduced as under:

“(b) Rate of Interest on working capital shall be on normative basis and shall be equal to the State Bank Advance Rate (SBAR) of State Bank of India as on the date on which the application for determination of tariff is made.”

3.7.2 Considering the above Regulation, interest on working capital has been computed at the rate of 14.50% per annum, which is equivalent to SBAR as on date of application.

3.7.3 JPTL has calculated interest on working capital as per the norms and revised working capital loan as per the Hon’ble Commission’s query of Data Gap-6.

Table 3-6: Interest on working capital for FY 2014-15 (Rs Cr)

Particulars	MTR Order	As per Norms	JPTL Petition
O&M Expenses	0.54	0.54	0.27
Stores, Materials & Supplies	0.46	0.46	0.46
Expected Revenue from Transmission Tariff	12.94	13.16	12.76
Total Working Capital	13.94	14.17	13.49
Rate of Interest on Working Capital	14.50%	14.50%	14.50%
Interest on Working Capital	2.02	2.05	1.96

3.8 Return on Equity (RoE)

- 3.8.1 ROE has been computed by applying regulated return of 15.5% on the average of the opening and closing balance of financial years in line with the Regulation 32 of MYT Regulation, 2011.
- 3.8.2 JPTL has considered equity addition of 30% for additional capital expenditure capitalized during the year pertaining to furniture & fixtures and office equipments in line with Regulation 33.1 of MYT Regulations. Further, for retired assets, JPTL has reduced the equity component by 25% of the original cost of the retired asset in accordance with Regulation 30 of MYT Regulations, 2011.

Table 3-7: Return on Equity for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Opening Equity	139.52	139.52
Additions to equity towards capital investments	0.01	0.01
Retirement	0.00	0.00
Closing balance of Equity	139.53	139.52
ROE @ 15.5 % on the average balance	21.63	21.63

3.9 Contribution to contingency reserve

- 3.9.1 JPTL has relied upon the provisions of MERC (MYT) Regulations, 2011 which is reproduced below:

“Where the Transmission Licensee or Distribution Licensee has made an appropriation to the Contingencies Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed towards such appropriation in the calculation of aggregate revenue requirement”.

- 3.9.2 The Hon’ble Commission in the Order dated 26th June, 2015 in Case No. 208 of 2014 for MTR Order of JPTL has approved a contingency reserve to the extent of 0.25% of the original cost of fixed assets.
- 3.9.3 Accordingly, the contingency reserve as provided in the audited accounts and as invested by JPTL in accordance with the MYT Regulation, 2011 is taken below for the consideration of the Hon’ble Commission. The amount invested is attached as **Annexure –B**.
- 3.9.4 JPTL has submitted Demat Statement to suffice the invested amount in reply to Data



Gap-2 vide letter dated 22nd Feb'2016.

Table 3-8: Contingency Reserve for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
GFA	555.69	555.70
Contribution to contingency reserves	1.39	1.39

3.10 Income Tax

3.10.1 JPTL has incurred income tax of Rs. 6.59 Crores in FY 2014-15, and prays before the Hon'ble Commission to kindly approve the income tax on actual basis.

3.10.2 Actual tax payment challans have been submitted as evidence to claim of Rs. 6.59 Crores in reply to Data Gap-3 vide letter dated 22nd Feb'2016.

Table 3-9: Income Tax for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Income Tax	6.21	6.59

3.11 Non-Tariff Income

3.11.1 As per Regulation 36.1 of MERC MYT Regulations, 2011, out of the revenue recovered, the amount accumulated against the contribution to contingency reserve is required to be invested in securities authorized under Indian Trust Act, 1882 within six months of the close of the financial year, which shall be treated as non-tariff income.

3.11.2 Based on the approved contribution to contingency reserves for respective years the Hon'ble Commission had approved the non-tariff income of Rs. 0.32 Crore for 2014-15.

3.11.3 Detail of non-tariff income has been sufficed by statements of mutual funds submitted as reply to Data Gap-4 vide letter dated 22nd Feb'2016.

Table 3-10: Non-Tariff Income for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Non-Tariff Income	0.32	0.32

3.12 Income from other business

3.12.1 JPTL has no income related to other business; hence the amount is shown as zero.

Table 3-11: Non-Tariff Income for FY 2014-15 (Rs Cr)

Particulars	MTR Order	JPTL Petition
Income from Other Business	0.00	0.00

3.13 Incentive on Transmission Availability

3.13.1 As per the Order in Case No. 58 of 2005 (dated June 27, 2006), JPTL would be entitled for incentive on availability greater than 98%. Extract of the order is as follows:

“2.8.7 Accordingly, the Commission rules that the transmission licensee shall be entitled to incentive on achieving annual availability beyond the target availability as stipulated under MERC (Terms and Conditions for Tariff) Regulations 2005, in accordance with the following formula:

Incentive = Annual Transmission Charges x [Annual availability achieved – Target Availability] / Target Availability;

Where,

Annual transmission Charges shall correspond to ARR for the particular transmission licensee within State, as the case may be.

Provided that no incentive shall be payable above the availability of 99.75% for AC system and 98.5% for HVDC system.”

3.13.2 Actual transmission availability certificates from SLDC have been submitted as reply to Data Gap-5 in JPTL’s letter dated 22nd Feb’2016.

3.13.3 Further to Commission’s query for Transmission Line Availability as per Query-4 post Technical Validation Session, JPTL has submitted Aggregate Annual Transmission Availability Certificate from MSLDC vide letter dated 3rd March’2016.

3.13.4 The actual availability works 99.78% and the incentive on the basis of actual availability works out to Rs. 1.74Crores for FY 2014-15 as follows:

Table 3-12: Incentive on higher Transmission Availability for FY 2014-15 (Rs Cr)

Particulars	FY2014-15
Annual Transmission Charges (Rs. Crore)	97.66
Target Availability (%)	98%
Actual Availability Achieved (%)	99.78%
Upper Cap for Incentive Availability	99.75%
Incentive (Rs. Crore)	1.74

3.14 Sharing of gains and losses

3.14.1 The relevant provisions under the MYT Regulations, 2011 stipulating sharing of gains/losses due to controllable factors are reproduced below:

“13 Mechanism for pass through of gains or losses on account of uncontrollable factors

13.1 The approved aggregate gain or loss to the Generating Company (except the adjustment provided to the Generating Company as per Regulation 49.6 of these Regulations) or Transmission Licensee or Distribution Licensee on account of uncontrollable factors shall be passed through under Z-factor Charge, as an adjustment in the tariff of the Generating Company or Transmission Licensee or Distribution Licensee on a half yearly basis or a yearly basis, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations.”

...

“13.10 Other components of Z-Factor Charge (ZOUC)

In case there is variation in cost for Generating Company or Transmission Licensee or Distribution Licensee, on account of any other uncontrollable factors as specified in Regulation 12, the same shall be pass-through under Z factor Charge, on a yearly basis, in a manner as stipulated by the Commission.”

3.14.2 The relevant provisions under the MYT Regulations, 2011 stipulating sharing of gains/losses due to controllable factors are reproduced below:

14 Mechanism for sharing of gains or losses on account of controllable factors

14.1 The approved aggregate gain to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such gain shall be passed on as a rebate in tariff over such period as may be stipulated in the Order of the Commission under Regulation 11.6;

(b) The balance amount, which will amount to two-third of such gain, may be utilised at the discretion of the Generating Company or Transmission Licensee or Distribution Licensee.

14.2 The approved aggregate loss to the Generating Company or Transmission Licensee or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission under Regulation 11.6; and

(b) The balance amount of loss shall be absorbed by the Generating Company or Transmission Licensee or Distribution Licensee.

14.3 Gains and losses on account of controllable factors during the second Control Period shall be shared with the consumers at the time of Mid-term Performance Review and also at the time of tariff determination process of third Control Period."

3.15 Sharing of efficiency gains and loss for O&M Expense & working capital Interest

3.15.1 The overall O&M Expense & working capital interest of JPTL is less than the norms. JPTL submits that the expenditure incurred against O&M expenses & working capital interest were controllable in nature due to the measures taken by JPTL for controlling the R&M expense as detailed out in the O&M section.

3.15.2 Therefore, JPTL has considered sharing of Efficiency gains in accordance with the MYT Regulation as shown below:

Table 3-13: Sharing of Gains for FY 2014-15 (Rs Cr)

Particulars	MYT Order	Actual	Variation	2/3rd of efficiency gain retained by JPTL	Net entitlement after sharing of gains /losses
O & M Expense	6.51	3.27	3.24	2.16	5.43
Working Capital Interest	2.02	1.96	0.07	0.04	2.00

3.16 Aggregate Revenue Requirement

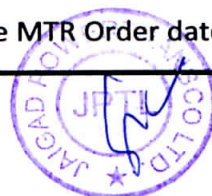
3.16.1 Based on the above parameters, the Aggregate Revenue Requirement for JPTL for the FY 2014-15 is summarized in the Table as under:

Table 3-14: Aggregate Revenue Requirement for FY 2014-15 (Rs Cr)

SL.No.	Particulars	MTR Order	JPTL Petition	Net Entitlement after sharing of gains/(losses)	Deviation
1	Operation & Maintenance Expenses	6.51	3.27	5.43	-1.08
2	Depreciation	29.34	29.34	29.34	0.00
3	Interest on Long-term Loan	37.79	38.20	38.20	0.41
4	Interest on Working Capital	2.02	1.96	2.00	-0.02
5	Contribution to Contingency Reserves	1.39	1.39	1.39	0.00
6	Income Tax Expense	6.21	6.59	6.59	0.38
7	Total Revenue Expenditure	83.26	80.74	82.94	-0.32
8	Return on Equity Capital	21.63	21.63	21.63	0.00
9	Aggregate Revenue Requirement	104.89	102.36	104.57	-0.32
10	Less: Non-Tariff Income	0.32	0.32	0.32	0.00
11	Less: Income from Other Business	0.00	0.00	0.00	0.00
12	Add: Incentive	0.00	1.74	1.74	1.74
13	Aggregate Revenue Requirement from Retail Tariff	104.57	103.78	105.99	1.42

3.17 Carrying cost for under recovery of FY 2010-11 and FY 2011-12 ARR for two months of FY 2012-13

3.17.1 The Hon'ble Commission in the MTR Order dated: 26th June 2015, allowed the under



recovery of FY 2010-11 and FY 2011-12 ARR for two months of FY 2012-13 of Rs 14.46 Crores but did not permit the recovery of the carrying cost for the said amount.

3.17.2 JPTL submits before the Hon'ble Commission that the matter is sub judice before the APTEL, and the treatment of the same shall depend upon the final judgment.

3.18 Carrying cost for delay in recovery of ARR for FY 2014-15

3.18.1 The Hon'ble Commission passed the InSTS Order Case no 123 of 2014 dated: 14th August 2014, wherein the Commission determined the transmission tariff for FY 2014-15, which was applicable from 1st September 2014. The commission mentioned that the surplus/ deficit in relation to the new tariff applicable from 1st September 2014 shall be determined at the time of true up of that transmission licensee, the relevant extract of the order is reproduced below for reference:

"41. The surplus/deficit in revenue on account of levy of Transmission Charges during the first 5 months of the current year (i.e., April to August, 2014) will be computed at the rate applicable for FY 2014-15 as per Case No. 56 of 2013, instead of the amended monthly transmission charges FY 2014-15 determined by the present Order as in Table 18 above, which shall be considered at the time of the next mid-term performance review/true-up of TTSC for the Transmission Licensees."

3.18.2 In line with the same, JPTL would like to submit that the Net ARR as determined above is Rs 105.99 Cr and the ARR recovered through Transmission Tariff Order No 123 of 2014 is Rs 101.94Cr, hence the difference comes to Rs 4.05 Cr, which was supposed to be recovered in the FY 2014-15 from September 2014. Hence the carrying cost for the same is computed for 7months for the period FY2014-15 and 12months for FY 2015-16. The interest rate for computing the carrying cost has been considered as the prevailing SBI PLR in FY 2014-15 and FY 2015-16, which was 14.75% (April'14 to April'15),14.60% (May'15 to June'15), 14.45% (July'15 to Oct'15) and 14.05% (Nov'15 till date). Accordingly the interest computed for the FY 2014-15 is Rs 0.477Cr.



Table 3-15: Carrying Cost Calculation for FY 2014-15 (Rs Cr)

Sl.No.	Particulars	JPTL Petition
1	Net ARR less Incentive	104.25
2	ARR recovered through Transmission Tariff	101.94
3	Revenue Gap	2.31
4	Carrying Cost	0.47

3.19 Revenue Gap

3.19.1 JPTL submits that the revenue gap along with the carrying cost for FY 2014-15 as calculated to be included in the FY 2016-17 ARR to be recovered by JPTL through the InSTS Tariff Order.

Table 3-16: Revenue Gap for FY 2014-15 (Rs Cr)

SL.No.	Particulars	JPTL Petition
1	Net ARR as petitioned	105.99
2	ARR recovered through Transmission Tariff	101.94
3	Revenue Gap	4.05
4	Carrying Cost as calculated above	0.47
5	Total Impact including carrying Cost	4.52



4 ANNUAL PERFORMANCE REVIEW (APR) OF ARR FOR FY 2015-16

4.1 Preamble

4.1.1 The Hon'ble Commission has passed the Mid – Term Review Order dated: 26.06.2015, wherein the Hon'ble Commission has revised the estimates of FY 2015-16. The following sections comprises of the annual performance review carried out for FY 2015-16 under MYT Regulations, 2011.

4.2 Aggregate Revenue Requirement for APR of FY 2015-16

4.2.1 JPTL submits the unaudited financial results for half year ended 30th September 2015, appended as **Annexure –C**. As per the MYT Regulations, 2011, JPTL seeks the APR of expenses and revenue for FY 2015-16.

4.3 Operation & Maintenance expenses

4.3.1 The Hon'ble Commission in its MTR Order No 208 dated: 26.06.2015 approved net O&M Expense of Rs 6.86 Crore for FY 2015-16 based on the norms stipulated under the MYT Regulations 2011.

4.3.2 Accordingly, JPTL has projected the O&M expenses as approved by Hon'ble Commission in its MTR Order for FY 2015-16.

Table 4-1: O&M Expenses for FY 2015-16 (Rs Cr)

Normative O &M			
Particulars	Unit	MTR Order	FY 2015-16 (Estimated)
Length of Line (A)	ckt. kms.	330.00	330
Norms as per Regulations (B)	Rs. lakh/ ckt. kms.	0.66	0.66
Cost (C = A * B)	Rs. Crore	2.18	2.18
No of bays (D)	No.	4.00	4.00
Norms as per Regulations (E)	Rs. lakh/ bay	117.11	117.11
Cost (F = D * E)	Rs. Crore	4.68	4.68
Total O&M expenses (G = C + F)	Rs. Crore	6.86	6.86

4.4 Depreciation

4.4.1 The depreciation for FY 2015-16 is computed under MYT Regulations 2011, with opening balance of GFA as per the approved by the Hon'ble Commission for FY 2014-15.

- 4.4.2 Regulation 31 of the MERC (MYT) Regulations, 2011 provides for computation of the depreciation to be estimated by the Petitioner based on the capital cost of the assets admitted by the Hon'ble Commission and the rates of depreciation applicable as per Annexure I specified in the Regulation 31.2 (b) of the MERC (MYT) Regulations, 2011.
- 4.4.3 The depreciation for FY 2015-16 is provided in the table below which is in line with the figures approved by the Hon'ble Commission.

Table 4-2: Depreciation for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 H1 (Actual)	FY 2015-16 H2 (Projected)	FY 2015-16 (Estimated) Total
Opening GFA	555.71	555.70	555.77	555.70
Addition of GFA	0.00	0.06	0.06	0.13
Retirement of GFA	0.00	0.00	0.00	0.00
Closing GFA	555.71	555.77	555.83	555.83
Depreciation	29.34	14.67	14.68	29.35

4.5 Interest on Long-Term Loan

- 4.5.1 Interest on long term loan for the FY 2015-16 has been estimated for the entire year in accordance with Regulation 33 of the MERC (MYT) Regulations, 2011.

“33.1 The loans arrived at in the manner indicated in Regulation 30 shall be considered as gross normative loan for calculation of interest on loan.

Provided that in case of retirement or replacement of assets, the loan capital approved as mentioned above, shall be reduced to the extent of 70% (or actual loan component based on documentary evidence, if it is higher than 70%) of the original cost of the retired or replaced assets.”

- 4.5.2 The repayment for FY 2015-16 has been considered equal to the depreciation for that year as stipulated in Regulation 33.3 of MERC MYT Regulation, 2011 which reads as follows:

“33.3 The repayment for the year of the tariff period FY 2011-12 to FY 2015-16 shall be deemed to be equal to the depreciation allowed for that year:”

- 4.5.3 The interest rate considered for the year is based on the actual loan repayment by JPTL and in accordance with the MYT regulations 2015. The interest expense as computed by JPTL for FY 2015-16 is shown in the table below:

Table 4-3: Interest on the Debt Capital for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
Opening balance of Debt (Rs. Crs)	313.96	313.96	299.33	313.96
Addition	0.00	0.04	0.04	0.09
Repayment (Rs. Crs)	29.34	14.67	14.68	29.35
Retirement (Rs Crs)	0.00	0.00	0.00	0.00
Closing Debt (Rs. Crs)	284.61	299.33	284.70	284.70
Interest Rate (%)	11.50%	11.62%	11.62%	11.62%
Interest on the Debt Capital operation (Rs. Crs)	34.42	17.82	16.97	34.79

4.6 Interest on Working Capital

4.6.1 Working Capital has been computed according to the procedure mentioned under Clause 35.2 of MERC (Multi Year Tariff) Regulations, 2011.

- a) Working capital is given as sum of One-twelfth of the amount of Operation and Maintenance expenses for such financial year **plus**
- b) One-twelfth of the sum of the book value of stores, materials and supplies including fuel on hand at the end of each month of such financial year. **plus**
- c) One and a half months equivalent of the expected revenue from transmission charges at the prevailing tariffs **minus**
- d) Amount held as security deposits from Transmission System Users.

4.6.2 As per Clause 35.2(b) of MERC (Multi Year Tariff) Regulations, 2011,

“Rate of interest on working capital shall be on normative basis and shall be equal to the State Bank Advance Rate (SBAR) of State Bank of India as on the date on which the application for determination of tariff is made.”

4.6.3 Considering the above Regulation, interest on working capital for FY 2015-16 has been computed at the rate of 14.75% per annum, which is equivalent to SBAR as on date of application. The annual expenses on stores, materials and supplies have been assumed as one percent of the GFA.

- 4.6.4 The expected revenue from transmission charges approved by the commission in the APR order is Rs 126.11 Cr which includes Rs 85.16Cr of standalone ARR and other components. Similarly JPTL has computed the expected revenue for working capital purpose considering the standalone ARR as submitted in the present petition.

Table 4-4: Interest on Working Capital for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Estimated) Total
O&M Expenses	0.57	0.57
Stores , Materials & Supplies	0.46	0.46
Expected Revenue from Transmission	15.76	18.90
Total Working Capital Requirement	16.79	19.94
Interest Rate (%) - State Bank Advance Rate	14.75%	14.75%
Interest on Working Capital	2.48	2.94

4.7 Contribution to Contingency Reserve

- 4.7.1 The Clause 36.1 of MERC (MYT) Regulations, 2011, reads as follows -

“Where the Transmission Licensee has made an appropriation to the Contingencies Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed towards such appropriation in the calculation of aggregate revenue requirement:

Provided that where the amount of such Contingencies Reserves exceeds five (5) per cent of the original cost of fixed assets, no such appropriation shall be allowed which would have the effect of increasing the reserve beyond the said maximum:

Provided further that the amount so appropriated shall be invested in securities authorized under the Indian Trusts Act, 1882 within a period of six months of the close of the financial year”.

- 4.7.2 According to Clause 36.1 of MERC (MYT) Regulations, 2011, JPTL is permitted to recover an amount not less than 0.25 percent and not more than 0.5 percent of the original cost of fixed asset, towards contribution to Contingency Reserve.
- 4.7.3 The MERC Regulations restrains JPTL from exceeding the contingency reserve to more than 0.5% of the fixed assets.

Table 4-5: Contingency Reserve for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
GFA (Rs Cr)	555.71	555.70	555.77	555.77
Contingency Reserve	1.39	0.69	0.69	1.39

4.8 Return on Equity

4.8.1 Regulation 32.2 of the MERC (MYT) Regulations, 2011 provides for Return on Equity Capital (RoE) at 15.5% for Transmission Licensees.

4.8.2 Further, in regards to computation of Return on Equity Capital, Regulation 32.2 stipulates the following:

“32.2 Transmission Licensee and Distribution Licensee

32.2.1 Return on equity capital for the Transmission Licensee and Wires Business of Distribution Licensee shall be computed on the equity capital determined in accordance with Regulation 30 at the rate of 15.5 % per cent per annum, and for the Retail Supply of Electricity of Distribution Licensee, Return on equity capital shall be allowed a return at the rate of 17.5 % per cent per annum, in Indian Rupee terms, on the amount of equity capital determined in accordance with Regulation 30.

32.2.2 The return on equity capital shall be computed in the following manner:

(a) Return at the allowable rate as per this Regulation above, applied on the amount of equity capital at the commencement of the financial year; plus

(b) Return at the allowable rate as per this Regulation above, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in transmission business or distribution business, calculated in accordance with Regulation 27, Regulation 28 and Regulation 29 above, for such financial year.”

4.8.3 The Return on Equity for FY 2015-16 is computed on the equity component of the investment put to use in the Transmission business in accordance with the Tariff Regulations as applicable for the Transmission business @ 15.5%. The projection for

FY 2015-16 is in line with the projections of the Hon'ble Commission.

Table 4-6: ROE for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
Opening Equity	139.52	139.52	139.54	139.52
Additions to equity towards capital investments	0.00	0.02	0.02	0.04
Retirement	0.00	0.00	0.00	0.00
Closing balance of Equity	139.52	139.54	139.56	139.56
ROE @ 15.5 % on the average balance	21.63	21.63	21.63	21.63

4.9 Income Tax

4.9.1 As per the above regulations, JPTL has considered the current MAT rate at 21.34%.

4.9.2 The deviation in the Income Tax is mainly due to approval of True up for FY 2012-13 and FY 2013-14 along with the carrying costs.

Table 4-7: Income Tax for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Estimated) Total
Income Tax	6.21	13.73

4.10 Non-Tariff Income

4.10.1 According to MERC MYT Regulations, 2011 the non-tariff income relating to the Transmission Business shall be deducted from the aggregate revenue requirement in determining the annual transmission charges of the Transmission Licensee.

4.10.2 JPTL has projected income from amount apportioned towards contingency reserve as per Regulation 36 of MERC MYT Regulations, 2011. As per the Regulation the apportioned amount is assumed to be invested within six months from the close of the financial year. Thus, the interest from such investment is accrued in the next

financial year.

- 4.10.3 In the MTR Order the Hon'ble Commission has approved, DPC of Rs 16.73Cr which is to be recovered by JPTL from the Transmission system users, as a part of Non- Tariff Income. JPTL submits that although the income has been approved by the Hon'ble Commission however JPTL is not recovering the same.
- 4.10.4 It has to incur the carrying cost on such delayed receipt of revenue, as provided for in Regulation 68.3 without it being reimbursed to it. Working capital provided in the Regulation, only allow normative receivables of 45 days, whereas the actual delay in payment is much beyond that.
- 4.10.5 The DPC amount which is to be recovered in FY 2015-16 for which the tariff was applicable from June 2015, and as stated above that the same is not being recovered by the JPTL, the carrying cost is computed for the same period considering SBI PLR applicable at 14.60% (June-15), 14.45% (July-15 to Oct-15) and 14.05% (Nov-15 till date). The carrying cost hence computed is Rs 1.02 Cr. The amount pertains to the income to be received from the STU and as the same is not received by JPTL, it is not included in the APR petition. And therefore JPTL prays before the Hon'ble Commission to direct the licensee for recovery of the same along with the carrying cost.
- 4.10.6 Regarding the treatment of DPC, Query-2 raised by the Hon'ble Commission post Technical Validation Session JPTL submitted vide letter dated 3rd March'2016, that it has taken considerable amount of steps for recovery of the DPC amount from the STU. All payment security mechanism is available with STU & JPTL is repeatedly writing letters to STU for payment of this DPC charges but still this amount is not paid, further JPTL cannot invoke payment security mechanism as same is not provided by transmission system user to transmission licensee (JPTL).
- 4.10.7 JPTL has projected return at 8.29% i.e. return on ten year Government Securities as shown below:

Table 4-8: Non-Tariff Income for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
Non- Tariff Income	17.17	0.22	0.22	0.44

4.11 Net Aggregate Revenue Requirement for FY 2015-16

4.11.1 The following table summarises the Aggregate Revenue Requirement and Net Revenue Requirement for FY 2015-16.

Table 4-9: Net Annual Revenue Requirement for FY 2015-16 (Rs Cr)

Particulars	MTR Order	FY 2015-16 (Actual) H1	FY 2015-16 (Estimated) H2	FY 2015-16 (Estimated) Total
O&M Expenses	6.86	3.43	3.43	6.86
Depreciation	29.34	14.67	14.68	29.35
Interest on Long-term Loan Capital	34.42	17.82	16.97	34.79
Interest on Working Capital and deposits from Transmission System Users	2.48	1.47	1.47	2.94
Income Tax	6.21	13.73	0.00	13.73
Contribution to contingency reserves	1.39	0.69	0.69	1.39
Total Revenue Expenditure	80.70	51.83	37.25	89.07
RoE	21.63	10.81	10.81	21.63
Aggregate Revenue Requirement	102.32	62.64	48.06	110.70
Less: Non-Tariff Income	17.17	0.22	0.22	0.44
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	85.15	62.42	47.84	110.26

4.12 Revenue from: Transmission Tariff

4.12.1 As per the Hon'ble Commission order case no 57 of 2015 dated: 26th June 2015 para# 70, has mentioned that the billing for April and May 2015 shall be done as per the Transmission tariff Order case No 123 of 2014 and billing form 1st June 2015 will be done as per the current order. Any under/ over recovery in FY 2015-16 on account of such billing would be addressed appropriately during the True up process in respect of each Transmission licensee.

“70. The present Order shall be applicable from 1 June, 2015. Accordingly, the billing for the months of April and May, 2015 will be done by the Transmission Licensees based on the monthly Transmission Tariff approved by the Commission for FY 2015-16 in its previous InSTS Tariff Order in Case No. 123 of 2014. The billing from 1 June, 2015 will be done as per the Transmission Tariff approved in this Order. Any under- or overrecovery in FY 2015-16 on account of such billing would be addressed appropriately by the Commission during the true-up process in respect of each Transmission Licensee.”

4.12.2 And therefore it is requested before the Hon’ble Commission to allow such under recovery in the subsequent Tariff Order so that JPTL shall start the recovery of the same and would also avoid the tariff hike in the subsequent year. However the final under recovery or over recovery shall be based on the true up process and shall be allowed along with the carrying cost for the period.

4.13 Details of Revenue gap

4.13.1 JPTL submits that the revenue gap as calculated on the basis of the ARR approved by the Commission in the MTR Order and as calculated in the present petition is shown below:

Table 4-10: Revenue Gap for FY 2015-16 (Rs Cr)

SL.No.	Particulars	JPTL Petition
1	Net ARR approved in the MTR Order	85.15
2	Net ARR as petitioned	110.26
3	Revenue Gap (2-1)	25.11



5 ARR FOR THE THIRD MYT CONTROL PERIOD FY 2016-17 TO FY 2019-20

5.1 Operation & Maintenance expenses

- 5.1.1 JPTL submits the projection of O&M expenses for the control period FY 2016-17 to FY 2019-20 as per the norms specified for Jaigad Power Transmission Company Limited under MYT regulations 2015.
- 5.1.2 JPTL submits that the O&M expenses for the ensuing period are proposed on the basis of O&M norms under MERC MYT Regulations, 2015.

Table 5-1: O&M Expenses for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	Unit	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Length of Line (A)	ckt. kms.	330	330	330	330
Norms as per Regulations (B)	Rs. lakh/ckt. kms.	0.42	0.44	0.46	0.48
Cost (C = A * B)	Rs. Crore	1.386	1.452	1.518	1.584
No of bays (D)	No.	4.00	4.00	4.00	4.00
Norms as per Regulations (E)	Rs. lakh/ bay	74.13	77.84	81.73	85.82
Cost (F = D * E)	Rs. Crore	2.97	3.11	3.27	3.43
Total O&M expenses (G = C + F)	Rs. Crore	4.35	4.57	4.79	5.02

5.2 Depreciation

- 5.2.1 Regulation 27 of the MERC (MYT) Regulations, 2015 provides for computation of the depreciation to be estimated by the Petitioner based on the capital cost of the assets admitted by the Hon'ble Commission and the rates of depreciation applicable as per Annexure I specified in the Regulation 27.1 (b) of the MERC (MYT) Regulations, 2015.
- 5.2.2 Presently JPTL is carrying out its day to day activities from a rented office premises situated at Chiplun. Chiplun was selected for managing both the transmission lines, considering its convenient central location, connecting all the three ends of the Transmission system namely Jaigad, New Koyna & Karad.
- 5.2.3 It is proposed to establish office premises, Guest House and covered shed for plant, tools and tackles. The estimated cost of will be Rs 2.00 Cr.
- 5.2.4 The depreciation projected for the third Control Period FY 2016-17 to FY 2019-20 is provided in the table below for the consideration of the Hon'ble Commission.

Table 5-2: Depreciation for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Opening GFA	555.83	557.83	557.83	557.83
Addition of GFA	2.00	0.00	0.00	0.00
Retirement of GFA	0.00	0.00	0.00	0.00
Closing GFA	557.83	557.83	557.83	557.83
Depreciation	29.39	29.42	29.42	29.41

5.3 Interest on Long-Term Loan

5.3.1 The repayment for the Control Period has been considered equal to the depreciation for that year as stipulated in Regulation 29.3 of MERC MYT Regulation, 2015 which reads as follows:

“29.3 The repayment during each year of the Control Period from FY 2016-17 to FY2019-20 shall be deemed to be equal to the depreciation allowed for that year.”

Table 5-3: Interest on the Debt Capital for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Opening balance of Debt (Rs. Crs)	284.70	256.71	227.29	197.87
Addition	1.40	0.00	0.00	0.00
Repayment (Rs. Crs)	29.39	29.42	29.42	29.41
Retirement (Rs Crs)	0.00	0.00	0.00	0.00
Closing Debt (Rs. Crs)	256.71	227.29	197.87	168.46
Interest Rate (%)	11.22%	11.22%	11.22%	11.22%
Interest on the Debt Capital operation (Rs. Crs)	30.36	27.14	23.84	20.54

5.4 Interest on Working Capital

5.4.1 Interest on working capital has been calculated according to Clause 31 of MERC (MYT) Regulations 2015 reproduced as under:

“31.2 Transmission :—

(a) The working capital requirement of the Transmission Licensee shall cover :—

(i) Operation and maintenance expenses for one month ;

(ii) Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year ; and

(iii) One and a half month equivalent of the expected revenue from transmission charges at the prevailing Tariff;

minus

(iv) Amount held as security deposits in cash, if any, from Transmission System Users:

Provided further that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of components of working capital approved by the Commission in the Truing-up before sharing of gains and losses;

(b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the Petition for determination of Tariff is filed, plus 150 basis points :

Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points."

5.4.2 Considering the above Regulation, interest on working capital has been computed at the rate of 10.80% per annum, which is equivalent to SBI base rate plus 150 basis points as on date of submission of this Petition. The annual expenses on stores, materials and supplies have been assumed as one percent of the GFA.

Table 5-4: Interest on Working Capital for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
O&M Expenses	0.36	0.38	0.40	0.42
Stores , Materials & Supplies	5.56	5.58	5.58	5.58
Expected Revenue from Transmission	11.85	11.47	11.06	10.66
Total Working Capital Requirement	17.77	17.43	17.04	16.65
Interest Rate (%) - State Bank Advance Rate	10.80%	10.80%	10.80%	10.80%
Interest on Working Capital	1.92	1.88	1.84	1.80

5.5 Contribution to Contingency Reserve

5.5.1 JPTL has projected contingency reserves for the third Control Period on the basis of provisions of MERC (MYT) Regulations, 2015 which is reproduced below:

“34. Contribution to Contingency Reserves—

34.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement :

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed :

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year.

....”

5.5.2 The Hon’ble Commission in the Order dated 26th June 2015 in Case No. 208 of 2015 for MTR of JPTL has approved a contingency reserve to the extent of 0.25% of the opening GFA. Therefore, JPTL has considered the same and projected the contingency reserve for the third Control Period.



5.5.3 In line with the aforesaid Regulations, the Contingency reserve projected for FY 2016-17 to FY 2019-20 is as shown below:

Table 5-5: Contingency Reserve for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
GFA (Rs Cr)	555.83	557.83	557.83	557.83
Contingency Reserve	1.39	1.39	1.39	1.39

5.6 Return on Equity

5.6.1 Regulation 32.2 of the MERC (MYT) Regulations, 2011 provides for Return on Equity Capital (RoE) at 15.5% for Transmission Licensees.

5.6.2 Further, in regards to computation of Return on Equity Capital, Regulation 32.2 stipulates the following:

"32.2 Transmission Licensee and Distribution Licensee

32.2.1 Return on equity capital for the Transmission Licensee and Wires Business of Distribution Licensee shall be computed on the equity capital determined in accordance with Regulation 30 at the rate of 15.5 % per cent per annum, and for the Retail Supply of Electricity of Distribution Licensee, Return on equity capital shall be allowed a return at the rate of 17.5 % per cent per annum, in Indian Rupee terms, on the amount of equity capital determined in accordance with Regulation 30.

32.2.2 The return on equity capital shall be computed in the following manner:

(a) Return at the allowable rate as per this Regulation above, applied on the amount of equity capital at the commencement of the financial year; plus

5.6.3 *(b) Return at the allowable rate as per this Regulation above, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in transmission business or distribution business, calculated in accordance with Regulation 27, Regulation 28 and Regulation 29 above, for such financial year."*

5.6.4 The Return on Equity for the third control period is computed on the equity component of the investment put to use in the Transmission business in accordance with the Tariff Regulations as applicable for the Transmission business @ 15.5%. The

return on equity projected for the third control period FY 2016-17 to FY 2019-20 is as follows.

Table 5-6: ROE for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Opening Equity	139.56	140.16	140.16	140.16
Additions to equity towards capital investments	0.60	0.00	0.00	0.00
Retirement	0.00	0.00	0.00	0.00
Closing balance of Equity	140.16	140.16	140.16	140.16
ROE @ 15.5 % on the average balance	21.68	21.72	21.72	21.72

5.7 Income Tax

5.7.1 With respect to the Hon'ble ATE judgment in Appeal No. 174 of 2009 for considering RoE as the base for computation of income tax, JPTL has adopted the same methodology for computation of income tax for the ensuing years FY 2016-17 to FY 2019-20. As the Return on Equity and contingency reserves are taxable, JPTL has considered that the return on equity and the contingency reserves as the base for calculation of the income tax for the ensuing years as per reply to Data Gap-12 vide letter no. 22nd Feb'2016.

5.7.2 As per the above regulations, JPTL has considered the current MAT rate at 21.34%.

Table 5-7: Income Tax for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Regulated PBT	23.07	23.12	23.12	23.12
MAT Rate	21.34%	21.34%	21.34%	21.34%
Grossed up ROE	29.33	29.39	29.39	29.39
Income Tax	6.26	6.27	6.27	6.27

5.8 Non-Tariff Income

5.8.1 As per Regulation 34.1 of MERC MYT Regulations, 2015, out of the revenue recovered, the amount accumulated against the contribution to contingency reserve

is required to be invested in securities authorized under Indian Trust Act, 1882 within six months of the close of the financial year, which shall be treated as non-tariff income.

- 5.8.2 JPTL has considered an interest income on the contingency reserve and has computed the interest income based on a 10 year G-sec benchmark rate which is around 8.29% per annum.

Table 5-8: Non-Tariff Income for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
Non- Tariff Income	0.55	0.67	0.79	0.90

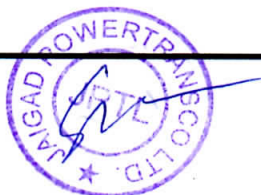
5.9 Net Aggregate Revenue Requirement for the MYT Control Period FY 2016-17 to FY 2019-20

- 5.9.1 The following table summarises the Aggregate Revenue Requirement and Net Revenue Requirement for the third control period FY 2016-17 to FY 2019-20.



Table 5-9: Net Annual revenue Requirement for FY 2016-17 to FY 2019-20 (Rs Cr)

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)
O&M Expenses	4.35	4.57	4.79	5.02
Depreciation	29.39	29.42	29.42	29.41
Interest on Long-term Loan Capital	30.36	27.14	23.84	20.54
Interest on Working Capital and deposits from Transmission System Users	1.92	1.88	1.84	1.80
Income Tax	6.26	6.27	6.27	6.27
Contribution to contingency reserves	1.39	1.39	1.39	1.39
Total Revenue Expenditure	73.67	70.68	67.55	64.44
RoE	21.68	21.72	21.72	21.72
Aggregate Revenue Requirement	95.34	92.40	89.28	86.16
Less: Non-Tariff Income	0.55	0.67	0.79	0.90
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	94.79	91.73	88.49	85.26
Revenue gap including carrying cost for FY 2014-15	4.52	0.00	0.00	0.00
Revenue gap for FY 2015-16	25.11	0.00	0.00	0.00
Total Revenue requirement	124.42	91.73	88.49	85.26



6 ADDITIONAL SUBMISSION AND PRAYERS TO THE COMMISSION

6.1 Directives

- 6.1.1 As per the MTR order dated: 26th June 2015, there are no compliance of directives issued by the Hon'ble Commission.
- 6.1.2 As per the directive of the Hon'ble Commission in the minutes to Technical Validation Session for Case No. 12 of 2016, to incorporate the changes and submit the revised petition, JPTL hereby submits the same.

6.2 Submission

- 6.2.1 In accordance with the Transmission Pricing Framework as specified under MYT Regulations 2015, the approved ARR of any Transmission Licensee for a particular financial year of the Control Period should be considered for recovery through the TTSC of the same financial year.
- 6.2.2 As JPTL forms a part of the InSTS, it is requested to the Hon'ble Commission to approve ARR for the MYT Control period for FY 2016-17 to FY 2019-20 for JPTL and to allow the recovery through the next InSTS Transmission Tariff Order to be issued by the Commission.

6.3 The Applicant respectfully prays that the Hon'ble Commission may:

- 6.3.1 Admit the Petition for Truing up of Aggregate Revenue Requirement for FY 2014-15
- 6.3.2 Approve revised estimates/ projections of ARR for FY 2015-16 as presented in this Petition.
- 6.3.3 Approve the projected Annual Revenue Requirement for the third control period FY 2016-17 to FY 2019-20
- 6.3.4 Approve the revenue requirement along with the under recovery for FY 2015-16 in the subsequent InSTS Order of the Hon'ble Commission
- 6.3.5 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
- 6.3.6 Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.

