

Executive Summary

M/s Jaigad PowerTransco Limited (JPTL) is a joint venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Ltd. (MSETCL), incorporated on April 23rd 2008 for the purpose of developing, operating and maintaining the Jaigad – New Koyna and Jaigad – Karad Transmission lines along with the associated equipment/ terminal bays.

The Honourable Commission had granted Transmission License, (License No 1 of 2008) dated 8th February, 2009, for the period of 25 years to JPTL for establishing, operating and maintaining the proposed Transmission System.

JPTL submitted the DPR to the Honourable Commission on 22nd September, 2009 seeking its In-Principle Approval on the capital investment required for the proposed Transmission Scheme. The Honourable Commission vide its letter 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. 580.00 Cr estimate submitted by JPTL.

JPTL submitted its ARR petition for FY 2010-11 on 1st December 2010 based on commissioning date of 400 kV D/C (Quad) Jaigad - New Koyna and expected commissioning date of 400 kV D/C (Quad) Jaigad - Karad Transmission Line as 7th July 2010 and 1st February 2011 respectively. The Honourable Commission carried out the due regulatory proceedings in the matter and issued the Order on 25th May 2011.

Simultaneously, the Honourable Commission had issued its MYT Regulation, 2011 on 4th February, 2011, thereby, introducing the MYT regime in the state with effect from April 1st, 2011. The Commission, however, subsequently issued an Amendment to the MYT Regulations, 2011, in accordance to which, the Commission vide its letter dated November 4, 2011 directed JPTL to submit its Petition for approval of ARR for FY 2011-12, as per the MERC (Terms and Conditions of Tariff) Regulations, 2005 latest by November 30, 2011.

Accordingly, JPTL had submitted the Petition for approval of True-up for FY 2010-11 and Approval of Annual Revenue Requirement for FY 2011-12 based on the MERC Terms and Conditions of Tariff Regulations, 2005. The Petition is under advanced stages of proceedings.

The Commission vide its aforementioned letter also directed JPTL to submit a Business Plan for the second Control Period. JPTL therefore proceeded to prepare the Business Proposal for the remaining tenure of the Control Period .i.e. FY 12-13 to FY 13-16.

JPTL has done projections of the ARR for the 2nd Control Period based on the provisions of MERC MYT Regulations, 2011. The ARR Projections made for the 2nd Control Period is as follows:

ARR for Jaigad - New Koyna Transmission line for MYT control period

Particulars (Figures Rs. Crs.)	FY 13	FY 14	FY 15	FY 16
ROE	6.96	6.96	6.96	6.96
Interest on Long-term Loan Capital	14.94	13.76	12.57	11.39
Depreciation	9.48	9.48	9.48	9.48
Income Tax	1.74	1.74	1.74	1.74
O&M Expenses	3.76	3.99	4.22	4.47
Interest on Working Capital and deposits from Transmission System Users	0.77	0.75	0.74	0.72
Contribution to contingency reserves	0.45	0.45	0.45	0.45
Aggregate Revenue Requirement	38.11	37.13	36.16	35.21
Less: Non-Tariff Income	0.05	0.09	0.13	0.16
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	38.05	37.04	36.04	35.05

ARR for Jaigad–Karad Transmission line for MYT control period

Particulars (Figures in Rs. Crs.)	FY 13	FY 14	FY 15	FY 16
ROE	14.96	14.96	14.96	14.96
Interest on Long-term Loan Capital	34.39	31.84	29.30	26.75
Depreciation	20.38	20.38	20.38	20.38
Income Tax	3.74	3.74	3.74	3.74
O&M Expenses	5.55	5.88	6.23	6.60
Interest on Working Capital and deposits from Transmission System	1.62	1.58	1.54	1.50

Particulars (Figures in Rs. Crs.)	FY 13	FY 14	FY 15	FY 16
Users				
Contribution to contingency reserves	0.96	0.96	0.96	0.96
Aggregate Revenue Requirement	81.60	79.34	77.11	74.90
Less: Non-Tariff Income	0.04	0.12	0.20	0.27
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	81.56	79.23	76.91	74.62

Combined ARR for both Transmission lines for MYT control period

Particulars (Figures in Rs. Crs.)	FY 13	FY 14	FY 15	FY 16
ROE	21.92	21.92	21.92	21.92
Interest on Long-term Loan Capital	49.33	45.60	41.87	38.14
Depreciation	29.86	29.86	29.86	29.86
Income Tax	5.48	5.48	5.48	5.48
O&M Expenses	9.31	9.86	10.45	11.07
Interest on Working Capital and deposits from Transmission System Users	2.39	2.33	2.28	2.23
Contribution to contingency reserves	1.41	1.41	1.41	1.41
Aggregate Revenue Requirement	119.71	116.47	113.27	110.11
Less: Non-Tariff Income	0.09	0.21	0.32	0.44
Less: Income from Other Business	0.00	0.00	0.00	0.00
Net Aggregate Revenue Requirement	119.62	116.26	112.95	109.67

The present Petition is submitted to the Commission for approval of Business Plan for the second Control Period. In view of the above facts, and circumstances, JPTL respectfully prays to the Honourable the following:

- a. Admit this Petition of JPTL for approval of Business Plan for the MYT 2nd Control Period.
- b. Approve the Business Plan for the second control period along with the relevant operational and financial parameters as proposed in the Business Plan.
- c. Pass suitable orders with respect to business plan for the second control period as proposed by JPTL in this petition along with the relevant operational and financial parameters as proposed in the petition. 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

- d. Pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.