

**Petition for Final True-up for 2010-11,  
Approval of ARR and Tariff  
for 2011-12 and 2012-13**

**Maharashtra State Power Generation  
Company Limited**

**February 2012**

### Executive Summary

The Maharashtra State Power Generation Company Limited (MSPGCL or Petitioner) had preferred appeals for review of ATE judgment in appeal 199 of 2010 and review of MERC Orders in Case 116 of 2011 and Case 81 of 2011. MSPGCL is filing this petition without prejudice to its right to initiate appropriate legal proceedings and seek legal remedies thereto.

The Hon'ble commission had issued the MYT Regulations, 2011 on 4<sup>th</sup> February, 2011. As per the MYT Regulations 2011, a Multi-Year Tariff regime was to be implemented from April 1, 2011. The Maharashtra State Power Generation Company Limited (MSPGCL or MAHAGENCO or Petitioner) filed a petition for exemption of MYT principle vide its petition (Ref No. RCD11/61/L282 dated. 30<sup>th</sup> March 2011). Subsequently, MSPGCL had submitted a petition (Case no 68 of 2011) for truing up for 2009-10, Annual performance review of 2010-11 and approval of ARR and tariff for 2011-12. Pending the proceedings on the exemption petition filed by MSPGCL, the Hon'ble Commission directed MSPGCL to submit a separate petition for truing up for 2009-10 and provisional truing - up for 2010-11. MSPGCL had submitted the said petition which is currently being heard as Case no 107 of 2011. The Hon'ble Commission passed the order on exemption petition and allowed an exemption of two years to MSPGCL from filing an MYT petition. Further, vide its letter dated Sep 21, 2011 in Case 68 of 2011, the Hon'ble Commission directed MSPGCL to file the petition for approval of ARR and tariff for 2011-12. Subsequently, the Commission vide letter dated Nov 4, 2011 directed MSPGCL to file the ARR petitions for 2011-12 and 2012-13 (based on the Tariff Regulations 2005) latest by Nov 30, 2011. MSPGCL vide its letter (Ref no RCD11/61/L1162 dated Nov 30, 2011) had submitted before the Commission that the said petition will be submitted by Dec 10, 2011.

MSPGCL hereby submits the petition for approval of final true-up for 2010-11, ARR and tariff for 2011-12 and 2012-13 based on the Tariff Regulations 2005 and tariff principles as prevalent prior to the MYT Regulations 2011.

The current petition is based on audited accounts for 2010-11, actual data for first six months of financial year 2011-12 (fuel cost actuals updated till December 2011) and projections for the remaining half of the year 2011-12 and 2012-13.

**The petition is structured in two parts. Section-1 deals with the existing (old) stations of MSPGCL while the Section-2 deals with newly commissioned units namely Paras Unit 3 and Unit 4 and Parli Unit 6 and Unit 7.**

In this petition, MSPGCL has detailed the issues pertaining to poor quality of coal. In this submission, the performance has been indicated by assuming an imported coal usage of around 3.35 MMT. The contracts of washed coal had expired in July 2011 and MSPGCL is evaluating the renewal of such contracts given the serious quality and supply related issues observed with the contractors.

Issues pertaining to quality of coal and its impact on performance of units have not been taken into cognizance by the Commission while approving the normative performance and the fuel cost. The same has led to severe disallowances to MSPGCL in the past so much so that MSPGCL had to shut down some of the vintage units in 2010-11 and 2011-12 in order to minimize the quantum of such losses.

By means of this petition, MSPGCL requests the Commission to approve the normative performance on a realistic basis. Without such consideration by the Hon'ble Commission, MSPGCL will either have to shut down some of its other vintage units or it has to increase the imported coal to a significantly higher amount. MSPGCL had presented the scenario in which the imported coal is blended with domestic coal so as to meet the design CV. In such a case there would be an additional burden on consumers to the extent of Rs 2500 crore.

MSPGCL believes that current normative regime only promotes virtual efficiency wherein the focus is only on meeting the performance parameters and at the same time the ultimate effectiveness of generation i.e. cost of power is getting ignored. If such a regime is continued then MSPGCL, as one of the alternatives, may have to significantly increase the usage of imported coal which will put an additional burden of Rs 2500 crore on the consumers. MSPGCL therefore requests the Hon'ble Commission to approve the normative parameters on a realistic level or else MSPGCL should be given an in-principle approval to use such higher quantum of imported coal so as to meet the design CV of coal. In the absence of such consideration, MSPGCL will have no alternative but to shut down the units in order to control its losses.

**Section -1 (Old stations of MSPGCL)**

**A. True-up for 2010-11**

The Petitioner would like to draw the attention of the Hon'ble Commission to the fact that the provisional Transfer Scheme notified under 131 (5) (g) of the EA 2003 on 6th June 2005 is yet to be finalized. Pending the finalization of the same, the transferred value of assets, based on their revenue potential in accordance with Section 131 (2), first proviso of the Electricity Act 2003, may get changed. In such an event, the Petitioner would come back to the Hon'ble Commission seeking approval necessary true up on this account.

The summary of expenses side true-up projected by the Petitioner is provided in the table below:

**Table: Summary of True up for FY 2010-11**

All in Rs. Crore

Particulars	MERC Approved (A)	Actual as per Audited Accounts/ Tariff Norms for 2010-11 (B)	True -up Amount (A-B)
<b>Expenses Side True-up</b>			
Cost of Generation	8,170.00	7,182.65	987.35
	<i>Fuel Cost</i>	<i>6,950.50</i>	<i>949.76</i>
	<i>Other Variable Charges</i>	<i>232.15</i>	<i>37.59</i>
Lease Rentals	314.81	309.27	5.54
O & M Expenses	1,143.64	1,414.46	(270.82)
Depreciation including AAD	202.89	341.60	(138.71)
Interest & Finance Charges on Long Term Loans	127.94	72.05	55.89
Interest on working capital	352.87	323.67	29.20
sharing of 1/3 rd gain in case of IOWC			18.55
Income tax	70.36	171.45	(101.09)
Return on Equity	358.88	351.36	7.52
Other Expenses	0	19.08	(19.08)
Prior period expenses		24.07	(24.07)
<b>Total</b>	<b>10,741.39</b>	<b>10,209.67</b>	<b>550.27</b>
<b>Revenue Side True-up</b>			
Revenue from SoP (net of incentive)	11289.26	9792.15	(1,497.11)
NTI	97.17	77.95	(19.22)
<b>Total Revenue Allowed</b>	<b>11386.43</b>	<b>9870.10</b>	<b>(1,516.33)</b>
<b>Net True-up Amount</b>			<b>(966.06)</b>
Additional true-up amount for Ghatgar O&M expenses for FY08-09 and FY 09-10	0	1.16	(1.16)
<b>True-up Amount</b>			<b>(967.22)</b>

Further, considering the revenue side true-up in the year 2010-11, the overall true-up amount sought by MSPGCL is Rs 967.22 crore.

**B. ARR for 2011-12 and 2012-13**

The consolidated ARR projections for the existing stations of MSPGCL for 2011-12 and 2012-13 are provided in the table below:

**Table: Consolidated ARR of MSPGCL for Existing Power Stations**

Item/Description	Actual for FY 2010-11	Approved for FY 2010-11	Estimates for 2011-12	Projections for 2012-13
<b>Variable Charges</b>				
Fuel Cost	6,950.50	7900.26	8266.68	9307.30
Other Fuel Related Costs	232.15	269.74	217.70	226.40
<b>Total Variable Charges</b>	<b>7,182.65</b>	<b>8,170.00</b>	<b>8484.38</b>	<b>9533.70</b>
<b>Capacity Charges</b>				
O&M Expenses	1,414.46	1143.64	1453.75	1567.34
Interest on Long Term Loans incl Finance Charges	72.05	127.94	101.18	184.86
IWC	323.67	352.87	415.17	461.25
Depn. Incl AAD	341.60	202.89	289.14	317.29
Return on Equity	351.36	358.88	346.67	346.03
Lease Rentals	309.27	314.81	328.45	328.89
Income Tax	171.45	70.36	69.37	69.24
Other Expenses	43.16	0	35.47	0.00
Less:- N T I	77.95	97.17	115.84	120.11
<b>Total Capacity Charges</b>	<b>2,949.07</b>	<b>2,474.22</b>	<b>2923.37</b>	<b>3154.79</b>
<b>Aggregate Revenue Requirement</b>	<b>10,131.72</b>	<b>10,644.22</b>	<b>11407.75</b>	<b>12688.49</b>

*All figures in Rs Crore*

*Note: All table items are as per the ARR formats. This table does not include the details for Parli-6, 7 and Paras-3, 4 Units*

*Includes the expenses for Ghatghar PSP also,*

**C. Per unit Tariffs**

**Variable Charges**

The per unit charges of electricity proposed for the existing stations of MSPGCL for 2011-12 and 2012-13 is provided in the table below:

**Table: Variable Cost for MSPGCL Stations (Rs/kWh)**

Station	2011-12	2012-13
	Estimates	Projections
<b>Bhusawal</b>	3.32	3.45
<b>Chandrapur</b>	2.07	2.11
<b>Nasik</b>	3.72	3.97
<b>Koradi</b>	2.86	3.11
<b>Parli</b>	3.05	2.89
<b>Uran</b>	2.10	2.12
<b>Khaperkheda</b>	2.28	2.50

**Total Charges**

The total per unit cost for various stations is provided in the table below:

**Table: Total Cost for MSPGCL Stations**

Capacity Charges	FY 2010-11 (Audited)									
	Bhusawal	Chandrapur	Nasik	Koradi	Parli	Paras	Uran	K'kheda	Hydro	Total
O&M	131.47	390.35	224.85	211.17	132.57	10.44	52.24	156.75	104.62	1,414.46
Interest	2.42	20.03	9.04	9.30	6.50	0.19	9.83	4.45	3.82	65.58
Finance Charges	0.52	0.92	0.47	0.92	0.76	0.02	1.96	0.66	0.23	6.47
IOWC	25.24	83.64	52.82	32.81	34.12	1.09	36.89	46.14	10.93	323.67
Depreciation	10.01	119.83	23.50	26.85	27.73	0.39	19.15	83.85	6.85	318.17
AAD	-	-	-	21.09	-	-	1.39	-	0.96	23.43
RoE	13.32	107.58	27.73	17.96	18.82	0.35	39.48	126.11	-	351.36
Income Tax	6.50	52.50	13.53	8.76	9.18	0.17	19.27	61.54	-	171.45
Lease Rentals									309.27	309.27
Earned Cash Encashment	2.35	11.60	4.36	5.17	3.33	0.27	4.22	4.16	-	35.47
Prior period expenses	1.75	(12.72)	(2.71)	(10.83)	8.44	0.22	(2.72)	2.90	4.28	(11.40)
Other debits	6.88	0.76	3.73	1.39	0.40	7.73	(1.00)	(0.93)	0.13	19.08
Less:- N T I	5.03	18.82	11.71	11.99	14.84	0.06	1.83	12.72	0.94	77.95
<b>Total Fixed Charges</b>	<b>195.43</b>	<b>755.67</b>	<b>345.62</b>	<b>312.58</b>	<b>227.02</b>	<b>20.81</b>	<b>178.88</b>	<b>472.92</b>	<b>440.15</b>	<b>2,949.07</b>
<b>REC Charges</b>										
Coal Cost	512.18	1,624.03	1,117.96	585.98	716.62	13.93	930.84	920.52		6,422.07
Oil Cost	59.48	144.91	131.08	90.02	76.09	0.79		26.05		528.43
<b>Fuel Cost</b>	<b>571.66</b>	<b>1,768.94</b>	<b>1,249.05</b>	<b>676.00</b>	<b>792.71</b>	<b>14.72</b>	<b>930.84</b>	<b>946.58</b>	<b>-</b>	<b>6,950.50</b>
Other Variable Charges	22.11	50.26	68.01	27.06	42.99	2.54	0.97	17.45	0.75	232.15
<b>Total Variable Charges</b>	<b>593.77</b>	<b>1,819.20</b>	<b>1,317.06</b>	<b>703.07</b>	<b>835.70</b>	<b>17.26</b>	<b>931.81</b>	<b>964.03</b>	<b>0.75</b>	<b>7,182.65</b>
<b>Total ARR</b>	<b>789.20</b>	<b>2,574.87</b>	<b>1,662.68</b>	<b>1,015.65</b>	<b>1,062.72</b>	<b>38.07</b>	<b>1,110.69</b>	<b>1,436.94</b>	<b>440.90</b>	<b>10,131.72</b>

The plant wise break up for overall expenses for 2011-12 and 2012-13 are provided in the tables below:

**Table: MSPGCL Station wise cost of generation**

FY 2011-12 (Estimates)									
Capacity Charges	Bhusawal	Chandrapur	Nasik	Koradi	Parli	Uran	K'kheda	Hydro	Total
O&M	145.96	430.01	178.23	204.04	155.72	60.94	169.99	108.87	1,453.75
Interest	11.17	29.09	17.26	8.58	10.73	8.07	7.46	3.72	96.09
Finance Charges	0.51	0.98	0.36	0.48	0.64	1.56	0.36	0.19	5.09
IOWC	33.01	123.72	61.47	42.27	36.56	43.50	61.68	12.96	415.17
Depreciation	14.43	101.50	23.18	6.04	28.65	7.51	85.18	6.51	272.99
AAD	-	-	-	15.49	-	-	-	0.67	16.16
RoE	13.15	108.04	25.82	15.76	18.56	39.07	126.28	-	346.67
Income Tax	2.63	21.62	5.17	3.15	3.71	7.82	25.27	-	69.37
Lease Rentals								328.45	328.45
Earned Cash Encashment	2.42	13.49	3.63	3.57	3.63	3.87	4.84	-	35.47
Prior period expenses	-	-	-	-	-	-	-	-	-
Other debits	-	-	-	-	-	-	-	-	-
Less:- N T I	5.25	20.04	45.73	12.34	16.17	2.28	13.38	0.63	115.84
<b>Total Fixed Charges</b>	<b>218.04</b>	<b>808.41</b>	<b>269.38</b>	<b>287.04</b>	<b>242.03</b>	<b>170.05</b>	<b>467.67</b>	<b>460.74</b>	<b>2,923.37</b>
<b>REC Charges</b>									
Coal Cost	629.50	2,385.23	1,283.64	764.44	587.03	979.29	1,134.75		7,763.88
Oil Cost	40.92	107.14	94.48	71.38	128.31		60.58		502.81
<b>Fuel Cost</b>	<b>670.42</b>	<b>2,492.37</b>	<b>1,378.12</b>	<b>835.82</b>	<b>715.33</b>	<b>979.29</b>	<b>1,195.33</b>	<b>-</b>	<b>8,266.68</b>
Other Variable Charges	23.68	62.01	32.81	33.24	44.71	0.92	19.53	0.78	217.70
<b>Total Variable Charges</b>	<b>694.11</b>	<b>2,554.38</b>	<b>1,410.94</b>	<b>869.07</b>	<b>760.05</b>	<b>980.21</b>	<b>1,214.86</b>	<b>0.78</b>	<b>8,484.38</b>
<b>Total ARR</b>	<b>912.15</b>	<b>3,362.79</b>	<b>1,680.31</b>	<b>1,156.11</b>	<b>1,002.08</b>	<b>1,150.26</b>	<b>1,682.54</b>	<b>461.52</b>	<b>11,407.75</b>

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FY 2012-13 (Projections)									
Capacity Charges	Bhusawal	Chandrapur	Nasik	Koradi	Parli	Uran	K'kheda	Hydro	Total
O&M	156.69	464.45	192.12	220.38	167.98	59.93	183.61	122.17	1,567.34
Interest	33.24	53.18	27.58	18.81	17.65	8.28	16.73	4.95	180.41
Finance Charges	0.50	0.96	0.32	0.35	0.55	1.28	0.34	0.16	4.45
IOWC	38.76	140.90	63.94	50.68	46.90	43.78	62.78	13.50	461.25
Depreciation	19.19	128.85	26.27	10.24	30.34	8.23	87.18	6.88	317.19
AAD	-	-	-	-	-	-	-	0.10	0.10
RoE	13.15	108.04	25.18	15.76	18.56	39.07	126.28	-	346.03
Income Tax	2.63	21.62	5.04	3.15	3.71	7.82	25.27	-	69.24
Lease Rentals								328.89	328.89
Earned Cash	-	-	-	-	-	-	-	-	-
Encashment									
Prior period expenses	-	-	-	-	-	-	-	-	-
Other debits	-	-	-	-	-	-	-	-	-
Less:- NTI	5.43	20.70	47.52	12.80	16.78	2.33	13.87	0.66	120.11
<b>Total Fixed Charges</b>	<b>258.73</b>	<b>897.29</b>	<b>292.94</b>	<b>306.57</b>	<b>268.92</b>	<b>166.06</b>	<b>488.30</b>	<b>475.99</b>	<b>3,154.79</b>
<b>REC Charges</b>									
Coal Cost	760.27	2,756.84	1,366.32	977.50	936.62	990.02	1,162.36		8,949.93
Oil Cost	31.25	124.61	57.93	66.34	34.55		42.70		357.38
<b>Fuel Cost</b>	<b>791.52</b>	<b>2,881.45</b>	<b>1,424.25</b>	<b>1,043.84</b>	<b>971.17</b>	<b>990.02</b>	<b>1,205.05</b>	<b>-</b>	<b>9,307.30</b>
Other Variable Charges	24.63	64.49	34.13	34.57	46.50	0.95	20.31	0.81	226.40
<b>Total Variable Charges</b>	<b>816.15</b>	<b>2,945.94</b>	<b>1,458.38</b>	<b>1,078.42</b>	<b>1,017.67</b>	<b>990.97</b>	<b>1,225.36</b>	<b>0.81</b>	<b>9,533.70</b>
<b>Total ARR</b>	<b>1,074.88</b>	<b>3,843.23</b>	<b>1,751.31</b>	<b>1,384.99</b>	<b>1,286.59</b>	<b>1,157.03</b>	<b>1,713.66</b>	<b>476.80</b>	<b>12,688.49</b>



**Section -2 (Paras Unit 3 & 4 and Parli Unit 6 & 7)**

In the second section of this Petition MSPGCL is submitting the ARR and tariff proposal for 2011-12 and 2012-13 for Paras unit 3 & 4 and Parli Unit 6 & 7.

So far as Paras Unit 3 and Parli Unit 6 are concerned, MSPGCL had preferred appeals on the MYT orders for both Paras Unit 3 and Parli Unit-6. The ATE has awarded the judgment in case 72 of 2010 pertaining to Parli Unit-6 on 27th April 2011 and in case of 99 of 2010 pertaining to Paras Unit -3 on 24<sup>th</sup> May 2011.

As per the judgment (in case 72 of 2010 and 99 of 2010), the impact of time overrun needs to be shared in the ratio of 50: 50 between MSPGCL and consumers. While the Commission had implemented the ATE judgments, however the revised submissions of capital cost as per the CA certifications are yet to be considered by the Commission.

However subsequent to discussions during the TVS on Feb 1, 2012, MSPGCL had incorporated the capital cost as approved by the Commission after the ATE judgments 72 and 99 of 2010. With regard to the submission of MSPGCL for variation in capital cost as per CA certification vis-à-vis the submission made in the MYT petition, it is submitted that for Parli Unit-6, the works cost had been stated as Rs 1099.01 crore and overheads had been stated as Rs 159.55 crore whereas the certified works cost (including spares approved by the Commission) is Rs 1017.17 crore along with overheads of Rs 108.47 crore. Since the works cost had been fully approved by the Commission, therefore, a net capital cost of Rs 45.74 needs to be approved. The overall true-up on account of said capital cost is submitted in the petition. For Paras Unit-3, the certified capital cost does not have any material bearing on the principles adopted by the Commission based on the observations of the ATE and therefore MSPGCL is not pressing on the certified cost. However, it is requested that the Commission may kindly consider the cost of land as Rs 10.41 crore as per the CA certification for Paras Unit 3.

So far as ARR for Paras Unit 4 and Parli Unit 7 are concerned, MSPGCL has made the submissions based on capital cost approved in Case 69 of 2011.

**True-up for 2010-11 (New stations)**

The summary of true-up for 2010-11 for new stations is provided in the tables below:

**Table: True-up for Parli Unit 6 for 2010-11**

<i>Rs Crore</i>			
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True-up</b>
Fuel Cost	289.86	331.44	-41.58
O&M	38.53	38.825	-0.30
Depreciation	103.67	98.56	5.11
Interest & Finance Charge	81.89	79.82	2.07
Sharing of 1/3 rd loss (interest)			-2.16
IOWC	16.37	19.22	-2.85
Income tax	11.67		11.67
ROE	58.54	66.18	-7.64
<b>Total</b>	<b>600.53</b>	<b>634.04</b>	<b>-35.67</b>
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True-up</b>
Revenue	820.93	668.76	-152.17
Prior period true up due to CA certified cost revision	0.00	39.41	-39.41
<b>Net True-up Amount</b>			<b>-227.25</b>

**Table: True-up for Paras Unit 3 for 2010-11**

<i>Rs Crore</i>			
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True-up</b>
Fuel Cost	291.64	269.02	22.6
O&M	38.53	38.83	-0.3
Depreciation	95.75	95.75	0.0
Interest & Finance Charge	83.4	83.23	0.2
Sharing of 1/3 rd loss (interest)			-2.6
IOWC	16.55	17.29	-0.7
Income Tax	11.89	-	11.9
ROE	59.66	59.94	-0.3
<b>Total Expenses</b>	<b>597.42</b>	<b>564.05</b>	<b>30.8</b>
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True-up</b>
Revenue	800.87	645.50	-155.4
<b>Net True-up Amount</b>			<b>-124.56</b>

**Table: True-up for Parli Unit 7 for 2010-11**

<i>Rs Crore</i>			
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True up</b>
Fuel Cost	153.35	199.50	-46.15
O&M	25.68	25.88	-0.20
Depreciation	30.4	29.90	0.50
Interest & Finance Charge	61.98	58.76	3.22
Sharing of 1/3 rd loss (interest)			-3.48
IOWC	9.87	11.16	-1.29
Income Tax	6.79		6.79
ROE	34.08	34.08	0.00
<b>Total ARR</b>	<b>322.15</b>	<b>359.29</b>	<b>-40.62</b>
Revenue from sale of power	322.15	312.37	-9.78
NTI	0	0.53	0.53
<b>Total Revenue</b>	<b>322.15</b>	<b>312.90</b>	<b>-9.25</b>
Net True up amount			-49.87

**Table: True-up for Paras Unit 4 for 2010-11**

<i>Rs Crore</i>			
<b>Parameter</b>	<b>Approved</b>	<b>Actual</b>	<b>True up</b>
Fuel Cost	142.85	166.55	-23.70
O&M	22.47	22.65	-0.18
Depreciation	27.33	26.79	0.54
Interest & Finance Charge	62.79	58.74	4.05
Sharing of 1/3 rd loss (interest)			-3.80
IOWC	9.14	9.60	-0.46
Income tax	4.75		4.75
ROE	23.82	23.82	0.00
<b>Total ARR</b>	<b>293.15</b>	<b>308.14</b>	<b>-18.79</b>
Revenue from sale of Power	293.15	286.24	-6.91
NTI	0	2.41	2.41
<b>Total Revenue</b>	<b>293.15</b>	<b>288.65</b>	<b>-4.50</b>
Net True up amount			-23.30

The overall ARR for the four units for 2011-12 and 2012-13 is provided in the table below:

**Table: ARR for new units for 2011-12 and 2012-13**

All in Rs Crore

Parameter	Paras Unit 3		Paras Unit 4		Parli Unit 6		Parli Unit 7	
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13
FY								
Fuel Cost	261.9	281.7	201.0	280.3	307.4	350.0	283.7	344.5
O & M	41.9	45.3	41.9	45.3	41.9	45.3	41.9	45.3
Dep , AAD	101.8	101.8	77.4	77.4	98.6	98.6	67.3	67.3
Interst on Long term loans	71.8	60.6	139.8	131.1	72.6	71.5	100.3	92.6
IOWC	19.7	20.28	18.0	21.2	21.5	23.3	19.8	22.1
Income Tax	12.0	12.0	8.2	8.2	13.8	13.8	10.2	10.2
Total Revenue Expenditure	509.12	521.68	486.2	563.5	555.9	602.5	523.3	582.1
Return on Equity Capital	60.16	60.16	40.8	40.8	69.1	69.1	51.1	51.1
Non Tariff Income	2.51	2.61	2.4	2.5	3.8	3.9	0.9	0.9
ARR	566.78	579.23	524.67	601.82	621.15	667.63	573.50	632.33
Increase in ARR due to revised CA certified cost in case of Parli 6					7.81	7.41		
Total ARR	566.78	579.23	524.67	601.82	628.96	675.04	573.50	632.33

**Per unit Tariff**

**Variable Charges:** The proposed variable charge for the new units for 2011-12 and 2012-13 is provided in the table below:

**Table: Variable Cost for FY 2011-12 and 2012-13 (Rs/kWh)**

Station	2011-12	2012-13
	Estimates	Estimates
Paras Unit 3	2.11	1.81
Paras Unit 4	1.53	1.80
Parli Unit 6	2.73	2.26
Parli Unit 7	2.79	2.22

**Total Charges:** The total charge per unit for the units is provided in the table below:

**Table: Total Cost for FY 2011-12 and 2012-13 (Rs/kWh)**

Station	2010-11			2011-12			2012-13		
	Net Generation (MU)	ARR (Cr)	Cost (Rs/kWh)	Net Generation (MU)	ARR (Cr)	Cost (Rs/kWh)	Net Generation (MU)	ARR (Cr)	Cost (Rs/kWh)
Paras Unit 3	1,308.79	561.64	4.29	1239.56	566.78	4.57	1554.46	579.23	3.73
ParasUnit 4	761.32	305.73	4.02	1310.51	524.67	4.00	1554.46	601.82	3.87
Parli Unit 6	1,445.29	630.39	4.36	1124.29	628.96	5.59	1545.92	675.04	4.37
Parli Unit7	778.03	358.77	4.61	1017.63	573.50	5.64	1550.16	632.33	4.08

**PRAYERS**

The Petitioner respectfully prays the Hon'ble Commission to:

- a) Condone the delay in submission of this petition
- b) Admit this Petition.
- c) Grant an expeditious hearing of this petition.
- d) Allow interim relief to MSPGCL before March 31, 2012 against the true-up for 2010-11 considering the precarious financial condition of the utility.
- e) Approve the final true-up for 2010-11 along with the ARR and tariff for 2011-12 and 2012-13 to the extent claimed by MSPGCL in accordance with the submissions and rationale submitted in this petition.
- f) Approve the claims submitted by MSPGCL in this petition on account of backing down of its units as per the directives of SLDC while approving the fuel cost.
- g) Allow MSPGCL to recover the difference in current tariff vis-à-vis the final tariff to be approved in this petition on the date of this order.
- h) Approve the provisional tariff of the upcoming units as detailed in the petition.
- i) Condone any shortcomings/deficiencies in the petition and allow MSPGCL to submit additional information/data at a later stage as may be required
- j) Provide the workable excel model used by the Hon'ble Commission for approval of tariff of the Petitioner
- k) Approve the technical Performance on a realistic basis giving cognizance to the coal related issues as detailed in this petition duly considering the impact of report of CPRI on this aspect.