

PUBLIC NOTICE

Objections / Comments on Tata Power-Distribution Business' (Tata Power-D) Petition for approval of (i) ARR for FY 2011-12 as per MERC (Terms and Conditions of Tariff) Regulations, 2005, and (ii) MYT Petition for the Second Control Period (FY 2012-13 to FY 2015-16) as per MERC (Multi Year Tariff) Regulations, 2011

(Case No. 179 of 2011)

1. THE TATA POWER COMPANY LIMITED's Distribution Business (Tata Power-D) has filed the Petition for approval of (i) ARR for FY 2011-12 as per MERC (Terms and Conditions of Tariff) Regulations, 2005, and (ii) MYT Petition for the Second Control Period (FY 2012-13 to FY 2015-16) as per MERC (Multi Year Tariff) Regulations, 2011 before the Maharashtra Electricity Regulatory Commission (MERC) under Sections 61 and 62 of the Electricity Act, 2003 (Act) and Regulation 7 of the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011. The Commission has admitted the Petition on **21st January, 2013** and directed Tata Power-D to publish a Public Notice under Section 64(2) of the Act.
2. The Commission has passed an Order on 26th August, 2012 approving the MYT Business Plan for Tata Power-D for the second Control Period from FY 2012-13 to FY 2015-16. In the said Order, the Commission has directed Tata Power-D to file MYT Petition for the second Control Period from FY 2012-13 to FY 2015-16 as per the MERC (Multi Year Tariff) Regulations, 2011. As regards the ARR for FY 2011- 12, the Commission directed Tata Power-D to file the same as per MERC (Terms and Conditions of Tariff) Regulations, 2005. In compliance with these directions, Tata Power-D has filed the present Petition before the Commission.

Truing-Up of FY 2011-12

3. The Salient features of the Petition for Truing-Up of FY 2011-12 as per MERC (Terms and Conditions of Tariff) Regulations, 2005 are provided below:

Table 1: Aggregate Revenue Requirement of Tata Power-Distribution (Rs. Crore)

Sl. No.	Particulars	FY 2010-11	FY 2011-12
		Order dated 15 February, 2012	Audited
1	Power Purchase Expenses	1820.48	3048.74
1.1	<i>Power Purchase Expenses (Tata Power-G)</i>	<i>1110.32</i>	<i>2413.88</i>
1.2	<i>Power Purchase Expenses (Other Sources)</i>	<i>621.41</i>	<i>482.32</i>
1.3	<i>Power Purchase Expenses (RPS)</i>	<i>88.75</i>	<i>152.55</i>
1.4	<i>Other Adjustments- Cash Discount for Power Purchase</i>	-	-
2	Standby Charges Payable	73.92	84.31
3	Transmission and MSLDC Charges Payable	77.95	101.27
4	Operation & Maintenance Expenses	76.15	110.07
4.1	<i>Employee Expenses</i>	<i>25.38</i>	<i>37.80</i>
4.2	<i>Administration & General Expenses (Including Brand Equity)</i>	<i>38.20</i>	<i>53.64</i>
4.3	<i>Repair & Maintenance Expenses</i>	<i>11.40</i>	<i>16.48</i>
4.4	<i>Allocation of Load Control Centre Expenses</i>	<i>1.17</i>	<i>2.16</i>
5	Depreciation, including advance against depreciation	21.76	31.03
6	Interest on Long – term loan capital	18.93	35.14
7	Interest on Working Capital and on consumer security deposits	28.00	68.27
8	Other Finance Charges	1.25	0.01
9	Provision for Bad debts	-7.79	-0.69
10	Income Tax	19.76	23.76
11	Contribution to contingency reserves	1.37	2.27
12	Other Expenses (DSM)	0.90	-
13	Interest on FAC		22.47
14	Total Revenue Expenditure	2132.68	3526.66
15	Return on Equity Capital	29.83	41.30
16	Aggregate Revenue Requirement	2162.51	3567.96
17	Less: Non Tariff Income	15.95	15.05
18	Less: Income from sale of Surplus Power	19.97	3.75
19	Less: Income from other Business	-	-
20	Less: Income from Wheeling		
21	Aggregate Revenue Requirement from Retail Tariff	2126.59	3549.17
22	Average Cost of Supply	4.83	6.06

4. Truing up for FY 2011-12 as per MERC (Terms and Conditions of Tariff) Regulations, 2005 and as per MERC MYT Regulations, 2011

Table 2: ARR of FY 2011-12 as per Tariff Regulations, 2005 and MYT Regulations, 2011

Rs. Crores			
Sr. No.	Particulars	Net Entitlement after impact of Gains / (Losses) from Controllable factors	
		As per Tariff Regulations, 2005	As per MYT Regulations, 2011
I	Revenue	3,012.85	3,012.85
1	Revenue from Sale of Power	3,009.10	3,009.10
2	Income from Sale of Surplus Power	3.75	3.75
		-	-
II	Expenditure	-	-
1	Power Purchase Expenses	3,048.74	3,048.74
2	Transmission Charges & SLDC Charges	101.27	101.27
3	Standby Charges	84.31	84.31
4	Operation and Maintenance Exp incl LCC Charges	111.13	109.93
5	Depreciation, including AAD	31.03	37.46
6	Interest on Long-term Loan Capital	35.15	33.74
7	Interest on Working Capital	59.48	59.48
8	Interest on Security Dep	8.79	8.79
9	Other Finance Charges	0.01	0.01
10	Bad Debts written off	(0.69)	(0.69)
11	Statutory Appropriations / Contingency Reserves	2.27	2.27
12	Return on Equity	41.30	41.44
13	Income Tax	23.76	23.76
14	Interest on working capital - FAC	22.47	22.47
III	Total Expenditure	3,569.02	3,572.98
		-	-
15	Other Adjustments	15.05	15.05
16	Less: Non Tariff Income	15.05	15.05
		-	-
	(Gap)/ Surplus	(541.12)	(545.08)

5. Energy Sales

Table 3: Category-wise Energy Sales

Sr. No.	Category	FY 2011-12			FY 2010-11		
		Direct Consumers	Changeover Consumers	Total	Direct Consumers	Changeover Consumers	Total
Mus							
I	HIGH TENSION CATEGORIES						
1	<i>HT I - Industry & CPP</i>	1002.71	263.57	1266.28	824.72	161.62	986.34
2	<i>HT II - Commercial</i>	600.49	554.83	1155.32	550.74	448.73	999.48
3	<i>HT III - Public & Govt.</i>	-	-	-	-	-	-
	- 22kV	-	-	-	13.83	-	13.83
	- 100kV	-	-	-	50.67	-	50.67
4	<i>HT III Group Housing</i>	-	13.32	13.32	-	9.26	9.26
5	<i>HT IV - Temporary Supply</i>	5.09	2.20	7.29	2.28	1.43	3.71
6	<i>HT V - Railways</i>	830.77	-	830.77	821.13	-	821.13
	- 22/33 kV	441.96	-	441.96	500.48	-	500.48
	- 100kV	388.81	-	388.81	320.65	-	320.65
II	LOW TENSION CATEGORIES	-	-	-	-	-	-
1	<i>LT I - Residential (BPL)</i>	-	-	-	-	-	-
2	<i>LT I - Residential</i>	117.61	725.93	843.54	104.13	220.29	324.42
	- S1 (0-100 units)	27.71	191.61	219.32	24.64	45.84	70.48
	- S2 (101-300 units)	36.39	258.62	295.00	32.45	69.29	101.74
	- S3 (> 301-500 Units)	15.04	106.24	121.28	13.54	33.91	47.45
	- S4 (Above 500 units (balance units))	38.47	169.46	207.94	33.51	71.25	104.76
3	<i>LT II - Commercial</i>	264.07	856.90	1120.97	243.79	492.04	735.83
	- Upto 20 kW	27.29	375.24	402.53	22.36	158.95	181.31
	- > 20 kW & ≤ 50kW	23.10	104.64	127.74	18.05	59.55	77.60
	- > 50kW	213.67	377.02	590.69	203.38	273.54	476.92
4	<i>LT III - Industry < 20 kW</i>	24.95	62.09	87.04	25.07	35.67	60.74
5	<i>LT IV - Industry > 20kW</i>	160.84	335.34	496.18	160.91	284.38	445.29
6	<i>LT V - Advertisement & Hoardings, incl. floodlights & neon signs</i>	0.00	0.23	0.23	0.00	0.11	0.11
7	<i>LT VI – Streetlights</i>	0.00	-	0.00	0.00	0.00	0.00
8	<i>LT VII – Temporary Supply</i>	15.09	2.25	17.34	13.66	1.11	14.77
	- TSR – Temporary Supply Religious	-	0.01	0.01	-	0.02	0.02
	- TSO – Temporary Supply Others	15.09	2.25	17.34	13.66	1.08	14.75
9	<i>LT VIII – Crematoriums and Burial Grounds</i>	-	0.08	0.08	-	-	0.00
	<i>15 day adjustments</i>	-10.79	23.30	12.51	-10.17	2.51	-7.66
GRAND TOTAL		3010.83	2840.06	5850.89	2736.27	1657.14	4393.41

6. Revenue at Existing Tariffs

Table 4: Revenue at Existing Tariffs

		Rs. Crores	
Sl. No.	Consumer Category	FY 2010-11	FY 2011-12
		Order dated 15 February, 2012	Audited
1	HT CUSTOMERS	1477.38	1826.61
a	HT I - Industry	510.76	694.94
b	HT II - Commercial	541.28	669.54
c	HT III - Group Housing Society	4.27	5.99
d	HT IV - Temporary Supply	3.56	7.18
e	HT V - Railways	417.51	448.96
i	- 22/33 kV	256.95	243.79
ii	- 100kV	160.56	205.17
2	LT CUSTOMERS	827.57	1207.87
a	LT I - Residential (BPL)	-	-
b	LT I - Residential	128.38	278.56
i	- S1 (0-100 units)		
ii	- S2 (101-300 units)		
iii	- S3 (> 301-500 Units)		
iv	- S4 (Above 500 units (balance units))		
c	LT II - Commercial	402.83	588.33
i	- Upto 20 kW	84.64	179.04
ii	- > 20 kW & ≤ 50kW	44.50	72.00
iii	- > 50kW	273.69	337.29
d	LT III - Industry < 20 kW	29.58	41.49
e	LT IV - Industry > 20kW	249.42	277.93
f	LT V - Advertisement & Hoardings, incl. floodlights & neon signs	0.16	0.34
g	LT VI – Streetlights	-	0.00
h	LT VII – Temporary Supply	17.20	21.20
i	- TSR – Temporary Supply Religious	0.01	0.00
ii	- TSO – Temporary Supply Others	17.19	21.20
i	LT VIII – Crematoriums and Burial Grounds	-	0.01
	Total Revenue	2304.95	3034.49

7. Energy Balance

Energy Balance for FY 2011-12, giving details of sales, distribution losses, Intra-State transmission losses, and Energy Input quantum

Table 5: Energy Balance for FY 2011-12

		MUs
Sr. No.	Particulars	FY 2011-12
1	Tata Power D-Sales (Retail) with 15 days Adjustments	3,010.83
2	Distribution Losses	0.62%
3=1/(1-2)	Energy Requirement for Tata Power consumers at T<>D interface	3,029.67
4	Sale to Changeover consumers	2,830.55
5=4	Energy Requirement for Changeover consumers	2,830.55
6=3+5	Total Energy Requirement at T<>D	5,860.22
7	Transmission Loss	4.32%
8=6/(1-7)	Total Energy Requirement at G<>T	6,124.84
9	Sale/ (Purchase) to Imbalance Pool	-
10	Sale Outside License Area/ Adjustments	10.38
11=8+9+10	Total Energy Requirement at G<>T Interface	6,135.21

8. Operational Parameters

Table 6: Distribution Loss & Collection Efficiency for FY 2011-12

Sl. No.	Particulars	FY 2011-12	
		Distribution Losses (%)	Collection Efficiency (%)
		Actual	Actual
1	Tata Power-D	0.62%	99.90%

9. Tata Power-D's Capital Expenditure

Table 7: Capital Expenditure and Capitalisation

<i>Rs. Crores</i>					
Sl.	Name of Project	FY 2010-11		FY 2011-12	
		Expenditure	Capitalisation	Expenditure	Capitalisation
1	Ongoing Projects				
a)	DPR Projects			135.82	159.66
b)	Non-DPR Projects			1.83	1.80
	Sub-total			137.64	161.46
2	New Projects				
a)	DPR Projects			63.60	24.81
b)	Non-DPR Projects				1.81
	Sub-total			63.60	26.62
	Total		137.27	201.24	188.08

MYT for Control Period from FY 2012-13 to FY 2015-16

10. Tata Power-D has estimated the ARR for Second Control Period form FY 2012-13 to FY 2015-16 based on the MYT Business Plan approved by the Commission vide Order dated 26th August, 2012 in Case No. 165 of 2011.

11. Category-wise Sales Projections

Category-wise sales projections (considering direct sales, change-over sales, and switch-over sales together) from FY 2012-13 to FY 2015-16.)

Table 8: Category-wise Sales Projections for FY 2012-13 to FY 2015-16

Sr. No.	Category	Sale on Own Network				Changeover Sale				Total Sale			
		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
I	HIGH TENSION CATEGORIES												
1	HT I - Industry & CPP	1,038.34	1,082.98	1,126.20	1,166.25	219.07	212.91	207.62	203.91	1,257.4	1,295.9	1,333.8	1,370.2
2	HT II - Commercial	756.34	909.17	1,063.69	1,216.49	666.41	640.93	619.26	605.06	1,422.8	1,550.1	1,683.0	1,821.6
3	HT III - Public & Govt.	-	-	-	-	-	-	-	-	-	-	-	-
	- 22kV	-	-	-	-	-	-	-	-	-	-	-	-
	- 100kV	-	-	-	-	-	-	-	-	-	-	-	-
4	HT III Group Housing	-	-	-	-	11.53	11.53	11.53	11.53	11.5	11.5	11.5	11.5
5	HT IV - Temporary Supply	5.09	5.09	5.09	5.09	1.43	1.43	1.43	1.43	6.5	6.5	6.5	6.5
6	HT V - Railways	830.77	830.77	830.77	830.77	-	-	-	-	830.8	830.8	830.8	830.8
	- 22/33 kV	555.47	555.47	555.47	555.47	-	-	-	-	555.5	555.5	555.5	555.5
	- 100kV	265.66	265.66	265.66	265.66	-	-	-	-	265.7	265.7	265.7	265.7
II	LOW TENSION CATEGORIES												
1	LT I - Residential (BPL)	-	-	-	-	-	-	-	-	-	-	-	-
2	LT I - Residential	154.94	202.14	248.85	294.01	808.12	859.64	913.43	970.59	963.1	1,061.8	1,162.3	1,264.6
	- S1 (0-100 units)	30.04	30.04	30.04	30.04	-	-	-	-	30.0	30.0	30.0	30.0
	- S2 (101-300 units)	39.56	39.56	39.56	39.56	-	-	-	-	39.6	39.6	39.6	39.6
	- S3 (> 301-500 Units)	16.51	16.51	16.51	16.51	-	-	-	-	16.5	16.5	16.5	16.5
	- S4 (Above 500 units (balance units))	40.85	40.85	40.85	40.85	-	-	-	-	40.9	40.9	40.9	40.9
3	LT II - Commercial	372.22	495.18	619.46	741.40	730.72	702.78	679.01	663.45	1,102.9	1,198.0	1,298.5	1,404.9
	- Upto 20 kW	35.78	35.78	35.78	35.78	272.27	272.27	272.27	272.27	308.1	308.1	308.1	308.1
	- >20 kW & ≤50kW	28.87	28.87	28.87	28.87	102.01	102.01	102.01	102.01	130.9	130.9	130.9	130.9
	- >50kW	325.37	325.37	325.37	325.37	468.56	468.56	468.56	468.56	793.9	793.9	793.9	793.9
4	LT III - Industry < 20 kW	27.69	29.67	31.62	33.51	48.36	47.00	45.83	45.01	76.0	76.7	77.4	78.5
5	LT IV - Industry > 20kW	177.80	190.46	203.03	215.13	385.47	374.64	365.31	358.79	563.3	565.1	568.3	573.9
6	LT V - Advertisement	-	-	-	-	0.11	0.11	0.11	0.11	0.1	0.1	0.1	0.1
7	LT VI - Streetlights	-	-	-	-	-	-	-	-	-	-	-	-
8	LT VII - Temporary Supply	15.09	15.09	15.09	15.09	1.03	1.03	1.03	1.03	16.1	16.1	16.1	16.1
	- TSR - Temporary Supply	-	-	-	-	0.02	0.02	0.02	0.02	0.0	0.0	0.0	0.0
	- Religious	-	-	-	-	-	-	-	-	-	-	-	-
	- TSO - Temporary Supply Others	-	-	-	-	1.08	1.08	1.08	1.08	1.1	1.1	1.1	1.1
9	LT VIII - Crematoriums	-	-	-	-	0.08	0.08	0.08	0.08	0.1	0.1	0.1	0.1
	GRAND TOTAL	3,378.28	3,760.55	4,143.80	4,517.74	2,872.33	2,852.08	2,844.64	2,860.99	6,250.6	6,612.6	6,988.4	7,378.7

12. Demand Projections

Demand projections from FY 2012-13 to FY 2015-16

Table 9: Demand Projections for FY 2012-13 to FY 2015-16

Demand projections		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Direct Sales	(a)	3,378.28	3,760.55	4,143.80	4,517.74
Distribution Loss Applicable	(b)	1.33%	1.43%	1.53%	1.63%
Direct Sales at T<>D Interface	(c=a/(1-b))	3,423.81	3,815.10	4,208.18	4,592.60
Changeover Sales	(d)	2,872.33	2,852.08	2,844.64	2,860.99
Distribution Loss Applicable	(e)	0.00%	0.00%	0.00%	0.00%
Change over consumption (at T<> D Interface)	(f=d/(1-e))	2,872.33	2,852.08	2,844.64	2,860.99
Total consumption	(g=c+f)	6,296.14	6,667.18	7,052.82	7,453.59
Transmission Loss Applicable	(h)	4.85%	4.85%	4.85%	4.85%
Demand at delivery point (at G<>T interface)	(i=g/(1-h))	6,617.07	7,007.02	7,412.32	7,833.51
Less: Reduction in Sales - DSM	(j)	10.10	10.10	10.10	10.10
Demand at delivery point (at G<>T interface)	(k=i-j)	6,606.97	6,996.92	7,402.22	7,823.41

13. Table 11: Energy Balance

Energy Balance table from FY 2012-13 to FY 2015-16, giving details of sales, distribution losses, Intra-State transmission losses and source-wise energy input quantum.

Table 10: Power Purchase for meeting Demand Projections for FY 2012-13 to FY 2015-16

Power Purchase Sources	Mus				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	
Requirement of TPC-D (after considering saving from DSM)	MUs	6,606.97	6,996.92	7,402.22	7,823.41
Met Through	MUs				
Tata Power-G	MUs	5,082.61	3,996.99	4,307.80	5,738.05
Renewable Sources	MUs	528.56	629.72	666.20	704.11
Case-I Bidding	MUs	830.38	830.38	830.38	830.38
Pool Purchase	MUs	-	-	-	-
Bilateral Purchase	MUs	165.43	1,539.83	1,597.84	550.88
Total	MUs	6,606.97	6,996.92	7,402.22	7,823.41

14. Table 12: Power Purchase Cost

Power purchase cost including standby charges and transmission charges from FY 2012-13 to FY 2015-16, giving details of source-wise rate of power purchase and cost

Table 11: Power Purchase Cost for FY 2012-13 to FY 2015-16

Power Purchase Sources	FY 2012-13			FY 2013-14			FY 2014-15			FY 2015-16		
	Energy Quantum Mus	Power Purchase Cost Rs. Crores	Energy Rate Rs./kWh	Energy Quantum Mus	Power Purchase Cost Rs. Crores	Energy Rate Rs./kWh	Energy Quantum Mus	Power Purchase Cost Rs. Crores	Energy Rate Rs./kWh	Energy Quantum Mus	Power Purchase Cost Rs. Crores	Energy Rate Rs./kWh
Power Purchase												
Tata Power-G	5,082.61	2,979.22	5.86	3,996.99	2,022.25	5.06	4,307.80	2,168.91	5.03	5,738.05	2,819.34	4.91
Renewable Sources	528.56	243.45	4.61	629.72	309.40	4.91	666.20	332.36	4.99	704.11	357.26	5.07
Solar	16.52	22.25	13.47	34.98	47.12	13.47	37.01	49.85	13.47	39.12	52.69	13.47
Non-Solar	512.04	221.20	4.32	594.74	262.28	4.41	629.19	282.51	4.49	664.99	304.57	4.58
Case-I Bidding	830.38	373.67	4.50	830.38	373.67	4.50	830.38	373.67	4.50	830.38	373.67	4.50
Bilateral Purchase	165.43	74.44	4.50	1,539.83	692.92	4.50	1,597.84	719.03	4.50	550.88	247.89	4.50
Standby Charges		140.50			140.50			140.50			140.50	
Transmission & SLDC Charges		233.58			273.17			286.83			301.17	
Total	6,606.97	4,044.86	6.12	6,996.92	3,811.92	5.45	7,402.22	4,021.30	5.43	7,823.41	4,239.83	5.42

15. Capital Expenditure and Capitalisation proposed by Tata Power-D for the Wire Business for the period from FY 2012-13 to FY 2015-16

Table 12: Capital Expenditure & Capitalisation for FY 2012-13 to FY 2015-16 (Wires Business)

MERC Approval Status	Capital Expenditure				Capitalisation			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Approved DPR	736.39	89.18	68.20	0.00	736.39	89.18	68.20	0.00
- Non DPR	1.00	17.84	13.64	0.00	1.00	17.84	13.64	0.00
TOTAL	737.39	107.016	81.84	0.00	737.39	107.02	81.84	0.00

16. Table 14: Capital Expenditure and Capitalisation proposed by Tata Power-D for Supply Business for the period from FY 2012-13 to FY 2015-16

Table 13: Capital Expenditure & Capitalisation for FY 2012-13 to FY 2015-16 (Supply Business)

MERC Approval Status	Capital Expenditure				Capitalisation			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Approved DPR	30.61	23.25	0.00	0.00	30.61	23.25	0.00	0.00
- Non DPR	6.12	4.65	0.00	0.00	6.12	4.65	0.00	0.00
TOTAL	36.73	27.90	0.00	0.00	36.73	27.90	0.00	0.00

17. Aggregate Revenue Requirement of TPC-Distribution (Rs. Crore)

Wires + Supply Business ARR for the period from FY 2012-13 to FY 2015-16

Table 14: Aggregate Revenue Requirement of Tata Power-D

Rs. Crores

S.No.	Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Power Purchase Expenses	4,044.86	3,811.92	4,021.30	4,239.83
	Tata Power-G	2,979.22	2,022.25	2,168.91	2,819.34
	Renewable Energy	243.45	309.40	332.36	357.26
	Case-I Bidding	373.67	373.67	373.67	373.67
	Bilateral Purchase	74.44	692.92	719.03	247.89
	Standby Charges Payable	140.50	140.50	140.50	140.50
	Transmission and MSLDC Charges Payable	233.58	273.17	286.83	301.17
2	Operation & Maintenance Expenses	128.39	159.00	178.63	199.25
3	Depreciation	59.86	81.75	88.58	91.69
4	Interest on Long-term Loan Capital	67.97	94.84	93.79	87.17
5	Interest on Working Capital and on consumer security deposits	90.01	78.24	83.20	94.30
6	Provisioning for Bad & Doubtful Debts	-	-	-	-
7	Other Expenses (DSM)	2.21	4.28	5.33	5.56
8	Income Tax	23.76	23.76	23.76	23.76
9	Contribution to contingency reserves	4.21	4.54	4.75	4.74
10	Total Revenue Expenditure	4,421.27	4,258.33	4,499.33	4,746.30
11	Return on Equity Capital	62.70	84.00	89.10	90.98
12	Aggregate Revenue Requirement	4,483.97	4,342.34	4,588.44	4,837.28
13	Less: Non Tariff Income	24.69	27.26	30.08	33.20
14	Aggregate Revenue Requirement	4,459.28	4,315.08	4,558.36	4,804.08
15	Sales for the year	6,250.61	6,612.63	6,988.44	7,378.73
16	Average Cost of Supply	7.13	6.53	6.52	6.51

18. Tariff Proposal of Tata Power-D

a. Tariff Philosophy

(Summary of the proposed tariff philosophy)

Tata Power-D while proposing a tariff has kept in consideration the revenue gaps that arise at existing tariff, which are estimated to be around Rs. 5200 Crores at the end of FY 2015-16 as well as the burden that can be passed on to the consumers and has attempted to balance the two.

Further while proposing the Tariff it is expected that the new tariff would not be applicable before 1st April 2013. Hence, for the purpose of the projections, it has considered the applicability of the Existing Tariff including the existing FAC for FY 2012-13 too.

It has been noticed the existing Tariff is very low in the categories of Residential in slabs 0-100 Unit and 100-300 Units as compared to the Average Tariff. Such low tariffs result in other subsidizing categories bearing a higher subsidy burden thereby increasing the risk of unviable operations. Further, there has also been a demand to bring about parity in the tariffs in a particular category across various licensees,

especially in the residential segment. In this regard while it may be difficult to bring about parity in all categories, it may be useful to bring about the same in category where there are large number of consumers such as the Residential Consumers (0- 300 Units). Tariff for such consumers was high in the year FY 2008-09 which was gradually brought down by the Hon'ble Commission over a period of time. The tariff of such categories can be revised upwards to bring in line with other distribution licensees. We have therefore incorporated the same in our Tariff proposal.

In line with the direction of the Hon'ble Commission in its order dated 5th August 2012 in Case No 82 and 101 of 2011 Tata Power has proposed a separate category for Airport (MIAL) in the MYT Petition.

b. Proposed Consumer Categories & Tariff Proposal

Considering the tariff philosophy suggested above, revised tariff has been proposed. Comparison of existing and proposed tariff is shown in the table below.

Table 15: Proposed tariff for FY 2013-14 to FY 2015-16

Category	Existing Tariff					Proposed Tariff FY14			Proposed Tariff FY15			Proposed Tariff FY16		
	FC	DC	VC			FC	DC	VC	FC	DC	VC	FC	DC	VC
			EC	FAC [#]	TVC									
HT CUSTOMERS														
<i>HT I - Industry</i>	-	150	5.00	1.58	6.58	-	210	6.90	-	250	7.40	-	295	7.95
<i>HT II - Commercial</i>	-	150	5.20	1.64	6.84	-	210	7.30	-	250	7.70	-	295	8.10
<i>HT III - Group Housing Society</i>	-	150	4.10	1.29	5.39	-	210	5.55	-	250	6.10	-	295	6.55
<i>HT IV - Temporary Supply</i>	200	-	9.00	2.84	11.84	280	-	12.60	330	-	13.70	390	-	14.80
<i>HT V - Railways</i>														
- 22/33 kV		150	4.95	1.56	6.51	-	210	6.85	-	250	7.40	-	295	7.90
- 100kV		150	4.80	1.51	6.31	-	210	6.60	-	250	7.15	-	295	7.65
<i>HT VI - Airport</i>			<i>New Category</i>				210	6.91		250	7.44		295	7.95
LT CUSTOMERS														
<i>LT I - Residential (BPL)</i>	3	-	0.40	0.13	0.53	5	-	0.60	6	-	0.65	7	-	0.70
<i>LT I - Residential</i>														
- S1 (0-100 units)	30		1.05	0.33	1.38	40	-	2.60	50	-	2.95	60	-	3.50
- S2 (101-300 units)	50		2.50	0.79	3.29	75	-	4.80	100	-	5.50	120	-	6.05
- S3 (> 301-500 Units)	50		4.40	1.39	5.79	75	-	7.10	100	-	7.70	120	-	8.20
- S4 (Above 500 units (balance units))	100		5.30	1.67	6.97	150	-	8.00	200	-	8.45	240	-	8.95
<i>LT II - Commercial</i>														
- Upto 20 kW	150	-	4.25	1.34	5.59	205	-	7.25	245	-	7.90	290	-	8.55
- > 20 kW & < 50kW	-	150	4.80	1.51	6.31	-	210	7.20	-	250	7.65	-	295	8.15
- > 50kW	-	150	5.05	1.59	6.64	-	205	7.40	-	245	7.90	-	290	8.45
<i>LT III - Industry < 30 kW (Earlier LT III - Industry < 20 kW)</i>	150	-	4.50	1.42	5.92	205	-	7.35	245	-	8.00	290	-	8.55
<i>LT IV - Industry > 30kW (Earlier LT III - Industry > 20 kW)</i>	-	150	5.10	1.61	6.71	-	205	7.40	-	245	7.90	-	290	8.40
<i>LT V - Advertisement</i>	200	-	13.55	4.27	17.82	272	-	16.60	320	-	17.55	380	-	18.60
<i>LT VI - Streetlights</i>	-	150	4.00	1.26	5.26	-	210	10.00	-	250	10.80	-	290	11.70
<i>LT VII - Temporary Supply</i>														
- TSR-Temp Supply Religious	200	-	2.00	0.63	2.63	260	-	4.25	300	-	4.90	355	-	5.60
- TSO-Temp Supply Others	200	-	11.00	3.47	14.47	260	-	15.70	300	-	17.10	355	-	18.10
<i>LT VIII - Crematoriums and Burial Grounds</i>	200	-	2.00	0.63	2.63	270	-	3.50	320	-	3.85	380	-	4.20

FAC included additional FAC allowed for 9 months in FY 2012-13

* VC in Proposed Tariff represents Energy Charges only as there is NO FAC charges. Hence TVC is equal to EC.

Abbreviations:

FC = Fixed Charges (Rs/Connection/Month)

DC = Demand Charges (Rs/kVA/Month)

VC = Variable Charges (Rs/kWh)

EC = Energy Charges (Rs/kWh)

TVC = Total Variable Charges (Rs/kWh)

Table 16: Category wise Increase in Proposed Tariff

Category	% Increase in Fixed/Demand Charge	% Increase in Energy Charge (over EC and FAC prevailing in October 2012)	% Increase in Fixed/Demand Charge	% Increase in Energy Charge (over Previous year)	% Increase in Fixed/Demand Charge	% Increase in Energy Charge (over Previous year)
HT CUSTOMERS						
HT I - Industry	40.0%	4.9%	19.0%	7.2%	18.0%	7.5%
HT II - Commercial	40.0%	6.7%	19.0%	5.4%	18.0%	5.3%
HT III - Group Housing Society	40.0%	2.9%	19.0%	9.8%	18.0%	7.5%
HT IV - Temporary Supply	40.0%	6.4%	17.9%	8.7%	18.2%	8.0%
HT V - Railways						
- 22/33 kV	40.0%	5.2%	19.0%	8.0%	18.0%	6.8%
- 100kV	40.0%	4.5%	19.0%	8.4%	18.0%	7.0%
HT V - Airport	N.A.	N.A.	19.0%	7.7%	18.0%	6.8%
LT CUSTOMERS						
LT I - Residential (BPL)	66.5%	13.3%	20.2%	9.0%	16.6%	8.0%
LT I - Residential						
- S1 (0-100 units)	33.3%	88.5%	25.0%	13.3%	20.0%	18.8%
- S2 (101-300 units)	50.0%	46.0%	33.3%	14.5%	20.0%	10.0%
- S3 (> 301-500 Units)	50.0%	22.7%	33.3%	8.4%	20.0%	6.5%
- S4 (Above 500 units (balance units))	50.0%	14.8%	33.3%	5.6%	20.0%	5.9%
LT II - Commercial						
- Upto 20 kW	36.7%	29.7%	19.5%	8.9%	18.4%	8.2%
- > 20 kW & < 50kW	40.0%	14.0%	19.0%	6.2%	18.0%	6.6%
- > 50kW	36.7%	11.4%	19.5%	6.8%	18.4%	7.0%
LT III - Industry < 100 kW (Earlier LT III - Industry < 20 kW)						
LT IV - Industry > 100kW (Earlier LT III - Industry > 20 kW)	36.7%	24.1%	19.5%	8.9%	18.4%	6.8%
LT V - Advertisement & Hoardings, incl. floodlights & neon signs						
LT VI - Streetlights	36.0%	-6.9%	17.6%	5.8%	18.8%	6.0%
LT VII - Temporary Supply	40.0%	90.1%	19.0%	8.0%	16.0%	8.3%
- TSR - Temporary Supply Religious	30.0%	61.5%	15.4%	15.2%	18.3%	14.4%
- TSO - Temporary Supply Others	30.0%	8.5%	15.4%	9.0%	18.3%	5.9%
LT VIII - Crematoriums and Burial Grounds						
	35.0%	33.0%	18.5%	10.0%	18.8%	9.2%

- FAC included additional FAC allowed for 9 months in FY 2012-13

19. Copies of the following documents can be obtained on written request from the offices of Tata Power Company mentioned below:

- Executive Summary of the Petition (free of cost, in Marathi or English)
- Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by Cash/DD/ Cheque drawn on "The Tata Power Company Limited"
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Offices:

Office	Address	Telephone No.
Registered Office	Mr Uday Bhide, The Tata Power Company Ltd, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001	6717 1032
Carnac	Mr S K Raphel, The Tata Power Company Limited, Corporate Office, Accounts Department, 'B' Block, 5 th Floor, 34 Sant Tukaram Road Carnac Bunder, Mumbai 400 009	6717 1608
Mahalaxmi	Mr S A Naik, The Tata Power Company Ltd., Distribution Division, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.	6717 2214
Dharavi	Mr. Amey Naik, The Tata Power Company Ltd., Dharavi Receiving Station, Near Shalimar Indl. Estate, Matunga (East), Mumbai 400 019.	6717 2626
Borivali (E)	Mr. K Navinkumar, The Tata Power Company Ltd., Tata Power House Road, Borivli (East), Mumbai 400 066	6717 3512
Borivali (W)	Tata Power Customer Relation Centre, Ground Floor, Ekta Main Building, Link Road, Near Eskay Resort, Borivali (W), Mumbai 400092	2891 3336
Andheri(E)-Saki	Tata Power Customer Relation Centre, Unit No 8 /55 Corporate Avenue, Saki Vihar Road, Opposite Saki Vihar Telephone Exchange, Andheri (E), Mumbai 400072	6710 5721

20. The Commission has directed Tata Power-D to invite objections/comments from the public on the above Petition through this Notice. Objections/comments may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400005 [Fax: 22163976 E-Mail: mercindia@mercindia.org.in] by **Monday 11th February , 2013** along with proof of service on Mr. V H Wagle, Head Regulation, The Tata Power Company Limited, Dharavi Receiving Station, Near Shalimar Industrial Estate, Matunga (East), Mumbai 400 019.
21. Every person who intends to file objections/comments can submit the same in English or in Marathi, in six copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the objection/comment is being filed on behalf of any organization of category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held **at Rangsharda Natya Mandir, Bandra Reclamation , Bandra (W), Mumbai 400050 on Monday 18th February , 2013 at 1030 Hrs.** for which no separate notice will be given.
22. Tata Power -D shall reply to each of the objections /comments received within three days of the receipt of the same but not later than **Thursday 14th February 2013** for all the objections/comments received till **Monday 11th February, 2013**. Stakeholders can submit their rejoinders on replies provided by Tata Power -D either during the public hearing or latest by **Thursday 21th February, 2013**.

23. The detailed Petition document and the Executive Summary are available on Tata Power's website www.tatapower.com and the Executive Summary is also available on the web site of the Commission www.mercindia.org.in in downloadable format (free of cost).

Signature

Name (V H Wagle)

Designation : Head Regulation

The Tata Power Company Limited