Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
World Trade Centre, Centre No. 1, 13th Floor, Cuffe Parade, Mumbai – 400 005
Tel. 022 - 6987 6666
Email: mercindia@merc.gov.in
Website: www.merc.gov.in

CASE No. 183 of 2024

In the matter of

Case of Maharashtra State Transmission Utility (STU) for determination of STU Fees and Charges for 5th Multi Year Tariff Control Period from FY 2025-26 to FY 2029-30

Coram

Sanjay Kumar, Chairperson
Anand M. Limaye, Member
Surendra J. Biyani, Member

ORDER

Date: 28 March 2025

The Maharashtra State Transmission Utility (STU) operated by Maharashtra State Electricity Transmission Co. Ltd., having its office at Maharashtra State Electricity Transmission Co. Ltd. Prakashganga, C-19, E- Block, Bandra Kurla Complex, Bandra (E) Mumbai - 51 has filed its Multi Year Tariff (**MYT**) Petition on 30 October 2024 for Determination of STU Fees & Charges from FY 2025-26 to FY 2029-30. Subsequently, the revised Petition was filed on 02 December 2024.

STU has filed the Petition in accordance with the MERC (Multi Year Tariff) Regulations, 2024 ("**MYT Regulations, 2024**") for the determination of Fees and Charges for STU for the 5th Control Period of FY 2025-26 to FY 2029-30. The Petition includes allocation statements for FY 2019-20 to FY 2024-25 and projections for FY 2025-26 to FY 2029-30.

The Commission, in exercise of the powers vested in it under Sections 61 and 62 of the Electricity Act (EA), 2003 and all other powers enabling it in this behalf, and after taking into consideration the submissions made by STU, upon public consultation process, and upon considering all other relevant material, has approved the projections for FY 2025-26 to FY 2029-30.

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LIST OF ABBREVIATIONS

A&G	Administrative and General
AEML	Adani Electricity Mumbai Limited
AFC	Annual Fixed Cost
ALDC	Area Load Despatch Centre
ARR	Aggregate Revenue Requirement
CA	Chartered Accountant
CAG	Comptroller and Auditor General
CEA	Central Electricity Authority
CPD	Coincident Peak Demand
CTU	Central Transmission Utility
DA	Dearness Allowance
EA, 2003	Electricity Act, 2003
EHT	Extra High Tension
ER	Employee Ratio
ESSD	Energy Storage System Developer
FY	Financial Year
GFA	Gross Fixed Asset
GNA	General Network Access
HRA	House Rent Allowance
InSTS	Intra-State Transmission System
LDC	Load Dispatch Centre
LTA	Leave Travel Allowance
MAT	Minimum Alternate Tax
MEGC	Maharashtra Electricity Grid Code Regulations, 2020
MERC	Maharashtra Electricity Regulatory Commission
MOU	Memorandum of Understanding
MSEB	Maharashtra State Electricity Board
MSEDCL	Maharashtra State Distribution Company Limited

MSETCL	Maharashtra State Transmission Company Limited
MSLDC	Maharashtra State Load Dispatch Centre
MYT	Multi-Year Tariff
NCPD	Non-Coincident Peak Demand
O&M	Operations and Maintenance
OA	Open Access
POA	Partial Open Access
R&M	Repairs and Maintenance
RoE	Return on Equity
RPC	Regional Power Committee
RTM	Real Time Market
SLDC	State Load Dispatch Centre
STU	State Transmission Utility
TB	Trial Balance
TBCB	Tariff Based Competitive bidding
TCR	Transmission Capacity Rights
ToD	Time of Day
TPC	Tata Power Company
VRS	Voluntary Retirement Scheme

1 Introduction

1.1 Background

1.1.1 Maharashtra State Electricity Transmission Company Limited (MSETCL), as notified by the Government of Maharashtra (**GoM**) under the provisions of the EA 2003, is the State Transmission Utility (**STU**) with a dedicated responsibility of planning, developing, operating, and maintaining the Intra-State Transmission System for facilitating transmission of electricity from generating sources to load centres. It is a wholly owned corporate entity under the GoM and was incorporated under the Companies Act in June 2005. It was constituted under the provisions of Section 39 (1) of the Electricity Act, 2003 (EA 2003 or Act).

1.1.2 Section 39 (1) of the EA, 2003 has laid down provisions for roles and functions of STU as below:

> *"Section 39. (State Transmission Utility and functions):*
>
> *(1) The State Government may notify the Board or a Government company as the State Transmission Utility:*
>
> *Provided that the State Transmission Utility shall not engage in the business of trading in electricity:*
>
> *Provided further that the State Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in transmission of electricity, of such State Transmission Utility, to a company or companies to be incorporated under the Companies Act, 1956 to function as transmission licensee through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed to be transmission licensees under this Act."*

1.1.3 The functions of the STU under Section 39 (2) are as below:

> *"(a) to undertake transmission of electricity through intra-State transmission system;*
>
> *(b) to discharge all functions of planning and co-ordination relating to intra-State transmission system with –*
>
> *(i) Central Transmission Utility;*
> *(ii) State Governments;*
> *(iii) generating companies;*
> *(iv) Regional Power Committees;*
> *(v) Authority;*
> *(vi) licensees;*

(vii) any other person notified by the State Government in this behalf;

(c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;

(d) to provide non-discriminatory open access to its transmission system for use by-

(i) any licensee or generating company on payment of the transmission charges; or

(ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission:

Provided that such surcharge shall be utilised for the purpose of meeting the requirement of current level cross-subsidy:

(e) STU shall be responsible for planning, coordination, and development of reliable communication system for data communication within a State including appropriate protection path among SLDC and ALDC/Sub-LDC thereunder including main and backup as applicable along with InSGS and STU's substations etc.

(f) STU shall also plan a redundant communication system up to the nearest ISTS wideband communication node for integration with the InSTS communication system at appropriate nodes.

(g) STU shall discharge all functions of planning related to the State backbone communication system in consultation with CTU, State Government, Generating Companies, Transmission and Distribution Licensee in the State.

(h) STU shall also provide access to its wideband Network for grid management by all the Users.

(i) STU shall extend the required support to Control Centres for the integration of communication system at respective ends."

1.1.4 As highlighted in the provisions of the EA, 2003 and as per the provisions of the Maharashtra Electricity Regulatory Commission (Electricity Grid Code) Regulations, 2020 (**MEGC 2020**), the roles and responsibilities for the STU are identified separately as that of the transmission licensee. The STU has been performing functions of planning, coordination, processing of applications of connectivity, open access and other functions as per provisions of the EA, 2003.

1.1.5 The Regulation 128 to 137 (Part K) of the current MYT Regulations 2024 provides the provisions for determining the Fees and Charges to be levied by STU from 1 April 2025. Accordingly, the STU has filed the current Petition for Projections of ARR for the 5th control period in accordance with the MYT Regulations, 2024. The Petition covers allocation statements for the years of fourth control period FY 2019-20 to FY 2024-25 and projections for the fifth control period of FY 2025-26 to FY 2029-30.

1.2 Multi-Year Tariff Regulations and Control Period

1.2.1 The Commission notified the MYT Regulations, 2024, on 19 August 2024. As per the directives of the Commission in the MYT Regulations 2024, the STU is required to file a Petition for STU Fees and Charges for the 5th Control Period of FY 2025-26 to FY 2029-30.

1.3 Petition and main Prayers of STU

1.3.1 STU submitted the Petition on 30 October 2024 for approval of STU Fees and Charges for Long term and Medium-term transmission system users for FY 2025-26 to FY 2029-30 considering the provisions of the MYT Regulations, 2024.

1.3.2 The STU has segregated its expenses for the Period FY 2019-20 to FY 2023-24 and provisional expenses for FY 2024-25 based on the allocation statement and projected the ARR requirement for the period FY 2025-26 to FY 2029-30 in accordance with the provisions of the Regulation 131.1(b) of the MYT Regulations, 2024. The STU has submitted segregated accounts & allocation statement for the period FY 2019-20 to FY 2023-24.

1.3.3 Excerpt from the Regulation 4 of the MYT Regulations 2024 is as below:

> *"The Multi-Year Tariff framework shall be based on the following elements, for computation of Aggregate Revenue Requirement and expected revenue from Tariff and Charges for Generating Companies, Energy Storage System Developer (ESSD), Transmission Licensees, Distribution Wires Business, Retail Supply Business, Fees and Charges of MSLDC and* ***Fees and Charges of STU****;*
>
> *(i) A Multi-Year Tariff Petition comprising the forecast of Aggregate Revenue Requirement, expected revenue from existing Tariff or Fees and Charges in case of MSLDC and* ***STU****, expected revenue gap, and proposed Tariff or Fees and Charges for each year of the Control Period, shall be submitted by the Generating Company or ESSD, or Licensee or MSLDC or STU:*
>
> ……
>
> *(ii) Determination of the Aggregate Revenue Requirement and Tariff or Fees and Charges for Generating Companies, ESSD, Transmission Licensees, Distribution Wires Business, Retail Supply Business, MSLDC and STU by*

the Commission for each year of the Control Period, at the start of the Control Period:

Provided that the Commission shall also approve the sharing proportion amongst the Transmission System Users of the MSLDC Fees and Charges and STU Fees and Charges for the Control Period;"

1.3.4 Additionally, the Regulation 5.1 (a) of the MYT Regulations, 2024 highlights that:

*"a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and **STU**, and by November 30, 2024, by Distribution Licensees, **comprising**:*

----

*i. **Aggregate Revenue Requirement for each year of the Control Period** under these Regulations;*

ii. 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;

iii. Proposed category-wise Tariff or Fees & Charges for each year of the Control Period under these Regulations;

1.3.5 As part of MSETCL's separate MYT Petition, MSETCL, has submitted true-up of ARR for FY 2022-23 and FY 2023-24 as per the Audited Annual Statements and provisional true-up of FY 2024-25. As per the provision of the MYT Regulations 2019, the expenses incurred by STU till FY 2024-25 are a part of MSETCL's Petition. The STU in this Petition has submitted the expenses incurred by STU for the year FY 2019-20 to FY 2023-24 based on the allocation statement.

1.3.6 The Regulation 2.1(1) of the MYT Regulations 2024, provides the definition of "Accounting Statement" for STU, as below:

"(1) "Accounting Statement" means for each Year, the following statements, namely-

(i) balance sheet……

(ii) profit and loss account……

(iii) cash flow statement……

…….

Provided that separate Accounting Statements shall be prepared and submitted to the Commission for each licensed business in accordance with the Licence conditions, and for each regulated business:

……

Provided further that the Generating Company or Licensee or MSLDC or STU shall submit the Statutory Auditor's comments, observations and notes to Accounts, along with the Accounting Statements, and a summary of the key issues highlighted by the Statutory Auditor and the steps taken to address them:

……

Provided also that till the MSLDC and STU remains a part of it, separate books of accounts for MSLDC and STU shall be maintained by the Maharashtra State Electricity Transmission Company Limited and shall be audited and certified by the statutory auditor: Provided further that, till such time separate books accounts for STU are maintained, which shall not be later than one year from date of notification of these Regulations, STU shall submit the interim accounts based on Allocation Statement comprising assets, liabilities, revenue and expenses for STU function and its reconciliation statement with audited accounts, duly certified by the statutory auditor for the purpose of filing of MYT Petition;"

1.3.7 Accordingly, STU has submitted the interim accounts based on Allocation Statement comprising assets, liabilities, revenue and expenses for STU function and its reconciliation statement with audited accounts, duly certified by the Chartered Accountant (CA).

1.3.8 As per the provisions of the MYT Regulations 2024, for the control period of FY 2025-26 to FY 2029-30, the projections for STU and MSETCL are provided separately.

1.3.9 The Commission conveyed preliminary data gaps and information required by STU on 09 November 2024. Subsequently, a Technical Validation Session (**TVS**) was held on 27 November 2024. The list of persons who have attended the TVS is provided as **Appendix 1** with this Order**.**

1.3.10 STU filed the revised Petition on 02 December 2024, incorporating its responses to the queries raised, with the following main prayers:

(A) "As per the MYT Regulations 2024, under Regulation 5.1, the STU should file a petition for Multi-year Tariff by 1st November 2024 and True-up Petition by 1st November 2029. There is no provision for Mid-term Review Petition filing for STU as allowed for Distribution Licensees. It is requested to allow STU to review and revise their fees and charges based on the actual values in the 5th Control Period to avoid major changes in the calculations as STU is filing its first petition.

(B) Under Regulation 2.1 of the MYT Regulations 2024, STU is required to submit the interim accounts based on Allocation Statement comprising assets, liabilities, revenue and expenses for STU function and its reconciliation statement duly certified by the statutory auditor for the purpose of filing this MYT Petition. The Statutory Auditor is appointed by CAG for

MSETCL, and the certified trial balance (TB) for the previous years (FY 2019-20 to FY 2023-24) has already been submitted and financially closed by MSETCL. In view of the above, it is requested to allow us to submit the allocation statement of STU for the previous years, duly certified by a Chartered Accountant (CA) as this being the 1st petition of STU.

(C) Pursuant to Regulation 134.2 of the MYT Regulations 2024, the calculation of the Annual STU Charges payable by Transmission System Users requires deriving the Adjusted Base Transmission Capacity Requirement (TCR). This is achieved by subtracting the Billed Open Access (OA) Demand for Partial Open Access (POA) from the Base TCR. Due to non-availability of proper Billed Demand of POA from the Transmission System Users (AEML-D & TPC-D), the Adjusted Base TCR will be giving erroneous results which will impact on the Sharing of STU Charges. It is requested to set proper guidelines and suitable mechanism, to be issued to Transmission System Users for sharing the metering 15 min time block wise data of billed POA to STU for accurate computation of Adjusted TCR from FY 2025-26 onwards

(D) STU requests the Hon'ble Commission to approve the Grid Connectivity Fees and Open Access Application Fees as part of this Petition proposed in table no 74.

(E) Provide the workable excel model used by the Hon'ble Commission for approval of the Petition for determination of STU Fees and Charges for the 5th Control Period.

(F) STU requests the Hon'ble Commission to condone any shortcomings/ deficiencies and allow STU to submit additional information/ data at a later stage as may be required. Since it is an inaugural petition by STU, we request the Hon'ble commission to provide course correction provision for STU.

(G) STU requests the Hon'ble Commission to approve the petition for determination of fees and charges to be levied by STU for the 5th Control Period."

1.4 Admission of Petition and Public Consultation Process

1.4.1 The Commission admitted the Petition on 4 December, 2024 and directed STU to publish its Petition in accordance with Section 64 of the EA, 2003, in the prescribed abridged form and manner, to ensure public participation, and to reply expeditiously to all suggestions and comments received.

1.4.2 STU issued a Public Notice inviting suggestions and objections on its Petition. The Notice was published in two English language newspapers, viz. The Free Press Journal, The Times of India, , and in two Marathi language newspapers, viz. PunyaNagri and Sakal on 10 December 2024. The copies of the Petition, and its summary were made available for inspection/purchase at STU's office and website (www.mahatransco.in). The Public Notice and Executive Summary of the Petition were also made available on the websites of the Commission (www.merc.gov.in) in a downloadable format.

1.4.3 The Commission received written suggestion/objections on the Petition from M/s. Nidar Utilities Panvel LLP and Adani Electricity Mumbai Ltd (AEML)on 28 December 2024 and 3 January, 2025 to which STU responded vide its reply on 31 December, 2024 6 January, 2025 and 14 January, 2025.

1.4.4 The e-Public Hearing was held on 07 January 2025 through virtual mode on MS-Teams platform. The list of persons who participated in the Public Hearing is provided at **Appendix 2** with this Order.

1.4.5 STU vide its submission dated 10 January, 2025, 22 January, 2025 and 28 January, 2025 submitted its additional submission in respect of Opex schemes and allocation statement of STU which has been considered appropriately.

1.4.6 The Commission has ensured that the due process contemplated under law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to all concerned to express their views.

1.5 Additional Submissions of STU after Public Hearing

1.5.1 In the public hearing dated 7 January 2025, the STU submitted its Annual Fixed Charges as mentioned in the table below:

Table 1: Summary of Annual Fixed Charges Submitted by STU in Public Hearing (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	1,310.58	1,395.44	1,460.77	1,529.16	1,600.74
2	Depreciation Expenses	53.85	58.61	64.96	79.25	77.75
3	Interest on Loan Capital	4.02	6.29	2.80	0.53	-
4	Interest on Working Capital	19.36	20.49	21.09	21.81	22.34
5	Income Tax	-	-	-	-	-
6	**Total Revenue Expenditure**	**1,387.81**	**1,480.83**	**1,549.62**	**1,630.74**	**1,700.83**
7	Return on Equity Capital	4.20	9.02	10.49	13.22	15.11
8	Performance Linked Incentives	26.22	27.56	27.89	28.44	28.43
9	**Total Expenditure for STU**	**30.42**	**36.58**	**38.38**	**41.66**	**43.54**
9	Less: Non-Tariff Income	0.31	0.32	0.34	0.35	0.37
10	Less: Income from application fees for OA, GNA and Connectivity	543.91	598.31	658.14	723.95	796.34
11	**Annual Fixed Charges for STU**	**874.01**	**918.78**	**929.52**	**948.10**	**947.66**

1.5.2 However, STU, on 10 January 2025 filed an Additional Submission in the current Petition wherein STU submitted that, the Opex schemes projections for the 5th control period i.e. from FY 2025-26 to FY 2029-30 have been inadvertently not considered in the final computation of Annual Fixed Charges though it has been mentioned in the Public Hearing

process as a separate head. The STU requested the Commission to consider the revised projections dated 10 January 2025.

1.5.3 Further, the STU, on 22 January 2025, filed an additional submission before the Commission relating to the allocation statement of STU, wherein STU submitted its revised allocation statements and revised computation of Annual Fixed Charges. The Commission vide dated 24 January 2025, raised the queries related to the expenses submitted in the revised allocation statement submitted by STU.

1.5.4 The STU vide Letter dated 28 January 2025 submitted its reply to the queries raised by the Commission. The STU submitted that, during the review of the allocation statements, certain discrepancies were identified, leading to an overestimation of specific expenses. The discrepancies were rectified by eliminating duplications and ensuring that expenses were correctly classified under their appropriate heads. The revised allocation statements were resubmitted to the Chartered Accountant. The original certification was based on the initially provided data; however, after identifying the errors, STU deemed it necessary to update the statements to reflect a more accurate representation of expenses. STU further submitted that, while the total figures were correct, some expenses were initially misclassified under incorrect heads. These misallocations were subsequently identified and rectified by STU and duly certified by the Chartered Accountant.

1.5.5 The Commission has examined the submission of STU and acknowledges the corrective measures undertaken to address the identified discrepancies. The Commission notes that STU reviewed and rectified the errors and revised the allocation statements to ensure an accurate representation of expenses.

1.5.6 The Commission also notes that the Chartered Accountant has revalidated the overall financial figures revised by STU. **In light of the corrective actions undertaken by STU and the resubmission of the revised allocation statements, the Commission accepts the updated allocation statements duly certified by the Chartered Accountant for consideration in the present proceedings**.

1.5.7 The summary of revised Annual Fixed Charges submitted by STU vide dated 22 January 2025 is mentioned in the table below:

Table 2: Summary of Revised Annual Fixed Charges Submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	1,299.57	1,397.85	1,462.33	1,529.79	1,600.35
2	Depreciation Expenses	53.60	58.34	64.66	78.87	77.45
3	Interest on Loan Capital	4.04	6.32	2.86	0.57	-
4	Interest on Working Capital	21.11	22.48	23.08	23.50	23.60
5	Income Tax	-	-	-	-	-
6	Opex Schemes	171.88	171.88	171.88	148.28	111.70

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
7	**Total Revenue Expenditure**	**1,550.19**	**1,656.87**	**1,724.80**	**1,781.02**	**1,813.10**
8	Return on Equity Capital	4.20	9.02	10.49	13.22	15.11
9	Performance Linked Incentives	31.24	33.01	33.30	33.09	31.90
10	**Total Expenditure for STU**	**35.44**	**42.03**	**43.79**	**46.31**	**47.01**
11	Less: Non-Tariff Income	0.31	0.32	0.34	0.35	0.37
12	Less: Income from application fees for OA, GNA and Connectivity	543.91	598.31	658.14	723.95	796.34
13	**Annual Fixed Charges for STU**	**1,041.41**	**1,100.27**	**1,110.12**	**1,103.02**	**1,063.40**

1.6 Organisation of the Order

1.6.1 The Order is organised in the following five Sections:

- **Section 1** sets out the Regulatory process undertaken by the Commission.
- **Section 2** deals with the Suggestions/objections received, STU's response and the Commission's ruling.
- **Section 3** deals with the Determination of Expenses for STU from FY 2019-20 to FY 2023-24.
- **Section 4** deals with the determination of Expenses for the base year of FY 2024-25
- **Section 5** deals with the Determination of Fees and Charges of STU for the 5th MYT Control Period from FY 2025-26 to FY 2029-30.
- **Section 6** deals with the Sharing of STU's Fees and Charges.
- **Section 7** deals with the compliance of the Directions and Directives

2 Suggestions/objections received, STU's response and the Commission's ruling

2.1 Variation in Demand Projection approach by STU and NUPLLP for 5th Control Period

Objections/Suggestions

2.1.1 M/s. Nidar Utilities Panvel LLP (NUPLLP) submitted its objection vide its letter dated 28 December 2024. The STU provided its reply to the objections vide letter dated 31 December 2025. NUPLLP submitted a rejoinder against the reply on 10 January 2025. STU has made its submission on NUPLLP's Rejoinder on 14 January, 2025.

2.1.2 NUPLLP has submitted that the STU's methodology for calculating Base Transmission Capacity Rights (TCR) is flawed, as it uses an outdated demand base of 7.72 MW from November 2023 to October 2024 without considering the actual demand growth from November 2024 to March 2025. Additionally, the STU has applied an incorrect CAGR of 18.93%, leading to an underestimation of NUPLLP's demand, which could result in significant discrepancies in STU charges allocation.

2.1.3 NUPLLP further submitted that its own demand projections, based on actual CPD/NCPD data and future growth considerations, indicates a much higher CAGR of 37.15%, with demand reaching 33.35 MW by FY 2029-30. Given that its load is primarily driven by HT Industrial consumers, NUPLLP emphasized that its Resource Adequacy Plan (RAP) should be considered as the basis for demand estimation. Therefore, STU is required to revise its projections in line with the Resource Adequacy data submitted on 18 October, 2024, to ensure accurate determination of STU charges and prevent undue financial impact on NUPLLP.

STU's Replies

2.1.4 STU has justified its methodology for determining the Base TCR for FY 2025-26 in line with Regulation 83.2 of the MYT Regulations, 2024. As per the Regulation, for the first year of the control period, the Base TCR shall be calculated considering the average monthly CPD and NCPD over the 12 months preceding the filing of the MYT Petition. Accordingly, for FY 2025-26, the STU has considered data from November 2023 to October 2024, as the Petition filing deadline was 30 November, 2024. This aligns with the provisions of the MYT Regulations, 2024 and does not include data from November 2024 to March 2025.

2.1.5 For the subsequent years of the control period, the Base TCR has been determined using demand projections provided by various Transmission System Users (TSUs). The STU has evaluated different methodologies, including year-on-year growth rates, 3-year CAGR, and demand projections from TSUs and the RA Plan. Given the distortions caused by the COVID-19 pandemic in FY 2020-21, the STU has adopted a 4-year CAGR approach to

project demand escalation. This methodology has been uniformly applied to all TSUs for determining Base TCR and allocating STU fees and charges for the 5th control period.

Commission's Analysis & Ruling

2.1.6 The Commission has determined the Base TCR in accordance with Regulation 83.2 of the MYT Regulations, 2024. For this purpose, the Commission has utilized the available average monthly data on Coincident Peak Demand (CPD) and Non-Coincident Peak Demand (NCPD) for the period from January 2024 to December 2024. The detailed analysis and methodology adopted for the determination of Base TCR are provided in Chapter 6 of this Order.

2.1.7 The Commission acknowledges that the methodology employed by the STU for calculating the Base TCR for subsequent years aligns with the MYT Regulations, 2024.

2.2 Actual STU Charges based on the Monthly demand

Objections/Suggestions

2.2.1 NUPLLP raised concerns regarding the truing up of STU charges based on monthly demand. NUPLLP suggested that since the truing up of the STU Tariff Petition would take place after five years (in FY 2029-30), the impact of under or over-recovery of costs would result in carrying or rolling over the costs onto the TSUs. NUPLLP proposed that, similar to the provision in Regulation 83.3 of the MYT Regulations, 2024, which allows for adjustments in CPD and NCPD variations at the end of the Control Period for the subsequent years of InSTS Charges (to be reflected in the billing for the month of March of the respective years), a comparable adjustment mechanism should be implemented for STU charges as well.

STU's Replies

2.2.2 STU clarified that the under/over-recovery of costs would indeed be adjusted during the True-Up as per the MYT Regulations, 2024. Furthermore, STU noted that according to Regulation 5.1 of the MYT Regulations, 2024, the STU is required to file its MYT Petition for Fees and Charges by 01 November 2024, and the True-Up Petition by 01 November 2029. STU also pointed out that, unlike Distribution Licensees, there is no provision for filing a Mid-term Review Petition for STU. STU requested the Commission to allow a review and revision of fees and charges during the 5th Control Period, based on actual values, to avoid significant adjustments. Additionally, STU emphasized that Regulation 83.3 of the MYT Regulations, 2024 does not mandate the adjustment of the True-Up in the billing for March of the respective year, and the True-Up for the Control Period should be submitted as per Regulation 83.5 of the MYT Regulations, 2024.

Commission's Analysis & Ruling

2.2.3 The Commission notes that the methodology for adjusting under or over-recovery of costs in the STU charges is in line with the provisions outlined in the MYT Regulations, 2024. Regulation 83.3 of the MYT Regulations provides a mechanism for adjusting the variations in CPD and NCPD at the end of the Control Period, which will affect the subsequent years' charges. However, the Commission agrees with the STU's clarification that there is no provision to mandate adjustments to be made in the billing for the month of March for the respective year, as suggested by NUPLLP. The Commission in its Statement of Reasons (SOR) to MYT Regulations, 2024 has clarified the rationale of discontinuing the Mid-term Review for all Licensees and STU and MSLDC except Distribution Licensees. As per the provisions of the MYT Regulations, 2024, the variation in the STU charges if any shall be adjusted at the time of truing up at the end of the Control Period.

2.3 Incorrect evaluation of Adjusted Base TCR

Objections/Suggestions

2.3.1 Adani Electricity Mumbai Ltd (AEML) submitted its objections/suggestions on 03 January 2025. AEML has raised an objection regarding the evaluation of the Adjusted Base TCR by STU. AEML contended that STU has considered only the Partial Open Access (POA) demand data provided by MSEDCL, excluding the POA demand data submitted by AEML and TPC-D. AEML and TPC-D had submitted Partial OA Consumer demand data based on MSEDCL's GCN data at the Time-of-Day (ToD) level. However, STU has relied solely on the 15-minute demand data provided by MSEDCL for its own partial OA consumers, and consequently, the Adjusted Base TCR has been evaluated only for MSEDCL. This has resulted in an incorrect allocation of STU fees, increasing the share for TSUs other than MSEDCL. AEML has requested the Commission to direct STU to re-evaluate the Adjusted Base TCR for all distribution licensees using either the GCN data divided into 15-minute slots, as submitted by the distribution licensees, or to require MSEDCL to provide actual 15-minute data for partial OA consumers of other distribution licensees.

STU's Replies

2.3.2 STU has submitted that, as per Regulations 134.1 and 134.2 of the MYT Regulations 2024, the sharing of AFC for STU shall be done in proportion to the Adjusted Base TCR of each TSU. STU has received 15-minute time-block-wise billed POA demand data from MSEDCL, whereas AEML-D and TPC-D have not provided the POA data, citing their inability to furnish 15-minute demand values. Instead, they have submitted monthly GCN data derived from Time-of-Day (ToD) energy data, grossed up using approved distribution and transmission losses.

2.3.3 STU has submitted that using GCN data by assuming uniform demand across ToD slots does not accurately capture real-time variations in power consumption. This

oversimplification could misrepresent each TSU's actual system usage and lead to incorrect allocation of transmission costs. Since no other distribution licensee, apart from MSEDCL, has provided data in the required format, STU has requested the Commission to issue guidelines and establish a suitable mechanism for the accurate computation of Adjusted Base TCR.

Commission's Analysis & Ruling

2.3.4 The Commission has noted the submission of AEML-D and replies of STU. As submitted by STU, AEML-D and TPC-D have expressed their inability to furnish 15-minute demand data as their POA consumer's OA Generators are located in MSEDCL's area and MSEDCL has not provided 15 minute generation data of AEML-D and TPC-D's POA consumers.

2.3.5 The Commission is of the view that, AEML-D and TPC-D should have insisted to their POA consumers to submit their 15 Minute Generation data by taking the same from their Qualified Co-Ordinating Agency (QCA) as QCA is managing the 15 minute schedule and actual data and deviation settlement for their RE generators located in MSEDCL area. As per the provisions of the MERC (Forecasting and Scheduling) Regulations, 2019, the QCA is considered as State Entity for implementation of the F&S Regulations, 2019.

2.3.6 The Commission is of the view that, STU, MSLDC, AEML-D and TPC-D should have co-ordinated with their POA consumers and collected the 15 minute Generation data from respective QCAs and consider the same for calculating the billing demand of POA as per the provisions of the Regulations 134.1 and 134.2 of the MYT Regulations 2024 for sharing of AFC for STU. However, as the AEML-D and TPC-D have not provided 15 minute POA demand data, the Commission is compelled to consider the POA demand as zero in these licensee's area and accordingly, the Commission has calculated the STU charges by substituting zero POA billed demand in formula in Regulations 134.1 and 134.2 of the MYT Regulations 2024 as detailed out in the Section 6 of this Order. **The Commission directs STU to provide the required POA data at the time of truing up to calculate the revised sharing of STU charges considering the Billed demand of POA consumers as specified in the Regulations 134.1 and 134.2 of the MYT Regulations 2024**.

2.4 Incorrect evaluation of share of STU Fees and charges based on adjusted Base TCR

Objections/Suggestions

2.4.1 AEML has raised concerns regarding the incorrect evaluation of the share of STU Fees based on the adjusted Base TCR. AEML contended that STU has incorrectly allocated the entire STU Fees among the TSUs based on the adjusted Base TCR, without setting aside the share corresponding to POA demand, as per the APTEL Order in Appeal No. 95 of 2024. AEML asserts that the methodology should instead allocate STU Fees using the adjusted STU Fees formula, where a portion of the fees related to POA consumers is

retained and billed by the respective distribution licensees. AEML has requested the Commission to either direct MSEDCL to provide 15-minute GCN data for POA consumers or, as an interim measure, consider uniform allocation of ToD data over 15-minute slots. Alternatively, AEML suggested that the Commission may allow distribution licensees to retain the STU fees billed to their POA consumers until the APTEL review is resolved.

STU's Replies

2.4.2 STU has submitted that the methodology proposed by AEML-D for adjusting STU Fees using adjusted BTCR is not supported by references from the Hon'ble APTEL's Judgment, and the provisions of the MYT Regulations 2024, or the Statement of Reasons (SOR) on the MYT Regulations 2024. STU submitted that AEML-D's approach could complicate the sharing of STU Fees and create a misalignment between cost recovery and actual STU expenses.

2.4.3 STU has already sought guidance from the Commission in its present (this) Fees and Charges Petition (Case No. 183 of 2024) and InSTS Tariff Petition (Case No. 208 of 2024) regarding the calculation of Adjusted BTCR. Upon receiving the Commission's directives, STU will implement the necessary mechanisms to ensure equitable cost allocation across TSUs. Further, STU has communicated the challenges in calculating Adjusted Base TCR and has requested the Commission to provide clear guidelines, which it will follow in line with the MYT Regulations 2024.

Commission's Analysis & Ruling

2.4.4 The Commission's ruling in Para no 2.3 above shall be referred. With regards to the APTEL matter referred by the AEML-D, the Commission notes that, the STU has filed the review (DFR) No. 535 of 2024 before the Hon'ble APTEL, seeking review and clarification of the APTEL's Judgement dated 05.07.2024 passed in Appeal No. 95 of 2024. The Appeal 95 of 2024 was filed by the MSEDCL against the Order in the Review Petition No. 95 of 2023 filed by MSEDCL before the Commission. The review was sought to the extent of allowing MSEDCL to retain transmission charges collected from Partial Open Access Consumer as they are part of the Demand of MSEDCL and remain within Transmission Capacity Rights (based on which MSEDCL pays monthly transmission charges to STU).

2.4.5 The Hon'ble APTEL passed the Judgement dated 05.07.2024 in Appeal No. 95 of 2024, allowed the Appeal and remand to the Commission. The excerpts of the Judgement are as follows: -

"……22. In view of the aforesaid observations and findings, we, feel it appropriate to set aside the Impugned Order to the extent of calculation of Base TCR for the Appellant and remand the matter to Respondent No.1, MERC directing it to Calculate the base TCR

afresh for Control period under consideration in the light of the observations recorded in the foregoing paragraphs.

23. The appeal is accordingly allowed to the extent indicated above. There shall be no order as to costs. All the pending IAs, if any, shall stand disposed of."

2.4.6 The Commission notes the submission of AEML-D in this regard. The Commission also notes that though STU has approached the Hon'ble APTEL, sighting the difficulties in implementing the Hon'ble APTEL Judgement for calculating Base TCR of Distribution licensees excluding partial open access consumers (POA) demand. The Commission also notes that, STU has requested for modification/clarification on the operative part of the impugned Judgement and Order dated 05.07.2024 passed in Appeal No. 95/2024 and sought clarification on the treatment to be given after retention of the transmission charges remitted by distribution licensees to STU and misinterpretation of the clause 64.2 of the MERC MYT Regulations, 2019 by the Appellant MSEDCL in the Appeal.

2.4.7 The Commission also notes that, though STU has approached the Hon'ble APTEL, currently, there is no stay on the Judgement dated 05.07.2024 passed in Appeal No. 95/2024 by the APTEL. Accordingly, the Commission is required to implement the directives of the Hon'ble APTEL in the matter in the current proceedings.

3 Determination of Expenses for STU from FY 2019-20 to FY 2023-24

3.1 Background

3.1.1 The STU in its MYT Petition, has submitted the expenses for STU based on the Allocation Statement for FY 2019-20 to FY 2023-24. STU has sought approval of all cost components for the period from FY 2019-20 to FY 2023-24 in accordance with the principles laid down in the MYT Regulations, 2024, as applicable for operations and maintenance expenses. STU has also submitted all computations in the stipulated spreadsheet data formats.

3.1.2 As per Regulations 5.1 (a) (i) and 5.1 (a) (ii) of the MYT Regulations, 2024, MSETCL is required to file the true-up Petition for FY 2022-23 and FY 2023-24, along with the provisional true-up for FY 2024-25, in accordance with the MYT Regulations, 2019. Since the provisions of the MYT Regulations, 2019, were not applicable to STU, MSETCL has submitted the separate Petition under the MYT Regulations, 2019, covering actual expenses for STU. Furthermore, as per Regulation 2.1(1) of the MYT Regulations, 2024, STU is required to submit interim accounts based on the Allocation Statement, comprising assets, liabilities, revenue, and expenses for STU functions, along with a reconciliation statement with audited accounts duly certified by the Statutory Auditor.

STU's submission

3.1.3 STU has submitted that, under Section 139 of the Companies Act, 2013, the Comptroller and Auditor General of India (C&AG) appoints Chartered Accountant Firms/LLPs as Statutory Auditors of MSETCL. The Statutory Auditor certifies the financials of MSETCL as a whole, which consolidate all profit centres, including STU (Profit Centre 9020). However, the Statutory Auditor does not certify the financials of individual profit centres separately. Additionally, STU has highlighted that the statutory audit for the period from FY 2019-20 to FY 2023-24 was conducted by two different audit firms:

- Khimji Kunverji & Company, LLP Chartered Accountants for the period FY 2019-2020, FY 2020-21 and FY 2021-22,
- MSKA & Associates, Chartered Accountants for the period FY 2022-23 and FY 2023-24.

3.1.4 STU has also submitted interim accounts based on the Allocation Statement, comprising assets, liabilities, revenue, and expenses for the STU function, along with a reconciliation statement with audited accounts. However, the allocation statements have not been certified by statutory auditors in their statutory auditor capacity, as the details are based on certain assumptions and are not directly reflected in the Trial Balance of STU, since these figures were recorded in the Trial Balance of MSETCL.

3.1.5 STU has further submitted that, the proper books of accounts shall be maintained separately for STU. MSETCL will be requested to instruct the statutory auditor to certify the accounts

separately for STU, similar to the process followed for MSLDC, from FY 2024-25 onwards.

Commission's Ruling:

3.1.6 The Commission notes that, the STU has requested to accept the allocation statement duly certified by a professional Chartered Accountant for the previous years and to allow the CA certification for the purpose of the current Fees and Charges Petition. The STU has also confirmed that, the SA-certified allocation statements on an actual basis shall be provided for all subsequent true-up Petitions and future Petitions.

3.1.7 The Commission in clause 9.1.2 of Statement of Reasons (SOR) to the MYT Regulations 2024 has noted as below:

"9.1.2. The Commission has noted other submissions of the STU regarding filing of the Petition at the time of Mid-term review. The provision for Mid-Term Review petition other than MSEDCL had been discontinued under MYT Regulations 2024. The STU may approach the Commission at the time of MYT filing if it faces any specific issue. The Commission may take appropriate at the time of MYT proceedings."

3.1.8 Considering the specific difficulty submitted by the STU as above for allocation statements to be certified by Statutory Auditor, the Commission accepts the allocation statement duly certified by a Chartered Accountant for the previous years for the purpose of the present Fees and Charges Petition. However, the Commission directs the STU to ensure that separate books of accounts shall be maintained by STU and that Statutory Auditor-certified financials for STU shall be submitted for at the time of Truing up Petition, in line with the MYT Regulations, 2024.

3.2 Operation & Maintenance Expenses

STU's Submission

3.2.1 STU has computed the Operations and Maintenance (O&M) expenses in accordance with the Regulation 131.1(a) of the MYT Regulations 2024, which includes expenditure on manpower, repairs, spares, consumables, insurance and overheads etc.

3.2.2 The provisions under the Regulation 131.1(a) of MYT Regulations, 2024 are mentioned below:

"a) The STU shall segregate the Employee Expenses for the five years i.e. FY 2019-20 to FY 2023-24 from the Maharashtra State Electricity Transmission Company based on sanctioned Employee strength. The other relevant components of the Operation and Maintenance Expenses such as Administrative and General Expenses (A&G) and Repair and Maintenance (R&M) related to STU functioning shall be allocated to derive the Operation and Maintenance Expenses for STU for Five Years."

3.2.3 As per the provision of Regulation 131.1(a) of the MYT Regulations 2024, STU is required to segregate the employee expenses of STU from MSETCL for the period FY 2019-20 to FY 2023-24 based on Sanctioned Employee strength and to allocate the Administrative and General Expenses (A&G) and Repair and Maintenance (R&M). Accordingly, STU has derived the expenses based on the Sanctioned Employee Ratio for allocating the expenses where actual expenses from Audited Account Statement for the respective years are not available, details of which are mentioned in the respective sub-sections below.

Employee Ratio & Civil Ratio

3.2.4 Total number of employees sanctioned and registered under MSETCL and STU for the respective years are mentioned below:

Table 3: Employee Ratio calculation for the period FY 2019-20 to FY 2023-24

Year	Number of Sanctioned Employees				Employee Ratio (STU/MSETCL)	
	MSETCL		STU			
	Sanctioned	Registered	Sanctioned	Registered	Sanctioned	Registered
FY 2019-2020	17,054	10,108	31	25	0.00182	0.002
FY 2020-2021	17,051	9,681	31	25	0.00182	0.003
FY 2021-2022	15,308	9,366	31	26	0.00203	0.003
FY 2022-2023	15,339	8,999	31	29	0.00202	0.003
FY 2023-2024	15,441	8,845	31	30	0.0020	0.003

3.2.5 The average 5-year Sanctioned Employee ratio for the period from FY 2019-20 to FY 2023-24 comes out to be 0.00195.

3.2.6 Area of Admin Building of MSETCL at Prakashganga is 45,755 Sq.ft. and the corresponding area of STU is 1,630 Sq.ft. The Civil Ratio considered for the allocation purpose is 0.0356.

Employee Expenses

3.2.7 As per the Regulation 131.1 (a) of the MYT Regulations 2024, the employee expenses shall be segregated on basis of Sanctioned Employee strength for FY 2019-20 to FY 2023-24. These expenses have been identified as per actual expenses incurred for STU employees.

3.2.8 STU has provided the actual expenses from FY 2019-20 to FY 2023-24 as below based on the expense heads mentioned above:

Table 4: Employee Expenses for FY 2019-20 to FY 2023-24 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Basic Salary	259.19	252.67	255.07	300.22	278.53

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
2	Dearness Allowance (DA)	50.04	42.95	73.65	113.72	128.08
3	House Rent Allowance	52.73	50.43	59.43	70.08	62.98
4	Conveyance Allowance	2.37	1.43	1.79	2.45	1.48
5	Leave Travel Allowance	0.24	0.05	0.27	0.00	0.50
6	Earned Leave Encashment	4.64	6.87	9.18	9.10	12.59
7	Other Allowances	25.93	24.23	26.10	28.46	22.62
8	Insurance	2.99	4.46	4.62	5.91	6.39
9	Overtime Payment	0.00	0.00	0.00	0.00	0.00
10	Bonus/ Ex-Gratia Payments	3.70	2.64	2.85	3.84	4.43
11	Interim Relief / Wage Revision	0.00	0.00	0.00	0.00	0.00
12	Staff welfare expenses	0.12	0.11	0.11	0.12	0.11
13	VRS Expenses/ Retrenchment Compensation	0.00	0.00	0.00	0.00	0.00
14	Commission to Directors	0.00	0.00	0.00	0.00	0.00
15	Training Expenses	11.45	0.19	0.34	11.09	2.48
16	Payment under Workmen's Compensation Act	0.00	0.00	0.00	0.00	0.00
17	Net Employee Costs	0.00	0.00	0.00	0.00	0.00
18	Terminal Benefits	0.00	0.00	0.00	0.00	0.00
19	Provident Fund Contribution	70.82	68.50	76.24	95.71	95.39
20	Provision for PF Fund	83.53	82.51	90.59	125.10	112.71
21	Pension Payments	0.00	0.00	0.00	0.00	0.00
22	Gratuity Payment	0.00	42.42	32.07	30.11	16.32
23	Leave encashment on Retirement	0.00	28.62	27.86	27.79	26.68
24	**Gross Employee Expenses**	**567.75**	**608.09**	**660.18**	**823.71**	**771.32**
25	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
26	**Net Employee Expenses**	**567.75**	**608.09**	**660.18**	**823.71**	**771.32**

Administrative and General Expenses

3.2.9 STU has submitted that it has not proposed any cost associated with the Conveyance & Travel License Fee and other related fees due to non-availability of the expenses during the period FY 2019-20 to FY 2023-24.

3.2.10 STU has considered the following major heads, for Administrative and General expenses (A&G):

- **Rent** – As per the MOU dated 25th May 2023 between MSEB Holding Co. Ltd. & MSETCL, different assets such as land, buildings, plant and machinery, equipment, tools and spares, over a number of years spanning more than 40 years were acquired at different costs at different points in time by MSEB Holding Co Ltd. These assets, whole and in part were being used by the various arms/wings/sections departments of MSEB Holding Co. Ltd. to carry out different functions and activities. Accordingly, the monthly occupation amount payable by MSETCL is identified for office buildings which is Rs. 137 Lakh.

The total built up area for Prakashganga Building located in Bandra, Mumbai is 54,329 sq.ft, while the total area of the building for the use of MSETCL is 45,755 sq.ft. The area utilized by STU is 1,630 sq.ft. Accordingly, approximately 3.56% of the civil area of Building is used for the functioning of STU. The occupation amount for MSETCL as per MOU with MSEB Holding Co Ltd is Rs. 273 sq.ft. per month and the net rate after reduction of maintenance is Rs. 226.58 per sq.ft per month. Based on which the rent applicable for STU has been identified.

- **Rates & Taxes** – The actual Rates and Taxes for STU and MSETCL are mentioned together in Actual Trial Balance of Audited Account Statements of FY 2019-2020 to FY 2023-24. STU has derived its Rates and Taxes by allocating the expenses based on the employee ratio of MSETCL and STU.
- **Insurance** – The insurance expenses is considered based on Audited actuals as applicable for STU.
- **Telephone & Postage, etc.** – The Telephone expenses are considered based on Audited actuals as applicable for STU.
- **Legal charges & Audit fee** – The legal expenses are considered based on Audited actuals as applicable for STU.
- **Audit Fee** – The actual Audit Fee for STU and MSETCL are mentioned together in Actual Trial Balance of Audited Account Statements of FY 2019-2020 to FY 2023-24. STU has derived their Audited Fee by multiplying the expenses based on sanctioned employee strength of STU (as mentioned in Rates and Taxes).
- **Professional, Consultancy, Technical fee** – The expenses are considered based on actuals as applicable for STU.
- **Electricity charges** – The expenses are considered based on actuals as applicable for Prakashganga as per the bills raised. Accordingly, expense has been allotted to STU based on the area utilized by STU.
- **Water charges** – The expenses are considered based on actuals as applicable for Prakashganga as per the bills raised. Accordingly, expense has been allotted to STU based on the area utilized by STU.
- **Security arrangements** – The expenses are considered based on actuals as applicable for Prakashganga as per the bills raised/ work orders. Accordingly, expense has been allotted to STU based on the area utilized by STU.
- **Fees & subscription** – The expenses are identified separately for STU in its account statement.

- **Books & periodicals** – The expenses are considered based on actuals as applicable for STU.
- **Computer Stationery** – For FY 2019-20 to FY 2021-22, account statements of MSETCL provides category of expenses. Accordingly, expenses have been allotted to STU based on the proportion of number of employees of STU. For FY 2022-23 to FY 2023-24, the expenses are identified separately for STU in its account statement.
- **Printing & Stationery** – For FY 2019-20 to FY 2021-22, account statements of MSETCL provides category of expenses. Accordingly, expenses have been allotted to STU based on the proportion of number of employees of STU. For FY 2022-23 to FY 2023-24, the expenses are identified separately for STU in its account statement.
- **Advertisements** –The expenses are considered based on actuals as applicable for STU from their Purchase Orders.
- **Purchase Related Advertisement Expenses** – The expenses are considered based on actuals as applicable for STU from their Purchase Orders.
- **Vehicle Running Expenses** – The expenses are considered based on actuals as applicable for STU.
- **Vehicle Hiring Expenses Truck** – The expenses are considered based on actuals as applicable for STU.
- **Miscellaneous Expenses** – The account statements of MSETCL provides category of expenses. Accordingly, expenses have been allotted to STU based on proportion of sanctioned employee strength.
- **Office Expenses** – The expenses are considered based on actuals as applicable for Prakashganga as per the bills raised/ work orders. Accordingly, expenses have been allotted to STU based on the area utilized by STU. Further it also includes the actual imprest (liquid funds) expense based on the actuals as applicable to STU.

Table 5: A&G Expenses for FY 2019-20 to FY 2023-24 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Rent	44.32	44.32	44.32	44.32	44.32
2	Rates & Taxes	6.17	2.92	3.26	2.60	3.21
3	Insurance of Assets (vehicle)	0.00	0.00	0.00	0.85	0.00
4	Telephone & Postage, etc.	0.22	0.21	0.21	0.23	0.11
5	Legal charges & Audit fee	44.29	2.78	56.58	19.43	28.40
6	Audit Fee	0.07	0.07	0.08	0.09	0.07
7	Professional, Consultancy, Technical fee	26.58	2.39	17.96	91.54	181.72
8	Conveyance & Travel	0.00	0.00	0.00	0.00	0.00
9	Electricity charges	3.27	1.82	1.70	2.25	2.32
10	Water charges	0.23	0.24	0.26	0.37	0.39
11	Gas charges	1.47	0.90	0.97	1.56	1.59
12	Security arrangements	1.70	1.58	1.69	1.81	1.96
13	Fees & subscription	0.71	0.00	0.00	3.84	0.00
14	Books & periodicals	0.00	0.00	0.00	0.00	0.00
15	Computer Stationery	1.39	1.32	1.99	3.03	12.14
16	Printing & Stationery	0.58	0.41	0.56	0.22	0.07
17	Advertisements	44.04	0.00	0.00	28.30	0.49
18	Purchase Related Advertisement Expenses	0.00	0.00	0.00	0.00	0.00
19	License Fee and other related fee	0.00	0.00	0.00	0.00	0.00
20	Vehicle Running Expenses	0.00	0.00	0.00	0.82	1.79
21	Vehicle Hiring Expenses	7.24	4.31	4.77	2.41	5.84
22	V-sat, Internet and related charges	8.99	6.22	14.56	54.63	25.13
23	Miscellaneous Expenses	5.18	2.67	2.12	1.22	0.49
24	Office Expenses	8.69	8.33	8.72	6.97	6.95
25	**Gross A&G Expenses**	**205.14**	**80.49**	**159.77**	**266.49**	**317.00**
26	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
27	**Net A&G Expenses**	**205.14**	**80.49**	**159.77**	**266.49**	**317.00**

Repairs and Maintenance Expenses

3.2.11 STU has submitted that it does not have any Plant and Machinery and hence no cost for Plant & Machinery is considered. Building repair and maintenance are looked after by the holding company and its cost is included in the rent component hence there is no cost

associated with it. Civil Work, Hydraulic Works, Lines & Cable Networks as it doesn't fall under STU's expenses.

3.2.12 The repairs and maintenance expenses (R&M) of STU include following major heads:

- **Vehicles** – STU has been allotted a single vehicle. The repairs and maintenance expenses of the vehicle owned by STU.
- **Office Equipment** - The expenses of office equipment include the PC-AMC charges as per actuals applicable to STU.

Table 6: R&M Expenses from FY 2019-20 to FY 2023-24 as submitted by STU (Rs. Lakh)

Sl. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
		April-March (Audited)	April-March (Audited)	April-March (Audited)	April-March (Audited)	April-March (Audited)
1	Plant & Machinery	-	-	-	-	-
2	Buildings	-	-	-	-	-
3	Civil Works	-	-	-	-	-
4	Hydraulic Works	-	-	-	-	-
5	Lines & Cable Networks	-	-	-	-	-
6	Vehicles	-	-	-	-	0.96
7	Furniture & Fixtures	-	-	-	-	-
8	Office Equipment	7.43	10.00	9.81	7.49	19.80
9	**Gross R&M Expenses**	7.43	10.00	9.81	7.49	20.76
10	Less: Expenses Capitalized	-	-	-	-	-
11	**Net R&M Expenses**	7.43	10.00	9.81	7.49	20.76

Commission's Analysis and Rulings

3.2.13 The Commission has considered the allocation statements duly certified by CA and submitted by STU. The Commission has considered the segregation of expenses of STU for the period FY 2019-20 to FY 2023-24 from MSETCL based on Sanctioned Employee Ratio and Civil ratio where actual expenses from Audited Account Statement for the respective years are not available.

3.3 Capital Expenses and Capitalization

STU's Submission:

3.3.1 For the period from FY 2019-20 to FY 2023-24, the actual capital expenses incurred by STU are identified. The STU has submitted a capitalization of Rs. 9.80 Lakhs in FY 2022-23 for vehicles and Rs. 13.50 Lakhs in FY 2023-24 for PC/Desktop. Summary of Gross Fixed Assets from FY 2019-20 to FY 2023-24 as submitted by STU is mentioned below:

Table 7: Summary of GFA for FY 2019-20 to FY 2023-24 as submitted by STU (Rs Lakh)

Particulars	Year of Capitalization	Rs. (Lakhs)
Vehicles	FY 2022-23	9.80
PC/Desktop	FY 2023-24	13.50

Commission's Analysis and Rulings

3.3.2 The Commission has considered capitalization of Rs. 9.8 Lakhs for FY 2022-23 and Rs. 13.50 Lakhs for FY 2023-24 as submitted by STU. Summary of Gross Fixed Assets from FY 2019-20 to FY 2023-24 as approved by the Commission is mentioned below:

Table 8: Summary of GFA for FY 2019-20 to FY 2023-24 approved by Commission (Rs Lakh)

Particulars	Year of Capitalization	Rs. (Lakhs)
Vehicles	FY 2022-23	9.80
PC/Desktop	FY 2023-24	13.50

3.4 Depreciation

STU's Submission:

3.4.1 The Depreciation of the Gross Fixed Assets for period FY 2022-23 and FY 2023-24 submitted by STU are mentioned in the tables below. There is no depreciation for FY 2019-20 to FY 2021-22 because of no capitalization of assets:

Table 9: Depreciation for FY 2022-23 as submitted by STU (Rs Lakh)

Sr. No.	Particulars	FY 2022-23				
		Accumulated depreciation at the beginning of the year	Accumulated depreciation at the beginning of the year	Additions during the year	Withdrawals during the year	Accumulated depreciation at the end of the year
		(a)	(b)	(c)	(d)	(e) = (b)+(c)-(d)
1	Vehicle	0	0	0.93	0	0.93
2	PC (desktop)	0	0	0	0	0
	Total	0	0	0.93	0	0.93

Table 10: Depreciation for FY 2022-23 as submitted by STU (Rs Lakh)

Sr. No.	Particulars	FY 2023-24			
		Accumulated depreciation at beginning of year	Additions during the year	Withdrawals during the year	Accumulated depreciation at end of the year
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	0.93	0.93	0	1.86
2	PC (desktop)	0	2.13	0	2.13
	Total	0.93	3.06	0	3.99

Commission's Analysis and Rulings

3.4.2 The Commission has considered the Depreciation Rate in line with 'Annexure I: Depreciation Schedule' of the MYT Regulations, 2024. Depreciation rates for Vehicle at 9.50% and for I.T. equipment at 15.00% have been considered as per the MYT Regulations 2024.

Table 11: Depreciation for FY 2022-23 as approved by the Commission (Rs Lakh)

Sr. No.	Particulars	FY 2022-23				
		Accumulated depreciation at beginning of year	Accumulated depreciation at beginning of year	Additions during the year	Withdrawals during the year	Accumulated depreciation at end of year
		(a)	(b)	(c)	(d)	(e) = (b)+(c)-(d)
1	Vehicle	0	0	0.47	0	0.47
2	PC (desktop)	0	0	0	0	0
	Total	0	0	0.47	0	0.47

Table 12: Depreciation for FY 2023-24 as approved by the Commission (Rs Lakh)

Sr. No.	Particulars	FY 2023-24			
		Accumulated depreciation at the beginning of the year	Additions during the year	Withdrawals during the year	Accumulated depreciation at the end of the year
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	0.47	0.93	0	1.40
2	PC (desktop)	0	1.01	0	1.01
	Total	0.47	1.94	0	2.41

3.5 Interest on Long Term Loans

STU's Submission

3.5.1 STU has submitted that for the period from FY 2019-20 to FY 2023-24, there were no loans under STU's accounts for purposes related to their business activities as it is not a

separate Company and was being operated by MSETCL. Due to this the Interest on loans is not considered for this period.

Commission's Analysis and Rulings.

3.5.2 The Commission notes that for the period from FY 2019-20 to FY 2023-24, no loans have been considered under STU's accounts for business activities, as STU was not operating as a separate company and was managed by MSETCL. Consequently, no interest on loans has been considered for this period. Accordingly, the Commission has not considered any interest on loans for the period from FY 2019-20 to FY 2023-24.

3.6 Return on Equity

STU's Submission

3.6.1 STU has submitted that no Equity investment was made by STU for any project in FY 2019-20 to FY 2023-24 as its operations were carried out by MSETCL. Consequently, STU has stated that the return on equity is not applicable for this period.

Commission's Analysis and Rulings

3.6.2 Considering the submission of STU, the Commission not considered any return on equity for STU for the period from FY 2019-20 to FY 2023-24.

3.7 Income Tax

STU's Submission

3.7.1 STU has submitted that it does not have a separate corporate existence and is not an independent company. Instead, it operates under MSETCL, which is a Government company and is regulated by the Commission. The expenditure and income related to STU activities are accounted for separately in compliance with the directives of the Commission as outlined in the MYT Regulations, 2024.

3.7.2 STU has also submitted that no separate Income Tax Returns are filed by STU, nor has MSETCL allocated or claimed any Income Tax on behalf of STU. However, STU has stated that if such allocations or claims are formulated in the future, it shall claim the same in accordance with the provisions of the MYT Regulations during the relevant control period, subject to the Commission's approval. Accordingly, STU has not claimed Income Tax for the 4th control period and has requested the Commission to grant liberty to undertake such claims in the future, if applicable.

Commission's Analysis and Rulings

3.7.3 The Commission notes the submissions of STU that it does not have a separate corporate existence and functions under MSETCL, which is already regulated by the Commission.

3.7.4 The Commission further observes that no separate Income Tax Returns have been filed for STU, and MSETCL has not allocated or claimed any Income Tax for STU. Given this, STU has not claimed Income Tax for the 4th control period. Accordingly, the Commission has not considered any Income Tax for the period from FY 2022-23 to FY 2023-24. If any allocation or claim of Income Tax arises in the future, the STU may approach the Commission in accordance with the applicable provisions of the MYT Regulations, 2024.

3.8 Non-Tariff Income

3.8.1 STU has not considered the income from the sale of scrap, investments, interest income on advances to suppliers/ contractors, or income from rental from staff quarters as it has been considered under the non-tariff income of MSETCL.

3.8.2 As per Regulation 135 of the MYT Regulations 2024, non-tariff income also includes fees charged by STU from the applications submitted, the provisions of which is mentioned below:

"The STU shall recover the following Fees as approved by the Commission from time to time:

b) Registration or Connection Fees per connection from all users connecting to the Intra-State Transmission System;

c) Long Term and Medium-Term open access fees;

d) Non-refundable application processing fee:

e) *Any other Fees approved by the Commission from time to time."*

3.8.3 STU has submitted the actual non-tariff income as mentioned below:

Table 13: Non-Tariff Income from FY 2019-20 to FY 2023-24 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Income from Sale of Scrap	0	0	0	0	0
2	Income from Investments	0	0	0	0	0
3	Interest income on advances to suppliers/ contractors	0	0	0	0	0
4	Income from rental from staff quarters	0	0	0	0	0
5	Income from sale of Tender documents	0	0	0	0.0118	0.5369
	Total	**0**	**0**	**0**	**0.0118**	**0.5369**

Table 14: Income from Application fee from FY 2019-20 to FY 2023-24 submitted by STU (Rs Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	Income from application fees from Grid connectivity (GC) / Open Access (OA)	143.7	195.38	302.68	386.64	445.26

Commission's Analysis and Rulings

3.8.4 The Regulation 132.1 of the MYT Regulations, 2024 specifies as under:

"The amount of Non-Tariff Income relating to the STU as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the Fees and Charges of the STU:

Provided that the STU shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission. The Non-Tariff Income shall include:

a) Income from sale of scrap;

b) Income from investments;

c) Interest income on advances to suppliers/ contractors;

d) Income from rental from staff quarters;

e) Income from sale of tender documents;

f) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity of the STU shall not be included in Non-Tariff Income."

3.8.5 The Commission has considered the submission of STU and approved non-tariff income as Rs. 0.0118 Lakhs for FY 2022-23 and Rs. 0.5369 Lakhs for FY 2023-24 from the income from sale of Tender documents.

3.8.6 In line with the Regulation 135 of the MYT Regulations 2024, The Commission considers the submission of STU for the income of Application fee for STU from FY 2019-20 to FY 2023-24. The non-tariff income approved by the Commission from FY 2019-20 to FY 2023-24 for STU is mentioned below:

Table 15: Non-Tariff Income from FY 2019-20 to FY 2023-24 approved by the Commission (Rs. Lakh)

Sr. No.	Particulars	Ensuing Years				
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
		Actual	Actual	Actual	Actual	Actual
1	Income from Sale of Scrap	0	0	0	0	0
2	Income from Investments	0	0	0	0	0
3	Interest income on advances to suppliers/ contractors	0	0	0	0	0
4	Income from rental from staff quarters	0	0	0	0	0
5	Income from sale of Tender documents	0	0	0	0.0118	0.5369
	Total	**0**	**0**	**0**	**0.0118**	**0.5369**

Table 16: Income from Application fee from FY 2019-20 to 2023-24 approved by the Commission (Rs Lakh)

Sr. No.	Particulars	Ensuing Years				
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
		Actual	Actual	Actual	Actual	Actual
1	Income from application fees from Grid connectivity (GC)/ Open Access (OA)	143.7	195.38	302.68	386.64	445.26

4 Determination of Expenses for the base year of FY 2024-25

4.1 Operation & Maintenance (O&M) Expenses

4.1.1 The Regulation 131.1 of the MYT Regulations 2024 identifies the Operation and Maintenance(O&M) expenses for the base year ending 31st March 2025. The O&M expenses for STU are calculated by segregating the employee expenses for FY 2019-20 to FY 2023-24 from the MSETCL, based on methodology mentioned in the earlier section of this Order. Additional components, such as Administrative and General (A&G) expenses and Repair and Maintenance (R&M) expenses related to STU operations, are allocated to determine the total O&M expenses for the five years. The average of these expenses for the period is considered as the O&M expense for the year ending 31st March 2022. This amount is then escalated annually for FY 2022-23, FY 2023-24, and FY 2024-25, using applicable escalation rates, to arrive at the O&M expense for the base year ending 31st March 2025.

STU's Submission

4.1.2 STU has computed the O&M expenses based on the allocation statement for year FY 2019-20 to FY 2023-24. The escalation rate to arrive at the base year of FY 2024-25 has been considered as per the provision of the Regulation 131.1(b) of the MYT Regulations, 2024.

4.1.3 The Regulation 131.1(b) of the MYT Regulations 2024 mentions the escalation rate to be considered for calculation of the O&M expenses as mentioned below:

"131.1(b) The average of such Operation and Maintenance expenses shall be considered as Operation and Maintenance expenses for the Year ended March 31, 2022, and shall be escalated at the respective escalation rate for FY 2022-23, FY 2023-24 and FY 2024-25, to arrive at the Operation and Maintenance expenses for the base year ending March 31, 2025:

Provided that the escalation rate for FY 2022-23, FY 2023-24 and FY 2024-25 shall be computed by considering 20% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau,

Government of India, as reduced by an efficiency factor of 1% of Average escalation factor or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses for each year of the Control Period:"

4.1.4 As per the Regulation mentioned above, the calculated escalation rate based on the average yearly inflation derived based on the monthly CPI & WPI of the past five financial years are as below:

Table 17: Inflation Factors identified as per WPI & CPI

Year	WPI	WPI Inflation	CPI	CPI Inflation
FY 2017-18	114.88	2.92%	98.76	3.08%
FY 2018-19	119.79	4.28%	104.14	5.45%
FY 2019-20	121.80	1.68%	111.98	7.53%
FY 2020-21	123.38	1.29%	117.60	5.02%
FY 2021-22	139.41	13.00%	123.63	5.13%
FY 2022-23	152.53	9.41%	131.12	6.05%
FY 2023-24	151.42	-0.73%	137.92	5.19%
Average from FY 2018-19 to FY 2022-23		5.93%		5.84%
Weightage		20%		80%
Escalation Factor				5.86%
Escalation Factor (reduced by 1% efficiency factor)				4.86%
Average from FY 2019-20 to FY 2023-24		4.93%		5.78%
Weightage		20%		80%
Escalation Factor				5.61%
Escalation Factor (reduced by 1% efficiency factor)				4.61%

4.1.5 STU has categorized the Normative O&M expenses and Projected O&M expenses based on the consideration of efficiency factor of 1%.

4.1.6 According to the escalation rate norms for MSLDC mentioned under clause 120.2 of MYT Regulations 2024, states that:

"……..

Provided further that the escalation rate for FY 2022-23, FY 2023-24 and FY 2024-25 shall be computed by considering 20% weightage to the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past five financial years as per the Office of Economic Advisor of Government of India and 80% weightage to the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past five financial years as per the Labour Bureau, Government of India……"

As per the clause, the Escalation Rate for FY 2022-23, FY 2023-24 and FY 2024-25 doesn't include the efficiency factor of 1% for MSLDC**.** Accordingly, STU requested the Commission to consider the proposed Escalation Rate as identified below:

Table 18: Normative & Proposed Escalation Rates for FY 2022-23 to FY 2024-25

Normative		Proposed	
Escalation Rate for FY 2022-23	4.86%	Escalation Rate for FY 2022-23	5.86%
Escalation Rate for FY 2023-24	4.61%	Escalation Rate for FY 2023-24	5.61%
Escalation Rate for FY 2024-25	4.61%	Escalation Rate for FY 2024-25	5.61%
Reduced Escalation Rate for 5th CP	4.61%	Reduced Escalation Rate for 5th CP	4.61%

4.1.7 STU has submitted the Normative O&M expenses and Proposed O&M expenses. The Normative O&M expenses for the base year of FY 2024-25 have been identified by calculating average of O&M expenses through allocation statement for FY 2019-20 to FY 2023-24. The average O&M expenses of FY 2019-20 to FY 2023-24 have been considered for FY 2021-22. These O&M expenses have been escalated with the normative rate of 4.86% for FY 2022-23, at 4.61% for FY 2023-24 and at 4.61% for FY 2024-25 to arrive at the O&M expenses for year FY 2024-25 which is considered as the base year for projections during the control period. The Normative O&M expenses for FY 2024-25 is identified below:

Table 19: Normative O&M Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr No	Particulars	Approved O&M Expenses					5-Year Average (Year ended March 2022)	Normative
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		FY 2024-25
		(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5	(g)
1	Employee Expenses	567.75	608.09	660.18	823.71	771.32	686.21	787.44
2	A&G Expenses	205.14	80.49	159.77	266.49	317.00	205.78	236.13
3	R & M Expenses	7.43	10.00	9.81	7.49	20.76	11.10	12.74
4	**Total O&M Expenses**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,036.31**
5	Sharing of Gains/(Losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Total O&M Expenses after sharing of Gains/(losses)**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,036.31**

4.1.8 The Proposed O&M Expenses for the base year of FY 2024-25 have been identified by the calculating average of O&M Expenses through allocation statement for FY 2019-20 to FY 2023-24. The average O&M Expenses of FY 2019-20 to FY 2023-24 have been considered for FY 2021-22. These O&M expenses have been escalated with the proposed rate of 5.86% for FY 2022-23, at 5.61% for FY 2023-24 and at 5.61% for FY 2024-25 to arrive at the O&M Expenses for year FY 2024-25 which is considered as the base year for

projections during the control period. The Proposed O&M Expenses for FY 2024-25 is identified below:

Table 20: Proposed O&M Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr No	Particulars	Approved O&M Expenses*					5-Year Average (Year ended March 2022)	Proposed
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		FY 2024-25
		(a)	(b)	(c)	(d)	(e)	(f)= [(a)+(b)+(c)+ (d)+(e)]/5	(g)
1	Employee Expenses	567.75	608.09	660.18	823.71	771.32	686.21	810.22
2	A&G Expenses	205.14	80.49	159.77	266.49	317.00	205.78	348.93
3	R & M Expenses	7.43	10.00	9.81	7.49	20.76	11.10	13.10
4	**Total O&M Expenses**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,172.25**
5	Sharing of Gains/(Losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Total O&M Expenses after sharing of Gains/(losses)**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,172.25**

4.1.9 STU has further categorized its O&M expenses into Employee Expenses, Administrative & General (A&G) Expenses, and Repairs & Maintenance (R&M) Expenses. It has requested that the Commission approve the proposed escalation rate without considering the efficiency factor of 1%, citing the clause 120.2 of the MYT Regulations 2024 for the MSLDC.

4.2 Employee Expenses

4.2.1 The Employee Expenses for the base year of FY 2024-25 have been identified by the calculating average of Employee Expenses through allocation statement for FY 2019-20 to FY 2023-24. The average Employee Expenses of FY 2019-20 to FY 2023-24 have been considered for FY 2021-22 as highlighted below:

Table 21: Employee Expenses of STU based on allocation statement and for year ended March 2022 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5-Year Average of FY 20 to FY 24 (Year ended March 2022)
1	Basic Salary	259.19	252.67	255.07	300.22	278.53	269.14
2	Dearness Allowance (DA)	50.04	42.95	73.65	113.72	128.08	81.69
3	House Rent Allowance	52.73	50.43	59.43	70.08	62.98	59.13
4	Conveyance Allowance	2.37	1.43	1.79	2.45	1.48	1.90
5	Leave Travel Allowance	0.24	0.05	0.27	0.00	0.50	0.21
6	Earned Leave Encashment	4.64	6.87	9.18	9.10	12.59	8.48
7	Other Allowances	25.93	24.23	26.10	28.46	22.62	25.47
8	Medical Reimbursement	2.99	4.46	4.62	5.91	6.39	4.88
9	Overtime Payment	0.00	0.00	0.00	0.00	0.00	0.00
10	Bonus/Ex-Gratia Payments	3.70	2.64	2.85	3.84	4.43	3.49
11	Interim Relief / Wage Revision	0.00	0.00	0.00	0.00	0.00	0.00
12	Staff welfare expenses	0.12	0.11	0.11	0.12	0.11	0.11
13	VRS Expenses/ Retrenchment Compensation	0.00	0.00	0.00	0.00	0.00	0.00
14	Commission to Directors	0.00	0.00	0.00	0.00	0.00	0.00
15	Training Expenses	11.45	0.19	0.34	11.09	2.48	5.11
16	Payment under Workmen's Compensation Act	0.00	0.00	0.00	0.00	0.00	0.00
17	Net Employee Costs	0.00	0.00	0.00	0.00	0.00	0.00
18	Terminal Benefits	0.00	0.00	0.00	0.00	0.00	0.00
19	Provident Fund Contribution	70.82	68.50	76.24	95.71	95.39	81.33
20	Provision for PF Fund	83.53	82.51	90.59	125.10	112.71	98.89
21	Pension Payments	0.00	0.00	0.00	0.00	0.00	0.00
22	Gratuity Payment	0.00	42.42	32.07	30.11	16.32	24.19
23	Leave encashment on Retirement	0.00	28.62	27.86	27.79	26.68	22.19
24	**Gross Employee Expenses**	**567.75**	**608.09**	**660.18**	**823.71**	**771.32**	**686.21**
25	Less: Expenses Capitalised	0.00	0.00	0.00	0.00	0.00	0.00
26	**Net Employee Expenses**	**567.75**	**608.09**	**660.18**	**823.71**	**771.32**	**686.21**

4.2.2 To arrive at the base year of FY 2024-25 the escalation rate has been considered as the normative rate of 4.86% for FY 2022-23, at 4.61% for FY 2023-24 and at 4.61% for FY

2024-25. The Employee Expenses for the base year as per normative rates for FY 2024-25 is identified as below:

Table 22: Normative Escalation for the base year of FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Basic Salary	269.14	282.21	295.22	308.84
2	Dearness Allowance (DA)	81.69	85.66	89.61	93.74
3	House Rent Allowance	59.13	62.00	64.86	67.85
4	Conveyance Allowance	1.90	1.99	2.09	2.18
5	Leave Travel Allowance	0.21	0.22	0.23	0.24
6	Earned Leave Encashment	8.48	8.89	9.30	9.73
7	Other Allowances	25.47	26.71	27.94	29.23
8	Medical Reimbursement	4.88	5.11	5.35	5.59
9	Overtime Payment	0.00	0.00	0.00	0.00
10	Bonus/Ex-Gratia Payments	3.49	3.66	3.83	4.01
11	Interim Relief / Wage Revision	0.00	0.00	0.00	0.00
12	Staff welfare expenses	0.11	0.12	0.12	0.13
13	VRS Expenses/Retrenchment Compensation	0.00	0.00	0.00	0.00
14	Commission to Directors	0.00	0.00	0.00	0.00
15	Training Expenses	5.11	5.36	5.61	5.87
16	Payment under Workmen's Compensation Act	0.00	0.00	0.00	0.00
17	Net Employee Costs	0.00	0.00	0.00	0.00
18	Terminal Benefits	0.00	0.00	0.00	0.00
19	Provident Fund Contribution	81.33	85.28	89.21	93.33
20	Provision for PF Fund	98.89	103.69	108.47	113.48
21	Pension Payments	0.00	0.00	0.00	0.00
22	Gratuity Payment	24.19	25.36	26.53	27.75
23	Leave encashment on Retirement	22.19	23.27	24.34	25.47
24	**Gross Employee Expenses**	**686.21**	**719.53**	**752.72**	**787.44**
25	Less: Expenses Capitalised	0.00	0.00	0.00	0.00
26	**Net Employee Expenses**	**686.21**	**719.53**	**752.72**	**787.44**

4.2.3 The Employee Expenses have been also escalated with the Proposed Rate of 5.86% for FY 2022-23, at 5.61% for FY 2023-24 and at 5.61% for FY 2024-25 to arrive at the Employee Expenses for year FY 2024-25 which is considered as the Proposed Base Year. This escalation rate does not include the reduction in efficiency factor of 1%. STU submitted that the Proposed Rates are in line with the escalation rates identified for MSLDC:

Table 23: Proposed Escalation of Employee Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year & (Yr ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Basic Salary	269.14	284.90	300.89	317.78

Sr. No.	Particulars	5-Year & (Yr ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
2	Dearness Allowance (DA)	81.69	86.47	91.33	96.45
3	House Rent Allowance	59.13	62.59	66.11	69.82
4	Conveyance Allowance	1.90	2.01	2.13	2.25
5	Leave Travel Allowance	0.21	0.22	0.24	0.25
6	Earned Leave Encashment	8.48	8.97	9.48	10.01
7	Other Allowances	25.47	26.96	28.47	30.07
8	Medical Reimbursement	4.88	5.16	5.45	5.76
9	Overtime Payment	0.00	0.00	0.00	0.00
10	Bonus/Ex-Gratia Payments	3.49	3.70	3.91	4.12
11	Interim Relief / Wage Revision	0.00	0.00	0.00	0.00
12	Staff welfare expenses	0.11	0.12	0.13	0.13
13	VRS Expenses/Retrenchment Compensation	0.00	0.00	0.00	0.00
14	Commission to Directors	0.00	0.00	0.00	0.00
15	Training Expenses	5.11	5.41	5.72	6.04
16	Payment under Workmen's Compensation Act	0.00	0.00	0.00	0.00
17	Net Employee Costs	0.00	0.00	0.00	0.00
18	Terminal Benefits	0.00	0.00	0.00	0.00
19	Provident Fund Contribution	81.33	86.09	90.92	96.03
20	Provision for PF Fund	98.89	104.68	110.55	116.76
21	Pension Payments	0.00	0.00	0.00	0.00
22	Gratuity Payment	24.19	25.60	27.04	28.56
23	Leave encashment on Retirement	22.19	23.49	24.81	26.20
24	**Gross Employee Expenses**	**686.21**	**726.39**	**767.16**	**810.22**
25	Less: Expenses Capitalised	0.00	0.00	0.00	0.00
26	**Net Employee Expenses**	**686.21**	**726.39**	**767.16**	**810.22**

4.2.4 STU has requested e Commission to consider escalation rates to arrive at FY 2024-25 as per the escalation rate of MSLDC.

4.2.5 **Financial Implications of Revised Pay Scales and Allowances:** Pursuant to the decision of the Board of Directors under Resolution No. BR/C-01/2024-25 dated 02 August 2024, the total financial impact arising from the revision of Pay Scales and Allowances is estimated to be approximately Rs. 239.71 Crores per annum. In alignment with this, MSETCL has made a 'Provision for Wage Revision Impact for FY 2023-24' amounting to Rs. 232.86 Crore based on the sanctioned employee strength. Out of this amount, based on the sanctioned employee strength, STU has allocated Rs. 45.5 Lakh per annum specifically for this purpose (232.86*0.195% = 45.5L).

4.2.6 Payment of Arrears as per Administrative Circulars: According to Administrative Circular Nos. 674 and 675, dated August 2, 2024, arrears due to the revision of Pay and Allowances, effective from 1 April 2023, for specific post categories, shall be disbursed in three instalments as follows:

- **First Instalment**: For the period from April 2023 to August 2023, to be paid in October 2024.
- **Second and Third Instalments**: For the period from September 2023 to January 2024, the second instalment shall be disbursed in March 2025, and for the period from February 2024 to July 2024, the third instalment shall be disbursed in September 2025, subject to the organization's cash flow position.

4.3 Administrative and General Expenses

4.3.1 The Administrative and General (A&G) Expenses for the base year of FY 2024-25 have been identified by the calculating average of A&G Expenses through allocation statement for FY 2019-20 to FY 2023-24. The average A&G Expenses of FY 2019-20 to FY 2023-24 have been considered for FY 2021-22 as highlighted below:

Table 24: A&G Expenses of STU based on allocation statement and for year ended March 2022 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5-Year Average of FY 20 to FY 24 (Year ended March 2022)
1	Rent	44.32	44.32	44.32	44.32	44.32	44.32
2	Rates & Taxes	6.17	2.92	3.26	2.60	3.21	3.63
3	Insurance of Assets (vehicle)	0.00	0.00	0.00	0.85	0.00	0.17
4	Telephone & Postage, etc.	0.22	0.21	0.21	0.23	0.11	0.20
5	Legal charges & Audit fee	44.29	2.78	56.58	19.43	28.40	30.30
6	Audit Fee (HO)	0.07	0.07	0.08	0.09	0.07	0.07
7	Professional, Consultancy, Technical fee	26.58	2.39	17.96	91.54	181.72	64.04
8	Conveyance & Travel	0.00	0.00	0.00	0.00	0.00	0.00
9	Electricity charges	3.27	1.82	1.70	2.25	2.32	2.27
10	Water charges	0.23	0.24	0.26	0.37	0.39	0.30
11	Gas charges	1.47	0.90	0.97	1.56	1.59	1.30
12	Security arrangements	1.70	1.58	1.69	1.81	1.96	1.75
13	Fees & subscription	0.71	0.00	0.00	3.84	0.00	0.91
14	Books & periodicals	0.00	0.00	0.00	0.00	0.00	0.00
15	Computer Stationery	1.39	1.32	1.99	3.03	12.14	3.97
16	Printing & Stationery	0.58	0.41	0.56	0.22	0.07	0.37
17	Advertisements	44.04	0.00	0.00	28.30	0.49	14.56
19	Purchase Related Advertisement Expenses	0.00	0.00	0.00	0.00	0.00	0.00
20	License Fee and other related fee	0.00	0.00	0.00	0.00	0.00	0.00
21	Vehicle Running Expenses	0.00	0.00	0.00	0.82	1.79	0.52
25	Vehicle Hiring Expenses	7.24	4.31	4.77	2.41	5.84	4.92

Sr. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5-Year Average of FY 20 to FY 24 (Year ended March 2022)
28	V-sat, Internet and related charges	8.99	6.22	14.56	54.63	25.13	21.91
29	Miscellaneous Expenses	5.18	2.67	2.12	1.22	0.49	2.34
31	Office Expenses	8.69	8.33	8.72	6.97	6.95	7.93
32	**Gross A&G Expenses**	**205.14**	**80.49**	**159.77**	**266.49**	**317.00**	**205.78**
33	Less: Expenses Capitalised	0.00	0.00	0.00	0.00	0.00	0.00
34	**Net A&G Expenses**	**205.14**	**80.49**	**159.77**	**266.49**	**317.00**	**205.78**

4.3.2 To arrive at the base year of FY 2024-25 the escalation rate has been considered as the normative rate of 4.86% for FY 2022-23, at 4.61% for FY 2023-24 and at 4.61% for FY 2024-25. The A&G Expenses for the base year as per normative rates for FY 2024-25 have been identified as below:

Table 25: Normative Escalation of A&G Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Rent	44.32	46.47	48.61	50.86
2	Rates & Taxes	3.63	3.81	3.98	4.17
3	Insurance of Assets (vehicle)	0.17	0.18	0.19	0.19
4	Telephone & Postage, etc.	0.20	0.21	0.22	0.23
5	Legal charges & Audit fee	30.30	31.77	33.23	34.76
6	Audit Fee(HO)	0.07	0.08	0.08	0.09
7	Professional, Consultancy, Technical fee	64.04	67.15	70.24	73.48
8	Conveyance & Travel	0.00	0.00	0.00	0.00
9	Electricity charges	2.27	2.38	2.49	2.61
10	Water charges	0.30	0.31	0.33	0.34
11	Gas charges	1.30	1.36	1.43	1.49
12	Security arrangements	1.75	1.83	1.92	2.01
13	Fees & subscription	0.91	0.95	1.00	1.04
14	Books & periodicals	0.00	0.00	0.00	0.00
15	Computer Stationery	3.97	4.17	4.36	4.56
16	Printing & Stationery	0.37	0.39	0.40	0.42
17	Advertisements	14.56	15.27	15.98	16.71
19	Purchase Related Advertisement Expenses	0.00	0.00	0.00	0.00
20	License Fee and other related fees	0.00	0.00	0.00	0.00
21	Vehicle Running Expenses	0.52	0.55	0.57	0.60
25	Vehicle Hiring Expenses	4.92	5.15	5.39	5.64
28	V-sat, Internet and related charges	21.91	22.97	24.03	25.14
29	Miscellaneous Expenses	2.34	2.45	2.56	2.68
31	Office Expenses	7.93	8.32	8.70	9.10
32	**Gross A&G Expenses**	**205.78**	**215.77**	**225.72**	**236.13**

Sr. No.	Particulars	5-Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
33	Less: Expenses Capitalised	0.00	0.00	0.00	0.00
34	**Net A&G Expenses**	**205.78**	**215.77**	**225.72**	**236.13**

4.3.3 The A&G Expenses have been also escalated with the Proposed Rate of 5.86% for FY 2022-23, at 5.61% for FY 2023-24 and at 5.61% for FY 2024-25 to arrive at the A&G Expenses for year FY 2024-25 which is considered as the Proposed Base Year. This escalation rate does not include the reduction in efficiency factor of 1%. STU submitted that the Proposed Rates are in line with the escalation rates identified for MSLDC.

4.3.4 Further, STU has submitted that it has taken different measures for capacity building and to carry out different studies related to IRP, DPR Prudence Check, Power System Studies etc. this has resulted in the higher actual expenses of Professional, Consultancy, Technical fee in the A&G Expenses for year FY 2024-25. Consideration of such increased expenses has resulted into variation in the Normative & Proposed A&G Expenses. STU submitted to consider revised 6-year average to for Professional, Consultancy, Technical fee instead of 5-year average to arrive at the expenses of FY 2021-22. The five-year average considering FY 2019-20 to FY 2023-24 has been identified as Rs. 64.04 lakhs, while the six-year average considering FY 2019-20 to FY 2024-25 is identified as Rs. 153.78 lakhs which is due to higher expenses incurred during FY 2024-25. STU has requested the Commission to consider Proposed Escalation of A&G Expenses for the base year of FY 2024-25 as per table identified below:

Table 26: Proposed Escalation of A&G Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year & 6 Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Rent	44.32	46.91	49.55	52.33
2	Rates & Taxes	3.63	3.84	4.06	4.29
3	Insurance of Assets (vehicle)	0.17	0.18	0.19	0.20
4	Telephone & Postage, etc.	0.20	0.21	0.22	0.23
5	Legal charges & Audit fee	30.30	32.07	33.87	35.77
6	Audit Fee (HO)	0.07	0.08	0.08	0.09
7	Professional, Consultancy, Technical fee	153.78	162.79	171.92	181.57
8	Conveyance & Travel	0.00	0.00	0.00	0.00
9	Electricity charges	2.27	2.41	2.54	2.68
10	Water charges	0.30	0.32	0.33	0.35
11	Gas charges	1.30	1.38	1.45	1.53
12	Security arrangements	1.75	1.85	1.96	2.07
13	Fees & subscription	0.91	0.96	1.02	1.07
14	Books & periodicals	0.00	0.00	0.00	0.00
15	Computer Stationery	3.97	4.21	4.44	4.69

Sr. No.	Particulars	5-Year & 6 Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
16	Printing & Stationery	0.37	0.39	0.41	0.43
17	Advertisements	14.56	15.42	16.28	17.20
19	Purchase Related Advertisement Expenses	0.00	0.00	0.00	0.00
20	License Fee and other related fee	0.00	0.00	0.00	0.00
21	Vehicle Running Expenses	0.52	0.55	0.58	0.62
25	Vehicle Hiring Expenses	4.92	5.20	5.50	5.80
28	V-sat, Internet and related charges	21.91	23.19	24.49	25.87
29	Miscellaneous Expenses	2.34	2.47	2.61	2.76
31	Office Expenses	7.93	8.40	8.87	9.37
32	**Gross A&G Expenses**	**295.52**	**312.83**	**330.38**	**348.93**
33	Less: Expenses Capitalised	0.00	0.00	0.00	0.00
34	**Net A&G Expenses**	**295.52**	**312.83**	**330.38**	**348.93**

4.4 Repairs and Maintenance Expenses

4.4.1 The Repairs and Maintenance (R&M) Expenses for the base year of FY 2024-25 have been identified by the calculating average of R&M Expenses through allocation statement for FY 2019-20 to FY 2023-24. The average R&M Expenses of FY 2019-20 to FY 2023-24 have been considered for FY 2021-22 as highlighted below:

Table 27: R&M Expenses for year ended March 2022 submitted by STU (Rs. Lakh)

Sr. No	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	5-Year Average of FY 20 to FY 24 (Year ended March 2022)
1	Plant & Machinery	-	-	-	-	-	-
2	Buildings	-	-	-	-	-	-
3	Civil Works	-	-	-	-	-	-
4	Hydraulic Works	-	-	-	-	-	-
5	Lines & Cable Networks	-	-	-	-	-	-
6	Vehicles	-	-	-	-	0.96	0.19
7	Furniture & Fixtures	-	-	-	-	-	-
8	Office Equipment	7.43	10.00	9.81	7.49	19.80	10.91
9	**Gross R&M Expenses**	**7.43**	**10.00**	**9.81**	**7.49**	**20.76**	**11.10**
10	Less: Expenses Capitalised	-	-	-	-	-	-
11	**Net R&M Expenses**	**7.43**	**10.00**	**9.81**	**7.49**	**20.76**	**11.10**

4.4.2 To arrive at the base year of FY 2024-25 the escalation rate has been considered as the normative rate of 4.86% for FY 2022-23, at 4.61% for FY 2023-24 and at 4.61% for FY 2024-25. The R&M Expenses for the base year as per normative rates for FY 2024-25 have been identified as below:

Table 28: Normative Escalation of R&M Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Plant & Machinery	-	-	-	-
2	Buildings	-	-	-	-
3	Civil Works	-	-	-	-
4	Hydraulic Works	-	-	-	-
5	Lines & Cable Networks	-	-	-	-
6	Vehicles	0.19	0.20	0.21	0.22
7	Furniture & Fixtures	-	-	-	-
8	Office Equipment	10.91	11.44	11.96	12.51
9	**Gross R&M Expenses**	**11.10**	**11.64**	**12.17**	**12.74**
10	Less: Expenses Capitalised	-	-	-	-
11	**Net R&M Expenses**	**11.10**	**11.64**	**12.17**	**12.74**

4.4.3 The R&M Expenses are also escalated with the Proposed Rate of 5.86% for FY 2022-23, at 5.61% for FY 2023-24 and at 5.61% for FY 2024-25 to arrive at the R&M Expenses for year FY 2024-25 which is considered as the Proposed Base Year. This escalation rate does not include the reduction in efficiency factor of 1%. The Proposed Rates are in line with the escalation rates identified for MSLDC.

Table 29: Proposed Escalation of R&M Expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	5-Year Average (Year ended March 2022)	FY 2022-23	FY 2023-24	FY 2024-25
1	Plant & Machinery	-	-	-	-
2	Buildings	-	-	-	-
3	Civil Works	-	-	-	-
4	Hydraulic Works	-	-	-	-
5	Lines & Cable Networks	-	-	-	-
6	Vehicles	0.19	0.20	0.22	0.23
7	Furniture & Fixtures	-	-	-	-
8	Office Equipment	10.91	11.54	12.19	12.88
9	**Gross R&M Expenses**	**11.10**	**11.75**	**12.41**	**13.10**
10	Less: Expenses Capitalised	-	-	-	-
11	**Net R&M Expenses**	**11.10**	**11.75**	**12.41**	**13.10**

4.4.4 STU has requested the Commission to consider escalation rates to arrive at FY 2024-25 as per the escalation rate of MSLDC.

Commission's Analysis and Ruling:

4.4.5 The Commission has noted the STU's submission regarding the escalation factors for O&M expenses and its clarification for exclusion of the efficiency factor of 1%. As per

Regulation 131.1(b) of the MYT Regulations, 2024, the permissible O&M expenses for each year of the Control Period shall be escalated at the stipulated escalation rate, subject to a reduction by an efficiency factor of 1%.

4.4.6 The Commission notes that while STU has presented an alternative escalation rate (excluding the efficiency factor), the approved methodology as per the Regulations mandates the inclusion of the efficiency factor in the escalation calculations. The efficiency factor is intended to incentivize operational efficiency and cost control measures in the O&M framework. The Commission, while approving the O&M expenses for the MSLDC has also adopted the similar approach.

4.4.7 The Commission has considered the different measures taken by STU for capacity building and to carry out different studies related to IRP, DPR Prudence Check, Power System Studies etc. this has resulted in the higher professional, consultancy, technical fee in the A&G Expenses for year FY 2024-25. The Commission considers revised 6-year average to for professional, consultancy, technical fee instead of 5-year average to arrive at the expenses of FY 2021-22.

4.4.8 Accordingly, the Commission approves the O&M expenses for the base year FY 2024-25 after applying the efficiency factor, as shown in the table below:

Table 30: O&M Expenses for FY 2024-25 approved by the Commission (Rs. Lakh)

Sr. No.	Particulars	Approved O&M Expenses*					5-Year Average (Year ended March 2022)	Proposed	Approved
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		FY 2024-25	FY 2024-25
		(a)	(b)	(c)	(d)	(e)	(f) = [(a)+(b)+(c)+(d)+(e)]/5	(g)	
1	Employee Expenses	567.75	608.09	660.18	823.71	771.32	686.21	810.22	787.44
2	A&G Expenses	205.14	80.49	159.77	266.49	317.00	205.78	348.93	236.13
3	R & M Expenses	7.43	10.00	9.81	7.49	20.76	11.10	13.10	12.74
4	**Total O&M Expenses**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,172.25**	**1036.31**
5	Sharing of Gains/ (Losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Total O&M Expenses after sharing of Gains/(losses)**	**780.32**	**698.58**	**829.76**	**1,097.68**	**1,109.08**	**903.08**	**1,172.25**	**1036.31**

4.5 Capital Expenses and Capitalization

4.5.1 STU has submitted the capitalization of Rs. 115.28 Lakhs for MTC/ATC software and Rs. 4.87 Lakhs for the website for FY 2024-25. The Gross Fixed Assets under STU for the period FY 2024-25 as submitted by STU have been mentioned below:

Table 31: Gross Fixed Assets of STU for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2024-25			
		Balance at the beginning of the year	Additions during the year	Retirement of assets during the year	Balance at the end of the year (Estimated)
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	9.8	0	0	9.8
2	PC	13.47	0	0	13.47
3	MTC/ATC	0	115.28	0	115.28
4	Website	0	4.87	0	4.87
	Total	**23.27**	**120.15**	**0**	**143.42**

Commission's Analysis and Ruling:

4.5.2 The Commission has considered the submission of STU towards the capitalization of Rs. 115.28 Lakhs for MTC/ATC software which is part of MSETCL's capital expenditure and MSETCL management has approved as a part of Non-DPR scheme and Rs. 4.87 Lakhs for the website for FY 2024-25. The Gross Fixed Assets under STU for the period FY 2024-25 as approved by the Commission have been mentioned below:

Table 32: Gross Fixed Assets of STU for FY 2024-25 as approved by the Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2024-25			
		Balance at the beginning of the year	Additions during the year	Retirement of assets during the year	Balance at the end of the year (Estimated)
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	9.8	0	0	9.8
2	PC	13.47	0	0	13.47
3	MTC/ATC	0	115.28	0	115.28
4	Website	0	4.87	0	4.87
	Total	**23.27**	**120.15**	**0**	**143.42**

4.6 Depreciation

STU's Submission:

4.6.1 STU has submitted the Depreciation expenses for STU for the period FY 2024-25 as mentioned below:

Table 33: Depreciation expenses for FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2024-25			
		Accumulated depreciation at the beginning of the year	Additions during the year	Withdrawals during the year	Accumulated depreciation at the end of the year (Estimated)
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	1.86	0.93	0	2.79

Sr. No.	Particulars	FY 2024-25			
		Accumulated depreciation at the beginning of the year	Additions during the year	Withdrawals during the year	Accumulated depreciation at the end of the year (Estimated)
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
2	PC	2.13	2.13	0	4.26
3	MTC/ATC	0	18.21	0	18.21
4	Website	0	0.77	0	0.77
	Total	**3.99**	**22.04**	**0**	**26.03**

Commission's Analysis and Ruling:

4.6.2 The Commission has considered the Depreciation Rate in line with 'Annexure I: Depreciation Schedule' of the MYT Regulations, 2024. Depreciation rates for MTC/ATC billing software and websites at 15.00% have been considered as per the MYT Regulations, 2024. Depreciation expenses for STU for the period FY 2024-25 as approved by the Commission are mentioned below:

Table 34: Depreciation expenses for FY 2024-25 approved by the Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2024-25			
		Accumulated depreciation at the beginning of year	Additions during year	Withdrawals during year	Accumulated depreciation at the end of the year (Estimated)
		(a)	(b)	(c)	(d) = (a)+(b)-(c)
1	Vehicle	1.40	0.93	0	2.33
2	PC	1.01	2.02	0	3.03
3	MTC/ATC	0	8.65	0	8.65
4	Website	0	0.37	0	0.37
	Total	**2.41**	**11.97**	**0**	**14.38**

4.7 Interest on Long Term Loans

STU's Submission

4.7.1 STU has submitted that for the year FY 2024-25, there were no loans under STU's accounts for purposes related to their business activities as it is not a separate Company and was being operated by MSETCL. The Interest on loans is not applicable for this period.

Commission's Analysis and Rulings

4.7.2 The Commission notes that for the year FY 2024-25, no loans were recorded under STU's accounts for business activities, as STU was not operating as a separate company and was managed by MSETCL. Consequently, no interest on loans has been considered for this period. Accordingly, the Commission has not considered any interest on loans for year FY 2024-25.

4.8 Return on Equity

STU's Submission

4.8.1 STU has submitted that no equity has been invested till now and there will not be any investment on any project by STU for investment purposes in FY 2024-25 as it is being operated by MSETCL, because of which, the return on equity is not applicable to STU for this period.

Commission's Analysis and Rulings

4.8.2 Considering the submission of STU, the Commission has not considered any return on equity of STU for FY 2024-25.

4.9 Income Tax

STU's Submission

4.9.1 STU has submitted that it has no separate corporate existence i.e., it is not a separate Company and is being operated by the Government Company, i.e., MSETCL. Further, STU has submitted that the Government Company i.e., MSETCL, is also being regulated by this Commission. Further, STU has submitted that the expenditure/income pertaining to STU activities has been accounted separately in line with the Commission directives in the MYT Regulations, 2024.

4.9.2 STU has also submitted that no separate Income Tax Returns are filed for STU, nor has MSETCL allocated or claimed any Income Tax on behalf of STU. However, STU has stated that if such allocations or claims are formulated in the future, it shall claim the same in accordance with the provisions of the MYT Regulations during the relevant control period, subject to Commission approval. Accordingly, STU has not claimed Income Tax for the year FY 2024-25 and has requested the Commission to grant liberty to undertake such claims in the future, if applicable.

Commission's Analysis and Rulings

4.9.3 The Commission notes the submissions of STU that it does not have a separate corporate existence and functions under MSETCL, which is already regulated by the Commission.

4.9.4 The Commission also notes that no separate Income Tax Returns have been filed for STU, and MSETCL has not allocated or claimed any Income Tax for STU. Given this, STU has not claimed Income Tax for FY 2024-25, the Commission has not considered any Income Tax for STU for the said period. However, if any allocation or claim of Income Tax arises in the future, the STU may approach the Commission at the time of the Truing up of the 5th Control Period.

4.10 Non-Tariff Income

STU's Submission:

4.10.1 STU has submitted that the average no of Tender released for the Year FY 2022-23, FY 2023-24 and FY 2024-25 was found to be 5. For FY 2024-25 STU has considered the estimate for the year as: No of Tenders * (Tender Fee + GST) which turns out to be (5*5900) Rs 29,500. This Amount is Escalated as per the escalation rate of 4.61%.

4.10.2 STU has submitted the actual non-tariff income as mentioned below:

Table 35: Non-Tariff Income of STU in FY 2024-25 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2024-25	Apr-Sep (Actual)	Oct-Mar (Estimated)	April - March (Estimated)
1	Income from Sale of Scrap	0	0	0	0
2	Income from Investments	0	0	0	0
3	Interest income on advances to suppliers/ contractors	0	0	0	0
4	Income from rental from staff quarters	0	0	0	0
5	Income from sale of Tender documents	0.295	0.177	0.118	0.295
	Total	**0.295**	**0.177**	**0.118**	**0.295**

Commission's Analysis and Rulings

4.10.3 The Regulation 132.1 of the MYT Regulations, 2024 specifies as under:

"The amount of Non-Tariff Income relating to the STU as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in determining the Fees and Charges of the STU:

Provided that the STU shall submit full details of its forecast of Non-Tariff Income to the Commission in such form as may be stipulated by the Commission.

The Non-Tariff Income shall include:

a) Income from sale of scrap;

b) Income from investments;

c) Interest income on advances to suppliers/ contractors;

d) Income from rental from staff quarters;

e) Income from sale of tender documents;

f) Any other Non-Tariff Income:

Provided that the interest earned from investments made out of Return on Equity of the STU shall not be included in Non-Tariff Income."

4.10.4 The Commission has considered the submission of STU and approved non-tariff income as Rs. 0.295 Lakhs for FY 2024-25 from the income from sale of Tender documents.

5 Determination of STU's Fees and Charges for FY 2025-26 to FY 2029-30

5.1 Background

5.1.1 The STU has filed a Petition for the determination of the Fees and Charges to be levied for the MYT Control Period for FY 2025-26 to FY 2029-30, effective from 1st April 2025. The projected expenses for the MYT period have been calculated using the methodology specified in the MYT Regulation 2024, with reference to the Allocation Statement for FY 2019-20 to FY 2023-24.

5.2 Operation & Maintenance (O&M) Expenses

STU's Submission

5.2.1 STU has computed the O&M expenses in accordance with Regulation 131 of the MYT Regulations, 2024 which comprises Employee expenses, Administration and General (A&G) expenses and Repairs and Maintenance (R&M) expenses.

5.2.2 STU has submitted that the variation in the Normative and Proposed Employee Expenses, A&G Expenses and R&M Expenses is due to the below mentioned reasons:

i. Variation due to changes in the Normative & Projected Escalation Rates. STU has submitted that, for the past period, the i.e. FY 2022-23 to FY 2024-25, the STU was not independently covered under MYT Regulations 2019. So it has not considered the efficiency factor of 1% while proposing escalation rates for the O&M for the base year i.e. FY 2025-26. Accordingly, STU has requested to consider proposed escalation Rate, as below:

Table 36: Normative & Proposed Escalation Rates for FY 2022-23 to FY 2024-25 submitted by STU

Reference Years	Normative Escalation Rate	Proposed Escalation Rate
for FY 2022-23	4.86%	5.86%
for FY 2023-24	4.61%	5.61%
for FY 2024-25	4.61%	5.61%
Reduced Escalation Rate for 5th CP	4.61%	4.61%

ii. STU has taken different measures for capacity building and to carry out different studies related to IRP, DPR Prudence Check, Power System Studies etc. This has resulted in higher Professional, Consultancy, Technical fee in the A&G Expenses for the year FY 2024-25. Consideration of such increased expenses has resulted in variation in the Normative & Proposed A&G Expenses.

iii. STU has provided the projected employee strength required for the upcoming control. STU had previously carried out a study on restructuring and resource requirement. STU

has considered the cost of the employees in the O&M expense under Employee expense.

This has resulted in a variation in the Normative & Proposed Employee Expenses.

5.2.3 The comparison for the Normative and Proposed O&M Expenses for FY 2025-26 to FY 2029-30 submitted by STU is as below:

Table 37: Summary of O&M Expenses for FY 2025-26 to FY 2029-30 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Normative	Projected	Normative	Projected	Normative	Projected	Normative	Projected	Normative	Projected
1	Employee Expenses	823.76	920.84	861.76	1,001.65	901.52	1,047.85	943.10	1,096.19	986.61	1,146.75
2	A&G Expenses	247.03	365.02	258.42	381.86	270.34	399.48	282.81	417.91	295.86	437.18
3	R & M Expenses	13.32	13.71	13.94	14.34	14.58	15.00	15.25	15.69	15.96	16.42
4	**Total O&M Expenses**	**1,084.11**	**1,299.57**	**1,134.12**	**1,397.85**	**1,186.44**	**1,462.33**	**1,241.17**	**1,529.79**	**1,298.42**	**1,600.35**
5	Sharing of Gains/(Losses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	**Total O&M Expenses after sharing of Gains/(losses)**	**1,084.11**	**1,299.57**	**1,134.12**	**1,397.85**	**1,186.44**	**1,462.33**	**1,241.17**	**1,529.79**	**1,298.42**	**1,600.35**

5.2.4 STU has requested the Commission to consider the proposed projected O&M expenses for FY 2025-26 to FY 2029-30, which will allow STU to operate effectively during the upcoming period. The detailed justification for addition of employees during the period of FY 2025-26 to FY 2029-30 is provided in the next employee expenses Section.

Employee Expenses

5.2.5 As per the Regulation 131.1 (b) of the MYT Regulations 2024, the employee expenses of STU employees for the 5th Control Period have been identified by projecting the employee expenses of FY 2024-25 by escalation factor of 4.61%. The proviso of the projected escalation rate is identified below:

"……as reduced by an efficiency factor of 1% of Average escalation factor or as may be stipulated by the Commission from time to time, to arrive at the permissible Operation and Maintenance expenses ***for each year of the Control Period:****"*

5.2.6 The projected proposed employee expenses of STU for FY 2025-26 and FY 2029-30 as per Form 2.2 of the MYT Petition formats is mentioned below:

Table 38: Projected Employee Expenses for FY 2025-26 to FY 2029-30 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Basic Salary	365.96	403.33	421.93	441.40	461.76
2	Dearness Allowance (DA)	117.67	133.34	139.49	145.92	152.65
3	House Rent Allowance	82.09	91.41	95.62	100.03	104.65
4	Conveyance Allowance	2.64	3.14	3.28	3.43	3.59
5	Leave Travel Allowance	0.26	0.27	0.29	0.30	0.31
6	Earned Leave Encashment	10.47	10.95	11.46	11.99	12.54
7	Other Allowances	45.06	48.83	51.08	53.44	55.90
8	Medical Reimbursement	6.02	6.30	6.59	6.89	7.21
9	Overtime Payment	0.00	0.00	0.00	0.00	0.00
10	Bonus/ Ex-Gratia Payments	4.31	4.51	4.72	4.94	5.17
11	Interim Relief / Wage Revision	0.00	0.00	0.00	0.00	0.00
12	Staff welfare expenses	0.15	0.16	0.17	0.18	0.19
13	VRS Expenses/ Retrenchment Compensation	0.00	0.00	0.00	0.00	0.00
14	Commission to Directors	0.00	0.00	0.00	0.00	0.00
15	Training Expenses	6.32	6.61	6.91	7.23	7.57
16	Payment under Workmen's Compensation Act	0.00	0.00	0.00	0.00	0.00
17	Net Employee Costs	0.00	0.00	0.00	0.00	0.00
18	Terminal Benefits	0.00	0.00	0.00	0.00	0.00
18.1	Provident Fund Contribution	100.46	105.09	109.94	115.01	120.32
18.2	Provision for PF Fund	122.14	127.78	133.67	139.84	146.29
18.3	Pension Payments	0.00	0.00	0.00	0.00	0.00
18.4	Gratuity Payment	29.87	31.25	32.69	34.20	35.78
19	Leave encashment on Retirement	27.41	28.67	30.00	31.38	32.83
20	**Gross Employee Expenses**	**920.84**	**1,001.65**	**1,047.85**	**1,096.19**	**1,146.75**
21	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
21	**Net Employee Expenses**	**920.84**	**1,001.65**	**1,047.85**	**1,096.19**	**1,146.75**

5.2.7 The sanctioned and registered employee strength of STU from FY 2019-20 to FY 2023-24 has been tabulated below:

Table 39: Sanctioned & Registered Employee Strength for FY 2019-20 to FY 2023-24 submitted by STU

Year	Employee Strength of STU	
	Sanctioned	Registered
FY 2019-2020	31	25
FY 2020-2021	31	25
FY 2021-2022	31	26
FY 2022-2023	31	29
FY 2023-2024	31	30

While the existing employee strength of Technical and Non-Technical Staff is identified below:

Table 40: Employee Strength for Technical Staff submitted by STU

Sr No	Name of Post	Sanctioned Employee Strength
1	CE (T)	1
2	SE (T)	2
3	EE (T)	5
4	AEE (T)	7
5	DEE (T)	7
6	AE (T)	4
	Total	**26**

Table 41: Employee Strength for Non-Technical Staff submitted by STU

Sr No	Name of the Post	Sanctioned Employee Strength
1	Manager (F&A)	1
2	Dy. Manager (F&A)	1
3	Sec Cum Stenographer	2
4	Daftary	1
	Total	**5**

5.2.8 In light of the upcoming responsibilities of the STU under the following frameworks and initiatives:

- GNA framework, Green Energy Open Access,
- Implementation of Grid Code,
- Implementation of Resource Adequacy framework,
- Implementation of Tariff-based Competitive Bidding guidelines, and
- Monitoring process of transmission projects, etc.

5.2.9 The STU has conducted a study on its current staffing needs. Acknowledging the evolving requirements, the STU has identified the need for adjustments to the staffing levels in accordance with the sanctioned number of employees to effectively carry out these responsibilities. The proposed changes in staffing needs are detailed in the following table:

Table 42: Additional Technical Staff Requirement for FY 2025-26 to FY 2029-30 submitted by STU

Sr No	Name of the Post	Number of Employees
1	Executive Director (STU)	1
2	Superintending Engineer (TBCB)	1
3	Executive Engineer (TBCB)	1
4	Additional Executive Engineer (TBCB)	1
5	Deputy Executive Engineer (TBCB)	1

Sr No	Name of the Post	Number of Employees
6	Superintending Engineer (Monitoring)	1
7	Executive Engineer (Monitoring)	1
8	Additional Executive Engineer (Monitoring)	2
9	Deputy Executive Engineer (Monitoring)	1
10	Executive Engineer (MMR Region Proposed)	1
11	Additional Executive Engineer (MMR Region Proposed)	1
12	Deputy Executive Engineer (MMR Region Proposed)	1
	Total Proposed Technical Position	**13**

Table 43: Additional Non-Technical Staff Requirement for FY 2025-26 to FY 2029-30 submitted by STU

Sr No	Name of the Post	Number of Employees
1	Assistant General Manager (Finance)	1
2	Assistant Accountant (Finance)	2
3	Lower Division Clarks (Finance)	2
4	Assistant General Manager (HR)	1
5	Manager (HR)	1
6	Head Clark (HR)	2
7	Lower Division Clark (HR)	2
8	Legal Advisor	1
	Total Proposed Non-Technical Position	**12**

5.2.10 STU submitted that total 25 additional positions are required for functioning of STU, however same yet to be sanctioned by relevant authorities. STU has proposed for addition of below mentioned staff for the period of FY 2025-26 to FY 2029-30 considering the fact that different responsibilities shall be taken up by STU.

Table 44: Additional Employees Required for FY 2025-26 (Technical) submitted by STU

Sr No	Name of the Post	Number of Employees
1	Executive Director (STU)	1
2	Superintending Engineer (TBCB)	1
3	Executive Engineer (TBCB)	1
4	Additional Executive Engineer (TBCB)	1
5	Deputy Executive Engineer (TBCB)	1
6	Executive Engineer (MMR Region Proposed)	1
7	Additional Executive Engineer (MMR Region Proposed)	1
8	Deputy Executive Engineer (MMR Region Proposed)	1
	Total Proposed Technical Position for FY 2025-26	**8**

Table 45: Additional Employees Required for FY 2026-27 (Technical) submitted by STU

Sr No	Name of the Post	Number of Employees
1	Superintending Engineer (Monitoring)	1
2	Executive Engineer (Monitoring)	1

Sr No	Name of the Post	Number of Employees
3	Additional Executive Engineer (Monitoring)	2
4	Deputy Executive Engineer (Monitoring)	1
	Total Proposed Technical Position for FY 2026-27	**5**

Table 46: Additional Employees Required for FY 2026-27 (Non-Technical) submitted by STU

Sr No	Name of the Post	Number of Employees
1	Assistant General Manager (Finance)	1
2	Assistant Accountant (Finance)	2
3	Lower Division Clarks (Finance)	2
4	Assistant General Manager (HR)	1
5	Manager (HR)	1
6	Head Clark (HR)	2
7	Lower Division Clark (HR)	2
8	Legal Advisor	1
	Total Proposed Non-Technical Position for FY 2026-27	**12**

5.2.11 STU has requested the Commission to approve the proposed employee additions and its expense for effective functioning of STU.

Administrative and General Expenses

5.2.12 As per the Regulation 131.1 (b) of the MYT Regulations 2024, the Administrative and General expenses (A&G) of STU employees for the 5th Control Period has been identified by projecting the A&G expenses of FY 2024-25 by escalation factor of 4.61%.

5.2.13 The projected A&G expenses of STU for FY 2025-26 and FY 2029-30 as submitted by STU are mentioned below:

Table 47: Projected A&G Expenses for FY 2025-26 to FY 2029-30 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Rent	54.74	57.27	59.91	62.67	65.56
2	Rates & Taxes	4.49	4.69	4.91	5.13	5.37
3	Insurance	0.21	0.22	0.23	0.24	0.25
4	Telephone & Postage, etc.	0.25	0.26	0.27	0.28	0.29
5	Legal charges & Audit fee	37.42	39.15	40.95	42.84	44.82
6	Audit Fee	0.09	0.10	0.10	0.11	0.11
7	Professional, Consultancy, Technical fee	189.95	198.71	207.88	217.47	227.50
8	Conveyance & Travel	0.00	0.00	0.00	0.00	0.00
9	Electricity charges	2.81	2.94	3.07	3.21	3.36

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
10	Water charges	0.37	0.39	0.40	0.42	0.44
11	Gas Charges	1.61	1.68	1.76	1.84	1.92
12	Security arrangements	2.16	2.26	2.36	2.47	2.59
13	Fees & subscription	1.12	1.17	1.23	1.28	1.34
14	Books & periodicals	0.00	0.00	0.00	0.00	0.00
15	Computer Stationery	4.91	5.14	5.37	5.62	5.88
16	Printing & Stationery	0.45	0.48	0.50	0.52	0.54
17	Advertisements	17.99	18.82	19.69	20.60	21.55
18	Purchase Related Advertisement Expenses	0.00	0.00	0.00	0.00	0.00
19	License Fee and other related fee	0.00	0.00	0.00	0.00	0.00
20	Vehicle Running Expenses	0.64	0.67	0.70	0.74	0.77
21	Vehicle Hiring Expenses	6.07	6.35	6.64	6.95	7.27
22	V-sat, Internet and related charges	27.06	28.31	29.61	30.98	32.41
23	Miscellaneous Expenses	2.89	3.02	3.16	3.31	3.46
24	Office Expenses	9.80	10.25	10.72	11.22	11.74
25	**Gross A&G Expenses**	**365.02**	**381.86**	**399.48**	**417.91**	**437.18**
26	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
27	**Net A&G Expenses**	**365.02**	**381.86**	**399.48**	**417.91**	**437.18**

Repairs and Maintenance Expenses

5.2.14 As per the Regulation 131.1(b) of the MYT Regulations 2024, the Repairs and Maintenance expenses (R&M) of STU employees for the 5th Control Period has been identified by projecting the employee expenses of FY 2024-25 by escalation factor of 4.61% (mentioned in Serial No. 4.2.5).

5.2.15 The projected R&M expenses of STU for FY 2025-26 and FY 2029-30 as submitted by STU are mentioned below:

Table 48: Projected R&M for FY 2025-26 to FY 2029-30 submitted by STU (Rs. Lakh)

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Plant & Machinery	-	-	-	-	-
2	Buildings	-	-	-	-	-
3	Civil Works	-	-	-	-	-
4	Hydraulic Works	-	-	-	-	-
5	Lines & Cable Networks	-	-	-	-	-
6	Vehicles	0.24	0.25	0.26	0.27	0.28

Sl. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
7	Furniture & Fixtures	-	-	-	-	-
8	Office Equipment	13.47	14.09	14.74	15.42	16.13
9	**Gross R&M Expenses**	**13.71**	**14.34**	**15.00**	**15.69**	**16.42**
10	Less: Expenses Capitalized	-	-	-	-	-
11	**Net R&M Expenses**	**13.71**	**14.34**	**15.00**	**15.69**	**16.42**

Commission's Analysis and Rulings

5.2.16 The Commission in section 4.4.8 of this Order has approved O&M expenses for the FY 2024-25 considering the deduction of 1% efficiency factor as per the Regulation 131.1 of the MYT Regulations, 2024. The Commission has approved the following escalation rates for FY 2022-23 onwards.

Table 49: Escalation Rates for FY 2022-23 to FY 2024-25 approved by the Commission

	Escalation rate Proposed	Escalation rate Approved
for FY 2022-23	5.86%	4.86%
for FY 2023-24	5.61%	4.61%
for FY 2024-25	5.61%	4.61%
Reduced Escalation Rate for 5th Control Period	4.61%	4.61%

5.2.17 The Commission has considered the different measures taken by STU for capacity building and to carry out different studies related to IRP, DPR Prudence Check, Power System Studies etc. this has resulted in the higher Professional, Consultancy, Technical fee in the A&G Expenses for year FY 2024-25. The Commission considers revised 6-year average to for Professional, Consultancy, Technical fee instead of 5-year average to arrive at the expenses of FY 2021-22.

5.2.18 The Commission observes that the STU has proposed the creation of 5 additional technical staff positions for monitoring purposes in FY 2026-27 and has also proposed a capitalization of Rs. 199.76 Lakhs for RTM/TBCB activities in FY 2025-26. The Commission notes the need for adequate manpower to effectively monitor RTM/TBCB activities in FY 2025-26. Furthermore, in alignment with the recommendations of the Monitoring Committee Report for strengthening the Mumbai Transmission System, the Commission approves the cost towards addition of 5 technical staff positions for monitoring purposes in FY 2025-26. The Commission approves the cost for addition of below mentioned staff for the 5th control period of FY 2025-26 to FY 2029-30.

Table 50: Additional Employees Required for FY 2025-26 (Technical) approved by the Commission

Sr No	Name of the Post	Number of Employees
1	Executive Director (STU)	1
2	Superintending Engineer (TBCB)	1
3	Executive Engineer (TBCB)	1
4	Additional Executive Engineer (TBCB)	1
5	Deputy Executive Engineer (TBCB)	1
6	Executive Engineer (MMR Region Proposed)	1
7	Additional Executive Engineer (MMR Region Proposed)	1
8	Deputy Executive Engineer (MMR Region Proposed)	1
9	Superintending Engineer (Monitoring)	1
10	Executive Engineer (Monitoring)	1
11	Additional Executive Engineer (Monitoring)	2
12	Deputy Executive Engineer (Monitoring)	1
	Total Proposed Technical Position for FY 2025-26	**13**

Table 51: Additional Employees Required for FY 2026-27 (Non-Technical) approved by Commission

Sr No	Name of the Post	Number of Employees
1	Assistant General Manager (Finance)	1
2	Assistant Accountant (Finance)	2
3	Lower Division Clarks (Finance)	2
4	Assistant General Manager (HR)	1
5	Manager (HR)	1
6	Head Clark (HR)	2
7	Lower Division Clark (HR)	2
8	Legal Advisor	1
	Total Proposed Non-Technical Position for FY 2026-27	**12**

5.2.19 The Summary of O&M Expenses for FY 2025-26 to FY 2029-30 as approved by the Commission is mentioned below:

Table 52: Summary of O&M Expenses for FY 2025-26 to FY 2029-30 approved by Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
1	Employee Expenses	920.84	911.19	1,001.65	976.71	1,047.85	1,021.77	1,096.19	1,068.90	1,146.75	1,118.21
2	A&G Expenses	13.71	13.32	14.34	13.94	15.00	14.58	15.69	15.25	16.42	15.96
3	R & M Expenses	365.02	247.03	381.86	258.42	399.48	270.34	417.91	282.81	437.18	295.86
4	**Total O&M Expenses**	**1,299.57**	**1,171.54**	**1,397.85**	**1,249.07**	**1,462.33**	**1,306.69**	**1,529.79**	**1,366.97**	**1,600.35**	**1,430.02**

5.3 Opex Schemes

STU's Submission

5.3.1 STU in the Public Hearing dated 07 January, 2025 has submitted the details of Opex scheme proposed for FY 2025-26 to FY 2029-30. However, it did not include these Opex schemes projections in the final computation of Annual Fixed Charges of STU.

5.3.2 Further, STU vide letter dated 10 January, 2025 submitted Additional Submission related to Opex Schemes. STU submitted that it has included all maintenance and subscription costs for the software and tools utilized daily to ensure efficient and smooth operations. The details of the Opex schemes as submitted by STU are as follows:

Table 53: Opex Schemes for FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	System Automation					
2	New Technology					
3	**I.T. Implementation**					
3.1	PSSE Software (Licence Fee)	35	35	35	35	35
3.2	CAD+MS Office (Subscription Fee)	10.47	10.47	10.47	10.47	10.47
3.3	Maintenance for PMT	96.76	96.76	96.76	73.16	36.58
3.4	Maintenance for ATC MTC	26	26	26	26	26
3.5	Website	3.65	3.65	3.65	3.65	3.65
	Total for Opex Schemes	171.88	171.88	171.88	148.28	111.7

5.3.3 The details of Opex schemes are submitted by STU is as below:

1. PSSE Software (License Fee): PSSE is a critical tool used by STU for performing load flow studies, fault analysis, and stability assessments, which are fundamental for reliable grid operations and expansion planning. The license fee ensures regular software updates, technical support, and feature enhancements, enabling the utility to stay aligned with evolving industry needs.
2. CAD + MS Office (Subscription Fee): MS Office is indispensable for documentation, communication, data analysis, and reporting, while CAD is essential for creating detailed designs and plans for transmission and distribution infrastructure.

   Previously, both MS Office and CAD were offered as perpetual licenses. However, due to a change in their business model, they are now provided on a subscription basis, charged per user per month. Therefore, STU has considered these costs under OPEX schemes. Subscription fees provide access to the latest software versions, reducing the risk of security vulnerabilities and ensuring compatibility with new

systems. The subscription model allows for adding new licenses as needed, accommodating the utility's growing requirements without significant upfront costs.

3. Maintenance for PMT (Project Monitoring Tool): STU has proposed the use of a Project Monitoring Tool (PMT) for TBCB and RTM projects. The PMT ensures comprehensive tracking of project progress, budgets, and milestones, thereby enhancing transparency and efficiency. The PMT (Project Monitoring Tool) for TBCB Projects (RTM/TBCB) shall help in real time tracking of all the Transmission Projects in the state of Maharashtra either through Regulated Tariff Mechanism or through the TBCB route.

   The maintenance cost includes hosting fees, warranty expenses, Cloud AMC costs, tool AMC costs and support services. Maintenance services ensure the prompt resolution of software issues or errors, minimizing disruptions.

4. Maintenance for ATC/MTC (Billing Tool): As directed by the Commission, STU has initiated the development of a billing tool to automate its MTC/ATC billing process, which is now in its final stage of development. The maintenance cost includes AMC and support service expenses, ensuring that the billing tool operates without errors and facilitates accurate MTC/ATC collections.

   Proactive upkeep reduces downtime and ensures seamless billing operations, which are critical for maintaining cash flow.

5. Website Maintenance: STU is developing its own website, which incurs costs related to hosting, website protection, annual maintenance, and support services. The website serves as the utility's primary interface for customer interactions, including bill payments, complaint registrations, and service requests. Regular maintenance ensures these functionalities remain operational. Maintenance services protect the website from cyber threats, safeguard data, maintain trust in the utility's services, and ensure compliance with data protection laws.

Commission's Analysis and Rulings

5.3.4 The Commission has noted the submission of the STU. Considering the evolving challenges in grid operations due to the increasing penetration of renewable energy, the Commission recognizes the necessity of these OPEX schemes. These schemes are essential for enhancing the operational efficiency of the STU, ensuring regulatory compliance, improving customer satisfaction, and maintaining the reliability of its services. Accordingly, the OPEX schemes for FY 2025-26 to FY 2029-30, as approved by the Commission, is mentioned below:

Table 54: Opex Schemes for FY 2025-26 to FY 2029-230 approved by Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	System Automation					
2	New Technology					
3	**I.T. Implementation**					
3.1	PSSE Software (Licence Fee)	35	35	35	35	35
3.2	CAD+MS Office (Subscription Fee)	10.47	10.47	10.47	10.47	10.47
3.3	Maintenance for PMT	96.76	96.76	96.76	73.16	36.58
3.4	Maintenance for ATC MTC	26	26	26	26	26
3.5	Website	3.65	3.65	3.65	3.65	3.65
	Total for Opex Schemes	171.88	171.88	171.88	148.28	111.7

5.4 Capital Expenditure and Capitalization

STU's Submission

5.4.1 The Commission, under Regulation 129 of the MYT Regulations 2024, has specified the provisions related to the Capital Investment Plan of STU for the 5th Control Period.

5.4.2 The provisions of Regulation 129 of the MYT Regulations 2024 states that:

> *"129.1 The STU shall submit a detailed capital investment plan, financing plan and physical targets for each Year of the Control Period based on the operational requirements prescribed by the Commission or the Ministry of Power, Government of India or any such other statutory authorities, to the Commission for approval, as a part of the Multi-Year Aggregate Revenue Requirement for the entire Control Period.*

5.4.3 STU has submitted that the funding for the capitalization of the projects will be done through 100% equity investments.

5.4.4 STU has further submitted that, in compliance with the provisions of the Grid Code, it has planned to do capital expenditure of the essential software systems for the 5th Control Period of FY 2025-26 to FY 2029-30.

5.4.5 STU has planned to capitalize projects of Project Monitoring Tool for RTM / TBCB Projects, development of portal for integration with GNA and Connectivity application portal through National Single Window System (NSWS), Combined Single Window for Grid Connectivity and Plexos Software for Integration Resource Planning for Maharashtra.

5.4.6 The major capital investment proposals submitted by STU includes:

PMT (Project Monitoring Tool) for TBCB Projects (RTM/TBCB) with estimated cost of the Scheme is Rs. 5.99 Crores and expected to be completed in FY 2025-26. The purpose, objective and intended benefit of the scheme is as below:

The PMT for TBCB Projects (RTM/TBCB) shall help in real time tracking of all the Transmission Projects in the state either through Regulated Tariff Mechanism or

through the TBCB route. The scheme of "PMT for TBCB Projects (RTM/TBCB)" amounting to Rs. 5.99 Crores was categorized as a non-DPR project. The scheme was considered as non-DPR project based on limit of Rs. 25 Crores identified for MSETCL as per Capital Investment Schemes Regulations, 2022. Approval from the competent authorities has already been received for this scheme.

The MERC (Approval of Capital Investment Schemes) Regulations 2022, Regulation 4.1 states that:

"Capital Investment Schemes of a value exceeding Rupees Twenty-five crore or such other amount as may be stipulated by the Commission from time to time shall be considered as DPR Schemes:

Provided that the Capital Investment Schemes proposed by the Applicant shall be for entire independent system including any associated upstream/downstream works, and the Schemes shall not be submitted in parts:

Provided further that the limit shall be Rupees One crore for MSLDC and Deemed Licensees other than Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Maharashtra State Electricity Transmission Company Limited (MSETCL)".

STU further submitted that the MYT Regulations, 2024 shall be applicable from 01 April 2025 and according to the provisions of these Regulations, the STU shall submit the all capital expenditure projects of a value exceeding Rs. One Crore for approval of the Commission.

The scheme "PMT for TBCB Projects (RTM/TBCB)" has been bifurcated into the Capex & Opex amounts as mentioned below:

Table 55: Categorization of PMT for RTM / TBCB into Capex and Opex Schemes as submitted by STU

Particulars	Amount (Rs.)	Final Amount with GST (Rs.)	Scheme mode
Software Development (Lump Sum)	1,60,29,000	1,89,14,220	Capex
Hosting cost for 4.5 years includes 6 months development window, 1 year warranty & 3 years AMC support (Lump Sum)	90,00,000	1,06,20,000	Opex
AMC Cost Per Year including annual security audit (3 years)	20,00,000 (Per Annum)	70,80,000	Opex
Transformation Cell Support Cost Per Year (4.5 years)	42,00,000 (Per Annum)	2,23,02,000	Opex
Change Request (Manday rate taken 30 days of 4.5 years that includes development, warranty and AMC period)	9,00,000	10,62,000	Capex

Integration with the General Network Access Portal: Estimated Cost of the Scheme is Rs. 30 Lacs and expected to be completed by FY 2026-27.

Purpose, objective and intended benefit of the scheme: The STU aims to enhance its operational efficiency and streamline its processes by developing a software solution that integrates with the GNA and Connectivity Application of the CTU portal via the National Single Window System (NSWS). This initiative will ensure seamless processing of NOCs for transmission connectivity and capacity allocation, adhering to regulatory requirements and minimizing manual intervention.

i. **Automation of NOC Processes:** To digitize and automate the issuance of NOCs, reducing processing time and errors.

ii. **Integration with NSWS and CTU Portal:** To establish a robust interface with national systems for GNA and connectivity applications, ensuring real-time data sharing and alignment with national transmission planning.

iii. **Regulatory Compliance:** To ensure adherence to national transmission planning guidelines and facilitate smooth coordination between stakeholders.

iv. **Transparency and Accountability:** To enhance the transparency of the NOC issuance process, ensuring fair and equitable access to transmission resources.

v. **Stakeholder Facilitation:** To provide stakeholders, including generators, developers, and DISCOMs, with a user-friendly platform for application submission, tracking, and processing.

Combined Single Window for Grid Connectivity: Estimated Cost of the Scheme is Rs. 40 Lacs and expected to be completed by FY 2027-28.

Purpose, objective and intended benefit of the scheme: STU has submitted that it is planning to develop a Combined Single Window platform for Grid Connectivity, aimed at consolidating and simplifying the processing of Connectivity and Open Access applications within the state. This initiative seeks to provide a unified, user-friendly digital interface to streamline application submission, tracking, and approval processes for stakeholders such as generators, consumers, and distribution licensees. By integrating these functions into a single system, the STU intends to eliminate redundancies, enhance coordination, and foster transparency in grid connectivity and open access operations.

The development of the Combined Single Window platform will bring significant benefits to the stakeholders and the STU. For applicants, it will provide a streamlined process for obtaining grid connectivity and open access, reducing the time and effort involved in navigating through multiple platforms or manual systems. The platform will also enhance transparency by offering real-time updates on the status of

applications and ensuring accountability at each stage of the process. For the STU, the system will enable better data integration, improved decision-making, and more efficient resource utilization. By automating and digitizing the application processes, the platform will help the STU meet its regulatory obligations more effectively and support the growth of Maharashtra's electricity sector by fostering a conducive environment for investment and operational excellence.

Plexos Energy Modelling Tool: The estimated Cost of the Scheme is Rs. 90 Lacs and expected to be completed by FY 2028-29.

Purpose, objective and intended benefit of the scheme: STU has submitted that it plans to integrate Plexos, a leading energy modelling and simulation software, into its operational and planning framework. This initiative is designed to enhance the STU's capabilities in optimizing transmission planning, operational analysis, and system expansion strategies. By leveraging the advanced analytics and modelling capabilities of Plexos, the STU aims to ensure a reliable, efficient, and cost-effective transmission network that aligns with the evolving needs of Maharashtra's power sector. The integration of Plexos will significantly improve the STU's capacity to address complex challenges in transmission system management. The software will enable precise forecasting and scenario analysis, helping the STU anticipate future grid requirements and mitigate risks such as congestion or underutilization. With Plexos, the STU can conduct cost-benefit analyses for proposed infrastructure projects, optimize transmission investments, and ensure alignment with Maharashtra's renewable energy and decarbonization goals. For stakeholders, the improved modeling capabilities will result in more transparent and reliable decisions regarding grid connectivity and open access applications. Overall, Plexos will play a critical role in modernizing the STU's operations, fostering a robust and sustainable power transmission network for the state.

5.4.7 The summary of Capital Investment Plan as proposed by STU is mentioned below:

Table 56: Summary of Capital Investment Plan for FY 2025-26 to FY 2029-30 submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Capital Expenditure	199.76	30	40	90	0
2	Capitalization	199.76	30	40	90	0
3	IDC					
4	Capitalization + IDC	199.76	30	40	90	0

5.4.8 STU has submitted that it has not considered the IDC for the investments as they are proposed costs associated to the software development and are expected to be 100% capitalized in the respective year.

5.4.9 As per the Regulation 4 of the (Approval of Capital Investment Schemes) Regulations 2022, the "Framework for Approval of Capital Investment" mentions that:

"Capital Investment Schemes of a value exceeding Rupees Twenty-five crore or such other amount as may be stipulated by the Commission from time to time shall be considered as DPR Schemes."

STU has submitted that the scheme of "PMT for TBCB Projects (RTM/TBCB)" amounting to Rs. 5.99 Crores is categorized as a non-DPR project based on limit of Rs. 25 Crores. identified for MSETCL as per Capital Investment Schemes Regulation 2022. Approval from the competent authorities was already taken by STU for this scheme. All other proposed investments are less than Rs. 1 Crores, due to which, the projects are considered under the "Non-DPR schemes.

Commission's Analysis and Ruling

5.4.10 The Commission has examined the capital investment plan submitted by STU for FY 2025-26 to FY 2029-30. The proposed schemes primarily focus on the digitalization of transmission operations, grid connectivity integration, and advanced modelling tools for improved planning and decision-making. The Commission notes that all proposed investments pertain to the development of essential software tools to enhance STU's operational efficiency, regulatory compliance, and system planning capabilities.

5.4.11 Regulation 29 of the MYT Regulations, 2024 states the threshold limit for Non-DPR projects to Rs. one Croes for STU. The Commission has noted the STU's submission regarding the scheme "PMT for TBCB Projects (RTM/TBCB)" amounting to Rs. 5.99 Crores. The Commission notes that STU has obtained approval from the competent authorities for this scheme.

5.4.12 The Commission has reviewed the capital investment proposals for FY 2025-26 to FY 2027-28 and finds them aligned with operational and regulatory requirements. The Commission, therefore, approves the capital expenditure for these years as proposed by STU.

5.4.13 **However, with respect to the capitalization of Energy modelling software, the Commission does not concur with STU's proposal to defer the capitalization to FY 2028-29. Given the increasing complexity in transmission planning, the Commission is of the view that STU requires advanced energy modelling tools in the immediate term. Early adoption of this tool will enable STU to optimize transmission planning, conduct comprehensive scenario analysis, and ensure better grid management in the short term. The Resource Adequacy (RA) framework notified by the Commission necessitates detailed energy modelling, scenario analysis, and system planning, which can be effectively supported by effective modelling tools and the implementation of the RA framework has been linked with 5th MYT Control Period**.

5.4.14 Accordingly, the Commission is of the view that STU may advance the investment for advanced modelling tools in FY 2025-26 instead of FY 2028-29. This will ensure that STU can leverage the software's analytical capabilities for near-term transmission planning, ensuring optimal investment decisions and improved operational efficiency.

5.4.15 **The Commission also directs STU to ensure timely implementation of the approved capital investment schemes and submit periodic progress reports on the execution of these projects. Any deviation in the scope, cost, or timeline of the schemes shall require prior approval from the Commission**.

5.4.16 Summary of Capital Investment Plan as approved by the Commission is mentioned below:

Table 57: Summary of Capex Plan for FY 2025-26 to FY 2029-30 approved by Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Capital Expenditure	289.76	30	40	0	0
2	Capitalization	289.76	30	40	0	0
3	IDC					
4	Capitalization + IDC	289.76	30	40	0	0

5.5 Depreciation

STU's Submission

5.5.1 STU has submitted the Depreciation schedule based on the useful life of the assets as mentioned below:

Table 58: Depreciation Schedule as submitted by the STU (Rs. Lakh)

Assets	Useful Life (Years)
Vehicle	10
PC (Desktop)	6.33
RTM/TBCB	6.33
MTC/ATC Solution	6.33
GNA Window	6.33
Website	6.33
Combined Single Window	6.33

5.5.2 The Depreciation of the Gross Fixed Assets as submitted by STU is mentioned below:

Table 59: Depreciation from FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
		Accumulated depreciation at beginning of year	Additions during the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year
1	Vehicle	2.79	0.93	0.93	0.93	0.93	0.93

Sr. No.	Particulars		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
		Accumulated depreciation at beginning of year	Additions during the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year
2	PC (desktop)	4.26	2.13	2.13	2.13	2.13	0.70
3	ATC-MTC	18.21	18.21	18.21	18.21	18.21	18.21
4	Website	0.77	0.77	0.77	0.77	0.77	0.77
5	RTM/TBCB	0.00	31.56	31.56	31.56	31.56	31.56
6	GNA	0.00	0.00	4.74	4.74	4.74	4.74
7	Combined Single window for GC	0.00	0.00	0.00	6.32	6.32	6.32
8	Plexos	0.00	0.00	0.00	0.00	14.22	14.22
	Total	**26.03**	**53.60**	**58.34**	**64.66**	**78.87**	**77.45**

Commission's Analysis and Ruling

5.5.3 The Commission has considered the Depreciation Rate in line with 'Annexure I: Depreciation Schedule' and 'Annexure II: Depreciation Schedule' of MYT Regulations, 2024 for Existing assets and New assets, respectively. The Depreciation Rates approved by the Commission are mentioned below:

Table 60: Depreciation Schedule approved by the Commission (Rs. Lakh)

Assets	Depreciation Rate (Straight line method)
Vehicle	9.50%
PC (Desktop)	15%
RTM/TBCB	15%
MTC/ATC Solution	15%
GNA Window	15%
Website	15%
Combined Single Window	15%

5.5.4 The Depreciation of the Gross Fixed Assets from FY 2025-26 to FY 2029-30 as approved by the Commission is mentioned below:

Table 61: Depreciation from FY 2025-26 to FY 2029-30 approved by the Commission (Rs. Lakh)

Sr. No.	Particulars		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
		Accumulated depreciation at the beginning of the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year
1	Vehicle	3.26	0.93	0.93	0.93	0.93	0.93
2	PC (desktop)	3.03	2.02	2.02	2.02	2.02	2.02

Sr. No.	Particulars		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
		Accumulated depreciation at the beginning of the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year	Additions during the year
3	ATC-MTC	8.65	17.29	17.29	17.29	17.29	17.29
4	Website	0.37	0.73	0.73	0.73	0.73	0.73
5	RTM/TBCB	0.00	14.98	29.96	29.96	29.96	29.96
6	GNA	0.00	0.00	2.25	4.50	4.50	4.50
7	Combined Single window for GC	0.00	0.00	0.00	3.00	6.00	6.00
8	Energy modelling tool	0.00	6.75	13.50	13.50	13.50	13.50
	Total	**15.30**	**42.71**	**66.69**	**71.94**	**74.94**	**74.94**

5.6 Interest on Long Term Loans

STU's Submission

5.6.1 The provisions of Regulation 27.1 of the MYT Regulations 2024 mention that:

"For a capital investment Scheme declared under commercial operation on or after April 1, 2025, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of Tariff:

……

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Generating Company or Licensee or MSLDC or STU or ESSD for determination of Tariff:

Provided also that where equity actually deployed is less than 30% of the capital cost of the capitalized asset, the actual equity shall be considered for determination of Tariff:

……."

5.6.2 STU has considered normative loan as 70% of the Capitalization for the respective year. The depreciation has been considered for the control period as mentioned in Regulation 5.8.1of the MYT Regulations, 2024. The Interest rate considered here is 9.36%, which is the weighted average of the interest computed for the FY 2023-24 of MSETCL. The interest on loan computed for the 5th Control period is as mentioned below:

Table 62: Interest on Loan of STU for FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Source of Loan	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening Balance of Gross Normative Loan	-	139.83	160.83	188.83	251.83
2	Cumulative Repayment till the year	-	53.60	111.93	176.59	255.46
3	Opening Balance of Net Normative Loan	-	86.24	48.90	12.24	-
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-	-	-
5	Addition of Normative Loan due to capitalisation during the year	139.83	21.00	28.00	63.00	-
6	Repayment of Normative loan during year	53.60	58.34	64.66	75.24	-
7	Closing Balance of Net Normative Loan	86.24	48.90	12.24	-	-
8	Closing Balance of Gross Normative Loan	139.83	160.83	188.83	251.83	251.83
9	Average Balance of Net Normative Loan	43.12	67.57	30.57	6.12	-
10	Weighted average Rate of Interest on actual Loans (%)	9.36%	9.36%	9.36%	9.36%	9.36%
11	Interest Expenses	4.04	6.32	2.86	0.57	-
12	Financing Charges					
13	Total Interest & Financing Charges	**4.04**	**6.32**	**2.86**	**0.57**	**-**

Commission's Analysis and Rulings

5.6.3 The Commission has considered the normative Debt-Equity ratio of 70:30 for calculation of Interest on Long Term Loans for FY 2025-26 to FY 2029-30 in accordance with the Regulation 27.1 under the MYT Regulation, 2024.

5.6.4 The Regulation 30 of the MYT Regulations, 2024 mentions the interest on loan for the capitalization considered for the year. The provisions under this regulation include:

"30.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use shall be considered as gross normative loan for calculation of interest on loan:

……..

30.3 The loan repayment during each year of the Control Period from FY 2025-26 to FY 2029-30 shall be deemed to be equal to the depreciation allowed for that year.

……..

30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

……"

5.6.5 The Commission notes that STU has submitted the interest rate at 9.36% which is the weighted average of the interest computed for the FY 2023-24 of MSETCL. The Commission has observed that MSETCL, in its MYT Petition has submitted interest rate at 9.05% for FY 2025-26 to FY 2029-30 based on the weighted average of the interest computed for the FY 2024-25 of MSETCL. Accordingly, the Commission has approved the interest rate on long-term loan as 9.05% for STU. The interest on loan computed for the FY 2025-26 to FY 2029-30 as approved by the Commission is as mentioned below:

Table 63: Interest on Loan of STU for FY 2025-26 to FY 2029-30 approved by Commission (Rs. Lakh)

Sr. No.	Source of Loan	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
1	Opening Balance of Gross Normative Loan	-	-	139.83	202.83	160.83	223.83	188.83	251.83	251.83	251.83
2	Cumulative Repayment till the year	-	-	53.60	42.71	111.93	109.39	176.59	181.33	255.46	251.83
3	Opening Balance of Net Normative Loan	-	-	86.24	160.13	48.90	114.44	12.24	70.50	-	-
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-	-	-	-	-	-	-	-
5	Addition of Normative Loan due to capitalisation during year	139.83	202.83	21.00	21.00	28.00	28.00	63.00	-	-	-
6	Repayment of Normative loan during the year	53.60	42.71	58.34	66.69	64.66	71.94	75.24	70.50	-	-
7	Closing Balance of Net Normative Loan	86.24	160.13	48.90	114.44	12.24	70.50	-	-	-	-
8	Closing Balance of Gross Normative Loan	139.83	202.83	160.83	223.83	188.83	251.83	251.83	251.83	251.83	251.83
9	Average Balance of Net Normative Loan	43.12	80.06	67.57	137.28	30.57	92.47	6.12	35.25	-	-
10	Weighted average Rate of Interest on actual Loans (%)	9.36%	9.05%	9.36%	9.05%	9.36%	9.05%	9.36%	9.05%	9.36%	9.05%
11	Interest Expenses	4.04	7.24	6.32	12.42	2.86	8.37	0.57	3.19	-	-
12	Financing Charges										
13	**Total Interest & Financing Charges**	**4.04**	**7.24**	**6.32**	**12.42**	**2.86**	**8.37**	**0.57**	**3.19**	**-**	**-**

5.7 Interest on Working Capital

STU's Submission

5.7.1 STU has considered the Interest rate based on the base rate, i.e., MCLR rate of SBI as on date of filing the petition plus 150 basis points. STU submitted that the MCLR rate of SBI

effective from 15th October 2024 at 8.95% and the Interest on Working Capital considered at 9.10%. The calculations of Interest on Working Capital as submitted by the STU are mentioned below.

Table 64: Interest on Working Capital for FY 2025-26 to FY 2029-30 as submitted by the STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Computation of Working Capital					
1.1	Operations and Maintenance Expenses for one month	108.30	116.49	121.86	127.48	133.36
1.2	One-and-a-half-month equivalent of expected revenue from levy of Annual Fixed Charges	123.63	130.60	131.72	130.80	125.99
	Total Working Capital Requirement	231.93	247.08	253.58	258.29	259.35
2	Computation of working capital interest					
2.1	Rate of Interest (% p.a.) - SBI Base Rate plus 150 basis points	9.10%	9.10%	9.10%	9.10%	9.10%
2.2	**Interest on Working Capital**	**21.11**	**22.48**	**23.08**	**23.50**	**23.60**

Commission's Analysis and Rulings

5.7.2 According to Regulation 32.6 of the MYT Regulations 2024, the provisions for working capital requirement of STU is as mentioned below:

"(a) The working capital requirement of the STU shall cover:

(i) Operation and maintenance expenses for one month;

(ii) One and a half months equivalent of the expected revenue from levy of Annual Fixed Charges approved by the Commission for ensuing year(s)

……) 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 Fees and Charges is filed, plus 150 basis points:*

……."

5.7.3 The "Base Rate" mentioned above is defined under Regulation 2.1(12) as mentioned below:

""Base Rate" shall mean the one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as declared by the State Bank of India from time to time;"

5.7.4 The Commission has determined the Marginal Cost of Funds Based Lending Rate (MCLR) of the State Bank of India (SBI) effective from 15th October 2024 as 8.95%. As per

Regulation 32.6 of the MYT Regulations, 2024, the rate of interest on working capital shall be determined on a normative basis and shall be equal to the Base Rate as on the date of filing of the Petition for determination of Fees and Charges, plus 150 basis points. Accordingly, the Commission considers the rate of interest on working capital as 10.45% (8.95% + 1.5%). The calculations of Interest on Working Capital as approved by the Commission are mentioned below.

Table 65: Interest on Working Capital for FY 2025-26 to FY 2029-30 approved by Commission (Rs. Lakh)

Sr. No.	Source of Loan	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
1	**Computation of Working Capital**										
0.1	O & M Expenses for one month	108.30	97.63	116.49	104.09	121.86	108.89	127.48	113.91	133.36	119.17
0.2	One and a half month equivalent of expected revenue from levy of Annual Fixed Charges	123.63	109.61	130.60	117.17	131.72	117.29	130.80	113.49	125.99	107.34
	Total Working Capital Requirement	**231.93**	**207.24**	**247.08**	**221.26**	**253.58**	**226.18**	**258.29**	**227.41**	**259.35**	**226.51**
2	Computation of working capital interest										
2.1	Rate of Interest (% p.a.) - SBI Base Rate plus 150 basis points	9.10%	10.45%	9.10%	10.45%	9.10%	10.45%	9.10%	10.45%	9.10%	10.45%
2.2	**Interest on Working Capital**	**21.11**	**21.66**	**22.48**	**23.12**	**23.08**	**23.64**	**23.50**	**23.76**	**23.60**	**23.67**

5.8 Return on Equity

5.8.1 The MYT Regulations 2024, under Regulation 29.2, has specified the rate allowed for the amount of equity capital determined. The provisions of the Regulation are mentioned below:

> *"……..*
>
> *Return on equity for MSLDC and STU shall be allowed on the amount of equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 14.00 per cent per annum in Indian Rupee terms and additionally Performance Linked Incentive shall be allowed subject to the conditions as specified in the Regulation 125 and Regulation 134, respectively"*

5.8.2 STU has considered the RoE as 14% according to the Regulation 29.2 of the MYT Regulations, 2024.

5.8.3 Under Regulation 34.3 of the MYT Regulations 2024, the calculation of Rate of pre-tax return on equity as mentioned below:

"The Rate of Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Rate of Return on Equity / (1-t),

Where "t" is the actual tax rate including surcharge and cess."

5.8.4 STU has not considered any income tax for the 5th Control Period, as currently STU has no separate corporate existence i.e., it is not a separate Company. Accordingly, STU has submitted rate of pre-tax return at 14.00%. The computation of RoE as submitted by the STU is shown in the table below:

Table 66: Return on Equity projected from FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Regulatory Equity at the beginning of year		59.93	68.93	80.93	107.93
2	Capitalisation during the year	199.76	30.00	40.00	90.00	-
3	Equity portion of capitalisation during year	59.93	9.00	12.00	27.00	-
4	Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-
5	Regulatory Equity at the end of the year	59.93	68.93	80.93	107.93	107.93
	Return on Equity Computation					
6	Return on Equity					
7	Pretax Return on Equity after considering Income Tax rate approved	14%	14%	14%	14%	14%
8	Return on Regulatory Equity at the beginning of the year	-	8.39	9.65	11.33	15.11
9	Return on Regulatory Equity addition during the year	4.20	0.63	0.84	1.89	-
10	**Total Return on Equity**	**4.20**	**9.02**	**10.49**	**13.22**	**15.11**

Commission's Analysis and Rulings

5.8.5 The Commission has considered the submission of STU and considered the RoE at the rate of 14.00% of the equity, in accordance with the MYT Regulations, 2024. The computation of RoE as approved by the Commission is shown in the table below:

Table 67: Return on Equity for FY 2025-26 to FY 2029-30 approved by Commission (Rs. Lakh)

Sr. No.	Source of Loan	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
1	Regulatory Equity at the beginning of year	-	-	59.93	86.93	68.93	95.93	80.93	107.93	107.93	107.93

Sr. No.	Source of Loan	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
2	Capitalisation during the year**	199.76	289.76	30.00	30.00	40.00	40.00	90.00	-	-	-
3	Equity portion of capitalisation during the year #	59.93	86.93	9.00	9.00	12.00	12.00	27.00	-	-	-
4	Reduction in Equity Capital on account of retirement / replacement of assets	-	-	-	-	-	-	-	-	-	-
5	Regulatory Equity at the end of the year	59.93	86.93	68.93	95.93	80.93	107.93	107.93	107.93	107.93	107.93
	Return on Equity Computation										
6	Return on Equity	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
7	Pretax Return on Equity after considering Income Tax rate approved		14%		14%		14%		14%		14%
8	Return on Regulatory Equity at the beginning of the year	-	-	8.39	12.17	9.65	13.43	11.33	15.11	15.11	15.11
9	Return on Regulatory Equity addition during the year	4.20	6.09	0.63	0.63	0.84	0.84	1.89	-	-	-
10	Total Return on Regulatory Equity (Sr. No. 8 + 9)	4.20	6.09	9.02	12.80	10.49	14.27	13.22	15.11	15.11	15.11

5.9 Non-Tariff Income

STU's Submission

5.9.1 The MYT Regulations, 2024, under Regulation 132.1, specifies the Non-Tariff Income for STU. As per Regulation 135 of the MYT Regulations 2024, non-tariff income also includes fees charged by STU from the applications submitted.

5.9.2 STU has escalated the Income from the sale of tender documents at 4.61% (escalation rate) to arrive at projections for 5th MYT control period. The STU has submitted the projected non-tariff income as mentioned below:

Table 68: Non-Tariff Income for FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Income from Sale of Scrap	0	0	0	0	0
2	Income from Investments	0	0	0	0	0

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
3	Interest income on advances to suppliers/ contractors	0	0	0	0	0
4	Income from rental from staff quarters	0	0	0	0	0
5	Income from sale of Tender documents	0.309	0.323	0.338	0.353	0.370
	Total	**0.309**	**0.323**	**0.338**	**0.353**	**0.370**

Income from Open Access and Grid Connectivity Fee

5.9.3 STU has submitted that Open Access (OA) and Grid Connectivity (GC) applications are dynamic in nature, making it challenging to establish a consistent trend. STU has stated that due to the impact of the COVID-19 period, historical application data has exhibited abnormal patterns, which have made long-term trend analysis difficult.

5.9.4 STU anticipates that the trend in OA and GC applications may evolve further with the introduction of General Network Access (GNA) regulations and incentives to promote renewable energy (RE). However, establishing a reliable trend will require additional data, which STU expects to be available by the end of FY 2027-28. STU has provided the following historic data for OA and GC applications:

Table 69: Historic Data for Number of Connectivity and OA applications

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Number of Applications SWH	33.00	44.00	122.00	162.00	238.00
Number of Applications Cogen	9.00	15.00	10.00	9.00	17.00
Number of EHV Application	17.00	27.00	27.00	30.00	41.00
Number of Open Access/GNA/NOC applications	32.00	19.00	44.00	39.00	30.00
Total	**91.00**	**105.00**	**203.00**	**240.00**	**326.00**

2-Year CAGR (post-COVID)	2-Year Year-on-Year (Y-o-Y) Trend (post-COVID)
SWH Applications: 40%	SWH Applications: 48%
Co-Generation Applications: 30%	Co-Generation Applications: 35%
EHV Applications: 23%	EHV Applications: 26%
OA Applications: (-22%)	OA Applications: (-16%)

5.9.5 STU's analysis indicates an increasing trend in GC applications and a declining trend in OA applications. STU has also highlighted that, under the current Grid Connectivity procedure, developers are required to submit an application along with a processing fee (Rs. 1,00,000 for RE and Rs. 2,00,000 for non-RE). However, no additional documents,

such as land ownership proof or bank guarantees, are mandated at this stage. Consequently, multiple developers frequently apply for grid connectivity in the same RE-rich areas, often with overlapping applications. In many cases, developers do not yet have land in their possession, and some non-genuine developers block transmission capacity simply by paying the processing fee, restricting transmission margins for genuine applicants.

5.9.6 In light of the above issues, STU has proposed modifications to the Grid Connectivity procedure for RE-based generating projects to ensure that only genuine developers shall apply. This is expected to streamline the application process and improve the allocation of transmission capacity.

5.9.7 STU anticipates that the number of applications may decline significantly following the introduction of a more stringent Grid Connectivity procedure. However, it has estimated a 10% year-on-year (Y-o-Y) increase in the number of applications, considering FY 2024-25 as the base year. STU has projected its income from application fees for the 5th Control Period, as summarized below:

Table 70: Income from Application Fee for FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Income from application fees for Connectivity/ Open Access (OA)	543.91	598.31	658.14	723.95	796.34
	Total	**543.91**	**598.31**	**658.14**	**723.95**	**796.34**

5.9.8 In view of the evolving trends in applications, STU has requested the Commission to approve the projections based on a 10% escalation and allow for a Mid-Term Review (MTR) after the first three years of the control period to compare actual operational and financial performance against approved forecasts. The MTR would allow STU to gather more data, establish a trend, and revise the number of applications and associated income for the remaining control period.

5.9.9 Further, STU has proposed that in the event the Non-Tariff Income (NTI) from OA and GC applications exceeds a specified threshold, appropriate provisions and guidelines may be formulated for the creation of a dedicated STU fund, similar to the LDC Fund of MSLDC, to manage such surplus revenues.

5.9.10 STU has also submitted that as per Regulation 135 of the MYT Regulations, 2024, non-tariff income includes fees charged by STU for processing applications related to Grid Connectivity and Open Access. The relevant provisions are as follows:

"The STU shall recover the following Fees as approved by the Commission from time to time:

a) Registration or Connection Fees per connection from all users connecting to the Intra-State Transmission System.

b) Long Term and Medium-Term open access fees;

c) Non-refundable application processing fee:

d) *Any other Fees approved by the Commission from time to time."*

5.9.11 Accordingly, STU has requested the Commission to approve the proposed fees structure of application fees to the Grid Connectivity and Open Access Application as identified below:

Table 71: Applications Fees for the period FY 2025-26 to FY 2029-30 submitted by STU

Sr. No	Particulars	Proposed fees in Rs.
1	Grid Connectivity Fees (for RE)	1,00,000
2	Grid Connectivity Fees (Other than RE)	2,00,000
3	Medium-Term Open Access (MTOA) Application	1,00,000
4	Long Term Open Access (LTOA) Application	2,00,000
5	EHV Application	2,00,000
6	Applications SWH	1,00,000
7	Applications Cogen	1,00,000

Commission's Analysis and Rulings

5.9.12 The Commission has noted the submissions of STU regarding the income from Open Access and Grid Connectivity fees. The Commission also notes that the number of OA and GC applications has exhibited significant variability in the past, influenced by the COVID-19 period and subsequent market recovery and identifying a consistent long-term trend may remain a challenge at present.

5.9.13 The Commission takes note of the historical data provided by STU which shows that Grid connectivity applications are increasing whereas OA applications are declining in recent years. The Commission also notes the STU's responsibility in processing these applications and ensuring optimal allocation of transmission capacity.

5.9.14 The Commission also notes the submission of STU regarding applications submitted without supporting documentation to block the grid connectivity. The Commission finds merit in STU's proposal to introduce a more disciplined procedure for granting Grid Connectivity to ensure that only serious developers should apply for Grid connectivity.

5.9.15 With regard to the proposal for the creation of a dedicated STU fund for managing surplus Non-Tariff Income from OA and GC applications, the Commission notes that, STU has not submitted any specific proposal for such fund. Considering that, STU will be operating its ARR first time as STU, the Commission finds it appropriate to take a considered view in the next control period to create such fund.

5.9.16 The Commission observes that Regulation 135 of the MYT Regulations, 2024 already includes provisions for the recovery of fees by STU for Grid Connectivity and Open Access applications. The Commission, therefore, approves the proposed fee structure as detailed below:

Table 72: Applications Fees for the period FY 2025-26 to FY 2029-30 approved by Commission

Sr. No	Particulars	Proposed fees in Rs
1	Grid Connectivity Fees (for RE)	1,00,000
2	Grid Connectivity Fees (Other than RE)	2,00,000
3	Medium Term Open Access (MTOA) Application	1,00,000
4	Long Term Open Access (LTOA) Application	2,00,000
5	EHV Application	2,00,000
6	Applications SWH	1,00,000
7	Applications Cogen	1,00,000

5.9.17 The Commission directs STU to monitor the impact of the revised Grid Connectivity framework and submit a comprehensive assessment report at the time of Truing up at the end of the control period. This report should include an evaluation of the impact on the number of applications, transmission capacity utilization, and revenue realization.

5.10 Key Performance Indicators for STU

STU's Submission:

5.10.1 The MYT Regulations, 2024 has introduced Performance Linked Incentives for STU under Regulation 136, the provisions of which are mentioned below:

"136.1 STU shall submit its actual performance against each of the key performance indicators to the Commission on an annual basis along with supporting documents.

136.2 The Commission shall evaluate the overall performance of the STU, on the basis of weightage specified in the table below.

136.3 STU shall be allowed to recover an incentive maximum upto 3% of its Net Annual Revenue Requirement for a performance level of 90% against the KPI

The performance of the previous year ending on 31st March shall be considered for calculation and recovery of incentive in the year.

Provided that the incentive shall increase by 1% of Net Annual Revenue Requirement for every 5% increase of performance above 90% on a pro-rata basis.

Provided further that incentive shall be reduced by 1% on a pro-rata basis for every 3% decrease in performance level below 90%. ……"

5.10.2 As per Regulation 136.3 of the MYT Regulations 2024, the Performance Linked Incentives are 3% for a performance level of 90% against the KPIs. STU has considered 3% of the

AFC as a performance linked incentive under assumption of achieving 90% of the marks and accordingly included in calculation of AFC. The following table shows PLI calculated as per 3% of AFC.

Table 73: Performance Linked Incentive as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Performance Linked Incentives	31.24	33.01	33.30	33.09	31.90

5.10.3 According to the Form 15.1 of the MYT Petition formats, the KPIs for "STU: Stakeholder Satisfaction" projected for the Control Period is mentioned below.

5.10.4 The Planned number of ongoing Intra state projects have been stated here as per 10 year rolling plan of STU.

Table 74: Planned number of proposals for InSTS

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Number of Proposals for Intra State Transmission Planning	68	47	22	20	19

5.10.5 The number of applications in a year for issuance of connectivity and GNA is based on historical trends and calculated CAGR. STU has determined a base number of applications for GNA and connectivity. To streamline and enhance the quality of connectivity applications, STU intends to implement more stringent procedures for grid connectivity. As a result, STU anticipates a moderated growth rate in application volume, projecting a 10% increase from the base value derived through CAGR analysis. This approach aligns with STU's objective of fostering a more robust and efficient grid connectivity process and to ensure that only genuine developers apply for grid connectivity, thus helping to regulate the number of applications received by STU and optimize the allocation of transmission capacity.

Table 75: Applications for issuance of connectivity and GNA as submitted by STU

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Number of applications in a year for issuance of connectivity and GNA	494	543	597	657	723
2	No. of connectivity not granted and GNA not approved for which no compliance is needed from applicant	11	12	14	15	17

5.10.6 The number of ongoing Intra state projects have been considered as per 10 year rolling plan of STU. STU has implemented a half-yearly review process for all ongoing projects to enhance project oversight and ensure timely progress.

Table 76: Project Monitoring: Online data from various projects

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Number of ongoing projects of intra-state transmission licensees	68	47	22	20	19
2	No. of progress reports of project collected	136	94	44	40	38

5.10.7 The number of TBCB projects have been stated as per 10 year rolling plan of STU. STU has implemented a half-yearly review process for all ongoing projects to enhance project oversight and ensure timely progress.

Table 77: Monitoring of progress of TBCB projects

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	No. of on-going TBCB projects within the state	1	7	4	8	13
2	No of Progress reports of project collected and submitted to the Commission.	2	14	8	16	26

5.10.8 STU has comprehensively planned the Intra-State Network up to year 2032-33 considering the upcoming load as per 20th EPS, upcoming RE Generators within the state and outside the state, PSPs, Green Hydrogen and Data centres. The STU plan also consists of upcoming CTU network and its connectivity with Maharashtra network. As such, this CTU-STU connectivity and associated network coming in upcoming years will be discussed CTU-STU evolving committee meeting. Hence, STU has considered the number of schemes proposed in new corridor, which will be discussed and approved in the CTU-STU meeting in future time frame.

Table 78: Coordination with CTU for CTU-STU projects by providing state specific data

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	No. of CTU-STU coordination meeting conducted in year.	12	12	12	12	12
2	No of clearance obtained for STU projects	3	7	4	8	13

5.10.9 No of InSTS meetings conducted in year are as per Maharashtra State Grid Code Regulations 2020 according to Regulation 5.5 (a) of the MEGC 2020.

5.10.10 As part of the regulatory process, STU conducts quarterly MTC meetings to address transmission clearances across various utilities. On an average around 60 clearances are reviewed and obtained in each session, facilitating smooth coordination and compliance among utilities involved in transmission projects and maintenance activities. These meetings serve as a platform for addressing key issues, ensuring that regulatory and operational standards are met consistently.

Table 79: Coordination meetings with intra-state entities for various planning activities

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	No. of intra-state meetings conducted in years for intra state planning	4	4	4	4	4
2	No. of clearance obtained for intra-state projects	60	60	60	60	60

5.10.11 The mentioned dates for submission of 5-year plan by STU are in accordance with Regulation 12.13 of the MEGC Regulations 2020.

Table 80: Submission of 5-year STU plan to the Commission and updating the proposal every year

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Submission of 5-year plan by STU to the Commission within stipulated time	31.12.24	31.12.25	31.12.26	31.12.27	31.12.28

5.10.12 According to the Form 15.2 of the MYT Petition formats, the KPIs for "STU: Financial Prudence" projected for the Control Period is mentioned below.

5.10.13 STU serves 19 Distribution and deemed Distribution Licensees as Transmission System Users (TSUs) and, in accordance with the InSTS Order, is responsible for issuing transmission charge bills, collecting transmission charges, and disbursing these charges to various transmission licensees. To streamline these processes, STU is also developing a software solution for Monthly Transmission Charges (MTC) and Aggregate Transmission Charges (ATC) billing. This solution will enhance STU's efficiency in generating bills and managing the collection of transmission charges, thereby supporting effective financial management and operational transparency.

Table 81: Issuance of Monthly Transmission Bill

Particulars	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
FY 2025-26	19	19	19	19	19	19	19	19	19	19	19	19	228

5.10.14 The Finance team of MSETCL conducts approximately four internal audits each year. Based on this practice, STU has projected a similar frequency for internal audits in the upcoming control period.

Table 82: Audit Compliances: Number of Audits complied during the year

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Internal Audits (Phase I)	2	2	2	2	2
2	Internal Audits (Phase II)	2	2	2	2	2
3	Physical Verification Audit	0	0	0	0	0

5.10.15 According to the Form 15.3 of the MYT Petition formats, the KPIs for "STU: Learning & Growth" projected for the Control Period is mentioned below.

5.10.16 As per STU's Capex Plan, several technologies are envisioned for implementation in the upcoming control period. These planned technological advancements aim to enhance operational efficiency, improve system reliability, and support the strategic objectives of STU.

Following is the Plan:

1) FY 25-26: PMT for TBCB Project (RTM/TBCB)

2) FY 26-27: GNA integration Window

3) FY 27-28: Combined Single Window for Grid Connectivity

4) FY 28-29: Plexos

5) FY 29-30: NA

Table 83: New technology adoption / R&D for FY 2025-26 to FY 2029-30 as submitted by STU

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Number of new technologies adopted	1	1	1	1	0

5.10.17 As per the STU 10-year plan for the state, a comprehensive load flow study is carried out by STU considering existing and proposed all India transmission network to remove transmission constraints and ensure robust planning to mitigate the upcoming load and evacuate the upcoming RE/Conventional Generation. These studies are conducted in coordination with various Discoms, Transmission Licensees in the State and CTU to analyse and validate the Proposed Network under varying load/ Generation conditions.

5.10.18 STU is carrying out load flow simulation to grant Grid Connectivity to upcoming RE Generators, IPPs, PSPs, EHV Consumers and Datacentre loads.

5.10.19 A detailed short-circuit studies are performed by STU by creating simulated 3 phase and 1 phase faults in the substation buses to determine if the equipment in a system is properly rated to handle potential fault currents. This can help increase the reliability and longevity of the system. Also, Short circuit Studies are required to design and coordinate protective

devices. Every Year STU conducts Short Circuit Studies on the existing/ planned substations on yearly basis considering the increase in elements and enhanced network.

Table 84: Availability of IT Software: Number of times software used.

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Load Flow Software, Short Circuit Studies	166	168	169	171	173

5.10.20 STU has planned to encourage employee participation in various trainings, seminars, and workshops. The HR department of STU is in the process of implementing 7 days mandatory training policy for all employees which aims to foster continuous learning and professional development across the organization.

Table 85: Capacity Building: No. of man-days per year per eligible employee

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Percentage no. of employees trained for more than or equal to mandated 7 days as on last date of the financial year	70%	70%	70%	70%	70%

5.10.21Previously ISO certification was issued to MSETCL in the year 2007, which was valid till 27 August 2010. Since then, No ISO Certification has been done.

Table 86: ISO Certification

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Number of ISO standards	0	0	0	0	0
2	Number of ISO standards that are active for all days in a year	0	0	0	0	0

Commission's Analysis and Rulings

5.10.22Provisions of Regulation 29.1 of the MYT Regulations, 2024 is mentioned below:

"29.1 ……

Provided further that Performance Linked Return on Equity considered at the time of MYT Proceedings is on provisional basis and may undergo change at the time of True-up based on level of performance on various parameters stipulated in these Regulations:

……."

5.10.23According to the Regulation 29.1 of MYT Regulations, 2024 the Commission considers 3% of the AFC as performance linked incentive on provisional basis. Computation of Incentive shall be undertaken at the time of True-up exercise for respective years.

S. No.	Parameters	Performance Parameters Approved by the Commission				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
A. Stakeholders Satisfaction						
1	Planning of new proposals of InSTS.	68	47	22	20	19
2.1	Number of applications in a year for issuance of connectivity and GNA	494	543	597	657	723
2.2	No. of connectivity not granted and GNA not approved for which no compliance is needed from applicant	11	12	14	15	17
3	No. of on-going TBCB projects within the state	1	7	4	8	13
4	No. of Progress reports of project collected and submitted to the Commission.	2	14	8	16	26
5.1	No. of CTU-STU coordination meeting conducted in year.	12	12	12	12	12
5.2	No of clearance obtained for STU projects	3	7	4	8	13
6.1	No. of intra-state meetings conducted in years for intra state planning	4	4	4	4	4
6.2	No. of clearance obtained for intra-state projects.	60	60	60	60	60
7*	Submission of 5-year STU plan proposal to the Commission and updating proposal every year.	31.12.24	31.12.25	31.12.26	31.12.27	31.12.28
B. Financial Prudence						
8	Raising transmission bills, collection and disbursement of transmission charges to InSTS transmission licensees.	228	228	228	228	228
C. Learning & Growth						
9.1	Statutory Compliance of Internal Audit (Phase I)	2	2	2	2	2
9.2	Statutory Compliance of Internal Audit (Phase II)	2	2	2	2	2
9.3	Physical Verification Audit	0	0	0	0	0
10	New technology adoption / R&D/new software deployed.	1	1	1	1	0
11	Availability of IT software: such as Load Flow software, Short Circuit Studies etc.	166	168	169	171	173
12	Capacity Building: No. of man- days per year per eligible employee	70%	70%	70%	70%	70%
13.1	Number of ISO standards	0	0	0	0	0
13.2	Number of ISO standards that are active for all days in a year	0	0	0	0	0

6 Sharing of STU Charge

6.1 Summary of ARR for FY 2025-26 to FY 2029-30

6.1.1 The head wise projected expenses for Control Period from FY 2025-26 to FY 2029-30 as submitted by STU is mentioned below:

Table 87: Summary of Annual Fixed Charges for FY 2025-26 to FY 2029-30 as submitted by STU (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	1,299.57	1,397.85	1,462.33	1,529.79	1,600.35
2	Depreciation Expenses	53.60	58.34	64.66	78.87	77.45
3	Interest on Loan Capital	4.04	6.32	2.86	0.57	-
4	Interest on Working Capital	21.11	22.48	23.08	23.50	23.60
5	Income Tax	-	-	-	-	-
6	Opex Scheme	171.88	171.88	171.88	148.28	111.70
7	Total Revenue Expenditure	1,550.19	1,656.87	1,724.80	1,781.02	1,813.10
8	Return on Equity Capital	4.20	9.02	10.49	13.22	15.11
9	Performance Linked Incentives	31.24	33.01	33.30	33.09	31.90
10	Total Expenditure for STU	35.44	42.03	43.79	46.31	47.01
11	Less: Non-Tariff Income	0.31	0.32	0.34	0.35	0.37
12	Less: Income from application fees for OA, GNA and Connectivity	543.91	598.31	658.14	723.95	796.34
13	**Annual Fixed Charges for STU**	**1,041.41**	**1,100.27**	**1,110.12**	**1,103.02**	**1,063.40**

Commission's Analysis and Rulings

6.2 Projected ARR for FY 2025-26 to FY 2029-30 as approved by the Commission:

6.2.1 The provision of the Regulation 134 of the MYT Regulations 2024 is as below:

134 Sharing of STU Charges by long-term TSUs

134.1 *The long-term Transmission System Users shall share the STU Charges in the proportion of Adjusted Base Transmission Capacity Rights of each Transmission System User to the total Adjusted Base Transmission Capacity Rights allotted in the intra-State transmission system.*

Provided that a Partial Open Access Consumer shall pay the STU Charges to the Distribution Licensee instead of the Transmission Licensee for using a transmission network which shall be passed on to the STU within the stipulated time period as specified under Regulations 14.5 of MERC Distribution Open Access Regulation, 2016 and its amendment thereof.

Provided also that the Distribution Licensee shall submit billed Open Access Demand of Partial Open Access consumers to STU and MSLDC on monthly basis for calculating Adjusted Base Transmission Capacity Rights.

134.2 *The Annual MSLDC Charge payable by Transmission System User shall be computed in accordance with the following formula:*

Monthly STU Charges (INR/MW/Month) = [AFC(u)(t) ÷∑n i=1 [Adjusted Base TCR(u)](t)] ÷ 12

Where,

Adjusted Base TCR (u) = Base TCR(u) – Billed OA Demand of POA(u) Where,

Adjusted Base TCR represents the Base Transmission Capacity Right of each Transmission System User (u) adjusted for billed OA Demand of a Partial Open Access Users for the yearly period (t);

134.3 *The STU Charges approved for the Year shall be equally spread over the 12 months of the Year and STU Charges per MW per month shall be computed by STU in accordance with the following Formula:*

Monthly STU Charges (INR/MW/Month) = [AFC(u)(t) ÷∑n i=1 [Base TCR(u)](t)] ÷ 12

134.4 *The Open Access consumers excluding those covered under Regulation 134.1 shall be liable for payment of the STU Charges in proportion to the duration for which they were granted Open Access during the concerned billing period.*

134.5 *The Charges to be recovered by STU shall continue to be billed at the Tariff approved by the Commission and applicable as on March 31, 2025 for the period starting from April 1, 2025 till approval of Charges by the Commission in accordance with these Regulations.*

6.2.2 The head wise projected expenses from FY 2025-26 to FY 2029-30 as approved by the Commission are as mentioned below:

Table 88: Summary of Annual Fixed Charges for FY 2025-26 to FY 2029-30 as approved by the Commission (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved	MYT Petition	Approved
1	Operation & Maintenance Expenses	1,299.57	1,171.54	1,397.85	1,249.07	1,462.33	1,306.69	1,529.79	1,366.97	1,600.35	1,430.02
2	Depreciation Expenses	53.60	42.71	58.34	66.69	64.66	71.94	78.87	74.94	77.45	74.94
3	Interest on Loan Capital	4.04	7.24	6.32	12.42	2.86	8.37	0.57	3.19	-	-
4	Interest on Working Capital	21.11	21.66	22.48	23.12	23.08	23.64	23.50	23.76	23.60	23.67
5	Income Tax	-	-	-	-	-	-	-	-	-	-
6	Opex Scheme	171.88	171.88	171.88	171.88	171.88	171.88	148.28	148.28	111.70	111.70
7	**Total Revenue Expenditure**	**1,550.19**	**1,415.02**	**1,656.87**	**1,523.18**	**1,724.80**	**1,582.51**	**1,781.02**	**1,617.14**	**1,813.10**	**1,640.33**
8	Return on Equity Capital	4.20	6.09	9.02	12.80	10.49	14.27	13.22	15.11	15.11	15.11
9	Performance Linked Incentives	31.24	26.31	33.01	28.12	33.30	28.15	33.09	27.24	31.90	25.76
10	**Total Expenditure for STU**	**1,585.63**	**1,447.42**	**1,698.90**	**1,564.10**	**1,768.59**	**1,624.93**	**1,827.33**	**1,659.49**	**1,860.11**	**1,681.20**
11	Less: Non-Tariff Income	0.31	0.31	0.32	0.32	0.34	0.34	0.35	0.35	0.37	0.37
12	Less: Income from application fees for OA, GNA and Connectivity	543.91	543.91	598.31	598.31	658.14	658.14	723.95	723.95	796.34	796.34
13	**Annual Fixed Charges for STU**	**1,041.41**	**903.19**	**1,100.27**	**965.47**	**1,110.12**	**966.46**	**1,103.02**	**935.18**	**1,063.40**	**884.49**

6.3 Sharing of STU charges amongst TSUs

6.3.1 TSU is defined under Regulation 2.1 (100) of the MYT Regulations, 2024 as below:

"(100) "Transmission System User" for the purpose of these Regulations means the Distribution Licensees and long-term Open Access Users.

6.3.2 The Commission, in the MYT Order in Case No. 239 of 2022 dated 31 March 2023 for InSTS, had considered fourteen (14) TSUs for the purpose of sharing the TTSC as below:

Distribution Licensees

i. Maharashtra State Electricity Distribution Company Ltd (MSEDCL)
ii. Tata Power Company Ltd (TPCL-D)
iii. Adani Electricity Mumbai Ltd (AEML-D)
iv. Brihan Mumbai Electric Supply and Transport (BEST)

Long-Term Open Access Consumer

i. Indian Railways* (IR) (Mumbai & Rest of Maharashtra Combined)

SEZ Deemed Distribution Licensees

i. Mindspace Business Park Private Limited (MBPPL)
ii. Gigaplex Estate Private Limited (GEPL)
iii. Maharashtra Airport Development Company (MADC)
iv. Nidar Utilities Panvel LLP
v. KRC Infrastructure and Projects Private Ltd. (KRCIPPL)
vi. EON Phase-1 (EON -I)
vii. EON Phase-2 (EON-II)
viii. Jawaharlal Nehru Port Authority (JNPA)
ix. Laxmipati Balaji Supply Chain Management Ltd. (LBSCML)

***Indian Railways:** As per the Judgement of Hon'ble the APTEL in the Appeal No. 276 of 2015, the Indian Railways has been considered as an open access consumer. The Hon'ble Supreme court vide its Record of Proceeding (ROP) on dated 06 May, 2024 & 08 November, 2024 has directed that the Railways shall not be required to pay either the cross-subsidy surcharge or, as the case may be the additional surcharges to the distribution licensees. However, Railways shall be liable to pay transmission and wheeling charges. The directions given in the order dated 06 May, 2024 and 08 November, 2024 are in the nature of interim orders and shall be subject to the outcome of the present appeals. As the Supreme Court Order does not specifies the status of Railways as Deemed Distribution

Licensee; the Commission has considered Indian railways as a LTOA consumer for sharing of STU fees and charges.

6.3.3 There have been five (5) new SEZ deemed Distribution Licensees which are operational/in process post October 2023. The summary of the same is tabulated as under:

Table 89: Summary of New Deemed Distribution Licensees

Sr. No	Name of SEZ Deemed Distribution Licensee and Type	Date of the Issue of Licence	Whether operationalised as on date of filing this Petition (Yes/ No)	BPTA Signing status	Whether LTOA/ MTOA applied for	PPA
1	AEML SEEPZ Ltd	06/06/2022	Yes	No	-	Yes
2	Hadapsar SEZ	08/12/2023	Yes	No	-	Yes
3	Manjari SEZ	08/12/2023	Yes	No	-	Yes
4	Maharashtra Industrial Township Limited (MITL) - Bidkin	02/08/2022	No	No	-	Yes
5	Maharashtra Industrial Township Limited (MITL) - Shendra	02/08/2022	No	No	-	Yes

6.4 Determination of Base TCR for 5th Control Period from FY 2025-26 to FY 2029-30

STU's Submission

6.4.1 Under Regulation 133 and 134 of the MYT Regulations 2024, the Commission has specified the process for sharing of STU charges by the Transmission System Users as below:

"133 Sharing of STU Charges

133.1 The STU Charges payable by the Transmission System Users shall be computed in accordance with the following formula:

AFC(u)(t) = AFC(t) X ([Base TCR(u)](t) / Σ ni=1[Base TCR(u)](t))

Where,

AFC(u)(t) = STU Charges to be shared by the Beneficiary (u) for the Yearly period (t);

AFC(t) = Total STU Charges to be shared by the Beneficiaries for the Yearly period (t);

Base TCR (u) = [CPD(u)(t) + NCPD(u)(t)] /2

Where,

Base TCR represents the Base Transmission Capacity Right of each Beneficiary (u) for the Yearly period (t);

CPD (u)(t) = Average Coincident Peak Demand of the Beneficiary (u) for the Yearly period (t);

NCPD (u)(t) = Average Non-coincident Peak Demand of the Beneficiary (u) for the Yearly period (t)"

6.4.2 The provision of the MYT Regulations 2024 for demand projections of yearly CPD & NCPD of the 5th Control Period of FY 2025-26 to FY 2029-30 is stated in the Regulation 83.2 as below:

"Provided also that the Yearly CPD and NCPD or the Allotted capacity, as the case may be, to be considered for determination of the subsequent yearly Base Transmission Capacity Rights shall be computed at the beginning of the Control Period based on the past trend and on the basis of demand projections made by various TSUs connected to the Intra-State transmission system as part of their MYT Petitions for the Control Period:"

6.4.3 STU has submitted that, based on historical data, it attempted to project and validate the demand data; however, the results were distorted due to the impact of the COVID-19 pandemic in FY 2020-21.

6.4.4 To ensure accurate demand projections for the 5th Control Period, various scenarios, including year-on-year growth rates, 3-year CAGR, and demand projections submitted by TSUs, were evaluated which is shown in the table below:

Table 90: Demand projections (MW) based on 3-year or 2-year CAGR & YOY Growth

Sr. No	Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		3 Year or 2 Year CAGR	YOY Growth
1	MSEDCL	17,700.57	20,236.83	21,657.68	23,299.94		9.59%	10.54%
2	TPCL-D	657.87	742.92	840.77	887.89		10.51%	11.65%
3	AEML-D	1,217.96	1,346.74	1,520.32	1,620.51		9.99%	11.02%
4	BEST	616.77	698.50	766.74	809.62		9.49%	10.42%
5	Indian Railways	232.46	357.75	465.28	476.30		27.01%	34.97%
6	Mindspace Properties	6.74	6.81	8.83	9.63		12.64%	14.31%
7	Gigaplex Properties	3.09	3.58	4.96	4.76		15.52%	18.06%
8	KRC Infrastructure	1.68	2.60	4.23	4.84		42.31%	62.73%
9	Nidar Utilities	1.38	2.30	3.33	5.01		53.87%	88.09%
10	MADC	10.28	11.06	12.50	13.64		9.88%	10.89%
11	EON Phase-1*	NA	5.82	6.88	7.81		10.31%	17.12%
12	EON Phase-2*	NA	2.44	4.62	5.57		31.76%	64.37%
13	JNPA#	NA	NA	0.91	1.11		22.51%	22.51%
14	Laxmipati Balaji*	NA	0.57	0.60	0.61		3.56%	3.63%

* Two-year CAGR calculated for the TSU; # YOY Growth or 1 Year CAGR is calculated for the TSUs

6.4.5 STU has submitted that the historical data for AEML SEEPZ Ltd is available from November 2023, while data for Hadapsar SEZ & Manjari SEZ is available from July 2024. MITL is expected to start commercial operations from December 2024. Demand

projections for these TSUs has been considered based on the projections submitted by them.

6.4.6 STU has parallelly evaluated the demand projections submitted by the TSUs under their Resource Adequacy (RA) Plan. As per Clause 5.4 of the MERC (Framework for Resource Adequacy) Regulations, 2024 (MERC Framework for RA Regulation, 2024):

> *"The distribution licensee shall develop and prepare Long-Term Distribution Resource Adequacy Plan (LT-DRAP), Medium-Term Distribution Resource Adequacy Plan (MT-DRAP), and Short-Term Distribution Resource Adequacy Plan (ST-DRAP) in accordance with the conditions outlined under these Regulations."*

6.4.7 Accordingly, MSEDCL, AEML, TPCL, BEST, Indian Railways, Mindspace Properties, Gigaplex Properties, KRC Infrastructure, MADC, Laxmipati Balaji and AEML SEEPZ Ltd have provided the demand projections till FY 2034-35 based on the MERC (RA) Regulation, 2024 which identifies demand projections based on different methodologies such as trend analysis, ARIMA, ANN, econometrics etc.

6.4.8 For the above-mentioned TSUs, the STU has considered demand projections for FY 2025-26 to FY 2029-30 for most probable scenario, derived using various projection methodologies. A 4-year CAGR of this projected demand has been calculated to project the Base TCR. This method aids in escalating the Base TCR based on the demand projections provided by the TSUs, as per the MERC RA Regulations, 2024.

6.4.9 The remaining TSUs, such as EON Phase-1, EON Phase-2, Nidar Utilities, Hadapsar SEZ, and Manjari SEZ, have submitted their demand projections to the STU based on their internal evaluations. STU has considered the demand projections made available by TSUs.

6.4.10 The demand projections and escalation rates based on submission of TSUs are as below:

Table 91: Demand projections (MW) submitted by TSUs.

Sr. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	4 Year CAGR
1	MSEDCL	27,732.00	30,520.00	33,521.00	34,287.00	35,334.00	6.24%
2	TPCL-D	1,084.00	1,156.00	1,253.00	1,332.00	1,414.00	6.87%
3	AEML-D	2,183.89	2,309.23	2,436.56	2,561.97	2,639.52	4.85%
4	BEST	954.00	961.00	969.00	977.00	986.00	0.83%
5	Indian Railways	550.40	580.70	612.60	646.30	681.90	5.50%
6	Mindspace Properties	10.50	10.80	11.00	11.20	11.40	2.08%
7	Gigaplex Properties	8.17	8.58	8.80	9.02	9.24	3.12%
8	KRC Infrastructure	7.90	8.06	8.22	8.38	8.55	2.00%
9	Nidar Utilities	16.67	20.73	25.55	30.85	33.35	18.93%
10	MADC	17.28	18.66	20.16	21.77	23.51	8.00%
11	EON Phase-1	10.00	10.00	10.00	10.00	10.00	0.00%
12	EON Phase-2	7.00	7.00	7.00	7.00	7.00	0.00%
13	JNPA	1.37	1.54	1.72	1.92	2.15	11.88%

Sr. No.	Particulars	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	4 Year CAGR
14	Laxmipati Balaji	0.76	0.77	0.79	0.80	0.82	1.92%
15	AEML SEEPZ Ltd	35.29	36.96	38.60	40.23	41.83	4.34%
16	Hadapsar SEZ	17.00	17.00	17.00	17.00	17.00	0.00%
17	Manjari SEZ	12.00	12.00	12.00	12.00	12.00	0.00%
18	MITL - Bidkin	20.00	20.00	20.00	20.00	20.00	0.00%
19	MITL – Shendra	20.00	20.00	20.00	20.00	20.00	0.00%

6.4.11 STU has considered the demand projections of TSUs for escalation of base TCR of the 5th Control Period. The Month wise Average Coincident Peak Demand and Non-Coincident Peak Demand is considered based on 12 months prior to filing of this petition so as to arrive at Base TCR for FY 2025-26.

6.4.12 The Base TCR is escalated by the 4-year CAGR, based on the Demand Projections of TSUs, as identified in the table above, to determine the projected base TCR for the remaining years of the 5th Control Period, with the Base TCR and their distribution amongst different TSUs as outlined below:

Table 92: Base TCRs for FY 2025-26 to FY 2029-30 as submitted by STU (Including POA Cap.)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)
1	MSEDCL	22,654	84.89%	24,068	85.10%	25,571	85.30%	27,168	85.49%	28,864	85.68%
2	TPCL-D	910	3.41%	973	3.44%	1,039	3.47%	1,111	3.50%	1,187	3.52%
3	AEML-D	1,655	6.20%	1,735	6.14%	1,820	6.07%	1,908	6.00%	2,000	5.94%
4	BEST	812	3.04%	819	2.89%	825	2.75%	832	2.62%	839	2.49%
5	Indian Railways#	507	1.90%	534	1.89%	564	1.88%	595	1.87%	628	1.86%
6	Mindspace Properties*	9	0.04%	10	0.03%	10	0.03%	10	0.03%	10	0.03%
7	Gigaplex Properties*	5	0.02%	5	0.02%	5	0.02%	5	0.02%	5	0.02%
8	KRC Infrastructure*	5	0.02%	5	0.02%	5	0.02%	6	0.02%	6	0.02%
9	Nidar Utilities	8	0.03%	9	0.03%	11	0.04%	13	0.04%	15	0.05%
10	MADC	14	0.05%	15	0.05%	16	0.05%	17	0.05%	18	0.05%
11	EON Phase-1	8	0.03%	8	0.03%	8	0.03%	8	0.03%	8	0.02%
12	EON Phase-2	5	0.02%	5	0.02%	5	0.02%	5	0.02%	5	0.02%
13	JNPA	2	0.01%	2	0.01%	2	0.01%	2	0.01%	2	0.01%
14	Laxmipati Balaji	1	0.00%	1	0.00%	1	0.00%	1	0.00%	1	0.00%
15	AEML SEEPZ Ltd	28	0.10%	29	0.10%	30	0.10%	32	0.10%	33	0.10%
16	Hadapsar SEZ	15	0.06%	15	0.05%	15	0.05%	15	0.05%	15	0.05%
17	Manjari SEZ	11	0.04%	11	0.04%	11	0.04%	11	0.03%	11	0.03%
18	MITL	20	0.07%	20	0.07%	20	0.07%	20	0.06%	20	0.06%
19	MITL	20	0.07%	20	0.07%	20	0.07%	20	0.06%	20	0.06%
	Total TCR of TSUs	**26,687**	**100%**	**28,284**	**100%**	**29,978**	**100%**	**31,778**	**100%**	**33,689**	**100%**

*Deemed Distribution Licensees #Long Term Open Access User

6.5 The sharing of STU Fees and Charges amongst TSU based on Base TCR

6.5.1 The sharing of STU Fees and Charges amongst different TSUs for FY 2025-26 to FY 2029-30 based on the base TCR of the TSUs as submitted by STU is identified below:

Table 93: Annual Sharing of AFC (Rs. Lakh) among TSUs for FY 2025-26 to FY 2029-30 as submitted by STU (Including POA Demand)

Sr No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Annual Fixed Charges (Rs. Lakh)**	1,041.41	1,100.27	1,110.12	1,103.02	1,063.40
2	Sharing of STU Charges					
i	MSEDCL	884.01	936.29	946.91	943.00	911.10
ii	TPCL-D	35.52	37.84	38.49	38.56	37.48
iii	AEML-D	64.58	67.51	67.38	66.22	63.14
iv	BEST	31.68	31.84	30.56	28.89	26.49
v	Indian Railways	19.77	20.79	20.88	20.65	19.81
vi	Mindspace Properties	0.37	0.38	0.36	0.35	0.32
vii	Gigaplex Properties	0.19	0.19	0.19	0.18	0.17
viii	KRC Infrastructure	0.21	0.21	0.20	0.19	0.18
ix	Nidar Utilities	0.30	0.36	0.40	0.45	0.49
x	MADC	0.53	0.57	0.59	0.59	0.58
xi	EON Phase-1	0.32	0.32	0.30	0.28	0.26
xii	EON Phase-2	0.21	0.21	0.20	0.19	0.17
xiii	JNPA	0.06	0.07	0.07	0.07	0.08
xiv	Laxmipati Balaji	0.02	0.02	0.02	0.02	0.02
xv	AEML SEEPZ Ltd	1.09	1.13	1.12	1.10	1.04
xvi	Hadapsar SEZ	0.59	0.59	0.56	0.53	0.48
xvii	Manjari SEZ	0.41	0.41	0.39	0.37	0.34
xviii	MITL - Bidkin	0.78	0.78	0.74	0.69	0.63
xix	MITL - Shendra	0.78	0.78	0.74	0.69	0.63
	Total (Rs. Lakh)	**1,041.41**	**1,100.27**	**1,110.12**	**1,103.02**	**1,063.40**

6.5.2 The sharing of AFC amongst the long-term TSU in the proportion of Adjusted base TCR of each TSU to the total Adjusted base TCR allotted in the transmission system has been discussed below:

6.5.3 The Regulation 134 of the MYT Regulations 2024 mentions the calculation of the Adjusted Base TCR" for the Sharing of AFC by long-term TSUs. The excerpt of the Regulation is mentioned below:

134 Sharing of STU Charges by long-term TSUs

134.1 The long-term Transmission System Users shall share the STU Charges in the proportion of Adjusted Base Transmission Capacity Rights of each Transmission System User to the total Adjusted Base Transmission Capacity Rights allotted in the intra-State transmission system.

Provided that a Partial Open Access Consumer shall pay the STU Charges to the Distribution Licensee instead of the Transmission Licensee for using a transmission network which shall be passed on to the STU within the stipulated time period as specified under Regulations 14.5 of MERC Distribution Open Access Regulation, 2016 and its amendment thereof.

Provided also that the Distribution Licensee shall submit billed Open Access Demand of Partial Open Access consumers to STU and MSLDC on monthly basis for calculating Adjusted Base Transmission Capacity Rights.

134.2 The Annual MSLDC Charge payable by Transmission System User shall be computed in accordance with the following formula:

Monthly STU Charges (Rs./MW/Month) = [AFC(u)(t) ÷$\sum^{n}_{i=1}$ [Adjusted Base TCR(u)](t)] ÷ 12

Where,

Adjusted Base TCR (u) = Base TCR(u) – Billed OA Demand of POA(u)

Where,

Adjusted Base TCR represents the Base Transmission Capacity Right of each Transmission System User (u) adjusted for billed OA Demand of a Partial Open Access Users for the yearly period (t);

134.3 The STU Charges approved for the Year shall be equally spread over the 12 months of the Year and STU Charges per MW per month shall be computed by STU in accordance with the following Formula:

Monthly STU Charges (Rs./MW/Month) = [AFC(u)(t) ÷$\sum^{n}_{i=1}$ [Base TCR(u)](t)] ÷ 12

134.4 The Open Access consumers excluding those covered under Regulation 134.1 shall be liable for payment of the STU Charges in proportion to the duration for which they were granted Open Access during the concerned billing period.

134.5 The Charges to be recovered by STU shall continue to be billed at the Tariff approved by the Commission and applicable as on March 31, 2025 for the period starting from April 1, 2025 till approval of Charges by the Commission in accordance with these Regulations."

6.5.4 As per Regulation 134.1 & 134.2 the sharing of AFC of STU is to be done in proportion to the Adjusted Base TCR of each TSU. Accordingly, STU has calculated the Adjusted Base TCR and the sharing of AFC by the long-term TSUs in the proportion of Adjusted Base TCR of each TSU. STU has received the 15-min time block wise Billed POA demand from MSEDCL. However, AEML-D & TPC-D has not submitted the same.

6.5.5 AEML-D and TPC-D, however, have communicated their inability to provide 15-minute time block-wise POA billed demand data. They have, instead, provided monthly billed demand data in MW/MVA based on the ToD energy data, considering uniform demand in all slots.

6.5.6 In view of this, a meeting was convened on 25 October, , 2024, at Prakashganga, MSETCL, to discuss the submission of POA billed demand data by AEML-D and TPC-D, which is essential for accurate computation of the Adjusted Base TCR. During the meeting, AEML-D and TPC-D informed the STU that their submitted Grid Connectivity Notification (GCN) includes ToD energy data for the month, thus rendering them unable to provide the required 15-minute time block-wise data for POA consumers.

6.5.7 As the 15-min time block wise demand for partial open access consumers required for calculation of adjusted Base TCR was made available only by MSEDCL, STU sought clarification from AEML-D and TPC-D for not providing their partial open access billed demand data for calculation of adjusted Base TCR.

6.5.8 STU has submitted clarifications received from AEML-D regarding Partial Open Access (POA) demand data. As per AEML-D, the credit for POA consumers is structured per the MERC (Distribution Open Access) Regulations, 2016 and amendments:

- **Firm sources**: Credit based on 15-minute scheduled power.
- **Non-firm sources**: Credit based on actual energy on a ToD basis.

6.5.9 AEML-D has provided OA demand data for firm sources based on SLDC schedules and submitted it to STU for FY 2020-21 to FY 2023-24. However, for non-firm sources, MSEDCL issues GCN on a ToD basis instead of 15-minute blocks. Since all non-firm RE sources for AEML's partial OA consumers are connected to the MSEDCL network, AEML-D does not have access to 15-minute demand data.

6.5.10 STU has noted AEML-D's approximation of demand data by distributing ToD-based GCN data uniformly over 15-minute intervals, which has been submitted for FY 2020-21 to FY 2023-24. AEML-D has suggested that the Commission direct MSEDCL to provide 15-minute GCN data for better accuracy or establish an alternative methodology to determine the demand of partial OA consumers excluded from the Base TCR.

6.5.11 Further, STU has submitted clarifications received from TPC-D regarding POA demand data. TPC-D has provided OA demand data for the period FY 2018-19 to FY 2024-25 (up to August 2024) in response to STU's request dated 23 September, 2024.

6.5.12 For non-firm OA consumers, MSEDCL issues GCNs on a Time-of-Day (ToD) basis rather than in 15-minute intervals. As a result, TPC-D does not have access to 15-minute block-wise data for these consumers. To address this limitation, and as agreed in a meeting with STU on 25 October, 2024, TPC-D has approximated the demand data by distributing the ToD-based Open Access Credit units (kWh) uniformly across 15-minute blocks. This data has been adjusted for approved yearly Distribution and Transmission Losses.

6.5.13 STU has noted that all RE sources supplying TPC-D's Partial OA consumers are connected to the MSEDCL network, and MSEDCL may have access to 15-minute block-wise data. In this context, TPC-D has requested the Commission to direct MSEDCL to provide 15-minute GCN data for non-firm OA sources or to establish an alternative methodology for computing Partial OA demand for exclusion from the Base TCR. Additionally, once the Scheduled-based settlement of RE sources is implemented as per the MERC F&S Regulations (1st Amendment), 15-minute OA demand data for Scheduled RE can be provided.

6.5.14 Further, MSEDCL has submitted the POA data in 15-min time block format. STU has submitted that the demand data submitted by MSEDCL was under the head "Total injected units against POA consumers", and the same is converted in MW by dividing total injected units by 250 under the head "Open access demand in MW".

6.5.15 STU vide email dated: 11 October, 2024 requested MSEDCL to confirm whether the time block wise POA data submitted by MSEDCL under the head "Total injected units against POA consumers" is the Billed Open Access demand for POA consumers. To which MSEDCL communicated that the definition of the Billed Open Access Demand of POA consumer is not mentioned in the MERC Regulations. Further, MSEDCL vide email dated 29 October, 2024 confirmed the Open access demand data submitted in MW is the Billed Open Access demand for POA consumers. However, it is observed that it is the same data submitted earlier under the head "Total injected units against POA consumers" converted in MW by dividing injected units by 250.

6.5.16 STU has submitted that it has not been able to verify that the Billed Open Access demand for POA consumers submitted by MSEDCL is the actual data for which MSEDCL raise bills to its POA consumers. Verification of the billed POA demand submitted by TSU (for both firm & non-firm power sources) is an issue.

6.5.17 The CPD data submitted by MSLDC is in Hrs format from April-20 to Dec-22 & in 15-min time block format from Jan-23 to Sep-24. The NCPD data submitted by MSLDC is in Hrs format from April-20 to Sep-24. However, the POA data submitted by MSEDCL is in

the 15-min time block wise format. As the CPD-NCPD data submitted by MSLDC is not in the 15-min time block format, STU has considered average of all slots of POA demand for the month while calculation of Adjusted Base TCR of MSEDCL from Base TCR and accordingly projected the Adjusted Base TCR of MSEDCL from FY 2025-26 to FY 2029-30 for sharing of the TTSC.

6.5.18 STU has considered only the POA data submitted by MSEDCL for sharing of AFC based on adjusted base TCR. As AEML-D & TPC-D has not submitted their 15-min time block wise billed POA demand data, this has led to increase in the percentage sharing burden of AFC by other TSUs of the state.

6.5.19 Further as per the above mentioned Regulation 134.1, the AFC shall be shared based on Adjusted Base TCR only if the 1st and 2nd proviso of said Regulations are fulfilled i.e. the Distribution License collects the STU Charges from the POA consumer and passes on the same to the STU within the stipulated time period of seven days as specified under Regulation 14.5 of the DOA Regulations, 2016 and the Distribution License shall submit the billed Open Access demand of POA consumer to STU on monthly basis for calculating Adjusted Base TCR, failing which STU requested the Commission to share the AFC among TSU in proportion of approved Base TCR.

6.5.20 STU has considered the POA demand data submitted by MSEDCL from FY 2020-21 to FY 2023-24 and projected the POA demand for the 5th control period from FY 2024-25 to FY 2029-30. Accordingly, the adjusted Base TCR of MSEDCL for the 5th control period is derived by subtracting this projected POA demand from projected Base TCR. Thus, the sharing of AFC by MSEDCL is done based on Adjusted Base TCR.

6.5.21 As per the Transmission Open Access (TOA) Regulations, 2016, Regulation No. 12.2 (a)(i), it is mandatory for all Open Access consumers to install time-block-wise energy metering systems i.e., Special Energy Meters ('SEM's).

6.5.22 Considering the above issues and non-compliance of 2nd proviso of the Regulation 134.1 of the MYT Regulations 2024, STU has requested the Commission to establish guidelines and suitable mechanism for compliance of the Regulation by TSUs and provide resolution with respect to computation of Adjusted Base TCR for proper apportionment of the AFC amongst the TSUs of the state.

6.5.23 Hence STU has calculated Adjusted Base TCR only for MSEDCL on the basis of POA data provided. The Adjusted Base Transmission Capacity Rights and % share of Adjusted Base TCR amongst different TSUs for the 5th Control Period of MYT Regulations 2024 is identified below:

Table 94: Adjusted Base TCRs for FY 2025-26 to FY 2029-30 as submitted by STU (Excl. POA Demand)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)
1	MSEDCL	21,661	84.30%	22,865	84.43%	24,112	84.55%	25,400	84.64%	26,722	84.71%
2	TPCL-D	910	3.54%	973	3.59%	1,039	3.64%	1,111	3.70%	1,187	3.76%
3	AEML-D	1,655	6.44%	1,735	6.41%	1,820	6.38%	1,908	6.36%	2,000	6.34%
4	BEST	812	3.16%	819	3.02%	825	2.89%	832	2.77%	839	2.66%
5	Indian Railways#	507	1.97%	534	1.97%	564	1.98%	595	1.98%	628	1.99%
6	Mindspace Properties*	9	0.04%	10	0.04%	10	0.03%	10	0.03%	10	0.03%
7	Gigaplex Properties*	5	0.02%	5	0.02%	5	0.02%	5	0.02%	5	0.02%
8	KRC Infrastructure*	5	0.02%	5	0.02%	5	0.02%	6	0.02%	6	0.02%
9	Nidar Utilities	8	0.03%	9	0.03%	11	0.04%	13	0.04%	15	0.05%
10	MADC	14	0.05%	15	0.05%	16	0.06%	17	0.06%	18	0.06%
11	E ON Phase-1	8	0.03%	8	0.03%	8	0.03%	8	0.03%	8	0.03%
12	E ON Phase-2	5	0.02%	5	0.02%	5	0.02%	5	0.02%	5	0.02%
13	JNPA	2	0.01%	2	0.01%	2	0.01%	2	0.01%	2	0.01%
14	Laxmipati Balaji	1	0.00%	1	0.00%	1	0.00%	1	0.00%	1	0.00%
15	AEML SEEPZ Ltd	28	0.11%	29	0.11%	30	0.11%	32	0.11%	33	0.10%
16	Hadapsar SEZ	15	0.06%	15	0.06%	15	0.05%	15	0.05%	15	0.05%
17	Manjari SEZ	11	0.04%	11	0.04%	11	0.04%	11	0.04%	11	0.03%
18	MITL	20	0.08%	20	0.07%	20	0.07%	20	0.07%	20	0.06%
19	MITL	20	0.08%	20	0.07%	20	0.07%	20	0.07%	20	0.06%
	Total TCR of all TSUs	25,694	**100%**	**27,080**	**100%**	**28,520**	**100%**	**30,010**	**100%**	**31,547**	**100%**

*Deemed Distribution Licensees #Long Term Open Access User

6.5.24 The details for Sharing of STU charges by Distribution licensee as submitted by STU are shown below:

Table 95: Sharing of STU Charges for FY 2025-26 to 2029-30 as submitted by STU (Excl POA) (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Annual Fixed Charges	1041.41	1100.27	1110.12	1103.02	1063.40
2	Sharing of STU Charges					
i	MSEDCL	877.92	929.00	938.56	933.57	900.76
ii	TPCL-D	36.89	39.52	40.46	40.83	40.02
iii	AEML-D	67.08	70.51	70.82	70.12	67.43
iv	BEST	32.90	33.26	32.13	30.59	28.28
v	Indian Railways	20.53	21.71	21.95	21.86	21.15
vi	Mindspace Properties	0.38	0.39	0.38	0.37	0.35
vii	Gigaplex Properties	0.19	0.20	0.20	0.19	0.18
viii	KRC Infrastructure	0.21	0.22	0.21	0.20	0.19
ix	Nidar Utilities	0.31	0.37	0.42	0.48	0.52

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
x	MADC	0.55	0.60	0.62	0.63	0.62
xi	E ON Phase-1	0.33	0.33	0.32	0.30	0.27
xii	E ON Phase-2	0.22	0.22	0.21	0.20	0.18
xiii	JNPA	0.06	0.07	0.07	0.08	0.08
xiv	Laxmipati Balaji	0.02	0.03	0.02	0.02	0.02
xv	AEML SEEPZ Ltd	1.13	1.18	1.18	1.16	1.11
xvi	Hadapsar SEZ	0.61	0.62	0.59	0.56	0.51
xvii	Manjari SEZ	0.43	0.43	0.41	0.39	0.36
xvii	MITL-Bidkin	0.81	0.81	0.78	0.74	0.67
xix	MITL-Shendra	0.81	0.81	0.78	0.74	0.67
	Total	**1041.41**	**1100.27**	**1110.12**	**1103.02**	**1063.40**

The sharing of the AFC in proportion to the Adjusted Base TCR is applicable as per Regulation 134.1 of the MYT Regulations 2024; Only if the proviso of the said regulation is fulfilled by TSU's.

Commission's Analysis and Ruling

6.5.25 The Commission notes the submission of STU on the sharing of STU fees and charges. The Regulations 133 and 134 of the MYT Regulations 2024 outline the formula for the computation of the STU charges payable by the TSUs. Regulation 134 also specifies that the STU Charges are to be shared between the long term TSUs in proportion of Adjusted Base TCRs of each TSUs to the total Adjusted Base TCRs allotted in the intra-State transmission system. The Adjusted Base TCR represents the Base Transmission Capacity Right of each Transmission System User adjusted for billed OA Demand of a Partial Open Access Users. Partial Open Access Consumer shall pay the STU Charges to the Distribution Licensee instead of the Transmission Licensee for using a transmission network which shall be passed on to the STU within the stipulated time period.

6.5.26 The methodology for determination of the Adjusted Base TCR is also outlined in Regulation 134 of the MYT Regulations, 2024. The adjusted base TCR, apart from sharing the STU charges is also used for sharing of the TTSC amongst the TSUs. Regulation 84.2 of the MYT Regulations 2024 outlines the methodology for computation of the adjusted base TCR. The formula prescribed in Regulation 84.2 is same as that prescribed in Regulation 134 of the MYT Regulations, 2024. As the Commission determines the adjusted base TCR in the Intra-State Transmission System Tariff Order as per the provisions of Regulation 84.2, the same is also considered for sharing the SLDC charges in the present Order.

6.5.27 The Commission has elaborated the methodology for determination of the adjusted base TCRs and sharing proportion of the Transmission Charges amongst the Beneficiaries, in its Intra-State Transmission System Tariff Order in Case No. 208 of 2024. With regards to

the estimated demand of newly added TSUs viz. MITL-Bidkin and MITL-Shendra, the Commission notes that they don't have past period trend of demand data. Their operation is expected to be commenced in the 5th MYT Control Period. The Commission notes that, STU has considered flat 20 MW demand for both licensees based on the InSTS connectivity applied by these TSUs.

6.5.28 However, the Commission notes that, the MITL-Shendra in Case No. 239 of 2024 has submitted its demand starting from 40 MW for first year to 100 MW in the 5th year of the control period and MITL-Bidkin in Case No. 241 of 2024 has submitted its demand starting from 5 MW for first year to 40 MW in the 5th year of the control period. Accordingly, the Commission finds it appropriate to consider the demand projections of MITL-Shendra and MITL-Bidkin in their respective MYT Petitions for the computation of sharing of intra-state transmission charges. The details of demand projections of the TSUs are discussed by the Commission in Case No. 208 of 2024 and applied the same considerations for the sharing of the STU Charges, for the 5th Control Period (i.e. FY 2025-26 to FY 2029-30) as shown in the following Table:

6.5.29 Base TCRs for FY 2025-26 to FY 2029-30 approved by Commission (excluding Partial OA Capacity) is mentioned below:

Table 96: Base TCRs for FY 2025-26 to FY 2029-30 approved by Commission (Excl. POA Capacity)

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)
MSEDCL	23,158.69	84.31%	24,450.69	84.27%	25,790.76	84.21%	27,174.98	84.14%	28,597.74	84.03%
TPCL-D	976.65	3.56%	1,032.58	3.56%	1,091.72	3.56%	1,154.25	3.57%	1,220.36	3.59%
AEML-D	1,798.72	6.55%	1,932.84	6.66%	2,076.96	6.78%	2,231.82	6.91%	2,398.23	7.05%
BEST	826.25	3.01%	832.30	2.87%	838.40	2.74%	844.55	2.62%	850.73	2.50%
Indian Railways #	545.56	1.99%	575.57	1.98%	607.24	1.98%	640.65	1.98%	675.90	1.99%
Mindspace Properties	9.49	0.03%	9.69	0.03%	9.89	0.03%	10.10	0.03%	10.31	0.03%
Gigaplex Properties	5.04	0.02%	5.19	0.02%	5.34	0.02%	5.49	0.02%	5.65	0.02%
KRC Infrastructure	5.30	0.02%	5.41	0.02%	5.53	0.02%	5.65	0.02%	5.77	0.02%
Nidar Utilities	10.73	0.04%	12.77	0.04%	15.18	0.05%	18.06	0.06%	21.47	0.06%
MADC	14.98	0.05%	16.18	0.06%	17.47	0.06%	18.87	0.06%	20.38	0.06%
EON Phase-1	8.42	0.03%	8.42	0.03%	8.42	0.03%	8.42	0.03%	8.42	0.02%
EON Phase-2	5.33	0.02%	5.33	0.02%	5.33	0.02%	5.33	0.02%	5.33	0.02%
JNPT	1.18	0.004%	1.32	0.005%	1.48	0.005%	1.66	0.01%	1.85	0.01%
Laxmipati Balaji	0.63	0.002%	0.67	0.002%	0.70	0.002%	0.73	0.002%	0.77	0.002%
AEML SEEPZ Ltd	30.29	0.11%	31.71	0.11%	33.19	0.11%	34.73	0.11%	36.35	0.11%
HADAPSAR SEZ	15.89	0.06%	16.33	0.06%	16.79	0.05%	17.27	0.05%	17.76	0.05%

Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)	TCR (MW)	TCR (%)
MANJARI SEZ	11.31	0.04%	11.96	0.04%	12.64	0.04%	13.37	0.04%	14.14	0.04%
MITL - Bidkin	5.00	0.02%	8.00	0.03%	15.00	0.05%	25.00	0.08%	40.00	0.12%
MITL - Shendra	40.00	0.15%	57.00	0.20%	75.00	0.24%	85.00	0.26%	100.00	0.29%
Total TCRs of TSUs	**27,469.46**	**100%**	**29,013.96**	**100%**	**30,627.04**	**100%**	**32,295.92**	**100%**	**34,031.16**	**100%**

*Deemed Distribution Licensees #Long Term Open Access User

6.5.30 The details for sharing of STU charges by the Distribution licensee as approved by the Commission are shown below:

Table 97: Sharing of STU Charges for FY 2025-26 to FY 2029-30 as approved by Commission (Excl. POA) (Rs. Lakh)

Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	**Annual Fixed Charges**	903.19	965.47	966.46	935.18	884.49
2	Sharing of STU Charges					
i	MSEDCL	761.45	813.63	813.84	786.90	743.27
ii	TPCL-D	32.11	34.36	34.45	33.42	31.72
iii	AEML-D	59.14	64.32	65.54	64.63	62.33
iv	BEST	27.17	27.70	26.46	24.46	22.11
v	Indian Railways	17.94	19.15	19.16	18.55	17.57
vi	Mindspace Properties	0.31	0.32	0.31	0.29	0.27
vii	Gigaplex Properties	0.17	0.17	0.17	0.16	0.15
viii	KRC Infrastructure	0.17	0.18	0.17	0.16	0.15
ix	Nidar Utilities	0.35	0.42	0.48	0.52	0.56
x	MADC	0.49	0.54	0.55	0.55	0.53
xi	E ON Phase-1	0.28	0.28	0.27	0.24	0.22
xii	E ON Phase-2	0.18	0.18	0.17	0.15	0.14
xiii	JNPA	0.04	0.04	0.05	0.05	0.05
xiv	Laxmipati Balaji	0.02	0.02	0.02	0.02	0.02
xv	AEML SEEPZ Ltd	1.00	1.06	1.05	1.01	0.94
xvi	Hadapsar SEZ	0.52	0.54	0.53	0.50	0.46
xvii	Manjari SEZ	0.37	0.40	0.40	0.39	0.37
xvii	MITL-Bidkin	0.16	0.27	0.47	0.72	1.04
xix	MITL-Shendra	1.32	1.90	2.37	2.46	2.60
	Total	**903.19**	**965.47**	**966.46**	**935.18**	**884.49**

6.6 Monthly and Annual sharing of TTSC

STU's Submission

6.6.1 The sharing of STU AFC by the TSUs on Annual and monthly basis as submitted by STU is as shown in Table below:

Table 98: Monthly AFC (Rs. Lakh) payable by TSUs as submitted by STU (Excluding POA Demand)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
1	MSEDCL	877.92	73.16	929.00	77.42	938.56	78.21	933.57	77.80	900.76	75.06
2	TPCL-D	36.89	3.07	39.52	3.29	40.46	3.37	40.83	3.40	40.02	3.33
3	AEML-D	67.08	5.59	70.51	5.88	70.82	5.90	70.12	5.84	67.43	5.62
4	BEST	32.90	2.74	33.26	2.77	32.13	2.68	30.59	2.55	28.28	2.36
5	Indian Railways	20.53	1.71	21.71	1.81	21.95	1.83	21.86	1.82	21.15	1.76
6	Mindspace	0.38	0.03	0.39	0.03	0.38	0.03	0.37	0.03	0.35	0.03
7	Gigaplex Properties	0.19	0.02	0.20	0.02	0.20	0.02	0.19	0.02	0.18	0.02
8	KRC Infrastructure	0.21	0.02	0.22	0.02	0.21	0.02	0.20	0.02	0.19	0.02
9	Nidar Utilities	0.31	0.03	0.37	0.03	0.42	0.04	0.48	0.04	0.52	0.04
10	MADC	0.55	0.05	0.60	0.05	0.62	0.05	0.63	0.05	0.62	0.05
11	EON Phase-1	0.33	0.03	0.33	0.03	0.32	0.03	0.30	0.02	0.27	0.02
12	EON Phase-2	0.22	0.02	0.22	0.02	0.21	0.02	0.20	0.02	0.18	0.02
13	JNPA	0.06	0.01	0.07	0.01	0.07	0.01	0.08	0.01	0.08	0.01
14	Laxmipati Balaji	0.02	0.00	0.03	0.00	0.02	0.00	0.02	0.00	0.02	0.00
15	AEML SEEPZ	1.13	0.09	1.18	0.10	1.18	0.10	1.16	0.10	1.11	0.09
16	Hadapsar SEZ	0.61	0.05	0.62	0.05	0.59	0.05	0.56	0.05	0.51	0.04
17	Manjari SEZ	0.43	0.04	0.43	0.04	0.41	0.03	0.39	0.03	0.36	0.03
18	MITL - Bidkin	0.81	0.07	0.81	0.07	0.78	0.06	0.74	0.06	0.67	0.06
19	MITL - Shendra	0.81	0.07	0.81	0.07	0.78	0.06	0.74	0.06	0.67	0.06
	Total	**1041.41**	**86.78**	**1100.27**	**91.69**	**1110.12**	**92.51**	**1103.02**	**91.92**	**1063.40**	**88.62**

6.6.2 The STU shall collect the STU Fees and Charges from the respective TSUs on monthly basis as provided in the Regulations, with the first monthly period commencing from 1st April 2025.

6.6.3 Above STU Fees and Charges are payable by all long-term TSUs irrespective of their actual utilization recorded during their period of operation.

Commission's Analysis and Ruling

6.6.4 The sharing of STU AFC by the TSUs on Annual and monthly basis as approved by the Commission, is as shown in Table below:

Table 99: Monthly AFC (Rs. Lakh) payable by TSUs approved by Commission (Excl. POA Demand)

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
1	MSEDCL	761.45	63.45	813.63	67.80	813.84	67.82	786.90	65.57	743.27	61.94
2	TPCL-D	32.11	2.68	34.36	2.86	34.45	2.87	33.42	2.79	31.72	2.64
3	AEML-D	59.14	4.93	64.32	5.36	65.54	5.46	64.63	5.39	62.33	5.19

Sr. No.	Particulars	FY 2025-26		FY 2026-27		FY 2027-28		FY 2028-29		FY 2029-30	
		Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
4	BEST	27.17	2.26	27.70	2.31	26.46	2.20	24.46	2.04	22.11	1.84
5	Indian Railways	17.94	1.49	19.15	1.60	19.16	1.60	18.55	1.55	17.57	1.46
6	Mindspace	0.31	0.03	0.32	0.03	0.31	0.03	0.29	0.02	0.27	0.02
7	Gigaplex Properties	0.17	0.01	0.17	0.01	0.17	0.01	0.16	0.01	0.15	0.01
8	KRC Infrastructure	0.17	0.01	0.18	0.02	0.17	0.01	0.16	0.01	0.15	0.01
9	Nidar Utilities	0.35	0.03	0.42	0.04	0.48	0.04	0.52	0.04	0.56	0.05
10	MADC	0.49	0.04	0.54	0.04	0.55	0.05	0.55	0.05	0.53	0.04
11	EON Phase-1	0.28	0.02	0.28	0.02	0.27	0.02	0.24	0.02	0.22	0.02
12	EON Phase-2	0.18	0.01	0.18	0.01	0.17	0.01	0.15	0.01	0.14	0.01
13	JNPA	0.04	0.003	0.04	0.004	0.05	0.004	0.05	0.004	0.05	0.004
14	Laxmipati Balaji	0.02	0.002	0.02	0.002	0.02	0.002	0.02	0.002	0.02	0.002
15	AEML SEEPZ	1.00	0.08	1.06	0.09	1.05	0.09	1.01	0.08	0.94	0.08
16	Hadapsar SEZ	0.52	0.04	0.54	0.05	0.53	0.04	0.50	0.04	0.46	0.04
17	Manjari SEZ	0.37	0.03	0.40	0.03	0.40	0.03	0.39	0.03	0.37	0.03
18	MITL - Bidkin	0.16	0.01	0.27	0.02	0.47	0.04	0.72	0.06	1.04	0.09
19	MITL - Shendra	1.32	0.11	1.90	0.16	2.37	0.20	2.46	0.21	2.60	0.22
	Total	**903.19**	**75.27**	**965.47**	**80.46**	**966.46**	**80.54**	**935.18**	**77.93**	**884.49**	**73.71**

7 Compliance of the Directions and Directives

7.1 Background

7.1.1 The Commission has notified fees and charges regulation in MYT Regulations 2024 for first time for STU in 5th Control Period. As per the provisions of MYT Regulations 2024, the STU has filed the Petition for fees and charges by way of segregation of capital and revenue expenditure from its parent organization MSETCL. Accordingly, STU has filed a petition for approval of fees and charges.

7.1.2 The Commission notes that, currently, MSLDC and STU are operated by MSETCL as notified by GoM under the provisions of EA2003. Although MSLDC is operated by MSETCL, the Commission has approved separate fees and charges for MSLDC since FY 2006-07, and MSLDC has been submitting a separate petition for its fees and charges since then. While STU is also operated by MSETCL, its functions differ from those of MSETCL. The functions of STU are specified under Section 39 of the EA 2003.

7.1.3 According to the provisions of Section 39 of the Act, it is clear that the functions of the STU are quite different from those of a transmission utility. The STU must carry out planning-related functions by coordinating with all Distribution Licensees, including deemed distribution licenses, all transmission utilities, and all generating stations, including renewable sources generators.

7.1.4 The Commission in its Explanatory Memorandum to MYT Regulations 2024 has clarified the rationale for directing STU to file a separate petition for STU's ARR requirement as below:

"10.2.7 Considering the developments at the ***Central Level for separation of CTU from PGCIL, the Commission is of the view that, similar functional and administrative segregation shall be required in the state to function STU independently to handle the upcoming challenges like Resource Adequacy Planning, long term transmission planning considering large scale RE capacity addition, General Network Access (GNA), increasing private Transmission Licensees under TBCB etc****. The Commission believes that the unbiased and independent operation of STU would require financial autonomy similar to MSLDC. The Commission is of the view that, though MSLDC is under administrative control of MSETCL over a period it has achieved functional segregation and financial autonomy which has paved for administrative segregation similar to CTU in the coming days.* ***Similarly, the STU need to be prepared for taking steps towards financial autonomy in this Control Period. Accordingly, the Commission is proposing the separate Chapter for STU Fees and Charges in the Draft MERC MYT Regulations, 2024****."*

7.1.5 With this objective, the Commission would like to give specific directions to STU as below for taking necessary steps towards financial autonomy in this control period.

7.2 Capex Plan

7.2.1 The Commission believes that STU should independently plan to address the upcoming challenges, such as Resource Adequacy Planning, long-term transmission planning considering the large-scale addition of renewable energy capacity, GNA, and activities under TBCB. Additionally, STU should develop a capital investment plan in accordance with the MYT Regulation, 2024. This capex plan must include relevant software, energy modeling tools for Resource Adequacy planning, necessary hardware, and all facilities required for independent planning entity.

7.3 Financial accounts of STU

7.3.1 The Commission notes that STU has submitted operation and maintenance expenditure based on ratio of its allocation of manpower and area under use of STU within the MSETCL. As per Regulation 2.1 of the MYT Regulations 2024, STU is required to submit the interim accounts based on Allocation Statement comprising assets, liabilities, revenue and expenses for STU function and its reconciliation statement duly certified by the statutory auditor for the purpose of filing this MYT Petition.

However, STU mentioned that the Statutory Auditor is appointed by CAG for MSETCL and the certified trial balance (TB) for the previous years (FY 2019-20 to FY 2023-24) has already been submitted and financially closed by MSETCL. As this was the first instance of filing petition for fees and charges, the commission has accepted the allocation statement of STU for the previous years, duly certified by a Chartered Accountant (CA). However, as per the provisions of the MERC MYT Regulations 2024, the STU shall maintain separate accounts for fees & charges and its expenditure which will be separate from MSETCL accounts. Accordingly, the STU is directed to maintain financial statements duly certified by statutory auditor during the control period and submit at the end of the Control period alongwith the truing up Petition.

7.4 Acquisition of Partial Open Access (POA) Data

7.4.1 The Commission has noted that, AEML-D and TPC-D have expressed their inability to furnish 15-minute demand data as their POA consumer's OA Generators are located in MSEDCL's area and MSEDCL has not provided 15 minute generation data of AEML-D and TPC-D's POA consumers. Further, the Commission has also noted that, STU has expressed its inability to acquire 15 minutes time block data of POA consumers, particularly in case of TPC-D and AEML-D.

7.4.2 The Commission is of the view that, AEML-D and TPC-D should have insisted to their POA consumers to submit their 15 Minute Generation data by taking the same from their Qualified Co-Ordinating Agency (QCA) as QCA is managing the 15 minute schedule and actual data and deviation settlement for their RE generators located in MSEDCL area. As

per the provisions of the MERC (Forecasting and Scheduling) Regulations, 2019, the QCA is considered as State Entity for implementation of the F&S Regulations, 2019.

7.4.3 The Commission is of the view that, STU, MSLDC, AEML-D and TPC-D should have co-ordinated with their POA consumers and collected the 15 minute Generation data from respective QCAs and consider the same for calculating the billing demand of POA as per the provisions of the Regulations 134.1 and 134.2 of the MYT Regulations 2024 for sharing of AFC for STU. However, as the AEML-D and TPC-D have not provided 15 minute POA demand data, the Commission is compelled to consider the POA demand as zero in these licensee's area and accordingly, the Commission has calculated the STU charges by substituting zero POA billed demand in formula in Regulations 134.1 and 134.2 of the MYT Regulations 2024 as detailed out in the Section 6 of this Order.

In view of the above, the Commission directs STU to set the procedure to collect the 15 minute data from QCAs for the POA consumers to their respective distribution licensees and submit at the time of truing up to calculate the revised sharing of STU charges considering the Billed demand of POA consumers as specified in the Regulations 134.1 and 134.2 of the MYT Regulations 2024.

7.5 Manpower requirement

7.5.1 The Commission has accepted the increase of manpower requirement for the additional works involved under STU as stated in the petition by STU, Accordingly ARR of STU is approved. In this regard, the STU is directed to prepare their organisation structure considering the specific role and responsibilities of employees and scrupulously follow the activities required for additional manpower and submit the details at the time of Truing up.

7.6 Performance Linked Incentives

7.6.1 While approving ARR for STU, the Commission has approved performance linked incentive to STU and accordingly performance parameters for STU are also mentioned in MYT Regulation, 2024. In this regard STU is directed to submit performance achieved against performance parameters along with supporting documents annually within three (3) months after the end of financial year.

8 Applicability of the Order

8.1.1 This Order shall come into effect from 1 April, 2025.

8.1.2 The Petition of the Maharashtra State Transmission Utility in Case No. 183 of 2024 stands disposed of accordingly. The Fees and Charges approved in this Order shall remain in effect till any subsequent revision.

Sd/-	Sd/-	Sd/-
(Surendra J. Biyani)	**(Anand M. Limaye)**	**(Sanjay Kumar)**
Member	**Member**	**Chairperson**

(Dr. Rajendra G. Ambekar)
Secretary

9 Appendix-1: List of Persons Present at Technical Validation Session

Sr. No.	Name of person	Designation
1	Mr Satish Chavan	Director (OPERATION)
2	Mr Peeyush Sharma	CE (STU)
3	Mr S. S. Jewalikar	ED (SLDC)
4	Ms T.N. Mudholkar	Dir (P) MSETCL
5	Mr A.V. Nimbalkar	Dir (P) MSETCL
6	Smt. S.T. Takpere	SE (STU-R&C)
7	Mrs M.S. Deshmukh	EE (STU)
8	Ms Swati Kedia	Ass. Dir (Deloitte)
9	Mr Nirbhay Talpade	Deloitte
10	Ms Anuja A. Dharmadhikari	STU
11	Ms Tareeni Soneri	STU

10 Appendix-2: List of Persons Present at Public Hearing on 7 January 2025

Sr. No.	Name of person
1	Mr Satish Chavan
2	Mr Peeyush Sharma
3	Mr S. S. Jewalikar
4	Ms T.N. Mudholkar
5	Mr A.V. Nimbalkar
6	Smt. S.T. Takpere
7	Mrs M.S. Deshmukh
8	Ms Swati Kedia
9	Mr Nirbhay Talpade
10	Ms Anuja A. Dharmadhikari
11	Ms Tareeni Soneri