

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13<sup>th</sup> floor, Cuffe Parade, Mumbai 400 005.**  
**Tel. No. 022 22163964/65/69 – Fax 022 22163976**  
**E-mail: merc@merc.gov.in**  
**Website: www.merc.gov.in**

**Case No. 56 of 2013**

**IN THE MATTER OF**

***Suo motu* Determination of Transmission Tariff for Intra-State Transmission System (InSTS) for FY 2013-14 to FY 2015-16 of the second MYT Control Period**

**Shri V.P. Raja, Chairman**  
**Shri Vijay L. Sonavane, Member**

**Dated: 13 May, 2013**

The Commission, in exercise of the powers conferred by Electricity Act, 2003 (“EA, 2003”), notified the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011, (hereinafter referred to as “MERC MYT Regulations”) on 4 February, 2011 and the First Amendment to MERC MYT Regulations was notified on 21 October, 2011. These Regulations are applicable for the second control period valid upto FY 2015-16. Vide Regulation 64 of the MERC MYT Regulations, the Commission has specified methodology and principles to determine Transmission Tariff applicable for use of the Intra-State Transmission system (InSTS).

2. As regards transmission tariff for FY 2011-12, no separate transmission tariff Order was issued by the Commission and the transmission Tariff Order for FY 2010-11 (Case No. 120 of 2009) continued to be in effect.

3. The transmission tariff for FY 2012-13, was notified by the Commission vide its Order in Case No. 51 of 2012 dated 21 May, 2012. ARR of the following Transmission Licensees were considered for determination of total transmission system cost (TTSC) of FY 2012-13 and for determination of the corresponding transmission tariff for the year:

- i) Maharashtra State Electricity Transmission Co. Ltd (MSETCL),
- ii) Transmission business of The Tata Power Co. Ltd (TPC-T), and
- iii) Transmission business of Reliance Infrastructure Ltd (RInfra-T).
- iv) Transmission business of Jaigad Power Transco Ltd (JPTL).

4. The methodology for determination of TTSC for the new control period as specified under Regulation 64 of the MERC MYT Regulations is reproduced as below:

*“64. Determination of Intra-State Transmission Tariff*

*64.1 Determination of Total Transmission System Cost (TTSC)*

*64.1.1 The aggregate of the yearly revenue requirement for all Transmission licensees; less the deductions, as approved by the Commission over the Control Period, shall form the “Total Transmission System Cost” of the Intra-State transmission system, to be recovered from the Transmission System Users (TSUs) for the respective year of the Control Period, in accordance with the following Formula:*

$$TTSC_{(t)} = \sum_{i=1}^n (ARR_i - NT_i - O_i) - STR_{(t-1)}$$

*Where,*

*TTSC<sub>(t)</sub> = Pooled Total Transmission System Cost of year (t) of the Control Period*

*n = Number of Transmission Licensee(s)*

*ARR<sub>i</sub> = Yearly revenue requirement approved by the Commission for i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

*NT<sub>i</sub> = Approved level of non-tariff income for i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

*O<sub>i</sub> = Approved level of income from other business of the i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

*STR<sub>(t-1)</sub> = Revenue from short term open access charges earned during previous yearly period (t-1).*

*Provided that the revenue from short term open access charges for each yearly period (t) of Control Period shall be taken same as that prevalent during the yearly period before commencement of the Control Period. However, the adjustments due to variation in actual revenue from short term open access charges shall be undertaken during mid-term review and at the end of Control Period.”*

5. Further, Regulation 64.2 of MERC MYT Regulations specifies the formula for determination of base transmission capacity rights, based on the contribution to which TTSC is to be shared between the transmission system users, as reproduced below:

*“64.2 Base Transmission Capacity Rights*

*64.2.1 The Commission shall approve yearly ‘Base Transmission Capacity Rights’ as average of Co-incident Peak Demand and Non-Coincident Peak Demand for TSUs as projected for 12 monthly period of each year (t) of the Control Period, representing the “Capacity Utilisation’ of Intra-State transmission system and accordingly determine yearly ‘Base Transmission Tariff’ for the same.*

$$\text{Base Transmission Capacity Rights (Base TCR) for the} = \sum_{u=1}^n ((CPD(t) + NCPD(t))/2)$$

yearly period (t)

Where,

$CPD_{(t)}$  = Average of projected monthly Coincident Peak Demand for the yearly period (t) of Control Period for each long term Transmission System User (u)

$NCPD_{(t)}$  = Average of projected monthly Non-Coincident Peak Demand for the yearly period (t) of Control Period for each long term Transmission System User (u)

Provided that for the first year of the Control Period, the Base Transmission Capacity Rights for all long term Transmission System Users shall be determined based on average monthly CPD and NCPD of the long term TSUs prevalent during the 12 months prior to date of effectiveness of these Regulations.

Provided further that the yearly CPD and NCPD 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 long term TSUs connected to the Intra-State transmission system as part of their Business Plans.

Provided further that on completion of the each year of the Control Period, SLDC shall submit the recorded CPD and NCPD data for past 12 monthly periods in respect of each long term Transmission System User and on the basis of the same, the Base TCR shall be suitably revised at the time of mid-term performance review and at the end of the Control Period.”

6. Further, Regulation 64.3 of MERC MYT Regulations specifies the formula for determination of transmission Tariff, as reproduced below:

*“64.3 Base Transmission Tariff*

*64.3.1 Base Transmission Tariff for each financial year shall be determined as ratio of approved ‘TTSC’ for intra-State transmission system and approved ‘Base Transmission Capacity Rights’ and shall be denominated in terms of “Rs/kW/month” (for long term/medium term usage) or in terms of “Rs/kWh” (for short term bilateral open access transactions usage, short term collective transactions over power exchange and for Renewable energy transactions) in following manner:*

<i>Base Transmission Tariff<sub>(t)</sub> (long term/medium term) (Rs/kW/month or Rs/MW/day)</i>	$= TTSC_{(t)} / \sum_{u=1}^n ((CPD(t) + NCPD(t)) / 2)$
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<i>Base Transmission Tariff<sub>(t)</sub> (Short term) (Rs/kWh)</i>	$= \frac{TTSC_{(t)}}{\sum_{i=1}^n (\text{Energy Transmitted by Tx } i)}$
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Where,

*TTSC<sub>(t)</sub> = Pooled cost for InSTS for yearly period (t) of the Control Period*

*CPD<sub>(t)</sub> = Average of monthly Coincident Peak Demand of the long term Transmission System User (u) for the yearly period (t) of Control Period*

*NCPD<sub>(t)</sub> = Average of monthly Non-Coincident Peak Demand of the long term Transmission System User (u) for the yearly period (t) of Control Period*

*n = Total number of Transmission Licensee(s) in that particular year of Control Period*

*Tx<sub>i</sub> = i<sup>th</sup> Transmission Licensee*

*Provided that the energy units transmitted by each Transmission Licensee shall be based on the projections made by each Transmission Licensee as part of its Business Plan and as approved by the Commission.*

*Provided further that any revisions in Base Transmission Capacity Rights and Base Transmission Tariff as determined in the Regulations 64.2 and 64.3 due to the variation in the actual and approved CPD and NCPD or due to addition of new Transmission Licensees to the system shall be made at the time of Mid-term Performance Review and at the end of the Control Period.”*

7. Regulation 64.2.1 and 64.3.1 of MERC MYT Regulations were amended by Maharashtra Electricity Regulatory Commission (Multi Year Tariff) (First Amendment) Regulations, 2011 vide notification dated 21 October, 2011 as reproduced below:

*"4. Amendment to Regulation 64.2.1- In the Regulation 64.2.1 of the MYT Regulations, 2011, after the third proviso the following proviso shall be added namely:-*

*“Provided further that in case the determination of ARR of Transmission Licensee is exempted for a period from the Multi-Year Tariff framework under the first proviso to Regulation 4.1 of these Regulations, then for the period of such exemption, the Base Transmission Capacity Rights for all Long Term Transmission System Users shall be determined based on average monthly CPD and NCPD of the long term TSUs prevalent during the 12 months prior to the period of such exemption.”*

*5. Amendment to Regulation 64.3.1- (i) In the Regulation 64.2.1 of the MYT Regulations, 2011, in the second proviso the words “or due to addition of new Transmission Licensee to the system” shall be deleted and shall be deemed to have been deleted with effect from April, 2011.*

*(ii) In the Regulation 64.2.1 of the MYT Regulations, 2011, after the above amended second proviso, the following proviso shall be added namely:-*

*“ Provided further that in case new Transmission Licensees are added to the intra-State Transmission network during the Control Period, then the Base Transmission Capacity Rights and Base Transmission Tariff as referred under Regulations 64.2 and 64.3 shall be determined for each year of the Control Period.”*

8. Meanwhile, the transmission system of Adani Power Maharashtra Limited's Transmission Business (APML-T), which was granted intra-state transmission licence by the Commission (Licence No. 2 of 2009) was commissioned (commissioned on 26 August, 2012) and was added to the intra-state transmission network of Maharashtra. Thus, the existing intra-state transmission system of Maharashtra comprises of transmission networks of MSETCL, TPC-T, RInfra-T, JPTL and APML-T.

9. In accordance with the provisions of the MERC MYT Regulations, the Transmission Tariff for the duration of the Control Period has to be determined by the Commission. Since, the transmission tariff for FY 2011-12 and FY 2012-13 were already specified by the Commission vide its earlier Orders, the present Order determines tariff for FY 2013-14 to FY 2015-16.

10. In order to determine the transmission Tariff for FY 2013-14 to FY 2015-16, TTSC has to be computed based on the approved ARR under respective MYT Orders of the transmission licensees forming the existing InSTS. However, as per the present status, MYT Orders have been issued only for TPC-T and APML-T. In this context, for other Transmission Licensees forming existing InSTS, the Commission is constrained to consider the ARR as computed in respective Business Plan Orders. However, it is clarified that upon issuance of MYT Orders for such Transmission Licensees, the TTSC and the Transmission Tariff as determined under this Order shall be amended in due course, as may be necessary. The adjustments of over-recovery/under-recovery, if any, along with interest cost due to difference in ARR approved for such Transmission Licensees in their respective MYT Orders vis-a-vis ARR considered as per Business Plan Orders for the purpose of determination of TTSC under this Order shall be suitably accounted for during such amendment exercise. The Orders of respective Transmission Licensees, presently considered for the purpose of determination of TTSC and the transmission Tariff thereof for the Period FY 2013-14 to FY 2015-16 is tabulated below.

**Table – 1 : List of relevant Orders for transmission licensees**

<b>Transmission Licensees</b>	<b>Order from which ARR considered for TTSC of FY 2013-14 to FY 2015-16</b>
MSETCL	Approved MYT Business Plan for FY 2011-12 to FY 2015-16 (Case 137 of 2011)
RInfra-T	Approved MYT Business Plan for FY 2011-12 to FY 2015-16 (Case 159 of 2011)
TPC-T	Approved Trued up ARR of FY 2011-12 and ARR for MYT of FY 2012-13 to FY 2015-16 (Case 178 of 2011)
JPTL	Approved MYT Business Plan for FY 2012-13 to FY 2015-16 (Case 57 of 2012)
APML-T	Approved ARR for MYT of FY 2012-13 to FY 2015-16 (Case 44 of 2012)

11. In addition to considering the approved ARR of the respective years from FY 2013-14 to FY 2015-16, any amount pertaining to the approved gaps of previous years/past period recovery, to be recovered in FY 2013-14 has also been considered while computing the TTSC for FY 2013-14. The details of the revenue gap/ past period recovery considered for TTSC computation has been provided under subsequent section of this Order.

12. Thus, in accordance with the provisions of MYT Regulations and based on the considerations discussed above, the Commission hereby proceeds to determine the Transmission tariff for FY 2013-14 to FY 2015-16. However while doing so, the Commission has preferred to deviate in terms of few norms and provisions as specified in the Regulations for which appropriate rationale for such deviations have been provided in the respective sections of this Order.

**A] TTSC for InSTS for FY 2013-14 to FY 2015-16**

13. The ARR for the FY 2013-14 to FY 2015-16 for MSETCL, TPC-T, RInfra-T , JPTL and APML-T as approved in the MYT/Business Plan Orders of the Commission is summarised in the table below.

**Table-2: ARR approved in MYT/Business Plan(Rs Crore)**

Transmission licensee	Commission approved		
	FY 2013-14	FY 2014-15	FY 2015-16
MSETCL	4275.51	4963.98	5652.39
TPC-T	539.73*	683.45	921.25
RInfra-T	285.70	326.15	410.78
JPTL	109.41	105.98	102.53
APML-T	141.96*	137.68	133.33
<b>Total of ARR for FY 2013-14 to FY 2015-16 (InSTS)</b>	<b>5352.31</b>	<b>6217.24</b>	<b>7220.28</b>

*\*(Revenue gap/Past period recovery/carrying cost in the ARR approved in the MYT Order has been separated out and is considered in the subsequent table)*

14. The Revenue Gap/Past period recovery for MSETCL, TPC-T, RInfra-T , JPTL and APML-T which are to be recovered during FY 2013-14, as approved in the ARR/True-up/Business Plan/MYT Order, as the case may be, has been summarised in the table below.

**Table-3: Revenue Gap/Past period recovery - to be recovered in FY 2013-14 (Rs Crore)**

Transmission licensee	Revenue Gap/Past Period Recovery
MSETCL	876.72
TPC-T	240.76
RInfra-T	131.81

Transmission licensee	Revenue Gap/Past Period Recovery
JPTL	127.37
APML-T	91.00
<b>Total gap/past period recovery</b>	<b>1467.66</b>

15. TTSC computed for FY 2013-14 to FY 2015-16 considering the approved ARR and revenue Gap/Past period recovery for MSETCL, TPC-T, RInfra-T, JPTL and APML-T is summarised in the table below.

**Table-4: TTSC for FY 2012-13 to FY 2015-16 (Rs Crore)**

Transmission licensee	Commission approved		
	FY 2013-14	FY 2014-15	FY 2015-16
MSETCL	5152.23	4963.98	5652.39
TPC-T	780.49	683.45	921.25
RInfra-T	417.51	326.15	410.78
JPTL	236.78	105.98	102.53
APML-T	232.96	137.68	133.33
<b>TTSC for FY 2013-14 to FY 2015-16 (InSTS)</b>	<b>6819.97</b>	<b>6217.24</b>	<b>7220.28</b>

**B) Coincident, Non-Coincident Peak Demand and Base Transmission Capacity Utilisation**

16. The Commission, under Regulation 64.2 of MERC MYT Regulations specifies that base transmission capacity rights (Base TCR) shall be approved as the average of co-incident peak demand and non-coincident peak demand for TSUs as projected for 12 monthly period of each year of the control period. It is further specified that, for first year of the Control Period, such data shall be determined on the basis of available historic data and for all future years of the Control Period, such data needs to be based on the past trend and on the basis of demand projections made by various long term TSU's connected to the InSTS as part of their business plan. Since this TTSC Order involves period from FY 2013-14 to FY 2015-16, the base TCR has to be projected for the said period.

17. In this context, for the purpose of projection of base TCR for FY 2013-14 to FY 2015-16, the approved Energy Projections (MU) by TSUs in their Business Plan Orders (in case of MSEDCL, admitted Business plan Petition numbers considered excluding surplus energy – as Business Plan Order for MSEDCL is yet to be issued) has been considered. Further, suitable capacity/load factor was derived based on past trend and the same was applied on the energy projections of each TSUs to derive base TCRs for the said period (FY 2013-14 to FY 2015-16).



18. For the purpose of deriving the capacity/load factor mentioned above, the energy requirement details and the data on average CPD and NCPD of the latest year for which data is available (i.e., FY 2012-13) has been considered. The energy requirement of the State for FY 2012-13 was arrived at based on aggregation of the energy requirement approved for each Discoms in their business plan orders. The same works out to be 121146 MU.

19. MSLDC provided month-wise coincident peak demand and non-coincident peak demand details for all TSUs from April 2012 to March 2013. The 12-monthly average of coincident peak demand non-coincident peak demand from April 2012 to March 2013 is as summarized in the following table:

***Table-5 : Month-wise Average CPD/NCPD for DISCOMs for FY 2012-13***

Months	Average of Coincident Peak Demand and Non-Coincident Peak Demand by each TSU (MW)				
	MSEDCL	TPC-D*	RInfra-D*	BEST-D	Total
Apr-12	13755	1129	1074	884	16841
May-12	13753	1157	996	862	16768
Jun-12	13558	1089	1183	908	16737
Jul-12	11531	1141	1053	860	14585
Aug-12	11955	1091	969	786	14800
Sep-12	12755	1093	1011	776	15634
Oct-12	13521	1144	1050	811	16526
Nov-12	13456	1151	999	839	16445
Dec-12	13689	1079	1025	781	16574
Jan-13	13558	984	872	661	16074
Feb-13	13183	1059	961	746	15948
Mar-13	13802	1166	964	787	16718
<b>Average</b>	<b>13210</b>	<b>1107</b>	<b>1013</b>	<b>808</b>	<b>16137</b>
<b>Ratio</b>	<b>81.86%</b>	<b>6.86%</b>	<b>6.28%</b>	<b>5.01%</b>	<b>100%</b>

\*( The CPD and NCPD data considered here already takes care of the impact of increase in load of TPC-D and reduction in load of RInfra-D due to change over of consumers from TPC-D to RInfra-D)

20. Based on the above the base capacity factor for FY 2012-13 worked out to be 86% and the same was applied on future energy requirement projection of the State for FY 2013-14 to FY 2015-16 for projecting the base TCR for the said period. The table below shows the projected based TCR for FY 2013-14 to FY 2015-16.



**Table-6: Projection of CPD, NCPD figures through FY 2013-14 to FY 2015-16**

Description	FY 2013-14	FY 2014-15	FY 2015-16
Total Energy Requirement (in MU)	133239	146635	158420
Capacity Factor	86%	86%	86%
<b>Projection of Average of CPD and NCPD (in MW)</b>	<b>17748</b>	<b>19533</b>	<b>21102</b>

**Cl Determination of Transmission Tariff for FY 2013-14 to FY 2015-16**

21. In line with Regulation 64.3 of MERC MYT Regulations, and based on approved TTSC (Para 15 of this Order) and approved base transmission capacity utilisation (Para 20) of this Order, the Commission hereby determines transmission Tariff for use of InSTS for FY 2013-14 to FY 2015-16 as under:

**Table-7: Transmission Tariff Determination considering TTSC( excluding past period recovery of FY 2013-14)**

Item Description	Units	FY 2013-14	FY 2014-15	FY 2015-16
TTSC( excluding past period recovery of FY 2013-14)	Rs Cr	5352.31	6217.24	7220.28
Average of CPD and NCPD	MW	17748	19533	21102
Transmission Tariff (long term/medium term)	Rs/kW/month	251.31	265.25	285.13
Transmission Tariff (short term/collective/ renewable energy)	Rs/kWh	0.34	0.36	0.38

**Table-8: Transmission Tariff Determination considering TTSC (including past period recovery of FY 2013-14)**

Item Description	Units	FY 2013-14	FY 2014-15	FY 2015-16
TTSC( including past period recovery of FY 2013-14)	Rs Cr	6819.97	6217.24	7220.28
Average Coincident Peak Demand (CPD)	MW	17748	19533	21102
Transmission Tariff (long term/medium term)	Rs/kW/month	320.22	265.25	285.13
Transmission Tariff (short term/collective/ renewable energy)	Rs/kWh	0.43	0.36	0.38

**Thus, Transmission Tariff for the second MYT Control Period from FY 2013-14 to FY 2015-16 shall be as determined and approved by the Commission under Table-8 above.**

22. Further, in accordance with the Regulation 64.3.1 as reproduced under para 5, the transmission Tariff shall be denominated in terms of “Rs/kW/month” for long term/medium term usage or in terms of “Rs/kWh” for short term bilateral open access transactions, short term collective transactions over power exchange and for renewable energy transactions. It is reiterated that there shall be no distinction in transmission charges among long term/medium term usage and short term usage except for denomination of such charges. The relevant Regulation in this regard, Regulation 66.2 of MERC MYT Regulations is reproduced as under.

*“66.2 No distinction in charges shall exist in terms of long term, medium term or short term access to the intra-State Transmission System:*

*Provided that, the transactions for long term and medium term shall be denominated in Rs/kW/month or any suitable denomination as may be stipulated by the Commission, derived from transmission tariff for long term/medium term access as specified in Regulation 64.3.”*

23. The recovery from short term transmission open access charges shall be used to reduce TTSC for the InSTS and in turn benefit long term transmission system users. The relevant extract of the Regulation 64.1.1 allowing deduction of TTSC to the extent of recovery from short term transmission open access charges is reproduced as below.

*“64. Determination of Intra-State Transmission Tariff*

*64.1 Determination of Total Transmission System Cost (TTSC)*

*64.1.1 The aggregate of the yearly revenue requirement for all Transmission licensees; less the deductions, as approved by the Commission over the Control Period, shall form the “Total Transmission System Cost” of the Intra-State transmission system, to be recovered from the Transmission System Users (TSUs) for the respective year of the Control Period, in accordance with the following Formula:*

$$TTSC_{(t)} = \sum_{i=1}^n (ARR_i - NT_i - O_i) - STR_{(t-1)}$$

*Where,*

*TTSC<sub>(t)</sub> = Pooled Total Transmission System Cost of year (t) of the Control Period*

*n = Number of Transmission Licensee(s)*

*ARR<sub>i</sub> = Yearly revenue requirement approved by the Commission for i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

*NT<sub>i</sub> = Approved level of non-tariff income for i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

*O<sub>i</sub> = Approved level of income from other business of the i<sup>th</sup> Transmission Licensee for the yearly period (t) of the Control Period*

$STR_{(t-1)} = \text{Revenue from short term open access charges earned during previous yearly period (t-1)}$ .

*Provided that the revenue from short term open access charges for each yearly period (t) of Control Period shall be taken same as that prevalent during the yearly period before commencement of the Control Period. However, the adjustments due to variation in actual revenue from short term open access charges shall be undertaken during mid-term review and at the end of Control Period. (Emphasis Added)*”

The net ARR of transmission licensees considered for computation of TTSC already considers the revenue from short term open access charges for the previous year and hence the same need not be separately deducted for the purpose of computation of TTSC as specified under the above referred Regulation. Further, the non Tariff income and other income of respective transmission licensees have also been considered while approving the net ARR of such transmission licensees. Thus, no separate deduction of such charges have been done while computing the TTSC for FY 2013-14 to FY 2015-16.

**D1 Sharing of TTSC amongst Transmission System Users (TSUs)**

24. In accordance with Regulation 65.1 of the MERC MYT Regulations, the total transmission system cost has to be shared amongst the long-term transmission system users comprising distribution licensees such as MSEDCL, TPC-D, RInfra-D and BEST in accordance with their contribution to average of coincident peak demand and non-coincident peak demand. For the purpose of this Order, the Commission has assumed such ratio of sharing of TTSC for FY 2013-14 to FY 2015-16 at the same level as that of the FY 2012-13, the latest year for which data is available. The ratio of such contribution by MSEDCL, TPC-D, RInfra-D and BEST is respectively 81.86%, 6.86%, 6.28% and 5.01%. However, the Commission shall revise the allocation ratio based on actual contribution of each distribution licensee during the mid-term performance review or final review during the present Control Period. Accordingly, the sharing of TTSC among TSUs for FY 2013-14, FY 2014-15 and FY FY 2015-16 is as summarised in the following tables:

**FY 2013-14**

Particulars	Share of avg. of CPD and NCPD (MW)	% share of avg. of CPD and NCPD (%)	% share of TTSC for FY 2013-14 (Rs Cr)
<b>TSU - Distribution Licensees</b>			
MSEDCL	14528	81.86%	5582.62
TPC-D	1217	6.86%	467.68
RInfra-D	1114	6.28%	428.11
BEST	889	5.01%	341.57
<b>TOTAL</b>	<b>17748</b>	<b>100%</b>	<b>6819.97</b>

**FY 2014-15**

Particulars	Share of avg. of CPD and NCPD	% share of avg. of CPD and NCPD	% share of TTSC for FY 2014-15
TSU - Distribution Licensees	(MW)	(%)	(Rs Cr)
MSEDCL	15989	81.86%	5089.24
TPC-D	1339	6.86%	426.35
RInfra-D	1226	6.28%	390.27
BEST	978	5.01%	311.38
<b>TOTAL</b>	<b>19533</b>	<b>100%</b>	<b>6217.24</b>

**FY 2015-16**

Particulars	Share of avg. of CPD and NCPD	% share of avg. of CPD and NCPD	% share of TTSC for FY 2015-16
TSU - Distribution Licensees	(MW)	(%)	(Rs Cr)
MSEDCL	17274	81.86%	5910.30
TPC-D	1447	6.86%	495.13
RInfra-D	1325	6.28%	453.23
BEST	1057	5.01%	361.61
<b>TOTAL</b>	<b>21102</b>	<b>100%</b>	<b>7220.28</b>

25. As outlined under para 38 below, this transmission Tariff Order shall be applicable with effect from 1 April, 2013. The State Transmission Utility (STU), i.e., MSETCL, shall collect transmission charges from TSUs on a monthly basis at the end of each calendar month, with first monthly period commencing from 1 April, 2013 in the following manner:

Particulars	FY 2013-14		FY 2014-15		FY 2015-16	
	Annual (Rs cr)	Monthly* (Rs cr / month)	Annual (Rs cr)	Monthly* (Rs cr / month)	Annual (Rs cr)	Monthly* (Rs cr / month)
TSU - Distribution licensees						
MSEDCL	5582.62	465.22	5089.24	424.10	5910.30	492.52
TPC-D	467.68	38.97	426.35	35.53	495.13	41.26
RInfra-D	428.11	35.68	390.27	32.52	453.23	37.77
BEST-D	341.57	28.46	311.38	25.95	361.61	30.13
<b>TOTAL</b>	<b>6819.97</b>	<b>568.33</b>	<b>6217.24</b>	<b>518.10</b>	<b>7220.28</b>	<b>601.69</b>

(\* applicable from 1 April, 2013)

26. It is clarified that the above transmission charges are payable by all long-term transmission system users irrespective of their actual utilisation (peak demand) recorded during the period of operation. In case, actual utilisation of transmission capacity by any long-term TSU varies from the allocated transmission capacity (i.e., Base TCR) then, the same shall be governed as per Regulation 66.4 of MERC MYT Regulations. The relevant Regulation is reproduced as below.

*“66.4 The charges for intra State transmission usage shall be shared among various TSUs in the following manner:*

- a) Existing long term TSU with recorded demand upto Base TCR (i.e., average of CPD and NCPD) shall not be subjected to payment of short term transmission charges.*
- b) Long term TSU with recorded demand greater than Base TCR but lower than Contracted Capacity shall make payment of short term Transmission charges for the recorded demand in excess of Base TCR.*
- c) Where the recorded demand of long term TSU is greater than Contracted Capacity (termed as Transmission Capacity Right - TCR), the TSU shall bear additional transmission charges as specified in MERC (Transmission Open Access) Regulations, 2005, as amended from time to time:*

*Provided that short term transmission charges and additional transmission charges, if payable or paid, as applicable in accordance with the clauses (a), (b) and (c) above, by long term TSUs, shall be adjusted during subsequent billing period upon availability of information regarding actual recorded demand by such long term TSUs.”*

**E1 Recovery of ARR of Transmission Licensees for FY 2013-14 to FY 2015-16**

27. As per Regulation 64.1 of the MYT Regulations, the ARR of transmission licensees is pooled together to form TTSC for InSTS and each transmission licensee is entitled to recover its approved ARR from the transmission charges collected by STU from transmission system users.

28. As outlined in para 38 below, this transmission Tariff Order shall be applicable with effect from 1 April, 2013. The STU shall collect transmission Tariff from transmission system users on monthly basis at the end of each calendar month with first monthly period commencing from 1 April, 2013. Thus, each transmission licensee, in turn, shall be entitled to recover its ARR as considered in the present TTSC workings, from the transmission Tariff collected by STU on a monthly basis at the end of each calendar month with the first monthly period commencing from 1 April, 2013, and should claim recovery of its ARR by way of raising a monthly bill on the STU covering its component of intra-state transmission charges in the following manner:

TSU - Distribution Licensees	Monthly Recovery of TTSC		
	FY 2013-14	FY 2014-15	FY 2015-16
Units	Rs Crore/month	Rs Crore/month	Rs Crore/month
MSEDCL	465.22	424.10	492.52
TPC-D	38.97	35.53	41.26
RInfra-D	35.68	32.52	37.77
BEST- D	28.46	25.95	30.13
<b>Total</b>	<b>568.33</b>	<b>518.10</b>	<b>601.69</b>

29. However, the above approved monthly recovery over the control period is subject to amendment based on the revision in TTSC for the control period upon issuance of MYT Orders for concerned Transmission Licensees, as referred under para 10 of this Order. Any under-recovery or over-recovery by Transmission Licensees owing to such amendment shall be adjusted with necessary carrying cost thereupon.

30. As regards payment of transmission tariff, each TSU shall make the payment in accordance with the modalities as specified under Regulation 68 of the MERC MYT Regulations. Accordingly, all payments related to transmission charges for a particular calendar month shall be due for payment on the 14<sup>th</sup> day of the subsequent calendar month. The relevant Regulation is reproduced as below.

*“ 68.1 State Transmission Utility (STU) shall raise monthly bill for Intra-State Transmission Charges on every Transmission System User (TSU) on 1st working day of the Month for the Transmission Charges of preceding month.*

*68.2 The monthly bill for transmission tariff for each calendar month shall be payable on 14th day of subsequent calendar month by the TSUs.*

*68.3 All TSUs shall ensure timely payment of Transmission Tariff to STU so as to enable STU to make timely settlement of claims raised by transmission licensees.*

*68.4 Where there is delay in payment by any TSU, late payment surcharge at the rate of 1.25% per month or part thereof shall be applicable. (Emphasis Added)”*

**F] Energy Accounting and Treatment of Transmission Loss**

31. The Commission rules that the principles enunciated in the Transmission Pricing Framework Order in Case No. 58 of 2005 for state-wide accounting of energy over InSTS shall continue to be applicable for period of FY 2013-14 to FY 2015-16. Further, the mechanism for accounting of transmission loss and modalities for treatment of energy exchange (increment/decrement) amongst TSUs including distribution licensees as elaborated in the Commission’s Order dated 29 September, 2006 in Case No. 31 of 2006 and Order dated 13 February, 2007 in Case Nos. 36 and 41 of 2006, intra-state ABT Order in Case No. 42 of 2006 dated 17 May, 2007, and other related Orders issued from time to time shall continue to be applicable during this second Control Period (from FY 2013-14 to FY 2015-

16) as well, in line with the final balancing and settlement mechanism (FBSM) for energy accounting and settlement on 15-minute basis under intra-state ABT regime already implemented in the state.

32. The intra-state transmission loss as recorded during the past 12 months as available from January 2012 to December 2012 has been submitted by SLDC. Based on the data, the weighted average transmission loss for intra-state transmission system for the said period amounts to **4.19 %** for a total energy input of 1,20,330 MU and an energy output of 1,15,294 MU during the aforesaid period, which is hereby approved by the Commission for the second Control Period from FY 2013-14 to FY 2015-16.

**G] Recovery of ARR for new Transmission Licensee**

33. By the end of the first control period ending 31 March, 2011, the Commission had granted transmission licence to various new private entrants in the state transmission sector in accordance with provisions outlined under Section 14 of EA, 2003 after undertaking due regulatory process. The various new private transmission companies, which were granted new intra-state transmission licence by the Commission, are as listed below:

***Table: New Transmission Licensee forming part of InSTS***

<b>Sl. No.</b>	<b>Transmission Licensee</b>	<b>Licence No.</b>
1	Jaigad Power Transco Limited (JPTL)	License No 1 of 2009
2	Adani Power Maharashtra Limited – Transmission (APML-T)	Licence No. 2 of 2009
3	Maharashtra Eastern Grid Power Transmission Company Ltd.( MEGPTCL)	Licence No. 1 of 2010
4	Sinnar Power Transmission Company Limited (SPTCL)	Licence No. 2 of 2010
5	Amravati Power Transmission Company Limited (APTCL)	Licence No. 3 of 2010

ARR computations for MEGPTCL, SPTCL and APTCL have not been taken into account for TTSC as their assets are yet to be commissioned.

34. The transmission assets of APTCL, SPTCL and MEGPTCL are yet to be commissioned. Hence, the Commission has not considered the recovery of revenue by such licensees vide the present Order but would however allow recovery of revenue through the InSTS transmission Tariff Orders for subsequent years once the transmission system of such licensees have achieved COD and the ARR towards the assets are approved by the Commission.

**H] Preparedness for Evolutionary POC Based Transmission Pricing Methodology**

35. The existing framework of transmission pricing of Maharashtra at intra-State level is based on postage stamp method. The mechanism has served the needs of the system well.



However, the National Electricity Policy and Tariff Policy mandate that the national Transmission tariff framework should be sensitive to distance, direction and related to quantum of power flow. CERC, after due consideration of the alternative methodologies for sharing of transmission system costs and based on comments received from various stakeholders has adopted implementation of the Point of Connection (PoC) methodology for sharing of inter-state transmission system (ISTS) cost.

36. The MERC MYT Regulations has necessary enabling provisions for changing the existing transmission pricing framework and for introducing transmission pricing framework as followed by CERC, at an appropriate time during present or next Control Period. The relevant Regulation is reproduced below:

***“67 Transmission Pricing Framework***

*67.1 The Commission may, after conducting a detailed study and due regulatory process, change the existing transmission pricing framework to the one adopted at the Central level, during this Control Period, or afterwards, whenever the Commission may deem appropriate.”*

37. For adoption of POC methodology at the State level, several Intra-State level transmission system data inputs are required. In view of above, STU should initiate preparatory actions to explore introduction of PoC based Transmission pricing methodology at the Intra-State level in line with Tariff Policy principles and similar to the methodology as specified by CERC for inter-State transmission pricing. Accordingly, the STU is hereby directed to undertake a detailed study for introduction of POC methodology within Maharashtra and such study should be completed within a timeline of six months from issuance of this Order. The study should inter alia cover the details of the preparatory work for implementation of PoC methodology in the State, the data requirement, timeline and the approach and methodology for collection and collation of the same, any other relevant input as necessary, for the entire State. STU should conduct necessary consultations with the Transmission Licensees of the State, SLDC and Transmission system users for performing the aforesaid study.

**II Applicability of Order**

38. This Order shall be applicable with effect from 1 April, 2013. The above transmission tariff shall remain in effect till any subsequent revision in the same during mid-term performance review or final performance review and in accordance with the Regulation 64 and Regulation 65 of MERC MYT Regulations and amendments thereof.

Sd/-  
(Vijay L. Sonavane)  
Member

Sd/-  
(V. P. Raja)  
Chairman

## Annexure-I

Revenue gap/Past period recovery of MSETCL, RIntra-T and JPTL included in TTSC of FY 2013-14\*

All units in Rs Crore

### MSETCL

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
ARR recovered through TTSC	188.69	188.69	296.07	296.07	296.07	296.07	296.07	296.07	296.07	296.07	296.07	296.07

Total ARR Recovered	3338.08	sum of actual monthly recovery over FY 2012-13										
Total ARR trued up	4214.8	<a href="#">Case 106 of 2012; includes gap till earlier years</a>										
Gap/(surplus)	<b>876.72</b>											

### RIntra-T

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
ARR recovered through TTSC	7.73	7.73	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58	10.58

Total ARR Recovered	121.26	sum of actual monthly recovery over FY 2012-13										
Gap approved to be recovered under true up of FY 2011-12	39.05	<a href="#">Case 123 of 2012 dated 2nd Apr 2013(truing up of FY 11 and FY 12)</a>										
ARR Trued up/latest approved	214.02	<a href="#">Case 159 of 2011- Biz Plan Order dated 23 Oct-2012</a>										
Gap/(surplus)	<b>131.81</b>											

### JPTL

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
ARR recovered through TTSC	JPTL not in TTSC		7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23	7.23

Total ARR Recovered	72.3											
ARR Trued up/latest cumulativ	86.78	<a href="#">Case No. 170 of 2011; true up of FY 2010-11 and approval of FY 2011-12</a>										
ARR approved for FY 2012-13	112.89	<a href="#">Case No. 57 of 2012; JPTL Biz Plan dated 20th Dec 2012</a>										
Gap/(surplus)	<b>127.37</b>											

\*Computation of past period recovery for TPC-T and APMIL-T to be included in FY 2013-14, has already been elaborated in the respective MYT Orders.