

Before the  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005  
Tel. 022 22163964/65/69  
Email: mercindia@merc.gov.in  
Website: [www.merc.gov.in](http://www.merc.gov.in)

**Case No. 83 of 2020**

**Case of Jaigad Power Transmission Co. Ltd. seeking review of the Commission's MYT  
Order dated 30 March, 2020 in Case No. 294 of 2019**

**Coram**  
**I.M. Bohari, Member**  
**Mukesh Khullar, Member**

Jaigad Power Transmission Co. Ltd.

..... Petitioner

**Appearance**

For the Petitioner

: Shri Suraj Guru (Adv.)

**ORDER**

**Date: 6 June, 2020**

1. Jaigad Power Transmission Co. Ltd. (**JPTL**), JSW Centre, Bandra Kurla Complex, Bandra (East), Mumbai, has filed a Petition on 12 May, 2020 under Section 94 (1) (f) of the Electricity Act, 2003(**EA**) and the Regulations 85 of MERC (Conduct of Business) Regulations, 2004, seeking review of MYT Order issued on 30 March, 2020 in Case No. 294 of 2019 (**Impugned Order**) in the matter of Truing-up of ARR for FY 2017-18 and FY 2018-19, Provisional Truing-up of ARR for FY 2019-20 and ARR for Multi Year Tariff (MYT) 4<sup>th</sup> Control Period from FY 2020-21 to FY 2024-25.

2. **JPTL's main prayers are as follows:**

- a) "To allow the Review of the Order dated 30<sup>th</sup> March 2020 (Case No. 294 of 2019) passed by Hon'ble Commission.*
- b) To correct the impact of the inadvertent consideration of provisional Surplus amount of Rs. 1.95 Crore of FY 2017-18 for the Truing-up of 2018-19 and to be adjusted/adjusted in ARR of FY 2020-21.*

c) *To allow the carrying cost on the Financial Impact of this Review Petition.*

d) *To allow the recovery of the financial impact of Review by way of suitable mechanism.*

3. An E-hearing was conducted on 26 May, 2020 wherein JPTL-T reiterated the issues raised in the Petition and stated that there is an error on face of the record of the Impugned Order. Hence, review is maintainable as per the provisions of MERC (Conduct of Business) Regulations, 2004.
4. JPTL has sought the review of the Order in Case No. 294 of 2019, and the grounds and submissions of JPTL as also the Commission's analysis and ruling thereon are elaborated in the following paragraphs:-
5. **Issue : Apparent error in the Impugned Order , as much as the calculation, consideration, and treatment of provisional surplus of Rs. 1.95 Crore for FY 2017-18 and adjustment of Rs. 1.95 Crore in True Up of FY 2018-19 and consequent impact on ARR of FY 2020 -2021.**
  - 5.1. JPTL seeks review of the Impugned Order to an extent of correction regarding the treatment of provisional surplus of Rs. 1.95 crore as per Tariff Order issued on 12 September, 2018 (Case No. 167 of 2017).
  - 5.2. The Petition is submitted for consideration and rectification of the apparent error and review of inadvertent consideration of surplus of Rs.1.95 Crore ( Rs. 13.16 Crore - Rs. 11.21 Crore ) for trueing up of FY 2018-19 and adjusted in the ARR of FY 2020-21 in the Impugned Order and correction of ARR for FY 2020-21.
  - 5.3. In its Order dated 12 September, 2018 in Case No. 167 of 2017, the Commission provisionally approved a Revenue Surplus of Rs. **1.95 Crore for FY 2017-18**, to be recovered in FY 2018-19 along with the ARR for FY 2018-19 and other past period revenue gap/ (surplus).
  - 5.4. The Commission in the Impugned Order finally trued up the ARR for FY 2017-18 and held that there is a Revenue Gap of Rs. 0.77 Crore and approved recovery thereof along with carrying/holding cost from FY 2020-21. Thus, purported provisional Revenue Surplus of Rs. 1.95 Crore for FY 2017-18 as held in the Order dated 12 September, 2018 is non-est. However, the Commission inadvertently deducted the amount of Rs. 1.95 Crore while truing up the ARR of FY 2018-19 and the same is evident from Table No. 48 of the Impugned Order i.e. summary of ARR truing up of ARR of FY 2018-19, as approved by the Commission in the Impugned Order. Therefore, total ARR including past revenue gap/surplus should be **Rs. 70.97 Crore and not Rs. 69.02 Crore.**

**Table 1: Summary of ARR Truing-up of ARR for FY 2018-19, as approved by Commission  
(Rs. Crores) in the Impugned Order :**

Sr. No.	Particulars	MTR Order	Actual	Deviation	Contr ollabl e	Net Entitleme nt after sharing of gains/(loss es)
1	Operation & Maintenance Expenses	4.79	3.91	(0.88)	0.88	4.20
2	Depreciation Expenses	29.12	29.11	(0.01)		29.11
3	Interest on Long-term Loan Capital	19.41	19.68	0.28		19.68
4	Interest on Working Capital and on security deposits	1.37	0.00	(1.37)	1.52	0.51
5	Income Tax	5.59	6.09	0.50		6.09
6	Contribution to Contingency reserves	1.38	1.38	(0.00)		1.38
7	<b>Total Revenue Expenditure</b>	<b>61.65</b>	<b>60.17</b>	<b>(1.48)</b>	<b>2.40</b>	<b>60.97</b>
8	Return on Equity Capital	21.46	21.46	(0.00)		21.46
9	<b>Aggregate Revenue Requirement</b>	<b>83.11</b>	<b>81.62</b>	<b>(1.48)</b>	<b>2.40</b>	<b>82.42</b>
10	Less: Non-Tariff Income	0.79	0.80	0.01		0.80
11	Less: Income from Other Business	0.00		0.00		0.00
12	Add: Incentive	0.00	0.55	0.55		0.55
13	Add: Net Entitlement after sharing of gains/(losses) of refinancing of loan			0.00		0.00
14	<b>Net Aggregate Revenue Requirement from Transmission Tariff</b>	<b>82.32</b>	<b>81.38</b>	<b>(0.94)</b>	<b>2.40</b>	<b>82.18</b>
15	Add: Gap/ (Surplus) for FY 2010-11 to FY 2014-15	-3.45	-3.45	0.00		-3.45
16	Add: Gap/ (Surplus) for FY 2015-16 & FY 2016-17	-5.28	-5.28	0.00		-5.28
17	<b>Add: Gap/ (Surplus) for FY 2017-18</b>	<b>-1.95</b>	<b>-1.95</b>	<b>0.00</b>	<b>-</b>	<b>-1.95</b>
18	Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)	(3.22)	-3.22	0.00		-3.22
19	Add: Recovery of additional income tax of AY 2016-17		0.74			0.74
20	<b>Total Annual Revenue Requirement including past Revenue Gap/ (Surplus)</b>	<b>68.42</b>	<b>68.22</b>	<b>(0.94)</b>	<b>2.40</b>	<b>69.02</b>

5.5. Accordingly, consequential impact of Rs. 1.95 Crore is to be reflected in True Up of FY 2018-19 and ARR of FY 2020-21 and other parts of the Impugned Order.

5.6. Difference in Revenue Gap/(Surplus) for FY 2017-18 and 2018-19, as approved by the Commission and calculated by JPTL is shown in the Table below:

**Table 52: Revenue Gap for FY 2017-18 and FY 2018-19, as approved by Commission  
(Rs. Crore)**

Particulars	FY 2017-18	FY 2018-19 (Approved by the Commission with deduction of Rs. 1.95 Cr)	FY 2018-19 (Proposed by JPTL without deduction of Rs.1.95 Cr.)
Total ARR Approved in this Order	90.19	69.02	70.97
Revenue Recovered	89.42	76.06	76.06
Gap/ (Surplus)	0.77	<b>(7.04)</b>	<b>(5.09)</b>

5.7. Due to inadvertent consideration of provisional Surplus of Rs. 1.95 Crore (Rs. 70.97 Cr. - 69.02 Cr.) in the ARR of FY 2018-19 which resulted into lower ARR for FY 2020-21 than JPTL's actual entitlement and also burdened JPTL with the additional carrying cost of Rs. 0.38 Crore on it.

5.8. The below Table No. 98 of the Impugned Order represents the Carrying/Holding Cost as approved by the Commission for FY 2020-21:

***Table 2: Carrying Cost claimed on Past Gap claimed in FY 2020-21, as approved by Commission (Rs. Crore)***

Particular	FY 2017-18 (Approved in this order)	FY 2018-19 (Approved in this order)	FY 2019-20 (Approved in this order)	FY 2020-21 (Approved in this order)
Opening Balance	-	0.20	(7.40)	(7.40)
Addition During the year (Ex Incentive)	89.62	68.46	0.00	0.00
Recovery During the Year	89.42	76.06	0.00	(7.40)
Closing Balance	0.20	(7.40)	(7.40)	0.00
Average Balance	0.10	(3.60)	(7.40)	(3.70)
Wtg. Average rate of Interest	10.18%	9.89%	9.55%	9.55%
<b>Carrying / (Holding) Cost</b>	0.01	(0.36)	(0.71)	(0.35)
<b>Effective carrying/ (holding) cost for FY 2017-18 to 2019-20</b>	<b>(1.41)</b>			

5.9. The holding holding/carrying cost of Rs. 1.03 Crore as calculated by JPTL for FY 2017-18 to 2019-20 is as shown in the Table below:

Revised Holding Cost				
Particulars	Final True-up		Provisional	
	2017-18	2018-19	2019-20	2020-21
Opening Balance	-	0.20	(5.45)	(5.45)
Addition during the year (Excl Incentive)	89.62	70.41	-	-
Recovery during the year	89.42	76.06	-	(5.45)
Closing Balance	0.20	(5.45)	(5.45)	-
Interest rate	10.18%	9.89%	9.55%	9.55%
Holding Cost	0.01	(0.26)	(0.52)	(0.26)
		Total Holding Cost	(1.03)	
Difference between approved Holding Cost and Revised Holding Cost	0.00	0.10	0.19	0.09
		Total Holding Cost	0.38	

5.10. Therefore, effective holding/carrying cost for FY 2017-18 to 2019-20 should be Rs. 1.03 Crore and not Rs.1.41 Crore as computed in impugned Order.

5.11. JPTL requested to review the Impugned Order and pass on the financial impact of the same through appropriate mechanism so as to enable JPTL to sufficiently discharge its duties as mandated in EA, 2003.

5.12. Further, it submits that the review petition has been submitted within the time period i.e. within 45 days of the issue of the Tariff Order.

### Commission's Analysis and Rulings

5.13. Regulation 85(a) of the MERC (Conduct of Business) Regulations, 2004 governing review specifies as follows:

*“ Any person aggrieved by a direction, decision or order of the Commission, from which (i) no appeal has been preferred or (ii) from which no appeal is allowed, may, upon the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the direction, decision or order was passed or **on account of some mistake or error apparent from the face of the record,** or for any other sufficient reasons, may apply for a review of such order, within forty-five (45) days of the date of the direction, decision or order, as the case may be, to the Commission.”*

Therefore, the ambit of review is limited. The issues raised in this Review Petition are evaluated accordingly.

5.14. JPTL has contended that there is an error while considering Surplus of Rs. 1.95 Cr for FY 2017-18 for the Truing-up of 2018-19 which has resulted in lower ARR for FY 2020-21. JPTL also stated that instead of surplus, there is a revenue Gap of Rs. 0.77 Crores for final truing of ARR for FY 2017-18, as approved by the Commission. This error has also resulted in additional carrying cost of Rs. 0.38 Crore. Hence, this error needs to be corrected with its recovery of financial impact.

5.15. In its Order dated 12 September, 2018, in Case No. 167 of 2017, (*a Petition for Truing-up of ARR for FY 2015-16 and FY 2016-17, Provisional Truing-up of ARR for FY 2017-18 and revised ARR for FY 2018-19 and FY 2019-20 of JPTL*), the Commission had approved the Surplus ARR of Rs. 1.95 Crores for FY 2017-18 (Provisional Truing-up) which was to be passed on in FY 2018-19. The rulings of the Commission while approving the provisional surplus of Rs. 1.95 Crore for FY 2017-18 are as under:

*“ 5.13.2 The Commission has considered the provisionally Trued-up ARR for FY 2017-18 and the revenue recovery equivalent to the ARR for FY 2017-18 considered in the relevant InSTS Tariff Order for computing the Revenue Gap / (surplus), and its recovery during FY 2018-19.*

*5.13.3 JPTL has proposed to pass on Revenue Gap/(Surplus) including carrying/ (holding) cost in FY 2018-19. However, the Commission as per the stand taken in past Orders, only considers the revenue gap/ (surplus) at the time of provisional True-up. The carrying / (holding) cost is allowed only at the time of final truing up.*

*5.13.4 The summary of the Revenue Gap/ (Surplus) approved by the Commission for FY 2017-18 is given in the following Table:*

**Table 3: Revenue Gap/ (Surplus) for FY 2017-18 approved by Commission (Rs. Crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>MTR Petition</b>	<b>Approved in this Order</b>
1	Total ARR	89.06	87.93
2	ARR recovered through Transmission Tariff	89.88	89.88
3	Revenue Gap/ (Surplus)	(0.81)	(1.95)
4	Carrying/(Holding) Cost	(0.04)	0.00
5	<b>Revenue Gap/ (Surplus) to be pass on in FY 2018-19</b>	<b>(0.85)</b>	<b>(1.95)</b>

**5.13.5 The Commission approves a Revenue Surplus of Rs. 1.95 Crore, to be recovered in FY 2018-19 along with the ARR for FY 2018-19 and other past period revenue gap/ (surplus) approved in the present Order.”**

5.16. Hence, in the Order dated 12 September, 2018, the Commission has considered Rs. 1.95 Crores as Surplus for FY 2017-18 which was deducted while approving the ARR for FY 2018-19 (then ensuing Year) and thus approved ARR recovery for FY 2018-19 which was

determined to be Rs. 68.42 Crores. The relevant ruling of the Order is as shown in below table:

**Table 4: ARR for FY 2018-19 and FY 2019-20 approved by Commission (Rs. Crore)(  
Case No. 167 of 2017)**

<b>Particulars</b>	<b>FY 2018-19</b>			<b>FY 2019-20</b>		
	<b>MYT Order</b>	<b>MTR Petition</b>	<b>Approved in this Order</b>	<b>MYT Order</b>	<b>MTR Petition</b>	<b>Approved in this Order</b>
Operation & Maintenance Expenses	4.79	4.79	4.79	5.02	5.02	5.02
Depreciation	29.42	29.16	29.12	29.41	29.20	29.16
Interest on Long-term Loan	22.97	19.50	19.41	19.79	16.87	16.80
Interest on Working Capital	1.82	1.55	1.37	1.78	1.53	1.51
Contribution to Contingency Reserves	1.39	1.38	1.38	1.39	1.39	1.38
Income Tax Expense	5.61	6.00	5.59	5.61	6.00	5.59
<b>Total Revenue Expenditure</b>	<b>66.00</b>	<b>62.37</b>	<b>61.65</b>	<b>63.00</b>	<b>59.99</b>	<b>59.45</b>
Return on Equity Capital	21.72	21.54	21.46	21.72	21.59	21.52
<b>Aggregate Revenue Requirement</b>	<b>87.72</b>	<b>83.91</b>	<b>83.11</b>	<b>84.72</b>	<b>81.57</b>	<b>80.98</b>
Less: Non-Tariff Income	0.79	0.79	0.79	0.90	0.91	0.91
Add: Net Entitlement after sharing of gains/(losses) - refinancing of loan		0.95	0.00		0.82	0.00
<b>Net Aggregate Revenue Requirement</b>	<b>86.93</b>	<b>84.07</b>	<b>82.31</b>	<b>83.82</b>	<b>81.49</b>	<b>80.07</b>
Add: Gap/ (Surplus) for FY 2010-11 to FY 2014-15			-3.45			
Add: Gap/ (Surplus) for FY 2015-16 & FY 2016-17		15.96	-5.28			
Add: Gap/ (Surplus) for FY 2017-18		-0.81	-1.95			
Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)		5.40	-3.22			
<b>Total Annual Revenue Requirement including past Revenue Gap/ (Surplus)</b>	<b>86.93</b>	<b>104.61</b>	<b>68.42</b>	<b>83.82</b>	<b>81.49</b>	<b>80.07</b>

5.17. In the Impugned Order, while final truing up of ARR for FY 2017-18 and FY 2018-19, the Commission has Trued-up the expenses for FY 2018-19 and has considered surplus of Rs. 1.95 Crores as it is, while approving the ARR of Rs. 69.02 Crores for FY 2018-19. Relevant ruling of Impugned Order is as shown below:

“ Commission’s Analysis and Ruling



2.18.2 Based on the analysis set out above, the net ARR approved by the Commission for FY 2017-18 and FY 2018-19 is summarised in the following Tables

**Table 47: Summary of ARR Truing-up of ARR for FY 2017-18, as approved by Commission (Rs. Crores)**

Sr. No.	Particulars	MTR Order	Actual	Deviation	Controllable	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	4.44	4.28	(0.16)	0.28	4.38
2	Depreciation Expenses	29.10	29.10	(0.00)		29.10
3	Interest on Long-term Loan Capital	24.93	24.74	(0.19)		24.74
4	Interest on Working Capital and on security deposits	1.75	-	(1.75)	1.74	0.58
5	Income Tax	5.59	6.04	0.45		6.04
6	Contribution to Contingency reserves	1.38	1.38	(0.00)		1.38
7	<b>Total Revenue Expenditure</b>	<b>67.19</b>	<b>65.54</b>	<b>(1.65)</b>	<b>2.02</b>	<b>66.21</b>
8	Return on Equity Capital	21.44	21.44	0.01		21.44
9	<b>Aggregate Revenue Requirement</b>	<b>88.61</b>	<b>86.98</b>	<b>(1.64)</b>	<b>2.02</b>	<b>87.66</b>
10	Less: Non-Tariff Income	0.68	0.68	0.00		0.68
11	Less: Income from Other Business			0.00		-
12	Add: Incentive		0.57	0.57		0.57
13	Add: Net Entitlement after sharing of gains/(losses) of refinancing of loan		2.64			2.64
14	Add: Addition of DPC Considered as NTI for FY 15-16 ( Case No. 167 of 2017) _ APTEL Order 250 OF 2016 & IA NO. 899 OF 2017					-
15	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>87.93</b>	<b>89.51</b>	<b>(1.07)</b>	<b>2.02</b>	<b>90.19</b>

**Table 5: Summary of ARR Truing-up of ARR for FY 2018-19, as approved by Commission (Rs. Crores)**

Sr. No.	Particulars	MTR Order	Actual	Deviation	Controllable	Net Entitlement after sharing of gains/(losses)
1	Operation & Maintenance Expenses	4.79	3.91	(0.88)	0.88	4.20
2	Depreciation Expenses	29.12	29.11	(0.01)		29.11
3	Interest on Long-term Loan Capital	19.41	19.68	0.28		19.68
4	Interest on Working Capital and on security deposits	1.37	0.00	(1.37)	1.52	0.51
5	Income Tax	5.59	6.09	0.50		6.09
6	Contribution to Contingency reserves	1.38	1.38	(0.00)		1.38
7	<b>Total Revenue Expenditure</b>	<b>61.65</b>	<b>60.17</b>	<b>(1.48)</b>	<b>2.40</b>	<b>60.97</b>
8	Return on Equity Capital	21.46	21.46	(0.00)		21.46
9	<b>Aggregate Revenue Requirement</b>	<b>83.11</b>	<b>81.62</b>	<b>(1.48)</b>	<b>2.40</b>	<b>82.42</b>



<b>Sr. No.</b>	<b>Particulars</b>	<b>MTR Order</b>	<b>Actual</b>	<b>Deviation</b>	<b>Controllable</b>	<b>Net Entitlement after sharing of gains/(losses)</b>
10	Less: Non-Tariff Income	0.79	0.80	0.01		0.80
11	Less: Income from Other Business	0.00		0.00		0.00
12	Add: Incentive	0.00	0.55	0.55		0.55
13	Add: Net Entitlement after sharing of gains/(losses) of refinancing of loan			0.00		0.00
14	<b>Net Aggregate Revenue Requirement from Transmission Tariff</b>	<b>82.32</b>	<b>81.38</b>	<b>(0.94)</b>	<b>2.40</b>	<b>82.18</b>
15	Add: Gap/ (Surplus) for FY 2010-11 to FY 2014-15	-3.45	-3.45	0.00		-3.45
16	Add: Gap/ (Surplus) for FY 2015-16 & FY 2016-17	-5.28	-5.28	0.00		-5.28
17	Add: Gap/ (Surplus) for FY 2017-18	-1.95	-1.95	0.00		-1.95
18	Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)	(3.22)	-3.22	0.00		-3.22
19	Add: Recovery of additional income tax of AY 2016-17		0.74			0.74
20	<b>Total Annual Revenue Requirement including past Revenue Gap/ (Surplus)</b>	<b>68.42</b>	<b>68.22</b>	<b>(0.94)</b>	<b>2.40</b>	<b>69.02</b>

2.18.3 The detailed analysis underlying the Commission's approval of individual ARR elements on truing up of FY 2017-18 and FY 2018-19 is already set out above, however, the variation in the ARR sought by the JPTL and that approved by the Commission in this Order is mainly on account of the inclusion of DPC as part of the Non-Tariff Income by the Commission in line with the stand taken in its earlier Order in Case No. 167 of 2018.

2.18.4 Accordingly, the Commission approves the Aggregate Revenue Requirement of Rs. 90.19 Crore and Rs. 69.02 Crore on Truing-up of ARR for FY 2017-18 and FY 2018-19 as against Rs. 106.15 Crore and Rs. 72.74 Crore respectively claimed by JPTL. "

5.18. From the above rulings of the impugned Order, it is worthwhile to note that the ARR of Rs. 90.19 Crore approved after final True Up for FY 2017-18 (as shown in the Table No. 47 of the Impugned Order) is without deducting surplus of Rs. 1.95 Crore approved by the Commission for FY 2017-18 at the time of provisional true-up under 12<sup>th</sup> September 2018 Order. This provisional surplus of the FY 2017-18 is only considered by the Commission as part of the Truing up of FY 2018-19 as in the earlier Order dated 12 September, 2018, the effect of surplus owing to provisional true-up of FY 2017-18 was passed on in FY 2018-19 only.

5.19. Thus, while assessing the final Revenue Gap/Surplus for FY 2018-19 as part of true-up, the Commission in the Impugned Order has trued up the expenses of JPTL and accordingly revised the expenses from Rs 82.32 Crore to Rs. 82.18 Crore. While doing so all the past period impact as considered in the 12<sup>th</sup> September 2018 Order was retained as it is which is shown in Table 48 of the impugned Order. After considering this impact, the final trued up ARR was determined

to be Rs. 69.02 Crores. Hence , it may be noted that, other than reassessing the stand-alone ARR of FY 2018-19 as part of truing up, the gap/(surplus) pertaining to the past years viz. FY 2010-11 to FY 2014-15, FY 2015-17 to FY 2016-17 and that of FY 2017-18 allowed to be passed on in FY 2018-19 in the previous Order has been considered at same level while final true-up of FY 2018-19. Thus, all gap/(surplus) approved for past years remain the same and need not be further trued up. By the logic of JPTL that impact of provisional true-up of FY 2017-18 should not be considered while arriving at Final ARR of FY 2018-19, the impact of other past years also should not have been considered in FY 2018-19. However, that is not the case and thus the logic of the JPTL does not hold merit. The impact of final true-up of FY 2017-18 is anyway separately accounted for in the True-up section of FY 2017-18, of which final impact is allowed in FY 2020-21.

5.20. Table No. 52 of the Impugned Order shows the Revenue Gap/Surplus as approved by the Commission for FY 2017-18 and 2018-19 as part of the Final True-up of these years:

***“ Table 52: Revenue Gap for FY 2017-18 and FY 2018-19, as approved by Commission (Rs. Crore)***

<i>Particulars</i>	<i>FY 2017-18</i>	<i>FY 2018-19</i>
<i>Total ARR Approved in this Order</i>	90.19	69.02
<i>Revenue Recovered</i>	89.42	76.06
<b><i>Gap/ (Surplus)</i></b>	<b><i>0.77</i></b>	<b><i>(7.04 )</i></b>

*2.19.10 The Commission approves the Revenue Gap of Rs. 0.77 Crore in FY 2017-18 and Revenue Surplus of Rs. (7.04) Crore in FY 2018-19 along with carrying/holding cost for recovery in FY 2020-21 along with the ARR approved for the year.”*

5.21. Further while approving the ARR for MYT Control Period FY 2020-21 to FY 2024-25, the Commission in the Impugned Order has ruled as under:

*“ Commission’s Analysis and Ruling*

*4.12.2 Based on the analysis in the preceding paragraphs, the Commission has approved the ARR for JPTL for MYT Control Period FY 2020-21 to 2024-25 as shown below:*

***Table 100: Aggregate Revenue Requirement for MYT Control Period, as Approved by the Commission (Rs. Crore)***

<i>Particular</i>	<i>JPTL Petition</i>					<i>Approved in this order</i>				
	<i>FY 2020-21</i>	<i>FY 2021-22</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>	<i>FY 2020-21</i>	<i>FY 2021-22</i>	<i>FY 2022-23</i>	<i>FY 2023-24</i>	<i>FY 2024-25</i>

Particular	JPTL Petition					Approved in this order				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Operation & Maintenance Expenses	5.28	5.44	5.62	5.07	5.27	4.53	4.69	4.87	5.07	5.27
Depreciation	29.15	29.19	29.18	29.18	29.19	29.14	29.19	29.18	29.19	29.18
Interest on Long-term Loan	14.32	11.69	9.86	6.23	3.51	14.27	11.63	8.90	6.17	3.45
Interest on Working Capital	1.72	1.44	1.41	1.37	1.34	1.35	1.41	1.38	1.35	1.32
Income Tax						-	-	-	-	-
Contribution to Contingency Reserves	1.38	1.39	1.39	1.39	1.39	1.38	1.39	1.39	1.39	1.39
<b>Total Revenue Expenditure</b>	<b>51.86</b>	<b>49.13</b>	<b>46.56</b>	<b>43.24</b>	<b>40.69</b>	<b>50.67</b>	<b>48.30</b>	<b>45.72</b>	<b>43.17</b>	<b>40.60</b>
Return on Equity Capital	24.83	24.91	24.91	24.91	24.91	23.56	23.63	23.63	23.63	23.63
<b>Gross Aggregate Revenue Requirement</b>	<b>76.69</b>	<b>74.04</b>	<b>71.46</b>	<b>68.14</b>	<b>65.60</b>	<b>74.23</b>	<b>71.92</b>	<b>69.35</b>	<b>66.80</b>	<b>64.23</b>
Less: Non-Tariff Income	1.01	1.12	1.23	1.33	1.44	1.01	1.12	1.23	1.33	1.44
<b>Net Aggregate Revenue Requirement</b>	<b>75.68</b>	<b>72.92</b>	<b>70.24</b>	<b>66.81</b>	<b>64.15</b>	<b>73.21</b>	<b>70.80</b>	<b>68.12</b>	<b>65.46</b>	<b>62.79</b>
Add: Gap/ (Surplus) for FY 2017-18	16.73					0.77				
Add: Gap/ (Surplus) for FY 2018-19	(3.32)					(7.04)				
Add: Gap/ (Surplus) for FY 2019-20	0.50					0.49				
Carrying cost/ Holding Cost for FY 2017-18 to FY 2019-20	7.28					(1.41)				
<b>Total Annual Revenue Requirement including past gaps</b>	<b>96.87</b>	<b>72.92</b>	<b>70.24</b>	<b>66.81</b>	<b>64.15</b>	<b>66.02</b>	<b>70.80</b>	<b>68.12</b>	<b>65.46</b>	<b>62.79</b>

5.22. It is worth noting the fact that the Revenue Gap of Rs. 0.77 Crore for FY 2017-18 arrived in the Impugned Order is not included in the revenue surplus of Rs.1.95 Crore approved by the Commission. Hence, the contention of the JPTL that the Commission vide its Impugned Order finally trued up the ARR for FY 2017-18 has approved the revenue gap of Rs. 0.77 Crore and Revenue Surplus of Rs. 1.95 crore for FY 2017-18 as held in the Order dated 12 September, 2018 is non-est and the Commission inadvertently deducted the amount of Rs. 1.95 Crore while truing up the ARR of FY 2018-19 is not true. The treatment of gap/(surplus) of provisional true up is considered separately and the treatment of gap/(surplus) of final true-up is considered separately.

5.23. From the above analysis it is clear that a revenue gap of Rs. 0.77 for the FY 2017-18 is a standalone gap and does not include the surplus calculated for FY 2017-18. Further the surplus of Rs. 7.04 Crore for FY 2018-19 is including Rs. 1.95 Crore provisionally approved in Case

No. 167 of 2017. Hence, the contention of JPTL that there is an error in accounting of surplus of Rs. 1.95 Crore and consequent carrying / holding cost is not true.

5.24. In view of the foregoing, the Commission is of the view that there is no error apparent on the face of the record and no ground has been made out for review of the impugned Order on this aspect which would satisfy the requirements of Regulation 85(a) of the MERC (Conduct of Business) Regulations, 2004. Accordingly, no change is warranted in the calculation of ARR. Also, as there is no error in computation of ARR, other prayers of JPTL become infructuous. Hence the following Order.

### **ORDER**

**The Case No. 83 of 2020 is dismissed.**

**Sd/-**

**(Mukesh Khullar)  
Member**

**Sd/-**

**(I.M. Bohari)  
Member**

