GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2020-21,

and

Determination of ARR & Tariff for FY 2022-23

Deendayal Port Trust

(DPT)

Deendayal Port Trust

(DPT)

Case No. 2045/2022

31st March, 2022

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(GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administrative and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
DISCOM	Distribution Company
EA	Electricity Act, 2003
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Asset
GoG	Government of Gujarat
HT	High Tension
kV	kilo Volt
kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere hour
kWh	kilo Watt hour
LT	Low Tension
MTR	Mid-Term Review
MUs	Million Units
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
p.a.	Per Annum
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
SBI	State Bank of India
SLDC	State Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2045/2022

Date of Order: 31st March, 2022

CORAM

Anil G. Mukim, Chairman

Mehul M. Gandhi, Member

S. R. Pandey, Member

ORDER

1 Background and Brief History

1.1 Background

Deendayal Port Trust (formerly Kandla Port Trust) (hereinafter referred to as "DPT" or the "Petitioner"), a Distribution Licensee, has filed Petitions under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as the "GERC (MYT) Regulations, 2016"), for True up of FY 2020-21 and Determination of ARR & Tariff for FY 2022-23, on 6th January, 2022.

Gujarat Electricity Regulatory Commission notified the GERC (MYT) Regulations, 2016 on 29th March, 2016 which is applicable for Determination of Tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2020-21 and determination of ARR & Tariff for the ensuing year, to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

Gujarat Electricity Regulatory Commission notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March 2016 which shall be applicable for Determination of Tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2020-21, revenue from sale of power at existing tariffs and charges for the ensuing year, i.e., FY 2022-23, Revenue Gap or Revenue Surplus for the ensuing year for Determination of Tariff for FY 2022-23 to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

Subsequently, the Petitioner requested the Commission to grant the extension in filling the tariff application vide letters dated 29.10.2021 and 15.12.2021. The Commission vide email dated 15.12.2021 granted the extension till 26th December 2021. The Petitioner submitted the current Petition for Truing up for FY 2020-21 and Determination of Tariff for FY 2022-23 on 6th January 2022. After technical validation of the petition, it was registered on 11 January, 2022 as Case No.2045/2022 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

The True up year and the ensuing year in the present case is FY 2020-21 and FY 2022-23 respectively, however, the GERC (MYT) Regulations, 2016 which has been notified on 29th March, 2016 were in force till 31st March 2021. While the Commission had initiated the process of framing the MYT Regulations for new Control Period of FY 2021-22 to FY 2025-26 by issuing public notice dated 10th August, 2020, the process was delayed due to circumstances and reasons beyond the control of the Commission. Considering the delay, the Commission vide its Suo-Motu Order No. 07 of 2020 dated 22nd December, 2020 deferred the 5-year control period for new MYT Regulations for one year. Due to ongoing pandemic, the process was further delayed due to circumstances and reasons beyond the control of the Commission. The Commission vide its Order in Suo-Motu Petition No. 1995 of 2021 dated 24th September, 2021 deferred the next MYT Control period by one more year and accordingly, all the concerned utilities and licensees were directed to file True up for FY 2020-21 and annual ARR for FY 2022-23 and application for determination of tariff for FY 2022-23 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016.

1.2 Deendayal Port Trust

The Petitioner is one of the major ports in India under Government of India and Ministry of Shipping. The Deendayal Port is located on the Gulf of Kutch on the north-western coast of India and is the largest port of India by volume of cargo handled.

DPT is a Distribution Licensee. The licence for supply of electricity was granted to DPT by the Chief Commissioner of Kutch under the Indian Electricity Act, 1910. Consequent to the enactment of the Electricity Act, 2003 (EA 2003), DPT has become a deemed Distribution Licensee under the EA 2003 and is required to file Petition before the Commission under Section 62 of the EA 2003 for determination of tariff. The distribution system of DPT comprises one 66 kV Substation fed by double circuit overhead lines from GETCO 220 kV Substation at Anjar and fifteen 11 kV Substations in the licence area. In addition, DPT has constructed 3 numbers of 2 MW wind turbines and started consuming power from them from FY 2017-18. DPT had a Contract Demand with Paschim Gujarat Vij Company Limited (PGVCL) of 4900 kVA from July 1, 2014 to March 31, 2015, which was reduced to 4100 kVA from April 1, 2015 till July 31, 2018. DPT reduced the said Contract Demand to 2500 kVA w.e.f. August 01, 2018, as it started consuming power from the 6 MW captive wind power plant.

1.3 Background for the present Petitions

The Petitioner had filed its first Petition under the MYT framework for the Control Period from FY 2011-12 to FY 2015-16 on 7th December, 2010, in accordance with the GERC (MYT) Regulations, 2011. The Commission issued the MYT Order on 18th August, 2011, in which the Commission approved the ARR for each year from FY 2011-12 to FY 2015-16.

The Commission did not approve the truing up for FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15 based on the respective Petitions filed by DPT, in the absence of separate audited accounts for the Distribution Licence business. Since, the Distribution Licence business is under a regulated regime, DPT was directed to maintain separate accounts, duly audited by auditors, for the electricity distribution business and develop the Balance Sheet and Profit & Loss Statement for the distribution business.

The Petitioner filed a Petition on February 1, 2017 for the Truing up of FY 2015-16, determination of ARR for the Control Period from FY 2016-17 to FY 2020-21, and determination of tariff for FY 2017-18. In its Order dated June 30, 2017, the Commission dismissed the Petition on the grounds of error in calculations, data gaps and inconsistencies. The Commission directed the Petitioner to re-submit the Petition complete in all respects as per the GERC (MYT) Regulations, 2011 and 2016 and comply with the statutory requirements, based on the separate accounts of the electricity distribution business.

The Petitioner filed the Petitions for Truing up for the period from FY 2011-12 to FY 2015-16 (Case No. 1810 of 2019), approval of MYT ARR for FY 2016-17 to FY 2020-21, Truing up for FY 2016-17 and FY 2017-18, and Determination of Tariff for FY 2019-20 (Case No. 1811 of 2019) along with a separate Petition of condonation of delay (Case No. 1812 of 2019) as the Petitioner was unable to re-submit the Tariff Petitions in the time frame prescribed under the applicable GERC (MYT) Regulations. The Commission vide Order dated 27.09.2019 in Case No. 1812 of 2019 decided to condone the delay in filing the Tariff Petitions. The Commission issued the Order on 29th September 2020, in which the Commission approved the Truing up for FY 2011-12 to FY 2015-16, Approval of Multi Year ARR for FY 2016-17 to FY 2020-21, Truing up for FY 2016-17 and FY 2017-18 and Determination of Tariff for FY 2020-21.

The Petitioner filed a Petitions for Truing up for FY 2019-20 and Determination of ARR & Tariff for FY 2021-22 (Case No. 1811 of 2019) on 30th March 2021 with the provisions of Act and Regulations issued by the Commission along with the other guidelines and directions issued by the Commission from time to time.

1.4 Background of the present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the control period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the Truing up for previous year’s Expenses and Revenue based on Audited Annual Accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual Determination Tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wire Business and Retail Supply Business, for each financial year within the Control Period, based on the approved forecast and result of the Truing up exercise.

The Commission vide Order in Suo-Motu Petition No. 1995 of 2021 dated 24th September 2021 directed the concerned utilities to file their Application / Petition for approval of true-up for FY 2020- 21 and for Determination of Annual ARR and Tariff for FY 2022-23 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016 on or before 30th November 2021.

DPT has filed the present Petition on 6th January, 2022. The Petition filed by DPT covers the Truing up of FY 2020-21 and ARR & Tariff determination for FY 2022-23 in line with the provisions of Act and Regulations issued by the Commission along with the other guidelines and directions issued by the Commission from time to time.

1.5 Registration of the Current Petitions and Public Hearing Process

The Petitioner submitted the current Petition for Truing up for FY 2020-21 and determination of ARR & Tariff for FY 2022-23 on 6th January, 2022. After technical validation of the petition, it was registered on 11th January, 2022 as case no. (2045/2022) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, DPT was directed to publish its tariff application in the newspapers to ensure public participation. Accordingly, Public Notices were published by the Petitioner for inviting objections/ suggestions from stakeholders on the petition of Truing up and determination of ARR & Tariff for FY 2022-23 filed by Ms/ DPT in the following newspapers:

Table 1-1: List of Newspapers in which Public Notice was published

Sl. No.	Name of Newspaper	Language	Date of Publication
1	The Times of India	English	19.01.2022
2	Kutch Mitra	Gujarati	19.01.2022

The Petitioner also placed the Public Notice and the Petitions on its website (www.deendayalport.gov.in) for inviting objections and suggestions on the petition from interested parties and stakeholders on or before 18th February, 2022.

The Commission also placed the Petitions and additional details received from the Petitioner on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission as well as the Petitioner has not received any objections / suggestions on the Petition in Case No. 2045/2022 till the last submission date of 18th February, 2022. Hence, no public hearing was conducted.

1.6 Approach of this Order

The GERC (MYT) Regulations, 2016, provide for "Truing up" of the previous year and determination of Tariff for the ensuing year.

As per Clause 1.2 & 1.4 of the GERC (MYT) Regulations, 2016, the Commission has specified that the MYT framework will be applicable from 1st April, 2016 onwards.

DPT has approached the Commission with the present Petition for "Truing up" of FY 2020-21 and determination of ARR & Tariff for FY 2022-23. DPT has also submitted the final Audited Annual Accounts for FY 2020-21.

In this Order, the Commission has considered the "Truing up" for FY 2020-21, as per the provisions of the GERC (MYT) Regulations, 2016. The ARR & Tariff determination for FY 2022-23 has also been carried out as per the provisions of the GERC (MYT) Regulations, 2016.

The Commission has undertaken "Truing up" for FY 2020-21, based on the submissions of the Petitioner and as per the information available in the Audited Annual Accounts. The Commission has undertaken the computation of Gains and Losses for FY 2020-21, based on the approved vis-à-vis actual expenses.

While Truing up for FY 2020-21, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.

- Uncontrollable parameters have been revised, based on the actual performance observed.

- The Truing up for FY 2020-21 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of ARR & Tariff for FY 2022-23 have been carried out as per the principles and methodology specified in the GERC (MYT) Regulations, 2016. Truing up for FY 2020-21 shall be carried out based on the principles and methodology adopted in the GERC (MYT) Regulations, 2016.

1.7 Contents of this Order

The Order is divided into **nine Chapters** as detailed under: -

1. The **First Chapter** provides a brief background regarding the Petitioner, the Petitions on hand and approach adopted in this Order.

2. The **Second Chapter** outlines the summary of DPT's Petitions.

3. The **Third Chapter** deals with Truing up for FY 2020-21.

4. The **Fourth Chapter** details the Determination of ARR for the FY 2022-23.

5. The **Fifth Chapter** deals with the Determination of Tariff for FY 2022-23.

6. The **Sixth Chapter** deals with the Compliance of Directives.

7. The **Seventh Chapter** deals with FPPPA Charges.

8. The **Eighth Chapter** deals with Determination of the Wheeling Charges and Cross-Subsidy Surcharge.

9. The **Ninth Chapter** deals with the Tariff Philosophy and Tariff Proposal.

2 Summary of DPT's Petition

2.1. Introduction

This Chapter deals with highlights of the Petition as submitted by DPT for Truing up for FY 2020-21 and determination of ARR & Tariff for FY 2022-23.

2.2. True-up for FY 2020-21

A summary of the proposed ARR for Truing-up for FY 2020-21 compared with the provisionally approved ARR for FY 2020-21 in the "Multi Year Tariff" (MYT) Order dated 29th September, 2020 is presented in the Table below along with the item-wise Gain/ Loss computations as submitted by DPT:

Table 2-1: True-up Proposed for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21			
		Approved in the MYT Order	Actual Claimed	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	1720.01	738.99	-	981.02
2	Operation & Maintenance Expenses	345.26	554.02	(208.76)	-
2.1	Employee Cost	-	61.40		-
2.2	Repair & Maintenance Cost	-	320.05		-
2.3	Administration & General Charges	-	172.57		-
3	Depreciation	236.42	245.30	-	(8.88)
4	Interest & Finance Charges	-	5.23	-	(5.23)
5	Interest on Security Deposit	-	-	-	-
6	Interest on Working Capital	-	12.40	(12.40)	-
7	Return on Equity	192.42	200.00		(7.58)
8	Income Tax	-	-	-	-
9	**Aggregate Revenue Requirement**	**2494.11**	**1755.95**	**(221.17)**	**959.33**
10	Less: Non-Tariff Income	21.59	30.41	-	8.82
11	**Net ARR**	**2472.52**	**1725.53**	**(221.17)**	**968.15**

2.3. Revenue Gap/ (Surplus) for FY 2020-21

DPT has proposed to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors and full pass through of the uncontrollable factors as per the mechanism specified in the GERC (MYT) Regulation, 2016. Adjusting these to the net Aggregate Revenue

Requirement, DPT has arrived at the Revised Aggregate Revenue Requirement from FY 2020-21.

The Table below summarizes the proposed ARR claimed by DPT for Truing up of FY 2020-21.

Table 2-2: Revenue Gap/ (Surplus) claimed by DPT for FY 2020-21 (Rs. Lakh)

Sr. No	Particulars	FY 2020-21
		Actual Claimed
1	ARR originally approved for FY 2020-21	2,472.52
2	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	968.15
3	Less: Gain/(Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain/(Loss))	(73.72)
4	**Revised ARR for FY 2020-21 (1 - 2 - 3)**	**1,578.09**
5	Revenue from Sale of Power	1,533.27
6	**Revenue (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 5)**	**(44.82)**

2.4. ARR, Revenue at Existing Tariff, Revenue Gap and Tariff Proposal for FY 2022-23

DPT has also sought approval for Aggregate Revenue Requirement for FY 2022-23 as per GERC (MYT) Regulations, 2016. DPT has submitted the Aggregate Revenue Requirement as under:

Table 2-3: Aggregate Revenue Requirement projected by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23
1	Power Purchase Expenses	2356.62
2	O&M Expenses	619.22
2.1	Employee Cost	68.63
2.2	Repair & Maintenance Cost	357.71
2.3	Administration & General Charges	192.88
3	Depreciation	276.01
4	Interest & Finance Charges	2.95
5	Interest on Working Capital	27.33
6	Interest on Security Deposit	-

Sr. No.	Particulars	FY 2022-23
7	**Total Revenue Expenditure**	**3282.14**
8	Return on Equity	224.43
9	Income Tax	-
10	Less: Non-Tariff Income	15.30
11	**Aggregate Revenue Requirement**	**3491.27**

2.5. Revenue Gap/(Surplus) for FY 2022-23

Based on the projected ARR for FY 2022-23 given in the Table above, the estimated Revenue Gap projected by DPT for FY 2022-23 at existing tariff, is shown in the following Table:

Table 2-2: Estimated Revenue Gap/(Surplus) of DPT for FY 2022-23 (Rs. Lakh)

Consumer Category	Projected
Aggregate Revenue Requirement	3,491.27
Less: Revenue (Gap)/ Surplus after True up of FY 2020-21	(44.82)
Total Aggregate Revenue Requirement	**3,536.09**
Revenue with Existing Tariff	3,949.21
Revenue (Gap)/Surplus with Existing Tariff	**413.12**

2.6. Projected Revenue Gap/(Surplus) for FY 2022-23 at Proposed Tariff

DPT has submitted that in accordance with revenue gap for FY 2022-23 as calculated in above table along with revenue gap/(surplus) as arrived during True-up for FY 2020-21 at Rs. (44.82) lakh, DPT would require tariff reduction of ~12% for closing the resultant gap.

However, considering that some categories are subsidising, while some categories are subsidised, and the Licensee is required to reduce the cross-subsidies over a period of time, DPT has proposed category-wise retail tariffs in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the Average cost of supply.

Based on the pending consumer applications, and ongoing discussions with certain HT consumers, DPT submitted that the HT sales in FY 2022-23 are likely to be double the HT sales in FY 2021-22.

Based on projected sales & retail tariff, revenue from sale of power works out to Rs. 3513.58

lakh for FY 2022-23. The estimated Revenue Gap for FY 2022-23 at Existing Tariff, is shown in the following Table:

Table 2-3: Estimated Revenue Gap/(Surplus) of DPT for FY 2022-23 (Rs. Lakh)

Particulars	FY 2022-23
Total ARR of FY 2022-23	3491.27
Revenue from Sales with FPPPA	3949.21
Revenue Gap / (Surplus)	**(457.95)**

2.7. Proposed Tariff Changes

In order the meet the revenue surplus at existing tariff for FY 2022-23 DPT has proposed revision in the Retail Supply Tariff and Wheeling Charges for FY 2022-23, keeping in view the principles of tariff determination set out in Sections 61 and 62 of the EA, 2003, the Tariff Policy, relevant provisions of the GERC MYT Regulations, 2016, and the Commission's previous Tariff Orders.

2.8. DPT's Prayers to the Commission

DPT has made the following prayers to the Commission:

1. Condone the delay in filing of this Petition;
2. Admit this Petition seeking approval of True Up of DPT's ARR for FY 2020-21 and determination of ARR and Tariff for FY 2022-23 as per the provisions of GERC MYT Regulations 2016;
3. Approve the True-up and Revenue (Gap)/Surplus for FY 2020-21 and recovery of the same through tariff of FY 2022-23;
4. Approve the ARR for FY 2022-23 and its recovery through revised tariff as proposed by DPT;
5. Approve Retail Supply Tariff for FY 2022-23 and the Tariff schedule, as proposed by DPT;
6. Approve the necessary reliefs sought by the Petitioner in the Petition;
7. Condone any inadvertent omissions, errors, short comings and permit DPT to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
8. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

3. Truing up for FY 2020-21

3.1 Introduction

This Chapter deals with the Truing up for FY 2020-21.

The expenses and revenue of DPT for FY 2020-21 presented for true-up are based on the principles adopted by the Commission as per the GERC (MYT) Regulations, 2016. The ARR so arrived has been compared with that approved by the Commission vide its Order dated 29th September, 2020.

3.2 Energy Sales to Consumers

Petitioner's Submission

The Petitioner had submitted actual data of FY 2020-21 as per audited accounts of FY 2020-21 which has been compared against the data approved by the Commission in its Order dated 29th September, 2020 for consideration in ARR of FY 2020-21. DPT has submitted that the sales to all LT categories is similar to that approved by the Commission in the ARR of FY 2020-21. However, in case of HT category, the anticipated increase in sales did not materialise to the extent projected, in FY 2020-21. Though the HT sales increased from 63 LU in FY 2019-20 to 82 LU in FY 2020-21, the sales are much lower than the anticipated sales of 250.76 LU which was approved in the ARR earlier. The same could be attributed to lower than anticipated HT consumer addition as well as the impact of COVID-19 pandemic, which affected Industrial and Commercial category sales in a big way in FY 2020-21.

The actual category wise sales for FY 2020-21 were 160.09 LUs as against the approved sales of 329.72 LUs.

DPT has submitted the comparison of actual category wise sales of DPT against that approved by the Commission vide its Multi Year Tariff Order in the Table below:

Table 3-3-1: Energy Sales for FY 2020-21 as submitted by DPT (LUs)

Category	FY 2020-21	
	Approved in the MYT Order	Actual claimed
RGP	5.11	5.28

Category	FY 2020-21	
	Approved in the MYT Order	Actual claimed
NRGP	24.71	23.01
LTMD	29.01	35.40
Streetlights	16.73	10.31
Temporary	3.41	3.86
HT	250.76	82.24
Total Sales	**329.72**	**160.09**

Commission's Analysis

The actual category-wise energy sales as submitted by the Petitioner for FY 2020-21 is near to approved in the MYT Order for LT category and decreased for the HT category. The Commission noted that the lower actual HT sales in comparison to approved during FY 2020-21 is due to the COVID-19 pandemic.

Considering that the 'actual' category-wise sales are actual sales as per the audited accounts for FY 2020-21, the Commission has reviewed the above submissions and found them to be satisfactory. Accordingly, the energy sales for FY 2020-21 are approved as follows:

Table 3-2: Energy Sales approved for FY 2020-21 (LUs)

Category	FY 2020-21		
	Approved in the MYT Order	Actual claimed	Approved in Truing up
RGP	5.11	5.28	5.28
NRGP	24.71	23.01	23.01
LTMD	29.01	35.40	35.40
Streetlights	16.73	10.31	10.31
Temporary	3.41	3.86	3.86
HT	250.76	82.24	82.24
Total Sales	**329.72**	**160.09**	**160.09**

The Commission approves energy sales of 160.09 LUs for Truing up for FY 2020-21.

3.3 Distribution Losses

Petitioner's Submission

The Commission had approved the distribution loss levels for DPT at 5.00% for FY 2020-21.

As per GERC Order dated 29th September, 2020, in order to calculate actual distribution loss DPT has submitted that it has taken steps for providing 100% metering to all consumers in its area of supply but 100% metering was not achieved in FY 2020-21, and around 15% of the sales are assessed. Based on the assessment of sales, the distribution loss works out to 5.05% for the purpose of true-up for FY 2020-21. As 100% metering has been completed by September 2021, DPT would be in a position to submit the data regarding actual distribution losses, starting from H2 of FY 2021-22.

In the present Petition, DPT has considered the distribution loss of 5.05% for FY 2020-21 against the distribution loss of 5.00% approved by the Commission vide its Order dated 29th September, 2020.

Table 3-3: Distribution Losses for FY 2020-21 submitted by DPT (%)

Particulars	FY 2020-21	
	Approved in the MYT Order	Actual claimed
Distribution Losses	5.00%	5.05%

Commission's Analysis

In the MYT Order, the Commission had approved Distribution Loss of 5.00% for FY 2020-21. The Commission in its data gaps has asked to provide the basis for consideration of distribution loss of 5.00% for FY 2020-21. In response to the Commission's query, DPT stated in FY 2020-21, most of the revenue-based consumers were billed based on their actual electricity consumption. The major consumption of DPT (Port) is highly motive Cranes, lighting (High Mast & Lattice Towers), Office Buildings and Water Pumps and for billing of these loads, DPT has executed load surveys from time-to-time in the absence of metering, and billing has been done according to their running hours and efficiency of their motors. The balance energy is considered as distribution losses, which works out to be 5.05%.

The Commission is not satisfied with the reply of the Petitioner with the reasoning that even after its direction in the MYT Order dated 29th September, 2020, the 100% metering has not been completed by the Petitioner. In view of the above the Commission is approving the same distribution loss as approved in the MYT Order i.e. 5.00%.

Table 3-4: Distribution loss approved for FY 2020-21 (%)

Particulars	FY 2020-21		
	Approved in the MYT Order	Actual claimed	Approved in Truing up
Distribution Losses	5.00%	5.05%	5.00%

The Commission approves Distribution Losses of 5.00% for Truing up for FY 2020-21.

3.4 Energy Requirement

Petitioner's Submission

The Petitioner has calculated the total energy requirement by grossing up of actual energy sales with the actual distribution losses. The actual energy requirement of DPT for FY 2020-21 is significantly lower than that approved by the Commission in the Multi-Year Tariff Order dated 29th September, 2020 owing to reduction in sales as compared to approved value. For FY 2020-21: The gross energy requirement at Discom boundary for subsequent sale to the consumers for FY 2020-21 is 168.80 LUs as compared to 347.08 LUs as approved by the Commission

Table 3-5: Energy Requirement for FY 2020-21 as submitted by DPT (LUs)

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
1	Energy Sales	329.72	160.09
2	Distribution Losses (%)	5.00%	5.05%
3	Distribution Losses	17.35	8.51
4	**Total Energy Requirement**	**347.08**	**168.60**
5	Transmission Losses (%)	-	4.15%
6	Transmission Losses	-	7.30
7	**Total Energy Requirement to be purchased**	-	**175.90**

Commission's Analysis

The actual energy requirement as reported by the Petitioner for FY 2020-21 is lower than as approved in the MYT Order dated 29th September, 2020.

In data gaps the Commission has sought clarification regarding basis for consideration of Transmission loss as 4.15% for 2020-21. In its reply DPT has submitted that it is as per audited balance sheet and submitted the details regarding the same. The difference in value of energy availability and energy requirement is transmission losses in FY 2020-21, which is 7.30 LUs.

The actual Energy Requirement is lower than that approved in the Tariff Order dated 29th September, 2020, due to lower actual Sales. The actual Energy Requirement being the sum of Energy Sales, Distribution Losses and Transmission Losses works out to 175.90 LUs for FY 2020-21. The Commission has considered the sales & Transmission losses as submitted by the Petitioner for FY 2020-21 and considered the same distribution loss as approved in the MYT dated 29th September, 2020. The energy requirement for FY 2020-21 has been computed by grossing up the sales with the Distribution Losses and Transmission Losses and accordingly approves the Energy Requirement at 175.81 LUs for Truing up for FY 2020-21 as shown in the Table below:

Table 3-6: Energy Requirement for FY 2020-21 as considered by the Commission (LUs)

Sr. No.	Particulars	FY 2020-21		
		Approved in the MYT Order	Actual claimed	Approved for FY 2020-21
1	Energy Sales	329.72	160.09	160.09
2	Distribution Losses (%)	5.00%	5.05%	5.00%
3	Distribution Losses	17.35	8.51	8.43
4	**Total Energy Requirement**	**347.08**	**168.60**	**168.51**
5	Transmission Losses (%)	-	4.15%	4.15%
6	Transmission Losses	-	7.30	7.30
7	**Total Energy Requirement to be purchased**	**-**	**175.90**	**175.81**

3.5 Power Purchase Cost

Petitioner's Submission

DPT has submitted that power purchase cost of DPT for FY 2020-21 comprises purchase from PGVCL, own wind generation plants, Indian Energy Exchange, and net purchase from Unscheduled Interchange. Power purchase from PGVCL has been reduced to almost Nil, and primarily Fixed Charges were payable for the contracted capacity. The Contract Demand with PGVCL in FY 2020-21 was 2500 kVA. The existing PPA with PGVCL has not been extended since September 2021, thereby resulting in significant cost savings in the power purchase cost. DPT has submitted that Purchase from own Wind generation plants have been considered at the average rate of Rs. 3.20/kWh.

Petitioner has submitted that as per GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its Amendment in 2014, the Renewable Purchase Obligation (RPO) target for FY 2020-21 is 6.75% for Solar, 8.15% for Non-Solar, and 0.75% for Others (Biomass, Small Hydro, Bagasse, MSW) but it has not purchased any Solar Power or RE power from Others (Biomass, Small Hydro, Bagasse, MSW), the quantum of purchase from Wind (Non-Solar) is 39% of the total power purchase quantum. Thus, the actual Non-Solar RPO achieved is far in excess of the RPO target specified by the Commission for Non-Solar power. Further, the Petitioner has requested to the Commission to set-off the over-achievement of Non-Solar RPO against the under-achievement of Solar targets as a special case considering the significantly higher over-achievement against the Non-Solar RPO target.

DPT has submitted that the actual power purchase quantum is much lower than the approved quantum, on account of the lower actual sale. However, DPT has been able to reduce the power purchase cost also, in per unit terms, with the lower power drawal from PGVCL, and the average rate of power purchase from the Power Exchange being managed at Rs. 3.56/kWh, as compared to the approved rate of Rs. 4.29/kWh. The UI charges have also been managed at lower levels. As a result, the average rate of power purchase for FY 2020-21 works out to Rs. 4.20/kWh, as compared to the rate of Rs. 4.96/kWh approved by the Commission in the MYT Order dated 29th September 2020.

Table 3-6: Power Purchase Cost for FY 2020-21 as submitted by DPT (Rs. Lakh)

Particulars	FY 2020-21					
	Approved in the MYT Order			Actual claimed		
	Quantum (LU)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Quantum (LU)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
Power Purchased from PGVCL	9.98	330.34	33.09	5.45	149.06	27.35
Wind Farm	146.56	468.99	3.20	67.29	215.34	3.20
Power Exchange	190.54	817.98	4.29	87.79	312.87	3.56
Transmission Charges, UI, SLDC Charges		102.69		15.36	61.73	4.02
TOTAL	**347.08**	**1720.01**	**4.96**	**175.90**	**738.99**	**4.20**

Further, the Petitioner submitted that the variation in power purchase costs is considered as Uncontrollable as per the GERC MYT Regulations, 2016. The computation of gain/(loss) in power purchase costs due to uncontrollable factors are shown as summarised in the Table below:

Table 3-7: Gains/ (Losses) on account of Power Purchase Cost in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21			
	Approved in the MYT Order	Actual claimed	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Power Purchase cost	1720.01	738.99	-	981.02

Commission Analysis

DPT has submitted the actual power purchase cost incurred for FY 2020-21, which is verified from the Audited Annual Accounts.

It is observed that the actual power purchase cost, is lower compared to the approved in the MYT Order. Multiple queries have been asked by the Commission to enquire about the power purchase details for FY 2020- 21. The Petitioner has also asked to submit the source-wise monthly power purchase bills for verification. In response to the Commission's query, the monthly source wise invoices under long term PPA were submitted by DPT and which were verified by the Commission. Further, the Petitioner was asked to submit the details regarding delayed payment surcharge, if any, paid to the Generators along with the rebates availed during FY 2020-21. The Petitioner in reply has submitted the required details. In response to clarifications sought by the Commission regarding the delayed payment surcharge, DPT submitted that the DPT has paid Rs. 0.052 lakhs as DPS to PGVCL. Accordingly, the Commission has deducted the same while approving the power purchase cost for FY 2020-21.

Hence, the Commission approves the power purchase cost for the period from FY 2020-21, as shown in the Table below:

Table 3-8: Power Purchase Cost for FY 2020-21 approved by the Commission (Rs. Lakh)

Particulars	FY 2020-21								
	Approved in the MYT Order			Actual claimed			Approved in Truing up		
	Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
Power Purchased from PGVCL	9.98	330.34	33.09	5.45	149.06	27.35	5.45	149.06	27.35
Wind Farm	146.56	468.99	3.20	67.29	215.34	3.20	67.29	215.34	3.20
Power Exchange	190.54	817.98	4.29	87.79	312.87	3.56	87.79	312.87	3.56
Transmission Charges, UI, SLDC Charges		102.69		15.36	61.73	4.02	15.36	61.73	4.02
Less: DPS amount paid to PGVCL								0.052	
TOTAL	**347.08**	**1720.01**	**4.96**	**175.90**	**738.99**	**4.20**	**175.90**	**738.94**	**4.20**

3.6 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission

The Petitioner has submitted that the Commission, in the MYT Order dated 29th September 2020, had approved Nil Capital Expenditure and Capitalization for FY 2020-21, based on DPT's proposal in this regard. However, based on the field requirement, DPT has achieved significant capital expenditure in FY 2020-21, amounting to Rs. 588.24 lakh.

The Petitioner has submitted the capital expenditure for FY 2020-21 as summarised in the

Table below:

Table 3-9: Capital Expenditure submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21	
	Approved in the MYT Order	Actual claimed
Capital Investment	-	588.24

The Petitioner has submitted the actual capitalisation and its funding for FY 2020-21, as summarised in the Table below:

Table 3-10: Capitalization submitted by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
1	Capitalization	-	588.24
2	Debt@ 70%	-	411.77
3	Equity @ 30%	-	176.47

The entire capital expenditure incurred in FY 2020-21 has been put to use and capitalised in the books of accounts of DPT. DPT submitted that all the capital expenditure undertaken by DPT in FY 2020-21 were essential for providing properly metered electricity supply to the consumers and improving the quality and reliability of supply to the consumers.

The Petitioner has stated that it has not taken any loans and used its own equity for funding the capitalisation. Hence, the actual capitalisation has been apportioned between debt and equity on normative basis in the ratio of 70:30, in accordance with the GERC (MYT) Regulations, 2016.

Commission's Analysis

DPT has incurred Rs 588.24 Lakh capex for against 'nil' capex amount approved for FY 2020-21 in MYT Order dated 29th September, 2020.

The Petitioner has submitted that the actual capitalisation has been equal to the actual capital expenditure undertaken for FY 2020-21.

The Commission has sought few queries related to the capex and capitalisation for verification like reconciliation of Fixed Asset Register, Gross Block and capitalisation with the Audited accounts of FY 2020-21. DPT submitted all the replies and accordingly the Commission has accepted the actual capital expenditure and capitalisation as submitted by the Petitioner, for the period of FY 2020-21.

Table 3-11: Capitalization approved by the Commission for FY 2020-21 (Rs. Lakhs)

Particulars	FY 2020-21		
	Approved in MYT Order	Actual Claimed	Approved in Truing up
Capitalization	-	588.24	588.24
Normative Debt (70%)	-	411.77	411.77
Normative Equity (30%)	-	176.47	176.47

3.7 Operation and Maintenance (O&M) Expenses

Petitioner's Submission

The Petitioner has submitted that its O&M expenses comprise the following heads:

- Employee Expenses, comprising salaries and wages of only those expenses who are directly involved in the Distribution business;
- Repair & Maintenance (R&M) expenses, which are incurred towards the day-to-day upkeep of the distribution network for supplying reliable and quality power and reducing distribution losses;
- Administrative & General (A&G) expenses comprising of vehicle hiring cost, travelling expenses, telephone and other communication expenses, advertisement, consultant fees, licence fees, etc.

The Petitioner has claimed the actual O&M cost for FY 2020-21, as shown in the following Table:

Table 3-12: O&M Expenses submitted by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
1	Employee Expenses		61.40
2	Repair and Maintenance Expenses		320.05

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
3	Administration and General Expenses		172.57
4	**Operation & Maintenance Expenses**	**345.26**	**554.02**

DPT has requested the Commission to approve O&M expenses for FY 2020-21 and pass on the variation in the ARR as controllable factor as mentioned in Table below:

Table 3-13: Gains/(loss) of O&M Cost for FY 2020-21 as submitted by DPT (Rs.

Particulars	FY 2020-21				
	Approved in the MYT Order	Actual claimed	Deviation	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
Total O&M Expenses	345.26	554.02	(208.76)	(208.76)	-

Commission's Analysis

The Commission has verified the actual O&M expenses claimed by the Petitioner to be the same as the amounts reported in the Audited Annual Accounts. However, it is observed that there is significant increase in R&M expenses for FY 2020-21 over FY 2019-20.

The Petitioner was asked to submit the clarification regarding two numbers i.e. Rs. 166.16 lakhs and Rs. 208.76 lakhs they are claiming for loss in O&M expenses for FY 2020-21. In reply to the Commission's query in this regard, DPT has submitted that the correct number is Rs. 208.76 lakhs for FY 2020-21.

The Commission approves the actual O&M expenses claimed by the Petitioner for FY 2020-21 as shown in the Table below:

Table 3-14: O&M Expenses approved by the Commission for FY 2020-21 (Rs. Lakhs)

Sr. No.	Particulars	FY 2020-21		
		Approved in MYT Order	Actual Claimed	Approved in Truing up
1	Employee Expenses		61.40	61.40
2	Repair and Maintenance Expenses		320.05	320.05
3	Administration and General Expenses		172.57	172.57
4	**Operation & Maintenance Expenses**	**345.26**	**554.02**	**554.02**

3.8 Depreciation

Petitioner's Submission

The Petitioner submitted the Depreciation calculated for FY 2020-21 as per the below Table:

Table 3-15: Depreciation submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21	
	Approved in the MYT Order	Actual claimed
Opening Gross Block	4581.35	4556.90
Addition During Year	-	588.24
Closing Gross Block	4581.35	5145.14
Depreciation for the year	**236.42**	**245.30**
Average Depreciation Rate	5.16%	5.06%

The Petitioner has submitted that the opening balance of Gross Fixed Assets (GFA) for FY 2020-21, equal to the closing GFA approved by the Commission in the true-up for FY 2019-20. Further, during the physical verification of assets during the audit exercise for FY 2020-

21, it was observed that certain assets had been put to use in earlier periods but were inadvertently not included in the GFA submitted to the Commission. As these assets are being used for the electricity distribution business, the corresponding amount of GFA has been added to the opening GFA of FY 2020-21, over and above the closing GFA approved by the Commission in the truing up of FY 2019-20. Similarly, it was also observed during the physical verification of assets during the audit exercise for FY 2020-21 that one asset, i.e., "40 Hectare Plant & Machinery" had been incorrectly added to the GFA in previous period. DPT has deleted this asset from the opening GFA of FY 2020-21. The category-wise Opening GFA considered based on above rationale and the asset addition considered based on the assets put to use in FY 2020-21, are as shown in the Table below:

Table 3-16: Asset addition as submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Opening GFA	Addition to GFA	Closing GFA
Land & Land Rights	89.13	-	89.13
Buildings	319.20*	-	319.20
Plant & Machineries	942.63**	466.31	1,408.93
Lines & Cable Net Works	3,200.09	121.94	3,322.03
Furniture & Fixtures & Electrical Lightings	2.85	-	2.85
Office Equipment	3.00	-	3.00
Total	**4,556.90**	**588.24**	**5,145.14**

Notes:

* - GFA of Rs. 34 lakh added against sub-station building, which was not included earlier

**- GFA of Rs. 45.20 lakh added against APFC Panel, LT Panels, and Voltage Transformers, which were not included earlier, GFA of Rs. 134.78 lakh reduced against 40 Hectare P&M, which had been incorrectly included earlier

DPT has requested the Commission to approve the depreciation cost for FY 2020-21 as mentioned above and pass the variation in approved ARR as controllable factor as shown in the Table below:

Table 3-17: Gains/(loss) on account of Depreciation for FY 2020-2021 as submitted

Particulars	FY 2020-21				
	Approved in the MYT Order	Actual claimed	Deviation	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
Depreciation	236.42	245.30	(8.88)	-	(8.88)

Commission's Analysis

The Commission had approved the closing Gross Block of Rs. 4523.35 lakhs in the true-up Order of FY 2019-20 but in the current Petition the Petitioner has considered the opening GFA as Rs. 4556.90 lakhs due to the variation in its opening GFA for Buildings and Plant & Machineries. Further, as per the Petitioner's submission few additions and deletion were not included in FY 2019-20 True-up Petition, the Commission in its data gap queries has asked to the Petitioner to reconcile the same with audited account of FY 2020-21. In reply to the Commission query the licensee has submitted the same. The Commission has relied on the Petitioner's submissions for determining the opening GFA for FY 2020-21 and considered the opening balance of GFA for FY 2020-21 as per the Petitioner's submission.

The depreciation has been computed on the average of opening and closing GFA for each year in accordance with the rates specified in the GERC (MYT) Regulations, 2016 for the FY 2020-21 as shown in the Table below:

Table 3-18: Depreciation approved by the Commission for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Approved in MYT Order	Actual Claimed	Approved in Truing up
Gross Block at the beginning of the year	4581.35	4556.90	4556.90
Addition during the year	-	588.24	588.24
Gross Block at the end of the year	4581.35	5145.14	5145.14
Depreciation	**236.42**	**245.30**	**245.30**
Average depreciation	5.16%	5.06%	5.06%

3.9 Interest & Finance Expenses

Petitioner's Submission

The Petitioner has submitted that the entire capital expenditure has been self-funded, hence, in accordance with the applicable GERC (MYT) Regulations, 2016 the Petitioner has considered addition to GFA to be funded in the normative debt: equity ratio of 70:30. DPT has considered opening loan for FY 2020-21 as per closing loan approved by the Commission for FY 2019-20 in its Order. The loan repayment has been considered equal to the depreciation computed for the respective year. As there is no actual loan in case of DPT, the interest rate has been considered based on the Reserve Bank of India (RBI) Bank Rate plus 200 basis points, as specified in the GERC MYT Regulations, 2016, i.e., Bank Rate of 4.28% as on April 1, 2020 plus 200 basis points, equalling 6.28%. As there is no actual loan, there are no actual financing charges.

The Petitioner has submitted the calculation of Interest & Finance Charges as per Regulation 38.5 of the GERC (MYT) Regulations, 2016 for FY 2020-21 as shown in the Table below:

Table 3-19: Interest & Finance Charges submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21	
	Approved in the MYT Order	**Actual claimed**
Opening Loan	-	-
Loan Addition	-	411.77
Loan Repayment	236.42	245.30
Closing Loan	-	166.47
Average Loan	-	83.24
Total Interest	-	5.23
Average Interest Rate	**-**	**6.28%**

The Petitioner has further submitted that the Interest expenses are categorised as uncontrollable expenses and accordingly, the comparison of Interest expenses approved by the Commission with the actual Interest expenses of DPT shows a (loss) of Rs. (5.23) lakh as shown in the Table below:

Table 3-20: Gains/ (Losses) on account of Interest Expenses as submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	Approved in the MYT Order	Actual claimed	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Interest Expenses	-	5.23	-	(5.23)

Commission's Analysis

The Commission has considered the opening loan for FY 2020-21 as Nil same as the closing loan approved in the true-up Order of FY 2019-20.

As stated earlier, Rs. 588.24 lakhs capitalization in FY 2020-21 has been approved equals to the debt and equity addition. The computation of interest expenses approved by the Commission for the period from FY 2020-21, respectively is shown in the Table below:

Table 3-21: Interest expenses approved by the Commission for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Approved in MTR Order	Actual Claimed	Approved in Truing up
Opening Loan	-	-	-
Loan Addition	-	411.77	411.77
Loan Repayment	236.42	245.30	245.30
Closing Loan	-	166.47	166.47
Average Loan	-	83.24	83.24
Total Interest	-	**5.23**	**5.23**
Average Interest Rate	**-**	**6.28%**	**6.28%**

3.10 Interest on Working Capital

Petitioner's Submission

DPT has calculated working capital requirement on actual value of these components in accordance with GERC MYT Regulations, 2016, as amended from time to time.

In line with the First Amendment to the GERC MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the weighted average of the 1-year MCLR of the State Bank of India (SBI) during the year plus 250 basis points. This rate works out to 9.62%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act, 2003, except the security deposit held in the form of Bank Guarantees is to be deducted from it.

The Petitioner has submitted the calculation of normative Interest on Working Capital (IoWC) for FY 2020-21, in accordance with the applicable GERC (MYT) Regulations, as shown in the following Table:

Table 3-22: Interest on Working Capital submitted by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
1	O&M Expenses	-	46.17
2	Maintenance Spares	-	45.57
3	Receivables	-	143.79
4	Less: Consumer Security Deposit	**-**	106.56
5	**Total Working Capital**	**-**	**128.97**
6	Interest Rate	10..65%	9.62%
7	**Interest on Working Capital**	**-**	**12.40**

DPT has mentioned that in the Tariff Order for FY 2020-21, the Commission had not allowed normative Interest on Working Capital to DPT under the premise that in the truing up exercise for the previous years, the Commission had not been able to verify the receivables, and O&M expenses. However, for FY 2020-21, the Receivables as well as the O&M expenses have been considered as per the duly audited Accounts and can be verified. DPT requested to the Commission to allow the normative Interest on Working Capital in accordance with the provisions of the GERC MYT Regulations, 2016.

Further, DPT has requested to allow variation from approved figure as uncontrollable factor in order to allow full pass through of Interest of Working Capital in True-up. Accordingly, DPT has considered deviation in the actual vis-à-vis the approved expenses towards interest on working capital as uncontrollable:

Table 3-23: Gains/(Loss) on account of Interest on Working Capital submitted by DPT for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21				
	Approved in the MYT Order	Actual claimed	Deviation	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
Interest on Working Capital	-	12.40	(12.40)	(12.40)	

Commission's Analysis

The Commission has reviewed the working capital requirement considering the component wise values approved in preceding sections.

Regarding the rate of interest on working capital, the Commission vide notification no. 7 of 2016 dated 2nd December, 2016 has amended its Regulation 40.4 (b) of the GERC (MYT) Regulations, 2016 as given under:

> *"Interest shall be allowed at a rate equal to the State Bank Base Rate (SBBR) / 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate*
>
> *(MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable as on 1st April of the financial year in which the petition is filed plus 250 basis points:*
>
> *Provided that at the time of Truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average State Bank Base Rate (SBBR) / 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable prevailing during the financial year plus 250 basis points."*

In line with the above proviso to Regulation 40.4 (b), the Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending

Rate (MCLR) of 7.07% for FY 2020-21 respectively plus 250 basis points. Accordingly, the rate of interest on working capital is worked out to 9.57% for FY 2020-21, is shown in the Table below:

Table 3-24: Interest on Working Capital approved by the Commission for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Approved in MYT Order	**Actual Claimed**	**Approved in Truing up**
O&M Expenses	-	46.17	46.17
Maintenance Spares	-	45.57	45.57
Receivables	-	143.79	128.08
Less: Consumers' Security Deposit	-	106.56	106.56
Total Working Capital	**-**	**128.97**	**113.25**
Interest Rate	10..65%	9.62%	9.57%
Interest on Working Capital	**-**	**12.40**	**10.84**

3.11 Interest on Security Deposit

Petitioner's Submission

The Petitioner has submitted that there is no actual interest paid out on the Consumer Security Deposits in FY 2020-21, as per the Audited Accounts of DPT. Hence, in line with the approach adopted by Commission in previous truing up Orders, DPT has not claimed any interest on Consumer Security Deposits in the truing up for FY 2020-21.

Commission's Analysis

As no actual interest paid to the consumers against Consumer Security Deposits in FY 2020-21, hence, the Commission has considered Nil interest on the Consumer Security Deposit for FY 2020-21.

3.12 Return on Equity

Petitioner's Submission

DPT has considered closing equity balance of FY 2019-20 approved in the true-up Order dated 4 September 2021 as opening equity balance for FY 2020-21. Further additional capitalisation in 2020-21 have been funded with normative 70:30 debt-equity ratio as per GERC (MYT) Regulations, 2016.

Accordingly, DPT has computed the Return on Equity considering a rate of return at 14% as per regulation 37.1 of GERC (MYT) Regulations, 2016 as shown below:

Table 3-25: Return on Equity submitted by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21	
		Approved in the MYT Order	Actual claimed
1	Opening Equity Capital	1374.40	1,340.33
2	Equity Addition during the Year	-	176.47
3	Closing Equity	1374.40	1,516.80
4	Average Equity	1374.40	1,428.57
5	Rate of Return on the Equity	14.00%	14.00%
6	**Return on Equity**	**192.42**	**200.00**

DPT submitted that as per the provisions of the GERC MYT Regulations, 2016, RoE is categorised as uncontrollable and accordingly, the comparison of RoE approved by the Hon'ble Commission with the actual RoE of DPT shows a (loss) of Rs. (7.58) lakh as shown in the Table below:

Table 3-26: Gains/ (Losses) on account of RoE in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved in the MYT Order	Actual claimed	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Return on Equity	192.42	200.00	-	(7.58)

Commission's Analysis

The Commission had considered the opening equity for FY 2020-21 same as the closing equity for FY 2019-20 approved in the true-up Order dated 4 September 2021. The rate of RoE has been considered as 14% for FY 2020-21 in accordance with the applicable GERC (MYT) Regulations, 2016. The RoE has been computed on the average equity in each year, in accordance with the applicable the GERC (MYT) Regulations, 2016, as shown in the Table below:

Table 3-27: RoE approved by the Commission for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Approved in MYT Order	Actual Claimed	Approved in Truing up
Opening Equity Capital	1374.40	1,340.33	1,340.33
Equity Addition during the Year	-	176.47	176.47
Closing Equity	1374.40	1,516.80	1,516.80
Average Equity	1374.40	1,428.57	1,428.57
Rate of Return on the Equity	14.00%	14.00%	14.00%
Return on Equity	**192.42**	**200.00**	**200.00**

3.13 Income Tax

Petitioner's Submission

The Petitioner has submitted that the actual Income Tax for the period FY 2020-21 has been Nil and has hence, not been considered.

Commission's Analysis

As the actual Income Tax for the period FY 2020-21 has been Nil, the Commission has considered Nil Income Tax for this period.

3.14 Non-Tariff Income (NTI)

Petitioner's Submission

The Petitioner has submitted that Non-Tariff Income comprises interest on security deposit with PGVCL, savings bank interest, supervision charges, meter connection charges, etc. DPT has considered the actual Non-Tariff Income of Rs. 30.41 lakh for FY 2020-21, in accordance with the Audited Accounts, as shown in the Table below:

Table 3-28: Non-Tariff Income claimed by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21	
		Approved in MYT Order	Actual Claimed
1	Interest on Security Deposit with PGVCL	21.34	15.11
2	Meter Connection charges	0.24	12.75
3	Surcharge Charges	-	0.18
4	Supervision Charges	-	1.78
5	Saving Bank Interest	-	0.59
	Total	**21.59**	**30.41**

DPT submitted that as per the provisions of the GERC MYT Regulations, 2016, Non-Tariff Income is categorised as uncontrollable and accordingly, the comparison of Non-Tariff Income approved by the Commission with the actual Non-Tariff Income of DPT shows a gain of Rs. 8.82 lakh as shown in the Table below:

Table 3-29: Gains/ (Losses) on account of Non-Tariff Income in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Non-Tariff Income	21.59	30.41	-	8.82

Commission's Analysis

The Commission has verified the actual Non-Tariff Income from the Audited Accounts and accepted the Non-Tariff Income for the period from FY 2020-21 as submitted by the Petitioner as shown in the Table Below:

Table 3-30: Non-Tariff Income approved by the Commission for FY 2020-21 (Rs. Lakh)

Particulars	FY 2020-21		
	Approved in MYT Order	Actual Claimed	Approved in Truing up
Non- Tariff Income	21.59	30.41	30.41

3.15 Revenue from Sale of Power

Petitioner's Submission

The Petitioner has submitted that the actual revenue from sale of electricity for FY 2020-21 as Rs. 1533.27 lakh, as per Audited Accounts. As the Commission had not determined tariff separately for FY 2020-21, there is no value of approved revenue for FY 2020-21

Commission's Analysis

The Commission has verified the actual revenue from sale of power from the Audited Accounts for the period FY 2020-21 as submitted by the Petitioner and approves the same.

Further, the Commission noted that DPT have waived Demand/ Fixed Charges of Rs. 3.67 lakh for LTMD / NRGP / TMP/ HTP-I consumers under Relief announced by the GoG due to COVID-19. Hence, the actual revenue for FY 2020-21 is lesser to that extent. DPT has claimed this revenue loss from the ARR. The GR announced by the State Government clearly says that the DISCOMs shall bear the loss on account of such relief. Hence, the DPT have to bear such revenue loss. If the revenue loss is passed on to the consumers, then it would amount to the relief announced by the GoG earlier being reversed/negated.

Therefore, the Commission has considered revenue of Rs. 1536.94 lakh waived against Demand/ Fixed Charges for LTMD / NRGP / TMP/ HTP-I consumers in actual revenue for FY 2020-21.

3.16 Summary of ARR for FY 2020-21

Petitioner's Submission

Based on the above analysis, the Petitioner has submitted the Aggregate Revenue Requirement (ARR) for the period from FY 2020-21.

Based on the methodology prescribed in the GERC (MYT) Regulations, 2016, DPT has classified various heads of expenses as Controllable & Uncontrollable.

DPT proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors, i.e., Rs. (73.72) lakh and total gain(loss) on account of uncontrollable factors, i.e., Rs. 968.15 lakh to the consumers. Adjusting these to the net ARR, DPT has computed the Revised ARR for FY 2020-21 at Rs. 1578.09 lakh. Considering the actual Revenue of Rs. 1533.27 lakh, total Revenue (Gap)/Surplus of DPT after truing up for FY 2020-21 after treatment of gain/(loss) due to controllable/uncontrollable factors is computed at Rs. (44.82) lakh.

The following Table summarizes net gain/ (loss) to DPT for FY 2020-21 on account of controllable & uncontrollable factors:

Table 3-31: ARR submitted by DPT for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21			
		Approved in the MYT Order	Actual Claimed	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	1720.01	738.99		981.02
2	Operation & Maintenance Expenses	345.26	554.02	(208.76)	
2.1	Employee Cost	-	61.40	-	-
2.2	Repair & Maintenance Cost	-	320.05	-	-
2.3	Administration & General Charges	-	172.57	-	-
3	Depreciation	236.42	245.30		(8.88)
4	Interest & Finance Charges	-	5.23		(5.23)
5	Interest on Security Deposit	-	-		-
6	Interest on Working Capital	-	12.40	(12.40)	
7	Return on Equity	192.42	200.00		(7.58)
8	Income Tax	-	-	-	-
9	**Aggregate Revenue Requirement**	**2494.11**	**1755.95**	**(221.17)**	**959.33**
10	Less: Non-Tariff Income	21.59	30.41		8.82
11	**Net ARR**	**2,472.52**	**1,725.53**	**(221.17)**	**968.15**

Commission's Analysis

The ARR approved by the Commission for the period FY 2020-21, based on the individual components of the ARR as discussed in the earlier paragraphs, is shown in the Table below:

Table 3-32: ARR approved by the Commission for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	FY 2020-21		
		Approved in MYT Order	Actual Claimed	Approved in Truing up
1	Power Purchase Expenses	1720.01	738.99	738.94
2	Operation & Maintenance Expenses	345.26	554.02	554.02
2.1	Employee Cost	-	61.40	61.40
2.2	R&M Cost	-	320.05	320.05
2.3	A&G Cost	-	172.57	172.57
3	Depreciation	236.42	245.30	245.30
4	Interest & Finance charges	-	5.23	5.23
5	Interest on Security Deposit	-	-	-
6	Interest on Working Capital	-	12.40	10.84
7	**Total Revenue expenditure**	**2301.69**	**1555.95**	**1554.34**
8	Return on Equity Capital	192.42	200.00	200.00
9	**Aggregate Revenue Requirement**	**2494.11**	**1755.94**	**1754.34**
10	Less: Non-Tariff Income	21.59	30.41	30.41
11	**Net ARR**	**2,472.52**	**1,725.53**	**1,723.93**

3.17 Revenue Gap/ (Surplus)

DPT has proposed to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors and full pass through of the uncontrollable factors as per the mechanism specified in the GERC (MYT) Regulation, 2016. Adjusting these to the net Aggregate Revenue Requirement, DPT has arrived at the Revised Aggregate Revenue Requirement from FY 2020-21.

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including revenue from sale of power and other income.

Accordingly, the Petitioner has submitted the Revenue Gap/(Surplus) for the period from FY 2020-21, after considering the sharing of Gains/(Losses) due to controllable and uncontrollable factors, as shown in the Table below:

Table 3-33: Revenue Gap/(Surplus) claimed by DPT for FY 2020-21 (Rs. Lakh)

Sr. No	Particulars	2020-21
		Actual Claimed
1	ARR originally approved	2472.52
2	Gain/(Loss) due to Uncontrollable Factors to be passed on to Consumer	968.15
3	Gain/(Loss) due to Controllable Factor to be passed on to Consumer	(73.72)
4	**Revised ARR**	**1578.09**
5	Revenue from Sale of Power	1533.27
6	Total Revenue	1533.27
7	**Revenue Gap/(Surplus)**	**44.82**

Commission's Analysis

The Commission has scrutinised the same with due-diligence. Accordingly, the workings of the consolidated Revenue Gap for FY 2020-21 approved by the Commission is shown below:

Table 3-34: Revenue Gap/(Surplus) approved by Commission for FY 2020-21 (Rs. Lakh)

Sr. No	Particulars	2020-21	
		Actual Claimed	Approved in Truing up
1	ARR originally approved	2472.52	2472.52
2	Gain/(Loss) due to Uncontrollable Factors to be passed on to Consumer	968.15	968.20
3	Gain/(Loss) due to Controllable Factor to be passed on to Consumer	(73.72)	(73.20)
4	**Revised ARR**	**1578.09**	**1577.52**
5	Revenue from Sale of Power	1533.27	1533.27
6	Waived Demand/ Fixed Charges due to COVID-19	-	3.67
7	**Revenue Gap/(Surplus)**	**44.82**	**40.58**

Accordingly, The Commission approves the Trued-up consolidated Revenue Gap for FY 2020-21 of Rs. 40.58 Crore. This Trued-up Gap is considered by the Commission for Determination of Tariff for FY 2022-23.

4. Determination of ARR for FY 2022-23

4.1 Introduction

This Chapter deals with the determination of ARR for FY 2022-23.

The Commission has issued Suo-Motu Order No. 1995 of 2021 dated 24.9.2021 about applicability of the GERC (MYT) Regulations, 2016 for filing application / Petition for the determination of Annual ARR for FY 2022-23 and proposal for determination of tariff for FY 2022-23.

DPT has accordingly submitted that it has worked out the estimated ARR for FY 2022-23 based on the GERC (MYT) Regulations, 2016 in line with the directions of the Commission in the Suo-Motu Order No. 1995 of 2021 dated 24.9.2021.

4.2 Energy Sales

Petitioner's Submission

The Petitioner has estimated the sales for various consumer categories primarily based on the Compounded Annual Growth Rate (CAGR) trends during the last few years.

The Petitioner has submitted that wherever the trend has seemed unreasonable or unsustainable, the growth factors has been adjusted to arrive at more realistic projections.

DPT has completed consumer metering (up to 97-98%) in September 2021, and hence, the category-wise sales reported in FY 2021-22 are more reliable. Further, in FY 2021-22, there has been a significant increase in sales to HT category. The category-wise sales for FY 2021-22 has been estimated by doubling the actual category-wise sales in the first half (H1) of FY 2021-22 (April to September 2021). Based on the pending consumer applications, and ongoing discussions with certain HT consumers, DPT expects that the HT sales in FY 2022-23 are likely to be double the HT sales in FY 2021-22. Hence, considering CAGR for the period up to FY 2020-21 may not be appropriate for projecting DPT's sales for FY 2022-23.

DPT has considered the CAGR of past year sales for different categories over the period from FY 2016-17 to FY 2021-22, for projecting the sales for FY 2022-23, except for HT category, wherein the sales for FY 2022-23 are projected at twice the estimated sales of FY2021-22. Also, in case of Streetlight category, there is a negative CAGR, hence, the sales are projected to remain at FY 2021-22 levels in FY 2022-23 also, rather than projecting a decline in consumption.

Table 4-1: Category-wise Growth Rates/Assumptions for Sales considered by DPT

Sr No	Consumer Category	Sales (LUs)	Remarks
1	RGP	4.16%	5-year CAGR
2	NRGP	4.93%	5-year CAGR
3	LTMD	1.18%	5-year CAGR
4	Street Lights	-8.26%	5-year CAGR
5	Temporary	2.74%	5-year CAGR
6	HT	31.01%	5-year CAGR

The category-wise energy sales projected by the Petitioner are shown in the Table below:

Table 4-2: Energy Sales for FY 2022-23 as submitted by DPT (LUs)

Sr. No.	Consumer Category	FY 2022-23
1	RGP	7.32
2	NRGP	25.22
3	LTMD	34.45
4	Street Lights	9.79
5	Temporary	8.62
6	HT	404.08
7	**Total**	**489.47**

Commission's Analysis

The Commission has noted the category-wise sales projected by the Petitioner for FY 2022-23. The Petitioner has projected a steep rise in the sales of HT category from 202.04 LUs in FY 2021-22 to 404.08 LUs in FY 2022-23 with 50% expected increase.

In response to the Commission's query in this regard, the Petitioner submitted that all the expected connections /load extensions are in the HT category, and hence, have been considered for projecting the sales for HT category. All these connection requests are in advanced stage of release of connection, and DPT is reasonably confident of achieving the projected sales for this category.

The Commission is of the view that the Licensee is in the best position to judge the sales growth, especially in this case, on account of the expected addition of new consumers having large loads. Hence, the Commission approves the category-wise sales as projected by the Petitioner, as shown in the Table below.

Table 4-3: Energy Sales approved by the Commission for FY 2022-23 (LUs)

Particulars	DPT Petition	Approved in this Order
Energy Sales	489.47	489.47

4.3 Distribution Losses

Petitioner's Submission

The Petitioner has submitted that it has completed the 97%-98% metering by September 2021. Proper assessment of Distribution Losses would be possible once the metered sales data is available, from H2 of FY 2021-22 and beyond. In the absence of any better-quality data at this stage, DPT has considered the Distribution Losses as 5.00% for projecting the energy requirement for FY 2022-23. The real level of Distribution Losses shall be submitted to the Commission at the time of true-up for FY 2022-23.

Commission's Analysis

As submitted by the Petitioner that the Proper assessment of Distribution Losses would be possible once the metered sales data is available, from H2 of FY 2021-22 and beyond. As a result, the Distribution Losses projected by DPT are also not based on actual data, as they are not based on the difference between the energy injected into the system and the energy sold.

The Commission is of the view that proper determination of Distribution Losses will be possible only after authentic sales data based on actual metering and billing is made available. However, on account of lack of any other data, the Commission has considered the Distribution Losses as submitted by the Petitioner for FY 2022-23, as shown in the Table below:

Table 4-4: Distribution Losses approved for FY 2022-23 (%)

Particulars	FY 2022-23	
	DPT Petition	Approved in this Order
Distribution Losses	5.00%	5.00%

The Commission directs the Petitioner to take up the metering process & proper estimation of distribution loss with utmost urgency and complete the process as soon as possible and maintain the proposed timelines, so that the next Petition is based on actual metered sales data.

4.4 Energy Requirement

Petitioner's Submission

The Petitioner submitted that it has projected the energy requirement by grossing up the projected sales with the projected Distribution Losses for FY 2022-23, as shown in the Table below:

Table 4-5: Energy Requirement for FY 2022-23 as submitted by DPT (LUs)

Sr. No.	Particulars	FY 2022-23
1	Energy Sales	489.47
2	Distribution Losses (%)	5.00%
3	Distribution Losses	25.76
4	**Energy Requirement at DISCOM boundary**	**515.23**
5	Transmission Losses (%)	4.15%
6	Transmission Losses	22.31
7	**Total Energy Requirement to be purchased**	**537.54**

Commission's Analysis

As stated earlier, the Commission has considered the category-wise sales, Distribution and Transmission losses as submitted by the Petitioner for FY 2022-23. The energy requirement for FY 2022-23 has been considered by grossing up the sales with the Distribution and Transmission Losses, as shown in the Table below:

Table 4-6: Energy Requirement approved by the Commission for FY 2022-23 (LUs)

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
1	Energy Sales	489.47	489.47
2	Distribution Losses (%)	5.00%	5.00%
3	Distribution Losses	25.76	25.76

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
4	**Energy Requirement at DISCOM boundary**	**515.23**	**515.23**
5	Transmission Losses (%)	4.15%	4.15%
6	Transmission Losses	22.31	22.31
7	**Total Energy Requirement to be purchased**	**537.54**	**537.54**

4.5 Power Purchase Cost

Petitioner's Submission

The Petitioner has submitted that it has not renewed the PPA for purchase of power from PGVCL with effect from October 2021 and has discontinued power purchase from PGVCL. DPT has since then been meeting its entire power requirement through its own Wind Generation sources and balance from Power Exchanges. Accordingly, DPT proposes to meet its entire energy requirement in FY 2022-23 through the own Wind Generation sources and Power Exchanges.

4.5.1 Power Purchase Sources

1. <u>Wind Power</u>

The Petitioner submitted that it has tied-up capacity of 10.2 MW (6.2 MW + 4 MW) of own Wind Generation Capacity, which will be available for the full FY 2022-23. Further, it is expected that another 4.2 MW of Wind Generation capacity shall be available for tie-up for H2 of FY 2022-23.

In terms of Capacity Utilisation Factor (CUF), the CUF of the existing 10.2 MW is on the lower side for various reasons. For projection purposes, DPT has considered the CUF of the existing 10.2 MW Wind Capacity as 13%, based on the actual CUF observed in FY 2020-21. The CUF of the additional 4.2 MW Wind capacity has however, been conservatively considered as 20%, though these Wind Turbines are expected to generate at higher CUF of around 25%.

The available Wind generation has been projected by considering 10.2 MW available for full year at 13% CUF, while the generation from the additional 4.2 MW has been considered for half year at 20% CUF. Further, based on past experience, it is observed that DPT is able to absorb only around 80% of the Wind generation at the time of generation, and the balance 20% energy is injected into the grid but is not available to DPT, in the absence of banking facility. Hence, only 80% of the units generated by the Wind Generation plants has been considered to meet the power purchase requirement of DPT.

The rate of power purchase from the Wind Generation plants has been considered as Rs. 3.20/ kWh based on the existing arrangement.

2. Power Exchange

The Petitioner has projected to meet the additional power requirement from Power Exchanges after considering purchase from own Wind Generation plants to the maximum extent possible. The rate for purchase from Power Exchanges has been considered based on the actual average rate on the Power Exchange in H1 of FY 2021-22, i.e., Rs. 3.65/kWh, contribution of inter-State and intra-State Transmission Charges of around Rs. 0.70/kWh, and usual mark-up of around Rs. 0.50/kWh over Exchange-traded price for purchase by DPT. The effective rate for projecting cost of power purchase from Power Exchange thus, works out to Rs. 4.85/kWh.

3. PGVCL

The Petitioner submitted that it has not renewed the PPA for purchase of power from PGVCL with effect from October 2021 and has discontinued power purchase from PGVCL.

4. Renewable Purchase Obligation

The Petitioner submitted that the Commission is yet to specify the RPO target for FY 2022-23. In absence of specific RPO target for FY 2022-23, DPT has considered the RPO target of FY 2021-22 as applicable for FY 2022-23, which translates to 8.00% from Solar, 8.25% from Wind, and 0.75% from other sources like Biomass, Bagasse, MSW, Small/ mini Hydel, etc. The combined RPO target thus, works out to 17% for FY 2022-23.

As compared to the above RPO target, the projected purchase from Wind Generation plants in FY 2022-23 translates to RPO of around 28%, which is far in excess of the Wind RPO target of 8.25%, as well as the combined RPO target of 17%. DPT has requested to the Commission to allow DPT to meet its RPO in a combined manner, rather than increasing the costs by procuring additional Solar RE power and other RE power or Renewable Energy Certificates (RECs).

5. Transmission and SLDC Charges

The Petitioner submitted that the Transmission Losses (inter-State plus intra-State) have been considered at the same levels as in FY 2020-21, i.e., 4.15%.

The summary of the power purchase costs claimed by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-7: Power Purchase as submitted by DPT for FY 2022-23

Sr. No.	Particulars	FY 2022-23		
		Qtm. (LUs)	**Cost (Rs. Lakh)**	**Rate (Rs/ kWh)**
1	PGVCL	-	-	-
2	Wind Farm	151.79	485.74	3.20
3	Power Exchange	385.75	1870.88	4.85
4	SLDC Charges	-	-	-
5	**TOTAL**	**537.54**	**2356.62**	**4.38**

Commission's Analysis

The Commission sought details from the Petitioner regarding the supporting documents (like PPA) for the power purchase cost for FY 2022-23.

1. Wind Power

The Petitioner has started procuring power from its own Wind Power Plant from FY 2017- 18. The Petitioner has considered the rate of Rs. 3.20/kWh for purchase from its own Wind Power project from FY 2018-19 onwards considering the recent developments of reduction in prices of wind power.

The Commission notes that the Petitioner has requested to consider power purchase from wind farm at the rate of Rs. 3.20/kWh. Hence, the Commission has accepted the Petitioner's submission and decided to consider the rate of Rs. 3.20/kWh for FY 2022-23.

Further, the Petitioner has considered CUF Wind generation by considering 10.2 MW available for full year at 13%, and the generation from the additional 4.2 MW has been considered for half year at 20% CUF.

For considering the power purchase quantum and cost for FY 2022-23, the Commission has accepted the Petitioner's projection of CUF, which will be subject to true-up based on actuals, when submitted by the Petitioner.

2. Power Exchange

The Petitioner has proposed to fulfil its remaining power requirement, after utilising the power purchased from the Wind Power Plant, from the Power Exchanges. The Petitioner has considered the rate of purchase from Power Exchanges as Rs. 4.85/kWh for FY 2022-23.

The Commission sought details from the Petitioner regarding the consideration of the Power Purchase per unit rate as Rs. 4.85 per unit for Power purchased from exchange. In reply, the Petitioner submitted that the power purchase rate has been considered on the basis of average rate on the Power Exchange in H1 of FY 2021-22. The petitioner has also submitted the bills for Q1, Q2 and Q3 of FY 2021-22. The Commission has considered the Power Purchase per unit rate as Rs. 4.85 per unit for Power purchase from exchange as submitted by the Petitioner.

3. PGVCL

As the Petitioner has not projected any power purchase from PGVCL and the Commission is approving the same.

4. Renewable Purchase Obligation

It is noted that the Petitioner is presently procuring and proposes to procure non-solar RE power much in excess of the non-Solar RPO target. The Petitioner is required to comply with the RPO Regulations and Commission’s directives in this regard from time to time.

5. Transmission and SLDC Charges

The Petitioner has not projected the Transmission and SLDC Charges. Accordingly, The Transmission Charges and SLDC Charges have not been considered for FY 2022-23 and will be subject to true-up based on actuals, when submitted by the Petitioner.

The summary of the provisionally considered power purchase quantum and costs for FY 2022-23 are shown in the Table below:

Table 4-8: Power Purchase Quantum and Cost for FY 2022-23

Sr. No.	Particulars	DPT Petition			Approved in this Order		
		Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
1	Wind Farm	151.79	485.74	3.20	151.79	485.74	3.20

2	Power Exchange	385.75	1870.88	4.85	385.75	1870.88	4.85
3	Transmission Charges, UI, SLDC Charges	-	-	-	-	-	-
4	**TOTAL**	**537.54**	**2356.62**	**4.38**	**537.54**	**2356.62**	**4.38**

4.6 Operation and Maintenance (O&M) Expenses

Petitioner's Submission

The O&M expenses comprise Employee cost, R&M Expenses, and A&G Expenses.

The Petitioner has submitted that under normal circumstances, the Commission would have revised the O&M norms based on analysis of actual O&M expenses of FY 2019-20 or FY 2020-21, while framing the GERC MYT Regulations for the next Control Period and allowed appropriate escalation rate for future years including FY 2022-23. However, due to unavoidable circumstances, there is a delay in framing the GERC MYT Regulations for the next Control Period, and hence, the applicability of the GERC MYT Regulations, 2016 has been extended by two year, to include FY 2022-23 also.

The actual O&M expenses of DPT are significantly higher due to the higher level of outsourcing and greater focus towards consumer service and supply of quality power. Considering the same, the O&M expenses for FY 2022-23 have been computed by applying escalation rate of 5.72% (as approved by the Hon'ble Commission in the GERC MYT Regulations, 2016) for 2 years on the O&M expenses computed in the truing up for FY 2020-21. The O&M expenses projected by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-9: O&M Expenses for FY 2022-23 as submitted by DPT (Rs. Lakh)

Particulars	FY 2022-23
Employee Expenses	68.63
R&M Expenses	357.71
A&G Expenses	192.88
Total O&M Expenses	**619.22**

Commission's Analysis

Regulations 86.2 and 94.8 of the GERC (MYT) Regulations, 2016 specify the method of allowing normative O&M Expenses for the MYT Control Period, as reproduced below:

"86.2 Operation and Maintenance expenses:

a) The Operation and Maintenance expenses shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2015, subject to prudence check by the Commission.

b) The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2014 and shall be escalated year on year at the escalation factor of 5.72% to arrive at operation and maintenance expenses for subsequent years up to FY 2020-21..."

The Commission notes that FY 2022-22 was not part of the earlier control period (FY 2016-17 to FY 2020-21) and it was rather proposed to be the second year of the next Control Period starting FY 2021-22. While the notification of the new Tariff Regulations for the next Control Period was deferred by the Commission on account of circumstances and reasons beyond the control of the Commission, for the purpose of application of the norms for the FY 2022-23 as per the existing GERC (MYT) Regulations, 2016, the FY 2022-23 is being treated at par with the second year of the control period. Accordingly, the allowable O&M expenses for the FY 2022-23 have been computed by the Commission in line with the provisions of the Regulation 86.2 of GERC (MYT) Regulations, 2016 by considering the average actual O&M expenses for FY 2018-19 to FY 2020-21 which have been considered as the O&M expenses for the FY 2019-20 ending 31st March 2020 and escalated year on year to arrive at the allowable O&M expenses for FY 2022-23.

The O&M expenses approved for FY 2018-19, FY 2019-20 and FY 2020-21 has been considered as the base value, and escalated at the rate of 5.72%, for projecting the O&M expenses for FY 2022-23, in accordance with the GERC (MYT) Regulations, 2016. The O&M expenses thus projected as shown in the Table below for FY 2022-23:

Table 4-10: Normative O&M Expenses provisionally computed by the Commission for FY 2022-23 (Rs. Lakh)

Particulars	FY 2022-23	
	DPT Petition	Approved in this Order
O&M Expenses	619.22	506.50

4.7 Capital Expenditure, Capitalization and Sources of Funding

Petitioner's Submission

The scheme-wise capital expenditure projected by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-11: Capital Expenditure as submitted by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2021-22	FY 2022-23
1	Replacement of Service line of consumers at Bapat Bazar, New Kandla	13.18	-
2	Design & SITC of DC OH/UG 11 kV line for providing Power Supply to SIPC of DPT at Kandla	140.00	150.00
3	Shifting & Fixing of Single Phase & Three Phase Energy Meters and Meter Box	9.81	-
4	Strengthening of 11 kV OH line to Port Power House	-	239.40
5	Procurement & Commissioning of 12 MVA transformers	-	340.00
6	Upgradation of 11 kV Substations outside Cargo Jetty Area	-	78.05
7	**Capital Expenditure Total**	**162.99**	**807.39**

The capex schemes tabulated above are detailed in below paragraphs:

- **Replacement of Service lines at Bapat Bazar, New Kandla:** The service line to commercial shops in New Kandla was very old and metering infra was in very bad condition. To avoid risk of accident, the work of replacement of Service line is executed with the concept of common panel metering.
- **DC OH/UG 11 kV line for providing Power Supply to SIPC of DPT at Kandla:** Double circuit 11 kV line work is established to cater a load of 9MW to M/s. Emami. The line will also provide supply to 5 km road light, two Parking Plots of DPT, HT Power Supply to M/s. VTV, and connections in areas from West Gate 2 to Zero Point Kandla.
- **Shifting & Fixing of Single Phase & Three Phase Energy Meters and Meter Box:**

  As per directive of the Commission, 1200 Single-Phase, Three-Phase, LTCT, and Multi-Function meters have been procured through Open Tender. 96% of Energy Meters were fixed at consumer premises and downstream distribution network.
- **Strengthening of 11 kV OH/UG line to Port Power House:** The existing line is very old and needs replacement. The 11 kV OH/UG line will be laid from Port Power House to

Old Kandla via DPT Thermal Substation.

- **Procurement & Commissioning of 12 MVA transformers:** Currently One 6.3 MVA transformer is on load with 10 MVA transformer. 6.3 MVA transformer is very old and processed for Survey Off. Looking towards heavy load growth of DPT, procurement of 12 MVA transformer is under process.
- **Upgradation of 11 kV Substations outside Cargo Jetty Area:** The existing breakers are very old, which needs upgradation for uninterrupted and quality power supply to Kandla Colony, Oil Jetty and surrounding areas. The work consists of replacement of Old breakers, transformers, LT Panels, etc.

The Petitioner has submitted the projected capitalisation and its funding for FY 2022-23 as shown in the Table below:

Table 4-12: Capitalization submitted by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2021-22	FY 2022-23
1	Replacement of Service line of consumers at Bapat Bazar, New Kandla	13.18	-
2	Design & SITC of DC OH/UG 11 kV line for providing Power Supply to SIPC of DPT at Kandla	-	290.00
3	Shifting & Fixing of Single Phase & Three Phase Energy	9.81	-
4	Strengthening of 11 kV OH line to Port Power House	-	239.34
5	Procurement & Commissioning of 12 MVA transformers	-	-
6	Upgradation of 11 kV Substations outside Cargo Jetty	-	-
7	**Total**	**22.99**	**529.34**

The Petitioner has submitted that it has incurred/ is incurring capital expenditure requirements through its own equity, but for the purpose of MYT Petition, the capital expenditure is proposed to be funded through debt and equity in the ratio of 70:30, as guided under the prevailing GERC (MYT) Regulations, 2016. The detailed breakup of funding of capitalisation for FY 2022- 23 is mentioned below.

Table 4-13: Funding of Capitalization submitted by DPT for FY 2022-23 (Rs. Lakh)

Particulars	FY 2022-23
Total Capitalization	529.34
Debt	370.54

Particulars	FY 2022-23
Equity	158.80

Commission's Analysis

The Petitioner has projected to undertake capital expenditure of Rs. 807.39 lakh in FY 2022-23, and capitalization of Rs. 529.34 Lakh.

In view of the above, the Commission approves the Capital Expenditure and Capitalization as projected by the Petitioner. The assessment of actual vs. projected capitalisation shall be done at the time of truing up for the respective year. The funding of the capitalisation has been considered in the normative Debt-Equity ratio of 70:30 in accordance with the GERC (MYT) Regulations, 2016. The scheme-wise capital expenditure and capitalisation, and its funding, as approved by the Commission for the FY 2022-23 is shown in the Table below:

Table 4-14: Capital Expenditure, Capitalisation and funding approved by the Commission for FY 2022-23 (Rs. Lakh)

Particulars	DPT Petition	Approved in this Order
Capital expenditure	807.39	807.39
Capitalization	529.34	529.34
Total Funding requirement (Capitalisation)	529.34	529.34
Normative Debt (70%)	370.54	370.54
Normative Equity (30%)	158.80	158.80

4.8 Depreciation

Petitioner's Submission

The Petitioner submitted that it has claimed depreciation at the rates specified in the GERC (MYT) Regulations, 2016. The Petitioner has considered the closing value of GFA for FY 2020-21 as the opening value of GFA for FY 2021-22. The projected addition to GFA during FY 2021-22 & 2022-23 has been considered based on the projected capitalisation for each year. Depreciation has been calculated taking into consideration the opening GFA and the addition to GFA during the year. The Depreciation projected by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-15: Depreciation projected by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23
1	Opening GFA	5168.13
2	Addition During the Year	529.34
3	Closing GFA	5697.47
4	**Depreciation for the year**	**276.01**
5	Average Rate of Depreciation	5.08%

Commission's Analysis

The Commission has computed the depreciation on the average of opening and closing GFA for each year in accordance with the depreciations rates specified in the GERC (MYT) Regulations, 2016. The closing GFA value of FY 2020-21 has been considered as the opening GFA value of FY 2021-22, with the addition to GFA for FY 2021-22 approved in the MYT Order for computing opening GFA for FY 2022-23. Addition to GFA is considered as per the capitalisation considered by the Commission for FY 2022-23. The Commission has approved the depreciation for FY 2022-23 as shown in the Table below:

Table 4-16: Depreciation provisionally computed by the Commission for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
1	Opening GFA	5168.13	5168.13
2	Addition During the Year	529.34	529.34
3	Closing GFA	5697.47	5697.47
4	**Depreciation for the year**	**276.01**	**276.01**
5	Average Rate of Depreciation	5.08%	5.08%

4.9 Interest Expenses

Petitioner's Submission

The Petitioner has submitted that the computation of the Interest on normative loan has been done as per Regulation 38 of the GERC MYT Regulations, 2016.

The closing balance of normative loan portfolio for FY 2020-21 as calculated has been considered as opening balance of FY 2021-22. Addition of normative loan during FY 2021-22 has been considered based on the revised capitalisation estimated for FY 2021-22. The normative repayment has been considered equal to the depreciation computed for the year, to compute the closing balance of FY 2021-22. Closing balance of FY 2021-22 thus computed has been considered as opening balance of normative loan for FY 2022-23. Addition of normative loan during FY 2022-23 has been considered based on the capitalisation projected for FY 2022-23. The normative repayment has been considered equal to the depreciation computed for the year, to compute the closing balance of FY 2022-23.

The rate of interest has been considered normatively in accordance with the GERC MYT Regulations, 2016, as 6.25%, i.e., RBI Bank Rate as on 1st April 2021 (4.25%) plus 200 basis points, in the absence of actual loans on the books of DPT. Finance Charges have been projected as Nil, considering that no actual loans are proposed to be taken.

The Petitioner has submitted that the entire capital expenditure since its inception has been self-funded through budgetary support, however, in accordance with the applicable GERC (MYT) Regulations, the Petitioner has considered the opening GFA and addition to GFA to be funded in the normative debt:equity ratio of 70:30.

The Petitioner has projected the Interest & Finance Charges for the period from FY 2022-23 as shown in the Table below:

Table 4-17: Interest & Finance Charges submitted by DPT for FY 2022-23 (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	Opening Loans	-
2	Loan Additions during the Year	370.54
3	Repayment during the Year	276.01
4	Closing Loans	94.52
5	Average Loans	47.26
6	Rate of Interest	6.25%
7	**Interest on Loan**	**2.95**

Commission's Analysis

The Commission has considered the closing balance of Normative Loan for FY 2020-21 as approved in this Order and the addition of Normative Loan and repayment of Normative Loan for FY 2021-22 as approved earlier in the MYT Order dated 4th September, 2021 to work out the closing balance of loans for FY 2021-22. As the depreciation amount for FY 2021-22 is higher than the normative loan amount, the closing balance of loans for FY 2021-22 works out to Nil which has been considered as opening balance of Normative Loan for FY 2022-23.

The loan addition and repayment equivalent to depreciation as approved for FY 2022-23 have been considered. As the depreciation amount for FY 2022-23 is higher than the normative loan amount, the normative interest on loans works out to Nil for FY 2022-23. The computation of interest expenses approved by the Commission for FY 2022-23 is shown in the Table below:

Table 4-18: Interest Expenses approved by the Commission for FY 2022-23 (Rs. Lakh)

Particulars	DPT Petition	Approved in this Order
Interest on Normative Loan		
Opening Loan	-	-
Addition of Loan due to Capitalisation during the Year	370.54	370.54
Less: Repayment	276.01	276.01
Closing Loan	94.52	94.52
Average Loan	47.26	47.26
Rate of Interest (%)	6.25%	6.25%
Interest Expenses	**2.95**	**2.95**

4.10 Interest on Working Capital

Petitioner's Submission

The Petitioner submitted that it has computed the normative working capital requirement in accordance with the GERC MYT Regulations, 2016, as amended from time to time.

In line with the First Amendment to the GERC MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the 1-year MCLR of SBI as on 1st April 2021 plus 250 basis points. This rate works out to 9.50%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act, 2003, except the security deposit held in the form of Bank Guarantees is to be deducted from it. The IoWC submitted by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-19: Interest on Working Capital submitted by DPT for FY 2022-23 (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	O&M expenses	51.60
2	Maintenance Spares	51.68
3	Receivables	290.94
4	Less: Consumer Security Deposit	106.56
5	Total Working Capital	**287.66**
6	Interest Rate (%)	9.50%
7	**Interest on Working Capital**	**27.33**

Commission's Analysis

The Commission has recomputed the components of working capital, in line with the methodology as specified in the GERC (MYT) Regulations, 2016 using the component as approved in preceding sections of this Order.

The Commission has noted that DPT has considered revenue from sale of power at existing tariff for calculation of working capital requirement. The Commission has considered approved Aggregate Revenue Requirement for calculation of working capital requirement. The rate of interest on working capital has been considered as 9.50% considering SBI MCLR as on 01.04.2021 (7.00 % plus 250 basis points) as per the GERC (MYT) Regulations, 2016. The interest on working capital has been computed as per the provisions of the GERC (MYT) Regulations, 2016.

The normative interest on working capital approved by the Commission for FY 2022-23 is shown in the Table below:

Table 4-20: Normative IoWC computed by the Commission for FY 2022-23 (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
1	O&M expenses	51.60	42.21
2	Maintenance Spares	51.68	51.68
3	Receivables	290.94	281.40

4	Less: Consumer Security Deposit	106.56	106.56
5	Total Working Capital	**287.66**	**268.72**
6	Interest Rate (%)	9.50%	9.50%
7	**Interest on Working Capital**	**27.33**	**25.53**

4.11 Interest on Security Deposit

Petitioner's Submission

The Petitioner submitted that it has not projected any interest on Consumer Security Deposits for FY 2022-23. The actual interest paid on the Consumer Security Deposits shall be claimed at the time of truing up for FY 2022-23.

Commission Analysis

As the Petitioner has not projected any interest on Consumer Security Deposits for FY 2022-23. The Commission has not considered Interest on Consumer Security Deposit as an expense for FY 2022-23. The same shall be considered based on actuals at the time of truing up for of FY 2022-23, based on the Audited Annual Accounts and in accordance with the provisions of the GERC (MYT) Regulations, 2016.

4.12 Return on Equity (RoE)

Petitioner's Submission

The Petitioner submitted that the opening balance of equity for FY 2021-22 has been considered equal to the closing balance of equity for FY 202-21. Further DPT has considered that 30% of capitalization as proposed in FY 2021-22 and FY 2022-23 would be financed by normative equity as per GERC (MYT) Regulations, 2016.

The rate of Return in Equity (RoE) has been considered as 14%, in accordance with the GERC (MYT) Regulations, 2016. The RoE submitted by the Petitioner for FY 2022-23 is shown in the Table below:

Table 4-21: Return on Equity submitted by DPT for FY 2022-23 (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	Opening Equity	1523.70
2	Equity Addition during the Year	158.80

Sl. No.	Particulars	FY 2022-23
3	Closing Equity	1682.50
4	Average Equity	1603.10
5	Rate of Return on Equity	14%
6	**Return on Equity**	**224.43**

Commission's Analysis

The Commission has considered the closing balance of Equity for FY 2020-21 as approved in this Order and the addition of Equity for FY 2021-22 as approved in the MYT Order dated 4th September, 2021 for working out the closing equity for FY 2021-22. Accordingly, the closing balance of Equity for FY 2021-22 thus worked out, has been considered as opening balance of Normative Equity for FY 2022-23. The equity addition for FY 2022-23 has been considered as approved in this Order.

The rate of RoE has been considered as 14% in accordance with the GERC (MYT) Regulations, 2016. The computation of RoE by the Commission for the period from FY 2022-23 is shown in the Table below:

Table 4-22: RoE approved by the Commission for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
1	Opening Equity	1523.70	1523.70
2	Addition to Equity	158.80	158.80
3	Closing Equity	1682.50	1682.50
4	Average Equity	1603.10	1603.10
5	**RoE at 14%**	**224.43**	**224.43**

4.13 Income Tax

Petitioner's Submission

The Petitioner submitted that in FY 2020-21, no Income Tax was paid by the Petitioner. Therefore, the Petitioner has not projected any provisions for taxes for FY 2022-23.

Commission Analysis

The Commission has considered the provisional Income Tax as Nil for FY 2022-23.

4.14 Non-Tariff Income

Petitioner's Submission

The Petitioner submitted that Non-Tariff Income for FY 2022-23 comprises savings bank interest, supervision charges, meter connection charges, etc. DPT has considered the Non-Tariff Income for FY 2022-23 at the same level as actuals of FY 2020-21. However, interest on PGVCL deposit has not been considered, as the PPA with PGVCL has not been extended, and the interest will no longer be payable by PGVCL.

Table 4-23: Other Income submitted by DPT for FY 2022-23 (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	Meter Connection Charges	12.75
2	Surcharge Charges	0.18
3	Supervision Charges	1.78
4	Saving Bank Interest	0.59
5	**Total**	**15.30**

Commission's Analysis

The Commission approves the Non-Tariff Income equal as projected by the Petitioner, as shown in the Table below:

Table 4-24: Non-Tariff Income approved by the Commission for 2022-23 (Rs. Lakh)

Particulars	DPT Petition	Approved in this Order
Non-Tariff Income	15.30	15.30

4.15 Aggregate Revenue Requirement

Petitioner's Submission

The Petitioner submitted the Summary of ARR projected for the period FY 2022-23 as shown in the Table below:

Table 4-25: Summary of ARR projected by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23
1	Power Purchase Expenses	2356.62
2	O&M Expenses	619.22
3	Depreciation	276.01
4	Interest & Finance Charges	2.95
5	Interest on Working Capital	27.33
6	Interest on Security Deposit	-
7	**Total Revenue Expenditure**	**3282.14**
8	Return on Equity	224.43
9	Income Tax	-
10	**Aggregate Revenue Requirement**	**3506.57**
11	Revenue with Existing Tariff	3949.21
12	Non-Tariff Income	15.30
13	**Total Revenue (11+12)**	**3964.51**
14	**Revenue Gap/ (Surplus)**	**(457.95)**

Commission's Analysis

The ARR provisionally computed by the Commission for the period from FY 2022-23, based on the individual components of the ARR as discussed in the earlier paragraphs, is shown in the Table below:

Table 4-26: ARR approved by the Commission for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
1	Power Purchase Expenses	2356.62	2356.62
2	O&M Expenses	619.22	506.50
3	Depreciation	276.01	276.01
4	Interest & Finance Charges	2.95	2.95
5	Interest on Working Capital	27.33	25.53
6	Interest on Security Deposit	-	-
7	**Total Revenue Expenditure**	**3282.14**	**3167.62**
8	Return on Equity	224.43	224.43

Sr. No.	Particulars	FY 2022-23	
		DPT Petition	Approved in this Order
9	Income Tax	-	-
10	**Aggregate Revenue Requirement**	**3506.57**	**3392.05**
11	Less: Non-Tariff Income	15.30	15.30
12	**Net Aggregate Revenue Requirement**	**3491.27**	**3376.75**

5. Determination of Tariff for FY 2022-23

5.1 Introduction

This chapter deals with the determination revenue gap at existing tariff for FY 2022-23. The Petitioner has proposed revised tariff for FY 2022-23, based on the projected Revenue Gap for FY 2022-23.

5.2 Projected Revenue Gap for FY 2022-23 with Existing Tariff

The Petitioner has projected the revenue for FY 2022-23 as under:

Revenue from FPPPA Charges

The Petitioner has considered the existing Fuel & Power Purchase Price Adjustment (FPPPA) charges as 89 paise per unit as approved by the Commission, and projected the revenue from FPPPA charges based on the projected sales for FY 2022-23 as shown in the Table below:

Table 5-1: Revenue from FPPPA Charges for FY 2022-23 as submitted by DPT (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	FPPPA Charges @ 89 paise / kWh	435.63

Total Revenue for FY 2022-23

The Petitioner has projected the revenue from sale of electricity based on the projected sales for FY 2022-23 and applicable category-wise tariff, as shown in the Table below:

Table 5-2: Total Revenue at existing tariff for FY 2022-23 as submitted by DPT (Rs. Lakh)

Sl. No.	Particulars	FY 2022-23
1	Revenue with Existing Tariff	3513.58
2	Revenue from FPPPA Charges	435.63
3	**Total Revenue**	**3949.21**

Total Revenue Gap/(Surplus) at existing Tariff

Based on the above, the Petitioner has projected the Revenue Gap/(Surplus) for FY 2022-23 at existing tariff, as shown in the Table below:

Table 5-3: Revenue Gap/(Surplus) projected by DPT for FY 2022-23 (Rs. Lakh)

Particulars	FY 2022-23
ARR of FY 2022-23	3491.27
Less: Revenue (Gap)/ Surplus after True up of FY 2020-21	44.82
Total Aggregate Revenue Requirement	3536.09
Revenue from Sales	3949.21
Revenue Gap/(Surplus)	**(413.12)**

Commission's Analysis

As regards the revenue from sale of electricity at existing tariffs for FY 2022-23, the Commission has noted the Petitioner's submissions. As stated in the earlier Chapter, the Commission has computed the ARR for FY 2022-23, based on the available data. Accordingly, the Commission has calculated the Revenue Gap/ (Surplus) for FY 2022-23 based on existing tariffs in the following Table:

Table 5-4: Provisional Revenue Gap/(Surplus) computed by the Commission for FY 2022-23 (Rs. Lakh)

Particulars	DPT Petition	Approved in this Order
ARR of FY 2022-23	3491.27	3376.75
Less: Revenue Gap/ (Surplus) after True up of FY 2020-21	44.82	40.58
Revenue	3949.21	3513.58*
Revenue Gap/ (Surplus) for FY 2022-23	**(413.12)**	**(96.25)**

* Without FPPPA

6. Compliance of Directives

6.1 Introduction

The Commission had given certain directives to the Petitioner in earlier Orders. The status of compliance by the Petitioner with such earlier directives and new directives are discussed in this Chapter.

6.2 Compliance to earlier Directives given in the tariff order for FY 2020-21

6.2.1 Directive 1: Metering of consumers

The Commission has noted the timeline provided for completion of consumer metering by the Petitioner. The Commission directed the Petitioner to take up the metering work with the utmost urgency and submit a status report on consumer metering within 15 days from issuance of this Order.

Compliance: The Petitioner in its Petition has submitted that the status has been shared with the Commission. DPT has completed 100% Consumer Metering and 97% DPT own departmental metering. Only High Masts in the licence area are remaining to be metered as their maintenance is in process.

Commission's Comment: The Commission directs the Petitioner to take up the metering work with the utmost urgency for its own departmental also, and directs the Petitioner to submit a status report on consumer metering.

6.2.2 Directive 2: Assessment of Distribution Losses

The Commission directed the Petitioner to take up the metering work with the utmost urgency and directs the Petitioner to submit monthly reports from October 2020 regarding the Distribution Losses.

Compliance: The accurate assessment of Distribution Losses is dependent on completion of 100% metering. As stated earlier, DPT has achieved 100% Consumer Metering and 97% DPT own departmental metering. Once 100% metering is achieved, DPT will be in a position to assess the Distribution Losses more realistically and shall submit the data for H2 of FY 2021-22 in the truing up Petition for the respective year.

Commission's Comment: The Commission has noted the submission.

6.2.3 Directive 3: Separation of Accounts of Distribution Business

The Commission directed that data on all expenses for ARR is to be segregated from the combined expenses of Ports and Distribution Business.

The Petitioner was directed to maintain an Asset Register and separate Accounts, duly certified by the Statutory Auditors, for the distribution business from FY 2011-12 onwards and develop Balance Sheet and Profit & Loss account, etc., for the Distribution Business and submit data relating to expenses from the separate accounts, in the ARR and Tariff Petition.

In the Tariff Order in 2016, the Commission directed the Petitioner to submit the audited accounts for distribution business by August 2016.

Compliance: Already complied. All Petitions are being filed on the basis of duly audited accounts of the licensed electricity distribution business.

Commission's Comment: The Commission has taken note of the submission.

6.3 Compliance to earlier Directives given in the tariff order for FY 2021-22

6.3.1 Directive 1: Implementation of Smart pre-payment meter/ pre-payment meters

The Commission refers to the Electricity (Rights of Consumers) Rules, 2020 notified on 31st December 2020 and as per this Rule, no connection shall be given without a meter and such meter shall be the Smart pre-payment or pre-payment meter. Further Ministry of Power, Government of India has issued notification vide 17th August, 2021 setting out the timelines for replacement of existing meters with smart meters with prepayment features. The Petitioner was advised for necessary participation for the scheme which will help in improvement of metering, billing and collection. In view of the fact that the consumers consuming high energy contribute higher portion of revenue, the Petitioner as directed to initiate smart meter installation to the consumers in sequential manner starting with consumers having higher consumption followed by lower consumption.

Compliance: DPT has recently installed Single Phase/ Three Phase / HT Smart Meters at the respective consumer sites. After receiving the directive from the Hon'ble Commission, a site survey is being conducted for preparation of the technical specifications to install prepaid meters for the commercial consumers.

Commission's Comment: The Commission has taken note of the submission.

6.3.2 Directive 2: Charging Infrastructure for Electric Vehicles

The Commission referring to the Discussion paper on Cross Cutting Themes for Charging Infrastructure for Electric Vehicles issued by Ministry of Power on 17th March 2021. The Petitioner is suggested to explore the possibility for creation of such infrastructure in its area and come up with separate capital expenditure plan by along with next Petition for Commission's approval.

Compliance: Currently, there is no presence of Electric Vehicles in the local area. At present, DPT is focusing on creating and strengthening the basic distribution infrastructure in its licenced area and is inviting entrepreneurs to set up Electric Charging stations in the Licenced Area, rather than undertaking capital expenditure on its account.

Commission's Comment: The Commission has taken note of the submission.

6.3.3 Directive 3: Operation and Maintenance Expenses

The Commission directed DPT to provide allocation principle adopted for segregation of O&M expenses related to power business from overall O&M expenses along with next Tariff Petition. The Commission also directs DPT to provide details of employee associated with power business and its cost allocation methodology along with next Tariff Petition.

Compliance: DPT has outsourced the operation & maintenance of the Electrical Network (66/11 kV and 11/0.44 kV) at inside and outside port area through 2 AMC's. The O&M expenses primarily comprise of expenses against the above 2 AMC's. Apart from this, DPT has hired D/R (Daily Rated) Workers to manage the maintenance work in the network area.

The salary paid to the employees associated with the power distribution business is detailed under Note No. 9 in the books of accounts. The salary is allocated as per the involvement of the employee in the port trade and distribution licensee businesses.

PTC India Ltd. has been engaged to conduct the work of Metering & Billing, and the cost incurred towards their services is recorded under O&M Expenses.

Commission's Comment: The Commission has taken note of the submission.

6.3.4 Directive 4: Submission of Asset Register

The Commission directed DPT to submit asset register related to power business along with next tariff Petition.

Compliance: The Asset Register for DPT has been updated and is attached with the True-up Petition for FY 2020-21 and ARR Tariff Petition for FY 2022-23.

Commission's Comment: The Commission has taken note of the submission.

6.3.5 Directive 5: Adherence to GERC Security Deposit Regulations, 2005

With reference to collection of security deposit from Consumers and payment of interest on the same, the Commission directed DPT to comply with provisions of GERC Security Deposit Regulations, 2005 and amendments therein.

Compliance: As regards to the Rules and Regulations of the Major Ports, DPT has taken Security Deposit in the form of Bank Guarantees from the 4 HT Consumers in the DPT's Licensed Area. For the permanent LT Connections (primarily residential connections) in the Licensed Area, DPT had released the Electricity Connections in the past without taking Security Deposits due to the poor economic health of the consumers.

The Security Deposit shown in the books of accounts at Note No. 6 is primarily collected from the temporary consumers who take connections for temporary work at the licensed area. The tenure of this connection is less than 11 months, therefore, no interest is paid to the consumers on account of Security Deposit. Accordingly, DPT has not been booking any expense against interest on Consumer Security Deposit, and has not claimed the same in the Truing up for FY 2020-21 and ARR and Tariff for FY 2022-23.

Commission's Comment: The Commission has taken note of the submission.

6.3.6 Directive 6: Submission of FPPPA details

The Commission noted that DPT has not been submitting quarterly FPPPA details. The Commission takes serious note of the same and directed DPT to comply with Order in Case No. 1309/2013 and 1313/2013 issued vide dated 29.10.2013 issued by the Commission scrupulously and strictly.

Compliance: After the issue of the Tariff Order on 20th September, 2020 by the Hon'ble Commission, DPT has computed the PPCA (i.e. average power purchase cost) for Quarter 1, 2, 3 & 4 of FY 2020-21 and Quarter 1 of FY 2021-22, as the FPPPA Charges to be recovered from consumers. The same has also been submitted to the Hon'ble Commission.

Commission's Comment: The Commission has taken note of the submission.

6.3.7 Directive 7: Filing of Tariff Petition

The Commission observed that DPT always files Tariff Petition after stipulated time. Therefore, the Petitioner was directed to file Tariff Petition in timely manner.

Compliance: The Petitioner has taken all efforts to submit the Petition on time, in order to streamline the process of audit of accounts and preparation and filing of the Petition. On account of COVID-19, the entities have been given additional time for getting the accounts of FY 2020-21 audited. While DPT is within these timelines, there has been a slight delay in filing the Petition. DPT has requested the Hon'ble Commission to condone the delay in filing of this Petition, which has been caused due to delay in preparation and audit of the Accounts for FY 2020-21.

DPT has been streamlining all its internal processes over time, and assures the Hon'ble Commission that henceforth, the Petitions shall be filed within the prescribed timelines.

Commission's Comment: The Commission has taken note of the submission.

7 Fuel and Power Purchase Price Adjustment

7.1 Fuel and Power Purchase Price Adjustment

The Commission last issued the Tariff Order for the Petitioner vide its Tariff Order dated 4th September 2021 in Case No. 1968 of 2021. In this Tariff Order, the Commission approved the below formula for FPPPA charges for the Petitioner (erstwhile Kandla Port Trust):

Formula

FPPPA = [(PPCA – PPCB)] / [100 - Loss in %]

Where,

(i) PPCA = is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the Power Purchase Agreements in Rs./kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.

(ii) PPCB = is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs. /kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.

(iii) Loss in % = is the weighted average of the approved level of Transmission and Distribution losses (%) for Petitioner applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for Petitioner of the previous year for which true up have been done by the Commission, whichever is lower.

Petitioner Submission:

DPT has submitted that based on the projected energy requirement and the power purchase from various sources projected for FY 2022-23, DPT has projected the average power purchase cost for FY 2022-23 as Rs. 4.38/kWh. Hence, DPT has not considered any revenue from Base FPPPA, and has considered the Base FPPPA as zero. In case of variation in the power purchase cost as compared to the cost approved by the Commission, DPT shall recover such variation from the consumers through the FPPPA mechanism prescribed by the Commission.

Commission's Analysis:

The Petitioner shall levy FPPPA on the consumers in accordance with the FPPPA Formula detailed above. The significant quantum of purchase from the Wind Power Plant would reduce the average power purchase cost of the Petitioner and the benefit should be passed on to the consumers through Adjustments in FPPPA. The information regarding FPPPA recovery and the FPPPA charged shall be kept on the website of the Petitioner. For any increase in FPPPA, worked out on the basis of above formula, beyond ten (10) Paise per kWh in a quarter, prior approval of the Commission shall be necessary and only on approval of such additional increase by the Commission, the FPPPA can be billed to consumers. FPPPA calculations shall be submitted to the Commission within one month from end of the relevant quarter.

8 Wheeling Charges and Cross Subsidy Surcharge

8.1 Wheeling Charges

Petitioner's Submission

DPT has segregated its ARR into wire and supply component in accordance with allocation matrix provided in regulation 86 of GERC (MYT) Regulations, 2016. The segregated ARR for wheeling business and supply business is tabulated below:

Table 8-1: Segregation of ARR into Wires and Retail Supply Business for FY 2022-23 (Rs. Lakh)

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	-	2,356.62
2	O&M Expenses	459.56	159.66
2.a	Employee Expenses	*41.18*	*27.45*
2.b	R&M Expenses	*321.94*	*35.77*
2.c	A&G Expenses	*96.44*	*96.44*
3	Depreciation	248.41	27.60
4	Interest & Finance Charges	2.66	0.30
5	Interest on Security Deposit	-	-
6	Interest on Working Capital	2.73	24.59
7	Provision for Bad Debts	0.00	-
8	Contingency Reserve	0.00	-
10	**Revenue Expenditure**	**713.36**	**2,568.78**
11	Return on Equity	201.99	22.44
12	Provision of Tax/Tax paid	-	-
13	**ARR**	**915.35**	**2,591.22**
14	Less: Non-Tariff Income	1.53	13.77
15	**Net ARR**	**913.82**	**2,577.45**

Commission's Analysis

The Commission, in order to compute the wheeling charges and cross subsidy surcharge, has considered the allocation matrix between the wires and retail supply business as per GERC

MYT Regulations, 2016. The allocation matrix and the basis of allocation of various cost components of the ARR as per GERC (MYT) Regulations, 2016 are shown below:

Table 8-2: Allocation Matrix for segregation to Wires and Retail Supply Business as per GERC

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	0	100
2	Intra-State Transmission Charges	0	100
3	Employee Expenses	60	40
4	Administration and General Expenses	50	50
5	Repairs and Maintenance Expenses	90	10
6	Depreciation	90	10
7	Interest on Long Term Loan Capital	90	10
8	Interest on Working Capital and Consumer Security Deposit	10	90
9	Bad Debt Written Off	0	100
10	Income Tax	90	10
11	Contribution to Contingency Reserve	100	0
12	Return on Equity	90	10
13	Non-Tariff Income	10	90

Based on the above allocation, the approved ARR for wires business and retail supply business are computed as shown below.

Table 8-3: Segregation of ARR into Wires and Supply Business approved for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	Wire Business	Retail Supply Business
1	Power Purchase Expenses	-	2356.62
2	Operation & Maintenance Expenses	357.87	148.63
2.1	Employee Expenses	43.68	29.12
2.2	A&G Expenses	95.18	95.18
2.3	R&M Expenses	219.02	24.34
3	Depreciation	248.41	27.60
4	Interest & Finance charges	2.66	0.30
5	Interest on Security Deposit	-	-
6	Interest on Working Capital	2.55	22.98
7	**Total Revenue expenditure**	**611.50**	**2556.12**
8	Return on Equity Capital	201.99	22.44
9	Income Tax	-	-
10	**Aggregate Revenue Requirement**	**813.49**	**2,578.57**
11	Less: Non-Tariff Income	1.53	13.77
12	**Aggregate Revenue Requirement**	**811.96**	**2,564.80**

8.2 Determination of Wheeling Charges

In FY 2022-23 a total of 515.23 LUs would be input at 11 kV level in DPT network. Accordingly, the wheeling charges of FY 2022-23 have been calculated in accordance with projected ARR of wheeling Business as per below table:

Table 8-4: Projected Proposed Wheeling Charge at 11 kV by the Petitioner

No.	Particulars	Units	Amount
1	ARR for the Wires Business	Rs. Lakh	913.82
2	Energy Input at 11 kV	Lakh Units	515.23
3	**Proposed Wheeling Charges at 11 kV**	**Rs./kWh**	**1.77**

Commission's Analysis

The Commission has determined the ARR of the Wires Business for FY 2022-23 in earlier Section. To determine the Wheeling Charges the ARR is divided by the sales handled by the DPT. Based on the above, the wheeling charges are approved as given in the Table below:

Table 8-4: Wheeling Charges approved by the Commission for DPT for FY 2022-23

Particulars	Unit	Amount
Total Wheeling ARR	Rs. Lakh	811.96
Energy Input	LU	515.23
Wheeling Charges	Rs./kWh	1.58

The Wheeling Loss applicable to the Petitioner's licenced area will be 5%, which is the Distribution Loss approved for FY 2022-23 in the present Order.

8.3 Cross-Subsidy Surcharge

Petitioner's Submission

In line with approach adopted by the Commission in previous Order CSS has been determined based on the Formula stipulated in the revised Tariff Policy notified by Ministry of Power on January 28, 2016, as reproduced below:

> *"S = T- [C/(1-L/100) + D+ R]*
> *Where,*
> *S is the surcharge*
> *T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation*
> *C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation*
> *D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level*
> *L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level*
> *R is the per unit cost of carrying regulatory assets…"*

DPT has computed the CSS for HT Category, i.e., the category eligible for Open Access, in accordance with the above formula, for FY 2022-23, as shown in the following Table:

Table 8-5:Proposed CSS by the Petitioner for FY 2022-23

Particulars	Amount
T - Tariff for HT Category	7.18
C - Wt. avg. power purchase cost	4.38
D - Wheeling Charges (Rs./kWh)	1.77

Particulars	Amount
L - Aggregate T&D Loss (%)	5%
S - Cross Subsidy Surcharge (Rs./kWh)	**0.79**

Commission's Analysis

The APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued the National Tariff Policy, 2016. According to this policy, the formula for Cross Subsidy Surcharge is as under:

S = T – [C / (1 - L/100) + D + R] Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial Losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets

The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

Table 8-6: Cross Subsidy Surcharge approved for FY 2022-23

Particulars	Amount
T- Tariff for HT category (Rs/kWh)	7.18
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	4.38
D - Wheeling Charges (Rs / kWh)	1.58
L - Aggregate T&D Loss (%)	5.00%
S - Cross Subsidy Surcharge (Rs/kWh)	0.99

S = 7.18 – [4.38/(1-5/100) + 1.58 + 0.00] = 0.99 Rs/kWh

Thus, Cross Subsidy Surcharge as per Tariff Policy, 2016 works out to Rs. 1.19/unit

9 Tariff Philosophy and Tariff Proposal

9.1 Introduction

This Chapter discusses the tariff proposal and changes suggested in the tariff structure for FY 2022-23 by the Petitioner and the Commission's final decision on the same.

9.2 Tariff Proposal

Petitioner's Submission:

DPT has projected a Revenue Surplus of Rs. 413.12 lakh for FY 2022-23, with respect to the projected revenue requirement and the revenue with existing retail supply tariff. This translates to a possible average tariff reduction of around 12%, if the tariffs are reduced across the board. However, considering that some categories are subsidising, while some categories are subsidised, and the Distribution Licensee is required to reduce the cross-subsidies over a period of time, DPT has proposed category-wise retail tariffs in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the ACoS.

DPT has not proposed any change in the Fixed/Demand Charges applicable for the respective consumer categories, and the Fixed/Demand Charges approved by the Commission for FY 2021-22 are proposed to be retained in FY 2022-23.

DPT has proposed to revise the Energy Charges applicable for the various consumer categories, in order to achieve the target of cross-subsidy reduction and ensuring recovery of the projected revenue requirement for FY 2022-23, while passing on the benefit of the projected Revenue Surplus and ensuring against tariff shock for any consumer category.

DPT submitted that the Base FPPPA has been considered as zero, and the Energy Charges have been correspondingly revised to achieve the revenue targets. If the Base FPPPA of Rs. 0.89/kWh is continued, then the proposed Energy Charges will have to be reduced to that extent, so that the same amount of revenue is earned.

DPT submitted that the Energy Charges for all slabs of RGP category and NRGP category have been proposed to be increased by Rs. 1.40/kWh, while the Energy Charges for LTMD category is proposed to be increased by Rs. 0.9/kWh. An increase of Rs. 1.70/kWh is proposed in the Energy Charges for Streetlight category, in order to increase the Average

Billing Rate and reduce the cross-subsidy. An increase of Rs. 1.00/kWh is proposed in the Energy Charges for temporary category.

Based on projected sales & retail tariff, revenue from sale of power works out to Rs. 2,043.87 lakh for FY 2022-23 as shown in the Table below:

Table 9-1: Projected Revenue for FY 2022-23 with Proposed Tariff (Rs. Lakh)

Consumer Category	Projected
RGP	43.73
NRGP	180.87
LTMD	251.30
Street Lights	63.64
Temporary	95.33
HT	2900.73
Total	**3535.60**

Based on the above, the estimated revenue gap for FY 2022-23 at revised tariff including revenue gap for FY 2020-21, is as outlined in the table below:

Table 9-2: Revenue Gap/(Surplus) projected by DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23 (Projected)
1	Aggregate Revenue Requirement	3,491.27
2	Less: Revenue (Gap)/ Surplus from True up of FY 2020-21	(44.82)
3	**Total Aggregate Revenue Requirement**	3,536.09
4	Revenue with Proposed Tariff	3535.60
5	**Revenue (Gap)/Surplus with Proposed Tariff**	**(0.49)**

Considering that 83% of the sales of DPT are to the HT category, the bulk of the Revenue Surplus is proposed to be passed on to the HT category, through reduction and rationalisation of the Energy Charges, thereby also, eliminating the cross-subsidy provided by this category. It is proposed to have uniform Energy Charges for all levels of Contract Demand, as against the existing tariff structure of having differential/higher Energy Charges for Billing Demand in excess of 500 kVA and in excess of 2500 kVA. The Energy Charges for HT category is proposed as Rs. 5.60/kWh.

The category-wise reduction in cross-subsidy proposed by DPT for FY 2022-23 with respect to the cross-subsidy based on existing tariffs, as a percentage of the ACOS, is shown in the Table below:

Table 9-3: Proposed Cross-Subsidy Reduction (%)

Category	Projected ACOS (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of ABR to ACOS (%)		% increase / decrease in Cross-subsidy
		Existing Tariff	Proposed Tariff	Existing Tariff	Proposed Tariff	
RGP	7.22	5.47	5.98	76%	83%	7%
NRGP	7.22	6.66	7.17	92%	99%	7%
LTMD	7.22	7.28	7.29	101%	101%	0%
Street Lights	7.22	5.69	6.50	79%	90%	11%
Temporary	7.22	10.95	11.06	152%	153%	2%
HT	7.22	8.27	7.18	114%	99%	-15%

DPT submitted that in the Tariff Order for FY 2021-22, the Commission had introduced the concept of optional Green Tariff, available for Consumers who want to avail green power for meeting their requirement by payment of Green Power Tariff over and above the normal tariff applicable to the respective category as per Tariff Order.

DPT submitted that it is in a position to provide additional green power to its consumers, as it is procuring almost 28% (projected for FY 2022-23) of its energy requirement through RE sources. DPT is very keen to implement the above optional tariff for consumers desirous of procuring renewable energy through the Distribution Licensee. DPT hence, proposes to retain this option of Green Tariff in the Tariff for FY 2022-23 also.

However, DPT would like to bring to the notice of the Commission certain operational issues, on account of which, DPT has not been able to implement the innovative idea of Green Tariff in its licence area.

The Commission issued the Tariff Order for FY 2021-22 on 4th September 2021, and almost immediately, on 24th September 2021, DPT sent a communication to the Commissioner of Electricity Duty (Energy & Petrochemical Department), Government of Gujarat, requesting for certain clarifications on the applicability of Electricity Duty for the proposed transaction. In the letter Ref: EL/AC/5023/916 dated 24th September 2021, DPT sought confirmation for the following understanding from the office of the Commissioner of Electricity Duty:

“There are number of HT and LT consumers in DPT Consumer mix who are willing to avail the Green Power Tariff introduced by the Commission. Moving towards the same, we understand that Electricity supplied under “GREEN TARIFF” within the License Area shall be exempted from payment of electricity duty in accordance with clause no. 5[(v-a) "where the energy is generated by any person by solar, wind or biomass energy;] one of the provisions of the Gujarat Electricity Duty Act, 1958 and its amendments from time to time."

DPT is still awaiting clarification/confirmation from the office of the Commissioner of Electricity Duty on the above aspect and is unable to proceed with the implementation of Green Tariff in its licence area. DPT's contention is that ED exemption available for purchase directly from RE generator should also be applicable for specific purchase of RE from the Distribution Licensee, which is only acting as an aggregator of RE, and facilitating the purchase of higher RE quantum by the consumers, without having to enter into separate PPAs by the consumers.

The Commission will appreciate that such clarification and confirmation will go a long way in providing real benefit to the consumers, thereby encouraging them to go for higher consumption from renewable energy, and help the country to achieve its ambitious targets for penetration of RE sources.

DPT requested the Commission to issue the necessary clarification in this regard, to enable DPT to approach the office of the Commissioner of Electricity Duty for necessary relief and facilitate the implementation of Green Tariff in DPT's licence area.

Commission's Analysis

The Commission observed that DPT being surplus in FY 2022-23 has projected the average tariff reduction of around 12%. It is observed that the Base FPPPA has been considered as zero, and the Energy Charges have been correspondingly revised to achieve the revenue targets. It has also been observed that DPT has rationalized the tariff in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the ACoS. The Commission has computed the revenue at existing tariff (without considering FPPPA) for FY 2022-23 which coming to Rs. 3513.58 lakh. Accordingly, the surplus at existing tariff is coming to Rs. 96.25 lakh, which is negligible for consideration of any change in tariff structure. Further, this is an additional year of MYT Control Period and accordingly the Commission is not inclined to consider such a major change in the existing tariff structure as proposed by the Petitioner.

Regarding clarification on ED exemption, the Commission will deal the same separately.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for the Petitioner for the period from FY 2022-23, as shown in the Table below:

Table: Approved ARR for DPT for FY 2022-23 (Rs. Lakh)

Sr. No.	Particulars	FY 2022-23
1	Power Purchase Expenses	2356.62
2	Operation & Maintenance Expenses	506.50
3	Depreciation	276.01
4	Interest & Finance Charges	2.95
5	Interest on Working Capital	25.53
6	Interest on Security Deposit	-
7	**Total Revenue Expenditure**	**3167.62**
8	Return on Equity	224.43
9	Income Tax	-
10	**Aggregate Revenue Requirement**	**3392.05**
11	Less: Other Income	15.30
12	**Net Aggregate Revenue Requirement**	**3376.75**

Sd/-	Sd/-	Sd/-
S. R. Pandey	**Mehul M. Gandhi**	**Anil G. Mukim**
Member	**Member**	**Chairman**

Place: Gandhinagar
Date: 31/03/2022

Annexure: Tariff Schedule

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND EXTRA HIGH TENSION

Effective from 1st April, 2022

GENERAL CONDITIONS

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Deendayal Port Trust.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. The Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for the purpose for which the Distribution Licensee has permitted a lower tariff, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the Tariff Order.
6. The various provisions of the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P., or vice versa, will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges, based on contracted load or maximum demand, shall be done in multiples of 0.5 (one half) Horse Power or kilo Watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done for one complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer

supply being connected or disconnected any time within the duration of the billing period for any reason.

11. Contract Demand shall mean the maximum kW / kVA for the supply of which the Licensee undertakes to provide to the consumer from time to time.
12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / connected load for any billing period does not entitle the consumer to draw in excess of contract demand / connected load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and the Licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed Payment Charges for all consumers:
    - No Delayed Payment Charges shall be levied if the bill is paid within ten days from the date of billing (excluding the date of billing).
    - Delayed Payment Charges will be levied at the rate of 15% per annum for the period commencing from the due date till the date of payment if the bill is paid after due date.
    - For Government dues, the Delayed Payment Charges will be levied at the rate provided under the relevant Electricity Duty Act.
16. Green Power Tariff
    - Green Power Tariff of Rs 0.50/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
    - All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
    - This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

PART- I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This tariff is applicable for supply of electricity to residential premises and pumping stations run by local authorities.

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

1.1. FIXED CHARGE PER MONTH

Range of Connected Load: (Other than BPL consumers)

(a)	Up to and including 2 kW	Rs. 10/- per month
(b)	Above 2 and up to 4 kW	Rs. 20/- per month
(c)	Above 4 and up to 6 kW	Rs. 30/- per month
(d)	Above 6 kW	Rs. 45/-per month

For BPL household consumers:

Fixed Charges	Rs. 5/- per month

PLUS

1.2. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

(For Other than BPL consumers)

(a)	First 50 units	390 Paise per Unit
(b)	Next 50 Units	440 Paise per Unit
(c)	Next 150 Units	515 Paise per Unit
(d)	Above 250 Units	615 Paise per Unit

1.3. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMERS BELOW POVERTY LINE (BPL)**

(a)	First 50 units	150 Paise per Unit
(b)	For the remaining units	Rate as per RGP

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above.

2. RATE: NON-RGP

This tariff is applicable to the services for the premises, which are not covered in any other tariff categories and having an aggregate load up to and including 40 kW.

2.1. FIXED CHARGES PER MONTH

(a)	Up to & including 10 kW	Rs. 50/- per kW/month
(b)	Above 10 kW and up to 40 kW	Rs. 75/- per kW/month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY SONSUMPTION

(a)	Up to & Including 10 kW	515 Paise per Unit
(b)	Above 10 and up to 40 kW	550 Paise per Unit

2.3. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 2.1 above.

3. RATE: LTMD

This tariff is applicable to the services for the premises, which are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW.

This tariff shall also be applicable to consumers belonging to the category- 'Rate: Non-RGP', i.e., those who opt for being charged in place of 'Rate: Non-RGP' tariff.

3.1. FIXED CHARGE:

(a)	For billing demand up to Contract Demand	
	(i) For first 40 kW of billing demand	Rs. 85/-per kW per month
	(ii) Next 20 kW of billing demand	Rs. 130/-per kW per month
	(iii) Above 60 kW of billing demand	Rs. 200/- per kW per month
(b)	For billing demand in excess of the Contract Demand	Rs. 250/- per kW per month

PLUS

3.2. ENERGY CHARGE:

For the entire consumption during the month	555 Paise per Unit

3.3. BILLING DEMAND

The billing demand shall be highest of the following and to be rounded to the next full kW:

a) Eighty-five percent of the Contract Demand
b) Actual maximum demand registered during the month
c) 15 kW

3.4. MINIMUM BILL

Fixed/Demand Charges every month based on the billing demand.

4. RATE- SL (Street Lights)

4.1 Tariff for Street Light for Local Authority and Industrial Estates:

This tariff includes the provision of maintenance, operation and control of the street lighting system.

4.2 ENERGY CHARGES:

For all the units consumed during the month	480 Paise per Unit

4.3 Minimum Charges:

The minimum energy charges for a consumer with more than 50 street lights within a village or an industrial estate, as the case may be, shall be equivalent to 2200 units per annum per kilo watt hour of the connected load during the year.

4.4 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamps, associated Fixture, connecting wire, disconnecting device, switch including time switch, etc., at his cost by the person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

5. RATE- TMP (Temporary)

This tariff is applicable to services of electricity supply for temporary period at low voltages.

5.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

5.2 ENERGY CHARGE

For all units consumed during the month:	595 Paise per Unit

5.3 MINIMUM CHARGES

Fixed Charges would be as given in Para 5.1 above.

6. RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations. Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, LTMD, NON-RGP, etc. as the case may be.

6.1 FIXED CHARGE

Fixed Charges per installation	Rs. 25 per installation per Month

6.2 ENERGY CHARGE

For all units consumed during the month:	410 Paise per Unit

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

(3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

The following tariffs are available for supply at high tension for large power services for contract demand not less than 100 kVA

7. RATE- HTP-1

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above.

7.1 DEMAND CHARGES:

7.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 125/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 250/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 335/- per kVA per month

7.1.2 For billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 425 per kVA per month

PLUS

7.1.3 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	555 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	580 Paise per Unit
(c)	For billing demand above 2500 kVA	595 Paise per Unit

PLUS

7.1.4 TIME OF USE CHARGES

For energy consumption during the two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	50 Paise per unit
(b)	For billing demand above 500 kVA	90 Paise per Unit

7.2 Billing Demand:

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month
b) Eighty-five percent of the Contract Demand
c) One hundred kVA

7.3 MINIMUM BILLS:

Payment of "demand charges" based on kVA of billing demand.

7.4 POWER FACTOR ADJUSTMENT CHARGES:

7.4.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 7.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 7.2 of this schedule, will be charged.

7.4.2 Power Factor Rebate

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 7.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

7.5 MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 15 minutes period of maximum use.

7.6 CONTRACT DEMAND:

The Contract Demand shall mean the maximum kW/kVA for the supply, of which the supplier undertakes to provide facilities from time to time.

7.7 REBATE FOR SUPPLY AT EHV:

On Energy charges:		**Rebate @**
(a)	If supply is availed at 33/66 kV	0.5%
(b)	If supply is availed at 132 kV and above	1.0%

7.8 Concession for Use of Electricity during Night Hours:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning shall be eligible for concession at the rate of 90 Paise per unit.

8. RATE- HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity exclusively for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, as the case may be.

8.1 DEMAND CHARGE

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per Month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per Month

8.2 ENERGY CHARGE

For all units consumed during the month:	400 Paise per Unit

8.3 Billing Demand

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month

b) Eighty-five percent of the Contract Demand

c) One hundred kVA