GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2021-22,

and

Determination of ARR & Tariff for FY 2023-24

Deendayal Port Authority

(DPA)

Case No. 2169/2022

31st March, 2023

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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. 2169/2022

Date of Order: 31/03/2023

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S. R. Pandey, Member

ORDER

1 Background and Brief History

1.1 Background

Deendayal Port Authority (formerly Kandla Port Trust) (hereinafter referred to as "DPA" 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 2021-22 and Determination of ARR & Tariff for FY 2023-24, on 15th December, 2022.

The True up year and the ensuing year in the present case is FY 2021-22 and FY 2023-24 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, 2021, 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 2021 dated 22nd December, 2021 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. Further, the Commission vide Order in Suo-Motu Petition No. 2140 of 2022 dated 20th October, 2022 directed all the concerned utilities to file the tariff application for approval of true-up for FY 2021-22, Approval of Aggregate Revenue Requirement (ARR) and Determination of Tariff for FY 2023-24 based on principles and methodology as provided in the GERC (Multi- Year Tariff) Regulations, 2016 on or before 15th December, 2022. The DPA submitted the Petition for truing up for the FY 2021-22 and Determination of ARR and tariff for FY 2023-24 on 15th December, 2022.

After technical validation of the Petition, it was registered on -28th December 2022 as Case No. 2169/2022 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2 Deendayal Port Authority

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.

DPA is a Distribution Licensee. The licence for supply of electricity was granted to DPA by the Chief Commissioner of Kutch under the Indian Electricity Act, 1910. Consequent to the enactment of the Electricity Act, 2003 (EA 2003), DPA 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 the Petitioner 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, the Petitioner has constructed 3 numbers of 2 MW wind turbines and started consuming power from them from FY 2017-18. The Petitioner 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. The Petitioner 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 Commission's Order for approval of Truing Up of FY 2020-21 and Determination of Tariff of FY 2022-23.

The Petitioner has filed a Petition for Truing up for FY 2020-21 and Determination of ARR & Tariff for FY 2022-23 (Case No. 2045 of 2022) on 6th January 2022 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. The Commission issued the Order in the said petition on 31st March 2022.

1.4 Background of the present Petition

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 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 of 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 results of the Truing up exercise.

The Commission vide Order in Suo-Motu Petition No. 2140 of 2022 dated 20th October, 2022 directed all the concerned utilities to file the tariff application for approval of true-up for FY 2021-22, Approval of Aggregate Revenue Requirement (ARR) and Determination of Tariff for FY 2023-24 based on principles and methodology as provided in the GERC (Multi- Year Tariff) Regulations, 2016 on or before 15th December, 2022. DPA has filed the present Petition on 15th December 2022. DPA has filed Petition for Truing up of FY 2021-22 and ARR & Tariff Determination for FY 2023-24 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 Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing up for FY 2021-22 and determination of ARR & Tariff for FY 2023-24 on 15th December, 2022. After technical validation of the petition, it was registered on 28th December, 2022 as case no. (2169/2022) 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, DPA 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 2023-24 filed by Ms/ DPA 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 Indian Express	English	18.01.2023
2	Kutch Mitra	Gujarati	18.01.2023

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 16th February, 2023.

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. 2169/2022. 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.

DPA has approached the Commission with the present Petition for "Truing up" of FY 2021-22 and determination of ARR & Tariff for FY 2023-24. However, DPA has not submitted the final Audited Annual Accounts for FY 2021-22.

In this Order, the Commission has not considered the "Truing up" for FY 2021-22, as per the provisions of the GERC (MYT) Regulations, 2016 as the Audited Annual Accounts for FY 2021-22 have not been submitted. The ARR & Tariff determination for FY 2023-24 has been carried out as per the provisions of the GERC (MYT) Regulations, 2016.

Determination of ARR & Tariff for FY 2023-24 have been carried out as per the principles and methodology specified in the GERC (MYT) Regulations, 2016. Truing up for FY 2021-22 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 DPA's Petitions.
3. The **Third Chapter** deals with Truing up for FY 2021-22.

4. The **Fourth Chapter** details the Determination of ARR for the FY 2023-24.

5. The **Fifth Chapter** deals with the Determination of Tariff for FY 2023-24.

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 DPA's Petition

2.1. Introduction

This Chapter deals with highlights of the Petition as submitted by DPA for Truing up for FY 2021-22 and determination of ARR & Tariff for FY 2023-24.

2.2. True-up for FY 2021-22

A summary of the proposed ARR for Truing-up for FY 2021-22 based on provisional accounts compared with the approved ARR for FY 2021-22 in the Tariff Order dated 4th September, 2021 is presented in the Table below along with the item-wise Gain/ Loss computations as submitted by DPA:

Table 2-1: True-up Proposed for FY 2021-22 (Rs. Lakh)

Sr. No.	Particulars	FY 2021-22			
		Approved in the Tariff Order	Actual Claimed	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	1264.10	1458.46	-	(194.36)
2	Operation & Maintenance Expenses	284.31	575.54	(291.23)	-
3	Depreciation	241.27	229.90	-	11.37
4	Interest & Finance Charges	-	-	-	-
5	Interest on Security Deposit	-	-	-	-
6	Interest on Working Capital	10.97	17.11	(6.14)	-
7	Return on Equity	196.27	269.77		(73.50)
8	Income Tax	-	-	-	-
9	**Aggregate Revenue Requirement**	**1996.92**	**2550.79**	**(297.37)**	**(256.50)**
10	Less: Non-Tariff Income	20.75	148.08	-	(127.33)
11	**Net ARR**	**1976.17**	**2402.71**	**(297.37)**	**(129.17))**

2.3. Revenue Gap/ (Surplus) for FY 2021-22

DPA 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, DPA has arrived at the Revised Aggregate Revenue Requirement from FY 2021-22.

The Table below summarizes the proposed ARR claimed by DPA for Truing up of FY 2021-22.

Table 2-2: Revenue Gap/ (Surplus) claimed by DPA for FY 2021-22 (Rs. Lakh)

Sr. No	Particulars	FY 2021-22
		Actual Claimed
1	ARR originally approved for FY 2021-22	1976.17
2	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	(127.17)
3	Less: Gain/(Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain/(Loss))	(99.12)
4	**Revised ARR for FY 2021-22 (1 - 2 - 3)**	**2204.46**
5	Revenue from Sale of Power	2354.83
6	**Revenue (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 5)**	**(150.37)**

2.4. ARR, Revenue at Existing Tariff, Revenue Gap, and Tariff Proposal for FY 2023-24

DPA has also sought approval for Aggregate Revenue Requirement for FY 2023-24 as per GERC (MYT) Regulations, 2016. DPA has submitted the Aggregate Revenue Requirement as under:

Table 2-3: Aggregate Revenue Requirement projected by DPA for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24
1	Power Purchase Expenses	2677.93
2	O&M Expenses	643.27
2.1	Employee Cost	69.01
2.2	Repair & Maintenance Cost	399.56
2.3	Administration & General Charges	174.70
3	Depreciation	268.89
4	Interest & Finance Charges	9.22
5	Interest on Working Capital	29.18
6	Interest on Security Deposit	-
7	**Total Revenue Expenditure**	**3628.48**
8	Return on Equity	300.79

Sr. No.	Particulars	FY 2023-24
9	Income Tax	-
10	Less: Non-Tariff Income	132.96
11	**Aggregate Revenue Requirement**	**3796.30**

2.5. Revenue Gap/(Surplus) for FY 2023-24

Based on the projected ARR for FY 2023-24 given in the Table above, the estimated Revenue Gap projected by DPA for FY 2023-24 at existing tariff, is shown in the following Table:

Table 2-4: Estimated Revenue Gap/(Surplus) of DPA for FY 2023-24 (Rs. Lakh)

Consumer Category	Projected
Aggregate Revenue Requirement	3,796.30
Less: Revenue (Gap)/ Surplus after True up of FY 2021-22	(150.37)
Total Aggregate Revenue Requirement	**3,645.93**
Revenue with Existing Tariff	3,881.84
Revenue (Gap)/Surplus with Existing Tariff	**(235.91)**

2.6. Projected Revenue Gap/(Surplus) for FY 2023-24 at Proposed Tariff

DPA has projected a Revenue Surplus of Rs. 235.91 lakh for FY 2023-24, 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 7%, 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, DPA 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.

Based on projected sales & retail tariff, revenue from sale of power works out to Rs. 3881.84 lakh for FY 2023-24. The estimated Revenue Gap for FY 2023-24 at Existing Tariff, is shown in the following Table:

Table 2-5: Estimated Revenue Gap/(Surplus) of DPA for FY 2023-24 (Rs. Lakh)

Particulars	FY 2023-24
Total ARR of FY 2023-24 (including surplus of FY 2021-22)	3645.93
Revenue from Sales with FPPPA	3881.82
Revenue Gap / (Surplus)	**(235.91)**

2.7. Proposed Tariff Changes

In order the meet the revenue surplus at existing tariff for FY 2023-24 DPA has proposed revision in the Retail Supply Tariff and Wheeling Charges for FY 2023-24, 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. DPA's Prayers to the Commission

DPA has made the following prayers to the Commission:

1. To admit the Petition for True-up of FY 2021-22 and approval of ARR and Tariff for FY 2023-24 as per the provisions of GERC MYT Regulations 2016;
2. To approve the truing up and Revenue Gap/(Surplus) for FY 2021-22 and recovery of the same through tariff of FY 2023-24, as proposed by DPA;
3. To approve the ARR for FY 2023-24 and its recovery through revised tariff as proposed by DPA;
4. To approve Retail Supply Tariff for FY 2023-24 and the Tariff schedule, as proposed by DPA;
5. To approve the Petitioner's proposal to have uniform Energy Charges for all levels of Contract Demand for HT category, 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.
6. To approve necessary reliefs sought by the Petitioner in the Petition;
7. Condone any inadvertent omissions, errors, short comings and permit DPA 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 2021-22

3.1 Introduction

This Chapter deals with the Truing up for FY 2021-22.

The expenses and revenue of DPA for FY 2021-22 presented for true-up are based on the provisional accounts for FY 2021-22 and 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 4th September, 2021.

3.2 Summary of ARR for FY 2021-22

Petitioner's Submission

The Petitioner has submitted the Aggregate Revenue Requirement (ARR) for FY 2021-22 based on provisional accounts for FY 2021-22.

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

The following Table summarizes net gain/ (loss) to DPA for FY 2021-22 on account of controllable & uncontrollable factors:

Table 3-1: ARR submitted by DPA for FY 2021-22 (Rs. Lakh)

Sr. No.	Particulars	FY 2021-22			
		Approved in the Tariff Order	Actual Claimed	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	1264.10	1,458.46		(194.36)
2	Operation & Maintenance Expenses	284.31	575.54	(291.23)	
3	Depreciation	241.27	229.90		11.37
4	Interest & Finance Charges	-	-		-
5	Interest on Security Deposit	-	-		-

Sr. No.	Particulars	FY 2021-22			
		Approved in the Tariff Order	Actual Claimed	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
6	Interest on Working Capital	10.97	17.11	(6.14)	
7	Return on Equity	196.27	269.77		(73.50)
8	Income Tax	-	-	-	-
9	**Aggregate Revenue Requirement**	**1996.92**	**2550.79**	**(297.37)**	**(182.99)**
10	Less: Non-Tariff Income	20.75	148.08		(127.33)
11	**Net ARR**	**1976.17**	**2402.71**	**(297.37)**	**(129.17)**

Commission's Analysis

The Commission observed that the Petitioner has filed the Truing-up for FY 2021-22 on the basis of provisional accounts for FY 2021-22. As per GERC Regulations 2016, the Truing-up exercise has to be based on Audited Accounts. Therefore, the Commission directs the Petitioner to file the Truing-up for FY 2021-22 based on Audited Accounts at the earliest.

Further, the Commission has utilised the provisional figures of FY 2021-22 submitted by the Petitioner for the determination of ARR for FY 2023-24 only.

4. Determination of ARR for FY 2023-24

4.1 Introduction

This Chapter deals with the determination of ARR for FY 2023-24.

The Commission has issued Suo-Motu Order No. 2140 of 2022 dated 20.10.2022 about applicability of the GERC (MYT) Regulations, 2016 for filing application / Petition for the determination of Annual ARR for FY 2023-24 and proposal for determination of tariff for FY 2023-24.

DPA has accordingly submitted that it has worked out the estimated ARR for FY 2023-24 based on the GERC (MYT) Regulations, 2016 in line with the directions of the Commission in the Suo-Motu Order No. 2140 of 2022 dated 20.10.2022.

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 category-wise sales for FY 2022-23 have been estimated by doubling the actual category-wise sales in the first half (H1) of FY 2022-23 (April to September 2022). Based on the pending consumer applications, and ongoing discussions with certain HT consumers, DPA expects that the HT sales in FY 2023-24 are likely to be much higher than the estimated HT sales in FY 2022-23.

DPA submitted that it has considered the 5-year CAGR of sales for different categories over the period from FY 2017-18 to FY 2022-23, for projecting the sales for FY 2023-24, except for HT category, wherein the sales for FY 2023-24 are projected based on pending applications. Also, in case of LTMD category, there is a negative CAGR, hence, the sales are projected to remain at FY 2022-23 levels in FY 2023-24 also, rather than projecting a decline in consumption. The category-wise 5-year CAGR are summarised in the Table below

Table 4-1: Category-wise 5-year CAGR

Sr No	Consumer Category	Sales (LUs)	Remarks
1	RGP	4.59%	5-year CAGR
2	NRGP	4.75%	5-year CAGR

Sr No	Consumer Category	Sales (LUs)	Remarks
3	LTMD	-12.76%	5-year CAGR
4	Street Lights	45.58%	5-year CAGR
5	Temporary	6.58%	5-year CAGR
6	HT	34.26%	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 2023-24 as submitted by DPA (LUs)

Sr. No.	Consumer Category	FY 2023-24
1	RGP	6.52
2	NRGP	23.80
3	LTMD	24.18
4	Street Lights	29.61
5	Temporary	9.04
6	HT	406.58
7	**Total**	**499.73**

Commission's Analysis

The Commission has noted the category-wise sales projected by the Petitioner for FY 2023-24. The Petitioner has projected a steep rise in the sales of HT category from 204.99 LUs in FY 2021-22 to 406.58 LUs in FY 2023-24 with 50% expected increase.

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 2023-24 (LUs)

Particulars	DPA Petition	Approved in this Order
Energy Sales	499.73	499.73

4.3 Distribution Losses

Petitioner's Submission

The Petitioner has submitted that proper assessment of Distribution Losses would be possible once the metered sales data is available from FY 2022-23 and beyond. In the absence of any better-quality data at this stage, DPA has considered the Distribution Losses as 5.00% for projecting the energy requirement for FY 2023-24. The real level of Distribution Losses shall be submitted to the Commission at the time of true-up for FY 2023-24. Further, the Transmission Losses (inter-State plus intra-State) have been considered at the same levels as in FY 2021-22, i.e., 4.15%.

Commission's Analysis

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 2023-24, as shown in the Table below:

Table 4-4: Distribution Losses approved for FY 2023-24 (%)

Particulars	FY 2023-24	
	DPA 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 2023-24, as shown in the Table below:

Table 4-5: Energy Requirement for FY 2023-24 as submitted by DPA (LUs)

Sr. No.	Particulars	FY 2023-24
1	Energy Sales	499.73
2	Distribution Losses (%)	5.00%
3	Distribution Losses	26.30
4	**Energy Requirement at DISCOM boundary**	**526.03**
5	Transmission Losses (%)	4.15%
6	Transmission Losses	22.78
7	**Total Energy Requirement to be purchased**	**548.81**

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 2023-24. The energy requirement for FY 2023-24 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 2023-24 (LUs)

Sr. No.	Particulars	FY 2023-24	
		DPA Petition	Approved in this Order
1	Energy Sales	499.73	499.73
2	Distribution Losses (%)	5.00%	5.00%
3	Distribution Losses	26.30	26.30
4	**Energy Requirement at DISCOM boundary**	**526.03**	**526.03**
5	Transmission Losses (%)	4.15%	4.15%
6	Transmission Losses	22.78	22.78
7	**Total Energy Requirement to be purchased**	**548.81**	**548.81**

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.

DPA has since then been meeting its entire power requirement through its own Wind Generation sources and balance from Power Exchanges. Accordingly, DPA proposes to meet its entire energy requirement in FY 2023-24 through the own Wind Generation sources and Power Exchanges.

4.5.1 Power Purchase Sources

1. Wind Power

The Petitioner submitted that it has tied-up capacity of 12.2 MW (4.2 MW + 4 MW+4MW) of own Wind Generation Capacity, which will be available for the full FY 2023-24.

In terms of Capacity Utilisation Factor (CUF), the Petitioner submitted that CUF of the existing 4.2 MW is on the lower side for various reasons. For projection purposes, DPA has considered the CUF of the existing 4.2 MW Wind Capacity as 13%, based on the actual CUF observed in FY 2021-22. The CUF of the additional 4 MW Wind capacity has however, been conservatively considered as 20%, though these Wind Turbines are expected to generate at higher CUF of around 25%.

Further, DPA submitted that DPA will be able to absorb only around 80% of the Wind generation at the time of generation, and the balance 20% energy will be injected into the grid but will not be available to DPA, 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 DPA.

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 estimated as Rs. 5.00/kWh, as against the prevalent average rate on the Power Exchange in H1 of FY 2021-22, i.e., Rs. 5.50/kWh, considering that the existing higher rates are not sustainable in the long-term and are expected to stabilise soon. DPA also considered the inter-State and intra-State Transmission Charges of around Rs. 0.70/kWh. The effective rate for projecting cost of power purchase from Power Exchange thus, works out to Rs. 5.70/kWh.

3. Renewable Purchase Obligation (RPO)

The Petitioner submitted that the Commission has specified the RPO target for FY 2023-24 through Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022. Accordingly, DPA has considered the RPO target of 9.50% from Solar, 8.40% from Wind, and 0.05% of Hydrogen power purchase obligation and other sources like Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/Mini/Micro Hydro total minimum quantum of purchase to 0.75%. The combined RPO target thus, works out to 18.70% for FY 2023-24.

As compared to the above RPO target, the projected purchase from Wind Generation plants in FY 2023-24 translates to RPO of around 33%, which is far in excess of the Wind RPO target of 8.40%, as well as the combined RPO target of 18.70%. DPA has requested to the Commission to allow DPA 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).

The summary of the power purchase costs claimed by the Petitioner for FY 2023-24 is shown in the Table below:

Table 4-7: Power Purchase as submitted by DPA for FY 2023-24

Sr. No.	Particulars	FY 2023-24		
		Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
1	Wind Farm	180.11	576.34	3.20
2	Power Exchange	368.70	2101.59	5.70
3	**TOTAL**	**548.81**	**2677.93**	**4.88**

Commission's Analysis

The Commission sought details from the Petitioner regarding the supporting documents (like PPA) for the power purchase cost for FY 2023-24.

1. <u>Wind Power</u>

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 2023-24.

Further, the Petitioner for projection purposes has considered the CUF of the existing 4.2 MW Wind Capacity as 13%, based on the actual CUF observed in FY 2021-22. The CUF of the additional two 4 MW each Wind capacity has however, been conservatively considered as 20%, though these Wind Turbines are expected to generate at higher CUF of around 25%.

For considering the power purchase quantum and cost for FY 2023-24, 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. 5.70/kWh (includes Transmission charges) for FY 2023-24 on the basis of average rate of purchase of power from the Power Exchange in H1 of FY 2021-22.

The Commission has considered the Power Purchase per unit rate as Rs. 5.70 per unit for Power purchase from exchange as submitted by the Petitioner.

3. 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.

The summary of the provisionally considered power purchase quantum and costs for FY 2023-24 are shown in the Table below:

Table 4-8: Power Purchase Quantum and Cost for FY 2023-24

Sr. No.	Particulars	DPA Petition			Approved in this Order		
		Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Qtm. (LUs)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
1	Wind Farm	180.11	576.34	3.20	180.11	576.34	3.20
2	Power Exchange	368.70	2101.59	5.70	368.70	2101.59	5.70
3	**TOTAL**	**548.81**	**2677.93**	**4.88**	**548.81**	**2677.93**	**4.88**

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 2020-21 or FY 2021-22, while framing the GERC MYT Regulations for the next Control Period and allowed appropriate escalation rate for future years including FY 2023-24. 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 2023-24 also.

The actual O&M expenses of DPA 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 2023-24 have been computed by applying escalation rate of 5.72% (as approved by the Commission in the GERC MYT Regulations, 2016) for 2 years on the O&M expenses computed in the Truing up for FY 2021-22. The O&M expenses projected by the Petitioner for FY 2023-24 is shown in the Table below:

Table 4-9: O&M Expenses for FY 2023-24 as submitted by DPA (Rs. Lakh)

Particulars	FY 2023-24
Employee Expenses	69.01
R&M Expenses	399.56
A&G Expenses	174.70
Total O&M Expenses	**643.27**

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 2021-22..."*

The Commission notes that FY 2023-24 was not part of the earlier control period (FY 2016-17 to FY 2020-21) and it was rather proposed to be the third 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 2023-24 as per the existing GERC (MYT) Regulations, 2016, the FY 2023-24 is being treated at par with the third year of the control period. Accordingly, the allowable O&M expenses for the FY 2023-24 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 2019-20 to FY 2021-22 which have been considered as the O&M expenses for the FY 2020-21 ending 31st March 2021 and escalated year on year to arrive at the allowable O&M expenses for FY 2023-24.

The O&M expenses approved for FY 2019-20, FY 2020-21 and FY 2021-22 has been considered as the base value, and escalated at the rate of 5.72%, for projecting the O&M expenses for FY 2023-24, in accordance with the GERC (MYT) Regulations, 2016. The O&M expenses thus projected as shown in the Table below for FY 2023-24:

Table 4-10: Normative O&M Expenses provisionally computed by the Commission for FY 2023-24 (Rs. Lakh)

Particulars	FY 2023-24	
	DPA Petition	Approved in this Order
O&M Expenses	643.27	580.33

4.7 Capital Expenditure, Capitalization and Sources of Funding

Petitioner's Submission

The scheme-wise capital expenditure projected by the Petitioner for FY 2023-24 is shown in the Table below:

Table 4-11: Projected Capitalisation for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	2023-24
1	Procurement & Commissioning of 12 MVA transformers	340.00

Sr. No.	Particulars	2023-24
2	Upgradation of 11 kV Substations outside Cargo Jetty Area	78.05
3	**Total**	**418.05**

Commission's Analysis

The Petitioner has submitted that the Capital Expenditure and Capitalisation approved by the Commission for FY 2022-23 has been considered for revising the opening GFA for FY 2023-24. It may be noted that out of the total Capital Expenditure of Rs. 807.45 lakh projected for FY 2022-23, only Rs. 529.40 lakh was considered for Capitalisation in FY 2022-23. Hence, as the capital expenditure is being undertaken in FY 2022-23, the Petitioner has considered the balance amount against Capitalisation for FY 2023-24.

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 2023-24 is shown in the Table below:

Table 4-12: Capital Expenditure, Capitalisation and funding approved by the Commission for FY 2023-24 (Rs. Lakh)

Particulars	DPA Petition	Approved in this Order
Capital expenditure	-	-
Capitalization	418.05	418.05
Total Funding requirement (Capitalisation)	**418.05**	**418.05**
Normative Debt (70%)	292.64	292.64
Normative Equity (30%)	125.42	125.42

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 2021-

22 as the opening value of GFA for FY 2022-23. The projected addition to GFA during FY 2022-23 & 2023-24 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 2023-24 is shown in the Table below:

Table 4-13: Depreciation projected by DPA for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24
1	Opening GFA	5088.80
2	Addition During the Year	418.05
3	Closing GFA	5506.85
4	**Depreciation for the year**	**268.89**
5	Average Rate of Depreciation	5.08%

Commission's Analysis

The Commission has considered the closing GFA approved in Truing-up for FY 2020-21 and provisional additional capitalisation submitted for FY 2021-22 to arrive at the opening GFA for the FY 2022-23 for calculation of depreciation. The additional capitalisation for FY 2022-23 has been considered as approved by the Commission in Tariff Order for FY 2022-23. The additional capitalisation for FY 2023-24 has been considered as approved by the Commission in previous section of Capital expenditure and capitalisation. The Commission has approved the depreciation for FY 2023-24 as shown in the Table below:

Table 4-14: Depreciation computed by the Commission for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24	
		DPA Petition	Approved in this Order
1	Opening GFA	5088.80	5674.48
2	Addition During the Year	418.05	418.05
3	Closing GFA	5506.85	6092.53
4	**Depreciation for the year**	**268.89**	**298.61**
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 2021-22 as calculated has been considered as opening balance of FY 2022-23. Addition of normative loan during FY 2022-23 has been considered based on the revised capitalisation estimated 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. Closing balance of FY 2022-23 thus computed has been considered as opening balance of normative loan for FY 2023-24. Addition of normative loan during FY 2023-24 has been considered based on the capitalisation projected for FY 2023-24. The normative repayment has been considered equal to the depreciation computed for the year, to compute the closing balance of FY 2023-24.

The rate of interest has been considered normatively in accordance with the GERC MYT Regulations, 2016, as 6.65%, i.e., RBI Bank Rate as on 1st April 2022 (4.65%) plus 200 basis points, in the absence of actual loans on the books of DPA. 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 2023-24 as shown in the Table below:

Table 4-15: Interest & Finance Charges submitted by DPA for FY 2023-24 (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	Opening Loans	126.70
2	Loan Additions during the Year	296.64
3	Repayment during the Year	268.89
4	Closing Loans	150.45
5	Average Loans	138.58
6	Rate of Interest	6.65%
7	**Interest on Loan**	9.22

Commission's Analysis

The Commission has considered the closing loan approved in Truing-up for FY 2020-21 and provisional loan addition submitted for FY 2021-22 to arrive at the opening loan for the FY 2022-23. The Loan addition for FY 2022-23 has been considered as approved by the Commission in Tariff Order for FY 2022-23. The loan addition for FY 2023-24 has been considered as approved by the Commission in previous section of Capital expenditure and capitalisation.

The repayment equivalent to depreciation as approved for FY 2023-24 have been considered. The computation of interest expenses approved by the Commission for FY 2023-24 is shown in the Table below:

Table 4-16: Interest Expenses approved by the Commission for FY 2023-24 (Rs. Lakh)

Particulars	DPA Petition	Approved in this Order
Interest on Normative Loan		
Opening Loan	126.70	94.53
Addition of Loan due to Capitalisation during the Year	292.64	292.64
Less: Repayment	268.89	298.61
Closing Loan	150.45	88.55
Average Loan	138.58	91.54
Rate of Interest (%)	6.65%	6.65%
Interest Expenses	**9.22**	**6.09**

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 2023-24 is shown in the Table below:

Table 4-17: Interest on Working Capital submitted by DPA for FY 2023-24 (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	O&M expenses	53.61
2	Maintenance Spares	50.89
3	Receivables	316.36
4	Less: Consumer Security Deposit	113.69
5	Total Working Capital	**420.85**
6	Interest Rate (%)	9.50%
7	**Interest on Working Capital**	**29.18**

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 DPA 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 /01.04.2022 (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 2023-24 is shown in the Table below:

Table 4-18: Normative IoWC computed by the Commission for FY 2023-24 (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24	
		DPA Petition	Approved in this Order
1	O&M expenses	53.61	48.36
2	Maintenance Spares	50.89	56.74
3	Receivables	316.36	308.49
4	Less: Consumer Security Deposit	113.69	113.69
5	**Total Working Capital**	**307.16**	**299.90**
6	Interest Rate (%)	9.50%	9.50%
7	**Interest on Working Capital**	**29.18**	**28.49**

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 2023-24. The actual interest paid on the Consumer Security Deposits shall be claimed at the time of truing up for FY 2023-24.

Commission Analysis

As the Petitioner has not projected any interest on Consumer Security Deposits for FY 2023-24. The Commission has not considered Interest on Consumer Security Deposit as an expense for FY 2023-24. The same shall be considered based on actuals at the time of truing up for of FY 2023-24, 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 has considered the closing balance of normative equity for FY 2021-22 as opening balance of FY 2022-23. Addition of normative equity during FY 2022-23 has been considered based on the capitalisation approved by the Commission for FY 2022-23 and closing balance of FY 2022-23 computed accordingly. Closing balance of FY 2022-23 thus, computed has been considered as opening balance of normative equity for FY 2023-24. The addition to normative equity has been considered based on the normative debt:equity ratio of 70:30 for FY 2023-24, based on the addition to GFA projected for FY 2023-24, as elaborated in earlier paragraphs of this Chapter, and closing balance of FY 2023-24 computed accordingly.

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 2023-24 is shown in the Table below:

Table 4-19: Return on Equity submitted by DPA for FY 2023-24 (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	Opening Equity	2,085.77
2	Equity Addition during the Year	125.42
3	Closing Equity	2,211.18
4	Average Equity	2,148.48
5	Rate of Return on Equity	14%
6	**Return on Equity**	**300.79**

Commission's Analysis

The Commission has considered the closing balance of Equity for FY 2020-21 as approved in the Truing-up Order for FY 2020-21 as opening balance for FY 2021-22 and the addition of Equity for FY 2021-22 is based on provisional accounts for FY 2021-22. The addition of Equity for FY 2022-23 is considered based on Tariff Order for FY 2022-23 dated 4th September, 2021 for working out the closing equity for FY 2022-23. Accordingly, the closing balance of Equity for FY 2022-23 thus worked out, has been considered as opening balance of Normative Equity for FY 2023-24. The equity addition for FY 2023-24 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 2023-23 is shown in the Table below:

Table 4-20: RoE approved by the Commission for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24	
		DPA Petition	Approved in this Order
1	Opening Equity	2,085.77	1675.60
2	Addition to Equity	125.42	125.42
3	Closing Equity	2,211.18	1801.02
4	Average Equity	2,148.48	1738.31
5	**RoE at 14%**	**300.79**	**243.36**

4.13 Income Tax

Petitioner's Submission

The Petitioner submitted that it has not projected any Income Tax for FY 2023-24. The actual Income Tax paid/payable for the licensed electricity business of DPA, if any, shall be claimed at the time of truing up for FY 2023-24.

Commission Analysis

The Commission has considered the provisional Income Tax as Nil for FY 2023-24.

4.14 Non-Tariff Income

Petitioner's Submission

The Petitioner submitted that Non-Tariff Income for FY 2023-24 comprises savings bank interest, supervision charges, meter connection charges, etc. DPA has considered the Non-Tariff Income for FY 2023-24 at the same level as actuals of FY 2021-22. 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 4-21: Other Income submitted by DPA for FY 2023-24 (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	Meter Connection Charges	0.87
2	Surcharge Charges	7.77
3	Supervision Charges	94.37

Sl. No.	Particulars	FY 2023-24
4	Pro-rata charges	29.04
5	Registration Charges	0.21
6	Saving Bank Interest	0.70
7	**Total**	**132.96**

Commission's Analysis

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

Table 4-22: Non-Tariff Income approved by the Commission for 2023-24 (Rs. Lakh)

Particulars	DPA Petition	Approved in this Order
Non-Tariff Income	132.96	132.96

4.15 Aggregate Revenue Requirement

Petitioner's Submission

The Petitioner submitted the Summary of ARR projected for the period FY 2023-24 as shown in the Table below:

Table 4-23: Summary of ARR projected by DPA for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24
1	Power Purchase Expenses	2,677.93
2	O&M Expenses	643.27
3	Depreciation	268.89
4	Interest & Finance Charges	9.22
5	Interest on Working Capital	29.18
6	Interest on Security Deposit	-
7	**Total Revenue Expenditure**	**3,628.48**
8	Return on Equity	300.79

Sr. No.	Particulars	FY 2023-24
9	Income Tax	-
10	**Aggregate Revenue Requirement**	**3,929.27**
11	Non-Tariff Income	132.96
12	**Total Revenue (10-12)**	**3,796.30**

Commission's Analysis

The ARR computed by the Commission for FY 2023-24, based on the individual components of the ARR as discussed in the earlier paragraphs, is shown in the Table below:

Table 4-24: ARR approved by the Commission for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24	
		DPA Petition	Approved in this Order
1	Power Purchase Expenses	2,677.93	2,677.93
2	O&M Expenses	643.27	580.33
3	Depreciation	268.89	298.61
4	Interest & Finance Charges	9.22	6.09
5	Interest on Working Capital	29.18	28.49
6	Interest on Security Deposit	0.00	0.00
7	**Total Revenue Expenditure**	**3,628.48**	**3,591.45**
8	Return on Equity	300.79	243.36
9	Income Tax	0.00	0.00
10	**Aggregate Revenue Requirement**	**3,929.27**	**3,834.81**
11	Less: Non-Tariff Income	132.96	132.96
12	**Net Aggregate Revenue Requirement**	**3,796.30**	**3,701.85**

5. Determination of Tariff for FY 2023-24

5.1 Introduction

This chapter deals with the determination revenue gap at existing tariff for FY 2023-24. The Petitioner has proposed revised tariff for FY 2023-24, based on the projected Revenue Gap for FY 2023-24.

5.2 Projected Revenue Gap for FY 2023-24 with Existing Tariff

The Petitioner has projected the revenue for FY 2023-24 as under:

Revenue from FPPPA Charges

The Petitioner has considered the existing Fuel & Power Purchase Price Adjustment (FPPPA) charges as 65 paise per unit as approved by the Commission, and projected the revenue from FPPPA charges based on the projected sales for FY 2023-24 as shown in the Table below:

Table 5-1: Revenue from FPPPA Charges for FY 2023-24 as submitted by DPA (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	FPPPA Charges @ 65 paise / kWh	324.82

Total Revenue for FY 2023-24

The Petitioner has projected the revenue from sale of electricity based on the projected sales for FY 2023-24 and applicable category-wise tariff, as shown in the Table below:

Table 5-2: Total Revenue at existing tariff for FY 2023-24 as submitted by DPA (Rs. Lakh)

Sl. No.	Particulars	FY 2023-24
1	Revenue with Existing Tariff	3557.02
2	Revenue from FPPPA Charges	324.82
3	**Total Revenue**	**3881.84**

Total Revenue Gap/(Surplus) at existing Tariff

Based on the above, the Petitioner has projected the Revenue Gap/(Surplus) for FY 2023-24 at existing tariff, as shown in the Table below:

Table 5-3: Revenue Gap/(Surplus) projected by DPA for FY 2023-24 (Rs. Lakh)

Particulars	FY 2023-24
ARR of FY 2023-24	3,796.30
Less: Revenue (Gap)/ Surplus after True up of FY 2021-22	(150.37)
Total Aggregate Revenue Requirement	3,645.93
Revenue from Sales	3,881.84
Revenue Gap/(Surplus)	**(235.91)**

Commission's Analysis

As regards the revenue from sale of electricity at existing tariffs for FY 2023-24, the Commission has noted that the Petitioner has not computed the fixed charges for the RGP category consumers. Hence the Revenue for existing tariff has increased by Rs 0.29 Crore for FY 2023-24. The Commission has also considered the revenue from the base FPPPA charged of Rs. 0.65 per unit as proposed by the Petitioner. As stated in the earlier Chapter, the Commission has computed the ARR for FY 2023-24, based on the available data. Accordingly, the Commission has calculated the Revenue Gap/ (Surplus) for FY 2023-24 based on existing tariffs in the following Table:

Table 5-4: Provisional Revenue Gap/(Surplus) computed by the Commission for FY 2023-24 (Rs. Lakh)

Particulars	DPA Petition	Approved in this Order
ARR of FY 2023-24	3,796.30	3,701.85
Less: Revenue Gap/ (Surplus) after True up of FY 2021-22	(150.37)	0.00
Revenue	3,881.84	3,882.13
Revenue Gap/ (Surplus) for FY 2023-24	**(235.91)**	**(180.28)**

6. Compliance of Directives

6.1 Introduction

The Commission had given certain directives to the Petitioner in earlier Orders. The Petitioner even after multiple reminders have not submitted the status of compliance of earlier directives and new directives given in Tariff Order for FY 2022-23. The Petitioner is directed to submit the compliance report to the said directives within one month of issue of this order, separately.

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 31st March 2022 in Case No. 2045 of 2022. 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:

DPA has submitted that based on the projected energy requirement and the power purchase from various sources projected for FY 2023-24, DPA has projected the average power purchase cost for FY 2023-24 as Rs. 4.88/kWh. Further the DPA has projected renevue based on FPPPA charges of Rs. 0.65 per unit. In case of variation in the power purchase cost as compared to the cost approved by the Commission, DPA shall recover such variation from the consumers through the FPPPA mechanism prescribed by the Commission.

Commission's Analysis:

The Commission has also considered the revenue from FPPPA charges considering based FPPPA charges of Rs. 0.65 per unit for the FY 2023-24. The Commission has approved Power Procurement expenses considering rate of Rs. 4.88 per unit for FY 2023-24. The Petitioner shall levy FPPPA to the consumers in accordance with the FPPPA Formula detailed above over and above base FPPPA of Rs. 0.65 per unit. 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

DPA 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 2023-24 (Rs. Lakh)

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	-	2,677.93
2	O&M Expenses	488.36	154.91
2.a	Employee Expenses	41.41	27.60
2.b	R&M Expenses	359.60	39.96
2.c	A&G Expenses	87.35	87.35
3	Depreciation	242.00	26.89
4	Interest & Finance Charges	8.29	0.92
5	Interest on Security Deposit	-	-
6	Interest on Working Capital	2.92	26.26
7	Provision for Bad Debts	0.00	-
8	Contingency Reserve	0.00	-
10	**Revenue Expenditure**	**741.57**	**2,886.91**
11	Return on Equity	270.71	30.08
12	Provision of Tax/Tax paid	-	-
13	**ARR**	**1,012.28**	**2,916.99**
14	Less: Non-Tariff Income	13.30	119.67
15	**Net ARR**	**998.98**	**2,797.32**

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 2023-24 (Rs. Lakh)

Sr. No.	Particulars	Wire Business	Retail Supply Business
1	Power Purchase Expenses	-	2,677.93
2	Operation & Maintenance Expenses	429.23	151.91
2.1	Employee Expenses	42.64	28.42
2.2	A&G Expenses	89.68	89.68
2.3	R&M Expenses	296.91	32.99
3	Depreciation	268.75	29.86
4	Interest & Finance charges	5.48	0.61
5	Interest on Security Deposit	-	-
6	Interest on Working Capital	2.85	25.64
7	**Total Revenue expenditure**	**741.57**	**2,886.91**
8	Return on Equity Capital	219.03	24.34
9	Income Tax	-	-
10	**Aggregate Revenue Requirement**	**925.34**	**2,909.47**
11	Less: Non-Tariff Income	13.30	119.67
12	**Aggregate Revenue Requirement**	**912.04**	**2,789.81**

8.2 Determination of Wheeling Charges

In FY 2023-24 a total of 526.03 LUs would be input at 11 kV level in DPA network. Accordingly, the wheeling charges of FY 2023-24 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	998.98
2	Energy Input at 11 kV	Lakh Units	526.03
3	**Proposed Wheeling Charges at 11 kV**	**Rs./kWh**	**1.90**

Commission's Analysis

The Commission has determined the ARR of the Wires Business for FY 2023-24 in earlier Section. To determine the Wheeling Charges the ARR is divided by the sales handled by the DPA. 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 DPA for FY 2023-24

Particulars	Unit	Amount
Total Wheeling ARR	Rs. Lakh	912.04
Energy Input	LU	526.03
Wheeling Charges	Rs./kWh	**1.73**

The Wheeling Loss applicable to the Petitioner's licenced area will be 5%, which is the Distribution Loss approved for FY 2023-24 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…"

DPA has computed the CSS for HT Category, i.e., the category eligible for Open Access, in accordance with the above formula, for FY 2023-24, as shown in the following Table:

Table 8-5:Proposed CSS by the Petitioner for FY 2023-24

Particulars	Amount
T - Tariff for HT Category	7.22
C - Wt. avg. power purchase cost	4.88
D - Wheeling Charges (Rs./kWh)	1.90

Particulars	Amount
L - Aggregate T&D Loss (%)	5%
S - Cross Subsidy Surcharge (Rs./kWh)	**0.18**

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 2023-24

Particulars	Amount
T- Tariff for HT category (Rs/kWh)	8.02
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	4.88
D - Wheeling Charges (Rs / kWh)	1.73
L - Aggregate T&D Loss (%)	5.00%
S - Cross Subsidy Surcharge (Rs/kWh)	1.15

S = 8.02 – [4.88/(1-5/100) + 1.73 + 0.00] = 1.15 Rs/kWh

Thus, Cross Subsidy Surcharge as per Tariff Policy, 2016 works out to Rs. 1.15/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 2023-24 by the Petitioner and the Commission's final decision on the same.

9.2 Tariff Proposal

Petitioner's Submission:

DPA has projected a Revenue Surplus of Rs. 235.91 lakh for FY 2023-24, 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 7%, 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, DPA 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.

DPA 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 2022-23 are proposed to be retained in FY 2023-24.

DPA 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 2023-24, while passing on the benefit of the projected Revenue Surplus and ensuring against tariff shock for any consumer category.

DPA 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. 0.65/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.

DPA submitted that the Energy Charges for all slabs of RGP category and NRGP category have been proposed to be increased by Rs. 2/kWh and Rs. 1.60/kWh respectively, while the Energy Charges for LTMD category is proposed to be increased by Rs. 1.45/kWh. An increase of Rs. 1.75/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. 0.65/kWh is proposed in the Energy Charges for temporary category.

DPA submitted that 81% of the sales of DPA 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 are proposed as Rs. 5.65/kWh.

Based on projected sales & retail tariff, revenue from sale of power works out to Rs. 3,641.20 lakh for FY 2023-24 as shown in the Table below:

Table 9-1: Projected Revenue for FY 2023-24 with Proposed Tariff (Rs. Lakh)

Consumer Category	Projected
RGP	42.70
NRGP	176.01
LTMD	198.37
Street Lights	193.95
Temporary	95.09
HT	2935.09
Total	**3641.20**

Based on the above, the estimated revenue gap/(surplus) for FY 2023-24 at revised tariff including revenue gap for FY 2021-22, is as outlined in the table below:

Table 9-2: Revenue Gap/(Surplus) projected by DPA for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24 (Projected)
1	Aggregate Revenue Requirement	3,796.30
2	Less: Revenue Gap/ (Surplus) from True up of FY 2021-22	(150.37)
3	**Total Aggregate Revenue Requirement**	**3,645.93**
4	Revenue with Proposed Tariff	3,641.20
5	**Revenue Gap/ (Surplus) with Proposed Tariff**	**4.73**

The category-wise reduction in cross-subsidy proposed by DPA for FY 2023-24 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	7.30	5.16	6.51	71%	89%	18%
NRGP	7.30	6.45	7.4	88%	101%	13%
LTMD	7.30	7.4	8.2	101%	112%	11%
Street Lights	7.30	5.45	6.55	75%	90%	15%
Temporary	7.30	10.52	10.52	144%	144%	0%
HT	7.30	8.02	7.22	110%	99%	-11%

Commission's Analysis

The Commission observed that DPA being surplus in FY 2023-24 has projected the average tariff reduction of around 7%. 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 DPA 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. Considering that the Commission has not done the Truing-up for FY 2021-22 as the Petitioner has not submitted the Audited Accounts for FY 2021-22, the Commission has considered the standalone gap/surplus (without FPPPA) for FY 2023-24. The Commission has computed the revenue at existing tariff (without considering FPPPA) for FY 2023-24 which coming to Rs. 3557.30 lakh and gap/(surplus) at existing tariff has come to Rs. 144.54 lakh. Considering that there is gap at existing tariff and this is additional year of MYT Control Period, the Commission is not inclined to consider such a major change in the existing tariff structure as proposed by the Petitioner.

The Commission has introduced Green Power Tariff of Rs. 0.50 per kWh since last two years. However, during current year while introducing Green Tariff for other licensees it is noted that the difference between cost of supply for delivery of Green power to consumer's doorstep and tariff realisation is approximately Rs. 1.50 per kWh. In order to keep uniformity in levying green energy tariff and considering the various aspects, the Commission decides to increase green power Tariff rate to the level of Rs. 1.50 per kWh for the FY 2023-24.

- Green Power Tariff of Rs 1.50/ 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 billing cycle notice to the Distribution Licensee in writing before commencement of billing period.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for the Petitioner for the period from FY 2023-24, as shown in the Table below:

Table: Approved ARR for DPA for FY 2023-24 (Rs. Lakh)

Sr. No.	Particulars	FY 2023-24
1	Power Purchase Expenses	2,677.93
2	Operation & Maintenance Expenses	580.33
3	Depreciation	298.62
4	Interest & Finance Charges	6.09
5	Interest on Working Capital	28.49
6	Interest on Security Deposit	-
7	**Total Revenue Expenditure**	**3,591.45**
8	Return on Equity	243.36
9	Income Tax	-
10	**Aggregate Revenue Requirement**	**3,834.82**
11	Less: Other Income	132.96
12	**Net Aggregate Revenue Requirement**	**3,701.85**

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

Place: Gandhinagar

Date: 31/03/2023

Annexure: Tariff Schedule

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

Effective from 1st April, 2023

GENERAL CONDITIONS

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Deendayal Port Authority.
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 1.50/ 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 billing cycle 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 CONSUMPTION

(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. <u>RATE- SL (Street Lights)</u>

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