GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

Tariff Order

Truing up for FY 2021-22

and

Determination of Tariff for FY 2023-24

For

Torrent Power Limited – Distribution

Dahej

Case No. 2181 of 2023

31st March, 2023

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
DPC	Delayed Payment Charges
EA	Electricity Act, 2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GUVNL	Gujarat Urja Vikas Nigam Limited
HP	Horse Power
HT	High Tension
HTMD	High Tension Maximum Demand
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
LTMD	Low Tension Maximum Demand
MCLR	Marginal Cost of Funds Based Lending Rate
MSW	Municipal Solid Waste
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NRGP	Non Residential General Purpose
NTPC	National Thermal Power Corporation
O&M	Operations and Maintenance
PF	Power Factor

PPA	Power Purchase Agreement
RBI	Reserve Bank of India
REC	Renewable Energy Certificate
R&M	Repairs and Maintenance
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SEZ	Special Economic Zone
SLC	Service Line Charges
TPL	Torrent Power Limited
TPL-D (D)	Torrent Power Limited – Distribution, Dahej

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2181 of 2023

Date of the Order: 31/03/2023

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S. R. Pandey, Member

1. Background and Brief History

1.1. Background

Torrent Power Limited (hereinafter referred to as TPL or the Petitioner) has filed the present Petition under Section 62 of the Electricity Act'2003, read in conjunction with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations'2016, vide Suo-Motu Order No. 2140 of 2022 dated 20th October, 2022 for determination of tariff for its distribution business at Dahej for FY 2023-24.

Gujarat Electricity Regulatory Commission (hereinafter referred as "the Commission") notified the GERC (Multi-Year Tariff) 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. Regulations 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up and ARR for control period i.e., 29th March 2016 to 31st March 2021 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

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 the 4th Control Period and 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. Further, the Commission vide its Order in Suo-Motu Petition No. 2140 of 2022 dated 20th October, 2022 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 2021-22 and annual ARR for FY 2023-24 and application for determination of tariff for FY 2023-24 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016 on or before 15th December, 2022. The Petitioner requested to extend the time limit extension up to 31.12.2022.

Subsequently, the Petitioner filed the current Petition for truing-up of FY 2021-22, and determination of ARR and tariff for FY 2023-24 on 29th December, 2022.

After technical validation of the petition, it was registered on 9th January, 2023 and as provided under Regulation 29.1 of GERC MYT Regulations, 2016, the Commission has proceeded with this tariff order.

1.2. Torrent Power Limited – Distribution, Dahej (TPL-D (D))

Torrent Energy Limited (TEL) a Special Purpose Vehicle (SPV), promoted by Torrent Power Limited (TPL), to fulfill its commitment to generate and distribute power as a Co-developer of the Dahej Special Economic Zone.

Dahej SEZ (DSEZ) is being developed by Government of Gujarat through Gujarat Industrial Development Corporation (GIDC) and Oil and Natural Gas Corporation (ONGC). The DSEZ has been notified by the Ministry of Commerce and Industry, Government of India, vide Notification No. 2131(E) dated 20th December, 2006, as a Multi-Product SEZ.

The Government of Gujarat has "In-principle" approved Torrent Energy Limited as the Co-developer in DSEZ area for the purpose of establishing generation and distribution facilities. Accordingly, TEL has entered into the Co-developer agreement with Dahej SEZ Ltd. (DSL), an SPV created for developing the DSEZ.

The Ministry of Commerce and Industry, Government of India, has approved TEL as a Co-developer to set up generation and distribution infrastructure in DSEZ.

The Gujarat Electricity Regulatory Commission, vide its Order dated 17th November,2009, issued Orders for issuance of distribution license to TEL as a second distribution licensee as per the provisions of Section 14 of the Electricity Act, 2003 for distribution of electricity in the DSEZ area. Accordingly, the Gujarat Electricity Regulatory Commission, vide its letter dated 29th December, 2009, issued the distribution license dated 18th December, 2009 to TEL.

The Hon'ble High Court of Gujarat vide its Order dated 13thAugust 2015, has sanctioned the Composite Scheme of Amalgamation ("Scheme") of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") with effect from appointed date of 1st April, 2014. The distribution business of Dahej SEZ area is hereinafter referred to as the Petitioner or TEL-D where matter under reference is related to period prior to 1st April, 2014 and referred as the Petitioner or TPL-D (D) where matter under reference is related to period after 1st April, 2014 for the sake of brevity.

1.3. Tariff Order for FY 2022-23

The Petitioner filed a petition for Truing–up of FY 2020-21 and determination of tariff for FY 2022-23 on 30th November, 2021. The petition was registered on 03rd December, 2021 (Case No. 2035 of 2021). The Commission vide order dated 31st March, 2022 approved Truing–up of FY 2020-21 and determination of tariff for FY 2022-23.

1.4. Background for 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 of 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).

Further, 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 its order dated 20th October, 2022 has directed the utilities to file the petition for determination of tariff for FY 2023-24 based on the principles and methodology as provided in the GERC (Multi Year Tariff) Regulation, 2016.

1.5. Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing–up of FY 2021-22 and determination of tariff for FY 2023-24 on 29th December, 2022. After technical validation of the petition, it was registered on 9th January, 2023 (Case No. 2181 of 2023) 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, TPL(D) Dahej was directed to publish its application in the newspapers to ensure public participation.

The Public Notice, inviting objections / suggestions from the stakeholders on the Truing up and tariff determination petition filed by TPL, was published in the following newspapers:

Table 1.1: List of Newspapers in which public notice was published by the petitioner

S. No.	Name of Newspaper	Language	Date of Publication
1	Business Standard (Ahmedabad Edition)	English	14/01/2023
2	Divya Bhaskar (Vadodara Edition)	Gujarati	14/01/2023

The Petitioner also placed the public notice and the petition on its website (www.torrentpower.com), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 13th February, 2023.

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

The Commission also issued a notice for public hearing in the following newspapers in order to solicit wider participation by the stakeholder:

Table 1.2: List of Newspapers (Commission)

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	21/02/2023
2	Divya Bhaskar	Gujarati	21/02/2023
3	Gujarat Samachar	Gujarati	22/02/2023

The Commission received objections / suggestions from the consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for public hearing for the petition on 02nd March, 2023 at 11.30 a.m.

Table 1.3: Venue & Schedule of Public Hearing

Petitions	Date & Time	Venue
TPL-G, TPL-D(A), TPL-D(S) and TPL-D(D)	02nd March 2023 at 11:30 A.M	GERC Office, Gandhinagar

The status of stakeholders who submitted their written suggestion/objections, those who remained present in public hearing, those who could not attend the public hearings and those who made oral submissions is given in the Table below:

Sr. No.	Name of Stakeholders	Written Submission	Oral Submission	Present on the day of Public hearing
1.	Shri K.K. Bajaj	Yes	Yes	Yes
2.	Clean Max	Yes	No	No

A short note on the main issues raised by the objectors in the submission in respect of the petition, along with the response of TPL-D (D) and the Commission's views on the response, are given in Chapter 3.

1.6. Approach of this Order

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

TPL has approached the Commission with the present Petition for "Truing up" of the FY 2021-22 and determination of Tariff for the FY 2023-24.

The Commission has undertaken the "Truing up" for FY 2021-22, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2021-22, based on the annual accounts and final ARR for FY 2021-22 approved vide Order dated 1st April 2021 in case No. 1928 of 2021.

While truing up of FY 2021-22, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved under 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 the FY 2021-22 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of ARR and Tariff for FY 2023-24 has been considered as per the methodology and principles adopted in the GERC (Multi- Year Tariff) Regulations, 2016 and amendment thereof as the base. Truing up of FY 2023-24 shall be carried out based on the principles and methodology adopted in GERC (MYT) Regulations, 2016.

1.7. Contents of this Order

This Order is divided into **nine** chapters as under:

1. The First Chapter provides the background of the Petitioner, the petition and details of the public hearing process and the approach adopted for this Order.
2. The Second Chapter outlines the summary of TPL-D (D)'s Petition.
3. The Third Chapter provides the objections raised by various stakeholders, TPL-D (D)'s response and the Commission's views on the response.
4. The Fourth Chapter deals with 'Truing up' for FY 2021-22.
5. The Fifth Chapter deals with Approval of ARR for FY 2023-24.
6. The Sixth Chapter deals with the Compliance of Directives.
7. The Seventh Chapter deals with FPPPA.
8. The Eighth Chapter deals with Determination of the Wheeling Charges and Cross-Subsidy Surcharge.
9. The Ninth Chapter deals with Tariff Philosophy and Tariff Proposals.

2. TPL-D (Dahej)'s Petition

2.1 Introduction

TPL-D (D) has submitted the current petition seeking Truing up of ARR for FY 2021-22 and approval of ARR for FY 2023-24. The Petitioner has also submitted the tariff proposal for FY 2023-24, based on the Revenue Gap for FY 2021-22 and ARR for FY 2023-24.

2.2 Actuals for FY 2021-22 submitted by TPL-D (D)

The details of expenses under various heads of ARR approved by the Commission for ARR of FY 2021-22 and actuals in FY 2021-22 are as given in the Table below:

Table 2.1: ARR Claimed by TPL-D(D) for FY 2021-22 (Rs. Crore)

Particulars	Order	Claimed
Power Purchase	220.65	321.78
O&M Expense	7.44	10.56
Depreciation	7.07	6.88
Interest on Loans	4.71	3.56
Interest on Security Deposits	2.04	1.65
Interest on Working Capital	-	-
Bad Debts written off	-	-
Contingency reserve	0.91	0.91
Return on Equity	6.34	6.13
Income Tax	2.11	0.65
Less: Non-Tariff Income	4.15	3.59
Less: Other Comprehensive Income	-	-
Net ARR	**247.12**	**348.72**

2.3 Sharing of gains and losses for FY 2021-22

The sharing of gains and losses as projected by TPL-D (D) is as depicted below.

Table 2.2: Summary of Sharing of Gains and Losses for TPL-D (D) for FY 2021-22 (Rs. Crore)

S. No.	Particulars	Approved	Actual	Over/ (Under) recovery	Controllable	Uncontrollable
1	Power Purchase Expenses	220.65	321.78	-101.13	-	-101.13
2	Operation & Maintenance Expenses	7.44	10.56	-3.12	-	-3.12
3	Depreciation	7.07	6.88	0.19	-	0.19
4	Interest and Finance Charges	4.71	3.56	1.15	-	1.15
5	Interest on Security Deposits	2.04	1.65	0.39		0.39
6	Interest on Working Capital	-	-	-	-	-

S. No.	Particulars	Approved	Actual	Over/ (Under) recovery	Controllable	Uncontrollable
7	Bad debts written off	-	-	-	-	-
8	Contribution to contingency reserves	0.91	0.91	0.00	-	0.00
9	Return on Equity Capital	6.34	6.13	0.21	-	0.21
10	Income Tax	2.11	0.65	1.46	-	1.46
11	Less: Non Tariff Income	4.15	3.59	0.56	-	0.56
12	**Aggregate Revenue Requirement**	247.12	348.72	-101.61	-	-101.61

The Table below summarizes the trued-up ARR, revenue from sale of power, resultant Gap / (Surplus) and consolidated Gap / (Surplus) for FY 2021-22.

Table 2.3: True-up ARR claimed by TPL-D (D) for FY 2021-22 (Rs. Crore)

Particulars		Claimed
ARR as per Order	(a)	247.12
Gains/(Losses) due to Uncontrollable factors	(b)	(101.61)
Gains/(Losses) due to Controllable factors	(c)	-
Pass through as tariff	d= - (c/3+b)	101.61
Trued-up ARR	**e= a + d**	**348.72**

The Table below summarises the Revenue Gap/(Surplus) for TPL-D (D) for FY 2021-22:

Table 2.4: Revenue Gap/ (Surplus) by TPL-D (D) for FY 2021-22 (Rs. Crore)

Particulars	Claimed
Trued-up ARR	**348.72**
Revenue from Sale of Energy	318.94
Less: Revenue towards recovery of Earlier year's approved gap/(surplus)	(26.99)
Balance Revenue	345.93
Gap/(Surplus)	**2.80**

2.4 ARR, Revenue at existing Tariff and Revenue Gap for FY 2023-24

Based on the ARR for FY 2023-24 given in the Table above, the estimated revenue Gap/ (Surplus) for FY 2023-24 at existing tariff is shown in the following Table.

Table 2.5: ARR of TPL-D (D) for FY 2023-24 (Rs. Crore)

Particulars	Claimed
Power Purchase Expenses	408.97
Operation & Maintenance Expenses	13.66
Depreciation	7.00
Interest & Finance Charges	3.77
Interest on Security Deposits	1.68
Interest on Working Capital	0.02
Bad Debts written off	-

Particulars	Claimed
Contribution to contingency reserves	0.99
Total Revenue Expenditure	436.08
Return on Equity Capital	6.48
Income Tax	0.65
Aggregate Revenue Requirement	443.22
Less: Non Tariff Income	3.59
Less: Income from Other Business	-
ARR for FY 2023-24	**439.63**

The revenue for FY 2023-24 is arrived at by considering sales forecasted for FY 2023-24. Considering the ARR for FY 2023-24, the Petitioner has arrived at the gap as given in table below:

Table 2.6: Revenue (Gap)/ Surplus of TPL-D (D) for FY 2023-24 (Rs. Crore)

Particulars	Claimed
ARR for FY 2023-24	**439.63**
Less: Revenue from sale of power at existing rates including base FPPPA revenue @1.88 per unit	431.69
Gap/(Surplus)	**7.93**

TPL-D (D) has claimed a cumulative Gap/ (Surplus) for FY 2023-24 as given in the table below:

Table 2.7: Cumulative revenue Gap / (Surplus) of TPL-D (D) for FY 2023-24 (Rs. Crore)

Particulars	Claimed
Gap/(Surplus) for FY 2021-22	**2.80**
Carrying Cost	0.53
Gap/(Surplus) for FY 2023-24	7.93
Cumulative Gap/(Surplus) to be recovered through tariff	**11.26**

2.5 Request of TPL-D (D)

TPL-D (D) has prayed the Commission to:

a) Admit the petition for truing up of FY 2021-22, Aggregate Revenue Requirement for FY 2023-24 and determination of tariff for FY 2023-24.

b) Approve the trued-up Gap/ (Surplus) of FY 2021-22.

c) Approve sharing of gains/ losses proposed by the Petitioner for FY 2021-22.

d) Approve the Aggregate Revenue Requirement for FY 2023-24.

e) Approve the cumulative Gap/ (Surplus).

f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April, 2023.

g) Approve the recovery through retail tariff as prayed for.

h) Allow recovery of the costs as proposed as per the Judgments/ orders of the Hon'ble Tribunal/ Hon'ble Commission in the Appeals/ Review Petitions filed by the Petitioner.

i) Allow additions/alterations/changes/modifications to the petition at a future date.

j) Permit the Petitioner to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.

k) Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.

l) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.

3. Brief on the Stakeholder' suggestions / objections, Petitioner's response and the Commission's view

3.1. Public response to the petition

In response to the public notice inviting objections / suggestions from the stakeholders on the Petition filed by TPL-D (D) for Truing up of ARR for FY 2021-22 and determination of Tariff for FY 2023-24 under the GERC (MYT) Regulations, 2016, a number of Consumers / organizations filed their objections / suggestions in writing. Some of these Objectors participated in the public hearing also. The objections / suggestions by the consumers / consumers' organizations, the response from the Petitioner and the views of the Commission are given below:

3.2. Issue-wise submissions, replies and the Commission's view

3.2.1 Additional Slab of above 400 units

The Objector has suggested that an additional slab of above 400 units per month for residential consumers may be introduced with higher tariff, so that the consumers with higher consumption of electricity shall pay higher charges.

Petitioner's response

The Petitioner would like to submit that the tariff structure is based on certain widely recognized best practices and in accordance with the legal framework. Some of the key factors considered for tariff design and as contemplated under the Act are capacity to pay, incentivizing energy conservation through telescopic tariff and promotion of efficient use of electricity. However, the Hon'ble Commission may take appropriate view in this regard in accordance with the applicable Statutory Provisions.

Commission's view

The Commission has noted the suggestion and reply.

3.2.2 Separate fixed charges for consumers installing solar roof top plants

The Objector has suggested to specify separate fixed charges reflective of fixed cost for consumers installing solar roof top plants.

Petitioner's response

The Petitioner submits that ideally the fixed cost of the licensee should be recovered through the fixed charges. However, as per existing tariff design, majority of the fixed cost is being recovered through energy charges. Hence, the Hon'ble Commission may kindly take appropriate view to rationalize the fixed charges of the residential consumers or alternatively, introduce connected load based fixed charges. Further, consumers who install solar rooftop are paying energy charges applicable on net consumption only. This does result in cross-subsidization of consumers with higher paying capacity by consumers having lower paying capacity. The Hon'ble Commission may take appropriate view on the suggestion and may specify separate fixed charges/ demand charges for consumers installing solar.

Commission's view

The Commission has noted the suggestion of the Objector and response of the Petitioner on the same and will look into the matter.

3.2.3 Recovery of Past Period Dues

The Objector has referred to the under-recoveries of past years and suggested to clear such under-recoveries as any delay will attract carrying cost. Further, the Objector has also stated that Regulatory charges proposed by the Petitioner should be discontinued upon recovery of past dues.

Petitioner's response

The regulatory charge is proposed mainly to recover the gap arising on account of past years' under recovery and the same will be discontinued upon completion of recovery of such past under-recoveries. Further, the carrying cost for such unrecovered gap is the legitimate claim of the Petitioner to factor in time value of money due to deferment in recovery of gap. The recovery of carrying cost is the settled position of law.

Commission's view

Commission has noted the suggestion and reply.

3.2.4 Revision in Base Price with FPPPA

The Objector has objected to the revision in the base price of power purchase cost and fuel & power purchase price adjustment and suggested to merge 50% FPPPA charges in basic slabs.

Petitioner's response

The Petitioner submits that as per approved FPPPA formula, any increase in power purchase cost during the year over and above base power purchase cost is to be recovered through FPPPA over and above base FPPPA on quarterly basis. The revised base FPPPA Charges has been worked out considering estimated power purchase cost for FY 23-24.

The Petitioner submits that by merging 50% FPPPA in the basic slabs it may be noted that the FPPPA rates vary based on the price of fuel and power purchase cost and the consumers will be benefited in case of any reduction in the cost by way of adjustment in FPPPA charges.

Commission's view

The Commissions notes the suggestions and the response of the petitioner.

3.2.5 Electricity Duty

The Objector has submitted that the Electricity Duty is very high for some category of consumers and suggested to recommend to State Government to rationalize the Electric Duty.

Petitioner's response

Electricity Duty is levied as per Electricity Duty Act and the same is within the jurisdiction of the Government.

Commission's view

Electricity Duty is governed by the State Act and it does not fall within the jurisdiction of the Commission.

4. Truing up for FY 2021-22

4.1 Introduction

This chapter deals with the truing-up of FY 2021-22 for TPL-D (D). The Commission has studied and analysed each component of the ARR for FY 2021- 22 in the following paragraphs.

4.2 Energy Sales

Petitioner's submission:

The Petitioner has submitted that the actual energy sales for FY 2021-22 are 659.37 MUs, as against the sales of 538.48 MUs approved in the Order dated 1st April, 2021.

Table 4.1: Energy Sales claimed for FY 2021-22 (MUs)

Category	Approved in Order	Actuals Claimed
RGP	-	-
Non-RGP	0.60	0.46
LTMD	1.25	0.49
HTP-I	534.61	656.38
HTP-II	0.95	1.28
HTP-III	0.49	0.39
Other	0.58	0.37
Total Sales	**538.48**	**659.37**

TPL-D (D) submitted that, the actual sales in FY 2021-22 were higher than the sales approved in the Order. This is mainly due to the higher load factor recorded in the leading category of HTP-I. However, for HTP-II & HTP-III, lower load factor was registered than anticipated.

The MYT Regulations, 2016 specifies the variation in quantities of electricity supplied to the consumers as uncontrollable factor. Therefore, the Petitioner requests the Commission for the truing up of actual sales as shown in the table above.

Commission's analysis

The actual sales made by TPL-D (D) during FY 2021-22 are higher compared to the approved sales in the order dated 1st April 2021 mainly due to increase in industrial activity and thus registering higher load factor under HTP-I. The sales as submitted by the Petitioner has been verified, compared and confirmed with the sale of energy furnished in the monthly return under Form A specified in Rule 6(1) (A) filed by the Petitioner with the Chief Electrical Inspector and Collector of Electricity Duty vide additional details submitted by TPL-D (D).

The Commission has reviewed the above submissions and accordingly, the energy sales for FY 2021-22 are approved at **659.37 MUs**

4.3 Distribution Losses

Petitioner's submission

TPL-D (D) has submitted that it has been making consistent efforts to curtail the Distribution Losses. While the Petitioner had projected distribution losses of 2% for FY 2021-22 at the time of filing of petition, the Hon'ble Commission had approved 0.43% considering the average distribution loss for the period FY 2016-17 to FY 2018-19. The Petitioner submits that the variation in the distribution loss compared to the approved value is to be considered as controllable. The Petitioner would like to submit that the Distribution loss is inter-alia dependent on the loading of the network. For FY 2021-22, actual sales were 22.45% higher as compared to approve sales. Considering ready to serve network created the Petitioner over the time, the Petitioner was able to control the distribution losses. However, as the network is yet to be established and load is yet to be stabilized, the Petitioner requests Commission to consider distribution loss as uncontrollable for FY 2021-22. The Distribution Losses approved by the Commission in the Order dated 1st April, 2021 as given in the Table below:

Table 4.2: Distribution Losses claimed for FY 2021-22

Category	Approved in Order	Actuals Claimed
Distribution Losses (%)	0.43%	0.45%

Commission's analysis

The Distribution Losses as claimed by TPL-D (D) at 0.45% is approved for the purpose of true-up of FY 2021-22. Any Gain/Loss on account of Distribution Losses is controllable as per the GERC (MYT) Regulations, 2016. However, in this Order, the Distribution Losses have been considered as uncontrollable for the purpose of sharing of Gains/Losses for the present control period as the load is yet to stabilize. Hence, the Commission approves Distribution Losses of 0.45% for Truing up for FY 2021-22.

4.4 Energy Requirement

Petitioner's submission

The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales and the Transmission & Distribution Losses. The total energy requirement was met through various sources. The actual energy requirement for FY 2021-22 and as approved in the Order are given in the Table below:

Table 4.3: Energy Requirement claimed for FY 2021-22 (MUs)

Particulars	Approved in Order	Actuals Claimed
Energy Sales (MU)	538.48	659.37
Distribution Loss (%)	0.43%	0.45%
Distribution Loss (MU)	2.33	3.00
Energy Input at Distribution Level (MU)	540.81	662.38
Transmission Loss (MU)	17.02	15.01
Energy Requirement	**557.82**	**677.39**

Commission's analysis

The Commission has approved the Distribution Losses at 0.45% for FY 2021-22. The Commission computed the energy requirement with Distribution Losses of 0.45% (3.00 MUs) and Transmission Losses of 15.01 MUs for FY 2021-22 based on actuals as given in the table below.

Table 4.4: Energy Requirement approved for Truing up for FY 2021-22 (MUs)

Particulars	Approved in Order	Actuals Claimed	Approved by commission
Energy Sales (MU)	538.48	659.37	659.37
Distribution Loss (%)	0.43%	0.45%	0.45%
Distribution Loss (MU)	2.33	3.00	3.00
Energy Input at Distribution Level (MU)	540.81	662.38	662.38
Transmission Loss (MU)	17.02	15.01	15.01
Energy Requirement	**557.82**	**677.39**	**677.39**

The actual energy requirement is higher than that was approved in the Order as the sales are higher than sales approved in the order dated 1st April, 2021.

The Commission approves total energy requirement of 677.39 MUs for Truing up for FY 2021-22.

4.5 Energy Availability

Petitioner's submission

TPL-D (D) has submitted that it sourced power from bilateral power purchase, solar & wind power plants and IEX. The details of power procured for Dahej supply area are as provided in the Table below:

Table 4.5: Energy Availability (net) claimed for FY 2021-22 (MUs)

Particulars	Approved in Order	Actuals Claimed
Bilateral	462.99	389.07
Power Exchange		250.23
Renewable Energy	94.83	32.41
Sub Total	**557.82**	**671.70**
Add-Sale of surplus power/UI	-	5.58
Total	**557.82**	**677.39**

Renewable power purchase obligation

The Petitioner submits that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulation, 2010 specifies the Renewable Power Purchase Obligation (RPPO). Subsequently, the Hon'ble GERC vide its notification no. 1 of 2018 notified the GERC (Procurement of Energy from Renewable Sources) (Second Amendment) Regulations, 2018 specifying RPPO for FY 2021-22. TPL-D(D) has made all efforts to fulfil its RPPO.

The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2021-22 is as under:

Table 4.6: Renewable Power Purchase Obligation claimed for FY 2021-22 (MUs)

Particulars	Actual Claimed
Energy Requirement	677.39
RE Procurement	
Wind energy to be procured (@8.25%)	55.88
Solar energy to be procured (@8.00%)	54.19
Biomass/Bagasse/Others (@0.75%)	5.08
Total (15.65%)	115.16
Compliance (Non-Solar)	
Wind	24.14

Particulars	Actual Claimed
Non-Solar REC	-
Compliance	24.14
Compliance (as % of Energy Requirement)	3.56%
Compliance (Solar energy)	
Solar	11.43
Solar-REC	-
Compliance	11.43
Compliance (as % of Energy Requirement)	1.69%

TPL-D(D) has approached the Hon'ble Commission in the matter of revision of minimum quantum of purchase (in %) from renewable energy sources for the year FY 2021-22 in accordance with the RPO Regulations vide its Petition no. 2154 of 2022.

Commission's analysis

The Commission has noted that the Petitioner has purchased 677.39 from bilateral and Renewable sources. The Commission also notes that licensee has purchased 32.41 MU from Renewable Energy to meet the energy requirement for sale to consumers. The Petitioner has further netted off units of 5.68 Mus on account of UI with the total energy requirement and the cost related to the same has been adjusted in the revenue.

The Commission, accordingly approves the total power purchase quantity of 677.39 MUs for truing-up for FY 2021-22.

4.6 Power Purchase cost

Petitioner's submission

TPL-D (D) has submitted the actual power purchase cost for FY 2021-22 as provided in the Table below.

Table 4.7: Power Purchase Cost claimed for FY 2021-22 (Rs. Crore)

Particulars	Approved in the Order	Actual Claimed
Bilateral/ Power Exchange	177.67	303.73
Renewable Energy	42.97	18.06
Total Power Purchase Cost	**220.65**	**321.78**

TPL-D (D) has submitted that the quantum of power purchase depends on energy sales and distribution loss and the cost of power purchase depends on fuel and power purchase rates of sources. Therefore, the Hon'ble Commission has also classified it as uncontrollable item except for the variation in distribution loss level. The actual power purchase for the FY 2021-22 is provided in the table above and compared with the approved power purchase.

The variation in the power purchase cost from the Order is on account of variation in sales & distribution losses and variation in actual rate with respect to the base power purchase rate during the year.

The Petitioner has further submitted that as per the Regulation, the variation in power purchase cost is uncontrollable except on account of variation in distribution losses and hence the same needs to be allowed in truing up exercise. However, the Petitioner has considered the variation on account of Distribution loss as uncontrollable like O&M expenses.

Commission's Analysis

As verified from the Annual Accounts for FY 2021-22, TPL-D (D) has incurred power purchase cost of Rs. 321.78 Crore during FY 2021-22. The same has also been verified from the quarterly FPPPA submissions.

TPL-D (D) has purchased bilateral power at an average rate of Rs.3.80/kWh. The Commission has also noted that TPL-D (D) has procured short-term power from Indian Energy Exchange (IEX) at the rate of Rs. 6.22/ kWh as submitted in Form F2. The commission notes the increasing trend of tariffs on Power exchanges.

On a query of the Commission regarding the break-up of purchase from Wind and Solar RE sources TPL-D (D) has provided the details vide response to data gaps as given below:

Table 4.8: Power Purchase cost for Renewable Energy

S. No	Particulars	Quantum (MUs)	Rate (Rs/kWh)
1	Solar	8.31	7.49
2	Wind	24.10	4.91
	Renewables (Total)	32.41	5.57

There is shortfall in achievement of RPO of both Solar and Non-solar energy purchase. The Commission has noted that TPL has filed a separate petition for compliance of RPO which is pending for adjudication before the Commission. Therefore, as far as compliance of RPO is concerned, the Commission will decide it in separate proceedings.

The Commission, accordingly, approves total power purchase cost of Rs. 321.78 Crore for Truing up for FY 2021-22.

As per the GERC (MYT) Regulations, 2016 variation in the price of fuel and/ or price of power purchase are uncontrollable factors. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.9: Gains / (Losses) on account of power purchase cost for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Power Purchase Cost	220.65	321.78	(101.13)	-	(101.13)

4.7 Fixed Charges

4.7.1 Operation and Maintenance (O&M) Expenses

Petitioner's submission

TPL-D (Dahej) has claimed Rs. 10.56 Crore towards O&M expenses as against the O&M expenses of Rs. 7.44 Crore approved for FY 2021-22 in the Order dated 1st April, 2021:

Table 4.10: O&M expenses claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Operation & Maintenance Expenses	7.44	10.56

The Petitioner has submitted that the Hon'ble Commission in the order has approved the O&M expenses as projected by the Petitioner. However, the network has increased and the O&M expenses have also increased. Therefore, the actual O&M expenses incurred are higher than the approved. The petitioner also submitted that, it may kindly be noted that the SEZ is still in developmental stage and demand is yet to stabilize. The rationale for treating O&M expenses as uncontrollable is on the same lines of Distribution loss. The Petitioner reiterated that the actual Sales has increased substantially requiring necessary O&M Expense to ensure necessary reliability and customer services. Accordingly, the Petitioner submits that the variation in O&M expenses should be considered as uncontrollable. Hence, in the present petition, the Petitioner has considered the entire O&M expenses as uncontrollable for sharing of gains/losses and requested the Hon'ble Commission to approve the same.

Commission's analysis

TPL-D (Dahej) has submitted the actual O&M expenses at Rs.10.56 Crore in the truing-up for FY 2021-22. The head-wise analysis is as under:

a) Employee Expenses: Employee expenses as per annual accounts are Rs. 4.41 Crore including the capitalised expenses of Rs.1.87 Crore. Accordingly, the employee expenses are Rs.2.54 Crore by netting off the capitalised expenses of Rs. 1.87 Crore. The Commission has approved the employee expenses as Rs.2.54 Crore.

b) A&G Expenses: A&G Expenses as per annual accounts is Rs.5.09 Crore (including the capitalisation of Rs.0.11 Crore). The Petitioner has claimed the A&G Expenses after adding Lease payments (Rs.0.01 Crore) and accordingly, claimed Rs.4.99 Crore (net of capitalisation of Rs.0.11 Crore) towards A&G expenses in true up for FY 2021-22 and the Commission approves the same.

c) R&M Expenses: The Petitioner has claimed R&M expenses of Rs. 3.03 Crore as per actual cost incurred duly verified by the Commission from Annual Audited Accounts for FY 2021-22. The Commission, accordingly, approves R&M expenses of Rs. 3.03 Crore.

The Commission, accordingly, approves the O&M expenses of Rs. 10.56 Crore, for truing up of FY 2021-22.

Further as per Regulation 22 of the GERC (MYT) Regulations, 2016 the variation in O&M expenses is to be considered as controllable except the change in law and wage revision. However, as per the judgment dated 9th May, 2019 of the Hon'ble APTEL in

Appeal No. 256 of 2016, the Commission decides to accept TPL-D (D)'s submission that O & M Expenses should be considered as uncontrollable along the lines of Distribution Losses, as SEZ is yet to stabilize. Accordingly, the Commission has approved the Gains/ (Losses) as given in the Table below:

Table 4.11: Gains/(losses) on account of O&M expenses approved for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/ (Losses) due to Uncontrollable
O&M Expenses	7.44	10.56	(3.122)	-	(3.12)

4.7.2 Capital Expenditure, Capitalization and Sources of Funding

Petitioner's Submission

The Petitioner has claimed capital expenditure of Rs.5.15 Crore in the truing up for FY 2021-22 as against Rs.11.06 Crore approved in the order dated 1st April, 2021 as per the details given in the Table below:

Table 4.12: Capital expenditure claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
EHV	7.02	3.76
HT Network	1.38	0.40
LT Network	0.82	0.21
Metering	0.53	0.04
Customer Care & IT	0.06	0.05
Others	1.25	0.69
Total Cost	**11.06**	**5.15**

TPL-D (Dahej) has reported the reasons for the major variances in the actual expenditure against the approved expenditure as detailed below:

(a) EHV: The Hon'ble Commission had approved the expenditure of Rs. 7.02 Crore for 220 kV & 33 kV substation and network along with testing & measuring instrument. The actual expenditure incurred during the year was Rs. 3.76 Crore mainly towards 33kV AIS to GIS replacement, replacement of High Velocity Water System line, commissioning of two number of 33 kV customer, testing & measuring instrument

(b) HT Network: The Hon'ble Commission had approved an expenditure of Rs. 1.38 Crore whereas the actual expenditure incurred was Rs. 0.40 Crore based on number of 11 kV customers added in the system.

(c) LT Network: The Commission had approved an expenditure of Rs. 0.82 Crore based on number of LT customers added in the system.

(d) Metering: The Commission had approved the capital expenditure of Rs. 0.53 Crore whereas the actual expense incurred was Rs. 0.04 Crore. The variation is on account of deferment of expenditure towards Advanced Metering Infrastructure.

(e) Customer care & IT: The Commission had approved the capital expenditure of Rs. 0.06 Crore whereas actual expenditure incurred during the year was Rs. 0.05 Crore towards computer hardware and software.

(f) Others: In this category, the actual expenditure incurred was Rs. 0.69 Crore against the approved expenditure of Rs. 1.25 Crore. The major capex incurred is towards civil works.

Table 4.13: Capitalisation for FY 2021-22 submitted by TPL-D (Rs. Crore)

Project Category	Project Title	Debt: Equity Ratio	Capitalisation
EHV Network	220 kV Substation and Network	70:30	-
	220kV & 33 KV Consumers		1.23
	33 kV Sub Stations		0.89
	Testing and Measuring Instrument		0.04
HT Network	New HT Consumers		0.11
	Cable Scheme		-
	Miscellaneous		0.06
LT Network	Services on Existing Mains/ DE		0.01
	Extension/ Reduction of Load		0.13
Metering	Normal Load Growth		0.04
Others	Customer Care/ IT		0.05
	Miscellaneous		0.02
	Store		0.19
	Civil		0.49
Total			3.24

TPL-D (Dahej) has claimed a sum of Rs. 3.24 Crore towards capitalization, against the approved capitalization of Rs. 7.78 Crore for FY 2021-22 in the Order dated 1st April, 2021. The petitioner also submitted that it has considered loan and equity as per the norms of 70:30.

Table 4.14: Capitalisation Claimed for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Opening GFA	182.39	181.58
Addition to GFA	**7.78**	**3.24**
Deletion to GFA	-	0.64
Closing GFA	190.17	184.18

Particulars	Approved in Order	Claimed by Petitioner
SLC addition	0.84	1.34

Commission's analysis

The Petitioner has claimed CAPEX of Rs. 5.15 Crore in truing-up of FY 2021-22, against the CAPEX of Rs, 11.06 Crore approved in Order. The Commission has observed that according to the audited annual accounts for FY 2021-22, the Capex is at Rs. 5.15 Crore. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 3.24 Crore with details of Opening CWIP as on 1st April 2021, CAPEX during the year and Closing CWIP as on 1st April, 2021 in form 4.3 of the petition.

The Commission opines that in order to meet the system demand and to provide 24x7 uninterrupted reliable quality power supply, necessary augmentation and upgradation of EHV / HV / LV network is required. TPL-D had submitted the CAPEX plan for the period and accordingly CAPEX and capitalization is being undertaken and it is approved based on the yearly progress.

The Commission sought for additional information regarding difference in the CAPEX during the FY 2021-22 and capitalization against the approval of the Commission in Order. With reference to the Commission's query regarding detailed information for the deviation in CAPEX from the approved plan as per Order, the Petitioner has submitted the details vide responses dated 20th February 2023. The Petitioner has furnished the detailed project/ scheme-wise explanation of the major capital expenditure incurred and capitalisation during FY 2021-22 as deliberated under Petitioner's submission and the same is not repeated here due to brevity.

Table 4.15: Approved CAPEX as per MYT Order & Actual CAPEX and Capitalization during FY 2021-22 for TPL-D (D) (Rs. Crore)

Project Title	Capex proposed for FY 2021-22 in petition	Capex approved for FY 2021-22 in order	Capex claimed and approved in truing up for FY 2021-22	Capitalisation proposed for FY 2021-22 in petition	Capitalisation approved for FY 2021-22 in order	Capitalisation claimed and approved in truing up for FY 2021-22	Difference approved & actual capitalization for FY 2021-22
A	B	C	D	E	F	G	H=(F-G)
EHV	7.02	7.02	3.76	4.33	4.33	2.16	0.22
HT Network	1.38	1.38	0.40	1.53	1.53	0.17	0.92
LT Network	0.82	0.82	0.21	0.46	0.46	0.13	0.29
Metering	0.53	0.53	0.04	0.04	0.04	0.04	0.01
Customer care& IT	0.06	0.06	0.05	0.07	0.07	0.05	(0.09)
Others	1.25	1.25	0.69	0.42	0.42	0.69	(0.64)
Total	**11.06**	**11.06**	**5.15**	**7.78**	**7.78**	**3.24**	**0.20**

From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV works. Against approved capital expenditure of Rs. 7.02 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 3.76 Crore only. Capex relating other works, the Petitioner has incurred Rs. 0.69 Crore against the capex of Rs.1.25 Crore approved in order. In respect of capital expenditure HT network, LT network and Metering also the CAPEX incurred much lesser compared to the CAPEX as approved in order.

The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs.5.15 Crore during FY 2021-22.

The Commission has considered the opening CWIP as NIL and closing CWIP of Rs. 1.91 Crore based audited annual accounts for FY 2021-22.

The Commission based on the audited annual accounts of FY 2021-22 has considered the opening CWIP, CAPEX and capitalisation during the year and closing CWIP in true up for FY 2021-22 as given in the table below:

Table 4.16: Capital works in progress (CWIP) approved in true up for FY 2021-22 for TPL-D (Dahej) (Rs. Crore)

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	-
2	Capex during the year	5.15
3	Less: Capitalisation	3.24
4	Closing CWIP (1+2-3)	1.91

The Commission, accordingly, approves the CWIP in truing up for FY 2021-22 as detailed in the table above.

According to the audited annual accounts for FY 2021-22, the capitalisation is at Rs.3.24 Crore and the same is considered and approved by the Commission in truing up for FY 2021-22. The Petitioner has furnished details of asset wise capitalization in Form 4.2. The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that TPL-D (Dahej) has upgraded and uprated some of the existing switchgears and verified from the Certificate of inspection issued by the Chief Electrical Inspector, as submitted vide responses to the data gaps, which substantiates that the assets created through CAPEX have been put to service.

Further, TPL-D (Dahej) has de-capitalised assets to the extent of Rs. 0.64 Crore during FY 2021-22. However, it is observed that deductions from GFA is at Rs.0.59 Crore as per (Note 4.1) the audited annual accounts for FY 2021-22. The Commission has addressed the Petitioner to furnish the details for the discrepancy. The Petitioner vide has reported that the fixed asset shown in the annual accounts is on Net Fixed Assets (NFA) basis as per Ind AS and the same is shown in the petition on Gross Fixed Assets (GFA) basis as per GERC MYT Regulations. Hence, the Commission considers de-capitalised assets at Rs.0.64 Crore and accordingly adjustments made to GFA in truing up for FY 2021-22.

The Commission has approved closing GFA at Rs.181.58 Crore for FY 2020-21 in true up order dated 31.3.2022 and the same is considered as opening GFA for FY 2021-22.

The Commission, in view of the above and based on the values reported through audited annual accounts, has considered the opening GFA, capitalisation, asset deductions and closing GFA in true up for FY 2021-22 as given in the table below:

Table 4.17: Approved Capitalization and source of funding for FY 2021-22 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	181.58	181.58
Addition to GFA	**3.24**	**3.24**
Deletion to GFA	0.64	0.64
Closing GFA	184.18	184.18
Less: SLC Addition	1.34	1.34

The Commission approves the capitalization and funding as shown in the above Table in the truing up for FY 2021-22.

4.7.3 Depreciation

Petitioner's Submission

TPL-D (Dahej) has claimed a sum of Rs.6.88 Crore towards depreciation in the truing up for FY 2021-22 as against Rs. 7.07 Crore approved in the Order for FY 2021-22 as shown in the Table below:

Table 4.18: Depreciation claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Depreciation	7.07	6.88

TPL-D (Dahej) has submitted that the depreciation rates, as per MYT Regulations, 2016 are applied on the Opening GFA and assets capitalised during FY 2021-22. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's analysis

The details of opening GFA as on 1st April, 2021, addition to and deduction from the Gross Block during FY 2021-22 and the asset classification-wise depreciation are given in the Form 5 along with the petition.

The Commission has verified the depreciation from the annual accounts for FY 2021-22. It is observed that depreciation as per annual accounts is Rs. 8.84 Crore and reduced depreciation on the account of assets funded under SLC and amortisation of deferred revenue of Rs.1.95 Crore, and accordingly claimed depreciation of Rs.6.89 Crore.

As per Regulation 39.2(b) of the GERC (MYT) Regulations, 2016, depreciation of assets financed through consumer contribution, deposit works, and grants should be considered as per Audited Accounts. However, since deferred income on this account has not been claimed under Non-Tariff Income, the depreciation on assets financed through consumer contribution and grants has been deducted.

The Commission, accordingly, approves the depreciation for FY 2021-22 in the truing up as Rs. 6.89 Crore. The Commission has approved depreciation at Rs. 7.07 Crore in order. The deviation of Rs.0.18 Crore is considered as uncontrollable gain as the depreciation is dependent on capitalisation.

The Commission, accordingly, approves the gains/ (losses) on account of depreciation in the truing up for FY 2021-22, as detailed in the Table below:

Table 4.19: Gain/(Losses) on account of Depreciation approved for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	7.07	6.89	0.18	0.18

4.7.4 Interest and Finance Charges

Petitioner's Submission

The Petitioner has considered the interest expenses as per the MYT Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. 0.18 Crore after considering depreciation on account of deduction of Rs. 0.27 Crore and reduction in equity of Rs. 0.19 Crore. The Petitioner has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

Table 4.20: Interest Expense claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Opening Balance	53.45	51.63
Less; reduction of normative loan due to retirement	-	0.18
Addition of Loan	4.86	1.33
Repayment during year	7.07	6.89
Closing Balance	51.24	45.90
Average Loan	52.34	48.76
Weighted average rate of interest (%)	9.0%	7.30%
Interest Expenses	4.71	3.56
Other Borrowing Costs	-	0.20

The Petitioner has submitted that interest is calculated on normative loans in terms of the GERC (MYT) Regulations, 2016 by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

The Petitioner has requested the Commission to approve the interest expenses claimed as above. The variation in interest expenses compared to the approved expenses be treated as uncontrollable as it depends on the quantum of actual capitalization and the variation in the interest rates.

Commission's analysis

The Commission has considered the opening normative loan at Rs.51.63 Crore for FY 2021-22 based the closing normative loan approved in true up for FY 2021-22 in Order dated 31.03.2022.

Addition to loan during the year FY 2021-22 is considered at Rs.1.33 Crore as approved in earlier sections in accordance with the GERC MYT regulations 2016. The repayment is considered equivalent to depreciation as approved in the section of depreciation. The GERC (MYT) Regulations, 2016 provides for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year's closing balance, capitalisation and funding approved during the year. Further, the Petitioner has reduced normative loan due to deduction in GFA to the extent of Rs.

0.18 Crore.

As per first proviso of the Regulation 38.5 of the GERC (MYT) Regulations, 2016, at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Distribution Licensee shall be considered as the rate of interest.

Accordingly, the Commission sought information such as the actual loan portfolio, computation of weighted average rate of interest and breakup of other borrowing costs, which the Petitioner submitted vide responses to data gaps. The Commission has calculated the weighted average rate of interest at 7.30% against 9.00% claimed by the Petitioner for the actual loan portfolio submitted for FY 2021-22. The details of the other borrowing cost of Rs. 0.20 Crore as submitted by the petitioner is given in table below:

Table 4.21: Details of other borrowing cost as submitted by TPL-D (Rs. Crore)

Particulars	Amount
Other borrowing Cost	0.18
Amortisation of borrowing cost	0.07
Total borrowing cost as per accounts	0.25
Less: Amortisation of borrowing cost for FY 2015-16	0.05
Total claimed in Petition	0.20

The Commission has approved the interest and finance charges for FY 2021-22, as detailed in the Table below:

Table 4.22: Interest and finance charges approved in truing up for FY 2021-22 (Rs. Crore)

Particulars	Approved in the Order	Approved in Truing-Up
Opening Balance	53.45	51.63
Less: reduction of normative loan due to retirement	-	0.18
Addition of Loan	4.86	1.33
Repayment during year	7.07	6.89
Closing Balance	51.24	45.90
Average Loan	52.34	48.76
Weighted average rate of interest (%)	9.00%	7.30%
Interest Expenses	4.71	3.56
Other Borrowing Costs	-	0.20
Total Interest & Finance Charges	**4.71**	**3.76**

The Commission, accordingly, approves the interest and finance charges in the truing

up for FY 2021-22 as given in the table above.

The Commission, also, approves the Gains/(Losses) on account of interest and finance charges in the truing up for FY 2021-22 as per the GERC (MYT) Regulations, 2016, as detailed in the Table below:

Table 4.23: Interest expenses and Gains/(Losses) approved by the Commission for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	4.71	3.76	0.95	0.95

4.7.5 Interest on Consumer's Security Deposit

Petitioner's submission

The petitioner has claimed Rs. 1.65 Crore towards interest on security deposit in truing-up for FY 2020-21 as against Rs. 2.04 Crore approved in the Order dated 1st April, 2021. The Hon'ble Commission in its order had approved the interest on security deposit for the Petitioner considering 4.65% interest rate on the average estimated balance of security deposit for FY 2021-22. The actual interest expense on security deposit considering the rate of interest of 4.25% paid to consumers based on Bank Rate is submitted in the table below for the approval of the Hon'ble Commission.

Table 4.24: Interest on Security Deposit claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Interest Rate	4.65%	4.25%
Interest on Security Deposit	2.04	1.65

The Petitioner has submitted that the variation in security deposit amount and the variation in interest rate are uncontrollable. Hence, the Petitioner has requested the Commission to treat the variation in interest on security deposit as compared to approved expenses as uncontrollable.

Commission's analysis

The Commission has verified the actual interest on security deposit and found the same to be as per the annual accounts for FY 2021-22 submitted with the petition.

The Commission, accordingly, approves the interest on security deposit at Rs.1.65 Crore in the truing up for FY 2021-22.

The Commission considers the deviation as loss on account of uncontrollable factor as detailed in the Table below:

Table 4.25: Interest on Security Deposit and Gains/Losses approved for FY 2021-22 (Rs. Crore)

Particulars	Approved in the Order	Approved in Truing-Up	Deviation +/(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	2.04	1.65	0.39	0.39

4.7.6 Return on Equity

Petitioner's Submission

TPL-D (Dahej) has claimed the closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year. The return on equity has been computed by applying a rate of 14% on the average of opening balance & closing balance of equity as shown in table below:

Table 4.26: Return on Equity claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed By Petitioner
Opening Equity	44.24	43.56
Equity Addition	2.08	0.57
Reduction in equity on account of retirement	-	0.19
Closing Equity	46.32	43.94
Return on Equity at beginning of year	6.19	6.10
Return on Equity addition during year	0.15	0.03
Total Return on Equity	**6.34**	**6.13**

The Petitioner has requested the Commission to consider the variation in RoE as uncontrollable and allow the same for the purpose of truing-up.

Commission's analysis

The Commission has considered opening equity for FY 2021-22 based on closing equity approved in the Truing up for FY 2020-21 order dated 31st March 2022.

During the year asset addition as approved in earlier sections and the equity at 30% works out to Rs.0.57 Crore. Further during the year deletion from GFA as approved in earlier sections and accordingly, reduction in equity is considered at Rs. 0.19 Crore being 30% of the asset reduction. Thus, the net equity addition is considered at Rs. 0.38 Crore during FY 2021-22 in truing up. The rate of return is considered at 14% as per the GERC (MYT) Regulations, 2016 to work out the Return on Equity as shown in the Table below:

Table 4.27: Return on Equity approved by the Commission for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved for Truing-Up
Opening Equity	44.24	43.56
Equity Addition	2.08	0.57
Reduction in equity on account of retirement	-	0.19
Closing Equity	46.32	43.94
Return on Equity at beginning of year	6.19	6.10
Return on Equity addition during year	0.15	0.03
Total Return on Equity	6.34	6.13

The Commission, accordingly, approves the Return on Equity at Rs.6.13 Crore in truing up for FY 2021-22.

The Return on Equity depends on the amount of capitalization during the year and the debt equity ratio considered during the Financial Year and these parameters are uncontrollable in nature. The variance in the amount of Return on Equity is therefore treated as an uncontrollable item.

The Commission, accordingly, approves the gains/(losses) on account of Return on Equity in the truing up for FY 2021-22 as detailed below:

Table 4.28: Return on Equity and Gains/Losses approved in truing up for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/ (Losses) due to Uncontrollable
Return on Equity	6.34	6.13	0.21	0.21

4.7.7 Income Tax

Petitioner's submission

While passing the Order, the Hon'ble Commission approved Rs. 2.11 Crore of income tax as per the actuals of FY 2019-20 for FY 2021-22, the Petitioner has claimed the Income Tax based on the actual tax paid in proportion to the PBT of TPL-D(D). Hence, the Petitioner has claimed income tax as per below.

Table 4.29: Income tax claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed By Petitioner
Income Tax	2.11	0.65

The Petitioner has requested the Commission to consider the variation in Income Tax as uncontrollable and allow the same for truing up.

Commission's analysis

The Commission had asked TPL-D (Dahej) to furnish the details of segregation of income tax paid by TPL in respect of TPL-D (Dahej) along with copies of challans of income tax paid. In its reply, TPL submitted that being a single corporate entity, income tax is paid for the company as a whole along with copies of challan of income tax paid for the year. The Petitioner has computed the Income Tax by applying the ratio of PBT.

The Commission has verified the PBT figures from the annual accounts for FY 2021-22. The Petitioner has shown a PBT of Rs. 5.70 Crore including Re-measurement of Defined Benefit Plans. The PBT as per standalone financial statement of TPL (including Re-measurement of Defined Benefit Plans) is Rs.1,817.41 Crore and the total tax paid by the Company as a whole is Rs.207.30 Crore. It is observed that during FY 2021-22, the Petitioner has paid Tax of 11.41%, applying the tax rate on the PBT of TPL-D (Dahej), the income tax for TPL- D (Dahej) works out to be Rs. 0.65 Crore.

The Commission, accordingly, approves the Income Tax at Rs.0.65 Crore in the truing up for FY 2021-22.

The Commission has treated the Income Tax as an uncontrollable expense and, accordingly, approves the gains/losses on account of Income Tax in the truing up for FY

2021-22, as detailed in the Table below:

Table 4.30: Income Tax and Gains/Losses approved in the truing up for FY 2021-22 Rs. Crore)

Particulars	Approved in Order	Claimed By Petitioner	Approved in True-up	Deviation	Controllable	Uncontrollable
Income Tax	2.11	0.65	0.65	1.46	-	1.46

4.7.8 Contingency Reserve

Petitioner's submission

The Petitioner has submitted that contingency reserve is allowed in accordance with the MYT Regulation 2016. Accordingly, the Petitioner has considered 0.5% of the cost of fixed assets towards contingency reserve for FY 2021-22 as 0.91 Crore.

The Petitioner has requested the Commission to approve the contingency reserve for the purpose of truing up.

Commission's analysis

The contingency reserve claimed in truing up is in consistence with the GERC (MYT) Regulations, 2016 and accordingly, the same is approved at Rs.0.91 Crore. The Commission accordingly, approves NIL amount as gains/losses on account of contingency reserve in the truing up for FY 2021-22.

4.7.9 Bad Debts Written Off

Petitioner's submission

The Petitioner has submitted that the Hon'ble Commission in its order has not approved any amount of bad debt for Dahej supply area. The Petitioner further submits that it has not written off any bad debts for the FY 2021-22. Accordingly, it has not claimed any bad debts

Commission's analysis

The petitioner didn't write off any bad debts during the year. The Commission, accordingly, approved NIL amount towards the bad debts written during FY 2021-22.

4.7.10 Non-Tariff Income

Petitioner's submission

The Hon'ble Commission had approved non-tariff income of Rs. 4.15 Crore in the Order, whereas the actual non-tariff income considered for the year FY 2021-22 is Rs 3.59 Crore as given in the table below:

Table 4.31: Non-Tariff Income claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed by Petitioner
Non-Tariff Income	4.15	3.59

The Petitioner has submitted that the non-tariff income is uncontrollable and requested to allow variation in Non-Tariff Income as uncontrollable for the purpose of truing up.

Commission's analysis

The Non-Tariff Income is specified in Regulations 89 and 97 of the GERC (MYT) Regulations, 2016, which includes various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2021-22 is Rs.3.59 Crore. The Non-Tariff Income as per the Annual Accounts is Rs.5.55 Crore. The Petitioner has reduced the amortisation of Deferred Revenue (Rs.1.95 Crore) and delayed payment charges of Rs.0.01 Crore from the Non-Tariff Income to arrive at claimed figure of Rs.3.59 Crore.

The Commission, accordingly, approves the Non-Tariff Income of Rs.3.59 Crore for FY 2021-22.

The Commission considers non-tariff income as an uncontrollable parameter and, accordingly, approves the gains/losses on account of non-tariff income in the truing up for FY 2021-22, as detailed in the Table below:

Table 4.32: Non-Tariff Income and Gains/(Losses) approved for truing up for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	4.15	3.59	0.56	0.56

4.7.11 Interest on Working Capital

Petitioner's submission

The working capital requirement is arrived at as per the GERC (MYT) Regulations, 2016. As the working capital requirement is negative, the Petitioner has not claimed any interest on working capital.

Table 4.33: Interest on Working Capital claimed by TPL-D (Dahej) for FY 2021-22 (Rs. Crore)

Particulars	Approved in Order	Claimed By Petitioner
O&M Expenses for 1 Month	0.62	0.88
1% of GFA for maintenance spares	1.82	1.82
Receivables for 1 month	19.89	26.58
Less: Security Deposit	43.81	38.99
Working Capital Requirement	-	-
Rate of Interest (%)	10.25%	9.50%
Interest on Working Capital	-	-

Though, the net working capital requirement is NIL, the Petitioner has submitted that the variation in gross working capital requirement is primarily on account of variation in actual O&M expenses and receivables.

Commission's analysis

The Commission has computed the working capital requirement of TPL-D (Dahej) as specified in Regulation 40.4 and 40.5 of the GERC (MYT) Regulations 2016 read in conjunction with the GERC (MYT) (First Amendment) Regulations, 2016 after considering the security deposit amount available during the year.

TPL-D (Dahej) has considered the working capital interest rate @ 9.50% per annum, being the weighted average 1-year MCLR prevailing during FY 2021-22 plus 250 basis points.

The regulations (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e.2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2021-22 from the State Bank of India website which worked out to 9.50%. Accordingly, the rate of interest for computation of interest on working capital works out to 9.50% (7.00%+2.50%) and the same is adopted in truing up for FY 2021-22.

The working capital requirement and the interest on working capital is as shown in the Table below:

Table 4.34: Interest on Working Capital approved by the Commission for FY 2021-22 (Rs. Crore)

Particulars	Approved in the Order	Approved By Commission
O&M Expenses for 1 Month	0.62	0.88
1% of GFA for maintenance spares	1.82	1.82
Receivables for 1 month	19.89	26.58
Less: Security Deposit	43.81	38.99
Working Capital Requirement	-	-
Rate of Interest (%)	10.25%	9.50%
Interest on Working Capital	-	-

The Commission, accordingly, approves the interest on working capital as NIL in the truing up for FY 2021-22.

The Commission considers interest on working capital as an uncontrollable parameter and, accordingly, approves the gains/ losses in the truing up for FY 2021-22, as detailed in the Table below:

Table 4.35:Interest on working capital and Gains/ (Losses) approved for truing up for FY 2021-22 (Rs. Crore)

Particulars	Approved in the Order	Claimed by the petitioner	Approved in Truing up	Deviation +/(-)	Gains / (Losses) due to Uncontrollable Factors
Interest on working capital	–	–	–	–	–

4.7.12 Revenue from Sale of Power

Petitioner's submission

The Petitioner has submitted the revenue from sale of power as Rs. 318.94 Crore as the revenue from sale of power in the truing up for FY 2021-22.

Commission's analysis

The Commission has observed that the revenue from sale of power is at Rs. 347.89 Crore as per the annual accounts for FY 2021-22. However, the Petitioner in Form 10 has depicted Rs. 318.94 Crore and accordingly the same is considered in the petition for truing up for FY 2021-22. It was stated that provision of Rs. 28.95 Crore is not considered in revenue from sale of electricity.

The Commission has addressed the Petitioner to explain why it is not considered under revenue for sale of energy. The Petitioner has submitted that revenue from sale of electricity considered in petition excludes Rs. 28.95 Crore considered on accrual basis in audited accounts (but not billed to the consumers). The petitioner vide additional responses to Data-gaps has submitted that, it has adopted Ind AS 115 (revenue from contracts with customers) w.e.f. 1st April 2018. It has further submitted the details of FPPPA charges (Recoverable vis-à-vis Recovered) for the FY 2021-22 along with the revenue recognized as accrued thereof vide additional submission dated 14.03.2023.

To substantiate this, it has further submitted a certificate of Statutory Auditor certifying that amount of Rs. 28.95 Crore is not recovered from the consumers on account of unrecovered gap/FPPPA charges.

Hence, The Commission has not considered the amount of Rs. 28.95 Crore on account of unrecovered gap FPPPA charges not being reflected as revenue for FY 2021-22. Accordingly, the Commission has considered the actual recovered revenue of Rs. 318.94 Crore from sale of power for the purpose of truing up of FY 2021-22. Thus, the unrecovered FPPPA of the past period is reflected in trued up (Gap)/Surplus of FY 2021-22 and accordingly, the past period unrecovered FPPPA is subsumed in the trued up (Gap)/Surplus of FY 2021-22.

On query regarding subsidy from GOG towards Covid-19 related to waiving off of Fixed charges, It has submitted that it has considered gross revenue from the consumers in their Revenue as waiver of Fixed charges given to the consumers of Non-RGP/LTMD/HT categories was to be reimbursed by the GOG. It has further submitted that the reimbursement was not received during FY 2021-22 towards subsidy related to period during Covid-19 waiving off by GOG.

The Commission in accordance with the GERC (MYT) Regulations, 2016 approves the Revenue from sale of power at Rs. 318.94 Crore for FY 2021-22 in the truing up.

4.7.13 Gains/Losses under truing up for FY 2021-22

Petitioner's submission:

The Petitioner has submitted that the gains/ (losses) on account of uncontrollable factors shall be passed through in tariff as per Regulation 23 and the gains/ (losses) on account of controllable factors are shared between the licensee and the consumer in the form of tariff adjustment as per Regulation 24. The Petitioner has compared the actuals for FY 2021-22 with the approved figures and has segregated the variation as controllable or uncontrollable based on the analysis mentioned hereinabove in the truing up section as given in the table below:

Table 4.36: Controllable & Uncontrollable variations for FY 2021-22 claimed (Rs. Crore)

Particulars	Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase Expenses	220.65	321.78	(101.13)	-	(101.13)
Operation & Maintenance Expenses	7.44	10.56	(3.12)	-	(3.12)
Depreciation	7.07	6.88	0.19	-	0.19
Interest and Finance Charges	4.71	3.76	1.15	-	1.15
Interest on Security Deposits	2.04	1.65	0.39	-	0.39
Interest on Working Capital	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Contribution to contingency reserves	0.91	0.91	0.00	-	0.00
Return on Equity Capital	6.34	6.13	0.21	-	0.21
Income Tax	2.11	0.65	1.46	-	1.46
Less: Non-Tariff Income	4.15	3.59	0.56	-	0.56
Net ARR	**247.12**	**348.72**	**(101.61)**	**-**	**(101.61)**

Commission's Analysis:

The Commission has reviewed the performance of TPL-D (D) under Regulation 22 of the GERC (MYT) Regulations, 2016, for FY 2021-22. The Commission has computed the gains/(losses) for FY 2021-22 based on the truing up for each of the components discussed in the above paragraphs.

The Commission based on the Aggregate Revenue Requirement (ARR) approved in the Order dated 01.04.2021 in Case No. 1928 of 2021, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016 as given in the Table below:

Table 4.37: ARR Approved in respect of TPL-D (D) in the truing up for FY 2021-22 (Rs. Crore)

Particulars	Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase Expenses	220.65	321.78	(101.13)	-	(101.13)
Operation & Maintenance Expenses	7.44	10.56	(3.12)	-	(3.12)
Depreciation	7.07	6.89	0.18	-	0.18
Interest and Finance Charges	4.71	3.76	1.15	-	1.15
Interest on Security Deposits	2.04	1.65	0.39	-	0.39
Interest on Working Capital	-	-	-	-	-
Bad debts written off	-	-	-	-	-
Contribution to contingency reserves	0.91	0.91	0.00	-	0.00
Return on Equity Capital	6.34	6.13	0.21	-	0.21
Income Tax	2.11	0.65	1.46	-	1.46
Less: Non-Tariff Income	4.15	3.59	0.56	-	0.56
Net ARR	**247.12**	**348.72**	**(101.60)**	**-**	**(101.60)**

4.7.14 Sharing of Gains/Losses under truing up for FY 2021-22

The Commission has shared the gains/(losses) on account of uncontrollable and controllable factors in accordance with Regulation 23 of the GERC MYT Regulations, 2016. The relevant excerpt of the aforesaid regulation is stipulated as under;

Regulation 23. Mechanism for pass-through of gains or losses, on account of uncontrollable factors

"23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.

23.2 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the prescribed format to the

Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.

23.3 Nothing contained in this Regulation 23 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time."

Regulation 24. Mechanism for sharing of gains or losses on account of controllable factors

"24.1 The approved aggregate gain to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;

(b) The balance amount, which will amount to two-thirds of such gain, may be utilized at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.

24.2 The approved aggregate loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and

(b) The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or SLDC or Distribution Licensee."

The trued-up ARR for FY 2021-22 as claimed by TPL-D (D) and as approved by the commission is summarized in the table below:

Table 4.38: Approved True-up of ARR Incl. Gains/ (Losses) for FY 2021-22 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
ARR approved in the Order	247.12	247.12
Gains/(Losses) due to Uncontrollable Factors	(101.61)	(101.60)
Gains/(Losses) due to Controllable Factors	-	-
Pass through as Tariff	101.61	101.60
ARR True-Up	**348.72**	**348.72**

Accordingly, the Commission has considered the revenue while computing the actual net revenue (gap)/surplus for FY 2020-21 for truing-up purpose as below.

Table 4.39: Approved Revenue Gap for TPL-D (D) for FY 2021-22 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
Trued-Up ARR	348.72	348.72
Revenue from Sale of Power	318.94	318.94
Less: Revenue toward recovery of earlier year Including Carrying cost	(26.99)	(26.99)
Balance Revenue	345.93	345.93
Gap/(Surplus)	**2.80**	**2.80**

The Commission, accordingly, considers the trued-up Revenue gap of Rs. 2.80 Crore for FY 2021-22 and also the entitled carrying cost thereon, which is legitimate cost as per the various Hon'ble APTEL Judgements and GERC (MYT) Regulations, 2016.

5. Aggregate Revenue Requirement (ARR) and Determination of Tariff for FY 2023-24

5.1 Introduction

The MYT Regulations, 2016 defines control period at Regulations 2 (17) by stipulating it to be from 1st April 2016 to 31st March 2021. The Regulation 1.2 of the MYT Regulations, 2016 provides that these Regulations shall remain in force till 31st March 2021, unless otherwise reviewed/extended. The Commission, vide its order dated 24th September 2021 has directed the utilities to file the petition for truing up of FY 2020-21, ARR of FY 2022-23, and determination of tariff of FY 2022-23 as per the provisions of the MYT Regulations, 2016. Further, Commission vide its order dated 20th October 2022 has directed utilities to file the petition for truing up of FY 2021-22, ARR of FY 2023-24, and determination of tariff of FY 2023-24 as per the provisions of the MYT Regulations, 2016. Accordingly, the Petitioner has arrived at the ARR for the FY 2023-24 by computing each of the components as per the Regulations and principles enunciated by the Commission in the MYT Regulations, 2016.

5.2 Energy sales

Petitioner's submission

The license area of Dahej SEZ comprises of identified industries whose demand has grown over a period of time and depends on economic developments and planning of the Unit Holders. Thus, it is difficult to carry out sales projections accurately on the basis of any statistical method. In turn, the Petitioner has endeavored to relate the various factors and available information to estimate the sales projections.

The sales projections in Dahej SEZ area have been carried out based on projections of demand requirements within the SEZ. Currently, the SEZ has majority industrial consumption with a negligible contribution from other consumer categories. The industrial unit holders initially seek power for construction & testing and later on for production. The Petitioner has considered the inputs received during interaction with some existing as well as prospective consumers. However, the same may vary with pace at which the development of the SEZ takes place based on the economic scenario and the Government policies.

In order to make the projections for FY 2023-24, the actual demand of existing customers (plot allotted and connection availed) has been taken as the base for the demand projection. Each existing customer of Dahej has been reviewed and the effect of extension and their final demand has been worked out for the projected period.
For the customer who has already taken possession of the plot and electricity connection has not been availed, based on personal interaction, demand for these customers have been projected for the control period. For the common/open plots, the demand has been considered based on inputs from DSL authority. As such entire plot allotment is completed.

It is presumed that the new unit holders shall complete the construction activity within one and half year and go for the commercial production within 2 years as per guideline of DSL. It is also assumed that the contract demand of the existing customers will be ramped up to their final demand after stabilizing their production within six months of commercial production.

The anchor company OPaL has started commercial production in FY 2016-17 and will continue at the same level. TPL-D has also given due consideration to the extension of load planned by major consumers.

Demand on Monthly and Yearly basis is worked out for the ensuing financial year i.e. FY 2023-24. The Co-incident Maximum Demand is worked out based on the past trend of category wise actual demand metered for the FY 2021-22.

Based on the above factors the Demand in MW projection and load factor for FY 2023-24 is as under:

Table 5.1: Demand and Load Factor for FY 2023-24

Category	FY 2023-24
Demand (MW)	149.07
Load factor	55%

Considering growth in demand and trend of load factor, the sales projection has been done for FY 2023-24.

- LT - Sales is worked out based on existing trend of load factor and increase in demand of existing as well as prospective customers based on interaction.
- HT- Sales is projected based on the rising trend of the load factor of existing customers. The load factor of the customer is considered based on past experience.
- Adjustment for solar set off of 3.42 MUs provided in HTP-I category.

Based on the above factors the Category wise Sales MUs Projection for FY 2023-24 is as under:

Table 5.2: Category Wise Sales Summary of Dahej Supply Area in FY 2023-24 (MUs)

Category	FY 2023-24
RGP	-
Non-RGP	0.63
LTMD	0.85
HTP-I	707.72
HTP-II	1.25
HTP-III	0.12
Others	0.73
Total Sales	**711.31**

Commission's analysis

The Commission has analysed category-wise historical sales.

Table 5.3: Historical data for energy sales to consumers in Dahej supply area (MUs)

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
HT Category					
HTP 1	303.66	421.75	474.03	450.22	656.38
HTP 2	0.47	0.51	0.88	1.19	1.28
HTP 3	6.03	2.01	3.82	0.18	0.39
Low Voltage Category					
LTMD	0.53	0.57	0.57	0.55	0.49
NRGP	0.54	0.50	0.48	0.46	0.46

Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
STLGHT	0.26	0.22	0.24	0.12	0.09
TMPLT	0.39	0.59	0.47	0.20	0.17
WWSP			0.12	0.11	0.12
Total	311.86	426.15	480.60	453.03	659.37

The Commission has reviewed the sales projected by TPL-D (D) in light of historical sales, projected growth in customers and increase in their load factors. As energy sales are difficult to predict given that the SEZ is still under development stage, the Commission accepts submission of TPL-D (D) in terms of energy sales.

The Commission accordingly approves the category-wise sales as shown in the table below:

Table 5.4: Energy sales approved by the Commission for FY 2023-24 (MUs)

Category	Projected by petitioner	Approved by Commission
RGP	-	-
Non-RGP	0.63	0.63
LTMD	0.85	0.85
HTP-I	707.72	707.72
HTP-II	1.25	1.25
HTP-III	0.12	0.12
Others	0.73	0.73
Total Sales	**711.31**	**711.31**

Therefore, the Commission, accordingly, approves the category-wise sales for FY 2023-24 to the tune of 711.31 MU.

5.3 Distribution losses

Petitioner's submission

The Hon'ble Commission in its order dated 20th October, 2022 has directed the utilities to consider principles and methodology as provided in the MYT Regulations, 2016.

In its Order dated 9th June, 2017 for ARR for FY 2016-17 to FY 2020-21, the Commission has stipulated Distribution Loss of 2.00%. It may kindly be noted that the existing network is exhausted and same necessitates laying of new network with increase in loading. Accordingly, the Petitioner has estimated the Distribution loss of 2.50% for FY 2023-24.

Table 5.5: Distribution Loss Trajectory for Dahej Supply Area in FY 2023-24

Category	Projected by Petitioner
Distribution Losses (%)	2.50%

Commission's analysis

The Commission notes the increase in projected distribution losses from the levels of FY 2019-20 as claimed by TPL and the reasons given thereof. The Commission has analysed the historical distribution losses.

Table 5.6: Historical data for Distribution Loss in Dahej Supply Area

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Distribution Loss (%)	0.53	0.40	0.35	0.31	0.49	0.45

The Commission has reviewed the historical distribution loss and considers the distribution loss as on the actuals of FY 2021-22 at 0.45%, which is projected for FY 2023-24.

Further, the Commission observes that the network is yet to be established and load is yet to be stabilized for the SEZ area. Therefore, the Commission will treat the distribution losses as uncontrollable during the FY 2023-24.

Accordingly, the Commission approves the distribution losses for FY 2023-24 as given in the table below:

Table 5.7: Distribution losses approved by the Commission for FY 2023-24

Particulars	Projected by Petitioner	Approved by Commission
Distribution Loss	2.50%	0.45%

5.4 Energy Requirement

Petitioner's submission

The Petitioner has considered the Energy requirement for Dahej Supply area by considering 2.50% distribution loss on the estimated energy sales explained in the above sections. Accordingly, the energy requirement for FY 2023-24 is as under:

Table 5.8: Energy requirement projected by TPL-D (D) for FY 2023-24 (MUs)

Particulars	Projected by Petitioner
Energy Sales (MU)	711.31
Distribution Loss (%)	2.50%
Distribution Loss (MU)	18.24
Energy Input at Distribution Level (MU)	729.55
Transmission Loss (MU)	27.47
Total Energy Requirement	**757.02**

Commission's analysis

Based on the energy sales and the distribution losses approved by the Commission, the energy requirement is arrived at, as given in the table below. For projecting transmission losses, the Commission observes that TPL-D (D) has considered transmission losses on purchase from Bilateral and IEX. The commission has considered the transmission loss percentage as 2.22% as approved in FY 2021-22 to arrive at Energy requirement for FY 2023-24 as given in below table.

Table 5.9: Energy requirement approved by Commission for FY 2023-24 (MUs)

Particulars	Projected by Petitioner	Approved by Commission
Energy Sales (MU)	711.31	711.31
Distribution Loss (%)	2.50%	0.45%
Distribution Loss (MU)	18.24	3.27
Energy Input at Distribution Level (MU)	729.55	714.55
Transmission Loss (%)	3.76%	2.22%
Transmission Loss (MU)	27.47	16.22
Energy Requirement (A)	**757.02**	**730.78**

5.5 Energy availability

Petitioner's submission

As a co-developer, the Petitioner is mandated to set up its own generating capacity. Accordingly, the Petitioner has set up the DGEN power plant. However, as demand in the area has not reached to required level, the Petitioner has not planned to source power from DGEN during FY 2023-24.

In turn, the Petitioner has proposed to source power from bilateral sources/power exchange to fulfill the power requirement of the SEZ. It may kindly be noted that due to variability of demand, the Petitioner will take necessary steps as may be required.

Based on all the above, the TPL-D (D) has submitted the following power purchase quantum:

Table 5.10: Energy availability projected by TPL-D (D) for FY 2023-24 (MUs)

Particulars	Projected by Petitioner
Bilateral/ IEX	687.21
Renewable Energy	69.81
Total	**757.02**

Commission's analysis

Conventional power sources

The Commission has noted the Petitioner's submission of procuring power through bilateral contracts and the power exchange. In view of uncertain demand visibility, the Commission feels that these sources of power will help to eliminate the burden of capacity charges on consumers and hence accept these sources. The Commission has projected energy availability from these sources after considering the energy requirement fulfilled through RE sources as part of TPL-D (D)'s RPO.

Renewable Purchase Obligation

In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its Amendment in 2018, the DISCOMs are obligated to procure electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year. The minimum Renewable Energy purchase in FY 2023-24 is 18.70%.

Energy availability from all sources

Based on the foregoing analysis, the Commission now approves the energy availability from various sources as follows:

Table 5.11: Energy availability approved by the Commission for FY 2023-24 (MUs)

Particulars	Projected by Petitioner	Approved by Commission
Bilateral/ IEX	687.21	594.12
Renewable Energy	69.81	136.66
Total	**757.02**	**730.78**

5.6 Power purchase cost

Petitioner's submission

Based on the energy quantum estimated in table above, the power purchase cost for each of the sources is computed. The source-wise power purchase cost rate is provided in the following sections.

- Bilateral Sources/ Power Exchange – The power purchase rate for bilateral sources/power exchange is arrived at based on estimates of prevalent short-term market conditions.
- Renewable Power Purchase Cost – The Petitioner has estimated the purchase of power from the tied-up capacity of renewable energy sources to fulfil the Renewable Power Purchase Obligation in accordance with the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with the Amendment to the Regulations. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

The Petitioner will exercise various options with due commercial prudence with respect to sourcing of power. The details of Power purchase for the control period are shown below:

Table 5.12: Power purchase cost projected by TPL-D (D) for FY 2023-24 (Rs. Crore)

Particulars	Projected by Petitioner
Bilateral/ Power Exchange	377.97
Renewables	31.01
Total	**408.97**

Commission's analysis

As regards renewable energy power, TPL–D (D) has submitted the details of tied up sources, according to which only 9.63% RPO fulfilment is being projected by the Petitioner at 69.81 MU. However, the Commission has considered the 18.70% RPO target of 136.66 MU to be fulfilled at the approved energy requirement of 730.78 MU. The Commission has considered the cost of Purchase of balance requirement of Renewable energy to meet RPO requirement @4.44/kWh for the purpose of Power Purchase cost estimation. Since, the Power Purchase Cost is an estimate and therefore, the Licensee shall take due care to procure all additional Renewable Power Requirement through competitive bidding to pursue that the power purchase cost is optimized.

The Commission has considered these rates for determination of power purchase from Bilateral and IEX @Rs. 4.75/kWh as per the actuals of FY 2021-22 for FY 2023-24. The Commission has net off the incremental renewable energy requirement for RPO fulfilment from the energy scheduled of bilateral arrangement.

Considering above, the total procurement cost for power from different sources for TPL-D (D) during FY 2023-24 works out as given in the table below.

Table 5.13: Power purchase cost approved by the Commission for FY 2023-24 (Rs. Crore)

Energy Sources	Projected by Petitioner (Rs. Crore)	Approved by Commission (Rs. Crore)
Bilateral/ Power Exchange	377.97	282.21
Renewables	31.01	60.70
Total	**408.97**	**342.91**

5.7 Fixed Charges

5.7.1 Operation and Maintenance (O&M) Expenses

Petitioner's submission

The Hon'ble Commission in its order dated 20th October, 2022 has directed the utilities to consider principles and methodology as provided in the MYT Regulations, 2016.

The Petitioner has projected the O&M expenses of FY 2023-24 considering substantial increase in Sales and need for higher O&M Expenses to ensure reliability and enhanced customer services to its customers. Accordingly, the O&M expenses estimated for Dahej Supply Area is shown in the table below:

Table 5.14: O&M expenses projected by TPL- D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner
Operation & Maintenance Expenses	13.66

The Petitioner has submitted that the variation in O&M expenses does not consider the uncontrollable expenses such as the wage revision, change in law, change in levies/ duties/ taxes and charges, etc. and requested these components of uncontrollable factors and any such expenses on account of these factors are to be allowed over and above the normal allowable components.

Commission's analysis

The Petitioner has projected the O&M expenses for FY 2023-24 based substantial increase in Sales and need for higher O&M Expenses to ensure reliability and enhanced customer services to its customers.

However, the Commission has considered the average of actual O&M expenses approved in the last three years from FY 2019-20 to FY 2021-22 escalated @5.72% to arrive at O&M expenses at Rs. 11.45 Crore for FY 2023-24. **Accordingly, the Commission approves Rs. 11.45 Crore of O&M Expenses for FY 2023-24**.

5.7.2 Capital Expenditure, Capitalization and Sources of Funding

Petitioner's Submission

The Petitioner has projected capital expenditure of Rs.14.87 Crore for FY 2023-24 as per the details given in the Table below:

Table 5.15: Capital expenditure projected by TPL-D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner
EHV Network	10.65
HT Network	0.98
LT Network	0.16
Metering	0.18
Special Projects	2.00
Others Customer Care & IT	0.89
Total Cost	**14.87**

It is submitted that prudent CAPEX is planned for development of distribution network in the SEZ area to cater to the demand and provide reliable power to the consumers. TPL-D (Dahej) has furnished the details of major capital expenditure as detailed below:

(a) EHV: The petitioner has projected a capital expenditure of 10.65 Crore for EHV network.

- 220 kV Substation and Network: Major expenditure planned under this head pertains to replacement of existing SCADA system with latest version, which was planned in FY 2021-22, has been deferred to FY 2023-24 based on technical evaluation. Further, expenditure is also proposed towards 220kV Isolator replacement with new isolator to enhance reliability amongst others.
- 220 kV & 33 kV consumers: Capex has been considered towards expected energization of 33 kV consumers during FY 2023-24.
- 33 kV Substation and Network: Provision has been made for FRP ladder at 33kV East and West Substation to enhance safety.
- Testing and Measuring Instrument: Proposed capex for augmentation in EHV substation, testing equipment, Tools & tackles & measuring equipment during FY 2023-24.

Table 5.16: Capex under EHV network (Rs. Crore)

All Figures in Rs. Crore	FY 2023-24
EHV Network	
220 kV Substation and Network	3.87
220 kV and 33 kV Consumers	6.52
33 kV Substations	0.01
Testing & Measuring Instruments	0.25
Total	**10.65**

(b) HT

- Laying of network for release of new 11 kV HT connections
- 11kV new feeder network considered to mitigate future load growth requirement of surrounding area for FY 2023-24
- Supporting infrastructure, safety equipment, tools and tackles

Table 5.17: Capex under HT network (Rs. Crore)

All Figures in Rs. Crore	FY 2023-24
HT Network	
New HT Consumers	0.68
Cable Scheme	0.21
Miscellaneous	0.10

All Figures in Rs. Crore	FY 2023-24
Total	**0.98**

c) LT Network:

- Creating LT network to cater to new LT consumers
- Augmentation of LT network and replacement of fuse type MSP with switch type MSP for safety and reliability

Table 5.18: Capex under LT network

All Figures in Rs. Crore	FY 2023-24
LT Network	
Services on Existing Mains / DE	0.05
Extension / Reduction of Load	0.11
Total	**0.16**

d) Metering:

- Meters for new consumers and supporting infrastructure.
- Advanced metering infrastructure with smart meters

Table 5.19: Capex under metering

All Figures in Rs. Crore	FY 2023-24
Metering	**0.18**

e) Special Projects, Customer care & IT:

- During FY 2023-24, capex has been considered for Advanced Metering Infrastructure (excluding meter) and Meter Data Management System as per Ministry of Power notification.

Table 5.20: Capex under Others and Customer care

All Figures in Rs. Crore	FY 2023-24
Others	
Special Projects	2.00
Customer Care/IT	0.11
Stores	0.02
Safety	0.08
Civil	0.62
Miscellaneous	0.05
Total	**2.89**

Commission's analysis

The Petitioner has projected CAPEX of Rs.14.87 Crore for FY 2023-24 as detailed in the Table 5.15 above. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2023-24.

The Commission opines that in order to meet the load growth, system demand and to provide reliable quality supply has provisionally approved the CAPEX for FY 2023-24 as projected by the Petitioner as Rs. 14.87 Crore.

b) Capitalization and Gross Fixed Assets

Petitioner's Submission

The Petitioner has submitted that it will capitalize assets of Rs. 14.87 Crore in FY 2023-24.

Table 5.21: Capitalization projected for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner
Opening GFA	197.88
Addition to GFA	14.87
Deletion to GFA	-
Closing GFA	212.75
SLC addition	7.22

Commission's analysis

The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalisation entire CAPEX (i.e.100%) projected for FY 2023-24. The CAPEX and capitalisation projected include 220 kV SS and 33 kV SS schemes which have gestation period of around 1~2 years from the day of planning to CoD/ asset capitalised. The commission has considered capitalization of 77% of the proposed capitalization which is the average capitalization of the petitioner in the last 4 years.

Table 5.22: Projected Capex and Capitalisation by TPL-D (D) for FY 2023-24 (Rs. Crore)

Particulars	Capex	Capitalisation	% of Capex to Capitalisation
EHV Network	10.65	10.65	100%
HT Network	0.98	0.98	100%

Particulars	Capex	Capitalisation	% of Capex to Capitalisation
LT Network	0.16	0.16	100%
Metering	0.18	0.18	100%
Special Projects	2.00	2.00	100%
Others Customer Care & IT	0.89	0.89	100%
Total Cost	**14.87**	**14.87**	100%

The Commission has calculated GFA at Rs. 197.88 Crore as opening GFA for FY 2023-24. The Commission has considered, as deliberated on addition to GFA and Closing GFA as approved above. The Commission has considered the SLC addition as projected by the Petitioner, since these SLCs are received from the consumers and relates to service connections and not attributable to EHV schemes (i.e. EHV SS) for which capitalisation is regulated.

The Commission in terms of GERC (MYT) Regulations 2016 has approved the funding of capitalisation for normative debt-equity as shown in the Table below for FY 2023-24 The Commission as deliberated above has approved capitalization, Gross fixed Asset and source of funding for FY 2023-24 as given in the Table below:

Table 5.23: Capitalisation approved for FY 2023-24

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	197.88	195.46
Addition to GFA	14.87	11.46
Deletion to GFA	-	-
Closing GFA	212.75	206.92
Less: SLC Addition	7.22	7.22
Balance Capitalisation	7.65	4.23
Normative Debt @70%	5.35	2.97
Normative Equity @30%	2.29	1.27

5.7.3 Depreciation

Petitioner's Submission

TPL-D (Dahej) has projected **Rs.7.00 Crore** towards depreciation for FY 2023-24

Commission's analysis

The Commission has approved the opening value of depreciable GFA at Rs.195.46 Crore, based on the approved close GFA for FY 2021-22 as per true-up order at Rs. 184.19 and adding Rs.11.27 Crore approved with ARR for FY 2022-23. The GFA is further updated with the capitalisation approved for FY 2023-24. The rate of depreciation on assets and SLC is considered as per the GERC regulations and accordingly computed the depreciation for FY 2023-24 as given in the table below:

Table 5.24: Depreciation approved for FY 2023-24 (Rs. Crore)

Particulars	Approved by Commission
Opening value of GFA	195.46
Additions during year	11.46
Closing GFA	206.92
Average Depreciable Assets	201.19
Depreciation	9.48
Depreciation created out of SLC	2.67
Depreciation allowed	6.81

The Commission approves the depreciation for FY 2023-24 as shown in the above Table.

5.7.4 Interest and Finance Charges

Petitioner's Submission

TPL-D (Dahej) has projected a sum of Rs. 3.77 Crore towards interest on loans for FY 2023-24 as detailed in the Table below. The Petitioner has submitted that interest is calculated on normative loans in terms of the GERC (MYT) Regulations, 2016 by applying estimated opening Weighted Average Rate of interest of the actual loan portfolio of the Petitioner at the beginning of the year while repayment has been considered equal to the depreciation of the assets for the year.

Table 5.25: Interest on loans projected by TPL-D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner
Opening Balance	41.53
Loan addition during year	5.35
Repayment during year	7.00
Closing Balance	39.88
Average Loan	40.71
Weighted average rate of interest (%)	9.25%

Particulars	Claimed by Petitioner
Interest Expenses	3.77

Commission's analysis

The Commission has considered the normative closing loan balance in truing up for FY 2021-22 at Rs. 45.89 Crore and the normative loan based on capitalisation approved for FY 2022-23 in the order dated 31.03.2022 is added to arrive at closing loan balance for FY 2023-24. The same is further updated based on the capitalisation approved for FY 2023-24. The repayment of loans is considered as per the depreciation amount approved for FY 2023-24 in earlier sections.

The rate of interest is considered as per the weighted average interest rate as approved in true-up for FY 2021-22 and accordingly computed the interest on loan for FY 2023-24 as given in the table below:

Table 5.26: Interest on loans approved for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
Opening Balance	41.53	40.23
Addition of Loan	5.35	2.97
Repayment during year	7.00	6.81
Closing Balance	39.88	36.39
Average Loan	40.71	38.31
Weighted average rate of interest (%)	9.25%	7.30%
Interest Expenses	**3.77**	**2.80**

The Commission, accordingly, approves the interest on loan for FY 2023-24 as detailed in the table above.

5.7.5 Return on Equity

Petitioner's Submission

TPL-D (Dahej) has projected Rs.6.51 Crore towards Return on Equity @ 14% for FY 2023-24 as detailed in the Table below:

Table 5.27: Return on Equity projected by TPL-D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Claimed By Petitioner
Opening Equity	45.15
Equity Addition	2.29
Closing Equity	47.45
Return on Equity at beginning of year	*6.32*
Return on Equity addition during year	*0.16*
Total Return on Equity	**6.48**

Commission's analysis

The Commission has approved the closing equity in truing up for FY 2021-22 at Rs. 43.94 Crore and the same is added with the approved equity addition of Rs. 0.62 Crore for FY 2022-23 in the order dated 31st March 2022. The addition to equity is further updated based on the capitalisation approved for FY 2023-24.

The Commission accordingly computed the Return on equity for FY 2023-24 as given in the table below:

Table 5.28: Return on Equity approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Claimed By Petitioner	Approved by Commission
Opening Equity	45.15	44.56
Equity Addition	2.29	1.27
Closing Equity	47.45	45.83
Return on Equity at beginning of year	*6.32*	*6.24*
Return on Equity addition during year	*0.16*	*0.09*
Total Return on Equity	**6.48**	**6.33**

The Commission, accordingly, approves the Return on Equity for FY 2023-24 as detailed in the table above.

5.7.6 Interest on Consumer's Security Deposit

Petitioner's submission

The Petitioner has estimated the interest on security deposit for the year considering the interest rate of 4.25% consistent with the provisions of the MYT Regulations, 2016 on the average of opening balances and closing balance of security deposit for the Dahej supply area. The addition has been projected on the basis of trend observed in the supply area.

Table 5.29: Interest on Security Deposit projected for FY 2023-24 (Rs. Crore)

Particulars	Projection
Interest Rate	4.65%
Interest on Security Deposit	1.68

Commission's analysis

The Commission considers and approves the interest on security deposit as projected by the Petitioner for FY 2023-24.

The Commission, accordingly, approves the interest on security deposit at Rs. 1.68 Crore for FY 2023-24.

5.7.7 Income Tax

Petitioner's submission

For the purpose of estimation of income tax for FY 2023-24, the Petitioner has computed the Income Tax considering the total tax paid and the ratio of PBT of TPL-D (D) and PBT of the company as a whole as per audited accounts of FY 2021-22 at Rs. 0.65 Crore

Commission's analysis

The Commission has approved Rs. 0.65 Crore towards income tax in true up for FY 2021-22 and accordingly has considered **Rs.0.65 Crore towards income tax for FY 2023-24** in terms of regulation 41.1 subject to true up based on the actual tax paid for the relevant year as specified in regulation 41.2 of the GERC (MYT) Regulations 2016.

5.7.8 Contingency Reserve

Petitioner's submission

The Petitioner has submitted that MYT Regulations 2016 provides for contingency reserve at 0.5% of fixed asset and accordingly projected contingency reserve for FY 2023-24 as shown in the Table below.:

Table 5.30: Contingency Reserve projected by TPL-D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Projected by the Petitioner
Contingency Reserve	0.99

Commission's analysis

The Commission approves an amount of Rs. 0.99 Crore towards contingency reserve for FY 2023-24 in line with the provisions of GERC MYT Regulations, 2016.

5.7.9 Interest on Working Capital

Petitioner's submission

The interest on working capital is computed as per the MYT Regulations, 2016. The interest rate, being the SBI MCLR rate on 1st April, 2021 plus 250 basis points, of 9.50% is to be applied on the working capital requirement arrived at in accordance with the Regulations. The petitioner projected Interest on Working Capital to be as Rs. 0.02 Crore.

Commission's analysis

The Commission has computed the working capital requirement of TPL-D (Dahej) as specified in Regulation 40.4 and 40.5 of the GERC (MYT) Regulations 2016 read in conjunction with the GERC (MYT) (First Amendment) Regulations, 2016 after considering the security deposit amount available during the year.

The Petitioner has considered rate of interest @9.50% p.a. for computing interest on working capital for FY 2023-24. The Commission has verified the 1-year SBI MCLR as on 1st April 2022 is at 7.00%. Accordingly, the rate of interest (including 250 basis) as per regulations works out to 9.50% (7.00%+2.50%) for computation of interest on working capital for FY 2023-24.

The working capital requirement and the interest on working capital computed for FY 2023-24 is as shown in the Table below:

Table 5.31: Interest on Working Capital approved for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
O&M Expenses for 1 Month	1.14	0.95
Maintenance Spares @1% of GFA	1.98	1.95
Receivables for 1 Month	36.64	30.84
Less: Security Deposit	39.55	39.55
Net Working Capital Requirement	**0.21**	-
Rate of interest (%)	9.50%	9.50%
Interest on Working Capital	**0.02**	-

5.7.10 Non-Tariff Income

Petitioner's submission

The Petitioner has projected Non-Tariff Income at Rs. 3.59 Crore for FY 2023-24 based on the current trend and requested to approve the non-tariff income for FY 2023-24 as Rs. 3.59 Crore.

Commission's analysis

Regulations 89 and 97 of the GERC (MYT) Regulations, 2016 specify the Non-Tariff Income include various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

The Commission in the Order had approved Non-Tariff Income for ensuing years equal to the actual Non-Tariff Income approved in latest True Up. The Commission, has approved Rs.3.59 Crore towards Non-Tariff Income in truing up for FY 2021-22. The Petitioner has projected non-tariff income of Rs. 3.59 Crore for FY 2023-24. The Commission, hence considers the non-tariff income for FY 2023-24 as projected by the Petitioner as Rs. 3.59 Crore

5.7.11 Aggregate Revenue Requirement (ARR) for FY 2023-24

Petitioner's submission:

The Petitioner has projected the ARR for FY 2023-24 as given in the table below:

Table 5.32: ARR projected by the Petitioner for FY 2023-24 (Rs. Crore)

Particulars	Projected by Petitioner
Power Purchase	408.97
O&M Expense	13.66
Interest on Loans	3.77
Interest on Security Deposit	1.68
Interest on Working Capital	0.02
Depreciation	7.00
Bad Debts written off	-
Contingency reserve	0.99
Return on Equity	6.48
Income Tax	0.65
Less: Non-Tariff Income	3.59
Net ARR	**439.63**

Commission's analysis:

The Commission based on the costs/expenses approved in the preceding paragraphs has computed the ARR as given in the Table below:

Table 5.33: ARR approved in respect of TPL-D (Dahej) for FY 2023-24 (Rs. Crore)

Particulars	Projected by Petitioner	Approved by Commission
Power Purchase	408.97	342.91
O&M Expense	13.66	11.45
Interest on Loans	3.77	2.80
Interest on Security Deposit	1.68	1.68
Interest on Working Capital	0.02	-
Depreciation	7.00	6.81
Bad Debts written off	-	-
Contingency reserve	0.99	0.99
Return on Equity	6.48	6.33
Income Tax	0.65	0.65
Less: Non-Tariff Income	3.59	3.59
Net ARR	**439.63**	**370.02**

5.7.12 Revenue from Sale of Power

Petitioner's submission

The Petitioner has projected the revenue from sale of power at **Rs. 431.69 Crore** for FY 2023-24 considering the sales at existing tariff rates for different category of consumers. It is further submitted that the revenue from sale of power arrived at with existing tariff includes the revenue **from FPPPA Charges at Rs.1.88 per unit**.

Commission's analysis:

The Commission decides to revise and approve the base FPPPA for FY 2023-24 @ Rs. 1.17/kWh. Accordingly, the Commission considers the Revenue from sale of power at Rs. 381.19 Crore for FY 2023-24 with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @1.17/Unit).

5.1.1 Trued up net Revenue Gap/(Surplus) of FY 2021-22

The Commission has approved the net revenue gap in true up for FY 2021-22 including the gains/ losses shared on account of controllable and uncontrollable factors in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016. The Commission has also considered earlier years approved gap and also impact on ARR due to review petition of the Petitioner, which is mentioned in the previous Chapter. It is found that the Commission has calculated/computed an amount of Rs. 2.81 Crore as Gap for the TPL-D(Dahej) for FY 2021-22.

Regulation 21.6 (c) of the MYT Regulations, 2016 specify that carrying cost is to be allowed on the amount of revenue gap / (surplus) for the period from the date on which such gap / (surplus) has become due, calculated on the simple interest basis at the weighted average SBI Base Rate for the relevant year, subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the which revenue gap is addressed.

As stated above, the Gap approved for true-up of FY 2021-22 is Rs. 2.80 Crore and the related carrying cost @ 7.00% for two years is worked out as Rs. 0.41 Crore.

The Commission, accordingly, will consider the trued-up Revenue Gap of Rs. 3.21 Crore for FY 2021-22 which is inclusive of carrying cost. The same will consider for determination of tariff for FY 2023-24.

5.1.2 Revenue Gap/(Surplus) for FY 2023-24

The Commission has approved the ARR at Rs. 370.02 Crore and revenue from sale of power at Rs. 381.19 Crore with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @1.17/Unit).

The Commission has approved revenue gap of Rs. 3.21 Crore for FY 2021-22 after considering the Carrying cost, which is elaborated in the above sections.

The Commission accordingly computed the revenue Gap/(Surplus) for FY 2023-24 as given in the table below:

Table 5.34: Revenue Gap / (Surplus) approved for FY 2023-24 (Rs. Crore)

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2023-24	439.63	370.02
Revenue from Sale of Power at FPPPA of Rs. 1.17/ kWh	431.69	381.19
Revenue (Gap)/Surplus for FY 2023-24	**(7.94)**	**11.17**
Add: Revenue (Gap)/Surplus approved for FY 2021-22	(2.80)	(2.80)
Carrying cost on above (gap)/surplus for FY 2021-22	(0.53)	(0.205)
Carrying cost on above (gap)/surplus for FY 2022-23		(0.205)
Net Revenue (Gap)/Surplus for FY 2023-24	**(11.26)**	**7.96**

Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 7.96 Crore as against Rs. 11.26 Crore Gap as proposed by the Petitioner for FY 2023-24.

6. Compliance of Directives

6.1 Earlier Directives

The Commission had issued directives to the Petitioner in its order dated 31st March, 2020 in Case No. 1846/2019. In this regard, TPL- D (D) has already submitted the compliance to the Commission.

The status on compliance of the directive issued by the Commission is reproduced as under.

Directive 1: Long-Term Power Procurement Plan along-with RPO Commitments:

The Commission had directed the Petitioner to carry out a detailed study of load growth and power requirement with RPO commitments.

Compliance:

The Petitioner submits that presently, RE Developers are evaluating various options to offer RE Power with certainty using various options including Storage so as to deal with uncertainty and/ or intermittency of RE Power. The Petitioner is evaluating available options to make necessary tie-up with a view to reduce the cost while avoiding the issue of Intermittency of RE Power.

Regarding RPO fulfilment, the Petitioner has tied up solar power through bidding process for fulfilment of RPO. The Petitioner will update the Hon'ble Commission based on development of same.

Commission's Comment:

The Commission has noted the submission of the Petitioner and reiterates the directive and directs TPL to submit the report at the earliest.

Directive 2: Implementation of Smart pre-payment meter/ pre- payment meters

The Petitioner is directed for necessary participation in the scheme of switching over to smart pre-payment meters, which will help in improvement of metering, billing and collection.

Compliance:

The Petitioner submits that as per the existing Revamped Distribution Sector Scheme, private sector is not permitted to avail benefits under the Scheme. In turn, the Petitioner has written to the Ministry of Power to permit the private sector to avail benefits of the scheme and to provide financial support for implementing prepaid metering/ smart prepaid metering. However, there is no further update in the matter.

Commission Comment:

The commission has noted the submission of the Petitioner.

7. Fuel and Power Purchase Price Adjustment

7.1 Fuel Price and Power Purchase Price Adjustment

The Commission its Order in Case No. 1309/2013 and 1313/2013 vide dated 29th October,2013 has revised the formula for Fuel Price and Power Purchase Cost Adjustment (FPPPA) as mentioned below:

Formula

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

Where,

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.
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.
Loss in %	is the weighted average of the approved level of Transmission and Distribution Losses(%) for the four DISCOMs / GUVNL and TPL-D applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs/ GUVNL and TPL-D of the previous

	year for which true-up have been done by the Commission, whichever is lower.

7.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for TPL-D (D) including fixed cost, variable cost etc. from the various sources for FY 2023-24 as given in the Table below:

Table 7.1: Energy requirement and power purchase cost approved by the Commission for FY 2023-24

Particulars	Total Energy Requirement (MU)	Approved Power Purchase Cost (Rs. Crore)	Power Purchase Cost/Unit (Rs./kWh)
FY 2023-24	730.78	342.91	4.69

As mentioned above the base Power Purchase cost for TPL-D (D) is Rs. 4.69 per kWh.

As the Base Power Purchase Price (PPCB) of Rs. 4.06 per Unit in FY 2022-23 has been shifted to Rs. 4.69 per Unit for FY 2023-24, Accordingly, the Base FPPPA charge is increased from Rs. 0.54 per Unit to Rs. 1.17 per Unit. Therefore, the Commission has decided to approve the Base FPPPA charges at Rs. 1.17 per Unit for TPL-D (Dahej) in FY 2023-24.

Information regarding FPPPA recovery and the FPPPA calculation shall be kept on the website of TPL.

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

Regulation 87 of the GERC (MYT) Regulations, 2016 stipulates that the ARR be segregated as per the allocation matrix for segregation of expenses between Distribution Wires Business and Retail Supply Business for determination of wheeling charges. The allocation of expenditure to wheeling and retail supply business is based on the consideration that the distribution infrastructure up to the service line is part of the wheeling business and the distribution infrastructure from service line to consumer premises is a part of the retail supply business.

The allocation matrix as specified by the Commission for the segregation of expenses between Wires and Supply business is shown in the Table below:

Table 8.1: Allocation matrix for segregation to Wheeling and Retail Supply as per the GERC (MYT) Regulations, 2016

Particulars	Wire Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
A&G Expenses	50%	50%
R&M Expenses	90%	10%
Depreciation	90%	10%
Interest on Long Term Loans	90%	10%
Interest on Working Capital and Security Deposit	10%	90%
Bad Debts Written off	0%	100%
Income Tax	90%	10%
Contribution to Contingency Reserve	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

Petitioner's submission

Based on allocation matrix in Table 8.1, TPL-D (Dahej) has segregated the ARR of Dahej Supply Area for Wires and Supply business as under:

Table 8.2: Allocation matrix for segregation to Wheeling and Retail Supply for FY 2023-24 projected by the Petitioner (Rs. Crore)

Particulars	Wire Business	Retail Business
Power purchase	-	408.97
Employee expenses	3.00	2.00
Administration & General expenses	2.76	2.76
Repairs & Maintenance expenses	2.83	0.31
Depreciation	6.30	0.70
Interest and finance charges	3.39	0.38
Interest on Security deposits from consumers	0.17	1.51
Interest on working capital	-	0.02
Bad debts written off	-	-
Contribution to contingency reserve	0.99	-
Return on Equity	5.83	0.65
Income tax	0.59	0.07
Less: Non-tariff income	0.36	3.23
ARR	**25.50**	**414.13**

The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge for FY 2023-24.

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

Table 8.3: Segregation between Wires and Retail Supply business ARR as approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	ARR Approved	Wire Business	Retail Business
Power purchase	342.91	-	342.91
Employee expenses	2.79	1.68	1.12
Administration & General expenses	5.51	2.76	2.76
Repairs & Maintenance expenses	3.15	2.83	0.31
Depreciation	6.81	6.12	0.68
Interest and finance charges	2.80	2.52	0.28
Interest on Security deposits from consumers	1.68	0.17	1.51

Particulars	ARR Approved	Wire Business	Retail Business
Interest on working capital	0.00	-	-
Bad debts written off	0.00	-	-
Contribution to contingency reserve	0.99	0.99	-
Return on Equity	6.33	5.69	0.63
Income tax	0.65	0.59	0.07
Less: Non-tariff income	3.59	0.36	3.23
Net ARR	**370.02**	**22.99**	**347.04**

The above allocations of ARR are used for determination of wheeling charges for FY 2023-24.

8.2 Determination of Wheeling Charge

Petitioner's submission

TPL-D (D) submitted has submitted that the sales to the LT category are negligible. Hence, it has not segregated the wheeling ARR into LT and HT category. The wheeling charges for FY 2023-24 are submitted as below:

Table 8.4: Wheeling Charges proposed by the petitioner for FY 2023-24

Particulars	Projected by Petitioner
ARR of Wheeling Business (Rs. Crore)	25.50
Sales (MU)	711.31
Wheeling Charges (Rs./kWh)	0.36

TPL-D (D) further submitted that the Open Access consumers will also have to bear the wheeling Losses in addition to wheeling charges at 2.00% for HT category and 4.00% for LT Category.

Commission's Analysis

The commission has determined the ARR for wheeling business for FY 2023-24 as Rs. 23.98 Crore. The Petitioner has not segregated wheeling ARR between HT and LT voltage levels since the sales to the LT category are negligible. Accordingly, the Commission has derived the wheeling charges as shown below.

Table 8.5: Wheeling Charges determined by the Commission for FY 2023-24

Particulars	Approved
ARR of Wheeling Business (Rs. Crore)	22.99
Sales (MU)	711.31
Wheeling Charges (Rs./kWh)	**0.32**

The Open Access consumer will also have to bear the wheeling losses in addition to wheeling charges at 2.00% for HT category.

8.3 Determination of Cross Subsidy Surcharge

Petitioner's submission

TPL-D (D) submitted cross-subsidy calculation based on the formula enumerated in the Tariff Policy as shown in the Table below:

Table 8.6: Cross subsidy surcharge for FY 2023-24 submitted by TPL-D (D)

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	6.23
PPC – Average cost of power Purchase in Rs/ kWh	5.40
L – Loss for HT category in %	2.50%
D –Wheeling charges for HT category in Rs/ kWh	0.36
Cross subsidy surcharge in Rs/ kWh	**0.34**

Commission's analysis

The Government of India has issued 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 determined as shown in the Table below:

Table 8.7: Cross subsidy surcharge for FY 2023-24

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	5.36
PPC – Average cost of power Purchase in Rs/ kWh	4.69
L – Loss for HT category in %	2.00%
D –Wheeling charges for HT category in Rs/ kWh	0.32
Cross subsidy surcharge in Rs/ kWh	**0.25**

Accordingly, Cross Subsidy Surcharge for HTP-I Category is Rs. 0.25 per Unit for FY 2023-24.

8.4 Determination of Additional Surcharge

Petitioners Submission

As per the Regulation 25 of GERC (Terms & Conditions of Intra-State Open Access) Regulations, 2011, the Open Access consumer will also be required to pay an additional surcharge as per section 42 (4) of the Electricity Act, 2003.

Commission's view

The Petitioner should submit the requisite data and justification separately for determination of Additional Surcharge.

9. Tariff Philosophy and Tariff Proposal

9.1 Introduction

The Commission is guided by the provisions of the Electricity Act 2003, Tariff Policy and the GERC (MYT) Regulation, 2016 notified by the Commission.

This chapter discusses TPL-D (D)'s tariff proposal and provides the Commission's final decision on the same.

9.2 TPL-D (D)'s Tariff Proposals

The Petitioner has computed the cumulative gap/ (surplus) for FY 2021-22, FY 2023-24 and carrying cost as detailed in the earlier chapters.

Accordingly, the Petitioner proposes to recover this accumulated gap/ (surplus) by way of tariff revision.

The Petitioner submits that the Hon'ble Commission has approved the existing tariff structure based on widely recognized best practices in accordance with the legal framework and the principles as detailed hereunder:

- Consumers' capacity to pay
- Principles of cross subsidy prescribed by Tariff Policy
- Incentivising energy conservation
- Demand Side Management
- Promotion of efficient use of electricity

The Petitioner proposes to recover the cumulative gap of Rs. 11.26 Crore with effect from 1st April, 2023, by way of average tariff revision of Rs. 0.16 per unit during FY 2023-24. Accordingly, the Petitioner has proposed necessary revision in tariff by giving due consideration to existing tariff, cost of supply and tariff philosophy as detailed hereinabove. Further, the Petitioner also proposes to recover the past period gap & carrying cost by way of Regulatory Charge upon disposal of CP/RP and Appeals by Hon'ble GERC and/or APTEL.

The Petitioner would like to clarify that any variation in recovery of the said gap shall be dealt with during Truing up exercise for FY 2023-24.

The Petitioner would like to submit that it is in receipt of representation regarding introduction of "Green Tariff" in its license areas. However, the methodology for determination of "Green Tariff" is yet to be determined by the Hon'ble Commission. Hence, for FY 2023-24, the Petitioner proposes "Green Tariff" of Rs. 1.50 per unit over and above tariff for respective category of consumer.

9.3 Commission's Ruling on Retail Tariffs for TPL-D (Dahej) for FY 2023-24

The Tariff Policy and Electricity Act, 2003 provide for tariff structure rationalization. The Commission has in the past Orders, rationalized the tariffs in order to ensure that the tariffs reflect, as far as possible, the cost of supply. The Commission has also tried to address operational and field issues, keeping in view the interest of the consumers, while rationalizing the tariff structure.

However, as discussed earlier, the Commission has approved a cumulative revenue surplus of Rs. 7.96 Crore during FY 2023-24 in Chapter 5. It has been observed that the Petitioner has filed reviews/Appeals in various forums related past year gaps and related carrying costs, which are at the different stages. However, the revenue gap/surplus may vary while truing-up ARR for FY 2023-24, when actuals as per audited annual accounts are available. Keeping in view the cumulative surplus during FY 2023-24, the Commission decides to continue with the existing tariff structure. Accordingly, the category-wise tariff is retained at the same level as approved for FY 2023-24.

9.4 Green Power Tariff

The Petitioner has submitted that it has received representations regarding introduction of "Green Tariff" in its license areas. However, the methodology for determination of "Green Tariff" is required to be determined by the Hon'ble Commission. Hence, for FY 2023-24, the Petitioner proposes "Green Tariff" of Rs. 1.50 per unit.

It is noted that the petitioner has proposed the Green Tariff at the rate of Rs. 1.50 per Unit for FY 2023-24. Considering various aspects, the Commission decides to fix the Green Tariff as additional rate of Rs. 1.50 per Unit for Torrent Power Ltd. (Dahej) license area for 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 Torrent Power Limited -Distribution (Dahej) for FY 2023-24, as shown in the Table below:

(Rs. Crore)

ARR approved by the Commission for FY 2023-24

Particulars	Approved by Commission
Power Purchase	342.91
O&M Expense	11.45
Interest on Loans	2.80
Interest on Security Deposit	1.68
Interest on Working Capital	-
Depreciation	6.81
Bad Debts written off	-
Contingency reserve	0.99
Return on Equity	6.33
Income Tax	0.65
Less: Non-Tariff Income	3.59
Net ARR	**370.02**

The retail supply tariffs for TPL-D (D) for FY 2023-24 determined by the Commission are annexed to this Order. This Order shall come into force with effect from 1st April 2023.

-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 ELECTRICITYAT 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 all the consumers of Torrent Power Limited – Distribution in the Dahej SEZ area.
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. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purpose for which a lower tariff is provided in the tariff schedule, 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.
6. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipments from kilo watt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilo watt 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 kilowatt (HP or kW) as the case may be.

   The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on 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 billing period for any reason.

11. Contract Demand shall mean the maximum kW for the supply of which licensee undertakes to provide facilities 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/load for any billing period does not entitle the consumer to draw in excess of contract demand/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 licensees 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 10 days from the date of billing (excluding date of billing).

    Delayed payment charges will be levied at the rate of 15% per annum for the period from the due date till the date of payment.

    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

1.0 Rate: RGP

This tariff is applicable to all services in the residential premises.

Single-phase supply: Aggregate load up to 6 kW

Three-phase supply: Aggregate load above 6 kW

1.1 Fixed Charges:

For other than BPL consumers

Range of Connected Load:

Up to and including 2 kW	Rs.15/- per month
Above 2 and up to 4 kW	Rs.25/- per month
Above 4 and upto 6 kW	Rs.45/- per month
Above 6 Kw	Rs.70/- per month

For BPL household consumers*

Fixed Charges	Rs. 5 per month per installation

PLUS

1.2 Energy Charges: For the total monthly consumption:

For other than BPL consumers

(a)	First 50 units	215 Paise per Unit
(b)	Next 50 units	245 Paise per Unit
(c)	Next 150 units	310 Paise per Unit
(d)	Above 250 units	400 Paise per Unit

For BPL household consumers*

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rates 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 zonal office of the Distribution Licensee. The concessional tariff is only for 50 units per month.*

1.3 Minimum bill

Payment of fixed charges as specified in 1.1 above.

2.0 Rate: Non-RGP

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

2.1 Fixed charges per month:

Up to and including 10 kW of connected load	Rs. 50/- per kW
Above 10 kW and up to 40 kW of connected load	Rs. 85/- per kW

PLUS

2.2 Energy charges:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	290 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	320 Paise per Unit

2.3 Minimum Bill

Minimum bill per installation per month for consumers other than Seasonal Consumers: Payment of Fixed Charge as specified in 2.1 above.

2.4 Minimum Bill per Installation for Seasonal Consumers

a) "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice candy machines, ginning and pressing factory, oil mill, rice mill, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, etc.

b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing in advance about the off-season period during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

c) The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub- clause (a) above and complying with the provision stipulated under sub- clause (b) above shall be Rs. 1800/- per annum per kW of the contracted load.

d) The units consumed during the off-season period shall be charged for at a flat rate of 345 Paise per unit.

e) The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be taken into account while determining the amount of short- fall payable towards the annual minimum bill as specified under sub-clause (c) above.

3.0 <u>Rate: LTMD</u>

This tariff is applicable to the services for the premises those 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 consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff.

3.1 Fixed charges:

(a)	**For billing demand up to the contract demand**	
	(i) For first 40 kW of billing demand	Rs. 90/- 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. 195/- per kW per month
(b)	**For billing demand in excess of the contract demand**	Rs. 265/- per kW per month

PLUS

3.2 Energy charges:

For the entire consumption during the month	325 Paise per unit

PLUS

3.3 Reactive Energy Charges:

For all the reactive units (KVARH) drawn during the month	10 Paise per KVARH

3.4 Billing Demand

The billing demand shall be highest of the following:

(a) Eighty-five percent of the contract demand

(b) Actual maximum demand registered during the month

(c) 15 kW

3.5 Minimum Bill

Payment of demand charges every month based on the billing demand.

3.6 Seasonal Consumers taking LTMD Supply:

3.6.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

3.6.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

3.6.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub clause 3.6.1 above and complying with provisions stipulated under sub clause 3.6.2 above shall be Rs. 2970/- per annum per kW of the billing demand.

3.6.4 <u>The billing demand shall be the highest of the following</u>:

(a) The highest of the actual maximum demand registered during the calendar year.

(b) Eighty-five percent of the arithmetic average of contract demand during the year.

(c) 15 kW.

3.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 345 Paise per unit.

4.0 <u>Rate: Non-RGP Night</u>

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

4.1 Fixed Charges per month:

50% of the Fixed charges specified in Rate Non-RGP above.

PLUS

4.2 Energy Charges:

For entire consumption during the month	270 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 4.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 4.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per Non-RGP category demand charge rates given in para 2.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 2.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 2.1 and 2.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular Non-RGP tariff category to Rate: Non-RGP Night tariff or from Rate: Non-RGP Night tariff category to regular Non-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

5.0 <u>Rate: LTMD- Night</u>

This tariff is applicable for aggregate load above 40 kW and using electricity **<u>exclusively during night hours</u>** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

5.1 Fixed Charges per month:

50 % of the Fixed charges specified in Rate **LTMD** above.

PLUS

5.2 Energy Charges:

For entire consumption during the month	275 Paise per unit

5.3 Reactive Energy Charges:

For all reactive units (KVARH) drawn during the month	10 Paise per KVARH

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 5.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 5.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 3.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 3.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 3.1 and 3.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*

7. *The option can be exercised to shift from regular LTMD tariff category to Rate: LTMD-Night tariff or from Rate: LTMD-Night tariff category to regular LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

6.0 Rate: WWSP

This tariff shall be applicable to services used for water works and sewerage pumping purposes.

(a)	Fixed charges per month	Rs. 20 per HP

PLUS

(b)	Energy charges per month: For entire consumption during the month	305 Paise per Unit

7.0 Rate: SL

7.1 Tariff for Street Light for Local Authorities and Industrial Estates:

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

7.1.1 Energy Charges:

For all the units consumed during the month	280 Paise per unit

7.1.2 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal and replacement of lamp at his cost by 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.

7.1.3 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting system shall be carried out by Distribution Licensee.

8.0 Rate: TMP

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

8.1 FIXED CHARGE

Fixed charge per installation	Rs. 15 per kW per Day

PLUS

8.2 ENERGY CHARGE

A flat rate of	485 Paise per unit

Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 hours' notice.

9.0 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, NRGP, LTMD etc.

9.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2 ENERGY CHARGE

Energy Charge	345 Paise per Unit

PART-II
TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION (3.3 KV AND ABOVE, 3-PHASE 50 C/S), AND EXTRA HIGH TENSION

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

10.0 Rate: HTP-I

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT Categories.

10.1 Demand Charges;

10.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

10.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month

PLUS

10.2 Energy Charges

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	290 Paise per Unit
(b)	For next 2000 kVA of billing demand	310 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	320 Paise per Unit

PLUS

10.3 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	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

10.4 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

10.5 Minimum Bills:

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

10.6 Power Factor Adjustment Charges:

10.6.1 Penalty for poor Power Factor:

1. 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 10.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
2. 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 10.2 of this schedule, will be charged.

10.6.2 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 10.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

10.7 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 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in KW/KVA directly, have been provided.

10.8 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.

10.9 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%

10.10 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 (recorded by a polyphase meter operated through time-switch) shall be eligible for concession at the rate of 30 Paise per unit. The polyphase meter and time switch shall be procured and installed by the consumer at his cost and sealed by the Distribution Licensee.

10.11 Seasonal Consumers taking HT Supply:

10.11.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

10.11.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

10.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub clause 10.11.1 above and complying with provisions stipulated under sub clauses 10.11.2 above shall be Rs. 4550/- per annum per kVA of the billing demand.

10.11.4 The billing demand shall be the highest of the following:

(a) The highest of the actual maximum demand registered during the calendar year.
(b) Eighty-five percent of the arithmetic average of contract demand during the year.
(c) One hundred kVA.

10.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 350 Paise per unit.

10.11.6 Electricity bills paid during off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads “Demand Charges” and “Energy Charges” shall be taken into account while determining the amount payable towards the annual minimum bill.

11.0 Rate HTP-II

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 KVA and above, requiring power supply for Water Works and Sewerage pumping stations.

11.1 Demand Charges:

11.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 225/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 290/- per kVA per month

11.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month

PLUS

Energy Charges:

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	310 Paise per Unit
(b)	For next 2000 kVA of billing demand	330 Paise per Unit

(c)	For billing demand in excess of 2500 kVA	340 Paise per Unit

PLUS

11.2 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	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

11.4 Billing demand
11.5 Minimum bill
11.6 Maximum demand and its measurement
11.7 Contract Demand
11.8 Rebate for supply at EHV
11.9 Concession for use of electricity during night hours

Same as per HTP-I Tariff

11.10 POWER FACTOR ADJUSTMENT CHARGES:

11.10.1 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 11.2 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 11.2 of this schedule, will be charged.

11.10.2 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 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

12.0 Rate: HTP-III

This tariff shall be applicable to a consumer taking supply of electricity at high voltage, contracting for not less than 100 kVA for temporary period. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

12.1 Demand Charges:

For billing demand up to contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

PLUS

12.2 Energy charges

For all units consumed during the month	550 Paise / Unit

12.3 Time of Use Charges:

PLUS

Additional charge for energy consumption during two peak periods, viz. 0700 Hrs. to 1100 Hrs. an 1800 Hrs to 2200 Hrs.	75 Paise per unit

12.4 Billing demand 12.5 Minimum bill 12.6 Maximum demand and its measurement 12.7 Contract Demand 12.8 Rebate for supply at EHV	Same as per HTP-I Tariff

12.9 POWER FACTOR ADJUSTMENT CHARGES:

12.9.1 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 12.2 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 12.2 of this schedule, will be charged.

12.9.2 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 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13.0 <u>Rate: HTP-IV</u>

This tariff shall be applicable for supply of electricity to HT consumers opting to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day and contracted for regular power supply of 100 kVA and above.

13.1 Demand Charges:

1/3rd of the Fixed Charges specified in rate HTP -I above

PLUS

13.2 Energy Charges:

For all units consumed during the month	270 Paise per unit

Billing demand 13.4 Minimum bill 13.5 Maximum demand and its measurement 13.6 Contract Demand 13.7 Rebate for supply at EHV	Same as per HTP-I Tariff

13.8 POWER FACTOR ADJUSTMENT CHARGES:

13.8.1 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 13.2 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 13.2 of this schedule, will be charged.

13.8.2 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 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 13.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 13.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 10.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 10.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption*

during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 10.1 and 10.2 respectively, of this schedule.

6. *This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular HTP-I tariff category to Rate: HTP-IV tariff or from Rate: HTP-IV tariff category to regular HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

14.0 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, HTP-II, HTP-III & HTP-IV.

14.1 Demand Charge

For billing demand up to contract demand	Rs. 25 per kVA per month
For billing demand in excess of contract demand	Rs. 50 per kVA per month

PLUS

14.2 Energy Charge

Energy Charge	340 Paise per Unit