GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

Tariff Order

Truing up for FY 2022-23

and

Determination of Tariff for FY 2024-25

For

GIFT Power Company Limited

(GIFT PCL)

Case No. 2327 of 2024

1st June, 2024

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GANDHINAGAR

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ABBREVIATIONS

A&G	Administrative and General Expenses
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
Control period	The period from FY 2016-17 to FY 2020-21
DISCOM	Distribution Company
DPC	Delayed Payment Charges
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA/FAC	Fuel and Power Purchase Price Adjustment / Fuel Adjustment Charges
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GIDC	Gujarat Industrial Development Corporation
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
MUs	Million Units (Million kWh)
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PPA	Power Purchase Agreement
PPC	Power Purchase Cost
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

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2327 of 2024

Date of the Order: 1st June, 2024

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S.R. Pandey, Member

ORDER

1. Background and Brief History

1.1. About Gujarat International Finance Tec-City Power Company Ltd. (GIFT PCL)

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner'), is a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited incorporated under the provisions of the Companies Act, 1956 having its office at EPS Building No. 49A, Block No. 49, Zone-4, Gyan Marg, GIFT City, Gandhinagar-382355. The Petitioner is engaged in power distribution business since March -2013 for GIFT City area.

The Commission granted License of Distribution of Electricity vide Order dated 6th March, 2013 in Licence Application No. 1 of 2012 to the Petitioner. The Petitioner was incorporated preliminary to cater the power requirement of GIFT City which includes both Special Economic Zone (SEZ) and Domestic Tariff Area (DTA) Zone in Gift City, Gandhinagar.

1.2. Commission's Order for Truing up for FY 2020-21 and Determination of ARR & Tariff for FY 2022-23

The Petitioner had filed its Petition for Truing up for FY 2020-21 and determination of Tariff for FY 2022-23 on 1st December, 2021. After technical validation the Petition was registered on 4th December, 2021 (under Case No. 2037 of 2021). The Commission vide Order dated 31st March, 2022 approved the Truing up for FY 2020-21 and determined the ARR and Tariff for FY 2022-23.

1.3. Commission's Order for Truing up for FY 2021-22 and Determination of ARR & Tariff for FY 2023-24

The Petitioner had filed its Petition for Truing up for FY 2021-22 and determination of Tariff for FY 2023-24 on 22nd December, 2022. After technical validation the Petition was registered on 28th December, 2022 (under Case No. 2170 of 2022). The Commission vide Order dated 31st March, 2023 approved the Truing up for FY 2021-22 and determined the ARR and Tariff for FY 2023-24.

1.4. Background of the Present Petition

GIFT Power Company Ltd., a Distribution Licensee, has filed the present Petition under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as the GERC (MYT) Regulations, 2016), for the True up of FY 2022-23, Approval of ARR for FY 2024-25 and Determination of Tariff for FY 2024-25.

Gujarat Electricity Regulatory Commission (hereinafter referred to as 'GERC' or the 'Commission') notified the GERC (MYT) Regulations, 2016 on 29th March, 2016, which was applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 until 31st March, 2021. The Commission, vide Suo-Motu Order No. 2264 of 2023 dated 5th December, 2023, directed all the concerned Utilities to file the tariff application for approval of true-up for FY 2022-23 and approval of Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25 based on principles and methodology as provided in the GERC (MYT) Regulations, 2016 on or before 12th January, 2024.

Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of Petition comprising Truing up for FY 2022-23, ARR for FY 2024-25, and Tariff for FY 2024-25.

1.5. Registration of the Current Petition and Public Hearing Process

The Petitioner has submitted the current Petition for approval of Truing up for FY 2022-23, approval of ARR and Determination of Tariff for FY 2024-25 on 9th January, 2024. After technical validation of the Petition, it was registered on 24th January, 2024 and as provided under Regulation 29.1 of GERC MYT Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, M/s Gift PCL was directed to publish its application in newspapers to ensure wide public participation for submission of objections / suggestions on the present Petition.

The Public Notice, inviting objections/suggestions from the stakeholders on the Petition, was published by the Petitioner in the following newspapers:

Table 1.1: List of newspapers in which Public Notice was published by the Petitioner

Sr. No.	Name of the Newspaper	Language	Date of publication
1	The Times of India	English	01/02/2024
2	Divya Bhaskar	Gujarati	01/02/2024

The Petitioner also placed the public notice and the Petition on its website (www.giftgujarat.com) for inviting objections and suggestions on the Petition. The interested parties/stakeholders were asked to file their objections / suggestions on the Petition on or before 2nd March, 2024. Further, the Commission has also uploaded the Petition & Public Notices on its website (www.gercin.org) in downloaded format seeking objections and suggestions on the petition from the stakeholders.

The Commission also issued a notice for Public Hearing in the following newspapers in orders to solicit wider participation by the stakeholders:

Table 1.2: List of newspapers in which Public Notice was published by the Commission

Sr. No	Name of the Newspaper	Language	Date of publication
1	Indian Express	English	29/02/2024
2	Divya Bhaskar	Gujarati	28/02/2024
3	Gujarat Samachar	Gujarati	28/02/2024

The Commission as well as the Petitioner have received objections / suggestions from one Objector, namely, M/s Tata Consultancy Services (Ahmedabad) vide its letter dated 29th Feb 2024 against the Tariff Petition in Case No. 2327/2024. The Commission has conducted public hearing for M/s GIFT PCL on 4th March 2024. TCS vide letter dated 29 Feb 2024 has requested the Commission to review the green tariffs approved for GIFT PCL for supply of green to the consumers. They have further requested to approve the green tariff rates in the range of 0.25-0.50 /kwh over and above the tariff applicable for respective category of consumer for FY 2024-25

1.6. Approach of this Order

The GERC (MYT) Regulations, 2016, provide for Truing up of the previous year and Determination of Tariff for the ensuing year. GIFT PCL has submitted the current Petition for Truing up of FY 2022-23 and Determination of ARR & Tariff for FY 2024-

25. GIFT PCL has also submitted the final Audited Accounts for FY 2022-23 and has requested to adopt the UGVCL's Tariff for retail supply in its GIFT City area due to a small consumer base and underdevelopment of network infrastructure.

The Commission has undertaken Truing up for FY 2022-23, and computation of Gains and Losses for FY 2022-23, based on the Audited Annual Accounts as per the provisions of MYT Regulations, 2016.

While Truing up for FY 2022-23, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised, based on the actual performance observed.
- The Truing up for FY 2022-23 has been considered, based on the GERC (MYT) Regulations, 2016.
- Determination of Tariff for FY 2024-25 have been considered as per the GERC (Multi-Year Tariff) Regulations, 2016.

The Commission has taken into consideration the Auditor's certificate and data of actuals submitted by the Petitioner and the clarifications / additional information sought and received from the Petitioner, for finalizing the Order for FY 2024-25.

1.7. Contents of this Order

This Order consists of the following chapters:

- The **First Chapter** provides a brief background of the Petitioner, the Petition and details of the public hearing process and the approach adopted for this Order.
- The **Second Chapter** outlines the Summary of GIFT PCL's Petition.
- The **Third Chapter** deals with the Objections and Suggestions.
- The **Fourth Chapter** deals with the Truing-up for FY 2022-23.
- The **Fifth Chapter** deals with the Determination of ARR for FY 2024-25.

- The **Sixth Chapter** deals with the Determination of Tariff for FY 2024-25.
- The **Seventh Chapter** deals with the Additional submission by the Petitioner
- The **Eighth Chapter** deals with the Directives of the Commission.
- The **Ninth Chapter** deals with Fuel and Power Purchase Price Adjustments.
- The **Tenth Chapter** deals with determination of the Wheeling Charges and Cross-Subsidy Surcharge.
- The **Eleventh Chapter** deals with the Tariff philosophy and Tariff proposal.

2. Summary of GIFT PCL's Petition

2.1. Introduction

This Chapter deals with the summary of the Petition as submitted by GIFT PCL for Truing up for FY 2022-23 and determination of ARR and Tariff for FY 2024-25.

2.2. True-up of FY 2022-23

A summary of expenses under different heads of the ARR for Truing-up of FY 2022-23 compared with the approved ARR for FY 2022-23 in Tariff Order dated 31st March, 2022 in Case No. 2170/2022 as submitted by GIFT PCL is presented in the Table below along with the item-wise computations for Gains/ Losses:

Table 2.1: True-up ARR proposed by GIFT PCL for FY 2022-23

(Rs. Crore)

Particulars	Approved	Actual	Difference	Gains/ (Losses) due to Controllable factors	Gains/ (Losses) due to Un-Controllable factors
Power Purchase Expenses	17.48	23.10	(5.62)	-	(5.62)
Operation & Maintenance Expenses	2.08	4.85	(2.77)	-	(2.77)
Depreciation	1.24	5.74	(4.50)	-	(4.50)
Interest & Finance Charges	0.56	3.14	(2.57)	-	(2.57)
Return on Equity	0.82	4.73	(3.91)	-	(3.91)
Interest on Working Capital	-	-	-	-	-
Interest on Security Deposits	0.28	0.29	(0.01)	-	(0.01)
Income Tax	-	-		-	
Contingency Reserve	0.12	-	0.12	-	0.12
Less: Non-Tariff Income	1.13	0.77	(0.36)	-	(0.36)
Less: Income from Other Business	-	0.015	-	-	-
Total Aggregate Revenue Requirement	**21.45**	**41.08**	**(19.63)**		**(19.63)**

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

The Table below summarizes the proposed ARR claimed by GIFT PCL for Truing up of FY 2022-23.

Table 2.2: Trued-up ARR as claimed for FY 2022-23

(Rs. Crore)

Particulars	Legend	Actual Claimed
ARR as per MYT Order	**A**	21.45
Gains/(Losses) due to Uncontrollable Factors	B	**(19.63)**
Gains/(Losses) due to Controllable Factors	C	00
Pass through as Tariff	D=-(1/3 of c + b)	**(19.63)**
Trued up ARR	**E=A+D**	41.08
Revenue	F	28.85
Gap/(Surplus) for FY 2022-23	**G=E-F**	12.23

2.4. ARR, Revenue at Existing Tariff, Revenue Gap and Tariff Proposal for FY 2024-25

GIFT PCL has sought approval for final Aggregate Revenue Requirement for FY 2024-25. GIFT PCL has proposed the revenue requirement for FY 2024-25, as under:

Table 2.3: ARR for FY 2024-25

(Rs. Crore)

Particulars	2024-25
Power Purchase Expenses	36.24
O&M Expenses	6.91
Depreciation	7.22
Interest and Finance Charges	3.76
Interest on security deposit	0.38
Interest on Working Capital	0.00
Provision for bad debts	0.00
Contingency Reserve	0.70
Income Tax	0.00
Return on Equity @ 14%	5.80
Less: Non-Tariff Income	0.84
Total Aggregate Revenue Requirement	**60.17**

2.5. Revenue Gap / (Surplus) for FY 2024-25

The stand-alone Revenue Gap for FY 2024-25 as proposed by GIFT PCL is as follows:

Table 2.4: Revenue Gap / (Surplus) for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Claimed
1	ARR for FY 2024-25 [a]	60.17
2	Revenue from Existing Tariff for FY 2024-25 [b]	55.18
3	Revenue Gap / (Surplus) in FY 2024-25 [c=(a-b)]	4.99

The Petitioner has requested the Commission to consider the above gap and introduce appropriate regulatory charges for recovering the same.

2.6. GIFT PCL's request to the Commission

1. To condone the delay, if any, occurred in filing of the present Petition.
2. Admit the Petition for True-up for FY 2022-23, Aggregate Revenue Requirement for FY 2024-25 and Tariff Determination for FY 2024-25.
3. Approve the cumulative gap/surplus as requested after True-up of FY 2022-23.
4. Approve the Aggregate Revenue Requirement for FY 2024-25.
5. Approve base FPPPA and base power purchase cost as proposed by the Petitioner.
6. Approve Wheeling ARR and corresponding charges for wheeling of power;
7. Approve Cross Subsidy Surcharges, if any.
8. Approve Tariff Schedule as proposed by the Petitioner.
9. Approve the Solar Generation Business as 'Generation Business of the Petitioner.
10. Approve the Back-up Power Business as 'Other Business of the Petitioner.
11. Approve Green Power Tariff as proposed by the Petitioner.
12. Approve introduction of appropriate regulatory charges to recover the losses in ensuing year.
13. Allow additions/ alterations/ changes modifications to the application at a future date.
14. Allow any other relief, Order or Direction, which the Commission deems fit to be issued.

15. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date.

3. Brief Outline of the Objections raised, Response from the Petitioner and the Commissions View

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by GIFT PCL for Truing up of FY 2022-23 and determination of ARR for FY 2024-25 under the GERC (MYT) Regulations, 2016, M/s Tata Consultancy Services (TCS) Ahmedabad filed their objections / suggestions in writing. The objections / suggestions of the M/s TCS Ahmedabad and the views of the Commission, are given below:

3.1. Green Tariff

The objector has filed objections/comments on the Petition filed by GIFT PCL vide letter dated 29th Feb 2024. TCS has requested the Commission to review the Green Tariff rate imposed for FY 2023-24. They have further requested to approve the Green Tariff rate in the range of 0.25-0.50 /kWh over and above to the tariff applicable for respective category of consumer for FY 2024-25 instead of present rate of Rs. 1.50 per kWh.

Commission's View:

The Commission has noted the submission of the Objector. The Commission has also noted that the Petitioner has not sought any change in the existing Tariff and proposed that the Tariff Schedule for the different categories of consumers may be made applicable as per the Tariff Schedule of Uttar Gujarat Vij Company Ltd (UGVCL). Accordingly, the Tariff Schedule for the Petitioner including Tariff for supply of Green Energy to the consumer by GIFT PCL for FY 2024-25 shall be governed by the Tariff Schedule approved by the Commission for UGVCL.

4. Truing up for FY 2022-23

4.1. Introduction

This Chapter deals with the Truing up for FY 2022-23 of GIFT PCL. The Commission has analysed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2022-23 in the following paragraphs:

4.2. Energy Sales

Petitioner's submission

The Petitioner has submitted that the actual energy sales for FY 2022-23 are 36.49 MU, as against the sales of 42.01 MU approved in the Tariff Order dated 31st March, 2022. GIFT PCL has submitted the category wise actual energy sales for FY 2022-23 as shown in the Table below.

Table 4.1: Energy Sales submitted by GIFT PCL for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual Claimed
RGP	0.23	0.29
Non RGP	2.05	1.93
LTMD	3.78	4.27
LT-EVCS	0	0.005
GLP	0.62	0.65
Temporary	1.88	1.34
HTP I	33.0	27.81
HTP III	0.45	0.065
HT- EVCS	0	0.125
Total	**42.01**	**36.49**

The Petitioner has submitted that, due to technical constraints, the Petitioner has provided LT Metering to 18 nos of consumers out of 24 Nos. of consumers falling under HTP-1 Category in the High-Rise buildings. Also, a separate Petition (1875/2020) for Approval of LT Metering and Billing for HTP-I Category Modification has been filed and pending before this Commission.

GIFT PCL has submitted that the deviation in energy sales is because of variation in occupancy of high-rise buildings. In the licensee area, most of the consumers are of commercial type involved in service sector and during FY 2022-23 some of the commercial establishments were operating as work from home basis and due to delay in start of projected building construction. However, Petitioner has achieved the energy sales target of 86.85% against the projected energy sales during FY 2022-23.

Commission's view

The Commission has verified the details of energy sales as submitted in the monthly return under Form A specified in Rule 6 (1) (A) filed by the Petitioner with the office of Chief Electrical Inspector and Collector of Electricity Duty. The energy sales for FY 2022-23 are approved as shown below:

Table 4.2: Energy Sales approved by the Commission for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	**42.01**	**36.49**	**36.49**

Accordingly, The Commission approves Energy Sales of 36.49 MU for Truing up of FY 2022-23.

4.3. Distribution Losses

Petitioner's submission

The Petitioner has created reliable infrastructure to provide power connectivity to its consumers in SEZ and NoN-SEZ area which is spread over a land parcel of 886 acres. The Petitioner has considered N-1 network redundancy at all levels for higher power reliability and availability to end consumers in the Distribution License Area.

The Petitioner has submitted that in FY 2022-23, the actual Distribution Losses were at 3.06% against Distribution Losses of 3.21% approved by the Commission in the Tariff Order dated 31st March, 2022. The Petitioner has submitted that it has succeeded in bringing down the actual Distribution Losses from 6.37% in FY 2016-17 to 3.06% in FY 2022-23 as shown in table below:

Table 4.3: Reduction in Distribution Loss achieved over the years

Financial Year	Input Units at GIFT PCL periphery (MU)	Units sold (MU)	Losses (%)
2016-17 (actual)	9.10	8.52	6.37%
2017-18 (actual)	15.45	14.49	5.97%
2018-19 (actual)	18.48	17.45	5.56%
2019-20 (actual)	22.24	21.53	3.21%
2020-21 (actual)	21.21	20.54	3.21%

Financial Year	Input Units at GIFT PCL periphery (MU)	Units sold (MU)	Losses (%)
2021-22 (actual)	27.27	26.45	3.01%
2022-23 (actual)	37.64	36.49	3.06%

Considering the decreasing trend, the Petitioner has requested the Commission to approve the actual Distribution Loss of 3.06% for the FY 2022-23 as shown in the Table below:

Table 4.4: Distribution Losses (%) claimed for FY 2022-23

Particulars	Approved in the Tariff Order	Actual Claimed
Distribution Losses	3.21%	3.06%

Commission's view

The Commission has noted the submission of the Petitioner regarding the under loading of the distribution assets due to lower consumer demand as compared to the anticipated demand. Considering that the distribution network in the licence area of GIFT PCL is yet to be fully established and the consumer load is also yet to be stabilized, the actual Distribution Losses of GIFT PCL are considered as uncontrollable in line with the submission of GIFT PCL.

The Energy sales are considered as 36.49 MU as approved by the Commission in the previous section which results in Distribution Losses of 3.06%. Commission observes that the Distribution Losses have slightly increased from 3.01% in FY 2021-22 to 3.06% in FY 2022-23, but is lower than what was approved in Order dated 31st March 2022. **Accordingly, the Commission approves Distribution Losses of 3.06% for Truing up of FY 2022-23 as shown below:**

Table 4.5: Distribution Losses approved for FY 2022-23

(%)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Distribution Losses	3.21%	3.06%	3.06%

4.4. Energy Requirement

Petitioner's submission

GIFT PCL has projected the energy requirement based on actual Energy sales and actual Distribution Losses as shown below:

Table 4.6:Energy Requirement claimed for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual Claimed
Energy Sales	42.01	36.49
Distribution Losses (%)	3.21%	3.06%
Distribution Losses (MU)	1.39	1.15
Total Energy Requirement	43.40	37.64

Commission's view

The Commission had approved the Distribution Losses at 3.21% for FY 2022-23 in the Tariff Order dated 31st March, 2022. The Commission has computed the Energy Requirement with Distribution Losses at 3.06% a s approved for FY 2022-23 based on actuals as given in the Table below:

Table 4.7: Energy Requirement approved for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	42.01	36.49	36.49
Distribution Losses (%)	3.21%	3.06%	3.06%
Distribution Losses	1.39	1.15	1.15
Total Energy Requirement	43.40	37.64	37.64

Accordingly, the Commission approves the total Energy Requirement of 37.64 MU for Truing up of FY 2022-23.

4.5. Power Purchase Cost

Petitioner's submission

The actual power purchase for FY 2022-23 is compared with the power purchase approved by the Commission.

As per energy balance, the actual source wise purchase quantum and cost for FY 2022-23 as claimed by the Petitioner was 37.64 MU and Rs. 23.10 Crore respectively, which is shown in the Table below:

Table 4.8: Power Purchase Quantum claimed for FY 2022-23

Sources	Power Purchase Quantum (MUs)		Power Purchase Cost (Rs. Crores)	
	Approved	Actual	Approved	Actual
PTC India Ltd / PCBL*	16.99	23.14	6.37	12.35
Solar Energy (PX)	3.36	0.16	1.51	0.14
Non-Solar Energy (PX)	3.91	0.37	1.76	0.46
Power Exchange – IEX DAM	19.14	12.21	7.66	8.49
UI DSM	-	1.76	-	1.47
PTC Power Trading Margin	-	-	0.17	0.17
Total	**43.40**	**37.64**	**17.48**	**23.10**

** The Commission has approved the quantum as power purchase from PTC India Ltd*

The Petitioner has procured most of its electricity requirement through MTOA and IEX during FY 2022-23. The medium-term power requirement has been procured from PCBL through bilateral PPA. The Petitioner has submitted the following justifications for the power purchase cost incurred:

- Petitioner has issued a fresh Work Order to PTC by optimizing fixed cost in FY 2022-23 in order to assist GIFTPCL in sourcing power from open market (Generators and Power Exchange). This fresh Work Order has enabled savings of around Rs. 20 Lakhs in Fixed Cost.
- Medium term PPA was executed with PCBL through PTC for base demand of 2 MW / 3 MW RTC basis for a period of 1 year.
- The power requirement for variable demand has been procured from Power Exchanges on day ahead basis.
- Petitioner had made efforts to purchase Renewable Energy from GDAM Segment in Power Exchanges but was successful limited times due to high-price discovery.

Power Procurement through PTC/PCBL under MTOA Booking: The Petitioner has submitted that it has purchased 2 MW RTC power from PTC/PCBL from April’2022 to June’2022 and later on purchased 3.0 MW RTC power from PTC/PCBL from July’2022 to March’2023. Under the mentioned PPA’s, the Petitioner had to pay GETCO Transmission Charges and SLDC Scheduling & Operating charges as applicable from time to time. Considering the transmission charges paid to GETCO and SLDC charges, average landed cost for FY 2022-23 was accounted at Rs. 5.39/Unit (including trading margin) for this transaction. The Salient Features of the executed PPA's are given below:

- PPA for 2.0 MW RTC power was from 1st July-2021 to 30th June-2022.
- PPA for 3.0 MW RTC power was from 1st July-2022 to 30th June-2023.
- Delivery point shall be interconnection point of Generator with GETCO system.
- Transmission charges and losses, scheduling charges and other charges, up to the delivery point shall be borne by PTC/PCBL.
- Open access charges beyond the delivery point shall be borne by GIFTPCL. The scheduling and dispatch of power shall be coordinated with CTU/RLDCs/STU/SLDC/Concerned DISCOMs as per relevant provisions of Grid Code and framework of ABT.
- GIFTPCL shall schedule this power in full except in case of Force Majeure.
- The tariff at delivery point for 2 MW PPA was Rs. 3.30/Unit for April-2022 month whereas for May-2022 and June-2022 months the tariff was revised to Rs. 5.50/Unit.
- The Tariff at delivery point for 3 MW PPA was Rs. 5.00/Unit for duration starting from July-2022 to March-2023.
- The bill shall be raised to GIFTPCL on the basis of daily schedule as per Gujarat SLDC indicating energy supplied to GIFTPCL at the delivery point.
- The due date for payment shall be the fifth day from the submission of bill.
- The Late Payment Surcharge shall be applicable on all outstanding payments beyond the due date as per Ministry of Power LPS Rules.
- Procurer shall provide Bank Guarantee for an estimated amount for quantum of energy in forty days' period to be supplied to GIFTPCL.

Power Exchange: The Petitioner has submitted that based on the energy requirement in its license area, it has procured significant amount of energy through Power Exchange on day ahead basis. The Petitioner has tried to optimize the requirement and participated in the Day Ahead Market (DAM) and Green Day Ahead Market

(GDAM) segments of Indian Energy Exchange (IEX). The Petitioner had purchased power on 15-min time slot basis in DAM & GDAM and tried to optimize the cost. During FY 2022-23, the average landed cost through DAM segment was Rs. 7.01/Unit (including trading margin) and through GDAM segment was Rs. 11.24/Unit (including trading margin).

UI/ DSM: Petitioner has submitted that it has tried to procure all the variable demand by forecasting day-ahead energy demand derived from past trends, but it is difficult to predict the exact power demand on 15 minutes time slot and the clearance of power in Power Exchanges depends on power market conditions. Hence, Deviation is an inherent phenomenon while procuring power from Open Access. Therefore, the variations against schedule are settled under Deviation Settlement Mechanism (DSM) by SLDC, the quantum of deviation settled through DSM is very small (net : 1.76 MUs). The weekly settlement bill of DSM as raised by SLDC has been paid by the Petitioner. The average UI / DSM cost per unit was accounted at Rs. 8.37/Unit during FY 2022-23.

Commission's View

The Commission has analysed the Power Purchase Cost in detail in terms of various sources of power, quantum of energy procured and source-wise cost. GIFT PCL has procured most of the electricity quantum (61.47%) though PTC India Ltd (Philips Carbon Black-Mundra) under MTOA, (32.45%) from IEX and UI Quantum of (4.67%).

On query from Commission regarding details of Delayed Payment Surcharge and Rebate, the Petitioner has submitted that no Delayed Payments were made to Generators and also no rebates were availed during FY 2022-23.

For fulfilling its RPO obligations, the Commission has noted that the RPO target fixed for FY 2022-23 was 8.00% for Solar and 9.00% for Non-Solar for which GIFT PCL had to procure 6.39 MU whereas the Petitioner has actually procured only 1.12 MU. The Petitioner has partially met the solar RPO obligation by procuring electricity generated from solar projects installed by consumers under net-metering arrangement and through Power Exchange (G-TAM/G-DAM). The Petitioner has partially met the non-solar RPO obligation by procuring electricity through Power Exchange (G-TAM/G-

DAM). The details of RPO are shown in the Table below:

Table 4.9: RPO met in FY 2022-23

(MU)

RPO for FY 2022-23	Target	Total Electricity Purchased	RE Purchase requirement	Actual RE purchase/ generated	RPO Compliance
Solar RPO	8.00%	37.64	3.01	0.75	The generated electricity was 5,93,232 units from solar projects installed by consumers under net-metering arrangement and Petitioner purchased 1,61,540 Solar Units from Power Exchange (G-TAM/G-DAM)
Non-solar RPO	9.00%		3.38	0.37	Petitioner purchased 3,68,860 Non-Solar Units from Power Exchange (G-TAM/G-DAM)
Total		**37.64**	**6.39**	**1.12**	

The Commission has noted the submission of the Petitioner that the Petitioner will file a separate Petition before the Commission regarding compliance of RPO during FY 2022-23. However, the Petitioner is directed to strictly adhere to the RPO trajectory as stipulated by the Commission from time to time and meet its RPO Target accordingly. The source wise power purchase approved in this order for FY 2022-23 are as presented below:

Table 4.10: Power Purchase Quantum approved for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual Claimed	Allowed
PTC India Ltd / PBCL	16.99	23.14	23.14
Solar Energy (PX)	3.36	0.16	0.16
Non-Solar Energy (PX)	3.91	0.37	0.37
Power Exchange - IEX	19.14	12.21	12.21
UI DSM		1.76	1.76
Total	**43.40**	**37.64**	**37.64**

It is observed that the Petitioner has paid Rs. 0.17 Crore towards PTC trading Margin. The Commission has considered the same while allowing the power purchase cost for FY 2022-23.

The Commission has verified the Audited accounts and observed that the total Power

Purchase Cost claimed by the Petitioner is Rs. 23.097 Crore, however as per audited accounts it is Rs. 23.08 Crore and accordingly approves the power purchase cost as presented in the table below:

Table 4.11: Power Purchase Cost approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Allowed
Total	17.48	23.10	23.08

Accordingly, the Commission approves total Power Purchase Cost of Rs. 23.08 Crore for Truing up of FY 2022-23.

Considering the approved Power Purchase Cost of Rs. 23.08 Crore for the approved energy procurement of 37.64 MU, the per unit Power Purchase Cost works out to Rs. 6.13 /kWh.

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 4.12: Gains / (Losses) on account of Power Purchase Cost for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable	Gains / (Losses) due to Uncontrollable factor
Total Power Purchase cost	17.48	23.08	(5.60)	-	(5.60)

4.6. Operation & Maintenance Expenses

Petitioner's submission

The Operations and Maintenance Expenses (O&M Expenses) comprises of Employee Expenses, Administration & General Expenses (A&G Expense) and Repairs & Maintenance Expenses (R&M Expenses). The Petitioner has claimed actual overall O&M cost for FY 2022-23 as Rs. 4.85 Crore, whereas approved amount was Rs. 2.08 Crore, considering 5.72% escalation over normative expenses of FY 2021-22. The actual O&M Expenses claimed by GIFT PCL are given in the Table below:

Table 4.13: Operation and Maintenance Expenses claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Employee Expenses		2.12
R&M Expenses		1.24
A&G Expenses		1.50
Operation and Maintenance Expenses	**2.08**	**4.85**

The reasons for the variation in O&M Expenses for FY 2022-23 as submitted by GIFT PCL are listed below:

1. Actual Employee cost for FY 2022-23 is Rs. 2.12 Crore which is almost similar to the approved cost of Rs. 1.96 Crore. However, some of employees left the company during FY 2022-23 and Employee Benefits like Gratuity, Earned Leave Encashment was paid by the Petitioner to such Employees. So, it is requested to approve the employee expenses for FY 2022-23 as claimed by the Petitioner.

2. The approved Repair & Maintenance cost was Rs. 2.00 Crore whereas the actual cost is Rs. 1.24 Crore during FY 2022-23. There was a marginal decline in R&M cost due to better management of resources by the Petitioner. Hence, the Petitioner requests to approve the actual R&M expenses incurred in FY 2022-23.

3. The actual Administration and General expenses increased from approved cost of Rs. 1.22 Crore to Rs. 1.50 Crore for FY 2022-23. These expenses include General Administrative Expenses of the Petitioner, Consultancy fees, and fees paid to the Commission for various Petitions. Based on the past directives of the Commission, the Petitioner has booked the fixed charges paid to M/s PTC India during FY 2022-23 @ Rs. 25.66 Lakhs under A&G expenses instead of booking in Power Purchase expenses.

Commission's view

The O&M Expenses comprises of Employee Expenses, R&M Expenses and A&G Expenses. The Commission notes that GIFT PCL has adopted practice of outsourcing certain business activities such as power portfolio management, maintenance service (24X7), AMC of all equipment, routine testing of all protection system and equipment, regulatory consultancy services etc. The employee cost is mainly for supervisory work only.

In the Tariff Order dated 31st March, 2022, the Commission had approved O&M Expenses for FY 2022-23 as per Regulations 86.2 and 94.8 of the GERC (MYT) Regulations, 2016.

The Commission in its Tariff Order dated 9th October, 2020 in Case No. 1851 of 2020 for Truing up for FY 2018-19 and determination of Tariff for FY 2020-21 had adopted benchmarking approach for approving the O&M Expenses for FY 2018-19 and continued the same practice while truing up of FY 2019-20. The Commission while adopting the benchmarking approach had taken considerate view that increase in Employee Expenses, Repairs and Maintenance Expenses and Administrative and General Expenses are linked with the addition of the assets in the due course of time as these expenses are incurred to maintain the assets and to keep business running under usual conditions.

While truing up the O&M Expenses for FY 2022-23, the Commission has examined each component of O&M Expenses viz Employee Expenses, R&M Expenses and A&G Expenses against O&M Expenses approved in the Tariff Order dated 31st March, 2022.

The Commission observes that actual Employee Expenses claimed by the Petitioner is almost similar to the approved cost of Rs. 1.96 Crore for FY 2022-23. In case of R&M Expenses, the Commission has observed a marginal decline in R&M cost, and the Petitioner has submitted that this is due to better management of resources. In case of A&G Expenses, the Commission observed that there has been an increase from approved cost of Rs. 1.22 Crore to actual cost of Rs. 1.50 Crore. The Commission observed that the major components of A &G expenses mainly included expenses as electricity expenses, legal and consultancy charges, application fees and insurance expenses, which are primarily uncontrollable in nature.

The Commission, in order to understand the growth in average and peak demand, directed the Petitioner to submit the details of month-wise average and peak demand of previous financial years. In response to the Commission's query the Petitioner submitted the monthly details of average and peak demand for last three years i.e. FY 2020-21, FY 2021-22 and FY 2022-23 as follows:

Table 4.14: Monthly and Average Peak Demand for FY 2020-21, FY 2021-22 and FY 2022-23

Particulars	FY 2020-21		FY 2021-22		FY 2022-23	
	Average Demand (in MW)	Peak Demand (in MW)	Average Demand (in MW)	Peak Demand (in MW)	Average Demand (in MW)	Peak Demand (in MW)
April	2.05	4.21	2.83	5.11	4.29	6.64
May	2.33	4.71	2.85	5.06	4.75	6.83
June	2.59	4.76	3.19	5.47	4.92	7.13
July	2.56	4.77	3.41	5.67	4.49	7.01
August	2.45	4.58	3.15	5.49	4.42	6.89
September	2.69	4.82	3.31	5.76	4.73	7.20
October	2.68	4.86	3.34	5.98	4.23	7.09
November	2.35	4.75	2.99	5.49	4.02	6.61
December	2.22	4.75	2.84	5.64	3.71	6.35
January	2.13	4.43	2.61	5.28	3.46	6.22
February	2.28	4.80	2.90	5.40	3.98	6.82
March	2.64	5.17	3.57	6.38	4.43	6.96

From the above submission, it is observed that the peak demand of the Petitioner has gradually increased over the period of time. Considering the facts mentioned above, the Commission while Truing Up for FY 2022-23 has considered actual O&M Expenses incurred and claimed by the Petitioner. The Commission has verified the Employee Expenses, R&M Expenses and A&G Expenses from the Audited Accounts of FY 2022- 23 submitted by the Petitioner. The O&M expense allowed for FY 2022-23 is shown below:

Table 4.15: Operation and Maintenance Expenses approved for FY 2022-23

(Rs. Crore)

Particulars	Actual claimed	Approved in Truing up
Employee Expenses	2.12	2.12
R&M Expenses	1.24	1.24
A&G Expenses	1.50	1.50
Operation and Maintenance Expenses	4.85	4.85

Accordingly, the Commission approves O&M Expenses of Rs. 4.85 Crore for Truing up of FY 2022-23.

In line with the methodology adopted by the Commission in previous Tariff Order dated 31st March, 2022, the Commission has considered variation in O&M Expenses as uncontrollable. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.16: Gains / (Losses) on account of O&M Expenses for FY 2022-23

Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation	Gains / (Losses) due to Controllable factor	Gains /(Losses) due to Uncontrollable factor
Operation and Maintenance Expenses	2.08	4.85	(2.77)	-	(2.77)

4.7. Capital Expenditure, Capitalization and Funding of CAPEX.

Petitioner's submission

GIFT PCL in its Petition submitted that it has incurred net capital expenditure of Rs. 1.51 Crore for FY 2022-23 after netting off of SLC received from consumers. GIFT PCL has further stated that the Gross Capitalization is for the amount of Rs. 5.06 Crore for FY 2022-23 and has received SLC of Rs. 3.52 Crore from the consumers during FY 2022-23. The following details have been submitted in respect of the capital expenditure incurred during FY 2022-23.

Table 4.17: Capital Expenditure claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed
Opening GFA	24.23	111.96
Opening CWIP	28.70	33.15
Capital expenditure during the year	1.50	1.51
Capitalization	7.00	5.06
Less: SLC Addition	9.30	3.52
Balance Capitalization during the year	-	1.54
Closing GFA	24.23	113.51
Closing CWIP	23.20	29.59
Normative Debt (70%)	0.00	**1.08**
Normative Equity (30%)	0.00	**0.46**

Commission's view

Petitioner has submitted that it has incurred net capital expenditure of Rs. 1.51 Crore during FY 2022-23 after netting off of SLC, which is verified from the Audited accounts for FY 2022-23. Further, the Commission has considered the closing GFA for FY 2021-22 as approved in the Tariff Order dated 31st March, 2023, as the opening GFA for FY 2022-23 and added net capitalisation of Rs. 1.51 Crores during FY 2022-23 to arrive at the closing GFA for FY 2022-23. To arrive at net GFA addition, the SLC collected during the year is deducted, which is also verified from the Audited accounts.

Considering the above details, the capital expenditure and net capitalisation approved for FY 2022-23 is as follows:

Table 4.18: Capitalization and Funding of CAPEX approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Net Opening GFA	24.23	111.96	17.90
Opening CWIP	28.70	33.15	33.15
Capital expenditure during the year	1.50	1.51	1.51
Capitalization	7.00	5.06	5.06
Less: SLC Addition	9.30	3.52	3.52
Net Capitalization during the year	**-**	**1.54**	**1.54**
Net Closing GFA	24.23	113.51	19.44
Closing CWIP	23.20	29.59	29.59
Normative Debt (70%)	**00**	**1.08**	**1.08**
Normative Equity (30%)	**00**	**0.46**	**0.46**

Thus, the Commission approves net Capitalization of Rs. 1.54 Crore for Truing up of FY 2022-23.

4.8. Depreciation

Petitioner's submission

GIFT PCL has submitted the following details related to fixed assets and depreciation for the purpose of Truing up for FY 2022-23.

Table 4.19: Depreciation claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Net Opening GFA	24.23	111.96
Net Addition during the year (net of SLC)	-	1.54
Net Closing GFA	24.23	113.51
Average GFA	24.23	112.73
Depreciation	**1.24**	**5.74**

GIFT PCL has submitted that the computation of depreciation on the fixed assets is based on straight line method as prescribed in the Regulations and the rate of Depreciation is considered as per the GERC (MYT) Regulations, 2016.

The Petitioner has considered the depreciation based on gross fixed asset at the starting of FY 2022-23 and additional capitalisation during the year. On this basis of average of opening and closing value of asset, the depreciation of the Gross Fixed Assets based on above works out as Rs. 5.74 Crore for FY 2022-23. The Petitioner has requested to consider the variation in Depreciation as uncontrollable as per the MYT Regulations, 2016.

Commission's view

The Closing GFA as approved by the Commission in Tariff Order for Truing up for FY 2021-22 and Determination of Tariff for FY 2023-24 dated 31st March, 2023 has been considered as opening GFA for FY 2022-23. As elaborated in the previous section, the Commission has approved the net capitalisation of Rs. 1.54 Crore for GIFT PCL during FY 2022-23. The Depreciation allowed for FY 2022-23 is shown as below:

Table 4.20: Depreciation approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing-up
Net Opening GFA	24.23	111.96	17.90
Net Addition during the year (net off of SLC)	-	1.54	1.54
Net Closing GFA	24.23	113.51	19.44
Average GFA	24.23	112.73	18.67
Depreciation	**1.24**	**5.74**	**0.95**

Accordingly, the Commission approves depreciation of Rs. 0.95 Crore for the purpose of Truing up for FY 2022-23.

Variations in Depreciation is considered as uncontrollable as per the GERC (MYT Regulations, 2016. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.21: Gains / (Losses) on account of Depreciation for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation+ / (-)	Gains /(Losses) due to Controllable factor	Gains /(Losses) due to Uncontrollable factor
Depreciation	1.24	0.95	0.29	-	0.29

4.9. Interest and Finance Charges

Petitioner's submission

The Petitioner has submitted that it has computed the interest on loan as per Regulations 38 of the GERC (MYT) Regulations, 2016. The Petitioner has considered the debt-equity as 70:30 as considered in Tariff Policy and GERC (MYT) Regulations, 2016 excluding Service Line Contribution (SLC) received from the consumers. Further, GIFT PCL has submitted that it has calculated the interest expenses on the basis of actual weighted average interest rate charged by the bank for existing loan as per the GERC (MYT) Regulations, 2016. It is further submitted that it has availed a term loan and has paid the interest amount to the bank at weighted average interest rate of 6.70% during FY 2022-23. The Petitioner has submitted that the actual interest expense is Rs. 3.14 Crore, as against approved amount of Rs. 0.56 Crore for FY 2022-23.

GIFT PCL has submitted the following details in respect of interest and finance charges. The Petitioner has requested the Commission to treat the variation in Interest and Finance Charges as uncontrollable.

Table 4.22: Interest and Finance Charges claimed for FY 2022-23

(Rs. Crore)

Source of Loan	Approved in Tariff Order	Claimed
Opening Balance of Normative Loan	8.67	78.38
Less: Reduction of Loan due to Repayment of Loan (equal to	0.00	29.22

Source of Loan	Approved in Tariff Order	Claimed
cumulative depreciation up to 31st March 2023)		
Addition of Normative Loan due to capitalisation during the year	-	1.08
Repayment of Normative loan during the year	1.24	5.74
Closing Balance of Normative Loan	7.44	44.49
Average Balance of Normative Loan	8.05	46.82
Weighted average Rate of Interest on actual Loans (%)	7.00%	6.70%
Interest Expenses	0.56	**3.14**

Commission's view

The opening balance of loan for FY 2022-23 has been considered to be same as the closing GFA for FY 2021-22 as approved in the Tariff Order dated 31st March, 2023 for Truing up for FY 2021-22 and Determination of Tariff for FY 2023-24. The loan addition has been considered in line with the normative loan addition approved in the discussion on capitalization in Table 4-18 of this Order. The repayment has been equated to depreciation approved for the year FY 2022-23 in Table 4-20 of this Order.

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

Accordingly, the Commission has sought information regarding the actual loan portfolio and computation of weighted average rate of interest, which the Petitioner submitted in its response to the data gaps. The Petitioner has submitted that the loan is taken by GIFT PCL (Parent company of GIFT PCL) on as and when required basis for all the assets. The Commission has verified the Rate of Interest of 6.70% as claimed by the Petitioner for the actual loan portfolio submitted for FY 2022-23 and has considered the same for calculation of the interest on loan.

Based on the foregoing analysis, the Commission approves the Interest & Finance Charges as shown in the Table below:

Table 4.23: Interest and Finance Charges approved for FY 2022-23

(Rs. Crore)

Sr. No.	Source of Loan	Approved in Tariff Order	Claimed	Approved
1	Opening Balance of Normative Loan	8.67	78.38	4.41
2	Less: Reduction of Loan due to Repayment of Loan (equal to cumulative depreciation up to 31st March 2022)	0.00	29.22	0.00
3	Addition of Normative Loan due to capitalisation during the year	-	1.08	1.08
4	Repayment of Normative loan during the year	1.24	5.74	0.95
5	Closing Balance of Normative Loan	7.43	44.49	4.54
6	Average Balance of Normative Loan	8.05	46.82	4.47
7	Weighted average Rate of Interest on actual Loans (%)	7.00%	6.70%	**6.70%**
8	**Interest Expenses**	0.56	**3.14**	**0.30**
9	Finance Charges	0.00	0.00	0.00
10	**Total Interest & Finance Charges**	0.56	**3.14**	**0.30**

Accordingly, the Commission approves Interest and Finance Charges at Rs. 0.30 Crore for Truing up of FY 2022-23.

Variations in Interest Expenses is considered as uncontrollable as per the GERC (MYT Regulations, 2016. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.24: Gains / (Losses) on account of Interest and Finance Charges for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest and Finance Charges	0.56	0.30	0.26	-	0.26

4.10. Interest on Security Deposit

Petitioner's submission

GIFT PCL has submitted that the consumer whose amount of security exceeds Rs. 25 Lakhs furnish Security Deposit in the form of irrevocable Bank Guarantee initially valid for a period of 2 years as per GERC (Security Deposit) (Second Amendment) Regulation

2015. The amount of interest on Security Deposit was paid to the consumers at Bank rate applicable on 1st April, 2022 as per the Table below:

Table 4.25: Interest on Security Deposit claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Security Deposit	6.61	7.61
Interest on Security Deposit	0.28	0.29

Commission's view

The Commission has verified from the audited accounts and found the interest on Security Deposit to be Rs. 0.29 Crore. The Commission approves the same as per the following Table:

Table 4.26: Interest on Security Deposit approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Average Deposit	6.61	7.61	7.61
Interest on Security Deposit	0.28	0.29	0.29

Accordingly, the Commission approves Interest on Security Deposit at Rs. 0.29 Crore for Truing up of FY 2022-23.

The factor which affects Security Deposit is the number of consumers. As per the GERC (MYT) Regulations, 2016 variation in the number of consumers is an Uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.27: Gains / (Losses) on account of Interest on Security Deposit for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest on security deposit	0.28	0.29	(0.01)	-	(0.01)

4.11. Interest on Working Capital

Petitioner's submission

GIFT PCL has submitted the following details regarding Interest on Working Capital.

Table 4.28: Interest on Working claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed
O&M Expenses for 1 month	0.17	0.44
1 % of GFA for Maintenance Spares	0.24	1.20
Receivables for 1 month	2.59	2.40
Working Capital Requirement	**3.01**	**4.04**
Less: Average Security Deposit	6.61	7.61
Total Working Capital	**-**	**-**
Interest Rate (%)	9.50%	-
Interest on Working Capital	**-**	**-**

The Petitioner has submitted that as per the GERC (MYT) Regulations, 2016 the working capital computed is Rs 4.04 Crore and the amount of consumer Security Deposits is Rs. 7.61 Crores and thereby the Working Capital Requirement works out to be Nil.

Commission's view

The Commission has reviewed the Working Capital Requirement in terms of the component wise values approved in preceding sections. The average security deposit, based on the information available in the Audited Annual Accounts, is considered as Rs. 7.61 Crore.

In line with the above proviso to Regulation 40.4 (b), the Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 7.00% prevailing during the financial year 2022-23 plus 250 basis points. Accordingly, the rate of interest on working capital is worked out to 9.50%.

The Working Capital Requirement works out to be **Nil** and hence **Nil** interest on working capital is considered.

Table 4.29: Interest on Working Capital approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed	Approved in Truing up
O&M Expenses (1 month)	0.17	0.40	0.40
Spares (1% of GFA)	0.24	1.20	0.18
Receivables (1 month of revenue at existing tariffs)	2.59	2.40	2.40
Sub-total	**3.01**	**4.01**	**2.99**
Less: Security Deposit	6.61	7.61	7.61
Normative Working Capital	**-**	**-**	**-**
Interest Rate (%)	9.50%	-	-
Interest on Working Capital	**-**	-	**-**

Accordingly, the Commission approves Interest on Working Capital as **Nil** for Truing up for FY 2022-23.

4.12. Return on Equity

Petitioner's submission

GIFT PCL has submitted the following details with regard to Return on Equity:

Table 4.30: Return on Equity claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed
Opening Equity	5.87	33.59
Equity portion of Capitalization during the Year	-	0.46
Closing Balance of Equity	5.87	34.05
Average Equity	5.87	33.82
RoE at 14%	14.00%	14.00%
Return on Equity	0.82	**4.73**

GIFT PCL has submitted that the equity additions for FY 2022-23 have been determined based on the capitalisation during the year. The equity additions in the year have been considered as 30% of the amount of net capitalization during the year. The Return on Equity has been computed by applying the rate of 14.00% on the average of the opening and closing balance of FY 2022-23 as per the GERC (MYT) Regulations, 2016.

Commission's view

The Commission has considered the opening Equity for FY 2022-23 same as the closing Equity for FY 2021-22 as approved in the Tariff Order for Truing up for FY 2021-22 and Determination of Tariff for FY 2023-24 dated 31st March, 2023 and the addition to Equity for FY 2022-23 as Rs.0.46 Crore. Accordingly, the Commission approves the Return on Equity for FY 2022-23 as shown below:

Table 4.31: Return on Equity approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed	Approved in Truing Up
Opening Equity	5.87	33.59	3.97
Equity portion of Capitalization during the Year	-	0.46	0.46
Closing Balance of Equity	5.87	34.05	4.43
Average Equity	5.87	33.82	**4.20**
RoE at 14%	14.00%	14.00%	14.00%
Return on Equity	0.82	**4.73**	**0.59**

Accordingly, the Commission approves Return on Equity at Rs. 0.59 Crore for Truing up of FY 2022-23.

The Commission approves the Gains / (Losses) on account of Return on Equity in the Truing-Up for FY 2021-22, as detailed in the Table below:

Table 4.32: Gains / (Losses) on account of Return on Equity for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Return on Equity	0.82	0.59	0.23	-	0.23

4.13. Income Tax

Petitioner's submission

GIFT PCL has submitted that it has paid no Income Tax for FY 2022-23. Accordingly, it has claimed **Nil** Income Tax for FY 2022-23 similar to that approved in Tariff Order dated 1st April, 2022.

Commission's view

The Commission approves Income Tax for Truing up for FY 2022-23 as **Nil**.

4.14. Contingency Reserve

Petitioner's submission

GIFT PCL has submitted that it has not contributed any amount towards the Contingency Reserve against Rs. 0.12 Crore as approved in the Tariff Order dated 31st March, 2022 for FY 2022-23.

Table 4.33: Contribution to Contingency Reserve claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed
Contribution to Contingency Reserve	0.12	-

Commission's view

The Commission approves **Nil** Contribution to Contingency Reserves for FY 2022-23 as per the submission by the Petitioner as shown below:

Table 4.34: Contribution to Contingency Reserve approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed	Approved in Truing-Up
Contribution to Contingency Reserve	0.12	-	-

Accordingly, the Commission approves **Nil** Contribution to Contingency Reserves for Truing up of FY 2022-23.

The Commission approves the Gains / (Losses) on account of Contribution to Contingency Reserves in the Truing-Up for FY 2022-23, as detailed in the Table below:

Table 4.35: Gains / (Losses) on account of Contribution to Contingency Reserves for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Contribution to Contingency Reserve	0.12	0.00	0.12	-	0.12

4.15. Non-Tariff income

Petitioner's submission

GIFT PCL has submitted that the actual Non-Tariff Income for FY 2022-23 is Rs. 0.77 Crore against the Non-tariff income of Rs. 1.13 Crore as approved in the Tariff Order for FY 2021-22 dated 31st March, 2022.

Commission's view

The Commission has verified the Non-Tariff Income from the Annual Accounts and found the Non-Tariff Income for FY 2022-23 as Rs. 0.77 Crore.

Accordingly, the Commission approves Non-Tariff Income at Rs. 0.77 Crore for Truing up of FY 2022-23.

The Commission considers variation in the Non-tariff Income as an uncontrollable factor. The Commission approves the Gains / (Losses) on account of Non-tariff Income in the Truing-Up for FY 2022-23, as detailed in the Table below:

Table 4.36:Gains / (Losses) on account of Non-Tariff Income for FY 2022-23

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Non-Tariff income	1.13	0.77	0.36	-	0.36

4.16. Income from Other Business

Petitioner's submission

The Petitioner has submitted that it has commenced Back-up Power Business (Non-Regulated) in FY 2021-22 which is termed as 'Other Business' of the Petitioner as per GERC MYT Regulations, 2016. The detailed description of Back-up Power Business has been enlightened in Chapter-7 of Petition No. 2170/2022. This Back-up Power is being sourced by voluntary consumers based on their business and statutory requirements. The details of Revenue and Expenditure of Back-up Power Business during FY 2022-23 are furnished below:

Revenue: Rs. 0.60 Crore

Expenditure: Rs. 0.49 Crore

Loss of Last Year (FY 2021-22): Rs 0.06 Crore

Profit/(Loss): Rs. 0.05 Crore

Based on the above, the Petitioner has claimed net income from other business as the profit of Rs. 0.05 Crore during FY 2022-23 after setting off the last year loss.

Commission's view

It is observed that the GIFT PCL (the Petitioner) is a 100% subsidiary company of Gujarat International Finance Tec-city Company Limited (GIFTCL), wherein the Petitioner is mandated to provide power supply to the consumers of the GIFT City. The Petitioner being the Distribution Licensee has submitted that it has planned to develop centralized/customer centric back-up power infrastructure based to the consumers on their request and technical feasibility. The Petitioner has clarified that the details of the assets and expenses of such back-up power business is being maintained separately and it does not form part of the regulated distribution business of the Petitioner.

The Commission has noted the submission of the Petitioner. While it is the responsibility of the Petitioner to provide reliable and quality power supply to its consumers in the license area, maintenance of a back-up supply by some of the consumers, on account of their location and / or specific nature of activity is not uncommon. Therefore, the Petitioner is allowed to carry on this activity under 'Other Business' subject to the provisions of Section 51 of the Electricity Act, 2003, Regulation 90 of the GERC MYT Regulations, 2016, and any other Statute, Regulations, Orders, as applicable from time to time. The relevant provisions of the Electricity Act, 2003 and GERC MYT Regulations, 2016 are reproduced as below:

Electricity Act, 2003

"Section 51. (Other businesses of distribution licensees):

A distribution licensee may, with prior intimation to the Appropriate Commission, engage in any other business for optimum utilization of its assets:

Provided that a proportion of the revenues derived from such business shall, as may be specified by the concerned State Commission, be utilised for reducing its charges for wheeling.

Provided further that the distribution licensee shall maintain separate accounts for each such business undertaking to ensure that distribution business neither subsidises in any way such business undertaking nor encumbers its distribution assets in any way to support such business.

Provided also that nothing contained in this section shall apply to a local authority engaged, before the commencement of this Act, in the business of distribution of electricity."

GERC MYT Regulations, 2016

*"**90. Income from Other Business***

Where the Distribution Licensee is engaged in any Other Business, an amount equal to one-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in determining the wheeling charges of Distribution Wires Business of the Distribution Licensee:

Provided that the Distribution Licensee shall follow a reasonable basis for allocation of all joint and common costs between the Distribution Wires Business and the Other Business and shall submit the Allocation Statement to the Commission, duly audited and certified by the statutory auditors, along with his application for determination of wheeling charges:

Provided further that once the Commission notifies the Regulations for submission of Regulatory Accounts, the applications for tariff determination and truing up shall be based on the Regulatory Accounts:

Provided also that where the sum total of the direct and indirect costs of such Other

Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.”.

The Commission has verified from the Audited Accounts that the Petitioner has earned Revenue of Rs. 0.60 Crore in FY 2022-23 against expenditure of Rs. 0.49 Crore. Therefore, the Petitioner has earned net profit of Rs. 0.11 Crore for FY 2022-23. However, the Petitioner has considered the loss of Rs 0.06 Crore incurred in FY 2021-22 and netted of from the profit of FY 2022-23 and has accordingly claimed Rs 0.05 Crore as income from Other Business for FY 2022-23.

As per GERC MYT Regulations 2016 and as per the Audited Accounts, the Commission has considered the net profit of Rs. 0.11 Crore for FY 2022-23 and has accordingly approved the income from other business as Rs. 0.04 Crore (0.11/3) for FY 2022-23.

4.17. Revenue from Sale of Power

Petitioner’s submission

GIFT PCL has claimed revenue of Rs. 28.85 Crore from sale of power to consumers in FY 2022-23.

Commission’s view

The Commission observes that the revenue as per Audited Accounts is Rs. 28.85 Crore.

Accordingly, the Commission approves Revenue of Rs. 28.85 Crore from sale of power to consumers for Truing up of FY 2022-23.

4.18. Summary of Aggregate Revenue Requirement and sharing of Gains/ Losses

Petitioner’s submission

GIFT PCL has submitted the comparison of various ARR components and computed the Gains / (Losses) due to Controllable and Uncontrollable factors as summarized below:

Table 4.37: ARR claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved	Actual	Difference	Gains/ (Losses) due to Controllable factors	Gains/ (Losses) due to Un-Controllable factors
Power Purchase Expenses	17.48	23.10	(5.62)	-	(5.62)
Operation & Maintenance Expenses	2.08	4.85	(2.77)	-	(2.77)
Depreciation	1.24	5.74	(4.50)	-	(4.50)
Interest and Finance Charges	0.56	3.14	(2.57)	-	(2.57)
Interest on Working Capital	-	-	0.00	-	0.00
Interest on Security Deposit	0.28	0.29	(0.01)	-	(0.01)
Contribution to contingency reserves	0.12	0	0.12	-	0.12
Total Revenue Expenditure	**21.76**	**37.13**	**(15.36)**	-	**(15.36)**
Return on Equity Capital	0.82	4.73	(3.91)	-	(3.91)
Income Tax	0	0	0.00	-	0.00
Aggregate Revenue Requirement	**22.59**	**41.86**	**(19.28)**	**-**	**(19.28)**
Less: Non Tariff Income	1.13	0.77	(0.36)		(0.36)
Less: Income from Other Business	-	0.015	(0.015)		(0.015)
Aggregate Revenue Requirement	**21.46**	**41.08**	**(19.63)**		**(19.63)**

Following is the summary of trued-up ARR of 2022-23 to be recovered by GIFT PCL after incorporation of sharing of Gains/(Losses)

Table 4.38: Trued up ARR claimed for FY 2022-23

(Rs. Crore)

Particulars	Legend	Actual claimed
ARR as per Tariff Order dated 31.03.2022	A	21.45
Gains/(Losses) due to uncontrollable	B	**(19.63)**
Gains/(Losses) due to controllable	C	00
Pass through as tariff	D= -(1/3 of C+B)	**(19.63)**
Trued up ARR	E=A+D	41.08
Revenue	F	28.85
Gap/(surplus) for FY 2022-23	G=E-F	12.23

Commission's view

The Commission has computed the sharing of Gains and Losses for FY 2022-23 based on the Truing up for each of the components discussed in the above paragraphs in the

Table below:

Table 4.39: ARR approved along with impact of Controllable/ Uncontrollable Factors for FY 2022-23

(Rs. Crore)

Particulars	Approved	Actual (Trued-up)	Difference	Gains/ (Losses) due to Controllable factors	Gains/ (Losses) due to Un-Controllable factors
Power Purchase Expenses	17.48	23.08	(5.60)	-	(5.60)
Operation & Maintenance Expenses	2.08	4.85	(2.77)	-	(2.77)
Depreciation	1.24	0.95	0.29	-	0.29
Interest and Finance Charges	0.56	0.30	0.26	-	0.26
Interest on Working Capital	-	0.00	0.00	-	0.00
Interest on Security Deposit	0.28	0.29	(0.01)	-	(0.01)
Contribution to contingency reserves	0.12	0.00	0.12	-	0.12
Total Revenue Expenditure	**21.76**	**29.47**	**(7.71)**	-	**(7.71)**
Return on Equity Capital	0.82	0.59	0.23	-	0.23
Income Tax	0	0.00	0.00	-	0.00
Aggregate Revenue Requirement	**22.59**	**30.06**	**(7.48)**	**-**	**(7.48)**
Less: Non Tariff Income	1.13	0.77	0.36		0.36
Less: Income from Other Business	-	0.04	(0.04)		(0.04)
Aggregate Revenue Requirement	**21.46**	**29.26**	**(7.80)**		**(7.80)**

Summary of trued up ARR of FY 2022-23 to be recovered by GIFT PCL after incorporation of sharing of Gains/ Losses is as detailed in the Table below:

Table 4.40: Trued up ARR approved for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Legend	Approved in Truing up
1	ARR	A	21.46
2	Gains/(Losses) due to uncontrollable factors	B	(7.80)
3	Gains/(Losses) due to controllable factors	C	-
4	Pass through as tariff	D=-(1/3 of C+B)	7.80
5	Trued up ARR	E=A+D	29.26
6	Revenue	F	28.85
7	**Gap/(surplus) for FY 2022-23**	**G=E-F**	**0.410**

4.19. Observation of Commission in error apparent in GIFT PCL Tariff Order dated 31/03/2022 In Case No. 2037/2021

The Commission in its Order date 31/03/2023, for True up of FY 2021-22 & ARR for FY 2023-24 observed as under:

> *"It is observed that there has been an inadvertent error apparent on the face of the order dated 31st March, 2022 in Case No. 2037/2021, wherein the Commission had considered the Waived off Charges of Rs. 68,568/- as Rs. 68 Lakhs. The Commission is of the view that, since the net gap/surplus of FY 2020-21 was allowed to be recovered in FY 2022-23, the submission of the Petitioner shall be considered in the True up of the FY 2022-23 with carrying cost. Therefore, the Commission directs the Petitioner to claim the differential amount of Rs. 0.68 lakhs separately in the True up of FY 2022-23 and same shall be allowed along with the True up of FY 2022-23."*

In accordance with Commission's view, Rs. 0.68 Crore of the differential amount is being considered in the True-up of FY 2022-23.

4.20. Net Revenue Gap/(Surplus)

The Net Revenue Gap / (Surplus) approved for FY 2022-23 is given in the Table below:

Table 4.41: Net Revenue Gap / (Surplus) approved for FY 2022-23

(Rs. Crore)

Particulars	Actual Claimed	Approved in Truing up
Revenue Gap / (Surplus)	12.23	0.41
Differential amount allowed in case no. 2037/2021	-	0.68
Net Revenue Gap / (Surplus)	**12.23**	**1.09**

Accordingly, the Commission approves the Trued-up revenue gap of Rs. 1.09 Crore for FY 2022-23 as against Rs. 12.23 Crore Gap claimed by GIFT PCL. This Trued-up gap along with the carrying cost is considered by the Commission for determination of tariff for FY 2024-25.

5. Determination of ARR for FY 2024-25

5.1. Introduction

This Chapter deals with the determination of ARR for FY 2024-25. The Commission through its Suo-Moto Petition No. 2264 of 2023 and Order dated 05.12.2023, had deferred the next MYT Control period by another one year and directed all the licensees to file the Tariff Petition based on principles and methodology as specified in the GERC (Multi-Year Tariff) Regulations, 2016 on or before 12th January 2024, for the determination of Annual ARR and determination of tariff for FY 2024-25.

GIFT PCL has submitted that it has worked out estimated ARR for FY 2024-25 based on the GERC (MYT) Regulations, 2016 in line with the directions issued by the Commission vide Order dated 5th December, 2023.

The present chapter covers the projected ARR of FY 2024-25 as submitted by GIFT PCL and the approach adopted by the Commission for determination of the ARR for the FY 2024-25.

5.2. ARR for FY 2024-25

The Table below summarises the Annual Revenue Requirement, as claimed by the Petitioner or FY 2024-25.

Table 5.1: ARR claimed by GIFT PCL FY 2024-25

(Rs. Crore)

Particulars	2024-25
Power Purchase Expenses	36.24
O&M Expenses	6.91
Depreciation	7.22
Interest and Finance Charges	3.76
Interest on security deposit	0.38
Interest on Working Capital	0.00
Provision for bad debts	0.00
Contingency Reserve	0.70
Income Tax	0.00
Return on Equity @ 14%	5.80
Less: Non-Tariff Income	0.84
Total Aggregate Revenue Requirement	**60.17**

5.3. Energy Sales

Petitioner's submission

GIFT PCL has submitted that sales forecast is worked out according to demand projection as per actual sales in the past years and current market scenario in the SEZ area.

GIFT PCL has submitted that the license area is being developed as financial / commercial hub by GIFT CL & GIFT SEZ. The Financial Services/Commercial Sector development is likely to take place gradually over a period. The SEZ and Non-SEZ Area is still in the development phase. GIFT Master Plan facilitates Multi Services SEZ with International Financial Service Centre (IFSC) status, approved by Government of India and Domestic Finance Centre and associated social infrastructure. The total allotted BUA is around 21.69 MnSqft out of which 3.68 MnSqft BUA is already completed while work is in progress in 4.63 MnSqft area and around 13.38 MnSqft area is in planning stage. The new Financial Services institutions/Commercial Institutions and associated necessary infrastructure is likely to develop gradually based on overall economic conditions. Hence, it would be very difficult to project the demand and sales projections precisely, for the initial phase of development.

The Petitioner has submitted that the overall energy sales growth (5 year CAGR) was modest (15.91%) from FY 2018-19 to FY 2022-23. Over the years, various developers completed their buildings, and consumers occupied their respective area and sales have increased. Accordingly, Petitioner has registered yearly growth of 35.57%. It is expected that consumer base will increase as new consumers will be added as per development plan. However, considering energy sales during FY 2022-23, 3 year CAGR growth was 21.13% and yearly growth was 37.57%. The details of historical growth rate, as per consumer category, as submitted by the Petitioner are given in the Table below:

Table 5.2: Energy Sales Projections for FY 2024-25

(Rs. Crore)

Consumer Category	Projected Energy sales
HT & EHT Category	
HTP-I	43.282
HTP-III	0.062
HT EVCS	0.308
Low voltage Category	
LTMD	6.305
LT-EVCS	0.011
GLP	0.546
TEMP	6.474
Non-RGP	3.693
RGP	0.381
Total projected energy sales for FY 2024-25	**61.060**

The Petitioner has submitted that it had carefully studied the trend of past sales in various tariff categories and the load growth assessment based on demand estimation from upcoming new buildings / establishment coming in the license area and derived the energy consumption for FY 2024-25. The methodology adopted for energy sales projection is described below with the assumptions:

a). Existing constructed floor area with year-on-year trend of increase in occupancy;

b). New development of floor area allotted and in plan approval stage;

c). Under construction floor space and timeline for completion;

d). Estimated power requirements of existing and prospective consumers with reference to development plan, power demand and energy use ratio of preoccupied space, as per category of utilization;

e). The Petitioner has also collected inputs from Developers for load projection about prospective clients, who can occupy the allotted area during FY 2023-24 and FY 2024-25.

f). Energy Sales for FY 2024-25 have been projected by considering the actual energy sales of HY1 2023-24 and projected energy sales of HY2 2023-24.

g). The Petitioner has recorded projection accuracy of ~85% in Actual Energy Sales during HY1 of 2023-24 and it is estimated that ~90% of projection accuracy will be attained during HY2 of 2023-24.

Based on various projects in progress, inputs collected from developer of SEZ and Non-SEZ area about prospective clients, details of plots allotted so far in SEZ and Non-SEZ area, the projections for number of consumers have been worked out. The summary is as under:

Table 5.3: Projections of Consumers for FY 2024-25

(Rs. Crore)

Category	No. of Consumers	Sanctioned Load in kW	Contract Demand in KVA/MVA
HTP - 1			
Up to 500 kVA of billing demand	HT Metering: 6 LT Metering: 19		6,574
501-1000 kVA	HT Metering: 3		2,389
1001 -2500 kVA	HT Metering: 3		6,277
Above 2500 kVA	0		0
HTP - 3	3		210
HT – EVCS	1		250
LT Categories:			
RGP			
Others			
Up to 2 kW	30	170	
Above 2 kW – up to 4 kW	475	1,260	
Above 4 kW – up to 6 kW	550	2,537	
Above 6 kW	0	0	
GLP	20	350	
Non RGP			
First 10 kW of connected load	332	1,728	
Next 30 kW of connected load	144	2,943	
LTMD			
For first 40 kW	25	887	
Above 40 kW – up to 60 kW	35	1,558	
Above 60 kW-up to 100 kW	38	2,138	
TMP	112	2,978	
LT – EVCS	4	151	
TOTAL	**1,800**	**16,700**	**15,700**

Commission's view

In response to Commission's query, the Petitioner has submitted the excel sheet of projections of Energy Sales for FY 2024-25. The Petitioner has submitted that the number of consumers and connected load is going to increase in view of completion of some buildings and based on new developments in the licensee area. The increase in energy sales is mainly due to projected increase in power consumption by prime consumers like Yotta, Bank of America, District Cooling System, IBM and Brokers Forum Building whereas the projected new consumers are Sobha Residential, Sangath Residential, Savya Pragya -II. Also, there is a significant increase in new allotments where almost 7 buildings (Commercial & Residential) will begin their construction activities.

The Commission has noted the category-wise sales projected by the Petitioner for FY 2024-25. As energy sales are difficult to predict given that the SEZ is still under the development stage, the Commission is of the view that the Licensee is in the best position to judge the sales growth, and hence, accepts the category-wise sales as projected by GIFT PCL, as shown in the Table below:

Table 5.4: Energy Sales approved for FY 2024-25

(MU)

Particulars	Projected by GIFT PCL	Approved in this Order
Energy Sales	61.06	61.06

The Commission approves energy sales of 61.06 MU for FY 2024-25.

5.4. Distribution Losses

Petitioner's submission

GIFT PCL has projected distribution losses of 3.00% for the FY 2024-25. GIFT PCL has submitted that it has created state of art power distribution network in SEZ and Non-SEZ area which is spread over an area of 886 acres. The Petitioner has considered N-1 network redundancy at all levels for higher power reliability and availability to end consumers in the Distribution License Area.

The actual power purchase and corresponding energy sales reveal that the distribution losses in the license area are reducing gradually from ~5.56% to ~3.06% during past three financial years. The Petitioner has submitted that as the energy sales is increasing, transformer loading is gradually improving, which leads to distribution loss reduction. Further, as the occupancy of existing building increase and new buildings comes up, the distribution loss shall gradually decrease. The distribution losses have reduced significantly, and the Petitioner is working very hard to maintain the same level. Therefore, the Petitioner has projected distribution loss of 3.00%.

In view of above, GIFT PCL has requested the Commission to allow projected distribution losses for FY 2024-25 as shown in Table below:

Table 5.5: Projection of Distribution Losses projected for FY 2024-25

Particulars	GIFT PCL Petition
Distribution Losses (%)	3.00%

Commission's view

The Petitioner has considered the Distribution Losses of 3.00% for FY 2024-25. The transformer losses get stagnant after achieving breakpoint because auxiliary losses are fixed at certain levels and the losses shall only decrease after substantial increase in energy sales. The sub-station yard loss (i.e. at 66 kV) hovers in between 1.70% to 1.90%. Due to increase in consumers which are located far away from sub-station (i.e. SEZ area), the cable route length for last mile connectivity consequently increases. Hence, Distribution Losses remain in range of 3% to 3.5% range despite increase in sales. The Commission has noted the submissions of the Petitioner. While the loss levels may be linked to the quantum of sales or optimal loading of the network, it should be the endeavor of the Petitioner to reduce the losses further from the existing levels especially considering that there are no commercial losses in the network. Further, in the Order dated 31.03.2023 for true up of FY 2021-22, the Commission approved distribution loss at 3.01%. Accordingly, considering the foregoing and submission made by the Petitioner, the Commission approves the Distribution Losses as shown in the Table below:

Table 5.6: Distribution Losses approved for FY 2024-25

Particulars	Projected by GIFT PCL	Approved in this Order
Distribution losses (%)	3.00%	3.00%

The Commission approves Distribution Losses of 3.00% for FY 2024-25.

5.5. Energy Balance

Petitioner's submission

GIFT PCL has submitted that the projection of Energy Balance for the FY 2024-25 is based on the projection of consumer category wise sales and projected distribution losses.

The estimated energy sales, losses and the resultant Energy Balance for the FY 2024-25 as projected by GIFT PCL are given below:

Table 5.7: Energy Requirement projected for FY 2024-25

Particulars	GIFT PCL Petition
Energy Sales (MU)	61.06
Distribution Losses (%)	3.00%
Distribution Losses (MU)	1.89
Energy Requirement (MU)	62.95

Commission's view

The Commission has noted the submissions of the Petitioner. The Commission's views on the proposed sources of power purchase have been outlined in the subsequent section relating to power purchase cost.

Based on the energy sales approved in Table 4-4 and the Distribution Losses approved in Table 5-4, the Commission has computed the energy requirement for GIFT PCL for FY 2024-25, as given in the Table below:

Table 5.8: Energy Requirement approved for FY 2024-25

Particulars	GIFT PCL Petition	Approved in this Order
Energy Sales (MU)	61.06	61.06
Distribution Losses (%)	3.00%	3.00%
Distribution Losses (MU)	1.89	1.89
Energy Requirement (MU)	62.95	62.95

5.6. Energy Availability and Power Purchase Cost

Petitioner's submission

GIFT PCL has projected power requirement to be procured for retail supply business during FY 2024-25. GIFT PCL has worked out the quantum of power procurement based on projected sale of power to its customers and projected Transmission and Distribution losses. The total energy procurement would be around 62.95 MU for FY 2024-25 considering the distribution loss projected by the Petitioner. GIFT PCL has considered the source-wise energy procurement based on estimated sales during FY 2024-25.

Power Purchase through Medium Term Open Access from PTC India Ltd. and other Short-Term Sources:

At present, the Petitioner has arranged power through MTOA from a Captive Generator namely Shree Renuka Sugars Limited (SRSL) located in Kandla, Gujarat. The Petitioner has planned to purchase significant quantum of electricity through SRSL on medium term booking basis. In FY 2024-25, it has been proposed that SRSL will supply majority of power through MTOA (having contract of 2.5 MW) and remaining balance requirement of power will be managed through short term sources (i.e., through power exchange) and own solar generation plant of 2.50 MW. The proposed capacity under MTOA will be around 2.5 MW considering the present PPA in force. Considering the demand under MTOA and year-long requirement for RTC (Round the Clock) power, the energy drawl at Petitioner's periphery would be around 25.29 MUs, after deducting the intra-state transmission loss. The rate of power purchase from SRSL/PTC is envisaged at approximately Rs. 5.40/Unit (incl. trading margin). This is the landed cost of electricity at Petitioner's periphery including the Transmission Charges and SLDC charges for MTOA to be paid by the Petitioner.

Own Generation:

The Petitioner has submitted that due to increase in power purchase prices in recent times, Petitioner is setting up 4.95 MW Solar Plant at its own land in a phased manner. The Commission vide Order dated 21st October, 2022 has provided 'In-principle' approval of power procurement by setting up own Solar Plant on Capital Expenditure Model'. Accordingly, from the Power Purchase through Own Generation the Petitioner has considered tentative tariff from own generation at Rs. 4.70/kWh.

The Petitioner has approached Solar Energy Corporation of India (SECI) for securing long term power purchase tie-up through competitive bidding in line with the Ministry of Power's Guidelines. Accordingly, SECI in consultation with Petitioner has released Request for Selection (RFS) of RE Power Developers for supply of total 1260 MW Firm and Dispatchable Power from ISTS-connected Renewable Energy (RE) Projects in India under Tariff Based Competitive Bidding (namely SECI-FDRE-IV). In this RFS, SECI has mapped 10 MW Capacity in every time-block to GIFT PCL and remaining capacity as per Demand Profile in Annexure-B of the RFS is mapped to BYPL and BRPL (Delhi Discoms). It is expected that, supply for the same shall begin in FY 2026-27.

Short Term Sources:

For short term sources, the Petitioner projects to source significant quantum from Power Exchanges. Considering the rate discovered in Day Ahead Market (DAM) and other abnormalities in Power Market, it has been assumed that the purchase rate would be around Rs. 6.06/Unit (incl. trading margin) for conventional energy to be purchased from Power Exchanges. The purchase rate specified is the landed cost at Petitioner's periphery after considering all applicable open access charges and losses.

Renewable Power Purchase Obligation (RPO)

The Petitioner has submitted that as per the Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 (dated 8/4/2022), the RPO level fixed the Commission for FY 2024-24 is as given in the Table below:

Table 5.9: RPO target for FY 2024-25

RE Technology	GIFT PCL Petition
Solar	11.25%
Wind	8.55%
Others (Biomass, Bagasse, and MSW)	0.80%
Hydro	0.10%
Total	**20.70%**

GIFT PCL has considered to meet solar RPO through energy generation from projects situated in the licensee area under net-metering arrangements, solar generation from own solar plant and balance from procuring through Green DAM (G-DAM) from Power Exchanges at rates up to Rs. 6.55 per kWh. The entire non-solar RPO will be met through non-solar G-DAM purchase only. The details of RPO compliance of ensuring years as submitted by the Petitioner are given below:

Table 5.10: Proposed RPO Compliance for FY 2024-25

(MU)

Sr. No	Particulars	Unit	Value
1	**Total power procurement**	**MU**	62.95
2	Solar RPO target	(%)	11.25%
a)	Solar RPO quantum to be purchased	MUs	7.08
b)	Solar Generation under net-metering arrangement	MUs	1.80
c)	Solar Generation from Own Generation	MUs	4.00
d)	Solar power to be purchased from Power Exchange	MUs	1.28
3	Non-Solar RPO target (wind, others and Hydro)	%	9.45%
a)	Non-Solar RPO quantum to be purchased	MUs	5.95
b)	Non-Solar power to be purchased exchange	MUs	5.95

GIFT PCL has considered purchase of aforesaid renewable power in accordance with the RPO target notified by Commission through its GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 has been substituted in Third Amendment, 2022. In addition to the RPO for FY 2024-25, the Petitioner has considered balance RPO for FY 2019-20 as stated in Order dated 12th May-2022 in Petition No. 1943/2021 and is exploring different options to meet its RPO continuously. Additionally, RPO shortfall of FY 2019-20 is projected to be met through Power Exchanges.

The Petitioner has submitted that it has planned to install own solar plant of 4.95 MW capacity (Phase-1: 2.50 MW will be commissioned by March-2024 and Phase-2: 2.45 MW will be commissioned in FY 2024-25). This solar generation would help to meet the Solar RPO in future years.

The summary of estimated source-wise power purchase cost during FY 2024-25 is tabulated below:

Table 5.11: Power Procurement Quantum & Cost projected by GIFT PCL for FY 2024-25

Particulars	Energy Quantum (MUs)	Total Annual Fixed Charges (Rs Crore)	Variable Cost per unit (Rs/kWh)	Total Variable Charges (Rs Crore)	Power Trading Charges / margin (Rs Crores)	Total Cost of Energy purchased (Rs Crore)	Per Unit Cost of energy purchased (Rs/kWh)
Medium Term / PPA / Own Generation Sources							
SRSL / OTHER GENCO / PTC	25.29	0.009 (MTOA	5.25	13.28	0.12	13.41	5.30

Particulars	Energy Quantum (MUs)	Total Annual Fixed Charges (Rs Crore)	Variable Cost per unit (Rs/kWh)	Total Variable Charges (Rs Crore)	Power Trading Charges / margin (Rs Crores)	Total Cost of Energy purchased (Rs Crore)	Per Unit Cost of energy purchased (Rs/kWh)
		Application fees)					
Own Generation	4.00	0.000	4.70	1.88	0.00	1.88	4.70
Short Term Sources							
IEX (DAM)	22.13	0.020 (IEX Registration Fees)	6.00	13.28	0.10	13.40	6.06
IEX (G-DAM)							
Solar -2024-25	3.08		6.50	2.00	0.01	2.02	6.55
Solar _2019-20 *	0.65		6.50	0.42	0.003	0.43	6.55
Non-Solar -2024-25	5.95		6.50	3.87	0.03	3.89	6.55
Non-Solar -2019-20 *	1.84		6.50	1.20	0.01	1.21	6.55
Total RE (GDAM)	11.52						
Total	**62.95**	**0.028**	**5.71**	**35.93**	**0.28**	**36.24**	**5.76**

*to meet the 2019-20 shortfall in RPO

Commission's view

The Petitioner has proposed to procure power from PTC India Ltd. on Medium Term basis. It is observed that the Petitioner renews its PPA every year therefore, it is assumed that the Petitioner will renew its PPA during FY 2024-25 also. Therefore, the Commission approves the purchase of 25.29 MU through PTC under MTOA as projected by the Petitioner for FY 2024-25 provisionally. However, the Petitioner is directed to submit the relevant documents at the time of Truing up of FY 2024-25. It is observed that the Petitioner has planned to procure 4.00 MU at tentative rate of Rs. 4.70/kWh from 4.95 MW Solar Plant to be set up by the Petitioner but has not provided any justification regarding consideration of rate of Rs. 4.70/kWh for procuring power from solar generating plant. The Commission has noted that in the discussion paper on 02.03.2024 for procurement of power from Solar Power project has proposed levelized tariff of Rs. 2.96/kWh for the solar project capacity below threshold limit of eligibility to participate in competitive bidding as per MNRE guideline. Accordingly, the Commission has provisionally considered tariff of Rs. 2.96 / kWh for procuring power from the solar generating plant. However, the levelized tariff to be determined by the Commission in accordance with the Order dated 21st October, 2022 in Petition No. 2142 of 2022, for the procurement of power from solar generating plant shall be considered at the time of Truing up of FY 2024-25.

The Commission notes that GIFT PCL has proposed to meet the requirement towards the solar and non-solar RPO target for FY 2024-25 through G-DAM at Rs. 6.50 /kWh. Further, it is observed that the Petitioner has considered 1.80 MU from net-metering but considered it to be purchased from GDAM. The same has been considered as solar purchase from GDAM.

The Commission further observes that the Petitioner has considered the directions in Order dated 12th May-2022 in Petition No. 1943/2021 and has considered the RPO shortfall of FY 2019-20 to be purchased in this year to be met through Power Exchanges. The Commission considers the same. The Commission, further, directs GIFT PCL to be diligent and ensure that RE power is procured to meet its RPO requirement at competitive rate. The Commission is of the view that Petitioner may take necessary steps to take advantage of new facilities/ services/ products available in the power market to optimize its power purchase cost.

The Commission observed that as per IEX, the average price of the GDAM market for FY 2023-24 was Rs. 5.813/kWh. Accordingly, the Commission has considered Rs. 5.84/kWh (5.813/kwh + 0.023/kwh for LDC & Trade Charge (Rs./Unit)) for projecting the power purchase from GDAM markets for meeting the Solar, and non-solar RPOs for FY 2024-25.

The Commission further observed that as per IEX, the the average price of the DAM market for FY 2023-24 was Rs. 5.257/kWh. Accordingly, the Commission allows to procure balance quantum of 23.93 MU through Power Exchange DAM at rate of Rs. 5.58/kWh (including power exchange charges and trading margin), as proposed by the Petitioner. The Commission while approving the projected power purchase cost, subject to truing-up, directs GIFT PCL to make payment of trading margin after prudence check.

Accordingly, the Commission hereby approves the source-wise energy purchase as follows:

Table 5.12: Energy Availability approved for FY 2024-25

(MU)

Particulars	GIFT PCL Petition	Approved in this Order
MTOA through PTC	25.29	25.29
Generation from Solar Project	4.00	4.00
IEX -DAM	22.13	22.13
IEX -GDAM (Solar)	3.73	3.73
IEX -GDAM (Non Solar)	7.79	7.79
Total	**62.95**	**62.95**

Accordingly, the Commission hereby approves the source-wise energy purchase as follows:

Table 5.13: Source-wise Power Purchase Cost approved for FY 2024-25

(MU)

Particulars	Energy Quantum (MUs)	Total Annual Fixed Charges (Rs Crore)	Variable Cost per unit (Rs/kWh)	Total Variable Charges (Rs Crore)	Power Trading Charges / margin (Rs Crores)	Total Cost of Energy purchased (Rs Crore)	Per Unit Cost of energy purchased (Rs/kWh)
Medium Term / PPA / Own Generation Sources							
SRSL / OTHER GENCO / PTC	25.29	0.009	5.25	13.28	0.12	13.41	5.30
Generation from Solar Project	4.00	0.000	2.96	1.18	0.00	1.18	2.96
Short Term Sources							
IEX (DAM)	22.13	0.020	5.53	12.23	0.10	12.23	5.58
IEX (G-DAM)							
Solar -2024-25	3.08		5.81	1.79	0.007	1.80	5.84
Solar -2019-20 *	0.65		5.81	0.38	0.001	0.38	5.84
Non-Solar -2024-25	5.95		5.81	3.46	0.014	3.47	5.84
Non-Solar -2019-20 *	1.84		5.81	1.07	0.004	1.08	5.84
Total RE (GDAM)	11.52						
Total	**62.95**	**0.028**	**5.30**	**33.39**	**0.25**	**33.68**	**5.35**

*to meet RPO shortfall of FY 2019-20

5.7. Operation & Maintenance Expenses

Petitioner's submission

The Petitioner has submitted as under:

a) Employee Expenses:

The Employee Expenses has been projected at Rs. 3.55 Crore for FY 2024-25 based on current scenario. Petitioner has mentioned that, now the Power Business Assets have been transferred from GIFT CL to GIFT PCL from FY 2023-24 as directed by the Commission in previous years Orders.

As per Companies Act-2013, Section 203 states that certain classes of companies must appoint the KMP, which includes the Managing Director or Manager or Chief Executive Officer, Company Secretary and Chief Financial Officer. The company must appoint a Whole-Time Director if it does not have a Chief Executive Officer, Manager or Managing Director.

Whereas, Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 states that class of companies must appoint the whole-time KMP, which are as follows:

- ✓ Every listed company
- ✓ A public company having a paid-up share capital of Rs. 10 Crore or more.

As GIFT Power Company Limited is having the paid-up capital is more than Rs. 10 Crore, Company has to appointed Chief Financial Officer and Company Secretary as KMP of the Company. Therefore, the employee expenses of KMP are newly added in FY 2022-23 and will continue further.

Also, during FY 2022-23 pay revision for certain employees was done based on merit criteria which has also increased the employee expenses. Based on the above submissions, the Petitioner has projected the employee expenses of Rs. 3.55 Crore for ARR FY 2024-25.

b) Repair and Maintenance Expenses

The Repair and Maintenance Expenses has been projected at Rs. 1.46 Crore for FY 2024-25 based on the actual work order issued to the O&M agency. This agency is responsible for maintenance of sub-station, distribution network and equipment's, handling 24x7 consumer complaints and issues.

c) Administrative and General Expenses

The Administrative and General Expenses has been projected at Rs. 1.90 Crore for FY 2024-25 based on the current scenario. There is a marginal increase under this expense head due to planning of appointing a Consultant for Licensee Area Extension Petition and MYT Tariff Petition Consultant.

The details of O&M Expenses claimed by the Petitioner is shown below:

Table 5.14: Operation and Maintenance Cost projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Employee Expenses	3.55
R&M Expenses	1.46
A&G Expenses	1.90
Operation and Maintenance Expenses	**6.91**

Commission's view

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

"86.2 Operation and Maintenance expenses:

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

b). *The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2014 and shall be escalated year on year at the escalation factor of 5.72% to arrive at operation and maintenance* *expenses for subsequent years up to FY 2021-22..."*

The Commission notes that the FY 2024-25 was not part of the earlier control period (FY 2016-17 to FY 2020-21). While the notification of the new Tariff Regulations for the next Control Period was deferred by the Commission on account of circumstances and reasons beyond the control of the Commission, for the purpose of application of the norms for the FY 2024-25 as per the existing GERC (MYT) Regulations, 2016, the FY 2024-25 is being treated at par with the fourth year of the control period.

Accordingly, the allowable O&M expenses for the FY 2024-25 have been computed by the Commission in line with the provisions of the Regulation 86.2 of the GERC (MYT) Regulations, 2016 by considering the average of actual O&M expenses (approved by the Commission) for FY 2020-21 to FY 2022-23 which have been considered as the normative O&M expenses for the FY 2021-22 ending 31st March 2022 and escalated year on year at rate of 5.72% to arrive at the allowable O&M expenses for FY 2024-25

Table 5.15: Computation of Operation and Maintenance Expenses approved for FY 2023-24 and FY 2024-25

(Rs. Crore)

Particulars	Actual FY 2020-21	Actual FY 2021-22	Actual FY 2022-23	Average Normative (FY2021-22)	Escalation Factor	Normative FY 2022-23	Normative FY 2023-24	Normative FY 2024-25
Operation and Maintenance Expenses	3.79	4.83	4.85	4.48	5.72%	4.74	5.01	5.30

Accordingly, the Commission approves the O&M Expenses for FY 2024-25 as given in the Table below.:

Table 5.16: Operation and Maintenance Expenses approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
Employee Expenses	3.55	5.30
R&M Expenses	1.46	
A&G Expenses	1.90	
Operation and Maintenance Expenses	**6.91**	**5.30**

5.8. Capital Expenditure, Capitalization and Funding of CAPEX

Petitioner's submission

The Petitioner has submitted that it has established good distribution network along with build-in redundancies for ensuring uninterrupted quality power to the unit holders in GIFT SEZ and Domestic Tariff area which is part of GIFT PCL license area. Petitioner's licensee area hosts prominent International Exchanges, Data Centres, International Banking Units, Broker's Forum, Banking Units with Back-office Works, IT & ITES Units are operational in GIFT SEZ and DTA. All these units are working almost 24X7. All such units are increasing in forthcoming years, due to supportive policies of GOI & GOG for financial activities and IT, ITES units. The availability of quality and reliable power to the unit holders is the most important element for successful development of GIFT City.

In view of this, Petitioner has established standard distribution network along with build-in redundancies for ensuring uninterrupted quality power to all unit holders in GIFT Special Economic Zone and Domestic Tariff Area which is part of GIFT PCL licensee area.

During the present financial year, the Growth Rate in energy sales by consumer categories and load has been increased, the anticipated load growth for future years will be increase multifold times. So, the capital expenditure will also increase. The Petitioner is expecting that the scenario will be very positive in the ensuing financial year. Considering the same, the anticipated capital expenditure and capitalization proposed by the Petitioner are as follows:

Table 5.17: Capex and Capitalisation projected for FY 2024-25

(Rs. Crore)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
	Claimed	Claimed	Projected
Opening GFA	111.96	113.51	127.86
Opening CWIP	33.15	29.59	24.21
Capital expenditure during the year	1.94	9.97	25.60
Closing GFA	113.51	127.86	148.34
Closing CWIP	29.59	24.21	24.21
Capitalization during the year	5.06	15.35	25.60
Less: SLC Addition	3.52	1.00	5.12

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
	Claimed	Claimed	Projected
Net Capitalization during the year	1.54	14.35	20.48

GIFT has submitted the proposed scheme-wise Capitalization for FY 2024-25 as under:

Proposed Scheme-wise Capitalization for FY 2024-25

(Rs. Crore)

Particulars	Plant and Machinery	Civil works	Furniture	Software	Total
Opening GFA	116.15	10.88	0.28	0.55	127.86
Addition During The Year	25.60	0.00	0.00	0.00	25.60
(Less:) Service Line Contribution	5.12	0.00	0.00	0.00	5.12
Net Addition	20.48	0.00	0.00	0.00	20.48
Closing Balance	136.63	10.88	0.28	0.55	148.34

Project	Project Cost (in Rs/Crores)
33 KV Power Supply Arrangements for Block-15	5.00
33 KV Power Supply Arrangements for Block-47	3.67
33 KV Power Supply Arrangements for Block-12	4.50
33 KV Power Supply Arrangements for Block-14	4.50
SCADA System Upgradation	2.43
Procurement of Smart Meters for New Consumers	2..00
Procurement of Power Distribution Cables	2.50
Power Distribution Arrangement for various consumers	1.00
Total Capitalization Planned	**25.60**

- **Power Distribution Arrangement for various consumers**

The Petitioner has to arrange Power Supply arrangements for new consumers and accordingly, the details of proposed total asset to be capitalised during FY 2024-25 are given below:

- **33 kV Power Supply Arrangements for Block-15:**

As constructions of two buildings (Savvy) is near to completion, the Petitioner has to install Switching Panels in Underground RMU Room in Block-15 and lay dual source 33 kV power distribution cable from 66 kV Sub-Station to Block-15 RMU Room. This Switching Panel is planned to have 4 outgoing feeders. The estimated cost of 33 KV

Power Supply Arrangements for Block-15 is Rs. 5.00 Crores and Petitioner requested the Commission to approve the same.

- **33 kV Power Supply Arrangements for Block-47:**

As the construction of two buildings (Befree and Lilavati) will be completed by end of FY 2024-25, the Petitioner has to install Switching Panels in Underground RMU Room in Block-47 and lay dual source 33 kV power distribution cable from 66 KV Sub-Station to Block-47 RMU Room. This Switching Panel is planned to have 4 outgoing feeders. The estimated cost of 33 kV Power Supply Arrangements for Block-47 is Rs. 3.67 Crores and Petitioner requested the Commission to approve the same.

- **33 kV Power Supply Arrangements for Block-12**:

As the construction of one building (IFSCA) will be completed by end of FY 2024-25, the Petitioner has to install Switching Panels in Underground RMU Room in between Block-58/Block-12 and lay dual source 33 kV power distribution cable from 66 kV Sub-Station to Block-12 RMU Room. This Switching Panel is planned to have 2 outgoing feeders. The estimated cost of 33 kV Power Supply Arrangements for Block-12 is Rs. 4.50 Crores and Petitioner requested the Commission to approve the same.

- **33 kV Power Supply Arrangements for Block-14:**

As the construction of two buildings (Cybage and Junomoneta) will be completed by end of FY 2024-25, the Petitioner has to install Switching Panels in Underground RMU Room in between Block-14 and lay dual source 33 kV power distribution cable from 66 kV Sub-Station to Block-14 RMU Room. This Switching Panel is planned to have 4 outgoing feeders. The estimated cost of 33 kV Power Supply Arrangements for Block-14 is Rs. 4.50 Crores and Petitioner requested the Commission to approve the same.

- **SCADA System Upgradation:**

During the past eight years, power infrastructure has grown significantly due to fast paced developments in the city which led to addition in various distribution related power systems. These systems have been integrated into our existing SCADA system, which operates on the IEC 61850 protocol.

The existing SCADA system can hold a maximum of 128 process object configurations out of which 125 have been utilized. Also, the tag capacity has been completely exhausted. In view of growing infrastructure, it is imperative to upgrade the existing system. This augmentation shall involve upgrading the system with a higher number of tags and servers to support the increased load and ensure seamless integration of new systems.

Moreover, it has come to our attention that the servers currently in use are running on older versions. This upgradation is crucial to maintain the efficiency, reliability, and functionality of electrical infrastructure in line with our growing operational demand and requirements. The estimated cost of SCADA System Upgradation is Rs. 2.43 Crores and Petitioner requested the Commission to approve the same.

- **Procurement of Smart Meters for New Consumers:**

As per Ministry of Power's Notification F.No. 23/35/2019-R&R dated 17th August-2021, it has been directed to replace all the existing meters with smart meters with pre-payment feature. Also, Hon'ble Commission vide letter dated 9th September-2021 has informed to submit a plan for installing Smart Meters. As per the development plans, multiple buildings/offices/residential units will start their operations/occupancy in FY 2024-25.

Accordingly, Petitioner needs to procure new meters for new consumers. Also, as directed by Ministry of Power and the Commission, Petitioner is proposing to purchase Smart Meters for new consumers. It may please be noted that Meter Manufacturers are now stopping the manufacturing of AMR meters. Hence, it is prudent to purchase Smart Meters. It is estimated that, through implementation of Smart Meters in Licensee area, Petitioner will increase the accuracy in billing and collection efficiency. The estimated cost for Procurement of Smart Meters is Rs. 2.00 Crores and Petitioner requested the Commission to approve the same.

- **Procurement of Power Distribution Cables:**

As the developments in the licensee area are fast paced, several new consumers/occupants are expected to begin their operations in FY 2024-25. Accordingly, there will be substantial increase in consumers and Petitioner have to arrange for power supply and release connections. Accordingly, the Petitioner will purchase cables separately for meeting the power distribution requirements and meeting Universal Service Obligation as per Electricity Act-2003. The estimated cost for Procurement of Power Distribution Cables is Rs. 2.50 Crores and Petitioner requested the Commission to approve the same.

- **Power Distribution Arrangement for various consumers:**

The Petitioner has to arrange Power Supply arrangements for new consumers and develop the necessary infrastructure for giving power supply. Accordingly, various items have to be procured like meter box, feeder pillars and services like civil works, cable laying & other miscellaneous tasks needs to be performed. The estimated cost for providing Power Supply Arrangement for various consumers is Rs. 1.00 Crores and Petitioner requested the Commission to approve the same.

- **Ground Mount Solar Power Plant of 2.45 MW (Phase-2)**

Petitioner is setting up 4.95 MW Solar Plant at its own land in a phased manner. The Petitioner had filed a separate Petition (Petition No. 2142/2022) before the Commission for 'In-principle approval of power procurement by setting up own Solar Plant on Capital Expenditure Model' and the Order of the same was issued on 21st October-2022 wherein the Commission has allowed the Petitioner to install own solar power plant on capital expenditure basis. Accordingly, the Petitioner had floated the Solar Tender for Phase-1 (2.50 MW Plant Installation) EPC Works and by following National Competitive Bidding through e-tendering process in FY 2022-23 and the same was awarded to M/s Zodiac Energy Limited. The 2.50 MW Solar Plant will get commissioned in March-2024.

In the meanwhile, Petitioner is also planning to release the tender for Phase-2 Installation of 2.45 MW in FY 2023-24 and the work will be awarded in Q1 of FY 2024-25. The planned Phase-2 (2.45 MW) installation will be targeted for completion by December-2024. As per Commission's Order in Petition No. 2142/2022, the Petitioner will commission the first phase of 2.5 MW Solar Power Plant at its own land in March-2024 and will begin the installation of second phase of 2.45 MW Solar Power Plant at its own land in June-2024 and will get commissioned in December-2024. This Solar Plant will be treated as a 'Generation Business' of Petitioner. Hence, the capital expenditure is not considered in Capitalization. Accordingly, GIFT PCL has proposed capital expenditure & capitalization for FY 2024- 25 as per Table below:

Table 5.18: Capital Expenditure and Capitalization projected for FY 2024-25

(Rs. Crore)

Particulars	FY 2024-25
Capital Expenditure	25.60
Capitalisation	25.60
Net Capitalization after adjusting SLC	20.48

Commission's view

The Petitioner has submitted the proposed scheme-wise Capitalization for FY 2024-25. The Commission has examined the submissions of the Petitioner.

Regarding the Petitioner's claim of Rs. 2.50 Crore towards power cables. It is observed that several new consumers/occupants are expected to begin their operations in FY 2024-25, hence Petitioner will be required to icure capital expenditure for meeting the power requirements and meeting Universal Service Obligation as per Electricity Act-2003. In view of the above, expenditure for cable is allowed.

It is noted that the Petitioner is proposing to purchase Smart Meters for new consumers. The Petitioner has planned to capitalize the expenditure in FY 2024-25. It is submitted that as the Meter Manufacturers are now stopping the manufacturing of AMR meters, it is prudent to purchase Smart Meters. Also, the smart will help the Petitioner in improving the accuracy in billing and collection efficiency. In view of the above, the capital expenditure towards smart metering for existing and new consumers is allowed.

It is observed that 33 kV power supply arrangement for Block 15, Block 47, Block 12 & Block 14 will require switching panels for distribution network for new consumer building in in Block-15 for new buildings (Savvy) , in Block-15 for new buildings (Savvy), 12 for new buildings (IFSCA) and new other buildings (Cybage, Rajyash and Junomoneta) and hence the capital expenditure towards RMU & switching panels is approved.

The Petitioner has proposed Rs. 2.43 Crore for SCADA System Upgradation. The

Petitioner has submitted that the existing SCADA system have the capacity of maximum 128 process object configuration. During last 8 years various power infrastructure has been added in the system which were configured to SCADA. At present out of 128 process objects, 125 process objects has been utilized and tags capacity are being exhausted. Therefore, augmentation of complete electrical SCADA system is required to integrate the upcoming electrical infrastructure developments. Hence, the proposed capital expenditure is approved.

With respect to revised estimates of capitalization of FY 2023-24, the Commission has considered the same CAPEX and Capitalization as approved in the Tariff Order dated 31st March 2023 and any variation shall be dealt with at the time of true-up of FY 2023-24. The Commission of the view that the capitalisation of the said capital expenditure and work in FY 2024-25 should be done with due delignetly.

It is observed that the Petitioner has also claimed SLC of Rs. 5.12 Crore and same is considered for FY 2024-25.

The details of capital expenditure and capitalisation claimed by the Petitioner and allowed by the Commission is shown in the table below:

Table 5.19: Scheme wise Capital expenditure approved by Commission for FY 2024-25

(Rs. Crore)

Sr. No.	Project	Capital expenditure		Capitalisation	
		Claimed	Allowed	Claimed	Allowed
1	Power Distribution Arrangement for Various Consumers	1.00	1.00	1.00	1.00
2	Power Cables	2.50	2.50	2.50	2.50
3	Smart metering New	2.00	2.00	2.00	2.00
4	SCADA System Upgradation	2.43	2.43	2.43	2.43
5	33 KV Power supply arrangement for Block 15 (Switching Panel)	5.00	5.00	5.00	5.00
6	33 KV Power supply arrangement for Block 47 (Switching Panel)	3.67	3.67	3.67	3.67
7	33 KV Power supply arrangement for Block 12 (Switching Panel)	4.50	4.50	4.50	4.50
8	33 KV Power supply arrangement for Block 14 (Switching Panel)	4.50	4.50	4.50	4.50
9	**Total Capitalization**	**25.60**	**25.60**	**25.60**	**25.60**
10	Less SLC			5.12	5.12

Sr. No.	Project	Capital expenditure		Capitalisation	
		Claimed	Allowed	Claimed	Allowed
11	**Net Capitalization**	**25.60**	**25.60**	**20.48**	**20.48**

Accordingly, the Commission approves Rs. 25.60 Crore of capital expenditure as claimed by the Petitioner for FY 2024-25 and based on the above discussion; the Commission has approved net Capitalization of Rs. 20.48 Crore as shown below:

Table 5.20: Capital expenditure worked out by Commission for FY 2023-24

(Rs. Crore)

Particulars	Approved in Tariff Order	Proposed by Petitioner	Revised Estimates approved
Capital Expenditure	9.97	9.97	9.97
Capitalisation	14.83	15.35	14.83
Less: SLC	1.00	1.00	1.00
Net Capitalisation	13.83	14.35	13.83

Table 5.21: Capital expenditure worked out by Commission for FY 2024-25

(Rs. Crore)

Particulars	Claimed by GIFT PCL	Approved in this Order
Capital Expenditure	25.60	25.60
Capitalisation	25.60	25.60
Less: SLC	5.12	5.12
Net Capitalisation	20.48	20.48

The Commission has considered the closing GFA for FY 2022-23 of Rs. 19.44 Crore as approved in this Order and the net addition of assets of Rs. 13.83 Crore (14.83-1.00) in FY 2023- 24 as approved in the Tariff Order dated 31st March 2023 for working out the closing balance of GFA for FY 2023-24. Accordingly, the closing balance of GFA for FY 2023-24 thus worked out, has been considered as opening balance of GFA for FY 2024-25. The asset capitalisation approved for FY 2024-25 have been discussed earlier in this Section. The Capitalization for FY 2024-25 is envisaged to be partly funded from consumer contribution and the balance has been considered as funded through Debt: Equity in the ratio of 70:30.

Accordingly, the Capitalization and funding approved by the Commission for FY 2024-25 are given in the Table below:

Table 5.22: Capitalization and its funding approved for FY 2024-25

(Rs. Crore)

Particulars	FY 2023-24			FY 2024-25	
	Approved in Tariff Order	Claimed by GIFT PCL	Revised Estimates	GIFT PCL Petition	Approved in this Order
Net Opening GFA	**21.76**	113.51	**19.44**	127.86	**33.27**
Opening CWIP	29.59	29.59	29.59	24.21	24.73
Capital expenditure during the year	9.97	9.97	9.97	25.60	25.60
Capitalization during the year	14.83	15.35	14.83	25.60	25.60
Less: SLC Addition	1.00	1.00	1.00	5.12	5.12
Net Capitalization during the year	**13.83**	**14.35**	**13.83**	**20.48**	**20.48**
Net Closing GFA	**35.59**	127.86	**33.27**	148.34	**53.75**
Closing CWIP	24.73	24.21	24.73	24.21	24.73
Normative Debt (70%)	9.68	**10.38**	**9.68**	**14.34**	**14.34**
Normative Equity (30%)	**4.15**	**4.45**	**4.15**	**6.14**	**6.14**

5.9. Depreciation

Petitioner's submission

GIFT PCL has considered the Depreciation on the basis of gross fixed asset at the starting of financial year and additional capitalization proposed to be capitalized during the year as proposed under CAPEX roll-out plan. On this basis, the average of opening and closing value of asset has been calculated. Depreciation for FY 2024-25 has been calculated based on Average Asset Value and Depreciation rate as given in the GERC (MYT) Regulations, 2016.

Table 5.23: Depreciation projected for FY 2024-25

(Rs. Crore)

Particulars	Plant and Machinery	Civil works	Furniture	Software	Total
Opening GFA	116.15	10.88	0.28	0.55	127.86
Capitalization during the Year	25.60	0.00	0.00	0.00	25.60
(Less:) Service Line Contribution	5.12	0.00	0.00	0.00	5.12
Net Capitalization	20.48	0.00	0.00	0.00	20.48
Closing Balance of GFA	136.63	10.88	0.28	0.55	148.34
Average GFA	126.39	10.88	0.28	0.55	138.10
Depreciation Rate (%)	5.28%	3.34%	6.33%	30.00%	
Depreciation Claimed	**6.67**	**0.36**	**0.02**	**0.17**	**7.22**

GIFT PCL has submitted that the computation of Depreciation on the fixed assets is based on straight line method as prescribed in the Regulations. The Depreciation rates considered are as per the GERC (MYT) Regulations, 2016.

Commission's view

The Commission has considered the approved capitalisation for calculation of Depreciation and the opening GFA for the FY 2024-25 has been considered same as that approved in Table 5.23 of this Order. The Commission has noted that average Depreciation Rate for FY 2022-23 is 5.10%. The Commission has observed that GIFT PCL has worked out Average Depreciation Rate of 5.23% for FY 2024-25 by applying Depreciation Rates as per the GERC (MYT) Regulations, 2016 which seems reasonable. Accordingly, the Commission has computed the depreciation for FY 2024-25 on average GFA for the year.

Accordingly, the Commission approves Depreciation of Rs. 2.27 Crore for FY 2024-25 as shown below:

Table 5.24: Revised Depreciation estimates for FY 2023-24

(Rs. Crore)

Particulars	GIFT PCL Petition	Revised Estimates
Net Opening GFA	113.51	19.44
Net Addition during the year (net of SLC)	14.35	13.83
Net Closing GFA	127.86	33.27
Average GFA	120.68	26.36
Net Depreciation	**6.23**	**1.36**

Table 5.25: Depreciation approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
Net Opening GFA	127.86	33.27
Net Addition during the year (net of SLC)	20.48	20.48
Net Closing GFA	148.34	53.75
Average GFA	138.10	43.51
Net Depreciation	**7.22**	**2.27**

5.10. Interest and Finance Charges

Petitioner's submission

GIFT PCL submitted that it has calculated the Interest Expenses on the basis of the actual loan portfolio at the beginning of the year applicable to Distribution Licensee as per GERC (MYT) Regulations, 2016. Accordingly, interest rate of 7.25% at existing scenario as on date has been considered by the Petitioner.

GIFT has considered the Debt-Equity in 70:30 ratio as indicated in the GERC (MYT) Regulations, 2016 after exclusion of projected Consumer Contribution, which would be received from the consumers.

GIFT has submitted the following details in respect of Interest and Finance Charges.

Table 5.26: Interest and Finance Charges projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Opening Loan	48.30
Addition of Loan due to Capitalisation during the Year	14.34
Less: Repayment	7.22
Closing Loan	55.42
Average Loan	51.86
Rate of Interest (%)	7.25%
Interest Expenses	**3.76**

Commission's view

The Commission has considered the closing balance of Normative Loan of Rs. 4.54 Crore for FY 2022-23 as approved in this Order and the addition of Normative Loan of Rs. 9.68 Crore and repayment of Normative Loan of Rs. 1.36 Crore for FY 2023-24 to work out the closing balance of loans for FY 2023-24. Accordingly, the closing balance of Normative Loan for FY 2023-24 thus worked out, has been considered as opening balance of Normative Loan for FY 2024-25. The loan addition and repayment equivalent to depreciation as approved for FY 2024-25 have been considered.

On Commission's query regarding the computation of weighted average rate of interest of 7.25% considered for computation of interest on loan for FY 2024-25, the Petitioner has submitted that it has sourced loan from GSFS at present, and it is considered that interest rate of 7.25% as per existing scenario will be applicable for FY 2024-25 but, as and when GSFS revises the interest rate for GOG entities, the same shall be applicable for the Petitioner. The same has been verified by the Commission, vide the communication of rate change provided by GSFS to the Petitioner. Therefore, the Commission considers rate of interest of 7.25% as proposed by the Petitioner for FY 2024-25 subject to true up.

Accordingly, the Commission approves the Interest and Finance Charges of Rs. 1.37 Crore for FY 2024-25 as shown in the Table below:

Table 5.27: Interest and Finance Charges approved for FY 2024-25

(Rs. Crore)

Particulars	**GIFT PCL Petition**		**Approved in this Order**	
	FY 2023-24	**FY2024-25**	**FY 2023-24**	**FY2024-25**
Opening Loan	44.49	48.30	4.54	12.86
Addition of Loan due to Capitalisation during the Year	10.04	14.34	9.68	14.34
Less: Repayment	6.23	7.22	1.36	2.27
Closing Loan	48.30	55.42	12.86	24.92
Average Loan	46.40	51.86	8.70	18.89
Rate of Interest (%)	7.00%	7.25%	7.00%	7.25%
Interest Expenses	**3.25**	**3.76**	**0.61**	**1.37**

5.11. Interest on Security Deposit

Petitioner's submission

GIFT PCL has submitted that the consumer whose amount of security deposit exceeds Rs. 25 Lakhs, at his option, can furnish the security deposit in the form of irrevocable bank guarantee initially valid for period of 2 years as per the GERC (Security Deposit) (Second Amendment) Regulations, 2015.

GIFT PCL has computed the Interest Expenses on proposed security deposit for FY 2024-25 as 0.38 Crore considering the trend of consumer deposit of past years as tabulated below:

Table 5.28: Interest on Security Deposit projected for FY 2024-25

(Rs. Crore)

Particulars	**GIFT PCL Petition**
Amount held as Security Deposit	8.39
Interest Rate (%)	4.50%
Interest on Security Deposit	**0.38**

Commission's view

The Commission has accepted the average amount of consumer security deposits as projected by the Petitioner for FY 2024-25. The Commission has considered the RBI

Bank Rate @ 4.50% per annum in line with the provisions of the GERC (MYT) Regulations, 2016 as considered by GIFT PCL.

Accordingly, the Commission approves the Interest on Security Deposit of Rs. 0.38 Crore for FY 2024-25 as shown in the Table below:

Table 5.29: Interest on Security Deposit approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this
Average Security Deposit	8.39	8.39
Rate of Interest	4.50%	4.50%
Interest on Security Deposit	**0.38**	**0.38**

5.12. Interest on Working Capital

Petitioner's submission

GIFT has submitted that the interest on working capital has been worked out as per the GERC (MYT) Regulations, 2016. The following have been considered for determining bases for working capital in a year.

- Operation & Maintenance Expenses for one month, plus maintenance spare @ 1 % of GFA, plus receivables equivalent to one month of the expected revenue, minus
- Amount, if any, held as security deposits against bill payment

The Interest on Working Capital is arrived at as per the provisions of the GERC (MYT) Regulations, 2016, as shown in the Table below:

Table 5.30: Interest on Working projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
O&M Expenses for 1 month	0.58
1 % of GFA for Maintenance Spares	1.41
Receivables for 1 month	4.60
Working Capital Requirement	6.58
Less: Average Security Deposit	8.39
Normative Working Capital	0.00
Interest Rate (%)	-
Interest on Working Capital	**-**

As per the GERC (MYT) Regulations, 2016 the working capital computed is Rs. 6.58

Crore and the amount of consumer security deposits is Rs. 8.39 Crore and thereby the working capital requirement works out to be Nil for FY 2024-25.

The interest on working capital has been worked out as per the Regulations 40.4 and 40.5 of the GERC (MYT) Regulations, 2016 and it works out to Nil.

Commission's view

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

The normative interest on working capital approved by the Commission for FY 2024-25 is shown in the Table below:

Table 5.31: Interest on Working Capital approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
O&M Expenses for 1 month	0.58	0.44
1 % of GFA for Maintenance Spares	1.41	0.38
Receivables for 1 month	4.60	4.60
Working Capital Requirement	6.58	5.42
Less: Average Security Deposit	8.39	8.39
Normative Working Capital	**-**	**-**
Interest Rate (%)	-	-
Interest on Working Capital	**-**	**-**

As it can be observed from the above Table, the normative working capital requirement for FY 2024-25 works out to be Nil considering the security deposit projected to be held, and accordingly, no interest on working capital has been allowed by the Commission.

5.13. Return on Equity

Petitioner's submission

GIFT PCL has submitted that it has projected paid up equity capital with 70:30 debt: equity ratio on the asset put to use as per the GERC (MYT) Regulations, 2016. GIFT PCL has considered a regulated return of 14.00% as per the GERC (MYT) Regulations, 2016:

Table 5.32: Return on Equity projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Opening Equity	38.36
Equity portion of Capitalization during the Year	6.14
Closing Balance of Equity	44.50
Average Equity	41.43
RoE at 14.00%	14.00%
Return on Equity	5.80

Commission's view

The Commission has considered the closing balance of Equity of Rs. 4.43 Crore for FY 2022-23 as approved in this Order and the addition of Equity of Rs. 4.15 Crore for FY 2023-24 as per adjustment in capitalisation for working out the closing equity for FY 2023-24. Accordingly, the closing balance of Equity for FY 2023-24 thus worked out, has been considered as opening balance of Normative Loan for FY 2024-25. The equity addition for FY 2024-25 has been considered as approved at Table 5.22 of this Order. The rate of return on equity is considered 14.00% as per the GERC (MYT) Regulations, 2016, to work out the Return on Equity as shown in the Table below:

Table 5.33: Return on Equity approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition		Approved in this Order	
	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
Opening Equity	34.05	38.36	4.43	8.58
Equity portion of Capitalization during the Year	4.30	6.14	4.15	6.14
Closing Balance of Equity	38.36	44.50	8.58	14.73
Average Equity	36.20	41.43	**6.51**	**11.65**
RoE at 14%	14.00%	14.00%	14.00%	14.00%
Return on Equity	5.07	5.80	**0.91**	**1.63**

5.14. Income Tax

Petitioner's submission

GIFT PCL has submitted that it has considered no income tax for FY 2024-25 as seen from the Table below:

Table 5.34: Income tax projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Income tax	0.00

Commission's view

For FY 2024-25, no Income Tax liability has been considered at present, and the same shall be Trued-up based on the actual Income Tax paid by the Petitioner, if any.

5.15. Contingency Reserve

Petitioner's submission

GIFT PCL has submitted that it has contributed to the contingency reserve at 0.5% of the original cost of fixed assets at the beginning of the year. The amount of contingency reserve claimed by the Petitioner is Rs. 0.70 Crore for FY 2024-25.

Commission's view

The Commission has computed the contribution to the contingency reserves in accordance with Regulation 86.3 of the GERC (MYT) Regulations, 2016. The Commission has considered 0.5% of the original cost of fixed assets at the beginning of the FY 2024-25 as approved at Table 5-22 of this Order for the computation of contribution to the contingency reserves:

Table 5.35: Contribution to Contingency Reserve approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
Contribution to Contingency Reserve	0.70	0.17

5.16. Non-tariff income

Petitioner's submission

GIFT PCL has submitted that it has projected amount of Non-tariff income considering the interest income from bank deposits, registration fee etc in accordance with the GERC (MYT) Regulations, 2016.

GIFT PCL has proposed non-tariff income as Rs. 0.84 Crore for FY 2024-25. The estimation is based on 5% annual growth considered on FY 2022-23 actual non-tariff income. The Non-tariff income for FY 2024-25 is as under.

Table 5.36: Non-tariff Income projected for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Non-tariff Income	0.84

Commission's view

The Commission accepts the Petitioner's contention and approves the Non-tariff Income for FY 2024-25, as shown in the Table below:

Table 5.37: Non-tariff Income approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
Non-tariff Income	0.84	0.84

5.17. ARR for FY 2024-25

Petitioner's submission

GIFT PCL has submitted the projected ARR for FY 2024-25 based on the element wise submission as given in the Table below:

Table 5.38: ARR claimed for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition
Power Purchase Expenses	36.24
O&M Expenses	6.91
Depreciation	7.22
Interest and Finance Charges	3.76
Interest on security deposit	0.38
Interest on Working Capital	0.00
Provision for bad debts	0.00
Contingency Reserve	0.70
Income Tax	0.00
Return on Equity @ 14%	5.80
Less: Non-Tariff Income	0.84
Total Aggregate Revenue Requirement	**60.17**

GIFT PCL has requested the Commission to consider ARR mentioned above for determination of tariff for FY 2024-25.

Commission's view

Considering the foregoing analysis, the Commission approves the ARR for FY 2024-25 as shown below:

Table 5.39: ARR approved for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
Power Purchase Expenses	36.24	33.68
Operation & Maintenance Expenses	6.91	5.30
Depreciation	7.22	2.27
Interest & Finance Charges	3.76	1.37
Interest on Security Deposit	0.38	0.38
Interest on Working Capital	0.00	0.00
Contribution to contingency reserves	0.70	0.17
Bad Debts written off	0.00	0.00
Total Revenue Expenditure	**55.21**	**43.16**
Return on Equity Capital	5.80	**1.63**
Income Tax	0.00	0
Aggregate Revenue Requirement	**61.01**	**44.80**
Less: Non-Tariff Income	0.84	0.84
Less: Income from Other Business	0	0
Net Aggregate Revenue Requirement	**60.17**	**43.95**

6. Determination of Tariff for FY 2024-25

6.1. Introduction

This Chapter deals with the determination of Revenue Gap/(Surplus), as well as Consumer/Retail tariff for FY 2024-25.

The Commission has considered the ARR for FY 2024-25 approved in the previous Chapter and the adjustment on account of True-up for FY 2022-23, while determining the Revenue Gap/(Surplus) for FY 2024-25.

6.2. Net Revenue at Existing Tariff and Gap/ (Surplus) Analysis

Petitioner's submission

GIFT PCL has estimated the revenue from sale of energy as Rs. 55.18 Crores for total estimated energy sale of FY 2024-25 and the ARR for FY 2024-25 as Rs. 60.17 Crores as projected above. The Estimated Revenue Requirement is higher in comparison to the available revenue from sale of energy due to the following reasons:

a) The Petitioner is a distribution licensee and setup in the green field area where there was no existence of previous infrastructure for supply of electricity as well as there were no consumers during grant of license.

b) The Cost incurred by the Petitioner for creation of necessary infrastructure is to provide the supply to consumers and to attain highest reliability.

c) The characteristic of energy utilization by the consumers of Petitioner is quite in variance as compared to the consumers of different distribution licensee area in the State as the majority of consumers in the license area are either commercial or service providers and their requirement of energy is different and distinct in comparison to the consumers of other licensee area.

D) The Petitioner has to keep the power procurement at highest demand level i.e. peak demand with corresponding losses of the system to supply power, requirement to meet such highest demand of the consumer at any time. Because the consumers are of high-profile i.e., International Exchanges and Financial Institutions it is necessary for the Petitioner to provide reliable and quality power supply without any intervention.

e) The Demand Growth is increasing rapidly and the Revenue Gap is reducing drastically compared to previous years. Also, it is expected that the Petitioner will attain break-even within next 1 to 2 years.

f) Also, the Government of Gujarat has increased the area of GIFT Urban Development Authority (GIFT UDA) i.e., GIFT City which in turn will lead to licensee area expansion of the Petitioner in FY 2024-25. Hence, Petitioner has more potential of business expansion.

Thus, the anticipated gap between the proposed ARR and proposed tariff is Rs. 4.99 Crore for FY 2024-25, which may be reduced or meet out in future through various efforts of the Petitioner. The projected revenue gap for FY 2024-25 is mentioned in the Table below:

Table 6.1: Revenue gap / (Surplus) with existing tariff for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	GIFT PCL Petition
1	ARR for FY 2024-25 [a]	60.17
2	Revenue from Existing tariff for FY 2024-25 [b]	55.18
3	Revenue Gap / (Surplus) in FY 2024-25 [c=(a-b)]	**4.99**

Commission's view

The Commission has considered the ARR approved for FY 2024-25 as discussed in previous chapter. The Commission has independently computed the Revenue for FY 2024-25 from projected category-wise sales and considering the existing tariff. The Commission observed that GIFT PCL has considered a FCA (fuel cost adjustment) charge of Rs. 3.35/kWh for computing the Revenue from Sales for FY 2024-25 and the Commission has considered the FCA charge of Rs. 2.85/kWh for the computation of revenue from sale of energy as UGVCL w.e.f. 01.01.2024 has revised the FCA charges from Rs. 3.35/kWh to Rs. 2.85/kWh.

Regulation 21.6 © of the GERC MYT Regulations, 2016 specifies that the carrying cost is computed on simple interest basis using the weighted average SBI MCLR for the relevant year. The Commission follows the concept of simple interest without carrying the interest amount forward to the carrying cost calculations of subsequent financial years.

Accordingly, the Commission computed the revenue (Gap)/Surplus for FY 2024-25 as given in the table below:

Table 6.2: Approved Consolidated Revenue Gap / (Surplus) for FY 2024-25

(Rs. Crore)

Particulars	GIFT PCL Petition	Approved in this Order
ARR for FY 2024-25 [a]	60.17	43.95
Revenue from Existing tariff for FY 2024-25 [b]	55.18	52.12
Revenue Gap / (Surplus) in FY 2024-25 [c=(a-b)]	4.99	(8.17)
Add: Consolidated Revenue Gap/ (Surplus) for FY 2022-23	12.23	1.09
Add: Carrying cost on consolidated gap/(surplus) of FY 2022-23 for FY 2022-23 & FY 2024-25	**-**	**0.17**
Revenue Gap / (Surplus) for FY 2024-25	**17.22**	**(6.91)**

As can be seen from the Table above, there is a revenue surplus of Rs. 6.91 Crore considering the estimated revenue at existing tariff as against the approved ARR for FY 2024-25 and the approved revenue gap for FY 2022-23.

7. Additional Submission

7.1. Power Generation Business (Regulated):

Petitioner's submission

It is observed that Petitioner has prayed to approve the Solar Generation Business as 'Generation Business of the Petitioner'. The Petitioner has submitted that it has planned to set up 4.95 MW Solar Plant at its own land in a phased manner for which the Commission vide Order dated 21st October, 2022 in Petition No. 2142/2022 had provided 'In-principle approval of power procurement by setting up own Solar Plant on Capital Expenditure Model'. The reference of the Commission's Order in the Petition No. 2142/2022 is furnished below:

"5.25. Thus, Sections 62 and 63 of the Electricity Act, 2003 are alternative to each other with regard to tariff determination of the licensee/generator company. The Electricity Act, 2003 also emphasis that the power procurement be carried out by the licensee at the cheaper and competitive rate. The Petitioner has submitted that the procurement of the power from its generating station is cheaper than the power procurement carried out by it through alternative route of competitive bidding. Hence, we are of view that the same may be permitted.

5.26. Accordingly, with regard to 'In-principle' approval sought by the Petitioner submitting that the Petitioner will undertake transparent tendering process through competitive e-bidding through on-line bidding portal, we allow the same. We also direct the Petitioner to follow Competitive Bidding Process while carrying out EPC works, allocation of contracts etc. in transparent manner.

5.27. Insofar as the prayer of the Petitioner that the Commission may determine and approve the mechanism of applicable tariff determination for purchase of electricity from Own / Embedded Generation as per provisions of the MYT Regulations in Annual Tariff Petition of the Petitioner is concerned, we note that *the Petitioner has approached this Commission for 'In-principle' approval and to allow the Petitioner to set-up its own Solar Power Plant of 4.95 MW capacity in a phased manner on capital expenditure at GIFT's land in vicinity of its license area for which the Petitioner has undertaken to follow competitive e-bidding through on-line bidding portal. Hence, it is premature to decide the aforesaid prayer at this stage. Accordingly, we decide that it is not necessary to decide the same at present. We clarify that on achieving SCOD of the plant, the Petitioner shall approach the Commission for determination of tariff of its Solar generating project."*

Accordingly, the Petitioner has floated the Solar Tender for EPC Works and by following National Competitive Bidding through e-tendering process. The Petitioner has further submitted that as per the Commission's Order in Petition No. 2142/2022, the Petitioner is installing first phase of 2.45 MW Solar Power Plant at its own land, and it will treat it as a 'Generation Business' of Petitioner. Hence, the capital expenditure is not considered in Capitalization. However, the transfer price from Generation Business to Retail Supply Business will be determined by the Commission as per GERC MYT Regulations, 2016.

Commission's view

The Commission has already taken a considered view in the matter in its earlier Tariff Orders. The Commission would like to reiterate the same.

8. Compliance of Directives

8.1. Earlier Directives

Proposal Regulatory Surcharge

It was directed to the Petitioner to submit road map and mechanism for recovery of Regulatory gap, if any, in the next tariff Petition.

Compliance:

The Petitioner has not formulated any roadmap and mechanism for recovery of Regulatory Gap. However, the Petitioner has submitted that the Commission may introduce any specific regulatory surcharge as deemed fit to recover the gap.

Commission's Comments

The Commission notes that there is no outstanding Regulatory gap for the Petitioner.

8.2. Fresh Directives

1) The Petitioner is directed to fulfil its RPO compliances in accordance with the RPO targets notified by the Commission through its GERC (Procurement of Energy from Renewable Sources) (Third Amendment), Regulations, 2022 and subsequent Amendments.
2) The Petitioner is directed to ensure maximum utilization of its existing assets before planning for new capital expenditure.

9. Fuel and Power Purchase Price Adjustment (FPPPA)

9.1. Fuel and Power Purchase Price Adjustment

Petitioner's submission

The Commission approved the below formula for FPPPA Charges:

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
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
Loss in %	Is the weighted average of the approved level of Transmission and Distribution Losses (%) for the four DISCOMs / GUVNL and TPL applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs / GUVNL and TPL of the previous year for which true-up have been done by the Commission, whichever is lower.

9.2. FPPPA to be charged by GIFT PCL

GIFT PCL submitted that the existing FPPPA being charged to its consumers is the FPPPA imposed by UGVCL on its consumers. GIFT PCL has requested the Commission to allow it to charge the FPPPA approved for UGVCL from time to time to its consumers.

Commission's views

The FPPPA approved by the Commission for UGVCL from time to time during FY 2024-25, shall also be applicable for GIFT PCL.

The information regarding FPPPA recovery and the FPPPA charges shall be kept on the website of GIFT PCL.

10. Wheeling Charges and Cross Subsidy Surcharge

10.1. Wheeling Charges

Regulation 91 of the GERC (MYT) Regulations, 2016 stipulates that the Commission shall specify the Wheeling Charges for distribution wires business of the distribution licensee in its ARR and Tariff Order. Accordingly, the Commission has examined the submission of the GIFT PCL in this regard and accordingly, determined the Wheeling Charges at HT and LT levels, for long term (LT), medium term (MT) and short term (ST) Open Access consumers.

Petitioner's submission

The Petitioner has allocated the total ARR to wire and retail supply business based on the allocation matrix specified by the Commission for segregation of Expenses between Distribution Wires Business & Retail Supply Business, as given in Regulations 87 of the GERC (Multi-Year Tariff) Regulations, 2016. The allocation of ARR into wheeling and retail supply of electricity for FY 2024-25 is given as below:

Table 10.1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner for FY 2024-25

(Rs. Crore)

Particulars	Wire Business	Retail Supply Business	Total
Power Purchase Expenses	0.00	36.24	36.24
Employee Expenses	2.13	1.42	3.55
Repairs & Maintenance Expenses	0.73	0.73	1.46
Administrative & General Expenses	1.71	0.19	1.90
Depreciation	6.50	0.72	7.22
Interest on long term Loans Capital	3.27	0.36	3.76
Interest on WC and Security Deposit	0.04	0.34	0.38
Bad Debts Written off	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00
Contribution to Contingency Reserve	0.70	0.00	0.70
Return on Equity	5.22	0.58	5.80
Less: Non-Tariff Income	0.08	0.76	0.84
Total	20.21	39.83	60.17

The above segregated ARR has been considered to determine the wheeling charges.

Commission's View

The Commission, in order to compute the Wheeling Charges and the Cross-Subsidy Surcharge, has considered the Allocation Matrix between the Wheeling and Retail Supply Business in accordance with the GERC (MYT) Regulations, 2016.

Based on the ARR approved by the Commission and the Allocation Matrix specified in the GERC (MYT) Regulations, 2016, the ARR approved for Wires and Retail Supply Business for FY 2024-25 is shown in the Table below:

Table 10.2: Allocation of ARR between Wheeling and Retail Supply as approved for GIFTPCL for FY 2024-25

Particulars	Wire Business (%)	Retail Supply Business (%)	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Power Purchase Expenses	0%	100%	0.00	33.68	33.68
Intra-State Transmission Charges	0%	100%	0.00	0.00	0.00
Employee Expenses	60%	40%	1.26	0.84	2.09
A&G Expenses	50%	50%	0.73	0.73	1.45
R&M Expenses	90%	10%	1.58	0.18	1.75
Depreciation	90%	10%	2.05	0.23	2.27
Interest & Finance Charges	90%	10%	1.23	0.14	1.37
Interest on Security Deposit	10%	90%	0.04	0.34	0.38
Interest on Working Capital	10%	90%	0.00	0.00	0.00
Contribution to contingency reserves	100%	0%	0.17	0.00	0.17
Bad Debts written off	0%	100%	-	-	-
Total Revenue Expenditure			**7.04**	**36.12**	**43.16**
Return on Equity Capital	90%	10%	1.47	0.16	1.63
Income Tax	90%	10%	-	-	-
Aggregate Revenue Requirement			**8.51**	**36.28**	**44.80**
Non-Tariff Income	10%	90%	0.08	0.76	0.84
Net Aggregate Revenue Requirement			**8.43**	**35.52**	**43.95**

The above allocation of ARR is used for determination of wheeling charges for FY 2024-25.

10.2. Determination of Wheeling Charges

Petitioner's submission

The Petitioner has computed the voltage wise wheeling charges based on the allocation of ARR of distribution wire business, in accordance with the GERC (Multi Year Tariff) Regulations, 2016.

Distribution wires are identified as carrier of electricity from generating station or transmission network to consumer point. Ideally consumption at a particular voltage level requires network at that voltage level and also at all higher voltage levels. Thus consumption at the lower voltages should contribute to the cost of the higher voltage levels also. Whereas consumers connected to the higher voltages would not be utilizing the services of the lower voltage and hence would not be required to contribute to the lower voltages cost recovery.

Based on the approach discussed above, the ARR for the wheeling business is apportioned to the HT and LT voltage in two steps as described below:

a) Apportioning the ARR of wheeling business to HT and LT voltage level;
b) Apportioning the ARR of the HT voltage level again between HT & LT voltage level

The Petitioner has divided the GFA in the ratio of 94.50%:5.50% among HT level and LT Voltage level to arrive voltage level wise Wheeling Charges. Further, as the HT level assets cater to the requirement of customers at both HT and LT levels, the ARR for HT is again apportioned between HT and LT voltage based on their ratio of contribution to the peak demand.

The system peak demand for the Petitioner's Supply Area has been considered in the ratio of 58%:42% as per average peak demand contributed by HT and LT consumers.

The Petitioner has calculated the wheeling charges in terms of Rs/kWh. To determine the wheeling charges for the HT & LT voltage levels, the ARR of the respective voltage level is divided by the peak demand of the respective voltage level. Accordingly, the wheeling charges determined in terms of Rs/kWh has been tabulated below:

Table 10.3: Wheeling Charges proposed by GIFT PCL for FY 2024-25

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	19.21
LT Voltage Level	1.12

Particular	Wheeling Charge
Total ARR	20.33
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	11.14
LT Voltage Level	9.19
Total ARR	20.33
Wheeling Charges in (Rs/kWh)	
HT Voltage Level	2.57
LT Voltage Level	5.28

The Petitioner has proposed 3.00% wheeling Losses in addition to the wheeling charges as mentioned in above Table.

Commission's view

The Commission, in order to compute the wheeling charges has considered the allocation matrix between the wires and retail supply business as per the GERC (MYT) Regulations, 2016 as stated in Table 9.2 above.

For the calculation of wheeling charges, the ARR for wheeling business is apportioned in the ratio of actual HT assets to LT assets which is 94.5%:5.5%, as submitted by the Petitioner.

The contribution of HT and LT categories to the system peak demand as submitted by the Petitioner is 58% and 42%, respectively. These ratios are considered for further segregation of ARR based on system peak demand.

To determine the wheeling charges for the HT & LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the wheeling charge is determined as shown below:

Table 10.4: Wheeling Charges as approved for GIFT PCL for FY 2024-25

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	7.96
LT Voltage Level	0.46
Total ARR	8.43
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	4.62
LT Voltage Level	3.81
Total ARR	8.43
Wheeling Charges in (Rs/kWh)	

Particular	Wheeling Charge
HT Voltage Level	1.06
LT Voltage Level	2.19

The Commission has accordingly approved the wheeling charges for HT and LT voltages as shown in the Table above.

The Open Access consumer will also have to bear the **wheeling Losses at 3.00%** in addition to the wheeling charges as proposed by the Petitioner.

10.3. Cross Subsidy Surcharge

Petitioner's submission

The Petitioner has submitted cross subsidy surcharge as per the following formula: S = T- [C / (1 - L/100) + D + R]
Where:

S is the Cross Subsidy 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

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

D is the wheeling charges applicable to relevant category

R is the per unit cost of carrying regulatory assets.

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

Table 10.5: Cross Subsidy Surcharge as proposed by GIFT PCL for FY 2024-25

Particulars	Claimed
T- Tariff for HT category (Rs/kWh)	8.78
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	5.76
D - Wheeling Charges (Rs / kWh)	2.57
L - Aggregate T&D Loss (%)	3.00%
R - Per unit cost of carrying regulatory assets (Rs/kWh)	0
S - Cross Subsidy Surcharge (Rs/kWh)	**0.28**

Therefore, the Petitioner has proposed any cross subsidy surcharge of Rs. 0.28/kWh.

Commission's view

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

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

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

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

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

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

R is the per unit cost of carrying regulatory assets.

It is observed that the Petitioner has considered Tariff for HT consumer as 8.78/kWh, the same has been considered by the Commission for HT Consumers. The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

Table 10.6: Cross Subsidy Surcharge as approved for GIFT PCL for FY 2024-25

Particulars	Approved
T- Tariff for HT category (Rs/kWh)	8.78
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	5.35
D - Wheeling Charges (Rs/kWh)	1.06
L - Aggregate T&D Loss (%)	3.00%
R - Per unit cost of carrying regulatory assets (Rs/kWh)	-
S - Cross Subsidy Surcharge (Rs/kWh)	**1.71**

S = T – [C / (1 - L/100) + D + R]
S = 8.78 – [5.35 / (1 – 3.00/100) + 1.06 + 0.00]
= 1.71 Rs/kWh

According to Rule 13 of the Electricity (Amendment) Rules, 2022 notified by Ministry of Power, Government of India, the surcharge determined by the State Commission shall not exceed 20% of the Average Cost of Supply. The 20% of Average Cost of Supply for the Petitioner works out to Rs. 1.60/kWh

Accordingly, the Commission approves Cross Subsidy Surcharge at Rs. 1.60 per kWh for FY 2024-25.

11. Tariff Philosophy and Tariff Proposal

11.1. Overall Approach

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, Regulations on Terms and Conditions of Tariff issued by the Central Electricity Regulatory Commission (CERC) and the GERC (MYT) Regulations, 2016 notified by the Commission.

The Section 61 of the Act lays down the broad principles and guidelines for determination of retail supply Tariff. The basic principle is to ensure that the Tariff should progressively reflect the cost of supply of electricity and reduce the cross subsidy amongst categories within a period to be specified by the Commission.

This Chapter discusses GIFTPCL's Tariff proposal and details the Commission's final decision on the same.

11.2. GIFT PCL's Tariff Proposal for FY 2024-25

The Petitioner is proposing that the Tariff schedule for the different categories of consumers may be as per the existing Tariff Schedules of Uttar Gujarat Vij Company Ltd (UGVCL). The Petitioner was allowed to follow the UGVCL's tariff schedule in previous Tariff Orders as ceiling Tariff. The same norm may be followed for FY 2024-25 also. If the Commission makes any changes in the Tariff Schedule of UGVCL, the same may be made applicable to the Petitioner.

Additionally, to recover the past losses, the Petitioner has requested to introduce the appropriate regulatory charges to recover the same. The uncovered revenue gap (cumulative for past years) can be recognized as regulatory asset after considering the regulatory gap that can be recovered partially through regulatory charges during FY 2024-25. The Petitioner requested the Commission to approve the above proposal. Otherwise, the Petitioner cannot recover its legitimate dues and will face great financial problem. Without recovery of the past losses, the Petitioner has no way to claim its legitimate dues. This is affecting the financial situation of the Petitioner.

The Petitioner has submitted that gap is creating financial burden on the Petitioner and there is no appropriate mechanism to amortize such gap. The Petitioner humbly prayed to the Commission to create suitable mechanism to amortize such huge gap. Various State Electricity Regulatory Commission (SERCs) have taken measures like adjustment in Tariff, Regulatory Surcharge Imposition etc. to amortize the regulatory assets. The Petitioner prayed the Commission to kindly approve a mechanism in the Tariff Order for FY 2024-25, to amortize regulatory assets.

Considering the above Judgements, it is clear that regulatory charges were introduced in several cases for recovery of regulatory asset. So, the Petitioner requests Commission to accord approval to Tariff Schedule proposed by the Petitioner for FY 2024-25, as per existing Tariff Schedule with introduction of appropriate regulatory surcharge. This will help the Petitioner to recover the losses in ensuring year.

The Petitioner has requested the Commission to accord approval to tariff schedule proposed by the Petitioner for FY 2024-25, as per existing tariff schedule with introduction of appropriate regulatory surcharge. This will help the Petitioner to recover some of its past legitimate dues.

11.3. Commission's Analysis

The Commission notes that Petitioners licence area overlaps with the licence area of UGVCL. The second proviso to Section 62 (1) of the Electricity Act, 2003, specifies that:

> *"Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of Tariff for retail sale of electricity."*

Keeping in view the above well-established principles of legislation in determination of Tariff, the Commission believe that the whole course of this area of jurisprudence is that the functions of determination of tariff can be discharged fixing only maximum ceiling of tariff for retail sale of electricity on the basis of promoting competition among distribution licensees where two or more such licensees are in the business of distribution of electricity.

Further, it is observed that the Commission has been determining tariff in similar cases which falls under the situation envisaged under the proviso to Section 62(1) of the Electricity Act, 2003 for areas of distribution licensees like Aspen, in accordance with the said principles of legislation. The Commission has been therefore, considering either maximum ceiling tariff as set for the principal licensee or setting the tariff which is lower than the retail supply tariff of the principal licensee for the second licensee.

It is to note that GIFT PCL is in process of network creation, but the load growth of GIFT PCL is not as expected. The cost and ARR related to this infrastructure need to restore in future whenever sufficient network utilization level is achieved. Till that time, the Commission intends to continue with tariff rates at par with incumbent Distribution Licence i.e. UGVCL and resultant surplus for the FY 2024-25 is allowed to retain with GIFT PCL in line with approach adopted in earlier Tariff Order for Truing up of FY 2021- 22 and determination of tariff for FY 2023-24 dated 31st March, 2023.

Accordingly, the Commission decides that the tariff approved for UGVCL for FY 2024-25 will be the maximum ceiling for retail supply in the GIFT City in accordance with the tariff schedule annexed to this Order.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for GIFT Power Company Limited (GIFT PCL) for FY 2024-25, as shown in the Table below:

ARR approved by the Commission for FY 2024-25

(Rs. Crore)

Particulars	Approved in this Order
Power Purchase Expenses	33.68
Operation & Maintenance Expenses	5.30
Depreciation	2.27
Interest & Finance Charges	1.37
Interest on Security Deposit	0.38
Interest on Working Capital	-
Contribution to contingency reserves	0.17
Bad Debts written off	-
Total Revenue Expenditure	**43.16**
Return on Equity Capital	**1.63**
Income Tax	0
Aggregate Revenue Requirement	**44.80**
Less: Non-Tariff Income	0.84
Less: Income from Other Business	-
Net Aggregate Revenue Requirement	**43.95**

The approved ceiling for Retail Supply Tariff will be in accordance with the Tariff schedule annexed to this Order and it shall come into force with effect from 1st June, 2024.

The rate shall be applicable for the electricity consumption from 1st June, 2024 onwards.

Sd/-	Sd/-	Sd/-
S. R. PANDEY **Member**	**MEHUL M. GANDHI** **Member**	**ANIL MUKIM** **Chairman**

Place: Gandhinagar

Date: 01/06/2024

ANNEXURE: TARIFF SCHEDULE

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

General

Effective from 1st June, 2024

1. The Tariff figures indicated in this Tariff schedule are the Tariff rates payable by the consumers of GIFT PCL.
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 purposes 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 equipment from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load 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 / kVA 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 licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed payment charges for all consumers:
    - No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
    - Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
    - For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.
16. Green Power Tariff
    - Green Power Tariff of Rs 1.00 / kWh, which is over and above the normal Tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.

- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This Tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply –Aggregate load above 6 kW

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this Tariff category.

1.1. FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per Month
(b)	Above 2 to 4 kW	Rs. 25/- per Month
(c)	Above 4 to 6 kW	Rs. 45/- per Month
(b)	Above 6 kW	Rs. 70/- per Month

For BPL Household Consumers

(a)	Fixed Charges	Rs. 5/- per Month

PLUS

1.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

(OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

1.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

FOR THE CONSUMERS BELOW POVERTY LINE (BPL) **

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

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

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

2. <u>RATE: RGP (RURAL)</u>

This Tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this Tariff category.

2.1. FIXED CHARGES

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per Month
(b)	Above 2 to 4 kW	Rs. 25/- per Month
(c)	Above 4 to 6 kW	Rs. 45/- per Month
(b)	Above 6 kW	Rs. 70/- per Month

For BPL Household Consumers

Fixed Charges	Rs. 5/- per month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

(OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMER BELOW POVERTY LINE (BPL)**

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

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

2.4. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

Note: If the part of the residential premises is used for non-residential (commercial) purposes by the consumers located within 'Gram Panchayat' as defined in Gujarat Panchayat Act, entire consumption will be charged under this Tariff.

3. RATE: GLP

This Tariff is applicable to

(i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;

(ii) research and development laboratories;

(iii) Street Light*

(a)	Fixed charges	Rs. 70/- per Installation per Month
(b)	Energy charges	390 Paise per Unit

* Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street

lighting purpose shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. 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.

4. 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.

Consumer under this category may opt to be charged as per category – 'RATE:LTMD'

4.1. FIXED CHARGES PER MONTH

(a)	First 10 kW of connected load	Rs. 50/- per kW
(b)	For next 30 kW of connected load	Rs. 85/- per kW

PLUS

4.2. ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit

4.3. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

4.3.1. "Seasonal Consumers", 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, vegetable dehydration industries.

4.3.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

4.3.3. The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.3.1 above and complying with the provision stipulated under sub-clause 4.3.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.

4.3.4. The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.

4.3.5. 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 4.3.3 above.

4.3.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.3.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

5. RATE: LTMD

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.

5.1. DEMAND CHARGE:

(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

PLUS

5.2. ENERGY CHARGE:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3. TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	45 Paise per Unit

PLUS

5.4. REACTIVE ENERGY CHARGES:

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

5.5. 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) 6 kW

5.6. MINIMUM BILL

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

5.7. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

5.7.1. 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, vegetable dehydration industries.

5.7.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

5.7.3. The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.7.1 above and complying with provisions stipulated under sub-clause 5.7.2 above shall be Rs. 2970 per annum per kW of the billing demand.

5.7.4. 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) 6 kW.

5.7.5. Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

5.7.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 5.7.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank

Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 month prior to its expiry.

6. RATE: LTP- LIFT IRRIGATION

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as canal, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

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

PLUS

(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

7. RATE: WWSP

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

7.1. Type I- Water works and sewerage pumps operated by other than local authority

(a)	Fixed charges per month	Rs. 25/- per HP

PLUS

(b)	Energy charges per month; For entire consumption during the month	430 Paise per Unit

7.2. Type II- Water Works and sewerage pumps operated by local authority such as Municipal Corporation, Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this Tariff:

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

PLUS

(b)	Energy charges per month; For entire consumption during the month	410 Paise per Unit

7.3. Type III- Water Works and sewerage pumps operated by Municipalities/ Nagarpalikas/ and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month: For entire consumption during the month	320 Paise /Unit

7.4. TIME OF USE DISCOUNT:

Applicable to all the water works consumers having connected load of 50 HP and above for the energy consumption during the Off-Peak Load Hours of the Day.

For energy consumption during the off-peak period, viz, 1100 Hrs to 1800 Hrs	40 Paise per Unit

8. RATE: AG

This Tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

8.1. The rates for following group are as under:

8.1.1. HP BASED TARIFF:

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

8.1.2. METERED TARIFF

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	60 Paise per Unit

8.1.3. TATKAL SCHEME

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	80 Paise per Unit

NOTE: The consumers under Tatkal scheme shall be eligible for normal metered Tariff as above, on completion of five years period from the date of commencement of supply.

8.2. No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this Tariff. Any other machinery connected in the installation governed under this Tariff shall be charged separately at appropriate Tariff for which consumers shall have to take separate connection.

8.3. Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / Metered Agricultural Tariff.

8.4. Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

Agricultural consumers shall have to declare their intention for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e., in March every year).

9. RATE- TMP

This Tariff is applicable to services of electricity supply for temporary period at the low voltage. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

9.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

9.2. ENERGY CHARGE

A flat rate of	465 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.

10. 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, RGP (RURAL), GLP, NON-RGP, LTMD etc. as the case may be.

10.1. FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month

10.2. ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

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

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

11. RATE- HTP-1

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.

11.1 DEMAND CHARGES:

11.1.1 For billing demand up to contract demand

(a)	For the 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

11.1.2 For billing Demand in Excess of Contract Demand

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

PLUS

11.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

11.3 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	45 Paise per Unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

11.4 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.

11.5 MINIMUM BILLS:

Payment of “demand charges” based on kVA of billing demand.

11.6 POWER FACTOR ADJUSTMENT CHARGES:

11.6.1 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.

11.6.2 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 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

11.7 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.

11.8 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.

11.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:		**Rebate @**
(a)	If supply is availed at 33/66 kV	0.75%
(b)	If supply is availed at 132 kV and above	1.25%

11.10 SEASONAL CONSUMERS TAKING HT SUPPLY:

11.10.1 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, vegetable dehydration industries.

11.10.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

11.10.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 11.10.1 above and complying with provisions stipulated under sub-clause 11.10.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

11.10.4 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.

11.10.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

11.10.6 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.

11.10.7 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 11.10.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

12. 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 run by Local Authorities and GW & SB. GIDC Water Works.

12.1 DEMAND CHARGES:

12.1.1 For billing demand up to contract demand

(a)	For the 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

12.1.2 For billing demand in excess of contract demand

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

PLUS

12.2 ENERGY CHARGES:

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	435 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	455 Paise per Unit
(c)	For billing demand above 2500 kVA	465 Paise per Unit

PLUS

12.3 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	45 Paise per Unit
(b)	For billing demand above 500 kVA	85 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 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. 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.

13.1 DEMAND CHARGES:

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

13.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

13.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	85 Paise per Unit

13.4 Billing Demand
13.5 Minimum bill
13.6 Maximum demand and its measurement
13.7 Contract Demand
13.8 Rebate for supply at EHV

Same as HTP-I Tariff

13.9 POWER FACTOR ADJUSTMENT CHARGES

13.9.1 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 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.

13.9.2 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 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14. RATE- HTP-IV

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.

14.1 DEMAND CHARGES:

$1/3^{rd}$ of the Fixed Charges specified in Rate HTP-I above

PLUS

14.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise/Unit

14.3	Billing Demand	Same as HTP-I Tariff
14.4	Minimum Bill	
14.5	Maximum demand and its measurement	
14.6	Contract Demand	
14.7	Rebate for supply at EHV	

14.8 POWER FACTOR ADJUSTMENT CHARGES:

14.8.1 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 14.2 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 14.2 of this schedule, will be charged.

14.8.2 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 14.2 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 14 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14 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 11.1 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 11.2 of this schedule.
5. In case the consumer failed to observe above condition Nos. 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 11.1 and 11.2 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. This option can be exercised to shift from HTP-I Tariff category to HTP-IV Tariff or from HTP-IV Tariff category to 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.

15. RATE- HTP-V

HT - Agricultural (for HT Lift Irrigation scheme only)

This Tariff shall be applicable for supply of electricity to High Tension Agricultural consumers contracting for 100 kVA and above, requiring power supply for lifting water from surface water sources such as canal, river and dam, and supplying water directly to the fields of farmers for agricultural irrigation only.

15.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

15.2 ENERGY CHARGES:

For all units consumed during the month	80 Paise/Unit

15.3	Billing Demand	Same as per HTP-I Tariff
15.4	Minimum bill	
15.5	Maximum demand and its measurement	
15.6	Contract Demand	
15.7	Rebate for supply at EHV	

15.8 POWER FACTOR ADJUSTMENT CHARGES

15.8.1 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 15.2 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 15.2 of this schedule, will be charged.

15.8.2 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 15.2 of this Schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- RAILWAY TRACTION

This Tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

16.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 425 per kVA per month

NOTE: In case of the load transfer for traction supply due to non-availability of power supply at preceding or succeeding point of supply or maintenance at Discom's level, excess demand over the contract demand shall be charged at normal rate at appropriate point of supply.

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 16.1 (b).

PLUS

16.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit

16.3 Billing Demand:
16.4 Minimum Bill
16.5 Maximum demand and its measurement
16.6 Contract Demand
16.7 Rebate for supply at EHV

Same as HTP-I Tariff

16.8 POWER FACTOR ADJUSTMENT CHARGES

16.8.1 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 16.2 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 16.2 of this schedule, will be charged.

16.8.2 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 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17. 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, HTP-V, RAILWAY TRACTION as the case may be.

17.1 DEMAND CHARGES:

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

PLUS

17.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit

17.3 BILLING DEMAND

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month;
b) Eighty-five percent of the contract demand;
c) One hundred kVA.