GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

Tariff Order

Truing up for FY 2022-23

and

Determination of Tariff for FY 2024-25

For

MPSEZ Utilities Limited

(MUL)

Case No. 2326 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
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Control period	The period from FY 2016-17 to FY 2020-21
DISCOM	Distribution Company
DPC	Delayed Payment Charges
EA	Electricity Act, 2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
HT	High Tension
HTMD	High Tension Maximum Demand
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
MCLR	Marginal Cost of Funds Based Lending Rate
MUs	Million Units (Million kWh)
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NRGP	Non Residential General Purpose
NTPC	National Thermal Power Corporation
O&M	Operations and Maintenance
PF	Power Factor
PPA	Power Purchase Agreement
PPC	Power Purchase Cost
RBI	Reserve Bank of India
REC	Renewable Energy Certificate
R&M	Repairs and Maintenance
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SEZ	Special Economic Zone
SLC	Service Line Charges

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2326 of 2024

Date of the Order: 1st June, 2024

CORAM

Shri Anil Mukim, Chairman

Shri Mehul M. Gandhi, Member

Shri S.R. Pandey, Member

ORDER

1. Background and Brief History

1.1. About MPSEZ Utilities Limited (MUL)

The Petitioner has submitted that MPSEZ Utilities Limited (hereinafter referred to as "MUL" or the "Petitioner") is a company incorporated in 2008 under the Companies Act, 1956 having its registered office at Adani Corporate House, Shantigram, near Vaishno Devi Circle, S.G. Highway, Khodiyar, Ahmedabad-382 421. MUL is a 100% subsidiary of Adani Energy Solutions Limited (AESL).

The Ministry of Commerce and Industry, Government of India issued notification dated 3.3.2010, applicable to all Special Economic Zones notified under Subsection (1) of Section 4 of the Special Economic Zones Act, 2005, wherein Developer of a Special Economic Zone shall be deemed to be a licensee from the date of notification of such Special Economic Zone.

MUL obtained the status of distribution licensee vide Government of India Notification dated 03/03/2010. This was also endorsed by the Gujarat Electricity Regulatory Commission (GERC) vide Order No. GERC/Legal 2010/0609 dated 06/04/2010 allowing for distribution of electricity in Mundra SEZ area, Dist. Kutch. As such, MUL is a deemed licensee for distribution of electricity in Mundra SEZ area.

Ministry of Commerce and Industry, Department of Commerce, Government of India, vide Notification No. 3029(E) dated 21.9.2016 has consolidated the Special Economic Zones mentioned in various notifications and re-notified the same. Accordingly, GERC amended the Distribution License No. 6 of 2016 of MPSEZ Utilities Private Limited vide order dated 03.11.2017 in Petition no. 1633 of 2017.

1.2. Commission's Order for approval of Truing up of FY 2020-21 and determination of Tariff of FY 2022-23

The Petitioner had filed its Petition for Truing up for FY 2020-21 and determination of Tariff for FY 2023-24 on 30th November, 2021. After technical validation the Petition was registered on 4th December, 2021 (under Case No. 2036/2021). 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 approval of Truing up of FY 2021-22 and determination of Tariff of 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 2nd January, 2023. After technical validation, the Petition was registered on 7th January, 2023 (under Case No. 2177/2023). 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

MPSEZ Utilities Limited, 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

The Petitioner has submitted the current Petition for Truing up for FY 2022-23 and Determination of Tariff for FY 2024-25 on 12th January, 2024. After technical validation of the petition, it was registered on 24th January, 2024 (Case No. 2326 of 2024) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, MUL 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 in the following newspapers:

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

Sl. No.	Particulars	Language	Date of Publication
1	The Indian Express (Ahmedabad Edition)	English	30.01.2024
2	Kutchmitra (Bhuj Edition)	Gujarati	30.01.2024

The Petitioner also placed the public notice and the petition on its website (www.adanienergysolutions.com) inviting objections and suggestions. The interested parties/ stakeholders were asked to file their objections / suggestions on the petition on or before 29th February, 2024. The Commission also placed the petition on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission also issued a notice for Public Hearing in the following newspapers in 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 not received any objections / suggestions from the Stake holders against the Tariff Petition before the due date.

The Commission has conducted public hearing on the tariff Petition of MUL 4th March, 2024.

1.6. Approach of this Order

The GERC (MYT) Regulations, 2016, provide for “Truing up” for the previous year and Determination of Tariff for the ensuing year. MUL has approached the Commission with the present Petition for “Truing up” for FY 2022-23 and Determination of Tariff for FY 2024-25. In this Order, the Commission has considered the “Truing up” for FY 2022-23, as per the GERC (MYT) Regulations, 2016.

The Commission has undertaken “Truing up” for FY 2022-23, based on the audited annual accounts and other details submitted by the Petitioner. The Commission has undertaken the computation of Gains and Losses for FY 2022-23, as per the provisions of GERC (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.

1.7. Contents of the Order

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

1. The **First Chapter** provides the background of the Petitioner, the Petition and details of the Public Hearing Process and the Approach adopted for this Order.
2. The **Second Chapter** outlines the Summary of MUL’s Petition.
3. The **Third Chapter** deals with Objections and Suggestions.
4. The **Fourth Chapter** deals with ‘Truing up’ for FY 2022-23.

5. The **Fifth Chapter** deals with the Determination of Tariff for FY 2024-25.
6. The **Sixth Chapter** deals with the Compliance of Directives.
7. The **Seventh Chapter** deals with FPPPA Charges
8. The **Eighth Chapter** deals with Determination of the Wheeling Charges and Cross- Subsidy Surcharge.
9. The **Nine Chapter** deals with the Tariff Philosophy and Tariff Proposal.

2. Summary of MUL's Petition

2.1. Introduction

This Chapter deals with highlights of the Petition as submitted by MUL for Truing up of FY 2022-23 and Determination of Tariff for FY 2024-25.

2.2. True-up of FY 2022-23

A summary of the claimed ARR for Truing-up for FY 2022-23 compared with the approved ARR for FY 2022-23 in order dated 31.03.2022 is presented in the Table below along with the item-wise Gain/ Loss computations as submitted by MUL:

Table 2.1 : True-up claimed for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	True-Up of FY 2022-23				
		Approved in the Tariff Order	Actual Claimed	Over (+)/under (-) Recovery	Gains /(Losses) due to Controllable factor	Gains /(Losses) due to Uncontrollable factor
1	Power Purchase Expenses	262.95	185.14	77.81	-	77.81
2	Operation & Maintenance Expenses	11.38	12.26	-0.88	-	-0.88
3	Depreciation	4.96	2.86	2.10	-	2.10
4	Interest & Finance Charges &Interest on Security Deposit	2.05	1.79	0.26	-	0.26
5	Interest on Working Capital	2.31	1.34	0.97	-	0.97
6	Bad Debts Written Off	-	0.00	0.00	-	0.00
7	Contribution to Contingency Reserves	0.00	0.00	0.00	-	0.00
8	Return on Equity	4.18	3.03	1.15	-	1.15
9	Income Tax	3.48	5.87	-2.39	-	2.39
10	Less: Non-Tariff Income	3.51	16.82	-13.31	-	-13.31
11	**Aggregate Revenue Requirement**	**287.80**	**195.46**	**92.34**	**-**	**92.34**

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

The Table below summarizes the proposed ARR claimed by MUL for Truing up.

Table 2.2 : True up of FY 2022-23 as claimed by MUL

(Rs. Crore)

Sr. No.	Particular	Claimed
1	**Approved as per the Tariff Order (A)**	**287.80**
2	Less: Gain on account of Controllable Factor to be passed on to the consumers (1/3) (B)	0.00
3	Less: Gain on account of Un-controllable Factor to be passed on to the consumers (C)	92.34
4	**Trued-up ARR for FY 2022-23, D= (A-B-C)**	**195.46**

MUL submitted that the trued up ARR for FY 2022-23 is Rs. 195.46 Cr. after sharing of gains & losses and the revenue from sales of power is Rs. 217.66 Crore. Thus, revenue surplus for FY 2022-23 works out to be Rs. 22.20 Crore. The Commission in its Tariff Order dated 31.03.2022 had approved consolidated revenue gap of Rs. 2.10 Cr. for FY 2020-21 and holding cost of Rs.0.10 Cr. on revenue surplus of FY 2020-21 as per GERC (MYT) Regulations, 2016. The Table below summarizes the trued-up ARR, Revenue from Sale of Power, resultant Gap / (Surplus), carrying cost and consolidated Gap / (Surplus) for FY 2022-23.

Table 2.3 : Consolidated Revenue Gap/(Surplus) claimed for FY 2022-23

(Rs. Crore)

Particulars	Actual Claimed
Net Revenue Gap / (Surplus) of FY 2022-23	(-)22.20
Add: Approved Consolidated Gap / (Surplus) for FY 2020-21	2.10
Add: Carrying cost on revenue gap of FY 2020-21 for FY 2021-22& FY 2022-23	(-)0.10
Consolidated revenue gap / (Surplus) for FY 2022-23	**(-)20.20**

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

MUL has also sought approval for final Aggregate Revenue Requirement for FY 2024-25. MUL has submitted the Revenue Requirement as under:

Table 2.4 : ARR Proposed for FY 2024-25

(Rs. Crore)

Particulars	FY 2024-25
Power Purchase Cost	1205.95
O&M Expenses	25.38
Depreciation	8.89
Interest and Finance Charges including security deposits	8.26
Interest on Working Capital	10.94
Return on Equity	7.61

Particulars	FY 2024-25
Contribution to Contingency Reserves	-
Income Tax	5.87
Less: Non-Tariff income	(-)10.93
ARR	**1261.97**

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

Based on the ARR for FY 2024-25 given in the Table above, the estimated Revenue Gap for FY 2024-25 at existing tariff is shown in the following Table.

Table 2.5 : Estimated Revenue Gap / (Surplus) for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Actual Claimed
1	Projected ARR for FY 2024-25	1261.97
2	Add: Consolidated Revenue gap/(surplus) for FY 2022-23	(-)20.10
3	Add: Consolidated Carrying Cost up to FY 2022-23	(-)0.10
4	Estimated Revenue from existing tariff for FY 2024-25	1,231.49
5	**Revenue Gap / (Surplus) for FY 2024-25**	**10.28**

2.6. Request of MUL

a). Admit Petition for truing up of ARR for FY 2022-23 and ARR & Tariff determination for FY 2024-25.

b). Approve sharing of gains / losses as proposed by the Petitioner for FY 2022-23.

c). Approve consolidated revenue gap of FY 2022-23.

d). Approve the estimates and gap of FY 2024-25.

e). Approve wheeling ARR and corresponding charges for wheeling of power with effect from 01.04.2024.

f). Approve cross subsidy surcharge filed by the Petitioner.

g). Approve Tariff schedule as proposed by the Petitioner.

h). Allow additions / alterations / changes and modifications to the application at a future date.

i). Allow any other relief, Order or Direction, which Commission deems fit to be issued.

j). 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. Objections and Suggestions

3.1. Stakeholders' suggestions / objections, Petitioner's Response and Commission's observations

In response to the public notice inviting objections / suggestions on the petition filed by MUL for Truing up of FY 2022-23 and determination of ARR and Tariff for FY 2024-25 under the GERC (MYT) Regulations, 2016, no objections / suggestions received from the stakeholders.

4. Truing up for FY 2022-23

4.1. Introduction

This Chapter deals with the Truing up for FY 2022-23 of MUL. The Commission has analyzed 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

MUL has submitted the actual energy sales for FY 2022-23 as shown in the Table below.

Table 4.1 : Energy Sales claimed for FY 2022-23

(MU)

Particulars	FY 2022-23	
	Approved	**Actual**
HT Category		
HTMD-I (Commercial)	161.81	161.36
HTMD-I (Industrial)	350.21	215.65
HTMD-II	18.92	0.84
HTMD-III	4.97	4.73
HTMD-IV	1.58	1.64
HTMD-EV Charging Station	-	-
Traction	20.64	
Low Voltage Category		
Residential	-	-
Commercial (Non Demand)	-	-
Commercial (Demand)	3.09	3.73
Industrial (Non Demand)	-	0.00
Industrial (Demand)	0.06	0.11
Street Lights	0.41	0.51
Temporary	-	0.09
LT-EV Charging Stations	-	0.00
Total Sale	**561.69**	**388.67**

MUL has submitted that the deviation in energy sales is mainly because of variation in demand from the consumers. Due to delay in the commissioning of some of the units and lesser production than anticipated the growth in the demand and sales was lower than what was projected.

Commission's analysis

As energy sales are uncontrollable in nature and the Commission accepts the deviation submitted by MUL.

The sales have also been verified and confirmed from the Audited Accounts for FY 2022-23 submitted by the Petitioner along with the Petition.

The Commission has reviewed the above submissions and found them to be satisfactory. Accordingly, the energy sales for FY 2022-23 are approved as follows:

Table 4.2 : Energy Sales approved for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Energy Sales	561.69	388.67	388.67

The Commission approves energy sales of 388.67 MUs for Truing up for FY 2022-23.

4.3. Distribution Losses

Petitioner's submission

MUL has submitted the actual Distribution Losses for FY 2022-23 as shown in the Table below.

Table 4.3 : Distribution Losses claimed for FY 2022-23

Particulars	Approved in the Tariff Order	Actual claimed
Distribution Losses	3.25%	2.94%

MUL has submitted that it considers Distribution Losses as uncontrollable since it is attributed to technical losses of electrical network which is yet to be optimally loaded.

Commission's analysis

The distribution network in the licensee area of MUL is yet to be fully established and the consumer load is also yet to be stabilized, hence, the actual Distribution Losses of MUL are required to be considered as uncontrollable.

Table 4.4 : Distribution Losses approved for FY 2022-23

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Distribution Losses	3.25%	2.94%	2.94%

The Commission approves Distribution Losses of 2.94% for Truing up for FY 2022-23.

4.4. Energy Requirement

Petitioner's submission

The actual Energy Requirement for MUL is based on the actual Energy Sales, Transmission Losses and Distribution Losses, as shown in the Table below:

Table 4.5 : Energy Requirement claimed for FY 2022-23

(MU)

Particulars	Approved in the Tariff Order	Actual claimed
Energy Sales	561.69	388.67
Distribution Losses (%)	3.25%	2.94%
Distribution Losses	18.88	11.79
Energy Requirement	580.57	400.45
Transmission Losses (%)	1.96%	0.08%
Transmission Losses	11.61	0.33
Total Energy Requirement	**592.16**	**400.78**

Commission's analysis

The actual Energy Requirement claimed by the Petitioner for FY 2022-23 along with Energy Requirement as per the Tariff Order dated 31.3.2022 has been examined and verified by the Commission. The Commission observed that there is a reduction of 191.38 MUs in the Energy Requirement for MUL against the quantum of 592.16 MUs approved in the Tariff Order.

The actual Energy Requirement is lower than that approved in the Tariff Order dated 31.3.2022, due to lower actual Sales and Distribution Losses. The actual Energy Requirement being the sum of Energy Sales and Transmission Losses & Distribution Losses, works out to 400.78 MUs for FY 2022-23.

The Commission accordingly approves the Energy Requirement at 400.78 MUs for Truing up for FY 2022-23 as given in the Table below:

Table 4.6 : Energy Requirement approved for FY 2022-23

(MU)

Particulars	**Approved in the Tariff Order**	**Actual claimed**	**Approved for FY 2022-23**
Energy Sales	561.69	388.67	388.67
Distribution Losses (%)	3.25%	2.94%	2.94%
Distribution Losses	18.88	11.79	11.79
Energy Requirement	580.57	400.45	400.45
Transmission Losses (%)	1.96%	0.08%	0.08%
Transmission Losses	11.61	0.33	0.33
Total Energy Requirement	**592.16**	**400.78**	**400.78**

4.5. Energy Availability

Petitioner's submission

The Petitioner has submitted the source-wise energy purchased for FY 2022-23, as shown in the Table below:

Table 4.7 : Energy Availability as claimed for FY 2022-23

(MU)

Particular	**Approved in the Tariff Order**	**Actual Claimed**
LT PPA	372.30	366.47
Bilateral and others	119.19	(2.38)
RPO – Solar	47.37	0.04
RPO – Wind	38.85	36.65
RPO – Others	4.44	0.00
Total Energy Available	**592.16**	**400.78**

Commission's analysis

The actual Energy Requirement claimed by the Petitioner for FY 2022-23 has been examined and verified by the Commission from power purchase bills. Considering the foregoing submission related to Energy Sales, Transmission and Distribution Losses, the Commission approves the Energy Requirement as submitted by MUL. Further, most of the energy quantum has been procured through Adani Power Ltd, IEX and wind energy from AREKAL in FY 2022-23.

The Commission sought information from the Petitioner to clarify and give complete details of energy quantum and amount payable / receivable under UI and also reconcile the power purchase cost with Annual Accounts. The petitioner, in response to the data gaps asked by the Commission, submitted the breakup of UI as under:

Particular	Energy (MUs)	Amount (Rs. Crore)
UI (A) Receivable	(6.19)	(3.99)
RTDA (B)- Payable	-	2.57
UI/RTDA (C=A+B)	(6.19)	1.42
Power purchase through Power Exchange (D)	3.81	2.64
Net off of Total Bilateral & Others (UI, RTDS, including purchase from exchange for RPO for solar, wind) (E=C+D)	**(2.38)**	**1.22**

Further, the Commission verified the claim of the petitioner with the details provided in the audited accounts and accordingly, approves the sources of power purchase and energy quantum as shown in the table below:

Table 4.8 : Energy Availability approved for FY 2022-23

(MU)

Particular	Approved in the Tariff Order	Actual Claimed	Approved in Truing Up
LT PPA	372.30	366.47	366.47
Net off of Bilateral & Others (UI, RTDS)	119.19	(2.38)	(2.38)
RPO – Solar	47.37	0.04	0.04
RPO – Wind	38.85	36.65	36.65
RPO – Others	4.44	0.00	-
Total Energy Available	**592.16**	**400.78**	**400.78**

4.6. Power Purchase Cost

Petitioner's submission

MUL has submitted the following power purchase cost.

Table 4.9 : Power Purchase Cost claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed
LT PPA	168.33	172.31
Bilateral & Others	40.58	1.22
RPO – Solar	17.20	0.03
RPO – Wind	16.99	11.29
RPO – Others	3.14	-
RPO – REC	-	0.01
Other (Reactive, SLDC & Transmission Charges)	16.72	0.27
Net Power Purchase Cost	**262.95**	**185.14**

MUL has submitted the following justifications for the power purchase cost incurred:

- The variation in power purchase cost is on account of variation in sales and variation in actual cost with respect to base rate during the year which is uncontrollable.
- The Petitioner has also considered REC for Rs. 0.01 Cr. as contribution for RE attributes for power procurement from Municipal Solid Waste (MSW) projects as per Para 14 of Gujarat Waste to Energy Policy – 2016 and GERC Order No. 4 of 2016.

MUL submitted that the Commission has classified power purchase cost as uncontrollable as per Regulation 22.1 (c) of the GERC (MYT) Regulations, 2016. Thus, the Power purchase cost is as an uncontrollable item.

Commission's analysis

The Commission has analyzed the power purchase cost in detail in terms of various sources of power, energy quantum procured and source-wise cost.

The Commission reviewed the Audited Annual Accounts for FY 2022-23 where the power purchase cost has been mentioned as Rs. 181.29 Crore after excluding rebate of Rs. (3.85) Crore on early payments from power purchase cost. The Commission has directed MUL to submit the power purchase bills as part of data gaps raised. In response to the Commission's query, the monthly source wise invoices under long term PPA were submitted by MUL, which were verified by the Commission.

The Commission verified the power purchase costs from the audited accounts and undertaken reconciliation with breakup of bilateral and other costs provided by MUL. The Power purchase cost as per audited accounts are as under:

(Rs. Crore)

Particular	Amount
Power Purchase	182.44
Reactive energy charges	0.24
UI charges	(1.42)
SLDC charges	0.023
Total	181.29
Add: Prompt payment rebate	3.85
Total Power Purchase expenses	**185.14**

The Petitioner, in response the data-gaps raised by the Commission, provided the source-wise bifurcation of the early payment rebate as under:

(Rs. Crore)

Particular	Amount
Adani Power (Mundra) Limited	3.12
Udupi Power Corporation Limited	0.61
Adani Renewable Energy (KA) Limited	0.11
Total	3.85

The Other charges which include reactive and SLDC charges are also verified by the Commission from the Audited Annual Accounts.

As per Regulation 97.2 (n) of the GERC (MYT) Regulations, 2016, prompt payment rebate has been considered as Non-Tariff Income and therefore, the same has been excluded from total power purchase cost.

The power purchase cost as approved by the Commission is presented below.

Table 4.10 : Source-wise Power Purchase Cost approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
LT PPA	168.33	172.31	172.31
Bilateral & Other (UI, RTDS, including purchase from exchange)	40.58	1.22	1.22
RPO – Solar	17.20	0.03	0.03
RPO – Wind	16.99	11.29	11.29
RPO – Others	3.14	-	-
RPO – RE Attributes (MSW)	-	0.01	0.01
Other Charges (Reactive, SLDC & Transmission Charges)	16.72	0.27	0.27
Net Power Purchase Cost	**16.72**	**185.14**	**185.14**

Considering the approved power purchase cost of Rs. 185.14 Crore for the approved energy procurement of 400.78 MU as per this Tariff Order, the per unit power purchase cost works out to Rs. 4.62/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 4.11 : Gains / (Losses) on account of Power Purchase Cost for FY 2022-23

(Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable Factor
Power Purchase Cost	262.95	185.14	77.81	0.00	77.81

4.7. Capital Expenditure, Capitalization and Funding of Capex

Petitioner's submission

MUL has incurred gross capital expenditure of Rs. 20.31 Cr. against approved capital expenditure of Rs. 55.37 Cr. for FY 2022-23 as per Order dated 31.03.2022. MUL has further stated that it has capitalized Rs. 12.43 Crore against approved capitalization of Rs. 55.37 Crore. The actual amount towards SLC received from the customers is Rs. 3.82 Crore. The following details have been submitted in respect of the capitalization incurred during FY 2022-23.

Table 4.12 : Capitalization claimed for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	FY 2022-23 Capitalization	
		Approved in the Tariff Order	Actual claimed
A	**EHV (220 kV & 66 kV)**		
	EHV Transmission line	15.96	9.49
	EHV Transmission Cable	21.80	0.57
	EHV Substation	6.23	-
	Land Cost	4.01	-
	Civil Cost	4.43	-
	Total	**52.44**	10.06
B	**HT (33 kV & 11 kV) & NETWORK**		
	33 kV HT Cable Network	-	-
	11 kV HT Cable Network	1.63	1.15
	33 / 11 kV HT Substation	-	-
	Land Cost	-	-
	Civil Cost	-	-
	Total	**1.63**	**1.15**
C	**Others**		
	Automation & SCADA	1.07	0.73

Sr. No.	Particulars	FY 2022-23 Capitalization	
		Approved in the Tariff Order	Actual claimed
	Testing and Measuring Equipment	-	-
	IT	0.23	0.49
	Meters & AMR	-	-
	Miscellaneous	-	-
	Buildings & other civil work	-	-
	Total	**1.30**	**1.22**
D	**Grand Total**	**55.37**	**12.43**

MUL has submitted the details of capitalization and funding for truing-up of FY 2022-23 as shown in Table below:

Table 4.13 : Capital Expenditure, Capitalization and Funding of CAPEX for Truing up for FY 2022-23

(Rs. Crore)

Particulars	FY 2022-23	
	Approved	Claimed
Opening GFA	140.93	118.46
Addition to GFA	55.37	12.43
Deletion from GFA	-	0.01
Closing GFA	196.30	130.89
Available Surplus SLC	-	13.97
SLC Contribution for FY 2022-23	21.36	3.82
Capitalization (for Debt : Equity)	34.01	0.00
Normative Debt - 70%	23.81	0.00
Normative Equity -30%	10.20	0.00

Commission's analysis

The Commission observed that the Petitioner has claimed capitalization of Rs. 12.43 Crore, as against Rs. 55.37 Crore approved by the Commission in the Tariff Order dated 31.3.2022. The Commission has verified from the annual accounts that the Petitioner has capitalized Rs. 12.43 Crore during FY 2022-23.

The Commission directed the Petitioner to provide complete details of revenue of Rs. 12.94 Crores considered by MUL towards 'Income in respect of Service rendered', by providing details of nature of services provided by MUL and accounting treatment for capex incurred in case the income is related to capital expenditure, to which the Petitioner replied that the aforesaid income pertains to the recovery of 15%

Supervision Charges on infrastructure developed by Developer/Co-Developer of the area as per Regulations. The CAPEX has been incurred by the Developer/Co-Developer and presently in the books of Developer/Co-Developer. The Commission takes note of the same, however, the same need not be considered as part of capital expenditure and capitalization for the purpose of this order. In this regard the petitioner is directed to maintain a separate Asset Register for the Assets developed through supervision charges and submit the same to the Commission along with every Tariff Petitions. The Petitioner shall ensure that no capital expenditure for such assets shall be claimed in the Tariff Petitions.

In terms of value submitted by the Petitioner, the Commission has scrutinized the audited annual accounts for FY 2022-23 and observed that the actual capital expenditure works out to Rs. 20.31 Crore based on the values for capital works in progress and gross fixed assets added during the year as shown in the Table below:

Table 4.14 : Capex worked out by Commission for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Value as per Audited Accounts
A	Opening CWIP	2.45
B	Closing CWIP	10.33
C	Gross Fixed Assets added	12.43
D	**Capex [C+(B-A)]**	**20.31**

The Commission used SLC towards the funding of capex which is in line with the approach followed for capital expenditure and capitalization in previous orders. The Commission further noted that it had allowed to carry forward of unutilized SLC of Rs. 13.97 Crore in its order dated 31.03.2023 to utilize said amount for funding of CAPEX approved for FY 2022-23. However, as per the submission of the Petitioner, the approved project of Transmission Line for 66 kV Ring Network between MRSs – MITAP S/s – South Basin GIS – LNG GIS got delayed on account of delay in forest/CRZ clearance. The Petitioner has used the unutilized carried forward SLC of Rs. 13.97 Crore and adjusted against capitalization of Rs. 12.43 Crore during FY 2022-23 after adjustment of Rs. 3.82 Crore SLC contribution received from consumers during FY

2022-23. In view of this, there will be unutilized SLC for the amount of Rs. 5.36 Crore at the end of FY 2022-23. This, unutilized SLC of Rs. 5.36 Crore will be adjusted in FY 2023-24 against capitalization of projects which are under capital work in progress. Considering the foregoing analysis, the Commission has approved the following capex, capitalization and funding of capex.

Table 4.15 : Capital Expenditure, Capitalization and Funding of Capex approved for FY 2022-23

(Rs. Crore)

Particulars	**FY 2022-23**		
	Approved	**Claimed**	**Approved in Truing up**
Opening GFA	140.93	118.46	118.46
Addition to GFA	55.37	12.43	12.43
Deletion from GFA	-	0.01	0.01
Closing GFA	196.30	130.89	130.89
Available Surplus SLC as per T.O dt.31.03.2023	-	13.97	13.97
SLC Contribution for FY 2022-23	21.36	3.82	3.82
Less: Surplus SLC utilized in FY 2022-23 against capitalization	- 0.91	12.43	12.43
Balance SLC (Surplus)	-	5.36	5.36
Capitalization for Debt: Equity	34.01	0.00	0.00
Normative Debt - 70%	23.81	0.00	0.00
Normative Equity -30%	10.20	0.00	0.00

Thus, the Commission approves a Capex of Rs. 20.21 Crore and net Capitalization as NIL after considering utilization of part of SLC (Rs. 12.43 Crore out of cumulative SLC of Rs. 17.79 Crore (Rs 13.97 Crore + Rs. 3.82 Crore)), and un-utilized SLC of Rs. 5.36 Crores, for Truing up for FY 2022-23.

4.8. Operations and Maintenance Expenses

Petitioner's submission

The Operations and Maintenance Expenses comprise of the Employee cost, Administration & General Expenses and Repairs and Maintenance expenditure. The actual Operations and Maintenance Expenses furnished by MUL are given in the Table below:

Table 4.16 : Operation and Maintenance Expenses claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Deviation +/(-)
Operation and Maintenance	11.38	12.26	-0.88

The Petitioner has not considered the expenses of Rs. 0.41 Crore under the head of Charity & Donations in the A&G expenses for truing up of FY 2022-23.

The Petitioner submitted that as per Regulation 22.2(h) of GERC (MYT) Regulations, 2016, variation in Operation & Maintenance expenses are controllable. However, the Petitioner has considered O&M expenses as uncontrollable and requested the Commission to approve it as uncontrollable as its O&M Expenses depend upon addition of new sub-stations and distribution system with development of SEZ area and addition of new units in SEZ. Moreover, there are various challenges related to R&M of electrical network / system in coastal area like saline weather condition for system exposed to air and high-water table for network below ground level. These are uncontrollable factors which lead to deviations in O&M Expenses.

Commission's analysis

The Commission has verified the O&M Expenses claimed by the Petitioner from the Audited Accounts. MUL has incurred Employee Expenses of Rs. 3.80 Crore, A&G expenses of Rs. 7.38 Crore.

The Commission observes that MUL has excluded an amount of Rs. 0.41 Crore towards Charity & donations from A&G Expenses. As the Commission enquired the petitioner about the amount of Rs. 1.65 Cr. shown as 'Professional, Consultancy, Technical fee' in the petition, whereas as per Annual Accounts the said amount is towards 'Legal and Professional Expenses, to which the petitioner replied that it has considered Rs. 1.65 Cr. as Professional, Consultancy, Technical fee in Form F3.3 of the petition which is mentioned as Legal & Professional Expenses in Annual Account. The expenses under head of Legal & Professional Expenses comprising Professional & Consultancy charges and various fees paid to the GERC.

As regarding the Employee expenses, the Commission has verified from the audited accounts and found to be in order. The Commission has also verified the R&M Expenses of Rs. 1.08 Crore from the annual accounts and found the same at par with what is claimed by the Petitioner. Accordingly, the Commission approves the following O&M Expenses.

Table 4.17 : Operation and Maintenance Expenses approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the MTR Order	Actual claimed	Approved in Truing up
Employee Expenses	3.26	3.80	3.80
Repairs & Maintenance Expenses	1.72	1.08	1.08
Administration & General Expenses	6.40	7.38	7.38
Total O&M Expenses	**11.38**	**12.26**	**12.26**

The Commission approves O&M Expenses of Rs. 12.26 Crore for Truing up for FY 2022-23.

Further, as per the GERC (MYT) Regulations, 2016, the variation in O&M Expenses is to be considered as controllable except the change in law and wage revision. However, as per the Judgment dated 9th May, 2019 of the Hon'ble APTEL in Appeal No. 256 of 2016 in the matter related to TPL-D (Dahej), the Commission decides to accept MUL's submission that O&M Expenses should be considered as uncontrollable along in line with Distribution Losses, as the SEZ is yet to stabilize.

Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.18 : Gains / (Losses) on account of O&M Expenses 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
O&M Expenses	11.38	12.26	-0.88	-	(0.88)

4.9. Depreciation

Petitioner's submission

MUL 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	Deviation +/(-)
Gross block at the beginning of the Year	140.93	118.46	
Addition during the Year	55.37	12.43	
Gross block at the end of the Year	196.30	130.89	
Depreciation	**4.96**	**2.86**	**2.10**

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

MUL has deducted amortization of service line contribution and accordingly, claimed depreciation of Rs. 2.86 Crore. MUL has requested the Commission to treat the variation in depreciation amount compared to the approved amount as uncontrollable.

Commission's analysis

The Commission has considered the opening balance of GFA for FY 2022-23 equal to the closing balance of GFA for FY 2021-22 approved by the Commission in the Order dated 31.03.2023.

The Commission has verified the depreciation from the Audited Annual Accounts for FY 2022-23. The Commission has also noted that the depreciation expenses as per Audited Annual Account is Rs. 6.04 Crore. It is observed that depreciation of Rs. 3.17 Crore is booked for the assets created through SLC in the Audited Annual Accounts and hence has not been considered by the Commission. Accordingly, depreciation as per Audited Annual Accounts is Rs 2.86 Crore after excluding the depreciation against assets created through SLC.

The Commission approves Depreciation of Rs. 2.86 Crore for the purpose of Truing up for FY 2022-23 as shown below:

Table 4.20 : Depreciation approved for FY 2022-23

(Rs. Crore)

Particulars	**Approved in the Tariff Order**	**Actual claimed**	**Approved in Truing up**
Gross block of the Assets at the beginning of the Year	140.93	118.46	118.46
Addition during the Year	55.37	12.43	12.43
Gross block of the Assets at the end of the Year	196.30	130.89	130.89
Depreciation on Assets		**6.04**	**6.04**
Amortization of SLC	**4.96**	3.17	3.17
Net Depreciation		**2.86**	**2.86**

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 the Tariff Order**	**Approved in Truing up**	**Deviation + / (-)**	**Gains / (Losses) due to Controllable factor**	**Gains / (Losses) due to Uncontrollable factor**
Depreciation	4.96	2.86	2.10	0.00	2.10

4.10. Interest and Finance Charges

Petitioner's submission

MUL submitted that it has calculated the Interest Expenses on the basis of actual weighted average interest rate charged by the bank for previous loan portfolio as per GERC (MYT) Regulations, 2016 as there was no actual loan portfolio available during FY 2022-23. It is further submitted that it has paid the interest amount to the bank at weighted average interest rate of 11.25% during FY 2019-20 which is approved by Commission in its order dated 1st April, 2021.

MUL has submitted the following details in respect of Interest and Finance Charges:

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

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed
Interest on Normative Loan		
Opening Loans	21.99	15.11
Addition of Loan due to Capitalisation during the Year	-	-
Less: Repayment	23.81	2.86
Closing Loan	40.84	12.25
Average Loan	31.41	13.68
Rate of Interest (%)	11.25%	11.25%
Interest on Normative Loan	**1.96**	**1.54**
Bank & Finance Charges	-	0.04
Total Interest and Finance Charges	**1.96**	**1.57**

Commission's analysis

The Commission has verified the normative loan opening value for FY 2022-23 with the normative closing loan value approved in Truing up for FY 2021-22. The loan addition has been considered in line with the normative loan addition approved in the aforementioned section of Capex and Capitalization. The repayment has been equated to net value of depreciation during the Year.

As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered.

As there was no actual loan portfolio available during FY 2022-23. The Petitioner has considered the weighted average interest rate of 11.25% for FY 2019-20 which is approved by the Commission in its Order dated 01.04.2021.

The Commission observed that claimed weighted average interest rate for FY 2022-23 is on significantly higher side as compared with other Distribution licensees and even higher than MUL's claimed interest rate of 10.30% on working capital. Further, the Commission in Truing-up for FY 2020-21 in case No. 2036 of 2021 dated 31.3.2022 has invoked the Regulation 7 of MYT Regulation 2016 according to which nothing in the Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission. Accordingly, the Commission has considered the Bank Rate plus 200 basis points, as the rate of interest for the purpose of allowing the interest on the normative loan as per the last proviso to Regulation 38.5 of the GERC Tariff Regulations, 2016. The average RBI bank rate for FY 2022-23 was 5.78%, the Commission added the 200 basis points in 5.78% i.e., 7.78% (5.78% + 2%), has been used to compute the interest on normative loan.

Further, it is observed that the Petitioner has claimed bank & finance charges of Rs. 0.04 Crs. while claiming Interest on Loan. However, as per the submission of the Petitioner itself, when there is no actual loan portfolio, the issue of payment of Bank and Finance charges should not arise. Accordingly, the Commission has not allowed Rs. 0.04 Crore under this head.

Based on the foregoing analysis, the Commission's approves the Interest & Finance Charges of Rs. 1.42 Crore as shown in the Table below:

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

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Interest on Normative Loan			
Opening Loan	21.99	15.11	15.11
Addition of Loan due to Capitalization during the Year	-	-	-
Less: Repayment	23.81	2.86	2.86
Closing Loan	40.84	12.25	12.25
Average Loan	31.41	13.68	13.68
Rate of Interest (%)	11.25%	11.25%	7.78%
Interest on Normative Loan	**1.96**	**1.54**	**1.06**
Bank & Finance Charges	-	0.04	-
Total Interest and Finance Charges	**1.96**	**1.57**	**1.06**

The Commission approves Interest and Finance Charges at Rs. 1.06 Crore for Truing up for FY 2022-23.

4.11. Interest on Security Deposit

Petitioner's submission

MUL has submitted that the contribution to security deposit depends upon the addition of new consumers & their load growth from time to time as projected in ARR

Petition for FY 2022-23. Moreover, the bulk consumers opt to give Bank Guaranty (BG) instead of cash deposit in case of amount of security deposit more than Rs. 25 Lakh. MUL further submitted that the RBI Bank Rate as on 01.04.2022, was 4.25%. Thus, the amount of interest on security deposit was paid to the consumers at bank rate applicable as on 01.04.2022 as per the Table below:

Table 4.24 : Interest on Security Deposit claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Deviation
Security Deposit	2.02	7.36	
Interest Rate (%)	4.25%	4.25%	
Interest Cost	0.09	0.22	(-)0.13

MUL requested the Commission to approve the actual interest paid on consumer security deposit and consider the variation as uncontrollable.

Commission's analysis

The Commission has verified from the audited accounts that the actual interest paid is Rs. 0.22 Crore as claimed by MUL. Accordingly, the Commission approves this value as per actuals.

Table 4.25 : 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	2.02	7.36	7.36
Interest on Security Deposit	0.09	0.22	0.22

The Commission approves Interest on Security Deposit at Rs. 0.22 Crore for Truing up for FY 2022-23.

As noted in the preceding section, the Commission is of the view that the parameters which affect interest and finance charges should be treated as uncontrollable and the factor which affects security deposit is the number of consumers, security deposit is also uncontrollable. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.26 : Gains / (Losses) on account of Interest and Finance Charges & security deposit for FY 2022-23

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest and Finance Charges including security deposit	2.05	1.28	0.77	0.00	0.77

4.12. Interest on Working Capital

Petitioner's submission

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

Table 4.27 : Interest on Working Capital claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed
Working Capital Requirement		
O&M Expenses	0.95	1.02
Maintenance Spares at 1% of GFA	1.41	1.18
Receivables	23.98	18.14
Sub-total	**26.34**	**20.34**
Less: Security Deposit	2.02	7.36
Normative Working Capital	**24.32**	**12.98**
Interest Rate (%)	9.50%	10.30%
Interest on Working Capital	**2.31**	**1.34**

The working capital computed as per the GERC (MYT) Regulations, 2016 works out to be Rs. 20.34 Crore which is more than the average security deposit amount of Rs. 7.36 Crore. MUL has considered interest on working capital at weighted average one-year SBI Marginal Cost of Funds Based Lending Rate (MCLR) for FY 2022-23 plus 250 basis points as per the GERC (MYT) Regulations, 2016 and accordingly, interest on working capital has been considered @ 10.30% (7.80%+2.50%) for FY 2022-23.

Commission's analysis

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

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

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

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

In line with the above proviso to Regulation 40.4 (b), the Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 7.80% prevailing during the financial year 2022-23 plus 250 basis points. Accordingly, the rate of interest on working capital worked out to be 10.30%.

Table 4.28 : Interest on Working Capital approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Working Capital Requirement			
O&M Expenses (1 month)	0.95	1.02	1.01
Spares (1% of GFA)	1.41	1.18	1.18
Receivables (1 month of revenue at existing tariffs)	23.98	18.14	18.14
Sub-total	**26.34**	**20.34**	**20.33**
Less: Security Deposit	2.02	7.36	7.36
Normative Working Capital	**24.32**	**12.98**	**12.97**
Interest Rate	9.50%	10.30%	10.30%
Interest on Working Capital	**2.31**	**1.34**	**1.34**

The Commission approves Interest on Working Capital at Rs. 1.34 Crore for Truing

up for FY 2022-23.

The Commission considers the Interest on Working Capital as uncontrollable, since the components forming part of the working capital are mostly uncontrollable. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.29 : Gains / (Losses) on account of Interest on Working Capital 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 Working Capital	2.31	1.34	0.97	0.00	0.97

4.13. Return on Equity

Petitioner's submission

The equity addition for FY 2022-23 has been considered as 30% of the amount of net capitalization (excluding SLC) during the year. The Return on Equity (RoE) has been computed by applying a rate of 14% on the average of the opening and closing balance of equity for FY 2022-23 as per Regulation 37 of the GERC (MYT) Regulations, 2016, as shown in the Table below:

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

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Opening Equity	24.75	21.64
Addition to Equity towards Capital Investment	10.20	0.00
Closing Balance of Equity	34.95	21.64
Average Return on Equity	29.85	21.64
RoE at 14%	**4.18**	**3.03**

The Petitioner requested the Commission to allow the same for the purpose of True-up.

Commission's analysis

The closing equity as on 31.03.2022 approved in the Order dated 31.03.2023 in Case No.2177 of 2022 has been considered as the opening equity for FY 2022-23. The addition of equity during FY 2022-23 is considered as approved in the aforementioned section of Capex and Capital expenditure (Table 4.15) of this Order. The rate of return is considered 14% as per the GERC (MYT) Regulations, 2016, to work out the Return on Equity as shown in the Table below:

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

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Opening Equity	24.75	21.64	21.64
Addition to Equity	10.20	0.00	0.00
Closing Equity	34.95	21.64	21.64
Average Equity	29.85	21.64	21.64
RoE at 14%	**4.18**	**3.03**	**3.03**

The Commission approves Return on Equity at Rs. 3.03 Crore for Truing up for FY 2022-23.

The Commission is of the view that Return on Equity depends on the amount of capitalization during the financial year and that the parameters affecting the capitalization are uncontrollable in nature, as noted in preceding sections. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

The Commission, accordingly, approves the Gains/ (Losses) on account of Return on Equity in Truing up for FY 2022-23 as detailed below:

Table 4.32 : Gains / (Losses) on account of Return on Equity 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
Return on Equity	4.18	3.03	1.15	0.00	1.15

4.14. Income Tax

Petitioner's submission

MUL has submitted that the total income tax paid by it for FY 2022-23 is Rs 6.13 Crore. Further, MUL has submitted that it has not considered the income tax Rs. 0.26 Crore on other income related to parent company. Accordingly, it has claimed Rs. 5.87 Crore against Rs. 3.48 Crore approved in the Tariff Order as shown in the Table below:

Table 4.33 : Income Tax claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Deviation +/(-)
Income Tax	3.48	5.87	(-)2.39

The Petitioner has requested the Commission to consider variation in Income Tax and allow variation as uncontrollable for the purpose of Truing up.

Commission's analysis

The Commission has verified from the audited accounts that the actual income tax paid is Rs. 6.13 Crore.

The Commission while verifying the other income from the audited accounts observed that the Petitioner has booked the income for parent company and others in other income. Further, in response to data gap submission, the Petitioner has submitted the computation of Income-tax of Rs. 0.26 crores on other income related to parent company. Therefore, the Commission decided not to consider the income tax of Rs. 0.26 Crore on other income related to parent company. Hence, the actual income tax allowed is Rs 5.87 Crore.

Accordingly, the Commission approves Income Tax of Rs. 5.87 Crore for Truing up for FY 2022-23 as shown below:

Table 4.34 : Income Tax approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing Up
Income Tax	3.48	5.87	5.87

As per the GERC (MYT) Regulations, 2016 variation in the taxes on income is an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.35 : Gains / (Losses) on account of Income Tax for FY 2022-23

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Income Tax	3.48	5.87	(-)2.39	0.00	(-)2.39

4.15. Contingency Reserve

Petitioner's submission

MUL has submitted that it has contributed NIL contingency reserve during FY 2022-23 against Nil value Approved in the Tariff Order. Accordingly, it has not claimed any amount under this head.

Commission's analysis

The Commission approves contribution to contingency reserve at Nil for Truing up for FY 2022-23.

The Commission considers variation in the contribution to contingency reserve as an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.36 : Gains / (Losses) on account of Contribution to Contingency Reserve for FY 2022-23

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable Factor
Contingency Reserve	0.00	0.00	0.00	0.00	0.00

4.16. Non-Tariff Income

Petitioner's submission

MUL has submitted that the Commission had approved the Non-Tariff Income of Rs.

3.51 Crore in the Tariff Order for FY 2022-23 dated 31.03.2022. However, the actual Non-Tariff Income for FY 2022-23 is Rs. 16.82 Crore, as shown in the Table below:

Table 4.37 : Non-Tariff Income claimed for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Deviation +/(-)
Non-Tariff Income	3.51	16.82	(-)13.31

MUL submitted that the variation in Non-Tariff Income is on account of consideration of rebate on prompt payment and supervision charges received from one of the developers in the license area against infrastructure developed by the developer under the supervision of the Petitioner. MUL requested the Commission to allow the variation in Non-Tariff Income as uncontrollable for the purpose of True-up.

Commission's analysis

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

The Commission observed that MUL has considered the Non-Tariff Income as Rs. 16.82 Crore comprising Rebate of Rs. 3.85 Crore and miscellaneous receipts of Rs. 12.98 Crore. However, on review of the audited accounts, it was observed that the Petitioner has not considered miscellaneous income of Rs. 0.20 Crore, pertaining the power business. The Commission has considered the same as part of Non-Tariff Income.

It is also observed that as per the submission of the Petitioner that the miscellaneous receipt claimed by the Petitioner of Rs. 12.98 Crore is towards Revenue from 'Income in respect of Services rendered', which pertains to recovery of 15% supervision charges on infrastructure developed by the developer- Co developer of the area. In this regard the Petitioner has clarified that the said asset in the books of respective developer. Accordingly, the Commission considers amount of Rs. 12.98 Crore as other income and directs the Petitioner to maintain a separate Asset Register for Assets developed through supervision charges and submit the same to the Commission along with the Tariff Petitions. Further the Petitioner shall ensure that capital expenditure for such assets shall not be claimed by the Petitioner in the Tariff Petition. However, the

Petitioner shall be allowed to claim only O & M expenses on such assets.

Accordingly, the Commission approves Non-Tariff Income of Rs. 17.02 Crore for Truing up for FY 2022-23 as shown below:

Table 4.38 : Non-Tariff Income approved for FY 2022-23

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing Up
Non-Tariff Income	3.51	16.82	17.02

The Commission considers variation in the Non-Tariff Income as an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 4.39 : Gains / (Losses) on account of Non-Tariff Income 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
Non-Tariff Income	3.51	17.02	(-)13.51	0.00	(13.51)

4.17. Revenue from Sale of Power to Consumers

MUL has claimed revenue of Rs. 217.66 Crore from sale of power to consumers in FY 2022-23. The Commission observes that the revenue as per audited accounts is also Rs. 217.66 Crore.

Accordingly, the Commission approves Revenue of Rs. 217.66 Crore from sale of power to consumers for Truing up for FY 2022-23.

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

Petitioner's submission

MUL has submitted the comparison of various ARR items and computed the Gains/ Losses due to controllable and uncontrollable factors as summarized below:

Table 4.40 : Controllable & Uncontrollable Variations as claimed for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed	Over (+)/ under (-) Recovery	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	262.95	185.14	77.81	-	77.81
2	Operation & Maintenance Expenses	11.38	12.26	-0.88	-	(0.88)
3	Depreciation	4.96	2.86	2.10	-	2.10
4	Interest & Finance Charges including security deposit	2.05	1.79	0.26	-	0.26
5	Interest on Working Capital	2.31	1.34	0.97	-	0.97
6	Bad Debts Written Off	-	-	0.00	-	0.00
7	Contribution to Contingency Reserves	-	-	0.00	-	0.00
8	**Total Revenue Expenditure**	**283.65**	**203.39**	**80.27**	-	80.27
9	Return on Equity Capital	4.18	3.03	1.15	-	1.15
10	Income Tax	3.48	5.87	-2.39	-	(2.39)
11	**Aggregate Revenue Requirement**	**291.31**	**212.29**	**79.03**	-	79.03
12	Less: Non-Tariff Income	3.51	16.82	-13.31	-	-13.31
13	Aggregate Revenue Requirement	**287.80**	**195.46**	**92.34**	-	**92.34**

MUL has identified all the expenditure heads under controllable and uncontrollable categories. The Gains / (Losses) arise as a result of True up of FY 2022-23 for MUL and shall be suitably passed through the tariff as per mechanism specified by the Commission. The variation in the power purchase cost from approved ARR is on account of variation in sales and variation in actual cost. Any variation on account of power procurement cost is treated as uncontrollable. The variation in O&M Expenses are treated as uncontrollable. The variations in Depreciation, Interest on Long Term

Loan, Interest on Security Deposit, Interest on Working Capital, Income Tax and Non-Tariff Income have been treated as uncontrollable.

Based on the above, the sharing of Gains and Losses due to controllable & uncontrollable factors is summarized below.

Table 4.41 : Sharing of Gains & Losses as claimed for FY 2022-23

(Rs. Crore)

Particulars	Pass through by Adjustment of Tariff	To be Retained/ Absorbed	Total
Controllable Gain/(Losses)	0.00	0.00	0.00
Uncontrollable Gain/(Losses)	92.34	-	92.34
Total	**92.34**	**-**	**92.34**

As per the above Table, Total losses of Rs. 92.34 Crore shall be passed through to the consumers.

Following is the summary of Trued-up ARR of 2022-23 to be recovered by MUL after incorporation of sharing of Gains / (Losses).

Table 4.42 : Trued-up ARR as claimed for FY 2022-23

(Rs. Crore)

Sr. No.	Particular	Actual Claimed
1	**Approved as per the Tariff Order dated 31.03.2022 (A)**	287.80
2	Less: Gain on account of Controllable Factor to be passed on to the Consumers (1/3) (B)	-
3	Less: Gain on account of Un-controllable Factor to be passed on to the Consumers (C)	92.34
4	**Trued-up ARR for FY 2022-23, D= (A-B-C)**	**195.46**

Commission's analysis

The Commission has undertaken True up of exercise under Regulation, 21 of the GERC (MYT) Regulations, 2016 with reference to the Audited Annual Accounts for FY 2022-23 and other details submitted by the Petitioner. 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.

The ARR approved for FY 2022-23 in the Tariff Order dated 31.03.2022 and computed for True up in accordance with the GERC (MYT) Regulations, 2016 are given in the Table below:

Table 4.43 : ARR approved for FY 2022-23 along with impact of Controllable/ Uncontrollable factors

(Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order dated 31.03.2022	Actual Claimed	Approved in Truing up	Deviation +/(-)	Controllable (Gain/ (Loss))	Uncontrollable (Gain/ (Loss))
1	Power Purchase Expenses	262.95	185.14	185.14	77.81		77.81
2	Operation & Maintenance Expenses	11.38	12.26	12.26	-0.88	0.00	(0.88)
3	Depreciation	4.96	2.86	2.86	2.10		2.10
4	Interest & Finance Charges including security deposit	2.05	1.79	1.28	0.77		0.77
5	Interest on Working Capital	2.31	1.34	1.34	0.97		0.97
6	Bad Debts Written Off	-	-	-			
7	Contribution to Contingency Reserves	-	-	-			
8	**Total Revenue Expenditure**	**283.65**	**203.39**	**202.88**	**80.77**	**-**	**80.77**
9	Return on Equity Capital	4.18	3.03	3.03	1.15		1.15
10	Income Tax	3.48	5.87	5.87	-2.39		(2.39)
11	**Aggregate Revenue Requirement**	**291.31**	**212.29**	**211.78**	**79.53**	**-**	**79.53**
12	Less: Non-Tariff Income	3.51	16.82	17.02	-13.51		(13.51)
13	Aggregate Revenue Requirement	**287.80**	**195.46**	**194.76**	**93.04**		**93.04**

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

Table 4.44 : Trued-up ARR approved for FY 2022-23

(Rs. Crore)

Sr. No.	Particular	Approved in Truing up
1	**Approved as per the Tariff Order dated31.03.2022(A)**	**287.80**
2	Less: Gain on account of controllable factor to be passed onto the consumers (1/3) (B)	0.00
3	Less: Gain on account of Un-controllable factor to be passed onto the consumers(C)	93.04
4	**Trued-up ARR for FY 2022-23, D=(A-B-C)**	**194.76**

4.19. Net revenue Gap / (Surplus)

Petitioner's submission

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

Table 4.45 : Revenue Gap / (Surplus) claimed for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Actual Claimed
1	Annual Revenue Requirement (Trued up)	195.46
2	Revenue from Sale of Power	217.66
3	**Net Revenue Gap / (Surplus) (1-2)**	**(-)22.20**

MUL has submitted that the Commission in its Tariff Order dated 31.03.2022 has approved consolidated revenue gap of Rs. 2.10 Crore for FY 2019-20 and consolidated carrying cost of Rs. (-)0.10 Crore for FY 2020-21 as per GERC (MYT) Regulations, 2016. Accordingly, MUL has submitted its Consolidated Revenue Gap/(Surplus) claim for FY 2022-23 as below:

Table 4.46 : Consolidated Revenue Gap / (Surplus) claimed for FY 2022-23

(Rs. Crore)

Particulars	Actual Claimed
Net Revenue Gap / (Surplus) of FY 2022-23	(-)22.20
Add: Approved Consolidated Gap / (Surplus) for FY 2020-21	2.10
Add: carrying cost on revenue gap of 2020-21 for FY 2021-22& FY 2022-23	(-)0.10
Consolidated revenue Gap/(Surplus) for FY 2022-23	**(-)20.20**

Commission's analysis

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

Table 4.47 : Approved Revenue Gap / (Surplus) for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Actual Claimed	Approved in Truing-up
1	Annual Revenue Requirement (Trued up)	195.46	194.76
2	Revenue from Sale of Power	217.66	217.66
3	**Net Revenue Gap/(Surplus) (1-2)**	**(-)22.20**	**(-)22.90**

The workings of the consolidated Revenue Gap / Surplus for FY 2022-23 approved by the Commission is shown below:

Table 4.48 : Consolidated Revenue Gap / (Surplus) for FY 2022-23

(Rs. Crore)

Sr. No.	Particulars	Approved in Truing up
1	Approved Revenue Gap/ (Surplus) for FY 2022-23 (a)	(22.90)
2	Approved Consolidated Gap / (Surplus) for FY 2020-21 (b)	2.10
3	Consolidated Carrying Cost for FY 2020-21 for FY 2021-22 & FY 2022-23 (c)	(0.10)
4	**Net Revenue Gap / (Surplus) for FY 2022-23 to be carried forward (d= a + b + c)**	**(20.90)**

Accordingly, the Commission approves the Trued-up consolidated Revenue Surplus for FY 2022-23 of Rs. 20.90 Crore. This Trued-up Surplus is considered by the Commission for Determination of Tariff for FY 2024-25.

The Commission has dealt with carrying cost for FY 2022-23 in the next Chapter while deciding Tariff for FY 2024-25.

5. Determination of Tariff for FY 2024-25

5.1. Introduction

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

The Commission has issued Suo-Motu Order dated 05.12.2023 about applicability of GERC (Multi Year Tariff) Regulations, 2016 to file application / Petition for the determination of Annual ARR for FY 2024-25 and proposal for determination of tariff for FY 2024-25.

MUL has accordingly submitted that it has worked out the projected ARR for FY 2024-25 based on the GERC (MYT) Regulations, 2016 in line with the directions of the Commission in the Suo-Motu Order 05.12.2023.

5.2. Energy Sales

Petitioner's submission

MUL has submitted that sales forecast has been worked out in accordance with demand projections as per demand forecast submitted by the existing and new customers envisaged to set up manufacturing facilities in license area.

MUL has submitted that the license area is under the rapid development phase as the new industries and associated infrastructure is envisaged in the near future. Thus, a substantial increase in load demand is expected in the license area which is based on the discussion with various existing & upcoming consumers. As stated above, the license area of the Petitioner is an industrial hub, and the development is mainly dependent on overall economic conditions, government incentives and policies. Hence, it is very difficult to carry out the Demand and Sales projection accurately and precisely for license area.

MUL has considered the projections given by industrial & commercial units, already established in the license area and willing to establish the units. These projections are based on the details captured from respective consumers. The Petitioner has taken good care to work out close to realistic projections of energy sales and also collected inputs from existing and upcoming units for the same. The sales projections for FY 2024-25 are as follows:

Table 5.1 : Energy Sales projected for FY 2024-25

(MU)

Particulars	Projection
HT Category	
HTMD-I (Commercial)	264.20
HTMD-I (Industrial)	1713.78
HTMD-II	56.76
HTMD-III	8.28
HTMD-IV	1.94
HTMD-EV Charging Station	-
Traction	53.61
Low Voltage Category	
Residential	0.00
Commercial (Non Demand)	0.00
Commercial (Demand)	3.00
Industrial (Non Demand)	0.00
Industrial (Demand)	0.16
Street Lights	0.42
Temporary	0.00
LT-EV Charging Stations	0.00
Total Sale	**2,102.15**

As regards the number of consumers, MUL has submitted that the consumer category mainly served by the Petitioner in the Mundra SEZ, License area would be predominantly industrial and commercial bulk consumers of HTMD-I category. The consumer base of other categories would be negligible.

Based on inputs collected from the developer of Mundra SEZ about prospective clients and details of plots allotted so far in the Mundra SEZ area, the projections of consumers and Load have been worked out. The summary is as under:

Table 5.2 : No. of Consumers and Load projections for FY 2024-25

Particulars	Consumers (Nos.)
HT Category	
HTMD-I(Commercial)	28
HTMD-I(Industrial)	30
HTMD-II	5
HTMD-III	1
HTMD-IV	2
HTMD-EV Charging Station	-
Traction	1
Low Voltage Category	
Residential	-
Commercial (Non Demand)	-
Commercial (Demand)	27
Industrial (Non Demand)	-
Industrial (Demand)	2
Street Lights	8
Temporary	-
LT-EV Charging Stations	-
Total Sale	**104**

Commission's analysis

The Commission has noted the category-wise sales projected by the Petitioner for FY 2024-25. The Commission in data gaps has sought the details of billing determinants (No. of Consumers, Load and Sales) for FY 2023-24. The Petitioner in reply submission has submitted the details of billing determinants for FY 2023-24 H1 as 288.62 MU and FY 2023-24 H2 anticipated as 366.38 MU, hence to sales for FY 2023-24 is anticipated to be 655 MUs.

Further the Petitioner, in replies to data gaps submitted the actual no. of consumers and sales for past 5 years as under:

FY	Consumer (Nos)	Sales (MUs)
FY 2023-24 (anticipated)	98	655.00
FY 2023-24 H2 (anticipated)	98	366.38
FY 2023-24 H1 (actuals)	92	288.62
FY 2022-23	89	388.67
FY 2021-22	81	371.15
FY 2020-21	75	363.33
FY 2019-20	72	327.16
FY 2018-19	69	294.00

It is also observed that in Tariff Order dated 31.03.2023, for FY 2023-24, the Petitioner had envisaged 106 No. of consumers and sales of 2604.99 MUs, against which actual No. of consumers is expected to be 98 and sales of 655.00 MUs, which is almost one-fourth of the estimates.

Further, for FY 2024-25 also, the Petitioner is projecting 104 no. of consumers and sales of 2102.15 MUs, which is more than 3 times the anticipated sales of FY 2023-24, but lower than the projected sales for FY 2023-24 in Order dated 31.03.2023. In justification, the Petitioner has submitted that a substantial increase in load demand is expected in the license area which is based on the discussion with various existing & upcoming consumers. As stated above, the Licence area of the Petitioner is an industrial hub, and the development is mainly dependent on overall economic conditions, government incentives, and policies. Hence, it is very difficult to carry out the Demand and Sales projection accurately and precisely for Licence area.

By analyzing the available actual data submitted by the Petitioner, the Commission finds the projections submitted by the Petitioner are very aggressive but considering that energy sales are difficult to predict given that the SEZ, License area 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 MUL. However, the Commission cautions the Petitioner to project the consumer's additions and sales projections in a scientific and rational manner. The Commission approved the sales as shown in the Table below:

Table 5.3 : Energy Sales approved for FY 2024-25

(MU)

Particulars	Projected	Approved
Energy	2102.15	2102.15

Any variation in the actual energy sales will be considered during the truing up for FY2024-25.

5.3. Distribution Losses

Petitioner's submission

MUL has projected distribution losses of 2.94% for the FY 2024-25 same as the distribution losses for FY 2022-23.

MUL has submitted that it has created basic infrastructure to provide power connectivity to its consumers in SEZ area. MUL has considered N-1 transformation redundancy at all level for higher power reliability and availability to end consumers in the Zone as specified in Distribution Code. Further, MUL submitted that it is primarily supplying power to industrial units, which, may vary from the above projection, hence requested to the Commission to treat the losses as uncontrollable and approve actual losses at the time of true-up.

In view of above, MUL has requested the Commission to allow projected distribution losses of 2.94% for FY 2024-25.

Commission's analysis

The Petitioner has considered the Distribution Losses of 2.94% for FY 2024-25 same as the distribution actual losses for FY 2022-23. The Petitioner has also submitted that MUL has considered N-1 transformation redundancy at all levels for higher power reliability and availability to end consumers in the Zone as specified in Distribution Code.

The Commission notes the submission of MUL.

Accordingly, the Commission approves 2.94% distribution losses for the FY 2024-25.

5.4. Energy Balance

Petitioner's submission

MUL has submitted that the projection of Energy Balance for the FY 2024-25 is based on projection of Energy Sales and projected distribution & transmission losses.

Since Petitioner is directly connected with grid by APL Mundra Plant bus through dedicated transmission line, the transmission losses in case of Petitioner are NIL for present LTPPA with APL Mundra Plant. In the case of LTPPA with UPCL, the delivery of power is at Petitioner's bus and therefore, no transmission losses have been considered.

The Petitioner has also signed 360 MW LTPPA with APL Mundra Plant and approval of tariff adoption has been accorded by the Commission vide its Order dated 31.05.2023 in Case No 2207 of 2023. Petitioner is directly connected with grid by APL Mundra Plant bus through dedicated transmission line. Hence, no transmission losses have been considered for procurement of power from APL for 360MW under LTPPA.

For fulfillment of the Non-Solar RPO obligation, the Petitioner has entered into LTPPA with Adani Renewable Energy (KA) Limited (AREKAL). The WTGs under LTPPA with AREKAL are directly connected with the distribution network of the Petitioner and therefore, no transmission losses have been considered. Further, for the shortfall in meeting the Non-Solar RPO Obligation, the Petitioner has considered procurement of Non-Solar energy through Power Exchange and therefore, applicable transmission losses (Intra state and Inter-state) have been considered.

For fulfillment of Solar RPO obligation, the Petitioner has considered renewable attribute of Solar Projects for captive consumption of its consumers and the balance is considered to be procured through Power Exchange and therefore, applicable transmission losses have been considered. The Petitioner has entered into Power Purchase Agreement with Solar Energy Corporation of India (SECI) for power procurement based on 1170 MW ISTS-connected Wind-Solar Hybrid Power Project (Tranche-V). The approval of tariff adoption has been accorded by the Commission vide its Order dated 24.03.2023 in Case No 2189 of 2023. This shall fulfill the Solar and Non-Solar RPO obligations once power supply is commenced from this capacity and thus reduce future dependency on Power Exchange for meeting the RPO obligation. As of now, the Petitioner has considered to procure the renewable power through power exchange for FY 2024-25 for fulfilment of Solar and Non-Solar RPO.

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

Table 5.4 : Energy Requirement projected for FY 2024-25

(MU)

Particulars	MUL Petition
Energy Sales	2102.15
Distribution Losses (%)	2.94%
Distribution Losses (MU)	63.68
Energy Requirement at Distribution Periphery	2165.83
Transmission Losses (%)	1.27%
Transmission Losses (MUs)	27.92
Total Energy Requirement	**2193.75**

Commission's analysis

The Petitioner has submitted that it has proposed no transmission losses for power procurement from Long Term PPAs. However, the Petitioner has considered the applicable transmission losses as 1.27%. In response to the data gaps and query asked by the Commission, the Petitioner submitted that it has envisaged Inter-state transmission losses of 3.60% in FY 2024-25 against 3.49% in FY 2023-24 based on the past trend of the actual losses. Accordingly, the Petitioner has considered 3.60% and 3.61% transmission losses for Inter-state and Intra-state respectively for purchase of power through exchanges.

It is observed that though, in the Petition, the Petitioner had mentioned the transmission losses of 3.60% and 3.61% for Inter-state and Intra-state respectively, however as per computations provided by the Petitioner, the Petitioner has used 3.36% and 3.49% transmission losses for Inter-state and Intra-state respectively.

The Commission accordingly approves State Transmission Losses of 3.49% and inter-State Transmission losses of 3.36% for FY 2024-25 as considered by the Petitioner.

Based on the energy sales, Distribution Losses and Transmission Losses approved, the Commission has computed the estimated energy requirement for MUL for FY 2024-25 in the Table below:

Table 5.5 : Energy requirement approved for FY 2024-25 (MUs)

Particulars	Projected	Allowed
Sales (MU)	2102.15	2102.15
Distribution Loss (%)	2.94%	2.94%
Distribution loss (MU)	63.68	63.59
Energy at Discom Periphery (MU)	2165.83	2165.74
Intra-state Transmission loss (%)	1.27%	3.49%*
Intra-state Transmission Loss (MU)		14.02
Energy at Transmission Periphery (MU)		2179.76
Inter-state Transmission loss (%)		3.36%*
Inter-State Transmission Loss (MU)	27.92	13.97
Energy requirement at Transmission Periphery (MU)	**2193.75**	**2193.73**

*On purchase quantum from power exchange only

5.5. Energy Availability and Power Purchase Cost

Petitioner's submission

MUL has projected power requirement, which shall be procured for retail supply business during FY 2024-25. MUL has worked out the quantum of power procurement based on projected sale of power to its customers and projected T&D losses.

MUL has considered the source-wise energy procurement based on estimated sales during FY 2023-24. The estimated source-wise energy procurement is as below:

Table 5.6 : Source-wise Energy Procurement projected for FY 2024-25

(MU)

Particulars	Projected
Long Term Contracts	1732.71
Renewable Purchase Obligation (RPO) – Solar	244.87
RPO – Wind	195.28
RPO – Others	2.32
RPO-Others (Exchange)	18.58
Net Power Purchase	**2193.75**

MUL has submitted that it has considered procurement of power through its existing Thermal LTPPAs and Wind LTPPA for FY 2024-25. MUL has also considered purchase of power from 360 MW LTPPA executed with Adani Power, wherein the Petitioner will declare the contracted capacity prior to the starting of financial year to reduce the burden of capacity charges in case of any variation of newly established consumer's demand. Petitioner has considered non-solar RPO from its existing LTPPA and balance has been considered as purchase of Non-Solar power from the Green Market through the Power Exchange to fulfill its RPO obligations. The Petitioner is also using the solar attributes of its consumers, who have installed captive solar rooftop plants to meet the solar RPO. Further to fulfill balance RPO obligation, the Petitioner has also considered the purchase of solar power from the green market through the Power Exchange.

MUL has considered purchase of aforesaid renewable power in accordance with the RPO target for FY 2024-25 notified by Commission through its GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 and expected rate on the exchange. MUL also submitted that the actual cost of RPO will be considered during Truing-up.

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

Table 5.7 : Source-wise Power Purchase projected for FY 2024-25

(Rs. Crore)

Particulars	Projected
Long Term Contract	900.55
RPO – Solar	149.65
RPO – Wind	107.71
RPO – Others	11.40
RPO- HPO	1.42
Other (Reactive, SLDC & Transmission Charges)	35.21
Total Cost	**1205.95**

Commission's analysis

The Commission has considered the source-wise power purchase plan submitted by the Petitioner. The Commission has also considered purchase of renewable power from Wind LTPPA and Power Exchange in accordance with the RPO target notified by the Commission through the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022.

The Commission approves the source-wise energy purchase as follows:

Table 5.8 : Energy Availability approved for FY 2024-25

(MU)

Particulars	Projected by Petitioner	Approved
LTPPA-Mundra (40 MW)	1732.71	297.84
LTPPA-Udupi (10 MW)		74.46
LTPPA-Mundra (360 MW)		1360.39
LTPPA-Wind (AREKAL) including RPO (12MW)	195.28	45.23
RPO- Wind (exchange)		150.05
RPO - Solar (exchange)	244.87	244.86
RPO - HPO (exchange)	2.32	2.33
RPO – Others (exchange)	18.58	18.58
Total	**2193.75**	**2193.73**

The Commission has noted the submission of the petitioner in regard to the power purchase cost as detailed under:

i) In respect of existing LTPPA- Mundra (40 MW) and LTPPA- Udupi (10 MW), the Petitioner has considered 85% availability as per terms of PPA for payment of fixed cost. Whereas the Energy charge is computed at Rs. 3.877/kWh for FY 2024-25 as per the escalation and other terms & conditions provided in the PPAs.

ii) For LTPPA Mundra (360 MW) - The Petitioner has considered Normative Availability of 90% as per Terms & Conditions of the approved PPA wherein the Petitioner will declare the contract capacity prior to starting of financial year and accordingly, the Petitioner has computed capacity charge by considering balance energy requirement from this PPA. The rate of power procurement has been considered as per the escalation and other terms & conditions provided in the PPA. The landed cost estimated to Rs. 5.21 per unit (Fixed charge Rs. 2.579/ unit and Energy Charge Rs. 2.630/unit) for FY 2024-25.

iii) LTPPA -AREKEL (12MW) Non- Solar - The Petitioner has considered rate of Rs. 3.46 per unit as per Terms & Conditions of the approved 12 MW LTPPA executed with AREKAL for non-solar RPO requirement.

iv) Purchase of Power for Solar / Non-Solar and Other category RPO: The Petitioner has estimated purchase of power from the Green Day Ahead Market (GDAM) through the Power Exchange platform to fulfill its balance RPO requirement. The estimated rate is derived on the basis of average rate discovered at power exchange during Nov-2022 to Nov-2023, which comes to Rs. 6.12 per unit.

The Commission has noted the source-wise power purchase quantum and cost submitted by the Petitioner. The Commission has also considered the detailed calculation for source-wise power purchase rate estimated by the Petitioner. As per the computation, the projected rate for Purchase of Power from LTPPA- Mundra (40 MW) & Udupi (10 MW), is Rs. 5.156/kWh which consists of Rs. 3.88/kWh as energy charge. Whereas, the projected rate for LTPPA-Mundra (360 MW), is Rs. 5.21/kWh which consists of Energy Charge of Rs. 2.63/kWh. Further, for LTPPA- AREKL (12 MW), the rate of Rs. 3.46/kWh is considered as per the PPA.

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, Wind, Hydro & other RPOs for FY 2024-25.

Commission notes the detailed submission made by the Petitioner with respect to Rate and quantum of power purchase considered from LTPPAs – Mundra and Udupi (40MW & 10MW), LTPPA- Mundra (360MW) and LTPPA- AREKAL (12MW) and considers the same for estimation of Power Purchase cost for FY 2024-25. Whereas, for procurement of power for RPO requirement from GDAM market of Power Exchange, as discussed above, the Commission has considered the rate of Rs. 5.84/ kWh.

Regarding the Other charges (Reactive, SLDC & Transmission Charges), the Commission has considered these charges as projected by the Petitioner.

Hence the overall power purchase for FY 2024-25 approved as under:

Table 5.9 : Source-wise Power Purchase Cost approved for FY 2024-25

Particulars	Energy Purchased (MU)	Fixed/Capacity Charges (Rs. Crore)	Variable Cost (Rs/kWh)	Variable Cost (Rs. Crore)	Total Cost Approved (Rs. Crore)	Total Cost Approved (Rs. /kWh)
LTPPA-Mundra (40 MW)	297.84	38.09	3.88	115.48	153.57	5.156

Particulars	Energy Purchased (MU)	Fixed/Capacity Charges (Rs. Crore)	Variable Cost (Rs/kWh)	Variable Cost (Rs. Crore)	Total Cost Approved (Rs. Crore)	Total Cost Approved (Rs. /kWh)
LTPPA-Udupi (10 MW)	74.46	9.52	3.88	28.87	38.39	5.16
LTPPA-Mundra (360 MW)	1360.39	350.82	2.63	357.76	708.58	5.21
LTPPA-Wind (AREKAL) including RPO (12 MW)	45.23		3.46	15.65	15.65	3.46
RPO- Wind (exchange)	150.05		5.84	87.57	87.57	5.84
RPO - Solar (exchange)	244.86		5.84	142.90	142.90	5.84
RPO - HPO (exchange)	2.33		5.84	1.36	1.36	5.84
RPO – Others (exchange)	18.58		5.84	10.84	10.84	5.84
Other (Reactive, SLDC, Trans. charges)					35.21	-
Total	**2193.73**	**398.43**	**3.47**	**760.43**	**1194.07**	**5.44**

Accordingly, the Commission approves the projected power purchase cost based on approved energy requirement as follows:

Table 5.10 : Power Purchase Cost approved for FY 2024-25

(Rs. Crore)

Particulars	Projected	Approved
LTPPA-Mundra (40 MW)	900.55	153.57
LTPPA-Udupi (10 MW)		38.39
LTPPA-Mundra (360 MW)		708.58
LTPPA-Wind (AREKAL) including RPO	107.71	15.65
RPO- Wind (exchange)		87.57
RPO - Solar (exchange)	149.65	142.90
RPO - HPO (exchange)	1.42	1.36
RPO – Others (exchange)	11.40	10.84
Other (Reactive, SLDC, Trans. charges)	35.21	35.21
Total	**1205.95**	**1194.07**

5.6. Renewable Purchase Obligation

MUL has considered purchase of Renewable power in accordance with the RPO target for FY 2024-25 notified by the Commission through its GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022. MUL also submitted that the actual cost of RPO will be considered during Truing-up. Based on the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022, the Renewable Purchase Obligation from RE sources approved for FY 2024-25 is tabulated below:

Table 5.11 : Renewable Purchase Obligation approved for FY 2024-25

Particulars	Units	Solar	Wind	Others*	HPO	Total
Total Energy Requirement	MU					2165.82
RPO Target	%	11.25%	8.55%	0.80%	0.10%	20.70%
RPO Target	MU	243.66	185.18	17.33	2.17	448.33
RPO fulfillment from existing sources	MU	15.27#	45.23	-		60.50
Unmet RPO	MU	228.38	139.95	17.33	2.17	387.83
RPO fulfillment from IEX at MUL periphery	MU	228.38	139.95	17.33	2.17	387.83
RPO fulfillment from IEX at MUL periphery (3.49% intra state loss)	**MU**	236.63	145.01	17.96	2.25	401.84
RPO fulfillment from IEX (3.36% inter state loss)	**MU**	244.86	150.05	18.58	2.33	415.81
Total purchase from exchange for RPO fulfillment	**MU**	**244.86**	**150.05**	**18.58**	**2.33**	**415.81**
Power Purchase cost	Rs Crore	142.90	87.57	10.84	1.36	242.66
Rate	Rs/ Unit	5.84				

#- solar net metering, *Others (Biomass, Bagasse & Bio-fuel based cogeneration, MSW)

5.7. Capital Expenditure, Capitalization and Funding of Capex

Petitioner's submission

MUL has submitted that the availability of qualitative and reliable power supply to the unit holders is the most important element for successful development of Mundra SEZ. The Investors prefer to set up their continuance process industry in SEZ area if they get uninterrupted qualitative power supply.

The Petitioner has planned to established state of art distribution network along with built-in redundancies to ensure uninterrupted quality power supply to the unit holders in Mundra SEZ.

MUL has submitted that it has endeavored its best to estimate CAPEX for FY 2024-25 based on principles set in Distribution Code. MUL has considered following assumptions for projecting the CAPEX during FY2024-25:

- The hybrid i.e. combination of overhead line and underground cable has been considered for EHV network at 400 kV, 220 kV, 66 kV level.
- GIS type EHV substations at 400 KV, 220 KV, 66 KV voltage level
- The indoor type sub-station has been considered for HV S/s of 11 KV Level.
- The underground cables have been considered for HV and LV Network.
- The EHV network is optimally ready to serve any new consumers to cater power supply in Licence area.
- The HV/LV network is being laid on need basis for last mile connectivity.
- The costs of material and services have been considered as per existing rates (without any taxes and duties), no escalation factor and price variation has been considered. Further, the civil cost has been considered based on primary survey. However, it may vary based on detail soil investigation to be carried out and therefore, request the Commission to allow variation during truing up.
- The CAPEX is proposed to be funded with a debt / equity ratio of 70:30

MUL has planned to undertake capital investments for development of power distribution infrastructure to meet power requirement of its consumers.

MUL has projected addition of few retail consumers during FY 2024-25 and it is expected that consumer base would reach to 104 Nos. with arithmetic sum of contract demand up to 410 MVA which will be reaching 4980 MVA by FY 2026-27.

MUL has submitted that in order to cater to the Power Demand of the magnitude as stated above, overall infrastructure plan is developed. In this respect, Petitioner applied to Central Transmission Utility of India Limited (CTUIL) for grant of connectivity at CTU in month of June 2022. CTUIL after following due procedure intimated the Grant of Connectivity to Petitioner as Distribution Licensee at 400 kV voltage level Navinal Sub-station proposed (GIS).

MUL has submitted that the demand in various pockets shall require strengthening of existing infrastructure and therefore, the Petitioner has considered augmentation of 66 KV existing to fulfill power demand with desirable reliability to the consumers.

Therefore, the Petitioner has considered capacity augmentation of existing 66 kV Transmission cable along with associated switchgears and strengthening of protection system for 66 kV Ring Network.

The Petitioner has also considered the augmentation of existing 220 kV Substation including addition of power transformers and associated switchgears. MUL has submitted that it has considered to set up a Central Control Room for monitoring & operation of networks through SCADA, Energy Management System and Geographical Information System and also considered to set-up a Central Office and a Central Store for effective operation of the infrastructure and management of the consumer services as demand growth in the licence area is potentially high and majority of them are continuous process industries, which require reliable and redundant power supply.

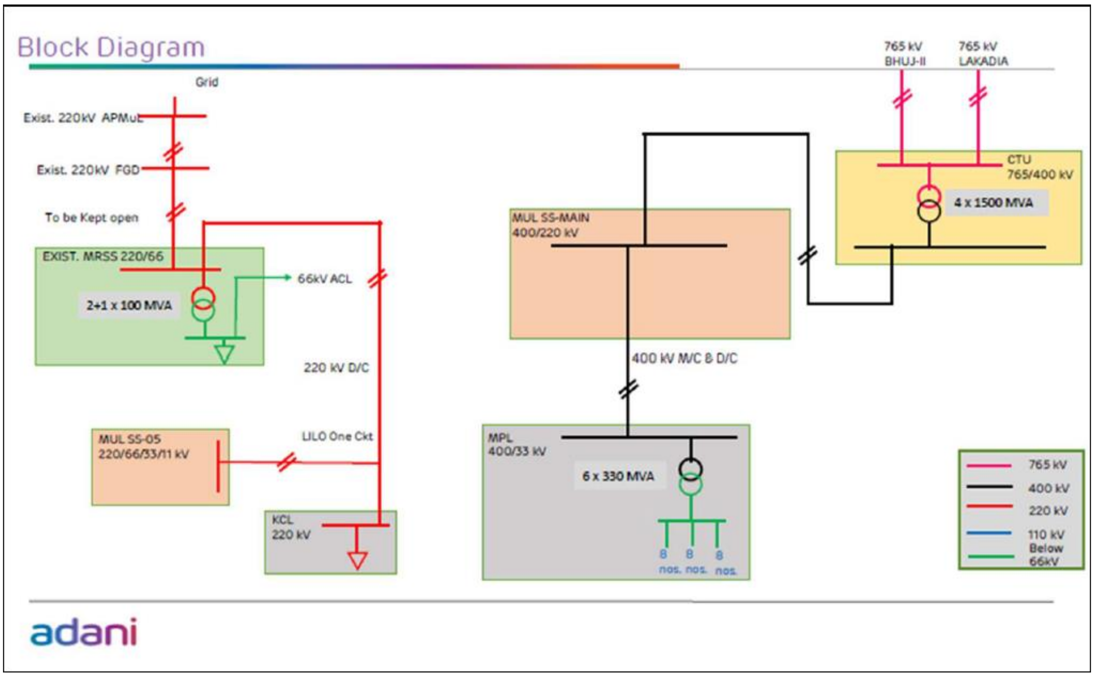
MUL has considered conversion of radial feed in to Ring Network at HT level for better reliability to industrial units and solar injections installed by the consumers.

MUL has also considered HT network to provide power supply to EV charging stations in the license area and EV vehicles for the staff, Cable Fault Locator and Detector.

MUL has also considered the smart meters in line with the directives of the Commission.

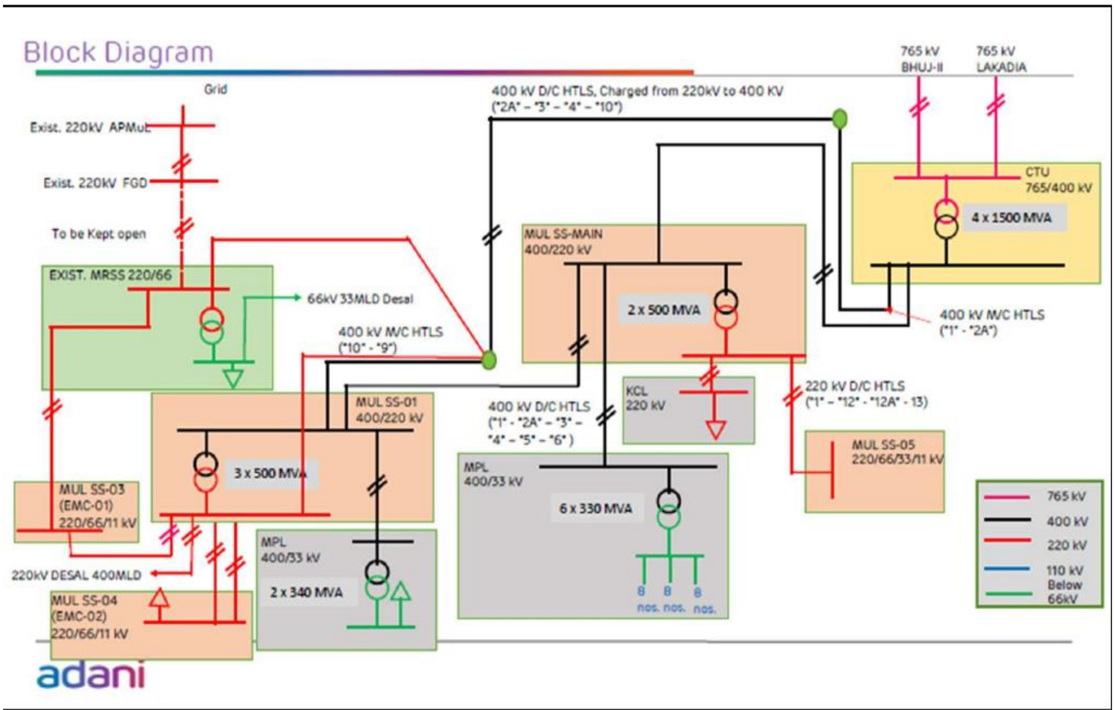
MUL has planned to develop infrastructure in phase wise manner, based on the demand forecast in order to optimally utilize the network and optimizing the cost of the infrastructure by keeping development plan in tandem to the power demand in upcoming years.

MUL has submitted the block diagram of the infrastructure to be developed immediate basis is as below.



MUL has further submitted that it has considered EHV substations along with associated EHV Transmission Lines at 400 KV & 220 KV voltage level and transformation of 400KV / 220 KV / 66 KV / 33 KV / 11 KV to cater the power requirement of upcoming industries in the licence area.

MUL has further provided the block diagram of the infrastructure to be developed with future demand is as below.



MUL submitted that the above-mentioned infrastructure shall take time to build up. However, the execution of infrastructure shall commence by FY 2024-25 to fulfill the power requirement of upcoming units. Therefore, proportionate capital expenditure is planned during FY 2024-25 and remaining will be incurred in the ensuing years. The project cost has been worked out at present rate without considering price variation and escalation factor for overall development plan, the civil cost has been worked out based on primary survey reports available and it may change based on detailed soil investigation and therefore, MUL requested the Commission to allow the revision during approval of ARR for ensuing year and truing up of FY 2024-25.

Based on above, MUL has submitted the summarized statement of proposed capital expenditure during FY 2024-25 as shown in below table:

Table 5.12 : Capital Expenditure projected for FY 2024-25

(Rs. Crore)

	Particulars	Projection
A	**EHV (220 kV & 66 kV)**	
	EHV Transmission line	69.95
	EHV Transmission Cable	56.12
	EHV Substation	182.95
	Land Cost	67.14
	Civil Cost	0.00
	Total	**376.17**
B	**HT (33 kV & 11 kV) & NETWORK**	
	33 kV HT Cable Network	0.00
	11 kV HT Cable Network	1.92
	33 / 11 kV HT Substation	0.00
	Land Cost	0.00
	Civil Cost	0.00
	Total	**1.92**
C	**Others**	
	Automation & SCADA	18.14
	Testing and Measuring Equipment	1.05
	IT Meters & AMR	17.40
	Miscellaneous	0.53
	Buildings & other civil work	51.05
	Total	**88.17**
D	**Grand Total**	**466.25**

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

Table 5.13 : Proposed scheme-wise Capitalization for FY 2024-25

(Rs. Crore)

S. No.	Project Code	Project Title	FY 2024-25
1	EHV Network	66 kV Underground Cable	27.13
2	Misc	Cable Fault Locator & Detector	1.05
3	Misc	EV Vehicles	0.53
4	Meters	Smart Meters	0.60
5	HT/LT Network	Common Network for Consumer	1.26
6	HT/LT Network	Network for EV Charging	0.66
7	EHV Substation	Strengthening of Protection system	1.95
		Total	**33.18**

Accordingly, MUL has proposed Capital expenditure & Capitalization for FY 2024-25 as per below table:

Table 5.14 : Capital Expenditure and Capitalization projected for FY 2024-25

(Rs. Crore)

Particulars	Projection
Capital Expenditure	466.27
Capitalization	33.18

MUL has proposed to fund part of the Capitalization for FY 2024-25 from unutilized/recovered SLC and balance through normative debt: equity in the ratio of 70:30. The funding of capitalization as projected by the Petitioner as per below table:

Table 5.15 : Funding of projected Capitalization for FY 2024-25

(Rs. Crore)

Particulars	Projection
Opening GFA	250.37
Addition to GFA	33.18
Deletion from GFA	-
Closing GFA	283.55
SLC Contribution	-
Capitalization for Debt: Equity	33.18
Normative Debt (70%)	23.23
Normative Equity (30%)	9.95

Commission's analysis

The Commission has sought details from the Petitioner in response to status of CAPEX of Rs. 1413.49 Crore approved for FY 2023-24, to which MUL submitted the status of CAPEX for FY 2023-24.

The Commission also sought the details of DPR for the proposed Capex and capitalization for FY 2024-25. In response to the Commission's query, the Petitioner submitted the details related to Capex planning. MUL submitted that the infrastructure as proposed in FY 2023-24, FY 2024-25 and FY 2025-26 will be developed in phase wise manner, based on the demand forecast in order to optimally utilize the network and optimizing the cost of the infrastructure by keeping development plan in tandem to the power demand in upcoming years.

MUL has submitted that execution of infrastructure shall commence by FY 2024-25 to fulfill the power requirement of upcoming units. MUL also submitted that infrastructure will be developed in phase wise manner, based on the demand forecast in order to optimally utilize the network and optimizing the cost of the infrastructure by keeping development plan in tandem to the power demand in upcoming years. Considering the justification submitted by the Petitioner, the Commission hereby provides the in-principal approval of the Capex of Rs. 466.27 Crore for FY 2024-25.
Regarding the capitalization, the Commission, has considered the projected capitalization as proposed by the Petitioner for FY 2024-25, subject to truing-up at actuals.

Accordingly, the Commission has considered the approved closing GFA for FY 2022-23 of Rs. 130.89 Crore as approved in this Order and net addition of assets of Rs. 97.86 (119.48-21.63) Crore in FY 2023-24 as approved in the Tariff Order for FY 2023-24 to work out the closing 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 Commission asked the Petitioner to provide the justification / reasons as to why SLC amount is not considered for ARR of FY 2024-25 even though there is increase in number of consumers, consumer demand and sales quantum and for FY 2022-23, MUL has received SLC of Rs. 3.82 Crores. MUL submitted that it has only considered capitalization of common Network Development, Instruments, Meters. The connectivity expenses for consumer will be net off directly from consumer's contribution as SLC. Hence, in this case net asset of the MUL will remain same & there will not be impact on tariff calculation of FY 2024-25 and therefore, MUL has not considered SLC. However, gross asset will be computed at the time of true-up.

Accordingly, the Commission has considered the SLC contribution of Rs 21.63 Crore as projected by the Petitioner for FY 2023-24, carry forwarded SLC of 5.35 Crore from FY 2022-23 and NIL SLC for FY 2024-25.

Table 5.16 : Capex and Capitalization for FY 2024-25

Particular	FY 2022-23	FY 2023-24	FY 2024-25
	Audited	Revised	Projection
Opening GFA	118.46	130.89	250.37
Addition to GFA	12.43	119.48	33.18
Deletion from GFA	0.01	0.00	-
Adjustment	0.00	0.00	0.00
Closing GFA	130.89	250.37	283.55
SLC addition	3.82	21.63	0.00
SLC carry forward	13.97	5.35	0.00
Capitalisation for Debt	0.00	92.50	33.18
Capitalisation for Equity	0.00	92.50	33.18
Normative Debt @70%	0.00	64.75	23.23
Normative Equity@30%	0.00	27.75	9.95

Table 5.17 : Capital Expenditure, Capitalization and Funding of Capex approved for FY 2024-25

(Rs. Crore)

Particulars	Projected	Allowed
Opening GFA	250.37	250.37
Addition to GFA	33.18	33.18
Deletion from GFA	-	-
Closing GFA	283.55	283.55
Financing of Capitalisation		
Total Funding requirement (Capitalisation)	**33.18**	**33.18**
SLC contribution	-	-
Funding requirement through Debt: Equity	**33.18**	**33.18**
Normative Debt (70%)	23.23	23.23
Normative Equity (30%)	9.95	9.95

5.8. Operations and Maintenance Expenses

Petitioner's submission

The average of actual O&M expenses for FY 2020-21 to FY 2022-23 has been considered as the O&M expenses for the FY 2021-22 ending 31st March 2022 with escalation of 5.72% year on year to derive at the allowable O&M expenses for FY 2024-25 in line with the provision of the Regulation 86.2 of GERC (MYT) Regulations, 2016.

Further, MUL has submitted that the above methodology is suitable for licensee, having stable or marginally growth of the load and infrastructure. Whereas, in this particular case there is substantial growth in the Licence area of MUL and hence, huge infrastructure is needed to be developed and maintained to deliver the reliable power to the consumers. Hence, for deriving the O&M cost, MUL has considered a percentage of Gross Fixed Asset for FY 2024-25. The percentage so considered is the average percentage cost of last three years on average Gross Fixed Asset of the similar last three years as development is required to fulfill overall service obligation of the licensee and therefore, the O&M expenses is beyond the control of the Petitioner in such case. The detail calculation of the O&M expenses has been provided in this Petition as format of the GERC (MYT) Regulations, 2016.

MUL has also submitted that the license area of the MUL is still in the development phase as the new industries and associated necessary infrastructure would likely to take place gradually and also the license area is falling under the saline atmosphere, therefore actual O&M expenses may vary from the projections given below. Therefore, MUL has requested the Commission to approve the actual O&M expenses at the time of True-up.

Table 5.18 : Operation and Maintenance Cost projected for FY 2024-25

(Rs. Crore)

Particulars	Projection
Employee Expenses	6.67
R&M Expenses	3.71
A&G Expenses	14.99
Operation and Maintenance Expenses	**25.38**

Commission's analysis

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

"86.2 Operation and Maintenance expenses:

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

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

The Commission notes that 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. Further, the Commission will consider, deviation in this regard, as uncontrollable in the truing up exercise.

Table 5.19 : Computation of Operation and Maintenance Expenses approved for FY 2023-24 and FY 2024-25

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 & Maintenance Expenses	10.31	11.00	12.17	11.16	5.72%	11.80	12.47	13.18

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

Table 5.20 : Operation and Maintenance Expenses approved for FY 2024-25

(Rs. Crore)

Particulars	Projection	Approved
Employee Expenses	6.67	3.39
R&M Expenses	3.71	1.94
A&G Expenses	14.99	7.85
Operation and Maintenance Expenses	**25.38**	**13.18**

5.9. Depreciation

Petitioner's submission

MUL has submitted the following details related to fixed assets and depreciation for FY 2024-25.

Table 5.21 : Depreciation projected for FY 2024-25

(Rs. Crore)

Particulars	Projected
Opening Gross block	250.37
Closing Gross block	283.55
Depreciation	**8.89**

MUL 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 also as per the GERC (MYT) Regulations, 2016.

Commission's analysis

The Commission has considered the closing GFA approved in this Order for FY 2022-23 and approved additional capitalization during FY 2023-24 to arrive at the opening GFA for the FY 2024-25 for calculation of depreciation. The additional capitalization for FY 2024-25 has been considered as approved by the Commission in previous section of Capital expenditure and capitalization. The Commission has observed that MUL has worked out average depreciation rate of 4.98% for FY 2024- 25 by applying the GERC depreciation rates which seems reasonable.

The Commission has also considered the amortization of SLC contribution of Rs 4.41

Crore as submitted by the Petitioner. Accordingly, the Commission has computed the depreciation for FY 2024-25 on average GFA for the year.

Accordingly, the Commission approves Depreciation of Rs. 8.89 Crore for FY 2024-25 as shown below:

Table 5.22 : Depreciation approved for FY 2024-25

(Rs. Crore)

Particulars	Projected	Allowed
Gross block of the Assets at the beginning of the Year	250.37	250.37
Addition during the Year	33.18	33.18
Gross block of the Assets at the end of the Year	283.55	283.55
Depreciation on Assets	13.30	13.30
Addition of SLC during the Year	-	-
Amortization of SLC	4.41	4.41
Net Depreciation	**8.89**	**8.89**

5.10. Interest and Finance charges

Petitioner's submission

MUL 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. MUL on deliberation with various banks has envisaged the interest rate of 9.80% and same has been considered for FY 2024-25 as per the GERC (MYT) Regulations, 2016.

MUL has considered the debt-equity in 70:30 ratio indicated in the GERC (MYT) Regulations, 2016 excluding the capitalization funded through unutilized/recovered Service Line Contribution (SLC). MUL has submitted the following details in respect of interest on Loan.

Table 5.23 : Interest on loan projected for FY 2024-25

(Rs. Crore)

Particulars	Projection
Opening Loans	71.73
Less: Reduction of Normative Loan	-
Addition of Normative Loan	23.23
Repayment of Normative Loan	8.89

Particulars	Projection
Closing Loan	86.06
Average Loan	78.89
Rate of Interest (%)	9.80%
Interest Expenses	**7.73**
Finance Charges	**-**
Total Interest on loan	**7.73**

Commission's analysis

The Commission has considered the closing balance of Normative Loan of Rs. 12.25 Crore for FY 2022-23 as approved in this Order and the addition of Normative Loan of Rs. 64.75 Crore for FY 2023-24 (after considering the SLC of 21.63 and the unutilized SLC of Rs 5.35 Crore in FY 2023-24). Accordingly, the closing balance of Normative Loan of Rs 70.44 Crore worked out by the Commission for FY 2023-24 has been considered as opening balance of Normative Loan for FY 2024-25.

The loan addition as worked out in earlier section for FY 2024-25 and repayment equivalent to depreciation as approved for FY 2024-25 have been considered. As regards to the weighted average rate of interest, MUL has considered the interest rate of 9.80% for FY 2024-25. The Commission has considered the interest rate of 8.75% at the RBI Bank Rate (6.75% as on 1st April 2023) plus 200 basis points as per the methodology discussed in True-up section of this Order. Accordingly, the Commission approves the Interest on loan as shown in the Table below:

Table 5.24 : Interest on Loan approved up for FY 2024-25

(Rs. Crore)

Particulars	Projected	Approved
Interest on Normative Loan		
Opening Loan	71.73	70.44
Addition of Loan due to Capitalization	23.23	23.23
Less: Repayment	8.89	8.89
Closing Loan	86.06	84.78
Average Loan	78.89	77.61
Rate of Interest (%)	9.80%	8.75%
Interest Expenses	7.73	6.79
Bank & Finance Charges	-	-
Total Interest & Finance Charges	**7.73**	**6.79**

5.11. Interest on Security Deposit

Petitioner's submission

MUL 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.

MUL has submitted that the contribution to security deposit depends upon the addition of new consumers and their load growth from time to time. The Petitioner has computed the interest expenses on proposed security deposit for FY 2024-25 as per the RBI bank rate of 6.75% on 1st April 2023 as per GERC (Multi Year Tariff) Regulations, 2016 is as below:

Table 5.25 : Interest on Security Deposit projected for FY 2024-25

(Rs. Crore)

Particulars	Projection
Amount held as Security Deposit	7.77
Interest Rate (%)	6.75%
Interest on Security Deposit	**0.52**

Commission's analysis

The Commission has accepted the amount of consumer security deposits projected by the Petitioner for FY 2024-25 as the Petitioner is in better position to estimate the amount held as security deposit as many consumers are providing security deposit in Bank Guarantee form. The Commission has considered the RBI Bank Rate on 1st April 2023 @ 6.75% per annum.

Accordingly, the Commission approves the Interest on Security Deposit as shown in the Table below:

Table 5.26 : Interest on Security Deposit approved for FY 2024-25

(Rs. Crore)

Particulars	Projection	Approved
Average Deposit	7.77	7.77
Interest Rate (%)	6.75%	6.75%
Interest on Security Deposit	**0.52**	**0.52**

5.12. Interest on Working Capital

Petitioner's submission

MUL 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 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

MUL has considered interest on working capital as SBI Marginal Cost of Funds Based Lending Rate (MCLR) as on 01.04.2023 plus 250 basis points @ 11.00% (8.50+2.50) as per GERC (Multi Year Tariff) Regulations, 2016.

The Interest on Working Capital is computed as per the GERC (MYT) Regulations, 2016, is provided in the Table below:

Table 5.27 : Interest on Working Capital projected for FY 2024-25

(Rs. Crore)

Particulars	Projected
Working Capital Requirement	
O&M Expenses	2.11
Maintenance Spares	2.50
Receivables	102.62
Working Capital Requirement	**107.24**
Less: Average held as Security Deposit	7.77
Total Working Capital	**99.47**
Interest Rate (%)	11.00%
Interest on Working Capital	**10.94**

Commission's analysis

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

The Commission has noted that MUL has considered revenue from sale of power at existing tariff for calculation of working capital requirement. The Commission has considered approved Aggregate Revenue Requirement for calculation of working capital requirement. The rate of interest on working capital has been considered as 11.00% considering SBI MCLR as on 01.04.2023 (8.50 % plus 250 basis points) as per the GERC (MYT) Regulations, 2016. The interest on working capital has been computed as per the provisions of the GERC (MYT) Regulations, 2016.

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

Table 5.28 : Interest on Working Capital approved for FY 2024-25

(Rs. Crore)

Particulars	MUL Petition	Approved in this Order
Working Capital Requirement		
O&M Expenses	2.11	1.10
Maintenance Spares	2.50	2.50
Receivables	102.62	102.62
Working Capital Requirement	**107.24**	**106.23**
Less: Average held as Security Deposit	7.77	7.77
Total Working Capital	**99.47**	**98.45**
Interest Rate (%)	11.00%	11.00%
Interest on Working Capital	**10.94**	**10.83**

5.13. Return on Equity

Petitioner's submission

MUL has submitted that it has projected paid up equity capital with 70:30 debt: equity ratio on the assets put to use as per the GERC (MYT) Regulations, 2016. MUL has considered a regulated return of 14% as per the GERC (MYT) Regulations, 2016.

Table 5.29 : Return on Equity projected for FY 2024-25

(Rs. Crore)

Particulars	MUL Petition
Opening Equity	49.39
Equity portion of Capitalization during the Year	9.95
Closing Balance of Equity	59.35
Average Equity	54.37
Rate of RoE	14.00%
Return on Equity	**7.61**

Commission's analysis

The Commission has considered the closing balance of Equity of Rs. 21.64 Crore for FY 2022-23 as approved in this Order and the addition of Equity of Rs. 27.75 Crore for FY 2023-24 and SLC of Rs. 21.63 approved for FY 2023-24 (after utilization of revised un-utilized SLC of Rs 5.35 Crore) for computing the closing balance 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 in earlier section of this Order. The rate of return is considered 14% as per the GERC (MYT) Regulations, 2016, to work out the Return on Equity as shown in the Table below:

Table 5.30 : Return on Equity approved for FY 2024-25

(Rs. Crore)

Particulars	Projection	Approved
Opening Equity	49.39	49.39
Addition to Equity	9.95	9.95
Closing Equity	59.35	59.35
Average Equity	54.37	54.37
Rate of RoE	14%	14%
Return on Equity	**7.61**	**7.61**

5.14. Income Tax

Petitioner's submission

MUL has submitted that it has considered Rs. 5.87 Crore income tax for FY 2022-23, after allocating Income tax of Rs. 0.26 Cr relating to other income from Parent Company. Accordingly, it has been considered as projected income tax during FY 2024-25 which is tabulated below:

Table 5.31 : Income Tax projected for FY 2024-25

(Rs. Crore)

Particulars	MUL Petition
Income Tax	5.87

Commission's analysis

The Commission has approved Income Tax claim of Rs. 5.87 Crore for FY 2024-25 in line with the income tax approved for FY 2022-23 in this Order.

Accordingly, the Commission approves Income Tax at Rs. 5.87 Crore for FY 2024-25 as shown below:

Table 5.32 : Income Tax approved for FY 2024-25

(Rs. Crore)

Particulars	Projection	Approved
Income Tax	5.87	5.87

5.15. Contingency Reserve

Petitioner's submission

MUL has submitted that it has not considered any contingency reserve during FY 2024-25.

Commission's analysis

The Commission approves contribution to contingency reserve at Nil for FY 2024-25.

5.16. Non-Tariff Income

Petitioner's submission

MUL has projected Non-Tariff Income by considering Prompt Payment Rebate on Power Purchase for FY 2024-25:

Table 5.33 : Non-Tariff Income projected for FY 2024-25

Particulars	MUL Petition
Non-Tariff Income	10.93

Commission's analysis

The Commission has considered the Non-tariff income of Rs 10.93 Crore for FY 2024-25 as claimed by the Petitioner, which is less than the Non-tariff income approved for FY 2022-23. However, the Commission approves Non-Tariff income as projected by the Petitioner for FY 2024-25 as shown in the Table below subject to true-up based on actuals.

Table 5.34 : Non-Tariff Income approved for FY 2024-25

(Rs. Crore)

Particulars	MUL Petition	Approved in this Order
Non-Tariff Income	10.93	10.93

5.17. Aggregate Revenue Requirement

Petitioner's submission

MUL has submitted the ARR for FY 2024-25 based on above as under:

Table 5.35 : Summary of Aggregate Revenue Requirement projected for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Projected
1	Power Purchase Expenses	1205.95
2	Operation & Maintenance Expenses	25.38
3	Depreciation	8.89
4	Interest & Finance charges including security deposit	8.26
5	Interest on Working Capital	10.94
6	Bad debts Written Off	-
7	Contribution to Contingency Reserves	-
8	**Total Revenue expenditure**	**1259.41**
9	Return on Equity Capital	7.61
10	Income Tax	5.87
11	**Aggregate Revenue Requirement**	**1272.89**
12	Less: Non-Tariff Income	10.93
13	**Aggregate Revenue Requirement**	**1261.97**

MUL has requested the Commission to consider ARR mentioned above for determination of Tariff for FY 2024-25.

Commission's analysis

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

Table 5.36 : ARR approved for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Projected	Approved
1	Power Purchase Expenses	1205.95	1194.07
2	Operation & Maintenance Expenses	25.38	13.18
3	Depreciation	8.89	8.89
4	Interest & Finance charges including security deposit	8.26	7.31
5	Interest on Working Capital	10.94	10.83
6	Bad debts Written Off	-	-
7	Contribution to Contingency Reserves	-	-
8	**Total Revenue expenditure**	**1259.41**	**1234.29**
9	Return on Equity Capital	7.61	7.61
10	Income Tax	5.87	5.87
11	**Aggregate Revenue Requirement**	**1272.89**	**1247.77**
12	Less: Non-Tariff Income	10.93	10.93
13	**Aggregate Revenue Requirement**	**1261.97**	**1236.84**

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

Petitioner's submission

MUL has claimed carrying cost on past Revenue Gap/ (Surplus) and justified the same by stating that recovery of such carrying cost is legitimate expenditure of the distribution companies. The carrying cost is allowed based on the financial principle that whenever the recovery of cost is deferred, the financing of the Gap in cash flow arranged by the distribution company from lenders/ promoters/ accruals is to be paid by way of carrying cost.

MUL has submitted that the projected revenue for FY 2024-25 at existing tariff works out to Rs. 1231.49 Crore, against the projected ARR of Rs. 1261.97 Crore. The consolidated Revenue Surplus including carrying cost of FY 2022-23 is Rs. 10.28 Crore. In view of the above, the Revenue Gap for FY 2024-25, considering consolidated Revenue Surplus of FY 2022-23 along with Carrying Cost on Revenue Gap of FY 2022-23 for FY 2022-23 and FY 2024-25, is given in the Table below:

Table 5.37 : Revenue Gap / (Surplus) with Existing Tariff as claimed for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Claimed
1	ARR for FY 2024-25	1261.97
2	*Add:* Consolidated Revenue Gap/(Surplus) for FY 2022-23	(-)20.10
3	*Add:* Consolidated carrying cost for FY 2022-23	(-)0.10
4	**Revenue from Existing Tariff for FY 2024-25**	**1231.49**
5	**Revenue Gap / (Surplus) in FY 2024-25**	**10.28**

Commission's analysis

Regulation 21.6 (c) 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 5.38 : Revenue Gap / (Surplus) with Existing Tariff as claimed and allowed for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Projected	Allowed
1	ARR for FY 2024-25 [a]	1261.97	1236.84
2	Revenue from Existing Tariff for FY 2024-25 [b]	1231.49	1231.49
3	Revenue Gap / (Surplus) in FY 2024-25 [c=(a-b)]	30.48	5.36
4	Revenue Gap / (Surplus) in FY 2022-23 [d]	(-)20.20	(20.90)
5	Add: Carrying cost on consolidated Surplus of FY 2022-23 for FY 2022-23 & FY 2023-24[e]	-	(3.26)
6	**Consolidated Revenue Gap / (Surplus) in FY 2024-25 [f=(c+d+e)]**	**10.28**	**(18.80)**

Accordingly, as against the cumulative Revenue Gap of Rs. 10.28 Crore projected by MUL, the Commission has approved a cumulative Revenue Surplus of Rs. 18.80 Crore.

6. Compliance of Directives

6.1. Existing directives

The Commission had issued following directives in the Tariff Order dated 31.3.2023 in case no. 2177 of 2023 and its compliance as filed by the Petitioner is follows:

Directive No. 1: Implementation of Smart pre-payment meter/ pre-payment meters

Compliance submitted by MUL

The Petitioner has submitted that as per Revamped Distribution Sector Scheme, private sector is not permitted to avail the benefits under the scheme. However, the Petitioner has planned to implement the SMRD (Smart Meter Reading Device) in FY 2024-25 in the license area of the Petitioner. The cost for the implementation of the same has been considered in CAPEX plan for FY 2024-25.

Commission View:

The Commission has noted the submission of the Petitioner. Further, the Commission notes that the Petitioner has proposed installation of smart meters in the Capex of FY 2024-25. The Petitioner has to expedite the process of installation of pre-paid smart meters and submit the plan with tentative timeline and quarterly status for the same.

Directive 2: Charging Infrastructure for Electric Vehicles

Compliance submitted by MUL

The Petitioner has submitted that it is having distribution license of the area, which is under development stage and currently, domestic electrical vehicles could not be located in the Petitioner’s license area. The Petitioner based on the discussion with the developer of the Mundra area have been planned to create the facility for heavy vehicle charging facility in the license area. The Petitioner along with developers have identified 2 Nos. of location for EV charging station at HT level. The CAPEX for the same has been considered in FY 2024-25.

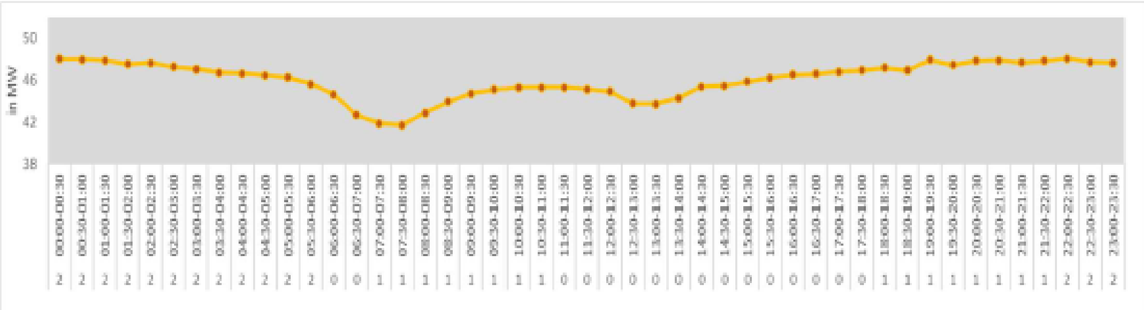
Commission View:

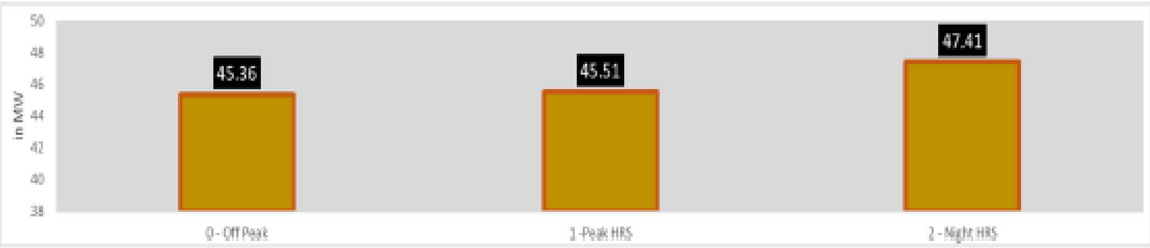
The Commission has noted the submission of the Petitioner. Further, the Commission notes that the Petitioner has identified 2 Nos of locations for EV charging stations at HT Level and considered the CAPEX for the same in FY 2024-25. The Petitioner is directed to submit quarterly status of CAPEX and Capitalization for the same. The Petitioner is also directed to keep separate accounts for expenses and revenue for EV Charging activities and submit the same along with every year Tariff Petition.

Directive 3: Time of Use Charges

Compliance submitted by MUL

The Petitioner has submitted that the majority of the consumers are having steady load pattern. The Petitioner has carried out the study of the load pattern for FY 2022-23. The aggregated average load of the consumers was recorded 46.09 MW wherein average load during off-peak, peak & night were recorded 45.36 MW, 45.51 MW & 47.41 MW respectively during the FY 2022-23.Thus, there is no significant variation during off-peak, peak & night hours. The aggregated half-hourly load pattern and Time slot wise load of the license area.





Moreover, majority of the consumers are of continuous process industries. Thus, they may not be able to reshuffle their load even in case tariff benefits to be provided to the consumers based on Time of Use. There may be un necessary increase the complication for consumers to understand the calculation of the electricity bill without significant benefits in case implementation of Time of Use. In view of the above, the Petitioner is of the opinion that Time of Use should not be implemented in the license area of the Petitioner.

Commission View:

The Commission has noted the submission of the Petitioner. The Petitioner is directed to continuously study the consumption/ Load pattern of consumers for ascertaining the feasibility for implementing TOD Charges and submit the report of such study to the Commission along with the Petition.

Lower Tariff for consumers with Prepaid Smart Meter:

The Commission has directed vide letter no. GERC/Tariff/4523/No. 2141 dated 06.11.2023 to consider the issue while preparing Tariff Petition filings for Determination of Tariff for FY2024-25. The Petitioner humbly submits that Prepaid Smart Meter implementation is one of the measures under the Revamped Distribution Sector Scheme.

In this regard, the Petitioner submits that as per the existing Revamped Distribution Sector Scheme, private sector is not permitted to avail benefits under the scheme. The Petitioner request the Commission to recommend inclusion of private sector in Revamped Distribution Sector Scheme before appropriate authority of Government of India so that private sector can avail benefit of such scheme and pass on the benefit so accrued to the respective categories otherwise any lower tariff on specific category of consumer will be a burden on other categories of consumers.

Commission's View

The Commission has noted the submission of the Petitioner in this regard.

Setting up of EV Charging Station (EVCS) – Concessions in Fixed Charges and Unit rate for EV connection:

The Commission has directed vide letter no. GERC/Tariff/5123/No. 2212 dated 22.11.2023 to consider the issue while preparing Tariff Petition filings for Determination of Tariff for FY 2024-25. The Petitioner submits that as per guideline issued by Ministry of Power, Government of India wherein specifically mentioned that DISCOMs may leverage on funding from the Revamped Distribution Sector Scheme under 'Part-A – Distribution Infrastructure' for the general upstream network augmentation necessitated due to the upcoming charging infrastructure in various area. The cost of such works carried out by the DISCOMs with the financial assistance from Government of India under the Revamped Scheme shall not be charged from consumers for Public Charging Stations for EVs. In this regard, the Petitioner request the Commission to recommend inclusion of private sector in Revamped Distribution Sector Scheme before appropriate authority of Government of India so that private sector can avail benefit of such scheme and pass on the benefit so accrued to the respective category otherwise any concessions on specific categories of consumer will be a burden on other categories of consumers.

Commission View:

The Commission has noted the submission of the Petitioner in this regard.

6.2. Fresh Directives

1) The Petitioner is directed to ensure fulfillment of 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 from time to time.
2) The Petitioner is directed to ensure for optimum utilization of its existing assets before planning for new capital expenditure and estimate the capital expenses in a prudent manner in the petition for approval of ARR. The Petitioner is directed to submit the quarterly status report on the CAPEX & Capitalization as against approved by the Commission.
3) In the true-up of FY 2022-23, it is observed that Petitioner has earned Revenue towards 'Income in respect of Services rendered', which pertains to recovery of

15% supervision charges on infrastructure developed by the Developer / Co-developer and said Asset is in the Books of respective Developer / Co-Developer. The Commission directs the Petitioner to maintain a separate Asset Register for the Assets developed through supervision charges and submit the same to the Commission along with the Tariff Petitions. Further the Petitioner shall ensure that no capital expenditure for such assets is claimed by the Petitioner in the Tariff Petitions. The Petitioner shall be allowed to claim only O & M expenses on such assets.

7. Fuel and Power Purchase Price Adjustment

7.1. Fuel and Power Purchase Price Adjustment

Petitioner's submission

The Commission vide its Tariff Order dated 30.07.2019 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 made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs/kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.
Loss in %	is the weighted average of the approved level of Transmission and Distribution Losses (%) for the four DISCOMs / GUVNL and MUL applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs / GUVNL and MUL of the previous year for which true-up have been done by the Commission, whichever is lower.

7.2. Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total power purchase cost for MUL including fixed cost, variable cost, etc. from the various sources for FY 2024-25 in this Order, as given in the Table below:

Table 7.1 : Energy Requirement and Power Purchase Cost approved by the Commission for FY 2024-25

Year	Total Energy Requirement (MUs)	Approved Power Purchase Cost (Rs Crore)	Power Purchase Cost per unit (Rs/kWh)
FY 2024-25	2193.73	1194.07	5.44

As mentioned above, the approved base Power Purchase cost for MUL is Rs. 5.44 per kWh and the base FPPPA charge is NIL.

MUL may claim difference between actual power purchase cost and base power purchase cost approved in the Table above as per the approved FPPPA formula mentioned above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on the website of MUL.

For any increase in FPPPA, worked out on the basis of above formula, beyond ten (10) Paise per kWh in a quarter, prior approval of the Commission shall be necessary and only on approval of such additional increase by the Commission, the FPPPA can be billed to consumers.

FPPPA calculations shall be submitted to the Commission within one month from end of the relevant quarter.

8. Wheeling Charges and Cross Subsidy Surcharge

8.1. Wheeling Charges

Regulation 91 of the GERC (MYT) Regulations, 2016, stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensee in its ARR and Tariff Order. Accordingly, the Commission has reviewed submission of MUL 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

MUL has allocated the total ARR expenditure of MUL to wire and retail supply business considering the following allocation matrix:

Table 8.1 : Allocation Matrix for segregation to Wires and Retail Supply Business claimed for FY 2024-25

(%)

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

On the basis of the above allocation matrix, MUL segregated total ARR of MUL supply area into ARR for wire and retail supply business as shown below:

Table 8.2 : Allocation Matrix for segregation to Wires and Retail Supply Business claimed for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	0.00	1205.95
2	Employee Expenses	4.00	2.67
3	Repairs and Maintenance Expenses	3.34	0.37
4	Administration and General Expenses	7.50	7.50
5	Depreciation	8.00	0.89
6	Interest on Long Term Loan Capital	6.96	0.77
7	Interest on Working Capital	1.09	9.85
8	Security Deposit	0.05	0.47
9	Bad Debt Written Off	0.00	0.00
10	Income Tax	5.28	0.59
11	Contribution to Contingency Reserve	0.00	0.00
12	Return on Equity	6.85	0.76
13	Less: Non-Tariff Income	1.09	9.83
	ARR	**41.99**	**1219.98**

a. ARR of Wire Business: Rs. 41.99 Crore

b. ARR of Retail Supply Business: Rs. 1219.98 Crore

The above segregated ARR has been considered to determine the Wheeling Charges.

Commission's analysis

The Commission, in order to compute the wheeling charges and cross subsidy surcharge, has considered the allocation matrix for allocation of the costs between the wires and retail supply business as per the GERC (MYT) Regulations, 2016. The allocation matrix and the basis of allocation of various cost components of the ARR as per the GERC (MYT) Regulations, 2016 are shown below:

Table 8.3 : Allocation Matrix for segregation to Wires and Retail Supply Business as per the GERC (MYT) Regulations, 2016

(%)

Sr. No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	0	100
2	Intra-State Transmission Charges	0	100
3	Employee Expenses	60	40
4	Administration and General Expenses	50	50
5	Repairs and Maintenance Expenses	90	10

Sr. No.	Particulars	Wires Business	Retail Supply Business
6	Depreciation	90	10
7	Interest on Long Term Loan Capital	90	10
8	Interest on Working Capital and Consumer Security Deposit	10	90
9	Bad Debt Written Off	0	100
10	Income Tax	90	10
11	Contribution to Contingency Reserve	100	0
12	Return on Equity	90	10
13	Non-Tariff Income	10	90

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

Table 8.4 : Allocation Matrix for segregation to Wires and Retail Supply Business approved for FY 2024-25

(Rs. Crore)

Sr. No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	0.00	1194.07
2	Intra-State Transmission Charges	0	0
3	Employee Expenses	2.03	1.36
4	Administration and General Expenses	3.92	3.92
5	Repairs and Maintenance Expenses	1.75	0.19
6	Depreciation	8.00	0.89
7	Interest on Long Term Loan Capital	6.11	0.68
8	Interest on Working Capital and Consumer Security Deposit	1.13	10.21
9	Bad Debt Written Off	0.00	0.00
10	Income Tax	5.28	0.59
11	Contribution to Contingency Reserve	0.00	0.00
12	Return on Equity	6.85	0.76
13	Less: Non-Tariff Income	1.09	9.83
	ARR	**33.99**	**1202.85**

8.2. Determination of Wheeling Charges

Petitioner's submission

The Petitioner submitted that Distribution Wires are identified as carrier of electricity from generating station or transmission network to consumer point. The 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. However, the consumers connected to the higher voltages would not be utilizing the services of the lower voltage level and hence, would not be required to contribute to the recovery of cost of lower voltage level.

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 GFA of the Petitioner at the end of year FY 2022-23 is Rs. 130.89 Crore. The Petitioner has segregated GFA of FY 2022-23 among HT level (11 kV and above) and LT Voltage level to arrive voltage level wise Wheeling charges.

The consumer’s demand & consumption is more at 11 kV and above, while there are very few at LT level in the license area of Petitioner. Hence, the GFA segregated at 11 kV and above is 98.7%, whereas it is only 1.3% at LT Level which is shown in the below table:

Table 8.5 : Voltage level wise GFA Ratio

Particular	GFA (Rs. In Crore)	GFA (%)
HT level (11 KV & Above)	129.23	98.7%
LT level	1.65	1.3%
Total	**130.89**	**100.00%**

Further, the Petitioner submitted that 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 Petitioner submitted that expected system peak demand for its Supply Area for the year FY 2024-25 is 409.51 MVA. The contract demand of HT and LT consumers is 402.60 MVA and 6.91 MVA, respectively for the year 2024-25. Hence, 98% of the contract demand of HT consumers contributes to the system peak demand.

Table 8.6 : Peak Demand contribution

Particular	Peak Demand (MVA)	Peak Demand (%)
System Peak demand	409.51	100%
HT Consumer	402.60	98%
LT Consumer	6.91	2%

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 charge determined has been tabulated below:

Table 8.7 : Wheeling Charges as claimed for FY 2024-25

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	41.28
LT Voltage	0.71
Total	41.99
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	40.58
LT Voltage	1.40
Total	41.99
Wheeling Charges in Rs. / kWh	
HT Voltage	**0.19**
LT Voltage	**3.93**

MUL has further stated that an Open Access consumer will also have to bear the following Wheeling Losses in kind in addition to the Wheeling Charges as mentioned above.

Table 8.8 : Wheeling Losses as claimed for FY 2024-25

(%)

Particulars	Wheeling Losses
HT Category	3.00%
LT Category	7.00%

Commission's analysis

The Commission has determined the ARR of the Wires Business for FY 2024-25 in earlier Section, as Rs. 33.99 Crore. The ARR is first apportioned between the HT and LT Voltage level in the ratio of 98.70:1.30, based on the respective GFA. MUL has submitted that HT consumers contribute to 98% of the system peak demand, hence, the HT ARR is further apportioned in the ratio of 98:2. To determine the Wheeling Charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Based on the above, the wheeling charges are approved as given in the Table below:

Table 8.9 : Wheeling Charges as approved for FY 2024-25

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	33.55
LT Voltage	0.44
Total	33.99
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	32.88
LT Voltage	1.11
Total	33.99
Wheeling Charges in Rs. / kWh	
HT Voltage	**0.16**
LT Voltage	**3.11**

The Open Access consumer will also have to bear the following Losses in addition to the wheeling charges.

Table 8.10 : Wheeling Losses of FY 2024-25 as approved by the Commission

(%)

Particulars	**Wheeling Losses**
HT Category	3.00%
LT Category	7.00%

8.3. Cross Subsidy Surcharge

Petitioner's submission

MUL has submitted that it has computed the cross-subsidy surcharge based on the formula used by the Commission in its Order dated 30.07.2019, as shown below:

S = T- {C / (1 - L/100) + D + R}

Where:

S is the Surcharge

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

Renewable Purchase Obligation;

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

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

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

R is the per unit cost of carrying regulatory asset:

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

Table 8.11 : Cross subsidy surcharge claimed for FY 2024-25

(Rs. /kWh)

S. No.	Particulars	HT Category
1	T – Tariff for HT category	5.86
2	C – Wt. Average cost of power Purchase	5.50
3	D - Wheeling charges for HT category	0.19
4	L – Loss for HT category (%)	3.00%
5	**S** = Cross subsidy surcharge	**(0.01)**

Commission's analysis

The 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

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

Table 8.12 : Cross Subsidy Surcharge approved for FY 2024-25

(Rs./kWh)

S. No.	Particulars	HT Category
1	T – Tariff for HT category	5.86
2	C – Wt. Average cost of power Purchase	5.44
3	D - Wheeling charges for HT category	0.16
4	L – Aggregate T&D Loss (%)	3.00%
5	**S** = Cross subsidy surcharge	**0.09**

S= 5.86- (5.44/(1-3%)+0.16+0)

Thus, CSS as per Tariff policy is Rs. 0.09/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 Cross Subsidy Surcharge worked out as per above, is well below the 20% of the Average Cost of Supply.

Accordingly, the Commission approves Cross Subsidy Surcharge at Rs. 0.09 per kWh for FY 2024-25.

9. Tariff Philosophy and Tariff Proposals

9.1. Introduction

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, the 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.

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 MUL's tariff proposal and changes suggested in tariff structure and provides the Commission's final decision on the same.

9.2. MUL's Tariff Proposal

MUL submitted that the sales for FY 2024-25 would be 2,102.15 MUs and the projected ARR for FY 2024-25 would be Rs. 1,261.97 Cr. The revenue surplus and carrying cost of the previous year as on FY 2024-25 comes to Rs. 20.20 Cr. Thus, the total projected ARR for FY 2024-25 comes to Rs. 1,241.77 Cr. After considering the revenue surplus of the previous year. The estimated revenue at existing tariff would be Rs. 1,231.49 Crore. Thus, the final revenue gap of FY 2024-25 will be Rs. 10.28 Crore.

In view of above scenario, the Petitioner has proposed to continue with the existing tariff for FY 2024-25. Any shortfall will be considered at the time of true-up for FY 2024-25.

9.3. Commission's analysis

As discussed in the previous sections, the Commission has approved a cumulative Revenue Surplus of Rs. 18.80 Crore at existing tariff. Thus, the Commission has decided to continue with the existing tariff for FY 2024-25. Any deviation will be considered at the time of true-up for FY 2024-25. However, in line with approach followed in the previous Tariff Order, the rate for optional Green Tariff has been considered as per the Tariff Orders of State-owned Distribution Licensees. Further, detailed conditions are mentioned in the General Term and Conditions section.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for MPSEZ Utilities Ltd. (MUL) for FY 2024-25, as shown in the Table below:

(Rs. Crore)

Sr. No.	Particulars	FY 2024-25
1	Power Purchase Expenses	1194.07
2	Operation & Maintenance Expenses	13.18
3	Depreciation	8.89
4	Interest & Finance charges and security deposit	7.31
5	Interest on Working Capital	10.83
6	Bad debts Written Off	-
7	Contribution to Contingency Reserves	-
8	**Total Revenue expenditure**	**1234.29**
9	Return on Equity Capital	7.61
10	Income Tax	5.87
11	**Aggregate Revenue Requirement**	**1247.77**
12	Less: Non-Tariff Income	10.93
13	**Aggregate Revenue Requirement**	**1236.84**

The Retail Supply Tariffs for MUL determined by the Commission are 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	**MEHUL M. GANDHI**	**ANIL MUKIM**
Member	**Member**	**Chairman**

Place: Gandhinagar
Date: 01/06/2024

ANNEXURE: TARIFF SCHEDULE

Tariff Schedule for license area of MPSEZ Utilities Ltd. (MUL) Effective from 1st June, 2024

General Conditions

1. This tariff schedule is applicable to all the consumers of MUL in License area of Mundra SEZ.
2. All these tariffs for power supply are applicable to only one point of supply.
3. The energy bills shall be paid by the consumer within 10 days from the date of billing, failing which the consumer shall be liable to pay the delayed payment charges @15% p.a. for the number of days from the due date of bill to the date of payment of bill.
4. 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.
5. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, 2005 except Meter Charges, will continue to apply.
6. The charges specified in the tariff are on monthly basis, MUL shall adjust the rates according to billing period applicable to consumer.
7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo-Watt (HP or kW) as the case may be.
9. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
10. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
11. Contract Demand shall mean the maximum KVA for the supply which MUL undertakes to provide facilities to the consumer from time to time.
12. For computation of Fixed Charges, they will be computed on 85 % of Contract Demand

at Unity Power Factor or Actual whichever is higher on monthly basis.

13. Maximum Demand in a month means the highest value of average KVA delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.
14. 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. The levy of penal charge is in addition to other rights of MPSEZ Utilities Limited under the provisions of the Electricity Act, 2003 and Regulations notified there under.
15. 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.
16. The fuel cost and power purchase price adjustment charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.
17. These rates are exclusive of Electricity Duty, Tax on sale of electricity, Customs Duty, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time in which are payable by consumers, in addition to the charges levied as per the tariff.
18. 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 MUL shall be entitled to take any other action deemed necessary and authorized under the Act.
19. 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 billing cycle notice to the Distribution Licensee in writing before commencement of billing period.

PART- I

SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE

(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)

1. **RATE: Residential**

This tariff is applicable to services for lights, fans and domestic appliances for heating, cooling, cooking, cleaning and refrigeration purposes, general load and motive power in residential premises.

1.1. FIXED CHARGE

(a)	Single Phase Supply	Rs. 30 per month per installation
(b)	Three Phase Supply	Rs. 45 per month per installation

For BPL household consumers*

Fixed Charges	Rs. 5 per month per installation

1.2. ENERGY CHARGE

(i)	First 250 units consumed per month	420 Paisa per Unit
(ii)	Remaining units consumed per month	470 Paisa per Unit

For BPL household consumers*

(a)	First 50 units	250 Paise per Unit
(b)	For remaining units	Rates as per Residential

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

1.3. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above.

2. **RATE: Commercial (Non Demand)**

This tariff is applicable to services for lights, fans and appliances for heating, cooling cooking, cleaning and refrigeration purposes, general load and motive power in premises other than those requiring the power supply for the purposes not specified in any other LT categories, up to 6 kVA of connected load.

2.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per month per installation

2.2. ENERGY CHARGE

(i)	First 150 units consumed per month	470 Paisa per Unit
(ii)	Remaining units consumed per month	495 Paisa per Unit

2.3. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

3. RATE: Commercial (Demand)

This tariff is applicable to lights, fans and appliances for heating, cooling, cooking, cleaning and refrigeration purposes, general load and motive power in premises other than those requiring the power supply for the purposes not specified in any other LT categories, having connected load of 6 kVA and above.

3.1. FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contract Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paisa per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paisa per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. Six kVA

3.2 ENERGY CHARGE

A flat rate of	370 Paisa per Unit

3.3. POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paisa per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paisa per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paisa per Unit

3.4. MINIMUM BILL

Payment of fixed charges as specified in 3.1 above.

4. <u>RATE: Industrial (Non- Demand)</u>

This tariff is applicable up to 6 kVA of connected load in industrial premises (as defined under the Bombay Electricity Duty Act, 1958).

4.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per Month per installation

4.2. ENERGY CHARGE

(i)	First 150 units consumed per month	445 Paisa per Unit
(ii)	Remaining units consumed per month	470 Paisa per Unit

4.3. MINIMUM BILL

Payment of fixed charges as specified in 4.1 above.

5. <u>RATE: Industrial (Demand)</u>

This tariff is applicable to 6 KVA and above of connected load in industrial premises (as defined under the Bombay Electricity Duty Act, 1958), water works and pumping services operated by Local Authorities.

5.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paisa per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paisa per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. Six kVA

5.2 ENERGY CHARGE

A flat rate of	370 Paisa per Unit

5.3. POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paisa per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paisa per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paisa per Unit

5.4. MINIMUM BILL

Payment of fixed charges as specified in 5.1 above.

6. RATE: Street Lights

Applicable to lighting systems for illumination of public roads

6.1. ENERGY CHARGE

A flat rate of	420 Paise per Unit

7. RATE: Temporary

This tariff is applicable to installations for temporary requirement of electricity supply. A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

7.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit.

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand.

7.2 ENERGY CHARGE

A flat rate of	445 Paise per unit

7.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing Period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

7.4. MINIMUM BILL

Payment of fixed charges as specified in 7.1 above.

8. 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. Residential, Commercial, Industrial, etc.

8.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

8.2 ENERGY CHARGE

Energy Charge	415 Paise per Unit

PART- II

SUPPLY DELIVERED AT HIGH VOLTAGE

(11000 VOLTS AND ABOVE - THREE PHASE, 50 HERTZ)

9. RATE: HTMD - 1

This tariff is applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT categories.

9.1 FIXED CHARGE

A) For the Billing Demand of customer having

a. Contract demand up to 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor or one hundred kVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

b. Contract demand above 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100% load factor	110 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

a. Contract demand up to 500 kVA

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

b. Contract demand above 500 kVA

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. One hundred kVA.

9.2 ENERGY CHARGE

For entire consumption during the month	
Up to 500 kVA of the contract demand	410 Paise per unit
Above 500 kVA of the contract demand	450 Paise per unit

9.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing Period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

9.4 REBATE FOR SUPPLY AT EHV

Sl.	On Energy Charges	Rebate @
1	If supply is availed at 11 KV	0.0%
2	If supply is availed at 33 KV	1.0%
3	If supply is availed at 66 KV and above	2.0%

9.5. MINIMUM BILL

Payment of fixed charges as specified in 9.1 above.

10. RATE: HTMD - II

This tariff is applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above 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.

10.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f or Actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	100 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. One hundred kVA

10.2 ENERGY CHARGE

A flat rate of	545 Paise per unit

10.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing Period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

10.4 REBATE FOR SUPPLY AT EHV

Sl.	On Energy Charges	Rebate @
1	If supply is availed at 11 KV	0.0%
2	If supply is availed at 33 KV	1.0%
3	If supply is availed at 66 KV and above	2.0%

10.5. MINIMUM BILL

Payment of fixed charges as specified in 10.1 above.

11. <u>RATE: HTMD – III</u>

This tariff is applicable for supply of energy to High Tension consumers, contracting for maximum demand of 100 kVA and above, for residential purposes and availing supply at single point by a Co-operative Group Housing Society for making electricity available to the members of Co-operative Society in the same premises.

11.1 FIXED CHARGE

A) For billing demand up to and including the contract demand

Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	75 Paise per Unit.

B) For billing demand in excess of the contract demand

Computed on billing demand in excess of contract demand on monthly basis at 100% Load Factor	125 Paise per Unit

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

i. Actual maximum demand at monthly average p.f. established during the month

OR

ii. Eighty – five percent of the contract demand at u.p.f OR

iii. One hundred kVA at u.p.f.

11.2 ENERGY CHARGE

A flat rate of	370 Paise per unit

11.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average power factor during the Billing Period exceeds 90%

For each 1% improvement in the power factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the power factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average power factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

11.4 Rebate for Supply at EHV

On Energy Charges		Rebate @
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

***Note**: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.*

11.5 MINIMUM BILL

Payment of fixed charges as specified in 11.1 above.

12. <u>RATE: HTMD-IV</u>

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 / Developer / Co-developer.

12.1 FIXED CHARGE

A) For billing demand up to and including the contract demand

Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	75 Paise per Unit

B) For billing demand in excess of the contract demand

Computed on billing demand in excess of contract demand on monthly basis at 100% Load Factor	125 Paise per Unit

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

i. Actual maximum demand at monthly average p.f. established during the month OR

ii. Eighty – five percent of the contract demand at u.p.f OR

iii. One hundred kVA at u.p.f.

12.2 ENERGY CHARGE

A flat rate of	370 Paise per unit

12.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average power factor during the Billing Period exceeds 90%

For each 1% improvement in the power factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the power factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average power factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

12.4 Rebate for Supply at EHV

On Energy Charges		Rebate @
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

***Note**: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.*

12.5 MINIMUM BILL

Payment of fixed charges as specified in 12.1 above.

13. 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. HTMD-I, HTMD-II, HTMD-III & HTMD- IV.

13.1 FIXED CHARGE

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

PLUS

13.2 ENERGY CHARGE

Energy Charge	410 Paise per Unit

14 RATE: Railway Traction

This tariff shall be applicable for supply to Railway Traction at 66 kV and above.

14.1 FIXED CHARGE

A) For billing demand up to and including the contract demand

For billing demand up to and including the contract demand	Rs. 180 per kVA per month

B) For billing demand in excess of the contract demand

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

Note: *In case of 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 Railway 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 of provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 14.1 (B).

14.2 ENERGY CHARGE

For all unit consumed during the	590 Paise

14.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average power factor during the Billing Period exceeds 90%

For each 1% improvement in the power factor	Rebate of 0.15 Paise per Unit

from 90% to 95%	
For each 1% improvement in the power factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average power factor during the Billing Period is below 90%

For each 1% decrease in the power factor below 90%	Penalty of 3.00 Paise per unit

14.4 Rebate for Supply at EHV

On Energy Charges		**Reb**
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

***Note**: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.*

14.5 MINIMUM BILL

Payment of fixed charges as specified in 14.1 above.