

# **GUJARAT ELECTRICITY REGULATORY COMMISSION**



## **Tariff Order**

**Truing up for FY 2022-23**

**and**

**Determination of Tariff for FY 2024-25**

**For**

**Torrent Power Limited – Distribution  
Ahmedabad**

**Case No. 2323 of 2024**

**01<sup>st</sup> June, 2024**

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## Before the Gujarat Electricity Regulatory Commission at Gandhinagar

**Case No. 2323 of 2024**

**Date of Order: 01.06.2024**

### **CORAM**

Anil Mukim, Chairman  
Mehul M. Gandhi, Member  
S. R. Pandey, Member

### **ORDER**

## **Chapter 1: Background and Brief History**

### **1.1 Background**

Torrent Power Limited (hereinafter referred to as TPL or the Petitioner) has filed the present Petition under Section 62 of the Electricity Act'2003, read in conjunction with Gujarat Electricity Regulatory Commission (Multi-Year Tariff Regulations'2016, vide Suo-Motu Order No. 2264 of 2023 dated 5<sup>th</sup> December, 2023 for true-up of FY 2022-23 and determination of tariff for its distribution business in Ahmedabad for FY 2024-25.





Gujarat Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29<sup>th</sup> March, 2016 which is applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> April, 2016 onwards. Regulations 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up and ARR for control period i.e., 29<sup>th</sup> March 2016 to 31<sup>st</sup> March 2021 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

The True up year and the ensuing year in the present case is FY 2022-23 and FY 2024-25 respectively, however, the GERC (MYT) Regulations, 2016 which has been notified on 29<sup>th</sup> March, 2016 were in force till 31<sup>st</sup> March 2021. While the Commission had initiated the process of framing the MYT Regulations for the 4<sup>th</sup> Control Period and the process was delayed due to circumstances and reasons beyond the control of the Commission. Considering the delay, the Commission vide its Suo-Motu Order No. 07 of 2020 dated 22<sup>nd</sup> December, 2020 deferred the 5-year control period for new MYT Regulations for one year. Due to pandemic, the process was further delayed due to circumstances and reasons beyond the control of the Commission. The Commission vide its Order in Suo-Motu Petition No. 1995 of 2021 dated 24<sup>th</sup> September, 2021 deferred the next MYT Control period by one more year. Further, the Commission vide its Order in Suo-Motu Petition No. 2140 of 2022 dated 20<sup>th</sup> October, 2022 deferred the next MYT Control period by one more year. Further, the Commission has issued draft GERC MYT Tariff Regulations, 2024 finalization of which is under process, thus, the Commission vide its Order in Suo-Motu Petition No. 2264 of 2023 dated 5<sup>th</sup> December, 2023 deferred the next MYT Control period by one more year and accordingly, all the concerned utilities and licensees were directed to file True up for FY 2022-23 and annual ARR for FY 2024-25 and application for determination of tariff for FY 2024-25 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016, on or before 12<sup>th</sup> January, 2024.

Subsequently, the Petitioner filed the current Petition for truing-up of FY 2022-23, and determination of ARR and tariff for FY 2024-25 on 12<sup>th</sup> January, 2024.

After technical validation of the petition, it was registered on 24<sup>th</sup> January, 2024 and as provided under Regulation 29.1 of GERC MYT Regulations, 2016, the Commission has proceeded with this tariff order.

## **1.2 Torrent Power Limited (TPL)**

Torrent Power Limited (TPL), a company incorporated under the Companies Act, 1956 is carrying on the business of Generation and Distribution of Electricity in the cities of Ahmedabad, Gandhinagar and Surat. The present petition has been filed by TPL Distribution (Ahmedabad) for its distribution business in Ahmedabad.

TPL had assumed the business, consequent upon the amalgamation of Torrent Power Ahmedabad Limited (TPAL), Torrent Power Surat Limited (TPSL) and Torrent Power Generation Limited (TPGL) with Torrent Power Limited. Besides, TPL is also engaged in other businesses, which do not come under the regulatory purview of the Commission. TPL has existing generation facilities, with a total installed capacity of 362 MW, at Ahmedabad and has a Combined Cycle Power Plant (CCPP) of 1147.5 MW (SUGEN) and its extension UNOSUGEN (382.5MW) capacity near Surat out of which a share of 835 MW from SUGEN and 278 MW from UNOSUGEN are allocated for Gujarat (Ahmedabad, Gandhinagar and Surat).

## **1.3 Tariff Order for FY 2023-24**

The Petitioner filed a petition for Truing up of FY 2021-22 and determination of Tariff for FY 2023-24 on 29<sup>th</sup> December, 2022. After the technical validation, the Petition was registered on 9<sup>th</sup> January, 2023 (Case No. 2179 of 2023). The Commission vide Order dated 31<sup>st</sup> March, 2023 approved truing-up of FY 2021-22 and determination of Tariff for FY 2023-24.

#### **1.4 Background of the Present Petition**

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

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

The Commission, vide its order dated 5<sup>th</sup> December, 2023 has directed the utilities to file the petition for determination of tariff for FY 2024-25 based on the principles and methodology as provided in the GERC (Multi Year Tariff) Regulation, 2016.

#### **1.5 Registration of the Current Petition and the Public Hearing Process**

The Petitioner submitted the current Petition for Truing-up of FY 2022-23 and determination of tariff for FY 2024-25 on 12<sup>th</sup> January, 2024. After technical validation of the petition, it was registered on 24<sup>th</sup> January, 2024 (Case No. 2323 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, TPL-D (A) was directed to publish its application in the newspapers to ensure public participation.

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

**TABLE 1-1 LIST OF NEWS PAPERS (PETITIONER)**

S. No.	Name of Newspaper	Language	Date of Publication
1	The Times of India	English	29/01/2024
2	Gujarat Samachar	Gujarati	29/01/2024
3	Sandesh	Gujarati	29/01/2024

The Petitioner also placed the public notice and the petition on its website ([www.torrentpower.com](http://www.torrentpower.com)) for inviting objections and suggestions on the petition. The interested parties/stakeholders were asked to file their objections/suggestions on the petition on or before 28<sup>th</sup> February, 2024.

The Commission also placed the petition on its website ([www.gercin.org](http://www.gercin.org)) for information and study for all the stakeholders.

The Commission also issued a notice for public hearing in the following news papers in order to solicit wider participation by the stakeholders:

**TABLE 1-2 LIST OF NEWSPAPERS (COMMISSION)**

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	29/02/2024
2	Divya Bhaskar	Gujarati	28/02/2024
3	Gujarat Samachar	Gujarati	28/02/2024

The Commission received objections / suggestions from the consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for public hearing for the petition on 16<sup>th</sup> March, 2024 at 11:30 A.M.

Petitions	Date & Time	Venue
TPL-G, TPL-D(A), TPL-D(S) and TPL-D(D)	16 <sup>th</sup> March 2024 at 11:30 A.M	GERC Office, Gandhinagar

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

**TABLE 1-3 LIST OF STAKEHOLDERS**

S. No.	Name of Stakeholders	Written Submission	Oral Submission	Presence in Public Hearing
1	User Welfare Associations	Yes	Yes	Yes
2	M/s Indian Oil Corporation Limited (IOCL)	Yes	No	No
3	Tata Consultancy Services (TCS)	Yes	No	No
4	Military Engineer Services	Yes	No	No
5	Shri Somabhai kodarbhaj panchal	Yes	No	No
6	Gujarat Chamber of Commerce & Industry	Yes	Yes	Yes
7	Shri Vishnubhai Desai	Yes	Yes	Yes

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

## **1.6 Approach of this Order**

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

TPL has approached the Commission with the present Petition for “Truing up” of the FY 2022-23 and determination of Tariff for the FY 2024-25.

The Commission has undertaken the “Truing up” for FY 2022-23, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2022-23, based on the annual accounts and final ARR for FY 2022-23 approved vide Tariff Order dated 31<sup>st</sup> March, 2022 in Case No. 2033/2021.

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

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

Determination of ARR and Tariff for FY 2024-25 has been considered as per the methodology and principles adopted in the GERC (Multi- Year Tariff) Regulations, 2016 and amendment thereof as the base. Truing up of FY 2024-25 shall be carried out based on the principles and methodology adopted in GERC (MYT) Regulations, 2016 and amendment thereof.

### **1.7 Contents of this Order**

The Order is divided into nine chapters as detailed under;

1. The first chapter provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and approach adopted in this Order.
2. The second chapter outlines the summary of TPL's Petition.
3. The third chapter deals with the objections raised by various stakeholders, TPL's response and Commission's views on the response.
4. The fourth chapter focuses on the details of 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 compliance of directives and issue of fresh directives.
7. The seventh chapter deals with FPPPA chapter.
8. The eighth chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
9. The ninth chapter deals with tariff philosophy and tariff proposals

## Chapter 2: Summary of TPL-D (Ahmedabad)’s Petition

### 2.1 Introduction

2.1.1 TPL-D (A) has submitted the current Petition seeking Truing up of ARR for FY 2022-23 and approval of ARR for FY 2024-25. The Petitioner has also submitted the tariff proposal for FY 2024-25, based on the Revenue Gap for FY 2022-23 and ARR for FY 2024-25.

### 2.2 Actual for FY 2022-23 submitted by TPL-D (A)

2.2.1 TPL-D (A) has submitted the current petition seeking approval of True-Up for ARR of FY 2022-23 and item wise Gain/Loss computations. The details of expenses under various heads of ARR are given in Table below;

**TABLE 2-1 ACTUAL CLAIMED BY TPL-D (A) FOR FY 2022-23 (RS. CRORE)**

Particulars	Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	4,026.68	5,874.03	(1,847.35)	142.20	(1,989.55)
O&M Expense	404.61	381.90	22.71	22.71	-
Interest on Loans	159.50	142.05	17.45	-	17.45
Interest on Security Deposit	40.82	39.99	0.83	-	0.83
Interest on Working Capital	-	-	-	-	-
Depreciation	307.77	291.18	16.59	-	16.59
Bad Debts written off	4.00	4.51	(0.51)	(0.51)	-
Contingency reserve	0.60	0.60	-	-	-
Return on Equity	342.03	326.72	15.32	-	15.32
Income Tax	78.89	88.39	(9.50)	-	(9.50)
Less: Non-Tariff Income	56.93	111.19	(54.26)	-	(54.26)
<b>Net ARR</b>	<b>5,307.97</b>	<b>7,038.17</b>	<b>(1,730.21)</b>	<b>164.41</b>	<b>(1,894.61)</b>

### 2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2022-23

2.3.1 The table below summarizes the proposed ARR claimed by TPL-D (A) for truing-up, revenue from sale of power at existing tariff and the revenue gap estimated for FY 2022-23.

Torrent Power Limited – Distribution (Ahmedabad)  
Truing up for FY 2022-23 and Determination of Tariff for FY 2024-25

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**TABLE 2-2 TRUE-UP ARR CLAIMED BY TPL-D (A) FOR FY 2022-23 (Rs. CRORE)**

Particulars	Claimed
ARR as per Tariff (a)	5,307.97
Gains/(Losses) due to Uncontrollable factors (b)	(1,894.61)
Gains/(Losses) due to Controllable factors (c)	164.41
Pass through as tariff d= - (c/3+b)	1,839.81
<b>Trued-up ARR e= a + b</b>	<b>7,147.78</b>

2.3.2 The table below summarizes the revenue gap/surplus for TPL-D (A) for FY 2022-23.

**TABLE 2-3 REVENUE (GAP)/ SURPLUS FOR TPL-D (A) FOR FY 2022-23 (Rs. CRORE)**

Particulars	Claimed
<b>Trued-up ARR</b>	<b>7,147.78</b>
Revenue from Sale of Energy	6,650.06
Less; Revenue towards recovery of Earlier year's approved (gap)/surplus	411.37
Balance Revenue	6,238.69
<b>(Gap)/Surplus</b>	<b>(909.09)</b>

#### 2.4 ARR, Revenue at Existing Tariff and Revenue (Gap)/Surplus for FY 2024-25

2.4.1 Based on the ARR for FY 2024-25 given in the Table above, the estimated revenue Gap/(Surplus) for FY 2024-25 at existing tariff is shown in the following Table;

**TABLE 2-4 ARR PROJECTED BY PETITIONER FOR FY 2024-25 (Rs. CRORE)**

Particulars	Projected by Petitioner
Power Purchase	6,041.46
O&M Expense	429.21
Interest on Loans	272.59
Interest on Security Deposit	86.19
Interest on Working Capital	-
Depreciation	415.04
Bad Debts written off	4.51
Contingency reserve	0.60
Return on Equity	445.12
Income Tax	88.39
Less: Non-Tariff Income	111.19
<b>Net ARR</b>	<b>7,671.92</b>



**TABLE 2-5 REVENUE (GAP)/ SURPLUS OF TPL-D (A) FOR FY 2024-25 (Rs. CRORE)**

Particulars	Claimed
<b>ARR for FY 2024-25</b>	<b>7,671.92</b>
Less;	
Revenue from sale of power at existing rates including revised base FPPPA charge @ Rs. 3.91 per unit	7,727.79
<b>(Gap)/Surplus</b>	<b>55.86</b>

2.4.2 The revenue for FY 2024-25 is arrived at by considering sales forecasted for FY 2024-25. Considering the ARR for FY 2024-25, the Petitioner has arrived at the gap as given in table below:

**TABLE 2-6 CUMULATIVE REVENUE (GAP)/SURPLUS FOR FY 2024-25 (Rs. CRORE)**

Particulars	Claimed
<b>(Gap)/Surplus for FY 2022-23</b>	<b>(909.09)</b>
Carrying Cost	(250.08)
(Gap)/Surplus for FY 2024-25	55.86
<b>Cumulative (Gap)/Surplus to be recovered through tariff</b>	<b>(1,103.31)</b>

## 2.5 TPL-D (A)'s Prayer to the Commission

- a) Admit the Petition for truing-up of FY 2022-23, Aggregate Revenue Requirement for FY 2024-25, and determination of tariff for FY 2024-25.
- b) Approve the trued-up (Gap)/Surplus of FY 2022-23.
- c) Approve the sharing of gains/ (losses) as proposed by the Petitioner for FY 2022-23.
- d) Approve the Aggregate Revenue Requirement for FY 2024-25.
- e) Approve the cumulative (Gap)/ Surplus.
- f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1<sup>st</sup> April 2024.
- g) Approve the recovery through retail tariff including revised base FPPPA and/or regulatory surcharge as prayed for.
- h) Allow recovery of the costs as proposed as per the Judgments/ orders of the Hon'ble Tribunal/ Hon'ble Commission in the Appeals/ Review Petitions filed by the Petitioner.

- i) Allow additions/ alterations/ changes/ modifications to the petition at a future date.
- j) Permit the Petitioner to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.
- k) Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.
- l) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.



## **Chapter 3: Brief outline of Objections raised, Response from TPL-D (A) and Commission’s view**

### **3.1 Introduction**

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (Ahmedabad) for Truing up of ARR for FY 2022-23 and determination of ARR for FY 2024-25 under the GERC (MYT) Regulations, 2016, a number of Consumers/ organizations filed their objections / suggestions in writing. Some of these objectors participated in the public hearing also. The objections / suggestions by the consumer/consumers organizations, the response from the Petitioner and the views of the Commission are given below:

### **3.2 Provision of separate electrical for EV charger at petrol pumps**

The objector has requested for separate electrical for EV charger at Petrol pumps.

**Petitioner’s Response:** The Petitioner has submitted that the above pertains to the distribution operations of the Petitioner and in turn are extraneous to the present proceedings.

**Commission’s View:** The Commission has noted the suggestion. At present there are already enough slabs. Rationalisation of tariff structure calls for reduction in number of categories and slabs. The Commission does not find merit in increasing the number of consumption slabs for any category.

### **3.3 Single Part tariff (nil fixed/demand charges) for EV charger at petrol pumps**

The objector has requested to consider single part tariff (nil fixed/demand charges) for EV charger at petrol pumps.

**Petitioner’s Response:** The Petitioner has submitted that the Section 62(3) provides that the Hon'ble Commission shall not show undue preference to any consumer at the time of determination of tariff. Further, as per the National Tariff Policy, the tariff determined shall be a two-part tariff with separate fixed and variable charges. In case of single part tariff, it would amount to under recovery of fixed cost which will get passed on to the other consumers and result in creation of new level of cross subsidisation, which is against the intent of the Act. Further, it may also be noted that the Hon'ble Commission is not bound by any guidelines which are in contradiction to the provisions of the Act. Hence, the Petitioner requests the Hon'ble Commission to continue to determine the two-part tariff for charging stations.

**Commission’s View:** the Commission has noted the suggestion and reply.

### **3.4 Expeditious award of electrical connection for EV Chargers on the priority basis**

**Petitioner’s Response:** The petitioner has submitted that the above pertains to the distribution operations of the Petitioner and in turn are extraneous to the present proceedings

**Commission’s View:** the Commission has noted the suggestion and reply.

### **3.5 Provision of electrical connection to EV charger at petrol pump on the LT.**

**Petitioner’s Response:** At The petitioner has submitted that the above pertains to the distribution operations of the Petitioner and in turn are extraneous to the present proceedings.

**Commission’s View:** the Commission has noted the suggestion and reply.

### 3.6 Introduction for Special Electric Tariff Slab for Defense Establishment

The objector has requested for Special Electric Tariff slab for Defense Establishments

**Petitioner's Response:** The Petitioner has submitted that Section 62 of the Act provides that the Appropriate Commission shall not, while determining the tariff under this Act, show undue preference to any consumer of electricity but may differentiate according to the consumer's load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required. Accordingly, MES has been covered under HTMD-1 category as per tariff orders passed by this Hon'ble Commission for all past periods.

In this background, the Petitioner has continued the existing tariff structure which has been evolved over a period based on certain widely recognized best practices and in accordance with the legal framework. Hence, the Petitioner has suggested that there is no requirement of change.

**Commission's View:** the Commission has noted the suggestion and reply.

### 3.7 Implementation of Green Tariff in Gujarat and Representation submitted for Review

The objector has suggested to lower the rate of Green Tariff from the current rate of Rs. 1.50 per unit to Rs. 0.25-0.50 per unit from FY 24-25 onwards

**Petitioner's Response:** At the outset, the Petitioner would like to submit that the Ministry of Power has notified the Electricity (Promoting renewable energy through Green Energy Open Access) Rules, 2021 which inter-alia provides for mechanism to purchase green energy from Distribution Licensee by paying "Green Tariff" as

determined by the Hon'ble Commission. Further, regarding determination of the rate of "Green Tariff", it may kindly be noted that at present, Renewable Energy Sources tied up are mainly Wind and Solar. However, due to intermittency of its generation, cost of making RE Power available on 24x7 basis need Storage Solutions i.e. Battery or Pump Storage; which results into substantially higher cost of RE Power. the Petitioner has proposed to continue charging "Green Tariff" at Rs. 1.50 per unit in line with the existing "Green Tariff" approved by the Hon'ble Commission to supply Green Power.

**Commission's View:** The Commission has noted the objection and response thereon by the Petitioner.

### **3.8 Somabhai Kodarbhai Panchal (in Gujarati):**

The objector has contention that due to difference in rate, the consumers setting up the solar rooftop are not getting the benefit.

**Petitioner's Response:** The Petitioner has submitted that the rate of purchase of surplus power is determined by the Hon'ble Commission as per the provisions of the GERC Net-Metering Regulations whereas the rate for supply of electricity by Distribution licensee is determined under Tariff Regulations framed under the provisions of the Electricity Act, 2003.

The contention that due to difference in rate, the consumers setting up the solar rooftop are not getting the benefit, has been considered erroneous. The consumers setting up solar rooftop are getting benefitted by way of paying lower or nil energy charges including FPPPA charges. Further, due to the inherent anomaly in the tariff structure, majority of the fixed cost is recovered through the energy charges. By setting up solar rooftop, these consumers are paying only part of the fixed cost. In turn, the burden of these under-recoveries is passed on to the other consumers of the licensee.

**Commission's View:** the Commission has noted the suggestion and reply.

### 3.9 Reconciliation of Power Purchase Costs with TPL - G

The objector has requested for reconciliation of difference in Power Purchase Cost and continued generation for TPL-G

**Petitioner's Response:** The Petitioner has submitted that the trued up ARR of TPL-G (APP) for FY 2022-23 is corresponding to actual generation; whereas the power purchase cost considered for TPL-D(A) is corresponding to the scheduled generation in line with the provisions of the MYT Regulations. Therefore, the difference as regards figures pointed out by the Objector are duly clarified.

Regarding the suggestion to continue to operate the Sabarmati power plant of TPL-G, the Petitioner submits that the Petitioner is making all efforts to operate the plant in an efficient manner. The Ministry of Environment & Forests (MoEF) has revised the environmental norms for thermal power plants vide its notification dated 07.12.2015 and subsequently given extension to plants to comply with the requirements till 31.12.2027. The Petitioner would like to submit that TPL-G (APP) will review the overall situation and keep the Hon'ble Commission apprised regarding continued operation of the plant.

**Commission's View:** The Commission has noted the objections and the response by the petitioner.

### 3.10 Verification of Status of RPO Compliance

The objector has requested to verify the RPO compliance of the petitioner.

**Petitioner's Response:** The Petitioner has submitted that it has approached the Hon'ble Commission w.r.t. RPO for the year FY 2022-23 in accordance with the RPO

Regulations. The petition has been registered. As such the Petitioner has complied with the RPO targets for FY 2022-23.

Regarding procurement of renewable power through competitive bidding, the Petitioner would like to submit that TPL has been tying up RE Power through bidding process.

**Commission’s View:** The objection and response of the Petitioner on the same are noted.

### **3.11 Verification of Sales Trend for HT Consumers**

The objector has requested to verify the sales trend for HT Consumers of the petitioner.

**Petitioner’s Response:** The Petitioner has submitted that the HTMD category includes major industries in Ahmedabad. Most of these segments are facing stagnancy. Further, due to higher cost of space within the licensee area and adherence to stringent environmental norms, major expansion in industries is likely to take place outside the license area. In the last few years, some of the HT customers have set up their wind power generators and have availed the set-off of wind and solar power generation against their consumption. This has impacted the actual sales of this category. In this background, the gross HT sales for FY 2024-25 have been forecasted based on industry interactions and feedback at the actual level of sales of FY 2022-23. Further, considering the existing trend, no additional open access (OA) sales have been envisaged for FY 2024-25.

**Commission’s View:** The commission has noted the contentions of the objector and the response of the petitioner.



### 3.12 Suggestions for RDSS Expenditure

The objector has suggested that the petitioner may be directed to seek funding for their proposed expenditure of Rs. 160 Cr. under Central Schemes like RDSS.

**Petitioner’s Response:** The Petitioner has submitted that advancement of technology is a continuous process and accordingly, the metering technology has also evolved from conventional Electro-mechanical meters to Static meters and now Smart meters. However, it is not possible to replace all the meters every time with change in technology as it would lead to incurring inter-operability capex. Further, there are several challenges in implementation of smart metering like integration of all meters, Common specifications/ protocol including the inter-operability of the protocol, communication facilities which are yet to be addressed etc. Hence, distribution licensee should be allowed to exercise its discretion in terms of implementing the metering technology so as to ensure technical and commercial prudence. Accordingly, the Petitioner has proposed replacement of consumer/ DT/ feeder meters with smart meters in a phased manner as also suggested by GCCI.

Regarding seeking funding from central schemes, the Petitioner has submitted that it had approached the central government for funding in past. However, there has been no development in the matter and rather in recent fund disbursement, the allocation of fund is restricted to only Govt Entities.

**Commission’s View:** The commission has noted the contentions of the objector and the response of the petitioner.

### 3.13 Recovery of Regulatory Charge

The objector has requested to spread the regulatory charge over longer period of 4 years and balance recovery in subsequent years.

**Petitioner’s Response:** The Petitioner has submitted that it has proposed the regulatory charge mainly to recover the gap arising on account of past years under recovery and the same will be discontinued upon completion of recovery of such past under-recoveries.

It may kindly be noted that in case of any deferment in recovery of the regulatory charge and in turn the recovery of gap will attract the carrying cost for such unrecovered gap. Hence, the Petitioner requests to approve the regulatory charge of Rs. 0.44 per unit over the period of 3 years starting from 1st April, 2024 along with adjustment for deferment of recovery.

**Commission’s View:** The Commission has discussed the issue in detail in Chapter 9 of this Order.

### **3.14 Inclusion of Average Power Factor in Tariff Order:**

The objector has requested to clarify formula of power factor to provide for average power factor

**Petitioner’s Response:** The Petitioner submits that the Supply Code notified by the Hon'ble Commission amply clarifies that every consumer must maintain an average power factor of not less than 90%. The Hon'ble Commission has already allowed distribution licensees to levy penalty when average power factor falls below 90% in its tariff orders, from time to time.

**Commission’s View:** The commission has noted the contentions of the objector and the response of the petitioner.

### **3.15 Supervision of CSS:**

The objector has requested to ensure that cross subsidy is determined in line with the provisions of the Tariff Policy and Act.

**Petitioner’s Response:** The Petitioner has submitted that while proposing the tariff, it has taken due care to ensure that average tariff rate is within of the average cost of supply

**Commission’s View:** The Commission has working out the CSS for the respective categories in line to clause of NTP.

### 3.16 Power Purchase Cost of Sugen and Unosugen

The objector has suggested to approve the power purchase cost of Sugen/Unosugen as per the conditions laid down in order dated 19.06.2019 of Petition No. 1322 of 2019.

**Petitioner’s Response:** In regard to above, the Petitioner submitted that the Commission has directed at para 27 (c) (i) of the Order in case no. 1322/2019 to take care due care while entering into FSA to ensure optimization of power purchase cost. It may kindly be noted that during FY 22-23, the price of term LNG was exorbitantly high during H1 (22-23) owing to the geo-political instability including Russia-Ukraine war and therefore, sourced power from market to optimize the cost. Further, the Petitioner has also tied up the domestic gas in compliance of para 27 (c) (iv) of the Hon'ble Commission's order in case no. 1322/2019. Considering the Take or Pay an Ship or Pay obligation, the Petitioner utilize the domestic gas in such a manner to optimize the cost of its power procurement. Accordingly, the Petitioner has oftaken only need based generation from UNOSUGEN i.e. during Q1 FY 22-23, it has generated power essentially using domestic Gas with blending of R-LNG to support technical minimum to optimize the cost. Similarly, during Q3 FY 22-23 & Q4 FY 22-23, the Petitioner generated a very small quantum of power on a need basis which was used essentially at the time whenever it was competitive as compared to short term power. In turn, the Petitioner has sourced power in a manner to optimize the overall power purchase cost while ensuring the reliability of the Supply, as a prudent utility practice.

Furthermore, the Petitioner submitted that it has tied-up domestic Gas in compliance of para 27 (c) (iv) of the Hon'ble Commission's order in case no. 1322/2019. Further, the UNOSUGEN plant was available on RLNG rate but power was not offtaken due to higher cost. Further, it has also generated power as per the schedule provided by the Petitioner in a manner to optimize the overall power purchase cost while ensuring the reliability of the Supply.

**Commission's View:** The Commission has noted the contentions of the objector and the response of the petitioner.

### **3.17 Availability of Gas for UNOSUGEN for FY 2022-23**

The objector has requested the Commission to inquire about availability of Gas for UNOSUGEN plant for FY 2022-23.

**Petitioner's Response:** In this regard, the Petitioner submitted that it has tied-up domestic-gas in compliance of para 27(c)(iv) of the Commission's Order in Case No. 1322/2019. Further, the UNOSUGEN plant was available on RLNG rate but power was not offtaken due to higher cost. Further, it has also generated power as per the scheduled provided by the Petitioner in a manner to optimize the overall power purchase cost while ensuring the reliability of the supply.

**Commission's View:** The Commission has noted the contentions of the objector and the response of the petitioner.

### **3.18 Details of medium-term power purchase cost for FY 2022-23**

The objector has requested to share the details of medium-term power purchase cost during FY 2022-23.

**Petitioner’s Response:** In this regard, the Petitioner submitted that there is no medium term power purchase during FY 2022-23.

**Commission’s View:** The Commission has noted the contentions of the objector and the response of the petitioner.



## Chapter 4: Truing-Up for FY 2022-23

### 4.1 Introduction

4.1.1 This chapter deals with the truing-up of FY 2022-23 for TPL-D (A). The Commission has studied and analysed each component of the ARR for FY 2022-23 in the following paragraphs.

### 4.2 Energy Sales to Consumers

#### Petitioner's Submission:

4.2.1 TPL-D (A) has submitted category-wise actual energy sales for Ahmedabad area for FY 2022-23 to the tune of 8,273.93 MU against the sales approved by the Commission of 7,732.83 MU in the Tariff Order dated 31<sup>st</sup> March, 2022 as given in the Table below.

**TABLE 4-1 ENERGY SALES FOR FY 2022-23 (IN MU)**

Category	Approved in Tariff Order	Actuals Claimed
RGP	2,972.11	3,076.64
Non-RGP	1,040.58	1,108.56
LTMD	1,790.57	1,811.20
HT	1,856.98	2,174.76
Others	72.60	83.69
DoE Units	-	19.08
<b>Total Sales</b>	<b>7,732.83</b>	<b>8,273.93</b>

4.2.2 The Petitioner has submitted that the actual sales in FY 2022-23 are higher than that approved in Tariff Order due to increase in demand due to reopening of economy post Covid-19. Further, the installed capacity of solar rooftop has reached to about 328 MW as on 31<sup>st</sup> March, 2023. Based on above, the major reasons for deviation in category-wise sales are enumerated hereunder:

- a) The actual sales for RGP category is higher than the approved sales primarily due to higher overall temperature despite the increase in number of solar rooftop installations.
- b) The Non RGP & LTMD-II category comprise of sales from commercial and industrial consumers. The actual sales for both Non RGP and LTMD-II category during FY 2022-23 are higher than approved sales due to reopening of economy post Covid-19 related lockdown.
- c) In HT category, the consumption is mainly attributed to industries and commercial establishments, water works, and pumping stations run by the local authority, temporary services, METRO, and Electric Vehicles. During FY 2022-23, the total sales in HTMD category were higher than approved mainly due to reopening of economy post Covid-19 related lockdown and addition in routes of METRO.
- d) In the Others category, the actual sales registered are marginally higher than the approved sales due to increase in sales in Streetlight category.

4.2.3 The Petitioner has further submitted that The MYT Regulations, 2016 specifies that the variation in quantities of electricity supplied to the consumers is attributed as uncontrollable factor. Therefore, the Petitioner requests the Hon'ble Commission for the truing up of actual sales as shown in the table above.

**Commission's Analysis:**

4.2.4 The actual sales made by TPL-D (A) during FY 2022-23 are higher compared to the approved sales in the Tariff Order dated 31<sup>st</sup> March, 2022 mainly due to increase in demand due to reopening of economy post COVID-19. The total sales as submitted by the Petitioner have been verified, compared and

confirmed with the sale of energy furnished in the mandatory Energy Audit Report submitted to BEE in compliance to BEE (Manner and Intervals for Conduct of Energy Audit in in Electricity Distribution Companies) Regulations, 2021.

4.2.5 In view of above, the Commission approves the energy sales as mentioned in table 4.1 above for TPL-D (A) to the tune of 8,273.93 MU for FY 2022-23.

### 4.3 Distribution Losses

4.3.1 TPL-D (A) has submitted that it has been making consistent efforts to contain the Distribution Losses. The Petitioner has further submitted that the losses are already at lower level and remains range-bound.

**TABLE 4-2 DISTRIBUTION LOSSES FOR FY 2022-23 AS SUBMITTED BY TPL-D (A)**

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	6.03%	3.74%

TPL-D (A) has submitted that the variation in the distribution loss compared to the approved value is to be considered accordingly.

#### **Commission's Analysis:**

4.3.2 The reduction in distribution losses in the licensed area has taken place due to modernization/improvement of the distribution network, augmentation of the old assets, etc. Substantial capitalisation of assets over a period of time and concentrated efforts of the Petitioner, which has resulted in reduction in transformation losses as well as line losses and ultimately overall Distribution Losses. The Distribution Losses as claimed by TPL-D (A) at 3.74% is approved for the purpose of true-up of FY 2022-23 after confirming the same as per mandatory Annual Energy Audit report. Any Gain/Loss on account of Distribution Losses is controllable as per the GERC (MYT) Regulations, 2016.



The Commission accepts TPL-D (A)'s submission to treat the actual deviation in distribution losses i.e., 3.74% and approves the actual Distribution Losses at 3.74% for FY 2022-23 as controllable factor and share the gain accordingly.

#### 4.4 Energy Requirement

##### Petitioner's Submission:

4.4.1 The Petitioner has submitted the actual energy requirement for Ahmedabad and Surat Licensee area based on the actual energy sales and the Transmission & Distribution Losses for FY 2022-23 as given in the table below:

**TABLE 4-3 ENERGY REQUIREMENT FOR FY 2022-23 FOR TPL-D (A)**

Particulars	Approved in Tariff Order	Actuals Claimed
<b>Ahmedabad Supply Area</b>		
Energy Sales (MU)	7,732.83	8,273.93
Distribution Loss (%)	6.03%	3.74%
Distribution Loss (MU)	495.95	321.33
Energy Input at Distribution Level (MU)	8,228.77	8,595.25
Transmission Loss (MU)	19.88	131.71
Energy Requirement – Ahmedabad (A)	8,248.65	8,726.96
Energy Requirement – Surat (B)	3,422.81	3,891.69
<b>Total Energy Requirement – (A+B)</b>	<b>11,671.46</b>	<b>12,618.66</b>

4.4.2 The Petitioner submitted that the total energy requirement was met through various sources as discussed in the subsequent section.

##### Commission's Analysis:

4.4.3 The actual energy requirement submitted by the Petitioner for FY 2022-23 along with energy requirement as per the Order dated 31.03.2022 has been examined and verified by the Commission. The Commission observed that there is an increase of 947.20 Mus in the energy requirement for TPL-D (A) and TPL-D (S) against the quantum of 11,671.46 MUs approved in the same order.

4.4.4 The actual energy requirement is higher than that approved in the Order due to increase energy sales. The actual energy requirement being the sum of energy sales, Transmission Losses and Distribution Losses, works out to 12,618.66 MUs for FY 2022-23.

4.4.5 The Commission accordingly approves the energy requirement at 12,618.66 MUs for truing up of FY 2022-23 as given in the above Table 4.3.

## 4.5 Energy Availability

### Petitioner’s Submission:

4.5.1 The Petitioner has submitted that the power is sourced collectively for Ahmedabad and Surat Licensee area from TPL-G (APP), SUGEN, Renewable Sources of Energy and other sources such as bilateral and purchase through power exchange. The source-wise power purchase is given in the Table below:

**TABLE 4-4 ENERGY AVAILABILITY (NET) FOR FY 2022-23 FOR TPL-D(A) AND TPL-D(S) (IN MU)**

Particulars	Approved in Tariff Order	Actuals Claimed
TPL-G (APP)	2,558.69	2,566.87
SUGEN/UNOSUGEN	3,977.00	1,547.81
Bilateral/ Power Exchange	3,151.62	6,973.56
Renewables	1,984.15	1,216.53
Sub-total	11,671.46	12,304.77
Add: Sale of Surplus power/UI/wind setoff	-	313.89
<b>Total</b>	<b>11,671.46</b>	<b>12,618.66</b>

### Renewable Power Purchase Obligation:

4.5.2 The Petitioner submits that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulation, 2010 specifies the Renewable Power Purchase Obligation (RPP0). Subsequently, the Hon’ble GERC vide its notification no. 1 of 2022 dated 8<sup>th</sup> April, 2022 notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022

specifying RPPO for FY 2022-23. TPL-D (A) has made all efforts to fulfil its RPPO.

4.5.3 The renewable energy requirement and renewable energy sourced and REC procured for FY 2022-23 is as under:

**TABLE 4-5 RENEWABLE POWER PURCHASE OBLIGATION CLAIMED FOR FY 2022-23 (IN MU)**

Particulars	Actual Claimed
Energy Requirement	12,618.66
RE Procurement	
Wind energy to be procured (@8.25%)	1,041.04
Solar energy to be procured (@8.00%)	1,009.49
Biomass/Bagasse/Others (@0.75%)	94.64
Total (17.00%)	2,145.17
Compliance (Non-Solar)	
Non-Solar	1,310.84
Non-Solar REC	2.11
Compliance (as % of Energy Requirement)	10.40%
Compliance (Solar energy)	
Solar	861.16
Solar-REC	-
Compliance (as % of Energy Requirement)	6.82%

4.5.1 The Petitioner submitted that they have approached the Commission in the matter of revision of minimum quantum of purchase (in %) from renewable energy sources for the year FY 2022-23 in accordance with the RPO Regulations.

**Commission’s Analysis:**

4.5.2 The sources of power approved by the Commission in the Order dated 31.03.2022 are AMGEN, SUGEN, UNO SUGEN, Bilateral Sources, Power Exchange and Renewable Energy. The Commission had approved the total quantum of power purchase at 11,671.46 MUs for TPL-D (A) and TPL-D (S) combined for FY 2022-23 in the Order against which the Petitioner has purchased 12,618.66 MUs during FY 2022-23. On query regarding reconciliation of energy for FY 2022-23, the Petitioner has submitted the

reconciliation of source-wise energy supplied to TPL with SEA report along with energy audit report for FY 2022-23 same vide additional details.

4.5.3 TPL-D has procured 1,547.81 MU from SUGEN/ UNOSUGEN which was less than power purchase considered from the source in the Power Purchase for FY 2022-23 in the Order and simultaneously increased the power purchase from Bilateral and Power exchange. On query regarding this, it has been submitted that the price of imported fuel has increased exorbitantly during FY 2022-23 due to geo-political instability including Russia-Ukraine war. In turn, schedule from intra-state long term sources (imported fuel based plants) has reduced drastically in the state of Gujarat due to its exorbitant fuel cost. In turn the cost of gas has increased substantially. Therefore, to optimize the power purchase cost, TPL has reduced the offtake from SUGEN & UNOSUGEN. However, due to substantial increase in imported fuel price, Gujarat DISCOMs also relied on the short term bilateral and collective market which has resulted into the congestion in the inter-state network. Hence, to ensure reliability of supply, TPL had to rely on power supply from Gas based generating station. Thus, TPL has made all efforts to optimize power purchase cost by observing need-based Gas consumption and purchase of cheaper short-term power to the extent feasible. Further, it has submitted that TPL has transferred the available domestic gas of UNOSUGEN to SUGEN to optimize the utilization of fuel. It has further submitted that the bifurcation of SUGEN and UNOSUGEN energy received during FY 2022-23 is as tabulated below:

Sources	Power Purchase (MU)
SUGEN	1,483.88
UNOSUGEN	63.93
<b>Total</b>	<b>1,547.81</b>

4.5.4 The Commission during the prudence check, sought reconciliation of sale of surplus power / UI / Wind setoff of 313.89 MUs as per Form – 2 against which the Petitioner has submitted the details as given below.

Particulars	MU
UI	295.67
Sale through PX	(6.94)
Wind setoff	25.16
Total	313.89

4.5.5 The Commission notes that TPL has procured renewable energy from the generators under preferential tariff for compliance of RPO. The RPO targets approved by the Commission as per GERC (Procurement of energy from Renewable Sources) (Third Amendment) Regulations, 2022 for FY 2022-23 are as follows:

**TABLE 4-6 RPO TARGETS APPROVED BY THE COMMISSION FOR TPL-D**

Particulars	FY 2022-23
Solar	8.25%
Wind	8.00%
Hydro	0.00%
Others	0.75%

4.5.6 The Commission during the prudence check, sought details of source-wise bifurcation of renewable energy purchased during FY 2022-23, against which the Petitioner has submitted the details as given below.

Particulars	FY 2022-23	
	MUs	Tariff (Rs./kWh)
<b>Wind</b>		
TPL (Wind) - Lalpur	74.12	5.17
TPL (Jamanwada)	153.69	4.85
TPL (Nakhatrana)	272.40	4.88
TPL (Mahidad)	118.36	4.84
TPL (Mahuva)	132.06	4.77
CLP	76.61	3.33
Wind (Others)	13.09	3.03
<b>Total Wind</b>	<b>840.33</b>	<b>4.71</b>
<b>Solar</b>		
TSL - Solargen	84.47	10.94
GENSU	118.86	6.77
Kindle	78.47	10.01
Ananth Solar	1.74	11.79

Particulars	FY 2022-23	
	MUs	Tariff (Rs./kWh)
Azure Power	2.50	10.57
GPCL	0.66	9.41
GPCB	0.01	9.47
AMC Solar	0.17	9.63
SMC	1.36	9.58
Solar rooftop	87.94	2.51
<b>Total Solar</b>	<b>376.20</b>	<b>7.45</b>

4.5.7 TPL-D has achieved 10.40% RPO related to Non-solar and 6.82% RPO related to Solar. There is shortfall in RPO pertaining to solar and non-solar energy purchase. The Commission notes that TPL has filed a separate petition for compliance of RPO, which is pending for adjudication before the Commission. Therefore, as far as the compliance of RPO is concerned, the Commission will decide it in separate proceedings.

4.5.8 The Commission has considered the aforesaid aspects and accordingly approves the availability of energy during FY 2022-23 as shown in the Table below:

**TABLE 4-7 APPROVED ENERGY AVAILABILITY (NET) FOR FY 2022-23 FOR TPL-D (A) AND TPL-D (S)**  
(IN MU)

Particulars	Approved in Tariff Order	Approved by the Commission for truing-up
TPL-G (APP)	2,558.69	2,566.87
SUGEN/UNOSUGEN*	3,977.00	1,547.81
Bilateral/ Power Exchange	3,151.62	6,973.56
Renewables	1,984.15	1,216.53
Sub-total	11,671.46	12,304.77
Add: Sale of Surplus power/UI/wind setoff	-	313.89
<b>Total</b>	<b>11,671.46</b>	<b>12,618.66</b>

\*Note- TPL-D has procured 1483.88 Mus and 63.93 Mus from SUGEN and UNOSUGEN respectively for TPL-D (A) & TPL-D (S) Areas during the period of FY 2022-23.

## 4.6 Power Purchase Cost

### Petitioner's Submission:

4.6.1 TPL-D (A) has submitted the actual power purchase cost for FY 2022-23 as provided in the Table below.

**TABLE 4-8 POWER PURCHASE COST CLAIMED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in the Tariff Order	Actual Claimed
TPL-G (APP)	1,191.54	1,339.48
SUGEN/UNOSUGEN	2,371.43	2,314.42
Bilateral/ Power Exchange	1,260.65	4,162.97
Renewable Energy	873.94	676.62
<b>Total Power Purchase Cost</b>	<b>5,697.57</b>	<b>8,493.49</b>

4.6.2 The Petitioner has submitted that the variation in the power purchase cost from the approved power purchase cost in the order is on account of variation in sales & distribution losses, variation in actual cost with respect to the base rate along with purchase of power from short-term sources to meet the shortfall during the year. It may kindly be noted that during FY 2022-23, due to increase in demand consequent to reopening of economy post COVID-19, geopolitical situation like Russia-Ukraine war, extended monsoon impacting supply of domestic coal, there was sudden increase in prices of fuel and in turn higher rate of power on the power exchange.

4.6.3 TPL has also submitted that the variation in power purchase cost is an uncontrollable component except on account variation in distribution losses and hence, the same needs to be allowed in ARR as per Regulations.

4.6.4 TPL submitted that the power purchase for its Ahmedabad and Surat license areas has been carried out on collective basis and the total power purchase cost has been apportioned between Ahmedabad and Surat on the basis of usage of power. Accordingly, the allocated power purchase cost for Ahmedabad Supply area is Rs. 5,874.03 Crore for FY 2022-23.

**Commission’s Analysis:**

- 4.6.5 The Commission, in its Order had approved the power purchase plan for FY 2022-23 as per the details furnished by TPL in its Case No. 2033 of 2021 dated 31.03.2022.
- 4.6.6 The Commission had approved the quantum of power purchase at 11,671.46 MUs for FY 2022-23 in the Order against which TPL has purchased 12,618.66 MUs. The Commission has approved power purchase cost of Rs. 5,697.57 Crore for FY 2022-23 in the Order against which TPL has incurred Rs. 8,493.49 Crore. The energy requirement is evaluated based on the sale of energy and losses in the transmission and distribution system of Ahmedabad / Gandhinagar and Surat license area. The energy requirement for TPL-D (A) license area works out to 69.16% of the total energy requirement. Accordingly, the Petitioner has allocated power purchase cost for Ahmedabad Supply area as Rs. 5,874.03 Crore for FY 2022-23. It has been observed that there is discrepancy between the claiming of the power purchase cost for Ahmedabad Supply area as Rs. 5,874.03 Crore vis-à-vis the electric energy purchased as shown Rs. 5,878.23 Crore in segregated Audited Accounts for FY 2022-23. In this regard, it has submitted the reconciliation statement and further submitted that the Power purchase cost of AMGEN billed as per FPPPA is Rs. 1,340.03 Crore. Whereas, as per True up petition, it is Rs. 1,339.48 Crore. This difference of Rs. 0.56 Crore is considered in the petition. It has further submitted that Power Purchase Cost has been apportioned between Ahmedabad and Surat based on usage of power.
- 4.6.7 The Commission observes that the total power purchase cost has increased by Rs. 2,795.93 Crore for FY 2022-23 over that approved in the Order dated 31.03.2022. In response to query regarding this variance, the Petitioner attributed it to fluctuations in sales & distribution losses and actual rates vis-à-vis the base power purchase rate. Factors contributing to this variance include heightened demand following the reopening of the economy post



COVID-19, geopolitical tensions such as the Russia-Ukraine conflict, prolonged monsoon affecting domestic coal supply, among others. Consequently, fuel prices and thereby power purchase rates have been affected. Nevertheless, the TPL has endeavored to optimize power purchase costs while ensuring reliability.

4.6.8 The Commission has considered the energy scheduled from TPL-G (APP) to the tune of 2,566.87 MU in energy availability of TPL-D, against which the actual net generation was to the tune of 2,564.98 MU. Therefore, the Commission accordingly, approves Rs. 1,338.05 Crore to be transferred in actual power purchase cost of TPL-D for FY 2022-23.

4.6.9 On query regarding bifurcation of SUGEN and UNOSUGEN power procurement and related costs during FY 2022-23, against which the Petitioner has submitted the details below:

Sources	Power Purchase (MU)	Fixed Cost (Rs. Crore )	Variable Cost	Landed Cost (Rs./kWh)
SUGEN	1,483.88	605.03	1,401.30	13.52
UNOSUGEN	63.93	228.54	79.55	48.19
<b>Total</b>	<b>1,547.81</b>	<b>833.56</b>	<b>1,480.85</b>	<b>14.95</b>

4.6.10 TPL-D has purchased power from SUGEN at a variable cost of Rs. 9.44/kWh as against Rs. 4.33/kWh approved by the Commission in the Order dated 31.03.2022. The generation cost from SUGEN plant has been mainly increased due to lower generation and prohibitive cost of Gas, PLL Use of Pay Charges and Ship or Pay Charges for deficiency in MMBTU towards GSPL.

4.6.11 TPL-D has procured power from UNOSUGEN at a variable rate of Rs. 12.44/kWh, significantly higher than the Rs. 3.27/kWh approved by the Commission in its Order dated 31.03.2022. On query regarding ascertaining of the landed price of power purchase including the fixed charges of UNOSUGEN not more than the prevailing landed market price for medium term power

purchase during such periods, in this regard, the Petitioner submitted that as per the Para 27(c)(i) of the Order dated 19.06.2019, UNOSUGEN is required to take into account prevailing medium term power purchase cost while entering into FSA through International Competitive Bidding.

*“(C) Fuel Supply Agreement:*

*(i) The Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such that the landed price of power purchase including the fixed charges as above for the ultimate consumers should not more than the prevailing landed market price for medium term power purchase during such periods.*

*(ii) In the absence of fuel, the availability of plant shall not be considered.*

*(iii) The Petitioner shall submit copies of the FSAs to the Commission as stated at para 22 above.*

*(iv) Once the domestic gas is available, the Petitioner shall endeavor to have a long term arrangement at affordable price with prior permission of the Commission”*

4.6.12 It has further submitted that para 27(c)(i) read with Para 27(c)(iv) is with reference to entering into FSA for tying up LNG through Bidding process at competitive rate keeping in mind the mid-term power purchase cost as reference till the Domestic gas is available. During FY 22-23, UNOSUGEN has not entered into FSA as per Para 27(c)(i) as the prevailing LNG rate during FY 22-23 was exorbitantly high about 22-25 USD per MMBTU. TPL further submitted that the price of imported fuel (including Coal) has increased exorbitantly during FY 22-23 due to geo-political instability including Russia-Ukraine war. In turn, availability from Intra-State long term sources (imported

fuel-based plants) has reduced drastically in the State of Gujarat. As cascading impact, Gujarat Discoms also had to rely on the short term bilateral and collective market, despite their price being extremely high. In turn, TPL has made all efforts to optimize power purchase cost by observing only need-based Gas consumption to generate power from UNOSUGEN only upon issuance of Notice and thereafter insistence by SLDC to run the UNOSUGEN. Accordingly, during FY 22-23, Petitioner has scheduled power only for about 12-15 days on LNG from the preponed Cargo of SUGEN from FY 23-24 to FY 22-23 along with IOCL and domestic gas for ensuring grid stability and utilization of available fuel. The said Cargo was arranged at competitive Des rate of USD 7.26 per MMBTU resulting in net ECR Rs. 5.16/kwh.

- 4.6.13 As regards UNOSUGEN Power Purchase Cost shown in the Petition/Forms, Petitioner would like to submit that in Tariff Petition No 2033/2021 for approval of ARR for FY 22-23, the Petitioner has submitted as under:

*"5.14 The energy sourcing is planned from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources including bilateral sources/power exchanges. The long term sources include TPL-G (APP) sources, SUGEN, UNOSUGEN and Renewable Energy sources. For long term sources of SUGEN / UNOSUGEN, TPL has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. Further, the Petitioner has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated lower offtake from SUGEN/ UNOSUGEN due to higher gas cost. This might result in Use of Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. However, the Petitioner will endeavour to exercise necessary business prudence to optimize the cost by*

*giving due consideration to Ship or Pay and Take or Pay charges, as may be feasible, while ensuring reliability of sources."*

4.6.14 Based on above submission, the Petitioner has projected 4,396.93 MUs combined from SUGEN/UNOSUGEN. In turn, the Commission has noted the submission of Petitioner and approved 1,740.94 MUs from UNOSUGEN and 2236.06 MUs from SUGEN in the projections for FY 2022-23. As detailed hereinabove, due to extraordinary circumstances, LNG rate during FY 22-23 was exorbitantly high (i.e. 22-25 USD per MMBTU) and therefore, in overall consumers' interest, Petitioner has procured power from UNOSUGEN for very limited period. Details of Power Purchase for UNOSUGEN is as under:

Particulars	MU	Energy Charge (Rs. Crore)	Energy Rate (Rs./kWh)
Domestic Gas	8.79	7.07	8.03
Imported Gas (RLNG)	55.14	28.46	5.16

4.6.15 As seen above, energy rate of imported gas used for generation from UNOSUGEN is very competitive i.e., ECR@Rs. 5.16 per unit in comparison to alternate rate available in the market. Thus, considering the avoided cost, the petitioner has operated the plant to optimize the power purchase cost. Further, as mentioned above, due to lower generation, there was an implication in terms of UOP/SOP charges. Same included in the Energy Charges of Rs. 12.44/kWh shown in the Petition/Form. Details of the same is as under:

Particulars	UoM	Rs. Crore
Energy Charge	Rs. Crore	35.52
FFC Charge	Rs. Crore	3.92
UOP Charges	Rs. Crore	37.19
Compensation for Partial load factor as per Grid Code	Rs. Crore	2.93
Total Energy Charge Claimed in Petition	Rs. Crore	79.55
Energy from UNOSUGEN	MUs	63.93
ECR shown in Petition	Rs./kWh	12.44

4.6.16 Thus, TPL has optimized power purchase in consumer interest by purchase of power from other sources since the same was comparatively cheaper even after UOP/SOP charges. As regards, Capacity Charge, it has submitted that same is being allowed based on availability as per prevailing regulatory framework.

4.6.17 The Commission has noted the submission of the Petitioner. It is the fact that, the Commission vide case No. 1322 of 2013 dated 19.06.2019 accorded approval of the procurement for sourcing 278 MW of power from UNOSUGEN for its own requirement at regulated tariff with following stipulations;

***27. In view of the foregoing, we accord approval for the procurement of 278 MW power from UNOSUGEN with the following stipulations:***

***(a) Period:***

*This approval of procurement of power of UNOSUGEN plant is for the balance life of 19 years of the plant as stated in para 23 above.*

***(b) Tariff:***

*(i) The energy charge of UNOSUGEN shall be at the Fuel Cost as per FSA to be executed by TPL by inviting international competitive bids as per para 25 above.*

*(ii) The Annual Fixed Charge of UNOSUGEN will be as determined by the CERC or Rs.*

*228 Crores p.a. (i.e. Rs. 1.10/unit) whichever is lower as referred in para 26 above.*

***(c) Fuel Supply Agreement:***

*(i) The Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such that the landed price of power purchase including the fixed charges as above for the ultimate consumers should not more than the prevailing landed market price for medium term power purchase during such periods.*

*(ii) In the absence of fuel, the availability of plant shall not be considered.*

*(iii) The Petitioner shall submit copies of the FSAs to the Commission as stated at para 22 above.*

*(iv) Once the domestic gas is available, the Petitioner shall endeavour to have a long term arrangement at affordable price with prior permission of the Commission.*

4.6.18 On the perusal of the above stipulations, it has been specified in Clause 27 (c) (i) of the Commission's Order dtd. 19.06.2019 that the Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such a way that the landed price of power purchase comprising of fixed charges and variable charges as above for UNOSUGEN should not more than the prevailing landed market price for medium term power purchase inclusive of regional and state transmission charges and losses during such periods. Further, in Clause 27 (c) (ii) of the Commission's Order dtd. 19.06.2019 specifies that in the absence of fuel, the availability of plant shall not be considered. It has been observed that the availability of the UNOSUGEN plant for FY 2022-23 (cumulative up to March, 2023) has been 99.09%, which has been verified on the website of SLDC. It has been further observed that the Petitioner has procured 63.93 MU from UNOSUGEN during FY 2022-23, indicating a limited FSA with the fuel suppliers. The Petitioner has also submitted the details of breakup of power generated from UNOSUGEN by using domestic and RLNG gas as mentioned in

the above para 4.6.14. Further, the Commission vide Case No. 2033/2021 Tariff Order dtd. 31.03.2022 had opined that the landed cost of UNOSUGEN should be in accordance with the Order in case no. 1322/2013. In light of the above, it is appropriate to rely on the Clause 27 (c) (i) of the Commission's Order dtd. 19.06.2019. So, in accordance with the aforesaid stipulation, it is appropriate to compare prevailing landed market price for medium term power purchase which is inclusive of regional and state transmission charges and losses with landed price of UNOSUGEN during FY 2022-23.

4.6.19 It has been found that the landed price of UNOSUGEN at Rs. 48.19 per Unit as shown in para 4.6.9 (inclusive of fixed charges, excluding transmission charges) significantly exceeds the prevailing market price for medium-term power procurement during FY 2022-23 i.e., @Rs. 5.479 per unit as submitted by the Petitioner in its additional submission, contravening the guidelines set forth in Case No. 1322 of 2013 dated 19.06.2019. Therefore, the Commission has decided to disallow the differential power purchase cost at the rate i.e., Rs. 42.71/kWh (Rs. 48.19/kWh – Rs. 5.479/kWh) for UNOSUGEN, as it does not comply with Clause 27 of Case No. 1322 of 2013 dated 19.06.2019.

4.6.20 The Commission has considered the power purchase quantity from UNOSUGEN at the rates prevailing market price for medium-term power procurement inclusive of regional and state transmission charges and losses during FY 2022-23 i.e., 63.93 MU @ Rs. 5.479/kWh, which works out to Rs. 35.03 Crore.

4.6.21 The Petitioner has procured power from bilateral sources to meet the shortfall of energy from tied-up sources and balance requirement has been fulfilled through procurement of top up power from power exchange. The Petitioner has procured short-term power from Indian Energy Exchange (IEX) at the rate of Rs. 7.09/kWh as submitted in Form 2. The Petitioner has also purchased power from bilateral sources at Rs. 4.96/kWh as submitted in Form 2. The



Petitioner submitted that rate discovered in the tender issued for procuring power on short term basis through bilateral arrangement were in the range of Rs. 8.50 per unit to Rs. 10.00 per unit plus transmission charges which were substantially higher and to mitigate the situation, even the Ministry of Power intervened by mandating procurement of imported coal; whereas the CERC intervened by revising the ceiling rate, therefore, TPL has procured power from Power Exchange at comparatively cheaper rate in order to provide uninterrupted and reliable power while optimizing overall cost.

4.6.22 The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the GERC (RPO) Regulations. Regarding the procurement from the Renewable Sources by the Petitioner during FY 2022-23, it has procured at the rates of Rs. 4.71 per Unit and Rs. 7.45 per Unit respectively from the Wind and Solar sources.

4.6.23 The Commission has approved the power purchase cost for FY 2022-23 as given in the Table below:

**TABLE 4-9 POWER PURCHASE COST CLAIMED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in the Tariff Order	Actual Claimed	Approved by Commission
TPL-G (APP)	1,191.54	1,339.48	1,338.05
SUGEN	1,574.09	2,006.33	2,006.33
UNOSUGEN	797.34	308.09	35.03
Bilateral	1,260.65	1,818.94	1,818.94
Power Exchange		2,344.04	2,344.04
Renewable Energy	873.94	676.62	676.62
<b>Total Power Purchase Cost</b>	<b>5,697.57</b>	<b>8,493.49</b>	<b>8,219.01</b>

4.6.24 Considering the approved power purchase cost of Rs. 8,219.01 Crore for the approved total energy procurement of 12,618.66 MUs, the per unit power purchase cost works out to Rs. 6.51/kWh for FY 2022-23.

4.6.25 The Commission has approved the energy requirement of TPL-D (A) license area at its periphery which is 8,726.96. Mus. The power purchase cost for TPL-



D (A) license area based on the allocation of 69.16% is worked out as Rs. 5,684.20 Crore and accordingly approved the same for FY 2022-23.

#### 4.7 Sharing of Gains/(Losses) due to reduction in Distribution Losses

##### Petitioner’s Submission:

4.7.1 The variation in distribution losses has resulted in reduction in the energy requirement, which in turn has reduced the cost of power purchase. Accordingly, the reduction in power procurement cost due to lower distribution losses is treated as controllable.

4.7.2 For the purpose of calculation of gains on account of reduction in distribution loss, the loss level approved by the Commission in tariff order has been considered as base level by the Petitioner the gains due to reduction in distribution loss at Rs. 142.20 Crore. The calculation of gains on account of reduction in distribution loss is quantified as per the table below.

**TABLE 4-10 GAIN DUE TO REDUCTION IN ENERGY REQUIREMENT FOR FY 2022-23 CLAIMED BY TPL-D**  
**(A) (RS. CRORE)**

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	8,595.25
Energy Sales	MU	b	8,273.93
Wheeling Energy – OA/RE	MU	c	102.57
Total wheeled units	MU	d = b+c	8,376.50
Approved Distribution Loss	%	e	6.03%
Energy required at distribution level at approved loss	MU	f = d/(1-e)	8,913.73
Difference	MU	g = f-a-c	215.90
Units recovered as loss	MU	h	4.63
Reduction in Energy Requirement	MU	i = g-h	211.27
Average PPC	Rs./kWh	j	6.73
Savings	Rs. Crore	k = i*j/10	142.20

**Commission’s Analysis:**

4.7.3 The Commission has approved distribution loss at 6.03% in the Order dated 31.03.2022 whereas TPL-D(A) has claimed the actual distribution loss at 3.74% for FY 2022-23. The Commission has worked out gain on account of reduction in distribution losses as shown in the Table below:

**TABLE 4-11 GAIN DUE TO REDUCTION IN ENERGY REQUIREMENT FOR FY 2022-23 APPROVED BY COMMISSION (Rs. Crore)**

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	8,595.25
Energy Sales	MU	b	8,273.93
Wheeling Energy – OA/RE	MU	c	102.57
Total wheeled units	MU	d = b+c	8,376.50
Approved Distribution Loss	%	e	6.03%
Energy required at distribution level at approved loss	MU	f = d/(1-e)	8,913.73
Difference	MU	g = f-a-c	215.90
Units recovered as loss	MU	h	4.63
Reduction in Energy Requirement	MU	i = g-h	211.27
Average PPC	Rs./kWh	j	6.51
Savings	Rs. Crore	k = i*j/10	137.61

4.7.4 The Commission, accordingly, approves the gain on account of reduction in distribution loss at Rs. 137.61 Crore during FY 2022-23 for truing up.

**4.8 Operation & Maintenance (O&M) Expenses**

**Petitioner’s Submission:**

4.8.1 TPL-D (A) has claimed Rs. 381.90 Crore towards O&M expenses as against the total O&M expenses of Rs. 404.61 Crore approved for FY 2022-23 in the Tariff Order dated 31<sup>st</sup> March, 2022 as detailed in the Table below:

**TABLE 4-12 O&M EXPENSES CLAIMED BY TPL-D (A) FOR FY 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	404.61	381.90

4.8.2 The Petitioner has submitted that the above O&M expenses does not include expense related to carrying out Solar Rooftop Power Plant implementation under SURYA scheme. The Petitioner has requested the Commission to consider the O&M expenses as controllable and allow gains/losses accordingly.

**Commission’s Analysis:**

4.8.3 TPL-D (A) has submitted the actual O&M expenses at Rs. 381.90 Crore inclusive of impact of “Re-measurement of Defined Benefit Plans” of Rs. (4.08) Crore in the truing- up for FY 2022-23. It is observed that as per Annual Accounts the O&M Expenses are Rs. 389.78 Crore, whereas TPL-D (D) has claimed O&M Expenses of Rs. 381.90 Crore. The head-wise analysis is as under:

4.8.4 Employee Expenses: The Commission observed that the Employee expenses as per annual accounts are Rs. 124.31 Crore net of expenses capitalized of Rs. 143.26 Crore. The Petitioner has added commission to non-executive directors of Rs. 0.75 Crore (from A&G expense head) and deducted expense towards Re-measurement of Defined Benefit Plans of Rs. 4.08 Crore as appearing in P & L Statement.

4.8.5 It has been observed that the Petitioner has further deducted an amount of Rs. 0.98 Crore towards the cost of the Surya Gujarat Solar rooftop scheme in the employee cost. On query regarding this, the Petitioner has stated that as per the clause 5.2.1, 5.2.2 and 5.2.7 of the MNRE Guidelines dated 20.08.2019 on "Implementation of Phase — I I of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022", the Petitioner is required to treat incentive and expense separately from tariff exercise. It has further furnished the copy of the MNRE guideline dated 20.08.2019. Therefore, the Commission deducted the same amount from the

employee cost as submitted by the Petitioner. Accordingly, the employee expenses are Rs. 120.00 Crore.

4.8.6 A&G Expenses: A&G expense as per annual accounts are Rs. 135.03 Crore net of expenses capitalized of Rs. 24.13 Crore. The Petitioner has claimed A&G expenses after reduction on account of Commission to Non-Executive Directors (Rs. 0.75 Crore), Bad Debts Written off-net (Rs. 0.62 Crore), insurance claim receipt (Rs. 0.03 Crore), Allowance of doubtful debts (Rs. 1.89 Crore), sponsorship expenses NIL, Advertisement Expenses (Rs. 0.06 Crore), Gardening Expenses (Rs. 0.47 Crore), DSM Expense NIL, and add lease payments (Rs. 0.25 Crore). On query regarding bifurcation of the miscellaneous expenses of Rs. 32.55 Crore under A&G expense, the Petitioner has submitted the detailed bifurcation as table below;

Particulars	Rs. Crore
Advertisement - Consumer Related	1.19
Bill Distribution & Collection Expenses	6.04
Housekeeping Expenses	6.52
Communication Expense	2.44
Printing & Stationery Expenses	1.24
Recruitment Expenses	0.29
Local Conveyance	0.19
Training & Seminar	0.20
IT related Expenses	7.01
Other Miscellaneous Expenses	7.43
<b>Total Miscellaneous Expenses</b>	<b>32.55</b>

4.8.7 Since the Commission has considered Insurance Claim Receipt as a part of Non-Tariff Income, the same has not been reduced from A&G expenses as per the approach adopted in previous Tariff Orders. Accordingly, the Commission approves the A&G expense of Rs. 131.49 Crore for FY 2022-23.

4.8.8 R&M Expenses: The Petitioner has claimed R & M expense of Rs. 130.44 Crore as per annual actual incurred duly verified by the Commission from Annual

Audited Accounts. The Commission accordingly approves R & M expense of Rs. 130.44 Crore.

4.8.9 The Commission, accordingly, approves the O&M expenses of Rs. 381.93 Crore, for truing up of FY 2022-23.

4.8.10 Further as per Regulation 22 of the GERC (MYT) Regulations, 2016 the variation in O&M expenses is to be considered as controllable. Accordingly, as per the GERC (MYT) Regulations, 2016 Gain/(Losses) on account of O&M Expenses in the truing-up of FY 2022-23 is approved by the Commission as given in the table below:

**TABLE 4-13 O&M EXPENSES AND GAINS / (LOSSES) APPROVED FOR FY 2022-23 (RS. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
O&M Expenses	404.61	381.93	22.68	22.68	-

#### 4.9 Capital Expenditure, Capitalisation and Sources of Funding

##### **Petitioner's Submission:**

4.9.1 TPL-D (A) has claimed Rs. 1,495.87 Crore towards actual capital expenditure for FY 2022-23, as against Rs. 1,703.87 Crore approved in the Tariff Order dated 31<sup>st</sup> March, 2022. The main reason for variation in actual vis-à-vis approved capital expenditure is on account of deferred in capital expenditure for the work of 33kV substation at locations such as Maninagar, Electronic-SEZ, Platinum Park, Naroda Village due to issues in land procurement and requirement of approvals from authorities. Summary of capital expenditure incurred during FY 2022-23 is tabulated as under;

**TABLE 4-14 CAPITAL EXPENDITURE CLAIMED BY TPL-D (A) FOR FY 2022-23 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV Network	1,078.91	856.46
HT Network	227.28	286.89
LT Network	172.09	200.33
Metering	103.75	15.15
PSC	70.50	119.44
IT & Related Expenditure	18.01	5.80
Other Departments	33.33	11.81
<b>Total Cost</b>	<b>1,703.87</b>	<b>1,495.87</b>

a) **EHV:** The Hon'ble Commission had approved the capital expenditure of Rs. 1,078.91 Crore for EHV. In this regard, the Petitioner has incurred the expenditure of Rs. 856.46 Crore. The details of same is as under:

- Bulk Supply Points: During FY 2022-23, capex has been incurred for three Bulk Supply Points mainly towards installation of 220/132 kV Transformers and GIS at Gandhinagar, Thaltej, and Acher alongwith associated costs. Capex has also been incurred towards 132 kV GIS at GOTA alongwith Transformers and Cables.
- EHV Projects: During FY 2022-23, the major expenditure incurred under this head pertains to 132 kV EHV Substation at Nehrunagar. Further, expenditure was also incurred towards installation of additional transformer at Prahladnagar and Vastral to enhance reliability and to cater to the load growth.
- Capex was also incurred towards overhead to underground conversion of part of 132kV feeders due to infrastructure development projects by authorities such as AMC and NHRCL. However, capex for 132 kV EHV Substation at SG Highway had to be deferred due to land related issues and capex for and 132 kV EHV SS at Riverfront was deferred due to delay in receipt of development permit.
- Additionally, capex was incurred towards initiating the activity for energisation of 132 kV GMRCL, Naroda.
- 33 kV Substation: During FY 2022-23, the expenditure has been incurred towards 33 kV substations at various locations such as New Naroda, Usmanpura substation, Venus, Solaris, Iconic Shyamal, and Odhav Village.

- Expenditure was also incurred towards upgradation of 33/11 kV transformers at Mithakali to cater to the load growth and for relieving the existing transformers.
- However, work of 33 kV substation at locations such as Maninagar, Electronic-SEZ, Platinum Park, Naroda Village were deferred due to issues in land procurement and requirement of approvals from authorities.
- Renovation and Replacement: Expenditure under the head of renovation and replacement has been incurred primarily towards civil revamping of EHV substations & switchyard and phasing out of obsolete assets such as switchgears and reactors.
- Safety: During FY 2022-23, major expenditure is incurred towards undergrounding of 132 kV Jamalpur-Vinzol line and switchyard work at substations along with providing lightning arrestors, firefighting equipments, and Nitrogen protection in Transformers.
- Supporting Infrastructure: Under this head, expenditure has been incurred for procurement of cable fault van, relays, battery, testing equipment, etc.
- Automation: Expenditure has been primarily incurred towards EHV substation automation.

**b) HT Network:** The Hon'ble Commission had approved the capital expenditure of Rs. 227.28 Crore for HT network. In this regard, the Petitioner has incurred the expenditure of Rs. 286.89 Crore. The details of actual capital expenditure and reason for major variation are as under:

- Normal load growth: Expenditure has been incurred mainly towards distribution transformer installations, transformer augmentation, HT customer application processing and various network modification schemes.
- Reliability, Renovation and Modernisation: Capital expenditure has been incurred under this head mainly towards transformer replacement, HT network shifting due to road widening and other infrastructure development projects and old and obsolete network upgradation.
- Safety: Major capital expenditure has been incurred under the head of safety towards replacement of old switchgear & cables, conversion from Oil Type Distribution Transformer to Dry Type Distribution Transformer, and FSP.

- Supporting Infrastructure: Expenditure has been incurred towards testing and measuring equipment including procurement of cable identifier, route tracer, clip on meters, etc.

c) **LT Network:** The Hon'ble Commission had approved the capital expenditure of Rs. 172.09 Crore for LT network. The actual expenditure incurred is Rs. 200.33 Crore. The details of actual capital expenditure and reason for major variation are as under:

- Normal load growth: Expenditure is incurred mainly towards release of new connection/ extension/ reduction, load balancing, relieving of overloaded distributors and substation interlinking schemes. Variation in expenditure is mainly due to higher number of applications & cost for new connection/ extension/ reduction and schemes for relieving overloaded distributors and substation interlinking.
- Reliability, Renovation and Modernisation: Expenditure has been incurred mainly towards shifting of LT network due to road widening and other infrastructure development projects and upgradation of old/obsolete network.
- Safety: Expenditure has been incurred under the head of safety mainly towards replacement of MSP, replacement of LC, revamping of service and installation of fuse type MSP to enhance safety.
- Supporting Infrastructure: Expenditure has been incurred towards testing and measuring equipment like cable identifier, route tracer, earth tester, megger, clip-on meters and instruments for field force mobile application.

d) **Metering:** The Hon'ble Commission had approved capital expenditure pertaining to Metering of Rs. 103.75 Crore. The actual expenditure incurred was lower due to deferment in implementation of smart metering due to evaluation of technology.

e) **Power Supply Centre (PSC):** The Commission had approved capital expenditure of Rs. 70.50 Crore pertaining to PSC. In this regard, the Petitioner submits that the work for implementation of PSC at different locations across Ahmedabad supply area initiated in FY 2017-18. During FY 2022-23, the Petitioner has made substantial progress and capex of Rs. 119.44 Crore has been incurred mainly at Naranpura, Amraiwadi, Gandhinagar, and Narol.



**f) IT & related expenditure:** Majority capex incurred under this head is mainly towards IT infrastructure such as hardware & software.

**g) Other Departments:** The Commission had approved capital expenditure pertaining to Other Dept. of Rs. 33.33 Crore. The actual expenditure incurred is lower due to rescheduling of Automatic Meter Reading and Advance Metering Infrastructure activity. The actual expenditure of Rs. 11.81 Crore incurred was mainly towards Stores, GIS, Miscellaneous civil works, Customer services, Procurement of MRI, tools, etc.

4.9.2 TPL-D (A) has claimed actual capitalisation of Rs. 1,104.81 Crore for FY 2022-23, as against Rs. 1,182.42 Crore approved in Tariff Order as shown in table below;

**TABLE 4-15 CAPITALISATION CLAIMED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	7,890.50	7,672.62
Addition to GFA	1,182.42	1,104.81
Deletion to GFA	-	86.13
Closing GFA	9,072.92	8,691.30
SLC addition	76.34	97.08

**Commission’s Analysis:**

4.9.3 The Petitioner has claimed CAPEX of Rs. 1,495.87 Crore in truing-up of FY 2022-23, against the CAPEX of Rs. 1,703.87 Crore approved in Order for case No. 2033 of 2021 dated 31.03.2022. The Commission has observed that according to the audited annual accounts for FY 2022-23, the Capex is at Rs. 1,413.48 Crore as per Note 6 of the Audited Accounts under head “Additions during the year”. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 1,104.81 Crore with details of Opening CWIP as on 1<sup>st</sup> April 2022, CAPEX during the year and Closing CWIP as on 31<sup>st</sup> March 2023 in form 4.3 of the petition.

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

4.9.5 The Petitioner had already furnished the detailed project/scheme-wise explanation of the major capital expenditure incurred and capitalisation during FY 2022-23 as deliberated in its Petition and the same is not repeated here due to brevity. The Commission has carried out the detailed analysis of the CAPEX during the FY 2022-23 and capitalization against the approval of the Commission in Tariff Order as tabulated below;

**TABLE 4-16 APPROVED CAPEX AND CAPITALIZATION FOR FY 2022-23 (RS. CRORE)**

Project Title	Capex proposed for FY 2022-23 in Tariff Petition	Capex approved for FY 2022-23 in Tariff Order	Capex claimed and approved in truing up for FY 2022-23	Capitalisation proposed for FY 2022-23 in Tariff Petition	Capitalisation approved for FY 2022-23 in Tariff Order	Capitalisation claimed and approved in truing up for FY 2022-23	Difference approved & actual capitalisation for FY 2022-23
A	B	C	D	E	F	G	H=(F-G)
EHV Network	1,078.91	1,078.91	856.46	757.86	748.76	284.90	463.86
HT Network	227.28	227.28	286.89	227.28	157.73	301.89	(144.16)
LT Network	172.09	172.09	200.33	172.09	119.43	211.56	(92.13)
Metering	103.75	103.75	15.15	103.75	72.00	15.15	56.85
PSC	70.50	70.50	119.44	212.42	48.93	278.32	(229.39)
IT & Related Expenditure	18.01	18.01	5.80	18.82	12.50	2.83	9.67
Other Departments	33.33	33.33	11.81	32.52	23.13	10.17	12.96
<b>Total</b>	<b>1,703.87</b>	<b>1,703.87</b>	<b>1,495.87</b>	<b>1,524.74</b>	<b>1,182.49</b>	<b>1,104.81</b>	<b>77.68</b>

4.9.6 From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV works and metering. Against approved capital expenditure of Rs. 1,078.91 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 856.46 Crore mainly towards installation of 220/132 kV Transformers and GIS at Gandhinagar, Thaltej and Acher, towards 33kV substations at various locations, towards civil revamping

of EHV substations & switchyard and phasing out of obsolete assets such as switchgears and reactors, towards undergrounding of 132 kV Jamalpur-Vinzol line and switchyard work at substations along with providing lightning arrestors, firefighting equipment, and Nitrogen protection in Transformers. The major reason of deviation in EHV network due to deferred in capital expenditure for the work of 33kV substation at locations such as Maninagar, Electronic-SEZ, Platinum Park, Naroda Village due to issues in land procurement and requirement of approvals from authorities. Capex relating to HT and LT network, the Petitioner has incurred Rs. 286.89 Crore and 200.33 Crore against the capex of Rs. 227.28 Crore and Rs. 172.09 Crore respectively, approved in Tariff Order, expenditure has been incurred mainly towards distribution transformer installations, transformer augmentation, HT customer application processing and various network modification schemes.

4.9.7 Similarly, in respect of Metering, the CAPEX incurred to the tune of Rs. 15.15 Crore against the approved of Rs. 103.75 Crore in Tariff Order due to deferment in implementation of smart metering due to evaluation of technology.

4.9.8 The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 1,495.87 Crore during FY 2022-23. The Commission based on the audited annual accounts of FY 2022-23 has considered the opening CWIP, capex and capitalisation during the year and closing CWIP in true up for FY 2022-23 as given in the table below:

**TABLE 4-17 CWIP APPROVED IN TRUE UP FOR FY 2022-23 FOR TPL-D (A) (RS. CRORE)**

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	842.64
2	Capex during the year	1,495.87
3	Less: Capitalisation	1,104.81
4	Closing CWIP (1+2-3)	1,233.70

- 4.9.9 The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that TPL-D (A) has upgraded and uprated some of the existing sub-stations and lines as well as switchgears.
- 4.9.10 Moreover, TPL-D (A) has also established and augmented various sub-stations at 33 kV level in different parts of the city near the load centers, which has led to reduction in the Distribution losses.
- 4.9.11 The Commission has verified the energizations of 132kV GMRCL, Naroda substation and all 33kV sub-stations energized during FY 2022-23 from the Certificate of energizations issued by the Chief Electrical Inspector which substantiates that the assets created through CAPEX have been put to service, which have been submitted by the Petitioner in its additional submission.
- 4.9.12 It has been observed that the Petitioner has claimed capitalisation of Rs. 1,104.81 Crore in truing-up of FY 2022-23, against the capitalisation of Rs. 1,182.42 Crore approved by the Commission in the Order dated 31.03.2022. It has been further observed that there is significant variation in the value of Opening GFA in the Annual Accounts and Petition. TPL-D (A) clarified that the Fixed Asset Schedule in Annual Accounts is on NFA basis as per Ind-AS, however, TPL-D (A) has submitted fixed asset schedule in the petition on GFA basis as per the GERC MYT Regulations, 2016.
- 4.9.13 The Commission has approved closing GFA at Rs. Rs. 7,672.61 Crore in the true-up for FY 2021-22 and the same is considered as opening GFA for FY 2022-23. The Commission has observed that according to the audited annual accounts for FY 2022-23, the capitalisation is at Rs. 1,104.81 Crore. The Petitioner has furnished details of asset wise capitalization in Form 4.2 which is depicted in the 4.16 table of this chapter.

4.9.14 TPL-D (D) has de-capitalised assets to the extent of Rs. 86.13 Crore during FY 2022-23. However, it is observed that deductions from GFA is at Rs. 66.19 Crore as per (Note 4.1) of the audited annual accounts for FY 2022-23. The Commission has addressed the petitioner to furnish the details for the discrepancy against which the Petitioner has reported that the fixed asset shown in the annual accounts is on Net Fixed Assets (NFA) basis as per Ind AS and the same is shown on Gross Fixed Assets (GFA) basis in the petition as per GERC MYT Regulations. Hence, the Commission considers de-capitalised assets at Rs. 86.13 Crore and accordingly adjustments made to GFA in truing up for FY 2022-23.

4.9.15 The Commission accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2022-23 as tabulated below:

**TABLE 4-18 APPROVED CAPITALISATION FOR FY 2022-23 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	7,672.82	7,672.82
Addition to GFA	1,104.81	1,104.81
Deletion to GFA	86.13	86.13
Closing GFA	8,691.30	8,691.30
Less: SLC Addition	97.08	97.08
Balance Capitalisation	1,007.74	1,007.74
Normative Debt @70%	705.42	705.42
Normative Equity @30%	302.32	302.32

## 4.10 Depreciation

### Petitioner's Submission:

4.10.1 TPL-D (A) has claimed a sum of Rs. 291.18 Crore towards depreciation in the truing up for FY 2022-23 as against Rs. 307.77 Crore approved in the Tariff Order as shown in the Table below:

**TABLE 4-19 DEPRECIATION CLAIMED BY TPL-D (A) FOR FY 2022-23 (RS. CRORE)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	307.77	291.18

4.10.2 TPL-D (A) has submitted that the depreciation rates, as per CERC (Terms and Conditions of Tariff) Regulations, 2004, are applied on the Opening GFA of FY 2009-10 and for addition of assets from 1st April, 2009 onwards, the depreciation has been computed at the rates specified in the GERC Regulations. The Petitioner has submitted that depreciation is an uncontrollable item.

**Commission’s Analysis:**

4.10.3 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. The details of opening GFA as on 1<sup>st</sup> April, 2022, addition to and deduction from the Gross Block during FY 2022-23 are elaborated in the previous sections.

4.10.4 The Commission has verified the depreciation from the annual accounts for FY 2022-23 and observed that depreciation as per annual accounts is Rs. 354.48 Crore. However, the Petitioner has claimed depreciation of Rs. 291.18 Crore in truing up for FY 2022-23. On query from the Commission, it has submitted that the depreciation has been claimed in accordance with the applicable regulations and as per the approved practice and the same is being certified by the Statutory Auditors in the Accounting Statement. Further, the Petitioner has also submitted the reconciliation of the depreciation as per petition vis-à-vis annual audited accounts as tabulated below:

Particulars	Claimed by Petitioner
Gross Depreciation as per Accounts	354.48
Less: Amortisation of deferred revenue	63.17
Net Depreciation	291.31

Particulars	Claimed by Petitioner
Less: Depreciation pertaining to IND AS 116	0.13
<b>Total claimed in the Petition</b>	<b>291.18</b>

4.10.5 Accordingly, the Commission has deducted an amount of Rs. 63.17 Crore on assets funded through service line contribution and Rs. 0.13 Crore towards depreciation pertaining to IND AS 116. The Commission, accordingly, approves the depreciation of Rs. 291.18 Crore for FY 2022-23. The deviation in depreciation as compared to approved in Order dated 31.03.2022 is considered as uncontrollable, as the depreciation is dependent on capitalisation. The Commission, accordingly, approves the gains/(losses) on account of depreciation for FY 2022-23, as tabulated below:

**TABLE 4-20 DEPRECIATION AND GAINS/LOSSES APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	307.77	291.18	16.59	16.59

#### 4.11 Interest Expenses

##### Petitioner's Submission:

4.11.1 TPL-D (D) has claimed a sum of Rs. 140.07 Crore towards actual interest expenses in the truing up for FY 2022-23 as detailed in the Table below as against Rs. 159.50 Crore approved in the Order dated 31.03.2022. In addition, TPL-D (A) has claimed an amount of Rs. 1.98 Crore towards other borrowing costs.

**TABLE 4-21 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	1,798.58	1,661.32
Less; reduction of normative loan due to retirement	-	(8.97)
Addition of Loan	774.26	705.41
Repayment during year	307.77	291.18

Particulars	Approved in Tariff Order	Claimed by Petitioner
Closing Balance	2,265.07	2,084.53
Average Loan	2,031.83	1,872.93
Weighted average rate of interest (%)	7.85%	7.48%
Interest Expenses	159.50	140.07
Other Borrowing Costs	-	1.98

4.11.2 The Petitioner submits that the MYT Regulations, 2016 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. The Petitioner has considered the interest expenses as per the MYT Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. (8.97) Crore after considering depreciation on account of deduction of Rs. 69.26 Crore and reduction in equity of Rs. 25.84 Crore. The Petitioner has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

**Commission’s Analysis:**

4.11.3 The Commission has considered opening normative loan as on 01.04.2022 equal to the closing loan balance of Rs. 1,661.32 Crore approved in truing up FY 2021-22.

4.11.4 Addition to loan during FY 2022-23 is considered at Rs. 705.41 Crore as approved in earlier sections in accordance with the GERC MYT Regulations, 2016. The repayment is considered equivalent to depreciation as approved in the section of depreciation. The GERC (MYT) Regulations, 2016 provides for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year’s closing balance, capitalization and funding approved during the year. Further, the Petitioner has reduced



normative loan due to deduction in GFA to the extent of Rs. 8.99 Crore after considering depreciation on account of deduction of Rs. 69.26 Crore.

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

4.11.6 Accordingly, the Commission sought information such as the actual loan portfolio and computation of weighted average rate of interest, which the Petitioner submitted vide additional submission. The Commission has considered the weighted average rate of interest at 7.48% equal to the interest rate claimed by the Petitioner for FY 2022-23.

4.11.7 The Commission has duly verified the other borrowing cost from annual audited accounts for FY 2022-23 and accordingly approves the other borrowing cost of Rs.1.98 Crore. By considering above, the Commission has computed the Interest & Finance Charges for FY 2022-23, which is tabulated as below;

**TABLE 4-22 INTEREST APPROVED BY THE COMMISSION FOR FY 2022-23 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	1,661.32	1,661.32
Less: reduction of normative loan due to retirement	(8.97)	(8.99)
Addition of Loan	705.41	705.41
Repayment during year	291.18	291.18
Closing Balance	2,084.53	2,084.53
Average Loan	1,872.93	1,872.93
Weighted average rate of interest (%)	7.48%	7.48%
<b>Interest Expenses</b>	<b>140.07</b>	<b>140.07</b>
Other Borrowing Costs	1.98	1.98
<b>Total Interest &amp; Finance Charges</b>	<b>142.05</b>	<b>142.05</b>

4.11.8 With regard to computation of gains/losses, Regulation 22.2 of the GERC MYT Regulations, 2016 provides as under:

*“Regulation 22.2 of the GERC (MYT) Regulations, 2016 considers variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events, as a controllable factor. If the gain is on account of lesser capital expenditure and capitalization, it cannot be attributed to the efficiency of the utility to allow 2/3rd of the gain to the utility. Similarly, if the loss is on account of more capital expenditure and capitalization due to bonafide reasons, the utility cannot be penalized by allowing only 1/3rd of the loss in the ARR.*”

4.11.9 The Commission, in terms of regulations, has considered variation in capitalization as uncontrollable and accordingly dependent components of ARR of interest on loan, depreciation and Return on Equity are also considered as uncontrollable.”

4.11.10 The Commission, accordingly, approves the gains/losses on account of interest and finance charges as uncontrollable for FY 2022-23, as tabulated below;

**TABLE 4-23 GAINS / (LOSSES) APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	159.50	142.05	17.45	17.45

#### 4.12 Interest on Security Deposit

##### **Petitioner’s Submission:**

4.12.1 The Petitioner has claimed Rs. 39.99 Crore towards interest on security deposit in truing-up for FY 2022-23 as against Rs. 40.82 Crore approved in the Tariff Order dated 31<sup>st</sup> March, 2022. The Commission in the Tariff Order had approved the interest on security deposit for the Petitioner considering 4.25% interest rate on the average estimated balance of security deposit for FY 2022-23.

4.12.2 The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 4.25% paid to consumers based on Bank Rate is submitted in the Table below:

**TABLE 4-24 INTEREST ON SECURITY DEPOSIT CLAIMED BY TPL-D (A) FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	4.25%	4.25%
Interest on Security Deposit	40.82	39.99

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

##### **Commission’s Analysis:**

4.12.4 The Commission has verified the actual interest on security deposit and found the same to be as per the annual accounts submitted with the petition. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 39.99 Crore for FY 2022-23. The deviation of Rs. 0.83 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

**TABLE 4-25 GAINS/LOSSES APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in the Tariff Order	Approved in Truing-Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	40.82	39.99	0.83	0.83

### 4.13 Interest on Working Capital

#### Petitioner’s Submission:

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

**TABLE 4-26 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
O&M Expenses for 1 Month	33.72	31.82
1% of GFA for maintenance spares	78.91	76.73
Receivables for 1 month	442.33	554.17
Less: Security Deposit	960.44	996.03
Working Capital Requirement	-	-
Rate of Interest (%)	9.50%	10.30%
Interest on Working Capital	-	-

4.13.2 The Petitioner has submitted that the variation in working capital requirement is primarily on account of variation in actual O&M expenses and receivables. Further, there is a variation in the interest rate applicable to working capital requirement. Accordingly, the Petitioner has requested the Commission to consider the variation in interest on working capital as uncontrollable.

#### Commission’s Analysis:

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

4.13.4 TPL-D (A) has considered the working capital interest rate @ 10.30% per annum, being the weighted average 1-year MCLR prevailing during FY 2022-23 plus 250 basis points.

4.13.5 The regulations (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e. 2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2022-23 from the State Bank of India website which worked out to 7.80%. Accordingly, the rate of interest for computation of interest on working capital works out to 10.30% (7.80%+2.50%) and the same is adopted in truing up for FY 2022-23.

4.13.6 Based on the O&M expenses and other expenses now approved in the Truing up, the working capital and interest thereon calculated as detailed in the Table below:

**TABLE 4-27 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2022-23 (RS. CRORE)**

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	31.82	31.83
1% of GFA for maintenance spares	76.73	76.73
Receivables for 1 month	554.17	597.02
Less: Security Deposit	996.03	996.03
Working Capital Requirement	-	-
Rate of Interest (%)	10.30%	10.30%
Interest on Working Capital	-	-

4.13.7 As indicated above, the Commission, accordingly, approves the interest on working capital as NIL for FY 2022-23.

#### 4.14 Return on Equity

##### Petitioner’s Submission:

4.14.1 TPL-D(A) has claimed a sum of Rs. 326.72 Crore towards Return on Equity @14% in the truing-up of for FY 2022-23 as against the Rs. 342.03 Crore approved in the Order dated 31.03.2022 as detailed in the table below:

**TABLE 4-28 RETURN ON EQUITY CLAIMED BY THE TPL -D (A) FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	2,277.17	2,195.45
Equity Addition	331.82	302.32
Reduction in equity on account of retirement	-	25.84
Closing Equity	2,608.99	2,471.93
<i>Return on Equity at beginning of year</i>	<i>318.80</i>	<i>307.36</i>
<i>Return on Equity addition during year</i>	<i>23.23</i>	<i>19.35</i>
Total Return on Equity	342.03	326.72

4.14.2 TPL-D (A) has submitted that the closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year. The return on equity has been computed by applying a rate of 14% on the average of opening balance & closing balance of equity.

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

##### Commission’s Analysis:

4.14.4 The closing equity as on 31<sup>st</sup> March, 2022 approved in the Truing up order dated 31<sup>st</sup> March 2023 has been considered as the opening equity for FY 2022-23. During the year FY 2022-23, the net asset addition to GFA is at Rs. 1,007.74 Crore and the equity at 30% works out to Rs. 302.32 Crore. Further during the year deletion from GFA is at Rs. 86.12 Crore. Accordingly, reduction in equity is considered at Rs. 25.84 Crore being 30% of the asset reduction. Thus, net equity addition is considered at Rs. 276.49 Crore for FY 2022-23 in truing up.

4.14.5 The rate of return is considered at 14% as per the GERC (MYT) Regulations, 2016 to work out the Return on Equity as shown in the Table below:

**TABLE 4-29 RETURN ON EQUITY APPROVED FOR FY 2022-23 (RS. CRORE)**

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	2,195.45	2,195.45
Equity Addition	302.32	302.32
Reduction in equity on account of retirement	25.84	25.84
Closing Equity	2,471.93	2,471.93
<i>Return on Equity at beginning of year</i>	<i>307.36</i>	<i>307.36</i>
<i>Return on Equity addition during year</i>	<i>19.35</i>	<i>19.35</i>
Total Return on Equity	326.72	326.72

4.14.1 The Commission, accordingly, approves the Return on Equity at Rs. 326.72 Crore in the truing up for FY 2022-23.

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

4.14.3 The Commission, accordingly, approves the gains/(losses) on account of Return on Equity in the truing up for FY 2022-23 as detailed below.

**TABLE 4-30 RETURN ON EQUITY AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 (RS. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	342.03	326.72	15.31	15.31

## 4.15 Income Tax

### Petitioner's Submission:

4.15.1 TPL-D(A) has claimed Income Tax of Rs. 88.39 Crore based on the actual tax paid in proportion to the PBT of TPL-D(A) for FY 2022-23 against the approved

Rs. 78.89 Crore by Commission in its Tariff Order dated 31<sup>st</sup> March, 2022 based on the actuals tax paid in proportion to the PBT of TPL-D(A). Hence, the Petitioner has claimed income tax as per below.

**TABLE 4-31 INCOME TAX CLAIMED FOR TPL-D (A) FOR FY 2022-23 (RS. CRORE)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Income Tax	78.89	88.39

**Commission's Analysis:**

- 4.15.2 The Commission had asked TPL-D (A) to furnish the details of segregation of income tax paid by TPL in respect of TPL-D (A) along with copies of challans of income tax paid. In its reply, TPL submitted that being a single corporate entity, income tax is paid for the company as a whole along with copies of challan of income tax paid for the year. The Petitioner has computed the Income Tax by applying the ratio of PBT.
- 4.15.1 The Commission has verified the PBT figures from the annual accounts for FY 2022-23. The Petitioner has shown a PBT of Rs. 514.18 Crore including Remeasurement of Defined Benefit Plans. The PBT as per standalone financial statement of TPL (including Remeasurement of Defined Benefit Plans) is Rs. 2,942.50 Crore and the total tax paid by the Company as a whole is Rs. 506.68 Crore after deducting Rs. 4.56 Crore towards income tax refund (as submitted by the Petitioner in their additional submission vide e-mail dtd. 25.04.2024) and netting off MAT credit of Rs. 123 Crore. Accordingly, the tax rate works out to 17.22% which is lower than the MAT rate of 17.47%, thus, applying the effective tax rate on PBT of TPL-D(A), the tax paid works out to be Rs. 88.52 Crore after deducting Rs. 4.56 Crore towards income tax refund and netting off MAT credit of Rs. 123 Crore. The Commission, accordingly, approves the Income Tax at Rs. 88.52 Crore in the truing up for FY 2022-23. The Commission has treated the Income Tax as an uncontrollable expense and, accordingly,



approves the gains/losses on account of Income Tax in the truing up for FY 2022-23, as detailed in the Table below:

**TABLE 4-32 INCOME TAX AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Income Tax	78.89	88.52	(9.63)	(9.63)

#### 4.16 Bad Debts Written Off

##### **Petitioner’s Submission:**

4.16.1 The Commission in the order had approved the bad debts of Rs. 4.00 Crore for Ahmedabad supply area. The Petitioner has written off bad debts of Rs. 4.51 Crore during the year, as shown in the Table below.

**TABLE 4-33 BAD DEBTS WRITTEN-OFF CLAIMED BY TPL-D (A) FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Bed Debts written off	4.00	4.51

4.16.2 The GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable. Accordingly, the Petitioner has requested to consider the variation in bad debts written off in FY 2022-23 as controllable for sharing of gains/losses in line with the Regulations.

##### **Commission’s Analysis:**

4.16.3 The Petitioner has claimed Rs. 4.51 Crore towards bad debts written off during FY 2022-23 against which the recovery of bad debts made is Rs. 3.89 Crore, as claimed by the Petitioner under Non-Tariff Income. Therefore, the net bad debt written off (Rs.4.51 Crore minus Rs. 3.89 Crore) is Rs. 0.62 Crore. The Commission has verified the bad debt written off (net) from the Annual Accounts for FY 2022-23. The Commission, accordingly, approves the bad debts written off at Rs. 4.51 Crore for FY 2022-23. The deviation of Rs. 0.51

Cre in bad debts is considered as controllable factor. The Commission, accordingly, approves the gains/losses on account of bad debts for FY 2022-23 as detailed below:

**TABLE 4-34 BAD DEBTS WRITTEN-OFF AND GAINS/(LOSSES) APPROVED FOR TRUING-UP FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable
Bad debts	4.00	4.51	(0.51)	(0.51)

#### 4.17 Contingency Reserve

##### **Petitioner’s Submission:**

4.17.1 The Commission had allowed contingency reserve of Rs. 0.60 Crore for meeting the requirement of unexpected emergent circumstances. Accordingly, the Petitioner has considered the approved values and prayed to the Commission to allow the same for truing-up of FY 2022-23.

##### **Commission’s Analysis:**

4.17.2 The proposed contingency reserve is consistent with the GERC (MYT) Regulations, 2016. Accordingly, the Commission approves Rs. 0.60 Crore towards contingency reserve for FY 2022-23.

**TABLE 4-35 CONTINGENCY RESERVE AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	0.60	0.60	-	-

#### 4.18 Non-Tariff Income

##### **Petitioner’s Submission:**

- 4.18.1 The Commission had approved Non-Tariff Income of Rs. 56.93 Crore for FY 2022-23 in Tariff Order and the actual Non-Tariff Income considered is Rs. 111.19 Crore.
- 4.18.2 In the previous Control Period, the Petitioner had considered the treatment towards income and expense of bad debts on similar lines as per the Hon’ble APTEL Judgment, wherein, the variation in recovery of bad debts was considered as controllable.
- 4.18.3 However, the GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable while variation in bad debts recovery is to be considered as uncontrollable. Therefore, the Petitioner has therefore considered the entire variation in bad debts recovery in FY 2022-23 as uncontrollable for sharing of gains/losses in line with the Regulations. However, the Petitioner requests the Hon’ble Commission to revisit the provisions related to bad debts recovery & expenses.

**TABLE 4-36 NON-TARIFF INCOME CLAIMED FOR FY 2022-23 (RS. CRORE)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	56.93	111.19

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

##### **Commission’s Analysis:**

- 4.18.5 The Non-Tariff Income is specified in Regulations 89 and 97 of the GERC (MYT) Regulations, 2016, which includes various items such as income from sale of

scrap, income from statutory investment, interest on advances to supplier/contractor, etc. The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2022-23 is Rs. 111.19 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 227.78 Crore. The Petitioner has reduced the Insurance Claim Receipt (Rs. 0.03 Crore), Amortisation of Deferred Revenue (Rs. 63.17 Crore) and Delayed payment surcharge (Rs. 12.80 Crore) and Incentive related Surya Gujarat Solar roof top Scheme amounting to Rs. 44.48 Crore. The Petitioner has included recovery from bad debts of Rs. 3.89 Crore in the Non-Tariff Income to arrive at claimed figure of Rs. 111.19 Crore.

- 4.18.6 On query regarding non-consideration of Incentive related Surya Gujarat Solar roof top Scheme amounting to Rs. 44.48 Crore, the Petitioner has submitted that as per the clause 5.2.1, 5.2.2 and 5.2.7 of the MNRE Guidelines dated 20.08.2019 on "Implementation of Phase — II of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022", the Petitioner is required to treat incentive and expense separately from tariff exercise. It has further furnished the copy of the MNRE guideline dated 20.08.2019. on perusal of the aforesaid policy, it has observed that "as the incentive are proposed for various reasons mentioned in 5.2.1 and 5.2.2, the above incentives proposed may not be a part of tariff of Tariff Determination & Tariff Rationalization process of SERC/JERC."
- 4.18.7 Accordingly, the Commission has not considered an amount of Rs. 44.48 Crore towards Incentive related Surya Gujarat Solar roof top Scheme in FY 2022-23.
- 4.18.8 Further, as discussed in the section of O&M expenses of this Order, Insurance Claim Receipt is part of NTI and accordingly, an amount of Rs. 0.03 Crore has been considered towards this head.

4.18.9 The Commission, accordingly, approves the Non-Tariff Income of Rs. 111.22 Crore for FY 2022-23.

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

**TABLE 4-37 NON-TARIFF INCOME AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 (Rs. CRORE)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	56.93	111.22	(54.29)	(54.29)

#### 4.19 Revenue from Sale of Power

##### **Petitioner's Submission:**

4.19.1 The Petitioner has submitted Rs. 6,650.06 Crore as revenue from sale of power in the truing up for FY 2022-23.

##### **Commission's Analysis:**

4.19.2 The Commission has observed that the revenue from sale of power is at Rs. 7,164.23 Crore as per the annual accounts for FY 2022-23. However, the Petitioner in Form 10 has depicted Rs. 6,650.06 Crore and accordingly the same is considered in the petition for truing up for FY 2022-23. On a query regarding this, it was stated that the revenue considered in the petition excludes the amount of Rs. 514.17 Crore considered on accrual basis in revenue from sale of electricity of the audited accounts. To substantiate this, it has further submitted a certificate of Statutory Auditor certifying the revenue for FY 2022-23.

4.19.3 The Petitioner vide letter dated 7<sup>th</sup> March, 2024, has stated that the recent geopolitical developments have led to reductions in the prices of coal and gas, with expectations for sustained lower pricing in the upcoming year.

Additionally, prices observed at Power Exchange have softened in comparison to the previous quarters.

4.19.4 The Commission has noted their submission. It is to be noted that the Commission protects the interests of consumers as well as license while allowing the recovery of FPPPA charges on quarterly basis. There are instances where the Commission has allowed the past unrecovered FPPPA charges in the quarterly revision of FPPPA charges that means some of the unrecovered FPPPA charges of previous quarters which has been recovered from the consumers in the subsequent periods. Therefore, these unrecovered FPPPA charges gradually amortized or recovered from the consumers in future quarters. Hence, this leads to gradual increase in the recovery or in the income in the ensuing years.

4.19.5 The Commission verified the revenue from sale of power from the annual accounts for FY 2022-23 due diligently and considered the revenue from sale of power as reflecting in the Note 26 of the audited accounts for FY 2022-23 i.e. Rs. 7,164.23 Crore (excluding discount on prompt payment of bills). Further, the Commission noted that the Petitioner claimed total tax on this total revenue of Rs. 88.52 Crore in the section on Income Tax. The same was considered by the Commission based on the verification of the actual income tax challans submitted by the Petitioner for FY 2022-23. Accordingly, the Commission after thoughtful consideration, approved the revenue from sale of power at Rs. 7,164.23 Crore in the truing up for FY 2022-23 in accordance with the GERC (MYT) Regulations, 2016.

4.19.6 Therefore, the Commission has considered overall revenue from sale of power during FY 2022-23 to the tune of Rs. 7,164.23 Crore in this truing up exercise.

#### 4.20 Gains/(Losses) under truing-up for FY 2022-23

##### Petitioner’s Submission:

4.20.1 The Petitioner has submitted that the gains/(losses) on account of uncontrollable factors shall be passed through in tariff as per Regulation 23 and the gains/(losses) on account of controllable factors are shared between the licensee and the consumer in the form of tariff adjustment as per Regulation 24. The Petitioner has compared the actuals for FY 2022-23 with the approved figures and has segregated the variation as controllable or uncontrollable based on the analysis mentioned hereinabove in the truing up section as given in the table below:

**TABLE 4-38 CONTROLLABLE & UNCONTROLLABLE VARIATIONS FOR FY 2022-23 CLAIMED (Rs. Crore)**

Particulars	Tariff Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	4,026.68	5,874.03	(1,847.35)	142.20	(1,989.55)
O&M Expense	404.61	381.90	22.71	22.71	-
Interest on Loans	159.50	142.05	17.45	-	17.45
Interest on Security Deposit	40.82	39.99	0.83	-	0.83
Interest on Working Capital	-	-	-	-	-
Depreciation	307.77	291.18	16.59	-	16.59
Bad Debts written off	4.00	4.51	(0.51)	(0.51)	-
Contingency reserve	0.60	0.60	-	-	-
Return on Equity	342.03	326.72	15.32	-	15.32
Income Tax	78.89	88.39	(9.50)	-	(9.50)
Less: Non-Tariff Income	56.93	111.19	(54.26)	-	(54.26)
<b>Net ARR</b>	<b>5,307.97</b>	<b>7,038.17</b>	<b>(1,730.21)</b>	<b>164.41</b>	<b>(1,894.61)</b>

##### Commission’s Analysis:

4.20.2 The Commission has reviewed the performance of TPL-D (A) under Regulation 22 of the GERC (MYT) Regulations, 2016, for FY 2022-23. The Commission has computed the gains/(losses) for FY 2022-23 based on the truing up for each of the components discussed in the above paragraphs. The Commission based on

the Aggregate Revenue Requirement (ARR) approved in the Tariff, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016 as given in the Table below:

**TABLE 4-39 ARR APPROVED IN RESPECT OF TPL-D (A) IN THE TRUING UP FOR FY 2022-23 (RS. CRORE)**

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase	4,026.68	5,684.20	(1,657.52)	137.61	(1,795.13)
O&M Expense	404.61	381.93	22.68	22.68	-
Interest on Loans	159.50	142.05	17.45	-	17.45
Interest on Security Deposit	40.82	39.99	0.83	-	0.83
Interest on Working Capital	-	-	-	-	-
Depreciation	307.77	291.18	16.59	-	16.59
Bad Debts written off	4.00	4.51	(0.51)	(0.51)	-
Contingency reserve	0.60	0.60	-	-	-
Return on Equity	342.03	326.72	15.32	-	15.32
Income Tax	78.89	88.52	(9.63)	-	(9.63)
Less: Non-Tariff Income	56.93	111.22	(54.29)	-	(54.29)
<b>Net ARR</b>	<b>5,307.97</b>	<b>6,848.48</b>	<b>(1,540.51)</b>	<b>159.78</b>	<b>(1,700.29)</b>

#### 4.21 Sharing of Gains/Losses for FY 2022-23

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

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

*“23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution*



*Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.*

*23.2 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the prescribed format to the Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.*

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

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

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

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

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

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

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

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

4.21.2 The trued-up ARR for FY 2022-23 as claimed by TPL-D (A) and as approved by the Commission is summarized in the table below:

**TABLE 4-40 APPROVED TRUED UP ARR INCL. GAINS/(LOSSES) FOR FY 2022-23 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per Tariff	5,307.97	5,307.97
Gains/(Losses) due to Uncontrollable Factors	(1,894.61)	(1,700.29)
Gains/(Losses) due to Controllable Factors	164.42	159.78
Pass through as Tariff	1,839.81	1,647.03
<b>ARR True-Up</b>	<b>7,147.78</b>	<b>6,955.00</b>

4.21.1 The Petitioner has requested the Commission to consider an amount of Rs. 411.37 Crore as revenue gap towards earlier years, approved as per the Commission’s Orders dated 31<sup>st</sup> March, 2022. Accordingly, the Commission has considered the revenue while computing the actual net revenue (gap)/surplus for FY 2022-23 for truing-up purpose as below.

**TABLE 4-41 RECOVERY OF EARLIER YEAR'S APPROVED (GAP)/SURPLUS (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved (Rs. Crore)
<b>Trued-up ARR</b>	<b>7,147.78</b>	<b>6,955.00</b>
Revenue from Sale of Power	6,650.06	7,164.23
Less: Revenue toward recovery of earlier year Including Carrying cost	411.37	411.37
<b>Balance Revenue</b>	<b>6,238.69</b>	<b>6,752.86</b>
<b>(Gap)/Surplus</b>	<b>(909.09)</b>	<b>(202.14)</b>

4.21.2 The Commission, accordingly, considers the trued-up Revenue gap of Rs. 202.14 Crore for FY 2022-23 while determining the tariff for FY 2024-25.

## **Chapter 5: ARR and Tariff Determination for FY 2024-25**

### **5.1 Introduction**

5.1.1 The MYT Regulations, 2016 defines control period at Regulations 2 (17) by stipulating it to be from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2021. The Regulation 1.2 of the MYT Regulations, 2016 provides that these Regulations shall remain in force till 31<sup>st</sup> March, 2021, unless otherwise reviewed/extended. The Commission, vide its Suo-Motu order dated 24<sup>th</sup> September, 2021 has directed the utilities to file the petition for truing up of FY 2020-21, ARR of FY 2022-23, and determination of tariff of FY 2022-23 as per the provisions of the MYT Regulations, 2016. Further, Commission vide its Suo-Motu order dated 20<sup>th</sup> October, 2022 has directed utilities to file the petition for truing up of FY 2021-22, ARR of FY 2023-24, and determination of tariff of FY 2023-24 as per the provisions of the MYT Regulations, 2016. Subsequently, Commission vide its Suo-Motu order dated 5<sup>th</sup> December, 2023 has directed utilities to file the petition for truing up of FY 2022-23, ARR of FY 2024-25, and determination of tariff of FY 2024-25 as per the provisions of the MYT Regulations, 2016. Accordingly, the Petitioner has arrived at the ARR for the FY 2024-25 by computing each of the components as per the Regulations and principles enunciated by the Commission in the MYT Regulations, 2016 and amended thereof.

### **5.2 Energy Sales to Consumers**

5.2.1 It is necessary to have a category-wise energy sales projection for estimating the probable revenue from the sales and assess the quantum of power purchase. Realistic estimation of energy sales is, therefore, an important requirement. This section examines in detail the consumer category-wise sales projected by TPL in its petition for FY 2024-25 for approval of ARR.

## Historical Data of Energy Sales

5.2.2 TPL has furnished the category wise historical data of sales as given in the table below.

**TABLE 5-1 HISTORICAL DATA FOR ENERGY SALES FOR TPL-D (A) (IN MU)**

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
HT	2,029.38	1,885.40	1,490.87	1,855.81	1,990.98
RGP	2,821.25	2,939.69	2,946.60	2,911.84	3,076.64
Non-RGP	998.05	1,017.24	798.15	970.82	1,108.56
LTMD	1,773.70	1,763.49	1,500.65	1,698.00	1,811.20
AMC-HT	125.12	120.60	128.70	138.39	140.74
Others	87.76	95.66	82.44	108.83	145.81
<b>Total</b>	<b>7,835.27</b>	<b>7,822.08</b>	<b>6,947.42</b>	<b>7,683.69</b>	<b>8,273.93</b>

## Overall Approach to Sales Projections

5.2.3 TPL-D (A) has indicated that the licensed area of Ahmedabad has experienced a significant increase in energy demand and consumption following its designation as a "Mega City." Although consumption growth rates have stabilized, demand growth continues at a higher pace. Additionally, the implementation of the Net Metering Regulations of 2016 has led to a surge in solar rooftop installations, impacting sales across all categories, especially the residential sector. Moreover, sales growth has returned to pre-COVID levels post-pandemic, except for the High Tension (HT) category, where growth remains subdued. Therefore, sales for the fiscal year 2024-25 are estimated to mirror the actual levels of FY 2022-23 for the HT category, except for HT-Metro and HT-EV, where growth projections are based on received applications. For all other categories, sales forecasts are derived from a four-year Compound Annual Growth Rate (CAGR) calculated over the approved gross sales of FY 2023-24. Additionally, sales in the Department of Energy (DOE) category have been excluded from these calculations to determine the CAGR figures.

### **Category-wise Projected Energy Sales for FY 2024-25**

#### **Residential (RGP)**

##### **Petitioner's Submission:**

- 5.2.4 The category consists of Residential consumers and higher growth in the past was mainly due to new construction activities in the residential/real estate projects. However, the Petitioner does not anticipate any major growth in the category going forward as major construction activity is taking place outside the license area.
- 5.2.5 The 4 Year CAGR considering FY 2019-20 as base and including the consumption through solar rooftop is 5.13%. The gross sales thus projected for FY 2024-25 is adjusted with estimated rooftop solar units of FY 2024-25 of 329.96 Mus to arrive at the net sales of FY 2024-25 to the tune of 3,119.85 MU.

##### **Commission analysis:**

- 5.2.6 The Commission considers the forecast made by the Petitioner and approves the sales to the residential category for FY 2024-25 as **3,119.85 MUs**.

#### **Non-RGP Category**

##### **Petitioner's Submission:**

- 5.2.7 The category consists of the commercial and small industrial consumers and is expected to have normal growth in the consumption. TPL-D does not expect any major incremental activity due to reduction in volume of major commercial projects, offices, and malls within the licensed area.
- 5.2.8 The 4 Year CAGR considering FY 2019-20 as base and including the consumption through solar rooftop is 3.55%. The gross sales thus projected for FY 2024-25 is adjusted with estimated rooftop solar units of FY 2024-25 of 28.23 Mus to arrive at the net sales of FY 2024-25 to the tune of 1,110.59 MU.

**Commission analysis:**

5.2.9 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at **1,110.59 MUs**.

**Low Tension Maximum Demand (LTMD)**

**Petitioner's Submission:**

5.2.10 This category consists of the consumption from electric installations above 15 kW for residential purpose, pumping stations run by local authorities, commercial and Industrial load. These are high consumption category of consumers which include commercial and industrial units.

5.2.11 Due to higher land cost within the licensee area and adherence to stringent environmental norms, major expansion in industrial category is not seen within the license area.

5.2.12 The 4 Year CAGR considering FY 2019-20 as base and including the consumption through solar rooftop is 2.05%. The gross sales thus projected for FY 2024-25 is adjusted with estimated rooftop solar units of FY 2024-25 of 28.36 Mus to arrive at the net sales of FY 2024-25 to the tune of 1,850.70 MU.

**Commission analysis:**

5.2.13 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **1,850.70 MUs**.

**HT Pumping Stations**

**Petitioner's Submission:**

5.2.14 This category includes the water and sewerage pumping stations run by local authorities. The consumption in this category depends on monsoon and water

table in the licensed area. Projected FY 2024-25 sales are calculated to the tune of 138.53 MU by applying a 4-year CAGR of 0.10% considering FY 2019-20 as base year to approved sales figures from FY 2023-24.

**Commission analysis:**

- 5.2.15 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **138.53 MUs**.

**HT Maximum Demand**

**Petitioner’s Submission:**

- 5.2.16 HTMD category includes major industries in Ahmedabad like textile, chemical, process house, casting & moulding industries and food & confectionary products. Most of these segments are facing stagnancy. Further, due to higher cost of space within the licensee area and adherence to stringent environmental norms, major expansion in industries is likely to take place outside the license area.
- 5.2.17 In the last few years, some of the HT customers have set up their wind power generators and have availed the set-off of wind power generation against their consumption in the license area. This has impacted the actual sales of this category. Further, the sales to this category have also been impacted due to operationalisation of open access since the MYT 2nd Control Period. Additionally, during FY 2020-21 & FY 2021-22, HT sales have gone down considerably due to COVID-19 pandemic and it is assumed that it will take time to regain normal consumption.
- 5.2.18 In this background, the gross HT sales for FY 2024-25 have been forecasted based on industry interactions and feedback at the actual level of sales of FY 2022-23. Considering the existing trend, no open access (OA) sales have been

envisaged for FY 2024-25. Based on all the above, the forecast of net sales for FY 2024-25 to the tune of 1,990.98 MU.

**Commission analysis:**

5.2.19 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **1,990.98 MUs**.

**HT Metro**

**Petitioner’s Submission:**

5.2.20 During MYT 3rd control period, the Hon’ble Commission has introduced the tariff category of HT-Metro to cater the requirement of electricity for Metro traction. During FY 2024-25, metro is expected to show growth due to incremental consumption. Accordingly, the estimated sales of FY 2024-25 is to the tune of 48 MU.

**Commission analysis:**

5.2.21 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **48 MUs**.

**HT – Electric Vehicles**

**Petitioner’s Submission:**

5.2.22 This category contains the sales to the Electric Vehicles Units at HT voltage level. During FY 2024-25, this category is expected to show growth due to addition in consumers. Accordingly, the estimated sales of FY 2024-25 to the tune of 21.11 MU.



**Commission analysis:**

- 5.2.23 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **21.11 MUs**.

**Other Categories**

**Petitioner's Submission:**

- 5.2.24 This category contains the sales to the GLP category, LTP (AG), Streetlight, and LT & HT -Temporary and LT-Electric Vehicle Units. There has been degrowth in the category and there is no potential for any sudden spurt in growth due to the nature of consumption in the category. The 4 Year CAGR considering FY 2019-20 as base and including the consumption through solar rooftop is -3.16 %. The gross sales thus projected for FY 2024-25 is adjusted with estimated rooftop solar units of FY 2024-25 of 2.78 Mus to arrive at the net sales of FY 2024-25 to the tune of 65.31 MU.

**Commission analysis:**

- 5.2.25 The Commission considers the forecast made by the Petitioner and approves the sales as submitted by the Petitioner at for FY 2024-25 at **65.31 MUs**.

**Summary of Energy Sales**

**Petitioner's Submission:**

- 5.2.26 The energy sales forecasted for FY 2024-25 in each of the categories as stated above. The Petitioner submits that the forecast of sales is based on realistic estimates and requests the Hon'ble Commission to approve the energy sales as proposed.

### Commission analysis:

5.2.27 The Commission considers the forecast of energy sales of each category wise of consumers as made by the Petitioner. Accordingly, the energy sales for various categories are approved for FY 2024-25, which is shown in the table below;

**TABLE 5-2 APPROVED ENERGY SALES FOR TPL-D (A) FOR FY 2024-25 (IN MU)**

Category	Projected by Petitioner	Approved by Commission
RGP	3,119.85	3,119.85
Non-RGP	1,110.59	1,110.59
LTMD	1,850.70	1,850.70
HT Pumping Stations	138.53	138.53
HT	1,990.98	1,990.98
HT-Metro	48.00	48.00
HT-EV	21.11	21.11
Others	65.31	65.31
<b>Total Sales</b>	<b>8,345.06</b>	<b>8,345.06</b>

### 5.3 Distribution Losses

5.3.1 The Petitioner submitted that the Ministry of Power has notified the Electricity (Second Amendment) Rules, 2023 on 26.07.2023 which inter-alia provides for Targets of AT&C Loss trajectory for FY 21-22 to FY 24-25 as agreed upon by the State and Central Government. In turn, MOP has notified the AT&C Loss trajectory for the Utilities of Gujarat. The same is as under:

State DISCOMs	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
UGVCL	7.35%	7.30%	7.25%	7.20%
DGVCL	8.00%	7.90%	7.80%	7.70%
MGVCL	10.81%	10.31%	9.81%	9.31%
PGVCL	18.22%	17.22%	16.22%	15.00%

5.3.2 It may be noted that the fixation of above targets was taken up subsequent to targets specified by the Hon'ble Commission for FY 23-24 vide order dated 31.03.2023 as under;

State DISCOMs	Approved Distribution Losses for FY 2023-24
UGVCL	7.00%
DGVCL	4.68%
MGVCL	9.00%
PGVCL	15.75%
TPL-D(A)	5.03%
TPL-D(S)	3.59%
TPL-D(D)	0.455

5.3.3 Considering 100% collection efficiency, AT&C losses would be same as Distribution Loss. Thus, MOP has fixed the targets to encourage and incentivize the utilities to perform better.

5.3.4 In view of above, the Petitioner has considered the targets specified by the MOP for State owned Distribution Utilities in the Gujarat for estimating target for Ahmedabad License Area for FY 24-25. Since, details of actual losses are available for FY 22-23 for all the Govt Discoms, the Petitioner has worked out the margin given by MOP while specifying the Targets. The same is tabulated hereunder:

State DISCOMs	As per MoP Target	Actual	Differential
UGVCL	7.30%	5.23%	2.07%
DGVCL	7.90%	6.56%	1.34%
MGVCL	10.31%	7.95%	2.36%
PGVCL	17.22%	15.51%	1.71%

5.3.5 The Petitioner has considered minimum of margin given to the Govt DISCOM for FY 2022-23 (i.e. 1.34%) to arrive at target for Ahmedabad License Area for FY 2022-23. Thus, the Target of Distribution Loss for FY 22-23 works out to 5.08% for Ahmedabad License area on similar approach adopted for other Utilities of the State. Thereafter, the Petitioner has proposed trajectory by reduction of 0.05% per annum (as being considered by MOP for UGVCL having least approved losses) to arrive at the Target of 4.98% for TPL-D (A) for FY 2024-

25. Accordingly, the Petitioner has estimated the Distribution loss of 4.98% for FY 2024-25.

**TABLE 5-3 DISTRIBUTION LOSSES FOR FY 2024-25 AS SUBMITTED BY TPL-D (A)**

Category	Projected by Petitioner
Distribution Losses (%)	4.98%

**Commission’s Analysis:**

5.3.6 The Commission notes the increase in projected distribution losses from the levels of FY 2022-23 as claimed by TPL and the reasons given thereof.

**TABLE 5-4 HISTORICAL DATA FOR DISTRIBUTION LOSS OF TPL-D (A)**

Category	FY 2020-21	FY 2021-22	FY 2022-23
Sales (MU)	6,947.42	7,683.69	8,273.92
Distribution Loss (%)	6.03%	4.17%	3.74%
Distribution Loss (MU)	445.57	334.29	321.33
Energy Input at Distribution Level (MU)	7,392.99	8,017.98	8,595.25

5.3.7 The Commission observed that the Petitioner has projected distribution loss level of 4.98% for FY 2024-25 while determining its energy requirement. The Commission has reviewed the historical distribution losses. It has been observed that the distribution losses are in decreasing trend and it has already achieved a distribution loss level of 3.74% during FY 2022-23.

5.3.8 Therefore, in view of above, the Commission decides to consider the best of two distribution loss level i.e. actuals of FY 2022-23 @3.74% and approved figures of FY 2023-24 @5.03%. Thus, the Commission approves distribution loss level at 3.74% of TPL-D (A) for FY 2024-25.

**TABLE 5-5 DISTRIBUTION LOSSES APPROVED BY THE COMMISSION FOR FY 2024-25**

Particulars	Projected by Petitioner	Approved by Commission
Distribution Loss	4.98%	3.74%

#### 5.4 Energy Requirement Petitioner's Submission:

5.4.1 Based on the energy sales forecast, estimation of distribution loss and transmission loss, the total energy requirement for FY 2024-25 is estimated. The total energy requirement thus arrived is shown in the table below. The Petitioner has also submitted that the estimated energy requirement and corresponding power purchase cost is arrived at on pooled basis keeping in mind the overall demand requirement of Ahmedabad & Surat Supply Areas.

**TABLE 5-6 ENERGY REQUIREMENT FOR FY 2024-25 FOR TPL-D (A) (IN MU)**

Particulars	Projected by Petitioner
<b>Ahmedabad Supply Area</b>	
Energy Sales (MU)	8,345.06
Distribution Loss (%)	4.98%
Distribution Loss (MU)	437.22
Energy Input at Distribution Level (MU)	8,782.28
220kV/Transmission Loss (MU)	173.35
Energy Requirement of TPL-D (A)	8,955.63
Energy Requirement of TPL-D (S)	4,234.60
<b>Energy Requirement of TPL-D</b>	<b>13,190.24</b>

#### Commission's Analysis:

5.4.2 Based on the energy sales and the distribution losses approved by the Commission, the energy requirement is arrived at, as given in the table below. For projecting transmission losses, the Commission observes that TPL-D (A) has considered transmission losses on purchase from Bilateral and IEX. The Commission has considered the transmission loss percentage as 1.51% for Ahmedabad Supply area and 2.02% for Surat Supply Area as approved for FY 2022-23 respectively to arrive at Energy Requirement for FY 2024-25 as given in the table below;

**TABLE 5-7 ENERGY REQUIREMENT APPROVED BY THE COMMISSION FOR FY 2024-25**

Particulars	Projected by Petitioner	Approved by Commission
<b>Ahmedabad Supply Area</b>		
Energy Sales (MU)	8,345.06	8,345.06
Distribution Loss (%)	4.98%	3.74%
Distribution Loss (MU)	437.22	324.09
Energy Input at Distribution Level (MU)	8,782.28	8,669.15
220kV/Transmission Loss (MU)	1.94%	1.51%
220kV/Transmission Loss (MU)	173.35	132.84
Energy Requirement of TPL-D (A)	8,955.63	8,802.00
Energy Requirement of TPL-D (S)	4,234.60	4,176.83
<b>Energy Requirement of TPL-D</b>	<b>13,190.24</b>	<b>12,978.83</b>

## 5.5 Energy Availability

### Petitioner's Submission:

5.5.1 The energy sourcing is planned from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources including bilateral sources / power exchanges. The long term sources include TPL – G (APP) sources, SUGEN/ UNOSUGEN and Renewable Energy sources. For long term sources of SUGEN / UNOSUGEN, TPL has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. Further, the Petitioner has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN by giving due consideration to reliability of power and higher cost of gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. However, the Petitioner will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources.

5.5.2 The Hon'ble Commission has specified the Renewable Purchase Obligation (RPO) as per the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with the Amendment to the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010. Accordingly, the Petitioner has estimated the availability of renewable energy for FY 2024-25 from the tied-up capacities of RE Power.

5.5.3 The balance power would be sourced from short-term sources as and when required. Further, the Petitioner has planned to source the power for FY 2024-25 subject to technical minimum /must run criteria while ensuring reliability of power giving due consideration to optimisation of cost.

**TABLE 5-8 ENERGY AVAILABILITY AS PROJECTED BY PETITIONER FOR FY 2024-25 (IN MU)**

Particulars	Projected by Petitioner
TPL-G (APP)	2,510.25
SUGEN/UNOSUGEN	3,459.25
Bilateral/Power Exchange	4,862.08
Renewable Energy	2,358.65
<b>Total</b>	<b>13,190.24</b>

**Commission's Analysis:**

5.5.4 As per GERC (MYT) Regulation, 2016, the Distribution Licensees are required to project the power purchase requirement based on the Merit Order Dispatch principles of all generating stations considered for power purchase, RPO and the targets set if any, for Energy Efficiency and DSM schemes.

5.5.5 TPL-D has projected power purchase requirement of 13,190.24 MUs whereas the Commission has approved 12,978.83 MUs based on the approved energy sales, transmission and distribution losses as mentioned in earlier sections. Accordingly, the quantum of energy purchase is regulated as detailed below.

- 5.5.6 The Commission has observed that the Petitioner has projected quantum of purchase from Wind and Solar Energy sources only @17.88% (2,358.65/13,190.23) MU for FY 2024-25, however, the Commission has considered @20.70% i.e., 2,686.62 MU (20.70%\*12,978.83) as per GERC (Procurement Energy from Renewable Sources) (Third Amendment) Regulations, 2022 for FY 2024-25 RPO targets and the incremental quantum of purchase from Renewable Energy sources has been net off against the energy scheduled from UNOSUGEN. No purchase of RECs has been considered in view of Gujarat being RE rich State and the prevailing low rates of renewable power discovered through competitive biddings.
- 5.5.7 The Commission has considered the quantum of energy availability from TPL–G (APP) as approved in the Order of TPL–G(APP), for FY 2024-25 in Petition No. 2322 of 2024.
- 5.5.8 For long term sources of SUGEN / UNOSUGEN, the Petitioner has submitted that it has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. It has further submitted that it has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN considering reliability of power and higher cost of gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. It has further submitted that it will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources.



5.5.9 On query regarding bifurcation of the power purchase from SUGEN and UNOSUGEN, the Petitioner has submitted the detailed break-up of power purchase quantum for FY 2024-25 as tabulated below:

Particulars	Quantum (MU)
SUGEN	2,609.94
UNOSUGEN	849.31
<b>Total</b>	<b>3,459.25</b>

5.5.10 As discussed above, the incremental quantum of purchase from Renewable Energy sources and the net reduction in energy requirement based on approved distribution loss targets for FY 2024-25 has been net off against the energy scheduled from UNOSUGEN.

5.5.11 The remaining required power purchase is considered from Power purchase from bilateral and power exchange are considered to match the Energy Balance.

5.5.12 In case, if there is any shortfall of energy in the procurement of power through tied up sources, the same shall be made by TPL-D through power exchange or e-bid procurement through MSTC.

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

**TABLE 5-9 APPROVED ENERGY AVAILABILITY FOR FY 2024-25 FOR TPL-D (IN MU)**

Particulars	Projected by Petitioner	Approved by Commission
TPL-G (APP)	2,510.25	2,510.25
SUGEN	2,609.94	2,609.94
UNOSUGEN	849.31	309.94
Bilateral	4,862.08	4,862.08
Renewable Energy	2,358.65	2,686.62
<b>Total</b>	<b>13,190.24</b>	<b>12,978.83</b>

5.5.14 TPL-D is advised to adhere to the above power procurement sources and quantum as approved by the Commission.

## 5.6 Power Purchase Cost

### Petitioner's Submission:

5.6.1 The Petitioner has submitted that based on the energy quantum estimated, the power purchase cost for each of the sources is computed. The source-wise estimated power purchase cost is provided hereunder:

- **TPL-G (APP)** – The power purchase cost is based on the costing arrived at from the ARR computation in the petition filed for TPL-G (APP).
- **SUGEN/UNOSUGEN** – The power purchase cost is as per the tariff and operating norms adopted by Hon'ble Commission.
- **Bilateral Sources/ Power Exchange** – The power purchase rate for bilateral sources/power exchange is arrived at by considering the likely short term market conditions and considering the current trends.
- **Renewable Power Purchase Cost**- The Petitioner has estimated the purchase of power from the tied-up capacity of renewable energy sources to fulfill the Renewable Power Purchase Obligation. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

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

**TABLE 5-10 POWER PURCHASE COST PROJECTED BY TPL-D FY 2024-25 (RS. CRORE)**

Particulars	Projected by Petitioner
TPL-G (APP)	1,347.21
SUGEN/UNOSUGEN	3,295.86
Bilateral/Power Exchange	2,902.66
Renewables Energy	996.71
GNA Charges	355.68
<b>Total</b>	<b>8,898.12</b>

**Commission’s Analysis:**

- 5.6.2 Regarding the power purchase cost associated with renewable energy power, it has been observed that the Petitioner has submitted the details of tied up for Solar & Wind sources and considered the average of Procurement Rate as Rs. 4.23/kWh for 2,358.65 MUs for FY 2024-25. The Commission has considered the rate for procuring power from the renewable sources (Wind & Solar) as projected by the Petitioner and balance power i.e. 327.97 MUs (2,686.62 MUs- 2,358.65 MUs) to meet RPO requirement also considered the recently discovered average cost of procurement from renewable source which works is to the tune of Rs. 4.00 per Unit. Since, the Power Purchase Cost is an estimate and therefore, the Licensee shall take due care to procure all additional Renewable Power Requirement through competitive bidding to pursue that the power purchase cost is optimized.
- 5.6.3 In case of procurement from TPL-G (APP), the same has been derived from the power generation cost as determined by the Commission for FY 2024-25 in Tariff Petition No. 2322 of 2024.
- 5.6.4 For long term sources of SUGEN / UNOSUGEN, the Petition has submitted that it has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas

operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. It has further submitted that it has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN considering reliability of power and higher cost gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. It has further submitted that it will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources. The Commission has noted their submission. It is fact that the tariff of SUGEN & UNOSUGEN (such as Capacity Charges and Operating Norms) has been determined by the CERC and the Commission has adopted the same and factored in the power procurement cost. The Power Purchase cost of SUGEN & UNOSUGEN consist of the fixed cost as well as variable cost. Regarding the fixed cost of SUGEN/ UNOSUGEN Plants, the Petitioner estimated a total cumulative capacity charge at Rs. 798.12 Crore.

5.6.5 On query regarding bifurcation of the power purchase cost from SUGEN and UNOSUGEN, the Petitioner has submitted the detailed break-up of power purchase quantum along with cost projected for FY 2024-25 as tabulated below:

Particulars	Quantum (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)	Landed Cost (Rs./kWh)
SUGEN	2,609.94	570.12	1,971.03	2,541.15	9.74
UNOSUGEN	849.31	228.00	526.71	754.71	8.89
<b>Total</b>	<b>3,459.25</b>	<b>798.12</b>	<b>2,497.74</b>	<b>3,295.86</b>	<b>9.53</b>

5.6.6 It has been found that TPL has proposed variable charges of Rs 7.22/kWh as a weighted average cost of fuel combinedly for SUGEN and UNO SUGEN plant. However, the Commission has considered the variable charges at Rs 7.55/kWh and the Capacity Charges amounting to Rs. 570.12 Crore for SUGEN while

estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licensee Areas for FY 2024-25.

5.6.7 The Commission has noted that the projected landed price of UNOSUGEN at Rs. 8.89 per Unit (inclusive of fixed charges, excluding transmission charges) significantly in the higher side. The Commission has considered Rs. 5.479 per Unit as landed prices for UNOSUGEN as the reference medium-term power procurement rate at the time of Truing up for FY 2022-23. Therefore, the Commission deems it appropriate to consider the reference medium term power procurement rate i.e. Rs. 5.479 per Unit for UNOSUGEN for FY 2024-25, thereby it will be in line with guidelines established in Case No. 1322 of 2013, dated June 19, 2019. Consequently, the Commission has opted to approve the power purchase cost at the rate of Rs. 5.479/kWh from UNOSUGEN, in accordance with Clause 27 of Case No. 1322 of 2013, dated June 19, 2019.

5.6.8 In light of the current supply and demand dynamics, alongside anticipated demand growth and the paramount objective of maintaining uninterrupted electricity supply for public welfare while upholding grid security, the Ministry of Power, through its Order dated April 12, 2024, has directed the utilization of operational capacity at Gas-Based Generating Stations (GBSs) under Section 11 of the Electricity Act 2003. This directive is effective from May 1, 2024, to June 30, 2024.

5.6.9 However, the Commission will allow the Power Purchase costs of SUGEN & UNO SUGEN in accordance with the CERC/GERC Orders and MoP Order dated 12.04.2024 at the time of Truing up exercises after prudence check.

5.6.10 In the above Table, it has been observed that the Commission has approved 4,862.08 Mus from the source of bilateral. The Commission has considered the procurement rate as Rs. 5.97 per Unit as per actuals of FY 2022-23 for

bilateral/exchange while estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licensee Areas for FY 2024-25.

- 5.6.11 The Petitioner has considered an amount of Rs. 355.68 Crore towards GNA Charges for FY 2024-25 over and above the related costs for various sources. On query regarding the inclusion of GNA charges in power procurement cost for FY 2024-25, the Petitioner submitted that the CERC implemented the GNA regime under which, drawee entities can allocate GNA for periods exceeding 11 months, with source-agnostic quantum allowing flexibility in power sourcing. T-GNA provisions accommodate incremental requirements, available in blocks ranging from 1 to 11 months. GNA acquisition options include STU and direct ISTS connectivity. Following an assessment of Open Access from interstate sources, direct GNA bookings in ISTS have secured 800 MW for TPL-D(A) and 100 MW for TPL-D(S) until April 30, 2026, subject to periodic review. The Petitioner further submitted that the GUVNL has also secured GNA totaling approximately 11,000 MW as the implementation of GNA regulations and direct GNA bookings will mitigate intra-state transmission charges, aiding power sourcing during ISTS network constraints. Moreover, Gujarat's GNA charges are approximately Rs. 3,00,000/- per MW per month, resulting in GNA charges of Rs. 355.68 Crore for 988 MW for TPL-D. Incremental requirements will prompt consideration of T-GNA on a need basis.
- 5.6.12 It is to be noted that while allowing the bilateral power purchase cost for FY 2024-25, the Commission has considered the weighted average of actual rates for bilateral and power exchange of FY 2022-23 which are inclusive of transmission charges. Consequently, the Commission deems it appropriate to defer consideration of these charges until they actually occur. Accordingly, the Commission has decided against allowing any GNA charges in the current estimation of Power Purchase costs for TPL-D (A) and TPL-D(S) licensee Areas

for FY 2024-25. However, this may be allowed on actual basis after prudence check.

5.6.13 Considering above, the total procurement cost for power from different sources for TPL-D during FY 2024-25 works out as given in the table below:

**TABLE 5-11 APPROVED POWER PURCHASE COST OF TPL-D FOR FY 2024-25**

Energy Sources	Projected by Petitioner (Rs. Crore)	Approved by Commission (Rs. Crore)
TPL-G (APP)	1,347.21	1,298.63
SUGEN	2,541.15	2,541.15
UNOSUGEN	754.71	169.82
Bilateral	2,902.66	2,902.50
Renewables Energy	996.71	1,127.90
GNA Charges	355.68	-
<b>Total</b>	<b>8,898.12</b>	<b>8,039.99</b>

5.6.14 The above power procurement cost is reflective of power requirement of both Ahmedabad and Surat area. For arriving at individual power purchase cost, the total power purchase cost is apportioned in the ratio of power requirement between the two cities. The following table depicts the power purchase cost of Ahmedabad area for FY 2024-25.

**TABLE 5.12: APPROVED POWER PURCHASE COST FOR TPL-D (AHMEDABAD) (RS. CRORE)**

Energy Sources	Projected by Petitioner (Rs. Crore)	Approved by Commission (Rs. Crore)
Power Purchase Cost	6,041.46	5,452.57

## 5.7 Operation & Maintenance (O&M) Expenses

### Petitioner's Submission:

5.7.1 TPL-D (A) has submitted that the O&M expenses projections for FY 2024-25 are as per the methodology specified in GERC MYT Regulations, 2016 by

considering approved O&M expenses of last three years with FY 2021-22 as base year and escalating by 5.72% per annum.

**TABLE 5-13 O&M EXPENSES CLAIMED BY OF TPL-D (A) FOR FY 2024-25 (Rs. Crore)**

Particulars	Claimed by Petitioner
Operation & Maintenance Expenses	429.21

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

**Commission’s Analysis:**

5.7.3 In line with the principles and methodology as provided in the GERC MYT Regulations, 2016, the Commission has projected O&M expenses based on the average of actual O&M expenses for the previous three years i.e., FY 2020-21 to FY 2022-23 escalated @5.72% to arrive at O&M expenses for FY 2024-25 at Rs. 429.23 Crore. Accordingly, the Commission approves Rs. 429.23 Crore of O&M Expenses for FY 2024-25.

## **5.8 Capital Expenditure, Capitalisation and Sources of Funding**

**Petitioner’s Submission:**

5.8.1 The Petitioner highlights the development of Ahmedabad and Gandhinagar as commercial and service sector hubs, with electricity demand rising from 1578 MW in FY 2020-21 to 1900 MW in FY 2022-23, reflecting a 2-year CAGR of approximately 9%. The current load density of the Ahmedabad/Gandhinagar area stands at around 5 MW/sq.km and is expected to increase in the future due to urbanization. This growth poses challenges in corridor availability for



the creation of evacuation networks. Initiatives like Smart City projects, BRTS/Metro, and modern infrastructure necessitate a robust electrical network capable of handling substantial power with high reliability. The Petitioner plans to invest in capital expenditure to enhance and upgrade the distribution network to meet future load growth while ensuring power reliability, quality, and safety. This expenditure will also ensure compliance with various regulatory guidelines and standards. Planned capital expenditure includes expanding EHV network capacity, adding EHV & HV substations, enhancing LT network connectivity, implementing smart metering and customer service centers, and investing in automation and IT infrastructure.

5.8.2 TPL-D (A) has projected capital expenditure of Rs. 1,712.01 Crore for FY 2024-25 as per the details given in table below:

**TABLE 5-14 CAPITAL EXPENDITURE PROJECTED BY TPL-D (A) FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner
EHV Network	989.34
HT Network	255.46
LT Network	218.31
Metering	160.94
PSC	46.54
IT & Related Expenditure	14.72
Other Departments	26.70
<b>Total Cost</b>	<b>1,712.01</b>

5.8.3 The details of major capital expenditure for FY 2024-25 as submitted by the Petitioner is as following:

**a) EHV:**

- **Bulk Supply Points:** In anticipation of long-term power demands in Ahmedabad and Gandhinagar, TPL-D proposed establishing 220 kV substations during the 3rd Control Period. Work began on supply points from FY 2019-20, with plans to continue setting up a bulk supply point at GOTA in FY 2024-25. Central Electricity Authority forecasts peak demand

in the Ahmedabad/Gandhinagar area to reach 2948 MW by FY 2028-29, particularly in the Western and Eastern parts of the city. To address infrastructure needs and prevent bottlenecks, the Petitioner proposes establishing a Bulk Supply Point at Shertha to interconnect the city's Eastern and Western areas for enhanced reliability. Construction of the Shertha substation is proposed to commence during FY 2024-25.

- **EHV Lines:** to cater the load growth, Petitioner proposed the capex towards upgradation of network between 132 kV Sabarmati to Dudheshwar substation and for additional connectivity between 132 kV Kazipur to Dudheshwar substations. It is also proposed to lay additional 132 kV connectivity between Vinzol and Jamalpur to enhance reliability of 132kV Jamalpur since existing network is radial.
- **EHV Substations:** To cater the expected increase in demand, Petitioner had proposed to establish 132 kV substation at Kazipur, Wadaj, and New Maninagar. Works for these substations as well as new EHV substation at New SG Highway are proposed to be carried out during FY 2024-25. Additionally, the Petitioner proposed for AIS to GIS conversion of substation at New Pirana and GIS at Pirana and Airport. Further, additional transformers of 132/33 kV and 132/11 kV are also required to be installed to cater to the load demand of nearby areas and to feed the upcoming 33 kV/11 kV substations respectively.
- **EHV Consumers:** Petitioner has also envisaged energisation of EHV consumers based on existing trend.
- **33 KV Substations:** considering the additional load growth in the supply area, 33 kV substations have been planned at Maninagar, Sindhubhavan, Electronic SEZ, Naroda, New Naroda, Satellite, Gita Mandir, Ashok Mandir, etc. Further, additional transformer is proposed at various 33 kV substations.

- **Renovation & Replacement:** Petitioner proposed to incur capex for phasing out obsolete assets and refurbishment under the head of renovation and replacement.
- **Safety:** Petitioner proposed major safety schemes to procurement of safety tools, replacement of old conductors, safeguarding of towers, replacement of switchyard equipment, earthing system for towers, and various firefighting arrangements.
- **Support infrastructure:** Support infrastructure expenditure is proposed for purchase of advance tools & tackles, and testing kits.
- **Automation:** Under this head, Substation Automation and Islanding schemes are proposed for facilitating remote control and monitoring for better network operation.

The summary of expenditure planned for the above-described items is provided in the table below:

All Figures in Rs. Crore	FY 2024-25
<b>EHV Network</b>	
Bulk Supply Points	267.32
EHV Lines	68.07
EHV Consumers	5.45
EHV Substations	391.69
33kV Substations	238.31
Renovation and Replacement	9.62
Safety	5.72
Support Infrastructure	2.35
Automation	0.82
<b>Total</b>	<b>989.34</b>

**b) HT:**

- **Normal Load Growth:** the details of capital expenditure proposed under the head of normal load growth is as under:
  - **New Substations:** to meet the additional load requirement of existing as well as new consumers, the upgradation and installation of distribution transformers (DT's) at the load centre is being

proposed. To ensure lower LT length and to maintain existing level of losses, Petitioner proposed development of necessary network by laying new 11 kV cable and installation of switchgear

- **HT Consumers:** Based on the expected number of new HT consumers of as well as load enhancement of the existing consumers, the Petitioner has proposed expenditure for creating necessary network infrastructure including HT cable, RMU and Other Accessories.
- **Transformer Augmentation:** In order to meet the load growth in the supply area, it is proposed to replace existing distribution transformers by higher size.
- **11 kV Normal Load Growth/OHL Schemes:** It is proposed to carry out network modification schemes including laying of new feeders from existing and proposed EHV substations. During FY 2024-25, network modification schemes are proposed in order to remove bottlenecks from existing system.
- **Normal Load Growth:** The details of capital expenditure proposed under the head of normal load growth is as under:
  - **Reliability, Renovation & Modernization:** This includes expenses towards replacement of old and faulty distribution transformers, replacement of and replacement of faulty switchgear. Network modification for infrastructure projects is also proposed to be carried out. During FY 2024-25, it is also proposed to continue feeder Automation. Additionally, in order to maintain power quality and for ensuring better performance of the system, it is proposed to install Automatic Power Factor Correction Panels (APFC) at Distribution Substation.
  - **Supporting Infrastructure:** This includes expenses on equipment's such as Meggers, Thumpers, Earthing testers, etc.
  - **Safety:** Safety schemes are proposed for replacement of conventional oil filled switchgears, RMU/ FSP replacement, Distribution substation

revamping, and PMT to Compact Substation replacement in dense areas, replacement of oil type transformer with dry type transformer for ensuring general public safety, environment safety, and safety for employees.

The summary of expenditure planned for the above described items is provided in the table below:

All Figures in Rs. Crore	FY 2024-25
<b>HT Network</b>	
Normal Load Growth	175.86
Reliability, Renovation & Modernization	59.18
Supporting Infrastructure	0.80
Safety	19.62
<b>Total</b>	<b>255.46</b>

**c) LT network:**

- **Normal Load Growth:** the details of capital expenditure proposed under the head of normal load growth is as under:
  - **New Connection/Load Extension/Reduction:** The LT capital expenditure is planned to provide network for last mile connectivity as well as for maintaining “ready to serve” network. The capex is proposed based on expected applications for new connection and extension/reduction.
  - **Relieving Overload Distributions, Load Balancing/ Interlinking of New Substations:** There are continuous changes in the load or demand requirement of the customers due to which the loading of the LT cables increase and this result into outages or breakdowns. Accordingly, it is proposed to undertake distributor load relieving/balancing and network modification schemes for relieving overloaded distributors. It is also proposed to undertake interlinking of distributors to enhance the system reliability.
- **Supporting Infrastructure:** This includes expenses on equipment such as Meggers, Cable Fault Locators, Thumpers, Earth Testers, Reference Standard Meters, Meter Reading Instruments, Clip on meters, etc.

- **Reliability, Renovation and Replacement:** It is proposed to undertake schemes for old and obsolete network up gradation (T-off network removal/ Bifurcation of distributors) for network improvement. This will increase the system reliability. Further, road widening work is being carried out at various places in and around the Supply area. This has necessitated shifting work of LT network & assets.
- **Safety:** This includes expenditure proposed for carrying out replacement of Old MSP, Old LC network, and Service Revamping.

The summary of expenditure planned for the above-described items is provided in the table below:

All Figures in Rs. Crore	FY 2024-25
<b>LT Network</b>	
Normal Load Growth	120.61
Reliability, Renovation & Replacement	35.64
Safety	60.86
Supporting Infrastructure	1.20
<b>Total</b>	<b>218.31</b>

**d) Metering:**

- Metering system is an important facet of any electricity distribution utility. Capital expenditure is planned for purchasing Meters, CT/Seals etc. for the following activities:
  - Meters for releasing solar net meters under the GERC Net Metering Regulations, 2016.
  - Meters for replacing old electromechanical meters in a phased manner.
  - Meters for replacing static electronic meters which are vulnerable to theft.
  - Meters for replacing defective energy meters based on the past trend of defective meters replaced.
  - Meters for providing new electric connections/enhancement of load and for energy accounting for DT meters/Interface meters etc.

- Installation and replacement of consumer/DT/feeder meters with smart meters to comply with Ministry of Power notification.
- Out of the total capex under the head of Metering, the expenditure of Rs. 147.67 Crore is planned for installation and replacement of consumer/DT/feeder meters with smart meters in compliance to the CEA Metering Regulations and MOP Rules. Balance expenditure of Rs. 0.16 Crore is planned towards supporting infrastructure like test benches. It may kindly be noted that implementation of smart meter will also necessitate additional O&M expenses to meet with communication, IT infrastructure requirements, etc.
- Additionally, it is proposed to incur capex of Rs. 13.11 Crore for Advanced Metering Infrastructure.

The summary of expenditure planned for the above-described items is provided in the table below:

All Figures in Rs. Crore	FY 2024-25
<b>Metering</b>	
Normal Load Growth	74.25
Supporting Infrastructure	73.42
Supporting Infrastructure	0.16
Advanced Metering Infrastructure	13.11
<b>Total</b>	<b>160.94</b>

**e) Others:**

- **Training Centre and Office at Power Supply Centre:** Capex is proposed to be incurred for setting up Training Centre at Amraiwadi PSC to train technical personnel in compliance to the requirement of CEA Safety Regulations. It also includes capex for Naranpura office to carry out various centralized functions.
- **IT & related expenditure:** This includes capex requirements related to setting up new Data center, hardware replacements, software upgradation, new IT initiatives and projects, SAP licenses, network upgradation, communication, etc.

- **Special Project- Battery Energy Storage System (BESS):** The Ministry of Power has prescribed the long-term trajectory for Renewable Energy (RE). The issue of intermittency of RE power has impact on the grid as well as overall power purchase cost. As per the MOP Rules, Discoms can set up BESS to accommodate the impact of RE including the Rooftop Solar. Accordingly, the Petitioner proposes to initiate the pilot project on BESS with 3 MW capacity. Based on the experience gained from such pilot project, the Petitioner shall plan necessary BESS for its license area.
- Apart from above, CAPEX is required for following activities such as QA/QC, Stores, Customer Services, RPRC and other Miscellaneous expenses. It includes CAPEX for technical equipment, vehicle, other infrastructure as well as digitization / upgradation of existing system. The same has been categorized as Other Department and Miscellaneous.

The summary of expenditure planned for the above-described items is provided in the table below:

All Figures in Rs. Crore	FY 2024-25
<b>Others</b>	
Power Supply Centre	46.54
IT & Related Expenditure	14.72
Other Departments and Misc.	26.70
<b>Total</b>	<b>87.96</b>

#### **Commission's Analysis:**

5.8.4 The Petitioner has projected CAPEX of Rs. 1,712.01 Crore for FY 2024-25 as detailed in the earlier sections. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2024-25.

5.8.5 The Commission opines that in order to meet the load growth, system demand and to provide reliable quality supply has provisionally approved the CAPEX for FY 2024-25 as projected by the Petitioner as Rs. 1,712.01 Crore.



## 5.9 Capitalization and Gross Fixed Assets

### Petitioner’s Submission:

5.9.1 TPL-D (A) has submitted that it will capitalize assets of Rs. 1,323.92 Crore in FY 2024-25 and furnished the project/work-wise details of capitalization in form 4.3 to the Petition.

**TABLE 5-15 CAPITALISATION PROJECTED FOR FY 2024-25 (Rs. CRORE)**

Particulars	Claimed by Petitioner
Opening GFA	10,516.03
Addition to GFA	1,323.92
Deletion to GFA	-
Closing GFA	11,839.95
SLC addition	86.36

### Commission’s Analysis:

5.9.2 The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalization of CAPEX relating schemes as given hereunder:

**TABLE 5-16 PROJECTED CAPEX, CAPITALISATION BY TPL-D(A) FOR FY 2024-25 (Rs. CRORE)**

Project Code	Capitalisation Projected by Petitioner
<b>EHV</b>	
Bulk Supply Points	145.24
EHV Lines	12.67
EHV Consumers	8.21
EHV SS	300.31
33kV SS	152.41
Renovation and Replacement	10.87
Safety	28.92
Support Infrastructure	2.35
Automation	0.82
<b>Sub-Total</b>	<b>661.79</b>
<b>HT</b>	
11kV Normal Load Growth	175.86
Reliability, Renovation & Modernization	59.18

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Project Code	Capitalisation Projected by Petitioner
Safety	19.62
Support Infrastructure	0.80
<b>Sub-Total</b>	<b>255.46</b>
<b>LT</b>	
Normal Load Growth	120.61
Reliability, Renovation & Modernization	35.64
Safety	60.86
Support Infrastructure	1.20
<b>Sub-Total</b>	<b>218.31</b>
<b>Meters</b>	
Normal Load Growth	74.25
Reliability, Renovation & Modernization	73.42
Safety	0.16
Support Infrastructure	13.11
<b>Sub-Total</b>	<b>160.94</b>
PSC	-
IT & Related Expenditure	14.72
Other Departments	12.70
<b>Grand Total</b>	<b>1,323.90</b>

5.9.3 The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalisation of around 77.33% of the projected CAPEX for FY 2024-25. The CAPEX and capitalisation projected include installation of new substations schemes which have gestation period of around 1~2 years from the day of planning to CoD/ asset capitalised. To balancing the interest of the consumer and the distribution utility, Commission is of the view that it is appropriate to consider the ratio of the average Capitalization vis-à-vis Capital Expenditure last true up years. Accordingly, The Commission has worked out the average capitalization over approved CAPEX for last four years i.e., from FY 2019-20 to FY 2022-23 works out to 73.60%. Accordingly, for FY 2024-25 the Commission approves capitalization of Rs. 1,260.09 Crore (1,712.01\*73.60%).

5.9.4 The Commission has approved closing GFA at Rs. 8,691.31 Crore in true up for FY 2022-23 and the same is considered as opening GFA for FY 2023-24.

Further, the Commission has considered capitalisation of Rs. 1,212.14 Crore as approved in Tariff Order dated 31.03.2023 for FY 2023-24 and arrived at the closing GFA for FY 2023-24 at Rs. 9,903.45 Crore and the same is considered as opening GFA for FY 2024-25. The Commission has further considered the SLC addition as projected by the Petitioner.

5.9.5 The Commission in terms of the GERC (MYT) Regulations, 2016 has approved the funding of capitalisation for normative debt-equity. The Commission, as deliberated above has considered the opening GFA, additions during the year and closing GFA for FY 2024-25 as given in the table below:

**TABLE 5-17 CAPEX AND CAPITALISATION APPROVED BY COMMISSION FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	10,516.03	9,903.44
Addition to GFA	1,323.92	1,260.09
Deletion from GFA	-	-
Closing GFA	11,839.95	11,163.53
Less: SLC Addition	86.36	86.36
Balance Capitalization	1,237.56	1,173.73
Normative Debt @70%	866.30	821.61
Normative Equity @30%	371.27	352.12

## 5.10 Depreciation

### Petitioner's Submission:

5.10.1 The Petitioner submits that, the depreciation rates as per the CERC (Terms & Conditions of Tariff) Regulation, 2004 is applied on the opening GFA of FY 2009-10 and for addition of assets from 1<sup>st</sup> April 2009 onwards depreciation has been computed at the rates specified in the GERC Regulations. TPL-D (A) has projected Rs. 415.04 Crore towards depreciation for FY 2024-25.

**Commission’s Analysis:**

5.10.2 The Commission has approved the opening value of depreciable GFA at as discussed in the earlier sections. The GFA is further updated with the capitalisation approved for FY 2024-25 to compute the depreciation.

5.10.3 The Commission has considered the rate of depreciation on assets and SLC as submitted by the petitioner. The computation of Depreciation as given in the table below:

**TABLE 5-18 DEPRECIATION APPROVED FOR FY 2024-25 (Rs. CRORE)**

Particulars	Approved by Commission
Opening value of GFA	9,903.44
Additions during year	1,260.09
Closing GFA	11,163.53
Average Depreciable Assets	10,533.48
Wt. Avg. Rate of Dep.	4.23%
Depreciation	445.81
Depreciation created out of SLC	71.72
Depreciation allowed	374.09

5.10.4 The Commission approves the depreciation for FY 2024-25 as shown in the above Table.

## **5.11 Interest Expenses**

**Petitioner’s Submission:**

5.11.1 The Petitioner has submitted that interest is calculated on normative loans in terms of the GERC (MYT) Regulations, 2016 by applying estimated interest rate of 8.55%, while repayment has been considered equal to the depreciation of the assets for the year.

**TABLE 5-19 INTEREST AND FINANCE CHARGES PROJECTED FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner
Opening Balance	2,962.55
Loan addition during year	866.30
Repayment during year	415.04
Closing Balance	3,413.81
Average Loan	3,188.18
Weighted average rate of interest (%)	8.55%
Interest Expenses	272.59

**Commission’s Analysis:**

5.11.2 The Commission has approved the normative closing loan balance at Rs. 2,084.53 Crore in truing up for FY 2022-23 and the same is considered as opening loan for FY 2023-24. The addition to loan is further updated with the normative loan based on capitalisation approved for FY 2023-24 in the Order dated 31.03.2023, which is Rs. 848.50 Crore and also adjustment of Repayment in FY 2023-24, arrived at the closing Loan for FY 2023-24 at Rs. 2,525.87 Crore and the same is considered as opening Loan for FY 2024-25.

5.11.3 The rate of interest is considered as per the actuals of FY 2022-23, which is approved in this Order and accordingly computed the interest on loan for FY 2024-25 as given in the table below:

**TABLE 5-20 INTEREST APPROVED BY THE COMMISSION FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved by Commission
Opening Balance	2,962.55	2,525.87
Addition of Loan	866.30	821.61
Repayment during year	415.04	374.09
Closing Balance	3,413.81	2,973.40
Average Loan	3,188.18	2,749.64
Weighted average rate of interest (%)	8.55%	7.48%
Interest Expenses	272.59	205.63

5.11.4 In view of the above, the Commission approves the Interest Expenses for FY 2024-25 as Rs 205.63 Crore.

## 5.12 Interest on Security Deposit

### Petitioner’s Submission:

5.12.1 The Petitioner has estimated the interest on security deposit for the year considering the interest rate of 6.75% on the average of opening balances and closing balance of security deposit for the Ahmedabad supply area. The addition has been projected on the basis of trend observed in the supply area.

### Commission’s Analysis:

5.12.2 The Commission considers and approves the interest on security deposit of Rs. 86.19 Crore as projected by the Petitioner for FY 2024-25.

## 5.13 Interest on Working Capital

### Petitioner’s Submission:

5.13.1 The interest on working capital is computed as per the MYT Regulations, 2016. The interest rate, being the SBI MCLR rate on 1st April, 2022 plus 250 basis points, of 11.00% is to be applied on the working capital requirement arrived at in accordance with the Regulations. The petitioner projected Interest on Working Capital as NIL.

**TABLE 5-21 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner
O&M Expenses for 1 Month	35.77
Maintenance Spares @1% of GFA	105.16
Receivables for 1 Month	639.33
Less: Security Deposit	1,276.91
Net Working Capital Requirement	-
Rate of interest (%)	11.00%

Particulars	Claimed by Petitioner
Interest on Working Capital	-

### Commission’s Analysis:

5.13.2 As per the working capital requirement as specified in Regulation 40.4 and 40.5 of the GERC (MYT) Regulations, 2016 read in conjunction with the GERC MYT (First Amendment) Regulations, 2016 based on the O&M expenses and other expenses as approved above and after considering the security deposit amount available during the year and 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), the working capital and interest thereon for FY 2024-25 calculated in table below:

**TABLE 5-22 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2024-25 (RS. CRORE)**

Particulars	Claimed by Petitioner	Approved by Commission
O&M Expenses for 1 Month	35.77	35.77
Maintenance Spares @1% of GFA	105.16	99.03
Receivables for 1 Month	639.33	579.00
Less: Security Deposit	1,276.91	1,276.91
Net Working Capital Requirement	-	-
Rate of interest (%)	11.00%	11.00%
Interest on Working Capital	-	-

5.13.3 The Commission, accordingly, approves the interest on working capital as NIL for FY 2024-25.

## 5.14 Return on Equity

### Petitioner’s Submission:

5.14.1 The return on equity has been computed based on the opening & closing balance of the equity arrived at considering the estimated capitalization in FY 2024-25. The RoE is computed at 14% on the average of the opening & closing

balance of the equity and accordingly, projected Rs. 445.12 Crore towards Return on Equity @ 14%.

**TABLE 5-23 RETURN ON EQUITY CLAIMED BY THE TPL -D (A) FOR FY 2024-25 (Rs. CRORE)**

Particulars	Claimed By Petitioner
Opening Equity	2,993.78
Equity Addition	371.27
Closing Equity	3,365.05
Average of opening and closing	3,179.41
ROE @14% on the average balance	445.12

**Commission’s Analysis:**

5.14.2 The Commission has approved the normative closing equity at Rs. 2,471.93 truing up for FY 2022-23 and the same is considered as opening equity for FY 2023- 24. The addition to equity is further updated with the normative equity based on capitalisation approved for FY 2023-24 in the Order dated 31.03.2023, which is Rs. 338.08 Crore, arrived at the closing equity for FY 2023-24 at Rs. 2,810.00 Crore and the same is considered as opening equity for FY 2024-25. The Commission accordingly computed the Return on equity for FY 2024-25 as given in the table below:

**TABLE 5-24 RETURN ON EQUITY APPROVED BY THE COMMISSION FOR FY 2024-25 (Rs. CRORE)**

Particulars	Claimed By Petitioner	Approved by Commission
Opening Equity	2,993.78	2,810.00
Equity Addition	371.27	352.12
Closing Equity	3,365.05	3,162.12
<i>Return on Equity at beginning of year</i>	<i>419.13</i>	<i>393.40</i>
<i>Return on Equity addition during year</i>	<i>25.99</i>	<i>24.65</i>
Total Return on Equity	445.12	418.05



## 5.15 Income Tax

### **Petitioner’s Submission:**

5.15.1 The Petitioner has projected the Income Tax at Rs. 88.39 Crore based on the actual tax paid for FY 2024-25 and in proportion to the PBT of TPL-D (A).

### **Commission’s Analysis:**

5.15.2 The Commission has approved Rs. 88.52 Crore towards income tax in true up for FY 2022-23 and accordingly has considered Rs. 88.52 Crore subject to true up based on the actual tax paid for the relevant year as specified in regulation 41.2 of the GERC (MYT) Regulations 2016.

## 5.16 Bad Debts Written Off

### **Petitioner’s Submission:**

5.16.1 The Petitioner has projected bad debts of Rs. 4.51 Crore based on the actual of FY 2022-23 amount written off.

### **Commission’s Analysis:**

5.16.2 Regulation 94.9 of the GERC (MYT) Regulations, 2016 specify that bad debts written off may be allowed as a pass through in the ARR subject to prudence check based on the trend of write off of bad debts in the previous years. The Commission has approved Rs. 4.51 Crore towards bad debts written off for FY 2022-23 in truing up based on the available audited annual accounts for FY 2022-23. The Commission, accordingly, has considered bad debts written off at Rs. 4.51 Crore for FY 2024-25.

### 5.17 Contingency Reserve

#### **Petitioner’s Submission:**

5.17.1 The Commission had allowed contingency reserve of Rs. 0.60 Crore for each year of the control period to meet the requirement of unexpected emergent circumstances. Accordingly, the Petitioner has considered the approved values and prayed to the Commission to allow the same for FY 2024-25.

#### **Commission’s Analysis:**

5.17.2 The proposed contingency reserve is consistent with the GERC (MYT) Regulations, 2016. Accordingly, the Commission approves Rs. 0.60 Crore towards contingency reserve for FY 2024-25.

### 5.18 Non-Tariff Income

#### **Petitioner’s Submission:**

5.18.1 The Petitioner has projected Non-Tariff Income at Rs. 111.19 Crore for FY 2024-25 based on the actual of FY 2022-23 and stated that variation in actual non-tariff income except bad debt recovery shall be considered as uncontrollable during truing up exercise. The Petitioner has requested the Commission to approve the non-tariff income for FY 2024-25 as estimated.

#### **Commission’s Analysis:**

5.18.2 The Commission in the Tariff Orders had approved Non-Tariff Income for ensuing years equal to the actual Non-Tariff Income approved in the latest True-up. The Commission, accordingly, approves the Non-Tariff Income at Rs. 111.22 Crore for FY 2024-25 subject to true-up.

## 5.19 Aggregate Revenue Requirement (ARR) for FY 2024-25

### Petitioner’s Submission:

5.19.1 The Petitioner has projected the ARR for FY 2024-25 as given in the table below:

**TABLE 5-25 ARR PROJECTED BY PETITIONER FOR FY 2024-25 (Rs. CRORE)**

Particulars	Projected by Petitioner
Power Purchase	6,041.46
O&M Expense	429.21
Interest on Loans	272.59
Interest on Security Deposit	86.19
Interest on Working Capital	-
Depreciation	415.04
Bad Debts written off	4.51
Contingency reserve	0.60
Return on Equity	445.12
Income Tax	88.39
Less: Non-Tariff Income	111.19
<b>Net ARR</b>	<b>7,671.92</b>

### Commission’s Analysis:

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

**TABLE 5-26 ARR APPROVED IN RESPECT OF TPL-D (A) FOR FY 2024-25 (Rs. CRORE)**

Particulars	Projected by Petitioner	Approved by Commission
Power Purchase	6,041.46	5,452.57
O&M Expense	429.21	429.23
Interest on Loans	272.59	205.63
Interest on Security Deposit	86.19	86.19
Interest on Working Capital	-	-
Depreciation	415.04	374.09
Bad Debts written off	4.51	4.51
Contingency reserve	0.60	0.60
Return on Equity	445.12	418.05
Income Tax	88.39	88.52

Particulars	Projected by Petitioner	Approved by Commission
Less: Non-Tariff Income	111.19	111.22
<b>Net ARR</b>	<b>7,671.92</b>	<b>6,948.17</b>

## 5.20 Revenue from Sale of Power

### Petitioner's Submission:

5.20.1 The Petitioner has projected the revenue from sale of power at Rs. 7,727.29 Crore for FY 2024-25 considering the sales at existing tariff rates for different category of consumers. It is further submitted that the revenue from sale of power arrived at with existing tariff includes the revenue from FPPPA Charges at Rs. 3.91 per unit.

### Commission's Analysis:

5.20.2 In order to balance the interest of all stakeholders and to recover the cumulative gap of earlier years' and carrying cost, the Commission decides to revise and approve the base FPPPA for FY 2024-25 @ Rs. 3.39/kWh. Accordingly, the Commission considers the Revenue from sale of power at Rs. 7,294.95 Crore for FY 2024-25 with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @3.39/Unit).

## 5.21 Trued Up Net Revenue (Gap)/Surplus of FY 2022-23

5.21.1 The Commission has approved the net revenue gap in true up for FY 2022-23 including the gains/ losses shared on account of controllable and uncontrollable factors in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016. The Commission has also considered earlier years approved gap and also impact on ARR due to review petition of the Petitioner, which is mentioned in the previous Chapter. It is found that the Commission

has calculated/computed an amount of Rs. 202.14 Crore as Gap for the TPL-D(A) for FY 2022-23.

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

5.21.3 As stated above, the Gap approved for true-up of FY 2022-23 is Rs. 202.14 Crore and the related carrying cost @ 7.80% (weighted average of SBI MCLR rate of FY 2022-23) for two years is worked out as Rs. 31.53 Crore.

5.21.4 The Commission, accordingly, will consider the trued-up Revenue Gap of Rs. 233.67 Crore for FY 2022-23 which is inclusive of carrying cost. The same will consider for determination of tariff for FY 2024-25.

## **5.22 Revenue (Gap)/Surplus for FY 2024-25**

5.22.1 The Commission has approved the ARR at Rs. 6,948.17 Crore and revenue from sale of power at Rs. 7,294.95 Crore with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @3.39/Unit).

5.22.2 The Commission has approved revenue gap of Rs. 233.67 Crore for FY 2022-23 after considering the Carrying cost, which is elaborated in the above sections.

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

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2024-25	7,671.92	6,948.17
Revenue from Sale of Power	7,727.79	7,294.95
<b>Revenue (Gap)/Surplus for FY 2024-25</b>	<b>55.87</b>	<b>346.78</b>
Add: Revenue (Gap)/Surplus approved for FY 2022-23	(909.09)	(202.14)
Add: Carrying cost on above (gap)/surplus	(250.08)	(31.53)
<b>Net (Gap)/Surplus for FY 2024-25</b>	<b>(1,103.30)</b>	<b>113.11</b>

5.22.4 Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 113.11 Crore as against Rs. 1,103.20 Crore Gap as proposed by the Petitioner for FY 2024-25.

## Chapter 6: Compliance of Directives

### 6.1 Earlier Directives

#### **Directive No. 1 Long-Term Power Procurement Plan along-with RPO Commitments**

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

#### **Petitioner's Compliance:**

The Petitioner submits that regarding RPO fulfilment, the Petitioner has already tied up 450 MW solar power through bidding process. The project is expected to be commissioned during FY 2024-25. Further, the Petitioner is also in the process of inviting bids for tying up 300 MW wind-solar hybrid power. Accordingly, the Petitioner will update the Hon'ble Commission based on development of same.

#### **Commission's Comment:**

The Commission has noted the submission and reiterates the directive.

### 6.2 New Directives

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

In compliance to the MOP Rules and CEA Regulations, the Petitioner has proposed to initiate installation of smart meters in phased manner in its license area during FY 2024-25.

#### **Petitioner's Compliance:**

The Petitioner submitted that in compliance of MOP Rules and CEA Regulations, the Petitioner has proposed to initiate the installation of smart meters in phased manner in its license area during FY 2024-25.

**Commission's Comment:**

The Commission has noted the submission and directs TPL to submit the detailed plan in next year tariff filing exercise.





## Chapter 7: Fuel and Power Purchase price Adjustment

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

$$FPPPA = [(PPCA-PPCB)]/[100-Loss \text{ in } \%]$$

Where,

PPCA	is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the power purchase agreements in Rs./kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs./kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.
Loss in %	is the weighted average of the approved level of Transmission and Distribution losses (%) for the four DISCOMs / GUVNL and TPL applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for four DISCOMs / GUVNL and TPL of the previous year for which true-up have been done by the Commission, whichever is lower.

7.1.2 The Commission has approved the total energy requirement and the total Power Purchase Cost for TPL-D (A), from the various sources for FY 2024-25 in this Order as given in the Table below:

**TABLE 7-1 APPROVED POWER PURCHASE COST PER UNIT FOR FY 2024-25**

Particulars	Total Energy Requirement (MU)	Approved Power Purchase Cost (Rs. Crore)	Power Purchase Cost/Unit (Rs./kWh)
FY 2024-25	12,978.83	8,039.99	6.19

- 7.1.3 As mentioned above the base Power Purchase cost for TPL-D (A) is Rs. 6.19 per kWh.
- 7.1.4 As the Base Power Purchase Price (PPCB) of Rs. 5.55 per Unit in FY 2023-24 has been shifted to Rs. 6.19 per Unit for FY 2024-25, Accordingly, the Base FPPPA charge is shifted from Rs. 2.71 per Unit to Rs. 3.39 per Unit (after netting off with T&D losses). Therefore, the Commission has decided to approve the Base FPPPA charges at Rs. 3.39 per Unit for TPL-D (A) in FY 2024-25.
- 7.1.5 Information regarding FPPPA recovery and the FPPPA calculation shall be kept on the website of TPL.
- 7.1.6 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.

## Chapter 8: Wheeling Charges and Cross-Subsidy Surcharge

### 8.1 Wheeling Charges

#### Petitioner's Submission:

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

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

**TABLE 8-1 ALLOCATION MATRIX FOR SEGREGATION SUBMITTED BY TPL-D (A)**

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

8.1.3 Based on the above allocation matrix TPL-D (A) has segregated the ARR of Ahmedabad Supply Area for Wires and Supply business as under:

**TABLE 8-2 SEGREGATION OF ARR INTO WIRES AND SUPPLY BUSINESS FOR FY 2024-25 (Rs. CRORE)**

Particulars	Wire Business	Retail Business
Power Purchase Expenses	-	6,041.46
Employee Expenses	94.50	63.00
A&G Expenses	64.21	64.21
R&M Expenses	128.96	14.33
Depreciation	373.54	41.50
Interest on Long Term Loans	245.33	27.26
Interest on Working Capital	-	-
Interest on Security Deposit	8.62	77.57
Bad Debts Written off	-	4.51
Income Tax	79.55	8.84
Contribution to Contingency Reserve	0.60	-
Return on Equity	400.61	44.51
Non-Tariff Income	11.12	100.07
Aggregate Revenue Requirement	1,384.80	6,287.13

8.1.4 The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge for FY 2024-25.

**Commission’s Analysis:**

8.1.5 The Commission, in order to compute the Wheeling Charges and Cross-Subsidy Surcharge, has considered the allocation matrix between the Wheeling and Retail Supply Business as per the GERC (MYT) Regulations, 2016.

8.1.6 Based on the ARR approved by the Commission, the allocation matrix thereof as provided in the GERC (MYT) Regulation, 2016, the ARR approved for Wires and Retail Supply Business for FY 2024-25 is shown in the Table below:

**TABLE 8-3 APPROVED SEGREGATION OF ARR FOR FY 2024-25 (Rs. CRORE)**

Particulars	ARR Approved	Wire Business	Retail Business
Power Purchase Expenses	5,452.57		5,452.57
Employee Expenses	156.81	94.09	62.73
A&G Expenses	129.12	64.56	64.56
R&M Expenses	143.29	128.96	14.33

Particulars	ARR Approved	Wire Business	Retail Business
Depreciation	374.09	336.38	37.41
Interest on Long Term Loans	205.63	185.07	20.56
Interest on Working Capital	-	-	-
Interest on Security Deposit	86.19	8.62	77.57
Bad Debts Written off	4.51	-	4.51
Income Tax	88.52	79.67	8.85
Contribution to Contingency Reserve	0.60	0.60	-
Return on Equity	418.05	376.24	41.80
Non-Tariff Income	111.22	11.12	100.10
Aggregate Revenue Requirement	6,948.17	1,263.37	5,684.80

## 8.2 Determination of Wheeling Charge

### Petitioner's Submission:

8.2.1 TPL-D (A) has submitted that the sales to the LT category are negligible. Hence, it has not segregated the wheeling ARR into LT and HT category. The wheeling charges for FY 2024-25 are submitted as below:

Particulars	Projected by Petitioner
ARR of Wheeling Business (Rs. Crore)	1,384.80
Sales (MU)	8,345.06
Wheeling Charges (Rs./kWh)	1.66

8.2.2 TPL-D (A) further submitted that the Open Access consumers will also have to bear the wheeling Losses in addition to wheeling charges at 4.00% for HT category and 6.70% LT Category.

### Commission's Analysis:

8.2.3 It has been observed that the Petitioner has proposed the combined wheeling charges of HT and LT level as per the Notification dtd. 10.01.2024 of the MoP, GoI. Subsequently, the MoP, GoI vide Notification dtd. 17.01.2024 has specified that the appropriate Commission may determine the wheeling charges at different voltage levels, separately. Accordingly, the Commission has

determined the wheeling charges for HT level and LT level respectively. The Commission has determined the ARR of the Wires Business for FY 2024-25 in the earlier section, as Rs. 1,263.37 Crore. The ARR is apportioned between the HT and LT Voltage level in the ratio of 62.05:37.95, which is the ratio of GFA of HT:LT for FY 2022-23. The system peak demand for TPL-D (A) for FY 2024-25 will be 1900 MW. The contract demand for all the HT consumers is about 846 MW. Assuming that 85% of the contract demand of HT consumers contributes to the system peak demand, the HT demand contributing to the system peak works out to 719.10 MW. The balance contribution to the system peak has been considered against LT demand, which works out to 1,180.90 MW.

8.2.4 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. Accordingly, the Wheeling Charge determined in terms of Rs/kWh is shown in the table below:

**TABLE 8-4 WHEELING CHARGES FOR TPL-D (A) FOR FY 2024-25**

Particulars	Approved by the Commission
First level of Segregation of ARR (Rs. Crore)	
HT Voltage	783.89
LT Voltage	479.48
Total	1,263.37
Second Level Segregation of ARR (Rs. Crore)	
HT Voltage	296.68
LT Voltage	966.69
Total	1,263.37
Wheeling Charge (in Rs/ kWh)	
HT Voltage	1.35
LT Voltage	1.57

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

8.2.6 The Commission approves the following losses for Open Access consumers in addition to the wheeling charges:

**TABLE 8-5 WHEELING LOSSES APPROVED FOR TPL-D (A) FOR FY 2024-25**

Category	Wheeling Loss (%)
HT Category	3.50%
LT Category	3.74%

### 8.3 Cross-Subsidy Surcharge

#### Petitioner’s Submission:

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

**TABLE 8-6 PROPOSED CROSS SUBSIDY SURCHARGE FOR FY 2024-25**

Particulars	HTMD-1	HTMD-2	HTMD-Metro
T – Tariff in Rs/ kWh	9.86	10.36	9.16
PPC – Average cost of power Purchase in Rs/ kWh	7.03	7.03	7.03
Avg W –Average Wheeling charges for HT category in Rs/ kWh	1.66	1.66	1.66
<b>Cross subsidy surcharge in Rs/ kWh</b>	<b>1.18</b>	<b>1.67</b>	<b>0.47</b>

Particulars	RGP	NRGP	LTMD-1	LTMD-2	GLP
T – Tariff in Rs/ kWh	8.15	9.75	9.87	10.18	8.67
PPC – Average cost of power Purchase in Rs/ kWh	7.23	7.23	7.23	7.23	7.23
Avg W –Average Wheeling charges for LT category in Rs/ kWh	1.66	1.66	1.66	1.66	1.66
<b>Cross subsidy surcharge in Rs/ kWh</b>	-	<b>0.86</b>	<b>0.98</b>	<b>1.29</b>	-

#### Commission’s Analysis:

8.3.2 The Hon’ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued Tariff Policy, 2016 wherein the formula for Cross Subsidy Surcharge is given 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

8.3.3 Accordingly, the Commission has determined the Cross-Subsidy Surcharge based on the above formula as shown in the Table below:

**TABLE 8-7 APPROVED CROSS SUBSIDY SURCHARGE FOR FY 2024-25**

Particulars	HTMD-1	HTMD-2	HTMD-Metro
T – Tariff in Rs/ kWh	9.34	9.84	8.64
PPC – Average cost of power Purchase in Rs/ kWh	6.19	6.19	6.19
Avg W –Average Wheeling charges for HT category in Rs/ kWh	1.35	1.35	1.35
<b>Cross subsidy surcharge in Rs/ kWh</b>	<b>1.58</b>	<b>2.07*</b>	<b>0.87</b>

Particulars	RGP	NRGP	LTMD-1	LTMD-2	GLP
T – Tariff in Rs/ kWh	7.63	9.23	9.35	9.66	8.15
PPC – Average cost of power Purchase in Rs/ kWh	6.19	6.19	6.19	6.19	6.19
Avg W –Average Wheeling charges for LT category in Rs/ kWh	1.57	1.57	1.57	1.57	1.57
<b>Cross subsidy surcharge in Rs/ kWh</b>	<b>-</b>	<b>1.23</b>	<b>1.34</b>	<b>1.65</b>	<b>0.14</b>

\* 20% of the Average Cost of Supply for HTMD-2 is Rs. 1.79 per Unit.

Further, According to Rule 13 of the Electricity (Amendment) Rules, 2022 as notified by Ministry of Power, GoI, 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 below the 20% of the Average Cost of Supply except HTMD-2.

Accordingly, the Commission approves Cross Subsidy Surcharges for HTMD-1 as Rs.1.58/kWh, for HTMD-2 as Rs.1.79/kWh, for HT-Metro as Rs.0.87/kWh, NIL for RGP,



Rs. 1.23/ kWh for Non-RGP, Rs. 1.34/ kWh for LTMD-I, Rs. 1.65/ kWh for LTMD-II and Rs. 0.14/ kWh for GLP.

#### **8.4 Additional Surcharge**

##### **Petitioner’s Submission:**

8.4.1 The Petitioner has submitted that as per Regulation 25 of the GERC (Terms & Conditions of Intra-State Open Access) Regulations, 2011, the OA consumer will also be required to pay an Additional Surcharge as per Section 42 (4) of the Electricity Act, 2003.

##### **Commission’s Analysis:**

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

## Chapter 9: Tariff Philosophy and Tariff Proposals

### 9.1 Introduction

9.1.1 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 GERC (MYT) Regulations, 2016 notified by the Commission.

9.1.2 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.

### 9.2 Proposal of TPL for increase in Retail Tariffs for FY 2024-25

9.2.1 The Petitioner has submitted that the cumulative (gap)/surplus for FY 2022-23, FY 2024-25 and carrying cost are computed as detailed in the earlier chapters. The Petitioner has proposed to recover the accumulated (gap)/surplus by way of regulatory surcharge @0.44/kWh over the period of three years starting from 1st April, 2024 along with adjustment for deferment of recovery.

### 9.3 Commission's Ruling on Retail Tariffs for FY 2024-25

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

9.3.2 However, as discussed earlier, the Commission has approved a cumulative revenue surplus of Rs. 113.11 Crore during FY 2024-25 in Chapter 5. It has been observed that the Petitioner has filed reviews/Appeals in various forums related to past year gaps and carrying costs, which are at the different stages. Further, the revenue gap/surplus may vary at the time of truing-up ARR for FY 2024-25, when actuals as per audited annual accounts are available. Therefore, the Commission decides to continue with the existing tariff structure and retained the category-wise tariff at the same level.

#### 9.4 Green Tariff

9.4.1 The Petitioner has proposed to continue “Green Tariff” of Rs. 1.50 per unit over and above tariff for respective category of consumer for FY 2024-25.

9.4.2 The Commission has noted that the petitioner has proposed the Green Tariff at the rate of Rs. 1.50 per Unit for FY 2024-25. Considering various aspects and in line with approach followed in the previous tariff order, the Commission decides to fix the Green Tariff as additional rate of Rs. 1.00 per Unit for Torrent Power Ltd. (A 'bad & Gandhinagar) license area for FY 2024-25, which is optional and available for consumers who want to avail green power for meeting their requirement by payment of Green Power Tariff over and above the normal tariff applicable to the respective category as per Tariff Order.

- 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.

## COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement for TPL-D (A) for FY 2024-25, as shown in the Table below:

### Approved ARR for TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved by Commission
Power Purchase Cost	5,452.57
O&M Expense	429.23
Interest on Loans	205.63
Interest on Security Deposit	86.19
Interest on Working Capital	-
Depreciation	374.09
Bad Debts written off	4.51
Contingency reserve	0.60
Return on Equity	418.05
Income Tax	88.52
Less: Non-Tariff Income	111.22
<b>Net ARR</b>	<b>6,948.17</b>

The retail supply tariffs for TPL-D (A) determined by the Commission are annexed to this Order and it shall come into force with effect from 1<sup>st</sup> June 2024.

-Sd-  
**S. R. Pandey**  
Member

-Sd-  
**Mehul M. Gandhi**  
Member

-Sd-  
**ANIL MUKIM**  
Chairman

Place: Gandhinagar

Date: 01.06.2024

**ANNEXURE: TARIFF SCHEDULE**  
**TARIFF SCHEDULE FOR AHMEDABAD – GANDHINAGAR LICENSE AREA OF**  
**TORRENT POWER LIMITED – AHMEDABAD**  
**TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND**  
**EXTRA HIGH TENSION**  
**Effective from 1<sup>st</sup> June 2024**

**GENERAL CONDITIONS**

1. This tariff schedule is applicable to all the consumers of TPL in Ahmedabad and Gandhinagar area.
2. All these tariffs for power supply are applicable to only one point of supply.
3. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
4. The charges specified in the tariff are on monthly basis, TPL shall adjust the rates according to billing period applicable to consumer.
5. The various provisions of the GERC (Licensee’s power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
6. Conversion of Ratings of electrical appliances and equipments 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.
7. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horsepower or kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
8. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.

9. Contract Demand shall mean the maximum kW for the supply of which TPL undertakes to provide facilities to the consumer from time to time.
10. Maximum Demand in a month means the highest value of average kW as the case may be, delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.
11. 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.
12. 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.
13. The energy bills shall be paid by the consumer within 14 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 to the date of payment of bill.
14. Fuel Price and Power Purchase Adjustment (FPPPA) charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.
15. Statutory Levies: These tariffs are exclusive of Electricity Duty, Tax on Sales of Electricity, 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.
16. 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 TPL shall be entitled to take any other action deemed necessary and authorized under the Act.

#### 17. 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: RGP**

This tariff is applicable to supply of electricity for:

- i. residential purpose, and
- ii. Installations having connected load up to and including 15 kW for common services like elevators, water pumping systems, passage lighting in residential premises and pumping stations run by local authorities.

**1.1. FIXED CHARGE**

**For Other than BPL consumers**

(a)	Single Phase Supply	Rs. 25 per month per installation
(b)	Three Phase Supply	Rs. 65 per month per installation

**For BPL household consumers\***

(a)	Fixed Charges	Rs. 5 per month per installation
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**1.2. ENERGY CHARGE**

**For Other than BPL consumers**

(a)	First 50 units consumed per month	320 Paise per Unit
(b)	For the next 150 units consumed per month	395 Paise per Unit
(c)	Remaining units consumed per month	500 Paise per Unit

**For BPL household consumers\***

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

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



**2. RATE: GLP**

Applicable for supply of electricity to ‘other than residential’ premises used for charitable purposes like: public hospitals, dispensaries, educational and research institutions and hostels attached to such institutions, youth hostels run by Government, religious premises exclusively used for worship or community prayers, electric crematorium etc. Such premises should be in the use of ‘Public Trust’ as defined under section 2(13) of the Bombay Public Trust Act, 1950.

**2.1. FIXED CHARGE**

(a)	Single Phase Supply	Rs. 30 per month per installation
(b)	Three Phase Supply	Rs. 70 per month per installation

**2.2. ENERGY CHARGE**

(a)	First 200 units consumed per month	410 Paise per Unit
(b)	Remaining units consumed per month	480 Paise per Unit

**3. RATE: NON-RGP**

Applicable for supply of electricity to premises which are not covered in any other LT tariff categories, up to and including 15 kW of connected load.

Consumers covered in this category can also opt for tariff rates covered in “Rate: LTMD-2”.

**3.1. FIXED CHARGE**

(a)	For installations having Connected Load up to and including 5 kW	Rs. 70 per kW per month
(b)	For installations having Connected Load more than 5 kW and up to 15 kW	Rs. 90 per kW per month

**3.2. ENERGY CHARGE**

A flat rate of	460 Paise per Unit
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**4. RATE: LTP (AG)**

Applicable to motive power installations for agricultural purposes

#### 4.1. ENERGY CHARGE

A flat rate of	340 Paise per Unit
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#### 4.2. MINIMUM CHARGE

Minimum Charge per BHP of Connected Load	Rs. 10 per BHP per Month
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Note:

1. The agricultural consumers shall be permitted to utilize one bulb or CFL up to 40 watts in the Pump House. Any further extension or addition of load will amount to unauthorized extension.
2. No machinery other than pump for irrigation will be permitted under this tariff.

#### 5. Rate: LTMD-1

Applicable for supply of electricity to installations above 15 kW of connected load used for common services like elevators, water pumping systems and passage lighting for residential purpose and pumping stations run by local authorities.

##### 5.1. FIXED CHARGE

1. For Billing Demand up to and including Contract Demand

(a)	First 50 kW of Billing Demand per month	Rs. 150 per kW
(b)	Next 30 kW of Billing Demand per month	Rs. 185 per kW
(c)	Rest of Billing Demand per month	Rs. 245 per kW

2. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 350 Per kW
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR
- iii. 6 kW

Whichever is the highest.

## 5.2. ENERGY CHARGE

(a)	For Billing Demand up to and including 50 kW	465 Paise per unit
(b)	For Billing Demand above 50 kW	480 Paise 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 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
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## 6. RATE: LTMD-2

Applicable for supply of electricity to premises which are not covered in any other LT tariff categories, having above 15 kW of connected load.

This tariff shall also be applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff.

### 6.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

(a)	First 50 kW of Billing Demand per month	Rs. 175 per kW
(b)	Next 30 kW of Billing Demand per month	Rs. 230 per kW
(c)	Rest of Billing Demand per month	Rs. 300 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 425 Per kW
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR

iii. 6 kW

Whichever is the highest.

## 6.2. ENERGY CHARGE

(a)	For Billing Demand up to and including 50 kW	480 Paise per unit
(b)	For Billing Demand above 50 kW	500 Paise per unit

## 6.3. 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
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## 7. RATE: SL

Applicable to lighting systems for illumination of public roads.

### 7.1. ENERGY CHARGE

A flat rate of	430 Paise per Unit
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### 7.2. OPTIONAL kVAh CHARGE

For all the kVAh units consumed during the month	335 Paise per Unit
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## 8. RATE: TMP

Applicable to installations for temporary requirement of electricity supply.

### 8.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 25 per kW per Day
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### 8.2. ENERGY CHARGE

A flat rate of	510 Paise per Unit
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**9. RATE: LT - Electric Vehicle (EV) Charging Stations**

This tariff is applicable to consumers who use electricity **EXCLUSIVELY** for electric vehicle charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, NRGP, LTMD etc.

**9.1. FIXED CHARGE**

Rs. 25 per month per installation
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**PLUS**

**9.2. ENERGY CHARGE**

Energy Charge	420 Paise per Unit
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**PART- II**  
**SUPPLY DELIVERED AT HIGH VOLTAGE**  
**(11000 VOLTS- THREE PHASE, 50 HERTZ)**

**10. RATE: HTMD-1**

Applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kW and above for purposes other than pumping stations run by local authorities.

**10.1. FIXED CHARGE**

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month for Billing demand up to 1000 kW	Rs. 260 per kW
Fixed Charge per kW of Billing Demand per Month for Billing demand 1000 kW and above	Rs. 335 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 385 per kW
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR
- iii. 100 kW

Whichever is the highest.

**10.2. ENERGY CHARGE**

(a)	First 400 units consumed per kW of Billing Demand per Month	455 Paise per unit
(b)	Remaining Units consumed per Month	445 Paise per unit

**10.3. TIME OF USE (TOU) CHARGE**

For the Consumption during specified hours as mentioned here below:	
(i)	For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs.
(ii)	For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.

(a) For Billing Demand up to 300 kW	80 Paise per Unit
(b) For Billing Demand Above 300 kW	100 Paise per Unit

#### 10.4. NIGHT TIME CONCESSION

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

#### 10.5. 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
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#### 11. RATE: HTMD-2

Applicable for supply of energy to Water and Sewage Pumping Stations run by local authorities and contracting for maximum demand of 100 kW and above.

##### 11.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month	Rs. 225 per kW
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B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 285 Per kW
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR
- iii. 100 kW

Whichever is the highest.

### 11.2. ENERGY CHARGE

A flat rate of	410 Paise per unit
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### 11.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below-	60 Paise per unit
(i) For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs.	
(ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	

### 11.4. NIGHT TIME CONCESSION

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

### 11.5. 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
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## 12. RATE: HTMD-3

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

### 12.1. FIXED CHARGE

For billing demand up to contract demand	Rs. 25/- per kW per day
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For billing demand in excess of contract demand	Rs. 30/- per kW per day
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR
- iii. 100 kW

Whichever is the highest.

## 12.2. ENERGY CHARGE

For all units consumed during the month	705 Paise/Unit
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## 12.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below-	60 Paise per unit
(i) For April to October period-1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs.	
(ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	

## 12.4. 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
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## 13. RATE: HTMD- METRO TRACTION

Applicable for supply of energy to Metro traction, contracting for maximum demand of 100 kW and above.

### 13.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

**Torrent Power Limited – Distribution (Ahmedabad)**  
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Fixed Charge per kW of Billing Demand per Month	Rs. 335 per kW
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**B. For Billing Demand in excess of the Contract Demand**

Fixed Charge per kW of Billing Demand per month	Rs. 385 Per kW
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Note: The Billing Demand will be taken as under:

- i. The Maximum Demand recorded during the month OR
- ii. 85% of the Contract Demand OR
- iii. 100 kW Whichever is the highest.

**13.2. ENERGY CHARGE**

A flat rate of	355 Paise/Unit
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**13.3. TIME OF USE (TOU) CHARGE**

For the Consumption during specified hours as mentioned here below-	60 Paise per unit
(i) For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs.	
(ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	

**13.4. NIGHT TIME CONCESSION**

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

**13.5. 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
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**14. RATE: NTCT (NIGHT TIME CONCESSIONAL TARIFF)**

This is night time concessional tariff for consumers for regular power supply who opt to use electricity EXCLUSIVELY during night hours between 22.00 hours and 06.00 hours next day.

**14.1. FIXED CHARGE**

Fixed Charges	30% of the Demand Charges under relevant Tariff Category
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**14.2. ENERGY CHARGE**

A flat rate of	350 Paise per unit
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**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 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
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**NOTE:**

- 15% of the contracted demand can be availed beyond the night hours prescribed as per para 14.0 above.
- 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14.0 above.
- In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTMD category demand charge rates given in para 10.1 of this schedule.
- In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTMD category energy charge rates given in para 10.2 of this schedule.
- In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant

*billing month shall be billed as per HTMD category demand charge and energy charge rates given in para 10.1 and 10.2 respectively, of this schedule.*

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

#### **15. RATE: 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-1, HTMD-2, HTMD-3 & NTCT.

##### **15.1. DEMAND CHARGE**

For billing demand up to contract demand	Rs. 25 per kW per Month
For billing demand in excess of contract demand	Rs. 50 per kW per Month

**PLUS**

##### **15.2. ENERGY CHARGE**

Energy Charge	410 Paise per Unit
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