

**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**



Tariff Order

Truing up for FY 2023-24

and

Approval of Multi-Year ARR for FY 2025-26 to FY 2029-30

and

Determination of Tariff for FY 2025-26

For

GIFT Power Company Limited

(GIFT PCL)

Case No. 2431 of 2024

31st March, 2025

**6th Floor, GIFT ONE, Road 5C, GIFT CITY
Gandhinagar-382335 (Gujarat), INDIA**



सत्यमेव जयते

GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

Tariff Order

Truing up for FY 2023-24

and

Approval of Multi-Year ARR for FY 2025-26 to FY 2029-30 and

Determination of Tariff for FY 2025-26

For

GIFT Power Company Limited

(GIFT PCL)

Case No. 2431 of 2024

31st March, 2025

CONTENTS

1. Background and Brief History	10
1.1. About Gujarat International Finance Tec-City Power Company Ltd. (GIFT PCL)	10
1.2. Commission's Order for Truing up for FY 2021-22 and Determination of ARR & Tariff for FY 2023-24.....	10
1.3. Commission's Order for Truing up for FY 2022-23 and Determination of ARR & Tariff for FY 2024-25.....	10
1.4. Background of the Present Petition	11
1.5. Registration of the Current Petition and Public Hearing Process.....	11
1.6. Approach of this Order.....	12
1.7. Contents of this Order.....	13
2. Summary of GIFT PCL's Petition	15
2.1. Introduction	15
2.2. True-up of FY 2023-24.....	15
2.3. Revenue Gap/(Surplus) for FY 2023-24.....	16
2.4. ARR for FY 2025-26 to FY 2029-30, Revenue for FY 2025-26, Revenue Gap and Tariff Proposal for FY 2025-26.....	16
2.5. Revenue Gap / (Surplus) for FY 2025-26	17
2.6. GIFT PCL's request to the Commission.....	17
3. Brief Outline of the Objections raised, Response from the Petitioner and the Commissions View	19
4. Truing up for FY 2023-24.....	20
4.1. Introduction	20
4.2. Energy Sales.....	20
4.3. Distribution Losses	21
4.4. Energy Requirement.....	23
4.5. Power Purchase Cost.....	23
4.6. Operation & Maintenance Expenses.....	34
4.7. Capital Expenditure, Capitalization and Funding of CAPEX.....	38
4.8. Depreciation.....	41
4.9. Interest and Finance Charges.....	42
4.10. Interest on Security Deposit.....	45
4.11. Interest on Working Capital	46
4.12. Return on Equity.....	47



4.13.	Income Tax	49
4.14.	Contingency Reserve	49
4.15.	Non-Tariff income	50
4.16.	Income from Other Business	51
4.17.	Revenue from Sale of Power	53
4.18.	Summary of Aggregate Revenue Requirement and sharing of Gains/ (Losses)	53
5.	Approval Of ARR For MYT Period FY 2025-26 to FY 2029-30	57
5.1.	Introduction	57
5.2.	Energy Sales.....	57
5.3.	Distribution Losses	63
5.4.	Energy Balance	64
5.5.	Energy Availability and Power Purchase Cost	66
5.6.	Operation & Maintenance Expenses.....	79
5.7.	Capital Expenditure, Capitalization and Funding of CAPEX	83
5.8.	Depreciation.....	92
5.9.	Interest and Finance Charges	94
5.10.	Interest on Security Deposit.....	97
5.11.	Interest on Working Capital	98
5.12.	Return on Equity.....	100
5.13.	Additional Rate of Return on Equity.....	101
5.14.	Return on Capital Employed.....	106
5.15.	Income Tax	107
5.16.	Contingency Reserve	108
5.17.	Non-tariff income	108
5.18.	Income From Other Business	109
	Petitioner's submission	109
5.19.	ARR for FY 2025-26 to FY 2029-30.....	111
6.	Determination of Tariff for FY 2025-26	113
6.1.	Introduction	113
6.2.	Net Revenue at Existing Tariff and Gap/ (Surplus) Analysis	113
7.	Compliance of Directives	116
7.1.	Earlier Directives	116
7.2.	Fresh Directives	117

8. Fuel and Power Purchase Adjustment Surcharge (FPPAS)	118
8.1. Fuel and Power Purchase Price Adjustment	118
9. Wheeling Charges and Cross Subsidy Surcharge.....	119
9.1. Wheeling Charges.....	119
9.2. Determination of Wheeling Charges	121
9.3. Cross Subsidy Surcharge.....	123
10. Tariff Philosophy and Tariff Proposal	126
10.1. Overall Approach.....	126
10.2. GIFT PCL's Tariff Proposal for FY 2025-26	126
10.3. Commission's Analysis.....	127
COMMISSION'S ORDER	129
TARIFF SCHEDULE FOR FY 2025-26.....	130
TARIFF SCHEDULE.....	130



LIST OF TABLES

Table 1-1: List of newspapers in which Public Notice was published by the Petitioner	12
Table 1-2: List of newspapers in which Public Notice was published by the Commission	12
Table 2-1: True-up ARR proposed by GIFT PCL for FY 2023-24	15
Table 2-2: Trued-up ARR as claimed for FY 2023-24	16
Table 2-3: ARR claimed for FY 2025-26 to FY 2029-30	16
Table 2-4: Revenue Gap / (Surplus) for FY 2025-26	17
Table 4-1: Energy Sales submitted by GIFT PCL for FY 2023-24	20
Table 4-2: Energy Sales approved by the Commission for FY 2023-24	21
Table 4-3: Reduction in Distribution Loss achieved over the years	21
Table 4-4: Distribution Losses (%) claimed for FY 2023-24	22
Table 4-5: Distribution Losses approved for FY 2023-24	22
Table 4-6: Energy Requirement claimed for FY 2023-24	23
Table 4-7: Energy Requirement approved for FY 2023-24	23
Table 4-8: Power Purchase Quantum claimed for FY 2023-24	24
Table 4-9: Power Purchase Quantum and cost approved for FY 2023-24	30
Table 4-10: Power Purchase Cost approved for FY 2023-24	31
Table 4-11: Gains / (Losses) on account of Power Purchase Cost for FY 2023-24	31
Table 4-12: RPO Compliance in FY 2023-24	33
Table 4-13: Operation and Maintenance Expenses claimed for FY 2023-24	34
Table 4-14: Operation and Maintenance Expenses approved for FY 2023-24	37
Table 4-15: Gains / (Losses) on account of O&M Expenses for FY 2023-24	38
Table 4-16: Capital Expenditure, Capitalization and Funding claimed for FY 2023-24	38
Table 4-17: Capital Expenditure, Capitalization and Funding Approved for FY 2023-24	40
Table 4-18: Depreciation claimed for FY 2023-24	41
Table 4-19: Depreciation approved for FY 2023-24	42
Table 4-20: Gains / (Losses) on account of Depreciation for FY 2023-24	42
Table 4-21: Interest and Finance Charges claimed for FY 2023-24	43
Table 4-22: Interest and Finance Charges approved for FY 2023-24	44
Table 4-23: Gains / (Losses) on account of Interest and Finance Charges for FY 2023-24	45
Table 4-24: Interest on Security Deposit claimed for FY 2023-24	45
Table 4-25: Interest on Security Deposit approved for FY 2023-24	45
Table 4-26: Gains / (Losses) on account of Interest on Security Deposit for FY 2023-24	46
Table 4-27: Interest on Working claimed for FY 2023-24	46
Table 4-28: Interest on Working Capital approved for FY 2023-24	47
Table 4-29: Return on Equity claimed for FY 2023-24	47
Table 4-30: Return on Equity approved for FY 2023-24	48
Table 4-31: Gains / (Losses) on account of Return on Equity for FY 2023-24	49
Table 4-32: Contribution to Contingency Reserve claimed for FY 2023-24	49
Table 4-33: Contribution to Contingency Reserve approved for FY 2023-24	49
Table 4-34: Gains / (Losses) on account of Contribution to Contingency Reserves for FY 2023-24 ..	50
Table 4-35: Gains / (Losses) on account of Non-Tariff Income for FY 2023-24	51
Table 4-36: ARR claimed for FY 2023-24	53



Table 4-37: Trued up ARR claimed for FY 2023-24	54
Table 4-38: ARR approved along with impact of Controllable/ Uncontrollable Factors for FY 2023-24	55
Table 4-39: Trued up ARR approved for FY 2023-24.....	55
Table 4-40: Consolidated Revenue Gap / (Surplus) for FY 2023-24.....	56
Table 5-1: Energy Sales Projections for the Control Period.....	60
Table 5-2: Projections of Number of Consumers for FY 2025-26	61
Table 5-3: Energy Sales approved for control period	62
Table 5-4: Projection of Distribution Losses projected for FY 2025-26 to FY 2029-30.....	63
Table 5-5: Distribution losses approved for FY 2025-26 to FY 2029-30.....	64
Table 5-6: Energy Requirement projected for Control Period FY 2025-26 to FY 2029-30.....	64
Table 5-7: Energy Requirement approved for Control Period FY 2025-26 to FY 2029-30.....	66
Table 5-8: Power Procurement Quantum projected for FY 2025-26 to FY 2029-30.....	71
Table 5-9: Power Procurement Cost projected for FY 2025-26 to FY 2029-30	71
Table 5-10: Power Procurement Quantum Approved for the FY 2025-26 to FY 2029-30	76
Table 5-11: Source-wise Power Purchase Cost approved for FY 2025-26 to 2029-30.....	76
Table 5-12: RPO Notified by MoP on 20/10/2023	77
Table 5-13: RPO target Compliance projected for FY 2025-26 to FY 2029-30.....	77
Table 5-14: Proposed escalation factor for projecting the O&M Expenses for.....	80
Table 5-15: Operation and Maintenance Cost projected for control period	81
Table 5-16: Base O&M Expenses as on 31st March, 2019 approved.....	82
Table 5-17: Computation of Operation and Maintenance Expenses approved for FY 2025-26 and FY 2029-30.....	82
Table 5-18: Capex and Capitalisation projected for the Control Period	84
Table 5-19: Scheme wise Capital expenditure approved by Commission for FY 2025-26 to 2029-30	91
Table 5-20: Capitalization and its funding approved for FY 2025-26 to 2029-30.....	92
Table 5-21: Depreciation Projected for FY 2025-26 to FY 2029-30	92
Table 5-22: Depreciation approved for FY 2025-26 to FY 2029-30 on assets Capitalized UpTo 31st , March 2025	93
Table 5-23: Depreciation approved on assets added on and after 1st April 2025 for the FY 2025-26 to FY 2029-30	94
Table 5-24 Total Depreciation approved for FY 2025-26 to FY 2029-30.....	94
Table 5-25: Interest and Finance Charges projected for FY 2025-26 to FY 2029-30.....	95
Table 5-26: Interest on Loan approved for assets capitalized upto 31st March, 2025 for FY 2025-26 to FY 2029-30	97
Table 5-27: Interest on Security Deposit projected for FY 2025-26 to FY 2029-30	97
Table 5-28: Interest on Security Deposit approved for FY 2025-26 to FY 2029-30	98
Table 5-29: Interest on Working projected for FY 2025-26 to FY 2029-30	98
Table 5-30: Interest on Working Capital approved for FY 2025-26 to FY 2029-30.....	99
Table 5-31: Return on Equity projected for FY 2025-26 to FY 2029-30	100
Table 5-32: Return on Equity for assets capitalized upto 31st March,2025 approved for FY 2025-26 to FY 2029-30.....	101

Table 5-33 Performance Parameters for Additional RoE for Wire Business	102
Table 5-34 Performance Parameter for Additional RoE for Supply Business.....	104
Table 5-35 Return on Capital Employed Projected for FY 2025-26 to FY 2029-30.....	106
Table 5-36 Return on Capital Employed approved for FY 2025-26 to FY 2029-30.....	107
Table 5-37: Income tax projected for FY 2025-26 to FY 2029-30.....	107
Table 5-38: Contribution to Contingency Reserve Projected for FY 2025-26 to FY 2029-30.....	108
Table 5-39: Contribution to Contingency Reserve approved for FY 2025-26 to FY 2029-30.....	108
Table 5-40: Non-tariff Income projected for FY 2025-26 to FY 2029-30.....	109
Table 5-41: Non-tariff Income approved for FY 2025-26 to FY 2029-30.....	109
Table 5-42 Income From Other Business approved for FY 2025-26 to FY 2029-30.....	111
Table 5-43: ARR claimed for FY 2025-26 to 2029-30.....	111
Table 5-44: ARR approved for Control Period	112
Table 6-1: Revenue gap / (Surplus) with existing tariff for FY 2025-26.....	114
Table 6-2: Approved Consolidated Revenue Gap / (Surplus) for FY 2025-26	115
Table 9-1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner for FY 2025-26	119
Table 9-2: Allocation of ARR between Wheeling and Retail Supply as approved for GIFT PCL for FY 2025-26.....	120
Table 9-3: Wheeling Charges proposed by GIFT PCL for FY 2025-26	122
Table 9-4: Wheeling Charges as approved for GIFT PCL for FY 2025-26	123
Table 9-5: Cross Subsidy Surcharge as proposed by GIFT PCL for FY 2025-26	124
Table 9-6: Cross Subsidy Surcharge as approved for GIFT PCL for FY 2025-26.....	125

ABBREVIATIONS

A&G	Administrative and General Expenses
ARR	Aggregate Revenue Requirement
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
Control period	The period from FY 2025-26 to FY 2029-30
CTU	Central Transmission Utility
CWIP	Capital Work In Progress
DISCOM	Distribution Company
DPC	Delayed Payment Charges
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA/FAC	Fuel and Power Purchase Price Adjustment / Fuel Adjustment Charges
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Ltd.
GFA	Gross Fixed Assets
GIDC	Gujarat Industrial Development Corporation
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
MSW	Municipal Solid Waste
MUs	Million Units (Million kWh)
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PPA	Power Purchase Agreement
PPC	Power Purchase Cost
RLDC	Reginal Load Dispatch Centre
REC	Renewable Energy Certificate
R&M	Repairs and Maintenance
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SEZ	Special Economic Zone
SLC	Service Line Charges
STU	State Transmission Utility
SLDC	State Loan Dispatch Centre





**Before the Gujarat Electricity Regulatory Commission at
Gandhinagar**

Case No. 2431 of 2024

Date of the Order: 31st March, 2025

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S.R. Pandey, Member

ORDER



1. Background and Brief History

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

It is submitted that GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner'), is a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited incorporated under the provisions of the Companies Act, 1956 having its office at EPS Building No. 49A, Block No. 49, Zone-4, Gyan Marg, GIFT City, Gandhinagar-382355.

The Petitioner is engaged in power distribution business since March -2013 for GIFT City area.

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

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

The Petitioner had filed its Petition for Truing up for FY 2021-22 and determination of Tariff for FY 2023-24 on 22.12.2022. After technical validation the Petition was registered on 28.12.2022 as Case No. 2170 of 2022. The Commission vide Order dated 31.03.2023 approved the Truing up for FY 2021-22 and determined the ARR and Tariff for FY 2023-24.

1.3. Commission's Order for Truing up for FY 2022-23 and Determination of ARR & Tariff for FY 2024-25

The Petitioner had filed its Petition for Truing up for FY 2022-23 and determination of Tariff for FY 2024-25 on 09.01.2024. After technical validation the Petition was registered on 24.01.2024 as Case No. 2327 of 2024. The Commission vide Order dated 01.06.2024 approved the Truing up for FY 2022-23 and determined the ARR and Tariff for FY 2024-25.

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 and subsequently extended up to FY 2024-25. The 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).

Subsequently, the Commission has notified the GERC (MYT) Regulations, 2024 for the Control Period of FY 2025-26 to FY 2029-30. The Regulation 16.3.1 of the GERC (MYT) Regulations, 2024 provides for Truing up of FY 2023-24 in accordance with GERC (MYT) Regulations, 2016 determination of ARR for the Control Period from FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26 based on the principles and methodology as provided in the GERC (MYT) Regulation, 2024.

GIFT PCL, a Distribution Licensee, has filed the present Petition under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as the GERC (MYT) Regulations, 2016), for the True up of FY 2023-24 and under GERC (MYT) Regulation, 2024 for Approval of ARR for FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26.

1.5. Registration of the Current Petition and Public Hearing Process

The Petitioner has submitted the current Petition for approval of Truing up for FY 2023-24, Determination of ARR for MYT control period for FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26 on 30.11.2024. After technical validation of the Petition, it was registered on 16.12.2024 as Case No. 2431 of 2024 and as provided under Regulation 29.1 of GERC MYT Regulations, 2016 and Regulation 25.1 of GERC (MYT) Regulation 2024 the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, M/s Gift PCL was directed to issue public notice with regard to its application in newspapers to ensure wide public

participation for submission of objections / suggestions by the stakeholders on the present Petition.

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

Table 1-1: List of newspapers in which Public Notice was published by the Petitioner

Sr. No.	Name of the Newspaper	Language	Date of publication
1	The Times of India	English	21/12/2024
2	Divya Bhaskar	Gujarati	21/12/2024

The Petitioner also placed the public notice and the Petition on its (www.giftgujarat.in) 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 21.01.2025. Further, the Commission has also uploaded the Petition & Public Notices on its website (www.gercin.org) in downloaded format seeking objections and suggestions on the petition from the stakeholders.

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

Table 1-2: List of newspapers in which Public Notice was published by the Commission

Sr. No	Name of the Newspaper	Language	Date of publication
1	Indian Express	English	13/02/2025
2	Divya Bhaskar	Gujarati	13/02/2025
3	Gujarat Samachar	Gujarati	13/02/2025

The Commission has conducted public hearing on the Tariff petition for M/s GIFT PCL on 24.02.2025.

The Commission as well as the Petitioner have not received any objections / suggestions from any Stakeholders on the present Tariff Petition.

1.6. Approach of this Order

The GERC (MYT) Regulations, 2016 and GERC (MYT) Regulations, 2024 provides for “Truing up” of FY 2023-24 and GERC (MYT) Regulations, 2024 provides for determination of ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.

GIFT PCL has approached the Commission with the present Petition for “Truing up” of the FY 2023-24, approval of ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.

The Commission has undertaken the “Truing up” for FY 2023-24, based on the submissions of the Petitioner and in accordance with the provisions of GERC (MYT) Regulations, 2016. The Commission has undertaken the computation of gains and losses for FY 2023-24, based on the Annual Accounts and ARR for FY 2023-24 approved in the Tariff Order dated 31.03.2023 in Case No. 2170/2022.

For Truing up of FY 2023-24, 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 2023-24 has been considered and carried out in accordance with the principles and methodologies laid down in the GERC (MYT) Regulations, 2016.

Determination of ARR for FY 2025-26 to FY2029-30 and Tariff for FY 2025-26 has been considered as per the methodology and principles stipulated in the GERC (MYT) Regulations, 2024.

1.7. Contents of this Order

This Order consists of the following chapters:

- The **First Chapter** provides a brief background of the Petitioner, the Petition and details of the public hearing process and the approach adopted for this Order.
- The **Second Chapter** outlines the Summary of GIFT PCL’s Petition.
- The **Third Chapter** deals with the Objections and Suggestions.
- The **Fourth Chapter** deals with the Truing-up for FY 2023-24.

- The **Fifth Chapter** deals with the Determination of ARR for the control period from FY 2025-26 to FY 2029-30.
- The **Sixth Chapter** deals with the Determination of Tariff for FY 2025-26.
- The **Seventh Chapter** deals with the Directives of the Commission.
- The **Eighth Chapter** deals with Fuel and Power Purchase Adjustments Surcharge.
- The **Ninth Chapter** deals with determination of the Wheeling Charges and Cross-Subsidy Surcharge.
- The **Tenth Chapter** deals with the Tariff philosophy and Tariff proposal.

2. Summary of GIFT PCL's Petition

2.1. Introduction

This Chapter deals with highlights of the Petition as submitted by GIFT PCL for Truing up of FY 2023-24 and Approval of ARR for the control period from FY 2025-26 to 2029-30 and Determination of Tariff for FY 2025-26.

2.2. True-up of FY 2023-24

A summary of expenses under different heads of the ARR for Truing-up of FY 2023-24 compared with the approved ARR for FY 2023-24 in Tariff Order dated 31.03.2023 in Case No. 2170/2022 as submitted by GIFT PCL is presented in the Table below along with the item-wise computations for Gains/ Losses:

Table 2-1: True-up ARR proposed by GIFT PCL for FY 2023-24

(Rs. Crore)

Particulars	Approved	Actual	Deviation	Controllable	Uncontrollable
Power Purchase Expenses	31.37	27.80	3.57	-	3.57
Operation & Maintenance Expenses	3.71	6.49	(2.78)	-	(2.78)
Depreciation	1.48	5.79	(4.31)	-	(4.31)
Interest and Finance Charges (includes interest on consumer security deposits)	1.04	3.56	(2.52)	-	(2.52)
Interest on Working Capital	-	-	-	-	-
Bad Debts written off	-	-	-	-	-
Contribution to contingency reserves	0.11	-	0.11	-	0.11
Return on Equity Capital	1.01	4.77	(3.76)	-	(3.76)
Income Tax			0.00	-	0.00
Less: Non-Tariff Income	1.08	1.93	(0.85)	-	(0.85)
Less: Income from Other Business	-	0.07	(0.07)	-	(0.07)
Net Aggregate Revenue Requirement	37.64	46.41	(8.77)	-	(8.77)

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

The Table below summarizes the proposed ARR claimed by GIFT PCL for Truing up of FY 2023-24.

Table 2-2: Trued-up ARR as claimed for FY 2023-24

(Rs. Crore)		
Particulars	Legend	Actual Claimed
ARR Approved as per the Tariff Order dated 31.03.2023	A	37.64
Gains/(Losses) due to Uncontrollable Factors	B	(8.77)
Gains/(Losses) due to Controllable Factors	C	0.00
Pass through as Tariff	$D = -(1/3 \text{ of } c + b)$	8.77
Trued up ARR	E=A+D	46.41
Revenue	F	38.70
Gap/(Surplus) for FY 2023-24	G=E-F	7.71

2.4. ARR for FY 2025-26 to FY 2029-30, Revenue for FY 2025-26, Revenue Gap and Tariff Proposal for FY 2025-26

GIFT PCL has sought approval for final Aggregate Revenue Requirement for the control period from FY 2025-26 to FY 2029-30, as under:

Table 2-3: ARR claimed for FY 2025-26 to FY 2029-30

(Rs. Crore)					
Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	47.41	56.60	73.77	93.14	118.25
Operation & Maintenance Expenses	8.05	8.47	8.92	9.39	9.89
Depreciation	8.82	10.67	12.11	13.30	14.46
Interest and Finance Charges includes interest on consumer security deposits	4.20	3.67	3.15	2.63	2.11
Interest on Working Capital	-	-	-	-	-
Bad Debts written off	-	-	-	-	-
Contribution to contingency reserves	0.84	1.08	1.22	1.39	1.51
Total Revenue Expenditure	69.32	80.50	99.18	119.85	146.21
Return on Equity Capital	6.69	6.69	6.69	6.69	6.69
Return on Capital Employed	2.07	5.28	7.57	9.27	10.80
Less: Non-Tariff Income	1.93	1.93	1.93	1.93	1.93
Less: Income from Other Business	0.07	0.07	0.07	0.07	0.07
Net Aggregate Revenue Requirement	76.08	90.48	111.44	133.82	161.70

2.5. Revenue Gap / (Surplus) for FY 2025-26

The stand-alone Revenue Gap for FY 2025-26 as proposed by GIFT PCL is as follows:

Table 2-4: Revenue Gap / (Surplus) for FY 2025-26

		(Rs. Crore)
Sr. No.	Particulars	Claimed
1	ARR for FY 2025-26 [a]	76.08
2	Revenue from Existing Tariff for FY 2025-26 [b]	70.76
3	Revenue Gap / (Surplus) in FY 2025-26 [c=(a-b)]	5.32

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

2.6. GIFT PCL's request to the Commission

- a) To condone the delay, if any, occur in filing of the present petition;
- b) Admit the Petition for True-up of FY 2023-24, Determination of the Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30 and Tariff Determination for FY 2025-26;
- c) Approve the cumulative gap / surplus as requested after True-up of FY 2023-24;
- d) Approve the Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30;
- e) Approve Power Purchase Cost for the control period as proposed by the Petitioner;
- f) Approve O&M expenses for the control period, based on actual expenses, as proposed by the Petitioner;
- g) Approve FPPPA as applicable to GUVNL/ UGVCL from time to time;
- h) Approve Wheeling ARR and corresponding charges for wheeling of power;
- i) Approve Cross Subsidy Surcharges, if any;
- j) Approve introduction of appropriate regulatory charges to recover the losses of past period in ensuing year as deemed fit;
- k) Approve Tariff Schedule as proposed by the Petitioner;
- l) Allow additions/ alterations/ changes modifications to the application at a future date;
- m) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued;

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



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

In response to the public notice and conducting public hearing for inviting objections / suggestions on the petition filed by GIFT PCL for Truing up of FY 2023-24 under the GERC (MYT) Regulations, 2016 and Approval of ARR for FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26 under the GERC (MYT) Regulation, 2024, no any objections / suggestions received from the any stakeholders.

4. Truing up for FY 2023-24

4.1. Introduction

This Chapter deals with the Truing up for FY 2023-24 of GIFT PCL. The Commission has analyzed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2023-24 in the following paragraphs:

4.2. Energy Sales

Petitioner's submission

The Petitioner has submitted that the actual energy sales for FY 2023-24 are 44.37 MUs, as against the sales of 55.01 MUs approved in the Tariff Order dated 31st March, 2023. Petitioner has submitted the category wise actual energy sales for FY 2023-24 as shown in the Table below.

Table 4-1: Energy Sales submitted by GIFT PCL for FY 2023-24

Particulars	Approved in the Tariff Order	Actual Claimed
HTP I	41.34	32.46
HTP III	0.19	0.06
HT – EVCS	0.12	0.28
RGP	0.30	0.29
GLP	0.69	0.54
Non-RGP	2.79	2.69
LTMD	5.35	4.96
TMP	4.21	3.07
LT- EVCS	0.01	0.01
Total	55.01	44.37

The Petitioner has submitted that the deviation in energy sales is because of variation in occupancy and delay in construction of high-rise buildings. However, Petitioner has achieved the energy sales target of 80.65% against the projected energy sales during FY 2023-24. Also, it stated that the peak demand touched 9.64 MW during FY 2023-24.

The Petitioner has submitted that due to technical constraints, it has provided LT Metering to 21 Nos. of consumers out of 33 Nos. of consumers falling under HTP-1 Category in the High-Rise buildings. Also, a separate Petition (1875/2020) for Approval

of LT Metering and Billing for HTP-I Category Modification has been filed and pending before this Commission.

Commission's view

The Commission has verified the details of energy sales as submitted in the monthly return under Form A specified in Rule 6 (1) (A) filed by the Petitioner with the office of Chief Electrical Inspector and Collector of Electricity Duty. The energy sales for FY 2023-24 are approved as shown below:

Table 4-2: Energy Sales approved by the Commission for FY 2023-24 (MU)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	55.01	44.37	44.37

Accordingly, The Commission approves Energy Sales of 44.37 MUs for Truing up of FY 2023-24.

4.3. Distribution Losses

Petitioner's submission

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

The Petitioner has submitted that in FY 2023-24, the actual distribution losses were just 2.60% against approved distribution losses of 3.00%, which is lower than approved and lesser if compared with previous year actual loss figure. The Petitioner further submitted that the licensee has succeeded in bringing down the actual distribution losses from 6.37% in FY 2016-17 to 2.60% in FY 2023-24 as shown in table below:

Table 4-3: Reduction in Distribution Loss achieved over the years

Financial Year	Input Units at GIFT PCL periphery (MU)	Units sold (MU)	Losses (%)
2016-17 (actual)	9.10	8.52	6.37%
2017-18 (actual)	15.45	14.49	5.97%

Financial Year	Input Units at GIFT PCL periphery (MU)	Units sold (MU)	Losses (%)
2018-19 (actual)	18.48	17.45	5.56%
2019-20 (actual)	22.24	21.53	3.21%
2020-21 (actual)	21.21	20.54	3.21%
2021-22 (actual)	27.27	26.45	3.01%
2022-23 (actual)	37.64	36.49	3.06%
2023-24 (actual)	45.55	44.37	2.60%

Considering the decreasing trend, the Petitioner has requested the Commission to approve the actual Distribution Loss of 2.60% for the FY 2023-24 as shown in the Table below:

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

Particulars	Approved in the Tariff Order	Actual Claimed
Distribution Losses	3.00%	2.60%

Commission's view

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

The Energy sales are considered as 44.37 MU as approved by the Commission in the previous section which results in Distribution Losses of 2.60%. Commission observes that the Distribution Losses have reduced from 3.06% in FY 2022-23 to 2.60% in FY 2023-24.

Accordingly, the Commission approves Distribution Losses of 2.60% for Truing up of FY 2023-24 as shown below:

Table 4-5: Distribution Losses approved for FY 2023-24

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up (%)
Distribution Losses	3.00%	2.60%	2.60%

4.4. Energy Requirement**Petitioner's submission**

Petitioner has claimed energy requirement based on actual Energy sales and actual Distribution Losses as shown below:

Table 4-6: Energy Requirement claimed for FY 2023-24**(MU)**

Particulars	Approved in the Tariff Order	Actual Claimed
Energy Sales	55.01	44.37
Distribution Losses (%)	3.00%	2.60%
Distribution Losses (MU)	1.70	1.18
Total Energy Requirement	56.71	45.55

Commission's view

The Commission had approved the Distribution Losses at 3.00% for FY 2023-24 in the Tariff Order dated 31st March, 2023. The Commission has computed the Energy Requirement with Distribution Losses at 2.60% as approved for FY 2023-24 based on actual as given in the Table below:

Table 4-7: Energy Requirement approved for FY 2023-24**(MU)**

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	55.01	44.37	44.37
Distribution Losses (%)	3.00%	2.60%	2.60%
Distribution Losses	1.70	1.18	1.18
Total Energy Requirement	56.71	45.55	45.55

Accordingly, the Commission approves the total Energy Requirement of 45.55 MUs for Truing up of FY 2023-24.

4.5. Power Purchase Cost**Petitioner's submission**

The actual power purchase for FY 2023-24 is compared with the power purchase approved by the Commission. As per energy balance, the actual source wise purchase quantum and cost for FY 2023-24 as claimed by the Petitioner was 45.55 MU and Rs. 27.80 Crore respectively, which is shown in the Table below:

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

Sr. No	Particulars	Power Purchase Quantum (MUs)		Power Purchase Cost (Rs. Crores)	
		Approved	Actual	Approved	Actual
	Sources				
1.	Phillips Carbon / Other Genco (PTC)	25.29*	17.41	13.79	9.089
2.	Own Generation	1.82	-	0.42	-
3.	Power Exchange (Total Re + Conventional)		25.26		15.633
	(a) Power Exchange - IEX DAM	18.33	18.80	10.35	11.665**
	(b) IEX GDAM Solar	4.21	1.39	2.55	3.967
	(c) IEX GDAM Non-Solar	7.06	5.08	4.27	
4.	UI / DSM		2.88		2.871***
5.	PTC Trading Margin				0.204
	Total	56.71	45.55	31.37	27.798

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

** Including NOC application charges.

** Including reactive energy charges and RTDA bill.

The Petitioner has procured most of its electricity requirement through PTC (Bilateral Arrangement from M/s Phillips Carbon Black Limited-Mundra (PCBL) and M/s Shree Renuka Sugars Limited (SRSL)) by availing Medium Term Open Access (MTOA), whereas the short-term power requirement was procured on day ahead basis from Power Exchanges. The Petitioner has submitted the following justifications for the power purchase cost incurred:

- Petitioner has issued a fresh Work Order to PTC by optimizing fixed cost in FY 2022-23 in order to assist GIFT PCL in sourcing power from open market (Generators and Power Exchange) for a period of three year.
- Medium term PPA was executed with PCBL through PTC for base demand of 3 MW RTC basis for a period of 1 year.
- Medium term PPA was executed with SRSL for base demand of 2.5 MW RTC basis for a period of 1 year.
- The power requirement for variable demand has been procured from Power Exchanges on day ahead basis.
- Petitioner had purchased Renewable Energy from GDAM/GTAM Segments from

Power Exchanges on as and when required basis during FY 2023-24.

Power Procurement through PTC/PCBL under MTOA Booking: The Petitioner has submitted that it has purchased 3 MW RTC power from PTC/PCBL from July'2022 to June'2023. Under the mentioned PPA's, the Petitioner had to pay GETCO Transmission Charges and SLDC Scheduling & Operating charges as applicable from time to time. The Salient Features of the executed PPA's are given below:

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

The Petitioner further submitted that it has purchased 2.5 MW RTC power from M/S Shree Renuka Sugars under MTOA, during FY 2023-24. The Petitioner further submitted that PPA for the same was approved by Commission and the Salient features of the PPA are as under:

- The Contracted Quantum was 2.50 MW Round the Clock (RTC 00:00 Hours to 24:00 Hours) Power from 01.09.2023 to 31.08.2024 under Medium Term Open Access (MTOA) Booking.
- The Delivery Point for the contracted quantum is GETCO Periphery.
- The base PPA rate (tariff) at Delivery Point shall be Rs. 4.75 per kWh for the entire period.
- For the supply of power during a month, Renuka Sugar shall raise monthly energy bill for the power supplied in previous month based on the daily schedules indicated in Gujarat SLDC portal and State Energy Account Report issued by the Gujarat SLDC.
- any dispute pertaining to Power Purchase Agreement shall be referred to the Commission (GERC) for adjudication of disputes under Section 86 (1) (f) of the Electricity Act, 2003.
- Provisions according to Electricity (Late Payment Surcharge) Rules have been incorporated.

Accordingly, the average power procurement cost from MTOA was accounted at Rs 5.22 per unit at GIFT PCL Periphery during FY 2023-24.

Power Exchange: The Petitioner has submitted that based on the energy requirement in its license area, it has procured significant amount of energy through Power Exchange in short term. The Petitioner has tried to optimized the requirement and participated in the Day Ahead Market (DAM) in Indian Energy Exchange (IEX). The Petitioner had purchased power on 15-min time slot basis in DAM and tried to optimised the cost. Further, to meet its RPO target, the Petitioner has purchased the RE power through IEX in the Green Term Ahead Market (GTAM) and Green Day Ahead Market (GDAM). The average cost of power exchange purchase was Rs 6.19/kWh (Rs 6.13/kWh for RE segment and Rs 6.21/kWh for conventional segment).

UI/DSM: The Petitioner has submitted that it has tried to procure all the variable demand by forecasting day-ahead energy demand derived from past trends, but it is difficult to predict the exact power demand on 15 minutes time slot and the clearance of power in Power Exchanges depends on power market conditions. Hence, Deviation is an inherent phenomenon while procuring power from Open Access. Therefore, the

variations against schedule are settled under Deviation Settlement Mechanism (DSM) by SLDC, the quantum of deviation settled through DSM is very small (net: 2.88 MUs). The weekly settlement bill of DSM as raised by SLDC has been paid by the Petitioner. The average UI / DSM cost per unit was accounted at Rs. 9.97/Unit.

The Petitioner further submitted that due to all the efforts made by the Petitioner, the average power procurement cost was Rs. 6.10 per unit (based on Landed Cost at GIFT PCL Periphery) including PTC Trading Margin.

The petitioner submitted that the average power procurement cost has been almost intact during FY 2023-24 i.e. Rs. 6.10/unit due to following reasons:

- a) Russia-Ukraine War has led to increase in International Coal Prices and the Trading of Coal has been hampered due to high price.
- b) Unprecedented Increase in Power Demand across India was observed due to economic recovery, early onset of summers and intense heatwave in several states.
- c) Power prices discovered in Spot Market (Power Exchanges) have remained significantly higher and were trading at ceiling limits.

The Petitioner further submitted that due to the above-mentioned reasons, the variation in price of fuel and/or price of power purchase was beyond the control of the Petitioner, it shall be treated as Un-Controllable. Therefore, Petitioner requested to approve the power purchase on actual basis as per Audited Accounts.

Commission's View

The Commission has analyzed the Power Purchase Cost in detail in terms of various sources of power, quantum of energy procured and source-wise cost. Petitioner has procured most of the electricity quantum (38.22%) through PTC India from Philips Carbon Black Limited and Shree Renuka Sugars Limited under MTOA and balance quantum (55.46%) from power exchange whereas UI/DSM Quantum (6.32%).

With regard to power purchase from Philips Carbon Black Limited (PCBL), it is noted that the Petitioner had filed a separate petition for power purchase approval (01/07/2022 to 30/06/2023) and the same was registered as Petition No. 2124/2022. The Daily Order

for same was released on 28.07.2022, wherein 3 MW RTC power purchase was approved as interim arrangement for meeting the base demand requirements by executing a PPA with M/s PTC India for supply of 3 MW RTC power from the ultimate seller M/s Phillips Carbon Black Limited-Mundra at a PPA rate of Rs. 5.00/Unit under medium term open access.

It is observed that during April 2023 to June 2023, petitioner has purchased 6.12 MUs from Philips Carbon Black Limited at average Price of 5.40/Unit through PTC India Ltd which is inclusive of STU charges and impact of transmission losses, which amounts to Rs. 3.30 Crore.

Further, as the existing PPA with M/s PCBL was expired on 30/06/2023, for catering the base demand requirement of GIFT City licensee area, petitioner has executed a PPA with M/s Shree Renuka Sugars Limited (SRSL) for supply of 2.50 MW RTC power under Medium Term Open Access (MTOA) through PTC. Vide order dated 01/09/2023, the Commission had approved the aforesaid agreement with SRSL.

Accordingly, during September 2023 to March 2024, petitioner purchased 11.29 MUs for Rs. 5.79 Crore from M/s Shree Renuka Sugars Limited at average Price of 5.12/Unit through PTC India Ltd which is inclusive of STU charges and impact of transmission losses.

Accordingly, the petitioner has purchase total 17.41 MUs for amount of Rs. 9.09 Crore at average price of Rs. 5.22/unit inclusive of STU charges and impact of transmission losses under MTOA arrangement through PTC.

It is further noted that in order to comply with Solar and Non-Solar RPO, during FY 2023-24, petitioner has purchased total 6.47 MUs i.e. 1.39 MUs from IEX- GDAM (Solar) and 5.08 MUs from IEX- GDAM (non-Solar) for total cost of Rs 3.97 Crore, at average price of Rs. 6.13/unit.

To cater the balance demand of consumers of licensee area during FY 2023-24, the petitioner has also procured 18.80 MUs for total cost of Rs. 11.67 Crore from IEX-DAM

at average rate of 6.20/unit.

It is noted that under Deviation Settlement Mechanism (DSM), there is net drawal by the petitioner for quantum of 2.88 MU against which petitioner has paid Rs. 2.87 Crore, thus the average UI / DSM cost per unit was accounted at Rs 9.97 per unit.

The petitioner further submitted that it has paid trading margin of Rs. 0.204 Crore during FY 2023-24 for purchase of power under MTOA through PTC India Ltd under bilateral arrangement and from IEX.

On query from Commission regarding details of Delayed Payment Surcharge and Rebate, if any, the Petitioner has submitted that no Delayed Payments were made to Generators and also no rebates were availed during FY 2023-24.

With regard to power purchase cost, the petitioner was asked to reconcile its claim of Rs. 27.80 Crore with the figure appearing in Audited Accounts of Rs. 27.93 Crore for FY 2023-24, in response, the petitioner submitted that Power Purchase cost is comprising of Power purchase Expenses of Rs. 27.46 Crores and PTC (Fixed and Trading Margin) of Rs. 0.467 Crores. The petitioner further clarified that the Auditor has considered PTC Fixed Cost of Rs. 0.258 Crores in Note-17 (Purchase of Power) instead of Note-20 (Other Operating and Administrative Expenses) Whereas, amount of Rs. 0.204 Crores is towards trading margin paid to PTC India Ltd for purchase of power through MTOA and power exchange and therefore the said amount is claimed as part of power purchase cost for FY 2023-24.

Further, Petitioner also submitted that few SLDC invoices (i.e., UI/DSM, REC and RTDA) of FY 2023-24 were received after closing of Audited Accounts. Accordingly, while closing audited accounts of FY 2023-24 the amount of unreceived SLDC invoices was provisioned and therefore the said amount is claimed as part of power purchase cost for FY 2023-24. However, while reconciliation it was noted that amount of Rs. 0.129 Crores was accounted less in the provisioned amount while closing of Audited Accounts.

Therefore, the Petitioner has claimed the power purchase expenses as Rs. 27.80 Crores

(i.e. Rs 27.67 Crore plus Rs. 0.13 Crore).

It is observed from the above submission that the petitioner has excluded the figure of PTC consultancy fee of Rs. 0.258 Crore from power purchase cost as the same has been added in A&G Expenses for FY 2023-24. It is further observed that petitioner has claimed the provision of Rs. 0.129 Crore, which has not been accounted in Audited Accounts of FY 2023-24. Therefore, the Commission has not considered the amount of Rs. 0.129 Crore in the true up of FY 2023-24.

It is observed that out of total PTC (Fixed and Trading Margin) of Rs. 0.467 Crore as shown in Note 17 of Audited accounts, the petitioner has excluded Rs. 0.258 Crore towards PTC consultancy and claimed as part of A & G expenses whereas the remaining amount of Rs. 0.204 Crore towards PTC trading Margin has been claimed as part of power purchase expenses. The Commission has considered the PTC trading margin of Rs. 0.205 Crore while allowing the power purchase cost for FY 2023-24 whereas amount of Rs. 0.258 Crore paid to PTC for consultation charges is considered as part of A&G expenses.

Accordingly, the Commission approves the power purchase cost of Rs. Rs. 27.67 Crore (Rs.27.46 Crore plus trading margin of Rs. 0.204 Crore) as presented in the table below. The source wise power purchase approved in this order for FY 2023-24 are as presented below:

Table 4-9: Power Purchase Quantum and cost approved for FY 2023-24

Sr. No.	Particulars	Power Purchase Quantum (MUs) and Cost (Rs in Crore)		
		Quantum (MUs)	Cost (Rs in Crore)	Per Unit
	Sources			
1.	Phillips Carbon / Other Genco (PTC)	17.41	9.09	5.22
2.	Solar Generation	-	-	-
3.	Power Exchange	25.26	15.63	6.19
3 (a)	Power Exchange - IEX DAM	18.80	11.67	6.20
3 (b)	IEX GDAM (Solar)	1.39	3.97	6.13
3 (c)	IEX GDAM (Non-Solar+Hydro)	5.08		

Sr. No.	Particulars	Power Purchase Quantum (MUs) and Cost (Rs in Crore)		
4.	UI / DSM Plus SLDC, RTDA CHARGES etc.	2.88	2.87	
5.	PTC Trading Margin		0.20	
	Total	45.55	27.80	
6	Less: Amount not accounted in Audited Accounts of FY 2023-24 but claimed as part of power purchase cost in the petition		0.13	
	Total	45.55	27.67	6.07

Accordingly, the Commission approves total Power Purchase Cost of Rs. 27.67 Crore for Truing up of FY 2023-24 as under:

Table 4-10: Power Purchase Cost approved for FY 2023-24

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Allowed
Total	31.37	27.80	27.67

Considering the approved Power Purchase Cost of Rs. 27.67 Crore for the approved energy procurement of 45.55 MU, the per unit Power Purchase Cost works out to Rs. 6.07 /kWh.

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

Table 4-11: Gains / (Losses) on account of Power Purchase Cost for FY 2023-24

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable	Gains / (Losses) due to Uncontrollable factor
Total Power Purchase cost	31.37	27.67	3.70	-	3.70

RPO COMPLIANCE**Petitioner's submission**

The Petitioner has submitted that for meeting the solar procurement obligation for FY 2023-24, the Petitioner has considered electricity generated from the installed rooftop solar projects by its consumers under Net-Metering Arrangement in its licensee area and power purchase through G-TAM /G-DAM segments for wind and hydro obligation. For, others the Petitioner has considered power from waste to energy plant in accordance with Commission order on Determination of Generic Tariff and other terms and conditions for Procurement of Power by Distribution Licensees from Municipal Solid Waste to Energy Projects in the State of Gujarat (Order No. 02 of 2024). According to the above, the Petitioner has received a bill (Debit Note dated 04.10.2024) from GUVNL regarding payment for waste to energy purchase for FY 2023-24 and April 2023 to June 2024 period. The bill received from GUVNL provides that during FY 2023-24, 8458 Units have been allocated to the Petitioner towards RPO Attributes for FY 2023-24. The Petitioner has considered the said quantum under Other RPO.

The Petitioner has further stated that it has achieved target of 15.87% instead of specified target of 18.70% during FY 2023-24 and will file a separate petition regarding compliance of RPO, wherein the Petitioner will request to revise the RPO target

Commission's View

The Commission has noted that the RPO target fixed for FY 2023-24 was 18.70% for which Petitioner had to procure 8.52 MU whereas the Petitioner has mitigated only 7.23 MU. The Petitioner has also considered electricity generated from rooftop solar projects installed by its consumers under net-metering arrangement towards solar RPO compliance and procurement through Power Exchange (Solar G-TAM/G-DAM). The Petitioner has met the non-solar and other category of RPO obligation by procuring electricity through Power Exchange (Non-Solar and Hydro G-TAM/G-DAM) and RE attributes of waste to energy in accordance with Commission order on Determination of Generic Tariff and other terms and conditions for Procurement of Power by Distribution Licensees from Municipal Solid Waste to Energy Projects in the State of

Gujarat (Order No. 02 of 2024).

The details of RPO compliance for FY 2023-24 are shown in the Table below:

Table 4-12: RPO Compliance in FY 2023-24

					(MU)
RPO for FY 2023-24	Target (%)	Total Electricity Purchased	RE Purchase Requirement	Actual RE Purchase/Generated	RPO Compliance
Solar RPO	9.50%	45.55	4.33 (9.50%)	2.14 (4.70%)	Considered 0.75 MU generated from rooftop solar projects installed by consumers under net-metering arrangement and purchase of 1.39 MU Solar energy from Power Exchange (G-TAM/G-DAM))
Non-Solar (Wind + Other)	9.20%		4.19 (9.20%)	5.09 (11.17%)	Purchase of 5.09 MU Non-Solar energy from Power Exchange (G-TAM/G-DAM)
Total	18.70%	45.55	8.52 (18.70%)	7.23 (15.87%)	

The Commission has noted the submission of the Petitioner that the Petitioner will file a separate Petition before the Commission regarding verification of RPO compliance of FY 2023-24. However, the Petitioner is directed to strictly adhere to the RPO trajectory as stipulated by the Commission from time to time and meet its RPO Target accordingly.

4.6. Operation & Maintenance Expenses

Petitioner's submission

The Petitioner has claimed actual O&M cost for FY 2023-24 of Rs. 6.49 Crore, against O&M expenses of Rs. 3.71 Crore approved by the Commission. The actual O&M Expenses claimed by Petitioner are given in the Table below:

Table 4-13: Operation and Maintenance Expenses claimed for FY 2023-24

(Rs. Crore)		
Particulars	Approved in the Tariff Order	Actual Claimed
Employee Expenses		3.10
R&M Expenses		1.63
A&G Expenses		1.76
Operation and Maintenance Expenses	3.71	6.49

The reasons for the variation in O&M Expenses for FY 2023-24 as submitted by the Petitioner are stated below:

- Actual Employee cost for FY 2023-24 is Rs. 3.10 Crore which is higher than the proposed cost of Rs. 1.95 Crore. During FY 2023-24, pay revision for certain employees was done on merit which increased the salary of respective employees. Also, Employee Benefits like Gratuity, Earned Leave Encashment was paid by the Petitioner to few employees. Further, the Power Business Assets have been transferred from GIFT CL to GIFT PCL (Petitioner) during FY 2023-24 as directed by the Commission in previous years Orders. As per Companies Act-2013, Section 203 states that certain classes of companies must appoint the KMP, which includes the Managing Director or Manager or Chief Executive Officer, Company Secretary and Chief Financial Officer. The company must appoint a Whole-Time Director if it does not have a Chief Executive Officer, Manager or Managing Director. Whereas, Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 states that class of companies must appoint the whole-time KMP, which are as follows:

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

As GIFT Power Company Limited is having the paid-up capital is more than Rs. 10 Crore, Company has to appointed Chief Financial Officer and Company Secretary as KMP of the Company. Therefore, the employee expenses of KMP are newly added in FY 2023-24. Also, during FY 2023-24 pay revision for certain employees was done based on merit criteria and impact of which has also increased the Employee Expenses.

2. The projected Repair & Maintenance cost was Rs. 2.07 Crore whereas the actual cost is Rs. 1.63 Crore during FY 2023-24. There was a marginal decline in R&M cost due to better management of resources by the Petitioner.
3. The Administration and General expenses increased from projected cost of Rs. 1.37 Crore to actual cost of Rs. 1.76 Crore for FY 2023-24. These expenses include general administrative expenses of the Petitioner, Consultancy fees, and fees paid to the Commission for various Petitions. Based on the past directives of the Commission, the Petitioner has booked the fixed charges paid to M/s PTC India during FY 2023-24 @ Rs. 25.87 Lakhs under A&G expenses instead of booking in Power Purchase expenses.

Based on the above, the Petitioner requested the Commission to approve the O&M expenses as uncontrollable and allow the same on actual basis for FY 2023-24 as per Audited Accounts.

Commission's view

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

While truing up the O&M Expenses for FY 2023-24, the Commission has examined each

component of O&M Expenses viz Employee Expenses, R&M Expenses and A&G Expenses against O&M Expenses approved in the Tariff Order dated 31st March, 2023.

The Commission has noted the submission of the Petitioner that there is increase in actual Employee expenses for FY 2023-24 due to pay revision, payment towards gratuity and earned leave encashment to employees and appointment of Chief Financial Officer & Company Secretary in Compliance of Companies Act, 2013 during FY 2023-24. The Commission has verified the Employee expenses claim of Rs. 3.10 Crore from the Audited Accounts. Accordingly, the Commission approves the employee expenses of Rs. 3.10 Crore.

The Petitioner has claimed R&M Expenses of Rs. 1.63 Crore which shows marginal increase in R&M cost than approved R & M cost of Rs. 1.42 Crore for FY 2023-24 worked out on proportionate basis of total O&M expenses approved by the Commission.

In case of A&G Expenses, the Commission observed that the actual A & G expenses of Rs. 1.76 Crore of FY 2023-24 is higher than approved A & G expenses of Rs. 0.94 Crore worked out on proportionate basis of total O&M expenses approved by the Commission.

Further, the petitioner was asked to reconcile its claim of R&M and A&G expenses with Audited Accounts. In response, the petitioner clarified that the Operation & Maintenance Expenses of Rs. 2.18 Crore as indicated in Note 20 of Audited Accounts is comprising of R&M Expenses of Rs. 1.63 Crore and Rs. 0.55 Crore towards other Business (i.e. Backup Power). Accordingly, out of Rs. 2.18 Crore, petitioner has claimed only Rs. 1.63 Crore towards R&M for distribution business and the same is verified from the Audited Accounts and thus the Commission approves the R&M expenses of Rs. 1.63 Crore for FY 2023-24.

The Commission observed that the major components of A&G expenses included expenses on consultancy charges, electricity expenses, application fees and advertisement and other fees totaling to Rs. 1.50 Crore and the same are verified from the Audited Accounts, which are primarily uncontrollable in nature. Further, with regard

to A&G expenses, in response to data gap reply, the petitioner submitted that as per Commission's directions in past Tariff Orders, the fees for PTC Consultancy services of Rs. 0.26 Crores has been claimed in A&G Expenses instead of claiming it in Power Purchase Expenses. Thus, the Commission approves the A&G expenses of Rs. 1.76 Crore for FY 2023-24.

The Commission notes the submission of the Petitioner that the reason for substantial increase in O & M expenses is mainly on account of increase in Employee Expenses due to various factors such as Pay Revision, Payment of gratuity and EL Encashment to few of employees during FY 2023-24, which are statutory in nature. Additionally, there are statutory requirements for appointment of Key Managerial Person (KMP) like CFO & CS etc. as per the Companies Act, 2013. These factors are beyond the control of the petitioner.

Considering the facts mentioned above and in line with the methodology adopted by the Commission in previous Tariff Order dated 01st June, 2024, the Commission has considered variation in O & M Expenses as uncontrollable while Truing Up for FY 2023-24. The Commission has verified the Employee Expenses, R&M Expenses and A&G Expenses from the Audited Accounts of FY 2023-24 submitted by the Petitioner. The O&M expense allowed for FY 2023-24 is shown below:

**Table 4-14: Operation and Maintenance Expenses approved for FY 2023-24
(Rs. Crore)**

Particulars	Actual claimed	Approved in Truing up
Employee Expenses	3.10	3.10
R&M Expenses	1.63	1.63
A&G Expenses	1.76	1.76
Operation and Maintenance Expenses	6.49	6.49

Accordingly, the Commission approves O&M Expenses of Rs. 6.49 Crore for Truing up of FY 2023-24.

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

Table 4-15: Gains / (Losses) on account of O&M Expenses for FY 2023-24
(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Operation and Maintenance Expenses	3.71	6.49	(2.78)	-	(2.78)

4.7. Capital Expenditure, Capitalization and Funding of CAPEX.

Petitioner's submission

Petitioner submitted that it has incurred capital expenditure of Rs.9.28 Crore and booked capitalization of Rs. 2.73 Crores during FY 2023-24. It has further submitted that as per audited account (Note-2), the capital expenditure (i.e. addition in CWIP) is Rs 23.29 Crore, which includes distribution business (Rs. 6.55 Crore), Back-up power business (Rs. 2.65 Crore) and generation business (solar power project) (Rs. 14.10 Crore). So, for distribution business capital expenditure for FY 2023-24 is Rs 9.28 Crore = Rs 6.55 Crore (from CWIP)+ Rs. 2.73 Crore (capital expenditure made and capitalised during FY 23-24). Further, during the year, the Petitioner received total of Rs. 20.68 Crore as SLC out of which the amount of Rs. 6.55 Crore was for distribution business. However, the Capitalisation is of Rs 2.73 Crore during FY 2023-24. So, the Petitioner has claimed Rs. 2.72 core as addition to SLC during FY 2023-24 (equivalent to capitalisation of Plant and Machinery). The remaining amount of SLC (received during FY 2023-24) is considered under addition in SLC in FY 2024-25 appropriately. The actual data on opening and Closing CWIP, capital expenditure and capitalisation and funding are tabulated below.

Table 4-16: Capital Expenditure, Capitalization and Funding claimed for FY 2023-24
(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed
Opening GFA	21.76	113.51
Opening CWIP	29.59	29.59
Capital expenditure during the year	9.97	9.28
Capitalization	14.83	2.73
Less: SLC Addition	1.00	2.72*

Balance Capitalization during the year	13.83	0.01
Closing GFA	35.59	113.53
Closing CWIP	24.73	36.14
Normative Debt (70%)	9.68	0.008
Normative Equity (30%)	4.15	0.003

* **Note:** SLC received for distribution business during the year is Rs 6.55 Crores and carry forward to next FY 24-25 would be Rs 3.83 Crores, considering the remaining amount as SLC addition during FY 2023-24.

Commission's view

Capital Expenditure

It is noted that as per the audited accounts there is addition of Rs. 23.20 Crore in CWIP in which the amount of Rs. 6.55 Crore was for distribution business, Rs. 2.65 Crore towards Back up Power Business and Rs. 14.10 Crore towards Generation (Solar) Business during FY 2023-24. It is further noted that the total capital expenditure incurred for distribution business comprises of Rs 6.55 Crore (from CWIP) and capital expenditure of Rs. 2.73 Crore incurred and capitalised during FY 23-24, which is verified from the Audited accounts for FY 2023-24. Thus, the total capital expenditure incurred during the year is Rs. 9.28 Crore.

Capitalization

With regard to capitalization, it is noted that against the approved capitalization of Rs. 14.83 Crore, the actual capitalization claimed by the Petitioner is Rs. 2.73 Crore for FY 2023-24 which includes capitalization of Rs. 2.12 Crore towards power cable works, Rs. 0.59 Crore towards power supply arrangement for new connections and Rs. 0.01 Crore towards other items.

Accordingly, as against the Approved Capitalization of Rs. 14.83 Crore, the Commission approves the capitalization of Rs. 2.73 Crore for FY 2023-24 as per Audited Accounts

Funding

It is noted that Petitioner received total amount of Rs. 20.68 Crore as SLC during FY 2023-24 out of which Rs. 6.55 Crore was for distribution business and balance amount of SLC

is towards Other Business i.e. Back Power Business. Against which, the Capitalization for distribution business is Rs 2.73 Crore for FY 2023-24. Thus, out of total capitalization of Rs. 2.73 Crores during FY 2023-24, the Petitioner has adjusted the amount of Rs. 2.72 Crores from SLC (i.e. equivalent to capitalization of Plant and Machinery). Thus, the net capitalization for FY 2023-24 works out to Rs. 0.01 Crore (i.e. equivalent to capitalization of other items). The balance amount of SLC of Rs. 3.83 Crores received during FY 2023-24 (i.e. Rs. 6.55 Crores – Rs. 2.72 Crores) is considered for carry forward against capitalization of FY 2024-25.

Thus, Net capitalization of Rs. 0.01 Crore for FY 2023-24 has been considered to be funded in the debt and Equity Ratio of 70:30 as per GERC (MYT) Regulations, 2016.

Further, the Commission has considered the closing GFA for FY 2022-23 as approved in the Tariff Order dated 01st June, 2024, as the opening GFA for FY 2023-24 and added net capitalization of Rs. 0.01 Crores during FY 2023-24 to arrive at the closing GFA for FY 2023-24.

Considering the above, the details of capital expenditure, capitalization and funding approved for FY 2023-24 is as follows:

Table 4-17: Capital Expenditure, Capitalization and Funding Approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Net Opening GFA	21.76	113.51	19.44
Capital expenditure during the year	9.97	9.28	9.28
Capitalization	14.83	2.73	2.73
Less: SLC Addition	1.00	2.72	2.72*
Net Capitalization during the year	13.83	0.01	0.01
Net Closing GFA	35.59	113.51	19.45
Normative Debt (70%)	9.68	0.008	0.008
Normative Equity (30%)	4.15	0.003	0.003

*SLC received for distribution business during the year is Rs 6.55 Crores and considering SLC adjustment of 2.72 Crore against capitalization of FY 2023-24, the remaining SLC amount of Rs 3.83 Crores considered for carry forward to FY 2024-25

Thus, the Commission approves above debt: equity for net Capitalization of Rs. 0.01 Crore for Truing up of FY 2023-24.

4.8. Depreciation

Petitioner's submission

Petitioner has submitted the following details related to fixed assets and depreciation for the purpose of Truing up for FY 2023-24.

Table 4-18: Depreciation claimed for FY 2023-24

Particulars	(Rs. Crore)	
	Approved in the Tariff Order	Actual Claimed
Net Opening GFA	21.76	113.51
Net Addition during the year (net of SLC)	13.83	0.01
Net Closing GFA	35.59	113.53
Average GFA	28.67	113.52
Depreciation	1.48	5.79

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

The Petitioner submitted that it has considered the depreciation based on gross fixed asset at the starting of FY 2023-24 and additional capitalisation during the year. On this basis of average of opening and closing value of asset, the depreciation of the Gross Fixed Assets based on above works out as Rs. 5.79 Crore for FY 2023-24. The Petitioner has requested to consider the variation in Depreciation as uncontrollable as per the GERC (MYT) Regulations, 2016.

Commission's view

The closing GFA as approved by the Commission in the Tariff order for truing up for FY 2022-23 and Determination of Tariff for FY 2024-25 dated 1st June, 2024 has been considered as opening GFA for FY 2023-24. As elaborated in the previous section, the Commission has approved the net capitalization of Rs. 0.01 Crore during FY 2023-24.

Further, for the purpose of depreciation calculation, the Commission has considered the overall depreciation rate of 5.10% as claimed by the Petitioner. Accordingly, the

Depreciation approved for true-up of FY 2023-24 as shown below:

Table 4-19: Depreciation approved for FY 2023-24

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing-up
Net Opening GFA	21.76	113.51	19.44
Net Addition during the year (net of SLC)	13.83	0.01	0.01
Net Closing GFA	35.59	113.53	19.45
Average GFA	28.67	113.52	19.45
Depreciation	1.48	5.79	0.99

Accordingly, the Commission approves depreciation of Rs. 0.99 Crore for the purpose of Truing up for FY 2023-24.

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

Table 4-20: Gains / (Losses) on account of Depreciation for FY 2023-24

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation+ / (-)	Gains /(Losses) due to Controllable factor	Gains /(Losses) due to Uncontrollable factor
Depreciation	1.48	0.99	0.49	-	0.49

4.9. Interest and Finance Charges

Petitioner's submission

The Petitioner has submitted that it has computed the interest on loan as per Regulations 38 of the GERC (MYT) Regulations, 2016. The Petitioner has considered the debt-equity as 70:30 as considered in Tariff Policy and GERC (MYT) Regulations, 2016 excluding Service Line Contribution (SLC) received from the consumers.

Further, Petitioner has submitted that it has calculated the interest expenses on the basis of actual weighted average interest rate charged by the Gujrat State Financial Services Ltd. (GSFS) as per the GERC (MYT) Regulations, 2016. It is further submitted that

it has availed a term loan and has paid the interest amount to the GSFS at weighted average interest rate of 7.16% during FY 2023-24. The Petitioner has submitted that the actual interest expense is Rs. 2.98 Crore, as against approved amount of Rs. 0.71 Crore for FY 2023-24.

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

Table 4-21: Interest and Finance Charges claimed for FY 2023-24

	(Rs. Crore)	
Source of Loan	Approved in Tariff Order	Claimed
Opening Balance of Normative Loan	6.10	44.49
Less: Reduction of Loan due to Retirement or Replacement of Assets	-	-
Addition of Normative Loan due to capitalisation during the year	9.68	0.008
Repayment of Normative loan during the year	1.48	5.79
Closing Balance of Normative Loan	14.30	38.72
Average Balance of Normative Loan	10.20	41.61
Weighted average Rate of Interest on actual Loans (%)	7.00%	7.16%
Interest Expenses	0.71	2.98

Commission's view

The opening balance of loan for FY 2023-24 has been considered to be same as the closing balance of loan for FY 2022-23 as approved in the Tariff Order dated 1st June, 2024 for Truing up for FY 2022-23 and Determination of Tariff for FY 2024-25. The loan addition has been considered in line with the normative loan addition approved in the discussion on capitalization section of this Order. The repayment has been equated to depreciation approved for the year FY 2023-24 in this Order.

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

Accordingly, the Commission has sought information of actual loan portfolio and

computation of weighted average rate of interest, In response, the Petitioner has submitted that the term loan is taken by GIFT PCL (Parent company of GIFT PCL) from Financial Institution, i.e., Gujarat State Financial Services (GSFS). The Commission has verified the Rate of Interest of 7.16% as claimed by the Petitioner for the actual loan for FY 2023-24 and has considered the same for calculation of the interest on loan.

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

Table 4-22: Interest and Finance Charges approved for FY 2023-24

(Rs. Crore)				
Sr. No.	Particulars	Approved in Tariff Order	Claimed	Approved
1	Opening Balance of Normative Loan	6.10	44.49	4.54
2	Less: Reduction of Loan due to Retirement or Replacement of Assets	-	-	-
3	Addition of Normative Loan due to capitalisation during the year	9.68	0.008	0.008
4	Repayment of Normative loan during the year	1.48	5.79	0.99
5	Closing Balance of Normative Loan	14.30	38.72	3.56
6	Average Balance of Normative Loan	10.20	41.61	4.05
7	Weighted average Rate of Interest on actual Loans (%)	7.00%	7.16%	7.16%
8	Interest & Finance Charges	0.71	2.98	0.29

Accordingly, the Commission approves Interest and Finance Charges at Rs. 0.29 Crore for Truing up of FY 2023-24.

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

Table 4-23: Gains / (Losses) on account of Interest and Finance Charges for FY 2023-24
(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest and Finance Charges	0.71	0.29	0.42	-	0.42

4.10. Interest on Security Deposit**Petitioner's submission**

Petitioner has submitted that the consumer whose amount of security exceeds Rs. 25 Lakhs, at his option, furnish Security Deposit in the form of irrevocable Bank Guarantee initially valid for a period of 2 years as per GERC (Security Deposit) (Second Amendment) Regulation 2015. The amount of interest on Security Deposit was paid to the consumers at Bank rate applicable on 1st April, 2023 as under:

Table 4-24: Interest on Security Deposit claimed for FY 2023-24

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Security Deposit	7.74	11.27
Interest on Security Deposit	0.33	0.59

Commission's view

The Commission has verified from the audited accounts and found the interest on Security Deposit to be Rs. 0.59 Crore. The Commission approves the same as under:

Table 4-25: Interest on Security Deposit approved for FY 2023-24

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Average Deposit	7.74	11.27	11.27
Interest on Security Deposit	0.33	0.59	0.59

Accordingly, the Commission approves Interest on Security Deposit at Rs. 0.59 Crore for Truing up of FY 2023-24.

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

Table 4-26: Gains / (Losses) on account of Interest on Security Deposit for FY 2023-24
(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest on security deposit	0.33	0.59	(0.26)	-	(0.26)

4.11. Interest on Working Capital

Petitioner's submission

Petitioner has submitted the following details regarding Interest on Working Capital.

Table 4-27: Interest on Working claimed for FY 2023-24

Particulars	Approved in Tariff Order	Actual Claimed
O&M Expenses for 1 month	0.31	0.54
1 % of GFA for Maintenance Spares	0.22	1.25
Receivables for 1 month	3.70	3.22
Working Capital Requirement	4.23	5.02
Less: Average Security Deposit	7.74	11.27
Total Working Capital	-	-
Interest Rate (%)	9.50%	-
Interest on Working Capital	-	-

The Petitioner has submitted that as per the GERC (MYT) Regulations, 2016 the working capital computed is Rs 5.02 Crore and the amount of consumer Security Deposits is Rs. 11.27 Crores and thereby the Working Capital Requirement works out to be Nil.

Commission's view

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

11.27 Crore.

In line with proviso to Regulation 40.4 (b), the Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 8.57% prevailing during the financial year 2023-24 plus 250 basis points. Accordingly, the rate of interest on working capital is worked out to 11.07%. As the Working Capital Requirement works out to be Nil and hence Nil interest on working capital is considered as under:

Table 4-28: Interest on Working Capital approved for FY 2023-24

Particulars	(Rs. Crore)		
	Approved in Tariff Order	Actual Claimed	Approved in Truing up
O&M Expenses (1 month)	0.31	0.54	0.54
Spares (1% of GFA)	0.22	1.25	0.19
Receivables (1 month of revenue at existing tariffs)	3.70	3.22	3.22
Sub-total	4.22	5.02	3.96
Less: Security Deposit	7.74	11.27	11.27
Normative Working Capital	-	-	-
Interest Rate (%)	9.50%	-	-
Interest on Working Capital	-	-	-

Accordingly, the Commission approves Interest on Working Capital as Nil for Truing up for FY 2023-24.

4.12. Return on Equity

Petitioner's submission

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

Table 4-29: Return on Equity claimed for FY 2023-24

Particulars	(Rs. Crore)	
	Approved in Tariff Order	Actual Claimed
Opening Equity	5.13	34.05
Equity portion of Capitalization during the Year	4.15	0.003
Closing Balance of Equity	9.28	34.05
Average Equity	7.20	34.05
RoE at 14%	14.00%	14.00%
Return on Equity	1.01	4.77

Petitioner has submitted that it has also considered Return on Equity on the amount of equity capital for the assets put to use at the commencement of ensuring financial year and on equity capital portion of the net capital cost of the assets to be capitalized during the financial year 2023-24 as per GERC (MYT) Regulations, 2016. The return is calculated on the average equity capital for FY 2023-24. The Petitioner has considered a regulated return of 14% as per GERC (MYT) Regulations, 2016. The actual Return on Equity is computed at Rs. 4.77 Crores against the proposed RoE of Rs. 5.17 Crores during FY 2023-24.

Commission's view

The Commission has considered the opening Equity for FY 2023-24 same as the closing Equity for FY 2022-23 as approved in the Tariff Order for Truing up for FY 2022-23 and Determination of Tariff for FY 2024-25 dated 1st June, 2024 and the addition to Equity for FY 2023-24 as Rs. 0.003 Crore. Accordingly, the Commission approves the Return on Equity for FY 2023-24 as shown below:

Table 4-30: Return on Equity approved for FY 2023-24

Particulars	(Rs. Crore)		
	Approved in Tariff Order	Actual Claimed	Approved in Truing Up
Opening Equity	5.13	34.05	4.43
Equity portion of Capitalization during the Year	4.15	0.003	0.003
Closing Balance of Equity	9.28	34.05	4.43
Average Equity	7.20	34.05	4.43
RoE at 14%	14.00%	14.00%	14.00%
Return on Equity	1.01	4.77	0.62

Accordingly, the Commission approves Return on Equity at Rs. 0.62 Crore for Truing up of FY 2023-24.

The Commission approves the Gains / (Losses) on account of Return on Equity in the Truing-Up for FY 2023-24, as detailed in the Table below:

Table 4-31: Gains / (Losses) on account of Return on Equity for FY 2023-24
(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Return on Equity	1.01	0.62	0.39	-	0.39

4.13. Income Tax**Petitioner's submission**

Petitioner has submitted that it has not paid any Income Tax for the FY 2023-24; hence no such claim of income tax has been made in the true up of FY 2023-24.

Commission's view

The Commission approves Income Tax for Truing up for FY 2023-24 as **Nil**.

4.14. Contingency Reserve**Petitioner's submission**

Petitioner has submitted that it has not contributed any amount towards the Contingency Reserve against Rs. 0.11 Crore as approved in the Tariff Order dated 31st March, 2023 for FY 2023-24.

Table 4-32: Contribution to Contingency Reserve claimed for FY 2023-24
(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed
Contribution to Contingency Reserve	0.11	-

Commission's view

The Commission approves **Nil** Contribution to Contingency Reserves for FY 2023-24 as per the submission by the Petitioner as shown below:

Table 4-33: Contribution to Contingency Reserve approved for FY 2023-24

Particulars	Approved in Tariff Order	Actual Claimed	Approved in Truing-Up
Contribution to Contingency Reserve	0.11	-	-

Accordingly, the Commission approves **Nil** Contribution to Contingency Reserves for Truing up of FY 2023-24.

The Commission approves the Gains / (Losses) on account of Contribution to Contingency Reserves in the Truing-Up for FY 2023-24, as detailed in the Table below:

Table 4-34: Gains / (Losses) on account of Contribution to Contingency Reserves for FY 2023-24

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	(Rs. Crore)	
				Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Contribution to Contingency Reserve	0.11	0.00	0.11	-	0.11

4.15. Non-Tariff income

Petitioner's submission

Petitioner has submitted that the actual Non-Tariff Income for FY 2023-24 is Rs. 1.93 Crore against the Non-tariff income of Rs. 1.08 Crore as approved in the Tariff Order dated 31st March, 2023 for FY 2023-24.

Commission's view

The Commission has verified the Non-Tariff income from the Audited Accounts, which is mainly comprises of interest income, bid document fee, Registration fee, testing Fee and other non-operating income. Accordingly, the Commission approves Non-Tariff Income at Rs. 1.93 Crore for Truing up of FY 2023-24.

The Commission considers variation in the Non-tariff Income as an uncontrollable factor. The Commission approves the Gains / (Losses) on account of Non-tariff Income in the Truing-Up for FY 2023-24, as detailed in the Table below:

Table 4-35: Gains / (Losses) on account of Non-Tariff Income for FY 2023-24

(Rs. Crore)					
Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Non-Tariff income	1.08	1.93	(0.85)	-	(0.85)

4.16. Income from Other Business**Petitioner's submission**

The Petitioner has submitted that it has commenced Back-up Power Business (Non-Regulated) in FY 2021-22 which is termed as 'Other Business' of the Petitioner as per GERC (MYT) Regulations, 2016. The detailed description of Back-up Power Business had been provided in earlier Petition and hence, not reproduced here. This Back-up Power is being sourced by voluntary consumers based on their business and statutory requirements. The details of Revenue and Expenditure of Back-up Power Business during FY 2023-24 are furnished below:

Revenue: Rs. 0.76 Crores

Expenditure: Rs. 0.55 Crores

Profit/(Loss): Rs. 0.21 Crores

The petitioner has submitted that the Commission had considered one-third of profit as income from other business while approving the true-up of FY 2022-23. The same treatment is followed by the Petitioner for true-up of FY 2023-24. Hence, one-third of the profit (i.e. Rs. 0.07 Crore) is considered as pass through in ARR as income from other business.

Commission's view

It is observed that the GIFT PCL (the Petitioner) is a 100% subsidiary company of Gujarat International Finance Tec-city Company Limited (GIFTCL), wherein the Petitioner is mandated to provide power supply to the consumers of the GIFT City. The Petitioner being the Distribution Licensee has submitted that it has planned to develop centralized/customer centric back-up power infrastructure based to the consumers on

their request and technical feasibility. The Petitioner has confirmed and clarified that the details of the assets and expenses of such back-up power business is being maintained separately and it does not form part of the regulated distribution business of the Petitioner.

The Commission has verified from the Audited Accounts that the Petitioner has earned Revenue of Rs. 0.76 Crore in FY 2023-24 against expenditure of Rs. 0.55 Crore. Therefore, the Petitioner has earned net revenue of Rs. 0.21 Crore for FY 2023-24.

With regards to the treatment for income from Other Business, the GERC MYT Regulations, 2016 provision is as under:

GERC MYT Regulations, 2016

“90. Income from Other Business

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

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

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

Provided also that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account

of such Other Business.”.

Accordingly, as per GERC (MYT) Regulations 2016 and as per the Audited Accounts, the Commission has considered the net revenue of Rs. 0.21 Crore for FY 2023-24 and has accordingly approved the pass through of income from other business as Rs. 0.07 Crore (0.21 Crore/3) for FY 2023-24.

4.17. Revenue from Sale of Power

Petitioner’s submission

The Petitioner has claimed revenue of Rs. 38.70 Crore from sale of power to consumers in FY 2023-24.

Commission’s view

The Commission has verified the revenue from sale of power from the Audited Accounts of FY 2023-24 as Rs. 38.70 Crore.

Accordingly, the Commission approves Revenue of Rs. 38.70 Crore from sale of power to consumers for Truing up of FY 2023-24.

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

Petitioner’s submission

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

Table 4-36: ARR claimed for FY 2023-24

(Rs. Crore)

Sr. No.	Particulars	Approved	Actual	Deviation	Controllable	Uncontrollable
1	Power Purchase Expenses	31.37	27.80	3.57	-	3.57
2	Operation & Maintenance Expenses	3.71	6.49	(2.78)	-	(2.78)
3	Depreciation	1.48	5.79	(4.31)	-	(4.31)
4	Interest and Finance Charges (includes interest on consumer security deposits)	1.04	3.56	(2.52)	-	(2.52)

Sr. No.	Particulars	Approved	Actual	Deviation	Controllable	Uncontrollable
5	Interest on Working Capital	-	-	-	-	-
6	Bad Debts written off	-	-	-	-	-
7	Contribution to contingency reserves	0.11	-	0.11	-	0.11
8	Total Revenue Expenditure	37.71	43.64	(5.93)	-	(5.93)
9	Return on Equity Capital	1.01	4.77	(3.76)	-	(3.76)
10	Income Tax			0.00	-	0.00
11	Aggregate Revenue Requirement	38.72	48.41	(9.69)	-	(9.69)
12	Less: Non-Tariff Income	1.08	1.93	(0.85)	-	(0.85)
13	Less: Income from Other Business	-	0.07	(0.07)	-	(0.07)
14	Net Aggregate Revenue Requirement	37.64	46.41	(8.77)	-	(8.77)

Following is the summary of trued-up ARR of 2023-24 to be recovered by Petitioner after incorporation of sharing of Gains/Losses

Table 4-37: Trued up ARR claimed for FY 2023-24

(Rs. Crore)

Particulars	Legend	Actual claimed
ARR as per MYT Order	A	37.64
Gains/(Losses) due to uncontrollable	B	(8.77)
Gains/(Losses) due to controllable	C	-
Pass through as tariff	$D = -(1/3 \text{ of } C+B)$	8.77
Trued up ARR	$E = A+D$	46.41
Revenue	F	38.70
Gap/(surplus) for FY 2023-24	$G = E - F$	7.71

Commission's view

The Commission has computed the sharing of Gains and Losses for FY 2023-24 based on the Truing up for each of the components of ARR discussed earlier, as shown in the Table below:

Table 4-38: ARR approved along with impact of Controllable/ Uncontrollable Factors for FY 2023-24

(Rs. Crore)					
Particulars	Approved	Actual (Trued-up)	Difference	Gains/ (Losses) due to Controllable factors	Gains/ (Losses) due to Un-Controllable factors
Power Purchase Expenses	31.37	27.67	3.70	-	3.70
Operation & Maintenance Expenses	3.71	6.49	(2.78)	-	(2.78)
Depreciation	1.48	0.99	0.49	-	0.49
Interest and Finance Charges	0.71	0.29	0.42	-	0.42
Interest on Working Capital	-	-	-	-	-
Interest on Security Deposit	0.33	0.59	(0.26)	-	(0.26)
Contribution to contingency reserves	0.11	-	0.11	-	0.11
Total Revenue Expenditure	37.71	36.03	1.68	-	1.68
Return on Equity Capital	1.01	0.62	0.39	-	0.39
Income Tax	-	-	-	-	-
Aggregate Revenue Requirement	38.72	36.65	2.07	-	2.07
Less: Non-Tariff Income	1.08	1.93	(0.85)	-	(0.85)
Less: Income from Other Business	-	0.07	(0.07)	-	(0.07)
Aggregate Revenue Requirement	37.64	34.65	2.99	-	2.99

Summary of trued up ARR of FY 2023-24 to be recovered by GIFT PCL after incorporation of sharing of Gains/Losses is as detailed in the Table below:

Table 4-39: Trued up ARR approved for FY 2023-24

(Rs. Crore)			
Sr. No.	Particulars	Legend	Approved in Truing up
1	ARR approved in order dated 31.03.2023	A	37.64
2	Gains/(Losses) due to uncontrollable factors	B	2.99
3	Gains/(Losses) due to controllable factors	C	-
4	Pass through as tariff	$D = -(1/3 \text{ of } C+B)$	(2.99)
5	Trued up ARR	$E = A+D$	34.65
6	Revenue	F	38.70
7	Gap/(surplus) for FY 2023-24	G = E-F	(4.05)

The workings of the consolidated Revenue Gap / Surplus for FY 2023-24 approved by the Commission is shown below:

Table 4-40: Consolidated Revenue Gap / (Surplus) for FY 2023-24

		(Rs. Crore)
Sr. No.	Particulars	Approved in Truing up
1	Approved Revenue Gap/ (Surplus) for FY 2023-24 (a)	(4.05)
2	Approved Consolidated Gap / (Surplus) for FY 2021-22 (b)	(1.45)
3	Consolidated Carrying Cost for FY 2021-22 for two years (c)	(0.20)
4	Net Revenue Gap / (Surplus) for FY 2023-24 to be carried forward (d= a + b + c)	(5.70)

Accordingly, the Commission approves the Trued-up consolidated Revenue Surplus for FY 2023-24 of Rs. 5.70 Crore. This Trued-up Surplus is considered by the Commission for Determination of Tariff for FY 2025-26.

5. Approval Of ARR For MYT Period FY 2025-26 to FY 2029-30

5.1. Introduction

The GERC (MYT) Regulations, 2024 notified by the Commission is in force till 31st March 2030 and is applicable for determination of tariff from 1st April, 2025 onwards. The Regulation 2 (22) of GERC (MYT) Regulations, 2024 defines Control Period from 1st April 2025 to 31st March 2030. The Regulation 1.4 of the GERC (MYT) Regulations, 2024 provides that these Regulations shall remain in force till 31st March 2030, unless otherwise reviewed/extended.

Accordingly, the Petitioner has submitted the petition for approval of Aggregate Revenue Requirement (ARR) for its distribution business for the MYT Control Period from FY 2025-26 to FY 2029-30.

This Chapter deals with the approval of ARR component for the control period FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26 as per GERC (MYT) Regulation, 2024.

5.2. Energy Sales

Petitioner's submission

Petitioner has submitted that energy sales is estimated according to demand projection and actual sales of the past years and current market scenario in the SEZ area.

Petitioner has submitted that the license area is being developed as financial / commercial hub by GIFT CL & GIFT SEZ. The Financial Services/Commercial Sector development is likely to take place gradually over a period. The SEZ and Non-SEZ Area is still in the development phase. GIFT Master Plan facilitates Multi Services SEZ with International Financial Service Centre (IFSC) status, approved by Government of India and Domestic Finance Centre and associated social infrastructure. The total allotted BUA is around 27.76 Mn Sqft out of which 4.73 Mn Sqft BUA is already completed while work is in progress in 15.36 Mn Sqft area and around 7.66 Mn Sqft area is in planning stage. The new Financial Services institutions/Commercial Institutions and associated necessary infrastructure is likely to develop gradually based on overall economic

conditions. Hence, it would be very difficult to project the demand and sales projections precisely, for the initial phase of development.

The Petitioner has submitted that the overall energy sales growth (5 year CAGR) was modest (15.57%). Over the years, various developers completed their buildings, and consumers occupied their respective area and sales have increased. Accordingly, Petitioner has registered yearly growth of 21.59%. It is expected that consumer base will increase as new consumers will be added as per development plan. However, considering energy sales during FY 2023-24, 3 year CAGR growth was 18.71% and yearly growth was 21.59%. The details of historical growth rate, as per consumer category, as submitted by the Petitioner are given in the Table below:

Consumer Category & Consumption Slab	5 Year CAGR Growth	3 Year CAGR Growth	Yearly Growth
HT Category			
HTP-I	15.48%	17.54%	16.71%
HTP-III	-26.92%	-21.86%	-6.04%
HT-EVCS	N.A	N.A	125.67%
LT Category			
RGP	15.75%	8.77%	-0.94%
GLP	-2.04%	-1.46%	-16.74%
NON-RGP (load up to 40 kW)	19.77%	21.88%	38.91%
LTMD (load above 40 kW and up to 100 kW)	12.91%	15.81%	16.22%
TMP	28.25%	48.64%	130.10%
LT-EVCS	N.A	N.A	49.08%
Total	15.57%	18.71%	21.59%

The Petitioner has submitted that as GIFT city is a green field project and is in the process of development, therefore the conventional methodology of projecting future energy sales on the basis of past data would not be appropriate for this licensee area.

The sales projections have been carried out based on projections of demand requirements within the license area considering provisions of the GERC MYT regulations, 2024, i.e. Historical as well as current year data, new consumer addition under various categories, trends with respect to captive consumption, growth in the consumption of power intensive sectors, overall economic growth, Energy Conservation

and Energy Efficiency measures planned, increase in penetration consumption from Distributed Energy Resources viz. Rooftop Solar and Electric Mobility.

The Petitioner has reviewed its plan of extending connections to the perspective consumers and received feedback from the building developers on status of their projects. Development of the ongoing projects was reviewed by the Petitioner and have discussed with the developers about project completion timeframe. Also, the Petitioner has reviewed the energy sales of existing consumers.

For energy sales projection of FY 2025-26, the actual demand of existing customers has been taken as the base for the demand projection. Demand of each existing customer has been reviewed and the projected demand has been worked out for FY 2025-26 based on the input received after discussion. In case of ongoing construction work (i.e. new customer) who has already taken possession of the land and construction is on full swing, based on discussion with them, expected demand for these customers have been projected for the next financial year. Accordingly, the Petitioner had carefully studied the trend of past sales in various tariff categories and the load growth assessment based on demand estimation from upcoming new buildings / establishment coming in the license area and derived the energy consumption for FY 2025-26.

The methodology adopted for energy sales projection is described below with the assumptions:

- a). Existing constructed floor area with year-on-year trend of increase in occupancy;
- b). New development of floor area allotted and in plan approval stage;
- c). Under construction floor space and timeline for completion;
- d). Estimated power requirements of existing and prospective consumers with reference to development plan, power demand and energy use ratio of preoccupied space, as per category of utilization;
- e). The Petitioner has also collected inputs from Developers for load projection about prospective clients, who can occupy the allotted area during FY 2024-25 and FY 2025-26.
- f). Energy Sales for FY 2025-26 have been projected by considering the actual energy

sales of HY1 2024-25 and projected energy sales of HY2 2024-25.

- g). The Petitioner has recorded projection accuracy of ~95% in Actual Energy Sales during HY1 of 2024-25 and it is estimated that ~95% of projection accuracy will be attained during HY2 of 2024-25.

Further, considering the progress and status of various activities in the licensee area, it is expected that various building constructions will be completed in FY 2026-27 and FY 2027-28. Hence, a growth rate of 30% is considered for energy sales projection of those years. For FY 2028-29 and FY 2029-30, a lower growth rate of 25% is considered. This is an optimistic scenario, as growth rate is considered more than BAU growth rate. The Petitioner will review the sales based on progress of development and will be in a position to judge the sales more accurately during submission of revised ARR for each FY. The consumer category wise energy sale projections for the control period as per the consumer category, based on the load growth and demand projections, are provided in the table below:

Table 5-1: Energy Sales Projections for the Control Period

(MU)

Consumer Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HTP-1	52.31	68.00	88.40	110.5	138.13
HTP-3	0.35	0.46	0.60	0.75	0.93
HT – EVCS	0.29	0.38	0.49	0.61	0.77
LT Category					
LTMD	8.53	11.09	14.42	18.02	22.53
LT – EVCS	0.04	0.05	0.07	0.09	0.11
GLP	0.55	0.72	0.93	1.17	1.46
TEMP	6.58	8.56	11.12	13.9	17.38
Non-RGP	5.1	6.63	8.62	10.78	13.47
RGP	1.37	1.78	2.32	2.90	3.62
Total	75.13	97.67	126.97	158.71	198.39

The

Petitioner further submitted that the consumers mainly served by the Petitioner are majorly financial/commercial establishments including commercial bulk consumers of HTP-I category and Common Utility Services like DCS, AWCS, WTP etc. The Petitioner has projected LT Metering to 21 consumes out of 33 consumers falling in HTP-1 Category and

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

Table 5-2: Projections of Number of Consumers for FY 2025-26**(Rs. Crore)**

Category	No. of Consumers	Sanctioned Load in kW	Contract Demand in KVA/MVA
HT & EHT Category			
HTP-1			
For first 500KVA of Billing Demand	46	-	15,337
For next 500KVA of Billing Demand	3	-	2,721
For billing demand in excess of 1000KVA	5	-	9,012
HTP-3			
For billing demand upto contract demand	4	-	2,050
HTP-EVCS			
For billing demand upto contract demand	2	-	400
LT Category			
LTMD			
For first 40KW of Billing demand	25	810	-
Next 20KW of Billing Demand	65	3,589	-
Above 60KW of Billing Demand	95	7,794	-
LT-EVCS	10	254	-
Non-RGP			
First 10KW of connected load	475	3,059	-
For next 30 KW of connected load	235	5,657	-
GLP	20	310	-
RGP			
Upto and including 2 KW	140	280	-
Above 2 to 4 KW	870	3,053	-
Above 4 to 6 KW	190	1,121	-
Above 6 KW	0	0	-
TMP	170	6,833	-
Total	2,355	32,760	29,520

Commission's view

The Commission notes the submission of the Petitioner that the Petitioner is a distribution licensee responsible for supply of electricity in a greenfield development area where the

demand of licensee area depends upon the building construction completion timeline and occupancy of Commercial and Residential buildings. The Petitioner has projected the energy sales for control period based on actual inputs and status received from Existing Consumers/ Prospective Companies/ Building Developers. Accordingly, Sales projections under Optimistic scenario, Business as Usual (BAU) scenario and Pessimistic scenario is difficult to ascertain due to greenfield development of Petitioner's licensee area. The Petitioner has collected inputs from Developers and prospective consumers for load projections. Accordingly, the Energy Sales have been calculated based on the data available while filing the Petition.

The Commission has noted the category-wise number of consumers, demand forecast and sales projected by the Petitioner for the control period from FY 2025-26 to FY 2029-30. As energy sales are difficult to predict given that the SEZ is still under the development stage and the demand is dependent on construction of buildings and occupancy of various units, the Commission is of the view that the Licensee is in the best position to judge the sales growth, and hence, accepts the category-wise sales as projected by GIFT PCL, as shown in the Table below:

Table 5-3: Energy Sales approved for control period

					(MU)
Consumer Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Category					
HTP-1	52.31	68.00	88.40	110.5	138.13
HTP-3	0.35	0.46	0.60	0.75	0.93
HT – EVCS	0.29	0.38	0.49	0.61	0.77
LT Category					
LTMD	8.53	11.09	14.42	18.02	22.53
LT – EVCS	0.04	0.05	0.07	0.09	0.11
GLP	0.55	0.72	0.93	1.17	1.46
TEMP	6.58	8.56	11.12	13.90	17.38
Non-RGP	5.1	6.63	8.62	10.78	13.47
RGP	1.37	1.78	2.32	2.90	3.62
Total	75.13	97.67	126.97	158.71	198.39

5.3. Distribution Losses

Petitioner's submission

Petitioner has projected distribution losses of 2.60% for the control period FY 2025-26 to FY 2029-30 as per actual loss level of FY 2023-24. The Petitioner has submitted that it has created state of art power distribution network in SEZ and Non-SEZ area which is spread over an area of 886 acres. The Petitioner has considered N-1 network redundancy at all levels for higher power reliability and availability to end consumers in the Distribution License Area.

The actual power purchase and corresponding energy sales reveal that the distribution losses in the license area are reducing gradually from ~5.5% to ~2.60% during past five financial years. As the energy sales is increasing, transformer loading is gradually improving, which leads to distribution loss reduction. The financial and commercial industries are load sensitive and required to maintain an adequate contracted load from beginning. Considering the anticipated demand in future, and insuring N-1 redundancy, the Petitioner has installed the transformer and related distribution infrastructure of desired capacity at the outset. As the occupancy of existing building increase and new buildings comes up, the distribution loss shall gradually decrease. The distribution losses have reduced significantly and the Petitioner is working very hard to maintain the same level. Now, as per actual energy sales and purchase data, the distribution loss was 2.60% in FY 2023-24. Considering the technical constraint, the Petitioner expects to maintain the same distribution loss level in the control period. As it is expected that sales would be increasing from present level and there would be expansion of infrastructure, it is expected the loss would be similar. Further, lowering down of loss may not be possible.

In view of above, GIFT PCL has requested the Commission to allow projected distribution losses for FY 2025-26 to FY 2029-30 as shown in Table below:

Table 5-4: Projection of Distribution Losses projected for FY 2025-26 to FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Distribution Losses (%)	2.60%	2.60%	2.60%	2.60%	2.60%

Commission's view

It is noted that the Petitioner has considered the Distribution Losses of 2.60% for FY 2025-26 to FY 2029-30 same as the actual distribution losses for FY 2023-24.

The Commission observes that the distribution network is yet to be established and load is yet to be stabilized for the license area of the petitioner. Therefore, the Commission accepts the distribution loss projected by Petitioner during the control period.

Further, as per Regulation 35.11 (d) of GERC (MYT) Regulation, 2024, Distribution licensees are entitled to an additional rate of return on equity upto a ceiling limit of 0.50% for reducing the distribution loss level beyond loss trajectory provided by the Commission. This will incentivize the Petitioner to reduce the loss level beyond the loss trajectory approved by the commission.

Accordingly, looking to the area, no of consumers, load, sales projection of GIFT PCL the Commission approves the following distribution losses as given in the table below

Table 5-5: Distribution losses approved for FY 2025-26 to FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Distribution Losses (%)	2.60%	2.60%	2.60%	2.60%	2.60%

The Commission approves Distribution Losses of 2.60% for FY 2025-26 to FY 2029-30.

5.4. Energy Balance**Petitioner's submission**

Petitioner has submitted that the projection of Energy Balance for the control period of FY 2025-26 to FY 2029-30 based on the projection of consumer category wise sales and projected distribution losses.

The estimated energy sales, losses and the resultant Energy Balance for the FY 2025-26 to FY 2029-30 as projected by petitioner are given below:

Table 5-6: Energy Requirement projected for Control Period FY 2025-26 to FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Estimated Energy Sale	75.13	97.67	126.97	158.71	198.39



Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Distribution Losses (%)	2.60%	2.60%	2.60%	2.60%	2.60%
Distribution Losses (MUs)	2.01	2.61	3.39	4.24	5.30
Energy Requirement after Distribution Losses (MUs)	77.14	100.28	130.36	162.95	203.69
Intra-State Transmission Losses (%)	3.50%	3.50%	3.50%	3.50%	3.50%
Intra-State Transmission Losses (MUs)	2.55	3.39	4.48	5.67	7.15
Energy Requirement after Intra State Losses (MUs)	79.68	103.67	134.84	168.62	210.84
Inter-State Transmission Losses (%)	3.50%	3.50%	3.50%	3.50%	3.50%
Inter-State Transmission Losses (MUs)	1.37	1.94	3.10	4.35	4.95
Power Purchase Requirement	81.06	105.60	137.94	172.97	215.79

Commission's view

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

Applicability of Transmission Losses (%)

The Petitioner has submitted that it has considered Interstate transmission Losses of 3.50% and Intra state transmission losses of 3.50% on energy purchase from SECI FDRE I & II tenders and purchase of power through Power exchange RE (GDAM/GTAM) segment and Power exchange conventional (DAM/TAM) segment.

The Petitioner further submitted that it has considered only Intra state transmission losses of 3.50% on energy purchase under MTOA and Long term hybrid power project.

The Petitioner further submitted that supply of energy from captive solar power project is at GIFT- PCL periphery only and therefore inter and intra state losses will not be applicable.

The Commission accordingly approves inter and intra state transmission loss level as projected by the petitioner for FY 2025-26 to FY 2029-30.

Based on the energy sales, Distribution Losses and Transmission Losses level considered, the Commission has computed the estimated energy requirement for

Petitioner for FY 2025-26 to FY 2029-30 in the Table below:

Table 5-7: Energy Requirement approved for Control Period FY 2025-26 to FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Estimated Energy Sale	75.13	97.67	126.97	158.71	198.39
Distribution Losses (%)	2.60%	2.60%	2.60%	2.60%	2.60%
Distribution Losses (MUs)	2.01	2.61	3.39	4.24	5.30
Energy Requirement at Distribution Periphery (MUs)*	77.14	100.28	130.36	162.95	203.69
Intra-State Transmission Losses (%)	3.20%	3.27%	3.33%	3.36%	3.39%
Intra-State Transmission Losses (MUs)	2.55	3.39	4.48	5.67	7.15
Energy Requirement after Intra State Losses (MUs)	79.68	103.67	134.84	168.62	210.84
Inter-State Transmission Losses (%)	1.69%	1.84%	2.25%	2.52%	2.30%
Inter-State Transmission Losses (MUs)	1.37	1.94	3.10	4.35	4.95
Power Purchase Requirement	81.06	105.60	137.94	172.97	215.79

*Note: inter and intra state transmission losses is not considered on energy supply from captive solar project.

5.5. Energy Availability and Power Purchase Cost

Petitioner's submission

The Petitioner has projected power requirement to be procured for retail supply business during the control period based on projection of consumer category wise sales and projected distribution losses and Transmission losses. Considering the profile of the existing and new consumers, the Petitioner has to plan the power procurement at peak demand level at all times.

The Petitioner has proposed to meet most of its power requirement from Medium Term Open Access Booking Arrangement through Generator/PTC India Ltd. or any other source. However, the Short Term Power requirements shall be met through Power Exchanges where Petitioner will purchase in Day Ahead Market [DAM] and Green Day Ahead Market [G-DAM] on day ahead basis. The Source wise details are given as under:

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

The Petitioner has submitted that it has planned to purchase significant quantum of

electricity through PTC India Ltd./Generator on Medium Term Booking basis. In FY 2025-26, it has been proposed that PTC/Generator will supply majority of power through MTOA (having contract of 4 MW round the clock (RTC) and for last year i.e., FY 2029-30, 3 MW RTC power is proposed).

It has further submitted that with the development of licensee area, increase in demand and certainty of the consumer load, it is planning for long term tie-up through competitive bidding. Therefore, during 2nd, 3rd and 4th year, no MTOA power is considered.

Based on the present PPA in force, and market condition, current PPA Tariff of Rs 5.40/kWh is considered. Further, Rs 0.22/kWh is considered as STU/SLDC charges and Rs. 0.20/kWh is considered as impact of transmission losses. Accordingly, the average Power Purchase Cost of MTOA Supply is proposed at Rs. 5.82/kWh at GIFT PCL Periphery.

Captive Solar Project/Own Generation:

The Petitioner has submitted that it has established the first phase of captive solar project and second phase is proposed to be completed by March 2025. Hence, based on present generation pattern, it is assumed that 14 lakh unit / MW will be generated from 4.90 MW project. There would be certain reduction in generation from third year, as per degradation. Based on the same, the power availability at distribution level directly has been considered. The power will be available in solar hours only. The Petitioner has assumed the power purchase rate as Rs 4.70/kWh.

FDRE I and II from SECI (HYBRID):

The Petitioner has submitted that at present, the base demand is 5 MW whereas the peak demand is 13 MW and the same is expected to increase in future considering the completion of multiple commercial and residential buildings in licensee area. Therefore, as a prudent practice, executing Long-Term PPA for meeting the base demand is the most viable and cost-effective solution for any Distribution Licensee.

The Petitioner has submitted that SECI has come up with the solution for supplying Renewable Energy on demand following basis under Firm and Dispatchable Renewable

Energy (FDRE). Accordingly, Petitioner submitted the Expression of Interest (EoI) Letter to SECI for executing PPA under LTOA transaction for meeting base demand requirement of licensee area from RE Power Project under FDRE option on 22nd August-2023.

Based on request of Petitioner, SECI has released the Request for Selection (RfS) Document for Selection of RE Power Developers for Supply of 1260 MW Firm and Dispatchable Power from ISTS-connected Renewable Energy (RE) Power Projects in India, under Tariff-based Competitive Bidding to sale renewable power on RTC basis to BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL), Delhi, and remaining 10 MW has been provisioned to be sold to GIFT Power Company Limited (GIFT PCL) on 15th September-2023 and same was named by SECI-FDRE-IV.

SECI has analysed the bid potential for SECI-FDRE-IV and it was noted that approx. 750 MW bids is received. Therefore, it was decided to break up the capacity into half (i.e. 630 MW) and released Two Tender (630+630) in near term following basis such that tariff discovery will be competitive in e-RA. Accordingly, the provisioned capacity of 10 MW for GIFT PCL was halved to 5 MW in SECI FDRE IV and the remaining capacity of 5 MW will be allocated through SECI by follow on RFS under FDRE option.

The last date for submission of Bids was 05th July-2024 and Bids were opened on 08th July-2024 by SECI. It was noted that 5 Nos. of RE Developers namely Vena Energy, Hero Solar Energy, JSW Neo Energy, Hexa Climate, Serentica Renewables have submitted their bid with a cumulative capacity of 780 MW and e-RA for the same was successfully conducted on 25th July-2024.

The results of 630 MW SECI-FDRE-IV e-RA is furnished below

Sr. No.	RE Developers / Bidders	Quoted Capacity (MW)	Discovered Tariff (Rs./Unit)
1	Vena Energy	100	4.98
2	Hero Solar Energy	100	4.98
3	JSW Neo Energy	230	4.98
4	Hexa Climate	100	4.99
5	Serentica Renewables	250	4.99

After successful completion of e-RA for first part of tender (i.e. 630 MW), it is expected that SECI will start the process to invite bids for second part of tender in the near future. SECI has communicated the result of auction to Petitioner vide e-mail dated 26th July-2024. SECI also confirmed the provisioned 5 MW RTC power to GIFT will be scheduled on pro-rata basis from all selected RE developers. This means that Petitioner will receive 1 MW from all 5 successful bidders and accordingly the weighted average tariff of Rs. 4.984/kWh plus Rs. 0.07/kWh as a trading margin will be payable to SECI.

The Petitioner submitted that it will file the Power Purchase Approval petition for seeking the approval to execute Power Purchase Agreement (PPA) as per Section 86 (1)(b) of Electricity Act-2003 before Hon'ble Commission soon.

Under this arrangement, 5 MW (under first phase) (and another 5 MW (in second phase)) of continuous power (RTC as it is FDRE project) is assumed to be available. As it is a hybrid power, the Petitioner assumed 50% power from wind and solar sources each. The same is appropriately considered under respective RPO.

The payment for this transaction is assumed as Rs 4.985/kWh, based on rate discovered in bidding. Additional CTU charges of Rs 0.25/kWh (FDRE I) (which is Rs 0.35/kWh under FDRE II) and Rs 0.25/kWh of STU charges has been considered. Based on current prices, normal CTU charges is around Rs 0.45/kWh, as observed in the bill received by the Petitioner for other transaction. The CTU charges for renewable energy project will be introduced in phased manner, hence, around 50% of the present level of CTU charges is assumed for this transaction (FDRE I). A marginal higher CTU charges for FDRE II projects is considered, as FDRE II project will be installed later year when there is a possibility that higher charges may be introduced.

Accordingly, the average Power Purchase Cost of SECI (FDRE I) Supply is proposed at Rs. 5.97/kWh at GIFT PCL Periphery from FY 2027-28 onwards and Rs. 5.98 for SECI (FDRE II) from FY 2028-29 onwards.

Procurement of Hybrid RE through EOI Route

The Petitioner submitted that to meet the increasing demand and fulfill Renewable Power Obligation (RPO), GIFT PCL released an Expression of Interest (EOI) for procuring 9 MW Hybrid Renewable Energy (Solar & Wind) from RE Power Developers/Generators. Four RE Developers/Generators submitted bids and GIFT PCL is evaluating them. After evaluation, the Petitioner will file the Power Purchase Approval petition for seeking the approval to execute Power Purchase Agreement (PPA) as per Section 86 (1)(b) of Electricity Act-2003 before Hon'ble GERC.

The Petitioner has assumed that power from 9.9 MW hybrid power project with 50% CUF will be available. The CUF has reduced year-on-year basis considering the age of the project (49.2%, 48.5% and 47.8%). Further, the Petitioner assumed 50% power from wind and solar sources each. It is presumed that from solar project under this hybrid project will provide energy in solar hours.

Based on the recent discovered tariff and small quantity required by the Petitioner, Rs 3.90/kWh is considered. Additionally, assumed STU charge is Rs 0.44/kWh and Rs. 0.16/kWh has been assumed as impact of losses. Accordingly, the average Power Purchase Cost of Hybrid RE Supply is proposed at Rs. 4.50/kWh at GIFT PCL Periphery from FY 2026-27 onwards.

Short Term Sources (RE from Power Exchange):

The petitioner has submitted that for RE purchase from exchange [GDAM/GTAM], the Petitioner has assumed that 20% (in first two years, as SECI FDRE project will come from third year) and 10% (third year onwards) of energy consumption of that year will be from exchange. A part of such purchase will be utilised for meeting the Hydro and Other RPO. For purchase of RE power from exchange, Rs 5.65/kWh is considered along with Rs 0.45/kWh for CTU charges, Rs 0.42/kWh for STU charges and Rs. 0.48/kWh has been assumed as impact of CTU and STU losses. Additionally, Rs 0.04/kWh as trading margin has been considered. Accordingly, the average Power Purchase Cost of RE Power through G-DAM is proposed at Rs. 7.04/kWh at GIFT PCL Periphery from FY 2025-26 onwards

Short Term Sources (Conventional from Power Exchange):

The petitioner has submitted that for short term sources, the Petitioner projects to source remaining amount of power procurement, after considering the availability from above sources and corresponding energy demand, from power exchange. For purchase of RE power from exchange, Rs 5.15/kWh is considered along with Rs 0.45/kWh for CTU charges, Rs 0.42/kWh for STU charges and Rs. 0.45/kWh has been assumed as impact of CTU and STU losses. Additionally, Rs 0.04/kWh as trading margin has been considered. Accordingly, the average Power Purchase Cost of Conventional Power through DAM is proposed at Rs. 6.51/kWh at GIFT PCL Periphery from FY 2025-26 onwards.

Considering the rate discovered in day ahead market (DAM) market.

The summary of estimated source-wise power quantum and purchase cost during FY 2025-26 to FY 2029-30 is tabulated below:

Table 5-8: Power Procurement Quantum projected for FY 2025-26 to FY 2029-30

Particulars	(MUs)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Long term / Medium term Sources					
FDRE I	-	-	43.80	43.80	43.80
FDRE II	-	-	-	43.80	43.80
MTOA	35.04	-	-	-	26.28
Long term hybrid power project	-	43.36	42.67	42.06	41.45
Captive solar Plant energy injected at DISCOM level	6.86	6.86	6.74	6.62	6.52
Short term Sources					
Power exchange RE (GDAM/GTAM)	15.43	20.06	13.04	16.29	20.37
Power exchange conventional (DAM/TAM)	23.73	35.33	31.70	20.40	33.57
Total	81.06	105.60	137.94	172.97	215.79

Table 5-9: Power Procurement Cost projected for FY 2025-26 to FY 2029-30

Particulars	(Rs. Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Long term / Medium term Sources					
FDRE I	-	-	21.83	21.83	21.83
FDRE II	-	-	-	21.46	21.46
MTOA	18.92	-	-	-	14.19
Long term hybrid power project	0.00	16.91	16.64	16.40	16.17

Captive solar Plant energy injected at DISCOM level	3.22	3.22	3.17	3.11	3.06
Short term Sources					
Power exchange RE (GDAM/GTAM)	8.72	11.33	7.37	9.21	11.51
Power exchange conventional (DAM/TAM)	12.22	18.19	16.33	10.50	17.29
Total	43.08	49.66	65.33	82.52	105.52
Transmission and other charges	4.33	6.94	8.44	10.62	12.73
Total Power Purchase Cost	47.41	56.60	73.77	93.14	118.25

Commission's view

The Commission has noted that the Petitioner has planned to procure power from various sources as under:

(a) Medium Term Open Access (MTOA)

The Petitioner has proposed to procure power through PTC India Ltd. through Bilateral under MTOA during FY 2025-26 and FY 2029-30 in line with the present arrangement. The Petitioner renews its PPA every year, therefore, the Commission approves the purchase through PTC under MTOA as projected by the Petitioner for FY 2025-26 and FY 2029-30. However, the Petitioner is directed to submit the relevant documents at the time of Truing up of relevant years.

The Commission noted that the Petitioner has considered tariff of Rs 5.40/kWh and also considered Rs. 0.22/kWh additional cost towards STU/SLDC charges & fees. Accordingly, the average Power Purchase Cost of MTOA Supply is considered at Rs. 5.62/kWh for FY 2025-26 and FY 2029-30 and the Commission approves the same.

(b) Captive Solar Project

The Petitioner has submitted that the first phase of captive solar project is already commissioned and second phase is proposed to be completed by March 2025. Accordingly, it has planned to procure power from 4.90 MW Captive Solar Plant during FY 2025-26 to FY 2029-30, with degradation in generation from third year, based on the same, the power availability directly at distribution level has been considered.

Further, petitioner has considered rate of Rs. 4.70/kWh for availing power supply from Captive Solar Project. The Commission has noted that the rate of Rs. 4.70/kWh

considered by the Petition is on a much higher side as compared to the generic tariff of Rs. 2.76/kWh (without consideration of AD benefits) determined in the order no 6 of 2024 dated 31.08.2024 for procurement of power from Solar Power Project. Accordingly, the Commission has provisionally considered tariff of Rs. 2.76/kWh for procuring power from the solar generating plant for the entire control period.

Further, no inter and intra state transmission charges are considered during FY 2025-26 to FY 2029-30 for power supply from captive solar project considering energy injection at GIFT PCL periphery.

(c) SECI (FDRE I&II) Tenders

It is noted that petitioner has planned to purchase power through SECI under Firm and Dispatchable Renewable Energy (FDRE) tenders. Under this arrangement, 5 MW (under first phase FDRE- I) and another 5 MW (in second phase FDRE -II) of Firm and Dispatchable Power (RTC basis) is assumed to be available. As it is a hybrid power, the Petitioner assumed 50% power from wind and solar sources each. Under first phase, petitioner has projected the power availability from FY 2027-28 onwards and availability under second phase is envisaged from FY 2028-29 onwards.

It is noted that petitioner has submitted that it will file the Petition seeking the approval of the Commission under this arrangements to execute Power Purchase Agreement (PPA) as per Section 86 (1)(b) of Electricity Act-2003.

The Petitioner has further submitted that SECI has communicated the result of auction and confirmed the provision of 5 MW RTC power under FDRE-I to GIFT at weighted average tariff of Rs. 4.98/kWh. Further, Rs 0.25/kWh is considered as STU/SLDC charges and Rs 0.25/kWh is considered as CTU/RLDC charges (as the The CTU charges for renewable energy project will be introduced in phased manner, being 50% current CTU charges) and Rs. 0.07/kWh is considered towards SECI trading margin. Accordingly, the average Power Purchase Cost of SECI FDRE-I is considered at Rs. 5.55/kWh for FY 2027-28 to FY 2029-30 at GIFT PCL periphery.

Further for SECI FDRE-II, Based on the present auction results of Tariff under SECI FDRE-I, the petitioner has assumed weighted average tariff of Rs. 4.90/kWh. The Commission

considered the same provisionally for the projections of power purchase under FDRE-II as projected by the Petitioner. Further, the Petitioner has considered Rs 0.25/kWh as STU/SLDC charges, Rs 0.35/kWh (as project will be installed later year and therefore marginally higher CTU charges) as CTU/RLDC charges and Rs. 0.07/kWh towards SECI trading margin. Accordingly, the average Power Purchase Cost of SECI FDRE-II is considered at Rs. 5.57/kWh for FY 2028-29 to FY 2029-30 based on the projection made by the Petitioner.

(d) Procurement of Hybrid RE through EOI Route

It is submitted that to meet the increasing demand and fulfill Renewable Power Obligation (RPO), the petitioner has planned for purchase of power through Expression of Interest (EOI) route for procuring 9 MW Hybrid Renewable Energy (Solar & Wind), with 50% CUF, from FY 2026-27 onwards.

The petitioner has projected degradation in CUF year-on-year basis and considered CUF of 50%, 49.2%, 48.5% and 47.8% respectively during FY 2026-27 to FY 2029-30. Further, the Petitioner assumed 50% power from wind and 50% from solar sources.

The petitioner has submitted that the bid evaluation of EOI is yet to be completed, therefore, based on the recent discovered tariff and small quantity procured by the Petitioner, tariff of Rs 4.34/kWh (base tariff of 3.90/kWh plus STU charges of Rs 0.44/kWh) is projected by the petitioner. The Petitioner further submitted that after bid evaluation, the Petitioner will file the Power Purchase Approval petition for seeking the approval of the Commission to execute Power Purchase Agreement (PPA) as per Section 86 (1)(b) of Electricity Act-2003.

Further, in response to Commission query related to power purchase, the petitioner has submitted that as per bid evaluation result dated 13th December, 2024, lowest bid tariff is discovered at fixed tariff of Rs. 3.70/kWh.

The Commission consider the aforesaid lowest bid Tariff of Rs 3.70/kWh and additionally consider Rs 0.44/kWh as STU/SLDC charges. Thus, the average Power Purchase Cost of

Hybrid RE Supply under EoI route is considered at Rs. 4.14/kWh for FY 2026-27 to FY 2029-30.

(e) GDAM/GTAM

The Commission notes that Petitioner has proposed to procure RE power through power exchange G-DAM/GTAM segment at Rs. 7.04/kWh (including STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.04 /kWh) from FY 2025-26 to FY 2029-30.

keeping in mind the compliance of RPO, the Commission while projecting the power from GDAM/GTAM, has consider higher of quantum required for RPO compliance and quantum projected by the petitioner.

The Commission observed that as per IEX, the average price of the G-DAM/GTAM market for April' 2024 to February 2025 was Rs. 4.87/kWh and considering the STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.04/kWh, the average Power Purchase Cost is considered at Rs. 5.78/kWh for FY 2025-26 to FY 2029-30.

The Commission, further, directs petitioner to be diligent and ensure that RE power is procured to meet its RPO requirement at competitive rate. The Commission is of the view that Petitioner may take necessary steps to take advantage of new facilities/ services/ products available in the power market to optimize its power purchase cost.

(f) Power purchase Under DAM Platform of Power Exchange

It is noted that after meeting the energy requirement from tied up sources and GDAM/GTAM, petitioner has projected to procure balance power from IEX at Rs. 6.51/kWh (including STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.04 /kWh).

The Commission further noted that as per IEX, the average price of the DAM market for April' 2024 to February 2025 was Rs. 4.47/kWh and considering the STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.04/kWh, the price

is worked out to be Rs. 5.38/kWh. Accordingly, the Commission allows to procure balance quantum of energy through Power Exchange DAM at a tariff of Rs. 5.38/kWh during FY 2025-26 to FY 2029-30.

The Commission provisionally approves the aforesaid sources wise power purchase tariff, which is subject to truing-up of respective years.

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

Table 5-10: Power Procurement Quantum Approved for the FY 2025-26 to FY 2029-30

(MU)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Long term / Medium term Sources					
FDRE I	-	-	43.80	43.80	43.80
FDRE II	-	-	-	43.80	43.80
MTOA	35.04	-	-	-	26.28
Long term hybrid power project		43.36	42.67	42.06	41.45
Captive solar Plant	6.86	6.86	6.74	6.62	6.52
Power exchange RE (GDAM/GTAM)	19.90	20.06	13.04	16.29	20.37
Gross Energy	61.80	70.28	106.24	152.57	182.22
Energy Requirement	81.06	105.60	137.94	172.97	215.79
(Surplus)/Short Term Purchase PX (DAM/TAM)	19.27	35.33	31.70	20.40	33.57

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

Table 5-11: Source-wise Power Purchase Cost approved for FY 2025-26 to 2029-30

(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Long term / Medium term Sources					
FDRE I			21.83	21.83	21.83
FDRE II				21.46	21.46
MTOA	18.92				14.19
Long term hybrid power project	0.00	16.04	15.79	15.56	15.34
Captive solar Plant energy injected at DISCOM level	1.89	1.89	1.86	1.83	1.80
Power exchange RE (GDAM/GTAM)	9.69	9.77	6.35	7.94	9.92
(Surplus)/Short Term Purchase PX ((DAM/TAM))	8.61	15.79	14.17	9.12	15.01
Total Purchase	39.12	43.50	60.00	77.73	99.55
Transmission and other charges	4.33	6.94	8.44	10.62	12.73

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Total Power Purchase Cost	43.45	50.43	68.43	88.35	112.28

Renewable Power Purchase Obligation (RPO)

Petitioner's submission

The petitioner has submitted MoP vide its notification dated 20th October, 2023 has given a new RPO trajectory, the same is considered for the FY 2025-26 to FY 2029-30.

Table 5-12: RPO Notified by MoP on 20/10/2023

Sr.No.	Year	Wind renewable energy	Hydro renewable energy	Distributed renewable energy	Other renewable energy	Total renewable energy
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	2024-25	0.67%	0.38%	1.50%	27.35%	29.91%
2	2025-26	1.45%	1.22%	2.10%	28.24%	33.01%
3	2026-27	1.97%	1.34%	2.70%	29.94%	35.95%
4	2027-28	2.45%	1.42%	3.30%	31.64%	38.81%
5	2028-29	2.95%	1.42%	3.90%	33.10%	41.36%
6	2029-30	3.48%	1.33%	4.50%	34.02%	43.33%

Petitioner has considered to meet solar RPO by considering energy generation from captive Solar Plant and solar rooftops installed by consumers under net-metering arrangements. Wind and other RPO will be met from energy available from hybrid power projects (FDRE and Hybrid injected at STU level).

In case of Solar RPO fulfilment (now under distributed RPO), as per the provisions given in the Gujarat Electricity Regulatory Commission (Net Metering Rooftop Solar PV Grid Interactive Systems) Regulations, 2016 and its amendments. It has considered solar power through net-metering arrangement is considered in the following manner:

- 20% increment on present level of 0.75 MU in FY 25-26.
- FY 26-27 onwards, 10% increment from previous year level.

The details of RPO compliance of ensuing years (without considering RE purchase from exchange) is furnished below:

Table 5-13: RPO target Compliance projected for FY 2025-26 to FY 2029-30

	Parameter	Units	Projected for MYT Control Period				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Solar / distributed energy for FY 25-26 onwards	Gross energy consumption incl Dist loss	MU	77.14	100.28	130.36	162.95	203.69
	Hydro Consumption	MU	0.94	1.34	1.85	2.31	2.71
	Net Energy Consumption	MU	76.19	98.93	128.51	160.64	200.98
	RPO Target (Solar)	%	2.10	2.70	3.30	3.90	4.50
	RPO Target (Solar)	MU	1.60	2.67	4.24	6.26	9.04
	Solar Energy Purchased	MU	7.76	7.85	7.83	7.81	7.83
	Total RPO achieved	%	484.98	293.88	184.56	124.71	86.63
	Excess RPO Met Carried Forward	MU	6.16	5.18	3.59	1.55	
	Shortfall RPO Carried forward	MU					1.21
Others (Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/ Mini/ Micro Hydro)	Gross energy consumption	MU	77.14	100.28	130.36	162.95	203.69
	Hydro Consumption	MU	0.94	1.34	1.85	2.31	2.71
	Net Energy Consumption	MU	76.19	98.93	128.51	160.64	200.98
	RPO Target (Others)	%	28.24	29.94	31.64	33.10	34.02
	RPO Target (Others)	MU	21.52	29.62	40.66	53.17	68.37
	Other Energy Purchased	MU	0.00	21.68	43.23	64.83	64.53
	Total RPO achieved	%	0.00	73.20	106.33	121.93	94.38
	Excess RPO Met Carried Forward	MU			2.57	11.66	
	Shortfall RPO Carried forward	MU		7.94			3.85
Wind	Gross energy consumption	MU	77.14	100.28	130.36	162.95	203.69
	Hydro Consumption	MU	0.94	1.34	1.85	2.31	2.71
	Net Energy Consumption	MU	76.19	98.93	128.51	160.64	200.98
	RPO Target (Wind)	%	1.45	1.97	2.45	2.95	3.48
	RPO Target (Wind)	MU	1.10	1.95	3.15	4.74	6.99
	Wind Energy Purchased	MU	0	21.68	43.23	64.83	64.52
	Total RPO achieved	%	0.00	1112.43	1373.18	1368.09	922.60
	Excess RPO Met Carried Forward	MU		19.73	40.09	60.09	57.53
	Shortfall RPO Carried forward	MU	1.10				
Hydro Purchase Obligation	Gross energy consumption	MU	77.14	100.28	130.36	162.95	203.69
	HPO Target (Hydro)	%	1.22	1.34	1.42	1.42	1.33
	HPO Target (Hydro)	MU	0.94	1.34	1.85	2.31	2.71
	Hydro Energy Purchased	MU	0.94	1.34	1.85	2.31	2.71
	Total HPO achieved	%	100.00	100.00	100.00	100.00	100.00
	Excess HPO Met Carried Forward	MU	0.00	0.00	0.00	0.00	0.00
	Shortfall HPO Carried forward	MU					

Commission’s view

It is noted that Petitioner has considered RPO trajectory in accordance with the MoP notification dated 20th October, 2023 for the FY 2025-26 to FY 2029-30.

It is noted that Commission has issued draft RPO amendment to bring the RPO trajectory in line with RPO trajectory specified by Ministry of Power vide notification dated 20th



October, 2023 and the same RPO trajectory is also considered by the Petitioner. Accordingly, the Commission has considered procurement of renewable energy for MYT Control Period as under.

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Energy Requirement (MUs)	81.06	105.60	137.94	172.97	215.79
RPO Target (%)	33.01%	35.95%	38.81%	41.36%	43.33%
RPO Target (MUs)	26.76	37.96	53.54	71.54	93.50
RE - Purchase from Tied Up Sources & PX (GDAM/GTAM)	26.76	70.28	106.24	152.57	155.94
Unmet RPO	0.00	0.00	0.00	0.00	0.00

The Commission has considered the power from RE-tied up / proposed tie up sources to meet the RPO requirement, and also considered Purchase of Power from IEX-GDAM higher of quantum required to meet RPO and the quantum proposed by the Petitioner. The Petitioner is directed to strictly adhere to the RPO trajectory as stipulated by the Commission from time to time and meet its RPO Target accordingly.

5.6. Operation & Maintenance Expenses

Petitioner's submission

The Petitioner has submitted that the O&M expenses are increasing year-on-year as the growth is being experienced in demand and the employee strength is also increasing accordingly. It is submitted that in recent years, there is an increment in Employee Expenses as explained the reasons for the same in True-up. It is observed that as per the GERC MYT Regulations, 2024, the projection of the present control period is based on past year data (average of past years expenses) and escalation factor to be derived on the basis of WPI and CPI. However, the O&M expenses based on past data only, may not give true projection for the Petitioner, as the expenses in earlier period was on lower side and Petitioner being a small licensee it is quite challenging to control the O&M Expenses as majority of the expenses are evident and uncontrollable. Hence, it is more appropriate to consider the present expenses with appropriate escalation factor. In this circumstance, under Regulation 12 of GERC MYT Regulations, 2024 "Power of Relaxation" it has requested to approve the O&M expenses based on current O&M expenses.

It is further submitted that while projecting the normative O&M expenses, the Petitioner has considered its submission of O&M expenses in ARR Petition of FY 2024-25. The Employee Expenses were projected as Rs 3.55 Crore for FY 2024-25. The Petitioner submitted that based on current requirement, the Petitioner is planning to recruit two to three new employees during FY 2025-26. The expenditure in this regard is considered during FY 2025-26. So, based on O & M expenses proposed for FY 2024-25 and with consideration the normal escalation of existing employee expenses as per the norms of the Petitioner company and additional employee expenses, the Employee Expenses for FY 2025-26 has been proposed as Rs 4.00 Crores.

For R&M expenses, petitioner submitted that actual R&M expenses was Rs 1.63 Crore during FY 2023-24. Considering the present R&M expenses and based on the requirement of the Petitioner to maintain its infrastructure, R&M expenses of Rs 2.10 Crore is proposed for FY 2025-26. In the similar lines, the A&G expenses have been estimated by the Petitioner as Rs 1.95 Crore for FY 2025-26. This includes obligated licensee fee and other Petition related fees to be paid by the Licensee.

The Petitioner, therefore, requested to approve the O&M expense for FY 2025-26 based on actual O&M expense incurred by the Petitioner during the previous financial year. It is submitted that the Petitioner had filed the first ARR Petition for FY 2018-19, hence the WPI and CPI of FY 2018-19 onwards has been considered by the Petitioner for projecting the escalation factor. Further, the weightage of CPI:WPI of 50:50 is assumed by the Petitioner for deriving the escalation factor. The same is proposed as 5.27% for projecting the O&M expenses for remaining years of the control period. The details of proposed escalation rate is given below.

Table 5-14: Proposed escalation factor for projecting the O&M Expenses for the FY 2025-26 to FY 2029-30

Year	WPI	WPI inflation	CPI	CPI inflation	Escalation for control period
2018-19	119.8	4.26%	299.92	5.45%	
2019-20	121.8	1.67%	322.5	7.53%	
2020-21	123.4	1.31%	338.69	5.02%	
2021-22	139.4	12.97%	356.06	5.13%	

2022-23	152.5	9.40%	377.63	6.06%	
2023-24	151.4	-0.72%	397.21	5.19%	
Average		4.81%		5.73%	5.27%

Based on the above, the Petitioner has projected the O&M expenses for the FY 2025-26 to FY 2029-30.

Table 5-15: Operation and Maintenance Cost projected for control period
(Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Employee expenses	4.00	4.21	4.43	4.67	4.91
R&M Expenses	2.10	2.21	2.33	2.45	2.58
A&G Expenses	1.95	2.05	2.16	2.27	2.39
Total	8.05	8.47	8.92	9.39	9.89

Commission's view

It is noted that the Petitioner has computed the O&M expenses for FY 2025-26 based on Projected O&M of FY 2024-25 and for subsequent year it has considered an escalation of 5.27% on year on year basis.

The Regulation 92.1 and 104.1 of MYT Regulation 2024 provides that the O&M expense shall be derived on the basis of the average of the actual audited O&M expense for the past ten years ending March 31, 2024. Further, it also provides that the average of ten years audited O&M expense shall be considered as O&M expense for March 31, 2019 and shall be escalated at the respective escalation rate of FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 to arrive at the O&M expense for the base year ending March 2024. Further, the same shall be escalated with the weighted average ratio of CPI and WPI index to work out the O&M figures for Control period.

It is noted that the approved actual O&M expenses are available from FY 2018-19, therefore instead of taking average of last 10 years, the Commission has considered the average actual O&M of last 6 years approved by the Commission in True Up of respective year i.e. from FY 2018-19 to FY 2023-24.

Based on the above principle of Regulations, the base O&M expenses as on 31st March, 2019 is independently worked out by the Commission as outlined below:

Table 5-16: Base O&M Expenses as on 31st March, 2019 approved

(Rs. Crore)	
Particulars	Amount
Employee Expenses	1.48
A&G Expenses	0.95
R&M Expenses	1.16
O&M for FY 2018-19	3.58

The O&M Expenses thus arrived as on 31st March, 2019 are escalated based on WPI: CPI Rate of the respective year with the weightage of the expenses as derived above whereby Employee expenses is linked to CPI and A&G and R&M expenses is linked to WPI to compute O&M expenses for FY 2023-24 which is later on escalated @ 4.04% year-on-year to arrive at O&M Expenses for FY 2024-25 and thereafter from FY 2025-26 to FY 2029-30.

With respect to R&M expenses, K factor of 6.31% has been derived based on average of last 6 years approved R&M Expenses with Gross Fixed Assets and the same is considered to project the R&M Expenses for FY 2025-26 to FY 2029-30. It is noted that as against the claim of the petitioner in its first tariff Petition for FY 2018-19, the Commission has partly approved the opening balance of GFA and therefore 'K' factor value of 6.31% so derived appears on higher side.

The O&M Expenses is considered as uncontrollable while carrying out True Up exercise.

Accordingly, the Commission approves the O&M Expenses for control period FY 2025-26 to FY 2029-30 as given in the Table below.

Table 5-17: Computation of Operation and Maintenance Expenses approved for FY 2025-26 and FY 2029-30

(Rs. Crore)					
Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Employee Expenses	2.08	2.16	2.25	2.34	2.44
R&M Expenses	3.37	6.59	8.43	10.66	12.19
A & G Expenses	1.33	1.38	1.44	1.50	1.56

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total	6.78	10.14	12.12	14.50	16.18

5.7. Capital Expenditure, Capitalization and Funding of CAPEX

Petitioner's submission

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

The Petitioner submitted that it has developed network automation for real time monitoring and operation of various equipment from Central Control Room (CCR). The coverage of network automation would be from end to end interface points between take off to delivery points. The Petitioner has also installed fire fighting system on Power Transformers as per CEA Regulations, 2010, which are installed prior to the notification of this regulation.

Being green field project initially GIFT PCL has to develop all the facilities because no facility is available in the area. As GIFT PCL has limited area for power distribution, and limited land is available for development of plants, so sizing of plants is critical decision. The Petitioner have to take in to account that size of plants shall be optimum and development of plants shall have flexibility of modular expansion. In initial years it is necessary to lay down the supply network to provide power to the consumers such that the demand of power supply meet out easily within short time as the petitioner is under Universal Service Obligation to provide the power supply. The higher cost needs to bear by the Petitioner in initial years for provide HT/LT network which consists of major cost

component of capital expenditure.

Considering the same, the anticipated capital expenditure and capitalization proposed by the Petitioner are as follows:

Table 5-18: Capex and Capitalisation projected for the Control Period

(Rs. Crore)

FY	Opening CWIP	Capital Expenditure	Capitalization during the year	Less: Consumer contribution (SLC)	Net Capitalisation	Closing CWIP Balance
2025-26	24.21	24.85	49.06	5.38	43.68	0.00
2026-27	0.00	28.01	28.01	1.50	26.51	0.00
2027-28	0.00	38.00	34.00	6.00	28.00	4.00
2028-29	4.00	43.21	23.21	6.11	17.10	24.00
2029-30	24.00	94.43	34.43	7.72	26.71	84.00

Petitioner submitted that as per Regulation 95 and 106 of the GERC MYT Regulations, 2024, the licensee shall propose in their filings, a detailed capital investment plan, as part of the Multi-Year ARR for the entire control period. Accordingly, GIFT PCL has submitted the proposed total asset to be capitalised for the control period from FY 2025-26 to FY 2029-30 as under:

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

The Petitioner has to make Power Distribution Arrangements for new consumers and to develop the required infrastructure for giving supply connections, various items have to be procured like cables, meter box, feeder pillars, civil works & other miscellaneous tasks needs to be performed. The Cost of providing services related to Cable laying will be carried out by external agency and the same will be accommodated under this project head.

Accordingly, the estimated cost for Power Distribution Arrangements for various Consumers, proposed for FY 2025-26 to FY 2029-30 as under:

(Rs. Crore)

Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Distribution Arrangement for Various Consumers	1.00	1.00	1.00	1.00	1.00

- Block-wise Switching Stations at various Locations:**

As per the development plan, almost 5 to 10 buildings will complete their construction by end of respective financial year, the Petitioner has to install Switching Panels in Underground RMU Room in between various Blocks wherever the buildings are getting completed and lay dual source 33 KV power distribution cable from 66 KV Sub-Station to respective Block RMU Rooms. The Switching Panel will have numerous outgoing feeders.

Accordingly, the estimated cost for Block-wise Switching Stations at various Locations to be incurred for FY 2025-26 to FY 2029-30 as under:

(Rs. Crore)

Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Block-wise Switching Stations at various Locations	6.00	0	8.00	8.00	11.00

- Power Distribution Network and Compact Sub-Station (CSS) at various Locations:**

As per the development plan, almost 5 to 10 buildings will complete their construction by end of respective financial year. By considering network development in a phased manner, it is required to set up CSS at various locations initially to cater the demand in some of the respective blocks which will predominantly be LT consumers. Also, the Petitioner has to lay dual source 33 KV power distribution cable from 66 KV Sub-Station to respective CSS locations in various blocks. The CSS will have numerous outgoing feeders.

Accordingly, the estimated cost for Power Distribution Network and CSS at various Locations to be incurred for FY 2025-26 to FY 2029-30 are as under:

(Rs. Crore)

Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Distribution Network and CSS at various Locations	9.60	0	7.00	6.00	4.00

- Renewable Energy Storage:**

Petitioner has commissioned a Captive Solar Plant of 2.50 MW (Phase-I) in May'24 and planning to commission another 2.40 MW (Phase-II) by Mar'25. Renewable Energy storage systems allows to capture and store excess energy generated during periods of high production, which can then be used during times of low generation or peak hours where the rate discovered is Rs. 10/Unit. This ensures a stable and reliable power supply, reducing dependency during peak hours and supporting the integration of clean energy into the distribution network. Also, Ministry of Power has notified the trajectory of Energy Storage Obligation to be fulfilled along with RPO for Obligated Entities. Therefore, Petitioner is in a view to implement Energy Storage and integrate the same with existing Solar Plant for better power purchase cost optimization during peak hours.

Accordingly, the estimated cost for Renewable Energy Storage to be incurred for FY 2025-26 to FY 2029-30 are as under:

(Rs Crore)

Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Renewable Energy Storage	2.00	0	10.00	0	10.00

- Procurement of Power Cables:**

As the developments in the licensee area are fast paced, multiple new consumers/occupants are expected to begin their operations during control period. Accordingly, there will be substantial increase in consumers and Petitioner have to arrange for power supply and release connections. Accordingly, the Petitioner will purchase cables separately for meeting the power distribution requirements and meeting Universal Service Obligation in line with the provisions of Electricity Act-2003.

Accordingly, the estimated cost for Procurement of Power Cables to be incurred for FY 2025-26 to FY 2029-30 are as under:

					(Rs Crore)
Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Procurement of Power Cables	3.75	2.00	3.00	3.21	3.43

- **Smart Meters and Allied Equipments Procurement:**

As per Ministry of Power's Notification No. 23/35/2019-R&R dated 17th August-2021, it has been directed to replace all the existing meters with smart meters with pre-payment feature. Also, Commission vide letter dated 9th September-2021 has informed to submit a plan for installing Smart Meters. Accordingly, Petitioner has replaced the AMR Meters with Smart Meters for the existing consumers of the licensee area during FY 2023-24 and FY 2024-25.

Based on Building completion and development timelines, it is envisaged that 668 new consumers will be added in FY 2025-26, 974 new consumers in FY 2026-27, 960 new consumers in FY 2027-28, 632 new consumers in FY 2028-29, 490 new consumers in FY 2029-30. Accordingly, Petitioner needs to procure new meters for new consumers. It may please be noted that Meter Manufacturers are now stopping the manufacturing of AMR meters. Hence, it is prudent to purchase Smart Meters. It is estimated that, through implementation of Smart Meters in Licensee area, Petitioner will increase the accuracy in billing and collection efficiency.

Accordingly, the estimated cost for Smart Meters and Allied Equipments Procurement to be incurred for FY 2025-26 to FY 2029-30 are as under:

					(Rs. Crore)
Project Details	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Smart Meters & Allied Equipment's	2.50	2.50	2.50	2.50	2.50

- **66 KV Sub-Station Feeder Expansion:**

During past few years, development of Infrastructure has grown significantly in licensee area which led to increase of Energy Sales. As the demand is growing the construction of high-rise buildings will be completed, the 66/33 KV Feeders will be exhausted in FY 2025-26, the Petitioner needs to expand 33 KV Feeders which will enable to arrange Power Supply to new buildings/consumers. To accommodate growing demand of licensee area and as 33 KV Feeders are exhausted, Petitioner needs to expand the feeder network of 33 KV to supply power to various locations in a timely manner as almost construction of 20 Buildings will be completed. The cost of Feeder Expansion is projected at Rs. 22.51 Crores and will be capitalized in FY 2026-27.

Depending on several factors, substations are often built to different equipment specifications.

The existing equipments of line bay were installed in year 2014 as per the fault MVA of that time. Looking to the connectivity up gradation and increase in fault MVA rating of State Grid, there will be a requirement of up gradation of Line Bay equipment as per latest short circuit rating of system to safeguard the system from any major fault current. The cost of Line Bay equipment replacement is projected at Rs. 2.50 Crores and will be capitalized in FY 2027-28.

Based on the line load calculations of Power System, one of the existing transformer of 10 MVA needs to be replaced and enhanced to 20 MVA making the substation capacity to 70 MVA in FY 2028-29. The cost of 1 No. of Transformer replacement is projected at Rs. 2.50 Crores and will be capitalized in FY 2028-29.

Based on the line load calculations of Power System, the remaining transformer of 10 MVA needs to be replaced and enhanced to 20 MVA making the substation capacity to 80 MVA in FY 2029-30. The cost of 1 No. of Transformer replacement is projected at Rs. 2.50 Crores and will be capitalized in FY 2029-30.

Accordingly, the estimated cost for 66 KV Sub-Station Feeder Expansion and Allied Equipments to be incurred for FY 2025-26 to FY 2029-30 are as under:

Project Details	(Rs Crore)				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
66 KV Sub-Station Feeder Expansion & Allied Equipments	0	22.51	2.50	2.50	2.50

220 KV Transmission Line:

Based on the line load calculations, Petitioner submits that it may initiate the process of availing 220 KV Transmission Connectivity with STU during 2027-28. Further petitioner has submitted that as availing transmission connectivity takes long gestation period, the Petitioner will initiate the work in FY 2028-29 and complete 80% of the work in FY 2029-30.

220 KV Sub Station:

Based on the line load calculations, it is envisaged that existing Sub Station of 60 MVA (expanded to 80 MVA) will be exhausted considering N-1 criteria in FY 2032-33. Therefore, Petitioner have to begin the work of installing 220 KV GIS Sub-Station in FY 2029-30.

Commission's view

The Commission sought the details of approved DPR for the proposed Capex for FY 2025-26 to FY 2029-30 in terms of GERC (MYT) Regulation, 2024. In response to the Commission's query, the Petitioner submitted that the preparation of DPR for assets to be capitalized in FY 2025-26 is under progress and the same will be submitted by the Petitioner in due course of time and subsequently, submitted the same to the Commission. Further, in response to Commission's query related to approach adopted for projection of the capitalization of scheme against the CAPEX for the MYT Control Period, the Petitioner submitted that the projection of capex depends upon the construction completion timelines of respective high-rise buildings in licensee area. The Petitioner confirms that capitalization of assets have been considered based on put to use of asset as per the Regulation 29 of MYT Regulations-2024.

It is to note that the Regulations 29 and 30 of GERC (MYT) Regulations, 2024 provides

for admission of the capital cost and capitalisation to be incurred for the Control Period to form the basis for determination of Tariff. Further, Regulations 29.8 of GERC (MYT) Regulations, 2024 states that the Commission has specified the Guidelines for approval of Capital Investment Schemes as provided in Annexure III to the Regulations. whereby the Petitioner is required to obtain prior approval for schemes involving major investments as per criteria specified in these Guidelines. The DPR as submitted by petitioner will be basis for approval of the CAPEX and Capitalisation during the Truing up of the respective year of the Control Period.

However, considering that only limited period was available to the Petitioner before filing of present Petition for preparation of DPR for capex to be undertaken during control period from FY 2025-26 to FY 2029-30 and get it approved from the Commission, the Commission provisionally considers the amount of CAPEX and capitalisation as proposed by the Petitioner during the control period with specific direction to the petitioner to submit the DPR of CAPEX / Capitalisation along with the scheme details, justification for the work, capitalization schedule, capital structure and cost benefit analysis (wherever applicable) as provided under guidelines at Annexure II to GERC (MYT) Regulation, 2024 for balance year of control period based on which the schemes will be approved by the Commission subject to prudence check.

The Commission is also of the view that in order to meet the load growth, system demand and to provide reliable quality supply, the Capex planned by GIFT PCL is required and accordingly the Commission provisionally considers the Capex as submitted by petitioner with a direction to get the DPR approved as per the provisions of GERC (MYT) Regulations, 2024. It is also clarified that the Capex and other particulars as approved in the DPR shall be the basis for True-up of the respective year of the control period.

Accordingly, the Commission consider the capital expenditure for the FY 2025-26 to FY 202930 as under:

Table 5-19: Scheme wise Capital expenditure approved by Commission for FY 2025-26 to 2029-30**(Rs. Crore)**

Sr. No.	Project	Capital expenditure				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Power Distribution Arrangement for Various Consumers	1.00	1.00	1.00	1.00	1.00
2	Block wise Switching Stations	6.00	0.00	8.00	8.00	11.00
3	Power Distribiton Network and CSS at Various Locations	9.60	0.00	7.00	6.00	4.00
4	Renewable Energy Storage	2.00	0.00	10.00	0.00	10.00
5	Procurement of Power Cables	3.75	2.00	3.00	3.21	3.43
6	Smart Meters and Allied Equipments Procurement	2.50	2.50	2.50	2.50	2.50
7	66 KV Sub Station Feeder Expansion and Allied Equipments	0.00	22.51	2.50	2.50	2.50
8	220 KV Transmission Line			4.00	20.00	40.00
9	220 KV substation					20.00
	Total	24.85	28.01	38.00	43.21	94.43

Accordingly, the Commission has considered the approved closing GFA for FY 2023-24 of Rs. 19.45 Crore as approved in this Order and net addition of assets of Rs. 16.65 Crore (Rs. 25.60 Crore less SLC amount of Rs. 5.12 Crore as approved in the Tariff Order dated 1st June, 2024 and SLC of Rs. 3.83 Crore carry forward from True up of FY 2023-24) for work out the closing GFA for FY 2024-25. Accordingly, the closing balance of GFA for FY 2024-25 has been considered as opening balance of GFA for FY 2025-26. The asset capitalisation approved for FY 2025-26 to FY 2029-30 have been discussed earlier in this Section is envisaged to be partly funded from consumer contribution (SLC) and the balance has been considered as funded through Debt: Equity in the ratio of 70:30 in terms of GERC (MYT) Regulations 2024.

Accordingly, the Capitalization and funding approved by the Commission for FY 2025-26 to FY 2029-30 are given in the Table below.

Table 5-20: Capitalization and its funding approved for FY 2025-26 to 2029-30**(Rs. Crore)**

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Opening GFA	36.10	79.78	106.29	134.29	151.39
Capital Expenditure	24.85	28.01	38.00	43.21	94.43
Capitalization	49.06	28.01	34.00	23.21	34.43
Less : SLC Addition	5.38	1.50	6.00	6.11	7.72
Balance Capitalization	43.68	26.51	28.00	17.10	26.71
Closing GFA	79.78	106.29	134.29	151.39	178.10
Normative Debt (70%)	30.58	18.56	19.60	11.97	18.70
Normative Equity (30%)	13.10	7.95	8.40	5.13	8.01

5.8. Depreciation**Petitioner's submission**

The petitioner has submitted that it has computed the Depreciation on the basis of straight line method as prescribed in GERC MYT Regulations, 2024.

The petitioner has submitted the depreciation for new asset added from FY 2025-26 onwards and old asset separately as per Regulation 37 of GERC (MYT) Regulations, 2024. The petitioner further submitted that following the above provision of the Regulation 37, the Petitioner has considered the depreciation on the basis of gross fixed asset at the starting of financial year and additional capitalization proposed to be capitalized during the ensuring year as proposed under capex roll-out plan. On this basis, the average of opening and closing value of asset has been calculated. Depreciation for each year has been calculated based on average asset value and depreciation rate as given in the GERC (MYT) Regulations, 2024. The depreciation for asset created before FY 2025-26, is also calculated in the similar manner. The details regarding GFA, addition in GFA/ capitalisation, consumer contribution and depreciation claimed (for asset created before 01/04/2025 and after 01/04/2025) is shown in table below:

Table 5-21: Depreciation Projected for FY 2025-26 to FY 2029-30**(Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Old asset	7.67	7.67	7.67	7.67	7.67

New Asset (created after 01/04/2025)	1.15	3.01	4.45	5.64	6.79
Total	8.82	10.67	12.11	13.30	14.46

Commission's view

The Commission has considered the approved closing GFA for FY 2023-24 of Rs. 19.45 Crore as approved in this Order and net addition of assets of Rs. 16.65 Crore (Rs. 25.60 Crore less SLC amount of Rs. 5.12 Crore as approved in the Tariff Order dated 1st June, 2024 and SLC of Rs. 3.83 Crore carry forward from True up of FY 2023-24) to work out the closing GFA for FY 2024-25. Accordingly, the closing balance of GFA of Rs. 36.10 Crore for FY 2024-25 has been considered as opening balance of GFA for FY 2025-26. The additional capitalization for FY 2025-26 to FY 2029-30 has been considered as approved by the Commission in previous section of Capital expenditure and capitalization

Further, as per Regulations 37.6 of GERC (MYT) Regulations, 2024, Depreciation shall be computed separately for assets added up to 31st March, 2025 and assets added on or after 1st April, 2025. Accordingly, Commission has worked out separate depreciation on assets added up to 31st March, 2025 and assets added on or after 1st April, 2025.

Moreover, the Commission has considered the rate of depreciation on assets added upto 31st March, 2025 at average rate of Depreciation of 5.33% as claimed by GIFT PCL and for new asset addition post 1st April, 2025, the depreciation rate is considered as per Annexure I of GERC (MYT) Regulations, 2024. Further, the rate of depreciation on SLC is considered as per petitioner submission and accordingly computed the depreciation for FY 2025-26 to FY 2029-30 as given in the table below:

Table 5-22: Depreciation approved for FY 2025-26 to FY 2029-30 on assets Capitalized UpTo 31st , March 2025

	(Rs. Crore)				
Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Balance GFA (Net of SLC)	36.10	36.10	36.10	36.10	36.10
Closing Balance GFA (Net of SLC)	36.10	36.10	36.10	36.10	36.10
Depreciation	1.92	1.92	1.92	1.92	1.92

Depreciation approved on assets added on and after 1st April, 2025 for FY 2025-26 to FY 2029 is as under:

Table 5-23: Depreciation approved on assets added on and after 1st April 2025 for the FY 2025-26 to FY 2029-30

(RS. Crore)

Additional Depreciation					
Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Balance GFA (Net of SLC)	0.00	43.68	70.19	98.19	115.29
Additions During the Year (Net of SLC)	43.68	26.51	28.00	17.10	26.71
Closing Balance GFA (Net of SLC)	43.68	70.19	98.19	115.29	142.00
Depreciation During The Year	1.15	3.01	4.45	5.64	6.79

Accordingly, the Commission approves the Depreciation for FY 2025-26 to FY 2029-30 as under:

Table 5-24 Total Depreciation approved for FY 2025-26 to FY 2029-30

(Rs Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation on assets upto 31 st March, 2025	1.92	1.92	1.92	1.92	1.92
Depreciation assets on or after 1 st April, 2025	1.15	3.01	4.45	5.64	6.79
Total Depreciation	3.08	4.93	6.37	7.56	8.72

5.9. Interest and Finance Charges

Petitioner's submission

Petitioner submitted that it has computed the loan amount as per Regulation 33 of the GERC MYT Regulations, 2024. It has considered the Debt-Equity in 70:30 ratio as indicated in the Regulation 32 of GERC (MYT) Regulations, 2024 after exclusion of projected Consumer Contribution, which would be received from the consumers. The normative loan is calculated for asset put to use before 01/04/2025. The repayment equivalent to depreciation (depreciation for asset created before FY 2025-26 only, i.e. old asset), as derived for old asset group, has also been considered as per the provisions given in the Regulations. As per the submission made in the previous section, closing GFA of FY 2023-24 has been considered as opening GFA of FY 2024-25. Afterwards, projected capitalization during FY 2024-25 is considered for obtaining the closing GFA for FY 2024-25. The additional capitalization during FY 2024-25 as proposed under capex plan is

considered and 70% of the same has been projected as addition in loan in FY 2024-25 by the Petitioner. The closing loan of FY 2024-25 is considered as opening loan for FY 2025-26. Afterwards, no loan addition is considered, as the same is covered under Return on Capital Employed (RoCE) approach. Regulation 36.1 of GERC MYT Regulations provides that in case of an asset being capitalized on or after April 01, 2025, RoCE approach shall be used to provide a return to the Licensees and shall cover all financing costs without providing separate allowances for interest on loans. Hence, the interest on loan is claimed only for asset which is capitalised before 01/04/2025. The Petitioner requested Commission to approve the loan portfolio and interest proposed.

Petitioner submitted that it has considered present rate of interest calculated on the basis of the actual loan portfolio at the beginning of the year applicable to Distribution Licensee as per GERC MYT Regulations, 2024. Accordingly, interest rate of 7.25% based on interest rate of the existing loan as on date has been considered.

The capitalization, opening and closing loan as well as average loan based on above principle are summarized in the table below.

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

Table 5-25: Interest and Finance Charges projected for FY 2025-26 to FY 2029-30
(Rs.Crore)

Sr. No	Source of Loan	MYT Control Period (FY)				
		2025-26	2026-27	2027-28	2028-29	2029-30
1.	Opening Balance of Net Normative Loan	53.27	45.61	37.94	30.27	22.61
2.	Repayment of Normative loan during the year	7.67	7.67	7.67	7.67	7.67
3.	Closing Balance of Net Normative Loan	45.61	37.94	30.27	22.61	14.94
4.	Average Balance of Net Normative Loan	49.44	41.77	34.11	26.44	18.77
5.	Weighted average Rate of Interest on actual Loans (%)	7.25%	7.25%	7.25%	7.25%	7.25%
6.	Interest Expenses	3.58	3.03	2.47	1.92	1.36

Commission's view

The Commission has considered the closing balance of Normative Loan of Rs. 3.56 Crore for FY 2023-24 as approved in this Order and the addition of Normative Loan of Rs. 14.34 Crore and repayment of Normative Loan of Rs. 2.27 Crore in the Tariff Order dated 1st June, 2024 for FY 2024-25 and reduction on account of Debt portion of SLC of Rs. 2.68 Crore carry forward from true up of FY 2023-24 to work out the closing balance of loans of Rs. 12.94 Crore for FY 2024-25. Accordingly, the closing balance of Normative Loan for FY 2024-25 thus worked out, has been considered as opening balance of Normative Loan for FY 2025-26 as per Regulations 32.1 of GERC (MYT) Regulations, 2024.

As per Regulation 33.1 of GERC (MYT) Regulation, 2024, the above Normative opening balance of loan for FY 2025-26 shall be considered as gross Normative loan attributable to assets put to use prior to 1st April 2025 for calculation of interest of loan and repayment equivalent to depreciation as approved for FY 2025-26 to FY 2029-30 attributable towards the assets put to use prior to 1st April 2025 as per Regulation 33.3 of GERC (MYT) Regulation 2024 have been considered.

As regards to the weighted average rate of interest, GIFT PCL has considered the interest rate of 7.25% for FY 2025-26 to FY 2029-30. As per Regulation 33.5 of GERC (MYT) Regulation 2024, rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable Distribution licensee. On Commission's query regarding the computation of weighted average rate of interest of 7.25% considered for computation of interest on loan for FY 2025-26 to FY 2029-30, the Petitioner has submitted that it has sourced loan from GSFS only and weighted average rate of interest is calculated on the basis of the actual loan portfolio at the beginning of year i.e. 1st April, 2024. Accordingly, it has considered interest rate of 7.25% for the FY 2025-26 to FY 2029-30. Therefore, the Commission considers rate of interest of 7.25% as proposed by the Petitioner for FY 2025-26 to FY 2029-30, subject to true up.

Accordingly, the Commission approves the Interest and Finance Charges for FY 2025-26 to FY 2029-30 as shown in the Table below:

Table 5-26: Interest on Loan approved for assets capitalized upto 31st March, 2025 for FY 2025-26 to FY 2029-30**(Rs. Crore)**

Sr. No.	Source of Loan	MYT Control Period (FY)				
		2025-26	2026-27	2027-28	2028-29	2029-30
1	Opening Balance of Net Normative Loan	12.94	11.02	9.10	7.17	5.25
4	Repayment of Normative loan during the year	1.92	1.92	1.92	1.92	1.92
3	Closing Balance of Net Normative Loan	11.02	9.10	7.17	5.25	3.32
4	Average Balance of Net Normative Loan	11.98	10.06	8.13	6.21	4.29
5	Weighted average Rate of Interest on actual Loans (%)	7.25%	7.25%	7.25%	7.25%	7.25%
6	Interest Expenses	0.87	0.73	0.59	0.45	0.31

5.10. Interest on Security Deposit**Petitioner's submission**

Petitioner submitted that as per the GERC MYT Regulations, 2024, interest on security deposit shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate notified by the Reserve Bank of India, as on 1st April of the financial year in which the Petition is filed.

GIFT PCL has submitted that it has considered interest on security deposit for FY 2025-26 as 5% more than the interest paid to consumers for FY 2023-24 and for the remaining four years, 5% escalation on previous year payment has been assumed.

Interest Expenses on security deposit projected for the FY 2025-26 to FY 2029-30 as tabulated below:

Table 5-27: Interest on Security Deposit projected for FY 2025-26 to FY 2029-30**(Rs. Crore)**

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Amount Proposed as Security deposits	11.27	11.27	11.27	11.27	11.27

Interest	0.61	0.65	0.68	0.71	0.75
----------	------	------	------	------	------

Commission's view

The Commission has accepted the average amount of consumer security deposits as projected by the Petitioner for FY 2025-26 to FY 2029-30. The Commission has considered the RBI Bank Rate @ 6.75% per annum for allowing interest on security deposit.

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

Table 5-28: Interest on Security Deposit approved for FY 2025-26 to FY 2029-30

(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Amount Proposed as Security deposits	11.27	11.27	11.27	11.27	11.27
Interest	0.76	0.76	0.76	0.76	0.76

5.11. Interest on Working Capital**Petitioner's submission**

Petitioner submitted that it has worked out the interest on working capital as per the Regulations 38.4 and 38.5 of GERC (MYT) Regulations, 2024. The following have been considered for determining bases for working capital in a year.

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

The Interest on Working Capital is arrived at as per the provisions of the GERC (MYT) Regulations, 2024, as shown in the Table below:

Table 5-29: Interest on Working projected for FY 2025-26 to FY 2029-30

(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expense for 1 Month	0.67	0.71	0.74	0.78	0.82
Maintenance Spares	1.67	1.67	1.67	1.67	1.67
Receivables	-	-	-	-	-
Working Capital Requirement	2.34	2.38	2.42	2.46	2.50

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Less: Average Security Deposit from Customers	11.27	11.27	11.27	11.27	11.27
Total Working Capital	-	-	-	-	-
Interest Rate (%)	-	-	-	-	-
Interest on working Capital	-	-	-	-	-

Petitioner submitted that as the working capital requirement is derived as Nil, based on projected values and security deposit amount, the Petitioner is not claiming any amount under interest on working capital.

Commission's view

The Commission has recomputed the components of working capital, in line with the methodology as specified in the GERC (MYT) Regulations, 2024 using the component as approved in preceding sections of this Order.

The normative interest on working capital approved by the Commission for FY 2025-26 to FY 2029-30 shown in the Table below:

**Table 5-30: Interest on Working Capital approved for FY 2025-26 to FY 2029-30
(Rs. Crore)**

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expenses for 1 month	0.56	0.84	1.01	1.21	1.35
1 % of GFA for Maintenance Spares	0.51	1.00	1.28	1.62	1.86
Receivables for 1 month	4.69	5.96	7.92	10.01	12.36
Working Capital Requirement	5.77	7.81	10.21	12.84	15.56
Less: Average Security Deposit	11.27	11.27	11.27	11.27	11.27
Normative Working Capital	-	-	-	-	-
Interest Rate (%)	-	-	-	-	-
Interest on Working Capital	-	-	-	-	-

As it can be observed from the above Table, the normative working capital requirement for FY 2025-26 to FY 2029-30 works out to be Nil considering the security deposit projected to be held, and accordingly, no interest on working capital has been allowed by the Commission.

5.12. Return on Equity**Petitioner's submission**

Petitioner submitted that it has considered the projected capitalization with 70:30 debt-equity ratio on the assets to be capitalised as per Regulation 32 of GERC MYT Regulations, 2024.

Petitioner further submitted that the RoE has been calculated on normative basis on the average of the opening and closing equity during the ensuring year at the rate of 15.5%. The opening equity is considered as equivalent to the closing equity of earlier year as specified in Regulation 35 of the GERC MYT Regulations, 2024. The Petitioner, for the purpose of equity addition during FY 2024-25, has considered 30% of the projected capitalization as prescribed under the Regulation 32 of the GERC MYT Regulations, 2024. From FY 2025-26 onwards, addition in capitalisation (i.e. GFA addition during the year) and corresponding equity has not been considered, as the same is covered under RoCE.

The Petitioner has considered Return on Equity on the amount of average equity capital on the basis of capital cost of the assets projected to be capitalized up to 31/03/2024 during the year as per GERC MYT Regulations, 2024. The Petitioner has considered a regulated return of 15.5%. The same is subject to true-up as per approval of the Commission during the respective year true-up.

Return on Equity Projected for FY 2025-26 to FY 2029-30 is as under:

Table 5-31: Return on Equity projected for FY 2025-26 to FY 2029-30

(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Equity at the beginning of the year	43.17	43.17	43.17	43.17	43.17
Equity at the end of the year	43.17	43.17	43.17	43.17	43.17
Total Return on Equity @ 15.50%	6.69	6.69	6.69	6.69	6.69

Commission's view

The Commission has considered the closing balance of Equity of Rs. 4.43 Crore for FY 2023-24 as approved in this Order and the addition of Equity of Rs. 6.14 Crore as approved in Tariff Order dated 1st June, 2024 for FY 2024-25 and reduction on account of equity portion of SLC of Rs. 1.15 Crore carry forward from true up of FY 2023-24 for

computing the closing balance for FY 2024-25 of Rs. 9.42 Crore. This closing balance has been considered as opening balance for FY 2025-26 and subsequent years of control period as per Regulation 32.1 of GERC (MYT) Regulations, 2024.

Also, as per Regulation 35.2 of GERC (MYT) Regulations, 2024, Base Return on Equity of 13% p.a. is to be allowed and Regulation 35.1 of GERC (MYT) Regulations 2024 specifies that Additional Return on Equity shall be Trued up for respective year based on actual performance substantiated by documentary evidence, after prudence check by the Commission. Accordingly, the Base RoE of 13% has been considered to compute the RoE for FY 2025-26 to FY 2029-30.

With respect to the new asset to be capitalised during MYT Control Period of FY 2025-26 to FY 2029-30, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024.

Accordingly, the Commission has approved the Return on equity for FY 2025-26 to FY 2029-30 as per GERC (MYT) Regulations, 2024 as shown in the Table below

Table 5-32: Return on Equity for assets capitalized upto 31st March,2025 approved for FY 2025-26 to FY 2029-30

Particular	(Rs. Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Equity	9.42	9.42	9.42	9.42	9.42
Closing Equity	9.42	9.42	9.42	9.42	9.42
Average Equity	9.42	9.42	9.42	9.42	9.42
Base Rate of ROE	13.00%	13.00%	13.00%	13.00%	13.00%
Total Return on Equity	1.23	1.23	1.23	1.23	1.23

5.13. Additional Rate of Return on Equity

Further, as per Regulation 35.11 (e) and Regulation 35.12 of GERC (MYT) Regulations 2024, the Commission is required to identify certain specified target performance parameters for Wire and Supply Business respectively in MYT Orders, which will be linked to additional Rate of Return on Equity to be provided to the licensee for achieving such performance. Based on said provision in GERC (MYT) Regulations 2024, following Target Performance Parameter and additional RoE for achieving those

parameters is outlined below for the Licensee to achieve:

Wires Business

Table 5-33 Performance Parameters for Additional RoE for Wire Business

Particulars	Ceiling limit of Additional RoE
Wires Availability	0.5%
Distribution Loss	0.5%
Feeder/DT Smart Metering	0.25%
Geo-Tagging of Assets	0.5%
Automated Data Capture	0.25%
Maximum Allowable Rate of RoE	2.00%

1. Wires Availability:

- The Target Wires Availability for recovery of Base RoE has been set at 96.00% for state government owned Distribution Licensees and 97.00% for other Distribution Licensees.
- An additional RoE of 0.25% shall be allowed for every 0.50% over-achievement in wires availability, subject to 0.50% ceiling rate of RoE. Where the wires availability shall be calculated as per following formula:

$$\text{Wires availability calculation} = (1 - (\text{SAIDI} / 8760)) \times 100$$

Where, System Average Interruption Duration Index (SAIDI) shall be calculated in accordance with the definition specified in GERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005, as amended from time to time.

2. Distribution Loss:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.50% to Distribution Licensees for reducing distribution loss levels beyond loss trajectory provided by the Commission as per the following schedule:
 - a) Additional RoE of 0.50%, for reducing loss by more than 10.00% of target loss.
 - b) Additional RoE of 0.30%, for reducing loss by more than 5.00% & up to 10.00% of target loss.
 - c) Additional RoE of 0.10%, for reducing loss up to 5.00% of target loss.

3. Feeder / DT Smart Metering:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.25% to Distribution Licensees for installation of Feeder / DT Smart Meters as per the following schedule:
 - a) Additional RoE of 0.10%, for achieving installation of Smart Meters on 100% of 11 kV/ 33 kV feeders as on date of filing of True up Petition for respective year.
 - b) Additional RoE of 0.25%, for achieving installation of Smart Meters on 100% of DTs as on date of filing of True up Petition for respective year.
- DISCOM to ensure that post achievement of 100% smart metering, only smart meters shall be allowed to be installed for new DTs and Feeders. DISCOM will also prepare Energy Audit Reports on an annual basis for each DT and Feeder and keep it for the record, as and when sought by the Commission.

4. Automated Data Capture:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.25% to Distribution Licensees for capturing data directly from the feeder monitoring system or a suitable system to capture data for a ring main system without any manual intervention, as per Regulation 5.3 of the GERC (Standards of Performance of Distribution Licensees) Regulations, 2023.

5. Geo-tagging of assets:

- An additional rate of Return on Equity of 0.5% shall be allowed to the Distribution Licensees for achieving geo-tagging of assets as per the following schedule:
 - a) Additional RoE of 0.5% in the first year of the MYT Control period, for initiating the work of geo-tagging which shall be evaluated by successful implementation of steps like calling of an NIT, issuing of tender and awarding of contract.
 - b) Additional RoE of 0.5% in the second year of the MYT Control period, for completion of geo-tagging on 25% of the distribution network.
 - c) Additional RoE of 0.5% in the third year of the MYT Control period, for completion of geo-tagging on 50% of the distribution network.

- d) Additional RoE of 0.5% in the fourth year of the MYT Control period, for completion of geo-tagging on 75% of the distribution network.
- e) Additional RoE of 0.5% in the fifth year of the MYT Control period, for completion of geo-tagging on 100% of the distribution network.

Supply Business

Table 5-34 Performance Parameter for Additional RoE for Supply Business

Particulars	Ceiling limit of Additional RoE
Percentage of Assessed Bills over Total Bills	0.75%
Collection Efficiency	0.75%
CGRF Performance	0.40%
Setting up CRM Centres	0.30%
Reduction in DSM/UI	0.20%
Meeting RPO Trajectory Targets	0.10%
Maximum Allowable Rate of RoE	2.50%

1. Percentage of Assessed Bills:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.75% to Distribution Licensees for reduction in percentage of assessed bills (due to reasons beyond unmetered & inaccessible connection) over total bills as per the following schedule:
 - a) Additional RoE of 0.25%, for %age of assessed bills between 3% to 5%.
 - b) Additional RoE of 0.50%, for %age of assessed bills between 1% to 3%.
 - c) Additional RoE of 0.75%, for %age of assessed bills less than 1%.

2. Collection Efficiency

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.75% to Distribution Licensees for Collection Efficiency measured as percentage of the amount collected by the Licensee to the total amount billed as per the following schedule:
 - a) Additional RoE of 0.25%, for %age of Collection Efficiency between >95% and <=96.5%.
 - b) Additional RoE of 0.50%, for %age of Collection Efficiency between >96.5% and

<=98%.

- c) Additional RoE of 0.75%, for %age of Collection Efficiency >98%.

3. CGRF Performance:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.40% to Distribution Licensees for efficacy in dispute resolution / complaint handling as per the following schedule:
 - a) Additional RoE of 0.20%, if %age of disputes resolved within 30 days of application is more than 95%.
 - b) Additional RoE of 0.20%, if %age of disputes where decision of CGRF / Ombudsman is timely implemented (within stipulated time in the respective Order) is more than 95%.

Data for above both parameters as certified by the Electricity Ombudsman shall be considered by the Commission for allowing additional RoE for the True up years.

4. CRM System:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.3% to Distribution Licensees for providing all services through a common Customer Relation Manager (CRM) System with all provisions, as per Regulation 3.6 of the GERC (Standards of Performance of Distribution Licensees) Regulations, 2023.

5. Meeting RPO Trajectory Targets

- An additional rate of Return on Equity shall be allowed at 0.10% to Distribution Licensees for achieving RPO Trajectory as stipulated in the RPO Regulations from time to time.

6. Reduction in DSM/UI:

- An additional rate of Return on Equity of 0.20% shall be allowed to Distribution Licensees for maintaining the DSM/ UI in terms of energy upto maximum of 3.00%.

GIFT PCL would be entitled for additional RoE for Wire and Supply business as specified in the table aforesaid based on achieving the specified targets at the time

of true-up of the respective Financial year of the Control Period. This shall be assessed every year starting from the true up of first year of the MYT Control Period. GIFT PCL to provide the supporting / justification to claim such additional Rate of Return on equity which will be allowed by the Commission subject to prudence check.

5.14. Return on Capital Employed

Petitioner's submission

The Petitioner has calculated RoCE, for asset capitalised after 01/04/2025, according to the formula specified in GERC (MYT) Regulations, 2024. The Debt: Equity ratio is considered as 70:30. Cost of debt is assumed as present rate of interest and return on equity is considered as 15.50% (pre-tax) for determining the Weighted Average Cost of Capital (WACC). Regulated Return Base (RRB) is derived as per methodology specified in Regulation 36.4 of GERC (MYT) Regulations, 2024. For the first year of the Control Period, Opening Regulated Rate Base is assumed as NIL. The RoCE as projected for FY 2025-26 to FY 2029-30 is as given below:

Table 5-35 Return on Capital Employed Projected for FY 2025-26 to FY 2029-30

Particulars	(Rs. Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
RRB Opening	-	42.53	66.03	89.59	101.05
RRB Closing	42.53	66.03	89.59	101.05	120.97
RRB Average	21.26	54.28	77.81	95.32	111.01
WACC (%)	9.73%	9.73%	9.73%	9.73%	9.73%
Total Return on Capital Employed	2.07	5.28	7.57	9.27	10.80

Commission's view

It is observed that as per Regulation, 36 of the GERC (MYT) Regulations, 2024 for asset being capitalized on or after April 01, 2025, Return on Capital Employed (RoCE) approach shall be used to provide a return to the Distribution Licensee and shall cover all financing costs except expenses for availing the loans, without providing separate allowances for interest on loans.

In line with the provisions of Regulation 36 of the GERC (MYT) Regulations, 2024, the Commission has determined the Regulated Rate Base (RRB) to calculate the total

capital employed which shall include the Original Cost of Fixed Assets (OCFA) capitalized on or after 01st April, 2025.

Based on the Return on Equity of 13.00% and Interest rate of 7.25%, the Weighted Average Cost of Capital (WACC) approved is 8.98% which is applied on RRB to compute Return on Capital Employed. The Commission based on the formula as specified in GERC (MYT) Regulations, 2024 allows the RoCE as outlined below.

Table 5-36 Return on Capital Employed approved for FY 2025-26 to FY 2029-30

Particular	(Rs Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
RRB Opening	-	42.53	66.03	89.59	101.05
RRB Closing	42.53	66.03	89.59	101.05	120.97
RRB Average	21.26	54.28	77.81	95.32	111.01
WACC (%)	8.98%	8.98%	8.98%	8.98%	8.98%
Return on Capital Employed	1.91	4.87	6.98	8.55	9.96

5.15. Income Tax

Petitioner's submission

Petitioner has submitted that it has not considered any income tax for the control period, however at the time of true - up the petitioner will present the actual figure and shall claim the same at the time of truing up.

Table 5-37: Income tax projected for FY 2025-26 to FY 2029-30

Particulars	(Rs. Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Income Tax	-	-	-	-	-

Commission's view

For the Control Period of FY 2025-26 to FY 2029-30, no Income Tax liability has been considered at present, and the same shall be Trued-up based on the GERC (MYT) Regulations, 2024.

5.16. Contingency Reserve**Petitioner's submission**

Petitioner has submitted that it has considering the 0.5% of opening GFA of each year, as contingency reserves for the FY 2025-26 to FY 2029-30. The Petitioner has requested to approve the projected contingency reserves as under:

Table 5-38: Contribution to Contingency Reserve Projected for FY 2025-26 to FY 2029-30
(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Contribution to Contingency Reserves	0.84	1.08	1.22	1.39	1.51

Commission's view

The Commission has computed the contribution to the contingency reserves in accordance with Regulation 93 of the GERC (MYT) Regulations, 2024. The Commission has considered 0.5% of the original cost of fixed assets at the beginning of the financial year for each year of control period for the computation of contribution to the contingency reserves as under:

Table 5-39: Contribution to Contingency Reserve approved for FY 2025-26 to FY 2029-30
(Rs. Crore)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Contribution to Contingency Reserves	0.26	0.50	0.64	0.81	0.93

5.17. Non-tariff income**Petitioner's submission**

Petitioner has submitted that it has projected amount of Non-tariff income considering the interest income from bank deposits, registration fee etc in accordance with the GERC (MYT) Regulations, 2024.

Petitioner has submitted that considering the past trends proposed non-tariff income for the control period to be the same as per the actual value reflected in FY 2023-24 audited account. No change is proposed in the ensuing year.

Table 5-40: Non-tariff Income projected for FY 2025-26 to FY 2029-30

(Rs. Crore)					
Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Non-Tariff Income	1.93	1.93	1.93	1.93	1.93

Commission's view

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

Table 5-41: Non-tariff Income approved for FY 2025-26 to FY 2029-30

(Rs. Crore)					
Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Non-Tariff Income	1.93	1.93	1.93	1.93	1.93

5.18. Income From Other Business**Petitioner's submission**

The Petitioner has submitted the relevant provisions for treatment to be given for income from other business as per GERC MYT Regulations, 2024 as stated below.

As per Distribution Wires Business

"Where Distribution Wires Business of Distribution Licensee is engaged in any Other Business under Section 51 of the Act for optimum utilisation of its assets, an amount equal to two-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in determining the wheeling charges of Distribution Wires Business of the Distribution Licensee:

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

Provided further that Distribution Licensee shall maintain separate books of accounts for regulated and non-regulated business:

Provided also that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to

be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.”

As per Retail Supply of Electricity:

“Where the Retail Supply Business of the Distribution Licensee is engaged in any Other Business under Section 51 of the Act for optimum utilisation of its assets, an amount equal to two-third of the revenues from such Other Business after deduction of all direct and indirect costs attributed to such Other Business shall be deducted from the Aggregate Revenue Requirement in calculating the tariff from retail supply of electricity by the Distribution Licensee:

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

Provided further that Distribution Licensee shall maintain separate books of accounts for regulated and non-regulated business:

Provided also that where the sum total of the direct and indirect costs of such Other Business exceeds the revenues from such Other Business, no amount shall be allowed to be added to the Aggregate Revenue Requirement of the Distribution Licensee on account of such Other Business.”

Considering the sharing proposed for FY 2023-24, under true-up, the Petitioner has proposed the same value of Rs. 0.07 Crore for ensuring years also as income from other business being 1/3 of net profit of Rs 0.21 Crore. The petitioner submitted that the same may be trued-up in future based on actual values reflected in respective year audited account.

Commission’s view

It is observed that the Petitioner has earned Revenue of Rs. 0.76 Crore in FY 2023-24 against expenditure of Rs. 0.55 Crore from other business. Therefore, the Petitioner has earned net revenue of Rs. 0.21 Crore for FY 2023-24.

Further, as per GERC (MYT) Regulations 2024, the Commission has considered the net

revenue of Rs. 0.21 Crore for Control period as proposed by the Petitioner and has accordingly approved sharing of net income from other business as Rs. 0.14 Crore (0.21X2/3) for FY 2025-26 to FY 2029-30, as shown in the Table below:

Table 5-42 Income From Other Business approved for FY 2025-26 to FY 2029-30

Particulars	(Rs Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Income From Other Business	0.14	0.14	0.14	0.14	0.14

5.19. ARR for FY 2025-26 to FY 2029-30

Petitioner's submission

Petitioner has submitted the projected ARR for the Control Period based on the element wise submission as given in the Table below:

Table 5-43: ARR claimed for FY 2025-26 to 2029-30

Particulars	(Rs. Crore)				
	2025-26	2026-27	2027-28	2028-29	2029-30
Power Purchase Expenses	47.41	56.6	73.77	93.14	118.25
Operation & Maintenance Expenses	8.05	8.47	8.92	9.39	9.89
Depreciation	8.82	10.67	12.11	13.3	14.46
Interest and Finance Charges includes interest on consumer security deposits	4.20	3.67	3.15	2.63	2.11
Interest on Working Capital	-	-	-	-	-
Contribution to Contingency Reserves	0.84	1.08	1.22	1.39	1.51
Total Revenue Expenditure	69.32	80.5	99.18	119.85	146.21
Return on Equity Capital	6.69	6.69	6.69	6.69	6.69
Return on Capital Employed	2.07	5.28	7.57	9.27	10.8
Income Tax	-	-	-	-	-
Aggregate Revenue Requirement	78.08	92.47	113.44	135.81	163.7
Less: Non-Tariff Income	1.93	1.93	1.93	1.93	1.93
Less: Income from Other Business	0.07	0.07	0.07	0.07	0.07
Net Aggregate Revenue Requirement	76.08	90.48	111.44	133.82	161.7

Commission's view

Considering the foregoing analysis, the Commission approves the ARR for the Control Period as shown below:

Table 5-44: ARR approved for Control Period**(Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	43.45	50.43	68.43	88.35	112.28
Operation & Maintenance Expenses	6.78	10.14	12.12	14.50	16.18
Depreciation	3.08	4.93	6.37	7.56	8.72
Interest and Finance Charges	0.87	0.73	0.59	0.45	0.31
Interest on Working Capital	-	-	-	-	-
Interest on Security Deposits	0.76	0.76	0.76	0.76	0.76
Contribution to Contingency Reserves	0.26	0.50	0.64	0.81	0.93
Total Revenue Expenditure	55.19	67.49	88.92	112.43	139.18
Return on Equity Capital	1.23	1.23	1.23	1.23	1.23
Return on Capital Employed	1.91	4.87	6.98	8.55	9.96
Aggregate Revenue Requirement	58.32	73.59	97.12	122.21	150.37
Less: Non-Tariff Income	1.93	1.93	1.93	1.93	1.93
Less: Income from Other Business	0.14	0.14	0.14	0.14	0.14
Net Aggregate Revenue Requirement	56.25	71.52	95.05	120.14	148.30

6. Determination of Tariff for FY 2025-26

6.1. Introduction

This Chapter deals with the determination of Revenue Gap/(Surplus), as well as Consumer/Retail tariff for FY 2025-26.

The Commission has considered the ARR for FY 2025-26 approved in the previous Chapter and the adjustment on account of True-up of FY 2023-24, while determining the Revenue Gap/(Surplus) for FY 2025-26.

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

Petitioner's submission

GIFT PCL has estimated the revenue from sale of energy as Rs. 70.76 Crores for total estimated energy sale of FY 2025-26 and the ARR for FY 2025-26 as Rs. 76.08 Crores as projected above. The Estimated Revenue Requirement is higher in comparison to the available revenue from sale of energy due to the following reasons:

- a) The Petitioner is a distribution licensee and setup in the green field area where there was no existence of previous infrastructure for supply of electricity as well as there were no consumers during grant of license.
- b) The Cost incurred by the Petitioner for creation of necessary infrastructure is to provide the supply to consumers and to attain highest reliability.
- c) The characteristic of energy utilization by the consumers of Petitioner is quite in variance as compared to the consumers of different distribution licensee area in the State as the majority of consumers in the license area are either commercial or service providers and their requirement of energy is different and distinct in comparison to the consumers of other licensee area.
- D) The Petitioner has to keep the power procurement at highest demand level i.e. peak demand with corresponding losses of the system to supply power, requirement to meet such highest demand of the consumer at any time. Because the consumers are of high-profile i.e., International Exchanges and Financial Institutions it is necessary for the Petitioner to provide reliable and

quality power supply without any intervention.

- e) The Demand Growth is increasing rapidly and the Revenue Gap is reducing drastically compared to previous years. Also, it is expected that the Petitioner will attain break-even within next 1 to 2 years.
- f) Also, the Government of Gujarat has increased the area of GIFT Urban Development Authority (GIFT UDA) i.e., GIFT City which in turn will lead to licensee area expansion of the Petitioner in FY 2024-25. Hence, Petitioner has more potential of business expansion.

Thus, the revenue gap for FY 2025-26 is mentioned in the Table below:

Table 6-1: Revenue gap / (Surplus) with existing tariff for FY 2025-26

(Rs. Crore)

Sr. No.	Particulars	GIFT PCL Petition
1	ARR for FY 2025-26 [a]	76.08
2	Revenue from Existing tariff for FY 2025-26 [b]	70.76
3	Revenue Gap / (Surplus) in FY 2025-26 [c=(a-b)]	5.32

Commission's view

The Commission has considered the ARR approved for FY 2025-26 as discussed in previous chapter. The Commission has independently computed the Revenue for FY 2025-26 from projected category-wise sales with existing tariff. The Commission observed that GIFT PCL has considered a FCA (fuel cost adjustment) charge of Rs. 2.85/kWh for computing the Revenue from Sales for FY 2025-26 based on prevailing FCA charges of UGVCL at the time of filing of Petition. It is noticed that the in its tariff Petition, UGVCL has proposed base FCA charges of Rs. 2.45 per unit for FY 2025-26. Accordingly, the Commission has considered the FCA charge of Rs. 2.45/kWh for the computation of revenue from sale of energy.

It is also noted that the Commission has approved revised tariff schedule in case of UGVCL, which is sought to be implemented by the petitioner, as a result of which there may be variation in revenue from sale of power during FY 2025-26 with revised tariff schedule made applicable for the Petitioner in line with approved tariff schedule of UGVCL. This variation in revenue from sale of power due to revision in tariff schedule shall be taken care at the time of True up of FY 2025-26.

Accordingly, the Commission computed the revenue (Gap)/Surplus for FY 2025-26 as given in the table below:

**Table 6-2: Approved Consolidated Revenue Gap / (Surplus) for FY 2025-26
(Rs. Crore)**

Particulars	Amount
ARR for FY 2025-26 [a]	56.25
Revenue from Existing Tariff for FY 2025-26 [b]	67.75
Revenue Gap / (Surplus) for FY 2025-26 [c={a-b}]	(11.50)
Add: Consolidated Revenue Gap/(Surplus) for FY 2023-24	(5.70)
Add: Carrying Cost on consolidated gap/ (surplus) of FY 2023-24 for 2 years	(0.98)
Revenue Gap / (Surplus)	(18.18)

Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 18.18 Crore as against Gap of Rs. 5.32 Crore as proposed by the Petitioner for FY 2025-26.

7. Compliance of Directives

7.1. Earlier Directives

Directive 1: RPO Compliances

It was directed to the Petitioner to fulfill its RPO compliances in accordance with the RPO targets notified by the Commission through its GERC (Procurement of Energy from Renewable Sources) (Third Amendment), Regulations, 2022 and subsequent Amendments.

Compliance:

The Petitioner has provided details about its RPO compliance for FY 2023-24. The steps taken by the Petitioner like establishment of captive solar project, initiation of dialogue with SECI for availing hybrid power under FDRE, release of EOI for purchasing hybrid power and the same are already elaborated in the respective chapter of this Petition. The petitioner has also submitted that with projected purchase of RE (including from Power Exchange), the RPO Compliance of the Petitioner will be on higher side than the mandated target. Hence, the efforts of the Petitioner shall produce desired result of meeting the RPO target.

Commission's Comments

The Commission noted the submission of the petitioner in this regard.

Directive 2: Maximum Utilization of its Existing Assets

It was directed to the Petitioner to ensure maximum utilization of its existing assets before planning for new capital expenditure.

Compliance:

The Petitioner is a distribution licensee and setup in the green field area where there was no existence of previous infrastructure for supply of electricity as well as there were no consumers during grant of licensee. The Cost incurred by the Petitioner for creation of necessary infrastructure was initially high due to installation of basic infrastructure to provide the power supply to consumers. However, in later years the

capital expenditure is dependent on load growth of the licensee area. As per the directions of Commission, the Petitioner ensures maximum utilization of existing assets before planning for new capital expenditure.

Commission's Comments

The Commission noted the submission of the petitioner in this regard. The Petitioner should continue its effort for optimum utilization of its assets.

7.2. Fresh Directives

1. The Commission directs GIFT PCL to get ESG disclosure done within FY 2025-26 and submit the report to the Commission.

8. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

8.1. Fuel and Power Purchase Price Adjustment

Petitioner's submission

FPPPA to be charged by GIFT PCL

GIFT PCL submitted that the Commission has specified the formula for FPPPA charges under Regulation 115 of the GERC MYT Regulations, 2024. The Petitioner has requested Commission to allow the Petitioner to charge the FPPPA from consumer as approved to UGVCL from time to time.

The Petitioner requested that Commission may permit to claim the same revision of FPPPA as claimed and approved by Commission on quarterly/monthly basis to GUVNL/UGVCL.

Commission's views

The FPPAS approved by the Commission for UGVCL from time to time during FY 2025-26, shall also be applicable for GIFT PCL.

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

9. Wheeling Charges and Cross Subsidy Surcharge

9.1. Wheeling Charges

Regulation 94 of the GERC (MYT) Regulations, 2024 stipulates that the ARR can be segregated as per the allocation matrix for segregation of expenses between distribution wires business and retail supply business for determination of wheeling charges in case of complete accounting separation has not been done between the Wheeling Business and Retails Supply Business. Regulation 3.2 provides that the Hon'ble Commission shall determine separate ARR for wire and retail business.

Petitioner's submission

The Petitioner has allocated the total ARR to wire and retail supply business based on the allocation matrix specified by the Commission for segregation of Expenses between Distribution Wires Business & Retail Supply Business, as given in Regulations 94 of the GERC (Multi-Year Tariff) Regulations, 2024. The allocation of ARR into wheeling and retail supply of electricity for FY 2025-26 is given as below:

Table 9-1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner for FY 2025-26

(Rs. Crore)

Particulars	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Power Purchase Expenses	0.00	47.41	47.41
Intra-State Transmission Charges	0.00	0.00	0.00
SLDC Fees and Charges	0.00	0.00	0.00
Employee Expenses	0.00	0.00	0.00
A & G Expenses	0.00	0.00	0.00
Repairs & Maintenance Expenses	7.25	0.81	8.05
Depreciation	7.94	0.88	8.82
Interest on long term Loans Capital	3.78	0.42	4.20
Interest on WC and Security Deposit	0.00	0.00	0.00
Bad Debts Written Off	0.00	0.00	0.00
Contribution to contingency Reserve	0.84	0.00	0.84
Return on Equity Capital	6.02	0.67	6.69
Return on Capital Employed	1.86	0.21	2.07
Non-Tariff Income	0.19	1.74	1.93
Income From Other Business	0.00	0.07	0.07
Net Aggregate Revenue Requirement	27.49	48.59	76.08

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

Commission's View

The Commission, in order to compute the Wheeling Charges and Cross-Subsidy Surcharge, has considered the allocation matrix between the Wheeling and Retail Supply Business as specified in Regulations 94.1 of the GERC (MYT) Regulations, 2024.

The Commission would like to state that as per Regulations 94.1 of the GERC (MYT) Regulations, 2024, the wheeling charges is required to be segregated on the basis of segregated accounts of Distribution Wires Business and Retail Supply Business. Accordingly, the Petitioner is directed to maintain separate books of accounts for the Distribution Wire Business and Retail Supply Business from the second year of Control Period, the failure of which will result in penalty as per Regulation 35.13 of GERC (MYT) Regulations, 2024. Further, the Guidelines as specified in Annexure V of GERC (MYT) Regulations, 2024 needs to be considered for the segregation of Wire and Supply business.

However, FY 2025-26 being the first year of the MYT Control Period and the direction to maintain separate account is applicable from second year of the Control Period, the Commission has considered the allocation matrix thereof as provided in the GERC (MYT) Regulation, 2024 and has approved the ARR for Wires and Retail Supply Business for FY 2025-26 is shown in the Table below

Table 9-2: Allocation of ARR between Wheeling and Retail Supply as approved for GIFT PCL for FY 2025-26

Particulars	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Power Purchase Expenses	0.00	43.45	43.45
Employee Expenses	1.25	0.83	2.08
Administrative & General Expenses	0.67	0.67	1.33
Repairs & Maintenance Expenses	3.03	0.34	3.37
Depreciation	2.77	0.31	3.08
Interest on long term Loans Capital	0.78	0.09	0.87
Interest on WC and Security Deposit	0.08	0.68	0.76
Bad Debts Written off	0.00	0.00	0

Particulars	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Contribution to Contingency Reserve	0.26	0.00	0.26
Total Revenue Expenditure	8.83	46.36	55.19
Return on Equity	1.10	0.12	1.23
Return on Capital Employed	1.72	0.19	1.91
Aggregate Revenue Requirement	11.65	46.67	58.32
Non-Tariff Income	0.19	1.74	1.93
Income from Other Business	0.01	0.13	0.14
Net Aggregate Revenue Requirement	11.44	44.81	56.25

The above allocation of ARR is used for determination of wheeling charges for FY 2025-26.

9.2. Determination of Wheeling Charges

Petitioner's submission

The Petitioner has computed the voltage wise wheeling charges based on the allocation of ARR of distribution wire business, in accordance with the GERC (Multi Year Tariff) Regulations, 2024.

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

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

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

The Petitioner has divided the GFA in the ratio of 94.50%:5.50% among HT level and LT Voltage level to arrive voltage level wise Wheeling Charges. Further, as the HT level

assets cater to the requirement of customers at both HT and LT levels, the ARR for HT is again apportioned between HT and LT voltage based on their ratio of contribution to the peak demand.

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

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

Table 9-3: Wheeling Charges proposed by GIFT PCL for FY 2025-26

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	25.98
LT Voltage Level	1.51
Total ARR	27.49
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	15.07
LT Voltage Level	12.42
Total ARR	27.49
Wheeling Charges in (Rs/kWh)	
HT Voltage Level	2.85
LT Voltage Level	5.60

The Petitioner has proposed 2.60% wheeling Losses in addition to the wheeling charges as mentioned in above Table.

Commission's view

The Commission, in order to compute the wheeling charges has considered the allocation matrix between the wires and retail supply business as per the GERC (MYT) Regulations, 2024 as stated in Table above.

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

The contribution of HT and LT categories to the system peak demand as submitted by

the Petitioner is 58% and 42%, respectively. These ratios are considered for further segregation of ARR based on system peak demand.

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

Table 9-4: Wheeling Charges as approved for GIFT PCL for FY 2025-26

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	10.81
LT Voltage Level	0.63
Total ARR	11.44
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	6.27
LT Voltage Level	5.17
Total ARR	11.44
Wheeling Charges in (Rs/kWh)	
HT Voltage Level	1.18
LT Voltage Level	2.33

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

The Open Access consumer will also have to bear the wheeling Losses at 2.60% in addition to the wheeling charges as proposed by the Petitioner.

9.3. Cross Subsidy Surcharge

Petitioner's submission

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

Where:

S is the Cross Subsidy Surcharge

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

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

L is the aggregate of transmission, distribution and commercial Losses, expressed as

a percentage applicable to the relevant voltage level

D is the wheeling charges applicable to relevant category

R is the per unit cost of carrying regulatory assets.

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

Table 9-5: Cross Subsidy Surcharge as proposed by GIFT PCL for FY 2025-26

Particulars	Claimed
T- Tariff for HT category (Rs/kWh)	8.67
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	6.15
D - Wheeling Charges (Rs / kWh)	2.85
L - Aggregate T&D Loss (%)	2.60%
R - Per unit cost of carrying regulatory assets (Rs/kWh)	0
S - Cross Subsidy Surcharge (Rs/kWh)	Negative

Therefore, the Petitioner as per the above calculation, is not proposing any cross subsidy surcharge as the same is calculated as negative.

Commission's view

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

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

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

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

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

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

R is the per unit cost of carrying regulatory assets.

It is observed that the Petitioner has considered Tariff for HT consumer as 8.67/kWh, the same has been considered by the Commission for HT Consumers. The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

Table 9-6: Cross Subsidy Surcharge as approved for GIFT PCL for FY 2025-26

Particulars	Approved
T- Tariff for HT category (Rs/kWh)	8.67
C - Wt. Avg. Power Purchase Cost (Rs/kWh)	5.36
D - Wheeling Charges (Rs/kWh)	1.18
L - Aggregate T&D Loss (%)	2.60%
R - Per unit cost of carrying regulatory assets (Rs/kWh)	-
S - Cross Subsidy Surcharge (Rs/kWh)	1.98

$$S = T - [C / (1 - L/100) + D + R]$$

$$S = 8.67 - [5.36 / (1 - 2.60/100) + 1.18 + 0.00]$$

$$= 1.98 \text{ Rs/kWh}$$

According to Rule 13 of the Electricity (Amendment) Rules, 2022 notified by Ministry of Power, Government of India, the surcharge determined by the State Commission shall not exceed 20% of the Average Cost of Supply. The 20% of Average Cost of Supply for the Petitioner works out to Rs. 1.50/kWh

Accordingly, the Commission approves Cross Subsidy Surcharge at Rs. 1.50/kWh for FY 2025-26.

10. Tariff Philosophy and Tariff Proposal

10.1. Overall Approach

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

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

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

10.2. GIFT PCL's Tariff Proposal for FY 2025-26

The Petitioner is proposing that the Tariff schedule for the different categories of consumers may be as per the existing Tariff Schedules of Uttar Gujarat Vij Company Ltd (UGVCL). The Petitioner was allowed to follow the UGVCL's tariff schedule in previous Tariff Orders as ceiling Tariff. The same norm may be followed for FY 2025-26 also. If the Commission makes any changes in the Tariff Schedule of UGVCL, the same may be made applicable to the Petitioner.

Additionally, to recover the past losses, the Petitioner has requested to introduce the appropriate regulatory charges to recover the same. The uncovered revenue gap (cumulative for past years) can be recognized as regulatory asset after considering the regulatory gap that can be recovered partially through regulatory charges during FY 2025-26. The Petitioner requested the Commission to approve the above proposal. Otherwise, the Petitioner cannot recover its legitimate dues and will face great financial problem. Without recovery of the past losses, the Petitioner has no way to claim its legitimate dues. This is affecting the financial situation of the Petitioner.

The Petitioner has submitted that gap is creating financial burden on the Petitioner and there is no appropriate mechanism to amortize such gap. The Petitioner humbly prayed to the Commission to create suitable mechanism to amortize such huge gap. Various State Electricity Regulatory Commission (SERCs) have taken measures like adjustment in Tariff, Regulatory Surcharge Imposition etc. to amortize the regulatory assets. The Petitioner prayed the Commission to kindly approve a mechanism in the Tariff Order for FY 2025-26, to amortize regulatory assets.

The Petitioner has requested the Commission to accord approval to tariff schedule proposed by the Petitioner for FY 2025-26, as per existing tariff schedule with introduction of appropriate regulatory surcharge. This will help the Petitioner to recover some of its past legitimate dues.

10.3. Commission's Analysis

The Commission notes that Petitioners licence area overlaps with the licence area of UGVCL.

The second proviso to Section 62 (1) of the Electricity Act, 2003, specifies that:

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

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

Further, it is observed that the Commission has been determining tariff in similar cases which falls under the situation envisaged under the proviso to Section 62(1) of the Electricity Act, 2003 for areas of distribution licensees like Aspen, in accordance with the said principles of legislation. The Commission has been therefore, considering either

maximum ceiling tariff as set for the principal licensee or setting the tariff which is lower than the retail supply tariff of the principal licensee for the second licensee.

It is to note that GIFT PCL is in process of network creation, but the load growth of GIFT PCL is not as expected. The cost and ARR related to this infrastructure need to restore in future whenever sufficient network utilization level is achieved. Till that time, the Commission intends to continue with tariff rates at par with incumbent Distribution Licensee i.e. UGVCL and resultant surplus for the FY 2025-26 is allowed to retain with GIFT PCL in line with approach adopted in earlier Tariff Order for Truing up of FY 2022- 23 and determination of tariff for FY 2024-25 dated 01st June, 2024.

Accordingly, the Commission decides that the tariff approved for UGVCL for FY 2025-26 will be the maximum ceiling for retail supply in the GIFT City in accordance with the tariff schedule annexed to this Order.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for GIFT Power Company Limited (GIFT PCL) for FY 2025-26, as shown in the Table below:

ARR Approved by the Commission for FY 2025-26

Particulars	(Rs. Crore)
	FY 2025-26
Power Purchase Expenses	43.45
Operation & Maintenance Expenses	6.78
Depreciation	3.08
Interest and Finance Charges	0.87
Interest on Working Capital	-
Interest on Security Deposits	0.76
Contingency Reserves	0.26
Total Revenue Expenditure	55.19
Return on Equity Capital	1.23
Return on Capital Employed	1.91
Aggregate Revenue Requirement	58.32
Less: Non-Tariff Income	1.93
Less: Income from Other Business	0.14
Net Aggregate Revenue Requirement	56.25

The approved ceiling for Retail Supply Tariff will be in accordance with the Tariff schedule annexed to this Order and it shall come into force with effect from 1st April, 2025.

The rate shall be applicable for the electricity consumption from 1st April, 2025 onwards.

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

Place: Gandhinagar

Date: 31/03/2025

TARIFF SCHEDULE FOR FY 2025-26

TARIFF SCHEDULE

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

Effective from 1st April, 2025

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of GIFT PCL.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load during the billing period.



10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.
11. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
12. Fuel and Power Purchase Adjustment Surcharge (FPPAS) shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed payment charges for all consumers:
 - No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
 - Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
 - For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.
16. Energy charges for smart pre-paid meter consumers are applicable only when a positive balance is maintained. Any deviation from this leads the consumer to follow the post-paid meter tariff for the respective billing month.

17. Green Power Tariff

- Green Power Tariff of Rs 0.90/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

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

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

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

1.1. FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

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

For BPL Household Consumers

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

PLUS

1.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	First 50 units	305 Paise per Unit	299 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit	343 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit	407 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit	510 Paise per Unit

1.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMERS BELOW POVERTY LINE (BPL) **

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	First 50 units	150 Paise per Unit	147 Paise per Unit
(b)	For the remaining units	Rate as per RGP	Rate as per RGP for Smart Pre-paid Meter

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

1.4. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

1.5. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

2. RATE: RGP (RURAL)

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

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

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

2.1. FIXED CHARGES

Range of Connected Load: (Other than BPL Consumers)

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

For BPL Household Consumers

Fixed Charges	Rs. 5/- per month
---------------	-------------------

PLUS**2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)**

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	First 50 units	265 Paise per Unit	260 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit	304 Paise per Unit
(c)	Next 150 units	375 Paise per Unit	368 Paise per Unit
(d)	Above 250 units	490 Paise per Unit	480 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMER BELOW POVERTY LINE (BPL) **

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	First 50 units	150 Paise per Unit	147 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)	Rate as per RGP(Rural) for Smart Pre-paid Meter

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

2.4. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

2.5. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

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

3. RATE: GLP

This tariff is applicable to

- (i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;
- (ii) research and development laboratories;
- (iii) Street Light*

		Post-Paid Charges	Pre-paid Charges
(a)	Fixed charges	Rs. 70/- per Installation per Month	
(b)	Energy charges	390 Paise per Unit	382 Paise per Unit

*Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street lighting purpose shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956/ Rules issued by CEA under the Electricity Act, 2003.

3.1. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

4. RATE: NON-RGP

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

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

4.1. FIXED CHARGES PER MONTH

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

PLUS**4.2. ENERGY CHARGES:**

		Post-Paid Charge	Pre-paid Charge
(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit	426 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit	456 Paise per Unit

PLUS**4.3. TIME OF USE CHARGES FOR CONSUMERS HAVING CONTRACT DEMAND ABOVE 10 KW:**

Additional Charge for energy consumption during two peak periods, viz, 07:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs	45 Paise per Unit
--	-------------------

4.4. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

4.5. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

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

4.5.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly

for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

- 4.5.3.** The total minimum amount under the head “Fixed and Energy Charges” payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.5.1 above and complying with the provision stipulated under sub-clause 4.5.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.
- 4.5.4.** The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.
- 4.5.5.** The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads “Fixed Charges” and “Energy Charges”, shall be taken into account while determining the amount of short-fall payable towards the annual minimum bill as specified under sub-clause 4.5.3 above.
- 4.5.6.** Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.5.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 month prior to its expiry.

5. RATE: LTMD

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

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

5.1. DEMAND CHARGE:

	For billing demand up to the Contract demand	
(a)	(i) For first 40 kW of billing demand	Rs. 90/-per kW per month
	(ii) Next 20 kW of billing demand	Rs. 130/-per kW per month
	(iii) Above 60 kW of billing demand	Rs. 195/- per kW per month
(b)	For billing demand in excess of the contract demand	Rs. 265/- per kW

PLUS**5.2. ENERGY CHARGE:**

	Post-Paid Energy Charge	Pre-paid Energy Charge
For the entire consumption during the month	460 Paise per Unit	451 Paise per Unit

PLUS**5.3. TIME OF USE CHARGES:**

Additional Charge for energy consumption during two peak periods, viz, 07:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs	45 Paise per Unit
--	-------------------

PLUS**5.4. REACTIVE ENERGY CHARGES:**

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

5.5. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

5.6. BILLING DEMAND

The billing demand shall be highest of the following:

- a) Eighty-five percent of the contract demand

- b) Actual maximum demand registered during the month
- c) 6 kW

5.7. MINIMUM BILL

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

5.8. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

- 5.8.1.** The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers, vegetable dehydration industries.
- 5.8.2.** Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.
- 5.8.3.** The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.8.1 above and complying with provisions stipulated under sub-clause 5.8.2 above shall be Rs. 2970 per annum per kW of the billing demand.
- 5.8.4.** The billing demand shall be the highest of the following:
 - a) The highest of the actual maximum demand registered during the calendar year.
 - b) Eighty-five percent of the arithmetic average of contract demand during the year.
 - c) 6 kW
- 5.8.5.** Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.
- 5.8.6.** Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and

minimum bill calculated at the rate shown in para 5.8.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 month prior to its expiry.

6. RATE: LTP- LIFT IRRIGATION

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

(a)	Fixed charges per month	Rs. 20/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

7. RATE: WWSP

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

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

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	Fixed charges per month	Rs. 25/- per HP	
(b)	Energy charges per month; For entire consumption during the month	430 Paise per Unit	421 Paise per Unit

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

		Post-Paid Energy Charge	Pre-paid Energy Charge
(a)	Fixed charges per month	Rs. 20/- per HP	
(b)	Energy charges per month; For entire consumption during the month	410 Paise per Unit	402 Paise per Unit

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

	Post-Paid Energy Charge	Pre-paid Energy Charge
Energy charges per month: For entire consumption during the month	320 Paise per Unit	314 Paise per Unit

7.4. TIME OF USE DISCOUNT:

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

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

8. RATE: AG

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

8.1.1. The rates for following group are as under:

8.1.2. HP BASED TARIFF

For entire contracted load	Rs. 200 per HP per month
----------------------------	--------------------------

ALTERNATIVELY

8.1.3. METERED TARIFF

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

8.1.4. TATKAL SCHEME

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

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

- 8.2.** No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this tariff. Any other machinery connected in the installation governed under this tariff shall be charged separately at appropriate tariff for which consumers shall have to take separate connection.
- 8.3.** Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / metered agricultural tariff.
- 8.4.** Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

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

9. RATE- TMP

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

1.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day
-------------------------------	-----------------------

1.2. ENERGY CHARGE

A flat rate of	465 Paise per Unit
----------------	--------------------

Note: Payment of bills is to be made within seven days from the date of issue of the bill.

Supply would be disconnected for non-payment of dues on 24 hours' notice.

10. RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, RGP (RURAL), GLP, LTMD, etc. as the case may be.

10.1. FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month
--------------	-----------------------------------

PLUS

10.2. ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

	Post-Paid Energy Charge	Pre-paid Energy Charge
Energy Charge	410 Paise per Unit	402 Paise per Unit

PLUS

10.3. TIME OF USE CHARGES FOR CONSUMERS HAVING CONTRACT DEMAND ABOVE 10 KW:

Additional Charge for energy consumption during two peak periods, viz, 07:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs	45 Paise per Unit
--	-------------------

10.4. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs for the Consumers with Smart Pre-paid Meter.

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

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

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

11. RATE- HTP-1

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

11.1. DEMAND CHARGES:

11.1.1. For billing demand up to contract demand

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

11.1.2. For billing Demand in Excess of Contract Demand

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

PLUS

11.2 ENERGY CHARGES

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

PLUS

11.3. TIME OF USE CHARGES

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

11.4. BILLING DEMAND

The billing demand shall be the highest of the following:

- Actual maximum demand established during the month
- Eighty-five percent of the contract demand
- One hundred kVA

11.5. MINIMUM BILLS:

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

11.6. POWER FACTOR ADJUSTMENT CHARGES:**11.6.1. Penalty for poor Power Factor:**

- The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, will be charged.

11.6.2. Power Factor Rebate

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

11.7. MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in kW/kVA directly, have been provided.

11.8. CONTRACT DEMAND:

The contract demand shall mean the maximum kW/kVA for the supply, of which the supplier undertakes to provide facilities from time to time.

11.9. REBATE FOR SUPPLY AT HV and EHV:

On ENERGY CHARGES:		Rebate @
(a)	If supply is availed at 11 kV/ 22 kV (HV)	1%
(b)	If supply is availed at 33 kV/ 66 kV (EHV)	1.5%
(c)	If supply is availed at 132 kV and above (EHV)	2%

11.10. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs.

11.11. SEASONAL CONSUMERS TAKING HT SUPPLY:

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

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

11.11.3. The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 11.11.1 above and complying with provisions stipulated under sub-clause 11.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

11.11.4. The billing demand shall be the highest of the following:

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

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

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

11.11.7. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 11.11.3 for the higher of Contract

Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

12. **RATE- HTP-II**

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities and GW & SB. GIDC Water Works.

12.1. **DEMAND CHARGES:**

12.1.1. For billing demand up to contract demand

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

12.1.2. For billing demand in excess of contract demand

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

PLUS

12.2. **ENERGY CHARGES:**

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

PLUS

12.3. TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

12.4. Billing Demand

12.5. Minimum Bill

12.6. Maximum demand and its measurement

12.7. Contract Demand

12.8. Rebate for supply at HV and EHV

12.9. Time of Use Discount



Same as HTP-I Tariff

12.10. POWER FACTOR ADJUSTMENT CHARGES

12.10.1. Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, will be charged.

12.10.2. Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13. RATE- HTP-III

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

13.1. DEMAND CHARGES:

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

13.2. ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit
---	----------------

PLUS

13.3. TIME OF USE CHARGES:

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

- | | | |
|---|---|----------------------|
| <p>13.4. Billing Demand</p> <p>13.5. Minimum bill</p> <p>13.6. Maximum demand and its measurement</p> <p>13.7. Contract Demand</p> <p>13.8. Rebate for supply at HV and EHV</p> | } | Same as HTP-I Tariff |
|---|---|----------------------|

13.9. **POWER FACTOR ADJUSTMENT CHARGES**

13.9.1. **Penalty for poor Power Factor:**

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.9.2. **Power Factor Rebate:**

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14. **RATE- HTP-IV**

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

14.1. **DEMAND CHARGES:**

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

PLUS

14.2. ENERGY CHARGES:

For all units consumed during the month	225 Paise per unit
---	--------------------

14.3. Billing Demand

14.4. Minimum Bill

14.5. Maximum demand and its measurement

14.6. Contract Demand

14.7. Rebate for supply at HV and EHV

} Same as HTP-I Tariff

14.8. POWER FACTOR ADJUSTMENT CHARGES:

14.8.1. Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, will be charged.

14.8.2. Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 14 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 11.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 11.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 11.1 and 11.2 respectively, of this schedule.
6. This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.
7. This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period

15. **RATE- HTP-V**

HT - Agricultural (for HT Lift Irrigation scheme only)

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

15.1. DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS**15.2. ENERGY CHARGES:**

For all units consumed during the month	80 Paise/Unit
---	---------------

15.3. Billing Demand

15.4. Minimum bill

15.5. Maximum demand and its measurement

15.6. Contract Demand

15.7. Rebate for supply at HV and EHV

Same as per HTP-I Tariff

15.8. POWER FACTOR ADJUSTMENT CHARGES**15.8.1. Penalty for poor power factor**

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, will be charged

15.8.2. Power Factor Rebate

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- RAILWAY TRACTION

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

16.1. DEMAND CHARGES:

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

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

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

PLUS

16.2. ENERGY CHARGES:

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

16.3. Billing Demand:

16.4. Minimum Bill

16.5. Maximum demand and its measurement

16.6. Contract Demand

16.7. Rebate for supply at HV and EHV

Same as HTP-I Tariff

16.8. POWER FACTOR ADJUSTMENT CHARGES**16.8.1. Penalty for poor Power Factor:**

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.8.2. Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

17.1. DEMAND CHARGES:

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

PLUS

17.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit
---------------	--------------------

PLUS

17.3. TIME OF USE CHARGES:

Additional Charge for energy consumption during two peak periods, viz, 07:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs	45 Paise per Unit
--	-------------------

17.4. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 11:00 Hrs to 15:00 Hrs.

17.5 Billing Demand:

17.6 Minimum Bill

17.7 Maximum demand and its measurement

17.8 Contract Demand

17.9 Rebate for supply at HV and EHV



Same as HTP-I Tariff