

**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**



Tariff Order

Truing up for FY 2024-25,
Approval of Revised ARR for FY 2026-27 and
Determination of Tariff for FY 2026-27

For

**GIFT Power Company Limited
(GIFT PCL)**

Case No. 2590 of 2025

25th March, 2026

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

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ABBREVIATIONS

| | |
|---------------------|--|
| A&G | Administrative and General Expenses |
| APTEL | Appellate Tribunal for Electricity |
| ARR | Aggregate Revenue Requirement |
| CAGR | Compounded Annual Growth Rate |
| CAPEX | Capital Expenditure |
| Control Period | 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/FCA/FP PAS | Fuel and Power Purchase Price Adjustment / Fuel Cost Adjustment/ Fuel and Power Purchase Adjustment Surcharge |
| FY | Financial Year |
| GERC | Gujarat Electricity Regulatory Commission |
| GETCO | Gujarat Energy Transmission Corporation Ltd. |
| GFA | Gross Fixed Assets |
| GIDC | Gujarat Industrial Development Corporation |
| GIFT PCL | GIFT Power Company Limited |
| kV | kilo Volt |
| kVA | kilo Volt Ampere |
| kVAh | kilo Volt Ampere hour |
| kWh | kilo Watt hour |
| LT | Low Tension |
| MSW | Municipal Solid Waste |
| MU | 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 | Regional 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. 2590 of 2025

Date of the Order: 25th March, 2026

CORAM

Pankaj Joshi, Chairman

Hiren Shah, Member

Jatin N. Thakkar, Member

ORDER



1. Background and Brief History

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

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner'), is a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited incorporated under the provisions of the Companies Act, 1956 having its office at EPS Building No. 49A, Block No. 49, Zone-4, Gyan Marg, GIFT City, Gandhinagar-382050.

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

The Commission granted Licence for Distribution of Electricity vide Order dated 6th March, 2013 in Licence Application No. 1 of 2012 to the Petitioner. The Petitioner was incorporated preliminarily to cater to 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 2022-23 and Determination of ARR and 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. The Petition was registered as Case No. 2327 of 2024 on 24.01.2024. 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.

1.3. Commission's Order for Truing up for FY 2023-24, Approval of Multi-Year ARR for FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26

The Petitioner had filed its Petition for Truing up for FY 2023-24, approval of Multi-Year ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26 on 30.11.2024. The Petition was registered as Case No. 2431 of 2024 on 16.12.2024. The Commission vide Order dated 31.03.2025, approved the Truing up for FY 2023-24, determined the Multi-Year ARR for FY 2025-26 to FY 2029-30 and determined the Tariff for FY 2025-26.

1.4. Commission's Order dated 21.07.2025 in the matter of Truing up for FY 2019-20 and Determination of ARR & Tariff for FY 2021-22 (Order arising from matter remitted by Hon'ble APTEL by Judgment dated 14.11.2022 in Appeal No. 285 of 2021 in Case No. 1942/2021)

The Petitioner filed a Petition for Truing up for FY 2018-19 along with the finalization of accounts for FY 2013-14 to FY 2017-18 and determination of Retail Supply Tariff for FY 2020-21 on 30.11.2019. The Petition was registered as Case No. 1851 of 2020 on 04.01.2020. The Commission, vide Order dated 09.10.2020, approved the Truing up for FY 2018-19 and determined the Tariff for FY 2020-21.

Subsequently, the Petitioner filed a Review Petition on the Commission's Order dated 09.10.2020 on 05.12.2020, which was registered as Case No. 1916 of 2020.

Thereafter, the Petitioner filed a Petition for Truing up for FY 2019-20 along with the determination of ARR and Tariff for FY 2021-22 on 01.02.2021. The Petition was registered as Case No. 1942 of 2021 on 04.02.2021. The Commission, vide majority Order dated 01.04.2021, approved the Truing up for FY 2019-20 and determined the tariff for FY 2021-22. Further, the Commission published a Dissenting Order in Case No. 1942 of 2021 on 01.07.2021.

The Petitioner contended that despite filing a Review Petition in Case No. 1851 of 2020, the Commission adopted the same benchmarking methodology while approving the truing-up for FY 2019-20 in Case No. 1942 of 2021. Being aggrieved by the approach adopted by the Commission, the Petitioner filed an Appeal before the Hon'ble APTEL, which was registered as Appeal No. 285 of 2021. The Hon'ble APTEL issued its judgment in Appeal No. 285 of 2021 on 14.11.2022, remitted the matter back to the Commission and directing it to take a fresh decision.

The Commission, vide Order dated 04.07.2025, rejected the Review Petition filed by the Petitioner in Case No. 1916 of 2020, filed for review of the Tariff Order dated 09.10.2020.

Being aggrieved by the Commission's decision in the Review Order dated 04.07.2025 in

Case No. 1916 of 2020, the Petitioner filed an Appeal before the Hon'ble APTEL, which has been registered as APL-321/2025, and the matter is presently sub-judice.

Subsequently, vide Order dated 21.07.2025, the Commission issued a fresh Order in Case No. 1942/2021 for Truing up for FY 2019-20 and determination of ARR and Tariff for FY 2021, pursuant to the remand by Hon'ble APTEL in Judgment dated 14.11.2022 in Appeal No. 285 of 2021.

The Commission notes that the aforementioned Order has a consequential impact on the ARR components and the Revenue Gap/(Surplus) approved for subsequent years, i.e., for FY 2020-21 to FY 2023-24. However, the Commission is of the view that since the issue pertaining to the True-up for FY 2018-19 and finalization of accounts for FY 2013-14 to FY 2017-18 is still pending before the Hon'ble APTEL in Appeal No. 321 of 2025, and to avoid duplication of efforts in terms of multiple revisions in Capex, Capitalization, O&M Expenses and other related ARR components, it would not be appropriate to allow the consequential impact of the Order dated 21.07.2025 relating to truing-up for FY 2019-20 and Determination of ARR and Tariff for FY 2021-22 in this Order. The Commission has decided to allow the same, including the impact of True-up for FY 2018-19, if any, at a later stage based on the judgment of the Hon'ble APTEL in Appeal No. 321 of 2025.

Accordingly, for the purpose of truing up for FY 2024-25, the Commission has decided to consider the opening balance of GFA, the opening balance of normative loan, and opening balance of equity, etc., same as the closing balance approved after truing up for FY 2023-24 in the Commission's Order dated 31.03.2025 in Case No. 2431 of 2024.

1.5. Background of the Present Petition

The Gujarat Electricity Regulatory Commission (hereinafter referred to as 'GERC' or the 'Commission') notified the GERC (MYT) Regulations, 2016 on 29th March, 2016. These Regulations were applicable for the determination of tariff in all cases covered thereunder from 1st April, 2016 until 31st March, 2021. Subsequently, the Commission, vide Orders dated 24/09/2021, 20/10/2022, and 05/12/2023 in Suo Motu Petitions

1995/2021, 2140/2022, and 2264/2023, respectively, extended the applicability of these Regulations up to FY 2024-25.

Subsequently, the Commission notified the GERC (MYT) Regulations, 2024, on 6th August, 2024, which are applicable for the determination of ARR for the fourth Control Period from FY 2025-26 to FY 2029-30. Regulation 16.3.6 of the GERC (MYT) Regulations, 2024, provides that the Truing up for FY 2024-25, or for any financial year prior to FY 2024-25 for which truing up is yet to be completed, shall be carried out in accordance with the GERC (MYT) Regulations, 2016. Accordingly, in the present Petition, the true-up for FY 2024-25 is to be carried out in accordance with the provisions of the GERC (Multi-Year Tariff) Regulations, 2016.

Further, determination of revised ARR and Tariff for FY 2026-27 is based on the principles and methodology specified in the GERC (MYT) Regulations, 2024.

GIFT PCL has filed the present Petition under Section 62 of the Electricity Act, 2003, read in conjunction with the GERC (MYT) Regulations, 2016 for the True up for FY 2024-25, and the GERC (MYT) Regulations, 2024 for the approval of the Revised ARR and Tariff Determination for FY 2026-27.

1.6. Registration of the Current Petition and Public Hearing Process

The Petitioner has submitted the current Petition for approval of the Truing up for FY 2024-25, approval of Revised ARR for FY 2026-27, and determination of Tariff for FY 2026-27 on 28.11.2025. The Petition was registered as Case No. 2590 of 2025 on 10.12.2025 and as provided under Regulation 29.1 of GERC MYT Regulations, 2016 and Regulation 25.1 of GERC (MYT) Regulations, 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 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 (Ahmedabad/ Gandhinagar Edition) | English | 17/12/2025 |
| 2 | Divya Bhaskar (Ahmedabad/ Gandhinagar Edition) | Gujarati | 17/12/2025 |

The Petitioner also placed the public notice and the Petition on its website (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 17/01/2026. Further, the Commission also uploaded the Petition and Public Notices on its website (www.gercin.org) in downloadable 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 order 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 | The Indian Express | English | 12/02/2026 |
| 2 | Divya Bhaskar | Gujarati | 12/02/2026 |
| 3 | Sandesh | Gujarati | 12/02/2026 |

The Commission conducted Public Hearing on the Petition of M/s GIFT PCL on 24/02/2026.

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

1.7. Approach of this Order

The GERC (MYT) Regulations, 2016 provide for Truing up for FY 2024-25 and GERC (MYT) Regulations, 2024 provides for determination of Revised ARR and Tariff for FY 2026-27.

GIFT PCL has approached the Commission with the present Petition for the Truing up for FY 2024-25 under the GERC (MYT) Regulations, 2016, and for the approval of Revised

ARR for FY 2026-27 and determination of Tariff for FY 2026-27 under the GERC (MYT) Regulations, 2024.

The Commission has undertaken the Truing up for FY 2024-25, based on the audited annual accounts and other details submitted by the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2024-25, in accordance with the provisions of GERC (MYT) Regulations, 2016, as amended from time to time.

For the present Petition, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved in the Tariff Order for FY 2024-25, 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.
- Approval of Revised ARR for FY 2026-27 and determination of Tariff for FY 2026-27 has been considered as per the methodology and principles stipulated in the GERC (MYT) Regulations, 2024.

1.8. 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 2024-25.
- The **Fifth Chapter** deals with the Determination of Revised ARR for FY 2026-27.
- The **Sixth Chapter** deals with the Determination of Tariff for FY 2026-27.
- The **Seventh Chapter** deals with the Fuel and Power Purchase Price

Adjustment Surcharge.

- The **Eighth Chapter** deals with determination of the Wheeling Charges and Cross-Subsidy Surcharge for FY 2026-27.
- The **Ninth Chapter** deals with Directives of the Commission.
- 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 submitted by GIFT PCL for Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27, and Determination of Tariff for FY 2026-27.

2.2. True-up of FY 2024-25

A summary of expenses under different heads of the ARR for Truing-up for FY 2024-25 compared with the ARR approved for FY 2024-25 in Tariff Order dated 01.06.2024 in Case No. 2327 of 2024 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 claimed by GIFT PCL for FY 2024-25

(Rs. Crore)

| Particulars | Approved | Actual | Deviation | Controllable | Uncontrollable |
|--|--------------|--------------|----------------|--------------|----------------|
| Power Purchase Expenses | 33.68 | 33.88 | (0.20) | | (0.20) |
| Operation & Maintenance Expenses | 5.30 | 6.64 | (1.34) | | (1.34) |
| Depreciation | 2.27 | 6.33 | (4.06) | | (4.06) |
| Interest and Finance Charges | 1.37 | 3.05 | (1.68) | | (1.68) |
| Interest on Security Deposit | 0.38 | 0.84 | (0.46) | | (0.46) |
| Interest on Working Capital | - | - | - | | - |
| Bad Debts written off | - | - | - | | - |
| Contribution to contingency reserves | 0.17 | - | 0.17 | | 0.17 |
| Total Revenue Expenditure | 43.16 | 50.74 | (7.57) | | (7.57) |
| Return on Equity Capital | 1.63 | 5.16 | (3.53) | | (3.53) |
| Income Tax | - | - | - | | - |
| Aggregate Revenue Requirement | 44.80 | 55.90 | (11.10) | | (11.10) |
| Less: Non-Tariff Income | 0.84 | 2.00 | (1.16) | | (1.16) |
| Less: Income from Other Business | - | 0.19 | (0.19) | | (0.19) |
| Net Aggregate Revenue Requirement | 43.95 | 53.71 | (9.75) | | (9.75) |

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

The Table below summarizes the Revenue Surplus/(Gap) claimed by GIFT PCL after Truing up for FY 2024-25:

Table 2-2: Revenue Surplus/(Gap) claimed for FY 2024-25

| Particulars | Legend | Actual Claimed (Rs. Crore) |
|--|-------------------|-------------------------------|
| ARR Approved as per the Tariff Order dated 01.06.2024 | A | 43.95 |
| Gains/(Losses) due to Uncontrollable Factors | B | (9.75) |
| Gains/(Losses) due to Controllable Factors | C | 0.00 |
| Pass through as Tariff | D=-(1/3 of c + b) | 9.75 |
| Trued up ARR | E=A+D | 53.71 |
| Revenue | F | 48.33 |
| Surplus/(Gap) for FY 2024-25 | G=F-E | (5.38) |

2.4. Revised ARR for FY 2026-27, Revenue for FY 2026-27, Revenue Surplus/(Gap) and Tariff Proposal for FY 2026-27

GIFT PCL has sought approval for revised Aggregate Revenue Requirement for FY 2026-27, as shown in the Table below:

Table 2-3: Revised ARR claimed for FY 2026-27

| Particulars | ARR Approved | Revised ARR (Rs. Crore) |
|---|--------------|----------------------------|
| Power Purchase Expenses | 50.43 | 57.10 |
| Operation & Maintenance Expenses | 10.14 | 8.48 |
| Depreciation | 4.93 | 9.14 |
| Interest and Finance Charges | 0.73 | 2.46 |
| Interest on Working Capital | - | - |
| Interest on Security Deposits | 0.76 | 1.01 |
| Bad Debts written off | - | - |
| Contribution to contingency reserves | 0.50 | 0.93 |
| Total Revenue Expenditure | 67.49 | 79.13 |
| Return on Equity Capital | 1.23 | 6.14 |
| Return on Capital Employed | 4.87 | 3.98 |
| Income Tax | - | - |
| Aggregate Revenue Requirement | 73.59 | 89.25 |
| Less: Non-Tariff Income | 1.93 | 2.00 |
| Less: Income from Other Business | 0.14 | 0.35 |
| Less: Income from Wheeling Charges payable by Open Access consumers | - | - |
| Net Aggregate Revenue Requirement | 71.52 | 86.90 |

2.5. Revenue Surplus/(Gap) for FY 2026-27

The stand-alone Revenue Surplus/(Gap) for FY 2026-27 as claimed by GIFT PCL is shown in the Table below:

Table 2-4: Revenue Surplus / (Gap) for FY 2026-27

| | | (Rs. Crore) |
|---------|---|-------------|
| Sr. No. | Particulars | Claimed |
| 1 | ARR for FY 2026-27 [a] | 86.90 |
| 2 | Revenue from Existing Tariff for FY 2026-27 [b] | 85.61 |
| 3 | Revenue Surplus/(Gap) for FY 2026-27 [c=(b-a)] | (1.29) |

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

2.6. GIFT PCL's Prayers to the Commission:

- a) *"To condone the delay, if any, occurred in filing of the present Petition;*
- b) *Admit the Petition for True-up of FY 2024-25, and Determination of Aggregate Revenue Requirement & Tariff for FY 2026-27;*
- c) *Approve the Trued-up ARR of FY 2024-25 based on actual expenses as reflected in Audited Accounts and as proposed by the Petitioner;*
- d) *Approve the cumulative gap / surplus as requested after True-up of FY 2024-25;*
- e) *Approve the Aggregate Revenue Requirement for FY 2026-27;*
- f) *Approve Power Purchase Cost for the FY 2026-27 as proposed by the Petitioner;*
- g) *Approve O&M expenses for the FY 2026-27 as proposed by the Petitioner;*
- h) *Approve FPPPA as applicable to GUVNL/ UGVCL from time to time;*
- i) *Approve Wheeling ARR and corresponding charges for wheeling of power;*
- j) *Approve Cross Subsidy Surcharges, if any;*
- k) *Approve introduction of appropriate regulatory charges to recover the losses of past period in ensuing year as deemed fit;*
- l) *Approve Tariff Schedule as proposed by the Petitioner;*
- m) *Allow additions/ alterations/ changes modifications to the application at a future date;*
- n) *Allow any other relief, order or direction, which the Hon'ble Commission deems*

fit to be issued;

- o) *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 following the Public Hearing held to invite objections / suggestions on the Petition filed by GIFT PCL for the Truing up for FY 2024-25 under the GERC (MYT) Regulations, 2016 and Approval of the Revised ARR and Determination of Tariff for FY 2026-27 under the GERC (MYT) Regulations, 2024, no objections / suggestions were received from any stakeholder.



4. Truing up for FY 2024-25

4.1. Introduction

In this Chapter, the Commission has analyzed all the elements of actual expenditure and revenue of GIFT PCL for FY 2024-25 and has approved the truing up of expenses and revenue after prudence check and based on the audited statements/documents.

4.2. Energy Sales

Petitioner's submission

The Petitioner submitted that the actual energy sales for FY 2024-25 are 56.80 MU, as against the sales of 61.06 MU approved in the Tariff Order dated 1st June, 2024. The Petitioner submitted the details of category-wise actual energy sales for FY 2024-25 as shown in the Table below.

**Table 4-1: Energy Sales submitted by GIFT PCL for FY 2024-25
(MU)**

| Consumer Category | Approved in the Tariff Order | Actual |
|-------------------|------------------------------|--------------|
| HTP I | 43.28 | 40.04 |
| HTP III | 0.06 | 0.49 |
| HT - EVCS | 0.31 | 0.26 |
| RGP | 0.38 | 0.39 |
| GLP | 0.55 | 0.56 |
| Non-RGP | 3.69 | 3.73 |
| LTMD | 6.31 | 6.64 |
| TMP | 6.47 | 4.64 |
| LT- EVCS | 0.01 | 0.04 |
| Total | 61.06 | 56.80 |

The Petitioner submitted that the deviation in energy sales was primarily due to variations in occupancy levels and delays in the construction of high-rise buildings. Nevertheless, the Petitioner achieved 93% of the projected energy sales target for FY 2024-25.

Furthermore, the Petitioner submitted that due to technical constraints, it provided LT metering to 18 of the 39 consumers falling under the HTP-1 Category in the High-Rise buildings during FY 2024-25. The Petitioner stated that a separate Petition (1875/2020)

seeking approval for LT Metering and Billing for HTP-I Category has been filed and is pending before the Commission.

Commission’s view

The Commission has cross-verified the energy sales data submitted by the Petitioner against the details 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. Additionally, these figures have been reconciled with Audited Accounts for FY 2024-25. Accordingly, the Commission approves the energy sales for FY 2024-25 as shown in the Table below:

Table 4-2: Energy Sales approved by the Commission for FY 2024-25 (MU)

| Particulars | Approved in the Tariff Order | Actual Claimed | Approved in Truing up |
|--------------|------------------------------|----------------|-----------------------|
| Energy Sales | 61.06 | 56.80 | 56.80 |

Therefore, the Commission approves the Energy Sales of 56.80 MU for the Truing up for FY 2024-25.

4.3. Distribution Losses

Petitioner’s submission

The Petitioner submitted that it has developed a 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. To enable high power availability and reliability, the Petitioner has implemented N-1 network redundancy at all levels.

The Petitioner submitted that the actual distribution losses for FY 2024-25 were 2.36%, significantly lower than the approved distribution losses of 3.00%. The actual distribution loss for FY 2024-25 is also lower than previous years’ actual loss. The Petitioner highlighted its success in consistently reducing the distribution losses from 5.56% in FY 2018-19 to 2.36% in FY 2024-25, 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 (%) |
|----------------|--|-----------------|------------|
| 2018-19 | 18.48 | 17.45 | 5.56% |
| 2019-20 | 22.24 | 21.53 | 3.21% |
| 2020-21 | 21.21 | 20.54 | 3.21% |
| 2021-22 | 27.27 | 26.45 | 3.01% |
| 2022-23 | 37.64 | 36.49 | 3.06% |
| 2023-24 | 45.55 | 44.37 | 2.60% |
| 2024-25 | 58.17 | 56.80 | 2.36% |

Considering the decreasing trend, the Petitioner requested the Commission to approve the actual Distribution Loss of 2.36% for FY 2024-25 as shown in the Table below:

Table 4-4: Distribution Losses (%) claimed by GIFT PCL for FY 2024-25

| Particulars | Approved in the Tariff Order | Actual Claimed |
|---------------------|------------------------------|----------------|
| Distribution Losses | 3.00% | 2.36% |

Commission’s view

The Commission notes that the distribution network of GIFT PCL is still in the development phase and the load profile is yet to stabilize, hence, the Commission has considered the actual Distribution Losses of GIFT PCL as uncontrollable.

With Energy Sales approved at 56.80 MU, the actual Distribution Losses for FY 2024-25 stands at 2.36%. This is an improvement over the 2.60% recorded for FY 2023-24.

Therefore, the Commission approves Distribution Losses of 2.36% for the Truing up for FY 2024-25 as shown in the Table below:

Table 4-5: Distribution Losses approved for FY 2024-25

| Particulars | Approved in the Tariff Order | Actual Claimed | Approved in Truing up (%) |
|---------------------|------------------------------|----------------|---------------------------|
| Distribution Losses | 3.00% | 2.36% | 2.36% |



4.4. Energy Requirement

Petitioner’s submission

The Petitioner has submitted its energy requirement for FY 2024-25 based on the actual Energy Sales and actual Distribution Losses recorded during the year as shown below:

Table 4-6: Energy Requirement claimed for FY 2024-25

| Particulars | Approved in the Tariff Order | Actual Claimed |
|---------------------------------|------------------------------|----------------|
| Energy Sales | 61.06 | 56.80 |
| Distribution Losses (%) | 3.00% | 2.36% |
| Distribution Losses (MU) | 1.89 | 1.375 |
| Total Energy Requirement | 62.95 | 58.17 |

(MU)

Commission’s view

The Commission has examined the actual energy requirement submitted by the Petitioner for FY 2024-25 alongside the energy requirement approved in the Tariff Order dated 1st June, 2024. The Commission observed a decrease of 4.78 MU in energy requirement compared to the 62.95 MU approved for the year. This is primarily attributable to decrease in actual energy sales as well as decrease in actual distribution losses.

The Commission approves the Energy Requirement for FY 2024-25 as shown in the Table below:

Table 4-7: Energy Requirement approved for FY 2024-25

| Particulars | Approved in the Tariff Order | Actual Claimed | Approved in Truing up |
|---------------------------------|------------------------------|----------------|-----------------------|
| Energy Sales | 61.06 | 56.80 | 56.80 |
| Distribution Losses (%) | 3.00% | 2.36% | 2.36% |
| Distribution Losses | 1.89 | 1.375 | 1.375 |
| Total Energy Requirement | 62.95 | 58.17 | 58.17 |

(MU)

Therefore, the Commission approves the total Energy Requirement of 58.17 MU in the Truing up for FY 2024-25.



4.5. Power Purchase Cost

Petitioner's submission

The Petitioner submitted that for FY 2024-25, the majority of its energy requirement was met through bilateral short-term power arrangements under Medium Term Open Access (MTOA) with M/s Shree Renuka Sugars Limited (SRSL) and M/s Phillips Carbon Black Limited-Mundra (PCBL). To manage real-time demand variations, the Petitioner procured power from the Day-Ahead Market (DAM), Real-Time Market (RTM), Green Day-Ahead Market (GDAM) and Green Term-Ahead Market (GTAM) segments of the Power Exchange on as and when needed basis. Additionally, the generation from its 2.50 MW captive ground-mounted Solar PV plant is also accounted for in the total power purchase for FY 2024-25.

The Petitioner submitted that the variation in power purchase cost is primarily attributable to variation in quantum of sales and variation in price on Power Exchange. The latter was driven by increase in coal prices, which is uncontrollable.

The Petitioner has submitted a source-wise comparison of actual power purchase quantum and cost for FY 2024-25 against the values approved by the Commission in its Order dated 1st June, 2024, as shown in the Table below:

Table 4-8: Power Purchase Quantum and Cost claimed for FY 2024-25

| Particulars | Power Purchase Quantum (MU) | | Power Purchase Cost (Rs. Crore) | |
|--------------------------------------|-----------------------------|---------------|---------------------------------|---------------|
| | Approved | Actual | Approved | Actual |
| Sources | | | | |
| SRSL/Other GENCO/PTC | 25.29 | 24.034 | 13.41 | 13.548 |
| Generation From Solar Project | 4.00 | 2.795 | 1.18 | 1.259 |
| Short Term Sources | | | | |
| IEX (DAM) | 22.13 | 18.000 | 12.23 | 9.991 |
| IEX (GDAM): | | | | |
| Solar -2024-25 | 3.08 | 3.257 | 1.80 | 6.605 |
| Solar -2019-20* | 0.65* | | 0.38 | |
| Non-Solar -2024-25 | 5.95 | 8.248 | 3.47 | |
| Non-Solar -2019-20* | 1.84 | | 1.08 | |
| UI / DSM | | 1.839 | | 2.481 |
| Total | 62.95 | 58.174 | 33.68 | 33.885 |

** To meet RPO shortfall of FY 2019-20*



The Petitioner submitted that it has followed the following steps to optimize the power purchase cost:

- A Work Order was issued to PTC in FY 2022-23 for a three-year period (i.e., April 2022 to March 2025) to assist GIFT PCL in sourcing power from open market and Power Exchanges.
- A medium-term PPA was executed with M/s Shree Renuka Sugars Limited (SRSL) for a base demand of 2.50 MW on RTC basis for a period of 1 year (i.e., September 2023 to August 2024).
- A short-term PPA was executed with M/s Phillips Carbon Black Limited (PCBL) for a base demand of 4 MW on RTC basis for a period of 8 months (i.e., from October 2024 to May 2025).
- Variable demand requirements were managed through Day-ahead and Real Time Market segments of the Power Exchanges.
- Renewable Energy was procured through the GDAM/GTAM Segments of the Power Exchanges on an as-and-when-required basis during FY 2024-25.

Power Procurement under MTOA:

The Petitioner submitted that it has procured 2.5 MW RTC power from M/s Shree Renuka Sugars (SRSL) under MTOA during FY 2024-25. The Commission, by its Order dated 01.09.2023 in Case No. 2242 of 2023, approved this procurement to meet base demand requirements at a rate of Rs. 4.75/kWh. The relevant extract of the said Order is reproduced below:

“....

7.16. Thus, from the above it emerges that the tariff of Rs. 4.75 per unit for procurement of power by the Petitioner by executing Power Purchase Agreement with M/s Renuka Sugar Limited for a period of 1 year on medium term basis for supply of 2.5 MW RTC prayed by the Petitioner is less when compared with recent price of RTC bids discovered on DEEP Portal for power procurement by various utilities at regional periphery of Power Exchanges during the different period of 2023 and 2024. Therefore, the prayer of the Petitioner for allowing the Petitioner to execute Power Purchase

Agreement with M/s Renuka Sugars Limited for a period of 1 year on medium term basis at the rate of Rs. 4.75 per unit for supply of 2.5 MW RTC after evaluating the situation and based on commercial prudence appears to be reasonable. Hence, we decide to approve the same and allow the Petitioner to execute Power Purchase Agreement with M/s Renuka Sugars Limited for a period of 1 year on medium term basis at the rate of Rs. 4.75 per unit for supply of 2.5 MW RTC from Kandla Unit of M/s Renuka Sugars Limited.”

Under the said PPA, the Petitioner had to pay GETCO Transmission Charges and SLDC Scheduling and Operating Charges as applicable from time to time. Additionally, the Petitioner submitted the salient features of the PPA as follows:

- 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, SRSL 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.
- The due date for payment shall be the Seventh (7th) day from the submission of bill.
- Provisions according to Electricity (Late Payment Surcharge) Rules have been incorporated.
- Transmission charges and losses, scheduling charges and other charges, up to the delivery point, shall be borne by SRSL.

Furthermore, the Petitioner submitted that as the existing PPA with SRSL was set to expire on 31.08.2024, it initiated a competitive bidding to procure power. On 23.05.2024, the Petitioner floated a medium-term Power tender on the ‘DEEP Portal’ to procure 5 MW of RTC power from conventional sources for 3 years (01.09.2024 to 31.08.2027); however, no bids were received. The Petitioner then floated a Short-Term Tender on

27.06.2024 in accordance with the Ministry of Power's Short-Term Competitive Bidding Guidelines. M/s Phillips Carbon Black Limited (PCBL) was the sole bidder, offering 5 MW of RTC power for one year. The Petitioner decided to secure 4 MW through a short-term PPA with PCBL, while sourcing the remaining 1 MW from the GDAM segment of the Power Exchange to ensure RPO compliance and to cater to the consumers opting for Green Power Tariffs.

Subsequently, the Petitioner filed Petition No. 2387/2024 for approval of this 4 MW RTC arrangement under MTOA for the period from 01.10.2024 to 31.05.2025, which the Commission approved vide its Order dated 23.09.2024. The relevant extract of the said Order is reproduced below:

"....

7.22. Thus, from the above it emerges that the tariff of Rs. 5.40 per unit for procurement of power by the Petitioner by executing Power Purchase Agreement with M/s PCBL for a period of eight (8) months on Short term basis for supply of 4 MW RTC prayed by the Petitioner is less when compared with the recent price of RTC bids discovered on DEEP Portal for power procurement by various utilities at regional periphery of Power Exchanges during the different period of 2023 and 2024. Therefore, the prayer of the Petitioner for allowing the Petitioner to execute Power Purchase Agreement with M/s PCBL for a period of eight (8) months on short term basis at the rate of Rs. 5.40 per unit for supply of 5 MW RTC after evaluating the situation and based on commercial prudence appears to be reasonable. Hence, we decide to approve the same and allow the Petitioner to execute Power Purchase Agreement with M/s PCBL Limited for a period of eight (8) months on short term basis at the rate of Rs. 5.40 per unit for supply of 5 MW RTC from M/s PCBL.

..."

Under the said PPA, the Petitioner had to pay GETCO Transmission Charges and SLDC Scheduling and Operating Charges as applicable from time to time. Additionally, the Petitioner submitted the salient features of the PPA as follows:

- The Contracted Quantum was 4.00 MW Round the Clock (RTC 00:00 Hours to 24:00 Hours) Power from 01.10.2024 to 31.05.2025 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. 5.40 per kWh for the entire period.
- For the supply of power during a month, PCBL 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.
- Provisions according to Electricity (Late Payment Surcharge) Rules have been incorporated.
- Transmission charges and losses, scheduling charges and other charges, up to the delivery point, shall be borne by PCBL.

Accordingly, the average power purchase cost from MTOA was accounted at Rs. 5.64/Unit (including Trading Margin) at GIFT periphery for FY 2024-25.

Power Exchange: The Petitioner submitted that it has procured significant quantum of energy through short-term purchases on the Power Exchange. To optimize cost, the Petitioner participated in the DAM and RTM of the Indian Energy Exchange (IEX) on a 15-minute time-slot basis. To meet its RPO, the Petitioner also procured RE power through IEX in the GTAM and Green Day Ahead Market GDAM.

Furthermore, the Petitioner procured 4 MW of RTC Wind Energy (96 MWh) through the LDC Segment of Power Exchange from 01.09.2024 to 30.09.2024 at a reverse auction price of Rs. 5.10/Unit.

Additionally, the Petitioner submitted that it observed market clearing prices frequently hitting the ceiling rate of Rs. 10/Unit during morning and evening peak hours in the DAM and GDAM segments. Therefore, considering the prevailing market condition, the Petitioner executed the power procurement of 1 MW RTC Base Demand through LDC segment of Power Exchange for April 2025 and May 2025 at a reverse auction

determined price of Rs. 5.75/Unit and Rs. 5.749/Unit for the respective months to cater the base demand of the licence area.

The overall average cost of power purchase from Power Exchange for FY 2024-25 stood at Rs 5.63/unit (Rs. 5.74/unit for RE segment and Rs. 5.55/Unit for conventional segment).

Captive Solar Generation: The Petitioner submitted that it has successfully commissioned the first phase of the captive solar project with the capacity of 2.50 MW in May 2024. The total solar generation at the Petitioner's distribution periphery for FY 2024-25 was at 2.79 MU, which has been accounted for RPO compliance for FY 2024-25. The Petitioner submitted that the solar generation for the year is on the lower side compared to the approved quantum of 4.00 MU for the following reasons:

- Late commissioning of Solar Power Plant: It was expected that the Solar Plant would be commissioned in the first week of April 2024, but the same was commissioned on 28th May 2024.
- Monsoon Effect: High rainfall across Gujarat from July 2024 to September 2024 significantly impacted solar generation.
- Unexpected Weather Conditions: High temperature decreases the efficiency of PV solar panels by reducing Voltage and Power output, with efficiency dropping about 0.3% to 0.5% for every 1-degree Celsius rise above 25 degree Celsius.

The Petitioner submitted that it has determined the tariff for its Captive Solar Plant for FY 2024-25 in accordance with the GERC (MYT) Regulations, 2016. The average power purchase cost from its Captive Solar Plant works out to Rs. 6.44/kWh.

The Petitioner submitted that since the project is being executed in two phases, the entire cost of the transmission network and associated infrastructure was capitalized under Phase 1 (2.50 MWp), leading to a higher proportionate capital cost for this phase.

The Petitioner has claimed a reduced rate of Rs. 4.51/kWh, which only covers depreciation and interest on loan, while excluding the Return on Equity, thereby minimizing the impact on the overall power purchase cost.

UI/DSM: The Petitioner submitted that while it endeavors to meet variable demand by forecasting day-ahead energy demand based on past trends, it is difficult to predict the exact power demand on 15 minutes time slots. Furthermore, the successful clearing of the bids in Power Exchanges depends on power market conditions. Consequently, deviations from schedule are an inherent aspect of sourcing power via Open Access. These variations are settled under Deviation Settlement Mechanism (DSM) by SLDC. The Petitioner submitted that the quantum of deviation settled through DSM is very small (net: 1.839 MU). All weekly settlement bills for DSM, Reactive Energy Charges and Congestion Charges issued by SLDC have been duly paid with the average UI / DSM cost per unit accounted at Rs. 13.49/Unit.

The Petitioner submitted that it has made sincere efforts to reduce the power purchase cost for FY 2024-25, due to which the average power purchase cost has come down to Rs. 5.825 per unit (based on Landed Cost at GIFT PCL Periphery), including PTC Trading Margin, which is on the lower side compared to past few years.

The Petitioner submitted that, despite the decreasing trend in the average power purchase cost, the following factors impacted the average power purchase cost which stands at Rs. 5.825/kWh for FY 2024-25:

- a) Power prices discovered in the Spot Market (Power Exchanges) have remained significantly higher and were trading at ceiling limits.
- b) As per the power market conditions, generators were expecting higher rates to tie-up variable demand and were reluctant to execute PPAs at competitive rates.
- c) An unprecedented increase in power demand across India was observed due to the early onset of summer and intense heatwaves in several States.

Due to the aforementioned reasons, the variation in the price of fuel and/or price of power purchase was beyond the control of the Petitioner and should be treated as uncontrollable. Therefore, the Petitioner requested the Commission to approve the power purchase on an actual basis as per the Audited Accounts.

Commission's View

The Commission has analyzed the Power Purchase Cost in detail with respect to the various sources of power, the quantum of energy procured, and the source-wise cost. It is observed that the Petitioner has procured significant quantum of power (41.32%) from Shree Renuka Sugars Limited and Philips Carbon Black Limited under MTOA. Further, 50.72% was procured through the Power Exchange, 4.80% from the captive solar project, and 3.16% under UI/DSM.

Power Purchase through Medium Term Open Access Sources (SRSL and PCBL)

As regards power purchase from M/s Shree Renuka Sugars Limited (SRSL), the Commission notes that the Petitioner had filed a separate Petition for adoption of Tariff for procuring 2.50 MW of RTC power from SRSL for the period from September 2023 to August 2024 at an average PPA rate of Rs. 4.75/kWh at GETCO periphery. The said Petition was registered as Petition No. 2242/2023. The Commission vide Order dated 01.09.2023 in Petition No. 2242/2023 allowed the Petitioner to execute Power Purchase Agreement with SRSL for a period of 1 year on medium-term basis at the rate of Rs. 4.75/kWh for supply of power from Kandla Unit of SRSL.

Accordingly, the Petitioner procured 8.26 MU from SRSL for the period from April 2024 to August 2024 at the approved rate of Rs. 4.75/kWh. However, as the delivery point was the GETCO periphery, GIFT PCL incurred transmission losses. After accounting for these transmission losses, the quantum of power received at GIFT PCL's Ex-Bus was 7.99 MU. The total landed cost of power, inclusive of Transmission Charges and SLDC Operating and Scheduling Charges, was Rs. 4.11 Crore. The per unit landed cost of power from SRSL for FY 2024-25 stood at Rs. 5.15/kWh.

The Commission has verified the monthly MTOA bills submitted by GIFT PCL in response to Data Gaps Set-I and found them to be in order. Accordingly, the Commission approves the power purchase from SRSL for FY 2024-25 as claimed by the Petitioner.

As regards power purchase from M/s Philips Carbon Black Limited (PCBL), the Commission notes that the Petitioner had filed a separate Petition for adoption of Tariff for procuring 4.00 MW of RTC power from PCBL for the period from October 2024 to May 2025 at an average PPA rate of Rs. 5.40/kWh at GETCO periphery. The said Petition was registered as Petition No. 2387/2024. The Commission vide Order dated 23.09.2024 and Corrigendum dated 30.09.2024 in Petition No. 2387/2023 allowed the Petitioner to execute Power Purchase Agreement with PCBL for a period of 8 months starting from October 2024 to March 2025 on short-term basis at the rate of Rs. 5.40/kWh for supply of 4 MW RTC power from PCBL.

Accordingly, the Petitioner procured 16.61 MU from SRSI for the period from October 2024 to March 2025 at the approved rate of Rs. 5.40/kWh. However, as the delivery point was the GETCO periphery, GIFT PCL incurred transmission losses. After accounting for these transmission losses, the quantum of power received at GIFT PCL's Ex-Bus was 16.05 MU. The total landed cost of power, inclusive of Transmission Charges and SLDC Operating and Scheduling Charges, was Rs. 9.31 Crore. The per unit landed cost of power from PCBL for FY 2024-25 stood at Rs. 5.80/kWh.

The Commission has verified the monthly MTOA bills submitted by GIFT PCL in response to Data Gaps Set-I and found them to be in order. Accordingly, the Commission approves the power purchase from PCBL for FY 2024-25 as claimed by the Petitioner.

Furthermore, the Commission notes that the Petitioner has allocated Rs. 0.12 Crore out of Rs. 0.26 Crore towards PTC Trading Margin Fees for power procured under MTOA. The Commission has verified the submissions made by the Petitioner and finds them to be in Order.

Accordingly, the Commission approves Power Purchase of 24.03 MU (at GIFT periphery) from MTOA sources (SRSI and PCBL) at a landed cost of Rs. 13.548 Crore, which includes Transmission Charges, SLDC Scheduling and Operating Charges, and PTC trading margin for FY 2024-25, as submitted by the Petitioner. The average power purchase from these sources stands at Rs. 5.64/kWh.

Power Purchase from Captive Solar Project

The Commission notes that the Petitioner has commissioned the first phase of the captive solar project with the capacity of 2.50 MW in May 2024. Accordingly, the Petitioner has procured 2.79 MU of power at a cost of Rs. 1.26 Crore in FY 2024-25.

The Petitioner submitted that average power purchase cost from its Captive Solar Plant works out to Rs. 6.44/kWh. However, since the project is being executed in two phases, the entire cost of the transmission network and associated infrastructure was capitalized under Phase 1 (2.50 MW), leading to a higher proportionate capital cost for this phase. Accordingly, the Petitioner has claimed a reduced rate of Rs. 4.51/kWh, which only covers depreciation and interest on loan, while excluding the Return on Equity, thereby minimizing the impact on the overall power purchase cost.

The Commission observes that the rate of Rs. 4.51/kWh considered by the Petitioner which excludes the RoE, is much higher than the generic tariff of Rs. 2.76/kWh (without consideration of Accelerated Depreciation benefits) determined in Order No. 6 of 2024 dated 31.08.2024 for procurement of power from solar projects.

Moreover, the Commission notes that the Petitioner has filed a separate Petition (Petition No. 2574 of 2025) seeking approval of the mechanism for tariff determination for the purchase of electricity from its own/embedded generation, which is currently sub-judice.

The Commission is of the view that, in the absence of approval of the said Petition for tariff determination of the Petitioner's captive solar project, it would not be appropriate to approve the power purchase from the captive solar project at the rate of Rs. 4.51/kWh as claimed by the Petitioner. Accordingly, the Commission has provisionally considered a rate of Rs. 2.76/kWh, being the generic tariff rate approved by the Commission in Order No. 6 of 2024 dated 31.08.2024, for the purpose of determining the power purchase from the captive solar project.

Furthermore, the Petitioner may claim the differential amount, if any, in subsequent years, arising from the tariff to be approved by the Commission for its captive Solar Plant, once the Commission decides on the Petition No. 2574 of 2025.

Accordingly, for the purpose of truing up for FY 2024-25, the Commission approves the purchase of 2.79 MU of power from the captive solar plant at a cost of Rs. 0.77 Crore, considering the per unit rate of Rs. 2.76/kWh as discussed above.

Short-term Power Purchase from Power Exchange

The Commission notes that in order to comply with the RPO target for FY 2024-25, the Petitioner has procured 11.51 MU from the GDAM/GTAM segments of Power Exchange at a total cost of Rs 6.60 Crore (which includes PTC Trading Margin of Rs. 0.054 Crore). The average rate of power purchase works out to Rs. 5.74/kWh, which is lower than the rate of Rs. 5.84/kWh approved in the Order dated 1st June, 2024.

Furthermore, to cater to the balance demand of consumers in the licence area during FY 2024-25, the Petitioner has also procured 18 MU at a total cost of Rs. 9.99 Crore (which includes PTC Trading Margin of Rs. 0.085 Crore) from the DAM/RTM segment of IEX at an average rate of Rs. 5.55/kWh. The actual average per unit power purchase cost from IEX DAM/RTM is lower than the rate of Rs. 5.58/kWh approved in the Tariff Order dated 1st June 2024.

The Commission has verified the bills raised by PTC India Ltd. for power purchase from IEX in FY 2024-25 and finds them to be in order. Additionally, the Commission has also verified the separate bills raised by PTC India Limited towards Trading Margin and Fixed Charges for providing assistance in managing the power portfolio of GIFT PCL. The Commission observes that GIFT PCL has paid a total of Rs. 0.53 Crore to PTC India Ltd. in FY 2024-25, out of which Rs. 0.26 Crore corresponds to Trading Margin and Rs. 0.27 Crore towards Fixed Charges.

Out of this amount, the Petitioner has claimed Rs. 0.27 Crore towards fixed charges paid to PTC India Ltd. under A&G Expenses, in accordance with the previous directives

of the Commission. Of the Rs. 0.26 Crore towards Trading Margin, which forms part of the power purchase cost for FY 2024-25, the Petitioner has considered Rs. 0.117 Crore for power procured from MTOA sources, and the balance amount of Rs. 0.139 Crore towards power procured from Exchange. The Commission has verified the claim of Rs. 0.26 Crore with the Audited Accounts and finds the same to be in order.

Accordingly, the Commission approves the total power purchase quantum of 29.51 MU at a total power purchase cost of Rs. 16.60 Crore for short-term power procured through the Exchange. The average per unit power purchase cost stands at Rs. 5.62/kWh.

UI/DSM Charges

The Commission notes that the Petitioner has claimed 1.839 MU towards UI/DSM at a cost of Rs. 2.48 Crore for FY 2024-25. The average per unit cost of UI/DSM stands at Rs. 13.49/kWh.

The Commission observes that the amount of Rs. 2.48 Crore claimed under UI/DSM charges comprises the following:

- DSM Charges – Rs. 2,05,32,180
- Reactive Energy Charges – Rs. 17,04,560
- NLDC Legacy Dues – Rs. 9,10,198
- SLDC Congestion Charges – Rs. 12,955
- UI/DSM Charges paid for bills of FY 2023-24 but not considered in the previous true-up – Rs. 12,90,000
- Small differential amounts paid to SLDC for revision of bills in FY 2024-25 – Rs. 3,57,582

As regards the DSM Charges of Rs. 2,05,32,180 claimed for FY 2024-25, the Commission has verified the weekly invoices issued by the SLDC. It is observed that SLDC revised the bills for Week 2, Week 29, Week 30, Week 31, Week 32, Week 33, and Week 34 of FY 2024-25. The Petitioner has considered the revised bills for all the aforementioned weeks except Week 2, while claiming the amount for FY 2024-25.

In response to the Commission's query regarding the non-consideration of the revised bill for Week 2 issued by SLDC, the Petitioner submitted that SLDC issued the revised bill for Week 2 (i.e., from 08.04.2024 to 14.04.2024) on 23.12.2025, after the closure of the Audited Accounts for FY 2024-25. Further, the Petitioner submitted that it has verified and processed the bill on 30.12.2025 and the differential of Rs. 17,994 receivable by GIFT PCL shall be considered in the Audited Accounts for FY 2025-26.

The Petitioner should ensure that, while filing the Petition for the true-up for FY 2025-26, GIFT PCL adjusts the amount of Rs. 17,994 (i.e., Rs. 2,05,204 as claimed in this Petition minus Rs. 1,87,210 as per the revised SLDC bill for Week 2) in its power purchase. Accordingly, in this Order, the Commission considers Rs. 2,05,32,180 towards DSM Expenses as claimed by the Petitioner.

As regards the Reactive Energy Charges of Rs. 17,04,560 claimed by the Petitioner for FY 2024-25, the Commission has verified the invoices issued by the SLDC and finds them to be in order. Accordingly, the Commission approves the Reactive Energy Charges as claimed by the Petitioner.

With respect to the NLDC Legacy dues of Rs. 9,10,198 claimed by the Petitioner for FY 2024-25, the Commission notes that, in accordance with the CERC (Deviation Settlement Mechanism and Related matters) Regulations, 2024, NLDC was required to prepare a procedure for recovery of legacy dues pertaining to the deficit observed in the Deviation and Ancillary Service Pool Account for the period prior to 16.09.2024. The Hon'ble CERC approved the said procedure on 15.10.2024.

The deficit in the Regional Pool Account is to be recovered from the States. Accordingly, WRLDC has billed Gujarat SLDC for clearance of legacy dues. Gujarat SLDC, in turn, is recovering the legacy dues from all the entities in accordance with the methodology approved by the Hon'ble CERC. The Commission has verified the documentary evidence submitted by the Petitioner and finds the same to be in order. Accordingly, the Commission approves the NLDC Legacy dues as claimed by the Petitioner.

As regards SLDC congestion charges of Rs. 12,955 claimed by the Petitioner for FY 2024-

25, the Commission has verified the documentary evidence submitted the Petitioner and finds the same to be in Order.

As regards the amount of Rs. 12,90,000 towards UI/DSM Charges paid for bills pertaining to FY 2023-24 but not considered in the previous true-up, the Commission, in its Order dated 31.03.2025 in Case No. 2431 of 2024, noted that the Petitioner has claimed a provision of Rs. 0.129 Crore towards unreceived SLDC invoices, which had not been accounted for in the Audited Accounts for FY 2023-24 and, therefore was not considered while truing for FY 2023-24. The relevant extract of the Commission's Order dated 31.03.2025 in Case No. 2431 of 2024 is reproduced as under:

“....

*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.***

.....

*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.***”

The Petitioner has now accounted for the said amount in the Accounts for FY 2024-25 and has claimed the same as part of DSM expenses for FY 2024-25. Accordingly, the Commission approves the amount of Rs. 12,90,00 as claimed by the Petitioner.

Based on the above, the Commission approves the UI/DSM quantum of 1.84 MU and UI/DSM Expenses of Rs. 2.48 Crore as claimed by the Petitioner for FY 2024-25.

Therefore, based on the aforementioned reasons, and after verifying the Power Purchase Quantum and Cost claimed for FY 2024-25 from the Audited Accounts, the Commission, accordingly, approves the Power Purchase Quantum of 58.17 MU and Power Purchase Cost of Rs. 33.40 Crore in the truing up for FY 2024-25.

The source wise power purchase approved in this Order for FY 2024-25 is shown in the Table below:

Table 4-9: Power Purchase Quantum and Cost approved for FY 2024-25

| Particulars | Approved in Tariff Order | | | Claimed in the Petition | | | Approved in this Order | | |
|--|--------------------------|------------------|--------------------|-------------------------|------------------|--------------------|------------------------|------------------|--------------------|
| | Quantum (MU) | Cost (Rs. Crore) | Per Unit (Rs./kWh) | Quantum (MU) | Cost (Rs. Crore) | Per Unit (Rs./kWh) | Quantum (MU) | Cost (Rs. Crore) | Per Unit (Rs./kWh) |
| SRSL/ Phillips Carbon / Other GENCO/ PTC | 25.29 | 13.41 | 5.30 | 24.03 | 13.55 | 5.64 | 24.03 | 13.55 | 5.64 |
| Generation from Solar Project (Own Generation) | 4.00 | 1.18 | 2.96 | 2.79 | 1.26 | 4.51 | 2.79 | 0.77 | 2.76 |
| IEX DAM | 22.13 | 12.23 | 5.58 | 18.00 | 9.99 | 5.55 | 18.00 | 9.99 | 5.55 |
| IEX GDAM (Solar) | 3.73 | 2.18 | 5.84 | 3.26 | 6.60 | 5.74 | 3.26 | 6.60 | 5.74 |
| IEX GDAM (Non-Solar) | 7.79 | 4.55 | 5.84 | 8.25 | | | 8.25 | | |
| UI / DSM | - | - | - | 1.84 | 2.48 | 13.49 | 1.839 | 2.48 | 13.49 |
| Total | 62.95 | 33.68 | 5.35 | 58.17 | 33.88 | 5.82 | 58.17 | 33.40 | 5.74 |

Accordingly, the Commission approves total Power Purchase Cost of Rs. 33.40 Crore in the Truing up for FY 2024-25 as under:

Table 4-10: Power Purchase Cost approved for FY 2024-25

(Rs. Crore)

| Particulars | Approved in the Tariff Order | Actual Claimed | Allowed |
|---------------------|------------------------------|----------------|---------|
| Power Purchase Cost | 33.68 | 33.88 | 33.40 |

Considering the approved Power Purchase Cost of Rs. 33.40 Crore and the approved energy procurement of 58.17 MU, the per unit Power Purchase Cost works out to Rs. 5.74 /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 2024-25
 (Rs. Crore)

| Particulars | Approved in Tariff Order | Approved in Truing up | Deviation + / (-) | Gains / (Losses) due to Controllable factor | Gains / (Losses) due to Uncontrollable factor |
|---------------------------|--------------------------|-----------------------|-------------------|---|---|
| Total Power Purchase cost | 33.68 | 33.40 | 0.28 | - | 0.28 |

RPO COMPLIANCE

Petitioner's submission

The Petitioner submitted that the Commission has specified an RPO Target of 20.70% comprising 11.25% for Solar, 8.55% for Wind, 0.10% for Hydro and 0.80% for others for FY 2024-25 under the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022.

The Petitioner further submitted that, for meeting the solar procurement obligation for FY 2024-25, it has considered electricity generated from the ground mounted 2.50 MW captive solar PV plant commissioned in May 2024, rooftop solar projects installed by its consumers under the Net-Metering Arrangement within its licence area, and power purchase through G-TAM /G-DAM segments and Renewable Attributes.

For the 'Others' category, the Petitioner has considered renewable attributes allocated by GUVNL from the waste-to-energy plant, in accordance with Commission's 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 multiple bills from GUVNL regarding payment for waste-to-energy purchase

for FY 2024-25. The bill received from GUVNL provides that during FY 2024-25, 11,362 Units have been allocated to the Petitioner towards RPO Attributes for FY 2024-25. The Petitioner has considered the said quantum under Other RPO.

The Petitioner has further stated that it has achieved target of 26.47% instead of specified target of 20.70% during FY 2024-25. The Petitioner has also stated that it has filed a separate Petition regarding RPO Compliance for FY 2024-25, wherein it has requested the Commission to approve the RPO Compliance and adjust surplus RPO against the shortfall for FY 2019-20 and carry forward the remaining quantum to FY 2025-26.

Commission's View

The Commission notes that the RPO target fixed for FY 2024-25 was 20.70%, for which the Petitioner was required to procure 12.04 MU. However, the Petitioner has actually procured 15.40 MU, thereby exceeding the RPO Target for FY 2024-25 by 3.36 MU.

The Petitioner has considered electricity generated from rooftop solar projects installed by its consumers under net-metering arrangement, electricity generated from its captive solar PV plant, and procurement of solar power through the Power Exchange (Solar G-TAM/G-DAM) towards compliance with the solar RPO.

The Petitioner has met the non-solar and other category of RPO obligation by procuring electricity through the Power Exchange (Non-Solar and Hydro G-TAM/G-DAM) and renewable energy attributes from waste-to-energy projects, in accordance with the Commission's 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 2024-25 are shown in the Table below:

Table 4-12: RPO Compliance in FY 2024-25

| RPO for FY 2024-25 | Target (%) | Total Electricity Purchased | RE Purchase Requirement | Actual RE Purchase/Generated | RPO Compliance |
|--------------------------|---------------|-----------------------------|---------------------------|------------------------------|---|
| Solar RPO | 11.25% | 57.17 MU | 6.54 MU (11.25%) | 7.14 MU (12.28%) | Includes 1.09 MU generated from rooftop solar projects installed by consumers under the net-metering arrangement, 2.79 MU from the captive solar PV plant, and purchase of 3.26 MU of solar energy through the Power Exchange (G-TAM/G-DAM) |
| Non-Solar (Wind + Other) | 9.35% | | 5.44 (9.35%) | 7.85 (13.50%) | Includes purchase of 7.84 MU of non-solar energy through the Power Exchange (G-TAM/G-DAM) and 0.01 MU of renewable attributes from GUVNL |
| Hydro | 0.10% | | 0.06 (0.10%) | 0.40 (0.69%) | Includes purchase of 0.40 MU of hydro energy through the Power Exchange (GTAM/GDAM) |
| Total | 20.70% | 57.17 | 12.04 (20.70%) | 15.40 (26.47%) | Overall RPO exceeds the specified target for FY 2024-25 |

The Commission notes that the Petitioner has filed a separate Petition before the Commission seeking verification of RPO compliance for FY 2024-25 and has requested adjustment of the surplus for FY 2024-25 against the shortfall for FY 2019-20, and carry forward of remaining quantum to FY 2025-26. The Commission shall deal with the verification of RPO compliance separately based on the separate Petition filed by the Petitioner.

4.6. Operation & Maintenance Expenses

Petitioner's submission

The Petitioner has claimed actual O&M Expenses of Rs. 6.64 Crore for FY 2024-25, as against the O&M expenses of Rs. 5.30 Crore approved by the Commission in the Order dated 1st June 2024. The component-wise actual O&M expenses claimed by the



Petitioner for FY 2024-25 are shown in the Table below:

Table 4-13: Operation and Maintenance Expenses claimed for FY 2024-25
(Rs. Crore)

| Particulars | Approved in the Tariff Order | Actual Claimed |
|---|---------------------------------|----------------|
| Employee Expenses | | 3.42 |
| R&M Expenses | | 1.67 |
| A&G Expenses | | 1.55 |
| Operation and Maintenance Expenses | 5.30 | 6.64 |

The Petitioner has submitted the following reasons for the variation in O&M Expenses for FY 2024-25, as compared to the values proposed by the Petitioner in Petition No. 2327/2024:

1. The Petitioner had projected Employee expenses of Rs. 3.55 Crore, against which the actual Employee expenses were Rs. 3.42 Crore.
2. The Petitioner had projected R&M expenses of Rs. 1.46 Crore; however, the actual expenditure was Rs. 1.67 Crore for FY 2024-25. The marginal increase in R&M expenses was primarily due to the addition of new assets.
3. The Petitioner had projected Administration and General (A&G) expenses of Rs. 1.90 Crore, whereas the actual expenditure incurred was Rs. 1.55 Crore for FY 2024-25. These expenses include general administrative expenses of the Petitioner, consultancy fees, and fees paid to the Commission for various Petitions. In accordance with the past directives of the Commission, the Petitioner has booked the fixed charges paid to M/s PTC India during FY 2024-25, amounting to Rs. 27.17 Lakh, under A&G expenses instead of accounting for them under Power Purchase expenses.

Based on the above, the Petitioner has requested the Commission to approve the O&M expenses as uncontrollable and allow the same on an actual basis for FY 2024-25 as per Audited Accounts.

Commission's view

The O&M Expenses comprise Employee Expenses, R&M Expenses and A&G Expenses. The Commission notes that the Petitioner has adopted the practice of outsourcing certain business activities, such as power portfolio management, 24x7 maintenance services, AMC for all equipment, routine testing of all protection systems and equipment, and regulatory consultancy services, etc. The employee cost is primarily towards supervisory work only.

While truing up the O&M Expenses for FY 2024-25, 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 1st June, 2024.

Employee Expenses:

The Petitioner has claimed Employee expenses of Rs. 3.42 Crore, comprising Rs. 3.26 Crore towards basic salary and Rs. 0.17 Crore towards provident fund contributions. The Commission has verified the Employee expenses claim of Rs. 3.42 Crore from the Audited Accounts and finds the same to be in order. Accordingly, the Commission approves the employee expenses of Rs. 3.42 Crore for the purpose of truing up for FY 2024-25.

R&M Expenses:

The Commission observes that the Petitioner has claimed R&M Expenses of Rs. 1.67 Crore toward R&M of plant and machinery. The Commission has verified the Audited Accounts for FY 2024-25 and notes that Note 21 – 'Operation and Maintenance' of the Audited Accounts reflects an amount of Rs. 2.15 Crore. The Commission sought the reconciliation of R&M expenses of Rs. 1.67 Crore claimed in the Petition with the figures reported in the Audited Accounts.

In response, the Petitioner submitted that Note 21 of the Audited Accounts, which reflects Rs. 2.15 Crore towards Operation and Maintenance, comprises O&M outsourcing cost (for grid power) amounting to Rs. 1.67 Crore and O&M outsourcing cost (for back-up power) amounting to Rs. 0.46 Crore. Accordingly, the Petitioner has

considered only Rs. 1.67 Crore towards R&M Expenses for FY 2024-25.

The Commission has taken note of the submission made by the Petitioner and, accordingly, approves the R&M Expenses of Rs. 1.67 Crore as claimed by the Petitioner for FY 2024-25.

A&G Expenses:

The Commission observes that the Petitioner has claimed A&G Expenses of Rs. 1.55 Crore for FY 2024-25.

The Commission notes that the following components form part of A&G expenses claimed by the Petitioner for FY 2024-25:

- Insurance Expenses – Rs. 0.05 Crore
- Legal Charges and Audit Fees – Rs. 0.24 Crore
- PTC India Ltd. Consultancy Fees (Fixed Charges) – Rs. 0.27 Crore
- Electricity Charges – Rs. 0.20 Crore
- Advertisements – Rs. 0.42 Crore
- Licence Fees and other related fees – Rs. 0.32 Crore
- Miscellaneous Expenses – Rs. 0.05 Crore

Further, the Commission notes that the Petitioner has considered the Fixed charges paid to PTC India Ltd. for providing assistance to GIFT PCL for managing power portfolio under the A&G Expenses instead of power purchase expenses based on the past directives issued by the Commission in its earlier Orders.

The Commission has verified the A&G Expenses claimed in the Petition with the amount reported in the Audited Accounts and finds them to be in Order.

Accordingly, the Commission approves the A&G Expenses of Rs. 1.55 Crore as claimed by the Petitioner in the truing up for FY 2024-25.

The O&M expenses approved in the truing-up for FY 2024-25 are shown in the Table below:

**Table 4-14: Operation and Maintenance Expenses approved for FY 2024-25
 (Rs. Crore)**

| Particulars | Approved in Tariff Order | Actual claimed | Approved in Truing up |
|---|--------------------------|----------------|-----------------------|
| Employee Expenses | | 3.42 | 3.42 |
| R&M Expenses | | 1.67 | 1.67 |
| A&G Expenses | | 1.55 | 1.55 |
| Operation and Maintenance Expenses | 5.30 | 6.64 | 6.64 |

Accordingly, the Commission approves the O&M Expenses of Rs. 6.64 Crore in the Truing up of FY 2024-25.

In line with the methodology adopted by the Commission in its previous Tariff Orders, the Commission has considered the variation in O&M Expenses as uncontrollable while carrying out the truing-up for FY 2024-25.

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 approved for FY 2024-25
 (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 | 5.30 | 6.64 | (1.34) | - | (1.34) |

4.7. Capital Expenditure, Capitalization and Funding of CAPEX

Petitioner's submission

Petitioner submitted that it incurred a capital expenditure of Rs. 13.04 Crore and booked capitalization amounting to Rs. 24.97 Crore during FY 2024-25. The Petitioner also submitted that, as per the Audited Accounts (Note 1 and Note 3), the total capitalization for FY 2024-25 amounts to Rs 61.76 Crore, comprising Distribution Business (Rs. 24.97 Crore), Generation Business (Rs. 25.14 Crore), and Back-up Power Business (Rs. 11.65 Crore).

Additionally, during the year, the Petitioner received a total of Rs. 4.27 Crore as Service Line Contribution (SLC), out of which Rs. 2.65 Crore pertains to the Distribution Business. Further, SLC amounting to Rs. 3.84 Crore for FY 2023-24 was carried forward to FY 2024-25 by the Commission in its Order dated 31.03.2025 in Case No. 2431/2024. Accordingly, the Petitioner has considered a total of Rs. 6.49 Crore as SLC against the capitalization of Rs. 24.97 Crore for FY 2024-25.

The Petitioner has submitted the scheme-wise details of actual capitalization for FY 2024-25, along with the reasons for variation between the amount approved by the Commission and the actual cost incurred, as shown in the Table below:

Table 4-16: Details of Scheme-wise Actual Capitalization as submitted by GIFT PCL for FY 2024-25

(Rs. Crore)

| Particulars | Submitted by the Petitioner | Approved by the Commission | Actual | Reasons for variation |
|---|-----------------------------|----------------------------|--------|---|
| Connectivity charges paid to UGVCL (Carried forward from FY 2023-24) | 5.38 | 4.86 | 4.240 | The final bill was settled by GETCO in March 2025. |
| Substation for Block 41 (Carried forward from FY 2023-24) | 2.80 | 2.80 | 3.516 | The supply of power cables formed a sub-component of this project. The Petitioner had proposed the purchase of power cables separately during FY 2024-25; however, the same was procured in this project. |
| Smart Metering Existing (Carried forward from FY 2023-24) | 0.40 | 0.40 | 0.440 | This work includes the supply of smart meters and allied equipment purchased till FY 2024-25. The Petitioner had proposed the purchase of smart meters separately during FY 2024-25; however, the same was procured under this Order. |
| Smart Metering New (Carried forward from FY 2023-24) | 0.60 | 0.60 | 1.388 | |
| 33 kV Power Distribution augmentation for Block 56 (Carried forward from FY 2023-24) | 2.70 | 2.70 | 2.583 | The cost incurred was lower than the approved amount. |

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| Particulars | Submitted by the Petitioner | Approved by the Commission | Actual | Reasons for variation |
|---|-----------------------------|----------------------------|--------------|--|
| Billing Software for GIFT PCL (Carried forward from FY 2023-24) | 0.40 | 0.40 | 0.477 | The cost incurred was broadly in line with the approved amount. |
| Power Distribution Arrangement for Various Consumers | 1.00 | 1.00 | 1.078 | The cost incurred was broadly in line with the approved amount. |
| Power Cables | 2.50 | 2.50 | 0 | The cables were partially procured under other projects (i.e., schemes carried forward from FY 2023-24). |
| Smart Metering New | 2.00 | 2.00 | 0 | The meters were partially procured under other projects (i.e., schemes carried forward from FY 2023-24). |
| SCADA System Upgradation | 2.43 | 2.43 | 2.336 | The cost incurred was lower than the approved amount. |
| 33 KV Power supply arrangement for Block 15 (Switching Panel) | 5.00 | 5.00 | 5.277 | The cost incurred was broadly in line with the approved amount. |
| 33 KV Power supply arrangement for Block 47 (Switching Panel) | 3.67 | 3.67 | 3.635 | The cost incurred was lower than the approved amount. |
| 33 KV Power Supply Arrangements for Block-12 | 4.50 | 4.50 | 0 | The work will be capitalized in FY 2025-26. The location has been changed to Block 53 due to the early construction of another building. |
| 33 KV Power Supply Arrangements for Block-14 | 4.50 | 4.50 | 0 | The work will be capitalized in FY 2025-26. |
| Total | 36.88 | 36.36 | 24.97 | |

The detailed information regarding the capitalized projects is as follows:

- 1. Connectivity charges paid to UGVCL (Carried forward from FY 2023-24):** The Petitioner submitted that it had paid supervision charges to GETCO for the creation of a second source substation during FY 2018-19. Although the project was completed in FY 2018-19, the final bill remained pending as GETCO was required to refund a certain amount to the Petitioner. After continuous follow-up with GETCO, the final bill was settled in March 2025. The actual project cost, after deducting the

refund received from GETCO, was Rs. 4.24 Crore against the approved cost of Rs. 4.86 Crore.

- 2. Substation for Block 41 (Carried forward from FY 2023-24):** As per the development plan, Blocks 41 and 46 comprise 26 buildings, including residential units and a shopping mall, with an aggregate power demand of approximately 10 MW. Based on the development of these buildings, the Petitioner installed two compact substations of 1 MW each in Block-41 and procured power cables under this project. The actual project cost was Rs. 3.516 Crores against the approved cost of Rs. 2.80 Crore. The increase in cost is primarily attributable to the procurement of power cables during FY 2024-25 under this contract.
- 3. Smart Metering – Existing (Carried forward from FY 2023-24):** In accordance with the Ministry of Power’s Notification F. No. 23/35/2019-R&R dated 17 August 2021, all existing meters are required to be replaced with smart meters having a pre-payment feature. Further, the Commission, vide letter dated 9 September 2021, directed to submit a plan for the installation of Smart Meters. Accordingly, the Petitioner replaced existing AMR Meters in a phased manner and installed AMI Smart Meters in March 2023. As the procurement of smart meters was under a single contract/order, capitalization has been undertaken in FY 2024-25. The actual project cost was Rs. 0.44 Crore against the approved cost of Rs. 0.40 Crore.
- 4. Smart Metering – New (Carried forward from FY 2023-24):** In line with development plans, several buildings commenced operations in FY 2023-24 and FY 2024-25. Consequently, the Petitioner procured new meters for new consumers. In compliance with the directions issued by the Ministry of Power and the Commission, smart meters were procured for such consumers. The actual project cost was Rs. 1.388 Crore against the approved cost of Rs. 0.60 Crore. Additionally, the Petitioner had separately proposed the purchase of smart meters amounting to Rs. 2.00 Crore during FY 2024-25; however, the same was procured under this contract/order.

- 5. 33 kV Power Distribution augmentation for Block 56 (Carried forward from FY 2023-24):** Based on the development of new buildings in Block 56, the Petitioner augmented the existing power distribution arrangement by enhancing the capacity of switching panels in the Block. The augmented arrangement supplies power to newly constructed buildings and HT consumers in Block 56. The actual project cost was Rs. 2.583 Crore against the approved cost of Rs. 2.70 Crore.
- 6. Billing Software for GIFT PCL (Carried Forward from FY 2023-24):** Following the replacement of AMR meters with AMI Smart Meters and procurement of new AMI Smart Meters, the Petitioner developed and sourced new billing software to ensure seamless integration with meters and enhance billing accuracy. The actual project cost was Rs. 0.477 Crore against the approved cost of Rs. 0.40 Crore.
- 7. Power Distribution Arrangement for Various Consumers:** As the licence area is a green field and developing area, establishing power distribution arrangements for new connections is critical. Accordingly, various items such as FSP, MSP, Flexible multi-stranded colour-coded copper cables, Auto Voltage changeover Switches, Circuit Breakers and related items were procured in accordance with the company's procurement manual. Additionally, cable laying/ removal of various connections /disconnections and other related services were executed through appointed agency. The detailed break-up of the actual cost is as follows:
- a) Procurement of FSP and MSP – Rs. 0.07 Crore
 - b) Procurement of Flexible multi-stranded colour-coded copper cables – Rs. 0.04 Crore
 - c) Procurement of Auto Voltage Changeover Switches – Rs. 0.03 Crore
 - d) Procurement of Circuit Breakers and related items – Rs. 0.27 Crore
 - e) Cable Laying & Power Distribution Arrangements – Rs. 0.67 Crore

The total cost for this project was Rs. 1.078 Crore against the approved cost of Rs. 1.00 Crore.

- 8. Power Cables:** Power Cables were partially procured under another project, namely

“Substation for Block 41 (Carried forward from FY 2023-24).” Accordingly, no capitalization has been undertaken under this head against the approved cost of Rs. 2.50 Crore.

9. Smart Metering – New: Smart Meters were partially procured as per the requirements under another project “Smart Metering - New (Carried Forward from FY 2023-24).” Accordingly, no capitalization has been undertaken under this head against the approved cost of Rs. 2.00 Crore.

10. SCADA System Upgradation: Over the past eight years, the power infrastructure has grown significantly due to fast-paced developments in the city, resulting in addition of multiple distribution-related power systems. These systems have been integrated into the existing SCADA system, which operates on the IEC 61850 protocol. The existing SCADA system had a maximum capacity of 128 process object configurations, of which 125 were already utilized, and the tag capacity had been fully exhausted. In view of the growing infrastructure, upgrading the system became imperative. The upgradation involved increasing the tag capacity and augmenting server infrastructure to support the additional load and ensure seamless integration of new systems. The total project cost was Rs. 2.336 Crore against the approved cost of Rs. 2.43 Crore.

11. 33 kV Power supply arrangement for Block 15 (Switching Panel): Upon completion of the construction of two buildings (Savvy), the Petitioner installed Switching Panels in the underground RMU Room in Block 15 and laid dual-source 33 kV power distribution cable from the 66 kV substation to the Block 15 RMU Room. The total project cost was Rs. 5.277 Crore against the approved cost of Rs. 5.00 Crore.

12. 33 kV Power supply arrangement for Block 47 (Switching Panel): Following completion of the construction of two buildings in Block 47, the Petitioner installed Switching Panels in the underground RMU Room and laid dual-source 33 kV power distribution cable from 66 kV substation to the Block 47 RMU room. The total project cost was Rs. 3.635 Crore against the approved cost of Rs. 3.67 Crore.

13. 33 kV Power supply arrangement for Block 12 (Switching Panel): Although the construction of one building (IFSCA) in Block 12 has been completed, several other buildings were delayed. Therefore, the Petitioner decided to shift the project to other location, i.e., Block 53, where multiple buildings are expected to be completed in FY 2025-26. Accordingly, the Petitioner is installing Switching Panels in the underground RMU Room and laying dual-source 33 kV power distribution cable from 66 kV substation to the Block 53 RMU room. The estimated cost of the project is approximately Rs. 4.50 Crore against the approved cost of Rs. 4.50 Crore, and capitalization will be undertaken in FY 2025-26.

14. 33 kV Power supply arrangement for Block 14 (Switching Panel): As the construction of two buildings (Cybage and Junomoneta) has been delayed and is expected to be completed in FY 2025-26, the Petitioner has installed Switching Panels in the underground RMU room between Block 14 and laid dual-source 33 kV power distribution cable from 66 kV substation to the Block 14 RMU room. The estimated cost for this project is approximately Rs. 4.50 Crore against the approved cost of Rs. 4.50 Crore, and capitalization will be undertaken in FY 2025-26.

The Petitioner further submitted that the actual closing GFA for FY 2023-24, as per the Audited Accounts, have been considered as the Opening GFA for FY 2024-25.

The Petitioner submitted that it had filed a Review Petition on the Commission's Order dated 09.10.2020 for the Truing up for FY 2018-19 and determination of Tariff for FY 2020-21. The Commission, vide Order dated 04.07.2025, rejected the said Review Petition.

Being aggrieved by the Commission's decision in the Review Order dated 04.07.2025 in Case No. 1916 of 2020, the Petitioner filed an Appeal before the Hon'ble APTEL, which was registered as APL-321/2025, and the matter is presently sub-judice.

The Petitioner submitted that the Commission adopted the same benchmarking methodology while approving the truing-up for FY 2019-20 in Case No. 1942 of 2021. Being aggrieved by the approach adopted by the Commission, the Petitioner filed an

Appeal before the Hon'ble APTEL, which was registered as Appeal No. 285 of 2021. After conducting a series of hearings in Appeal No. 285 of 2021, the Hon'ble APTEL issued its Judgment on 14.11.2022, remitting the matter back to the Commission and directing it take a fresh decision.

Pursuant to the Judgment of the Hon'ble APTEL, the Commission vide Order dated 21.07.2025, approved various costs and expenses for FY 2019-20 on an actual basis, in accordance with the Audited Accounts of the Petitioner.

Further, the Petitioner has submitted that, under the approach previously adopted by the Commission, the approved GFA based on benchmarking were significantly lower than the actual GFA of the Petitioner from the commencement of its operations. Consequently, the lower base of GFA adversely impacted other components of the ARR that are directly linked to GFA, such as depreciation, interest on loan, return on equity, and R&M Expenses, etc.

The Petitioner has submitted the details of actual capital expenditure incurred, capitalization undertaken, and funding claimed for FY 2024-25, as shown in the Table below:

Table 4-17: Capital Expenditure, Capitalization and Funding claimed for FY 2024-25 (Rs. Crore)

| Particulars | Approved in Tariff Order | Actual claimed |
|---|--------------------------|----------------|
| Opening GFA | 33.27 | 113.53 |
| Opening CWIP | 24.73 | 36.14 |
| Capital expenditure during the year | 25.60 | 13.04 |
| Capitalization | 25.60 | 24.97 |
| Less: SLC Addition | 5.12 | 6.49* |
| Balance Capitalization during the year | 20.48 | 18.47 |
| Closing GFA | 53.75 | 132.00 |
| Closing CWIP | 24.73 | 24.21 |
| Normative Debt (70%) | 14.34 | 12.93 |
| Normative Equity (30%) | 6.14 | 5.54 |

* **Note:** SLC received for distribution business during FY 2024-25 is Rs 2.65 Crore and carried forward SLC from FY 2023-24 is Rs 3.84 Crore. Hence, total SLC deduction during FY 2024-25 is Rs. 6.49 Crore.

Commission's view

It is observed that the Petitioner has claimed capitalization amounting to Rs. 24.97 Crore, as against Rs. 25.60 Crore approved in the Order dated 1st June 2024. The Commission notes that the Petitioner has capitalized certain schemes in FY 2024-25 that were originally scheduled for capitalization in FY 2023-24 but were not capitalized during the year. Further, certain schemes that were intended to be capitalized in FY 2024-25 have been carried forward to FY 2025-26 due to delays in construction activities.

With respect to phase-wise installation of Smart Meters, the Commission sought details of the installation carried out during FY 2023-24 and FY 2024-25, along with the status of existing AMR Meters that have been replaced with smart meters.

In response, the Petitioner submitted that it has installed 1,238 smart meters in FY 2023-24 and 749 smart meters in FY 2024-25. Further, the number of spare smart meters available for FY 2025-26 is 106 meters. Moreover, the Petitioner submitted that the existing AMR Meters, which have been replaced, are being kept in store yard and are now being utilized for providing or releasing temporary power connections. The Commission takes note of the same.

The Commission further observed, as per Note 1 and Note 3 of the Audited Accounts, the total capitalization for FY 2024-25 is Rs. 61.76 Crore. However, the Petitioner has claimed only Rs. 24.97 Crore for FY 2024-25 under the present Petition. The Commission notes the submission of the Petitioner that Rs. 61.76 Crore comprises Rs. 24.97 Crore pertaining to the Distribution Business, Rs. 25.14 Crore pertaining to the Generation Business, and Rs. 11.65 Crore pertaining to the Back-up Power Business.

The Commission sought a CA certificate in support of the aforesaid claim. In response, the Petitioner submitted a CA Certificate certifying the capitalization under the three businesses, namely, Distribution Business, Generation Business, and Back-up Power Business. Upon verification of the same, the Commission finds the submission to be in Order.

Accordingly, the Commission approves the Capitalization of Rs. 24.97 Crore for FY 2024-25.

As regards the SLC addition for the year, the Petitioner submitted that it received SLC amounting to Rs. 4.27 Crore in FY 2024-25, out of which Rs. 2.65 Crore pertains to the Distribution Business. The Commission has verified the Audited Accounts for FY 2024-25 and observed that the Petitioner had received Rs. 4.27 Crore during the year. The Commission sought a CA certificate in support of the claim that Rs. 2.65 Crore of the said SLC pertains to the Distribution Business. In response, the Petitioner submitted a CA Certificate certifying that the SLC attributable to the Distribution Business is Rs. 2.65 Crore. Accordingly, the Commission considers the SLC addition of Rs. 2.65 Crore for FY 2024-25.

Further, the Commission notes that, in its Order dated 31.03.2025 in Case No. 2431/2024, it had decided to carry forward the balance SLC amount of Rs. 3.83 Crore received during FY 2023-24 for adjustment against the capitalization of FY 2024-25.

Accordingly, the Commission approves the total SLC addition of Rs. 6.49 Crore (comprising Rs. 2.65 Crore for FY 2024-25 and Rs. 3.83 Crore carried forward from the previous Order) against the capitalization approved for FY 2024-25.

The Commission directs the Petitioner to maintain and submit segregated accounts for the Distribution Business, Generation Business and Back-up Power Business while filing the Petition for truing up for FY 2025-26.

The Commission further notes that its Order dated 21.07.2025 in Case No. 1942/2021 (arising from matter remitted by Hon'ble APTEL by Judgment dated 14.11.2022 in Appeal No. 285 of 2021) has a consequential impact various ARR components, including Opening & Closing GFA, Depreciation, Interest and Finance Charges, Return on Equity, and the Revenue Gap/(Surplus) approved for subsequent years, i.e., for FY 2020-21 to FY 2023-24.

However, the Commission observes that the issue pertaining to the True-up for earlier

year, i.e., FY 2018-19, along with finalization of accounts for FY 2013-14 to FY 2017-18, is still pending before the Hon'ble APTEL in Appeal No. 321 of 2025. In view of the pendency of the said Appeal, and to avoid duplication of efforts in terms of multiple revisions in capex, capitalization, O&M expenses, and other related ARR components, the Commission is of the opinion that it would not be appropriate to give effect, in the present Order, to the consequential impact arising from the Order dated 21.07.2025 relating to truing-up for FY 2019-20 and Determination of ARR and Tariff for FY 2021-22.

The Commission has, therefore, decided to consider and allow the consequential impact of the aforesaid Order, including the impact of the True-up for FY 2018-19, if any, at a later stage based on the Judgment of the Hon'ble APTEL in Appeal No. 321 of 2025.

Accordingly, for the purpose of truing up for FY 2024-25, the Commission has decided to consider the opening balance of GFA as equal to the closing balance for FY 2023-24 approved in the Commission's Order dated 31.03.2025 in Case No. 2431 of 2024.

Considering the above, the details of capital expenditure, capitalization and funding approved for FY 2024-25 is as follows:

Table 4-18: Capital Expenditure, Capitalization and Funding Approved for FY 2024-25 (Rs. Crore)

| Particulars | Approved in the Tariff Order | Actual claimed | Approved in Truing up |
|---|------------------------------|----------------|-----------------------|
| Net Opening GFA | 33.27 | 113.53 | 19.45 |
| Capital expenditure during the year | 25.60 | 13.04 | 13.04 |
| Capitalization | 25.60 | 24.97 | 24.97 |
| Less: SLC Addition | 5.12 | 6.49 | 6.49* |
| Net Capitalization during the year | 20.48 | 18.47 | 18.47 |
| Net Closing GFA | 53.75 | 132.00 | 37.92 |
| Normative Debt (70%) | 14.34 | 12.93 | 12.93 |
| Normative Equity (30%) | 6.14 | 5.54 | 5.54 |

*SLC received for distribution business during FY 2024-25 is Rs 2.65 Crore and carried forward SLC from FY 2023-24 is Rs 3.83 Crore. Hence, total SLC deduction considered during FY 2024-25 is Rs. 6.49 Crore.

Thus, the Commission approves above debt: equity for net Capitalization of Rs. 18.47 Crore in the Truing up for FY 2024-25.

4.8. Depreciation

Petitioner's submission

The Petitioner has submitted the following details related to gross fixed assets and depreciation for the purpose of Truing up for FY 2024-25:

Table 4-19: Depreciation claimed by GIFT PCL for FY 2024-25

| Particulars | Approved in Tariff Order | Actual Claimed |
|---|--------------------------|----------------|
| Net Opening GFA | 33.27 | 113.53 |
| Net Addition during the year (net of SLC) | 20.48 | 18.47 |
| Net Closing GFA | 53.75 | 132.00 |
| Average GFA | 43.51 | 122.76 |
| Depreciation | 2.27 | 6.33 |

The Petitioner submitted that the computation of depreciation on the fixed assets has been carried out using straight line method, and the rates of Depreciation have been considered in accordance with the GERC (MYT) Regulations, 2016.

Further, the Petitioner submitted that depreciation has been computed based on the Gross Fixed Assets at the beginning of FY 2024-25 and the additional capitalisation undertaken during the year. Accordingly, based on the average of opening and closing balance of assets, the depreciation of the Gross Fixed Assets has been calculated at Rs. 6.33 Crore for FY 2024-25.

The Petitioner has requested to consider the variation in Depreciation as uncontrollable as per the GERC (MYT) Regulations, 2016.

Commission's view

For computation of depreciation for FY 2024-25, the Commission has considered the opening balance of GFA same as the closing balance of GFA approved in the truing up

for FY 2023-24, vide Order dated 31.03.2025 in Case No. 2431 of 2024. The Commission has considered asset additions for FY 2024-25 in line with the net capitalization of Rs. 18.47 Crore approved in this Order.

Further, for the purpose of computing depreciation, the Commission has considered the average depreciation rate of 5.16%, as claimed by the Petitioner. This depreciation rate has been applied to the average GFA for the year to arrive at the depreciation for FY 2024-25. Accordingly, the Depreciation approved in the truing up for FY 2024-25 is presented in the Table below:

Table 4-20: Depreciation approved for FY 2024-25

| Particulars | Approved in Tariff Order | Actual Claimed | (Rs. Crore) Approved in Truing-up |
|--|-----------------------------|----------------|---|
| Net Opening GFA | 33.27 | 113.53 | 19.45 |
| Net Addition during the year (net of SLC) | 20.48 | 18.47 | 18.47 |
| Net Closing GFA | 53.75 | 132.00 | 37.92 |
| Average GFA | 43.51 | 122.76 | 28.69 |
| Depreciation | 2.27 | 6.33 | 1.48 |

Accordingly, the Commission approves the depreciation of Rs. 1.48 Crore for the purpose of Truing up for FY 2024-25.

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

Table 4-21: Gains / (Losses) on account of Depreciation for FY 2024-25

| Particulars | Approved in Tariff Order | Approved in Truing up | Deviation+ / (-) | Gains /(Losses) due to Controllable factor | (Rs. Crore) Gains /(Losses) due to Uncontrollable factor |
|--------------|-----------------------------|-----------------------------|---------------------|--|--|
| Depreciation | 2.27 | 1.48 | 0.79 | - | 0.79 |

4.9. Interest and Finance Charges

Petitioner's submission

The Petitioner has submitted that it has computed the interest on loan in accordance with Regulation 38 of the GERC (MYT) Regulations, 2016. The Petitioner has considered a debt-equity ratio of 70:30, as specified in the GERC (MYT) Regulations, 2016, excluding Service Line Contribution (SLC) received from the consumers.

Further, the Petitioner has submitted that it has calculated the interest expenses based on the actual weighted average interest rate charged by Gujarat State Financial Services Ltd. (GSFS), as per the GERC (MYT) Regulations, 2016. It is further submitted that the Petitioner has availed a term loan and has paid interest to GSFS at a weighted average interest rate of 7.25% during FY 2024-25.

The Petitioner has submitted that the actual interest expense amounts to Rs. 3.05 Crore, as against approved amount of Rs. 1.37 Crore for FY 2024-25.

The Petitioner has submitted the following details with respect to interest and finance charges and has requested that the variation in Interest and Finance Charges be treated as uncontrollable.

Table 4-22: Interest and Finance Charges claimed for FY 2024-25

| Source of Loan | Approved in Tariff Order | Claimed in the Petition (Rs. Crore) |
|--|-----------------------------|---|
| Opening Balance of Normative Loan | 12.86 | 38.72 |
| Less: Reduction of Loan due to Retirement or Replacement of Assets | - | - |
| Addition of Normative Loan due to capitalisation during the year | 14.34 | 12.93 |
| Repayment of Normative loan during the year | 2.27 | 6.33 |
| Closing Balance of Normative Loan | 24.92 | 45.32 |
| Average Balance of Normative Loan | 18.89 | 42.02 |
| Weighted average Rate of Interest on actual Loans (%) | 7.25% | 7.25% |
| Interest Expenses | 1.37 | 3.05 |

Commission’s view

For the computation of interest on loan, the Commission has considered the opening balance of the normative loan for FY 2024-25 same as the closing balance of normative loan approved in the truing up for FY 2023-24, vide Order dated 31.03.2025 in Case No. 2431 of 2024. The addition to the normative loan has been considered equal to the debt component of the asset additions during the year as approved in this Order. The repayment has been considered equal to the depreciation approved for FY 2024-25 in this Order.

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

Accordingly, the Commission sought information regarding the actual loan portfolio and the computation of weighted average rate of interest. In response, the Petitioner submitted that the term loan has been taken by GIFT CL (the parent company of GIFT PCL) from Gujarat State Financial Services (GSFS).

The Commission has verified the rate of interest of 7.25%, as claimed by the Petitioner, for the actual loan for FY 2024-25 and has considered the same for calculation of the interest on loan.

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

Table 4-23: Interest and Finance Charges approved for FY 2024-25

| Sr. No. | Particulars | Approved in Tariff Order | Claimed in the Petition | Approved in Truing up |
|---------|--|-----------------------------|----------------------------|--------------------------|
| 1 | Opening Balance of Normative Loan | 12.86 | 38.72 | 3.56 |
| 2 | Less: Reduction of Loan due to Retirement or Replacement of Assets | - | - | - |
| 3 | Addition of Normative Loan due to capitalisation during the year | 14.34 | 12.93 | 12.93 |
| 4 | Repayment of Normative loan during | 2.27 | 6.33 | 1.48 |

(Rs. Crore)



| Sr. No. | Particulars | Approved in Tariff Order | Claimed in the Petition | Approved in Truing up |
|----------|---|--------------------------|-------------------------|-----------------------|
| | the year | | | |
| 5 | Closing Balance of Normative Loan | 24.92 | 45.32 | 15.01 |
| 6 | Average Balance of Normative Loan | 18.89 | 42.02 | 9.28 |
| 7 | Weighted average Rate of Interest on actual Loans (%) | 7.25% | 7.25% | 7.25% |
| 8 | Interest & Finance Charges | 1.37 | 3.05 | 0.67 |

Accordingly, the Commission approves Interest and Finance Charges of Rs. 0.67 Crore in the Truing up for FY 2024-25.

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

Table 4-24: Gains / (Losses) on account of Interest and Finance Charges for FY 2024-25 (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 | 1.37 | 0.67 | 0.70 | - | 0.70 |

4.10. Interest on Security Deposit

Petitioner's submission

The Petitioner submitted that consumers whose security deposit amount exceeds Rs. 25 Lakh may, at their option, furnish the Security Deposit in the form of an irrevocable Bank Guarantee, initially valid for a period of two years, in accordance with the GERC (Security Deposit) (Second Amendment) Regulations, 2015.

The amount of interest on Security Deposit was paid to the consumers at Bank Rate applicable as on 1st April, 2024 as under:

**Table 4-25: Interest on Security Deposit claimed by GIFT PCL for FY 2024-25
 (Rs. Crore)**

| Particulars | Approved in Tariff Order | Actual Claimed |
|------------------------------|--------------------------|----------------|
| Security Deposit | 8.39 | 19.91 |
| Interest on Security Deposit | 0.38 | 0.84 |

Commission’s view

The Commission has verified the interest on Security Deposit paid during FY 2024-25 from the audited accounts and found it to be Rs. 0.84 Crore. Accordingly, the Commission approves the Interest on Security Deposit for FY 2024-25, as shown in the Table below:

**Table 4-26: Interest on Security Deposit approved for FY 2024-25
 (Rs. Crore)**

| Particulars | Approved in the Tariff Order | Actual Claimed | Approved in Truing up |
|------------------------------|------------------------------|----------------|-----------------------|
| Security Deposit | 8.39 | 19.91 | 19.91 |
| Interest on Security Deposit | 0.38 | 0.84 | 0.84 |

Accordingly, the Commission approves the Interest on Security Deposit of Rs. 0.84 Crore in the Truing up of FY 2024-25.

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

**Table 4-27: Gains / (Losses) on account of Interest on Security Deposit for FY 2024-25
 (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 | 0.38 | 0.84 | (0.46) | | (0.46) |

4.11. Interest on Working Capital

Petitioner’s submission

The Petitioner has submitted the following details regarding Interest on Working Capital:

**Table 4-28: Interest on Working Capital claimed by GIFT PCL for FY 2024-25
 (Rs. Crore)**

| Particulars | Approved in Tariff Order | Actual Claimed |
|------------------------------------|-----------------------------|----------------|
| O&M Expenses for 1 month | 0.44 | 0.55 |
| 1 % of GFA for Maintenance Spares | 0.38 | 1.28 |
| Receivables for 1 month | 4.60 | 4.03 |
| Working Capital Requirement | 5.42 | 5.86 |
| Less: Average Security Deposit | 8.39 | 19.91 |
| Total Working Capital | - | - |
| Interest Rate (%) | - | - |
| Interest on Working Capital | - | - |

The Petitioner has submitted that, as per the GERC (MYT) Regulations, 2016, the working capital computed is Rs 5.86 Crore, while the amount of consumer Security Deposits is Rs. 19.91 Crore. Accordingly, the working capital requirement works out to Nil.

Commission’s view

The Commission has reviewed the working capital requirement in terms of the component-wise values approved in the preceding sections. The average security deposit, based on the information available in the Audited Annual Accounts, has been considered at Rs. 19.91 Crore.

In line with proviso to Regulation 40.4 (b) of the GERC (MYT) Regulations, 2016, the Commission has considered the weighted average of the 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 8.88% prevailing during FY 2024-25, plus 250 basis points. Accordingly, the rate of interest on working capital has been considered as 11.38%.

As the working capital requirement works out to Nil, the Commission, accordingly, approves Nil Interest on Working Capital for FY 2024-25 as shown in the Table below:

Table 4-29: Interest on Working Capital approved for FY 2024-25

| | (Rs. Crore) | | |
|--|-----------------------------|-------------------|--------------------------|
| Particulars | Approved in Tariff Order | Actual Claimed | Approved in Truing up |
| O&M Expenses (1 month) | 0.44 | 0.55 | 0.55 |
| Spares (1% of GFA) | 0.38 | 1.28 | 0.26 |
| Receivables (1 month of revenue at existing tariffs) | 4.60 | 4.03 | 4.02 |
| Sub-total | 5.42 | 5.86 | 4.84 |
| Less: Security Deposit | 8.39 | 19.91 | 19.91 |
| Normative Working Capital | - | - | |
| Interest Rate (%) | - | - | 11.38% |
| Interest on Working Capital | - | - | - |

Accordingly, the Commission approves Interest on Working Capital as Nil for Truing up for FY 2024-25.

4.12. Return on Equity

Petitioner's submission

The Petitioner has submitted the following details as regards Return on Equity for FY 2024-25:

Table 4-30: Return on Equity claimed by GIFT PCL for FY 2024-25

| | (Rs. Crore) | |
|--|-----------------------------|----------------|
| Particulars | Approved in Tariff Order | Actual Claimed |
| Opening Balance of Equity | 8.58 | 34.06 |
| Equity portion of Capitalization during the Year | 6.14 | 5.54 |
| Closing Balance of Equity | 14.73 | 39.60 |
| Average of Equity | 11.65 | 36.83 |
| Rate of Return on Equity | 14.00% | 14.00% |
| Return on Equity | 1.63 | 5.16 |

The Petitioner has submitted that its parent company, GIFT CL, has infused Rs. 145 Crore in Equity for GIFT PCL in FY 2024-25. However, the Petitioner has considered the Return on Equity on the amount of equity capital for assets put to use at the commencement of the ensuing financial year, and on the equity capital portion of the net capital cost of the assets to be capitalized during FY 2024-25, in accordance with the GERC (MYT)

Regulations, 2016.

The return has been calculated on the average equity capital for FY 2024-25. The Petitioner has considered a regulated return of 14% as per GERC (MYT) Regulations, 2016. The Return on Equity for FY 2024-25 is computed at Rs. 5.16 Crore, against the proposed RoE of Rs. 5.80 Crore for the same year.

Commission’s view

For computing the Return on Equity (RoE) for FY 2024-25, the Commission has considered the opening balance of equity for FY 2024-25 to be the same as the closing balance of equity approved in the Truing up for FY 2023-24, vide Order dated 31.03.2025 in Case No. 2431 of 2024.

The addition to equity has been considered equal to the equity portion of the asset additions during the year, as approved in this Order. The RoE rate has been considered at 14% in accordance with the GERC (MYT) Regulations, 2016. This rate has been applied to the average equity balance for FY 2024-25 to arrive at the Return on Equity for FY 2024-25.

Accordingly, the Commission approves the Return on Equity for FY 2024-25 as shown in the Table below:

Table 4-31: Return on Equity approved for FY 2024-25

| | (Rs. Crore) | | |
|--|-----------------------------|-------------------|--------------------------|
| Particulars | Approved in Tariff Order | Actual Claimed | Approved in Truing Up |
| Opening Balance of Equity | 8.58 | 34.06 | 4.43 |
| Equity portion of Capitalization during the Year | 6.14 | 5.54 | 5.54 |
| Closing Balance of Equity | 14.73 | 39.60 | 9.98 |
| Average of Equity | 11.65 | 36.83 | 7.20 |
| Rate of Return on Equity | 14.00% | 14.00% | 14.00% |
| Return on Equity | 1.63 | 5.16 | 1.01 |

Accordingly, the Commission approves Return on Equity of Rs. 1.01 Crore in the Truing up for FY 2024-25.



The Commission approves the Gains / (Losses) on account of Return on Equity in the Truing-Up for FY 2024-25, as detailed in the Table below:

**Table 4-32: Gains / (Losses) on account of Return on Equity for FY 2024-25
 (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 | 1.63 | 1.01 | 0.62 | - | 0.62 |

4.13. Income Tax

Petitioner’s submission

The Petitioner has submitted that it has not paid any Income Tax for FY 2024-25; hence no claim of Income Tax has been made in the truing up for FY 2024-25.

Commission's view

Based on the Petitioner’s submission, the Commission approves Nil Income Tax in the truing up for FY 2024-25.

4.14. Contingency Reserve

Petitioner’s submission

The Petitioner has submitted that it has not contributed any amount towards the contingency reserve, against the amount of Rs. 0.17 Crore approved in the Tariff Order dated 1st June, 2024 for FY 2024-25.

**Table 4-33: Contribution to Contingency Reserve claimed by GIFT PCL for FY 2024-25
 (Rs. Crore)**

| Particulars | Approved in Tariff Order | Actual Claimed |
|-------------------------------------|--------------------------|----------------|
| Contribution to Contingency Reserve | 0.17 | - |

Commission's view

The Commission approves Nil Contribution to the Contingency Reserves for FY 2024-25, as submitted by the Petitioner, as shown in the Table below:



Table 4-34: Contribution to Contingency Reserve approved for FY 2024-25

| (Rs. Crore) | | | |
|-------------------------------------|-----------------------------|-------------------|--------------------------|
| Particulars | Approved in Tariff Order | Actual Claimed | Approved in Truing-Up |
| Contribution to Contingency Reserve | 0.17 | - | - |

Accordingly, the Commission approves Nil Contribution to Contingency Reserve in the truing up of FY 2024-25.

The Commission approves the Gains / (Losses) on account of Contribution to Contingency Reserves in the Truing-Up for FY 2024-25, as detailed in the Table below:

**Table 4-35: Gains / (Losses) on account of Contribution to Contingency Reserves for
 FY 2024-25**

| (Rs. Crore) | | | | | |
|---|-----------------------------|--------------------------|----------------------|--|---|
| Particulars | Approved in Tariff Order | Approved in Truing up | Deviation + / (-) | Gains / (Losses) due to Controllable factor | Gains / (Losses) due to Uncontrollable factor |
| Contribution to Contingency Reserve | 0.17 | - | 0.17 | - | 0.17 |

4.15. Non-Tariff income

Petitioner's submission

The Petitioner has submitted that the actual Non-Tariff Income for FY 2024-25 is Rs. 2.00 Crore, against the approved Non-tariff income of Rs. 0.84 Crore in the Tariff Order dated 1st June, 2024 for FY 2024-25.

Commission's view

The Commission has observed that the Non-Tariff Income for FY 2024-25 comprises income from investments of Rs. 1.99 Crore, registration fees of Rs. 0.03 Crore, test report fees of 0.0035 Crore, bid document fees of Rs. 0.01 Crore, and other non-operating income of Rs. 0.01 Crore.

Further, the Commission has noted that the Petitioner has not claimed registration fees and test report fees amounting to Rs. 0.03 Crore under Non-Tariff Income, instead considering the same as part of Revenue from Sale of Power. The Commission, however,

has accounted for the income from registration fees and test report fees as part of Non-Tariff Income.

Accordingly, the Commission approves the Non-Tariff Income of Rs. 2.03 Crore in the truing up for FY 2024-25.

The Commission considers the 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 2024-25, as detailed in the Table below:

**Table 4-36: Gains / (Losses) on account of Non-Tariff Income for FY 2024-25
 (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 | 0.84 | 2.03 | (1.19) | - | 1.19 |

4.16. Income from Other Business

Petitioner's submission

The Petitioner has submitted that it commenced the Back-up Power Business (Non-Regulated) in FY 2021-22, which is categorized as 'Other Business' of the Petitioner, in accordance with the GERC (MYT) Regulations, 2016. A detailed description of the Back-up Power Business was provided in an earlier Petition and is, therefore, not reproduced here. This Back-up Power is being sourced by voluntary consumers based on their business and statutory requirements.

Further, the Petitioner has submitted that the Commission had approved the same while finalizing the truing up for FY 2022-23 and FY 2023-24 for the Petitioner. The relevant part of the Order is reproduced below:

“While it is the responsibility of the Petitioner to provide reliable and quality power supply to its consumers in the license area, maintenance of a back-up supply by some of the consumers, on account of their location and / or specific nature of activity is

not uncommon. Therefore, the Petitioner is allowed to carry on this activity under 'Other Business' subject to the provisions of Section 51 of the Electricity Act, 2003, Regulation 90 of the GERC MYT Regulations, 2016, and any other Statute, Regulations, Orders, as applicable from time to time."

The details of revenue and expenditure of the Back-up Power Business during FY 2024-25 are as follows:

- Revenue: Rs. 1.048 Crore
- Expenditure: Rs. 0.475 Crore
- Profit/(Loss): Rs. 0.573 Crore

The Petitioner has submitted that the Commission had considered one-third of the profit as income from other business while approving the true-up of FY 2023-24. The same treatment is followed by the Petitioner for the truing up for FY 2024-25. Accordingly, one-third of the profit, i.e., Rs. 0.191 Crore, is considered as pass through in the ARR as Income from Other Business.

Commission's view

It is observed that the Petitioner is a 100% subsidiary of Gujarat International Finance Tec-City Company Limited (GIFT CL), wherein the Petitioner is mandated to provide power supply to the consumers in GIFT City. Being the Distribution Licensee, the Petitioner has submitted that it has planned to develop centralized, customer-centric back-up power infrastructure based on consumer requests and technical feasibility.

The Petitioner has confirmed and clarified that the details of the assets and expenses of such back-up power business are being maintained separately and do not form part of the regulated distribution business of the Petitioner.

The Commission has verified from the Audited Accounts that the Petitioner earned Revenue of Rs. 1.05 Crore in FY 2024-25 against expenditure of Rs. 0.48 Crore, resulting in a net revenue of Rs. 0.57 Crore for FY 2024-25.

With regard to the treatment of income from Other Business, the relevant extract of the GERC (MYT) Regulations, 2016, is reproduced 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, in line with the GERC (MYT) Regulations 2016 and based on the Audited Accounts, the Commission has considered the net revenue of Rs. 0.57 Crore for FY 2024-25 and has approved the pass-through of income from other business as Rs. 0.19 Crore (1/3rd of Rs. 0.57 Crore) for FY 2024-25.

4.17. Revenue from Sale of Power

Petitioner’s submission

The Petitioner has claimed the revenue of Rs. 48.33 Crore from sale of power to consumers in FY 2024-25.

Commission’s view

The Commission has verified the revenue from sale of power from the Audited Accounts for FY 2024-25 and observed that the revenue is Rs. 48.30 Crore. The Petitioner, however, has claimed revenue of Rs. 48.33 Crore by including Rs. 0.03 Crore towards income from registration fees and test report fees under revenue from the sale of power. As the Commission has already accounted for the income from registration fees and test report fees as part of Non-Tariff Income, the revenue from sale of power is now considered to be Rs. 48.30 Crore, as reported in Note 16 of the Audited Accounts.

Accordingly, the Commission approves the Revenue of Rs. 48.30 Crore from sale of power to consumers in the truing up for FY 2024-25.

**4.18. Summary of Aggregate Revenue Requirement and sharing of Gains/ (Losses)
 Petitioner’s submission**

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

Table 4-37: ARR claimed by GIFT PCL for FY 2024-25

| Particulars | Approved | Actual | Deviation | Controllable | Uncontrollable |
|--------------------------------------|--------------|--------------|----------------|--------------|----------------|
| Power Purchase Expenses | 33.68 | 33.88 | (0.20) | | (0.20) |
| Operation & Maintenance Expenses | 5.30 | 6.64 | (1.34) | | (1.34) |
| Depreciation | 2.27 | 6.33 | (4.06) | | (4.06) |
| Interest and Finance Charges | 1.37 | 3.05 | (1.68) | | (1.68) |
| Interest on Security Deposits | 0.38 | 0.84 | (0.46) | | (0.46) |
| Interest on Working Capital | - | - | - | | - |
| Bad Debts written off | - | - | - | | - |
| Contribution to contingency reserves | 0.17 | - | 0.17 | | 0.17 |
| Total Revenue Expenditure | 43.16 | 50.74 | (7.57) | | (7.57) |
| Return on Equity Capital | 1.63 | 5.16 | (3.53) | | (3.53) |
| Income Tax | - | - | - | | - |
| Aggregate Revenue Requirement | 44.80 | 55.90 | (11.10) | | (11.10) |
| Less: Non-Tariff Income | 0.84 | 2.00 | (1.16) | | (1.16) |

(Rs. Crore)



GIFT Power Company Limited
Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination of Tariff for FY 2026-27

| Particulars | Approved | Actual | Deviation | Controllable | Uncontrollable |
|--|--------------|--------------|---------------|--------------|----------------|
| Less: Income from Other Business | - | 0.19 | (0.19) | | (0.19) |
| Net Aggregate Revenue Requirement | 43.95 | 53.71 | (9.75) | | (9.75) |

Following is the summary of trued-up ARR for 2024-25 to be recovered by the Petitioner after incorporation of sharing of Gains/(Losses):

Table 4-38: Trued up ARR claimed by GIFT PCL for FY 2024-25

(Rs. Crore)

| Particulars | Legend | Actual claimed |
|--|------------------|----------------|
| ARR as per MYT Order | A | 43.95 |
| Gains/(Losses) due to uncontrollable factors | B | (9.75) |
| Gains/(Losses) due to controllable factors | C | - |
| Pass through as tariff | D= -(1/3 of C+B) | 9.75 |
| Trued up ARR | E=A+D | 53.71 |
| Revenue | F | 48.33 |
| Surplus/(Gap) for FY 2024-25 | G=F-E | (5.38) |

Commission's view

The Commission has computed the sharing of Gains/(Losses) for FY 2024-25 based on the Truing up for each of the components of ARR discussed earlier, as shown in the Table below:

Table 4-39: ARR approved along with impact of Controllable/ Uncontrollable Factors for FY 2024-25

(Rs. Crore)

| Particulars | Approved | Actual (Trued-up) | Difference | Gains/ (Losses) due to Controllable factors | Gains/ (Losses) due to Un- Controllable factors |
|----------------------------------|----------|-------------------|------------|---|---|
| Power Purchase Expenses | 33.68 | 33.40 | 0.28 | | 0.28 |
| Operation & Maintenance Expenses | 5.30 | 6.64 | (1.34) | | (1.34) |
| Depreciation | 2.27 | 1.48 | 0.79 | | 0.79 |
| Interest and Finance Charges | 1.37 | 0.67 | 0.70 | | 0.70 |
| Interest on Working Capital | - | - | - | | - |
| Interest on Security Deposit | 0.38 | 0.84 | (0.46) | | (0.46) |



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| Particulars | Approved | Actual (Trued-up) | Difference | Gains/ (Losses) due to Controllable factors | Gains/ (Losses) due to Un- Controllable factors |
|--------------------------------------|--------------|-------------------|-------------|---|---|
| Contribution to contingency reserves | 0.17 | - | 0.17 | | 0.17 |
| Total Revenue Expenditure | 43.16 | 43.03 | 0.13 | | 0.13 |
| Return on Equity Capital | 1.63 | 1.01 | 0.62 | | 0.62 |
| Income Tax | - | - | - | | - |
| Aggregate Revenue Requirement | 44.80 | 44.04 | 0.76 | | 0.76 |
| Less: Non-Tariff Income | 0.84 | 2.03 | (1.19) | | 1.19 |
| Less: Income from Other Business | - | 0.19 | (0.19) | | 0.19 |
| Aggregate Revenue Requirement | 43.95 | 41.82 | 2.13 | | 2.13 |

The Summary of trued up ARR for FY 2024-25 to be recovered by GIFT PCL after incorporation of sharing of Gains/Losses is as detailed in the Table below:

Table 4-40: Trued up ARR approved for FY 2024-25

| Sr. No. | Particulars | Legend | Approved in Truing up (Rs. Crore) |
|---------|--|----------------------------|-----------------------------------|
| 1 | ARR approved in Order dated 01.06.2024 | A | 43.95 |
| 2 | Gains/(Losses) due to uncontrollable factors | B | 2.13 |
| 3 | Gains/(Losses) due to controllable factors | C | - |
| 4 | Pass through as tariff | $D=-(1/3 \text{ of } C+B)$ | (2.13) |
| 5 | Trued up ARR | $E=A+D$ | 41.82 |
| 6 | Revenue | F | 48.30 |
| 7 | Standalone Surplus/(Gap) for FY 2024-25 | G=F-E | 6.48 |

The consolidated Revenue Surplus/ (Gap) for FY 2024-25 approved by the Commission in this Order is shown in the Table below:



Table 4-41: Consolidated Revenue Surplus/ (Gap) for FY 2024-25
(Rs. Crore)

| Sr. No. | Particulars | Approved in Tariff Order | Approved in Truing up |
|------------|---|-----------------------------|--------------------------|
| 1 | ARR for FY 2024-25 (a) | 43.95 | 41.82 |
| 2 | Revenue for FY 2024-25 (b) | 52.12 | 48.30 |
| 3 | Standalone Revenue Surplus/(Gap) for FY 2024-25 (c) = (b) – (a) | 8.17 | 6.48 |
| 4 | Add: Consolidated Surplus/(Gap) for FY 2022-23 (as approved in Order dated 01.06.2024) (d) | (1.09) | (1.09) |
| 5 | Consolidated Surplus/(Gap) for FY 2024-25 (e)= (c)+(d) | 7.08 | 5.39 |
| 5 | Add: Holding/(Carrying) Cost on Consolidated Surplus/(Gap) for FY 2022-23 (as approved in Order dated 01.06.2024) (f) | (0.17) | (0.17) |
| 6 | Net Revenue Surplus/(Gap) for FY 2024-25 to be carried forward (g) = (e) + (f) | 6.91 | 5.22 |

Accordingly, the Commission approves the Trued-up consolidated Revenue Surplus of Rs. 5.22 Crore for FY 2024-25. This Trued-up Surplus along with Holding Cost is considered by the Commission for Determination of Tariff for FY 2026-27.

5. Approval Of Revised ARR For FY 2026-27

5.1. Introduction

The Commission had approved the ARR for FY 2026-27 in the MYT Order dated 31 March 2025. This Chapter deals with the determination of revised ARR for FY 2026-27 in accordance with the GERC (MYT) Regulations, 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 licence area.

Petitioner has submitted that the licence area is being developed as financial / commercial hub by GIFT CL and GIFT SEZ. The Financial Services/Commercial Sector development is fast paced during last few years. The SEZ and non-SEZ Area are still in the development phase. The 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 Built-up Area (BUA) is around 45 mn sq. ft. out of which 19.69 mn sq. ft. BUA is already completed while work is in progress in 19.69 mn sq. ft. area. 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, during the development phase.

The Petitioner has submitted that the overall energy sales growth (5-year CAGR) is 22.57%. Over the years, various developers have completed their buildings, and consumers have occupied their respective area and sales have increased. Accordingly, the Petitioner has registered yearly growth of 28.02% in FY 2024-25. It is expected that consumer base will increase as new consumers will be added as per development plan. However, considering energy sales during FY 2024-25, 3-year CAGR growth was 15.89%. The details of historical growth rate, as per consumer category, as submitted by the

Petitioner are given in the Table below:

Table 5-1: Category-wise sales growth rates as submitted by GIFT PCL

| Consumer Category & Consumption Slab | 5-Year CAGR Growth | 3-Year CAGR Growth | Yearly Growth (MU) |
|--|--------------------|--------------------|--------------------|
| HT Category | | | |
| HTP-I | 21.47% | 12.92% | 23.37% |
| HTP-III | 9.72% | 95.61% | 696.60% |
| HT-EVCS | N.A | 27.98% | -7.12% |
| LT Category | | | |
| RGP | 17.13% | 10.15% | 34.90% |
| GLP | 0.46% | -4.72% | 3.88% |
| NON-RGP (load up to 40 kW) | 27.14% | 24.49% | 38.88% |
| LTMD (load above 40 kW and up to 100 kW) | 20.14% | 15.85% | 33.78% |
| TMP | 51.34% | 51.48% | 51.05% |
| LT-EVCS | N.A | 97.23% | 414.63% |
| Total | 22.57% | 15.89% | 28.02% |

The Petitioner 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 licence area.

The sales projections have been carried out based on projections of demand requirements within the licence 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 of Distributed Energy Resources, viz., Rooftop Solar, and Electric Mobility.

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



The actual demand of existing customers has been taken as the base for the demand projection for FY 2026-27. Demand of each existing customer has been reviewed and the projected demand has been worked out for FY 2026-27 based on the input received after discussion with the Developers. In case of ongoing construction work (i.e., new customers) who have already taken possession of the land and construction is in full swing, based on discussion with them, expected demand for these customers have been projected for the next financial year. Accordingly, the Petitioner 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 licence area and derived the energy consumption for FY 2026-27.

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 from prospective consumers, who can occupy the allotted area during remaining months of FY 2025-26 and during FY 2026-27.
- f) Energy Sales for FY 2026-27 have been projected by considering the actual energy sales of H1 2025-26 and projected energy sales of H2 2025-26.
- g) The Petitioner has recorded projection accuracy of approximately 97% in actual Energy Sales during H1 of 2025-26 and it is estimated that ~95% of projection accuracy will be attained during H2 of 2025-26.

The consumer category-wise energy sale projections for FY 2026-27, based on the load growth and demand projections, are shown in the Table below:

Table 5-2: Revised Energy Sales Projections for FY 2026-27

(MU)

| Consumer Category | Approved | Revised Projection |
|--------------------|--------------|--------------------|
| HT Category | | |
| HTP-1 | 68.00 | 70.92 |
| HTP-3 | 0.46 | 0.74 |
| HT – EVCS | 0.38 | 0.29 |
| LT Category | | |
| LTMD | 11.09 | 11.57 |
| LT – EVCS | 0.05 | 0.11 |
| GLP | 0.72 | 0.63 |
| TEMP | 8.56 | 7.15 |
| Non-RGP | 6.63 | 5.65 |
| RGP | 1.78 | 1.31 |
| Total | 97.67 | 98.36 |

Further, the consumers mainly served by the Petitioner in its licence area are primarily financial/commercial establishments including commercial bulk consumers of HTP-I category and Common Utility Services like DCS, AWCS, WTP, etc.

The Petitioner has submitted that due to technical constraints and benefit of consumers, it has provided LT Metering to 18 consumers out of 39 consumers falling in HTP-1 Category and residing in high rise buildings. A separate Petition (1875/2020) for modification in Metering and Billing Arrangement in Petitioner’s Licence Area has been filed and is currently sub-judice.

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

Table 5-3: Projections of Number of Consumers for FY 2026-27

| Category | No. of Consumers | Sanctioned Load in kW | Contract Demand in kVA/MVA |
|-------------------------------------|------------------|-----------------------|----------------------------|
| HT & EHT Category | | | |
| HTP-1 | | | |
| For first 500 KVA of Billing Demand | 46 | | 14,665 |



| Category | No. of Consumers | Sanctioned Load in kW | Contract Demand in kVA/MVA |
|--|------------------|-----------------------|----------------------------|
| For next 500 KVA of Billing Demand | 3 | | 2,721 |
| For billing demand in excess of 1000 KVA | 6 | | 11,067 |
| HTP-3 | | | |
| For billing demand up to contract demand | 4 | | 2,250 |
| HTP-EVCS | | | |
| For billing demand upto contract demand | 2 | | 400 |
| LT Category | | | |
| LTMD | | | |
| For first 40 KW of Billing demand | 45 | 1,550 | |
| Next 20 KW of Billing Demand | 95 | 5,332 | |
| Above 60 KW of Billing Demand | 105 | 8,822 | |
| LT-EVCS | 5 | 147 | |
| Non-RGP | | | |
| First 10 KW of connected load | 575 | 3,941 | |
| For next 30 KW of connected load | 275 | 6,639 | |
| GLP | 30 | 543 | |
| RGP | | | |
| Up to and including 2 KW | 60 | 120 | |
| Above 2 to 4 KW | 1250 | 4,349 | |
| Above 4 to 6 KW | 150 | 874 | |
| Above 6 KW | 2 | 16 | |
| TMP | 150 | 7,082 | |
| Total | 2,803 | 39,415 | 31,103 |

Commission's view

The Commission notes the submission of the Petitioner that the Petitioner's licence area is a greenfield development area where the demand of licence area depends upon the building construction completion timeline and occupancy of Commercial and Residential buildings. The Petitioner has projected the energy sales for FY 2026-27 based on actual inputs and status received from existing consumers/ Prospective Companies/ Building Developers. 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 FY 2026-27. As energy sales are difficult to predict given that the licence area 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 5-4: Revised Energy Sales approved for FY 2026-27

| Consumer Category | Approved in MYT Order | Claimed in the Petition | Approved in this Order |
|--------------------|--------------------------|----------------------------|---------------------------|
| (MU) | | | |
| HT Category | | | |
| HTP-1 | 68.00 | 70.92 | 70.92 |
| HTP-3 | 0.46 | 0.74 | 0.74 |
| HT – EVCS | 0.38 | 0.29 | 0.29 |
| LT Category | | | |
| LTMD | 11.09 | 11.57 | 11.57 |
| LT – EVCS | 0.05 | 0.11 | 0.11 |
| GLP | 0.72 | 0.63 | 0.63 |
| TEMP | 8.56 | 7.15 | 7.15 |
| Non-RGP | 6.63 | 5.65 | 5.65 |
| RGP | 1.78 | 1.31 | 1.31 |
| Total | 97.67 | 98.36 | 98.36 |

5.3. Distribution Losses

Petitioner’s submission

The Petitioner submitted that the distribution losses in its licence area have become stagnant during past few years. Considering the anticipated demand in future, and ensuring 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 losses have become stagnant. The distribution losses have reduced significantly in last five years and the Petitioner is working very hard to maintain the same level. Considering the technical constraint, the Petitioner expects to maintain the same distribution loss level in FY 2026-27. 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 of distribution loss may not be possible.

In view of above, GIFT PCL has requested the Commission to retain the distribution losses of 2.60% for FY 2026-27, which is same as the losses approved by the Commission



in its Order dated 31.03.2025 in Petition No. 2431/2024. The distribution losses projected for FY 2026-27 is shown in Table below:

Table 5-5: Distribution Losses projected by GIFT PCL for FY 2026-27

| Particulars | 2026-27 |
|-------------------------|---------|
| Distribution Losses (%) | 2.60% |

Commission’s view

It is noted that the Petitioner has retained the Distribution Losses of 2.60% for FY 2026-27, which is same as the distribution losses approved by the Commission in its Order dated 31.03.2025 in Case No. 2431 of 2024.

The Commission observes that the distribution network is yet to be established and load is yet to be stabilized for the licence area of the petitioner. Therefore, the Commission accepts the distribution loss projected by the Petitioner for FY 2026-27.

Accordingly, looking to the area, number of consumers, load, sales projection of GIFT PCL, the Commission approves the following distribution losses for FY 2026-27:

Table 5-6: Distribution losses approved for FY 2026-27

| Particulars | Approved in MYT Order | Claimed in the Petition | Approved in this Order |
|-------------------------|-----------------------|-------------------------|------------------------|
| Distribution Losses (%) | 2.60% | 2.60% | 2.60% |

Therefore, the Commission approves the Distribution Losses of 2.60% for FY 2026-27.

5.4. Energy Balance

Petitioner’s submission

The Petitioner has submitted the projections of Energy Balance for FY 2026-27 based on the projected consumer category-wise sales and projected distribution losses for FY 2026-27.

The estimated energy sales, losses and the resultant Energy Balance for FY 2026-27 as projected by the Petitioner are given below:



Table 5-7: Energy Requirement projected by GIFT PCL for FY 2026-27 (MU)

| Particulars | Approved | Revised Projection |
|--|---------------|-----------------------|
| Estimated Energy Sales | 97.67 | 98.36 |
| Distribution Losses (%) | 2.60% | 2.60% |
| Distribution Losses | 2.61 | 2.63 |
| Energy Requirement after Distribution Losses | 100.28 | 100.99 |
| Intra-State Transmission Losses (%) | 3.50% | 3.50% |
| Intra-State Transmission Losses | 3.39 | 3.41 |
| Energy Requirement after Intra State Losses | 103.67 | 104.40 |
| Inter-State Transmission Losses (%) | 3.50% | 3.50% |
| Inter-State Transmission Losses | 1.94 | 2.03 |
| Power Purchase Requirement | 105.60 | 106.43 |

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 Commission observes that the Petitioner has considered Inter-State Transmission (ISTS) Losses of 3.50% and Intra-State Transmission (InSTS) Losses of 3.50% for power purchased from outside the State, such as power purchased through the Power Exchange RE (GDAM/GTAM) segment and the Power Exchange Conventional (DAM/TAM) segment.

Further, the Petitioner has considered only InSTS losses of 3.50% on energy purchased under MTOA and from the long-term hybrid power project.

The supply of energy from the captive solar power project is at the GIFT- PCL periphery only; therefore, inter and intra-State losses will not be applicable.

Additionally, the Commission notes that it has approved the Inter-State and Intra-State Losses of 3.50% in its Order dated 31.03.2025 in Case No. 2431 of 2024. Accordingly, the Commission approves the Inter-State and Intra-State transmission losses at levels



projected by the Petitioner for FY 2026-27.

Based on the energy sales, distribution losses and transmission loss level considered, the Commission has computed the estimated energy requirement for the Petitioner for FY 2026-27, as shown in the Table below:

Table 5-8: Revised Energy Requirement approved for FY 2026-27 (MU)

| Particulars | Approved in MYT Order | Claimed in the Petition | Approved in this Order |
|--|--------------------------|----------------------------|---------------------------|
| Estimated Energy Sale | 97.67 | 98.36 | 98.36 |
| Distribution Losses (%) | 2.60% | 2.60% | 2.60% |
| Distribution Losses | 2.61 | 2.63 | 2.63 |
| Energy Requirement at Distribution Periphery * | 100.28 | 100.99 | 100.99 |
| Intra-State Transmission Losses (%) | 3.27%* | 3.50% | 3.27%* |
| Intra-State Transmission Losses | 3.39 | 3.41 | 3.41 |
| Energy Requirement after Intra State Losses | 103.67 | 104.40 | 104.40 |
| Inter-State Transmission Losses (%) | 1.84%* | 3.50% | 1.91%* |
| Inter-State Transmission Losses | 1.94 | 2.03 | 2.03 |
| Power Purchase Requirement | 105.60 | 106.43 | 106.44 |

**Note: Commission has approved InSTS and ISTS Losses of 3.50%. However, losses appear different in the table as the values shown in the table are effective losses (%), which include quantum from captive plant for which InSTS and ISTS losses are not applicable.*

5.5. Energy Availability and Power Purchase Cost

Petitioner's submission

The Petitioner has projected the power purchase requirement for retail supply business during FY 2026-27 based on the 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.

During FY 2026-27, the Petitioner has proposed to meet its power requirement from a mix of Long/Medium-Term PPAs and Short-Term Sources where Petitioner will purchase power through DAM, RTM and G-DAM. The source-wise details are given as under:

Power Purchase through Medium-Term Sources:

The Petitioner submitted that it had sought approval for extending the existing short-term power purchase arrangement of 4.00 MW RTC at a revised tariff of Rs. 5.20 per unit from 01.06.2025 to 31.05.2026 for catering to the base demand requirement of GIFT PCL's licence area, in accordance with the provisions of the 'Guidelines for Procurement of Power by Distribution Licensees' issued by the Commission, read with Section 86 (1) (b) of the Electricity Act, 2003 with M/s PCBL. The same was registered as Petition No. 2480/2025 and was approved by the Commission vide its Order dated 13.06.2025.

Further, the Petitioner submitted that the Commission has approved and allowed the Petitioner to execute Supplementary PPA with M/s PCBL for a period of one year starting from 1st June 2025 to 31st May 2026. The proposed capacity under MTOA will be around 4 MW, considering the present PPA in force. The energy injection at the STU periphery would be around 5.86 MU before deducting the intra-State transmission loss.

Based on the present PPA in force, it is projected that the Petitioner will purchase 5.85 MU at current PPA Tariff of Rs 5.20 per unit during FY 2026-27. Further, Rs 0.22 per unit is considered as STU/SLDC charges and Rs. 0.20 per unit is considered as impact of transmission losses. Accordingly, the average power purchase cost of MTOA Supply is proposed at Rs. 5.62 per unit at the GIFT PCL Periphery.

Power Purchase of Hybrid RE through Long-Term PPA:

The Petitioner has submitted that, in view of the increasing demand and to fulfil the Renewable Power Obligation (RPO), it has executed a Hybrid (Solar and Wind) RE PPA of 9.90 MW for a period of 25 years, as approved by the Commission in its Order dated 20th June 2025 in Petition No. 2453/2025.

As per the terms and conditions of the PPA, it is expected that M/s Prozeal Green Energy Limited will be able to supply the power from 1st June 2026 onwards.

Based on the executed PPA, it is projected that the Petitioner will purchase 35.64 MU at a tariff of Rs 3.70 per unit. Further, Rs 0.44 per unit has been considered as STU/SLDC

charges and Rs. 0.15 per unit is considered as the impact of transmission losses. Accordingly, the average Power Purchase Cost of Supply is proposed at Rs. 4.29 per Unit at GIFT PCL Periphery.

The Petitioner has assumed that 50% of the power will be received from wind sources and 50% from solar sources each under this Hybrid RE PPA.

Captive Solar Project/Own Generation:

The Petitioner submitted that it has successfully commissioned the first phase of ground-mounted captive solar project with the capacity of 2.50 MW in May 2024, and the second phase with a capacity of 2.46 MW is completed in March 2025. Hence, based on the present generation pattern, it is assumed that 14 lakh unit / MW will be generated from 4.96 MW project. There would be a certain reduction in generation based on technical standards. Based on the same, power availability has been considered directly at distribution level. The power will be available only during solar hours. The Petitioner has assumed the power purchase rate as Rs 4.70/kWh for 6.86 MU as procurement from its own generating station.

Short Term Sources (RE from Power Exchange):

The Petitioner submitted that the existing work order with M/s PTC India Limited for managing the Power Portfolio of GIFT PCL was completed on 31.03.2025. The Petitioner has decided to manage power portfolio by developing in-house capabilities from FY 2025-26 onwards. However, the Petitioner has appointed M/s PTC India Limited as the Power Trader for GIFT PCL for a period of 2 years stating from 1st April 2025. The scope of services to be delivered by the Power Trader includes platform for the purchase and sale of power in Power Exchanges only. As a Power Trader, PTC is charging a trading margin of Rs. 0.015/Unit for Power Purchase through Power Exchanges, based on the obligation reports issued by the Power Exchanges.

Based on the above, the Petitioner has projected that it will purchase 35.35 MU at Rs 5.50/Unit along with Rs 0.45/kWh for CTU charges, Rs 0.42/kWh for STU charges, Rs. 0.015/Unit as Power Trading Margin and Rs. 0.48/unit has been assumed as impact of

CTU and STU losses. Accordingly, the average Power Purchase Cost of RE Power through G-DAM is proposed at Rs. 6.86/Unit at GIFT PCL Periphery for FY 2026-27.

Short-Term Sources (Conventional from Power Exchange):

The Petitioner has projected to purchase balance requirement of 22.73 MU through DAM segment of the Power Exchange at Rs 5.00/Unit along with Rs 0.45/kWh for CTU charges, Rs 0.42/kWh for STU charges, Rs. 0.015/Unit as Power Trading Margin and Rs. 0.44/unit has been assumed as impact of CTU and STU losses. Accordingly, the average Power Purchase Cost of Power through DAM is proposed at Rs. 6.32/Unit at GIFT PCL Periphery for FY 2026-27.

The summary of estimated source-wise power quantum and cost for FY 2026-27 is shown in the Table below:

Table 5-9: Revised Power Procurement Quantum projected by GIFT PCL for FY 2026-27

| Particulars | Approved in the MYT Order | Revised Projection |
|--|------------------------------|-----------------------|
| (MU) | | |
| Long term / Medium term Sources | | |
| MTOA (Existing) | - | 5.85 |
| Long term Hybrid PPA (9.90 MW) | 43.36 | 35.64 |
| Captive Solar Power Plant (4.96 MW) | 6.86 | 6.86 |
| Short term Sources | | |
| Power Exchange RE (GDAM/GTAM) | 20.06 | 35.35 |
| Power Exchange conventional (DAM/TAM) | 35.33 | 22.73 |
| Total | 105.60 | 106.43 |

Table 5-10: Revised Power Procurement Cost projected by GIFT PCL for FY 2026-27

| Particulars | Approved in the MYT Order | Revised Projection |
|--|------------------------------|-----------------------|
| (Rs. Crore) | | |
| Long term / Medium term Sources | | |
| MTOA (Existing) | - | 3.05 |
| Long term Hybrid PPA (9.90 MW) | 16.04 | 13.19 |
| Captive Solar Power Plant (4.96 MW) | 1.89 | 3.22 |
| Short term Sources | | |



| Particulars | Approved in the MYT Order | Revised Projection |
|---------------------------------------|------------------------------|-----------------------|
| Power Exchange RE (GDAM/GTAM) | 9.77 | 19.44 |
| Power Exchange conventional (DAM/TAM) | 15.79 | 11.37 |
| Power Purchase Cost | 43.50 | 50.26 |
| Transmission & Other Charges | 6.94 | 6.83 |
| Total | 50.43 | 57.10 |

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)

As regards power purchase from PCBL, the Commission notes that the Petitioner had filed a separate Petition seeking extension of the existing short-term PPA of 4.00 MW of RTC power from PCBL at a revised tariff of Rs. 5.20/kWh for the period from June 2025 to May 2026. The said Petition was registered as Petition No. 2480/2025. The Commission, vide Order dated 13.06.2025 in Petition No. 2480/2025, allowed the Petitioner to execute a Power Purchase Agreement with PCBL for a period of 12 months starting from June 2025 to May 2026 on short-term basis at the rate of Rs. 5.20/kWh for supply of 4 MW RTC power.

The Commission has considered the power purchase quantum of 5.85 MU as projected by the Petitioner. Base Tariff is considered as Rs. 5.20/kWh. The Commission observes that the Petitioner has considered Rs. 0.22/Unit as STU/SLDC Charges. The Commission has also considered the STU/SLDC charges of Rs. 0.22/kWh as claimed by the Petitioner. The impact of transmission losses is considered at Rs. 0.20/kWh.

Accordingly, the Commission approves the projected power purchase of 5.85 MU from the MTOA source (PCBL) at a cost of Rs. 5.42/kWh. The total power purchase cost for MTOA source is Rs. 3.17 Crore. The Average Power Purchase Cost of MTOA supply is Rs. 5.62/kWh at GIFT PCL’s periphery.

(b) Procurement of Hybrid RE through Long-term Hybrid PPA

As regards power purchase from Hybrid RE Plant, the Commission notes that the



Petitioner has executed a Hybrid (Solar and Wind) RE PPA of 9.90 MW for a period of 25 years with M/s Prozeal Green Energy Limited. The Petitioner had separately filed a Petition seeking approval of the same, which was registered as Petition No. 2453/2025. The Commission, vide Order dated 20.06.2025 in Petition No. 2453/2025, allowed the Petitioner to execute a Power Purchase Agreement with M/s Prozeal Green Energy Limited for a period of 25 years from the Scheduled Commercial Operation Date (SCOD) on a long-term basis at a fixed tariff of Rs. 3.70/kWh for supply of 9.90 MW hybrid RE power.

The Commission has considered the power purchase quantum of 35.64 MU as projected by the Petitioner. Base tariff is considered as Rs. 3.70/kWh. The Commission observes that the Petitioner has considered Rs. 0.44/Unit as STU/SLDC Charges. The Commission has also considered the STU/SLDC Charges of Rs. 0.44/kWh as claimed by the Petitioner. The impact of transmission losses is considered at Rs. 0.15/kWh.

Accordingly, the Commission approves the projected power purchase of 35.64 MU from long-term hybrid plant at a cost of Rs. 4.14/kWh. The total power purchase cost for long-term hybrid plant is Rs. 14.75 Crore. The Average Power Purchase Cost of long-term hybrid plant is Rs. 4.29/kWh at GIFT PCL's periphery.

(c) Captive Solar Project

The Commission notes that the Petitioner has commissioned the first phase of the captive solar project with the capacity of 2.50 MW in May 2024 and the second phase of the captive solar project with a capacity of 2.46 MW in March 2025.

The Petitioner submitted that it has envisaged procuring 6.86 MU from its captive plant at an average power purchase cost of Rs. 4.70/kWh.

The Commission observes that the rate of Rs. 4.70/kWh considered by the Petitioner is much higher than the generic tariff of Rs. 2.76/kWh (without consideration of Accelerated Depreciation benefits) determined in Order No. 6 of 2024 dated 31.08.2024 for procurement of power from solar projects.

Moreover, the Commission notes that the Petitioner has filed a separate Petition (Petition No. 2574 of 2025) seeking approval of the mechanism for tariff determination for the purchase of electricity from its own/embedded generation, which is currently sub-judice.

The Commission is of the view that, in the absence of approval of the said Petition for tariff determination of the Petitioner's captive solar project, it would not be appropriate to approve the power purchase from the captive solar project at the rate of Rs. 4.70/kWh as claimed by the Petitioner. Accordingly, the Commission has provisionally considered a rate of Rs. 2.76/kWh, being the generic tariff rate approved by the Commission in Order No. 6 of 2024 dated 31.08.2024, for the purpose of determining the power purchase from the captive solar project for FY 2026-27.

Accordingly, for the purpose of tariff determination for FY 2026-27, the Commission approves the purchase of 6.86MU of power from the captive solar plant at a cost of Rs. 1.89 Crore, considering the per unit rate of Rs. 2.76/kWh as discussed above.

Further, no inter-State or intra-State transmission charges are considered for FY 2026-27 for power supply from the captive solar project, considering that the energy injection is at the GIFT PCL periphery.

(d) GDAM/GTAM

The Commission notes that Petitioner has proposed to procure RE power through the Power Exchange G-DAM/GTAM segment at Rs. 6.86/kWh (including STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.015 /kWh and impact of CTU and STU losses of Rs. 0.48/kWh) for FY 2026-27.

The Commission has considered the G-DAM Rate of Rs. 5.50/kWh as projected by the Petitioner. Further, the Commission has considered STU charges of Rs 0.42/kWh, as claimed by the Petitioner. Additionally, the Commission has considered CTU charges of Rs. 0.45 /kWh and a Trading Margin of Rs. 0.015/kWh, as projected by the Petitioner. The impact of the CTU and STU losses has been considered at Rs. 0.47/kWh.

Accordingly, the Commission approves the purchase of 35.35 MU from the G-DAM/G-TAM segment of the Power Exchange at a cost of Rs. 22.57 Crore for FY 2026-27. The average power purchase cost at GIFT PCL periphery is Rs. 6.86/kWh.

The Commission further directs the Petitioner to be diligent and ensure that RE power is procured to meet its RPO requirement at a competitive rate. The Commission directs the Petitioner to 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 segment of Power Exchange

It is noted that after meeting the energy requirement from tied-up sources and GDAM/GTAM segment, the Petitioner has projected to procure the balance power of 22.73 MU from Power Exchange at Rs. 6.32/kWh (including STU charges of Rs 0.42 /kWh, CTU charges of Rs 0.45 /kWh and Trading Margin of Rs. 0.015 /kWh). The impact of CTU and STU losses are considered at Rs. 0.44/kWh.

The Commission allows procurement balance quantum of 22.73 MU from the DAM/TAM segment of the Power Exchange at a rate of Rs. 5.00/kWh, as projected by the Petitioner. Further, the Commission has considered STU charges of Rs 0.42/kWh, as claimed by the Petitioner. Additionally, the Commission has considered CTU charges of Rs 0.45/kWh and a Trading Margin of Rs. 0.015/kWh, as projected by the Petitioner. The impact of the CTU and STU losses has been considered at Rs. 0.43/kWh.

Accordingly, the Commission approves the purchase of 22.73 MU from the DAM/TAM segment of the Power Exchange at a cost of Rs. 13.38 Crore for FY 2026-27. The average power purchase cost at GIFT PCL periphery is Rs. 6.32/kWh.

The Commission provisionally approves the aforesaid source-wise power purchase cost, which shall be subject to truing-up of respective year.

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

Table 5-11: Power Procurement Quantum Approved for FY 2026-27

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|--|------------------------------|----------------------------|---------------------------|
| (MU) | | | |
| Long-term / Medium-term Sources | | | |
| MTOA (Existing) | - | 5.85 | 5.85 |
| Long term Hybrid PPA (9.90 MW) | 43.36 | 35.64 | 35.64 |
| Captive Solar Power Plant (4.96 MW) | 6.86 | 6.86 | 6.86 |
| Short-term Sources | | | |
| Power exchange RE (GDAM/GTAM) | 20.06 | 35.35 | 35.35 |
| Power exchange conventional (DAM/TAM) | 35.33 | 22.73 | 22.73 |
| Total | 105.60 | 106.43 | 106.44 |

Accordingly, the Commission hereby approves the source-wise energy purchase cost as shown in the Table below:

Table 5-12: Source-wise Power Purchase Cost approved for FY 2026-27

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|--|------------------------------|----------------------------|---------------------------|
| (Rs. Crore) | | | |
| Long-term / Medium-term Sources | | | |
| MTOA (Existing) | - | 3.05 | 3.05 |
| Long term Hybrid PPA (9.90 MW) | 16.04 | 13.19 | 13.19 |
| Captive Solar Power Plant (4.96 MW) | 1.89 | 3.22 | 1.89 |
| Short-term Sources | | | |
| Power exchange RE (GDAM/GTAM) | 9.77 | 19.44 | 19.44 |
| Power exchange conventional (DAM/TAM) | 15.79 | 11.37 | 11.37 |
| Power Purchase Cost | 43.50 | 50.26 | 48.93 |
| Transmission & Other Charges | 6.94 | 6.83 | 6.83 |
| Total | 50.43 | 57.10 | 55.77 |

Renewable Power Purchase Obligation (RPO)

Petitioner's submission

The Petitioner submitted that the Commission, in the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2025, has specified the RPO level for FY 2026-27, as shown in the Table below:

Table 5-13: RPO Notified by the Commission

| Sr. No. | Year | Wind renewable energy | Hydro renewable energy | Distributed renewable energy | Other renewable energy | Total renewable energy |
|---------|---------|-----------------------|------------------------|------------------------------|------------------------|------------------------|
| 1 | 2026-27 | 1.97% | 1.34% | 2.70% | 29.94% | 35.95% |

The Petitioner has considered to meet the Distributed RE obligation by considering energy generation from its captive solar plant and solar rooftops installed by consumers under net-metering arrangements. The wind and other RPO requirements will be met through power procurement under the long-term hybrid PPA and through the Power Exchange G-DAM segment.

The Petitioner also submitted that it has to meet the shortfall in RPO of 10.67 MU pertaining to FY 2020-21 to FY 2022-23, as per the Commission's Orders for the respective years. Accordingly, the shortfall RPO of 10.67 MU has been considered while projecting the RPO compliance for FY 2026-27.

The details of RPO compliance projections for FY 2026-27 is shown in the Table below:

Table 5-14: RPO compliance proposed for FY 2026-27

| Particulars | UoM | Approved in the MYT Order | Revised Projection |
|---|-----------|---------------------------|--------------------|
| Energy Requirement | MU | 105.60 | 106.43 |
| RPO Target for FY 2026-27 | % | 35.95% | 35.95% |
| RPO Target for FY 2026-27 | MU | 37.96 | 38.26 |
| RE – Purchase from Tied Up Sources & PX (GDAM/GTAM) | MU | 70.28 | 77.85 |
| Unmet RPO for FY 2026-27 | MU | 0.00 | 0.00 |
| Surplus RPO after compliance of FY 2026-27 | MU | 32.32 | 39.59 |
| Shortfall RPO to be met for FY 2020-21 | MU | - | 2.52 |
| Shortfall RPO to be met for FY 2021-22 | MU | - | 3.32 |
| Shortfall RPO to be met for FY 2022-23 | MU | - | 4.83 |
| Shortfall RPO's for Previous Years to be met in FY 2026-27 | MU | - | 10.67 |
| Net Surplus RPO Carry forwarded for Ensuing Year | MU | 32.32 | 28.92 |

Commission’s view

It is noted that Petitioner has considered RPO trajectory for FY 2026-27 in accordance with the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2025.

The Commission has considered procurement of renewable energy for FY 2026-27 as under:

Table 5-15: Projected RPO compliance considered for FY 2026-27

| Particulars | Approved in the MYT Order | Claimed in the Petition | Considered in this Order |
|--|---------------------------|-------------------------|--------------------------|
| Energy Requirement (MU) | 105.60 | 106.43 | 106.43 |
| RPO Target for FY 2026-27 (%) | 35.95% | 35.95% | 35.95% |
| RPO Target for FY 2026-27 (MU) | 37.96 | 38.26 | 38.26 |
| RE – Purchase from Tied Up Sources & PX (GDAM/GTAM) (MU) | 70.28 | 77.85 | 77.85 |
| Unmet RPO for FY 2026-27 (MU) | 0.00 | 0.00 | 0.00 |
| Surplus RPO after compliance of FY 2026-27 (MU) | 32.32 | 39.59 | 39.59 |
| Shortfall RPO to be met for FY 2020-21 (MU) | - | 2.52 | 2.52 |
| Shortfall RPO to be met for FY 2021-22 (MU) | - | 3.32 | 3.32 |
| Shortfall RPO to be met for FY 2022-23 (MU) | - | 4.83 | 4.83 |
| Shortfall RPO’s for Previous Years to be met in FY 2026-27 (MU) | - | 10.67 | 10.67 |
| Surplus RPO (MU) | 32.32 | 28.92 | 28.92 |

The Commission has considered the power from tied-up RE sources and purchase of power from GDAM/GTAM segments of Power Exchange to meet RPO target for FY 2026-27. The Commission has considered the quantum of purchase from each source as 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 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 observed that as per the GERC (MYT) Regulations, 2024, the projection of O&M expenses for 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 were 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 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" the Petitioner has requested to approve the O&M expenses based on current O&M expenses.

Further, it is submitted that while projecting the normative O&M expenses, the Petitioner has considered its submission of O&M expenses for FY 2025-26, under ARR of FY 2025-26. Considering the normal escalation of existing employee expenses as per the norms of the Petitioner, the Employee Expenses for FY 2026-27 has been proposed as Rs 4.21 Crore. The R&M Expenses were projected as Rs. 2.10 Crore for FY 2025-26. Considering the present R&M expenses and based on the requirement of the Petitioner to maintain its infrastructure, the R&M expenses has been proposed as Rs 2.21 Crore for FY 2026-27. The A&G Expenses were projected as Rs. 1.95 Crore for FY 2025-26. Considering the present A&G expenses and based on the requirement of the Petitioner, the A&G expenses has been proposed as Rs 2.05 Crore for FY 2026-27. This includes obligated licence fees and other Petition related fees to be paid by the Petitioner.

The Petitioner, therefore, requested to approve the O&M expense for FY 2026-27 based on the O&M expenses projected by the Petitioner during FY 2025-26, as shown below:

Table 5-16: Operation and Maintenance Cost projected for FY 2026-27

(Rs. Crore)

| Particulars | Approved in the MYT Order | Revised Projections |
|-----------------------------------|------------------------------|---------------------|
| Employee Expenses | 2.16 | 4.21 |
| R&M Expenses | 6.59 | 2.21 |
| Administrative & General Expenses | 1.38 | 2.05 |
| Total | 10.14 | 8.48 |

Commission’s view

It is noted that the Petitioner has computed the O&M expenses for FY 2026-27 based on the estimated O&M expenses for FY 2025-26 and escalated the same with the escalation rate of 5.34% for arriving at the revised normative O&M expenses for FY 2026-27.

Regulations 92 and 104 of the GERC (MYT) Regulations, 2024, specify the basis for the computation of normative O&M Expenses for each year of the Control Period from FY 2025-26 to FY 2029-30. The similar provisions are provided for Wheeling and Retail Supply Business. Therefore, the relevant extract of Regulation 104 is reproduced below:

“104 Operation and Maintenance Expenses:

104.1 The Operation and Maintenance shall be derived on the basis of the average of the actual audited Operation and Maintenance expenses for the past ten Years ending March 31, 2024, excluding abnormal Operation and Maintenance expenses, if any, subject to prudence check by the Commission:

Provided that average of such Operation and Maintenance expenses shall be considered as Operation and Maintenance expenses for the Year March 31, 2019, and shall be escalated at the respective escalation rate for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, to arrive at the Operation and Maintenance expenses for the base year ending March 31, 2024;

Provided further that escalation rate for FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24, shall be computed by considering (WE_{WPI}) weightage to the average yearly inflation derived based on monthly Wholesale Price Index of the respective financial year as per the Office of Economic Advisor, Ministry of Commerce

and Industry, Government of India and (WE_{CPI}) weightage to the average yearly inflation derived based on monthly Consumer Price Index for Industrial Workers (all-India) of the respective financial year as per the Labour Bureau, Government of India.

104.2 Operation and Maintenance expenses for n th year of the Control Period shall be determined based on the formula shown below:

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n) + \text{Terminal Liabilities and other one-time expenses}$

Where,

R&M_n –Repair and Maintenance Costs of Distribution Retail Supply Business for the n^{th} year;

EMP_n –Employee Cost of Distribution Retail Supply Business for the n^{th} year;

A&G_n –Administrative and General Costs of Distribution Retail Supply Business for the n^{th} year;

X_n -Efficiency factor for n^{th} Year. Value of X_n to be considered as zero till such time the same is determined through a study by the Commission:

Provided that Terminal Liabilities and other one-time expenses shall be allowed separately on actual basis subject to prudence check.

104.3 It should be ensured that all such expenses capitalized should not form a part of the O&M expenses being specified here. The above components shall be computed in the manner as specified below:

*(i) $R\&M_n = K * GFA * (1 + \text{Index Esc}_n)$*

*(ii) $EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (1 + \text{Index Esc}_n)$*

Where,

'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) for the Control Period. The value of 'K' will be calculated based on the R&M expenses and GFA for past ten years (or all available years in case of utilities operating for less than 10 years as on April 01, 2024) ending March 31, 2024 approved by the Commission, subject to prudence check and any other factor considered relevant by the Commission;

'GFA' is the Opening balance of the gross fixed assets of the nth year;

EMPn-1 - Employee Cost of Distribution Retail Supply Business for the immediately preceding year;

A&Gn-1 - A&G of Distribution Retail Supply Business for the immediately preceding year;

Provided that for first year of control period EMPn-1 and A&Gn-1 shall mean Employee and A&G expenses of the year after the base year (FY 2023-24) i.e. FY 2024-25, as derived using the escalation rate for FY 2024-25 as mentioned below;

Index Esc means the average Inflation escalation to be considered on the basis weightage of WPI and CPI respectively of the relevant year and to be computed as below:

$$\text{Index Esc}_n = \text{WE}_{\text{CPI}} * \text{CPI}_n + \text{WE}_{\text{WPI}} * \text{WPI}_n$$

Whereby,

WE_{CPI}: Weightage of CPI Index and;

WE_{WPI}: Weightage of WPI Index;

'WPI_n' (expressed in %) means the average yearly inflation of Wholesale Price Index (all commodities) over the years for the nth year.

'CPI_n' (expressed in %) means the average yearly inflation of Consumer Price Index

(Industrial workers) over the years for the nth year.

Note: Source for CPI and WPI calculation as under:

Wholesale Price Index numbers as per Office of Economic Advisor, Ministry of Commerce & Industry, Government of India {Base Year: 2011-12 Series};

Consumer Price Index for Industrial Workers (all India) as per Labour Bureau, Government of India {Base Year: 2001=100}

Provided further that the escalation rate for FY 2024-25 and for the complete control period i.e. FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 shall be computed by considering (WE_{WPI}) weightage to the 10-year average of the yearly inflation of the last ten years ending March 31, 2024 for Wholesale Price Index (WPI) and (WE_{CPI}) weightage to the 10-year average of the yearly inflation of the last ten years ending March 31, 2024 for Consumer Price Index (CPI) :

Provided further that, in the Truing-up of the O&M expenses norms for any particular year of the Control Period, the escalation rate shall be computed by considering (WE_{WPI}) weightage to the 10-year moving average of the yearly inflation of the last ten years including the true-up year for Wholesale Price Index (WPI) and (WE_{CPI}) weightage to the 10-year moving average of the yearly inflation of the last ten years including the true-up year for Consumer Price Index (CPI) .

Note:

(a) $WE_{CPI}:WE_{WPI}$ is to be considered as per actual O&M cost of last 10 true-up years (or actual available O&M cost in case of Distribution Licensees having stabilised retail business less than 10 years) after removing any abnormalities.

(b) For new Distribution Licensees' Retail Supply Business $WE_{CPI}: WE_{WPI}$ shall be determined on case to case basis by the Commission.

(c) O&M expense shall be allowed on normative basis and shall be trued-up only to the account of variation in Wholesale Price Index and Consumer Price Index.

(d) Impact of Wage Revision, if any, may be considered at the time of true-up for any Year, and based on documentary evidence and justification to be submitted by the Petitioner. Provisioning of wage revision expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered.

(e) Any variation in actual and normative O&M cost excluding any abnormal expenses or wage revision shall be subject to the sharing of efficiency gains or losses as per framework specified in this Regulations.

(f) In the case of a Distribution Licensee whose tariff is yet to be determined by the Commission till the coming into force of these Regulations, the Commission may determine the Operation and Maintenance expenses on a case to case basis.

(g) For the purpose of estimation, the same Index Escn value as derived for FY 2025-26 shall be used for all years of the Control Period. However, at the time of true-up of any particular year, the Commission will consider the actual values of the WPI and CPI over past ten years including True-up year.”

In accordance with the MYT Regulations, 2024, the Commission has already approved the normative O&M Expenses for each year of the Control Period from FY 2025-26 to FY 2029-30 in its MYT Order dated 31 March 2025 in Case No. 2431 of 2024. These normative expenses are subject to revision at the time of truing up for the respective year only to the account of variation in Wholesale Price Index and Consumer Price Index.

Accordingly, the Commission retains the normative O&M expenses for FY 2026-27 as approved in its Order dated 31 March 2025, in Case No. 2431 of 2024, as shown in the Table below:

Table 5-17: Normative Operation and Maintenance Expenses approved for FY 2026-27

(Rs. Crore)

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|-------------------|---------------------------|-------------------------|------------------------|
| Employee Expenses | 2.16 | 4.21 | 2.16 |



| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|-----------------------------------|------------------------------|----------------------------|---------------------------|
| R&M Expenses | 6.59 | 2.21 | 6.59 |
| Administrative & General Expenses | 1.38 | 2.05 | 1.38 |
| Total | 10.14 | 8.48 | 10.14 |

5.7. Capital Expenditure, Capitalization and Funding of CAPEX

Petitioner's submission

The Petitioner submitted that it has established state-of-the-art distribution network along with build-in redundancies for ensuring uninterrupted and quality power supply to the unit holders in GIFT SEZ and Domestic Tariff Area, which is part of GIFT PCL's licence area. The Petitioner's licence area hosts prominent International Exchanges, Data Centres, International Banking Units, Brokers' offices, Banking Units with back-office operations, AND IT & ITES Units. All these Units operate almost 24x7. The number of such Units is expected to increase in the coming years due to supportive policies of the Government of India (GoI) and the Government of Gujarat (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 the successful development of GIFT City.

The Petitioner submitted that it has developed network automation for real time monitoring and operation of various equipment from the 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 systems on Power Transformers in accordance with the CEA Regulations, 2010, which are installed prior to the notification of these Regulations.

Being a green field project, initially GIFT PCL had to develop all the required facilities, as no such facilities were available in the area. As GIFT PCL has a limited area for power distribution and limited land is available for the development of plants, the sizing of plants is a critical decision. The Petitioner has to take into account that the size of plants should be optimum and that the development of plants should allow flexibility of modular expansion. In the initial years, it is necessary to lay down the supply network to provide power to consumers such that the demand of power supply can be met within

a short time, as the Petitioner is under the Universal Service Obligation to provide power supply. Accordingly, the Petitioner has to bear higher costs in the initial years for providing the HT/LT network, which consists a major component of capital expenditure.

Considering the same, the anticipated capital expenditure proposed by the Petitioner for FY 2026-27 are as follows:

Table 5-18: Revised Capital Expenditure projected for FY 2026-27

(Rs. Crore)

| Sr. No. | Particulars | Approved | Revised Projections |
|---|---|--------------|---------------------|
| 1 | Power Distribution Arrangement for Various Consumer | 1.00 | 1.00 |
| 2 | Procurement of Power Cables | 2.00 | 2.00 |
| 3 | Smart Meters & Allied Equipment Procurement | 2.50 | 2.50 |
| 4 | 66 KV Sub-Station Feeder Expansion | 22.51 | 22.51 |
| 5 | Power Distribution Network and CSS at Various Locations | - | 5.00 |
| Total Capital Expenditure for FY 2026-27 | | 28.01 | 33.01 |

The Petitioner submitted that, as per Regulation 95 and 106 of the GERC MYT Regulations, 2024, the licensee shall propose, in its filings, a detailed capital investment plan, as part of the ARR for FY 2026-27. Accordingly, GIFT PCL has submitted the details of the total assets proposed to be capitalized during FY 2026-27 as under:

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

The Petitioner has to make power distribution arrangements for new consumers and develop the required infrastructure for providing supply connections. Various items have to be procured, such as cables, meter boxes, feeder pillars, civil works, and other miscellaneous items. The cost of providing services related to cable laying will be carried out by an 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 2026-27 is as under:



(Rs. Crore)

| Project Details | Approved | Revised Projection |
|--|----------|--------------------|
| Power Distribution Arrangement for Various Consumers | 1.00 | 1.00 |

- **Procurement of Power Cables:**

As the developments in the licence area are fast paced, multiple new consumers/occupants are expected to commence their operations during FY 2026-27. Accordingly, there will be a substantial increase in the number of consumers, and the Petitioner will have to arrange for power supply and release connections.

Accordingly, the Petitioner will procure cables separately to meet the power distribution requirements and fulfil Universal Service Obligation in line with the provisions of Electricity Act, 2003.

Accordingly, the estimated cost for procurement of Power Cables to be incurred during FY 2026-27 is as under:

(Rs Crore)

| Project Details | Approved | Revised Projection |
|-----------------------------|----------|--------------------|
| Procurement of Power Cables | 2.00 | 2.00 |

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

As per the Ministry of Power's Notification No. 23/35/2019-R&R dated 17th August 2021, Distribution Licensees have been directed to replace all existing meters with smart meters with a pre-payment feature. Further, the Commission vide its letter dated 9th September 2021, had directed the Petitioner to submit a plan for installing Smart Meters. Accordingly, the Petitioner has installed Smart Meters for all the Consumers.

Based on the Building completion and development timelines, it is envisaged that approximately 974 new consumers will be added in FY 2026-27.

Accordingly, the estimated cost for procurement of Smart Meters and Allied Equipment to be incurred during FY 2026-27 is as under:

(Rs. Crore)

| Project Details | Approved | Revised Projection |
|---|----------|--------------------|
| Smart Meters & Allied Equipment Procurement | 2.50 | 2.50 |

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

As per the development plan, construction of almost 3 buildings will be completed by the end of FY 2026-27. By considering the network development in a phased manner, it is required to set up Consumer Sub-Station (CSS) at various locations initially to cater to the demand in the respective Blocks, which will predominantly have LT consumers. Further, the Petitioner has to lay dual-source 33 kV power distribution cables from the 66 kV Sub-Station on 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 during FY 2026-27 is as under:

(Rs. Crore)

| Project Details | Approved | Revised Projection |
|---|----------|--------------------|
| Power Distribution Network and CSS at various Locations | - | 5.00 |

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

During the past few years, infrastructure development in the licence area has grown significantly, which has led to an increase in Energy Sales. As the demand continues to grow and the construction of high-rise buildings progresses, the 66/33 kV Feeders are expected to be exhausted in FY 2025-26. Therefore, the Petitioner needs to expand the 33 kV Feeders to enable the supply of power to new buildings/consumers.

To accommodate the growing demand in the licence area and considering that existing 33 kV Feeders will be exhausted, the Petitioner needs to expand the 33 kV feeder network to supply power to various locations in a timely manner, as the construction of almost 20 buildings is expected to be completed. The cost of Feeder Expansion is projected at Rs. 22.51 Crore, which will be capitalized in FY 2026-27.

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

Accordingly, the estimated cost for 66/33 kV Sub-Station Feeder Expansion and Allied Equipment to be incurred during FY 2026-27 is as under:

| (Rs Crore) | | |
|---|-----------------|---------------------------|
| Project Details | Approved | Revised Projection |
| 66 kV Sub-Station Feeder Expansion & Allied Equipment | 22.51 | 22.51 |

Based on the revised Capex roll-out plan as detailed above, the Petitioner has considered estimated closing GFA for FY 2025-26 as opening GFA for FY 2026-27 and worked out the Capitalization for FY 2026-27 as shown in the Table below:

Table 5-19: Capitalization projected by GIFT PCL for FY 2026-27

| Particulars | Approved | Revised Projection |
|---|-----------------|---------------------------|
| Opening GFA | 79.78 | 160.85 |
| Opening CWIP | | 24.21 |
| Capital expenditure | 28.01 | 33.01 |
| Capitalization | 28.01 | 33.01 |
| Less: SLC Addition | 1.50 | 5.00 |
| Balance capitalization during the year | 26.51 | 28.01 |
| Closing GFA | 106.29 | 188.86 |
| Normative Debt @ 70% | 18.56 | 19.61 |
| Normative Equity @ 30% | 7.95 | 8.40 |

Commission's view

The Commission observes that the Petitioner has not separately approached the Commission to obtain the **In-Principle Approval** for the Capital Expenditure proposed for FY 2026-27.

It is important to note that Regulations 29 and 30 of the GERC (MYT) Regulations, 2024, provide for admission of capital cost and capitalisation to be incurred during the Control Period, which forms the basis for determination of Tariff. Further, Regulation 29.8 of the GERC (MYT) Regulations, 2024 specifies that the Petitioner is required to obtain prior approval for schemes involving major investments as per criteria specified in the

Guidelines for approval of Capital Investment Schemes as provided in Annexure III to the said Regulations. The DPR to be submitted by the Petitioner will form the basis for approval of the CAPEX and Capitalisation during the Truing up of the respective year of the Control Period.

The Commission, in its previous Order dated 31.03.2025 in Case No. 2431 of 2024, had emphasized that the Petitioner is required to obtain prior approval for the schemes to be executed during the Control Period from FY 2025-26 to FY 2029-30. The relevant extract of the Commission's Order dated 31.03.2025 in Case No. 2431 of 2024 is reproduced as under:

“....

*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.*** (Emphasis added)

However, the Petitioner has not approached the Commission separately for approval of the DPRs for the capital expenditure proposed for FY 2026-27. Therefore, the Commission sought a roadmap for submission of DPRs for the assets to be capitalized in FY 2026-27, vide its Data Gaps Set-II dated 31.01.2026. In response, the Petitioner submitted the DPRs on 24.02.2026. However, the Commission has not dealt with the same in the Present Order.

The Commission reiterates that the Petitioner should approach the Commission separately to obtain the In-Principle Approval for the schemes proposed for during the Control Period from FY 2025-26 to FY 2029-30, in accordance with the MYT Regulations, 2024, and following the specific guidelines specified in Annexure-III of the GERC (MYT) Regulations, 2024. The Commission will consider only those schemes that have obtained In-Principle approval at the truing up of the respective years of the Control Period from FY 2025-26 to FY 2029-30.

Furthermore, the Commission observed that the Petitioner has claimed capital expenditure of Rs. 5 Crore towards 'Power Distribution Network and CSS at Various Locations', which was not envisaged for FY 2026-27 in the MYT Order dated 31.03.2025 in Case No. 2431 of 2024. Therefore, the Commission sought justification for the same. In response, the Petitioner submitted that the capex has been projected based on the construction completion timelines of the respective high-rise buildings in the licence area. The Commission has noted the submission of the Petitioner and provisionally accepts the same, as the said scheme is essential to meet the Universal Service Obligation.

Therefore, for the purpose of determination of the revised ARR and Tariff for FY 2026-27, the Commission provisionally approves the capital expenditure as proposed by the Petitioner, as shown in the Table below:

Table 5-20: Revised Scheme-wise Capital expenditure approved by Commission for FY 2026-27

(Rs. Crore)

| Sr. No. | Project | Capital expenditure for FY 2026-27 | | |
|---------|---|------------------------------------|-------------------------|------------------------|
| | | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
| 1 | Power Distribution Arrangement for Various Consumers | 1.00 | 1.00 | 1.00 |
| 2 | Procurement of Power Cables | 2.00 | 2.00 | 2.00 |
| 3 | Smart Meters and Allied Equipment Procurement | 2.50 | 2.50 | 2.50 |
| 4 | 66 KV Sub-Station Feeder Expansion | 22.51 | 22.51 | 22.51 |
| 5 | Power Distribution Network and CSS at Various Locations | - | 5.00 | 5.00 |
| | Total | 28.01 | 33.01 | 33.01 |

The Commission observes that the Petitioner has carried forward the Capitalization of Rs. 4.50 Crore towards 'Power Supply Arrangement to Block-12' and Rs. 4.50 Crore towards 'Power Supply Arrangement to Block-14' to FY 2025-26, which were originally intended to be capitalized in FY 2024-25, based on the completion timelines of the high-rise buildings in the Petitioner's licence area. The Commission has also noted that the Petitioner has shifted the power supply arrangement from B-12 to B-53 based on the completion timeline of the said building.

Accordingly, the Commission provisionally considers the revised capitalization proposed by the Petitioner for FY 2025-26 for the purpose of arriving at the opening values for FY 2026-27. However, since the Annual Performance Review (APR) for FY 2025-26 is not part of the present Order for Truing up for FY 2024-25 and Determination of Revised ARR and Tariff for FY 2026-27, the values considered in this Order for FY 2025-26 shall not form the basis for comparison at the time of truing up for FY 2025-26.

At the time of true-up for FY 2025-26, the Petitioner shall refer to the values approved by the Commission in the Order dated 31.03.2025 in Case No. 2431 of 2024.

Accordingly, the Commission has considered the approved closing GFA for FY 2024-25 of Rs. 37.92 Crore, as approved in this Order, and the net addition of assets of Rs. 28.85 Crore (Rs. 33.85 Crore less SLC amount of Rs. 5.00 Crore) for working out the closing

GFA for FY 2025-26. The closing balance of GFA for FY 2025-26 has been considered as opening balance of GFA for FY 2026-27. The asset capitalisation approved for FY 2026-27 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 revised Capitalization and funding approved by the Commission for FY 2026-27 is shown in the Table below:

**Table 5-21: Revised Capitalization and its funding approved for FY 2026-27
 (Rs. Crore)**

| Particular | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|-------------------------------|---------------------------|-------------------------|------------------------|
| Net Opening GFA | 79.78 | 160.85 | 66.77 |
| Capital Expenditure | 28.01 | 33.01 | 33.01 |
| Capitalization | 28.01 | 33.01 | 33.01 |
| Less: SLC Addition | 1.50 | 5.00 | 5.00 |
| Balance Capitalization | 26.51 | 28.01 | 28.01 |
| Net Closing GFA | 106.29 | 188.86 | 94.78 |
| Normative Debt (70%) | 18.56 | 19.61 | 19.61 |
| Normative Equity (30%) | 7.95 | 8.40 | 8.40 |

5.8. Depreciation

Petitioner's submission

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

The Petitioner has submitted the depreciation for new asset added from FY 2025-26 onwards and for old asset separately, as per Regulation 37 of the GERC (MYT) Regulations, 2024.

The Petitioner further submitted that, in accordance with the provisions of Regulation 37, it has considered depreciation on the basis of the gross fixed assets at the beginning of the financial year and the additional capitalization proposed to be capitalized during the ensuing year, as proposed under capex roll-out plan. On this basis, the average of the opening and closing values of the assets has been calculated. Depreciation for the

year has been calculated based on average asset value and the depreciation rates specified in the GERC (MYT) Regulations, 2024. The depreciation for assets created before FY 2025-26 has also been calculated in the similar manner, in accordance with the GERC (MYT) Regulations, 2016.

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) are shown in the table below:

Table 5-22: Depreciation projected by GIFT PCL for FY 2026-27

| | (Rs. Crore) | |
|--------------------------------------|--------------------|---------------------------|
| Particulars | Approved | Revised Projection |
| Old asset (created up to 31/03/2025) | 1.92 | 6.88 |
| New Asset (created after 01/04/2025) | 3.01 | 2.26 |
| Total | 4.93 | 9.14 |

Commission’s view

The Commission has considered the approved closing GFA for FY 2024-25 of Rs. 37.92 Crore, as approved in this Order, and the net addition of assets of Rs. 28.85 Crore (Rs. 33.85 Crore less SLC amount of Rs. 5.00 Crore) to work out the closing GFA for FY 2025-26. Accordingly, the closing balance of GFA of Rs. 66.77 Crore for FY 2025-26 has been considered as the opening balance of GFA for FY 2026-27. The additional capitalization for FY 2026-27 has been considered as approved by the Commission in the previous section on 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 for assets added up to 31st March 2025 at an average depreciation rate of 5.21% as claimed by GIFT PCL. For new asset additions on or after 1st April 2025, the depreciation rate has been considered as per Annexure I of the GERC (MYT) Regulations, 2024. Further, the rate of depreciation on SLC is considered as per the Petitioner’s submission, and accordingly,



the depreciation for FY 2026-27 has been computed as shown in the Table below:

**Table 5-23: Depreciation approved for FY 2026-27 on assets capitalized up to
 31.03.2025**

| (Rs. Crore) | |
|----------------------------------|-------------|
| Particulars | FY 2026-27 |
| Opening Balance GFA (Net of SLC) | 37.92 |
| Closing Balance GFA (Net of SLC) | 37.92 |
| Depreciation | 1.98 |

Depreciation approved on assets added on and after 1st April 2025 for FY 2026-27 is as under:

**Table 5-24: Depreciation approved on assets added on and after 01.04.2025 for FY
 2026-27**

| (RS. Crore) | |
|--|-------------|
| Additional Depreciation | |
| Particulars | 2026-27 |
| Opening Balance GFA (Net of SLC) | 28.85 |
| Additions During the Year (Net of SLC) | 28.01 |
| Closing Balance GFA (Net of SLC) | 56.86 |
| Depreciation During The Year | 2.26 |

Accordingly, the Commission approves the Depreciation for FY 2026-27 as shown in the Table below:

Table 5-25 Total Depreciation approved for FY 2026-27

| (Rs Crore) | | | |
|---|------------------------------|----------------------------|---------------------------|
| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
| Depreciation on assets up to 31 st March,2025 | 1.92 | 6.88 | 1.98 |
| Depreciation assets on or after 1 st April,2025 | 3.01 | 2.26 | 2.26 |
| Total Depreciation | 4.93 | 9.14 | 4.24 |

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 specified in 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 up to 31.03.2025. 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.

The closing loan of FY 2024-25 is considered as opening loan for FY 2025-26. From FY 2025-26 onwards, no loan addition is considered, as the same is covered under Return on Capital Employed (RoCE) approach. Regulation 36.1 of GERC (MYT) Regulations, 2024 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 on or before 31.03.2025.

The 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:

Table 5-26: Interest and Finance Charges projected for FY 2026-27

(Rs. Crore)

| Sr. No. | Source of Loan | Approved | Revised Projection |
|-----------|--|-------------|--------------------|
| 1. | Opening Balance of Net Normative Loan | 11.02 | 37.43 |
| 2. | Less: Reduction of Normative Loan due to retirement or replacement of assets | | |
| 3. | Addition of Normative Loan due to capitalisation during the year | | |
| 4. | Repayment of Normative loan during the year | 1.92 | 6.88 |
| 5. | Closing Balance of Net Normative Loan | 9.10 | 30.55 |
| 6. | Average Balance of Net Normative Loan | 10.06 | 33.99 |
| 7. | Weighted average Rate of Interest on actual Loans (%) | 7.25% | 7.25% |
| 8. | Interest Expenses | 0.73 | 2.46 |



Commission's view

The Commission has considered the closing balance of Normative Loan of Rs. 15.01 Crore for FY 2024-25 as approved in this Order and Nil addition of Normative Loan in FY 2025-26, and repayment of Normative Loan of Rs. 1.98 Crore to work out the closing balance of loans of Rs. 13.03 Crore for FY 2025-26. Accordingly, the closing balance of Normative Loan for FY 2025-26, thus worked out, has been considered as opening balance of Normative Loan for FY 2026-27 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 2026-27 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 2026-27 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 the weighted average rate of interest, GIFT PCL has considered the interest rate of 7.25% for FY 2026-27. As per Regulation 33.5 of GERC (MYT) Regulations, 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 2026-27, 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, 2025. Accordingly, it has considered interest rate of 7.25% for FY 2026-27. Therefore, the Commission considers rate of interest of 7.25% as proposed by the Petitioner for FY 2026-27, subject to true up.

Accordingly, the Commission approves the Interest and Finance Charges for FY 2026-27 as shown in the Table below:

**Table 5-27: Interest on Loan approved for assets capitalized up to 31.03.2025 for FY
 2026-27**

| Sr. No. | Source of Loan | Approved in the MYT Order | Claimed in the Petition | Approved in this Order (Rs. Crore) |
|------------|--|------------------------------|----------------------------|--|
| 1. | Opening Balance of Net Normative Loan | 11.02 | 37.43 | 13.03 |
| 2. | Less: Reduction of Normative Loan due to retirement or replacement of assets | - | - | - |
| 3. | Addition of Normative Loan due to capitalisation during the year | - | - | - |
| 4. | Repayment of Normative loan during the year | 1.92 | 6.88 | 1.98 |
| 5. | Closing Balance of Net Normative Loan | 9.10 | 30.55 | 11.05 |
| 6. | Average Balance of Net Normative Loan | 10.06 | 33.99 | 12.04 |
| 7. | Weighted average Rate of Interest on actual Loans (%) | 7.25% | 7.25% | 7.25% |
| 8. | Interest Expenses | 0.73 | 2.46 | 0.87 |

5.10. Interest on Security Deposit

Petitioner's submission

The 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.

The Petitioner submitted that it has considered interest on security deposit for FY 2026-27 as 20% more than the interest paid to consumers for FY 2024-25 as per the trend of increase in consumers.

Interest Expenses on security deposit projected for FY 2026-27 is shown in the Table below:

Table 5-28: Interest on Security Deposit projected by GIFT PCL for FY 2026-27

| Particulars | Approved | Revised Projection (Rs. Crore) |
|--|----------|-----------------------------------|
| Interest on Security Deposit Paid to Consumers | 0.76 | 1.01 |

Commission's view

The Commission notes that the Petitioner has claimed a security deposit amount of Rs. 24.00 Crore for FY 2026-27 in Sheet F8 of the ARR formats. The Commission has considered the amount held as security deposits of Rs. 24.00 Crore, as claimed by the Petitioner. Further, the Commission has considered the RBI Bank Rate @ 6.50% per annum for allowing interest on the security deposit.

Accordingly, the Commission approves the Interest on Security Deposit for FY 2026-27, as shown in the Table below:

Table 5-29: Interest on Security Deposit approved for FY 2026-27

(Rs. Crore)

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|--------------------------------------|---------------------------|-------------------------|------------------------|
| Amount Proposed as Security deposits | 11.27 | 24.00 | 24.00 |
| Interest | 0.76 | 1.01 | 1.56 |

5.11. Interest on Working Capital

Petitioner's submission

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

- Operation & Maintenance Expenses for one month, plus
- Maintenance spares @ one (1) per cent of the opening 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 computed in accordance with the provisions of the GERC (MYT) Regulations, 2024, as shown in the Table below:

Table 5-30: Interest on Working projected by GIFT PCL for FY 2026-27
 (Rs. Crore)

| Particulars | Approved | Revised Projection |
|-----------------------------|----------|-----------------------|
| Interest on working Capital | - | - |

The Petitioner submitted that the working capital requirement is derived as Nil, based on projected values and the security deposit amount, hence, the Petitioner has not claimed 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 components approved in the preceding sections of this Order.

The normative interest on working capital approved by the Commission for FY 2026-27 is shown in the Table below:

Table 5-31: Interest on Working Capital approved for FY 2026-27
 (Rs. Crore)

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|------------------------------------|------------------------------|----------------------------|---------------------------|
| O&M Expenses for 1 month | 0.84 | 0.71 | 0.84 |
| 1 % of GFA for Maintenance Spares | 1.00 | 1.87 | 0.85 |
| Receivables for 1 month | 5.96 | 7.13 | 6.30 |
| Working Capital Requirement | 7.81 | 9.70 | 7.99 |
| Less: Average Security Deposit | 11.27 | 24.00 | 24.00 |
| Normative Working Capital | - | - | - |
| Interest Rate (%) | - | - | - |
| Interest on Working Capital | - | - | - |

As observed from the above Table, the normative working capital requirement for FY 2026-27 works out to be Nil considering the security deposit projected to be held. Accordingly, no Interest on Working Capital has been allowed by the Commission.

5.12. Return on Equity

Petitioner’s submission

The 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.

Further, the Petitioner submitted that the RoE has been calculated on normative basis on the average of the opening and closing equity during the ensuing year at the rate of 15.50%. The opening equity is considered equivalent to the closing equity of earlier year as specified in Regulation 35 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 Return on Capital Employed (RoCE).

The Petitioner has considered Return on Equity on the amount of average equity capital on the basis of GFA capitalized up to 31.03.2025 as per GERC (MYT) Regulations, 2024. The Petitioner has considered a regulated return of 15.50%. 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 2026-27 is as under:

Table 5-32: Return on Equity projected by GIFT PCL for FY 2026-27
 (Rs. Crore)

| Particulars | Approved | Revised Projection |
|--|--------------|--------------------|
| Equity at the beginning of the year | 9.42 | 39.60 |
| Equity at the end of the year | 9.42 | 39.60 |
| Total Return on Equity @ 15.50% | 1.23* | 6.14 |

** At base rate of 13%*

Commission’s view

The Commission has considered the closing balance of Equity of Rs. 9.98 Crore for FY 2024-25, as approved in this Order, as the opening balance for FY 2025-26. The addition to Equity and reduction in equity on account of retirement or replacement of assets has been considered as Nil for FY 2025-26, as the same is covered under ROCE



computations, in accordance with the GERC (MYT) Regulations, 2024. Accordingly, the closing balance of equity for FY 2025-26 is considered as Rs. 9.98 Crore for FY 2025-26. This closing balance has been considered as the opening balance for FY 2026-27, in accordance with Regulation 32.1 of GERC (MYT) Regulations, 2024.

Further, as per Regulation 35.2 of GERC (MYT) Regulations, 2024, a Base Return on Equity of 13% p.a. is to be allowed. Regulation 35.1 of GERC (MYT) Regulations, 2024, specifies that the Additional Return on Equity shall be Trued up for the respective year based on actual performance, substantiated by documentary evidence and subject to prudence check by the Commission. Accordingly, the Base RoE of 13% has been considered for computing the RoE for FY 2026-27. The Petitioner would be entitled to Additional Return on Equity, which shall be computed at the time of true-up for FY 2026-27, subject to prudence check, in accordance with Regulations 35.11 and 35.12 of the GERC (MYT) Regulations, 2024.

As regards the new asset to be capitalised during FY 2026-27, ROCE has been calculated as per Regulation 36 of the GERC (MYT) Regulations, 2024.

Accordingly, the Commission has approved the Return on Equity for FY 2026-27 as per the provisions of the GERC (MYT) Regulations, 2024, as shown in the Table below:

Table 5-33: Return on Equity for assets capitalized up to 31st March 2025, approved for FY 2026-27

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|-------------------------------|------------------------------|----------------------------|---------------------------|
| Opening Equity | 9.42 | 39.60 | 9.98 |
| Closing Equity | 9.42 | 39.60 | 9.98 |
| Average Equity | 9.42 | 39.60 | 9.98 |
| Base Rate of ROE | 13.00% | 15.50% | 13.00% |
| Total Return on Equity | 1.23 | 6.14 | 1.30 |

(Rs. Crore)



5.13. Return on Capital Employed

Petitioner’s submission

The Petitioner has calculated the RoCE for the assets capitalized after 01.04.2025, according to the formula specified in GERC (MYT) Regulations, 2024. The Debt: Equity ratio is considered as 70:30. The 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 2026-27 is as given below:

Table 5-34 Return on Capital Employed Projected for FY 2026-27

| (Rs. Crore) | | | |
|-------------|---|-------------|--------------------|
| Sr. No. | Particulars | Approved | Revised Projection |
| 1 | RRB Opening | 42.53 | 28.09 |
| 2 | RRB Closing | 66.03 | 53.84 |
| 3 | RRB Average | 54.28 | 40.97 |
| 4 | WACC (%) | 8.98% | 9.73% |
| 5 | Total Return on Capital Employed | 4.87 | 3.98 |

Commission’s view

It is observed that as per Regulation 36 of the GERC (MYT) Regulations, 2024, for assets capitalized on or after 1st April 2025, 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 includes the Original Cost of Fixed Assets (OCFA) capitalized on or after 01st April, 2025.

Based on the Base Rate of Return on Equity of 13.00% and an Interest rate of 7.25%, the Weighted Average Cost of Capital (WACC) approved is 8.98% for FY 2026-27, which



has been applied on average RRB for the year to compute the Return on Capital Employed.

Accordingly, based on the methodology specified in the GERC (MYT) Regulations, 2024, the Commission allows the RoCE for FY 2026-27 as outlined below:

Table 5-35 Detailed Computation of Return on Capital Employed claimed by GIFT PCL for FY 2026-27

(Rs. Crore)

| Sr. No. | Particulars | GIFT PCL | | |
|---------|---|---|--------------|--------------|
| | | Legend | FY 2025-26 | FY 2026-27 |
| 1 | Original Costs of Fixed Assets (OCFA) | A | - | 28.09 |
| 2 | Accumulated Depreciation (net of assets decapitalized) | B | - | - |
| 3 | RRB Opening | C=A-B | - | 28.09 |
| 4 | Assets Capitalization during the year | D | 33.85 | 33.01 |
| 5 | Depreciation during the year (net of Assets decapitalized during the year) | E | 0.76 | 2.26 |
| 6 | Consumer Contributions, capital subsidy/grant during the year | F | 5.00 | 5.00 |
| 7 | Assets decapitalized during the year | G | - | - |
| 8 | RRB Closing | H=C+D-E-F-G | 28.09 | 53.84 |
| 9 | RRB Average | $I=(A+H)/2$ | 14.04 | 40.96 |
| 10 | Consumer Contributions, Capital Subsidy / Grants at the beginning of the year | J | - | 5.00 |
| 11 | Equity (Opening) | $K=X \times (A-J)$ | - | 6.93 |
| 12 | Equity (Addition) | $L=X \times (D-E-F-G)$ | 8.43 | 7.72 |
| 13 | Equity (Closing) | $M=K+L$ | 8.43 | 14.65 |
| 14 | Equity (Average) | $N=(K+M)/2$ | 4.21 | 10.79 |
| 15 | Debt (Opening) | $O=Y \times (A-J)$ | - | 16.16 |
| 16 | Debt (Addition) | $P= Y \times (D-E-F-G)$ | 19.66 | 18.02 |
| 17 | Debt (Closing) | $Q=O+P$ | 19.66 | 34.18 |
| 18 | Debt (Average) | $R=(O+Q)/2$ | 9.83 | 25.17 |
| 19 | Rate of Return on Equity (%) | S | 15.50% | 15.50% |
| 20 | Rate of Interest on Debt (%) | T | 7.25% | 7.25% |
| 21 | WACC (%) | $U=\{(N/(R+N)) \times S\} + \{(R/(R+N)) \times T\}$ | 9.73% | 9.73% |

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| Sr. No. | Particulars | GIFT PCL | | |
|---------|---|----------------|------------|------------|
| | | Legend | FY 2025-26 | FY 2026-27 |
| 22 | Return on Capital Employed for FY 2026-27 | $V=I \times U$ | 1.37 | 3.98 |

Where $X = 30\%$ and $Y = 70\%$

Table 5-36 Detailed Computation of Return on Capital Employed approved by the Commission for FY 2026-27

(Rs. Crore)

| Sr. No. | Particulars | Commission's Analysis | | |
|---------|--|---|--------------|--------------|
| | | Legend | FY 2025-26 | FY 2026-27 |
| 1 | Original Costs of Fixed Assets (OCFA) | A | - | 33.85 |
| 2 | Accumulated Depreciation (net of assets decapitalized) | B | - | 0.76 |
| 3 | Accumulated Consumer Contributions, Capital Subsidy / Grants for OCFA | C | - | 5.00 |
| 4 | RRB Opening | D=A-B-C | - | 28.09 |
| 5 | Assets Capitalization during the year | E | 33.85 | 33.01 |
| 6 | Depreciation during the year (net of Assets decapitalized during the year) | F | 0.76 | 2.26 |
| 7 | Consumer Contributions, capital subsidy/grant during the year | G | 5.00 | 5.00 |
| 8 | Assets decapitalized during the year | H | - | - |
| 9 | RRB Closing | I=D+E-F-G-H | 28.09 | 53.84 |
| 10 | RRB Average | $J=(D+I)/2$ | 14.04 | 40.96 |
| 11 | Equity (Opening) | $K=X \times D$ | - | 8.43 |
| 12 | Equity (Addition) | $L=X \times (E-F-G-H)$ | 8.43 | 7.72 |
| 13 | Equity (Closing) | $M=K+L$ | 8.43 | 16.15 |
| 14 | Equity (Average) | $N=(K+M)/2$ | 4.21 | 12.29 |
| 15 | Debt (Opening) | $O=Y \times D$ | - | 19.66 |
| 16 | Debt (Addition) | $P=Y \times (E-F-G-H)$ | 19.66 | 18.02 |
| 17 | Debt (Closing) | $Q=O+P$ | 19.66 | 37.68 |
| 18 | Debt (Average) | $R=(O+Q)/2$ | 9.83 | 28.67 |
| 19 | Rate of Return on Equity (%) | S | 13.00% | 13.00% |
| 20 | Rate of Interest on Debt (%) | T | 7.25% | 7.25% |
| 21 | WACC (%) | $U=\{(N/(R+N)) \times S\} + \{(R/(R+N)) \times T\}$ | 8.98% | 8.98% |



| Sr. No. | Particulars | Commission's Analysis | | |
|---------|---|-----------------------|------------|------------|
| | | Legend | FY 2025-26 | FY 2026-27 |
| 22 | Return on Capital Employed for FY 2026-27 | $V=I \times U$ | 1.26 | 3.68 |

Where $X = 30\%$ and $Y = 70\%$

Furthermore, a comparison of Return on Capital Employed approved in the MYT Order, as claimed by the Petitioner in the present Petition, and as approved in the Present Order is shown in the Table below:

Table 5-37 Comparison of Return on Capital Employed approved for FY 2026-27 in the MYT Order Vs. Claimed by GIFT PCL in Present Petition Vs. Approved in the Present Order

| Particulars | (Rs Crore) | | |
|---|---------------------------|-------------------------|------------------------|
| | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
| RRB Opening | 42.53 | 28.09 | 28.09 |
| RRB Closing | 66.03 | 53.84 | 53.84 |
| RRB Average | 54.28 | 40.97 | 40.96 |
| WACC (%) | 8.98% | 9.73% | 8.98% |
| Total Return on Capital Employed | 4.87 | 3.98 | 3.68 |

5.14. Income Tax

Petitioner's submission

The Petitioner has submitted that it has not considered any income tax for FY 2026-27. 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.

Commission's view

For FY 2026-27, no Income Tax liability has been considered separately, as the ROCE is required to be grossed up by the effective Income Tax rate at the time of true-up, and Income Tax is not to be allowed separately as a pass through expense in the ARR, except under certain circumstances, in accordance with Regulation 39 of the GERC (MYT) Regulations, 2024.

5.15. Contingency Reserve

Petitioner’s submission

The Petitioner has submitted that it has considered 0.5% of opening GFA, as contribution to contingency reserves for FY 2026-27. The Petitioner has requested to approve the projected contingency reserves as under:

Table 5-38: Contribution to Contingency Reserve projected by GIFT PCL for FY 2026-27 (Rs. Crore)

| Particulars | Approved | Revised Projection |
|--------------------------------------|----------|--------------------|
| Contribution to Contingency Reserves | 0.50 | 0.93 |

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 computation of contribution to the contingency reserves as under:

Table 5-39: Contribution to Contingency Reserve approved for FY 2026-27

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|--------------------------------------|---------------------------|-------------------------|------------------------|
| Contribution to Contingency Reserves | 0.50 | 0.93 | 0.42 |

5.16. Non-Tariff income

Petitioner’s submission

The 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.

The Petitioner has submitted that, considering the past trends, it has proposed the Non-Tariff Income for FY 2026-27 to be the same as the actual value reported in FY 2024-25 Audited Accounts.

Table 5-40: Non-tariff Income projected by GIFT PCL for FY 2026-27

| Particulars | (Rs. Crore) | |
|-------------------|-------------|--------------------|
| | Approved | Revised Projection |
| Non-Tariff Income | 1.93 | 2.00 |

Commission’s view

The Commission accepts the Petitioner’s contention and approves the Non-tariff Income for FY 2026-27, at the same levels as approved for FY 2024-25, as shown in the Table below:

Table 5-41: Non-tariff Income approved for 2026-27

| Particulars | (Rs. Crore) | | |
|-------------------|---------------------------|-------------------------|------------------------|
| | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
| Non-Tariff Income | 1.93 | 2.00 | 2.03 |

5.17. 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 the GERC (MYT) Regulations, 2024 as stated below:

For 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.”

For 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 2024-25, under true-up, the Petitioner has proposed the same value of Rs. 0.35 Crore for FY 2026-27. The Petitioner submitted that the same may be trued-up in future based on actual values reflected in respective year audited accounts.

**Table 5-42 Income from Other Business projected by GIFT PCL for FY 2026-27
(Rs Crore)**

| Particulars | Approved | Revised Projection |
|----------------------------|----------|--------------------|
| Income from Other Business | 0.14 | 0.35 |

Commission's view

The Commission has approved the Income from Other Business of Rs. 0.35 Crore for FY 2026-27, same as the amount claimed by the Petitioner as shown in the Table below:

**Table 5-43 Income from Other Business approved for FY 2026-27
 (Rs Crore)**

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|----------------------------|------------------------------|----------------------------|---------------------------|
| Income From Other Business | 0.14 | 0.35 | 0.35 |

5.18. Revised ARR for FY 2026-27

Petitioner's submission

The Petitioner has submitted the revised projected ARR for FY 2026-27 based on the element-wise submission, as given in the Table below:

**Table 5-44: Revised ARR claimed by GIFT PCL for FY 2026-27
 (Rs. Crore)**

| Particulars | Approved by the Commission in MYT Order | Revised Projection by Petitioner |
|--|--|-------------------------------------|
| Power Purchase Expenses | 50.43 | 57.10 |
| Operation & Maintenance Expenses | 10.14 | 8.48 |
| Depreciation | 4.93 | 9.14 |
| Interest and Finance Charges | 0.73 | 2.46 |
| Interest on Working Capital | - | - |
| Interest on Security Deposits | 0.76 | 1.01 |
| Bad Debts written off | - | - |
| Contribution to contingency reserves | 0.50 | 0.93 |
| Total Revenue Expenditure | 67.49 | 79.13 |
| Return on Equity Capital | 1.23 | 6.14 |
| Return on Capital Employed | 4.87 | 3.98 |
| Income Tax | | |
| Aggregate Revenue Requirement | 73.59 | 89.25 |
| Less: Non-Tariff Income | 1.93 | 2.00 |
| Less: Income from Other Business | 0.14 | 0.35 |
| Net Aggregate Revenue Requirement | 71.52 | 86.90 |

Commission's view

Considering the foregoing analysis, the Commission approves the revised ARR for FY 2026-27 as shown in the Table below:

Table 5-45: Revised ARR approved for FY 2026-27

(Rs. Crore)

| Particulars | Approved in the MYT Order | Claimed in the Petition | Approved in this Order |
|--|------------------------------|----------------------------|---------------------------|
| Power Purchase Expenses | 50.43 | 57.10 | 55.77 |
| Operation & Maintenance Expenses | 10.14 | 8.48 | 10.14 |
| Depreciation | 4.93 | 9.14 | 4.24 |
| Interest and Finance Charges | 0.73 | 2.46 | 0.87 |
| Interest on Working Capital | - | - | - |
| Interest on Security Deposits | 0.76 | 1.01 | 1.56 |
| Contribution to Contingency Reserves | 0.50 | 0.93 | 0.42 |
| Total Revenue Expenditure | 67.49 | 79.13 | 73.00 |
| Return on Equity Capital | 1.23 | 6.14 | 1.30 |
| Return on Capital Employed | 4.87 | 3.98 | 3.68 |
| Aggregate Revenue Requirement | 73.59 | 89.25 | 77.97 |
| Less: Non-Tariff Income | 1.93 | 2.00 | 2.03 |
| Less: Income from Other Business | 0.14 | 0.35 | 0.35 |
| Net Aggregate Revenue Requirement | 71.52 | 86.90 | 75.59 |

Therefore, the Commission approves the Revised ARR of Rs. 75.59 Crore for FY 2026-27.

6. Determination of Tariff for FY 2026-27

6.1. Introduction

This Chapter deals with the determination of Revenue Gap/(Surplus), as well as Consumer/Retail tariff for FY 2026-27.

The Commission has considered the ARR for FY 2026-27 approved in the previous Chapter and the adjustment on account of True-up of FY 2024-25, while determining the Revenue Gap/(Surplus) for FY 2026-27.

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

Petitioner's submission

GIFT PCL has estimated the revenue from sale of energy as Rs. 85.61 Crore for total estimated energy sale of FY 2026-27 and the ARR for FY 2026-27 as Rs. 86.90 Crore 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 licence.
- 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 licence area in the State as the majority of consumers in the licence area are either commercial or service providers and their requirement of energy is different and distinct in comparison to the consumers of other licence 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) 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.

Thus, the projected Revenue Gap for FY 2026-27 is given in the Table below:

Table 6-1: Revenue Surplus/(Gap) with existing tariff for FY 2026-27

(Rs. Crore)

| Sr. No. | Particulars | GIFT PCL Petition |
|---------|---|-------------------|
| 1 | ARR for FY 2026-27 [a] | 86.90 |
| 2 | Revenue from Existing tariff for FY 2026-27 [b] | 85.61 |
| 3 | Revenue Surplus/ (Gap) in FY 2026-27 [c=(b-a)] | (1.29) |

Commission's view

The Commission has considered the ARR approved for FY 2026-27 as discussed in previous Chapter. The Commission has computed the Revenue for FY 2026-27 from projected category-wise sales with existing tariff. The Commission observed that GIFT PCL has considered a Base FPPAS (Fuel and Power Purchase Adjustment Surcharge) of Rs. 2.30/kWh for computing the Revenue from Sales for FY 2026-27. However, the Commission has considered the Base FPPAS of Rs. 2.45/kWh for the computation of revenue at existing tariff 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 2026-27 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 2026-27.

Accordingly, the Commission has computed the Revenue Surplus/(Gap) for FY 2026-27 as given in the table below:

Table 6-2: Approved Consolidated Revenue Surplus/(Gap) for FY 2026-27
(Rs. Crore)

| Particulars | Amount |
|--|--------------|
| ARR for FY 2026-27 [a] | 75.59 |
| Revenue from Existing Tariff for FY 2026-27 [b] | 86.64 |
| Revenue Surplus/(Gap) for FY 2026-27 [c={b-a}] | 11.05 |
| Add: Consolidated Revenue Surplus/(Gap) for FY 2024-25 (d) | 5.39 |
| Add: Holding/(Carrying) Cost on Consolidated Revenue Surplus/(Gap) for FY 2024-25 at weighted average SBI Bank Rate of 8.88% for two years (e) = [(d)*8.88%*2] | 0.96 |
| Add: Holding/(Carrying) Cost on consolidated Surplus/(Gap) for FY 2022-23 (as approved in Order dated 01.06.2024) (f) | (0.17) |
| Revenue Surplus/(Gap) (g) = (c)+(d)+(e)+(f) | 17.23 |

Accordingly, the Commission has arrived at the estimated Surplus amounting to Rs. 17.23 Crore as against Gap of Rs. 7.62 Crore (Rs. 5.38 Crore Gap for FY 2024-25 + Carrying cost on Consolidated Revenue Gap for FY 2024-25 amounting to Rs. 0.95 Crore plus Rs. 1.29 Crore standalone gap for FY 2026-27) as projected by the Petitioner for FY 2026-27.

7. Fuel and Power Purchase Adjustment Surcharge (FPPAS)

7.1. Fuel and Power Purchase Price Adjustment

Petitioner's submission

GIFT PCL submitted that the Commission has specified the formula for FPPAS charges under Regulation 115 of the GERC MYT Regulations, 2024. The Petitioner requested the Commission to allow it to charge the FPPAS from consumers in line with FPPAS approved for UGVCL from time to time.

Further, the Petitioner requested the Commission to permit it to claim the same revision in FPPAS, as approved by Commission on quarterly/monthly basis for GUVNL/UGVCL.

Commission's views

The FPPAS approved by the Commission for UGVCL from time to time during FY 2026-27 shall also be applicable for GIFT PCL.

Further, the information regarding FPPAS recovery and the applicable FPPAS charges shall be displayed on the website of GIFT PCL.

8. Wheeling Charges and Cross Subsidy Surcharge

8.1. ARR for Wheeling Charges

Regulation 3.2 provides that the Commission shall determine separate ARR for wires and retail business. 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 complete accounting separation has not been done between the Wheeling Business and Retail Supply Business.

Petitioner's submission

The Petitioner has allocated the total ARR to wires business and retail supply business based on the Allocation Matrix specified by the Commission for segregation of Expenses between Distribution Wires Business and Retail Supply Business in Regulation 94 of the GERC (MYT) Regulations, 2024. The allocation of the ARR into wheeling and retail supply of electricity for FY 2026-27 is given below:

Table 8-1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner for FY 2026-27

(Rs. Crore)

| Particulars | Total ARR | Wheeling | Retail |
|---|--------------|--------------|--------------|
| Power Purchase Expenses | 57.10 | 0.00 | 57.10 |
| Employee | 4.21 | 2.53 | 1.69 |
| A&G | 2.05 | 1.03 | 1.03 |
| R&M | 2.21 | 1.99 | 0.22 |
| Depreciation | 9.14 | 8.23 | 0.91 |
| Interest and Finance Charges | 2.46 | 2.22 | 0.25 |
| Interest on Working Capital (includes interest on consumer security deposits) | 1.01 | 0.10 | 0.91 |
| Bad Debts written off | 0.00 | 0.00 | 0.00 |
| Contribution to contingency reserves | 0.93 | 0.93 | 0.00 |
| Return on Equity Capital | 6.14 | 5.52 | 0.61 |
| Return on Capital Employed | 3.98 | 3.59 | 0.40 |
| Less: Non-Tariff Income | 2.00 | 0.20 | 1.80 |
| Less: Income from Other Business | 0.35 | 0.00 | 0.35 |
| Net Aggregate Revenue Requirement | 86.90 | 25.94 | 60.96 |

The above segregated ARR has been considered to determine the wheeling charges for FY 2026-27.

Commission's View

The Commission, in order to compute the Wheeling Charges, has considered the Allocation Matrix between the Wheeling and Retail Supply Business as specified in Regulation 94.1 of the GERC (MYT) Regulations, 2024.

As per Regulation 94.1 of the GERC (MYT) Regulations, 2024, the ARR 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 ARR for Wires and Supply business.

However, for the purpose of tariff determination for FY 2026-27, the Commission has considered the Allocation Matrix as specified in the GERC (MYT) Regulations, 2024 and has approved the ARR for Wires and Retail Supply Business for FY 2026-27 is shown in the Table below:

Table 8-2: Allocation of ARR between Wheeling and Retail Supply as approved for GIFT PCL for FY 2026-27

| Particulars | (Rs. Crore) | | |
|-------------------------------------|---------------|---------------|-------|
| | Wire Business | Retail Supply | Total |
| Power Purchase Expenses | - | 55.77 | 55.77 |
| Employee Expenses | 1.30 | 0.87 | 2.16 |
| Administrative & General Expenses | 0.69 | 0.69 | 1.38 |
| Repairs & Maintenance Expenses | 5.93 | 0.66 | 6.59 |
| Depreciation | 3.82 | 0.42 | 4.24 |
| Interest on long term loans | 0.79 | 0.09 | 0.87 |
| Interest on WC and Security Deposit | 0.16 | 1.40 | 1.56 |
| Bad Debts Written off | - | - | - |
| Contribution to Contingency Reserve | 0.42 | - | 0.42 |



| Particulars | Wire Business | Retail Supply | Total |
|--|---------------|---------------|--------------|
| Total Revenue Expenditure | 13.10 | 59.90 | 73.00 |
| Return on Equity | 1.17 | 0.13 | 1.30 |
| Return on Capital Employed | 3.31 | 0.37 | 3.68 |
| Aggregate Revenue Requirement | 17.58 | 60.40 | 77.97 |
| Non-Tariff Income | 0.20 | 1.83 | 2.03 |
| Income from Other Business | - | 0.35 | 0.35 |
| Net Aggregate Revenue Requirement | 17.37 | 58.22 | 75.59 |

The above allocation of ARR has been used for determination of Wheeling Charges for FY 2026-27.

8.2. 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 (MYT) 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 cost recovery at lower voltages.

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

- a) Apportioning the ARR of wheeling business to HT and LT voltage level;
- b) Apportioning the ARR of the HT voltage level again between HT and 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 at the 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 and 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 8-3: Wheeling Charges proposed by GIFT PCL for FY 2026-27

| Particular | Wheeling Charge |
|---|-----------------|
| First Level Segregation of ARR (Rs. in Crore) | |
| HT Voltage Level | 24.51 |
| LT Voltage Level | 1.43 |
| Total ARR | 25.94 |
| Second Level Segregation of ARR (Rs. in Crore) | |
| HT Voltage Level | 14.22 |
| LT Voltage Level | 11.72 |
| Total ARR | 25.94 |
| Wheeling Charges in (Rs/kWh) | |
| HT Voltage Level | 2.68 |
| LT Voltage Level | 5.29 |

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

Commission's view

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 and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level.

Accordingly, the wheeling charge is determined as shown below:

Table 8-4: Wheeling Charges as approved for GIFT PCL for FY 2026-27

| Particular | Wheeling Charge |
|---|-----------------|
| First Level Segregation of ARR (Rs. in Crore) | |
| HT Voltage Level | 16.42 |
| LT Voltage Level | 0.96 |
| Total ARR | 17.37 |
| Second Level Segregation of ARR (Rs. in Crore) | |
| HT Voltage Level | 9.52 |
| LT Voltage Level | 7.85 |
| Total ARR | 17.37 |
| Wheeling Charges in (Rs/kWh) | |
| HT Voltage Level | 1.32 |
| LT Voltage Level | 2.97 |

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 approved above.

8.3. 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 surcharge based on the above formula is worked out as shown in the Table below:

Table 8-5: Cross Subsidy Surcharge as proposed by GIFT PCL for FY 2026-27

| Particulars | Claimed |
|--|-----------------|
| T- Tariff for HT category (Rs/kWh) | 8.05 |
| C - Wt. Avg. Power Purchase Cost (Rs/kWh) | 5.65 |
| D - Wheeling Charges (Rs / kWh) | 2.68 |
| L - Aggregate T&D Loss (%) | 2.60% |
| R - Per unit cost of carrying regulatory assets (Rs/kWh) | - |
| 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

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

$$S = T - [C / (1 - L/100) + D + R] \text{ Where,}$$

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 8.05/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 8-6: Cross Subsidy Surcharge as approved for GIFT PCL for FY 2026-27

| Particulars | Approved |
|--|-------------|
| T- Tariff for HT category (Rs/kWh) | 8.35 |
| C - Wt. Avg. Power Purchase Cost (Rs/kWh) | 5.52 |
| D - Wheeling Charges (Rs/kWh) | 1.32 |
| L - Aggregate T&D Loss (%) | 2.60% |
| R - Per unit cost of carrying regulatory assets (Rs/kWh) | - |
| S - Cross Subsidy Surcharge (Rs/kWh) | 1.36 |

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

$$S = 8.35 - [5.52 / (1 - 2.60/100) + 1.32 + 0.00]$$
$$= 1.36 \text{ Rs/kWh}$$

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. 1.54/kWh

Accordingly, the Commission approves the Cross Subsidy Surcharge at Rs. 1.36/kWh for FY 2026-27.

9. Compliance of Directives

9.1. Earlier Directives

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

Compliance:

The Petitioner submitted that the ESG disclosure will be submitted next year along with the Annual Tariff Petition.

Commission's Comments

The Commission has noted the Petitioner's submission in this regard. The Petitioner is directed to complete the ESG disclosure and mandatorily submit the same as part of its Tariff Petition for the ensuing year.

9.2. Fresh Directives

1. The Commission directs the Petitioner to be diligent and ensure that RE power is procured to meet its RPO requirement at a competitive rate. Further, the Commission directs the Petitioner to take necessary steps to take advantage of new facilities/ services/ products available in the Power Market to optimize its power purchase cost.
2. GIFT PCL is directed to submit segregated Accounts for its Distribution Business, Back-up Power Business and Generation Business while filing the truing up Petition 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, and the GERC (MYT) Regulations, 2024 notified by the Commission.

Section 61 of the Electricity Act, 2003 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 2026-27

The Petitioner has proposed that the Tariff schedule for the different categories of consumers may be as per the existing Tariff Schedule of Uttar Gujarat Vij Company Ltd (UGVCL). The Petitioner submitted that it was allowed to follow the UGVCL's tariff schedule in previous Tariff Orders as ceiling Tariff. The Petitioner has requested that the same approach may be continued for FY 2026-27. Further, in case the Commission makes any changes to the Tariff Schedule of UGVCL, the same may be made applicable to the Petitioner.

Additionally, in order to recover the past losses, the Petitioner has requested The Commission to introduce the appropriate regulatory charges. The Petitioner submitted that the uncovered Revenue Gap (cumulative for past years) may be recognized as a regulatory asset after considering the regulatory gap that could be partially recovered through regulatory charges during FY 2026-27. The Petitioner further requested the Commission to approve the above proposal, stating that in the absence of such approval it would not be able to recover its legitimate dues and may face great financial difficulties.

The Petitioner submitted that accumulated Gap is creating a financial burden and that there is no appropriate mechanism available to amortize such Gap. Therefore, the Petitioner prayed that the Commission may devise a suitable mechanism to amortize the said Gap. The Petitioner also submitted that various State Electricity Regulatory Commissions (SERCs) have adopted measures such as Tariff adjustments and the imposition of Regulatory Surcharge, etc., to amortize regulatory assets. Accordingly, the Petitioner requested the Commission to approve a suitable mechanism in the Tariff Order for FY 2026-27, to amortize the regulatory assets.

The Petitioner has also requested the Commission to allow the same tariff for the Petitioner as that approved for UGVCL for FY 2026-27.

10.3. Commission's Analysis

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

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

“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 believes 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.

The Commission further notes that GIFT PCL is currently in the process of creating its distribution network; however, the load growth in its licence area is not as expected. The cost and ARR associated with the development of this infrastructure may be recovered in the future once a sufficient level of network utilization is achieved. Until such time, the Commission considers it appropriate to continue with tariff rates at par with incumbent Distribution Licensee, i.e., UGVCL. The resultant surplus for FY 2026-27 shall be considered appropriately at the time of true-up for FY 2026-27.

Accordingly, the Commission decides that the tariff approved for UGVCL for FY 2026-27 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 2026-27, as shown in the Table below:

ARR Approved by the Commission for FY 2026-27

| Particulars | (Rs. Crore) FY 2026-27 |
|--|---------------------------|
| Power Purchase Expenses | 55.77 |
| Operation & Maintenance Expenses | 10.14 |
| Depreciation | 4.24 |
| Interest and Finance Charges | 0.87 |
| Interest on Working Capital | - |
| Interest on Security Deposits | 1.56 |
| Contingency Reserves | 0.42 |
| Total Revenue Expenditure | 73.00 |
| Return on Equity Capital | 1.30 |
| Return on Capital Employed | 3.68 |
| Aggregate Revenue Requirement | 77.97 |
| Less: Non-Tariff Income | 2.03 |
| Less: Income from Other Business | 0.35 |
| Net Aggregate Revenue Requirement | 75.59 |

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, 2026.

The rate shall be applicable for the electricity consumption from 1st April, 2026 onwards.

| | | |
|--|--|--|
| <p style="text-align: center;">-Sd- _____ Jatin N. Thakkar Member</p> | <p style="text-align: center;">-Sd- _____ Hiren Shah Member</p> | <p style="text-align: center;">-Sd- _____ Pankaj Joshi Chairman</p> |
|--|--|--|

Place: Gandhinagar

Date: 25/03/2026



TARIFF SCHEDULE FOR FY 2026-27

TARIFF SCHEDULE

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

Effective from 1st April, 2026

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. The Time of Use (ToU) Charges stipulated in the Tariff Schedule shall be levied only if meter with ToD recording facility is provided at consumer's installation.
16. 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.

17. 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.

18. Green Power Tariff

- Green Power Tariff of Rs. 0.75 / 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

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGE

The following tariffs are available for supply at low and medium voltage for contract demand up to 150 kVA.

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 | 296 Paise per Unit |
| (b) | Next 50 Units | 350 Paise per Unit | 340 Paise per Unit |

| | | Post-Paid Energy Charge | Pre-paid Energy Charge |
|-----|-----------------|--------------------------------|-------------------------------|
| (c) | Next 150 Units | 415 Paise per Unit | 403 Paise per Unit |
| (d) | Above 250 Units | 520 Paise per Unit | 504 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 | 146 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 1100 Hrs to 1700 Hrs for the Consumers with Smart 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 | 257 Paise per Unit |
| (b) | Next 50 Units | 310 Paise per Unit | 301 Paise per Unit |
| (c) | Next 150 units | 375 Paise per Unit | 364 Paise per Unit |
| (d) | Above 250 units | 490 Paise per Unit | 475 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 | 146 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 1100 Hrs to 1700 Hrs for the Consumers with Smart 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 | 378 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 1100 Hrs to 1700 Hrs for the Consumers with Smart 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 | 422 Paise per Unit |
| (b) | For installation having contracted load exceeding 10 kW: for entire consumption during the month | 465 Paise per Unit | 451 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. 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 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 1100 Hrs to 1700 Hrs for the Consumers having contract demand up to and including 10

kW with Smart Meter and for the Consumers having contract demand above 10 kW with meters having ToD recording facility / Smart 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 | 446 Paise per Unit |

PLUS

5.3. TIME OF USE CHARGES:

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

PLUS

5.4. REACTIVE ENERGY CHARGES:

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

5.5. TIME OF USE DISCOUNT

Concession of 60 Paise per Unit shall be applicable for the consumption of energy during 1100 Hrs to 1700 Hrs for Consumers with meters having ToD recording facility / Smart 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 180 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 | 417 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 | 398 Paise per Unit |

7.3. Type III - Water Works and sewerage pumps operated by Municipalities, Nagarpalikas, Gram Panchayats and 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 | 310 Paise per Unit |

7.4. TIME OF USE DISCOUNT:

Applicable to all the water works Consumers with meters having ToD recording facility / Smart Meter.

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

8. RATE: AG

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

8.1. The rates for following group are as under:

8.1.1. HP BASED TARIFF

| | |
|----------------------------|--------------------------|
| For entire contracted load | Rs. 200 per HP per month |
|----------------------------|--------------------------|

ALTERNATIVELY

8.1.2. METERED TARIFF

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

8.1.3. TATKAL SCHEME

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

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

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

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

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

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

9. RATE: TMP

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

9.1. FIXED CHARGE

| | |
|-------------------------------|-----------------------|
| Fixed Charge per Installation | Rs. 15 per kW per Day |
|-------------------------------|-----------------------|

9.2. ENERGY CHARGE

| | |
|----------------|--------------------|
| A flat rate of | 465 Paise per Unit |
|----------------|--------------------|

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

10. RATE: LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, RGP (RURAL), GLP, 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 | 398 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. 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 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 1100 Hrs to 1700 Hrs for the Consumers having contract demand up to and including 10 kW with Smart Meter and for the Consumers having contract demand above 10 kW with meters having ToD recording facility / Smart 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 contract demand not less than 100 kVA.

11. RATE: HTP-1

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

11.1. DEMAND CHARGES:

11.1.1. For billing demand up to contract demand

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

11.1.2. For billing Demand in Excess of Contract Demand

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

PLUS

11.2. ENERGY CHARGES

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

PLUS

11.3. TIME OF USE CHARGES

| | | |
|---|----------------------------------|-------------------|
| For energy consumption during the two peak periods, viz. 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs. | | |
| (a) | For Billing Demand up to 500 kVA | 45 Paise per unit |
| (b) | For billing demand above 500 kVA | 85 Paise per Unit |

11.4. BILLING DEMAND

The billing demand shall be the highest of the following:

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

11.5. MINIMUM BILLS:

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

11.6. POWER FACTOR ADJUSTMENT CHARGES:

11.6.1. Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, will be charged.

11.6.2. Power Factor Rebate

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

11.7. MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in kW/kVA directly, have been provided.

11.8. CONTRACT DEMAND:

The contract demand shall mean the maximum kW/kVA for the supply, of which the supplier undertakes to provide facilities from time to time.

11.9. REBATE FOR SUPPLY AT 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 1100 Hrs to 1700 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

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 Gujarat Water Supply & Sewerage Board and 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 |

| | | |
|---|---|----------------------|
| <p>12.4. Billing Demand</p> <p>12.5. Minimum Bill</p> <p>12.6. Maximum demand and its measurement</p> <p>12.7. Contract Demand</p> <p>12.8. Rebate for supply at HV and EHV</p> <p>12.9. Time of Use Discount</p> | } | 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 |
|--|-------------------|

13.4. Billing Demand

13.5. Minimum bill

13.6. Maximum demand and its measurement

13.7. Contract Demand

13.8. Rebate for supply at HV and EHV



Same as HTP-I Tariff

13.9. POWER FACTOR ADJUSTMENT CHARGES

13.9.1. Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.9.2. Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95%



power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14. RATE: HTP-IV

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

14.1. DEMAND CHARGES:

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

PLUS

14.2. ENERGY CHARGES:

| | |
|---|--------------------|
| For all units consumed during the month | 225 Paise 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. 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 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 1100 Hrs to 1700 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