

GUJARAT ELECTRICITY REGULATORY COMMISSION



Tariff Order

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

For

**Torrent Power Limited – Distribution
Ahmedabad**

**Case No. 2585 of 2025
25th March, 2026**

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

Case No. 2585 of 2025

Date of Order: 25.03.2026

CORAM

Pankaj Joshi, Chairman
Hiren N. Shah, Member
Jatin N. Thakkar, Member

ORDER



1 Background and Brief History

1.1 Background

Torrent Power Limited (hereinafter referred to as TPL or the Petitioner) has filed the present Petition under Section 62 of the Electricity Act' 2003, read in conjunction with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 and Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2024 for Truing up of FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination of Tariff for its distribution business in Ahmedabad and Gandhinagar for FY 2026-27.

The Gujarat Electricity Regulatory Commission (hereinafter referred as “the Commission”) notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 which is applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. The Regulations 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up and ARR for control period i.e., 29th March 2016 to 31st March 2021 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time. As stated above, the GERC (MYT) Regulations, 2016 notified on 29th March, 2016 were in force till 31st March, 2021. The Commission vide various Suo-Motu Orders extended the applicability of MYT Regulations, 2016 up to FY 2024-25.

The Commission vide its Order dated 01st June 2024 in Case No. 2323 of 2024, determined the ARR and tariff of FY 2024-25. The Commission subsequently notified the GERC (MYT) Regulations, 2024 on 06th August 2024, effective till 31st March 2030 and applicable for determination of tariff in all cases covered under the

Regulations from 1st April, 2025 onwards. The Regulation 16.3.7 of the GERC (MYT) Regulations, 2024 provides for submission of detailed application comprising of Truing up of previous year and determination of Revised ARR for ensuing year and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2024.

The Petitioner has filed the present Petition in the matter of Truing-up of FY 2024-25 based on GERC (MYT) Regulations, 2016 and Approval of Revised ARR of FY 2026-27 and Determination of Tariff for FY 2026-27 in accordance with the GERC (MYT) Regulations, 2024 on 29th November, 2025.

The Petition was registered on 10th December 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.

1.2 Torrent Power Limited (TPL)

It is submitted that Torrent Power Limited (TPL) is a Company incorporated under the Companies Act, 1956 and carrying on the business of Generation and Distribution of Electricity in the cities of Ahmedabad, Gandhinagar and Surat. The present Petition has been filed by TPL Distribution (Ahmedabad) for its distribution licence business in Ahmedabad and Gandhinagar (TPL-D (A)) licensee areas.

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

MW from UNOSUGEN are allocated to TPL-D for Ahmedabad, Gandhinagar and Surat Licence Area.

1.3 Commission’s MYT Order for FY 2025-26 to FY 2029-30

Previously, the Petitioner filed Petition for Truing up of FY 2023-24, approval of ARR of MYT Control Period from FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26 on 30th November, 2024. The Petition was registered on 16th December, 2024 as Case No. 2426 of 2024. The Commission vide Order dated 29th March, 2025 approved truing-up of FY 2023-24 and Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30 and Determination of Tariff for FY 2025-26.

1.4 Background of the Present Petition

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

Thereafter, vide orders dated 24/09/2021, 20/10/2022 and 05/12/2023 in Suo Moto Petitions Nos. 1995/2021, 2140/2022 and 2264/2023 respectively, the Commission has extended the applicability of the MYT Regulations, 2016 up to FY 2024-25.

Further, the Regulation 16.3.7 of the GERC (MYT) Regulations, 2024 provides for Truing up of FY 2024-25 as per the principles and methodology specified in the MYT Regulations, 2016 and approval of revised ARR for FY 2026-27 and determination of Tariff for FY 2026-27 based on the principles and methodology specified in the GERC (MYT) Regulations, 2024.

1.5 Registration of the present Petition and the Public Hearing Process

The Petitioner submitted the present Petition for Truing up of FY 2024-25 and Approval of Revised ARR for FY 2026-27 and determination of tariff for FY 2026-27 on 29th November, 2025. The Petition was registered on 10th December, 2025 as Case No. 2585 of 2025 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016 and under Regulation 25.1 of the GERC (MYT) Regulations, 2024, the Commission has proceeded with this tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, TPL-D (A) was directed to publish its application in the newspapers to ensure public participation.

The Public Notice, inviting objections / suggestions from the stakeholders on the Truing up of FY 2024-25 and approval of revised ARR and tariff determination for FY 2026-27 filed by TPL-D(A), was published in the following newspapers:

Table 1-1 List of News Papers (Petitioner)

S. No.	Name of Newspaper	Language	Date of Publication
1	The Times of India (Ahmedabad Edition)	English	17/12/2025
2	Gujarat Samachar (Ahmedabad Edition)	Gujarati	17/12/2025
3	Sandesh (Ahmedabad Edition)	Gujarati	17/12/2025

The Petitioner also placed the public notice and the Petition on its website (www.torrentpower.com) for inviting objections and suggestions on the petition. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition on or before 16th January, 2026.

The Commission also placed the Petition on its website (www.gercin.org) for information and study for all the stakeholders.

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

Table 1-2 List of Newspapers (Commission)

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	12/02/2026
2	Divya Bhaskar	Gujarati	12/02/2026
3	Sandesh	Gujarati	12/02/2026

The Commission received objection / suggestion from the consumer / consumer organization as shown in Table below. The Commission examined the objection / suggestion received from the stakeholders and fixed the date for public hearing for the Petition on 24th February, 2026 at 11:30 A.M at the office of the Commission.

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

Table 1-3 List of Stakeholders

S. No.	Name of Stakeholders	Written Submission	Oral Submission	Presence in Public Hearing
1	Gujarat Krushi Vij Grahak Surakhsya Sangh	YES	NO	NO

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

1.6 Approach of this Order

TPL-D(A) has approached the Commission with the present Petition for “Truing up” of FY 2024-25, approval of revised ARR of FY 2026-27 and determination of Tariff for FY 2026-27.

The Commission has undertaken the “Truing up” for FY 2024-25, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2024-25 in accordance with MYT Regulations, 2016 and based on the annual accounts and final ARR for FY 2024-25 approved vide Tariff

Order dated 1st June, 2024 in Case No. 2323/2024.

While Truing up of FY 2024-25, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved under the Tariff Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for the FY 2024-25 has been considered and carried out in accordance with the principles and methodologies laid down in the GERC (MYT) Regulations, 2016.

Approval of revised ARR for FY 2026-27 and determination Tariff for FY 2026-27 has been considered as per the methodology and principles adopted in the GERC (MYT) Regulations, 2024.

1.7 Contents of this Order

The Order is divided into nine chapters as detailed under;

1. The first chapter provides a brief background regarding the Petitioner, the Petition on hand and details of the public hearing process and approach adopted in this Order.
2. The second chapter outlines the summary of TPL's Petition.
3. The third chapter deals with the objections raised by various stakeholders, TPL's response and Commission's views on the response.
4. The fourth chapter focuses on the details of Truing up for FY 2024-25.
5. The fifth chapter deals with the approval of revised ARR for FY 2026-27.

6. The sixth chapter deals with compliance of directives and issue of fresh directives.
7. The seventh chapter deals with Fuel and Power Purchase Adjustment Surcharge.
8. The eighth chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
9. The ninth chapter deals with tariff philosophy and tariff proposals.



2 Summary of TPL-D (Ahmedabad)'s Petition

2.1 Introduction

2.1.1 TPL-D (A) has submitted the present Petition seeking for Truing up of ARR for FY 2024-25 in accordance with the GERC (MYT) Regulations, 2016 and based on the audited accounts for FY 2024-25. The Petitioner has also submitted the tariff proposal for FY 2026-27, based on the cumulative revenue gap of FY 2026-27 and sought approval of Revised ARR and determination of Tariff of FY 2026-27.

2.2 Actual for FY 2024-25 submitted by TPL-D (A)

2.2.1 TPL-D (A) has submitted the present Petition seeking approval for True-Up for ARR of FY 2024-25 and item wise Gain/Loss computations. The details of expenses under various heads of ARR are given in Table below:

Table 2-1 Actual claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual claimed in Petition	Deviation	Gain / (Loss) due to Controllable factors	Gain / (Loss) due to uncontrollable factors
Power Purchase	5,452.57	6,518.77	(1,066.20)	28.21	(1,094.41)
O&M expenses	429.23	419.16	10.07	10.07	-
Depreciation	374.09	391.49	(17.40)	-	(17.40)
Interest on loans	205.63	269.74	(64.11)	-	(64.11)
Interest on SD	86.19	85.75	0.44	-	0.44
Interest on working capital	-	-	-	-	-
RoE	418.05	429.28	(11.23)	-	(11.23)
Bad debts written off	4.51	7.66	(3.15)	(3.15)	-
Contingency reserve	0.60	0.60	-	-	-
Income Tax	88.52	59.27	29.25		29.25

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Particulars	Approved in Tariff Order	Actual claimed in Petition	Deviation	Gain / (Loss) due to Controllable factors	Gain / (Loss) due to uncontrollable factors
Less: Non-tariff income	111.22	57.79	53.43		53.43
ARR	6,948.17	8,123.93	(1,175.77)	35.13	(1,210.89)

2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2024-25

2.3.1 The table below summarizes the ARR claimed by TPL-D (A) for truing-up, and sharing of gains/(losses) claimed for FY 2024-25.

Table 2-2 True-up of ARR claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars		Claimed
ARR as per Tariff Order	(a)	6,948.17
Gains/(Losses) due to Uncontrollable factors	(b)	(1,210.89)
Gains/(Losses) due to Controllable factors	(c)	35.13
Pass through as tariff	d= - (c/3+b)	1,199.18
Trued-up ARR	e= a + b	8,147.35

2.3.2 TPL-D (A) stated that the treatment of revenue towards recovery of earlier years' approved Surplus / (Gap) works out to Rs. 1,062.34 Crore as per the Commission's Order in Petition No. 2323/2024 dated 1st June, 2024, read with Order in Petition No. 1869/2020 dated 12th May, 2025 and Order in Review Petition No. 19 of 2024 dated 12th November 2025.

2.3.3 The table below summarizes the Revenue Surplus / (Gap) for TPL-D (A) for FY 2024-25:

Table 2-3 Revenue (Gap)/ Surplus for TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Claimed
Trued-up ARR	8,147.35
Revenue from Sale of Energy	8,165.90
Add; Revenue towards recovery of Earlier year's approved (Gap)/ Surplus	(1,062.34)

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of Tariff for FY 2026-27

Particulars	Claimed
Balance Revenue	7,103.57
(Gap)/ Surplus	(1,043.78)

2.4 ARR, Revenue at Existing Tariff and Revenue (Gap)/ Surplus for FY 2026-27

2.4.1 TPL-D (A) has submitted revised Aggregate Revenue Requirement for FY 2026-27 whereby the ARR is formulated as per the provisions of the GERC (MYT) Regulations, 2024.

2.4.2 Accordingly, TPL-D (A) has furnished the Revised ARR for FY 2026-27 as depicted in the following Table:

Table 2-4 ARR of TPL-D (A) for FY 2026-27 (Rs. Crore)

Particulars	Approved in MYT Order	Rev. Estimate
Power Purchase	5,409.60	5,447.16
O&M expenses	597.63	597.63
Depreciation	517.10	465.50
Interest on loans	240.66	327.29
Interest on working capital	-	-
Interest on SD	79.97	79.97
Bad debts	5.41	7.66
Contingency reserve	0.60	0.60
RoE incl. income tax	515.95	670.19
RoCE	232.35	-
Less: Non-Tariff Income	68.22	68.22
ARR	7,531.05	7,527.79

2.4.3 The Revenue for FY 2026-27 is arrived at by considering the projected sales and existing rates and existing base FPPAS at Rs. 3.72/kWh for FY 2026-27. The Table below summarises the Revenue Surplus / (Gap) for TPL-D (A) for FY 2026-27:

Table 2-5 Revenue (Gap)/ Surplus of TPL-D (A) for FY 2026-27 (Rs. Crore)

Particulars	Claimed
ARR for FY 2026-27	7,527.79
Less:	

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Particulars	Claimed
Revenue from sale of power at existing rates including revised base FPPPA charge	7,901.12
Surplus / (Gap)	373.34

2.4.4 TPL-D (A) stated that in the Order dated 10th November, 2025 in Petition No 2491 of 2025, the Commission has allowed the claim of the Petitioner and directed GETCO to refund the STOA charges recovered from TPL-D in the past. Accordingly, the Petitioner has considered estimated refund of STOA charges of Rs 497.72 Crore. The Petitioner is in process of submitting necessary documents to GETCO so as to facilitate GETCO to verify the claim and refund the said amount as per the Commission's said order. Further, the Petitioner has also considered refund of ISTS charges paid for T-GNA as per the 94th Commercial Committee meeting of WRPC held on 14th August 2025 between WRLDC, TPL-D and Gujarat SLDC. TPL-D(A) submitted that these amounts are estimated and subject to adjustment based on actual refund as may be received from GETCO and CTU, respectively.

2.4.5 Considering the ARR for FY 2026-27, TPL-D (A) has claimed the cumulative Revenue Surplus / (Gap) for FY 2026-27 as detailed in the Table below:

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

Particulars	Claimed
Surplus / (Gap) for FY 2024-25	(1,043.78)
Carrying Cost	(92.91)
ISTS Refund	118.01
GETCO Refund	497.72
Surplus / (Gap) for FY 2026-27	373.34
Cumulative Surplus / (Gap) to be recovered through tariff	(147.62)

2.4.6 The recovery of the said cumulative gap necessitates minor increase in tariff during FY 2026-27. In turn, the Petitioner proposes to recover the cumulative gap by way of Regulatory Charge of Rs. 0.17 per unit with effect from 1st April, 2026 with necessary adjustment in case of deferment.

2.4.7 For FY 2026-27, the Petitioner proposes to continue “Green Tariff” of Rs. 0.90 per unit.

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

1. “Admit the petition for truing up of FY 2024-25, Revised ARR and determination of Tariff of FY 2026-27
2. Approve the trued-up Gap/ (Surplus) of FY 2024-25 as set out in the petition.
3. Approve the sharing of gains/ losses as proposed by the Petitioner for FY 2024-25.
4. Approve the revised Aggregate Revenue Requirement for FY 2026-27.
5. Approve the cumulative Gap/ (Surplus) as proposed in the petition.
6. Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April, 2026.
7. Approve the recovery through retail tariff including existing base FPPPA and/or Regulatory Charge as prayed for.
8. Allow recovery of the costs as proposed as per the Judgments/ Orders of the Hon’ble Tribunal/ Hon’ble Commission in the Appeals/ Review Petitions filed by the Petitioner.
9. Allow additions/ alterations/ changes/ modifications to the petition at a future date.
10. Permit the Petitioner to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.
11. Allow any other relief, order or direction which the Hon’ble Commission deems fit to be issued.
12. Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.”

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

3.1 Introduction

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (A) for Truing up of ARR for FY 2024-25 under the GERC (MYT) Regulations, 2016, approval of revised ARR and Tariff for FY 2026-27 under the GERC (MYT) Regulations, 2024, Consumers/ organizations filed their objections / suggestions in writing. The brief details of objections / suggestions filed by the consumer/consumers organizations, the response from the Petitioner and the views of the Commission are given below:

3.2 Information on various operational aspects

- 3.2.1 The Objector sought various details regarding number of agriculture connections released and pending with reasons, number of new substations installed, feeders having length more than 5 km, agriculture connections related to brick manufacturing, number of connections related to animal husbandry included in domestic category, and number of cases booked under Section 135 and 126 of the Act, etc.
- 3.2.2 The Objector also sought statement of FPPPA charges segregated into Fuel Purchase charges and Power Purchase charges, details of distribution losses of Ahmedabad and Gandhinagar separately, scheme-wise details of solar rooftop, details of purchase of power from Exchange, details of consumers opting for new green tariff and CARO Report/ Audit Reports of last 3 years. The Objector also sought the authorized copy of documents in case any reference is made by the Petitioner w.r.t. decisions of the Government of Gujarat (GOG). It has also sought copy of policy decisions, administrative decision, resolutions, orders, circulars,

budgetary provisions, schemes, subsidies and other related subject matters.

3.2.3 The Objector has referred to the loan addition and legal and miscellaneous expenses submitted by the Petitioner in the Formats and sought further details.

Petitioner's Response:

3.2.4 The details sought by Objector pertain to the operational aspects of the Petitioner and are hence, extraneous to the present proceedings. Additionally, the proceeding relates to fixation of price (tariff) for electricity and therefore, this essence of the proceeding is paramount and cannot be distorted. Majority of the operational details sought by the stakeholder are already available on the Commission's website as part of Standard of Performance Report of FY 2024-25 of TPL- D (A). Further, regarding FPPPA details, it is submitted that FPPPA is being computed for distribution licensee on consolidated basis as per the formula approved by the Commission and details of the same are made available on the website by the distribution licensee. Regarding separate losses for Ahmedabad and Gandhinagar, the Petitioner submitted that it is operating as distribution licensee of Ahmedabad and Gandhinagar licence area on consolidated basis and is not possible to segregate the distribution losses of Ahmedabad and Gandhinagar. Further, the Commission is approving the distribution losses of Ahmedabad and Gandhinagar on consolidated basis as well. Regarding details of purchase from Power Exchange, same is already furnished in the true-up Petition. The Petitioner is sourcing power only from approved sources. As far as CARO report is concerned, the Petitioner submitted that the CARO Report for the Company is part of the Annual Report and available on the Company's website. The audited financial statement has already been furnished as part of the Petition for truing up of FY 2024-25.

3.2.5 The Petitioner has submitted that the accumulated gap of Rs. 1,062.34 crore considered in the true-up petition is based strictly on earlier Orders of the

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Commission in the referenced petitions. It has clarified that the computation of the gap follows the directions already issued by the Commission. With regard to income tax and dividend payments, the Petitioner has stated that these are made in accordance with the provisions of the Income Tax Act and the Companies Act. It has further contended that the present tariff proceedings are governed by the GERC MYT Regulations and the Electricity Act, 2003, and therefore references to income tax and dividend payments are not relevant in the present proceedings. Regarding audit report of past years, it may kindly be noted that the annual audited accounts have been submitted as part of truing up of the relevant years. Without prejudice, the applicable details for FY 2024-25, being the truing up year, are provided as under:

Particulars	TPL-D (A)
No. of agriculture connections released	3
No. of agriculture connections pending	0
No. of new transformers installed	210
No. of Feeders	1510
Average Feeder Length (kms)	4.8
Number of cases booked under Section 135 and 126	Section 135- 4384 Section 126- 70
Nos. of connections having animal husbandry herds included in the RGP	Not Applicable
Solar Rooftop Capacity (MW)	572
No. of Green Tariff Consumers	12

Commission’s View:

3.2.6 The Commission has noted the submission of the Objector and reply of the Petitioner in this regard.



3.3 Tariff for Agriculture Consumers

3.3.1 The objector has suggested that fixed charges should be totally removed from all the four agriculture categories and single and uniform energy charges to be introduced for all metered Agriculture categories.

Petitioner's Response:

3.3.2 The Petitioner noted that there is only a single Category of Agriculture in the Petitioner's Licence areas and all such consumers are metered consumers. The Petitioner also stated that they appreciated the suggestion for metered Tariff as the same will help in bringing more consumers amongst consumers.

Commission's View:

3.3.3 The Commission has noted the submission of the Objector and reply of the Petitioner.

3.4 Tariff for Residential Consumers

3.4.1 The objector has suggested to consider Tariff of Rs. 3/kWh for residential consumers having consumption upto 300 unit/month and Rs. 4/kWh for consumption above 300 unit/month. Further, the objector has submitted to remove fixed charges and alternatively minimum introduce minimum bill, abolish electricity duty and merge FPPPA of Rs. 2 per unit in Tariff Order.

Petitioner's Response:

3.4.2 The Petitioner submitted that the Commission has already approved nominal fixed charges and concessional energy charges for Below Poverty Line consumers as per the requirement of the Tariff Policy. Further, the residential category is a subsidized category and any further relaxation would result into creation of new level of cross-subsidy, which is against the intent of the Act. Regarding suggestions

to remove fixed charges, the Petitioner submitted that as per standard principle of two-part tariff, the recovery of fixed cost should be done through fixed charge and variable cost through levy of variable charge. In respect of suggestion to abolish electricity duty and merge the FPPPA of Rs. 2 in the tariff, the Petitioner submitted that Commission may take appropriate view.

3.4.3 As regard to suggestions to abolish electricity duty, the petitioner submitted that the scope is within the purview of Government of Gujarat.

Commission's View:

3.4.4 The Commission notes the Objector's suggestion and reply of the Petitioner.

3.5 FPPPA Charges and Ceiling Tariff for Power Purchase

3.5.1 The objector has suggested not to allow any extra charges by way of FPPPA in between the year and any increase required be allowed once in the FY only. It was also submitted that there is reduction in FPPPA of State Discoms from Rs. 3.35 per unit to Rs. 2.30 per unit and that Petitioner has not reduced the same. The objector has also suggested that the highest ceiling during the year for power purchase rate is to be decided along with tariff as the power purchase cost is high and unrealistic.

Petitioner's Response:

3.5.2 The Petitioner has opposed this suggestion, stating that it is contrary to the provisions of the Electricity Act and the applicable regulatory framework notified by the Ministry of Power and the Commission, and is therefore not legally tenable.

3.5.3 The Petitioner has further submitted that such comparison is misplaced, as State DISCOMs benefit from allocation of cheaper central sector power, free hydro power from the home State, agriculture load patterns that can be offset by solar generation, flexibility to undertake load shedding, and receipt of agricultural

subsidies from the State Government. Therefore, according to the Petitioner, comparing FPPPA levels in isolation is not appropriate.

3.5.4 The Petitioner submitted that it sources power from two types of sources, i.e., (a) Long Term-Sources and (b) Short-Term Sources including bilateral sources /Power Exchanges. The variation in power purchase cost is uncontrollable for Distribution Licensee. Accordingly, there cannot be any ceiling for power purchase cost.

Commission’s View:

3.5.5 The Commission has noted the objection and reply from Petitioner.

3.6 Distribution Loss and Transmission Loss for new Control Period

3.6.1 The objector has referred to the approved and actual distribution loss (%) for FY 2024-25 and stated that the Petitioner’s proposal of 5% as distribution loss throughout the Control Period should be rejected and it should have declining trend. Further, the Objector has suggested that distribution losses should be restricted to 2% and transmission losses up to 1%.

Petitioner’s Response:

3.6.2 The Petitioner submitted that it has not proposed any change to the distribution loss level of 3.74% for the Ahmedabad licence area, which was already approved by the Commission in its Tariff Order dated 29th March 2025 in Petition No. 2426/2024. Accordingly, the Petitioner has requested that the Commission approve the distribution loss as proposed in the present Petition. Further, transmission losses is an uncontrollable factor for the Distribution Licensee and are being levied by Transmission Licensee, as approved by the appropriate Commission for intra-State and inter-State network.

Commission’s View:

3.6.3 The Commission has noted the suggestion of the objector and the response of the Petitioner. The Commission has approved Distribution Losses, Transmission Loss, and Energy Balance after detailed discussion and analysis in the subsequent section of the Order.

3.7 Interest on Working Capital and RoE

3.7.1 The objector has contended that interest on working capital is not grantable and ought to be removed from the ARR format. Further, it has reasoned that when return on equity is given, interest on working capital cannot be given since equity is major portion of current asset while working capital is gap between current asset and current liability. Further, RoE of 16% is too high and should be reduced to 9%.

Petitioner’s Response:

3.7.2 The Petitioner submitted that it has claimed the Interest on working capital as per the applicable GERC (MYT) Regulations as a legitimate and approved component of the ARR. Regarding the parallel drawn to equity, the Petitioner submitted that interest on working capital is specified to meet with working capital requirement of the business and is different from return on equity. The rate of ROE is prescribed by the Central Government in the Rules framed under Electricity Act, 2003.

Commission’s View:

3.7.3 The Commission has noted the submission of objector and reply of the Petitioner. The Interest on Working Capital and RoE are allowed as per provisions of applicable GERC (MYT) Regulations.

3.8 Tariff related issues

- 3.8.1 The objector has stated that carrying cost should not be approved and that the Petitioner has filed separate Petition, hence, it is prudent to wait for the decision. The Objector has also contended that regulatory charges cannot be claimed by the Petitioner and tariff burden cannot be passed on to the consumers by such charges. The accumulated losses can be adjusted year on year from incremental profit as per the provision of Companies Act and Income Tax Act.
- 3.8.2 The Objector also stated that the Petitioner is claiming double depreciation, as expenses to take tax benefit and claiming same for tariff determination. This amounts to double benefit and accordingly should be excluded from the approved component of ARR.
- 3.8.3 The objector has also suggested to reduce the green tariff from 90 paise/unit to 30 paise/unit and to increase the rate of temporary power to Rs. 15 per unit to reduce temporary connections and occasional purchase from Power Exchange.
- 3.8.4 The Objector has suggested to recover the outstanding bill in Crores of Rupees from municipalities and allow ARR only thereafter.
- 3.8.5 The Objector submitted that the discrimination in energy charges between LT and HT EV charging stations should be removed and a uniform rate be prescribed. However, if any concession is to be granted, it may be limited to rural charging stations to promote infrastructure development in those areas.
- 3.8.6 The Objector submitted that the bill payment period for senior citizens be extended from 10 to 15 days to prevent hardship and avoid delayed payment charges. Further, the delayed payment charges for Agricultural and Residential consumers should be reduced to 9% per annum in line with prevailing lower interest rates and suggested to introduce special categories for senior citizen's

residential connections and reduce tariff rate by 50% or give relief in existing tariff of 50%

Petitioner’s Response:

3.8.7 The Petitioner submitted that it has calculated carrying cost as per the settled financial principles and in line with the prevailing Regulations. As regard to objection on the proposal of Regulatory charges, the Petitioner also submitted that it has proposed to recover part of the cumulative Gap through Regulatory Charge, mainly of past period gap over four years so as to avoid tariff shock. The Petitioner further submitted that it has claimed depreciation as per the GERC (MYT) Regulations only and that there is no double recovery of depreciation by the Petitioner.

3.8.8 In response to the reduction of green tariff, the Petitioner has submitted that due to the intermittency of renewable energy generation, ensuring 24x7 availability requires storage solutions, which significantly increase costs. The Green Tariff has therefore been continued in line with the Commission’s approval dated 29.03.2025. GKVGSS has also proposed increasing the temporary power rate to Rs. 15 per unit to discourage temporary and occasional purchases from power exchanges. The Petitioner has stated that the proposal is revenue neutral and has left the matter to the appropriate consideration of the Commission.

3.8.9 In respect of Green Tariff, the Petitioner submitted that green tariff that due to intermittency of RE Generation, cost of making RE Power available on 24x7 requires necessary Storage solutions which results in a substantial increase in cost for facilitating consumer with Green Tariff option. However, the Petitioner has continued with Green Tariff in line with the Commission’s approval dated 29th March, 2025

- 3.8.10 In respect of outstanding bills, the Petitioner submitted that it takes all actions to recover the dues in timely manner from the Govt. authorities as per the provisions of the GERC Supply Code. It may be noted that the present petition has been filed as per the provision of the GERC (MYT) Regulations. Accordingly, there is no question of keeping ARR on hold.
- 3.8.11 The Petitioner also submitted that as per the prevailing regulatory framework, fixed charges should reflect the fixed cost and energy charges should reflect the variable cost. However, the suggestion to reduce the fixed charges of LT-category would necessitate commensurate increase in energy charges, which is against the philosophy.
- 3.8.12 In respect of changing of slabs for Residential Consumers, the Petitioner submitted that the tariff structure is based on certain widely recognized best practices and in accordance with the legal framework. Some of the key factors considered for tariff design and as contemplated under the Act are capacity to pay, incentivizing energy conservation through telescopic tariff and promotion of efficient use of electricity.
- 3.8.13 As regard to extend the due date of payment from 10 days to 15 days it is submitted that period of payment of bill is considered as per the Supply Code. In regard to reduction of the rate of delayed payment surcharge, the petitioner submitted that the delayed payment charges are penal in nature and suggestion of GKVGS to keep lower penal charges would result into tendency to delay the payments. The Petitioner further submitted that while a reduction in the number of tariff categories has been suggested, there is also a proposal to introduce a separate category or grant tariff concession for senior citizens. It has stated that even if such measures are revenue neutral overall, any reduction or concession to one category would shift the burden to other consumers and result in an additional layer of cross-subsidization.

Commission’s View:

3.8.14 The Commission notes the Objectors suggestion and reply of the Petitioner.

3.9 Quality of Power Supply

3.9.1 GKVGS has stated that quality of power supply is totally separate from technical matter and has no relation with the financial matter.

Petitioner’s Response:

3.9.2 The Petitioner submitted that in order to provide reliable and quality power, the Petitioner is required to incur the capital expenditure to create and upgrade the distribution network and incur O&M expenses to maintain the said network

Commission’s View:

3.9.3 The Commission notes the suggestion and reply of the Petitioner.

3.10 Recovery of Gap/Carrying Cost through Additional Regulatory Charge or FPPPA Surcharge

3.10.1 The objector has opposed the Petitioner’s proposal to recover the revenue gap or carrying cost relating to matters pending before the GERC or Hon’ble APTEL by way of an additional regulatory charge or additional FPPPA surcharge and has submitted that such recovery should not be permitted.

Petitioner’s Response:

3.10.2 The Petitioner has submitted that any order or judgment passed by the Appropriate Commission or higher court is binding and must be implemented. Accordingly, it has proposed recovery of the related gap or carrying cost through an additional Regulatory Charge or additional FPPPA surcharge. The Petitioner

has further stated that there can be no estoppel against the operation of law.

Commission’s View:

3.10.3 The Commission notes the Objectors suggestion and reply of the Petitioner. The Commission has determined the overall Revenue (Gap) / Surplus as per GERC (MYT) Regulations.

3.11 Variation in True-Up and ARR

3.11.1 The objector has contended that the significant variation observed in the true-up and Aggregate Revenue Requirement (ARR) is primarily attributable to power purchase costs. It appears that this substantial deviation may be attributable to mismanagement in power procurement.

Petitioner’s Response:

3.11.2 With regard to power purchase, the Petitioner has submitted that it exercises commercial prudence in sourcing power and avails various available options and further stated that all such procurement decisions are undertaken with due approval of the Commission.

Commission’s View:

3.11.3 The Commission notes the Objectors suggestion and reply of the Petitioner. Power purchase cost has been allowed after prudence check.

3.12 Non-Preparation of Regulations on Standards of Efficiency and Consumer Rights for Agricultural Consumers

3.12.1 The objector has contended that the Regulations relating to Standards of Efficiency and the Rights of Electricity Consumers, particularly with respect to agricultural consumers, have not been prepared.

Petitioner’s Response:

3.12.2 In response, the Petitioner has submitted that the Commission has already notified the Standard of Performance Regulations, which specify parameters for monitoring the efficiency and performance of the distribution licensee. It has further stated that the provisions of the Ministry of Power’s Rights of Consumers Rules have been incorporated into the Supply Code and the Standard of Performance Regulations.

Commission’s View:

3.12.3 The Commission notes the suggestion and reply of the Petitioner.

3.13 Separate Tariff Schedule (Part-III) for EHT Consumers

3.13.1 The Objector has suggested to devise separate schedule for EHT consumer and incorporated distinctly as Part-III in the tariff schedule

Petitioner’s Response:

3.13.2 The Petitioner has submitted that it currently has only one EHT consumer, namely Metro, in the Ahmedabad licence area, and this consumer is being billed under the HT-Metro tariff category. Therefore, according to the Petitioner, there is no need to create a separate tariff schedule for EHT consumers.

Commission’s View:

3.13.3 The Commission notes the Objectors suggestion and reply of the Petitioner.

3.14 Specification of Consumption and Load Ceiling for BPL Residential Category

3.14.1 The objector suggested that the Tariff Order should prescribe a maximum ceiling for electricity consumption and connected load for BPL residential consumers to

prevent misuse of the category.

Petitioner’s Response:

3.14.2 The Petitioner has submitted that the Commission already specifies the consumption limit eligible for concessional tariff under the BPL category in its Tariff Order, in accordance with the provisions of the Act.

Commission’s View:

3.14.3 The Commission notes the Objectors suggestion and reply of the Petitioner.

3.15 Simplification in the Tariff structure

3.15.1 The objector has suggested to simplify the tariff structure by reducing some categories and slabs.

Petitioner’s Response:

3.15.2 The Petitioner has submitted that the existing tariff structure has been designed in line with established best practices and the applicable legal framework, taking into account consumer paying capacity, cross-subsidy principles under the Tariff Policy, promotion of energy conservation and demand-side management, efficient use of electricity, and control of reactive energy drawal or injection and has further stated that the proposal is revenue neutral and may be considered appropriately by the Commission.

Commission’s View:

3.15.3 The Commission notes the suggestion and reply of the Petitioner.

3.16 Rebate for Smart Meters and Timely payment of electricity bills

3.16.1 The objector has suggested to grant an 8% rebate to consumers who voluntarily

opt for prepaid smart meters, on the ground that such meters improve cash flow and reduce the working capital gap. It has further proposed that economic and regular bill-paying consumers be encouraged through a 5% rebate, and that any tariff increase, if required, be imposed only on high loss-making feeders.

Petitioner’s Response:

3.16.2 The Petitioner submitted that smart meters are being installed in a phased manner. However, since TPL-D (Ahmedabad) already operates with very low distribution losses and ensures timely bill recovery, installation of prepaid smart meters may not result in additional revenue benefit. It has stated that granting a rebate to certain consumers would increase the burden on others. The Petitioner has further submitted that the Commission already considers factors such as paying capacity, efficient usage, and purpose of use while determining tariffs, and therefore no further rebate is warranted.

Commission’s View:

3.16.3 The Commission notes the Objectors suggestion and reply of the Petitioner.

4 Truing-Up for FY 2024-25

4.1 Introduction

4.1.1 This chapter deals with the Truing up of FY 2024-25 for TPL-D (A). The Commission has examined and analysed each component of the ARR for FY 2024-25 in the following paragraphs.

4.2 Energy Sales to Consumers

Petitioner's Submission:

4.2.1 TPL-D (A) has submitted category-wise actual energy sales for its licence area for FY 2024-25 to the tune of 8,921.10 MU against the sales of 8,345.06 MU approved by the Commission in the Tariff Order dated 1st June, 2024, as given in the Table below.

Table 4-1 Energy Sales for FY 2024-25 (in MU)

Category	Approved in Tariff Order	Actuals Claimed
RGP	3,119.85	3,371.83
Non-RGP	1,110.59	1,217.86
LTMD	1,850.70	1,968.10
HT Pumping Stations	138.53	155.99
HT	1,990.98	2028.34
HT-Metro	48.00	50.98
HT-EV	21.11	19.63
Others	65.31	88.74
DoE Units	-	19.63
Total Sales	8,345.06	8,921.10

4.2.2 The Petitioner has submitted that the actual sales in FY 2024-25 are higher than that approved in Tariff Order due to growth in residential, commercial, industrial and Metro services. Further, the installed capacity of solar rooftop has reached to

about 572 MW as on 31st March, 2025. Based on above, the major reasons for deviation in category-wise sales are enumerated below:

1. The actual sales for RGP category are higher than the approved sales primarily due to higher overall temperature and vertical infrastructure development of new housing projects, spurred by sustained socioeconomic growth. This has been partly offset by the increase in number of solar rooftop installations having net metering facilities.
2. The Non RGP and LTMD-II categories comprise sales to commercial and industrial consumers. The actual sales for both Non RGP and LTMD-II category during FY 2024-25 are higher than approved sales. In Non-RGP category, the increase in sales was due to increase in cooling load due to higher overall temperature. In LTMD-II category, the sales were higher due to an increase in the number of consumers and load extension, both driven by expanding commercial activity (such as malls, hotels, shops, etc). Whereas in LTMD-I category, growth was higher due to extended summer period and growth in housing projects.
3. In HT category, the consumption is mainly attributed to industries and commercial establishments. During FY 2024-25, the total sales is almost in line with the approved projections.
4. In HT Pumping stations, the actual sales are marginally higher due to upgradation in capacity of water works. In HT Metro, the actual sales are higher than the approved sales due to increase in routes of Metro with increase in operational hours. Whereas in HT-EV, the sales are in line with estimates.
5. In Others category, the actual sales registered are higher than the approved sales due to increase in sales in Streetlight sales as the Municipal Corporation has started installing streetlights in society and colony premises.

4.2.3 The Petitioner has further submitted that the GERC (MYT) Regulations, 2016 specifies that the variation in quantities of electricity supplied to the consumers is

attributed as uncontrollable factor and requested the Commission for the truing up of actual sales as shown in the table above.

Commission’s Analysis:

4.2.4 The actual sales claimed by TPL-D (A) during FY 2024-25 are higher as compared to the sales approved in the Tariff Order dated 1st June, 2024 mainly due to increase in demand owing to various factors as stated by the petitioner such as rise in temperature, vertical infrastructure development of new housing projects, growth in Industrial and Commercial consumers (load extension in both these categories), increase in operational hours of Metro. The total sales as submitted by the Petitioner have been verified, and confirmed with the sale of energy furnished in the monthly return under Form A specified under Rule 6(1) (A) filed by TPL-D (A) with the Chief Electrical Inspector and Collector of Electricity Duty and Energy Audit Report submitted by the Petitioner vide additional data submission.

4.2.5 In view of above, the Commission approves the energy sales as mentioned in Table 4-1 above for TPL-D (A) to the tune of 8,921.10 MU for FY 2024-25.

4.3 Distribution Losses

Petitioner’s Submission:

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

Table 4-2 Distribution Losses for FY 2024-25 as submitted by TPL-D (A)

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	3.74%	3.33%



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

Commission’s Analysis:

4.3.3 The Distribution Losses as claimed by TPL-D (A) at 3.33% is approved for the purpose of True-up of FY 2024-25 after confirming the same as per Annual Energy Audit report. Any Gain/Loss on account of distribution losses is treated as controllable as per the GERC (MYT) Regulations, 2016. The Commission approves the actual Distribution Losses at 3.33% for FY 2024-25 and accepts TPL-D (A)’s submission to treat the actual deviation in distribution losses as controllable factor and treatment for sharing the gain is considered accordingly.

4.4 Energy Requirement

Petitioner’s Submission:

4.4.1 The Petitioner has submitted the actual energy requirement for Ahmedabad and Surat licence area based on the actual energy sales and the Transmission and Distribution Losses for FY 2024-25 is as given in the table below:

Table 4-3 Energy Requirement for FY 2024-25 for TPL-D (A)

Particulars	Approved in Tariff Order	Actuals Claimed
Ahmedabad Supply Area		
Energy Sales (MU)	8,345.06	8,921.10
Distribution Loss (%)	3.74%	3.33%
Distribution Loss (MU)	324.09	307.43
Energy Input at Distribution Level (MU)	8,669.15	9,228.53
Transmission Loss (MU)	132.84	52.75
Energy Requirement – Ahmedabad (A) (MU)	8,802.00	9,281.28
Energy Requirement – Surat (B) (MU)	4,176.83	4,155.04
Total Energy Requirement – (A+B) (MU)	12,978.83	13,436.32



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

Commission’s Analysis:

4.4.3 The actual energy requirement submitted by the Petitioner for FY 2024-25 along with energy requirement as per the Order dated 1st June, 2024 has been examined and verified by the Commission. The Commission observed that there is an increase of 479.28 MU in the energy requirement for TPL-D (A) against the quantum of 8,802.00 MU approved in the same Order.

4.4.4 The actual energy requirement is higher than that approved in the Order due to increased energy sales.

4.4.5 The Commission accordingly approves the energy requirement at 9,281.28 MU for TPL-D(A) and 13,436.32 MU for both the TPL-D(A) and TPL-D(S) collectively in the Truing up of FY 2024-25 as given in the above Table 4-3.

4.5 Energy Availability

Petitioner’s Submission:

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

Table 4-4 Energy Availability (Net) for FY 2024-25 for TPL-D(A) and TPL-D(S) (in MU)

Particulars	Approved in Tariff Order	Actuals Claimed
TPL-G (APP)	2,510.25	2,405.05
SUGEN	2,609.94	2,923.78



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Particulars	Approved in Tariff Order	Actuals Claimed
UNOSUGEN	309.94	543.17
Bilateral/ Power Exchange	4,862.08	6,398.93
Renewables	2,686.62	1,390.69
Sub-total	12,978.83	13,661.63
Add: Sale of Surplus power/UI/wind setoff	0.00	(225.30)
Total	12,978.83	13,436.32

Renewable Power Purchase Obligation:

4.5.2 The Petitioner submitted that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulation, 2010 specifies the Renewable Power Purchase Obligation (RPPO). Subsequently, the Commission vide its notification no. 1 of 2022 dated 8th April, 2022 notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 specifying the RPPO for FY 2024-25. TPL-D (A) has made all efforts to fulfil its RPPO.

4.5.3 The renewable energy requirement and details of compliance for FY 2024-25 for Ahmedabad and Surat on consolidated basis is as under:

Table 4-5 Renewable Power Purchase Obligation claimed for FY 2024-25 (in MU)

Particulars	Actual Claimed
Energy Requirement	13,436.32
Less: Units under Green Tariff	14.55
Net Energy Requirement	13,421.78
RE Procurement	
Wind energy to be procured (@8.55%)	1,147.56
Solar energy to be procured (@11.25%)	1,509.95
Hydro energy to be procured (@0.10%)	13.42
Biomass/Bagasse/Others (@0.80%)	107.37
Total (20.70%)	2,778.31
Compliance (Non-Solar)	
Non-Solar	846.88

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Particulars	Actual Claimed
Non-Solar REC	402.60
Compliance (as % of Energy Requirement)	9.31%
Compliance (Hydro)	
Hydro	0.58
Hydro REC	-
Compliance (as % of Energy Requirement)	0.004%
Compliance (Solar)	
Solar	1,275.20
Solar REC	-
Compliance (as % of Energy Requirement)	9.50%

4.5.4 It is stated that the Petitioner has filed a separate Petition No. 2523/2025 in the matter of revision of minimum quantum of purchase (in %) from renewable energy sources for FY 2024-25 in accordance with the RPO Regulations as notified as on date of filing of the said Petition.

Commission’s Analysis:

4.5.5 The sources of power approved by the Commission in the Order dated 1st June, 2024 are AMGEN, SUGEN, UNO SUGEN, Bilateral Sources, Power Exchange, and Renewable Energy. The Commission had approved the total quantum of power purchase at 12,978.83 MU for TPL-D (A) and TPL-D (S) combined for FY 2024-25 in the said Order against which the Petitioner has purchased 13,436.32 MU during FY 2024-25. On query regarding reconciliation of power purchase quantum for FY 2024-25, the Petitioner has submitted additional details along with reconciliation of source-wise energy supplied to TPL-D (A) and TPL-D (S) supported by SLDC SEA report along with energy audit report for FY 2024-25.

4.5.6 TPL-D has procured 2,923.78 MU from SUGEN and 543.17 MU from UNOSUGEN, which was 12% and 75% higher than power purchase considered from the respective sources in the Tariff Order for FY 2024-25 and corresponding decrease

in the power purchase from Renewable sources.

4.5.7 In reply to the query of the Commission, it is submitted that while scheduling power from UNOSUGEN, the Petitioner has taken due care that scheduling of power using Term LNG is carried out primarily whenever it is expected to be cheaper than alternative supply available in the market as per the direction under Section 11 of the Electricity Act, 2003 issued by MOP. TPL-D had to offtake 241.79 MU from UNOSUGEN in May 2024 and June 2024 on account of Section 11 directives from Government of India.

4.5.8 For rest of the period, TPL-D has procured 189.05 MU generated from tied-up Domestic Gas as per Para 27 (c) (iv) of GERC Order dated 19.06.2019 and 112.33 MU generated using Term-LNG. Summary of source-wise generation from UNOSUGEN is as under:

Table 4-6 Summary of source-wise generation from UNOSUGEN

Source	MU	Energy Rate (Rs. /kWh)	Energy Charge (Rs. Crore)
Domestic Gas	262.58	6.44	169.03
Term-LNG	280.59	6.71	188.26
Total	543.17	6.58	357.28

4.5.9 Out of 280.59 MU generation using Term- LNG, 168.26 MU were procured during the period when Section 11 direction was applicable and 112.33 MU were procured during balance period of FY 2024-25 by exercising commercial prudence to optimize power purchase cost.

4.5.10 The Commission during the prudence check, sought the details of bilateral power procurement carried out in FY 2024-25 as per Form – 2 against which the Petitioner has submitted the details as given below:

Table 4-7 Break-up of Bilateral Power Procurement (MU)

Particulars	MU
Tata Power	104.46
Manikaran	17.52
AEL	642.94
NVVNL	111.04
Total Bilateral Purchase	875.96
Power Exchange	5,522.97

4.5.11 Further, the Commission also sought reconciliation of sale of surplus power / UI / Wind setoff of 225.30 MU as per Form – 2 against which the Petitioner has submitted the details as given below.

Table 4-8 Break-up of Sale of Surplus Power in FY 2024-25

Particulars	MU
UI – Ahmedabad	(124.43)
UI – Surat	(45.67)
Sale through PX	(3.54)
Open Access Through PX	(1.89)
Transmission Loss for Renewable	(36.03)
Wind setoff	(13.75)
Total	(225.30)

4.5.12 The Commission notes that TPL-D has procured renewable energy of 1,354.28 MU from the RE sources and procured 61.69 MU from Power Exchange under G-DAM/G-TAM for FY 2024-25 for compliance of RPO. The RPO targets approved by the Commission as per GERC (Procurement of energy from Renewable Sources) (Third Amendment) Regulations, 2022 for FY 2024-25 are as follows:

Table 4-9 RPO targets stipulated by the Commission for TPL-D for FY 2024-25

Particulars	FY 2024-25
Solar	11.25%
Wind	8.55%
Hydro	0.10%
Others	0.80%
Total	20.70%

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4.5.13 The Commission during the prudence check, sought details of bifurcation of renewable energy purchased during FY 2024-25 and the tariff applicable, to which the Petitioner has submitted the details as given below:

Table 4-10 RE Power Purchase including RE Attributes for FY 2024-25 (MU)

Particulars	Purchase
Purchase	1354.28
Add:	
RE power from Exchange	61.69
RE Attribute – Hybrid#	52.90
RE Attribute – Wind & Solar#	653.79
Total	2,122.66

- RE attributes available to DISCOM

Table 4-11 RE Power Purchase for FY 2024-25 (MU)

Source	MU	Tariff (Rs./kWh)*
Wind		
TPL (Wind) – Lalpur	66.81	4.15
TPL (Jamanwada)	125.28	4.19
TPL (Nakhatrana)	224.56	
TPL (Mahidad)	110.54	
TPL (Mahuva)	120.96	
CLP	72.38	3.27
Wind (Others)	9.43	3.09
Total Wind Purchase	729.96	
Solar		
TSL – Solargen	81.15	10.03
GENSU	112.18	6.77
Ananth Solar	1.27	11.79
Azure Power	2.66	10.82
GPCL	0.99	10.82
GPCB	0.01	9.47
AMC Solar	0.00	9.63
SMC	7.84	12.18/9.52/9.14
Kindle	75.64	9.05
Torrent Saurya urja 2 pvt Ltd.	188.66	1.98
Solar (Roof top)	153.93	2.28
Total Solar	624.33	

*Note : The rates above are excluding the Transmission charges incurred in FY 2024-25.

4.5.14 TPL-D has submitted that it has achieved 9.31% RPO related to Non-solar and 9.50% RPO related to Solar. There is shortfall in RPO pertaining to solar and non-solar energy purchase. The Commission notes that the Petitioner has filed a separate Petition No. 2523/2025 in the matter of revision of minimum quantum of purchase (in %) from renewable energy sources for FY 2024-25 in accordance with the RPO Regulations. Therefore, as far as the compliance of RPO is concerned, the Commission will decide on it in such separate proceedings.

4.5.15 The Commission has considered the aforesaid aspects and accordingly approves the power purchase quantum during FY 2024-25 as shown in the Table below:

Table 4-12 Approved Energy Quantum for FY 2024-25 for TPL-D (A) and TPL-D (S) (in MU)

Particulars	Approved in Tariff Order	Actuals Claimed	Approved by the Commission for Truing-up
TPL-G (APP)	2,510.25	2,405.05	2,405.05
SUGEN	2,609.94	2,923.78	2,923.78
UNOSUGEN	309.94	543.17	543.17
Bilateral/ Power Exchange	4,862.08	6,398.93	6,398.93
Renewables	2,686.62	1,390.69	1,390.69
Sub-total	12,978.83	13,661.63	13,661.63
Add: Sale of Surplus power/UI/wind setoff	-	(225.30)	(225.30)
Total	12,978.83	13,436.32	13,436.32

4.5.16 The Commission has approved the energy requirement of TPL-D (A) and TPL-D (S) collectively at 13436.32 Mus. The energy requirements for TPL-D (A) and TPL-D (S) has been 9,281.28 Mus and 4155.04 Mus respectively. Accordingly, the ratio of allocation of power purchase cost between TPL-D (A) and TPL-D (S) works out to 69.08% and 31.92% respectively.

4.6 Power Purchase Cost

Petitioner’s Submission:

4.6.1 TPL-D (A) has submitted the actual power purchase cost for FY 2024-25 as provided in the Table below.

Table 4-13 Power Purchase Cost claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
TPL-G (APP)	1,298.63	1,367.49
SUGEN	2,541.15	2,857.97
UNOSUGEN	169.82	585.68
Bilateral/ Power Exchange	2,902.50	3,603.67
Renewable Energy	1,127.90	728.98
ISTS/InSTS Charges	-	288.10
REC		5.20
Total Power Purchase Cost	8,039.99	9,437.08

4.6.2 The Petitioner has submitted that the variation in the power purchase cost from the approved power purchase cost in the Order is on account of variation in sales and distribution losses, variation in actual cost with respect to the base rate along with purchase of power from short-term sources to meet the shortfall during the year.

4.6.3 TPL-D has also submitted that the variation in power purchase cost is an uncontrollable component except on account of variation in distribution losses and hence, may be allowed in true up exercise as per Regulations.

4.6.4 TPL-D (A) submitted that the power purchase for its Ahmedabad and Surat licence areas has been carried out on collective basis and the total power purchase cost has been apportioned between Ahmedabad and Surat on the basis of usage of power. Accordingly, the allocated power purchase cost for Ahmedabad Supply area is Rs. 6,518.77 Crore for FY 2024-25.

4.6.5 TPL-D submitted that MOP has issued direction under section 11 of the Electricity Act 2003 to keep the generation on bar during FY 2024-25. Further, in the order dated 1st June, 2024, the Commission has considered that GNA charges shall be considered on actual basis at the time of True-up. The actual Power Purchase Cost for FY 2024-25 takes into account these aspects.

Commission's Analysis:

4.6.6 The Commission had approved the power purchase plan for FY 2024-25 in its Order dated 1st June, 2024 in Case No. 2323 of 2024.

4.6.7 The Commission had approved the quantum of power purchase at 12,978.83 MU for FY 2024-25 in the above Order against which TPL-D has purchased 13,436.32 MU. The Commission has approved power purchase cost of Rs. 8039.99 Crore for FY 2024-25 in the above Order against which TPL-D has incurred power purchase cost of Rs. 9,437.08 Crore. The energy requirement is evaluated based on the sale of energy and losses in the transmission and distribution system of Ahmedabad / Gandhinagar and Surat licence area. The energy requirement for TPL-D (A) license area works out to 69.08% of the total energy requirement of TPL-D (A) and TPL-D (S). Accordingly, the Petitioner has allocated power purchase cost for Ahmedabad Supply area as Rs. 6,518.77 Crore for FY 2024-25. It has been observed that there is discrepancy between the claim for Ahmedabad Supply area as Rs. 6,518.77 Crore vis-à-vis the power purchase cost shown as Rs. 6,527.13 Crore in segregated Audited Accounts for FY 2024-25. In this regard, TPL-D has submitted the reconciliation statement. The Commission also notes that for its Surat Supply area, TPL-D has claimed Rs. 2918.32 Crore against audited accounts figure of Rs. 2901.51 Crore. The power purchase cost booked in Ahmedabad and Surat supply area is allocated between TPL-D (S) and TPL-D (A) as per their energy requirement from the combined power purchase cost.

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4.6.8 TPL-D also submitted that Power Purchase cost of AMGEN for FY 2022-23 billed as per FPPPA was Rs. 1,340.03 Crore, whereas, as per True up petition, it was Rs. 1,338.05 Crore resulting in a difference of Rs. (1.98) Crore which needs to be considered in the Petition. As the Tariff Order was issued after completion of FY 2024-25, the claimed difference of Rs. (0.56) Crore was accounted in FY 2024-25. Accordingly, there is a net difference of Rs. (1.42) Crore.

4.6.9 TPL-D further submitted that the Power purchase cost of AMGEN for FY 2023-24 billed as per FPPPA claim, is Rs. 1,510.94 Crore, whereas, as per True up Petition, it is Rs. 1,511.30 Crore. This difference of Rs. 0.36 Crore is considered in the Petition.

4.6.10 TPL-D(A) has further submitted that Power Purchase Cost has been apportioned between Ahmedabad and Surat based on usage of power. The detailed reconciliation submitted by TPL-D is reproduced below:

Table 4-14 Reconciliation of Power Purchase Cost claimed in the Petition with Audited Accounts (Rs. Crore)

in Rs. Crore	TPL-D (A)	TPL-D (S)	Total
Audited Accounts	6,527.13	2,901.51	9,428.64
Less:			
- TPL-G (APP) past years' true-up			-1.06
- IT Refund for AMGEN			-7.38
Total			9,437.08
Energy Requirement (MU)	9,281.28	4,155.04	13,436.32
Power Purchase Cost claimed	6,518.76	2,918.32	9,437.08

4.6.11 The Commission observed that, TPL-D has considered past period adjustments in the Audited Accounts of FY 2024-25. Furthermore, it has been observed that TPL-D has not considered the IT Refund of Rs. 7.38 Crore in FY 2024-25, which is booked in the power Purchase cost. It is noted that in past period, TPL-D has booked higher Power Purchase cost than what has been actually allowed in true

up. The differences have been adjusted in this year's books. As the Commission has not undertaken the True up exercise of AMGEN for FY 2024-25, it is not appropriate to consider the same in the True up of FY 2024-25 of TPL-D (A). Any adjustment due to true up of AMGEN may be claimed in respective year's power purchase cost.

4.6.12 The Commission observes that the total power purchase cost has increased by Rs. 1,397.09 Crore for FY 2024-25 than that approved in the Order dated 1st June, 2024. In response to query regarding this variance, the Petitioner attributed it to fluctuations in energy requirement and actual rates vis-à-vis the base power purchase rate approved in the Order, mainly with respect to short-term Power Procurement and in UNOSUGEN.

4.6.13 Factors contributing to this variance include the increase in demand due to rise in temperature, extended summer, Increased power demand from industrial and commercial units, variation in actual cost with respect to the base rate along with purchase of power from short-term sources such as Bilateral / Power Exchange to meet the shortfall during the year. The variation in the fuel prices have also affected the power purchase rates.

4.6.14 The Commission has considered the energy scheduled from TPL-G (APP) to the tune of 2,405.05 MU. Therefore, the Commission accordingly, approves Rs. 1367.49 Crore to be considered in actual power purchase cost of TPL-D for FY 2024-25 subject to True up of FY 2024-25 of TPL-G (APP).

4.6.15 The landed cost of power purchase from SUGEN is claimed at Rs. 9.77/kWh as against Rs. 9.74/kWh approved by the Commission in the Order dated 1st June, 2024. Hence, the Commission approves power purchase cost of Rs. 2857.97 Crore in FY 2024-25 from SUGEN.

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4.6.16 As regard to power purchase from UNOSUGEN, the energy charge claimed to be Rs. 6.58/kWh and total Landed cost of Rs. 10.78/kWh, which is significantly higher than the rate approved by the Commission in its Order dated 1 June, 2024. The details of the Power Purchase from UNOSUGEN are provided below:

Table 4-15 Power Purchase Cost claimed for UNOSUGEN in FY 2024-25 (Rs. Crore)

Source of Power	Energy Purchased (MU)	Capacity Charges (Rs. Crore)	Variable Cost per unit (Rs/kWh)	Total Variable Charges (Rs Crore)	Total Cost of Energy purchased (Rs Crore)	Per Unit Cost of energy purchased (Rs/kWh)
UNOSUGEN	543.17	228.40	6.58	357.28	585.68	10.78

4.6.17 On query regarding ascertaining of the landed price of power purchase from UNOSUGEN including the fixed charges of UNOSUGEN not exceeding the prevailing landed market price for medium-term power purchase during such periods, TPL-D has stated as under;

- a) during Tariff Approval for FY 2024-25, TPL-D submitted separate Fixed Charge and Variable Charge for UNOSUGEN as approved by CERC read with GERC Order dated 19 June 2019. However, the Commission in its Order dated 1 June, 2024 has considered single part tariff for FY 2022-23 as well as FY 2024-25 due to inadvertence in recognizing two-part tariff for UNOSUGEN as adopted vide Order dated 19 June, 2019.
- b) In turn, TPL-D(A) sought review of the said Order, and the Commission was pleased to rectify the error vide its Order dated 12 November, 2025. The relevant portion of the said Order is as under:

“16.10. It is observed that Power Purchase Cost of UNOSUGEN is determined by CERC. The same was adopted by the Commission subject to concessions offered by UNOSUGEN to forgo Fixed Charge upto 31.03.2019 and ceiling of Fixed Charge of Rs 228 Cr or actual whichever is lower. We have also observed that while adopting tariff of UNOSUGEN in Case No. 1322 of 2013, the Commission has prescribed mechanism of Two-Part Tariff in Para 27 (b)

as per CERC Terms and Conditions of Tariff Regulations. As per the said mechanism, recovery of Fixed Charge is linked with normative availability which is evident from the harmonious reading of various submissions / observations in the said Order dated 19.06.2019. We also observed that Para 27(c) pertains to the Fuel Supply Arrangement as is evident from the title. Also, Para 27(c)(iv) clearly anticipated Domestic fuel arrangement once it is available. Thus, Arrangement under Para 27(c)(i) and 27(c)(iv) are different and distinct. Also, the Commission had clearly mentioned at Para 27(d) to ensure similar terms and conditions as being followed for power purchase from SUGEN which is two-part tariff. However, an error has crept in the impugned order due to oversight of these paragraphs of the Order dated 19.06.2019 though same was followed in FY 19-20, FY 20-21 and FY 21-22. Disallowance of UNOSUGEN Power Purchase Cost in the Impugned order has resulted in re-writing of the Order dated 19.06.2019 which has attended finality and cannot be subjected to review.

We note that the aspect of fixed charge recovery is amply clarified by the Hon'ble Supreme court in its judgment dated 09.11.2023 in MSEDCL v. RGPPL (Civil Appeal No. 1922 of 2023) and that fixed charges are payable on the basis of declared availability, irrespective of actual scheduling. The Review Petitioner has clearly justified the reasons for not scheduling higher quantum of power in the interest of its consumers."

- c) In the reply dated 22.01.2026, it is stated that TPL-D has considered Rs. 228 Crore for UNOSUGEN as Annual Fixed Charge based on actual availability of 96.15% for FY 2026-27. During the year, TPL-D has taken care that scheduling of Term LNG is carried out whenever the same is expected to be lower than alternative supply except in the month of May and June 2024 when MoP had issued direction under Section 11.
- d) TPL-D had procured 241.79 MU during the period of direction of MoP under Section 11. For the rest of the period, TPL-D has procured 189.05 MU

generated from tied-up Domestic Gas as per Para 27 (c) (iv) of GERC Order dated 19 June 2019 and 112.33 MU generated using Term-LNG.

- e) Out of 280.59 MU generated using Term-LNG, 168.26 MU procured during the period when Section 11 direction was applicable and 112.33 MU were procured during balance period of FY 2024-25 by exercising commercial prudence to optimize power purchase cost.
- f) TPL-D has submitted that Medium Term rate prevailing in FY 2024-25 with Transmission Cost works out to Rs. 7.39/kWh. On query of the basis of assumption of considering the Medium Term purchase rate of Rs. 7.39/kWh for FY 2024-25, TPL-D has revised their claim from Rs. 7.39/kWh to Rs. 7.56/kWh based on all the medium term Tender has been discovered in the DEEP Portal. Furthermore, in FY 2024-25, it is stated that TPL-D has taken due consideration of implication of UNOSUGEN's fixed costs as well while procuring the power from UNOSUGEN vis-à-vis purchase from other sources to optimize overall power purchase cost. Accordingly, TPL-D has procured power from UNOSUGEN, as procurement price from alternate source was evidently higher.
- g) TPL-D has procured power of 112.33 MU generated through Term LNG during the period not covered under the direction of Section 11 is due to following reasons:
- (i) April 2024: TPL-D had invited bids for short-term power procurement for April 2024 where in rate discovered was Rs. 9.24 to Rs. 10.00 per unit and the weighted average landed rate worked out to about Rs. 11.20 per unit. The Section-11 direction was also in force during April 24 for mandatory usage of imported coal and therefore, higher generation cost was reflected in the rate discovered in the market.
- (ii) October 2024: TPL-D had to ensure reliable tie-ups owing to festival period of Navratri and Diwali during October 2024. Accordingly, TPL-D had invited bids for short-term power procurement twice; wherein rates

discovered were Rs. 6.74 per unit and Rs. 6.10 per unit. The weighted average landed rates worked out to about Rs. 8.01 per unit and Rs. 7.33 per unit, respectively.

- h) As against above, the variable cost of electricity generated from UNOSUGEN using Term LNG was Rs. 6.71 per unit, i.e., cheaper than the rates discovered for April 2024 as well as October 2024. Therefore, to optimize the power purchase cost, TPL-D procured power during above periods from UNOSUGEN as UNOSUGEN Fixed cost is payable as Plant was available during the period. Accordingly, TPL-D had procured 57.51 MU in April 2024 and 52.36 MU in October 2024 generated using Term-LNG, whereas about ~2.5 MU was procured in balance period of 8 months so as to utilize the available Term LNG while optimizing the cost along with reliability of power.
- i) The Petitioner submitted that it has not entered into any separate Term LNG tie-up during FY 2024-25 as specified in para 27 (c) (i) of UNOSUGEN Order in Case No. 1322 of 2013 dated 19 June, 2019 as the prices of Term LNG was high. TPL-D (A) further stated that it has procured power from UNOSUGEN at Rs. 6.58/kWh and has exercised commercial prudence so as to reduce its cost to the consumers as the procurement of Medium-Term power through bidding process has resulted into landed cost of Rs. 7.56/kWh, which is higher than UNOSUGEN price. Thus, TPL-D (A) has operated UNOSUGEN to reduce the cost to the end consumers compared to Medium term bilateral power.

4.6.18 The Commission has noted the aforesaid submission of the Petitioner in regard to purchase of power from UNOSUGEN and sought details of the Medium-Term price reference along with the regional and State transmission charges and losses and computation of landed cost of Power along with supporting documents. The said information was submitted by TPL-D, claiming landed cost of medium term purchase rate as Rs. 7.56/kWh inclusive of Transmission Cost and Losses for FY 2024-25. However, we note that the Commission vide Order dated 19th June, 2019 in Case No. 1322 of 2013 accorded approval of the arrangement for procurement

of 278 MW power from UNOSUGEN. The Para 26 of the Order dated 19th June, 2013 read as under:

“26. UNOSUGEN will charge Annual Fixed Charges (excluding water charges) at the rate determined by the CERC or Rs. 228 crore per annum, whichever is lower for the entire period of power procurement. The Commission has allowed the offer of the Petitioner to charge Rs. 1.10 per Unit at 85% PLF of the plant. The CERC has notified CERC (Terms and Conditions of Tariff) Regulations, 2019 for the control period from FY 2019-20 to 2023-24. Therefore, the Commission directs TPL to get AFC of UNOSUGEN plant determined by the CERC from time to time and submit the same to the Commission.

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

a) Period:

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

b) Tariff:

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

(ii) The Annual Fixed Charge of UNOSUGEN will be as determined by the CERC or Rs. 228 Crores p.a. (i.e. Rs. 1.10/unit) whichever is lower as referred in para 26 above.

c) Fuel Supply Agreement:

- (i) *The Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such that the landed price of power purchase including the fixed charges as above for the ultimate consumers should not more than the prevailing landed market price for medium term power purchase during such periods.*
- (ii) *In the absence of fuel, the availability of plant shall not be considered.*
- (iii) *The Petitioner shall submit copies of the FSAs to the Commission as stated at para 22 above.*
- (iv) *Once the domestic gas is available, the Petitioner shall endeavour to have a long term arrangement at affordable price with prior permission of the Commission.”*

(Emphasis added)

4.6.19 Thus, the approval of the power procurement from UNOSUGEN is subject to the stipulation contained in Clause 27 (c) (i) of the Commission’s Order dtd. 19th June, 2019 that the Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensure that cost of fuel in the FSAs is such a way that the landed price of power purchase including the fixed charges and variable charges as above for UNOSUGEN should not be more than the prevailing landed market price for medium-term power purchase inclusive of regional and State Transmission Charges and losses during such periods. Further, Clause 27 (c) (ii) of the said Order specifies that in the absence of fuel, the availability of plant shall not be considered.

4.6.20 It is observed that the availability of the UNOSUGEN plant for FY 2024-25 (cumulative up to March, 2025) has been 96.15%, which has been verified on the website of SLDC. It is further observed that the Petitioner has procured 543.17 MU

from UNOSUGEN during FY 2024-25. TPL-D has claimed that out of 543.17 MU, 241.79 MU is generated during the period when MoP directions under Section 11 of the Act were in force, and TPL-D had to schedule power from UNOSUGEN. Rest of the time, TPL-D has procured 189.05 MU generated from tied-up Domestic Gas as per Para 27 (c) (iv) of GERC Order dated 19 June, 2019 and 112.33 MU generated using Term-LNG. The Commission notes that the Energy charges for Term LNG and Domestic gas works out to Rs. 6.44/kWh and Rs. 6.71/kWh. Considering these variable charges and the fixed charges for the relevant period, the landed cost of UNOSUGEN works out well above the prevailing landed market price of Medium-Term power purchase for such power purchase as claimed by petitioner.

4.6.21 The Commission, in its Order dated 19th June, 2019 in Case No. 1322 of 2013, had clearly stipulated that the power procurement cost from UNOSUGEN shall be approved only to the extent that the landed cost of such power does not exceed the prevailing landed market price for medium-term power procurement during the relevant period. The Commission observes that TPL-D was fully aware, prior to undertaking fuel procurement, that the admissibility of power purchase cost from UNOSUGEN would be governed by the aforesaid Order dated 19.06.2019. However, for FY 2024-25, the variable cost alone for UNOSUGEN is worked out to Rs. 6.58/kWh, indicating that achieving a landed cost of Rs. 7.56/kWh would not be feasible even if it schedule equivalent to PLF of 85%.

4.6.22 Regarding the power scheduled under Section 11, the Commission is of the view that TPL-D did not have compulsion to schedule the power under the direction of MoP and it was formulated as an enabling clause so that all subjected Generators are available in the market and operated to provide stability to the Power Market. Further, even if such power was scheduled, the tariff payable has to be in accordance with the extant PPA, which has been approved by the Commission with certain conditions and stipulations. In light of the above, the Commission

finds it appropriate to place reliance on Clause 27(c)(i) of its Order dated 19th June, 2019 and undertake a comparison of the landed cost of power from UNOSUGEN for FY 2024-25 with the prevailing landed market price for medium-term power procurement, i.e., Rs. 7.56/kWh, inclusive of applicable regional and State transmission charges and losses.

4.6.23 The Commission observes that the landed cost of power from UNOSUGEN, at Rs. 10.78/kWh as computed above, is significantly higher than the prevailing market price of Rs. 7.56/kWh for power procurement during FY 2024-25, which corresponds to the medium-term rate, inclusive of transmission charges and losses, as submitted by TPL-D. The Commission has also examined the rates discovered on the DEEP Portal for medium-term procurement for FY 2024-25 and has verified the computation of the landed cost of medium-term power procurement submitted by TPL-D. In view of same, the Commission approves the procurement of 543.17 MU from UNOSUGEN for FY 2024-25 at the rate of Rs. 7.56/kWh and approves the total power purchase cost of Rs. 410.64 Crores

4.6.24 It is observed that the Petitioner has procured power from bilateral sources to meet the shortfall of energy from tied-up sources and balance requirement has been fulfilled through procurement of top up power from Power Exchange. The Petitioner has procured short-term power from Indian Energy Exchange (IEX) at the rate of Rs. 5.56/kWh as submitted in Form 2. The Petitioner has also purchased power from bilateral sources at Rs. 6.06/kWh as submitted in Form 2. It is stated that TPL-D has procured power from Power Exchange to provide uninterrupted and reliable power while optimizing overall cost.

4.6.25 On query from the Commission regarding the source-wise, monthly break up of Bilateral power procured, TPL-D submitted the following:

Torrent Power Limited – Distribution (Ahmedabad)
Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination
of Tariff for FY 2026-27

Table 4-16 Break up of Bilateral Power Procured in FY 2024-25

Particulars	Month	Power Purchased in MU	Actual Variable cost in Rs. Cr.	Approved ECR in Rs. / kWh	Variable cost in Rs. Cr.	Transmission Charge in Rs. Cr.
Manikaran Power Limited	Apr-24	17.52	13.83	7.50	13.14	0.69
Tata Power Trading Company Ltd	Jul-24	19.78	12.87	6.10	12.06	0.81
Powerpulse Trading Solutions Ltd. (AEL)		111.60	72.78	6.13	68.41	4.37
PTC India Ltd.		-	0.02	-	-	0.02
Tata Power Trading Company Ltd	Aug-24	19.80	12.93	6.10	12.08	0.85
Powerpulse Trading Solutions Ltd. (AEL)		129.39	84.42	6.13	79.32	5.10
Powerpulse Trading Solutions Ltd. (AEL)	Nov-24	142.70	81.13	5.29	75.49	5.64
NTPC Vidyut Vyapar Nigam Ltd.	Dec-24	38.35	21.62	5.23	20.06	1.57
Powerpulse Trading Solutions Ltd. (AEL)		111.60	62.71	5.23	58.37	4.34
Powerpulse Trading Solutions Ltd. (AEL)	Jan-25	147.65	87.04	5.50	81.21	5.83
NTPC Vidyut Vyapar Nigam Ltd.	Feb-25	34.36	20.72	5.62	19.31	1.40
Tata Power Trading Company Ltd		27.85	16.82	5.63	15.68	1.14
NTPC Vidyut Vyapar Nigam Ltd.	Mar'25	38.33	24.45	5.97	22.88	1.57
Tata Power Trading Company Ltd		37.04	19.75	5.98	22.15	-2.40
Total		875.96	531.09		500.15	30.94

4.6.26 Accordingly, the Commission approves Power Purchase cost of Rs. 531.09 Crore from Bilateral Sources in FY 2024-25 as stated above.

4.6.27 The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the GERC (RPO) Regulations. Regarding the procurement from the Renewable Sources by the Petitioner during FY 2024-25, it has procured power at the rates of Rs 5.23/kWh from various RE sources including Transmission Charges.

4.6.28 The Commission also notes that the Petitioner has claimed Rs. 5.20 Crore for

Torrent Power Limited – Distribution (Ahmedabad)
Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination of Tariff for FY 2026-27

Purchase of 400 MU of REC for meeting its RPO at a rate of Rs. 0.13/kWh from Power Exchange. The Commission has also verified the RPO compliance report filed by the Petitioner. The Commission hence, approves the cost of REC as claimed by the Petitioner.

4.6.29 Accordingly, the Commission has approved the source-wise power purchase cost for FY 2024-25 as given in the Table below:

Table 4-17 Power Purchase Cost approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
TPL-G (APP)	1,298.63	1,367.49	1,367.49
SUGEN	2,541.15	2,857.97	2,857.97
UNOSUGEN	169.82	585.68	410.64
Bilateral/ Power Exchange	2,902.50	3,603.67	3,603.67
Renewable Energy	1,127.90	728.98	728.98
ISTS/InSTS Charges	-	288.10	288.10
REC		5.20	5.20
TPL-G (APP) past years' true-up Claimed in cost of Power Purchase			(1.06)
IT Refund for AMGEN			(7.38)
Total Power Purchase Cost	8,039.99	9,437.08	9,253.60

4.6.30 Considering the approved power purchase cost of Rs. 9,253.60 Crore for the approved total energy procurement quantum of 13,436.32 MU, the per unit power purchase cost works out to Rs. 6.89/kWh for FY 2024-25.

4.6.31 The Commission has approved the energy requirement of TPL-D (A) licence area at its periphery which is 9,281.28 MU. The power purchase cost for TPL-D (A) licence area based on the allocation of 69.08% of combined cost is worked out as Rs. 6,392.02 Crore and accordingly same is approved for FY 2024-25.

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

Petitioner’s Submission:

4.7.1 For the purpose of calculation of gains on account of reduction in distribution loss, the loss level approved by the Commission in Tariff Order of FY 2024-25 has been considered by the Petitioner, and the gains due to reduction in distribution loss has been computed as Rs. 28.21 Crore. The calculation of gains on account of reduction in distribution loss is shown in the Table below:

Table 4-18 Gain due to reduction in Energy Requirement for FY 2024-25 claimed by TPL-D (A) (Rs. Crore)

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	9,228.53
Energy Sales	MU	b	8,921.10
Wheeling Energy – OA/RE	MU	c	149.12
Total wheeled units	MU	d = b+c	9,070.22
Approved Distribution Loss	%	e	3.74%
Energy required at distribution level at approved loss	MU	f = d/(1-e)	9,422.62
Difference	MU	g = f-a-c	44.97
Units recovered as loss	MU	h	4.81
Reduction in Energy Requirement	MU	i = g-h	40.17
Average PPC	Rs./kWh	j	7.02
Savings	Rs. Crore	k = i*j/10	28.21

Commission’s Analysis:

4.7.2 The variation in distribution losses has resulted in reduction in the energy requirement, which in turn has reduced the cost of power purchase for FY 2024-25. Accordingly, the reduction in power procurement cost due to lower distribution losses is treated as controllable.

4.7.3 The Commission has approved distribution loss at 3.74% in the Order dated 1.06.2024, whereas TPL-D(A) has claimed the actual distribution loss at 3.33% for

FY 2024-25. The Commission has worked out gain on account of reduction in distribution losses as shown in the Table below:

Table 4-19 Gain due to reduction in Energy Requirement for FY 2024-25 Approved by Commission (Rs. Crore)

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	9,228.53
Energy Sales	MU	b	8,921.10
Wheeling Energy – OA/RE	MU	c	149.12
Total wheeled units	MU	d = b+c	9,070.22
Approved Distribution Loss	%	e	3.74%
Energy required at distribution level at approved loss	MU	f = d/(1-e)	9,422.63
Difference	MU	g = f-a-c	44.97
Units recovered as loss	MU	h	4.81
Reduction in Energy Requirement	MU	i = g-h	40.16
Average PPC	Rs./kWh	j	6.89
Savings	Rs. Crore	k = i*j/10	27.66

4.7.4 The Commission, accordingly, approves the gain on account of reduction in distribution loss at Rs. 27.66 Crore in Truing up of FY 2024-25.

4.8 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

4.8.1 TPL-D (A) has claimed Rs. 419.16 Crore towards O&M expenses as against the total O&M expenses of Rs. 429.23 Crore approved for FY 2024-25 in the Tariff Order dated 1st June, 2024 as detailed in the Table below:

Table 4-20 O&M expenses claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	429.23	419.16

4.8.2 The Petitioner has submitted that the above O&M expenses do not include expense related to carrying out Solar Rooftop Power Plant implementation under SURYA scheme.

4.8.3 The Petitioner has requested the Commission to consider the O&M expenses as controllable and allow gains/losses accordingly.

Commission’s Analysis:

4.8.4 TPL-D (A) has submitted the actual O&M expenses at Rs. 419.16 Crore inclusive of impact of “Re-measurement of Defined Benefit Plans” of Rs. (0.49) Crore in the Truing- up for FY 2024-25. It is observed that as per Annual Accounts, the O&M Expenses are Rs. 422.76 Crore, whereas TPL-D (A) has claimed O&M Expenses of Rs. 419.16 Crore. The head-wise analysis is as under:

4.8.5 **Employee Expenses:** The Commission observed that the Employee expenses as per annual accounts are Rs. 151.58 Crore net of expenses capitalized of Rs. 122.12 Crore. The Petitioner has added commission to non-executive directors of Rs. 0.80 Crore (from A&G expense head) and added expense towards Re-measurement of Defined Benefit Plans of Rs. (0.49) Crore appeared as gain in P&L statement.

4.8.6 It has been observed that the Petitioner has further deducted an amount of Rs. 4.25 Crore towards the Expense of the Surya Gujarat Solar rooftop scheme in the employee cost. As per the scheme, the Petitioner is required to treat incentive and expense separately from tariff exercise. Therefore, the Commission has deducted the same amount from the employee cost as submitted by the Petitioner. Accordingly, the employee expenses considered are Rs. 147.64 Crore in FY 2024-25.

4.8.7 **A&G Expenses:** A&G expense as per annual accounts are Rs. 141.79 Crore net of expenses capitalized of Rs. 28.92 Crore. The Petitioner has claimed A&G expenses after reduction on account of commission to Non-Executive Directors - Rs. 0.80 Crore, Bad Debts Written off-net - Rs. 3.85 Crore, insurance claim receipt – Rs. 0.03 Crore, Allowance of doubtful debts - (Rs. 4.97 Crore), Advertisement Expenses - Rs. 0.10 Crore, Gardening Expenses - Rs. 0.10 Crore and added lease payments -

Rs. 0.25 Crore. On query regarding bifurcation of the miscellaneous expenses of Rs. 39.70 Crore under A&G expense, the Petitioner has submitted the detailed bifurcation as shown in Table below:

Table 4-21 Details of Miscellaneous Expenses (Rs. Crore)

Particulars	Rs. Crore
Advertisement - Consumer Related	1.33
Bill Distribution & Collection Expenses	6.88
Housekeeping Expenses	8.12
Communication Expense	2.40
Printing & Stationery Expenses	1.68
Recruitment Expenses	0.36
Local Conveyance	0.20
Training & Seminar	0.30
IT related Expenses	8.00
Municipal License Fees A/c	6.46
Other Miscellaneous Expenses	3.98
Total Misc. Expense	39.70

4.8.8 Since, the Commission has considered Insurance Claim receipt as part of Non-Tariff Income, the same has not been reduced from A&G expenses. Similarly, commission to Non-Executive Directors had been claimed as part of Employee Expense and not considered in A&G Expenses. Accordingly, the Commission approves the A&G expense of Rs. 142.16 Crore for FY 2024-25.

4.8.9 **R&M Expenses:** The Petitioner has claimed R&M expenses of Rs. 129.39 Crore, which has been duly verified by the Commission from Annual Audited Accounts. The Commission accordingly approves R&M expense of Rs. 129.39 Crore.

4.8.10 The Commission, accordingly, approves the O&M expenses of Rs. 419.19 Crore, in Truing up of FY 2024-25.

4.8.11 Further as per Regulation 22 of the GERC (MYT) Regulations, 2016, the variation in O&M expenses is to be considered as controllable. Accordingly, as per the GERC (MYT) Regulations, 2016, Gain/(Losses) on account of O&M Expenses in the

Truing up of FY 2024-25 is approved by the Commission as given in the Table below:

Table 4-22 O&M Expenses and Gains / (Losses) Approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
O&M Expenses	429.23	419.19	10.04	10.04	-

4.9 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner’s Submission:

4.9.1 TPL-D (A) has claimed Rs. 957.13 Crore towards actual capital expenditure for FY 2024-25, as against Rs. 1,712.01 Crore approved in the Tariff Order dated 1st June, 2024. Summary of capital expenditure incurred during FY 2024-25 is tabulated as under:

Table 4-23 Capital Expenditure Claimed by TPL-D (A) For FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV Network	989.34	405.80
HT Network	255.46	267.85
LT Network	218.31	236.94
Metering	160.94	32.92
HQ & Training Centre	46.54	0.02
IT & Related Expenditure	14.72	1.84
Other Departments	26.70	11.75
Total	1,712.01	957.13

a) **EHV:** The Commission had approved the capital expenditure of Rs. 989.34 Crore for EHV. In this regard, the Petitioner has incurred the expenditure of Rs. 405.80 Crore. The details of same are as under:

- **Bulk Supply Points:** During FY 2024-25, capex has been incurred for three Bulk Supply Points at Gandhinagar, Thaltej, and Acher. At the Acher Bulk Supply Point, the capex for 40 MVA Transformer carried

forward from FY 2023-24 was incurred during FY 2024-25 along with, the capex for HVAC system for GIS substation. Similarly, for the Gandhinagar Bulk Supply Point, the capex was incurred for HVAC system, which was carried forward from FY 2023-24 to FY 2024-25 along with civil works.

At the 220 kV Thaltej Supply Point, finalization of protection system at GETCO end was delayed resulting into spill over of work related to Control and Relay Panel, which was carried forward from FY 2023-24 to FY 2024-25. Capex has also been incurred towards cable laying for the 220/132 kV Substation at GOTA and balance capex is carried forward to next MYT Control Period. Further, due to delay in receipt of approval from GETCO, the capex towards Bulk Supply Point of Shertha could not be incurred and has been deferred to next MYT Control Period.

- **EHV Projects:** During FY 2024-25, the major expenditure incurred under this head pertains to 132 kV RTO Wadaj S/S. Based on the optimization in cable route and LILO point, lower capex was incurred than approved. Further, expenditure was also incurred for 132 kV SG Highway substation towards land procurement, which was deferred from FY 2023-24 to FY 2024-25 resulting in rescheduling of subsequent activities.

Capex was incurred toward the relocation of the compound wall at Thaltej S/S, which was undertaken to comply with requirement of the Municipal Corporation. Further, the capital expenditure was also incurred towards installation of 1x 75 MVA Transformer, Cable and associated civil work at 132 kV River Front (Kazipur) S/S. Balance capex shall be incurred during the next MYT Control Period. During FY 2024-25, capex was incurred towards compound wall for 132 kV S/S at Pirana. However, the balance capex was deferred to next MYT

Control Period due to delays in Road-Opening (RO) permission from AMC. Further, deferment of capex for the 132 kV S/S at Pirana, has also resulted in the deferment of the associated Jamalpur F-1 shifting work. Expenditure of additional 2x40 MVA and 1x75 MVA Transformer at different EHV S/S along with capex for Airport GIS was deferred as the anticipated demand in the vicinity area did not materialize.

Capex was also incurred for processing new EHV (Extra High Voltage) consumer applications and associated expenses related to customers such as GMRCL and Amul-Fed.

- **EHV Lines:** Capex for upgradation of 132 kV Sabarmati to Dudheshwar Overhead Line was reduced due to utilization of existing infrastructure. Further, the additional connectivity between 132 kV Riverfront (Kazipur) to Dudheshwar Substation and 132 kV Vinzol to Jamalpur Substation had to be deferred due to delay in receipt of Road Opening permit.
- **33kV Substation:** During FY 2024-25, expenditure has been mainly incurred towards Electronics SEZ, Maninagar S/S, Gita Mandir S/S, and New Naroda Galaxy S/S. However, at Electronics SEZ, the scheme was modified due to lower than projected load growth, resulting in lower capex. At Maninagar S/S, as the permissions from local authorities and land acquisition were finalized in the last quarter of FY 2024–25, hence, the associated civil work and source connectivity activities have spilled over to FY 2025–26, which led to lower capex. The capex at Gita Mandir S/S was lower because the original route length was reduced, resulting in a reduction in cable requirements and civil reinstatement work. Further, the capex related to cable laying activities for Paldi S/S was deferred due to a delay in Road Opening permission. Further, capex related to civil works and source

cable related activities for Usmanpura S/S, which was deferred from earlier years was incurred during FY 2024-25. The capex for Naroda Village S/S could not progress due to unavailability of land in the targeted areas. The Satellite (Prernatirth Derasar) S/S project has been revised and in turn 33 kV S/S is proposed in the Nehrunagar area during the MYT Control Period. Further, during FY 2024-25, no applications were received from 33 kV consumers.

- **Renovation and Replacement:** Expenditure under the head of renovation and replacement has been incurred primarily towards civil revamping of EHV substations and switchyard and phasing out of obsolete assets such as switchgears and reactors. Further key initiatives focusing on system reliability and efficiency have been made, including the replacement of High Velocity Water Sprinkler (HVWS) system header pipes at the 400 kV Nicol-2 and New Pirana S/S aiming to upgrade the system and avoid future issues. Capex has also been incurred towards a new initiative of providing Aircell with Conservator Tank modification to prevent Transformer oil deterioration by eliminating its direct contact with external air. Further, to minimize interruptions, another new initiative involving providing Canopies and Breathers in the HV/LV cable box of Transformers to prevent rainwater entry, moisture condensation, and subsequent flashover, breakdown, or cable termination deterioration has been taken during FY 2024-25. Furthermore, as a continual improvement project for energy conservation, TPL-D has carried out the replacement of Thermostats by Hygrostats in 11 kV Panel Boards at various EHV S/S.
- **Safety:** During FY 2024-25, major expenditure is incurred towards undergrounding of 132 kV Jamalpur-Vinzol EHV line for safety enhancement. Safety-focused capex was also incurred for replacing

LA/CT/PT based on effective Condition Based Monitoring (CBM) requirements and to prevent unforeseen failures. Further safety and reliability measures included the installation of a Thermal Circuit Integrity Valve (TCIV) in the HV cable box to enhance fire safety. Additionally, expenses were incurred for Fire Extinguishers and Fire Doors for EHV S/S buildings (with Fire Door capex being carried forward from the previous year).

- **Supporting Infrastructure:** Under this head, expenditure has been incurred for replacing old/faulty Battery Banks and Battery Chargers and procuring/replacing various testing equipment.
- **Automation:** Expenditure has been primarily incurred towards EHV substation automation.

b) HT Network: The Commission had approved the capital expenditure of Rs. 255.46 Crore for HT network. In this regard, the Petitioner has incurred the expenditure of Rs. 267.85 Crore. The details of actual capital expenditure and reason for major variation are as under:

- **Normal load growth:** Expenditure has been incurred mainly towards distribution transformer installations at New Substations, transformer augmentation, HT customer application processing and new feeder/network modification schemes. While the overall expenditure incurred for new substations, HT customers, and normal load growth schemes was less than envisaged, higher expenditure was incurred in Transformer Augmentation. This was driven by requirement of emergency augmentation of distribution transformers to mitigate risks from an unprecedented rise in peak demand during the severe May-June heatwave.
- **Reliability, Renovation and Modernisation:** Capital expenditure has been incurred under this head mainly towards transformer

replacement (for faulty units and those with poor oil quality), HT network shifting due to road widening and other local authority infrastructure development projects, distribution automation and old and obsolete network upgradation.

- **Safety:** Major capital expenditure has been incurred under the head of safety towards replacement of old switchgear and cables, FSP replacement, conversion from Oil Type Distribution Transformer to Dry Type/Ester oil Distribution Transformer, replacement of Pole Mounted Transformers (PMTs) with state-of-the-art Compact Substations, fixing protective grills on PMTs and revamping Distribution Substation (DSS) civil structures.
- **Supporting Infrastructure:** Expenditure has been incurred towards testing and measuring equipment including procurement of cable identifier, route tracer, clip on meters, etc.

c) **LT Network:** The Commission had approved the capital expenditure of Rs. 218.31 Crore for LT network. The actual expenditure incurred is Rs. 236.94 Crore. The details of actual capital expenditure and reasons for major variation are as under:

- **Normal load growth:** Expenditure is incurred mainly towards release of new connection/ extension/ reduction, load balancing, relieving of overloaded distributors and substation interlinking schemes. Variation in expenditure is mainly due to higher number of applications and variation in unit cost due to higher material costs and variable expenses for cable length and road reinstatement for new connection/ extension/ reduction and schemes for relieving overloaded distributors and substation interlinking.
- **Reliability, Renovation and Modernisation:** Expenditure has been incurred mainly towards shifting of LT network due to road widening

and other infrastructure development projects led by local authorities (such as AMC and NHAI) and system improvement/upgradation of old/obsolete network.

- **Safety:** Expenditure has been incurred under the head of safety mainly towards replacement of MSP, replacement of LC, revamping of service and installation of fuse type MSP to enhance safety.
- **Supporting Infrastructure:** Expenditure has been incurred towards testing and measuring equipment like cable identifier, route tracer, earth tester, megger, clip-on meters and instruments for field force mobile application.

- d) **Metering:** The Commission had approved capital expenditure pertaining to Metering of Rs. 160.94 Crore. The actual expenditure of Rs 32.92 Crore was lower than the approved capital expenditure due to deferment in implementation of smart metering due to the technology evaluation and pendency in finalisation of interoperability guidelines by CEA.
- e) **Head Quarter and Training centre:** The Commission had approved capital expenditure of Rs. 46.54 Crore pertaining to Head Quarter and Training Centre at Naranpura. The activities planned for these projects in FY 2024-25 have been rescheduled to FY 2025-26 onwards for better space utilization planning. Further, capex has been incurred towards soil testing and environment clearance.
- f) **IT and related expenditure:** The Commission had approved capital expenditure of Rs. 14.72 Crore pertaining to IT & related expenditure. During FY 2024-25, capex of Rs 1.84 Crore has been incurred under this head mainly towards data centre expansion work to accommodate data of ADMS (Advanced Distribution Management System). Capex towards the hardware refurbishment and ERP Licence procurement has been deferred to FY 2025–26 based on actual requirement.

g) Other Departments: The Commission had approved capital expenditure of Rs. 26.70 Crore pertaining to Other Departments. The actual expenditure incurred is lower due to rescheduling of Battery Energy Storage System (BESS) project, which was deferred due to requirement of analysis of the new technology, requiring extensive time for technical and commercial evaluation and integration.

Additionally, Capex was also incurred towards Stores, Miscellaneous civil works at various PSC, Customer services, office, tools, etc.

4.9.2 The Petitioner has further submitted the details of capitalization, which is tabulated as below:

Table 4-24 Capitalisation Claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	9,903.44	10,428.50
Addition to GFA	1,260.09	864.46
Deletion to GFA	-	50.07
Closing GFA	11,163.53	11,242.89
SLC addition	86.36	155.18

Commission’s Analysis:

4.9.3 The Petitioner has claimed CAPEX of Rs. 957.13 Crore in Truing up of FY 2024-25, against the CAPEX of Rs, 1,712.01 Crore approved by the Commission

4.9.4 The Commission has observed that according to the audited annual accounts for FY 2024-25, the Capex is at Rs. 853.62 Crore as per Note 6 of the Audited Accounts under head “Additions during the year”. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 864.46 Crore with details of Opening CWIP as on 1st April 2024, CAPEX during the year and Closing CWIP as on 31st March 2025 in form 4.3 of the Petition. Further, TPL-D (A) also clarified that in case of any CAPEX is being capitalised in the same month, CAPEX is not reflected

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in CWIP and is directly being capitalised in Gross Fixed Assets.

4.9.5 The Petitioner has already furnished the detailed project/scheme-wise explanation of the major capital expenditure incurred and capitalisation during FY 2024-25 as deliberated in its Petition and the same is not repeated here for sake of brevity. The Commission has carried out the detailed analysis of the CAPEX during FY 2024-25 and capitalization against the approval of the Commission in Tariff Order as tabulated below;

Table 4-25 Approved CAPEX for FY 2024-25 (Rs. Crore)

Project Title	CAPEX approved for FY 2024-25 in Tariff Order	CAPEX claimed and approved in truing up for FY 2024-25	Difference between approved & actual CAPEX for FY 2024-25
A	B	C	D =(B-C)
EHV Network	989.34	405.80	583.54
HT Network	255.46	267.85	(12.39)
LT Network	218.31	236.94	(18.63)
Metering	160.94	32.92	128.02
Head Quarter & Training Centre	46.54	0.02	46.52
IT & Related Expenditure	14.72	1.84	12.88
Other Departments	26.70	11.75	14.95
Total	1,712.01	957.13	754.88

4.9.6 From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV works and metering. Against approved capital expenditure of Rs. 989.34 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 405.80 Crore mainly towards 40 MVA transformer and HVAC system for GIS substation at 220 kV Acher Supply Point, cable laying works at 220/132 kV Substation at Gota, HVAC system and civil works at 220 kV Gandhinagar Supply Point, control and relay panel works carried forward due to protection system delay at 220 kV Thaltej Supply Point, 132 kV SBI (Acher) – Dudheshwar line upgradation, 132 kV SBI (Acher) – Dudheshwar line upgradation, 132 kV Vinzol – Jamalpur additional S/C line, 132 kV RTO Wadaj



Substation, 132 kV SG Highway Substation towards land procurement, 132 kV Riverfront (Kazipur) Substation towards installation of 1×75 MVA transformer, cables and civil works 132kV RTO Wadaj SS towards civil works related to control room and building and undergrounding of 132 kV Jamalpur-Vinzol line. Under 33 kV Substations, capital expenditure has been mainly incurred towards Development of Electronics SEZ substation, 33 kV Civil works and connectivity works in Maninagar Substation, Hubtown, New Naroda (Galaxy) and Paldi substations, Civil work and transformer at various substation, Additional 20 MVA transformer at Prahladnagar (33/11 kV) Installed to meet load growth.

4.9.7 Further, it is submitted that certain works have also been deferred for future years such as:

- a) 220 kV Shertha Bulk Supply Point deferred due to delay in approval from GETCO;
- b) 132 kV Kazipur – Dudheshwar additional S/C line – delayed due to Road Opening permit issues;
- c) 132 kV Vinzol – Jamalpur additional S/C line – delayed due to Road Opening permit issues;
- d) Balance capex for 132 kV Riverfront (Kazipur) Substation – deferred to next MYT Control Period;
- e) Remaining works for 132 kV Pirana Substation – deferred due to Road Opening permission delays from Ahmedabad Municipal Corporation;
- f) Jamalpur F-1 shifting work – deferred due to Pirana substation delay;
- g) Installation of additional transformers (2×40 MVA and 1×75 MVA) at various EHV substations – deferred due to lower-than-anticipated demand;
- h) Airport GIS project – deferred due to lower demand projections;

- i) 33 kV substation at Paldi, Maninagar, Naroda, due to delay in Road Opening permission, issues in land procurement and requirement of approvals from authorities, non-availability of land etc. Some Scheme have also been revised and proposed in next MYT Control Period.

4.9.8 As regard Capex relating to HT and LT network, the Petitioner has incurred Rs. 267.85 Crore and 236.94 Crore against the capex of Rs. 255.46 Crore and Rs. 218.31 Crore, respectively, approved in the Tariff Order. Higher Capex is incurred mainly against Transformer Augmentation. This was driven by requirement of emergency augmentation of distribution transformers to mitigate risks from an unprecedented rise in peak demand during the severe May-June heatwave. In LT Network, higher expenditure was mainly due to higher number of applications and variation in unit cost due to higher material costs and variable expenses for cable length and road reinstatement for new connection/ extension/ reduction and schemes for relieving overloaded distributors and substation interlinking.

4.9.9 In respect of Metering, the CAPEX has been incurred to the tune of Rs. 32.92 Crore against the approved Rs. 160.94 Crore in Tariff Order due to deferment in implementation of smart metering due to evaluation of technology.

4.9.10 The Commission had approved capital expenditure pertaining to Other Dept. of Rs. 26.70 Crore against which actual expenditure was only Rs. 11.75 Crore due to rescheduling of Battery Energy Storage System (BESS) project, which was deferred due to requirement of analysis of the new technology, requiring extensive time for technical and commercial evaluation and integration.

4.9.11 The Commission has verified from the annual accounts that the Petitioner has capitalised asset of Rs. 864.46 Crore during FY 2024-25. The Commission based

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on the audited annual accounts of FY 2024-25 has considered the opening CWIP, capex and capitalisation during the year and closing CWIP in true up for FY 2024-25 as given in the table below:

Table 4-26 CWIP approved in True up for FY 2024-25 for TPL-D (A) (Rs. Crore)

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	447.00
2	Capex during the year	957.13
3	Less: Capitalisation	864.46
4	Closing CWIP (1+2-3)	539.67

4.9.12 The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that TPL-D (A) has upgraded and uprated some of the existing sub-stations, lines as well as switchgears.

4.9.13 The Commission has verified the energization of 132 kV substation and all 33 kV sub-stations energized during FY 2024-25 from the Certificate of energization issued by the Chief Electrical Inspector, which substantiates that the assets created through CAPEX have been put to service, as submitted by the Petitioner in its additional submission.

4.9.14 It has been observed that the Petitioner has claimed capitalisation of Rs. 864.46 Crore in Truing-up of FY 2024-25, against the capitalisation of Rs. 1,260.09 Crore approved by the Commission in the Order dated 1st June, 2024. It has been further observed that there is significant variation in the value of Opening GFA in the Annual Accounts and Petition. The TPL-D (A) clarified that the Fixed Asset Schedule in Annual Accounts is on NFA basis as per Ind-AS, however, TPL-D (A) has submitted fixed asset schedule in the Petition on GFA basis as per the GERC (MYT) Regulations, 2016.

4.9.15 The Commission has approved closing GFA at Rs. 10,428.49 Crore in the True-up for FY 2023-24 and the same is considered as opening GFA for FY 2024-25. The Commission has observed that according to the audited annual accounts for FY 2024-25, the capitalisation is at Rs. 864.46 Crore.

4.9.16 TPL-D (A) has de-capitalised assets to the extent of Rs. 50.07 Crore during FY 2024-25. However, deduction from GFA is at Rs. 26.37 Crore as per (Note 4.1) of the audited annual accounts for FY 2024-25. The Commission sought details for the discrepancy against which the Petitioner has reported that the fixed asset shown in the annual accounts is on Net Fixed Assets (NFA) basis as per Ind AS and the same is shown on Gross Fixed Assets (GFA) basis in the Petition as per GERC (MYT) Regulations, 2016. Hence, the Commission considers de-capitalised assets at Rs. 50.07 Crore and accordingly adjustments is made to GFA in Truing up for FY 2024-25.

4.9.17 The Commission accordingly approves the opening GFA, addition to GFA during the year and closing GFA and funding of the Capitalisation (Debt : Equity) for FY 2024-25 as tabulated below:

Table 4-27 Approved Capitalisation for FY 2024-25 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	10,428.50	10,428.50
Addition to GFA	864.46	864.46
Deletion to GFA	50.07	50.07
Closing GFA	11,242.89	11,242.89
Less: SLC Addition	155.18	155.18
Balance Capitalisation	709.28	709.28
Normative Debt @70%	496.49	496.49
Normative Equity @30%	212.78	212.78

4.10 Depreciation

Petitioner's Submission:

4.10.1 TPL-D (A) has claimed a sum of Rs. 391.49 Crore towards depreciation in the Truing up for FY 2024-25 as against Rs. 374.09 Crore approved in the Tariff Order, as shown in the Table below:

Table 4-28 Depreciation claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	374.09	391.49

4.10.2 TPL-D (A) has submitted that the depreciation rates as per CERC (Terms and Conditions of Tariff) Regulations, 2004, are applied on the Opening GFA of FY 2009-10 and for addition of assets from 1st April, 2009 onwards, the depreciation has been computed at the rates specified in the GERC (MYT) Regulations, 2016. The Petitioner has submitted that depreciation is an uncontrollable item

Commission's Analysis:

4.10.3 The Commission has considered the opening balance of GFA for FY 2024-25 equal to the closing balance of GFA for FY 2023-24 approved by the Commission. The details of opening GFA as on 1st April, 2024, addition to and deduction from the Gross Block during FY 2024-25 are elaborated in the previous sections.

4.10.4 The Commission has verified the depreciation from the annual accounts for FY 2024-25 and observed that depreciation as per annual accounts is Rs. 459.73 Crore (as per Note 4.1, 5 and 7 of Audited accounts). However, the Petitioner has claimed depreciation of Rs. 391.49 Crore in Truing up for FY 2024-25. On query from the Commission, the Petitioner has submitted that the depreciation has been claimed in accordance with the applicable Regulations and as per the approved practice and the same is being certified by the Statutory Auditors in the

Accounting Statement. Further, the Petitioner has also submitted the reconciliation of the depreciation as per Petition vis-à-vis annual audited accounts as tabulated below:

Table 4-29 Reconciliation of Depreciation with Audited Accounts for FY 2024-25 (Rs. Crore)

Particulars	Claimed by Petitioner
Gross Depreciation as per Accounts	459.73
Less: Amortisation of deferred revenue	68.11
Net Depreciation as per Accounts	391.62
Less: Depreciation pertaining to IND AS 116	0.13
Total claimed in the Petition	391.49

4.10.5 The Commission has deducted an amount of Rs. 68.11 Crore on account of amortisation of deferred revenue and Rs. 0.13 Crore towards IND AS 116. Further, the Commission has deducted assets of Rs. 155.18 Crore funded through Service Line Contribution and adjustment equivalent to the depreciation amount has been reduced. The Commission, accordingly, approves the depreciation of Rs. 391.49 Crore for FY 2024-25. The deviation in depreciation as compared to approved in Order dated 1st June, 2024 is considered as uncontrollable, as the depreciation is dependent on capitalisation. The Commission, accordingly, approves the gains/(losses) on account of depreciation for FY 2024-25, as tabulated below:

Table 4-30 Depreciation and Gains/(Losses) approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	374.09	391.49	(17.40)	(17.40)

4.11 Interest Expenses

Petitioner's Submission:

4.11.1 TPL-D (D) has claimed a sum of Rs. 266.94 Crore towards normative interest expenses in the Truing up for FY 2024-25 as detailed in the Table below as against

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Rs. 205.63 Crore approved in the Order dated 1st June, 2024. In addition, TPL-D (A) has claimed an amount of Rs. 2.80 Crore towards other borrowing costs.

Table 4-31 Interest and finance charges claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	2,525.87	2,989.35
Less: Reduction of normative loan due to retirement	-	(5.57)
Addition of Loan	821.61	496.49
Repayment during year	374.09	391.49
Closing Balance	2,973.40	3,099.92
Average Loan	2,749.64	3,044.63
Weighted average rate of interest (%)	7.48%	8.77%
Interest Expenses	205.63	266.94
Other Borrowing Costs	-	2.80
Total Interest and Finance Charges	205.63	269.74

4.11.2 The Petitioner submitted that the GERC (MYT) Regulations, 2016 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. The Petitioner has considered the interest expenses as per the GERC (MYT) Regulations, 2016 on normative loans. Reduction of normative loan due to retirement of assets is derived at Rs. (5.57) Crore after considering depreciation on account of deduction of Rs. 50.07 Crore and reduction in the equity amount of Rs. 15.02 Crore. The Petitioner has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

Commission’s Analysis:

4.11.3 The Commission has considered opening normative loan as on 01st April, 2024 equal to the closing loan balance of Rs. 2,989.35 Crore approved in Truing up FY

2023-24.

4.11.4 Addition to loan during FY 2024-25 is considered at Rs. 496.49 Crore as approved in earlier sections in accordance with the GERC (MYT) Regulations, 2016. The repayment is considered equivalent to depreciation as approved in the section of depreciation. The GERC (MYT) Regulations, 2016 provides for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year’s closing balance, capitalization and funding approved during the year. Further, the Petitioner has reduced normative loan due to deduction in GFA to the extent of Rs. (5.58) Crore after considering accumulated depreciation on account of asset retirement of Rs. 40.63 Crore and reduction in the equity amount of Rs. 15.02 Crore. The detailed computation by TPL-D are provided as below:

Table 4-32 Computation for reduction of normative loan due to retirement/ replacement

Particulars		Rs. Crore
GFA pertaining to retired/ replacement assets	a	50.07
Normative Equity pertaining to retirement/ replacement of asset	b=30% of a	15.02
Normative Loan pertaining to retirement/ replacement of asset	c=70% of a	35.05
Depreciation considered as loan repayment	d	40.63
Reduction of normative loan due to retirement/ replacement	e = c-d	(5.58)

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

4.11.6 Accordingly, the Commission sought information regarding the actual loan portfolio and computation of weighted average rate of interest, which the Petitioner submitted vide additional submission. The Commission has considered the weighted average rate of interest at 8.77% equal to the interest rate claimed by the Petitioner for FY 2024-25.

4.11.7 The Commission has verified the borrowing cost from the annual accounts for FY 2024-25 and observed that as per annual accounts, the cost is Rs. 3.72 Crore (Rs. 0.48 Crore + Rs. 3.24 Crore) as per Note 30 of Audited accounts. However, the Petitioner has submitted the reconciliation of the borrowing cost vis-à-vis annual audited accounts as tabulated below:

Table 4-33 Reconciliation of Borrowing cost with Audited Accounts (Rs Crore)

Particulars	Claimed by Petitioner
Other Borrowing Cost	0.48
Amortisation of borrowing Cost	3.24
Total borrowing Cost as per Accounts	3.72
Less: Amortisation of borrowing cost for FY 15-16	0.92
Total claimed in Petition	2.80

4.11.8 Accordingly, the Commission has duly verified the other borrowing cost from annual audited accounts for FY 2024-25 and accordingly approves the other borrowing cost of Rs. 2.80 Crore. By considering above, the Commission has computed the Interest & Finance Charges for FY 2024-25, as tabulated below:

Table 4-34 Interest Approved by the Commission for FY 2024-25 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	2,989.35	2,989.35
Less: Reduction of normative loan due to retirement	(5.57)	(5.57)
Addition of Loan	496.49	496.49
Repayment during year	391.49	391.49
Closing Balance	3,099.92	3,099.92
Average Loan	3,044.63	3,044.63
Weighted average rate of interest (%)	8.77%	8.77%
Interest Expenses	266.94	266.94
Other Borrowing Costs	2.80	2.80
Total Interest & Finance Charges	269.74	269.74

4.11.9 As regard computation of gains/losses, Regulation 22.2 of the GERC (MYT) Regulations, 2016 provides as under:

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

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

4.11.11 The Commission, accordingly, approves the gains/losses on account of interest and finance charges as uncontrollable for FY 2024-25, as tabulated below:

Table 4-35 Gains / (Losses) Approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	205.63	269.74	(64.11)	(64.11)

4.12 Interest on Security Deposit

Petitioner’s Submission:

4.12.1 The Petitioner has claimed Rs. 85.75 Crore towards interest on security deposit in Truing up for FY 2024-25 as against Rs. 86.19 Crore approved in the Tariff Order dated 1st June, 2024.

4.12.2 The Commission in the Tariff Order had approved the interest on security deposit for the Petitioner considering 6.75% interest rate on the average estimated balance of security deposit for FY 2024-25 whereas the actual interest paid is based on the Bank Rate of 6.75% as submitted in the Table below:

Table 4-36 Interest on Security Deposit claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	6.75%	6.75%
Interest on Security Deposit	86.19	85.75

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

Commission’s Analysis:

4.12.4 The Commission has verified the actual interest on security deposit and found the same to be as per the annual accounts submitted with the Petition. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 85.75 Crore for FY 2024-25. The deviation of Rs. 0.44 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

Table 4-37 Gains/Losses approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing-Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	86.19	85.75	0.44	0.44

4.13 Interest on Working Capital

Petitioner’s Submission:

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

Table 4-38 Interest on Working Capital Claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
O&M Expenses for 1 Month	35.77	34.93
1% of GFA for maintenance spares	99.03	104.28
Receivables for 1 month	579.00	680.49
Less: Security Deposit	1,276.91	1,315.72
Working Capital Requirement	-	(496.01)
Rate of Interest (%)	11.00%	11.38%
Interest on Working Capital	-	-

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

Commission’s Analysis:

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

4.13.4 TPL-D (A) has considered the working capital interest rate @ 11.38% per annum, being the weighted average 1-year MCLR prevailing during FY 2024-25 plus 250 basis points.

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4.13.5 The GERC (MYT) Regulations, 2016 (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e., 2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2024-25 from the State Bank of India website which works out to 8.88%. Accordingly, the rate of interest for computation of interest on working capital works out to 11.38% (8.88%+2.50%) and the same is adopted in truing up for FY 2024-25.

4.13.6 As per Regulation 40.4 of GERC (MYT) Regulations 2016, the Receivables equivalent to one (1) month of the revenue is required to be considered. However, it is noted that the Receivable considered by TPL-D (A) equivalent to one month is of Rs. 8,165 Crore after adjustment of Rs. 113.92 Crore related to accrued Revenue. The Commission has considered the actual Revenue of Rs. 8279.82 Crore as per Audited Accounts and the same has been considered for calculation of Working Capital Requirement.

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

Table 4-39 Interest on Working Capital approved for FY 2024-25 (Rs. Crore)

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	34.93	34.93
1% of GFA for maintenance spares	104.28	104.28
Receivables for 1 month	680.49	689.99
Less: Security Deposit	1,315.72	1,315.72
Working Capital Requirement	(496.01)	(486.51)
Rate of Interest (%)	11.38%	11.38%
Interest on Working Capital	-	-

4.13.8 As indicated above, the Commission, accordingly, approves the interest on working capital as NIL for FY 2024-25.

4.14 Return on Equity

Petitioner’s Submission:

4.14.1 TPL-D(A) has claimed a sum of Rs. 429.28 Crore towards Return on Equity (RoE) @14% in the Truing-up of for FY 2024-25 as against the Rs. 418.05 Crore approved in the Order dated 1st June, 2024, as detailed in the Table below:

Table 4-40 Return on Equity claimed by the TPL -D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	2,810.00	2,967.41
Equity Addition	352.12	212.78
Reduction in equity on account of retirement	-	15.02
Closing Equity	3,162.12	3,165.17
<i>Return on Equity at beginning of year</i>	393.40	415.44
<i>Return on Equity addition during year</i>	24.65	13.84
Total Return on Equity	418.05	429.28

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

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

Commission’s Analysis:

4.14.4 The closing equity as on 31st March, 2024 approved in the Truing up order dated 1st June 2024 for FY 2023-24 has been considered as the opening equity for FY 2024-25. During FY 2024-25, the net asset addition to GFA is Rs. 864.46 Crore and the equity at 30% works out to Rs. 212.78 Crore, after deduction of SLC. Further, during the year deletion from GFA is Rs. 50.07 Crore. Accordingly, reduction in

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equity is considered at Rs. 15.02 Crore, being 30% of the asset reduction. Thus, net equity addition is considered at Rs. 197.76 Crore in Truing up for FY 2024-25.

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

Table 4-41 Return on Equity approved for FY 2024-25 (Rs. Crore)

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	2,967.41	2,967.41
Equity Addition	212.78	212.78
Reduction in equity on account of retirement	15.02	15.02
Closing Equity	3,165.17	3,165.17
<i>Return on Equity at beginning of year</i>	415.44	415.44
<i>Return on Equity addition during year</i>	13.84	13.84
Total Return on Equity	429.28	429.28

4.14.6 The Commission, accordingly, approves the Return on Equity at Rs. 429.28 Crore in the Truing up for FY 2024-25.

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

4.14.8 The Commission, accordingly, approves the gains/(losses) on account of Return on Equity in the truing up for FY 2024-25 as detailed below.

Table 4-42 Return on Equity and Gains/(Losses) approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	418.05	429.28	(11.23)	(11.23)

4.15 Income Tax

Petitioner’s Submission:

4.15.1 TPL-D(A) has claimed Income Tax of Rs. 59.27 Crore based on the actual tax paid in proportion to the PBT of TPL-D(A) for FY 2024-25 against the amount of Rs. 88.52 Crore approved by Commission in its Tariff Order dated 1st June, 2024 based on the actual tax paid in proportion to the PBT of TPL-D(A). Hence, the Petitioner has claimed Income Tax as per below.

Table 4-43 Income Tax Claimed for TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Income Tax	88.52	59.27

Commission’s Analysis:

4.15.2 The Commission had asked TPL-D to furnish the details of segregation of Income Tax paid by TPL in respect of TPL-D (A) along with copies of challans of Income Tax paid. In its reply, TPL-D (A) stated that being a single corporate entity, Income Tax is paid for the company as a whole and submitted copy of challans of Income Tax paid for the year. TPL-D (A) has computed the income tax by applying the ratio of PBT and after adjustment of tax credit.

4.15.3 The Commission has verified the PBT figures from the Annual Accounts for FY 2024-25. The Petitioner has shown a PBT of Rs. 475.32 Crore including Remeasurement of Defined Benefit Plans of TPL-D (A). TPL-D has claimed that the PBT as per standalone financial statement of TPL (including Remeasurement of Defined Benefit Plans) is Rs. 3,082.61 Crore and the total tax paid by the Company as a whole is Rs. 539.13 Crore. Accordingly, the tax rate works out to 17.49% slightly higher than the MAT rate of 17.47% and thus, applying the effective Tax rate on PBT of TPL-D (A), the Income Tax works out to be Rs. 83.05 Crore. Further,

there is an income tax refund of Rs. 0.56 Crore, Rs. 14.59 Crore and Rs. 8.44 Crore related to FY 2011-12, FY 2019-20 and FY 2021-22 respectively. Furthermore, TPL-D (A) has claimed refund pertaining to FY 2014-15 and FY 2015-16 of Rs. 0.19 Crore. On Commission’s query regarding the mismatch in figures in the PBT of TPL claimed in the Petition with Audited Accounts, TPL-D (A) has replied that it has inadvertently deducted the other comprehensive Income of Rs. 15.68 Crore instead of adding Rs. 1.68 Crore into the Standalone PBT of Rs. 3098.30 Crore. Hence, TPL-D(A) has claimed that correct PBT should be Rs. 3099.98 Crore and in turn effective Tax rate is revised to 17.39% instead of 17.49% claimed earlier. The Commission also notes that Income Tax payable by TPL was Rs. 539.05 Crore. Hence, the Commission has computed the Income Tax to be allowed at Rs. 58.88 Crore.

4.15.4 The Commission, accordingly, approves the Income Tax at Rs. 58.88 Crore in Truing up of FY 2024-25. The Commission has treated the Income Tax as an uncontrollable expense and accordingly, approves the gains/(losses) on account of Income Tax for FY 2024-25 as tabulated below:

Table 4-44 Gains / (Losses) due to Income Tax Approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Income Tax	88.52	58.88	29.64	29.64

4.16 Bad Debts Written Off

Petitioner’s Submission:

4.16.1 The Commission in the Order had approved the bad debts of Rs. 4.51 Crore on a provisional basis for Ahmedabad supply area. The Petitioner has written off bad debts of Rs. 7.66 Crore during the year, as shown in the Table below.

Table 4-45 Bad Debts Written-Off claimed by TPL-D (A) for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Bed Debts written off	4.51	7.66

4.16.2 The GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable. Accordingly, the Petitioner has requested to consider the variation in bad debts written off in FY 2024-25 as controllable for sharing of gains/losses in line with the Regulations.

4.16.3 The Petitioner would like to highlight that higher bad debt primarily pertains to large scale demolition activities initiated by AMC in recent time wherein they have instructed TPL-D to disconnect the services for the premises along with demolition. Accordingly, the Petitioner has to act as per the direction, which resulted in occupier of premises not paying the last pending dues. This being uncontrollable, the Petitioner requested the Commission to consider the same as uncontrollable.

Commission’s Analysis:

4.16.4 The Petitioner has claimed Rs. 7.66 Crore towards bad debts written off during FY 2024-25 against which the recovery of bad debts made is Rs. 3.81 Crore, as claimed by the Petitioner under Non-Tariff Income. Therefore, the net bad debt written off (Rs. 7.66 Crore minus Rs. 3.81 Crore) is Rs. 3.85 Crore. The Commission has verified the bad debt written off (net) from the Annual Accounts for FY 2024-25. The Commission, accordingly, approves the bad debts written off at Rs. 7.66 Crore for FY 2024-25. The deviation of Rs. 3.15 Crore in bad debts is considered as controllable factor as per GERC (MYT) Regulations, 2016. As for the Petitioner’s submission that Bad debt to be considered uncontrollable, the Commission is of the opinion that it should make sincere effort for earlier recovery of said bad debt. The Commission, hence, approves the gains/losses on account of bad debts for FY 2024-25 as detailed below:

Table 4-46 Bad Debts Written-Off and Gains/(Losses) approved for Truing up for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable
Bad debts	4.51	7.66	(3.15)	(3.15)

4.17 Contribution to Contingency Reserve

Petitioner’s Submission:

4.17.1 The Commission had allowed contribution to contingency reserve of Rs. 0.60 Crore for meeting the requirement of unexpected emergent circumstances. Accordingly, the Petitioner has considered the approved values and prayed to the Commission to allow the same for truing-up of FY 2024-25.

Commission’s Analysis:

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

Table 4-47 Contingency Reserve and Gains/(Losses) approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Contingency Reserves	0.60	0.60	-	-

4.18 Non-Tariff Income

Petitioner’s Submission:

4.18.1 The Commission had approved Non-Tariff Income of Rs. 111.22 Crore for FY 2024-25 in Tariff Order and the actual Non-Tariff Income considered in the petition is Rs. 57.79 Crore. The major variation is on account of rebate on payment for power

purchase, Liquidated Damages, revenue from scrap, recovery of debts, reconnection charges, etc.

4.18.2 Further, in the previous Control Period, the Petitioner had considered the treatment towards income and expense of bad debts on similar lines as per the Hon'ble APTEL Judgment, wherein, the variation in recovery of bad debts was considered as controllable.

4.18.3 However, the GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable while variation in bad debts recovery is to be considered as uncontrollable. Therefore, the Petitioner has considered the entire variation in bad debts recovery in FY 2024-25 as uncontrollable for sharing of gains/losses in line with the Regulations. However, the Petitioner requests the Commission to revisit the provisions related to bad debts recovery and expenses.

Table 4-48 Non-Tariff Income claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	111.72	57.79

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

Commission's Analysis:

4.18.5 The Non-Tariff Income is specified in Regulations 89 and 97 of the GERC (MYT) Regulations, 2016, which includes various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc. The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2024-25 is Rs. 57.79 Crore. The Non-Tariff Income as per the

Annual Accounts is Rs. 162.29 Crore. The Petitioner has reduced the Insurance Claim Receipt (Rs. 0.13 Crore), Amortisation of Deferred Revenue (Rs. 67.32 Crore), Capital Grant from Government (0.79 Crore), Delayed Payment Surcharge (Rs. 14.05 Crore) and Incentive related to Surya Gujarat Solar roof top Scheme amounting to Rs. 26.32 Crore. The Petitioner has included recovery from bad debts of Rs. 3.81 Crore and waiver of online application charges of 0.26 Crore in the Non-Tariff Income to arrive at claimed figure of Rs. 57.79 Crore.

4.18.6 TPL-D (A) submitted that in Order dated 4th July, 2025 in Petition no. 2149 of 2022, the Commission has clarified that the waiver granted on the online application charges would be considered appropriately during the Tariff exercise. Accordingly, TPL-D (A) has considered the amount of Rs. 0.26 Crore in the Non-Tariff Income. The Commission has verified the details of the same as provided by the Petitioner and found the same to be in order. Hence, the Commission approves income from online application charges that has been actually waived by TPL-D(A) to be Rs. 0.26 Crore.

4.18.7 The Commission notes that incentive from Solar rooftop Scheme is provided by Government as per Surya Gujarat Solar Roof Top Scheme. The same are exempt from being part of Tariff Exercise as per Government Policy. Accordingly, the Commission has not considered an amount of Rs. 26.38 Crore towards Incentive related Surya Gujarat Solar roof top Scheme in FY 2024-25.

4.18.8 Further, as discussed in the section of O&M expenses of this Order, Insurance Claim Receipt is part of NTI and accordingly, an amount of Rs. 0.03 Crore has been considered towards this head.

4.18.9 The Commission, accordingly, approves the Non-Tariff Income of Rs. 57.82 Crore for FY 2024-25.

4.18.10 The Commission, accordingly, approves the gains/(losses) on account of Non-Tariff Income in the Truing up for FY 2024-25 as detailed below:

Table 4-49 Non-Tariff Income and gains/(losses) approved for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	111.22	57.82	53.40	53.40

4.19 Revenue from Sale of Power

Petitioner’s Submission:

4.19.1 The Petitioner has submitted Rs. 8,165.91 Crore as revenue from sale of power in the Truing up for FY 2024-25.

Commission’s Analysis:

4.19.2 The Commission has observed that the revenue from sale of power is Rs. 8,279.83 Crore as per the annual accounts for FY 2024-25. However, the Petitioner in Form 10 has depicted Rs. 8,165.91 Crore towards revenue from sale of power and accordingly the same is considered in the Petition for Truing up for FY 2024-25. On a query regarding this, the Petitioner has stated that the revenue considered in the Petition excludes the amount of Rs. 113.92 Crore considered on accrual basis in revenue from sale of electricity in the audited accounts as per IND AS 115. To substantiate this, it has further submitted a certificate of Statutory Auditor certifying the revenue for FY 2024-25. It has further submitted the break-up of this amount which constitute unrecovered FPPPA charges and adjustments for FY 2024-25.

4.19.3 The Commission has noted the Petitioner’s submission. It is to be noted that the Commission protects the interests of consumers as well as license while allowing the recovery of FPPPA charges on quarterly basis. There are instances where the Commission has allowed the past unrecovered FPPPA charges in the quarterly

revision of FPPPA charges that means some of the unrecovered FPPPA charges of previous quarters has been recovered from the consumers in the subsequent periods. Therefore, these unrecovered FPPPA charges are gradually amortized or recovered from the consumers in future quarters. Hence, this leads to gradual increase in the recovery or in the income in the ensuing years.

4.19.4 The Commission has verified the revenue from sale of power from the annual accounts for FY 2024-25 and considered the revenue from sale of power as reflecting in the Note 27 of the audited accounts for FY 2024-25, i.e., Rs. 8,279.83 Crore (excluding discount on prompt payment of bills). Further, the Commission noted that the Petitioner has claimed total tax on this total revenue. The same is considered by the Commission based on the verification of the actual income tax challans submitted by the Petitioner for FY 2024-25. Accordingly, the Commission after thoughtful consideration, has approved the revenue from sale of power at Rs. 8,279.83 Crore in the Truing up for FY 2024-25 in accordance with the GERC (MYT) Regulations, 2016.

4.19.5 Therefore, the Commission has considered overall revenue from sale of power during FY 2024-25 to the tune of Rs. 8,279.83 Crore in this Truing up exercise.

4.20 Gains/(Losses) under Truing up for FY 2024-25

Petitioner's Submission:

4.20.1 The Petitioner has submitted that the gains/(losses) on account of uncontrollable factors shall be passed through in tariff as per Regulation 23 and the gains/(losses) on account of controllable factors are shared between the licensee and the consumer in the form of tariff adjustment as per Regulation 24 of GERC (MYT) Regulations, 2016. The Petitioner has compared the actuals for FY 2024-25 with the approved figures and has segregated the variation as controllable or uncontrollable based on the analysis mentioned hereinabove in the truing up

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section as given in the table below:

Table 4-50 Controllable & Uncontrollable variations claimed for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual claimed in Petition	Deviation	Gain / (Loss) due to Controllable factors	Gain / (Loss) due to uncontrollable factors
Power Purchase	5,452.57	6,518.77	(1,066.20)	28.21	(1,094.41)
O&M Expense	429.23	419.16	10.07	10.07	-
Depreciation	374.09	391.49	(17.40)	-	(17.40)
Interest on Loans	205.63	269.74	(64.11)	-	(64.11)
Interest on Security Deposit	86.19	85.75	0.44	-	0.44
Interest on Working Capital	-	-	-	-	-
Return on Equity	418.05	429.28	(11.23)	-	(11.23)
Bad Debts written off	4.51	7.66	(3.15)	(3.15)	-
Contingency reserve	0.60	0.60	-	-	-
Income Tax	88.52	59.27	29.25		29.25
Less: Non-Tariff Income	111.22	57.79	53.43		53.43
Net ARR	6,948.17	8,123.93	(1,175.77)	35.13	(1,210.89)

Commission's Analysis:

4.20.2 The Commission has reviewed the performance of TPL-D (A) under Regulation 22 of the GERC (MYT) Regulations, 2016 for FY 2024-25. The Commission has computed the gains/(losses) for FY 2024-25 based on the Truing up for each of the components discussed in the above paragraphs. The Commission based on the ARR approved in the Tariff Order, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016, as given in the Table below:

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Table 4-51 ARR approved in respect of TPL-D (A) in the Truing up for FY 2024-25 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in this Order for FY 2024-25	Deviation (+/-)	Gain / (Loss) due to Controllable factors	Gain / (Loss) due to uncontrollable factors
Power Purchase Expenses	5452.57	6392.02	(939.45)	27.66	(967.11)
Operation & Maintenance Expenses	429.23	419.19	10.04	10.04	0.00
Depreciation	374.09	391.49	(17.40)	0.00	(17.40)
Interest and Finance Charges	205.63	269.74	(64.11)	0.00	(64.11)
Interest on Security Deposit	86.19	85.75	0.44	0.00	0.44
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00
Return on Equity	418.05	429.28	(11.23)	0.00	(11.23)
Bad debts written off	4.51	7.66	(3.15)	(3.15)	0.00
Contribution to contingency reserves	0.60	0.60	0.00	0.00	0.00
Income Tax	88.52	58.88	29.64	0.00	29.64
Less: Non-Tariff Income	111.22	57.82	(53.40)	0.00	(53.40)
Aggregate Revenue Expenditure	6948.17	7996.78	(1048.62)	34.55	(1083.17)

4.21 Sharing of Gains/Losses for FY 2024-25

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

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

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

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

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

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

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

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

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

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

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

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

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

4.21.2 The trued-up ARR for FY 2024-25 as claimed by TPL-D (A) and as approved by the Commission is summarized in the Table below:

Table 4-52 Approved Trued up ARR incl. Gains/(Losses) for FY 2024-25 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per Tariff Order dated 1st June, 2024	6,948.17	6,948.17
Gains/(Losses) due to Uncontrollable Factors	(1,210.89)	(1,083.17)
Gains/(Losses) due to Controllable Factors	35.13	34.55
Pass through as Tariff	1,199.18	1,071.65
ARR True-Up	8,147.35	8,019.82

4.21.3 The Petitioner has requested the Commission to consider an amount of Rs. 1,062.34 Crore as Revenue Gap of earlier years, approved under the Commission’s Orders dated 1st June, 2024, Review Order dated 12th November, 2025 and amount claimed as per Commission’s Order dated 12.05.2025 in R.P. No. 1869 of 2020, the details of which are given below:

Table 4-53 Revenue Surplus/(Gap) of past year (Rs. Crore)

Particulars	Amount
Revised Surplus/(Gap) FY 2022-23 as per Order dated 12.11.2025	(908.20)
Carrying cost for FY 2022-23 as per in Order dated 01.06.2024	(31.53)
Carrying cost of differential gap in order dated 01.06.2024	(110.15)
Amount as per Order dated 12.05.2025 in R.P. No.1869 of 2020	(12.46)
Total	(1,062.34)

4.21.4 As can be observed from the above table, the Petitioner has claimed the revised Gap of Rs. 908.20 Crore for FY 2022-23 as per Review Order of FY 2022-23. Further, TPL-D (A) has claimed approved Carrying Cost of Rs. 31.53 Crore from True up Order of FY 2022-23 dated 1st June, 2024. TPL-D(A) has claimed Carrying Cost on differential Gap allowed in Review Order dated 12 November, 2025.

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Further, TPL-D (A) has claimed differential amount allowed in the Review Order of FY 2018-19 dated 12th May, 2025 in R.P. No.1869 of 2020.

4.21.5 The Commission has verified the amounts claimed by the Petitioner from the respective Orders and found the same to be in Order. On query regarding the computation of Carrying Cost computed on the differential amount of Gap allowed in the Review Order on True up of FY 2022-23 in Case No. 2323 of 2024 dated 12th November 2025, the Petitioner has submitted the computation of Carrying Cost and the same is reproduced as below:

Table 4-54 Carrying cost of differential gap on True up of FY 2022-23

Particulars	Legends	Amount (Rs. Crore)
Surplus/(Gap) Approved in Tariff Order dated 01.06.2024	a	(202.14)
Surplus/(Gap) Approved in Tariff Order dated 12.11.2025	b	(908.20)
Difference	c=a-b	706.06
1 year MCLR	d	7.80%
Incremental Carrying cost claimed	e=c*d*2	110.15

4.21.6 The Commission has verified the figures based on which the computation is done from their respective Order(s) and found the computation of Carrying cost to be appropriate in this case. Hence, the Commission approves Carrying Cost of Rs. 110.15 Crore, considered as part of claim towards recovery of earlier years revenue gap of Rs. 1,062.34 Crore.

4.21.7 Accordingly, the Commission has computed the net Revenue Surplus/(Gap) for FY 2024-25 after Truing-up as below:

Table 4-55 Recovery of earlier year's approved Surplus/(Gap) (Rs. Crore)

Particulars	Claimed by Petitioner	Approved
Trued-up ARR	8,147.34	8,019.82
Revenue from Sales of Energy	8,165.91	8,279.83
Add: Revenue towards recovery of earlier year's approved Surplus/(Gap)	(1,062.34)	(1,062.34)

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of Tariff for FY 2026-27

Particulars	Claimed by Petitioner	Approved
Balance Revenue	7,103.57	7,217.49
Surplus/(Gap)	(1,043.78)	(802.32)

4.21.8 The Commission, accordingly, considers the Trued-up Revenue Gap of Rs. 802.32 Crore for FY 2024-25, while determining the Tariff for FY 2026-27.



5 Revised ARR and Tariff Determination of FY 2026-27

5.1 Introduction

5.1.1 The GERC (MYT) Regulations, 2024 were notified on 6th August 2024, and is applicable for determination of tariff from 1st April, 2025 onwards and will be in force till 31st March 2030.

5.1.2 The Commission in the MYT Order dated 29th March, 2025 in Petition No. 2426 of 2024 has approved the ARR for the MYT Control Period from FY 2025-26 to FY 2029-30. As per the provisions of Regulation 16.3.7 of GERC (MYT) Regulations, 2024, the Petitioner is required to file the revised ARR for FY 2026-27. This section contains the revised projections of the ARR, such as, power purchase cost, O&M cost, Interest cost, etc., as applicable.

5.1.3 The Commission has examined and analysed each component of the Revised ARR proposed by the Petitioner in the following paragraphs.

5.2 Energy Sales to Consumers

Petitioner's Submission:

5.2.1 TPL-D (A) submitted that in the MYT Order, the Petitioner had estimated the sales for the MYT Control Period from FY 2025-26 to FY 2029-30 by considering 4-year CAGR with FY 2019-20 as base, except for few categories like HT, HT Metro, HT-EV, Others and LT-EV. Whereas in case of Solar Rooftop, the Petitioner had projected the solar units in declining range of 16% to 10% during the MYT Control Period. The Commission has approved the category-wise sales as proposed by the Petitioner.

5.2.2 For FY 2026-27, the Petitioner has not proposed any revision in the sales as

approved by the Commission. The details of the category-wise sales as approved by the Commission in the MYT Order and proposed by the petitioner for FY 2026-27 are as under:

Table 5-1 Category-Wise Energy Sale of Ahmedabad Supply Area for FY2026-27 (In MU)

Category	Approved	Rev. Estimate
RGP	3,224.20	3,224.20
Non RGP	1,184.00	1,184.00
LTMD	1,925.55	1,925.55
HT Pumping Stations	150.22	150.22
HT	2,040.00	2,040.00
HT-Metro	63.48	63.48
HT-EV	27.92	27.92
LT-EV	0.84	0.84
Others	68.23	68.23
Total	8,684.44	8,684.44

Commission’s Analysis:

5.2.3 The Commission notes that overall energy sales estimated by the Petitioner for FY 2026-27 is lesser than actual Sales achieved in FY 2024-25 (8684.44 MU vs. 8921.10 MU). In reply to the Commission’s query regarding the estimated sales for FY 2026-27, the Petitioner submitted that

- Actual Sales for H1 FY2025-26 is about 1.5% lower as compared to sales for H1 FY 2024-25 (5021.48 MU vis-à-vis 5098.54 MU)
- Sales for FY 2025-26 (including actual sales in H1) is estimated to be about 8356 MU as compared to approved sales of 8507 MU, i.e., 1.78% lower.
- Major contributors for lower sales in FY 2025-26 are changes in weather patterns and substantial penetration of solar rooftops.
- Contribution of solar rooftop is estimated to be about 645 MU in FY 2025-26 as compared to actual of 477 MU in FY 2024-25 and approved solar



contribution of 470.39 MU for FY 2025-26. Similar trend is expected in solar rooftops in FY 2026-27.

5.2.4 The Commission notes the submission of the Petitioner. The Commission is of the view that the Distribution Licensee is in best position to estimate the energy sales forecast. Hence, the Commission considers the forecast of energy sales of each category of consumers as submitted by the Petitioner, which is as approved in the MYT Order dated 29th March, 2025. Accordingly, the energy sales for various categories are approved for FY 2026-27, is summarised in the Table below:

Table 5-2 Approved energy sales for TPL-D (A) for FY 2026-27 (MU)

Category	Projected by Petitioner	Approved by Commission
RGP	3,224.20	3,224.20
Non RGP	1,184.00	1,184.00
LTMD	1,925.55	1,925.55
HT Pumping Stations	150.22	150.22
HT	2,040.00	2,040.00
HT-Metro	63.48	63.48
HT-EV	27.92	27.92
LT-EV	0.84	0.84
Others	68.23	68.23
Total	8,684.44	8,684.44

5.3 Distribution Losses

Petitioner’s Submission:

5.3.1 The Petitioner, in the MYT petition for FY 2025-26 to FY 2029-30, had proposed the distribution loss of 5% considering that the distribution losses of the licence area are already at lower levels and in turn remain range bound. However, the Commission has approved the uniform distribution loss of 3.74% as per the lower of the actuals for previous three years – FY 2021-22 to FY 2023-24.

5.3.2 The Petitioner has not proposed any change in the distribution loss, as approved for FY 2026-27 by the Commission in the MYT Order dated 29th March, 2025. However, the Petitioner would like to reiterate that performing Utility ought not be penalized for its better performance by keeping on raising the bar. Accordingly, the Petitioner humbly urges that Commission to adopt a mechanism to incentivize the performing Utility.

5.3.3 TPL-D (A) has projected the distribution loss as under:

Table 5-3 Distribution Loss of Ahmedabad Supply Area for FY2026-27 (In %)

Particulars	Approved in MYT Order	Projected by Petitioner
Distribution Losses (%)	3.74%	3.74%

Commission’s Analysis:

5.3.4 In the MYT Order, the Commission had approved distribution loss of 3.74% for FY 2026-27 based on the past performance of the licensee. Further, it was also observed that the TPL-D has undertaken substantial capital investments in Ahmedabad area during the last five years for augmentation of network, which the Commission has approved in its various Orders including this Order. This is also validated by the actual achievement Distribution Loss of 3.33% by TPL-D (A) in FY 2024-25.

5.3.5 The Commission notes that the Distribution Loss projected by TPL-D (A) is as per the loss approved for FY 2026-27 in the MYT Order. The Commission decides to consider the approved Distribution Loss for FY 2026-27 of 3.74% for computing Energy requirement of FY 2026-27.

Table 5-4 Distribution Losses Approved by the Commission for FY 2026-27

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Distribution Losses (%)	3.74%	3.74%	3.74%

5.4 Energy Requirement:

Petitioner’s Submission:

5.4.1 Based on the approved estimates of energy sales forecast, distribution loss and transmission loss, the total energy requirement for FY 2026-27 has been submitted by the Petitioner as shown in the table below:

Table 5-5 Energy Requirement for FY 2026-27 for TPL-D (A) (MU)

Particular	Approved in MYT Order	Projected by Petitioner
Ahmedabad Supply Area		
Total Sales	8,684.44	8,684.44
Distribution Loss (%)	3.74%	3.74%
Distribution Loss	337.26	337.26
Energy Required at Distribution periphery	9,021.70	9,021.70
220 kV/Transmission Loss	0.55%	0.55%
Energy Requirement of TPL-D (A)	9,071.95	9,071.95
Energy Requirement of TPL-D (S)	4,208.47	4,208.47
Total Energy required by TPL-D	13,280.41	13,280.41

Commission’s Analysis:

5.4.2 Based on the energy sales and the distribution losses and transmission losses approved by the Commission, the energy requirement is arrived at, as given in the Table below. The Commission has considered the Distribution Loss of 3.74% and transmission loss of 0.55% as considered by the Commission for MYT Control Period to arrive at Energy Requirement for FY 2026-27, as given in the Table below:

Table 5-6 Energy requirement approved by the Commission for FY 2026-27

Particulars	Projected by Petitioner	Approved by Commission
Ahmedabad Supply Area		
Energy Sales (MU)	8,684.44	8,684.44
Distribution Loss (%)	3.74%	3.74%

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Particulars	Projected by Petitioner	Approved by Commission
Distribution Loss (MU)	337.26	337.26
Energy Input at Distribution Level (MU)	9,021.70	9,021.70
220kV/Transmission Loss (MU)	0.55%	0.55%
220kV/Transmission Loss (MU)	50.25	50.25
Energy Requirement of TPL-D (A)	9,071.95	9,071.95
Energy Requirement of TPL-D (S)	4,208.47	4,208.47
Energy Requirement of TPL-D	13,280.41	13,280.41

5.5 Energy Availability

Petitioner's Submission:

5.5.1 In the MYT Order, the Commission has approved the energy sourcing from (a) Long-Term Sources and (b) Short-Term Sources including bilateral sources / Power Exchanges. The long-term sources include TPL-G (APP), SUGEN/ UNOSUGEN and Renewable Energy sources. For FY 2026-27, the Petitioner has considered the energy availability as approved by the Commission.

5.5.2 Based on the above, the Petitioner proposes the power purchase quantum as under:

Table 5-7 Energy Availability as projected by Petitioner for FY 2026-27 (in MU)

Particulars	Approved in MYT Order	Projected by Petitioner
TPL-G(APP)	2,304.61	2,304.61
SUGEN	2,660.94	2,660.94
UNOSUGEN	911.17	911.17
Bilateral	1,918.80	1,918.80
Power Exchange	710.58	710.58
Renewable Energy	4,774.31	4,774.31
Total	13,280.41	13,280.41

Commission’s Analysis:

- 5.5.3 As per GERC (MYT) Regulations, 2024, the Distribution Licensees are required to project the power purchase requirement based on the Merit Order Dispatch principles of all generating stations considered for power purchase, RPO and the targets set if any, for Energy Efficiency and DSM schemes.
- 5.5.4 There is no variation between the energy requirement projected by TPL-D (A) and that approved by the Commission in the MYT Order for FY 2026-27.
- 5.5.5 With respect to the Renewable Energy projection, Ministry of Power (MoP) has issued notification on 22 July 2022, related to RPO and Energy Storage Obligation trajectory till FY 2029-30 and on the same principles, the Commission has also notified the GERC (Procurement of Energy from Renewable Sources) Regulations, 2025. Considering the mandate as provided by MoP and the provisions of GERC (Procurement of Energy from Renewable Sources) Regulations, 2025, the Commission has projected the Renewable power requirement for FY 2026-27 in line with the RPO trajectory as specified in the notification dated 22 July, 2022 read with (Procurement of Energy from Renewable Sources) Regulations, 2025 as outlined below:

Table 5-8 Renewable Power Projection approved by Commission for FY 2026-27

Particulars	FY 2026-27
Energy Requirement approved – MU	13,280.41
% of Renewable Power of Total Power approved as per RPO- (%)	35.95%
Quantum of Renewable Power Projection – MU	4,774.31

- 5.5.6 Accordingly, the Commission considers the quantum from Renewable sources as 4774.31 MU.
- 5.5.7 The Petitioner has considered the quantum of energy availability from TPL- G

(APP), SUGEN, UNOSUGEN, Bilateral and Power Exchange as approved in the MYT Order for FY 2025-26 to FY 2029-30 in Petition No. 2426 of 2024. The Commission in the said MYT Order has allocated 100% capacity of TPL-G (APP) to TPL-D (A) for the MYT Control Period for optimising the Power Purchase cost of TPL-D (A). For power purchase quantum of SUGEN and UNOSUGEN, the Commission notes that TPL-D (A) has not changed the quantum of power projected to be purchased from these sources in the Petition. The Commission had approved this quantum after detailed analysis of the fuel availability plan proposed by TPL-D (A). Hence, the Commission approves the quantum to be procured from SUGEN and UNOSUGEN as 2660.94 MU and 911.17 MU, respectively.

5.5.8 The balance energy requirement is considered from bilateral sources and Power Exchange to match the Energy Balance.

5.5.9 With respect to the Bilateral Power and Power Exchange, the Commission has considered the projection of energy procurement as submitted by TPL-D (A) as the same quantum has been approved in the MYT Order.

5.5.10 In case, if there is any shortfall of energy in the procurement of power through tied up sources, the same shall be met by TPL-D through Power Exchange or e-bid procurement through DEEP Portal, after obtaining necessary approvals from the Commission.

5.5.11 As stated above, 100% of the Power from TPL-G(APP) has been dedicated to TPL-D(A) and the balance power from SUGEN/UNOSUGEN, Renewable and Bilateral is allocated in the ratio of the demand of Ahmedabad and Surat. Based on the foregoing analysis, the Commission now approves the energy availability from various sources as follows:

Table 5-9 Approved Energy Availability for FY 2026-27 (in MU)

Particulars	Projected by Petitioner	Approved by Commission
TPL-G (APP)	2,304.61	2,304.61
SUGEN	2,660.94	2,660.94
UNOSUGEN	911.17	911.17
Bilateral	1,918.80	1,918.80
Power Exchange	710.58	710.58
Renewable Energy	4,774.31	4,774.31
Total	13,280.41	13,280.41
Power Allocated to Ahmedabad		
TPL-G (APP)	2,304.61	2,304.61
From other Sources	6,767.33	6,767.33
Total Power allocated to TPL-D (A)	9,071.95	9,071.95
Balance Power allocated to TPL-D (S)	4,208.47	4,208.47

5.5.12 Accordingly, the Commission approves 9,071.95 MU for TPL-D (A) from various sources as stated in the table above.

5.6 Power Purchase Cost

Petitioner's Submission:

5.6.1 Based on the source-wise energy quantum proposed by the Petitioner, the power purchase cost for each of the sources has been computed. The Petitioner has given due consideration to the latest Orders of the Commission/ Appropriate Commission while revising the power purchase cost. Accordingly, the source-wise estimated power purchase cost is provided as under:

5.6.2 **TPL-G (APP)** – The power purchase cost is based on the approved estimates of TPL-G (APP) for FY 2026-27.

5.6.3 **SUGEN/ UNOSUGEN** – The power purchase cost is as per the Tariff and operating norms adopted in the Orders.

5.6.4 **Bilateral Sources/ Power Exchange** – The power purchase rate for bilateral

sources/Power Exchange is arrived at by considering the likely market conditions and considering the current trends.

5.6.5 **Renewable Power Purchase Cost-** The power purchase cost is based on the approved estimates of Renewable Energy for FY 2026-27.

5.6.6 The Petitioner will exercise various options with due commercial prudence with respect to sourcing of power. The Petitioner has allocated AMGEN Power Purchase cost to TPL-D(A) and balance power purchase cost including transmission charges is allocated between Ahmedabad and Surat in accordance with Order dated 29th March 2025. Further, the Petitioner has considered GETCO Charges and Losses as approved by the Commission in Order dated 29th March, 2025 in Petition No. 2426 of 2024. The power purchase cost thus arrived at for FY 2026-27 including allocation between TPL-D(A) and TPL- D(S) is shown in the table below:

Table 5-10 Power Purchase Cost projected by TPL-D for FY 2026-27 (Rs. Crore)

Particulars	Approved in the MYT Order	Claimed in the Petition
TPL-G(APP)	1,254.32	1,254.32
SUGEN	2,466.02	2,466.02
UNOSUGEN	569.48	797.48
Bilateral/Power Exchange	1,575.86	1,449.01
Renewable Energy	1,714.95	1,714.95
GNA Charges/LTA	372.82	372.82
Total	7,953.45	8,054.60
Power Purchase TPL-D(A)	5,409.60	5,447.16
Power Purchase TPL-D(S)	2,543.85	2,607.44

Commission’s Analysis:

A. Renewable Power:

5.6.7 Regarding the power purchase cost associated with renewable energy, it has been observed that the Petitioner has proposed the quantum and cost of Power as

approved by the Commission in the MYT Order. As the cost of power has been considered as approved by the Commission in the MYT Order, there is no reason to revisit the same at this time. Hence, the Commission allows the power purchase cost of Rs. 1714.95 Crore from Renewable Energy sources as claimed by the Petitioner.

B. TPL-G (APP):

5.6.8 In case of procurement from TPL-G (APP), the same also has been proposed by the Petitioner as approved by the Commission in TPL-D (A)'s MYT Order for MYT Control Period from FY 2025-26 to FY 2029-30 in Petition No. 2426 of 2024 and has been allocated to TPL-D (A) as discussed in the above section of this Order. As there is no change in the Tariff for FY 2026-27 and there is no change in quantum of procurement approved by the Commission in the MYT Order, the Commission approves the Power purchase cost from TPL-G (APP) as proposed by the Petitioner.

C. SUGEN / UNOSUGEN:

5.6.9 Regarding Power Purchase cost from SUGEN/UNOSUGEN, the Petitioner submitted that it has claimed Power Purchase Cost as per the Tariff and operating norms adopted by the CERC. The Commission observes that the Petitioner has proposed power purchase cost for SUGEN as approved by the Commission in its MYT Order dated 29th March, 2025. However, a deviation is noted in respect of the proposed power purchase cost for UNOSUGEN.. In response to the Commission's query regarding the basis for considering a higher power purchase rate for UNOSUGEN, despite adopting the same quantum as approved in the MYT Order, the Petitioner submitted that it has estimated capacity charges of Rs. 228 Crore in the projected power purchase cost. The Commission observes that, for FY 2026-27, it had approved the power purchase cost from UNOSUGEN at a landed cost of Rs. 569.48 Crore corresponding to 911.17 MU. Further, the Commission notes that

TPL-D has not furnished any substantiated basis or detailed computation in support of the proposed variable cost of Rs. 6.25/kWh.

5.6.10 The Commission further notes that, despite specific queries seeking detailed computation and justification of the projected power purchase cost for UNOSUGEN, the submissions made by TPL-D is general in nature and lack adequate supporting details. The Commission observes that, in recent years the actual power purchase rate of UNOSUGEN claimed by the Petitioner at the time of true-up has always overshoot the prevailing landed market price for medium term power purchase inclusive of regional and State transmission charges and losses

5.6.11 The Commission vide Order dated 19th June, 2019 in Case No. 1322 of 2013 accorded approval of the arrangement for procurement of 278 MW power from UNOSUGEN for its own requirement at regulated tariff with following stipulations:

“26. UNOSUGEN will charge Annual Fixed Charges (excluding water charges) at the rate determined by the CERC or Rs. 228 crore per annum, whichever is lower for the entire period of power procurement. The Commission has allowed the offer of the Petitioner to charge Rs. 1.10 per Unit at 85% PLF of the plant. The CERC has notified CERC (Terms and Conditions of Tariff) Regulations, 2019 for the control period from FY 2019-20 to 2023-24. Therefore, the Commission directs TPL to get AFC of UNOSUGEN plant determined by the CERC from time to time and submit the same to the Commission.

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

d) Period:

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

e) Tariff:

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

(iv) *The Annual Fixed Charge of UNOSUGEN will be as determined by the CERC or Rs. 228 Crores p.a. (i.e. Rs. 1.10/unit) whichever is lower as referred in para 26 above.*

f) Fuel Supply Agreement:

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

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

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

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

(Emphasis added)

5.6.12 Thus, Clause 27 (c) (i) of the Commission's Order dated 19th June, 2019 stipulates that the Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such

that the landed price of power purchase comprising fixed charges and variable charges as above for UNOSUGEN should not be higher than the prevailing landed market price for medium term power purchase inclusive of regional and State transmission charges and losses during such periods. Further, Clause 27 (c) (ii) of the said Order specifies that in the absence of fuel, the availability of plant shall not be considered.

5.6.13 The Commission notes that the average total landed price of power projected by TPL-D(A) from UNOSUGEN is Rs. 8.75/kWh in FY 2026-27. The Commission finds the landed price of UNOSUGEN to be much higher than the prevailing Medium Term Power Procurement rate of FY 2024-25, i.e., Rs. 7.56/kWh inclusive of transmission charges and losses. Hence, the Commission decides to consider the landed price of power purchase from UNOSUGEN at Rs. 7.56/kWh for FY 2026-27 for the purpose of projection of power purchase cost in accordance with the order dated 19.06.2019 of the Commission in Case No. 1322 of 2013. Accordingly, the Petitioner is directed to adhere to the stipulation contained in the Order dated 19th June 2019 passed by the Commission in Case No. 1322 of 2013, for sourcing of power from UNOSUGEN.

5.6.14 Thus, the Commission approves Rs. 2466.02 Crore and Rs. 688.84 Crore as cost of Power Purchase from SUGEN and UNOSUGEN, respectively.

5.6.15 Based on the above power procurement projections, the Commission will consider allowing the Power Purchase costs of SUGEN and UNOSUGEN in accordance with the CERC/GERC Orders at the time of Truing up exercises after prudence check.

D. Bilateral Purchase:

5.6.16 Further, with respect to the Bilateral Power Purchase, the Commission has approved the Power Purchase quantum as projected by TPL-D (A). Further, TPL-D has projected rate of Rs. 5.70/kWh for procuring power through bilateral

contract for FY 2026-27 as against the approved power purchase rate of Rs. 6.25/kWh in the MYT Order. TPL-D submitted that the power purchase rate for bilateral sources is arrived at by considering the likely market conditions and considering the current trends. Accordingly, the Commission has considered the bilateral procurement rate as proposed by TPL-D while estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licence areas for FY 2026-27. TPL-D may procure power from Bilateral Sources in FY 2026-27, after obtaining necessary approvals from the Commission.

E. Power Exchange:

5.6.17 With respect to the power procurement from Power Exchange, the Commission has computed the quantum equivalent to the balance power required to meet the energy requirement after setting off of the power from other identified sources as above. Further, TPL-D has projected rate of Rs. 5.00/kWh for power to be procured from Power Exchange in FY 2026-27. TPL-D (A) submitted that the power purchase rate for Power Exchange is arrived at by considering the likely market conditions and considering the current trends. Accordingly, the Commission has considered the procurement rate as provided by TPL-D (A) for power procured from Power Exchange while estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licence areas for FY 2026-27.

F. GNA:

5.6.18 The Petitioner has considered an amount of Rs. 278.65 Crore towards GNA Charges for FY 2026-27 over and above the related power purchase costs from various sources for FY 2026-27. The Commission notes that the Petitioner has projected GNA Charges as approved by Commission in the MYT Order dated 29th March, 2025. The Commission, hence, approves the cost of GNA Charges as Rs. 278.65 Crore for FY 2026-27.

G. Intra-State Transmission Charges

5.6.19 It is observed that TPL-D (A) has considered Rs. 94.17 Crore for STU Transmission Charges for FY 2026-27 as approved in the MYT Order dated 29th March, 2025. Accordingly, the same is approved in this Order for FY 2026-27.

5.6.20 Considering above, the total procurement cost for power from different sources for TPL-D for FY 2026-27, works out as given in the Table below:

Table 5-11 Approved Power Purchase Cost of TPL-D for FY 2026-27 (Rs. Crore)

Energy Sources	Claimed in this Petition	Approved by Commission
TPL-G (APP)	1,254.32	1,254.32
SUGEN	2,466.02	2,466.02
UNOSUGEN	797.48	688.84
Bilateral	1,093.72	1,093.72
Power Exchange	355.29	355.29
Renewables Energy	1,714.95	1,714.95
STU Charges	94.17	94.17
GNA Charges	278.65	278.65
Total	8,054.60	7,945.96

5.6.21 The above power procurement cost is reflective of power requirement of both Ahmedabad and Surat licence area. For arriving at power purchase cost for individual License area, the Commission has allocated the total cost of TPL-G (APP) to TPL-D (A) and the balance power quantum and cost including STU and GNA charges has been allocated based on the power requirement of TPL-D (A) and TPL-D(S) in the power requirement ratio.

5.6.22 Since, the Power Purchase Cost is based on estimates, the Licensee shall take all necessary steps to procure any additional Renewable/Conventional Power requirement through a transparent competitive bidding process to ensure cost optimization. The Commission approves the power procurement rates and quantum submitted for Power Purchase from Long-Term sources, Renewable

Energy sources, Bilateral and Power Exchange transactions for FY 2026-27.

5.6.23 The Commission has approved the energy requirement of TPL-D (A) and TPL-D (S) collectively at 13280.41 Mus. The energy requirements for TPL-D (A) and TPL-D (S) has been 9071.95 Mus and 4208.47 Mus respectively. Accordingly, the ratio of allocation of power purchase cost between TPL-D (A) and TPL-D (S) works out to 68.31% and 31.69% respectively.

5.6.24 Accordingly, the power purchase cost of TPL-D(A) for FY 2026-27 approved as under;

Table 5-12: Approved Power Purchase Cost for TPL-D (Ahmedabad) for FY 2026-27(Rs. Crore)

Particular	Claimed by Petitioner	Approved in Order
Power Purchase Cost	5,447.16	5,380.17

5.7 Operation & Maintenance (O&M) Expenses

Petitioner’s Submission:

5.7.1 In the MYT Order, the Commission has approved the O&M expenses based on the methodology specified in Regulation 92 and 104 of the GERC (MYT) Regulations 2024.

5.7.2 The Petitioner has proposed to consider the O&M expenses as approved for FY 2026-27 in MYT Order for Ahmedabad Supply Area as under:

Table 5-13 O&M Expenses of Ahmedabad Supply Area for FY2026-27

All Figures in Rs. Crore	Approved in the MYT Order	Projected by petitioner
TPL-D(A)	597.63	597.63

Commission’s Analysis:

5.7.3 It is observed that the Petitioner has proposed the normative O&M Expenses for FY 2026-27 as approved in the MYT Order dated 29th March, 2025 in accordance with the GERC (MYT) Regulations, 2024. Accordingly, the Commission has retained the normative O&M expenses for FY 2026-27 as proposed by the Petitioner, as shown in the Table below:

Table 5-14 O&M Expenses approved by the Commission for FY 2026-27 (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by petitioner	Approved in this Order
TPL-D(A)	597.63	597.63	597.63

5.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner’s Submission:

5.8.1 During the MYT Control Period from FY 2025-26 to FY 2029-30, the Petitioner has planned to undertake capital expenditure for augmentation and up-gradation of distribution network to meet the future load growth while ensuring reliability and quality of power along with safety measures. Capital expenditure is also planned to ensure compliances of various MOP Rules, CEA Guidelines, and applicable Regulations.

5.8.2 The Commission, in its MYT Order dated 29th March 2025 in Petition No. 2426 of 2024, has approved the capex of Rs 6,537.97 Crore for the MYT Control Period, which inter-alia includes the capex of Rs 1,601.72 Crore for FY 2026-27. Based on the status of various capex schemes, prevailing demand scenario and other factors, the Petitioner has proposed to revise the capex for FY 2026-27. The summary of revised capital expenditure for FY 2026-27 is shown in the table below:

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Table 5-15 Capital Expenditure proposed by TPL-D (A) for FY2026-27

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
EHV Network	852.60	721.67
HT Network	285.76	285.76
LT Network	228.82	228.82
Metering	128.02	141.96
Special Projects	91.97	320.58
IT & Related Expenditure	8.94	17.67
Others	5.60	7.25
Total	1,601.72	1,723.69

5.8.3 The details of major capital expenditure for MYT Control Period as submitted by the Petitioner are as under:

a) EHV:

- **Bulk Supply Points:** The Commission in its MYT Order has approved the capex of Rs 1,037.30 Crore for the MYT Control Period for Bulk Supply Point at Shertha and Gota and bus reactors at Nicol-2 and Thaltej. Out of this, capex of Rs 328.96 Crore was proposed to be incurred during FY 2026-27. The capex proposed during FY 2026-27 towards Shertha bulk supply point had to be deferred due to delay in receipt of approval from GETCO for connectivity. Accordingly at present, land is under evaluation and accordingly, capex of Rs 4.97 Crore is proposed towards LILO of 400 kV D/C Vadavi-Pirana (PG) line to Shertha SS along with civil work towards substation building. For 220 kV Gota SS, capex of Rs 153.53 Crore is proposed during FY 2026-27 towards 220 kV D/C Cable laying from Shertha SS to Gota SS with associated civil work. Further, the Petitioner has proposed capex of Rs 19.70 Crore towards bus reactor and civil work at 400/220 kV Nicol-2 SS. However, the capex towards Thaltej bus reactor is deferred to FY 2028-29.
- **EHV Lines:** The Commission has approved the capex of Rs 252.82 Crore towards upgradation of network in order to cater the load growth and

ensure N-1 reliability. Out of this, capex of Rs 88.07 Crore was proposed to be incurred during FY 2026-27. The Petitioner has now proposed revised capex of Rs 87.62 Crore for upgradation of 132 kV Sabarmati-Dudheshwar S/C, Airport- Naroda feeder, Naroda to Kazipur S/C and Vasna to Nehrunagar S/C. Further, capex of Rs 20.61 Crore is proposed to be incurred towards additional 132 kV connectivity between Vinzol and Jamalpur with GIS bay and control panel.

- **EHV Substations:** The Commission has approved the capex of Rs. 910.23 Crore for the MYT Control Period for development of 132 kV SS and additional 40 MVA and 75 MVA transformer to address future load growth. Out of this, capex of Rs 281.70 Crore was proposed to be incurred during FY 2026- 27 towards 132 kV Nehrunagar, conversion of New Pirana and Nicol-2 from AIS to GIS and additional transformer of 40 MVA and 75 MVA. During FY 2026-27, the Petitioner has proposed a capex of Rs 181.30 Crore for 132 kV SG Highway towards 40 MVA x 4 Nos. and 75MVA x 2 Nos. of transformer along with GIS bay, panel and civil work related to SS building. Further, capex of Rs 22.23 Crore is also proposed for cable laying and civil work related to substation building for 132 kV Nehrunagar SS. Capex of Rs 10.56 Crore is proposed for civil work related to conversion of AIS to GIS of 132 kV Pirana. Further, during FY 2026-27, Capex of Rs 21.46 Crore is proposed for additional 75 MVA transformer at Gota SS and Jamalpur SS and Rs 14.39 Crore towards 40 MVA transformer at Nicol-1 SS and Nicol-2 SS.
- **EHV Consumers:** The Commission has approved the capex of Rs 5.53 Crore for EHV consumers for the MYT Control Period. Out of this, capex of Rs. 1.05 Crore was proposed to be incurred during FY 2026-27. The Petitioner has proposed the revised capex of Rs 11.31 Crore during FY 2026- 27 in line with the current trend.

- **33 KV Substations:** The Commission has approved the capex of Rs. 697.00 Crore for 33 kV Substation for MYT Control Period. Out of this, capex of Rs. 141.16 Crore was proposed to be incurred for FY 2026-27. The Petitioner has proposed the capex of Rs 159.77 Crore for 33 kV substations at Paldi, Usmanpura, Maninagar, Pushkar, Sindubhavan Road, Naroda Village, Koteswar, Gandhi Ashram and Devraj SS. Further, capex is also proposed towards additional 20 MVA at Ramol, Gujarat Housing Board, Shahpur, Odhav village, and Sarkhej SS and 2 Nos x 8 MVA transformers are proposed as per requirement based on application flow and loading requirement. The major variation in capex is due to deferment of 20 MVA transformer at Gujarat Housing Board SS and Sarkhej SS from FY 2025-26 to FY 2026-27.
- **Renovation and Replacement:** The Commission has approved the capex of Rs 20.20 Crore for MYT Control Period for phasing out obsolete assets and refurbishment under the head of renovation and replacement. Out of this, capex of Rs 6.37 Crore was proposed to be incurred during FY 2026-27. The Petitioner proposes the capex of Rs. 7.37 Crore during FY 2026-27. The variation in capex is due to civil revamping of EHV SS and switchyards and modification of network due to infrastructure projects of Local Authority.
- **Safety:** The Commission has approved the capex of Rs 2.89 Crore for the MYT Control Period for the safety schemes pertain to procurement of safety tools, replacement of old conductors, safeguarding of towers, replacement of switchyard equipment, earthing system for towers, and various firefighting arrangements. Out of this, capex of Rs 0.52 Crore was proposed to be incurred during FY 2026-27. The Petitioner has proposed the capex of Rs 2.01 Crore during FY 2026-27. The variation in capex is due to proposal of capex related to additional towers for ground clearance, earthing system and safety net for EHV SS switchyard.

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- **Support infrastructure:** The Commission has approved the capex of Rs 21.36 Crore for the MYT Control Period for purchase of advance tools & tackles, battery and chargers, protective relays and testing kits. Out of this, capex of Rs 3.85 Crore was proposed to be incurred during FY 2026-27. The Petitioner proposes to incur the capex as approved for FY 2026-27.
- **Automation:** The Commission has approved the capex of Rs 5.10 Crore for MYT Control Period for Substation Automation and Islanding schemes for facilitating remote control and monitoring for better network operation. Out of this, capex of Rs 0.92 Crore was proposed to be incurred during FY 2026-27. The Petitioner proposes to incur the revised capex of Rs 0.97 Crore during FY 2026-27.
- The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-16 Revised Capital Expenditure for EHV for FY 2026-27 submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
EHV Network		
Bulk Supply Points	328.96	178.21
EHV Lines	88.07	108.23
EHV Consumers	1.05	11.31
EHV Substations	281.70	249.94
33kV Substations	141.16	159.77
Renovation and Replacement	6.37	7.37
Safety	0.52	2.01
Support Infrastructure	3.85	3.85
Automation	0.92	0.97
Total	852.60	721.67

b) HT Network:

- For the MYT Control Period, the Commission has approved the capex of Rs.1,401.40 Crore towards HT Network. This inter-alia includes capex of Rs. 285.76 Crore for FY 2026-27. For FY 2026-27, the Petitioner does not propose any change in the capex of HT Network.

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

Table 5-17 Revised Capital Expenditure for HT Network for FY 2026-27 submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
HT Network		
Normal Load Growth	204.19	204.19
Reliability, Renovation & Modernization	55.81	55.81
Supporting Infrastructure	0.80	0.80
Safety	24.96	24.96
Total	285.76	285.76

c) LT network:

- For the MYT Control Period, the Commission has approved the capex of Rs. 1,161.84 Crore towards HT Network. This inter-alia includes capex of Rs. 228.82 Crore for FY 2026-27. For FY 2026-27, the Petitioner does not propose any change in the capex of LT Network.
- The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-18 Revised Capital Expenditure for LT Network for FY 2026-27 submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
LT Network		
Normal Load Growth	149.91	149.91
Reliability, Renovation & Replacement	36.69	36.69
Safety	41.01	41.01
Supporting Infrastructure	1.20	1.20
Total	228.82	228.82

d) Metering:

- The Commission has approved the capex of Rs. 524.72 Crore for Metering system towards procurement of Meters, CT/Seals, etc., during the MYT Control Period. Out of this, for FY 2026-27, the Commission has approved capex of Rs 128.02 Crore.

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- In this regard, the capex has been revised to Rs 141.96 Crore including Rs. 141.80 Crore towards installation of about 2.05 lakh Nos. of Smart Meters along with Advanced Metering Infrastructure (AMI), Advanced Distribution Management System (ADMS), Meter Data Management System (MDMS) and Rs. 0.16 Crore towards supporting infrastructure like ICT for test benches.
- It may be noted that implementation of smart meter will also necessitate additional O&M expenses to meet with communication, IT infrastructure requirements, etc.
- Accordingly, the summary of revised expenditure planned for the above-described items is provided in the table below:

Table 5-19 Revised Capital Expenditure for Meter Management for FY 2026-27 submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
Metering		
Normal Load Growth	66.13	58.30
Reliability, Renovation and Replacement	37.08	73.75
Supporting Infrastructure	1.22	0.16
AMI & Others	23.59	9.75
Total	128.02	141.96

e) Special Projects:

- **Head Quarter Office and Training Centre at Naranpura:** The Commission has approved the capex of Rs 265.53 Crore for MYT Control Period for development of Head quarter office and Training centre at Naranpura. Out of this, capex of Rs 91.97 Crore was proposed to be incurred during FY 2026-27. The scheme has been revised and the capex has been revised to Rs 46.58 Crore for FY 2026-27.
- **Battery Energy Storage System (BESS):** The Commission has approved the capex of Rs. 14 Crore for pilot project on BESS during FY 2024-25. However, due to nascency of new technology, requiring extensive time for

technical and commercial evaluation and integration, the project has been deferred to FY 2026-27. Accordingly, based on latest developments, Petitioner proposes to incur capex of Rs. 274 Crore for establishing BESS of 2.5 MW/5 MWh at Odhav. 5 MW/20 MWh at Ramol SS, 30 MW/120 MWh at Amraiwadi and 30 MW/120 MWh at 220 kV Nicol-2 SS.

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

Table 5-20 Revised Capital Expenditure for Special Projects for FY 2026-27 as submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
Special Projects:		
HQ & Training Centre	91.97	46.58
BESS	-	274.00
Total	91.97	320.58

f) IT and related Expenditure:

The Commission has approved the capex of Rs 37.72 Crore for the MYT Control Period for setting up new Data Centre, hardware replacements, software upgradation, new IT initiatives and projects, SAP licenses, network upgradation, communication, etc. Out of this, capex of Rs 8.94 Crore was proposed to be incurred during FY 2026-27. The Petitioner has revised the capex to Rs 17.67 Crore for FY 2026-27. The variation is due to proposal of capex towards enhancement of Data Centre and SAP S4 HANA during FY 2026-27.

Table 5-21 Revised Capital Expenditure for IT & Infrastructure for FY 2026-27 as submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
IT & Related Expenditure	8.94	17.67

g) Others:

The details are as under:

- **Miscellaneous** – The Commission has approved the capex of Rs 28.46 Crore for the MYT Control Period for Miscellaneous expenses, which includes capex for technical equipment, vehicles, other infrastructure as well as digitization / upgradation of existing system. Out of this, capex of Rs 2.60 Crore was proposed to be incurred during FY 2026-27. The Petitioner has proposed revised capex of Rs 3.94 Crore for FY 2026-27.
- **Other Departments** – The Commission has approved the capex of Rs 10.31 Crore for the MYT Control Period for other Departments such as QA/QC, Stores, Customer Services, RPRC, etc. Out of this, capex of Rs 5.60 Crore was proposed to be incurred during FY 2026-27. The Petitioner has revised the capex to Rs 3.31 Crore for FY 2026-27. The variation is on account of procurement of various testing and measuring equipment.

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

Table 5-22 Revised Capital Expenditure for Special Projects for FY 2026-27 as submitted by TPL-D (Rs. Crore)

All Figures in Rs. Crore	Approved in MYT Order	Projected by Petitioner
Other	5.60	7.25

Commission’s Analysis:

5.8.4 Regulations 29 and 30 of GERC (MYT) Regulations, 2024 provides for admission of the capital cost and capitalisation to be incurred for the Control Period to form the basis for determination of Tariff. Further, Regulation 29.8 of GERC (MYT) Regulations, 2024 refers to the Guidelines for approval of Capital Investment Schemes as provided in Annexure III to the Regulations, whereby TPL-D (A) is required to make an application to the Commission for obtaining prior approval for schemes involving major investments as per criteria specified in these Guidelines. The DPR as submitted by TPL-D(A) will be the basis for approval of the CAPEX and Capitalisation during the Truing up of the respective year of the



Control Period.

- 5.8.5 The Commission notes that the Capital Expenditure of Rs. 1,723.69 Crore proposed by the petitioner in FY 2026-27 also includes Rs. 274.00 Crore for installation of BESS Plant in various substation of the petitioner. As regard to aforesaid proposal for BESS Capital Expenditure proposed by the Petitioner, the Commission notes that during approval of ARR for FY 2024-25 the Commission approved the pilot project of BESS as proposed by the Petitioner and noted the submission of the Petitioner that based on the experience gained from such pilot project, the petitioner shall plan necessary BESS for its License Area.
- 5.8.6 However, as per the submission made by the petitioner in the present petition as part of truing up of FY 2024-25, it is submitted by the Petitioner that the said pilot project has been deferred due to requirement of analysis of the new technology, requiring extensive time for technical and commercial evaluation and integration. Thus, the Commission notes that the Petitioner has not yet implemented the BESS pilot project which was approved for FY 2024-25 and without implementing the pilot project and analysing the experience gained from such project, the petitioner has now proposed Capital expenditure of Rs. 274 Crore for FY 2026-27.
- 5.8.7 In any event, the Commission observes that the State DISCOMs have been conducting competitive bidding for procurement of Battery Energy storage facility and have already discovered tariff for procurement of BESS facility. The Commission notes that prima facie the discovered tariff of such BESS facility seems to be on the lower side. Thus, it appears that the cost of BESS estimated by the Petitioner is not in commensuration with the market trends of BESS tariff discovered through competitive bidding process.
- 5.8.8 The Commission is of the opinion that TBCB route should be adopted whenever there is possibility to discover optimum Tariff in the interest of consumer. Hence,

it is prudent on part of the petitioner to go for competitive bidding route for procuring BESS facility instead of going for Capex Mode particularly when the estimated cost is not commensurating with the market price of BESS facility.

5.8.9 In view of the above, the Commission do not find it appropriate to consider BESS Capex as proposed by the petitioner for FY 2026-27.

5.8.10 As regard to other Capital Expenditure Schemes proposed by the petitioner for FY 2026-27, under different head, the Commission has deemed it appropriate to adopt the following approach:

1. Each Scheme is assessed for variation in Capex proposed by TPL-D against the provisionally approved Capex in the MYT Order.
2. If TPL-D(A) has proposed higher Capex in the year compared to figure approved in MYT Order, then the same is restricted to the figure provisionally approved in the MYT Order.
3. If TPL-D(A) has proposed lower Capex in the year compared to figure approved in MYT Order, then the revised estimation is provisionally approved in the present Order for the purpose of determination of Tariff.

Accordingly, the Commission provisionally approved the Revised Capex for FY 2026-27 based on the above methodology. Further, TPL-D is directed to take appropriate action to get separate in-principle approval for each of the Capital Expenditure Schemes proposed according to GERC (MYT) Regulations, 2024, which shall be the basis for true up of the FY 2026-27.

Table 5-23 Revised Capital Expenditure for FY 2026-27 approved by the Commission (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner	Approved in this Order
EHV Network	852.60	721.67	721.67
HT Network	285.76	285.76	285.76

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Particulars	Approved in MYT Order	Projected by Petitioner	Approved in this Order
LT Network	228.82	228.82	228.82
Meter Management	104.43	141.96	104.43
PSC	91.97	46.58	46.58
BESS	0.00	274.00	0.00
IT & Related Expenditure	8.94	17.67	8.94
Other Departments	29.20	7.25	7.25
Total	1601.72	1723.69	1403.44

5.9 Capitalization and Gross Fixed Assets

Petitioner's Submission:

5.9.1 TPL-D (A) has projected capitalization for FY 2026-27 and furnished the project/work-wise details of capitalisation in Form 5.3 to the Petition, as shown in the Table below:

Table 5-24 Capitalisation Projected by TPL – D (A) for FY 2026-27 (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner
EHV Network	808.59	703.82
HT Network	271.01	285.76
LT Network	217.01	228.82
Meter Management	99.04	141.96
PSC	87.23	0.00
BESS	0.00	274.00
IT & Related Expenditure	8.48	17.67
Other Departments	27.69	7.25
Total	1519.04	1659.26

5.9.2 Based on above, the details of revised capitalisation is as under:

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Table 5-25 Capitalisation for Ahmedabad Supply Area for FY 2026-27

Particulars	Approved in MYT Order	Projected by Petitioner
Opening GFA	13,221.55	11,967.36
Addition to GFA	1,519.04	1,659.26
Deletion from GFA		-
Closing GFA	14,740.58	13,626.62
SLC Addition	76.79	87.06

Commission’s Analysis:

5.9.3 The Commission has observed from Form 5.3 that the Petitioner has proposed capitalization of CAPEX schemes as given hereunder:

Table 5-26 Revised Projected Capitalisation by TPL-D(A) for FY 2026-27 (Rs. Crore)

Project Code	Projected by petitioner
EHV	
Bulk Supply Points	24.18
EHV Lines	142.27
EHV Consumers	11.31
EHV SS	377.65
33kV SS	134.20
Renovation and Replacement	7.37
Safety	2.01
Support Infrastructure	3.85
Automation	0.97
Sub-Total	703.82
HT	
11kV Normal Load Growth	204.19
Reliability, Renovation & Modernization	55.81
Safety	24.96
Support Infrastructure	0.80
Sub-Total	285.76
LT	
Normal Load Growth	149.91
Reliability, Renovation & Modernization	36.69
Safety	41.01
Support Infrastructure	1.20
Sub-Total	228.82
Meters	
Normal Load Growth	58.30

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Project Code	Projected by petitioner
Reliability, Renovation & Modernization	73.75
Advanced Metering Infrastructure	9.75
Support Infrastructure	0.16
Sub-Total	141.96
PSC	0
BESS (NEW)	274.00
IT & Related Expenditure	17.67
Other Departments	7.25
Grand Total	1,659.26

5.9.4 The Commission observes from Form 5.3 that capitalisation of the projected CAPEX schemes proposed by the Petitioner for FY 2026-27 is in variance with approved Capitalisation. The Commission as discussed above has decided to allow the Capital Expenditure on provisional basis as minimum of provisional approval in MYT Order and that projected by TPL-D (A) in the present Petition. Accordingly, the same methodology is applied for Capitalisation also. Hence, the Commission has provisionally approved the Capitalisation as below:

Table 5-27 Capitalisation provisionally approved for FY 2026-27 (Rs. Crore)

Scheme	Provisionally approved Capitalisation
EHV Network	703.82
HT Network	271.01
LT Network	217.01
Meter Management	99.04
PSC	0.00
BESS	0.00
IT & Related Expenditure	8.48
Other Departments	7.25
TOTAL	1,306.59

5.9.5 The Commission notes that the CAPEX and capitalisation projected by the Petitioner includes installation of new substations schemes, which have gestation period of around 1~2 years from the day of planning to CoD/ asset capitalisation. To balance the interest of the consumer and the distribution utility, the

Commission is of the view that it is appropriate to consider the ratio of the average Capitalization vis-à-vis Capital Expenditure of last true up years. Accordingly, the Commission has worked out the average capitalization over approved CAPEX for last five years, i.e., from FY 2020-21 to FY 2024-25 which works out to 97.50%. Considering such capital ratio, the Capitalisation works out to Rs. 1368.30 Crore. Accordingly, the Commission provisionally approves Capitalisation of Rs. 1,306.59 Crore for FY 2026-27.

5.9.6 The Commission observes that the Capitalisation considered by TPL-D (A) for FY 2025-26 is Rs. 724.47 Crore, which is used to determine the opening GFA of FY 2026-27. The Commission notes that as per MYT Order, the approved Capitalisation for FY 2025-26 is Rs. 1,532.96 Crore. TPL-D(A) has considered capitalisation based on its actual estimate for FY 2025-26. The Commission is of the opinion that TPL-D would be in the best position to judge the actual Capitalisation considering the actual performance in H1 of FY 2025-26. Hence, the Commission provisionally considers the same for computing opening GFA of FY 2026-27. The Commission also notes that the same has been considered for computation purposes only and during True up of FY 2025-26, the Commission will consider the Capitalisation approved by the Commission in the MYT Order for comparison purposes. Hence, the Commission considers opening GFA of FY 2026-27 as Rs. $(11,242.88+724.47) =$ Rs. 11,967.35 Crore.

5.9.7 The Commission in terms of the GERC (MYT) Regulations, 2024 has approved the funding of capitalisation based on normative debt-equity. The Commission, as deliberated above has considered the opening GFA, additions during the year and closing GFA for FY 2026-27 as given in Table below:

Table 5-28 Capitalisation Approved by Commission for FY 2026-27 (Rs. Crore)

Sr.	Particulars	Projected by the Petitioner	Approved by the Commission
1	Opening GFA	11,967.35	11,967.35
2	Assets additions during year	1,659.26	1,306.59
3	Deletion from GFA	-	-
4	Closing GFA	13,626.61	13,273.95

5.9.8 The Commission in terms of GERC (MYT) Regulations, 2024 has approved the funding of capitalisation considering normative debt-equity as tabulated under:

Table 5-29 Approved Capitalisation for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27
Capitalisation	1,306.59
Less: SLC Addition	68.56
Net Capitalisation	1,238.04
Normative Debt @70%	866.63
Normative Equity @30%	371.41

5.10 Depreciation

Petitioner’s Submission:

5.10.1 The Petitioner submitted that, the depreciation rates as per the CERC (Terms & Conditions of Tariff) Regulation, 2004 is applied on the opening GFA of FY 2009-10 and for addition of assets from 1st April 2009 onwards, depreciation has been computed at the rates specified in the GERC (MYT) Regulations. , 2024

5.10.2 The total depreciation arrived at after the computation described above is shown in the table below:

Table 5-30 Depreciation for Ahmedabad Supply Area for FY 2026-27 (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner
Depreciation	517.10	465.50

Commission’s Analysis:

5.10.3 The Commission notes that the Petitioner has computed Depreciation for the entire asset in a combined manner for FY 2026-27 and has not computed Depreciation separately for assets capitalised before 31.3.2025 and assets going to be capitalised after 31.3.2025. With respect to computation of the depreciation, Regulation 37.6 of GERC (MYT) Regulations, 2024, states that depreciation needs to be separately computed for assets added up to 31st March, 2025 and assets added on or after 01st April, 2025.

5.10.4 On query from the Commission, the Petitioner has provided the depreciation for these 2 types of assets separately.

5.10.5 The Commission notes that for Depreciation computation of new assets, TPL-D has considered opening GFA of FY 2026-27 based on Capitalisation estimated to be incurred in FY 2025-26 rather than Capitalisation approved by the Commission for computation of Depreciation. Considering that TPL-D has proposed Interim Year Capitalisation lesser than approved Capitalisation, the Commission has for purposes of computing Depreciation decided to consider opening Balance GFA of New Assets as considered by the Petitioner. The Commission also notes that the same has been considered for computation purposes only and during True up of FY 2025-26 the Commission will compute the deviation w.r.t the depreciation approved by the Commission for FY 2025-26 in the MYT Order.

5.10.6 Hence, the Commission has considered closing GFA of Rs. 724.47 Crore in FY 2025-26 based on the capitalisation of Rs. 724.47 Crore against the Capitalisation of Rs.

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1532.96 Crore approved in MYT Order for FY 2025-26. As explained above, the Commission has decided to consider Capitalisation as per the Petitioner as the Petitioner has projected Lower Capitalisation than approved for FY 2025-26 and therefore, the same is considered as opening GFA for FY 2026-27. Further, the Commission has considered capitalisation for FY 2026-27 and arrived at closing GFA for FY 2026-27 at Rs. 2,031.06 Crore. The GFA for old assets Capitalised before 31.3.2025 stands unchanged as new asset addition is considered separately, in accordance with the GERC (MYT) Regulations, 2024.

5.10.7 Accordingly, the rate of depreciation on assets added up to 31st March, 2025 is considered as per the rate as provided by TPL-D (A) and for new asset addition post 1st April, 2025, the depreciation rate is considered as per Annexure I of GERC (MYT) Regulations, 2024, a tabulated below:

Table 5-31 Depreciation approved for FY 2026-27 (Existing Assets) (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening GFA	11,688.58	11,242.88	11,242.88
Addition to GFA	-	-	-
Deletion from GFA	-	-	-
Closing GFA	11,688.58	11,242.88	11,242.88
Average GFA	11,688.58	11,242.88	11,242.88
Gross Depreciation	475.84	461.21	461.21
Less: Depreciation related to SLC	66.21	68.61	68.61
Net Depreciation	409.63	392.60	392.60
Depreciation Rate	3.50%	4.10%	3.50%

Table 5-32 Depreciation approved for FY 2026-27 (New Assets) (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening GFA	1,532.96	724.47	724.47
Addition to GFA	1,519.04	1,659.26	1,306.59
Deletion from GFA	-	-	-
Closing GFA	3,052.00	2,383.73	2,031.06
Average GFA	2,292.48	1,554.10	1,377.77
Gross Depreciation	113.51	80.86	74.70

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Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Less: Depreciation related to SLC	6.05	7.96	6.03
Net Depreciation	107.47	72.90	68.66
Depreciation Rate	4.69%	5.20%	4.98%

Table 5-33 Depreciation approved for FY 2026-27 (Total Assets) (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening GFA	13,221.54	11,967.35	11,967.35
Addition to GFA	1,519.04	1,659.26	1,306.59
Deletion from GFA	0.00	0.00	0.00
Closing GFA	14,740.58	13,626.61	13,267.12
Average GFA	13,981.06	12,796.98	12,620.65
Gross Depreciation	589.35	542.07	535.91
Less: Depreciation related to SLC	72.26	76.57	74.63
Net Depreciation	517.10	465.50	461.27
Depreciation Rate	4.22%	4.24%	4.25%

5.10.8 The Commission approves the depreciation for FY 2026-27 as shown in the above Tables.

5.11 Interest Expenses

Petitioner's Submission:

5.11.1 The Petitioner submitted that Regulation 33.2 of GERC (MYT) Regulations, 2024 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. The Petitioner has considered the interest expenses as per the GERC (MYT) Regulations, 2024 on normative loans.

5.11.2 The Petitioner has considered the rate of interest of 1 year MCLR + 0.5% while repayment has been considered equal to the depreciation of the assets for the year.

5.11.3 The interest expense thus proposed for Ahmedabad Supply area is shown in the table below for approval of the Commission:

Table 5-34 Revised Interest and finance charges projected for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner
Opening Balance	3,024.71	3,122.70
Loan addition during year	-	1,110.42
Repayment during year	400.18	465.50
Closing Balance	2,624.54	3,767.62
Average Loan	2,824.62	3,445.16
Weighted average rate of interest (%)	8.52%	9.50%
Interest Expenses	240.66	327.29

Commission’s Analysis:

5.11.4 The GERC (MYT) Regulations, 2024 specifies that for GFA addition after 01.04.2025, no separate interest on loan and RoE shall be allowed, and the entire return on such GFA addition shall be allowed in the form of Return on Capital Employed (ROCE). However, the Petitioner has considered addition of loan for GFA addition in FY 2025-26 and FY 2026-27, in line with the approach adopted under GERC (MYT) Regulations, 2016, which is not in accordance with the GERC (MYT) Regulations, 2024. Hence, for computation of interest on loan, the Commission has considered only assets added up to 31.03.2025, and thereafter, the loan balance has been reduced for FY 2025-26 and FY 2026-27 equivalent to the depreciation on existing assets added up to 31.03.2025.

5.11.5 In line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the assets of Rs. 227.54 Crore have completed the useful life or the accumulated depreciation of 90% is already claimed. Therefore, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) has been reduced in five financial years of the MYT Control Period in equal tranches. However, for

intangible assets, considering the accumulated depreciation to be 100%, 30% of the equity is reduced in five equal tranches. Accordingly, the Commission has also reduced equivalent amount from the loan repayment in view of the fact that the said amount was adjusted in the loan repayment equivalent to the depreciation amount in previous years.

5.11.6 Hence, the Commission has considered the normative closing loan balance of Rs. 2687.78 Crore for FY 2025-26 as opening loan balance for FY 2026-27 for calculation of interest on existing loan as per Regulation 33.1 of GERC (MYT) Regulations, 2024. Further, the repayment of the loan is considered equivalent to the depreciation amount computed for the existing assets put to use prior to 01st April, 2025 as per Regulation 33.3 of GERC (MYT) Regulations, 2024. In line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) of Rs. 9.88 Crore has been reduced from the equivalent loan repayment. Hence, Repayment considered by the Commission for FY 2026-27 is Rs. (392.60-9.88)=382.72 Crore. Also, in line with Regulation 33.5 of GERC (MYT) Regulations, 2024, rate of interest considered is at 8.77% p.a.

5.11.7 With respect to new asset capitalized during FY 2026-27, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024, as elaborated subsequently.

5.11.8 The Commission, accordingly, approves Revised interest on loan on existing assets capitalised before 1st April, 2025 for FY 2026-27:

Table 5-35 Revised Interest on loan approved for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening Balance of Loans	3,024.71	3,122.70	2,687.78
Loan addition during the year	-	1,100.54	-

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Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Deletion	-	(9.88)	-
Repayments during the year	400.18	465.50	382.72
Closing Balance of Loans	2,624.54	3,767.62	2,305.06
Average Loans	2,824.62	3,445.16	2,496.42
Rate of Interest on actual Loans (%)	8.52%	9.50%	8.77%
Interest Expense	240.66	327.29	218.87

5.12 Interest on Security Deposit

Petitioner’s Submission:

5.12.1 In the MYT Order, the Commission has approved the interest on security deposit at the interest rate of 6.75%, which is the Bank Rate as on 1st April, 2024, on the average of opening balance and closing balance of security deposit for the Ahmedabad supply area.

5.12.2 The Petitioner has not proposed any change in the interest on security deposit. The details of interest on security deposit projected by the petitioner is as under:

Table 5-36 Interest On Security Deposit Projected For FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner
Interest on Security Deposit	79.97	79.97

Commission’s Analysis:

5.12.3 As per Regulation 34 of GERC (MYT) Regulations, 2024, Interest shall be allowed on the amount held as security deposit at the Bank Rate notified by RBI as on 1st April of the financial year in which the Petition is filed.

5.12.4 Hence, the Commission approves the interest on security deposit for FY 2026-27, considering the RBI Bank Rate of 6.50%, i.e., the RBI Bank Rate as on 1st April, 2025 on the average balance of security deposit. The Commission approves the interest on security deposit for FY 2026-27 as under;

Table 5-37 Interest on Security Deposit approved by the Commission for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Interest on Security Deposit	79.97	79.97	77.01

5.13 Interest on Working Capital

Petitioner’s Submission:

5.13.1 The interest on working capital is computed as per the GERC (MYT) Regulations, 2024. The interest rate being the SBI MCLR rate on 1st April, 2025 plus 200 basis points, i.e., 11.00% is to be applied on the working capital requirement arrived at interest on Working Capital in accordance with the GERC (MYT) Regulations, 2024.

Table 5-38 Interest on Working Capital Projected for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner
O&M Expenses for 1 Month	49.80	49.80
Maintenance Spares @1% of GFA	132.22	119.67
Receivables for 1 Month	626.78	627.32
Less: Security Deposit	1,413.41	1,545.05
Net Working Capital Requirement	-	-
Rate of interest (%)	10.65%	11.00%
Interest on Working Capital	-	-

Commission’s Analysis:

5.13.2 Regulations 38.4 and 38.5 of GERC (MYT) Regulations, 2024 specify the norms for Wire and Supply business for computation of working capital requirement and interest on working capital thereon. According to the Regulations, the working capital requirement comprises 1-month O&M expenses, maintenance spares at 1% of historical cost of GFA, Receivables equivalent to 1 month at the prevailing tariff and excluding the amount of security deposit.

5.13.3 In line with proviso to Regulation 38.6.1 of GERC (MYT) Regulations, 2024, the Commission has considered rate of interest at 11.00% being the 1-year SBI MCLR as on 1st April 2025 (9.00%) plus 200 basis points.

5.13.4 The working capital and interest thereon calculated for FY 2026-27 is tabulated as under:

Table 5-39 Interest on Working Capital approved for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
O&M Expenses for 1 Month	49.80	49.80	49.80
Maintenance Spares @1% of GFA	132.22	119.67	119.67
Receivables for 1 Month	626.78	627.32	608.09
Less: Security Deposit	1,413.41	1,545.05	1,545.05
Net Working Capital Requirement	-	-	-
Rate of interest (%)	10.65%	11.00%	11.00%
Interest on Working Capital	-	-	-

5.13.5 The Commission, accordingly, approves the interest on working capital as NIL for FY 2026-27.

5.14 Return on Equity

Petitioner's Submission:

5.14.1 As per GERC (MYT) Regulations 2024, the Commission has provided for computation of return on equity for existing assets capitalised up to 31st March, 2025 and ROCE for assets capitalised w.e.f. 1st April, 2025 grossed up for applicable income tax. Since the same is in deviation to the MOP Electricity (Second Amendment) Rules, 2023 dated 26th July, 2023, TPL-D (A) has filed a separate Petition seeking necessary clarification/rectification.

5.14.2 With this background, the Petitioner submitted that it has computed the return on equity at 15.50% for assets commissioned up to 01.04.2025. For New Assets

added after 01.04.2025, the Petitioner has considered Return on Equity at 15.50% and 15.00% for Supply Business and Wire Business, respectively, for the MYT Control Period based on the MOP Electricity (Second Amendment) Rules, 2023 dated 26th July 2023. It may kindly be noted that same is subject to outcome of the Petition No. 2404 of 2024. Further, the rate of return on equity has been grossed up with MAT rate and applied on average of opening and closing balance of the equity arrived at considering the estimated capitalisation in FY 2026-27.

5.14.3 The return on equity estimated by the Petitioner is shown in the table below:

Table 5-40 Return on Equity claimed by the TPL -D (A) for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner
Opening Equity	3,310.08	3,349.54
Equity Addition	(9.45)	461.78
Closing Equity	3,300.63	3,811.32
Average of opening and closing	3,305.36	3,580.43
ROE on the average balance (incl. tax)	515.95	670.19

Commission’s Analysis:

5.14.4 The Commission has approved the normative closing equity at Rs. 3,165.17 after Truing up for FY 2024-25 and the same is considered as opening equity for FY 2025-26. The addition to equity is Nil during FY 2025-26, due to newer asset addition being considered for computation of RoCE as per GERC (MYT) Regulations, 2024. However, as per equity reduction projected for FY 2025-26 in the MYT Order dated 29th March, 2025, Rs. 9.45 Crore of equity has been reduced from the opening Equity of FY 2025-26 considered here. Hence, opening equity for FY 2026-27 is considered by Commission as Rs. 3155.72 Crore (3,165.17-9.45).

5.14.5 Further, as specified in para 5.10.5, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the assets of Rs. 227.54 Crore have completed the useful life or the accumulated depreciation of 90% is already claimed by the

Petitioner. Therefore, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) has been reduced in five financial years of the MYT Control Period in equal tranches. However, for intangible assets, considering the accumulated depreciation to be 100%, 30% of the equity is reduced in five equal tranches.

5.14.6 Also, as per Regulation 35.2 of GERC (MYT) Regulations, 2024, Base Return on Equity of 13% p.a. is to be allowed and Regulation 35.1 of GERC (MYT) Regulations 2024 specifies that Additional Return on Equity shall be Trued up for respective year based on actual performance substantiated by documentary evidence, after prudence check by the Commission. Further, proviso to Regulations 39.4 of GERC (MYT) Regulations, 2024 states that if the effective tax rate is lower than the Minimum Alternate Tax or Corporate Tax Rate, then the same will be considered for grossing up the rate of return on equity. Accordingly, the Base RoE of 13% has been grossed up with the income tax rate of 17.39% on the basis of actual tax paid on the book profit of FY 2024-25 as per Regulations 39.2 and 39.3 of GERC (MYT) Regulations, 2024.

5.14.7 With respect to the new asset approved to be capitalised FY 2026-27, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024.

5.14.8 The Commission has adopted the approach as specified in GERC (MYT) Regulations, 2024 for computation of Interest, Return on Equity and Return on Capital Employed for asset addition from 1.4.2025.

5.14.9 The Commission, accordingly, computed the Return on Equity for FY 2026-27 as detailed below;

Table 5-41 Return on Equity approved for FY 2026-27 (Rs. Crore)

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening Equity	3,310.08	3,349.54	3,155.72
Equity Addition	-	471.66	-
Equity reduced due to retired assets	9.45	9.88	9.88
Closing Equity	3,300.63	3,811.32	3,145.85
Return on Equity with effective tax rate	515.95	670.19	495.82
Grossed up RoE (%)	15.61%	18.72%	15.74%

5.14.10 Further, as per Regulation 35.11 (e) and Regulation 35.12 of GERC (MYT) Regulations 2024, the Commission has identified certain specified target performance parameters for Wire and Supply Business respectively in the MYT Order, which have been linked to additional Rate of Return on Equity to be provided to the licensee for achieving such performance.

5.14.11 TPL-D (A) would be entitled for additional RoE for Wires Business and Supply business as detailed in the MYT Order based on achieving the specified targets at the time of true-up of the respective Financial year of the Control Period starting FY 2025-26. This shall be assessed every year starting from the true up of first year of the MYT Control Period. TPL-D (A) should provide the supporting / justification to claim such additional Rate of Return on Equity which will be allowed by the Commission subject to prudence check in accordance with GERC (MYT) Regulations, 2024 read with target performance parameters specified in the MYT Order dated 29th March, 2025.

5.15 Return on Capital Employed

5.15.1 As stated above, the Petitioner has not computed Return on Capital Employed and has computed Return on Equity for the entire assets capitalized before and after 1st April, 2025 by relying on the Electricity (Second Amendment) Rules, 2023 dated 26th July, 2024 and referring to the matter, which is pending before the

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Commission.

5.15.2 The Commission asked TPL-D (A) to submit the computation of RoCE for FY 2026-27 based on GERC (MYT) Regulations, 2024. In compliance to this, the Petitioner has submitted the detailed calculations of RoCE for the assets capitalized on or after 1st April, 2025 as outlined below:

Table 5-42 Detailed Computation of Return on Capital Employed as computed by Petitioner

Particulars	Legend	FY 2025- 26 Projected	FY 2026- 27 Projected
Original Costs of Fixed Assets (OCFA)	A	-	724.47
Accumulated Depreciation (net of assets decapitalized)	B	-	13.59
RRB Opening	C=A-B		710.88
Assets Capitalization during the year	D	724.47	1,659.26
Depreciation during the year (net of Assets decapitalized during the year)	E	13.59	72.90
Consumer Contributions, capital subsidy/grant during the year	F	76.97	87.06
Assets decapitalized during the year	G	-	-
RRB Closing	H=C+D-E-F-G		2,210.18
RRB Average	I=(A+H)/2		1,460.53
Consumer Contributions, capital subsidy/grant at the beginning of the year	J		76.97
Equity (Opening)	K=X x (A-I)		190.17
Equity (Addition)	L=X x (D-E-F-G)		449.79
Equity (Closing)	M=K+L		639.96
Equity (Average)	N=(K+M)/2		415.07
Debt (Opening)	O=Y x (A-I)		443.74
Debt (Addition)	P= Y x (D-E-F-G)		1,049.51
Debt (Closing)	Q=O+P		1,493.25
Debt (Average)	R=(O+Q)/2		968.49
Rate of Return on Equity (%)	S		18.24%
Rate of Interest on Debt (%)	T		9.50%
WACC (%)	$U=\{(N/(R+N)) \times S\} + \{(R/(R+N)) \times T\}$		12.12%
Return on Capital Employed	V=I x U		177.03

5.15.3 The Commission, as per Regulation 36 of the GERC (MYT) Regulations, 2024 has

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approved the ROCE for FY 2026-27 for TPL-D (A) for the assets capitalized on or after 1st April, 2025, as the RoCE is the determining factor for the return to the Distribution Licensee. The approved expenses cover all financing costs, excluding expenses incurred for availing loans, without providing a separate allowance for interest on loans.

5.15.4 In line with the provisions of Regulation 36 of the GERC (MYT) Regulations, 2024, the Commission has determined the Regulated Rate Base (RRB) to calculate the total capital employed, which shall include the Original Cost of Fixed Assets (OCFA) capitalized on or after 01st April, 2025.

5.15.5 Based on the Return on Equity of 15.74% and Interest rate of 8.77%, the Weighted Average Cost of Capital (WACC) approved is 10.86%, which is applied on RRB to compute ROCE. The Commission based on Regulation 36 of the GERC (MYT) Regulations, 2024 allows the RoCE as outlined below:

Table 5-43 Detailed Computation of the Return on Capital Employed as approved by the Commission for FY 2026-27

Particulars	Legend	Approved by the Commission
Original Costs of Fixed Assets (OCFA)	$A=A_{(i-1)} + E$	724.47
Accumulated Depreciation (net of assets decapitalized)	$B=B_{(i-1)} + F$	13.59
Accumulated Consumer Contributions, Capital subsidy upto beginning of the year	$C=C_{(i-1)} + G$	76.97
RRB Opening	$D=A-B-C$	633.91
Assets Capitalization during the year	E	1,306.59
Depreciation during the year (net of Assets decapitalized during the year)	F	68.66
Consumer Contributions, capital subsidy/grant during the year	G	68.56

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Particulars	Legend	Approved by the Commission
Assets decapitalized during the year	H	-
RRB Closing	$I=D+E-F-G-H$	1,803.28
RRB Average	$J=(D+I)/2$	1,218.60
Equity (Opening)	$K=X \times D$	190.17
Equity (Addition)	$L=X \times (E-F-G-H)$	350.81
Equity (Closing)	$M=K+L$	540.99
Equity (Average)	$N=(K+M)/2$	365.58
Debt (Opening)	$O=Y \times D$	443.74
Debt (Addition)	$P= Y \times (E-F-G-H)$	818.56
Debt (Closing)	$Q=O+P$	1,262.30
Debt (Average)	$R=(O+Q)/2$	853.02
Rate of Return on Equity (%)	S	15.74%
Rate of Interest on Debt (%)	T	8.77%
WACC (%)	$U=\{(N/(R+N)) \times S\} + \{(R/(R+N)) \times T\}$	10.86%
Return on Capital Employed	$V=J \times U$	132.32

Table 5-44 Return on Capital Employed approved for FY 2026-27 (Rs. Crore)

Particulars	Approved in MYT Order	Computed by Petitioner	Approved by Commission
Opening RRB	1,232.54	710.88	633.91
Closing RRB	2,579.04	2,210.18	1,803.28
Average RRB	1,920.48	1,460.53	1,218.60
RoCE	228.07	177.03	132.32

5.16 Bad Debts Written Off

Petitioner's Submission:

5.16.1 In the MYT Order, the Commission has approved bad debts as per actuals of FY 2023-24. As mentioned earlier, Local Authority has been continuing demolition activities and the same is likely to result in higher bad debts as compared to approved bad debts, which were considered on actual basis without consideration of such demolition activities. The Petitioner proposes to consider actual bad debts

of FY 2024-25.

5.16.2 The details are as under.

Table 5-45 Bad Debt written off Projected for FY 2026-27 (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner
Bad Debt Written Off	5.41	7.66

Commission’s Analysis:

5.16.3 Regulation 105.1 of the GERC (MYT) Regulations, 2024 specifies that bad debts written off may be allowed as a pass through in the ARR subject to prudence check based on the trend of write off of bad debts in the previous years. The Commission has approved Rs. 7.66 Crore towards bad debts written off for FY 2024-25 in Truing up based on the available audited annual accounts for FY 2024-25. The Commission, accordingly, has considered revised bad debts written off at Rs. 7.66 Crore for FY 2026-27.

TABLE 5-46 BAD DEBT WRITTEN OFF APPROVED FOR FY 2026-27 (RS. CRORE)

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Bad Debt Written Off	5.41	7.66	7.66

5.17 Contribution to Contingency Reserve

Petitioner’s Submission:

5.17.1 The Commission has approved the contribution to contingency reserve of Rs. 0.60 Crore for each year of the MYT Control Period.

5.17.2 The Petitioner has proposed to consider the same amount for FY 2026-27 as has been approved in the Order.

Commission’s Analysis:

5.17.3 The proposed contribution to contingency reserve is consistent with the GERC (MYT) Regulations, 2024. Accordingly, the Commission approves Rs. 0.60 Crore towards contribution to contingency reserve for FY 2026-27.

5.18 Non-Tariff Income

Petitioner’s Submission:

5.18.1 In the MYT order, the Commission has approved the Non-Tariff Income of Rs. 68.22 Crore for the MYT Control Period as per the actuals of FY 2023-24. The Petitioner has proposed to consider the same amount for FY 2026-27 as has been approved in the Order.

5.18.2 The Petitioner requested the Commission to approve the Non-Tariff Income as estimated. The variation in actual non-tariff income except bad debt recovery will be considered as uncontrollable during the truing up exercise.

Table 5-47 Non-Tariff Income Projected for MYT Control Period (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner
Non-Tariff Income	68.22	68.22

Commission’s Analysis:

5.18.3 The Commission has considered the Non-Tariff Income of Rs. 61.66 Crore as approved in the MYT Order dated 29th March, 2025 for FY 2026-27, subject to True-up. The Commission observes that the Petitioner has considered non-Tariff Income including Revenue from open access charges. The Commission notes that the two amount should be separately shown, Hence, the Non-Tariff Income approved by the Commission is tabulated as below:

Table 5-48 Non-Tariff Income approved for MYT Control Period (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Non-Tariff Income	61.66	68.22	61.66

5.19 Revenue from Open Access

Commission’s Analysis:

5.19.1 The Petitioner has considered open access charges as part of Non-Tariff Income and hence, the Petitioner has not projected any revenue from open access charges separately. The Commission However, it has been observed that there is a Revenue of Rs. 12.56 Crore claimed in Truing up of FY 2024-25. Accordingly, the Commission has considered the Revenue from Open Access at Rs. 12.56 Crore as per actuals of FY 2024-25 as approved in this Truing up exercise and projected the same for FY 2026-27, subject to True-up.

5.20 Aggregate Revenue Requirement (ARR) for FY 2026-27

Petitioner’s Submission:

5.20.1 The Petitioner has projected the ARR of Ahmedabad Supply Area for 2026-27 as given in the table below:

Table 5-49 ARR Projected by Petitioner for MYT Control Period (Rs. Crore)

Particulars	Approved in MYT Order	Projected by Petitioner
Power Purchase	5,409.60	5,447.16
O&M expenses	597.63	597.63
Depreciation	517.10	465.50
Interest on loans	240.66	327.29
Interest on Working Capital	-	-
Interest on SD	79.97	79.97
Bad debts	5.41	7.66
Contingency reserve	0.60	0.60

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Particulars	Approved in MYT Order	Projected by Petitioner
RoE (incl. income tax)	515.95	670.19
RoCE	232.35	-
Less: Non-tariff income	68.22	68.22
ARR	7,531.05	7,527.79

Commission’s Analysis:

5.20.2 The Commission based on the costs/expenses approved in the preceding paragraphs has computed the Revised ARR for FY 2026-27 as given in the Table below:

TABLE 5-50 REVISED ARR APPROVED IN RESPECT OF TPL-D (A) FOR FY 2026-27 (RS. CRORE)

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Power Purchase	5,154.92	5,217.29	5,150.30
Inter-state Transmission Cost	190.35	171.81	171.81
Intra-state Transmission Cost	64.33	58.06	58.06
O&M expenses	597.63	597.63	597.63
Depreciation	517.10	465.50	461.27
Interest on loans	240.66	327.29	218.87
Interest on Working Capital	-	-	-
Interest on SD	79.97	79.97	77.01
Bad debts	5.41	7.66	7.66
Contingency reserve	0.60	0.60	0.60
RoE (incl. income tax)	515.95	670.19	495.82
RoCE	232.35	-	132.32
Less: Non-tariff income	61.66	68.22	61.66
Less: Revenue from Open Access	6.56	--	12.56
ARR	7,531.05	7,527.79	7,297.13

5.21 Revenue from Sale of Power

Petitioner's Submission:

5.21.1 TPL-D (A) submitted that the revenue for FY 2026-27 is estimated by considering the existing tariff rates and existing base FPPAS of Rs 3.72 per kWh. Accordingly, the projected revenue from sale of power is as under:

Table 5-51 Revenue From Sale Of Power for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27
Revenue from Sale of Power	7,901.12

Commission's Analysis:

5.21.2 The Commission has considered the Revenue from sale of power at Rs. 7,901.12 Crore for FY 2026-27 with existing tariff, i.e., as applicable for each category of consumer (slab-wise) as per the tariff (including Base FPPAS charge @Rs. 3.72/Unit).

5.22 Trued Up Net Revenue (Gap)/Surplus of FY 2024-25

5.22.1 The Commission has approved the net Revenue Gap after True up for FY 2024-25 including the gains/ losses shared on account of controllable and uncontrollable factors in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016. The Commission has also considered earlier years approved Gap and also impact on ARR due to the Orders on the Review Petitions of the Petitioner, as mentioned in the previous Chapter. The Commission has calculated/computed an amount of Rs. 802.32 Crore as Revenue Gap for TPL-D(A) for FY 2024-25.

5.22.2 Regulation 21.6 (c) of the GERC (MYT) Regulations, 2016 and 16.7 (c) of GERC (MYT) Regulations, 2024 specify that carrying cost is to be allowed on the amount of Revenue (Gap) / Surplus for the period from the date on which such (Gap) / Surplus has become due, calculated on the simple interest basis at the weighted

average SBI Base Rate for the relevant year, subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the which revenue gap is addressed.

5.22.3 As stated above, the Gap approved for True-up of FY 2024-25 is Rs. 802.32 Crore. The Commission has allowed carrying cost of Rs. 117.36 Crore on the said Gap as per approach adopted by the Commission in previous Orders, at the rate of 8.88% (weighted average of SBI MCLR rate of FY 2024-25) for two years, computed on simple interest basis.

5.22.4 The Commission, accordingly, has considered the Trued-up Revenue Gap of Rs. 919.68 Crore for FY 2024-25 inclusive of carrying cost. The said amount is considered for determination of tariff for FY 2026-27.

5.23 Revenue (Gap)/Surplus for FY 2026-27

Petitioner’s Submission

5.23.1 The ARR for FY 2026-27 and the revenue is provided as under. The revenue includes revenue from sale of power at the existing tariff rates including existing base FPPAS. The Petitioner has not envisaged any open access and in turn, the Petitioner has not projected any revenue from open access charges. Accordingly, the (gap)/surplus is estimated for FY 2026-27 as below

Table 5-52 Revenue (Gap)/Surplus of FY 2026-27

Revenue (Gap)/Surplus for FY 2026-27	Proposed by Petitioner
ARR as projected by Petitioner	7,527.29
Less:	
Revenue from sale of power at existing tariff rates including existing base FPPAS	7,901.12
(Gap)/ Surplus	373.34

5.23.2 The Petitioner would like to submit that based on the above estimates, there will



be estimated Revenue Surplus of Rs. 373.34 Crore.

Commission’s Analysis:

5.23.3 The Commission computes the standalone Surplus/(Gap) of FY 2026-27 as below:

Table 5-53 Revenue Surplus/(Gap) approved by Commission for FY 2026-27 (Rs. Crore)

Revenue Surplus/ (Gap) for FY 2026-27	Approved by Commission
Revenue from sale of power at existing tariff rates including existing base FPPAS	7,901.12
Less: Revised ARR of 2026-27	7,297.13
Surplus/ (Gap)	603.99

5.23.4 Hence, the Commission estimates the projected standalone surplus of FY 2026-27 as above.

5.24 Cumulative Revenue (Gap)/Surplus of FY 2026-27

Petitioner’s Submission:

5.24.1 The Cumulative True-up Gap for FY 2024-25 is Rs 1,043.78 Crore. Further, the Petitioner has calculated carrying cost as per the settled principles and in line with the Regulations. The Petitioner, therefore, requests the Commission to consider such amount in addition to the cumulative (Gap)/ Surplus of FY 2024-25.

5.24.2 In the Order dated 10th November, 2025 in Petition No. 2491 of 2025, the Commission has allowed the claim of the Petitioner and directed GETCO to refund the STOA charges recovered from TPL-D in past. Accordingly, the Petitioner has considered estimated refund of STOA charges of Rs 497.72 Crore. The Petitioner is in process of submitting necessary documents to GETCO so as to facilitate GETCO to verify the claim and refund the said amount as per the Commission’s said Order. Further, the Petitioner has also considered refund of ISTS charges paid for T-GNA as per as per the 94th Commercial Committee meeting of WRPC held on

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14th August 2025 between WRLDC, TPL-D and Gujarat SLDC. These amounts are estimated and subject to adjustment based on actual refund as may be received from GETCO and CTU, respectively.

5.24.3 Based on above, the summary of Revenue Gap for determination of tariff for FY 2026-27 is shown in the following table:

Table 5-54 Revenue (Gap) / Surplus proposed for FY 2026-27 (Rs. Crore)

Particulars	Projected by Petitioner
Surplus/(Gap) of FY 2024-25	(1,043.78)
Carrying Cost	92.91
ISTS Refund	(118.01)
GETCO Refund	(497.72)
Surplus/(Gap) of FY 2026-27	373.34
Cumulative (Gap)/ Surplus to be recovered through tariff	(147.62)

Commission’s Analysis:

5.24.4 The Commission has approved a Revenue Gap of Rs. 802.32 Crore for FY 2024-25 and carrying cost of Rs. 117.36 Crore as elaborated in the earlier sections.

5.24.5 Accordingly, the computation of Revenue Surplus/(Gap) approved for FY 2026-27 is as under:

Table 5-55 Cumulative Revenue (Gap) / Surplus approved for FY 2026-27 (Rs. Crore)

Particulars	Approved by Commission
(Gap)/ Surplus of FY 2024-25	(802.32)
Carrying Cost	(117.36)
ISTS Refund	118.01
GETCO Refund	497.72

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Particulars	Approved by Commission
(Gap)/ Surplus of FY 2026-27	603.99
Cumulative (Gap)/ Surplus to be recovered through tariff	300.04

5.24.6 Accordingly, against the estimated cumulative Revenue gap of Rs. 147.62 Crore claimed by TPL-D (A); the Commission has estimated cumulative Revenue Surplus of Rs. 300.04 Crore for FY 2026-27.



6 Compliance of Directives

6.1 Earlier Directives

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

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

Petitioner's Compliance:

6.1.2 TPL-D (A) submitted that regarding RPO fulfilment, the Petitioner has already tied up 450 MW solar power through bidding process. Out of this, 300 MW has been commissioned during FY 2024-25. Balance capacity is expected to be commissioned during FY 2026-27. Further, the Petitioner has also tied up 450 MW wind-solar hybrid power, which is expected to be commissioned during FY 2026-27. Additionally, the Petitioner has carried out the bidding process for Firm and Despatchable Renewable Energy (FDRE) of 200 MW with up to 100 MW green shoe option during FY 2025-26. The Petitioner shall keep the Commission apprised on the developments in the matter.

Commission's Comment:

6.1.3 The Commission has noted the response of the petitioner and directs the Petitioner to strictly comply with the aforesaid directive.

Directive No. 2 Implementation of Smart pre-payment meter/ pre-payment meters

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

Petitioner’s Compliance:

6.1.5 The Petitioner submitted that the MOP Consumer Rules 2020 mandate the implementation of smart meters. Accordingly, the Commission has amended the GERC Supply Code necessitating the implementation of smart meters by the distribution licensee. In this background, the Petitioner has initiated the pilot project for installation of smart meters in a phased manner in its licence area during FY 2024-25. The Petitioner has proposed for full-fledged implementation of smart meters from FY 2026-27 onwards.

Commission’s Comment:

6.1.6 The Commission has noted the submission and directs TPL-D to submit the actual status in next year’s tariff filing exercise.

Directive No. 3 Submission of detailed Asset Register

6.1.7 TPL-D (A) was directed to provide the detailed Asset Register at the time of truing up of the respective year of the Control Period with the impact of reduction in the equity for all the assets whose useful life is completed as per first proviso of Regulation 32.1 of GERC (MYT) Regulations, 2024. This directive is to be complied with in next year’s Tariff Proceedings mandatorily.

Petitioner’s Compliance:

6.1.8 The petitioner has not submitted any reply.

Commission’s Comment:

6.1.9 The petitioner is directed to comply with aforesaid and submit the Asset register at the time of True up of Respective Year.

6.2 New Directives

Directive No. 1: Mandatory submission of Cost to Serve report in next Tariff Filing

6.2.1 TPL-D (A) is directed to mandatorily submit category wise Cost to Serve report along with True up petition of FY 2025-26.



7 Fuel and Power Purchase Adjustment Surcharge

7.1.1 In connection with the ‘Fuel and Power Purchase Adjustment Surcharge’, the GERC (Multi-Year Tariff) Regulations, 2024 specifies that-

“115.1 Computation of FPPAS:

(a) *For these Regulations “Fuel and Power Purchase Adjustment Surcharge” (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission.*

(b) *FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the Commission in these Regulations, subject to true up, on an annual basis:*

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations;

Provided further that the Distribution Licensee shall make quarterly submissions of the detailed FPPAS computations, duly supported by the documentary evidences, justifying such computations, along with details its charging and recovery from the consumers.

(c) *FPPAS shall be computed and charged by the Distribution Licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. For example, the FPPAS on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year:*

Provided that in case the Distribution Licensee fails to compute and charge FPPAS within this time line, except in case of any

- force majeure condition, its right for recovery of costs on account of FPPAS shall be forfeited and in such cases, the right to recover the FPPAS determined during true-up shall also be forfeited.*
- (d) *The Distribution Licensee may decide, FPPAS or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of FPPAS shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total FPPAS for a Billing Month, including any carry forward of FPPAS over the previous month exceeds twenty per cent of variable component of approved tariff.*
- (e) *The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through FPPAS shall first be accounted towards the oldest carry forward portion of the FPPAS followed by the subsequent month.*
- (f) *In case of carry forward of FPPAS, the carrying cost calculated on simple interest basis at the rate of one year SBI MCLR or any replacement thereof by SBI from time to time being in effect applicable for 1 year period, as applicable prevailing during the relevant year shall be allowed till the same is recovered through tariff and this carrying cost shall be trued up in the year under consideration.*
- (g) *Depending upon quantum of FPPAS, the automatic pass through shall be adjusted in such a manner that,*
- i. If $FPPAS \leq 5\%$, 100% cost recoverable of FPPAS by Distribution Licensee shall be levied automatically using the formula.*
 - ii. If $FPPAS > 5\%$, 5% FPPAS shall be recoverable automatically as per item (i) of sub-paragraph (g) above. 90% of the balance FPPAS shall be recoverable automatically using the*

formula and the differential claim shall be recoverable after approval by the Commission during true up.

- (h) *The revenue recovered on account of pass through FPPAS by the Distribution Licensee, shall be trued up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year.*
- (i) *In case of excess revenue recovered for the year against the FPPAS, the same shall be recovered from the Distribution Licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the Commission and the under recovery of FPPAS shall be allowed during true up, to be billed along with the automatic FPPAS amount.*

Explanation:- *For example in the month of July, the automatic pass through component for the power supplied in May and FPPAS, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.*

- (j) *The Distribution Licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and FPPAS recovered, and the detailed computations and supporting documents, as required by the Commission, during true up of the normal tariff.*
- (k) *To ensure smooth implementation of the FPPAS mechanism and its recovery, the Distribution Licensee shall ensure that its billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open source software as available.*
- (l) *The Distribution Licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS (separately for automatic and approved portions) on its*

website and archive the same through a dedicated web address.

(m) *Formula for Computation of FPPAS:*

$$\text{Monthly FPPAS for Nth Month (\%)} = \frac{(A - B) * C + (D - E)}{\{Z * (1 - \text{Distribution losses in\%/100})\} * \text{ABR}}$$

Where,

Nth month means the month in which billing of FPPAS component is done. This FPPAS is due to changes in tariff for the power supplied in (n-2)th month

A is Total units procured in (n-2)th Month (in kWh) from all Sources including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees)

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh)- (from tariff order)

D = Actual inter-state and Intra-State Transmission Charges in the (n-2)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

Z = [{Actual Power purchased from all the sources outside the State in (n-2) th Month. (in kWh) (1 - Interstate transmission losses in % /100) + Power purchased from all the sources within the State(in kWh)]*(1 - Intra-State losses in %) - B]/100 in kWh*

ABR = Average Billing Rate for the year as approved by the Commission (in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses as approved by the Commission

Inter-state transmission Losses (in %) as approved by the Commission

Note:

The Power Purchase Cost shall exclude any charges on account of

Deviation Settlement Mechanism.

Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted though the true-up approved by the Commission.”

Computation of FPPAS for FY 2026-27

7.1.2 It is required to compute and bill monthly FPPAS in accordance with the above formula. Further for the computation of monthly FPPAS during FY 2026-27, it is required to consider-

Projected Energy Requirement	9,071.95 MU
Approved Power Purchase Cost (Excluding Transmission Charges)	Rs. 5,150.30 Crore
Projected average Power Purchase Cost (PPC)	Rs. 5.68 per kWh
Base Cost of Transmission Charges (Monthly)	Rs. 19.16 Crore
Distribution Losses	3.74%
Average Billing Rate for the Year	Rs. 9.10 per kWh
Inter-State and Intra-State Transmission Losses	As actual

7.1.3 Monthly FPPAS computed in %, in accordance with the MYT Regulations shall be applicable to Energy Charge + Base FPPAS and Fixed/ Demand Charge (Not on Excess Demand Charges, ToU Charges or other rebate/penalties).

8 Wheeling Charges and Cross Subsidy Surcharge

8.1 Wires ARR for Determination of Wheeling Charges

Petitioner’s Submission:

- 8.1.1 Regulation 94 of GERC (MYT) Regulations, 2024 stipulates that the ARR be segregated as per the Allocation Matrix for segregation of expenses between Distribution Wires Business and Retail Supply Business for determination of wheeling charges.
- 8.1.2 The allocation of expenditure to wheeling and retail supply business is based on the consideration that the distribution infrastructure up to the service line is part of the wheeling business and the distribution infrastructure from service line to consumer premises is part of the retail supply business.
- 8.1.3 The Allocation Matrix as specified by the Commission for segregation of expenses between Wires and Supply business is as shown in the Table below:

Table 8-1 Allocation Matrix for Segregation submitted by TPL-D (A)

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

- 8.1.4 Based on the above Allocation Matrix, TPL-D (A) has segregated the ARR of

Ahmedabad Supply Area for Wires and Supply business as under:

Table 8-2 Segregation of ARR into Wires and Supply Business for FY 2025-26 (Rs. Crore)

Particulars	Wire Business	Retail Business
Power Purchase	-	5,447.16
Employee Expenses	109.92	73.28
Repair & Maintenance Expenses	245.86	27.32
Administration & General Expenses	70.63	70.63
Depreciation	418.95	46.55
Interest on Loan	294.56	33.73
Interest on Security Deposit	8.00	71.97
Interest on Working Capital	-	-
Bad debts	-	7.66
Contingency Reserve	0.60	-
Total Revenue Expenditure	1,148.52	5,777.30
Return on Equity (incl. tax)	603.18	67.02
Less: Non-Tariff Income	6.82	61.40
Aggregate Revenue Requirement	1,744.87	5,782.92

8.1.5 The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge.

Commission’s Analysis:

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

8.1.7 However, the Commission would like to state that as per Regulation 94.1 of the GERC (MYT) Regulations, 2024, the wheeling charges is required to be computed 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 may result in penalty as per Regulation 35.13 of GERC (MYT) Regulations, 2024. Further, the Guidelines



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as specified in Annexure V of GERC (MYT) Regulations, 2024 needs to be considered for the segregation of Accounts for Wires and Supply business.

8.1.8 The Commission notes that, the Petitioner has yet to submit the separate accounts of Wire Business and Supply Business. The Commission has considered the Allocation Matrix thereof as provided in the GERC (MYT) Regulations, 2024 and has approved the ARR for Wires and Retail Supply Business for FY 2026-27 provisionally as shown in the Table below:

Table 8-3 Approved Segregation of ARR for FY 2026-27 (Rs. Crore)

Particulars	ARR Approved	Wire Business	Retail Business
Power Purchase Expenses	5,150.30	0.00	5150.30
Inter-State Transmission Charges	171.81	0.00	171.81
Intra-State Transmission Charges	58.06	0.00	58.06
Employee Expenses	183.20	109.92	73.28
A&G Expenses	273.18	136.59	136.59
R&M Expenses	141.25	127.13	14.13
Depreciation	461.27	415.14	46.13
Interest and Finance Charges	218.87	196.99	21.89
Interest on Working Capital	-	0.00	0.00
Interest on Consumer Security Deposit	77.01	7.70	69.31
Bad Debts written off	7.66	0.00	7.66
Contribution to contingency reserves	0.60	0.60	0.00
Total Revenue Expenditure	6,743.21	994.06	5,749.15
Return on Equity Capital	495.82	446.24	49.58
Return on Capital Employed	132.32	119.09	13.23
Aggregate Revenue Requirement	7,371.35	1,559.38	5,811.97
Less: Non Tariff Income	61.66	6.17	55.49
Less: Income from Other Business	12.56	12.56	0.00
Net Aggregate Revenue Requirement	7,297.13	1,540.66	5,756.47

8.2 Determination of Wheeling Charges

Petitioner’s Submission:

8.2.1 The Petitioner has submitted that to determine the wheeling charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the wheeling charge determined in terms of Rs./kW/Month and Rs./kWh has been tabulated below for Long-Term/ Medium-Term Open Access and Short-term Open Access, respectively. The Petitioner requested the Commission to approve the same:

Table 8-4 Wheeling Charges for FY 2026-27 proposed by TPL-D (A)

Particulars	UoM	Amount
First Level of apportionment on the basis of GFA		
ARR for HT Assets	Rs. Crore	1,110.58
ARR for LT Assets	Rs. Crore	634.29
Total	Rs. Crore	1,744.87
Second Level of apportionment on the basis of Contract Demand		
ARR for HT Assets	Rs. Crore	404.82
ARR for LT Assets	Rs. Crore	1,340.05
Total	Rs. Crore	1,744.87
Wheeling Tariff		
HT Category	Rs / kW/month	437.17
LT Category	Rs / kW/month	830.06
Wheeling Tariff		
HT Category	Rs / kWh	1.77
LT Category	Rs / kWh	2.09

8.2.2 The Petitioner further submitted that an open access consumer will also have to bear the following wheeling losses in addition to the wheeling charges:

Table 8-5 Proposed Wheeling Losses for TPL-D (A) for FY 2026-27

Category	Loss (%)
HT Category	3.50%
LT Category	3.82%

Commission’s Analysis:

- 8.2.3 The Commission has determined the ARR of the Wires Business for FY 2026-27 in the earlier section, as Rs.1,540.66 Crore.
- 8.2.4 The ARR is apportioned between the HT and LT Voltage level in the ratio of 63.65: 36.35, which is the ratio of GFA of HT:LT for FY 2024-25 and thereafter, as per ratio of Contract Demand as submitted by TPC-D (A).
- 8.2.5 To determine the Wheeling Charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the Wheeling Charge determined in terms of Rs/kWh is shown in the table below:

Table 8-6 Wheeling Charges approved for TPL-D (A) for FY 2026-27

Particulars	UOM	Amount
First Level of apportionment on the basis of GFA		
ARR for HT Assets	Rs. Crore	980.60
ARR for LT Assets	Rs. Crore	560.06
Total	Rs. Crore	1,540.66
Second Level of apportionment on the basis of Contract Demand		
ARR for HT Assets	Rs. Crore	357.44
ARR for LT Assets	Rs. Crore	1,183.22
Total	Rs. Crore	1,540.66
Wheeling Tariff		
HT Category	Rs / kWh	1.57
LT Category	Rs / kWh	1.85

- 8.2.6 The Commission has accordingly approved the wheeling charges for HT and LT voltages as shown in the table above.
- 8.2.7 The Commission approves the following losses for Open Access consumers in addition to the wheeling charges

Table 8-7 Wheeling Losses approved for TPL-D (A) for FY 2026-27

Category	Loss (%)
HT Category	3.50%
LT Category	3.82%

8.3 Cross-Subsidy Surcharge

Petitioner’s Submission:

8.3.1 As per the principles enunciated in the Tariff Policy, the cross-subsidy surcharge is computed based on Pooled Power Purchase cost. Further, the principles laid out in the Tariff Policy amply clarify to compensate the distribution licensee for the existing level of cross-subsidization.

8.3.2 TPL-D (A) has detailed the computation of Cross Subsidy Surcharge in the following table:

Table 8-8 Category wise Cross subsidy Surcharge for FY 2026-27

Category	HTMD -1	HTMD -2	HTMD -Metro	HT- EVC	RGP	NRGP	LTMD- 1	LTMD- 2	GLP	LT- EVC
T – Tariff in Rs/kWh*	9.86	10.34	9.25	8.32	8.15	9.72	9.81	10.25	8.65	8.11
PPC – Average cost of power Purchase in Rs/kWh	6.28	6.28	6.28	6.31	6.31	6.31	6.31	6.31	6.31	6.31
Avg W – Average Wheeling charges for HT category in Rs / kWh	1.77	1.77	1.77	2.09	2.09	2.09	2.09	2.09	2.09	2.09
Cross subsidy Surcharge in Rs/kWh	1.80	1.85	1.19	-	-	1.32	1.41	1.85	0.25	-

Category	Agri	Streetl ight	Temp – HT	Temp - LT
T – Tariff in Rs/kWh*	7.29	8.19	19.25	17.03
PPC – Average cost of power Purchase in Rs/kWh	6.31	6.31	6.31	6.31

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Category	Agri	Streetlight	Temp - HT	Temp - LT
Avg W – Average Wheeling charges for HT category in Rs / kWh	2.09	2.09	2.09	2.09
Cross subsidy Surcharge in Rs/kWh	-	-	1.85	1.85

Commission’s Analysis:

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

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

Where,

S is the Surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets

8.3.4 Further, the Commission notes that MOP has notified Amendments to the Rules, namely, Electricity (Amendment) Rules, 2022 notified on 29 December 2022, wherein it has stipulated that cross-subsidy surcharge to be determined by the

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Appropriate Commission shall not exceed twenty percent (20%) of Average Cost of Supply. The relevant extracts of the notified Rule 13 is as under:

“13. Surcharge payable by Consumers seeking Open Access. - The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 shall not exceed twenty per cent of the average cost of Supply.” (emphasis added)

8.3.5 The CSS computed in accordance with the Formula stipulated in the Tariff Policy has been capped at 20% of the ACOS, in accordance with the above quoted Rules notified by the Ministry of Power.

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

Table 8-9 Approved Cross Subsidy Surcharge for FY 2026-27

Category	HTMD -1	HTMD -2	HTMD -Mtr	RGP	Non-RGP	LTMD 1	LTMD 2	GLP	HT-EVC	LTEVC
T – Tariff in Rs/kWh*	9.69	10.17	9.08	7.98	9.55	9.64	10.08	8.48	8.15	7.94
PPC – Average cost of power Purchase in Rs/kWh	6.15	6.15	6.15	6.17	6.17	6.17	6.17	6.17	6.15	6.17
Avg W – Average Wheeling charges in Rs / kWh	1.57	1.57	1.57	1.85	1.85	1.85	1.85	1.85	1.57	1.85
Cross subsidy Surcharge in Rs/kWh	1.68	1.68	1.37	-	1.53	1.62	1.68	0.46	0.43	-

Category	Agri.	Str.Light
T – Tariff in Rs/kWh*	7.12	8.02
PPC – Average cost of power Purchase in Rs/kWh	6.17	6.17
Avg W – Average Wheeling charges in Rs / kWh	1.85	1.85
Cross subsidy Surcharge in Rs/kWh	-	0.01

* 20% of the Standalone Average Cost of Supply is Rs. 1.68 per Unit which is limited to HTMD-1, HTMD -2 and LTMD -2, Temp-HT and Temp-LT

8.3.7 The Cross Subsidy Surcharge worked out as per above is below the 20% of the Average Cost of Supply except HTMD-1, HTMD-2, LTMD-2 category.

8.3.8 Accordingly, the Commission approves Cross Subsidy Surcharge for the categories as identified in above table of this Order for FY 2026-27.

8.4 Additional Surcharge

Petitioner's Submission:

8.4.1 As per the Regulation 25 of GERC (Terms & Conditions of Intra-State Open Access) Regulations, 2011, the OA consumer will also be required to pay an additional surcharge as per Section 42 (4) of the EA 2003.

Commission's Analysis:

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

8.5 Regulatory Charge

Petitioner's Submission:

8.5.1 TPL-D (A) submitted that regulatory charge is pertaining to mainly past period under recoveries, accordingly all the consumers including the OA consumer will be required to pay regulatory charge.

Commission's Analysis:

8.5.2 The Commission, as per Table 5-54, has approved the Revenue Surplus of Rs. 307.86 Crore and has not approved any Regulatory Charges to be recovered from the consumers. Accordingly, the aforesaid proposal of the petitioner is not applicable.

9 Tariff Philosophy and Tariff Proposal for FY 2026-27

9.1 Introduction

9.1.1 The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, and GERC (MYT) Regulations, 2024 notified by the Commission.

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

9.2 Proposal of TPL – D (A) for increase in Retail Tariffs for FY 2026-27

9.2.1 TPL-D (A) has computed the cumulative gap/ (surplus) for FY 2024-25, FY 2026-27 and carrying cost as detailed in the earlier chapters.

9.2.2 TPL-D (A) proposed to:

- a) Recover the gap/ (surplus) during FY 2026-27 by way of Regulatory Charge along with adjustment for deferment of recovery.
- b) Recover the Gap/ Carrying cost for matters pending with GERC / APTEL by way of additional Regulatory Charge and/or additional FPPAS surcharge as may be required.

9.3 Tariff Philosophy Proposed by TPL-D (A)

9.3.1 TPL-D (A) submitted that the Commission has approved the existing tariff structure based on widely recognized best practices in accordance with the legal framework and the principles as detailed hereunder:

- (a) Consumers' capacity to pay
- (b) Principles of cross subsidy prescribed by Tariff Policy
- (c) Incentivising energy conservation
- (d) Demand Side Management
- (e) Promotion of efficient use of electricity and also avoiding drawal/
injection of reactive energy

9.3.2 In addition to the above, TPL-D (A) submitted that the existing fixed charges are not depictive of the fixed costs. The majority of the fixed cost is being recovered through Energy Charges. The Petitioner requested the Commission to kindly consider necessary revision of the fixed/demand charges particularly in light of large scale implementation of net metering and green energy open access.

9.3.3 As per the MOP Electricity (Rights of Consumers) Amendment Rules, 2023 TOD tariff is required to be implemented for all consumers except agricultural consumers from 1st April, 2025. In this regard, at present, TOD tariff exists only in HT category in the Ahmedabad/Gandhinagar licence area. For the other categories, TOD tariff shall be implemented upon installation of smart meters. In accordance with changed power market conditions, the Petitioner proposes to make two changes in the existing tariff schedule, i.e., (1) At present, rebate is offered in HT Category for the consumption during Night-Time. In this regard, the Petitioner proposes to change form Night-Time to Solar hours to align the rebate. Also, the Petitioner proposes to discontinue with the NTCT Tariff Category; (2) The revised Peak hours are proposed as 2 Hours in the morning (i.e., 6:00 am to 8:00 am) and 6 Hours in the evening (i.e., 5:00 pm to 11:00 pm).

9.4 Determination of Retail Tariff

Petitioner's Submission:

- 9.4.1 TPL-D (A) submitted that recovery of the cumulative Gap of Rs. 147.62 Crore would have necessitated increase in tariff during FY 2026-27. In turn, the Petitioner proposes to recover the cumulative Gap by way of Regulatory Charge of Rs. 0.17 per unit during FY 2026-27 with effect from 1st April, 2026.
- 9.4.2 TPL-D (A) clarified that any variation in recovery of the said Gap/(Surplus) to the extent expected during FY 2026-27, shall be dealt with during Truing up exercise for FY 2026-27.
- 9.4.3 TPL-D (A) submitted that, if for any reason, the Commission does not allow the recovery of part of the Gap by way of Regulatory Charge w.e.f. 1st April, 2026, the tariff rates need to be appropriately adjusted to allow the Petitioner to recover the cumulative Gap entirely during FY 2026-27. The Petitioner also submitted that the claim for carrying cost for the portion of the said Gap pertaining to FY 2026-27 that gets recovered beyond FY 2026-27 shall be filed subsequently by the Petitioner.
- 9.4.4 TPL-D (A) further submitted that despite the overall inflationary pressures in general, TPL-D (A) has been managing its costs largely through operational efficiencies. For FY 2026-27, TPL-D (A) is proposing Regulatory Charge and tariff revision to liquidate under recoveries and enable TPL-D (A) to maintain and further improve its high standards of quality, reliability and customer services.
- 9.4.5 For FY 2026-27, TPL-D (A) proposed to continue “Green Tariff” of Rs. 0.90 per unit over and above tariff for respective category of consumer.

9.5 Commission’s Ruling on Retail Tariffs for FY 2026-27

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

9.5.2 As discussed earlier, the Commission has approved cumulative surplus of Rs. 300.04 Crores against the cumulative revenue gap of Rs. 147.62 Crores proposed by the Petitioner for FY 2026-27. The Petitioner has proposed to recover this cumulative gap through regulatory charges of Rs. 0.17 per Unit from all category of consumers during FY 2026-27. Since, the Commission has arrived at cumulative surplus of Rs. 300.04 Crores for FY 2026-27, the introduction regulatory surcharge for FY 2026-27 as proposed by the Petitioner, is not warranted.

9.5.3 The Commission further notes the submission of the Petitioner that it has filed reviews/Appeals in various fora related to past year gaps, which are at different stages. It is also relevant to note that the cumulative Revenue Surplus/ (Gap) determined by the Commission for FY 2026-27 is only on estimation basis which may vary at the time of Truing-up of ARR for FY 2026-27, when actuals as per audited annual accounts are available. Therefore, the Commission decides to continue with the existing tariff structure and retained the category-wise tariff at the same level.

9.6 Green Power Tariff

9.6.1 Considering various aspects, the Commission has decided to fix the Green Tariff at an additional rate of Rs. 0.75 per Unit for Torrent Power Ltd. (Ahmedabad & Gandhinagar) licence area for FY 2026-27.:

- 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 billing cycle notice to the Distribution Licensee in writing before commencement of billing period.

9.7 Changes in ToU Tariff, introduction of Rebate during Solar hours and discontinuation of Night time Compensation Tariff category.

9.7.1 The Petitioner has proposed to make two changes in the existing tariff schedule, i.e.,

1. At present, rebate is offered in HT Category for the consumption during Night-Time. In this regard, the Petitioner proposes to change form Night-Time to Solar hours to align the rebate. Also, the Petitioner proposes to discontinue with the NTCT Tariff Category;
2. The revised Peak hours are proposed as 2 Hours in the morning (i.e., 6:00 am to 8:00 am) and 6 Hours in the evening (i.e., 5:00 pm to 11:00 pm).

9.7.2 The Commission notes that the changes proposed by the petitioner in regard to (a) providing daytime consumption rebate instead of existing provision of night time consumption rebate to HT consumer; (b) change in peak hours slots for levy of Time of Use Charge (TOU), while maintaining rate of TOU charges at same level, are justified and reasonable with consideration of present power supply / demand scenario. Therefore, the Commission decides to incorporate necessary changes in the tariff schedule of HT categories as proposed by the Petitioner with regard to providing daytime consumption rebate and changes in peak hours slots for levy of TOU charges while maintaining rate of TOU charges at same level.

- 9.7.3 The Commission further observes that the Petitioner has proposed for removal of the NTCT (Night Time Concessional Tariff) category without furnishing any supporting justification or detailed analysis. In particular, no analysis has been provided regarding the likely impact of such removal on the number of consumers that would be affected. In the absence of such analysis, the Commission is not inclined to accept the Petitioner’s proposal for removal of NTCT tariff category. Accordingly, the Commission decides to retain the NTCT tariff category in the tariff schedule without any modification.
- 9.7.4 Except above, the Commission decides to retain existing Tariff schedule without any modification.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement for TPL-D (A) for FY 2026-27, as shown in the Table below:

Approved ARR for TPL-D (A) for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27
Power Purchase Expenses	5,150.30
Inter-State Transmission Charges	171.81
Intra-State Transmission Charges	58.06
Operation & Maintenance Expenses	597.63
Depreciation	461.27
Interest and Finance Charges	218.87
Interest on Working Capital	-
Interest on Consumer Security Deposit	77.01
Bad Debts written off	7.66
Contribution to contingency reserves	0.60
Return on Equity Capital	495.82
Return on Capital Employed	132.32
Less: Non-Tariff Income	61.66
Less: Income from Other Business	12.56
Net Aggregate Revenue Requirement	7,297.13

The retail supply tariffs for TPL-D (A) determined by the Commission are annexed to this Order and it shall come into force with effect from 1st April 2026.

-Sd-
Jatin N. Thakkar
Member

-Sd-
Hiren Shah
Member

-Sd-
Pankaj Joshi
Chairman

Place: Gandhinagar

Date: 25.03.2026

ANNEXURE: TARIFF SCHEDULE

TARIFF SCHEDULE FOR AHMEDABAD – GANDHINAGAR LICENSE AREA OF TORRENT POWER LIMITED – AHMEDABAD

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

Effective from 1st April 2026

GENERAL CONDITIONS

1. This tariff schedule is applicable to all the consumers of TPL-D in Ahmedabad and Gandhinagar area.
2. All these tariffs for power supply are applicable to only one point of supply.
3. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
4. The charges specified in the tariff are on monthly basis. TPL-D shall adjust the rates according to billing period applicable to consumer.
5. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, 2005, except Meter Charges, will continue to apply.
6. Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.



7. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilowatt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
8. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
9. Contract Demand shall mean the maximum kW for the supply of which TPL-D undertakes to provide facilities to the consumer from time to time.
10. Maximum Demand in a month means the highest value of average kW as the case may be, delivered at the point of supply of the consumer during any consecutive 15/ 30 minutes in the said month.
11. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
12. The Fixed Charges, Minimum charges, Demand Charges and the slabs of consumption of energy for Energy Charges mentioned shall not be subject to any adjustment on account of existence of any broken period within Billing Period arising from consumer supply being connected or disconnected any time within the duration of Billing Period for any reason.
13. The energy bills shall be paid by the consumer as per clause 6.52 of GERC (Supply Code) 2015, failing which the consumer shall be liable to pay the delayed payment charges @15% p.a. for the number of days from the due date to the date of payment of bill.
14. Fuel and Power Purchase Adjustment Surcharge (FPPAS) charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.

15. Statutory Levies: These tariffs are exclusive of Electricity Duty, Tax on sale of electricity, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time.

16. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and TPL-D shall be entitled to take any other action deemed necessary and authorized under the Act.

17. Green Power Tariff

- Green Power Tariff of Rs 0.75/kWh, shall be applicable over and above applicable charges as per tariff schedule and FPPAS charges to consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE Power on payment of Green Power Tariff.
- This option can be exercised by consumer giving Billing Cycle notice to the Distribution Licensee in writing before commencement of billing period.

PART- I

**SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE
(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)**

The following tariffs are available for supply at Low and Medium voltage for Contract demand up to 150 kW.

1. RATE: RGP

This tariff is applicable to supply of electricity for:

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

1.1. FIXED CHARGE

For Other than BPL consumers

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

For BPL household consumers*

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

For Other than BPL consumers

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

For BPL household consumers*

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

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

2. RATE: GLP

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

2.1. FIXED CHARGE

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

2.2. ENERGY CHARGE

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

3. RATE: NON-RGP

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

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

3.1. FIXED CHARGE

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

3.2. ENERGY CHARGE

Torrent Power Limited – Distribution (Ahmedabad)
Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination
of Tariff for FY 2026-27

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

Applicable to motive power installations for agricultural purposes

4.1. ENERGY CHARGE

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

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

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

5. Rate: LTMD-1

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

5.1. FIXED CHARGE

1. For Billing Demand up to and including Contract Demand

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

2. For Billing Demand in excess of the Contract Demand

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

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

5.2. ENERGY CHARGE

(a)	For Billing Demand up to and including 50 kW	465 Paise per unit
(b)	For Billing Demand above 50 kW	480 Paise per unit

5.3. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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6. RATE: LTMD-2

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

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

6.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

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

B. For Billing Demand in excess of the Contract Demand

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

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

Whichever is the highest.

6.2. ENERGY CHARGE

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

6.3. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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7. RATE: SL

Applicable to lighting systems for illumination of public roads.

7.1. ENERGY CHARGE

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

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

Applicable to installations for temporary requirement of electricity supply.

8.1. FIXED CHARGE

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

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

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

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

9.1. FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2. ENERGY CHARGE

Energy Charge	420 Paise per Unit
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PART- II

**SUPPLY DELIVERED AT HIGH VOLTAGE AND EXTRA HIGH VOLTAGE
(11000 VOLTS AND ABOVE- THREE PHASE, 50 HERTZ)**

10. RATE: HTMD-1

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

10.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

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

B. For Billing Demand in excess of the Contract Demand

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

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

Whichever is the highest.

10.2. ENERGY CHARGE

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

10.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below- 0600 Hrs. to 0800 Hrs. & 1700 Hrs. to 2300 Hrs.		
(a)	For Billing Demand up to 300 kW	80 Paise per Unit
(b)	For Billing Demand Above 300 kW	100 Paise per Unit

10.4. SOLAR HOUR REBATE

The energy consumed during Solar hours between 1100 hours and 1500 hours recorded by the tariff meter having built in feature of time segments, shall be eligible for rebate at the rate of 30 Paise per kWh.

10.5. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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11. RATE: HTMD-2

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

11.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

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

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

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

Whichever is the highest.

11.2. ENERGY CHARGE

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

For the Consumption during specified hours as mentioned here below- 0600 Hrs. to 0800 Hrs. & 1700 Hrs. to 2300 Hrs.	60 Paise per unit
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11.4. Solar Hour Rebate

The energy consumed during Solar hours between 1100 hours and 1500 hours recorded by the tariff meter having built in feature of time segments, shall be eligible for rebate at the rate of 30 Paise per kWh.

11.5. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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12. RATE: HTMD-3

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

12.1. FIXED CHARGE

For billing demand up to contract demand	Rs. 25/- per kW per day
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Torrent Power Limited – Distribution (Ahmedabad)
Truing up for FY 2024-25, Approval of Revised ARR for FY 2026-27 and Determination
of Tariff for FY 2026-27

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

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

12.2. ENERGY CHARGE

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

For the Consumption during specified hours as mentioned here below- 0600 Hrs. to 0800 Hrs. & 1700 Hrs. to 2300 Hrs.	60 Paise per unit
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12.4. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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13. RATE: HTMD- METRO TRACTION

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

13.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month	Rs. 335 per kW
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B. For Billing Demand in excess of the Contract Demand

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

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

Whichever is the highest.

13.2. ENERGY CHARGE

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

For the Consumption during specified hours as mentioned here below- 0600 Hrs. to 0800 Hrs. & 1700 Hrs. to 2300 Hrs.	60 Paise per unit
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13.4. SOLAR HOUR REBATE

The energy consumed during Solar hours between 1100 hours and 1500 hours recorded by the tariff meter having built in feature of time segments, shall be eligible for rebate at the rate of 30 Paise per kWh.

13.5. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per unit
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14. RATE: NTCT (NIGHT TIME CONCESSIONAL TARIFF)

This is night time concessional tariff for consumers for regular power supply who

opt to use electricity EXCLUSIVELY during night hours between 22.00 hours and 06.00 hours next day.

14.1. FIXED CHARGE

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

A flat rate of	350 Paise per unit
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14.3. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

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

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

rates given in para 10.1 and 10.2 respectively, of this schedule.

6. *This tariff shall be applicable if the consumer so opts to be charged in place of HTMD tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular HTMD tariff category to Rate: NTCT or from Rate: NTCT to regular HTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

15. RATE: HT - Electric Vehicle (EV) Charging Stations

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

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTMD-1, HTMD-2, HTMD-3, HT-Metro & NTCT.

15.1. DEMAND CHARGE

For billing demand up to contract demand	Rs. 25 per kW per Month
For billing demand in excess of contract demand	Rs. 50 per kW per Month

PLUS

15.2. ENERGY CHARGE

Energy Charge	410 Paise per Unit
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