

# **GUJARAT ELECTRICITY REGULATORY COMMISSION**



## **Tariff Order**

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

**For**

**Torrent Power Limited – Distribution  
Dahej**

**Case No. 2587 of 2025**

**25<sup>th</sup> March, 2026**

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

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**GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)  
GANDHINAGAR**

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## List of Abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Control Period	The period from FY 2025-26 to FY 2029-30
DISCOM	Distribution Company
DSEZ	Dahej SEZ
DSL	Dahej SEZ Ltd.
EA	Electricity Act, 2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPAS	Fuel and Power Purchase Adjustment Surcharge
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
IEX	Indian Energy Exchange
kV	kilo Volt
kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere hour
kWh	kilo Watt hour
MCLR	Marginal Cost of Funds Based Lending Rates
MU	Million Units (Million kWh)
MYT	Multi-Year Tariff
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
TEL	Torrent Energy Limited
TPL	Torrent Power Limited
TPL-D (D)	Torrent Power Limited – Distribution, Dahej

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

**Case No. 2587 of 2025**

**Date of Order: 25.03.2026**

**CORAM**

Pankaj Joshi, Chairman  
Hiren 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 and Tariff for its distribution business in Dahej for FY 2026-27.

The Gujarat Electricity Regulatory Commission (hereinafter referred as “the Commission” or “GERC”) notified the GERC (Multi-Year Tariff) Regulations, 2016 (hereinafter referred as “GERC (MYT) Regulations, 2016”) on 29<sup>th</sup> March, 2016, which is applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> April, 2016 onwards. The Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of detailed application comprising of Truing up and ARR for the Control Period up to 31<sup>st</sup> March, 2021 and Revenue Gap or Revenue Surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time. The Commission vide various Suo-Motu Orders extended the applicability of MYT Regulations, 2016 up to FY 2024-25.

The Commission vide its Order dated 01<sup>st</sup> June 2024 in Case No. 2325 of 2024, determined the ARR and tariff of FY 2024-25. The Commission subsequently notified the GERC (MYT) Regulations, 2024 on 06<sup>th</sup> August 2024, effective till 31<sup>st</sup> March 2030 and applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> 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 and approval of revised ARR and determination of tariff for FY 2026-27 in accordance with the GERC (MYT) Regulations, 2016 and GERC (MYT) Regulations, 2024 on 29<sup>th</sup> November, 2025.

The Petition was registered on 10<sup>th</sup> 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 Energy Limited (TEL), is a Special Purpose Vehicle (SPV), promoted by Torrent Power Limited (TPL), to fulfil its commitment to generate and distribute power as a Co-developer of the Dahej Special Economic Zone.

Dahej SEZ (DSEZ) is being developed by Government of Gujarat through Gujarat Industrial Development Corporation (GIDC) and Oil and Natural Gas Corporation (ONGC). The DSEZ has been notified by the Ministry of Commerce and Industry, Government of India, vide Notification No. 2131(E) dated 20<sup>th</sup> December, 2006, as a Multi-Product SEZ.

The Government of Gujarat has “In-principle” approved Torrent Energy Limited as the Co-developer in DSEZ area for the purpose of establishing generation and distribution facilities. Accordingly, TEL has entered into the Co-developer agreement with Dahej SEZ Ltd. (DSL), an SPV created for developing the DSEZ.

The Ministry of Commerce and Industry, Government of India, has approved TEL as a Co-developer to set up generation and distribution infrastructure in DSEZ.

The Gujarat Electricity Regulatory Commission, vide its Order dated 17<sup>th</sup> November 2009, issued distribution licence to TEL as a second distribution licensee as per the provisions of Section 14 of the Electricity Act, 2003 for distribution of electricity in

the DSEZ area. Accordingly, the Gujarat Electricity Regulatory Commission, vide its letter dated 29<sup>th</sup> December 2009, issued the distribution licence dated 18<sup>th</sup> December 2009 to TEL.

The Hon'ble High Court of Gujarat vide its Order dated 13<sup>th</sup> August 2015, has sanctioned the Composite Scheme of Amalgamation (“Scheme”) of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 (“the Act”) with effect from appointed date of 1<sup>st</sup> April 2014. The distribution business of Dahej SEZ area is hereinafter referred to as the Petitioner or TEL-D where matter under reference is related to period prior to 1<sup>st</sup> April 2014 and referred as the Petitioner or TPL-D (D) where matter under reference is related to period after 1<sup>st</sup> April 2014 for the sake of brevity.

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

The Petitioner filed a 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 30<sup>th</sup> November, 2024. The Petition was registered on 16<sup>th</sup> December, 2024 as Case No. 2428 of 2024. The Commission vide Order dated 29<sup>th</sup> 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 GERC (MYT) Regulations, 2016 up to FY 2024-25.

Further, 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 determination 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, determination of Revised ARR and Tariff for FY 2026-27 on 29<sup>th</sup> November, 2025. The Petition was registered on 10<sup>th</sup> December, 2025 as Case No. 2587 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 (Dahej) was directed to publish its Petition 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 Petition filed by TPL (D), was published in the following newspapers:

**Table 1-1 List of News Papers (Petitioner)**

S. No.	Name of Newspaper	Language	Date of Publication
1	Business Standard (Ahmedabad Edition)	English	17/12/2025
2	Divya Bhaskar (Vadodara Edition)	Gujarati	17/12/2025

The Petitioner also placed the public notice and the petition on its website ([www.torrentpower.com](http://www.torrentpower.com)) for inviting objections and suggestions on the petition. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition on or before 16<sup>th</sup> 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 scheduled the date for Public Hearing at the Commission’s Office for this Petition on 24<sup>th</sup> February, 2026 at 11:30 AM at the office of the Commission.

The status of stakeholders who submitted their written suggestion/objections, those who remained present in Public Hearing, 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 (D) and the Commission’s views on the response, are given in Chapter 3.

## **1.6 Approach of this Order**

The TPL-D (D) has approached the Commission with the present Petition for Truing up of FY 2024-25, approval of revised ARR 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 in the Tariff Order dated 1<sup>st</sup> June, 2024 in Case No. 2325/2024.

For 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 MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for the FY 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 and determination of 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-D (D)'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 and determination of Tariff 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 and Retail supply business for FY 2026-27
9. The ninth chapter deals with tariff philosophy and tariff proposals

## 2 Summary of TPL-D (Dahej)'s Petition

### 2.1 Introduction

2.1.1 TPL-D (D) 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.

2.1.2 TPL-D (D) has submitted the present Petition seeking approval of 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 the Table below:

**Table 2-1 ARR claimed by TPL-D (D) 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	411.59	509.43	(97.84)	-	(97.84)
O&M expense	13.31	14.18	(0.87)	-	(0.87)
Depreciation	6.96	5.40	1.56	-	1.56
Interest and finance charges	2.58	3.37	(0.79)	-	(0.79)
Interest on security deposit	3.03	2.53	0.50	-	0.50
Interest on working capital	-	1.59	(1.59)	-	(1.59)
Bad Debts Written off	-	-	-	-	-
Contingency reserve	0.99	0.96	0.03	-	0.03
Income Tax	0.80	0.36	0.44	-	0.44

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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
Return on Equity	6.46	6.57	(0.11)	-	(0.11)
Less: Non-tariff income	3.68	3.36	0.32	-	0.32
<b>Aggregate revenue requirement</b>	<b>442.04</b>	<b>541.03</b>	<b>(98.99)</b>	<b>-</b>	<b>(98.99)</b>

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

2.2.1 The table below summarizes the trued-up ARR claimed by TPL-D (D), revenue from sale of power and the resultant Revenue Gap for FY 2024-25:

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

Particulars	Claimed
ARR as per Tariff Order	(a) 442.04
Gains/(Losses) due to Uncontrollable Factors	(b) (98.99)
Gains/(Losses) due to Controllable Factors	(c) -
Pass through as tariff	d= -(1/3rd of c+ b) 98.99
<b>Trued -up ARR</b>	<b>e=a+d 541.03</b>

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

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

Particulars	Claimed
Trued-up ARR	541.03
Revenue from Sale of Energy	579.03
Less: Revenue towards recovery of Earlier Years' approved Gap/ (Surplus)	6.81
Balance Revenue	572.22
<b>Gap/ (Surplus)</b>	<b>(31.19)</b>

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

2.3.1 The Petitioner submitted this Petition for approval of the revised ARR for FY 2026-27 and determination of tariff for FY 2026-27 for TPL-D (D) as per the provisions of the MYT Regulations, 2024.

2.3.2 Accordingly, TPL-D (D) has submitted the revised ARR for FY 2026-27 as depicted in the table below:

**Table 2-4 Revised ARR Projected by Petitioner for FY 2026-27 (Rs. Crore)**

Particulars	Approved	Revised Estimate
Power Purchase	480.69	485.67
O&M expenses	14.38	14.38
Interest on loans	2.18	4.28
Interest on SD	3.08	3.08
Interest on working capital	0.08	1.19
Depreciation	6.61	6.55
Bad debts	-	-
Contingency reserve	1.09	1.09
RoE including income tax	7.45	10.30
Return on Capital Employed	1.58	-
Less: Non-tariff income	0.86	0.86
ARR	516.28	525.68

2.3.3 The Petitioner has also derived the Gap/(Surplus) by considering the sales and existing tariff rates for different categories of consumers including the Base FPPAS @ Rs. 2.15/unit, as shown in the Table below:

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

Particulars	Claimed
ARR for FY 2026-27	525.68
Less: Revenue from sale of power at existing tariff rates including Base FPPAS	491.44
Less: Revenue from Open Access	4.01
<b>Gap/ (Surplus)</b>	<b>30.23</b>

2.3.4 The Petitioner has arrived at the Cumulative Gap/(Surplus) for FY 2026-27 as given in the table below:

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

Particulars	Claimed
<b>Gap/(Surplus) for FY 2024-25</b>	<b>(31.19)</b>
Carrying Cost	(14.08)
Gap/(Surplus) for FY 2026-27	30.23
<b>Cumulative Gap/(Surplus) to be recovered through tariff</b>	<b>(15.04)</b>

2.3.5 The Petitioner proposed to continue the existing tariff and Base FPPAS charges of Rs. 2.15 per Unit. Further, any Gap/(Surplus) arising based on the actual recovery of tariff will be considered at the time of Truing-up of FY 2026-27.

2.3.6 The Petitioner also proposed to recover the Gap/Carrying cost for matters pending with GERC / APTEL by way of Regulatory Charge and/or additional FPPAS as may be required.

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

## **2.4 TPL-D (D)’s Prayer to the Commission**

- Admit the Petition for truing up of FY 2024-25, Revised Aggregate Revenue Requirement and determination of tariff for FY 2026-27.
- Approve the trued-up Gap/ (Surplus) of FY 2024-25.
- Approve the sharing of gains/ losses as proposed by the Petitioner for FY 2024-25.
- Approve the Aggregate Revenue Requirement for FY 2026-27.
- Approve the Cumulative Gap/ (Surplus) as proposed in the petition.
- Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1<sup>st</sup> April, 2026.
- Approve the recovery through retail tariff including revised based FPPAS as prayed for.

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- 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.
- Allow additions/ alterations/ changes/ modifications to the Petition at a future date.
- 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.
- Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.
- Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.



### **3 BRIEF OUTLINE OF OBJECTIONS RAISED, RESPONSE FROM TPL-D (D) AND COMMISSION’S VIEW**

#### **3.1 Introduction**

3.1.1 In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (Dahej) for Truing up of ARR for FY 2024-25 under the GERC (MYT) Regulations, 2016, approval of revised ARR and determination of Tariff for FY 2026-27 under the GERC (MYT) Regulations, 2024, a number of Consumers/ organizations filed their objections / suggestions in writing. Some of these objectors participated in the Public Hearing also. The objections / suggestions by the consumer/consumers organizations, the response from the Petitioner and the views of the Commission are given below:

#### **3.2 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 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:

**Table 3-1 Operational Details of TPL-D (D)**

Particulars	TPL-D (D)
No. of agriculture connections released	0
No. of agriculture connections pending	0
No. of new transformers installed	0
No. of Feeders	47
Average Feeder Length (kms)	3.22
Number of cases booked under Section 135 and 126	Section 135- 0 Section 126- 0
Nos. of connections having animal husbandry herds included in the RGP	Not Applicable
Solar Rooftop Capacity (MW)	5.5
No. of Green Tariff Consumers	1

**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 same 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 29<sup>th</sup> 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. Further, 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. GKVGS 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 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 29<sup>th</sup> 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 reduce 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 n 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 that 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 (D). 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 (D) has submitted category-wise actual energy sales for Dahej area for FY 2024-25 as 825.60 MU against the sales of 823.82 MU approved by the Commission in the Tariff Order dated 1<sup>st</sup> 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	-	-
Non RGP	0.73	0.27
LTMD	1.06	0.38
HTP-I	819.15	822.86
HTP-II	1.34	1.66
HTP-III	0.12	0.02
Others	1.42	0.41
<b>Total Sales</b>	<b>823.82</b>	<b>825.60</b>

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 the higher load factor recorded in the categories of HTP-I and HTP-II based on prevailing market condition. Furthermore, the Petitioner submitted that as per GERC (MYT) Regulations, 2016, the variation in sales is an uncontrollable factor. Therefore, the Petitioner requested the Commission to approve the actual sales made during FY 2024-25.

**Commission’s Analysis:**

4.2.3 The actual sales claimed by TPL-D (D) during FY 2024-25 are slightly higher as compared to the sales approved in the Tariff Order dated 01<sup>st</sup> June, 2024, mainly due to increase in industrial activity and thus, registering higher load factor under HTP-I and HTP-II consumer categories. The total sales as submitted by the Petitioner have been verified, compared 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 mandatory Energy Audit Report submitted by the Petitioner vide additional submission.

4.2.4 In view of the above, the Commission approves the energy sales as mentioned in Table 4.1 above for TPL-D (D) to the tune of 825.60 MU for FY 2024-25.

**4.3 Distribution Losses**

**Petitioner’s Submission:**

4.3.1 TPL-D (D) has submitted that it has been making consistent efforts to curtail the Distribution Losses. Further, TPL-D submitted that while it had projected distribution loss of 1.72% for FY 2024-25, the Commission approved 0.45% in its Order. The actual distribution loss is higher mainly due to network growth and increase in sales. TPL-D further submitted that at such lower levels, Distribution Loss remains range-bound and fluctuates both upward and downward. Actual distribution loss for Dahej SEZ vis-a-vis the approved values is show in the table below:

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

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	0.45%	0.52%



4.3.2 Further, the Petitioner submitted that the variation in the distribution loss compared to the approved value is to be considered as uncontrollable as the network is yet to be established and load is yet to be stabilized.

**Commission’s Analysis:**

4.3.3 The Distribution Losses as claimed by TPL-D (D) at 0.52% is approved for the purpose of true-up of FY 2024-25 after confirming the same as per mandatory Annual Energy Audit report. Any Gain/(Loss) on account of Distribution Losses is controllable as per the GERC (MYT) Regulations, 2016. However, in this Order, the Distribution Losses have been considered as uncontrollable for the purpose of sharing of Gains/(Losses) as the load is yet to stabilize. Hence, the Commission approves Distribution Losses of 0.52% for Truing up for FY 2024-25 as uncontrollable factor and treatment of sharing is considered accordingly.

**4.4 Energy Requirement**

**Petitioner’s Submission:**

4.4.1 The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales, Transmission and Distribution Losses. The actual energy requirement for FY 2024-25 and as approved in the Tariff Order are given in the Table below:

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

Particulars	Approved in Tariff Order	Actuals Claimed
<b>Energy Sales</b>	823.82	825.60
<b>Distribution loss (in %)</b>	0.45%	0.52%
<b>Distribution loss</b>	3.72	4.35
<b>Energy input at distribution level</b>	827.53	829.96
<b>Transmission loss</b>	14.76	7.20
<b>Energy Requirement</b>	<b>842.29</b>	<b>837.16</b>

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

**Commission’s Analysis:**

4.4.3 The Commission has approved the Distribution Losses at 0.52% in the true-up for FY 2024-25. The Commission has computed the energy requirement with Distribution Losses of 0.52% (4.35 MU) and Transmission Losses of 7.20 MU for FY 2024-25 based on actuals after confirming the same from Annual Energy Audit report, as given in the Table below:

**Table 4-4 Approved Energy Requirement for FY 2024-25 of TPL-D (D)**

Particulars	Approved in Tariff Order	Claimed by Petitioner	Approved by Commission
Energy Sales	823.82	825.60	825.60
Distribution loss (in %)	0.45%	0.52%	0.52%
Distribution loss	3.72	4.35	4.35
Energy input at distribution level	827.53	829.96	829.96
Transmission loss	14.76	7.20	7.20
<b>Energy Requirement (A)</b>	<b>842.29</b>	<b>837.16</b>	<b>837.16</b>

4.4.4 The actual energy requirement is lower than that approved in the Tariff Order despite higher sales than the sales approved in the Tariff Order dated 01st June, 2024, primarily because of lower actual Transmission Loss. The Commission approves total energy requirement of 837.16 MU in the Truing up for FY 2024-25

**4.5 Energy Availability**

**Petitioner’s Submission:**

4.5.1 TPL-D (D) has submitted that it sourced power from bilateral power purchase, Power Exchange and Renewable Energy Sources. The details of power procured for Dahej supply area are as provided in the Table below:

**Table 4-5 Power Purchase (Net) for FY 2024-25 for Dahej (in MU)**

Particulars	Approved in Tariff Order	Actuals Claimed
Bilateral	667.94	175.10
Power Exchange	-	623.80
Renewable Energy	174.39	35.74

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Particulars	Approved in Tariff Order	Actuals Claimed
<b>Sub-total</b>	<b>842.29</b>	<b>834.63</b>
Add: sale of surplus power/UI	-	2.53
<b>Total</b>	<b>842.29</b>	<b>837.16</b>

**Renewable Power Purchase Obligation:**

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

4.5.3 The compliance against the RPPO as submitted by TPL-D (D) for FY 2024-25 is as under:

**Table 4-6 Renewable Power Purchase Obligation claimed for FY 2024-25 (in MU)**

Particulars	Actual Claimed
Energy Requirement	837.16
Less: Units under Green Tariff	3.68
Net Energy Requirement	833.48
Wind energy to be procured (@8.55%)	71.26
Solar energy to be procured (@11.25%)	93.77
Hydro Energy to be procured (@0.10%) & Biomass/Bagasse/Others (@0.80%)	7.50
Total (20.70%)	172.53
Compliance (Non-Solar)	
Non-Solar	18.70
Non-Solar REC	0.10
Compliance (as % of Energy Requirement)	2.26%
Compliance (Hydro)	
Hydro	0.02
Hydro REC	-
Compliance (as % of Energy Requirement)	0.00%
Compliance (Solar)	
Solar	22.86
Solar-REC	-
Compliance (as % of Energy Requirement)	2.74%

4.5.4 Further, TPL-D has submitted that it has filed a separate Petition No. 2524/2025 before the Commission in the matter of revision of minimum quantum of purchase (in %) from renewable energy in accordance with the RPO Regulations.

**Commission’s Analysis:**

4.5.5 The Commission has noted that the Petitioner has purchased 175.10 MU from bilateral and 623.80 MU from Power Exchange. The Commission also notes that the Petitioner has purchased 35.74 MU from Renewable Energy sources to meet the energy requirement for sale to consumers

4.5.6 The Petitioner has further netted off the quantum of 2.53 MU on account of UI with the total energy requirement and the cost related to the same has been adjusted in the revenue.

4.5.7 The Commission, accordingly, approves the total power purchase quantity of 837.16 MU for truing-up of FY 2024-25.

**Table 4-7 Power Purchase (Net) for FY 2024-25 for Dahej (in MU)**

Particulars	Approved in Tariff Order	Actuals Claimed	Approved by Commission
Bilateral	667.94	175.10	175.10
Power Exchange	-	623.80	623.80
Renewable Energy	174.39	35.74	35.74
<b>Subtotal</b>	<b>842.29</b>	<b>834.63</b>	<b>834.63</b>
Add: Sale of Surplus power/UI/wind setoff	-	2.53	2.53
<b>Total</b>	<b>842.29</b>	<b>837.16</b>	<b>837.16</b>

4.5.8 As regard the RPPO compliance for FY 2024-25, the same shall be addressed in the separate Petition No. 2524/2025 filed by the Petitioner.

## 4.6 Power Purchase Cost

### Petitioner’s Submission:

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

**Table 4-8 Power Purchase Cost claimed for FY 2024-25 (Rs. Crore)**

Particulars	Approved in the Tariff Order	Claimed by the Petitioner
Bilateral	341.41	103.17
Power Exchange	-	386.80
Renewable Energy	70.19	19.45
<b>Total Power Purchase Cost</b>	<b>411.59</b>	<b>509.43</b>

4.6.2 TPL-D (D) has submitted that the quantum of power purchase depends on energy sales and distribution losses and the mix of power purchase depends on availability and cost of different sources at a point of time.

4.6.3 TPL-D (D) has submitted that the variation in the power purchase cost from the approved power purchase cost is on account of variation in sales and distribution losses and variation in actual rate with respect to the approved power purchase rate for FY 2024-25. TPL-D (D) further submitted that for FY 2024-25, TPL invited bids for procurement of power through bilateral sources. However, due to comparatively higher costs, it also procured power from the Power Exchange to optimize overall power purchase cost.

4.6.4 The Petitioner has further submitted that as per the Regulations, the variation in power purchase cost is uncontrollable and hence, the same needs to be allowed in truing up exercise.

### Commission’s Analysis:

4.6.5 In response to the Commission’s query with regard to rate of power purchase under bilateral arrangement and Power Exchange, the Petitioner has submitted that power purchase rate from Power Exchange is Rs. 6.20 per unit for FY 2024-

25 which is the landed price at TPL (D) periphery i.e. including Transmission Charges and Losses. The corresponding power purchase cost from the Power Exchange was about Rs. 4.89 per unit after excluding applicable transmission charges and losses. Further, the power purchased from the Power Exchange was considered as per the demand pattern and was not constant throughout the day. Therefore, the same was not comparable with the average MCP of Rs. 4.31 per unit for the entire year.

- 4.6.6 TPL-D further submitted that it had carried out a combined bidding process for procuring power for the Ahmedabad, Surat, and Dahej licence areas to ensure competitiveness of rates under the prevailing market conditions. TPL had procured power through bilateral arrangements whenever the discovered rates were lower. In this regard, the Commission had approved the discovered rates vide Orders in Petition No. 2339 of 2024 dated 14<sup>th</sup> March, 2025, and in Petition No. 2402 of 2024 dated 2<sup>nd</sup> January, 2025. The remaining requirement was met through the purchase of power from the Power Exchange in order to optimize its power purchase cost.
- 4.6.7 As regard RPPO compliance for FY 2024–25, TPL-D (Dahej) submitted that the RPPO compliance report for FY 2024–25 had been submitted to GEDA. The Petitioner has also filed a separate Petition No. 2524/2025 for revision of RPO for FY 2024–25. As stated earlier, the status of RPPO compliance shall be addressed in the separate Petition No. 2524/2025 filed by the Petitioner.
- 4.6.8 As regard REC purchase, TPL submitted that it had not purchased any Renewable Energy Certificates during FY 2024–25. However, it had incurred a cost of Rs. 0.03 Crore towards receipt of allocated RE attributes of 0.10 MU under the Waste-to-Energy Policy of the Government of Gujarat.
- 4.6.9 As verified from the Annual Audited Accounts for FY 2024-25, TPL-D (D) has incurred power purchase cost of Rs. 509.43 Crore during FY 2024-25.

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

**Table 4-9 Power Purchase Cost approved for FY 2024-25 (Rs. Crore)**

Particulars	Approved in the Tariff Order	Claimed by the Petitioner	Approved by the Commission
Bilateral	341.41	103.17	103.17
Power Exchange	-	386.80	386.80
Renewable Energy	70.19	19.45	19.45
<b>Total Power Purchase Cost</b>	<b>411.59</b>	<b>509.43</b>	<b>509.43</b>

4.6.11 The Commission, accordingly, approves total power purchase cost of Rs. 509.43 Crore for Truing up for FY 2024-25.

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

**Table 4-10 Gain/(Loss) on account of Power Purchase Cost for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Power Purchase Cost	411.59	509.43	(97.84)	0.00	(97.84)

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

### Petitioner's Submission:

4.7.1 TPL-D (D) has claimed O&M expenses of Rs. 14.18 Crore as against the O&M expenses of Rs. 13.31 Crore approved for FY 2024-25 in the Tariff Order dated 1<sup>st</sup> June, 2024, as detailed in the Table below:

**Table 4-11 O&M expenses claimed by TPL-D (Dahej) for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	13.31	14.18

4.7.2 The Petitioner has submitted that increase in O&M expenses is due to increase in preventive maintenance and overall inflation and also stated that variation in O&M expenses should be considered as uncontrollable as per Commission’s Order dated 1<sup>st</sup> June, 2024.

**Commission’s Analysis:**

4.7.3 TPL-D (D) has claimed the actual O&M expenses at Rs. 14.18 Crore inclusive of impact of “Re-measurement of Defined Benefit Plans” of Rs. 0.04 Crore in the truing-up for FY 2024-25. It is observed that as per Annual Accounts, the O&M Expenses are Rs. 14.21 Crore, whereas TPL-D (D) has claimed O&M Expenses of Rs. 14.18 Crore. The head-wise analysis is as under:

4.7.4 The Commission observed that the Employee expenses as per annual accounts are Rs. 4.21 Crore net of expenses capitalized of Rs. 2.93 Crore. The Petitioner has added expense towards Re-measurement of Defined Benefit Plans of Rs. (0.04) Crore as appeared as gain in P&L Statement. Accordingly, the Commission approves the employee expenses of Rs. 4.17 Crore.

4.7.5 A&G expense as per annual accounts are Rs. 6.14 Crore after netting off expenses capitalized of Rs. 0.18 Crore. The Petitioner has claimed A&G expenses of Rs. 6.15 Crores after adding actual lease payments of Rs. 0.01 Crore. Accordingly, the Commission approves the A&G expense of Rs. 6.15 Crore.

4.7.6 The Petitioner has claimed R&M expense of Rs. 3.86 Crore as per actual cost, which is duly verified by the Commission from Annual Audited Accounts. The Commission accordingly approves R&M expense of Rs. 3.86 Crore.

4.7.7 The Commission, accordingly, approves the O&M expenses of Rs. 14.18 Crore, in the truing up of FY 2024-25.

4.7.8 Further as per Regulation 22 of the GERC (MYT) Regulations, 2016, the variation in O&M expenses is to be considered as controllable except for change in law and

wage revision. However, as per the Judgment dated 9<sup>th</sup> May, 2019 of the Hon'ble APTEL in Appeal No. 256 of 2016, the Commission decides to accept TPL-D (D)'s submission that O&M Expenses should be considered as uncontrollable along the lines of Distribution Losses, as the power demand in the SEZ is yet to stabilize. Accordingly, the Commission has approved the Gains/ (Losses) as given in the Table below:

**Table 4-12 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	13.31	14.18	(0.87)	0.00	(0.87)

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

##### Petitioner's Submission:

4.8.1 TPL-D (D) has claimed Rs 15.58 Crore towards actual capital expenditure for FY 2024-25, as against Rs. 14.80 Crore approved in the Tariff Order dated 1<sup>st</sup> June, 2024. Summary of capital expenditure incurred during FY 2024-25 is tabulated as under:

**Table 4-13 Capital Expenditure Claimed by TPL-D (D) For FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV	10.58	13.45
HT Network	1.30	1.18
LT Network	0.54	0.31
Metering	0.38	0.13
Customer care & IT	0.27	0.18
Others	1.72	0.33
<b>Total</b>	<b>14.80</b>	<b>15.58</b>

4.8.2 The details of actual capital expenditure and reason for major variances in the actual expenditure against the approved expenditure are enumerated below:

- a) **EHV:** The Commission had approved the expenditure of Rs. 10.58 Crore for 220 kV and 33 kV substation and network along with testing and measuring instrument. The actual expenditure incurred during the year was Rs. 13.45 Crore mainly towards Replacement of 220 kV Isolator at DGEN substation and 33/11 kV Power Transformer Augmentation from 10 MVA to 20 MVA to cater to the load growth. The major expenditure of 33 kV Network of DGEN-East Connectivity was deferred due to lower growth in CRZ area.
- b) **HT Network:** The Commission had approved an expenditure of Rs. 1.30 Crore whereas the actual expenditure incurred was Rs. 1.18 Crore. The deviation in actual expenditure is mainly due to lower nos. of application received from HT consumers than that anticipated during the year.
- c) **LT Network:** The Commission had approved an expenditure of Rs. 0.54 Crore whereas the actual expenditure incurred was Rs. 0.31 Crore towards LT Services and Network development. The deviation in actual expenditure is mainly due to reduction in the length of network.
- d) **Metering:** The Commission had approved an expenditure of Rs. 0.38 Crore whereas the actual expense incurred was Rs. 0.13 Crore. The major expenditure of Rs. 0.20 Crore for Smart Meters and AMI was deferred due to technology evaluation and due to pendency in finalisation of interoperability Guidelines by CEA.
- e) **Customer Care & IT:** The Commission had approved an expenditure of Rs. 0.27 Crore whereas actual expenditure incurred was Rs. 0.18 Crore towards IT equipment and computer hardware and laptop.
- f) **Others:** In this category, the actual expenditure incurred was Rs. 0.33 Crore against the approved expenditure of Rs. 1.72 Crore. The major capex

incurred is towards safety related equipment and civil works at 220 kV/DGEN switchyard.

4.8.3 TPL-D (D) has claimed actual capitalization of Rs. 18.20 Crore for FY 2024-25, as against Rs. 11.66 Crore approved in Tariff Order as shown in table below:

**Table 4-14 Capitalisation Claimed for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	197.55	192.48
Addition to GFA	11.66	18.20
Deletion to GFA	-	1.08
Closing GFA	209.21	209.60
SLC Addition	3.12	5.46

**Commission’s Analysis:**

4.8.4 The Petitioner has claimed CAPEX of Rs. 15.58 Crore in truing-up of FY 2024-25, against the CAPEX of Rs. 14.80 Crore approved in Tariff Order. The Commission has observed that according to the audited annual accounts for FY 2024-25, the Capex is at Rs. 15.58 Crore. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 18.19 Crore with details of Opening CWIP as on 1<sup>st</sup> April 2024, CAPEX during the year and Closing CWIP as on 31<sup>st</sup> March 2025 in Form 4.3 of the Petition.

4.8.5 The Commission sought additional information regarding difference in the Capitalization in Form 4.3 and Annual Accounts, actual scheme-wise capitalisation with approved scheme-wise capitalisation, and copies of CEI certificate for installation and energization of assets put in use. In response, the Petitioner submitted the CEI certificate towards energization of the capitalized assets.

4.8.6 The reconciliation of CAPEX and capitalization is tabulated below:

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**Table 4-15 Approved CAPEX and Capitalization for FY 2024-25 (Rs. Crore)**

Project Title	Capex approved for FY 2024-25 in Tariff Order	Capex claimed in true-up of FY 2024-25	Capex claimed and approved in truing up for FY 2024-25	Capitalisation approved for FY 2024-25 in Tariff Order	Capitalisation claimed in true-up of FY 2024-25	Capitalisation claimed and approved in truing up for FY 2024-25	Difference approved & actual capitalisation for FY 2024-25
A	B	C	D	E	F	G	H=(E-G)
<b>EHV</b>	10.58	13.45	13.45	7.45	16.24	16.24	(8.79)
<b>HT Network</b>	1.3	1.18	1.18	1.31	0.99	0.99	0.32
<b>LT Network</b>	0.54	0.31	0.31	0.54	0.33	0.33	0.21
<b>Metering</b>	0.38	0.13	0.13	0.38	0.11	0.11	0.27
<b>Customer care &amp; IT</b>	0.27	0.18	0.18	0.27	0.18	0.18	0.09
<b>Others</b>	1.72	0.33	0.33	1.73	0.33	0.33	1.40
<b>Total</b>	<b>14.80</b>	<b>15.58</b>	<b>15.58</b>	<b>11.66</b>	<b>18.20</b>	<b>18.19</b>	<b>(6.51)</b>

4.8.7 From the details submitted, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV, HT network and other works. Against approved capital expenditure of Rs. 10.58 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 13.45 Crore mainly towards replacement of 220 kV Isolator at DGEN substation and 33/11 kV power Transformer Augmentation from 10 MVA to 20 MVA to cater to the load growth.

4.8.8 As regard Capex relating to HT and LT network, the Petitioner has incurred Rs. 1.18 Crore and Rs. 0.31 Crore against the capex of Rs. 1.30 Crore and Rs. 0.54 Crore, respectively, approved in Tariff Order, with major variation due to lower nos. of applications received from HT consumer than anticipated during the year.

4.8.9 Similarly, in respect of Metering, the CAPEX incurred is Rs. 0.13 Crore against the capex of Rs. 0.38 Crore approved in Tariff Order due to deferment of Smart Meters and AMI project on account of technology evaluation and pendency in finalization of interoperability Guidelines by CEA.

4.8.10 As regard Customer Care, IT and Other, the CAPEX incurred is Rs. 0.51 Crore against the Capex of Rs. 1.99 Crore approved in the Tariff Order, towards IT equipment such as cameras, switches, computer and laptop and towards safety and civil works at 220 kV/DGEN switchyard.

4.8.11 The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 15.58 Crore during FY 2024-25.

4.8.12 The Commission based 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 4-16 CWIP approved in true up for FY 2024-25 for TPL-D (D) (Rs. Crore)**

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	4.05
2	Capex during the year	15.58
3	Less: Capitalisation	18.19
4	<b>Closing CWIP (1+2-3)</b>	<b>1.44</b>

4.8.13 The Petitioner has considered opening GFA for FY 2024-25 at Rs. 192.48 Crore based on the closing GFA approved in truing up for FY 2023-24, the same is being considered by the Commission.

4.8.14 TPL-D (D) has de-capitalised assets to the extent of Rs. 1.08 Crore during FY 2024-25, and the same has been verified from Audited Accounts. Hence, the Commission considers de-capitalised assets at Rs. 1.08 Crore and accordingly adjustments made to GFA in truing up for FY 2024-25.

4.8.15 The Petitioner has claimed SLC addition of Rs. 5.46 Crore, the same has been verified from Audited Accounts for FY 2024-25. Accordingly, SLC addition of Rs. 5.46 Crore is approved for FY 2024-25.

4.8.16 The Commission in terms of GERC (MYT) Regulations, 2016 has approved the funding of capitalisation based on normative debt-equity for FY 2024-25.

4.8.17 The Commission accordingly approves the opening GFA, addition to GFA during the year, closing GFA, and funding of capitalisation for FY 2024-25, as tabulated below:

**Table 4-17 Approved Capitalisation for FY 2024-25 (Rs. Crore)**

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	192.48	192.48
Addition to GFA	18.20	18.19
Deletion to GFA	1.08	1.08
<b>Closing GFA</b>	<b>209.60</b>	<b>209.59</b>
Less: SLC Addition	5.46	5.46
Balance Capitalisation	12.73	12.73
Normative Debt @70%	8.91	8.91
Normative Equity @30%	3.82	3.82

## 4.9 Depreciation

### Petitioner's Submission:

4.9.1 TPL-D (D) has claimed a sum of Rs. 5.40 Crore towards depreciation in the truing up for FY 2024-25 as against Rs. 6.96 Crore approved in the Tariff Order as shown in the Table below:

**Table 4-18 Depreciation claimed by TPL-D (D) for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	6.96	5.40

4.9.2 TPL-D (D) has submitted that the depreciation rates as per GERC (MYT) Regulations, 2016 are applied on the Opening GFA and assets capitalised during FY 2024-25. The Petitioner has submitted that depreciation is an uncontrollable item.

### Commission's Analysis:

4.9.3 The Commission has verified the depreciation from the annual accounts for FY 2024-25 and observed that depreciation as per annual accounts is Rs. 7.56 Crore. However, the Petitioner has claimed depreciation of Rs. 5.40 Crore in truing up for FY 2024-25 as it has considered depreciation on PPE of Rs. 7.56 Crore and deducted an amount of Rs. 2.16 Crore on assets funded through SLC and

amortization of deferred revenue, as reconciled vide additional submission. In response to data gap query, the Petitioner has clarified that it has not claimed depreciation over 90% of the allowable capital cost of Plant & Machinery, Office equipment & Electrical fitting and Intangible Assets. Accordingly, the depreciation is claimed as Rs. 5.40 Crore.

- 4.9.4 As per Regulation 39.2(b) of the GERC (MYT) Regulations, 2016, depreciation of assets financed through consumer contribution, deposit works, and grants should be considered as per Audited Accounts. However, since deferred income on this account has not been claimed under Non-Tariff Income, the depreciation on assets financed through consumer contribution and grants of Rs. 2.16 Crore has been deducted. The Commission, accordingly, approves the depreciation at Rs. 5.40 Crore for FY 2024-25. The Commission has approved depreciation at Rs 6.96 Crore in Tariff Order. The deviation of Rs. 1.56 Crore is considered as uncontrollable gain as the depreciation is dependent on capitalisation. The Commission, accordingly, approves the gains/ (losses) on account of depreciation in the truing up for FY 2024-25, as detailed in the Table below:

**Table 4-19 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	6.96	5.40	1.56	1.56

#### 4.10 Interest Expenses

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

- 4.10.1 TPL-D (D) has claimed a sum of Rs. 3.37 Crore towards normative interest and finance expenses for FY 2024-25 on normative basis as per GERC (MYT) Regulations, 2016. Petitioner submitted that the variation in interest expenses as compared to approved expenses is to be treated as uncontrollable as it depends on quantum of actual capitalization and variation in interest rates.

4.10.2 The Petitioner has considered the interest expenses as per the GERC (MYT) Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. 0.19 Crore after considering depreciation on account of deduction of Rs. 1.08 Crore and reduction in equity of Rs. 0.32 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 on the assets for the year.

4.10.3 TPL-D (D) has claimed interest and finance charges for FY 2024-25 as shown in the table below:

**Table 4-20 Interest and finance charges claimed for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	35.55	36.35
Less: reduction of normative loan due to retirement	0.01	0.20
Addition of Loan	5.98	8.92
Repayment during year	6.96	5.40
Closing Balance	34.57	39.67
Average Loan	35.06	38.01
Weighted average rate of interest (%)	7.35%	8.72%
Interest Expenses	2.58	3.31
Other Borrowing Costs	-	0.05
<b>Total Interest Expenses</b>	<b>2.58</b>	<b>3.37</b>

**Commission’s Analysis:**

4.10.4 The Commission has considered opening normative loan as on 01.04.2024 equal to the closing loan balance of Rs. 36.35 Crore approved in truing up FY 2023-24.

4.10.5 Addition to loan during FY 2024-25 is considered at Rs. 8.91 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. 0.19 Crore.

4.10.6 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.

4.10.7 The Commission sought information such as the actual loan portfolio, computation of weighted average rate of interest and breakup of other borrowing costs, which the Petitioner submitted vide responses to data gaps. The Commission has calculated the weighted average rate of interest at 8.72% as claimed by the Petitioner for the actual loan portfolio submitted for FY 2024-25.

4.10.8 Accordingly, the Commission approves Interest and Finance Charges for FY 2024-25 as under:

**Table 4-21 Interest Approved by the Commission for FY 2024-25 (Rs. Crore)**

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	36.35	36.35
Less: reduction of normative loan due to retirement	0.19	0.19
Addition of Loan	8.91	8.91
Repayment during year	5.40	5.40
Closing Balance	39.67	39.66
<b>Average Loan</b>	<b>38.01</b>	<b>38.00</b>
Weighted average rate of interest (%)	8.72%	8.72%
<b>Interest Expenses</b>	<b>3.31</b>	<b>3.31</b>
<b>Other Borrowing Costs</b>	<b>0.05</b>	<b>0.05</b>
<b>Total Interest Expenses</b>	<b>3.37</b>	<b>3.37</b>

4.10.9 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.*”

4.10.10 The Commission, in terms of the 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.”

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

**Table 4-22 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	2.58	3.37	(0.79)	(0.79)

#### **4.11 Interest on Security Deposit**

##### **Petitioner’s Submission:**

4.11.1 The Petitioner has claimed Rs. 2.53 Crore towards interest on security deposit in truing-up for FY 2024-25 as against Rs. 3.03 Crore approved in the Tariff Order dated 1<sup>st</sup> June, 2024. 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.

4.11.2 The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 6.75% paid to consumers based on Bank Rate is submitted in the Table below:

**Table 4-23 Interest on Security Deposit claimed by TPL-D (D) for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	6.75%	6.75%
Interest on Security Deposit	3.03	2.53

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

#### **Commission’s Analysis:**

4.11.4 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. The Commission, accordingly, approves the interest on security deposit at Rs. 2.53 Crore for FY 2024-25. The deviation of Rs. 0.50 Crore is considered as Gain on account of uncontrollable factors as detailed in table below:

**Table 4-24 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	3.03	2.53	0.50	0.50

#### **4.12 Interest on Working Capital**

##### **Petitioner’s Submission:**

4.12.1 TPL-D (D) has arrived at working capital requirement as per GERC (MYT) Regulations, 2016. The Petitioner has claimed Rs. 1.59 Crore towards interest on working capital for FY 2024-25 as tabled below;

**Table 4-25 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	1.11	1.18
1% of GFA for maintenance spares	1.98	1.92
Receivables for 1 month	38.20	48.25
Less: Security Deposit	44.96	37.38
Working Capital Requirement	-	13.98
Rate of Interest (%)	11.00%	11.38%
<b>Interest on Working Capital</b>	-	<b>1.59</b>

4.12.2 The Petitioner has submitted that the variation in gross working capital requirement is primarily on account of variation in actual O&M expenses and receivables.

**Commission’s Analysis:**

4.12.3 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.

4.12.4 TPL-D (Dahej) 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.

4.12.5 The GERC (MYT) Regulations, 2016 (read with amendment notification No.7 of 2016 dated 02.12.2016) specify that 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.

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

**Table 4-26 Interest on Working Capital approved for FY 2024-25 (Rs. Crore)**

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	1.18	1.18
1% of GFA for maintenance spares	1.92	1.92
Receivables for 1 month	48.25	45.12
Less: Security Deposit	37.38	37.38
Working Capital Requirement	13.98	10.84
Rate of Interest (%)	11.38%	11.38%
<b>Interest on Working Capital</b>	<b>1.59</b>	<b>1.23</b>

4.12.7 The Commission, accordingly, approves the interest on working capital of Rs. 1.23 Crore for FY 2024-25.

4.12.8 The Commission has treated Interest on Working Capital as uncontrollable expenses, and accordingly approves the gain/(loss) on account of Interest on Working Capital for FY 2024-25 as tabulated below:-

**TABLE 4-27 GAINS / (LOSSES) ON ACCOUNT OF INTEREST ON WORKING CAPITAL IN THE TRUING UP FOR FY 2024-25 (RS. CRORE)**

Particulars	Approved for 2024-25 in ARR Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrolla ble factor
<b>Interest on working capital</b>	-	1.23	(1.23)	-	(1.23)

### 4.13 Return on Equity

#### Petitioner's Submission:

4.13.1 TPL-D(D) has claimed 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 as shown in the table below:

**Table 4-28 Return on Equity claimed by the TPL -D (D) for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	44.87	45.17
Equity Addition	2.56	3.82
Reduction in equity on account of retirement	-	0.32
Closing Equity	47.43	48.67
Return on Equity at beginning of year	6.28	6.32
Return on Equity addition during year	0.18	0.24
<b>Total Return on Equity</b>	<b>6.46</b>	<b>6.57</b>

4.13.2 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:**

4.13.3 The Commission has considered opening equity of Rs. 45.17 Crore as on 01.04.2024 equal to closing equity as approved in truing-up of FY 2023-24 and the additional equity is considered @30% of the value of net asset addition as approved above.

4.13.4 During the year, net asset addition is at Rs. 12.72 Crore and the equity at 30% works out to Rs. 3.82 Crore. Further, during the year, deletion from GFA is at Rs. 1.08 Crore and accordingly, reduction in equity is considered at Rs. 0.32 Crore being 30% of the asset reduction.

4.13.5 The Commission, accordingly, approves the return on equity for FY 2024-25 as detailed below;

**Table 4-29 Return on Equity approved for FY 2024-25 (Rs. Crore)**

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	45.17	45.17
Equity Addition	3.82	3.82

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Particulars	Claimed By Petitioner	Approved for Truing-Up
Reduction in equity on account of retirement	0.32	0.32
Closing Equity	48.67	48.67
Return on Equity at beginning of year	6.32	6.32
Return on Equity addition during year	0.24	0.24
<b>Total Return on Equity</b>	<b>6.57</b>	<b>6.57</b>

4.13.6 The Return on Equity depends on the amount of capitalization during the year and the debt 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. The Commission, accordingly, approves the gains/(losses) on account of return on equity for FY 2024-25 as tabulated below:

**Table 4-30 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	6.46	6.57	(0.11)	(0.11)

#### 4.14 Income Tax

##### Petitioner's Submission:

4.14.1 TPL-D(D) has claimed Income Tax of Rs. 0.36 Crore based on the actual tax paid in proportion to the Profit Before Tax (PBT) of TPL-D(D) for FY 2024-25 against the Income Tax of Rs. 0.80 Crore approved by the Commission in its Tariff Order dated 1<sup>st</sup> June, 2024 based on the actuals of FY 2022-23. Hence, the Petitioner has claimed Income Tax as shown below:

**Table 4-31 Income Tax Claimed for TPL-D (D) for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Income Tax	0.80	0.36

**Commission’s Analysis:**

4.14.2 The Commission asked TPL-D (D) to furnish the details of segregation of Income Tax paid by TPL in respect of TPL-D (D) along with copies of challans of Income Tax paid. In its reply, TPL submitted that being a single corporate entity, Income Tax is paid for the Company as a whole, and submitted the copies of challan of Income Tax paid for the year. The Petitioner has computed the Income Tax by applying the ratio of Income Tax to PBT.

4.14.3 The Commission has verified the PBT figures from the annual accounts for FY 2024-25. The Petitioner has shown a PBT of Rs. 4.99 Crore including Re-measurement of Defined Benefit Plans. The PBT as per standalone financial statement of TPL (including Remeasurement of Defined Benefit Plans) is Rs. 3099.98 Crore and the total Tax paid by the Company as a whole is Rs. 539.05 Crore. Accordingly, the tax rate works out to 17.39 % which is lower than the MAT rate of 17.47%. Hence, applying the effective Tax rate on PBT of TPL-D(D), the Tax paid works out to be Rs. 0.87 Crore. Further, there is Income Tax refund of Rs. 0.51 Crore comprising Rs. 0.01 Crore for FY 2011-12, Rs. 0.38 Crore for FY 2019-20, and Rs. 0.12 Crore for FY 2021-22 respectively (as submitted by the Petitioner in replies to data gaps). The Commission, accordingly, approves the Income Tax at Rs. 0.36 Crore in the truing up for 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 in the truing up for FY 2024-25, as detailed in the Table below:

**Table 4-32 Income Tax 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
Income Tax	0.80	0.36	0.44	0.44

#### **4.15 Bad Debts Written Off**

##### **Petitioner’s Submission:**

4.15.1 The Petitioner has submitted that the Commission in its Order has not approved any amount of bad debts for Dahej supply area. The Petitioner submitted that it has not written off any bad debts for FY 2024-25. Accordingly, it has not claimed any bad debts.

##### **Commission’s Analysis:**

4.15.2 The Petitioner has not written off any bad debts during the year. The Commission, accordingly, approved NIL amount towards bad debts written during FY 2024-25.

#### **4.16 Contribution to Contingency Reserve**

##### **Petitioner’s Submission:**

4.16.1 The Commission had allowed contribution to contingency reserve for meeting the requirement of unexpected emergent circumstances as per GERC (MYT) Regulations, 2016. Accordingly, the Petitioner has considered 0.5% of the cost of fixed assets towards the contribution to contingency reserve of Rs. 0.96 Crore for FY 2024-25.

4.16.2 The Petitioner has requested the Commission to approve the contribution to contingency reserve for the purpose of truing up.

##### **Commission’s Analysis:**

4.16.3 The contribution to contingency reserve claimed in the truing up is consistent with the GERC (MYT) Regulations, 2016 and accordingly, the same is approved at Rs. 0.96 Crore. The Commission accordingly, approves Rs. 0.03 Crore as gain on account of contingency reserve in the truing up for FY 2024-25.

**Table 4-33 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 Reserve	0.99	0.96	0.03	0.03

#### 4.17 Non-Tariff Income

##### Petitioner’s Submission:

4.17.1 The Commission had approved Non-Tariff Income of Rs. 3.68 Crore for FY 2024-25 in Tariff Order and the actual Non-Tariff Income considered for truing up is Rs. 3.36 Crore, as given in the table below:

**Table 4-34 Non-Tariff Income claimed for FY 2024-25 (Rs. Crore)**

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	3.68	3.36

4.17.2 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:

4.17.3 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 income from statutory investment, interest on advances to supplier/contractor, discount on prompt payment of power purchase, etc.

4.17.4 The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2024-25 is Rs. 3.36 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 3.15 Crore in Note 28 and Rs. 2.40 Crore in Note 27. The Petitioner has reduced the Amortization of Deferred Revenue (Rs. 2.16 Crore) and Delayed

Payment Charges (Rs. 0.03 Crore) in the Non-Tariff Income to arrive at claimed figure of Rs. 3.36 Crore.

4.17.5 The Commission, accordingly, approves the Non-Tariff Income of Rs. 3.36 Crore for FY 2024-25. The Commission considers Non-Tariff Income as an uncontrollable parameter and, accordingly, approves the gains/losses on account of Non-Tariff Income in the truing up for FY 2024-25, as detailed in the Table below:

**Table 4-35 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	3.68	3.36	0.32	0.32

#### 4.18 Revenue from Sale of Power

##### **Petitioner’s Submission:**

4.18.1 The Petitioner has submitted Rs. 579.03 Crore as revenue from sale of power in the truing up for FY 2024-25.

##### **Commission’s Analysis:**

4.18.2 The Commission has observed that the revenue from sale of power is at Rs. 541.39 Crore as per the annual accounts for FY 2024-25. However, the Petitioner in Form 10 has depicted Rs. 579.03 Crores and accordingly the same is considered in the Petition for truing up for FY 2024-25. In response to data gap regarding revenue reconciliation, the Petitioner submitted that revenue considered in the Petition excludes the amount of Rs. (37.64) Crore considered on accrual basis in revenue from sale of electricity in the Audited Accounts, by providing the certificate of Statutory Auditor certifying the aforesaid amount.

4.18.3 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.

4.18.4 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 audited accounts for FY 2024-25, i.e., Rs. 541.39 Crore. 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, approves the revenue from sale of power at Rs. 541.39 Crore in the Truing up for FY 2024-25 in accordance with the GERC (MYT) Regulations, 2016.

#### **4.19 Gains/(Losses) under truing-up for FY 2024-25**

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

4.19.1 The Petitioner has submitted that the gains/(losses) on account of uncontrollable factors shall be passed through in tariff as per Regulation 23 of the GERC (MYT) Regulations, 2016, 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 the 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 section as given in the table below:

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**Table 4-36 Controllable & Uncontrollable variations for FY 2024-25 Claimed (Rs. Crore)**

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Power Purchase	411.59	509.43	(97.84)	-	(97.84)
O&M Expense	13.31	14.18	(0.87)	-	(0.87)
Interest on Loans	2.58	3.37	(0.79)	-	(0.79)
Interest on Security Deposit	3.03	2.53	0.50	-	0.50
Interest on Working Capital	0.00	1.59	(1.59)	-	(1.59)
Depreciation	6.96	5.40	1.56	-	1.56
Bad Debts written off	-	-	-	-	0.00
Contingency reserve	0.99	0.96	0.03	-	0.03
Return on Equity	6.46	6.57	(0.11)	-	(0.11)
Income Tax	0.80	0.36	0.44	-	0.44
Less: Non-Tariff Income	3.68	3.36	0.32	-	0.32
Net ARR	442.04	541.03	(98.99)	-	(98.99)

**Commission’s Analysis:**

4.19.2 The Commission has reviewed the performance of TPL-D (D) 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:

**Table 4-37 ARR approved in respect of TPL-D (D) in the truing up 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
Power Purchase	411.59	509.43	(97.84)	-	(97.84)
O&M Expense	13.31	14.18	(0.87)	-	(0.87)
Interest on Loans	2.58	3.37	(0.79)	-	(0.79)

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Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Interest on Security Deposit	3.03	2.53	0.50	-	0.50
Interest on Working Capital	0.00	1.23	(1.23)	-	(1.23)
Depreciation	6.96	5.40	1.56	-	1.56
Bad Debts written off	-	-	-	-	0.00
Contingency reserve	0.99	0.96	0.03	-	0.03
Return on Equity	6.46	6.57	(0.11)	-	(0.11)
Income Tax	0.80	0.36	0.44	-	0.44
Less: Non-Tariff Income	3.68	3.36	0.32	-	0.32
<b>Net ARR</b>	<b>442.04</b>	<b>540.67</b>	<b>(98.63)</b>	-	<b>(98.63)</b>

#### 4.20 Sharing of Gains/Losses for FY 2024-25

4.20.1 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 reproduced below:

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

*23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.*

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

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

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

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

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

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

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

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

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

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

**Table 4-38 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 1 <sup>st</sup> June 2024	442.04	442.04
Gains/(Losses) due to Uncontrollable Factors	(98.99)	(98.63)

Torrent Power Limited – Distribution (Dahej)  
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Particulars	Claimed by Petitioner	Approved by Commission
Gains/(Losses) due to Controllable Factors	-	-
Pass through as Tariff	98.99	98.63
<b>ARR True-Up</b>	<b>541.03</b>	<b>540.67</b>

4.20.3 The Petitioner has requested the Commission to consider an amount of Rs. 6.81 Crore as Revenue Gap of earlier years, approved under the Commission’s Orders dated 1<sup>st</sup> June, 2024, Review Order dated 12<sup>th</sup> November, 2025 and amount claimed as per Commission’s Order dated 12.05.2025, the details of which are given below:

**Table 4-39 Revenue Surplus/(Gap) of past year (Rs. Crore)**

Particulars	Amount
Revised Gap/(Surplus) FY 2022-23 as approved in Order dated 12.11.2025	25.94
Less: Accrued revenue of FY 2022-23 being recovered through FPPAS in FY 2025-26	23.18
Carrying cost for FY 2022-23 as approved in Order dated 01.06.2024	0.43
Carrying cost of differential gap as per the methodology followed by Hon’ble Commission in order dated 01.06.2024	3.62
<b>Total</b>	<b>6.81</b>

4.20.4 As can be observed from the above table, the Petitioner has claimed the revised Gap of Rs. 6.81 Crore for FY 2022-23 as per Review Order of FY 2022-23. Further, TPL-D (D) has claimed approved Carrying Cost of Rs. 0.43 Crore from True up Order of FY 2022-23 dated 1<sup>st</sup> June, 2024. TPL-D(D) has claimed Carrying Cost on differential Gap allowed in Review Order dated 12 November, 2025.

4.20.5 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. 2325 of 2024 dated 12<sup>th</sup> November 2025, the Petitioner has submitted the computation of Carrying Cost and the same is reproduced as below:

**Table 4-40 Carrying cost of differential gap on True up of FY 2022-23**

Particulars	Legends	Amount (Rs. Crore)
(Gap)/Surplus Approved in Tariff Order dated 01.06.2024	a	(2.76)
(Gap)/Surplus Approved in Tariff Order dated 12.11.2025	b	(25.94)
Difference	c=a-b	23.18
1 year MCLR	d	7.80%
Incremental Carrying cost claimed	e=c*d*2	3.62

4.20.6 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. 3.62 Crore, considered as part of claim towards recovery of earlier years revenue gap of Rs. 6.81 Crore.

4.20.7 The Petitioner has requested the Commission to consider an amount of Rs. 6.81 Crore as surplus recovered revenue towards earlier years, approved as per the Commission’s Order dated 1<sup>st</sup> June, 2024. Accordingly, the Commission has considered the revenue while computing the actual net revenue surplus/(gap) for FY 2024-25 for truing-up purpose as below.

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

Particulars	Claimed by Petitioner	Approved by Commission
Trued-up ARR	541.03	540.67
Revenue from Sale of Power	579.03	541.39
Less: Revenue toward recovery of earlier year Including Carrying cost	6.81	6.81
Balance Revenue	572.22	534.59
<b>surplus/(gap)</b>	<b>31.19</b>	<b>(6.09)</b>

4.20.8 The Commission, accordingly, considers the trued-up Revenue Gap of Rs. 6.09 Crore for FY 2024-25, while determining the tariff for FY 2026-27.

## **5 Approval of revised ARR and Determination of Tariff for FY 2026-27**

### **5.1 Introduction**

- 5.1.1 The GERC (MYT) Regulations, 2024 notified on 06<sup>th</sup> August 2024 is effective till 31<sup>st</sup> March 2030 and is applicable for determination of tariff from 1<sup>st</sup> April, 2025 onwards, and will be in force till 31<sup>st</sup> march, 2030.
- 5.1.2 The Commission in the MYT Order dated 29<sup>th</sup> March, 2025 in Petition No. 2428 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 ARR in the following paragraphs.

### **5.2 Demand and Sales Projection**

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

- 5.2.1 The Petitioner has submitted that it has considered the inputs received during interaction with some existing as well as prospective consumers. However, the same may vary with pace at which the development of the SEZ takes place based on the economic scenario and the Government policies.
- 5.2.2 TPL-D(D) has submitted that in the MYT Order, the Commission approved demand of 149.36 MW and sales of 844.52 MU as projected. However, subsequent developments in the licence area, including an increasing trend of open access, have necessitated revision of the approved sales for FY 2026-27 to reflect the

prevailing trend and likely scenario.

5.2.3 The coincident maximum demand has been worked out based on past category-wise actual demand metered for FY 2024-25, and accordingly, the demand in MW for FY 2026-27 has been revised.

5.2.4 Based on the above factors the Demand in MW for FY 2026-27 is as under:

**Table 5-1 Demand for FY 2026-27**

Particulars	Approved in MYT Order	Projected by Petitioner
Demand (MW)	149.36	156.51

5.2.5 For projection of sales, the Petitioner has considered the category-wise sales projections based on actual and likely demand, trend of load factor and also duly factored the impact of Open Access Regulations and Net Metering Regulations. Accordingly, the sales projection for the FY 2026-27 is as under:

5.2.6 **LT** – The sales is worked out based on existing trend of load factor and increase in demand of existing customers by ~ 0.04 MW to 1.57 MW based on interaction. At present there are no solar/open access in LT category.

5.2.7 Based on above, the revised sales projection (MU) for LT category is as under:

**Table 5-2 Category wise sales summary of LT Consumers of Dahej Supply area for FY 2026-27**

Particulars	Approved in MYT Order	Projected by Petitioner
RGP	-	-
Non RGP	0.48	0.35
LTMD	0.46	0.42
Others	0.50	0.51
<b>Total</b>	<b>1.44</b>	<b>1.28</b>

5.2.8 **HT**- The sales is projected based on the prevailing trend of load factor of existing

customers. For FY 2026-27, TPL-D(D) expects addition of 4.65 MW under HTP-1 and 2 MW under HTP-2, being the leading categories and has further projected 112.80 MU towards solar set-off/ open access, considering existing trends and the likely scenario.

5.2.9 Based on above, the revised sales projection (MU) for HT category is as under:

**Table 5-3 Category wise sales summary of HT Consumers of Dahej Supply area for FY 2026-27**

Particulars	Approved in MYT Order	Projected by Petitioner
HTP-I (Gross)	847.96	881.07
Less: Solar Setoff/Open Access	10.00	112.76
HTP-I	837.96	768.31
HTP-II(Gross)	5.07	9.63
Less: Solar Setoff/Open Access	0.04	0.04
HTP-II	5.03	9.59
HTP-III	0.10	-
<b>Total</b>	<b>843.09</b>	<b>777.90</b>

5.2.10 Based on the above, Category-wise net Sales (MU) projection for FY 2026-27 is as under:

**Table 5-4 Category wise Sales for TPL-D (D) (in MU)**

Particulars	Approved in MYT Order	Projected by Petitioner
RGP	-	-
Non-RGP	0.48	0.35
LTMD	0.46	0.42
HTP-I	837.96	768.31
HTP-II	5.03	9.59
HTP-III	0.10	-
Others	0.50	0.51
<b>Total</b>	<b>844.52</b>	<b>779.18</b>

**Commission’s Analysis:**

5.2.11 It is noted that for projection of sales, the Petitioner has considered the category-wise sales projections based on actual and likely demand, trend of load factor and also duly factored the impact of Open Access Regulations and Net Metering

Regulations. It is further observed that as energy sales are difficult to predict given that the SEZ is still under development stage, the Commission accepts the projection of TPL-D (D) in terms of energy sales.

5.2.12 The Commission accordingly approves the category-wise sales as shown in the table below:

**Table 5-5 Energy Sales Approved by Commission for FY 2026-27 (in MU)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
RGP	-	-	-
Non-RGP	0.48	0.35	0.35
LTMD	0.46	0.42	0.42
HTP-I	837.96	768.31	768.31
HTP-II	5.03	9.59	9.59
HTP-III	0.10	-	-
Others	0.50	0.51	0.51
<b>Total</b>	<b>844.52</b>	<b>779.18</b>	<b>779.18</b>

### 5.3 Distribution Losses

#### Petitioner's Submission:

5.3.1 TPL-D(D) has submitted that in the MYT Petition for FY 2025-26 to FY 2029-30, it had proposed a distribution loss of 2% considering that sales in the licence area were yet to stabilize and the network was still under development. However, the Commission approved a uniform distribution loss of 0.38%, being the lower of the actual losses for FY 2021-22 to FY 2023-24.

5.3.2 TPL-D(D) further submitted that the actual distribution loss for FY 2024-25 was 0.52% as against the approved 0.45%. In this context, the Petitioner has requested revision of the approved loss levels, stating that distribution losses are likely to increase with higher network loading, network expansion, feeder length, and voltage level changes, leading to an increase in technical losses up to the minimum inevitable level.

- 5.3.3 The capital expenditure proposed for FY 2026-27 to upgrade the infrastructure is intended to cater to the load growth. Further, the Commission has notified GERC (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024, wherein Commission has enhanced the threshold limit for LT Supply from 100 kVA/kW to 150 kVA/kW. As a result, the distribution loss is likely to increase.
- 5.3.4 The Petitioner further submitted that performing Utility cannot be penalized for its sustained performance. Therefore, the Petitioner requested the Commission to adopt mechanism to incentivize the performing utility.
- 5.3.5 Accordingly, the Petitioner has estimated the Distribution loss of 2.00% for FY 2026-27.

**Table 5-6 Distribution Losses for FY 2026-27 as submitted by TPL-D (D)**

Particulars	Approved in MYT Order	Projected by Petitioner
Distribution Loss	0.38%	2.00%

**Commission’s Analysis:**

- 5.3.6 The Commission has considered the distribution loss for FY 2026-27 as approved in the MYT Order, as shown in the Table below.

**Table 5-7 Distribution losses approved by the Commission for FY 2026-27**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Distribution Loss	0.38%	2.00%	0.38%

- 5.3.7 The Commission observes that the network is yet to be established and load is yet to be stabilized for the SEZ area. Therefore, the Commission will treat the distribution losses as uncontrollable for true up of FY 2026-27.

## 5.4 Energy Requirement

### Petitioner’s Submission:

5.4.1 TPL –D (D) has submitted that the total energy requirement for FY 2026-27 is estimated based on the energy sales forecast, proposed distribution loss and transmission loss. Further it is proposed to carry out power purchase for Dahej SEZ and Dholera on collective basis to optimise the power purchase arrangements.

5.4.2 TPL-D (D) has computed energy requirement for FY 2026-27 is as under:

**Table 5-8 Energy Requirement for FY 2026-27 for TPL-D (D) (in MU)**

Particulars	Approved in MYT Order	Projected by Petitioner
Estimated Energy Sale	844.52	799.18
Distribution Losses (%)	0.38%	2.00%
Distribution Losses (MUs)	3.22	15.90
Energy Requirement after Distribution Losses (MUs)	847.74	795.08
Transmission Losses (MUs)	1.21	12.90
Total Energy required after T&D Losses (MUs)-Dahej	848.95	807.98
Total Energy required after T&D Losses (MUs)-Dholera	273.18	349.00
<b>Total Energy required after T&amp;D Losses (MUs)</b>	<b>1,122.14</b>	<b>1,156.99</b>

### Commission’s Analysis:

5.4.3 Based on the energy sales and the distribution losses approved by the Commission, the energy requirement for FY 2026-27 is arrived at, as given in the table below. For projecting transmission losses, the Commission observes that TPL-D (D) has considered transmission losses on purchase from Bilateral arrangement, RE sources and IEX. The Commission has considered the transmission loss percentage as 0.14% as approved for FY 2026-27 in the MYT Order to arrive at Energy Requirement for FY 2026-27 as given in the table below:

**Table 5-9 Energy requirement approved by the Commission for FY 2026-27 (in MU)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Estimated Energy Sale	844.52	779.18	779.18
Distribution Losses (%)	0.38%	2.00%	0.38%
Distribution Losses	3.22	15.9	2.97

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Energy Requirement after Distribution Losses	847.74	795.08	795.08
Transmission Losses (%)	0.14%	1.60%	0.14%
Transmission Losses	1.21	12.9	1.10
<b>Total Energy required after T&amp;D Losses -Dahej</b>	<b>848.95</b>	<b>807.98</b>	<b>783.25</b>
Total Energy required after T&D Losses (MUs)-Dholera	273.18	349.00	336.28
<b>Total Energy required after T&amp;D Losses (MUs)</b>	<b>1,122.14</b>	<b>1,156.99</b>	<b>1119.53</b>

## 5.5 Energy Availability

### Petitioner's Submission:

- 5.5.1 The Petitioner submitted that based on the revised energy sales forecast, proposed distribution loss and transmission loss, the total energy requirement for FY 2026-27 is estimated as under. Further, the Petitioner has estimated the power purchase requirement for Dahej SEZ and Dholera on collective basis to optimise the power purchase arrangements.
- 5.5.2 The Petitioner submitted that as a co-developer of the Dahej SEZ, the Petitioner is mandated to set up its own generating capacity. Accordingly, the Petitioner has set up the DGEN power plant. However, as demand in the SEZ area has not reached to required level, the Petitioner has not planned to source power from DGEN during FY 2026-27.
- 5.5.3 It has further submitted that it will source power from bilateral sources/Power Exchange to fulfil the power requirement of its licence areas.
- 5.5.4 It has further submitted that CEA has yet to initiate the Resource Adequacy Studies for SEZ/SIR areas like Dahej SEZ being small licence area and under nascent stage of development. The Petitioner shall keep the Commission duly apprised.

5.5.5 Based on all the above, the TPL-D (D) has submitted the following power purchase quantum:

**TABLE 5-10 ENERGY AVAILABILITY AS PROJECTED BY PETITIONER FOR FY 2026-27 (IN MU)**

Particulars	Approved in MYT Order	Projected by Petitioner
<b>BILATERAL/POWER EXCHANGE</b>	718.73	1,091.21
<b>RE</b>	403.41	65.77
<b>Total</b>	<b>1122.14</b>	<b>1156.98</b>

**Commission’s Analysis:**

5.5.6 It is noted that the Commission has approved power procurement of TPL-D (Dahej) and (Dholera) on collective basis to optimise the power purchase arrangements for the MYT Control Period from FY 2025-26 to FY 2029-30.

5.5.7 As regard Renewable Energy procurement, TPL-D has submitted the details of tied up sources, projected quantum of power that would be procured in FY 2026-27 and projected cost of the same. The Commission notes that the RPO fulfilment by TPL-D is projected to be 5.68% in FY 2026-27. The Commission notes that as per RPO Requirement, TPL-D has to meet 35.95% of its total Power requirement from RE Sources for FY 2026-27.

5.5.8 In response to the Query on RE power procurement, the Petitioner clarified that for projection of RE power, it has considered 10.5 MW and 21 MW of Wind and Solar long-term tie ups, which is already in operation. Further, TPL will endeavour to procure additional RE power from Power Exchanges to optimize overall power purchase cost, and substantial rooftop solar will also contribute toward meeting the RPO requirement. Further, the Petitioner has tied up 15 MW of solar power and TPL(D) has already initiated the power procurement process from FDRE and has tied up 50 MW power during FY 2025-26.

5.5.9 The Commission has also noted the Petitioner’s submission of procurement of

power through bilateral arrangement and Power Exchange for the balance requirement. The Commission has further noted that the Petitioner has not entered PPA/arrangement with any generator/trader for procurement of power under Bilateral arrangement (Medium/Long Term) for FY 2026-27 to meet its demand. The Petitioner has submitted that it will float tenders as needed and pursue agreements if competitive rates are achieved, aiming to optimize Power Purchase cost.

5.5.10 The Commission has projected energy availability from these sources after considering the energy requirement fulfilled through RE sources as part of TPL-D (Dahej) and TPL-D (Dholera) RPO and balance is considered to be met from bilateral sources/Power Exchange.

5.5.11 Further, after considering the aforesaid power from RE sources balance energy has been considered from Bilateral Sources/Power Exchange.

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

**Table 5-11 Approved Energy Availability for FY 2026-27 (in MU)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Bilateral/ Power Exchange	718.73	1,091.21	717.06
RE from tied-up sources	403.41	65.77	65.77
RE from Power Exchange/Bilateral Sources		-	336.70
<b>Total Energy Available</b>	<b>1,122.14</b>	<b>1,156.99</b>	<b>1,119.53</b>
Total Energy available -Dahej	848.95	807.98	783.25
Total Energy available - Dholera	273.18	349.00	336.28

## 5.6 Power Purchase Cost

### Petitioner's Submission:

5.6.1 The Petitioner has submitted that based on the energy quantum estimated, the

power purchase cost for each of the sources is computed. The source-wise estimated power purchase cost is provided hereunder:

**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.

**Renewable Power Purchase Cost**- The Petitioner has estimated the purchase of power from the tied up/proposed tie-up capacities of renewable energy sources to fulfil the RPPO. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

5.6.2 The Petitioner will exercise various options with due commercial prudence with respect to sourcing of power. The details of Power purchase for FY 2026-27 are shown below:

**Table 5-12 Power Purchase Cost projected by TPL-D (D) FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
Bilateral/ Power Exchange	422.13	608.42
Renewable Energy	138.11	21.96
Transmission Charges	75.13	65.07
<b>Total power purchase cost</b>	<b>635.37</b>	<b>695.45</b>
<b>Total Purchase Dahej</b>	<b>480.69</b>	<b>485.67</b>
<b>Total Purchase Dholera</b>	<b>154.68</b>	<b>209.78</b>

5.6.3 Based on the above, the Petitioner requested the Commission to approve the power purchase cost of Rs 485.67 Crore for FY 2026-27.

**Commission’s Analysis:**

5.6.4 As regard purchase of renewable energy, TPL–D (D) has submitted the details of tied up sources, according to which only 5.68% RPO fulfilment is being projected during FY 2026-27, as against RPO target of 35.95% specified by the Commission. Accordingly, the Commission has considered, purchase of 65.77 MU from tied-up RE sources and balance 336.70 MU are considered from Power Exchange/Bilateral Sources to be fulfilled at the approved energy requirement of

1119.53 MU. Further, to work out the cost of RPO and RE power for FY 2026-27, the Commission has considered weighted average rate of renewable power purchase from tied-up sources as projected by the Petitioner for FY 2026-27 and the rate for purchase of RE power from Power Exchange/Bilateral Sources has been considered as Rs. 5.50/kWh.

- 5.6.5 It has been observed that the Petitioner has not entered PPA/arrangement with any generator/trader for procurement of power under Bilateral arrangement (Medium/Long Term) for FY 2026-27 to meet its demand. On query it has submitted that it will issue tenders as needed and pursue agreement if competitive rate achieved aiming to optimize power purchase cost. The Commission has taken note of it and directs the Petitioner to expedite the necessary contracting for power at optimum rates.
- 5.6.6 The Commission further approves proposal of the Petitioner regarding power procurement rate of Bilateral Sources/Power Exchange for FY 2026-27. The purchase from Bilateral Sources shall be subject to obtaining necessary approvals from the Commission for adoption of tariff.
- 5.6.7 The Commission has approved the energy requirement of TPL-D (Dahej) and TPL-D (Dholera) collectively at 1119.53 Mus. The energy requirements for TPL-D (Dahej) and TPL-D (Dholera) has been 793.25 Mus and 336.28 Mus respectively. Accordingly, the ratio of allocation of power purchase cost between TPL-D (Dahej) and TPL-D (Dholera) works out to 69.96% and 30.04% respectively.
- 5.6.8 Considering above, the total procurement cost of power from different sources as pooled power purchase cost for TPL-D (D) and Dholera for FY 2026-2027 works out as given in the table below:

**Table 5-13 Approved Power Purchase Cost of TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Bilateral/ Power Exchange	422.13	608.42	369.53
Renewable	138.11	21.96	21.96
Renewable from Power Exchange/Bilateral		-	185.18
Transmission Charges	75.13	65.07	65.07
<b>Total Purchase including Transmission charges</b>	<b>635.37</b>	<b>695.45</b>	<b>641.74</b>
<b>Total Purchase Dahej</b>	<b>480.69</b>	<b>485.67</b>	<b>448.98</b>
<b>Total Purchase Dholera</b>	<b>154.68</b>	<b>209.78</b>	<b>192.76</b>

5.6.9 The Commission has approved the energy requirement of TPL-D (D) and TPL-D (Dh) collectively at 1119.53 Mus. The energy requirements for TPL-D (D) and TPL-D (Dh) has been 783.25 Mus and 336.28 Mus respectively. Accordingly, the ratio of allocation of power purchase cost between TPL-D (D) and TPL-D (Dh) works out to 69.96% and 30.04% respectively.

5.6.10 The total power purchase cost has been apportioned between Dahej and Dholera in the ratio of their total power purchases requirement as indicated above.

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

### Petitioner's Submission:

5.7.1 TPL-D has submitted that in the MYT Order, the Commission approved the O&M expenses based on the methodology prescribed under Regulations 92 and 104 of the GERC (MYT) Regulations, 2024. TPL-D has proposed to consider the O&M expenses for FY 2026-27 for the Dahej Supply as shown in the table below:

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**Table 5-14 O&M Expenses claimed by of TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
<b>Total O&amp;M Expenses</b>	<b>14.38</b>	<b>14.38</b>

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

**Commission’s Analysis:**

5.7.3 The Petitioner has projected the O&M expenses for FY 2026-27 as approved in the MYT Order, based on the methodology prescribed under GERC (MYT) Tariff Regulations, 2024.

5.7.4 Accordingly, the Commission approves O&M expenses of Rs. 14.38 Crore for FY 2026 27, as shown below:

**Table 5-15 Approved O&M expenses of TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
<b>Total O&amp;M Expenses</b>	<b>14.38</b>	<b>14.38</b>	<b>14.38</b>

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

**Petitioner’s Submission:**

5.8.1 During the MYT Control Period, the Petitioner has planned to undertake prudent capital investments for continued development of the distribution network in the licence area so as to cater to the demand of its consumers and provide reliable power.

5.8.2 The Petitioner further submitted that the Commission, in its MYT Order dated 29<sup>th</sup>

March 2025 in Petition No. 2428 of 2024, has approved total capital expenditure of Rs. 97.86 crore for the Control Period, including Rs. 41.83 crore for FY 2026-27. Based on the progress of execution of capex schemes, prevailing demand conditions, and other relevant factors, TPL-D (D) has revised the projected capital expenditure for FY 2026-27 as per the details given in table below:

**Table 5-16 Capital Expenditure Projected by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
EHV Network	38.47	32.22
HT Network	0.53	1.04
LT Network	0.74	0.71
Metering	0.69	0.72
Others	1.40	1.28
<b>Total</b>	<b>41.83</b>	<b>35.96</b>

5.8.3 The details of major capital expenditure as submitted by the Petitioner are as under:

**a) EHV Network:**

- 220 kV Substation and Network: The Commission has approved capex of Rs. 19.93 Crore for 220 kV substation and network in the MYT Order. Out of this, capex of Rs. 19.08 Crore was proposed to be incurred during FY 2026-27. The Petitioner has proposed to revise the capex to Rs. 20.46 Crore towards addition of 50 MVA Transformer and GIS panel.
- 220 kV & 33 kV consumers: The Commission, in the MYT Tariff Order, approved capital expenditure of Rs. 27.42 crore for the MYT Control Period for 220 kV and 33 kV consumers, out of which Rs. 10.23 crore was proposed for FY 2026-27. TPL-D has now proposed a revised capital expenditure of Rs. 10.82 crore for FY 2026-27 towards energization of two numbers of 33 kV consumers.

- 33 kV Sub Stations: Capital expenditure of Rs. 28.44 crore was approved for the MYT Control Period for 33 kV substations, out of which Rs. 8.66 crore was proposed for FY 2026-27. However, considering the prevailing loading scenario, the proposed capex for the new 33/11 kV substation behind OPaL at SEZ-1 and extension of the 11 kV ABB panel board has been deferred. TPL-D has instead proposed to incur Rs. 0.45 crore towards replacement of the RTU (Remote Terminal Unit) at the 33 kV substation.
- Testing and Measuring Instrument: During MYT Control Period, the Commission approved capex of Rs. 1.70 Crore for augmentation in CT/PT and other equipment at EHV substation along with procurement of various testing and measuring equipment like meggers and Tools and tackles. Out of this, capex of Rs. 0.50 Crore was proposed to be incurred during FY 2026-27. The Petitioner does not propose any change in the approved estimates.

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

**Table 5-17 Capital Expenditure for EHV Network for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
<b>EHV Network</b>		
220 kV Substation and Network	19.08	20.46
220 kV & 33 kV Consumers	10.23	10.82
33 kV Network	8.66	0.45
Testing and Measuring Instrument	0.50	0.50
<b>Total</b>	<b>38.47</b>	<b>32.22</b>

**b) HT Network:**

- New HT consumers: The Commission, in the MYT Tariff Order, approved capital expenditure of Rs. 0.93 crore for the MYT Control Period towards new HT consumers, with no capex envisaged for FY 2026-27. However,

based on the likely flow of applications, TPL-D has now proposed to incur capital expenditure of Rs. 0.53 crore in FY 2026-27 for energization of three new 11 kV HT consumers.

- **Cable Scheme:** In order to cater to the future load growth in the licence area, during MYT Control Period, capex of Rs. 2.22 Crore is considered for laying 11 kV new feeder network. Out of this, the capex of Rs. 0.43 Crore was proposed to be incurred during FY 2026-27. The Petitioner has proposed minor revision in capex to Rs. 0.41 Crore based on prevailing cost.
- **Miscellaneous:** The Commission, in the MYT Tariff Order, approved capex of Rs. 0.60 Crore towards supporting infrastructure and safety equipment like firefighting systems, Tools & tackles. Out of this, capex of Rs. 0.10 Crore was proposed to be incurred during FY 2026-27. The Petitioner proposes to incur the capex as approved for FY 2026-27.

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

**Table 5-18 Capital Expenditure for HT network for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
HT Network		
New HT Consumers	-	0.53
Cable Scheme	0.43	0.41
Miscellaneous	0.10	0.10
<b>Total</b>	<b>0.53</b>	<b>1.04</b>

**c) LT network:**

- **Services on Existing Mains/DE:** Capex of Rs. 0.50 Crore is considered towards energization of six nos. of new LT during FY 2026-27. The Petitioner proposed to revise the capex to Rs. 0.47 Crore for FY 2026-27 to reflect the prevailing cost.
- **Extension/Reduction of Load:** During MYT Control Period, capex of Rs. 1.46 Crore is proposed to be incurred towards augmentation of LT network and reactivation of MSP earthing for safety and reliability. Out of this, capex of

Rs. 0.24 Crore was proposed to be incurred during FY 2026-27. The Petitioner proposed to revise the capex to Rs. 0.23 Crore for FY 2026-27.

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

**Table 5-19 Capital Expenditure for LT network for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
<b>LT Network</b>		
Services on Existing Mains / DE	0.50	0.47
Extension / Reduction of Load	0.24	0.23
<b>Total</b>	<b>0.74</b>	<b>0.71</b>

**d) Metering:**

- The Commission approved capital expenditure of Rs. 3.49 crore under the head of Metering for the MYT Control Period, out of which Rs. 0.69 crore was approved for FY 2026-27.
- TPL-D has proposed a revised capex of Rs. 0.71 crore for FY 2026-27 towards installation of around 12 smart meters with Advanced Metering Infrastructure (AMI) and 17 non-smart meters. The proposal also includes expenditure towards implementation of Advanced Distribution Management System (ADMS) and Meter Data Management System (MDMS). It has further submitted that implementation of smart meters will entail additional O&M expenses to meet communication and IT infrastructure requirements.

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

**Table 5-20 Capital Expenditure for metering for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
<b>Metering</b>		
Normal Load Growth	0.08	0.11
Reliability, Renovation, and Replacement	0.62	0.61

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

Particulars	Approved in MYT Order	Projected by Petitioner
<b>Total</b>	<b>0.69</b>	<b>0.71</b>

**e) Others:**

The capital expenditure under this head relates to Customer Care/IT, Stores, Safety, Civil, and Miscellaneous works. For FY 2026-27, the Commission approved capex of Rs. 0.13 crore for Customer Care/IT, Rs. 0.02 crore for Stores, Rs. 0.06 crore for Safety, Rs. 0.52 crore for Civil, and Rs. 0.67 crore for Miscellaneous. TPL-D has proposed to incur the capex as approved for FY 2026-27 under Customer Care/IT, Safety, Stores, and Miscellaneous, while proposing a revision in the capex for Civil works.

- Civil: Expenditure of Rs. 1.20 Crore is proposed to be incurred towards fencing of boundary of East and West SS and other miscellaneous works. Out of this, capex of Rs. 0.52 Crore was proposed to be incurred during FY 2026-27. The Petitioner has revised the capex to Rs. 0.40 Crore for FY 2026-27 towards painting of East SS building, soil filling in the west plot, security and other miscellaneous expenditure.

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

**Table 5-21 Capital Expenditure for others for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
Others		
Customer Care/IT	0.13	0.13
Stores	0.02	0.02
Safety	0.06	0.06
Civil	0.40	0.40
Miscellaneous	0.67	0.67
<b>Total</b>	<b>1.40</b>	<b>1.28</b>

**Commission’s Analysis:**

5.8.5 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 (D) 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(D) will be the basis for approval of the CAPEX and Capitalisation during the Truing up of the respective year of the Control Period.

5.8.6 The Petitioner has projected CAPEX for FY 2026-27 as detailed in the above paras. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2026-27.

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

1. Each Scheme is assessed for variation in Capex proposed by TPL D (D) against the Capex provisionally approved in the MYT Order.
2. If TPL-D(D) 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(D) 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 approves the Revised Capex for FY 2026-27 based on the above methodology. Further, TPL-D (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.

5.8.8 The total Capex approved by the Commission for FY 2026-27 in this Order is Rs. 35.43 Crore:

**Table 5-22 Capital Expenditure approved for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Revised Estimate	Approved by the Commission
EHV Network	38.47	32.22	32.22
HT Network	0.53	1.04	0.53
LT Network	0.74	0.71	0.71
Metering	0.69	0.72	0.69
Others	1.40	1.28	1.28
<b>Total</b>	<b>41.83</b>	<b>35.96</b>	<b>35.43</b>

## 5.9 Capitalization and Gross Fixed Assets

### Petitioner's Submission:

5.9.1 TPL-D (D) has submitted that it will capitalize assets for FY 2026-27 as under:

**Table 5-23 Capitalisation Projected for FY 2026-27 (Rs. Crore)**

Particular	Approved in MYT Order	Revised Estimate
Opening GFA	218.57	230.55
<b>Addition to GFA</b>	<b>32.19</b>	<b>35.96</b>
Deletion from GFA	-	-
Closing GFA	250.76	266.51
SLC Contribution	8.26	11.82

### Commission's Analysis:

5.9.2 The Commission has observed from Form 5.3 submitted along with the Petition that the Petitioner has proposed capitalisation of around 100% of the projected CAPEX for FY 2026-27. The Commission has considered capitalization of Rs. 35.43 Crore for FY 2026-27, which is equal to the capex approved for FY 2026-27, as shown in the Table below:

**Table 5-24 Capitalisation Approved by Commission for FY 2026-27 (Rs. Crore)**

Particulars	Capex	Capitalisation
EHV Network	32.22	32.22
HT Network	0.53	0.53
LT Network	0.71	0.71
Metering	0.69	0.69
Others	1.28	1.28
<b>Total Cost</b>	<b>35.43</b>	<b>35.43</b>

5.9.3 The Commission has calculated the opening GFA at Rs. 224.02 Crore for FY 2026-27, based on approved closing GFA as per True up order for FY 2024-25 at Rs. 209.59 Crore and adding Rs. 14.43 Crore of capitalization approved in ARR for FY 2025-26. The Commission has considered the SLC addition as projected by the Petitioner.

5.9.4 The Commission as deliberated above has approved capitalization and Gross fixed Asset, as shown in the Table below:

**Table 5-25 Approved Capitalisation for FY 2026-27 (Rs. Crore)**

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	230.55	224.02
Addition to GFA	35.96	35.43
Deletion from GFA	0.00	0.00
Closing GFA	266.51	259.45
SLC Contribution	11.82	11.65
<b>Net Capitalization</b>	<b>24.14</b>	<b>23.79</b>
<b>Normative Debt @70%</b>	<b>16.90</b>	<b>16.65</b>
<b>Normative Equity @30%</b>	<b>7.24</b>	<b>7.14</b>

## 5.10 Depreciation

### Petitioner's Submission:

5.10.1 TPL-D (D) has submitted that the depreciation for FY 2026-27 has been computed at the rates specified in the GERC Regulations.

5.10.2 TPL-D (D) has projected depreciation for FY 2026-27 as shown in the table below:

**Table 5-26 Depreciation claimed on assets for FY 2026-27 (Rs. Crore)**

Particulars	Approved	Revised Estimate
<b>Depreciation</b>	<b>6.61</b>	<b>6.55</b>

**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, The Regulation 37.6 of GERC (MYT) Regulations, 2024, states that depreciation needs to be separately computed for assets added up to 31<sup>st</sup> March, 2025 and assets added on or after 01<sup>st</sup> 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 addition to GFA in FY 2025-26 as Rs. 20.95 Crore, which is higher than GFA addition of Rs. 14.43 Crore approved in the MYT Order. However, the Commission has considered the GFA addition in FY 2025-26 as approved in the MYT Order, i.e., Rs. 14.43 Crore.

5.10.6 Hence, the Commission has considered closing GFA of Rs. 14.43 Crore in FY 2025-26. 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. 49.86 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 31<sup>st</sup> March, 2025 is considered as per the rate as provided by TPL-D (A) and for new asset addition post 1<sup>st</sup> April, 2025, the depreciation rate is considered as per Annexure I of GERC

(MYT) Regulations, 2024, a tabulated below:

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

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening GFA	204.14	209.59	209.59
Addition to GFA	-	-	-
Deletion from GFA	-	-	-
Closing GFA	204.14	209.59	209.59
SLC	45.05	47.39	47.39
Net Depreciation	5.66	4.50	4.50

**Table 5-28 Depreciation approved for FY 2026-27 (New Assets) (Rs. Crore)**

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Opening GFA	14.43	20.95	14.43
Addition to GFA	32.19	35.96	35.43
Deletion from GFA	-	-	-
Closing GFA	46.62	56.91	49.86
SLC	8.26	11.82	11.65
Net Depreciation	0.95	2.05	1.36

**Table 5-29 Depreciation approved for FY 2026-27 (Total Assets) (Rs. Crore)**

Particulars	As approved in MYT Order	Projected by Petitioner	Approved by Commission
Depreciation on assets up to 31.03.2025	5.66	4.50	4.50
Depreciation on assets added after 31.03.2025	0.95	2.05	1.36
<b>Total Depreciation</b>	<b>6.61</b>	<b>6.54</b>	<b>5.86</b>

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 TPL-D (D) has projected that the capital expenditure for the MYT Control Period will be funded through a debt equity ratio of 70:30 as per the GERC (MYT) Regulations, 2024.

5.11.2 The Petitioner submitted that Regulation 33.2 of the 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.

5.11.3 The Petitioner has considered Rate of interest of 1-year MCLR + 0.5% while repayment has been considered equal to the depreciation of the assets for the year. Accordingly, the Petitioner has projected interest and finance charges for FY 2026-27 as under:

**Table 5-30 Interest and finance charges projected for FY 2026-27 (Rs. Crore)**

Particulars	As approved in MYT Order	Projected by Petitioner
Opening balance of Normative Loans	28.28	39.90
Addition of Normative Loan	-	16.90
Repayment of Normative Loan	5.66	6.55
Closing balance of Normative Loan	22.63	50.25
Average balance of Normative Loan	25.46	45.07
Interest Rate (%)	8.55%	9.50%
<b>Interest Expenses</b>	<b>2.18</b>	<b>4.28</b>

**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 Hence, the Commission has considered the normative closing loan balance of Rs. 32.57 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 01<sup>st</sup> April, 2025 as per Regulation 33.3 of GERC (MYT) Regulations, 2024. Also, in line with Regulation 33.5 of GERC (MYT) Regulations, 2024, rate of interest considered is 8.72% p.a.

5.11.6 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.

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

**Table 5-31 Interest Approved by the Commission for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Revised Estimate	Approved by Commission
Opening balance of Normative Loans	28.28	39.90	32.57
Addition of Normative Loan	-	16.90	0.00
Repayment of Normative Loan	5.66	6.55	4.50
Closing balance of Normative Loan	22.63	50.25	28.07
Average balance of Normative Loan	25.46	45.07	30.32
Interest Rate (%)	8.55%	9.50%	8.72%
<b>Interest Expenses</b>	<b>2.18</b>	<b>4.28</b>	<b>2.64</b>

## 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 RBI Bank Rate as on 1<sup>st</sup> April, 2024, on the average of opening balances and closing balance of security deposit for the Dahej 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 5-32 Interest on security deposit projected by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Revised Estimate
<b>Interest on Security Deposits</b>	<b>3.08</b>	<b>3.08</b>

**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 1<sup>st</sup> April of the financial year in which the Petition is filed.

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

**Table 5-33 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
<b>Interest on Security Deposit</b>	3.08	3.08	3.08

**5.13 Interest on Working Capital**

**Petitioner’s Submission:**

5.13.1 The petitioner submitted that the interest on working capital is computed as per the GERC (MYT) Regulations, 2024. The interest rate, being the SBI MCLR rate on 1<sup>st</sup> April of the financial year plus 200 basis points, of 11.00% is to be applied on the working capital requirement arrived at in accordance with the GERC (MYT) Regulations, 2024.

5.13.2 The estimate of interest on working capital is shown in the table below:

**Table 5-34 Interest on Working Capital claimed for FY 2026-27 (Rs. Crore)**

Particulars	Approved	Revised Estimate
O&M Expense	1.20	1.20
Maintenance Spares	2.19	2.31
Receivables	43.02	43.81
Less: Average Security Deposit from Customers	45.65	36.49
Total Working Capital	0.76	10.82
Interest Rate (%)	10.65%	11.00%
<b>Interest on working Capital</b>	<b>0.08</b>	<b>1.19</b>

**Commission’s Analysis:**

5.13.3 The Commission has computed the working capital requirement of TPL-D (Dahej) as specified in Regulation 38.4 and 38.5 of the GERC (MYT) Regulations, 2024.

5.13.4 The Commission has considered approved Aggregate Revenue Requirement for calculation of receivables for 1 month. The rate of interest on working capital has been considered as 11.00% considering SBI MCLR as on 01.04.2025 (9.00 % plus 200 basis points) as per the GERC (MYT) Regulations, 2024.

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

**Table 5-35 Interest on Working Capital approved for FY 2025-26 to FY 2029-30 (Rs. Crore)**

Particulars		As approved in MYT Order	Claimed by Petitioner	Approved by Commission
O&M Expense	1 month	1.20	1.20	1.20
Maintenance Spares	1% GFA	2.19	2.31	2.24
Receivables	1 month	43.02	43.81	40.07
Less: Average Security Deposit from Customers		45.65	36.49	40.19
Net Working Capital		0.76	10.82	<b>3.65</b>
Interest Rate (%)		10.65%	11.00%	11.00%
<b>Interest on working Capital</b>		<b>0.08</b>	<b>1.19</b>	<b>0.36</b>

## 5.14 Return on Equity

### Petitioner’s Submission:

5.14.1 TPL-D (D) has submitted that as per GERC (MYT) Regulations 2024, the Commission has provided for computation of Return on Equity (RoE) for existing assets capitalized up to 31<sup>st</sup> March, 2025 and Return On Capital Employed (ROCE) for assets capitalized w.e.f. 1<sup>st</sup> April, 2025 grossed up for applicable Income Tax rate. Since the same is in deviation to the MOP Electricity (Second Amendment) Rules, 2023 dated 26<sup>th</sup> July 2023, the Petitioner has filed a separate Petition seeking necessary clarification/rectification.

5.14.2 The Petitioner has further submitted that it has computed the RoE at 15.50% for assets commissioned up to 01.04.2025. For New Assets commissioned after 01.04.2025, the Petitioner has considered RoE 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 26<sup>th</sup> July 2023. The same is subject to outcome of the Petition No. 2404/2024. 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 capitalization for FY 2026-27.

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

**Table 5-36 Return on Equity claimed by the TPL -D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved	Revised Estimate
Regulatory Equity at the Beginning of the Year	47.73	51.43
Equity portion of Capitalization during the Year	-	7.24
Regulatory Equity at the end of the Year	47.73	58.67
Average Equity	47.73	55.05
<b>Total Return on Equity</b>	<b>7.45</b>	<b>10.30</b>

### Commission’s Analysis:

5.14.4 The Commission has approved the normative closing equity at Rs. 48.66 Crore

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. Hence, opening equity for FY 2026-27 is considered by Commission as Rs. 48.66 Crore.

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

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

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

**Table 5-37 Return on Equity approved by the Commission for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Claimed by Petitioner	Approved by Commission
Opening Equity	47.73	51.43	48.66
Equity Addition	-	7.24	-
Closing Equity	47.73	58.67	48.66
Average Equity	47.73	55.05	48.66
Base Rate (Gross Up with MAT)	15.61%	18.72%	15.74%
<b>Total Return on Equity</b>	<b>7.45</b>	<b>10.30</b>	<b>7.66</b>

## 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 1<sup>st</sup> April, 2025 by relying based on the Electricity (Second Amendment) Rules, 2023 dated 26<sup>th</sup> July, 2023 and referring the matter that is sub-judice.

5.15.2 The Commission asked TPL-D (Dahej) 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 1<sup>st</sup> April, 2025.

**Table 5-38 Detailed Return on Capital Employed Computed BY TPL-D (Dahej) for FY 2026-27 (Rs. Crore)**

Particulars	Legend	FY 2025-26 Projected	FY 2026-27 Projected
Original Costs of Fixed Assets (OCFA)	A	-	20.95
Accumulated Depreciation (net of assets decapitalized)	B	-	0.23
<b>RRB Opening</b>	C=A-B		20.72
Assets Capitalization during the year	D	20.95	35.96
Depreciation during the year (net of Assets decapitalized during the year)	E	0.23	2.05
Consumer Contributions, capital subsidy/grant during the year	F	11.75	11.82
Assets decapitalized during the year	G	-	-
<b>RRB Closing</b>	H=C+D-E-F-G		42.81
RRB Average	I=(A+H)/2		31.76
Consumer Contributions, capital subsidy/grant at the beginning of the year	J		11.75
Equity (Opening)	K=X x (A-J)		2.69
Equity (Addition)	L=X x (D-E-F-G)		6.63
Equity (Closing)	M=K+L		9.32
Equity (Average)	N=(K+M)/2		6.01
Debt (Opening)	O=Y x (A-J)		6.28
Debt (Addition)	P= Y x (D-E-F-G)		15.46
Debt (Closing)	Q=O+P		21.74
Debt (Average)	R=(O+Q)/2		14.01
Rate of Return on Equity (%)	S		18.24%
Rate of Interest on Debt (%)	T		9.50%

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Particulars	Legend	FY 2025- 26 Projected	FY 2026- 27 Projected
WACC (%)	$U = \left\{ \frac{N}{(R+N)} \times S \right\} + \left\{ \frac{R}{(R+N)} \times T \right\}$		12.12%
<b>Return on Capital Employed</b>	$V = I \times U$		<b>3.85</b>

5.15.3 The Commission, as per Regulation 36 of the GERC (MYT) Regulations, 2024 has approved the ROCE for FY 2026-27 for TPL-D (D) for the assets capitalized on or after 1<sup>st</sup> 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 01<sup>st</sup> April, 2025.

5.15.5 Based on the Return on Equity of 15.74% and Interest rate of 8.72%, the Weighted Average Cost of Capital (WACC) approved is 10.83% which is applied on RRB to compute Return on Capital Employed. The Commission based on the formula as specified in GERC (MYT) Regulations, 2024 allows the RoCE as outlined below:

**Table 5-39 Detailed Computation of Return on capital employed approved by the Commission for FY 2026-27 (Rs. Crore)**

Particulars	Legend	Approved by Commission
Original Costs of Fixed Assets (OCFA)	$A = A_{(i-1)} + E$	14.43
Accumulated Depreciation (net of assets decapitalized)	$B = B_{(i-1)} + F$	0.45
Accumulated Consumer Contributions, Capital subsidy upto beginning of the year	$C = C_{(i-1)} + G$	10.95
RRB Opening	$D = A - B - C$	3.03
Assets Capitalization during the year	E	35.43
Depreciation during the year (net of Assets decapitalized during the year)	F	1.36
Consumer Contributions, capital subsidy/grant during the year	G	11.65
Assets decapitalized during the year	H	-
RRB Closing	$I = D + E - F - G - H$	25.46

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Particulars	Legend	Approved by Commission
RRB Average	$J=(D+I)/2$	14.24
Equity (Opening)	$K=X \times D$	0.91
Equity (Addition)	$L=X \times (E-F-G-H)$	6.73
Equity (Closing)	$M=K+L$	7.64
Equity (Average)	$N=(K+M)/2$	4.27
Debt (Opening)	$O=Y \times D$	2.12
Debt (Addition)	$P= Y \times (E-F-G-H)$	15.70
Debt (Closing)	$Q=O+P$	17.82
Debt (Average)	$R=(O+Q)/2$	9.97
Rate of Return on Equity (%)	S	15.74%
Rate of Interest on Debt (%)	T	8.72%
WACC (%)	$U=\{(N/(R+N)) \times S\} + \{(R/(R+N)) \times T\}$	10.83%
<b>Return on Capital Employed</b>	<b><math>V=J \times U</math></b>	<b>1.54</b>

**Table 5-40 Return on Capital Employed approved for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Computed by Petitioner	Approved by Commission
Opening RRB	3.33	20.72	3.03
Closing RRB	26.32	42.81	25.46
Average RRB	14.83	31.76	14.24
RoCE	1.58	3.85	1.54

### 5.16 Bad Debts

#### Petitioner's Submission:

5.16.1 The Petitioner submitted that it has not estimated bad debts for FY 2026-27, however, the same shall be filed during true up exercise as may be required.

#### Commission's Analysis:

5.16.2 The Commission has approved accordingly NIL bad debts for FY 2026-27 as proposed by the Petitioner.

### 5.17 Contribution to Contingency Reserve

#### Petitioner's Submission:

5.17.1 The GERC (MYT) Regulations, 2024 provides for consideration of 0.5% of the cost

of fixed assets towards the contribution to contingency reserve. The Commission has approved the contribution to contingency reserve of Rs. 1.09 Crore for FY 2026-27.

5.17.2 Accordingly, the Petitioner has considered the contribution to Contingency Reserve as under:

**Table 5-41 Contingency reserve claimed by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Claimed by Petitioner
Contingency Reserve	1.09	1.09

**Commission’s Analysis:**

5.17.3 The Commission approves the contribution to contingency reserve for FY 2026-27 in line with the provisions of GERC (MYT) Regulations, 2024:

**Table 5-42 Contingency reserve approved by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Claimed by Petitioner	Approved by Commission
Contingency Reserve	1.09	1.09	1.09

**5.18 Non-Tariff Income**

**Petitioner’s Submission:**

5.18.1 The Commission has approved Non-Tariff Income of Rs. 0.86 Crore in the MYT Order, for FY 2025-26 to FY 2029-30 considering the actuals for FY 2023-24. The Petitioner has considered the same amount for FY 2026-27 as approved in the MYT Order:

**Table 5-43 Non-Tariff Income claimed by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Claimed by Petitioner
Non-Tariff Income	0.86	0.86

5.18.2 The Petitioner requested the Commission to approve variation in Non-Tariff

Income except bad debt recovery as uncontrollable during the true up exercise.

**Commission’s Analysis:**

5.18.3 Regulations 96 and 109 of the GERC (MYT) Regulations, 2024 specify the Non-Tariff Income to include various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

5.18.4 The Petitioner has projected Non-Tariff Income of Rs. 0.86 Crore for FY 2026-27 as approved by the Commission in the MYT Order. Accordingly, the Commission has approved Rs. 0.86 Crore towards Non-Tariff Income for FY 2026-27.

**Table 5-44 Non-Tariff Income approved by TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Claimed by Petitioner	Approved by Commission
Non-Tariff Income	0.86	0.86	0.86

### 5.19 Revenue from Open Access

**Commission’s Analysis:**

5.19.1 The Petitioner has projected revenue from open access charges separately in addition to revenue from sale of power. The Commission is of the view that Revenue from Open Access charges should be part of ARR. Accordingly, the Commission has considered the Revenue of Rs. 4.01 Crore from Open Access as projected by the Petitioner 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 for FY 2026-27 as given in the table below:

**Table 5-45 ARR Projected by Petitioner for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner
Power Purchase	480.69	485.67
O&M expenses	14.38	14.38
Interest on loans	2.18	4.28
Interest on SD	3.08	3.08
Interest on working capital	0.08	1.19
Depreciation	6.61	6.55
Bad debts	-	-
Contingency reserve	1.09	1.09
RoE Including Income Tax	7.45	10.30
Return on Capital Employed	1.58	-
Less: Non-tariff income	0.86	0.86
<b>ARR</b>	<b>516.28</b>	<b>525.68</b>

5.20.2 The Petitioner further submitted that as per the GERC (Demand Side Management) Regulations, 2012, it is required to formulate and submit to the Commission a prospective DSM Plan covering the Control Period. The Petitioner shall approach the Commission separately and based on approval, the Petitioner shall claim the actual DSM expenses as part of its truing up Petitions.

**Commission’s Analysis:**

5.20.3 The Commission based on the expenses approved in the preceding paragraphs, has computed the ARR for FY 2026-27 as given in the Table below:

**Table 5-46 ARR approved in respect of TPL-D (D) for FY 2026-27 (Rs. Crore)**

Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Power Purchase	480.69	485.67	448.98
O&M expenses	14.38	14.38	14.38
Interest on loans	2.18	4.28	2.64
Interest on SD	3.08	3.08	3.08
Interest on working capital	0.08	1.19	0.36
Depreciation	6.61	6.54	5.86

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Particulars	Approved in MYT Order	Projected by Petitioner	Approved by Commission
Bad debts	-	-	-
Contingency reserve	1.09	1.09	1.09
Return on Equity Capital	7.45	10.30	7.66
Return on Capital Employed	1.58	-	1.54
Less: Non-tariff income	0.86	0.86	0.86
<b>Less: Income from Open Access Charges</b>			4.01
<b>Aggregate Revenue Requirement</b>	<b>516.28</b>	<b>525.68</b>	<b>480.72</b>

## 5.21 Revenue from Sale of Power

### Petitioner's Submission:

5.21.1 The Petitioner has projected the revenue from sale of power at Rs. 491.44 Crore for FY 2026-27 considering the sales at existing tariff rates for different category of consumers. The revenue for FY 2026-27 is estimated by considering the Base FPPAS of Rs 2.15 per kWh.

### Commission's Analysis:

5.21.2 The Commission has computed the Revenue from sale of power at Rs. 491.44 Crore for FY 2026-27 with existing tariff, i.e., tariff as applicable for each category of consumer (slab-wise) and Base FPPAS of Rs. 2.15/kWh.

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

5.22.1 The Commission has approved the 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 / Surplus

along with carrying cost as mentioned in the previous Chapter. The Commission has computed an amount of Rs. 6.09 Crore as net Gap for TPL-D (Dahej) for FY 2024-25.

5.22.2 The Regulation 21.6 (c) of the MYT Regulations, 2016 specify that carrying cost is to be allowed on the amount of Revenue Surplus/(Gap) for the period from the date on which such Surplus/(Gap) 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 Surplus / (Gap) is addressed.

5.22.3 As stated above, the Gap approved for true-up of FY 2024-25 is Rs. 6.09 Crore and the related carrying cost @ 8.88% for two years is worked out as Rs. 0.36 Crore.

5.22.4 The Commission has accordingly considered the trued-up Revenue Gap of Rs. 6.45 Crore for FY 2024-25, which is inclusive of carrying cost, for determination of tariff for FY 2026-27.

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

#### **Petitioner’s Submission:**

5.23.1 The Petitioner has computed the ARR for FY 2026-27 as Rs. 525.68 Crore and revenue from sale of power at Rs. 491.44 Crore with existing tariff. The revenue from Open Access has been estimated as Rs. 4.01 Crore.

5.23.2 Accordingly, the Petitioner has computed the Cumulative Revenue Gap/(Surplus) for FY 2026-27, as shown in the Table below:

**Table 5-47 Revenue Gap/(Surplus) for FY 2026-27 (Rs. Crore)**

Particulars	Projected by Petitioner
ARR for FY 2026-27	525.68

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Particulars	Projected by Petitioner
Revenue from Sale of Power	491.44
Revenue from Open Access Charges	4.01
<b>Revenue Gap/(Surplus) for FY 2026-27</b>	<b>30.23</b>
Add: Revenue Gap/(Surplus) for FY 2024-25	(31.19)
Carrying cost on above Gap/(Surplus)	(14.08)
<b>Cumulative Revenue Gap/(Surplus) for FY 2026-27</b>	<b>(15.04)</b>

5.23.3 The Petitioner has proposed Cumulative Surplus of Rs 15.04 Crore for FY 2026-27. In this regard, the Petitioner has submitted that it has proposed to implement the TOD tariff for HT categories w.e.f 1st April, 2026 and the overall tariff of the consumers may reduce owing to solar hour rebate. Accordingly, the Petitioner proposes to continue the existing tariff and Base FPPAS charges. Further, any Gap/(Surplus) arising based on the actual recovery of tariff will be considered at the time of Truing-up of FY 2026-27.

5.23.4 Further, the Petitioner also proposes to recover Gap/Carrying cost for matters pending with the GERC/APTEL by way of Regulatory Charge and/or additional FPPAS surcharge as may be required

**Commission’s Analysis:**

5.23.5 The Commission has arrived at revenue gap of Rs. 6.45 Crore for FY 2024-25 including Carrying cost, which is elaborated in the previous sections. Also, as stated above, the Commission has considered Revenue of Rs. 4.01 Crore from open access charges in the ARR for FY 2026-27, instead of considering the same as part of revenue from sale of power.

5.23.6 The Commission accordingly approves the Cumulative Revenue Surplus/(Gap) for FY 2026-27 as given in the table below:

**Table 5-48 Revenue Surplus/(Gap) approved for FY 2026-27 (Rs. Crore)**

Particulars	Projected by Petitioner	Approved by Commission
ARR for FY 2026-27	525.68	480.72
Revenue from Sale of Power	491.44	491.44
Revenue from Open Access Charges	4.01	0.00
<b>Revenue Surplus/(Gap) for FY 2026-27</b>	<b>(30.23)</b>	<b>10.72</b>
Add: Revenue Surplus/(Gap) approved for FY 2024-25	31.19	(6.09)
Carrying cost on above Surplus/(Gap)	14.08	(0.36)
<b>Net Revenue Surplus/(Gap) for FY 2026-27</b>	<b>15.04</b>	<b>4.27</b>

5.23.7 Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 4.27 Crore as against Rs. 15.04 Crore Surplus proposed by the Petitioner 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 The Petitioner submits that regarding RPO fulfilment, the TPL has already tied up 450 MW solar power through bidding process. During FY 2024-25, 300 MW has been commissioned out of which 15 MW has been allocated to TPL-D (Dahej). Regarding future tie-up of RE power, the Petitioner submits that it is in the process of initiating the bidding process and will update the Commission based on development of same.

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

6.1.3 It is noted that the Petitioner has not submitted compliance with respect to carrying out detailed study of load growth. The Commission reiterates its above directive with regard to carry out a detailed study of load growth and power requirement with RPO commitments. Accordingly, the Commission directs the Petitioner to submit the detailed report on study of load growth and power requirement with RPO commitments latest by 30<sup>th</sup> September 2026.

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

6.1.4 The Petitioner was directed for necessary participation in the scheme of switching over to smart pre-payment meters, which will help in improvement of metering, billing and collection.

**Petitioner’s Compliance:**

6.1.5 The Petitioner submits that it has proposed the implementation of smart meters from FY 2026-27 onwards.

**Commission’s Comment:**

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

**6.2 New Directives**

**Directive No. 1: Mandatory submission of Cost to Serve report in next Tariff Filing**

6.2.1 TPL-D (D) 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 (FPPAS)

7.1.1 In connection with the ‘Fuel and Power Purchase Adjustment Surcharge’, the GERC (Multi-Year Tariff) Regulations, 2024 provides 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:*

*Monthly FPPAS for Nth Month (%)*

$$= \frac{(A - B) * C + (D - E)}{\{Z * (1 - \text{Distribution losses in \%}/100)\} * ABR}$$

*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 the FY 2026-27:**

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-

Particular	MOU	FY 2026-27
Projected Energy Requirement	MUs	783.25
Approved Power Purchase Cost (Excluding Transmission Charges)	Crore	403.45
Approved average Power Purchase Cost (PPC)	Per unit	5.15
Base Cost of Transmission Charges (Monthly)	Crore	3.79
Distribution Losses	%	0.38%
Average Billing Rate for the Year	Per unit	6.26
Inter-State and Intra-State Transmission Losses		As actual

7.1.2 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 and Retail Supply business for FY 2026-27

### 8.1 Segregation of ARR for determination of Wheeling Charges

#### Petitioner’s Submission:

8.1.1 TPL-D has submitted that Regulation 94 of the GERC MYT Regulations, 2024 requires segregation of the ARR between the Distribution Wires Business and the Retail Supply Business in accordance with the prescribed Allocation Matrix for determination of wheeling charges.

8.1.2 The Petitioner further submitted that expenditure is allocated on the basis that infrastructure up to the service line forms part of the wheeling business, while infrastructure from the service line to the consumer premises is treated as part of the retail supply business.

8.1.3 Accordingly, the Allocation Matrix specified by the Commission has been applied for segregation of expenses between the two businesses.

**Table 8-1 Allocation matrix for segregation of Wheeling & Retail supply for FY 2026-27 (Rs. Crore)**

Particulars	Wires Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
Administration & General Expenses	50%	50%
Repair & Maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on Long Term Loan Capital	90%	10%
Interest on Working Capital and Consumer Security Deposit	10%	90%
Bad Debts	0%	100%
Income Tax	90%	10%
Contingency reserves	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

8.1.4 Based on the above Allocation Matrix, the ARR of Dahej Supply Area has been segregated into ARR for wheeling and supply business as shown in tables below:

**Table 8-2 ARR for Wheeling Business for FY 2026-27 (Rs. Crore)**

Particulars	Wires Business
Power Purchase Expenses	-
Employee Expenses	1.74
Administration & General Expenses	3.81
Repair & Maintenance Expenses	3.48
Depreciation	5.90
Interest on Loan	3.85
Interest on Consumer Security Deposit	0.31
Interest on Working Capital	0.12
Bad Debts	-
Contingency Reserve	1.09
Total Revenue Expenditure	20.30
Return on Equity	9.27
Less: Non-Tariff Income	0.09
<b>Aggregate Revenue Requirement</b>	<b>29.48</b>

**Table 8-3 ARR for Retail supply Business for FY 2026-27 (Rs. Crore)**

Particulars	Retail Supply Business
Power Purchase Expenses	485.67
Employee Expenses	1.16
Administration & General Expenses	3.81
Repair & Maintenance Expenses	0.39
Depreciation	0.66
Interest on Loan	0.43
Interest on Consumer Security Deposit	2.77
Interest on Working Capital	1.07
Bad Debts	-
Contingency Reserve	-
Total Revenue Expenditure	495.94
Return on Equity	1.03
Less: Non-Tariff Income	0.77
<b>Aggregate Revenue Requirement</b>	<b>496.20</b>

8.1.5 The above segregated ARR has been considered to determine the wheeling charges and cross-subsidy surcharge for FY 2026-27.

**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 Regulation 94.1 of the GERC (MYT) Regulations, 2024.

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

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 as provided in the GERC (MYT) Regulations, 2024 and has approved the ARR for Wires and Retail Supply Business for FY 2026-27 is shown in the Table below:

**Table 8-4 Approved Segregation of ARR for FY 2026-27 (Rs. Crore)**

Particulars	ARR	Wire Business	Retail Business
Power Purchase Expenses	403.45	0.00	403.45
<b>Inter-State Transmission Charges</b>	21.14	0.00	21.14
<b>Intra-State Transmission Charges</b>	24.38	0.00	24.38
Employee Expenses	2.90	1.74	1.16
Administration & General Expenses	7.61	3.81	3.81
Repair & Maintenance Expenses	3.87	3.48	0.39

Torrent Power Limited – Distribution (Dahej)  
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Particulars	ARR	Wire Business	Retail Business
Depreciation	5.86	5.27	0.59
Interest on Long Term Loan Capital	2.64	2.38	0.26
Interest on Working Capital	0.36	0.04	0.33
Interest on Consumer Security Deposit	3.08	0.31	2.77
Bad Debts written off	-	0.00	0.00
Contingency reserves	1.09	1.09	0.00
Return on Equity	7.66	6.89	0.77
Return on Capital Employed	1.54	1.39	0.15
<b>Less: Non-Tariff Income</b>	<b>0.86</b>	<b>0.09</b>	<b>0.77</b>
<b>Less: Income from Other Business</b>	<b>4.01</b>	<b>4.01</b>	<b>0.00</b>
<b>Aggregate Revenue Requirement</b>	<b>480.72</b>	<b>22.30</b>	<b>458.43</b>

## 8.2 Determination of Wheeling Charges

### Petitioner's Submission:

- 8.2.1 The MYT Regulations, 2024 stipulate that the wheeling charges shall be determined based on the ARR allocated to the wheeling business.
- 8.2.2 The Petitioner, in this petition, has arrived at the wheeling ARR based on the allocation of ARR of distribution business, in accordance with the Regulation 94 of MYT Regulations, 2024.
- 8.2.3 To determine the wheeling charges, the wheeling ARR is divided by the sales/demand. Accordingly, the wheeling charge determined in terms of Rs/kWh has been tabulated below for the approval of the Hon'ble Commission:

**Table 8-5: Wheeling charges of Dahej Supply Area for FY 2026-27**

Wheeling Charges	UoM	FY 2026-27
<b>Wheeling ARR FY 26-27</b>	Rs. Cr.	29.48
<b>Unit Wheeled</b>	MU	779.18
<b>Wheeling Tariff</b>	Rs./kW/Month	175.45

Wheeling Charges	UoM	FY 2026-27
<b>Wheeling Charges (Rs./Unit)</b>	<b>Rs./kWh</b>	<b>0.38</b>

8.2.4 The Petitioner further added that an open access consumer will also have to bear the following wheeling losses in addition to the wheeling charges.

**Table 8-6: Proposed Wheeling Losses for TPL-D (D) for FY 2026-27**

Category	Loss (%)
<b>HT Category</b>	2.00%
<b>LT Category</b>	4.00%

### Commission’s Analysis:

8.2.5 The Commission has determined the ARR of the Wires Business for FY 2026-27 in the earlier section, as Rs. 22.38 Crore.

8.2.6 The Petitioner has not segregated the wheeling ARR between HT and LT Voltage levels since the sales to the LT Category are negligible. Accordingly, the Commission has derived the wheeling charges as shown below:

**Table 8-7 Wheeling Charges approved for TPL-D (D) for FY 2026-27**

Particulars	UOM	Amount
<b>Sales</b>	MU	779.18
<b>ARR of Wheeling business</b>	Rs. Crore	22.30
<b>Wheeling Tariff</b>	<b>Rs / kWh</b>	<b>0.29</b>

## 8.3 Determination of 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 In this background, the Petitioner has detailed the computation of Cross Subsidy Charge in the following table:

**Table 8-8 Category wise Cross subsidy Surcharge for FY 2026-27**

Particulars	HTP-I
T – Tariff for HT category in Rs/kWh	6.31
PPC – Average cost of power purchase in Rs/kWh	6.01
L – Loss for HT category in %	2.00%
D – Wheeling Charges for HT category in Rs/kWh	<b>0.38</b>
<b>Cross-Subsidy Surcharge in Rs/kWh</b>	-

**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 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 HTP-I for FY 2026-27**

Particulars	Claimed by Petitioner	Approved of Commission
T – Tariff for HT category in Rs/kWh	6.31	6.26
PPC – Average cost of power purchase in Rs/kWh	6.01	5.73
L – Loss for HT category in %	2.00%	2.00%
D – Wheeling Charges for HT category in Rs/kWh	<b>0.38</b>	<b>0.29</b>
<b>Cross-Subsidy Surcharge in Rs/kWh</b>	-	<b>0.13</b>

8.3.7 Accordingly, the Commission approves Cross Subsidy Surcharge for the categories as identified in above table of this Order for FY 2026-27.

## **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 Tariff Philosophy Proposed by TPL-D (D)**

9.2.1 TPL-D (D) 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

9.2.2 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 1<sup>st</sup> April, 2025. In this regard, at present, TOD tariff exists only in HT category in the Dahej licence area. For the other categories, TOD tariff shall be implemented upon installation of smart meters.

### 9.3 Determination of Retail Tariff

#### **Petitioner’s Submission:**

- 9.3.1 It is submitted that the Petitioner proposes to implement the TOD tariff in HT categories w.e.f 1st April, 2026, as a result, the overall tariff of the consumers may reduce owing to solar hour rebates. Accordingly, the Petitioner proposes to continue the existing tariff and base FPPAS charges. Further, any Gap/(Surplus) arising based on the actual recovery of tariff will be considered at the time of Truing-up of FY 2026-27.
- 9.3.2 Moreover, the Petitioner proposes to recover the Gap/Carrying cost for matters pending with Hon’ble GERC / APTEL by way of Regulatory Charge and/or additional FPPAS surcharge as may be required.
- 9.3.3 TPL-D (D) 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.
- 9.3.4 For FY 2026-27, TPL-D (D) proposed to continue “Green Tariff” of Rs. 0.90 per unit over and above tariff for respective category of consumer.

### 9.4 Commission’s Ruling on Retail Tariffs for FY 2026-27

- 9.4.1 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.
- 9.4.2 As discussed earlier, the Commission has approved a cumulative Revenue Surplus of Rs. 4.27 Crore during FY 2026-27. 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.

## **9.5 Green Power Tariff**

9.5.1 Considering various aspects, the Commission has decided to revise the Green Tariff as additional rate of Rs. 0.75 per Unit for Torrent Power Ltd. (Dahej) 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.

## **9.6 Changes in ToU Tariff, introduction of Rebate during Solar hours and discontinuation of Night time Compensation Tariff category.**

9.6.1 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 from Night-Time to Solar hours to align the rebate. Also, the Petitioner proposes to discontinue with the HTP-IV Tariff Category (Night time dedicated consumers);

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).

9.6.2 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.

9.6.3 The Commission further observes that the Petitioner has proposed for removal of the HTP-IV (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 HTP-IV tariff category. Accordingly, the Commission decides to retain the HTP-IV tariff category in the Tariff Schedule without any modification.

9.6.4 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 (D) for FY 2026-27, as shown in the Table below:

### Approved ARR for TPL-D (D) for FY 2026-27 (Rs. Crore)

Particulars	FY 2026-27
Power Purchase	403.45
Inter-State Transmission Charges	21.14
Intra-State Transmission Charges	24.38
O&M expenses	14.38
Depreciation	5.86
Interest on loans	2.64
Interest on SD	3.08
Interest on working capital	0.36
Bad debts	-
Contingency reserve	1.09
Return on Equity Capital	7.66
Return on Capital Employed	1.54
Less: Non-tariff income	0.86
Less: Income from Open Access Charges	4.01
<b>Aggregate Revenue Requirement</b>	<b>480.72</b>

The retail supply tariffs for TPL-D (D) determined by the Commission are annexed to this Order and it shall come into force with effect from 1<sup>st</sup> 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 FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND EXTRA HIGH TENSION**

**Effective From 1<sup>st</sup> April, 2026**

#### **GENERAL CONDITIONS**

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by all the consumers of Torrent Power Limited – Distribution in the Dahej SEZ area.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purpose for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipments from kilo watt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilo watt equal to 1 B.H.P.

8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horsepower 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-watthour (kWh).

9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.

10. The Fixed charges, minimum charges demand charges and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.

11. Contract Demand shall mean the maximum kW for the supply of which licensee undertakes to provide facilities to the consumer from time to time.

12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.

13. Payment of penal charges for usage in excess of contract demand/load for any billing period does not entitle the consumer to draw in excess of contract demand/load as a matter of right.

14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensees shall be entitled to take any other action deemed necessary and authorized under the Act.

15. Delayed payment charges for all consumers:

No delayed payment charges shall be levied if the bill is paid within 10 days from the date of billing (excluding date of billing).

Delayed payment charges will be levied at the rate of 15% per annum for the period from the due date till the date of payment.

For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

#### 16. Green Power Tariff

- Green Power Tariff of Rs 0.75/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving Billing Cycle notice to the Distribution Licensee in writing before commencement of billing period.

**PART-I**

**SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY**

**AT LOW AND MEDIUM VOLTAGE**

The following tariffs are available for supply at Low and Medium Tension for Contract demand up to 150 kVA.

**1.0 Rate: RGP**

This tariff is applicable to all services in the residential premises.

Single-phase supply: Aggregate load up to 6 kW

Three-phase supply: Aggregate load above 6 kW

**1.1 Fixed Charges:**

For other than BPL consumers

Range of Connected Load:

Up to and including 2 kW	Rs.15/- per month
Above 2 and up to 4 kW	Rs.25/- per month
Above 4 and up to 6 kW	Rs.45/- per month
Above 6 Kw	Rs.70/- per month

For BPL household consumers\*

Fixed Charges	Rs. 5 per month per installation
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**PLUS**

**1.2 Energy Charges: For the total monthly consumption:**

For other than BPL consumers

(a)	First 50 units	215 Paise per Unit
(b)	Next 50 units	245 Paise per Unit
(c)	Next 150 units	310 Paise per Unit
(d)	Above 250 units	400 Paise per Unit

For BPL household consumers\*

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rates 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.*

**1.3 Minimum bill**

Payment of fixed charges as specified in 1.1 above.

**2.0 Rate: Non-RGP**

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

**2.1 Fixed charges per month:**

Up to and including 10 kW of connected load	Rs. 50/- per kW
Above 10 kW and up to 40 kW of connected load	Rs. 85/- per kW

**PLUS**

**2.2 Energy charges:**

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	290 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	320 Paise per Unit

**2.3 Minimum Bill**

Minimum bill installation per month for consumers other than Seasonal Consumers: Payment of Fixed Charge as specified in 2.1 above.

**2.4 Minimum Bill per Installation for Seasonal Consumers**

- a) “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice candy machines, ginning and pressing factory, oil mill, rice mill, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, etc.
- b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing in advance about the off-season period during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

- c) The total minimum amount under the head “Fixed and Energy Charges” payable by the seasonal consumer satisfying the eligibility criteria under sub- clause (a) above and complying with the provision stipulated under sub- clause (b) above shall be Rs. 1800/- per annum per kW of the contracted load.
- d) The units consumed during the off-season period shall be charged for at a flat rate of 345 Paise per unit.
- e) The electricity bills related to the off-season period shall not be considered towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads “Fixed Charges” and “Energy Charges”, shall be considered while determining the amount of short- fall payable towards the annual minimum bill as specified under sub-clause (c) above.

### 3.0 **Rate: LTMD**

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW.

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

### 3.1 **Fixed charges:**

<b>(a)</b>	<b>For billing demand up to the contract demand</b>	
	(i) For first 40 kW of billing demand	Rs. 90/- per kW per month
	(ii) Next 20 kW of billing demand	Rs. 130/- per kW per month
	(iii) Above 60 kW of billing demand	Rs. 195/- per kW per month
<b>(b)</b>	<b>For billing demand in excess of the contract demand</b>	
		Rs. 265/- per kW per month

**PLUS**

### 3.2 **Energy charges:**

For the entire consumption during the month	325 Paise per unit
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**PLUS**

### 3.3 **Reactive Energy Charges:**

For all the reactive units (KVARH) drawn during the month	10 Paise per KVARH
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### 3.4 **Billing Demand**

The billing demand shall be highest of the following:

- (a) Eighty-five percent of the contract demand
- (b) Actual maximum demand registered during the month
- (c) 15 kW

### **3.5 Minimum Bill**

Payment of demand charges every month based on the billing demand.

### **3.6 Seasonal Consumers taking LTMD Supply:**

3.6.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

3.6.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/ months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

3.6.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub clause 3.6.1 above and complying with provisions stipulated under sub clause 3.6.2 above shall be Rs. 2970/- per annum per kW of the billing demand.

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

- (a) The highest of the actual maximum demand registered during the calendar year.
- (b) Eighty-five percent of the arithmetic average of contract demand during the year.
- (c) 15 kW.

3.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 345 Paise per unit.

**4.0 Rate: Non-RGP Night**

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

**4.1 Fixed Charges per month:**

50% of the Fixed charges specified in Rate Non-RGP above.
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**PLUS**

**4.2 Energy Charges:**

For entire consumption during the month	270 Paise per unit
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*NOTE:*

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 4.0 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 4.0 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per Non-RGP category demand charge rates given in para 2.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 2.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 2.1 and 2.2 respectively, of this schedule.
6. This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.
7. The option can be exercised to shift from regular Non-RGP tariff category to Rate: Non-RGP Night tariff or from Rate: Non-RGP Night tariff category to regular Non-RGP tariff

*four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

**5.0 Rate: LTMD- Night**

This tariff is applicable for aggregate load above 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

**5.1 Fixed Charges per month:**

50 % of the Fixed charges specified in Rate <b>LTMD</b> above.
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**PLUS**

**5.2 Energy Charges:**

For entire consumption during the month	275 Paise per unit
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**5.3 Reactive Energy Charges:**

For all reactive units (KVARH) drawn during the month	10 Paise per KVARH
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*NOTE:*

- 1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 5.0 above.*
- 2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 5.0 above.*
- 3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 3.1 of this schedule.*
- 4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 3.2 of this schedule.*
- 5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 3.1 and 3.2 respectively, of this schedule.*

6. This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.
7. The option can be exercised to shift from regular LTMD tariff category to Rate: LTMD-Night tariff or from Rate: LTMD-Night tariff category to regular LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'

#### **6.0 Rate: WWSP**

This tariff shall be applicable to services used for water works and sewerage pumping purposes.

(a)	Fixed charges per month	Rs. 20 per HP
<b>PLUS</b>		
(b)	Energy charges per month: For entire consumption during the month	305 Paise per Unit

#### **7.0 Rate: SL**

##### **7.1 Tariff for Street Light for Local Authorities and Industrial Estates:**

This tariff includes the provision of maintenance, operation and control of the street lighting system.

##### **7.1.1 Energy Charges:**

For all the units consumed during the month	280 Paise per unit
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##### **7.1.2 Renewal and Replacements of Lamps:**

The consumer shall arrange for renewal and replacement of lamp at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

##### **7.1.3 Maintenance other than Replacement of Lamps:**

Maintenance of the street lighting system shall be carried out by Distribution Licensee.

#### **8.0 Rate: TMP**

This tariff is applicable to services of electricity supply for temporary period at the low voltage.

**8.1 FIXED CHARGE**

Fixed charge per installation	Rs. 15 per kW per Day
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**PLUS**

**8.2 ENERGY CHARGE**

A flat rate of	485 Paise per unit
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*Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 hours' notice.*

**9.0 RATE: LT - Electric Vehicle (EV) Charging Stations**

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

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

**9.1 FIXED CHARGE**

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

**9.2 ENERGY CHARGE**

Energy Charge	345 Paise per Unit
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**PART-II**  
**TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION**  
**(3.3 KV AND ABOVE, 3-PHASE 50 C/S), AND EXTRA HIGH TENSION**

The following tariffs are applicable for supply at high tension for large power services for contract demand not less than 100 kVA

**10.0 Rate: HTP-I**

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

**10.1 Demand Charges:**

10.1.1 For billing demand up to contract demand

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

10.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month
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**PLUS**

**10.2 Energy Charges**

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	290 Paise per Unit
(b)	For next 2000 kVA of billing demand	310 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	320 Paise per Unit

**PLUS**

**10.3 Time of Use Charges:**

For energy Consumption during the two peak periods, Viz., 0600 Hrs. to 0800 Hrs. and 1700 Hrs. to 2300 Hrs.		
(a)	For Billing Demand up to 500 kVA	35 Paise per Unit
(b)	For Billing Demand above 500 kVA	75 Paise per Unit

**10.4 Billing Demand:**

The billing demand shall be the highest of the following:

- (a) Actual maximum demand established during the month

- (b) Eighty-five percent of the contract demand
- (c) One hundred kVA

### **10.5 Minimum Bills:**

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

### **10.6 Power Factor Adjustment Charges:**

#### **10.6.1 Penalty for poor Power Factor:**

1. The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 10.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
2. In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 10.2 of this schedule, will be charged.

#### **10.6.2 Power Factor Rebate:**

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 10.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

### **10.7 Maximum Demand and its Measurement:**

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

### **10.8 Contract Demand:**

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

#### 10.9 Rebate for Supply at EHV:

On Energy charges:		Rebate @
(a)	If supply is availed at 33/66 kV	0.5%
(b)	If supply is availed at 132 kV and above	1.0%

#### 10.10 Rebate for Use of Electricity during Solar Hours:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during solar hours between 1100 hours to 1500 hours (recorded by a poly phase meter operated through time-switch), shall be eligible for concession at the rate of 30 Paise per unit. The poly phase meter and time switch shall be procured and installed by the consumer at his cost and sealed by the Distribution Licensee.

#### 10.11 Seasonal Consumers taking HT Supply:

10.11.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

10.11.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

10.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub clause 10.11.1 above and complying with provisions stipulated under sub clauses 10.11.2 above shall be Rs. 4550/- per annum per kVA of the billing demand.

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

- (a) The highest of the actual maximum demand registered during the calendar year.
- (b) Eighty-five percent of the arithmetic average of contract demand during the year.
- (c) One hundred kVA.

10.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 350 Paise per unit.

10.11.6 Electricity bills paid during off-season period shall not be considered towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads “Demand Charges” and “Energy Charges” shall be taken into account while determining the amount payable towards the annual minimum bill.

**11.0 Rate HTP-II**

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 KVA and above, requiring power supply for Water Works and Sewerage pumping stations.

**11.1 Demand Charges:**

11.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 225/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 290/- per kVA per month

11.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month
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**PLUS**

**11.2 Energy Charges:**

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	310 Paise per Unit
(b)	For next 2000 kVA of billing demand	330 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	340 Paise per Unit

**PLUS**

**11.3 Time of Use Charges:**

For energy Consumption during the two peak periods, Viz., 0600 Hrs. to 0800 Hrs. and 1700 Hrs. to 2300 Hrs.	
(a) For Billing Demand up to 500 kVA	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

- |   |                               |
|---|-------------------------------|
| 11.4 Billing demand                                       | } Same as per<br>HTP-I Tariff |
| 11.5 Minimum bill   |                               |
| 11.6 Maximum demand and its measurement                   |                               |
| 11.7 Contract Demand                                      |                               |
| 11.8 Rebate for supply at EHV                             |                               |
| 11.9 Concession for use of electricity during night hours |                               |

**11.10 POWER FACTOR ADJUSTMENT CHARGES:**

**11.10.1 Penalty for poor Power Factor:**

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

**11.10.2 Power Factor Rebate:**

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

**12.0 Rate: HTP-III**

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

**12.1 Demand Charges:**

For billing demand up to contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

**PLUS**

**12.2 Energy charges**

For all units consumed during the month	550 Paise / Unit
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**12.3 Time of Use Charges:**

**PLUS**

For energy Consumption during the two peak periods, Viz., 0600 Hrs. to 0800 Hrs. and 1700 Hrs. to 2300 Hrs.	75 Paise per unit
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12.4 Billing demand

12.5 Minimum bill

12.6 Maximum demand and its measurement

12.7 Contract Demand

12.8 Rebate for supply at EHV

} Same as per  
HTP-I Tariff

**12.9 POWER FACTOR ADJUSTMENT CHARGES:**

12.9.1 Penalty for poor Power Factor:

- (a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- (b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total

amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, will be charged.

**12.9.2 Power Factor Rebate:**

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

**13.0 Rate: HTP-IV**

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

**13.1 Demand Charges:**

1/3rd of the Fixed Charges specified in rate HTP -I above
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**PLUS**

**13.2 Energy Charges:**

For all units consumed during the month	270 Paise per unit
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13.3 Billing demand

13.4 Minimum bill

13.5 Maximum demand and its measurement

13.6 Contract Demand

13.7 Rebate for supply at EHV

} Same as per HTP-I Tariff

**13.8 POWER FACTOR ADJUSTMENT CHARGES:**

**13.8.1 Penalty for poor Power Factor:**

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1%

drop or part thereof in the average power factor during the month below 90% up to 85%.

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

#### 13.8.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

#### NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 13.0 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 13.0 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 10.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 10.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 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 HTP-I tariff by using electricity exclusively during night hours as above.

7. *The option can be exercised to shift from regular HTP-I tariff category to Rate: HTP-IV tariff or from Rate: HTP-IV tariff category to regular HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

#### **14.0 RATE: HT - Electric Vehicle (EV) Charging Stations**

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

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III & HTP-IV.

##### **14.1 Demand Charge**

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

**PLUS**

##### **14.2 Energy Charge**

Energy Charge	340 Paise per Unit
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