GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2022-23

and

Determination of Tariff for FY 2024-25

For

Torrent Power Limited – Distribution Dahej

Case No. 2325 of 2024

01st June, 2024

6th Floor, GIFT ONE, Road 5C, GIFT CITY
Gandhinagar-382 355 (Gujarat), INDIA
Phone: +91-79-23602000 Fax: +91-79-23602054/55
E-mail: gerc@gercin.org : Website www.gercin.org

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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 2016-17 to FY 2020-21
DISCOM	Distribution Company
DSEZ	Dahej SEZ
DSL	Dahej SEZ Ltd.
EA	Electricity Act'2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
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
MUs	Million Units (Millions kWh)
MYT	Multi-Year Tariff
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
TEL	Torrent Energy Limited
TPL	Torrent Power Limited
TPL-D (S)	Torrent Power Limited – Distribution, Surat

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2325 of 2024

Date of Order: 01.06.2024

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S. R. Pandey, Member

Chapter 1: Background and Brief History

1.1 Background

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

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

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

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

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

1.2 Torrent Power Limited (TPL)

Torrent Energy Limited (TEL), 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 20th 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 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 17th November 2009, issued Orders for issuance of distribution license 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 29th December 2009, issued the distribution license dated 18th December 2009 to TEL.

The Hon'ble High Court of Gujarat vide its Order dated 13th 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 1st 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 1st April 2014 and referred as the Petitioner or TPL-D (D) where matter under reference is related to period after 1st April 2014 for the sake of brevity.

1.3 Tariff Order for FY 2023-24

The Petitioner filed a petition for Truing up of FY 2021-22 and determination of Tariff for FY 2023-24 on 29th December, 2022. After the technical validation, the Petition was registered on 9th January, 2023 (Case No. 2181 of 2023). The Commission vide Order dated 31st March, 2023 approved truing-up of FY 2021-22 and determination of Tariff for FY 2023-24.

1.4 Background of the Present Petition

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

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

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

1.5 Registration of the Current Petition and the Public Hearing Process

The Petitioner submitted the current Petition for Truing–up of FY 2022-23 and determination of tariff for FY 2024-25 on 12th January, 2024. After technical validation of the petition, it was registered on 24th January, 2024 (Case No. 2325 of 2024) and as provided under Regulation 29.1 of the GERC MYT Regulations, 2016, the Commission has proceeded with this tariff order.

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

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

TABLE 1-1 LIST OF NEWS PAPERS (PETITIONER)

S. No.	Name of Newspaper	Language	Date of Publication
1	Business Standard	English	29/01/2024
2	Divya Bhaskar	Gujarati	29/01/2024

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

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 news papers in order to solicit wider participation by the stakeholders:

TABLE 1-2 LIST OF NEWSPAPERS (COMMISSION)

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

The Commission as well as the Petitioner did not receive any objections/suggestions from the stakeholders against the Tariff Petition. The Commission has fixed the date for public hearing for the petition on 16th March, 2024 at 11:30 A.M.

Petitions	Date & Time	Venue
TPL-G, TPL-D(A), TPL-D(S) and TPL-D(D)	16th March 2024 at 11:30 A.M	GERC Office, Gandhinagar (through Microsoft Teams Platform)

1.6 Approach of this Order

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

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

The Commission has undertaken the "Truing up" for FY 2022-23, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2022-23, based on the annual accounts and final ARR for FY 2022-23 approved vide Tariff Order dated 31st March, 2022 in Case No. 2035/2021.

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

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

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

1.7 Contents of this Order

The Order is divided into eight 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 focuses on the details of truing up for FY 2022-23.
4. The fourth chapter deals with the determination of Tariff for FY 2024-25.
5. The fifth chapter deals with compliance of directives and issue of fresh directives.
6. The sixth chapter deals with FPPPA chapter.

7. The seventh chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
8. The eight chapter deals with tariff philosophy and tariff proposals

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

2.1 Introduction

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

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

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

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

Particulars	Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	273.03	431.28	(158.25)	-	(158.25)
O&M Expense	10.51	13.61	(3.11)	-	(3.11)
Interest on Loans	3.66	3.15	0.51	-	0.51
Interest on Security Deposit	1.79	1.48	0.31	-	0.31
Interest on Working Capital	-	0.16	(0.16)	-	(0.16)
Depreciation	7.11	6.78	0.33	-	0.33
Bad Debts written off	-	-	-	-	-
Contingency reserve	0.95	0.92	0.03	-	0.03
Return on Equity	6.43	6.13	0.30	-	0.30
Income Tax	-	0.80	(0.80)	-	(0.80)
Less: Non-Tariff Income	5.96	3.68	2.28	-	2.28
Net ARR	**297.51**	**460.63**	**(163.12)**	-	**(163.12)**

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

2.3.1 The table below summarizes the trued-up ARR claimed by TPL-D (D), revenue from sale of power and the resultant revenue gap for FY 2022-23.

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

Particulars		Claimed
ARR as per Order	(a)	297.51
Gains/(Losses) due to Uncontrollable factors	(b)	(163.12)
Gains/(Losses) due to Controllable factors	(c)	-
Pass through as tariff	d= - (c/3+b)	163.12
Trued-up ARR	**e= a + b**	**460.63**

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

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

Particulars	Claimed
Trued-up ARR	**460.63**
Revenue from Sale of Energy	437.79
Less; Revenue towards recovery of Earlier year's approved (gap)/surplus	2.90
Balance Revenue	434.89
(Gap)/Surplus	**(25.74)**

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

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

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

Particulars	Projected by Petitioner
Power Purchase	503.48
O&M Expense	13.31
Interest on Loans	3.85
Interest on Security Deposit	3.03
Interest on Working Capital	0.34
Depreciation	7.99
Bad Debts written off	-
Contingency reserve	1.06
Return on Equity	7.11
Income Tax	0.80
Less: Non-Tariff Income	3.68
Net ARR	537.30

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

Particulars	Claimed
ARR for FY 2024-25	**537.30**
Less: Revenue from sale of power at existing rates including base FPPPA revenue @2.28 per unit	533.47
(Gap)/Surplus	**(3.83)**

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

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

Particulars	Claimed
(Gap)/Surplus for FY 2022-23	**(25.74)**
Carrying Cost	(9.63)
(Gap)/Surplus for FY 2024-25	(3.83)
Cumulative (Gap)/Surplus to be recovered through tariff	**(39.21)**

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

a) Admit the Petition for truing-up of FY 2022-23, Aggregate Revenue Requirement for FY 2024-25, and determination of tariff for FY 2024-25.

b) Approve the trued-up (Gap)/Surplus of FY 2022-23.

c) Approve the sharing of gains/ (losses) as proposed by the Petitioner for FY 2022-23.

d) Approve the Aggregate Revenue Requirement for FY 2024-25.

e) Approve the cumulative (Gap)/ Surplus.

f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April 2024.

g) Approve the recovery through retail tariff including revised base FPPPA and/or regulatory surcharge as prayed for.

h) Allow recovery of the costs as proposed as per the Judgments/ orders of the Hon'ble Tribunal/ Hon'ble Commission in the Appeals/ Review Petitions filed by the Petitioner.

i) Allow additions/ alterations/ changes/ modifications to the petition at a future date.

j) Permit the Petitioner to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.

k) Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.

l) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.

Chapter 3: Truing-Up for FY 2022-23

3.1 Introduction

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

3.2 Energy Sales to Consumers

Petitioner's Submission:

3.2.1 TPL-D (D) has submitted category-wise actual energy sales for Dahej area for FY 2022-23 to the tune of 711.07 MU against the sales approved by the Commission of 650.92 MU in the Tariff Order dated 31st March, 2022 as given in the Table below.

TABLE 3-1 ENERGY SALES FOR FY 2022-23 *(IN MU)*

Category	Approved in Tariff Order	Actuals Claimed
RGP	-	-
Non-RGP	0.57	0.30
LTMD	0.66	0.46
HTP-I	647.95	708.52
HTP-II	1.10	1.38
HTP-III	0.08	-
Other	0.54	0.41
Total Sales	**650.92**	**711.07**

3.2.2 The Petitioner has submitted that the actual sales in FY 2022-23 are higher than that approved in Tariff Order due to the higher load factor recorded in the leading category of HTP-I & HTP-II based on prevailing market condition. Furthermore, the Petitioner submitted that as per 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 2022-23.

Commission's Analysis:

3.2.3 The actual sales made by TPL-D (D) during FY 2022-23 are higher compared to the approved sales in the Tariff Order dated 31st March, 2022 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 mandatory Energy Audit Report submitted to BEE in compliance to BEE (Manner and Intervals for Conduct of Energy Audit in in Electricity Distribution Companies) Regulations, 2021.

3.2.4 In view of above, the Commission approves the energy sales as mentioned in table 4.1 above for TPL-D (D) to the tune of 711.07 MU for FY 2022-23.

3.3 Distribution Losses

3.3.1 TPL-D (D) has submitted that it has been making consistent efforts to curtail the Distribution Losses. While the Petitioner had projected distribution losses of 2% for FY 2022-23 at the time of filing of petition, the Hon'ble Commission had approved 0.43% considering the best of the distribution loss level from actuals @0.49% for FY 2020-21 and approved for FY 2021-22 @0.43%.

3.3.2 Further, the Petitioner submitted that the Distribution loss is inter-alia dependent on the loading of the network. For FY 2022-23, actual sales of primarily existing consumers have increased by more than 50% as compared to FY 2020-21 resulting into sharp increase in the loading of the distribution network which in turn resulting the actual losses higher than the approved losses. The actual distribution loss level achieved for FY 2022-23 against the loss level approved by the Commission in the Order dated 31st March, 2022 is tabulated as below:

TABLE 3-2 DISTRIBUTION LOSSES FOR FY 2022-23 AS SUBMITTED BY TPL-D (D)

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	0.43%	0.48%

3.3.1 TPL-D (D) has submitted that the network is yet to be established and load is yet to be stabilized, thus, the variation in the distribution loss compared to the approved value maybe considered as uncontrollable.

Commission's Analysis:

3.3.2 The Distribution Losses as claimed by TPL-D (D) at 0.48% is approved for the purpose of true-up of FY 2022-23 after confirming the same as per mandatory Annual Energy Audit report. Any Gain/Loss on account of Distribution Losses is controllable as per the GERC (MYT) Regulations, 2016. However, in this Order, the Distribution Losses have been considered uncontrollable for the purpose of sharing of Gains/Losses for the present control period as the load is yet to stabilize. Hence, the Commission approves Distribution Losses of 0.48% for Truing up for FY 2022-23.

3.4 Energy Requirement

Petitioner's Submission:

3.4.1 The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales and the Transmission & Distribution Losses. The total energy requirement was met through various sources. The actual energy requirement for FY 2022-23 and as approved in the Tariff Order are given in the Table below:

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

Particulars	Approved in Tariff Order	Actuals Claimed
Energy Sales (MU)	650.92	711.07
Distribution Loss (%)	0.43%	0.48%
Distribution Loss (MU)	2.81	3.40

Particulars	Approved in Tariff Order	Actuals Claimed
Energy Input at Distribution Level (MU)	653.73	714.47
Transmission Loss (MU)	19.17	12.74
Energy Requirement	**672.90**	**727.21**

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

Commission's Analysis:

3.4.3 The Commission has approved the Distribution Losses at 0.48% for FY 2022-23. The Commission computed the energy requirement with Distribution Losses of 0.48% (3.40 MUs) and Transmission Losses of 12.74 MUs for FY 2022-23 based on actuals after confirming the same as mandatory Annual Energy Audit report as given in the Table below:

TABLE 3-4 APPROVED ENERGY REQUIREMENT FOR FY 2022-23 OF TPL-D (D)

Particulars	Approved in Tariff Order	Claimed by Petitioner	Approved by Commission
Energy Sales (MU)	650.92	711.07	711.07
Distribution Loss (%)	0.43%	0.48%	0.48%
Distribution Loss (MU)	2.81	3.40	3.40
Energy Input at Distribution Level (MU)	653.73	714.47	714.47
Transmission Loss (MU)	19.17	12.74	12.74
Energy Requirement	**672.90**	**727.21**	**727.21**

3.4.4 The actual energy requirement is higher than that was approved in the Tariff Order due to higher sales than the approved sales in the Tariff Order dated 31st March, 2022. The Commission approves total energy requirement of 727.21 MUs for Truing up for FY 2022-23.

3.5 Energy Availability

Petitioner's Submission:

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

TABLE 3-5 ENERGY AVAILABILITY (NET) FOR FY 2022-23 FOR DAHEJ *(IN MU)*

Particulars	Approved in Tariff Order	Actuals Claimed
Bilateral/Power Exchange	558.51	697.03
Renewable Energy	114.39	31.47
Subtotal	672.90	728.50
Add: Sales of Surplus Power/UI	-	(1.29)
Total	672.90	727.21

Renewable Power Purchase Obligation:

3.5.2 The Petitioner submits that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulation, 2010 specifies the Renewable Power Purchase Obligation (RPPO). Subsequently, the Hon'ble GERC vide its notification no. 1 of 2022 dated 8th April, 2022 notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 specifying RPPO for FY 2022-23. TPL-D (D) has made all efforts to fulfil its RPPO.

3.5.3 The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2022-23 is as under:

TABLE 3-6 RENEWABLE POWER PURCHASE OBLIGATION CLAIMED FOR FY 2022-23 (IN MU)

Particulars	Actual Claimed
Energy Requirement	727.21
RE Procurement	
Wind energy to be procured (@8.25%)	59.99
Solar energy to be procured (@8.00%)	58.18
Biomass/Bagasse/Others (@0.75%)	5.45
Total (17.00%)	123.63
Compliance (Non-Solar)	

Particulars	Actual Claimed
Wind	122.05
Non-Solar REC	0.06
Compliance	122.11
Compliance (as % of Energy Requirement)	16.79%
Compliance (Solar energy)	
Solar	10.38
Solar-REC	-
Compliance	10.38
Compliance (as % of Energy Requirement)	1.43%

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

Commission's Analysis:

3.5.2 The Commission has noted that the Petitioner has purchased 727.21 MUs from bilateral and Renewable sources. The Commission also notes that licensee has purchased 31.47 MUs from Renewable Energy to meet the energy requirement for sale to consumers. The Petitioner has further netted off the quantum of 1.29 MUs on account of UI with the total energy requirement and the cost related to the same has been adjusted in the revenue. The Commission, accordingly approves the total power purchase quantity of 727.21 MUs for truing-up of FY 2022-23.

3.6 Power Purchase Cost

Petitioner's Submission:

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

TABLE 3-7 POWER PURCHASE COST CLAIMED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in the Tariff Order	Actual Claimed
Bilateral/ Power Exchange	223.40	413.74
Renewable Energy	49.63	17.54
Total Power Purchase Cost	273.03	431.28

3.6.2 TPL-D (D) has submitted that the variation in the power purchase cost from the Tariff Order is on account of variation in sales and distribution Losses and variation in actual rate with respect to the base power purchase rate during the year.

3.6.3 TPL-D (D) submitted that during FY 2022-23, there was a sudden increase in prices of fuel and in turn higher rate of power on the power exchange due to increase in demand consequent to reopening of economy post COVID-19, geopolitical situation like Russia-Ukraine war, extended monsoon impacting supply of domestic coal.

3.6.4 The Petitioner has further submitted that as per the Regulations, the variation in power purchase cost is uncontrollable except on account of variation in distribution losses and hence the same needs to be allowed in truing up exercise. However, the Petitioner has considered the variation on account of distribution loss as uncontrollable.

Commission's Analysis:

3.6.5 The Commission has noted that the Petitioner has purchased 728.50 from bilateral, Power Exchange and Renewable sources and also 1.29 MU under sale of surplus power/UI/wind setoff as compliance as per BEE (Manner and Intervals for Conduct of Energy Audit in in Electricity Distribution Companies) Regulations, 2021, to meet the energy requirement for sale to consumers. The Commission, accordingly, approves the total power purchase quantity of 727.21 MU for truing-up for FY 2022-23.

3.6.6 As verified from the Annual Audited Accounts for FY 2022-23, TPL-D (D) has incurred power purchase cost of Rs. 431.28 Crore during FY 2022-23. The same has also been verified from the quarterly FPPPA submissions.

3.6.7 TPL-D (D) has purchased bilateral power at an average rate of Rs. 5.11/kWh. The Commission has also noted that TPL-D (D) has procured short-term power from Indian Energy Exchange (IEX) at the rate of Rs. 6.54 per kWh as submitted vide replies to the data gaps sought by Commission. The Commission notes the increasing trend of tariffs on Power Exchanges.

3.6.8 On a query of the Commission regarding the break-up of purchase from Wind and Solar RE sources TPL-D (D) has provided the details vide response to data gaps as given below:

TABLE 3-8 POWER PURCHASE COST FOR RENEWABLE ENERGY *(RS. CRORE)*

S. No.	Particulars	Quantum (Mus)	Rate (Rs./kWh)
1	Solar	8.82	7.32
2	Wind	22.65	4.89
	Renewables (Total)	31.47	5.57

3.6.9 There is shortfall in achievement of RPO of both Solar and Non-solar energy purchase. The Commission has noted that TPL has filed a separate petition for compliance of RPO which is pending for adjudication before the Commission. Therefore, as far as compliance of RPO is concerned, the Commission will decide it in separate proceedings.

3.6.10 The Commission, accordingly, approves total power purchase cost of Rs. 431.28 Crore for Truing up for FY 2022-23.

3.6.11 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 3-9 GAIN/(LOSS) ON ACCOUNT OF POWER PURCHASE COST FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Power Purchase Cost	273.03	431.28	(158.25)	-	(158.25)

3.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

3.7.1 TPL-D (D) has claimed Rs. 13.61 Crore towards O&M expenses as against the total O&M expenses of Rs. 10.51 Crore approved for FY 2022-23 in the Tariff Order dated 31st March, 2022 as detailed in the Table below:

TABLE 3-10 O&M EXPENSES CLAIMED BY TPL-D (DAHEJ) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	10.51	13.61

3.7.2 The Petitioner has submitted that increase in O&M is due to increase in network and the SEZ being in development stage and demand is yet to stabilize and also stated that variation in O&M expenses should be considered as uncontrollable on the lines of distribution loss. The Petitioner has requested the Commission to consider the increase in O&M expenses as uncontrollable and allow gains/losses accordingly.

Commission's Analysis:

3.7.3 TPL-D (D) has submitted the actual O&M expenses at Rs. 10.61 Crore inclusive of impact of "Re-measurement of Defined Benefit Plans" of Rs. 0.06 Crore in the truing- up for FY 2022-23. It is observed that as per Annual Accounts the O&M Expenses are Rs. 13.66 Crore, whereas TPL-D (D) has claimed O&M Expenses of Rs. 13.61 Crore. The head-wise analysis is as under:

3.7.4 The Commission observed that the Employee expenses as per annual accounts are Rs. 4.12 Crore net of expenses capitalized of Rs. 1.63 Crore. The Petitioner has added expense towards Re-measurement of Defined Benefit Plans of Rs. -0.06 Crore as appearing in P & L Statement. Accordingly, the employee expenses are Rs. 4.06 Crore.

3.7.5 A&G expense as per annual accounts are Rs. 6.13 Crore after netting off expenses capitalized of Rs. 0.20 Crore. The Petitioner has claimed A&G expenses after adding lease payments of Rs. 0.01 Crore. Accordingly, the Commission approves the A&G expense of Rs. 6.14 Crore.

3.7.6 The Petitioner has claimed R & M expense of Rs. 3.41 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. 3.41 Crore.

3.7.7 The Commission, accordingly, approves the O&M expenses of Rs. 13.61 Crore, for truing up of FY 2022-23.

3.7.8 Further as per Regulation 22 of the GERC (MYT) Regulations, 2016 the variation in O&M expenses is to be considered as controllable except the change in law and wage revision . However, as per the judgment dated 9th 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 SEZ is yet to stabilize. Accordingly, the Commission has approved the Gains/ (Losses) as given in the Table below:

TABLE 3-11 O&M EXPENSES AND GAINS / (LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
O&M Expenses	10.51	13.61	(3.10)	-	(3.10)

3.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

3.8.1 TPL-D (D) has claimed Rs. 2.91 Crore towards actual capital expenditure for FY 2022-23, as against Rs. 17.16 Crore approved in the Tariff Order dated 31st March, 2022. The main reason for variation in actual vis-à-vis approved capital expenditure is on account of non-materialization of additional two nos. of 33kV consumers and rescheduling of SCADA upgradation to FY 2023-24. Summary of capital expenditure incurred during FY 2022-23 is tabulated as under;

Table 3-12 Capital Expenditure Claimed by TPL-D (D) For FY 2022-23 *(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV	14.29	1.97
HT Network	0.69	0.27
LT Network	0.66	0.08
Metering	0.40	0.02
Customer Care & IT	0.30	-
Others	0.83	0.56
Total Cost	**17.16**	**2.91**

a) <u>EHV:</u> The Hon'ble Commission had approved the expenditure of Rs. 14.29 Crore for 220 kV & 33 kV substation and network alongwith testing & measuring instrument. The actual expenditure incurred during the year was Rs. 1.97 Crore mainly towards 33kV AIS to GIS replacement, replacement of High Velocity Water System line, commissioning of 33 kV customer, testing & measuring instrument, and installation of fire door. The deviation in actual expenditure is mainly due to non-materialisation of additional two nos. of 33kV consumers and rescheduling of SCADA upgradation to FY 2023-24.

b) <u>HT Network:</u> The Hon'ble Commission had approved an expenditure of Rs. 0.69 Crore whereas the actual expenditure incurred was Rs. 0.27 Crore based on actual number of 11 kV customers added in the system & network laying. The deviation in actual expenditure is mainly due to lesser applications then anticipated for new connection/ load extension based on actual customer requirement.

c) <u>LT Network:</u> The Hon'ble Commission had approved an expenditure of Rs. 0.66 Crore based on number of LT customers added in the system whereas the actual expenditure incurred was Rs. 0.08 Crore towards LT Services and Network development.

d) **Metering:** The Hon'ble Commission had approved an expenditure of Rs. 0.40 Crore whereas the actual expense incurred was Rs. 0.02 Crore. The variation is on account of deferment of expenditure towards Advanced Metering Infrastructure and Meter & Modem replacement.

e) **Customer Care & IT:** The Hon'ble Commission had approved an expenditure of Rs. 0.30 Crore towards new testing & measuring equipments and computer hardware and software. Based on actual requirement, the capex was deferred.

f) **Others:** In this category, the actual expenditure incurred was Rs. 0.56 Crore against the approved expenditure of Rs. 0.83 Crore. The major capex incurred is towards civil works at 33kV West Substation and its switchyard.

3.8.2 TPL-D (D) has claimed actual capitalisation of Rs. 3.73 Crore for FY 2022-23, as against Rs. 11.27 Crore approved in Tariff Order as shown in table below;

TABLE 3-13 CAPITALISATION CLAIMED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	189.36	184.18
Addition to GFA	11.27	3.73
Deletion to GFA	-	1.82
Closing GFA	200.63	186.09
SLC addition	9.20	3.04

Commission's Analysis:

3.8.3 The Petitioner has claimed CAPEX of Rs. 2.91 Crore in truing-up of FY 2022-23, against the CAPEX of Rs, 17.16 Crore approved in Tariff Order. The Commission has observed that according to the audited annual accounts for FY 2022-23, the Capex is at Rs. 2.91 Crore. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 3.73 Crore with details of Opening CWIP as on 1st April 2022, CAPEX during the year and Closing CWIP as on 31st March 2023 in form 4.3 of the petition.

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

3.8.5 The Commission sought for additional information regarding difference in the CAPEX and capitalization in Form 4.3 and Annual Accounts and also sought detailed justification about non-materliation of 33kV consumers and rescheduling of SCADA upgradation and detailed justification about deviation in capex for LT network and metering. In response, the Petitioner has provided supplementary details. Regarding the 33kV consumers, it was projected that two consumers, Meghmani and Fermenic, would be energized during FY 2022-23 based on initial estimations from plot holders. However, this did not occur. Instead, a capex of Rs. 1.07 Crore was allocated towards energizing a new consumer, Tatvachintan, at 33kV, which was initiated in FY 2021-22.

3.8.6 Regarding SCADA, the Petitioner had previously implemented SCADA (SICAM 230) in 2013 in the Dahej license area. However, due to the end of support for Windows 7, a strategic decision was made to transition to an Advanced Distribution Management System (ADMS) to ensure a future-ready network. Evaluation of this technology has led to the deferment of CAPEX beyond FY 2023-24 and FY 2024-25.

3.8.7 Concerning LT Capex, the Petitioner's expenditures were guided by two factors: normal load growth and renovation/replacement. For normal load growth, capex was allocated towards energizing two LT services, DSL Pumping and Uma Weighbridge, resulting in a capex of Rs. 0.03 Crore. Renovation/replacement efforts included the replacement of Mini Section Pillars (MSP), incurring a capex of Rs. 0.05 Crore for 25 MSPs.

3.8.8 In terms of metering, capex was determined by the number of connections released during the Financial Year. This led to a capex of Rs. 0.01 Crore for new connections processed. Additionally, towards compliance with CEA Metering Regulations, capex was projected for smart meters with associated Advanced

Metering Infrastructure, totaling Rs. 0.38 Crore for FY 2022-23. However, due to ongoing technology evaluation, this expenditure was deferred, with smart meter installation slated to begin in FY 2024-25. Furthermore, a capex of Rs. 0.01 Crore was incurred in FY 2022-23 for the replacement of modems for meter communication at 15 services.

3.8.9 The reconciliation of CAPEX and capitalization is tabulated below:

Table 3-14 Approved CAPEX and Capitalization for FY 2022-23 *(Rs. Crore)*

Project Title	Capex proposed for FY 2022-23 in Tariff Petition	Capex approved for FY 2022-23 in Tariff Order	Capex claimed and approved in truing up for FY 2022-23	Capitalisation proposed for FY 2022-23 in Tariff Petition	Capitalisation approved for FY 2022-23 in Tariff Order	Capitalisation claimed and approved in truing up for FY 2022-23	Difference approved & actual capitalisation for FY 2022-23
A	B	C	D	E	F	G	H=(F-G)
EHV	14.29	14.29	1.97	14.29	9.39	2.53	6.86
HT Network	0.69	0.69	0.27	0.69	0.45	0.46	(0.01)
LT Network	0.66	0.66	0.08	0.66	0.43	0.15	0.28
Metering	0.40	0.40	0.02	0.40	0.26	0.02	0.24
Customer care & IT	0.30	0.30	-	0.30	0.20	-	0.20
Others	0.83	0.83	0.56	0.83	0.55	0.56	(0.01)
Total	**17.16**	**17.16**	**2.91**	**17.16**	**11.27**	**3.73**	**7.54**

3.8.10 From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV works. Against approved capital expenditure of Rs. 14.29 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 1.97 Crore mainly towards 33kV AIS and GIS replacement, of High Velocity Water System line, commissioning of 33kV customer, testing and measuring instrument, and installation of fire door. The major reason for deviation in actual capital expenditure vis-à-vis approved capital expenditure is on account of non-materialization of additional two nos. of 33kV consumers and rescheduling of SCADA upgradation to FY 2023-24. Capex relating to HT and LT network, the Petitioner has incurred Rs. 0.27 Crore and 0.08 Crore only against the capex of Rs. 0.69 Crore and Rs. 0.66 Crore respectively, approved in Tariff Order, major variation is on account of due to lesser applications then anticipated for new connection/load extension based on actual customer requirement.

3.8.11 Similarly, in respect of Metering, the CAPEX incurred to the tune of Rs. 0.02 Crore against the approved of Rs. 0.40 Crore in Tariff Order due to deferment of expenditure towards Advanced Metering Infrastructure and Meter & Modern replacement.

3.8.12 The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 2.91 Crore during FY 2022-23.

3.8.13 The Commission based on the audited annual accounts of FY 2022-23 has considered the opening CWIP, capex and capitalisation during the year and closing CWIP in true up for FY 2021-22 as given in the table below:

TABLE 3-15 CWIP APPROVED IN TRUE UP FOR FY 2022-23 FOR TPL-D (D) *(RS. CRORE)*

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	1.91
2	Capex during the year	2.91
3	Less: Capitalisation	3.73
4	Closing CWIP (1+2-3)	1.08

3.8.14 The Commission has observed that there is significant variation in the value of Opening GFA in the Annual Accounts and Petition, TPL-D (D) clarified that the Fixed Asset Schedule in Annual Accounts is on NFA basis as per Ind-AS, however, TPL-D (D) has submitted fixed asset schedule in the petition on GFA basis as per the GERC MYT Regulations, 2016.

3.8.15 The Petitioner has considered opening GFA for FY 2022-23 at Rs. 184.18 Crore based on the closing GFA approved in truing up for FY 2021-22, the same is being considered by the Commission.

3.8.16 TPL-D (D) has de-capitalised assets to the extent of Rs. 1.82 Crore during FY 2022-23. However, it is observed that deductions from GFA is at Rs. 1.72 crore as per (Note 4.1) of the audited annual accounts for FY 2022-23. The Commission has addressed the petitioner to furnish the details for the discrepancy against which the Petitioner has reported that the fixed asset shown in the annual accounts is on Net Fixed Assets (NFA) basis as per Ind AS and the same is shown on Gross Fixed Assets (GFA) basis in the petition as per GERC MYT Regulations. Therefore, the difference is on account of accumulated depreciation on such deducted assets. Hence, the Commission considers de-capitalised assets at Rs. 1.82 Crore and accordingly adjustments made to GFA in truing up for FY 2022-23.

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

TABLE 3-16 APPROVED CAPITALISATION FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	184.18	184.18
Addition to GFA	3.73	3.73
Deletion to GFA	1.82	1.82
Closing GFA	186.09	186.09
Less: SLC Addition	3.04	3.04
Balance Capitalisation	0.69	0.69
Normative Debt @70%	0.48	0.48
Normative Equity @30%	0.21	0.21

3.9 Depreciation

Petitioner's Submission:

3.9.1 TPL-D (D) has claimed a sum of Rs. 6.78 Crore towards depreciation in the truing up for FY 2022-23 as against Rs. 7.11 Crore approved in the Tariff Order as shown in the Table below:

TABLE 3-17 DEPRECIATION CLAIMED BY TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	7.11	6.78

3.9.2 TPL-D (D) has submitted that the depreciation rates, as per MYT Regulations, 2016 are applied on the Opening GFA and assets capitalised during FY 2022-23. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's Analysis:

3.9.3 The Commission has verified the depreciation from the annual accounts for FY 2022-23 and observed that depreciation as per annual accounts is Rs. 8.90 Crore. However, the Petitioner has claimed depreciation of Rs. 6.78 Crore in truing up for FY 2022-23 as it has added leased land depreciation of Rs. 0.19 Crore and deducted an amount of Rs. 2.11 Crore on assets funded through service line charges and amortization of deferred revenue, as reconciled vide additional submission.

3.9.4 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 has been deducted. The Commission, accordingly, approves the depreciation at Rs. 6.78 Crore for FY 2022-23. The Commission has approved depreciation at Rs. 7.11 Crore in Tariff Order. The deviation of Rs. 0.33 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 2022-23, as detailed in the Table below:

TABLE 3-18 DEPRECIATION AND GAINS/LOSSES APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	7.11	6.78	0.33	0.33

3.10 Interest Expenses

Petitioner's Submission:

3.10.1 TPL-D (D) has claimed a sum of Rs. 3.15 Crore towards actual interest and finance expenses for FY 2022-23 on normative basis as per GERC MYT Regulations, 2016. Petitioner further submits that the variation in interest expenses compared to approved is to be treated as uncontrollable as it depends on quantum of actual capitalization and variation in interest rates.

3.10.2 The Petitioner has considered the interest expenses as per the MYT Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. 0.37 Crore after considering depreciation on account of deduction of Rs. 0.90 Crore and reduction in equity of Rs. 0.55 Crore. The Petitioner has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

TABLE 3-19 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	49.41	45.90
Less; reduction of normative loan due to retirement	-	0.37
Addition of Loan	1.45	0.48
Repayment during year	7.11	6.78
Closing Balance	43.75	39.23
Average Loan	46.58	42.57
Weighted average rate of interest (%)	7.85%	7.35%
Interest Expenses	3.66	3.13
Other Borrowing Costs	-	0.02

Commission's Analysis:

3.10.3 The Commission has considered opening normative loan as on 01.04.2022 equal to the closing loan balance of Rs. 45.90 Crore approved in truing up FY 2021-22.

3.10.4 Addition to loan during FY 2022-23 is considered at Rs. 0.48 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. 0.37 Crore. On query regarding normative loan reduction due to deduction in GFA, the Petitioner has submitted details as follows:

Particulars	Fomrula	Form-5
GFA pertaining to retired/ replacement assets	a	1.82
Normative Equity pertaining to retirement/ replacement of asset	b = 30%*a	0.55
Normative Loan pertaining to retirement/ replacement of asset	c = 30%*a	1.27
Depreciation considered as loan repayment	d	0.90
Reduction of normative loan due to retirement/ replacement	e = c-d	0.37

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

3.10.6 Accordingly, 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 7.35% as the same claimed by the Petitioner for the actual loan portfolio submitted for FY 2022-23. The details of the other borrowing cost of Rs. 0.02 Crore as submitted by the petitioner is given in table below:

TABLE 3-20 INTEREST APPROVED BY THE COMMISSION FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	45.90	45.90
Less: reduction of normative loan due to retirement	0.37	0.37
Addition of Loan	0.48	0.48
Repayment during year	6.78	6.78
Closing Balance	39.23	39.23
Average Loan	42.57	42.57
Weighted average rate of interest (%)	7.35%	7.35%
Interest Expenses	**3.13**	**3.13**
Other Borrowing Costs	0.02	0.02

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

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

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

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

TABLE 3-21 GAINS / (LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	3.66	3.15	0.51	0.51

3.11 Interest on Security Deposit

Petitioner's Submission:

3.11.1 The Petitioner has claimed Rs. 1.48 Crore towards interest on security deposit in truing-up for FY 2022-23 as against Rs. 1.79 Crore approved in the Tariff Order dated 31st March, 2022. The Commission in the Tariff Order had approved the interest on security deposit for the Petitioner considering 4.25% interest rate on the average estimated balance of security deposit for FY 2022-23.

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

TABLE 3-22 INTEREST ON SECURITY DEPOSIT CLAIMED BY TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	4.25%	4.25%
Interest on Security Deposit	1.79	1.48

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

Commission's Analysis:

3.11.4 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. Thus, the Commission, accordingly, approves the interest on security deposit at Rs.

1.48 Crore for FY 2022-23. The deviation of Rs. 0.31 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

TABLE 3-23 GAINS/LOSSES APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in the Tariff Order	Approved in Truing-Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	1.79	1.48	0.31	0.31

3.12 Interest on Working Capital

Petitioner's Submission:

3.12.1 TPL-D (D) has arrived at working capital requirement as per GERC (MYT) Regulations, 2016. The Petitioner has claimed Rs. 0.16 Crore towards interest on working capital for FY 2022-23 as tabled below;

TABLE 3-24 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
O&M Expenses for 1 Month	0.88	1.13
1% of GFA for maintenance spares	1.89	1.84
Receivables for 1 month	24.79	36.48
Less: Security Deposit	42.01	37.92
Working Capital Requirement	-	1.54
Rate of Interest (%)	9.50%	10.30%
Interest on Working Capital	-	0.16

3.12.2 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:

3.12.3 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.

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

3.12.5 The regulations (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e.2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2021-22 from the State Bank of India website which worked out to 10.30%. Accordingly, the rate of interest for computation of interest on working capital works out to 10.30% (7.80%+2.50%) and the same is adopted in truing up for FY 2022-23.

3.12.6 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 3-25 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	1.13	1.13
1% of GFA for maintenance spares	1.84	1.84
Receivables for 1 month	36.48	36.48
Less: Security Deposit	37.92	37.92
Working Capital Requirement	1.54	1.54
Rate of Interest (%)	10.30%	10.30%
Interest on Working Capital	0.16	0.36

3.12.7 As indicated above, the Commission, accordingly, approves the interest on working capital of Rs. 0.36 Crore for FY 2022-23.

3.13 Return on Equity

Petitioner's Submission:

3.13.1 TPL-D(D) has claimed the closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year. The return on equity has been computed by applying a rate of 14% on the average of opening balance & closing balance of equity as shown in table below:

TABLE 3-26 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	45.64	43.94
Equity Addition	0.62	0.21
Reduction in equity on account of retirement	-	0.55
Closing Equity	46.26	43.60
Return on Equity at beginning of year	*6.39*	*6.15*
Return on Equity addition during year	*0.04*	*(0.02)*
Total Return on Equity	6.43	6.13

3.13.2 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:

3.13.3 The Commission has considered opening equity as on 01.04.2022 equal to closing equity of FY 2021-22 as approved in truing-up and the additional equity is considered @30% of the value of net asset addition as approved above.

3.13.4 During the year net asset addition is at Rs. 0.69 Crore and the equity at 30% works out to Rs. 0.21 Crore. Further during the year deletion from GFA is at Rs. 1.82 Crore and accordingly, reduction in equity is considered at Rs. 0.55 Crore being 30% of the asset reduction. Thus, the net equity reduced is considered at Rs. 0.34 Crore during FY 2022-23 in truing up.

3.13.5 The Commission, accordingly, approves the return on equity for FY 2022-23 as detailed below;

TABLE 3-27 RETURN ON EQUITY APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	43.94	43.94
Equity Addition	0.21	0.21
Reduction in equity on account of retirement	0.55	0.55
Closing Equity	43.60	43.60
Return on Equity at beginning of year	*6.15*	*6.15*
Return on Equity addition during year	*(0.02)*	*(0.02)*
Total Return on Equity	6.13	6.13

3.13.1 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 2022-23 as tabulated below:

TABLE 3-28 RETURN ON EQUITY AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	6.43	6.13	0.30	0.30

3.14 Income Tax

Petitioner's Submission:

3.14.1 TPL-D(D) has claimed Income Tax of Rs. 0.80 Crore based on the actual tax paid in proportion to the PBT of TPL-D(D) for FY 2022-23 against the approved NIL by Commission in its Tariff Order dated 31st March, 2022 based on the actuals of FY 2020-21. Hence, the Petitioner has claimed income tax as per below.

TABLE 3-29 INCOME TAX CLAIMED FOR TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

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

Commission's Analysis:

3.14.2 The Commission had 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 along with copies of challan of income tax paid for the year. The Petitioner has computed the Income Tax by applying the ratio of PBT.

3.14.1 The Commission has verified the PBT figures from the annual accounts for FY 2022-23. The Petitioner has shown a PBT of Rs. 4.63 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. 2,942.50 Crore and the total tax paid by the Company as a whole is Rs. 506.68 Crore after deducting Rs. 4.56 Crore towards income tax refund and netting off MAT credit of Rs. 123 Crore. Accordingly, the tax rate works out to 17.22% which is lower than the MAT rate of 17.47%, thus, applying the effective tax rate on PBT of TPL-D(D), the tax paid works out to be Rs. 0.80 Crore after deducting Rs. 4.56 Crore towards income tax refund and netting off MAT credit of Rs. 123 Crore. The Commission, accordingly, approves the Income Tax at Rs. 0.80 Crore in the truing up for FY 2022-23. The Commission has treated the Income Tax as an uncontrollable expense and, accordingly, approves the gains/losses on account of Income Tax in the truing up for FY 2022-23, as detailed in the Table below:

TABLE 3-30 INCOME TAX AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Income Tax	-	0.80	0.80	(0.80)	(0.80)

3.15 Bad Debts Written Off

Petitioner's Submission:

3.15.1 The Petitioner has submitted that the Hon'ble Commission in its order has not approved any amount of bad debt for Dahej supply area. The Petitioner further submits that it has not written off any bad debts for the FY 2022-23. Accordingly, it has not claimed any bad debts.

Commission's Analysis:

3.15.2 The Petitioner didn't write off any bad debts during the year. The Commission, accordingly, approved NIL amount towards the bad debts written during FY 2022-23.

3.16 Contingency Reserve

Petitioner's Submission:

3.16.1 The Commission had allowed contingency reserve of Rs. 0.95 Crore 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 contingency reserve of Rs. 0.92 Crore for FY 2022-23.

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

Commission's Analysis:

3.16.3 The contingency reserve claimed in truing up is in consistence with the GERC (MYT) Regulations, 2016 and accordingly, the same is approved at Rs.0.92 Crore. The Commission accordingly, approves Rs. 0.03 Crore as gain on account of contingency reserve in the truing up for FY 2022-23.

TABLE 3-31 CONTINGENCY RESERVE AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Contingency Reserve	0.95	0.92	0.03	0.03

3.17 Non-Tariff Income

Petitioner's Submission:

3.17.1 The Commission had approved Non-Tariff Income of Rs. 5.94 Crore for FY 2022-23 in Tariff Order and the actual Non-Tariff Income considered is Rs. 3.68 Crore for truing up as given in the table below:

TABLE 3-32 NON-TARIFF INCOME CLAIMED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	5.96	3.68

3.17.2 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:

3.17.3 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 sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

3.17.4 The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2022-23 is Rs. 3.68 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 5.80 Crore. The Petitioner has reduced the Amortisation of Deferred Revenue (Rs. 2.11 Crore) and delayed payment charges of Rs. 0.01 Crore in the Non-Tariff Income to arrive at claimed figure of Rs. 3.68 Crore.

3.17.5 The Commission, accordingly, approves the Non-Tariff Income of Rs. 3.68 Crore for FY 2022-23. 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 2022-23, as detailed in the Table below:

TABLE 3-33 NON-TARIFF INCOME AND GAINS/(LOSSES) APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	5.96	3.68	2.28	2.28

3.18 Revenue from Sale of Power

Petitioner's Submission:

3.18.1 The Petitioner has submitted Rs. 437.79 Crore as revenue from sale of power in the truing up for FY 2022-23.

Commission's Analysis:

3.18.2 The Commission has observed that the revenue from sale of power is at Rs. 460.97 Crore as per the annual accounts for FY 2022-23. However, the Petitioner in Form 10 has depicted Rs. 437.79 Crore and accordingly the same is considered in the petition for truing up for FY 2022-23. It was stated that provision of Rs. 23.18 Crore is not considered in revenue from sale of electricity.

3.18.3 The Commission has addressed the Petitioner to explain why it is not considered under revenue for sale of energy. The Petitioner has submitted that revenue from sale of electricity considered in petition excludes Rs. 23.18 Crore considered on accrual basis in audited accounts (but not billed to the consumers). The petitioner vide additional responses to Data-gaps has submitted the details of FPPPA charges (Recoverable vis-à-vis Recovered) for the FY 2022-23 along with the revenue recognized as accrued thereof.

3.18.4 To substantiate this, it has further submitted a certificate of Statutory Auditor certifying that amount of Rs. 23.18 Crore is not recovered from the consumers on account of unrecovered gap/FPPPA charges.

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

3.18.6 Hence, the Commission has considered the amount of Rs. 23.18 Crore on account of unrecovered gap FPPPA charges not being reflected as revenue for FY 2022-23. Accordingly, the Commission has considered the revenue of Rs. 460.97 Crore from sale of power for the purpose of truing up of FY 2022-23. Thus, the unrecovered FPPPA of the past period is not reflected in trued up (Gap)/Surplus of FY 2022-23 and accordingly, the past period unrecovered FPPPA is not subsumed in the trued up (Gap)/Surplus of FY 2022-23.

3.18.7 Therefore, the Commission has considered overall revenue from sale of power during FY 2022-23 to the tune of Rs. 460.97 Crore.

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

Petitioner's Submission:

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

TABLE 3-34 CONTROLLABLE & UNCONTROLLABLE VARIATIONS FOR FY 2022-23 CLAIMED *(RS. CRORE)*

Particulars	Tariff Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	273.03	431.28	(158.25)	-	(158.25)
O&M Expense	10.51	13.61	(3.11)	-	(3.11)
Interest on Loans	3.66	3.15	0.51	-	0.51
Interest on Security Deposit	1.79	1.48	0.31	-	0.31
Interest on Working Capital	-	0.16	(0.16)	-	(0.16)
Depreciation	7.11	6.78	0.33	-	0.33
Bad Debts written off	-	-	-	-	-
Contingency reserve	0.95	0.92	0.03	-	0.03
Return on Equity	6.43	6.13	0.30	-	0.30
Income Tax	-	0.80	(0.80)	-	(0.80)
Less: Non-Tariff Income	5.96	3.68	2.28	-	2.28
Net ARR	**297.51**	**460.63**	**(163.12)**	**-**	**(163.12)**

Commission's Analysis:

3.19.2 The Commission has reviewed the performance of TPL-D (D) under Regulation 22 of the GERC (MYT) Regulations, 2016, for FY 2022-23. The Commission has computed the gains/(losses) for FY 2022-23 based on the truing up for each of the components discussed in the above paragraphs. The Commission based on the Aggregate Revenue Requirement (ARR) approved in the Tariff, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016 as given in the Table below:

TABLE 3-35 ARR APPROVED IN RESPECT OF TPL-D (D) IN THE TRUING UP FOR FY 2022-23 *(RS. CRORE)*

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase	273.03	431.28	(158.25)	-	(158.25)
O&M Expense	10.51	13.61	(3.10)	-	(3.10)
Interest on Loans	3.66	3.15	0.51	-	0.51
Interest on Security Deposit	1.79	1.48	0.31	-	0.31
Interest on Working Capital	-	0.36	(0.36)	-	(0.36)
Depreciation	7.11	6.78	0.33	-	0.33
Bad Debts written off	-	-	-	-	-
Contingency reserve	0.95	0.92	0.03	-	0.03
Return on Equity	6.43	6.13	0.30	-	0.30
Income Tax	-	0.80	(0.80)	-	(0.80)
Less: Non-Tariff Income	5.96	3.68	2.28	-	2.28
Net ARR	**297.51**	**460.83**	**(163.31)**	**-**	**(163.31)**

3.20 Sharing of Gains/Losses for FY 2022-23

3.20.1 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 stipulated as under;

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

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

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

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

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

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

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

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

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

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

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

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

TABLE 3-36 APPROVED TRUED UP ARR INCL. GAINS/(LOSSES) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per Tariff	297.51	297.52
Gains/(Losses) due to Uncontrollable Factors	(163.12)	(163.31)
Gains/(Losses) due to Controllable Factors	-	-
Pass through as Tariff	163.12	163.31
ARR True-Up	**460.63**	**460.83**

3.20.1 The Petitioner has requested the Commission to consider an amount of Rs. 2.90 Crore as surplus recovered revenue towards earlier years, approved as per the Commission's Orders dated 31st March, 2022. Accordingly, the Commission has considered the revenue while computing the actual net revenue (gap)/surplus for FY 2022-23 for truing-up purpose as below.

TABLE 3-37 RECOVERY OF EARLIER YEAR'S APPROVED (GAP)/SURPLUS (RS. CRORE)

Particulars	Claimed by Petitioner	Approved (Rs. Crore)
Trued-up ARR	**460.63**	**460.83**
Revenue from Sale of Power	437.79	460.97
Less: Revenue toward recovery of earlier year Including Carrying cost	2.90	2.90
Balance Revenue	**434.89**	**458.07**
(Gap)/Surplus	**(25.74)**	**(2.76)**

3.20.2 The Commission, accordingly, considers the trued-up Revenue gap of Rs. 2.76 Crore for FY 2022-23 while determining the tariff for FY 2024-25.

Chapter 4: ARR and Tariff Determination for FY 2024-25

4.1 Introduction

4.1.1 This chapter deals with the ARR determination of FY 2024-25 for TPL-D (D). The Commission has studied 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 that the license area of Dahej SEZ comprises of identified industries whose demand has grown over a period of time and depends on economic developments and planning of the unit holders and it has still unsold plots alongwith plans for development of plots in CRZ area. Thus, the Petitioner has endeavoured to relate the various factors and available information to estimate the sales projections.

4.2.2 Sales projections in Dahej SEZ area have been carried out based on projections of demand requirements within the SEZ. Currently, the SEZ has a predominantly industrial consumption with a negligible contribution from other consumer categories. Industrial unit holders initially seek power for build & test, and later for production. The Petitioner has considered the inputs received while interacting with some existing and potential consumers. However, the same may vary with pace at which SEZ development is taking place based on the economic scenario and Government policies.

4.2.3 In order to make the projections for FY 2024-25, the actual demand of existing customers (plot allotted and connection availed) has been taken as the base for the demand projection. Each existing customer of Dahej has been reviewed and the effect of extension and their final demand has been worked out for the projected period.

4.2.4 For the customer who has already taken possession of the plot and electricity connection has not been availed, based on personal interaction, demand for these customers have been projected for the control period. For the common/open plots, the demand has been considered based on inputs from DSL authority.

4.2.5 It is presumed that the new unit holders shall complete the construction activity within one and half year and go for the commercial production within 2 years as per guideline of DSL.

4.2.6 The anchor company OPaL has started commercial production in FY 2016-17 and will continue at the same level. TPL-D has also given due consideration to the extension of load planned by major consumers.

4.2.7 Demand on Monthly and Yearly basis is worked out for the ensuing financial year i.e. FY 2024-25. The Co-incident Maximum Demand is worked out based on the past trend of category wise actual demand metered for the FY 2022-23.

4.2.8 Based on the above factors the Demand in MW projection and load factor for FY 2024-25 is as under:

TABLE 4-1 DEMAND AND LOAD FACTOR FOR FY 2024-25

Category	FY 2024-25
Demand (MW)	171.95

4.2.9 Considering growth in demand and trend of load factor, the sales projection has been done for FY 2024-25. LT - Sales are worked out based on existing trend of load factor and increase in demand of existing as well as prospective customers based on interaction. HT- Sales are projected based on the rising trend of the load factor of existing customers. The load factor of the customer is considered based on past trends. Adjustment of solar set off of 5.22 MUs provided in HTP-I category. Based on the above factors the Category wise Sales MUs Projection for FY 2024-25 is as under:

TABLE 4-2 CATEGORY WISE SALES FOR TPL-D (D) *(IN MU)*

Category	FY 2024-25
RGP	-
Non-RGP	0.73
LTMD	1.06
HTP-I	819.15
HTP-II	1.34
HTP-III	0.12
Others	1.42
Total Sales	**823.82**

Commission's Analysis:

4.2.10 The Commission has analysed category-wise historical sales.

TABLE 4-3 HISTORICAL DATA FOR ENERGY SALES FOR TPL-D (D) (IN MU)

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
HT Category					
HTP 1	421.75	474.03	450.22	656.38	708.52
HTP 2	0.51	0.88	1.19	1.28	1.38
HTP 3	2.01	3.82	0.18	0.39	-
Low Voltage Category					
LTMD	0.57	0.57	0.55	0.49	0.46
NRGP	0.50	0.48	0.46	0.46	0.30
STLGHT	0.22	0.24	0.12	0.09	0.06
TMPLT	0.59	0.47	0.20	0.17	0.11
WWSP		0.12	0.11	0.12	0.24
Total	426.15	480.60	453.03	659.37	711.07

4.2.11 The Commission has reviewed the sales projected by TPL-D (D) in light of historical sales, projected growth in customers and increase in their load factors. As energy sales are difficult to predict given that the SEZ is still under development stage, the Commission accepts submission of TPL-D (D) in terms of energy sales.

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

Table 4-4 Energy Sales Approved by Commission for FY 2024-25 *(in MU)*

Category	Projected by Petitioner	Approved by Commission
RGP	-	-
Non-RGP	0.73	0.73
LTMD	1.06	1.06
HTP-I	819.15	819.15
HTP-II	1.34	1.34
HTP-III	0.12	0.12
Others	1.42	1.42
Total Sales	**823.82**	**823.82**

4.2.13 Therefore, the Commission, accordingly, approves the category-wise sales for FY 2024-25 to the tune of 823.82 MU.

4.3 Distribution Losses

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

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

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

State DISCOMs	Approved Distribution Losses for FY 2023-24
UGVCL	7.00%
DGVCL	4.68%
MGVCL	9.00%
PGVCL	15.75%

State DISCOMs	Approved Distribution Losses for FY 2023-24
TPL-D(A)	5.03%
TPL-D(S)	3.59%
TPL-D(D)	0.455

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

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

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

4.3.5 The Petitioner has considered minimum of margin given to the Govt DISCOM for FY 2022-23 (i.e. 1.34%) to arrive at target for Dahej License Area for FY 2022-23. Thus, the Target of Distribution Loss for FY 22-23 works out to 1.82% for Dahej License area on similar approach adopted for other Utilities of the State. Thereafter, the Petitioner has proposed trajectory by reduction of 0.05% per annum (as being considered by MOP for UGVCL having least approved losses) to arrive at the Target of 1.72% for TPL-D (D) for FY 2024-25. Accordingly, the Petitioner has estimated the Distribution loss of 1.72% for FY 2024-25.

TABLE 4-5 DISTRIBUTION LOSSES FOR FY 2024-25 AS SUBMITTED BY TPL-D (D)

Category	Projected by Petitioner
Distribution Losses (%)	1.72%

Commission's Analysis:

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

TABLE 4-6 HISTORICAL DATA FOR DISTRIBUTION LOSS IN DAHEJ SUPPLY AREA

Category	FY 2020-21	FY 2021-22	FY 2022-23
Sales (MU)	453.04	659.07	711.07
Distribution Loss (%)	0.49%	0.45%	0.48%
Distribution Loss (MU)	2.25	3.00	3.40
Energy Input at Distribution Level (MU)	455.28	662.38	714.47

4.3.7 The Commission has reviewed the historical distribution loss and decides to consider the best of two distribution loss level from actuals @0.48% for FY 2022-23 and approved for FY 2023-24 @0.45%. Thus, the Commission approves distribution loss level at 0.45% of TPL-D (D) for FY 2024-25.

4.3.8 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 during the FY 2024-25.

TABLE 4-7 DISTRIBUTION LOSSES APPROVED BY THE COMMISSION FOR FY 2024-25

Particulars	Projected by Petitioner	Approved by Commission
Distribution Loss	1.72%	0.45%

4.4 Energy Requirement Petitioner's Submission:

4.4.1 TPL-D (D) has computed energy requirement for FY 2024-25 based on the energy sales forecast considering 1.72% distribution loss. Accordingly, the energy requirement for FY 2024-25 is as under:

TABLE 4-8 ENERGY REQUIREMENT FOR FY 2024-25 FOR TPL-D (D) *(IN MU)*

Particulars	Projected by Petitioner
Energy Sales (MU)	823.82
Distribution Loss (%)	1.72%

Particulars	Projected by Petitioner
Distribution Loss (MU)	14.42
Energy Input at Distribution Level (MU)	838.24
Transmission Loss (MU)	28.78
Total Energy Requirement	**867.01**

Commission's Analysis:

4.4.2 Based on the energy sales and the distribution losses approved by the Commission, the energy requirement is arrived at, as given in the table below. For projecting transmission losses, the Commission observes that TPL-D (D) has considered transmission losses on purchase from Bilateral and IEX. The Commission has considered the transmission loss percentage as 1.75% as approved for FY 2022-23 to arrive at Energy Requirement for FY 2024-25 as given in the table below;

TABLE 4-9 ENERGY REQUIREMENT APPROVED BY THE COMMISSION FOR FY 2024-25

Particulars	Projected by Petitioner	Approved by Commission
Energy Sales (MU)	823.82	823.82
Distribution Loss (%)	1.72%	0.45%
Distribution Loss (MU)	14.42	3.72
Energy Input at Distribution Level (MU)	838.24	827.53
Transmission Loss (%)	3.32%	1.75%
Transmission Loss (MU)	28.78	14.76
Energy Requirement (A)	**867.01**	**842.29**

4.5 Energy Availability

Petitioner's Submission:

4.5.1 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 2024-25.

4.5.1 In turn, the Petitioner has proposed to source power from bilateral sources/power exchange to fulfill the power requirement of the SEZ. It may kindly be noted that due to variability of demand, the Petitioner will take necessary steps as may be required.

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

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

TABLE 4-10 ENERGY AVAILABILITY AS PROJECTED BY PETITIONER FOR FY 2024-25 *(IN MU)*

Particulars	Projected by Petitioner
Bilateral	683.28
IEX	109.78
Renewable Energy	73.96
Total	**867.01**

Commission's Analysis:

4.5.4 The Commission has noted the Petitioner's submission of procuring power through bilateral contracts and the power exchange. In view of uncertain demand visibility, the Commission feels that these sources of power will help to eliminate the burden of capacity charges on consumers and hence accept these sources. The Commission has projected energy availability from these sources after considering the energy requirement fulfilled through RE sources as part of TPL-D (D)'s RPO.

4.5.5 In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its third Amendment in 2022, the DISCOMs are obligated to procure electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year. The minimum Renewable Energy purchase in FY 2024-25 is 8.55% from Wind, 11.25% from Solar, 0.10% from Hydro and 0.80% from others RE sources (biomass, bagasse & biofuel based co-generation, MSW and Small/Mini/Micro Hydro).

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

TABLE 4-11 APPROVED ENERGY AVAILABILITY FOR FY 2024-25 FOR TPL-D (D) *(IN MU)*

Particulars	Projected by Petitioner	Approved by Commission
Bilateral	683.28	667.94
IEX	109.78	-
Renewable Energy (tied-up)	73.96	73.96
Renewable Energy (New)	-	100.43
Total	**867.01**	**842.29**

4.6 Power Purchase Cost

Petitioner's Submission:

4.6.1 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 short term market conditions.

- **Renewable Power Purchase Cost**- The Petitioner has estimated the purchase of power from the tied-up capacity of renewable energy sources to fulfill the Renewable Power Purchase Obligation in accordance with the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with the Amendment to the Regulations. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

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

TABLE 4-12 POWER PURCHASE COST PROJECTED BY TPL-D (D) FY 2024-25 *(RS. CRORE)*

Particulars	Projected by Petitioner
Bilateral	407.92
Power Exchange	65.54
Renewables	30.02
Total	**503.48**

Commission's Analysis:

4.6.3 As regards renewable energy power, TPL–D (D) has submitted the details of tied up sources, according to which only 8.53% RPO fulfilment is being projected by the Petitioner at 73.96 MU. However, the Commission has considered the 20.70% RPO target of 174.39 MU to be fulfilled at the approved energy requirement of 842.48 MU. The Commission has considered the cost of Purchase of balance requirement of Renewable energy to meet RPO requirement @4.00/kWh recently discovered competitive bidding rate for the purpose of Power Purchase cost estimation. Since, the Power Purchase Cost is an estimate and therefore, the Licensee shall take due care to procure all additional Renewable Power Requirement through competitive bidding to pursue that the power purchase cost is optimized.

4.6.4 The Commission has considered these rates for determination of power purchase from Bilateral @Rs. 5.11/kWh as per the actuals of FY 2022-23 for FY 2024-25.

4.6.5 The Commission has net off the incremental renewable energy requirement for RPO fulfilment from the energy scheduled of Power Exchange and bilateral arrangement.

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

Table 4-13 Approved Power Purchase Cost of TPL-D for FY 2024-25

Energy Sources	Projected by Petitioner (Rs. Crore)	Approved by Commission (Rs. Crore)
Bilateral	407.92	341.41
Power Exchange	65.54	-
Renewables (tied-up)	30.02	30.02
Renewables (New)	-	40.17
Total	**503.48**	**411.59**

4.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

4.7.1 TPL-D (D) has submitted that the O&M expenses projections for FY 2024-25 are as per the methodology specified in GERC MYT Regulations, 2016 by considering approved O&M expenses of last three years with FY 2021-22 as base year and escalating by 5.72% per annum.

4.7.2 Petitioner further submitted that the SEZ is still in developmental stage and demand is yet to stabilize. Thus there is appreciable variation in the O&M expenses which is evident from actual O&M expense for FY 2022-23 as well. However, for the purpose of projection the Petitioner has considered the methodology adopted by the Hon'ble Commission.

Table 4-14 O&M Expenses claimed by of TPL-D (D) for FY 2022-23 *(Rs. Crore)*

Particulars	Claimed by Petitioner
Operation & Maintenance Expenses	13.31

4.7.3 The Petitioner has submitted that the variation in O&M expenses does not take into account the uncontrollable expenses such as the wage revision, change in law, change in levies/ duties/ taxes and charges, etc.

Commission's Analysis:

4.7.4 The Petitioner has projected the O&M expenses for FY 2024-25 based on the methodology prescribed under GERC MYT Tariff Regulations, 2016.

4.7.5 Accordingly, the Commission has considered the average of actual O&M expenses approved in the last three years from FY 2020-21 to FY 2022-23 escalated @5.72% to arrive at O&M expenses at Rs. 13.31 Crore for FY 2024-25. Accordingly, the Commission approves Rs. 13.31 Crore of O&M Expenses for FY 2024-25.

4.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

4.8.1 TPL-D (D) has projected capital expenditure of Rs. 14.80 Crore for FY 2024-25 as per the details given in table below:

TABLE 4-15 CAPITAL EXPENDITURE PROJECTED BY TPL-D (D) FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner
EHV Network	10.58
HT Network	1.30
LT Network	0.54
Metering	0.38
Customer Care & IT	0.27
Others	1.72
Total Cost	**14.80**

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

a) EHV:

- 220 kV Substation and Network: Capex of Rs 4.64 Cr is considered in FY 2024-25 towards upgradation of the existing SCADA system with advanced distribution management system (ADMS) for auto outage restoration and optimization of the performance of the distribution grid.
- 220 kV & 33 kV consumers: Capex of Rs. 2.61 Crore has been considered towards expected energization of one number of 33 kV consumer during FY 2024-25 as per estimation.
- 33 kV Substation and Network: At present, Dahej SEZ Part-I (East Part) is connected through 33kV cables laid in the SEZ corridor from the 220kV switchyard. However, the said network is susceptible to damage in case of works by local authority. In order to ensure reliability, it is proposed to lay a second 33kV connectivity to the East part of the SEZ through separate route.

- Testing and Measuring Instrument: During FY 2024-25, it is proposed to incur capex for augmentation in CT/PT and other equipments at EHV substation alongwith procurement of various testing & measuring equipments like meggers and Tools & tackles.

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

All Figures in Rs. Crore	FY 2024-25
EHV Network	
220 kV Substation and Network	4.64
220 kV and 33 kV Consumers	2.61
33 kV Substations	3.14
Testing & Measuring Instruments	0.20
Total	10.58

b) HT:

- New HT consumers: During FY 2024-25, the Petitioner has proposed to incur capex of Rs. 0.35 Crore towards energisation of two nos. of new 11kV HT consumers.

- Cable Scheme: In order to cater to the future load growth in the license area, during FY 2024-25, capex of Rs. 0.41 Crore is considered for laying 11 kV new feeder network.
- Miscellaneous: It is proposed to incur capex of Rs. 0.55 Crore towards supporting infrastructure & safety equipment like firefighting systems , Tools & tackles.

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

All Figures in Rs. Crore	FY 2024-25
HT Network	
New HT Consumers	0.35
Cable Scheme	0.41
Miscellaneous	0.55
Total	1.30

c) LT network:

- Services on Existing Mains/DE: Capex of Rs. 0.16 Crore is considered towards energisation of two nos. of new LT during FY 2024-25.
- Extension/Reduction of Load: During FY 2024-25, capex of Rs. 0.38 Crore is proposed to be incurred towards augmentation of LT network and reactivation of MSP earthing for safety and reliability.

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

All Figures in Rs. Crore	FY 2024-25
LT Network	
Services on Existing Mains / DE	0.16
Extension / Reduction of Load	0.38
Total	0.54

d) Metering:

- Based on sales and demand projection, number of meters for new consumers & supporting infrastructure has been considered for working out the capex. Also, installation of smart meters in phased manner is considered in compliance with CEA Regulations.

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

All Figures in Rs. Crore	FY 2024-25
Metering	
Normal Load Growth	0.03
Supporting Infrastructure	0.15
AMI & Meter Data Management System	0.20
Total	0.38

e) Others:

- Customer Care/IT: It is proposed to incur capex of Rs. 0.27 Crore towards IT related hardware replacements & software upgradation, communication network enhancement, SAP and related expenditure.
- Stores: Capex of Rs. 0.04 Crore is proposed to be incurred towards Stores related equipments.
- Safety: During FY 2024-25, expenditure of Rs. 0.61 Crore is proposed to be incurred towards replacement of fire extinguisher, safety gallery and miscellaneous works.
- Civil: Expenditure of Rs. 0.46 Crore is proposed to be incurred towards fencing of boundary of East and West SS and other miscellaneous works.
- Miscellaneous: Capex of Rs. 0.62 Crore is proposed to be incurred to procure land for creating office and infrastructure in the CRZ area being newly developed inside Dahej SEZ.

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

All Figures in Rs. Crore	FY 2024-25
Others	
Customer Care/IT	0.27
Stores	0.04
Safety	0.61
Civil	0.46
Miscellaneous	0.62
Total	1.99

Commission's Analysis:

4.8.3 The Petitioner has projected CAPEX of Rs.14.80 Crore for FY 2024-25 as detailed in the Table 5.15 above. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2024-25.

4.8.4 The Commission opines that in order to meet the load growth, system demand and to provide reliable quality supply has provisionally approved the CAPEX for FY 2024-25 as projected by the Petitioner as Rs. 14.80 Crore.

4.9 Capitalization and Gross Fixed Assets

Petitioner's Submission:

4.9.1 TPL-D (D) has submitted that it will capitalize assets of Rs. 11.66 Crore in FY 2024-25.

TABLE 4-16 CAPITALISATION PROJECTED FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner
Opening GFA	212.99
Addition to GFA	11.66
Deletion to GFA	-
Closing GFA	224.66
SLC addition	3.12

Commission's Analysis:

4.9.2 The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalisation of around 78.80% of the projected CAPEX for FY 2024-25. The CAPEX and capitalisation projected include 220 kV SS and 33 kV SS schemes which have gestation period of around 1~2 years from the day of planning to CoD/ asset capitalised. The commission has considered capitalization of Rs. 11.66 Crore as proposed by the Petitioner for FY 2024-25.

TABLE 4-17 CAPEX AND CAPITALISATION APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

Particulars	Capex	Capitalisation	% of Capitalisation To Capex
EHV Network	10.58	7.45	70.35%
HT Network	1.30	1.30	100.00%
LT Network	0.54	0.54	100.00%
Metering	0.38	0.38	100.00%
Others	1.99	1.99	100.00%
Total Cost	14.80	11.66	78.70%

4.9.3 The Commission has calculated GFA at Rs. 197.55 Crore as opening GFA for FY 2024-25. The Commission has considered, as deliberated on addition to GFA and Closing GFA as approved above. The Commission has considered the SLC addition as projected by the Petitioner, since these SLCs are received from the consumers and relates to service connections and not attributable to EHV schemes (i.e. EHV SS) for which capitalization is regulated.

4.9.4 The Commission in terms of GERC (MYT) Regulations 2016 has approved the funding of capitalisation for normative debt-equity as shown in the Table below for FY 2024-25.

4.9.5 The Commission as deliberated above has approved capitalization, Gross fixed Asset and source of funding for FY 2024-25 as given in the Table below:

TABLE 4-18 APPROVED CAPITALISATION FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	212.99	197.55
Addition to GFA	11.66	11.66
Deletion to GFA	-	-
Closing GFA	224.66	209.21
Less: SLC Addition	3.12	3.12
Balance Capitalisation	7.97	8.54
Normative Debt @70%	5.58	5.98
Normative Equity @30%	2.39	2.56

4.10 Depreciation

Petitioner's Submission:

4.10.1 TPL-D (D) has projected Rs. 7.99 Crore towards depreciation for FY 2024-25 based on the projected capitalisation during FY 2024-25.

Commission's Analysis:

4.10.2 The Commission has approved the opening value of depreciable GFA at Rs.197.55 Crore, based on the approved close GFA for FY 2022-23 as per true-up order at Rs. 186.09 and adding Rs.11.46 Crore approved with ARR for FY 2023-24. The GFA is further updated with the capitalisation approved for FY 2024-25. The rate of depreciation on assets and SLC is considered as per the GERC regulations and accordingly computed the depreciation for FY 2024-25 as given in the table below:

TABLE 4-19 DEPRECIATION APPROVED FOR FY 2024-25 *(RS. CRORE)*

Particulars	Approved by Commission
Opening value of GFA	197.55
Additions during year	11.66
Closing GFA	209.21
Average Depreciable Assets	203.38
Depreciation	9.62
Depreciation created out of SLC	2.66
Depreciation allowed	6.96

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

4.11 Interest Expenses

Petitioner's Submission:

4.11.1 TPL-D (D) has projected a sum of Rs. 3.85 Crore towards interest and finance expenses for FY 2024-25 on normative basis as per GERC MYT Regulations, 2016 by applying estimated opening weighted average rate of interest of the actual loan portfolio of the Petitioner at the beginning of the year while repayment has been considered equal to the depreciation of the assets for the year.

TABLE 4-20 INTEREST AND FINANCE CHARGES PROJECTED FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner
Opening Balance	46.09
Loan addition during year	5.98
Repayment during year	7.99
Closing Balance	44.08
Average Loan	45.09
Weighted average rate of interest (%)	8.55%
Interest Expenses	3.85

Commission's Analysis:

4.11.2 The Commission has considered the normative closing loan balance in truing up for FY 2022-23 at Rs. 39.23 Crore and the normative loan based on capitalisation approved for FY 2023-24 in the order dated 31.03.2023 is added to arrive at closing loan balance for FY 2023-24. The same is further updated based on the capitalisation approved for FY 2024-25. The repayment of loans is considered as per the depreciation amount approved for FY 2024-25 in earlier sections.

4.11.3 The rate of interest is considered as per the weighted average interest rate as approved in true-up for FY 2022-23 and accordingly computed the interest on loan for FY 2024-25 as given in the table below:

TABLE 4-21 INTEREST APPROVED BY THE COMMISSION FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening Balance	46.09	35.55
Addition of Loan	5.98	5.98
Repayment during year	7.99	6.96
Closing Balance	44.08	34.57
Average Loan	45.09	35.06
Weighted average rate of interest (%)	8.55%	7.35%
Interest Expenses	3.85	2.58

4.11.4 In view of the above, the Commission approves the Interest Expenses for FY 2024-25 as Rs 2.58 Crore.

4.12 Interest on Security Deposit

Petitioner's Submission:

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

Commission's Analysis:

4.12.2 The Commission provisionally considers and approves the interest on security deposit as projected by the Petitioner amounting to Rs. 3.03 Crore for FY 2024-25.

4.13 Interest on Working Capital

Petitioner's Submission:

4.13.1 The interest on working capital is computed as per the MYT Regulations, 2016. The interest rate, being the SBI MCLR rate on 1st April, 2021 plus 250 basis points, of 11.00% is to be applied on the working capital requirement arrived at in accordance with the Regulations. The petitioner projected Interest on Working Capital to be as Rs. 0.34 Crore.

TABLE 4-22 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2024-25 (RS. CRORE)

Particulars	Claimed by Petitioner
O&M Expenses for 1 Month	1.11
Maintenance Spares @1% of GFA	2.13
Receivables for 1 Month	44.77
Less: Security Deposit	44.96
Net Working Capital Requirement	3.05
Rate of interest (%)	11.00%
Interest on Working Capital	0.34

Commission's Analysis:

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

4.13.3 The Petitioner has considered rate of interest @11.00% p.a. for computing interest on working capital for FY 2024-25. The Commission has verified the 1-year SBI MCLR as on 1st April 2023 is at 8.50%. Accordingly, the rate of interest (including 250 basis) as per regulations works out to 11.00% (8.50%+2.50%) for computation of interest on working capital for FY 2024-25.

4.13.4 The working capital requirement and the interest on working capital computed for FY 2024-25 is as shown in the Table below:

TABLE 4-23 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
O&M Expenses for 1 Month	1.11	1.11
Maintenance Spares @1% of GFA	2.13	1.98
Receivables for 1 Month	44.77	38.20
Less: Security Deposit	44.96	44.96
Net Working Capital Requirement	3.05	-
Rate of interest (%)	11.00%	11.00%
Interest on Working Capital	0.34	-

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

4.14 Return on Equity

Petitioner's Submission:

4.14.1 TPL-D (D) has projected Rs. 7.11 Crore towards Return on Equity @ 14% for FY 2024-25 as detailed in the Table below:

TABLE 4-24 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed By Petitioner
Opening Equity	49.52
Equity Addition	2.56
Closing Equity	52.08
Return on Equity at beginning of year	*6.93*
Return on Equity addition during year	*0.18*
Total Return on Equity	7.11

Commission's Analysis:

4.14.2 The Commission has approved the closing equity at Rs. 43.60 Crore in truing up for FY 2022-23 and the same is considered as opening equity for FY 2023-24. The addition to equity is further updated based on capitalisation approved for FY 2023-24 in the Tariff Order dated 31.03.2023 and the capitalisation approved for FY 2024-25. The Commission accordingly computed the Return on equity for FY 2024-25 as given in the table below:

TABLE 4-25 RETURN ON EQUITY APPROVED BY THE COMMISSION FOR FY 2024-25 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved by Commission
Opening Equity	49.52	44.87
Equity Addition	2.56	2.56
Closing Equity	52.08	47.44
Return on Equity at beginning of year	*6.93*	*6.28*
Return on Equity addition during year	*0.18*	*0.18*
Total Return on Equity	7.11	6.46

4.15 Income Tax

Petitioner's Submission:

4.15.1 For the purpose of estimation of income tax for FY 2024-25, the Petitioner has computed the Income Tax considering the total tax paid and the ratio of PBT of TPL-D(D) and PBT of the company as a whole as per audited accounts of FY 2022-23 at Rs. 0.80 Crore

Commission's Analysis:

4.15.2 The Commission has approved Rs. 0.80 Crore towards income tax in true up for FY 2022-23 and accordingly has considered Rs. 0.80 Crore towards income tax for FY 2024-25 in terms of regulation 41.1 subject to true up based on the actual tax paid for the relevant year as specified in regulation 41.2 of the GERC (MYT) Regulations 2016.

4.16 Contingency Reserve

Petitioner's Submission:

4.16.1 The Petitioner has projected an amount of Rs. 1.06 Crore as per the GERC MYT Regulations, 2016 providing for 0.5% of the cost of fixed assets towards contingency reserve.

Commission's Analysis:

4.16.2 The Commission approves an amount of Rs. 0.99 Crore towards contingency reserve for FY 2024-25 in line with the provisions of GERC MYT Regulations, 2016.

4.17 Non-Tariff Income

Petitioner's Submission:

4.17.1 The Petitioner has projected Non-Tariff Income at Rs. 3.68 Crore for FY 2024-25 based on the current trend. The Petitioner has requested the Commission to approve the non-tariff income for FY 2024-25 as estimated.

Commission's Analysis:

4.17.1 Regulations 89 and 97 of the GERC (MYT) Regulations, 2016 specify the Non-Tariff Income include various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

4.17.2 The Commission in the Order had approved Non-Tariff Income for ensuing years equal to the actual Non-Tariff Income approved in latest True Up. The Commission has approved Rs. 3.68 Crore towards Non-Tariff Income in truing up for FY 2022-23. The Petitioner has projected non-tariff income of Rs. 3.68 Crore for FY 2024-25.

4.18 Aggregate Revenue Requirement (ARR) for FY 2024-25

Petitioner's Submission:

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

TABLE 4-26 ARR PROJECTED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

Particulars	Projected by Petitioner
Power Purchase	503.48
O&M Expense	13.31
Interest on Loans	3.85
Interest on Security Deposit	3.03
Interest on Working Capital	0.34
Depreciation	7.99
Bad Debts written off	-
Contingency reserve	1.06

Particulars	Projected by Petitioner
Return on Equity	7.11
Income Tax	0.80
Less: Non-Tariff Income	3.68
Net ARR	537.30

Commission's Analysis:

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

TABLE 4-27 ARR APPROVED IN RESPECT OF TPL-D (D) FOR FY 2024-25 *(RS. CRORE)*

Particulars	Projected by Petitioner	Approved by Commission
Power Purchase	503.48	411.59
O&M Expense	13.31	13.31
Interest on Loans	3.85	2.58
Interest on Security Deposit	3.03	3.03
Interest on Working Capital	0.34	-
Depreciation	7.99	6.96
Bad Debts written off	-	-
Contingency reserve	1.06	0.99
Return on Equity	7.11	6.46
Income Tax	0.80	0.80
Less: Non-Tariff Income	3.68	3.68
Net ARR	**537.30**	**442.04**

4.19 Revenue from Sale of Power

Petitioner's Submission:

4.19.1 The Petitioner has projected the revenue from sale of power at Rs. 533.47 Crore for FY 2024-25 considering the sales at existing tariff rates for different category of consumers. It is further submitted that the revenue from sale of power arrived at with existing tariff includes the revenue from FPPPA Charges at Rs. 2.28 per unit.

Commission's Analysis:

4.19.2 The Commission decides to revise and approve the base FPPPA for FY 2023-24 @ Rs. 1.37/kWh. Accordingly, the Commission considers the Revenue from sale of power at Rs. 458.38 Crore for FY 2024-25 with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @1.37/Unit).

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

4.20.1 The Commission has approved the net revenue gap in true up for FY 2022-23 including the gains/ losses shared on account of controllable and uncontrollable factors in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016. The Commission has also considered earlier years approved gap and also impact on ARR due to review petition of the Petitioner, which is mentioned in the previous Chapter. It is found that the Commission has calculated/computed an amount of Rs. 2.76 Crore as Gap for the TPL-D (Dahej) for FY 2022-23.

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

4.20.3 As stated above, the Gap approved for true-up of FY 2022-23 is Rs. 2.76 Crore and the related carrying cost @ 7.80% for two years is worked out as Rs. 0.43 Crore.

4.20.4 The Commission, accordingly, will consider the trued-up Revenue Gap of Rs. 3.19 Crore for FY 2022-23 which is inclusive of carrying cost. The same will consider for determination of tariff for FY 2024-25.

4.21 Revenue (Gap)/Surplus for FY 2024-25

4.21.1 The Commission has approved the ARR at Rs. 442.04 Crore and revenue from sale of power at Rs. 458.38 Crore with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @1.37/Unit).

4.21.2 The Commission has approved revenue gap of Rs. 3.19 Crore for FY 2022-23 after considering the Carrying cost, which is elaborated in the above sections.

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

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2024-25	537.29	442.04
Revenue from Sale of Power	533.47	458.38
Revenue (Gap)/Surplus for FY 2024-25	**(3.82)**	**16.34**
Add: Revenue (Gap)/Surplus approved for FY 2022-23	(25.75)	(2.76)
Carrying cost on above (gap)/surplus	(9.63)	(0.43)
Net Revenue Gap/Surplus for FY 2024-25	**(39.20)**	**13.15**

4.21.4 Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 13.15 Crore as against Rs. 39.20 Crore Gap as proposed by the Petitioner for FY 2024-25.

Chapter 5: Compliance of Directives

5.1 Earlier Directives

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

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

Petitioner's Compliance:

TPL-D (D) has stated that it has been evaluating the options to make necessary tie-up with a view to reduce the cost. Regarding RPO fulfilment, Petitioner has tied up 450 MW solar through bidding process for fulfilment of RPO by which 15 MW is allocated and is expected to be commissioned during FY 2024-25. It has further submitted that it is in the process of inviting bids for tying up additional RE power. It has further submitted that it will update the Commission based on development of the same.

Commission's Comment:

The Commission has noted the submission and reiterates the directive and directs TPL to submit the study report at the earliest.

5.2 New Directives

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

The Petitioner is 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:

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

Commission's Comment:

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

Chapter 6: Fuel and Power Purchase price Adjustment

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

FPPPA = [(PPCA-PPCB)]/[100-Loss in %]

Where,

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

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

TABLE 6-1 APPROVED POWER PURCHASE COST PER UNIT FOR FY 2024-25

Particulars	Total Energy Requirement (MU)	Approved Power Purchase Cost (Rs. Crore)	Power Purchase Cost/Unit (Rs./kWh)
FY 2024-25	842.29	411.59	4.89

6.1.3 As mentioned above the base Power Purchase cost for TPL-D (D) is Rs. 4.89 per kWh.

6.1.4 As the Base Power Purchase Price (PPCB) of Rs. 4.69 per Unit in FY 2023-24 has been shifted to Rs. 4.89 per Unit for FY 2024-25, Accordingly, the Base FPPPA charge is shifted from Rs. 1.17 per Unit to Rs. 1.37 per Unit (after netting off with T&D losses). Therefore, the Commission has decided to approve the Base FPPPA charges at Rs. 1.37 per Unit for TPL-D (Dahej) in FY 2024-25.

6.1.5 Information regarding FPPPA recovery and the FPPPA calculation shall be kept on the website of TPL.

6.1.6 For any increase in FPPPA, worked out on the basis of above formula, beyond ten (10) paise per kWh in a quarter, prior approval of the Commission shall be necessary and only on approval of such additional increase by the Commission, the FPPPA can be billed to consumers. FPPPA calculations shall be submitted to the Commission within one month from end of the relevant quarter.

Chapter 7: Wheeling Charges and Cross-Subsidy Surcharge

7.1 Wheeling Charges

Petitioner's Submission:

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

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

TABLE 7-1 ALLOCATION MATRIX FOR SEGREGATION SUBMITTED BY TPL-D (D)

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

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

TABLE 7-2 SEGREGATION OF ARR INTO WIRES AND SUPPLY BUSINESS FOR FY 2024-25 *(RS. CRORE)*

Particulars	Wire Business	Retail Business
Power Purchase Expenses	-	503.48
Employee Expenses	2.15	1.44
A&G Expenses	3.12	3.12
R&M Expenses	3.13	0.35
Depreciation	7.19	0.80
Interest on Long Term Loans	3.47	0.39
Interest on Working Capital	0.03	0.30
Interest on Security Deposit	0.30	2.73
Bad Debts Written off	-	-
Income Tax	0.72	0.08
Contribution to Contingency Reserve	1.06	-
Return on Equity	6.40	0.71
Non-Tariff Income	0.37	3.31
Aggregate Revenue Requirement	27.22	510.08

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

Commission's Analysis:

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

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

TABLE 7-3 APPROVED SEGREGATION OF ARR FOR FY 2024-25 *(RS. CRORE)*

Particulars	ARR Approved	Wire Business	Retail Business
Power Purchase Expenses	411.59		411.59
Employee Expenses	3.59	2.15	1.44
A&G Expenses	6.25	3.13	3.13
R&M Expenses	3.47	3.13	0.35
Depreciation	6.96	6.26	0.70
Interest on Long Term Loans	2.58	2.32	0.26

Particulars	ARR Approved	Wire Business	Retail Business
Interest on Working Capital	-	-	-
Interest on Security Deposit	3.03	0.30	2.73
Bad Debts Written off	-	-	-
Income Tax	0.80	0.72	0.08
Contribution to Contingency Reserve	0.99	0.99	-
Return on Equity	6.46	5.82	0.65
Non-Tariff Income	3.68	0.37	3.31
Aggregate Revenue Requirement	442.04	24.44	417.60

7.2 Determination of Wheeling Charge

Petitioner's Submission:

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

Particulars	Projected by Petitioner
ARR of Wheeling Business (Rs. Crore)	27.22
Sales (MU)	823.82
Wheeling Charges (Rs./kWh)	0.33

7.2.2 TPL-D (D) further submitted that the Open Access consumers will also have to bear the wheeling Losses in addition to wheeling charges at 1.72% for HT category and 4.00% LT Category.

Commission's Analysis:

7.2.3 The Commission has determined the ARR of the Wires Business for FY 2024-25 in the earlier section, as Rs. 25.04 Crore. The Petitioner has not segregated 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:

Particulars	Approved
ARR of Wheeling Business (Rs. Crore)	24.44
Sales (MU)	823.82
Wheeling Charges (Rs./kWh)	0.30

7.2.4 The Open Access consumer will also have to bear the wheeling Losses in addition to wheeling charges at 2.00% for HT category.

7.3 Cross-Subsidy Surcharge

Petitioner's Submission:

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

TABLE 7-4 PROPOSED CROSS SUBSIDY SURCHARGE FOR FY 2024-25

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	6.48
PPC – Average cost of power Purchase in Rs/ kWh	5.81
L – Loss for HT category in %	1.72%
D –Wheeling charges for HT category in Rs/ kWh	0.33
Cross subsidy surcharge in Rs/ kWh	**0.24**

Commission's Analysis:

7.3.2 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

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

TABLE 7-5 APPROVED CROSS SUBSIDY SURCHARGE FOR FY 2024-25

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	5.56
PPC – Average cost of power Purchase in Rs/ kWh	4.89
L – Loss for HT category in %	0.45%
D –Wheeling charges for HT category in Rs/ kWh	0.30
Cross subsidy surcharge in Rs/ kWh	**0.36**

7.3.4 Further, According to Rule 13 of the Electricity (Amendment) Rules, 2022 as notified by Ministry of Power, GoI, the surcharge determined by the State Commission shall not exceed 20% of the Average Cost of Supply. The Cross Subsidy Surcharge worked out as per above is below the 20% of the Average Cost of Supply.

7.3.5 Accordingly, the Commission approves Cross Subsidy Surcharges for HTP-1 as Rs.0.36/kWh.

7.4 Additional Surcharge

Petitioner's Submission:

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

Commission's Analysis:

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

Chapter 8: Tariff Philosophy and Tariff Proposals

8.1 Introduction

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

8.1.2 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.

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

8.2.1 The Petitioner has submitted that the cumulative (gap)/surplus for FY 2022-23, FY 2024-25 and carrying cost are computed as detailed in the earlier chapters. The Petitioner has proposed to recover the accumulated (gap)/surplus by way of regulatory surcharge @0.24/kWh over the period of two years starting from 1st April, 2024.

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

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

8.3.2 However, as discussed earlier, the Commission has approved a cumulative revenue surplus of Rs. 13.15 Crore during FY 2024-25 in Chapter 4. It has been observed that the Petitioner has filed reviews/Appeals in various forums related past year gaps and related carrying costs, which are at the different stages. Further, the revenue gap/surplus may vary at the time of truing-up ARR for FY 2024-25, when actuals as per audited annual accounts are available. Therefore, the Commission decides to continue with the existing tariff structure and retained the category-wise tariff at the same level.

8.4 Green Tariff

8.4.1 The Petitioner has proposes to continue "Green Tariff" of Rs. 1.50 per unit over and above tariff for respective category of consumer for FY 2024-25.

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

- Green Power Tariff of Rs 1.00/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving billing cycle notice to the Distribution Licensee in writing before commencement of billing period.

COMMISSION'S ORDER

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

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

Particulars	Approved by Commission
Power Purchase Cost	411.59
O&M Expense	13.31
Interest on Loans	2.58
Interest on Security Deposit	3.03
Interest on Working Capital	-
Depreciation	6.96
Bad Debts written off	-
Contingency reserve	0.99
Return on Equity	6.46
Income Tax	0.80
Less: Non-Tariff Income	3.68
Net ARR	**442.04**

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 1st June 2024.

-Sd-	-Sd-	-Sd-
S. R. Pandey	**Mehul M. Gandhi**	**ANIL MUKIM**
Member	**Member**	**Chairman**

Place: Gandhinagar

Date: 01.06.2024

ANNEXURE: TARIFF SCHEDULE
TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND EXTRA HIGH TENSION
Effective From 1st June 2024

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

PART-I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGE

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

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 <u>Rate: LTMD</u>

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:

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

PLUS

3.2 Energy charges:

For the entire consumption during the month	325 Paise per unit

PLUS

3.3 Reactive Energy Charges:

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

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 <u>The billing demand shall be the highest of the following</u>:

(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 <u>Rate: Non-RGP Night</u>

This tariff is applicable for aggregate load up to 40 kW and using electricity **<u>exclusively</u>** **<u>during night hours</u>** 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.

PLUS

4.2 Energy Charges:

For entire consumption during the month	270 Paise per unit

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 **LTMD** above.

PLUS

5.2 Energy Charges:

For entire consumption during the month	275 Paise per unit

5.3 Reactive Energy Charges:

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

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 <u>Rate: WWSP</u>

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

(a)	Fixed charges per month	Rs. 20 per HP

	PLUS	
(b)	Energy charges per month: For entire consumption during the month	305 Paise per Unit

7.0 <u>Rate: SL</u>

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

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 <u>Rate: TMP</u>

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

PLUS

8.2 ENERGY CHARGE

A flat rate of	485 Paise per unit

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

9.0 <u>RATE: LT - Electric Vehicle (EV) Charging Stations</u>

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

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

9.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2 ENERGY CHARGE

Energy Charge	345 Paise per Unit

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

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., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 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 Concession for Use of Electricity during Night 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 night hours of 10.00 PM to 06.00 AM next morning (recorded by a polyphase meter operated through time-switch) shall be eligible for concession at the rate of 30 Paise per unit. The polyphase 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 <u>The billing demand shall be the highest of the following:</u>

(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 <u>Rate HTP-II</u>

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

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., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 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

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

Same as per HTP-I Tariff

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

12.3 Time of Use Charges:

PLUS

Additional charge for energy consumption during two peak periods, viz. 0700 Hrs. to 1100 Hrs. an 1800 Hrs to 2200 Hrs.	75 Paise per unit

12.4 Billing demand
12.5 Minimum bill
12.6 Maximum demand and its measurement
12.7 Contract Demand
12.8 Rebate for supply at 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 <u>Rate: HTP-IV</u>

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

PLUS

13.2 Energy Charges:

For all units consumed during the month	270 Paise per unit

13.3 Billing demand	Same as per HTP-I Tariff
13.4 Minimum bill	
13.5 Maximum demand and its measurement	
13.6 Contract Demand	
13.7 Rebate for supply at EHV	

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 <u>RATE: HT - Electric Vehicle (EV) Charging Stations</u>

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