GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order
Truing up for FY 2020-21
and
Determination of Tariff for FY 2022-23

For

Torrent Power Limited – Distribution Dahej

Case No. 2035 of 2021
31st March, 2022

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Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2035 of 2021

Date of Order: 31.03.2022

CORAM

Shri Anil Mukim, Chairman
Shri Mehul M. Gandhi, Member
Shri. S. R. Pandey, Member

ORDER

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. 1995 of 2021 dated 24th September, 2021 for true-up of FY 2020-21 and determination of tariff for its distribution business in Dahej for FY 2022-23 on 30th November 2021.

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 2020-21 and FY 2022-23 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 new Control Period of FY 2021-22 to FY 2025-26 by issuing public notice dated 10th August, 2020, 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 ongoing 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 and accordingly, all the concerned utilities and licensees were directed to file True up for FY 2020-21 and annual ARR for FY 2022-23 and application for determination of tariff for FY 2022-23 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 2020-21, and determination of ARR and tariff for FY 2022-23 on 30th November, 2021.

After technical validation of the petition, it was registered on 3rd December, 2021 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 Commission's Order for Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21

The Petitioner filed its petition for Truing up of FY 2015-16, Approval of Final ARR for FY 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of tariff for FY 2017-18 on 29th November 2016. The petition was registered on 3rd December 2016 (under Case No. 1629 of 2016). The Commission vide order dated 9th June 2017 approved the Truing up for FY 2015-16, Final ARR for FY 2016-17, Multi-Year ARR for FY 2016-17 to FY 2020-21 and determined the tariff for FY 2017-18.

In continuation to above, the Petitioner filed a petition for Truing-up of FY 2016-17 and determination of tariff for FY 2018-19 on 30th December 2017. The petition was registered on 3rd January 2018 (Case No.1698 of 2018). The Commission vide order dated 31st March 2018 approved the Truing-Up for FY 2016-17 and determined the tariff for FY 2018-19.

The Petitioner filed a petition for Truing Up of FY 2017-18 and Mid-Term Review of ARR for FY 2019-20 and FY 2020-21 on 30th November 2018. The Petition was registered on 4th December 2018 (Case No.1766 of 2018). The Commission approved the Truing–Up of FY 2017-18 and revised the ARR for FY 2019-20 and FY 2020-21 vide order dated 24th April 2019.

The Petitioner filed a petition for Truing-up of FY 2018-19 and determination of tariff for FY 2020-21 on 30th November 2019. The petition was registered on 4th December 2019 (Case No.1846 of 2019). The Commission vide order dated 30th

March 2020 approved the Truing-Up for FY 2018-19 and determined the tariff for FY 2020-21.

The Petitioner filed a petition for Truing–up of FY 2019-20 and determination of tariff for FY 2021-22 on 8th January 2021. The petition was registered on 11th January 2021 (Case No.1928 of 2021). The Commission vide order dated 31st March 2021 approved Truing–up of FY 2019-20 and determination of tariff for FY 2021-22.

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 24th September 2021 has directed the utilities to file the petition for determination of tariff for FY 2022-23 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 2020-21 and determination of tariff for FY 2022-23 on 30th November 2021. After technical validation of the petition, it was registered on 3rd December 2021 (Case No. 2035 of 2021) 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	11/12/2021
2	Divya Bhaskar	Gujarati	11/12/2021

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 10th January, 2022.

The Commission also placed the petition and additional details received subsequently from the Petitioner 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 Times of India	English	06/02/2022
2	Sandesh	Gujarati	06/02/2022
3	Gujarat Samachar	Gujarati	06/02/2022

The Commission received objections / suggestions from the consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for public hearing for the petition on 15th February, 2022 through Video Conferencing considering prevailing Covid situation. Subsequently a communication and Microsoft TEAMS Platform link was sent to the objectors to take part in the public hearing process via video conferencing for presenting their views before the Commission. The stakeholders who desired to remain present at the Commission's office, were arranged Video Conferencing facility at the office of the Commission.

The Commission also published the notice for Virtual Public Hearing (through video conferencing) on the Commission's website www.gercin.org intimating the date and venues as given below in order to solicit participation by the objectors who have submitted their objections, comments and also by any stakeholders who are interested.

Petitions	Date & Time	Venue
TPL-G, TPL-D(A), TPL-D(S) and TPL-D(D)	15th February 2022 at 11:30 A.M	GERC Office, Gandhinagar (through Microsoft Teams Platform)

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

TABLE 1-3 LIST OF STAKEHOLDERS

S. No.	Name of Stakeholders	Written Submission	Oral Submission	Presence in Public Hearing
1	Utility Users' Welfare Association	Yes	No	No
2	Gujarat Krushi Vij Grahak Surakhsya Sangha	No	No	Yes
3	Shri Himanshu Umrajwala	No	No	Yes

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

1.6 Approach of this Order

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

The Commission on 9th June 2017 passed order for truing up of FY 2015-16, determination of final ARR for FY 2016-17, determination of ARR for the third Control Period i.e. FY 2016-17 to FY 2020-21 and determination of tariff for the FY 2017-18.

TPL has approached the Commission with the present Petition for "Truing up" of the FY 2020-21 and determination of Tariff for the FY 2022-23.

The Commission has undertaken the "Truing up" for FY 2020-21, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2020-21, based on the annual accounts and final ARR for FY 2020-21 approved vide MTR Order dated 24th April 2019 in Case No. 1766/2018.

While truing up of FY 2020-21, 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 2020-21 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of ARR and Tariff for FY 2022-23 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 2022-23 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 nine chapters as detailed under;

1. The first chapter provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and approach adopted in this Order.
2. The second chapter outlines the summary of TPL's Petition.
3. The third chapter deals with the objections raised by various stakeholders, TPL's response and Commission's views on the response.
4. The fourth chapter focuses on the details of truing up for FY 2020-21.
5. The fifth chapter deals with the determination of Tariff for FY 2022-23.
6. The sixth chapter deals with compliance of directives and issue of fresh directives.
7. The seventh chapter deals with FPPPA chapter.
8. The eighth chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
9. The ninth 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 2020-21 and approval of ARR for FY 2022-23. The Petitioner has also submitted the tariff proposal for FY 2022-23, based on the Revenue Gap for FY 2020-21 and ARR for FY 2022-23

2.2 Actual for FY 2020-21 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 2020-21 and item wise Gain/Loss computations. The details of expenses under various heads of ARR are given in Table below;

TABLE 2-1 ACTUAL CLAIMED BY TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	MTR Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	177.89	188.78	(10.89)	-	(10.89)
O&M Expense	7.03	9.63	(2.60)	-	(2.60)
Interest on Loans	5.21	4.20	1.02	-	1.02
Interest on Security Deposit	2.32	1.75	0.57	-	0.57
Interest on Working Capital	-	-	-	-	-
Depreciation	6.19	6.70	(0.51)	-	(0.51)
Bad Debts written off	-	-	-	-	-
Contingency reserve	0.89	0.87	0.02	-	0.02
Return on Equity	6.42	5.99	0.44	-	0.44
Income Tax	-	-	-	-	-
Less: Non-Tariff Income	4.54	3.08	1.46	-	1.46
Net ARR	**201.42**	**214.83**	**(13.41)**	**-**	**(13.41)**

2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2020-21

2.3.1 The table below summarizes the proposed ARR claimed by TPL-D (D) for truing-up, revenue from sale of power at existing tariff and the revenue gap estimated for FY 2020-21.

TABLE 2-2 TRUE-UP ARR CLAIMED BY TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars		Claimed
ARR as per MTR	(a)	201.42
Gains/(Losses) due to Uncontrollable factors	(b)	(13.41)
Gains/(Losses) due to Controllable factors	(c)	-
Pass through as tariff	d= - (c/3+b)	13.41
Trued-up ARR	**e= a + b**	**214.83**

2.3.2 The table below summarizes the revenue gap/surplus for TPL-D (D) for FY 2020-21.

TABLE 2-3 REVENUE (GAP)/ SURPLUS FOR TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Claimed
Trued-up ARR	**214.83**
Revenue from Sale of Energy	210.87
Less; Revenue towards recovery of Earlier year's approved (gap)/surplus	(0.93)
Balance Revenue	211.80
(Gap)/Surplus	**(3.03)**

2.4 ARR, Revenue at Existing Tariff and Revenue (Gap)/Surplus for FY 2022-23

TABLE 2-4 REVENUE (GAP)/ SURPLUS OF TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed
ARR for FY 2022-23	**303.17**
Less;	
Revenue from sale of power at existing rates including base FPPPA revenue @0.57 per unit	295.33
(Gap)/Surplus	**(7.84)**

TABLE 2-5 CUMULATIVE REVENUE (GAP)/SURPLUS FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed
(Gap)/Surplus for FY 2020-21	**(3.03)**
Carrying Cost	(4.82)
DSM	-
(Gap)/Surplus for FY 2022-23	(7.84)
Cumulative (Gap)/Surplus to be recovered through tariff	**(15.69)**

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

a) Admit the Petition for truing-up of FY 2020-21, Aggregate Revenue Requirement for FY 2022-23, and determination of tariff for FY 2022-23.

b) Approve the trued-up (Gap)/Surplus of FY 2020-21 including impact of change in law as set out in petition.

c) Approve the sharing of gains/ (losses) as proposed by the Petitioner for FY 2020-21.

d) Approve the Aggregate Revenue Requirement for FY 2022-23.

e) Approve the cumulative (Gap)/ Surplus.

f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April 2022.

g) Approve the recovery through retail tariff 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: Brief outline of Objections raised, Response from TPL-D (D) and the Commission's view

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (D) for Truing up of FY 2020-21 and determination of ARR for FY 2022-23 under the GERC (MYT) Regulations, 2016, a number of Consumers/ organizations filed their objections / suggestions in writing. Some of these objectors participated in the public hearing also. The objections / suggestions by the consumer/consumers organizations, the response from the Petitioner and the views of the Commission are given below:

3.1 Non-achievement of MYT benefits due to increase in tariff

3.1.1 The objector has submitted that benefits of MYT are not achieved as Hon'ble Commission has increased the tariff of the Petitioner instead of reduction as per the benefit of the MYT framework.

Petitioner's Response: Petitioner submits that it has filed the Petition in accordance with the provisions of Section 62 and 64 of the Electricity Act, 2003 read with GERC (MYT) Regulations, 2016. The Petitioner refutes the allegation made by the Objector and further submits that the tariff is resultant of various components of the ARR and circumstances affecting those components as explained in the petition.

Commission's View: After prudence check of each component of the ARR as per GERC MYT Regulations 2016, the Commission allowed net revenue requirement of the utility and decides category wise tariff in line to National Tariff Policy.

3.2 Apportionment of O&M expenses on pro-rata basis

3.2.1 The objector has contended that the Petitioner being multi-license holder of distribution in State of Gujarat, UP and Maharashtra, O&M cost should be apportioned on pro-rata and subject to prudence check, is required to be verified.

Petitioner's Response: Petitioner would like to clarify that it maintains separate Accounts for each of its regulated businesses in accordance with the Accounting Standards. The Petitioner has filed the present under Section 62 and 64 of the Electricity Act, 2003 read with GERC (MYT) Regulations,201.6 for its generation facilities at Ahmedabad and distribution business of Ahmedabad, Surat and Dahej Supply Area. The O&M costs claimed by the Petitioner are the actual costs incurred by it.

Commission's View: The Commission opined that the Petitioner is maintaining the separate accounts for its each entity license area, therefore there is no contention in the matter of the objector regarding apportioning the O&M expenses based on pro-rata basis.

3.3 Uniformity in Tariff

3.3.1 The Objector has suggested that the tariff of Petitioner's license areas should be made uniform in line with the tariff of DISCOMs.

Petitioner's Response: Petitioner would like to submit that it has filed the tariff petition as per the provisions of Section 62, to determine tariff based on voltage, load factor, geographic location, etc. Accordingly, the Petitioner requests the Hon'ble Commission to kindly approve the tariff petition, as prayed for.

Commission's View: The Commission determines the tariff as per the relevant section of the Electricity Act 2003, Policies notified by the Government and Regulations framed there under.

Chapter 4: Truing-Up for FY 2020-21

4.1 Introduction

4.1.1 This chapter deals with the truing-up of FY 2020-21 for TPL-D (D). The Commission has studied and analysed each component of the ARR for FY 2020-21 in the following paragraphs.

4.2 Energy Sales to Consumers

Petitioner's Submission:

4.2.1 TPL-D (D) has submitted category-wise actual energy sales for Dahej area for FY 2020-21 along with the sales approved by the Commission in the MTR Order as given in the Table below.

Table 4-1 Energy Sales for FY 2020-21 *(in MU)*

Category	Approved in MTR Order	Actuals Claimed
RGP	-	-
Non-RGP	0.80	0.46
LTMD	1.27	0.55
HTP-I	484.93	450.22
HTP-II	0.37	1.19
HTP-III	1.07	0.18
Other	0.51	0.43
Total Sales	**488.95**	**453.04**

4.2.2 The Petitioner has submitted that the actual sales in FY 2020-21 are lower than that approved in MTR order due to combined effect of lower actual demand and lower load factor recorded in leading category of HTP-I. Furthermore, the Petitioner submitted that as per MYT Regulations, 2016 the variation in sales is an uncontrollable factor. Therefore, the Petitioner requested Commission to approve the actual sales made during FY 2020-21.

Commission's Analysis:

4.2.3 The actual sales made by TPL-D (D) during FY 2020-21 was on lower side as compared to approved in the MTR Order due to breach of COVID-19 pandemic during FY 2020-21, as the lockdown has severely reduced the industrial and commercial activities as these segments have seen a considerable decline in demand of electricity, with the gradual relaxations in lockdown by Govt. of Gujarat, electricity demand continued to be subdued over the first half of FY 2020-21 which has impacted the overall demand of electricity and electricity consumption pattern within the category of consumers. The total sales as submitted by the Petitioner have been verified, compared and confirmed with the sale of energy furnished in the monthly return under Form A specified in Rule 6(1) (A) filed by TPL-D (D) with the Collector of Electricity Duty.

4.2.4 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 453.04 MU for FY 2020-21.

4.3 Distribution Losses

4.3.1 TPL-D (D) has submitted that it has been making consistent efforts to curtail the Distribution Losses and consequently outperformed the Distribution Losses approved by the Commission in the MTR Order as given in the Table below:

TABLE 4-2 DISTRIBUTION LOSSES FOR FY 2020-21 AS SUBMITTED BY TPL-D (D)

Category	Approved in MTR Order	Actuals Claimed
Distribution Losses (%)	2.00%	0.49%

4.3.1 TPL-D (D) has submitted that the variation in the distribution loss compared to the approved value maybe considered accordingly.

Commission's Analysis:

4.3.2 The Distribution Losses as claimed by TPL-D (D) at 0.49% is approved for the purpose of true-up of FY 2020-21. 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 0.49% for Truing up for FY 2020-21.

4.4 Energy Requirement

Petitioner's Submission:

4.4.1 The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales and the Transmission & Distribution Losses. The total energy requirement was met through various sources. The actual energy requirement for FY 2020-21 and as approved in the MTR Order are given in the Table below:

TABLE 4-3 ENERGY REQUIREMENT FOR FY 2020-21 FOR TPL-D (D)

Particulars	Approved in MTR Order	Actuals Claimed
Energy Sales (MU)	488.95	453.04
Distribution Loss (%)	2.00%	0.49%
Distribution Loss (MU)	9.98	2.25
Energy Input at Distribution Level (MU)	498.93	455.28
Transmission Loss (MU)	18.29	13.35
Energy Requirement	**517.22**	**468.64**

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

Commission's Analysis:

4.4.3 The Commission has approved the Distribution Losses at 0.49% for FY 2020-21. The Commission computed the energy requirement with Distribution Losses of 0.49% (2.25 MUs) and Transmission Losses of 13.35 MUs for FY 2020-21 based on actuals as given in the Table below:

TABLE 4-4 APPROVED ENERGY REQUIREMENT FOR FY 2020-21 OF TPL-D (D)

Particulars	Approved in MTR Order	Claimed by Petitioner	Approved by Commission
Energy Sales (MU)	488.95	453.04	453.04
Distribution Loss (%)	2.00%	0.49%	0.49%
Distribution Loss (MU)	9.98	2.25	2.25
Energy Input at Distribution Level (MU)	498.93	455.28	455.28
Transmission Loss (MU)	18.29	13.35	13.35
Energy Requirement	**517.22**	**468.64**	**468.64**

4.4.4 The actual energy requirement is lower than that was approved in the MTR Order due to lower than approved sales. The Commission approves total energy requirement of 468.64 MUs for Truing up for FY 2020-21.

4.5 Power Purchase Cost

Petitioner's Submission:

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

TABLE 4-5 ENERGY AVAILABILITY (NET) FOR FY 2020-21 FOR DAHEJ *(IN MU)*

Particulars	Approved in MTR Order	Actuals Claimed
Bilateral/Power Exchange	436.29	439.70
Renewable Energy	80.94	31.97
Subtotal	517.23	471.67
Add: Sales of Surplus Power/UI	-	(3.04)
Total	517.23	468.64

4.5.2 TPL-D (D) has submitted the actual power purchase cost for FY 2020-21 as provided in the Table below.

Table 4-6 Power Purchase Cost claimed for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in the MTR Order	Actual Claimed
Bilateral/ Power Exchange	147.21	170.57
Renewable Energy	30.64	18.21

Particulars	Approved in the MTR Order	Actual Claimed
Total Power Purchase Cost	177.89	188.78

4.5.3 TPL-D (D) has submitted that the variation in the power purchase cost from the MTR 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. 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 like O & M expenses.

4.5.4 The Petitioner has submitted that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulations 2010 specifies the Renewable Power Purchase Obligation (RPPO). Subsequently, the Commission vide notification no. 1 of 2018 notified the GERC (Procurement of Energy from Renewable Source) (Second Amendment) Regulations, 2018 specifying the RPO target for the period FY 2017-18 to FY 2020-21. The Petitioner has made all efforts to fulfil its RPPO.

4.5.5 The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2020-21 is as under:

Table 4-7 Renewable Power Purchase Obligation claimed for FY 2020-21 ***(in MU)***

Particulars	Actual Claimed
Energy Requirement	468.64
RE Procurement	
Wind energy to be procured (@8.15%)	38.19
Solar energy to be procured (@6.75%)	31.63
Biomass/Bagasse/Others (@0.75%)	3.51
Total (15.65%)	73.34
Compliance (Non-Solar)	
Wind	23.03
Non-Solar REC	-
Compliance	23.03

Particulars	Actual Claimed
Compliance (as % of Energy Requirement)	4.92%
Compliance (Solar energy)	
Solar	11.23
Solar-REC	-
Compliance	11.23
Compliance (as % of Energy Requirement)	2.40%

4.5.6 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 2020-21 in accordance with the RPO Regulations vide its petition no. 2021 of 2021.

Commission's Analysis:

4.5.7 The Commission has noted that the Petitioner has purchased 468.63 from bilateral, Power Exchange and Renewable sources and also 3.04 MU under UI to meet the energy requirement for sale to consumers. The Commission, accordingly, approves the total power purchase quantity of 468.63 MU for truing-up for FY 2020-21.

4.5.8 As verified from the Annual Audited Accounts for FY 2020-21, TPL-D (D) has incurred power purchase cost of Rs. 188.78 Crore during FY 2020-21. The same has also been verified from the quarterly FPPPA submissions.

4.5.9 TPL-D (D) has purchased bilateral power at an average rate of Rs. 3.91/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. 3.77 per kWh as submitted in Form F2.

4.5.10 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.

4.5.11 The Commission, accordingly, approves total power purchase cost of Rs. 188.78 Crore for Truing up for FY 2020-21.

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

Table 4-8 Gain/(Loss) on account of Power Purchase Cost for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
Power Purchase Cost	177.89	188.78	(10.89)	-	(10.89)

4.6 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

4.6.1 TPL-D (D) has claimed Rs. 9.63 Crore towards O&M expenses as against the total O&M expenses of Rs. 7.03 Crore approved for FY 2020-21 in the MTR Order as detailed in the Table below:

Table 4-9 O&M expenses claimed by TPL-D (Dahej) for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Claimed by Petitioner
Operation & Maintenance Expenses	7.03	9.63

4.6.2 The Petitioner has submitted that increase in O&M is due to increase in network and the SEZ is in development stage and demand is yet to stabilize and stated 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:

4.6.3 TPL-D (D) has submitted the actual O&M expenses at Rs. 9.63 Crore inclusive of impact of "Re-measurement of Defined Benefit Plans" of Rs. 0.01 Crore in the truing- up for FY 2020-21. It is observed that as per Annual Accounts the O&M Expenses are Rs. 9.61 Crore, whereas TPL-D (D) has claimed O&M Expenses of Rs. 9.63 Crore. The head-wise analysis is as under:

4.6.4 The Commission observed that the Employee expenses as per annual accounts are Rs. 2.50 Crore net of expenses capitalized of Rs. 1.79 Crore. The Petitioner has added expense towards Re-measurement of Defined Benefit Plans of Rs. 0.01 Crore as appearing in P & L Statement. Accordingly, the employee expenses are Rs. 2.51 Crore.

4.6.5 A&G expense as per annual accounts are Rs. 4.73 Crore after netting off expenses capitalized of Rs. 0.11 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. 4.74 Crore.

4.6.6 The Petitioner has claimed R & M expense of Rs. 2.38 Crore as per annual actual incurred duly verified by the Commission from Annual Audited Accounts. The Commission accordingly approves R & M expense of Rs. 2.38 Crore.

4.6.7 The Commission, accordingly, approves the O&M expenses of Rs. 9.63 Crore, for truing up of FY 2020-21.

4.6.8 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 4-10 O&M Expenses and Gains / (Losses) Approved for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
O&M Expenses	7.03	9.63	(2.60)	-	(2.60)

4.7 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

4.7.1 TPL-D (D) has claimed Rs. 6.47 Crore towards actual capital expenditure for FY 2020-21, as against Rs. 8.42 Crore approved in the MTR Order. The main reason for variation in actual vis-à-vis approved capital expenditure is on account of lower number of 11kV consumers addition during FY 2020-21, deferred capex planned towards Advanced Metering Infrastructure etc. Summary of capital expenditure incurred during FY 2020-21 is tabulated as under;

Table 4-11 Capital Expenditure Claimed by TPL-D (D) For FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Claimed by Petitioner
EHV	4.33	2.57
HT Network	1.53	0.54
LT Network	0.46	0.17
Metering	0.04	0.03
Special Projects	1.57	2.08
Customer Care & IT	0.07	0.16
Others	0.42	0.92
Total Cost	8.42	6.47

a) **<u>EHV:</u>** The Hon'ble Commission had approved the expenditure of Rs. 4.33 Crore for 220 kV & 33 kV substation and network alongwith testing & measuring instrument. The actual expenditure incurred during the year was Rs. 2.57 Crore mainly towards commissioning of one number of 33 kV customer, power transformer augmentation, and testing & measuring instrument.

b) **<u>HT Network:</u>** The Hon'ble Commission had approved an expenditure of Rs. 1.53 Crore whereas the actual expenditure incurred was Rs. 0.54 Crore. The variation is mainly on account of development of lower number of 11 kV customers added.

c) **<u>LT Network:</u>** The Hon'ble Commission had approved an expenditure of Rs. 0.46 Crore whereas the actual expenditure incurred was Rs. 0.17 Crore. The variation is on account of lower number of LT customers added than anticipated.

d) **<u>Metering:</u>** The Hon'ble Commission had approved an expenditure of Rs. 0.04 Crore whereas the actual expense incurred was Rs. 0.03 Crore. The variation is on account of deferment of expenditure towards Advanced Metering Infrastructure.

e) **<u>Special Projects:</u>** The Hon'ble Commission had approved an expenditure of Rs. 1.57 Crore whereas the actual expense incurred was higher due to expenditure incurred for 11kV feeder automation.

f) **<u>Customer Care & IT:</u>** The Hon'ble Commission had approved an expenditure of Rs. 0.07 Crore whereas actual expenditure incurred during the year was Rs. 0.16 Crore towards computer hardware and software (SAP).

4.7.2 TPL-D (D) has claimed actual capitalisation of Rs. 8.23 Crore for FY 2020-21, as against Rs. 8.42 Crore approved in MTR Order as shown in table below;

TABLE 4-12 CAPITALISATION CLAIMED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed by Petitioner
Opening GFA	178.87	173.97
Addition to GFA	8.42	8.23
Deletion to GFA	-	0.62
Closing GFA	187.29	181.58
SLC addition	0.82	2.28

Commission's Analysis:

4.7.3 The Petitioner has claimed CAPEX of Rs. 6.47 Crore in truing-up of FY 2020-21, against the CAPEX of Rs, 8.42 Crore approved in MTR Order. The Commission has observed that according to the audited annual accounts for FY 2020-21, the Capex is at Rs. 6.29 Crore. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 8.23 Crore with details of Opening CWIP as on 1st April 2020, CAPEX during the year and Closing CWIP as on 31st March 2021 in form 4.3 of the petition.

4.7.4 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.

4.7.5 The Commission sought for additional information regarding difference in the CAPEX during the FY 2020-21 and capitalization against the approval of the Commission in MTR Order. With reference to the Commission's query regarding detailed information for the deviation in CAPEX from the approved plan as per MTR Order, the Petitioner has submitted the details. The Petitioner has furnished the detailed project/scheme-wise explanation of the major capital expenditure incurred and capitalisation during FY 2020-21 as deliberated under Petitioner's submission and the same is not repeated here due to brevity.

Table 4-13 Approved CAPEX and Capitalization for FY 2020-21 ***(Rs. Crore)***

Project Title	Capex proposed for FY 2020-21 in MTR petition	Capex approved for FY 2020-21 in MTR order	Capex claimed and approved in truing up for FY 2020-21	Capitalisation proposed for FY 2020-21 in MTR petition	Capitalisation approved for FY 2020-21 in MTR order	Capitalisation claimed and approved in truing up for FY 2020-21	Difference approved & actual capitalisation for FY 2020-21
A	B	C	D	E	F	G	H=(F-G)
EHV	4.33	4.33	2.57	4.33	4.33	4.11	0.22
HT Network	1.53	1.53	0.54	1.53	1.53	0.61	0.92
LT Network	0.46	0.46	0.17	0.46	0.46	0.17	0.29
Metering	0.04	0.04	0.03	0.04	0.04	0.03	0.01
Special projects	1.57	1.57	2.08	1.57	1.57	2.08	(0.51)
Customer care & IT	0.07	0.07	0.16	0.07	0.07	0.16	(0.09)

Project Title	Capex proposed for FY 2020-21 in MTR petition	Capex approved for FY 2020-21 in MTR order	Capex claimed and approved in truing up for FY 2020-21	Capitalisation proposed for FY 2020-21 in MTR petition	Capitalisation approved for FY 2020-21 in MTR order	Capitalisation claimed and approved in truing up for FY 2020-21	Difference approved & actual capitalisation for FY 2020-21
Others	0.42	0.42	0.92	0.42	0.42	1.06	(0.64)
Total	**8.42**	**8.42**	**6.47**	**8.42**	**8.42**	**8.23**	**0.20**

4.7.6 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. 3.02 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 2.34 Crore only towards commissioning of one 33kV customer, power transformer augmentation, testing and measuring instrument. Capex relating other works, the Petitioner has incurred Rs. 0.23 Crore against the capex of Rs. 1.31 Crore approved in MTR order, which is on account of incurring capex towards centralized material handling building with material storage facility along with civil works. In respect of other projects, the CAPEX incurred is in line with the CAPEX as approved in MTR order.

4.7.7 The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 6.47 Crore during FY 2020-21.

4.7.8 The Commission based on the audited annual accounts of FY 2020-21 has considered the opening CWIP, capex and capitalisation during the year and closing CWIP in true up for FY 2019-20 as given in the table below:

Table 4-14 CWIP approved in true up for FY 2020-21 for TPL-D (D) ***(Rs. Crore)***

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	1.77
2	Capex during the year	6.47
3	Less: Capitalisation	8.23
4	Closing CWIP (1+2-3)	-

4.7.9 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.

4.7.10 The Petitioner has considered opening GFA for FY 2020-21 at Rs. 173.97 Crore based on the closing GFA approved in truing up for FY 2019-20, the same is being considered by the Commission.

4.7.11 TPL-D (D) has de-capitalised assets to the extent of Rs. 8.23 Crore during FY 2020-21. However, it is observed that deductions from GFA is at Rs. 0.55 crore as per (Note 4.1) of the audited annual accounts for FY 2020-21. 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. Hence, the Commission considers de-capitalised assets at Rs. 0.62 Crore and accordingly adjustments made to GFA in truing up for FY 2020-21.

4.7.12 The Commission accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2020-21 as tabulated below:

Table 4-15 Approved Capitalisation for FY 2020-21 *(Rs. Crore)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	173.97	173.97
Addition to GFA	8.23	8.23
Deletion to GFA	0.62	0.62
Closing GFA	181.58	181.58
Less: SLC Addition	2.28	2.28
Balance Capitalisation	5.94	5.94
Normative Debt @70%	4.16	4.16

Particulars	Claimed by Petitioner	Approved by Commission
Normative Equity @30%	3.38	1.78

4.8 Depreciation

Petitioner's Submission:

4.8.1 TPL-D (D) has claimed a sum of Rs. 6.70 Crore towards depreciation in the truing up for FY 2020-21 as against Rs. 6.19 Crore approved in the MTR Order as shown in the Table below:

TABLE 4-16 DEPRECIATION CLAIMED BY TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed by Petitioner
Depreciation	6.19	6.70

4.8.2 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 2020-21. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's Analysis:

4.8.3 The Commission has verified the depreciation from the annual accounts for FY 2020-21 and observed that depreciation as per annual accounts is Rs. 8.53 Crore. However, the Petitioner has claimed depreciation of Rs. 6.70 Crore in truing up for FY 2020-21 as it has added leased land depreciation of Rs. 0.19 Crore and deducted an amount of Rs. 1.83 Crore on assets funded through service line charges.

4.8.4 The Commission has addressed the Petitioner to furnish the details for the discrepancy against which the Petitioner has reported that the amount represents amortisation of lease value of RoU asset proportionate to tenure of the lease period. The Commission accordingly considered Rs. 0.19 Crore as part of the depreciation in truing up for FY 2020-21.

4.8.5 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. 6.70 Crore for FY 2020-21. The Commission has approved depreciation at Rs. 6.19 Crore in MTR Order. The deviation of Rs. 0.51 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 2020-21, as detailed in the Table below:

Table 4-17 Depreciation and Gains/Losses approved for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	6.19	6.70	(0.51)	(0.51)

4.9 Interest Expenses

Petitioner's Submission:

4.9.1 TPL-D (D) has claimed a sum of Rs. 4.20 Crore towards actual interest and finance expenses for FY 2020-21 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.

4.9.2 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. 0.16 Crore after considering depreciation on account of deduction of Rs. 0.27 Crore and reduction in equity of Rs. 0.19 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 4-18 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed by Petitioner
Opening Balance	61.39	54.33
Less; reduction of normative loan due to retirement	-	0.16
Addition of Loan	5.32	4.17
Repayment during year	6.19	6.70
Closing Balance	60.52	51.63
Average Loan	60.96	52.98
Weighted average rate of interest (%)	8.55%	7.85%
Interest Expenses	5.21	4.16
Other Borrowing Costs	-	0.04

Commission's Analysis:

4.9.3 The Commission has considered opening loan balance as on 01.04.2020 equal to the closing loan balance of Rs. 54.33 Crore approved in truing up FY 2019-20. Addition to loan during the year is considered at 70% of net value of assets added during the year and repayment is considered equal to the depreciation for the year.

4.9.4 As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, the Commission has verifies the weighted average rate of interest on basis of actual loan portfolio during the year.

4.9.5 Accordingly, based on the actual capitalization achieved by TPL-D (D) during FY 2020-21 and the approved normative borrowings considering the interest rate of 7.85%, the Commission has computed the interest, as tabulated below;

TABLE 4-19 INTEREST APPROVED BY THE COMMISSION FOR FY 2020-21 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved in Truing-Up

Opening Balance	54.33	54.33
Less: reduction of normative loan due to retirement	0.16	0.16
Addition of Loan	4.17	4.17
Repayment during year	6.70	6.70
Closing Balance	51.63	51.63
Average Loan	52.98	52.98
Weighted average rate of interest (%)	7.85%	7.85%
Interest Expenses	4.16	4.16
Other Borrowing Costs	0.04	0.04

4.9.1 The Commission sought information on reconciliation of other borrowing cost against which the Petitioner has submitted the other borrowing cost of Rs. 0.02 Crore and amortisation of borrowing cost of Rs. 0.05 Crore reported in Note 29 of Annual Accounts, based on which the Petitioner has claimed other borrowing cost of Rs. 0.04 Crore, after deducting Rs. 0.03 Crore against amortisation for FY 2015-16. The Commission accordingly approves the other borrowing cost of Rs. 0.04 Crore based on the annual accounts.

4.9.2 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.

4.9.3 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."

4.9.4 The Commission, accordingly, approves the gains/losses on account of interest and finance charges as uncontrollable for FY 2020-21, as tabulated below;

TABLE 4-20 GAINS / (LOSSES) APPROVED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	5.21	4.20	1.02	1.02

4.10 Interest on Security Deposit

Petitioner's Submission:

4.10.1 The Petitioner has claimed Rs. 1.75 Crore towards interest on security deposit in truing-up for FY 2020-21 as against Rs. 2.32 Crore approved in the MTR Order. The Commission in the MTR Order had approved the interest on security deposit for the Petitioner considering 6.25% interest rate on the average estimated balance of security deposit for FY 2020-21.

4.10.2 The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 4.65% paid to consumers based on Bank Rate is submitted in the Table below:

TABLE 4-21 INTEREST ON SECURITY DEPOSIT CLAIMED BY TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed by Petitioner
Interest Rate	6.25%	4.65%
Interest on Security Deposit	2.32	1.75

4.10.3 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:

4.10.4 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. 1.75 Crore for FY 2020-21. The deviation of Rs. 0.57 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

Table 4-22 Gains/Losses approved for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in the MTR Order	Approved in Truing-Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	2.32	1.75	0.57	0.57

4.11 Interest on Working Capital

Petitioner's Submission:

4.11.1 TPL-D (D) has arrived at working capital requirement as per GERC (MYT) Regulations, 2016. As the working capital requirement is negative, the Petitioner has claimed NIL amount towards interest on working capital for FY 2020-21 as tabled below;

Table 4-23 Interest on Working Capital Claimed for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Claimed By Petitioner
O&M Expenses for 1 Month	0.59	0.80
1% of GFA for maintenance spares	1.75	1.74
Receivables for 1 month	16.78	17.57
Less: Security Deposit	37.15	37.41
Working Capital Requirement	-	-
Rate of Interest (%)	10.65%	9.57%
Interest on Working Capital	-	-

Commission's Analysis:

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

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

TABLE 4-24 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	0.80	0.80
1% of GFA for maintenance spares	1.74	1.74
Receivables for 1 month	17.57	17.64
Less: Security Deposit	37.41	37.41
Working Capital Requirement	-	-
Rate of Interest (%)	9.57%	9.57%
Interest on Working Capital	-	-

4.11.4 As indicated above, the Commission, accordingly, approves the interest on working capital as NIL for FY 2020-21.

4.12 Return on Equity

Petitioner's Submission:

4.12.1 TPL-D (D) has claimed a sum of Rs. 5.99 Crore towards return on equity for FY 2020-21, as against Rs. 6.42 Crore approved in MTR Order, TPL-D (D) further submits that closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year, as tabled below;

TABLE 4-25 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed By Petitioner
Opening Equity	44.74	41.96
Equity Addition	2.28	1.79
Reduction in equity on account of retirement	-	0.19
Closing Equity	47.02	43.56
Return on Equity at beginning of year	*6.26*	*5.88*
Return on Equity addition during year	*0.16*	*0.11*
Total Return on Equity	6.42	5.99

Commission's Analysis:

4.12.2 The Commission has considered opening equity as on 01.04.2020 equal to closing equity of FY 2019-20 as approved in truing-up and the additional equity is considered @30% of the value of net asset addition as approved above.

4.12.3 During the year net asset addition is at Rs. 5.94 Crore and the equity at 30% works out to Rs. 1.78 Crore. Further during the year deletion from GFA is at Rs. 0.62 Crore and accordingly, reduction in equity is considered at Rs. 0.19 Crore being 30% of the asset reduction. Thus, the net equity addition is considered at Rs. 1.60 Crore during FY 2020-21 in truing up.

4.12.4 The Commission, accordingly, approves the return on equity for FY 2020-21 as detailed below;

TABLE 4-26 RETURN ON EQUITY APPROVED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	41.96	41.96
Equity Addition	1.78	1.78
Reduction in equity on account of retirement	0.19	0.19
Closing Equity	43.56	43.56
Return on Equity at beginning of year	*5.88*	*5.88*
Return on Equity addition during year	*0.11*	*0.11*
Total Return on Equity	5.99	5.99

4.12.5 The Commission, accordingly, approves the gains/(losses) on account of return on equity for FY 2020-21 as tabulated below:

TABLE 4-27 RETURN ON EQUITY AND GAINS/(LOSSES) APPROVED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	6.42	5.99	0.44	0.44

4.13 Income Tax

Petitioner's Submission:

4.13.1 TPL-D (D) has submitted that it has claimed the income tax considering the total tax paid for TPL as a whole and the ratio of PBT of TPL-D (A) and PBT of the company as a whole as per the annual accounts. TPL-D (D) has claimed NIL amount towards income tax for FY 2020-21, as against NIL approved in MTR Order as detailed below;

TABLE 4-28 INCOME TAX CLAIMED FOR TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Claimed By Petitioner
Income Tax	-	-

Commission's Analysis:

4.13.2 The Commission has verified the same accordingly, approves NIL amount towards income tax paid for FY 2020-21.

4.14 Bad Debts Written Off

Petitioner's Submission:

4.14.1 TPL-D (D) has submitted that it has not write off any bad debts during FY 2020-21 as compared to approved NIL vide MTR Order.

Commission's Analysis:

4.14.2 The Commission, accordingly, approves NIL amount towards the bad debts written off for FY 2020-21.

4.15 Contingency Reserve

Petitioner's Submission:

4.15.1 The Commission had allowed contingency reserve of Rs. 0.89 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. 0.87 Crore for FY 2020-21.

Commission's Analysis:

4.15.2 The proposed contingency reserve is consistent with the GERC (MYT) Regulations, 2016. Accordingly, the Commission approves Rs. 0.87 Crore towards contingency reserve for FY 2020-21.

4.16 Non-Tariff Income

Petitioner's Submission:

4.16.1 The Commission had approved Non-Tariff Income of Rs. 4.54 Crore for FY 2020-21 in MTR Order and the actual Non-Tariff Income considered is Rs. 3.08 Crore for truing up as given in the table below:

Table 4-29 Non-Tariff Income claimed for FY 2020-21 *(Rs. Crore)*

Particulars	Approved in MTR Order	Claimed By Petitioner
Non-Tariff Income	4.54	3.08

4.16.2 The Petitioner has submitted that the non-tariff income is uncontrollable and requested to allow variation in Non-Tariff Income as uncontrollable for the purpose of truing up.

Commission's Analysis:

4.16.3 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.

4.16.4 The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2020-21 is Rs. 3.08 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 4.92 Crore. The Petitioner has reduced the Amortisation of Deferred Revenue (Rs. 1.83 Crore) and delayed payment charges of Rs. 0.01 Crore in the Non-Tariff Income to arrive at claimed figure of Rs. 3.08 Crore.

TABLE 4-30 NON-TARIFF INCOME AND GAINS/(LOSSES) APPROVED FOR FY 2020-21 *(RS. CRORE)*

Particulars	Approved in MTR Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	4.54	3.08	1.46	1.46

4.17 Revenue from Sale of Power

Petitioner's Submission:

4.17.1 The Petitioner has submitted Rs. 210.87 Crore as revenue from sale of power in the truing up for FY 2020-21.

Commission's Analysis:

4.17.2 The Petitioner in Form 10 of the petition has furnished the revenue from sale of power as Rs. 210.87 Crore. Further, the Commission noted that TPL-D(D) has waived Demand/ Fixed Charges of Rs. 0.81 Crore for consumers under Relief announced by the GoG due to COVID-19. Hence, the actual revenue for FY 2020-21 is lesser to that extent. The utility has claimed this revenue loss from the ARR. The GR announced by the State Government clearly says that the DISCOMs shall bear the loss on account of such relief. Hence, the utility has to bear such revenue loss. If the revenue loss is passed on to the consumers, then it would amount to the relief announced by the GoG earlier being reversed/negated. Accordingly, the Commission has approved a sum of Rs. 211.68 Crore for truing up for FY 2020-21.

4.17.3 Therefore, the Commission has considered overall revenue from sale of power during FY 2020-21 to the tune of Rs. 211.68 Crore.

4.18 Gains/(Losses) under truing-up for FY 2020-21

Petitioner's Submission:

4.18.1 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 2020-21 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 4-31 CONTROLLABLE & UNCONTROLLABLE VARIATIONS FOR FY 2020-21 CLAIMED *(RS. CRORE)*

Particulars	MTR Order	Actual	Approved	Deviation	Controllable	Uncontrollable
Power Purchase	177.89	188.78	188.78	(10.89)	-	(10.89)
O&M Expense	7.03	9.63	9.63	(2.60)	-	(2.60)
Interest on Loans	5.21	4.20	4.20	1.02	-	1.02
Interest on Security Deposit	2.32	1.75	1.75	0.57	-	0.57
Interest on Working Capital	-	-	-	-	-	-
Depreciation	6.19	6.70	6.70	(0.51)	-	(0.51)
Bad Debts written off	-	-	-	-	-	-
Contingency reserve	0.89	0.87	0.87	0.02	-	0.02
Return on Equity	6.42	5.99	5.99	0.44	-	0.44
Income Tax	-	-	-	-	-	-

Particulars	MTR Order	Actual	Approved	Deviation	Controllable	Uncontrollable
Less: Non-Tariff Income	4.54	3.08	3.08	1.46	-	1.46
Net ARR	**201.42**	**214.83**	**214.83**	**(13.41)**	**-**	**(13.41)**

Commission's Analysis:

4.18.2 The Commission has reviewed the performance of TPL-D (D) under Regulation 22 of the GERC (MYT) Regulations, 2016, for FY 2020-21. The Commission has computed the gains/(losses) for FY 2020-21 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 MTR, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016 as given in the Table below:

Table 4-32 ARR approved in respect of TPL-D (D) in the truing up for FY 2020-21 *(Rs. Crore)*

Particulars	MTR Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase	177.89	188.78	(10.89)	-	(10.89)
O&M Expense	7.03	9.63	(2.60)	-	(2.60)
Interest on Loans	5.21	4.20	1.02	-	1.02
Interest on Security Deposit	2.32	1.75	0.57	-	0.57
Interest on Working Capital	-	-	-	-	-
Depreciation	6.19	6.70	(0.51)	-	(0.51)
Bad Debts written off	-	-	-	-	-
Contingency reserve	0.89	0.87	0.02	-	0.02
Return on Equity	6.42	5.99	0.44	-	0.44
Income Tax	-	-	-	-	-
Less: Non-Tariff Income	4.54	3.08	1.46	-	1.46
Net ARR	**201.42**	**214.83**	**(13.41)**	**-**	**(13.41)**

4.19 Sharing of Gains/Losses for FY 2020-21

4.19.1 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."

4.19.2 The trued-up ARR for FY 2020-21 as claimed by TPL-D (D) and as approved by the Commission is summarized in the table below:

TABLE 4-33 APPROVED TRUED UP ARR INCL. GAINS/(LOSSES) FOR FY 2020-21 ***(RS. CRORE)***

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per MTR	201.42	201.42
Gains/(Losses) due to Uncontrollable Factors	(13.41)	(13.41)
Gains/(Losses) due to Controllable Factors	-	-
Pass through as Tariff	13.41	13.41
ARR True-Up	**214.83**	**214.83**

4.19.3 The Petitioner has requested the Commission to consider an amount of Rs. 0.93 Crore as surplus recovered revenue towards earlier years, approved as per the Commission's Orders dated 31st March 2020. However, as the Commission has observed that the aforementioned amount includes the carrying cost which has already been allowed in the Tariff Order for FY 2020-21 on the unrecovered gap for past years therefore, the Commission accordingly considers the earlier recovery as follows:

Table 4-34 Recovery of earlier year's approved (Gap)/Surplus ***(Rs. Crore)***

Particulars	Approved (Rs. Crore)
Recovery of earlier year's payment	

Particulars	Approved (Rs. Crore)
(Gap)/Surplus of FY 2018-19	5.41
APTEL Judgement in A. No. 257/2016	(7.12)
Delayed Payment Charges for FY 2016-17& FY 2017-18	(0.01)
Total amount towards earlier recovery (A)	**(1.72)**
Carrying Cost on earlier Recovery	
Carrying cost for FY 2018-19 (on Rs. 5.41 Crore)	0.91
Carrying cost for FY 2016-17	1.25
Carrying cost (earlier year's)	0.50
Total Carrying Cost on Earlier Recovery (B)	**2.66**
Total revenue towards recovery of earlier year's	**0.94**

4.19.4 Accordingly, the Commission has considered the revenue towards earlier year's recovery of Rs. 0.94 Crore for FY 2020-21 as already been approved for truing-up purpose on account of previous years revenue (gap)/surplus while computing the actual net revenue (gap)/surplus for FY 2020-21 for truing-up purpose.

TABLE 4-35 APPROVED REVENUE GAP FOR TPL-D (D) FOR FY 2020-21 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Trued-Up ARR	214.83	214.83
Revenue from Sale of Power	210.87	211.68
Less: Revenue toward recovery of earlier year	(0.93)	(0.94)
Balance Revenue	211.80	212.61
(Gap)/Surplus	(3.03)	(2.21)

Chapter 5: ARR and Tariff Determination for FY 2022-23

5.1 Introduction

5.1.1 This chapter deals with the ARR determination 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.

5.2 Energy Sales to Consumers

Petitioner's Submission:

5.2.1 TPL-D (D) has submitted that the license area of Dahej SEZ is still in developmental phase and industrial development is likely to proceed gradually. Therefore, it is difficult to make accurate sales forecasts based on statistical method. In turn, the Petitioner has endeavoured to relate the various factors and available information to estimate the sales projections.

5.2.2 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.

5.2.3 Considering growth in demand and trend of load factor, the sales projection has been done for FY 2022-23. 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 experience. Based on the above factors the Category wise Sales MUs Projection for FY 2022-23 is as under:

TABLE 5-1 CATEGORY WISE SALES FOR TPL-D (D) ***(IN MU)***

Category	FY 2022-23
RGP	-
Non-RGP	0.57
LTMD	0.66
HTP-I	647.95
HTP-II	1.10
HTP-III	0.08
Others	0.54
Total Sales	**650.92**

Commission's Analysis:

5.2.4 The Commission has analysed category-wise historical sales.

Table 5-2Historical data for Energy Sales for TPL-D (D) ***(in MU)***

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
HT Category					
HTP 1	218.16	303.66	421.75	474.03	450.22
HTP 2	0.38	0.47	0.51	0.88	1.19
HTP 3	21.83	6.03	2.01	3.82	0.18
Low Voltage Category					
LTMD	0.55	0.53	0.57	0.57	0.55
NRGP	0.49	0.54	0.50	0.48	0.46
STLGHT	0.27	0.26	0.22	0.24	0.12
TMPLT	0.43	0.39	0.59	0.47	0.20
WWSP				0.12	0.11
Total	242.10	311.86	426.15	480.60	453.03

5.2.5 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.

5.2.6 Therefore, the Commission, accordingly, approves the category-wise sales for FY 2022-23 to the tune of 650.92 MU.

5.3 Distribution Losses

5.3.1 The Petitioner submitted that the Commission in its order dated 24th September 2021 has directed the utilities to consider principles and methodology as provided in the MYT Regulations, 2016. In its Order dated 9th June 2017 for ARR for FY 2016-17 to FY 2020-21, the Commission has stipulated Distribution Loss of 2.00%. Accordingly, the Petitioner has considered the same principle for projecting the Distribution loss for FY 2022-23.

Table 5-3 Distribution Losses for FY 2022-23 as submitted by TPL-D (D)

Category	Projected by Petitioner
Distribution Losses (%)	2.00%

Commission's Analysis:

5.3.2 The Commission notes the increase in projected distribution losses from the levels of FY 2019-20 as claimed by TPL and the reasons given thereof.

Table 5-4 Historical data for Distribution Loss in Dahej Supply Area

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Distribution Loss (%)	0.53	0.40	0.35	0.31	0.49

5.3.3 The Commission has reviewed the historical distribution loss and decides to consider the best of two distribution loss level from actuals @0.49% for FY 2020-21 and approved for FY 2021-22 @0.43%. Thus, the Commission approves distribution loss level at 0.43% of TPL-D (D) for FY 2022-23.

5.3.4 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 2022-23.

Table 5-5 Distribution losses approved by the Commission for FY 2022-23

Particulars	Projected by Petitioner	Approved by Commission
Distribution Loss	2.00%	0.43%

5.4 Energy Requirement Petitioner's Submission:

5.4.1 TPL-D (D) has computed energy requirement for FY 2022-23 based on the energy sales forecast considering 2.00% distribution loss. Accordingly, the energy requirement for FY 2022-23 is as under:

TABLE 5-6 ENERGY REQUIREMENT FOR FY 2022-23 FOR TPL-D (D) *(IN MU)*

Particulars	Projected by Petitioner
Energy Sales (MU)	650.92
Distribution Loss (%)	2.00%
Distribution Loss (MU)	13.28
Energy Input at Distribution Level (MU)	664.20
Transmission Loss (MU)	21.81
Total Energy Requirement	**686.01**

Commission's Analysis:

5.4.2 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 2.85% as approved for FY 2020-21 to arrive at Energy Requirement for FY 2022-23 as given in the table below;

TABLE 5-7 ENERGY REQUIREMENT APPROVED BY THE COMMISSION FOR FY 2022-23

Particulars	Projected by Petitioner	Approved by Commission
Energy Sales (MU)	650.92	650.92
Distribution Loss (%)	2.00%	0.43%
Distribution Loss (MU)	13.28	2.81

Particulars	Projected by Petitioner	Approved by Commission
Energy Input at Distribution Level (MU)	664.20	653.73
Transmission Loss (%)	-	2.85
Transmission Loss (MU)	21.81	19.17
Energy Requirement (A)	**686.01**	**672.90**

5.5 Energy Availability

Petitioner's Submission:

5.5.1 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 which was commissioned in FY 2014-15. 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 2022-23. Therefore, the Petitioner has proposed to source power from bilateral sources/power exchange to fulfil the power requirement of the SEZ during the control period.

5.5.2 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 2022-23 from the tied-up capacities of RE Power.

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

Table 5-8 Energy Availability as projected by Petitioner for FY 2022-23 *(in MU)*

Particulars	Projected by Petitioner
Bilateral	525.60
IEX	112.08
Renewable Energy	48.33
Total	686.01

Commission's Analysis:

5.5.4 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.

5.5.5 In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its Amendment in 2018, 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 2022-23 is 8.75% from Wind, 8.25% from Solar.

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

TABLE 5-9 APPROVED ENERGY AVAILABILITY FOR FY 2022-23 FOR TPL-D (D) *(IN MU)*

Particulars	Projected by Petitioner	Approved by Commission
Bilateral	525.60	446.43
IEX	112.08	112.08
Renewable Energy	48.33	114.39
Total	**686.01**	**672.90**

5.6 Power Purchase Cost

Petitioner's Submission:

5.6.1 The Petitioner has submitted that based on the energy quantum estimated in table above, 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.

5.6.2 The power purchase cost projected by the Petitioner is as given in the table below.

TABLE 5-10 POWER PURCHASE COST PROJECTED BY TPL-D (D) FY 2022-23 *(RS. CRORE)*

Particulars	Projected by Petitioner
Bilateral	210.24
Power Exchange	44.83
Renewables	23.07
Total	**278.14**

Commission's Analysis:

5.6.3 As regards renewable energy power, TPL–D (D) has submitted the details of tied up sources, according to which only 7.05% RPO fulfilment is being projected by the Petitioner at 48.33 MU. However, the Commission has considered the 17% RPO target of 114.39 MU to be fulfilled at the approved energy requirement of 672.90 MU. The Commission has considered the cost of Purchase of balance requirement of Renewable energy to meet RPO requirement @4.02/kWh at the Green Market Power Price for FY 2022-23 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.

5.6.4 The Commission has considered these rates for determination of power purchase from Bilateral and IEX @Rs. 4.00/kWh as per the latest market conditions for FY 2022-23.

5.6.5 The Commission has net off the incremental renewable energy requirement for RPO fulfilment from the energy scheduled of bilateral arrangement.

5.6.6 Considering above, the total procurement cost for power from different sources for TPL-D (D) during FY 2022-23 works out as given in the table below:

TABLE 5-11 APPROVED POWER PURCHASE COST OF TPL-D FOR FY 2022-23

Energy Sources	Projected by Petitioner (Rs. Crore)	Approved by Commission (Rs. Crore)
Bilateral	210.24	178.57
Power Exchange	44.83	44.83
Renewables	23.07	49.63
Total	**278.14**	**273.03**

5.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

5.7.1 TPL-D (D) has submitted that the O&M expenses projections for FY 2022-23 are as per the methodology specified in GERC MYT Regulations, 2016 by considering approved O&M expenses of last three years with FY 2019-20 as base year and escalating by 5.72% per annum.

5.7.2 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. and requested these components of uncontrollable factors and any such expenses on account of these factors are to be allowed over and above the normal allowable components.

TABLE 5-12 O&M EXPENSES CLAIMED BY OF TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner
Operation & Maintenance Expenses	10.51

Commission's Analysis:

5.7.3 The Commission considering the average of actual O&M expenses for FY 2018-19 to FY 2020-21 escalated @5.72% to arrive at O&M expenses at Rs. 10.51 Crore for FY 2022-23. Accordingly, the Commission approves Rs. 10.51 Crore of O&M Expenses for FY 2022-23.

5.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

5.8.1 TPL-D (D) has projected capital expenditure of Rs. 17.16 Crore for FY 2022-23 as per the details given in table below:

TABLE 5-13 CAPITAL EXPENDITURE PROJECTED BY TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner
EHV Network	14.29
HT Network	0.69
LT Network	0.66
Metering	0.40
Customer Care & IT	0.30
Others	0.83
Total Cost	**17.16**

5.8.2 The details of major capital expenditure for FY 2022-23 as submitted by the Petitioner is as following:

a) EHV:

- 220 kV Substation and Network: Cost of replacement of existing SCADA system with latest version which was planned in FY 2021-22 has been deferred to FY 2022-23 based on technical evaluation.
- 220 kV & 33 kV consumers: Capex has been considered towards expected energization of 33 kV consumers during FY 2022-23.
- 33 kV Substation and Network:
  - Augmentation of one 20MVA transformer in West part of Dahej SEZ in FY2022-23 to maintain N-1 facility considering future load growth.
  - Replacement of 33kV switchgear from AIS to GIS towards reliability improvement is planned in FY 2022-23.
- Testing and Measuring Instrument: Considering capex for augmentation in EHV substation, testing equipment, tools & tackles and measuring equipment during FY 2022-23.

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

All Figures in Rs. Crore	FY 2022-23
EHV Network	
220 kV Substation and Network	1.50
220 kV and 33 kV Consumers	8.83
33 kV Substations	3.76
Testing & Measuring Instruments	0.20
Total	14.29

b) HT:

- Cost of laying network for release of new 11kV HT consumers has been considered as per the estimates.
- 11 kV new feeder network considered to mitigate future load growth requirement of surrounding area for FY 2022-23.
- Cost of supporting infrastructure, safety equipment, Tools & tackles is also considered in FY 2022-23.

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

All Figures in Rs. Crore	FY 2022-23
HT Network	
New HT Consumers	0.26
Cable Scheme	0.33
Miscellaneous	0.10
Total	0.69

c) LT network:

- Cost of creating LT network to cater to new LT consumers has been considered as per projection for FY 2022-23.
- Similarly, cost towards augmentation of LT network and replacement of fuse type MSP with switch type MSP for safety and reliability has been considered during the control period.

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

All Figures in Rs. Crore	FY 2022-23
LT Network	
Services on Existing Mains / DE	0.10
Extension / Reduction of Load	0.56
Total	0.66

d) Metering:

- Based on sales and demand projection, number of meters for new consumers & supporting infrastructure has been considered for working out the capex.
- Installation of Smart meters (for whole current Meter) and DLMS meter (for CT operated Meter) as per Ministry of Power notification is proposed during FY 2022-23.

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

All Figures in Rs. Crore	FY 2022-23
Metering	

All Figures in Rs. Crore	FY 2022-23
Normal Load Growth	0.02
Supporting Infrastructure	0.38
Total	0.40

e) Others:

- Customer Care/IT: This includes capex requirements related to hardware replacements & software upgradation, network enhancement and related expenditure.
- Miscellaneous: Cost towards miscellaneous works has been considered during FY 2022-23.
- Other Equipment: During FY 2022-23, expenditure is proposed towards replacement of Equipment including vehicles.
- Civil: Expenditure is proposed to be incurred towards miscellaneous works.

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

All Figures in Rs. Crore	FY 2022-23
Others	
Customer Care/IT	0.30
Other Equipment	0.50
Civil	0.26
Miscellaneous	0.07
Total	1.12

5.8.3 TPL-D (D) has submitted that that prudent CAPEX is planned for development of distribution network in the SEZ area to cater to the demand and provide reliable power to the consumers.

5.8.4 TPL-D (D) submitted that the cost of replacement of existing SCADA system with latest version which was planned in FY 2021-22 has been deferred to FY 2022-23 based on technical evaluation.

5.8.5 Further, the Petitioner has submitted that it has planned to incurred capital expenditure on energization of 33kV consumers including augmentation and replacement of 33kV switchgear from AIS to GIS towards reliability improvement.

Table 5-14 Capitalisation Projected for FY 2022-23 *(Rs. Crore)*

Particulars	Claimed by Petitioner
Opening GFA	190.85
Addition to GFA	17.16
Deletion to GFA	-
Closing GFA	208.01
SLC addition	9.20

Commission's Analysis:

5.8.6 The Petitioner has projected CAPEX of Rs. 17.16 Crore for FY 2022-23 as detailed above and furnished the project/work-wise justification for the capex projected for FY 2022-23.

5.8.7 In order to meet the load growth, system demand and to provide reliable quality supply has provisionally approved the CAPEX for FY 2022-23 as projected by the Petitioner. The Commission, accordingly, approves the Capital expenditure (Capex) at Rs. 17.16 Crore for FY 2022-23.

5.8.8 The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalisation of capex relating schemes as given hereunder:

Table 5-15 Projected Capex, capitalisation by TPL-D (D) for FY 2022-23 *(Rs. Crore)*

Particulars	Capex	Capitalisation	% of Capitalisation To Capex
EHV Network	14.29	14.29	100.00%
HT Network	0.69	0.69	100.00%
LT Network	0.66	0.66	100.00%
Special Projects	-	-	100.00%
Meter Management	0.40	0.40	100.00%

Particulars	Capex	Capitalisation	% of Capitalisation To Capex
Others	1.12	1.12	100.00%
Total Cost	17.16	17.16	100.00%

5.8.9 It is observed by the Commission that average capitalization over approved CAPEX for last four years i.e., from FY 2017-18 to FY 2020-21 works out to 65.70%. The Commission decides to approves the capitalization as computed to the tune of Rs. 11.27 Crore.

5.8.10 The Commission has approved closing GFA at Rs. 181.58 Crore in true up for FY 2020-21 and the same is considered as opening GFA for FY 2021-22. Further, the Commission has considered capitalisation of 7.78 Crore as approved in Tariff Order dated 01.04.2021 for FY 2021-22 and arrived at the closing GFA for FY 2021-22 at Rs. 189.36 Crore and the same is considered as opening GFA for FY 2022-23.

5.8.11 The Commission as deliberated in earlier paragraph has considered the opening GFA, 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 capitalisation is regulated.

5.8.12 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 2022-23:

TABLE 5-16 APPROVED CAPITALISATION FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	190.85	189.36
Addition to GFA	17.16	11.27
Deletion to GFA	-	-

Particulars	Claimed by Petitioner	Approved by Commission
Closing GFA	208.01	200.63
Less: SLC Addition	9.20	9.20
Balance Capitalisation	7.97	2.07
Normative Debt @70%	5.58	1.45
Normative Equity @30%	2.39	0.62

5.9 Depreciation

Petitioner's Submission:

5.9.1 TPL-D (D) has projected Rs. 7.48 Crore towards depreciation for FY 2022-23 based on the projected capitalisation during FY 2022-23.

Commission's Analysis:

5.9.2 The Commission has approved the closing value of depreciable GFA at Rs. 181.58 Crore in truing up for FY 2020-21 and the same is considered as opening depreciable GFA for FY 2021-22. The GFA is further updated with the capitalisation approved for FY 2021-22 in the MTR Order and the addition approved for FY 2022-23.

5.9.3 The rate of depreciation on assets and SLC is considered as per actual of FY 2020-21 and accordingly computed the depreciation for FY 2022-23 as given in the table below:

TABLE 5-17 DEPRECIATION APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Approved by Commission
Opening value of GFA	189.36
Additions during year	11.27
Closing GFA	200.63
Average Depreciable Assets	195.00
Depreciation	9.28
Depreciation created out of SLC	2.17
Depreciation allowed	7.11

5.10 Interest Expenses

Petitioner's Submission:

5.10.1 TPL-D (D) has projected a sum of Rs. 5.54 Crore towards interest and finance expenses for FY 2022-23 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 5-18 INTEREST AND FINANCE CHARGES PROJECTED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner
Opening Balance	48.75
Loan addition during year	5.58
Repayment during year	7.48
Closing Balance	46.85
Average Loan	47.80
Weighted average rate of interest (%)	7.85%
Interest Expenses	3.75

Commission's Analysis:

5.10.2 The Commission has approved the normative closing loan balance at Rs. 51.63 Crore in truing up for FY 2020-21 and the same is considered as opening loan for FY 2021-22. The addition to loan is further updated with the normative loan based on capitalisation approved for FY 2021-22 in the Tariff Order dated 01.04.2021 and the capitalisation approved for FY 2022-23.

5.10.3 The rate of interest is considered as projected by the petitioner and accordingly computed the interest on loan for FY 2022-23 as given in the table below:

TABLE 5-19 INTEREST APPROVED BY THE COMMISSION FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening Balance	48.75	49.41
Addition of Loan	5.58	1.45
Repayment during year	7.48	7.11
Closing Balance	46.85	43.75
Average Loan	47.80	46.58
Weighted average rate of interest (%)	7.85%	7.85%
Interest Expenses	3.75	3.66

5.10.4 In view of the above, the Commission approves the Interest Expenses for FY 2022-23 as Rs 3.66 Crore.

5.11 Interest on Security Deposit

Petitioner's Submission:

5.11.1 The Petitioner has projected Rs. 1.79 Crore towards interest on security deposit for FY 2022-23. The Petitioner considered 4.25% interest rate on the average estimated balance of security deposit for FY 2022-23.

Commission's Analysis:

5.11.2 The Commission provisionally considers and approves the interest on security deposit as projected by the Petitioner amounting to Rs 1.79 Crore for FY 2022-23.

5.12 Interest on Working Capital

Petitioner's Submission:

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

5.12.2 The Petitioner has submitted that interest on working capital is computed as per the MYT Regulations, 2016 and the interest rate of 9.57%, being the SBI MCLR rate on 1st April, 2020 plus 250 basis points, is applied on the working capital requirement arrived at in accordance with the Regulations.

Table 5-20 Interest on Working Capital approved for FY 2022-23 ***(Rs. Crore)***

Particulars	Claimed by Petitioner
O&M Expenses for 1 Month	0.88
Maintenance Spares @1% of GFA	1.91
Receivables for 1 Month	25.26
Less: Security Deposit	42.01
Net Working Capital Requirement	-
Rate of interest (%)	9.57%
Interest on Working Capital	-

Commission's Analysis:

5.12.3 As per 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 and based on the O&M expenses and other expenses as approved above, the working capital and interest thereon calculated in table below;

TABLE 5-21 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2022-23 ***(RS. CRORE)***

Particulars	Claimed by Petitioner	Approved by Commission
O&M Expenses for 1 Month	0.88	0.88
Maintenance Spares @1% of GFA	1.91	1.89
Receivables for 1 Month	25.26	24.79
Less: Security Deposit	42.01	42.01
Net Working Capital Requirement	-	-
Rate of interest (%)	9.57%	9.50%
Interest on Working Capital	-	-

5.12.4 The Commission, accordingly, approves the interest on working capital as NIL for FY 2022-23.

5.13 Return on Equity

Petitioner's Submission:

5.13.1 TPL-D (D) has projected Rs. 6.51 Crore towards Return on Equity @ 14% for FY 2022-23 as detailed in the Table below:

TABLE 5-22 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed By Petitioner
Opening Equity	45.29
Equity Addition	2.39
Closing Equity	47.68
Return on Equity at beginning of year	*6.34*
Return on Equity addition during year	*0.17*
Total Return on Equity	6.51

Commission's Analysis:

5.13.2 The Commission has approved the closing equity at Rs. 43.56 Crore in truing up for FY 2020-21 and the same is considered as opening equity for FY 2021-22. The addition to equity is further updated based on capitalisation approved for FY 2021-22 in the Tariff Order dated 01.04.2022 and the capitalisation approved for FY 2022-23. The Commission accordingly computed the Return on equity for FY 2022-23 as given in the table below:

TABLE 5-23 RETURN ON EQUITY APPROVED BY THE COMMISSION FOR FY 2022-23 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved by Commission
Opening Equity	45.29	45.64
Equity Addition	2.39	0.62
Closing Equity	47.68	46.27
Return on Equity at beginning of year	*6.34*	*6.39*
Return on Equity addition during year	*0.17*	*0.04*
Total Return on Equity	6.51	6.43

5.14 Income Tax

Petitioner's Submission:

5.14.1 The Petitioner has projected the NIL amount of Income Tax at based on the actual tax paid for FY 2020-21.

Commission's Analysis:

5.14.2 The Commission has NIL amount towards income tax in true up for FY 2020-21. The Commission, accordingly, in terms of regulation 41.1 has provisionally allowed NIL amount towards income tax for FY 2022-23 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.

5.15 Bad Debts Written Off

Petitioner's Submission:

5.15.1 The Petitioner has not projected any bad debts for FY 2022-23 and will seek approval of bad debts, if any, during truing -up of the same.

Commission's Analysis:

5.15.2 The Commission has considered the submission of the Petitioner and the same shall be revisit at the time of truing-up for FY 2022-23.

5.16 Contingency Reserve

Petitioner's Submission:

5.16.1 The Petitioner has projected an amount of Rs. 0.95 Crore as per the GERC MYT Regulations, 2016 providing for 0.5% of the cost of fixed assets towards contingency reserve.

Commission's Analysis:

5.16.2 The Commission approves an amount of Rs. 0.95 Crore towards contingency reserve for FY 2022-23 in line with the provisions of GERC MYT Regulations, 2016.

5.17 Non-Tariff Income

Petitioner's Submission:

5.17.1 The Petitioner has projected Non-Tariff Income at Rs. 5.96 Crore for FY 2022-23 based on the current trend. The Petitioner has requested the Commission to approve the non-tariff income for FY 2022-23 as estimated.

Commission's Analysis:

5.17.1 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. The Commission in the MYT 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. 3.08 Crore towards Non-Tariff Income in truing up for FY 2020-21.

5.17.2 It may be noted that the Petitioner has projected non-tariff income of Rs. 5.96 Crore for FY 2022-23 which is higher than the actual NTI approved in truing up for FY 2020-21. The Commission, accordingly, approves the non-tariff income of Rs. 5.96 Crore for FY 2022-23, subject to true-up.

5.18 Aggregate Revenue Requirement (ARR) for FY 2022-23

Petitioner's Submission:

5.18.1 The Petitioner has projected the ARR for FY 2022-23 as given in the table below:

TABLE 5-24 ARR PROJECTED BY PETITIONER FOR FY 2022-23 *(RS. CRORE)*

Particulars	Projected by Petitioner
Power Purchase	278.14
O&M Expense	10.51
Interest on Loans	3.75
Interest on Security Deposit	1.79
Interest on Working Capital	-
Depreciation	7.48
Bad Debts written off	-
Contingency reserve	0.95
Return on Equity	6.51
Income Tax	-
Less: Non-Tariff Income	5.96
Net ARR	303.17

Commission's Analysis:

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

TABLE 5-25 ARR APPROVED IN RESPECT OF TPL-D (D) FOR FY 2022-23 *(RS. CRORE)*

Particulars	Projected by Petitioner	Approved by Commission
Power Purchase	278.14	273.03
O&M Expense	10.51	10.51
Interest on Loans	3.75	3.66
Interest on Security Deposit	1.79	1.79
Interest on Working Capital	-	-
Depreciation	7.48	7.11
Bad Debts written off	-	-
Contingency reserve	0.95	0.95
Return on Equity	6.51	6.43
Income Tax	-	-
Less: Non-Tariff Income	5.96	5.96
Net ARR	303.17	297.52

5.19 Revenue from Sale of Power

Petitioner's Submission:

5.19.1 The Petitioner has projected the revenue from sale of power at Rs. 295.33 Crore for FY 2022-23 considering the sales and existing tariff rates for different category of consumers.

Commission's Analysis:

5.19.2 The Commission has observed that the Petitioner has claimed revenue from sale of power of Rs. 295.33 Crore which includes proposed FPPPA charge of Rs. 0.57 per unit.

5.19.3 In accordance with GERC (MYT) Regulations, 2016 computed revenue from sales of power at existing tariff to the tune of Rs. 258.23 Crore for FY 2022-23. The net resultant (gap)/surplus at existing tariff is tabulated as under:

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2022-23	303.17	297.52
Revenue from Sale of Power	258.23	258.23
Revenue (Gap)/Surplus for FY 2022-23	**(44.94)**	**(39.29)**
Add: Revenue (Gap)/Surplus approved for FY 2020-21	(3.03)	(2.21)
Carrying cost on above (gap)/surplus	(4.82)	(0.69)
Net Revenue Gap/Surplus for FY 2022-23	**(52.80)**	**(42.19)**

5.19.4 In order to address the resultant (gap)/surplus at the end of FY 2022-23, the Petitioner has proposed a FPPPA charge of Rs. 0.57/unit and an effective increase of Rs. 0.24/kWh in category wise energy charges for FY 2022-23. Against which, the Commission has decided to increase energy charges @10 Paisa/unit across all consumer categories and introduce an FPPPA charge of Rs. 0.54/kWh for all the categories for FY 2022-23.

5.19.5 The Commission in accordance with the GERC (MYT) Regulations, 2016 approves the Revenue from sale of power at Rs. 299.88 Crore for FY 2022-23 with revised tariff i.e.as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @0.54/Unit) being notified by the Commission for FY 2022-23.

5.20 Revenue (Gap)/Surplus for FY 2022-23

5.20.1 The Commission has computed Revenue from sale of power at Rs. 299.88 Crore for FY 2022-23 with revised tariff i.e.as applicable for each category of consumer (slab-wise) as per the tariff (including FPPPA charge @0.54/Unit).

5.20.2 The Petitioner has submitted that carrying cost for the unrecovered gap is the legitimate claim of the Petitioner due to deferment in recovery of gap. It is submitted that the Petitioner is entitled to the cost along with carrying cost as its legitimate claim. Carrying cost computation submitted by the Petitioner vide its additional details is as per table below:

Table 5-26 Carrying cost for earlier years as submitted by TPL-D (D) ***(Rs. Crore)***

Particulars	FY 2012-13	FY 2014-15	FY 2016-17	FY 2018-19	FY 2020-21
Revenue	41.56	93.94	99.28	216.60	210.87
ARR					
Trued up ARR/ Estimated ARR	44.66	81.07	102.36	218.37	214.83
DSM					
Opening Gap	-	2.17	(2.41)	0.03	25.81
Carrying Cost on Opening Gap	-	0.63	(0.65)	0.01	4.33
Total Requirement	44.66	84.41	99.30	218.30	244.97
Net Gap/(Surplus)	3.10	(9.53)	0.02	1.70	34.10
Approved	(0.39)	7.12	0.01	24.11	-
Cumulative (Gap)/Surplus	2.71	(2.41)	0.03	25.81	34.10
Interest Rate	13.50%	3.50%	8.81%	8.39%	7.07%
Period (2 Years)	1.73	2.00	2.00	2.00	2.00
Carrying Cost on Cumulative (Gap)/Surplus	0.63	(0.65)	0.01	4.33	4.82

5.20.3 It is observed from table 5.26 that the Petitioner erroneously increased its cumulative carrying cost at the end of FY 2020-21 by carrying forward its carrying cost of the cumulative gap/surplus of the relevant financial year to the next financial year. It is quite pertinent to mention here that the

Petitioner's claim to bear the brunt of the carrying cost by paying compound interest is flawed as the Commission has already allowed interest in accordance with the GERC (MYT) Tariff Regulations, 2016. If the concept of allowing interest on interest is accepted, it would be endless. Further, Regulation 21.6 (c) of the GERC MYT Regulations, 2016 specifies that the carrying cost is computed on simple interest basis using the weighted average SBI MCLR for the relevant year. So therefore, there is no concept of compound interest dealing with various provisions related to interest calculations for carrying cost in the GERC MYT Regulations, 2016. Hence, the Commission follows the concept of simple interest without carrying the interest amount forward to the carrying cost calculations of subsequent financial years.

5.20.4 Further, as per the judgement of Hon'ble APTEL in Appeal No. 250 of 2015 in the matter of Jaigad Power Transco Ltd. (JPTL) Vs Maharashtra Electricity Regulatory Commission (MERC), regarding an issue of allowing compound interest on carrying cost, Hon'ble APTEL at Page No. 27 of the said judgement observed as follows:

"…

The State Commission has been following the concept of simple interest in its orders for the purpose of the calculation of the carrying cost. We tend to agree with the State Commission's view that there is no concept of compound interest in dealing with various provisions related to interest calculations in the Tariff Regulations, 2011. Thus, the principle applied by the State Commission in absence of specific provisions of interest rate of carrying cost is equitable and just and there is no need of interference by us on the same.

iv Hence this issue is also decided against the Appellant."

5.20.5 Furthermore, as per the clause 3(3)(c) of The INTEREST ACT, 1978, it is not in the purview of the court to allow interest on interest. The relevant excerpt of the aforesaid Act is stipulated as under for the ready reference:

"3. Power of court to allow interest.
(3) Nothing in this section, —
(a) shall apply in relation to—
(i) any debt or damages upon which interest is payable as of right, by virtue of any agreement; or
(ii) any debt or damages upon which payment of interest is barred, by virtue of an express agreement;
(b) shall affect—
(i) the compensation recoverable for the dishonour of a bill of exchange, promissory note or cheque, as defined in the Negotiable Instruments Act, 1881 (26 of 1881); or
(ii) the provisions of rule 2 of Order II of the First Schedule to the Code of Civil Procedure, 1908 (5 of 1908);
(c) shall empower the court to award interest upon interest."

5.20.6 It is important to mention here that one of the main objects of Electricity Act 2003 is to balance the interest of all the stakeholders. It is the settled law that various judgements of Hon'ble APTEL and Hon'ble Supreme Court, that the Commission should always endeavour to balance the interest of the consumers on the one hand and the licensees on the other. Protecting the interest of consumers and rationalisation of electricity tariff are the main objects of the Electricity Act 2003, if interest upon interest allowed, it will not only be against the Regulations, the Interest Act 1978, and various judgements of the higher Courts, but also will be against one of the main objects of Electricity Act 2003, i.e., protecting the interest of consumers.

5.20.7 In line with the above, the Commission considers it appropriate not to allow interest on carrying cost.

5.20.8 In continuation to above, it is quite pertinent to mention here that the Commission has already allowed the carrying cost of Rs. 2.66 Crore as deliberated in table 4.34 of the Current Order.

5.20.9 Therefore, the Commission has not allowed the interest on carrying cost which has already been allowed by the Commission through its various previous consequential orders and Tariff Order for FY 2020-21.

5.20.10 It should be noted that while carrying out in truing-up for FY2018-19, the Commission issued a reclamation of Rs. 0.01 Crore in delayed payment charges to be deducted from the ARR for FY 2016-17 and FY 2017-18 due to an inadvertent error on part of the Petitioner. The Commission found that the petitioner counted the aforesaid amount on the carrying cost, but as the amount was deducted due to an error on the part of the Petitioner, the Commission deems fit not to allow carrying cost for it.

5.20.11 The Commission had approved a revenue gap of Rs. 2.21 Crore for FY 2020-21 which includes reclaim of Rs. 0.94 Crore as set out in table 4.34 in Chapter 4 of the Current Order. Total revenue gap of Rs. 2.21 Crore for FY 2020-21 has three major components i.e., (i) a surplus of Rs. 2.66 Crore on account of carrying cost on earlier recovery; (iii) Rs. 4.86 Crore on net gap for current year including revenue towards earlier recovery and (iv) Rs. 0.01 Crore on account of Delayed Payment Charges for FY 2016-17 and FY 2017-18. Therefore, the Commission has decided to allow carrying cost on the amount of Rs. 4.86.

5.20.12 The Petitioner anticipates carrying cost of Rs. 4.82 Crore on gap of Rs. 3.03 Crore for FY 2020-21, however, as explained above, the Commission has a net gap of Rs. 4.86 Crore for allowing the carrying cost of Rs. 0.69 Crore for FY 2020-21. Accordingly, the Commission computed the revenue (Gap)/Surplus for FY 2022-23 as given in the table below:

Table 5-27 Carrying Cost approved for Revenue (Gap)/Surplus

Particulars	Approved by Commission
Trued up (Gap)/Surplus of FY 2020-21 eligible for carrying cost	(4.86)
FY 2020-21	(0.34)
FY 2021-22	(0.34)
Carrying cost on Revenue (Gap)/Surplus for FY 2020-21	(0.69)

5.20.13 The Commission had approved revenue gap of Rs. 2.21 Crore for FY 2020-21 in truing up. The Commission accordingly computed the revenue (Gap)/Surplus for FY 2022-23 as given in the table below:

TABLE 5-28 REVENUE (GAP) / SURPLUS APPROVED FOR FY 2022-23 *(RS. CRORE)*

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2022-23	303.17	297.52
Revenue from Sale of Power	295.33	299.88
Revenue (Gap)/Surplus for FY 2022-23	**(7.84)**	**2.36**
Add: Revenue (Gap)/Surplus approved for FY 2020-21	(3.03)	(2.21)
Carrying cost on above (gap)/surplus	(4.82)	(0.69)
Net Revenue (Gap)/Surplus for FY 2022-23	**(15.69)**	**(0.53)**

5.20.14 Accordingly, the Commission has worked out cumulative revenue gap of Rs. 0.53 Crore for FY 2022-23 which is after treating the trued-up gap of Rs. 2.90 (Rs 2.21 Crore + Rs. 0.69 carrying cost) Crore for FY 2020-21.

Chapter 6: Compliance of Directives

6.1 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.

Commission's Comment:

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

6.2 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.

Chapter 7: Fuel and Power Purchase price Adjustment

7.1.1 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.

7.1.2 The Commission has approved the total energy requirement and the total Power Purchase Cost for TPL-D (D), from the various sources for FY 2022-23 in this Order as given in the Table below:

TABLE 7-1 APPROVED POWER PURCHASE COST PER UNIT FOR FY 2022-23

Particulars	Total Energy Requirement (MU)	Approved Power Purchase Cost (Rs. Crore)	Power Purchase Cost/Unit (Rs./kWh)
FY 2022-23	672.90	273.13	4.06

7.1.3 Thus, the base Power Purchase cost for TPL-D (D) is Rs. 4.06/kWh for FY 2022-23.

7.1.4 As deliberated under chapter 5 at para 5.19.5 of the current Order, the Commission has worked out revenue from sale of power of Rs. 299.88 Crore which includes revenue from base FPPPA charge @ 0.54/kWh for FY 2022-23 in order to recover the cumulative gap of earlier years and carrying cost along with other consequential amount as deliberated in table 5.28 of this Order. Accordingly, the Commission approves the base FPPPA at Rs. 0.54/kWh for FY 2022-23 against the projected by the Petitioner to the tune of Rs. 0.57/kWh.

7.1.5 The information regarding FPPPA recovery and the FPPPA calculation shall be kept on the website of TPL.

7.1.6 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 8: Wheeling Charges and Cross-Subsidy Surcharge

8.1 Wheeling Charges

Petitioner's Submission:

8.1.1 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.

8.1.2 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 8-1 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%

8.1.3 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 8-2 SEGREGATION OF ARR INTO WIRES AND SUPPLY BUSINESS FOR FY 2022-23 *(RS. CRORE)*

Particulars	Wire Business	Retail Business
Power Purchase Expenses	-	278.14
Employee Expenses	1.45	0.97
A&G Expenses	2.45	2.45
R&M Expenses	2.88	0.32
Depreciation	6.73	0.75
Interest on Long Term Loans	3.38	0.38
Interest on Working Capital	-	-
Interest on Security Deposit	0.18	1.61
Bad Debts Written off	-	-
Income Tax	-	-
Contribution to Contingency Reserve	0.95	-
Return on Equity	5.86	0.65
Non-Tariff Income	0.60	5.36
Aggregate Revenue Requirement	23.27	279.89

8.1.4 The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge for FY 2022-23.

Commission's Analysis:

8.1.5 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.

8.1.6 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 2022-23 is shown in the Table below:

TABLE 8-3 APPROVED SEGREGATION OF ARR FOR FY 2022-23 *(RS. CRORE)*

Particulars	ARR Approved	Wire Business	Retail Business
Power Purchase Expenses	273.03	-	273.03
Employee Expenses	2.41	1.45	0.97
A&G Expenses	4.89	2.45	2.45
R&M Expenses	3.20	2.88	0.32

Particulars	ARR Approved	Wire Business	Retail Business
Depreciation	7.11	6.40	0.71
Interest on Long Term Loans	3.66	3.29	0.37
Interest on Working Capital	-	-	-
Interest on Security Deposit	1.79	0.18	1.61
Bad Debts Written off	-	-	-
Income Tax	-	-	-
Contribution to Contingency Reserve	0.95	0.95	-
Return on Equity	6.43	5.79	0.64
Non-Tariff Income	5.96	0.60	5.36
Aggregate Revenue Requirement	297.52	22.79	274.73

8.2 Determination of Wheeling Charge

Petitioner's Submission:

8.2.1 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 2022-23 are submitted as below:

Particulars	Projected by Petitioner
ARR of Wheeling Business (Rs. Crore)	23.27
Sales (MU)	650.92
Wheeling Charges (Rs./kWh)	0.36

8.2.2 TPL-D (D) further submitted that the Open Access consumers will also have to bear the wheeling Losses in addition to wheeling charges at 2.00% for HT category and 4.00% LT Category.

Commission's Analysis:

8.2.3 The Commission has determined the ARR of the Wires Business for FY 2022-23 in the earlier section, as Rs. 22.79 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)	22.79
Sales (MU)	650.92
Wheeling Charges (Rs./kWh)	0.35

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

8.3 Cross-Subsidy Surcharge

Petitioner's Submission:

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

TABLE 8-4 PROPOSED CROSS SUBSIDY SURCHARGE FOR FY 2022-23

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	4.78
PPC – Average cost of power Purchase in Rs/ kWh	4.05
L – Loss for HT category in %	2.00%
D –Wheeling charges for HT category in Rs/ kWh	0.36
Cross subsidy surcharge in Rs/ kWh	**0.28**

Commission's Analysis:

8.3.2 The Hon'ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued Tariff Policy, 2016 wherein the formula for Cross Subsidy Surcharge is given as under:

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

Where,

S is the Surcharge

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

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

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

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

R is the per unit cost of carrying regulatory assets

8.3.3 Further, the Tariff Policy, 2016 also stipulates that the surcharge shall not exceed 20% of the tariff applicable to the category of consumers seeking Open Access. The Commission has considered the average tariff rate for different categories as per the existing tariff. Accordingly, the Commission has determined the Cross-Subsidy Surcharge based on the formula stipulated in the Tariff Policy, as shown in the Table below:

TABLE 8-5 APPROVED CROSS SUBSIDY SURCHARGE FOR FY 2022-23

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	4.61
PPC – Average cost of power Purchase in Rs/ kWh	4.06
L – Loss for HT category in %	2.00%
D –Wheeling charges for HT category in Rs/ kWh	0.35
Cross subsidy surcharge in Rs/ kWh	**0.12**

8.3.4 Accordingly, Cross Subsidy Surcharge for HTP-I category is Rs. 0.12/kWh for FY 2022-23.

8.4 Additional Surcharge

Petitioner's Submission:

8.4.1 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:

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

Chapter 9: Tariff Philosophy and Tariff Proposals

9.1 Introduction

9.1.1 The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, 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.

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

9.2 Proposal of TPL for increase in Retail Tariffs for FY 2022-23

9.2.1 The Petitioner has submitted that the cumulative (gap)/surplus for FY 2020-21, FY 2022-23 and carrying cost are computed as detailed in the earlier chapters. The Petitioner has proposed to:

- Recover the accumulated (gap)/surplus by way of increase in tariff @0.24/kWh in energy charges
- Recover the Gap/carrying cost for matters pending with the Commission/ APTEL within the FPPPA ceiling of Rs. 0.57 per unit.

9.3 Commission's Ruling on Retail Tariffs for FY 2022-23

9.3.1 The Commission has in the past Orders, rationalised 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 rationalising the tariff structure.

9.3.2 TPL-D (D) has proposed to recover cumulative revenue gap with effect from 1st April, 2022, by way of increase in energy charges at the rate of Rs. 0.24 per unit over a period along with FPPPA charge at the rate of Rs. 0.57/kWh.

9.3.3 The Commission decides to increase 10 Paisa/unit in energy charges across all consumer categories. However, in spite of such increase in energy charges, the Petitioner is left with resultant gap, therefore, the Commission decides to introduce base FPPPA charge @0.54/kWh in order to meet the resultant cumulative gap for FY 2022-23.

9.3.4 The detailed tariff is as per the tariff schedule annexed to this order.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement for TPL-D (D) for FY 2022-23, as shown in the Table below:

Approved ARR for TPL-D (D) for FY 2022-23 ***(Rs. Crore)***

Particulars	Projected by Petitioner	Approved by Commission
Power Purchase	278.14	273.03
O&M Expense	10.51	10.51
Interest on Loans	3.75	3.66
Interest on Security Deposit	1.79	1.79
Interest on Working Capital	-	-
Depreciation	7.48	7.11
Bad Debts written off	-	-
Contingency reserve	0.95	0.95
Return on Equity	6.51	6.43
Income Tax	-	-
Less: Non-Tariff Income	5.96	5.96
Net ARR	303.17	297.52

The retail supply tariffs for TPL-D (D) for FY 2022-23 determined by the Commission are annexed to this Order. This Order shall come into force with effect from 1st April 2022.

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

Place: Gandhinagar

Date: 31.03.2022

ANNEXURE: TARIFF SCHEDULE
TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND EXTRA HIGH TENSION
Effective From 1st April 2022

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.

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 upto 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 Rate: LTMD

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

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

3.1 Fixed charges:

(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 **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

4.1 Fixed Charges per month:

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

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 RATE: LT - Electric Vehicle (EV) Charging Stations

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

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

9.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2 ENERGY CHARGE

Energy Charge	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