

Summary

Petition Filed by TPL before Hon'ble GERC vide Case No.1766/2018

Torrent Power Limited – Dahej Supply Area

Background

- 1.1 As per the provisions of the MYT Regulations, 2016, TPL has filed this petition before the Hon'ble Commission for approval of:
- a) Truing up of ARR for FY 2017-18 and sharing of gains/losses on account of controllable/un-controllable factors,
 - b) Mid-term Review of FY 2019-20 and FY 2020-21,
 - c) Determination of Gap/(Surplus) for FY 2018-19 and
 - d) Determination of tariff for FY 2018-19

True Up for FY 2017-18

- 1.2 The Hon'ble Commission had approved the ARR for FY 2017-18 for TPL-D (D) as per the MYT order in Case No. 1629 of 2016 dated 9th June, 2017. This was based on the projections for FY 2017-18. The ARR approval is subject to truing up based on the actual data for FY 2017-18.
- 1.3 TPL, for the purpose of truing up in accordance with the MYT Regulations, 2016, has submitted this petition on the basis of the Hon'ble Commission's MYT order in Case No. 1629 of 2016 dated 9th June, 2017.
- 1.4 TPL has considered the following parameters for truing up of ARR:
- a) Variation in power purchase cost due to variation in power purchase mix, quantity and price.
 - b) Variation in fixed cost such as O&M expense, interest expenses, Depreciation, Return on Equity, Income Tax and Non-Tariff Income.
 - c) Sharing of gains/ losses considering controllable & uncontrollable factors.
- 1.5 The energy requirement is based on the actual sales and the actual T&D losses for FY 2017-18. The sales for Dahej Supply Area was 311.86 MU. The actual distribution loss achieved for FY 2017-18 was 0.40%. TPL-D (D) has outperformed the distribution loss target specified by the Hon'ble Commission as per the MYT

Order in Case No. 1629 of 2016 dated 9th June, 2017.

- 1.6 The ARR has been arrived at by considering the actual expenses vis-à-vis approved expenses as per the MYT Order in Case No. 1629 of 2016 dated 9th June, 2017. The variation in power purchase cost on account of price, quantity, and mix is uncontrollable and passed on in the ARR. There is a reduction in distribution loss for Dahej supply area as compared to the approved distribution loss level. The O&M expenses are higher for Dahej supply area as compared to the approved figure in the MYT Order in Case No. 1629 of 2016 dated 9th June, 2017.
- 1.7 The other fixed cost items of Dahej Supply Area, such as, Interest expense, Depreciation, Return on Equity, Income Tax and Non-Tariff Income is trued-up based on the classification of controllable/un-controllable factors for each item head. Accordingly, the sharing of gains/losses has been arrived at and the final trued-up ARR is worked out. The trued-up ARR thus worked out is shown in the table below.

Table 1: True-Up of ARR of Dahej Supply Area for FY 2017-18

| All figures in Rs. Crore | | |
|---|--------------------------------|--------|
| ARR as per MYT order | (a) | 131.37 |
| Gains/ (Losses) due to Uncontrollable Factors | (b) | (3.77) |
| Gains/ (Losses) due to Controllable Factors | (c) | - |
| Pass through as Tariff | d= -(b+1/3 rd of c) | 3.77 |
| Trued Up ARR | e=a+d | 135.15 |

- 1.8 TPL would like to state that the treatment of revenue towards recovery of earlier years' approved Gap/ (Surplus) works out to surplus of Rs. 25.56 Crore as per the Hon'ble Commission's true-up orders dated 9th June, 2017 for TPL. Accordingly, the gap/ (surplus) for FY 2017-18 arrived at by equating the trued-up ARR with the revenue from sale of power after adjusting against earlier years' trued-up gap/ (surplus) is shown in the table below.

Table 2: Revenue Gap/ (Surplus) for Dahej Supply Area for FY 2017-18

| All figures in Rs. Crore | Actual |
|--|----------------|
| Trued-up ARR | 135.15 |
| Revenue from Sale of Energy | 124.00 |
| Less: Revenue towards recovery of Earlier Years' approved Gap/ (Surplus) | (25.56) |
| Balance Revenue | 149.56 |
| Gap/ (Surplus) | (14.41) |

- 1.9 TPL submits to the Hon'ble Commission to approve the ARR & revenue gap/ (surplus) as per the computation provided hereinabove.

Revised ARR of FY 2019-20 and FY 2020-21 based on Mid-term Review

- 1.10 TPL has revised the sales estimates based on the field inputs, actual sales trends along with current trends. The revised sales estimates for each category of tariff are detailed in the Petition. The summary of revised sales estimates are furnished in the following table.

Table 3: Energy Sales for Dahej Supply Area in FY 2019-20 and FY 2020-21 (In MUs)

| Category | FY 2019-20 | FY 2020-21 |
|----------|------------|------------|
| Sales | 446.06 | 488.96 |

- 1.11 Based on above sales estimates, TPL has arrived at the revised energy requirement. To meet this energy requirement, TPL has prepared the revised power procurement plan. While revising the power procurement plan, TPL has given due consideration to the availability of power from MYT approved sources and actual cost incurred.
- 1.12 TPL has also revised the Capital Investment Plan to cater to the demand of the consumers.
- 1.13 The revised sales estimates, revised power procurement plan, revision in capital investment plan and its resultant effect on each component of ARR for FY 2019-20 and FY 2020-21 has been detailed in the Petition. The summary of the MYT approved ARR and revised ARR for FY 2019-20 & FY 2020-21 is shown in the following table.

Table 4: Revised ARR of Dahej Supply Area for FY 2019-20 and FY 2020-21

| All Figures in Rs. Crore | FY 2019-20 | | FY 2020-21 | |
|-----------------------------|------------|-------------------|------------|-------------------|
| | MYT Order | Revised Estimates | MYT Order | Revised Estimates |
| Power Purchase | 156.80 | 199.70 | 169.52 | 218.74 |
| O&M expenses | 6.65 | 10.42 | 7.03 | 11.01 |
| Interest on loans | 5.12 | 5.24 | 4.59 | 5.20 |
| Interest on SD | 3.09 | 2.23 | 3.20 | 2.32 |
| Interest on working capital | - | - | - | - |
| Depreciation | 6.65 | 6.85 | 6.67 | 7.23 |
| Bad debts written off | - | - | - | - |
| Contingency reserve | 0.79 | 0.84 | 0.80 | 0.91 |
| RoE | 5.66 | 6.04 | 5.73 | 6.44 |
| Tax | - | - | - | - |

| All Figures in Rs. Crore | FY 2019-20 | | FY 2020-21 | |
|--------------------------|---------------|-------------------|---------------|-------------------|
| | MYT Order | Revised Estimates | MYT Order | Revised Estimates |
| Less: Non-tariff income | 3.09 | 4.13 | 3.09 | 4.54 |
| ARR | 181.68 | 227.19 | 194.45 | 247.31 |

1.14 TPL has requested to the Hon'ble Commission to approve the revised ARR for FY 2019-20 and FY 2020-21 as proposed by it.

1.15 TPL has further submitted that as per the GERC (Demand Side Management) Regulations, 2012, it is required to formulate and submit to the Hon'ble Commission a perspective DSM Plan covering the control period. Accordingly, TPL will approach the Hon'ble Commission in respect of implementation of DSM plan.

Gap/ (Surplus) Analysis for FY 2019-20

1.16 The gap/ (surplus) is arrived at for FY 2019-20 by considering the revenue from sale of power. The summary of revenue gap/ (surplus) for FY 2019-20 is shown in the following table.

Table 5: Revenue Gap/ (Surplus) of Dahej Supply for FY 2019-20

| All figures in Rs. Crore | |
|--|--------------|
| ARR | 227.19 |
| Less: | |
| Revenue from sale of power at existing tariff rates and FPPPA revenue @Rs. 0.69 per unit | 198.84 |
| | |
| Gap/ (Surplus) | 28.35 |

TPL has submitted to the Hon'ble Commission to consider the gap/ (surplus) as proposed by it.

1.17 TPL has calculated the negative carrying cost for the Gap/ (Surplus) of FY 2017-18 including pending claims which works out to Rs. 4.25 Crore, as per the methodology approved/specified by the Hon'ble Commission. TPL has, therefore, requested the Hon'ble Commission to consider the aforementioned outstanding amount in addition to the Gap/ (Surplus) of FY 2017-18 & FY 2019-20 for the purpose of determination of tariff for FY 2019-20.

1.18 The summary of revenue gap/ (surplus) for determination of tariff FY 2019-20 is shown in the following table.

Table 6: Cumulative Revenue Gap/ (Surplus) for determination of tariff Of Dahej Supply Area for FY 2019-20

| All figures in Rs. Crore | |
|----------------------------------|-------------|
| Gap/ (Surplus) of FY 2017-18 | (14.41) |
| Carrying Cost | (4.25) |
| | |
| Gap/ (Surplus) of FY 2019-20 | 28.35 |
| | |
| Cumulative Gap/ (Surplus) | 9.69 |

- 1.19 TPL has proposed to recover the cumulative gap of Rs. 9.69 Crore during FY 2019-20 by way of average tariff increase of Rs. 0.22 per unit. TPL has also proposed rationalisation of the tariffs. TPL has proposed to increase fixed/demand charges to bring them in line with other Discoms of the State.
- 1.20 In turn, it has proposed to reduce the existing FPPPA of Rs. 0.73 per unit to Rs. 0.69 per unit. Thus, new base FPPPA will be Rs. 0.69 per unit. Additionally, TPL has also addressed anomaly in tariff structure of residential, temporary and night time category.
- 1.21 Proposed tariff schedule is attached at Annexure-1.

Prayers

- 1.22 TPL has filed the present petition for Truing up of FY 2017-18, Mid-term Review of FY 2019-20 and FY 2020-21, and determination of tariff for FY 2019-20 for its Distribution business of Dahej Supply area.
- 1.23 In view of the facts and circumstances, TPL has prayed to the Hon'ble Commission to:
- Admit the petition for truing up of FY 2017-18, Mid-term Review of FY 2019-20 and FY 2020-21, and determination of tariff for FY 2019-20.
 - Approve the trued up gap/ (surplus) of FY 2017-18.
 - Approve the sharing of gains/ losses as proposed by TPL for FY 2017-18.
 - Approve the revised ARR for FY 2019-20 and FY 2020-21 based on Mid-term review.
 - Approve the cumulative gap/ (surplus).
 - Approve the wheeling ARR and corresponding charges for wheeling of

electricity with effect from 1st April, 2019.

- g) Approve the recovery through retail tariff as proposed for FY 2019-20.
- h) Allow recovery of the costs as per the Judgments of the Hon'ble Tribunal in the Appeals filed by TPL.
- i) Allow additions/ alterations/ changes/ modifications to the petition at a future date.
- j) Permit TPL 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.

Annexure-1

Proposed Tariff for Dahej Licence Area

| Sr. No. | Category | Fixed Charge | Energy Charge | |
|---------|--|---|---|----------------|
| 1. | RGP Applicable to all services in Residential premises; i. Single-phase supply: Aggregate load up to 6 kW ii. Three-phase supply: Aggregate load above 6 kW | Up to and including 2 kW Rs. 15 per month Above 2 and up to 4 kW Rs. 25 per month Above 4 and up to 6 kW Rs. 45 per month Above 6 kW Rs. 70 per month | First 50 units per month | 305 paise/unit |
| | | | Next 50 units per month | 350 paise/unit |
| | | | Next 100 units per month | 415 paise/unit |
| | | | Next 50 units per month | 425 paise/unit |
| | | | Above 250 units | 520 paise/unit |
| 2. | Non-RGP Applicable to the services which are not covered in any other tariff categories, upto and including 40 kW | For Connected Load upto and including 10 kW Rs. 50 per kW For Connected Load above 10 kW and upto 40 kW Rs. 85 per kW per month | For installation having contracted load up to and including 10 kW | 270 paise/unit |
| | | | For installation having contracted load exceeding 10 kW | 300 paise/unit |
| 3. | LTMD 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. Also applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff. | Billing Demand upto Contract Demand First 40 kW Rs. 90 per kW per month Next 20 kW Rs. 130 per kW per month Above 60 kW Rs. 195 per kW per month In excess of Contract Demand Rs. 265 per kW per month | For the entire consumption during the month | 305 paise/unit |

| Sr. No. | Category | Fixed Charge | Energy Charge | |
|---------|--|--|---|--------------------|
| 4. | Non-RGP Night 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) | Fixed charges specified in Rate Non-RGP above. | For the entire consumption during the month | 250 paise/unit |
| 5. | 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.) | Fixed charges specified in Rate LTMD above | For the entire consumption during the month | 255 Paise per Unit |
| 6. | WWSP Applicable to services used for water works and sewerage pumping purposes. | Fixed charges per month: Rs. 20 per HP | For entire consumption during the month | 265 paise / unit |
| 7. | SL For Local Authorities and Industrial Estates | | For entire consumption during the month | 240 paise /unit |
| 8. | Temporary Supply (TMP) Applicable to services of electricity supply for temporary period at low voltage | Rs. 15 per kW per day | 465 paise/unit | |
| 9. | LT – ELECTRIC VEHICLE (EV) CHARGING STATIONS Applicable to consumers | Rs. 25 per month | 305 paise/unit | |

| Sr. No. | Category | Fixed Charge | Energy Charge | |
|---------|--|--|--|------------------|
| | who use electricity EXCLUSIVELY for electric vehicle charging installations | | | |
| 10. | HTP-I 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. | Billing Demand upto Contract Demand For first 500 KVA Rs. 150 per kVA per month For next 500 KVA Rs. 260 per kVA per month In excess of 1000 KVA Rs. 475 per kVA per month In Excess of Contract Demand Rs. 555 per kVA per month | Upto 500 KVA of billing demand | 270 paise/unit |
| | | | For next 2000 kVA of billing demand | 290 paise/unit |
| | | | For billing demand in excess of 2500 kVA | 300 paise/unit |
| | | ToU Charges Billing demand upto 500 kVA 35 paise/unit Billing demand above 500 kVA 75 paise/unit | | |
| 11. | HTP-II Applicable for supply of energy to HT consumers contracting for 100 KVA and above, requiring power supply for Water Works and Sewerage pumping stations. | Billing Demand upto Contract Demand For first 500 KVA Rs. 115 per kVA per month For next 500 KVA Rs. 240 per kVA per month In excess of 1000 KVA Rs. 320 per kVA per month In Excess of Contract Demand Rs. 435 per kVA per month | Up to 500 kVA of billing demand | 270 paise / unit |
| | | | For next 2000 kVA of billing demand | 290 paise /unit |
| | | | For billing demand in excess of 2500 kVA | 300 paise /unit |
| | | ToU Charges For Billing Demand up to 500 kVA 35 paise / unit For Billing Demand above 500 kVA 75 paise / unit | | |
| 12. | HTP-III Applicable to a consumer taking supply of electricity at high voltage, contracting for not less than 100 kVA for temporary period. A | Billing Demand upto Contract Demand Rs. 540 per kVA per month In excess of contract demand Rs. 600 per kVA per month | 550 paise/unit | |
| | | | ToU Charges – 75 paise/unit | |

| Sr. No. | Category | Fixed Charge | Energy Charge | |
|---------|---|---|---|--------------------|
| | consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period. | | | |
| 13. | HTP-IV 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. | Same rates as specified in HTP-I | For all units consumed during the month | 250 Paise per Unit |
| 14. | HT – ELECTRIC VEHICLE (EV) CHARGING STATIONS Applicable to consumers who use electricity EXCLUSIVELY for electric vehicle charging installations | Billing Demand upto Contract Demand Rs. 25 per kVA per month In Excess of Contract Demand Rs. 50 per kVA per month | 300 paise/unit | |

Notes:-

- i) The Billing Demand will be taken as under:
 - a. Actual Maximum Demand registered/established during the month or
 - b. 85% of the Contract demand or
 - c. HTP – 100 KVA & LTMD – 15 KW

Whichever is highest.
- ii) Power Factor Adjustment Charges and Rebates is Applicable to HTP- I, HTP-II, HTP-III and HTP-IV.
 - 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 HTP- I, HTP-II, HTP-III and HTP-IV schedule, for every

1% drop or part thereof in the average power factor during the month below 90% up to 85 %.

- 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 HTP- I, HTP-II, HTP-III and HTP-IV schedule, will be charged.
 - 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% in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges“ for every 1% rise or part thereof in the average power factor during the month above 95%.
- iii) Reactive Energy Charges (KVARH units) is applicable For LTMD and LTMD Night category installations having contracted load of 40 KW and above.
- a. For all the reactive units (kVARH) drawn during the month 10 paise/kvarh will be charged.
- iv) Rebate for supply at EHV on Energy charges is applicable For HTP-I, HTP-II, HTP-III and HTP-IV consumers.
- a. If supply is availed at 33/66 KV : 0.5%
 - b. If supply is availed at 132 KV and above: 1.0%
- v) ToU charges applicable to HTP-I, HTP-II and HTP-III: For the Energy Consumption during the two peak periods, viz. 0700 Hrs. to 1100 Hrs. & 1800 Hrs. to 2200 Hrs.
- vi) Night Time Concession is applicable to HTP-I and HTP-II consumers. The energy consumed during night hours between 10.00 P.M to 6.00 A.M next morning (recorded by a polyphase meter operated through time switch), shall be eligible for concession at the rate of 30 Paise per Unit.