

Summary

Petition filed by TPL before Hon'ble GERC vide Case No. 1928/2021

Torrent Power Limited-Dahej Supply Area (TPL-D(D))

Background

- 1.1 As per the provisions of the MYT Regulations, 2016, TPL-D(D) has filed petition before the Hon'ble Commission for approval of:
- a) Truing up of ARR for FY 2019-20 and sharing of gains/losses on account of controllable/un-controllable factors,
 - b) Determination of ARR for FY 2021-22,
 - c) Determination of Gap/(Surplus) for FY 2021-22, and
 - d) Determination of tariff for FY 2020-21

True Up for FY 2019-20

- 1.2 The Hon'ble Commission had approved the revised ARR for FY 2019-20 for TPL-D (D) as per the MTR order vide Case No. 1766 of 2018 dated 17th July, 2019. This was based on the projections for FY 2019-20. The ARR approval is subject to truing up based on the actual data for FY 2019-20.
- 1.3 TPL-D(D), for the purpose of truing up in accordance with the MYT Regulations, 2016, has submitted the petition on the basis of the Hon'ble Commission's MTR order in Case No. 1766 of 2018 dated 17th July, 2019.
- 1.4 TPL-D(D) 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 2019-20. The sales for Dahej Supply Area was 480.60 MU. The actual distribution loss achieved for FY 2019-20 was 0.31%.

- 1.6 The trued up ARR has been arrived at by considering the actual expenses vis-à-vis approved expenses as per the MTR Order vide Case No. 1766 of 2018 dated 17th July, 2019. 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 MTR Order in Case No. 1766 of 2018 dated 17th July, 2019.
- 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 2019-20

All figures in Rs. Crore		
ARR as per MTR order	(a)	186.56
Gains/ (Losses) due to Uncontrollable Factors	(b)	(50.69)
Gains/ (Losses) due to Controllable Factors	(c)	-
Pass through as Tariff	$d = -(b + 1/3^{\text{rd}} \text{ of } c)$	50.69
Trued Up ARR	$e = a + d$	237.25

- 1.8 TPL-D(D) would like to state that the treatment of revenue towards recovery of earlier years' approved Gap/ (Surplus) works out to a surplus of Rs. 19.16 Crore as per the Hon'ble Commission's orders dated 17th July, 2019 and 5th September, 2020 (read with APTEL judgement dated 9th June, 2020) for TPL-D(D). TPL-D(D) has submitted that the carrying cost of past periods not allowed by the Hon'ble Commission should be allowed to be recovered in totality as per Hon'ble Tribunal's Judgment. Accordingly, same has been considered by TPL-D(D).
- 1.9 Based on the above, the gap/ (surplus) for FY 2019-20 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 2019-20

All figures in Rs. Crore	Actual
Trued-up ARR	237.25
Revenue from Sale of Energy	239.87
Less: Revenue towards recovery of Earlier Years' approved Gap/ (Surplus)	(19.16)
Balance Revenue	259.03
Gap/ (Surplus)	(21.78)

1.10 TPL-D(D) has requested the Hon'ble Commission to approve the ARR & revenue gap/ (surplus) as per the computation provided hereinabove.

ARR for FY 2021-22

1.11 The Hon'ble Commission vide its order dated 22nd December, 2020 has directed the utilities to file the petition for ARR of FY 2021-22 and determination of tariff for FY 2021-22 based on the principles and methodology as provided in the MYT Regulations, 2016. Accordingly, TPL-D(D) has submitted the petition for approval of the Aggregate Revenue Requirement and determination of tariff for TPL-D (D) for FY 2021-22 as per the provisions of the MYT Regulations, 2016.

1.12 The ARR estimation is based on the assumptions as outlined hereunder:

- a) Sales Forecast: The energy sales for FY 2021-22 have been estimated considering the available information of type, load and usage pattern of the consumers as per the estimated development plan.
- b) Distribution losses: The distribution loss has been proposed to be 2% for Dahej Supply Area for FY 2021-22.
- c) Power Purchase Cost: The power purchase cost is a function of the energy requirement and price of available power for meeting the requirement. TPL-D(D) has made the long term arrangement to cater to the demand of its consumers from the DGEN project which was commissioned in FY 2014-15. However, as demand has not reached to required level, TPL-D(D) has not proposed to procure power from DGEN. For FY 2021-22, TPL-D(D) proposes to procure power through Bilateral Sources/Power exchange.

- d) Capital Expenditure Plan: TPL-D(D) has planned to undertake prudent capital investments for development of distribution network so as to cater to the demand of its consumers and provide reliable & quality power. The major capital expenditure of Dahej Supply Area includes Rs. 7.02 Crore in EHV expenditure schemes, Rs. 1.38 Crore in HV expenditure schemes, Rs. 0.82 Crore in LT network expenditure schemes, and a balance of Rs. 1.83 Crore towards metering, customer care & IT, store, civil, etc.
- e) O&M Expenses: The operations in Dahej SEZ are in a development stage. However, TPL-D(D) has estimated the O&M expenses as per the methodology specified in the MYT Regulations, 2016.
- f) Depreciation, Interest on loans, Interest on Working Capital, ROE, etc. have been computed as per the applicable Regulations.

1.13 The ARR thus computed for Dahej Supply Area for FY 2021-22 is shown in the table below.

Table 3: ARR of Dahej Supply Area for FY 2021-22

All Figures in Rs. Crore	FY 2021-22
Power Purchase	231.23
O&M expenses	7.44
Depreciation	7.49
Interest on loans	4.73
Interest on working capital	-
Interest on SD	2.04
Bad debts	-
Contingency reserve	0.92
RoE	6.40
Income Tax	2.11
Less: Non-tariff income	4.15
ARR	258.21

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

Gap/ (Surplus) Analysis for FY 2021-22

1.15 The gap/ (surplus) is arrived at for FY 2021-22 by considering the revenue from sale of power. The summary of revenue gap/ (surplus) for FY 2021-22 is shown in the following table.

Table 4: Revenue Gap/ (Surplus) of Dahej Supply for FY 2021-22

All figures in Rs. Crore	
ARR	258.21
Less:	
Revenue from sale of power at existing tariff rates	219.85
Gap/ (Surplus)	38.36

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

1.16 TPL-D(D) has calculated carrying cost as per the methodology approved/specified by the Hon'ble Commission. TPL-D(D), therefore, requests the Hon'ble Commission to consider such outstanding amount in addition to the Gap/ (Surplus) of FY 2019-20 along with carrying cost as per the methodology approved/specified by the Hon'ble Commission.

1.17 The summary of revenue gap/ (surplus) for determination of tariff FY 2021-22 is shown in the following table.

Table 5: Cumulative Revenue Gap/ (Surplus) for determination of tariff Of Dahej Supply Area for FY 2021-22

All figures in Rs. Crore	
Gap/ (Surplus) of FY 2019-20	(21.78)
Carrying Cost	(1.99)
Gap/ (Surplus) of FY 2021-22	38.36
Cumulative Gap/ (Surplus)	14.59

1.18 TPL-D(D) has proposed to recover the cumulative gap of Rs. 14.59 Crore (consisting of the aforementioned cumulative surplus of Rs. 21.78 Crore and Carrying cost of Rs. (1.99) Crore) with effect from 1st April, 2021, by way of tariff increase of Rs. 0.27 per unit during FY 2021-22.

1.19 Further, TPL-D(D) has proposed to recover the past period gap & carrying cost by way of Regulatory Charge upon disposal of CP/RP and Appeals by Hon'ble GERC and/or APTEL.

1.20 The summary of change in tariff is provided at **Annexure-1**.

Prayers

1.21 TPL-D(D) has filed the present petition for Truing up of FY 2019-20, Determination of Aggregate Revenue Requirement (ARR) for FY 2021-22, and determination of tariff for FY 2021-22 for its Distribution business of Dahej Supply area.

1.22 In view of the facts and circumstances, TPL-D(D) has prayed to the Hon'ble Commission that it may be pleased to:

- a) Admit the petition for truing up of FY 2019-20, Aggregate Revenue Requirement for FY 2021-22, and determination of tariff for FY 2021-22.
- b) Approve the trued up Gap/ (Surplus) of FY 2019-20.
- c) Approve the sharing of gains/ losses as proposed by TPL-D(D) for FY 2019-20.
- d) Approve the Aggregate Revenue Requirement for FY 2021-22.
- e) Approve the cumulative Gap/ (Surplus).
- f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April, 2021.
- 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 TPL-D(D).
- i) Allow additions/ alterations/ changes/ modifications to the petition at a future date.
- j) Permit TPL-D(D) 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.

Proposed changes in 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	Rs. 10 per kW per month	First 50 units	205 paise per unit
			Next 50 units	260 paise per unit
			Next 150 units	325 paise per unit
			Above 250 units	415 paise per unit
2.	Non-RGP Applicable to the services which are not covered in any other tariff categories and having aggregate load upto and including 15 kW	For Connected Load upto and including 15 kW Rs. 75 per kW per month	Contracted load up to and including 10 kW	315 paise per unit
			Contracted load exceeding 10 kW	340 paise per unit
		Minimum bill per installation for Seasonal Consumers The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer shall be Rs. 2160/- per annum per kW of the contracted load.	Minimum bill per installation for Seasonal Consumers	The units consumed during the off-season period shall be charged for at a flat rate of 370 Paise per unit
3.	LTMD Applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 15 kW and up to 100 kW. Also applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be	Billing Demand upto Contract Demand First 40 kW Rs. 120 per kW per month Next 20 kW Rs. 160 per kW per month Above 60 kW	Entire consumption during the month	330 paise per unit
			Seasonal Consumers taking LTMD Supply	Units consumed during the off-season period shall be charged for at the flat rate of 370 Paise per unit

Sr. No.	Category	Fixed Charge	Energy Charge	
	charged in place of 'Rate: Non-RGP' tariff.	<p>Rs. 225 per kW per month</p> <p>In excess of Contract Demand</p> <p>Rs. 300 per kW per month</p> <p>Seasonal Consumers taking LTMD Supply:</p> <p>The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer shall be Rs. 3300/- per annum per kW of the billing demand.</p>		
4.	<p>HTP-I</p> <p>(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.)</p>	<p>Billing Demand upto Contract Demand For first 500 KVA</p> <p>Rs. 200 per kVA per month</p> <p>For next 500 KVA</p> <p>Rs. 300 per kVA per month</p> <p>In excess of 1000 KVA</p> <p>Rs. 475 per kVA per month</p> <p>In excess of Contract Demand</p> <p>Rs. 555 per kVA per month</p>	<p>Up to 500 kVA Billing Demand</p> <p>For next 2000 kVA Billing Demand</p> <p>Excess of 2500 kVA Billing Demand</p>	<p>300 Paise per unit</p> <p>325 Paise per unit</p> <p>330 Paise per unit</p>

Sr. No.	Category	Fixed Charge	Energy Charge	
		Seasonal Consumers taking HT Supply The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer shall be Rs. 5160/- per annum per kVA of the billing demand.	Seasonal Consumers taking HT Supply	Units consumed during the off-season period shall be charged for at the flat rate of 375 Paise per unit
5.	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. 155 per kVA per month For next 500 KVA Rs. 275 per kVA per month In excess of 1000 KVA Rs. 325 per kVA per month In Excess of Contract Demand Rs. 400 per kVA per month	Up to 500 kVA Billing Demand	310 Paise per unit
			For next 2000 kVA Billing Demand	320 Paise per unit
			Excess of 2500 kVA Billing Demand	330 Paise per unit
6.	HTP-III 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	Billing Demand upto Contract Demand Rs. 19 per kVA per day In excess of contract demand Rs. 25 per kVA per day	All units consumed during the month	540 Paise per Unit

Sr. No.	Category	Fixed Charge	Energy Charge	
	temporary period.			

In addition to above, the Energy Charges for LT-Temporary and WWSP categories have been increased by 20 paise per unit and for Non-RGP Night, LTMD-Night, LT-EVC, Streetlight, HT-IV, and HT-EVC categories by 25 paise per unit.