GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

Tariff Order

Truing up for FY 2019-20

and

Determination of Tariff for FY 2021-22

For

Torrent Power Limited – Distribution

Dahej

Case No. 1928 of 2021

1st April, 2021

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
DPC	Delayed Payment Charges
EA	Electricity Act, 2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GUVNL	Gujarat Urja Vikas Nigam Limited
HP	Horse Power
HT	High Tension
HTMD	High Tension Maximum Demand
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
LTMD	Low Tension Maximum Demand
MCLR	Marginal Cost of Funds Based Lending Rate
MSW	Municipal Solid Waste
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NRGP	Non Residential General Purpose
NTPC	National Thermal Power Corporation
O&M	Operations and Maintenance
PF	Power Factor

PPA	Power Purchase Agreement
RBI	Reserve Bank of India
REC	Renewable Energy Certificate
R&M	Repairs and Maintenance
RPO	Renewable Purchase Obligation
SBI	State Bank of India
SEZ	Special Economic Zone
SLC	Service Line Charges
TPL	Torrent Power Limited
TPL-D (D)	Torrent Power Limited – Distribution, Dahej

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1928 of 2021

Date of the Order: 1st April, 2021

CORAM

Shri Anand Kumar, Chairman

Shri Mehul M. Gandhi, Member

Shri. S. R. Pandey, Member

1. Background and Brief History

1.1. Background

Torrent Power Limited (hereinafter referred to as 'TPL' or the 'Petitioner') has filed the present petition on 8th January, 2021 under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 and Suo-Motu order No.7 of 2020 dated 22nd December 2020 for the True-up for FY 2019-20 and for determination of tariff for its distribution business at Dahej for FY 2021-22 on 8th January, 2021.

Gujarat Electricity Regulatory Commission (herein after referred "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. These Regulations are in force till March, 2021. Even though the process of framing the MYT Regulations for the next Control Period of FY 2021-22 FY 2025-26 has been initiated, it is likely to be delayed to finalize and notify the new MYT Regulations. Therefore, the Commission decided to defer the five (5) year Control Period for new MYT Regulations for one year and consider the next control period from FY 2022-23 to FY 2026-27 vide Suo-motu Order No.7 of 2020 dated 22nd December 2020. Accordingly, all the concerned utilities and licensees were directed to file annual ARR for FY 2021-22 and application for determination of Tariff for FY 2021-22 based on the principles and methodology as provided in the GERC (Multi Year Tariff) Regulations, 2016 on or before 8th January, 2021.

Regulation 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2019-20 to be carried out under the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, revenue from sale of power at existing tariffs and charges for the ensuing year i.e., FY 2021-22 and Revenue Gap or Revenue Surplus for the ensuing year and determination of tariff for FY 2021-22.

Accordingly, the Petitioner submitted the current Petition for truing-up of FY 2019-20, and determination of ARR and tariff for FY 2021-22 on 8th January, 2021

After technical validation of the Petition, it was registered on 11th January, 2021 and as provided under Regulation 29.1 of the GERC MYT Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2. Torrent Power Limited – Distribution, Dahej (TPL-D (D))

Torrent Energy Limited (TEL) a Special Purpose Vehicle (SPV), promoted by Torrent Power Limited (TPL), to fulfill 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 for the purpose of establishing generation and distribution facilities. Accordingly, TEL has entered into the Co-developer agreement with Dahej SEZ Ltd. (DSL), an SPV created for developing the DSEZ.

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

The Gujarat Electricity Regulatory Commission, vide its Order dated 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 final ARR for FY 2016-17 and approval of Multi-Year ARR for FY 2016-17 to FY 2020-21

The Petitioner filed its petition for Truing up for 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.

1.4. Commission's Order for approval of True up for FY 2016-17 and Tariff of FY 2018-19

The Petitioner filed a petition for Truing up for FY 2016-17 and Determination of Tariff for FY 2018-19 on 30th December, 2017. The petition was registered on 3rd January, 2018 (under Case No. 1698 of 2018). The Commission vide Order dated 4th April 2018 approved the Truing up for FY 2016-17 and determined the Tariff for FY 2018-19.

1.5. Commission's Order for approval of True up of FY 2017-18 and Mid-Term Review of ARR for FY 2019-20 & FY 2020-21

The Petitioner filed a petition for Truing Up for FY 2017-18, Mid-Term Review of 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 & FY 2020-21 vide Order dated 17th July, 2019.

1.6. Commission's Order for approval of True up of FY 2018-19 and Determination of Tariff of FY 2020-21

The Petitioner filed its petition for Truing up for FY 2018-19 and Determination of Tariff for FY 2020-21 on 30th November, 2019. The petition was registered on 4th December, 2019 (under Case No. 1846 of 2019). The Commission vide Order dated 31st March, 2020 approved the Truing up for FY 2018-19 and determined the Tariff for FY 2020-21.

1.7. Background for 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 for 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).

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 22nd December, 2020 has directed the utilities to file the petition for ARR for FY 2021-22 and determination of Tariff for FY 2021-22 based on the principles and methodology as provided in the GERC (Multi Year Tariff) Regulations, 2016.

1.8. Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current petition for Truing up for FY 2019-20 and Determination of Tariff for FY 2021-22 on 8th January, 2021. After technical validation of the petition, it was registered on 11th January, 2021 (Case No 1928 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 newspapers to ensure public participation.

The Public Notice, inviting objections /suggestions from the stakeholders on the petition, was published in the following newspapers:

Table 1.1: List of Newspapers (Commission)

Sl. No.	Particulars	Language	Date of Publication
1	Business Standard- (Ahmedabad Editions)	English	13/01/2021
2	Divya Bhaskar-Baroda Edition	Gujarati	13/01/2021

The Petitioner also placed the public notice and the petition on its website (www.torrentpower.com), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 13th February, 2021.

The Commission also placed the petition and additional details received 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 newspapers in order to solicit wider participation by the stakeholder:

Table 1.2: List of Newspapers (Commission)

Sl. No.	Particulars	Language	Date of Publication
1	The Indian Express	English	20/02/2021
2	Divya Bhaskar	Gujarati	20/02/2021
3	Sandesh	Gujarati	20/02/2021

The Commission fixed the date for public hearing for the petition on 9th March,2021, through video conferencing considering prevailing COVID situation. Subsequently, Microsoft TEAMS Platform Link was made available so that for any objector 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 provided Video Conferencing facility at the Office.

The Commission also published the notice for Virtual Public Hearing (via video conferencing) on its website www.gercin.org intimating the date and venue 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), TPL-D(D)	09.03.2021 at 11.30 A.M	GERC office, Gandhinagar (through Microsoft TEAMS Platform Link)

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 who comments on petition filed by TPL-D (D)

Sl. No.	Name of the Stakeholder	Written Submission	Orla Submission	Present on 09.03.2021
1	Utility Users Welfare Association	No	Yes	Yes

1.9. Approach of this Order

The GERC (MYT) 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 True-up of FY 2015-16, determination of final ARR for FY 2016-17, determination of Multi Year ARR for third-control period i.e., FY 2016-17 to FY 2020-21 and determination of Tariff for FY 2017-18.

TPL-D (D) has approached the Commission with the present petition for "Truing up" of FY 2019-20 as per the GERC (MYT) Regulations, 2016.

The Commission has undertaken "Truing up" for FY 2019-20, based on the submissions of the Petitioner. The Commission has undertaken the computation of Gains and Losses for FY 2019-20, based on the audited annual accounts and final ARR for FY 2019-20 approved in MTR Order dated 17th July, 2019 in Case No. 1766 / 2018

While Truing up for FY 2019-20, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per 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 FY 2019-20 has been considered based on the GERC (MYT) Regulations, 2016.

Determination of Tariff for FY 2021-22 has been considered as per the GERC (Multi-Year Tariff) Regulations, 2016. Truing up of FY 2021-22 shall be carried out based on the principles and methodology adopted in GERC (MYT) Regulations, 2016.

1.10. Contents of this Order

This Order is divided into **nine** chapters as under:

1. The First Chapter provides the background of the Petitioner, the petition and details of the public hearing process and the approach adopted for this Order.
2. The Second Chapter outlines the summary of TPL-D (D)'s Petition.
3. The Third Chapter provides the objections raised by various stakeholders, TPL-D (D)'s response and the Commission's views on the response.
4. The Fourth Chapter deals with 'Truing up' for FY 2019-20.
5. The Fifth Chapter deals with Approval of ARR for FY 2021-22.
6. The Sixth Chapter deals with the Compliance of Directives.
7. The Seventh Chapter deals with FPPPA.
8. The Eighth Chapter deals with Determination of the Wheeling Charges and Cross-Subsidy Surcharge.
9. The Ninth Chapter deals with Tariff Philosophy and Tariff Proposals.

2. Summary of Truing up for FY 2019-20 and Determination of Tariff for FY 2021-22

2.1 Introduction

This Chapter deals with highlights of the petition as submitted by TPL-D (D) for Truing up for FY 2019-20 and determination of tariff for FY 2021-22.

2.2 True up of FY 2019-20

Details of expenses under various components of ARR for FY 2019-20 compared with the final ARR for FY 2019-20 approved in "Mid Term Review Order" dated 17th July, 2019 and Item-wise Gain/Loss computations as submitted by TPL-D(D) are presented in the Table below:

Table 2.1: ARR Claimed by TPL-D(D) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Actual Claimed	Over (+) / Under (-) Recovery	Gain/ (Loss) due to Controllable Factor	Gain/ (Loss)due to Uncontrollable Factor
Power Purchase Cost	163.98	209.23	(45.25)	-	(45.25)
O&M Expenses	6.65	8.89	(2.24)	-	(2.24)
Depreciation	5.81	6.54	(0.73)	-	(0.73)
Interest and Finance Charges	5.16	5.17	(0.02)	-	(0.02)
Interest on Security Deposit	2.23	2.28	(0.05)	-	(0.05)
Interest on Working Capital	-	-	-	-	-
Return on Equity	6.03	5.80	0.23	-	0.23
Contingency Reserve	0.83	0.83	-	-	-
Income Tax	-	2.11	(2.11)	-	(2.11)
Less: Non-Tariff income	4.13	3.60	0.53	-	0.53
Aggregate Revenue Requirement	**186.56**	**237.25**	**(50.69)**	**-**	**(50.69)**

2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2019-20

The Table below summarizes the proposed ARR claimed by TPL-D (D) for Truing up:

Table 2.2: True up of FY 2019-20 as submitted by TPL-D (D)

(Rs. Crore)

Sl. No.	Particulars	Actual Claimed
a)	ARR approved in the MYT Order	186.56
b)	Gains/(Losses) due to Uncontrollable Factors	(50.60)
c)	Gains/(Losses) due to Controllable Factors	-
d)	Pass through as tariff [(1/3rd of c + b)]	(50.69)
e)	Trued Up ARR [(e)= a + d]	**237.25**

The Table below summarizes the trued-up ARR, revenue from sale of power, resultant (Gap) / Surplus and consolidated (Gap) / Surplus for FY 2019-20.

Table 2.3: Revenue (Gap) / Surplus submitted by TPL-D (D) for FY 2019-20

(Rs. Crore)

Particulars	Actual Claimed
Trued -up ARR	**237.25**
Revenue from Sale of Energy	239.87
Add: Revenue towards recovery of Earlier Years' approved (Gap)/Surplus	19.16
Balance Revenue	259.03
(Gap)/ Surplus	**21.78**

2.4 Summary of ARR for FY 2021-22

TPL-D (D) has presented the Aggregate Revenue Requirement for FY 2021-22, as given in the Table below:

Table 2.4: ARR projected by TPL-D (D) for FY 2021-22

(Rs. Crore)

Particulars	Amount
Power Purchase Cost	231.23
O&M Expenses	7.44
Interest on Loans	4.73
Interest on Security Deposit	2.04
Interest on Working Capital	-
Depreciation	7.49
Bad Debts Written Off	-
Contribution to Contingency Reserves	0.92
Return on Equity	6.40
Income Tax	2.11
Less: Non-Tariff Income	4.15
ARR	**258.21**

2.5 ARR, Revenue at existing Tariff and Revenue Gap for FY 2021-22

Based on the ARR for FY 2021-22 given in the Table above, the estimated revenue (Gap)/ Surplus for FY 2021-22 at existing tariff is shown in the following Table.

Table 2.5: Estimated revenue (Gap) / Surplus of TPL-D (D) for FY 2021-22

(Rs. Crore)

Particulars	Amount
ARR for FY 2021-22	258.21
Less:	
Revenue from sale of power at existing tariff rates	219.85
(Gap)/ Surplus	**38.36**

Petitioner has claimed the cumulative Gap up to FY 2021-22 is as given in the Table below:

Table 2.6: Cumulative revenue (Gap) / Surplus of TPL-D (D) for FY 2021-22

(Rs. Crore)

Sl. No	Particulars	Amount
1	(Gap)/ Surplus of FY 2019-20	21.78
2	Carrying Cost	1.99
3	**(Gap)/ Surplus of FY 2021-22**	**(38.36)**
4	**Cumulative (Gap)/ Surplus (1+2+3)**	**(14.59)**

2.6 Request of TPL-D (D)

TPL-D (D) has prayed the Commission 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 sharing of gains/ (losses) proposed by the Petitioner 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 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.

3. Stakeholder's suggestions/objections, Petitioner's response and the Commission's view

3.1 Public Response to the Petition

In response to the public notice by the Petitioner inviting objections / suggestions from stakeholders on the petition filed by TPL-D (D) for Truing up for FY 2019-20 and Determination of Tariff for FY 2021-22 under the GERC (MYT) Regulations, 2016, it is noted that the Petitioner has not received any comments/suggestions from the stakeholders. The petition was also placed on the website of the Commission (www.gercin.org). Even the Commission has not received any comment/objection/suggestion on this present petition from any stakeholders pursuant to the public notice. In the public hearing scheduled on 09.03.2021 at Commission's office. During the course of hearing one of the Objectors presented his views which is dealt with as under;

3.2 Issue - wise submissions, replies and the Commission's view

3.2.1 Issue: Uniform Tariff across the State

The Objector has suggested that uniform tariff shall be prescribed or notified for similarly placed consumer category across the State as is being implemented in other States where multiple Discoms are operating.

Petitioner's response

Determination of tariffs is the jurisdiction of the Commission. However, the costs/expenses and performance of the utilities have bearing on determination of tariffs.

Commission's view:

Sections 64 of the Electricity Act, 2003 explicitly specify the procedure to be followed for tariff order. The Commission has determined the tariff for the Petitioner Licensee in accordance with prevailing regulatory framework.

4. Truing up for FY 2019-20

4.1 Introduction

This Chapter deals with the Truing up for FY 2019-20.

The Commission has studied and analysed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2019-20 in the following paragraphs.

4.2 Energy Sales

Petitioner's submission:

The Petitioner has submitted that the actual energy sales for FY 2019-20 are 480.60 MUs, as against the sales of 446.06 MUs approved in the MTR Order dated 17th July, 2019.

Table 4.1: Energy Sales claimed for FY 2019-20

(MUs)

Particulars	Approved in the MTR Order	Actual claimed
Non RGP	0.73	0.48
LTMD	1.00	0.57
HTP-1	438.02	474.03
HTP-2	0.38	0.88
HTP-3	5.42	3.82
Others	0.51	0.83
Total Sales	**446.06**	**480.60**

TPL-D (D) submitted that, the actual sales in FY 2019-20 were higher than the sales approved in the MTR Order mainly due to the better load factor recorded for anchor industry in the leading category of HTP-I. However, for HTP-III, lower number of customers were added in later part of the year and with lower load factor than anticipated.

Commission's analysis

The sales as submitted by the Petitioner has 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 the Petitioner with the Chief Electrical Inspector vide additional details submitted by TPL-D (D).

The Commission has reviewed the above submissions and accordingly, the energy sales for FY 2019-20 are approved as given in the Table below:

Table 4.2: Energy Sales approved for Truing up for FY 2019-20

(MUs)

Particulars	Approved in the MTR Order	Actual claimed	Approved in Truing up
Energy Sales	446.06	480.60	480.60

The Commission approves the energy sales of 480.60 MUs for Truing up for FY 2019-20.

4.3 Distribution Losses

Petitioner's submission

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 dated 17th July, 2019 as given in the Table below:

Table 4.3: Distribution Losses claimed for FY 2019-20

Particulars	Approved in the MTR Order	Actual Claimed
Distribution Losses	2.00%	0.31%

The Petitioner has also submitted that the variation in the Distribution Losses compared to the approved value is considered as controllable. However, as the network is yet to be established and load is to be stabilized, the Distribution Losses and O & M expenses have been considered as uncontrollable.

Commission's analysis

The Distribution Losses as claimed by TPL-D (D) at 0.31% is approved for the purpose of true-up of FY 2019-20. Any Gain/Loss on account of Distribution Losses is controllable as per the GERC (MYT) Regulations, 2016. However, in this Order, the Distribution Losses have been considered as uncontrollable for the purpose of sharing of Gains/Losses for the present control period as the load is yet to stabilize. Hence, the Commission approves Distribution Losses of 0.31% for Truing up for FY 2019-20.

Table 4.4 : Distribution Losses approved for Truing up for FY 2019-20

Particulars	Approved in the MTR Order	Actual Claimed	Approved in Truing up
Distribution Losses	2.00%	0.31%	0.31%

The Commission approves Distribution Losses of 0.31% for Truing up for FY 2019-20.

4.4 Energy Requirement

Petitioner's submission

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 2019-20 and as approved in the MTR Order dated 17th July, 2019 are given in the Table below:

Table 4.5: Energy Requirement claimed for FY 2019-20

(MUs)

Particulars	Approved in the MTR Order	Actual Claimed
Energy Sales	446.06	480.60
Distribution Losses (%)	2.00%	0.31%
Distribution Losses	9.10	1.51
Energy Input at Distribution Level	455.16	482.11
Transmission Losses	16.78	15.17
Energy Requirement	**471.94**	**497.28**

Commission's analysis

The Commission has approved the Distribution Losses at 0.31% for FY 2019-20. The Commission computed the energy requirement with Distribution Losses of 0.31% (1.51 MUs) and Transmission Losses of 15.17 MUs for FY 2019-20 based on actuals as given in the Table below:

Table 4.6: Energy Requirement approved for Truing up for FY 2019-20

(MUs)

Particulars	Approved in the MTR Order	Actual Claimed	Approved in Truing up
Energy Sales	446.06	480.60	480.60
Distribution Losses (%)	2.00%	0.31%	0.31%
Distribution Losses	9.10	1.51	1.51
Energy Input at Distribution Level	455.16	482.11	482.11
Transmission Losses	16.78	15.17	15.17
Energy Requirement	471.94	497.28	497.28

The actual energy requirement is higher than that was approved in the MTR Order due to higher than approved sales.

The Commission approves total energy requirement of 497.28 MUs for Truing up for FY 2019-20.

4.5 Power Purchase cost

Petitioner's submission

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 4.7: Energy Availability (net) claimed for FY 2019-20

(MUs)

Particulars	Approved in the MTR Order	Actual Claimed
Bilateral/ Power Exchange	404.45	443.72
Renewable Energy	67.49	38.99
Sub-Total	**471.94**	**482.71**
Add: Sale of Surplus Power/UI	-	14.58
Total Energy Availability (net)	**471.94**	**497.28**

TPL-D (D) has submitted the actual power purchase cost for FY 2019-20 as provided in the Table below.

Table 4.8: Power Purchase Cost claimed for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Actual Claimed
Bilateral/ Power Exchange	136.47	188.43
Renewable Energy	27.47	20.80
Total Power Purchase Cost	**163.98**	**209.23**

TPL-D (D) has submitted that the variation in the power purchase cost from the MTR Order dated 17th July, 2019 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.

Renewable power purchase obligation

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 fulfill its RPPO.

The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2019-20 is as under:

Table 4.9: Renewable Power Purchase Obligation claimed for FY 2019-20

(MUs)

Particulars	Actual Claimed
Energy Requirement	497.28
RE Procurement	
Wind energy to be procured (@8.05%)	40.03
Solar energy to be procured (@5.5%)	27.35
Biomass/Bagasse/Others (@0.75%)	3.73
Total (14.30%)	71.11
Compliance (Non-Solar)	
Wind	30.38
Non-Solar REC	-
Compliance	30.38
Compliance (as % of Energy Requirement)	6.11%
Compliance (Solar energy)	
Solar	10.24
Solar-REC	-
Compliance	10.24
Compliance (as % of Energy Requirement)	2.06%

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 2019-20 in accordance with the RPO Regulations vide its petition no. 1902 of 2020.

Commission's analysis

The Commission has noted that the Petitioner has purchased 482.71 from bilateral, Power Exchange and Renewable sources and also 14.58 MU under UI to meet the energy requirement for sale to consumers.

The Commission, accordingly approves the total power purchase quantity of 497.28 MU for truing-up for FY 2019-20.

As verified from the Annual Accounts for FY 2019-20, TPL-D (D) has incurred power purchase cost of Rs. 209.23 Crore during FY 2019-20. The same has also been verified from the quarterly FPPPA submissions.

TPL-D (D) has purchased bilateral power at an average rate of Rs.4.35/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. 3.79 per kWh as submitted in Form F2. The Commission has noted the increasing trend of rates in the Power Exchange.

On a query of the Commission regarding the break-up of purchase from Wind and Solar RE sources TPL-D (D) has provided the details vide letter dated 10.02.2021 as given below:

Sl. No	Particulars	Quantum (MUs)	Rate (Rs/kwh)	Total Cost (Rs. Crore)
1	Solar	30.38	4.74	14.41
2	Wind	8.60	7.42	6.39
3	**Total**	**38.98**	**5.33**	**20.80**

On a query from the Commission regarding RE power purchase, the Petitioner clarified that it has purchased 1.63 MUs from solar generation from consumers.

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.

The Commission, accordingly, approves total power purchase cost of Rs. 209.23 Crore for Truing up for FY 2019-20.

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

Table 4.10: Gains / (Losses) on account of power purchase cost for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Power Purchase cost	163.98	209.23	(45.25)	-	(45.25)

4.6 Fixed Charges

4.6.1 Operation and Maintenance (O&M) Expenses

Petitioner's submission

TPL-D (Dahej) has claimed Rs.8.89 Crore towards O&M expenses as against the total O&M expenses of Rs.6.65 Crore approved for FY 2019-20 in the MTR Order dated 17th July 2019 as detailed in the Table below:

Table 4.11: O&M expenses claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in MTR order	Actuals claimed
O&M Expenses	6.65	8.89

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

TPL-D (Dahej) has submitted the actual O&M expenses at Rs.8.89 Crore inclusive of impact of "Re-measurement of Defined Benefit Plans" of Rs.0.06 Crore in the truing-up for FY 2019-20.

It is observed that as per Annual Accounts the O&M Expenses are Rs.8.82 Crore; whereas TPL-D (Dahej) has claimed O&M Expenses of Rs.8.89 Crore. The head-wise analysis is as under:

a) Employee Expenses: Employee expenses as per annual accounts are Rs.1.98 Crore net of expenses capitalised of Rs.1.97 Crore. TPL-D (Dahej) has added expense towards re-measurement of defined benefit plans of Rs.0.06 Crore.

   The Commission has addressed the Petitioner vide letter dated 27.01.2021 to clarify that the amount claimed as change in law due to change in Gratuity Act has been actually paid or provision made in the accounts. The Petitioner vide letter dated 10.02.2021 has submitted that re-measurement of the defined benefit plans is paid to Gratuity Fund with LIC.

   Accordingly, the employee expenses are Rs.2.04 Crore. The Commission has approved the employee expenses as Rs.2.04 Crore.

b) A&G Expenses: A&G Expenses as per annual accounts is Rs.4.25 Crore (net of capitalisation of Rs.0.15 Crore). The Petitioner has claimed the A&G Expenses after reduction on account of Bad Debts Written off-net (-) Rs.0.01 Crore) and claimed Lease payments (Rs.0.01 Crore) and accordingly, claimed Rs.4.27 Crore (net of capitalisation of Rs.0.15 Crore) towards A&G expenses in true up for FY 2019-20.

   The A&G expenses includes negative expenses of Rs.0.01 Crore towards net Bad debts written off i.e. recovery of bad debts considered earlier. The Commission has not considered bad debts written off net (-) Rs.0.01 Crore in A&G expenses, since the same is considered under non-tariff income in truing up for FY 2019-20. Accordingly, the Commission approves the A&G expense of Rs.4.27 Crore.

c) R&M Expenses: The Petitioner has claimed R&M expenses of Rs.2.58 Crore as per annual accounts for FY 2019-20 and the Commission approves the same.

The Commission, accordingly, approves the O&M expenses of Rs.8.89 Crore, for truing up of FY 2019-20.

Table 4.12: O&M Expenses approved by the Commission for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing Up
O&M Expenses	6.65	8.89	8.89

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. 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 4.13: Gains/(losses) on account of O&M expenses approved for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Approved in Truing Up	Deviation	Gains/(Losses) due to Controllable Factors	Gains/(Losses) due to Uncontrollable Factors
O&M Expenses	6.65	8.89	2.24	0.00	2.24

4.6.2 Capital Expenditure, Capitalization and Sources of Funding

a) Capital Expenditure

Petitioner's Submission

The Petitioner has claimed capital expenditure of Rs.8.85 Crore in the truing up for FY 2019-20 as against Rs.9.20 Crore approved in the MTR Order dated 17th July, 2019 as per the details given in the Table below:

Table 4.14: Capital expenditure claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR order	Actual Claimed
EHV	4.11	2.18
HT Network	1.28	1.09
LT Network	0.44	0.39
Metering	0.70	0.02
Special projects	0.79	1.97
Customer care & IT	0.04	–
Others	1.85	3.19
Total	**9.20**	**8.85**

TPL-D (Dahej) has reported the reasons for the major variances in the actual expenditure against the approved expenditure as detailed below:

(a) EHV: The Commission had approved the capital expenditure of Rs.4.11 Crore for 220kV and 33kV substation and network along with testing and measuring instrument against which Rs.2.18 Crore is incurred towards commissioning of one 33kV customer, power transformer augmentation and testing and measuring equipment.

(b) HT Network: The Commission had approved the capital expenditure of Rs.1.28 Crore against which Rs.1.09 Crore is incurred. The variation is mainly on account of development of 11 kV network and lower number of 11 kV customers added.

(c) LT Network: The Commission had approved the capital expenditure of Rs.0.44 Crore against which Rs.0.39 Crore is incurred. The variation is mainly on account of lower number LT customers added than anticipated.

(d) Metering: The Commission had approved the capital expenditure of Rs.0.70 Crore against which Rs.0.02 Crore is incurred. The variation is due to deferment of Advance metering infrastructure.

(e) Special projects: The Commission had approved the capital expenditure of Rs.0.79 Crore against which Rs.1.97 Crore is incurred. The higher expenditure is due 11 kV feeder automation and GIS development.

(f) Others: Major capex incurred is towards centralized material handling building with material storage facility along with civil works.

Commission's analysis

The Commission has observed that according to the audited annual accounts for FY 2019-20, the Capex is at Rs.8.85 Crore. The Petitioner has furnished the project-wise/scheme-wise/work-wise details of CAPEX in the Form 4.2 of the petition.

The Commission opines that in order to meet the system demand and to provide uninterrupted reliable quality power supply, necessary augmentation and upgradation of EHV / HV / LV network is required. TPL-D (Dahej) 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.

The Petitioner has submitted the details of project-wise CAPEX approved in MTR Order dated 17th July, 2019 and the actual CAPEX during FY 2019-20 is as mentioned in the Table below:

Table 4.15: Details of Project-wise Capex break-up for FY 2019-20

(Rs. Crore)

Project Title	Capex approved for FY 2019-20 in MTR order	Actual Capex during FY 2019-20
EHV	4.11	2.18

Project Title	Capex approved for FY 2019-20 in MTR order	Actual Capex during FY 2019-20
HT Network	1.28	1.09
LT Network	0.44	0.39
Metering	0.70	0.02
Special projects	0.79	1.97
Customer care & IT	0.04	
Others	1.85	3.19
Total	**9.20**	**8.85**

The project-wise CAPEX and capitalization approved in MTR Order dated 17th July, 2019 and approved in True-up for FY 2019-20 are as shown in the table below:

Table 4.16: Approved CAPEX as per MYT Order & Actual CAPEX and Capitalization during FY 2019-20 for TPL-D (D)

(Rs. Crore)

Project Title	Capex proposed for FY 2019-20 in MTR petition	Capex approved for FY 2019-20 in MTR order	Capex claimed and approved in truing up for FY 2019-20	Capitalisation proposed for FY 2019-20 in MTR petition	Capitalisation approved for FY 2019-20 in MTR order	Capitalisation claimed and approved in truing up for FY 2019-20	Difference proposed & approved capitalisation for FY 2019-20
A	B	C	D	E	F	G	H=(F-G)
EHV	4.11	4.11	2.18	5.11	5.11	1.57	3.54
HT Network	1.28	1.28	1.09	1.28	1.28	1.25	0.03
LT Network	0.44	0.44	0.39	0.44	0.44	0.40	0.04
Metering	0.70	0.70	0.02	0.70	0.70	0.02	0.68
Special projects	0.79	0.79	1.97	1.57	1.57	1.99	(0.42)
Customer care & IT	0.04	0.04		0.04	0.04		0.04
Others	1.85	1.85	3.19	2.94	2.94	3.09	(0.15)
Total	**9.20**	**9.20**	**8.85**	**12.08**	**12.08**	**8.33**	**3.76**

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.4.11 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs.2.18 Crore only towards commissioning of one 33 kV customer, power transformer augmentation and testing and measuring instrument. Capex relating other works, the Petitioner has incurred Rs.3.19 Crore against the capex of Rs.1.85 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.

The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs.8.33 Crore during FY 2019-20.

The Commission has considered the opening CWIP at Rs.1.25 Crore based audited annual accounts for FY 2019-20.

The Commission based on the audited annual accounts of FY 2019-20 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 4.17: Capital works in progress (CWIP) approved in true up for FY 2019-20 for TPL-D (Dahej)

(Rs. Crore)

Sl. No.	Particulars	Approved in true up for FY 2019-20
1	Opening CWIP	1.25
2	CAPEX during the year	8.85
3	Less: Capitalisation	8.33
4	Closing CWIP (1+2-3)	1.77

The Commission, accordingly, approves the CWIP in truing up for FY 2019-20 as detailed in the table above.

b) Capitalization and Gross Fixed Assets

Petitioner's Submission

TPL-D (Dahej) has claimed a sum of Rs.8.33 Crore towards capitalization, against the approved capitalization of Rs.12.08 Crore for FY 2019-20 in the MTR Order dated 24.04.2019.

Commission's analysis

According to the audited annual accounts for FY 2019-20, the capitalisation is at Rs.8.33 Crore and the same is considered and approved by the Commission in truing up for FY 2019-20. The Petitioner has furnished details of asset wise capitalization in Form 4.2 which is depicted in the Table below:

Table 4.18: Break up of capitalised assets for FY 2019-20

(Rs. Crore)

Asset Classification	Actual Capitalisation
EHV Network	
220 kV EHV SS and network	0.04
220 kV and 33 kV consumers	1.50

Asset Classification	Actual Capitalisation
33 kV SS	
Testing and Measuring equipment	0.03
HT Network	
New HT Consumers	0.70
Cable scheme	0.44
Miscellaneous	0.11
LT Network	
Service lines and existing mains/DE	0.25
Extension/reduction of load	0.15
Special projects	
Automation	1.55
Geographical information system (GIS)	0.44
Metering	
Normal load growth	0.02
Others	
Administration	0.37
Stores	0.49
Civil	2.14
Miscellaneous	0.09
Total	**8.33**

Further, the Commission has sought the following details with respect to the capitalization of the assets during the FY 2019-20.

Table 4.19: Details of CEI Certificates for TPL-D (Dahej) for FY 2019-20

CAPEX Head	Description	CEI Inspection Date
HT	33 kV switchgear 3 Nos each of 80KA, 31.5KA, 36 kV, 1250 AMP switchgears	24.07.2019

The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that TPL-D (Dahej) has upgraded and uprated some of the existing switchgears and verified from the Certificate of inspection issued by the Chief Electrical Inspector, as submitted vide additional details dated 10th February, 2021 which substantiates that the assets created through CAPEX have been put to service.

Based on the above observations and verification from the annual accounts, the Commission approves the capitalization of Rs.8.33 Crore in truing up for FY 2019-20.

Further, TPL-D (Dahej) has de-capitalised assets to the extent of Rs.1.01 Crore during

FY 2019-20. However, it is observed that deductions from GFA is at Rs.0.74 Crore as per (Note 4.1 - Rs.0.31 Crore and Note 6 - Rs.0.40 Crore) the audited annual accounts for FY 2019-20. The Commission vide letter dated 27.01.2021 has addressed the Petitioner to furnish the details for the discrepancy. The Petitioner vide letter dated 10.02.2021 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 in the petition on Gross Fixed Assets (GFA) basis as per GERC MYT Regulations. Hence, the Commission considers de-capitalised assets at Rs.1.01 Crore and accordingly adjustments made to GFA in truing up for FY 2019-20.

The Commission has approved closing GFA at Rs.166.65 Crore for FY 2018-19 in true up order dated 31.3.2020 in case no.1846 of 2019 and the same is considered as opening GFA for FY 2019-20.

The Commission, in view of the above and based on the values reported through audited annual accounts, has considered the opening GFA, capitalisation, asset deductions and closing GFA in true up for FY 2019-20 as given in the table below:

Table 4.20: Gross Fixed Assets approved in true up for FY 2019-20 for TPL-D (Dahej)

(Rs. Crore)

Sl. No.	Particulars	Approved in true up for FY 2019-20
1	Opening GFA	166.65
2	Assets capitalized during the year	8.33
3	Less: Deductions	1.01
4	Closing GFA (1+2-3)	173.97

The Commission, accordingly, approves the GFA in truing up for FY 2019-20 as detailed in the table above.

c) Funding of CAPEX

Petitioner's Submission

TPL-D (Dahej) has submitted the capitalisation and funding of CAPEX, as detailed in the Table below:

Table 4.21: Funding of capitalization claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR order	Claimed by the petitioner
Opening GFA	166.79	166.65
Addition to GFA	12.08	8.33
Deletion from GFA	–	1.01
Closing GFA	178.87	173.97
Less: SLC Additions	0.78	3.52
Balance Capitalization	11.30	3.80
Normative Debt @ 70%	7.91	2.66
Normative Equity @ 30%	3.39	1.14

Commission's analysis

The Commission as deliberated in earlier paragraph has considered capitalised assets and accordingly considered debt and equity component as provided in Regulation 33 of the GERC (MYT) Regulations, 2016. The Commission has considered Contribution from Consumers (i.e. SLC) at Rs.3.52 Crore as reported (Note 33 (a) in the annual accounts for FY 2019-20.

The normative debt-equity in terms of regulations is considered towards additional capitalisation and approves funding thereof as shown in the Table below for truing up of FY 2019-20:

Table 4.22: Funding of capitalization approved for TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the Petitioner	Approved in Truing-up
Opening GFA	166.79	166.65	166.65
Addition to GFA	12.08	8.33	8.33
Deletion from GFA		1.01	1.01
Closing GFA	178.87	173.97	173.97
Less: SLC Additions	0.78	3.52	3.52
Balance Capitalization	11.30	3.80	3.80
Normative Debt @ 70%	7.91	2.66	2.66
Normative Equity @ 30%	3.39	1.14	1.14

The Commission approves the capitalization and funding as shown in the above Table in the truing up for FY 2019-20.

4.6.3 Depreciation

Petitioner's Submission

TPL-D (Dahej) has claimed a sum of Rs.6.54 Crore towards depreciation in the truing up for FY 2019-20 as against Rs.5.81 Crore approved in the MTR Order for FY 2019-20 as shown in the Table below:

Table 4.23: Depreciation claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR order	Claimed by the Petitioner
Depreciation	5.81	6.54

TPL-D (Dahej) has submitted that the depreciation rates, as per MYT Regulations, 2016 are applied on the Opening GFA and assets capitalised during FY 2019-20. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's analysis

The Commission has considered the opening balance of GFA for FY 2019-20 equal to the closing balance of GFA for FY 2018-19 approved in truing up by the Commission vide Order dated 31.03.2020 in Case No. 1846 of 2019.

The details of opening GFA as on 1st April, 2019, addition to and deduction from the Gross Block during FY 2019-20 and the asset classification-wise depreciation are given in the Form 5 along with the petition.

The Commission has verified the depreciation from the annual accounts for FY 2019-20. It is observed that depreciation as per annual accounts is Rs.8.25 Crore. The Petitioner has added leased land depreciation of Rs.0.20 Crore and reduced the depreciation of Rs.1.72 Crore on assets funded through service line charges, and accordingly claimed depreciation of Rs.6.54 Crore.

The Commission has observed that the Petitioner has added depreciation on leased land of Rs.0.20 Crore. The Petitioner has clarified that the amount represents amortisation of lease value of RoU asset proportionate to tenure of the lease period. The Commission accordingly considered Rs.0.20 Crore as part of the depreciation in truing up for FY 2019-20.

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 for FY 2019-20 in the truing up as given below.

Sl. No.	Particulars	Amount (Rs. Crore)
1	Depreciation on assets (Form 5 of petition)	8.26
2	Less: Depreciation on assets financed through SLC	1.72
4	Net depreciation allowed in true up	6.54

Table 4.24: Depreciation approved by the Commission for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up
Depreciation	5.81	6.54	6.54

The Commission has approved depreciation at Rs. 6.54 Crore in MTR order dated 17.07.2019. The deviation of Rs. 0.73 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 2019-20, as detailed in the Table below:

Table 4.25: Gain/(Losses) on account of Depreciation approved for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Approved in Truing-up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Depreciation	5.81	6.54	0.73	0.73

4.6.4 Interest and Finance Charges

Petitioner's Submission

TPL-D (Dahej) has claimed a sum of Rs.5.17 Crore towards normative interest expenses in truing up for FY 2019-20 as detailed in the Table below as against Rs.5.16 Crore approved in the MTR Order dated 17.07.2019.

Table 4.26: Interest Expense claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Claimed by the Petitioner
Addition to GFA	8.33
Less: Deletions from GFA	1.01
Less: SLC Additions	3.52
Capitalisation for Debts	3.80
Normative Debt @ 70%	2.66
Opening Balance of Loans	58.21
Loan addition during the year	2.66
Repayments	6.54
Closing Balance of Loans	54.33
Average Loan	56.27
Weighted average rate of interest	9.12%
Interest Expense	5.13
Other Borrowing Cost	0.04
Total Interest & Finance Charges	**5.17**

The Petitioner has submitted that interest is calculated on normative loans in terms of the GERC (MYT) Regulations, 2016 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.

The Petitioner has requested the Commission to approve the interest expenses claimed as above. The variation in interest expenses compared to the approved expenses be treated as uncontrollable as it depends on the quantum of actual capitalization and the variation in the interest rates.

Commission's analysis

The Commission has considered the opening normative loan at Rs.58.21 Crore for FY 2019-20 based the closing normative loan approved in true up for FY 2018-19 in Order dated 31.03.2020 in Case No. 1846 of 2019.

Addition to loan during the year FY 2019-20 is considered at Rs.2.66 Crore as approved in accordance with the GERC MYT regulations 2016. The repayment is considered equivalent to depreciation as approved in the section of depreciation. The GERC (MYT) Regulations, 2016 provides for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year's closing balance, capitalisation and funding approved during the year.

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

Accordingly, the Commission sought information such as the actual loan portfolio and computation of weighted average rate of interest, which the Petitioner submitted vide additional submission dated 10th February 2021. The Commission has calculated the weighted average rate of interest at 9.09% against 9.12% claimed by the Petitioner for the actual loan portfolio submitted for FY 2019-20.

The Commission sought information on reconciliation of other borrowing cost, which the Petitioner has submitted vide additional details dated 10th February, 2021. The Petitioner has given a reconciliation with respect to the other borrowing cost of Rs.0.03 Crore and amortisation of borrowing cost of Rs.0.05 Crore reported in Note 30 of Annual Accounts, based on which the Petitioner has claimed other borrowing cost of Rs.0.04 Crore, after deducting Rs. 0.04 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.

The Commission has approved the interest and finance charges for FY 2019-20, as detailed in the Table below:

Table 4.27: Interest and finance charges approved in truing up for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order	Claimed by the petitioner	Approved in truing-up
1	Opening loan balance	59.29	58.21	58.21
2	Additions during the year	7.91	2.66	2.66
3	Normative Repayment	5.81	6.54	6.54
4	Closing Loan (1+2-3)	61.39	54.33	54.33
5	Average Loan {(1+4)/2}	60.34	56.27	56.27
6	Interest rate	8.55%	9.12%	9.09%
7	Interest on loans (5 * 6)	5.16	5.13	5.12
8	other finance charges	–	0.04	0.04
9	**Total interest and finance charges**	**5.16**	**5.17**	**5.16**

The Commission, accordingly, approves the interest and finance charges in the truing up for FY 2019-20 as given in the table above.

Since, there is no deviation in the Interest and Finance Charge approved by the Commission in true up of FY 2019-20 as compared to the same approved in MTR Order, there is no gain/(loss) as shown in the table below:

Table 4.28: Interest expenses and Gains/(Losses) approved by the Commission for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing-up	Deviation +/(-)	Gains/(Losses) due to Uncontrollable Factors
Interest and Finance charges	5.16	5.17	5.16	(0.00)	(0.00)

4.6.5 Return on Equity

Petitioner's Submission

TPL-D (Dahej) has claimed a sum of Rs.5.80 Crore towards Return on Equity @ 14% in the truing up for FY 2019-20 as against Rs.6.03 Crore approved in the MTR Order dated 17.07.2019 as detailed in the Table below:

Table 4.29: Return on Equity claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the Petitioner
Opening Equity	41.35	40.82
Equity addition during the year	3.39	1.14
Closing Equity	44.74	41.96
Average of Opening and Closing Equity	43.05	41.39
Rate of Return on Equity	14%	14%
Return on Equity	6.03	5.80

TPL-D (Dahej) has submitted that the closing balance of equity has been arrived at considering additional of 30% of the capitalization during the year. The return on equity has been computed by applying the rate of 14% on the average of the opening and closing balance of equity for FY 2019-20.

The Petitioner has requested the Commission to consider the variation in RoE as uncontrollable and allow the same for the purpose of truing-up.

Commission's analysis

The Commission has considered opening equity for FY 2019-20 based on closing equity approved in the Truing up for FY 2018-19 order dated 31st March 2020 in Case No. 1845 of 2019.

During the year asset addition is at Rs. 8.33 Crore and the equity at 30% works out to Rs.1.44 Crore. Further during the year deletion from GFA is at Rs. 1.01 Crore and accordingly, reduction in equity is considered at Rs. 0.30 Crore being 30% of the asset reduction. Thus, the net equity addition is considered at Rs. 1.14 Crore during FY 2019-20 in truing up

The rate of return is considered at 14% as per the GERC (MYT) Regulations, 2016 to work out the Return on Equity as shown in the Table below:

Table 4.30: Return on Equity approved by the Commission for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order	Claimed by the petitioner	Approved in truing up
1	Opening Equity	41.35	40.82	40.82
2	Additions during the year	3.39	1.44	1.44
3	Less: Reduction in equity on account of asset retirement		0.30	0.30
4	Net equity addition during the year	-	1.14	1.14
5	Closing Equity (1+4)	44.74	41.96	41.96
6	Average Equity (1+5)/2	43.05	41.39	41.39
7	Rate of Return on Equity	14%	14%	14%
8	Return on opening Equity (1*7)	5.79	5.71	5.71
9	Return on equity addition during the year ((4)/2)*7	0.24	0.08	0.08
10	**Total Return on Equity (8+9)**	**6.03**	**5.80**	**5.79**

The Commission, accordingly, approves the Return on Equity at Rs.5.79 Crore in truing up for FY 2019-20.

The Return on Equity depends on the amount of capitalization during the year and the debt equity ratio considered during the Financial Year and these parameters are uncontrollable in nature. The variance in the amount of Return on Equity is therefore treated as an uncontrollable item.

The Commission, accordingly, approves the gains/(losses) on account of Return on

Equity in the truing up for FY 2019-20 as detailed below.

Table 4.31: Return on Equity and Gains/Losses approved in truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up	Deviation +/(-)	Gains/(Losses) due to Uncontrollable Factors
Return on Equity	6.03	5.80	5.79	0.24	0.24

4.6.6 Interest on Consumer's Security Deposit

Petitioner's submission

The Petitioner TPL-D (Dahej) has claimed Rs.2.28 Crore towards interest on security deposit in truing-up for FY 2019-20 as against Rs.2.23 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 2019-20.

The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 6.50% paid to consumers based on Bank Rate is submitted in the Table below.

Table 4.32: Interest on Security Deposit claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the Petitioner
Interest Rate	6.25%	6.50%
Interest on Security Deposit	2.23	2.28

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

The Commission has verified the actual interest on security deposit and found the same to be as per (Note 30) the annual accounts for FY 2019-20 submitted with the petition.

The Commission, accordingly, approves the interest on security deposit at Rs.2.28 Crore in the truing up for FY 2019-20.

Table 4.33: Interest on Security Deposit approved for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing- Up
Interest on Security Deposit	2.23	2.28	2.28

The Commission considers the deviation as loss on account of uncontrollable factor as detailed in the Table below:

Table 4.34: Interest on Security Deposit and Gains/Losses approved for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing- Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	2.23	2.28	2.28	(0.05)	(0.05)

4.6.7 Income Tax

Petitioner's submission

The Petitioner has claimed the Income Tax based for FY 2019-20 based on the actual tax paid in proportion to the PBT of TPL-D (Dahej). Hence, the total amount claimed under the head of income-tax is Rs.2.11 Crore.

Table 4.35: Income tax claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner
Income Tax	–	2.11

The Petitioner has requested the Commission to consider the variation in Income Tax as uncontrollable and allow the same for truing up.

Commission's analysis

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

The Commission has verified the PBT figures from the annual accounts for FY 2019-20. The Petitioner has shown a PBT of Rs.12.05 Crore including Re-measurement of Defined Benefit Plans. The PBT as per standalone financial statement of TPL (including Re-measurement of Defined Benefit Plans) is Rs.1501.33 Crore and the total tax paid by the Company as a whole is Rs.305.95 Crore. It is observed that during FY 2019-20, the Petitioner has paid Minimum Alternate Tax (MAT) of 17.472%, though the effective tax rate works out to be 20.38%. Applying the MAT rate of 17.472% on the PBT of TPL-D (Dahej), the income tax for TPL- D (Dahej) works out to be Rs. 2.11 Crore.

The Commission, accordingly, approves the Income Tax at Rs.2.11 Crore in the truing up for FY 2019-20.

Table 4.36: Income Tax approved in the truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing Up
Income Tax	–	2.11	2.11

The Commission has treated the Income Tax as an uncontrollable expense and, accordingly, approves the gains/losses on account of Income Tax in the truing up for FY 2019-20, as detailed in the Table below:

Table 4.37: Income Tax and Gains/Losses approved in the truing up for FY 2019-20

Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing Up	Deviation +/(-)	Gains/(Losses) due to Uncontrollable Factors
Income Tax	–	2.11	2.11	(2.11)	(2.11)

4.6.8 Contingency Reserve

Petitioner's submission

The Petitioner has submitted that contingency reserve is allowed in accordance with the MYT Regulation 2016. Accordingly, the Petitioner has considered 0.5% of the cost of fixed assets towards contingency reserve for FY 2019-20 as shown in the following

Table:

Table 4.38: Contingency Reserve claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner
Contingency Reserve	0.83	0.83

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

Commission's analysis

The contingency reserve claimed in truing up is in consistence with the GERC (MYT) Regulations, 2016 and accordingly, the same is approved as shown below.

Table 4.39: Contingency Reserve approved for truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up
Contingency Reserve	0.83	0.83	0.83

The Commission accordingly, approves the gains/losses on account of contingency reserve in the truing up for FY 2019-20, as detailed in the Table below:

Table 4.40: Contingency Reserve and Gains/Losses approved for truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up	Deviation +/(-)	Gains / (Losses) due to Uncontrollable Factors
Contingency Reserve	0.83	0.83	0.83	-	-

4.6.9 Non-Tariff Income

Petitioner's submission

The Commission had approved Non-Tariff Income of Rs.4.13 Crore for FY 2019-20 in the MTR Order dated 17.07.2019 and the actual Non-Tariff Income considered is Rs. 3.60 Crore for truing up as given in the table below:

Table 4.41: Non-Tariff Income claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the Petitioner
Non-Tariff Income	4.13	3.60

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

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.

The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2019-20 is Rs.3.60 Crore. The Non-Tariff Income as per the Annual Accounts is Rs.5.31 Crore. The Petitioner has reduced the Amortisation of Deferred Revenue (Rs.1.72 Crore) and included recovery from bad debts of Rs.0.01 Crore in the Non-Tariff Income to arrive at claimed figure of Rs.3.60 Crore.

The Commission, accordingly, approves the Non-Tariff Income of Rs.3.60 Crore for FY 2019-20.

Table 4.42: Non-Tariff Income approved for truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up
Non-Tariff Income	4.13	3.60	3.60

The Commission considers non-tariff income as an uncontrollable parameter and, accordingly, approves the gains/losses on account of non-tariff income in the truing up for FY 2019-20, as detailed in the Table below:

Table 4.43: Non-Tariff Income and Gains/(Losses) approved for truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up	Deviation +/(-)	Gains / (Losses) due to Uncontrollable Factors
Non-Tariff Income	4.13	3.60	3.60	0.53	0.53

4.6.10 Interest on Working Capital

Petitioner's submission

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.

Table 4.44: Interest on Working Capital claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner
O&M Expense for 1 month	0.55	0.74
1 % of GFA for Maintenance Spares	1.67	1.67
Receivables for 1 month	15.55	19.99
Less: Security Deposit	35.70	35.70
Working Capital Requirement	-	-
Interest Rate (%)	10.65%	10.66%
Interest on Working Capital	-	-

The Petitioner has submitted that the variation in working capital requirement is primarily on account of variation in actual O&M expenses and receivables. Further, there is a variation in the interest rate applicable to working capital requirement. Accordingly, the Petitioner has requested the Commission to consider the variation in interest on working capital as uncontrollable.

Commission's analysis

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

TPL-D (Dahej) has considered the working capital interest rate @ 10.66% per annum, being the weighted average 1-year MCLR prevailing during FY 2019-20 plus 250 basis points.

The regulations (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e.2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2019-20 from the State Bank of India website which worked out to 8.16%. Accordingly, the rate of interest for computation of interest on working capital works out to 10.66% (8.16%+2.50%) and the same is adopted in truing up for FY 2019-20.

The working capital requirement and the interest on working capital is as shown in the Table below:

Table 4.45: Interest on Working Capital approved by the Commission for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order	Claimed by the petitioner	Approved in truing up
1	O&M exp. (1 month)	0.55	0.74	0.74
2	Maintenance spares @1% of opening GFA	1.67	1.67	1.67
3	Receivables for 1 month	15.55	19.99	19.99
4	sub-total (1+2+3)	17.77	22.40	22.40
5	Less: Amount held as Security deposit from Distribution system users	35.70	35.70	35.70
6	Working capital requirement (4-5)	–	–	–
7	Rate of interest %	10.65%	10.66%	10.66%
8	Interest on working capital (6 * 7)	–	–	–

The Commission, accordingly, approves the interest on working capital as NIL in the truing up for FY 2019-20.

The Commission considers interest on working capital as an uncontrollable parameter and, accordingly, approves the gains/losses in the truing up for FY 2019-20, as detailed in the Table below:

Table 4.46:Interest on working capital and Gains/(Losses) approved for truing up for FY 2019-20

(Rs. Crore)

Particulars	Approved in the MTR Order	Claimed by the petitioner	Approved in Truing up	Deviation +/(-)	Gains / (Losses) due to Uncontrollable Factors
Interest on working capital	–	–	–	–	–

4.6.11 Revenue from Sale of Power

Petitioner's submission

The Petitioner has submitted the revenue from sale of power as Rs.239.87 Crore as the revenue from sale of power in the truing up for FY 2019-20 as detailed in the Table below.

Table 4.47: Revenue from Sale of Power claimed by TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Particulars	Claimed by the petitioner
Revenue from Sale of Power	239.87

Commission's analysis

The Commission has verified the revenue from sale of power from the annual accounts for FY 2019-20. As per the audited annual accounts the revenue from sale of power is depicted (Note 27) at Rs.242.38 Crore. However, in Form 10 of the petition, the Petitioner has reported a revenue of Rs.239.87 Crore. It was stated that provision of Rs. 2.51 Crore is not considered in revenue from sale of electricity.

The Commission has asked the petitioner vide letter dated 27.01.2021 to explain why it is not considered under revenue for sale of energy. The Petitioner vide letter dated 06.02.2021 and 02.03.2021 has submitted certificate of Statutory Auditor certifying that amount of Rs. 2.51 Crore is not recovered from the consumers on account of unrecovered gap/ FPPPA charges. The Commission has considered the amount of Rs. 2.51 Crore on account of unrecovered FPPPA charges not reflected as revenue for FY 2019-20. Accordingly, the Commission has considered actual recovered revenue of Rs. 239.87 Crore for the purpose of truing up of FY 2019-20. Thus, the unrecovered FPPPA/gap of the past period is reflected in the trued up (Gap)/Surplus of FY 2019-20 and accordingly, the past period unrecovered FPPPA/gap is subsumed in the trued up (Gap)/Surplus of FY 2019-20.

The Commission has considered the revenue from sale of power at Rs. 239.87 crore as depicted in the Form 10 of the petition.

The Commission in accordance with the GERC (MYT) Regulations, 2016 approves the Revenue from sale of power at Rs. 239.87 Crore for FY 2019-20 in the truing up.

4.6.12 Gains/Losses under truing up for FY 2019-20

Petitioner's submission:

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 2019-20 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 4.48: Controllable & Uncontrollable variations for FY 2019-20 claimed by the Petitioner

(Rs. Crore)

Particulars	Approved in MTR Order	Claimed by the petitioner	Over (+) / Under (-) recovery	Controllable	Uncontrollable
Power purchase	163.98	209.23	(45.25)		(45.25)
O & M expenses	6.65	8.89	(2.24)		(2.24)
Depreciation	5.81	6.54	(0.73)		(0.73)
Interest and finance charges	5.16	5.17	(0.02)		(0.02)
Interest on SD	2.23	2.28	(0.05)		(0.05)
Interest on working capital	0.00	0.00	0.00		0.00
Bad debts written off	0.00	0.00	0.00		0.00
Contingency reserve	0.83	0.83	0.00		0.00
Return on Equity	6.03	5.80	0.23		0.23
Income tax	0.00	2.11	(2.11)		(2.11)
Less: Non-tariff income	4.13	3.60	0.53		0.53
Net ARR	**186.56**	**237.25**	**(50.69)**	**0.00**	**(50.69)**

Commission's analysis:

The Commission has reviewed the performance of TPL-D (Dahej) under Regulation 22 of the GERC (MYT) Regulations, 2016, for FY 2019-20. The Commission has computed the gains/(losses) for FY 2019-20 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 dated 17th July, 2019 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 4.49: ARR approved in respect of TPL-D (Dahej) in the truing up for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR Order	Claimed by the petitioner	Approved in truing up	Under / (Over) recovery	Controllable	Uncontrollable
1	2	3	4	5	6 =(3-5)	7	8
1	Power purchase	163.98	209.23	209.23	(45.25)	0.00	(45.25)
2	O & M expenses	6.65	8.89	8.89	(2.24)	0.00	(2.24)
3	Depreciation	5.81	6.54	6.54	(0.73)		(0.73)
4	Interest and finance charges	5.16	5.17	5.16	0.00		0.00

Sl. No.	Particulars	Approved in MTR Order	Claimed by the petitioner	Approved in truing up	Under / (Over) recovery	Controllable	Uncontrollable
1	2	3	4	5	6 =(3-5)	7	8
5	Interest on Security deposits from consumers	2.23	2.28	2.28	(0.05)		(0.05)
6	Interest on working capital	0.00	0.00	0.00	0.00		
7	Bad debts written off	0.00	0.00	0.00	0.00		
8	Contribution to contingency reserve	0.83	0.83	0.83	0.00		
9	Return on Equity	6.03	5.80	5.80	0.23		0.23
10	Income tax	0.00	2.11	2.11	(2.11)		(2.11)
11	Total ARR	**190.69**	**240.85**	**240.83**	**(50.14)**	**0.00**	**(50.14)**
12	Less: Non-tariff income	4.13	3.60	3.60	0.53		0.53
13	**Net ARR**	**186.56**	**237.25**	**237.23**	**(50.67)**	**0.00**	**(50.67)**

4.6.13 Sharing of Gains / Losses for FY 2019-20

The Commission has shared the gains/losses on account of controllable and uncontrollable factors in accordance with Regulation 23 of the GERC (MYT) Regulations, 2016.

The relevant Regulations are extracted below:

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

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

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

23.3 Nothing contained in this Regulation 23shall 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 utilised 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."

The trued up ARR for FY 2019-20 as claimed by TPL-D (Dahej) and as approved by the Commission is summarized in the Table below:

Table 4.50: Approved Trued up ARR incl. Gains/(Losses) for TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Claimed by the Petitioner	Approved in truing up
A	ARR as per MTR order dated 24.04.2019	186.56	186.56
B	Gains/(Losses) due to uncontrollable factors	50.69	50.67
C	Gains/(Losses) due to controllable factors		0.00
D	Less: 1/3 of gains/(Losses) due to controllable factors (C/3)		0.00
E	Pass through as tariff (B+D)	50.69	50.67
F	**True up ARR (A+E)**	**237.25**	**237.23**

The Petitioner has submitted that as per the Commission's orders dated 17th July 2019 and 5th September 2020 (read with APTEL judgment dated 09.06.2020), revenue towards recovery of earlier years' approved (Gap)/Surplus works out to surplus of Rs. 19.16 Crore and adjusted against the true up (Gap)/Surplus of FY 2019-20. The Petitioner has submitted that carrying cost of past periods not allowed by the Commission shall be allowed to be recovered in totality as per APTEL judgment and accordingly carrying cost has been considered.

The Commission has approved Rs.6.71 Crore towards carrying cost on the past years' revenue surplus against TPL-D (D)'s claim of Rs. 5.95 Crore as narrated in Para 7 and 8 of the Commission's Order dated 05.09.2020 in Petition No.1629 of 2016 dated 09.06.2017 consequential to the judgment of the APTEL dated 09.06.2020 in Appeal No. 345 of 2017 and directed the Petitioner to consider the same in their future tariff (petition) filings. It is also mentioned in the said Consequential Order dated 05.09.2020 at Para 4.4 that impact of Rs. 3.51 Crore on account of reduction in Revenue Surplus of FY 2015-16 shall be considered in the next Tariff Order. The Petitioner has considered Rs. 5.95 Crore and Rs. 3.51 Crore to arrive at Rs. 19.16 Crore as revenue towards recovery of earlier years' approved (Gap)/ Surplus. The Commission, however has considered the carrying cost of Rs.6.71 Crore and impact of Rs. 3.51 Crore in the approved revenue (Gap)/ Surplus for FY 2019-20.

The revenue (Gap)/ Surplus claimed and approved for TPL-D (Dahej) for FY 2019-20 is detailed in the Table below:

Table 4.51: Approved Revenue (Gap)/Surplus for TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Claimed by the Petitioner	Approved in truing up
A	Trued up ARR	237.25	237.23
B	Revenue from sale of power	239.87	239.87
C	Revenue (Gap)/Surplus (B-A)	2.62	2.65
D	Revenue towards earlier years' approved (gap) / surplus approved in true up for FY 2017-18	14.41	14.41
E	Carrying cost approved on Revenue Surplus for FY 2017-18	2.31	2.31

Sl. No.	Particulars	Claimed by the Petitioner	Approved in truing up
F	Carrying cost on the previous years' Surplus as per APTEL Judgment	5.95	6.71
G	Impact of reduction in previous years' Surplus as per APTEL judgment	(3.51)	(3.51)
H	True up (Gap)/Surplus for FY 2019-20 (C+D+E+F+G)	21.78	22.57

The Commission, accordingly, considers the trued-up Revenue Surplus of Rs. 22.57 Crore for FY 2019-20.

5. Approval of ARR for FY 2021-22

5.1 Introduction

In this chapter, the Commission has scrutinized the ARR components of TPL-D (D) for the FY 2021-22 with respect to the GERC (MYT) Regulations, 2016 and accordingly determined the ARR for TPL-D (D) for FY 2021-22.

5.2 Category-wise consumers

The consumers in Dahej SEZ area are broadly categorized as under:

Table 5.1: Consumer categories in Dahej

Consumer category	Description
Commercial (Non RGP)	Applicable to lights, fans, appliances etc. in commercial, industrial premises (other than residential)
LTMD	Applicable to motive power installations up to and including 15 HP
	Applicable to motive power installations above 15 HP
HT	Applicable to High tension consumers for maximum demand 100 kVA and above
HT (pumping station)	Applicable for supply to consumers contracting maximum demand of 100 kVA and above for supply to water works and sewage pumping stations.
Others	Street light, water works and temporary supply.

5.3 Energy sales

Petitioner's submission

TPL-D (D) has submitted that the license area of Dahej SEZ is still in developmental phase and the industrial development is likely to continue gradually. Thus, it is difficult to carry out sales projections accurately on the basis of any statistical method. In turn, the Petitioner has endeavoured to relate the various factors and available information to estimate the sales projections.

The sales projections in Dahej SEZ area have been carried out based on projections of demand requirements within the SEZ. Currently, the SEZ has majority industrial consumption with a negligible contribution from other consumer categories. The industrial unit holders initially seek power for construction & testing and later on for production. The Petitioner has considered the inputs received during interaction with some existing as well as prospective consumers. However, the same may vary with pace at which the development of the SEZ takes place based on the economic scenario and the Government policies.

Considering growth in demand and trend of load factor, the sales projection has been done for FY 2021-22.

LT - Sales are worked out based on existing trend of load factor and increase in demand of existing as well as prospective customers based on interaction.

HT- Sales are projected based on the rising trend of the load factor of existing customers. The load factor of the customer is considered based on past experience.

Based on the above factors the Category wise Sales MUs Projection for FY 2021-22 is as under:

Table 5.2: Category Wise Sales Summary of Dahej Supply Area in FY 2021-22

(MUs)

Particulars	FY 2021-22
RGP	-
Non RGP	0.60
LTMD	1.25
HTP-I	534.61
HTP-II	0.95
HTP-III	0.49
Others	0.58
Total	**538.48**

Commission's analysis

The Commission has analysed category-wise historical sales.

Table 5.3: Historical data for energy sales to consumers in Dahej supply area

(MUs)

Consumer Category & Consumption Slab	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
HT Category					
HTP 1	120.81	218.16	303.66	421.75	474.03
HTP 2	0.44	0.38	0.47	0.51	0.88
HTP 3	84.15	21.83	6.03	2.01	3.82
Low Voltage Category					
LTMD	0.53	0.55	0.53	0.57	0.57
NRGP	0.45	0.49	0.54	0.50	0.48
STLGHT	0.22	0.27	0.26	0.22	0.24
TMPLT	0.37	0.43	0.39	0.59	0.47
WWSP					0.12
Total	**206.98**	**242.10**	**311.86**	**426.15**	**480.60**

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.

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

Table 5.4: Energy sales approved by the Commission for FY 2021-22

(MUs)

Particulars	Projected by Petitioner	Approved by Commission
RGP	0	0
Non-RGP	0.60	0.60
LTMD	1.25	1.25
HTP – I	534.61	534.61
HTP – II	0.95	0.95
HTP – III	0.49	0.49
Others	0.58	0.58
Total	**538.48**	**538.48**

5.4 Distribution losses

Petitioner's submission

The Commission in its order dated 22nd December, 2020 had 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 2021-22.

Table 5.5: Distribution Loss Trajectory for Dahej Supply Area in FY 2021-22

Particulars	FY 2021-22
Distribution loss (%)	2.00%

Commission's analysis

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.

The Commission has analysed the historical distribution losses.

Table 5.6: Historical data for Distribution Loss in Dahej Supply Area

Category	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Distribution Loss (%)	0.77	0.53	0.40	0.35	0.31

The Commission has reviewed the historical distribution loss and considers the average distribution loss of three years i.e. from FY 2016-17 to FY 2018-19 as approved distribution loss for FY 2021-22 at 0.43%.

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 2021-22.

Accordingly, the Commission approves the distribution losses for FY 2021-22 as given in the table below.

Table 5.7: Distribution losses approved by the Commission for FY 2021-22

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

5.5 Energy Requirement

Petitioner's submission

The Petitioner has considered the Energy requirement for Dahej Supply area by considering 2.00% distribution loss on the estimated energy sales explained in the above sections. Accordingly, the energy requirement for to FY 2021-22 is as under:

Table 5.8: Energy requirement projected by TPL-D (D) for FY 2021-22

(MUs)

Sl. No	Particulars	FY 2021-22
1	Energy Sales (MU)	538.48
2	Distribution loss (%)	2.00%
3	Distribution loss (MU)	10.99
4	Energy input at distribution level (MU)	549.47
5	Transmission losses (MU)	19.02
6	**Total Energy Requirement (MU)**	**568.49**

Commission's analysis

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 3.05% as approved for FY 2019-20 to arrive at Energy Requirement for FY 2021-22 as given in the table below;

Table 5.9: Energy requirement approved by Commission for FY 2021-22

(MUs)

Particulars	Projected by Petitioner	Approved by Commission
Total Sales	538.48	538.48
Distribution Losses (%)	2.00%	0.43%
Distribution Losses	10.99	2.33
Energy required at distribution periphery	549.47	540.81
Transmission Losses	19.02	17.02
Energy Requirement	**568.49**	**557.82**

5.6 Energy availability

Petitioner's submission

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 2021-22. Therefore, the Petitioner has proposed to source power from bilateral sources/power exchange to fulfill the power requirement of the SEZ during the control period.

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 2021-22 from the tied up capacities of RE Power.

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

Table 5.10: Energy availability projected by TPL-D (D) for FY 2021-22

(MUs)

Sl. No	Particulars	FY 2021-22
1	Bilateral	467.07
2	IEX	65.22
3	Renewable Energy	36.20
4	**Total**	**568.49**

Commission's analysis

Conventional power sources

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.

Renewable Purchase Obligation

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 percentage of procurement is defined from FY 2017-18 to FY 2021-22. The minimum Renewable Energy purchase in FY 2021-22 is 8.0% from Solar, 8.25% from Wind and 0.75% from others sources like Biomass, Bagasse, MSW, etc.

Energy availability from all sources

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

Table 5.11: Energy availability approved by the Commission for FY 2021-22

(MUs)

Particulars	Projected by Petitioner	Approved by Commission
Bilateral	467.07	406.26
IEX	65.22	56.73
Solar	–	44.63
Wind	36.20	46.02
Others (Biomass, Small Hydro, Bagasse, MSW)	–	4.18
Total	**568.49**	**557.82**

5.7 Power purchase cost

Petitioner's submission

Based on the energy quantum estimated in table above, the power purchase cost for each of the sources is computed. The source-wise power purchase cost rate is provided in the following sections.

- Bilateral Sources/ Power Exchange – The power purchase rate for bilateral sources/power exchange is arrived at based on estimates of prevalent 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.

The power purchase cost as projected by the Petitioner is given below:

Table 5.12: Power purchase cost projected by TPL-D (D) for FY 2021-22

(Rs. Crore)

Sl. No	Particulars	FY 2021-22
1	Bilateral/Power Exchange	211.70
2	Renewable Energy	19.53
3	**Total Cost**	**231.23**

Commission's analysis

The Commission has analyzed per unit cost for each of the power sources.

Conventional power sources

For procurement from bilateral and IEX sources, the Commission has obtained the details of procurement for the period from April 2020 to September, 2020 (i.e. for 1st half of FY 2020-21) which are as given below:

Source of Power	Energy Purchase (MU)	Cost (Rs. Crore)	Avg. Rate (Rs / kWh)
Bilateral	155.18	60.96	3.93
IEX	7.28	2.32	3.19

The Commission has considered these rates for determination of power purchase from Bilateral and IEX for FY 2021-22.

Renewable sources

For source under RPO, the Commission has obtained the details off tied-up sources of TPL-D (D) which are as given below:

Name of Source	Capacity (MW)	Expected energy available (MU)	Estimate land cost for FY 2021-22 (Rs / kWh)
Wind			
TPL (Nakha Trana Solar)	10.50	27.46	4.77
Solar			
GENSU	6.00	8.74	7.35

The Commission has considered the cost of Purchase of balance requirement of Renewable energy to meet RPO requirement at the Green Market Power Price available on Power Exchange for FY 2020-21 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.

The break-up of power purchase cost from Renewable Energy sources for FY 2021-22 is shown below.

Sl. No	Source	Quantum (MU)	Rate (Rs/kWh)	Cost (Rs. Crore)
A	**Solar Energy**			
1	Power contracted in preferential Tariff	8.74	7.35	6.42
2	Power procurement for fulfillment of RPO	35.89	4.00	14.35
3	**Total Solar purchase**	**44.63**	**4.66**	**20.77**
B	**Non-Solar Energy**			
1	Power contracted in preferential Tariff	27.46	4.77	13.11
2	Power procurement for fulfillment of RPO	22.74	4.00	9.10
3	**Total Non-Solar purchase**	**50.20**	**4.42**	**22.20**
	Total Renewable Purchase	**94.83**	**4.53**	**42.98**

Total power purchase cost

Based on the foregoing analysis, the Commission approves the following power purchase cost:

Table 5.13: Power purchase cost approved by the Commission for FY 2021-22

(Rs. Crore)

Particulars	Projected by Petitioner	Approved by Commission
Bilateral	211.70	159.59
IEX		18.08
Solar	19.33	20.77
Wind		22.20
Others (Biomass, Small Hydro, Bagasse, MSW)		
REC	-	-
Total power purchase cost	**231.23**	**220.65**

5.8 Fixed Charges

5.8.1 Operation and Maintenance (O&M) Expenses

Petitioner's submission

The Petitioner has submitted that the Commission in order dated 22nd December, 2020 has noted that it would be difficult to make realistic projection and accordingly directed the utilities to consider principles and methodology as provided in the MYT Regulations, 2016. It is stated that the Commission in Order dated 9th June, 2017 has stipulated trajectory of O&M expenses with escalation of 5.72% for each year and accordingly, extended the trajectory and projected the O&M expenses for FY 2021-22 as detailed in the Table below:

Table 5.14: O&M expenses projected by TPL- D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the petitioner
O&M Expenses	7.44

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.

Commission's analysis

The Petitioner has projected the O&M expenses for FY 2021-22 based on the O&M expenses approved (Rs.7.03 Crore) for FY 2020-21 in MTR order with escalation of 5.72% in terms of Regulation 86.2 (b) and accordingly projected O&M expenses of Rs.7.44 Crore (7.03*1+5.72%) for FY 2021-22.

The Commission in the MYT Order had approved O & M Expenses for the ensuing years based on the average of actual O & M expenses for the previous three years escalated @ 5.72%. Accordingly, the Commission considers the actual O & M Expenses approved for FY 2017-18 to FY 2019-20 and computed the O&M expenses at Rs.9.62 Crore for FY 2021-22.

However, the Commission has considered Rs.7.44 Crore towards O&M expenses for FY 2021-22 as the Petitioner has projected O&M expenses less the O&M expenses computed based on the methodology adopted in MYT order.

The Commission, accordingly, approves the O&M expenses for FY 2021-22 as given hereunder.

Table 5.15: O&M Expenses approved by the Commission for FY 2021-22

(Rs. Crore)

Particulars	Projected by Petitioner	Approved by the Commission
O&M Expenses	7.44	7.44

5.8.2 Capital Expenditure, Capitalization and Sources of Funding

a) Capital Expenditure

Petitioner's Submission

The Petitioner has projected capital expenditure of Rs.11.06 Crore for FY 2021-22 as per the details given in the Table below:

Table 5.16: Capital expenditure projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the petitioner
EHV Network	7.02
HT Network	1.38
LT Network	0.82
Metering	0.53
Customer care & IT	0.06
Others	1.25
Total	**11.06**

It is submitted 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. TPL-D (Dahej) has furnished the details of major capital expenditure as detailed below:

(a) EHV:

- 220 kV Substation and network: Replacement of existing SCADA system with latest version and safety enhancement.
- 33 kV Substation and network: Installation of 20 MVA transformer in west part of

Dahej SEZ to maintain N-1 facility and replacement of 33 kV switchgear from AIS to GIS, etc.

- Testing and measuring instrument: Augmentation of EHV substation, testing equipment, tools and tackles and measuring equipment.

(b) HT

- Laying of network for release of new 11 kV HT connections
- DSS automation and light replacement with LED
- Supporting infrastructure, safety equipment, tools and tackles

c) LT Network:

- Creating LT network to cater to new LT consumers
- Augmentation of LT network and replacement of fuse type MSP with switch type MSP for safety and reliability

d) Metering:

- Meters for new consumers and supporting infrastructure.
- Advanced metering infrastructure with smart meters

e) Others:

- Customer care/IT: Hardware replacements and software upgradation, network enhancement and related CAPEX.
- Administration: Miscellaneous works
- Store: Internal flooring in storage area at 33 kV west substation
- Civil: Rain water harvesting system, compound wall construction, soil filling at west substation.

Commission's analysis

The Petitioner has projected CAPEX of Rs.11.06 Crore for FY 2021-22 as detailed above. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2021-22.

The Commission opines that in order to meet the load growth, system demand and to provide reliable quality supply has provisionally approved the CAPEX for FY 2021-22 as projected by the Petitioner.

The Commission, accordingly, approves the Capital expenditure (CAPEX) at Rs.11.06 Crore for FY 2021-22.

b) Capitalization and Gross Fixed Assets

Petitioner's Submission

TPL-D (Dahej) has projected Rs.11.06 Crore towards capitalization for FY 2021-22 and furnished the project/work-wise details of capitalisation in Form 4.3 to the Petition.

Commission's analysis

The Commission has observed (from Form 4.3) that the Petitioner has proposed capitalisation of entire CAPEX (i.e.100%) projected for FY 2021-22.

It is observed by the Commission that average capitalization over approved CAPEX for last four years i.e. from FY 2016-17 to FY 2019-20 works out to 70.35%. Accordingly, for FY 2021-22 the Commission approves capitalization of Rs. 7.78 Crore (11.06*70.35%).

The Commission has approved closing GFA at Rs.173.97 Crore in true up for FY 2019-20 and the same is considered as opening GFA for FY 2020-21. Further, the Commission has considered capitalisation of Rs. 8.42 Crore for FY 2020-21 as approved in MTR order dated 17.07.2019 and arrived at the closing GFA for FY 2020-21 at Rs. 182.39 Crore (173.97+8.42) and the same is considered as opening GFA for FY 2021-22.

The Commission, as deliberated above has considered the opening GFA, additions during the year and closing GFA for FY 2021-22 as given in the table below:

Table 5.17: Gross Fixed Assets approved for FY 2021-22 for TPL-D (Dahej)

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2021-22
1	Opening GFA	182.39
2	Asset additions during the year	7.78
3	**Closing GFA (1+2)**	**190.17**

The Commission, accordingly, approves the GFA for FY 2021-22 as detailed in the table above.

c) Funding of CAPEX

Petitioner's Submission

TPL-D (Dahej) has submitted the capitalisation and funding of CAPEX, as detailed in the Table below:

Table 5.18: Funding of capitalization projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Opening GFA	184.38
Addition to GFA	11.06
Deletion from GFA	
Closing GFA	195.44
Less: SLC Additions	0.84
Balance Capitalization	10.22
Normative Debt @ 70%	7.15
Normative Equity @ 30%	3.06

Commission's analysis

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 and not considered.

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 2021-22:

Table 5.19: Funding of capitalization approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved by the Commission
Opening GFA	184.38	182.39
Addition to GFA	11.06	7.78
Deletion from GFA		
Closing GFA	195.44	190.17
Less: SLC Additions	0.84	0.84
Balance Capitalization	10.22	6.94
Normative Debt @ 70%	7.15	4.86
Normative Equity @ 30%	3.06	2.08

The Commission approves the funding of capitalization for FY 2021-22 as shown in

the above Table.

5.8.3 Depreciation

Petitioner's Submission

TPL-D (Dahej) has projected Rs.7.49 Crore towards depreciation for FY 2021-22 as shown in the Table below:

Table 5.20: Depreciation projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Depreciation	7.49

Commission's analysis

The Commission has approved the closing value of depreciable GFA at Rs.168.45 Crore (excl. land) in truing up for FY 2019-20 and the same is considered as opening depreciable GFA for FY 2020-21. The GFA is further updated with the capitalisation approved for FY 2020-21 in the MTR order dated 17.07.2019 and the addition approved for FY 2021-22.

The rate of depreciation on assets and SLC is considered at 5.01% and 6.90% respectively as worked out in truing up for FY 2019-20 and accordingly computed the depreciation for FY 2021-22 as given in the table below:

Table 5.21: Depreciation approved for FY 2021-22

(Rs. Crore)

Sl. No.	Particulars	Projected by the Petitioner	Approved by the Commission
1	Opening value of depreciable GFA	176.40	176.87
2	Additions during the year	11.06	7.78
3	Closing GFA (1+2)	187.46	184.65
4	Average depreciable assets (1+3)/2	181.93	180.76
5	Weighted average rate of depreciation	5.21%	5.01%
6	Depreciation (4*5)	9.47	9.06
7	Depreciation on assets created out of SLC	1.98	1.99
8	Depreciation allowed in ARR (6-7)	7.49	7.07

The Commission approves the depreciation for FY 2021-22 as shown in the above Table.

5.8.4 Interest and Finance Charges

Petitioner's Submission

TPL-D (Dahej) has projected a sum of Rs.4.73 Crore towards interest on loans for FY 2021-22 as detailed in the Table below.

The Petitioner has submitted that interest is calculated on normative loans in terms of the 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 5.22: Interest on loans projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Opening Balance of Loans	52.77
Loan addition during the year	7.15
Repayments	7.49
Closing Balance of Loans	52.43
Average Loan	52.60
Weighted average rate of interest	9.00%
Interest Expense	4.73

Commission's analysis

The Commission has approved the normative closing loan balance at Rs.55.14 Crore in truing up for FY 2019-20 and the same is considered as opening loan for FY 2020-21. The addition to loans is further updated with the normative loan based on capitalisation approved for FY 2020-21 in the MTR order dated 17.07.2019 and the capitalisation approved for FY 2021-22.

The rate of interest is considered as projected by the Petitioner and accordingly computed the interest on loan for FY 2021-22 as given in the table below:

Table 5.23: Interest on loans approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved by the Commission
Opening Balance of Loans	52.77	53.45
Loan addition during the year	7.15	4.86
Repayments	7.49	7.07
Closing Balance of Loans	52.43	51.23
Average Loan	52.60	52.34
Weighted average rate of interest	9.00%	9.00%

Particulars	Projected by the Petitioner	Approved by the Commission
Interest Expense	4.73	4.71

The Commission, accordingly, approves the interest on loan for FY 2021-22 as detailed in the table above.

5.8.5 Return on Equity

Petitioner's Submission

TPL-D (Dahej) has projected Rs.6.40 Crore towards Return on Equity @ 14% for FY 2021-22 as detailed in the Table below:

Table 5.24: Return on Equity projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Opening Equity	44.19
Equity addition during the year	3.06
Closing Equity	47.26
Average of Opening and Closing Equity	45.72
Rate of Return on Equity	14%
Return on Equity on average equity	6.40

Commission's analysis

The Commission has approved the closing equity at Rs.41.96 Crore in truing up for FY 2019-20 and the same is considered as opening equity for FY 2020-21. The addition to equity is further updated based on capitalisation approved for FY 2020-21 in the MTR order dated 17.07.2019 and the capitalisation approved for FY 2021-22.

The Commission accordingly computed the Return on equity for FY 2021-22 as given in the table below:

Table 5.25: Return on Equity approved by the Commission for FY 2021-22

(Rs. Crore)

Sl. No.	Particulars	Projected by the Petitioner	Approved by the Commission
1	Opening Equity	44.19	44.24
2	Equity addition during the year	3.06	2.08
3	Closing Equity	47.26	46.33
4	Average of Opening and Closing Equity	45.72	45.29
5	Rate of Return on Equity	14%	14%
6	Return on Equity on average equity	6.40	6.34

The Commission, accordingly, approves the Return on Equity for FY 2021-22 as

detailed in the table above.

5.8.6 Interest on Consumer's Security Deposit

Petitioner's submission

TPL-D (Dahej) has projected interest on security deposit at Rs.2.04 Crore for FY 2021-22. It is submitted that interest rate of 4.65% is considered on the average estimated balance of security deposit for FY 2021-22 as given in the Table below.

Table 5.26: Interest on Security Deposit projected for FY 2021-22

(Rs. Crore)

Particulars	Actual
Interest Rate	4.65%
Interest on Security Deposit	2.04

Commission's analysis

The Commission provisionally considers and approves the interest on security deposit as projected by the Petitioner for FY 2021-22.

The Commission, accordingly, approves the interest on security deposit at Rs.2.04 Crore for FY 2021-22.

5.8.7 Income Tax

Petitioner's submission

The Petitioner has projected the Income tax at Rs.2.11 Crore based on the actual tax paid for FY 2019-20 and in proportion to the PBT of TPL-D (Dahej).

Table 5.27: Income tax projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Income Tax	2.11

Commission's analysis

The Commission has approved Rs.2.11 Crore towards income tax in true up for FY 2019-20 and accordingly has provisionally considered Rs.2.11 Crore towards income tax for FY 2021-22 in terms of regulation 41.1 subject to true up based on the actual tax paid for the relevant year as specified in regulation 41.2 of the GERC (MYT) Regulations 2016. as given in the Table below:

Table 5.28: Income Tax approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved by the Commission
Income Tax	2.11	2.11

The Commission, accordingly, approves the income tax for FY 2021-22 as detailed in the table above.

5.8.8 Contingency Reserve

Petitioner's submission

The Petitioner has submitted that MYT Regulations 2016 provides for contingency reserve at 0.5% of fixed asset and accordingly projected contingency reserve for FY 2021-22 as shown in the Table below.:

Table 5.29: Contingency Reserve projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Contingency Reserve	0.92

Commission's analysis

Regulation 86.3.1 of GERC (MYT) Regulations 2016 specify *the Distribution Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.5 per cent of the original cost of fixed assets at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement:*

Provided that where the amount of such Contingency Reserve exceeds five (5) per cent of the original cost of fixed assets, no such appropriation shall be allowed, which would have the effect of increasing the reserve beyond the said maximum:

The Commission has approved opening GFA at Rs.182.39 Crore for FY 2021-22 and the contingency reserve at 0.5% of Original cost of GFA at the beginning of the year works out to Rs.0.91 Crore.

The Commission, accordingly considers contribution to Contingency Reserve at Rs.0.91 Crore for FY 2021-22 as shown in the table below.

Table 5.30: Contingency Reserve approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved by the Commission
Contingency Reserve	0.92	0.91

The Commission, accordingly, approves the contingency reserve for FY 2021-22 as shown in the table above.

5.8.9 Non-Tariff Income

Petitioner's submission

The Petitioner has projected Non-Tariff Income at Rs.4.15 Crore for FY 2021-22 based on the current trend and requested to approve the non-tariff income for FY 2021-22 as estimated and shown in the table below.

Table 5.31: Non-Tariff Income projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Non-Tariff Income	4.15

Commission's analysis

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.3.60 Crore towards Non-Tariff Income in truing up for FY 2019-20.

The Petitioner has projected non-tariff income of Rs.4.15 Crore for FY 2021-22 which is higher than the actual NTI approved in truing up for FY 2019-20.

The Commission, hence considers the non-tariff income for FY 2021-22 as projected by the Petitioner as given in the table below.

Table 5.32: Non-Tariff Income approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved by the Commission
Non-Tariff Income	4.15	4.15

5.8.10 Interest on Working Capital

Petitioner's submission

The working capital requirement is arrived at as per the GERC (MYT) Regulations, 2016. Interest on working capital is computed as per the MYT Regulations, 2016 and the interest rate of 10.25%, 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.

The Petitioner has computed the working capital requirement and interest on working capital as shown in the table below.

Table 5.33: Interest on Working Capital projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
O&M Expense for 1 month	0.62
1 % of GFA for Maintenance Spares	1.84
Receivables for 1 month	21.52
Less: Security Deposit	43.81
Working Capital Requirement	-
Interest Rate (%)	10.25%
Interest on Working Capital	-

Commission's analysis

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

The Petitioner has considered rate of interest @10.25% p.a. for computing interest on working capital for FY 2021-22. The Commission has verified the 1-year SBI MCLR as on 1st April 2020 is at 7.75%. Accordingly, the rate of interest (including 250 basis) as per regulations works out to 10.25% (7.75%+2.50%) for computation of interest on working capital for FY 2021-22.

The working capital requirement and the interest on working capital computed for FY 2021-22 is as shown in the Table below:

Table 5.34: Interest on Working Capital approved for FY 2021-22

(Rs. Crore)

Sl. No.	Particulars	Projected by the Petitioner	Approved by the Commission
1	O&M exp. (1 month)	0.62	0.62
2	Maintenance spares @1% of opening GFA	1.82	1.82
3	Receivables for 1 month	21.52	19.89
4	**Sub-total (1+2+3)**	**23.96**	**22.33**
5	**Less**: Amount held as Security deposit from Distribution system users	43.81	37.27
6	**Working capital requirement (4-5)**	**–**	**–**
7	Rate of interest (%)	10.25%	10.25%
8	**Interest on working capital (6 * 7)**	–	–

The Commission, accordingly, approves interest on working capital as NIL for FY 2021-22.

5.8.11 Aggregate Revenue Requirement (ARR) for FY 2021-22

Petitioner's submission:

The Petitioner has projected the ARR for FY 2021-22 as given in the table below:

Table 5.35: ARR projected by the Petitioner for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
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 written off	–
Contingency reserve	0.92
Return on Equity	6.40
Income tax	2.11
Less: Non-tariff income	4.15
ARR	**258.21**

Commission's analysis:

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

Table 5.36: ARR approved in respect of TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Sl. No.	Particulars	Projected by the Petitioner	Approved by the Commission
1	Power purchase	231.23	220.65
2	O & M expenses	7.44	7.44
3	Depreciation	7.49	7.07
4	Interest on loans	4.73	4.71
5	Interest on Security deposits from consumers	2.04	2.04
6	Interest on working capital	–	–
7	Bad debts written off	–	–
8	Contribution to contingency reserve	0.92	0.91
9	Return on Equity	6.40	6.34
10	Income tax	2.11	2.11
11	**Total ARR**	**262.36**	**251.27**
12	Less: Non-tariff income	4.15	4.15
13	**Net ARR**	**258.21**	**247.12**

5.8.12 Revenue from Sale of Power

Petitioner's submission

The Petitioner has projected the revenue from sale of power at Rs.219.85 Crore for FY 2021-22 considering the sales and existing tariff rates for different category of consumers.

The Petitioner has submitted the revenue from sale of power for FY 2021-22 as given in the Table below.

Table 5.37: Revenue from Sale of Power projected by TPL-D (Dahej) for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner
Revenue from Sale of Power	219.85

Commission's analysis

The Commission in accordance with the GERC (MYT) Regulations, 2016 approves the Revenue from sale of power at Rs.219.85 Crore for FY 2021-22 with existing tariff i.e.as applicable for each category of consumer (slab-wise) as per the tariff notified by the Commission for FY 2020-21 as given in the Table below.

Table 5.38: Revenue from Sale of Power approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by the Petitioner	Approved for FY 2021-22
Revenue from Sale of Power	219.85	219.85

5.8.13 Trued up net Revenue Gap/(Surplus) of FY 2019-20

The Commission has approved the net revenue surplus of Rs. 22.63 Crore in true up for FY 2019-20 including the gains/losses shared on account of controllable and uncontrollable factors and also the trued-up revenue surplus (incl. carrying cost) for FY 2017-18 approved in order dated 17.07.2019 and past period in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016 as summarized in the Table below:

Table 5.39: Approved Revenue (Gap)/Surplus for TPL-D (Dahej) for FY 2019-20

(Rs. Crore)

Sl. No.	Particulars	Claimed by the Petitioner	Approved in truing up
A	Trued up ARR	237.25	237.23
B	Revenue from sale of power	239.87	239.87
C	Revenue (Gap)/Surplus (B-A)	2.62	2.65
D	Revenue towards earlier years' approved (gap) / surplus approved in true up for FY 2017-18	14.41	14.41
E	Carrying cost approved on Revenue Surplus for FY 2017-18	2.31	2.31
F	Carrying cost on the previous years' Surplus as per APTEL Judgment	5.95	6.71
G	Impact of reduction in previous years' Surplus as per APTEL judgment	(3.51)	(3.51)
H	True up (Gap)/Surplus for FY 2019-20 (C+D+E+F+G)	21.78	22.57

The Commission, accordingly, considers the trued-up Revenue Surplus of Rs. 22.57 Crore for FY 2019-20, for determination of tariff for FY 2021-22.

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

It is pertinent to mention that the trued-up Surplus of FY 2019-20 consists of unrecovered gap/ FPPPA amount of Rs. 2.51 Crore as certified by the Petitioner's Statutory Auditor. That means the total Revenue Surplus of Rs. 22.57 Crore for FY 2019-20 as shown in table above has two components viz. (i) Rs. 2.51 Crore of unrecovered gap/FPPPA and (ii) Rs. 25.08 Crore on account of Gains/Losses worked out as per MYT Regulations, 2016. FPPPA amount is being recovered as per the practice in vogue. The Commission, keeping in mind the interest of consumers as well as Licensee, allows the amount of FPPPA to be recovered from the consumers on quarterly basis. There are instances where the Commission has allowed the past unrecovered FPPPA in the quarterly revisions of FPPPA. Accordingly, the unrecovered amount of Rs. 2.51 Crore as certified by the Statutory Auditor is the amount gradually accumulated during FY 2019-20. Therefore, the Commission has decided to allow carrying cost on the amount of Rs. 25.08 Crore as per Regulations.

The Petitioner has adopted weighted average SBI Base rate of 9.29% for computing the carrying cost. However, the SBI weighted average Base rate during FY 2019-20 works out to 8.83% based on the applicable SBI Base rate for FY 2019-20 is as given hereunder:

From 01.04.2019 to 09.10.2019 – 9.05%

From 10.09.2019 to 15.12.2019 – 8.95%

From 16.12.2019 to 09.03.2020 – 8.45%

From 10.03.2020 to 31.03.2020 – 8.15%

The Commission accordingly computed the carrying cost on the trued-up revenue (Gap) / Surplus as detailed hereunder:

Table 5.40: Carrying cost approved for Revenue (Gap)/ Surplus of FY 2019-20

Particulars		Projected by the Petitioner	Amount (Rs. Crore)
Revenue (Gap)/Surplus approved for FY 2019-20	A	21.78	22.63
Revenue (Gap)/Surplus eligible for carrying cost	B	21.78	25.08

Particulars		Projected by the Petitioner	Amount (Rs. Crore)
Weighted average rate of interest	C	9.15%	8.83%
Carrying cost for FY 2020-21	D=B*C	1.99	2.21
Carrying cost for FY 2021-22	E=B*C		2.21
Total carrying cost	F=D+E	1.99	4.43
Total amount carried over to ARR of FY 2021-22	**G=F+A**	**23.78**	**26.99**

5.8.14 Revenue (Gap)/Surplus for FY 2021-22

The Commission has approved the ARR at Rs. 247.12 Crore and revenue from sale of power at Rs. 219.85 Crore and accordingly arrived revenue gap of Rs. 27.27 Crore for FY 2021-22.

The Commission had approved revenue surplus of Rs. 26.99 Crore including carrying cost in truing up for FY 2019-20. Thus, the total **revenue Gap of Rs. 0.28 Crore** is arrived for FY 2021-22 as given in the table below:

Table 5.41: Revenue (Gap) / Surplus approved for FY 2021-22

(Rs. Crore)

Particulars	Projected by TPL-D (Dahej)	Approved by the Commission
ARR for the year	258.21	247.12
Revenue from sale of power for the year	219.85	219.85
Revenue (Gap) / Surplus for the year	(38.36)	(27.27)
Add: Revenue (Gap) / Surplus approved for FY 2019-20 (incl. carrying cost)	23.78	26.99
Net revenue (Gap) / Surplus for the year	**(14.59)**	**(0.28)**

Accordingly, the Commission has worked out Gap of Rs. 0.28 Crore for FY 2021-22 which includes the trued up Surplus of Rs. 26.99 (Rs 22.57 Crore + Rs. 4.43 carrying cost) Crore for FY 2019-20. The Commission has taken appropriate decision in the Chapter 9 of this Order about addressing the Gap of Rs. 0.28 Crore.

6. Compliance of Directives

6.1 Earlier Directives

The Commission had issued directives to the Petitioner in its order dated 31st March, 2020 in Case No. 1846/2019. In this regard, TPL- D (D) has already submitted the compliance to the Commission.

The status on compliance of the directive issued by the Commission is reproduced as under.

Directive 1: Load Flow for Validation of Capital Expenditure and Capitalization:

The Commission directed the Petitioner to keep a proper record of all the assets which is approved for capitalization during the year along with the necessary details and submit progress and details quarterly.

Compliance:

TPL-D (D) has stated that it has been submitting the requisite details for EHV assets for FY 2019-20 on quarterly basis.

Commission's Comment:

The Commission has noted the submission of the Petitioner.

Directive 2: Long-term Power Procurement Plan along-with RPO Commitments

The Commission has directed the Petitioner to carry out a detailed study of the load growth and power requirement for the next decade and accordingly formulate a strategy to meet the requirement from conventional and RE sources till FY 2029-30.

Compliance:

TPL-D (D) has stated that it shall submit the necessary details in due course.

Commission Comment:

The commission directs the Petitioner to submit the details at the earliest

7. Fuel and Power Purchase Price Adjustment

7.1 Fuel Price and Power Purchase Price Adjustment

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

Formula

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-D applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs/ GUVNL and TPL-D of the previous year for which true-up have been done by the Commission, whichever is lower.

7.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for TPL-D (D) including fixed cost, variable cost etc. from the various sources for FY 2021-22 as given in the Table below:

Table 7.1: Energy requirement and power purchase cost approved by the Commission for FY 2021-22

Year	Total Energy Requirement (MUs)	Approved Power Purchase cost (Rs Crore)	Power Purchase Cost per unit (Rs/kWh)
FY 2021-22	557.82	220.65	3.955

As mentioned above the base Power Purchase cost for TPL-D (D) is Rs. 3.955 per kWh. The base FPPPA has been equated to zero at the beginning of FY 2021-22.

TPL-D (D) may claim difference between actual power purchase cost and base power purchase cost approved in the Table above as per the approved FPPPA formula mentioned in the preceding section.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on website of TPL-D (D).

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.

8. Wheeling Charges and Cross-Subsidy Surcharge

8.1 Wheeling charges

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.

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

Table 8.1: Allocation matrix for segregation to Wheeling and Retail Supply for FY 2021-22 as per the GERC (MYT) Regulations, 2016

Sl. No.	Particulars	Wire business (%)	Retail Supply business (%)
1	Power Purchase Expenses	0	100
2	Employee Expenses	60	40
3	Administration and General Expenses	50	50
4	Repairs and Maintenance Expenses	90	10
5	Depreciation	90	10
6	Interest on Long Term Loan Capital	90	10
7	Interest on Working Capital and Consumer Security Deposit	10	90
8	Bad Debts Written Off	0	100
9	Income Tax	90	10
10	Contribution to Contingency Reserve	100	0
11	Return on Equity	90	10
12	Non-Tariff Income	10	90

Petitioner's submission

Based on allocation matrix in table 8.1, TPL-D (Dahej) has segregated the ARR of Dahej Supply Area for Wires and Supply business as under:

Table 8.2: Allocation matrix for segregation to Wheeling and Retail Supply for FY 2021-22 projected by the Petitioner

(Rs. Crore)

ARR Components	Wires Business	Retail Supply Business	Total ARR
Power Purchase Expense	-	231.23	231.23
Employee Expense	0.34	0.23	0.57
Administrative & General Expenses	0.57	0.57	1.14
Repair & Maintenance Expenses	5.16	0.57	5.73
Depreciation	6.74	0.75	7.49
Interest & Finance Charges	4.26	0.47	4.73
Interest on Security Deposit	0.20	1.83	2.04
Interest on Working capital	-	-	-
Bad Debts Written off	-	-	-
Income Tax	-	-	-
Contingency Reserve	0.92	-	0.92
Return on Equity	5.76	0.64	6.40
Less: Non-Tariff Income	0.42	3.74	4.16
Aggregate Revenue Requirement	**23.55**	**232.56**	**256.11**

TPL-D (D) has submitted that the sales to the LT category are negligible. Hence, it has not segregated the wheeling ARR in to LT and HT category. The wheeling charges for FY 2021-22 are submitted as below:

ARR of wheeling Business – Rs.23.55 Crore

Sales (MUs) – 538.48

Wheeling Charges – Rs.0.44 per kWh

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

The Commission, in Order to compute the wheeling charges and cross subsidy surcharge, has considered the allocation matrix between the wires and retail supply business as per the GERC (MYT) Regulations, 2016. The allocation matrix and the basis of allocation of various cost components of the ARR as per the GERC (MYT) Regulations, 2016 are shown below:

Table 8.3: Segregation between Wires and Retail Supply business ARR as approved by the Commission for FY 2021-22

(Rs. Crore)

ARR Components	Wires Business	Retail Supply Business	Total ARR
Power purchase	0.00	220.65	220.65
Employee expenses	0.34	0.23	0.57
Administration & General expenses	2.87	2.87	5.74
Repairs & Maintenance expenses	1.02	0.11	1.13
Depreciation	6.37	0.71	7.07
Interest and finance charges	4.24	0.47	4.71
Interest on Security deposits from consumers	0.20	1.84	2.04
Interest on working capital	0.00	0.00	0.00
Bad debts written off	0.00	0.00	0.00
Contribution to contingency reserve	0.91	0.00	0.91
Return on Equity	5.71	0.63	6.34
Income tax	1.90	0.21	2.11
Less: Non-tariff income	0.42	3.74	4.15
Aggregate Revenue Requirement (ARR)	**23.14**	**223.99**	**247.12**

The above allocations of ARR are used for determination of wheeling charges for FY 2021-22.

Determination of wheeling charges

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:

ARR of wheeling business (Rs. Crore) – Rs. 23.14 Crore

Sales (MUs) – 538.48

Wheeling Charges – Rs. 0.43 per kWh

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

8.2 Determination of Cross Subsidy Surcharge

Petitioner's submission

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: Cross subsidy surcharge for FY 2021-22 submitted by TPL-D (D)

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	4.35
PPC – Average cost of power Purchase in Rs/ kWh	4.07
L – Loss for HT category in %	2.00%
D –Wheeling charges for HT category in Rs/ kWh	0.44
Cross subsidy surcharge in Rs/ kWh	-

Commission's analysis

The Government of India has issued Tariff Policy, 2016. According to this policy the formula for Cross Subsidy Surcharge is as under;

S = T – [C / (1 - L/100) + D + R]

Where,

S is the surcharge

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

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

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level L is the aggregate of transmission, distribution and commercial Losses, expressed as a percentage applicable to the relevant voltage level.

R is the per unit cost of carrying regulatory assets.

The Cross Subsidy Surcharge based on the above formula is determined as shown in the Table below:

Table 8.5: Cross subsidy surcharge for FY 2021-22

Sl. No.	Particulars	HTP-I
1	T - Tariff for HTP-I Category (Rs./ kWh)	4.08
2	C – Wtd. Avg. Power Purchase Cost (Rs./kWh)	3.96
3	D - Wheeling Charge (Rs./kWh)	0.43
4	L - Aggregate T&D Loss (%)	2.00%
5	R - per unit cost of carrying regulatory assets (Rs./kWh)	–
6	**S - Cross subsidy surcharge (Rs./kWh)**	–

S = T – [C / (1 - L/100) + D + R] = 4.08 – [3.96 / (1 – 2%) + 0.43 + 0.00] = **(-) 0.39**

Accordingly, Cross Subsidy Surcharge for HTP-I Category is Nil for FY 2021-22.

8.3 Determination of Additional Surcharge

Petitioners Submission

As per the Regulation 25 of GERC (Terms & Conditions of Intra-State Open Access) Regulations, 2011, the Open Access consumer will also be required to pay an additional surcharge as per section 42 (4) of the Electricity Act, 2003.

Commission's view

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

9. Tariff Philosophy and Tariff Proposal

9.1 Introduction

The Commission is guided by the provisions of the Electricity Act 2003, Tariff Policy and the GERC (MYT) Regulation, 2016 notified by the Commission.

This chapter discusses TPL-D (D)'s tariff proposal and provides the Commission's final decision on the same.

9.2 TPL-D (D)'s Tariff Proposals

The Petitioner 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.

Further, the Petitioner also 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.

The Petitioner further stated that any variation in recovery of the said gap shall be dealt with during Truing up exercise for FY 2021-22.

9.3 Commission's analysis

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

As discussed in the previous section, the Commission has approved the Cumulative Revenue Gap of Rs. 0.28 Crore for FY 2021-22. Therefore, the Commission does not find it appropriate to change the present tariff of TPL-D (D). Accordingly, the category-wise tariff is retained at the same level as approved for FY 2020-21.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for Torrent Power Limited -Distribution (Dahej) for FY 2021-22, as shown in the Table below:

(Rs. Crore)

Particulars	FY 2021-22
Power Purchase Expenses	220.65
O&M Expenses	7.44
Depreciation	7.07
Interest & Finance Charges	4.71
Interest on Security Deposit	2.04
Interest on Working Capital	–
Bad Debts Written Off	–
Contribution to Contingency Reserves	0.91
Return on Equity	6.34
Income Tax	2.11
Less: Non-Tariff Income	4.15
ARR	**247.12**

The retail supply tariffs for TPL-D (D) for FY 2021-22 determined by the Commission are annexed to this Order. This Order shall come into force with effect from 1st April 2021.

Sd/-	Sd/-	Sd/-
S. R. Pandey	**Mehul M. Gandhi**	**Anand Kumar**
Member	**Member**	**Chairman**

Place: Gandhinagar

Date: 01.04.2021

ANNEXURE: TARIFF SCHEDULE

TARIFF FOR SUPPLY OF ELECTRICITYAT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st April, 2021

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) Horse Power 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-watt-hour (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	205 Paise per Unit
(b)	Next 50 units	235 Paise per Unit
(c)	Next 150 units	300 Paise per Unit
(d)	Above 250 units	390 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	280 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	310 Paise per Unit

2.3 Minimum Bill

Minimum bill per 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 taken into account 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 taken into account while determining the amount of short- fall payable towards the annual minimum bill as specified under sub-clause (c) above.

3.0 <u>Rate: LTMD</u>

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW. This tariff shall also be applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff.

3.1 Fixed charges:

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

PLUS

3.2 Energy charges:

For the entire consumption during the month	315 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 The billing demand shall be the highest of the following:

(a) The highest of the actual maximum demand registered during the calendar year.

(b) Eighty-five percent of the arithmetic average of contract demand during the year. (c) 15 kW.

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

4.0 Rate: Non-RGP Night

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

4.1 Fixed Charges per month:

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

PLUS

4.2 Energy Charges:

For entire consumption during the month	260 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 <u>Rate: LTMD- Night</u>

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

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	265 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	295 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	270 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 Rate: TMP

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

8.1 FIXED CHARGE

Fixed charge per installation	Rs. 15 per kW per Day

PLUS

8.2 ENERGY CHARGE

A flat rate of	475 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	335 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	280 Paise per Unit
(b)	For next 2000 kVA of billing demand	300 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	310 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 The billing demand shall be the highest of the following:

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

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

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

11.0 Rate HTP-II

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

11.1 Demand Charges:

11.1.1 For billing demand up to contract demand

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

11.1.2 For billing demand in excess of contract demand

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

PLUS

11.2 Energy Charges:

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	300 Paise per Unit
(b)	For next 2000 kVA of billing demand	320 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	330 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	540 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	260 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 RATE: HT - Electric Vehicle (EV) Charging Stations

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

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

14.1 Demand Charge

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

PLUS

14.2 Energy Charge

Energy Charge	330 Paise per Unit