GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2015-16,

Approval of Final ARR for FY 2016-17,

Approval of Multi-Year ARR for FY 2016-17 to 2020-21

and Determination of Tariff for FY 2017-18

For

Aspen Infrastructures Limited
(AIL)

Case No. 1638 of 2017

30th June, 2017

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

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ABBREVIATIONS

AIL	Aspen Infrastructure Limited
A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Control Period	The period from FY 2016-17 to FY 2020-21
DISCOM	Distribution Company
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GoG	Government of Gujarat
HT	High Tension
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
LTMD	Low Tension Maximum Demand
MAT Rate	Minimum Alternate Tax Rate
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MVA	Megavolt Ampere
MW	Mega Watt
MTR	Mid-term Review
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
PF	Power Factor
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
RoE	Return on Equity
R&M	Repairs and Maintenance
SBAR	State Bank Advance Rate
SBI	State Bank of India
SLC	Service Line Contribution
SLDC	State Load Despatch Centre
T.O.	Tariff Order

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1638 of 2017

Date of the Order: 30/06/2017

CORAM

Shri Anand Kumar, Chairman

Shri K. M. Shringarpure, Member

Shri P. J. Thakkar, Member

ORDER

1 Background and Brief history

1.1 Background

Aspen Infrastructures Limited (Formerly Synefra Engineering and Construction Limited) (hereinafter referred to as 'Aspen' or 'Petitioner'), a distribution licensee, has on 18th January, 2017 filed a petition under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011, for the Truing up of FY 2015-16 and Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 for determination of Final ARR for FY 2016-17, determination of ARR for the Control Period i.e. FY 2016-17 to FY 2020-21 and determination of tariff for FY 2017-18.

After technical validation of the petition, the petition was registered on 18th February, 2017 and as provided under Regulation 29.1 of GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff order.

1.2 Aspen Infrastructures Limited

Aspen Infrastructures Limited (Aspen) is a Company incorporated under the provisions of the Companies Act, 1956 having its registered office at 5th Floor, Godrej Millenium, Koregaon Park Road, Koregaon Park, Pune.

Aspen Infrastructures Limited (formerly known as Synefra Engineering and Construction Limited) has developed a sector specific SEZ for High-tech Engineering products and related services at Village Alwa and Pipaliya Taluka Waghodia, District Vadodara in the state of Gujarat under Section 3 of SEZ Act, 2005.

Synefra (now Aspen) has been notified as the developer of the SEZ by the Ministry of Commerce and Industry (Department of Commerce), Government of India, vide Notification No. S.O. 1084(E) dated 3rd July, 2007 and granted deemed distribution licensee status by the Commission vide its order dated 16th December, 2009.

1.3 Commission's Order on the first ARR and Tariff Petition of Aspen Infrastructures Ltd.

Aspen filed a Petition for approval of the Truing Up for FY 2008-09, FY 2009-10, and FY 2010-11 under GERC (Terms and Conditions of Tariff) Regulations, 2005 and GERC (Multi-Year Tariff Framework) Regulations, 2007; and approval of Aggregate Revenue Requirement (ARR) for the second Control Period from FY 2011-12 to FY 2015-16, and determination of tariff for FY 2012-13 under GERC (Multi-Year Tariff) Regulations, 2011 and under the relevant Sections of the EA 2003 for its Distribution Business at Vadodara SEZ before the Commission which was admitted by the Commission on 7th September, 2012 as Case No. 1240 of 2012.

The Commission vide its Order dated 20th October, 2012 in Case No. 1240 of 2012 rejected the prayer made by the petitioner for True-up of FY 2008-09, FY 2009-10 and FY 2010-11 as the Commission had not approved any ARR for FY 2008-09, FY 2009-10 and FY 2010-11 as it had not been proposed / submitted by the petitioner.

The Commission decided not to determine ARR for FY 2011-12 and FY 2012-13 as when the petition was filed, the FY 2011-12 was already over and half of the FY 2012-13 was also completed. As the area of said SEZ has two licensees, viz. MGVCL and Aspen (formerly Synefra) and in the light of provisions of Section 62 of the Electricity Act, 2003, the Commission decided to fix only the maximum ceiling of tariff for retail sale of electricity in order to promote competition among distribution licensees.

Consequently, the Commission ordered that the MGVCL tariff approved in the Commission's Tariff Order dated 2nd June, 2012, will be the maximum ceiling for Aspen (formerly Synefra).

Further, Aspen (formerly Synefra) was directed to file the Petition for the remaining years of the Control Period, i.e., for FY 2013-14 to FY 2015-16, on or before 30th November, 2012 in accordance with the GERC (Multi-Year Tariff) Regulations, 2011.

1.4 Aspen Petition for FY 2013-14 to FY 2015-16

In compliance of the Commission's Order in Case No. 1240 of 2012, Aspen has filed the MYT petition for approval of Business Plan and ARR for the remaining years of the control period from FY 2013-14 to FY 2015-16 and determination of tariff for FY 2013-14. The Commission, after following due process issued MYT Order for the part control period (i.e.) FY 2013-14 to FY 2015-16 on 8th May, 2013.

Aspen submitted the Petition for approval of ARR and Tariff for FY 2014-15, on 30th December, 2013. The Commission issued the orders approving the Aggregate Revenue Requirement and Determination of Tariff for FY 2014-15 on 29th May, 2014.

Subsequently, Aspen submitted the petition for truing up of FY 2013-14 and determination of tariff for FY 2015-16 on 19th January, 2015. The Commission issued orders for truing up of FY 2013-14 and determination of tariff for FY 2015-16 on 23rd April, 2015.

1.5 Commission's Order for tariff of FY 2016-17

The Commission in its order dated 2nd December 2015 in the Suo Motu Petition No. 1534/2015 decided that the approved ARR of FY 2015-16 of the concerned licensees / generating companies be considered as provisional ARR of the licensees / generating companies for FY 2016-17.

The Commission has also decided that the licensees / generating companies shall file the ARR for FY 2016-17 based on the MYT Regulations for FY 2016-17 to FY 2020-21 and the true-up for the same shall also be governed as per the new MYT Regulations. It is also decided that the licensees / generating companies shall file the petition for determination of ARR and tariff for FY 2016-17 and true-up for FY 2014-15 within 3 weeks from the date of issuance of this order for Commission's consideration and decision.

Accordingly, the petitioner filed its petition for Truing up of FY 2014-15 and determination of tariff for FY 2016-17 on 21st January, 2016. The petition was registered on 29th January, 2016 as Case No. 1560/2016. The Commission approved the provisional ARR vide order dated 4th April, 2016, and the tariff for FY 2016-17 was determined accordingly.

1.6 Background for the Present Petition

Gujarat Electricity Regulatory Commission notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 which shall be applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed Multi-Year Tariff application comprising of truing up for FY 2015-16 to be carried out under GERC (Multi-Year Tariff) Regulations, 2011, Multi-Year Aggregate Revenue Requirement for the entire Control Period with year-wise details, Revenue from the sale of power at existing tariffs and charges and projected revenue gap or revenue surplus, for the second year of the Control Period under these Regulations, viz. FY 2017-18 and application for determination of final ARR for FY 2016-17 and determination of tariff for FY 2017-18.

1.7 Registration of the current petition and the public hearing process

The Petitioner submitted the current Petition for Truing–up of FY 2015-16, determination of Final ARR for FY 2016-17, determination of ARR for the 3rd Control Period from FY 2016-17 to FY 2020-21, and determination of tariff for FY 2017-18 on 18th January, 2017. The Commission registered the above Petition (Case No. 1638 of 2017) on 18th February, 2017.

In accordance with Section 64 of the Electricity Act, 2003, the Commission directed AIL to publish its application in the abridged form to ensure public participation.

The Public Notice, inviting objections / suggestions from its stakeholders on the ARR petition filed by it, was published in the following newspapers:

Table 1.1: List of Newspapers

Sr. No.	Name of the Newspaper	Language	Date of publication
1	The Business Standard	English	27/02/2017
2	Vadodara Samachar	Gujarati	27/02/2017

The petitioner also placed the public notice and the petition on its website (www.aspensez.com), for inviting objections and suggestions. The interested parties/stakeholders were asked to file their objections / suggestions on the petition on or before 28th March, 2017.

The Commission received no objections / suggestions from any consumers / consumer organizations till the last submission date. Hence, no public hearing was conducted in the Commission's Office at Gandhinagar for the same.

1.8 Approach of this order

The GERC (MYT) Regulations, 2011, provide for "Truing up" of the previous year and determination of tariff for the ensuing year. The Commission has approved ARR for part years of the second control period for FY 2013-14 to FY 2015-16 vide MYT Order dated 8th May, 2013.

The Commission, vide Suo-Motu order dated 2nd December, 2015 in Petition No. 1534/2015 decided to consider approved ARR of FY 2015-16 as provisional ARR for FY 2016-17 for determination of tariff for FY 2016-17 in view of delay in finalization of final GERC (Multi-Year Tariff) Regulations for the third Control Period i.e. FY 2016-17 to FY 2020-21. It was also decided in the said order that Generating Companies, Transmission Licensees and Distribution Companies shall file final ARR for FY 2016-17 based on the new GERC (Multi-Year Tariff) Regulations, 2016 and truing up of the same shall be governed in accordance with new GERC (Multi-Year Tariff) Regulations, 2016.

The GERC (Multi-Year Tariff) Regulations, 2016 provides for determination of ARR for the third Control Period i.e. FY 2016-17 to FY 2020-21 and determination of tariff for FY 2017-18.

AIL has approached the Commission with the present Petition for "Truing up" of the FY 2015-16, determination of Final ARR for FY 2016-17, determination of ARR for the third control period i.e. FY 2016-17 to FY 2020-21 and determination of tariff for the FY 2017-18.

The Commission has undertaken "Truing up" for the FY 2015-16, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for the FY 2015-16, based on the audited annual accounts.

The Truing up for the FY 2015-16 has been considered, based on the GERC (MYT) Regulations, 2011.

While truing up of FY 2015-16, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the Tariff Order in Case No. 1479 of 2015 dated 23rd April, 2015, 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 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 have been considered as per the GERC (Multi-Year Tariff) Regulations, 2016.

1.9 Contents of this order

The 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 Aspen's petition.
3. The **Third Chapter** provides a brief account of the public hearing process, including the objections raised by various stakeholders, Aspen's response and the Commission's views on the response.
4. The **Fourth Chapter** deals with the 'Truing up' for FY 2015-16.
5. The **Fifth Chapter** deals with the Aggregate Revenue Requirement (ARR) for FY 2016-17 to FY 2020-21.
6. The **Sixth Chapter** deals with the determination of tariff for FY 2017-18.
7. The **Seventh Chapter** deals with the compliance of directives.
8. The **Eight Chapter** deals with FPPPA.
9. The **Ninth Chapter** deals with determination of the wheeling charges and cross-subsidy surcharge.

2 Summary of Truing up for FY 2015-16, ARR for FY 2016-17 to FY 2020-21 and Tariff for FY 2017-18

2.1 Introduction

This chapter deals with highlights of the petition as submitted by AIL for truing up of FY 2015-16, determination of Final ARR for FY 2016-17, determination of ARR for third Control Period i.e. FY 2016-17 to FY 2020-21, and determination of tariff for FY 2017-18.

2.2 True-up for FY 2015-16

Aspen Infrastructures Limited (AIL) submitted the Petition on 18th January, 2017 seeking approval of truing up for FY 2015-16. AIL has worked out its Aggregate Revenue Requirement (ARR) for FY 2015-16 as a part of the True-Up for FY 2015-16 presenting the actual cost components based on audited annual accounts for FY 2015-16. A summary of the proposed ARR for Truing up of FY 2015-16 compared with the approved ARR for FY 2015-16 is presented in the Table below:

Table 2.1: Actuals claimed by Aspen for FY 2015-16

(Rs. Lakh)

Sr. No.	Particulars	Approved in the Tariff order for 2015-16	Actuals for 2015-16
1	Power Purchase Cost	482.75	740.42
2	**O&M Expenses**	**22.47**	**34.67**
i	Employee expenses	-	3.60
ii	R&M Expenses	-	0.00
iii	A&G Expenses	-	31.07
3	Depreciation	-	-
4	Interest on long term loan capital	-	-
5	Other Expenses	-	-
6	Income tax	-	-
7	**Total Revenue Expenditure**	**505.22**	**775.09**
8	Return on Equity	-	-
9	Less: Non-Tariff Income	30.37	66.71
10	**Aggregate Revenue Requirement**	**474.85**	**708.38**
11	Add: Revenue Gap for FY 2013-14	19.62	19.62
12	Net ARR for FY 2015-16	494.47	728.00

Table 2.2: Revenue (Gap)/Surplus for FY 2015-16

(Rs. Lakh)

Particulars	Approved in Tariff Order for 2015-16	Actual for 2015-16
Aggregate Revenue Requirement	494.47	728.00
Revenue from sale of electricity	481.98*	727.16
Revenue Gap/(Surplus)	12.49*	0.84

** The Commission had projected additional revenue of Rs. 28.20 Lakh with the revised tariffs, and approved a corresponding Revenue Gap of Rs. 12.49 Lakh in the Tariff Order for FY 2015-16*

2.3 ARR for the MYT Control Period FY 2016-17 to FY 2020-21

AIL has also sought approval for final Aggregate Revenue Requirement for FY 2016-17, Aggregate Revenue Requirement for the third Control Period i.e. FY 2016-17 to FY 2020-21, and determination of tariff for FY 2017-18 in its Petition.

The Multi-Year Aggregate Revenue Requirement of AIL for the third control period FY 2016-17 to FY 2020-21 is given in the Table below:

Table 2.3: ARR for the MYT Control Period FY 2016-17 to FY 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase Expenses	742.78	779.86	818.79	859.67	902.59
O&M Expenses	35.32	37.34	39.48	41.74	44.12
Depreciation	-	-	-	-	-
Interest & Finance Charges	-	-	-	-	-
Interest on Working Capital	7.30	7.65	7.99	8.39	8.75
Income Tax	-	-	-	-	
Total Revenue Expenditure	**785.40**	**824.85**	**866.26**	**909.80**	**955.47**
Return on Equity	-	-	-	-	-
Less: Non-Tariff Income	54.41	54.41	54.41	54.41	54.41
Revenue Gap for FY 2015-16	-	0.84	-	-	-
Aggregate Revenue Requirement	**730.99**	**771.28**	**811.85**	**855.39**	**901.06**

Table 2.4: Revenue Gap/(Surplus) for FY 2016-17 to FY 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Total ARR	730.99	771.28	811.85	855.39	901.06

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue from Sales	706.58	740.51	773.37	811.65	845.99
Revenue Gap/(Surplus)	**24.41**	**30.77**	**38.48**	**43.74**	**55.07**

2.4 Tariff for FY 2017-18

AIL stated that it is still in the process of developing the SEZ, and the sales are yet to reach significant levels. Therefore, it requests the Commission to allow AIL to continue to charge consumers in the SEZ area at the same tariff that shall be applicable for the respective category of consumers in the MGVCL area of supply for FY 2017-18.

2.5 Request of AIL

1. Admit the Petition for approval of truing up for FY 2015-16, determination of Multi-Year ARR for the Control Period from FY 2016-17 to FY 2020-21 and determination of Tariff for FY 2017-18;
2. Allow Aspen to continue to charge consumers in the SEZ area at the same Wheeling Charge that shall be applicable for the respective category of consumers in the MGVCL area of supply for FY 2017-18;
3. Allow Aspen to continue to charge consumers in the SEZ area at the same Retail Tariff that shall be applicable for the respective category of consumers in the MGVCL area of supply for FY 2017-18;
4. Condone any inadvertent omissions/errors/shortcomings and permit Aspen to add/change/modify/alter this filing and make further submissions as may be required at a future date;
5. Pass such Orders as the Commission may deem fit in the facts of the present case.

3 Brief outline of objections raised, response from AIL and Commission's view

3.1 Stakeholders' suggestions/ objections, Petitioner's Response and Commission's observations

In response to the public notice published on 27th February, 2017, inviting objections / suggestions from the stakeholders on the petition filed by AIL for True-up of FY 2015-16, Aggregate Revenue Requirement (ARR) for FY 2016-17 To FY 2020-21, Determination of Final ARR for FY 2016-17 and Determination of Tariff for FY 2017-18, none of the consumers/organisations filed their suggestions/ objections before the due date of 28th March, 2017.

The Commission, therefore, did not conduct a public hearing.

4 Truing up for FY 2015-16

4.1 Introduction

The Petitioner, in its petition for truing up of FY 2015-16 has furnished the actual energy sales, expenditure and revenue for FY 2015-16 based on the Audited Annual Accounts for FY 2015-16. It is submitted that the truing up of FY 2015-16 is on the basis of audited accounts.

The Commission has analysed the components of the actual energy sales, expenses and revenue under truing up for FY 2015-16.

GERC (MYT) Regulations, 2011 specify that the Commission shall undertake the truing up of expenses and revenue of licensee for the previous year, i.e., FY 2015-16, based on actuals as per Audited Accounts for FY 2015-16 and approved values for FY 2015-16 in the Tariff order dated 23rd April, 2015 in Case No. 1479/2015.

4.2 Energy Sales

Petitioner's Submission

The Petitioner has submitted that the actual energy sales for FY 2015-16 are 1,01,00,538 kWh, as against the approved sales of 60,06,600 kWh.

Table 4.1: Energy sales claimed for FY 2015-16

(kWh)

Particulars	Approved in the Tariff order for 2015-16	Actual claimed for 2015-16
Energy Sales (kWh)	60,06,600	1,01,00,538

The actual sales in FY 2015-16 are higher than the sales approved in Tariff order for FY 2015-16. Aspen requested the Commission to approve the actual energy sales as indicated above for truing up.

Commission's Analysis

In view of what has been stated above by the Petitioner, the Commission approves the energy sales of 1,01,00,538 kWh for FY 2015-16.

4.3 Distribution Losses

Petitioner's Submission

The Petitioner has submitted that the actual distribution losses are lower at 2.47% against 2.70% approved in the Tariff order for FY 2015-16. Aspen requests to approve the actual distribution losses achieved which is lower than the approved loss.

Commission's Analysis

Aspen has submitted that the actual distribution losses is 2.47% as against 2.70% approved in Tariff order for FY 2015-16.

The Commission approves the distribution losses of 2.47% for FY 2015-16, as per actuals.

4.4 Energy Requirement

Petitioner's Submission

Based on the energy sales and the actual distribution losses for FY 2015-16, the Petitioner has calculated the energy requirement for FY 2015-16. The energy requirement, as approved for FY 2015-16 in the Tariff order for FY 2015-16 and actuals now submitted by the Petitioner, are as given in Table below:

Table 4.2: Energy Requirement as submitted by Aspen for FY 2015-16

Sr. No.	Particulars	Approved in Tariff Order for 2015-16	Actual Submitted for 2015-16
1	Energy Sales (Units)	60,06,600	1,01,00,538
2	Distribution Losses (%)	2.70%	2.47%
3	Distribution Losses (Units)	1,66,679	2,55,722
4	Energy Procured (Units)	61,73,279	1,03,56,260

Commission's Analysis

The Commission has approved the distribution losses at 2.47% in para 4.3 above. The Commission verified from annual accounts that the quantum of electricity purchased is 1,03,56,240 units and not 1,03,56,260 units as claimed by the Petitioner. The Commission computed the Energy Sales with distribution losses of 2.47% for FY 2015-16, as given in Table below:

Table 4.3: Energy requirement approved by the Commission for truing up for FY 2015-16

Sr. No.	Particulars	Approved in Tariff Order for 2015-16	Actuals submitted in truing up for 2015-16	Approved in truing up for 2015-16
1	Energy Sales (Units)	60,06,600	1,01,00,538	1,01,00,538
2	Distribution Losses (%)	2.70%	2.47%	2.47%
3	Distribution Losses (Units)	1,66,679	2,55,722	2,55,702
4	**Energy Procured (Units)**	61,73,279	1,03,56,260	1,03,56,240

The Commission approves the energy requirement of 1,03,56,240 Units for truing up for FY 2015-16 as per actuals as verified in Annual Accounts submitted by the Petitioner.

4.5 Power Purchase Cost

Petitioner's Submission

Aspen has submitted that the requirement of power is met from MGVCL. The availability of power and power purchase cost, as per the Tariff order for FY 2015-16 and actuals, are given in the Table below:

Table 4.4: Availability of Power and Power Purchase Cost for FY 2015-16

Energy Sources	Approved in Tariff Order for 2015-16	Actual claimed for 2015-16
Power Purchase (Units)	61,73,279	1,03,56,260
Power Purchase cost (Rs. Lakh)	482.75	740.42
Cost Per Unit (Rs./kWh)	7.82	7.15

The Petitioner has submitted that the actual per unit cost of power purchased from MGVCL is lower at Rs. 7.15 per kWh in comparison to Rs. 7.82 per kWh, though the overall power purchase cost is higher than the approved levels on account of the higher quantum of sales. The petitioner requested the Commission to approve the actual power purchase cost for FY 2015-16 for truing up.

Commission's Analysis

As verified from the Annual Accounts for FY 2015-16, Aspen has incurred power purchase Cost of Rs. 740.42 Lakh against 1,03,56,240 units.

The Commission, accordingly, approves the power purchase of 1,03,56,240 units at total cost of Rs. 740.42 Lakh in the truing up for FY 2015-16.

4.6 Fixed Costs

4.6.1 Operations and Maintenance (O&M) expenses

Aspen has claimed Rs. 34.67 Lakh on O&M expenses against Rs. 22.47 Lakh of composite O&M expenses approved for FY 2015-16 in the MYT order dated 8th May, 2013 as detailed in the Table below:

Table 4.5: O&M Expenses of Aspen in FY 2015-16

(Rs. Lakh)

Particulars	Approved in the MYT Order for 2015-16	Actual claimed for 2015-16
Employee Cost	-	3.60
R&M Expenses	-	-
A&G Expenses	-	31.07
Total O&M Expenses	**22.47**	**34.67**

Petitioner's Submission

Aspen has submitted that the major part of the A&G expenses consists of the petition filing fees paid to the Commission, in accordance with the GERC (Fees, Fines & Charges) Regulations, 2005 and the remaining expenses are all justified expenses on facility management, security, consultancy fees, etc. Hence, Aspen submitted that the actual A&G expenses should be allowed, as Aspen is entitled to recover the regulatory fees paid to the Commission, from its consumers.

Aspen has requested the Commission to approve the actual O&M expenses of Rs. 34.67 Lakh for FY 2015-16 for truing up, as the same is uncontrollable.

Commission's Analysis

The O&M expenses for FY 2015-16, as per audited annual accounts, are Rs. 34.67 Lakh.

The Commission approves the O&M expenses at Rs. 34.67 Lakh in the truing up for FY 2015-16 in line with the Audited Accounts.

4.6.2 Capital Expenditure, Capitalization and Sources of Funding

Aspen has furnished Nil capital expenditure/capitalisation in the truing up for FY 2015-16 as against Nil provision approved in the tariff order for FY 2015-16 as detailed in the Table below:

Table 4.6: Capital expenditure/ Capitalisation claimed by Aspen for FY 2015-16

(Rs. Lakh)

Sr. No.	Particulars	Approved in Tariff order for 2015-16	Actual claimed in truing up for 2015-16
1	Capital Expenditure/ Capitalisation	Nil	Nil

Petitioner's Submission

The Petitioner has submitted that the entire GFA, for electricity distribution network inside the SEZ, is through underground cables, and has been funded through consumer contribution.

This capital expenditure required huge capital outlay, which has been funded entirely through consumer contribution. The Commission in its order dated 23rd April, 2015 in Case No. 1479 of 2015 approved Nil Capitalisation for FY 2015-16.

Aspen requests the Commission to approve the Nil capital expenditure for the true-up of FY 2015-16.

Commission's Analysis

As seen from the audited accounts there is no addition of assets during FY 2015-16 and the gross fixed assets at the beginning of the year as well as at the end of the year are Rs. 1053.80 Lakh.

The Commission considers the capital expenditure/capitalisation as Nil during FY 2015-16.

4.6.3 Depreciation

Petitioner's Submission

Aspen has not considered any depreciation on the assets in FY 2015-16 as the assets have entirely been funded through consumer contribution.

Commission's Analysis

The Commission approves the depreciation as Nil for FY 2015-16.

4.6.4 Interest & Finance Expenses

Petitioner's Submission

The Petitioner has submitted that there are no outstanding loans against electricity distribution business in FY 2015-16 as the same has been funded by consumer contribution. Hence, no interest expenditure has been considered for FY 2015-16.

Commission's Analysis

The Commission, accordingly, considers the interest expenses as Nil for FY 2015-16.

4.6.5 Income Tax

Petitioner's Submission

The Petitioner has submitted that no Income Tax was payable by Aspen even under the MAT rule, as there was a book loss shown in the Accounts for FY 2015-16. Therefore, Aspen has not considered any Income Tax for the purposes of truing up.

Commission's Analysis

The Commission approves the Income Tax as Nil for FY 2015-16.

4.6.6 Return on Equity

Petitioner's Submission

The Petitioner has submitted that it has not considered any Return on Equity for FY 2015-16 as the assets have been entirely funded through consumer contribution.

Commission's Analysis

The Commission accordingly considers the Return on Equity as Nil for FY 2015-16.

4.6.7 Non-Tariff income

Aspen has furnished the Non-Tariff income at Rs. 66.70 Lakh in the truing up for FY 2015-16 against Rs. 30.37 Lakh approved in the order for FY 2015-16 as detailed in the Table below:

Table 4.7: Non-Tariff income claimed for Aspen for FY 2015-16

(Rs. Lakh)

Sr. No.	Particulars	Approved in tariff Order for 2015-16	Actual claimed in truing up for 2015-16
1	Non-Tariff Income	30.37	66.70

Petitioner's Submission

The Petitioner has submitted that the actual Non-Tariff income for FY 2015-16 is Rs. 66.70 Lakh.

Commission's Analysis

The Commission has verified the Non-Tariff income with the audited accounts for FY 2015-16 and found the same to be Rs. 32.04 Lakh. In addition, there is income of Rs. 34.67 Lakh from facility maintenance as seen from the Audited Accounts for FY 2015-16.

The Commission, accordingly, approves the Non-Tariff income at Rs. 66.71 (32.04+34.67) Lakh in the truing up for FY 2015-16.

4.6.8 Revenue from sale of power

Petitioner's Submission

Aspen has submitted the revenue from sale of power at Rs. 727.16 Lakh as against Rs. 481.98 Lakh approved in the tariff order for FY 2015-16. The details are in the Table below:

Table 4.8: Revenue at existing tariff claimed for Aspen for FY 2015-16

(Rs. Lakh)

Sr. No.	Particulars	Approved in the tariff order for 2015-16	Actual claimed in truing up for 2015-16
1	Revenue at existing tariff	481.98	727.16

Commission's Analysis

The Commission has verified the revenue from power supply with the audited accounts of FY 2015-16 and found to be Rs. 726.52 Lakh.

The Commission accordingly considers the revenue from sale of power at Rs. 726.52 Lakh for FY 2015-16.

4.6.9 ARR approved in the truing up for FY 2015-16

The Aggregate Revenue Requirement (ARR) as approved in Tariff Order for FY 2015-16 dated 23rd April, 2015, the actuals claimed in truing up and approved in the truing up, are as given in the Table below:

Table 4.9: Summary of ARR for FY 2015-16

(Rs. Lakh)

Sr. No.	Particulars	Approved in Tariff Order for 2015-16	Actual claimed in truing up for 2015-16	Approved in truing up for 2015-16
1	**2**	**3**	**4**	**5**
1	Power purchase Cost	482.75	740.42	740.42
2	Operations and Maintenance expenses	22.47	34.67	34.67
3	Depreciation	-	-	-
4	Interest on Loans	-	-	-
5	Interest on working capital	-	-	-
6	Interest on Security Deposit	-	-	-
7	Bad debts written off	-	-	-
8	Contingency Reserve	-	-	-
9	Return on equity	-	-	-
10	Income Tax	-	-	-
11	**Total expenditure**	**505.22**	**775.09**	**775.09**
12	Less: Non-Tariff Income	30.37	66.70	66.71
13	**Aggregate Revenue Requirement**	**474.85**	**708.38**	**708.38**

The ARR and the Revenue Gap / (Surplus) approved by the Commission are given in the Table below:

Table 4.10: Trued up ARR and Revenue Gap / (Surplus) for FY 2015-16

(Rs. Lakh)

Particulars	**Actual claimed in truing up for 2015-16**	**Approved in Truing up for 2015-16**
Aggregate Revenue Requirement	708.38	708.38
Revenue gap for FY 2013-14	19.62	19.62
Net Aggregate Revenue Requirement	**728.00**	**728.00**
Less: Revenue from Sale of Power	727.16	726.52
Revenue Gap / (Surplus)	**0.84**	**1.48**

The commission has arrived at a revenue gap of Rs. 1.48 Lakh in the truing up for FY 2015-16 as submitted by Aspen.

5 Approval of Aggregate Revenue Requirement for the FY 2016-17 to FY 2020-21

5.1 Introduction

The determination of Aggregate Revenue Requirement (ARR) for the control period FY 2016-17 to FY 2020-21 is taken up in this chapter. The Multi-Year Tariff Petition for determination of ARR for the Control Period from FY 2016-17 to FY 2020-21 is filed by AIL in accordance with the GERC (Multi-Year Tariff) Regulations, 2016. Further, the ARR for the Control Period FY 2016-17 to FY 2020-21 has been segregated by AIL between Distribution Wires Business and Retail Supply Business based on the allocation matrix specified in Regulation 87 of the GERC (Multi-Year Tariff) Regulations, 2016.

5.2 Energy Sales

Petitioner's Submission

During the last five years of operations, the energy sales has increased from 8.03 MUs in FY 2011-12 to 10.10 MUs in FY 2015-16, reflecting a Compounded Annual Growth Rate (CAGR) of 5.93% for HTP-I category and a negative CAGR of 10% for Non-RGP category. However, the sales have been fluctuating from year to year, and had even gone down to 5.39 MUs in FY 2012-13, before recovering slowly. The Petitioner is uncertain regarding the movement of sales from FY 2016-17 to FY 2020-21. In the MYT Order dated 8th May, 2013, the Commission had accepted the Petitioner's projection of increase in sales from 12.81 MUs to 28.07 MUs from FY 2013-14 to FY 2015-16, respectively. However, the actual energy sales have been much lower than the original projections, and have just reached to 10.10 MUs in FY 2015-16.

Therefore, for projecting sales for the Control Period FY 2016-17 to FY 2020-21, Aspen has considered a growth rate of 5% for HTP-I category and zero growth rate for Non-RGP category. Accordingly, it has projected energy sales for each year of the Control Period as shown in the Table below:

Table 5.1: Energy Sales projected by Aspen for FY 2016-17 to 2020-21

(MUs)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Energy Sales	10.13	10.64	11.17	11.73	12.31

Commission's Analysis

The Commission has examined the forecast of energy sales by Aspen for the third control period. It is observed that the forecast is based on the past annual growth rate as sales have not been following a specific trend.

As Aspen is in development stage, some of the consumers have established industries and some are in the process of doing so.

The Commission, therefore, approves the energy sales projected for the period from FY 2016-17 to FY 2020-21 and any variation in the energy sales will be considered during the truing up for respective years. The approved energy sales for the control period from FY 2016-17 to FY 2020-21 is given in the Table below:

Table 5.2: Energy sales approved for FY 2016-17 to 2020-21

(MUs)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Energy sales	10.13	10.64	11.17	11.73	12.31

5.3 Distribution Losses

Petitioner's Submission

Aspen has projected constant distribution losses of 2.47 % for the third control period as detailed in the Table below:

Table 5.3: Distribution losses projected by Aspen for FY 2016-17 to 2020-21

(%)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Distribution Losses	2.47	2.47	2.47	2.47	2.47

Aspen has stated that the actual Distribution Losses for FY 2013-14, FY 2014-15, and FY 2015-16 are 4.27%, 3.25%, and 2.47%, respectively. The reduction of losses is attributable to the increased operational efficiency as well as the increase in sales, which has helped to reduce the no-load losses. However, it stated that it would be very difficult to reduce the losses further, with respect to the already low levels. The petitioner, therefore, requests the Commission to approve the distribution losses as 2.47% for the Control Period.

Commission Analysis:

As observed from AIL's submission, the distribution losses have been reduced to a considerable level. Since all the consumers are metered and the distribution losses are arrived at by subtracting the energy consumed from energy input (metered), the Commission is of the opinion that distribution losses are already at low levels. Hence, the Commission approves the distribution losses projected for the period FY 2016-17 to FY 2020-21 as detailed in the Table below:

Table 5.4: Distribution Loss approved for FY 2016-17 to 2020-21

(%)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Distribution Loss	2.47	2.47	2.47	2.47	2.47

5.4 Energy Requirement

Petitioner's Submission

Aspen has computed the energy requirement for the control period from FY 2016-17 to FY 2020-21 based on the projected distribution losses and the projected energy sales in the licensed area as shown in the Table below:

Table 5.5: Energy Balance projected by Aspen for FY 2016-17 to 2020-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Energy Sales (units)	1,01,32,800	1,06,38,590	1,11,69,670	1,17,27,303	1,23,12,818
Distribution Losses (%)	2.47%	2.47%	2.47%	2.47%	2.47%
Distribution Losses (Units)	2,56,539	2,69,344	2,82,790	2,97,000	3,11,829
Energy requirement (Units)	1,03,89,339	1,09,07,934	1,14,52,459	1,20,24,303	1,26,24,647

Commission's Analysis

The Commission approves the energy requirement as detailed in the Table below:

Table 5.6: Energy requirement approved for FY 2016-17 to 2020-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Energy Sales (units)	1,01,32,800	1,06,38,590	1,11,69,670	1,17,27,303	1,23,12,818
Distribution Losses (%)	2.47%	2.47%	2.47%	2.47%	2.47%
Distribution Losses (Units)	2,56,619	2,69,428	2,82,878	2,97,000	3,11,829
Energy requirement (Units)	1,03,89,419	1,09,08,018	1,14,52,548	1,20,24,303	1,26,24,647

5.5 Power Purchase Cost

Petitioner's Submission

Aspen has estimated the cost of power purchase from MGVCL for the Control Period from FY 2016-17 to FY 2020-21 based on the projected sales, distribution losses, and energy requirement in the licensed area.

Aspen has not considered any increase in the tariff of MGVCL, stating that MGVCL's Petition was pending for approval before the Commission by the time AIL submitted the petition. Hence, Aspen has considered the actual average rate of power purchase from MGVCL for FY 2015-16, for projecting the power purchase cost for the Control Period. The projected cost of power purchase from MGVCL for the Control Period from FY 2016-17 to FY 2020-21 is summarised in the Table below:

Table 5.7: Power Purchase Cost projected by Aspen for FY2016-17 to 2020-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase (Units)	1,03,89,339	1,09,07,934	1,14,52,459	1,20,24,303	1,26,24,647
Power Purchase Cost (Rs. Lakh)	742.78	779.86	818.79	859.67	902.59
Cost per Unit (Rs./kWh)	7.15	7.15	7.15	7.15	7.15

Commission's Analysis

In normal course, the distribution licensee shall procure power through competitive bidding process as per the guidelines issued by the Ministry of Power, GoI. Since Aspen does not have any tie-up power, the proposal of Aspen to procure power from MGVCL as a HT consumer is provisionally approved. However, Aspen has to explore the possibility of getting power at competitive rates. The Commission considers the average rate of power purchase as per the tariff decided by the Commission in the MGVCL's Tariff Order no. 1624/2016 dated 31.03.2017.

Table 5.8: Power Purchase Cost approved for FY 2016-17 to 2020-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase (Units)	1,03,89,419	1,09,08,018	1,14,52,548	1,20,24,303	1,26,24,647
Power Purchase Cost (Rs. Lakh)	779.21	809.37	842.91	891.00	925.39
Cost per Unit (Rs./kWh)	7.50	7.42	7.36	7.41	7.33

5.6 Fixed Costs

5.6.1 Operations and Maintenance Expenses

Petitioner's Submission

Aspen has submitted that the O&M expenses for the Control Period from FY 2016-17 to FY 2020-21 has been estimated in accordance with Regulation 86.2 and 94.8 of the GERC (Multi-Year Tariff) Regulations, 2016. It further stated that O&M expenses have not been specifically approved by the Commission, as no Tariff Order was passed for FY 2012-13. However, in the MYT Order, while approving the O&M expenses from FY 2013-14 to FY 2015-16, the Commission had considered the actual O&M expenses for FY 2012-13 as the base. Hence, the Petitioner has considered the actual O&M expenses for FY 2012-13 and the approved O&M expenses for FY 2013-14 and FY 2014-15, for projecting the normative O&M expenses for the Control Period.

Thus, Aspen has projected O&M expenses for the control period from FY 2016-17 to FY 2020-21 as detailed in the Table below:

Table 5.9: O&M expenses projected by Aspen for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Employee Expenses	2.38	2.51	2.66	2.81	2.97
R&M Expenses	2.31	2.44	2.58	2.73	2.89
A&G Expenses	30.63	32.38	34.24	36.19	38.26
O&M expenses	**35.32**	**37.34**	**39.48**	**41.74**	**44.12**

Commission's Analysis

The Commission has examined the O&M expenses projected by Aspen for the control period from FY 2016-17 to FY 2020-21.

As per GERC (MYT) Regulations, 2016, the average of actual of O&M expenses for three years ending 31st March, 2015 shall be escalated twice at 5.72% for FY 2015-16 and further escalated at 5.72% per annum thereafter for each year of the control period. However, in case of Aspen, no ARR was approved by the Commission for the period prior to FY 2013-14. Accordingly, the actual O&M expenses for FY 2015-16 as approved by the Commission in para 4.6.1 of this Order are considered for calculating the average of FY 2013-14, 2014-15 and 2015-16, and is escalated at 5.72% to arrive at the Normative O&M expenses for FY 2015-16. The escalated O&M expenses of FY 2015-16 are then further escalated at 5.72% for each of the year of the third control period. The O&M expenses, calculated using above methodology, are tabulated below:

Table 5.10: O&M expenses approved for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Employee Expenses	2.75	2.91	3.08	3.25	3.44
R&M Expenses	0.79	0.83	0.88	0.93	0.99
A&G Expenses	32.30	34.15	36.10	38.17	40.35
O&M expenses	**35.84**	**37.89**	**40.06**	**42.35**	**44.78**

The Commission approves O&M expenses for the control period as indicated in the table above.

5.6.2 Capital Expenditure Plan

Petitioner's Submission

Aspen has submitted that the capital expenditure has been funded entirely through Consumer Contribution. Further, no capital investment has been envisaged for the Control Period from FY 2016-17 to FY 2020-21. However, if any capital expenditure is undertaken through either debt or equity, the Petitioner shall approach the Commission at the time of truing up. Therefore, the Petitioner requests the Commission to approve Nil capital expenditure for the Control Period from FY 2016-17 to FY 2020-21.

Commission's Analysis

In line of above submission made by Aspen, and as proposed by Aspen, **the Commission hereby approves Nil capital expenditure for the third control period FY 2016-17 to 2020-21.**

5.6.3 Depreciation

Aspen has not claimed any depreciation on the assets as all the assets have been funded through consumer contributions.

Hence, the Commission approves Nil depreciation for the control period from FY 2016-17 to 2020-21.

5.6.4 Interest & Finance Charges

Aspen has submitted that no new capital expenditure for distribution business has been proposed and existing assets are funded by Consumer Contribution, hence no interest expenditure has been considered for the Control Period from FY 2016-17 to FY 2020-21.

The Commission, accordingly, approves Nil Interest & Finance Charges for the control period from FY 2016-17 to 2020-21.

5.6.5 Return on Equity

Aspen has not claimed any Return on Equity as the assets are entirely funded through consumer contribution.

In view of above submission, the Commission approves Nil Return on Equity for the control period from FY 2016-17 to 2020-21.

5.6.6 Interest on Working Capital

Petitioner's Submission

The petitioner submitted that it has calculated Interest on Working Capital for the Control Period from FY 2016-17 to FY 2020-21 as per Regulation 40.5 of the GERC (Multi-Year Tariff) Regulations, 2016 as shown below:

Table 5.11: Interest on Working Capital projected by Aspen for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
O&M Expenses for 1 Month	2.94	3.11	3.29	3.48	3.68
Maintenance spares @ 1% of the historical cost					
Receivables equivalent to 1 month of expected revenue from sale of electricity	58.88	61.71	64.45	67.64	70.50
Subtract: Amount held as security deposit					
Total Working Capital requirement	**61.82**	**64.82**	**67.74**	**71.12**	**74.18**
Interest rate @ 11.80% (SBBR as on 1st April, 2016 + 250 basis points)	11.80%	11.80%	11.80%	11.80%	11.80%
Interest on working capital	**7.30**	**7.65**	**7.99**	**8.39**	**8.75**

Commission's Analysis

The Commission has examined the petitioner's submission. The Commission observed that the Petitioner had not submitted / claimed Interest on Working Capital for previous years. The Commission has noted that the Petitioner has also not furnished details on 1% maintenance spares and amount held as Security Deposit.

The Commission has recomputed the components of working capital, in line with the methodology as specified in the GERC (MYT) Regulations, 2016 using the component as approved in preceding sections of this order. Further, the interest rate on working capital has been considered as 11.70% per annum which is the 1 year SBI MCLR on 1st April, 2016 plus 250 basis points as per GERC (MYT) (First Amendment) Regulations, 2016.

Table 5.12: Interest on Working Capital approved for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
O&M Expenses for 1 Month	2.99	3.16	3.34	3.53	3.73
Maintenance spares @ 1% of the historical cost					
Receivables equivalent to 1 month of revenue at existing tariffs	58.71	61.19	63.80	66.95	69.78

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Total Working Capital requirement	**61.70**	**64.35**	**67.13**	**70.48**	**73.51**
Less: Amount held as security deposit	-	-	-	-	-
Total Working Capital	**61.70**	**64.35**	**67.13**	**70.48**	**73.51**
Interest rate (%)	11.70%	11.70%	11.70%	11.70%	11.70%
Interest on Working Capital	**7.22**	**7.53**	**7.85**	**8.25**	**8.60**

5.6.7 Income Tax

In FY 2015-16, no income tax was payable by Aspen even under the MAT rule, as there was a book loss shown in the Accounts for FY 2015-16. Therefore, Aspen has not considered any provisional Income Tax for its business for the Control Period from FY 2016-17 to FY 2020-21.

Accordingly, the Commission approves Nil Income Tax for the control period from FY 2016-17 to 2020-21.

In case Income Tax is actually paid for any year of the Control Period, the same shall be considered at the time of true-up.

5.6.8 Non-Tariff Income

Petitioner’s Submission

Aspen has projected the income from Facility Management Charges, under Non-Tariff Income for the Control Period from FY 2016-17 to FY 2020-21, at the same level as the actual income from these Charges in FY 2015-16. Aspen submitted that it has projected lower Non-Tariff Income from Security Deposit kept with MGVCL, as the amount of deposit has been reduced from Rs. 357.26 Lakh to Rs. 232.26 Lakh at the beginning of FY 2016-17. The interest on Security Deposit with MGVCL has been projected at 8.5% for the Control Period. The total Non-Tariff Income projected for the Control Period is shown in the Table below:

Table 5.13: Non-Tariff Income projected by Aspen for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Tariff Income	54.41	54.41	54.41	54.41	54.41

Commission's Analysis

The Commission has examined the non-tariff income projected by Aspen, which includes interest on security deposit held with MGVCL @ 8.50% p.a. and income from facility management charges at the same level as the actual income from these charges in FY 2015-16. The Commission, however, considers the interest @ 7.75% p.a., being the Bank Rate prevailing as on 1st April, 2016, on the security deposit as projected for the control period in line with the Tariff Order No. 1624/2016 dated 31.03.2017 for MGVCL. The Commission also decides to consider Facility Management Charges at the level of O&M Expenditure approved for the control period from FY 2016-17 to FY 2020-21 in Table 5.10 above.

Therefore, the Commission accordingly approves the non-tariff income as below:

Table 5.14: Non-Tariff Income approved for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Facility Management	35.84	37.89	40.06	42.35	44.78
Interest on deposit earned from MGVCL	18.00	18.00	18.00	18.00	18.00
Non-Tariff Income	**53.84**	**55.89**	**58.06**	**60.35**	**62.78**

5.7 Aggregate Revenue Requirement

Petitioner's Submission

Aspen has projected Aggregate Revenue Requirement for the control period as detailed in the Table below:

Table 5.15: Aggregate Revenue Requirement projected by Aspen for FY 2016-17 to 2020-21

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase Expenses	742.78	779.86	818.79	859.67	902.59
O&M Expenses	35.32	37.34	39.48	41.74	44.12
Depreciation	-	-	-	-	-
Interest on Long Term Loan Capital	-	-	-	-	-
Interest on Working Capital	7.30	7.65	7.99	8.39	8.75

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Income Tax	-	-	-	-	-
Total Revenue Expenditure	**785.40**	**824.85**	**866.26**	**909.80**	**955.47**
Return on Equity	-	-	-	-	-
Less: Non-Tariff Income	54.41	54.41	54.41	54.41	54.41
Aggregate Revenue Requirement	**730.99**	**770.44**	**811.85**	**855.39**	**901.06**

Commission's Analysis

As discussed in the above paragraphs, the Commission approves the Aggregate Revenue Requirement for the control period from FY 2016-17 to FY 2020-21 as given in the Table below:

Table 5.16: Aggregate Revenue Requirement approved for FY 2016-17 to 2020-21

(Rs. lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase Expenses	779.21	809.37	842.91	891.00	925.39
O&M Expenses	35.84	37.89	40.06	42.35	44.78
Depreciation	-	-	-	-	-
Interest on Long Term Loan Capital	-	-	-	-	-
Interest on Working Capital	7.22	7.53	7.85	8.25	8.60
Income Tax	-	-	-	-	-
Total Revenue Expenditure	**822.27**	**854.79**	**890.82**	**941.60**	**978.77**
Return on Equity	-	-	-	-	-
Less: Non-Tariff Income	53.84	55.89	58.06	60.35	62.78
Aggregate Revenue Requirement	**768.43**	**798.90**	**832.76**	**881.25**	**915.99**

6 Determination of Tariff for FY 2017-18

6.1 Introduction

This chapter deals with the determination of tariff for the FY 2017-18 for AIL.

6.2 Revenue at Existing Tariff and gap / (surplus) analysis

Petitioner's Submission

Aspen has submitted the consolidated gap/(surplus) as detailed in the Table below:

Table 6.1: Consolidated Gap/(Surplus) submitted by Aspen for FY 2017-18

(Rs. Lakh)

Particulars	2017-18
ARR for FY 2017-18	770.44
Revenue at Existing Tariff for FY 2017-18	740.51
Gap/(Surplus) for FY 2017-18	29.93
Add: Consolidated Revenue Gap/(Surplus) up to FY 2015-16	0.84
Total gap/(surplus) to be charged to tariffs	**30.77**

Commission's Analysis

The revenue gap/(surplus) for the control period is detailed in the Table below:

Table 6.2: Approved revenue gap/(surplus) for FY 2017-18 at existing tariffs

(Rs. Lakh)

Particulars	2017-18
ARR for FY 2017-18	798.90
Revenue at Existing Tariff for FY 2017-18	734.33
Gap/(Surplus) for FY 2017-18	64.57
Add: Consolidated Revenue Gap/(Surplus) up to FY 2015-16	1.48
Total Gap/(Surplus) to be charged to tariffs	**66.05**

Accordingly, the Commission approves the revenue gap of Rs. 66.05 Lakh for AIL.

6.3 Tariff determination for FY 2017-18

Petitioner's Submission

Aspen submitted that its licence area overlaps with the licence area of MGVCL, and thus, falls under the situation envisaged under the proviso to Section 62 (1) of the EA 2003. Further, consumers have opted to set up their Units within the SEZ area, under the presumption that the electricity tariff will be the same as that applicable within MGVCL's area of supply, and the consumers would not be adversely affected by virtue of opting to set up their Units within the SEZ. It will also create a lot of problems if the tariffs within the SEZ and outside the SEZ for the same category of consumer are different, and may result in migration of consumers outside the licence area.

The Commission in its order dated 23rd April, 2015 in Case No. 1479 of 2015 in the matter of Aspen has ruled as under:

"The Commission finds that even after 5 years of its operation starting from FY 2008-09, there is not much growth in sales year on year. Aspen has explained that the slow growth has been impacted against the backdrop of the general economic slowdown and uncertainty in the Government's policies vis-à-vis SEZs resulting in delay in addition of new units. Under these circumstances, the Commission is of the view that Aspen is still in the process of development.

The Commission, accordingly considers the request of Aspen vide para 4.2.6 and decides that the MGVCL's Tariff approved in the Commission's Tariff Order dated 31st March, 2015 will be the maximum ceiling for retail supply in SEZ area of Aspen in accordance with the Tariff schedule annexed to the Order."

In view of the above, Aspen has requested the Commission to allow Aspen to continue to charge consumers in SEZ area at the same tariff that shall be applicable for the respective consumers in MGVCL area of supply for FY 2017-18.

Commission's Analysis

The Commission decides to keep the tariffs of ASPEN distribution area as per MGVCL tariff schedule effective from 1st April, 2017. The Commission has decided tariffs for MGVCL for FY 2017-18 as per Annexure of this tariff order.

However, the Commission observes that there have been considerable years of operation starting from FY 2008-09 for Aspen to become fully grown Distribution

Licensee. Nevertheless, no attempt has been made by Aspen to procure power at competitive rates despite of repeated directives given in previous Tariff Order during such a long span. The Commission, therefore, directs the licensee to meet this revenue gap of Rs. 66.05 Lakh, as worked out in the Table 6.2 above, by taking measures for improving efficiency in its operation and reducing costs.

7 Compliance of Directives

7.1 Existing Directives

The Commission has issued directives to the Petitioner in its order dated 4th April, 2016 in Case No. 1560/2016. In this regard AIL has submitted the compliance vide its e-mail dated 07.04.2017. the comments of the Commission on the submission / compliance of AIL are given below.

Directive 1:

The Commission directs the Petitioner to ensure that the Auditors' Report is submitted along with the Annual Accounts at the time of filing the petition.

Compliance submitted by AIL:

Aspen submitted that the electricity business of Aspen is not a separate Company, and is a division of the parent SEZ Company. In accordance with the Companies Act, the parent SEZ Company is preparing the Accounts that are audited by the Statutory Auditor and filed with the Registrar of Companies (ROC).

For the purpose of submission to the Commission, Aspen is preparing the proforma Accounts separately for the electricity business. However, the petitioner stated that such proforma Accounts are not statutory documents and do not contain the Auditor's Report.

Hence, there is a difficulty in submitting the Auditor's Report for the proforma Accounts of the electricity business of Aspen.

However, Aspen submitted the Audited Accounts of the parent SEZ Company, Aspen Infrastructure Limited for FY 2015-16, which includes the Auditor's Report.

Commission's View:

The Commission has noted the Petitioner's response.

Directive 2:

The Commission directs the Petitioner to provide the details of shares capital showing the number of shares and face value along with the details of reserves and surplus along with the tariff petition.

Compliance submitted by AIL:

Aspen submitted that the electricity business of Aspen is not a separate Company, and is a division of the parent SEZ Company. For the purpose of submission to the Commission, Aspen is preparing the proforma accounts separately for the electricity business.

As a result, the Share Capital shown in the proforma accounts of the electricity business of Aspen is not real equity capital against which equity shares have been issued. Hence, Aspen expresses its difficulty in providing the details of share capital showing the number of shares and face value for the equity contribution shown in the proforma accounts of the electricity business of Aspen. Aspen stated that the equity value has been computed as the difference between the Total Assets and the Reserves & Surplus.

With respect to the details of Reserves & Surplus, Aspen submitted that in the Petition submitted to the Commission in Case No. 1240 of 2012, Aspen had clarified that all the assets had been created through Consumer Contribution (CC), and no loans or equity had been invested for creation of those assets. In the Accounts of Aspen (then known as Synefra) for these years, the CC had been considered as Revenue, as a result of which there were significant Profits that were transferred to the Reserves & Surplus based on Accounting Policies. Aspen (then Synefra) had submitted that despite the accounting treatment actually followed, Aspen was not claiming any depreciation, interest on loan, or return on equity on the asset creation in accordance with the regulatory principles, as the same was funded by CC.

The Commission accepted this submission and never allowed depreciation, interest on loan, or return on equity on the assets created.

Commission's View:

Compliance is noted.

7.2 Fresh Directives

Directive 1:

The Commission directs Aspen to procure power through competitive bidding as sufficient time of 9 years of operation starting from FY 2008-09 has been given to Aspen to attain full-grown maturity as a distribution licensee.

8 Fuel and Power Purchase Price Adjustment Charges

Aspen is sourcing power from MGVCL for meeting its power requirement for its licensed area. Aspen purchases power from MGVCL at the tariff applicable to HTP-I consumers.

Since Aspen is treated as a consumer under HTP-I tariff category, MGVCL is charging FPPPA to Aspen as in case of other consumers. The FPPPA charge varies every quarter in accordance with the formula approved by the Commission.

As such, Aspen shall charge its consumers FPPPA at the rate applied to it by MGVCL.

9 Wheeling Charges and Cross Subsidy Surcharge

9.1 Introduction

Regulation 91 of GERC (MYT) Regulations, 2016, stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensee in its ARR and Tariff order. Accordingly, the Commission has reviewed submission of Aspen in this regard and accordingly determined the wheeling charges at HT and LT levels, for long term (LT), medium term (MT) and short term (ST) open access consumers.

Petitioner's submission

Aspen has allocated the total ARR to wire and retail supply business considering the following allocation matrix:

Table 9.1: Allocation of matrix for segregation of expenses between distribution wires business and retail supply business

Particulars	Wires Business (%)	Retail supply Business (%)
Power purchase expenses	0	100
Intra-State Transmission Charges	0	100
Employee expenses	60	40
A&G expenses	50	50
R&M expenses	90	10
Depreciation	90	10
Interest on long-term capital investments	90	10
Interest on working capital and consumer security deposit	10	90
Bad debts written off	0	100
Income tax	90	10
Transmission Charges	0	100
Contribution to contingency reserve, if any.	100	0
Return on equity	90	10
Non-Tariff income	10	90

Based on the above allocation matrix, Aspen has segregated the ARR into wheeling and retail supply business as shown in tables below:

Table 9.2: Allocation of ARR between wheeling (wires business) and retail supply business for FY 2017-18

Cost components	Total	Wheeling (Wires Business)	Retail Supply
Power purchase expenses	779.86	-	779.86
O&M Expenses	37.34	19.90	17.44
Depreciation	-	-	-
Interest on long-term loan capital	-	-	-
Interest on working capital	7.65	0.76	6.88
Income Tax	-	-	-
Return on equity	-	-	-
Less: Non-Tariff Income	54.41	5.44	48.97
Total	**770.44**	**14.46**	**755.21**

The above segregated ARR has been considered to determine the wheeling charges.

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 GERC (MYT) Regulations, 2016. The allocation matrix and the basis of allocation of various cost components of the ARR as per GERC (MYT) Regulations, 2016 are shown below:

Table 9.3: Allocation Matrix for segregation to wire and retail supply business as per GERC (MYT) Regulations, 2016

(%)

ARR Components	Wire Business	Retail Business
Power Purchase Expense	0%	100%
Employee Expense	60%	40%
Administrative & General Expenses	50%	50%
Repair & maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on long term loan	90%	10%
Interest on Working capital	10%	90%
Bad Debt	0%	100%
Income Tax	90%	10%
Contingency reserve	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

Based on the above allocation, the approved ARR for wires business and retail supply business are computed as shown below.

Table 9.4: Segregation between wires and retail supply business ARR as approved by the Commission for FY 2017-18

Sr. No.	Cost components	Total	Wheeling (Wires Business)	Retail Supply
1.	Power purchase expenses	809.37	0.00	809.37
2.	Employee cost	2.91	1.75	1.16
3.	A&G expenses	34.15	17.08	17.08
4.	R&M cost	0.83	0.75	0.07
5.	Depreciation	-	-	-
6.	Interest on long-term loans	-	-	-
7.	Interest security deposit	-	-	-
8.	Interest on working capital	7.53	0.75	6.78
9.	Return on equity	-	-	-
10.	Less: Non-Tariff Income	55.89	5.59	50.30
11.	**Aggregate Revenue Requirement**	**798.90**	**14.73**	**784.16**

The above allocations of ARR are used for determination of wheeling charges for FY 2017-18.

9.2 Determination of wheeling charges

The Commission has not segregated wheeling ARR between HT and LT voltage levels. Accordingly, the Commission has derived the wheeling charges as shown below:

Table 9.5: Calculation of Wheeling Charges at 11 KV voltages

Sr. No.	Particulars	Units	Amount
1.	Total distribution cost (wheeling cost)	Rs. lakh	14.73
2.	Energy input at 11 kV	LU	109.08
3.	Wheeling charge at 11 kV	Ps/kWh	13.51

Table 9.6: Approved Wheeling charges at 11 KV voltages

Sr. No.	Particulars	Units	Amount
1.	Wheeling charges at 11 kV	Ps.	14.00

The Open Access consumer will also have to bear the **distribution losses at 2.47%** in addition to the wheeling charges.

9.3 Determination of Cross Subsidy Surcharge

Commission's analysis

Hon'ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has recently 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 worked out as shown in the table below:

Table 9.7: Cross Subsidy Surcharge for FY 2017-18

Sr. No.	Particulars	2017-18
1	T - Tariff for HT Category (Rs./kWh)	6.90
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	7.42
3	D - Wheeling Charge (Rs./kWh)	0.1351
4	L - Aggregate T&D Loss (%)	2.47%
5	R - per unit cost of carrying regulatory assets (Rs/kWh)	-
6	**S = Cross Subsidy Surcharge (Rs./kWh)**	**-0.84**

As cross subsidy surcharge computation results into negative value, no cross subsidy surcharge will be applicable to Open Access consumers for FY 2017-18.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for Aspen Infrastructures Limited (AIL) for the control period FY 2016-17 to FY 2020-21, as shown in the table below:

(Rs. Lakh)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Power Purchase Expenses	779.21	809.37	842.91	891.00	925.39
O&M Expenses	35.84	37.89	40.06	42.35	44.78
Depreciation	-	-	-	-	-
Interest on Long Term Loan Capital	-	-	-	-	-
Interest on Working Capital	7.22	7.53	7.85	8.25	8.60
Income Tax	-	-	-	-	-
Total Revenue Expenditure	**822.27**	**854.79**	**890.82**	**941.60**	**978.77**
Return on Equity	-	-	-	-	-
Less: Non-Tariff Income	53.84	55.89	58.06	60.35	62.78
Aggregate Revenue Requirement	**768.43**	**798.90**	**832.76**	**881.25**	**915.99**

The approved ceiling for retail supply tariff will be in accordance with the Tariff schedule annexed to this order. This order shall come into force with effect from 1st July, 2017. The rate shall be applicable for the electricity consumption from 1st July, 2017 onwards.

Sd/-	Sd/-	Sd/-
P. J. THAKKAR	**K. M. SHRINGARPURE**	**ANAND KUMAR**
Member	Member	Chairman

Place: Gandhinagar
Date: 30/06/2017

ANNEXURE: TARIFF SCHEDULE

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st April, 2017

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Distribution Licensees viz. DGVCL, MGVCL, PGVCL and UGVCL.
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 purposes 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. Meter charges shall be applicable as prescribed under 'GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 as in force from time to time.
7. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations will continue to apply.
8. Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
9. 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 kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
10. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
11. The Fixed charges, minimum charges, demand charges, meter rent 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.

12. Prompt payment discount on the total bill excluding all types of levies, duties or taxes levied by the Government or any other competent authorities and meter rent but including fixed charges, energy charges and minimum charge may be allowed at the 1% rate for all tariff categories provided that the payment is made within 7 days of presentation of bill and that no previous amount is outstanding as on the date of the bill.
13. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
14. 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.
15. 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.
16. 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 licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
17. Delayed payment charges for all consumers:
    - No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
    - Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
    - 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. RATE: RGP

This tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

1.1 FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(d)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers:

Fixed charges	Rs. 5/- per month

PLUS

1.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

(OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 units	350 Paise per Unit
(c)	Next 100 units	415 Paise per Unit
(d)	Next 50 units	425 Paise per Unit
(e)	Above 250 units	520 Paise per Unit

1.3 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMER BELOW POVERTY LINE (BPL)***

(a)	First 30 units	150 Paise per Unit
(b)	For remaining units	Rate 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 sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

1.4 MINIMUM BILL (EXCLUDING METER CHARGES)

Payment of fixed charges as specified in 1.1 above.

2. RATE: RGP (RURAL)

This tariff is applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

2.1 FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(d)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers:

Fixed charges	Rs. 5/- per month

PLUS

2.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

(OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 units	310 Paise per Unit
(c)	Next 100 units	375 Paise per Unit
(d)	Next 50 units	385 Paise per Unit
(e)	Above 250 units	490 Paise per Unit

2.3 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMER BELOW POVERTY LINE (BPL) **

(a)	First 30 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)

**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 sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

2.4 MINIMUM BILL (EXCLUDING METER CHARGES):

Payment of fixed charges as specified in 2.1 above.

Note: If the part of the residential premises is used for non-residential (commercial) purposes by the consumers located within 'Gram Panchayat' as defined in Gujarat Panchayat Act, entire consumption will be charged under this tariff.

3. RATE: GLP

This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner and research and development laboratories.

(a)	Fixed charges	Rs. 70/- per month
(b)	Energy charges	390 Paise per Unit

4. 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.

4.1 FIXED CHARGES PER MONTH:

(a) First 10 kW of connected load	Rs. 50/- per kW
(b) For next 30 kW of connected load	Rs. 85/- per kW

PLUS

4.2 ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit

4.3 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 at least one month before commencement of billing period 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 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 480 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.

5. RATE: LTMD

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

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

5.1 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

PLUS

5.2 ENERGY CHARGES:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3 REACTIVE ENERGY CHARGES:

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

5.4 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

5.5 MINIMUM BILL

Payment of demand charges every month based on the billing demand.

5.6 SEASONAL CONSUMERS TAKING LTMD SUPPLY:

5.6.1 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.

5.6.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

5.6.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.6.1 above and complying with provisions stipulated under sub-clause 5.6.2 above shall be Rs. 2970 per annum per kW of the billing demand.

5.6.4 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.

5.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

6. 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.)

6.1 FIXED CHARGES PER MONTH:

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

PLUS

6.2 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 6 above.

2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 6 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 4.1 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 4.2 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 4.1 and 4.2 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 switch over from Non-RGP tariff to Non-RGP Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*

7. RATE: LTMD- NIGHT

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

7.1 FIXED CHARGES PER MONTH:

50% of the Fixed charges specified in Rate **LTMD** above.

PLUS

7.2 ENERGY CHARGES:

For entire consumption during the month	260 Paise per Unit

PLUS

7.3 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 7 above.*

2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 7 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 5.1 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 5.2 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 5.1 and 5.2 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 switch over from LTMD tariff to LTMD Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*

8. RATE: LTP- LIFT IRRIGATION

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as canal, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

(a)	Fixed charges per month	Rs. 45/- per HP
	PLUS	
(b)	Energy charges For entire consumption during the month	180 Paise per Unit

9. RATE: WWSP

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

9.1 **Type I –** Water works and sewerage pumps operated by other than local authority:

(a)	Fixed charges per month	Rs. 25/- per HP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	430 Paise per Unit

9.2 **Type II –** Water works and sewerage pumps operated by local authority such as Municipal Corporation, Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this tariff:

(a)	Fixed charges per month	Rs. 20 per HP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	410 Paise per Unit

9.3 **Type III –** Water works and sewerage pumps operated by Municipalities / Nagarpalikas and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month: For entire consumption during the month	320 Paise/Unit

9.4 **<u>TIME OF USE DISCOUNT</u>:**

Applicable to all the water works consumers having connected load of 50 HP and above for the energy consumption during the Off-Peak Load Hours of the Day.

For energy consumption during the off-peak period, viz., 1100 Hrs. to 1800 Hrs.	40 Paise per Unit
For energy consumption during night hours, viz., 2200 Hrs. to 0600 Hrs. next day	85 Paise per Unit

10. RATE: AG

This tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

10.1 The rates for following group are as under:

10.1.1 HP BASED TARIFF:

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

10.1.2 METERED TARIFF:

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption	60 Paise per Unit per month

10.1.3 TATKAL SCHEME:

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption	80 Paise per Unit per month

NOTE: The consumers under Tatkal Scheme shall be eligible for normal metered tariff as above, on completion of five years period from the date of commencement of supply.

10.2 No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this tariff. Any other machinery connected in the installation governed under this tariff shall be charged separately at appropriate tariff for which consumers shall have to take separate connection.

10.3 Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / metered agricultural tariff.

10.4 Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

Agricultural consumers shall have to declare their intention for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e. in March every year).

11. RATE: SL

11.1 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.

11.1.1 ENERGY CHARGES:

For all the units consumed during the month:	405 Paise per Unit

11.1.2 OPTIONAL KVAH CHARGES:

For all the kVAh units consumed during the month:	305 Paise per Unit

11.1.3 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. 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.

11.1.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

11.2 Tariff for power supply for street lighting purposes to consumers other than the local authorities and industrial estates:

11.2.1 FIXED CHARGES:

Rs. 30 per kW per month

11.2.2 ENERGY CHARGES:

For all units consumed during the month	405 Paise per kWh

11.2.3 Renewal and Replacement of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. 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.

11.2.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

12. <u>RATE: TMP</u>

This tariff is applicable to services of electricity supply for temporary period at the low voltage. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

12.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

12.2 ENERGY CHARGE

A flat rate of	465 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.

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

(3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

The following tariffs are available for supply at high tension for large power services for contract demand not less than 100 kVA

13. 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.

13.1 DEMAND CHARGES:

13.1.1 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

13.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month

PLUS

13.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit

(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

13.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
For Billing Demand up to 500 kVA	45 Paise per Unit
For Billing Demand above 500 kVA	85 Paise per Unit

13.4 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

13.5 MINIMUM BILLS:

Payment of “demand charges” based on kVA of billing demand.

13.6 POWER FACTOR ADJUSTMENT CHARGES:

13.6.1 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.

13.6.2 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 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13.7 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.

13.8 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.

13.9 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%

13.10 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 shall be eligible for concession at the rate of 40 Paise per unit.

13.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

13.11.1 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.

13.11.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

13.11.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 13.11.1 above and complying with provisions stipulated under sub-clause 13.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

13.11.4 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.

13.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

13.11.6 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.

14. 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 run by Local Authorities and GW & SB. GIDC Water Works.

14.1 DEMAND CHARGES:

14.1.1 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

14.1.2 For billing demand in excess of contract demand

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

PLUS

14.2 ENERGY CHARGES:

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	435 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	455 Paise per Unit
(c)	For billing demand above 2500 kVA	465 Paise per Unit

PLUS

14.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
For Billing Demand up to 500 kVA	45 Paise per Unit
For Billing Demand above 500 kVA	85 Paise per Unit

14.4 Billing demand

14.5 Minimum bill

14.6 Maximum demand and its measurement

14.7 Contract Demand

14.8 Rebate for supply at EHV

14.9 Concession for use of electricity during night hours

Same as per HTP-I Tariff

14.10 POWER FACTOR ADJUSTMENT CHARGES:

14.10.1 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 14.2 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 14.2 of this schedule, will be charged.

14.10.2 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 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

15. <u>RATE: HTP-III</u>

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.

15.1 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

15.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

15.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	85 Paise per Unit

15.4 Billing demand **15.5 Minimum bill** **15.6 Maximum demand and its measurement** **15.7 Contract Demand** **15.8 Rebate for supply at EHV**	Same as per HTP-I Tariff

15.9 POWER FACTOR ADJUSTMENT CHARGES:

15.9.1 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 15.2 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 15.2 of this schedule, will be charged.

15.9.2 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 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16 <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.

16.1 DEMAND CHARGES:

1/3rd of the Fixed Charges specified in Rate HTP-I above.

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise per Unit

16.3 Billing demand

16.4 Minimum bill

16.5 Maximum demand and its measurement

16.6 Contract Demand

16.7 Rebate for supply at EHV

Same as per HTP-I Tariff

16.8 POWER FACTOR ADJUSTMENT CHARGES:

16.8.1 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 16.2 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 16.2 of this schedule, will be charged.

16.8.2 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 16.2 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 16 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 16 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 13.1 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 13.2 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 13.1 and 13.2 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 switch over from HTP-I tariff to HTP-IV tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*

17 RATE: HTP- V

HT - Agricultural (for HT Lift Irrigation scheme only)

This tariff shall be applicable for supply of electricity to High Tension Agricultural consumers contracting for 100 kVA and above, requiring power supply for lifting water from surface water sources such as canal, river and dam, and supplying water directly to the fields of farmers for agricultural irrigation only.

17.1 DEMAND CHARGES:

Demand Charges Rs. 50 per kVA per month

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	180 Paise per Unit

17.3 Billing demand	Same as per HTP-I Tariff
17.4 Minimum bill	
17.5 Maximum demand and its measurement	
17.6 Contract Demand	
17.7 Rebate for supply at EHV	

17.8 POWER FACTOR ADJUSTMENT CHARGES:

17.8.1 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 17.2 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 17.2 of this schedule, will be charged.

17.8.2 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 17.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

18 RATE: RAILWAY TRACTION

This tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

18.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 425 per kVA per month

NOTE: In case of the load transfer for traction supply due to non-availability of power supply at preceding or succeeding point of supply or maintenance at Discom's level, excess demand over the contract demand shall be charged at normal rate at appropriate point of supply.

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 18.1 (b).

PLUS

18.2 ENERGY CHARGES:

For all units consumed during the month	500 Paise per Unit

18.3 Billing demand

18.4 Minimum bill

18.5 Maximum demand and its measurement

18.6 Contract Demand

18.7 Rebate for supply at EHV

Same as per HTP-I Tariff

18.8 POWER FACTOR ADJUSTMENT CHARGES:

18.8.1 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 18.2 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 18.2 of this schedule, will be charged.

18.8.2 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 18.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.