GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2016-17

and Determination of Tariff for FY 2018-19

For

Torrent Power Limited – Distribution Dahej

Case No. 1698 of 2018

4th April, 2018

6th Floor, GIFT ONE, Road 5C, GIFT City
Gandhinagar-382335 (Gujarat), INDIA
Phone: +91-79-23602000 Fax: +91-79-23602054/55
E-mail: gerc@gercin.org : Website www.gercin.org

सत्यमेव जयते

GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

Tariff Order

Truing up for FY 2016-17

and Determination of Tariff for FY 2018-19

For

Torrent Power Limited – Distribution Dahej

Case No. 1698 of 2018

4th April, 2018

CONTENTS

LIST OF TABLES

ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Control period	The period from FY 2016-17 to FY 2020-21
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
DPC	Delayed Payment Charges
DSEZ	Dahej SEZ
DSL	Dahej SEZ Ltd.
EA	Electricity Act, 2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GIDC	Gujarat Industrial Development Corporation
GUVNL	Gujarat Urja Vikas Nigam Limited
HP	Horse Power
HT	High Tension
HTMD	High Tension Maximum Demand
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
LTMD	Low Tension Maximum Demand
MCLR	Marginal Cost of Funds Based Lending Rate
MSW	Municipal Solid Waste
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MVA	Million Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NRGP	Non Residential General Purpose
NTPC	National Thermal Power Corporation
O&M	Operations and Maintenance
OFC	Optical Fibre Communication
ONGC	Oil & Natural Gas Corporation
PF	Power Factor
PPA	Power Purchase Agreement

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

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1698 of 2018

Date of the Order: 04/04/2018

CORAM

Shri Anand Kumar, Chairman

Shri K.M. Shringarpure, Member

Shri. P.J. Thakkar, Member

ORDER

1 Background and brief history

1.1 Background

Torrent Power Limited (hereinafter referred to as ‘TPL’ or the ‘Petitioner’) has filed the present petition on 30th December, 2017 under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 for Truing up of FY 2016-17 and for determination of tariff for its distribution business at Dahej for FY 2018-19.

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 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of truing up for FY 2016-17 to be carried out under the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, revenue from the sale of power at existing tariffs and charges for the ensuing year (FY 2018-19) and revenue gap or revenue surplus for the third year of the Control Period calculated based on the Aggregate Revenue Requirement approved in the MYT Order and truing up for the previous year and determination of tariff for FY 2018-19.

After technical validation of the petition, it was registered on 3rd January, 2018 as case No. 1698 of 2018 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff Order.

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

Torrent Energy Limited (TEL) a Special Purpose Vehicle (SPV), promoted by Torrent Power Limited (TPL), to fulfil its commitment to generate and distribute power as a co-developer of the Dahej Special Economic Zone.

Dahej SEZ (DSEZ) is being developed by Government of Gujarat through Gujarat Industrial Development Corporation (GIDC) and Oil and Natural Gas Corporation (ONGC). The DSEZ has been notified by the Ministry of Commerce and Industry, Government of India, vide Notification No. 2131(E) dated 20th December, 2006, as a Multi-Product SEZ.

The Government of Gujarat has “In-principle” approved Torrent Energy Limited as the Co-developer in DSEZ area for the purpose of establishing generation and distribution facilities. Accordingly, TEL has entered into the Co-developer agreement with Dahej SEZ Ltd. (DSL), an SPV created for developing the DSEZ.

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

The Gujarat Electricity Regulatory Commission, vide its Order dated 17th November, 2009, issued Orders for issue of distribution license to TEL as a second distribution licensee as per the provisions of Section 14 of the Electricity Act, 2003 for distribution of electricity in the DSEZ area. Accordingly, the Gujarat Electricity Regulatory

Commission, vide its letter dated 29th December, 2009, issued the distribution license dated 18th December, 2009 to TEL.

The Hon'ble High Court of Gujarat vide its Order dated 13th August, 2015, has sanctioned the Composite Scheme of Amalgamation ("Scheme") of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") with effect from Appointed Date of 1st April, 2014. The distribution business of Dahej SEZ area is hereinafter referred to as Petitioner or TEL-D where matter under reference is related to period prior to 1st April, 2014 and referred as Petitioner or TPL-D (D) where matter under reference is related to period after 1st April, 2014 for the sake of brevity.

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

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

The Commission 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 be governed as per the new MYT Regulations. It was 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 23rd December, 2015. The Commission approved the provisional ARR and the tariff for FY 2016-17 vide Order dated 31st March, 2016.

1.4 Commission's Order for approval of final ARR for FY 2016-17 and approval of Multi-Year ARR for FY 2016-17 to FY 2020-21

The Petitioner filed its petition for Truing up for FY 2015-16, Approval of Final ARR for FY 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of tariff for FY 2017-18 on 30th November 2016. The petition was registered on 3rd December, 2016 (under Case No. 1629 of 2016). The Commission vide Order dated 9th June, 2017 approved the Truing up for FY 2015-16, Final ARR for FY 2016-17, Multi-Year ARR for FY 2016-17 to FY 2020-21 and determined the tariff for FY 2017-18.

1.5 Background for the present petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the control period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wire Business and Retail Supply Business, for each financial year, within the Control Period, based on the approved forecast and results of the truing up exercise.

1.6 Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing up of FY 2016-17 and determination of tariff for FY 2018-19 on 30th December, 2017. After technical validation of the petition, it was registered on 3rd January, 2018 (Case No 1698 of 2018) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, TPL was directed to publish its application in newspapers to ensure public participation.

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

Table 1-1: List of newspapers

Sr. No.	Particulars	Language	Date of Publication
1	DNA	English	11.01.2018
2	Sandesh	Gujarati	11.01.2018

The Petitioner also placed the public notice and the petition on its website (www.torrentpower.com), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 10th February, 2018.

The Commission also placed the petition and additional details received from the Petitioner on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission received objections / suggestions from consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for public hearing for the petition on 15th February, 2018 at the Commission's Office, Gandhinagar and subsequently a communication was sent to the objectors to take part in the public hearing process for presenting their views in person before the Commission.

The Commission received request from some of the stakeholders to postpone the dated of public hearing and considering the request, the Commission fixed second date of public hearing on the petition on 26th February 2018. The public hearing was conducted in the Commission's Office at Gandhinagar as scheduled on the above dates.

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

Table 1-2: List of stakeholders

Sr. No.	Name of Stakeholders	Written Submission	Oral Submission	Present on 15.02.2018
1.	Laghu Udyog Bharati	Yes	No	Yes

The issues raised by the objector, along with the response of Dahej and the Commission's views on the response, are given in Chapter 3.

1.7 Contents of this Order

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

1. The **First Chapter** provides the background of the Petitioner, the Petition and details of the public hearing process and the approach adopted for this Order.
2. The **Second Chapter** outlines the summary of TPL-D (D)'s petition.
3. The **Third Chapter** provides the objections raised by various stakeholders, TPL-D (D)'s response and the Commission's views on the response.
4. The **Fourth Chapter** deals with 'Truing up' for FY 2016-17.
5. The **Fifth Chapter** deals with the Determination of Tariff for FY 2018-19.
6. The **Sixth Chapter** deals with the compliance of directives.
7. The **Seventh Chapter** deals with FPPPA.
8. The **Eighth Chapter** deals with determination of the wheeling charges and cross-subsidy surcharge.
9. The **Ninth Chapter** deals with tariff philosophy and tariff proposals.

1.8 Approach of this Order

The GERC (MYT) Regulations, 2016, provide for "Truing up" of the previous year and Determination of tariff for the ensuing year. The Commission has approved ARR for five years of the control period of FY 2016-17 to FY 2020-21 in the MYT Order dated 9th June, 2017.

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 licensees /

generating companies concerned be considered as provisional ARR of the licensees / generating companies for FY 2016-17.

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

TPL-D (D) has approached the Commission with the present Petition for "Truing up" of FY 2016-17 as per the GERC (MYT) Regulations, 2016.

The Commission has undertaken "Truing up" for FY 2016-17, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2016-17, based on the audited annual accounts.

While truing up of FY 2016-17, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised, based on the actual performance observed.
- The Truing Up for FY 2016-17 has been considered based on the GERC (MYT) Regulations,2016.

Determination of Tariff for FY 2018-19 has been considered as per the GERC (Multi-Year Tariff) Regulations, 2016.

2 Summary of Truing up for FY 2016-17 and Tariff for FY 2018-19

2.1 Introduction

This Chapter deals with highlights of the petition as submitted by TPL-D (D) for truing up of FY 2016-17 and determination of tariff for FY 2018-19.

2.2 True up for FY 2016-17

Details of expenses under various components of ARR for FY 2016-17 compared with the final ARR for FY 2016-17 approved in “Multi Year Tariff Order” dated 9th June, 2017 and item wise gain/loss computations as submitted by TPL-D(D) are presented in the Table below:

Table 2-1: ARR Claimed by TPL-D(D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Over (+) / Under (-) Recovery	Gain/ (Loss) due to Controllable factor	Gain/ (Loss) due to Uncontrollable factor
Power Purchase Cost	82.37	76.91	5.46	-	5.46
O&M Expenses	5.63	7.69	(2.06)	-	(2.06)
Depreciation	5.78	5.68	0.10	-	0.10
Interest and Finance Charges	6.91	7.02	(0.11)	-	(0.11)
Interest on Security Deposit	2.33	2.30	0.03	-	0.03
Interest on Working Capital	0.00	0.00	0.00	-	-
Provision for Bad Debts	0.00	0.00	0.00	-	-
Contingency Reserve	0.68	0.68	0.00	-	-
Income Tax	0.00	0.00	0.00	-	-
Return on Equity	4.97	4.96	0.01	-	0.01
Less: Non-Tariff income	3.09	1.40	1.69	-	1.69
Aggregate revenue requirement	**105.57**	**103.83**	**1.74**	**-**	**1.74**

2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2016-17

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

Table 2-2: True up for FY 2016-17 as submitted by TPL-D (D)

(Rs. Crore)

Sr. No.	Particulars	Actual submitted for 2016-17
a)	ARR approved in MYT Order	105.57
b)	Gains/(Losses) due to Uncontrollable Factors	1.74
c)	Gains/(Losses) due to Controllable Factors	-
d)	Pass through as tariff [-(1/3rd of c + b)]	(1.74)
e)	Trued Up ARR [(e)= a + d]	**103.83**

The Table below summarizes the trued up ARR, revenue from sale of power, resultant gap / (surplus) and consolidated gap / (surplus) for FY 2016-17.

Table 2-3: Revenue gap / (surplus) submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Actual submitted for 2016-17
Trued -up ARR	103.83
Revenue from Sale of Energy	99.28
Less: Revenue towards recovery of Earlier Years' approved Gap/(Surplus)	(10.66)
Balance Revenue	109.94
Gap/ (Surplus)	**(6.10**)

2.4 Summary of ARR for FY 2018-19

TPL-D (D) has presented the Aggregate Revenue Requirement for FY 2018-19, as per MYT Order dated 9th June, 2017 as given in the Table below:

Table 2-4: ARR projected by TPL-D (D) for FY 2018-19

(Rs. Crore)

Particulars	Amount
Power Purchase Cost	137.06
O&M Expenses	6.29
Depreciation	6.51
Interest & Finance Charges	5.57
Interest on Security Deposit	2.87
Interest on Working Capital	-
Bad Debts Written Off	-

Particulars	Amount
Contribution to Contingency Reserves	0.77
Return on Equity	5.55
Income Tax	-
Less: Non-Tariff Income	3.09
ARR	**161.53**

2.5 ARR, Revenue at existing Tariff and Revenue gap for FY 2018-19

Based on the ARR for FY 2018-19 given in the Table above, the estimated revenue gap/ (surplus) for FY 2018-19 at existing tariff is shown in the following Table.

Table 2-5: Estimated revenue gap / (surplus) of TPL-D (D) for FY 2018-19

(Rs. Crore)

Particulars	Amount
ARR for FY 2018-19	161.53
Revenue from sale of power at existing tariff rates	142.53
Gap/ (Surplus) for FY 2018-19	**19.00**

Petitioner has claimed the cumulative gap up to FY 2018-19 is as given in the Table below:

Table 2-6: Cumulative revenue gap / (surplus) of TPL-D (D) for FY 2018-19

(Rs. Crore)

Particulars	Amount
1. Gap/ (surplus) for 2018-19	19.00
2. Add: Gap/(Surplus) for 2016-17	(6.10)
3. Add: Carrying cost on surplus of FY 2016-17	(3.08)
4. Add: Carrying cost on gap of FY 2013-14 and FY 2015-16	(5.95)
5. Total gap/ (surplus) to be charged to tariffs (1 + 2 +3 +4)	3.87

2.6 Request of TPL-D (D)

TPL-D (D) has prayed the Commission to:

a) Admit the petition for truing up of FY 2016-17 and determination of tariff for FY 2018-19.

b) Approve the trued up gap/ (surplus) of FY 2016-17.

c) Approve the sharing of gains/ losses as proposed for FY 2016-17.

d) Approve the cumulative gap/ (surplus).

e) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April, 2018.

f) Approve the recovery through retail tariff for FY 2018-19.

g) Allow recovery of the costs as per the Judgments of the Hon'ble Tribunal in the Appeals filed by the Petitioner.

h) Allow additions/ alterations/ changes/ modifications to the petition at a future date.

i) Permit to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.

j) Allow any other relief, Order or direction which the Commission deems fit to be issued.

k) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.

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

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

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (D) for Truing up of FY 2016-17 and determination of ARR for FY 2018-19 under the GERC (MYT) Regulations, 2016, only one consumer viz. Laghu Udyog Bharti – Gujarat (LUB) filed its objections / suggestions in writing. LUB participated in the public hearing also. The objections / suggestions by the LUB, the response from the Petitioner and the views of the Commission are given below:

1. **Detailed calculation of sharing of Gain / Loss not given**

   The Objector has stated that the Petitioner has not given detailed calculation of sharing of Gains/ (Losses) pertaining to Table-1 of the Petition.

   Response of TPL

   The Petitioner has submitted that it has provided all the required information in accordance with the GERC (MYT) Regulations, 2016. The detailed calculation of sharing of Gains/ (Losses) is provided at Table 26 of the Petition.

   Commission's View

   The Commission has noted the Petitioner's response.

2. **Retained earnings is transferred to H.O.**

   The Objector submitted that in FY 2014-15, 2015-16 and 2016-17, the Petitioner has kept Rs. 9.16 (7.78+2.38) Crore as retained earnings and transferred to Head Office. These figures are not shown in balance sheet. The objector has requested the Commission to deduct the amount of retained earnings transferred to HO from the ARR.

Response of TPL

The Petitioner has submitted that it has arrived at the ARR in accordance with the provisions of the GERC (MYT) Regulations, 2016. Further, the Financial Statements are prepared in accordance with the provisions of the Companies Act, 2013.

Commission's View

According to the present Regulations, the licensee is free to use its retained earnings/ return on equity.

3. **Discrepancy in Income from Sale of Power as per Petition & Annual Accounts**

The Objector has compared the income from sale of power and non-tariff income as mentioned in Petition and Audited Account and found that there is a discrepancy of Rs. 1.07 Crore.

Response of TPL

The Petitioner has stated that Rs. 1.07 Crore is pertaining to 'Depreciation of SLC'. Hence, as per provisions of the GERC (MYT) Regulation, 2016, the Petitioner has reduced the SLC Depreciation from total Depreciation instead of considering it in Non-Tariff Income. Same can be also be verified from Form 5 of the petition.

Commission's View

The Commission has noted the Petitioner's response. It is observed that the amount of Rs. 1.07 Crore pertaining to 'Depreciation of SLC' has been removed from total depreciation reducing the expenses, instead of taking it in the non-tariff income. The above change is due to the change in presentation of accounts from Accounting Standard to IND-AS.

4. **Irregularity in Sales Unit**

The Objector has submitted that in Table 6 ARR 2016-17, category-wise total actual sales units are shown as 241.40 MU plus other 0.7 MU, totalling to 242.10 MU. The actual requirement as per Table 8 of ARR is 251.43 MU with losses. As per Table 9, units purchased are 255.27 MU inclusive of 3.84 MU of sale of surplus power. So the irregularity is for 3.84 MU. In Table 10, the power purchase cost of Rs. 76.91 Crore covers REC Certificates of Rs. 3.22 Crore which are not part of Power Purchase Cost. In reference to Table 10, the pro-rata Cost of 3.84 MU is Rs. 1.109 Cr. The Petitioner has not shown the cost pertaining to the 3.84 MU.

Response of TPL

The Petitioner has submitted that the referred figure is pertaining to UI injection and the revenue of Rs. 0.76 Crs pertaining to such UI is separately shown at Form 10 of the Petition.

Commission's View

The Commission has noted the Petitioner's response. After receiving the application for the determination of tariff from the licensee, the Commission carries out detailed analysis of the submission and if required, calls for additional information and clarification/supporting documents from the Petitioner. The Petitioner vide e-mail dated 3rd February, 2018 has provided additional details on sales units, sale of surplus power, revenue from sale of surplus power, reconciliation of purchase of renewable energy and details of REC purchase to meet the RPO for FY 2016-17. As suggested earlier by some of the stakeholders, the Commission has placed the said information on the GERC website and accordingly, same is made available to all the stakeholders. The Commission has verified the said details submitted by the Petitioner and found them in Order w.r.t. submissions made in the Petition.

5. Details of Non-Tariff income not submitted as per Regulations

The Objector has submitted that as per Regulation 97 of MYT Regulations 2016, the Petitioner is required to submit details of Non-Tariff income which is mainly made of current assets of annual financial report, plus 10% of Consumer Contribution and government grants and depreciation, part of which is taken in annual financial report but not taken in ARR. The Petitioner has not submitted the details of Non-Tariff income as per Regulation 97 of the GERC (MYT) Regulation, 2016.

Response of TPL

The Petitioner has submitted that that it has provided all the required information in accordance with the GERC (MYT) Regulations, 2016. Further, the total Non-

Tariff Income earned in accordance with the GERC MYT Regulations, 2016 has been given due consideration in arriving at the net ARR.

Commission's View

While dealing with Non-Tariff Income in Chapter 4 of this Order, the Commission has verified the Petitioner's submission regarding Non-Tariff Income and additional information thereon as submitted by the Petitioner against the Annual Account and found that the submission is in accordance with the GERC (MYT) Regulations, 2016. The Commission has placed the said information received from the Petitioner on the GERC website and accordingly, same is made available to all the stakeholders.

6. Discrepancy in Interest & Finance Charges as per Petition & Annual Accounts

The Objector has compared the amount of Interest and Financial charges mentioned in the Accounts with the Interest expenses claimed in the petition by the Petitioner and raised the issue of difference in interest expenses. The Objector has submitted that vide Table 25 of ARR, the interest on loans is Rs. 7.02 Crore and on Security deposit is Rs. 2.3 Crore, totalling to Rs. 9.32 Crore. In the annual financial note 31, the total interest is Rs. 11.90 Crore. Amount of Rs. 2.58 is taken less in ARR. As, the amount of current assets is not taken, this is a manipulation figure.

Response of TPL

The Petitioner has submitted that it has considered the interest expenses as specified in the GERC (MYT) Regulations, 2016. Therefore, the actual interest expenses and interest expenses as per the Regulations are different and not comparable.

Commission's View

The response of the Petitioner is noted. The Commission has dealt with the Interest & Finance Charges in Chapter 4 of this Order and found that the submissions and additional information submitted by the Petitioner are as per the GERC (MYT) Regulations, 2016. The Commission has placed the said information received from the Petitioner on the GERC website and accordingly, same is made available to all the stakeholders.

7. **Higher claim of Interest Expenses**

The Objector has submitted that the Petitioner has claimed Rs. 7.02 Crore as Interest Expenses instead of 6.97 Crore calculated in Table 15.

Response of TPL

The Petitioner has submitted that the difference of Rs 0.05 Crore is pertaining to 'Other Borrowing Cost' as mentioned in Petition at Table 15.

Commission's View

The response of the Petitioner is noted.

8. **Interest on surplus to be given**

The Objector has submitted that it has arrived at surplus and in turn, it has calculated interest income on such surplus.

Response of TPL

The Petitioner has submitted that the contentions of the Objector are not tenable as same are contrary to the MYT Regulations. The Petitioner has submitted that it has arrived at Gap based on ARR and revenue in accordance with the provisions of the GERC (MYT) Regulations, 2016.

Commission's View

Surplus or Gap in recovery of Aggregate Revenue Requirement is required to be determined on the basis of projections for the ensuing year and the result of truing up exercise for the previous year. The detailed analysis in this regard is covered in the related chapters of this Order.

9. **New Tariff Schedule for small consumers**

The objector has requested the Commission to consider the following tariff schedule for small consumers:

I. Residential Demand based Tariff – LTRDT: For residential three phase consumers having connected load 6 KW and above having demand charges 50% of LTMD, Unit charges and reactive energy charges same as Industrial LTMD tariff. This can be optional for consumers to choose

II. LT GLP demand based LTGLPDT tariff for consumers having 6 KW load and above with demand charges 50% of LTMD, Unit charges and reactive energy charges same as Industrial LTMD tariff.

III. Option to NRGP Consumers to switch over to LTMD Category without any restrictions.

Response of TPL

The Petitioner has submitted that the Objector has not given any justification / rationale for proposed changes in tariff structure. In case, the Commission decides to give any consideration to such proposal, the Petitioner requests the Commission to ensure that it should not distort the tariff structure and result into the new level of cross subsidization.

Commission's View

Based on representation from the stakeholders, the Commission decides to provide option of Demand based tariff to small consumers as provided to the electricity consumers of State owned Distribution Licensees.

4 Truing up for FY 2016-17

4.1 Introduction

This Chapter deals with the Truing up of FY 2016-17.

The Commission has studied and analysed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2016-17 in the following paragraphs.

4.2 Energy sales

Petitioner's submission:

The Petitioner has submitted that the actual energy sales for FY 2016-17 are 242.10 MUs, as against the sales of 233.43 MUs approved in the MYT Order dated 9th June, 2017.

Table 4-1: Energy sales submitted by TPL-D (D) for FY 2016-17

(MUs)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Non RGP	0.60	0.49
LTMD	0.67	0.55
HTP-1	201.87	218.16
HTP-2	0.47	0.38
HTP-3	29.15	21.83
Others	0.67	0.70
Total Sales	**233.43**	**242.10**

TPL-D (D) submitted that, the actual sales in FY 2016-17 were higher than the sales approved in the MYT Order mainly due to the higher load factor recorded for the HTP-1 in contrast to the estimated load factor.

Commission's analysis

The Commission has reviewed the above submissions and accordingly, the energy sales for FY 2016-17 are approved as given in the Table below:

Table 4-2: Energy sales approved by the Commission for truing up for FY 2016-17

(MUs)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Energy sales	233.43	242.10	242.10

The Commission approves the energy sales of 242.10 MUs for truing up for FY 2016-17.

4.3 Distribution losses

Petitioner's submission

TPL-D (D) has submitted that the distribution losses at Dahej was 2% as per MYT Order dated 9th June 2017 whereas the actual distribution losses are 0.53% and it has been making consistent efforts to curtail the distribution losses and consequently outperformed the distribution losses approved by the Commission in MYT Order as given in the Table below:

Table 4-3: Distribution losses submitted by TPL-D (D) for FY 2016-17

(%)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Distribution losses	2.00%	0.53%

The Petitioner has also submitted that the variation in the distribution losses compared to the approved value is considered as controllable as per the GERC (MYT) Regulations, 2016. However, as the network is yet to be established and load is to be stabilized, the distribution losses have been considered as uncontrollable.

TPL-D (D) has not computed any gain due to reduction in distribution losses for Dahej area.

Commission's analysis

The distribution losses as claimed by TPL-D (D) at 0.53% is approved for the purpose of true-up for FY 2016-17. Any gain / loss on account of distribution losses is controllable as per the GERC (MYT) Regulations, 2016. However, in this Order, the distribution losses have been considered as uncontrollable for the purpose of sharing of gains / losses for the present control period as the load is yet to stabilize.

Table 4-4: Distribution losses approved by the Commission for truing up for FY 2016-17

(%)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Distribution losses	2.00%	0.53%	0..53%

The Commission approves distribution losses of 0.53% for truing up for FY 2016-17.

4.4 Energy requirement

Petitioner's submission

The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales and the transmission & distribution losses. The total energy requirement was met through various sources.

The actual energy requirement for FY 2016-17 and as approved in the MYT Order dated 9th June, 2017 are given in the Table below:

Table 4-5: Energy requirement submitted by TPL-D (D) for FY 2016-17

(MUs)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Energy Sales	233.43	242.10
Distribution Losses (%)	2.00%	0.53%
Distribution Losses	4.76	1.28
Energy input at distribution level	238.20	243.38
Transmission Losses	11.22	8.05
Energy Requirement	**249.42**	**251.43**

Commission's analysis

The Commission has approved the distribution losses at 0.53% above. The Commission computed the energy requirement with distribution losses of 0.53% (1.28 MUs) and transmission losses of 8.05 MUs for FY 2016-17 based on actuals as given in the Table below:

Table 4-6: Energy requirement approved by the Commission for truing up for FY 2016-17

(MUs)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Energy Sales	233.43	242.10	242.10
Distribution Losses (%)	2.00%	0.53%	0.53%
Distribution Losses	4.76	1.28	1.28
Energy input at distribution level	238.20	243.38	243.38
Transmission Losses	11.22	8.05	8.05
Energy Requirement	**249.42**	**251.43**	**251.43**

The Commission approves total energy requirement of 251.43 MUs for truing up for FY 2016-17.

4.5 Power Purchase cost

Petitioner's submission

TPL-D (D) has submitted that it sourced power from OPGS Gujarat Private Limited and IEX. The details of power procured for Dahej supply area are provided in the Table below:

Table 4-7: Energy availability (net) submitted by TPL-D (D) for FY 2016-17

(MUs)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Bilateral/ Power Exchange	249.42	254.33
Renewable Energy	-	0.94
Sub-Total	**249.42**	**255.27**
Add: Sale of Surplus Power/UI	-	(3.84)
Total energy availability (net)	**249.42**	**251.43**

TPL-D (D) has submitted the actual power purchase cost for FY 2016-17 as provided in the Table below.

Table 4-8: Power purchase cost submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Bilateral/ Power Exchange	77.76	73.03
Renewable Energy	-	0.65

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
REC	4.61	3.22
Total power purchase cost	**82.37**	**76.91**

TPL-D (D) has submitted that the variation in the power purchase cost from the MYT Order dated 9th June 2017 is on account of variation in sales and distribution losses and variation in actual cost with respect to the base power purchase rate during the year. As per the GERC (MYT) Regulations, 2016, the variation in power purchase cost is uncontrollable except on account of variation in distribution losses. However, the Petitioner has proposed to pass on the entire gain on account of distribution losses reduction to consumers.

Renewable power purchase obligation

The Petitioner has submitted that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 specifies the Renewable Power Purchase Obligation (RPPO) for FY 2010-11, FY 2011-12 and FY 2012-13. The Commission vide Amendment to the GERC (Procurement of Energy from Renewable Energy Sources) Regulations, 2010 has specified the RPO target for the period FY 2014-15 to FY 2016-17. The Petitioner has made all efforts to fulfil its RPPO.

The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2016-17 is as under:

Table 4-9: Renewable power purchase obligation submitted by TPL-D (D) for FY 2016-17 (MUs)

Particulars	Actual submitted for 2016-17
Energy Requirement	**251.43**
Obligation	
Wind energy to be procured (@ 7.75%)	19.49
Solar energy to be procured (@ 1.75%)	4.40
Biomass/ Bagasse/Others (@0.50%)	1.26
Total (10.00%)	25.14
Compliance (Non-Solar)	
Wind	-
Non Solar –REC	16.43
Compliance	16.43
Compliance (as % of Energy Requirement)	6.53%
Compliance (Solar Energy)	
Solar	2.29

Particulars	Actual submitted for 2016-17
Solar-REC	2.17
Compliance	4.47
Compliance (as% of Energy Requirement)	1.78%
Total Short fall for FY 2016-17	**4.25**

Commission's analysis

As verified from the Annual Accounts for FY 2016-17, TPL-D (D) has incurred power purchase cost of Rs. 76.91 Crore including RECs of Rs 3.22 Crore during FY 2016-17.

The Commission has noted that TPL has filed a separate petition for compliance of RPO which is pending for adjudication before the Commission. Therefore, as far as compliance of RPO is concerned, the Commission will decide it in separate proceedings.

The Commission, accordingly, approves total power purchase cost of Rs. 76.91 Crore for truing up for FY 2016-17.

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

Table 4-10: Gains / (losses) on account of power purchase cost in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Power purchase cost	82.37	76.91	5.46	-	5.46

4.6 Fixed Cost

4.6.1 Operations and Maintenance (O&M) expenses

Petitioner's submission

TPL-D (D) has claimed Rs. 7.69 Crore towards O&M expenses against Rs. 5.63 Crore approved for FY 2016-17 in the MYT Order dated 9th June 2017 as detailed in the Table below:

Table 4-11: O&M Expenses submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Operations & Maintenance Expenses	5.63	7.69

The Petitioner has submitted that the O&M expenses in the MYT Order dated 9th June 2017 were approved considering past data. However, the network has increased and O&M expenses have also increased due to increase in Repairs & Maintenance activities. Therefore, the actual O&M expenses incurred are higher than the approved.

Further, the Petitioner has stated that the SEZ is still in development stage and demand is yet to be stabilized. Accordingly, the Petitioner has submitted that the variation in O&M expenses should be considered as uncontrollable.

Commission's analysis

It is observed that as per annual accounts the O&M Expenses are Rs. 8.00 Crore whereas TPL- D (D) has claimed O&M Expenses of Rs 7.69 Crore.

(a) Employee Expenses: Employee expenses as per annual accounts are Rs. 1.22 Crore. TPL has added the commission to non-executive directors of Rs. 0.01 Crore (From A&G expenses) and expenses towards Re-measurement of Defined Benefit Plans of Rs. 0.08 Crore. Accordingly, the Petitioner has claimed employee expenses of Rs. 1.31 Crore.

(b) A&G: A&G Expenses as per annual accounts is Rs. 9.73 Crore, the Petitioner has claimed the A&G Expenses after reduction on account of commission to non-executive directors of Rs. 0.01 Crore, donations of Rs. 0.21 Crore, depreciation on Lease hold land Rs. 0.19 Crore and expense capitalised of Rs. 5.21 Crore. Accordingly, TPL has claimed A&G expenses of Rs. 4.12 Crore.

(c) R&M: The Petitioner has claimed R&M expenses of Rs. 2.26 Crore as per annual accounts.

The Commission, accordingly, approves the O&M expenses of Rs. 7.69 Crore, for truing up for FY 2016-17.

Table 4-12: Operation and Maintenance Expenses approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
O&M expenses	5.63	7.69	7.69

Further, as per the GERC (MYT) Regulations, 2016, variation in the O&M is to be considered as controllable factor except the change in law and wage revision. Accordingly, the Commission has approved the gains / (losses) as shown in the Table below:

Table 4-13: Gains / (losses) on account of O&M expenses in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
O&M Expenses	5.63	7.69	(2.06)	(2.06)	-

4.6.2 Capital expenditure, capitalization and funding of Capex

Petitioner's submission

TPL-D (D) has claimed actual capital expenditure at Rs. 9.46 Crore in the truing up for FY 2016-17 as against Rs. 17.23 Crore approved in the MYT Order dated 9th June 2017 for FY 2016-17 as detailed in the Table below:

Table 4-14: Capital expenditure submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particular	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
EHV	10.93	6.32
HT Network	1.83	1.99
Metering	0.33	0.06
LT Network	0.28	0.11

Particular	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Special Projects	0.33	0.19
Customer Care & IT	0.40	0.04
Others	3.13	0.74
Total capital expenditure	**17.23**	**9.46**

Capital Expenditure

The reasons for the major variances in the actual expenditure against the approved expenditure are enumerated hereunder:

a) EHV: The Commission had approved the expenditure of Rs. 10.93 Crore for switchyard enhancement related work in 220 KV East & 33 KV West substations. The actual expenditure incurred during the year was Rs. 6.32 Crore towards execution of second connectivity between both parts of Dahej SEZ and commissioning of one number of 33 kV customer.

b) HT Network: The Commission had approved an expenditure of Rs. 1.83 Crore whereas the actual expense incurred was Rs. 1.99 Crore. The variation is mainly on account 11 KV network development at Dahej SEZ.

c) Metering: The Commission had approved an expenditure of Rs. 0.33 Crore whereas the actual expense incurred was Rs. 0.06 Crores the variation is due to deferment of expenses due to procurement of metering equipments.

d) LT Network: The Commission had approved an expenditure of Rs. 0.28 Crore whereas the actual expenditure incurred was Rs. 0.11 Crore. The variation is mainly on account of lower demand in LT observed during the year.

e) Special Projects: The Commission had approved an expenditure of Rs. 0.33 Crore whereas the actual expense incurred was Rs. 0.19 Crore due to deferment of project of replacement of MH floodlights with LED floodlights at 33 kV West plot.

f) Customer Care & IT: The Commission had approved an expenditure of Rs. 0.40 Crore whereas the actual expense incurred was Rs. 0.04 Crore due to deferment of project pertaining to laying of OFC Network.

g) Others: In this category, the actual expenditure incurred was Rs. 0.74 Crore against the approved expenditure of Rs.3.13 Crore. The major CAPEX incurred is towards canteen building.

Capitalization and Funding

TPL-D (D) has claimed a sum of Rs. 6.56 Crore (Rs. 6.82 Crore minus Rs. 0.26 Crore) towards net capitalization during FY 2016-17 as derived in the Table below.

Table 4-15: Capitalization submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Actual submitted for 2016-17
a. Opening GFA	135.38
-b. Addition to GFA	6.82
c. Deletion to GFA	0.26
d. Closing GFA (a + b - c)	141.94
e. SLC Addition	2.07
f. Capitalization (b - c - e)	4.49
g. Normative Debt @ 70% (f * 70%)	3.15
h. Normative Equity @ 30% (f * 30%)	1.35

Commission's analysis

The Commission has noted the submissions of TPL in the earlier paragraphs regarding the capital expenditure as well as capitalisation of assets. In the present case, the Commission notes that TPL has incurred capital expenditure towards execution of second connectivity between both parts of Dahej SEZ and commissioning of one number of 33 KV customer.

The Commission observed that the Petitioner has incurred lower Capex as compared to the value approved in the MYT Order. Accordingly, the Commission approves the Capex, capitalization and funding of Capex for the purpose of truing up of FY 2016-17 as follows:

Table 4-16: Capital expenditure, capitalization and funding of capex approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Capex	17.23	9.46	9.46
Capitalization	8.26	6.82	6.82

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Less Deduction from GFA	-	0.26	0.26
Less: SLC Addition	3.48	2.07	2.07
Balance Capitalization	4.78	4.49	4.49
Normative Debt (70%)	3.35	3.15	3.15
Normative Equity (30%)	1.43	1.35	1.35

The Commission approves the Capex, Capitalisation and funding as shown in the above Table in the truing up for FY 2016-17.

4.6.3 Depreciation

Petitioner's submission

TPL-D (D) has claimed an amount of Rs. 5.68 Crore towards depreciation in the truing up for FY 2016-17, against Rs. 5.78 Crore approved in the MYT Order for FY 2016-17, as shown in the Table below. It has applied depreciation rates in accordance with the GERC (MYT) Regulations, 2016 on the opening GFA and for the assets capitalized during the year, TPL-D (D) has claimed depreciation as an uncontrollable item.

Table 4-17: Depreciation submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Depreciation	5.78	5.68

Commission's analysis

The details of opening balance of GFA, as on 1st April, 2016, addition to and deduction from the Gross Block, during FY 2016-17 and the depreciation on the assets, asset classification-wise, are given in the Petition. The Commission has verified the same from the annual accounts for FY 2016-17. It is observed that depreciation as per annual accounts is Rs. 6.56 Crore. The Petitioner has added lease land depreciation of Rs. 0.19 Crore and reduced the depreciation on assets funded through service line contribution of Rs. 1.07 Crore and accordingly claimed the depreciation of Rs. 5.68 Crore.

The Commission verified from the annual accounts that the depreciation amount has been claimed after reducing the corresponding depreciation on assets created using the service line contribution.

The Commission, accordingly, approves the depreciation of Rs. 5.68 Crore as shown in the Table below:

Table 4-18: Depreciation expense approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Depreciation on entire assets	5.78	6.75	6.75
Less: Depreciation on SLC assets	-	1.07	1.07
Net depreciation	**5.78**	**5.68**	**5.68**

With regard to the computation of Gains / (Losses), Regulation 22.2 of the GERC (MYT) Regulations, 2016 considers variations in capitalisation on account of time and/or cost overruns / efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events, as a controllable factor. If the gain is on account of lesser capital expenditure and capitalisation, it cannot be attributed to the efficiency of the utility to allow one-third of gain to the utility. Similarly, if the loss is on account of higher capital expenditure and capitalisation due to bonafide reasons, the utility cannot be penalised by allowing only two-thirds of the loss in the ARR. Hence, The Commission considers the variation in capitalization as uncontrollable. This applies to debt and equity in allowing Gains / (Losses) on account of interest and return on equity too. Accordingly, the Commission has approved the gains / (losses) as shown in the Table below:

Table 4-19: Gains / (losses) on account of depreciation in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Depreciation	5.78	5.68	0.10	0.00	0.10

4.6.4 Interest and Finance Charges

Petitioner's submission

TPL-D (D) has considered the interest expenses as per the GERC (MYT) Regulations, 2016 on normative loans. It has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

TPL-D (D) has claimed the interest and finance charges for FY 2016-17 as shown in the Table below:

Table 4-20: Interest and finance charges submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Actual submitted for 2016-17
Addition to GFA	6.82
Less: Deletions from GFA	0.26
Less: SLC additions	2.07
Capitalisation for Debt	4.49
Normative Debt @ 70%	3.15
Opening Balance of Loans	62.32
Repayments	5.68
New Borrowings	3.15
Closing Balance of Loans	59.79
Average Loan	61.06
Interest Expense @ 11.42%	6.97
Other Borrowing Cost	0.05

Accordingly, TPL-D (D) claimed interest and finance charges for FY 2016-17 compared to that approved under the MYT Order dated 9th June, 2017 is summarized below:

Table 4-21: Interest and finance charges submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Interest Charges	6.91	6.97
Other Borrowing Costs	0.00	0.05
Interest and Finance Charges	**6.91**	**7.02**

Commission's analysis

The existing loan outstanding as on 31st March, 2016 has been verified with the tariff Order dated 9th June, 2017 and found to be correct. The additional loan of Rs. 3.15 Crore is in accordance with the requirements of capitalization and source of funding as approved in Table 4.16 above. The GERC (MYT) Regulations, 2016 provide for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year's closing balance, capitalization and funding approved during the year. The opening balance of loan for FY 2016-17 has been brought forward from the closing balance of the actual loan outstanding as on 31.03.2016. As per the GERC (MYT) Regulations, 2016, repayment of the loan is considered equal to the depreciation allowed.

As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Distribution Company shall be considered as the rate of interest. As per aforesaid Regulations, the Commission has worked out the interest rate of 11.26% based on information such as lender wise portfolio with periodical variation in interest rate, principle repayment and tenure during FY 2016-17 as received from the Petitioner vide e-mail dated 20th March 2018. The other borrowing cost is Rs. 0.05 Crore as per annual accounts.

Accordingly, based on the actual capitalisation achieved by TPL-D (D) during FY 2016-17 and the approved normative borrowings considering the interest rate of 11.26%, the Commission has computed the interest on normative loans, as detailed in the Table below:

Table 4-22: Interest and finance charges computed by the Commission for FY 2016-17

(Rs. Crore)

Particulars	Actual submitted for 2016-17	Approved in truing up for 2016-17
Opening Balance	62.32	62.32
Addition of Loan due to capitalisation during the year	3.33	3.33
Repayment of loan during the year	5.68	5.68
Less: Reduction of Normative Loan due to retirement or replacement of assets	0.18	0.18
Closing Balance of Loan	59.79	59.79
Average Balance of Loan	61.06	61.05
Weighted average Rate of Interest on	11.42%	11.26%

Particulars	Actual submitted for 2016-17	Approved in truing up for 2016-17
actual Loans (%)		
Interest expenses	**6.97**	**6.87**
Finance charges	0.05	0.05
Interest and Finance charges	**7.02**	**6.92**

The Commission accordingly approves interest and finance charges of Rs. 6.92 Crore for truing up for FY 2016-17.

With regard to the computation of gains / losses, Regulation 22.2 of the GERC (MYT) Regulations, 2016 considers variations in capitalisation on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or Force Majeure events, as a controllable factor. As per Regulation 24 of the GERC (MYT) Regulations 2016, if the gain is on account of lesser capital expenditure and capitalisation, it cannot be attributed to the efficiency of the utility to allow 2/3rd of the gain to the utility. Similarly, if the loss is on account of more capital expenditure and capitalisation due to bona fide reasons i.e. due to force majeure events like Act of God, non-receipt of statutory approval etc. the utility cannot be penalised by allowing only 1/3rd of the loss in the ARR. Accordingly, the Commission has decided to consider variation in capitalisation as uncontrollable. Hence, the components of ARR related to capitalisation, like interest and finance charges, depreciation and return on equity are also considered as uncontrollable.

The Commission, accordingly, approves the gains / losses on account of interest and finance charges as uncontrollable, in the truing up for FY 2016-17, as detailed in the Table below:

Table 4-23: Gains / (losses) on account of interest and finance charges in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Interest and Finance Charges	6.91	6.92	(0.01)	-	(0.01)

4.6.5 Interest on Working Capital

Petitioner's submission

TPL-D (D) has submitted that the working capital requirement is arrived at as per the GERC (MYT) Regulations, 2016. As the working capital requirement works out to be negative, the TPL-D (D) has not claimed any interest on working capital. The computation is provided in the Table below.

Table 4-24: Interest on working capital submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
O&M Expenses (1 month)	0.47	0.64
Maintenance spares (1% of opening GFA)	1.35	1.35
Receivables (1 month)	9.79	8.27
Less: Security Deposit	30.03	28.93
Normative Working Capital	-	-
Interest Rate (%)	11.70%	11.31%
Interest on Working Capital	**-**	**-**

Commission's analysis

The Commission has examined the computation of normative working capital and interest thereon as per the GERC (MYT) Regulations, 2016.

While computing the working capital the Commission has reduced the working capital requirement by considering the average security deposit of Rs 28.93 Crore for FY 2016-17 as per annual accounts. The working capital requirement works out to be negative as given in Table below:

Table 4-25: Interest on working capital approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
O&M Expenses (1 month)	0.47	0.64	0.64
Maintenance spares (1% of opening GFA)	1.35	1.35	1.35
Receivables (1 month)	9.79	8.27	8.27
Less: Security Deposit	30.03	28.93	28.93
Normative Working Capital	(18.42)	(18.67)	(18.67)
Interest Rate (%)	11.70%	11.31%	-

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Interest on Working Capital	**-**	**-**	**-**

The Commission approves the interest on working capital as "Nil" for the truing up for FY 2016-17.

4.6.6 Interest on Security Deposit

Petitioner's submission

TPL-D (D) has submitted that the Commission in its MYT Order dated 9th June 2017 had approved the interest on security deposit considering 7.75 % interest rate on the average balance of security deposit for FY 2016-17. TPL-D (D) has now claimed a sum of Rs 2.30 Crore towards the actual interest expense on security deposit considering the rate of interest of 7.75% paid to consumers based on Bank Rate as submitted in the Table below:

Table 4-26: Interest on security deposit submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Interest rate	7.75%	7.75%
Interest on security deposit	2.33	2.30

Commission's analysis

The Commission has scrutinized the annual accounts and observed that the opening and closing values of security deposit are Rs. 27.47 Crore and Rs. 30.40 Crore respectively, leading to average security deposit value of Rs. 28.93 Crore for FY 2016-17. The actual interest paid as per annual accounts is found to be Rs. 2.30 Crore. Accordingly, the Commission approves this value as per actuals.

Table 4-27: Interest on security deposit approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Interest on security deposit	2.33	2.30	2.30

The Commission approves interest on security deposit at Rs. 2.30 Crore for truing up for FY 2016-17.

The factor which affects security deposit is the number of consumers. As per the GERC (MYT) Regulations, 2016 variation in the number of consumers is an uncontrollable factor. Accordingly, the Commission approves the gains / (losses) as shown in the Table below:

Table 4-28: Gains / (losses) on account of interest on security deposit in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Interest on security deposit	2.33	2.30	0.03	0.00	0.03

4.6.7 Bad Debts Written off

Petitioner's submission

TPL-D (D) has not claimed any amount towards bad debts written off in the truing up for FY 2016-17 against Nil value approved in the MYT Order for FY 2016-17 as mentioned in the Table below:

Table 4-29: Bad debts written off submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Bad debts written off	0.00	0.00

Commission's analysis

The Commission has verified from the annual accounts for FY 2016-17 that bad debts written off are nil.

Table 4-30: Bad debts written off approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Bad debts written off	0.00	0.00	0.00

The Commission considers bad debts written off as controllable accordingly, the Commission has approved the gain /losses as shown in Table below

Table 4-31: Bad debts written off approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Bad debts written off	0.00	0.00	0.00	0.00	0.00

4.6.8 Contingency Reserve

Petitioner's submission

TPL-D (D) has proposed the contingency reserve at Rs. 0.68 Crore in the truing up for FY 2016-17 in line with the amount approved in the MYT Order dated 9th June, 2017, as shown in the Table below:

Table 4-32: Contingency reserve submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Contingency reserve	0.68	0.68

Commission's analysis

Regulation 86.3 of the GERC (MYT) Regulations, 2016 specifies that where the Distribution Licensee has made an appropriation to the Contingency Reserve, a sum not more than 0.5 % of the original cost of fixed assets shall be allowed annually towards such appropriation in the calculation of aggregate revenue requirement. The contingency reserve at 0.5% of Opening GFA works out to Rs. 0.68 Crore. The Commission has also validated the amount claimed by TPL-D (D) from the annual accounts.

Table 4-33: Contingency reserve approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Contingency reserve	0.68	0.68	0.68

The Commission approves contribution to contingency reserve at Rs. 0.68 Crore for truing up for FY 2016-17.

The Commission considers variation in the contribution to contingency reserve as an uncontrollable factor. However, there is no deviation in the contribution to contingency reserve. Accordingly, the Commission approves the gains / (losses) as shown in the Table below:

Table 4-34: Gains / (losses) on account of contribution to contingency reserve in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Contingency reserve	0.68	0.68	0.00	0.00	0.00

4.6.9 Return on equity

TPL has claimed a sum of Rs. 4.96 Crore towards return on equity @ 14% in the truing up for FY 2016-17 against Rs. 4.97 Crore approved in the MYT Order dated 9th June, 2017 as detailed in the Table below:

Table 4-35: Return on equity submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Opening equity	34.79	34.79
Equity addition during the year	1.43	1.35
Closing equity	36.22	36.14
Average of Opening & Closing Equity	35.50	35.46
Return on equity @ 14%	**4.97**	**4.96**

Petitioner's submission

TPL-D (D) has submitted that the closing balance of equity has been arrived at considering additional equity of 30% of the capitalization during the year. The return on equity has been computed by applying a rate of 14% on the average of the opening and closing balance of equity for FY 2016-17.

Commission's analysis

The opening equity for FY 2016-17 is same as the closing equity for FY 2015-16 approved in the true up Order for FY 2015-16. The addition of equity of Rs. 1.35 crore is due to net capitalization during the FY 2016-17 as approved in para 4.6.2 of this Order.

The Commission has observed that there is an addition to GFA of Rs 6.82 crore and deletion from GFA of Rs 0.26 Crore during FY 2016-17 as per Table 4.16. Thus, net capitalization during the year is Rs 6.56 Crore and considering the Service Line Contribution received during the year of Rs 2.07 Crore, the balance capitalization works out to Rs 4.49 Crore. The GERC (MYT) Regulations, 2016 provide for funding of such balance capitalization through a mix of debt and equity in the ratio of 70:30. Accordingly, the equity addition for the year works out to Rs 1.35 Crore and considering the rate of return of 14% as per the GERC (MYT) Regulations, 2016 on average equity, the return on equity works out to Rs 4.96 Crore as given in the Table below:

Table 4-36: Return on equity approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17
Opening equity	34.79	34.79	34.79
Equity addition during the year	1.43	1.43	1.43
Reduction in Equity Capital on account of retirement / replacement of assets	-	0.08	0.08
Closing equity	36.22	36.14	36.14
Average equity	35.50	35.46	35.46
Return on equity @ 14%	**4.97**	**4.96**	**4.96**

The Commission, accordingly, approves the return on equity at Rs. 4.96 Crore in the truing up for FY 2016-17.

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

The Commission, accordingly, approved gains/(losses) on account of return on equity in the truing up for FY 2016-17 as detailed below:

Table 4-37: Gains/(losses) on account of return on equity in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Return on equity	4.97	4.96	0.01	0.00	0.01

4.6.10 Income Tax

Petitioner's submission

The Petitioner has not claimed Income Tax for FY 2016-17.

Commission's analysis

It is observed that TPL-D(D) had losses during FY 2016-17, as also verified from the annual accounts, thus the income tax is considered as NIL.

The Commission accordingly, approves income tax at Rs. 0.00 Crore for truing up for FY 2016-17.

As per the GERC (MYT) Regulations, 2016 variation in the taxes on income is an uncontrollable factor. Accordingly, the Commission has approved the gains / (losses) as shown in the Table below:

Table 4-38: Gains / (losses) on account of income tax in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Income tax	0.00	0.00	0.00	0.00	0.00

4.6.11 Non-Tariff Income

Petitioner's submission

TPL-D (D) has claimed the Non-Tariff income at Rs. 1.40 Crore in the truing up for FY 2016-17 against Rs. 3.09 Crore approved in the MYT Order dated 9th June 2017 for FY 2016-17-as detailed in the Table below:

Table 4-39: Non-Tariff income submitted by TPL-D (D) for FY 2016-17

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17
Non-tariff income	3.09	1.40

Commission's analysis

The non-tariff income is specified in Regulation 89 and 97 of the GERC (MYT) Regulations, 2016, which includes various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc. The Commission noted that the non-tariff income claimed by the Petitioner for FY 2016-17 is Rs. 1.40 Crores.

It is observed that the non-tariff income as per annual accounts is Rs. 2.47 Crore. The Petitioner has deducted the deferred income on transfer of assets from consumers of Rs 1.07 Crore (which is considered in Depreciation) to arrive at Rs. 1.40 Crore.

The Commission, accordingly, approves the Non-Tariff income at Rs. 1.40 Crore for truing up for FY 2016-17.

The Commission considers variation in the non-tariff income as an uncontrollable factor. Accordingly, the Commission has approved the gains / (losses) as shown in the Table below:

Table 4-40: Gains / (losses) on account of non-tariff income in the Truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Non-tariff income	3.09	1.40	1.69	0.00	1.69

4.7 Revenue from Sale of Power

Petitioner's submission

TPL-D (D) has submitted the revenue from sale of power at Rs. 99.28 Crore in the truing up for FY 2016-17.

Commission's analysis

The Commission verified from the annual accounts the revenue from sale of power of Rs. 99.28 Crore and approves the same as claimed by TPL-D (D) for truing up for FY 2016-17.

4.8 Summary of aggregate revenue requirement and sharing of gains/ losses

Petitioner's submission

TPL-D (D) has submitted the comparison of various ARR items and computed the gains/ losses due to controllable and uncontrollable factors as summarized below:

Table 4-41: Controllable & uncontrollable variations for FY 2016-17 as submitted by TPL-D (D)

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Over (+) / Under (-) Recovery	Gain/ (Loss) due to Controllable factor	Gain/ (Loss) due to Uncontrollable factor
Power Purchase Cost	82.37	76.91	5.46	-	5.46
O&M Expense	5.63	7.69	(2.06)	-	(2.06)
Depreciation	5.78	5.68	0.10	-	0.10
Interest and Finance	6.91	7.02	(0.11)	-	(0.11)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Over (+) / Under (-) Recovery	Gain/ (Loss) due to Controllable factor	Gain/ (Loss) due to Uncontrollable factor
charges					
Interest on security deposit	2.33	2.30	0.03	-	0.03
Interest on Working Capital	-	-	-	-	-
Provision for Bad Debts	-	-	-	-	-
Contingency Reserve	0.68	0.68	0.00	-	0.00
Income Tax	-	-	-	-	-
Return on Equity	4.97	4.96	0.01	-	0.01
Less: Non-Tariff Income	3.09	1.40	1.69	-	1.69
Aggregate revenue requirement	**105.57**	**103.83**	**1.74**	**-**	**1.74**

Following is the summary of truing-up ARR to be recovered by TPL-D (D) for FY 2016-17 after inclusion of sharing of gains/ losses.

Table 4-42: Trued up ARR for FY 2016-17 as submitted by TPL-D (D)

(Rs. Crore)

Particulars	Actual submitted for 2016-17
a) ARR approved in MYT Order 2016-17	105.57
b) Gains/ (Losses) due to Uncontrollable Factors	1.74
c) Gains/ (Losses) due to Controllable Factors	-
d) Pass through as tariff [-(1/3rd of c+ b)]	(1.74)
ARR trued up of 2016-17 [(e) = a + d]	**103.83**

TPL-D (D) has submitted that the treatment of revenue towards recovery of earlier years' approved Gap/ (Surplus) has been considered in line with the Commissions true- up Order dated 31st March 2016. The same works out to surplus of Rs. 10.66 Crore as per the Commission's true-up Orders dated 31st March 2016.

Based on the above, the gap/ (surplus) for FY 2016-17 is arrived at by equating the trued-up ARR with the revenue from sale of power after adjusting against earlier years' trued-up gap/ (surplus). The summary of the gap/ (surplus) for Dahej Supply area for FY 2016-17 is shown in the Table below.

Table 4-43: Revenue Gap/ (Surplus) for FY 2016-17 as submitted by TPL-D (D)

(Rs. Crore)

Particulars	Actual submitted for 2016-17
Trued-up ARR	103.83
Revenue from Sale of Energy	99.28
Less: Revenue towards recovery of Earlier Years' approved Gap/ (Surplus)	(10.66)
Balance Revenue	109.94
Gap/ (Surplus)	**(6.10)**

Commission's analysis

The Commission reviewed the performance of TPL-D (D) under Regulation 22 of the GERC (MYT) Regulations, 2016 with reference to the annual accounts for FY 2016-17. The Commission has computed the sharing of gains and losses for FY 2016-17 based on the truing up for each of the components discussed in the above paragraphs. The Aggregate Revenue Requirement (ARR) approved for FY 2016-17 in the MYT Order dated 9th June, 2017 and computed in accordance with the GERC (MYT) Regulations, 2016 are given in the Table below:

Table 4-44: ARR approved for FY 2016-17 along with impact of controllable/ uncontrollable factors

(Rs. Crore)

Particulars	Approved in the MYT Order for 2016-17	Actual submitted for 2016-17	Approved in truing up for 2016-17	Over (+) / Under (-) Recovery	Gain /(Loss) due to Controllable factor	Gain / (Loss) due to Uncontrollable factor
Power Purchase Cost	82.37	76.91	76.91	5.46	-	5.46
O&M Expense	5.63	7.69	7.69	(2.06)	(2.06)	
Depreciation	5.78	5.68	5.68	0.10	-	0.10
Interest and Finance Charges	6.91	7.02	6.92	(0.01)	-	(0.01)
Interest on Security Deposit	2.33	2.30	2.30	0.03	-	0.03
Interest on Working Capital	0.00	0.00	0.00	-	-	-
Provision for Bad Debts	0.00	0.00	0.00	-	-	-
Contingency Reserve	0.68	0.68	0.68	-	-	-
Income Tax	0.00	0.00	0.00	-	-	-
Return on Equity	4.97	4.96	4.96	0.01	-	0.01
Less: Non-Tariff Income	3.09	1.40	1.4	1.69	-	1.69
Aggregate revenue requirement	**105.57**	**103.83**	**103.74**	**1.83**	**(2.06)**	**3.90**

4.9 Sharing of gains/ losses for FY 2016-17

The Commission has analysed the gains / losses on account of controllable and uncontrollable factors.

The relevant Regulations are extracted below*:*

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

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

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

23.3 Nothing contained in this Regulation 23shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time.

Regulation 24. Mechanism for sharing of gains or losses on account of controllable factors

24.1 The approved aggregate gain to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;

(b) The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.

24.2 The approved aggregate loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and

(b) The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or SLDC or Distribution Licensee."

The trued up ARR for FY 2016-17 as claimed by TPL-D (D) and as approved by the Commission is summarized in the Table below:

Table 4-45: Trued up ARR for FY 2016-17 as approved by the Commission

(Rs. Crore)

Particulars	Approved in truing up for 2016-17
ARR approved in MYT Order for 2016-17	105.57
Less: Gains / (Losses) on account of controllable factor to be passed to consumers (1/3rd)	(0.69)
Less: Gains / (Losses) on account of uncontrollable factor	3.90
ARR trued up of 2016-17	**102.36**

4.10 Net Revenue Gap / (Surplus)

The Net Revenue Gap / (Surplus) approved for FY 2016-17 is given in the Table below:

Table 4-46: Net revenue Gap / (Surplus) approved for FY 2016-17

(Rs. Crore)

Particulars	Actual submitted for 2016-17	Approved in truing up for 2016-17
1. Annual Revenue Requirement	103.83	102.36
2. Revenue from Sale of Power	99.28	99.28
3. Less: Revenue towards recovery of Earlier Years' approval Gap / (Surplus)	(10.66)	(10.16)
4. Balance Revenue	109.94	109.44
5. Net Revenue Gap/ (Surplus) (4-1)	(6.10)	(7.08)

The aforesaid claim of Petitioner towards recovery of Earlier Years' approved Gap/Surplus is inclusive of Rs. (0.50) Crore towards carrying cost of FY 2014-15. With regard to carrying cost claim of Rs. (0.50) Crore, the Commission has dealt with this issue in subsequent paras.

Accordingly, the Commission approves the trued up Surplus of FY 2016-17 as Rs. 7.08 Crore against Rs. 6.10 Crore surplus claimed by TPL-D (D). This trued up surplus is considered by the Commission for determination of tariff for FY 2018-19.

5 Determination of Tariff for FY 2018-19

5.1 Introduction

This Chapter deals with the determination of revenue gap/surplus, as well as consumer tariff for FY 2018-19.

The Commission has considered the ARR approved in the MYT Order dated 9th June, 2017 for FY 2018-19 and the adjustment on account of True-up for FY 2016-17, while determining the revenue gap/surplus for FY 2018-19.

5.2 Approved ARR for FY 2018-19

The Table below summarises the Annual Revenue Requirement, as approved by the Commission for FY 2018-19 in the MYT Order dated 09.06.2017

Table 5-1:Table Showing Approved ARR for FY 2018-19

Particulars	2018-19
Power Purchase Expenses	137.06
O&M Expenses	6.29
Depreciation	6.51
Interest & Finance Charges	5.57
Interest on Security Deposit	2.87
Interest on Working Capital	-
Bad Debts Written off	-
Contribution to Contingency Reserves	0.77
Return on Equity	5.55
Income Tax	-
Less: Non-Tariff Income	3.09
ARR	**161.53**

Petitioner's submission:

The revenue for FY 2018-19 is arrived at considering sales forecast for FY 2018-19 and by applying the existing tariff. Accordingly, the estimated revenue for FY 2018-19 works out to Rs. 142.53 Crore. The ARR for FY 2018-19 is Rs. 161.53 Crore. Accordingly, the Petitioner has arrived at the revenue gap of Rs. 19.00 Crore for FY 2018-19. Further, the Petitioner has arrived at the surplus of Rs. 6.10 Crore for FY 2016-17 during the truing up exercise (after adjustment of gap of FY 2014-15 of Rs.

10.16 Crore and carrying cost of Rs. 0.50 Crore as per Hon'ble APTEL's Judgement. The Petitioner has calculated carrying cost on the surplus of FY 2016-17 which is a further surplus amount of Rs. 3.08 Crore. The Petitioner has also considered the negative carrying cost of Rs. 5.95 Crore kept in abeyance during truing up of FY 2015-16. Accordingly, the consolidated gap/ (surplus) for FY 2018-19 including gap of FY 2018-19 and surplus of FY 2016-17 along with carrying cost on surplus of FY 2016-17 and other years at existing tariffs, is submitted as follows:

Table 5-2: Consolidated gap/ (surplus) for FY 2018-19 as submitted by TPL-D (D)

(Rs. Crore)

Particulars	Amount
ARR for 2018-19	161.53
Revenue from sale of power at existing tariff rates	142.53
Gap/ (surplus) for 2018-19 (1 - 2)	19.00
Add: Gap/(Surplus) for 2016-17	(6.10)
Add: Carrying cost on surplus of FY 2016-17	(3.08)
Add: Carrying cost on gap of FY 2013-14 and FY 2015-16	(5.95)
Total gap/ (surplus) to be charged through tariffs (3 + 4 +5 +6)	**3.87**

The Petitioner has proposed to recover the cumulative gap of 3.87 Crore by way of average tariff increase of Rs. 0.10 per unit during FY 2018-19

Commission's analysis

The Commission has gone through the merits of the Petition and determined the various components of the tariff in this order and accordingly the Commission has independently worked out the ARR as well as revenue for TPL-D (D) for FY 2018-19, as shown in the Table below:

Table 5-3: Approved revenue gap / (surplus) of TPL-D (D) for FY 2018-19

(Rs. Crore)

Particulars	Amount
ARR for FY 2018-19	161.53
Revenue from sale of power at existing tariff rates	142.53
Gap/ (Surplus) for FY 2018-19	**19.00**

Treatment of Carrying Cost

TPL-D (D), in the present petition, has claimed carrying cost of Rs. (5.95) Crore against FY 2015-16 and Rs. (3.08) Crore against the truing up of FY 2016-17 and proposed to recover such gap from the consumers through an average tariff increase of 10 paise per unit with effect from 1st April, 2018.

In the true up orders for FY 2015-16, the Commission had kept carrying cost of Rs. (5.95) Crore in abeyance.

However, the above orders of the Commission have been challenged by the licensee before the Hon'ble APTEL and the same is pending. As the matter is sub judice, the Commission is of the opinion to deal with the carrying cost for previous years after disposal of the matter by the Hon'ble APTEL.

As far as carrying cost of Rs. (0.50) Crore for FY 2014-15 is concerned, as the matter of carrying cost is similar to other past years' claim of carrying cost, the Commission is of the opinion to deal with the carrying cost for previous years after disposal of the matter by the Hon'ble APTEL.

In the current tariff proceedings on truing up for FY 2016-17, the Commission examined the carrying cost of Rs. (3.08) Crore as claimed by TPL vis-à-vis provisions of the current MYT Regulations. Regulation 21.6 (c) of the GERC (MYT) Regulations, 2016 provides that:

> *"Carrying cost to be allowed on the amount of Revenue Gap or Revenue Surplus for the period from the date on which such gap/surplus has become due, i.e., from the end of the year for which true-up has been done, till the end of the year in which it is addressed, calculated <u>on simple interest basis at the weighted average State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Bused Lending Rate (MCLR)</u> / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable for the relevant year, i.e. the year for which Revenue Gap or Revenue Surplus is determined:*
>
> *Provided that carrying cost on the amount of revenue gap shall be allowed up to the above limit subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the revenue gap is addressed:"*

TPL-D (D), in its submission on the carrying cost, has submitted that carrying cost should be allowed on financial principle for time value of money and to be worked out based on simple mathematical formula for the period of delay in addressing the gap. TPL has claimed compounding of interest for working out the carrying cost in its proposal. In this context, it is to be noted that Hon'ble APTEL in its order in Appeal No. 250 of 2015 has decided that:

> *"We tend to agree with the State Commission's view that there is no concept of compound interest in dealing with various provisions related to interest calculations in the Tariff Regulations, 2011. Thus the principle applied by the State Commission in absence of specific provisions of interest rate of carrying cost is equitable and just and there is no need of interference by us on the same."*

It is observed that in the forgoing para the Commission has work out the surplus of Rs. 7.08 Crore during FY 2016-17.

In view of above Regulation and surplus scenario of TPL (D), the Commission allows Rs. (1.25) Crore as carrying cost for FY 2016-17 at a simple interest rate of 8.81% for 2 years i.e. FY 2017-18 and FY 2018-19, to be claimed in the ARR of FY 2018-19.

Considering the foregoing analysis, the Commission now computes the consolidated gap/ (surplus) for FY 2018-19 which includes gaps / surpluses of FY 2018-19 and FY 2016-17, as follows:

Table 5-4: Approved revenue gap/ (surplus) for FY 2018-19 at existing tariffs

(Rs. Crore)

Particulars	Amount
1. ARR for 2018-19	161.53
2. Revenue from sale of power at existing tariff rates	142.53
3. Gap/ (surplus) for 2018-19 (1 - 2)	19.00
4. Add: Gap/(Surplus) for 2016-17	(7.08)
5. Add: Carrying cost on surplus of FY 2016-17	(1.25)
6. Add: Carrying cost on gap of FY 2013-14 and FY 2015-16	-
7. Total gap/ (surplus) to be charged to tariffs (3 + 4 +5 +6)	10.67

Accordingly, the Commission approves a total revenue Gap of Rs. 10.67 Crore for TPL-D (D).

6 Compliance of Directives

6.1 Existing directives

The Commission has issued directive to the Petitioner in its Order dated 9th June 2017 in case No 1629/2016. In this regard, TPL-D (D) has submitted the compliance vide its letter dated 29th September 2017. The comments of the Commission on the submission / compliance of TPL-D (D) are given below.

Directive No. 1: Interest Cost Reduction

TPL-D (D) is directed to negotiate with the lenders for reduction in the rate of interest on the borrowings failing which they should replace high cost debt with low cost debt so that the net benefit of interest cost reduction is available to the consumers. TPL-D (D) shall furnish Quarterly Progress Report about the action taken and results thereof.

Compliance submitted by TPL-D (D)

In this regard, TPL-D (D) submits that it has always received support from its consortium of lenders to have term loans at most competitive terms. However, in compliance to the directive of the Commission, TPL-D (D) has discussed the same with Lead Banker. TPL-D (D) has requested Lead Banker to consider suitable reduction in interest rate for long term loans. Upon confirmation of the Lead Banker, TPL-D (D) will have to approach other lenders in the consortium for similar reduction. As it is consortium lending for long term loans, the decision for reduction in interest rate will be by consensus amongst all lenders. TPL-D (D) shall make all efforts to reduce the interest rate.

Commission's view

The Commission has noted the Petitioner's response. Since TPL-D (D) has submitted a letter from SBI, the lead bank, agreeing in principle for reduction in the rate of interest, the Commission has considered interest at the reduced rate FY 2018-19 and onwards. However, TPL-D (D) should ensure the sanction from other consortium members at the earliest. Also, TPL-D (D) should continue to submit Quarterly Progress Report about the latest status on getting sanction from other consortium members.

7 Fuel and Power Purchase Price Adjustment

7.1 Fuel Price and Power Purchase Price Adjustment

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

Formula

FPPPA = [(PPCA-PPCB)]/[100-Loss in %]

Where,

PPCA	is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the power purchase agreements in Rs/kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs/kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.
Loss in %	is the weighted average of the approved level of Transmission and Distribution losses(%) for the four DISCOMs / GUVNL and TPL-D applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for four DISCOMs/ GUVNL and TPL-D of the previous year for which true-up have been done by the Commission, whichever is lower.

Note: Although no purchase from Power Exchange has been considered in the power purchase portfolio as indicated in Mid-term Review Order, in case there is a need to purchase power from the power exchange, the same shall be considered for calculation of PPCA in the FPPPA formula.

7.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for TPL-D (D) including fixed cost, variable cost etc. from the various sources for FY 2018-19 as given in the Table below:

Table 7-1: Energy requirement and power purchase cost approved by the Commission for FY 2018-19

Year	Total Energy Requirement (MUs)	Approved Power Purchase cost (Rs Crore)	Power Purchase Cost per unit (Rs/kWh)
2018-19	**410.46**	**137.06**	**3.34**

As mentioned above the base Power Purchase cost for TPL-D (D) is **Rs. 3.34 per kWh**.

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

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

For any increase in FPPPA, worked out on the basis of above formula, beyond ten (10) paise per kWh in a quarter, prior approval of the Commission shall be necessary and only on approval of such additional increase by the Commission, the FPPPA can be billed to consumers.

FPPPA calculations shall be submitted to the Commission within one month from end of the relevant quarter.

8 Wheeling Charges and Cross-Subsidy Surcharge

8.1 Wheeling charges

Regulation 87 of the GERC (MYT) Regulations, 2016 stipulates that the ARR be segregated as per the allocation matrix for segregation of expenses between Distribution Wires Business and Retail Supply Business for determination of wheeling charges. The allocation of expenditure to wheeling and retail supply business is based on the consideration that the distribution infrastructure up to the service line is part of the wheeling business and the distribution infrastructure from service line to consumer premises is a part of the retail supply business.

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

Table 8-1: Allocation matrix for segregation to Wheeling and Retail Supply for FY 2018-19 as per the GERC (MYT) Regulations, 2016

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

Based on the above allocation matrix TPL has segregated the ARR of Dahej Supply Area for Wires and Supply business as under:

Table 8-2: Allocation matrix for segregation to Wheeling and Retail Supply for FY 2018-19

(Rs. Crore)

ARR Components	Wire Business	Retail Business	Total ARR
Power Purchase Expense	0.00	137.06	137.06
Employee Expense	0.29	0.19	0.48
Administrative & General Expenses	2.43	2.43	4.86

ARR Components	Wire Business	Retail Business	Total ARR
Repair & Maintenance Expenses	0.86	0.10	0.96
Depreciation	5.86	0.65	6.51
Interest & Finance Charges	5.01	0.56	5.57
Interest on Security Deposit	0.29	2.58	2.87
Interest on Working capital	0.00	0.00	0.00
Bad Debts Written off	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00
Contingency Reserve	0.77	0.00	0.77
Return on Equity	5.00	0.56	5.56
Less: Non-Tariff Income	0.31	2.78	3.09
Aggregate Revenue Requirement	**20.20**	**141.35**	**161.55**

Petitioner's submission

TPL-D (D) has submitted that the sales to the L.T. category are negligible. Hence, it has not segregated the wheeling ARR in the LT and HT category. The wheeling charges for FY 2018-19 are submitted as below:

ARR of wheeling Business – Rs. 20.20 Crore
Sales (MUs) – 386.77
Wheeling Charges – Rs. 0.52 per kWh.

TPL-D (D) further submitted that the Open Access consumers will also have to bear the **wheeling losses in addition to wheeling charges at 2.00%.**

Commission's analysis

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

Table 8-3: Segregation between wires and retail supply business ARR as approved by the Commission for FY 2018-19

(Rs. Crore)

ARR Components	Wire Business	Retail Business	Total ARR
Power Purchase Expense	0.00	137.06	137.06
Employee Expense	0.25	0.16	0.41
Administrative & General Expenses	2.53	2.53	5.06
Repair & Maintenance Expenses	0.74	0.08	0.82
Depreciation	5.86	0.65	6.51

ARR Components	Wire Business	Retail Business	Total ARR
Interest & Finance Charges	5.01	0.56	5.57
Interest on Security Deposit	0.29	2.58	2.87
Interest on Working capital	0.00	0.00	0.00
Bad Debt Written Off	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00
Contingency Reserve	0.77	0.00	0.77
Return on Equity	5.00	0.56	5.55
Less: Non-Tariff Income	0.31	2.78	3.09
Aggregate Revenue Requirement	**20.13**	**141.39**	**161.53**

The above allocations of ARR are used for determination of wheeling charges for FY 2018-19.

Determination of wheeling charges

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

ARR of wheeling business (Rs. Crore) – 20.13

Sales (MUs) – 386.77

Wheeling Charges – Rs. 0.52 / kWh.

The Open Access consumer will also have to bear the **distribution losses at 2.00%** in addition to the wheeling charges.

8.2 Determination of Cross Subsidy Surcharge

Petitioner's submission

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

Table 8-4: Cross subsidy surcharge for FY 2018-19 submitted by TPL-D (D)

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	3.71
PPC – Average cost of power Purchase in Rs/ kWh	3.34
L – Loss for HT category in %	2.00
D –Wheeling charges for HT category in Rs/ kWh	0.52
Cross subsidy surcharge in Rs/ kWh	**-**

Commission's analysis

The 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 determined as shown in the Table below:

Table 8-5: Cross subsidy surcharge for FY 2018-19

Sr. No.	Particulars	HTP-I
1	T - Tariff for HTP-I Category (Rs./ kWh)	3.76
2	C – Wtd. Avg. Power Purchase Cost (Rs./kWh)	3.34
3	D - Wheeling Charge (Rs./kWh)	0.52
4	L - Aggregate T&D Loss (%)	2.00%
5	R - per unit cost of carrying regulatory assets (Rs./kWh)	0.00
6	**S - Cross subsidy surcharge (Rs./kWh)**	**0.00**

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

$= 3.76 - [3.34 / (1 - 2.00/100) + 0.52 + 0.00]$

$= 0.00$

9 Tariff Philosophy and Tariff Proposal

9.1 Introduction

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

9.2 TPL-D (D)'s tariff proposals and changes in tariff structure

The Petitioner proposes to recover the cumulative gap of Rs. 3.87 Crore by way of average tariff increase of Rs. 0.10 per unit during FY 2018-19. The Petitioner has proposed rationalization of the tariffs so as to recover the aforementioned cumulative revenue gap.

The Petitioner has submitted that, if for any reason, the Commission does not allow the revised tariff w.e.f. 1st April, 2018, the tariff rates need to be appropriately adjusted to allow the Petitioner to recover the cumulative gap of Rs. 3.87 Crore entirely during FY 2018-19.

9.3 Commission's analysis

It is observed that due to pendency of issue of carrying cost before the Hon'ble APTEL, the Commission has not considered the negative carrying cost for past year up to FY 2015-16, on disposal of aforesaid appeal, the Commission would take the impact of such carrying cost as per Hon'ble APTEL. Accordingly, this gap may change.

The Commission has further noted that some of the stakeholders have also suggested modification in retail tariff schedule. The details of proposal and suggestions considered by the Commission is given here below:

1. Meter Rent

The State owned Distribution Licensees have proposed merging of meter charges with the fixed charges / demand charges. Some of the stakeholders have repeatedly suggested to abolish meter rent from the electricity bill.

At present Meter Rent is being collected by the Distribution Licensee in accordance with the Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005.

In view of the proposal of the State Owned Discoms, representations of the stakeholders and in exercise of the powers conferred under the aforesaid Regulations, the Commission decides to abolish Meter Charges of the consumers of TPL effective from 1st April 2018.

2. Clarity for shifting tariff category for exclusive night time tariff

In order to reduce ambiguity and to provide more clarity in switching of tariff category from regular tariff to exclusive night time tariff and period of notice, the Commission decides to reword existing condition as follows:

> *'The option can be exercised to shift from regular tariff category to exclusive night time tariff or from exclusive night time tariff category to regular tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

3. Tariff for Electric Vehicle (EV) charging facilities

The Commission is also aware about initiative taken by the Government to encourage use of electric vehicles. One of the challenges in this regard is identified as lack of EV charging infrastructure. The Commission would like to clarify that the consumers getting electricity supply under regular tariff categories may use electricity supply for EV charging under same consumer category.

Further, in order to promote creation of new EV charging facilities, the Commission decides to introduce special tariff category for exclusive EV Charging infrastructure with Fixed Charges of Rs. 25 per month per installation and Energy Charges of Rs. 3.05 per kWh for LT consumers and Fixed Charges of Rs. 25 per kVA per month and Energy Charges of Rs. 3.00 per kWh for HT consumers. Such consumers also required to pay the FPPPA charges as applicable from time to time.

The Commission also notes that the Petitioner has proposed rationalization in the Tariff Rates. The Commission considers the need for rationalization of the tariffs and decides to change Fixed / Demand Charges reasonably. However, the Commission decides not to make any changes in the Energy Charges and accordingly, made the required changes in the Tariff Structure.

In view of the above referred modifications, it is estimated that the revenue from sale of power for FY 2018-19 will increase from Rs. 142.53 Crore to Rs. 146.89 Crore. This will leave a revenue gap of Rs. 4.36 Crore which shall be addressed at the time of truing up.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for Torrent Power Limited -Distribution (Dahej) for FY 2018-19, as shown in the Table below:

(Rs. Crore)

Particulars	2018-19
Power Purchase Expenses	137.06
O&M Expenses	6.29
Depreciation	6.51
Interest & Finance Charges	5.57
Interest on Security Deposit	2.87
Interest on Working Capital	-
Bad Debts Written Off	-
Contribution to Contingency Reserves	0.77
Return on Equity	5.55
Income Tax	-
Less: Non-Tariff Income	3.09
ARR	**161.53**

The retail supply tariffs for TPL-D (D) for FY 2018-19 determined by the Commission are annexed to this Order. This Order shall come into force with effect from 1st April 2018.

The revised rate shall be applicable for the electricity consumption from the 1st April, 2018 onwards.

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

Place: Gandhinagar

Date: 04/04/2018

ANNEXURE: TARIFF SCHEDULE

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

Effective from 1st April, 2018

GENERAL CONDITIONS

1. The tariff figures indicated in this tariff schedule are the tariff rates pay able by all the consumers of Torrent Power Limited – Distribution in the Dahej SEZ area.

2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.

3. All these tariffs for power supply are applicable to only one point of supply.

4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.

5. Except in cases where the supply is used for purpose for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.

6. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.

7. Conversion of Ratings of electrical appliances and equipments from kilo watt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilo watt equal to 1 B.H.P.

8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilowatt (HP or kW) as the case may be.

   The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).

9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.

10. The Fixed charges, minimum charges, demand charges and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time with in the duration of billing period for any reason.

11. Contract Demand shall mean the maximum kW for the supply of which licensee undertakes to provide facilities to the consumer from time to time.

12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.

13. Payment of penal charges for us age in excess of contract demand/load for any billing period does not entitle the consumer to draw in excess of contract demand/load as a matter of right.

14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensees hall been titled to take any other action deemed necessary and authorized under the Act.

15. Delayed payment charges for all consumers:

    No delayed payment charges shall be levied if the bill is paid with intend as from the date of billing (excluding date of billing).

    Delayed payment charges will be levied at the rate of 15% per annum for the period from the due date till the date of payment.

    For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

16. Prompt payment discount on the total bill excluding all types of levies, duties or taxes levied by the Government or any other competent authorities 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.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGE

1.0 Rate: RGP

This tariff is applicable to all services in the residential premises.

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

1.1 Fixed Charges/Month:

Range of Connected Load:

(a)	Up to and including 2 kW	Rs. 10/- per month
(b)	Above 2 and up to 4 kW	Rs. 20/- per month
(c)	Above 4 and up to 6 kW	Rs. 35/- per month
(d)	Above 6 kW	Rs. 50/- per month

PLUS

1.2 Energy Charges: For the total monthly consumption:

(a)	First 50 units	175 Paise per Unit
(b)	Next 50 units	205 Paise per Unit
(c)	Next 150 units	270 Paise per Unit
(d)	Above 250 units	360 Paise per Unit

1.3 Minimum bill

Payment of fixed charges as specified in 1.1 above.

2.0 Rate: Non-RGP

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

2.1 Fixed charges per month:

(i) Up to and including 10 kW of connected load	Rs. 40/- per kW
(ii) Above 10 and up to 40 kW of connected load	Rs. 65/- per kW

PLUS

2.2 Energy charges:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	270 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	300 Paise per Unit

2.3 Minimum Bill

Minimum bill per installation per month for consumers other than Seasonal Consumers:

Payment of Fixed Charge as specified in 2.1 above.

2.4 Minimum Bill per Installation for Seasonal Consumers

a) "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice candy machines, ginning and pressing factory, oil mill, rice mill, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, etc.

b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing in advance about the off-season period during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

c) The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause (a) above and complying with the provision stipulated under sub-clause (b) above shall be Rs. 1600/- 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 335 Paise per unit.

e) The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be taken into account while determining the amount of short- fall payable towards the annual minimum bill as specified under sub-clause (c) above.

3.0 Rate: LTMD

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

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

3.1 Fixed charges:

(a)	**For billing demand up to the contract demand**	
	(i) For first 40 kW of billing demand	Rs. 75/- per kW per month
	(ii) Next 20 kW of billing demand	Rs. 110/- per kW per month
	(iii) Above 60 kW of billing demand	Rs. 175/- per kW per month
(b)	**For billing demand in excess of the contract demand**	Rs. 220/- per kW

PLUS

3.2 Energy charges:

For the entire consumption during the month	305 Paise per unit

PLUS

3.3 Reactive Energy Charges:

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

3.4 Billing Demand

The billing demand shall be highest of the following:

(a) Eighty-five percent of the contract demand

(b) Actual maximum demand registered during the month

(c) 15 kW

3.5 Minimum Bill

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

3.6 Seasonal Consumers taking LTMD Supply:

3.6.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

3.6.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

3.6.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 3.6.1 above and complying with provisions stipulated under sub clause 3.6.2 above shall be Rs. 2700/- per annum per kW of the billing demand.

3.6.4 <u>The billing demand shall be the highest of the following</u>:

(a) The highest of the actual maximum demand registered during the calendar year.
(b) Eighty-five percent of the arithmetic average of contract demand during the year.
(c) 15 kW.

3.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 335 Paise per unit.

4.0 <u>Rate: Non-RGP Night</u>

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

4.1 Fixed Charges per month:

Fixed charges specified in Rate Non-RGP above.

PLUS

4.2 Energy Charges:

For entire consumption during the month	100 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 4.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 4.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per Non-RGP category demand charge rates given in para 2.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 2.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 2.1 and 2.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular Non-RGP tariff category to Rate: Non-RGP Night tariff or from Rate: Non-RGP Night tariff category to regular Non-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

5.0 Rate: LTMD- Night

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

5.1 Fixed Charges per month:

Fixed charges specified in Rate **LTMD** above.

PLUS

5.2 Energy Charges:

For entire consumption during the month	100 Paise per unit

5.3 Reactive Energy Charges:

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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 5.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 5.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 3.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 3.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 3.1 and 3.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular LTMD tariff category to Rate: LTMD-Night tariff or from Rate: LTMD-Night tariff category to regular LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

6.0 Rate: WWSP

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

(a)	Fixed charges per month	Rs. 20 per HP
	PLUS	
(b)	Energy charges per month: For entire consumption during the month	265 Paise per Unit

7.0 Rate: SL

7.1 Tariff for Street Light for Local Authorities and Industrial Estates:

This tariff includes the provision of maintenance, operation and control of the street lighting system.

7.1.1 Energy Charges:

For all the units consumed during the month	240 Paise per unit

7.1.2 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal and replacement of lamp at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

7.1.3 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting system shall be carried out by Distribution Licensee.

8.0 Rate: TMP

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

8.1 FIXED CHARGE

Fixed charger per installation	Rs. 15 per kW per Day

8.2 ENERGY CHARGE

A flat rate of	305 Paise per unit

Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 *hours' notice.*

9.0 RATE: LT - Electric Vehicle (EV) Charging Stations

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

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

9.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2 ENERGY CHARGE

Energy Charge	305 Paise per Unit

PART-II
TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION (3.3 KV AND ABOVE, 3-PHASE 50 C/S), AND EXTRA HIGH TENSION

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

10.0 Rate: HTP-I

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT Categories.

10.1 Demand Charges;

10.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 125/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 250/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 340/- per kVA per month

10.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 470 per kVA per month

PLUS

10.2 Energy Charges

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	270 Paise per Unit
(b)	For next 2000 kVA of billing demand	290 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	300 Paise per Unit

PLUS

10.3 Time of Use Charges:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
(a) For Billing Demand up to 500 kVA	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

10.4 Billing Demand:

The billing demand shall be the highest of the following:

(a) Actual maximum demand established during the month

(b) Eighty-five percent of the contract demand

(c) One hundred kVA

10.5 Minimum Bills:

Payment of "demand charges" based on kVA of billing demand.

10.6 Power Factor Adjustment Charges:

10.6.1 Penalty for poor Power Factor:

1. The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
2. In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, will be charged.

10.6.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

10.7 Maximum Demand and its Measurement:

The maximum demand in kW or kVA, as the case may be, shall mean an average KW/KVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in KW/KVA directly, have been provided.

10.8 Contract Demand:

The contract demand shall mean the maximum KW/KVA for the supply, of which the supplier undertakes to provide facilities from time to time.

10.9 Rebate for Supply at EHV:

On Energy charges:		**Rebate @**
(a)	If supply is availed at 33/66 kV	0.5%
(b)	If supply is availed at 132 kV and above	1.0%

10.10 Concession for Use of Electricity during Night Hours:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning (recorded by a polyphase meter operated through time-switch) shall be eligible for concession at the rate of 30 Paise per unit. The polyphase meter and time switch shall be procured and installed by the consumer at his cost and sealed by the Distribution Licensee.

10.11 Seasonal Consumers taking HT Supply:

10.11.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

10.11.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

10.11.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 10.11.1 above and complying with provisions stipulated under sub clauses 10.11.2 above shall be Rs. 4000/- per annum per kVA of the billing demand.

10.11.4 The billing demand shall be the highest of the following:

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

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

(c) One hundred kVA.

10.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 320 Paise per unit.

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

11.0 Rate HTP-II

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

11.1 Demand Charges:

11.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 240/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 320/- per kVA per month

11.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 435 per kVA per month

PLUS

11.2 Energy Charges:

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	270 Paise per Unit
(b)	For next 2000 kVA of billing demand	290 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	300 Paise per Unit

PLUS

11.3 Time of Use Charges:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
(a) For Billing Demand up to 500 kVA	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

11.4 Billing demand

11.5 Minimum bill

11.6 Maximum demand and its measurement

11.7 Contract Demand

11.8 Rebate for supply at EHV

11.9 Concession for use of electricity during night hours

$\Big\}$ Same as per HTP-I Tariff

11.10 POWER FACTOR ADJUSTMENT CHARGES:

11.10.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, will be charged.

11.10.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

12.0 Rate: HTP-III

This tariff shall be applicable to a consumer taking supply of electricity at high voltage, contracting for not less than 100 kVA for temporary period. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

12.1 Demand Charges:

For billing demand up to contract demand	Rs. 520/- per kVA per month
For billing demand in excess of contract demand	Rs. 600/- per kVA per month

PLUS

12.2 Energy charges

For all units consumed during the month	510 Paise / Unit

PLUS

12.3 Time of Use Charges:

Additional charge for energy consumption during two peak periods, viz. 0700 Hrs. to 1100 Hrs. an 1800 Hrs. to 2200 Hrs.	75 Paise per unit

12.4 Billing demand
12.5 Minimum bill
12.6 Maximum demand and its measurement
12.7 Contract Demand
12.8 Rebate for supply at EHV

Same as per HTP-I Tariff

12.9 POWER FACTOR ADJUSTMENT CHARGES:

12.9.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, will be charged.

12.9.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13.0 <u>Rate: HTP-IV</u>

This tariff shall be applicable for supply of electricity to HT consumers opting to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day and contracted for regular power supply of 100 kVA and above.

13.1 Demand Charges:

Same rates as specified in rate HTP-I

PLUS

13.2 Energy Charges:

For all units consumed during the month	80 Paise per unit

13.3	Billing demand	Same as per HTP-I Tariff
13.4	Minimum bill	
13.5	Maximum demand and its measurement	
13.6	Contract Demand	
13.7	Rebate for supply at EHV	

13.8 POWER FACTOR ADJUSTMENT CHARGES:

13.8.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 13.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 13.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 10.1 of this schedule.*

4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 10.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 10.1 and 10.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular HTP-I tariff category to Rate: HTP-IV tariff or from Rate: HTP-IV tariff category to regular HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

14.0 <u>RATE: HT - Electric Vehicle (EV) Charging Stations</u>

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

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

14.1 Demand Charge

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

PLUS

14.2 Energy Charge

Energy Charge	300 Paise per Unit