GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2014-15,

Approval of Provisional ARR for FY 2016-17 and

Determination of Tariff for FY 2016-17

For

MPSEZ Utilities Private Ltd.
(MUPL)

Case No. 1556 of 2016

31st March, 2016

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	FY 2011-12 to FY 2015-16
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
JGY	Jyoti Gram Yojna
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PF	Power Factor
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
SBI	State Bank of India
SLC	Service Line Contribution
SLDC	State Load Despatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1556 of 2016

Date of the Order: 31/03/2016

CORAM

Shri K. M. Shringarpure, Member

Shri. P. J. Thakkar, Member

ORDER

1. Background and Brief History

1.1 Background

MPSEZ Utilities Private Limited (hereinafter referred to as MUPL or Petitioner), a distribution Licensee, has filed its petition on 30th December, 2015 under Section 62 of the Electricity Act, 2003 read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011 for truing up of FY 2014-15 and determination of Retail Supply Tariff for FY 2016-17.

The Commission conducted a preliminary scrutiny and admitted the petition on 5th January, 2016 under Case No. 1556 of 2016.

1.2 MPSEZ Utilities Private Limited (MUPL)

The Petitioner, MPSEZ Utilities Private Ltd (MUPL) is a company incorporated in 2008 under the Companies Act, 1956. Another company, Adani Ports and Special Economic Zone Ltd. (APSEZL), formerly known as Mundra Port and Special Economic Zone Limited (MPSEZL), is developing a multi-product SEZ at Mundra. The area of MPSEZL is about 6473 hectares.

MUPL, created to provide infrastructure facilities in the Special Economic Zone, entered into a co-developer agreement with MPSEZL. The Ministry of Commerce and Industry, Government of India has approved MUPL as a co-developer to create infrastructure facilities in MPSEZL.

MUPL, obtained the status of distribution licensee vide Government of India notification dated 03/03/2010. This was also endorsed by the Gujarat Electricity Regulatory Commission (GERC) vide order No. GERC/Legal 2010/0609 dated 06/04/2010 allowing for distribution of electricity in Mundra SEZ area, Kutch. As such, MUPL is a deemed licensee for distribution of electricity in Mundra SEZ area.

1.3 MUPL petition for FY 2011-12

MUPL filed the petition for approval of ARR for the control period for FY 2011-12 to FY 2015-16 and Retail Supply Tariff for FY 2011-12 on 25th January, 2011. The Commission in its order dated 18th August, 2011, approved the ARR for MYT Period FY 2011-12 to FY 2015-16 and Retail Supply Tariff for FY 2011-12.

1.4 MUPL petition for FY 2012-13

MUPL filed a petition for truing up for FY 2010-11 and determination of retail supply tariff for FY 2012-13 on 30th November, 2011. The Commission, in its order on 2nd June, 2012, approved the ARR and retail supply tariff for FY 2012-13.

1.5 MUPL petition for FY 2013-14

MUPL filed Petition for truing up for FY 2011-12 and determination of retail supply Tariff for FY 2013-14. The Commission in its order on 20th May, 2013 approved the ARR and retail supply Tariff for FY 2013-14. MUPL filed a review petition on the Commission's order dated 20th May, 2013. The Commission issued order on this review petition on 2nd December, 2013.

1.6 Commission's Orders for Mid-term Review of Business plan for MUPL

MUPL filed its Petition for Mid-term Review of Business Plan and revision of ARR for balance years for FY 2014-15 and FY 2015-16 of the control period in terms of Regulation 16.2 (i) of GERC (MYT) Regulations, 2011.

The Commission in exercise of the powers vested in it under Section 61, 62 and 64 of the Electricity Act, 2003 and all other powers enabling it on the behalf and after taking into consideration the submission made by MUPL, the objections by various stakeholders, response of MUPL, issues raised during public hearing and all other relevant material, approved the revised ARR for FY 2014-15 and FY 2015-16 in the Mid-term Review of Business Plan for MUPL on 29th April, 2014.

The Commission issued the order for truing up for FY 2012-13 and determination of Tariff for FY 2014-15 on 29th April, 2014.

1.7 Commission's Order for Truing up of FY 2013-14 and determination of Tariff for FY 2015-16

MUPL has filed its petition for truing up of FY 2013-14 and determination of Tariff for FY 2015-16 vide case no. 1471/2014 on 8th December, 2014. The Commission issued the order for truing up of FY 2013-14 and determination Tariff for FY 2015-16 on 31.03.2015.

1.8 Admission of the current Petition and the Public Hearing Process

MUPL has submitted the current Petition for truing up of FY 2014-15 and determination of Tariff for FY 2016-17. After preliminary analysis the Commission has admitted the Petition as Case No. 1556 of 2016 on 5th January, 2016.

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

The public notice was issued in the following newspapers inviting objections / suggestions from its stakeholders on the ARR Petition filed by it.

Sl. No.	Particulars	Language	Date of Publication
1	The Indian Express (Ahmedabad)	English	11.02.2016
2	Kutchmitra (Bhuj)	Gujarati	11.02.2016
3	Divya Bhaskar (Bhuj)	Gujarati	11.02.2016

The petitioner also placed the public notice and the petition on its website (www.adaniports.com) for inviting objections / suggestions on its petition.

The interested parties /stakeholders were asked to file their objections / suggestions on its Petition on or before 11th February, 2016.

The Commission has not received objections / suggestions from any of the stakeholders. The Commission decided the petition based on Annual Accounts of the Petitioner and submissions made in the petition as per GERC (MYT) Regulations, 2011.

1.9 Approach of this Order

MUPL has submitted the current Petition for truing up of FY 2014-15 and determination of retail Tariff for FY 2016-17. The truing up submitted by MUPL for FY 2014-15 is based on audited accounts for FY 2014-15.

The Commission has examined the data/information submitted by MUPL for FY 2014-15 with reference to Audited Annual Accounts for FY 2014-15 along with determination of Tariff for FY 2016-17.

The petition for truing up for FY 2014-15 has been considered by the Commission as per GERC (Multi-Year Tariff) Regulations, 2011. For determination of the ARR for FY 2016-17, the Commission has considered the ARR approved for FY 2015-16, as approved in the Mid-term review order dated 29th April 2014, as provisional ARR for FY 2016-17, in line with the Commission Order dated 2nd December 2011 in the Petition No. 1534/2015.

1.10 Contents of the Order

This order is divided into six chapters as under:

1. The **First Chapter** provides the background regarding the Petitioner, the Petition and details of the public hearing process.
2. The **Second Chapter** provides a summary of MUPL's submission

3. The **Third Chapter** deals with objections raised by Stakeholders, MUPL response and Commission's Comment.
4. The **Fourth Chapter** deals with the truing up of FY 2014-15.
5. The **Fifth Chapter** deals with Retail Supply Tariff for FY 2016-17
6. The **Sixth Chapter** outlines the wheeling charges and cross-subsidy surcharge
7. The **Seventh Chapter** deals with the FPPPA charges.
8. The **Eight Chapter** deals with the directives by the Commission.

2. A Summary of MUPL's Petition

MPSEZ Utilities Private Limited (MUPL) submitted the True-up of FY 2014-15 and ARR and determination of Tariff for FY 2016-17 on 30th December, 2015.

2.1 Actuals for FY 2014-15 submitted by MUPL

The details of expenses under various components of ARR for FY 2014-15 are given in the Table below:

Table 2.1: Actuals submitted by MUPL for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Claimed in truing up
1	Power Purchase Expenses	90.25
2	Operations and Maintenance expenses	8.92
3	Depreciation	3.84
4	Interest on Long Term Loans	4.30
5	Interest on Security Deposit	0.34
6	Interest on working capital	0.67
7	Provision for bad debts	0.00
8	Contingency Reserve	0.00
9	Income Tax	3.16
10	Return on equity @ 14%	2.87
11	Less: Non-Tariff Income	0.71
12	**ARR**	**113.64**

2.2 A Summary of projected revenue gap till FY 2014-15

Table below summarizes the estimated ARR submitted by MUPL for truing up, revenue from sale of power at the existing tariff and the revenue gap estimated for FY 2014-15.

Table 2.2: Projected Revenue Gap for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved	Actual submitted
A	Aggregate revenue requirement	150.94	113.64
B	Less: Revenue from sale of power	151.35	117.55
C	Net revenue gap / (surplus)	(0.41)	(3.91)

Further, MUPL has claimed the carrying cost of previous years and surplus revenue for FY 2014-15, the consolidated revenue gap up to FY 2014-15 is as mentioned below;

Table 2.3: Total Revenue Gap for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Actual
A	Consolidated carrying cost of Previous Years (FY 2010-11 to FY 2013-14)	5.16
B	Revenue gap for FY 2014-15	(3.91)
C	Carrying Cost @ 14.75% (As on 01.04.2015)	0.18
D	**Total gap of FY 2014-15**	**1.43**

2.3 A Summary of projected revenue gap and tariff proposal for FY 2016-17

Table below summarizes the ARR projected for FY 2016-17 (same as for FY 2015-16), total revenue and revenue gap projected by MUPL from sale of power at the existing tariff for FY 2016-17 and the revised estimated of MUPL for 2016-17.

Table 2.4: Revised ARR FY 2016-17

(Rs. Crore)

Sl. No.	Particulars	FY 2016-17 Provisionally Approved	FY 2016-17 Revised Estimates
1	Power Purchase Expenses	141.71	110.96
2	Operations and Maintenance expenses	7.5	10.34
3	Depreciation	5.77	4.19
4	Interest on Long Term Loans	6.48	3.66
5	Interest on Security Deposit	4.48	0.28
6	Interest on working capital	0	1.23
7	Provision for bad debts	0	0.00
8	Contingency Reserve	0.63	0.00
9	Income Tax	0.13	0.13
10	Return on equity @ 14%	4.99	3.02
11	Less: Non-Tariff Income	0.1	0.10
12	**ARR**	**171.59**	**133.72**

Table 2.5: Gap / (Surplus) for FY 2016-17

(Rs. Crore)

Sl. No.	Particulars	FY 2016-17 Provisionally Approved	FY 2016-17 Revised Estimates
A	ARR	173.02	135.15
B	Less: Revenue	179.98	117.15
C	Net revenue gap / (surplus)	(6.95)	18.00

The Petitioner requested to consider the revised estimates and its implications while examining tariff.

2.4 MUPL's request to the Commission:

1. Admit the Petition for truing up of Aggregate revenue requirement for FY 2014-15 and tariff determination for FY 2016-17.
2. Approve the gap of FY 2014-15 as per the truing up along with carrying cost for differed revenue gap.
3. Approve the sharing of gains / losses as proposed by the Petitioner for FY 2014-15.
4. Approve the variation in power purchase cost on account of variation of distribution loss as controllable factor.
5. Approve the variation in O&M expense as uncontrollable considering the reasons beyond the control of the Petitioner.
6. Permit the Petitioner to recover carrying cost for deferment in the gap recovery.
7. Allow the recovery of gap along with carrying cost in view of Tribunal Judgement dated 30.05.2014 for Appeal No. 147, 148 and 150 of 2013.
8. Approve the revised estimates and gap of FY 2016-17.
9. Approve the Wheeling ARR and corresponding charges for wheeling of power with effect from 01.04.2016.
10. Approve the cross subsidy surcharge filed by the Petitioner.
11. Revise the FPPPA charges calculations incorporating renewable energy component or approve a component of RPO in the tariff schedule.
12. Approve the Tariff schedule as proposed by the Petitioner.
13. Allow additions / alternations / changes modifications to the application at a future date.
14. Allow any other relief, order or direction, which the Commission deems fit to be issued.
15. Condone any inadvertent omissions/ errors / shortcomings and permit the Petitioner to add / change / modify / alter this filing and make further submissions as may be required at a future date.

3. Objections raised by various stakeholders, response from MUPL and the Commission's View

3.1 Public Response to the Petition

In response to the Public Notice inviting objections/suggestions from stakeholders on the petition filed by MUPL for True-up for FY 2014-15 and determination of tariff for FY 2016-17, the Commission has not received any objections / suggestions from any of the stakeholders. The Commission decided the petition based on Annual Accounts of the Petitioner and submissions made in the petition as per GERC (MYT) Regulations, 2011.

4. Truing up for FY 2014-15

The Petitioner, in its petition for truing up of FY 2014-15, has furnished the actuals of energy sales, expenditure and revenue for FY 2014-15 based on the Audited Annual Accounts for FY 2014-15. It is submitted that the truing up of FY 2014-15 is on the basis of audited accounts.

The Commission has analysed the components of the actual energy sales, expenses and revenue under truing up for FY 2014-15.

GERC (MYT) Regulations, 2011 specify that the Commission shall undertake the truing up of expenses and revenue of licensee for the previous year i.e. FY 2014-15 based on actuals as per Audited Accounts for FY 2014-15 and approved values for FY 2014-15 in the MTR order.

4.1 Energy Sales

Petitioner's Submission:

The Petitioner has submitted that the actual energy sales for FY 2014-15 are 193.30 MUs as against approved sales of 242 MUs in MTR order dated 29th May, 2014.

Table 4.1: Actual Energy Sales for FY 2014-15

(MUs)

Particulars	Approved in the MTR Order for FY 2014-15	Actual submitted for FY 2014-15
Energy Sales	242	193.30

It is submitted by the Petitioner that the variation in energy sales is mainly because of variation in number of consumers and their demand.

Commission's Analysis

In view of the above statement of the petitioner, the Commission approves the energy sales of 193.30 MUs for FY 2014-15.

4.2 Distribution Loss

Petitioner's Submission

The Petitioner has submitted that it had made all efforts to reduce the distribution loss. The actual distribution loss is 4.06% against 4.50% approved by the Commission in MTR order.

MUPL further submitted that ideally, the variation in distribution loss compared to the approved value should be considered as controllable. However, as the network is yet to be established and load is to be stabilized the distribution loss has been considered as uncontrollable.

Commission's Analysis

The distribution losses as claimed by MUPL at 4.06% is approved for the purpose of true-up for FY 2014-15. Any gain / loss on account of distribution losses is controllable as per GERC (MYT) Regulations, 2011. This cannot be considered as the projections made in ARR were not based on any energy audit report.

In view of the above, the Commission approves the distribution loss at 4.06% for FY 2014-15.

4.3 Energy Requirement

Petitioner's Submission

Based on the energy sales and the actual transmission and distribution loss for FY 2014-15, the Petitioner has calculated the energy requirement for FY 2014-15. The energy requirement as approved for FY 2014-15 in the MTR order and actuals now submitted by the Petitioner are as given in the Table below:

Table 4.2: Energy Requirement as Submitted by MPSEZ for FY 2014-15

Sl. No.	Particulars	Unit	Approved in MTR order for FY 2014-15	FY 2014-15 Actual submitted
1	Energy Sales	MUs	242	193.30
2	Distribution Loss	(%)	4.50%	4.06%
		MUs	11	8.18
3	Energy Requirement	MUs	253	201.48
4	Transmission Loss	(%)	0.00%	0.00%
		MUs	0.00	0.00
5	Total Energy to be input to the transmission system	MUs	**253**	**201.48**

Commission's Analysis

The actual sales for FY 2014-15 is 193.30 MUs. The Commission has approved the distribution loss at 4.06% in Para 4.2 above. It is noted that the transmission loss is Nil. The Commission computed the energy requirement with distribution loss of 4.06% (8.18 MUs) for FY 2014-15 based on actuals as given in Table below:

Table 4.3: Energy Requirement Approved by the Commission for truing up for FY 2014-15

Sl. No.	Particulars	Unit	Approved in MTR order for FY 2014-15	Actuals Submitted in truing up for FY 2014-15	Considered for truing up for the purpose of energy requirement
1	Energy Sales	MUs	242	193.30	193.30
2	Distribution Loss	%	4.50%	4.06%	4.06%
		MUs	11	8.18	8.18
3	Energy Requirement	MUs	253	201.48	201.48
4	Transmission Loss	%	0.00%	0.00%	0.00%
		MUs	0.00	0.00	0.00
5	Energy Required	MUs	**253**	**201.48**	**201.48**

The Commission approves the energy requirement of 201.48 MUs for truing up for FY 2014-15 as per actuals.

4.4 Availability of Power and Power Purchase Cost

Petitioner's Submission

MUPL has submitted that the requirement of power is met through bilateral purchase during FY 2014-15. The quantum of UI power on account of deviation from the schedule purchase has been accounted to the total energy procured.

Commission's Analysis

As verified from the Annual Accounts for FY 2014-15, MUPL has incurred power purchase cost of Rs. 90.25 Crore to purchase 201.48 MUs of power during FY 2014-15 including 2.09 MUs under UI. Based on the power purchase cost of Rs. 90.25 Crore, the average power purchase cost works out to Rs. 4.48 / kWh.

The availability of power and power purchase cost as per MTR order, actual and approved in truing up are given in Table below:

Table 4.4: Availability of Power and Power Purchase Cost for FY 2014-15

Sl. No.	Particulars	FY 2014-15		
		Approved in MTR order for FY 2014-15	Actuals Submitted in truing up for FY 2014-15	Approved in truing up for FY 2014-15
1	Power Purchased (MUs)	253	199.39	199.39
2	UI Purchase (MUs)	-	2.09	2.09
3	Total Energy Available (MUs)	253	201.48	201.48
4	Power Purchase cost (Rs. Crore)	111.21	90.25	90.25
5	Average Power Purchase Cost (Rs. kWh)	4.40	4.48	4.48

The Commission, accordingly, approves the power purchase cost of Rs. 90.25 Crore in the truing up for FY 2014-15.

Table 4.5: Power Purchase cost approved by the Commission for truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	FY 2014-15 (Approved in MTR order)	FY 2014-15 (Submitted in the truing up)	FY 2014-15 (Approved in Truing up)
1	Total Power Purchase Cost	111.21	90.25	90.25

4.4.1 Gains/ (Losses) due to Power Purchase Cost

The approved Gains/ (Losses) – Power Purchase expenses for truing up for FY 2014-15.

Table 4.6: Gains / (Losses) of Power Purchase cost approved by the Commission for truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	FY 2014-15 (Approved in MTR order)	FY 2014-15 (Approved in True-up)	Deviation	Gains/(Losses) due to uncontrollable factors
1	Total Power Purchase Cost	111.21	90.25	20.96	20.96

4.5 Capital Expenditure Plan

Petitioner's Submission

The actual capitalization for FY 2014-15 was Rs. 2.41 Crore (net of consumer contribution of Rs. 0.37 Crore towards Service Line Contribution (SLC) against a total capitalization of Rs. 18.02 Crore approved in MTR order dated 29th May, 2014 for FY 2014-15.

It is submitted that the lower capital expenditure compared to approved is mainly on account of lower materialization of consumers' projections and less demand achieved compared to projections. Only 43 consumers were operational during FY 2014-15 against 55 numbers of consumers considered in the MTR order. The variation in CAPEX for FY 2014-15 was due to deferment in consumer projections and overall slowdown which had deferred the capitalisation of various assets like transmission line, cables, automation, IT, Buildings and other civil works for 220 kV, 66 kV, 33 kV and 11 kV network. MUPL has further submitted that the consumer contribution for service lines at Rs. 0.37 Crore was deducted from the capital expenditure. Based on the above MUPL has furnished the details of actual capital expenditure incurred during FY 2014-15 against estimate as given in Table below:

Table 4.7: Capital Expenditure as furnished by MUPL for truing up FY 2014-15
(Rs. Crore)

Sl. No.	Particular	FY 2014-15	
		Approved in MTR order	Actual submitted
A	**EHV (220 kV & 66 kV)**		
	EHV Transmission line	0.48	1.47
	EHV Transmission Cable	6.82	0.10
	EHV Substation	2.84	0.85
	Land Cost	5.76	-
	Civil Cost	2.16	-
	Total	**18.05**	**2.42**
B	**HT (33 kV & 11 kV) & NETWORK**		
	33 kV HT cable Network	0.51	-
	11 kV HT cable Network	1.76	0.27
	33 / 11 kV HT Substation	0.20	-
	Land Cost	1.07	-
	Civil Cost	0.32	-
	Total	**3.86**	**0.27**
C	**Others**		
	Automation & SCADA	0.14	0.01
	Testing and Measuring Equipment	0.99	
	IT	-	-
	Meters & AMR	-	-
	Miscellaneous	0.12	0.02
	Buildings & other civil work	0.86	0.07
	Total	**2.11**	**0.09**
D	**Grand Total**	**24.02**	**2.79**
	Less: SLC	-	0.37
E	**Net CAPEX**	**24.02**	**2.41**

Commission's Analysis:

The Commission observes that there is considerable variation in the capital expenditure/capitalization in projections for FY 2014-15 and actuals.

The Commission has verified the Audited Annual Accounts for FY 2014-15 and it is observed that the actual capital expenditure incurred is Rs. 2.79 Crore and the consumer contribution towards service line during FY 2014-15 is Rs. 0.37 Crore. The Commission considers the capital expenditure, capitalisation and funding thereof as detailed in the Table below:

Table 4.8: Capitalisation and Funding approved in the truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Submitted in truing up for FY 2014-15	Approved in truing up for FY 2014-15
1	Capitalization	2.79	2.79
2	Less: Consumer Contribution	0.37	0.37
3	Balance Capitalization	2.42	2.42
4	Debt (70%)	1.69	1.69
5	Equity (30%)	0.72	0.73

4.6 Operations and Maintenance Expenses

Petitioner's Submission:

The Operations and Maintenance expenses comprise the Employee cost, Administration and General expenses and Repairs and Maintenance expenditure. The actual Operations and Maintenance expenses furnished by MUPL are given in Table below:

Table 4.9: Operations and Maintenance Expenses

(Rs. Crore)

Particulars	Approved in MYT Order for FY 2014-15	Claimed in truing up for FY 2014-15
Total O&M Expenses	7.10	8.92

The petitioner has submitted that it has started its commercial operation in FY 2010-11. The distribution system of petitioner which has been established to cater to the expected demand in the SEZ area is yet to be fully utilized and remains sub-optimally loaded as the demand is low. The industrial development is likely to take place gradually with the pace of time. The petitioner has identified various needs of monitoring as well as maintenance in view of typical whether condition of coastal area.

The Commission in the MTR order dated 29.05.2014 has approved the O&M expenses for Rs. 7.10 Crore for FY 2014-15 considering 5.72% per annum escalation on Rs. 6.35 Crore approved for FY 2012-13.

The actual O&M expense in totality as per the audited accounts is Rs. 8.92 Crore for FY 2014-15 compared to the approved expenses of Rs. 7.10 Crore as per table 4.9 above. The petitioner would like to submit that the higher actual O&M is mainly due to higher inflation rate coupled with growth and also due to typical O&M expense required in the licensed area which was not envisaged earlier. The increase in O&M

expense is mainly attributable to the factors beyond the control of the petitioner. Thus increase in the O&M expenses for FY 2014-15 is to be treated as uncontrollable.

MUPL has referred to the Hon'ble APTEL's order in the case of Torrent Energy Limited vs. GERC dated 03.07.2013. The extract of para 49 is as given below:

"49. We feel that from the information available before the State Commission, it was not possible to adopt the figures projected by the Appellant. Therefore, the O&M expenses for the Control Period have to be decided by the State Commission based on the actual expenses incurred by the Appellant, after prudence check in the True-up of accounts for Financial Years 2011-12 & 2012-13. The State Commission shall thereafter re-determine the O&M expenses for the FYs 2013-14 to 2015-16 taking into account actual expenses for the previous years and additional expenses on the additional infrastructure proposed during the period. Accordingly, directed."

The petitioner has requested that the entire variation in O&M Expenses should be considered as uncontrollable and approve the O&M Expenses of Rs. 8.92 Crore for FY 2014-15 and allow variation as uncontrollable for the purpose of truing up.

Commission's Analysis:

MUPL has claimed O&M expenses which includes finance charges of Rs. 0.13 Crore representing Bank charges, Commission & Other Interest. The Commission considers the amount of Rs. 0.13 Crore as part of interest and finance charge.

The Commission, accordingly, approves the O&M expenses at Rs. 8.79 Crore in the truing up for FY 2014-15 as per audited accounts. The O&M expenses are considered controllable in accordance with GERC (MYT) Regulations, 2011.

4.7 Depreciation

Petitioner's Submission

MUPL has submitted that the depreciation is computed on the fixed assets based on straight-line method as prescribed in the Regulations and at depreciation rates as per GERC (MYT) Regulations, 2011. The depreciation approved in the MTR order for FY 2014-15 and the actuals now submitted by MUPL in the petition for FY 2014-15 are given in the Table below:

Table 4.10: Fixed assets and Depreciation claimed in the truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particular	Approved in MTR order for FY 2014-15	Actual submitted for FY 2014-15
1	Gross Block at the beginning of the year	108.42	83.01
2	Addition during the year (Net)	18.02	2.79
3	**Depreciation for the year**	**4.69**	**3.84**

Commission's Analysis:

MUPL has submitted the actual depreciation at Rs. 3.84 Crore in the truing up for FY 2014-15. MUPL has claimed the depreciation on the gross fixed assets net of assets acquired through consumer contribution.

As per the Audited Annual Accounts the depreciation for FY 2014-15 is Rs. 4.40 Crore. MUPL has deducted the depreciation in respect of assets acquired through consumer contribution/SLC and the actual net depreciation works out to Rs. 3.53 Crore.

The Commission, accordingly, approves Rs. 3.53 Crore towards depreciation for FY 2014-15.

4.8 Interest Expenses on Loans

MUPL has claimed Rs. 4.30 Crore towards interest charges in the truing up for FY 2014-15 against Rs. 5.53 Crore approved in the MTR order for FY 2014-15.

Table 4.11: Interest on loan claimed in truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	As approved in MTR order for FY 2014-15	Actual claimed for FY 2014-15
1	Opening Loan	51.19	36.89
2	Addition of new loan during the year	7.69	1.69
3	Loan Repayment	4.69	3.84
4	Cumulative Loan / Closing Loan	54.19	34.73
5	Average Loan	52.69	35.81
6	Rate of Interest	10.50%	
7	**Interest on loan**	**5.53**	**4.30**

Petitioner's Submission:

The petitioner has submitted that the Commission approved borrowings of Rs. 7.69 Crore for FY 2014-15 on capitalization of Rs. 10.99 Crore. However, the normative borrowing for FY 2014-15 on actual basis was Rs. 1.69 Crore net after SLC.

The Petitioner has submitted that the GERC (MYT) Regulations, 2011 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets created as the amount of repayment. The petitioner has submitted that it has availed actual loan for the period of 5 years from the bank at the interest rate of 12% for its financial requirement, hence calculated the interest expense considering rate of interest at 12% and repayment has been considered equal to deprecation of FY 2014-15.

Commission's Analysis:

The Commission has examined the sources of funding the capitalization as per the approved debt equity ratio of 70:30. The capitalisation after net of consumer contribution is Rs. 2.42 Crore as approved in para 4.5 above and the normative debt at 70% works out to Rs. 1.69 Crore. Repayment of loan is considered equal to depreciation of Rs. 3.53 Crore. On query from the Commission, the petitioner vide e-mail dated 1st march, 2016 has submitted the documents of loan availed from RBL bank. The documents submitted by the petitioner reveals that the loan of Rs. 50 Lakh is availed from 31.03.2015 i.e. last day of the FY 2014-15. There was no loan existing as on 01.04.2014. Clause 39.5 of the GERC (MYT) Regulations,2011, provides for consideration of rate of interest on the basis of actual loan portfolio at the beginning of year. As there was no loan existing at the beginning of the year, the Commission considers the interest rate at 10.50% as per MTR Order. Accordingly, the interest on normative loan works out to Rs. 4.30 Crore and other charges are Rs. 0.13 Crore as per audited accounts as detailed in Table below:

Table 4.12: Interest on Loans approved in the truing up for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	FY 2014-15
1	Opening Loan	36.89
2	Addition of new loan during the year	1.69
3	Loan Repayment	3.53
4	Closing Loan	35.05
5	Average Loan	35.97
6	Interest on Loan @ 10.50%	3.78
7	Bank commission and other interest charges	0.13
8	Interest on loans and other charges	3.91

The Commission, accordingly, approves interest on normative loan at Rs. 3.91 Crore including bank commission and other charges in the truing up for FY 2014-15.

4.9 Interest on Security Deposits

Petitioner's Submission

MUPL has submitted that the contribution to security deposit depends on addition of new consumers and their load growth from time to time. The actual amount of security deposit and the corresponding interest calculated at the rate of 9% for FY 2014-15 are given in Table below:

Table 4.13: Interest on Security Deposit claimed by MUPL for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order for FY 2014-15	Actual claimed for FY 2014-15
1	Consumers Deposit	29.55	3.16
2	Interest Cost	2.66	0.34

Commission's Analysis

The interest on consumer deposit submitted by MUPL is examined. The interest actually paid to consumers, as per audited annual accounts is Rs. 0.34 Crore.

The Commission, accordingly, approves the interest paid to customers on security deposit at Rs. 0.34 Crore in the truing up for FY 2014-15.

4.10 Interest on Working Capital

MUPL has submitted that Interest on Working Capital has been worked out as per approved norms in the GERC (MYT) Regulations, 2011.

The interest on working capital is to be computed by applying applicable interest rate on the working capital requirement, the working capital computed as per GERC (MYT) Regulations, 2011 is Rs. 11.37 Crore which is more than the average security deposit amount of Rs. 6.85 Crore. The petitioner has considered interest on working capital at State Bank Advance Rate (SBAR) of 14.75% as on 01.04.2014 for FY 2014-15 as below:

Table 4.14: Interest on Working Capital claimed for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order for FY 2014-15	Actual claimed in truing up FY 2014-15
1	O&M Expenses	0.59	0.74
2	Spares at 1% of GFA	1.08	0.83
3	Receivables	11.32	9.80

Sl. No.	Particulars	Approved in MTR order for FY 2014-15	Actual claimed in truing up FY 2014-15
4	Working Capital	12.99	11.37
5	Less Security Deposit	29.55	6.85
6	Normative Working Capital	(16.56)	4.52
7	Interest on Working Capital @14.75 %	0.00	0.67

Commission's Analysis:

The Commission has examined the working capital and interest thereon as per norms specified in the GERC (MYT) Regulations, 2011. The applicable rate of interest i.e. State Bank Advance Rate (SBAR) as on 1st April, 2014 is 14.75%.

The average security deposit from the consumers is Rs. 6.85 Crore ((Opening: Rs. 10.53 Crore + Closing: Rs. 3.16 Crore) / 2). The Commission has considered interest on working capital for FY 2014-15 as detailed in the table below:

Table 4.15: Interest on Working Capital approved for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Actual claimed for FY 2014-15	Approved in Truing up for FY 2014-15
1	O&M Expenses	0.74	0.73
2	Spares at 1% of GFA	0.83	0.83
3	Receivables	9.80	9.80
4	Working Capital	11.37	11.36
5	Less Security Deposit	6.85	6.85
6	Normative Working Capital	4.52	4.51
7	Interest on Working Capital @14.75 %	0.67	0.67

4.11 Return on Equity

Petitioner's Submission

MUPL has submitted that the equity for FY 2014-15 has been determined on the capital additions during the year and the equity contribution towards these additions.

The return on equity has been computed as per Regulation 38 of GERC (MYT) Regulations, 2011 by applying regulated return of 14% on the average of opening and closing balance of equity for FY 2014-15 as given in Table below:

Table 4.16: Return on Equity claimed for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved in Tariff order for FY 2014-15	Actual claimed for FY 2014-15
1	Opening Equity	27.87	20.12
2	Addition to Equity towards Capital	3.30	0.72

Sl. No.	Particulars	Approved in Tariff order for FY 2014-15	Actual claimed for FY 2014-15
	Investment		
3	Closing Balance of Equity	31.17	20.84
4	Average Equity	29.52	20.48
5	RoE at 14% on average	4.13	2.87

Commission's Analysis

The Commission has examined the RoE claimed for FY 2014-15. The opening equity is taken as Rs. 20.12 Crore being the closing equity for FY 2013-14 and the equity addition during FY 2014-15 is Rs. 0.73 Crore as noted in para 4.5. The RoE is worked out as detailed in Table below:

Table 4.17: Return on Equity approved by the Commission for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved in Truing up for FY 2014-15
1	Opening Equity	20.12
2	Additions to Equity towards Capital Investment	0.73
3	Closing Equity	20.85
4	Average Equity	20.48
5	RoE @ 14% on average	2.87

The Commission approves the return on equity at Rs. 2.87 Crore in the truing up for FY 2014-15.

4.12 Income Tax

MUPL has claimed Income Tax at Rs. 3.16 Crore in the truing up for FY 2014-15.

Commission's Analysis

The income tax as per audited account for FY 2014-15 is Rs. 3.16 Crore. The tax paid is Rs. 3.16 Crore as verified from the tax paid challans submitted.

The Commission approves the income tax at Rs. 3.16 Crore as per audited accounts for FY 2014-15 as against Rs. 0.13 Crore approved in MTR Order dated 29.05.2014.

4.13 Contingency Reserve

MUPL has submitted that a provision of Rs. 0.54 Crore was approved in MTR order dated 29.05.2014 for FY 2014-15. But MUPL has not considered any amount towards the contingency reserve in True-up petition FY 2014-15.

4.14 Non-Tariff Income

Petitioner's Submission

MUPL has submitted that the actual Non-Tariff income is Rs. 0.71 Crore as against Rs. 0.10 Crore approved in MTR order for FY 2014-15.

Commission's Analysis

Non-Tariff Income comprises of meter rent, misc. income and other income. As per Audited Annual accounts the Non-Tariff income is Rs. 0.71 Crore.

The Commission therefore, approves the Non-Tariff income at Rs. 0.71 Crore in the truing up for FY 2014-15 as per actuals.

4.15 Revenue from Sale of Power to Consumers

Petitioner's Submission

MUPL has furnished the revenue from sale of power to the consumers at Rs. 117.55 Crore in the truing up for FY 2014-15 against Rs. 151.35 Crore approved in MTR order dated 29.05.2014 for FY 2014-15 as detailed in Table below:

Table 4.18: Projected Revenue from Sale of Power for FY 2014-15

(Rs. Crore)

Particulars	Approved in MTR order for FY 2014-15	Actual claimed for FY 2014-15
Revenue from Sale of Power	151.35	117.55

The revenue from sale of power as per Audited Accounts is Rs. 117.55 Crore.

The Commission, accordingly, approves the revenue from sale of power at Rs. 117.55 Crore in the truing up for FY 2014-15 as per actuals.

4.16 Summary of ARR and sharing of gains and losses for FY 2014-15

Petitioner Submission

As per Regulations 24 and 25 of GERC (MYT) Regulations, 2011, the approved aggregate gain or loss on account of uncontrollable factors be passed through as an adjustment in the tariff and one third of approved aggregate gain on account of controllable factors shall be passed on as a rebate in tariff while one third of approved aggregate loss on account of controllable factors be passed on as an additional charge in tariff.

The expenses approved in MTR order and now claimed in truing up based on actuals for FY 2014-15 and the gains/losses due to controllable/uncontrollable are furnished in Table below:

Table 4.19: Controllable & Uncontrollable variations for FY 2014-15 claimed by MUPL

(Rs. Crore)

Particulars	FY 2014-15				
	Approved in MTR order	Actual submitted	Over (+) /Under (-) recovery	Gain/ (Loss) due to controllable factor	Gain/(Loss) due to uncontrollable factor
Power purchase Expenses	111.21	90.25	20.96	0	20.96
O&M Expenses	7.1	8.92	(1.82)	0	(1.82)
Depreciation	4.69	3.84	0.85	0	0.85
Interest on Long Term loans	5.53	4.30	1.23	0	1.23
Interest on Security Deposit	2.66	0.34	2.32	0	2.32
Interest on working capital	0.00	0.67	(0.67)	0	(0.67)
Provision for bad debts	0.00	0.00	0	0	0
Contingency Reserve	0.54	0.00	0.54	0	0.54
Income Tax	0.13	3.16	(3.03)	0	(3.03)
Return on Equity @ 14%	4.13	2.87	1.26	0	1.26
Less: Non-Tariff Income	0.10	0.71	(0.61)	0	(0.61)
ARR	**135.90**	**113.64**	**22.26**	**0.00**	**22.26**

MUPL has submitted that, the variation in power purchase cost from approved ARR is on account of variation in sales and variation in actual cost. Any variation on account of power purchase cost is treated as uncontrollable. But reduction in distribution losses lead to lower procurement of energy resulting in reduced power purchase. The reduction in distribution loss is treated as controllable factor.

The variation in O&M expenses are treated as uncontrollable. The variations in ROE, interest and depreciation are on account of variation in capitalization and hence treated as uncontrollable. The variations in contingency reserve and Non-Tariff income are treated as uncontrollable.

Based on the above, the sharing of gains and losses due to controllable / uncontrollable factors is summarized Table below:

Table 4.20: Sharing of gains and losses claimed by MUPL for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Pass through by adjustment in tariff	To be retained / absorbed	Total
1	Controllable gain	0	0	0
2	Uncontrollable gain	22.26	0	22.26
3	**Total**	**22.26**	**0**	**22.26**

The revised ARR and the net revenue gap claimed by MUPL in the truing up for FY 2014-15 are given in the following Tables

Table 4.21: Trued up ARR for FY 2014-15 submitted by MUPL

(Rs. Crore)

Particulars	Submitted by MUPL for FY 2014-15
ARR approved in MTR order for FY 2014-15(a)	135.90
Less: Gain on account of controllable factor to be passed to consumers (1/3rd) (b)	0.00
Less: Gain on account of uncontrollable (c)	22.26
ARR trued up of FY 2014-15 [(d)=a-(b+c)]	**113.64**

Table 4.22: Consolidated Revenue Gap claimed for FY 2014-15 submitted by MUPL

(Rs. Crore)

Sl. No.	Particulars	Approved in MTR order	Actual submitted
1	Annual Revenue Requirement	150.94	113.64
2	Less: Revenue from Sale of Power	151.35	117.55
3	**Net Revenue Gap / (Surplus)**	**(0.41)**	**(3.91)**

MUPL has submitted that carrying cost is a legitimate expenditure of the distribution companies and the carrying cost is allowed based on the financial principle that the recovery of gap in cash flow arranged by the distribution company from leaders / promoters / accruals is to be paid by way of carrying cost. MUPL has requested to consider judgments of the Hon'ble Tribunal dated 30.05.2014 for Appeal No. 147, 148 and 150 of 2013 by Torrent Power Limited. The relevant abstracts of the judgment are reproduced below:

"3 (B) Disallowance of carrying cost (raised in Appeal Nos. 147 and 148 of 2013)
The Appellant has challenged the impugned order on the ground that the State Commission has not allowed the carrying cost on the revenue gap determined. The state Commission has not allowed the carrying cost on the ground that there was no provision for carrying cost in the MYT Regulations. According to the Appellant, this issue is covered by the earlier judgements of this Tribunal reported as 2011 ELR (APTEL) 0336 and in Appeal no. 190 of 2011.

21. The above findings of the Tribunal will apply to the present case too. Accordingly, this issue is decided in favour of the Appellant."

Further, the commission vide its tariff order dated 31.05.2015 did not considered the claim of carrying cost of the petitioner in true-up of FY 2013-14 stating that the Commission has considered the consolidated gap of FY 2010-11 & FY 2011-12 in tariff order dated 20th May,2013 and also considered the entire gap in determination of tariff for FY 2014-15. Hence the question of considering revenue gap and carrying cost of earlier years does not arise.

In view of the above, the petitioner would like to humbly request to consider judgment of the Commission dated 18.07.2014 in the matter of implementing the judgment of Hon'ble APTEL dated 28.11.2013 in Appeal Nos. 190 of 2011, 162 of 2012 and 163 of 2012. The relevant abstracts of the judgment are reproduced as below:

> *"(c) Carrying Cost: The Tribunal has allowed the prayer of the petitioner for the entitlement of the carrying cost for the Revenue gap as a result of allowance of legitimate expenditure in the true up as per the Tariff Order dated 17.01.2009 in Petition No. 939 of 2008. The relevant portion of the said Order on this issue is reproduced as under:*
>
> *"4.6.4. Any variation in revenue recovery over approved revenue requirements will be adjusted in the subsequent control period with financing cost at average rate of borrowing during the year to which the variation relates." Based on the above observations, the Commission considers the carrying cost on the Gap / (Surplus) of previous years from FY 2007-08 to FY 2012-13 at weighted average rate of borrowing during the year to which the Gap / (Surplus) relates. Therefore, the Carrying Cost upto FY 2013-14 on Gap / (Surplus) of previous years from FY 2007-08 to FY 2012-13computed after Truing Up till the tariff hike allowed by the Commission is as shown in the Table overleaf."*

Additionally, TPL has filed a petition no 1453 of 2014 to Commission seeking clarification/rectifications of the Commission's order dated 18.07.2014. The Commission issued a clarification order on 03.06.2015. The relevant abstracts of the judgment are reproduced below:

"3.1 In view of the above, the Commission decides to consider the period of carrying cost till the year in which the gap of a particular year is addressed through tariff hike and disallow the carrying cost on the delayed submission of petition of a particular year. The Commission has worked out the period of delay for each financial year for which the gap/surplus amount is eligible for carrying cost as shown in the table below; …"

Accordingly, the petitioner has calculated carrying cost till the year in which the gap of particular year is addressed thorough revision in tariff as per below table:

Table 4.23: Consolidated Revenue Gap claimed by MUPL

(Rs. Crore)

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Revenue Gap / (Surplus)	1.77	7.35	5.93	1.81
Year of Recovery	FY 2013-14	FY 2013-14	FY 2014-15	FY 2015-16
Applicable interest rate (as per SBI Benchmark prime lending rate on 01 Apr of the year)	13.00%	14.75%	14.45%	14.75%
No of Month				
FY 2010-11				
FY 2011-12	12			
FY 2012-13	12	12		
FY 2013-14	12	12	12	
FY 2014-15			12	12
Interest				
FY 2010-11				
FY 2011-12	0.23			
FY 2012-13	0.26	1.08		
FY 2013-14	0.26	1.06	0.86	
FY 2014-15			0.87	0.27
FY 2015-16				0.27
Total	0.75	2.15	1.73	0.53
Grand Total	**5.16**			

Commission Analysis

The Commission reviewed the performance of MUPL under Regulation 22 of GERC (MYT) Regulations, 2011 with reference to the Audited Annual Accounts for FY 2014-15.

The Commission has computed the sharing of gains and losses for FY 2014-15 based on the truing up for each of the components discussed in the above paragraphs.

The ARR approved for FY 2014-15 in the MTR order dated 29th May, 2014, and claimed by MUPL in truing up (gains/losses), computed in accordance with GERC (MYT) Regulations, 2011 are given in the Table below:

Table 4.24: ARR Approved in respect of MUPL in the truing up for FY 2014-15

(Rs. Crore)

Particulars	FY 2014-15					
	Approved in the MTR order	Claimed in truing up	Approved in truing up	Over (+) /Under (-) recovery	Gain/ (Loss) due to controllable factor	Gain/(Loss) due to uncontrollabl e factor
Power purchase Expenses	111.21	90.25	90.25	20.96	0.00	20.96
O&M Expenses	7.10	8.92	8.79	(1.69)	(1.69)	0.00
Depreciation	4.69	3.84	3.53	1.16		1.16
Interest on Long Term loans	5.53	4.30	3.91	1.62		1.62
Interest on Security Deposit	2.66	0.34	0.34	2.32		2.32
Interest on working capital	0.00	0.67	0.67	(0.67)		(0.67)
Provision for bad debts	0.00	0.00	0.00	0.00		0.00
Contingency Reserve	0.54	0.00	0.00	0.54		0.54
Income Tax	0.13	3.16	3.16	(3.03)		(3.03)
Return on Equity @ 14%	4.13	2.87	2.87	1.26		1.26
Less: Non-Tariff Income	0.10	0.71	0.71	(0.61)		(0.61)
ARR	**135.90**	**113.64**	**112.81**	**23.09**	**(1.69)**	**24.78**

Summary of Trued up ARR of FY 2014-15 to be recovered by MUPL after incorporation of sharing of Gains/Losses is as detailed in Table below:

Table 4.25: Trued up ARR for FY 2014-15

(Rs. Crore)

Particulars	Approved by the Commission for FY 2014-15
ARR approved in MTR order for FY 2014-15 (a)	135.90
Add: Loss on account of controllable factor to be passed to consumers (1/3rd) (b)	0.56
Less: Gain on account of uncontrollable factor (c)	24.78
ARR trued up of FY 2014-15 [(d)=a+b-c]	**111.68**

The trued up ARR for FY 2014-15 is Rs. 111.68 Crore after sharing of gains and losses for FY 2014-15.

The revenue from the existing tariff has been considered at Rs. 117.55 Crore for FY 2014-15.

The Net revenue (Gap)/Surplus approved for FY 2014-15 is given in the Table below:

Table 4.26: Net Revenue Gap approved by the Commission for FY 2014-15

(Rs. Crore)

Sl. No.	Particulars	Approved by the Commission for FY 2014-15
1	Annual Revenue Requirement (Trued up)	111.68
2	Revenue from Sale of Power	117.55
3	**Net Revenue (Gap) / Surplus (2-1)**	**5.87**

Accordingly, the Commission approves the trued up surplus of FY 2014-15 as Rs. 5.87 Crore against Rs. 3.91 Crore surplus claimed by MUPL. This trued up surplus is considered by the Commission for determination of tariff for FY 2016-17.

MUPL has also claimed Rs. 5.16 Crore towards carrying cost for revenue gap for the earlier years of FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 at the rate of SBI bench mark prime lending rate as on 1st April of the respective year as detailed in Table 4.23 above.

The Commission considers the plea of MUPL related to carrying cost in light of the judgment of Hon'ble APTEL in various appeals. However, the interest rate considered by the Commission is as per the interest rate considered for working out interest and finance charge for the respective year. Accordingly, the Commission has worked out eligible carrying cost as shown in the Table below;

Table 4.27: Carrying cost approved by the Commission up to FY 2015-16
(Rs. Crore)

Particulars	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**
Revenue Gap/(Surplus)	1.76	7.35	5.93	1.81
Year of Recovery	FY 2013-14	FY 2013-14	FY 2014-15	FY 2015-16
Applicable interest rate (%)	10.50%	10.50%	10.50%	10.50%
No of Month				
FY 2010-11				
FY 2011-12	12			
FY 2012-13	12	12		
FY 2013-14	12	12	12	
FY 2014-15			12	12
FY 2015-16				12
Interest				
FY 2010-11				
FY 2011-12	0.18			
FY 2012-13	0.18	0.77		
FY 2013-14	0.18	0.77	0.62	
FY 2014-15			0.62	0.19
FY 2015-16				0.19
Total	0.55	1.54	1.25	0.38
Grand Total	**3.72**			

The Commission shall consider the net revenue surplus of Rs. 2.15 Crore (5.87-3.72), while determination of tariff for FY 2016-17.

5. Determination of Tariff for FY 2016-17

5.1 Introduction

This chapter deals with the determination of revenue gap/surplus as well as consumer tariff for the FY 2016-17 for MUPL. The Commission has considered the ARR approved in the Mid-term Review for FY 2015-16 as provisional ARR for FY 2016-17 and the adjustment on account of True-up for FY 2014-15 while determining the revenue gap/surplus for FY 2016-17.

The petitioner has submitted that the approval of ARR of the FY 2016-17 is based on estimated sales of 313 MUs but due to delay in development of SEZ the sales demand observed during FY 2014-15 and FY 2015-16 is significantly lower than the approved estimates. This position is likely to continue for FY 2016-17 also. These sales will have severe impact on power purchase cost, CAPEX plan, etc. The petitioner has also submitted that determination of tariff on the basis of provisionally approved estimates of ARR and sales would adversely affect the petitioner's tariff.

The Commission has examined this. The Commission has revised the ARR for FY 2014-15 and FY 2015-16 in the Mid-term Review Order dated 29.04.2014 based on the data submitted by MUPL in the Mid-term Review petition. The Commission as per the Order dated 02.12.2015 decided that the approved ARR of FY 2015-16 of the Licensees/Generating companies be considered as provisional ARR for FY 2016-17. In view of this the revised estimates as submitted by MUPL for FY 2016-17 are not considered by the Commission.

5.2 Approved ARR for FY 2016-17

Based on the above approach, the Table below summarises the Annual Revenue Requirement as approved by the Commission for the FY 2016-17. Detailed analysis of each expense head has already been provided in the Mid-term Review.

Table 5.1: Provisionally Approved ARR for FY 2016-17

(Rs. Crore)

Sl. No.	Particulars	Provisionally approved ARR for FY 2016-17
1	Power Purchase Expenses	141.71
2	O&M Expenses	7.50
2.1	Employee Expenses	
2.2	R& M Expenses	
2.3	A&G Expenses	
3	Depreciation	5.77
4	Interest on Long Term Loans	6.48
5	Interest on Security Deposit	4.48
6	Interest on Working Capital	0
7	Provision for bad debts	0
8	Contingency Reserve	0.63
9	Income Tax	0.13
10	**Revenue Expenditure**	**166.70**
11	Return on Equity @14%	4.99
12	Less: Non-Tariff Income	0.10
13	**ARR**	**171.59**

5.3 Projected Revenue from existing tariff for FY 2016-17 and Revenue Gap

MUPL has projected the consolidated Revenue surplus at Rs. 6.96 Crore for FY 2016-17 with existing Tariff as given in the Table below:

Table 5.2: Revenue gap for FY 2016-17 with existing Tariff

(Rs. Crore)

Sl. No.	Parameter	FY 2016-17 (Projected)
1	Approved ARR for FY 2016-17	171.59
2	Add: Revenue gap of previous year with carrying cost	1.43
3	Revenue from existing tariff for FY 2016-17	179.98
4	Revenue Gap / (Surplus) in FY 2016-17	(6.96)

Commission's Analysis

Detailed calculation for the estimated sales revenue for FY 2016-17 is given in Form D-4 of the petition.

The Commission approves the revenue estimated at Rs. 179.98 Crore for FY 2016-17 as detailed in the Table below:

The Revenue approved by the Commission for FY 2016-17 is given in the Table below:

Table 5.3: Revenue approved with existing tariff for FY 2016-17

Sl. No.	Parameter	Unit	Approved in Mid-term Review
1	Approved Sales for FY 2016-17	MUs	313
2	Approved Sales rate for FY 2014-15	Rs./kWh	5.75
3	Revenue at existing Tariff	Rs. Crore	179.98

5.4 Estimated Revenue and Revenue (gap) /surplus for FY 2016-17

The Commission has considered the total category-wise sales as approved in the Mid-term Review Order and has sales revenue at Rs. 179.98 Crore for FY 2016-17. The estimated gap for FY 2016-17 is given in the Table below:

Table 5.4: Approved Revenue (Gap) / Surplus for FY 2016-17 with existing Tariff

(Rs. Crore)

Sl. No.	Parameter	Approved for FY 2016-17
1	Aggregate Revenue Requirement for FY 2016-17	171.59
2	Less: Revenue Surplus from True-up of FY 2014-15	2.15
3	Less: Carrying cost @ 10.50% on the surplus of Rs. 5.87 Crore pertaining to FY 2014-15 for the period of FY 2015-16 and FY 2016-17	1.23
4	**Total Aggregate Revenue Requirement**	**168.21**
5	Revenue with Existing Tariff	179.98
6	**Total (Gap) / Surplus for FY 2016-17 (5-4)**	**11.77**

The Commission approves a Revenue Surplus of Rs. 11.77 Crore for FY 2016-17.

5.5 Determination Tariff for FY 2016-17

Petitioner's submission

The MUPL has proposed to increase tariff for all the category of consumers by Rs. 0.90/unit to recover the gap of Rs. 18.00 Crore projected by it for FY 2016-17 including the gap up to FY 2014-15. The MUPL proposed an increase of 25 Paise per unit in excess demand charges of HTMD-I category in order to bring the discipline among its consumers to maintain the contract demand and discourage the excess drawl of the power and increase of 25 Paise per unit in fixed charges of HTMD II category consumers which may not have any significant impact on the revenue.

Commission's Analysis

The Commission decides to address the revenue surplus of Rs. 2.15 Crore pertaining to FY 2014-15 by reducing the energy charge of all the categories by 5 Paise/unit.

The Commission accepts the plea of the petitioner to increase the excess demand charge for HTMD-I category by 25 Paise/unit in order to infuse discipline amongst the consumers to maintain the contract demand and discourage the excess drawl of the power.

The Commission does not consider the projected surplus of Rs. 7.16 Crore pertaining to FY 2016-17 for revision in tariff as the ARR and projected revenue for FY 2016-17 are provisional. The final ARR for FY 2016-17 may get changed when it is determined based on the GERC (MYT) Regulations, 2016 which shall be applicable from 1st April, 2016.

6. Wheeling charges and Cross Subsidy Surcharge

6.1 Wheeling Charges

Regulation 88.1 of GERC (MYT) Regulations, 2011, stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensee in its ARR and Tariff order.

Petitioner's Submission

MUPL has allocated the total ARR expenditure of MUPL to wheeling and retail supply business considering the distribution infrastructure up to the service line as part of wheeling business and the distribution infrastructure from service line to consumer premises as part of the retail supply business. The segregation of components into wheeling and retail supply business has been done by MUPL based on the following allocation matrix:

Table 6.1: Allocation matrix for segregation to Wheeling and Retail Supply submitted by MUPL for FY 2016-17

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 debt 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

On the basis of the above allocation matrix MUPL segregated total ARR of MUPL supply area into ARR for wheeling and retail supply business as shown below:

a. ARR of Wheeling Business – Rs. 21.18 Crore

b. ARR of Retail Supply Business – Rs. 150.41 Crore

Determination of Wheeling Charges

Due to difficulties in segregating costs at HT and LT level, the ARR for wheeling business, MUPL has proposed to apportion the cost between the HT and LT level in proportion to the ratio of their GFA. The HT level assets were further proposed to be segregated between HT and LT voltage levels as per peak load of the MUPL Supply Area.

It is submitted by MUPL-D that;

- The GFA of MUPL at the end of FY 2014-15 is Rs. 85.80 Crore. The GFA identified for HT & LT business are Rs. 85.22 Crore & Rs. 0.58 Crore, respectively. The ratio of HT assets to LT assets is 99.30:0.70, which is considered for the apportionment of ARR for the wheeling business into HT and LT businesses.
- Further as the HT level assets cater to the requirement of customers at both HT and LT levels, the ARR for HT is again apportioned between HT and LT voltage based on their ratio of contribution to the peak.
- The system peak demand for MUPL for the year FY 2014-15 is 33.60 MW. In case of MUPL, the contract demand for all the HT consumers is about 42.315 MVA. Assuming that 98% of the contact demand of HT consumers contributes to the system peak demand, the total demand of HT contributing to the system peak is computed as 32.97 MW and the peak demand of LT is 0.63 MW.
- To determine the wheeling charges for the HT & LT voltage levels, the ARR of the respective voltage level is divided by the peak demand of the respective voltage level. Accordingly, the wheeling charge determined in terms of Rs/ kW/ Month has been tabulated below:

Table 6.2: Projected Wheeling charges in cash of MUPL area for FY 2016-17

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	20.79
LT Voltage	0.40
Total	21.19
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	20.40
LT Voltage	0.79
Total	21.19
Wheeling Charge in Rs/ kW/ month	
HT Voltage	515.52
LT Voltage	1040.90

MUPL has further stated that an Open Access consumer will also have to bear the following wheeling losses in kind in addition to the wheeling charges in cash mentioned above.

Table 6.3: Proposed Wheeling charges of MUPL in kind

Particulars	FY 2016-17 MUPL Area
HT Category	4.06%
LT Category	7.00%

MUPL requested the Commission to consider the submissions as provided in the above paragraph and approve the proposed wheeling charges and wheeling losses as submitted above.

Commission's Analysis

The Commission, in order to compute the wheeling charges and cross subsidy surcharge, has considered the allocation matrix between the wheeling and retail supply business as per GERC (MYT) Regulations, 2011.

The allocation matrix and the basis of allocation of various cost components of the ARR as per GERC (MYT) Regulations, 2011 are shown below:

Table 6.4: Allocation of matrix for segregation to Wheeling and Retail Supply for MUPL for FY 2016-17 as per GERC Regulations

Sl. No.	Particulars	Wire Business (%)	Retail Supply Business (%)
1	Power purchase expenses	0	100
2	Employee expensed	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 debt written off	0	100
9	Income tax	90	10
10	Contribution to contingency reserve	100	0
11	Return on equity	90	10
12	Prompt Payment Rebate	0	100
13	Non-Tariff income	10	90

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

Table 6.5: Allocation of ARR between wheeling and retail supply business for MUPL for FY 2016-17

(Rs. Crore)

Sl. No.	Particulars	Total	Wire Business	Retail Supply business
1	Power purchase expenses	141.71	0.00	141.71
2	O&M expenses	7.49	4.56	2.94
	i) Employee expenses	2.43	1.46	0.97
	ii) R&M expenses	1.42	1.28	0.14
	ii) A&G expenses	3.64	1.82	1.82
3	Depreciation	5.77	5.19	0.58
4	Interest on loan	6.48	5.83	0.65
5	Interest on consumer security deposit	4.48	0.45	4.03
6	Interest on working capital	0.00	0.00	0.00
7	Provision for bad debt	0.00	0.00	0.00
8	Income tax	0.13	0.12	0.01
9	Contribution to contingency reserve	0.63	0.63	0.00
10	Return on equity	4.99	4.49	0.50
12	Less: Non-Tariff income	0.10	0.09	0.01
13	**Net ARR**	171.59	21.18	150.41

The above allocations of ARR are used for determination of charges and cross subsidy surcharge for FY 2016-17.

The Commission considered the proposal of MUPL for apportionment of ARR between HT and LT voltage level, which is also in tune with the judgement of Hon'ble Tribunal in Appeal no 32 of 2012. Based on the above the wheeling charges in cash are approved as given in the Table below:

Table 6.6: Wheeling charges for HT voltage level

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	21.04
LT Voltage	0.14
Total	21.18
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	20.64
LT Voltage	0.54
Total	21.18
Wheeling Charge in Rs/ kW/ month (For Long-term and Medium-term Open Access consumers)	
HT Voltage	521.75
LT Voltage	711.13
Wheeling Charge in Rs/ kWh (For Short-Term Open Access consumers)	
HT Voltage	0.67
LT Voltage	1.34

The Open Access consumer will also have to bear the following losses in addition to the wheeling charges.

Table 6.7: Approved Wheeling charges in kind

Particulars	FY 2016-17 MUPL Area
HT Category	4.06%
LT Category	7.00%

6.2 Cross Subsidy Surcharge

Petitioner's Submission

MUPL has submitted proposal for the cross subsidy surcharge based on the formula enumerated in the tariff policy as under;

Table 6.8: Cross subsidy surcharge submitted by MUPL for FY 2016-17

Sl. No.	Particulars	HT Industry
1	T	5.77
2	C	4.27
3	D	0.66
4	L	4.06%
5	S = Cross subsidy surcharge	Rs. 0.67/kWh

Commission's Analysis

Hon'ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has recently issued Tariff Policy, 2016. According to this policy the formula for Cross Subsidy Surcharge is as under;

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

Where,

S is the surcharge

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

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

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets

The cross subsidy surcharge based on the above formula is worked out as shown in the table below:

Table 6.9: Cross subsidy surcharge for FY 2016-17

Sl. No.	Particulars	HT Industry
1	T - Tariff for HT Category (Rs./kWh)	5.77
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	4.33
3	D - Wheeling Charge (Rs./kWh)	0.67
4	L - Aggregate T&D Loss (%)	4.06%
5	S = Cross subsidy surcharge (Rs./kWh)	0.59

S = 5.77 - [4.33 / (1-4.06/100) + 0.67]

= 0.59 Rs./kWh

7. Fuel and Power Purchase Price Adjustment

7.1 Fuel and Power Purchase Price Adjustment

The Commission, vide its order in Case No. 1309/2013 and 1313/2013 dated 29.10.2013, has revised the formula for Fuel Price and Power Purchase Cost Adjustment (FPPPA) as mentioned below:

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

7.3 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for MUPL including fixed cost, variable cost etc. from the various sources in the Mid-term Review of Business Plan as given in the Table below:

Year	Total Energy Requirement (MUs)	Approved Power Purchase cost (Rs Crore)	Power Purchase Cost per unit (Rs/kWh)
FY 2016-17	327	141.71	4.33

As mentioned above the base Power Purchase cost for MUPL is Rs. 4.33 per kWh and the base FPPPA charge is NIL.

MUPL 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 para 7.2 above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on website of MUPL.

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.

7.4 Renewable energy component is FPPPA charges

Petitioner's Submission

The petitioner requested the Commission to incorporate the renewable energy component in the formula of FPPPA and revise the formula for FY 2016-17 with necessary modifications

Commission's Analysis

FPPPA formula takes care about variation in power purchase cost of the Distribution Licensee. The power purchase cost includes cost of purchase of renewable energy. However, it is to clarify that cost of purchase of REC to fulfil the RPO cannot be considered while calculating FPPPA charges as purchase of REC is not the purchase of energy.

8. Directives

8.1 Compliance of directives issued by the Commission

The Commission issues a fresh directive in respect of energy audit to the licensee as given below.

8.2 Directive issued vide T.O dated 31st March 2015

The Energy Audit to be carried out during FY 2015-16 and report to be submitted to the Commission.

Compliance vide present petition

The energy audit will be carried out during FY 2015-16 and report of energy audit will be submitted after completion of FY 2015-16.

Comments of Commission

The report should be submitted by May 2016.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for MPSEZ Utilities Pvt. Ltd. (MUPL) for FY 2016-17, as shown in the Table below:

Approved ARR for MUPL for FY 2016-17

(Rs. Crore)

Sl. No.	Particulars	2016-17
1	Power Purchase Expenses	141.71
2	O&M Expenses	7.5
3	Depreciation	5.77
4	Interest on Long Term Loans	6.48
5	Interest on Security Deposit	4.48
6	Interest on Working Capital	0
7	Provision for bad debts	0
8	Contingency Reserve	0.63
9	Income Tax	0.13
10	**Revenue Expenditure**	**166.70**
11	Return on Equity @14%	4.99
12	Less: Non-Tariff Income	0.1
13	**ARR**	**171.59**

The retail supply tariffs for MUPL for FY 2016-17 determined by the Commission are annexed to this order.

This order shall come into force with effect from the 1st April, 2016. The revised rate shall be applicable for the electricity consumption from the 1st April, 2016 onwards.

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

Place: Gandhinagar
Date: 31/03/2016

ANNEXURE: TARIFF SCHEDULE

Tariff Schedule for Adani Ports and SEZ Ltd License area of MPSEZ Utilities Pvt. Ltd.

Effective from 1st April, 2016

General Conditions

1. This tariff schedule is applicable to all the consumers of MUPL in License area of Mundra SEZ.

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

3. The meter charges shall be applicable as prescribed under GERC's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation, 2005.

4. The energy bills shall be paid by the consumer within 10 days from the date of billing, failing which the consumer shall be liable to pay the delayed payment charges @15% p.a. for the number of days from the due date of bill to the date of payment of bill.

5. 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's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation, 2005 will continue to apply.

7. The charges specified in the tariff are on monthly basis, MUPL shall adjust the rates according to billing period applicable to consumer.

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

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

10. 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).

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

12. Contract Demand shall mean the maximum KVA for the supply which MUPL undertakes to provide facilities to the consumer from time to time.

13. For computation of Fixed charges, they will be computed on 85 % of Contact Demand at Unity Power Factor or Actual whichever is higher on monthly basis

14. Maximum Demand in a month means the highest value of average KVA delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.

15. Payment of penal charges for usage in excess of contract demand/load for any billing period does not entitle the consumer to draw in excess of contract demand/load as a matter of right. The levy of penal charge is in addition to other rights of MPSEZ Utilities Private Limited under the provisions of the Electricity Act, 2003 and Regulations notified thereunder.

16. The Fixed charges, Minimum charges, Demand charges, Meter rent and the slabs of consumption of energy for Energy Charges mentioned shall not be subject to any adjustment on account of existence of any broken period within Billing Period arising from consumer supply being connected or disconnected any time within the duration of Billing Period for any reason.

17. The 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.

18. These rates are exclusive of Electricity Duty, Tax on sale of electricity, Customs duty, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time in which are payable by consumers, in addition to the charges levied as per the tariff.

19. 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 MUPL shall be entitled to take any other action deemed necessary and authorized under the Act.

20. Prompt payment discount on the total bill excluding all types of levies, duties or taxes levied by the Government or any other competent authorities and meter rent but including fixed charges, energy charges and minimum charge may be allowed at the 1% rate for all tariff categories provided that the payment is made within 7 days of presentation of bill and that no previous amount is outstanding as on the date of the bill.

PART- I

SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE

(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)

1. RATE: Residential

This tariff is applicable to services for lights, fans and domestic appliances for heating, cooling, cooking, cleaning and refrigeration purposes, general load and motive power in residential premises.

1.1. FIXED CHARGE

(a)	Single Phase Supply	Rs. 30 per month per installation
(b)	Three Phase Supply	Rs. 45 per month per installation

1.2. ENERGY CHARGE

(i)	First 250 units consumed per month	320 Paise per Unit
(ii)	Remaining units consumed per month	370 Paise per Unit

1.3. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 1.1 above.

2. RATE: Commercial (Non Demand)

This tariff is applicable to services for lights, fans and appliances for heating, cooling cooking, cleaning and refrigeration purposes, general load and motive power in premises other than those requiring the power supply for the purposes not specified in any other LT categories, up to 6 kVA of connected load.

2.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per month per installation

2.2. ENERGY CHARGE

(i)	First 150 units consumed per month	370 Paise per Unit
(ii)	Remaining units consumed per month	395 Paise per Unit

2.3. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 2.1 above.

3. RATE: Commercial (Demand)

This tariff is applicable to lights, fans and appliances for heating, cooling, cooking, cleaning and refrigeration purposes, general load and motive power in premises other than those requiring the power supply for the purposes not specified in any other LT categories, having connected load of 6 kVA and above.

3.1. FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. Six kVA

3.2 ENERGY CHARGE

A flat rate of	270 Paise per Unit

3.3. POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

3.4. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 3.1 above.

4. RATE: Industrial (Non Demand)

This tariff is applicable up to 6 kVA of connected load in industrial premises (as defined under the Bombay Electricity Duty Act, 1958).

4.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per Month per installation

4.2. ENERGY CHARGE

(i)	First 150 units consumed per month	345 Paise per Unit
(ii)	Remaining units consumed per month	370 Paise per Unit

4.3. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 4.1 above.

5. RATE: Industrial (Demand)

This tariff is applicable to 6 KVA and above of connected load in industrial premises (as defined under the Bombay Electricity Duty Act, 1958), water works and pumping services operated by Local Authorities.

5.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR
ii. Eighty – five percent of the Contract Demand OR
iii. Six kVA

5.2 ENERGY CHARGE

A flat rate of	270 Paise per Unit

5.3. POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

5.4. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 5.1 above.

6. RATE: Street Lights

Applicable to lighting systems for illumination of public roads.

6.1. ENERGY CHARGE

A flat rate of	320 Paise per Unit

7. RATE: Temporary

This tariff is applicable to installations for temporary requirement of electricity supply. A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

7.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:
- i. Actual Maximum Demand established during the month OR
- ii. Eighty – five percent of the Contract Demand.

7.2 ENERGY CHARGE

A flat rate of	345 Paise per unit

7.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

7.4. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 7.1 above.

PART- II

SUPPLY DELIVERED AT HIGH VOLTAGE

(11000 VOLTS AND ABOVE - THREE PHASE, 50 HERTZ)

8. RATE: HTMD - 1

This tariff is applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT categories.

8.1 FIXED CHARGE

A) For the Billing Demand of customer having

a. Contract demand up to 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor or one hundred KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

b. Contract demand above 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100% load factor	110 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR
ii. Eighty – five percent of the Contract Demand OR
iii. One hundred kVA.

8.2 ENERGY CHARGE

For entire consumption during the month	
up to 500 kVA of the contract demand	310 Paise per unit
Above 500 kVA of the contract demand	350 Paise per unit

8.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

8.4 REBATE FOR SUPPLY AT EHV

Sl. No.	On Energy Charges	Rebate @
1	If supply is availed at 11 KV	0.0%
2	If supply is availed at 33 KV	1.0%
3	If supply is availed at 66 KV and above	2.0%

8.5. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 8.1 above.

9. RATE: HTMD -II

This tariff is Applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above 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.

9.1 FIXED CHARGE

A) For Billing Demand up to and including the Contract Demand

Computed on 85 % of Contact Demand at u.p.f or Actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	100 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. One hundred kVA

9.2 ENERGY CHARGE

A flat rate of	445 Paise per unit

9.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average Power Factor during the Billing period exceeds 90%

For each 1% improvement in the Power Factor from 90% to 95%	Rebate of 0.15 Paise per Unit
For each 1% improvement in the Power Factor above 95%	Rebate of 0.27 Paise per Unit

B) Where the average Power Factor during the Billing period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

9.4 REBATE FOR SUPPLY AT EHV

Sl. No.	On Energy Charges	Rebate @
1	If supply is availed at 11 KV	0.0%
2	If supply is availed at 33 KV	1.0%
3	If supply is availed at 66 KV and above	2.0%

9.5. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 9.1 above.