GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Determination of ARR for FY 2019-20 and FY 2020-21

and Determination of Tariff for FY 2019-20

For

GIFT Power Company Limited

(GIFT PCL)

Case No. 1777 of 2019

31st July, 2019

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GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administrative and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	The period from FY 2016-17 to FY 2020-21
DISCOM	Distribution Company
EA	Electricity Act, 2003
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Asset
GIFT PCL	GIFT Power Company Ltd.
GoG	Government of Gujarat
HT	High Tension
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
MCLR	Marginal Costs of Fund based Lending Rate
MUs	Million Units
MVA	Megavolt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
p.a.	Per Annum
PPA	Power Purchase Agreement
RoE	Return on Equity
R&M	Repairs and Maintenance

SBI	State Bank of India
SLC	Service Line Contributions
SLDC	State Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1777 of 2019

Date of Order: 31/07/2019

CORAM

Shri Anand Kumar, Chairman

Shri K. M. Shringarpure, Member

Shri P.J. Thakkar, Member

ORDER

1 Background and Brief History

1.1 Background

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner') has filed the present Petition under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as the GERC (MYT) Regulations, 2016, for determination of Aggregate Revenue Requirement (ARR) for FY 2019-20 and FY 2020-21 and determination of tariff for FY 2019-20 for its distribution business at GIFT Supply area on 31st December, 2018.

Gujarat Electricity Regulatory Commission (hereinafter referred to as GERC or the Commission) notified the GERC (MYT) Regulations, 2016 on 29th March, 2016, which is applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 19 of the GERC (MYT) Regulations, 2016 provides for submission of detailed application of Aggregate Revenue Requirement (hereinafter referred to as ARR) for the Control Period, i.e., FY 2016-17 to FY 2020-21, with the detailed adequate justification for various components of ARR to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

The Petition was registered on 7th January, 2019 after technical validation and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2 GIFT Power Company Limited

GIFT PCL, a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited, is a Distribution Licensee for the supply of electricity in the GIFT City area of around 886 acres of land, which includes both Special Economic Zone (SEZ) area of 261 acres and Domestic Tariff Area (DTA) of 625 acres.

The Commission granted the second licence to the Petitioner for distribution of electricity in the said area of the existing Licensee, viz., Uttar Gujarat Vij Company Limited (UGVCL) vide Order dated 6th March, 2013 in Licence Application No. 1 of 2012. The Petitioner was incorporated primarily to cater to the power requirement of GIFT City.

1.3 Commission's Order for Approval of ARR and Tariff for FY 2018-19

The Petitioner filed its Petition for Approval of ARR for FY 2018-19 and determination of Retail Supply Tariff for FY 2018-19 on 6th March, 2018. The Petition was registered on 14th March, 2018 under Case No. 1710 of 2018. The Commission vide Order dated 3rd December, 2018 approved the ARR for FY 2018-19 and determined the tariff for FY 2018-19.

1.4 Background of the Present Petition

Regulation 19.1 of the GERC (MYT) Regulations, 2016 provides that:

> *"The Applicant shall submit the forecast of Aggregate Revenue Requirement for the entire Control Period and tariff proposal for the second year of the Control Period, in*

such manner, and within such time limit as provided in these Regulations and accompanied by such fee payable, as may be specified under the Gujarat Electricity Regulatory Commission (Fees, Fines and Charges) Regulations, 2005, as amended from time to time".

Regulations 19.2 of the GERC (MYT) Regulations, 2016 provides that

"The Applicant shall develop the forecast of Aggregate Revenue Requirement using the assumptions relating to the behaviour of individual variables that comprise the Aggregate Revenue Requirement during the Control Period, including inter-alia detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets, in accordance with guidelines and formats, as may be prescribed by the Commission from time to time".

In the Order dated 3rd December, 2018 in Case No. 1710 of 2018, the Commission directed GIFT PCL to submit the ARR and Tariff Petition for the remaining period of the third MYT Control Period.

1.5 Registration of the Current Petition and Public Hearing Process

GIFT PCL has submitted the current Petition for approval of ARR for FY 2019-20 and FY 2020-21 and determination of tariff for FY 2019-20 on 31st December,2018 after technical validation. The Petition was registered on 7th January,2019 (Case No. 1777 of 2019) 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, the Commission directed GIFT PCL to publish its application in an abridged form in the newspapers to ensure due public participation.

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

Table 1.1 List of Newspapers in which public notice was published

Sl. No.	Name of Newspaper	Language	Date of Publication
1	The Economic Times	English	16.01.2019
2	Sandesh	Gujarati	16.01.2019

The Petitioner also placed the Public Notice and the Petition on its website (www.giftgujarat.in), for inviting objections and suggestions. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition on or before 15th February,2019.

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

The Commission has not received any objections / suggestions from consumers / consumer organizations on the petition before or even after the due date of 15th February, 2019. Hence, no public hearing was conducted.

1.6 Contents of this Order

The Order is divided into **eighth Chapters** as detailed under: -

1. The **first Chapter** provides a brief background regarding the Petitioner, the Petition on hand and details of the Public Hearing process and approach adopted in this Order.
2. The **second Chapter** outlines the summary of GIFT PCL's Petition.
3. The **third Chapter** deals with the determination of ARR for FY 2019-20 and FY 2020-21.
4. The **fourth Chapter** deals with the determination of tariff for FY 2019-20.
5. The **fifth Chapter** deals with compliance of directives and issue of fresh directives.
6. The **sixth Chapter** deals with FPPPA charges.
7. The **seventh Chapter** outlines the Wheeling Charges and Cross-Subsidy Surcharge.
8. The **eighth Chapter** deals with tariff philosophy and tariff proposals.

1.7 Approach of this Order

GIFT PCL has submitted the current Petition for approval of ARR for FY 2019-20 and FY 2020-21 and determination of Retail Supply Tariff for FY 2019-20.

The Commission has approved the ARR for the remaining years of the Control Period, in considering the GERC (MYT) Regulations, 2016 and its amendments thereof as the base.

The Commission has taken into consideration the clarifications/additional information sought and received from the Petitioner, for finalizing the Order for FY 2019-20.

Determination of Tariff for FY 2019-20 have been considered as per the GERC (MYT) Regulations, 2016, and amendments thereof as the base.

2 Summary of GIFT PCL's Petition

2.1 Introduction

GIFT PCL submitted the current Petition, seeking approval of ARR for FY 2019-20 and FY 2020-21. The Petitioner has also submitted the tariff proposal for FY 2019-20, based on proposed Revenue Gap for FY 2019-20.

2.2 ARR for FY 2019-20 and FY 2020-21

GIFT PCL has sought approval for projected Aggregate Revenue Requirement for FY 2019-20 and FY 2020-21 as shown in the Table below:

Table 2.1: Summary of ARR for FY 2019-20 and FY 2020-21 as projected by GIFT PCL (Rs. Crore)

Particulars	2019-20	2020-21
Power Purchase Expenses*	15.64	21.73
Operation and Maintenance Expenses	2.95	3.11
Depreciation	5.88	7.70
Interest & Finance Charges	6.31	7.71
Interest on Security Deposit	0.35	0.41
Interest on Working Capital	-	-
Bad Debts written off	-	-
Contribution to Contingency Reserves	0.39	0.77
Total Revenue Expenditure	**31.51**	**41.42**
Return on Equity Capital	4.78	6.23
Income Tax	-	-
Aggregate Revenue Requirement	**36.29**	**47.65**
Less: Non-Tariff Income	0.32	0.35
Aggregate Revenue Requirement	**35.97**	**47.30**

Note: As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

2.3 ARR, Revenue at Existing Tariff, Revenue Gap and Tariff Proposal for FY 2019-20

The Table below summarises the proposed ARR claimed by GIFT PCL, revenue from sale of power from existing tariff and the Revenue Gap estimated for FY 2019-20:

Table 2.2: Revenue Gap/(Surplus) of GIFT PCL for FY 2019-20 (Rs. Crore)

Particulars	2019-20
ARR for FY 2019-20	35.97*
Revenue from existing tariff for FY 2019-20	24.09
Revenue Gap/(Surplus) to be recovered through tariff in FY 2019-20	11.88

Note: * As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

2.4 GIFT PCL's Prayers to the Commission

a) Admit the Petition for Aggregate Revenue Requirement for FY 2019-20 and FY 2020-21 and determination of retail tariff for FY 2019-20.
b) Approve base FPPPA as proposed by the Petitioner.
c) Approve Wheeling ARR and corresponding charges for wheeling of power.
d) Approve Cross-Subsidy Surcharge and additional surcharge, if any.
e) Approve Tariff schedule along with the new slab in category under LTMD as proposed by the Petitioner.
f) Approve the Petition fee of Rs. 1.00 Lakh (Rs. One Lakh) only instead of normal Petition fee, as per existing Regulations, as the Petitioner is a small Licensee and development is in nascent stage and business volume is very small at present. If the Commission can approve the same, the same would be a relief for the Petitioner and that will reduce the A&G cost as well as reduce the tariff for the consumers of the Petitioner.
g) Allow additions/alternations/charged modification to the application at a future date.
h) Allow any other relief, order or direction, which the Commission deems fit to be issued.
i) 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 Determination of ARR for FY 2019-20 and FY 2020-21

3.1 Background

The Petitioner has sought approval of ARR for FY 2019-20 and FY 2020-21, i.e., 4th and 5th year of the MYT Control Period.

The Commission has analysed the proposal of GIFT PCL taking into consideration the GERC (MYT) Regulations, 2016 and other relevant Regulations which include the GERC (Conduct of Business) Regulations, 2004, RPO Regulations, etc.

3.2 Energy Sales

Petitioner's Submission

Past Energy Sales

GIFT City is developed on 886 acres of land near Gandhinagar, and GIFT PCL holds a Distribution Licence for the same. The licence area of the Petitioner is being gradually developed as a financial/commercial hub. The SEZ and Non-SEZ Area of the GIFT city are still in the development phase. GIFT City Master Plan facilitates Multi Services SEZ with International Financial Service Centre (IFSC) status, approved by Government of India. The total allotted Built-up Area (BUA) is around 14.5 mn.sq.ft.(msf) out of which 2.70 msf BUA is already constructed, while work is in progress in 2.2 msf area and around 9.6 msf area is in planning stage. Therefore, it would be very difficult to project the demand and sales precisely for the initial phase of development.

The growth of energy sales in the past has been analysed. The overall energy sales growth (CAGR) was around 51% from FY 2015-16 to FY 2017-18 as the operations were in the initial phase. However, substantial increase (growth of 59.69%) in energy sales has been observed in FY 2018-19. The details of category-wise growth rate is given in the Table below:

Table 3.1: Past Years' Energy Sales in GIFT PCL (MUs)

Consumer Category	2015-16	2016-17	2017-18	2-year CAGR
LT Category				
GLP	0.09	0.126	0.17	41.00%
LTMD	1.00	1.96	2.53	58.74%
Non-RGP	0.25	0.47	0.71	68.57%

Consumer Category	2015-16	2016-17	2017-18	2-year CAGR
Street Lighting	0.38	0.34	0.39	0.91%
Temporary	0.31	0.68	1.10	87.38%
HT Category				
HTP I	3.95	4.51	9.23	52.88%
HTP III	0.34	0.43	0.35	2.04%
Total	**6.33**	**8.52**	**14.50**	**51.00%**

Approach for Projecting Energy Sales

The licence area is a green field project which is under development. Therefore, the conventional methodology of projecting future energy sales on the basis of past data would not be appropriate for GIFT PCL area. The Petitioner has carefully studied the trends of past sales during FY 2017-18 and FY 2018-19 in various tariff categories and estimated the energy consumption for FY 2019-20 and FY 2020-21 based on upcoming new buildings/establishments in the licence area.

Number of Consumers and Connected Load

Most of the consumers primarily belong to financial/commercial service providers, Common Utility services, and commercial bulk consumers of HTP-I category. The consumer base of other categories would be relatively small.

The number of consumers, connected load and energy sales as projected by GIFT PCL for FY 2019-20 and FY 2020-21, based on various projects currently in progress, inputs collected from the Developer of SEZ and Non-SEZ area about prospective clients, and details of plots allotted so far in SEZ and Non-SEZ area, are shown in the following Tables:

Table 3.2: Category-wise Number of consumers, Connected Load and Energy Sales projected by GIFT PCL for FY 2019-20

Category	No. of Consumers	Connected Load (kVA)	Energy Sales (MUs)
LT Category			
RGP	352	1094	0.38
Non RGP	318	2091.74	1.96
LTMD	82	6866.71	14.04
GLP	3	109.99	0.31

Category	No. of Consumers	Connected Load (kVA)	Energy Sales (MUs)
Street Light	18	162.76	0.58
Temporary	63	1160.90	1.69
Sub-total	**836**	**11486.09**	**18.95**
HT Category			
HTP-I	7	6280.77	12.51
HTP-III	3	292.45	0.54
Sub-total	**10**	**6573.22**	**13.06**
TOTAL	**846**	**18059.31**	**32.01**

Table 3.3: Category-wise Number of Consumers, Connected Load and Energy Sales projected by GIFT PCL for FY 2020-21

Category	No. of Consumers	Connected Load (kVA)	Energy Sales (MUs)
LOW TENSION			
RGP	435	1094	0.54
Non RGP	446	2872.76	2.75
LTMD	114	9312.33	19.76
GLP	4	144.88	0.44
Street Light	20	214.39	0.81
Temporary	88	1529.20	2.37
Sub-total	**1107**	**15167.57**	**26.67**
HIGH TENSION			
HTP-I	10	8273.37	17.61
HTP-III	4	385.23	0.77
Sub-total	**14**	**8658.60**	**18.37**
TOTAL	**1121**	**23826.17**	**45.04**

Commission's Analysis

The Commission has noted the category-wise energy sales projected by the Petitioner for FY 2019-20 and FY 2020-21. As energy sales are difficult to predict given that the SEZ is still under the development stage, the Commission is of the view that the Licensee is in the best position to judge the sales growth, and hence, accepts the category-wise sales as projected by GIFT PCL, as shown in the Table below:

Table 3-4: Energy Sales approved by the Commission for MUPL for FY 2019-20 and FY 2020-21 (MUs)

Category	2019-20	2020-21
LT Category		
RGP	0.38	0.54
Non RGP	1.96	2.75
LTMD	14.04	19.76
GLP	0.31	0.44
Street Light	0.58	0.81
Temporary	1.69	2.37
Sub-total	**18.95**	**26.67**
HT Category		
HTP-I	12.51	17.61
HTP-III	0.54	0.77
Sub-total	**13.06**	**18.37**
TOTAL	**32.01**	**45.04**

3.3 Distribution Losses

Petitioner's Submission

The Petitioner's licence area primarily hosts the financial and commercial service providers where availability of 24x7 quality power is crucial for their business. Considering the type of consumers and their requirement, the Petitioner has created state-of-art power distribution network in the SEZ and Non-SEZ area, which is spread over an area of 886 acres. The Petitioner has considered N-1 network redundancy at all levels for higher power reliability and availability to consumers in the licence area.

The actual power purchase and corresponding energy sales reveal that the Distribution Losses in the GIFT PCL area are reducing gradually from ~7% to ~5.5% in the past 2 financial years. The financial and commercial industries are load sensitive and require to maintain adequate contracted load from the beginning.

Considering the anticipated demand and the need to ensure N-1 redundancy, GIFT PCL has installed the transformers and related distribution infrastructure of desired capacity at the outset. As a result, the transformer and distribution assets remain under-loaded/unutilised in initial phase leading to higher Distribution Losses. However, as the occupancy of existing building increases/new buildings come up, the Distribution Losses shall decrease gradually. In view of the above, the Petitioner has projected the Distribution Loss level at 5.5% for FY 2019-20 and FY 2020-21.

Commission's Analysis

The Commission asked GIFT PCL to submit the actual Distribution Loss level for FY 2018-19. GIFT PCL submitted the data up to February 2019 vide e-mail dated 3rd April, 2019 as shown in the Table below:

Table 3.5: Provisional Distribution Losses till Feb 2019 as submitted by GIFT PCL (MUs)

Input Energy	Sales	Distribution Losses	Distribution Losses (%)
16.86	16.02	0.84	4.98%

Since the network is still being developed to serve the consumers who will set up Units in the licence area, the network may remain under-utilized in the initial years. The power transformers and distribution assets would be under-loaded till the load develops, thereby incurring higher no-load losses. Since all the consumers are metered and the licensee has indicated provisional Distribution Losses by subtracting the energy consumed from energy input, **the Commission approves the estimated Distribution Losses of 5.50% for FY 2019-20 and FY 2020-21, same as licensee proposal for FY 2018-19, which will be trued up after getting actual figures.**

3.4 Energy Requirement

Petitioner's Submission

The Petitioner has computed the energy requirement for FY 2019-20 and FY 2020-21 considering projected energy sales and projected distribution losses for the year, in the licence area as shown in the Table below:

Table 3.6: Energy Requirement projected by GIFT PCL for FY 2019-20 and FY 2020-21 (MUs)

Particulars	2019-20	2020-21
Energy Sales to End Consumer (considering all consumers)	32.01	45.04
Distribution Losses (%)	5.50%	5.50%
Distribution Losses	1.86	2.62
Energy Requirement at the periphery of GIFT PCL	**33.87**	**47.67**

Commission's Analysis

Based on the approved energy sales approved in Table 3.4 and approved Distribution Losses of 5.50%, the Commission computes the energy requirement for GIFT PCL for FY 2019-20 and FY 2020-21, as shown in the Table below:

Table 3.7: Energy Requirement approved for GIFT PCL for FY 2019-20 and FY 2020-21 (MUs)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Energy Sales	32.01	32.01	45.05	45.04
Distribution Losses (%)	5.50%	5.50%	5.50%	5.50%
Distribution Losses	1.86	1.86	2.62	2.62
Energy Input at Distribution Level	**33.87**	**33.87**	**47.67**	**47.67**

3.5 Energy Availability and Power Purchase Cost

Petitioner's Submission

The Petitioner has observed peak demand requirement as high as 4.856 MVA and average demand of 2.154 MVA during FY 2018-19. However, considering the profile of the consumers, the Petitioner has to keep the power procurement at peak demand level at all time. It is necessary for the Petitioner to provide reliable and quality power supply without any intervention.

Further, in accordance with the Commission's directions in the Tariff Order dated 3rd December,2018 in Petition No. 1710 of 2018 for FY 2018-19, the Petitioner has taken the necessary steps for procurement of power on long-term/medium-term basis based on competitive bidding process as per the Guidelines issued by the Ministry of Power. With the view to reducing the power procurement cost, the Petitioner is planning to procure power from PTC India Ltd on medium-term basis.

The Petitioner has proposed to meet most of its medium-term power requirement up to 18.01 MVA and 23.82 MVA during FY 2019-20 and FY 2020-21, respectively, through PTC India Ltd. However, the short-term power requirements shall be met by entering into short-term Power Purchase Agreement (PPA) with UGVCL. The proposed Contract Demand with UGVCL will be maintained at 2000 kVA.

With the development of demand and certainty of the consumer load, the Petitioner will arrange for long-term tie-up through competitive bidding. The Petitioner submitted that it has envisaged the rate of power purchase from PTC India Ltd. based on prevailing market rate, which may be approximately Rs 4.00/ kWh for FY 2019-20 and FY 2020-21, at GIFTPCL end including the transmission charges, losses, and trading margin of trader. The power procurement through UGVCL is envisaged at Rs 8.74/kWh and Rs 8.12/kWh for FY 2019-20 and FY 2020-21, respectively, considering demand charges @Rs 350/kVA per month for 2000 kVA, energy charges at Rs 4.55/ kWh, and FPPPA charges @Rs 1.71/kWh.

Renewable Power Purchase Obligation (RPO)

The Petitioner submitted that the RPO level specified by the Commission for FY 2019-20 and FY 2020-21 is as given in the Table below:

Table 3.8: RPO notified by the Commission for FY2019-20 and FY 2020-21

Particulars	2019-20	2020-21
Solar	5.50%	6.75%
Non-Solar	8.80%	8.90%

The Petitioner submitted that it is planning to meet the RPO by procuring Renewable Energy Certificates (RECs) from the Power Exchange. Accordingly, the REC procurement cost for Solar and Non-Solar during FY 2019-20 and FY 2020-21 is envisaged at the floor price of Rs 1.00 /kWh. The RPO is considered on energy purchase through PTC India Ltd. and from UGVCL under PPA. As UGVCL will be supplying power under PPA rather than as supplying to a general consumer, RPO has been considered on UGVCL supply also.

Further, the Petitioner had projected the total power procurement cost for FY 2019-20 and FY 2020-21 as Rs. 15.49 Crore and Rs. 20.35 Crore, respectively, at an average cost of Rs 4.57/kWh and Rs 4.27/kWh, respectively. The power purchase cost was projected differently in the Formats submitted by the Petitioner along with the Petition. In response to the Commission's query, the Petitioner vide its reply dated April 3, 2019 has revised the power procurement cost for FY 2019-20 and FY 2020-21 to Rs. 15.64 Crore and Rs. 21.73 Crore, respectively, at an average cost of Rs 4.62/kWh and Rs 4.56/kWh, respectively.

The details of the revised power procurement cost projected by the Petitioner are given in the Table below:

Table 3.9: Power Procurement Quantum & Cost projected by GIFT PCL for FY 2019-20 and FY 2020-21

Particulars	Energy Quantum (MUs)		Rate (Rs/kWh)	Amount (Rs. Crore)	
	2019-20	2020-21		2019-20	2020-21
PTC	30.49	42.90		12.19	17.16
UGVCL	3.39	4.77		2.96	3.82
			Demand charges for 2 MVA @Rs 350/kVA per month	0.84	0.84
			Energy charges @ Rs 4.55/kWh, FPPPA charges @ Rs 1.71/kWh (without considering impact of TOD charges)	2.12	2.98
Solar REC	1.86	3.22	REC cost @ Rs 1 /kWh	0.19	0.32
Non-Solar REC (for wind and others)	2.98	4.24	REC cost @ Rs 1 /kWh	0.30	0.42
Total				**15.64**	**21.73**

Commission's Analysis

The Petitioner has proposed to procure majority of power from PTC India Ltd. on medium-term basis. It has also proposed to execute PPA with UGVCL on short-term basis as an alternative arrangement.

The Commission accepts the quantum of power purchase from UGVCL as proposed by the Petitioner. The Commission also considers the purchase from PTC India Ltd., as the balance energy requirement, after considering the purchase from UGVCL and the Renewable Energy purchase through competitive bidding.

The RPO targets approved by the Commission as per the GERC (Procurement of energy from renewable sources) (second amendment) Regulations, 2018 for FY 2019-20 and FY 2020-21 are as follows:

Table 3-10: RPO Target approved by the Commission for MUPL

Description	FY 2019-20	FY 2020-21
Solar	5.50%	6.75%
Wind	8.05%	8.15%
Others (Biomass, Small Hydro, Bagasse, MSW)	0.75%	0.75%
RPO	**14.30%**	**15.65%**

The quantum of purchase from Wind Energy sources and Solar Energy sources is considered in accordance with the above RPO targets.

In case of procurement from PTC for FY 2019-20 and FY 2020-21, the Petitioner has considered the rate of Rs. 4.00 per unit, which is accepted by the Commission.

For the short-term power procurement from UGVCL, the Commission has considered the Energy Rate of Rs. 4.55/kWh as proposed by GIFT PCL based on the offer received from UGVCL, and the Base FPPPA rate as Rs. 1.61/kWh as per the UGVCL Tariff Order dated 24th April, 2019 in Case No. 1759 of 2018.

The Commission considers the cost of purchase of Renewable power to meet the RPO requirement at the lowest competitive bid rates discovered recently by GUVNL for solar and wind projects in Gujarat and as submitted by them in their MTR Petitions. The Petitioner should procure all additional Renewable Power Requirement through competitive bidding, to ensure that the power purchase cost is optimised. The break-up of source-wise power purchase cost approved by the Commission for FY 2019-20 and FY 2020-21 is shown in the Table of below:

Table 3.11: Approved Power Purchase Quantum and Cost for FY 2019-20 and FY 2020-21

Power Purchase Source	2019-20			2020-21		
	Energy Received (MUs)	Unit/Cost (Rs. /kWh)	Total Cost of power Purchase (Rs. Crore)	Energy Received (MUs)	Unit/Cost (Rs. /kWh)	Total Cost of power Purchase (Rs. Crore)
PTC India Ltd.	25.64	4.00	10.26	35.44	4.00	14.18
UGVCL Short-term PPA	3.39	8.57	2.90	4.77	7.87	3.75
Solar RPO	1.86	2.66	0.50	3.22	2.54	0.82

Power Purchase Source	2019-20			2020-21		
	Energy Received (MUs)	Unit/Cost (Rs. /kWh)	Total Cost of power Purchase (Rs. Crore)	Energy Received (MUs)	Unit/Cost (Rs. /kWh)	Total Cost of power Purchase (Rs. Crore)
Non-Solar RPO	2.98	2.44	0.73	4.24	2.44	1.04
Total	**33.87**	**4.25**	**14.38**	**47.67**	**4.15**	**19.78**

3.6 Fixed Charges

3.6.1 Operation and Maintenance (O&M) Expenses

Petitioner's Submission

The Commission vide its Order dated 3rd December, 2018 in Petition No. 1710 of 2018, approved O&M Expenses for FY 2018-19 as shown in the Table below:

Table 3.12: O&M Expenses approved by the Commission for FY 2018-19 (Rs. Crore)

Particulars	2018-19 (proposed)	2018-19 (approved)
Employee Expenses	1.53	1.29
Repairs & Maintenance Expenses	0.49	0.28
Administrative & General Expenses	0.19	0.22
O&M Expenses	**2.21**	**1.79**

The Commission has approved the normative O&M Expenses for FY 2018-19 in accordance with the provisions of the GERC (MYT) Regulations, 2016. In the above-said Petition, the Petitioner had submitted the actual O&M Expenses up to 2017-18, which is significantly higher than the normative O&M Expenses approved by the Commission. Further, the O&M Expenses in initial years are lower as the business has just commenced. The R&M Expenses increase due to maintenance of substation and distribution network being outsourced to third party, with the responsibility of reliability and quality power supply. The Petitioner has submitted that the lower approval of O&M Expenses may affect the operations of the Licensee in providing service to the consumers.

The Petitioner added that it is in the nascent stage of functioning where it requires to provide reliable and quality services and certain number of employees with necessary infrastructure, towards which Administrative & General (A&G) Expenses are required to be incurred. The

Commission derived O&M Expenses for FY 2018-19 based on consideration of O&M Expenses of FY 2013-14 to FY 2015-16 and average O&M Expenses were escalated @5.72%, which results in lower O&M Expenses. Hence, the Petitioner requested the Commission to consider the actual O&M Expenses of FY 2017-18 as the base expenses and allow O&M Expenses considering escalation of 5.72%.

The introduction of Goods & Service Tax (GST) from 1st July, 2017 has also impacted the Repair & Maintenance (R&M) Expenses and A&G Expenses, which may need to be considered by the Commission.

The O&M Expenses proposed by the Petitioner for FY 2019-20 and FY 2020-21 is shown in the Table below:

Table 3.13: O&M Expenses proposed by GIFT PCL for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2017-18 (Actual)	2018-19 (Normative)	2019-20 (normative)	2020-21 (Normative)
Employee Expenses	1.68	1.78	1.88	1.99
R&M Expenses	0.59	0.62	0.66	0.69
A&G Expenses	0.37	0.39	0.41	0.43
O&M Expenses	**2.64**	**2.79**	**2.95**	**3.12**

Commission's Analysis

The Commission has examined the O&M Expenses projected by GIFT PCL for FY 2019-20 and FY 2020-21. Regulations 86.2 and 94.8 of the GERC (MYT) Regulations, 2016 specify the method of allowing normative O&M Expenses for the MYT Control Period, as reproduced below:

"*94.8. Operation and Maintenance expenses:*

a) The Operation and Maintenance expenses shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2015, subject to prudence check by the Commission.

b) The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2014 and shall be escalated year on year at the escalation factor of 5.72% to arrive at operation and maintenance expenses for subsequent years up to FY 2020-21:

Provided that in case the Distribution Licensee has been in operation for less than three (3) years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on case to case basis.”

In the Tariff Order dated 3rd December, 2018, the Commission, while approving the normative O&M Expenses for FY 2018-19, stated as under:

“In case of GIFT PCL, the O&M Expenses for FY 2012-13 are NIL as the operations had not commenced in the said year. Therefore, considering the jurisprudence of the GERC (MYT) Regulations, 2016, the O&M Expenses for the three years ending 31st March, 2016 are averaged out for FY 2014-15, and further escalated year on year at escalated factor of 5.72% to arrive at O&M Expenses for FY 2018-19.”

For projecting the O&M Expenses for FY 2019-20 and FY 2020-21, the Commission has considered the same methodology as adopted by the Commission in the earlier Order dated 3rd December, 2018 in Case No. 1710 of 2018, and has escalated the normative O&M Expenses for FY 2018-19 @ 5.72% to arrive at the normative O&M Expenses for FY 2019-20 and 2020-21, as shown in the Table below:

Table 3.14: O&M Expenses approved for GIFT PCL for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Normative	Projected	Normative
Employee Expenses	1.88	1.36	1.99	1.44
R&M Expenses	0.66	0.29	0.69	0.31
A&G Expenses	0.41	0.23	0.43	0.25
O&M Expenses	**2.95**	**1.89**	**3.12**	**2.00**

3.6.2 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner’s Submission

GIFT City is the first operational smart city of India, with the first International financial centre of India in GIFT SEZ. International Exchanges, data centres, International banking units, brokers’ offices, banking units with back office works, and IT & ITES units are operational in GIFT SEZ and the Domestic Tariff Area (DTA). All these units are working almost 24x7. The number of such units are increasing, due to supportive policies of Central and State Governments for financial activities and IT & ITES units. The availability of quality and reliable power to such unit holders would be the most important element for successful development of GIFT City.

In view of this, Petitioner has established state-of-the-art distribution network along with built-in redundancies for ensuring uninterrupted quality power to the unit holders in GIFT SEZ and DTA, which is part of GIFT PCL licence area.

Being green field project, GIFT PCL has to develop all the facilities initially, because no facility is available in the area. As GIFT PCL has to serve limited area for power distribution and limited land is available, so sizing of plants is critical. The Petitioner has to take in to account size of plants that should be optimum and development of plants should have flexibility of modular expansion. In initial years, it is necessary to lay down the supply network to provide power to the consumers such that the demand of power supply is met within short time as the Petitioner is under Universal Service Obligation to provide the power supply. The higher cost of providing HT/LT network has to be borne by the Petitioner in initial years.

The Petitioner has submitted that the actual capital expenditure / capitalization during FY 2017-18 and 2018-19 are higher than that approved by the Commission in its Order dated 3 December, 2018 in Petition No. 1710/2018, which are reproduced as below:

Table 3.15: Capital Expenditure for FY 2017-18 and FY 2018-19 approved by the Commission (in Rs. Crore)

Particulars	2017-18	2018-19
Opening GFA	59.63	67.31
Building and Civil Work	0.00	0.00
Furniture	0.00	0.00
Plant & Machinery	7.68	11.04
Add: Capitalisation during the year	**7.68**	**11.04**
Closing GFA	67.31	78.35

The Petitioner has projected capitalization for FY 2019-20 and FY 2020-21 as under, based on the anticipated load growth in the licence area, as construction activities have picked up during FY 2018-19:

Table 3.16: Capitalisation for FY 2019-20 and FY 2020-21 as proposed by Petitioner (Rs. Crore)

Particulars	2018-19	2019-20	2020-21
Opening GFA	67.31	82.99	147.64
Building and Civil Work	0.00	1.75	0.00
Furniture	0.00	0.00	0.00
Plant & Machinery	15.68	62.90	4.31
Add: Capitalisation during the year	15.68	64.65	4.31
Closing GFA	82.99	147.64	151.95

The Petitioner has requested the Commission to approve Capitalisation as proposed above.

Capital Expenditure Roll Out Plan

The petitioner has developed Infrastructure for EHV connectivity from source substation for conversion at distribution voltage (33 kV and 11 kV) and last mile connectivity along with distribution feeder and aligned infrastructure. Infrastructure inside the building for power distribution is not developed by GIFT PCL. Internal building distribution network comprises of incomer HT panels, HT cables, distribution transformers, LT panels and LT distribution network. All these infrastructure are designed by developer of building as per guidelines of design approved by GIFT PCL. Network is approved by GIFT PCL for prudence, and after installation it is checked by GIFT PCL, before charging of network. The network is maintained by the developer, and the Petitioner has not considered the book value of such network in capex and operating expenses of GIFT PCL.

The Petitioner has submitted the proposed Capex plan as follows:

FY 2019-20

The Petitioner submitted that all the works pending from FY 2018-19, as proposed in Petition No 1710/2018 by the Petitioner, will be completed in FY 2019-20, like substation augmentation, power distribution network extension for block 53, Infibeam, etc.

The Petitioner submitted that new work planned during FY 2019-20 includes construction of store yard for material management and reactive power compensation facility for backup power arrangement, projected to cost Rs 1.00 Crore each.

The Petitioner added that it has considered capex towards cost of meter purchase, LT and HT cable purchase, and other small requirement based on customer requirement, however, no major new Capex is planned for FY 2019-20.

The proposed Capitalisation during FY 2019-20 is Rs. 64.65 Crore.

FY 2020-21

During FY 2020-21, 33 kV distribution network expansion for new building and some purchase for expansion of HT and LT network is planned, with no major Capex planned for this year.

The proposed Capitalisation during FY 2020-21 is Rs. 4.31 Crore.

The Petitioner submitted that the Gross Fixed Asset (GFA) at the beginning of FY 2018-19 is Rs 67.31 Crore as approved by the Commission in its Tariff Order dated 3 December, 2018. The additional capitalization proposed by the Petitioner during FY 2018-19, 2019-20 and 2020-21 is Rs 15.68 Crore, Rs. 64.65 Crore and 4.31 Crore, respectively. The capitalization during FY 2018-19 has been reviewed by the Petitioner and is almost the same as approved by the Commission (Rs 11.04 Crore).

The Petitioner has submitted that the distribution infrastructure is created to supply quality and reliable power to the last mile consumer coming to the GIFT area. Also, the Petitioner has Universal Service Obligation to supply electricity to the consumers. The area spread is around 861 acres consisting of GIFT SEZ and Non-SEZ area, which is also part of GIFT PCL. The proposed capital investment is necessary for ensuring reliable and quality power availability to its customers in the licence area. The Petitioner requested the Commission to approve the proposed capital expenditure and capitalization.

Commission's Analysis

The Petitioner has to provide the infrastructure in the licence area to meet the demand of its consumers. The network has to be developed in a planned manner to meet the demand as and when it comes up.

Considering the projected energy sales for FY 2019-20 and FY 2020-21, the Commission is of the view that the licensee may undertake capital expenditure so as to meet the need of the present and future load growth but at the same time it should also adhere to cost effective measures and do optimum investments. Accordingly, the Commission, therefore, finds it appropriate to consider capitalization for FY 2019-20 and FY 2020-21 as Rs. 11.04 Crore, i.e., same as approved by the Commission for FY 2018-19 in the Tariff Order dated 3rd December, 2018 in Case No. 1710 of 2018.

Accordingly, the Commission approves the Capex and Capitalisation for FY 2019-20 and FY 2020-21 as Rs. 11.04 Crore, as shown in the Table below:

Table 3.17: Approved Capital expenditure, Capitalisation and funding for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Petition	Approved	Petition	Approved
Opening GFA	82.99	78.35	147.64	89.39
Addition to GFA	64.65	11.04	4.31	11.04
Deletion from GFA	-	-	-	-
Closing GFA	147.64	89.39	151.95	100.43
SLC Addition	0.47	0.08	0.64	0.64
Capitalisation for Debt:Equity	64.18	10.96	3.67	10.40
Normative Debt @ 70%	44.92	7.67	2.57	7.28
Normative Equity@ 30%	19.39	3.29	1.29	3.12

This expenditure is being permitted to ensure the creation of infrastructure for adherence to Standards of Performance and Supply Code Regulations. However, a detailed statement of the capital expenditure incurred quarterly, the asset capitalized and added in the gross fixed assets up to 31.03.2020 and 31.03.2021 on different dates during the year and its funding pattern duly certified by the statutory auditor along with the Fixed Assets and Depreciation Register should be submitted for true-up of FY 2019-20 and FY 2020-21.

3.6.3 Depreciation

Petitioner's Submission

The Petitioner has computed depreciation on the fixed assets based on Straight Line Method (SLM) and at the rates prescribed in the GERC (MYT) Regulations, 2016. The Petitioner has considered the depreciation on the basis of gross fixed asset at the starting of financial year and additional capitalization proposed to be capitalized during the respective year as proposed under capex roll-out plan. The Petitioner has submitted the average of opening and closing value of asset based on projected commercial operation of asset addition during FY 2019-20 and FY 2020-21, and depreciation thereon, as shown in the Table below:

Table 3.18: Proposed Additional in GFA during FY 2018-19 (Rs. Crore)

Particulars	Plant and Machinery	Civil Works	Furniture	Total
Opening GFA	56.18	10.88	0.24	67.31
Addition during the year	15.68	-	-	15.68
Closing Balance	71.87	10.88	0.24	82.99

Table 3.19: Depreciation projected by GIFT PCL for FY 2019-20 (Rs. Crore)

Particulars	Plant and Machinery	Civil Works	Furniture	Total
Opening GFA	71.87	10.88	0.24	82.99
Addition during the year	62.90	1.75	-	64.65
Closing Balance	134.76	12.63	0.24	147.64
Average Balance GFA	103.31	11.76	0.24	115.32
Depreciation Rate (%)	5.28%	3.34%	6.33%	
Depreciation Claimed	**5.46**	**0.40**	**0.02**	**5.88**

Table 3.20: Depreciation projected for FY 2020-21 (Rs. Crore)

Particulars	Plant and Machinery	Civil Works	Furniture	Total
Opening GFA	134.76	12.63	0.24	147.64
Addition during the year	4.31	0.00	0.00	4.31
Closing Balance	139.07	12.63	0.24	151.95
Average Balance GFA	136.92	12.63	0.24	149.80
Depreciation Rate (%)	5.28%	3.34%	6.33%	
Depreciation Claimed	**7.25**	**0.43**	**0.02**	**7.70**

Commission's Analysis

The Commission has examined the depreciation charges as computed by GIFT PCL for FY 2019-20 and FY 2020-21 with respect to the GERC (MYT) Regulations, 2016.

The Commission observed that GIFT PCL has considered capitalization for FY 2018-19 as Rs. 15.68 Crore thereby increasing the closing GFA to Rs. 82.99 Crore. The Commission has considered the closing GFA for FY 2018-19 as approved in the Tariff Order dated 3rd December, 2018 as the Opening GFA for FY 2019-20, as true-up of FY 2018-19 is not yet undertaken. The Commission has computed the depreciation in accordance with the rates specified in the GERC (MYT) Regulations, 2016, and also deducted the depreciation on the average GFA net of assets financed through SLC. Accordingly, the Commission approves the depreciation for FY 2019-20 and FY 2020-21 as shown in the Table below:

Table 3.21: Approved Depreciation for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Opening GFA	82.99	78.35	147.64	89.39
Addition during the year	64.65	11.04	4.31	11.04
Closing Balance	147.64	89.39	151.95	100.43
Average Balance GFA	115.31	83.87	149.79	94.91
Depreciation for the year @ 4.80%	5.88	4.03	7.70	4.56

The Commission approves depreciation of Rs. 4.03 Crore and Rs. 4.56 Crore for FY 2019-20 and FY 2020-21, respectively.

3.6.4 Interest Expenses

Petitioner's Submission

The Petitioner has computed the loan and interest in accordance with Regulation 38 of the GERC (MYT) Regulations, 2016.

The Petitioner has considered the debt-equity as 70:30 excluding projected Consumer Contribution, which would be received from the consumers. The repayment has been considered equivalent to depreciation as per the GERC (MYT) Regulations, 2016. The additional capitalization proposed under capex plan has been considered and 70% of the same has been considered as additional loan by the Petitioner.

The Petitioner has considered weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of the year as per the GERC (MYT) Regulations, 2016. Accordingly, interest rate of 9.05% of the existing loan as on 16th December, 2018 has been considered. The interest rate of 8.75% was proposed in the last year's Tariff Petition by the Petitioner and approved by the Commission as per then existing terms and conditions.

The proposed interest on loan is Rs 6.31 Crore and 7.71 Crore for FY 2019-20 and FY 2020-21, respectively, as shown in the Table below:

Table 3.22: Interest Expenses projected by GIFT PCL for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2018-19	2019-20	2020-21
Opening Balance of Normative Loan	46.09	51.33	88.02
Addition of Normative Loan due to Capitalisation during the year	9.36	44.92	2.57
Repayment of Normative Loan during the year	4.12	8.24	8.24
Closing Balance of Normative Loan	51.33	88.02	82.35
Average Balance of Normative Loan		69.67	85.18
Weighted average Rate of Interest on actual Loans (%)		9.05%	9.05%
Interest Expenses		**6.31**	**7.71**

Commission's Analysis

The Interest Expenses are determined in accordance with the GERC (MYT) Regulations, 2016. The Commission has considered the closing balance of normative loans for FY 2018-19 as approved in the Order dated 3rd December, 2018 in Case No. 1710 of 2018, as the opening balance for normative loans for FY 2019-20. The loan addition approved for each year as discussed earlier, and repayment equivalent to depreciation as approved for FY 2019-20 and FY 2020-21 have been considered.

The Commission asked GIFT PCL to provide the details of actual loan portfolio with details of Interest rate applicable for each source of loan along with documentary evidence for the same. In this regard, GIFT PCL submitted that GIFT Co. Ltd. has entered into a Common Loan Agreement with five lenders for consortium term loan facility of Rs 1157 Crore on 20th May, 2014. The Rate of Interest (ROI) for the said term loan was fixed at 11.50% floating (prevailing Base Rate of Syndicate Bank {lead Bank} 10.25% + premium of 1.25%). Since then, ROI of term loan keeps changing in harmonisation with change in Base Rate of Syndicate Bank. Subsequently, ROI was revised to 8.75% (prevailing 1-year MCLR of Syndicate Bank {lead Bank} 8.45% + premium of 0.30%) with effect from 16th December, 2017. GIFT Co. Ltd. has also taken additional term loan of Rs 142 Crore under existing consortium loan facility vide Supplemental Common Loan Agreement dated 13th March, 2018.The ROI as on 29th March, 2019 stands at 9.05% for Term Loan Facility of Rs 1157 Crore and 8.95% for additional term loan facility of Rs 142 Crore.

The Commission has accordingly considered the weighted average rate of interest as 9.05%, for computing the interest expenses for FY 2019-20 and FY 2020-21.

Accordingly, the Commission approves the Interest and Finance Charges for FY 2019-20 and FY 2020-21, as shown in the Table below:

Table 3.23: Interest Expenses approved by the Commission for FY 2019-20 and FY 2020-21 (in Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Opening Balance of Normative Loan	51.33	59.35	88.01	63.00
Addition of Normative Loan	44.92	7.67	2.57	7.28
Repayment of Normative Loan	8.24	4.03	8.24	4.56
Closing Balance of Normative Loan	88.01	63.00	82.35	65.71
Average Balance of Normative Loan	69.67	61.17	85.18	64.36
Weighted Average Rate of Interest on actual loans (%)	9.05%	9.05%	9.05%	9.05%
Interest Expenses	6.31	5.54	7.71	5.82
Finance Charges	-	-	-	-
Total Interest and Finance Charges	**6.31**	**5.54**	**7.71**	**5.82**

However, as per Regulation 33 of the GERC (MYT) Regulations, 2016 for Debt-Equity ratio, if the actual equity employed is less than 30% of the capital cost approved by the Commission, the actual equity shall be considered, and the balance amount in excess of 70% normative loan shall also be considered as loan. Therefore, the interest expenses shall be assessed based on the actual debt-equity ratio for the year as duly certified by the statutory auditors in the truing up.

Accordingly, the Commission, approves the interest expenses as Rs. 5.54 Crore for FY 2019-20 and Rs. 5.82 Crore for FY 2020-21.

3.6.5 Interest on Consumer's Security Deposit

Petitioner's Submission

The option is given to the consumers of GIFT PCL whose amount of security exceeds Rs. 25 lakh may furnish the security deposit in the form of irrevocable Bank Guarantee initially valid for a period of 2 years as per the GERC (Security Deposit) (Second Amendment) Regulations, 2015. Accordingly, the Petitioner has projected the amount of security deposit and the interest payable thereon, considering only those customers whose amount of security would be less than Rs. 25 lakh.

The Petitioner has projected interest on security deposit as Rs. 0.35 Crore and Rs 0.41 Crore for FY 2019-20 and FY 2020-21, respectively.

Commission's Analysis

The Commission has sought the computation of Interest on security Deposit for FY 2019-20 and FY 2020-21, which was submitted by the Petitioner vide e-mail dated 3rd April, 2019, as shown below:

Table 3.24: Detailed computation of Interest on security deposit as submitted by GIFT PCL for FY 2019-20 and FY 2020-21 (Rs. Lakh)

Particulars	2019-20	2020-21
Opening Balance	480.35	560.55
Addition during the year	79.70	108.37
Closing Balance	560.55	668.92
Rate of Interest	6.75%	6.75%
Interest on Security Deposit	35.14	41.49

The Commission accepts the security deposits as projected by the Petitioner for FY 2019-20 and FY 2020-21. The Commission has considered the RBI Bank Rate @ 6.25% per annum. However, such claim shall be assessed in the truing up based on actual audited information of opening and closing consumer security deposits during the year and the Bank Rate as on 1st April of respective year.

The Commission, accordingly, approves the interest on security deposit for FY 2019-20 and FY 2020-21 as detailed in the following Table:

Table 3.25 Interest on security deposit approved for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Amount held as Security Deposit	5.61	5.61	6.69	6.69
Interest Rate (in %)	6.75%	6.25%	6.75%	6.25%
Interest on Security Deposit	0.35	0.35	0.41	0.42

3.6.6 Interest on Working Capital

Petitioner's Submission

The interest on working capital has been worked out in accordance with Regulations 40.4 and 40.5 of the GERC (MYT) Regulations, 2016. As the working capital requirement is projected as Nil, the Petitioner has not claimed any amount under interest on working capital. The computation of interest on working capital is shown in the Table below:

Table 3.26: Interest on Working Capital estimated for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20	2020-21
O&M Expenses	0.25	0.26
1 % of GFA for Maintenance Spares	1.54	1.59
Receivables for 1 month	2.00	2.75
Normative Working Capital	3.79	4.60
Less: Security Deposit (SD)	5.61	6.69
Interest on Working Capital	-	-

Commission's Analysis

The Commission has computed the working capital requirement of GIFT PCL in accordance with Regulations 40.4 and 40.5 of the GERC (MYT) Regulations, 2016, read in conjunction with the GERC (MYT) (First Amendment) Regulations, 2016 after considering the security deposit amount available during the year.

The Commission has considered the 1-year MCLR of State Bank of India as on 1st April, 2018 as 8.15% and hence, rate of interest on working capital works out to 10.65% (8.15% plus 2.5% or 250 basis points). The normative interest on working capital approved by the Commission for FY 2019-20 and FY 2020-21 is shown in the Table below:

Table 3.27: Interest on Working Capital approved for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
O&M Expenses	0.25	0.16	0.26	0.14
Maintenance Spares	1.54	0.78	1.59	0.89
Receivables	2.00	2.39	2.75	2.96
Working Capital requirement	3.79	3.33	4.60	4.02
Less: Amount held as security deposit from Distribution System Users	5.61	5.61	6.69	6.69
Total Working Capital	-	-	-	-
Interest Rate (%)		10.65%	-	10.65%
Interest on Working Capital	-	-	-	-

As it can be observed from the above Table, the total working capital requirement for FY 2019-20 and FY 2020-21 works out to be negative considering the security deposit projected to be held, and accordingly, no interest on working capital has been allowed.

3.6.7 Income Tax

Petitioner's Submission

The Petitioner is not able to recover the power procurement cost and cost associated with laying the distribution infrastructure from the revenue earned though sale of electricity from the consumers. Therefore, the Income Tax payable for FY 2019-20 and FY 2020-21 has been considered as Nil by the Petitioner as per the GERC (MYT) Regulations, 2016.

Commission's Analysis

For FY 2019-20 and FY 2020-21, no Income Tax liability has been considered at present, and the same shall be Trued-up based on the actual Income Tax paid by the Petitioner.

3.6.8 Contingency Reserves

Petitioner's Submission

The Petitioner has projected the appropriation of Contingency Reserves @ 0.5% of the original cost of fixed assets at the beginning of each year, in accordance with Regulation 86.3.1 of the GERC (MYT) Regulations, 2016. Accordingly, the appropriation to contingency reserves has been projected as Rs 0.39 Crore and Rs 0.77 Crore for FY 2019-20 and FY 2020-21, respectively.

Commission's Analysis

The Commission has computed the contingency reserves in accordance with Regulation 86.3 of the GERC (MYT) Regulations, 2016. The Commission has considered the opening GFA for FY 2019-20 equal to the closing GFA for FY 2018-19 as approved by the Commission in the Order dated 3rd December, 2018 in Case No. 1710 of 2018.

The Commission, accordingly, approves the Contingency Reserve for FY 2019-20 and FY 2020-21 as shown in the Table below:

Table 3.28: Contingency Reserve approved for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Contingency Reserve	0.39	0.39	0.77	0.45

3.6.9 Bad Debts Written off

Petitioner's Submission

The Petitioner has not estimated any bad debts to be written off for FY 2019-20 and FY 2020-21.

Commission's Analysis

GIFT PCL has not projected any write off of bad debts for FY 2019-20 and FY 2020-21. Regulation 94.9 of the GERC (MYT) Regulations, 2016 specifies that the Commission may allow bad debts written off as a pass through in the ARR subject to prudence check. Accordingly, the Commission has considered Nil bad debts written off for FY 2019-20 and FY 2020-21. Any variation in bad debts actually written off shall be considered under sharing of gains/losses at the time of true-up, in accordance with Regulation 24 of GERC (MYT) Regulations, 2016.

The Commission, accordingly, approves the bad debts written off at Nil for FY 2019-20 and FY 2020-21.

3.6.10 Return on Equity

Petitioner's Submission

The Petitioner has considered the projected capex with 70:30 debt-equity ratio on the assets to be capitalised, in accordance with the GERC (MYT) Regulations, 2016.The RoE has been calculated on normative basis on the average of the opening and closing equity during the year at the rate of 14%, with the opening equity of FY 2019-20 considered equivalent to the closing equity of FY 2018-19. The Petitioner has considered equity addition during FY 2019-20 and FY 2020-21 equivalent to 30% of the total projected capitalization during the year as prescribed in Regulation 33 of the GERC (MYT) Regulations, 2016.

The Petitioner has considered Return on Equity on the amount of equity capital for the assets put to use at the commencement of each financial year and on the equity capital portion of the assets projected to be capitalized during FY 2019-20 and FY 2020-21 as per the GERC (MYT) Regulations, 2016. The return is calculated on the average equity capital during the year for both the years. The Petitioner has considered a regulated return of 14% as per the GERC (MYT) Regulations, 2016.

The computation of equity base and the regulated Return on Equity, as submitted by the Petitioner, have been detailed in the Table below:

Table 3.29: Return on Equity projected by the Petitioner for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20	2020-21
Regulatory Equity at the beginning of the year	24.46	43.86
Equity portion of capitalisation during the year	19.39	1.29
Regulatory Equity at the end of the year	43.85	45.15
Average Equity	34.16	44.51
Total Return on Equity	**4.78**	**6.23**

Commission's Analysis

The Commission has considered the opening equity for FY 2019-20 equivalent to the closing equity of FY 2018-19 as approved by the Commission in the Order dated 3rd December, 2018 in Case No. 1710 of 2018. The RoE has been calculated on normative basis on the average of the opening and closing equity during the year at the rate of 14%, as specified in Regulation

37 of the GERC (MYT) Regulations, 2016. The Commission has considered normative equity addition during FY 2019-20 and FY 2020-21, as elaborated in Table 3.17 of this Order.

The Return on Equity approved for FY 2019-20 and FY 2020-21 is shown in the Table below:

Table 3.30: Return on Equity approved by the Commission for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Opening Equity at the beginning of the year	24.46	15.28	43.86	18.57
Equity Addition during the year	19.39	3.29	1.29	3.12
Closing Equity at the end of the year	43.85	18.57	45.15	21.69
Average Equity	34.16	16.92	44.51	20.13
Rate of RoE	14%	14%	14%	14%
Return on Equity	**4.78**	**2.37**	**6.23**	**2.82**

Accordingly, the Return on Equity is approved by the Commission as Rs. 2.37 Crore for FY 2019-20 and Rs. 2.82 Crore for FY 2020-21.

3.7 Non-Tariff Income

Petitioner's Submission

The Petitioner has projected the Non-Tariff Income as Rs 0.32 Crore and Rs 0.35 Crore for FY 2019-20 and FY 2020-21, respectively, by considering a 10% escalation over last year's actual Non-Tariff Income excluding meter rent, considering the past trends.

Commission's Analysis

The Commission accepts the Petitioner's contention and approves the Non-Tariff Income as projected for FY 2019-20 and FY 2020-21, as shown in the Table below:

Table 3.31: Non-Tariff Income approved for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Non-Tariff Income	0.32	0.32	0.35	0.35

3.8 Aggregate Revenue Requirement

Petitioner's Submission

Based on the above, the Aggregate Revenue Requirement (ARR) projected by GIFT PCL for FY 2019-20 and FY 2020-21, is as under:

Table 3.32: Summary of ARR projected by GIFT PCL for FY 2019-20 and FY 2020-21(Rs. Crore)

Particulars	2019-20	2020-21
Power Purchase Expenses*	15.64	21.73
Operation & Maintenance Expenses	2.95	3.12
Depreciation	5.88	7.70
Interest and Finance Charges	6.31	7.71
Interest on Security Deposit	0.35	0.41
Interest on Working Capital	-	-
Bad Debts Written off	-	-
Contribution to Contingency Reserves	0.39	0.77
Return on Equity Capital	4.78	6.23
Income Tax	-	-
Less: Non-Tariff Income	0.32	0.35
Less: Income from Other Business		
Aggregate Revenue Requirement	**35.97**	**47.32**

Note: * As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

The Petitioner has requested the Commission to approve the above ARR for FY 2019-20 and FY 2020-21.

Commission's Analysis

The ARR approved by the Commission for FY 2019-20 and FY 2020-21 is shown in the Table below:

Table 3.33: Summary of ARR approved for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Power Purchase Expenses	15.64*	14.38	21.73*	19.78
Operation & Maintenance Expenses	2.95	1.89	3.12	2.00
Depreciation	5.88	4.03	7.70	4.56

Particulars	2019-20		2020-21	
	Projected	Approved	Projected	Approved
Interest & Finance Charges	6.31	5.54	7.71	5.82
Interest on Security Deposit	0.35	0.35	0.41	0.42
Interest on Working Capital	-	-	-	-
Bad Debts Written off	-	-	-	-
Contribution to Contingency Reserves	0.39	0.39	0.77	0.45
Total Revenue Expenditure	**31.51**	**26.57**	**41.43**	**33.03**
Return on Equity Capital	4.78	2.37	6.23	2.82
Income Tax	-	-	-	-
Aggregate Revenue Requirement	**36.29**	**28.94**	**47.66**	**35.85**
Less: Non-Tariff Income	0.32	0.32	0.35	0.35
Aggregate Revenue Requirement	**35.97**	**28.62**	**47.32**	**35.50**

Note: * As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

The Commission approves net ARR of Rs. 28.62 Crore and Rs. 35.50 Crore for FY 2019-20 and FY 2020-21, respectively.

4 Determination of Tariff for FY 2019-20

4.1 Introduction

This Chapter deals with the determination of Revenue Gap/(Surplus), as well as Consumer / Retail Tariff for FY 2019-20 for GIFT PCL.

The Commission has considered the ARR approved in the last Chapter for FY 2019-20 and projected revenue from sale of energy, while determining the Revenue Gap/(Surplus) for FY 2019-20.

4.2 Gap/(Surplus)

Petitioner's Submission

The Petitioner submitted that it has estimated the revenue from sale of energy based on the projected category-wise sales and approved tariffs. The Petitioner submitted that the estimated ARR is higher than the revenue from sale of energy, due to the following reasons:

I. The Petitioner is a greenfield Distribution Licensee where there was no existing infrastructure for supply of electricity as well as no load.

II. The cost incurred by the Petitioner for creation of necessary infrastructure to provide supply to the consumers is not fully utilised at optimum level due to low load growth in the licence area.

III. The pattern of electricity consumption of the Petitioner's consumers is significantly different from that of consumers of other Distribution Licensees in the State, as majority of the consumers in the Petitioner's licence area are from commercial category or service providers and their requirement of energy is different and distinct. During FY 2018-19, the Petitioner observed peak demand as high as 4.856 MVA and average demand of 2.154 MVA. However, the Petitioner has to procure power to meet the peak demand at any time. The consumers are high profile service providers at national and international levels, and to meet their power requirement, it is necessary for the Petitioner to prove reliable and quality power supply without any interruption.

IV. The Petitioner is also needed to establish/provide the necessary infrastructure with standby supply to meet 24x7 supply without interruption.

V. The infrastructure previously setup by the Petitioner included 66 kV power supply with dual source from UGVCL as a HTP-1 consumer, and the cost for such infrastructure has to be borne by the Petitioner with consideration of 15 MW load demand while the actual demand is only around 5 MW due to economic slowdown. The sub-optimal utilization of Contract Demand with UGVCL has led to higher cost of power procurement for the Petitioner.

The Petitioner submitted that it is planning to reduce the Revenue Gap by taking various measures and also desires to compete with the other Licensee for which it is planning to carry out the following activities:

I. The Petitioner is planning to procure power from other sources in addition to UGVCL power supply, either by way of procurement through Exchange, bi-lateral procurement or by following competitive bidding process so that the power procurement cost of the Petitioner may reduce and help to reduce the cost of power supply.
II. The optimum utilization of assets with the growth in load.
III. Defer the recovery of the Revenue Gap by treating the same as Regulatory Asset, and not pass through any tariff shock to the consumers for few years, so that optimum asset utilization may become possible and it is also feasible to procure power either by way of competing bidding or through Exchange, which will help to reduce the cost to serve to the consumers.
IV. The projected Gap between the proposed ARR and proposed tariff for FY 2019-20 may be reduced in future through efficiency gains.

The Revenue Gap projected by the Petitioner for FY 2019-20 and FY 2020-21 is shown in the Table below:

Table 4.1: Revenue Gap/(Surplus) claimed by the Petitioner for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20	2020-21
ARR	35.97*	45.94
Revenue from Tariff	24.09	33.53
Revenue Gap/(Surplus)	**11.88**	**12.41**

Note: * As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

Commission's Analysis

The Commission has approved the various components of the ARR for FY 2019-20 as discussed in the previous Chapter. The Commission has independently computed the Revenue for GIFT PCL for FY 2019-20 from projected category-wise sales and existing tariff, i.e., the tariff approved by the Commission for FY 2018-19 vide Order dated 3rd December 2018 in Petition No. 1710 of 2018, as shown in the Table below:

Table 4.2: Approved sales and Category Wise Revenue of GIFT PCL for FY 2019-20 (Rs. Crore)

Category	Sales (MUs)	Avg. Tariff Realization (Rs./kWh)*	Estimated Revenue (Rs. Crore)
RGP	0.38	5.94	0.23
GLP	0.31	5.81	0.18
Non RGP	1.96	7.10	1.39
LTMD	14.04	7.14	10.02
SL	0.58	5.66	0.33
TMP	1.69	6.38	1.08
HTP-I	12.51	7.97	9.97
HTP-III	0.54	8.33	0.45
Sum Total	**32.01**	**7.39**	**23.66**

Note: * By considering the FPPPA charges as Rs. 1.61 Per Unit

The Commission has gone through merits of the Petition and determined the various components of the ARR in the previous paragraphs of this Chapter and accordingly the Commission has independently worked out the ARR as well as revenue for GIFT PCL for FY 2019-20. The Commission based on the approved ARR and existing retail tariff has derived the following Revenue Gap/(Surplus):

Table 4.3: Standalone Revenue Gap / Surplus at existing tariff for FY 2019-20 (Rs. Crore)

Particulars	2019-20	
	Projected	Approved
Aggregate Revenue Requirement	35.97*	28.62
Revenue from Sale of power	24.09	23.66
Revenue Gap/(Surplus)	**11.88**	**4.96**

Note: * As per the revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

Thus, against the Revenue Gap of Rs. 11.88 Crore projected by GIFT PCL, the Commission has approved the standalone Revenue Gap of Rs. 4.96 Crore.

5 Compliance of Directives

5.1 Earlier Directives

Directive 1: Filing of MYT Petition

GIFT PCL was directed to file a detailed Multi-Year Tariff application for the remaining years of the third Multi-Year Control Period of FY 2016-17 to FY 2020-21 for the approval of ARR for FY 2019-20 and FY 2020-21 and Determination of Tariff for FY 2019-20 as per the provisions of the GERC (MYT) Regulations, 2016 latest by 31st December, 2018.

Compliance

In this regard, Petitioner has filed a detailed Multi-Year Tariff application for the remaining years of the third Multi-Year Control Period of FY 2016-17 to FY 2020-21 for the approval of ARR for FY 2019-20 and FY 2020-21 and Determination of Tariff for FY 2019-20 as per the provisions of the GERC (MYT) Regulations, 2016 in stipulated time.

Commission's Comments

The Commission has admitted the Petition submitted by GIFT PCL and issuing this Order, thereby approving the ARR for FY 2019-20 and FY 2020-21 and Tariff for FY 2019-20 as per the provisions of the GERC (MYT) Regulations, 2016 and amendments thereof.

Directive 2: Maintenance of separate accounts for Distribution Business

GIFT PCL was directed to submit separate Annual Accounts such as Balance Sheet, Profit and Loss Account with relevant schedules and statements for the distribution business in the GIFT City area every year, duly audited by Statutory Auditors, for the annual tariff determination exercise henceforth. As Electricity Business comes under the purview of Electricity Act, 2003, the accounts pertaining to Electricity Business are required to be prepared separately and got audited.

Compliance

GIFT PCL has submitted that it has prepared separate accounts pertaining to its Electricity Business. Further, as directed by the Commission, the Petitioner is submitting the Balance Sheet, Profit and Loss Account along with relevant certificate and statements for the Distribution Business in the GIFT City area along with the ARR and Tariff petition submitted for FY 2019-10 and FY 2020-21.

Commission's Comments

The Commission has considered the separate Accounts submitted by the Petitioner, while issuing this Order.

Directive 3: Preparation of Fixed Assets and Depreciation Register

GIFT PCL was directed to prepare Fixed Assets and Depreciation Register function-wise and asset classification-wise exclusively for its Electricity Business related assets and get them audited. The Petitioner was also directed to submit half-yearly progress report. The Petitioner was also directed to maintain the details of assets created through consumer contribution, separately.

Compliance

GIFT PCL submitted that it has taken the necessary steps for preparation of Fixed Assets and Depreciation Register function-wise and asset classification-wise exclusively for its Electricity Business. The Petitioner shall get them audited from the auditor and submit the same before the Commission at the time of Truing up. The Petitioner shall submit half-yearly progress report to the Commission. The Petitioner has taken necessary steps to maintain the details of assets created through consumer contribution, separately.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 4: Opening of a separate Bank Account

The consumer's interest needs to be safeguarded as per section 61 (d) of the Electricity Act, 2003, the Commission therefore, suggested to the Petitioner to open a separate bank account for all its expenditures and earnings pertaining to Electricity Business.

Compliance

GIFT PCL submitted that it has opened a separate bank account for all its expenditures and earnings pertaining to Electricity Business in Axis Bank, S G Highway Branch, Ahmedabad.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 5: Slab-wise Energy Sales Details

The Petitioner was directed to provide the detailed month-wise and slab-wise break up of number of consumers, connected load and energy sales under each consumer category for the last five years in the next tariff filing. The Petitioner was also directed to maintain and submit monthly information on category-wise sales, number of consumers, connected load, T&D losses, source-wise power purchase, fuel cost, etc., on quarterly basis.

Compliance

The Petitioner has provided the month-wise and slab-wise detailed break up of number of consumers, connected load and energy sales under each consumer category for FY 2015-16, FY 2016-17, FY 2017-18 and FY 2018-19 (actual up to Nov 2018) with the Petition for determination of ARR for FY 2019-10 and FY 2020-21.The Petitioner submitted that it will submit information for category-wise sales, number of consumers, connected load, T&D losses, source-wise power purchase, fuel cost, etc. on quarterly basis to the Commission.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 6: Loss Reduction Road Map

In view of projected high losses for the relatively smaller network of GIFT PCL, the Commission directed the Petitioner to examine the reasons for such high distribution losses. The Petitioner was further directed to get its distribution system studied so that appropriate loss reduction trajectory could be fixed. The Petitioner was directed to furnish a report along with segregation of actual losses into transmission, sub-transmission, HT-LT losses separately.

Compliance

GIFT PCL submitted that the distribution network and allied equipment like transformers are under-utilized at present, and as the development takes place, gradually load will develop in the licence area and the distribution loss will reduce accordingly. The Petitioner shall get its distribution system studied and submit the loss reduction trajectory to the Commission. A report shall be furnished separately along with segregation of actual losses into transmission, sub-transmission, HT-LT losses.

Commission's Comments

The Commission has noted the submission of the Petitioner. The Petitioner is directed to submit this information positively before the commencement of the next Control Period, so that the loss reduction trajectory can be stipulated in the next MYT Order.

Directive 7: Load Forecasting

The Petitioner was directed to conduct a detailed load forecasting study for short term (1-2 years), medium term (3-5 years) and long term (5-10 years) in order to understand the load requirements in its area at various periods and submit it to the Commission along with next Tariff Petition.

Compliance

GIFT PCL has furnished the detailed load forecasting study for short term (1-2 years), medium term (3-5 years) and long term (5-10 years).

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 8: Power Purchase Strategy (Planning)

GIFT PCL was directed to streamline the power purchase functions and finalize long-term/ medium-term contracts for power purchase through competitive bidding immediately in order to minimize its future power purchase cost.

The Petitioner was directed to create a five-year power purchase plan taking into account the sales envisaged by the Petitioner and the various power sources available.

Compliance

The Petitioner has submitted that it has taken the necessary actions in order to reduce the input energy price. It has initiated the process of appointing Power Trading Corporation (PTC) as consultant and service provider to manage power procurement arrangement from market. Being a professional expert, PTC is analysing different options to procure power to reduce the input energy price. In order to have alternate reliable source, the Petitioner requested UGVCL for short-term PPA for power procurement, which UGVCL agreed to enter into. During FY 2019-20 and FY 2020-21, the Petitioner is planning to procure majority of power from PTC

India Ltd. through Exchange on competitive basis, while remaining power shall be purchased from UGVCL through the short-term PPA, in order to create redundancy and reliability and to ensure power supply in case of failure by generators to provide power to consumers. After analysing performance of generators and Exchange power and other options, this arrangement will be reviewed in due course with corrective action, in concurrence of the Commission.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 9: Renewable Energy Obligation

GIFT PCL in association with Gujarat Energy Development Agency (GEDA) or any professional agency should try to explore opportunities to develop Renewable Energy in the GIFT City area. Renewable Energy policy for GIFT City should be prepared and submitted to the Commission.

Compliance

The Petitioner has conducted a study through Gujarat Energy and Research Institute (GERMI) to explore opportunities to develop Renewable Energy in the GIFT City area. The Report prepared by GERMI is being submitted to the Commission along with the Tariff application for FY 2019-20 and FY 2020-21.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 10: Map of Network in GIFT City & Capex Plan

GIFT PCL was directed to submit a plan comprising a scaled map of entire GIFT City marking the existing and proposed interface points of power supply network and the areas where the office premises are likely to come up, etc., for FY 2019-20 and FY 2020-21.

The Petitioner was also directed to submit the Capital Expenditure Plan along with the MYT Application for FY 2019-20 and FY 2020-21. The Commission also directed setting-up of Project Monitoring Cell for all projects costing more than Rs. 25 Lakh, to monitor the progress of these schemes on real time basis. The Capital Investment Plan to be submitted for FY

2019-20 and FY 2020-21 should be along with cost benefit analysis and supported by Feasibility Report / Detailed Project Report as the case may be.

Compliance

GIFT CITY has submitted the scaled map of entire GIFT City with existing buildings, upcoming buildings, existing power infrastructure, proposed power infrastructure for FY 2019-20 and FY 2020-21, along with ongoing projects.

Capital Expenditure Plan for FY 2019-20 and FY 2020-21 has been submitted in the Petition for FY 2019-20 and FY 2020-21. For any Capex and Opex work, GIFT PCL has defined the process. The chronological process from approval of project, awarding of work, finalizing the variations, bills and final takeover, is as follows:

a) Annual budget is prepared for the works ongoing from last year, new works planned for SEZ and DTA, and O&M works plan.
b) After internal deliberation, budget with technical and financial justification is placed for approval of Project Committee of GIFT CIty. Project Committee consists of Additional Chief Secretary Urban Development GoG, MD GIFT PCL, and two independent Directors of GIFT PCL board. After Approval of Project Committee, the same is placed for approval of the Board.
c) All the works approved in budget are executed one-by-one in the year. To start the work, the Petitioner must prepare technical and financial feasibility report. Along with the feasibility report, proposal is prepared for administrative approval. Administrative approval is granted after detailed verification and scrutiny of technical advisory committee, contract team, finance team and MD office.
d) After administrative approval, works are awarded according to procurement manual of GIFT City by competitive bidding process.
e) Project progress is monitored by engineering team along with third party auditors of Bank on monthly basis. Cross functional project monitoring team is constituted for all the Capex and Opex works, as per directives of the Commission. Project Monitoring Committee consist of following Members

Mr. Vinod Kumar Singh	Sr. Vice President	Contract
Mr. Arvind Rajput	Vice President	Electrical Engg.
Mr. Ketan Pancholi	Vice President	Finance & Account
Mr. Prashant Dadheech	Sr. Manager (Project)	Electrical Engg.

Mr. Vishwas Sheode	Sr. Manager (O&M)	Electrical Engg.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 11: Details of O&M Expenses

The Commission directed the Petitioner to submit the auditor's certificate certifying the O&M Expenses actually incurred for FY 2013-14 to FY 2017-18 along with the next Tariff Petition.

The Petitioner was directed to maintain a detailed record of these expenses and also report the same as part of the Tariff filing formats.

Compliance

The Petitioner has proposed to submit the auditor's certificate certifying the O&M Expenses actually incurred for FY 2013-14 to FY 2017-18 at the time of truing up exercise. The Commission may allow the Petitioner to do the same. The Petitioner shall maintain a detailed record of O&M expenses and report it as part of Tariff filing formats. The Petitioner is submitting O&M expenses for FY 2019-20 and FY 2020-21 as part of Tariff formats along with the Petition for FY 2019-20 and FY 2020-21.

Commission's Comments

The Commission has noted the submission of the Petitioner, and allows the Petitioner to submit the necessary details at the time of filing true-up Petition for FY 2018-19.

Directive 12: Employee Cost and Manpower Studies

The Petitioner was directed to conduct a detailed study on manpower requirement by an accredited agency and submit the methodology for allocation of all the expenses to Distribution Business taking into account the future load growth in GIFT City.

Compliance

The Petitioner has submitted that it has already conducted study for manpower requirement from Ernst & Young and the copy of the study report is attached. Existing manpower is less than proposed numbers. With increase in distribution assets and consumers in future, the Petitioner will appoint new accredited agency to review the manpower requirement and report will be submitted to the Commission.

Commission's Comments

The Commission has noted the submission of the Petitioner.

5.2 Fresh Directives

Details of Consumers having load above kW

In view of the Petitioner's proposal of redefining and restructuring the LTMD category like changing the ceiling of Aggregate Load to 'up to 400 kW' and introducing a new slab 'Above 100 kW of billing demand', the Commission would like the Petitioner to furnish details of No. of present and prospective consumers having load above 100 kW with facts such as the present technical arrangement of supply to such consumers, copies of contract, fees levied for the connection, latest copy of electricity bill raised to such consumers, separately. This information shall be submitted by 30.10.2019.

6 Fuel and Power Purchase Price Adjustment (FPPPA) Charges

6.1 Fuel and Power Purchase Adjustment

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

Formula

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

Where,

(i) 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.

(ii) 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.

(iii) Loss in % = is the weighted average of the approved level of Transmission and Distribution losses (%) for Petitioner applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for Petitioner of the previous year for which true up have been done by the Commission, whichever is lower.

FPPPA to be charged by GIFT PCL

GIFT PCL submitted that the existing FPPPA being charged to its consumers is the FPPPA imposed by UGVCL on its consumers. GIFT PCL has requested the Commission to allow it to charge the FPPPA approved for UGVCL from time to time to its consumers.

As the Commission has decided that the UGVCL's tariff approved in the Commission's Tariff Order dated 24th April, 2019 shall be the maximum ceiling for retail supply in the GIFT City, the FPPPA charges for UGVCL, i.e., Rs. 1.61/kWh, shall also be applicable to the consumers of GIFT PCL. The FPPPA approved by the Commission for UGVCL from time to time during FY 2019-20, shall also be applicable for GIFT PCL.

The Information regarding FPPPA recovery and the FPPPA charged shall be kept on the website of GIFT PCL.

7 Wheeling Charges and Cross Subsidy Surcharge

7.1 Wheeling Charges

Petitioner's Submission

The Petitioner submitted that the GERC (MYT) Regulations, 2016 specifies that the ARR is to 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 Petitioner has allocated the expenditure to Wires Business and Retail Supply Business as per the following Allocation Matrix specified by the Commission in Regulation 87 of the GERC (MYT) Regulations, 2016:

Table 7.1: Allocation Matrix for segregation of Wheeling and Retail Supply as submitted by the Petitioner for FY 2019-20

ARR Components	Wires Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
Administration & General Expenses	50%	50%
Repair & Maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on Long Term Loan Capital	90%	10%
Interest on Working Capital and Consumer Security Deposit	10%	90%
Bad Debts	0%	100%
Income Tax	90%	10%
Contingency Reserves	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

Based on the above Allocation Matrix, the ARR of GIFT PCL has been segregated into ARR for Wheeling and Supply Business as shown in the Table below:

Table 7.2: Segregation of ARR into Wires and Supply Business for FY 2019-20 (Rs. Crore)

Particulars	Wires Business	Supply Business
Power Purchase Expenses	-	15.64*
Employee Expenses	1.13	0.75
Administration & General Expenses	0.21	0.21
Repair & Maintenance Expenses	0.59	0.07
Depreciation	5.29	0.59
Interest on Loan	5.99	0.67
Interest on Working Capital and Security Deposit	-	-
Bad Debts Written off	-	-
Contingency Reserve	0.39	0.00
Income Tax	-	-
Total Revenue Expenditure	**13.60**	**17.93**
Return on Equity	4.30	0.48
Less: Non-Tariff Income	0.03	0.29
Aggregate Revenue Requirement	**17.87**	**18.12**

Note: * As the per revised power purchase expenses and ARR submitted vide reply dated 3rd April, 2019

The Petitioner submitted that the above segregated ARR has been considered to determine the Wheeling Charges.

Commission's Analysis

The Commission, in order to compute the Wheeling Charges and the Cross-Subsidy Surcharge, has considered the Allocation Matrix between the Wheeling and Retail Supply Business in accordance with the GERC (MYT) Regulations, 2016.

Based on the ARR approved by the Commission and the Allocation Matrix specified in the GERC (MYT) Regulations, 2016, the ARR approved for Wires and Retail Supply Business for FY 2019-20 is shown in the Table below:

Table 7.3: Approved Segregation of ARR into Wires and Supply Business for FY 2019-20 (Rs. Crore)

Particulars	Wires Business	Supply Business
Power Purchase Expenses	-	14.38

Particulars	Wires Business	Supply Business
Employee Expenses	0.82	0.54
Administration & General Expenses	0.12	0.11
Repair & Maintenance Expenses	0.27	0.02
Depreciation	3.63	0.40
Interest on Loan	4.98	0.54
Interest on Security Deposit	0.04	0.32
Interest on Working Capital	-	-
Bad Debts Written off	-	-
Contingency Reserve	0.39	-
Income Tax	-	-
Total Revenue Expenditure	**10.23**	**16.34**
Return on Equity	2.13	0.24
Less: Non-Tariff Income	0.03	0.29
Aggregate Revenue Requirement	**12.33**	**16.29**

7.2 Determination of Wheeling Charges

Petitioner's submission

The Petitioner submitted that it has computed the voltage-wise Wheeling charges based on the allocated ARR of the Wires Business, in accordance with the GERC (MYT) Regulations, 2016.

The Petitioner submitted that Distribution Wires are identified as carrier of electricity from generating station or transmission network to consumer point. Ideally consumption at a particular voltage level requires network at that voltage level and also at all higher voltage levels. Thus, consumption at the lower voltages should contribute to the cost of the higher voltage levels also. However, consumers connected to the higher voltages would not be utilizing the services of the lower voltage and hence, would not be required to contribute to the cost recovery at lower voltages.

Based on the approach discussed above, the ARR for the Wires Business is apportioned to the HT and LT voltage in two steps as under:

a) Apportioning the ARR of Wires Business to HT and LT voltage level;

b) Apportioning the ARR of the HT voltage level again between HT and LT voltage level.

The Petitioner has divided the GFA in the ratio of 94.53% : 5.57% between HT and LT voltage level to arrive at voltage level-wise Wheeling Charges. Further, the ARR of HT voltage is again apportioned between HT and LT voltage based on their ratio of contribution to the peak demand. The system peak demand for the Petitioner's supply area has been considered in the ratio of 58%:42% as per average peak demand contributed by HT and LT consumers.

The Petitioner has calculated the Wheeling Charges in Rs. /kWh terms. To determine the Wheeling Charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the peak demand of the respective voltage level. Accordingly, the wheeling charges determined in terms of Rs. /kWh has been tabulated below:

Table 7.4: Wheeling Charges proposed by GIFT PCL for FY 2019-20

Particulars	Amount
First Level Segregation of ARR (in Rs. Crore)	
HT Voltage	16.90
LT Voltage	0.98
Total	**17.87**
Second Level Segregation of ARR (in Rs. Crore)	
HT Voltage	9.12
LT Voltage	8.75
Total	**17.87**
Wheeling Charge in Rs/ kWh	
HT Voltage	6.99
LT Voltage	4.62

The Petitioner has proposed Wheeling Losses of 5.5% in addition to the Wheeling Charges as mentioned in the above Table.

Commission's analysis

The Commission has determined the ARR of the Wires Business for FY 2019-20 in earlier Section, as Rs. 12.33 Crore, as stated in Table 8.3 above.

For the calculation of Wheeling Charges, the ARR of the Wires Business is apportioned in the ratio of actual HT assets to LT assets of 94.53 : 5.57, as submitted by the Petitioner.

The contribution of HT and LT categories to the system peak demand as submitted by the Petitioner is 58% and 42%, respectively. These ratios are considered for further segregation of ARR based on system peak demand.

To determine the Wheeling Charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the Wheeling Charge is determined as shown below:

Table 7.5: Wheeling Charges approved for GIFT PCL for FY 2019-20

Particulars	Approved
First Level Segregation of ARR (in Rs. Crore)	
HT Voltage Level	11.66
LT Voltage Level	0.69
Total ARR	12.33
Second Level Segregation of ARR (in Rs. Crore)	
HT Voltage Level	7.15
LT Voltage Level	5.18
Total ARR	12.33
Wheeling Charge in Rs/ kWh	
HT Voltage Level	5.48
LT Voltage Level	2.73

The Commission has accordingly approved the Wheeling Charges for HT and LT voltages as Rs. 5.48/kWh and Rs. 2.73/kW, respectively, for FY 2019-20.

The Open Access consumer will also have to bear the wheeling losses at 5.50% in addition to the wheeling charges.

7.3 Cross Subsidy Surcharge

Petitioner's submission

The Petitioner has submitted the Cross-Subsidy Surcharge, computed as per the following formula:

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

Where:

S is the Cross-Subsidy Surcharge;

T is the tariff payable by the relevant category of consumers;

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

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

D is the Wheeling Charges applicable to relevant category;

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 7.6: Cross Subsidy Surcharge payable by Open Access consumers in GIFT PCL area (Rs./kWh)

Particulars	HT
T – Tariff for HT category (Rs/kWh)	8.07
C– Wt. Average cost of power Purchase (Rs/kWh)	4.84
D- Wheeling Charge (Rs./kWh)	6.99
L – Aggregate T&D Loss (%)	5.50%
R-per unit cost of carrying regulatory assets (Rs/kWh)	-
S-Cross subsidy Surcharge in Rs/kWh	Negative

The Petitioner has not proposed any Cross-Subsidy Surcharge, as the same is negative.

Commission's analysis

The Hon'ble APTEL in its Judgment on the issue of formula for calculation of Cross-Subsidy Surcharge has endorsed the use of the formula prescribed in the Tariff Policy. According to the Tariff 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;

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 7.7: Approved Cross Subsidy Surcharge payable for Open Access consumers in GIFT PCL area (Rs./kWh)

Particulars	2019-20
T – Tariff for HT category	7.97
PPC – Average cost of power Purchase	4.25
D– Average Wheeling charges for HT category	5.48
L – Aggregate T&D Losses (%)	5.50%
Cross-Subsidy Surcharge	**0.00**

S= 8.07- [4.25/ (1-5.50%)) +5.33+0.00]

= -1.75 Rs/kWh.

As Cross-Subsidy Surcharge computation results into negative value, no Cross-Subsidy Surcharge will be applicable for Open Access consumers for FY 2019-20.

7.4 Additional Surcharge

Petitioner's submission

The Petitioner has not proposed any Additional Surcharge for FY 2019-20.

Commission's analysis

The Commission has not approved any Additional Surcharge for Open Access consumers for FY 2019-20.

8 Tariff Philosophy and Tariff Proposal

8.1 Introduction

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, the Regulations on Terms and Conditions of Tariff issued by the Central Electricity Regulatory Commission (CERC) and GERC (MYT) Regulations, 2016 notified by the Commission.

Section 61 of the Act lays down the broad principles and guidelines for determination of retail supply tariff. The basic principle is to ensure that the tariff should progressively reflect the cost of supply of electricity and reduce the cross subsidy amongst categories within a period to be specified by the Commission.

This Chapter discusses GIFT PCL's tariff proposal and changes suggested in tariff structure and details the Commission's final decision on the same.

8.2 GIFT PCL's Tariff Proposal for FY 2019-20

Petitioner's Submission

The Petitioner submitted that in the Tariff Order for GIFT PCL dated 3.12.2018, the Commission has approved the Tariff Schedule as per the Tariff Schedule of UGVCL. In deciding the same, the Commission has observed that:

"*....Keeping in view the above well-established principles of legislation in determination of Tariff, we believe that the whole course of this area of jurisprudence is that the functions of determination of tariff can be discharged fixing only maximum ceiling of tariff for retail sale of electricity on the basis of promoting competition among distribution licensees where two or more such licensees are in the business of distribution of electricity.*"

The Petitioner submitted that GIFT PCL's consumer pattern is peculiar and the Tariff Schedule needs modification to address the issues faced by GIFT PCL. The Petitioner has proposed that the Tariff Schedule for the different category of consumers may be as per the existing Tariff Schedule of UGVCL with slight modification. In the LTMD category, the Petitioner has proposed one additional sub-category, based on the following rationale:

The Petitioner submitted that in its licence area, the major categories are Commercial category or Non-RGP category. Moreover, the load in the licence area is vertical load where number of consumers are located in one premises/building with variances in their load as per their requirements. Moreover, in some cases, the load of the consumers is much more than 100 kVA and varies between 100 kVA to 500 kVA. However, they are not able to adopt HTP-1 Tariff due to limitation of space/availability to them; therefore, such consumers need to adopt LTMD Category.

The Petitioner submitted that Section 43 of the Act mandates the Petitioner to supply electricity to the consumers within a stipulated time period. It is necessary to allow power supply to such consumers, who are having load of more than 100 kVA but have no space available to set-up the necessary infrastructure to meet their demand of power supply, under LTMD category where it is not necessary for the consumer to create the necessary infrastructure, which can be created by the Licensee. Therefore, the Petitioner has proposed addition of sub-category for load more than 100 kVA under LTMD category in the Tariff Schedule.

The Petitioner has requested the Commission to accordingly approve the tariff schedule proposed by the Petitioner for FY 2019-20.

9.3 Commission's Ruling on Tariff Proposal for GIFT PCL for FY 2019-20

The Petitioner has proposed certain changes in the current Tariff Schedule as discussed in the previous para. As discussed above, the Commission endeavours to determine the retail tariff for FY 2019-20 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the GERC (MYT) Regulations, 2016. Section 62 of the Electricity Act, 2003 stipulates as under:

"Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of tariff for retail sale of electricity."

In continuation of the tariff philosophy adopted in the previous Tariff Order, the Commission has approved only the maximum ceiling of tariff for retail sale of electricity on the basis of promoting competition among Distribution Licensees where two or more such Licensees are in the business of distribution of electricity in the same area of supply. Accordingly, the Commission decides that UGVCL's tariff approved in the Commission's Tariff Order dated 24 th April, 2019 will be the maximum ceiling for retail supply in the GIFT City in accordance with the Tariff Schedule annexed to this Order.

Further, The Petitioner has proposed changes in the present Tariff Schedule of UGVCL in the LTMD category as discussed in the previous para. We note that the tariffs for LTMD category are set for the supply of electricity delivered at low or medium voltage, i.e., for voltage not exceeding 440 volts in accordance with the system of supply as specified in the GERC (Electricity Supply Code and Related Matters) Regulations, 2015. Keeping in view the above stated regulations, we believe that the Petitioner has sought a review of the Supply Code for which a separate procedure is prescribed in the said regulations. Hence, we do not accept the Petitioner's proposal to create another sub-category for consumer having load above 100 kW under LTMD category. However, we advise the Petitioner to represent the request appropriately, as per the GERC (Electricity Supply Code and Related Matters) Regulations, 2015 and amendments thereof.

Regulation 97 of the GERC (MYT) Regulations, 2016 considers "Prompt Payment Rebate" as one of the heads for Non-Tariff Income. However, the Commission observes that Distribution Licensees do not extend such rebate on Prompt payments being made by the consumers of such Licensees. Keeping in view the above, the Commission decides to exclude the condition for Prompt Payment Rebate from the general conditions of tariff for supply of electricity to consumers of the Petitioner.

Moreover, the Petitioner has prayed that the Petition Fees of Rs. 1.00 Lakh, may be charged instead of Fees as specified in the Schedule of the GERC (Fees, Fines and Charges) Regulations, 2005. While requesting the Commission to approve the above prayer, the Petitioner has stated that such relaxation would be a relief as the Petitioner is a small licensee with development in nascent stage, operating at a low business volume. We observe that this prayer of the Petitioner has evoked Regulation 9 of Chapter 4 of the GERC (Fees, Fines and Charges) Regulations, 2005, which empowers the Commission to adopt a procedure which is at variance with any of the provisions of the said Regulations in view of the special circumstances or it considers just and appropriate. The provision (i) of Regulations 9 of Chapter 4 of the GERC (Fees, Fines and Charges) Regulations, 2005 specifies that:

*"**9. <u>Miscellaneous</u>***

Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice.

I. Nothing in these Regulations shall bar the Commission from adopting in conformity with provisions of the Act, a procedure which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or a class of matters and for reasons to be recorded in writing, deems it just or expedient for deciding such matter or class of matters;

…"

In view of above mentioned provision, we note that the Commission is empowered to decide a different procedure than a specified one in case of the special circumstances which it considers just and appropriate for reasons to be recorded in writing. However, while reviewing the Business Plan, Business Acumen and Operations in Practice, we believe that the said prayer does not possess a matter or a class of matters which can be termed as the special circumstances, just and appropriate, recommended for relaxation in payment of Fees. Instead, we feel that there are avenues of possible cost minimization to benefit the consumers of the Petitioner. Therefore, we advise the Petitioner to explore different approaches to identify an efficient pathway leading to its consumers' well-off.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for GIFT PCL for FY 2019-20 and FY 2020-21, as shown in the Table below:

Approved ARR for GIFT PCL for FY 2019-20 and FY 2020-21 (Rs. Crore)

Particulars	2019-20	2020-21
Power Purchase Expenses	14.38	19.78
Operation & Maintenance Expenses	1.89	2.00
Depreciation	4.03	4.56
Interest & Finance Charges	5.54	5.82
Interest on Security Deposit	0.35	0.42
Interest on Working Capital	-	-
Bad Debts Written off	-	-
Contribution to contingency reserves	0.39	0.45
Total Revenue Expenditure	**26.57**	**33.03**
Return on Equity Capital	2.37	2.82
Income Tax	-	-
Aggregate Revenue Requirement	**28.94**	**35.85**
Less: Non-Tariff Income	0.32	0.35
Aggregate Revenue Requirement	**28.62**	**35.50**

The retail supply tariffs for GIFT PCL for FY 2019-20 determined by the Commission are annexed to this Order.

This Order shall come into force with effect from 1st August, 2019. The rate shall be applicable for the electricity consumption from 1st August, 2019 onwards.

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

Place: Gandhinagar

Date: 31/07/2019

Annexure: Tariff Schedule

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

Effective from 1st August, 2019

GENERAL CONDITIONS

1. This tariff schedule is applicable to all the consumers of GIFT PCL in the Licence area of GIFT City.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. 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 equipment 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.
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 kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer

supply being connected or disconnected any time within the duration of billing period for any reason.

11. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed Payment Charges for all consumers:
    - No Delayed Payment Charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
    - Delayed Payment Charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment, if the bill is paid after due date. Delayed Payment Charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment, if the bill is paid after due date.
    - For Government dues, the Delayed Payment Charges will be levied at the rate provided under the relevant Electricity Duty Act.

PART- I

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

1. RATE: RGP

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

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

1.1. FIXED CHARGE

Range of Connected Load: (Other than BPL consumers)

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

For BPL household consumers:

Fixed Charges	Rs. 5/- per month

PLUS

1.2. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

(FOR OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

1.3. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMERS BELOW POVERTY LINE (BPL)**

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

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

1.4. MINIMUM BILL

Payment of Fixed Charges as specified in 1.1 above.

2. RATE: RGP (RURAL)

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

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

2.1. FIXED CHARGES / MONTH

Range of Connected Load: (Other than BPL Consumers)

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

For BPL household consumers:

Fixed Charges	Rs. 5 per month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMER BELOW POVERTY LINE (BPL)**

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

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

2.4. MINIMUM BILL

Payment of Fixed Charges as specified in 2.1 above.

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

3. RATE: GLP

This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose and research and development laboratories.

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

4. RATE: NON-RGP

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

Consumer under this category may opt to be charged as per category – 'RATE: LTMD'

4.1. FIXED CHARGES PER MONTH

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

PLUS

4.2. ENERGY CHARGES:

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

4.3. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

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

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

c) The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause (a) above and complying with the provision stipulated under sub-clause (b) above shall be Rs. 1800 per annum per kW of the contracted load.

d) The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.

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

5. RATE: LTMD

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

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

5.1. FIXED CHARGE

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

PLUS

5.2. ENERGY CHARGE

For the entire consumption during the month	460 Paise per unit

PLUS

5.3. REACTIVE ENERGY CHARGE

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

5.4. BILLING DEMAND

The Billing Demand shall be highest of the following:

a) Eighty-five percent of the contract demand
b) Actual maximum demand registered during the month
c) 10 kW

5.5. MINIMUM BILL

Payment of Demand Charges every month based on the Billing Demand.

5.6. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

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

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

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

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

a) The highest of the actual maximum demand registered during the calendar year.
b) Eighty-five percent of the arithmetic average of contract demand during the year.
c) 10 kW

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

6. RATE: NON-RGP NIGHT

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10:00 PM to 06:00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

6.1. FIXED CHARGES PER MONTH:

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

PLUS

6.2. ENERGY CHARGES:

For the entire consumption during the month	260 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 6 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 6 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per Non-RGP category demand charge rates given in para 4.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 4.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 4.1 and 4.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*

7. *This option can be exercised to shift from NON-RGP tariff category to NON-RGP NIGHT tariff or from NON-RGP NIGHT tariff category to 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.*

7. RATE: LTMD-NIGHT

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

7.1 FIXED CHARGE PER MONTH

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

PLUS

7.2 ENERGY CHRGES

For entire consumption during the month	260 Paise per unit

PLUS

7.3 REACTIVE ENERGY CHARGES

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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 7 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 7 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 5.1 of this schedule.*

4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 5.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 5.1 and 5.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*
7. *This option can be exercised to shift from LTMD tariff category to LTMD NIGHT tariff or from LTMD- NIGHT tariff category to LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

8. RATE: LIFT IRRIGATION

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

(a)	Fixed charges per month	Rs. 20/-per HP

PLUS

(b)	Energy charges For entire consumption during the month	150 Paise per Unit

9. RATE: WWSP

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

9.1 Type I- Water works and sewerage pumps operated by other than local authority

(a)	Fixed charges per month	Rs. 25/ per HP

PLUS

(b)	Energy charges per month: For entire consumption during the month	430 Paise per Unit

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

(a)	Fixed charges per month:	Rs. 20 per HP

PLUS

(b)	Energy charges per month: For entire consumption during the month	410 Paise per Unit

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

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

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

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

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

10. RATE: AG

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

10.1 The rates for following group are as under:

10.1.1 HP BASED TARIFF:

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

10.1.2 METERED TARIFF

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

10.1.3 TATKAL SCHEME

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

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

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

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

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

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

11. RATE- SL

11.1 Tariff for Street Light for Local Authority and Industrial Estates:

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

11.1.1 ENERGY CHARGES:

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

11.1.2 OPTIONAL KVAH CHARGES:

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

11.1.3 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.1.4 Maintenance other than Replacements of Lamps:

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

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

11.2.1 FIXED CHARGES

Rs. 30 per kW per month

11.2.2 ENERGY CHARGES

For all the units consumed during the month	405 Paise per kWh

11.2.3 Renewal and Replacement of Lamps

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.2.4 Maintenance other than Replacement of Lamps:

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

12. RATE- TMP

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

12.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

12.2 ENERGY CHARGE

A flat rate of	465 Paise per Unit

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

13. 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, RGP (RURAL), GLP, LTMD, NON-RGP NIGHT, LTMD-NIGHT, etc. as the case may be.

13.1 FIXED CHARGES/MONTH

Fixed Charge	Rs. 25 per installation

13.2 ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

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

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

14. RATE- HTP-1

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.

14.1 FIXED CHARGE

14.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

14.1.2 For billing Demand in Excess of Contract Demand

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

PLUS

14.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

14.3 TIME OF USE CHARGES

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

14.4 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

14.5 MINIMUM BILLS:

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

14.6 POWER FACTOR ADJUSTMENT CHARGES:

14.6.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, will be charged.

14.6.2 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 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14.7 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.

14.8 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.

14.9 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%

14.10 CONCESSION FOR USE OF ELECTRICITY DURING NIGHT HOURS:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning shall be eligible for concession at the rate of 40 Paise per unit.

14.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

14.11.1 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.

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

14.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 14.11.1 above and complying with provisions stipulated under sub-clause 14.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

14.11.4 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

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

14.11.6 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.

15. RATE- HTP-II

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities and GW & SB. GIDC Water Works.

15.1 DEMAND CHARGES:

15.1.1 For billing demand up to contract demand

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

15.1.2 For billing demand in excess of contract demand

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

PLUS

15.2 ENERGY CHARGES:

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

15.3 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	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

15.4 Billing Demand

15.5 Minimum Bill

15.6 Maximum demand and its measurement

15.7 Contract Demand

15.8 Rebate for supply at EHV

15.9 Concession for use of electricity during night hours

Same as HTP-I Tariff

15.10 POWER FACTOR ADJUSTMENT CHARGES

15.10.1 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 15.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, will be charged.

15.10.2 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 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. 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.

16.1 DEMAND CHARGES:

For billing demand upto contract demand	Rs. 18 per kVA per day
For billing demand in excess of contract demand	Rs. 20 per kVA per day

PLUS

16.2 ENERGY CHARGES

For all units consumed during the month	660 Paise/Unit

PLUS

16.3 TIME OF USE CHARGES

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

16.4 Billing Demand
16.5 Minimum bill
16.6 Maximum demand and its measurement
16.7 Contract Demand
16.8 Rebate for supply at EHV

Same as HTP-I Tariff

16.9 POWER FACTOR ADJUSTMENT CHARGES

16.9.1 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 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.9.2 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 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17. RATE- HTP-IV

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.

17.1 DEMAND CHARGES:

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

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise per Unit

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

17.8 POWER FACTOR ADJUSTMENT CHARGES:

17.8.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, will be charged.

17.8.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 16 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 16 above.

3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 14.1 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 14.2 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 14.1 and 14.2 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. This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to 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

18. RATE- HTP-V

HT - Agricultural (for HT Lift Irrigation scheme only)

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

18.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

18.2 ENERGY CHARGES:

For all units consumed during the month	150 Paise per Unit

18.3 Billing Demand		
18.4 Minimum bill		
18.5 Maximum demand and its measurement	}	**Same as per HTP-I Tariff**
18.6 Contract Demand		
18.7 Rebate for supply at EHV		

18.8 POWER FACTOR ADJUSTMENT CHARGES

18.8.1 Penalty for poor power factor

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, will be charged

18.8.2 Power Factor Rebate

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

19. RATE- RAILWAY TRACTION

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

19.1 DEMAND CHARGES:

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

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

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 19.1 (b).

PLUS

19.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit

19.3 Billing Demand:	**Same as HTP-I Tariff**
19.4 Minimum Bill	
19.5 Maximum demand and its measurement	
19.6 Contract Demand	
19.7 Rebate for supply at EHV	

19.8 POWER FACTOR ADJUSTMENT CHARGES

19.8.1 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 19.2 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 19.2 of this schedule, will be charged.

19.8.2 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 19.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

20. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

20.1 DEMAND CHARGES

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per month

PLUS

20.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

Energy Charge	400 Paise per Unit

20.3 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