GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

Order on the Review Petition seeking clarifications/ rectifications of the Commission's order dated 9th December, 2009 in Case No. 966/2009 filed by

Torrent Power Limited

Case No. 1001/2010

31st March 2010

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AHMEDABAD

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BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION AT AHMEDABAD

Case No. 1001/2010

Date of the Order: 31st March 2010

CORAM

Dr. P. K. Mishra, Chairman

Shri Pravinbhai Patel, Member

ORDER

1 Background

Torrent Power Limited (hereinafter referred to as TPL or Petitioner) filed a Review Petition under Section 94 of the Electricity Act, 2003 read with Regulations 72, 80, 81, 82 and 83 of the Gujarat Electricity Regulatory Commission (Conduct of Business) Regulations, 2004 seeking clarifications/ rectifications of the Commission's order dated 9th December, 2009 in Case No. 966/2009 filed for Annual Performance Review (APR) of FY 2008-09 and estimation of Aggregate Revenue Requirement (ARR) for FY 2009-10.

2 Facts of the Case

1. On 9th December, 2009, the Commission issued the Order (hereinafter referred to as 'tariff order') on Annual Performance Review (APR) for FY 2008-09 and estimation of Aggregate Revenue Requirement (ARR) for FY 2009-10 for TPL in Case No. 966/2009.

2. TPL has filed a Review Petition on 22 January, 2010 seeking clarifications/ rectifications related to various issues discussed in the above mentioned order.

3. The Commission has analyzed the various issues put forth by TPL in this order (hereinafter referred to as the 'review order'). The Petitioner's submissions and the Commission's analysis are discussed in the sections below.

2.1 Clarification for future liability of Income Tax

Petitioner's submission

TPL has submitted that in the paragraphs 3.2.10.7, 3.3.7.8 and 3.4.7.8 of the tariff order, the Commission has apportioned the income tax paid by TPL amongst each business as per profit before tax (PBT) of each business. TPL has requested the Commission to note that it has claimed deduction under Section 80IA of the Income Tax Act, 1961 for the income from its distribution business to reduce the burden on the consumers. Accordingly, it had paid the Income Tax for FY 2008-09. However, the assessment by the Income Tax Authorities is still pending. Therefore, TPL has requested the Commission to clarify that the future liability, if any, that may arise by action of Income Tax Department in case of disallowance of TPL's claim for deduction, will be allowed to be recovered from the consumers in the year in which liability so arises.

Commission's analysis

The Commission shall take appropriate decision on the matter, as per the applicable regulations, as and when such a liability, if any, arises in future.

2.2 Clarification for allowing gains on account of distribution loss as per MYT trajectory

Petitioner's submission

TPL has submitted that the Commission had approved a distribution loss for FY 2009-10 at 10.25% for Ahmedabad and 6% for Surat in its MYT order. In the tariff order dated 9th

December, 2009, the Commission has revised the estimate for distribution loss for FY 2009-10 to 8.54% for Ahmedabad and 5.51% for Surat.

TPL has submitted that the very principle of MYT framework Regulations notified by the Commission to encourage the utilities to perform better and incentivise the same, in line with the provisions of the Electricity Act, 2003 and the National Tariff Policy, is defeated by the Commission's decision to revise the approved distribution loss trajectory in its MYT order. TPL has further submitted that the downward revision of distribution loss by deviating from MYT approved trajectory by the Commission for the FY 2009-10 is incorrect and not maintainable.

Based on the above submission, TPL has requested the Commission for suitable rectification by clarifying that the gains on account of better performance due to actual reduction in distribution loss will be allowed with respect to the trajectory specified in the MYT Order for the control period FY 2008-09 to FY 2010-11.

Commission's analysis

The Commission clarifies that any gains / losses with regards to actual performance of distribution loss for the control period FY 2008-09 to FY 2010-11 shall be computed with reference to the values approved in the MYT order

2.3 Sharing of gains arising due to improvement in distribution loss for both TPL-D (Ahmedabad) and TPL-D (Surat)

Petitioner's submission

2.3.1 Computation of distribution loss on actual sales

TPL has submitted that in the paragraphs 3.5.2.1 and 3.5.3.1 of the tariff order, the Commission has determined the gain due to improvement in distribution loss for both TPL-D (Ahmedabad) and TPL-D (Surat) for FY 2008-09. The Commission has considered the MYT approved sales for FY 2008-09 while determining the reduction in energy requirement on account of reduction in distribution loss. TPL has submitted that the method used is incorrect. The improvement due to reduction of distribution loss needs to be considered with the actual sales for the year. This would clearly show the improvement in the efficiency of the utility as compared to the approved parameter. The

Petitioner has therefore requested the Commission to consider actual sales figure for reduced energy requirement for FY 2008-09. TPL has provided the calculation for reduction in energy requirement on account of distribution loss reduction as shown below:

Table 1: Computation of reduction in energy requirement as submitted by TPL

Particulars		Gain for Ahmedabad	Gain for Surat
Actual sales (in MUs)	(a)	4,737.35	2,907.18
MYT Order distribution loss (in %)	(b)	10.43%	6.00%
Power purchase based on MYT approved distribution loss (in MUs)	c= {(a/(1-b)}	5,288.99	3,092.74
Actual Distribution Loss (in %)	(d)	8.69%	5.51%
Actual power purchase (in MUs)	e={(a/(1-c)}	5,188.16	3,076.83
Reduction in energy requirement (in MUs)	f=(c-e)	100.83	15.91

2.3.2 Inclusion of loss on account of wheeling sales

TPL has further submitted that it also provides wheeling facility to the captive consumers without recovering any wheeling losses in accordance with the Commission's Order dated August 11, 2006. Accordingly, TPL gives set off for the same amount of energy which is being injected in the network by such captive consumers. TPL incurs the distribution losses during the wheeling of such electricity. Accordingly, it has calculated approved distribution losses for the actual energy wheeled (details submitted vide its letter dated October 27, 2009) by it for FY 2008-09 in following table.

Table 2: Computation of approved distribution loss for actual wheeled energy as submitted by TPL

Particulars		Ahmedabad	Surat
Number of Consumers		17	11
Total Installed Capacity (MW)	(a)	33.86	12.80
Net Generation (MUs)	(b)	57.61	9.42
Energy Wheeled for Consumption of the CPP Consumer (MUs)	(c)	52.24	5.85
Approved Distribution losses @ 10.43%	(d)	5.45	0.61

TPL has submitted that its actual distribution losses of 8.69% as mentioned above includes the losses on account of such wheeling but it does not form part of the approved losses as wheeling is not considered as part of its sales. Therefore, the approved distribution losses as worked out above needs to be added to arrive at actual reduction in energy requirement due to improvement of distribution losses. Thus, the total reduction in power purchase requirement is 106.24 MUs and 16.65 MUs for Ahmedabad and Surat, respectively.

2.3.3 Using GUVNL rate for computing gains

TPL has submitted that the reduction in energy requirement due to improvement of distribution loss has resulted into lower quantum of power purchase from GUVNL. TPL – D (Ahmedabad) sources its power requirement first from TPL – G (APP), the embedded generation and then from GUVNL. Hence any improvement in distribution loss will directly reduce the quantum of power purchase from GUVNL. Therefore, TPL has submitted that to arrive at the correct amount of gains on account of reduction in distribution losses, the power purchase rate needs to be the GUVNL power purchase rate and not the average power rate considered by the Commission. Therefore, TPL-D has requested the Commission to rectify the calculation of gains by considering the GUVNL rate. The computation in relation to gains arising due to improvement in distribution loss for both TPL-D (Ahmedabad) and TPL-D (Surat) is as shown below:

Table 3: Computation of gains due to distribution loss reduction as submitted by TPL

Particulars	Gain / (Loss) for Ahmedabad	Gain / (Loss) for Surat
Reduction in energy requirement (in MUs)	106.24	16.65
Power purchase rate from GUVNL (Rs./kWh)	3.84	3.71
Gain due to Distribution Loss (Rs. in crores)	40.80	6.18

2.3.4 Gains to be shared with TPL

TPL has further submitted that based on the gains calculated by the Commission at Table 140 and 143 of the tariff order, the Commission has passed on the rebate to the consumers and accordingly, it has calculated the gap by deducting the rebate from the approved ARR of TPL-D (Ahmedabad) and TPL-D (Surat). TPL-D has stated that the ARR approved at Table 94 and 137 of the tariff order has been calculated by considering the actual power purchase quantum and actual power purchase cost. Thus, the gains on account of reduction in distribution loss have not been considered in the calculation. Therefore, TPL-D has requested the Commission to revise the power purchase cost at column "Considered for APR of FY 2008-09" at Table 94 and 137 of the tariff order by incorporating the above gains in the power purchase cost.

Commission's analysis

The Commission agrees with TPL that the reduction in energy requirement due to distribution loss reduction should be computed using actual sales rather than MYT order approved sales. As sales is an uncontrollable parameter, the actual sales figure provides a more accurate basis for applying the distribution loss percentages.

On the issue of distribution loss for wheeled energy, although the Commission agrees with TPL that reduction in energy requirement on account of distribution loss reduction should also be considered for wheeled energy, it is incorrect to state that the distribution loss approved in MYT order did not include loss on account of wheeled energy. The set-off that TPL has to provide for the loss incurred on account of energy wheeled is already included in the total energy requirement computed for TPL in the MYT order. Hence the loss on account of wheeled energy is included in the loss trajectory approved in the MYT order. In view of the above reasoning, the Commission has added the actual energy wheeled to the actual sales while computing the reduction in energy requirement.

TPL has also submitted that the gains should be computed using the GUVNL rate rather than the average power purchase rate. The fact that the reduction in energy requirement resulted in reduction of power purchase from GUVNL cannot be established with certainty since there is no evidence on record to substantiate this. Hence, in the Commission's opinion, it is more appropriate to use a weighted average power purchase rate.

On the matter of consideration of the gain on account of distribution loss, the Commission agrees that the gains on account of reduction in distribution loss have not been actually shared with TPL. This had happened because the Commission, along with approving the actual power purchase cost for TPL-Ahmedabad, had also provided a rebate in tariff on account of gains achieved by TPL-Ahmedabad. The Commission has now revised this and computed a charge on tariff in this order and loaded it onto the ARR of TPL-Ahmedabad.

Table 140 of the tariff order (Gains / Losses computation for TPL-Ahmedabad due to distribution loss) is now revised as shown below:

Table 4: Gains / Losses computation for TPL-Ahmedabad (2008-09) due to distribution loss

No.	Particulars		Gain / (Loss) computation
a	Actual sales (MUs)		4737.35
b	Wheeled energy (MUs)		52.24
c	Total energy sales including wheeled energy (MUs)	a + b	4789.59
d	MYT order distribution loss (%)		10.43%
e	Energy required at T-D interface as per MYT loss (MUs)	c / (1-d)	5347.31
f	Actual distribution loss (%)		8.69%
g	Energy required at T-D interface as per actual loss (MUs)	c / (1-f)	5245.41
h	Reduction in energy requirement (MUs)	e – g	101.90
i	Average power purchase cost (Rs./kWh)		3.23
j	Gain / (Loss) due to distribution loss (Rs. crores)	h * i	32.96
k	**1/3rd of gain to be loaded on to ARR**	**(1/3) * j**	**10.99**

Table 143 of the tariff order (Gains / Losses computation for TPL-Surat due to distribution loss) is now revised as shown below:

Table 5: Gains / Losses computation for TPL-Surat (2008-09) due to distribution loss

No.	Particulars		Gain / (Loss) computation
a	Actual sales (MUs)		2907.18
b	Wheeled energy (MUs)		5.85
c	Total energy sales including wheeled energy (MUs)	a + b	2913.03
d	MYT order distribution loss (%)		6.00%
e	Energy required at T-D interface as per MYT loss (MUs)	c / (1-d)	3098.97
f	Actual distribution loss (%)		5.51%
g	Energy required at T-D interface as per actual loss (MUs)	c / (1-f)	3082.89
h	Reduction in energy requirement (MUs)	e – g	16.07
i	Average power purchase cost (Rs./kWh)		3.71
j	Gain / (Loss) due to distribution loss (Rs. crores)	h * i	5.96
K	**1/3rd of gain to be loaded on to ARR**	**(1/3) * j**	**1.99**

2.4 Reconciliation of Energy Balance of TPL-D and consideration of actual generation for TPL-G (APP)

Petitioner's submission

TPL has submitted that in paragraph 3.2.11 of the tariff order, the Commission has approved the net ARR for TPL-G (APP) by taking into account the variable and fixed cost. The Net ARR considered for APR of FY 2008-09 of TPL-G (APP) at Table 51 of the tariff order is based on approved gross generation of 3792.72 MUs which corresponds to net generation of 3498.82 MUs as per Tables 26 and 18 of the tariff order. However, in paragraph 3.3.6 of the tariff order, the Commission has considered the actual net generation of 3701.54 MUs by TPL-G (APP) into the approved power purchase quantum of TPL-D (Ahmedabad) at Table 65, instead of net generation of 3498.82 MUs of TPL-G (APP) considered at Table 18. This has resulted in error as units sold by TPL-G (APP) to TPL-D (Ahmedabad) are not the same as that of units purchased by TPL-D (Ahmedabad) from TPL-G (APP). In such a scenario, the energy requirement of TPL-D (Ahmedabad) has been left unbalanced.

TPL has submitted that PLF should be treated as an uncontrollable parameter for any generating station. Therefore, the energy balance should be reconciled by considering the actual gross generation in column "Considered for APR of FY 2008-09" at Table 18 and suitable changes should be done in TPL-G (APP) and TPL-D (Ahmedabad) ARR calculations.

Commission's analysis

The Commission agrees with TPL's contention that PLF should be treated as uncontrollable. This is because the actual PLF achieved by the plant primarily depends on system load which is not a controllable factor for the generating station. Thus Table 8 (PLF estimated for FY 2008-09 by Commission), Table 18 (Summary of station-wise Gross and Net Generation) and Table 26 (Variable cost computation for each fuel type) of the tariff order are revised as shown below:

Table 6: Summary of PLF for FY 2008-09

(%)

Stations	MYT Order	FY 2008-09 (Actual)	Considered for APR of FY 2008-09
C Station	92.51	89.71	89.71
D Station	86.79	98.43	98.43
E Station	92.53	97.24	97.24
F Station	91.42	96.51	96.51
Vatva Gas CCPP	83.54	72.64	72.64

Table 7: Gross & Net Generation for FY 2008-09

Stations	MYT Order	Actual	Considered for APR of FY 2008-09
C Station			
Capacity in MW	60	60	60
PLF in %	92.51%	89.71%	89.71%
Gross Generation in MUs	486.23	471.52	471.52
Auxiliary Consumption (MUs)	45.75	45.31	44.37
Net Generation in MUs	440.48	426.20	427.15
D Station			
Capacity in MW	120	120	120
PLF in %	86.79%	98.43%	98.43%
Gross Generation in MUs	912.34	1034.70	1034.70
Auxiliary Consumption (MUs)	79.65	88.26	90.33
Net Generation in MUs	832.69	946.44	944.37
E Station			
Capacity in MW	110	110	110
PLF in %	92.53%	97.24%	97.24%
Gross Generation in MUs	891.62	937.00	937.00
Auxiliary Consumption (MUs)	77.84	79.93	81.80
Net Generation in MUs	813.78	857.08	855.20
F Station			
Capacity in MW	110	110	110
PLF in %	91.42%	96.51%	96.51%
Gross Generation in MUs	880.92	929.97	929.97
Auxiliary Consumption (MUs)	76.90	79.33	81.19

Stations	MYT Order	Actual	Considered for APR of FY 2008-09
Net Generation in MUs	804.02	850.64	848.78
Vatva Gas CCPP			
Capacity in MW	100	100	100
PLF in %	83.54%	72.64%	72.64%
Gross Generation in MUs	731.81	636.33	636.33
Auxiliary Consumption (MUs)	21.37	15.14	15.14
Net Generation in MUs	710.44	621.18	621.18
Total TPL-G (APP)			
Gross Generation in MUs	3902.92	4009.51	4009.51
Auxiliary Consumption (MUs)	301.51	307.97	312.83
Net Generation in MUs	3601.41	3701.54	3696.68

Table 8: Variable cost for each fuel type computed by Commission

Fuel Type	MYT order	Actual	Considered for APR of FY 2008-09
Indigenous Coal			
Requirement (Mn. Tonnes)	1.26	1.33	1.32
Rate (Rs./Tonne)	2757	3062	3062
Cost (Rs. crores)	347.45	408.08	403.31
Imported Coal			
Requirement (Mn. Tonnes)	0.48	0.61	0.61
Rate (Rs./Tonne)	3035	4800	4800
Cost (Rs. crores)	146.66	291.47	291.83
Gas			
Requirement (Mn. SCM)	172	148	149
Rate (Rs./'000 SCM)	8095	14963	14963
Cost (Rs. crores)	139.09	221.27	223.56
Secondary fuel oil			
Requirement (Tonnes)	4598.1	1212.3	4891.12
Rate (Rs./Tonne)	18053	29702	29702

Fuel Type	MYT order	Actual	Considered for APR of FY 2008-09
Cost (Rs. crores)	8.30	3.60	14.53
Total Coal & Secondary Fuel (Rs. crores)	502	703	710
Total Gas (Rs. crores)	139	221	224
Total Fuel Cost of TPL-G (Rs. crores)	642	924	933

Further, the Commission has revised the workings for Interest on Working Capital of TPL-G (APP) by re-computing it on a normative basis considering the revised fuel cost numbers. Thus Table 42 of the tariff order (Interest on Working Capital computed by Commission) is revised as shown below:

Table 9: Summary of Interest on working capital expense for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Interest on Working Capital	26.63	0.00	35.66

Table 51 of the tariff order (Summary of TPL-G (APP) ARR) is now revised as shown below:

Table 10: Summary of TPL-G (APP) APR for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Variable Costs			
Station C	101.85	110.61	111.02
Station D	131.76	204.75	206.84
Station E	134.22	193.23	195.21
Station F	134.57	194.58	196.60
Station Vatva	139.09	221.27	223.56
Total Variable Costs	**641.51**	**924.43**	**933.23**
Fixed Costs			

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Employee Expenses	49.70	48.86	49.70
R&M Expenses	43.27	33.53	43.27
A&G Expenses	22.16	19.10	22.16
Depreciation	30.72	25.77	25.77
Interest on loans	13.55	7.44	7.44
Interest on Working Capital	26.63	0.00	35.66
Return on Equity	44.49	41.67	41.67
Income Tax	15.12	11.39	11.39
Total Fixed Costs	**245.65**	**187.76**	**237.06**
Gross ARR	**887.15**	**1112.19**	**1170.28**
Non-tariff income	1.50	2.23	2.23
Net ARR	**885.65**	**1109.96**	**1168.05**

The Commission further clarifies that there shall be no change in Table 65 of the tariff order (Summary of power purchase from various sources for TPL-Ahmedabad) on account of the above revised workings. This is because power purchase cost for TPL-Ahmedabad is uncontrollable and hence the actual units and cost of TPL-G (APP) are considered for APR in the ARR of TPL-Ahmedabad. Since there is no change in the actual units and cost of TPL-G (APP), the Table 65 will not get revised.

2.5 Amount of Gains/ losses on account of TPL-G (APP) has not been factored in TPL-D ARR for its rebate/ recovery

Petitioner's submission

TPL has submitted that in paragraph 3.2.11 of the tariff order, the Commission has approved Net ARR of TPL-G (APP) for FY 2008-09 at Table 51. The Net ARR so arrived at in Table 51 under column "Actual" and "Considered for APR of FY 2008-09" have been used in the paragraph 3.5.1 for the computation of gains & losses at Table 139 and accordingly, the total rebates have been calculated in Table 142 of the order. The total rebates so arrived at have been passed on to the consumers of TPL-D (Ahmedabad) by giving adjustment in the Net ARR at Table 146 of the Order.

TPL has submitted that the Net ARR of Rs. 2069.58 crores mentioned at Table 146 does not include the amount of gains/ losses of TPL-G (APP). This is due to an error in Table 94. The Commission has considered "Actual" net ARR of TPL-G (APP) of Rs. 1109.96 crores (as mentioned in Table 51) instead of Rs. 1114.75 crores while arriving at Net ARR for TPL-D (Ahmedabad) at column "Considered for APR of FY 2008-09 " in Table 94.

Therefore, TPL has requested the Commission to rectify the Net ARR of TPL-D (Ahmedabad) at column "Considered for APR of FY 2008-09" in Table 94 by considering the Net ARR of TPL-G (APP) of Rs 1114.75 crores which will undergo further change due to revisions proposed in the petition.

Commission's analysis

The Commission clarifies that, in contrast to TPL's submission, the Commission had included the gains / losses on account of TPL-G (APP) as rebate passed on to the ARR of TPL-Ahmedabad. The amount of total rebate of Rs. 45.25 crores arrived at in Table 142 of the tariff order (Final gain / loss computation for TPL-Ahmedabad) is the sum of the figures Rs. 3.19 crores, Rs. 22.56 crores and Rs. 19.50 crores which are: i) rebate in tariff on account of TPL-G (APP) (table 139 of the tariff order) (ii) rebate in tariff on account of distribution loss of TPL-Ahmedabad (table 140 of the tariff order) and (iii) rebate in tariff on account of controllable fixed costs of TPL-Ahmedabad (table 141 of the tariff order) respectively.

However, the Commission agrees that there has been an error in the method by which the Commission has computed and passed on the TPL-G gains / losses in TPL-Ahmedabad's ARR. The Commission has revised the computation of gains / losses for TPL-G (APP) and the ARR of TPL-Ahmedabad in section 2.9 of this order.

2.6 Treatment of sale of surplus power to GUVNL

Petitioner's submission

TPL has submitted that in paragraph 3.2.10.8 of the tariff order, the Commission has not considered income from sale of surplus power to GUVNL by TPL-G (APP) for 20.74 MUs for FY 2008-09 under the non-tariff income and has accounted this sale of the above said surplus power to GUVNL by reducing the energy requirement of TPL-D

(Ahmedabad). According to TPL, the actual power purchase by TPL-D (Ahmedabad) from GUVNL is 1488.78 MUs against the Commission approved power purchase of 1468.04 MUs.

Further, TPL has submitted that the rate at which the power is purchased from GUVNL by TPL-D (Ahmedabad) is higher as compared to the rate at which power is exported by TPL-G (APP) to GUVNL. The rate of purchase and sale are not same as they are independent commercial transactions with GUVNL. The export of surplus power by TPL-G (APP) to GUVNL has been therefore erroneously set-off against the purchase of power by TPL-D (Ahmedabad). This treatment given in the order has led to under recovery of cost. The financial impact for the same has been summarized in the table below:

Table 11: Sale of Surplus Power exported to GUVNL

Particulars	MUs	Rate (Rs./kWh)	Amount (Rs.crores)
Actual power purchased from GUVNL	1,488.78	3.84	571.90
Approved power purchase from GUVNL	1,468.04	3.82	560.79
Difference in the actual and approved power purchase from GUVNL	20.74		11.11
Less: Sale of Surplus Power to be considered as Non Tariff Income	20.74	2.30	4.76
Net Under Recovery			6.35

TPL has requested the Commission to consider the sale of surplus power to GUVNL by TPL-G (APP) as non-tariff income and to consider the purchase of TPL-D (Ahmedabad) as per details submitted by TPL and rectify the ARR.

Commission's analysis

The Commission would like to place on record that despite repeated reminders during the process of analysis of the petition related to the tariff order dated 9th December 2009, TPL had failed to submit details of the surplus power which was exported to GUVNL in terms of the units sold, sale price and source of the surplus power. Due to the inadequacy of data, the Commission had removed the impact of the surplus units from income as well as cost (power purchase) side of TPL-Ahmedabad in the tariff order.

With the details now submitted by TPL in this review petition, the Commission has resolved the above issue by considering the 20.74 MUs as additional units purchased from GUVNL by TPL-Ahmedabad and by considering the revenue from sale of surplus 20.74 MUs to GUVNL as non-tariff income of TPL-Ahmedabad.

Thus, tables 63 and 65 of the tariff order (energy availability, power purchase cost) are revised as shown below:

Table 12: Summary of Energy availability

(MUs)

Energy sources	MYT order	Actual	Considered for APR of FY 2008-09
TPL-G (APP)	3601.41	3701.54	3701.54
TPL-G (SUGEN)	32.00	0.00	0.00
GUVNL	1668.00	1488.74	1488.74
Wind energy	197.00	18.61	18.61
Total	**5498.41**	**5209**	**5209**

Table 13: Power purchase cost approved by Commission

Sources	MYT order	Actual	Considered for APR of FY 2008-09
TPL-G (APP)			
Quantity in MUs	3601.41	3701.54	3701.54
Rate in Rs./kWh	2.46	3.00	3.00
Cost in Rs. crores	885.65	1109.96	1109.96
TPL-G (SUGEN)			
Quantity in MUs	32.00	0.00	0.00
Rate in Rs./kWh	3.10	3.10	3.10
Cost in Rs. crores	9.92	0.00	0.00
GUVNL			
Quantity in MUs	1668.00	1488.78	1488.78
Rate in Rs./kWh	3.10	3.82	3.82
Cost in Rs. crores	517.08	568.71	568.71
Wind energy			
Quantity in MUs	197.00	18.61	18.61
Rate in Rs./kWh	3.51	3.37	3.37
Cost in Rs. crores	69.15	6.27	6.27

Sources	MYT order	Actual	Considered for APR of FY 2008-09
Total			
Quantity in MUs	**5498.41**	**5209**	**5209**
Rate in Rs./kWh	**2.69**	**3.23**	**3.23**
Cost in Rs. crores	**1481.80**	**1684.94**	**1684.94**

Accordingly, the energy requirement of TPL-Ahmedabad is also revised. Thus, the table 61 of the tariff order (energy requirement for TPL-Ahmedabad) is revised as follows:

Table 14: Summary of Energy requirement for TPL-Ahmedabad

(MUs)

Particulars	MYT order	Actual	Considered for APR of FY 2008-09
Energy Sales	4922	4737	4737
Distribution loss (%)	10.43%	8.69%	8.69%
Distribution loss	573.00	450.85	450.85
Energy input at distribution level	5495	5188	5188
Transmission loss	3.00	0.37	0.37
Energy sold to GUVNL	0.00	20.74	20.74
Energy requirement	5498	5209	5209

The income from sale of surplus power to GUVNL has been added in the non-tariff income of TPL-Ahmedabad. Thus table 93 of tariff order (non-tariff income) stands revised as shown below:

Table 15: Summary of non-tariff income of TPL-Ahmedabad for FY 2008-09

(Rs. crores)

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Non tariff income	76.24	58.85	58.85

2.7 Gains on account of improvement in auxiliary consumption

Petitioner's submission

TPL has submitted that in paragraph 3.5.1 of the tariff order, the Commission has computed the gains for TPL-G (APP). However, the gains on account of better auxiliary consumption have not been considered while calculating the gains for TPL-G (APP). TPL-G (APP) has stated that it was able to achieve better auxiliary consumption for coal based power plants entirely due to its operational efficiency and it should be treated as controllable gains. The improvement in the auxiliary consumption for gas based power plant was due to better availability of gas and hence may be treated as uncontrollable. Due to the improvement in the auxiliary consumption, TPL-G (APP) was able to sell more power to TPL-D (Ahmedabad) by keeping the total cost of generation constant. Therefore, it should be treated as efficiency gain for TPL-G (APP). The additional units sold by TPL-G (APP) to TPL-D (Ahmedabad) are tabulated below.

Table 16: Computation of additional units (MUs) due to reduction in auxiliary consumption

Stations	Actual gross generation (a)	Approved auxiliary consumption (b)	Actual auxiliary consumption (c)	Auxiliary Consumption for gains (d)	Additional units for sharing of gains (b-d)*a
C	471.53	9.41%	9.61%	9.61%	(0.92)
D	1,034.72	8.73%	8.53%	8.53%	2.06
E	937.00	8.73%	8.53%	8.53%	1.86
F	929.95	8.73%	8.53%	8.53%	1.85
Vatva	636.37	2.92%	2.38%	2.92%	-
Total	**4009.57**				**4.85**

TPL has submitted that due to additional power generated by TPL-G (APP), the power purchase cost for TPL-D (Ahmedabad) has reduced due to lower purchase of power from GUVNL by the same quantity. Therefore, the gains on account of better performance of TPL-G (APP) are savings for TPL-D (Ahmedabad) on account of lower power purchase from GUVNL. The savings generated due to better auxiliary consumption is tabulated below.

Table 17: Computation of Gains due to improved auxiliary consumption

Particulars	TPL-D (Ahmedabad)
Additional power considered for sharing of gains (MUs)	4.85

Particulars	TPL-D (Ahmedabad)
Rate of power purchase cost from GUVNL (Rs./kWh)	3.84
Total Gains (in Rs. crores)	1.86

Thus, TPL has requested the Commission to rectify the calculation of gains by considering the gains on account of improvement in auxiliary consumption under the gains of TPL-G (APP).

Commission's analysis

The Commission accepts TPL's submission that the gains for the generating business on account of reduction in auxiliary consumption should also be computed since it is a controllable parameter. However, the Commission is of the opinion that the gains on account of reduction in auxiliary consumption purely pertain to the generating business and as such should be computed using costs of the generating business only. Moreover, any change in auxiliary consumption solely impacts the net generation and therefore only the variable cost of generation. Hence the Commission has computed the gains for each station considering the variable cost of each station.

The Commission determines that the following table and subsequent text shall be considered as an addition in the tariff order in the section for computation of gain / loss for TPL-G (APP) (paragraph 3.5.1, after table 139).

Table 18: Computation of gain/loss due to reduction in auxiliary consumption

Stations	Actual gross generation (MU) (a)	Approved auxiliary consumption (%) (b)	Auxiliary consumption for gains computation (%) (c)	Net units generated due to saving on auxiliary consumption (MU) (d) {a*(b-c)}	Actual variable cost of generation Rs / kWh (e)	Total savings (Rs. crores) {d*e}
C	471.52	9.41%	9.61%	(0.94)	2.60	(0.24)
D	1,034.70	8.73%	8.53%	2.07	2.16	0.45
E	937.00	8.73%	8.53%	1.87	2.25	0.42
F	929.97	8.73%	8.53%	1.86	2.29	0.43
Vatva	636.33	2.92%	2.92%	0.00	3.56	0.00

Stations	Actual gross generation (MU) (a)	Approved auxiliary consumption (%) (b)	Auxiliary consumption for gains computation (%) (c)	Net units generated due to saving on auxiliary consumption (MU) (d) {a*(b-c)}	Actual variable cost of generation Rs / kWh (e)	Total savings (Rs. crores) {d*e}
Total	**4009.51**			**4.86**		**1.05**

Thus the total gain to be shared with the utility on account of reduction in auxiliary consumption is 1/3rd of the above amount, i.e. Rs. 0.35 crores

2.8 Consideration of bad debt written off instead of provision for bad debts

Petitioner's submission

TPL has submitted that in paragraphs 3.3.7.9 and 3.4.7.9 of the tariff order, the Commission has approved the provision for bad debts for TPL-D (Ahmedabad) and TPL-D (Surat) as per MYT approved figure for FY 2008-09 by treating the variation in it as controllable and disallowed the bad debts written off. Regulation 66 of the GERC (Terms and conditions of Tariff) Regulation, 2005 treats actual bad debts written off as a part of expenses for determination of tariff instead of provisions for bad debts. The provision and bad debts written off for TPL-D (Ahmedabad) and TPL-D (Surat) in FY 2008-09 are summarised in the table below:

Table 19: Bad debts for FY 2008-09

(Rs. crores)

Particulars	TPL-D (Ahmedabad)	TPL-D (Surat)
Bad debts written off	1.96	0.59
Provision for doubtful debts	1.48	0.19

TPL has submitted that as bad debts recovery is considered a part of Non-tariff income, the Commission should allow bad debts written off in each year instead of provision for doubtful debts and treat the same as uncontrollable item. TPL has further submitted that if any portion of bad debts written off is not allowed then corresponding amount should also be reduced from non tariff income.

Commission's analysis

The Commission refers to the Clause 66 of the GERC Terms & Conditions of Tariff Regulations, 2005 which states that bad debts actually written off, subject to the Commission's clearance, are an entitled expenditure for the utility. The Commission has verified the amount of bad debts written off, submitted by TPL, from the annual audited accounts. Hence the submission of TPL is accepted.

The table 90 (provision for bad debt for TPL-Ahmedabad) and table 133 (provision for bad debt for TPL-Surat) from the tariff order are revised as shown below.

Table 20: Summary of Provision for bad debts of TPL-Ahmedabad for FY 2008-09

(Rs. crores)

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Provision for bad debts	1.88	1.96	1.96

Table 21: Summary of Provision for bad debts of TPL-Surat for FY 2008-09

(Rs. crores)

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Provision for bad debts	1.22	0.59	0.59

Further, the Commission has revised the workings for Interest on Working Capital of TPL-Ahmedabad and TPL-Surat by re-computing it on a normative basis considering the revised ARR numbers. For Ahmedabad area, the major change in the normative working capital has been on account of change in TPL-G (APP)'s receivables which are subtracted from TPL-Ahmedabad's receivables. Further, there has also been a change in power purchase cost (on account of GUVNL surplus power) and provision for bad debts.

Table 81 and Table 82 of the tariff order (Interest on Working Capital computed by Commission for Ahmedabad area) are revised as shown below:

Table 22: Interest on Working Capital as computed by Commission for APR on a normative basis

(Rs. crores)

Particulars (Ahmedabad)	MYT order	Computed by Commission on a normative basis using APR values
O&M Expenses for 1 month	13.96	13.96
1% of GFA for maintenance spares	9.07	17.93
Receivables equivalent to 2 months*	170.88	162.86
Normative Working Capital	193.91	194.75
Interest on Working Capital	**19.61**	**19.96**

** Receivables of TPL-G (APP) have been subtracted*

The summary of Commission's analysis on interest on working capital is shown below:

Table 23: Summary of Interest on working capital expense

(Rs. crores)

Particulars (Ahmedabad)	MYT Order	Actual	Considered for APR of FY 2008-09
Interest on Working Capital	19.61	0.40	19.96

Table 124 and Table 125 of the tariff order (Interest on Working Capital computed by Commission for Surat area) are revised as shown below:

Table 24: Interest on Working Capital as computed by Commission for APR on a normative basis

(Rs. crores)

Particulars (Surat)	MYT order	Computed by Commission on a normative basis using APR values
O&M Expenses for 1 month	7.02	7.07
1% of GFA for maintenance spares	2.86	10.40
Receivables equivalent to 2 months	220.21	221.75
Normative Working Capital	230.14	239.21
Interest on Working Capital	**23.59**	**24.52**

The summary of Commission's analysis on interest on working capital is shown below:

Table 25: Summary of Interest on working capital expense

(*Rs. crores)*

Particulars (Surat)	MYT Order	Actual	Considered for APR of FY 2008-09
Interest on Working Capital	23.59	1.01	24.52

2.9 Revised computation for gains / losses on account of controllable expenses: TPL-G (APP)

The Commission has revised the method by which gains / losses are computed on account of controllable expenses. In the tariff order dated 9th December, 2009, the Commission had computed the gains / losses from the total net ARR amount of each of the generation and distribution businesses. The Commission has now computed the gains / losses on each expense item and thus arrived at the total gains / losses. Further, the Commission has also revised the way the gains / losses are shared with the utility / consumers.

Thus, table 139 of the tariff order (Computation of gain / loss for TPL-G (APP)) shall be replaced by the following two tables shown below, i.e. Table 26 and Table 27 and the subsequent text.

Table 26: Computation of gains/losses due to controllable expenses of TPL-G (APP)

(*Rs. crores)*

Particulars	Actuals	Considered for APR	Gain / (loss) due to controllable factors	1/3rd of gain to be loaded on actual ARR	2/3rd of (loss) to be reduced from ARR
VC: Station C	110.61	111.02	0.41	0.14	0.00
VC: Station D	204.75	206.84	2.09	0.70	0.00
VC: Station E	193.23	195.21	1.98	0.66	0.00
VC: Station F	194.58	196.60	2.02	0.67	0.00

Particulars	Actuals	Considered for APR	Gain / (loss) due to controllable factors	1/3rd of gain to be loaded on actual ARR	2/3rd of (loss) to be reduced from ARR
VC: Station Vatva	221.27	223.56	2.29	0.76	0.00
Employee exp.	48.86	49.70	0.84	0.28	0.00
R&M Expenses	33.53	43.27	9.74	3.25	0.00
A&G Expenses	19.10	22.16	3.06	1.02	0.00
Interest on WC	0.00	35.66	35.66	11.89	0.00
Total	**-**	**-**	**-**	**19.37**	**0.00**

Legend:
VC: Variable Cost
WC: Working capital

Thus the total gain to be shared with the utility on account of controllable expenses is Rs. 19.37 crores

Table 27: Computation of total gains/losses for TPL-G (APP)

(*Rs. crores)*

Particulars	Amount
Gain due to controllable expenses	19.37
Gain due to reduction in auxiliary consumption	0.35
Total gain to be shared with TPL-G (APP)	**19.72**

2.10 Revised computation for gains / losses on account of controllable expenses: TPL-Ahmedabad

The Commission has summarized Table 94 of the tariff order (Summary of TPL-Ahmedabad APR) below which has been revised on account of revised ARR numbers:

Table 28: Summary of APR of TPL-Ahmedabad for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Power Purchase Costs			
TPL-G (APP)	885.65	1109.96	1109.96
SUGEN	9.92	0.00	0.00
GUVNL	517.08	560.79	568.71
Wind Energy	69.15	6.27	6.27
Total Power Purchase Costs	**1481.80**	**1677.02**	**1684.94**
Fixed Costs			
Employee expenses	62.62	64.93	62.62
R&M expenses	73.20	70.47	73.20
A&G expenses	31.75	27.71	31.75
Depreciation	71.53	61.48	61.48
Interest on loans	70.59	48.39	48.39
Interest on security deposit	7.72	8.11	8.11
Interest on working capital	19.61	0.40	19.96
Return on equity	111.89	113.52	113.52
Provision for bad debts	1.88	1.48	1.96
Contingency reserve	0.60	0.60	0.60
Income tax	38.03	15.29	15.29
Incentive to be paid to TPL-G (APP)	0.00	5.01	5.01
Total Fixed Costs	**489.42**	**417.39**	**441.89**
Gross ARR	**1971.22**	**2094.41**	**2126.83**
Non-tariff income	76.24	54.08	58.85
Net ARR	**1894.98**	**2040.33**	**2067.98**

With regards to computation of gains / losses, the Commission has followed a similar approach as used for TPL-G (APP) for computing gains / losses of TPL-Ahmedabad. Thus, table 141 and table 142 of the tariff order (Computation of gains / losses for TPL-Ahmedabad and Final gains / losses computation for TPL-Ahmedabad) shall be replaced by the following two tables shown below, i.e. Table 29 and Table 30 and the subsequent text. The Commission clarifies that in case of distribution, in contrast to generation, the gain on any item will be shared with consumers since the 'Considered for APR' column is used to compute the final gap / surplus for the distribution business.

Table 29: Computation of gains/losses due to controllable expenses of TPL-Ahmedabad

(*Rs. crores)*

Particulars	Actuals (1)	Considered for APR (2)	Gain / (loss) due to controllable factors (3)	2/3rd of gain to be reduced from ARR (4)	1/3rd of (loss) to be loaded on ARR (5)
Employee exp.	64.93	62.62	(2.31)	0.00	(0.77)
R&M expenses	70.47	73.20	2.73	1.82	0.00
A&G expenses	27.71	31.75	4.04	2.69	0.00
Interest on WC	0.40	19.96	19.56	13.04	0.00
Contingency resv.	0.60	0.60	0.00	0.00	0.00
Total	**-**	**-**	**-**	**17.55**	**(0.77)**

Legend:
WC: Working capital

Thus the total amount to be shared with the consumers of TPL-Ahmedabad shall be Rs. 16.78 crores (sum of columns 4 and 5 of Table 29).

Table 30: Computation of total gains/losses for TPL-Ahmedabad

(*Rs. crores)*

Amount to be added to ARR	Amount
Gain due to controllable expenses	(16.78)
Gain due to reduction in distribution loss	10.99
Gain from TPL-G (APP)	19.72
Total amount to be added to ARR of TPL-Ahmedabad	**13.92**

2.11 Revised computation for gains / losses on account of controllable expenses: TPL-Surat

The Commission has summarized Table 137 of the tariff order (Summary of TPL-Surat APR) below which has been revised on account of revised ARR numbers:

Table 31: Summary of APR of TPL-Surat for FY 2008-09

(Rs. crores)

Particulars	MYT Order	Actual	Considered for APR of FY 2008-09
Power Purchase Costs			
SUGEN	53.01	64.11	64.11
GUVNL	958.83	1072.38	1072.38
Wind Energy	44.58	4.48	4.48
Total Power Purchase Costs	**1056.42**	**1140.97**	**1140.97**
Fixed Costs			
Employee expenses	33.68	33.30	33.68
R&M expenses	26.51	21.55	26.51
A&G expenses	24.65	19.06	24.65
Depreciation	37.14	32.97	32.97
Interest on loans	29.32	46.70	46.70
Interest on security deposit	7.68	7.79	7.79
Interest on working capital	23.59	1.01	24.52
Return on equity	69.26	64.77	64.77
Provision for bad debts	1.22	0.19	0.59
Contingency reserve	0.40	0.40	0.40
Income tax	23.54	2.38	2.38
Total Fixed Costs	**276.99**	**230.12**	**264.96**
Gross ARR	**1333.41**	**1371.08**	**1405.92**
Non-tariff income	26.73	22.62	22.62
Net ARR	**1306.68**	**1348.46**	**1383.30**

With regards to computation of gains / losses, the Commission has followed a similar approach as used for TPL-G (APP) for computing gains / losses of TPL-Surat. Thus, table 144 and table 145 of the tariff order (Computation of gains / losses for TPL-Surat and Final gains / losses computation for TPL-Surat) shall be replaced by the following two tables shown below, i.e. Table 32 and Table 33 and the subsequent text. The Commission clarifies that in case of distribution, in contrast to generation, the gain on any item will be shared with consumers since the 'Considered for APR' column is used to compute the final gap / surplus for the distribution business.

Table 32: Computation of gains/losses due to controllable expenses of TPL-Surat

(Rs. crores)

Particulars	Actuals (1)	Considered for APR (2)	Gain / (loss) due to controllable factors (3)	2/3rd of gain to be reduced from ARR (4)	1/3rd of (loss) to be loaded on ARR (5)
Employee exp.	33.30	33.68	0.38	0.25	0.00
R&M expenses	21.55	26.51	4.96	3.31	0.00
A&G expenses	19.06	24.65	5.59	3.73	0.00
Interest on WC	1.01	24.52	23.51	15.67	0.00
Contingency resv.	0.40	0.40	0.00	0.00	0.00
Total	-	-	-	**22.96**	**0.00**

Legend:
WC: Working capital

Thus the total amount to be shared with the consumers of TPL-Surat shall be Rs. 22.96 crores (sum of columns 4 and 5 of Table 32).

Table 33: Computation of total gains/losses for TPL-Surat

(Rs. crores)

Amount to be added to ARR	Amount
Gain due to controllable expenses	(22.96)
Gain due to reduction in distribution loss	1.99
Total amount to be added to ARR of TPL-Surat	**(20.97)**

2.12 Revised Gap / Surplus

On account of revised computations described in this order, the resultant final gap / surplus of TPL-Ahmedabad and TPL-Surat shall also be revised. Thus the tables 146 and 147 (Resultant Gap / Surplus) of the tariff order shall be revised as shown below:

Table 34: Resultant Gap / Surplus for TPL-Ahmedabad for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Estimated by TPL-Ahmedabad	Considered for APR of FY 2008-09
Net ARR	1894.98	2232.06	2067.98
Revenue	1881.07	2155.22	2145.19
Initial Gap / (Surplus)	13.91	76.84	(77.21)
(Rebates) / Charges on tariff	-	-	13.92
Resultant Gap / (Surplus) (FY 2008-09)	**13.91**	**76.84**	**(63.29)**

Table 35: Resultant Gap / Surplus for TPL-Surat for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Estimated by TPL-Surat	Considered for APR of FY 2008-09
Net ARR	1306.68	1426.97	1383.30
Revenue	1215.65	1377.23	1330.48
Initial Gap / (Surplus)	91.03	49.74	52.82
(Rebates) / Charges on tariff	-	-	(20.97)
Resultant Gap / (Surplus) (FY 2008-09)	**91.03**	**49.74**	**31.85**

2.13 Interest on Security Deposit as uncontrollable item of expense

Petitioner's submission

TPL has submitted that in paragraphs 3.3.7.6 and 3.4.7.6 of the tariff order, the Commission has treated interest on security deposit for FY 2008-09 as uncontrollable for both TPL-D (Ahmedabad) and TPL-D (Surat). Whereas, in paragraphs 4.3.7.6 and 4.4.7.6 of the tariff order, the Commission has treated interest on security deposit as controllable for FY 2009-10 for both TPL-D (Ahmedabad) and TPL-D (Surat). TPL has submitted that the interest on security deposit depends on two aspects i.e. amount of consumers' security deposit and rate of interest to be paid on such deposit. The security deposit amount is to be paid by the consumers and rate of interest to be paid on such security deposit is in accordance with the Regulations. Thus, the interest on security deposit is uncontrollable. Therefore, TPL has requested the Commission to clarify that the same is not controllable as the variation in the amount is beyond the control of TPL.

Commission's analysis

The Commission clarifies that Interest on Security Deposit is an uncontrollable expense.

2.14 GFA added during the year reduced by Service Line Contribution (SLC)

Petitioner's submission

TPL has submitted that in paragraphs 3.3.7.4 (Table 78) and 3.4.7.4 (Table 121) of the tariff order, the closing GFA has been arrived at by deducting service line contribution (SLC) received from addition to the gross block. According to TPL-D the closing figure of GFA arrived by deducting SLC from the addition to GFA during the year will not reconcile with the books of account. The GFA figures furnished by TPL-D include SLC, since SLC too forms part of the GFA in the books of accounts maintained by TPL. TPL-D has further submitted that for the calculation of depreciation expense, it calculates depreciation on total GFA including the SLC and depreciation on SLC is deducted separately. Therefore, the depreciation expense submitted by TPL-D is net result of depreciation on total GFA including SLC and deduction of SLC depreciation. TPL has requested the Commission to rectify the closing GFA by considering addition in GFA during the year without deducting SLC for FY 2008-09.

Commission's analysis

The Commission accepts TPL's submission in this regard. However, it directs TPL to maintain a separate cumulative account of depreciation on SLC financed assets which would show the accumulated depreciation on all SLC financed assets starting from the year FY 2008-09. The accumulated depreciation of SLC assets should be subtracted from depreciation of total assets each year to arrive at the amount of depreciation expense.

Thus the tables 78 and 121 of the tariff order (audited opening and closing GFA for FY 2008-09) are revised as shown below:

Table 36: Audited opening and closing GFA for FY 2008-09 (TPL-Ahmedabad)

(Rs. crores)

Gross Block as on 31.03.2008	Addition to Gross Block during 2008-09	Gross Block as on 31.03.2009
1792.92	307.57	2100.48

Table 37: Audited opening and closing GFA for FY 2008-09 (TPL-Surat)

(Rs. crores)

Gross Block as on 31.03.2008	Addition to Gross Block during 2008-09	Gross Block as on 31.03.2009
1039.80	112.74	1152.54

2.15 Reduction in R&M expense of TPL-G (APP)

Petitioner's submission

TPL has submitted that in paragraph 3.2.10.1 of the tariff order, the Commission has approved the R&M expense as per MYT order approved values by treating O&M expenses as controllable. According to TPL, the reduction in the R&M expense as compared to the MYT approved value is on account of deferment of some of R&M expense like Rotor refurbishment, Maintenance of Station Bldg. Therefore, TPL has requested the Commission to treat the reduction in R&M expenses as uncontrollable and pass on the entire gain to the consumers.

Commission's analysis

The Commission clarifies that all O&M expenses (including the above mentioned expense by TPL) shall be treated as controllable in line with the GERC Terms & Conditions of Tariff Regulations, 2005 and the decisions made in the MYT order. Mere deferment of a controllable expense to a year within the control period cannot be a reason to convert the controllable expense to an uncontrollable one, as there is no net difference on an overall basis over the entire control period. Hence TPL's submission cannot be accepted.

COMMISSION'S ORDER

As a result of the review and consideration of the Review Petition, the Commission issues clarifications as detailed in the paragraphs 2.1 to 2.15 of this Order, replaces tables of the Order dated 9th December, 2009 with the tables as detailed in the paragraphs 2.1 to 2.15 of this Order and inserts text and tables as detailed in the paragraphs 2.1 to 2.15 of this Order in the Order dated 9th December, 2009. The gap / surplus computed for FY 2008-09 in the Order dated 9th December, 2009 stands revised as shown in the following tables.

Table 38: Resultant Gap / Surplus for TPL-Ahmedabad for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Estimated by TPL-Ahmedabad	Considered for APR of FY 2008-09
Net ARR	1894.98	2232.06	2067.98
Revenue	1881.07	2155.22	2145.19
Initial Gap / (Surplus)	13.91	76.84	(77.21)
(Rebates) / Charges on tariff	-	-	13.92
Resultant Gap / (Surplus) (FY 2008-09)	**13.91**	**76.84**	**(63.29)**

Table 39: Resultant Gap / Surplus for TPL-Surat for FY 2008-09

(*Rs. crores)*

Particulars	MYT Order	Estimated by TPL-Surat	Considered for APR of FY 2008-09
Net ARR	1306.68	1426.97	1383.30
Revenue	1215.65	1377.23	1330.48
Initial Gap / (Surplus)	91.03	49.74	52.82
(Rebates) / Charges on tariff	-	-	(20.97)
Resultant Gap / (Surplus) (FY 2008-09)	**91.03**	**49.74**	**31.85**

All other decisions and directions contained in the Order dated 9th December, 2009 shall remain unaltered.

Sd/-	**Sd/-**
DR. P. K. MISHRA **Chairman**	**SHRI PRAVINBHAI PATEL** **Member**

Place: Ahmedabad

Date: 31st March 2010