

GUJARAT ELECTRICITY REGULATORY COMMISSION



Multi-Year Tariff Order:

Aggregate Revenue Requirement for the
MYT Period FY 2011-16 and
Determination of Tariff for 2011-12

For

Kandla Port Trust (KPT)

Case No. 1060 of 2011

18th August, 2011

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**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**

AHMEDABAD

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ABBREVIATIONS

A&G	Administrative and General
ARR	Aggregate Revenue Requirement
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
EA 2003	Electricity Act, 2003
F&A	Finance and Accounts
FPPPA	Fuel Price and Power Purchase Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
KPT	Kandla Port Trust
kV	Kilo Volt
kVA	Kilo-Volt Amperes
kW	Kilo-Watt
kWh	Kilo-Watt Hour
LT	Low Tension
LU	Lakh Units
MD	Maximum Demand
MMPA	Million Metric Tonne Per Annum
MUs	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi -Year Tariff
O&M	Operation and Maintenance
p.a.	Per Annum
PF	Power Factor
PGVCL	Paschim Gujarat Vij Company Limited
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
RoE	Return on Equity
SBI	State Bank of India
SEZ	Special Economic Zone
UI	Unscheduled Interchange
w.e.f.	With effect from
YoY	Year on Year



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**Before the Gujarat Electricity Regulatory Commission at
Ahmedabad**

Case No. 1060 of 2011

Date of the Order: 18.08.2011

CORAM

Dr. P.K. Mishra, Chairman
Shri Pravinbhai Patel, Member
Dr. M.K. Iyer, Member

ORDER

1. Background and Brief History

1.1 Background

The Kandla Port Trust (hereinafter referred to as 'KPT' or petitioner), a distribution licensee, has filed its petition on 7th December, 2010 under section 62 of the Electricity Act, 2003 read with Gujarat Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2005 and Gujarat Electricity Commission (Multi-Year Tariff Framework) Regulations, 2007 for determination of Annual Revenue Requirement (ARR) for the control period FY 2011-12 to FY 2015-16 and retail supply tariff for FY 2011-12. This is the first ARR and Tariff Petition filed by KPT.

The Commission conducted a preliminary analysis and admitted the petition on 3rd January, 2011 under Case No.1060 of 2011.



1.2 Kandla Port Trust

The Kandla Port is a natural harbour situated in the Kandla creek and is about 90 kms from the Gulf of Kutch with 11 dry cargo berths and a state-of-the-art container terminal with a capacity of 3.6 MMTPA. It is one of the major ports on the west coast of India under the Government of India, Ministry of Shipping and its main activity is to facilitate maritime trade for commercial cargo handling vessels.

The Kandla Port Trust (KPT) is a power distribution licensee. The license for supply of electrical energy was granted to Kandla Port by the Chief Commissioner of Kutch under the Indian Electricity Act, 1910. Consequent to the enactment of the Electricity Act, 2003, KPT has become a deemed licensee under the Act and is required to file petition under section 62 of the Act for determination of tariff to the Commission.

The distribution of electricity by KPT is limited to the port area and it mainly supplies power to about 1600 domestic and commercial consumers and for port operations. KPT itself carries out all major operations in the port along with another HT consumer carrying out part of the operations.

The present distribution system within the KPT comprises of one 66 kV substation and fifteen 11 kV substations in the licensed area. KPT is receiving 66 kV supply from GUVNL through GETCO network as per a mutual agreement with the GUVNL.

1.3 Admission of the current petition and the public hearing process

The Petitioner submitted the current petition for (i) determination of Aggregate Revenue Requirement (ARR) for the control period FY 2011-12 to FY 2015-16 and (ii) Retail Supply Tariff for FY 2011-12, on 7th December, 2010. After technical validation, the Commission admitted the petition as Case No. 1060 of 2011 on 3rd January, 2011.

In accordance with section 64 of the Electricity Act 2003, the Commission directed KPT to publish its application in an abridged form to ensure public participation. The public notice was issued in the following newspapers inviting objections / suggestions from its stakeholders on the ARR petition filed by KPT.



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Sr. No.	Name of the newspaper	Language	Date of publication
1.	Times of India	English	9 th February, 2011
2.	Kutch Mitra	Gujarati	5 th February, 2011

The interested parties / stakeholders were asked to file their objections / suggestions on KPT petition on or before 2nd March, 2011.

However, neither the KPT nor the Commission has received any objections / suggestions on the petition.

1.4 Approach for this Order

The Kandla Port Trust has approached the Commission with the present petition for approval of ARR for the control period FY 2011-12 to FY 2015-16 and determination of Retail Supply Tariff for FY 2011-12.

The petition for determination of ARR for the period FY 2011-12 to FY 2015-16 and Retail Supply Tariff for FY 2011-12 has been considered by the Commission as per the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011. The first draft of the GERC (Multi-Year Tariff) Regulations along with the discussion paper was circulated to all the stakeholders on 14th December 2010. Based on the comments /suggestions received from the stakeholders, the Commission notified these Regulations as Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011 on 22nd March, 2011.

The Regulation 1.4 (a) of the GERC (MYT) Regulations, 2011 reads as under:

“These Regulations shall be applicable for determination of Tariff in all cases covered under these Regulations from 1st April 2011 and onwards”.

1.5 Contents of the Order

This order is divided into **six** chapters as under:

1. The **first chapter** provides the background regarding the petitioner, the petition and details of the public hearing process.
2. The **second chapter** outlines the summary of ARR petition by the KPT for the control period.



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3. The **third chapter** deals with the Annual Revenue Requirement of KPT for the control period FY 2011-12 to FY 2015-16 and Retail Supply Tariff for FY 2011-12.
4. The **fourth chapter** deals with directives of the Commission.
5. The **fifth chapter** deals with Wheeling Charges.
6. The **sixth chapter** deals with Fuel and Power Purchase Price Adjustment (FPPPA).



2. Summary of the ARR petition for FY 2011-12 to FY 2015-16

2.1 Aggregate Revenue Requirement (ARR) for the control period for FY 2011-12 to FY 2015-16

The Kandla Port Trust (KPT) submitted the petition on 8th December, 2010 seeking approval for Aggregate Revenue Requirement for the control period FY 2011-12 to FY 2015-16 and determination of Retail Supply Tariff for the FY 2011-12.

The KPT has projected the revenue requirement for the control period as under:

**Table 2.1: Aggregate Revenue Requirement projected for the control period FY
2011-12 to 2015-16**

(Rs. Lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase Cost	1078.50	907.70	1037.20	1187.90	1363.50
Employee Cost	149.60	164.60	181.10	199.20	219.10
R&M Cost	71.90	78.60	86.00	94.40	103.70
A&G Expenditure	76.50	82.10	83.40	85.20	92.70
Depreciation	97.70	105.60	115.00	122.80	139.10
Interest Cost	4.10	16.00	29.20	38.40	59.50
Interest on Working Capital	25.10	27.30	29.60	32.20	35.20
Return on Equity	161.90	172.30	187.30	199.70	219.00
Total ARR	1665.40	1554.20	1748.80	1959.80	2231.90

2.2 Request of KPT

The KPT has requested the Commission:

1. To admit the ARR petition for the control period FY 2011-12 to FY 2015-16.
2. To approve the ARR for the MYT control period FY 2011-12 to FY 2015-16.
3. To allow taxes, FBT, cess etc., as pass through on actual basis.
4. To 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.



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5. To allow further submissions, additions and alterations to this petition as may be necessary from time to time
6. To pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.



3. Determination of the Aggregate Revenue Requirement (ARR) for the control period FY 2011-12 to FY 2015-16 and Retail Supply Tariff for FY 2011-12

3.1 Energy Sales

A realistic estimation of category-wise energy sales for the control period is essential to arrive at the quantum of energy required to be purchased and the likely revenue from sale of energy. The category-wise energy sales projected by KPT in its MYT Petition for the control period for FY 2011-12 to FY 2015-16 for approval of ARR are examined in following sections.

3.2 Consumer Categories

The KPT serves about 1600 consumers within its licensed area and the consumers are broadly categorized as under:

LT category

- Domestic (Port Employees)
- Domestic (Private Residential)
- Commercial
- Street lighting (Port Trust)
- LT Connection (ABG)
- Temporary supply for port operations

HT category

- Port trust
- Private (ABG)

The KPT supplies electricity to consumers at different voltages at which the consumers avail supply.

As reported by KPT, all the consumers, except the supply to KPT (streetlights and port operations) are metered at present. Earlier, till FY 2009-10, most of the consumers were not metered.



3.3 Overall approach to energy sales projection

The KPT has projected the energy sales for the control period based on estimated energy sales data for the years 2008-09 and 2009-10, for all of its consumers, other than one HT and one LT consumer (ABG), were not metered. The HT consumption, for port operations for 12 numbers of cranes of KPT, is considered at 3 times the consumption of ABG based on 4 numbers of cranes operated by the company at Port Trust. KPT has considered CAGR for two years consumption of FY 2008-09 and 2009-10 and estimated consumption for FY 2010-11 based on the actual energy sales in the first two quarters to various categories of consumers and arrived at certain adjusted growth rates for different categories of consumers. The consumption for various categories of consumers are thus projected for the control period FY 2011-12 to 2015-16 applying the assumed growth rates.

3.4 Category-wise projected energy sales for the control period FY 2011-12 to FY 2015-18

The KPT has furnished the category-wise energy sales over the last three years (FY 2008-09 to 2010-11) based on estimated energy consumption and projected the energy sales for the control period for FY 2011-16. The energy sales for 2008-09 and 2009-10 are actuals. Estimated sales for FY 2010-11, 2 years CAGR and adjusted growth rates are shown in Table 3.1 below:

Table 3.1: Category-wise energy sales during FY 2008-09 to FY 2010-11

Particulars	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	CAGR	Adjusted growth rate
	Actual	Actual	Actual (6 months)	Estimated	(2 year)	
Domestic (Port Employees)	10.50	9.90	5.30	10.70	1.1%	1.1%
Domestic (Private Residential)	1.50	1.40	0.70	1.40	-4.5%	20.0%
Commercial	7.20	7.00	4.80	9.60	15.6%	15.6%
Port operation (Temporary)	7.70	7.80	5.60	11.20	20.7%	20.7%
HT connection (ABG)	17.70	18.90	10.40	20.70	8.3%	8.3%
LT Connection	1.00	1.00	0.50	1.00	0.1%	5.0%



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Particulars	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11	CAGR	Adjusted growth rate
(ABG)						
LT Port Trust consumption (Street lights)	12.40	9.70	3.90	7.80	-20.6%	5.0%
HT Port Trust consumption	56.00	59.50	32.60	65.20	7.9%	7.9%
Total Sales	114.00	115.10	63.80	127.60	5.8%	5.8%

Based on the above adjusted growth rates, KPT projected the energy sales in the ensuing years FY 2011-12 to FY 2015-16. The projected energy sales for the years FY 2011-12 to FY 2015-16 are given in the table below:

Table 3.2: Projected Category-wise energy sales for FY 2010-11 to FY 2015-16

(LU)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Domestic (Port Employees)	10.80	10.90	11.00	11.20	11.30
Domestic (Private Residential)	1.70	2.00	2.40	2.90	3.50
Commercial	11.10	12.90	14.9	17.20	19.90
Port Operation (Temporary)	13.50	16.20	19.60	23.70	28.60
HT Connection (ABG)	22.50	24.30	26.30	28.50	30.90
LT Connection (ABG)	1.00	1.10	1.20	1.20	1.30
LT Port Trust Consumption (ST Lights)	8.20	8.60	9.00	9.5	10.00
Port Trust Consumption (HT)	70.30	75.90	81.80	88.30	95.20
Total Sales	139.10	152.00	166.30	182.50	200.60

Commission's Analysis

The category-wise energy sales shown for the years FY 2008-09 and FY 2009-10 are estimated figures - not actuals based on metered data - except for the sales to ABG. KPT had since informed vide letter dated 19th May, 2011 that except self-consumption by KPT for port operations and streetlights, all other consumptions are now metered. The energy sales for 2010-11 are, however, only estimates based on the actuals for the first two quarters. The energy sales for the control period FY 2011-12 to FY 2015-16 are projections based on 2 year CAGR / adjusted growth, mostly by applying the adjusted growth rates over the estimated consumption of FY 2010-11.

The category-wise energy sales projections by KPT for the control period as given in Table 3.2 are discussed below.



3.4.1 Domestic (Port Employees)

As stated in the petition, the electricity sales to this category were not metered. The energy consumption is only estimation. The sales to this category constitute about 8% of the total sales of KPT. The consumption of this category is almost static and KPT has projected the sales at a growth rate of 1.1% over the control period as given in Table 3.3 below:

Table 3.3: Projected energy sales for Domestic (Port employees) for FY 2011-12 to FY 2015-16

Year	Energy (Lakh units)	Growth rate (%)
2010-11 (Estimated)	10.70	1.1
2011-12	10.80	
2012-13	10.90	
2013-14	11.00	
2014-15	11.20	
2015-16	11.30	

Commission's Analysis

On examination of the energy sales projected by KPT for this category the Commission observed that the estimated consumption has been static during last two years. KPT has 1024 consumers under this category. The estimated sales of 10.8 lakh units during FY 2011-12 are in line with the actual metered consumption for six months during FY 2010-11.

The Commission approves the energy sales for domestic (port employees) for the control period as given in the table below:

Table 3.4: Approved energy sales to Domestic (Port employees) for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	10.80
2012-13	10.90
2013-14	11.00
2014-15	11.20
2015-16	11.30

3.4.2 Domestic (Private residential)

This category of domestic consumers in KPT licensee area was also not metered. The sales to this category constituted about 1.2% of the total energy sales of KPT.



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KPT has projected the sales to this category at a growth rate of 20.7% during the control period stating that the consumption of this category would go up when metered. The energy sales projected to this category are given in Table 3.5 below:

Table 3.5: Projected energy sales for Domestic (Private residential) category for FY 2011-12 to FY 2015-16

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	1.40	20.7
2011-12	1.70	
2012-13	2.00	
2013-14	2.40	
2014-15	2.90	
2015-16	3.50	

Commission's Analysis

The Commission has examined the energy sales projection in this category by KPT. As per information furnished, there are about 223 consumers and the sales projected for FY 2011-12 are 1.7 LU. This is about 21% over the estimated sales during FY 2010-11. It may be noted that the actual consumption for six months during FY 2010-11 was 0.7 LU and estimated consumption for FY 2010-11 also was projected at 1.4 LU. A growth rate of 20% projected by KPT for FY 2011-12 appears to be arbitrary as against 1.1% growth rate for the Domestic (port employees). Hence, a growth rate of 10% is considered for this category.

The Commission approves the energy sales for domestic (private residential) for the control period as given in the table below:

Table 3.6: Approved energy sales to Domestic (Private residential) for FY 2011-12 to 2015-16

Year	Energy (LU)
2011-12	1.54
2012-13	1.69
2013-14	1.86
2014-15	2.05
2015-16	2.25

3.4.3 Commercial

The sales to this category constitute about 8% of the total energy sales of KPT. The estimated sales projected to this category during the control period are as under:

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Table 3.7: Projected energy sales for Commercial category for FY 2011-12 to FY 2015-16

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	9.60	15.6
2011-12	11.10	
2012-13	12.90	
2013-14	14.90	
2014-15	17.20	
2015-16	19.90	

The KPT has considered a growth rate of 15.6% for this category of consumers who are mostly private commercial entities.

As per the information furnished by KPT the number of consumers under this category is 209 and the consumption during FY 2011-12 is estimated to be 11.10 lakh units for FY 2011-12. This is based on 15% increase over the sales for FY 2010-11, which is an assessment, based on actuals for the first two quarters and projected for the next two quarters.

Commission's Analysis

The KPT's projected consumption to this category of consumers is based on a growth rate of 15.6%. The actual consumption for the first six months of FY 2010-11 was 4.8 LU and the estimated sales for the entire year were 9.6%. A growth rate of 15.60% in the commercial category is considered reasonable as commercial activity has potential for such growth.

The Commission approves the quantum of sale of energy to the commercial category during the control period as mentioned in the table below.

Table 3.8: Approved energy sales for Commercial category for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	11.10
2012-13	12.90
2013-14	14.90
2014-15	17.20
2015-16	19.90



3.4.4 Street lighting

The street lighting is self-consumption by KPT. The consumption by the street lighting amounts to about 6% of its total sales. KPT has projected the sales for FY 2011-12 to FY 2015-16 for this category as below:

Table 3.9: Projected energy sales for street lighting for FY 2011-12 to FY 2015-16

Year	Energy (LU)	Growth rate (%)
23010-11 (Estimated)	7.80	5.0
2011-12	8.20	
2012-13	8.60	
2013-14	9.00	
2014-15	9.50	
2015-16	10.00	

Commission's Analysis

In the absence of metering and recorded actual consumption of power by the KPT, it is difficult to ascertain the reasonableness of the projected sales under this category. Subject to the metering of the consumption for street lighting, the Commission approves the projected sales to this category for the period FY 2011-12 to 2015-16. Any variation in the projected consumption from metered consumption will be reviewed during 'Truing up' for the FY 2011-12.

The Commission approves the energy sales for the street lighting category for FY 2011-12 to FY 2015-16 as under:

Table 3.10: Approved sales for street lighting for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	8.20
2012-13	8.60
2013-14	9.00
2014-15	9.50
2015-16	10.00

3.4.5 LT Supply to ABG

This is an LT supply provided by KPT to the ABG, Kandla container terminal and the consumption is metered.



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The consumption by the LT consumer accounts to about 0.8% of the total sales of KPT. The KPT has projected the sales to this LT consumer as under:

Table 3.11: Projected energy sales for LT supply to ABG for FY 2011-12 to FY 2015-16

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	1.00	5.00
2011-12	1.00	
2012-13	1.10	
2013-14	1.20	
2014-15	1.20	
2015-16	1.30	

The consumption of this category is almost static over the last three years at about 1.0 lakh units per annum.

Commission's Analysis

The Commission has observed that the projected sales in this category during the FY 2008-09, 2009-10 and 2010-11 are in the order of about 1.0 lakh units p.a.

The KPT has projected the growth rate in sales at 5% p.a., which the Commission approves.

The Commission approves the sales to ABG – LT supply category for the control period as under:

Table 3.12: Approved sales for LT supply to ABG for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	1.00
2012-13	1.05
2013-14	1.10
2014-15	1.16
2015-16	1.21

3.4.6 Temporary supply for port operations

The Temporary supply for the port operations accounts to about 10% of the total sales of KPT. KPT has projected the sales to this category during the control period as below:

Table 3.13: Projected energy sales to temporary supply category for the control period

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	11.20	20.70
2011-12	13.50	
2012-13	16.20	
2013-14	19.60	
2014-15	23.70	
2015-16	28.60	

The KPT has considered the sales at a growth rate of 20.7%.

Commission's Analysis

The Commission has examined the sales projected for this category for the control period. The temporary supply is connected with port operations and KPT has estimated the growth for FY 2010-11 over FY 2009-10 at 40%. Hence, the growth rate of 20.7% projected by KPT is accepted as the KPT has all the data and experience of port operations.

The Commission approves the sales under temporary supply category during FY 2011-12 to FY 2015-16 as below:

Table 3.14: Approved sales for temporary supply category for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	13.50
2012-13	16.20
2013-14	19.60
2014-15	23.70
2015-16	28.60

3.4.7 HT supply to ABG

The HT Power is supplied to ABG Kandla container terminal Ltd under this category, ABG operates the cranes as a part of port operations and is billed under the HT category and the power supply is also metered.

The energy consumption by this consumer is about 16% of the total sales of KPT. The energy sales to this consumer are projected on the basis of the consumption during the FY 2008-09 to FY 2010-11 at a growth rate of 8.3%. KPT has projected the



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sales to this category of HT consumer for the period FY 2011-12 to 2015-16 as shown in Table 3.15.

Table 3.15: Projected energy sales for HT supply (ABG) for the control period

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	20.70	8.30
2011-12	22.50	
2012-13	24.30	
2013-14	26.30	
2014-15	28.50	
2015-16	30.90	

As the consumption is for operation of cranes, a constant load, the energy consumption depends on the port operations. The consumption is metered and KPT has projected the sales at a growth rate of 8.30% based on the past trend which is however limited to 2 years.

Commission's Analysis

The consumption of this category is metered and KPT has projected the sales based on the past three years' consumption, which indicates an average growth rate of about 8.3%.

As the consumption depends on the operation of cranes (port operations) the growth rate projected by KPT is accepted.

The Commission approves the sales to the HT consumer – ABG during FY 2011-12 to FY 2015-16 as under:

Table 3.16: Approved energy sales to ABG (HT) for FY 2011-12 to FY 2015-16

Year	Energy (LU)
2011-12	22.50
2012-13	24.30
2013-14	26.30
2014-15	28.50
2015-16	30.90

3.4.8 HT supply to KPT

The power supply under this category is to KPT for operation of 12 cranes for port operations. The power supply to this category is not metered. The energy consumed



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by this load of KPT is estimated at 3 times the consumption of HT supply to ABG as ABG operates only 4 cranes as against 12 cranes by KPT as part of port operations. As mentioned earlier the supply to ABG is metered. KPT has projected the sales to KPT (HT supply) during the control period as below:

Table 3.17: Projected energy sales of HT supply to KPT for the control period

Year	Energy (LU)	Growth rate (%)
2010-11 (Estimated)	65.20	7.9
2011-12	70.30	
2012-13	75.90	
2013-14	81.80	
2014-15	88.30	
2015-16	95.20	

Commission's Analysis

There is a constant load of 12 cranes against 4 cranes of ABG and the energy sales in both the cases depend on the port operations and KPT has estimated the consumption at 3 times the consumption of HT supply to ABG, keeping in view the number of cranes operated by both the consumers. The projected energy sales to this category are considered at 3 times the consumption of ABG as approved by the Commission shown in table no. 3.16 for the control period. Any variation would be adjusted during the 'truing up' after date on metered sales is made available.

The Commission approves the energy sales to HT supply for self-consumption of KPT for cranes operation etc. for the control period as below:

Table 3.18: Approved energy sales to KPT (HT) for FY 2011-12 to 2015-16

Year	Energy (LU)
2011-12	67.50
2012-13	72.90
2013-14	78.90
2014-15	85.50
2015-16	92.70

3.4.9 Total Energy Sales

The total energy sales approved by the Commission for the control period are given in the Table 3.19.

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Table 3.19: Total energy sales approved by the Commission for FY 2011-12 to 2015-16

Particulars	(LU)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	10.80	10.90	11.00	11.20	11.30
Domestic (Private Residential)	1.54	1.69	1.86	2.05	2.25
Commercial	11.10	12.90	14.90	17.20	19.90
Port Operation (Temporary)	13.50	16.20	19.60	23.70	28.60
HT Connection (ABG)	22.50	24.30	26.30	28.50	30.90
LT Connection (ABG)	1.00	1.05	1.10	1.16	1.21
Consumption by KPT (ST Lights)	8.20	8.60	9.00	9.50	10.00
Consumption by KPT (HT)	67.50	72.90	78.90	85.50	92.70
Total Sales	136.14	148.54	162.66	178.81	196.86

3.5 Distribution Loss

The KPT has indicated that the Distribution loss levels for the FY 2009-10 & 2010-11 and loss trajectory year-wise for the control period for FY 2011-12 to FY 2015-16 are as under:

Table 3.20: Distribution loss trajectory projected FY 2009-10, FY 2010-11 and for FY 2011-12 to FY 2015-16

Year	(%)						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Distribution Loss (%)	18.12	15.00	14.00	13.00	12.50	12.00	11.50

Commission's Analysis:

The loss levels furnished for FY 2009-10 and 2010-11 are only the estimated / assumed figures, as only two of the consumers were metered and the rest of energy



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sales are estimated. As such there are no means of measuring the energy loss in the KPT system which manages only a small network consisting of 66 kV and 11 kV lines with one 66 kV and fifteen 11 kV substations serving about 1600 consumers.

The loss level of 14% for FY 2011-12 is considered high for a small network with supply of 60% of power to HT consumers at 11 kV. The Commission considers that 9% of Distribution loss is reasonable for FY 2011-12 and accordingly a loss trajectory is fixed for the period FY 2012-13 to FY 2015-16. KPT shall make efforts to reduce the losses to the level fixed by the Commission during the control period by providing meters to all consumers and conducting energy audit.

Any variation will be considered during the 'Truing up' based on energy accounting. A directive is issued by the Commission separately for conducting energy accounting to arrive at actual Distribution losses.

The Commission approves the Distribution loss levels for the period FY 2011-12 to FY 2015-16 as under:

Table 3.21: Approved loss trajectory for FY 2011-12 to 2015-16

Year	Total loss (%)
2011-12	9.00
2012-13	8.75
2013-14	8.50
2014-15	8.25
2015-16	8.00

3.6 Energy requirement

The energy requirement of KPT to meet the total demand of its consumers would be the sum total of estimated energy sales and the system losses (distribution loss) as approved by the Commission. The estimated energy sales, the distribution loss and the estimated energy requirement for the period FY 2011-12 to FY 2015-16 as projected by KPT and approved by the Commission are given in the tables below:

Table 3.22 (a): Energy requirement projected by KPT for FY 2011-12 to FY 2015-16

Particulars	(LU)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Estimated energy sales	139.10	152.00	166.30	182.50	200.60



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Distribution loss (%)	14.00	13.00	12.50	12.00	11.50
Distribution loss	22.60	22.70	23.80	24.90	26.10
Energy requirement	161.70	174.70	190.10	207.40	226.70

Table 3.22 (b): Energy requirement approved by the Commission for FY 2011-12 to FY 2015-16

(LU)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Estimated energy sales	136.14	148.54	162.66	178.81	196.86
Distribution loss (%)	9.00	8.75	8.50	8.25	8.00
Distribution loss	13.46	14.24	15.11	16.08	17.12
Energy requirement	149.60	162.78	177.77	194.89	213.98

3.7 Energy balance

The summary of energy balance projected by KPT for FY 2011-12 to FY 2015-16 is as given below:

Table 3.23: Summary of energy balance projected by KPT for FY 2011-12 to FY 2015-16

(Lakh units)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Energy Sales	139.10	152.00	166.30	182.50	200.60
Distribution Losses %	14.00	13.00	12.50	12.00	11.50
Distribution Losses	22.60	22.70	23.80	24.90	26.10
Energy Requirement	161.70	174.70	190.10	207.40	226.70
Energy Purchase	179.80	194.10	211.20	230.40	251.90
Surplus/ (Deficit) Power	18.10	19.40	21.10	23.00	25.20

It is submitted by KPT that it has a power purchase agreement with GUVNL for a contract demand of 6900 kVA, as against contract for 7900 KVA earlier, but is giving schedule for 5000 KW. KPT draws power from 220/66kV substation at Anjar. Since Intra state ABT is implemented in Gujarat, KPT has to furnish the schedule for energy



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drawal every day to SLDC and has to draw the energy as per schedule. In case of under-drawal they have to pay for the scheduled energy.

Commission's Analysis

The energy balance is worked out in accordance with the energy sales and distribution loss approved by the Commission in Table 3.22 above and is given in the Table below:

Table 3.24: Energy balance approved by the Commission for FY 2011-12 to 2015-16

(Lakh units)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Estimated energy sales	136.14	148.54	162.66	178.81	196.86
Distribution loss (%)	9.00	8.75	8.50	8.25	8.00
Distribution loss	13.46	14.24	15.11	16.08	17.12
Energy requirement	149.60	162.78	177.77	194.89	213.98

The KPT shall schedule the energy requirement daily based on the demand of the day and any variation between schedule and actual drawl shall be governed by intra-state ABT order issued by the Commission.

The Commission approves the energy required by KPT to be purchased from GUVNL during the control period as given in Table below:

Table 3.25: Energy purchase approved by the Commission for FY 2011-12 to 2015-16

(LU)

Year	Energy required to be purchased
2011-12	150
2012-13	163
2013-14	178
2014-15	195
2015-16	214

Any variation in the quantum of purchase during FY 2011-12 will be reviewed during 'Truing up' of FY 2011-12.



3.8 Revenue Requirement for FY 2011-12 to FY 2015-16

The KPT has projected the component of ARR for the control period as given below:

Table 3.26: Expenses projected by KPT for FY 2011-12 to 2015-16

Particulars	(Rs. lakhs)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase Cost	1078.50	907.70	1037.20	1187.90	1363.50
Employee Cost	149.60	164.60	181.10	199.20	219.10
R&M Cost	71.90	78.60	86.00	94.40	103.70
A&G Expenditure	76.50	82.10	83.40	85.20	92.70
Depreciation	97.70	105.60	115.00	122.80	139.10
Interest Cost	4.10	16.00	29.20	38.40	59.50
Interest on Working Capital	25.10	27.30	29.60	32.20	35.20
Return on Equity	161.90	172.30	187.30	199.70	219.00
Total ARR	1665.40	1554.20	1748.80	1959.80	2231.90

3.9 The projected expenses by KPT and Commission's analysis and decisions

The projected expenses by KPT under each component of ARR, the analysis and decisions of the Commission are discussed below:

3.9.1 Power Purchase Cost

Petitioner's submission

As mentioned earlier in para 3.7, KPT has an agreement with GUVNL for supply of power to meet the demand at mutually agreed tariff. It is submitted by KPT that the cost of power purchase from GUVNL is high and currently KPT does not have any power allocation from State Government generating stations. It is further submitted that KPT is planning to obtain necessary approval from the State Government for separate allocation of power from the state generating stations / IPPs. Pending such separate allocation of power by the state government KPT would extend its PPA with GUVNL for the FY 2011-12 as well. It is further submitted that since obtaining power allocation from the State Government is a time consuming process, KPT is likely to obtain the State Government allocation from the FY 2012-13.

Accordingly, from FY 2012-13 onwards KPT has considered the power purchase cost at Rs. 4.20 / kWh (DGVCL approved power purchase cost for FY 2010-11) with 5% escalation per annum. They have accordingly considered reduced power purchase cost from FY 2012-13 to FY 2015-16.



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The KPT has projected the power purchase cost based on the above assumption (supply from GUVNL for FY 2011-12 and allocation by State Government from FY 2012-13 to FY 2015-16).

The projected power purchase cost by KPT for the period FY 2011-12 to FY 2015-16 is given in Table below:

Table 3.27: Projected power purchase cost for FY 2011-12 to FY 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase (LUs)	179.80	194.10	211.20	230.40	251.90
Purchase Cost (Rs. Lakhs)	1078.50	907.70	1037.20	1187.90	1363.50
Per unit cost (Rs/kWh)	6.00	4.68	4.91	5.16	5.41

Commission's Analysis

As mentioned earlier, KPT has an agreement for purchase of power from GUVNL at present for FY 2011-12 and also proposes to approach the State Government for allocation of power from state generating stations / IPPs at par with the allocation to the state owned distribution companies in Gujarat. In anticipation of this allocation the power purchase cost is projected at a price of Rs. 4.68/kWh for FY 2012-13 with 5% escalation per annum thereon against Rs. 6.00/kWh under the current agreement with GUVNL. The purchase price of Rs. 4.68/kWh is based on DGVCL approved power purchase cost for FY 2010-11. The requirement of KPT is about 5.0 MW and works out to 150 to 220 lakh units per annum and they are planning to obtain approval from the State Government for allocation of power directly from the power generating stations/IPP. However, till date there is no commitment from the State Government on the allocation.

In the absence of any commitment from the State Government, the Commission is taking into account only the cost of power at the present rate from GUVNL for the control period. If KPT obtains allocation of power from State Government from the State generating stations / IPPs or from any other source at a lower cost, such cost would be considered in the tariff orders for FY 2012-13 to FY 2015-16 as power purchase is an uncontrollable item.



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The Commission has obtained the power supply costs paid to GUVNL for FY 2010-11 (April, 2010 to March, 2011) as shown in table below. The details of payment made are as in Table below:

Table 3.28: Power purchase cost paid to GUVNL during the FY 2010-11

Sr. No.	Year	Billing Demand (kVA)	Energy drawn (MUs)	Demand charges (Rs. lakhs)	Energy Charges (Rs. lakhs)	*Other charges (Rs. lakhs)	Total amount (Rs. lakhs)
	2010-11		38.88	189.60	1613.36	367.23	2170.19
	Average (Rs./ kWh)			0.49	4.15	0.94	5.58
	* Other charges include FPPPA charges						

It is since informed by KPT that the contract demand with GUVNL is reduced to 6900 kVA. In view of the reduction in contract demand, the current price of energy works out to Rs.5.52 / kWh against Rs.5.58/kWh computed by KPT based on actuals. This price is considered for the entire control period.

In case of any variation in the cost of power, due to allocation of power by the State Government or sourcing of power from any other source at a lower cost, the price would be adjusted / revised during the 'Truing up' of 2011-12 and the tariff orders of FY 2012-13 to FY 2015-16.

The power purchase cost approved by the Commission at the current rate of purchase of power from GUVNL and the requirement approved by the Commission in Table 3.25 above for the control period is given in Table below:

Table 3.29: Approved power purchase cost for FY 2011-12 to 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase (LUs)	150	163	178	195	214
Purchase Cost (Rs. lakhs)	828	900	983	1076	1181
Average Power purchase cost (Rs/Kwh)	5.52	5.52	5.52	5.52	5.52

3.9.2 Operation and Maintenance (O&M) expenses

Petitioner's submission

The operation and maintenance (O&M) expenses include employee expenses, repair and maintenance (R&M) expenses and administrative and general (A&G) expenses.



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It is submitted by KPT that, in the past, there was no need to segregate the three cost elements separately between the port business and the power business. It is submitted by KPT that in the ensuing years, the petitioner is committed towards separating the two lines of business. KPT has projected the expenses for each component of the O&M expenses for the control period FY 2011-12 to FY 2015-16 as given below:

Table 3.30: O&M expenses projected for FY 2011-12 to 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Employee Cost	149.60	164.60	181.10	199.20	219.10
R&M Cost	71.90	78.60	86.00	94.40	103.70
A&G Expenditure	76.49	82.14	83.36	85.19	92.71
Total O&M	298.10	325.3	350.40	378.70	415.50

Commission's Analysis

The expenses projected by the KPT for each of the components of O&M expenses viz., employee cost, R&M expenses and A&G expenses for the control period appears to be escalated at about 10% per annum over the actuals for FY 2009-10

In accordance with Regulation 85.4 of GERC (Multi-Year Tariff) Regulations, 2011 the O&M costs for distribution business shall be regulated as under:

- “
- (a) *The O&M expenses shall be derived on the basis of the average of the actual O&M expenses for the three (3) years ending March 31, 2010, subject to prudence check by the Commission.*
 - (b) *The average of such O&M expenses shall be considered as O&M expenses for the FY ended by March 31, 2009 and shall be escalated at the escalation factor of 4% to arrive at O&M expenses for FY 2011-12.*
 - (c) *The O&M expenses for each subsequent year will be determined by escalating the base expenses determined above for FY 2011-12, at the escalation factor of 5.72% to arrive at permissible O&M expenses for each year of the control period.”*

The O&M expenses for KPT are regulated in accordance with the above Regulation. The actual O&M costs for FY 2007-08, 2008-09 and 2009-10 as furnished by KPT are as under:



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(Rs. lakhs)

Year	O&M expenses
2007-08	252.66
2008-09	221.80
2009-10	228.10

The average O&M expenses for FY 2007-08, 2008-09 and 2009-10 works out to Rs. 234.19 lakhs. This figure is taken as base for FY 2008-09 and the expenses are escalated at 4.00% up to FY 2011-12 and 5.72% for rest of the years of control period. Considering FY 2008-09 O&M expenses as base the Commission has computed the expenses in accordance with Regulation 85.4 for the control period.

The Commission approves the O&M expenses for the control period FY 2011-12 to FY 2015-16 in accordance with Regulation 85.4 referred to above as given in Table below:

Table 3.31: O&M expenses approved for FY 2011-12 to 2015-16

(Rs. lakhs)

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
O&M Expenses	263.43	278.50	294.43	311.27	329.07

3.9.3 Capital expenditure

Petitioner's submission

The KPT has projected a capital expenditure of Rs. 1480 lakhs for the period FY 2011-12 to 2015-16 and has submitted the broad details of capital expenditure for the control period. It is submitted that in accordance with the present distribution infrastructure, KPT does not have any stand- by arrangement for restoring the power supply in case of major breakdowns. KPT would be required to undertake capital expenditure for system augmentation and strengthening in this regard. It is further submitted that the system augmentation would ensure efficiency and supply and network reliability and also help in maintaining lower DISTRIBUTION losses and further reduction of losses.

The broad details of the system augmentation schemes proposed by the KPT for the control period are as under:

Sr. No.	Proposed scheme
1.	Metering, system strengthening, expanding operations within licensee area.



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Sr. No.	Proposed scheme
2.	Construction of 13 th & 16 th Multi-purpose cargo berth at Kandla Port on BOT basis to be carried out through public private participation (PPP). This requires additional infrastructure set up.
3.	Construction of large jetty at old Kandla Port and additional oil jetty which requires additional infrastructural set up.
4.	Distribution network for proposed ship bunkering complex.
5.	Port based multi-product SEZ which requires augmentation at 66/11kV Substation
6.	11kV substation proposed to be setup for distribution of power to ship repair yard.

The KPT has not furnished work wise break-up of costs for the above schemes.

On seeking more details of the proposed expenditure it is submitted by KPT that they are in the process of preparing the schemes with business plan and would submit the same at the earliest. However the details are not yet furnished.

The KPT has however furnished the proposed capital expenditure year-wise for the control period in the petition as given in Table below:

Table 3.32: Proposed capital expenditure for the control period for FY 2011-12 to FY 2015-16

Year	Proposed capital expenditure (Rs. lakhs)
2011-12	200
2012-13	200
2013-14	120
2014-15	160
2015-16	800

The KPT has considered capitalization during each year of the control period at 50% of the planned capital expenditure in the same year and the balance 50% to be capitalized in the subsequent year.

The capitalization plan proposed is given in Table below:

Table 3.33: Capital expenditure (capitalization) plan for the control period for FY 2011-12 to 2015-16

Particulars	(Rs. lakhs)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Proposed capital expenditure	200	200	120	160	800

Proposed capitalization

New Schemes	100	100	60	80	400
Continuing scheme	-	100	100	60	80
Total capitalization	100	200	160	140	480

Commission's Analysis

Since augmentation of the distribution system is required to meet the additional demand, improve the quality of supply and reduction in Distribution losses, the Commission approves the capital expenditure proposed and capitalization plan during each year as proposed by KPT. This will however be reviewed in FY 2013-14 while considering the tariff for FY 14-15 and revised, if necessary, based on the progress.

The above capitalisation plan is considered for purposes of calculating depreciation, interest on loans, return on equity etc.

3.9.4 Gross Fixed Assets

The KPT has submitted that Asset Registers are being maintained by the Electrical Division and has broad categories. The value of assets is about Rs. 1993.9 lakhs as on 31st March 2011 as given in Table below:

Table 3.34: Category wise Assets details

(Rs. lakhs)

Asset categories	Amount
Land	89.10
Building	285.20
Plant & Machinery	865.60
Lines & cable network	748.10
Furniture & Fixtures	2.80
Office equipment	3.00
Total	1993.90

Subsequently they have also furnished the details of assets vide letter No. 3185 dated 24th February, 2011.



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3.9.5 Depreciation

Petitioner's submission

The KPT has projected depreciation at Rs. 580.18 lakhs for the control period FY 2012 to FY 2016 as detailed in Table below:

Table 3.35: Depreciation projected by KPT for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening GFA	1,993.81	2,093.81	2,293.81	2,453.81	2,593.81
Additions	100.00	200.00	160.00	140.00	480.00
Closing GFA	2,093.81	2,293.81	2,453.81	2,593.81	3,073.81
Average GFA	2,043.81	2,193.81	2,373.81	2,523.81	2,833.81
Depreciation Amount	97.71	105.57	114.99	122.84	139.07
Average Depreciation Rate	4.78%	4.81%	4.84%	4.87%	4.91%

It is submitted by KPT that depreciation is charged on the basis of straight line method on the gross fixed assets in use at the beginning of the year and addition to assets during the financial year.

Commission's Analysis

The depreciation charges claimed by KPT have been examined. The depreciation is claimed as per depreciation rates given in "Depreciation Schedule" of the GERC (MYT) Regulations, 2011 on average GFA considering the GFA and assets added as per capitalization approved during the year. The claim of the KPT appears to be in order.

The Commission approves the depreciation charges at Rs. 580.18 lakh for the period FY 2011-12 to FY 2015-16 as given in Table below:

Table 3.36: Depreciation charges approved by the Commission for the control period

Year	Depreciation charges (Rs. lakhs)
2011-12	97.71
2012-13	105.57
2013-14	114.99
2014-15	122.84
2015-16	139.07
Total	580.18



3.9.6 Interest and Finance charges

Petitioner's submission

The KPT has projected the interest and finance charges at Rs.147.31 lakhs for the period FY 2012 to FY 2016 as detailed in below:

Table 3.37: Interest & Finance charges projected by KPT for FY 2011-12 to FY 2015-16

(Rs. lakhs)					
Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening Loan	0.00	70.00	203.00	294.00	359.80
Loan for additional Capex (70:30 debt-equity)	70.00	140.00	112.00	98.00	336.00
Loan Repayment (10% of Loan Principal O/S)	0.00	7.00	21.00	32.20	42.00
Cumulative Loan	70.00	210.00	322.00	420.00	756.00
Closing Loan	70.00	203.00	294.00	359.80	653.80
Interest Cost on Avg. Loans @ 11.75%	4.11	16.04	29.20	38.41	59.55

It is submitted by KPT that the entire capital expenditure of KPT's power distribution business, since its inception, has been funded by KPT itself through the budgetary support each year up to FY 2010-11. As such KPT's power distribution arm does not have any loan liabilities currently.

It is further submitted that KPT is now migrating from combined entity (having port and electricity business) to a commercial entity under the Electricity Act, 2003. It is also submitted that henceforth KPT would work as a separate commercial utility and it would be utilizing the debt facility from FY 2011-12 onwards. KPT plans to fund the further capital expenditure through debt equity in the ratio 70:30.

Commission's Analysis

The KPT has not claimed any interest for assets capitalized on or before FY 2010-11 as the entire capital expenditure was met from its own sources and as such no loans are outstanding. It proposes to raise loan on the normative debt-equity 70:30 from FY 2011-12. KPT has claimed interest on normative loan of 70% of the asset capitalization during each year of the control period as approved earlier in para 3.12. KPT has considered loan repayment at 10% of loan outstanding each year. As per Regulation 39.3 of GERC (MYT) Regulations, 2011, the repayment for the year during the tariff period from FY 2011-12 to FY 2015-16 shall be deemed to be equal



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to the depreciation allowed for that year. As such the loan repayment is accordingly considered for control period, except for FY 2011-12. Depreciation allowed for FY 2011-12 is Rs. 98 lakh (97.71) which is more than loan amount. Hence, the repayment of the loan for FY 2011-12 equivalent to depreciation allowed i.e. Rs. 98 lakh is distributed between the balance years of the control period.

The KPT has claimed interest at 11.75% on the loan. The current interest rates are in the order of 10% to 11.00%. Interest rate of 10.5% is claimed by other State Government utilities and Commission has approved the interest rate of 10.5%. KPT being a Central Government organisation shall be able to raise loans at 10.5%. Hence, Commission approves the interest rate of 10.50%.

The Commission approves the interest charges at the rate of 10.50% and the interest computed as per Regulation 39.3 is as given in Table below:

Table 3.38: Interest & Finance charges approved by the Commission for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening Loan	0.00	70.00	65.00	32.00	0.00
Loan for additional Capex (70:30 debt-equity)	70.00	140.00	112.00	98.00	336.00
Loan Repayment (Depreciation allowed)	0.00	145 (105+40*)	145 (115+30*)	130 (123+7*)	160 (139+21*)
Closing Loan	70.00	65.00	32.00	0.00	176.00
Average Loan	35.00	67.50	48.50	16.00	88.00
Interest @ 10.5%	3.68	7.00	5.10	1.68	9.24

* Note: Repayment, equivalent to the depreciation, of Rs. 98 lakh for FY 2011-12 is distributed between FY 2012-13 to FY 2015-16

3.9.7 Interest on Security deposit

The KPT has not furnished the details of consumer security deposit and interest to be paid to the consumers on the deposit. On calling for details KPT has submitted vide letter dated 2nd June, 2011 that the security deposit held by it as on 31st March 2011 is Rs. 84.13 lakh. The security deposit is kept at the same level for the control period for purpose of calculation of interest.



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As per section 47 (4) of Electricity Act 2003, the distribution licensee shall pay interest equivalent to the bank rate or more as may be specified by the concerned SERC. The interest payable is 6% per annum at bank rate applicable. The Commission approves the payment of interest as below:

Table 3.39: Payment of Interest on security deposit approved by the Commission for the control period

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Security deposit (Rs. lakh)	84.13	84.13	84.13	84.13	84.13
Interest rate (%)	6	6	6	6	6
Interest payable (Rs. lakh)	5.05	5.05	5.05	5.05	5.05

The KPT shall pay interest on security deposit held at the applicable bank rate as per GERC Regulations every year.

3.9.9 Interest on Working Capital

Petitioner's submission

The KPT has projected Rs. 149.40 lakhs towards interest on working capital for the period FY 2012 to FY 2016. The year wise details projected by KPT are given in Table below:

Table 3.40 Interest on working capital projected by KPT for FY 2011-12 to FY 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
O&M expense for 1 month	24.80	27.10	29.20	31.60	34.60
1% R&M (esc 6%)	17.50	18.50	19.70	20.80	22.10
Two months receivables	162.50	176.90	193.00	210.90	230.80
Total Working Capital requirement	204.80	222.60	241.80	263.20	287.50
Interest on Working Capital @ 12.25%	25.10	27.30	29.60	32.20	35.20

(Rs. lakhs)

It is submitted by KPT that they have computed the interest on working capital on normative basis as per GERC (Terms and Conditions for Determination of Tariff) Regulations, 2005.

The petitioner has computed the interest on working capital at an interest rate of 12.25%, being prevailing Prime Lending Rate of SBI.



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Commission's Analysis

The KPT has computed the interest on working capital as per GERC (Terms and Conditions for Determination of Tariff) Regulations, 2005.

The interest on working capital has to be computed as per GERC (MYT) Regulations, 2011. Under Regulation 41 of MYT Regulations, 2011 the working capital and interest on working capital shall be computed as under:

- Operation and Maintenance expenses for one month
- Maintenance spares at one (1) percent of the historical cost escalated at 6% from the date of commercial operation
- Receivable equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs

Minus

- Amount held as security deposit under clause (a) and clause (b) of sub section (1) of section 47 of the Act from consumers except the security deposit held in the form of bank guarantees.

On seeking more details about the consumers security deposit held by it, the KPT has furnished the details of security deposits held during FY 2010-11 vide communication dated 2nd June, 2011. The deposit held as on 31st March, 2011 is Rs.84.13 lakhs. This is considered for the control period.

The interest on working capital is computed as per Regulation 41 of GERC (MYT) Regulations, 2011.

The interest rate prevailing as on 1st April, 2010 is considered at 11.75%.

The Commission approves the working capital and interest thereon as given in Table below:

Table 3.41: Interest on working capital approved by the Commission for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
O&M expense for 1 month	21.95	23.21	24.54	25.94	27.42
Maintenance spares at	19.94	20.94	22.94	24.54	25.94



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
one (1) percent of historical cost					
Receivables equivalent to one month revenue	85.07	92.76	101.26	110.87	121.54
Less: Security deposit from consumers in cash	84.13	84.13	84.13	84.15	84.13
Total Working Capital requirement	42.83	52.78	64.61	77.22	90.77
Interest on Working Capital @ 11.75%	5.03	6.20	7.59	9.07	10.67

3.9.8 Return on Equity

Petitioner's submission

The KPT has projected the return on equity at Rs. 940.2 lakhs for the control period FY 2012 to 2016 as given in Table below:

Table 3.42: Return on equity projected by KPT for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening GFA	1993.80	2093.80	2293.80	2453.80	2593.80
Opening Normative Equity (50% of the Opening GFA)	996.90	1046.90	1146.90	1226.90	1296.90
Addition in Equity (30% of Asset Capitalization)	30.00	60.00	48.00	42.00	144.00
Closing Equity Amount	1026.90	1106.90	1194.90	1268.90	1440.90
Average Equity Amount	1011.90	1076.90	1170.90	1247.90	1368.90
Rate of Return on Equity	16.0%	16.0%	16.0%	16.0%	16.0%
Return on Equity	161.90	172.30	187.30	199.70	219.00

It is submitted by KPT that it has considered 50% normative equity for assets created on or before 31st March on opening GFA for FY 2011-12 and 30% normative equity for assets created for additional capitalization for FY 2011-12 to FY 2015-16.

Commission's Analysis

The Commission has examined the claim of KPT for return on equity. As per Regulation 38 of GERC (MYT) Regulations, 2011 which are effective from 1st April, 2011, the return on equity shall be computed on the basis of paid up equity capital



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determined in accordance with Regulation 34 and shall be allowed @ 14%. Return on equity shall be allowed on the amount allowed as equity capital for the assets put to use at the commencement of FY and on 30% of equity capital portion of the 50% of the allowable capital for the investment put to use during the financial year.

The return on equity for KPT is regulated in accordance with the Regulation 38 of GERC (MYT) Regulations, 2011 as detailed below:

The Commission approves the return on equity for the control period as given in Table below:

Table 3.43: Return on equity approved by the Commission for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening GFA	1993.80	2093.8	2293.80	2453.80	2593.80
Opening normative Equity (30% of the Opening GFA)	598.14	628.14	688.14	736.14	778.14
Addition to Equity (30% of Asset Capitalization)	30.0	60.00	48.00	42.00	144.00
Closing Equity Amount	628.14	688.14	736.14	778.14	922.14
Average Equity Amount	613.14	658.14	712.14	757.14	850.14
Rate of Return on Equity	14.0%	14.0%	14.0%	14.0%	14.0%
Return on Equity	85.84	92.14	99.70	106.00	119.0

3.18 Aggregate Revenue Requirement

The Aggregate Revenue Requirement as projected by KPT and as approved by the Commission are given in Tables below:

Table 3.44 (a): Aggregate Revenue Requirement projected by KPT for the control period FY 2012-2016

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase Cost	1078.50	907.70	1037.20	1187.90	1363.50
Employee Cost	149.60	164.60	181.10	199.20	219.10



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
R&M Cost	71.90	78.60	86.00	94.40	103.70
A&G Expenditure	76.50	82.10	83.40	85.20	92.70
Depreciation	97.70	105.60	115.00	122.80	139.10
Interest Cost	4.10	16.00	29.20	38.40	59.50
Interest on security deposit	-	-	-	-	-
Interest on Working Capital	25.10	27.30	29.60	32.20	35.20
Return on Equity	161.90	172.30	187.30	199.70	219.00
Total ARR	1665.4	1554.2	1748.8	1959.80	2231.90

Table 3.44 (b): Aggregate Revenue Requirement approved by the Commission for the control period FY 2012-2016

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Power Purchase Cost	828	900	983	1076	1181
Employee Cost					
R&M Cost	263.43	278.50	294.43	311.27	329.07
A&G Expenditure					
Depreciation	97.71	105.57	114.99	122.84	139.07
Interest Cost	3.68	7.09	5.10	1.68	9.24
Interest on security deposit	5.05	5.05	5.05	5.05	5.05
Interest on Working Capital	5.03	6.20	7.59	9.07	10.67
Return on Equity	85.84	92.14	99.70	106.00	119.00
Total ARR	1288.74	1394.55	1509.86	1631.91	1793.1



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3.11 Revenue at existing tariff

The KPT has projected the revenue from the existing tariff as detailed in Table 3.44 below:

Table 3.45: Revenue projected by KPT at existing tariff for FY 2011-12 to 2015-16

Particulars	(Rs. lakhs)						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Domestic (Port Employees)	47.90	51.80	52.30	52.90	53.50	54.00	54.60
Domestic (Private Residential)	6.80	6.80	8.10	9.70	11.70	14.00	16.80
Commercial	52.50	42.50	63.80	73.80	85.30	98.60	114.00
Temporary	41.60	59.60	71.90	86.80	104.70	126.40	152.60
HT Connection (ABG)	149.80	155.70	168.60	182.60	197.70	214.10	231.90
LT Connection (ABG)	7.30	8.80	9.30	9.70	10.20	10.70	11.30
Self-Consumption (ST Lights)	71.50	69.30	72.80	76.40	80.20	84.30	88.50
Self-Consumption (HT)	473.00	489.60	528.10	569.70	614.50	662.90	715.10
Total Sales	850.30	884.00	974.90	1061.60	1157.90	1265.10	1384.80
Revenue from surplus power	-	966.60	78.10	88.60	101.20	115.90	133.10
Total Revenue	850.30	1850.60	1053.00	1150.20	1259.10	1381.10	1517.90

Commission's Analysis

The Commission has examined the revenue arrived at by KPT based on existing tariffs.

It is observed by the Commission that the revenue arrived at by KPT from existing tariff includes meter rent, excise duty etc. It does not reflect the revenue from sale of energy as per tariff rates.

Hence, the Commission has not considered the revenue from existing tariff and the revenue gap.

In view of the above, the Commission directs the KPT to continue to charge the consumers at the PGVCL tariff from time to time till further Order.



4. Directives

4.1 General

It is observed from the MYT petition filed by the KPT for FY 2011-12 to FY 2015-16 that there are some issues, which need immediate attention of KPT to improve its efficiency in power delivery and reduce costs. It is in this context, the Commission considered it necessary to issue certain directives to KPT.

The KPT shall take prompt action on the directives issued and submit quarterly implementation reports to the Commission.

4.2 Directives

4.2.1 Directive 1: Metering of consumers

Under Section 55 of the Electricity Act 2003, no licensee shall supply electricity after the expiry of two years from the appropriate date (10th January 2003) except through installation of a correct meter in accordance with the regulations to be made by the Central Electricity Authority.

It is observed from the ARR and Tariff Petition filed by KPT that the consumption by KPT for port operations and streetlights are not metered.

The KPT is directed to provide, within a period of 3 months, appropriate meters at all the supply points for port operations, street lights and other consumers within its license area.

4.2.2 Directive 2: Assessment of Distribution Losses

Apart from providing meters to all the consumers, the licensee is directed to provide meters on 11kV feeders, distribution transformers and conduct energy accounting to arrive at the actual distribution losses in the system and take appropriate action to reduce the distribution loss to the level prescribed by the Commission in this order.

4.2.3 Directive 3: Separation of Accounts of Distribution Business

The licensee has stated that the data on all expenses for ARR are segregated from the combined expenses of port and distribution business.

Since the distribution business is now under regulated regime, the licensee is directed to maintain asset register and separate accounts duly certified by statutory auditors, for distribution business from FY 2011-12 onwards and develop balance sheet and profit & loss account etc. for the distribution business and submit data of expenses from the separate accounts in the ARR and Tariff Petition for FY 2012-13.

4.2.4 Directive 4: Business plan

The licensee has not submitted the business plan along with MYT petition for FY 2011-12 to FY 2015-16. The licensee is directed to prepare and submit the business plan for the control period in accordance with GERC (MYT) Regulations, 2011 by September, 2011.

4.2.5 Directive 5: Meter reading and billing

The licensee shall organize meter readings preferably using handheld machines and develop appropriate organization for meter reading, billing and revenue realization.

The required software may also be got developed to be in position for billing, revenue accounting etc.

4.2.6 Directive 6: Capacity Building

The KPT is directed to train the staff in meter reading, billing, revenue realization and other distribution activities. KPT shall also develop proper organization to manage the distribution system and also control any pilferage of energy etc.

4.2.7 Directive 7: Revenue from consumers at existing tariff rates, non-tariff income etc., and proposed tariff schedule

The KPT has not furnished the revenue through sale of energy to consumers, other income from consumers etc.

The KPT is directed to submit the following in the tariff petition for FY 2012-13.



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- (i) Revenue through sale of energy at existing tariff.
- (ii) Non-tariff income (consumer related and others).
- (iii) Proposed retail supply tariff.
- (iv) Proposed tariff schedule.



5. Wheeling Charges and Cross Subsidy Surcharge

5.1 Regulation 88.1 of MYT Regulations, 2011 stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensee in the ARR and Tariff Order.

The KPT has not provided the allocation methodology between the wheeling and retail supply business. The Commission has, however, segregated the expenses between the distribution works business and retail supply business as per the allocation matrix given in section 81.1 of MYT Regulation, 2011.

The Regulations provide the allocation matrix as below:

Table 5.1: Allocation of matrix for segregation of expenses between distribution wires business and retail supply business

Sr. No.	Particulars	Wires Business (%)	Retail supply Business (%)
1.	Power purchase expenses	0	100
2.	Employee expenses	60	40
3.	A&G expenses	50	50
4.	R&M expenses	90	10
5.	Depreciation	90	10
6.	Interest on long-term capital investment	90	10
7.	Interest on working capital and consumer security deposit	10	90
8.	Bad debts written off	0	100
9.	Income tax	90	10
10.	Transmission charges	0	100
11.	Contribution to contingency reserve, if any.	100	0
12.	Return on equity	90	10
13.	Non-tariff income	10	90

5.2 The approved ARR for wires business and retail supply business for FY 2011-12 are computed as shown below:

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Table 5.2: Allocation of ARR between wheeling (wires business) and retail supply business for FY 2011-12

(Rs. lakh)				
Sr. No.	Cost components	Total	Wheeling (Wires business)	Retail supply
1.	Power purchase expenses	828	-	828.00
2.	Employee cost	142.25	85.35	56.90
3.	A&G expenses	52.69	26.34	26.35
4.	R&M cost	68.49	61.64	6.85
5.	Depreciation	97.71	87.94	9.77
6.	Interest on long-term loans	3.68	3.31	0.37
7.	Interest security deposit	5.05	0.51	4.54
8.	Interest on working capital	5.03	0.50	4.53
9.	Return on equity	85.84	77.26	8.58
	Total	1288.74	342.85	945.89

5.3 Wheeling charges

The wheeling charge at 11 kV voltage is given in the table below:

Table 5.3: Wheeling charges at 11 kV voltage

Sr. No.	Particulars	Units	Amount
1.	Total distribution cost (wheeling cost)	Rs. lakh	342.85
2.	Energy input at 11 kV	LU	149.60
3.	Wheeling charge at 11 kV	Rs/kWh	2.29

5.4 Cross subsidy surcharge

The cross subsidy surcharge for the consumers of KPT area shall be the same as that of PGVCL consumers until further orders.



6. Fuel and Power Purchase Price Adjustment Charges

6.1 KPT has been sourcing power from GUVNL for meeting its power requirement for KPT licensed area. The rate of power sale by GUVNL to KPT is mutually agreed tariff for the supply of power from GUVNL to KPT from time to time.

Existing arrangement between KPT and GUVNL is governed through supplemental agreement dated 7th March, 2011 and in this agreement it is provided that-

“FPPPA charges determined in accordance with the approved formula of GERC will also be applicable with 2006-07 as the Base year.”

It is also submitted by the KPT that at present they are charging the same rate of FPPPA to their consumers as GUVNL is charging to KPT in its power purchase bill. As it is decided to continue to apply retail tariff rates of PGVCL for KPT consumers, KPT shall continue the existing arrangement of applying same rate of FPPPA charges as determined by GUVNL in accordance with the approved formula of GERC till further order.

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Determination of Tariff for FY 2011-12

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for the Kandla Port Trust (KPT) for FY 2011-12 as shown in the following Table:

(Rs. lakhs)

Sr. No.	Particulars	Approved for FY 2011-12
1	Power Purchase cost	828.00
2	O&M Expenses	263.43
3	Depreciation	97.71
4	Interest on loans	3.68
5	Interest on working capital	5.03
6	Revenue Expenditure	1197.85
7	Return on Equity @ 14%	85.84
8	Interest on Security deposits	5.05
9	Aggregate Revenue Requirement	1288.74

The approved retail supply tariff will be in accordance with the Tariff Schedule for PGVCL time to time. Existing tariff schedule of PGVCL is annexed to this order.

Sd/-

DR. M.K. IYER
Member

Sd/-

SHRI PRAVINBHAI PATEL
Member

Sd/-

DR. P.K. MISHRA
Chairman

Place : Ahmedabad

Date : 18.08.2011



TARIFF SCHEDULE FOR PGVCL
AS PER GERC ORDER IN CASE NO. 995/2010,
DATED 31ST MARCH, 2010

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

Effective from 1st April 2010

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of unbundled Distribution Lines of the erstwhile GEB.
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. The energy supplied under these tariffs can be utilized only within the compact area of the premises not intervened by any area/road belonging to any person or authority other than the consumer.
6. Except in cases where the supply is used for the purpose for which the Distribution Licensee has permitted lower tariff, 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.
7. Meter charges shall be applicable as prescribed under 'GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 as in force from time to time.
8. 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.



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9. 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.
10. 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 the date of billing).

Delayed payment charges will be levied at the rate of 18% per annum (up to the time of ultimate disconnection of supply) in case of all consumers except Agricultural category and for the period from the date of permanent disconnection, the delayed payment charges will be levied at the rate of 15% per annum. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the date of billing till the date of payment if the bill is paid after ten days from the date of billing.

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



PART - I
SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY
AT LOW AND MEDIUM VOLTAGE

1. RATE LFD-I:

This tariff will apply to services for lights, fans and small electrical appliances such as refrigerators, cookers, heaters and small motors having individual capacity not exceeding two BHP attached to domestic appliances in the residential premises which are not covered under LFD-I (Rural Category).

Single-phase supply (aggregate load up to 6 kW)

Three-phase supply (aggregate load above 6 kW including small motive power load up to 10 kW).

1.1. Fixed Charges/Month:

Range of Connected Load: (Other than BPL Consumers)

(a)	Upto and including 2 kW	Rs.5/- per month
(b)	Above 2 to 4 kW	Rs. 15/- per month
(c)	Above 4 to 6 kW	Rs.30/- per month
(d)	Above 6 kW	Rs.45/- per month

For BPL Household Consumers:

Fixed charges	Rs.5/- per month
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PLUS

1.2. Energy Charges: For the total monthly consumption: (Other than BPL consumers)

(a)	First 50 units	280 Paise per Unit
(b)	Next 50 units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	475 Paise per Unit



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1.3. Energy charges: For the total monthly consumption – For the consumer below poverty line (BPL)**

(a)	First 30 units	150 Paise per Unit
(b)	For remaining units	Rate as per LFD-I

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

1.4. Minimum bill (excluding meter charges)

Payment of fixed charges as specified in 1.1 above.

2. RATE LFD-I (Rural):

This tariff will apply to services for residential premises located in areas within gram panchayat as defined in the Gujarat Panchayats Act.

However, this will not apply to villages which are located within the geographical jurisdiction of Urban Development Authority.

Single-phase supply (aggregate load up to 6 kW)

Three-phase supply (aggregate load above 6 kW including small motive power load up to 10 kW)

2.1. Fixed Charges/Month:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs.5/- per month
(b)	Above 2 to 4 kW	Rs. 15/- per month
(c)	Above 4 to 6 kW	Rs.30/- per month
(d)	Above 6 kW	Rs.45/- per month



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For BPL Household Consumers:

Fixed charges	Rs.5/- per month
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PLUS

2.2. Energy Charges: For the total monthly consumption: (Other than BPL consumers)

(a)	First 50 units	230 Paise per Unit
(b)	Next 50 units	260 Paise per Unit
(c)	Next 150 units	325 Paise per Unit
(d)	Above 250 units	435 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 LFD-I (Rural)

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

2.4. Minimum bill (excluding meter charges):

Payment of fixed charges as specified in 2.1 above.

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

3.0 RATE LFD-II (For Commercial Premises)

This tariff will apply to the services for the purposes specified in the rate LFD-I in respect of commercial premises, such as shops, workshop, hotels, restaurants, showrooms, offices, etc., etc.



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3.1 Fixed Charges:

Range of Connected Load:

(a)	Up to and including 2 kW	Rs.50/- per month
(b)	Above 2 to 4 kW	Rs.100/- per month
(c)	Above 4 kW to 6 kW	Rs.150/- per month
(d)	Above 6 kW	Rs.200/- per month

PLUS

3.2 Energy charges:

(a)	For the first 50 units per month	370 Paise per unit
(b)	For the next 100 units per month	430 Paise per unit
(c)	For the remaining units per month	490 Paise per unit

3.3 Minimum Bill (excluding meter charges):

Payment of fixed charges as specified in 3.1 above.

4.0 RATE LFD-III

This tariff is applicable to the educational and other institutions registered with the Charity Commissioner.

(a)	Fixed charges	Rs.45/- per month
(b)	Energy charges	320 Paise per Unit

5.0 RATE-LTP

This tariff shall be applicable for motive power services

5.1 RATE LTP-I

This tariff is applicable for aggregate motive power load not exceeding 125 BHP.

5.1.1 Fixed charges per month:

For an installation having the contracted load up to 10 BHP	Rs.22/- per BHP
For installation having contracted load exceeding 10 BHP:	
(i) For first 10 BHP of contracted load	Rs.22/- per BHP
(ii) For next 40 BHP of contracted load	Rs.40/- per BHP



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(iii) For next 25 BHP of contracted load	Rs.65/- per BHP
(iv) For next 25 BHP of contracted load	Rs.100/- per BHP
(v) Balance BHP of contracted load	Rs.155/- per BHP

PLUS

5.1.2 Energy charges:

(a)	For installation having contracted load up to and including 10 BHP: For entire consumption during the month	370 Paise per Unit
(b)	For installation having contracted load exceeding 10 BHP: For entire consumption during the month	400 Paise per Unit

PLUS

5.1.3 Reactive Energy Charges:

For installation having contracted load of 50 BHP and above for all reactive units (KVARAH) drawn during the month	10 Paise per KVARH
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5.1.4 Minimum bill per installation per month for consumers other than Seasonal Consumers:

(a)	When contracted load is up to 75 BHP	Rs.105 per BHP
(b)	When contracted load exceeds 75 BHP	Rs.180 per BHP

5.1.5 Minimum Bill Per Installation for Seasonal Consumers

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

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



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(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.1200/- per annum per BHP of the contracted load for the installation having the contracted load upto 75 BHP, and Rs.2000/- per annum per BHP when contracted load is exceeding 75 BHP.

(d) The units consumed during the off-season period shall be charged for at a flat rate of 415 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.

5.2 RATE LTP-II

This tariff shall be applicable to educational institutions and research and development laboratories for motive power services where machines and appliances are primarily used for demonstration/research purposes only.

5.2.1 Energy Charges

For all units consumed during the month	410 Paise per Unit
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NOTE:

The educational institutions and research laboratories will have an option to either select of the rate LTP-I with minimum charges or rate LTP-II without minimum charges. The option can be exercised to switch over from LTP-I tariff to LTP-II and vice versa twice in a calendar year by giving not less than one month's notice in writing.

5.3 RATE LTP-III

This tariff shall be applicable to consumers using electricity for motive power services for minimum contract demand of 15 kW and up to 100 kW at low voltage.



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5.3.1 Fixed charges:

(a)	For billing demand upto the contract demand	
	(i) For first 15 to 40 kW of billing demand	Rs.65/- per kW per month
	(ii) Next 20 kW of billing demand	Rs.100/- per kW per month
	(iii) Above 60 kW of billing demand	Rs.165/- per kW per month
(b)	For billing demand in excess of the contract demand	Rs.210/- per kW

PLUS

5.3.2 Energy charges:

For the entire consumption during the month	405 Paise per Unit
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PLUS

5.3.3 Reactive Energy Charges:

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

The billing demand shall be highest of the following, rounded to the next full kW:

- (a) Eighty-five percent of the contract demand
- (b) Actual maximum demand registered during the month
- (c) 15 kW

5.3.5 Minimum Bill

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

NOTE:

1. This tariff shall be applicable if the consumer so opts to be charged in place of LTP-I Tariff.
2. The option can be exercised to switch over from LTP-I tariff to LTP-III tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.



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3. *Consumer has to provide metering system in the event when proper metering system is not provided by Distribution Licensee.*
4. *In the event of actual maximum demand exceeds 100 kW more than three occasions during the period of six months, the consumer has to provide his distribution transformer at his cost and maintain at his cost.*

5.4 RATE LTP-IV

This tariff is applicable for aggregate motive power load not exceeding 125 BHP and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

5.4.1 Fixed Charges per month:

Fixed charges specified in RATE LTP-I above.
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PLUS

5.4.2 Energy Charges:

For entire consumption during the month	200 Paise per Unit
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5.4.3 Reactive Energy Charges:

For contract load of 50 BHP and above: For all reactive units (KVARH) drawn during the month	10 Paise per KVARH
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NOTE:

1. *10% of total units consumed and 15% of the contract load can be availed beyond the prescribed hours for the purpose of maintenance.*
2. *For the purpose of office lighting, fans etc. the consumer may apply for a separate connection.*
3. *This tariff shall be applicable if the consumer so opts to be charged in place of LTP-I tariff by using electricity exclusively during night hours as above.*



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4. *The option can be exercised to switch over from LTP-I tariff to LTP-IV tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
5. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category LTP-I.*

5.5 RATE LTP-IV (A)

This tariff is applicable to consumers using electricity for motive power services for minimum contract demand of 15 kW and up to 100 kW at low voltage and using electricity exclusively during night hours from 10.00 PM to 06.00 AM next day. The supply hours shall be regulated through time switch to be provided by the consumer at his cost.

5.5.1 Fixed Charges per month:

Fixed charges specified in RATE LTP-III above.
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PLUS

5.5.2 Energy Charges:

For entire consumption during the month	200 Paise per Unit
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5.5.3 Reactive Energy Charges:

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

1. *10% of total units consumed and 15% of the contract demand can be availed beyond the prescribed hours for the purpose of maintenance.*
2. *For the purpose of office lighting, fans etc. the consumer may apply for a separate connection.*
3. *This tariff shall be applicable if the consumer so opts to be charged in place of LTP-III tariff by using electricity exclusively during night hours as above.*



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4. *The option can be exercised to switch over from LTP-III tariff to LTP-IV(A) tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
5. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category LT-III.*

5.5 RATE LTP-V

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 BHP 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. 25/- per BHP
PLUS		
(b)	Energy charges For entire consumption during the month	160 Paise per Unit

6.0 RATE WW (Water Works)

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

- 6.1 Type I – Water works and sewerage pumps operated by other than local authority:

(a)	Fixed charges per month	Rs.15/- per BHP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	360 Paise per Unit

- 6.2 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:



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(a)	Fixed charges per month	Rs.9 per BHP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	340 Paise per Unit

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

Energy charges per month: For entire consumption during the month	250 Paise/Unit
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6.4 Time of Use Discount:

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.	30 Paise per Unit
For energy consumption during night hours, viz., 2200 Hrs to 0600 Hrs. next day	75 Paise per Unit

7.0 RATE-AG (Agricultural)

This tariff is applicable to motive power services used for irrigation purposes only excluding installations covered under LTP-V category.]

7.1 The rates for following group are as under:

7.1.1 HP Based Tariff:

For entire contracted load	Rs.160/BHP/month
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ALTERNATIVELY



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7.1.2 Metered Tariff:

Fixed Charges	Rs.10 per BHP per month
Energy Charges: For entire consumption	50 Paise per Unit per month

7.1.3 Tatkal Scheme:

Fixed Charges	Rs.10 per BHP per month
Energy Charges: For entire consumption	70 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.

7.2 No machinery other than pump water for irrigation 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.

7.3 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.

7.4 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 intension 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).

8.0 RATE SL (Street Lights)

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



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

8.1.1 Energy Charges:

For all the units consumed during the month: For streetlights operated by industrial estates and local authority	335 Paise per Unit
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8.1.2 Minimum Charges:

The minimum energy consumption is prescribed for consumer with more than 50 street lights within a village or an industrial estate, as the case may be, as equivalent to 2200 units per annum per kilo watt of connected load during the year.

8.1.3 Renewal and Replacements of Lamps:

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

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

8.2.1 Fixed Charges:

Rs. 20 per kW per month

8.2.2 Energy charges:

For all units consumed during the month	335 Paise per kWh
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8.2.3 Renewal and Replacement of Lamps:

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



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8.2.4 Maintenance other than Replacement of Lamps:

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

9.0 RATE TMP (Temporary):

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

9.1 Energy Charges:

For the supply used for the purposes stipulated in respective tariff for permanent supply:

(a)	Rate LFD-I (for residential premises) & LFD-I (Rural)	435 Paise/Unit
(b)	Rate LFD-II (for non-residential premises)	480 Paise/Unit
(c)	Rate LFD-III (for educational and other institutions)	480 Paise/Unit
(d)	Rate LTP-I, LTP-II and LTP-III	640 Paise/Unit

9.2 Minimum charges:

(a)	For the purpose stipulated in LFD:	Rs.20/- per day
(b)	For the purpose stipulated in Rate LTP-I	Rs.200/- per BHP per month
(c)	For the purpose stipulated in Rate LTP-III	Rs.225/- per kW per month

***NOTE:** Payment of bill is to be made within seven days from the date of issue of the bill.*

Supply would be disconnected for non-payment of dues on 24 hours' notice.



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

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

10.0 RATE HTP-I:

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

10.1 Demand Charges;

10.1.1 For billing demand up to contract demand.

(a)	For first 500 kVA of billing demand	Rs.100/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs.140/- per kVA per month
(c)	For next 1500 kVA of billing demand	Rs.210/- per kVA per month
(d)	For billing demand in excess of 2500 kVA	Rs.240/- per kVA per month

10.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs.370 per kVA per month
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PLUS

10.2 Energy Charges

For entire consumption during the month		
(a)	Up to 1000 kVA billing demand	390 Paise per Unit
(b)	For 1001 kVA to 2500 kVA billing demand	410 paise per Unit
(c)	Above 2500 kVA billing demand	420 Paise per Unit

PLUS



10.3 Time of Use Charges:

(These charges shall be levied from a consumer having contract demand or actual demand of 500 kVA and above):

For energy consumption during the two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs	75 Paise per Unit
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10.4 Billing Demand:

The billing demand shall be the highest of the following:

- (a) Actual maximum demand established during the month
- (b) Eighty-five percent of the contract demand
- (c) One hundred kVA

10.5 Minimum Bills:

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

10.6 Lighting and Non-Industrial Loads:

The consumption of lights and fans and other non-industrial loads of the factory building as also the consumption of creche, laboratory, stores, time keeper’s office, yards, watch and ward, first aid centres, and dispensaries during a month registered at the main meter on HT side shall be charged at the energy charges specified above.

10.7 Power Factor:

10.7.1 Power Factor Adjustment Charges:

(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” for every 1% drop or part thereof in the average power factor during the month below 90% upto 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” will be charged.



10.7.2 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" for every 1% rise or part thereof in the average power factor during the month above 95%.

10.8 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 period of maximum use where such meter reading directly the maximum demand in KW/KVA have been provided.

10.9 Contract Demand:

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

10.10 Rebate for Supply at EHV:

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

10.11 Concession for Use of Electricity during Night Hours:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning (recorded by a polyphase meter operated through time-switch) as is in excess of one third of the total energy consumed during the month, shall be eligible for concession at the rate of 75 Paise per unit. The polyphase meter and time switch shall be procured and installed by the consumer at his cost and sealed by the Distribution Licensee.



10.12 Seasonal Consumers taking HT Supply:

- 10.12.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.
- 10.12.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.
- 10.12.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 10.12.1 above and complying with provisions stipulated under sub clauses 10.12.2 above shall be Rs.4000/- per annum per kVA of the billing demand.
- 10.12.4 .4 The billing demand shall be the highest of the following:
- (i) The highest of the actual maximum demand registered during the calendar year.
 - (ii) Eighty-five percent of the arithmetic average of contract demand during the year.
 - (iii) One hundred kVA.
- 10.12.5 Units consumed during the off-season period shall be charged for at the flat rate of 420 Paise per unit.
- 10.12.6 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.



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11.0 RATE HTP-II

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

11.1 Demand Charges:

11.1.1 For billing demand up to contract demand.

(a)	For first 500 kVA of billing demand	Rs.90/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs.130/- per kVA per month
(c)	For next 1500 kVA of billing demand	Rs.190/- per kVA per month
(d)	For billing demand in excess of 2500 kVA	Rs.220/- per kVA per month

11.1.2 For billing demand in excess of contract demand

For billing demand in excess over the contract demand	Rs.335 per kVA per month
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PLUS

11.2 Energy Charges:

For entire consumption during the month		
(a)	Up to 1000 kVA billing demand	390 Paise per Unit
(b)	For 1001 kVA to 2500 kVA billing demand	410 paise per Unit
(c)	Above 2500 kVA billing demand	420 Paise per Unit

PLUS

11.3 Time of Use Charges:

(These charges shall be levied from a consumer having contract demand or actual demand of 500 kVA and above):

For energy consumption during the two peak periods,	75 Paise per Unit
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viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs	
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11.4 Billing demand	}	same as per HTP-I Tariff
11.5 Minimum bill		
11.6 Power Factor		
11.7 Maximum demand and its measurement		
11.8 Contract demand		
11.9 Rebate for supply at EHV		

12.0 RATE HTP-III:

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

12.1 Demand Charges:

For billing demand upto contract demand	Rs.462/- per kVA per month
For billing demand in excess of contract demand	Rs.550/- per kVA per month

PLUS

12.2 Energy Charges:

For all units consumed during the month	630 Paise per Unit
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PLUS

12.3 Time of use charges:

(These charges be levied from the consumer who is having contracted demand or actual demand of 500 kVA and above).

Additional charge for the energy consumption during two peak periods, i.e., 07.00 Hrs to 11.00 Hrs and 18.00 Hrs to 22.00 Hrs.	75 Paise per Unit
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12.4	Billing demand	}	same as per HTP-I Tariff
12.5	Minimum bill		
12.6	Power factor		
12.7	Maximum demand and its measurement		
12.8	Contract demand		
12.9	Rebate for supply at EHV		

13.0 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.

13.1 Demand Charges:

Same rates as specified in Rate HTP-I

PLUS

13.2 Energy Charges:

For all units consumed during the month	200 Paise per Unit
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13.3	Billing demand	}	same as per HTP-I Tariff
13.4	Minimum bill		
13.5	Power factor		
13.6	Maximum demand and its measurement		
13.7	Contract demand		
13.8	Rebate for supply at EHV		

NOTE:

1. 10% of total units consumed and 15% of the contract demand can be availed beyond the prescribed hours for the purpose of maintenance.
2. For the purpose of office lighting, fans etc. the consumer may apply for a separate connection.



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3. *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.*
4. *The option can be exercised to switch over from HTP-I tariff to HTP-IV tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
5. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category HTP-I.*

14.0 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.

14.1 Demand Charges:

Demand Charges Rs. 25 per kVA per Month

PLUS

14.2 Energy Charges:

For all units consumed during the month	160 Paise per Unit
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|--|---|--------------------------|
| <p>14.3 Billing demand</p> <p>14.4 Minimum bill</p> <p>14.5 Power factor</p> <p>14.6 Maximum demand and its measurement</p> <p>14.7 Contract demand</p> <p>14.8 Rebate for supply at EHV</p> | } | same as per HTP-I Tariff |
|--|---|--------------------------|



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15.0 RATE – Railway Traction:

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

15.1 Demand Charges:

(a) For billing demand up to the contract demand	Rs.160 per kVA per month
(b) For billing demand in excess of contract demand	Rs.400 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 15.1(b).

PLUS

15.2 Energy Charges:

For all units consumed during the month	455 Paise per Unit
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15.3 Billing demand	} same as per HTP-I Tariff
15.4 Minimum bill	
15.5 Power factor	
15.6 Maximum demand and its measurement	
15.7 Contract demand	
15.8 Rebate for supply at EHV	

