

**GUJARAT ELECTRICITY REGULATORY COMMISSION**



Tariff Order

**Truing-up for FY 2011-12 and  
Determination of Tariff for FY 2013-14**

For

**MPSEZ Utilities Private Limited  
(MUPL)**

**Case No. 1264 of 2012**

**20<sup>th</sup> May 2013**

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(GERC)  
AHMEDABAD**

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## LIST OF ABBREVIATIONS

<b>Abbreviation</b>	<b>Description</b>
A&G	Administrative and General
AEL	Adani Enterprise Limited
APL	Adani Power Limited
APSEZL	Adani Ports and Special Economic Zone Ltd
ARR	Aggregate Revenue Requirement
AT&C Loss	Aggregate Technical & Commercial Loss
CAPEX	Capital Expenditure
EA 2003	Electricity Act, 2003
EC	Employee Cost
F&A	Finance and Accounts
FPPPA	Fuel Price and Power Purchase Adjustment
FY	Financial Year
GERC	Gujarat Electricity Transmission Company Limited
GETCO	Gujarat Electricity Transmission Company Limited
GFA	Gross Fixed Assets
HT	High Tension
HTMD	High Tension Maximum Demand
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo-Volt Amperes
kW	Kilo-Watt
kWh	Kilo-Watt Hour
LF	Load Factor
LT	Low Tension
MAT	Minimum Alternate tax
MD	Maximum Demand
MPSEZL	Mundra Port and Special Economic Zone Limited
MUPL	MPSEZ Utilities Private Limited
MUs	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
NFA	Net Fixed Assets
NTP	National Tariff Policy
O&M	Operations and Maintenance
PLR	Prime Lending Rate
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
RoE	Return on Equity
SBAR	State Bank Advance Rate
SBI	State Bank of India
SEZ	Special Economic Zone
T&D Loss	Transmission & Distribution Loss
u.p.f.	Unity Power Factor
UI	Unscheduled Interchange
w.e.f.	With effect from
YoY	Year on Year



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

**Case No. 1264 of 2012**

**Date of the Order: 20/05/2013**

**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 MPSEZ Utilities Private Limited (hereinafter referred to as MUPL or Petitioner), a distribution Licensee, has filed its petition on 30<sup>th</sup> November, 2012 under Section 62 of the Electricity Act, 2003 read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011 for Truing-up of FY 2011-12 and determination of Retail Supply Tariff for FY 2013-14.

The Commission conducted a preliminary scrutiny and admitted the petition on 12<sup>th</sup> December, 2012 under Case No. 1264/2012.



## **1.2 MPSEZ Utilities Private Limited (MUPL)**

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

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

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

## **1.3 MUPL petition for FY 2011-12**

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

## **1.4 MUPL petition for FY 2012-13**

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

## **1.5 Admission of the current Petition and the Public Hearing Process**

The MUPL has submitted the current Petition for Truing up of FY 2011-12 and determination of Tariff for FY 2013-14. After preliminary analysis the Commission has admitted the Petition as Case No.1264, dated 12<sup>th</sup> December, 2012.



**MPSEZ Utilities Private Limited**  
**Truing-up for FY 2011-12**  
**and Determination of Tariff for FY 2013-14**

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In accordance with Section 64 of the Electricity Act, 2003 the Commission has directed the MUPL to publish the application in an abridged form to ensure public participation. The public notice was issued in the following newspapers on 21.12.2012 inviting objections / suggestions from its stakeholders on the ARR Petition filed by it.

<b>Sl. No.</b>	<b>Particulars</b>	<b>Language</b>	<b>Date of Publication</b>
1	Indian Express (Ahmedabad)	English	21.12.2012
2	Kutchmitra (Bhuj)	Gujarati	21.12.2012
3	Divya Bhasker (Bhuj)	Gujarati	21.12.2012

Interested parties /stakeholders were asked to file their objections / suggestions on its Petition on or before 20.01.2013.

The MUPL/Commission have received one objection on the petition from M/s Utility Users' Welfare Association, Naroda. A short note on the issues raised by the objector in the written submission along with response of MUPL and the Commission's view on the response are briefly given in Chapter-3.

## **1.6 Approach of this Order**

The MUPL has submitted the current Petition for Truing up of FY 2011-12 and determination of retail Tariff for FY 2013-14. The truing up submitted by MUPL for FY 2011-12 is based on audited accounts for FY 2011-12.

The Commission has examined the data/ information submitted by MUPL for FY 2011-12 with reference to Audited Annual Accounts for FY 2011-12 along with determination of Tariff for FY 2013-14.

The petition for truing up for FY 2011-12 and determination of retail supply tariff for FY 2013-14 has been considered by the Commission as per GERC (Multi-Year Tariff) Regulations, 2011. The Commission has considered the ARR for FY 2013-14 same as approved in the MYT order dated 18<sup>th</sup> August, 2011 as per GERC (Multi-Year Tariff) Regulations, 2011.

## **1.7 Contents of the Order**

This order is divided into six chapters as under:



**MPSEZ Utilities Private Limited**  
**Truing-up for FY 2011-12**  
**and Determination of Tariff for FY 2013-14**

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1. The **First Chapter** provides the background regarding the Petitioner, the Petition and details of the public hearing process.
2. The **Second Chapter** provides a summary of MUPL's submission
3. The **Third Chapter** deals with Objections raised by Stakeholders, MUPL response and Commission Comment.
4. The **Fourth Chapter** deals with the Truing up of FY 2011-12.
5. The **Fifth Chapter** deals with Retail supply Tariff for FY 2013-14, the wheeling charges, cross subsidy surcharge and Fuel and Power Purchase Price Adjustments.
6. The **Sixth Chapter** deals with the directives by the Commission.



## 2. A Summary of MUPL's Submission

The MPSEZ Utilities Private Limited (MUPL) submitted the of True up of FY 2011-12 and revenue estimates for FY 2013-14 details on 30<sup>th</sup> November, 2012.

### 2.1 Actuals for FY 2011-12 submitted by MUPL

The details of expenses under various components of ARR for FY 2011-12 are given in the Table 2.1 below:

**Table 2.1: Actuals submitted by MUPL for FY 2011-12**

SI.No.	Particulars	Submitted in Truing up (Rs. Crore)
1	Power Purchase Expenses	43.75
2	Operation and maintenance expenses	4.90
3	Depreciation	2.97
4	Interest on Long Term Loans	3.94
5	Interest on Security Deposit	0.32
6	Interest on working capital	0.00
7	Provision for bad debts	0.00
8	Contingency Reserve	0.00
9	Income Tax	0.00
10	Return on equity @ 14%	2.34
11	Less: Non-Tariff Income	0.12
<b>12</b>	<b>ARR</b>	<b>58.11</b>

### 2.2 A Summary of projected revenue gap till FY 2011-12

Table below summarizes the estimated ARR submitted by the MUPL for truing up, revenue from sale of power at the existing tariff and the revenue gap estimated for FY 2011-12.

**Table 2.2: Projected Revenue Gap for FY 2011-12**

SI. No.	Particulars	FY 2011-12 (Rs. Crore)
1	Gap of FY 2010-11	1.11
2	Carrying Cost @ 13% on GAP of 2010-11	0.14
<b>3</b>	<b>Total Gap of FY 2010-11 (1+2)</b>	<b>1.25</b>
4	Aggregate Revenue Requirement for FY 2011-12	59.76
5	Less: Revenue from Sales of power for FY 2011-12	50.67
<b>6</b>	<b>Net Gap for FY 2011-12 (4-5)</b>	<b>9.09</b>
7	Total Recoveries pending to be considered for FY 2011-12 (3+6)	10.34
8	Carrying Cost @ 13% on total recovery	1.34
<b>9</b>	<b>Total Gap of FY 2011-12 (7+8)</b>	<b>11.68</b>



### **2.3 A Summary of projected revenue gap and tariff proposal for FY 2013-14**

Table below summarizes the ARR approved by the Commission in MYT Order dated 18<sup>th</sup> August, 2011, total revenue and revenue gap projected by MUPL from sale of power at the existing tariff for FY 2013-14.

**Table 2.3: ARR, Revenue and Gap Projected for FY 2013-14**

(Rs. crore)

<b>Sl. No.</b>	<b>Particulars</b>	<b>FY 2013-14</b>
1	Approved ARR for FY 2013-14 in the MYT Order	131.94
2	Revenue from existing Tariff for FY 2013-14	117.41
3	Gap/(surplus) resulted an account of approved ARR and Revenue Projected at existing Tariff of 2013-14	14.53

MUPL has proposed to partly recover the gap through revision in energy charge from as Rs. 3.25 to 3.50 / kWh for demand based category of permanent supply having contract demand above 500 KVA for FY 2013-14. Further, MUPL has requested the Commission to consider the resultant gap of Rs. 21.83 crore, including gap related to previous years, as Regulatory Asset.

### **2.4 MUPL's request to the Commission:**

1. To admit the Petition for Truing up of Aggregate Revenue Requirement for FY 2011-12 and Tariff Determination of FY 2013-14.
2. To rectify the errors / discrepancies and revise the gap for FY 2010-11 along with the carrying cost and consider for the gap of FY 2011-12 and FY 2013-14.
3. To approve the gap of FY 2011-12 as per the final truing up along with carrying cost for unrecovered gap.
4. To permit the petitioner to recover the unrecovered gap for FY 2010-11 and FY 2011-12 along with carrying cost for deferment in the gap recovery.
5. To permit the Petitioner to partly recover the revenue gap for FY 2013-14 through revision in Tariff being proposed to be made applicable on consumers from 01.04.2013 onwards.



**MPSEZ Utilities Private Limited**  
**Truing-up for FY 2011-12**  
**and Determination of Tariff for FY 2013-14**

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6. To treat this revenue gap as a “Regulatory Asset” and permit its recovery later on.
7. To allow additions / alterations / changes modifications to the application at a future date.
8. To allow any other relief, order or direction, which the Commission deems fit to be issued.
9. To condone any inadvertent omissions/errors/shortcomings and permit MUPL to add/change/modify/alter this filing and make further submissions as may be required at a future date.



## 3. Objections raised by Stakeholders, MUPL response and Commission's view

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### 3.1 Public response to the petition

In response to the public notice, inviting objections/suggestions of the stake holders on the petition filed by MUPL for truing up of FY 2011-12 and determination of tariff for FY 2013-14, representatives of Utility Users Welfare association, Naroda have filed their objections / suggestions and participated in public hearing also. The objections/suggestions are addressed issue wise as under.

### 3.2 Objections / Suggestions by the representatives of Utility Users' Welfare Association, Naroda

#### **Objection 1:**

The petition is not maintainable as it is in violation of the various provisions of EA 2003 and Regulations made there under.

#### **Response of Petitioner:**

The petition has been made in line with GERC (MYT) Regulations 2011 and u/s 61 to 64 of EA 2003 read with the relevant guidelines and directions issued from time to time.

#### **Commission's view:**

*The response of the petitioner is noted.*

#### **Objection 2: Energy sales**

The actual energy sales are 109.11 MU as against approved estimated / projected sale of 94.23 MU for FY 2011-12. MUPL has not given evidence or support for category wise sales in their Petition No. 1070/2011.

MUPL should provide category wise details of energy sales for FY 2011-12.



**Response of Petitioner:**

The projected energy sales in MYT Petition are approved by the Commission for FY 2011-12 to FY 2015-16.

**Commission's view:**

*The Petitioner has furnished the details of category wise energy sales in its Business Plan.*

**Objection 3: Distribution Loss**

The petitioner has claimed actual distribution loss at 3.69% as against approved distribution loss of 8% "with direction to conduct energy audit by providing meters on all feeders and transformers to establish the loss level in the system and actual loss data be furnished within six months. Projection of distribution loss without proper energy audit will not be accepted."

It is not clear whether the distribution loss achieved after energy audit or otherwise. The transmission loss is 3.04%. So the total T&D loss is 6.73%. This seems to be inflated as MUPL has purchased power from its own company APL and AEL.

Further, in the accounting statement the T&D loss is shown as 6.92%. So there is a difference of 0.19% which needs elucidation.

**Response of petitioner:**

The T&D loss in accounting statement is calculated on scheduled energy while in the petition it is calculated on net energy i.e., excluding the quantum of UI on account of deviation from scheduled purchase of power.

**Commission's view:**

*The response of the petitioner is noted.*

**Objection 4: Power Purchase Cost**

The MUPL has mentioned that during FY 2011-12 it has purchased 117.23 MU of power at a cost of Rs. 45.54 crore at an average cost of Rs. 3.89 per unit. As per accounting statement, MUPL has purchased power of Rs. 19.37 crore from AEL and of Rs. 26.18 crore from APL deviating the directives issued by GERC to purchase power through competitive bidding process. The guidelines issued by MOP, GOI for procurement of power are also not followed.



The PPAs are also not got approved by the Commission.

**Response of petitioner:**

The MUPL has purchased power of Rs. 19.37 Crore from IEX through AEL which is a leading trading company, an Inter State Trading Licensee and member of IEX. The petitioner is client of AEL and purchased power on daily basis from exchange to avail power at cheaper rate.

As per directives issued in MYT order no. 1070/2011 dated 18.08.2011, the petitioner had issued a medium term bid on 01.10.2011 to procure power for 4 years which is under process.

Further, the petitioner has also issued tender for procuring power on long term basis.

Thus the petitioner has honoured the directives given by the Commission and also followed the guidelines prescribed by MOP, GOI while making available the RFP documents as per the Standard Bidding Guidelines.

As per MYT order 1070/2011 dated 18.08.2011 the approved average purchase cost for FY 2011-12 is Rs. 4.06 per unit.

**Commission's view:**

*The petitioner is directed to expedite the process of procurement of power through competitive bidding.*

**Objection 5: Business Plan**

The GERC has directed the petitioner to submit business plan and make available to the consumers for their comments and suggestions.

**Response of petitioner:**

The business plan for the MYT control period from FY 2011-12 to FY 2015-16 was already submitted.

**Commission's view:**

*The response of the petitioner is noted. The copy of Business Plan is made available to the objector by MUPL.*



**Objection 6: Revenue from sale of power**

The MUPL has projected the revenue from proposed tariff of Rs. 121.79 crore against approved ARR of Rs. 131.94 crore leaving a revenue gap of Rs. 10.15 crore for FY 2013-14.

The MUPL has not submitted the revenue from sale of energy during FY 2013-14 based on APR of FY 2012-13.

**Response of petitioner:**

The petition for FY 2013-14 is submitted as per GERC (MYT) Regulations 2011. Hence, no need to submit the APR for FY 2012-13.

**Commission's view:**

*The response of the petitioner is noted.*

## 4. Truing up of FY 2011-12

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The Petitioner, in its petition for Truing-up of FY 2011-12, has furnished the actuals of energy sales, expenditure and revenue for FY 2011-12 based on the Audited Annual Accounts for FY 2011-12. It is submitted that the Truing-up of FY 2011-12 is on the basis of audited accounts.

The Commission has analyzed the components of the actual energy sales, expenses and revenue under Truing-up for FY 2011-12.

GERC (MYT) Regulations, 2011 specify that the Commission shall undertake the Truing-up of expenses and revenue of licensee for the previous year i.e. FY 2011-12 based on actuals as per Audited Accounts for FY 2011-12 and approved values for FY 2011-12 in the MYT order.

### 4.1 Energy Sales

#### **Petitioner's Submission:**

The Petitioner has submitted that the actual energy sales for FY 2011-12 are 109.11 MU as against approved sales of 94.23 MU in MYT order dated 18.08.2011.

**Table 4.1: Actual Energy Sales for FY 2011-12**

<b>Particulars</b>	<b>Approved in the MYT Order for FY 2011-12</b>	<b>Actual for FY 2011-12</b>
Energy Sales (MU)	94.23	109.11

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

#### **Commission's Analysis:**

In view of the above, the Commission approves the energy sales of 109.11 MU for FY 2011-12.



## 4.2 Distribution Loss

### Petitioner's Submission

The Petitioner has submitted that it had made all efforts to reduce the distribution loss. The distribution loss is 3.69% against 8.00% projected earlier. The petitioner further submitted that the reduction in distribution loss had lead to lower procurement of energy which in turn has reduced the cost of power purchase. The reduction in distribution loss is treated as controllable factor.

### Commission's Analysis

The Commission in the MYT Order dated 18<sup>th</sup> August, 2011 mentioned that,  
*"The Commission approves the distribution loss projected for the period FY 2011-12 to FY 2015-16 subject to conducting energy audit and arriving at actual loss. A directive to this effect is being issued separately.*

.....  
*The loss levels will however be reviewed based on the results of Energy Audit conducted by MUPL."*

The MUPL has submitted that the actual distribution loss for FY 2011-12 is 3.69%. Further, the MUPL has submitted energy audit data for the period of April 2012 to September 2012 and distribution loss for the same period is 3.94%. As the results of energy audit for the full year is still not available, the loss level will be reviewed once the full year energy audit data is available.

In view of the above, the Commission decides to consider the deviation in distribution loss as uncontrollable.

**The Commission approves the distribution loss of 3.69% for FY 2011-12 as per actual. The difference in the actual distribution loss as compared to that projected in the MYT Order had arisen because the latter was ad hoc and not based on any historical data as the licensee started its operation in August 2010. Hence, the deviation in power purchase cost due to reduction in distribution loss is considered as uncontrollable.**

### 4.3 Energy Requirement

#### Petitioner's submission

Based on the energy sales and the actual transmission and distribution loss for FY 2011-12, the Petitioner has calculated the energy requirement for FY 2011-12. The energy requirement as approved for FY 2011-12 in the MYT Order and actuals now submitted by the Petitioner are as given in the Table 2.2 below:

**Table 4.2 Energy Requirement as Submitted by MPSEZ for FY 2011-12**

Sr. No.	Particulars	Unit	As approved in MYT Order for FY 2011-12	FY 2011-12 (Actual)
1	Energy Sales	MU	94.23	109.11
2	Distribution Loss	MU	8.19	4.18
		(%)	8.0	3.69
3	Energy Requirement	MU	102.42	113.29
4	Transmission Loss	MU	4.49	3.56
		(%)	4.20	3.04
5	Total Energy to be input to the transmission system	MU	106.91	116.84

It is submitted by MUPL that as against the approved energy requirement of 106.91 MU for FY 2011-12 with transmission loss at 4.20% and estimated distribution loss of 8.0%, the actual energy requirement is 116.84 MU based on actual distribution loss of 3.69% and transmission loss of 3.56 MU. MUPL has submitted that the actual transmission loss for FY 2011-12 was 3.04%.

#### Commission's Analysis

The Commission has approved the distribution loss at 3.69% in Para 2.2 above. It is noted that the transmission loss is 3.04%. The Commission computed the energy requirement with distribution loss of 3.69% (4.18 MU) and transmission loss of 3.04% (3.55 MU) for FY 2011-12 based on actuals as given in Table 4.3 below:

**Table 4.3 Energy Requirement Approved by the Commission for Truing-up for FY 2011-12**

Sr. No	Particulars	Unit	Approved in MYT Order for FY 2011-12	Actuals Submitted in Truing-up for FY 2011-12	Approved in truing up for FY 2011-12
1	Energy Sales	MU	94.23	109.11	109.11
2	Distribution Loss	MU	8.19	4.18	4.18
		%	(8.0)	(3.69)	(3.69)



**MPSEZ Utilities Private Limited**  
**Truing-up for FY 2011-12**  
**and Determination of Tariff for FY 2013-14**

Sr. No	Particulars	Unit	Approved in MYT Order for FY 2011-12	Actuals Submitted in Truing-up for FY 2011-12	Approved in truing up for FY 2011-12
3	Energy Requirement	MU	102.42	113.29	113.29
4	Transmission Loss	MU	4.55	3.56	3.55
		%	4.20	3.04	3.04
5	Energy Required	MU	106.97	116.84	116.85

The Commission approves the energy requirement of 116.85 MU for Truing-up for FY 2011-12 as per actuals.

#### 4.4 Availability of Power and Power Purchase Cost

##### Petitioner's submission

MUPL has submitted that the requirement of power is met through power exchange and bilateral purchase during FY 2011-12. The quantum of UI power on account of deviation from the schedule purchase has been deducted from the total energy procured.

##### Commission's Analysis

As verified the from Annual Accounts for FY 2011-12 MUPL has incurred power purchase cost of Rs. 45.54 crore to purchase 117.23 MU of power during FY 2011-12 and after deducting UI charges of Rs. 1.79 crore the net power purchase cost is Rs. 43.75 core as per Audited Annual Accounts. Based on the net power purchase cost of Rs.43.75 crore, the average power purchase cost works out to Rs.3.74/kWh.

The availability of power and power purchase cost as per MYT order, actual and approved in truing up are given in table 4.4 below:

**Table 4.4: Availability of Power and Power Purchase Cost for FY 2011-12**

Sr. No.	Particulars	FY 2011-12		
		Approved in MYT Order for FY 2011-12	Actuals Submitted in Truing-up for FY 2011-12	Approved in truing up for FY 2011-12
1	Bilateral & exchange of Power Purchased (MU)	106.90	117.23	117.23
2	Less: UI Sales (MU)	-	0.38	0.38
3	Total energy Available (MU)	106.90	116.84	116.85
4	Power Purchase cost (Rs. Cr)	43.40	45.54	45.54
5	Average Power Purchase Cost (Rs. Kwh)	4.06	3.89	3.89
6	Less: UI Charges (Rs. Crore)	-	1.79	1.79
7	Net Power Purchase Cost (Rs. Crore) [4 - 6]	43.40	43.75	43.75



The Commission, accordingly, approves the power purchase cost of Rs. 43.75 crore in the Truing-up for FY 2011-12.

#### 4.5 Capital Expenditure Plan

##### Petitioner's submission

It is submitted by MUPL that it has planned to establish the state of the art distribution network along with built-in redundancies for ensuring uninterrupted quality power to the customers and had proposed capital expenditure to meet safety supporting infrastructure and other requirements. The actual capitalization for FY 2011-12 was Rs. 20.41 crore (net of consumer contribution of Rs. 4.75 crore towards Service Line Charges (SLC) against a total capitalization of Rs. 33.36 crore approved in MYT order dated 18<sup>th</sup> August, 2011 for FY 2011-12.

It is submitted that the lower capital expenditure compared to estimation is mainly on account of lower materialization of consumers projections and deferment of related network. Owing to overall economic slowdown in FY 2010-11 and FY 2011-12 the industrial and other commercial units have deferred their plans during FY 2011-12. MUPL has further submitted that the consumer contribution for service lines at Rs. 4.75 crore, was deducted from the capital expenditure. Based on the above MUPL has furnished the details of actual capital expenditure incurred during FY 2011-12 against estimate as given in Table 2.5 below:

**Table 4.5: Capital Expenditure as furnished by MUPL for Truing-up FY 2011-12**  
(Rs. lakhs)

Sr. No.	Particulars	As approved in Tariff Order for FY 2011-12	Actuals for FY 2011-12
A	EHV (220 KV and 66 kV)		
	EHV Transmission line	496	1106
	EHV Transmission cable	1878	1197
	EHV substations	169	94
	Civil cost	190	-
	Land cost	-	-
	Total	2734	2397
B	HT (33 kV and 11 kV) Network		
	33 kV HT cable network	83	-
	11 kV HT cable network	248	84
	33/11 kV HT substation	17	-
	Land cost	-	-



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Sr. No.	Particulars	As approved in Tariff Order for FY 2011-12	Actuals for FY 2011-12
	Civil cost	-	-
	Total	348	84
C	Others		
	Automation and SCADA	22	26
	Testing and measuring equipment	169	
	Meters and AMR	6	-
	IT	1	-
	Miscellaneous	55	1
	Buildings and other civil work	-	8
	Total	254	36
D	Grand Total	3336	2516
	Less: SLC		475
F	Net CAPEX		2041

**Commission's Analysis:**

The Commission observes that there is considerable variation in the capital expenditure/capitalization in projections for FY 2011-12 and actuals. The reasons for lower CAPEX is explained by MUPL as stated above.

The Commission has verified the Audited Annual Accounts for FY 2011-12 and it is observed that the consumer contribution towards service line charges during FY 2011-12 is Rs. 10.31 crore but not Rs. 4.75 crore as stated by MUPL. To a query MUPL has clarified that Rs. 4.75 crore is considered against the amount capitalized during FY 2011-12. The Commission considers the capitalisation of CAPEX and funding thereon as detailed in the table below:

**Table 4.6: Capitalisation and Funding approved in the Truing up for FY 2011-12**  
(Rs. crore)

Sr. No.	Particulars	Submitted in Truing up for FY 2011-12	Approved in Truing up for FY 2011-12
1	Capitalisation	25.16	25.16
2	Less: Consumer Contribution	4.75	10.31
3	Balance Capitalisation	20.41	14.85
4	Debt (70%)	14.29	10.40
5	Equity (30%)	6.12	4.45



## 4.6 Operations and Maintenance Expenses

### Petitioner's Submission:

The Operations and Maintenance expenses comprise the employee cost, administrative and general expenses and repair and maintenance expenditure. The actual Operations and Maintenance expenses furnished by MUPL are given in Table 4.7 below:

**Table 4.7: Operation and Maintenance Expenses**

(Rs. crore)

Particulars	As approved in MYT Order for FY 2011-12	Claimed in Truing up for FY 2011-12
Total O&M Expenses	5.24	4.90

It is submitted by MUPL that the O&M costs are lower since, due care has been taken to incur O&M Expenses in line with scale of industries and development in licensed area. MUPL has requested to allow in the variation as controllable for the purpose of truing up.

### Commission's Analysis:

As verified from the Audited Annual Accounts for FY 2011-12, O&M expenses are Rs.4.90 crore.

**The Commission, accordingly, approves the O&M expenses at Rs. 4.90 crore in the Truing-up for FY 2011-12 as per actuals.**

## 4.7 Depreciation

### Petitioner's submission

MUPL has submitted that the depreciation is computed on the fixed assets based on straight-line method as prescribed in the regulations and at depreciation rates as per GERC (MYT) Regulations, 2011. The depreciation approved in the MYT order for FY 2011-12 and the actuals now submitted by MUPL in the petition for FY 2011-12 are given in the Table 4.8 below:

**Table 4.8: Fixed assets and Depreciation for FY 2011-12**

(Rs. crore)

Sr. No.	Particular	FY 2011-12	
		Approved	Actual
1	Gross Block at the beginning of the year	66.34	46.97
2	Addition during the year (net)	33.36	25.16
3	<b>Depreciation for the year</b>	<b>4.12</b>	<b>2.97</b>



**Commission Analysis:**

MUPL has submitted the actual depreciation at Rs. 2.97 crore in format D-2. The MUPL has computed the actual depreciation at Rs. 3.19 Crore. MUPL has also computed the depreciation of Rs. 0.22 crore on the assets acquired through consumer contribution and thus claimed the depreciation at Rs. 2.97 (3.19 - 0.22) crore for FY 2011-12.

As per the Audited Annual Accounts the depreciation for FY 2011-12 is Rs. 2.68 crore. It was indicated in the Audited Annual Accounts that depreciation is provided on Straight Line Method (SLM) considering the rates as provided in Regulation issued by the GERC or rates prescribed under schedule XIV to the Companies Act, 1956 whichever is higher.

To a query the MUPL stated that the difference of Rs. 0.28 crore between D2 statement and financial statement is due to reclassification of asset category. As there is no clarification / note related to reclassification of asset in audited accounting statements, the Commission considers the depreciation of Rs. 2.68 crore (2.90 – 0.22) as shown in Audited Annual Accounts.

**The Commission, accordingly, approves Rs. 2.68 Crore towards depreciation for FY 2011-12.**

#### **4.8 Interest Expenses on Loans**

**Petitioner's submission:**

MUPL has submitted that it has not availed any loan for capital works. As the funding was arranged through own sources, MUPL has computed normative loan considering the capital investment norm with debt equity ratio of 70:30. Hence, deemed loan has been taken at 70% of the capitalization during the FY 2011-12 net of consumer contribution as detailed in Table 4.9 below:

**Table 4.9: Normative Loans and Interest for FY 2011-12 Projected by MUPL**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As approved in MYT Order for FY 2011-12</b>	<b>Normative Loan based on actual CAPEX for FY 2011-12</b>
1	Opening Loan	46.44	31.90
2	Addition of new loan during the	23.35	14.28



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Sr. No.	Particulars	As approved in MYT Order for FY 2011-12	Normative Loan based on actual CAPEX for FY 2011-12
	year		
3	Loan Repayment	4.12	2.97
4	Cumulative Loan / Closing Loan	65.67	43.22
5	Average Loan	56.05	37.56
6	Interest on loan @ 10.50%	5.89	3.94

The MUPL has further stated that the normative interest is being computed on the average balance normative loan during FY 2011-12. The rate of interest of 10.50% is claimed on normative loan.

**Commission's Analysis:**

The Commission has examined the sources of funding the capitalization as per the approved debt equity ratio of 70:30. The capitalisation net of consumer contribution is Rs. 20.41 crore as approved in para 4.5 above and the normative debt at 70% works out to Rs. 10.40 crore. Repayment of loan is considered equal to depreciation of Rs. 2.68 crore. The Commission considers the interest on normative loan at 10.5% as approved in the MYT order dated 18<sup>th</sup> August, 2011. The interest on normative loan works out to Rs. 3.75 crore as detailed in Table 4.10 below:

**Table 4.10: Normative Loans and Interest for FY 2011-12 approved by the Commission**

Sr. No.	Particulars	FY 2011-12
1	Opening Loan	31.90
2	Addition of new loan during the year	10.40
3	Loan Repayment	2.68
4	Closing Loan	39.62
5	Average Loan	35.76
6	Interest on Loan @ 10.5%	3.75

**The Commission, accordingly, approves interest on normative loan at Rs. 3.75 crore in the Truing-up for FY 2011-12.**

**4.9 Interest on Security Deposits**

**Petitioner's Submission:**

MUPL has submitted that the consumer contribution to security deposit depends on addition of new consumers and their load growth from time to time. The actual



amount of security deposit and the corresponding interest calculated at the rate of 6% for FY 2011-12 are given in Table 4.11 below:

**Table 4.11: Interest on Security Deposit Projected by MUPL for FY 2011-12**  
(Rs. crore)

Sr. No.	Particulars	As approved in MYT Order for FY 2011-12	Actuals for FY 2011-12
1	Average Consumers Deposit	5.15	5.40
2	Interest Cost	0.31	0.32

**Commission's Analysis:**

The interest on consumer deposit submitted by MUPL is examined. The interest actually paid to customers, as per audited annual accounts is Rs. 0.32 crore.

**The Commission, accordingly, approves the interest paid to customers on security deposit at Rs. 0.32 crore in the Truing up for FY 2011-12.**

**4.10 Interest on Working Capital**

The MUPL has submitted that Interest on Working Capital has been worked out as per approved norms in the MYT Regulations, 2011 on the following expenses.

- One month of O&M expenses.
- Maintenance and spares @ 1% of GFA.
- Receivables equivalent to one month expected revenue from sale of power.

Minus

Amount held as security deposits under clause (a) and clause (b) of sub section (1) of section 47 of the Act. Interest on Working Capital shall be allowed at the rate equal to the SBI – PLR as on 1<sup>st</sup> April of the relevant financial year. The working capital computed as per MYT Regulations, 2011 is Rs. 5.10 crore which is less than the security deposit amount of Rs. 5.40 crore. As such no interest on working capital is claimed as detailed in Table 2.12 below:

**Table 4.12: Interest on Working Capital claimed for FY 2011-12**  
(Rs. crore)

Sr. No.	Particulars	As approved in MYT order for FY 2011-12	Actuals claimed in Truing up FY 2011-12
1	O&M Expenses	0.44	0.41
2	Spares at 1% GFA	0.66	0.47



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Sr. No.	Particulars	As approved in MYT order for FY 2011-12	Actuals claimed in Truing up FY 2011-12
3	Receivables	3.86	4.22
4	Working Capital	4.96	5.10
5	Less Security Deposit	5.15	5.40
6	Interest on Working Capital @13%	-	-

**Commission's Analysis:**

The Commission has examined the working capital and interest there on as per norm specified in the GERC Tariff Regulations, 2011. The applicable rate of interest the short-term prime-lending rate of SBI on 1<sup>st</sup> April, 2011 which is 13%.

**As the security deposit from consumers held by the MUPL is more than the working Capital required, the Commission has not considered any interest on working capital for FY 2011-12.**

**4.11 Return on Equity**

MUPL has submitted that the equity base for FY 2011-12 considered in normative 30% of opening GFA and the capital additions during the year.

The return on equity has been computed by applying regulated return of 14% on the average of opening and closing balance of the FY 2011-12 as given in Table 4.13 below:

**Table 4.13: Return on Equity claimed for FY 2011-12**

(Rs. crore)

Sr. No.	Particulars	As approved in Tariff order for FY 2011-12	Actuals for FY 2011-12
1	Opening GFA	66.34	45.58
2	Opening Equity	19.90	13.67
3	Addition to Equity towards Capital Investment	10.01	6.12
4	Closing Balance of Equity	29.91	19.79
5	Average Equity	24.90	16.73
6	RoE at 14% on average	3.48	2.34

**Commission's Analysis**

The Commission has examined the audited accounts for FY 2011-12. The opening equity is taken as Rs. 13.67 crore being the closing equity for FY 2010-11 and the



equity additions during FY 2011-12 are Rs. 4.45 crore as noted in para 4.5 equity and the RoE is worked out to Rs. 2.22 crore as detailed in Table 4.14 below:

**Table 4.14: Return on Equity for FY 2011-12 approved by the Commission**  
(Rs. crore)

Sr. No	Particulars	Approved by the Commission
1	Opening Equity @ 30%	13.67
2	Additions to Equity towards Capital Investment	4.45
3	Closing Equity	18.12
4	Average Equity	15.89
5	RoE @ 14% on average	2.22

**The Commission approves the return on equity at Rs. 2.22 crore in the Truing up for FY 2011-12.**

#### **4.12 Income Tax**

MUPL has not claimed Income Tax stating that Income Tax was not applicable for FY 2011-12 as per SEZ Act and Rules.

#### **4.13 Bad Debts**

MUPL has not claimed any amount towards bad debts stating that the actual bad debts written off are nil.

#### **4.14 Contingency Reserve**

MUPL has submitted that a provision of Rs. 0.24 crore was approved in MYT order dated 18.08.2011 for FY 2011-12. But MUPL has not considered any amount towards the contingency reserve in true up petition FY 2011-12.

#### **4.15 Non-Tariff Income**

##### **Petitioner's substation:**

MUPL has submitted that the actual non-tariff income is Rs. 0.12 crore as against Rs. 0.05 crore approved in ARR for FY 2011-12.

##### **Commission's Analysis:**

Non Tariff Income comprises of meter rent, misc. income and other income. As per Audited Annual accounts the non-tariff income is Rs. 0.32 crore.



The Commission approves the non tariff income at Rs. 0.32 Crore in the Truing up for FY 2011-12 as per actuals.

#### **4.16 Revenue from Sales of Power to Consumers**

##### **Petitioner's Submission:**

The MUPL has furnished the revenue from sale of power to the consumers at Rs. 50.67 crore in the Truing up for FY 2011-12 against Rs. 46.30 crore approved in MYT order dated 18.08.211 for FY 2011-12 as detailed in Table 4.15 below:

**Table 4.15: Projected Revenue from Sale of Power for FY 2011-12**

Particulars	As approved in MYT order for FY 2011-12	Actuals for FY 2011-12
Revenue from Sale of Power	46.30	50.67

(Rs. crore)

The revenue from sale of power as per Audited Accounts is Rs. 50.67 crore.

The Commission, accordingly, approves the revenue from sale of power at Rs. 50.67 crore in the Truing up for FY 2011-12 as per actuals.

#### **4.17 Summary of ARR and sharing of gains and losses for FY 2011-12**

##### **Petitioner Submission:**

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

The expenses approved in MYT order and now approved in truing up based on actuals for FY 2011-12 and the gains/losses due to controllable/uncontrollable are furnished in Table 4.16 below:



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**Table 4.16: Controllable & Uncontrollable variations for FY 2011-12 claimed by MUPL**

(Rs. Crore)

Particulars	FY 2011-12				
	Approved	Actual	Over (+) /Under (-) recovery	Gain/ (Loss) due to controllable factor	Gain/(Loss) due to uncontrollable factor
Power purchase Expenses	43.40	43.75	(0.35)	2.13	(2.48)
<b>O&amp;M Expenses</b>	<b>5.24</b>	<b>4.90</b>	<b>0.34</b>	<b>0.34</b>	<b>0.00</b>
Depreciation	4.12	2.97	1.15	0.00	1.15
Interest on Long Term loans	5.89	3.94	1.94	0.00	1.94
Interest on Security Deposit	0.31	0.32	(0.02)	0.00	(0.02)
Interest on working capital	0	0	0	0	0
Provision for bad debts	0	0	0	0	0
Contingency Reserve	0.24	0.00	0.24	0	0.24
Income Tax	-	0.00	0.00	0.00	0
Return on Equity @ 14%	3.48	2.34	1.13	0	1.13
Less: Non-Tariff Income	.05	0.12	(.07)	0	(0.07)
<b>ARR</b>	<b>62.63</b>	<b>58.11</b>	<b>4.52</b>	<b>2.47</b>	<b>2.04</b>

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

The variation in O&M expenses are treated as controllable.

The variations in ROE, interest and depreciation are due to variation on capitalization and hence treated as uncontrollable.

The variations in contingency reserve and non-tariff income are treated as uncontrollable.

Based on the above the sharing of gains and losses due to controllable / uncontrollable factors is summarized Table 4.17 below:

**Table 4.17: Sharing of gains and losses for FY 2011-12**

(Rs. crore)

Sr. No	Particulars	Pass through by adjustment of tariff	To be retained/ absorbed	Total
1	Controllable gain	0.82	1.65	2.47
2	Uncontrollable gain	2.04	-	2.04
3	Total	2.86	1.65	4.52



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**Commission Analysis**

The Commission reviewed the performance of MUPL under Regulation 22 of MYT Regulations, 2011 with reference to the Audited Annual Accounts for FY 2011-12.

The Commission has computed the sharing of gains and losses for FY 2011-12 based on the truing up for each of the components discussed in the above paragraphs.

The ARR approved for FY 2011-12 in the MYT order dated 18<sup>th</sup> August, 2011, and claimed by MUPL in truing up (gains/losses), computed in accordance with MYT Regulations are given in the table 4.18 below.

**Table 4.18: Approved in Truing up order for FY 2011-12**

Sr. No.	Particulars	Approved in MYT order	Actuals claimed by MUPL	Now approved by Commission	Over / under recovery	Gain / (Loss) due to controllable factor	Gain / (Loss) due to uncontrollable factor
1	Power Purchase Cost	43.40	43.75	43.75	(0.35)		(0.35)
2	O&M	5.24	4.90	4.90	0.34	0.34	-
3	Depreciation	4.12	2.97	2.68	1.44	-	1.44
4	Interest & Finance Charges	5.89	3.94	3.75	2.14	-	2.14
5	Interest on Security Deposit	0.31	0.32	0.32	(0.01)	-	(0.01)
6	Interest on Working Capital	-	-	-	-	-	-
7	Provision for bad debts	-	-	-	-	-	-
8	Contingency Reserve	0.24	-	-	0.24	-	0.24
9	Income Tax	-	-	-	-	-	-
10	ROE	3.48	2.34	2.22	1.26	-	1.26
11	Less: Non-Tariff Income	0.05	0.12	0.32	(0.27)	-	(0.27)
<b>12</b>	<b>ARR</b>	<b>62.63</b>	<b>58.11</b>	<b>57.30</b>	<b>5.33</b>	<b>0.34</b>	<b>4.99</b>



#### 4.18 Gap for FY 2011-12

Summary of Trued up ARR of FY 2011-12 to be recovered by MUPL after incorporation of sharing of Gains/Losses is detailed in Table 4.19 below:

**Table 4.19: Trued up ARR for FY 2011-12**

		(Rs. Crore)	
Particulars		Projected by MUPL for FY 2011-12	Approved by Commission for FY 2011-12
ARR approved in MYT order for FY 2011-12	(a)	62.63	62.63
Less: Gain on account of controllable factor to be passed to consumers (1/3 <sup>rd</sup> )	(b)	0.82	0.11
Less: Gain on account of uncontrollable	(c)	2.04	4.99
<b>ARR trued up of FY 2011-12</b>	<b>(d) = a- (b+c)</b>	<b>59.76</b>	<b>57.53</b>

The trued up ARR for FY 2011-12 is Rs. 57.53 crore after sharing of gains and losses for FY 2011-12.

The revenue from the existing tariff is submitted at Rs. 50.67 crore for FY 2011-12. The Commission considers the revenue from sale of power at Rs. 50.67 crore as per Audited Annual Accounts. Accordingly, the Commission approves Rs. 6.86 crore towards gap for the FY 2011-12.

In the tariff petition, MUPL claimed Rs. 1.11 crore towards gap for FY 2010-11 as have been approved by the Commission in Order dated 2<sup>nd</sup> June, 2012. Further, MUPL had mentioned in the tariff petition that this gap would undergo change as per the decision of the Commission in the review petition which was pending at the time of filing of tariff petition. MUPL had also asked for carrying cost thereon at Rs. 0.14 Crore.

On the basis of review petition (Case no. 1255/2012) filed by MUPL, the Commission through order dated 6<sup>th</sup> April, 2013, decided to allow additional amount of Rs. 0.65 crore over and above Rs. 1.11 crore towards gap for FY 2010-11. Accordingly, the Commission considers consolidated gap of Rs. 1.76 crore towards gap of FY 2010-11.



**Table 4.20: Consolidated Revenue Gap**

(Rs. crore)

Sr. No	Particulars	Actuals furnished by MUPL	Approved by Commission
1	Gap for FY 2010-11	1.11	1.76
2	Carrying cost @ 13%	0.14	-
<b>3</b>	<b>Total Gap for FY 2010-11</b>	<b>1.25</b>	<b>1.76</b>
4	ARR for FY 2011-12	59.76	57.53
5	Less: Revenue from sale of power for FY 2011-12	50.67	50.67
<b>6</b>	<b>Gap for FY 2011-12 (4-5)</b>	<b>9.09</b>	<b>6.86</b>
<b>7</b>	<b>Total Recoveries (3+6)</b>	<b>10.34</b>	<b>8.62</b>
8	Carrying cost @ 14.75%	1.34	-
<b>9</b>	<b>Consolidated Gap</b>	<b>11.68</b>	<b>8.62</b>

As there is no provision for carrying cost in the GERC (MYT) Regulations, 2011, the Commission has not considered the claim of carrying cost of MUPL. **Accordingly, the Commission considers the gap at Rs. 1.76 crore for FY 2010-11 and Rs. 6.86 crore in the truing up for FY 2011-12, as shown in the table above.**



## 5. Tariff Determination for FY 2013-14

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### 5.1 Annual Revenue Requirement for FY 2013-14

#### Petitioner's Submission

MUPL has submitted that the Annual Revenue Requirement of Rs. 131.94 crore as approved by the Commission in its MYT order dated 18<sup>th</sup> August, 2011

#### Commission's Analysis

The Commission has examined the proposal of Petitioner. The annual revenue requirement approved by the Commission for FY 2013-14 in MYT Order dated 18<sup>th</sup> August, 2011, component wise, is given in Table 5.1 below detailed analysis of each expenses head has already been provided in the MYT order.

**Table 5.1: ARR approved by the Commission for FY 2013-14**

Sr. No.	Particulars	Approved ARR for FY 2013-14 (Rs. crore)
1.	Power purchase expenses	101.40
2.	O&M expenses	5.86
3.	Depreciation	7.52
4.	Interest on long term loans	9.32
5.	Interest on security deposit	1.42
6.	Interest on working capital	-
7.	Provision for bad debts	-
8.	Contingency reserve	0.35
9.	Income Tax	-
10.	Revenue expenditure	125.87
11.	Return on equity	6.15
12.	Less: Non-tariff income	0.08
13.	ARR	131.94

As per Regulation 16.2 of GERC (MYT) Regulations, 2011, the Commission shall determine ARR for the entire control period and undertake Truing-up of previous year's expenses and revenue based on Audited Accounts vis-à-vis the approved forecast and the categorization of variation in performance as those covered by controllable and uncontrollable factors. As such there is no provision for revision of ARR figures during subsequent years.



MUPL has not claimed any revision for ARR items. As such the Commission confirms the ARR at Rs. 131.94 crore for FY 2013-14.

## **5.2 Revenue from Existing Tariff for FY 2013-14**

### **Petitioner's submission**

MUPL has projected the revenue for FY 2013-14 at existing tariff as Rs. 117.41 crore with the energy sales of 240.24 MU as approved by the Commission for FY 2013-14 in the MYT Order dated 18<sup>th</sup> August, 2011.

### **Commission's Analysis**

The Commission has verified the energy sales and revenue projected by MUPL in Format D-4A and found that average revenue realization projected by MUPL is Rs. 4.89 / Kwh.

**The Commission approves the revenue from sale of power at existing tariff at Rs. 117.41 crore for sale of 240.24 MU during FY 2013-14 as projected by MUPL.**

## **5.3 Revenue gap and tariff proposal for FY 2013-14**

### **Petitioner's submission**

MUPL has projected the ARR for FY 2013-14, revenue from existing tariff for FY 2013-14 and the revenue gap for FY 2013-14 as given in Table 5.2 below:

**Table 5.2: Revenue Gap Projected by MUPL for FY 2013-14 at existing tariff**

<b>Sr. No.</b>	<b>Particulars</b>	<b>FY 2013-14</b>
1.	Approved ARR for FY 2013-14 (MYT)	131.94
2.	Revenue from existing tariffs for FY 2013-14	117.41
3.	Revenue gap – surplus / (Deficit)	(14.53)

MUPL also submitted the revenue gap for FY 2011-12 as arrived as a part of truing up exercise along with past recoveries of FY 2010-11 and consolidated gap with existing tariff for FY 2013-14 as detailed in Tables 5.3 and 5.4 below.



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**Table 5.3: Recoverable revenue gap for FY 2011-12**

(Rs. crore)			
Sl. No.	Particulars	Approved	Actual
A	Gap of FY 2010-11	1.11	1.11*
B	Carrying cost @13% on Gap of FY 2010-11		0.14*
C	Total gap of FY 2010-11 (A+B)		1.25
D	Aggregate Revenue requirement for FY 2011-12	62.63	59.76
E	Less: Revenue from Sales of power for FY 2011-12	46.30	50.67
F	Gap for FY 2011-12 (D-E)	16.33	9.09
G	Total Recoveries including pending recoveries for FY 2010-11 to be considered for FY 2011-12 (C+F)		10.34
H	Carrying cost @ 13% on Total recovery		1.34
I	Total gap of FY 2011-12 (G+H)		11.68

*\*Note: The gap of FY 2010-11 of Rs. 1.11 Crore approved by Commission will undergo change as per the correction of errors / discrepancies by Commission in view of Review Petition filed by MUPL under case no. 1255 of 2012, dated 18.09.2012.*

**Table 5.4 Consolidated Revenue Gap with existing Tariff for FY 2013-14**

(Rs. crore)		
Sl. No.	Particulars	FY 2013-14
A	Revenue Gap/(surplus) consider in this Petition for FY 2011-12	11.68
B	Approved ARR for FY 2013-14	131.94
C	Revenue from existing Tariff for FY 2013-14	117.41
D	Net Proposed revenue gap for FY 2013-14 (B-C)	14.53
E	Total revenue gap for FY 2013-14 (A+D)	26.21

MUPL has submitted that if the revenue gap of Rs. 26.21 crore has to be fully recovered in FY 2013-14, it would result in a hike in tariff by over 20% resulting in tariff shock to the consumers of MUPL. However, MUPL will endeavour to keep the impact on the consumers to the minimum possible extent. So, it has proposed to partly recover the gap through revision in energy charges from Rs. 3.25 to Rs. 3.50 / unit for “demand based category” of permanent supply having contract demand above 500 kVA applicable for FY 2013-14.

The MUPL further submitted that EHV category contributes towards lowering of overall distribution losses and also the cost of supply to such consumers is lower owing to supply at higher voltage level, it is proposed to provide rebate at high voltage as mentioned in Table 5.5 below in line with PGVCL Tariff.



**Table 5.5: Rebate for supply at EHV**

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

MUPL has thus estimated the revenue from the proposed tariff at Rs. 121.79 crore leaving a gap of Rs. 10.15 crore as given in Table 5.6 below:

**Table 5.6: Revised revenue and revenue gap for FY 2013-14**

(Rs. crore)

Sr. No	Particulars	FY 2013-14
1	Approved ARR for FY 2013-14	131.94
2	Revenue from proposed tariff for FY 2013-14	121.79
3	Revenue gap – surplus / (Deficit)	(10.15)

MUPL has requested that the gap of Rs. 10.15 crore for FY 2013-14 and Rs. 11.68 Crore for FY 2011-12 aggregating to Rs. 21.83 Crore be treated as “Regulatory Asset”.

### **Commission’s Analysis**

The Commission has examined the proposal of MUPL. The Commission approved the ARR for FY 2013-14 at Rs. 131.94 Crore. As stated earlier, the ARR approved under MYT (Multi-Year Tariff) Regulations, 2011 for each year of the control period could be revised only under ‘Truing-up’ for the year.

The Commission considers the revenue with existing tariff for FY 2013-14 as mentioned in para 5.2 above. However, it is likely that the ARR for FY 2013-14 will be reduced because the actual distribution losses are substantially lower than the trajectory approved in the MYT order. Further, the Commission also directed MUPL to procure power through competitive bidding under long term arrangement. In view of this, the Commission decides to address the gap of FY 2013-14 during truing up exercise only.



**Table 5.7: Revenue gap approved by the Commission for FY 2013-14**

Sr. No.	Particulars	(Rs. crore) FY 2013-14
1	ARR for FY 2013-14	131.94
2	Revenue with existing tariff for FY 2013-14	117.41
3	Revenue Gap	14.53
4	Add: Revenue Gap approved in Truing-up of FY 2010-11	1.76
5	Add: Revenue Gap approved in Truing up of FY 2011-12	6.86
<b>6</b>	<b>Total Gap</b>	<b>23.15</b>

## 5.4 Determination of Tariff for FY 2013-14

### Commission's Analysis

As discussed above, MUPL has submitted that revision of tariff to meet the entire revenue gap would result in tariff shock and therefore requested the Commission to revise the energy charges for demand based category from Rs. 3.25 / unit to Rs. 3.50 / unit for "demand based category" of permanent supply having contract demand above 500 kVA for FY 2013-14 to yield additional revenue of Rs. 4.38 Crore.

In this case, MUPL is developing the network considering further development plan in the SEZ area. Initially the cost of supply and distribution losses would be high due to idling of network and the network would not be utilised to optimum level. The operating expenses might also increase as the area is new and development is yet to take place. If the tariff has to be revised to meet the entire revenue gap this will result in undue burden on initial consumers.

The Commission decides to address the consolidated gap up to FY 2011-12, for revision of tariff, amounting to Rs. 8.62 crore. Accordingly, the Commission revises the energy charges of HTMD-1 category consumers from Rs. 3.25 / unit to Rs. 3.65 / unit, effective from 1<sup>st</sup> May, 2013. The additional revenue of Rs. 8.69 Crore is estimated based on this tariff revision.

The Commission also agrees to introduce rebate of 1% on energy charges for consumers having supply voltage at 33 kV and 2% on energy charges for consumers having supply voltage at 66 kV and above, as proposed by MUPL.



The Commission, however, does not consider the request of MUPL to treat the remaining gap as “Regulatory Asset”. It is most likely, as the SEZ develops, more entrepreneurs might come forward to establish their units in the SEZ area in the event of better service and relatively lower tariff. The consumption levels of the existing consumers and the prospective consumers may also go up with corresponding increase in the revenue reducing the gap substantially. Therefore, the Commission has decided to address the gap of FY 2013-14 in the Truing-up exercise based on audited accounts and appropriate decision would be taken.

### 5.5 Determination of Wheeling ARR

In accordance with Regulation 88.1 of GERC Regulations, 2011 the Commission shall specify the wheeling charges for distribution wire business of the distribution licensee in its order passed under section (3) of section 64 of the Electricity Act, 2003.

The allocation matrix for distribution, wheeling and retail supply business as per GERC (MYT) Regulations, 2011 are given in Table 5.8 below:

**Table 5.8: Allocation Matrix for distribution and retail supply business approved by the Commission**

Sr. No	Particulars	Wheeling (%)	Supply (%)	Total (%)
1	Power purchase expenses	0	100	100
2	Employee expenses	60	40	100
3	Repairs and Maintenance expenses	90	10	100
4	Administrative and General expenses	50	50	100
5	Depreciation	90	10	100
6	Interest on long term loans	90	10	100
7	Interest on security deposit	10	90	100
8	Interest on working capital	10	90	100
9	Provision for bad debts	0	100	100
10	Contingency reserve	100	0	100
11	Income Tax	90	10	100
12	Return on equity	90	10	100
13	Non-tariff income	10	90	100

Based on the above matrix the ARR approved is allocated between distribution and retail supply business for FY 2013-14 as shown Tables 5.9 and Table 5.10 below:



**Table 5.9: ARR for determination of wheeling charges for FY 2013-14**

(Rs. crore)		
Sr. No.	Particulars	Approved ARR for FY 2013-14
1	Power purchase expenses	0.00
2	O&M expenses	3.52
3	Depreciation	6.77
4	Interest on long term loans	8.39
5	Interest on security deposit	0.14
6	Interest on working capital	-
7	Provision for bad debts	-
8	Contingency reserve	0.35
9	Income Tax	-
10	Revenue expenditure	19.17
11	Return on equity	5.53
12	Less: Non-tariff income	0.01
13	ARR	24.69

**Table 5.10: ARR for Retail Supply Business for FY 2013-14**

(Rs. crore)		
Sr. No.	Particulars	Approved ARR for FY 2013-14
1	Power purchase expenses	101.40
2	O&M expenses	2.34
3	Depreciation	0.75
4	Interest on long term loans	0.93
5	Interest on security deposit	1.28
6	Interest on working capital	-
7	Provision for bad debts	-
8	Contingency reserve	-
9	Income Tax	-
10	Revenue expenditure	106.70
11	Return on equity	0.62
12	Less: Non-tariff income	0.07
13	ARR	107.25

### 5.5.1 Wheeling Charges

- GERC (Multi-Year Tariff) Regulations, 2011 stipulates that the wheeling charges shall be determined based on the ARR allocated to the wheeling business.
- MUPL in this Petition has computed the voltage wise wheeling charges based on the allocation of ARR of distribution business, in accordance with the GERC (Multi Year Tariff) Regulations, 2011.



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- Distribution wires are identified as carrier of electricity from generating station or transmission network to consumer point. Ideally consumption at a particular voltage level requires network at that voltage level and also at all higher voltage levels. Thus consumption at the lower voltages should contribute to the cost of the higher voltage levels also. Whereas consumers connected to the higher voltages would not be utilizing the services of the lower voltage and hence would not be required to contribute to the lower voltages cost recovery.
- MUPL has considered approved ARR for determination of wheeling charges. The approved ARR for wheeling business is Rs. 24.69 crore and that all Retail Supply Business is Rs. 107.27 crore as approved by Commission vide its MYT Tariff Order dated 18.08.2011.
- Commission has approved Distribution losses of MUPL for the year 2013-14 at 7.5%. The half yearly audited T&D losses for the year 2012-13 are 3.94%. The approved loss (7.5%) for the 2013-14 has been apportioned on voltage level according to voltage level wise audited loss.
- MUPL has consumers at different voltage levels so the total approved Sales is bifurcated in voltage wise sales as follow:

**Table 5.11: Voltage wise MUs for FY 2013-14**

SI.No	Voltage Level	Sales	Sales
		MUs	%
1	66 KV & Above	121.88	51%
2	33 KV/11 KV	115.57	48%
3	415 V	2.80	1%
<b>4</b>	<b>Total</b>	<b>240.24</b>	

- The GFA of MUPL at the end of year FY 2011-12 is Rs. 72.13 Crore. MUPL has segregated GFA of FY among 66 KV and above, 33 KV/11 KV and LT voltage level to arrive voltage level wise wheeling charges. In order to determine the voltage level wise cost, the amount for asset at 66 KV and above has been considered for 66 KV and above. The amount of asset at 33 KV and 11 KV has been considered in 33/11 KV. Rest of the asset has been considered for LT level.
- MUPL has more consumers at 11 KV and above and very few consumers are at LT level. Hence the GFA segregated at 66 KV and above is 95.4%, 33/11



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KV is 4.6% and only 0.1% is at LT level which is shown in the Table 4.12 below:

**Table 5.12: Voltage wise GFA Ratio**

Particulars	GFA (%)
66 kV & Above	95.4%
33/11 kV Level	4.6%
LT Level	0.1%

- The approved ARR of wheeling charges has been apportioned among voltage level in the ratio of GFA as tabulated below 4.13:

**Table 5.13: Voltage level wise wheeling cost apportioned**

Particulars	FY 2013-14 (Rs. crore)
66 kV & Above	23.55
33/11 kV Level	1.12
LT Level	0.02
<b>Total</b>	<b>24.69</b>

- To arrive at the cost of wheeling at the various voltage levels, the total wire network cost at various levels (as computed above) has been apportioned to various voltage levels (i.e., 66 kV and above, 33 kV/11kV and LT) in the ratio of sales at respective voltage levels. The wire costs at higher voltage levels has been further apportioned to lower voltage levels, since the HT system is also being used for supply to the LT consumers.

**Table 5.14: Calculation of Wheeling Charges**

Particulars	Network cost (Rs. crore)	Sales (MUs)	% of Sales	% Sales between 11 kV & LT	Wheeling Cost (Rs. Cr)	Formula for wheeling cost	Wheeling charge (Rs./kWh)
66 kV & Above	23.55	121.88	50.7%		11.94	$23.55 \times 50.7\%$	0.98
33/11 kV Level	1.12	115.57	48.1%	97.6%	12.45	$(23.55 \times (1 - 50.70\%) \times 97.6\%) + (1.12 \times 97.6\%)$	1.08
LT Level	0.02	2.80	1.2%	2.4%	0.3	$(23.55 - (23.55 \times 50.7\%) - (23.55 \times (1 - 50.70\%) \times 97.6\%)) + (1.12 \times (1 - 97.6\%)) + (0.02)$	1.14
<b>Total</b>	<b>24.69</b>	<b>240.24</b>			<b>24.69</b>		



- Accordingly, MUPL proposes the wheeling charges and wheeling losses at different voltage levels FY 2013-14 as summarized in following table 5.15:

**Table 5.15: Proposed Wheeling losses & wheeling Charges**

<b>Particular</b>	<b>Wheeling Loss (in %)</b>	<b>Wheeling Charge (Rs/kWh)</b>
66 kV & Above	4.75%	0.98
33/11 kV Level	2.50%	1.08
LT Level	0.25%	1.14

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

### **5.5.2 Cross Subsidy Surcharge**

The cross subsidy surcharge of MUPL is arrived at based on the formula given in the National Tariff Policy.

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

S : Surcharge

T : Tariff payable by the relevant category of consumer

C : Weighted average cost of power purchase of top 5%

D : Wheeling charges

L : System loss applicable

$$S : 5.19 - [3.74 \times (1+7.75/100) + 1.08] = 0.08$$

The cross subsidy surcharge according to the above calculation works out to be 8 paise / unit.

### **5.5.3 Commission's Analysis**

The Commission has examined the voltage wise wheeling charges proposed by the MUPL. It is observed that the wheeling charges proposed by MUPL is considerably high compared to the wheeling charges determined for State owned distribution licensees as it is developing SEZ and there is under-utilization of network.



Based on the above calculations, the cross subsidy surcharge should normally be 8 paise / unit. In case of other Discoms of the State, the cross subsidy surcharge is determined at Rs. 0.45 / kWh.

In order to ensure a level playing field for all Open Access consumers and licensees in the State, the Commission decides to keep the uniform aggregate wheeling charges and cross-subsidy surcharge for all Open Access consumers in the State.

In the case of State owned Discom, the wheeling charge and cross-subsidy surcharge works out as 12 paise/kWh and 45 paise/kWh, respectively, for the FY 2013-14. Hence, the total wheeling charges and cross-subsidy surcharge works out to 57 paise/kWh.

**As the Commission has determined the cross-subsidy surcharge at 8 paise/kWh, the wheeling charge is now fixed at 49 paise/kWh for FY 2013-14 for Open Access consumers of MUPL.**

### **5.6 Fuel and Power Purchase Price Adjustment (FPPPA)**

The formula for claiming the adjustment in fuel / power purchase cost is approved in the MYT Order for FY 2011-12 dated 18<sup>th</sup> August, 2011. The same formula is applicable for FY 2013-14, with the base price of power purchase at Rs. 3.74 / kWh MUPL may claim any variation in the power purchase price as per the formula approved.

Information regarding FPPPA recovery and the FPPPA calculations submitted to the Commission for approval shall be kept on website of the MUPL as and when such proposal is submitted by the MUPL.

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

For any claim of FPPPA, the documents for approval of FPPPA shall be submitted to the Commission within one month from end of the relevant quarter.



## 6. Compliance of Directives

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### 6.1 Compliance of earlier Directives

The Commission in its Tariff order dated 02.06.2012, had issued certain directives to MUPL, which has submitted a compliance report to the directives issued in the current petition for approval of True up for FY 2011-12 and determination of tariff for FY 2013-14.

The Commission's comments on the status of the directives by MUPL are given below. The Commission has also given fresh directives to the licensee, where required.

#### **Directive-1: Power Procurement**

The MUPL shall immediately initiate action, if it is not already done, to invite bids for power procurement as per Government of India guidelines for a period of 4 to 5 years indicating the yearly requirement. MUPL is also directed to submit the bid documents, statement of bids received and proposal for purchase of power to the Commission for its approval.

Action taken shall be reported to the Commission before the end of September, 2011.

#### **Compliance:**

Action was initiated by MUPL to invite bids for power procurement on Medium term basis for FY 2013-14 to FY 2015-16 as per SBD guidelines issued by Ministry of Power, government of India.

#### **Commission's comment:**

*The action is noted. MUPL shall complete the bidding process early and submit the details to the Commission for adoption of the tariff arrived at.*

#### **Directive-2: Assessment of Distribution Losses**

MUPL has projected distribution loss of 8.0% for 2011-12 with 0.25% reduction during each year of the control period. The Commission has approved the loss level



of 8.0% for 2011-12, since it is initial year of operation and MUPL has no means of measuring the loss.

The MUPL is directed to conduct energy audit by providing meters on all feeders and transformers to establish the loss level in the system. Energy audit shall be taken up immediately and the actual losses data be furnished within six months.

Projection of distribution loss without proper energy audit will not be accepted.

### **Compliance**

Steps to conduct the energy audit are initiated by MUPL by providing meters on all feeders and transformers to establish the loss level in the system. Actual losses data has been submitted by MUPL vide Lv no. MUPL/GERC/Directive/30.12.2012.

### **Commission's comments:**

*Action taken is noted. The actual loss level of the transmission and distribution system of MUPL for FY 2011-12 arrived at based on energy audit shall be submitted along with tariff petition.*

### **Directive-3: Details of Network**

MUPL is directed to furnish the details of network at 33 kV, 11 kV and LT along with voltage-wise costs to arrive at voltage-wise wheeling charges in the next tariff petition.

### **Compliance**

Being compiled in chapter 9 wheeling charges.

### **Commission's comment:**

*Network details are received.*



## COMMISSION'S ORDER

The Commission approves the Aggregate revenue Requirement (ARR) for the MPSEZ utilities (P) limited (MUPL) for FY 2013-14 as shown below:

(Rs. crore)

Sr. No.	Particulars	Approved for FY 2013-14
1	Power purchase cost	101.40
2	O&M expenses	5.86
3	Depreciation	7.52
4	Interest on long term loans	9.32
5	Interest on Security deposit	1.42
6	Interest on working capital	-
7	Provision for bad debts	-
8	Contingency reserve	0.35
9	Income Tax	-
10	Total Revenue Expenditure	125.87
11	Return on Equity	6.15
<b>12</b>	<b>Total ARR</b>	<b>132.02</b>
13	Less Non-Tariff Income	0.08
<b>14</b>	<b>Net ARR</b>	<b>131.94</b>

The approved retail supply tariff will be in accordance with the tariff schedule annexed to this order. This order shall come into force from 1<sup>st</sup> May 2013.

Sd/-	Sd/-	Sd/-
_____ <b>DR. M.K. IYER</b> Member	_____ <b>SHRI PRAVINBHAI PATEL</b> Member	_____ <b>DR. P.K. MISHRA</b> Chairman

Place: Ahmedabad

Date: 20<sup>th</sup> May 2013



**ANNEXURE:**  
**TARIFF SCHEDULE**

**TARIFF SCHEDULE FOR MUNDRA PORT AND SEZ LICENSE AREA**  
**OF MPSEZ UTILITIES PRIVATE LIMITED**

**Effective from 1<sup>st</sup> May, 2013**

**General Conditions**

1. This tariff schedule is applicable to all the consumers of MUPL in License area of Mundra SEZ.
2. All these tariffs for power supply are applicable to only one point of supply.
3. The meter charges shall be applicable as prescribed under GERC's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation, 2005.
4. The energy bills shall be paid by the consumer within 10 days from the date of billing, failing which the consumer shall be liable to pay the delayed payment charges @15% p.a. for the number of days from the due date of bill to the date of payment of bill.
5. The power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation, 2005 will continue to apply.
7. The charges specified in the tariff are on monthly basis, MUPL shall adjust the rates according to billing period applicable to consumer.
8. Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
9. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo -Watt (HP or kW) as the case may be.
10. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).



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11. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
12. Contract Demand shall mean the maximum KVA for the supply which the MUPL undertakes to provide facilities to the consumer from time to time.
13. For computation of Fixed charges, they will be computed on 85 % of Contact Demand at Unity Power Factor or Actual whichever is higher on monthly basis
14. Maximum Demand in a month means the highest value of average KW delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.
15. Payment of penal charges for usage in excess of contract demand/load for any billing period does not entitle the consumer to draw in excess of contract demand/load as a matter of right. The levy of penal charge is in addition to other rights of MPSEZ Utilities Private Limited under the provisions of the Electricity Act, 2003 and regulations notified thereunder.
16. The Fixed charges, Minimum charges, Demand charges, Meter rent and the slabs of consumption of energy for Energy Charges mentioned shall not be subject to any adjustment on account of existence of any broken period within Billing Period arising from consumer supply being connected or disconnected any time within the duration of Billing Period for any reason.
17. The fuel cost and power purchase adjustment charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.
18. These rates are exclusive of Electricity Duty, Tax on sale of electricity, Customs duty, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time in which are payable by consumers, in addition to the charges levied as per the tariff.
19. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act 2003 and MUPL shall be entitled to take any other action deemed necessary and authorized under the Act.



**PART- I**

**SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE**  
**(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)**

**1. RATE: Residential**

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

**1.1 FIXED CHARGE**

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

**1.2 ENERGY CHARGE**

(i)	First 250 units consumed per month	375 Paise per Unit
(ii)	Remaining units consumed per month	425 Paise per Unit

**1.3 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 1.1 above.

**2. RATE: Commercial (Non Demand)**

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

**2.1 FIXED CHARGE**

Single Phase Supply	Rs. 100 per month per installation
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**2.2 ENERGY CHARGE**

(i)	First 150 units consumed per month	425 Paise per Unit
(ii)	Remaining units consumed per month	450 Paise per Unit



### **2.3 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 2.1 above.

### **3. RATE: Commercial (Demand)**

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

#### **3.1 FIXED CHARGE**

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

Computed on 85 % of Contact Demand at u.p.f and 100 % Load Factor or Actual whichever is higher on monthly basis	75 Paise per Unit
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B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis	125 Paise per Unit
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NOTE: The Billing Demand shall be highest of the following:

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

#### **3.2 ENERGY CHARGE**

A flat rate of	325 Paise per Unit
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#### **3.3. POWER FACTOR ADJUSTMENT CHARGE**

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

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

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



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For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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### **3.4 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 3.1 above.

## **4. RATE: Industrial (Non Demand)**

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

### **4.1 FIXED CHARGE**

Single Phase Supply	Rs. 100 per Month per Installation
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### **4.2 ENERGY CHARGE**

(i)	First 150 units consumed per month	400 Paise per Unit
(ii)	Remaining units consumed per month	425 Paise per Unit

### **4.3 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 4.1 above.

## **5. RATE: Industrial (Demand)**

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

### **5.1 FIXED CHARGE**

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

Computed on 85 % of Contact Demand at u.p.f and 100 % Load Factor or Actual whichever is higher on monthly basis	75 Paise per Unit
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B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis	125 Paise per Unit
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NOTE: The Billing Demand shall be highest of the following:



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

### **5.2 ENERGY CHARGE**

A flat rate of	325 Paise per Unit
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### **5.3.POWER FACTOR ADJUSTMENT CHARGE**

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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### **5.4.MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 5.1 above.

## **6. RATE: Street Lights**

Applicable to lighting systems for illumination of public roads.

### **6.1.ENERGY CHARGE**

A flat rate of	375 Paise per Unit
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## **7. RATE: Temporary**

This tariff is applicable to installations for temporary requirement of electricity supply.

A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

### **7.1 FIXED CHARGE**

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

Computed on 85 % of Contract Demand at u.p.f. and 100 % Load Factor or Actual whichever is higher on monthly basis	75 Paise per Unit
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B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis	125 Paise per Unit
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NOTE: The Billing Demand shall be highest of the following:  
i. Actual Maximum Demand established during the month OR  
ii. Eighty – five percent of the Contract Demand

## **7.2 ENERGY CHARGE**

A flat rate of	400 Paise per unit
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## **7.3.POWER FACTOR ADJUSTMENT CHARGE**

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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## **7.4.MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 7.1 above.



**PART- II**

**SUPPLY DELIVERED AT HIGH VOLTAGE**  
**(11000 VOLTS AND ABOVE - THREE PHASE, 50 HERTZ)**

**8. RATE: HTMD - 1**

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

**8.1 FIXED CHARGE**

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

Computed on 85 % of Contract Demand at u.p.f and 100 % Load Factor or Actual whichever is higher on monthly basis	75 Paise per Unit
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B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis	125 Paise per Unit
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NOTE: The Billing Demand shall be highest of the following :

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

**8.2 ENERGY CHARGE**

A flat rate of	365 Paise per unit
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**8.3 POWER FACTOR ADJUSTMENT CHARGE**

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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#### **8.4 REBATE FOR SUPPLY AT EHV**

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

#### **8.5 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 8.1 above.

#### **9. RATE: HTMD -II**

This tariff is Applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above for temporary period, A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

#### **9.1 FIXED CHARGE**

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

Computed on 85 % of Contract Demand at u.p.f or Actual whichever is higher on monthly basis	100 Paise per Unit
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B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis	150 Paise per Unit
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NOTE: The Billing Demand shall be highest of the following :

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

#### **9.2 ENERGY CHARGE**

A flat rate of	500 Paise per unit
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#### **9.3 POWER FACTOR ADJUSTMENT CHARGE**

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



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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit
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**9.4 MINIMUM BILL (excluding meter charges)**

Payment of fixed charges as specified in 9.1 above.

