# GUJARAT ELECTRICITY REGULATORY COMMISSION

## Tariff Order

Truing-up for FY 2011-12 and

Determination of Tariff for FY 2013-14

For

# Kandla Port Trust (KPT)

**Case No. 1281 of 2013**

**20th May 2013**

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सत्यमेव जयते

# GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

## AHMEDABAD

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# ABBREVIATIONS

| Abbreviation | Description |
|---|---|
| A&G | Administration and General |
| ARR | Annual Revenue Requirement |
| CERC | Central Electricity Regulatory Commission |
| EA, 2003 | Electricity Act, 2003 |
| FPPPA | Fuel Price and Power Purchase Adjustment |
| FY | Financial Year |
| GERC | Gujarat Electricity Regulatory Commission |
| GETCO | Gujarat Energy Transmission Corporation Limited |
| GUVNL | Gujarat Urja Vikas Nigam Limited |
| HT | High Tension |
| KPT | Kandla Port Trust |
| KV | Kilovolt |
| KVA | Kilo volt Amps |
| KW | Kilo Watt |
| kWh | kilo Watt hour |
| LT | Low Tension |
| LU | Lakh Units |
| MMTPA | Million Metric Tonne Per Annum |
| MVA | Mega Volt Amps |
| MW | Mega Watt |
| MYT | Multi-Year Tariff |
| O&M | Operations & Maintenance |
| PA | Per Annum |
| PF | Power Factor |
| PGVCL | Paschim Gujarat Vij Company Limited |
| PPA | Power Purchase Agreement |
| R&M | Repairs and Maintenance |
| RoE | Return On Equity |
| SEZ | Special Economic Zone |
| UI | Unscheduled Interchange |
| w.e.f. | With effect from |
| YoY | Year on Year |

# Before the Gujarat Electricity Regulatory Commission at Ahmedabad

## Case No. 1281 of 2013

**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 Kandla Port Trust (hereinafter referred to as 'KPT' or petitioner), a distribution licensee, filed its petition on 29th December, 2012 under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (MYT) Regulations, 2011 for Truing up for FY 2011-12 and determination of Annual Revenue Requirement (ARR) and retail supply tariff for FY 2013-14.

The Commission conducted a preliminary analysis and admitted the petition on 21st January, 2013 under Case No. 1281 of 2013.

## 1.2 Kandla Port Trust

The Kandla Port is a natural harbour situated in the Kandla creek and is about 90 km 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 license for supply of electrical energy was granted to Kandla Port Trust 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 a petition under Section 62 of the Act for determination of tariff by the appropriate 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 power supply from GUVNL through the 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) Truing up for FY 2011-12 and (ii) Determination of Aggregate Revenue Requirement (ARR) and Retail Supply Tariff for FY 2013-14, on 29th December, 2012. After technical validation, the Commission admitted the petition on 21st January, 2013 as Case No. 1281 of 2013.

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:

| Sl. No | Name of the newspaper/Language | Date of publication |
|---|---|---|
| 1 | The Times of India (Ahmedabad) | 02.02.2013 |
| 2 | Kutch Mitra (Bhuj) | 02.02.2013 |

The interested parties / stakeholders were asked to file their objections / suggestions on the petition filed by KPT on or before 2nd March, 2013.

The KPT has received one objection from Laghu Udyog Bharti, Ahmedabad.

## 1.4 Approach for this Order

The Kandla Port Trust has approached the Commission with the present petition for truing up of Business carried out during FY 2011-12 and approval of ARR and determination of Retail Supply Tariff for FY 2013-14.

The petition for Truing up of Business for FY 2011-12 and determination of Retail Supply Tariff for FY 2013-14 has been considered by the Commission as per Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011.

## 1.5 Contents of the Order

This order is divided into **eight** 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** deals with the summary of ARR for FY 2013-14.
3. The **Third chapter** provides a brief outline of objections raised by the stakeholders.
4. The **Fourth chapter** deals with Truing up for the FY 2011-12.
5. The **Fifth chapter** deals with determination of ARR and Retail Supply Tariff for FY 2013-14.
6. The **Sixth chapter** deals with directives of the Commission.
7. The **Seventh chapter** deals with wheeling charges and cross-subsidy surcharge for FY 2013-14.
8. The **Eighth chapter** deals with Fuel and Power Purchase Price Adjustment (FPPPA)

# 2. A Summary of Annual Revenue Requirement for FY 2013-14

## 2.1 Annual Revenue Requirement (ARR) for FY 2013-14

KPT has submitted the Aggregate Revenue Requirement for FY 2013-14 at Rs.1509.86 lakh, as detailed in the Table below:

**Table 2.1: Annual Revenue Requirement for FY 2013-14**

(Rs. Lakh)

<table>
<tr><th>Particulars</th><th>FY 2013-14 (Projected)</th></tr>
<tr><td>Power Purchase Cost</td><td>983.00</td></tr>
<tr><td>Employee Cost</td><td rowspan="3">294.43</td></tr>
<tr><td>R&M Cost</td></tr>
<tr><td>A&G Expenditure</td></tr>
<tr><td>Depreciation</td><td>114.99</td></tr>
<tr><td>Interest Cost on Long-Term Capital Loans</td><td>5.10</td></tr>
<tr><td>Interest on security deposit</td><td>5.05</td></tr>
<tr><td>Interest on working capital loans</td><td>7.59</td></tr>
<tr><td>Return on Equity</td><td>99.70</td></tr>
<tr><td>Annual Revenue Requirement</td><td>1,509.86</td></tr>
</table>

## 2.2 ARR, revenue at existing tariff, revenue gap and tariff proposal for FY 2013-14

The KPT has considered the approved ARR of Rs. 1509.86 lakh for FY 2013-14 for purpose of determination of tariff for FY 2013-14. The KPT has projected a revenue gap of Rs. 1774.77 lakh for FY 2013-14, including the gap of FY 2011-12 and FY 2012-13. KPT has proposed to increase the fixed charges and energy charges for all categories of consumers based on the average cost of supply. The additional revenue at proposed tariff works out by KPT as Rs. 430.11 lakh which will result in net gap of Rs. 1344.66, as shown in the Table below.

**Table 2.2: ARR and revenue Gap for FY 2013-14**

(Rs. Lakh)

| Particulars | FY 2013-14 (Projected) |
|---|---|
| Total ARR | 1,509.86 |
| Gap for FY 2011-12 | 1,121.79 |

| Particulars | FY 2013-14 (Projected) |
|---|---|
| Approved gap for FY 2012-13 | 309.25 |
| Revenue @ existing tariff | 1,037.63 |
| FPPPA | 128.50 |
| Revenue from surplus power | |
| Revenue Gap/ (Surplus) | 1,774.77 |
| Additional revenue at proposed tariff | 430.11 |
| Net Gap | 1,344.66 |

KPT has requested the Commission to approve the revenue gap for FY 2013-14, as presented above.

## 2.3 KPT's request to the Commission:

1. To admit the truing-up petition for FY 2011-12 and the Tariff Revision Proposal for FY 2013-14, as submitted.
2. To conduct truing-up for FY 2011-12 and approve the Tariff Revision Proposal for FY 2013-14.
3. To pass orders that the proposed Retail Supply Tariffs would be applicable from April 1, 2013.
4. To condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/ alter this filing and allow making further submissions, as may be required, at a future date.
5. To allow furnishing of necessary additional information required by the Commission during the processing of this petition.
6. To pass such orders as are deemed fit and proper in the circumstances of the case.

# 3. Brief outline of objections raised by stakeholders, KPT response and the Commission's view on the response

### Objections by Laghu Udyog Bharti

### Objection-1: The issue of fixed charges

There must be justification and formula for determining fixed charge/demand charge, which we do not find anywhere for this particular category.

### Response of KPT:

The utility recovers fixed charges based on billing demand and energy charges on energy consumed in the billing period of a consumer towards the network and other services. It is a basic commercial principle for any utility to recover its fixed costs through fixed charges. This accounts for 20-25% of the total revenue billed by the utility. Therefore, a two part tariff is followed by every utility.

### *Commission's View:*

*Fixed charges are determined keeping in view the fixed cost component of ARR as well as existing level of fixed charges.*

### Objection-2: Amount received through minimum charges

The projections of ARR show the amount received through minimum charges. For example, if a consumer has a contract demand of 200 KVA, a billing demand of 170 KVA and actual demand of 120 KVA, he has to pay Rs. 5000/- more, which results in rise of per unit cost. Such amounts are nowhere shown in ARRs. There is neither a mechanism in place to protect a consumer, if he has to pay per unit cost higher than that mentioned in the tariff order, nor a system for truing up of high per unit cost recovered by Discoms and refunding to the consumers in electricity bills.

In the NRGP category for low consumption consumers, the difference is the highest. In the ARR projections, such amounts are not shown.

A consumer in NRGP category using 5 units has to pay minimum Rs. 140/-, i.e., Rs. 28/- per unit. There is no mechanism to protect consumers from tariff discrepancies.

This is one of reasons for consumers paying a higher per unit cost of electricity than that approved by the Commission.

### Response of KPT:

For accounting purposes, charges recovered from the consumers are broadly classified into: demand and energy charges. Charges recovered towards the "Demand Charges", or "Fixed Charges", are accounted for under the head demand charges. The charges recovered towards "energy charges" are accounted for under the head energy charges.

Under NRGP tariff category, payment of "Minimum Bill" is different than payment of fixed charges. In a particular billing month, some of the consumers of NRGP category are required to pay a "Minimum Bill" as their aggregate amount of fixed charges and energy charges which would be lower than the amount prescribed under the head minimum bill on account of their low/no consumption during that billing period(s). This is mainly on account of difference in connected load and actual load of the consumer. This difference is charged to the consumer as utility has provided the required network based on the contract demand and has incurred maintenance cost.

### *Commission's View:*

*There is no provision of minimum charges of Rs. 140 / kW for Non-RGP category in existing tariff schedule.*

### Objection-3: Accounting of Demand Penalty

In the ARR Projections, Retail Supply Companies never show projections of demand penalty receipts.

### Response of KPT:

Recovery under the head excess demand charge is a meagre amount and it is very difficult to estimate such an amount.

### *Commission's View:*

*The Commission has noted the response of the petitioner*

### Objection-4: Receipts on account of Time Zone billing and accounting of PF penalty/ rebate and KVARH charges

(a) The difference in recovery of peak hour's unit charges and night hour's rebate is never shown by Retail Supply companies in ARRs.

(b) There is no accounting of PF penalty/rebate and KVARH charges in ARRs.

### Response of KPT:

Revenue receipts under the head time of use charges and PF adjustment charges are estimated and considered accordingly. They are currently merged with the total revenue recovered from consumers.

### *Commission's View:*

*The Commission has noted the submission of the petitioner.*

### Objection-5: Issue of Depreciation accounting

Along with Annual accounts and ARR projections, there must be a detailed analysis by chartered accountants, finalising previous year's annual accounts. It is seen that depreciation credit on the income side is not being reflected in the assets column, for which full line cost is recovered from consumers.

### Response of KPT:

Copies of the required schedules of Audited Annual accounts for FY 2011-12 are provided with the petition. In regard to charging of depreciation on total assets, it is submitted that this is as per the provision of accounting standards. Every year, the Company writes back certain part of the consumers' contribution and therefore, appropriate effect to the consumers' contribution is given and the company charges depreciation on the gross value of assets.

### *Commission's View:*

*KPT has not submitted separate Audited Annual Accounting statement for its regulatory business. The Commission directs KPT to submit the same.*

### Objection-6: Accounting of unbilled amount

In the annual financial statements at the end of financial year, there must be an endorsement by the concerned chartered accountant that: the unbilled amount at the rate of annual % growth has been accounted for, the receivable as arrears in full are accounted for and per unit overall average and Category wise unit cost, as per tariff orders, have been assessed. This is not being done.

### Response of KPT:

Regarding the matter of accounting of unbilled revenue for the electricity consumed by the consumer, it is submitted that the company prepares its financial statements on historical cost and accrual basis, in accordance with the Accounting standards and Generally Acceptable Accounting Principles.

Accordingly, revenue from sale of power is arrived at on accrual basis of energy supplied to consumers, i.e., the revenue from sale of power, as indicated in the petition, includes provision for unbilled revenue for which electricity is supplied to the consumer before the electricity bill is raised. Such a provision for unbilled revenue is provided for and included in the books of account in the total amount of revenue from sale of power.

Such accounting exercise for provision of unbilled revenue is made every year to take care of the accounting of revenue for the full year, i.e., 12 months. In fact, our books of account remain open beyond 31$^{st}$ March for a certain period. By the time the books of accounts get closed, such information regarding sale of power for the last month is available. However, since the accounts are prepared up to 31$^{st}$ March on accrual basis, such revenue from sale is treated as unbilled revenue. Hence, there is no question of 'under-estimation'.

The petitioner specifically submits that the tariff Petition is being prepared as per the Provisions of Multi-Year Tariff Regulations, 2011 and taking into account the billing for 12 months. The accounts of the company are also audited and certified by the Statutory Auditors.  Based on these accounts, the ARR Petition is prepared and filed.

### *Commission's View:*

*The Commission has noted the submission of the petitioner.*

### Objection-7: True up of Interest on working capital

As the consumers' money as security deposit is lying with retail Electricity supply companies, interest on working capital is not being allowed. However, truing up of the same for last six years is required to be carried out.

### Response of KPT:

Interest on working capital has been computed based on the Multi-Year Tariff Regulations, 2011. One month's O&M expenses, 1% of the historical maintenance spares escalated at 6%, one month's receivables minus amount held as security deposit under Clause (a) and Clause (b) of Sub-Section (1) of Section 47of the Act from consumers, except the security deposit held in the form of bank guarantees, has been used to compute the working capital requirement. Therefore, consumer security deposit has been considered by the utility for arriving at working capital.

### *Commission's View:*

*The Commission computes the Interest on Working Capital in accordance with the Regulations in force from time to time. The truing up exercise for the Petitioner will be undertaken after submission of separate Audited Annual Accounts.*

# 4. Truing-up for FY 2011-12

**4.1** KPT, in its petition for truing up for the FY 2011-12, has furnished the actuals of energy sales, power purchase costs and other expenses, as detailed in the Table below:

**Table 4.1: Aggregate Revenue Requirement for FY 2011-12**

(Rs. Lakh)

| Annual Revenue Requirement | FY 2011-12 (Approved in MYT order) | FY 2011-12 (Actuals) | Difference (Actual – Approved) |
|---|---|---|---|
| Power Purchase Cost | 828.00 | 1677.50 | 849.50 |
| O&M expenses | 263.43 | 436.43 | 173.00 |
| Depreciation | 97.71 | 103.46 | 5.75 |
| Interest cost on Long-term capital loans | 3.68 | 152.73 | 149.05 |
| Interest on security deposit | 5.05 | 5.05 | 0.00 |
| Interest on working capital | 5.03 | 11.06 | 6.03 |
| Return on Equity | 85.84 | 90.38 | 4.54 |
| **Annual Revenue Requirement** | **1288.74** | **2476.62** | **1187.88** |

**Commission's Analysis:**

Regulation 16.2 (iii) of GERC (Multi-Year Tariff) Regulations, 2011 specifies that:

Truing up of previous year's expenses and revenue, based on Audited Accounts vis-à-vis the approved forecast and categorisation of variations in performance as those caused by factors within the control of the licensee (controllable factors) and those caused by factors beyond the control of the licensee (uncontrollable factors) shall be undertaken by the Commission.

KPT has not filed the Audited Accounts for FY 2011-12 along with the petition.

In response to the Commission calling for submission of the Audited Annual Accounts for FY 2011-12, KPT has submitted that Annual Accounts are currently not being maintained separately. Further, it is stated that KPT has initiated the tendering process for appointment of an Independent Engineer/Advisor for a period of three years for looking after the Electricity Distribution business. The above personnel would assist in preparation of Annual Accounts. The same would be submitted to the Commission, duly certified by the statutory auditors.

**Since the KPT has not submitted the audited accounts for FY 2011-12, the Commission has not considered truing-up for FY 2011-12 in the context of the present petition.**

# 5. Determination of Retail Supply Tariff for FY 2013-14

## 5.1 Annual Revenue Requirement (ARR) for FY 2013-14

The Commission, in its MYT Order dated 18th August 2011, had determined the ARR for each year of the control period from FY 2011-12 to FY 2015-16. The ARR approved for FY 2013-14 is given in the Table below:

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

(Rs. lakh)

| Sr. No. | Particulars | ARR approved for FY 2013-14 |
|---|---|---|
| 1. | Power purchase cost | 983.00 |
| 2. | O&M cost<br>(i) Employee cost<br>(ii) R&M cost<br>(iii) A&G expenses | 294.43 |
| 3. | Depreciation | 114.99 |
| 4. | Interest cost | 5.10 |
| 5. | Interest on security deposit | 5.05 |
| 6. | Interest on working capital | 7.59 |
| 7. | Return on equity | 99.70 |
| **8.** | **Total ARR** | **1509.86** |

The Commission considers ARR of Rs.1509.86 lakh for FY 2013-14, as approved in the MYT Order dated 18th August, 2011.

## 5.2 Revenue from sale of power at Existing Tariff

**Petitioner's submission:**

KPT has projected the revenue for FY 2013-14 at the existing tariff at Rs. 1166.13 Lakh (including FPPPA of Rs. 128.50 Lakh), based on the sales approved for the FY 2013-14 in the MYT Order, as per the average tariff rates of FY 2012-13, as given in the Table below:

**Table 5.2: Revenue from sale of power with existing Tariff for FY 2013-14 projected by KPT**

| Sl. No | Category | Units (LU) | Average Tariff (Rs./KWh) | Revenue (Rs. Lakh) |
|---|---|---|---|---|
| 1 | Domestic | 12.86 | 3.98 | 51.18 |
| 2 | Commercial | 16.00 | 4.91 | 78.56 |
| 3 | Temporary | 19.60 | 6.74 | 132.10 |
| 4 | Street Lights | 9.00 | 4.15 | 37.35 |
| 5 | HT Category | 105.20 | 7.02 | 738.50 |
| **6** | **Total** | **162.66** | **6.38** | 1037.69 |
| 7 | FPPPA | | | 128.50 |
| **8** | **Total** | | | **1166.19** |

**Commission's Analysis:**

The Commission examined the expected revenue for FY 2013-14 as submitted by KPT.

The Commission had approved revision of tariffs with moderate increase for FY 2012-13 taking into consideration the increase in power purchase cost. It is observed that KPT has under estimated the expected revenue for FY 2013-14.

The revenue for FY 2013-14, based on the category wise average rates approved by the Commission in the Tariff order dated 21st August, 2012, is given in the Table below:

**Table 5.3: Revenue at existing Tariff from sale of power projected by KPT for FY 2013-14**

(Rs. lakh)

| Sr. No | Category | Units (LU) | Projected | |
|---|---|---|---|---|
| | | | Average tariff | Total revenue |
| 1 | Domestic | 12.86 | 3.95 | 50.80 |
| 2 | Commercial | 16.00 | 5.06 | 80.96 |
| 3 | Temporary | 19.60 | 7.04 | 137.98 |
| 4 | Street Lights | 9.00 | 4.15 | 37.35 |
| 5 | HT consumption | 105.20 | 7.18 | 755.34 |
| **6** | **Total** | **162.66** | | **1062.43** |
| **7** | **FPPPA** | | | **128.50** |
| **8** | **Total** | | | **1190.93** |

## 5.3 Revenue gap for FY 2013-14

**Petitioner's submission:**

KPT, in its petition for determination of ARR and Tariff for FY 2013-14, has projected a gap of Rs.1774.77 lakh, as given in Table below:

**Table 5.4: ARR and Revenue Gap projected by KPT for FY 2013-14**

(Rs. lakh)

| Sl. No. | Particulars | FY 2013-14 (Projected) |
|---|---|---|
| 1 | Total ARR | 1,509.86 |
| 2 | GAP for FY 2011-12 | 1,121.79 |
| 3 | Approved gap for FY 2012-13 | 309.25 |
| 4 | Less: Revenue @ existing Tariff | 1,037.63 |
| 5 | Less: FPPPA | 128.50 |
| 6 | Revenue from Surplus Power | |
| 7 | Revenue Gap/ (Surplus) | 1,774.77 |

**Commission's Analysis**

The petitioner has claimed Rs. 1121.79 lakh towards gap out of the Truing up proposed for the FY 2011-12 which the Commission has not considered since KPT has not furnished the Audited Accounts for FY 2011-12. KPT has also claimed gap approved in the Tariff Orders for FY 2012-13, which is also not to be considered in the determination of ARR and tariffs for FY 2013-14. This gap would be addressed after truing up of FY 2011-12 and FY 2012-13, based on the audited accounts.

The Commission has considered the ARR at Rs. 1509.86 lakh for FY 2013-14 as approved in MYT Order dated 18th August, 2011, and assessed revenue at existing tariffs at Rs. 1190.93 Lakh, including FPPPA of Rs 0.89 / kWh, as given in the Table below:

**Table 5.5: Revenue Gap approved for FY 2013-14**

(Rs. lakh)

| Sr. No. | Particulars | Approved for FY 2013-14 |
|---|---|---|
| 1 | Total ARR | 1509.86 |
| 2 | Less: Revenue at existing tariff | 1062.43 |
| 3 | Less: FPPPA | 144.77 |
| **4** | **Net Revenue gap** | **302.66** |

Thus, the revenue gap for FY 2013-14 would be Rs. 302.66 Lakh.

## 5.4 Determination of Tariff for FY 2013-14

### Petitioner's Submission

KPT has proposed to increase the fixed charges and energy charges for all categories of consumers based on the average cost of supply. Table below summarizes the existing and proposed tariff structure for various consumer categories.

**Table 5.6: Existing & Proposed Tariff Structure for FY 2013-14**

| Tariff Structure | Unit | Existing | Proposed |
|---|---|---|---|
| **RGP (Domestic)** | | | |
| *Fixed Charges* | | | |
| 0-2 KW | Rs./month | 10 | 20 |
| 2-4 KW | Rs./month | 20 | 30 |
| 4-6 KW | Rs./month | 30 | 45 |
| Above 6 KW | Rs./month | 40 | 60 |
| *Energy Charges* | | | |
| 1st 50 Units | Rs./unit | 325 | 400 |
| 51 to 100 Units | Rs./unit | 375 | 450 |
| 100 to 250 Units | Rs./unit | 450 | 525 |
| Beyond 250 Units | Rs./unit | 550 | 650 |
| **Non-RGP (Commercial)** | | | |
| *Fixed Charges* | | | |
| 0-10 KW | Rs./KW/month | 50 | 100 |
| 10-40 KW | Rs./KW/month | 75 | 150 |
| Above 40 KW (LTMD) | Rs./KW/month | 85 | 200 |
| *Energy Charges* | | | |
| 0-10 KW | Rs./unit | 450 | 600 |
| 10-40 KW | Rs./unit | 485 | 650 |
| Above 40 KW (LTMD) | Rs./unit | 490 | 700 |
| **SL (Street Lights)** | | | |
| Public Lighting | Rs./unit | 415 | 500 |
| **TMP (Temporary)** | | | |
| *Fixed charge* | Rs./KW/day | 15 | 30 |
| *Energy charge* | Rs./unit | 530 | 630 |
| **HTP-1 (HT)** | | | |

| Tariff Structure | Unit | Existing | Proposed |
|---|---|---|---|
| *Fixed Charges* | | | |
| First 500 KVA of billing demand | Rs./KVA/month | 125 | 150 |
| First 500 KVA of billing demand | Rs./KVA/month | 250 | 300 |
| Beyond 1000 KVA | Rs./KVA/month | 335 | 400 |
| *Energy Charges* | | | |
| Up to 500 KVA of billing demand | Rs./unit | 490 | 600 |
| Next 2000 KVA of billing demand | Rs./unit | 515 | 800 |
| Beyond 2500 KVA of billing demand | Rs./unit | 530 | 1000 |

The KPT has estimated the additional revenue of Rs. 430.11 lakh at proposed tariff. Further, the KPT has requested the Commission to approve the net revenue gap of Rs. 1344.66 lakh including the gap of previous years as shown in Table 5.4.

**Commission's Analysis**

The Commission observes that there is considerable scope to reduce the costs by: (i) procuring power from alternative source (s) at economic rates and (ii) bringing down distribution losses. KPT has not made any effort to procure power from alternative sources at a much lower cost, and also to reduce T&D losses, in spite of repeated directives.

The KPT shall explore the possibility of procuring power from alternative sources at a lower cost, improve the operational performance by providing 100% metering and reduce the distribution losses.

The Commission observed from the tariff petition filed by KPT that the consumption by KPT for port operations is not metered and billed. The consumption by KPT for port operation is nearly 50% of total consumption and about 75% of consumption by HT category. The KPT estimated the energy sales and revenue for port operations on the basis of the ratio of number of cranes of a HT consumer (ABG) to the number of cranes of the port itself. This method does not give the true picture of distribution loss as well as revenue. Moreover, the KPT has not maintained the separate asset register and separate accounts of port and distribution business.

In view of the above, the Commission considers that there is no justification for any increase in tariff for FY 2013-14. Hence, the Commission does not consider any revision of Tariff for FY 2013-14.

**Table 5.7: The final ARR approved for FY 2013-14**

(Rs. lakh)

| Sr. No. | Particulars | ARR approved for FY 2013-14 |
|---|---|---|
| 1 | Power purchase cost | 983.00 |
| **2** | **O&M cost** | **294.43** |
| | (i) Employee cost | 152.15 |
| | (ii) R&M cost | 72.25 |
| | (iii) A&G expenses | 70.03 |
| 3 | Depreciation | 114.99 |
| 4 | Interest cost | 5.10 |
| 5 | Interest on security deposit | 5.05 |
| 6 | Interest on working capital | 7.59 |
| 7 | Return on equity | 99.70 |
| **8** | **Total ARR** | **1509.86** |

# 6. Compliance of Directives

## 6.1 Compliance of earlier directives

The Commission, in its Tariff Order dated 21st August 2012, had issued various directives to KPT, which has submitted a compliance report on the same in the current petition for truing up for FY 2011-12 and determination of tariff for FY 2013-14. The Commission's comments on the status of compliance by KPT are given below. The Commission has also given fresh directive.

### Directive 1: Metering of consumers

Meters to be provided to all consumers by October 2012.

**Compliance:**

Following the Commission's directives, KPT expedited metering of all the unmetered connections. All meters of transformer centres are being checked and non-working meters are in the process of being replaced.

- Unmetered installations have been identified and action is being taken to procure the required number of meters.
- The existing old type meters are proposed to be replaced by new ones.
- Meter readings are proposed to be taken with hand held machines.

***Commission's comments:***

*All consumers should have been provided meters much earlier. Action taken so far is not satisfactory. The entire process should be expedited and meters provided to all consumers by October 2013 and the compliance report submitted to the Commission.*

### Directive 2: Assessment of Distribution Losses

Apart from providing meters to all the consumers, the licensee was directed to provide meters on 11 kV 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 losses to the level prescribed by the Commission in this order and report compliance on the same by December 2012.

**Compliance:**

Action proposed under Directive-1 would take care of Directive-2. KPT also initiated tendering process for appointment of an independent Engineer/Advisor to look after the Electricity Distribution Business.

***Commission's comments:***

*Unless all meters are provided to all consumers and feeders at the distribution transformer level, energy audit cannot be conducted to determine the distribution losses.*

*On providing meters to all consumers and on feeders at the distribution transformer level, KPT needs to conduct energy audit every month. The first energy audit report should be submitted by December, 2013.*

### Directive 3: Separation of accounts of distribution business

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

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

**Compliance:**

Following the Commission's directives, KPT moved a proposal for the separation of accounts of distribution business. The same has been submitted to the competent authority for taking necessary approvals after which KPT would take immediate action to separate accounts of distribution business pertaining to the port operations.

In the meanwhile, KPT's electricity division is streamlining the accounting operations internally by maintaining separate assets registers and other expenses pertaining to the distribution operations. Further, KPT would like to submit to the Commission that since it is only the first year of operation as a distribution licensee under the regulatory regime, KPT has initiated the tendering process for appointment of an independent Engineer/Advisor for looking after the electricity distribution business.

***Commission's comments:***

*The Commission has taken note of the action taken. KPT should expedite the process and maintain separate accounts for distribution business. Such separate accounts for licensed business are essential and a must under the Regulatory regime.*

## Directive-4: Business Plan

The petitioner did not submit 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, 2013.

**Compliance:**

KPT is in the process of appointing an Advisor/ Independent Engineer. The scope of work would also include preparation of the Business Plan, as directed by the Commission.

***Commission's comments:***

*KPT may fix up an agency for preparation of 'Business Plan' for the control period early and get the Business Plan prepared by September, 2013 and submit to the Commission, along with next Tariff Petition in November, 2013.*

## Directive-5: Meter reading and Billing

The licensee shall organise meter readings, preferably using hand-held machines, and develop an appropriate organisation for meter reading, billing and revenue realisation. The required software for this purpose may also be got developed.

**Compliance:**

KPT has an MIS system currently in place for automatic generation of consumers' bills and performing some other basic functions. KPT currently is in the process of updation of MIS as per the latest tariffs applicable in the area.

***Commission's comments:***

*At present, KPT has only a few metered consumers. Once meters are provided to all consumers, the volume of work connected with meter reading, billing, etc., would increase. It is again reiterated to develop a proper organisation to take meter readings, generate bills and undertake revenue realisation, attend to consumer complaints, etc., and also to develop the required software early.*

## Directive-6: Capacity Building

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

**Compliance:**

KPT is in the process of recruiting manpower and procuring additional computers for ensuring proper billing.

***Commission's comments:***

*The Commission has taken note of the action taken. KPT needs to take action on priority to recruit the required manpower, or on its own, develop the organisation to handle all the distribution activities efficiently.*

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

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

The KPT was directed to submit the following in the next tariff petition:

(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.

**Compliance**

The required details are submitted in the petition.

***Commission's comments***

*Non-tariff income has not been projected. KPT should estimate the non-tariff income, based on previous experience, and submit in the next tariff petition.*

## Directive-8: Power Purchase Cost

At present, KPT is purchasing power from GUVNL. The cost per unit is high - resulting in high tariffs to consumers. KPT may negotiate with GUVNL for lower rate and also explore alternative sources within Gujarat, or outside the state, for obtaining power at a lower cost.

**Compliance:**

KPT planned to appoint an Advisor/Independent Engineer to review the following aspects:

- The existing PPA and to suggest the right mechanism to reduce financial loss.
- Formulate medium and long-term procurement plans.
- KPT is also considering an option of getting into proper generation business from renewable energy sources in future

***Commission's Comments:***

*The proposed action plan should be expedited and compliance report submitted.*

# 7. Wheeling Charges and Cross Subsidy Surcharge

**7.1** 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 wires 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 given in Table7.1 below:

**Table 7.1: 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 | 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 |

**7.2** The approved ARR for wires business and retail supply business for FY 2013-14 are computed, as shown in the Table below:

**Table 7.2: Allocation of ARR between wheeling (wires business) and retail supply business for FY 2013-14**

**(Rs. lakh)**

| Sr. No. | Cost components | Total | Wheeling (Wires Business) | Retail Supply |
|---|---|---|---|---|
| 1. | Power purchase expenses | 983 | - | 983 |
| 2. | Employee cost | 152.13 | 91.28 | 60.85 |
| 3. | A&G expenses | 70.06 | 35.03 | 35.03 |
| 4. | R&M cost | 72.24 | 65.02 | 7.22 |
| 5. | Depreciation | 114.99 | 103.49 | 11.50 |
| 6. | Interest on long-term loans | 5.10 | 4.59 | 0.51 |
| 7. | Interest security deposit | 5.05 | 0.50 | 4.55 |
| 8. | Interest on working capital | 7.59 | 0.76 | 6.83 |
| 9. | Return on equity | 99.70 | 89.73 | 9.97 |
| | **Total** | **1509.86** | **390.40** | **1119.46** |

## 7.3 Wheeling charges

The wheeling charges at 11 kV voltage are given in Table7.3 below:

**Table 7.3: Wheeling charges computed at 11 kV voltage**

| Sr. No. | Particulars | Units | Amount |
|---|---|---|---|
| 1. | Total distribution cost (wheeling | Rs. lakh | 390.40 |
| 2. | Energy input at 11 kV | LU | 162.66 |
| 3. | Wheeling charge at 11 kV | Rs/kWh | 2.40 |

It is observed from the above Table that the wheeling charges for KPT distribution network are very high, when compared with the wheeling charges of other distribution licensees in the State. Further, the first truing up exercise for KPT on the basis of segregated accounts for regulated business of distribution of electricity may be undertaken during the next tariff exercise. In view of this, in order to promote competition, the Commission decided to adopt the wheeling charges applicable to PGVCL area, as per the Tariff Order of PGVCL dated 16.04.2013, for distribution license area of KPT. The wheeling charges are given in the Table below:

**Table 7.4: Wheeling Charges approved by the Commission for KPT for FY 2013-14**

| Sr. No | Particulars | Units | Amount |
|---|---|---|---|
| 1 | Wheeling charges at 11 kV | Ps./kWh | 12 |
| 2 | Wheeling charges at 400 V (LT) | Ps./kWh | 43 |

However, the wheeling loss applicable to KPT licensed area will be 8.50%, which is the distribution loss approved for FY 2013-14 in the MYT Order dated 18th August, 2011.

## 7.4 Cross subsidy surcharge

The Commission has decided to continue the cross subsidy surcharge for the KPT area, as determined for PGVCL in the Tariff Order dated 16.04.2013, at Rs. 0.45 paise/kWh.

# 8. Fuel and Power Purchase Price Adjustment Charges

## 8.1 Petitioner's Submission

KPT is sourcing power from GUVNL for meeting its power requirement for KPT licensed area. KPT purchases power from GUVNL as per mutually agreed tariff from time to time.

The existing arrangement between KPT and GUVNL is governed by the 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, it is charging the same rate of FPPPA to its consumers as GUVNL is charging to KPT in its power purchase bill.

**Commission's Analysis**

The Commission has already approved a formula for fuel and power purchase adjustment for the distribution companies to recover costs from consumers for any variation in the fuel and power purchase costs in the Order dated 25th June, 2004 (Case No. 252/2003). Since KPT does not have its own generating station, the Commission modifies the existing formula for recovery of any variation in power purchase cost by KPT as under:

$$\textbf{FPPPA} = [PPP_1 + PPP_2] \div [S.E]$$

**Where,**

$$PPP_1 = \sum_{m=1}^{k} [(VC_A - VC_B) \times Q_A];$$

Where,

| | |
|---|---|
| **$PPP_1$** | Adjustment on account of variable cost of power purchased in Rs. Millions |
| **M** | 1 to k, the sources from which power is purchased |
| **$VC_A$** | The variable cost per unit of delivered energy, computed based on the principles laid down in the power purchase agreements in Rs./KWh |

| | |
|---|---|
| **$VC_B$** | The base variable cost per unit of delivered energy from each source in Rs./kWh |
| **$Q_A$** | Is the actual level of power purchase from each source in million units |

$$PPP_1 = \sum_{m=1}^{k} [(FC_A - FC_B)]$$

Where,

| | |
|---|---|
| **$PPP_2$** | Adjustment on account of fixed cost of power purchased in Rs. Millions |
| **M** | 1 to k, the sources from which power is purchased |
| **$FC_A$** | The actual fixed cost paid in Rs. Millions |
| **$FC_B$** | The base fixed costs payable in Rs. Millions |

and

**S.E.** (in MU) = [(Total Sales in MU + Excess T&D loss in MU)]

Where,

Total Sales = Actual energy sold to metered categories in MU + Estimated energy supplied to un-metered consumers based on norms approved in MU.

Excess T&D loss in MU=

{(Net Generation in MU + Power Purchase in MU – Total sales in MU)} –

{(Net Generation in MU + Power Purchase in MU) X (%T&D loss Norm)}

Where,

%T&D loss Norm = %T&D loss level approved by the Commission.

**Base price of power purchase**

The KPT shall adopt the above formula for FY 2013-14, with the base price of power purchase at Rs. 5.52 / kWh. KPT may claim any variation in the power purchase price as per the modified formula.

In the revenue calculation, the Commission has included Rs. 144.77 crore as FPPPA charges for different categories. Accordingly, the base FPPPA charge is fixed at Rs. 0.89 / kWh.

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

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 document for approval of FPPPA shall be submitted to the Commission within one month from end of the relevant quarter.

# COMMISSION'S ORDER

The Commission approves the Aggregate revenue Requirement (ARR) for the Kandla Port Trust (KPT) for FY 2013-14, as shown in the Table below:

(Rs. Lakh)

| Sl.No. | Particulars | FY 2013-14 |
|---|---|---|
| 1 | Power purchase Cost | 983.00 |
| 2 | O&M Cost | 294.43 |
| 3 | Depreciation | 114.99 |
| 4 | Interest Cost | 5.10 |
| 5 | Interest on working Capital | 7.59 |
| 6 | Interest on security deposits | 5.05 |
| 7 | Return on equity | 99.70 |
| 8 | Total ARR | 1509.86 |

The approved retail supply tariff will be in accordance with the tariff schedule annexed to this Order. The order shall come into force from 1st May, 2013.

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

Place: Ahmedabad

Date: 20th May 2013

**ANNEXURE:**

**TARIFF SCHEDULE**

# KANDLA PORT TRUST
# TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st May, 2013

## GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of KPT.
2. These tariff rates 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 tariff rates for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. The Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. 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 utilised only for the purpose for which supply is taken and as provided for in the Tariff Order.
6. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, 2005 will continue to apply.
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 amended from time to time.
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. The fraction of less than 0.5 shall be rounded off to the next 0.5. The billing of energy charges will be done for one complete one kilo-watt-hour (kWh).

10. The connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
11. The fixed charges, minimum charges, demand charges, meter rent and the slabs of consumption of energy for energy charges shall not be subject to any adjustment on account of existence of any broken period within the billing period arising from consumer supply being connected or disconnected any time for any period within the duration of the billing period.
12. Contract Demand shall mean the maximum kW / kVA of the supply which the licensee undertakes to provide to the consumer from time to time.
13. 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.
14. Payment of penal charges for usage in excess of contract demand / connected load for any billing period would not entitle the consumer to draw in excess of the contract demand / connected load as a matter of right.
15. The payment of power factor penalty would 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 the licensee shall be entitled to take any action as deemed necessary and authorised under the Act.
16. Delayed payment charges apply 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 15% per annum for the period commencing from the due date to the date of payment of the bill.

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

## PART - I

## SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGES

### 1.0 RATE: RGP

This tariff is applicable for supply of electricity to residential premises and pumping stations run by local authorities.

Single-phase supply: Aggregate load up to 6 kW

Three-phase supply: Aggregate load above 6 kW

### 1.1 Fixed Charges/Month:

Range of Connected Load: (Other than BPL Consumers)

| | | |
|---|---|---|
| a) | Up to and including 2 kW | Rs.10/- per month |
| b) | Above 2 and up to 4 kW | Rs.20/- per month |
| c) | Above 4 and up to 6 kW | Rs. 30/- per month |
| d) | Above 6 kW | Rs. 45/- per month |

### 1.2 Energy Charges: For the total monthly consumption:

| | | |
|---|---|---|
| a) | First 50 units | 325 paise per Unit |
| b) | Next 50 units | 375 paise per Unit |
| c) | Next 150 units | 450 paise per Unit |
| d) | Above 250 units | 550 paise per Unit |

### 1.3 Minimum bill (excluding meter charges)

Payment of fixed charges would be as specified in Para 1.1 above.

### 2.0 RATE: NON-RGP

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

### 2.1 Fixed Charges:

Range of Connected Load:

| | | |
|---|---|---|
| a) | Up to and including 10 kW | Rs. 50/ kW / month |
| b) | Above 10 and up to 40 kW | Rs. 75/ kW / month |

### 2.2 Energy Charges:

| | | |
|---|---|---|
| a) | Up to and including 10 kW | 450 Paise per Unit |
| b) | Above 10 and up to 40 kW | 485 Paise per Unit |

### 2.3 Minimum Bill (excluding meter charges):

Payment of fixed charges would be as specified in 2.1 above

### 3.0 RATE: LTMD

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

This tariff shall also be applicable to consumers belonging to the category-Rate: Non-RGP‟, i.e., those who opt for being charged in place of „Rate: Non-RGP‟ tariff.

### 3.1 Fixed charges:

| | | |
|---|---|---|
| a) | For Billing demand up to contract demand | |
| | i. For first 40 kW of billing demand | Rs. 85/ kW / month |
| | ii. next 20 kW of billing demand | Rs. 130/kW / month |
| | iii. Above 60 kW of billing demand | Rs. 200/kW / month |
| b) | For billing demand in excess of the contract demand | Rs. 250/kW / month |

**PLUS**

### 3.2 Energy charges:

| | |
|---|---|
| For the entire consumption during the month | 490 paise per unit |

### 3.3 Billing Demand

The billing demand shall be the highest of the following and to be 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

### 3.4 Minimum Bill

Fixed / demand charges every month based on the billing demand.

## 4.0 RATE: SL (Street Lights)

### 4.1 Tariff for Street Light for Local Authorities and Industrial Estates:

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

#### 4.1.1 Energy Charges:

| | |
|---|---|
| For all units consumed during the month: | 415 paise per unit |

#### 4.1.2 Minimum Charges:

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

#### 4.1.3 Renewal and Replacement of Lamps:

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

## 5.0 RATE: TMP (Temporary):

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

### 5.1 Fixed Charges

| | |
|---|---|
| Fixed Charges | Rs. 15 / kW / Day |

### 5.2 Energy Charges:

| | |
|---|---|
| For all units consumed during the month: | 530 paise per unit |

### 5.3 Minimum charges:

Fixed charges would be as given in Para 5.1 above.

## PART - II

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

### 6.0 RATE: HTP-I

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above.

### 6.1 Demand Charges:

#### 6.1.1 For billing demand up to contract demand

| | | |
|---|---|---|
| a) | For First 500 kVA of billing demand | Rs.125/- per kVA per month |
| b) | For next 500 kVA of billing demand | Rs.250/- per kVA per month |
| c) | Beyond 1000 kVA of billing demand | Rs. 335/-per kVA per month |

#### 6.1.2 For Billing Demand in Excess of Contract Demand

| | |
|---|---|
| For billing demand in excess over the contract demand | Rs. 425/-per kVA per month |

**PLUS**

### 6.2 Energy Charges

| | | |
|---|---|---|
| For entire Consumption during the month | | |
| a) | Up to 500 kVA of billing demand | 490 paise per unit |
| b) | Next 2000 kVA of billing demand | 515 paise per unit |
| c) | Beyond 2500 kVA of billing demand | 530 paise per unit |

**PLUS**

### 6.3 Time of Use Charges:

| | | |
|---|---|---|
| For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs | | |
| a) | For billing demand up to 500 kVA | 35 paise per unit |
| b) | For billing demand above 500 kVA | 75 paise per unit |

## 6.4 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

## 6.5 Minimum Bill:

Payment of "demand charges" would be based on kVA of the billing demand.

## 6.6 Power Factor:

### 6.6.1 Power Factor Adjustment Charges:

a) The power factor adjustment charges shall be levied at the rate of 1% of the total amount of electricity bill 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% and up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85%, at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges" shall be charged.

### 6.6.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor of 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.

## 6.7 Maximum Demand and its Measurement:

The maximum demand in kW or kVA, as the case may be, shall mean an average KW/KVA supplied during consecutive 30/15 minutes period of maximum use.

## 6.8 Contract Demand:

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

## 6.9 Rebate for Supply at EHV:

| For Energy charges:<br>Rebate @ | | |
|---|---|---|
| a) | If supply is availed at 33/66 kV | 0.5% |
| b) | If supply is availed at 132 kV and above | 1.0% |

## 6.10 Concession for Use of Electricity during Night Hours:

For a consumer eligible for using supply at any time during 24 hours, the entire consumption shall be billed at the energy charges specified above. However, for the energy consumed during night hours from 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, the consumer shall be eligible for a concession at the rate of 75 paise per unit.