GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2023-24,

Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30

and Determination of Tariff for FY 2025-26

For

Torrent Power Limited – Distribution Ahmedabad

Case No. 2426 of 2024

29 March, 2025

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Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2426 of 2024

Date of Order: 29.03.2025

CORAM

Anil Mukim, Chairman
Mehul M. Gandhi, Member
S. R. Pandey, Member

ORDER

Chapter 1: Background and Brief History

1.1 Background

Torrent Power Limited (hereinafter referred to as TPL or the Petitioner) has filed the present Petition under Section 62 of the Electricity Act' 2003, read in conjunction with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations. 2016 and Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2024 for Truing up of FY 2023-24, Determination of ARR for

MYT Control Period for FY 2025-26 to FY 2029-30, and Determination of Tariff for its distribution business in Ahmedabad and Gandhinagar for FY 2025-26.

Gujarat Electricity Regulatory Commission (hereinafter referred as "the Commission") notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 which is applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulations 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up and ARR for control period i.e., 29th March 2016 to 31st March 2021 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time. As stated above, the GERC (MYT) Regulations, 2016 which has been notified on 29th March, 2016 were in force till 31st March, 2021. The Commission vide various Orders of Suo-Motu has extended the MYT Control period up to FY 2024-25.

The Commission has vide its Order dated 01st June 2024 in Case No. 2323 of 2024, has determined the tariff of FY 2024-25 and subsequently notified the GERC (MYT) Regulations, 2024 on 06th August 2024, which will be in force till 31st March 2030 and which is applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2025 onwards. Also, Regulations 16.3.1 of the GERC (MYT) Regulations, 2024 provides for submission of detailed application comprising of Truing up of FY 2023-24 and determination of ARR for Control Period i.e., 1st April 2025 to 31st March 2030 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out under the GERC (MYT) Regulations, 2024.

Subsequently, the Petitioner has filed the current Petition in the matter of Truing-up of FY 2023-24, based on GERC (MYT) Regulations, 2016 and the MYT Petition for Approval of ARR for the Control Period i.e. from FY 2025-26 to FY 2029-30 and

Determination of Tariff for FY 2025-26 in accordance with the GERC (MYT) Regulations, 2024 on 30th November, 2024

After technical validation of the Petition, it was registered on 16th December 2024 and as provided under Regulation 29.1 of GERC (MYT) Regulations, 2016 and Regulations 25.1 of GERC (MYT) Regulations, 2024, the Commission has proceeded with this tariff Order.

1.2 Torrent Power Limited (TPL)

Torrent Power Limited (TPL), a company incorporated under the Companies Act, 1956 is carrying on the business of Generation and Distribution of Electricity in the cities of Ahmedabad, Gandhinagar and Surat. The present Petition has been filed by TPL Distribution (Ahmedabad) for its distribution business in Ahmedabad.

TPL had assumed the business, consequent upon the amalgamation of Torrent Power Ahmedabad Limited (TPAL), Torrent Power Surat Limited (TPSL) and Torrent Power Generation Limited (TPGL) with Torrent Power Limited. Besides, TPL is also engaged in other businesses, which do not come under the regulatory purview of the Commission. TPL has existing generation facilities, with a total installed capacity of 362 MW, at Ahmedabad and has a Combined Cycle Power Plant (CCPP) of 1147.5 MW (SUGEN) and its extension UNOSUGEN (382.5MW) capacity near Surat out of which a share of 835 MW from SUGEN and 278 MW from UNOSUGEN are allocated for Gujarat (Ahmedabad, Gandhinagar and Surat).

1.3 Commission's Tariff Order for FY 2024-25

The Petitioner filed a Petition for Truing up of FY 2022-23 and determination of Tariff for FY 2024-25 on 12th January, 2024. After the technical validation, the Petition was registered on 24th January, 2024 (Case No. 2323 of 2024). The Commission vide Order dated 1st June, 2024 approved truing-up of FY 2022-23 and determination of Tariff for FY 2024-25.

1.4 Background of the Present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the Control Period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Subsequently, the Commission has notified the GERC (MYT) Regulations, 2024 for the Control Period of FY 2025-26 to FY 2029-30. Regulation 16.3.1 of the GERC (MYT) Regulations, 2024 provides for Truing up of FY 2023-24, determination of ARR for the Control Period from FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26 based on the principles and methodology as provided in the GERC (MYT) Regulation, 2024.

1.5 Registration of the Current Petition and the Public Hearing Process

The Petitioner submitted the current Petition for Truing up of FY 2023-24 and determination of ARR for MYT Control Period for FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26 on 30th November, 2024. After technical validation of the Petition, it was registered on 16th December, 2024 (Case No. 2426 of 2024) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016 and under Regulation 25.1 of the GERC (MYT) Regulations, 2024 the Commission has proceeded with this tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, TPL-D (A) was directed to publish its application in the newspapers to ensure public participation.

The Public Notice, inviting objections / suggestions from the stakeholders on the Truing up and tariff determination petition filed by TPL, was published in the following newspapers:

Table 1-1 List of News Papers (Petitioner)

S. No.	Name of Newspaper	Language	Date of Publication
1	The Times of India (Ahmedabad Edition)	English	23/12/2024
2	Gujarat Samachar (Ahmedabad Edition)	Gujarati	23/12/2024
3	Sandesh (Ahmedabad Edition)	Gujarati	23/12/2024

The Petitioner also placed the public notice and the Petition on its website (www.torrentpower.com) for inviting objections and suggestions on the petition. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition on or before 22nd January, 2025.

The Commission also placed the Petition on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission also issued a notice for public hearing in the following newspapers in order to solicit wider participation by the stakeholders:

Table 1-2 List of Newspapers (Commission)

S. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	13/02/2025
2	Divya Bhaskar	Gujarati	13/02/2025
3	Gujarat Samachar	Gujarati	13/02/2025

The Commission received objections / suggestions from the consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for public hearing for the Petition on 24th February, 2025 at 2:30 P.M.

Petitions	Date & Time	Venue
TPL-G, TPL-D(A), TPL-D(S), TPL-D(Dahej) and TPL-D (Dholera)	24th February, 2025 at 2.30 P.M.	GERC Office, Gandhinagar

The status of stakeholders who submitted their written suggestion/objections, those who remained present in public hearing, those who could not attend the public hearings and those who made oral submissions is given in the Table below:

Table 1-3 List of Stakeholders

S. No.	Name of Stakeholders	Written Submission	Oral Submission	Presence in Public Hearing
1	Gujarat Krushi Vij Grahak Surakhsya Sangh	YES	NO	NO
2	Users Welfare Associations	YES	YES	YES
3	Gujarat Metro Rail Corporation (GMRC) Limited	YES	YES	YES
4	Shri K.K.Bajaj	YES	NO	NO
5	Gujarat Chamber of Commerce & Industry	YES	YES	YES
6	Consumer Protection and Action Committee	YES	NO	NO

A short note on the main issues raised by the objectors in the submission in respect of the petition, along with the response of TPL-D (A) and the Commission's views on the response, are given in Chapter 3.

1.6 Approach of this Order

The GERC (MYT) Regulations, 2016 and GERC (MYT) Regulations, 2024 provides for "Truing up" of FY 2023-24 and GERC (MYT) Regulations, 2024 provides for determination of ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.

TPL has approached the Commission with the present Petition for "Truing up" of the FY 2023-24, approval of ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.

The Commission has undertaken the "Truing up" for FY 2023-24, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2023-24, based on the annual accounts and final ARR for FY 2023-24 approved vide Tariff Order dated 31st March, 2023 in Case No. 2179/2023.

While Truing up of FY 2023-24, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved under the MYT order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for the FY 2023-24 has been considered and carried out in accordance with the principles and methodologies laid down in the GERC (MYT) Regulations, 2016.

Determination of ARR for FY 2025-26 to FY2029-30 and Tariff for FY 2025-26 has been considered as per the methodology and principles adopted in the GERC (MYT) Regulations, 2024.

1.7 Contents of this Order

The Order is divided into nine chapters as detailed under;

1. The first chapter provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and approach adopted in this Order.
2. The second chapter outlines the summary of TPL's Petition.
3. The third chapter deals with the objections raised by various stakeholders, TPL's response and Commission's views on the response.
4. The fourth chapter focuses on the details of Truing up for FY 2023-24.
5. The fifth chapter deals with the approval of ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.
6. The sixth chapter deals with compliance of directives and issue of fresh directives.

7. The seventh chapter deals with Fuel and Power Purchase Adjustment Surcharge.
8. The eighth chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
9. The ninth chapter deals with tariff philosophy and tariff proposals

Chapter 2: Summary of TPL-D (Ahmedabad)'s Petition

2.1 Introduction

2.1.1 TPL-D (A) has submitted the current Petition seeking Truing up of ARR for FY 2023-24 and determination of ARR for MYT Control Period from FY 2025-26 to FY 2029-30. The Petitioner has also submitted the tariff proposal for FY 2025-26, based on the Revenue Gap for FY 2023-24.

2.2 Actual for FY 2023-24 submitted by TPL-D (A)

2.2.1 TPL-D (A) has submitted the current Petition seeking approval of True-Up for ARR of FY 2023-24 and item wise Gain/Loss computations. The details of expenses under various heads of ARR are given in Table below;

Table 2-1 Actual claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	4,730.89	6,583.89	(1,853.00)	60.48	(1,913.48)
O&M Expense	423.86	410.86	13.00	13.00	-
Interest on Loans	170.64	219.50	(48.86)	-	(48.86)
Interest on Security Deposit	44.02	75.36	(31.34)	-	(31.34)
Interest on Working Capital	-	-	-	-	-
Depreciation	347.50	331.25	16.25	-	16.25
Bad Debts written off	4.69	5.41	(0.72)	(0.72)	-
Contingency reserve	0.60	0.60	-	-	-
Return on Equity	377.48	380.75	(3.27)		(3.27)
Income Tax	46.27	73.93	(27.66)		(27.66)
Less: Non-Tariff Income	55.21	61.54	(6.33)	-	(6.33)
Net ARR	**6,090.74**	**8,020.01**	**(1,929.26)**	**72.76**	**(2,002.02)**

2.3 Summary of ARR, Revenue at Existing Tariff and Proposed Revenue Gap for FY 2023-24

2.3.1 The table below summarizes the proposed ARR claimed by TPL-D (A) for truing-up, revenue from sale of power at existing tariff and the revenue gap estimated for FY 2023-24.

Table 2-2 True-up of ARR claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars		Claimed
ARR as per Tariff	(a)	6,090.74
Gains/(Losses) due to Uncontrollable factors	(b)	(2,002.02)
Gains/(Losses) due to Controllable factors	(c)	72.76
Pass through as tariff	d= - (c/3+b)	1,977.77
Trued-up ARR	**e= a + b**	**8,068.51**

2.3.2 The table below summarizes the revenue gap/surplus for TPL-D (A) for FY 2023-24.

Table 2-3 Revenue Gap/ (Surplus) for TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Claimed
Trued-up ARR	**8,068.51**
Revenue from Sale of Energy	7,533.44
Less; Revenue towards recovery of Earlier year's approved gap / (surplus)	515.36
Balance Revenue	**7,018.08**
Gap / (Surplus)	**1,050.43**

2.4 ARR, Revenue at Existing Tariff and Revenue Gap/(Surplus) for FY 2025-26

2.4.1 TPL-D (A) has submitted the petition for approval of the Aggregate Revenue Requirement for the MYT Control Period FY 2025-26 to FY 2029-30 whereby the ARR is formulated as per the provisions of the GERC (MYT) Regulations, 2024 and estimation is based on the following assumptions:

a) The energy sales forecast has been done based on the consideration that the growth prevailed in the last decade would continue. Due consideration also given to conversion of industrial units into commercial units . Further, the impact of Rooftop Solar has been duly factored.

b) The distribution loss and O&M Expenses have been considered as per the methodology prescribed in Tariff Policy read with GERC (MYT) Regulations, 2024 and applicable orders of the Commission.

c) The energy requirement is proposed to be met from TPL – G (APP), SUGEN/ UNOSUGEN, renewable energy sources, bilateral, and power exchange.

d) The Renewable Purchase Obligation (RPO) is essentially proposed to be met through the purchase of power generated from tied up capacity of renewable sources including rooftop and purchase through G-TAM/G-DAM, etc.

e) The capital expenditure of Ahmedabad Supply Area includes EHV schemes, HT Network expenditure Schemes, LT network expenditure schemes, Metering including AMI , Power Supply Centres, Special Projects, and IT & Communication, etc.

2.4.2 Accordingly, TPL-D (A) has furnished the ARR of MYT Control Period FY 2025-26 to FY 2029-30 as depicted in the following Table;

Table 2-4 ARR of TPL_D (A) for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase	6,000.80	5,938.93	5,952.70	6,010.88	6,103.31
O&M expenses	563.35	604.45	651.56	711.37	748.87
Depreciation	453.47	507.62	581.86	638.24	663.69
Interest on loans	318.86	359.02	419.92	457.73	456.42
Interest on working capital	-	-		-	-
Interest on SD	78.40	79.97	81.57	83.20	84.87
Bad debts	5.41	5.41	5.41	5.41	5.41
Contingency reserve	0.60	0.60	0.60	0.60	0.60
RoE incl. income tax	647.99	719.85	814.44	894.42	944.17
Less: Non-tariff income	61.54	61.54	61.54	61.54	61.54
ARR	**8,007.34**	**8,154.31**	**8,446.52**	**8,740.32**	**8,945.80**

2.4.3 The Revenue for FY 2025-26 is arrived at by considering sales forecasted for FY 2025-26. The Table below summarises the Revenue Gap/(Surplus) for TPL-D (A) for FY 2025-26:

Table 2-5 Revenue Gap/ (Surplus) of TPL-D (A) for FY 2025-26 (Rs. Crore)

Particulars	Claimed
ARR for FY 2025-26	**8,007.34**
Less;	
Revenue from sale of power at existing rates including revised base FPPPA charge	7,806.07
Gap/(Surplus)	**201.27**

2.4.4 Considering the ARR for FY 2025-26, TPL-D (A) has claimed the cumulative revenue gap/(surplus) for FY 2025-26 as detailed in the Table below:

Table 2-6 Cumulative Revenue Gap/(Surplus) for FY 2025-26 (Rs. Crore)

Particulars	Claimed
Gap/(Surplus) for FY 2023-24	1,050.43
Carrying Cost	190.35
Gap/(Surplus) for FY 2025-26	201.27
Cumulative Gap / (Surplus) to be recovered through tariff	**1,442.06**

2.5 TPL-D (A)'s Prayer to the Commission

a) Admit the petition for truing up of FY 2023-24, Aggregate Revenue Requirement for MYT Control Period FY 2025-26 to FY 2029-30, and determination of tariff for FY 2025-26.

b) Approve the trued-up Gap/ (Surplus) of FY 2023-24 as set out in the petition.

c) Approve the sharing of gains/ losses as proposed by the Petitioner for FY 2023-24.

d) Approve the Aggregate Revenue Requirement for MYT Control Period FY 2025-26 to FY 2029-30.

e) Approve the cumulative Gap/ (Surplus) as proposed in the petition.

f) Approve the wheeling ARR and corresponding charges for wheeling of electricity with effect from 1st April, 2025.

g) Approve the recovery through retail tariff including revised base FPPPA and/or Regulatory Charge as prayed for.

h) Allow recovery of the costs as proposed as per the Judgments/ Orders of the Hon'ble Tribunal/ Hon'ble Commission in the Appeals/ Review Petitions filed by the Petitioner.

i) Allow additions/ alterations/ changes/ modifications to the petition at a future date.

j) Permit the Petitioner to file all necessary pleading and documents in the proceeding and documents from time to time for effective consideration of the proceeding.

k) Allow any other relief, order or direction which the Hon'ble Commission deems fit to be issued.

l) Condone any inadvertent omissions/ errors/ rounding off difference/ shortcomings.

Chapter 3: Brief outline of Objections raised, Response from TPL-D (A) and Commission's view

3.1 Introduction

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by TPL-D (Ahmedabad) for Truing up of ARR for FY 2023-24, determination of Aggregate Revenue Requirement (ARR) for MYT Control Period from FY 2025-26 to FY 2029-30, and determination of tariff for FY 2025-26 under the GERC (MYT) Regulations, 2016 and GERC (MYT) Regulations, 2024, a number of Consumers/ organizations filed their objections / suggestions in writing. Some of these objectors participated in the public hearing also. The objections / suggestions by the consumer/consumers organizations, the response from the Petitioner and the views of the Commission are given below:

3.2 Information on various operational aspects

3.2.1 The Objector has sought details regarding number of agriculture connections released and pending with reasons, number of new substations installed, feeders having length more than 5 KM, agriculture connections related to brick manufacturing, number of connections related to animal husbandry included in domestic category, and number of cases booked under Section 135 & 126 of the Act.

3.2.2 The Objector has also sought statement of FPPPA charges segregated into Fuel Purchase charges and Power Purchase charges as well as distribution losses of Ahmedabad & Gandhinagar separately. Further, scheme wise details of solar rooftop, details of purchase of power from exchange, details of consumers opting for new green tariff and CARO Report/ Audit Reports of last 3 years. The Objector also sought the authorized copy of documents in case any reference is made by the Petitioner w.r.t decisions of the GOG. It has also sought copy of policy decisions, administrative decision, resolutions, orders, circulars, budgetary provisions, schemes, subsidies and other related subject matters.

3.2.3 The Objector has referred to the loan addition and legal & miscellaneous expenses submitted by the Petitioner in the Formats and sought further details

Petitioner's Response:

3.2.4 The details sought by Objector pertain to the operational aspects of the Petitioner and are hence extraneous to the present proceedings. Additionally, the proceeding relates to fixation of price (tariff) for electricity and therefore this essence of the proceeding is paramount and cannot be distorted. Majority of the operational details sought are already available on the Commission's website as part of Standard of Performance Report of FY 2023-24 of TPL- D (Ahmedabad). Further, regarding FPPPA details, it is submitted that FPPPA is being computed for distribution licensee on consolidated basis as per the approved formula of the Commission. Details are made available on the website by the distribution licensee. Regarding separate losses for Ahmedabad and Gandhinagar, the Petitioner submitted that it is operating as distribution licensee of Ahmedabad & Gandhinagar license area on consolidated basis and is not possible to segregate the distribution losses of Ahmedabad and Gandhinagar. Further, the Commission is approving the distribution losses of Ahmedabad and Gandhinagar on consolidated basis as well. Regarding details of power exchange, same is already furnished in the true-up petitions. The Petitioner is sourcing power only from approved sources. As far as CARO report is concerned, the Petitioner submitted that the CARO Report for the company is part of the Annual Report and available on the company's website. The audited financial statement have already been furnished as part of the petition for truing up of FY 2023-24.

3.2.5 The Petitioner submitted that the agriculture subsidy being received by the Petitioner is being approved by the Commission on the basis of approval obtained by Energy & Petrochemicals Dept, Govt. of Gujarat through separate proceedings.

3.2.6 Regarding audit report of past years, it may kindly be noted that the annual audited accounts have been submitted as part of truing up of the relevant years. Without prejudice, the applicable details for FY 2023-24, being the truing up year, are provided as under:

Particulars	TPL-D (A)
No. of agriculture connections released	27
No. of agriculture connections pending	0
No. of new transformers installed	190
No. of Feeders	1470
Average Feeder Length (kms)	3.29
No. of Faulty meters replaced	20229
No. of agriculture connections related to brick manufacturing	Not Applicable
No. of connections related to animal husbandry included in domestic category	Not Applicable
Number of cases booked under Section 135 & 126	Section 135- 4969 Section 126- 74
Nos. of connections having animal husbandry herds included in the RGP	Not Applicable
Solar Rooftop Capacity (MW)	416
No. of Green Tariff Consumers	12

3.2.7 The Petitioner submitted that it has furnished all requisite information as per the approved format of the Commission and the MYT Regulations. The detailed break-up of Miscellaneous Expenses is as under:

Particulars	Rs. Crore
Advertisement - Consumer Related	1.15
Bill Distribution & Collection Expenses	6.63
Housekeeping Expenses	7.31
Communication Expense	3.07
Printing & Stationery Expenses	1.51
Recruitment, Training & Seminar Expenses	0.48
Local Conveyance	0.17
IT related expenses	8.83
Other Miscellaneous Expenses like Municipal Licence Expense, PF Administration & Supervision charges, EHS charges, Subscription charges, Postage charges, etc.	8.74
Total Misc. Expense	37.89

Commission's View:

3.2.8 The Commission has noted the submission of the Objector and reply of the Petitioner. The Petitioner has provided the requisite information as sought for by the Objector.

3.3 Tariff for Agriculture Consumers

3.3.1 The objector has suggested that fixed charges should be totally removed from all the four agriculture categories and single and uniform energy charges to be introduced in all metered categories. Further, the Objector has suggested to reduce the tariff rate considering farmer's capacity to pay

Petitioner's Response:

3.3.2 The Petitioner submitted that meter tariff will help in bringing more awareness amongst consumers and will also bring transparency in subsidy disbursement for agriculture.

Commission's View:

3.3.3 The Commission has noted the submission of the Objector and reply of the Petitioner

3.4 Tariff for Residential Consumers

3.4.1 The objector has suggested to consider minimum possible rate in case of residential consumers, so that poor and lower middle class of consumers may be benefited. Further the objector has submitted to remove fixed charges, abolish electricity duty, introduce minimum bill, and merge FPPPA of Rs. 2 per unit in tariff order.

Petitioner's Response:

3.4.2 The Petitioner submitted that the Commission has already approved nominal fixed charges and concessional energy charges for Below Poverty Line consumers as per the requirement of the National Tariff Policy. Further, the residential category is a subsidized category and any further relaxation would result into creation of new level of cross-subsidy which is against the intent of the Act. Regarding suggestions to remove fixed charges, the Petitioner submitted that as per standard principle of two part tariff, the recovery of fixed cost should be done through fixed charge and variable cost through levy of variable charge. In respect of suggestion to abolish electricity duty and merge the FPPPA of Rs. 2 in the tariff, the Petitioner submitted that Commission may take appropriate view.

Commission's View:

3.4.3 The Commission notes the Objectors suggestion and reply of the Petitioner. The Tariff philosophy has been discussed in the subsequent section of the Order.

3.5 Separate Tariff Category

3.5.1 The objector has suggested that supply of water to bricks manufacturers under the head of Agriculture to be removed and renamed only for irrigation purpose. A separate category may be introduced to oblige and subsidy may be declared for floriculture

Petitioner's Response:

3.5.2 The Petitioner submitted that the suggestion is extraneous to the present proceeding. As per the prevailing tariff order, in case of the Petitioner's license area, the Agriculture tariff is applicable to connections for 'agriculture purpose' only.

Commission's View:

3.5.3 The Commission notes the Objectors suggestion and reply of the Petitioner. The Tariff philosophy has been discussed in the subsequent section of the Order.

3.6 FPPPA Charges and Ceiling Tariff for Power Purchase

3.6.1 The objector has suggested not to allow any extra charges by way of FPPPA in between the year and any increase required be allowed once in the FY only. It was also submitted that there is reduction in FPPPA of State Discoms from Rs. 3.35 per unit to Rs. 2.45 per unit and that Petitioner has not reduced the same. The objector has also suggested that the highest ceiling during the year for power purchase rate is to be decided along with tariff as that power purchase cost is high and unrealistic.

3.6.2 The Objector has stated that the FPPPA charges of Gujarat are the highest as compared to other States and higher than the energy charge and thus suggested to merge 50% amount of FPPPA in basic slabs which will be revenue neutral and not put any burden on consumers of distribution companies. It also suggested to avoid keeping the recovery of FPPPA amount in abeyance / pending, which adds burden of carrying cost and to put ceiling of Rs. 2.50 per unit on the FPPPA amount after merger.

Petitioner's Response:

3.6.3 The Petitioner submitted that it sources power from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources including bilateral sources /power exchanges. The variation in power purchase cost is uncontrollable for distribution licensee. Accordingly, there cannot be any ceiling for power purchase cost. The Petitioner also submitted that the comparison of FPPPA between Petitioner and State Discoms is incorrect due to difference in power purchase portfolio and subsidies received by State Discoms. The Petitioner further submitted that the suggestion to not allow FPPPA is contrary to the provisions of the Act and the prevailing regulatory framework notified by the Ministry of Power and appropriate Commission. Accordingly, the suggestion of Objector is untenable in law.

3.6.4 The Petitioner submitted that as per approved FPPPA formula, any increase in power purchase cost during the year, over and above base power purchase cost, is to be recovered through incremental FPPPA over and above base FPPPA, on quarterly basis. The revised base FPPPA Charges has been worked out taking into account estimated power purchase cost for FY 2025-26. Regarding merging of 50% FPPPA in the basic slabs, the Petitioner submitted that the FPPPA rates vary based on the price of fuel and power purchase cost and the consumers will be benefited in case of any reduction in the cost by way of adjustment in FPPPA charges. Additionally, regarding carrying cost on pending FPPPA amount, the Petitioner submitted that carrying cost for unrecovered FPPPA amount is the legitimate claim of the Petitioner to factor time value of money due to deferment in recovery. The recovery of carrying cost is the settled position of law.

Commission's View:

3.6.5 The Commission notes the suggestion of the Objector and reply of the Petitioner. The Commission is of the view that Power Purchase cost constitutes significant portion of ARR for a Distribution Licensee. FPPPA mechanism is devised to pass on variation in power purchase cost and recover the same from consumers in a timely manner so as to avoid creating gap at the time of truing-up and burden the consumers with carrying cost.

3.7 Distribution Loss and Transmission Loss for new Control Period

3.7.1 The objector has referred to the approved and actual distribution loss (%) for FY 2023-24 and stated that the Petitioner's proposal of 5% as distribution loss throughout the Control period should be rejected and it should have declining trend. Further, the Objector has suggested that distribution losses should be restricted to 2% and transmission losses up to 1%.

Petitioner's Response:

3.7.2 The Petitioner submitted that through its sustained efforts, in terms of implementing efficient practices and perseverance from the employees, the Petitioner has been trying to contain the distribution loss levels in their license area to the lowest possible level. However, for the MYT Control Period, it may not be possible to maintain the distribution loss level as the losses are expected to increase from the current level. Further, transmission losses is an uncontrollable factor for the distribution licensee and are being levied by Transmission licensee, as approved by the appropriate commission for intra-state and inter-state network.

Commission's View:

3.7.3 The Commission has noted the suggestion of the objector and the response of the Petitioner. The Commission has approved Distribution and Transmission Loss in the subsequent section of the Order.

3.8 Interest on Working Capital and RoE

3.8.1 The objector has contended that interest on working capital is not grantable and ought to be removed from the ARR format. Further, it has reasoned that when return on equity is given, interest on working capital cannot be given since equity is major portion of current asset while working capital is gap between current asset and current liability. Further, RoE of 16% is too high and should be reduced to 9%.

Petitioner's Response:

3.8.2 The Petitioner submitted that it has claimed the Interest on working capital as per the GERC MYT Regulations as a legitimate and approved component of the Aggregate Revenue Requirement. Regarding the parallel drawn to equity, the Petitioner submitted that interest on working capital is specified to meet with working capital requirement of the business and is different from equity. The rate of ROE is prescribed by the Central Government in the Rules framed under Electricity Act, 2003.

Commission's View:

3.8.3 The Commission has noted the submission of objector and reply of the Petitioner. Further, the Interest on Working Capital and RoE is allowed as per provisions of MYT Regulations.

3.9 Tariff related issues

3.9.1 The objector has stated that carrying cost is not approved and that the Petitioner has filed separate petition, hence it is prudent to wait for the decision. The Objector has also contended that regulatory charges cannot be claimed by the petitioner and tariff burden cannot be passed on to the consumers by such charges. The accumulated losses can be adjusted year on year from incremental profit as per the provision of Company Act and Income Tax Act/ Corporate Tax.

3.9.2 The Petitioner is claiming double depreciation claiming as expenses to take tax benefit and claiming same for tariff determination. This amounts to double benefit and accordingly should be excluded from the approved component of ARR

3.9.3 The objector has suggested to reduce the green tariff from 100 paise/unit to 40 - 50 paise/unit and to increase the rate of temporary power to Rs. 15 per unit to reduce temporary and occasional purchase from electricity exchange.

3.9.4 The Objector has suggested to recover the outstanding bill in Crores of Rs. from municipalities and allow ARR only thereafter

3.9.5 The Objector has also referred to the difference in fixed charge for LT - Temporary for TPL & GUVNL Discoms and suggested to align the fixed charges of TPL for LT-Temporary with GUVNL Discoms

3.9.6 The Objector has referred to the tariff of residential category and suggested slab of 200-400 units and 400 units and above for the residential consumers of the State. It has also suggested to revise the difference between two slabs to 40-80 paise/unit

3.9.7 The Objector has suggested that the Regulatory charge proposed by the Petitioner and suggested to spread the recovery of regulatory charge over five to seven years. The objector also submitted that MOP Rules provide for differentiated tariff for solar and non-solar hours but the Petitioner has not submitted its proposal to implement TOD tariff as per MOP Rules.

3.9.8 The Objector has requested the Commission to kindly ensure that cross subsidy is determined in line with the provisions of the Tariff Policy and the Act and not to allow any tariff hike considering the current financial situation

Petitioner's Response:

3.9.9 The Petitioner submitted that it has calculated carrying cost as per the settled financial principles and in line with the prevailing Regulations. The Petitioner also submitted that it has proposed to recover part of the cumulative gap through regulatory charge, mainly of past period gap over four years so as to avoid tariff shock. The Petitioner further submitted that it has claimed depreciation as per the GERC MYT Regulations only and that there is no double recovery of depreciation by the Petitioner.

3.9.10 In respect of Green Tariff, the Petitioner submitted that green tariff is optional in nature and distribution licensee is required to make additional arrangements to make available such power. Further, considering the variable nature of availability of green power, the Petitioner has to incur additional cost for purchase of such power at higher rates, during peak period to supply to the opting consumer.

3.9.11 In respect of outstanding bills, the Petitioner submitted that it takes all actions to recover the dues in timely manner from the Govt. authorities as per the provisions of the GERC Supply Code. It may kindly be noted that the present petition has been filed as per the provision of the GERC MYT Regulations. Accordingly, there is no question of keeping ARR on hold.

3.9.12 The Petitioner also submitted that as per the prevailing Regulatory Framework, fixed charges should reflect the fixed cost and energy charges should reflect the variable cost. However, the suggestion to reduce the fixed charges of LT-Temporary category to align with GUVNL Discoms would necessitate commensurate increase in energy charges which is against the philosophy.

3.9.13 In respect of changing of slabs for Residential Consumers, the Petitioner submitted that the tariff structure is based on certain widely recognized best practices and in accordance with the legal framework. Some of the key factors considered for tariff design and as contemplated under the Act are capacity to pay, incentivizing energy conservation through telescopic tariff and promotion of efficient use of electricity.

3.9.14 The Petitioner further submitted that at present TOD tariff is already implemented in HT category, in Petitioners license area. Regarding providing differentiated tariff for solar and non-solar hours the Petitioner submitted that in order to implement the same, the Petitioner has to collate the data of consumption pattern vis -a-vis solar/ non-solar hours of its HT customers. Upon compilation of the details, the Petitioner shall approach the Commission for implementation of the TOD Tariff

3.9.15 The Petitioner submitted that it has claimed depreciation as per the GERC (MYT) Regulations only and that there is no double recovery of depreciation by the Petitioner.

3.9.16 The Petitioner submitted that while proposing the tariff, it has taken due care to ensure that average tariff rate is within $\pm$20% of the average cost of supply.

The Petitioner further submitted that despite the overall inflationary pressures in general, the Petitioner has been managing its costs largely through operational efficiencies. For FY 2025-26, the Petitioner has proposed to recover part of the cumulative gap by way of Regulatory Charge of Rs. 0.36 per unit over the period of four years starting from 1st April, 2025, with necessary adjustment of cost and only the balance gap shall be recovered by way of tariff revision of Rs. 0.24 per unit during FY 2025-26. The Petitioner has submitted the tariff proposal to enable the Petitioner to recover the gap and to maintain and further improve its high standards of quality, reliability and customer services.

Commission's View:

3.9.17 The Commission notes the Objectors suggestion and reply of the Petitioner. The Tariff philosophy has been discussed in the subsequent section of the Order.

3.10 Separate True-up and Tariff Petition

3.10.1 The Objector has suggested to segregate the true-up petition from the tariff petition and in turn file the true-up petition at the end of first quarter of following FY and not later than July

Petitioner's Response:

3.10.2 The Petitioner submitted that it has filed true up/tariff petition as per the timelines provided by the Commission under GERC MYT Regulations

Commission's View:

3.10.3 The Commission notes that the Petition has been filed by Petitioner as per MYT Regulations. Further, any gap/surplus at the time of true-up is adjusted while determining ARR and Tariff, Thus, it is imperative that true up and tariff

Petition is filed together as per provisions of MYT Regulations.

3.11 Tariff Structure and Tariff Schedule

3.11.1 The Objector has suggested to devise separate schedule for EHT consumer, to publish the tariff schedule in the official language of the State i.e. Gujarati for common consumer to understand, to mentions BPL residential category maximum ceiling of Electricity consumption as well as connected load should in the order to prevent misuse, to simplify the tariff structure by reducing some categories, slabs and specify uniform energy charges for HT & LT Electric Vehicle charging stations and in case concession is to be provided same may be provided for rural area stations, introduce special categories for senior citizen’s residential connections and reduce tariff rate by 50% or give relief in existing tariff of 50%, to give rebate of 7%-9% for prepaid smart meter consumers, who voluntarily opt for such meter as it improves the cash flow and reduces working capital gap and that economic users and regular bill paying consumers are to be encouraged by allowing rebate at 5% and any increase in tariff should be passed on to only high loss making feeders.

Petitioner’s Response:

3.11.2 The Petitioner has submitted as follows:

- At present the Petitioner only has one EHT consumer – Metro, in the license area of Petitioner and same is being billed in separate tariff category of HT-Metro. Hence, there is no requirement of any separate category.
- It is publishing the tariff schedule in Gujarati language on the reverse page of the bills for consumers, opting for bills in regional language.
- The Commission specifies the consumption limit which is eligible for concessional tariff for BPL category in its Tariff Order in accordance with the provisions of the Act.

- The tariff structure has been evolved based on widely recognized best practices in accordance with the legal framework and the principles of Consumers' capacity to pay, Principles of cross subsidy prescribed by Tariff Policy, Incentivising energy conservation, Demand Side Management, Promotion of efficient use of electricity and also avoiding drawal/ injection of reactive energy
- There are no rural area in the Ahmedabad /Gandhinagar licence area
- The period of payment of bill is considered as per the Supply Code. Further, the delayed payment charges are penal in nature and have to be higher than prevailing bank rate/ rate of interest on loans
- On one side objector has suggested to reduce the number of categories, while on other side an introduction of new category for senior citizens and/or grant relief by way of reduction in tariff is sought. The Petitioner submitted that even though it is revenue neutral, any reduction or concession to any consumer or category will result in burden on the other consumers and create a new level of cross-subsidization
- It has installed smart meters on pilot basis and mass roll out is pending. Accordingly, it shall approach the Commission in due course. Further, Petitioner has been operating with very low distribution loss. Thus, there is no benefit or improvement in revenue in case of installation of Smart meter. Further, any rebate to some consumers of a given category would lead to additional cost to other consumers.
- The Commission gives due consideration to various factor while determining the tariff for each category including capacity to pay, efficient usage, purpose of use etc

Commission's View:

3.11.3 The Commission notes the Objectors suggestion and reply of the Petitioner. The Tariff philosophy has been discussed in the subsequent section of the Order.

3.12 Power Purchase Agreement from UNOSUGEN

3.12.1 The objector has submitted that the Petitioner has obtained the approval of fixed cost of UNOSUGEN from Hon'ble CERC, vide order dated 28th May, 2013, as an inter-state generating plant by relying on its PPA of 35 MW for 25 years with MPPMCL. UWA has contended that MPPMCL has terminated the said PPA subsequently vide notice dated 24th December, 2013. Since the PPA has been terminated, the fixed cost of UNOSUGEN approved in Petition no. 1322/2013 needs to be rejected

Petitioner's Response:

3.12.2 The Petitioner submitted that UNOSUGEN is the brownfield expansion of the existing SUGEN Plant which is an interstate generating station. Further, there is also an interstate sale of electricity from UNOSUGEN. Therefore, to determine the tariff for sale of electricity by UNOSUGEN, the jurisdiction is of Hon'ble CERC in accordance with Section 62 (1) (b) read with Section 79 (1) (b) and has been rightly exercised by the Hon'ble CERC. The present proceedings are tariff proceedings are being conducted under Section 62 and 64 of the Electricity Act, 2003. The objector cannot travel beyond the scope of the present proceedings and that under the garb of filing its suggestions and objections is traversing beyond the ambit of the proceedings which is impermissible in law. Further, objector has also raised the said issue before Hon'ble CERC wherein its contentions were rejected by Hon'ble CERC. Further, regarding the reference to the termination of PPA by MPPMCL through PTC, the Petitioner would like to clarify that same was known to Hon'ble CERC and taken on record while approving UNOSUGEN Tariff.

Commission's View:

3.12.3 The Commission notes the Objectors suggestion and reply of the Petitioner.

3.13 Power purchase from UNOSUGEN

3.13.1 The Objector has contended that the Petitioner has provided the power purchase details from SUGEN/UNOSUGEN in combined manner whereas as per Commission's order the power purchase details of UNOSUGEN should be provided separately. Further, as per Objector, the power purchase cost from UNOSUGEN works out to Rs. 9.86 per unit which is higher than the medium term power purchase cost. In turn, Objector has requested Commission to approve the power purchase cost as per petition no. 1322/2013. It would reduce the revenue gap for FY 2023-24 to Rs. 502 Crore and in turn at present this Commission should only decide about regulatory charge

Petitioner's Response:

3.13.2 The Petitioner submitted that the Commission in Case No. 1322/2013 has directed the Petitioner at para 27 (c) (i) of the Order to take due care while entering into FSA to ensure optimization of power purchase cost. It may kindly be noted that during FY 2023-24, due to increase in demand & higher price of fuel like coal & gas, there was increase in rate of power on the power exchange. Also, Hon'ble CERC had to introduce separate High Price-DAM as the rate of power as the DAM segment touched Rs. 10 per kWh. Further, the Petitioner has also tied up the domestic gas in compliance of para 27 (c) (iv) of the Commission's order in case no. 1322/2013 which helps in fulfilling the partial gas requirement of UNOSUGEN Plant. The Petitioner has conducted bidding to procure short term power wherein it has procured short term bilateral power with landed cost of Rs. 7.83/unit for the period April'23 to August'23. In order to meet with the shortfall in power procurement requirements, the Petitioner has to depend on power exchange and has to depend on SUGEN & UNOSUGEN as fall-back arrangements. Considering the Take or Pay and Ship or Pay obligation, the Petitioner utilizes the domestic gas, in such a manner, as to optimize the cost of its power procurement, including utilization of same in

SUGEN, though same is contracted towards compliance of para 27 (c) (iv). In this background, the Petitioner has refrained from entering into FSA under 27 (c) (i) as referred by UWA and utilized SUGEN's LNG to run UNOSUGEN, so as to optimize Power Purchase Cost. Accordingly, the Petitioner has off taken only need based generation of 1,137.20 MUs from UNOSUGEN using domestic Gas with blending of LNG to optimize the cost. The Petitioner procured power from UNOSUGEN only on need basis essentially at the time, whenever it was competitive, as compared to short term power. In turn, the Petitioner has incurred Rs. 759.37 Crore variable cost which works out to competitive ECR of Rs. 6.68 per unit. The Petitioner has sourced power in a manner to optimize the overall power purchase cost, while ensuring the reliability of the Supply, as a prudent utility practice

Commission's View:

3.13.3 The Commission has noted the suggestion of objector and reply of the Petitioner. The Commission has approved power purchase from UNOSUGEN and same is elaborated in subsequent section of the Order.

3.14 Installation of Multiple Transformers

3.14.1 The objector has referred to installation of 11 nos. of distribution transformers of 315 kVA 11kV/415V along with plinth at SUMEL-8 and stated that instead of installing one large sized transformer of 800 kVA, the Petitioner has installed multiple smaller sized transformers which allegedly results in higher technical losses and burden on consumers

Petitioner's Response:

3.14.2 The Peak demand on individual substation/transformer is observed at different time depending upon the usage of electricity by the residential, commercial, and industrial consumer in the command area of the substation and does not necessarily coincide with system peak demand. Further, Planning and development of distribution network is carried out considering all relevant factors like overall network reliability, quality of power supply, future load growth, ready to serve network, location of substation near load centres, requirements of safety and security standards etc. Hence, the network is being planned, giving due consideration to above mentioned factors

Commission's View:

3.14.3 The Commission has noted the submission of Objector as well as Petitioners reply.

3.15 Power Factor Computation

3.15.1 The objector has submitted that Petitioner has modified the formula to calculate the value of power factor on its own volition and has implemented the same from June 2022, for all HT and EHT consumers without approval of the Commission.

Petitioner's Response:

3.15.2 The Petitioner submitted that the issue regarding unilateral modification of formula to calculate power factor is sub judice before the Hon'ble High Court of Gujarat in Special Civil Application No. 904 of 2024 wherein objector is a party respondent. The Hon'ble High Court of Gujarat has been pleased to grant stay on the order of the Ld. Ombudsman

Commission's View:

3.15.3 The Commission notes the submission of Objector and reply of the Petitioner.

3.16 Sales, RPO Compliance, O&M Expense and Capex for the Control Period

3.16.1 The objector has referred to the Petitioner's forecast of HT sales for MYT Control Period FY 2025-26 to FY 2029-30 and requested the Commission to verify the current sales trend as they are likely to get affected by Rooftop solar as well as RPO Compliance. The objector has further submitted that considering the Petitioner's current level of distribution loss and collection efficiency, the Commission should direct the Petitioner to incur capex for smart meters only for DT and feeders and defer the balance capex. And suggested the Petitioner to seek funding under central schemes like RDSS. The Petitioner has proposed higher O&M expense for the Control Period.

Petitioner's Response:

3.16.2 The Petitioner submitted that the HTMD category includes major industries in Ahmedabad like textile, chemical, process house, casting & moulding industries and food & confectionary products. Factors such as availability of land, open access, environment norms, scope of expansion, etc. are important while projecting sales. The gross HT sales for MYT Control Period FY 2025-26 to FY 2029-30 have been forecasted at the actual level of sales of FY 2023-24, based on industry interactions and feedback. The Petitioner also submitted that it has approached the Commission w.r.t. RPO for the year FY 2023-24 in accordance with the RPO Regulations. The Petition has been registered. Regarding procurement of renewable power, the Petitioner submitted that it has already tied up 450 MW Wind-Solar Hybrid Power with CUF of 50% in addition to tie up of 450 MW new solar PPA for its license areas of Ahmedabad & Surat.

3.16.3 The Petitioner submitted that advancement of technology is a continuous process and accordingly, the metering technology has also evolved from conventional Electro-mechanical meters to Static meters and now Smart meters. However, it is not possible to replace all the meters every time with change in technology as it would lead to incurring inter-operability capex. Further, there are several challenges in implementation of smart metering like integration of all meters, Common specifications/ protocol including the inter-operability of the protocol, communication facilities which are yet to be addressed etc. Hence, distribution licensee should be allowed to exercise its discretion in terms of implementing the metering technology so as to ensure technical and commercial prudence. Accordingly, the Petitioner has proposed replacement of consumer/ DT/ feeder meters with smart meters in a phased manner. Regarding seeking funding from central schemes, the Petitioner submitted that it had approached the central government for funding. However, it is learnt that the allocation of fund is restricted to only Govt owned Entities

Commission's View:

3.16.4 The Commission notes the submission of Objector and also the reply of the Petitioner. The Commission in subsequent section of the Order has approved sales, O&M expense as well as capex of the Petitioner.

3.17 Expenditure of Un-commissioned Substation

3.17.1 The Objector has submitted that that expenditure of un-commissioned substation should not be allowed in ARR.

Petitioner's Response:

3.17.2 The Petitioner submitted that it is capitalizing the capital expenditure of substations only after the same is put to use. Thus, such question does not arise in case of the Petitioner.

Commission's View:

3.17.3 The Commission notes the submission of Objector and reply of the Petitioner.

3.18 Bad Debt provisions in ARR

3.18.1 The Objector has submitted that only the amount of bad debt provisions minus actual written off during the year should be allowed in ARR.

Petitioner's Response:

3.18.2 The Petitioner submitted that it has only claimed the amount of bad debts actually written off during FY 2023-24. Any recovery is getting reflected under the head of Non-Tariff Income asper the provisions of the GERC (MYT) Regulations

Commission's View:

3.18.3 The Commission notes the submission of Objector and reply of the Petitioner.

Chapter 4: Truing-Up for FY 2023-24

4.1 Introduction

4.1.1 This chapter deals with the Truing up of FY 2023-24 for TPL-D (A). The Commission has studied and analysed each component of the ARR for FY 2023-24 in the following paragraphs.

4.2 Energy Sales to Consumers

Petitioner's Submission:

4.2.1 TPL-D (A) has submitted category-wise actual energy sales for Ahmedabad area for FY 2023-24 to the tune of 8,452.89 MU against the sales approved by the Commission of 8,056.26 MU in the Tariff Order dated 31st March, 2023 as given in the Table below.

Table 4-1 Energy Sales for FY 2023-24 (in MU)

Category	Approved in Tariff Order	Actuals Claimed
RGP	3,017.39	3,070.53
Non-RGP	1,060.82	1,145.96
LTMD	1,815.30	1,907.64
HT Pumping Stations	138.39	141.80
HT	1,909.49	2,018.22
HT-Metro	35.00	45.84
HT-EV	12.00	19.95
Others	67.88	84.52
DoE Units	-	18.43
Total Sales	**8,056.26**	**8,452.89**

4.2.2 The Petitioner has submitted that the actual sales in FY 2023-24 are higher than that approved in Tariff Order due to growth in commercial, industrial and Metro services. Further, the installed capacity of solar rooftop has reached to about 416 MW as on 31st March, 2024. Based on above, the major reasons for deviation in category-wise sales are enumerated hereunder:

a) The actual sales for RGP category was higher than the approved sales due to higher overall temperature and growth in housing projects despite the increase in number of solar rooftop installations.

b) The Non RGP & LTMD-II category comprise of sales from commercial and industrial consumers which has witnesses higher than approved sales. In Non-RGP category, the higher sales was due to increase in cooling load due to higher temperature. In LTMD-II category, the sales were higher due to increase in consumption and reopening of industrial units post approval of government authorities (GPCB), whereas in LTMD-I category, consumption of water works was higher due to extended summer period and growth in housing projects.

c) In HT category, the consumption is mainly attributed to industries and commercial establishments. During FY 2023-24, the total sales in HTMD category were higher than approved mainly due to growth in offices, Malls/Showrooms, textile industry and chemical industry.

d) In HT Pumping stations, the actual sales are marginal higher due to upgradation in capacity of water works. In HT Metro, the actual sales are higher than the approved sales due to increase in routes of METRO with increase in operational hours. Whereas in HT-EV, the sales are higher due to the increase in number of Electric vehicles charging stations.

e) In Others category, the actual sales registered are marginally higher than the approved sales due to increase in sales in Streetlight and Temporary category.

4.2.3 The Petitioner has further submitted that the GERC (MYT) Regulations, 2016 specifies that the variation in quantities of electricity supplied to the consumers is attributed as uncontrollable factor and requested the Commission for the truing up of actual sales as shown in the table above.

Commission's Analysis:

4.2.4 The actual sales made by TPL-D (A) during FY 2023-24 are higher compared to the approved sales in the Tariff Order dated 31st March, 2023 mainly due to increase in demand due to rise in temperature, , reopening of industrial units post approval of govt. authorities (GPCB), growth in housing projects, increase in operational hours of METRO and increase in number of Electric Vehicles charging stations. The total sales as submitted by the Petitioner have been verified, compared and confirmed with the sale of energy furnished in in the monthly return under Form A specified in Rule 6(1) (A) filed by TPL-D (A) with the Chief Electrical Inspector and Collector of Electricity Duty and Energy Audit Report vide additional data submitted.

4.2.5 In view of above, the Commission approves the energy sales as mentioned in Table 4-1 above for TPL-D (A) to the tune of 8,452.89 MU for FY 2023-24.

4.3 Distribution Losses

4.3.1 TPL-D (A) has submitted that it has been making consistent efforts to contain the Distribution Losses. The Petitioner has further submitted that the losses are already at lower level and remains range-bound.

Table 4-2 Distribution Losses for FY 2023-24 as submitted by TPL-D (A)

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	5.03%	4.16%

4.3.2 TPL–D (A) has submitted that the variation in the distribution loss compared to the approved value is to be considered accordingly.

Commission's Analysis:

4.3.3 The reduction in distribution losses in the licensed area has taken place due to modernization/improvement of the distribution network, augmentation of the old assets, etc. Substantial capitalisation of assets over a period of time and concentrated efforts of the Petitioner, which has resulted in reduction in transformation losses as well as line losses and ultimately overall Distribution Losses.

4.3.4 The Distribution Losses as claimed by TPL-D (A) at 4.16% is approved for the purpose of True-up of FY 2023-24 after confirming the same as per mandatory Annual Energy Audit report. Any Gain/Loss on account of distribution losses is controllable as per the GERC (MYT) Regulations, 2016. The Commission approves the actual Distribution Losses at 4.16% for FY 2023-24 and accepts TPL-D (A)'s submission to treat the actual deviation in distribution losses i.e., 4.16% as controllable factor and share the gain accordingly.

4.4 Energy Requirement

Petitioner's Submission:

4.4.1 The Petitioner has submitted the actual energy requirement for Ahmedabad and Surat Licensee area based on the actual energy sales and the Transmission & Distribution Losses for FY 2023-24 as given in the table below:

Table 4-3 Energy Requirement for FY 2023-24 for TPL-D (A)

Particulars	Approved in Tariff Order	Actuals Claimed
Ahmedabad Supply Area		
Energy Sales (MU)	8,056.26	8,452.89
Distribution Loss (%)	5.03%	4.16%
Distribution Loss (MU)	426.91	366.62
Energy Input at Distribution Level (MU)	8,483.17	8,819.51

Particulars	Approved in Tariff Order	Actuals Claimed
Transmission Loss (MU)	43.08	49.12
Energy Requirement – Ahmedabad (A)	8,526.25	8,868.63
Energy Requirement – Surat (B)	3,691.21	4,079.74
Total Energy Requirement – (A+B)	**12,217.45**	**12,948.37**

4.4.2 The Petitioner submitted that the total energy requirement was met through various sources as discussed in the subsequent section.

Commission's Analysis:

4.4.3 The actual energy requirement submitted by the Petitioner for FY 2023-24 along with energy requirement as per the Order dated 31st March, 2023 has been examined and verified by the Commission. The Commission observed that there is an increase of 730.91 MU in the energy requirement for TPL-D (A) and TPL–D (S) against the quantum of 12,217.45 MU approved in the same order.

4.4.4 The actual energy requirement is higher than that approved in the Order due to increase energy sales. The actual energy requirement being the sum of energy sales, Transmission Losses and Distribution Losses, works out to 12,948.37 MU for FY 2023-24.

4.4.5 The Commission accordingly approves the energy requirement at 12,948.37 MU for Truing up of FY 2023-24 as given in the above Table 4-3.

4.5 Energy Availability

Petitioner's Submission:

4.5.1 The Petitioner has submitted that the power is sourced collectively for Ahmedabad and Surat Licensee area from TPL-G (APP), SUGEN, UNOSUGEN and Renewable Sources of Energy and other sources such as bilateral and purchase through power exchange. The source-wise power purchase is given in the Table below:

Table 4-4 Energy Availability (Net) for FY 2023-24 for TPL-D(A) and TPL-D(S) (in MU)

Particulars	Approved in Tariff Order	Actuals Claimed
TPL-G (APP)	2,565.31	2,668.79
SUGEN/UNOSUGEN	3,826.35	4,458.20
Bilateral/ Power Exchange	3,541.12	4,493.52
Renewables	2,284.66	1,278.61
Sub-total	12,217.45	12,899.13
Add: Sale of Surplus power/UI/wind setoff	-	49.24
Total	**12,217.45**	**12,948.37**

Renewable Power Purchase Obligation:

4.5.2 The Petitioner submitted that Regulation 4.1 of the GERC (Procurement of Energy from Renewable Energy Sources) Regulation, 2010 specifies the Renewable Power Purchase Obligation (RPPO). Subsequently, the Commission vide its notification no. 1 of 2022 dated 8th April, 2022 notified the GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 specifying RPPO for FY 2023-24. TPL-D (A) has made all efforts to fulfil its RPPO.

4.5.3 The renewable energy requirement and details of compliance for FY 2023-24 for Ahmedabad and Surat on consolidated basis is as under:

Table 4-5 Renewable Power Purchase Obligation claimed for FY 2023-24 (in MU)

Particulars	Actual Claimed
Energy Requirement	12,948.37
RE Procurement	
Wind energy to be procured (@8.45%)	1,087.66
Solar energy to be procured (@9.50%)	1,230.09
Hydro energy to be procured (0.05%)	6.47
Biomass/Bagasse/Others (@0.75%)	97.11

Particulars	Actual Claimed
Total (17.00%)	**2,421.34**
Compliance (Non-Solar)	
Non-Solar	991.83
Non-Solar REC	2.50
Compliance (as % of Energy Requirement)	7.68%
Compliance (Hydro)	
Hydro	1.16
Hydro REC	-
Compliance (as % of Energy Requirement)	0.01%
Compliance (Solar energy)	
Solar	875.09
Solar-REC	-
Compliance (as % of Energy Requirement)	6.76%

4.5.4 The Petitioner submitted that they will separately approach the Commission in the matter of revision of minimum quantum of purchase (in %) from renewable energy sources for the year FY 2023-24 in accordance with the RPO Regulations.

Commission's Analysis:

4.5.5 The sources of power approved by the Commission in the Order dated 31 March,2023 are AMGEN, SUGEN, UNO SUGEN, Bilateral Sources, Power Exchange and Renewable Energy. The Commission had approved the total quantum of power purchase at 12,217.45 MU for TPL-D (A) and TPL-D (S) combined for FY 2023-24 in the Order against which the Petitioner has purchased 12,948.37 MU during FY 2023-24. On query regarding reconciliation of energy for FY 2023-24, the Petitioner has submitted additional details along with reconciliation of source-wise energy supplied to TPL with SEA report along with energy audit report for FY 2023-24.

4.5.6 TPL-D has procured 4,458.20 MU from SUGEN/ UNOSUGEN which was 17% higher than power purchase considered from the source in the Power

Purchase for FY 2023-24 in the Order and simultaneously decreased the power purchase from Renewable source.

4.5.7 In reply to the query raised by the Commission, TPL-D (A) submitted that due to geo-political instability including the Russian – Ukraine War and high volatility in international fuel market, it has not entered into any separate Term LNG tie-up during FY 2023-24 as specified in para 27 (c) (i) of UNOSUGEN Order in Case No. 1322 of 2013 dated 19th June, 2019 as the prices of Term LNG was high. TPL-D (A) further stated that it has procured power from UNOSUGEN at Rs. 6.68/kWh and has exercised commercial prudence so as to reduce its cost to the consumers as the procurement of bilateral power through bidding process has resulted into variable cost of Rs. 7.83/kWh which is higher than UNOSUGEN Price. Thus, TPL-D (A) has operated UNOSUGEN to reduce the cost to the end consumers compared to bilateral power. If TPL-D(A) has not procured power from UNOSUGEN, it would have incurred an additional cost by way of Use of Pay (UOP) which is present restricted to only Rs. 10.96 Crore towards UOP charges. Thus, in addition to reduction in power purchase cost, it has also saved terms of UOP and Ship or Pay (SOP) charges. It has further submitted that the bifurcation of SUGEN and UNOSUGEN energy received during FY 2023-24 as tabulated below:

Table 4-6 Bifurcation of SUGEN and UNOSUGEN Energy Received in FY 2023-24 (in MU)

Sources	Power Purchase (MU)
SUGEN	3, 321.00
UNOSUGEN	1,137.20
Total	**4,458.20**

4.5.8 The Commission during the prudence check, sought the details of Bilateral trade carried out in FY 2023-24 as per Form – 2 against which the Petitioner has submitted the details as given below.

Table 4-7: Break-up of Bilateral Power Procurement (MU)

Particulars	MU
Tata Power	36.98
Manikaran	153.13
PTC	893.06
SKS Power Generation (Chhattisgarh) Ltd	70.60
Total Bilateral Purchase	**1,153.77**
Indian Energy Exchange	**3,339.75**

4.5.9 Further, during the prudence check, the Commission also sought reconciliation of sale of surplus power / UI / Wind setoff of 49.24 MU as per Form – 2 against which the Petitioner has submitted the details as given below.

Table 4-8: Break-up of Sale of Surplus Power in FY 2023-24

Particulars	MU
UI	0.86
Sale through PX	(5.18)
Open Access Through PX	1.89
Wind setoff	51.68
Total	**49.24**

4.5.10 The Commission notes that TPL has procured renewable energy of 1,278.61 MU from the generators under preferential tariff for compliance of RPO. Further, TPL-D (A) has also made efforts to purchase RE Power from Short Term market and accordingly has procured 81.76 MU form power exchange under G-DAM/G-TAM for FY 2023-24. The RPO targets approved by the Commission as per GERC (Procurement of energy from Renewable Sources) (Third Amendment) Regulations, 2022 for FY 2023-24 are as follows:

Table 4-9 RPO targets approved by the Commission for TPL-D for FY 2023-24

Particulars	FY 2023-24
Solar	9.50%
Wind	8.40%
Hydro	0.05%
Others	0.75%
Total	**18.70%**

4.5.11 The Commission during the prudence check, sought details of source-wise bifurcation of renewable energy purchased during FY 2023-24 and the tariff applicable, against which the Petitioner has submitted the details as given below:

Table 4-10 RE Power Purchase including RE Attributes for FY 2023-24 (MU)

Particulars	Purchase	G-DAM/TAM	RE Attributes#	Total
Solar	875.61	55.95	63.93	995.49
Wind	403.00	25.81	446.26	875.09
Total	**1,278.61**	**81.76**	**510.21**	**1,870.58**

- RE attributes available to DISCOM

Table 4-11 RE Power Purchase for FY 2023-24 (MU)

<table>
<tr><th>Source</th><th>MU</th><th>Tariff (Rs./kWh)</th></tr>
<tr><td>Wind</td><td></td><td></td></tr>
<tr><td>TPL (Wind) - Lalpur</td><td>78.48</td><td>4.15</td></tr>
<tr><td>TPL (Jamanwada)</td><td>165.49</td><td rowspan="4">4.19</td></tr>
<tr><td>TPL (Nakhatrana)</td><td>292.87</td></tr>
<tr><td>TPL (Mahidad)</td><td>123.38</td></tr>
<tr><td>TPL (Mahuva)</td><td>130.06</td></tr>
<tr><td>CLP</td><td>75.71</td><td>3.27</td></tr>
<tr><td>Wind (Others)</td><td>9.63</td><td>3.17</td></tr>
<tr><td>Total Wind Purchase</td><td>875.61</td><td>4.76</td></tr>
<tr><td>Solar</td><td></td><td></td></tr>
<tr><td>TSL - Solargen</td><td>82.06</td><td>10.03</td></tr>
<tr><td>GENSU</td><td>116.01</td><td>6.77</td></tr>
<tr><td>Kindle</td><td>1.59</td><td>11.79</td></tr>
<tr><td>Ananth Solar</td><td>2.75</td><td>10.82</td></tr>
<tr><td>Azure Power</td><td>0.68</td><td>10.82</td></tr>
<tr><td>GPCL</td><td>0.02</td><td>9.47</td></tr>
<tr><td>GPCB</td><td>0.06</td><td>9.63</td></tr>
<tr><td>AMC Solar</td><td>1.34</td><td>12.18/9.52/9.14</td></tr>
<tr><td>SMC</td><td>75.91</td><td>9.05</td></tr>
<tr><td>Solar rooftop</td><td>122.58</td><td>2.32</td></tr>
<tr><td>Total Solar</td><td>403.00</td><td>6.99</td></tr>
</table>

4.5.12 TPL-D has submitted that it has achieved 7.68% RPO related to Non-solar and 6.76% RPO related to Solar. There is shortfall in RPO pertaining to solar and non-solar energy purchase. The Commission notes that TPL has filed a separate Petition for compliance of RPO, for adjudication before the Commission. Therefore, as far as the compliance of RPO is concerned, the Commission will decide it in separate proceedings.

4.5.1 The Commission has considered the aforesaid aspects and accordingly approves the availability of energy during FY 2023-24 as shown in the Table below:

Table 4-12 Approved Energy Availability (Net) for FY 2023-24 for TPL-D (A) and TPL-D (S) (in MU)

Particulars	Approved in Tariff Order	Actuals Claimed	Approved by the Commission for Truing-up
TPL-G (APP)	2,565.31	2,668.79	2,668.79
SUGEN/UNOSUGEN*	3,826.35	4,458.20	4,458.20
Bilateral/ Power Exchange	3,541.12	4,493.52	4,493.52
Renewables	2,284.66	1,278.61	1,278.61
Sub-total	**12,217.45**	**12,304.77**	**12,304.77**
Add: Sale of Surplus power/UI/wind setoff	-	49.24	49.24
Total	**12,217.45**	**12,948.37**	**12,948.37**

**Note- TPL-D has procured 3321.00 MU and 1137.20 MU from SUGEN and UNOSUGEN respectively for TPL-D (A) & TPL-D (S) Areas during FY 2023-24.*

4.6 Power Purchase Cost

Petitioner's Submission:

4.6.1 TPL-D (A) has submitted the actual power purchase cost for FY 2023-24 as provided in the Table below.

Table 4-13 Power Purchase Cost claimed for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
TPL-G (APP)	1,252.79	1,513.43
SUGEN/UNOSUGEN	2,567.03	4,396.95
Bilateral/ Power Exchange	1,905.85	2,976.74
Renewable Energy	1,053.23	699.09
ISTS/InSTS Charges	-	26.39
Total Power Purchase Cost	**6,778.90**	**9,612.60***

*-TPL-D (A) has clarified in their additional submission that it has errored by not considering transmission charges amounting to Rs. 17.38 Crore.

4.6.2 The Petitioner has submitted that the variation in the power purchase cost from the approved power purchase cost in the order is on account of variation in sales & distribution losses, variation in actual cost with respect to the base rate along with purchase of power from short-term sources to meet the shortfall during the year. Also, during FY 2023-24, due to increase in demand & higher price of fuel like coal & gas, there was increase in rate of power on the power exchange resulting into Hon'ble CERC introducing separate High Price-DAM as the rate of power on the DAM segment touched Rs. 10 per kWh.

4.6.3 TPL has also submitted that the variation in power purchase cost is an uncontrollable component except on account variation in distribution losses and hence may be allowed in ARR as per Regulations.

4.6.4 TPL submitted that the power purchase for its Ahmedabad and Surat license areas has been carried out on collective basis and the total power purchase cost has been apportioned between Ahmedabad and Surat on the basis of usage of power. Accordingly, the allocated power purchase cost for Ahmedabad Supply area is Rs. 6,583.89 Crore for FY 2023-24.

Commission's Analysis:

4.6.5 The Commission, in its Order had approved the power purchase plan for FY 2023-24 in Case No. 2179 of 2023 dated 31st March,.2023.

4.6.6 The Commission had approved the quantum of power purchase at 12,217.45 MU for FY 2023-24 in the Order against which TPL has purchased 12,948.37 MU. The Commission has approved power purchase cost of Rs. 6778.99 Crore for FY 2023-24 in the Order against which TPL has incurred Rs. 9,612.60 Crore.

The energy requirement is evaluated based on the sale of energy and losses in the transmission and distribution system of Ahmedabad / Gandhinagar and Surat license area. The energy requirement for TPL-D (A) license area works out to 68.49% of the total energy requirement. Accordingly, the Petitioner has allocated power purchase cost for Ahmedabad Supply area as Rs. 6,583.89 Crore for FY 2023-24. It has been observed that there is discrepancy between the claiming of the power purchase cost for Ahmedabad Supply area as Rs. 6,583.89 Crore vis-à-vis the electric energy purchased as shown Rs. 6,583.75 Crore in segregated Audited Accounts for FY 2023-24. In this regard, it has submitted the reconciliation statement and further submitted that the Power purchase cost of AMGEN for FY 23-24 billed as per FPPPA is Rs. 1,510.94 Crore, whereas, as per True up Petition, it is Rs. 1,513.43 Crore. This difference of Rs. 2.49 Crore is considered in the Petition.

4.6.7 Power Purchase cost of AMGEN for FY 2022-23 billed as per FPPPA was Rs. 1,340.03 Crore, whereas, as per True up petition, it was Rs. 1,339.48 Crore resulting in a difference of Rs. (0.56) Crore considered in the books as order was awaited and now considered in this petition. It has further submitted that Power Purchase Cost has been apportioned between Ahmedabad and Surat based on usage of power.

4.6.8 The Commission observes that the total power purchase cost has increased by Rs. 2,833.61 Crore for FY 2023-24 than approved in the Order dated 31 March, 2023. In response to query regarding this variance, the Petitioner attributed it to fluctuations in sales & distribution losses and actual rates vis-à-vis the base power purchase rate. Factors contributing to this variance include heightened demand following the increase in demand due to rise in temperature, extended summer, reopening of industrial units post approval of govt. authorities (GPCB), geopolitical tensions such as the Russia-Ukraine conflict, variation in actual cost with respect to the base rate along with purchase of power from short-term sources such as Bilateral / Power Exchange to meet the shortfall during the year. Consequently, fuel prices and thereby power purchase rates have been affected.

4.6.9 The Commission has considered the energy scheduled from TPL-G (APP) to the tune of 2,668.79 MU in energy availability of TPL-D, against which the actual net generation was to the tune of 2,654.12 MU. Therefore, the Commission accordingly, approves Rs. 1,511.30 Crore to be transferred in actual power purchase cost of TPL-D for FY 2024-25.

4.6.10 On query regarding bifurcation of SUGEN and UNOSUGEN power procurement and related costs during FY 2023-24, against which the Petitioner has submitted the details below:

Table 4-14 Power Purchase Cost of SUGEN and UNOSUGEN claimed for FY 2023-24 (Rs. Crore)

Sources	Power Purchase (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. Crore)	Variable Cost (Rs. kWh)	Landed Cost (Rs./kWh)
SUGEN	3,321.00	634.58*	2768.89	8.34	10.25
UNOSUGEN	1,137.20	234.12	759.37	6.68	8.74
Total	**4,458.20**	**868.69**	**3,528.26**	**9.71**	**9.86**

**-including transmission charges*

4.6.11 TPL-D has purchased power from SUGEN at a variable cost of Rs. 8.34/kWh as against Rs. 4.52/kWh approved by the Commission in the Order dated 31st March, 2023. On query regarding increase in the generation cost from SUGEN / UNOSUGEN plant, it has submitted that as the gas rate has substantially increased from ~$4 USD/MMBTU to ~ $10 USD/MMBTU in FY 2032-24 due to geopolitical instability, including the Russian – Ukraine War affecting the global energy markets. Additionally, Indian Rupee has also depreciated substantially i.e. INR 74/USD in FY 2021-22 to INR 83/USD in FY 2023-24.

4.6.12 TPL-D has procured power from UNOSUGEN at a variable rate of Rs. 6.68/kWh, significantly higher than the Rs. 4.52/kWh approved by the Commission in its Order dated 31 March, 2023. On query regarding ascertaining of the landed price of power purchase including the fixed charges of UNOSUGEN not more than the prevailing landed market price for medium term power purchase during such periods, the Petitioner submitted that it has not entered into any separate Term LNG tie-up during FY 2023-24 as specified in para 27 (c) (i) of UNOSUGEN Order in Case No. 1322 of 2013 dated 19 June, 2019 as the prices of Term LNG was high. TPL-D (A) further stated that it has procured power from UNOSUGEN at Rs. 6.68/kWh and has exercised commercial prudence so as to reduce its cost to the consumers as the procurement of bilateral power through bidding process has resulted into variable cost of Rs. 7.83/kWh which is higher than UNOSUGEN Price. Thus, TPL-D (A) has operated UNOSUGEN to reduce the cost to the end consumers compared to bilateral power. If TPL-D(A) has not procured power from UNOSUGEN, it would have incurred an additional cost by way of UOP which is present restricted to only Rs. 10.96 Crore towards UOP charges. Thus, in addition to reduction in power purchase cost, it has also saved in terms of UOP and SOP charges. Based on above submission, the Petitioner has procured 4,458.20 MU combined from SUGEN/UNOSUGEN.

4.6.13 The Commission has noted the submission of Petitioner and sought the details of the medium-term price reference along with the regional and State transmission charges and losses documents along with calculation. The said information was not submitted by TPL-D (A). It is the fact that, the Commission vide Order dated 19th June, 2019 in Case No. 1322 of 2013 accorded approval of the procurement for sourcing 278 MW of power from UNOSUGEN for its own requirement at regulated tariff with following stipulations;

27. In view of the foregoing, we accord approval for the procurement of 278 MW power from UNOSUGEN with the following stipulations:

a) Period:

This approval of procurement of power of UNOSUGEN plant is for the balance life of 19 years of the plant as stated in para 23 above.

b) Tariff:

(i) The energy charge of UNOSUGEN shall be at the Fuel Cost as per FSA to be executed by TPL by inviting international competitive bids as per para 25 above.

(ii) The Annual Fixed Charge of UNOSUGEN will be as determined by the CERC or Rs. 228 Crores p.a. (i.e. Rs. 1.10/unit) whichever is lower as referred in para 26 above.

c) Fuel Supply Agreement:

(i) The Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such that the landed price of power purchase including the fixed charges as above for the ultimate consumers should not more than the prevailing landed market price for medium term power purchase during such periods.

(ii) In the absence of fuel, the availability of plant shall not be considered.

(iii) The Petitioner shall submit copies of the FSAs to the Commission as stated at para 22 above.

(iv) Once the domestic gas is available, the Petitioner shall endeavour to have a long term arrangement at affordable price with prior permission of the Commission.

4.6.14 On the perusal of the above stipulations, it has been specified in Clause 27 (c) (i) of the Commission's Order dtd. 19th June, 2019 that the Petitioner shall enter into FSAs with the fuel suppliers by inviting international competitive bids and ensuring that cost of fuel in the FSAs is such a way that the landed price of power purchase comprising of fixed charges and variable charges as above for UNOSUGEN should not more than the prevailing landed market price for medium term power purchase inclusive of regional and state transmission charges and losses during such periods. Further, Clause 27 (c) (ii) of the said Order specifies that in the absence of fuel, the availability of plant shall not be considered. It has been observed that the availability of the UNOSUGEN plant for FY 2023-24 (cumulative up to March, 2024) has been 97.39%, which has been verified on the website of SLDC. It has been further observed that the Petitioner has procured 1,137.20 MU from UNOSUGEN during FY 2023-24, however, TPL-D(A) has not submitted the details of breakup of power generated from UNOSUGEN by using domestic and RLNG gas. Further, in its Order in Case No. 1322 of 2013 dated 19th June, 2019, the Commission has already given the direction and specified that power procurement cost will be approved to the extent that landed cost of UNOSUGEN should not be more than the prevailing landed market price for medium term power purchase during such periods. In light of the above, it is appropriate to rely on the Clause 27 (c) (i) of the Commission's Order dtd. 19th June, 2019 and compare prevailing landed market price for medium term power purchase which is inclusive of regional and state transmission charges and losses with landed price of UNOSUGEN during FY 2023-24.

4.6.15 The landed price of UNOSUGEN at Rs. 8.74/kWh as shown in Table 4-14 (inclusive of fixed charges, excluding transmission charges) significantly exceeds the prevailing market price for power procurement during FY 2023-24 of Rs. 7.83/kWh equivalent to the bilateral trade undertaken by TPL-D (A). The Commission has also referred to the DEEP Portal for Medium-Term Rate discovered for FY 2023-24 and observed that the same is in line with bilateral power purchase rate actually incurred by TPL-D(A). Accordingly, the Commission considers 1137.20 MU from UNOSUGEN at Rs 7.83/kWh during FY 2023-24 and approves the cost of Rs 889.90 Crore.

4.6.16 The Petitioner has procured power from bilateral sources to meet the shortfall of energy from tied-up sources and balance requirement has been fulfilled through procurement of top up power from power exchange. The Petitioner has procured short-term power from Indian Energy Exchange (IEX) at the rate of Rs. 6.21/kWh as submitted in Form 2. The Petitioner has also purchased power from bilateral sources at Rs. 7.83/kWh as submitted in Form 2. TPL has procured power from Power Exchange to provide uninterrupted and reliable power while optimizing overall cost.

4.6.17 The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the GERC (RPO) Regulations. Regarding the procurement from the Renewable Sources by the Petitioner during FY 2023-24, it has procured at the rates of Rs 4.76/kWh and Rs. 6.99/kWh respectively from the Wind and Solar sources.

4.6.18 The Commission has approved the power purchase cost for FY 2023-24 as given in the Table below:

Table 4-15 Power Purchase Cost approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved by Commission
TPL-G (APP)	1,252.79	1,513.43	1,511.30
SUGEN	2,567.12	3,403.46	3,403.46
UNOSUGEN		993.49	889.90
Bilateral	797.34	902.86	902.86
Power Exchange	1,905.85	2,073.88	2,073.88
Renewable Energy	1,053.23	699.09	699.09
Transmission Charges	-	26.39	26.39

Particulars	Approved in the Tariff Order	Actual Claimed	Approved by Commission
Total Power Purchase Cost	**6,778.99**	**9,612.60**	**9,506.88**
Energy Required for TPL-D (A) (MU)	**8,526.25**	**8,868.63**	**8,868.63**
Power Purchase Cost for TPL-D (A)	**4,730.89**	**6,583.89**	**6,511.48**

4.6.19 Considering the approved power purchase cost of Rs. 9,506.88 Crore for the approved total energy procurement of 12,948.37 MU, the per unit power purchase cost works out to Rs. 7.34/kWh for FY 2023-24.

4.6.20 The Commission has approved the energy requirement of TPL-D (A) license area at its periphery which is 8,868.63 MU. The power purchase cost for TPL-D (A) license area based on the allocation of 68.49% is worked out as Rs. 6,511.48 Crore and accordingly same is approved for FY 2023-24.

4.7 Sharing of Gains/(Losses) due to reduction in Distribution Losses

Petitioner's Submission:

4.7.1 For the purpose of calculation of gains on account of reduction in distribution loss, the loss level approved by the Commission in tariff Order has been considered as base level by the Petitioner, the gains due to reduction in distribution loss amounted to Rs. 60.48 Crore. The calculation of gains on account of reduction in distribution loss is quantified as per the Table below.

Table 4-16 Gain due to reduction in Energy Requirement for FY 2022-23 claimed by TPL-D (A) (Rs. Crore)

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	8,819.51
Energy Sales	MU	b	8,452.89
Wheeling Energy – OA/RE	MU	c	90.50
Total wheeled units	MU	d = b+c	8,543.39
Approved Distribution Loss	%	e	5.03%

Particulars	Unit	Legend	Actual Claimed
Energy required at distribution level at approved loss	MU	f = d/(1-e)	8,996.11
Difference	MU	g = f-a-c	86.10
Units recovered as loss	MU	h	4.63
Reduction in Energy Requirement	MU	i = g-h	81.47
Average PPC	Rs./kWh	j	7.42
Savings	Rs. Crore	k = i*j/10	60.48

Commission's Analysis:

4.7.2 The variation in distribution losses has resulted in reduction in the energy requirement, which in turn has reduced the cost of power purchase. Accordingly, the reduction in power procurement cost due to lower distribution losses is treated as controllable.

4.7.3 The Commission has approved distribution loss at 5.03% in the Order dated 31.03.2023, whereas TPL-D(A) has claimed the actual distribution loss at 4.16% for FY 2023-24. The Commission has worked out gain on account of reduction in distribution losses as shown in the Table below:

Table 4-17 Gain due to reduction in Energy Requirement for FY 2023-24 Approved by Commission (Rs. Crore)

Particulars	Unit	Legend	Actual Claimed
Actual Energy purchased at distribution level	MU	a	8,819.51
Energy Sales	MU	b	8,452.89
Wheeling Energy – OA/RE	MU	c	90.50
Total wheeled units	MU	d = b+c	**8,543.39**
Approved Distribution Loss	%	e	5.03%
Energy required at distribution level at approved loss	MU	f = d/(1-e)	**8,996.11**
Difference	MU	g = f-a-c	86.10
Units recovered as loss	MU	h	4.63
Reduction in Energy Requirement	MU	i = g-h	81.47
Average PPC	Rs./kWh	j	7.34
Savings	Rs. Crore	k = i*j/10	**59.82**

4.7.4 The Commission, accordingly, approves the gain on account of reduction in distribution loss at Rs. 59.82 Crore during FY 2023-24 for Truing up.

4.8 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

4.8.1 TPL-D (A) has claimed Rs. 410.86 Crore towards O&M expenses as against the total O&M expenses of Rs. 423.86 Crore approved for FY 2023-24 in the Tariff Order dated 31st March, 2023 as detailed in the Table below:

Table 4-18 O&M expenses claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	423.86	410.86

4.8.2 The Petitioner has submitted that the above O&M expenses does not include expense related to carrying out Solar Rooftop Power Plant implementation under SURYA scheme.

4.8.3 The Petitioner has requested the Commission to consider the O&M expenses as controllable and allow gains/losses accordingly.

Commission's Analysis:

4.8.4 TPL-D (A) has submitted the actual O&M expenses at Rs. 410.86 Crore inclusive of impact of "Re-measurement of Defined Benefit Plans" of Rs. 6.39 Crore in the Truing- up for FY 2023-24. It is observed that as per Annual Accounts the O&M Expenses are Rs. 406.29 Crore, whereas TPL-D (A) has claimed O&M Expenses of Rs. 410.86 Crore. The head-wise analysis is as under:

4.8.5 **Employee Expenses:** The Commission observed that the Employee expenses as per annual accounts are Rs. 129.42 Crore net of expenses capitalized of Rs. 136.51 Crore. The Petitioner has added commission to non-executive directors of Rs. 0.98 Crore (from A&G expense head) and added expense towards Remeasurement of Defined Benefit Plans of Rs. 6.39 Crore appeared as loss in P & L Statement.

4.8.6 It has been observed that the Petitioner has further deducted an amount of Rs. 1.08 Crore towards the cost of the Surya Gujarat Solar rooftop scheme in the employee cost. On query regarding this, the Petitioner has stated that as per the clause 5.2.1, 5.2.2 and 5.2.7 of the MNRE Guidelines dated 20 August, 2019 on "Implementation of Phase — I" of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022", the Petitioner is required to treat incentive and expense separately from tariff exercise. Therefore, the Commission deducted the same amount from the employee cost as submitted by the Petitioner. Accordingly, the employee expenses considered are Rs. 135.70 Crore.

4.8.7 A&G Expenses: A&G expense as per annual accounts are Rs. 153.78 Crore net of expenses capitalized of Rs. 25.65 Crore. The Petitioner has claimed A&G expenses after reduction on account of Commission to Non-Executive Directors - Rs. 0.98 Crore, Bad Debts Written off-net - Rs. 1.95 Crore, insurance claim receipt – Rs. 0.12 Crore, Allowance of doubtful debts - (Rs. 1.35 Crore), sponsorship expenses – Rs. 0.01 Crore, Advertisement Expenses - Rs. 0.08 Crore, Gardening Expenses - Rs. 0.20 Crore, DSM Expense - NIL, and added lease payments - Rs. 0.25 Crore. On query regarding bifurcation of the miscellaneous expenses of Rs. 37.87 Crore under A&G expense, the Petitioner has submitted the detailed bifurcation as shown in Table below:

Table 4-19 Details of Miscellaneous Expenses (Rs. Crore)

Particulars	Rs. Crore
Advertisement - Consumer Related	1.15
Bill Distribution & Collection Expenses	6.63
Housekeeping Expenses	7.31
Communication Expense	3.07
Printing & Stationery Expenses	1.51

Particulars	Rs. Crore
Training & recruitment Expenses	0.48
Local Conveyance	0.17
IT related Expenses	8.83
Other Miscellaneous Expenses	8.74
Total Misc. Expense	**37.87**

4.8.8 Since, the Commission has considered Insurance Claim receipt as part of Non-Tariff Income, the same has not reduced from A&G expenses. Accordingly, the Commission approves the A&G expense of Rs. 152.16 Crore for FY 2023-24.

4.8.9 R&M Expenses: The Petitioner has claimed R & M expense of Rs. 123.10 Crore as per annual actual incurred duly verified by the Commission from Annual Audited Accounts. The Commission accordingly approves R & M expense of Rs. 123.10 Crore.

4.8.10 Against the query raised by the Commission for increase in O&M Cost, TPL – D (A) submitted that the increase is mainly on account of increase in expense on account of remeasurement of the defined benefit plans, Rate and Taxes, Other general inflation, etc. Further, the Other R&M expenses include the maintenance cost related to IT system, SAP, Motor Vehicles, etc. Also, the actual O&M expenses are lower than the O&M expenses approved in the tariff order.

4.8.11 The Commission, accordingly, approves the O&M expenses of Rs. 410.96 Crore, for Truing up of FY 2023-24.

4.8.12 Further as per Regulation 22 of the GERC (MYT) Regulations, 2016 the variation in O&M expenses is to be considered as controllable. Accordingly, as per the GERC (MYT) Regulations, 2016 Gain/(Losses) on account of O&M Expenses in the Truing up of FY 2023-24 is approved by the Commission as given in the Table below:

Table 4-20 O&M Expenses and Gains / (Losses) Approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable	Gains/(Losses) due to Uncontrollable
O&M Expenses	423.86	410.96	12.90	12.90	-

4.9 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

4.9.1 TPL-D (A) has claimed Rs. 1,054.91 Crore towards actual capital expenditure for FY 2023-24, as against Rs. 1,519.50 Crore approved in the Tariff Order dated 31st March, 2023. Summary of capital expenditure incurred during FY 2023-24 is tabulated as under;

Table 4-21 Capital Expenditure Claimed by TPL-D (A) For FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV Network	872.12	493.78
HT Network	234.59	241.94
LT Network	196.61	221.52
Metering	88.09	17.41
PSC	30.00	58.07
IT & Related Expenditure	16.37	6.76
Other Departments	81.73	15.43
Total Cost	**1,519.50**	**1,054.91**

a) **EHV:** The Commission had approved the capital expenditure of Rs. 872.12 Crore for EHV. In this regard, the Petitioner has incurred the expenditure of Rs. 493.78 Crore. The details of same is as under:

- Bulk Supply Points: During FY 2023-24, capex has been incurred for three Bulk Supply Points at Gandhinagar, Thaltej, and Acher. Major expenditure incurred is towards installation of 220/132 kV Transformers and GIS along with associated costs. Further, for Thaltej Bulk supply point, the design of Overhead EHV line was modified to comply with the requirement of NHAI and AUDA. Capex has also been incurred towards 132 kV GIS at GOTA along with Transformers and auxiliary equipment. However, the laying of cable had to be deferred due to delay in receipt of Road opening permission.

- EHV Projects: During FY 2023-24, the major expenditure incurred under this head pertains to 132 kV EHV Substation at Riverfront (Kazipur). Further, expenditure was also incurred towards installation of additional transformer at Thaltej SS, Vasna SS and Vastral SS to enhance reliability and to cater to the load growth.
- Capex was incurred towards Riverfront (Kazipur) 132kV SS mainly towards Civil work, transformer, bays, switchgear panel, etc. Expenditure was also incurred for 132kV RTO Wadaj SS towards civil works related to control room and building, balance capex was deferred to future years for want of development permit from AMC. However, 132kV SS at Pirana and Nehrunagar was deferred due to the delay in receipt of development permit from AMC. Further, Capex for 132 kV New Maninagar SS was also deferred due to land related issue.
- The capex for conversion of AIS to GIS substation at New Pirana was deferred due to issue of technical requirements whereas capex towards Airport GIS was deferred due to the change in requirement of the relevant authority. Additionally, capex was incurred towards GMRCL (METRO) towards shifting and height raising of overhead and underground network.
- EHV Lines: Capex for upgradation of 132 kV Sabarmati to Dudheshwar Overhead Line and additional connectivity between 132 kV Riverfront (Kazipur) to Dudheshwar Substation had to be deferred due to delay in receipt of Road Opening permit.
- 33kV Substation: During FY 2023-24, expenditure has been mainly incurred towards establishment of Paldi substation, Platinum Park SS

and additional transformer at Chenpur, GMDC, Bodakdev and Motera substations. Further, capex was also incurred towards civil work and transformer at Gitamandir SS, Electronics SEZ SS, New Naroda Galaxy SS, Usmanpura SS, Iconic Shyamal SS, Solaris SS , Venus SS and Times square SS. However, work of 33 kV substation at locations such as Maninagar, Bopal, Koteshwar, Sachivalaya, Naroda Village were deferred due to issues in land procurement and requirement of approvals from authorities.

- Capex was also incurred for connectivity of HT Consumers and procurement of land for 33kV SS at Paldi and Arvind Mill to meet the load growth. During FY 2023-24, no applications were received from 33kV consumers.
- Renovation and Replacement: Expenditure under the head of renovation and replacement has been incurred primarily towards civil revamping of EHV substations & switchyard and phasing out of obsolete assets such as switchgears and reactors.
- Safety: During FY 2023-24, major expenditure is incurred towards undergrounding of 132 kV Jamalpur-Vinzol line which was deferred from FY 2022-23 due to Road opening permission. Further, Capex was incurred towards switchyard work at substations along with providing lightning arrestors, firefighting equipments, and Safety ladders, and High Velocity Water Spray system for Transformers.
- Supporting Infrastructure: Under this head, expenditure has been incurred for procurement of cable fault van, relays, battery, testing equipment, etc.
- Automation: Expenditure has been primarily incurred towards EHV substation automation.

b) <u>HT Network:</u> The Commission had approved the capital expenditure of Rs. 234.59 Crore for HT network. In this regard, the Petitioner has incurred the expenditure of Rs. 241.94 Crore. The details of actual capital expenditure and reason for major variation are as under:

- Normal load growth: Expenditure has been incurred mainly towards distribution transformer installations at New Substations, transformer augmentation, HT customer application processing and various network modification schemes. The variation in expenditure is due to the variation in material cost.
- Reliability, Renovation and Modernisation: Capital expenditure has been incurred under this head mainly towards transformer replacement, HT network shifting due to road widening, distribution automation and other infrastructure development projects and old and obsolete network upgradation.
- Safety: Major capital expenditure has been incurred under the head of safety towards replacement of old switchgear & cables, conversion from Oil Type Distribution Transformer to Dry Type Distribution Transformer, and FSP.
- Supporting Infrastructure: Expenditure has been incurred towards testing and measuring equipment including procurement of cable identifier, route tracer, clip on meters, etc.

c) <u>LT Network:</u> The Commission had approved the capital expenditure of Rs. 196.61 Crore for LT network. The actual expenditure incurred is Rs. 221.52 Crore. The details of actual capital expenditure and reason for major variation are as under:

- Normal load growth: Expenditure is incurred mainly towards release of new connection/ extension/ reduction, load balancing, relieving of overloaded distributors and substation interlinking schemes. Variation in expenditure is mainly due to higher number of applications & variation in unit cost for new connection/ extension/ reduction and schemes for relieving overloaded distributors and substation interlinking.

- Reliability, Renovation and Modernisation: Expenditure has been incurred mainly towards shifting of LT network due to road widening and other infrastructure development projects and upgradation of old/obsolete network.
- Safety: Expenditure has been incurred under the head of safety mainly towards replacement of MSP, replacement of LC, revamping of service and installation of fuse type MSP to enhance safety.
- Supporting Infrastructure: Expenditure has been incurred towards testing and measuring equipment like cable identifier, route tracer, earth tester, megger, clip-on meters and instruments for field force mobile application.

d) **Metering:** The Commission had approved capital expenditure pertaining to Metering of Rs. 88.09 Crore. The actual expenditure of Rs 17.41 Crore was lower than the approved capital expenditure due to deferment in implementation of smart metering due to evaluation of technology

e) **Power Supply Centre (PSC):** The Commission had approved capital expenditure of Rs. 30.00 Crore pertaining to PSC. In this regard, the Petitioner submitted that the work for implementation of PSC at different locations across Ahmedabad supply area was initiated in FY 2017-18. During FY 2023-24, capex of Rs. 58.07 Crore has been incurred towards civil works including demolition of old building, basement waterproofing, seating area etc. mainly at Amaraiwadi, Naranpura, Odhav, Narol and Gandhinagar PSCs

f) **IT & related expenditure:** The Commission had approved capital expenditure of Rs. 16.37 Crore pertaining to IT & related expenditure. During FY 2023-24, capex of Rs 6.76 Crore has been incurred under this head is mainly towards IT infrastructure such as wireless network infrastructure, BMS, etc. During FY 2023-24, the incurred expenditure was less as few projects related to Virtual Desktop Infrastructure (VDI), ERP, SAP etc. are in the final stage of execution

g) **Other Departments:** The Commission had approved capital expenditure pertaining to Other Dept. of Rs. 81.73 Crore. The actual expenditure incurred is lower due to rescheduling of capex for Advanced Distribution Management System, Smart Grid, Meter data Management System and Advance Metering Infrastructure activity.

During FY 2023-24, the capex incurred was Rs 15.43 Crore primarily towards setting up of Electric vehicle infrastructure at Prahladnagar Plug point, Drive-in Switchyard, MRS-6 Raipur and Naranpura office. Capex was also incurred towards Stores, GIS, Miscellaneous civil works, Customer services, office, Procurement of MRI, tools, etc.

4.9.2 The Petitioner has further submitted the details of capitalization, which is tabulated as below:

Table 4-22 Capitalisation Claimed for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	8,855.04	8,691.30

Particulars	Approved in Tariff Order	Claimed by Petitioner
Addition to GFA	1,212.14	1,841.61
Deletion to GFA	-	104.41
Closing GFA	10,067.18	10,428.50
SLC addition	85.22	85.59

Commission's Analysis:

4.9.3 The Petitioner has claimed CAPEX of Rs. 1,054.91 Crore in Truing up of FY 2023-24, against the CAPEX of Rs, 1,519.50 Crore approved by the Commission

4.9.4 The Commission has observed that according to the audited annual accounts for FY 2023-24, the Capex is at Rs. 958.73 Crore as per Note 6 of the Audited Accounts under head "Additions during the year". The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 1,054.91 Crore with details of Opening CWIP as on 1st April 2023, CAPEX during the year and Closing CWIP as on 31st March 2024 in form 4.3 of the Petition. Further, TPL-D (A) also clarified that in case of any CAPEX is being capitalised in the same month, CAPEX is not reflected in CWIP and is directly being capitalised in Gross Fixed Assets.

4.9.5 The Commission opines that in order to meet the system demand and to provide 24x7 uninterrupted reliable quality power supply, necessary augmentation and upgradation of EHV / HV / LV network is required. TPL-D (A) had submitted the CAPEX plan for the MYT period and accordingly CAPEX and capitalization is being undertaken and it is approved based on the yearly progress.

4.9.6 The Petitioner had already furnished the detailed project/scheme-wise explanation of the major capital expenditure incurred and capitalisation during FY 2023-24 as deliberated in its Petition and the same is not repeated here due to brevity. The Commission has carried out the detailed analysis of the CAPEX during the FY 2023-24 and capitalization against the approval of the Commission in Tariff Order as tabulated below;

Table 4-23 Approved CAPEX for FY 2023-24 (Rs. Crore)

Project Title	CAPEX approved for FY 2023-24 in Tariff Order	CAPEX claimed and approved in truing up for FY 2023-24	Difference approved & actual CAPEX for FY 2023-24
A	B	C	D =(B-C)
EHV Network	872.12	493.78	378.34
HT Network	234.59	241.94	(7.35)
LT Network	196.61	221.52	(24.91)
Metering	88.09	17.41	70.68
PSC	30.00	58.07	(28.07)
IT & Related Expenditure	16.37	6.76	9.61
Other Departments	81.73	15.43	66.30
Total	**1,519.50**	**1,054.91**	**464.60**

4.9.7 From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV works and metering. Against approved capital expenditure of Rs. 872.12 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 493.7 Crore mainly towards installation of 220/132 kV Transformers and GIS at Gandhinagar, Thaltej and Acher, 132 kV GIS at GOTA along with Transformers and auxiliary equipment, 132 kV EHV Substation at Riverfront (Kazipur), installation of additional transformer at Thaltej SS, Vasna SS and Vastral SS, Riverfront (Kazipur) 132kV SS mainly towards Civil work, transformer, bays, switchgear panel, etc., 132kV RTO Wadaj SS towards civil works related to control room and building and undergrounding of 132 kV Jamalpur-Vinzol line. Towards 33 kV Substation, expenditure has been mainly incurred towards establishment of Paldi substation, Platinum Park SS and additional transformer at Chenpur, GMDC, Bodakdev and Motera substations, Civil work and transformer at various substation, civil revamping of EHV substations & switchyard, connectivity of HT Consumers and procurement of land for 33kV SS at Paldi and Arvind Mill to meet the load growth, etc.

4.9.8 Further, certain works were also deferred for future years such as:

a) 132kV RTO Wadaj SS for want of development permit from AMC;
b) 132kV SS at Pirana and Nehrunagar due to the delay in receipt of development permit from AMC.
c) 132 kV New Maninagar SS due to land related issue.
d) conversion of AIS to GIS substation at New Pirana due to issue of technical requirements.
e) Airport GIS due to the change in requirement of the relevant authority.
f) Upgradation of 132 kV Sabarmati to Dudheshwar Overhead Line and additional connectivity between 132 kV Riverfront (Kazipur) to Dudheshwar Substation due to delay in receipt of Road Opening permit.
g) 33 kV substation at Maninagar, Bopal, Koteshwar, Sachivalaya, Naroda Village due to issues in land procurement and requirement of approvals from authorities.

4.9.9 In respect of Capex relating to HT and LT network, the Petitioner has incurred Rs. 234.59 Crore and 196.61 Crore against the capex of Rs. 241.94 Crore and Rs. 221.52 Crore respectively, approved in Tariff Order. Expenditure is incurred mainly towards distribution transformer installations, transformer augmentation, HT customer application processing and various network modification schemes.

4.9.10 Similarly, in respect of Metering, the CAPEX incurred to the tune of Rs. 17.41 Crore against the approved Rs. 88.09 Crore in Tariff Order due to deferment in implementation of smart metering due to evaluation of technology.

4.9.11 The Commission had approved capital expenditure pertaining to Other Dept. of Rs. 81.73 Crore as against which actual expenditure was only Rs. 15.43 Crore due to rescheduling of capex for Advanced Distribution Management System, Smart Grid, Meter data Management System and Advance Metering Infrastructure activity.

4.9.12 The Commission has verified from the annual accounts that the Petitioner has capitalised asset of Rs. 1,841.61 Crore during FY 2023-24. The Commission based on the audited annual accounts of FY 2023-24 has considered the opening CWIP, capex and capitalisation during the year and closing CWIP in true up for FY 2023-24 as given in the table below:

Table 4-24 CWIP approved in True up for FY 2023-24 for TPL-D (A) (Rs. Crore)

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	1,233.70
2	Capex during the year	1,054.91
3	Less: Capitalisation	1,841.61
4	Closing CWIP (1+2-3)	447.00

4.9.13 The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that TPL-D (A) has upgraded and uprated some of the existing sub-stations, lines as well as switchgears.

4.9.14 Moreover, TPL-D (A) has also established and augmented various sub-stations at 33 kV level in different parts of the city near the load centers, which has led to reduction in the Distribution losses.

4.9.15 The Commission has verified the energizations of 132kV substation and all 33kV sub-stations energized during FY 2023-24 from the Certificate of energizations issued by the Chief Electrical Inspector which substantiates that the assets created through CAPEX have been put to service, which have been submitted by the Petitioner in its additional submission.

4.9.16 It has been observed that the Petitioner has claimed capitalisation of Rs. 1,841.61 Crore in Truing-up of FY 2023-24, against the capitalisation of Rs. 1,212.14 Crore approved by the Commission in the Order dated 31March, .2023. It has been further observed that there is significant variation in the value of Opening GFA in the Annual Accounts and Petition. TPL-D (A) clarified that the Fixed Asset Schedule in Annual Accounts is on NFA basis as per Ind-AS, however, TPL-D (A) has submitted fixed asset schedule in the Petition on GFA basis as per the GERC (MYT) Regulations, 2016.

4.9.17 The Commission has approved closing GFA at Rs. 8,691.30 Crore in the True-up for FY 2022-23 and the same is considered as opening GFA for FY 2023-24. The Commission has observed that according to the audited annual accounts for FY 2023-24, the capitalisation is at Rs. 1,841.61 Crore. The Petitioner has furnished details of asset wise capitalization in Form 4.2 which is depicted in the Table 4-23 of this chapter.

4.9.18 TPL-D (A) has de-capitalised assets to the extent of Rs. 104.41 Crore during FY 2023-24. However, it is observed that deductions from GFA is at Rs. 55.00 Crore as per (Note 4.1 & 7) of the audited annual accounts for FY 2023-24. The Commission has addressed the Petitioner to furnish the details for the discrepancy against which the Petitioner has reported that the fixed asset shown in the annual accounts is on Net Fixed Assets (NFA) basis as per Ind AS and the same is shown on Gross Fixed Assets (GFA) basis in the Petition as per GERC (MYT) Regulations, 2016. Hence, the Commission considers de-capitalised assets at Rs. 104.41 Crore and accordingly adjustments is made to GFA in Truing up for FY 2023-24.

4.9.19 The Commission accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2023-24 as tabulated below:

Table 4-25 Approved Capitalisation for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	8,691.30	8,691.30
Addition to GFA	1,841.61	1,841.61
Deletion to GFA	104.41	104.41
Closing GFA	10,428.50	10,428.49
Less: SLC Addition	85.59	85.59
Balance Capitalisation	1,756.02	1,756.02
Normative Debt @70%	1,229.22	1,229.22
Normative Equity @30%	526.81	526.81

4.10 Depreciation

Petitioner's Submission:

4.10.1 TPL-D (A) has claimed a sum of Rs. 331.25 Crore towards depreciation in the Truing up for FY 2023-24 as against Rs. 347.50 Crore approved in the Tariff Order as shown in the Table below:

Table 4-26 Depreciation claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	347.50	331.25

4.10.2 TPL-D (A) has submitted that the depreciation rates, as per CERC (Terms and Conditions of Tariff) Regulations, 2004, are applied on the Opening GFA of FY 2009-10 and for addition of assets from 1st April, 2009 onwards, the depreciation has been computed at the rates specified in the GERC Regulations. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's Analysis:

4.10.3 The Commission has considered the opening balance of GFA for FY 2023-24 equal to the closing balance of GFA for FY 2022-23 approved by the Commission. The details of opening GFA as on 1st April, 2023, addition to and deduction from the Gross Block during FY 2023-24 are elaborated in the previous sections.

4.10.4 The Commission has verified the depreciation from the annual accounts for FY 2023-24 and observed that depreciation as per annual accounts is Rs. 397.82 Crore (as per Note 4.1, 5 and 7 of Audited accounts). However, the Petitioner has claimed depreciation of Rs. 331.25 Crore in Truing up for FY 2023-24. On query from the Commission, it has submitted that the depreciation has been claimed in accordance with the applicable Regulations and as per the approved practice and the same is being certified by the Statutory Auditors in the Accounting Statement. Further, the Petitioner has also submitted the reconciliation of the depreciation as per Petition vis-à-vis annual audited accounts as tabulated below:

Table 4-27: Reconciliation of Depreciation with Audited Accounts for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner
Depreciation as per IND AS	395.44
Add: Depreciation on lease hold land	0.46
Add: Depreciation on Intangible Asset	1.92
Depreciation as per GAAP	**397.82**
Less: Amortisation of deferred revenue	66.30
Less: ROU Dep & Others	0.27
Depreciation Claimed in Petition	**331.25**

4.10.5 The Commission has deducted an amount of Rs. 66.30 Crore on amortisation of deferred revenue and Rs. 0.27 Crore towards RoU. Further, the Commission has deducted assets of Rs. 85.59 Crore funded through Service Line Contribution and adjustment equivalent to the depreciation amount has been reduced. The Commission, accordingly, approves the depreciation of Rs.

331.25 Crore for FY 2023-24. The deviation in depreciation as compared to approved in Order dated 31st March, 2023 is considered as uncontrollable, as the depreciation is dependent on capitalisation. The Commission, accordingly, approves the gains/(losses) on account of depreciation for FY 2023-24, as tabulated below:

Table 4-28 Depreciation and Gains/Losses approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Depreciation	347.50	331.25	16.25	16.25

4.11 Interest Expenses

Petitioner's Submission:

4.11.1 TPL-D (D) has claimed a sum of Rs. 217.67 Crore towards actual interest expenses in the Truing up for FY 2023-24 as detailed in the Table below as against Rs. 170.64 Crore approved in the Order dated 31st March,2023. In addition, TPL-D (A) has claimed an amount of Rs. 1.83 Crore towards other borrowing costs.

Table 4-29 Interest and finance charges claimed for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	2,127.81	2,084.53
Less: Reduction of normative loan due to retirement	-	(6.85)
Addition of Loan	788.84	1,229.22
Repayment during year	347.50	331.25
Closing Balance	2,569.15	2,989.35
Average Loan	2,348.48	2,536.94
Weighted average rate of interest (%)	7.27%	8.58%
Interest Expenses	**170.64**	**217.67**
Other Borrowing Costs	-	1.83

4.11.2 The Petitioner submitted that the MYT Regulations, 2016 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. The Petitioner has considered the interest expenses as per the MYT Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. (6.85) Crore after considering depreciation on account of deduction of Rs. 24.47 Crore and reduction in equity of Rs. 31.32 Crore. The Petitioner has calculated the interest expenses by applying Weighted Average Rate of interest of the actual loan portfolio of the Petitioner during the year on the loan component while repayment has been considered equal to the depreciation of the assets for the year.

Commission's Analysis:

4.11.3 The Commission has considered opening normative loan as on 01st April, 2023 equal to the closing loan balance of Rs. 2,084.53 Crore approved in Truing up FY 2022-23.

4.11.4 Addition to loan during FY 2023-24 is considered at Rs. 1,229.22 Crore as approved in earlier sections in accordance with the GERC (MYT) Regulations, 2016. The repayment is considered equivalent to depreciation as approved in the section of depreciation. The GERC (MYT) Regulations, 2016 provides for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year's closing balance, capitalization and funding approved during the year. Further, the Petitioner has reduced normative loan due to deduction in GFA to the extent of Rs. 6.86 Crore after considering depreciation on account of deduction of Rs. 24.47 Crore and reduction in equity of Rs. 31.32 Crore.

4.11.5 As per first proviso of Regulation 38.5 of the GERC (MYT) Regulations, 2016, at the time of Truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Distribution Licensee shall be considered as the rate of interest.

4.11.6 Accordingly, the Commission sought information such as the actual loan portfolio and computation of weighted average rate of interest, which the Petitioner submitted vide additional submission. The Commission has considered the weighted average rate of interest at 8.58% equal to the interest rate claimed by the Petitioner for FY 2023-24.

4.11.7 The Commission has verified the borrowing cost from the annual accounts for FY 2023-24 and observed that as per annual accounts, the cost is Rs. 1.93 Crore (Rs. 0.43 Crore + Rs. 1.50 Crore) as per Note 30 of Audited accounts. However, the Petitioner has submitted the reconciliation of the borrowing cost vis-à-vis annual audited accounts as tabulated below:

Table 4-30 Reconciliation of Borrowing cost with Audited Accounts (Rs Crore)

Particulars	Claimed by Petitioner
Other borrowing costs	0.43
Amortisation of borrowing cost (Foot note)	1.50
Total Other Finance charges as per Note-30	**1.93**
Less: Amortisation of borrowing cost for FY 15-16	0.22
Add: Interest on Security Deposit from cash collection centers	0.12
Other Finance charge	**1.83**

4.11.8 From the above table, the Commission observes that Interest on security deposit from Cash Collection Center is not the part of the borrowing cost and hence has been excluded from the computation. Accordingly, the Commission has duly verified the other borrowing cost from annual audited accounts for FY 2023-24 and accordingly approves the other borrowing cost of Rs. 1.71 Crore. By considering above, the Commission has computed the Interest & Finance Charges for FY 2023-24, which is tabulated as below;

Table 4-31 Interest Approved by the Commission for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	2,084.53	2,084.53
Less: Reduction of normative loan due to retirement	-6.86	-6.86
Addition of Loan	1,229.22	1,229.22
Repayment during year	331.25	331.25
Closing Balance	2,989.35	2,989.35
Average Loan	**2,536.94**	**2,536.94**
Weighted average rate of interest (%)	8.58%	8.58%
Interest Expenses	**217.67**	**217.67**
Other Borrowing Costs	1.83	1.71
Total Interest & Finance Charges	**219.50**	**219.38**

4.11.9 With regard to computation of gains/losses, Regulation 22.2 of the GERC (MYT) Regulations, 2016 provides as under:

"Regulation 22.2 of the GERC (MYT) Regulations, 2016 considers variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events, as a controllable factor. If the gain is on account of lesser capital expenditure and capitalization, it cannot be attributed to the efficiency of the utility to allow 2/3rd of the gain to the utility. Similarly, if the loss is on account of more capital expenditure and capitalization due to bonafide reasons, the utility cannot be penalized by allowing only 1/3rd of the loss in the ARR.

4.11.10 The Commission, in terms of regulations, has considered variation in capitalization as uncontrollable and accordingly dependent components of ARR of interest on loan, depreciation and Return on Equity are also considered as uncontrollable."

4.11.11 The Commission, accordingly, approves the gains/losses on account of interest and finance charges as uncontrollable for FY 2023-24, as tabulated below;

Table 4-32 Gains / (Losses) Approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Interest & Finance Charges	170.64	219.38	(48.74)	(48.74)

4.12 Interest on Security Deposit

Petitioner's Submission:

4.12.1 The Petitioner has claimed Rs. 75.36 Crore towards interest on security deposit in Truing up for FY 2023-24 as against Rs. 44.02 Crore approved in the Tariff Order dated 31st March, 2023.

4.12.2 The Commission in the Tariff Order had approved the interest on security deposit for the Petitioner considering 4.25% interest rate on the average estimated balance of security deposit for FY 2023-24 whereas the actual interest paid based on the bank rate of 6.75% as submitted in the Table below:

Table 4-33 Interest on Security Deposit claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	4.25%	6.75%
Interest on Security Deposit	44.02	75.36

4.12.3 The Petitioner has submitted that the variation in security deposit amount and the variation in interest rate are uncontrollable. Hence, the Petitioner has requested to treat the variation in interest on security deposit as uncontrollable.

Commission's Analysis:

4.12.4 The Commission has verified the actual interest on security deposit and found the same to be as per the annual accounts submitted with the petition. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 75.36 Crore for FY 2023-24. The deviation of Rs. 31.34 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

Table 4-34 Gains/Losses approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing-Up	Deviation +(-)	Gains/(Losses) due to Uncontrollable Factors
Interest on Security Deposit	44.02	75.36	(31.34)	(31.34)

4.13 Interest on Working Capital

Petitioner's Submission:

4.13.1 The Working Capital requirement is arrived at as per the GERC (MYT) Regulations, 2016. As the working capital requirement is negative, the Petitioner has not claimed any interest on working capital.

Table 4-35 Interest on Working Capital Claimed for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
O&M Expenses for 1 Month	35.32	34.24
1% of GFA for maintenance spares	88.55	86.91
Receivables for 1 month	566.18	627.79
Less: Security Deposit	1,035.82	1,153.76
Working Capital Requirement	-	-
Rate of Interest (%)	9.50%	11.07%
Interest on Working Capital	-	-

4.13.2 The Petitioner has submitted that the variation in working capital requirement is primarily on account of variation in actual O&M expenses and receivables. Further, there is a variation in the interest rate applicable to working capital requirement. Accordingly, the Petitioner has requested the Commission to consider the variation in interest on working capital as uncontrollable.

Commission's Analysis:

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

4.13.4 TPL-D (A) has considered the working capital interest rate @ 11.07% per annum, being the weighted average 1-year MCLR prevailing during FY 2023-24 plus 250 basis points.

4.13.5 The regulations (read with amendment notification No.7 of 2016 dated 02.12.2016) specify the rate of interest to be allowed shall be the weighted average 1-year SBI MCLR plus 250 basis points (i.e. 2.50%). The Commission has verified the weighted average 1-year MCLR during FY 2023-24 from the State Bank of India website which worked out to 8.57%. Accordingly, the rate of interest for computation of interest on working capital works out to 11.07% (8.57%+2.50%) and the same is adopted in truing up for FY 2023-24.

4.13.6 As per Regulations 40.4 of MYT Regulations 2016, the Receivables equivalent to one (1) month of the revenue is required to be considered. However, it is noted that the Receivable considered by TPl-D (A) equivalent to one month is of Rs. 7,533.44 Crore after adjustment of Rs. 562.86 Crore related unrecovered FPPA. However, the Commission opines that the unrecovered FPPPA is a mere book entry within the accounts and the actual Revenue billed to consumers is of RS. 8,096.30 Crore and the same has been considered for calculation of Working Capital Requirement.

4.13.7 Based on the O&M expenses and other expenses now approved in the Truing up, the working capital and interest thereon calculated as detailed in the Table below:

Table 4-36 Interest on Working Capital approved for FY 2023-24 (Rs. Crore)

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	34.24	34.25
1% of GFA for maintenance spares	86.91	86.91
Receivables for 1 month	627.79	674.69
Less: Security Deposit	1,153.76	1,153.76
Working Capital Requirement	-	-
Rate of Interest (%)	11.07%	11.07%
Interest on Working Capital	-	-

4.13.8 As indicated above, the Commission, accordingly, approves the interest on working capital as NIL for FY 2023-24.

4.14 Return on Equity

Petitioner's Submission:

4.14.1 TPL-D(A) has claimed a sum of Rs. 380.75 Crore towards Return on Equity @14% in the Truing-up of for FY 2023-24 as against the Rs. 377.48 Crore approved in the Order dated 31st March, 2023 as detailed in the Ttable below:

Table 4-37 Return on Equity claimed by the TPL -D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	2,527.27	2,471.93
Equity Addition	338.08	526.81
Reduction in equity on account of retirement	-	31.32
Closing Equity	2,865.35	2,967.41
Return on Equity at beginning of year	353.82	346.07
Return on Equity addition during year	23.67	34.68
Total Return on Equity	**377.48**	**380.75**

4.14.2 TPL-D (A) has submitted that the closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year. The return on equity has been computed by applying a rate of 14% on the average of opening balance & closing balance of equity.

4.14.3 The Petitioner has requested the Commission to consider the variation in RoE as uncontrollable and allow the same for the purpose of truing-up.

Commission's Analysis:

4.14.4 The closing equity as on 31st March, 2023 approved in the Truing up order dated 31st March, 2023 has been considered as the opening equity for FY 2023-24. During the year FY 2023-24, the net asset addition to GFA is at Rs. 1,756.02 Crore and the equity at 30% works out to Rs. 526.81 Crore. Further during the year deletion from GFA is at Rs. 104.41 Crore. Accordingly, reduction in equity is considered at Rs. 31.32 Crore being 30% of the asset reduction. Thus, net equity addition is considered at Rs. 495.48 Crore for FY 2023-24 in Truing up.

4.14.5 The rate of return is considered at 14% as per the GERC (MYT) Regulations, 2016 to work out the Return on Equity as shown in the Table below:

Table 4-38 Return on Equity approved for FY 2023-24 (Rs. Crore)

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	2,471.93	2,471.93
Equity Addition	526.81	526.81
Reduction in equity on account of retirement	31.32	31.32
Closing Equity	2,967.41	2,967.41
Return on Equity at beginning of year	*346.07*	*346.07*
Return on Equity addition during year	*34.68*	*34.68*
Total Return on Equity	**380.75**	**380.75**

4.14.1 The Commission, accordingly, approves the Return on Equity at Rs. 380.75 Crore in the Truing up for FY 2023-24.

4.14.2 The Return on Equity depends on the amount of capitalization during the year and the debt-to-equity ratio considered during the Financial Year and these parameters are uncontrollable in nature. The variance in the amount of Return on Equity is therefore treated as an uncontrollable item.

4.14.3 The Commission, accordingly, approves the gains/(losses) on account of Return on Equity in the truing up for FY 2023-24 as detailed below.

Table 4-39 Return on Equity and Gains/(Losses) approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Return on Equity	377.48	380.75	(3.27)	(3.27)

4.15 Income Tax

Petitioner's Submission:

4.15.1 TPL-D(A) has claimed Income Tax of Rs. 73.93 Crore based on the actual tax paid in proportion to the PBT of TPL-D(A) for FY 2023-24 against the approved Rs. 46.27 Crore by Commission in its Tariff Order dated 31st March, 2023 based on the actuals tax paid in proportion to the PBT of TPL-D(A). Hence, the Petitioner has claimed income tax as per below.

Table 4-40 Income Tax Claimed for TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Income Tax	46.27	73.93

Commission's Analysis:

4.15.1 The Commission had asked TPL to furnish the details of segregation of income tax paid by TPL in respect of TPL-D (A) along with copies of challans of income tax paid. In its reply, TPL-D (A) stated that being a single corporate entity, income tax is paid for the company as a whole and submitted copy of challans of income tax paid for the year. TPL-D (A) has computed the income tax by applying the ratio of PBT and after adjustment of tax credit.

4.15.2 The Commission has verified the PBT figures from the Annual Accounts for FY 2023-24. The Petitioner has shown a PBT of Rs. 441.23 Crore including Re-measurement of Defined Benefit Plans of TPL-D (A). The PBT as per standalone financial statement of TPL (including Remeasurement of Defined Benefit Plans) is Rs. 2,436.06 Crore and the total tax paid by the Company as a whole is Rs. 407.25 Crore. Accordingly, the tax rate works out to 16.72% lower than the MAT rate of 17.47% and thus, applying the effective tax rate on PBT of TPL-D (A), the income tax works out to be Rs. 73.76 Crore. Further, there is an income tax refund of Rs. 8.29 Crore related to FY 2012-13 and Rs. 0.03 Crore related to FY 2022-23 (as submitted by the Petitioner in their additional submission vide e-mail dated 11 February, 2025). It has been observed by the Commission that for FY 2012-13, TPL as a whole has declared Total Profit before Tax (PBT) of Rs. 622.74 Crore against which the tax paid was of Rs. 131.29 Crore against which TPL has received the refund of Rs. 8.29 Crore. For the same financial year, TPL-D (A) has declared the Loss of Rs. 232.57 Crore on which no income tax was allowed by the Commission. Accordingly, the Commission has not adjusted any claim towards the refund of Rs. 8.29 Crore received against FY 2012-13.

4.15.3 The Commission, accordingly, approves the income tax at Rs. 73.76 Crore for Truing up of FY 2023-24. The Commission has treated the income tax as an uncontrollable expense and accordingly, approves the gains/(losses) on account of income tax for FY 2023-24 as tabulated below;

Table 4-41 Gains / (Losses) due to Income Tax Approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Income Tax	46.27	73.76	(27.49)	(27.49)

4.16 Bad Debts Written Off

Petitioner's Submission:

4.16.1 The Commission in the Order had approved the bad debts of Rs. 4.69 Crore on a provisional basis for Ahmedabad supply area. The Petitioner has written off bad debts of Rs. 5.41 Crore during the year, as shown in the Table below.

Table 4-42 Bad Debts Written-Off claimed by TPL-D (A) for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed by Petitioner
Bed Debts written off	4.69	5.41

4.16.2 The GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable. Accordingly, the Petitioner has requested to consider the variation in bad debts written off in FY 2023-24 as controllable for sharing of gains/losses in line with the Regulations.

Commission's Analysis:

4.16.3 The Petitioner has claimed Rs. 5.41 Crore towards bad debts written off during FY 2023-24 against which the recovery of bad debts made is Rs. 3.46 Crore, as claimed by the Petitioner under Non-Tariff Income. Therefore, the net bad debt written off (Rs. 5.41 Crore minus Rs. 3.46 Crore) is Rs. 1.95 Crore. The Commission has verified the bad debt written off (net) from the Annual Accounts for FY 2023-24. The Commission, accordingly, approves the bad debts written off at Rs. 5.41 Crore for FY 2023-24. The deviation of Rs. 0.72 Crore in bad debts is considered as controllable factor. The Commission, accordingly, approves the gains/losses on account of bad debts for FY 2023-

24 as detailed below:

Table 4-43 Bad Debts Written-Off and Gains/(Losses) approved for Truing up for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Controllable
Bad debts	4.69	5.41	(0.72)	(0.72)

4.17 Contingency Reserve

Petitioner's Submission:

4.17.1 The Commission had allowed contingency reserve of Rs. 0.60 Crore for meeting the requirement of unexpected emergent circumstances. Accordingly, the Petitioner has considered the approved values and prayed to the Commission to allow the same for truing-up of FY 2023-24.

Commission's Analysis:

4.17.2 The proposed contingency reserve is consistent with the GERC (MYT) Regulations, 2016. Accordingly, the Commission approves Rs. 0.60 Crore towards contingency reserve for FY 2023-24.

Table 4-44 Contingency Reserve and Gains/(Losses) approved for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Contingency Reserves	0.60	0.60	-	-

4.18 Non-Tariff Income

Petitioner's Submission:

4.18.1 The Commission had approved Non-Tariff Income of Rs. 55.21 Crore for FY 2023-24 in Tariff Order and the actual Non-Tariff Income considered is Rs.

61.54 Crore. The major variation is on account of rebate on payment for power purchase, Liquidated Damages, revenue from scrap, recovery of debts, reconnection charges etc.

4.18.2 Further, in the previous Control Period, the Petitioner had considered the treatment towards income and expense of bad debts on similar lines as per the Hon'ble APTEL Judgment, wherein, the variation in recovery of bad debts was considered as controllable.

4.18.3 However, the GERC (MYT) Regulations, 2016 provides that variation in bad debts written off is to be considered as controllable while variation in bad debts recovery is to be considered as uncontrollable. Therefore, the Petitioner has therefore considered the entire variation in bad debts recovery in FY 2023-24 as uncontrollable for sharing of gains/losses in line with the Regulations. However, the Petitioner requests the Commission to revisit the provisions related to bad debts recovery & expenses.

Table 4-45 Non-Tariff Income claimed for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	55.21	61.54

4.18.4 The Petitioner has submitted that the Non-Tariff income is uncontrollable and requested to allow variation in Non-Tariff Income as uncontrollable for the purpose of Truing up.

Commission's Analysis:

4.18.5 The Non-Tariff Income is specified in Regulations 89 and 97 of the GERC (MYT) Regulations, 2016, which includes various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc. The Commission observes that the Non-Tariff Income claimed by the Petitioner for FY 2023-24 is Rs. 61.54 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 152.84 Crore. The Petitioner has reduced the Insurance Claim Receipt (Rs. 0.12 Crore), Amortisation of Deferred Revenue (Rs. 66.30 Crore), Delayed payment surcharge (Rs. 13.53 Crore) and Incentive related Surya Gujarat Solar roof top Scheme amounting to Rs. 14.81 Crore. The Petitioner has included recovery from bad debts of Rs. 3.46 Crore in the Non-Tariff Income to arrive at claimed figure of Rs. 61.54 Crore.

4.18.6 On query regarding non-consideration of Incentive related Surya Gujarat Solar roof top Scheme amounting to Rs. 14.81 Crore, the Petitioner has submitted that as per the clause 5.2.1, 5.2.2 and 5.2.7 of the MNRE Guidelines dated 20.08.2019 on "Implementation of Phase — I" of Grid Connected Rooftop Solar Programme for achieving 40 GW capacity from Rooftop Solar by the year 2022", the Petitioner is required to treat incentive and expense separately from tariff exercise. On perusal of the aforesaid policy, it has observed that "as the incentive are proposed for various reasons mentioned in 5.2.1 and 5.2.2, the above incentives proposed may not be a part of tariff of Tariff Determination & Tariff Rationalization process of SERC/JERC."

4.18.7 Accordingly, the Commission has not considered an amount of Rs. 14.81 Crore towards Incentive related Surya Gujarat Solar roof top Scheme in FY 2023-24.

4.18.8 Further, as discussed in the section of O&M expenses of this Order, Insurance Claim Receipt is part of NTI and accordingly, an amount of Rs. 0.12 Crore has been considered towards this head.

4.18.9 The Commission, accordingly, approves the Non-Tariff Income of Rs. 61.66 Crore for FY 2023-24.

4.18.10 The Commission, accordingly, approves the gains/(losses) on account of Non-Tariff Income in the Truing up for FY 2023-24 as detailed below:

Table 4-46 Non-Tariff Income and gains/(losses) approved for FY 2023-24 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing-Up	Deviation	Gains/(Losses) due to Uncontrollable
Non-Tariff Income	55.21	61.66	6.45	6.45

4.19 Revenue from Sale of Power

Petitioner's Submission:

4.19.1 The Petitioner has submitted Rs. 7,533.44 Crore as revenue from sale of power in the Truing up for FY 2023-24.

Commission's Analysis:

4.19.2 The Commission has observed that the revenue from sale of power is at Rs. 8,096.30 Crore as per the annual accounts for FY 2023-24. However, the Petitioner in Form 10 has depicted Rs. 7,533.44 Crore and accordingly the same is considered in the Petition for Truing up for FY 2023-24. On a query regarding this, it was stated that the revenue considered in the Petition excludes the amount of Rs. 562.86 Crore considered on accrual basis in revenue from sale of electricity of the audited accounts as per IND AS 115. To substantiate this, it has further submitted a certificate of Statutory Auditor certifying the revenue for FY 2023-24.

4.19.3 The Commission has noted their submission. It is to be noted that the Commission protects the interests of consumers as well as license while allowing the recovery of FPPPA charges on quarterly basis. There are instances where the Commission has allowed the past unrecovered FPPPA charges in the quarterly revision of FPPPA charges that means some of the unrecovered FPPPA charges of previous quarters has been recovered from the consumers in the subsequent periods. Therefore, these unrecovered FPPPA charges are gradually amortized or recovered from the consumers in future quarters. Hence, this leads to gradual increase in the recovery or in the income in the ensuing years.

4.19.4 The Commission has verified the revenue from sale of power from the annual accounts for FY 2023-24 due diligently and considered the revenue from sale of power as reflecting in the Note 27 of the audited accounts for FY 2023-24 i.e. Rs. 8,096.30 Crore (excluding discount on prompt payment of bills). Further, the Commission noted that the Petitioner has claimed total tax on this total revenue. The same is considered by the Commission based on the verification of the actual income tax challans submitted by the Petitioner for FY 2023-24. Accordingly, the Commission after thoughtful consideration, approved the revenue from sale of power at Rs. 8,096.30 Crore in the Truing up for FY 2023-24 in accordance with the GERC (MYT) Regulations, 2016.

4.19.5 Therefore, the Commission has considered overall revenue from sale of power during FY 2023-24 to the tune of Rs. 8,096.30 Crore in this Truing up exercise.

4.20 Gains/(Losses) under Truing up for FY 2023-24

Petitioner's Submission:

4.20.1 The Petitioner has submitted that the gains/(losses) on account of uncontrollable factors shall be passed through in tariff as per Regulation 23 and the gains/(losses) on account of controllable factors are shared between the licensee and the consumer in the form of tariff adjustment as per Regulation 24 of GERC (MYT) Regulations, 2016. The Petitioner has compared the actuals for FY 2023-24 with the approved figures and has segregated the variation as controllable or uncontrollable based on the analysis mentioned hereinabove in the truing up section as given in the table below:

Table 4-47 Controllable & Uncontrollable variations claimed for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	4,730.89	6,583.89	(1,853.00)	60.48	(1,913.48)
O&M Expense	423.86	410.86	13.00	13.00	-
Depreciation	347.50	331.25	16.25	-	16.25
Interest on Loans	170.64	219.50	(48.86)	-	(48.86)
Interest on Security Deposit	44.02	75.36	(31.34)	-	(31.34)
Interest on Working Capital	-	-	-	-	-
Return on Equity	377.48	380.75	(3.27)	-	(3.27)
Bad Debts written off	4.69	5.41	(0.72)	(0.72)	-
Contingency reserve	0.60	0.60	-	-	-
Income Tax	46.27	73.93	(27.66)	-	(27.66)
Less: Non-Tariff Income	55.21	61.54	(6.33)	-	(6.33)
Net ARR	**6,090.75**	**8,020.01**	**(1,929.26)**	**72.76**	**(2,002.02)**

Commission's Analysis:

4.20.2 The Commission has reviewed the performance of TPL-D (A) under Regulation 22 of the GERC (MYT) Regulations, 2016 for FY 2023-24. The Commission has computed the gains/(losses) for FY 2023-24 based on the Truing up for each of the components discussed in the above paragraphs. The Commission based on the Aggregate Revenue Requirement (ARR) approved in the Tariff, the actuals claimed in truing up and as approved by the Commission in truing up, has computed the Gains/(Losses) in accordance with the GERC (MYT) Regulations, 2016 as given in the Table below:

Table 4-48 ARR approved in respect of TPL-D (A) in the Truing up for FY 2023-24 (Rs. Crore)

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase Expenses	4,730.89	6,511.48	(1,780.59)	59.82	(1,840.40)
Operation & Maintenance Expenses	423.86	410.96	12.90	12.90	-

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Depreciation	347.50	331.25	16.25	-	16.25
Interest and Finance Charges	170.64	219.38	(48.74)	-	(48.74)
Interest on Security Deposit	44.02	75.36	(31.34)	-	(31.34)
Interest on Working Capital	-	-	-	-	-
Return on Equity	377.48	380.75	(3.27)		(3.27)
Bad debts written off	4.69	5.41	(0.72)	(0.72)	-
Contribution to contingency reserves	0.60	0.60	-	-	-
Income Tax	46.27	73.76	(27.49)		(27.49)
Less: Non-Tariff Income	55.21	61.66	(6.45)	-	(6.45)
Aggregate Revenue Expenditure	**6,090.74**	**7,947.29**	**(1,856.55)**	**71.99**	**(1,928.54)**

4.21 Sharing of Gains/Losses for FY 2023-24

4.21.1 The Commission has shared the gains/(losses) on account of uncontrollable and controllable factors in accordance with Regulation 23 of the GERC (MYT) Regulations, 2016. The relevant excerpt of the aforesaid regulation is stipulated as under;

Regulation 23. Mechanism for pass-through of gains or losses, on account of uncontrollable factors

"23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.

23.2 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and the figures approved by the Commission, in the prescribed *format to the Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.*

23.3 Nothing contained in this Regulation 23 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time."

Regulation 24. Mechanism for sharing of gains or losses on account of controllable factors

"24.1 The approved aggregate gain to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;

(b) The balance amount, which will amount to two-thirds of such gain, may be utilized at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.

24.2 The approved aggregate loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and

(b) The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or SLDC or Distribution Licensee."

4.21.2 The trued-up ARR for FY 2023-24 as claimed by TPL-D (A) and as approved by the Commission is summarized in the Table below:

Table 4-49 Approved Trued up ARR incl. Gains/(Losses) for FY 2023-24 (Rs. Crore)

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per Tariff	6,090.74	6,090.74
Gains/(Losses) due to Uncontrollable Factors	(2,002.02)	(1,928.54)
Gains/(Losses) due to Controllable Factors	72.76	71.99
Pass through as Tariff	1,977.77	1,904.54
ARR True-Up	**8,068.51**	**7,995.29**

4.21.3 The Petitioner has requested the Commission to consider an amount of Rs. 1,050.43 Crore as revenue gap towards earlier years, approved as per the Commission's Orders dated 31st March, 2023.

4.21.4 The Commission has observed that TPL-D (A) has claimed the Revenue Gap of past year based on the past order, the details of which are outlined as below:

Table 4-50 Revenue Gap / (Surplus) of past year (Rs. Crore)

Particulars	Amount
Order No.2179 of 2023 dated 31.03.2023	
Cumulative Gap	433.37
DSM	0.22
Order No.1764 of 2018 dated 25.09.2024 - Truing up of FY 2017-18	81.77
Total	**515.36**

4.21.5 As can be observed from the above table, the Petitioner has claimed Rs. 81.77 Crore (balance against Rs. 109 Crore) towards the impact of consequential Order dated. 25/09/2024 in Case No. 1764 of 2018 pursuant to the Hon'ble APTEL direction. Its fact that the Commission had allowed Rs. 27.23 Crore towards the Carrying Cost for FY 2017-18 as against Rs. 109 Crore as estimated by the Petitioner in Case No. 1764 of 2018. It's also fact that aggrieved to this, the Petitioner had approached the Hon'ble APTEL and preferred the Appeal No. 222 of 2019. The Hon'ble APTEL vide Order dated 24/08/2023 had set aside the impugned Order and remitted the matter to the State Commission for consideration and directed to issue fresh order in accordance with law. The Commission with all due processes complied the afore-said judgement and decided that *"all the pending gap and/or carrying cost of previous years in the series of FY 2013-14, FY 2015-16, FY 2017-18, FY 2019-20 and FY 2021-22 will be considered in ensuing truing up exercise in accordance with the Regulations"*. However, the Commission observes that there are some Appeals viz. 189/2023, 475/2022 and 476/2022 in which the matters are in front of the bench of the Hon'ble APTEL on the issue related to Carrying cost and the methodology for computation there on. Therefore, the Commission decides to allow the Rs. 81.77 Crore (balance against Rs. 109 Crore) towards Carrying cost of FY 2017-18 in this Order on provisional basis. The Commission has further noted it will decide all the pending gap and/or carrying cost of previous years in the series of FY 2013-14, FY 2015-16, FY 2017-18, FY 2019-20, FY 2021-22 and FY 2023-24 will be considered in ensuing truing up exercise in accordance with the Regulations. Therefore, it's essential to acknowledge that the specified amount of Rs. 81.77 Crore will achieve definitive status solely subsequent to the outcomes of afore-said appeals which are before Hon'ble APTEL. Additionally, it will undergo reassessment during the truing-up process for future periods. Accordingly, the Commission considers this amount i.e. Rs. 81.77 Crore with above-mentioned conditions in this truing up exercise to arrive at (gap)/surplus for FY 2023-24.

4.21.6 Further, TPL-D (A), as an additional information, vide letter dated 15 March, 2025, has informed that Hon'ble High Court of Gujarat, vide order dated 23rd October,2024, has issued the order in favour of TPL and directed GST Authorities to refund the amount of Rs. 24.25 Crore, so as to pass on the same to the end consumers. Accordingly, TPL-D(A) requested to consider the amount of refund alongwith the interest amount of Rs. 16.61 Crore (Refund Portion of Ahmedabad allocation in proportion to Energy Requirement) as a revenue in determination of tariff. The Commission has noted the submission of TPL-D (A) and accordingly considered Rs. 16.61 Crore as part of Revenue and adjusted the same in Revenue Gap / (Surplus).

4.21.7 Accordingly, the Commission has considered the revenue while computing the actual net revenue gap/(surplus) for FY 2023-24 for Truing-up purpose as below:

Table 4-51 Recovery of earlier year's approved Gap/(Surplus) (Rs. Crore)

Particulars	Claimed by Petitioner	Approved (Rs. Crore)
Trued-up ARR	**8,068.51**	**7,995.29**
Revenue from Sales of Energy	7,533.44	8,096.30
Less: Revenue towards recovery of earlier year's approved gap/(surplus)	515.36	515.36
Add: Remittance of GST as per High Court Order		16.61
Balance Revenue	**7,018.08**	**7,597.55**
Gap / (Surplus)	**1,050.43**	**397.74**

4.21.8 The Commission, accordingly, considers the Trued-up Revenue gap of Rs. 397.74 Crore for FY 2023-24 while determining the Tariff for FY 2025-26.

Chapter 5: ARR for the MYT Control Period FY 2025-26 to 2029-30 and Tariff Determination for FY 2025-26

5.1 Introduction

5.1.1 The GERC (MYT) Regulations, 2024 was notified on 06th August 2024, which will be in force till 31st March 2030 and is applicable for determination of tariff from 1st April, 2025 onwards. Regulation 2 (22) of GERC (MYT) Regulations, 2024 defines Control Period by stipulating it to be from 1st April 2025 to 31st March 2030. The Regulation 1.4 of the GERC (MYT) Regulations, 2024 provides that these Regulations shall remain in force till 31st March 2030, unless otherwise reviewed/extended.

5.1.2 Also, Regulation 16.3.1 of the GERC (MYT) Regulations, 2024 provides for submission of detailed application for determination of ARR for Control Period i.e., 1st April 2025 to 31st March 2030 and revenue gap or revenue surplus thereof for the ensuing year for the determination of tariff to be carried out as per the GERC (MYT) Regulations, 2024.

5.1.3 Accordingly, the TPL-D (A) has submitted the projections of each of the components of ARR, such as, power purchase cost, O&M cost, Interest cost, etc. The ARR and the consequent revenue gap/(Surplus) are thus estimated to formulate the tariff proposal for the MYT Control Period FY 2025-26 to FY 2029-30. The Commission has studied and analysed each component of the ARR in the following paragraphs.

5.2 Energy Sales to Consumers

5.2.1 TPL-D (A) submitted that the it has already witnessed surge in energy demand and consumption subsequent to the "Mega City" status. However, the growth rates in demand are higher than growth rate in consumption. Owing to Banking facilities available, tendency of prosumers has changed substantially contributing to higher gap between demand and sales,

5.2.2 The Regulation 107.2 of the GERC (MYT) Regulations, 2024 provides for consideration of three scenarios for forecasting of sales i.e. Optimistic scenario, Business As Usual (BAU) scenario & Pessimistic scenario. During the previous Control Period, the Commission has notified the Green Energy Open Access Regulations and Net Metering Regulations which encourages consumers to source green power through open access and set up rooftop solar projects. These Regulations may affect the sales of all categories in the license area depending upon market condition.

5.2.3 For MYT Control Period FY 2025-26 to FY 2029-30, sales are projected by considering 4-year CAGR with FY 2019-20 as base for BAU and Pessimistic scenario and 7-year CAGR with FY 2016-17 as base for Optimistic scenario over the approved sales of FY 2024-25 except for HT, HT Metro, HT-EV, Others and LT-EV wherein feedback from industry/market has been duly factored to work out growth rate. Further, sales in DOE category have been excluded to arrive at CAGR figures. For BAU & Optimistic scenario, only rooftop penetration are considered at an anticipated level for BAU & at lowest level for Optimistic scenario. For pessimistic scenario, penetration of solar rooftop is considered higher than BAU and GEOA is considered

5.2.4 The category wise sales forecast has been arrived are as follows:

a) <u>RGP Category</u>

Petitioner's Submission:

i. The category consists of Residential consumers.

ii. The sales for RGP Category under different scenario are projected with following considerations:

- BAU: 4-year CAGR of 3.29% & Solar rooftop of 397.92 MU to 631.21 MU
- Optimistic: 7-year CAGR of 4.32% & Solar rooftop of 397.92 MU to 631.21 MU
- Pessimistic: 4-year CAGR of 3.29% & Solar rooftop of 423.29 MU to 639.83 MU

iii. The gross sales thus projected is adjusted with estimated rooftop solar units to arrive at the net sales for MYT Control Period. The forecast of net sales for MYT control Period for the category is shown in the Table below.

Table 5-1 Sales of RGP Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	3,165.34	3,224.20	3,286.92	3,353.61	3,424.41
Optimistic (MU)	3,200.91	3,298.04	3,401.88	3,512.73	3,630.89
Pessimistic (MU)	3,139.96	3,202.91	3,269.80	3,340.72	3,415.79

Commission's Analysis:

5.2.5 The Residential category recorded a CAGR of 3.29% and 4.32% in energy sales during 4 year and 7 year periods respectively. The Commission considers a growth of 3.29 % as made by the Petitioner after adjusting the Rooftop Solar units. Accordingly, the Commission approves the sales as submitted by the Petitioner for this category during the Control Period.

Table 5-2 Sales approved by the Commission for Residential category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Residential Category	3,165.34	3,224.20	3,286.92	3,353.61	3,424.41

b) <u>Non RGP Category</u>

Petitioner's Submission:

i. The category consists of the commercial and small industrial consumers and is expected to have normal growth in the consumption.

ii. The sales for Non-RGP Category under different scenario is projected with following considerations:

a. BAU: 4-year CAGR of 3.51% & Solar rooftop of 33.14 MU to 45.25 MU

b. Optimistic: 7-year CAGR of 3.74% & Solar rooftop of 33.14 MU to 45.25 MU

c. Pessimistic: 4-year CAGR of 3.51% & Solar rooftop of 35.25 MU to 45.87 MU

iii. The gross sales thus projected is adjusted with estimated rooftop solar units to arrive at the net sales for MYT Control Period. The forecast of net sales for the category is shown in the Table below.

Table 5-3 Sales of Non RGP Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	1,145.65	1,184.00	1,223.80	1,265.10	1,307.96
Optimistic (MU)	1,148.32	1,189.53	1,232.40	1,276.98	1,323.35
Pessimistic (MU)	1,143.54	1,182.31	1,222.49	1,264.15	1,307.34

Commission's Analysis:

5.2.6 The Non-RGP recorded a CAGR of 3.51% and 3.74% in energy sales during 4 year and 7 year periods respectively. The Commission considers a growth of 3.51% and after adjusting the Rooftop Solar Units. Accordingly, the Commission approves the sales as submitted by the Petitioner for this category during the Control Period.

Table 5-4 Sales approved by the Commission for Non-RGP category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non-RGP	1,145.65	1,184.00	1,223.80	1,265.10	1,307.96

c) LTMD Category

Petitioner's Submission:

i. This category consists of the consumption from electric installations above 15 kW for residential purpose, pumping stations run by local authorities, commercial and Industrial load. These are high consumption category of consumers which include the bigger commercial and industrial units.

ii. The sales for LTMD Category under different scenario is projected with following considerations:

- BAU: 4-year CAGR of 2.21% & Solar rooftop of 33.65 MU to 49.11 MU
- Optimistic: 7-year CAGR of 2.31% & Solar rooftop of 33.65 MU to 49.11 MU
- Pessimistic: 4-year CAGR of 2.21% & Solar rooftop of 35.80 MU to 49.78 MU

iii. The gross sales thus projected is adjusted with estimated rooftop solar units to arrive at the net sales for MYT Control Period. The forecast of net sales for the category is shown in the table below.

Table 5-5 Sales of LTMD Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	1,886.95	1,925.55	1,965.09	2,005.59	2,047.07
Optimistic (MU)	1,888.78	1,929.29	1,970.83	2,013.42	2,057.08
Pessimistic (MU)	1,884.80	1,923.80	1,963.71	2,004.57	2,046.40

Commission's Analysis:

5.2.7 The LTMD recorded a CAGR of 2.21% and 2.31% in energy sales during 4 year and 7 year periods respectively. The Commission considers a growth of 2.21% and after adjusting the Rooftop Solar Units. Accordingly, the Commission approves the Sales as submitted by the Petitioner for this category during the Control Period.

Table 5-6 Sales approved by the Commission for LTMD category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LTMD	1,886.95	1,925.55	1,965.09	2,005.59	2,047.07

d) <u>HT Pumping Stations</u>

Petitioner's Submission:

i. This category includes the water and sewerage pumping stations run by local authorities. The consumption in this category depends on monsoon and water table in the licensed area..

ii. The sales for HT Pumping Stations have been forecasted by considering 4 Year CAGR of 4.13% for BAU and Optimistic scenario and 7 Year CAGR of 1.56% for Pessimistic scenario over the approved sales of FY 2024-25 due to degrowth. The forecast of net sales for the category is shown in the table below.

Table 5-7 Sales of HT Pumping Station Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	144.26	150.22	156.42	162.88	169.61
Optimistic (MU)	144.26	150.22	156.42	162.88	169.61
Pessimistic (MU)	140.70	142.90	145.13	147.40	149.70

Commission's Analysis:

5.2.8 The HT Pumping Station recorded a CAGR of 4.13% and 1.56% in energy sales during 4 year and 7 year periods respectively. The Commission considers a growth of 4.13%. Accordingly, the Commission approves the Sales as submitted by the Petitioner for this category during the Control Period.

Table 5-8 Sales approved by the Commission for HT Pumping Station category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Pumping Station	144.26	150.22	156.42	162.88	169.61

e) HTMD Category

Petitioner's Submission:

i. HTMD category includes major industries in Ahmedabad like textile, chemical, process house, casting & moulding industries and food & confectionary products.

ii. Some of the HT customers have set up their wind & solar power generators and have availed the set-off against their consumption in the license area. This has impacted the actual sales of this category. Further, the sales to this category have also been impacted due to operationalisation of open access. The impact is marginal at present but in future, due to additional benefits in GEOA, same may impact the sales in this category.

iii. The gross HT sales for MYT Control Period have been forecasted based on industry interactions and feedback. For projection of sales of HT category, addition of about 30 MU to the approved HT sales of FY 2024-25 is projected to arrive at the projected sales of FY 2025-26 and thereafter 20 MU are added YoY for BAU and Optimistic scenario & 15 MU are added YoY for pessimistic scenario. No Open Access (OA) sales have been envisaged for BAU and Optimistic scenario whereas for Pessimistic scenario, OA sales of 20 MU - 40 MU have been considered for projection of sales for MYT Control Period.

iv. Based on all the above, the forecast of net sales for MYT Control Period for the category is shown in the Table below.

Table 5-9 Sales of HTMD for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	2,020.00	2,040.00	2,060.00	2,080.00	2,100.00
Optimistic (MU)	2,020.00	2,040.00	2,060.00	2,080.00	2,100.00
Pessimistic (MU)	2,000.00	2,015.00	2,030.00	2,045.00	2,060.00

Commissions' Analysis:

5.2.9 The HTMD category recorded a CAGR of 0.98% in energy sales during 4 year.

Considering the submission made by the Petitioner, that captive renewable plant has offset the consumption of this category, but due to due to additional benefits in GEOA, the sales may marginally occur. Accordingly, the Commission considers a growth of 20 MU on annual basis as submitted by the Petitioner for this category during the Control Period.

Table 5-10 Sales approved by the Commission for HTMD category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HTMD	2,020.00	2,040.00	2,060.00	2,080.00	2,100.00

f) <u>HT - Metro Category</u>

Petitioner's Submission:

i. During 3rd MYT Control Period, the Commission has introduced the tariff category of HT-Metro to cater the requirement of electricity for Metro traction.

ii. The sales for HT-Metro have been forecasted by considering 15% YoY growth on the approved sales of FY 2024-25 for BAU and Pessimistic scenario and 20% YoY growth for Optimistic scenario. During MYT Control Period, metro is expected to show growth due to incremental consumption.

iii. Accordingly, the forecast of net sales for MYT Control Period is shown as under.

Table 5-11 Sales of HT Metro Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	55.20	63.48	73.00	83.95	96.55
Optimistic (MU)	57.60	69.12	82.94	99.53	119.44
Pessimistic (MU)	55.20	63.48	73.00	83.95	96.55

Commission's Analysis:

5.2.10 The HT Metro category, being a naïve category and considering the development of the same within City, the Commission approves the CAGR of

15% in energy sales. Accordingly, the Commission approves the Sales as submitted by the Petitioner for this category during the Control Period.

Table 5-12 Sales approved by the Commission for HT Metro category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Metro	55.20	63.48	73.00	83.95	96.55

g) HT – Electric Vehicles

Petitioner's Submission:

i. This category contains the sales to the Electric Vehicles Units at HT voltage level.

ii. During MYT control Period, this category is expected to show growth due to addition in consumers. Accordingly, the sales for HT-Electric Vehicle have been forecasted by considering 15% YoY growth on the approved sales of FY 2024-25 for BAU and Pessimistic scenario and 20% YoY growth on the approved sales of FY 2024-25 for Optimistic scenario.

iii. The forecast of net sales for the MYT Control Period is as under:

Table 5-13 Sales of HT EV Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	24.28	27.92	32.11	36.93	42.47
Optimistic (MU)	25.34	30.40	36.48	43.78	52.54
Pessimistic (MU)	24.28	27.92	32.11	36.93	42.47

Commission's Analysis:

5.2.11 The HT Electric Vehicles category, being a naïve category and considering the development of the same within City in the line with the Central and State policy, the Commission approves the CAGR of 15% in energy sales. Accordingly, the Commission approves the Sales as submitted by the Petitioner for this category during the Control Period.

Table 5-14 Sales approved by the Commission for HT EV category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Metro	24.28	27.92	32.11	36.93	42.47

h) LT – Electric Vehicles

Petitioner's Submission:

i. This category contains the sales to the Electric Vehicles Units at LT Voltage level. At present the sales in this category are still at nascent stage as LT consumers usually opt to charge the EV through existing LT connections.

ii. As such during MYT Control Period, this category is expected to show growth due to addition in consumers. Based on the feedback, for all three scenarios i.e. BAU, Pessimistic and Optimistic, 0.64 MU have been considered as sales for FY 2025-26 and thereafter 0.20 MU have been added YoY.

iii. The forecast of net sales for the MYT Control Period is as under:

Table 5-15 Sales of LT EV Category for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	0.64	0.84	1.04	1.24	1.44
Optimistic (MU)	0.64	0.84	1.04	1.24	1.44
Pessimistic (MU)	0.64	0.84	1.04	1.24	1.44

Commission's Analysis:

5.2.12 The LT Electric Vehicles category, being a naïve category and considering the development of the same within City in the line with the Central and State policy, the Commission considers a growth of 0.20 MU on annual basis as submitted by the Petitioner for this category during the Control Period.

Table 5-16 Sales approved by the Commission for LT EV category for FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT Metro	0.64	0.84	1.04	1.24	1.44

i) <u>Other Categories</u>

Petitioner's Submission:

i. This category contains the sales to the GLP category, LTP (AG), Streetlight, and LT & HT -Temporary. The sales for other Categories under different scenario are projected with following considerations:

- BAU: 4-year CAGR of 4.32% & Solar rooftop of 5.68 MU to 6.41 MU
- Optimistic: 4-year CAGR of 4.32% & Solar rooftop of 3.06 MU to 3.78 MU
- Pessimistic: 4-year CAGR of 4.32% & Solar rooftop of 6.05 MU to 6.50 MU

ii. The gross sales thus projected is adjusted with estimated rooftop solar units to arrive at the net sales for MYT Control Period. The forecast of net sales for the category is shown in the table below

Table 5-17 Sales of Other Categories for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Business As Usual (MU)	65.34	68.23	71.24	74.40	77.70
Optimistic (MU)	67.97	70.85	73.87	77.03	80.33
Pessimistic (MU)	64.98	67.95	71.04	74.26	77.61

Commission's Analysis:

5.2.13 The Commission considers the forecast as made by the Petitioner and approves the sales as submitted for Other categories during the Control Period.

Table 5-18 Sales approved by the Commission for Other category for the period FY 2025-26 to FY 2029-30 (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Other Category	65.34	68.23	71.24	74.40	77.70

j) Summary of Energy Sales

Petitioner's Submission:

5.2.14 The energy sales as per business-as-usual scenario forecasted for MYT Control Period in each of the categories is summarized hereunder. TPL-D (A) submitted that the forecast of sales is based on realistic estimates and requested the Commission to approve the energy sales as proposed.

Table 5-19 Category wise energy sale of Ahmedabad supply area for MYT Control Period (MU)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
RGP	3,165.34	3,224.20	3,286.92	3,353.61	3,424.41
Non RGP	1,145.65	1,184.00	1,223.80	1,265.10	1,307.96
LTMD	1,886.95	1,925.55	1,965.09	2,005.59	2,047.07
HT Pumping Stations	144.26	150.22	156.42	162.88	169.61
HT	2,020.00	2,040.00	2,060.00	2,080.00	2,100.00
HT-Metro	55.20	63.48	73.00	83.95	96.55
HT-EV	24.28	27.92	32.11	36.93	42.47
LT-EV	0.64	0.84	1.04	1.24	1.44
Others	65.34	68.23	71.24	74.40	77.70
Total	**8,507.66**	**8,684.44**	**8,869.63**	**9,063.71**	**9,267.22**

Commission's Analysis:

5.2.15 The Commission considers the forecast of energy sales of each category of consumers as submitted by the Petitioner and discussed herein above. Accordingly, the energy sales for various categories are approved for MYT Control Period - FY 2025-26 to FY 2029-30, which is summarised in the Table below;

Table 5-20 Approved energy sales for TPL-D (A) for FY 2025-26 to FY 2029-30 *(MU)*

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
RGP	3,165.34	3,224.20	3,286.92	3,353.61	3,424.41
Non RGP	1,145.65	1,184.00	1,223.80	1,265.10	1,307.96
LTMD	1,886.95	1,925.55	1,965.09	2,005.59	2,047.07
HT Pumping Stations	144.26	150.22	156.42	162.88	169.61

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT	2,020.00	2,040.00	2,060.00	2,080.00	2,100.00
HT-Metro	55.20	63.48	73.00	83.95	96.55
HT-EV	24.28	27.92	32.11	36.93	42.47
LT-EV	0.64	0.84	1.04	1.24	1.44
Others	65.34	68.23	71.24	74.40	77.70
Total	**8,507.66**	**8,684.44**	**8,869.63**	**9,063.71**	**9,267.22**

5.3 Distribution Losses

Petitioner's Submission:

5.3.1 The Regulation 113.1 of MYT Regulations, 2024 provides that the Commission may stipulate a trajectory of distribution loss for MYT Control Period from FY 2025-26 to FY 2029-30. TPC-D (A) submitted that, it has already achieved the efficiency frontier in distribution loss reduction and at such lower level, the distribution loss remains range bound.

5.3.2 TPL-D (A) submitted that through its sustained efforts, in terms of implementing efficient practices and perseverance from the employees, TPL-D (A) has been trying to contain the distribution loss levels in their license area to the lowest possible level. However, for the MYT Control Period, it may not be possible to maintain the distribution loss level as the losses are expected to increase from the current level due to following reasons:

a) Losses after certain level would remain range bound and fluctuate on both the side. Same is evident from the fact that during FY 2022-23, Distribution loss for TPL-D(A) was 3.74% which has increased to 4.16% in FY 2023-24. On the other hand, during FY 2022-23, Distribution loss for TPL-D(S) was 3.17% which has decreased to 2.77% in FY 2023-24.

b) Increase in sales to demand ratio with the increase in utilisation of the system, the loading of the network increases and in turn, it will contribute to increase in losses.

c) Due to Solar rooftops penetration, loading on network has increased during banking hours having impact on losses. Balancing of 3-phase loads have also become practically impossible resulting into higher loss. Similarly, night time loading for the Solar rooftop consumers have also increased.

d) Recently, higher growth in LT load is observed as compared to the growth in HT load. Same will have impact on losses over the period. TPL-D (A) noted that Commission has notified GERC (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024 wherein the Commission has enhanced the threshold limit for LT Supply from 100kVA/kW to 150kVA/kW. In turn, the distribution loss is likely to increase.

e) TPL-D (A) submitted that performing utility cannot be penalized for its sustained performance. Therefore, the TPL-D (A) requested that the Commission adopt mechanism to incentivize the performing utility. TPL-D (A) requested the Commission to consider such mechanism.

5.3.3 With the above background, TPL-D (A) has projected the distribution loss for MYT Control Period as under:

Table 5-21 Distribution Losses for MYT Control Period as submitted by TPL-D (A)

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Losses (%)	5.00%	5.00%	5.00%	5.00%	5.00%

Commission's Analysis:

5.3.4 The Commission had approved distribution loss of 5.03% for FY 2023-24 and 3.74% for FY 2024-25 based on the past performance of the licensee. Further, it was also observed that the TPL has undertaken substantial capital investments in Ahmedabad area during the last five years for augmentation of network, which the Commission has approved in its various Order including this Order.

5.3.5 It has been observed that in the past, TPL-D (A) has achieved the actual distribution loss below 5%. On the query raised by the Commission, TPL-D(A) replied that recently it has increased threshold limit for LT Supply from 100 kVA/KW to 150 kVA/kW under Supply Code resulting in higher LT Loss, increase in solar penetration, increase in loading and increase in sales to demand ratio, increase in LT Loss, increase in loss level in FY 2023-24 by 11%, etc.

5.3.6 The Commission notes the increase in projected distribution losses as claimed by TPL and the reasons given thereof.

5.3.7 However, the Commission has reviewed the historical distribution losses for past 3 years and observed that the distribution losses are lower than 5% and it has already achieved a distribution loss level of 3.74% during FY 2022-23.

Table 5-22 Historical Data for Distribution Loss of TPL-D (A) (MU)

Category	FY 2021-22	FY 2022-23	FY 2023-24
Energy Sales	7,683.69	8,273.93	8,452.89
Distribution loss (in %)	4.17%	3.74%	4.16%
Distribution loss	334.29	321.32	366.62
Energy input at distribution level	8,017.98	8,595.25	8,819.51

5.3.8 Therefore, in view of above, the Commission decides to consider the minimum of 3 years actual distribution losses i.e. actuals of FY 2022-23 @3.74% as approved figures the distribution loss level trajectory of 3.74% for MYT Control Period from FY 2025-26 to FY 2029-30 of TPL-D (A).

Table 5-23 Distribution Losses Approved by the Commission for MYT Control Period

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Distribution Losses (%)	3.74%	3.74%	3.74%	3.74%	3.74%

5.4 Energy Requirement:

Petitioner's Submission:

5.4.1 Based on the energy sales forecast, estimation of distribution loss and transmission loss, the total energy requirement for MYT Control Period is estimated. The total energy requirement thus arrived is shown in the Table below. The Petitioner has also submitted that the estimated energy requirement and corresponding power purchase cost is arrived at on pooled basis keeping in mind the overall demand requirement of Ahmedabad & Surat Supply Areas.

Table 5-24 Energy Requirement for MYT Control Period for TPL-D (A) *MU)*

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Ahmedabad Supply Area					
Total Sales	8,507.66	8,684.44	8,869.63	9,063.71	9,267.22
Distribution Loss (%)	5.00%	5.00%	5.00%	5.00%	5.00%
Distribution Loss	447.77	457.08	466.82	477.04	487.75
Energy Required at Distribution periphery	8,955.43	9,141.51	9,336.45	9,540.75	9,754.96
220 kV/Transmission Loss	159.92	169.56	183.51	188.78	189.66
Energy Requirement of TPL-D (A)	**9,115.36**	**9,311.07**	**9,519.96**	**9,729.52**	**9,944.62**
Energy Requirement of TPL-D (S)	4,253.68	4,314.06	4,376.20	4,441.13	4,511.11
Total Energy required by TPL-D	**13,369.04**	**13,625.13**	**13,896.17**	**14,170.66**	**14,455.74**

Commission's Analysis:

5.4.2 Based on the energy sales and the distribution losses approved by the Commission, the energy requirement is arrived at, as given in the Table below. For projecting transmission losses, the Commission observes that TPL-D (A) has considered transmission losses on purchase from Bilateral and IEX. The Commission has considered the transmission loss percentage as 0.55% for Ahmedabad Supply area and 1.35% for Surat Supply Area as approved for FY 2023-24 respectively to arrive at Energy Requirement for MYT Control Period from FY 2025-26 to FY 2029-30 as given in the Table below;

Table 5-25 Energy requirement approved by the Commission for MYT Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Ahmedabad Supply Area					
Energy Sales (MU)	8,507.66	8,684.44	8,869.63	9,063.71	9,267.22
Distribution Loss (%)	3.74%	3.74%	3.74%	3.74%	3.74%
Distribution Loss (MU)	330.40	337.26	344.45	351.99	359.89
Energy Input at Distribution Level (MU)	8,838.06	9,021.70	9,214.08	9,415.70	9,627.11
220kV/Transmission Loss (MU)	0.55%	0.55%	0.55%	0.55%	0.55%
220kV/Transmission Loss (MU)	49.22	50.25	51.32	52.44	53.62
Energy Requirement of TPL-D (A)	**8,887.28**	**9,071.95**	**9,265.40**	**9,468.14**	**9,680.73**
Energy Requirement of TPL-D (S)	**4,155.20**	**4,208.47**	**4,266.31**	**4,328.25**	**4,393.90**
Energy Requirement of TPL-D	**13,042.48**	**13,280.41**	**13,531.71**	**13,796.39**	**14,074.62**

5.5 Energy Availability

Petitioner's Submission:

5.5.1 The energy sourcing is planned from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources including bilateral sources / power exchanges. The long term sources include TPL – G (APP) sources, SUGEN/ UNOSUGEN and Renewable Energy sources. For long term sources of SUGEN / UNOSUGEN, TPL has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. Further, the Petitioner has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN by giving due consideration to reliability of power and higher cost of gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. However, the Petitioner will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources.

5.5.2 The Commission has specified the Renewable Purchase Obligation (RPO) as per the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 read with the Amendment. The Commission has also issued draft RPO amendment to bring the RPO trajectory in line with RPO trajectory specified by Ministry of Power. Accordingly, the Petitioner has estimated the availability of renewable energy for MYT Control Period from the tied-up/ proposed tie-up capacities of RE Power.

5.5.3 The balance power would be sourced from short-term sources as and when required. Further, the Petitioner has planned to source the power for MYT Control Period subject to technical minimum /must run criteria while ensuring reliability of power giving due consideration to optimisation of cost.

5.5.4 Accordingly, the Petitioner has submitted the requisite details for Resource Adequacy Studies to the CEA such as past period sales, demand, and power purchase along with details for demand forecast for 20th EPS studies and RE tie up.

Table 5-26 Energy Availability as projected by Petitioner for MYT Control Period (in MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
TPL-G(APP)	2,417.17	2,304.61	2,371.09	2,372.69	2,300.29
SUGEN/ UNOSUGEN	3,760.16	3,572.11	3,138.24	3,053.19	3,011.58
Bilateral& Others	2,485.20	1,918.80	1,573.80	1,912.80	1,056.00
Power Exchange	2,298.22	2,322.86	2,373.06	2,377.48	2,427.26
Renewable Energy	2,408.29	3,506.75	4,439.97	4,454.49	5,660.60
Total	**13,369.04**	**13,625.13**	**13,896.17**	**14,170.66**	**14,455.74**

Commission's Analysis:

5.5.5 As per GERC (MYT) Regulation, 2024, the Distribution Licensees are required to project the power purchase requirement based on the Merit Order Dispatch principles of all generating stations considered for power purchase, RPO and the targets set if any, for Energy Efficiency and DSM schemes.

5.5.6 The variation in the projected energy requirement between TPL-D (A) and the approved by the Commission during MYT Control Period FY 2025-26 to FY 2029-30 is due to difference in transmission and distribution losses as mentioned in earlier sections. Accordingly, the quantum of energy purchase is regulated as detailed below.

5.5.7 With respect to the Renewable Power projection, Ministry of Power (MoP) has issued notification on 22 July 2022, related to RPO and Energy Storage Obligation trajectory till FY 2029-30 and on the same principle, the Commission has also issued the Draft GERC (Procurement of Energy from Renewable Sources) Regulations, 2024 and is in the process of notifying the same. The Commission has observed that the Petitioner has projected quantum of purchase from Renewable Sources which is lower than the RPO trajectory as per MoP notification as outlined below:

Table 5-27: Renewable Power Projection by TPL-D (A) for MYT Control Period

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Requirement Projected by TPL-D (A) - MU	13,369.04	13,625.13	13,896.17	14,170.66	14,455.74
Quantum of Renewable Power Projection – MU	2,408.29	3,506.75	4,439.97	4,454.49	5,660.60
% of Renewable Power of Total Power as per TPL-D (A) (%)	18.01%	25.74%	31.95%	31.43%	39.16%
RPO (%)	**33.01%**	**35.95%**	**38.81%**	**41.37%**	**43.33%**

5.5.8 Considering the mandate as provided by MoP, the Commission has projected the Renewable power requirement for MYT Control Period in line with the RPO trajectory as specified in the notification dated 22 July, 2022 and is outlined as below:

Table 5-28: Renewable Power Projection approved by Commission for FY 2025-26 to FY 2029-30

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Energy Requirement approved - MU	13,042.48	13,280.41	13,531.71	13,796.39	14,074.62
Quantum of Renewable Power Projection – MU	4,305.32	4,774.31	5,251.66	5,707.57	6,098.53
% of Renewable Power of Total Power approved as per RPO- (%)	33.01%	35.95%	38.81%	41.37%	43.33%

5.5.9 Accordingly, TPL-D (A) is directed to meet the RPO trajectory for each year of MYT Control Period and specified renewable energy consumption targets in accordance with the Regulations specified by the Commission from time to time.

5.5.10 The Commission has considered the quantum of energy availability from TPL–G (APP) as approved in the Order of TPL–G(APP), for MYT Control Period FY 2025-26 to FY 2029-30 in Petition No. 2425 of 2024. However, with respect to MYT Control Period, considering the demand profile of TPL-D (A) including peak demand and load factor, it would be optimal to serve TPL-D (A)_'s load from TPL-G (APP). This will optimise the Power purchase cost of TPL-D(A). with better financial predictability and tariff stability. Accordingly, the Commission has decided to allocate the 100% capacity of TPL-G (APP) to TPL-D (A) for the MYT Control Period. The Commission has further opined that during the Truing Up exercise of the respective years of the MYT Control Period, the similar principles/methodologies will be considered for allocation of the power procurement and its related cost thereof of TPL-G (APP) to TPL-D (A).

5.5.11 For long term sources of SUGEN / UNOSUGEN, the Petitioner has submitted that it has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. It has further submitted that it has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN considering reliability of power and higher cost of gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. It has further submitted that it will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources.

5.5.12 On query regarding the availability of gas, TPL-D (A) has made following submission with respect to SUGEN and UNOSUGEN:

a. For SUGEN, TPL has considered offtake from IOCL gas at 50% of contracted capacity till Apr-28 despite Take of Pay liability@ 90%. Same has been proposed to optimize the power purchase cost by reducing offtake from IOCL on the best effort basis in the interest of end consumers.

b. For UNOSUGEN, TPL has tied up Domestic Gas of ~8250 MM BTU/day from RIL R1 till December 2026, 4720 MM BTU/day from RIL RS till May-26 and 4960 MMBTU/day from ONGC till July 26. TPL has considered 90%, 100% and 100% off take from RIL R1, RIL R5 and ONGC respectively based on take or pay liability.

c. For Balance Quantum from SUGEN/UNOSUGEN, TPL has anticipated tying up term LNG FY 26 ~4.5 LNG Cargo (8.24 USD/MMBTU), FY 27 ~5 LNG

Cargo (~8.27 USD/MMBTU), FY28 ~ 5 LNG Cargo (~8.38 USD/MMBTU), FY 29 ~ 7 LNG Cargo (~ 8.30 USD/MMBTU) and FY 30 ~ 7 LNG Cargo (~ 8.30 USD/MMBTU)

5.5.13 The Petitioner has provided the details of quantum of power to be procured utilising the Fuel from IOCL, Domestic Gas and Term LNG as projected for MYT Control Period as tabulated below:

Table 5-29: Power Projection from different fuel of SUGEN / UNOSUGEN by TPL-D(A) for MYT Control Period (MU)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
IOCL	983.67	983.67	983.67	80.85	
Domestic Gas	825.52	380.20	-	-	-
LNG Terminal	1,950.97	2,208.24	2,154.58	2,972.34	3,011.58
Total	**3,760.16**	**3,572.11**	**3,138.24**	**3,053.19**	**3,011.58**

5.5.14 The Commission has considered the allocation of power from SUGEN / UNOSUGEN based on the ratio of 74:26 as per the actual ratio of FY 2023-24.

5.5.15 The remaining required power purchase is considered from Power purchase from bilateral and power exchange to match the Energy Balance.

5.5.16 With respect to the Bilateral Power, the Commission has considered the projection of energy procurement as submitted by TPL-D (A). The incremental quantum of purchase from Renewable Energy sources and the net reduction in energy requirement based on approved distribution loss targets for MYT Control Period from FY 2025-26 to FY 2029-30 has been net off against the energy scheduled from Power Exchange.

5.5.17 In case, if there is any shortfall of energy in the procurement of power through tied up sources, the same shall be made by TPL-D through power exchange or e-bid procurement through DEEP Portal.

5.5.18 As stated above, 100% of the Power from TPL-G(APP) has been dedicated to TPL-D(A) and the balance power from SUGEN/UNOSUGEN, Renewable and Bilateral is allocated in the ratio of the demand of Ahmedabad and Surat. Based on the foregoing analysis, the Commission now approves the energy availability from various sources as follows:

Table 5-30 Approved Energy Availability for MYT Control Period for TPL-D *(in MU)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
TPL-G (APP)	2,417.17	2,304.61	2,371.09	2,372.69	2,300.29
SUGEN	2,801.02	2,660.94	2,337.74	2,274.38	2,243.39
UNOSUGEN	959.14	911.17	800.50	778.81	768.19
Bilateral	2,485.20	1,918.80	1,573.80	1,912.80	1,056.00
Power Exchange	74.63	710.58	1,196.92	750.14	1,608.22
Renewable Energy	4,305.32	4,774.31	5,251.66	5,707.57	6,098.53
Total	**13,042.48**	**13,280.41**	**13,531.71**	**13,796.39**	**14,074.62**
Power Allocated to Ahmedabad					
TPL-G (APP)	2,417.17	2,304.61	2,371.09	2,372.69	2,300.29
From other Sources	6,470.12	6,767.33	6,894.31	7,095.45	4,393.90
Total Power allocated to TPL-D (A)	**8,887.28**	**9,071.95**	**9,265.40**	**9,468.14**	**9,680.73**
Balance Power allocated to TPL-D (S)	**4,155.20**	**4,208.47**	**4,266.31**	**4,328.25**	**4,393.90**

5.5.19 TPL-D is advised to adhere to the above power procurement sources and quantum as approved by the Commission.

5.6 Power Purchase Cost

Petitioner's Submission:

5.6.1 The Petitioner has submitted that based on the energy quantum estimated, the power purchase cost for each of the sources is computed. The source-wise estimated power purchase cost is provided hereunder:

- **<u>TPL-G (APP)</u>** – The power purchase cost is based on the costing arrived at from the ARR computation in the petition filed for TPL-G (APP).

- **<u>SUGEN/UNOSUGEN</u>** – The power purchase cost is as per the tariff and operating norms adopted by Hon'ble CERC read with applicable order.

- **<u>Bilateral Sources/ Power Exchange</u>** – The power purchase rate for bilateral sources/power exchange is arrived at by considering the likely short term market conditions and considering the current trends.

- **<u>Renewable Power Purchase Cost</u>**- The Petitioner has estimated the purchase of power from the tied-up capacity of renewable energy sources to fulfill the Renewable Power Purchase Obligation. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

5.6.1 The Petitioner submitted that it will exercise various options with due commercial prudence with respect to sourcing of power. The details of Power purchase for the control period are shown below:

Table 5-31 Power Purchase Cost projected by TPL-D for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
TPL-G(APP)	1,336.71	1,282.30	1,309.88	1,315.23	1,302.33
SUGEN/ UNOSUGEN	3,497.41	3,331.65	3,108.81	2,889.56	2,900.89
Bilateral/ Power Exchange	3,048.78	2,755.67	2,607.28	2,866.68	2,376.25
Renewable Energy	555.90	934.33	1,253.92	1,259.28	1,857.68
GNA Charges/LTA	362.26	386.63	409.19	423.85	434.76
Total	**8,801.07**	**8,690.58**	**8,689.09**	**8,754.61**	**8,871.91**
Power Purchase TPL-D(A)	**6,000.80**	**5,938.93**	**5,952.70**	**6,010.88**	**6,103.31**
Power Purchase TPL-D(S)	**2,800.27**	**2,751.66**	**2,736.38**	**2,743.72**	**2,768.60**

Commission's Analysis:

A. Renewable Power:

5.6.2 Regarding the power purchase cost associated with renewable energy power, it has been observed that the Petitioner has submitted the details of renewable power tied up from Solar & Wind sources. Further, as per the projections, TPL has submitted that during MYT Control Period, it is planning to tie up following power from renewable sources:

- TPL Solar (Tied up - COD in FY 26) – of 285 MW @Rs. 2.22/kWh
- Adani Solar (Tied up - COD in FY 26) - of 150 MW @Rs. 2.22/kWh
- RERTC (To be tied-up - COD FY30) – of 150 MW @Rs. 5.00/kWh
- Hybrid (Tied up - COD in FY 26) – of 450 MW @Rs. 3.65/kWh

5.6.3 The Commission has projected the Renewable Power procurement as per RPO trajectory which includes the power already tied-up by TPL, projected to be tied-up by TPL and expected to be tied-up to meet RPO by TPL. With respect to the rate of renewable power procurement, the Commission has considered the weighted average rate as projected by the Petitioner for the total quantum of renewable power.

B. TPL-G (APP):

5.6.4 In case of procurement from TPL-G (APP), the same has been derived from the power generation cost as approved by the Commission for MYT Control Period FY 2025-26 and FY 2029-30 in Tariff Petition No. 2425 of 2024 and has been allocated to TPL-D (A) as discussed in the above section of this Order.

C. SUGEN / UNOSUGEN:

5.6.5 For long term sources of SUGEN / UNOSUGEN, the Petitioner has submitted that it has made necessary arrangement to reserve the regas capacity in order to achieve certainty for availability of Regas facility and eliminate incremental cost involved in terms of margins of intermediaries in the process of regas operations. This regas capacity booking is in addition to availability of gas from IOCL and RIL. It has further submitted that it has also made necessary arrangements for Transportation of Gas with GSPL. At present, the Petitioner has estimated offtake from SUGEN/UNOSUGEN considering reliability of power and higher cost gas. This might result in Use or Pay Charges for unutilised Regas capacity and Ship or Pay Charges for unutilised Transportation capacity. It has further submitted that it will endeavour to exercise necessary business prudence to optimize the cost by giving due consideration to these charges, as may be feasible, while ensuring reliability of sources. Further, it has also provided the plan for procurement of gas for MYT Control Period from IOCL, domestic gas and LNG Terminal with expected Fuel Cost per unit as outlined below:

Table 5-32: Expected Variable cost per unit of SUGEN / UNOSUGEN for MYT Control Period as submitted by TPL

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
IOCL	8.87	8.76	8.73	8.72	
Domestic Gas	6.75	5.99			
LNG Terminal	6.15	6.13	6.24	6.23	6.24
Total	**6.99**	**6.84**	**7.02**	**6.30**	**6.24**

5.6.6 The Commission has noted their submission. However, it is also observed that despite the query on the break-up of units and variable cost for SUGEN / UNOSUGEN, TPL has provided the combined variable charges for both the plants.

5.6.7 It is fact that the tariff of SUGEN & UNOSUGEN (such as Capacity Charges and Operating Norms) has been determined by the CERC and the Commission has adopted the same and factored in the power procurement cost. The Power Purchase cost of SUGEN & UNOSUGEN consist of the fixed cost as well as variable cost. Regarding the fixed cost of SUGEN/ UNOSUGEN Plants, the Petitioner has estimated a total cumulative capacity charge as outlined in the following table:

Table 5-33 Cumulative Capacity Charges of SUGEN / UNOSUGEN as per TPL (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
SUGEN / UNOSUGEN	867.82	888.24	906.00	966.00	1,021.81

5.6.8 The Commission has considered the Capacity charges of SUGEN as per the Petition filed before Hon'ble CERC for determination of Tariff for FY 2024-25 to FY 2028-29 on 21st October, 2024 and the final order is pending. Since the capacity tie-up is 75% of the installed capacity, the Commission has considered 75% of the Fixed Cost projected in the Petition excluding water charges.

Table 5-34: Capacity Charges approved for SUGEN for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
SUGEN	625.33	645.87	666.23	727.25	741.79

5.6.9 The Commission observed that TPL has proposed common variable charges as a weighted average cost of fuel combined for SUGEN and UNOSUGEN plant for MYT Control Period. However, the Commission has considered the Variable Cost per unit of SUGEN in line with the submission made by TPL and provided in Table 5-32 of this Order.

5.6.10 With respect to UNOSUGEN, the Commission has noted that the projected variable price of UNOSUGEN as projected by TPL is in the range of Rs. 6.24/kWh to Rs. 7.02/kWh and the combined landed cost (inclusive of fixed charges, excluding transmission charges) is in the range of Rs. 9.30/kWh to Rs. 9.91/kWh which is significantly on the higher side. The Commission has considered Rs. 7.83 per Unit as landed prices for UNOSUGEN as the reference medium-term power procurement rate at the time of Truing up of FY 2023-24. Therefore, the Commission deems it appropriate to consider the reference medium term power procurement rate equivalent to Bilateral Rate as projected by TPL in the respective Financial Years of MYT Control Period.

5.6.11 Based on the above power procurement projections, the Commission will consider allowing the Power Purchase costs of SUGEN & UNOSUGEN in accordance with the CERC/GERC Orders at the time of Truing up exercises after prudence check.

D. Bilateral Trade:

5.6.12 Further, with respect to the Bilateral Power Purchase, the Commission has approved the Power Purchase quantum as projected by TPL-D (A). Further, TPL has projected Rs. 6.15/kWh afor procuring power from bilateral market for FY 2025-26 and has escalated the same by 10 paise per unit every year during the MYT Control Period. TPL submitted that the power purchase rate for bilateral sources/power exchange is arrived at by considering the likely market conditions and considering the current trends. Accordingly, the Commission has considered the procurement rate as provided by TPL-D for bilateral power while estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licensee areas for MYT Control Period from FY 2025-26 to FY 2029-30.

E. Power Exchange:

5.6.13 Further, with respect to the Power procurement from Power Exchange, the Commission has computed the quantum equivalent to the balance power required to meet the energy requirement after setting of the power from other approved sources as identified above. Further, TPL has projected Rs. 5.20/kWh for power to be procured from Power Exchange in FY 2025-26 and has escalated the same by 10 paise per unit every year during the MYT Control Period. TPL submitted that the power purchase rate for bilateral sources/power exchange is arrived at by considering the likely market conditions and considering the current trends. Accordingly, the Commission has considered the procurement rate as provided by TPL-D (A) for power procured from Power Exchange while estimating the Power Purchase costs for TPL-D (A) and TPL-D(S) licensee areas for MYT Control Period from FY 2025-26 to FY 2029-30.

F. GNA:

5.6.14 The Petitioner has considered an amount of Rs. 362.26 Crore towards GNA Charges for FY 2025-26 over and above the related costs from various sources and has escalated the same with 2% p.a. during the MYT Control Period. On query regarding the basis of estimation of GNA charges in power procurement cost, the Petitioner submitted that the GNA was operational from 30th March, 2024. Further, for FY 2024-25, till December 2024, TPL has paid ~Rs. 200.88 Crore. Based on the actual payment made in FY 2024-25 till December, 2024, the Commission has computed the GNA Charges for the year on pro-rata basis and has escalated the same @2% every year during the MYT Control Period. However, this may be allowed on actual basis after prudence check.

G. Intra State Transmission Charges

5.6.15 It is observed that TPL-D (A) has considered an escalation of 4% p.a. for STU Transmission Charges for MYT Control Period as against 2% for the cost related to Power procurement from Bilateral Trade, Power Exchange and GNA Charges. Accordingly, similar escalation rate of 2% p.a. has been considered for STU charges for MYT Control Period, so as to maintain consistency.

5.6.16 Considering above, the total procurement cost for power from different sources for TPL-D during MYT Control Period from FY 2025-26 to FY 2029-30, works out as given in the Table below:

Table 5-35 Approved Power Purchase Cost of TPL-D for MYT Control Period (Rs. Crore)

Energy Sources	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
TPL-G (APP)	1,296.14	1,254.32	1,332.34	1,371.23	1,364.50

SUGEN	2,584.17	2,466.02	2,307.14	2,159.71	2,141.56
UNOSUGEN	589.87	569.48	508.32	502.33	503.17
Bilateral	1,528.40	1,199.25	999.36	1,233.76	691.68
Power Exchange	38.81	376.61	646.34	412.58	900.60
Renewables Energy	1,575.35	1,714.95	1,869.30	2,030.34	2,351.87
STU Charges	77.35	94.17	108.46	114.62	116.91
GNA Charges	273.18	278.65	284.22	289.90	295.70
Total	**7,963.27**	**7,953.45**	**8,055.50**	**8,114.47**	**8,366.00**

5.6.17 The above power procurement cost is reflective of power requirement of both Ahmedabad and Surat area. For arriving at individual power purchase cost, the Commission has allocated the total cost of TPL-G (APP) to TPL-D (A) and the balance power quantum and cost including STU and GNA charges has been allocated based on the power requirement of TPL-D (A) and TPL-D(S) in the power requirement ratio.

5.6.18 Since the Power Purchase Cost is based on estimates, the Licensee shall take all necessary steps to procure any additional Renewable/Conventional Power requirement through a transparent competitive bidding process to ensure cost optimization. The Commission approves the power procurement rates submitted for Long-Term, Renewable, Bilateral, and IEX transactions for the Control Period.

5.6.19 The following table depicts the power purchase cost of Ahmedabad area for MYT Control Period from FY 2025-26 to FY 2029-30.

Table 5-36: Approved Power Purchase Cost for TPL-D (Ahmedabad) for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Energy Sources	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
As per TPL – D (A)	6,000.80	5,938.93	5,952.70	6,010.88	6,103.31
Approved by Commission	5,381.39	5,409.60	5,511.78	5,585.93	5,778.38

5.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

5.7.1 TPL-D (A) has submitted that O&M Expenses are mainly driven by business growth, inflation, standards of performance, conditions of existing assets necessitating better maintenance, exposure of the assets to general public & safety norms.

5.7.2 Regulation 104.1 of GERC (MYT) Regulations, 2024 provides that the O&M expense shall be derived on the basis of the average of the actual audited O&M expense for the past ten years ending 31st March, 2024. Further, it also provides that the average of ten year audited O&M expense shall be considered as O&M expense for 31st March, 2019 and shall be escalated at the respective escalation rate of FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 and FY 2023-24 to arrive at the O&M expense for the base year ending March 2024.

5.7.3 TPL-D (A) has projected the O&M expenses for MYT Control Period by escalating the base O&M Expense of FY 2023-24 as per the formula provided in GERC (MYT) Regulations, 2024. Accordingly, the O&M expenses arrived through this methodology for Ahmedabad Supply Area is shown in the table below.

Table 5-37 O&M Expenses claimed by of TPL-D (A) for MYT Control Period ***(Rs. Crore)***

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Operation & Maintenance Expenses	563.35	604.45	651.56	711.37	748.87

5.7.4 TPL-D (A) has submitted that the variation in O&M expenses does not take into account the uncontrollable expenses such as the wage revision, change in law, change in levies/ duties/ taxes and charges, etc. and requested these components of uncontrollable factors and any such expenses on account of these factors are to be allowed over and above the normal allowable components.

Commission's Analysis:

5.7.5 As per Regulation 92.1 and 104.1 of GERC (MYT) Regulations, 2024 for projecting O&M expenses for FY 2025-26 to FY 2029-30, the Commission has considered the average of the actual audited O&M expense for the past ten years ending 31st March, 2024 as per GERC (MYT) Regulations, 2024.

5.7.6 However, it was observed that the approach of TPL-D (A) while considering the past ten years average has deviated on two aspects, i.e., O&M expenses considered with the adjustment of insurance claim receipt and A&G as well as R&M Expenses are bifurcated into Manpower and Non-Manpower related cost which are later on linked with CPI and WPI respectively. The Commission in its earlier approach has considered the insurance claim receipt in Non-Tariff Income and has also considered the same in A&G expenses under the head of O&M expenses. Further, Regulation 96.2 and 109.2 (i) of the GERC (MYT) Regulations, 2024 also specify the same. Therefore, the similar treatment has been provided to last ten year O&M expenses while determining the base O&M expenses as on 31st March, 2019. Further, in relation to segregation of A&G and R&M Expenses into Man-power and Non-Manpower related cost, the Commission is of the view that any expenses, if subcontracted or expenses like security expenses, technical services, labour cost, etc cannot be considered as an employee expenses to be linked to CPI Index and the said expenses are being undertaken on a commercial business principle adopted by TPL-D (A) and the same cannot be segregated. Therefore, the A&G and R&M expenses as approved by the Commission in past Truing up Order has been considered with WPI weightage. Also, while considering the O&M expenses for past ten years, the Commission has not considered any uncontrollable cost such as Gratuity revision, Leave encashment, etc which has been approved in the relevant year of the tariff Order.

5.7.7 Based on the above principle adopted by the Commission, the base O&M as on 31st March, 2019 is outlined as below:

Table 5-38 Base O&M Expenses as on 31st March, 2019 approved by the Commission *(Rs. Crore)*

Particulars	Petitioner	Approved
Employee Expenses	**128.10**	**125.80**
A&G Expenses - Manpower Related	84.27	
A&G Expenses	12.70	
A&G Expenses - Total	**96.97**	**96.99**
R&M Expenses	26.68	
R&M Expenses - Manpower Related	79.78	
R&M Expenses - Total	**106.46**	**106.46**
O&M for FY 2018-19	**331.52**	**329.25**

5.7.8 With respect to R&M expenses, K factor of 1.99% has been derived based on last ten years average of R&M Expenses with Gross Fixed Assets and the same is considered to project the R&M Expenses for FY 2025-26 to FY 2029-30.

5.7.9 The O&M Expenses arrived as on 31st March, 2019 are escalated based on WPI: CPI Rate of the respective year with the weightage of the expenses as derived above whereby Employee is linked to CPI and A&G as well as R&M is linked to WPI to compute O&M expenses for FY 2023-24 which is later on escalated @ 3.97% (against TPL-D (A) proposal of 4.60%) year-on-year to arrive at O&M Expenses for FY 2024-25 to FY 2029-30.

5.7.10 The Commission, accordingly, approves the O&M expenses for FY 2025-26 to FY 2029-30 as given hereunder:

Table 5-39 O&M Expenses approved by the Commission for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Petitioner					**Approved**				
Employee Expenses	183.89	192.36	201.22	210.48	220.17	176.21	183.20	190.48	198.04	205.91

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	Petitioner					**Approved**				
A&G Expenses	139.20	145.60	152.31	159.32	166.65	135.85	141.25	146.86	152.69	158.75
R&M Expenses	240.25	266.49	298.04	341.57	362.05	241.51	273.18	304.57	332.63	351.65
O&M Expenses	**563.35**	**604.45**	**651.56**	**711.37**	**748.87**	**553.56**	**597.63**	**641.90**	**683.36**	**716.31**

5.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

5.8.1 The Petitioner has submitted the development of Ahmedabad and Gandhinagar as commercial and service sector. The electricity demand is rising from 1578 MW in FY 2020-21 to 2116 MW in FY 2024-25, reflecting a 4-year CAGR of approximately 8%. Further, the existing load density of Ahmedabad / Gandhinagar license area is about 6 MW/sq.km which is likely to increase in the coming years. Especially, there is substantial increase in demand, necessitating capacity augmentation at various level.

5.8.2 The urbanisation of the twin cities of Ahmedabad & Gandhinagar has resulted in increasing issues of availability of corridor for creation of evacuation network.

5.8.3 Further, new initiatives such as Smart City, infrastructure projects like BRTS/Metro, modern water/sewage systems etc. necessitate creation of state-of-the-art electrical network with ability of handling large quantum of power at the higher level of reliability.

5.8.4 TPL-D (A) has planned to undertake capital expenditure for augmentation and up-gradation of distribution network to meet the future load growth while ensuring reliability & quality of power along with safety measures. Capital expenditure is also planned to ensure compliances of various MOP Rules, CEA Guidelines, and applicable Regulations.

5.8.5 The capital expenditure for Ahmedabad & Gandhinagar Area consists of expenditure to create capacity and reliability in EHV network to provide un-interrupted supply, additional EHV & HV substations to cater to the load growth, LT network to meet the consumer connectivity, smart metering, customer connect centre, power supply centre, and other miscellaneous items such as automation, IT etc.

5.8.6 Summary of planned expenditure for MYT Control Period is shown in table below:

Table 5-40 Capital Expenditure Projected by TPL-D (A) for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
EHV Network	873.38	852.60	661.15	308.53	256.77
HT Network	289.42	285.76	284.52	274.39	267.31
LT Network	221.65	228.82	236.20	233.81	241.36
Metering	108.77	104.43	103.92	103.78	103.82
PSC	70.06	91.97	103.49	-	-
IT & Related Expenditure	15.73	8.94	3.36	5.68	4.02
Other Departments	37.39	29.20	39.67	44.54	43.54
Total Cost	**1,616.40**	**1,601.72**	**1,432.32**	**970.72**	**916.82**

5.8.7 The details of major capital expenditure for MYT Control Period as submitted by the Petitioner is as following:

a) EHV:

- **<u>Bulk Supply Points:</u>** Looking to the long-term power requirement of Ahmedabad and Gandhinagar license areas, TPL-D had proposed to establish 400kV & 220 kV substations during the 3rd Control Period. As per the demand forecast for 20th EPS by Central Electricity Authority, the peak demand of Ahmedabad/Gandhinagar license area is expected to reach 2948 MW by FY 2028-29 with major growth in Western and Eastern parts of the city. In light of the same and requirement of infrastructure to avoid bottleneck in bringing power in the license area, the Petitioner has proposed to set up a Bulk Supply Point at Shertha during FY 2024-25 which shall interconnect the Eastern and Western part of the city to ensure reliability. The proposed Shertha Bulk Supply point will be a strong source to cater the future demand and will increase the system reliability. In this regard, at present Petitioner has considered the cost of land and substation towards establishing the 400kV Supply point at Shertha. This work has been approved during FY 2024-25 and shall be continued during the MYT control period.

Further, the work for 200/132kV GOTA bulk supply point was initiated in FY 2020-21 and the same is proposed to be continued in MYT Control Period. GOTA Bulk Supply point will help to cater the upcoming and existing load growth.

Further, Bus reactors have been proposed at Nicol-2 and Thaltej as per system requirement to regulate the flow of reactive power in the grid.

- **<u>EHV Lines:</u>** to cater the load growth, capex is proposed towards upgradation of network between 132 kV Sabarmati to Dudheshwar substation. It is also proposed to lay additional 132 kV connectivity between Vinzol and Jamalpur to enhance reliability of 132kV Jamalpur since existing network is radial. Further, 132kV network has been proposed between New Pirana to Lambha, Vasna-Nehrunagar-ISRO, Airport to Naroda feeder and from Naroda to Kazipur to ensure the N-1 reliability of the network and to cater the load.

- **<u>EHV Substations:</u>** The system demand of Ahmedabad & Gandhinagar city is increasing year on year. In order to cater to these requirements, it is necessary to undertake capacity augmentations. Hence, during the 3rd MYT control period, the Commission has approved to establish substations at Pirana, Nehrunagar and SG Highway to meet future requirements.

Accordingly, Petitioner had initiated the work of the approved Substations and the same has been proposed to be continued during the MYT control Period. The Petitioner has also initiated the work of for AIS to GIS conversion of substation at New Pirana.

Additionally, the Petitioner has also proposed AIS to GIS conversion of substations at Nicol-1 due to aging and to address issues of reliability. Further, additional transformers of 132/33 kV and 132/11 kV are also required to be installed to cater to the load demand of nearby areas and to feed the upcoming 33 kV/11 kV substations respectively.

- **EHV Consumers:** Petitioner has also envisaged energisation of EHV consumers based on existing trend.
- **33 KV Substations:** Considering the proposed expansion of existing network and the additional load growth in the supply area, during the 3rd MYT control period, the Commission has approved the 33 kV substations at Maninagar, Naroda Village, Paldi, Sindhubhavan Road, Naroda Galaxy, and Usmanpura. The work of the approved 33kV substations have been initiated and the same shall be continued during the MYT Control Period.

  Additionally, 33kV substations have been planned during MYT Control Period at Arbudanagar, Gandhi ashram, Koteshwar, Pirana Octroi and Pushkar to cater the load growth and relieve the 11kV network. Further, additional transformer is also proposed at 11 nos. of 33 kV substations in the license area.
- **Renovation & Replacement:** It is proposed to incur capex for phasing out obsolete assets and refurbishment under the head of renovation and replacement.
- **Safety:** Petitioner proposed major safety schemes to procurement of safety tools, replacement of old conductors, safeguarding of towers, replacement of switchyard equipment, earthing system for towers, and various firefighting arrangements. Safety schemes are proposed for ensuring

general public safety, environment safety, and safety for employees. Some of the major safety schemes proposed pertain to procurement of safety tools, replacement of old conductors, safeguarding of towers, replacement of switchyard equipment, earthing system for towers, and various firefighting arrangements.

- **Support infrastructure:** Support infrastructure expenditure is proposed for purchase of advance tools & tackles, battery and chargers, protective relays and testing kits.
- **Automation:** Under this head, Substation Automation and Islanding schemes are proposed for facilitating remote control and monitoring for better network operation.

5.8.8 The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-41 Capital Expenditure for EHV for MYT Control Period submitted by TPL (Rs. Crore)

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
EHV Network					
Bulk Supply Points	249.46	328.96	434.16	24.72	-
EHV Lines	103.25	88.07	14.92	46.58	-
EHV Consumers	1.00	1.05	1.10	1.16	1.22
EHV Substations	321.17	281.70	62.23	84.80	160.32
33kV Substations	191.74	141.16	140.65	137.81	85.65
Renovation and Replacement	1.95	6.37	2.27	7.07	2.55
Safety	0.47	0.52	0.57	0.63	0.69
Support Infrastructure	3.50	3.85	4.23	4.66	5.12
Automation	0.84	0.92	1.01	1.11	1.22
Total	**873.38**	**852.60**	**661.15**	**308.53**	**256.77**

b) HT:

- **Normal Load Growth:** the details of capital expenditure proposed under the head of normal load growth is as under:

- **New Substations:** to meet the additional load requirement of existing as well as new consumers, the upgradation and installation of distribution transformers (DT's) at the load centre is being proposed. To ensure lower LT length and to maintain existing level of losses, Petitioner proposed development of necessary network by laying new 11 kV cable and installation of switchgear
- **HT Consumers:** Based on the expected number of new HT consumers of as well as load enhancement of the existing consumers, the Petitioner has proposed expenditure for creating necessary network infrastructure including HT cable, RMU and Other Accessories.
- **Transformer Augmentation:** In order to meet the load growth in the supply area, it is proposed to replace existing distribution transformers by higher size.
- **11 kV Normal Load Growth/OHL Schemes:** It is proposed to carry out network modification schemes including laying of new feeders from existing and proposed EHV substations. During FY 2024-25, network modification schemes are proposed in order to remove bottlenecks from existing system.

- **Reliability, Renovation & Modernization:** This includes expenses towards replacement of old and faulty distribution transformers, old and obsolete network upgradation, and replacement of transformers with poor oil quality. Network modification for infrastructure projects is also proposed to be carried out.

  During MYT Control Period, it is also proposed to continue feeder Automation. Additionally, in order to maintain power quality and for ensuring better performance of the system, it is proposed to install Automatic Power Factor Correction Panels (APFC) at Distribution Substation.

- **<u>Supporting Infrastructure:</u>** This includes expenses on equipment's such as Meggers, Thumpers, Earthing testers, cable fault locator, thermography cameras, etc.
- **<u>Safety:</u>** Safety schemes are proposed for replacement of conventional oil filled switchgears, RMU/ FSP replacement, Distribution substation revamping, and PMT to Compact Substation replacement in dense areas, replacement of oil type transformer with dry type transformer for ensuring general public safety, environment safety, and safety for employees.

The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-42 Capital Expenditure for HT for MYT Control Period submitted by TPL (Rs. Crore)

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
HT Network					
Normal Load Growth	205.02	204.19	205.05	199.84	200.25
Reliability, Renovation & Modernization	59.37	55.81	52.96	49.89	41.68
Supporting Infrastructure	0.80	0.80	0.80	0.80	0.80
Safety	24.23	24.96	25.71	23.85	24.57
Total	**289.42**	**285.76**	**284.52**	**274.39**	**267.31**

c) **LT network:**

- **<u>Normal Load Growth:</u>** the details of capital expenditure proposed under the head of normal load growth is as under:
  - **New Connection/Load Extension/Reduction:** The LT capital expenditure is planned to provide network for last mile connectivity as well as for maintaining "ready to serve" network. The capex is proposed based on expected applications for new connection and extension/reduction.
  - **Relieving Overload Distributions, Load Balancing/ Interlinking of New Substations:** There are continuous changes in the load or

demand requirement of the customers due to which the loading of the LT cables increase and this result into outages or breakdowns. Accordingly, it is proposed to undertake distributor load relieving/balancing and network modification schemes for relieving overloaded distributors. It is also proposed to undertake interlinking of distributors to enhance the system reliability.

- **Supporting Infrastructure:** This includes expenses on equipment such as Meggers, Cable Fault Locators, Thumpers, Earth Testers, Reference Standard Meters, Meter Reading Instruments, Clip on meters, etc.
- **Reliability, Renovation and Replacement:** It is proposed to undertake schemes for old and obsolete network up gradation (T-off network removal/ Bifurcation of distributors) for network improvement. This will increase the system reliability. Further, road widening work is being carried out at various places in and around the Supply area. This has necessitated shifting work of LT network & assets.
- **Safety:** This includes expenditure proposed for carrying out replacement of Old MSP, Old LC network, and Service Revamping.

The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-43 Capital Expenditure for LT Network for MYT Control Period submitted by TPL (Rs. Crore)

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
LT Network					
Normal Load Growth	144.60	149.91	155.42	151.11	156.70
Reliability, Renovation & Replacement	36.04	36.69	37.35	38.00	38.65
Safety	39.81	41.01	42.24	43.51	44.81
Supporting Infrastructure	1.20	1.20	1.20	1.20	1.20
Total	**221.65**	**228.82**	**236.20**	**233.81**	**241.36**

d) Metering:

- Metering system is an important facet of any electricity distribution utility. Capital expenditure is planned for purchasing Meters, CT/Seals etc. for the following activities:
  - New electric connections/enhancement of load and for energy accounting for DT meters/Interface meters etc. with smart meters
  - Installation and replacement of consumer/DT/feeder meters with smart meters to comply with Ministry of Power notification.
  - Replacement of defective energy meters based on the past trend of defective meters replaced.
  - Replacement of static electronic meters which are vulnerable to theft.
  - Replacement of old electromechanical meters in a phased manner.
  - Releasing solar net meters under the GERC Net Metering Regulations, 2016.

  Out of the total capex under the head of Metering, the expenditure of Rs. 516.77 Crore is planned for installation and replacement of consumer/DT/feeder meters with smart meters in compliance to the CEA Metering Regulations and MOP Rules. Balance expenditure of Rs. 7.95 Crore is planned towards supporting infrastructure like test benches. It may kindly be noted that implementation of smart meter will also necessitate additional O&M expenses to meet with communication, IT infrastructure requirements, etc.

  The summary of expenditure planned for the above-described items is provided in the table below.

The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-44 Capital Expenditure for Meter Management for MYT Control Period submitted by TPL (Rs. Crore)

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Metering					

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Normal Load Growth	65.03	66.13	66.98	67.60	68.24
Reliability, Renovation and Replacement	37.60	37.08	36.56	36.04	35.52
Supporting Infrastructure	6.15	1.22	0.38	0.14	0.07
Total	**108.77**	**104.43**	**103.92**	**103.78**	**103.82**

e) Others:

- Apart from the above, expenditure is also proposed for Power Supply Center-Head Quarter and Training Center, Special projects, IT & related infrastructure, Storage system, office space, etc. These schemes are detailed as under:
- <u>Power Supply Centre - Head quarter Office and Training Centre at Naranpura</u>: During FY 2024-25, the Commission had approved the capex for Head quarter office and Training centre at Naranpura. The work for the HQ and training centre was initiated by the Petitioner in FY 2024-25 and the same is proposed to be continued during MYT Control Period. It may kindly be noted that the Head Quarter & Training Center at Naranpura will help to carry out the centralized functions and provide training to enhance the skillset of the workforce which help to serve the customer in a better way. It may kindly be noted that establishment of Training Centre is also in compliance to the requirement of CEA Safety Regulations.
- <u>IT & related expenditure</u>: This includes capex requirements related to setting up new Data center, hardware replacements, software upgradation, new IT initiatives and projects, SAP licenses, network upgradation, communication, etc.
- Special Projects: The special projects include capex for Advanced Distribution Management System (ADMS), Advanced Metering Infrastructure (AMI), Meter Data Management System (MDMS). ADMS will help to improve the operational efficiency, reliability and safety. The AMI

project shall include supply, installation, testing and commissioning of smart meters (with/without net-metering), 4G communication technology, Head End System (HES), and integration of the same with various business applications. MDMS is proposed to have a single system to integrate all Head End System for Smart Metering and Automatic Meter Reading. The solution will store the different types of meter data and support various business processes.

- Apart from above, CAPEX is required for following activities such as QA/QC, Stores, Customer Services, RPRC, BESS and other Miscellaneous expenses which includes CAPEX for technical equipment, vehicle, other infrastructure as well as digitization / upgradation of existing system. The same has been categorized as Other Department and Miscellaneous.

The summary of expenditure planned for the above-described items is provided in the table below:

Table 5-45 Capital Expenditure for Others for MYT Control Period submitted by TPL (Rs. Crore)

All Figures in Rs. Crore	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Others					
Power Supply Centre	70.06	91.97	103.49	-	-
IT & Related Expenditure	15.73	8.94	3.36	5.68	4.02
Other Departments and Misc.	37.39	29.20	39.67	44.54	43.54
Total	123.18	130.11	146.52	50.22	47.56

Commission's Analysis:

5.8.9 The Petitioner has projected CAPEX for MYT Control Period as detailed in the earlier section of this Order. The Petitioner has furnished the project/work-wise justification for the CAPEX projected along with the CWIP details and capitalisation for MYT Control Period.

5.8.10 The Commission opines that in order to meet the load growth, system demand and to provide reliable and quality supply, it has provisionally approved the CAPEX as submitted by TPL-D (A) for MYT Control Period from FY 2025-26 to FY 2029-30 as outlined in the Table below:

Table 5-46 Capital Expenditure for FY 2025-26 to FY 2029-30 approved by the Commission (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
EHV Network	873.38	852.60	661.15	308.53	256.77
HT Network	289.42	285.76	284.52	274.39	267.31
LT Network	221.65	228.82	236.20	233.81	241.36
Metering	108.77	104.43	103.92	103.78	103.82
PSC	70.06	91.97	103.49	-	-
IT & Related Expenditure	15.73	8.94	3.36	5.68	4.02
Other Departments	37.39	29.20	39.67	44.54	43.54
Total Cost	**1,616.40**	**1,601.72**	**1,432.32**	**970.72**	**916.82**

5.9 Capitalization and Gross Fixed Assets

Petitioner's Submission:

5.9.1 TPL-D (A) has projected capitalization for MYT Control Period from FY 2025-26 to FY 2029-30 and furnished the project/work-wise details of capitalisation in Form 5.3 to the Petition.

Table 5-47 Capitalisation Projected by TPL – D (A) for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
EHV Network	588.96	803.05	1,218.07	323.10	330.26
HT Network	289.42	285.76	284.52	274.39	267.31
LT Network	221.65	228.82	236.20	233.81	241.36
Metering	108.77	104.43	103.92	103.78	103.82
PSC	-	57.81	208.34	-	-
IT & Related Expenditure	15.73	8.94	3.36	5.68	4.02
Other Departments	37.39	29.20	39.67	44.54	43.54
Total Cost	**1,261.92**	**1,518.00**	**2,094.09**	**985.30**	**990.31**

Commission's Analysis:

5.9.2 The Commission has observed (from Form 5.3) that the Petitioner has proposed capitalization of CAPEX relating schemes as given hereunder:

Table 5-48 Projected CAPEX by TPL-D(A) for FY 2025-26 to FY 2029-30 ***(Rs. Crore)***

Project Code	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
EHV					
Bulk Supply Points	-	87.95	927.63	24.72	-
EHV Lines	-	183.25	71.77	46.58	-
EHV Consumers	1.00	1.05	1.10	1.16	1.22
EHV SS	383.81	391.57	49.55	51.54	206.27
33kV SS	183.40	127.57	159.94	185.65	113.19
Renovation and Replacement	1.95	6.37	2.27	7.07	2.55
Safety	0.47	0.52	0.57	0.63	0.69
Support Infrastructure	17.50	3.85	4.23	4.66	5.12
Automation	0.84	0.92	1.01	1.11	1.22
Sub-Total	**588.96**	**803.05**	**1,218.07**	**323.10**	**330.26**
HT					
11kV Normal Load Growth	205.02	204.19	205.05	199.84	200.25
Reliability, Renovation & Modernization	59.37	55.81	52.96	49.89	41.68
Safety	24.23	24.96	25.71	23.85	24.57
Support Infrastructure	0.80	0.80	0.80	0.80	0.80
Sub-Total	**289.42**	**285.76**	**284.52**	**274.39**	**267.31**
LT					
Normal Load Growth	144.60	149.91	155.42	151.11	156.70
Reliability, Renovation & Modernization	36.04	36.69	37.35	38.00	38.65
Safety	39.81	41.01	42.24	43.51	44.81
Support Infrastructure	1.20	1.20	1.20	1.20	1.20
Sub-Total	**221.65**	**228.82**	**236.20**	**233.81**	**241.36**
Meters					
Normal Load Growth	65.03	66.13	66.98	67.60	**68.24**
Reliability, Renovation & Modernization	37.60	37.08	36.56	36.04	**35.52**
Support Infrastructure	6.15	1.22	0.38	0.14	**0.07**
Sub-Total	**108.77**	**104.43**	**103.92**	**103.78**	**103.82**
PSC	-	57.81	208.34	-	-
IT & Related Expenditure	15.73	8.94	3.36	5.68	4.02

Project Code	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Other Departments	37.39	29.20	39.67	44.54	43.54
Grand Total	**1,261.92**	**1,518.00**	**2,094.09**	**985.30**	**990.31**

5.9.3 The Commission observes (from Form 5.3) that capitalisation of the projected CAPEX proposed by the Petitioner for MYT Control Period varies each year as outlined in the following Table:

Table 5-49 CAPEX and Capitalisation proposed by TPL-D (A) for 4th MYT Control Period

Project Code	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Total
CAPEX	1,616.40	1,601.72	1,432.32	970.72	916.82	6,537.98
Capitalisation	1,261.92	1,518.00	2,094.09	985.3	990.31	6,849.62
% of CAPEX	78%	95%	146%	102%	108%	105%

5.9.4 It was observed that the total capitalisation claimed by TPL-D (A) was higher than the CAPEX proposed for MYT Control Period. On the query raised by the Commission, TPL-D(A) replied that there was an opening CWIP of Rs. 576.66 Crore which will also get capitalised during the Control Period. The Commission noted the submission made by TPL-D (A).

5.9.5 Regulations 29 and 30 of GERC (MYT) Regulations, 2024 provides for admission of the capital cost and capitalisation to be incurred for the Control Period to form the basis for determination of Tariff. Further, Regulation 29.8 of GERC (MYT) Regulations, 2024 states that the Commission has specified the Guidelines for approval of Capital Investment Schemes as provided in Annexure III to the Regulations. whereby TPL-D (A) is required to make an application to the Commission for obtaining prior approval for schemes involving major investments as per criteria specified in these Guidelines. The DPR as submitted by TPL-D(A) will be basis for approval of the CAPEX and Capitalisation during the Truing up of the respective year of the Control Period. Accordingly, TPL-D (A) has submitted the application related to DPR of CAPEX

/ Capitalisation along with the scheme details, justification for the work, capitalization schedule, capital structure and cost benefit analysis (wherever applicable). The Commission will evaluate the same as per relevant provisions of the GERC (MYT) Regulations, 2024 and such approval of schemes will form the basis for approval of capitalisation at the time of Truing up subject to prudence check. However, in order to ensure smooth and consistent operations with higher level of efficiency, the Capex planned by TPL-D (A) is required and accordingly the Commission approves the Capex as submitted by TPL-D (A) for the 1st year of the Control Period i.e., FY 2025-26. Further, the schemes proposed by TPL-D (A) in FY 2025-26 and commenced in the same year are deemed approved even if the phasing of completion of said schemes as per DPR extends beyond FY 2025-26.

5.9.6 The Commission notes that the CAPEX and capitalisation projected by the Petitioner includes installation of new substations schemes which have gestation period of around 1~2 years from the day of planning to CoD/ asset capitalised. To balance the interest of the consumer and the distribution utility, the Commission is of the view that it is appropriate to consider the ratio of the average Capitalization vis-à-vis Capital Expenditure of last true up years. Accordingly, the Commission has worked out the average capitalization over approved CAPEX for last five years i.e., from FY 2019-20 to FY 2023-24 which works out to 94.84%. Accordingly, the Commission approves the 94.84% of the CAPEX as capitalisation for the respective years of the MYT Control Period from FY 2025-26 to FY 2029-30.

5.9.7 As per first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, in case of any assets which has completed its useful life as on or after 01st April, 2025, *the excess of accumulated depreciation net of cumulative repayment of normative loan attributable to such asset, shall be utilized for reduction of the equity over the period of next five financial years in equal tranches*. TPL-D (A), based on the query raised by the Commission, has submitted that as on 31st March, 2024, assets of Rs. 218.35 Crore has completed the useful life or the accumulated depreciation claimed is 90%. Therefore, in line with the GERC (MYT) Regulations 2024, the 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) has been reduced in five financial years of the MYT Control Period in equal tranches. However, for intangible assets, considering the accumulated depreciation to be 100%, 30% of the equity is reduced in five equal tranches.

5.9.8 Based on the above approach, the Commission has approved closing GFA at Rs. 10,428.49 Crore in True up for FY 2023-24 and the same is considered as opening GFA for FY 2024-25. Further, the Commission has considered capitalisation of Rs. 1,260.09 Crore as approved in Tariff Order dated 01st June, 2024 for FY 2024-25 and arrived at the closing GFA for FY 2024-25 at Rs. 11,688.58 Crore and the same is considered as opening GFA for FY 2025-26. The Commission has further considered the SLC addition as projected by the Petitioner.

5.9.9 The Commission in terms of the GERC (MYT) Regulations, 2024 has approved the funding of capitalisation for normative debt-equity. The Commission, as deliberated above has considered the opening GFA, additions during the year and closing GFA for FY 2025-26 to FY 2029-30 as given in Table below:

Table 5-50 Capitalisation Approved by Commission for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Sr.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA	11,688.58	13,221.55	14,740.58	16,098.97	17,019.58
2	Assets additions during year	1,532.96	1,519.04	1,358.38	920.61	869.50
3	Deletion from GFA	-	-	-	-	-
4	Closing GFA	13,221.55	14,740.58	16,098.97	17,019.58	17,889.08

5.9.10 The Commission in terms of GERC (MYT) Regulations, 2024 has approved the funding of capitalisation considering normative debt-equity as tabulated under:

Table 5-51 Approved Capitalisation for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Capitalisation	1,532.96	1,519.04	1,358.38	920.61	869.50
Less: SLC Addition	76.15	76.79	77.44	78.09	78.73
Net Capitalisation	1,456.81	1,442.24	1,280.95	842.53	790.76
Normative Debt @70%	*1,019.77*	*1,009.57*	*896.66*	*589.77*	*553.53*
Normative Equity @30%	*437.04*	*432.67*	*384.28*	*252.76*	*237.23*

5.10 Depreciation

Petitioner's Submission:

5.10.1 The Petitioner submitted that, the depreciation rates as per the CERC (Terms & Conditions of Tariff) Regulation, 2004 is applied on the opening GFA of FY 2009-10 and for addition of assets from 1st April 2009 onwards depreciation has been computed at the rates specified in the GERC Regulations.

5.10.2 The total depreciation arrived at after the computation described above is shown in the table below.

Table 5-52 Depreciation for Ahmedabad Supply Area for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Depreciation	453.47	507.62	581.86	638.24	663.69

Commission's Analysis:

5.10.3 The Commission has considered closing GFA of Rs. 11,688.58 Crore in FY 2024-25 based on the capitalisation of Rs. 1,260.09 Crore as approved in Tariff Order for FY 2024-25 and therefore the same is considered as opening GFA for FY 2025-26. Further, the Commission has considered capitalisation over MYT Control Period and arrived at closing GFA for FY 2029-30 at Rs. 17,889.08

Crore and the addition of GFA is considered based on the capitalisation approved for MYT Control Period.

5.10.4 With respect to computation of the depreciation, Regulation 37.6 of GERC (MYT) Regulations, 2024, states that depreciation computation needs to be separately computed for assets added up to 31st March, 2025 and assets added on or after 01st April, 2025.

5.10.5 Accordingly, the rate of depreciation on assets for assets added upto 31st March, 2025 is considered as per the rate as provided by TPL-D (A) and for new asset addition post 1st April, 2025, the depreciation rate is considered as per Annexure I of GERC (MYT) Regulations, 2024, which is tabulated as below:

Table 5-53 Depreciation approved for FY 2025-26 to FY 2029-30 (Existing Assets) *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	11,688.58	11,688.58	11,688.58	11,688.58	11,688.58
Addition to GFA	-	-	-	-	-
Deletion from GFA	-	-	-	-	-
Closing GFA	11,688.58	11,688.58	11,688.58	11,688.58	11,688.58
Average GFA	11,688.58	11,688.58	11,688.58	11,688.58	11,688.58
Gross Depreciation	490.55	475.84	462.09	440.45	414.34
Less: Depreciation related to SLC	68.94	66.21	63.62	59.30	56.66
Net Depreciation	421.61	409.63	398.46	381.15	357.68
Depreciation Rate	3.61%	3.50%	3.41%	3.26%	3.06%

Table 5-54 Depreciation approved for FY 2025-26 to FY 2029-30 (New Assets) *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	-	1,532.96	3,052.00	4,410.39	5,331.00
Addition to GFA	1,532.96	1,519.04	1,358.38	920.61	869.50
Deletion from GFA	-	-	-	-	-
Closing GFA	1,532.96	3,052.00	4,410.39	5,331.00	6,200.49
Average GFA	766.48	2,292.48	3,731.19	4,870.69	5,765.75
Gross Depreciation	37.95	113.51	184.75	241.18	285.50
Less: Depreciation related to SLC	2.01	6.05	10.12	14.23	18.37
Net Depreciation	35.94	107.47	174.63	226.95	267.13
Depreciation Rate	4.69%	4.69%	4.68%	4.66%	4.63%

Table 5-55 Depreciation approved for FY 2025-26 to FY 2029-30 (Total Assets) *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening value of depreciable GFA	11,688.58	13,221.55	14,740.58	16,098.97	17,019.58
Addition during year	1,532.96	1,519.04	1,358.38	920.61	869.50
Deletion from GFA	-	-	-	-	-
Closing GFA	13,221.55	14,740.58	16,098.97	17,019.58	17,889.08
Average depreciable assets	12,455.06	13,981.06	15,419.78	16,559.27	17,454.33
Wt. Avg. Rate of Dep.	4.24%	4.22%	4.19%	4.12%	4.01%
Depreciation	528.50	589.35	646.84	681.63	699.84
Depreciation related of SLC	70.95	72.26	73.74	73.53	75.03
Depreciation allowed	457.55	517.10	573.10	608.10	624.81

5.10.6 The Commission approves the depreciation for MYT Control Period as shown in the above Table.

5.11 Interest Expenses

Petitioner's Submission:

5.11.1 TPL-D (A) has submitted that the capital expenditure for MYT Control Period will be funded through a debt equity ratio of 70:30 as per the GERC (MYT) Regulations, 2024. The debt component is estimated in the Table below:

Table 5-56 Capitalisation projected for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	11,557.68	12,819.60	14,337.60	16,431.69	17,416.99
Addition to GFA	1,261.92	1,518.00	2,094.09	985.30	990.31
Deletion from GFA	-	-	-	-	-
Closing GFA	12,819.60	14,337.60	16,431.69	17,416.99	18,407.30
SLC Addition	76.15	76.79	77.44	78.09	78.73

5.11.2 Further, TPL-D (A) submitted that Regulation 33.2 of GERC (MYT) Regulations, 2024 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. It has considered the interest expenses as per the GERC (MYT) Regulations, 2024 on normative loans.

5.11.3 TPL-D (A) has considered Rate of interest of 1 year MCLR + 0.5% while repayment has been considered equal to the depreciation of the assets for the year.

5.11.4 The interest expense thus proposed for Ahmedabad Supply area is shown in the table below:

Table 5-57 Interest and finance charges projected for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance	3,296.56	3,673.13	4,174.36	5,004.15	5,000.96
Loan addition during year	830.04	1,008.85	1,411.66	635.05	638.11
Repayment during year	453.47	507.62	581.86	638.24	663.69
Closing Balance	3,673.13	4,174.36	5,004.15	5,000.96	4,975.38
Average Loan	3,484.85	3,923.75	4,589.26	5,002.56	4,988.17
Weighted average rate of interest (%)	9.15%	9.15%	9.15%	9.15%	9.15%
Interest Expenses	**318.86**	**359.02**	**419.92**	**457.73**	**456.42**

Commission's Analysis:

5.11.5 The Commission has considered the normative closing loan balance as Rs. 3,436.87 Crore for FY 2024-25 for calculation of interest on existing loan as per Regulation 33.1 of GERC (MYT) Regulations, 2024. Further, the repayment of the loan is considered equivalent to the depreciation amount computed for the existing assets put to use prior to 01st April, 2025 as per Regulation 33.3 of GERC (MYT) Regulations, 2024. Also, in line with Regulation 33.5 of GERC (MYT) Regulations, 2024, rate of interest considered is weighted average rate of interest calculated on the actual loan portfolio as on 1st April, 2024 which is equivalent to 8.52% p.a.

5.11.6 As specified in para 5.9.7, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the assets of Rs. 218.35 Crore has completed the useful life or the accumulated depreciation claimed is 90%. Therefore, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) has been reduced in five financial year of the MYT Control Period in equal tranches. However, for intangible assets, considering the accumulated depreciation to be 100%, 30% of the equity is reduced in five equal tranches. Accordingly, the Commission has also reduced equivalent amount from the loan repayment in view of the fact that the said amount was adjusted in the loan repayment equivalent to the depreciation amount in previous years.

5.11.7 With respect to new asset capitalized during MYT Control Period, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024.

5.11.8 The Commission, accordingly, approves interest on loan on existing assets capitalised before 1st April, 2025 for MYT Control Period of FY 2025-26 to FY 2029-30.

Table 5-58 Interest on loan approved for FY 2025-26 to FY 2029-30 (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Balance of Loans	3,436.87	3,024.71	2,624.54	2,235.52	1,863.83
Loan addition during the year	-	-	-	-	-
Deletion	-	-	-	-	-
Repayments during the year	412.16	400.18	389.01	371.70	348.23
Closing Balance of Loans	3,024.71	2,624.54	2,235.52	1,863.83	1,515.60
Average Loans	**3,230.79**	**2,824.62**	**2,430.03**	**2,049.68**	**1,689.71**
Rate of Interest on actual Loans (%)	8.52%	8.52%	8.52%	8.52%	8.52%
Interest Expense	275.26	240.66	207.04	174.63	143.96

5.12 Interest on Security Deposit

Petitioner's Submission:

5.12.1 The Petitioner has estimated the interest on security deposit for the year considering the interest rate of 6.75% on the average of opening balances and closing balance of security deposit for the Ahmedabad supply area. The addition has been projected on the basis of trend observed in the supply area.

Table 5-59 Interest On Security Deposit Projected For MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Security Deposit	78.40	79.97	81.57	83.20	84.87

Commission's Analysis:

5.12.2 As per Regulations 34 of GERC (MYT) Regulations, 2024, Interest shall be allowed on the amount held as security deposit at the Bank Rate notified by RBI as on 1st April of the financial year in which the Petition is filed. Accordingly, TPL-D (A) has claimed the interest rate of 6.75%, Bank Rate as on 1st April, 2024, on the average balance of security deposit of Ahmedabad Area.

5.12.3 Accordingly, the Commission considers and approves the interest on security deposit as projected by the Petitioner for MYT Control Period FY 2025-26 to FY 2029-30.

Table 5-60 Interest on Security Deposit approved by the Commission for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Interest on Security Deposit	78.40	79.97	81.57	83.20	84.87

5.13 Interest on Working Capital

Petitioner's Submission:

5.13.1 The interest on working capital is computed as per the MYT Regulations, 2024.

The interest rate, being the SBI MCLR rate on 1st April, 2024 plus 200 basis points, of 10.65% is to be applied on the working capital requirement arrived at in accordance with the Regulations.

Table 5-61 Interest on Working Capital Projected for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for 1 Month	46.95	50.37	54.30	59.28	62.41
Maintenance Spares @1% of GFA	115.58	128.20	143.38	164.32	174.17
Receivables for 1 Month	667.28	679.53	703.88	728.36	745.48
Less: Security Deposit	1,396.18	1,502.23	1,610.40	1,720.74	1,833.28
Net Working Capital Requirement	-	-	-	-	-
Rate of interest (%)	10.65%	10.65%	10.65%	10.65%	10.65%
Interest on Working Capital	**-**	**-**	**-**	**-**	**-**

Commission's Analysis:

5.13.2 The Regulation 38.4 and 38.5 of GERC (MYT) Regulations, 2024 specify the norms for Wire and Supply business for computation of working capital requirement and interest on working capital thereon. According to the Regulations, the working capital requirement comprises of 1-month O&M expenses, maintenance spares at 1% of historical cost of GFA, Receivables equivalent to 1 month at the prevailing tariff and excluding the amount of security deposit.

5.13.3 In line with proviso to Regulation 38.6.1 of GERC (MYT) Regulations, 2024, the Commission has considered rate of interest at 10.65% being the 1-year SBI MCLR as on 1st April 2024 (8.65%) plus 200 basis points.

5.13.4 The working capital and interest thereon calculated for FY 2025-26 to FY 2029-30 is tabulated as under:

Table 5-62 Interest on Working Capital approved for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses for 1 Month	46.13	49.80	53.49	56.95	59.69

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Maintenance Spares @1% of GFA	116.89	132.22	147.41	160.99	170.20
Receivables for 1 Month	606.14	626.78	652.55	671.44	695.82
Less: Security Deposit	1,320.94	1,413.41	1,512.34	1,618.21	1,731.48
Net Working Capital Requirement	**(551.78)**	**(604.61)**	**(658.89)**	**(728.83)**	**(805.78)**
Rate of interest (%)	10.65%	10.65%	10.65%	10.65%	10.65%
Interest on Working Capital	-	-	-	-	-

5.13.5 The Commission, accordingly, approves the interest on working capital as NIL for MYT Control Period from FY 2025-26 to FY 2029-30.

5.14 Return on Equity

Petitioner's Submission:

5.14.1 As per GERC (MYT) Regulations 2024, the Commission has provided for computation of return on equity for existing assets capitalised upto 31st March, 2025 and return on capital employed for assets capitalised w.e.f. 1st April, 2025 grossed up for applicable income tax. Since the same is in deviation to the MOP Electricity (Second Amendment) Rules, 2023 dated 26th July, 2023, TPL-D (A) has filed a separate petition seeking necessary clarification/rectification.

5.14.2 In view of the above, TPL-D (A) submitted that it has computed the return on equity at 15.50% for Assets commissioned upto 01 April, 2025. For new Assets after 01.04.2025, TPL-D (A) has considered Return on Equity at 15.50% and 15.00% for Supply and Wire Business respectively for the MYT control period based on the MOP Electricity (Second Amendment) Rules, 2023 dated 26th July, 2023. It may be noted that same is subject to outcome of the Petition No. 2404/2024. Further, the rate of return on equity has been grossed up with MAT rate and applied on average of opening & closing balance of the equity arrived at considering the estimated capitalisation in MYT Control Period.

Table 5-63 Return on Equity claimed by the TPL -D (A) for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Equity	3,277.45	3,633.18	4,065.55	4,670.54	4,942.71
Equity Addition	355.73	432.36	605.00	272.16	273.47
Closing Equity	3,633.18	4,065.55	4,670.54	4,942.71	5,216.18
Average of opening and closing	3,455.32	3,849.37	4,368.05	4,806.62	5,079.44
ROE on the average balance (incl. tax)	**647.99**	**719.85**	**814.44**	**894.42**	**944.17**

Commission's Analysis:

5.14.3 The Commission has approved the normative closing equity at Rs. 2,967.41 for Truing up for FY 2023-24 and the same is considered as opening equity for FY 2024-25. The addition to equity is further updated with the normative equity based on capitalisation approved for FY 2024-25 in the Order dated 01 June 2024, which is Rs. 352.12 Crore and arrived at the closing equity for FY 2024-25 at Rs. 3,319.53 Crore. The same is considered as opening equity for FY 2025-26.

5.14.4 Further, as specified in para 5.9.7, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the assets of Rs. 218.35 Crore has completed the useful life or the accumulated depreciation claimed is 90%. Therefore, in line with first proviso to Regulation 32.1 of GERC (MYT) Regulations, 2024, the 20% of the equity (Accumulated depreciation of 90% - 70% of the Loan amount) has been reduced in five financial year of the MYT Control Period in equal tranches. However, for intangible assets, considering the accumulated depreciation to be 100%, 30% of the equity is reduced in five equal tranches.

5.14.5 Also, as per Regulation 35.2 of GERC (MYT) Regulations, 2024, Base Return on Equity of 13% p.a. is to be allowed and Regulation 35.1 of GERC (MYT) Regulations 2024 specifies that Additional Return on Equity shall be Trued up for respective year based on actual performance substantiated by documentary evidence, after prudence check by the Commission. Further, proviso to Regulations 39.4 of GERC (MYT) Regulations, 2024 states that if the effective tax rate is lower than the Minimum Alternate Tax or Corporate Tax Rate, then the same will be considered for grossing up the rate of return on equity. Accordingly, the Base RoE of 13% has been grossed up with the income tax rate of 16.72% on the basis of actual tax paid on the book profit of FY 2023-24 as per Regulations 39.2 and 39.3 of GERC (MYT) Regulations, 2024.

5.14.6 With respect to the new asset approved to be capitalised during MYT Control Period from FY 2025-26 to FY 2029-30, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024.

5.14.7 The Commission has observed that TPL-D (A) has filed the Petition No. 2404/2024 related to computation of RoE based on the Electricity (Second Amendment) Rules, 2023 dated 26th July, 2024 and the matter is sub-judice. Therefore, the Commission has adopted the approach as specified in GERC (MYT) Regulations, 2024 for computation of Interest, Return on Equity and Return on Capital Employed.

5.14.8 The Commission, accordingly, computed the Return on Equity for FY 2025-26 to FY 2029-30 as detailed below;

Table 5-64 Return on Equity approved for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Equity	3,319.53	3,310.08	3,300.63	3,291.18	3,281.73
Equity Addition	-	-	-	-	-
Equity reduced due to retired assets	9.45	9.45	9.45	9.45	9.45
Closing Equity	**3,310.08**	**3,300.63**	**3,291.18**	**3,281.73**	**3,272.28**
Return on Equity at beginning of year	*518.16*	*516.69*	*515.21*	*513.74*	*512.26*
Return on Equity addition during year	*(0.74)*	*(0.74)*	*(0.74)*	*(0.74)*	*(0.74)*
Return on Equity with effective tax rate	**517.42**	**515.95**	**514.47**	**513.00**	**511.52**
Grossed up RoE (%)	**15.61%**	**15.61%**	**15.61%**	**15.61%**	**15.61%**

5.14.9 Further, as per Regulation 35.11 (e) and Regulation 35.12 of GERC (MYT) Regulations 2024, the Commission is required to identify certain specified target performance parameters for Wire and Supply Business respectively in MYT Orders, which will be linked to additional Rate of Return on Equity to be provided to the licensee for achieving such performance. Based on said provision in GERC (MYT) Regulations 2024, following Target Performance Parameter and additional RoE for achieving those parameters is outlined below for the Licensee to achieve:

Wires Business

Table 5-65 Performance Parameters for Additional RoE for Wire Business

Particulars	Ceiling limit of Additional RoE
Wires Availability	0.50%
Distribution Loss	0.50%
Feeder/DT Smart Metering	0.25%
Geo-Tagging of Assets	0.50%
Automated Data Capture	0.25%
Maximum Allowable Rate of RoE	**2.00%**

1. **Wires Availability:**

- The Target Wires Availability for recovery of Base RoE has been set at 96.00% for state government owned Distribution Licensees and 97.00% for other Distribution Licensees.
- An additional RoE of 0.25% shall be allowed for every 0.50% over-achievement in wires availability, subject to 0.50% ceiling rate of RoE. Where the wires availability shall be calculated as per following formula:

Wires availability calculation = (1 - (SAIDI / 8760)) x 100

Where, System Average Interruption Duration Index (SAIDI) shall be calculated in accordance with the definition specified in GERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005, as amended from time to time.

2. Distribution Loss:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.50% to Distribution Licensees for reducing distribution loss levels beyond loss trajectory provided by the Commission as per the following schedule:
  a) Additional RoE of 0.50%, for reducing loss by more than 10.00% of target loss.
  b) Additional RoE of 0.30%, for reducing loss by more than 5.00% & up to 10.00% of target loss.
  c) Additional RoE of 0.10%, for reducing loss up to 5.00% of target loss.

3. Feeder / DT Smart Metering:

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.25% to Distribution Licensees for installation of Feeder / DT Smart Meters as per the following schedule:
  a) Additional RoE of 0.10%, for achieving installation of Smart Meters on 100% of 11 kV/ 33 kV feeders as on date of filing of True up Petition for respective year.
  b) Additional RoE of 0.25%, for achieving installation of Smart Meters on 100% of DTs as on date of filing of True up Petition for respective year.

- DISCOM to ensure that post achievement of 100% smart metering, only smart meters shall be allowed to be installed for new DTs and Feeders. DISCOM will also prepare Energy Audit Reports on an annual basis for each

DT and Feeder and keep it for the record, as and when sought by the Commission.

4. **Automated Data Capture:**

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.25% to Distribution Licensees for capturing data directly from the feeder monitoring system or a suitable system to capture data for a ring main system without any manual intervention, as per Regulation 5.3 of the GERC (Standards of Performance of Distribution Licensees) Regulations, 2023.

5. **Geo-tagging of assets:**

- An additional rate of Return on Equity of 0.5% shall be allowed to the Distribution Licensees for achieving geo-tagging of assets as per the following schedule:
  a) Additional RoE of 0.5% in the first year of the MYT Control period, for initiating the work of geo-tagging which shall be evaluated by successful implementation of steps like calling of an NIT, issuing of tender and awarding of contract.
  b) Additional RoE of 0.5% in the second year of the MYT Control period, for completion of geo-tagging on 25% of the distribution network.
  c) Additional RoE of 0.5% in the third year of the MYT Control period, for completion of geo-tagging on 50% of the distribution network.
  d) Additional RoE of 0.5% in the fourth year of the MYT Control period, for completion of geo-tagging on 75% of the distribution network.
  e) Additional RoE of 0.5% in the fifth year of the MYT Control period, for completion of geo-tagging on 100% of the distribution network.

Supply Business

Table 5-66 Performance Parameter for Additional RoE for Supply Business

Particulars	Ceiling limit of Additional RoE
Percentage of Assessed Bills over Total Bills	0.75%
Collection Efficiency	0.75%
CGRF Performance	0.40%
Setting up CRM Centres	0.30%
Reduction in DSM/UI	0.20%
Meeting RPO Trajectory Targets	0.10%
Maximum Allowable Rate of RoE	**2.50%**

1. **Percentage of Assessed Bills:**

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.75% to Distribution Licensees for reduction in percentage of assessed bills (due to reasons beyond unmetered & inaccessible connection) over total bills as per the following schedule:

  a) Additional RoE of 0.25%, for %age of assessed bills between 3% to 5%.

  b) Additional RoE of 0.50%, for %age of assessed bills between 1% to 3%.

  c) Additional RoE of 0.75%, for %age of assessed bills less than 1%.

2. **Collection Efficiency**

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.75% to Distribution Licensees for Collection Efficiency measured as percentage of the amount collected by the Licensee to the total amount billed as per the following schedule:

  a) Additional RoE of 0.25%, for %age of Collection Efficiency between >95% and <=96.5%.

  b) Additional RoE of 0.50%, for %age of Collection Efficiency between

>96.5% and <=98%.

c) Additional RoE of 0.75%, for %age of Collection Efficiency >98%.

3. **CGRF Performance:**

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.40% to Distribution Licensees for efficacy in dispute resolution / complaint handling as per the following schedule:
  a) Additional RoE of 0.20%, if %age of disputes resolved within 30 days of application is more than 95%.
  b) Additional RoE of 0.20%, if %age of disputes where decision of CGRF / Ombudsman is timely implemented (within stipulated time in the respective Order) is more than 95%.

  Data for above both parameters as certified by the Electricity Ombudsman shall be considered by the Commission for allowing additional RoE for the True up years.

4. **CRM System:**

- An additional rate of Return on Equity shall be allowed up to ceiling limit of 0.30% to Distribution Licensees for providing all services through a common Customer Relation Manager (CRM) System with all provisions, as per Regulation 3.6 of the GERC (Standards of Performance of Distribution Licensees) Regulations, 2023.

5. **Meeting RPO Trajectory Targets**

- An additional rate of Return on Equity shall be allowed at 0.10% to

Distribution Licensees for achieving RPO trajectory as stipulated in the RPO Regulations from time to time.

6. **Reduction in DSM/UI:**

- An additional rate of Return on Equity of 0.20% shall be allowed to Distribution Licensees for maintaining the DSM/ UI in terms of energy upto maximum of 3.00%

5.14.10 TPL-D (A) would be entitled for additional RoE for Wire and Supply business as specified in the table aforesaid based on achieving the specified targets at the time of true-up of the respective Financial year of the Control Period. This shall be assessed every year starting from the true up of first year of the MYT Control Period. TPL-D (A) to provide the supporting / justification to claim such additional Rate of Return on equity which will be allowed by the Commission subject to prudence check.

5.15 Return on Capital Employed

5.15.1 As stated above, the Petitioner has not computed Return on Capital Employed and has computed Return on Equity for the entire assets capitalized before and after 1st April, 2025 by relying based on the Electricity (Second Amendment) Rules, 2023 dated 26th July, 2024 and referring to the matter which is pending before the Commission.

5.15.2 The Commission has asked TPL-D (A) to submit the computation of RoCE for FY 2025-26 to FY 2029-30 based on GERC (MYT) Regulations, 2024. In compliance to this, it has submitted the detailed calculations of RoCE for the assets capitalized on or after 1st April, 2025 as outlined below:

Table 5-67 Return on Capital Employed as per TPL-D (A) for FY 2025-26 to FY 2029-30

(Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening RRB	-	1,232.54	2,655.83	4,569.71	5,301.28
Closing RRB	1,156.39	2,579.04	4,492.27	5,223.19	5,910.50
Average RRB	578.19	1,920.48	3,636.10	5,048.60	5,884.91
RoCE	68.67	228.07	431.82	599.57	698.88

5.15.3 The Commission, as per Regulation 36 of the GERC (MYT) Regulations, 2024 and decided to approve the Return on Capital Employed for FY 2025-26 to FY 2029-30 for TPL-D (A) for the assets capitalized on or after 1st April, 2025, as the Return on Capital Employed (RoCE) is the determining factor for the return to the Distribution Licensee. The approved expenses cover all financing costs, excluding expenses incurred for availing loans, without providing a separate allowance for interest on loans.

5.15.4 In line with the provisions of Regulation 36 of the GERC (MYT) Regulations, 2024, the Commission has determined the Regulated Rate Base (RRB) to calculate the total capital employed which shall include the Original Cost of Fixed Assets (OCFA) capitalized on or after 01st April, 2025.

5.15.5 Based on the Return on Equity of 15.61% and Interest rate of 8.52%, the Weighted Average Cost of Capital (WACC) approved is 10.65% which is applied on RRB to compute Return on Capital Employed. The Commission based on the formula as specified in GERC (MYT) Regulations, 2024 allows the RoCE as outlined below:

Table 5-68 Return on Capital Employed approved for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening RRB	-	1,497.02	2,908.59	4,092.34	4,786.00
Closing RRB	1,420.87	2,831.80	4,014.90	4,707.92	5,309.63
Average RRB	710.43	2,182.38	3,533.45	4,559.15	5,320.32
RoCE	75.64	232.35	376.20	485.41	566.45

5.16 Bad Debts Written Off

Petitioner's Submission:

5.16.1 TPL-D (A) projected debts written off as a pass-through in the ARR, based on the trend of bad debt write-offs in previous years, as per GERC (MYT) Regulations, 2024.

Table 5-69 Bad Debt written off Projected for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bad Debt Written Off	5.41	5.41	5.41	5.41	5.41

Commission's Analysis:

5.16.2 Regulation 105.1 of the GERC (MYT) Regulations, 2024 specifies that bad debts written off may be allowed as a pass through in the ARR subject to prudence check based on the trend of write off of bad debts in the previous years. The Commission has approved Rs. 5.41 Crore towards bad debts written off for FY 2023-24 in Truing up based on the available audited annual accounts for FY 2023-24. The Commission, accordingly, has considered bad debts written off at Rs. 5.41 Crore for MYT Control Period from FY 2025-26 to FY 2029-30.

Table 5-70 Bad Debt written off Approved for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bad Debt Written Off	5.41	5.41	5.41	5.41	5.41

5.17 Contingency Reserve

Petitioner's Submission:

5.17.1 The Commission had allowed contingency reserve. The contingency reserve approved by the Commission for each year in the previous Control Period was Rs. 0.60 Crore.

5.17.2 Based on the same principle, TPL-D (A) has proposed to allow same amount for the contingency reserve for MYT Control Period as was approved in the previous Control Period.

Commission's Analysis:

5.17.3 The proposed contingency reserve is consistent with the GERC (MYT) Regulations, 2024. Accordingly, the Commission approves Rs. 0.60 Crore towards contingency reserve for MYT Control Period from FY 2025-26 to FY 2029-30.

5.18 Non-Tariff Income

Petitioner's Submission:

5.18.1 The non-tariff Income for MYT Control Period is projected as per the actual for FY 2023-24.

5.18.2 TPL-D (A) submitted that, the variation in actual non-tariff income except bad debt recovery will be considered as uncontrollable during the truing up exercise.

Table 5-71 Non-Tariff Income Projected for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non Tariff Income	61.54	61.54	61.54	61.54	61.54

Commission's Analysis:

5.18.3 The Commission has considered the Non-Tariff Income of Rs. 61.66 Crore as per actuals of FY 2023-24 as approved in Truing up and projected the same for the MYT Control Period i.e. FY 2025-26 to FY 2029-30, subject to True-up, which is tabulated as below:

Table 5-72 Non-Tariff Income approved for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non Tariff Income	61.66	61.66	61.66	61.66	61.66

5.19 Revenue from Open Access

Commission's Analysis:

5.19.1 The Petitioner has not envisaged any open access and in turn the Petitioner has not projected any revenue from open access charges. However, it has been observed that there is a Revenue of Rs. 6.56 Crore claimed in Truing up of FY 2023-24. Accordingly, the Commission has considered the Revenue from Open Access of Rs. 6.56 Crore as per actuals of FY 2023-24 as approved in this Truing up exercise and projected the same for the MYT Control Period i.e. FY 2025-26 to FY 2029-30, subject to True-up.

5.20 Aggregate Revenue Requirement (ARR) for MYT Control Period

Petitioner's Submission:

5.20.1 The Petitioner has projected the ARR of Ahmedabad Supply Area for MYT Control Period as given in the table below:

Table 5-73 ARR Projected by Petitioner for MYT Control Period *(Rs. Crore)*

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase	6,000.80	5,938.93	5,952.70	6,010.88	6,103.31
O&M expenses	563.35	604.45	651.56	711.37	748.87
Depreciation	453.47	507.62	581.86	638.24	663.69
Interest on loans	318.86	359.02	419.92	457.73	456.42
Interest on Working Capital	-	-	-	-	-
Interest on SD	78.40	79.97	81.57	83.20	84.87
Bad debts	5.41	5.41	5.41	5.41	5.41
Contingency reserve	0.60	0.60	0.60	0.60	0.60
RoE (incl. income tax)	647.99	719.85	814.44	894.42	944.17
Less: Non-tariff income	61.54	61.54	61.54	61.54	61.54
ARR	**8,007.34**	**8,154.31**	**8,446.52**	**8,740.32**	**8,945.80**

Commission's Analysis:

5.20.2 The Commission based on the costs/expenses approved in the preceding paragraphs has computed the ARR as given in the Table below:

Table 5-74 ARR approved in respect of TPL-D (A) for MYT Control Period (Rs. Crore)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Power Purchase Expenses	5,142.53	5,154.92	5,242.89	5,308.31	5,494.57
Inter-State Transmission Charges	186.15	190.35	194.61	198.95	203.39
Intra-State Transmission Charges	52.71	64.33	74.28	78.66	80.42
Operation & Maintenance Expenses	553.56	597.63	641.90	683.36	716.31
Depreciation	457.55	517.10	573.10	608.10	624.81
Interest and Finance Charges	275.26	240.66	207.04	174.63	143.96
Interest on Working Capital	-	-	-	-	-
Interest on Consumer Security Deposit	78.40	79.97	81.57	83.20	84.87
Bad Debts written off	5.41	5.41	5.41	5.41	5.41
Contribution to contingency reserves	0.60	0.60	0.60	0.60	0.60
Return on Equity Capital	517.42	515.95	514.47	513.00	511.52
Return on Capital Employed	75.64	232.35	376.20	485.41	566.45
Less: Non Tariff Income	61.66	61.66	61.66	61.66	61.66
Less: Revenue from Open Access	6.56	6.56	6.56	6.56	6.56
Net Aggregate Revenue Requirement	**7,277.03**	**7,531.05**	**7,843.86**	**8,071.43**	**8,364.09**

5.21 Revenue from Sale of Power

Petitioner's Submission:

5.21.1 TPL-D (A) submitted that the GERC (MYT) Regulations 2024 in line with the Ministry of Power's notification dated 9th November, 2021, provides for automatic pass through on account of power purchase costs without any delay with immediate effect. It also provides that the Discoms are required to pass through the change in costs whenever it occurs.

5.21.2 For FY 2024-25, the commission has approved the base Power Purchase Cost at Rs. 6.19 per kWh and base FPPPA at Rs. 3.39 per kWh. Based on the estimated weighted average power purchase cost, the revenue for FY 2025-26 is estimated by considering the revised base FPPPA of Rs 3.81/kWh. Accordingly, the projected revenue from sale of power is as under.

Table 5-75 Revenue From Sale Of Power for FY 2025-26 ***(Rs. Crore)***

Particulars	FY 2025-26
Revenue from Sale of Power	7,806.07

Commission's Analysis:

5.21.3 In order to balance the interest of all stakeholders and to recover the cumulative gap of earlier years' and carrying cost, the Commission decides to revise and approve the base Fuel and Power Purchase Adjustment Surcharge (FPPAS) for FY 2025-26 @ Rs. 3.72/kWh. Accordingly, the Commission considers the Revenue from sale of power at Rs. 7,729.50 Crore for FY 2025-26 with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including base FPPAS charge @Rs. 3.72/Unit).

5.22 Trued Up Net Revenue Gap/(Surplus) of FY 2025-26

5.22.1 The Commission has approved the net revenue gap in True up for FY 2023-24 including the gains/ losses shared on account of controllable and uncontrollable factors in accordance with Regulation 23 and 24 of the GERC (MYT) Regulations, 2016. The Commission has also considered earlier years approved gap and also impact on ARR due to review petition of the Petitioner, which is mentioned in the previous Chapter. It is found that the Commission has calculated/computed an amount of Rs. 397.74 Crore as Gap for the TPL-D(A) for FY 2023-24.

5.22.2 Regulation 21.6 (c) of the MYT Regulations, 2016 and 16.7 (c) of MYT Regulations, 2024 specify that carrying cost is to be allowed on the amount of revenue gap / (surplus) for the period from the date on which such gap / (surplus) has become due, calculated on the simple interest basis at the weighted average SBI Base Rate for the relevant year, subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the which revenue gap is addressed.

5.22.3 As stated above, the Gap approved for True-up of FY 2023-24 is Rs. 397.74 Crore. The Commission has allowed carrying cost of Rs. 54.13 Crore on the said gap after excluding the past gap of Rs 81.77 Crore at the rate of 8.57% (weighted average of SBI MCLR rate of FY 2023-24) for two years, computed on the simple interest basis.

5.22.4 The Commission, accordingly, has considered the Trued-up Revenue Gap of Rs. 451.86 Crore for FY 2023-24 which is inclusive of carrying cost. The said amount is considered for determination of tariff for FY 2025-26.

5.23 Revenue Gap/(Surplus) for FY 2025-26

Petitioner's Submission:

5.23.1 The ARR for FY 2025-26 and the revenue is provided as under. The revenue includes revenue from sale of power at the existing tariff rates including revised base FPPAS.

5.23.1 The Commission has approved revenue gap of Rs. 451.86 Crore for FY 2023-24 after considering the Carrying cost, which is elaborated in the above sections.

5.23.2 The Commission accordingly computed the revenue (Gap)/Surplus for FY 2023-24 as given in the Table below:

Table 5-76 Revenue Gap / (Surplus) approved for FY 2025-26 ***(Rs. Crore)***

Particulars	Projected by Petitioner	Computed by Commission
ARR for FY 2025-26	8,007.34	7,277.03
Less : Revenue from sale of power at existing tariff rates including revised base FPPAS*	7,806.07	7,729.50
Revenue Gap/(Surplus) for FY 2025-26	**201.27**	**(452.47)**
Add: Revenue (Gap)/Surplus approved for FY 2023-24	1,050.43	397.74
Add: Carrying cost on above (gap)/surplus	190.35	54.13
Net Gap / (Surplus) for FY 2025-26	**1,442.05**	**(0.61)**

**-TPL-D(A) has considered FPPAS rate of Rs. 3.81/kWh whereas the Commission has approved FPPAS rate of Rs. 3.72/kWh and considered for calculation of Revenue from Existing tariff.*

5.23.3 Accordingly, against the estimated Revenue gap of Rs. 1,442.05 Crore claimed by TPL-D (A); the Commission has estimated a Revenue Surplus of Rs. (0.61) Crore for FY 2025-26.

5.23.4 With respect to DSM expenses, the Petitioner has submitted that as per the GERC (Demand Side Management) Regulations, 2012, the Petitioner had formulated and submitted to the Commission a DSM Plan for the license areas of Ahmedabad, Gandhinagar and Surat. The Commission has approved Rs. 4.45 Crore for Ahmedabad/Gandhinagar supply area. In this regard, the Petitioner has not incurred any expense during FY 2024-25. Regarding the DSM Plan for the period starting from FY 2025-26, the Petitioner shall approach the Commission separately. The Commission notes the submission made by TPL-D (A).

Chapter 6: Compliance of Directives

6.1 Earlier Directives

Directive No. 1 Long-Term Power Procurement Plan along-with RPO Commitments

The Commission had directed the Petitioner to carry out a detailed study of load growth and power requirement with RPO commitments:

Petitioner's Compliance:

TPL-D (A) submitted that regarding RPO fulfilment, the Petitioner has already tied up 450 MW solar power through bidding process. The project is expected to be commissioned during FY 2024-25. Further, the Petitioner has also tied up 300 MW wind-solar hybrid power wherein expected commissioning will be during FY 2026-27. Accordingly, TPL-D (A) will update the Commission based on development of same.

Commission's Comment:

The Commission has noted the submission and reiterates the directive.

Directive No. 2 Implementation of Smart pre-payment meter/ pre-payment meters

In compliance to the MOP Rules and CEA Regulations, the Petitioner has proposed to initiate installation of smart meters in phased manner in its license area during FY 2024-25.

Petitioner's Compliance:

The Petitioner submitted that in compliance to the GERC Regulations and MOP Rules, the Petitioner has initiated the pilot project for installation of smart meters in a phased manner in its license area during FY 2024-25. The Petitioner shall keep the Commission apprised on the subject matter.

Commission's Comment:

The Commission has noted the submission and directs TPL to submit the actual status in next year's tariff filing exercise.

6.2 New Directives

6.2.1 TPL-D (A) is directed to provide the detail asset register at the time of truing up of the respective year of the control period with the impact of reduction in the equity for all the assets whose useful life is completed as per first proviso of Regulation 32.1 of GERC (MYT) Regulations, 2024.

Chapter 7: Fuel and Power Purchase Adjustment Surcharge

7.1.1 In connection with the 'Fuel and Power Purchase Adjustment Surcharge', the GERC (Multi-Year Tariff) Regulations, 2024 provides that-

"115.1 Computation of FPPAS:

(a) *For these Regulations "Fuel and Power Purchase Adjustment Surcharge" (FPPAS) means the increase in cost of power, supplied to consumers, due to change in Fuel cost, power purchase cost and transmission charges with reference to cost of supply approved by the Commission.*

(b) *FPPAS shall be calculated and billed to consumers, automatically, without going through regulatory approval process, on a monthly basis, according to the formula, prescribed by the Commission in these Regulations, subject to true up, on an annual basis:*

Provided that the automatic pass through shall be adjusted for monthly billing in accordance with these Regulations;
Provided further that the Distribution Licensee shall make quarterly submissions of the detailed FPPAS computations, duly supported by the documentary evidences, justifying such computations, along with details its charging and recovery from the consumers.

(c) *FPPAS shall be computed and charged by the Distribution Licensee, in (n+2)th month, on the basis of actual variation, in cost of fuel and power purchase and Interstate Transmission Charges for the power procured during the nth month. For example, the FPPAS on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year:*

Provided that in case the Distribution Licensee fails to compute and charge FPPAS within this time line, except in case of any *force majeure condition, its right for recovery of costs on account of FPPAS shall be forfeited and in such cases, the right to recover the FPPAS determined during true-up shall also be forfeited.*

(d) *The Distribution Licensee may decide, FPPAS or a part thereof, to be carried forward to the subsequent month in order to avoid any tariff shock to consumers, but the carry forward of FPPAS shall not exceed a maximum duration of two months and such carry forward shall only be applicable, if the total FPPAS for a Billing Month, including any carry forward of FPPAS over the previous month exceeds twenty per cent of variable component of approved tariff.*

(e) *The carry forward shall be recovered within one year or before the next tariff cycle whichever is earlier and the money recovered through FPPAS shall first be accounted towards the oldest carry forward portion of the FPPAS followed by the subsequent month.*

(f) *In case of carry forward of FPPAS, the carrying cost calculated on simple interest basis at the rate of one year SBI MCLR or any replacement thereof by SBI from time to time being in effect applicable for 1 year period, as applicable prevailing during the relevant year shall be allowed till the same is recovered through tariff and this carrying cost shall be trued up in the year under consideration.*

(g) *Depending upon quantum of FPPAS, the automatic pass through shall be adjusted in such a manner that,*

i. *If FPPAS ≤ 5%, 100% cost recoverable of FPPAS by Distribution Licensee shall be levied automatically using the formula.*

ii. *If FPPAS > 5%, 5% FPPAS shall be recoverable automatically as per item (i) of sub-paragraph (g) above. 90% of the balance FPPAS shall be recoverable automatically using the* *formula and the differential claim shall be recoverable after approval by the Commission during true up.*

(h) *The revenue recovered on account of pass through FPPAS by the Distribution Licensee, shall be trued up later for the year under consideration and the true up for any financial Year shall be completed by 30th June of the next financial year.*

(i) *In case of excess revenue recovered for the year against the FPPAS, the same shall be recovered from the Distribution Licensee at the time of true up along with its carrying cost to be charged at 1.20 times of the carrying cost rate approved by the Commission and the under recovery of FPPAS shall be allowed during true up, to be billed along with the automatic FPPAS amount.*

Explanation:- *For example in the month of July, the automatic pass through component for the power supplied in May and FPPAS, if any, recoverable after true up for the month of April in the previous financial year, shall be billed.*

(j) *The Distribution Licensee shall submit such details, in the stipulated formats, of the variation between expenses incurred and FPPAS recovered, and the detailed computations and supporting documents, as required by the Commission, during true up of the normal tariff.*

(k) *To ensure smooth implementation of the FPPAS mechanism and its recovery, the Distribution Licensee shall ensure that its billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open source software as available.*

(l) *The Distribution Licensee shall publish all details including the FPPAS formula, calculation of monthly FPPAS and recovery of FPPAS (separately for automatic and approved portions) on its* *website and archive the same through a dedicated web address.*

(m) *Formula for Computation of FPPAS:*

$$Monthly\ FPPAS\ for\ Nth\ Month\ (\%) = \frac{(A-B)*C\ +\ (D-E)}{\{Z\ *\ (1-\ Distribution\ losses\ in\%/100)\}\ *\ ABR}$$

Where,

Nth month means the month in which billing of FPPAS component is done. This FPPAS is due to changes in tariff for the power supplied in (n-2)th month

A is Total units procured in (n-2)th Month (in kWh) from all Sources including Long-term, Medium-term and Short-term Power purchases (To be taken from the bills issued to Distribution Licensees)

B is bulk sale of power from all Sources in (n-2)th Month. (in kWh) = (to be taken from provisional accounts to be issued by State Load Dispatch Centre by the 10th day of each month).

C is incremental Average Power Purchase Cost (including the change of fuel cost) = Actual average Power Purchase Cost (PPC) from all Sources in (n-2) month (Rs./ kWh) (computed) - Projected average Power Purchase Cost (PPC) from all Sources (Rs./ kWh)-(from tariff order)

D = Actual inter-state and Intra-State Transmission Charges in the (n-2)th Month, (From the bills by Transcos to Discom) (in Rs)

E = Base Cost of Transmission Charges for (n-2)th Month. = (Approved Transmission Charges/12) (in Rs)

Z = [{Actual Power purchased from all the sources outside the State in (n-2) th Month. (in kWh) (1 – Interstate transmission losses in % /100) + Power purchased from all the sources within the State(in kWh)}*(1 – Intra-State losses in %) – B]/100 in kWh*

ABR = Average Billing Rate for the year as approved by the Commission (in Rs/kWh)

Distribution Losses (in %) = Target Distribution Losses as approved by the Commission

Inter-state transmission Losses (in %) as approved by the Commission

Note:

The Power Purchase Cost shall exclude any charges on account of

Deviation Settlement Mechanism.
Other charges which include Ancillary Services and Security Constrained Economic Despatch shall not be included in Fuel and Power Purchase Adjustment Surcharge and adjusted though the true-up approved by the Commission."

Computation of FPPAS for FY 2025-26

7.1.2 It is required to compute and bill monthly FPPAS in accordance with the above formula. Further for the computation of monthly FPPAS during FY 2025-26, it is required to consider-

Projected Energy Requirement	8887.28 MU
Approved Power Purchase Cost (Excluding Transmission Charges)	Rs. 5142.53 Crore
Projected average Power Purchase Cost (PPC)	Rs. 5.79 per kWh
Base Cost of Transmission Charges (Monthly)	Rs. 19.91 Crore
Distribution Losses	3.74%
Average Billing Rate for the Year	Rs. 9.09 per kWh
Inter-State and Intra-State Transmission Losses	As actual

7.1.3 Monthly FPPAS computed in %, in accordance with the MYT Regulations shall be applicable to Energy Charge + Base FPPAS and Fixed/ Demand Charge (Not on Excess Demand Charges, ToU Charges or other rebate/penalties).

Chapter 8: Wheeling Charges and Cross Subsidy Surcharge

8.1 Wheeling Charges

Petitioner's Submission:

8.1.1 Regulation 94 of GERC (MYT) Regulations, 2024 stipulates that the ARR be segregated as per the allocation matrix for segregation of expenses between Distribution Wires Business and Retail Supply Business for determination of wheeling charges.

8.1.2 The allocation of expenditure to wheeling and retail supply business is based on the consideration that the distribution infrastructure up to the service line is part of the wheeling business and the distribution infrastructure from service line to consumer premises is part of the retail supply business.

8.1.3 The allocation matrix as specified by the Commission for segregation of expenses between Wires and Supply business is as shown in the Table below:

Table 8-1 Allocation Matrix for Segregation submitted by TPL-D (A)

Particulars	Wire Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
A&G Expenses	50%	50%
R&M Expenses	90%	10%
Depreciation	90%	10%
Interest on Long Term Loans	90%	10%
Interest on Working Capital and Security Deposit	10%	90%
Bad Debts Written off	0%	100%
Income Tax	90%	10%
Contribution to Contingency Reserve	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

8.1.4 Based on the above allocation matrix TPL-D (A) has segregated the ARR of

Ahmedabad Supply Area for Wires and Supply business as under:

Table 8-2 Segregation of ARR into Wires and Supply Business for FY 2025-26 (Rs. Crore)

Particulars	Wire Business	Retail Business
Power Purchase	-	6,000.80
Employee Expenses	110.34	73.56
Repair & Maintenance Expenses	216.23	24.03
Administration & General Expenses	69.60	69.60
Depreciation	408.12	45.35
Interest on Loan	286.98	31.89
Interest on Security Deposit	7.84	70.56
Interest on Working Capital	-	-
Bad debts	-	5.41
Contingency Reserve	0.60	-
Total Revenue Expenditure	**1,099.70**	**6,321.19**
Return on Equity (incl. tax)	583.19	64.80
Less: Non-Tariff Income	6.15	55.39
Aggregate Revenue Requirement	**1,676.74**	**6,330.60**

8.1.5 The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge.

Commission's Analysis:

8.1.6 The Commission, in order to compute the Wheeling Charges and Cross-Subsidy Surcharge, has considered the allocation matrix between the Wheeling and Retail Supply Business as specified in Regulations 94.1 of the GERC (MYT) Regulations, 2024.

8.1.7 However, the Commission would like to state that as per Regulations 94.1 of the GERC (MYT) Regulations, 2024, the wheeling charges is required to be segregated on the basis of segregated accounts of Distribution Wires Business and Retail Supply Business. Accordingly, the Petitioner is directed to maintain separate books of accounts for the Distribution Wire Business and Retail Supply Business from the second year of Control Period, the failure of which will result in penalty as per Regulation 35.13 of GERC (MYT) Regulations,

2024. Further, the Guidelines as specified in Annexure V of GERC (MYT) Regulations, 2024 needs to be considered for the segregation of Wire and Supply business.

8.1.8 However, FY 2025-26 being the first year of the MYT Control Period and the direction to maintain separate account is applicable from second year of the Control Period, the Commission has considered the allocation matrix thereof as provided in the GERC (MYT) Regulation, 2024 and has approved the ARR for Wires and Retail Supply Business for FY 2025-26 is shown in the Table below:

Table 8-3 Approved Segregation of ARR for FY 2025-26 ***(Rs. Crore)***

Particulars	ARR Approved	Wire Business	Retail Business
Power Purchase Expenses	5,142.53	-	5,142.53
Inter-State Transmission Charges	186.15	-	186.15
Intra-State Transmission Charges	52.71	-	52.71
Employee Expenses	176.21	105.72	70.48
A&G Expenses	135.85	67.93	67.93
R&M Expenses	241.51	217.36	24.15
Depreciation	457.55	411.80	45.76
Interest and Finance Charges	275.26	247.73	27.53
Interest on Working Capital	-	-	-
Interest on Consumer Security Deposit	78.40	7.84	70.56
Bad Debts written off	5.41	-	5.41
Contribution to contingency reserves	0.60	0.60	-
Total Revenue Expenditure	**6,752.19**	**1,058.98**	**5,693.21**
Return on Equity Capital	517.42	465.68	51.74
Return on Capital Employed	75.64	68.07	7.56
Aggregate Revenue Requirement	**7,345.25**	**1,592.73**	**5,752.52**
Less: Non Tariff Income	61.66	6.17	55.49
Less: Income from Other Business	6.56	6.56	-
Net Aggregate Revenue Requirement	**7,277.03**	**1,580.01**	**5,697.02**

8.2 Determination of Wheeling Charges

Petitioner's Submission:

8.2.1 The Petitioner has submitted that to determine the wheeling charges for the HT & LT voltage levels , the ARR of the respective voltage level is divided by the sales handled at the respective voltage level . Accordingly, the wheeling charge determined in terms of Rs./kWh has been tabulated below:

Table 8-4: Wheeling Charges for FY 2025-26 proposed by TPL-D (A)

Particulars	UoM	Amount
First Level of apportionment on the basis of GFA		
ARR for HT Assets	Rs. Crore	1,093.60
ARR for LT Assets	Rs. Crore	583.14
Total	**Rs. Crore**	**1,676.74**
Second Level of apportionment on the basis of Contract Demand		
ARR for HT Assets	Rs. Crore	449.32
ARR for LT Assets	Rs. Crore	1,227.42
Total	**Rs. Crore**	**1,676.74**
Wheeling Tariff		
HT Category	Rs / kW/month	496.91
LT Category	Rs / kW/month	946.67
Wheeling Tariff		
HT Category	Rs / kWh	2.00
LT Category	Rs / kWh	1.96
Wheeling Tariff		
HT Category	Rs. Crore/MW	0.60
LT Category	Rs. Crore/MW	1.14

8.2.2 The Petitioner has further submitted that an open access consumer will also have to bear the following wheeling losses in addition to the wheeling charges:

Table 8-5 Proposed Wheeling Losses for TPL-D (A) for FY 2025-26

Category	Loss (%)
HT Category	4.00%
LT Category	6.70%

Commission's Analysis:

8.2.3 The Commission has determined the ARR of the Wires Business for FY 2025-26 in the earlier section, as Rs.1,580.01 Crore.

8.2.4 The ARR is apportioned between the HT and LT Voltage level in the ratio of 65.22: 34.78, which is the ratio of GFA of HT:LT for FY 2023-24 and thereafter as per ratio of Contract Demand as submitted by TPC-D (A).

8.2.5 To determine the Wheeling Charges for the HT and LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the Wheeling Charge determined in terms of Rs/kWh is shown in the table below:

Table 8-6 Wheeling Charges approved for TPL-D (A) for FY 2025-26

Particulars	UOM	Amount
First Level of apportionment on the basis of GFA		
ARR for HT Assets	Rs. Crore	1,030.51
ARR for LT Assets	Rs. Crore	549.50
Total	**Rs. Crore**	**1,580.01**
Second Level of apportionment on the basis of Contract Demand		
ARR for HT Assets	Rs. Crore	423.40
ARR for LT Assets	Rs. Crore	1,156.61
Total	**Rs. Crore**	**1,580.01**
Wheeling Tariff		
HT Category	Rs / kWh	1.89
LT Category	Rs / kWh	1.85

8.2.6 The Commission has accordingly approved the wheeling charges for HT and LT voltages as shown in the table above.

8.2.7 The Commission approves the following losses for Open Access consumers in addition to the wheeling charges

Table 8-7 Wheeling Losses approved for TPL-D (A) for FY 2025-26

Category	Loss (%)
HT Category	3.50%
LT Category	3.82%

8.3 Cross-Subsidy Surcharge

Petitioner's Submission:

8.3.1 As per the principles enunciated in the Tariff Policy, the cross-subsidy surcharge is computed based on Pooled Power Purchase cost. Further, the principles laid out in the Tariff Policy amply clarify to compensate the distribution licensee for the existing level of cross-subsidization.

8.3.2 TPL-D (A) has detailed the computation of Cross Subsidy Surcharge in the following table:

Table 8-8 Category wise Cross subsidy Surcharge for FY 2025-26

Category	HTMD -1	HTMD -2	HTMD -Metro	HT-EVC	RGP	NRGP	LTMD-1	LTMD-2	GLP	LT-EVC
T – Tariff in Rs/kWh*	10.00	10.60	9.27	8.35	8.29	9.89	10.01	10.38	8.81	8.27
PPC – Average cost of power Purchase in Rs/kWh	6.86	6.86	6.86	6.86	6.96	6.96	6.96	6.96	6.96	6.96
Avg W – Average Wheeling charges for HT category in Rs / kWh	2.00	2.00	2.00	2.00	1.96	1.96	1.96	1.96	1.96	1.96
Cross subsidy Surcharge in Rs/kWh	1.14	1.74	0.41	-	-	0.97	1.10	1.47	-	-

**Excluding proposed Regulatory Charge*

Commission's Analysis:

8.3.3 The Hon'ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued Tariff Policy, 2016 wherein the formula for Cross Subsidy Surcharge is given as under;

S = T – [C/(1-L/100)+D+R]

Where,

S is the Surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

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

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

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

R is the per unit cost of carrying regulatory assets

8.3.4 However, the Commission further notes that MOP has notified Amendments to the Rules, namely, Electricity (Amendment) Rules, 2022 notified on 29 December 2022, wherein it has stipulated that cross-subsidy surcharge to be determined by the Appropriate Commission shall not exceed twenty percent (20%) of Average Cost of Supply. The relevant extracts of the notified Rule 13 is as under:

> *"13. Surcharge payable by Consumers seeking Open Access. - The surcharge, determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003* ***shall not exceed twenty per cent of the average cost of Supply."*** *(emphasis added)*

8.3.5 The CSS computed in accordance with the Formula stipulated in the Tariff Policy has been capped at 20% of the ACOS, in accordance with the above quoted Rules notified by the Ministry of Power.

8.3.6 Accordingly, the Commission has determined the Cross-Subsidy Surcharge based on the above formula as shown in the Table below:

Table 8-9 Approved Cross Subsidy Surcharge for FY 2025-26

Category	HTMD -1	HTMD -2	HTMD -Metro	HT-EVC	RGP	NRGP	LTMD-1	LTMD-2	GLP	LT-EVC
T – Tariff in Rs/kWh*	9.67	10.27	8.94	8.02	7.96	9.56	9.68	10.05	8.48	7.94
PPC – Average cost of power Purchase in Rs/kWh	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06	6.06
Avg W – Average Wheeling charges in Rs / kWh	1.89	1.89	1.89	1.89	1.85	1.85	1.85	1.85	1.85	1.85
Cross subsidy Surcharge in Rs/kWh	**1.51**	**1.71**	**0.78**	**-**	**-**	**1.41**	**1.54**	**1.71**	**0.34**	**-**

* 20% of the Standalone Average Cost of Supply is Rs. 1.71 per Unit which is limited to HTMD -2 and LTMD -2

8.3.7 Further, According to Rule 13 of the Electricity (Amendment) Rules, 2022 as notified by Ministry of Power, GoI, the surcharge determined by the State Commission shall not exceed 20% of the Average Cost of Supply. The Cross Subsidy Surcharge worked out as per above is below the 20% of the Average Cost of Supply except HTMD-2 and LTMD-2.

8.3.8 Accordingly, the Commission approves Cross Subsidy Surcharges for the categories as identified in

8.3.9

8.3.10 Table 8-9 of this Order for FY 2025-26.

8.4 Additional Surcharge

Petitioner's Submission:

8.4.1 As per the Regulation 25 of GERC (Terms & Conditions of Intra-State Open Access) Regulations, 2011, the OA consumer will also be required to pay an additional surcharge as per section 42 (4) of the EA 2003.

Commission's Analysis:

8.4.2 The Petitioner should submit the requisite data and justification separately for determination of Additional Surcharge.

8.5 Regulatory Charge

Petitioner's Submission:

8.5.1 TPL-D (A) submitted as regulatory charge is pertaining to mainly past period under recoveries, accordingly all the consumers including the OA consumer will be required to pay regulatory charge.

8.5.2 Further, the Petitioner has highlighted the cumulative gap of Rs. 1,442.06 Crore and proposes to recover the cumulative gap by way of Regulatory Charge of Rs. 0.36 per unit over the period of four years starting from 1st April, 2025 with necessary adjustment of cost due to deferment of recovery with effect from 1st April, 2025. The balance gap shall be recovered by way of tariff revision of Rs. 0.24 per unit during FY 2025-26.

Commission's Analysis:

8.5.3 The Commission, as per Table 5-76, has approved the Revenue Surplus of Rs. 0.61 Crore and has not approved any Regulatory Charges to be recovered from the consumers. Accordingly, the same shall not be applicable to OA consumers.

Chapter 9: Tariff Philosophy and Tariff Proposal for FY 2025-26

9.1 Introduction

9.1.1 The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, the Regulations on Terms and Conditions of Tariff issued by the Central Electricity Regulatory Commission (CERC) and GERC (MYT) Regulations, 2024 notified by the Commission.

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

9.2 Proposal of TPL – D (A) for increase in Retail Tariffs for FY 2025-26

9.2.1 TPL-D (A) has computed the cumulative gap/ (surplus) for FY 2023-24, FY 2025-26 and carrying cost as detailed in the earlier chapters.

9.2.2 TPL-D (A) proposed to:

a) Recover the gap/ (surplus) during FY 2025-26 by way of tariff revision and Regulatory Charge along with adjustment for deferment of recovery.

b) Recover the Gap/ Carrying cost for matters pending with Hon'ble GERC / APTEL by way of Regulatory Charge

9.3 Tariff Philosophy by TPL-D (A)

9.3.1 TPL-D (A) submitted that the Commission has approved the existing tariff structure based on widely recognized best practices in accordance with the legal framework and the principles as detailed hereunder:

(a) Consumers' capacity to pay
(b) Principles of cross subsidy prescribed by Tariff Policy
(c) Incentivising energy conservation
(d) Demand Side Management
(e) Promotion of efficient use of electricity and also avoiding drawal/ injection of reactive energy

9.3.2 In addition to the above, TPL-D (A) submitted that the existing fixed charges are not depictive of the fixed costs. The majority of the fixed cost is being recovered through Energy Charges. The Petitioner requests the Commission to kindly consider necessary revision of the fixed/demand charges particularly in light of large scale implementation of net metering and green energy open access.

9.4 Determination of Retail Tariff

Petitioner's Submission:

9.4.1 TPL-D (A) submitted that recovery of the cumulative gap of Rs. 1,442.06 Crore would have necessitated increase in tariff during FY 2025-26. However, in order to insulate the consumers from tariff shock, TPL-D (A) proposed to recover the cumulative gap by way of Regulatory Charge of Rs. 0.36 per unit over a period of four years with necessary adjustment of cost due to deferment of recovery with effect from 1st April, 2025. The balance gap is proposed to be recovered by way of tariff revision of Rs. 0.24 per unit during FY 2025-26.

9.4.2 Further, TPL-D (A) proposed to recover the Gap/Carrying cost for matters pending with Hon'ble GERC / APTEL by way of Regulatory Charge.

9.4.3 TPL-D (A) clarified that any variation in recovery of the said gap/(surplus) to the extent expected during FY 2025-26, shall be dealt with during Truing up exercise for FY 2025-26. TPL-D (A) also clarified that the claim for carrying cost for the portion of the said gap pertaining to FY 2025-26 that gets recovered beyond FY 2025-26 shall be filed subsequently by Petitioner.

9.4.4 TPL-D (A) submitted that, if for any reason, the Commission does not allow the recovery of part of the gap by way of Regulatory Charge w.e.f. 1st April, 2025, the tariff rates need to be appropriately adjusted to allow the Petitioner to recover the cumulative gap entirely during FY 2025-26.

9.4.5 TPL-D (A) further submitted that despite the overall inflationary pressures in general, TPL-D (A) has been managing its costs largely through operational efficiencies. For FY 2025-26, TPL-D (A) is proposing Regulatory Charge and tariff revision to liquidate under recoveries and enable TPL-D (A) to maintain and further improve its high standards of quality, reliability and customer services.

9.4.6 For FY 2025-26, TPL-D (A) proposed to continue "Green Tariff" of Rs. 1.00 per unit over and above tariff for respective category of consumer.

9.5 Commission's Ruling on Retail Tariffs for FY 2025-26

9.5.1 The Tariff Policy and Electricity Act, 2003 provide for tariff structure rationalization. The Commission has in the past Orders, rationalized the tariffs in order to ensure that the tariffs reflect, as far as possible, the cost of supply. The Commission has also tried to address operational and field issues, keeping in view the interest of the consumers, while rationalizing the tariff structure.

9.5.2 However, as discussed earlier, the Commission has approved a cumulative revenue surplus of Rs. 0.61 Crore during FY 2025-26 in Table 5-76 of Chapter 5 of this Order. It has been observed that the Petitioner has filed reviews/Appeals in various forums related to past year gaps and carrying costs, which are at the different stages. Further, the revenue gap/surplus may vary at the time of Truing-up of ARR for FY 2025-26, when actuals as per audited annual accounts are available. Therefore, the Commission decides to continue with the existing tariff structure and retained the category-wise tariff at the same level.

9.6 Green Power Tariff

9.6.1 The Petitioner has submitted that it has received representations regarding introduction of "Green Tariff" in its license areas. However, the methodology for determination of "Green Tariff" is required to be determined by the Hon'ble Commission. Hence, for FY 2025-26, the Petitioner proposes "Green Tariff" of Rs. 1.00 per unit.

9.6.2 Considering various aspects, the Commission has decided to continue with the Green Tariff as additional rate of Rs. 0.90 per Unit for Torrent Power Ltd. (A 'bad & Gandhinagar) license area for FY 2025-26.

- Green Power Tariff of Rs 0.90/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving billing cycle notice to the Distribution Licensee in writing before commencement of billing period.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement for TPL-D (A) for FY 2025-26, as shown in the Table below:

Approved ARR for TPL-D (A) for FY 2025-26 ***(Rs. Crore)***

Particulars	FY 2025-26
Power Purchase Expenses	5,142.53
Inter-State Transmission Charges	186.15
Intra-State Transmission Charges	52.71
Operation & Maintenance Expenses	553.56
Depreciation	457.55
Interest and Finance Charges	275.26
Interest on Working Capital	-
Interest on Consumer Security Deposit	78.40
Bad Debts written off	5.41
Contribution to contingency reserves	0.60
Return on Equity Capital	517.42
Return on Capital Employed	75.64
Less: Non Tariff Income	61.66
Less: Revenue from Open Access	6.56
Net Aggregate Revenue Requirement	**7,277.03**

The retail supply tariffs for TPL-D (A) determined by the Commission are annexed to this Order and it shall come into force with effect from 1st April 2025.

-Sd-	-Sd-	-Sd-
S. R. Pandey	**Mehul M. Gandhi**	**ANIL MUKIM**
Member	**Member**	**Chairman**

Place: Gandhinagar

Date: 29.03.2025

ANNEXURE: TARIFF SCHEDULE

TARIFF SCHEDULE FOR AHMEDABAD – GANDHINAGAR LICENSE AREA OF TORRENT POWER LIMITED – AHMEDABAD

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

Effective from 1st April 2025

GENERAL CONDITIONS

1. This tariff schedule is applicable to all the consumers of TPL in Ahmedabad and Gandhinagar area.
2. All these tariffs for power supply are applicable to only one point of supply.
3. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
4. The charges specified in the tariff are on monthly basis, TPL shall adjust the rates according to billing period applicable to consumer.
5. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
6. 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.
7. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horsepower or kilo watt (HP or kW) as the case may be. 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).

8. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
9. Contract Demand shall mean the maximum kW for the supply of which TPL undertakes to provide facilities to the consumer from time to time.
10. Maximum Demand in a month means the highest value of average kW as the case may be, delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.
11. 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.
12. The fixed charges, minimum charges, demand charges and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.
13. The energy bills shall be paid by the consumer within 14 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 to the date of payment of bill.
14. Fuel and Power Purchase Adjustment Surcharge (FPPAS) charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.
15. Statutory Levies: These tariffs are exclusive of Electricity Duty, Tax on Sales of Electricity, 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.

16. 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 TPL shall be entitled to take any other action deemed necessary and authorized under the Act.

17. Green Power Tariff

    - Green Power Tariff of Rs 0.90/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
    - All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
    - This option can be exercised by consumer giving Billing Cycle notice to the Distribution Licensee in writing before commencement of billing period.

PART- I

SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE

(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)

1. RATE: RGP

This tariff is applicable to supply of electricity for:

i. residential purpose, and

ii. Installations having connected load up to and including 15 kW for common services like elevators, water pumping systems, passage lighting in residential premises and pumping stations run by local authorities.

1.1. FIXED CHARGE

For Other than BPL consumers

(a)	Single Phase Supply	Rs. 25 per month per installation
(b)	Three Phase Supply	Rs. 65 per month per installation

For BPL household consumers*

(a)	Fixed Charges	Rs. 5 per month per installation

1.2. ENERGY CHARGE

For Other than BPL consumers

(a)	First 50 units consumed per month	320 Paise per Unit
(b)	For the next 150 units consumed per month	395 Paise per Unit
(c)	Remaining units consumed per month	500 Paise per Unit

For BPL household consumers*

(a)	First 50 units consumed per month	150 Paise per Unit
(b)	For remaining units consumed per month	Rate as per RGP

** The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the zonal office of the Distribution Licensee. The concessional tariff is only for 50 units per month.*

2. RATE: GLP

Applicable for supply of electricity to 'other than residential' premises used for charitable purposes like: public hospitals, dispensaries, educational and research institutions and hostels attached to such institutions, youth hostels run by Government, religious premises exclusively used for worship or community prayers, electric crematorium etc. Such premises should be in the use of 'Public Trust" as defined under section 2(13) of the Bombay Public Trust Act, 1950.

2.1. FIXED CHARGE

(a)	Single Phase Supply	Rs. 30 per month per installation
(b)	Three Phase Supply	Rs. 70 per month per installation

2.2. ENERGY CHARGE

(a)	First 200 units consumed per month	410 Paise per Unit
(b)	Remaining units consumed per month	480 Paise per Unit

3. RATE: NON-RGP

Applicable for supply of electricity to premises which are not covered in any other LT tariff categories, up to and including 15 kW of connected load.

Consumers covered in this category can also opt for tariff rates covered in "Rate: LTMD-2".

3.1. FIXED CHARGE

(a)	For installations having Connected Load up to and including 5 kW	Rs. 70 per kW per month
(b)	For installations having Connected Load more than 5 kW and up to 15 kW	Rs. 90 per kW per month

3.2. ENERGY CHARGE

A flat rate of	460 Paise per Unit

4. RATE: LTP (AG)

Applicable to motive power installations for agricultural purposes

4.1. ENERGY CHARGE

A flat rate of	340 Paise per Unit

4.2. MINIMUM CHARGE

Minimum Charge per BHP of Connected Load	Rs. 10 per BHP per Month

Note:

1. The agricultural consumers shall be permitted to utilize one bulb or CFL up to 40 watts in the Pump House. Any further extension or addition of load will amount to unauthorized extension.
2. No machinery other than pump for irrigation will be permitted under this tariff.

5. <u>Rate: LTMD-1</u>

Applicable for supply of electricity to installations above 15 kW of connected load used for common services like elevators, water pumping systems and passage lighting for residential purpose and pumping stations run by local authorities.

5.1. FIXED CHARGE

1. For Billing Demand up to and including Contract Demand

(a)	First 50 kW of Billing Demand per month	Rs. 150 per kW
(b)	Next 30 kW of Billing Demand per month	Rs. 185 per kW
(c)	Rest of Billing Demand per month	Rs. 245 per kW

2. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 350 Per kW

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR
ii. 85% of the Contract Demand OR
iii. 6 kW

Whichever is the highest.

5.2. ENERGY CHARGE

(a)	For Billing Demand up to and including 50 kW	465 Paise per unit
(b)	For Billing Demand above 50 kW	480 Paise per unit

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

6. <u>RATE: LTMD-2</u>

Applicable for supply of electricity to premises which are not covered in any other LT tariff categories, having above 15 kW of connected load.

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

6.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

(a)	First 50 kW of Billing Demand per month	Rs. 175 per kW
(b)	Next 30 kW of Billing Demand per month	Rs. 230 per kW
(c)	Rest of Billing Demand per month	Rs. 300 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 425 Per kW

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR

ii. 85% of the Contract Demand OR

iii. 6 kW

Whichever is the highest.

6.2. ENERGY CHARGE

(a)	For Billing Demand up to and including 50 kW	480 Paise per unit
(b)	For Billing Demand above 50 kW	500 Paise per unit

6.3. 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

7. <u>RATE: SL</u>

Applicable to lighting systems for illumination of public roads.

7.1. ENERGY CHARGE

A flat rate of	430 Paise per Unit

7.2. OPTIONAL kVAh CHARGE

For all the kVAh units consumed during the month	335 Paise per Unit

8. <u>RATE: TMP</u>

Applicable to installations for temporary requirement of electricity supply.

8.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 25 per kW per Day

8.2. ENERGY CHARGE

A flat rate of	510 Paise per Unit

9. RATE: LT - Electric Vehicle (EV) Charging Stations

This tariff is applicable to consumers who use electricity **EXCLUSIVELY** for electric vehicle charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, NRGP, LTMD etc.

9.1. FIXED CHARGE

Rs. 25 per month per installation

PLUS

9.2. ENERGY CHARGE

Energy Charge	420 Paise per Unit

PART- II

SUPPLY DELIVERED AT HIGH VOLTAGE

(11000 VOLTS- THREE PHASE, 50 HERTZ)

10. RATE: HTMD-1

Applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kW and above for purposes other than pumping stations run by local authorities.

10.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month for Billing demand up to 1000 kW	Rs. 260 per kW
Fixed Charge per kW of Billing Demand per Month for Billing demand 1000 kW and above	Rs. 335 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 385 per kW

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR

ii. 85% of the Contract Demand OR

iii. 100 kW

Whichever is the highest.

10.2. ENERGY CHARGE

(a)	First 400 units consumed per kW of Billing Demand per Month	455 Paise per unit
(b)	Remaining Units consumed per Month	445 Paise per unit

10.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below:	
(i) For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs.	
(ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	
(a) For Billing Demand up to 300 kW	80 Paise per Unit
(b) For Billing Demand Above 300 kW	100 Paise per Unit

10.4. NIGHT TIME CONCESSION

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

10.5. 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

11. <u>RATE: HTMD-2</u>

Applicable for supply of energy to Water and Sewage Pumping Stations run by local authorities and contracting for maximum demand of 100 kW and above.

11.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month	Rs. 225 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 285 Per kW

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR

ii. 85% of the Contract Demand OR

iii. 100 kW

Whichever is the highest.

11.2. ENERGY CHARGE

A flat rate of	410 Paise per unit

11.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below- (i) For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs. (ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	60 Paise per unit

11.4. NIGHT TIME CONCESSION

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

11.5. 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

12. <u>RATE: HTMD-3</u>

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

12.1. FIXED CHARGE

For billing demand up to contract demand	Rs. 25/- per kW per day
For billing demand in excess of contract demand	Rs. 30/- per kW per day

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR

ii. 85% of the Contract Demand OR

iii. 100 kW

Whichever is the highest.

12.2. ENERGY CHARGE

For all units consumed during the month	705 Paise/Unit

12.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below- (i) For April to October period-1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs. (ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	60 Paise per unit

12.4. 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

13. <u>RATE: HTMD- METRO TRACTION</u>

Applicable for supply of energy to Metro traction, contracting for maximum demand of 100 kW and above.

13.1. FIXED CHARGE

A. For Billing Demand up to and including Contract Demand

Fixed Charge per kW of Billing Demand per Month	Rs. 335 per kW

B. For Billing Demand in excess of the Contract Demand

Fixed Charge per kW of Billing Demand per month	Rs. 385 Per kW

Note: The Billing Demand will be taken as under:

i. The Maximum Demand recorded during the month OR

ii. 85% of the Contract Demand OR

iii. 100 kW

Whichever is the highest.

13.2. ENERGY CHARGE

A flat rate of	355 Paise/Unit

13.3. TIME OF USE (TOU) CHARGE

For the Consumption during specified hours as mentioned here below- (i) For April to October period- 1200 Hrs. to 1700 Hrs. & 1830 Hrs. to 2130 Hrs. (ii) For November to March period- 0800 Hrs. to 1200 Hrs. & 1800 Hrs. to 2200 Hrs.	60 Paise per unit

13.4. NIGHT TIME CONCESSION

The energy consumed during night hours between 22.00 hours and 06.00 hours next day recorded by the tariff meter having built in feature of time segments shall be eligible for rebate at the rate of 30 Paise per kWh.

13.5. 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

14. RATE: NTCT (NIGHT TIME CONCESSIONAL TARIFF)

This is night time concessional tariff for consumers for regular power supply who opt to use electricity EXCLUSIVELY during night hours between 22.00 hours and 06.00 hours next day.

14.1. FIXED CHARGE

Fixed Charges	30% of the Demand Charges under relevant Tariff Category

14.2. ENERGY CHARGE

A flat rate of	350 Paise per unit

14.3. 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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 14.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14.0 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing*

month, then demand charge during the relevant billing month shall be billed as per HTMD category demand charge rates given in para 10.1 of this schedule.

4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTMD category energy charge rates given in para 10.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTMD category demand charge and energy charge rates given in para 10.1 and 10.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of HTMD tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular HTMD tariff category to Rate: NTCT or from Rate: NTCT to regular HTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

15. RATE: HT - Electric Vehicle (EV) Charging Stations

This tariff is applicable to consumers who use electricity **EXCLUSIVELY** for electric vehicle charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTMD-1, HTMD-2, HTMD-3 & NTCT.

15.1. DEMAND CHARGE

For billing demand up to contract demand	Rs. 25 per kW per Month
For billing demand in excess of contract demand	Rs. 50 per kW per Month

PLUS

15.2. ENERGY CHARGE

Energy Charge	410 Paise per Unit