GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2023-24
and
Approval of Multi-Year ARR for FY 2025-26 to FY 2029-30
and Determination of Tariff for FY 2025-26

For

Torrent Power Limited – Distribution Dahej

Case No. 2428 of 2024

29th March, 2025

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC) GANDHINAGAR

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List of Abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
AMR	Automated Meter Readers
APTEL	Appellate Tribunal for Electricity
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Control Period	The period from FY 2025-26 to FY 2029-30
DISCOM	Distribution Company
DSEZ	Dahej SEZ
DSL	Dahej SEZ Ltd.
EA	Electricity Act'2003
EHT	Extra High Tension
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
IEX	Indian Energy Exchange
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
MCLR	Marginal Cost of Funds Based Lending Rates
MUs	Million Units (Millions kWh)
MYT	Multi-Year Tariff
O&M	Operation and Maintenance
PPA	Power Purchase Agreement
TEL	Torrent Energy Limited
TPL	Torrent Power Limited
TPL-D (S)	Torrent Power Limited – Distribution, Surat

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 2428 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 FY 2025-26 to FY 2029-30, and Determination of Tariff for its distribution business in Dahej 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. 2325 of 2024, has determined the tariff of FY 2024-25 and consequently notified the GERC (MYT) Regulations, 2024 on 06th August 2024, which will be inforce till 31st March 2030 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 for FY 2023-24, based on GERC (MYT) Regulations, 2016 and the MYT Petition of Approval of ARR for the 4th 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 Energy Limited (TEL), a Special Purpose Vehicle (SPV), promoted by Torrent Power Limited (TPL), to fulfil its commitment to generate and distribute power as a Co-developer of the Dahej Special Economic Zone.

Dahej SEZ (DSEZ) is being developed by Government of Gujarat through Gujarat Industrial Development Corporation (GIDC) and Oil and Natural Gas Corporation (ONGC). The DSEZ has been notified by the Ministry of Commerce and Industry, Government of India, vide Notification No. 2131(E) dated 20th December, 2006, as a Multi-Product SEZ.

The Government of Gujarat has "In-principle" approved Torrent Energy Limited as the Co-developer in DSEZ area the purpose of establishing generation and distribution facilities. Accordingly, TEL has entered into the Co-developer agreement with Dahej SEZ Ltd. (DSL), an SPV created for developing the DSEZ.

The Ministry of Commerce and Industry, Government of India, has approved TEL as a Co-developer to set up generation and distribution infrastructure in DSEZ.

The Gujarat Electricity Regulatory Commission, vide its Order dated 17th November 2009, issued Orders for issuance of distribution license to TEL as a second distribution licensee as per the provisions of Section 14 of the Electricity Act, 2003 for distribution of electricity in the DSEZ area. Accordingly, the Gujarat Electricity Regulatory Commission, vide its letter dated 29th December 2009, issued the distribution license dated 18th December 2009 to TEL.

The Hon'ble High Court of Gujarat vide its Order dated 13th August 2015, has sanctioned the Composite Scheme of Amalgamation ("Scheme") of Torrent Energy Limited (TEL) and Torrent Cables Limited (TCL) with Torrent Power Limited (TPL) under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("the Act") with effect from appointed date of 1st April 2014. The distribution business of Dahej SEZ area is hereinafter referred to as the Petitioner or TEL-D where matter under reference is related to period prior to 1st April 2014 and referred as the Petitioner or TPL-D (D) where matter under reference is related to period after 1st April 2014 for the sake of brevity.

1.3 Commission's Tariff Order for FY 2024-25

The Petitioner filed its Petition for Truing up of FY 2022-23 and determination of tariff for FY 2024-25 on 12th January, 2024. The Petition was registered on 24th January 2024 (Case No. 2325 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 and subsequently extended up to FY 2024-25 as mentioned herein above. 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, 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. 2428 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 (Dahej) 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	Business Standard	English	24/12/2024
2	Divya Bhaskar	Gujarati	24/12/2024

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 has scheduled the date for Public Hearing at the Commission's Office for this Petition on 24th February, 2025 at 2:30 PM.

The Commission as well as the Petitioner have neither received any objections / suggestions from the Stakeholders nor any interested person have represented their view against the Tariff Petition in Case No. 2428/2024.

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 in the Tariff Order dated 31st March, 2023 in Case No. 2181/2023.

For 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 eight 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-D (D)'s Petition.
3. The third chapter focuses on the details of truing up for FY 2023-24.
4. The fourth chapter deals with the ARR for FY 2025-26 to FY 2029-30 and determination of Tariff for FY 2025-26.
5. The fifth chapter deals with compliance of directives and issue of fresh directives.
6. The sixth chapter deals with FPPAS chapter.

7. The seventh chapter outlines the Wheeling Charges and Cross-Subsidy Surcharge
8. The eight chapter deals with tariff philosophy and tariff proposals

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

2.1 Introduction

TPL-D (D) has submitted the current Petition seeking Truing up of FY 2023-24 under GERC (MYT) Regulations 2016, approval of MYT ARR FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26 under GERC (MYT) Regulations, 2024.

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

TPL-D (D) 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 ARR CLAIMED BY TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Order	Actual	Deviation	Controllable	Uncontrollable
Power purchase	342.91	532.39	(189.48)	-	(189.48)
O&M expense	11.45	13.10	(1.65)	-	(1.65)
Depreciation	6.81	6.63	0.18	-	0.18
Interest and finance charges	2.80	3.23	(0.43)	-	(0.43)
Interest on security deposit	1.68	2.45	(0.77)	-	(0.77)
Interest on working capital	-	1.78	(1.78)	-	(1.78)
Bad Debts Written off	-	-	-	-	-
Contingency reserve	0.98	0.93	0.05	-	0.05
Income Tax	0.65	0.59	0.06	-	0.06
Return on Equity	6.33	6.21	0.11	-	0.11
Less: Non-tariff income	3.59	0.86	2.73	-	2.73
Aggregate revenue requirement	**370.01**	**566.46**	**(196.45)**	**-**	**(196.45)**

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

The table below summarizes the trued-up ARR claimed by TPL-D (D), revenue from sale of power and the resultant revenue gap for FY 2023-24.

TABLE 2-2 TRUE-UP ARR CLAIMED BY TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars		Claimed
Approved ARR	(a)	370.01
Gains/(Losses) due to Uncontrollable Factors	(b)	(196.45)
Gains/(Losses) due to Controllable Factors	(c)	-
Pass through as tariff	d= -(1/3rd of c+ b)	196.45
Trued -up ARR	**e=a+d**	**566.46**

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

TABLE 2-3 REVENUE (GAP)/ SURPLUS FOR TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Claimed
Trued-up ARR	566.46
Revenue from Sale of Energy	577.41
Less: Revenue towards recovery of Earlier Years' approved Gap/ (Surplus)	3.21
Balance Revenue	574.20
Gap/ (Surplus)	**(7.74)**

2.4 ARR for FY 2025-26 to FY 2029-30, Revenue at Existing Tariff and Revenue (Gap)/Surplus for FY 2025-26

The petitioner submitted this petition for approval of the Aggregate Revenue Requirement for MYT Control Period from FY 2025-26 to FY 2029-30 and determination of tariff for FY 2025-26 for TPL-D (D) as per the provisions of the MYT Regulations, 2024.

The petitioner submitted that ARR estimation is based on the assumptions as outlined hereunder:

a) Sales Forecast: The energy sales for MYT period has been estimated considering the available information of consumer type, load and usage pattern as per the estimated development plan.

b) Distribution loss & O&M Expenses: The distribution loss and O&M expenses have been considered as per the prevailing methodology prescribed in the Tariff Policy read with MYT Regulations 2024 & applicable orders of the

Commission.

c) Power Purchase Cost: Procurement of power through Bilateral Sources/Power exchange and tied-up/ proposed Renewable capacities.

d) Capital Expenditure Plan: The Petitioner has planned to undertake prudent capital investments for development of distribution network so as to cater to the demand of its consumers and provide reliable & quality power. The major capital expenditure of Dahej Supply Area includes EHV expenditure schemes, HT expenditure schemes, LT network expenditure schemes, metering, customer care & IT, civil, etc

Accordingly, TPL-D (D) has submitted ARR for the MYT Control period for FY 2025-26 to FY 2029-30 as depicted in the table below.

TABLE 2-4 ARR PROJECTED BY PETITIONER 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	547.01	567.82	520.21	516.37	534.18
O&M expenses	14.05	14.83	15.89	17.02	17.63
Interest on loans	3.56	3.78	4.92	5.50	5.11
Interest on SD	2.88	3.08	3.26	3.39	3.50
Interest on working capital	1.00	0.91	0.30	0.12	0.13
Depreciation	7.57	6.91	7.36	7.26	7.21
Bad debts	-	-	-	-	-
Contingency reserve	1.07	1.17	1.34	1.52	1.18
RoE including income tax	9.46	10.21	11.74	12.81	13.04
Less: Non-tariff income	0.86	0.86	0.86	0.86	0.86
ARR	585.74	607.85	564.14	563.14	581.12

The Petitioner has also derived the Gap/(Surplus) by considering the sales & existing tariff rates for different category of consumers including the revised base FPPPA @ Rs. 2.83/unit.

TABLE 2-5 REVENUE (GAP)/ SURPLUS OF TPL-D (D) FOR FY 2025-26 *(RS. CRORE)*

Particulars	Claimed
ARR for FY 2025-26	585.74
Less: Revenue from sale of power at existing tariff rates including revised base FPPPA	567.41
Gap/ (Surplus)	**18.33**

The revenue for FY 2025-26 is arrived at by considering sales forecasted for FY 2025-26. Considering the ARR for FY 2025-26, the Petitioner has arrived at the gap as given in table below:

TABLE 2-6 CUMULATIVE REVENUE (GAP)/SURPLUS FOR FY 2025-26 *(RS. CRORE)*

Particulars	Claimed
Gap/(Surplus) for FY 2023-24	**(7.74)**
Carrying Cost	(1.14)
Gap/(Surplus) for FY 2025-26	18.33
Cumulative Gap/(Surplus) to be recovered through tariff	**9.45**

The Petitioner proposed to recover the cumulative gap by way of tariff revision from 1st April 2025.

2.5 TPL-D (D)'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 2024-25.

b) Approve the trued-up Gap/ (Surplus) of FY 2023-24.

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 based FPPPA 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: Truing-Up for FY 2023-24

3.1 Introduction

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

3.2 Energy Sales to Consumers

Petitioner's Submission:

TPL-D (D) has submitted category-wise actual energy sales for Dahej area for FY 2023-24 to the tune of 794.67 MU against the sales approved by the Commission of 711.31 MU in the Tariff Order dated 31st March, 2023 as given in the Table below.

TABLE 3-1 ENERGY SALES FOR FY 2023-24 *(IN MU)*

Category	Approved in Tariff Order	Actuals Claimed
RGP	-	-
Non RGP	0.63	0.24
LTMD	0.85	0.42
HTP-I	707.72	792.13
HTP-II	1.25	1.36
HTP-III	0.12	0.06
Others	0.73	0.45
Total Sales	**711.31**	**794.67**

The Petitioner has submitted that the actual sales in FY 2023-24 are higher than that approved in Tariff Order due to the higher load factor recorded in the leading category of HTP-I & HTP-II based on prevailing market condition. Furthermore, the Petitioner submitted that as per MYT Regulations, 2016 the variation in sales is an uncontrollable factor. Therefore, the Petitioner requested the Commission to approve the actual sales made during FY 2023-24.

Commission's Analysis:

The actual sales made by TPL-D (D) during FY 2023-24 are higher compared to the approved sales in the Tariff Order dated 31st March, 2023 mainly due to increase in industrial activity and thus registering higher load factor under HTP-I and HTP-II consumer categories. The total sales as submitted by the Petitioner have been verified, compared and confirmed with the sale of energy furnished in the mandatory Energy Audit Report submitted to BEE in compliance to BEE (Manner and Intervals for Conduct of Energy Audit in in Electricity Distribution Companies) Regulations, 2021.

In view of above, the Commission approves the energy sales as mentioned in Table 3.1 above for TPL-D (D) to the tune of 794.67 MU for FY 2023-24.

3.3 Distribution Losses

TPL-D (D) has submitted that it has been making consistent efforts to curtail the Distribution Losses. Further, TPL-D (D) submitted that the losses are already at a lower level and remain range bound. Actual distribution loss for Dahej SEZ vis a vis the approved values is show in the table below.

TABLE 3-2 DISTRIBUTION LOSSES FOR FY 2023-24 AS SUBMITTED BY TPL-D (D)

Category	Approved in Tariff Order	Actuals Claimed
Distribution Losses (%)	0.45%	0.38%

Further, the Petitioner submitted that the variation in the distribution loss compared to the approved value is to be considered as controllable. However, as the network is yet to be established and load is yet to be stabilized, thus, the variation in the distribution loss and O&M expenses compared to the approved value maybe considered as uncontrollable.

Commission's Analysis:

The Distribution Losses as claimed by TPL-D (D) at 0.38% 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. However, in this Order, the Distribution Losses have been considered uncontrollable for the purpose of sharing of Gains/Losses for the present control period as the load is yet to stabilize. Hence, the Commission approves Distribution Losses of 0.38% for Truing up for FY 2023-24.

3.4 Energy Requirement

Petitioner's Submission:

The Petitioner has submitted the actual energy requirement for Dahej Supply area based on the actual energy sales, Transmission and Distribution Losses. The actual energy requirement for FY 2023-24 and as approved in the Tariff Order are given in the Table below:

TABLE 3-3 ENERGY REQUIREMENT FOR FY 2023-24 FOR TPL-D (D)

Particulars	Approved in Tariff Order	Actuals Claimed
Energy Sales	711.31	794.67
Distribution loss (in %)	0.45%	0.38%
Distribution loss	3.25	3.07
Energy input at distribution level	714.57	797.74
Transmission loss	16.22	1.14
Energy Requirement	730.79	798.88

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

Commission's Analysis:

The Commission has approved the Distribution Losses at 0.38% for FY 2023-24. The Commission computed the energy requirement with Distribution Losses of 0.38% (3.07 MUs) and Transmission Losses of 1.14 MUs for FY 2023-24 based on actuals after confirming the same as mandatory Annual Energy Audit report as given in the Table below:

TABLE 3-4 APPROVED ENERGY REQUIREMENT FOR FY 2023-24 OF TPL-D (D)

Particulars	Approved in Tariff Order	Claimed by Petitioner	Approved by Commission
Energy Sales	711.31	794.67	794.67
Distribution loss (in %)	0.45%	0.38%	0.38%
Distribution loss	3.27	3.07	3.07
Energy input at distribution level	714.55	797.74	797.74
Transmission loss	16.22	1.14	1.14
Energy Requirement (A)	**730.78**	**798.88**	**798.88**

The actual energy requirement is higher than that was approved in the Tariff Order due to higher sales than the approved sales in the Tariff Order dated 31st March, 2023. The Commission approves total energy requirement of 798.88 MUs for Truing up for FY 2023-24.

3.5 Energy Availability

Petitioner's Submission:

TPL-D (D) has submitted that it sourced power from bilateral power purchase, Power Exchange and Renewable Energy plants. The details of power procured for Dahej supply area are as provided in the Table below:

TABLE 3-5 POWER PURCHASE (NET) FOR FY 2023-24 FOR DAHEJ *(IN MU)*

Particulars	Approved in Tariff Order	Actuals Claimed
Bilateral/Power Exchange	594.12	756.36
Renewable Energy	136.66	33.10
Subtotal	**730.78**	**789.47**
Add: Sales of Surplus Power/UI	0.00	9.41

Particulars	Approved in Tariff Order	Actuals Claimed
Total	**730.78**	**798.88**

Renewable Power Purchase Obligation:

The Petitioner submits 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 Hon'ble GERC 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 (D) has made all efforts to fulfil its RPPO.

The compliance against the renewable power purchase obligation as submitted by TPL-D (D) for FY 2023-24 is as under:

TABLE 3-6 RENEWABLE POWER PURCHASE OBLIGATION CLAIMED FOR FY 2023-24 (IN MU)

Particulars	Actual Claimed
Energy Requirement	798.88
RE Procurement	
Wind energy to be procured (@8.40%)	65.91
Solar energy to be procured (@9.50%)	63.91
Hydro Energy to be procured (@0.05%) &	5.99
Biomass/Bagasse/Others (@0.75%)	
Total (18.70%)	135.81
Compliance (Non-Solar)	
Non-Solar	29.35
Non-Solar REC	0.21
Compliance (as % of Energy Requirement)	3.70%
Compliance (Hydro)	
Hydro	38.11
Hydro REC	-
Compliance (as % of Energy Requirement)	4.77%
Compliance (Solar)	
Solar	13.30
Solar-REC	-
Compliance (as % of Energy Requirement)	1.66%

Commission's Analysis:

The Commission has noted that the Petitioner has purchased 756.36 MUs from bilateral/power exchange. The Commission also notes that licensee has purchased 33.10 MUs from Renewable Energy to meet the energy requirement for sale to consumers. The Petitioner has further netted off the quantum of 9.41 MUs on account of UI with the total energy requirement and the cost related to the same has been adjusted in the revenue. The Commission, accordingly approves the total power purchase quantity of 798.88 MUs for truing-up of FY 2023-24.

3.6 Power Purchase Cost

Petitioner's Submission:

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

TABLE 3-7 POWER PURCHASE COST CLAIMED FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in the Tariff Order	Actual Claimed
Bilateral/ Power Exchange	282.21	513.88
Renewable Energy	60.70	18.51
Total Power Purchase Cost	**342.91**	**532.39**

TPL-D (D) has submitted that the quantum of power purchase depends on energy sales and distribution loss and the mix of power purchase depends on availability & cost of different sources at a point of time.

TPL-D (D) has submitted that the variation in the power purchase cost from the approved power purchase cost is on account of variation in sales & distribution losses and variation in actual rate with respect to the base power purchase rate during the year. TPL-D (D) further submitted that 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 on the DAM segment touched Rs. 10 per kWh.

The Petitioner has further submitted that as per the Regulations, the variation in power purchase cost is uncontrollable except on account of variation in distribution losses and hence the same needs to be allowed in truing up exercise.

Commission's Analysis:

The Commission has noted that the Petitioner has purchased 789.47 MUs from bilateral/Power Exchange and Renewable sources and also 9.41 MUs under UI to meet the energy requirement for sale to consumers. The Commission, accordingly, approves the total power purchase quantity of 798.88 MUs for truing-up for FY 2023-24.

On query from the Commission regarding not tied up any power with bilateral source and purchased power from IEX only, even though there is high procurement rate. In this regard, Petitioner has submitted that with regard to power exchange rate which is market driven mainly on demand supply scenario, cost of fuel, availability of RE i.e. solar hours and non-solar hours etc. depending upon various factors like domestic coal availability, prices of imported coal and gas.

TPL-D (D) further submitted that it has issued tenders for procuring power on short term basis through bilateral arrangement however, the rate discovered were exorbitantly high in the range of price Rs. 7 to Rs. 10 per unit GETCO periphery. Therefore, TPL D (D) has a higher quantum of power from power exchange in FY 2023-24.

With regard to power purchase, petitioner has provided the samples bills of power purchase cost. It has purchased power exchange at an average rate of

Rs. 6.79/kWh. The Commission notes the increasing trend of tariffs on Power Exchanges.

On a query of the Commission regarding the break-up of purchase from Wind and Solar RE sources TPL-D (D) has provided the details vide response to data gaps as given below:

TABLE 3-8 POWER PURCHASE COST FOR RENEWABLE ENERGY *(RS. CRORE)*

S. No.	Particulars	Quantum (Mus)	Rate (Rs./kWh)
1	Wind	24.46	4.91
2	Solar	8.64	7.44
	Renewables (Total)	**33.10**	**5.57**

There is shortfall in achievement of RPO of both Solar and Non-solar energy purchase. The Commission has noted that TPL has filed a separate petition (Case no 2413 of 2024) for compliance of RPO which is pending for adjudication before the Commission. Therefore, as far as compliance of RPO is concerned, the Commission will decide it in separate proceedings.

As verified from the Annual Audited Accounts for FY 2023-24, TPL-D (D) has incurred power purchase cost of Rs. 532.39 Crore during FY 2023-24. The same has also been verified from the quarterly FPPPA submissions.

The Commission, accordingly, approves total power purchase cost of Rs. 532.39 Crore for Truing up for FY 2023-24.

As per the GERC (MYT) Regulations, 2016 variation in the price of fuel and/ or price of power purchase are uncontrollable factors. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

TABLE 3-9 GAIN/(LOSS) ON ACCOUNT OF POWER PURCHASE COST 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
Power Purchase Cost	342.91	532.39	(189.48)	0.00	(189.48)

3.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

TPL-D (D) has claimed Rs. 13.10 Crore towards O&M expenses as against the total O&M expenses of Rs. 11.45 Crore approved for FY 2023-24 in the Tariff Order dated 31st March, 2023 as detailed in the Table below:

TABLE 3-10 O&M EXPENSES CLAIMED BY TPL-D (DAHEJ) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Operation & Maintenance Expenses	11.45	13.10

The Petitioner has submitted that increase in O&M is due to increase in network and also stated that variation in O&M expenses should be considered as uncontrollable as per Commission order dated 31st March, 2023.

Commission's Analysis:

TPL-D (D) has claimed the actual O&M expenses at Rs. 13.10 Crore inclusive of impact of "Re-measurement of Defined Benefit Plans" of Rs. 0.02 Crore in the truing- up for FY 2023-24. It is observed that as per Annual Accounts the O&M Expenses are Rs. 13.06 Crore, whereas TPL-D (D) has claimed O&M Expenses of Rs. 13.10 Crore. The head-wise analysis is as under:

The Commission observed that the Employee expenses as per annual accounts are Rs. 4.17 Crore net of expenses capitalized of Rs. 2.27 Crore. The Petitioner has added expense towards Re-measurement of Defined Benefit Plans of Rs. -0.02 Crore as appeared as loss in P & L Statement. Accordingly, the Commission approves the employee expenses of Rs. 4.19 Crore.

A&G expense as per annual accounts are Rs. 5.48 Crore after netting off expenses capitalized of Rs. 0.12 Crore. The Petitioner has claimed A&G expenses after adding actual lease payments of Rs. 0.01 Crore. Accordingly, the Commission approves the A&G expense of Rs. 5.49 Crore.

The Petitioner has claimed R & M expense of Rs. 3.41 Crore as per actual cost which is duly verified by the Commission from Annual Audited Accounts. The Commission accordingly approves R & M expense of Rs. 3.41 Crore.

The Commission, accordingly, approves the O&M expenses of Rs. 13.09 Crore, for truing up of FY 2023-24.

Further as per Regulation 22 of the GERC (MYT) Regulations, 2016 the variation in O&M expenses is to be considered as controllable except the change in law and wage revision. However, as per the judgment dated 9th May, 2019 of the Hon'ble APTEL in Appeal No. 256 of 2016, the Commission decides to accept TPL-D (D)'s submission that O&M Expenses should be considered as uncontrollable along the lines of Distribution Losses, as SEZ is yet to stabilize. Accordingly, the Commission has approved the Gains/ (Losses) as given in the Table below:

Table 3-11 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	11.45	13.09	(1.64)	0.00	(1.64)

3.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

TPL-D (D) has claimed Rs 9.53 Crore towards actual capital expenditure for FY 2023-24, as against Rs. 14.87 Crore approved in the Tariff Order dated 31st March, 2023. The main reason for variation in actual vis-à-vis approved capital expenditure is on account of non-materialization of additional two nos. of 33kV consumers and addition of 11 KV consumer in the system. Summary of capital expenditure incurred during FY 2023-24 is tabulated as under;

Table 3-12 Capital Expenditure Claimed by TPL-D (D) For FY 2023-24 *(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
EHV	10.65	4.74
HT Network	0.98	3.20
LT Network	0.16	0.54
Metering	0.18	0.23
Others, Customer care & IT	0.89	0.82
Special Projects	2.00	-
Total	**14.87**	**9.53**

a) **EHV:** The Commission had approved the expenditure of Rs. 10.65 Crore for 220 kV & 33 kV substation and network along with testing & measuring instrument. The actual expenditure incurred during the year was Rs. 4.74 Crore mainly towards 33kV AIS to GIS replacement, Re-activation of earthing & installation of safety ladder on 220kV DGEN-Opal line. The major expenditure of 33kV consumers was deferred due to non-materialization of applications.

b) **HT Network:** The Commission had approved an expenditure of Rs. 0.98 Crore whereas the actual expenditure incurred was Rs. 3.20 Crore based on actual number of 11 kV customers added in the system & network laying. The deviation in actual expenditure is mainly due to need for network development cost in CRZ area.

c) **LT Network:** The Commission had approved an expenditure of Rs. 0.16 Crore whereas the actual expenditure incurred was Rs. 0.54 Crore towards LT Services and Network development. Major expenditure incurred was for MSP Replacement.

d) **Metering:** The Commission had approved an expenditure of Rs. 0.18 Crore whereas the actual expense incurred was Rs. 0.23 Crore towards ABT Project and Meter & Modem replacement which was deferred from earlier years.

e) **Customer Care & IT:** The Commission had approved an expenditure of Rs. 0.11 Crore towards new testing & measuring equipments and computer hardware and software. The Capex planned in FY 2023-24 is dropped due to no requirement arise during the year.

f) **Others:** In this category, the actual expenditure incurred was Rs. 0.82 Crore against the approved expenditure of Rs. 0.78 Crore. The major capex incurred is towards safety related equipments & civil works at 33kV West Substation and its switchyard.

TPL-D (D) has claimed actual capitalization of Rs. 6.56 Crore for FY 2023-24, as against Rs. 11.46 Crore approved in Tariff Order as shown in table below;

Table 3-13 Capitalisation Claimed for FY 2023-24 *(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening GFA	195.46	186.09
Addition to GFA	11.46	6.56
Deletion to GFA	-	0.17
Closing GFA	206.92	192.48
SLC Addition	7.22	1.17

Commission's Analysis:

The Petitioner has claimed CAPEX of Rs. 9.53 Crore in truing-up of FY 2023-24, against the CAPEX of Rs. 14.87 Crore approved in Tariff Order. The Commission has observed that according to the audited annual accounts for FY 2023-24, the Capex is at Rs. 9.52 Crore. The Petitioner has furnished the details of project-wise breakup of actual capitalization of Rs. 6.56 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.

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 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.

The Commission sought for additional information regarding difference in the CAPEX and capitalization in Form 4.3 and Annual Accounts and also sought detailed justification about non-materliation of 33kV consumers. In response, the Petitioner submitted that at the time of submission of ARR for FY 2023-24, the petitioner has considered capex of Rs. 6.50 Crore towards energisation of one no 33 KV consumer Fermenich, which did not materialize from customer side. The consumer has now approached the petitioner with application for new connection and same has been duly considered in CAPEX for FY 2025-26 onwards.

The reconciliation of CAPEX and capitalization is tabulated below:

Table 3-14 Approved CAPEX and Capitalization for FY 2023-24 ***(Rs. Crore)***

Project Title	Capex proposed for FY 2023-24 in Tariff Petition	Capex approved for FY 2023-24 in Tariff Order	Capex claimed and approved in truing up for FY 2023-24	Capitalisation proposed for FY 2023-24 in Tariff Petition	Capitalisation approved for FY 2023-24 in Tariff Order	Capitalisation claimed and approved in truing up for FY 2023-24	Difference approved & actual capitalisation for FY 2023-24
A	B	C	D	E	F	G	H=(F-G)
EHV	10.65	10.65	4.74	10.65	8.21	2.99	5.22
HT Network	0.98	0.98	3.20	0.98	0.76	2.17	(1.41)
LT Network	0.16	0.16	0.54	0.16	0.12	0.52	(0.40)
Metering	0.18	0.18	0.23	0.18	0.14	0.06	0.08
Special Project	2.00	2.00	-	2.00	1.54	-	1.54
Others Customer care & IT	0.89	0.89	0.82	0.89	0.69	0.82	(0.13)

Project Title	Capex proposed for FY 2023-24 in Tariff Petition	Capex approved for FY 2023-24 in Tariff Order	Capex claimed and approved in truing up for FY 2023-24	Capitalisation proposed for FY 2023-24 in Tariff Petition	Capitalisation approved for FY 2023-24 in Tariff Order	Capitalisation claimed and approved in truing up for FY 2023-24	Difference approved & actual capitalisation for FY 2023-24
Total	**14.87**	**14.87**	**9.52**	**14.87**	**11.46**	**6.56**	**4.89**
Note: Against the capex claimed of Rs. 9.53 Crore. In Audited Accounts CAPEX has been indicated of Rs. 9.52 Crore.							

From the said details, it is observed that the major deviation in the capital expenditure is on account of deviation in EHV and HT network works. Against approved capital expenditure of Rs. 10.65 Crore for EHV works, the Petitioner has incurred capital expenditure of Rs. 4.74 Crore mainly towards the 33kV consumers, at the time of submission of ARR for FY 2023-24 the petitioner has considered capex of Rs. 6.50 cr towards energisation of one no 33 KV consumer Fermenich, which did not materialize from customer side. The consumer has now approached the petitioner with application for new connection and same has been duly considered in CAPEX for FY 2025-26 onwards.

Capex relating to HT and LT network, the Petitioner has incurred Rs. 3.20 Crore and 0.54 Crore against the capex of Rs. 0.98 Crore and Rs. 0.16 Crore respectively, approved in Tariff Order, major variation is on account of addition of 11 kV consumer, need for network development cost in CZR area and MSP replacement.

Similarly, in respect of Metering, the CAPEX incurred to the tune of Rs. 0.23 Crore against the approved of Rs. 0.18 Crore in Tariff Order due to ABT project and Meter & Modern replacement which was deferred from earlier years.

In respect of Customer Care, IT and Other, the CAPEX incurred to the tune of Rs. 0.82 Crore against the approved of Rs. 0.89 Crore in Tariff Order new testing & measuring equipments, computer hardware & software and Safety related equipement & Civil work at 33 KV west substation and its switchyard.

Against the capex under the head of special project of Rs. 2.00 Crore in the tariff order. Petitioner has not incurred any expenditure under this head.

The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 9.52 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 3-15 CWIP approved in true up for FY 2023-24 for TPL-D (D) *(Rs. Crore)*

Sr. No.	Particulars	Approved in Truing up
1	Opening CWIP	1.09
2	Capex during the year	9.52
3	Less: Capitalisation	6.56
4	**Closing CWIP (1+2-3)**	**4.05**

The Commission has observed that there is significant variation in the value of Opening GFA in the Annual Accounts and Petition, TPL-D (D) clarified that the Fixed Asset Schedule in Annual Accounts is on NFA basis as per Ind-AS, however, TPL-D (D) has submitted fixed asset schedule in the petition on GFA basis as per the GERC (MYT) Regulations, 2016.

The Petitioner has considered opening GFA for FY 2023-24 at Rs. 186.09 Crore based on the closing GFA approved in truing up for FY 2022-23, the same is being considered by the Commission.

TPL-D (D) has de-capitalised assets to the extent of Rs. 0.17 Crore during FY 2023-24. However, it is observed that deductions from GFA is at Rs. 0.16 Crore as per (Note 4.1) of the audited annual accounts for FY 2023-24. The Commission asked 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. Therefore, the difference is on account of accumulated depreciation on such deducted assets. Hence, the Commission considers de-capitalised assets at Rs. 0.17 Crore and accordingly adjustments made to GFA in truing up for FY 2023-24.

The petitioner has filed SLC addition of Rs. 1.17 Crore, the same has been verified from Audited Accounts for FY 2023-24. Accordingly, SLC addition of Rs. 1.17 Crore approved for FY 2023-24.

The Commission in terms of GERC (MYT) Regulations 2016 has approved the funding of capitalisation for normative debt-equity for FY 2023-24

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

Table 3-16 Approved Capitalisation for FY 2023-24 *(Rs. Crore)*

Particulars	Claimed by Petitioner	Approved by Commission
Opening GFA	186.09	186.09
Addition to GFA	6.56	6.56
Deletion to GFA	0.17	0.17
Closing GFA	**192.48**	**192.48**
Less: SLC Addition	1.17	1.17
Balance Capitalisation	5.39	5.39
Normative Debt @70%	3.77	3.77
Normative Equity @30%	1.62	1.62

3.9 Depreciation

Petitioner's Submission:

TPL-D (D) has claimed a sum of Rs. 6.63 Crore towards depreciation in the truing up for FY 2023-24 as against Rs. 6.81 Crore approved in the Tariff Order as shown in the Table below:

TABLE 3-17 DEPRECIATION CLAIMED BY TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Depreciation	6.81	6.63

TPL-D (D) has submitted that the depreciation rates, as per MYT Regulations, 2016 are applied on the Opening GFA and assets capitalised during FY 2023-24. The Petitioner has submitted that depreciation is an uncontrollable item.

Commission's Analysis:

The Commission has verified the depreciation from the annual accounts for FY 2023-24 and observed that depreciation as per annual accounts is Rs. 8.76 Crore. However, the Petitioner has claimed depreciation of Rs. 6.63 Crore in truing up for FY 2023-24 as it has considered depreciation on PPE of Rs. 8.55 Crore, leased land depreciation of Rs. 0.20 Crore, amortization of Intangible Assets of Rs. 0.01 Crore and deducted an amount of Rs. 2.13 Crore on assets funded through service line charges and amortization of deferred revenue, as reconciled vide additional submission. In response data gap query the petitioner has claimed reduced the amount leased land depreciation by Rs. 0.01 Crore on account of Depreciation pertaining to IND AS 116. Accordingly, the depreciation on lease land is considered of Rs. 0.19 Crore.

As per Regulation 39.2(b) of the GERC (MYT) Regulations, 2016, depreciation of assets financed through consumer contribution, deposit works, and grants should be considered as per Audited Accounts. However, since deferred income on this account has not been claimed under Non-Tariff Income, the depreciation on assets financed through consumer contribution and grants of Rs. 2.13 Crore has been deducted. The Commission, accordingly, approves the depreciation at Rs. 6.62 Crore for FY 2023-24. The Commission has approved depreciation at Rs 6.81 Crore in Tariff Order. The deviation of Rs. 0.19 Crore is considered as uncontrollable gain as the depreciation is dependent on capitalisation. The Commission, accordingly, approves the gains/ (losses) on account of depreciation in the truing up for FY 2023-24, as detailed in the Table below:

Table 3-18 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	6.81	6.62	(0.19)	(0.19)

3.10 Interest Expenses

Petitioner's Submission:

TPL-D (D) has claimed a sum of Rs. 3.23 Crore towards actual interest and finance expenses for FY 2023-24 on normative basis as per GERC (MYT) Regulations, 2016. Petitioner further submits that the variation in interest expenses compared to approved is to be treated as uncontrollable as it depends on quantum of actual capitalization and variation in interest rates.

The Petitioner has considered the interest expenses as per the GERC (MYT) Regulations, 2016 on normative loans. Reduction of normative loan due to deduction in GFA is derived at Rs. 0.03 Crore after considering depreciation on account of deduction of Rs. 0.09 Crore and reduction in equity of Rs. 0.05 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.

TPL-D (D) has claimed interest and finance charges for FY 2023-24 as shown in the table below:-

Table 3-19 Interest and finance charges claimed for FY 2023-24 *(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Opening Balance	40.23	39.23
Less: reduction of normative loan due to retirement	-	0.03

Particulars	Approved in Tariff Order	Claimed by Petitioner
Addition of Loan	2.97	3.77
Repayment during year	6.81	6.63
Closing Balance	36.39	36.35
Average Loan	38.31	37.79
Weighted average rate of interest (%)	7.30%	8.51%
Interest Expenses	2.80	3.22
Other Borrowing Costs	-	0.02

Commission's Analysis:

The Commission has considered opening normative loan as on 01.04.2023 equal to the closing loan balance of Rs. 39.23 Crore approved in truing up FY 2022-23.

Addition to loan during FY 2023-24 is considered at Rs. 3.77 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. 0.03 Crore.

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.

Accordingly, the Commission sought information such as the actual loan portfolio, computation of weighted average rate of interest and breakup of other borrowing costs, which the Petitioner submitted vide responses to data gaps. The Commission has calculated the weighted average rate of interest at

8.51% as the same claimed by the Petitioner for the actual loan portfolio submitted for FY 2023-24. Further in response to data gap reply petitioner has revised other borrowing cost to Rs. 0.01 Crore. The details of the interest cost as claimed and approved is given in table below:

TABLE 3-20 INTEREST APPROVED BY THE COMMISSION FOR FY 2023-24 *(RS. CRORE)*

Particulars	Claimed by Petitioner	Approved in Truing-Up
Opening Balance	39.23	39.23
Less: reduction of normative loan due to retirement	0.03	0.03
Addition of Loan	3.77	3.77
Repayment during year	6.63	6.62
Closing Balance	36.35	36.35
Average Loan	**37.79**	**37.79**
Weighted average rate of interest (%)	8.51%	8.51%
Interest Expenses	3.22	3.22
Other Borrowing Costs	0.02	0.01

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.*

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."

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

TABLE 3-21 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	2.80	3.23	(0.43)	(0.43)

3.11 Interest on Security Deposit

Petitioner's Submission:

The Petitioner has claimed Rs. 2.45 Crore towards interest on security deposit in truing-up for FY 2023-24 as against Rs. 1.68 Crore approved in the Tariff Order dated 31st March, 2023. 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.

The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 6.75% paid to consumers based on Bank Rate is submitted in the Table below:

TABLE 3-22 INTEREST ON SECURITY DEPOSIT CLAIMED BY TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed by Petitioner
Interest Rate	4.25%	6.75%
Interest on Security Deposit	1.68	2.45

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

Commission's Analysis:

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. 2.45 Crore for FY 2023-24. The deviation of Rs. 0.77 Crore is considered as loss on account of uncontrollable factor as detailed in table below:

TABLE 3-23 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	1.68	2.45	(0.77)	(0.77)

3.12 Interest on Working Capital

Petitioner's Submission:

TPL-D (D) has arrived at working capital requirement as per GERC (MYT) Regulations, 2016. The Petitioner has claimed Rs. 1.78 Crore towards interest on working capital for FY 2023-24 as tabled below;

TABLE 3-24 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	0.95	1.09
1% of GFA for maintenance spares	1.95	1.86
Receivables for 1 month	30.84	48.12
Less: Security Deposit	39.55	34.99
Working Capital Requirement	(5.80)	16.09
Rate of Interest (%)	9.50%	11.07%
Interest on Working Capital	**-**	**1.78**

The Petitioner has submitted that the variation in gross working capital requirement is primarily on account of variation in actual O&M expenses and receivables.

Commission's Analysis:

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.

TPL-D (Dahej) 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.

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.

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 3-25 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2023-24 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved By Commission
O&M Expenses for 1 Month	1.09	1.09
1% of GFA for maintenance spares	1.86	1.86
Receivables for 1 month	48.12	47.22
Less: Security Deposit	34.99	34.99

Working Capital Requirement	16.09	15.18
Rate of Interest (%)	11.07%	11.07%
Interest on Working Capital	**1.78**	**1.68**

As indicated above, the Commission, accordingly, approves the interest on working capital of Rs. 1.68 Crore for FY 2023-24.

The Commission has treated Interest on Working Capital as uncontrollable expenses, accordingly approves the gain/(loss) on account of Interest on Working Capital for FY 2023-24 as tabulated below:-

TABLE 3-26 GAINS / (LOSSES) ON ACCOUNT OF INTEREST ON WORKING CAPITAL IN THE TRUING UP FOR FY 2023-24 (RS. CRORE)

Particulars	Approved for 2023-24 in ARR Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to controllable factor	Gains / (Losses) due to uncontrollable factor
Interest on working capital	0.00	1.68	(1.68)	-	(1.68)

3.13 Return on Equity

Petitioner's Submission:

TPL-D(D) has claimed 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 as shown in table below:

TABLE 3-27 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
Opening Equity	44.56	43.60
Equity Addition	1.27	1.62
Reduction in equity on account of retirement	-	0.05
Closing Equity	45.83	45.17
Return on Equity at beginning of year	6.24	6.10
Return on Equity addition during year	0.09	0.11
Total Return on Equity	**6.33**	**6.21**

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:

The Commission has considered opening equity of Rs. 43.60 Crore as on 01.04.2023 equal to closing equity of FY 2022-23 as approved in truing-up and the additional equity is considered @30% of the value of net asset addition as approved above.

During the year net asset addition is at Rs. 5.39 Crore and the equity at 30% works out to Rs. 1.62 Crore. Further during the year deletion from GFA is at Rs. 0.17 Crore and accordingly, reduction in equity is considered at Rs. 0.05 Crore being 30% of the asset reduction.

The Commission, accordingly, approves the return on equity for FY 2023-24 as detailed below;

TABLE 3-28 RETURN ON EQUITY APPROVED FOR FY 2023-24 *(RS. CRORE)*

Particulars	Claimed By Petitioner	Approved for Truing-Up
Opening Equity	43.60	43.60
Equity Addition	1.62	1.62
Reduction in equity on account of retirement	0.05	0.05
Closing Equity	45.17	45.17
Rate of ROE	14.00%	14.00%
Return on Equity at beginning of year	6.10	6.10
Return on Equity addition during year	0.11	0.11
Total Return on Equity	**6.21**	**6.22**

The Return on Equity depends on the amount of capitalization during the year and the debt 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. The Commission, accordingly, approves the gains/(losses) on account of return on equity for FY 2023-24 as tabulated below:

TABLE 3-29 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	6.33	6.22	0.11	0.11

3.14 Income Tax

Petitioner's Submission:

TPL-D(D) has claimed Income Tax of Rs. 0.59 Crore based on the actual tax paid in proportion to the PBT of TPL-D(D) for FY 2023-24 against the approved Rs. 0.65 Crore by Commission in its Tariff Order dated 31st March, 2023 based on the actuals of FY 2021-22. Hence, the Petitioner has claimed income tax as per below.

TABLE 3-30 INCOME TAX CLAIMED FOR TPL-D (D) FOR FY 2023-24 *(RS. CRORE)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
Income Tax	0.65	0.59

Commission's Analysis:

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

The Commission has verified the PBT figures from the annual accounts for FY 2023-24. The Petitioner has shown a PBT of Rs. 3.53 Crore including Re-measurement of Defined Benefit Plans. The PBT as per standalone financial statement of TPL (including Remeasurement of Defined Benefit Plans) is Rs. 2436.06 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 % which is lower than the MAT rate of 17.47%, thus, applying the effective tax rate on PBT of TPL-D(D), the tax paid works out to be Rs. 0.59 Crore. Further, there is Income Tax refund of Rs. 8.29 Crore related to FY 2012-13 and Rs. 0.03 Crore is related to FY 2022-23 (as submitted by the petitioner in their data gap). It has been observed by the Commission that for FY 2012-13, TPL as a whole has declared total 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 (D) has declared the PBT as NIL, Therefore the Commission approved Income Tax as Nil in the trueing up order of FY 2012-13. The Commission, accordingly, approves the Income Tax at Rs. 0.59 Crore in the truing up for 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 in the truing up for FY 2023-24, as detailed in the Table below:

TABLE 3-31 INCOME TAX 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
Income Tax	0.65	0.59	0.06	0.06

3.15 Bad Debts Written Off

Petitioner's Submission:

The Petitioner has submitted that the Commission in its order has not approved any amount of bad debt for Dahej supply area. The Petitioner further submits that it has not written off any bad debts for the FY 2023-24. Accordingly, it has not claimed any bad debts.

Commission's Analysis:

The Petitioner didn't write off any bad debts during the year. The Commission, accordingly, approved NIL amount towards the bad debts written during FY 2023-24.

3.16 Contingency Reserve

Petitioner's Submission:

The Commission had allowed contingency reserve for meeting the requirement of unexpected emergent circumstances as per GERC (MYT) Regulations, 2016. Accordingly, the Petitioner has considered 0.5% of the cost of fixed assets towards the contingency reserve of Rs. 0.93 Crore for FY 2023-24.

The Petitioner has requested the Commission to approve the contingency reserve for the purpose of truing up.

Commission's Analysis:

The contingency reserve claimed in truing up is in consistence with the GERC (MYT) Regulations, 2016 and accordingly, the same is approved at Rs. 0.93 Crore. The Commission accordingly, approves Rs. 0.06 Crore as gain on account of contingency reserve in the truing up for FY 2023-24.

TABLE 3-32 CONTINGENCY RESERVE 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
Contingency Reserve	0.99	0.93	0.06	0.06

3.17 Non-Tariff Income

Petitioner's Submission:

The Commission had approved Non-Tariff Income of Rs. 3.59 Crore for FY 2023-24 in Tariff Order and the actual Non-Tariff Income considered is Rs. 0.86 Crore for truing up as given in the table below:

Table 3-33 Non-Tariff Income claimed for FY 2023-24 *(Rs. Crore)*

Particulars	Approved in Tariff Order	Claimed By Petitioner
Non-Tariff Income	3.59	0.86

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:

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. 0.86 Crore. The Non-Tariff Income as per the Annual Accounts is Rs. 2.99 Crore. The Petitioner has reduced the Amortization of Deferred Revenue (Rs. 2.13 Crore) in the Non-Tariff Income to arrive at claimed figure of Rs. 0.86 Crore.

The Commission, accordingly, approves the Non-Tariff Income of Rs. 0.86 Crore for FY 2023-24. The Commission considers non-tariff income as an uncontrollable parameter and, accordingly, approves the gains/losses on account of non-tariff income in the truing up for FY 2023-24, as detailed in the Table below:

TABLE 3-34 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	3.59	0.86	2.73	2.73

3.18 Revenue from Sale of Power

Petitioner's Submission:

The Petitioner has submitted Rs. 577.41 Crore as revenue from sale of power in the truing up for FY 2023-24.

Commission's Analysis:

The Commission has observed that the revenue from sale of power is at Rs. 566.66 Crore as per the annual accounts for FY 2023-24. However, the Petitioner in Form 10 has depicted Rs. 577.41 Crore and accordingly the same is considered in the petition for truing up for FY 2023-24. In response to data gap regarding revenue reconciliation, the petitioner submitted that revenue considered in the petition excludes the amount of Rs. (10.75) Crore considered on accrual basis in revenue from sale of Electricity of the Audited Accounts, by providing the certificate of Statutory Auditor certifying the aforesaid amount.

However, the Commission has considered overall revenue from sale of power during FY 2023-24 to the tune of Rs. 566.66 Crore as per Audited Accounts.

3.19 Gains/(Losses) under truing-up for FY 2023-24

Petitioner's Submission:

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. 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 3-35 CONTROLLABLE & UNCONTROLLABLE VARIATIONS FOR FY 2023-24 CLAIMED *(RS. CRORE)*

Particulars	Tariff Order	Actual	Deviation	Controllable	Uncontrollable
Power Purchase	342.91	532.39	(189.48)	-	(189.48)
O&M Expense	11.45	13.10	(1.65)	-	(1.65)
Interest on Loans	2.80	3.23	(0.43)	-	(0.43)
Interest on Security Deposit	1.68	2.45	(0.77)	-	(0.77)
Interest on Working Capital	0.00	1.78	(1.78)	-	(1.78)
Depreciation	6.81	6.63	0.18	-	0.18
Bad Debts written off	-	-	-	-	0.00
Contingency reserve	0.98	0.93	0.05	-	0.05
Return on Equity	6.33	6.21	0.11	-	0.11
Income Tax	0.65	0.59	0.06	-	0.06
Less: Non-Tariff Income	3.59	0.86	2.73	-	2.73
Net ARR	370.01	566.46	(196.45)	-	(196.45)

Commission's Analysis:

The Commission has reviewed the performance of TPL-D (D) 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 3-36 ARR APPROVED IN RESPECT OF TPL-D (D) IN THE TRUING UP FOR FY 2023-24 *(RS. CRORE)*

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Power Purchase	342.91	532.39	(189.48)	-	(189.48)
O&M Expense	11.45	13.09	(1.64)	-	(1.64)

Particulars	Tariff Order	Approved	Deviation	Controllable	Uncontrollable
Interest on Loans	2.80	3.23	(0.43)	-	(0.43)
Interest on Security Deposit	1.68	2.45	(0.77)	-	(0.77)
Interest on Working Capital	-	1.68	(1.68)	-	(1.68)
Depreciation	6.81	6.62	0.19	-	0.19
Bad Debts written off	-	-	-	-	0.00
Contingency reserve	0.99	0.93	0.06	-	0.06
Return on Equity	6.33	6.22	0.11	-	0.11
Income Tax	0.65	0.59	0.06	-	0.06
Less: Non-Tariff Income	3.59	0.86	2.73	-	2.73
Net ARR	**370.02**	**566.34**	**(196.32)**	**-**	**(196.32)**

3.20 Sharing of Gains/Losses for FY 2023-24

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."

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

Table 3-37 Approved Trued up ARR incl. Gains/(Losses) for FY 2023-24 *(Rs. Crore)*

Particulars	Claimed by Petitioner	Approved by Commission
ARR as per Tariff	370.01	370.02
Gains/(Losses) due to Uncontrollable Factors	(196.45)	(196.32)
Gains/(Losses) due to Controllable Factors	-	-
Pass through as Tariff	196.45	196.32
ARR True-Up	**566.46**	**566.34**

The Petitioner has requested the Commission to consider an amount of Rs. 3.21 Crore as surplus recovered revenue towards earlier years, approved as per the Commission's Orders dated 31st March, 2023. 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 3-38 Recovery of earlier year's approved Gap/(Surplus) (Rs. Crore)

Particulars	Claimed by Petitioner	Approved (Rs. Crore)
Trued-up ARR	566.46	566.34
Revenue from Sale of Power	577.41	566.66
Less: Revenue toward recovery of earlier year Including Carrying cost	3.21	3.21
Balance Revenue	574.20	563.45
Gap/(Surplus)	**(7.74)**	**2.89**

The Commission, accordingly, considers the trued-up Revenue Gap of Rs. 2.89 Crore for FY 2023-24 while determining the tariff for FY 2025-26.

Chapter 4: Approval of ARR for FY 2025-26 to FY 2029-30 and Determination of tariff for FY 2025-26

4.1 Introduction

The GERC (MYT) Regulations, 2024 notified on 06th August 2024 will be in force till 31st March 2030 and is applicable for determination of tariff from 1st April, 2025 onwards. The Regulation 2 (22) of GERC (MYT) Regulations, 2024 defines Control Period at 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.

Also, Regulations 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.

Accordingly, the TPL-D (Dahej) has submitted the petition for approval of Aggregate Revenue Requirement (ARR) for its distribution business for the MYT Control Period from FY 2025-26 to FY 2029-30 by computing each of the components as per the Regulations and principles enunciated by the Commission in the MYT Regulations, 2024.

The Commission has studied and analysed each component of the ARR in the following paragraphs.

4.2 Demand and Sales Projection

Petitioner's Submission:

TPL-D (D) has submitted that the license area of Dahej SEZ is still in developmental phase and the industrial development is likely to continue gradually. The Petitioner has endeavored to relate the various factors and available information to estimate the sales projections. The sales projections in Dahej SEZ area have been carried out based on projections of demand requirements within the SEZ and duly considering the CRZ area under development. Currently, the SEZ has majority industrial consumption with a negligible contribution from other consumer categories. The industrial unit holders initially seek power for construction & testing and later on for production. The Petitioner has considered the inputs received during interaction with some existing as well as prospective consumers. However, the same may vary with pace at which the development of the SEZ takes place based on the economic scenario and the Government policies.

In order to make the projections for FY 2025-26 to FY 2029-30, the petitioner has submitted that the actual demand of existing customers (plot allotted and connection availed) has been taken as the base for the demand projection. Each existing customer of Dahej has been reviewed and the effect of extension and their final demand has been worked out for the projected period.

It has further submitted that the customer who has already taken possession of the plot and electricity connection has not been availed, based on personal interaction, demand for these customers have been projected for the control period. For the common/open plots, the demand has been considered based on inputs from DSL authority.

It has further submitted that the new unit holders shall complete the construction activity within one and half year and go for the commercial production within 2 years as per guideline of DSL.

It has further submitted that the anchor company OPaL has started commercial production in FY 2016-17 and will continue to be the important customer. TPL-D (Dahej) has also given due consideration to the extension of load planned by major consumers.

It has worked out that the Demand on Monthly and Yearly basis for the ensuing financial year i.e. FY 2025-26. The Co-incident Maximum Demand is worked out based on the past trend of category wise actual demand metered for the FY 2023-24.

Based on the above factors the Demand in MW projection and load factor for FY 2025-26 is as under:

Table 4-1 Demand and Load Factor for FY 2025-26 to FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Demand (MW)	145.02	149.36	152.66	156.06	157.99

It has further submitted that the Regulation 107.2 of the (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. The impact of these Regulations have been considered as per with the prevailing trend. Considering growth in demand and trend of load factor, the sales projection has been done for the control period FY 2025-26 to FY 2029-30 as under.

LT – For all three scenarios, the sales is worked out based on existing trend of load factor and increase in demand of existing customers based on interaction. At present there are no solar/open access/EV customers in LT category. However, to project the sales, it has considered the impact in these categories as under.

- BAU: Demand of LT consumers is expected to increase from 1.41 MW to 1.46 MW during the control period.
- Pessimistic: Demand of LT consumers is expected to increase from 1.41 MW to 1.46 MW during the control period. Additionally, solar rooftop of 0.05 MW year-on-year is assumed during MYT control period.
- Optimistic: Demand of LT consumers is expected to increase from 1.51 MW to 1.55 MW during the control period without any solar rooftop.

Based on above, the scenario wise sales projection (MUs) is as under:

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BAU					
RGP	-	-	-	-	-
Non RGP	0.47	0.48	0.49	0.50	0.50
LTMD	0.46	0.46	0.46	0.46	0.46
Others	0.50	0.50	0.50	0.50	0.50
Pessimistic					
RGP	-	-	-	-	-
Non RGP	0.45	0.44	0.43	0.43	0.41
LTMD	0.44	0.43	0.41	0.39	0.38
Others	0.48	0.46	0.45	0.43	0.41
Optimistic					
RGP	-	-	-	-	-
Non RGP	0.48	0.49	0.49	0.51	0.51
LTMD	0.47	0.47	0.47	0.47	0.47
Others	0.51	0.51	0.51	0.51	0.51

<u>HT</u>- For all three scenarios, the sales is projected based on the prevailing trend of load factor of existing customers. The solar set off is considered uniformly for all three scenarios. The details are as under.

- BAU: Demand of key customers is expected to increase at existing growth rates based on input received and same is factored for sales projection.
- Pessimistic: Demand of key customers is estimated to increase marginally during the MYT period.
- Optimistic: Demand of key customers is expected to increase significantly during the MYT control period.

Based on above, the scenario wise sales projection (MUs) is as under:

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BAU					
HTP-I (Gross)	828.68	847.96	863.61	875.06	886.26
Less: Solar Setoff	5.72	10.00	11.31	15.29	15.88
HTP-I	822.96	837.96	852.30	859.77	870.38
HTP-II(Gross)	1.34	5.07	8.82	12.52	12.52
Less: Solar Setoff	0.03	0.04	0.17	0.21	0.23
HTP-II	1.31	5.03	8.65	12.31	12.29
HTP-III	0.10	0.10	0.10	0.10	0.10
Pessimistic					
HTP-I (Gross)	828.68	842.75	853.16	859.43	865.42
Less: Solar Setoff	5.72	10.00	11.31	15.29	15.88
HTP-I	822.93	832.71	841.68	843.93	849.32
HTP-II(Gross)	1.34	5.07	8.82	12.52	12.52
Less: Solar Setoff	0.03	0.04	0.17	0.21	0.23
HTP-II	1.31	5.03	8.65	12.31	12.29
HTP-III	0.10	0.10	0.10	0.10	0.10
Optimistic					
HTP-I (Gross)	846.95	874.04	897.60	916.77	935.79
Less: Solar Setoff	5.72	10.00	11.31	15.29	15.88
HTP-I	841.20	864.00	886.12	901.28	919.69
HTP-II	1.34	5.07	8.82	12.52	12.52
Less: Solar Setoff	0.03	0.04	0.17	0.21	0.23
HTP-II	1.31	5.03	8.65	12.31	12.29

HTP-III	0.10	0.10	0.10	0.10	0.10

Based on the above factors the Category wise net Sales (MUs) projection for Business as Usual scenario for the period FY 2025-26 to FY 2029-30 is as under:

Table 4-2 Category wise Sales for TPL-D (D) *(in MU)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
RGP	-	-	-	-	-
Non-RGP	0.47	0.48	0.48	0.50	0.50
LTMD	0.46	0.46	0.46	0.46	0.46
HTP-I	822.96	837.96	852.30	859.77	870.38
HTP-II	1.31	5.03	8.65	12.31	12.29
HTP-III	0.10	0.10	0.10	0.10	0.10
Others	0.50	0.50	0.50	0.50	0.50
Total	**825.79**	**844.52**	**862.49**	**873.63**	**884.23**

Commission's Analysis:

The Commission has analysed category-wise historical sales.

Table 4-3 Historical data for Energy Sales for TPL-D (D) (in MU)

Category	2019-20	2020-21	2021-22	2022-23	2023-24
HT Category					
HTP 1	474.03	450.22	656.38	708.52	792.13
HTP 2	0.88	1.19	1.28	1.38	1.36
HTP 3	3.82	0.18	0.39	0.00	0.06
Low Voltage Category					
LTMD	0.57	0.55	0.49	0.46	0.42
Non-RGP	0.48	0.46	0.46	0.30	0.24
Street Light	0.24	0.12	0.09	0.06	0.05
TMPLT	0.47	0.20	0.17	0.11	0.13
WWSP	0.12	0.11	0.12	0.24	0.27
Total	**480.60**	**453.03**	**659.37**	**711.07**	**794.67**

The Commission has reviewed the sales projected by TPL-D (D) in light of historical sales, projected growth in customers and increase in their load factors. As energy sales are difficult to predict given that the SEZ is still under development stage, the Commission accepts submission of TPL-D (D) in terms of energy sales.

The Commission accordingly approves the category-wise sales as shown in the table below:

TABLE 4-4 ENERGY SALES APPROVED BY COMMISSION FOR FY 2025-26 TO FY 2029-30 *(IN MU)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
RGP	-	-	-	-	-
Non-RGP	0.47	0.48	0.48	0.50	0.50
LTMD	0.46	0.46	0.46	0.46	0.46
HTP-I	822.96	837.96	852.30	859.77	870.38
HTP-II	1.31	5.03	8.65	12.31	12.29
HTP-III	0.10	0.10	0.10	0.10	0.10
Others	0.50	0.50	0.50	0.50	0.50
Total	**825.79**	**844.52**	**862.49**	**873.63**	**884.23**

4.3 Distribution Losses

The Petitioner submitted that as 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. Petitioner submitted that it has already achieved the efficiency frontier in distribution loss reduction and at such lower level, the distribution loss remains range bound.

It has further submitted that the existing distribution losses are in the range of 0.38%. However, the same would gradually increase along with increase in the network loading, development of the network, feeder length, network voltage levels, etc.

It has further submitted that there will be an increase in the technical losses to the minimum inevitable loss level. The capital expenditure proposed during the MYT Period to upgrade the infrastructure is intended to cater to the load growth. Further, the Commission has notified GERC (Electricity Supply Code and Related Matters) (Fourth Amendment) Regulations, 2024 wherein Commission has enhanced the threshold limit for LT Supply from 100kVA/kW to 150kVA/kW. In turn, the distribution loss is likely to increase.

The Petitioner further submitted that performing utility cannot be penalized for its sustained performance. Therefore, the Petitioner requested the Commission to adopt mechanism to incentivize the performing utility.

Accordingly, the Petitioner has estimated the Distribution loss of 2.00% for FY 2025-26 to FY 2029-30.

TABLE 4-5 DISTRIBUTION LOSSES FOR FY 2025-26 TO FY 2029-30 AS SUBMITTED BY TPL-D (D)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Distribution Loss	2.00%	2.00%	2.00%	2.00%	2.00%

Commission's Analysis:

The Commission notes the increase in projected distribution losses from the levels of FY 2023-24 as claimed by TPL and the reasons given thereof.

TABLE 4-6 HISTORICAL DATA FOR DISTRIBUTION LOSS IN DAHEJ SUPPLY AREA

Category	FY 2021-22	FY 2022-23	FY 2023-24
Sales (MU)	659.07	711.07	794.67
Distribution Loss (%)	0.45%	0.48%	0.38%
Distribution Loss (MU)	3.00	3.40	3.07
Energy Input at Distribution Level (MU)	662.38	714.47	797.74

The Commission has reviewed the historical distribution loss and decides to consider the best of three distribution loss levels from actuals of FY 2021-22 to FY 2023-24. It has been observed from the above table that the actual distribution losses for FY 2023-24 has been lowest, which has been at 0.38%. Accordingly, the Commission approves distribution loss level at 0.38% of TPL-D (D) for the 4th Control MYT period for FY 2025-26 to FY 2029-30.

The Commission observes that the network is yet to be established and load is yet to be stabilized for the SEZ area. Therefore, the Commission will treat the distribution losses as uncontrollable during the FY 2025-26 to FY 2029-30.

TABLE 4-7 DISTRIBUTION LOSSES APPROVED BY THE COMMISSION FOR FY 2025-26 TO FY 2029-30

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Distribution Loss	0.38%	0.38%	0.38%	0.38%	0.38%

4.4 Energy Requirement Petitioner's Submission:

TPL –D (D) has submitted that based on the energy sales forecast, estimation of distribution loss and transmission loss, the total energy requirement for the MYT Control Period is estimated. Further it is proposed to carry out power purchase for Dahej SEZ & Dholera on collective basis to optimise the power purchase arrangements.

Accordingly, during the (MYT) Control Period, the Petitioner has proposed to pool the power purchase arrangements for the license areas of Dahej SEZ, Dholera SIR, and Mandal Becharaji SIR being the license areas with similar mix of customers with bulk loads and pertaining to continuous process industries. It may kindly be noted that TPL has approached GETCO for connectivity in MBSIR License Area. Upon operationalization of the Connectivity, TPL will commence the Operations in MBSIR License Area. Sales will be taken up as per actual at the time of Trueing-up.

TPL-D (D) has computed energy requirement for FY 2025-26 to FY 2029-30 is as under:

TABLE 4-8 ENERGY REQUIREMENT FOR FY 2025-26TO FY 2029-30 FOR TPL-D (D) *(IN MU)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Estimated Energy Sale	825.79	844.52	862.49	873.63	884.23
Distribution Losses (%)	2.00%	2.00%	2.00%	2.00%	2.00%
Distribution Losses (MUs)	16.85	17.24	17.60	17.83	18.05
Energy Requirement after Distribution Losses (MUs)	842.65	861.76	880.09	891.46	902.27
Transmission Losses (MUs)	29.27	29.27	29.05	28.32	28.32

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Total Energy required after T&D Losses (MUs)-Dahej	871.91	891.02	909.14	919.79	930.60
Total Energy required after T&D Losses (MUs)-Dholera	**155.33**	**273.18**	**378.85**	**520.60**	**634.60**
Total Energy required after T&D Losses (MUs)	**1,027.24**	**1,164.21**	**1,288.00**	**1,440.38**	**1,565.20**

Commission's Analysis:

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 (D) has considered transmission losses on purchase from Bilateral, RE, IEX and RERTC. The Commission has considered the transmission loss percentage as 0.14% as approved for FY 2023-24 to arrive at Energy Requirement for FY 2025-26 to FY 2029-30 as given in the table below;

TABLE 4-9 ENERGY REQUIREMENT APPROVED BY THE COMMISSION FOR FY 2025-26TO FY 2029-30 *(IN MU)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Estimated Energy Sale	825.79	844.52	862.49	873.63	884.23
Distribution Losses (%)	0.38%	0.38%	0.38%	0.38%	0.38%
Distribution Losses (MUs)	3.15	3.22	3.29	3.33	3.37
Energy Requirement after Distribution Losses (MUs)	828.94	847.74	865.78	876.96	887.60
Transmission Losses (%)	0.14%	0.14%	0.14%	0.14%	0.14%
Transmission Losses (MUs)	1.18	1.21	1.24	1.25	1.27
Total Energy required after T&D Losses (MUs)-Dahej	**830.12**	**848.95**	**867.02**	**878.22**	**888.87**
Total Energy required after T&D Losses (MUs)-Dholera	**155.34**	**273.18**	**378.85**	**520.60**	**634.60**
Total Energy required after T&D Losses (MUs)	**985.46**	**1,122.14**	**1,245.87**	**1,398.81**	**1,523.47**

4.5 Energy Availability

Petitioner's Submission:

The petitioner submitted that as a co-developer of the Dahej SEZ, the Petitioner is mandated to set up its own generating capacity. Accordingly, the Petitioner has set up the DGEN power plant. However, as demand in the SEZ area has not reached to required level, the Petitioner has not planned to source power from DGEN during MYT Control.

It has further submitted that it will source power from bilateral sources/power exchange to fulfill the power requirement of its license areas.

It has further submitted that 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.

It has further submitted that CEA has yet to initiate the Resource Adequacy Studies for SEZ/SIR areas like Dahej SEZ being small license area and under nascent stage of development. In turn, the Petitioner shall keep the Commission duly apprised.

Based on all the above, the TPL-D (D) has submitted the following power purchase quantum:

TABLE 4-10 ENERGY AVAILABILITY AS PROJECTED BY PETITIONER FOR FY 2025-26 TO FY 2029-30 *(IN MU)*

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
BILATERAL	700.80	700.80	284.64	131.40	131.40
PX	257.08	394.05	250.80	332.97	457.78
RE	69.36	69.36	752.55	976.02	976.02
Total Energy (Dahej+Dholera)	**1,027.24**	**1,164.21**	**1,288.00**	**1,440.38**	**1,565.20**

Commission's Analysis:

The Commission has noted the Petitioner's submission of procuring power through bilateral contracts and power exchange. The Commission has further noted that the petitioner has not entered PPA/arrangement with any generator/trader for procurement of power under Bilateral arrangement (Short/Medium/Long Term) for the MYT Control Period to meet its demand. The Commission has projected energy availability from these sources after considering the energy requirement fulfilled through RE sources as part of TPL-D (Dahej) and TPL-D (Dholera) RPO and balance are met from bilateral/IEX.

In response to data gap reply, the petitioner clarified that for projection of RE power, it has considered 10.5 MW & 21 MW of Wind & Solar long term tie ups, which is already in operation. Further, it has also anticipated to tie up 75 MW and 40 MW RE-RTC power for Dahej and Dholera respectively, which will be operational by FY 2027-28.

The Commission has issued draft RPO amendment to bring the RPO trajectory in line with RPO trajectory specified by Ministry of Power vide notification dated 20th October, 2023. Accordingly, the Commission has estimated the availability of renewable energy for MYT Control Period from the tied-up/ proposed tie-up capacities of RE Power.

Table 4-11 RPO for FY 2025-26 to FY 2029-30 *(in MU)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Total Energy required after T&D Losses (MUs) Dahej and Dholera	985.46	1,122.14	1,245.87	1,398.81	1,523.47
RPO Target as per MoP (%)	33.01%	35.95%	38.81%	41.36%	43.33%
RPO Target as per MoP (MUs)	325.30	403.41	483.52	578.55	660.12
RE (Tied Up-Solar) (MUs)	44.88	44.88	44.90	44.88	44.88
RE (Tied Up-Wind) (MUs)	24.47	24.47	24.56	24.47	24.47
RE (Tied Up-RTC) (MUs)	-	-	683.10	906.66	906.66
RE New (MUs)	255.95	334.05	-	-	-

As regards renewable energy power, TPL–D (D) has submitted the details of tied up sources, accordingly after meeting the RPO requirement from the tied-up sources additional RE power has been considered to meet the unmet RPO by new source of RE during FY 2025-26 and FY 2026-27.

Further, after considering the aforesaid power from RE sources balance energy has been considered from Bilateral/IEX.

Based on the foregoing analysis, the Commission now approves the energy availability from various sources as follows:

TABLE 4-12 APPROVED ENERGY AVAILABILITY FOR FY 2025-26 TO FY 2029-30 FOR TPL-D (D) AND TPL-D (DHOLERA) *(IN MU)*

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bilateral/ IEX	660.16	718.73	493.32	422.80	547.46
RPO (Including RE power from tied up sources)	325.30	403.41	-	-	-
Renewable (Including RPO)	-	-	752.55	976.02	976.02
Total Energy available (MUs)-Dahej	830.12	848.95	867.02	878.22	888.87
Total Energy available (MUs)-Dholera	155.34	273.18	378.85	520.60	634.60
Total Energy Available (MUs) (Dahej and Dholera)	**985.46**	**1,122.14**	**1,245.87**	**1,398.81**	**1,523.47**

4.6 Power Purchase Cost

Petitioner's Submission:

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:

- **Bilateral Sources/ Power Exchange** – 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.

- **Renewable Power Purchase Cost**- The Petitioner has estimated the purchase of power from the tied up/proposed tie-up capacities of renewable energy sources to fulfil the Renewable Power Purchase Obligation. Accordingly, the Petitioner has arrived at the renewable power purchase cost.

The Petitioner 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 4-13 POWER PURCHASE COST PROJECTED BY TPL-D (D) FY 2025-26 TO FY 2029-30 ***(RS. CRORE)***

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Bilateral/ Power Exchange	558.53	643.03	316.17	271.57	348.24
Renewable energy	23.74	23.74	355.05	463.47	463.47
Transmission Cost	62.17	75.13	65.77	73.59	86.74
Total power purchase cost	644.45	741.91	736.99	808.64	898.45

Based on the above the petitioner requests the Commission to approve the power purchase cost of Rs 547.01 Crore for FY 25-26, Rs 567.82 Crore for FY 26-27, Rs 520.21 Crore for FY 27-28, Rs 516.37 Crore for FY 28-29 & Rs 534.18 Crore for FY 29-30.

Commission's Analysis:

As regards renewable energy power, TPL–D (D) has submitted the details of tied up sources, according to which only 6.75% and 5.96% RPO fulfilment is being projected during FY 2025-26 and FY 2026-27 respectively, whereas during FY 2027-28 to 2029-30, petitioner has projected RE power more than RPO requirement. Therefore, during FY 2025-26 and FY 2026-27, the Commission has considered the 33.01% and 35.95% as RPO target of 325.30 MU and 403.41 MUs to be fulfilled at the approved energy requirement of 985.46 MU and 1122.14 MU respectively. Accordingly, to work out the cost of RPO and RE power during the control period, Commission has considered weighted average rate of renewable power purchase from tied-up sources as projected by petitioner during FY 2025-26 to FY 2029-30.

It has been observed that Petitioner has not entered PPA/arrangement with any generator/trader for procurement of power under Bilateral arrangement (Short/Medium/Long Term) for the MYT Control Period to meet its demand. On query it has submitted that it will issue tenders as needed and peruse agreement if competitive rate achieved aming to optimize power purchase cost. The Commission has taken note of it.

Since, the Power Purchase Cost is an estimate, therefore, the Licensee shall take due care to procure all additional Renewable Power Requirement through competitive bidding to pursue that the power purchase cost is optimized. The Commission further approves proposal of the petitioner regarding power procurement rate of Bilateral/IEX for Control Period. 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.

After considering the total power purchase requirement from renewable energy sources, the balance energy have been considered from bilateral and IEX. Accordingly, to work out the cost of Bilateral/IEX power, the Commission has considered weighted average rate of Bilateral/IEX power purchase as projected by petitioner during FY 2025-26 to FY 2029-30.

In response to data gap reply, the petitioner clarified that it has envisaged smooth GNA implementation and the determination of separate Transmission charges for 220 kV & above InSTS network. Accordingly, InSTS charges is estimated at 2400/MW/day i.e. 50% of prevailing Transmission charges of InSTS charges levied by GETCO. Further, CTU charges for RE-RTC is projected at 75%. Regarding lower Transmission charges in FY 2027-28, TPL-D (D) submitted that it has anticipated to tie up 75 MW from RE-RTC power for Dahej, which will be operational by July, 2027, this will reduce the requirement from short term sources, in turn, will replace intra state open access with inter-state open access. The Commission accordingly consider the transmission charges as projected by the petitioner for the control period.

Considering above, the total procurement cost for power from different sources as pooled power purchase cost for TPL-D (D) and Dholera during FY 2025-26 to FY 2029-30 works out as given in the table below:

TABLE 4-14 APPROVED POWER PURCHASE COST OF TPL-D FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Bilateral/ IEX	384.94	422.13	291.30	247.26	323.57
RPO	111.37	138.11	-	-	-
Renewable	-	-	355.05	463.47	463.47
Total Purchase	496.30	560.24	646.35	710.74	787.05
Transmission Charges	62.17	75.13	65.77	73.59	86.74
Total Purchase including Transmission charges	558.48	635.37	712.12	784.33	873.79
Total Purchase Dahej	**470.45**	**480.69**	**495.57**	**492.43**	**509.81**
Total Purchase Dholera	**88.03**	**154.68**	**216.55**	**291.90**	**363.97**

The total power purchase cost has been apportioned between Dahej and Dholera in the ratio of their total power purchases requirement as indicated above.

4.7 Operation & Maintenance (O&M) Expenses

Petitioner's Submission:

TPL-D (D) has submitted that the O&M Expenses are mainly driven by business growth, inflation, standards of performance, conditions of existing assets, increase in network & safety norms.

Regulation 104.1 of MYT Regulation 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 March 31, 2024. Further, it also provides that the average of ten year audited O&M expense shall be considered as O&M expense for March 31, 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.

The Petitioner has projected the O&M expenses for MYT Control Period by escalating the base O&M Expense of FY 23-24 as per the formula provided in MYT Regulations, 2024. Accordingly, the O&M expenses arrived through this methodology for Dahej Supply Area is shown in the table below

TABLE 4-15 O&M EXPENSES CLAIMED BY OF TPL-D (D) FOR FY 2025-26 TO FY 2029-30 (*RS. CRORE*)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Employee Expenses	2.82	2.95	3.08	3.21	3.35
A&G Expenses	7.42	7.74	8.08	8.43	8.79
R&M Expenses	3.80	4.14	4.73	5.38	5.49
Total O&M Expenses	**14.05**	**14.83**	**15.89**	**17.02**	**17.63**

The Petitioner 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 etc. Therefore, the Petitioner requests the Commission to treat these components as uncontrollable factors and any such expenses on accounts of these factors are to be allowed over and above the normal allowable components.

Commission's Analysis:

The Petitioner has projected the O&M expenses for FY 2025-26 to FY 2029-30 based on the methodology prescribed under GERC (MYT) Tariff Regulations, 2024.

However, it was observed that the approach of TPL-D (Dahej) while considering the past ten years average has deviated by bifurcating the A&G as well as R&M Expenses into Manpower and Non-Manpower related cost which are later on linked with CPI and WPI respectively. In response to data gaps, petitioner submitted that it has considered CPI on wage related cost i.e. security expenses in A&G and manpower related cost i.e. salary, labour cost, technical services etc. under R&M, thus considered WPI for balance A&G and R&M. In this regard, 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 (Dahej) and the same cannot be segregated accordingly. Therefore, while working out ratio of CPI and WPI index, Commission has considered the employee expenses under CPI and entire A&G & R&M under WPI index. Therefore, the A&G and R&M expenses as approved by the Commission in past Truing up Order has been considered with WPI weightage.

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

TABLE 4-16 BASE O&M EXPENSES AS ON 31ST MARCH, 2019 APPROVED BY THE COMMISSION *(RS. CRORE)*

Particulars	Petitioner	Approved
Employee Expenses	1.99	1.99
A&G Expenses - Manpower Related	0.89	
A&G Expenses	4.33	
A&G Expenses – Total	5.22	5.22
R&M Expenses	2.56	
R&M Expenses - Manpower Related	0.14	
R&M Expenses - Total	2.70	2.70
O&M for FY 2018-19	9.91	9.91

With respect to R&M expenses, K factor of 1.70% 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.

The O&M Expenses arrived as on 31^{st} 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 @ 4.34% year-on-year to arrive at O&M Expenses for FY 2024-25 to FY 2029-30.

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

Table 4-17 O&M Expenses approved for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Employee Expenses	2.78	2.90	3.02	3.15	3.29
A&G Expenses	7.29	7.61	7.94	8.28	8.64
R&M Expenses	3.62	3.87	4.44	4.83	4.91
Total O&M Expenses	**13.69**	**14.38**	**15.40**	**16.27**	**16.85**

4.8 Capital Expenditure, Capitalisation and Sources of Funding

Petitioner's Submission:

TPL-D (D) has submitted that sales of Dahej SEZ have been showing an increasing trend over the past years including increasing demand. In turn, the loading of the distribution network has been increasing. The Petitioner has planned to undertake prudent capital investments for continued development of the distribution network in the license area so as to cater to the demand of its consumers and provide reliable power.

TPL-D (D) has projected capital expenditure for FY 2025-26 to FY 2029-30 as per the details given in table below:

Table 4-18 Capital Expenditure Projected by TPL-D (D) for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
EHV Network	15.01	38.47	26.73	4.14	0.20
HT Network	1.16	0.53	0.73	0.75	0.57
LT Network	0.44	0.74	0.25	0.26	0.27
Metering	1.26	0.69	0.51	0.51	0.52
Others	0.89	1.40	0.38	0.40	1.06
Total	**18.75**	**41.83**	**28.61**	**6.06**	**2.61**

The details of major capital expenditure for FY 2025-26 to FY 2029-30 as submitted by the Petitioner is as following:

a) EHV:

- 220 kV Substation and Network: Capex of Rs 19.93 Cr is considered in MYT Control Period towards upgradation of the existing SCADA system with advanced distribution management system (ADMS) for auto outage restoration and optimization of the performance of the distribution grid.

- 220 kV & 33 kV consumers: Capex of Rs. 27.42 Crore has been estimated for laying new feeders mainly to provide a 33kV power connection to 5 nos. of new EHV consumers, to maintain N-1 capacity in the feeder segment after relieving supply to new consumers and create margin in existing feeders for future load growth in SEZ - I & SEZ -II. This will also help to increase the reliability of the network.

- 33 kV Network: At present, Dahej SEZ Part-I (East Part) is connected through 33kV cables laid in the SEZ corridor from the 220kV switchyard. However, the said network is susceptible to damage in case of works by local authority. In order to ensure reliability, it is proposed to lay a second 33kV connectivity to the East part of the SEZ through separate route.

- 33 kV Sub Stations: Capex of Rs 28.43 Crore has been estimated to establish one new 33 kV Substation to cater load growth of nearby CRZ area and optimization of peak load of other 33kV and 11kV Substation by relieving load of existing Substations.

- Testing and Measuring Instrument: During (MYT) Control Period, it is proposed to incur capex for augmentation in CT/PT and other equipments at EHV substation along with procurement of various testing & measuring equipment like meggers and Tools & tackles.

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

Particular (In Crore)	2025-26	2026-27	2027-28	2028-29	2029-30
EHV Network					
220 kV Substation and Network	0.27	19.08	0.58	-	-
220 kV & 33 kV Consumers	13.69	10.23	3.50	-	-
33 kV Network	-	-	7.06	-	-
33 kV Sub Stations	0.45	8.66	15.39	3.94	-
Testing and Measuring Instrument	0.60	0.50	0.20	0.20	0.20

Particular (In Crore)	2025-26	2026-27	2027-28	2028-29	2029-30
Total	**15.01**	**38.47**	**26.73**	**4.14**	**0.20**

b) HT:

- New HT consumers: During MYT Control Period, the Petitioner has proposed to incur capex of Rs. 0.92 Crore towards energisation of five nos. of new 11kV HT consumers.
- Cable Scheme: In order to cater to the future load growth in the license area, during MYT Control Period, capex of Rs. 2.23 Crore is considered for laying 11 kV new feeder network.
- Miscellaneous: It is proposed to incur capex of Rs. 0.60 Crore towards supporting infrastructure & safety equipment like firefighting systems, Tools & tackles.

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

Particular (In Crore)	2025-26	2026-27	2027-28	2028-29	2029-30
HT Network					
New HT Consumers	0.54	-	0.19	0.20	-
Cable Scheme	0.42	0.43	0.44	0.46	0.47
Miscellaneous	0.20	0.10	0.10	0.10	0.10
Total	**1.16**	**0.53**	**0.73**	**0.75**	**0.57**

c) LT network:

- Services on Existing Mains/DE: Capex of Rs. 0.50 Crore is considered towards energization of six nos. of new LT during FY 2026-27.
- Extension/Reduction of Load: During MYT Control Period, capex of Rs. 1.45 Crore is proposed to be incurred towards augmentation of LT network and reactivation of MSP earthing for safety and reliability.

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

Particular (In Crore)	2025-26	2026-27	2027-28	2028-29	2029-30
LT Network					
Services on Existing Mains / DE	-	0.50	-	-	-
Extension / Reduction of Load	0.44	0.24	0.25	0.26	0.27
Total	**0.44**	**0.74**	**0.25**	**0.26**	**0.27**

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:
    1. New electric connections/enhancement of load and for energy accounting for DT meters/Interface meters etc. with smart meters.
    2. Installation and replacement of consumer/DT/feeder meters with smart meters to comply with Ministry of Power notification.
    3. Replacement of defective energy meters based on the past trend of defective meters replaced.
    4. Replacement of static electronic meters which are vulnerable to theft.
    5. Releasing solar net meters under the GERC Net Metering Regulations.

Out of the total capex under the head of Metering, the expenditure of Rs. 1.32 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. 2.18 Crore is planned towards supporting infrastructure like test benches. It has further submitted 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:

Particular (In Crore)	2025-26	2026-27	2027-28	2028-29	2029-30
Metering					
Normal Load Growth	0.11	0.08	0.07	0.08	0.07
Reliability, Renovation, and Replacement	1.15	0.62	0.44	0.43	0.44
Total	**1.26**	**0.69**	**0.51**	**0.51**	**0.52**

e) Others:

- Customer Care/IT: During the MYT control period, it is proposed to incur capex of Rs. 0.88 Crore towards IT related hardware replacements & software upgradation, communication network enhancement, SAP and related expenditure.
- Stores: Capex of Rs. 0.12 Crore is proposed to be incurred towards Stores related equipment.
- Safety: During MYT Control Period, expenditure of Rs. 0.31 Crore is proposed to be incurred towards replacement of fire extinguisher, safety gallery and miscellaneous works.
- Civil: Expenditure of Rs. 1.20 Crore is proposed to be incurred towards fencing of boundary of East and West SS and other miscellaneous works.
- Miscellaneous: Capex of Rs. 1.61 Crore is proposed to be incurred to procure land for creating office and infrastructure in the CRZ area being newly developing area inside Dahej SEZ.

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

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Others					
Customer Care/IT	0.36	0.13	0.11	0.14	0.13
Stores	0.04	0.02	0.02	0.02	0.02
Safety	0.10	0.06	0.06	0.05	0.05
Civil	0.32	0.52	0.12	0.12	0.12
Miscellaneous	0.07	0.67	0.07	0.07	0.73
Total	**0.89**	**1.40**	**0.38**	**0.40**	**1.06**

Commission's Analysis:

The Petitioner has projected CAPEX for FY 2025-26 to FY 2029-30 as detailed in the above paras. The Petitioner has furnished the project/work-wise justification for the CAPEX projected for FY 2025-26 to FY 2029-30.

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 (Dahej) 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(Dahej) 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 (Dahej) 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 (Dahej) is required and accordingly the Commission approves the Capex as submitted by TPL-D (Dahej) for the 1st year of the Control Period i.e., FY 2025-26. Further, the schemes proposed by TPL-D (Dahej) 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.

However, the Commission opines that in order to meet the load growth, system demand and to provide reliable quality supply, the Capex planned by TPL-D (Dahej) is required and accordingly the Commission provisionally approves the Capex as submitted by TPL-D (Dahej).

4.9 Capitalization and Gross Fixed Assets

Petitioner's Submission:

TPL-D (D) has submitted that it will capitalize assets for FY 2025-26 to FY 2029-30 as under:

TABLE 4-19 CAPITALISATION PROJECTED FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Opening GFA	214.73	233.49	267.13	303.96	309.99
Addition to GFA	18.75	33.64	36.81	6.06	2.61
Deletion from GFA	0.00	0.00	0.00	0.00	0.00
Closing GFA	233.49	267.13	303.93	309.99	312.60
SLC Contribution	14.23	10.73	3.69	0.20	0.00

Commission's Analysis:

The petitioner has projected the ratio of capitalization to CAPEX of 100%, 80%, 129%, 100% and 100% for FY 2025-26 to FY 2029-30 respectively. However, while examining the historical data of capitalization to CAPEX ratio of past years from FY 2019-20 to FY 2023-24, it is observed that the average ratio for past three years works out to be 77%, Accordingly, Commission has considered capitalization @77% of the total capital expenditure approved during the FY 2025-26 to FY 2029-30.

TABLE 4-20 CAPITALISATION APPROVED BY COMMISSION FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
CAPEX	18.75	41.83	28.61	6.06	2.61
Capitalization	14.43	32.19	22.02	4.66	2.01
% Capitalization to CAPEX	77%	77%	77%	77%	77%

The Commission has calculated the opening GFA at Rs. 204.14 Crore for FY 2025-26, based on approved closing GFA as per True up order for FY 2023-24 at Rs. 192.48 Crore and adding Rs. 11.66 Crore approved capitalization in ARR for FY 2024-25. The Commission has considered the SLC addition @ 77% of SLC projected by the petitioner in line with methodology adopted for capitalization approval during the FY 2025-26 to FY 2029-30.

The Commission as deliberated above has approved capitalization, Gross fixed Asset and source of funding of capitalisation for normative debt-equity for FY 2025-26 to FY 2029-30. In accordance with GERC (MYT) Regulations 2024 as shown in the Table below:

TABLE 4-21 APPROVED CAPITALISATION FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Opening GFA	204.14	218.57	250.76	272.78	277.45
Addition to GFA	14.43	32.19	22.02	4.66	2.01
Deletion from GFA	0.00	0.00	0.00	0.00	0.00
Closing GFA	218.57	250.76	272.78	277.45	279.46
SLC Contribution	10.95	8.26	2.84	0.15	0.00
Capitalization for Debt:Equity	3.48	23.94	19.18	4.51	2.01
Normative Debt (70%)	**2.44**	**16.75**	**13.43**	**3.16**	**1.41**
Normative Equity (30%)	**1.04**	**7.18**	**5.75**	**1.35**	**0.60**

4.10 Depreciation

Petitioner's Submission:

TPL-D (D) has submitted that the depreciation for MYT Control Period has been computed at the rates specified in the GERC Regulations.

TPL-D (D) has projected depreciation for FY 2025-26 to FY 2029-30 based on the projected capitalization during FY 2025-26 to FY 2029-30 which is below:

TABLE 4-22 DEPRECIATION CLAIMED ON ASSETS FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation on assets upto 31st March, 2025	7.37	5.88	4.84	3.77	3.49

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation assets on or after 1st April, 2025	0.20	1.04	2.52	3.49	3.72
Total Depreciation	**7.57**	**6.91**	**7.36**	**7.26**	**7.21**

Commission's Analysis:

The Commission has approved the opening value as on 01.04.2025 of depreciable GFA at Rs. 204.14 Crore, based on the approved close GFA for FY 2023-24 as per true-up order at Rs. 192.48 Crore and adding Rs. 11.66 Crore approved capitalization in ARR for FY 2024-25. The GFA addition (capitalization) during the control period is considered as discussed above for FY 2025-26 to FY 2029-30.

Further, as per Regulations 37.6 of GERC (MYT) Regulations, 2024, Depreciation shall be computed separately for assets added up to 31st March, 2025 and assets added on or after 1st April, 2025. Accordingly, Commission has worked out separate depreciation on assets added up to 31st March, 2025 and assets added on or after 1st April, 2025.

Further, the Commission has considered the rate of depreciation on assets for assets added upto 31st March, 2025 as per the rate provided by TPL-D (Dahej) and for new asset addition post 1st April, 2025, the depreciation rate is considered as per Annexure I of GERC (MYT) Regulations, 2024.

The rate of depreciation on SLC is considered as per petitioner submission and accordingly computed the depreciation for FY 2025-26 to FY 2029-30 as given in the table below:

TABLE 4-23 DEPRECIATION APPROVED ON ASSETS UP TO 31ST MARCH 2025 FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Balance	204.14	204.14	204.14	204.14	204.14
Closing Balance	204.14	204.14	204.14	204.14	204.14
Opening SLC	45.05	45.05	45.05	45.05	45.05

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation	**7.09**	**5.66**	**4.66**	**3.65**	**3.38**

Depreciation approved on assets added on and after 1st April 2025 for FY 2025-26 to FY 2029 is under:

Table 4-24 Depreciation approved on assets added on and after 1st April 2025 for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Balance	0.00	14.43	46.62	68.64	73.31
Additions During The Year	14.43	32.19	22.02	4.66	2.01
Deletions During the Year	0.00	0.00	0.00	0.00	0.00
Closing Balance of GFA	14.43	46.62	68.64	73.31	75.32
SLC Addition	10.95	8.26	2.84	0.15	0.00
Depreciation During the Year	**0.14**	**0.95**	**2.09**	**2.73**	**2.95**

The Commission approves the depreciation for FY 2025-26 to FY 2029-30 as shown in the below Table.

Table 4-25 Total Depreciation approved for FY 2025-26 to FY 2029-30 *(Rs. Crore)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Depreciation on assets upto 31st March, 2025	7.09	5.66	4.66	3.65	3.38
Depreciation assets on or after 1st April, 2025	0.14	0.95	2.09	2.73	2.95
Total Depreciation	**7.23**	**6.61**	**6.75**	**6.38**	**6.33**

4.11 Interest Expenses

Petitioner's Submission:

TPL-D (D) has projected the capital expenditure for the MYT Period will be funded through a debt equity ratio of 70:30 as per the MYT Regulations, 2024.

The Petitioner submitted that Regulation 33.2 of 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. The Petitioner has considered the interest expenses as per the GERC (MYT) Regulations, 2024 on normative loans.

The Petitioner 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. Accordingly, the petitioner has projected interest and finance charges for control period as under:-

TABLE 4-26 INTEREST AND FINANCE CHARGES PROJECTED FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening balance of Normative Loans	41.14	36.74	45.86	61.68	58.53
Addition of Normative Loan	3.17	16.03	23.18	4.11	1.83
Repayment of Normative Loan	7.57	6.91	7.36	7.26	7.21
Closing balance of Normative Loan	36.74	45.86	61.68	58.53	53.14
Average balance of Normative Loan	38.94	41.30	53.77	60.11	55.84
Interest Rate (%)	9.15%	9.15%	9.15%	9.15%	9.15%
Interest Expenses	**3.56**	**3.78**	**4.92**	**5.50**	**5.11**

Commission's Analysis:

The Commission has considered the closing balance of Normative Loan of Rs. 36.35 Crore for FY 2023-24 as approved in this Order and addition of approved Normative Loan of Rs. 5.98 Crore as per ARR order for FY 2024-25 and repayment of loan of Rs. 6.96 Crore during FY 2024-25. Accordingly, the closing balance of Normative Loan of Rs 35.37 Crore worked out by the Commission for FY 2024-25 has been considered as opening balance of Normative Loan for FY 2025-26 as per Regulation 32.1 of GERC (MYT) Regulations, 2024.

As per Regulation 33.1 of GERC (MYT) Regulation, 2024, the above Normative opening balance of loan for FY 2025-26 shall be considered as gross Normative loan attributable to assets put to use prior to 1st April 2025 for calculation of interest of loan and repayment equivalent to depreciation as approved for FY 2025-26 to FY 2029-30 attributable towards the assets put to use prior to 1st April 2025 as per Regulation 33.3 of GERC (MYT) Regulation 2024 have been considered.

As regards to the weighted average rate of interest, TPL-D (D) has considered the interest rate of 9.15% for FY 2025-26 to FY 2029-30. As per Regulation 33.5 of GERC (MYT) Regulation 2024, rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable Distribution licensee. Accordingly, the Commission has considered weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of year i.e. 1st April, 2024 of 8.55% for the FY 2025-26 to FY 2029-30.

Accordingly computed the interest on loan for FY 2025-26 to FY 2029-30 as given in the table below:

TABLE 4-27 INTEREST APPROVED BY THE COMMISSION FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Opening balance of Normative Loans	35.37	28.28	22.63	17.97	14.31
Addition of Normative Loan	0.00	0.00	0.00	0.00	0.00
Repayment of Normative Loan	7.09	5.66	4.66	3.65	3.38
Closing balance of Normative Loan	28.28	22.63	17.97	14.31	10.94
Average balance of Normative Loan	31.83	25.46	20.30	16.14	12.63
Interest Rate (%)	8.55%	8.55%	8.55%	8.55%	8.55%
Interest Expenses	**2.72**	**2.18**	**1.74**	**1.38**	**1.08**

4.12 Interest on Security Deposit

Petitioner's Submission:

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 Dahej supply area. The addition has been projected on the basis of trend observed in the supply area.

TABLE 4-28 INTEREST ON SECURITY DEPOSIT PROJECTED BY TPL-D (D) FOR FY 2025-26 TO 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Amount Proposed as Security deposits	42.70	45.65	48.22	50.22	51.79
Interest Rate (%)	6.75%	6.75%	6.75%	6.75%	6.75%
Interest on Security Deposits	**2.88**	**3.08**	**3.26**	**3.39**	**3.50**

Commission's Analysis:

The Commission has considered the RBI Bank Rate on 1st April 2024 @ 6.75% per annum as filed by the petitioner for calculation of interest on security deposit. Further, the Commission provisionally considerers and approves the interest on security deposit as projected by petitioner for FY 2025-26 to FY 2029-30 as shown in the Table below:

TABLE 4-29 INTEREST ON SECURITY DEPOSIT APPROVED BY THE COMMISSION FOR FY 2025-26 TO FY 2029-30 (RS. CRORE)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Security Deposit	41.24	44.16	47.14	49.31	51.12
Addition during the year	2.92	2.98	2.17	1.81	1.33
Closing Security Deposit	44.16	47.14	49.31	51.12	52.46
Average Security Deposit	42.70	45.65	48.22	50.22	51.79
Interest Rate	6.75%	6.75%	6.75%	6.75%	6.75%
Interest on Security Deposits	**2.88**	**3.08**	**3.26**	**3.39**	**3.50**

4.13 Interest on Working Capital

Petitioner's Submission:

The petitioner submitted that the interest on working capital is computed as per the MYT Regulations, 2024. The interest rate, being the SBI MCLR rate on 1st April of the financial year plus 200 basis points, of 10.65% is to be applied on the working capital requirement arrived at in accordance with the Regulations.

The estimate of interest on working capital is shown in the table below:-

TABLE 4-30 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2025-26 TO FY 2029-30 (RS. CRORE)

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expense	1.17	1.24	1.32	1.42	1.47
Maintenance Spares	2.15	2.33	2.67	3.04	3.10
Receivables	48.81	50.65	47.01	46.93	48.43
Less: Average Security Deposit from Customers	42.70	45.65	48.22	50.22	51.79

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Total Working Capital	9.43	8.58	2.78	1.17	1.21
Interest Rate (%)	10.65%	10.65%	10.65%	10.65%	10.65%
Interest on working Capital	**1.00**	**0.91**	**0.29**	**0.12**	**0.13**

Commission's Analysis:

The Commission has computed the working capital requirement of TPL-D (Dahej) as specified in Regulation 38.4 and 38.5 of the GERC (MYT) Regulations 2024 after considering the security deposit amount available during the year.

The Commission has considered approved Aggregate Revenue Requirement for calculation of receivable for 1 month. The rate of interest on working capital has been considered as 10.65% considering SBI MCLR as on 01.04.2024 (8.65 % plus 200 basis points) as per the GERC (MYT) Regulations, 2024. The interest on working capital has been computed as per the provisions of the GERC (MYT) Regulations, 2024.

The normative interest on working capital approved by the Commission for FY 2025-26 to FY 2029-30 is shown in the Table below:

TABLE 4-31 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars		2025-26	2026-27	2027-28	2028-29	2029-30
O&M Expense	1 month	1.14	1.20	1.28	1.36	1.40
Maintenance Spares	1% GFA	2.04	2.19	2.51	2.73	2.77
Receivables	1 month	42.09	43.02	44.52	44.38	45.86
Less: Average Security Deposit from Customers		42.70	45.65	48.22	50.22	51.79
Net Working Capital		**2.57**	**0.76**	**0.09**	**0.00**	**0.00**
Interest Rate (%)		10.65%	10.65%	10.65%	10.65%	10.65%
Interest on working Capital		**0.27**	**0.08**	**0.01**	**0.00**	**0.00**

4.14 Return on Equity

Petitioner's Submission:

TPL-D (D) has submitted that as per MYT Regulations 2024, the Commission has provided for computation of return on equity for existing assets capitalized up to 31st March, 2025 and return on capital employed for assets capitalized 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, the Petitioner has filed a separate petition seeking necessary clarification/rectification.

It has further submitted that it has computed the return on equity at 15.39% for Asset Commissioned up to 01.04.2025. For New Assets after 01.04.2025, the Petitioner 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 kindly 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 capitalization in MYT Control Period.

The return on equity estimated by the Petitioner is shown in the table below for the approval of the Commission

TABLE 4-32 RETURN ON EQUITY CLAIMED BY THE TPL -D (D) FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Regulatory Equity at the Beginning of the Year	49.69	51.05	57.92	67.85	69.61
Equity portion of Capitalization during the Year	1.36	6.87	9.93	1.76	0.78
Regulatory Equity at the end of the Year	51.05	57.92	67.85	69.61	70.39
Average Equity	50.37	54.48	62.89	68.73	70.00
Total Return on Equity	**9.46**	**10.21**	**11.74**	**12.81**	**13.04**

Commission's Analysis:

The Commission has considered the closing balance of Equity of Rs. 45.17 Crore for FY 2023-24 as approved in this Order and the addition of Equity of Rs. 2.56 Crore as approved in Tariff Oder dated 1st June, 2024 for FY 2024-25 for computing the closing balance for FY 2024-25 of Rs. 47.73 Crore. This closing balance has been considered as opening balance for FY 2025-26 and subsequent year of control period as per Regulation 32.1 of GERC (MYT) Regulations, 2024.

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. 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.

With respect to the new asset approved to be capitalised during MYT Control Period of FY 2025-26 to FY 2029-30, Return on Capital Employed is calculated as per Regulation 36 of GERC (MYT) Regulations, 2024.

The Commission has observed that TPL-D (Dahej) 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 subjudice. 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.

Accordingly, the Commission has approved the Return on equity for FY 2025-26 to FY 20290-30 as per GERC (MYT) Regulations, 2024 as shown in the Table below:

TABLE 4-33 RETURN ON EQUITY APPROVED BY THE COMMISSION FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Opening Equity	47.73	47.73	47.73	47.73	47.73
Equity Addition	0.00	0.00	0.00	0.00	0.00
Closing Equity	47.73	47.73	47.73	47.73	47.73
Average Equity	47.73	47.73	47.73	47.73	47.73

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
Base Rate (Gross Up with MAT)	15.61%	15.61%	15.61%	15.61%	15.61%
Total Return on Equity	**7.45**	**7.45**	**7.45**	**7.45**	**7.45**

4.15 Additional Rate of Return on Equity

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 4-34 PERFORMANCE PARAMETERS FOR ADDITIONAL ROE FOR WIRE BUSINESS

Particulars	Ceiling limit of Additional RoE
Wires Availability	0.5%
Distribution Loss	0.5%
Feeder/DT Smart Metering	0.25%
Geo-Tagging of Assets	0.5%
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 4-35 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%

Particulars	Ceiling limit of Additional RoE
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 0.3% 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%

TPL-D (Dahej) 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.

4.16 Return on Capital employed

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 the matter is sub-judice.

The Commission has asked TPL-D (Dahej) 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 above.

TABLE 4-36 RETURN ON CAPITAL EMPLOYED AS PER TPL-D (DAHEJ) 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	-	18.56	51.16	85.44	88.02
Closing RRB	4.33	40.43	81.75	87.82	86.90
Average RRB	2.17	29.59	67.07	88.51	91.08
WACC(%)	11.88%	11.88%	11.88%	11.88%	11.88%
RoCE	0.26	3.51	7.97	10.51	10.82

Therefore, the Commission has relied up on with the Regulation 36 of the GERC (MYT) Regulations, 2024 and decided to approach the Return on Capital Employed method for FY 2025-26 to FY 2029-30 for TPL-D (Dahej) 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 Distributing Company. The approved expenses cover all financing costs, excluding expenses incurred for availing loans, without providing a separate allowance for interest on loans.

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.

Based on the Return on Equity of 15.61% and Interest rate of 8.55%, the Weighted Average Cost of Capital (WACC) approved is 10.67% 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 4-37 RETURN ON CAPITAL EMPLOYED APPROVED BY THE COMMISSION FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particular	2025-26	2026-27	2027-28	2028-29	2029-30
RRB Opening	0.00	3.33	26.32	43.41	45.19
RRB Closing	3.33	26.32	43.41	45.19	44.25
RRB Average	1.67	14.83	34.86	44.30	44.72
WACC (%)	10.67%	10.67%	10.67%	10.67%	10.67%
Return on Capital Employed	0.18	1.58	3.72	4.73	4.77

4.17 Bad Debts

Petitioner's Submission:

The petitioner submitted that it has not estimated bad debts for MYT control period, however, the same shall be filed during true up exercise as may be required.

Commission's Analysis:

The Commission has approved accordingly NIL bad debts for MYT period as proposed by the Petitioner.

4.18 Contingency Reserve

Petitioner's Submission:

The MYT Regulations, 2024 provides for consideration of 0.5% of the cost of fixed assets towards the contingency reserve. Accordingly, the Petitioner has considered the Contingency Reserve as under:

TABLE 4-38 CONTINGENCY RESERVE CLAIMED BY TPL-D (D) FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Contingency Reserve	1.07	1.17	1.34	1.52	1.18

Commission's Analysis:

The Commission approves contingency reserve for FY 2025-26 to FY 2029-30 in line with the provisions of GERC (MYT) Regulations, 2024.

TABLE 4-39 CONTINGENCY RESERVE APPROVED BY TPL-D (D) FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Contingency Reserve	1.02	1.09	1.25	1.36	1.39

4.19 Non-Tariff Income

Petitioner's Submission:

The Petitioner has projected Non-Tariff Income for FY 2025-26 to FY 2029-30 considering the actuals for FY 2023-24. The Petitioner has requested the Commission to approve variation in non-tariff income except bad debt recovery as uncontrollable during the true up exercise.

Commission's Analysis:

Regulations 96 and 109 of the GERC (MYT) Regulations, 2024 specify the Non-Tariff Income include various items such as income from sale of scrap, income from statutory investment, interest on advances to supplier/contractor, etc.

The Petitioner has projected non-tariff income of Rs. 0.86 Crore for FY 2025-26 to FY 2029-30 based on actuals of FY 2023-24. The Commission in the Order had approved Non-Tariff Income for ensuing years equal to the actual Non-Tariff Income approved in True Up order for FY 2023-24 of Rs. 0.86 Crore. Accordingly, the Commission has approved Rs. 0.86 Crore towards Non-Tariff Income for the control period for FY 2025-26 to FY 2029-30.

4.20 Aggregate Revenue Requirement (ARR) for FY 2025-26 to FY 2029-30

Petitioner's Submission:

The Petitioner has projected the ARR for FY 2025-26 to FY 2029-30 as given in the table below:

TABLE 4-40 ARR PROJECTED BY PETITIONER FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Power Purchase	547.01	567.82	520.21	516.37	534.18
O&M expenses	14.05	14.83	15.89	17.02	17.63
Interest on loans	3.56	3.78	4.92	5.50	5.11
Interest on SD	2.88	3.08	3.26	3.39	3.50
Interest on working capital	1.00	0.91	0.30	0.12	0.13
Depreciation	7.57	6.91	7.36	7.26	7.21
Bad debts	-	-	-	-	-
Contingency reserve	1.07	1.17	1.34	1.52	1.18
RoE Including Income Tax	9.46	10.21	11.74	12.81	13.04
Return on Capital Employed	-	-	-	-	-
Less: Non-tariff income	0.86	0.86	0.86	0.86	0.86
ARR	**585.74**	**607.85**	**564.14**	**563.14**	**581.12**

Commission's Analysis:

The Commission based on the costs/expenses approved in the preceding paragraphs has computed the ARR as given in the Table below:

TABLE 4-41 ARR APPROVED IN RESPECT OF TPL-D (D) FOR FY 2025-26 TO FY 2029-30 *(RS. CRORE)*

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Power Purchase	470.45	480.69	495.57	492.43	509.81
O&M expenses	13.69	14.38	15.40	16.27	16.85
Interest on loans	2.72	2.18	1.74	1.38	1.08

Particulars	2025-26	2026-27	2027-28	2028-29	2029-30
Interest on SD	2.88	3.08	3.26	3.39	3.50
Interest on working capital	0.27	0.08	0.01	0.00	0.00
Depreciation	7.23	6.61	6.75	6.38	6.33
Bad debts	-	-	-	-	-
Contingency reserve	1.02	1.09	1.25	1.36	1.39
Return on Equity Capital	7.45	7.45	7.45	7.45	7.45
Return on Capital Employed	0.18	1.58	3.72	4.73	4.77
Less: Non-tariff income	0.86	0.86	0.86	0.86	0.86
Aggregate Revenue Requirement	**505.03**	**516.28**	**534.29**	**532.52**	**550.31**

4.21 Revenue from Sale of Power

Petitioner's Submission:

The Petitioner has projected the revenue from sale of power at Rs. 567.41 Crore for FY 2025-26 considering the sales at existing tariff rates for different category of consumers. Petitioner further submitted that for FY 2024-25, the Commission has approved the base Power Purchase Cost at Rs. 4.89 per kWh and base FPPPA at Rs. 1.37 per kWh. For FY 2025-26, the estimated weighted average power purchase cost works out to be Rs 6.27 per kWh as against base power purchase cost of Rs 4.89 per kWh. Thus, revised base FPPPA works to Rs 2.83 per kWh factoring the adjustment in PPC. The revenue for FY 2025-26 is estimated by considering the revised base FPPPA of Rs 2.83 per kWh.

Commission's Analysis:

The Commission decides to revise and approve the base FPPAS for FY 2025-26 @ Rs. 2.15/kWh. Accordingly, the Commission considers the Revenue from sale of power at Rs. 511.02 Crore for FY 2025-26 with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPAS base charge @2.15/Unit).

4.22 Trued Up Net Revenue Gap/(Surplus) of FY 2023-24

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. 2.89 Crore as Gap for the TPL-D (Dahej) for FY 2023-24.

Regulation 21.6 (c) of the MYT Regulations, 2016 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.

As stated above, the Gap approved for true-up of FY 2023-24 is Rs. 2.89 Crore and the related carrying cost @ 8.57% for two years is worked out as Rs. 0.50 Crore.

The Commission, accordingly, will consider the trued-up Revenue Gap of Rs. 3.38 Crore for FY 2023-24 which is inclusive of carrying cost. The same will consider for determination of tariff for FY 2025-26.

4.23 Revenue Gap/(Surplus)for FY 2025-26

The Commission has approved the ARR at Rs. 505.03 Crore and revenue from sale of power at Rs. 511.02 Crore with existing tariff i.e. as applicable for each category of consumer (slab-wise) as per the tariff (including FPPAS charge @2.15/Unit).

The Commission has approved revenue gap of Rs. 3.38 Crore for FY 2023-24 after considering the Carrying cost, which is elaborated in the above sections.

The Commission accordingly computed the revenue Gap/(Surplus) for FY 2025-26 as given in the table below:

TABLE 4-42 REVENUE GAP/(SURPLUS) FOR FY 2025-26 (RS. CRORE)

Particulars	Projected by Petitioner	Approved by Commission
ARR for FY 2025-26	585.74	505.03
Revenue from Sale of Power	567.41	511.02
Revenue Gap/(Surplus) for FY 2025-26	**18.33**	**(5.99)**
Add: Revenue Gap/(Surplus) approved for FY 2023-24	(7.74)	2.89
Carrying cost on above Gap/(Surplus)	(1.14)	0.50
Net Revenue Gap/(Surplus) for FY 2025-26	**9.45**	**(2.61)**

Accordingly, the Commission arrives at Estimated Surplus amounting to Rs. 2.61 Crore as against Rs. 9.45 Crore Gap as proposed by the Petitioner for FY 2025-26.

Chapter 5: Compliance of Directives

5.1 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:

The Petitioner submits that regarding RPO fulfilment, the Petitioner has already tied up 450 MW solar power through bidding process of which 15 MW is allocated to Dahej SEZ. The project is expected to be Commissioned during FY 2024-25. Further, the Petitioner is also in the process of inviting bids for tying up additional RE power. Accordingly, the Petitioner will update the Commission based on development of same

Commission's Comment:

The Commission has noted the submission and reiterates the directive and directs TPL to submit the study report at the earliest.

Directive No. 2 Implementation of Smart pre-payment meter/ pre-payment meters

The Petitioner was directed for necessary participation in the scheme of switching over to smart pre-payment meters, which will help in improvement of metering, billing and collection.

Petitioner's Compliance:

The Petitioner submitted that in compliance of MOP Rules and CEA Regulations, the Petitioner has proposed to initiate the installation of smart meters in phased manner in its license area during FY 2024-25.

Commission's Comment:

The Commission has noted the submission and directs TPL to submit the detailed plan in next year tariff filing exercise.

5.2 New Directives

TPL-D (Dahej) 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 6: Fuel and Power Purchase Adjustment Surcharge (FPPAS)

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:

$$\text{Monthly FPPAS for Nth Month (\%)} = \frac{(A - B) * C + (D - E)}{\{Z * (1 - \text{Distribution losses in\%}/100)\} * ABR}$$

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 the FY 2025-26:

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-

Particular	MOU	FY 2025-26
Projected Energy Requirement	MUs	830.12
Approved Power Purchase Cost (Excluding Transmission Charges)	Crore	418.07
Approved average Power Purchase Cost (PPC)	Per unit	5.04
Base Cost of Transmission Charges (Monthly)	Crore	4.36
Distribution Losses	%	0.38%
Average Billing Rate for the Year	Per unit	6.19
Inter-State and Intra-State Transmission Losses		As actual

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 7: Wheeling Charges and Cross-Subsidy Surcharge

7.1 Wheeling Charges

Petitioner's Submission:

The Petitioner has submitted that Regulation 94 of the 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. 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 a part of the retail supply business.

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 7-1 ALLOCATION MATRIX FOR SEGREGATION SUBMITTED BY TPL-D (D)

Particulars	Wire Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
Administration & General Expenses	50%	50%
Repair & Maintenance Expenses	90%	10%
Depreciation	90%	10%
Interest on Long Term Loan Capital	90%	10%
Interest on Working Capital and Consumer Security Deposit	10%	90%
Bad Debts	0%	100%
Income Tax	90%	10%
Contingency reserves	100%	0%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

Based on the above allocation matrix TPL-D (D) has segregated the ARR of Ahmedabad Supply Area for Wires and Supply business as under:

TABLE 7-2 SEGREGATION OF ARR INTO WIRES AND SUPPLY BUSINESS FOR FY 2025-26 *(RS. CRORE)*

Particulars	Wire Business	Retail Business
Power Purchase Expense	-	547.01
Employee Expense	1.69	1.13
Administration & General Expenses	3.71	3.71
Repair & maintenance Expenses	3.42	0.38
Depreciation	6.81	0.76
Interest and Finance charges	3.21	0.36
Interest on security deposit	0.29	2.59
Interest on Working capital	0.10	0.90
Bad Debt	-	-
Contingency reserve	1.07	-
Return on Equity	8.51	0.95
Less: Non-Tariff Income	0.09	0.77
Aggregate Revenue Requirement	**28.73**	**557.01**

The Petitioner has submitted that the above segregated ARR has been considered to determine the Wheeling Charges and Cross-Subsidy Surcharge for FY 2025-26.

Commission's Analysis:

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.

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.

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 7-3 Approved Segregation of ARR for FY 2025-26 *(Rs. Crore)*

Particulars	ARR	Wire Business	Retail Business
Power Purchase Expenses	470.45	0.00	470.45
Employee Expenses	2.78	1.67	1.11
Administration & General Expenses	7.29	3.65	3.65
Repair & Maintenance Expenses	3.62	3.25	0.36
Depreciation	7.23	6.51	0.72
Interest on Long Term Loan Capital	2.72	2.45	0.27
Interest on Working Capital and Consumer Security Deposit	3.16	0.32	2.84
Bad Debts	-	-	-
Contingency reserves	1.02	1.02	0.00
Return on Equity	7.45	6.71	0.75
Return on Capital Employed	0.18	0.16	0.02
Non-Tariff Income	0.86	0.09	0.77
Aggregate Revenue Requirement	**505.03**	**25.64**	**479.39**

7.2 Determination of Wheeling Charge

Petitioner's Submission:

As the sales to the LT category are negligible. Hence, Petitioner has not segregated the wheeling ARR into LT and HT category. The wheeling charges for FY 2025-26 are submitted as below:

TABLE 7-4 PROPOSED WHEELING CHARGES FOR FY 2025-26

Particulars	UoM	Projected by Petitioner
Wheeling ARR FY 25-26	Rs. Cr.	28.73
Unit Wheeled	MU	825.79
Wheeling Charges (Rs./Unit)	Rs./KWh	0.35

TPL-D (D) further submitted that the Open Access consumers will also have to bear the wheeling Losses in addition to wheeling charges at 2.00% for HT category and 4.00% LT Category.

Commission's Analysis:

The Commission has determined the ARR of the Wires Business for FY 2025-26 in the earlier section, as Rs. 25.64 Crore. The Petitioner has not segregated wheeling ARR between HT and LT voltage levels since the sales to the LT category are negligible. Accordingly, the Commission has derived the wheeling charges as shown below:

TABLE 7-5 APPROVED WHEELING CHARGES FOR FY 2025-26

Particulars	Approved
ARR of Wheeling Business (Rs. Crore)	25.64
Sales (MU)	825.79
Wheeling Charges (Rs./kWh)	0.31

The Open Access consumer will also have to bear the wheeling Losses in addition to wheeling charges at 2.00% for HT category.

7.3 Cross-Subsidy Surcharge

Petitioner's Submission:

TPL-D (D) submitted cross-subsidy calculation based on the formula enumerated in the Tariff Policy as shown in the Table below:

TABLE 7-6 PROPOSED CROSS SUBSIDY SURCHARGE FOR FY 2025-26

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	6.98
PPC – Average cost of power Purchase in Rs/ kWh	6.27
L – Loss for HT category in %	2.00%
D –Wheeling charges for HT category in Rs/ kWh	0.35
Cross subsidy surcharge in Rs/ kWh	**0.23**

Commission's Analysis:

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

Accordingly, the Commission has determined the Cross-Subsidy Surcharge based on the above formula as shown in the Table below:

TABLE 7-7 APPROVED CROSS SUBSIDY SURCHARGE FOR FY 2025-26

Particulars	HTP-1
T – Tariff for HT category in Rs/ kWh	6.19
PPC – Average cost of power Purchase in Rs/ kWh	5.67
L – Loss for HT category in %	0.38%
D –Wheeling charges for HT category in Rs/ kWh	0.31
Cross subsidy surcharge in Rs/ kWh	**0.19**

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.

Accordingly, the Commission approves Cross Subsidy Surcharges for HTP-1 as Rs.0.19/kWh.

7.4 Additional Surcharge

Petitioner's Submission:

The Petitioner has submitted that as per Regulation 25 of the 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 Electricity Act, 2003.

Commission's Analysis:

The Petitioner should submit the requisite data and justification separately for determination of Additional Surcharge.

Chapter 8: Tariff Philosophy and Tariff Proposals

8.1 Introduction

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, 2016 notified by the Commission.

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.

8.2 Proposal of TPL for increase in Retail Tariffs for FY 2025-26

The Petitioner has submitted that the cumulative (gap)/surplus for FY 2023-24, FY 2025-26 and carrying cost are computed as detailed in the earlier chapters. The Petitioner has proposed to recover the accumulated gap of Rs. 9.45 Crore by way of revision in tariff of Rs. @0.11/kWh starting from 1st April, 2025.

8.3 Commission's Ruling on Retail Tariffs for FY 2025-26

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.

However, as discussed earlier, the Commission has approved a cumulative revenue surplus of Rs. 2.61 Crore during FY 2025-26 in Chapter 4. It has been observed that the Petitioner has filed reviews/Appeals in various forums related past year gaps and related carrying costs, which are at the different stages. Further, the revenue gap/surplus may vary at the time of truing-up 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.

8.4 Green Tariff

The Petitioner has proposes to continue "Green Tariff" of Rs. 1.00 per unit over and above tariff for respective category of consumer for FY 2025-26.

The Commission has noted. The Commission has decided to revise green tariff at the rate of Rs 0.90 per unit for FY 2025-26 in line with other utilities, which is optional and available for consumers who want to avail green power for meeting their requirement by payment of Green Power Tariff over and above the normal tariff applicable to the respective category as per Tariff Order.

- Green Power Tariff of Rs 0.90 per unit, 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 (D) for FY 2025-26, as shown in the Table below:

APPROVED ARR FOR TPL-D (D) FOR FY 2025-26 (RS. CRORE)

Particular	FY 2025-26
Power Purchase	470.45
O&M expenses	13.69
Interest on loans	2.72
Interest on SD	2.88
Interest on working capital	0.27
Depreciation	7.23
Bad debts	-
Contingency reserve	1.02
Return on Equity Capital	7.45
Return on Capital Employed	0.18
Less: Non-tariff income	0.86
Aggregate Revenue Requirement	**505.03**

The retail supply tariffs for TPL-D (D) 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 FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION AND EXTRA HIGH TENSION
Effective From 1st April, 2025

GENERAL CONDITIONS

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by all the consumers of Torrent Power Limited – Distribution in the Dahej SEZ area.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purpose 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.
6. 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.
7. Conversion of Ratings of electrical appliances and equipments from kilo watt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilo watt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horsepower or kilowatt (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-watthour (kWh).

9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.

10. 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.

11. Contract Demand shall mean the maximum kW for the supply of which licensee undertakes to provide facilities to the consumer from time to time.

12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.

13. 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.

14. 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 licensees shall be entitled to take any other action deemed necessary and authorized under the Act.

15. Delayed payment charges for all consumers:

    No delayed payment charges shall be levied if the bill is paid within 10 days from the date of billing (excluding date of billing).

    Delayed payment charges will be levied at the rate of 15% per annum for the period from the due date till the date of payment.

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

16. 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

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGE

1.0 Rate: RGP

This tariff is applicable to all services in the residential premises.

Single-phase supply: Aggregate load up to 6 kW

Three-phase supply: Aggregate load above 6 kW

1.1 Fixed Charges:

For other than BPL consumers

Range of Connected Load:

Up to and including 2 kW	Rs.15/- per month
Above 2 and up to 4 kW	Rs.25/- per month
Above 4 and up to 6 kW	Rs.45/- per month
Above 6 Kw	Rs.70/- per month

For BPL household consumers*

Fixed Charges	Rs. 5 per month per installation

PLUS

1.2 Energy Charges: For the total monthly consumption:

For other than BPL consumers

(a)	First 50 units	215 Paise per Unit
(b)	Next 50 units	245 Paise per Unit
(c)	Next 150 units	310 Paise per Unit
(d)	Above 250 units	400 Paise per Unit

For BPL household consumers*

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rates 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.*

1.3 Minimum bill

Payment of fixed charges as specified in 1.1 above.

2.0 Rate: Non-RGP

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

2.1 Fixed charges per month:

Up to and including 10 kW of connected load	Rs. 50/- per kW
Above 10 kW and up to 40 kW of connected load	Rs. 85/- per kW

PLUS

2.2 Energy charges:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	290 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	320 Paise per Unit

2.3 Minimum Bill

Minimum bill installation per month for consumers other than Seasonal Consumers: Payment of Fixed Charge as specified in 2.1 above.

2.4 Minimum Bill per Installation for Seasonal Consumers

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

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

c) The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub- clause (a) above and complying with the provision stipulated under sub- clause (b) above shall be Rs. 1800/- per annum per kW of the contracted load.

d) The units consumed during the off-season period shall be charged for at a flat rate of 345 Paise per unit.

e) The electricity bills related to the off-season period shall not be considered towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be considered while determining the amount of short- fall payable towards the annual minimum bill as specified under sub-clause (c) above.

3.0 <u>Rate: LTMD</u>

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

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.

3.1 Fixed charges:

(a)	**For billing demand up to the contract demand**	
	(i) For first 40 kW of billing demand	Rs. 90/- per kW per month
	(ii) Next 20 kW of billing demand	Rs. 130/- per kW per month
	(iii) Above 60 kW of billing demand	Rs. 195/- per kW per month
(b)	**For billing demand in excess of the contract demand**	Rs. 265/- per kW per month

PLUS

3.2 Energy charges:

For the entire consumption during the month	325 Paise per unit

PLUS

3.3 Reactive Energy Charges:

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

3.4 Billing Demand

The billing demand shall be highest of the following:

(a) Eighty-five percent of the contract demand

(b) Actual maximum demand registered during the month

(c) 15 kW

3.5 Minimum Bill

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

3.6 Seasonal Consumers taking LTMD Supply:

3.6.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

3.6.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/ months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

3.6.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 3.6.1 above and complying with provisions stipulated under sub clause 3.6.2 above shall be Rs. 2970/- per annum per kW of the billing demand.

3.6.4 <u>The billing demand shall be the highest of the following</u>:

(a) The highest of the actual maximum demand registered during the calendar year.

(b) Eighty-five percent of the arithmetic average of contract demand during the year. (c) 15 kW.

3.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 345 Paise per unit.

4.0 <u>Rate: Non-RGP Night</u>

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

4.1 Fixed Charges per month:

50% of the Fixed charges specified in Rate Non-RGP above.

PLUS

4.2 Energy Charges:

For entire consumption during the month	270 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 4.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 4.0 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 Non-RGP category demand charge rates given in para 2.1 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 Non-RGP category energy charge rates given in para 2.2 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 Non-RGP category demand charge and energy charge rates given in para 2.1 and 2.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular Non-RGP tariff category to Rate: Non-RGP Night tariff or from Rate: Non-RGP Night tariff category to regular Non-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

5.0 Rate: LTMD- Night

This tariff is applicable for aggregate load above 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

5.1 Fixed Charges per month:

50 % of the Fixed charges specified in Rate **LTMD** above.

PLUS

5.2 Energy Charges:

For entire consumption during the month	275 Paise per unit

5.3 Reactive Energy Charges:

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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 5.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 5.0 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 LTMD category demand charge rates given in para 3.1 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 LTMD category energy charge rates given in para 3.2 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 LTMD category demand charge and energy charge rates given in para 3.1 and 3.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular LTMD tariff category to Rate: LTMD-Night tariff or from Rate: LTMD-Night tariff category to regular LTMD tariff four times*

in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'

6.0 Rate: WWSP

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

(a)	Fixed charges per month	Rs. 20 per HP
	PLUS	
(b)	Energy charges per month: For entire consumption during the month	305 Paise per Unit

7.0 Rate: SL

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

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

7.1.1 Energy Charges:

For all the units consumed during the month	280 Paise per unit

7.1.2 Renewal and Replacements of Lamps:

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

7.1.3 Maintenance other than Replacement of Lamps:

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

8.0 Rate: TMP

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

8.1 FIXED CHARGE

Fixed charge per installation	Rs. 15 per kW per Day

PLUS

8.2 ENERGY CHARGE

A flat rate of	485 Paise per unit

Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 hours' notice.

9.0 <u>RATE: LT - Electric Vehicle (EV) Charging Stations</u>

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	345 Paise per Unit

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

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

10.0 Rate: HTP-I

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

10.1 Demand Charges;

10.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

10.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month

PLUS

10.2 Energy Charges

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	290 Paise per Unit
(b)	For next 2000 kVA of billing demand	310 Paise per Unit
(c)	For billing demand in excess of 2500 kVA	320 Paise per Unit

PLUS

10.3 Time of Use Charges:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
(a) For Billing Demand up to 500 kVA	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

10.4 Billing Demand:

The billing demand shall be the highest of the following:

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

10.5 Minimum Bills:

Payment of "demand charges" based on kVA of billing demand.

10.6 Power Factor Adjustment Charges:

10.6.1 Penalty for poor Power Factor:

1. The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
2. In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, will be charged.

10.6.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 10.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

10.7 Maximum Demand and its Measurement:

The maximum demand in kW or kVA, as the case may be, shall mean an average KW/KVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in KW/KVA directly, have been provided.

10.8 Contract Demand:

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

10.9 Rebate for Supply at EHV:

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

10.10 Concession for Use of Electricity during Night Hours:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning (recorded by a polyphase meter operated through time-switch) shall be eligible for concession at the rate of 30 Paise per unit. The polyphase meter and time switch shall be procured and installed by the consumer at his cost and sealed by the Distribution Licensee.

10.11 Seasonal Consumers taking HT Supply:

10.11.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

10.11.2 A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in advance about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of off-season so declared and observed shall be not less than three calendar months in a calendar year.

10.11.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 10.11.1

above and complying with provisions stipulated under sub clauses 10.11.2 above shall be Rs. 4550/- per annum per kVA of the billing demand.

10.11.4 <u>The billing demand shall be the highest of the following:</u>

(a) The highest of the actual maximum demand registered during the calendar year.
(b) Eighty-five percent of the arithmetic average of contract demand during the year.
(c) One hundred kVA.

10.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 350 Paise per unit.

10.11.6 Electricity bills paid during off-season period shall not be considered towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads "Demand Charges" and "Energy Charges" shall be taken into account while determining the amount payable towards the annual minimum bill.

11.0 <u>Rate HTP-II</u>

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 KVA and above, requiring power supply for Water Works and Sewerage pumping stations.

11.1 Demand Charges:

11.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 225/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 290/- per kVA per month

11.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month

PLUS

11.2 Energy Charges:

For entire consumption during the month		
(a)	up to 500 kVA of billing demand	310 Paise per Unit
(b)	For next 2000 kVA of billing demand	330 Paise per Unit

(c)	For billing demand in excess of 2500 kVA	340 Paise per Unit

PLUS

11.3 Time of Use Charges:

For energy consumption during the two peak periods, viz., 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	
(a) For Billing Demand up to 500 kVA	35 Paise per Unit
(b) For Billing Demand above 500 kVA	75 Paise per Unit

	Same as per HTP-I Tariff
11.4 Billing demand	
11.5 Minimum bill	
11.6 Maximum demand and its measurement	
11.7 Contract Demand	
11.8 Rebate for supply at EHV	
11.9 Concession for use of electricity during night hours	

11.10 POWER FACTOR ADJUSTMENT CHARGES:

11.10.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, will be charged.

11.10.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

12.0 <u>Rate: HTP-III</u>

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

12.1 Demand Charges:

For billing demand up to contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

PLUS

12.2 Energy charges

For all units consumed during the month	550 Paise / Unit

12.3 Time of Use Charges:

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Additional charge for energy consumption during two peak periods, viz. 0700 Hrs. to 1100 Hrs. an 1800 Hrs to 2200 Hrs.	75 Paise per unit

12.4 Billing demand
12.5 Minimum bill
12.6 Maximum demand and its measurement
12.7 Contract Demand
12.8 Rebate for supply at EHV

Same as per HTP-I Tariff

12.9 POWER FACTOR ADJUSTMENT CHARGES:

12.9.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy

Charges", arrived at using tariff as per para 12.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, will be charged.

12.9.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13.0 <u>Rate: HTP-IV</u>

This tariff shall be applicable for supply of electricity to HT consumers opting to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day and contracted for regular power supply of 100 kVA and above.

13.1 Demand Charges:

1/3rd of the Fixed Charges specified in rate HTP -I above

PLUS

13.2 Energy Charges:

For all units consumed during the month	270 Paise per unit

13.3 Billing demand 13.4 Minimum bill 13.5 Maximum demand and its measurement 13.6 Contract Demand 13.7 Rebate for supply at EHV	Same as per HTP-I Tariff

13.8 POWER FACTOR ADJUSTMENT CHARGES:

13.8.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 13.0 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 13.0 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 HTP-I 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 HTP-I 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 HTP-I 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 HTP-I tariff by using electricity exclusively during night hours as above.*
7. *The option can be exercised to shift from regular HTP-I tariff category to Rate: HTP-IV tariff or from Rate: HTP-IV tariff category to regular HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

14.0 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. HTP-I, HTP-II, HTP-III & HTP-IV.

14.1 Demand Charge

For billing demand up to contract demand	Rs. 25 per kVA per month
For billing demand in excess of contract demand	Rs. 50 per kVA per month

PLUS

14.2 Energy Charge

Energy Charge	340 Paise per Unit