GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2018-19

and Determination of Tariff for FY 2020-21

For

MPSEZ Utilities Private Ltd.
(MUPL)

Case No. 1850 of 2019
3rd April, 2020

6th Floor, GIFT ONE, Road 5-C, GIFT City
Gandhinagar-382355 (Gujarat), INDIA
Phone: +91-79-23602000 Fax: +91-79-23602054/55
E-mail: gerc@gercin.org : Website www.gercin.org

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GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
AMR	Automated Meter Reader
APL	Adani Power Ltd.
APSEZL	Adani Ports and Special Economic Zone Ltd.
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CETP	Common Effluent Treatment Plan
Control period	The period from FY 2016-17 to FY 2020-21
CWIP	Capital Works in Progress
DISCOM	Distribution Company
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
HTMD	High Tension Maximum Demand
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
LTPPA	Long Term Power Purchase Agreement
MCLR	Marginal Cost of Lending Rate
MPSEZL	Mundra Port and Special Economic Zone Limited
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MW	Mega Watt
MSW	Municipal Solid Waste
MUPL	MPSEZ Utilities Private Limited
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PF	Power Factor

PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
REC	Renewable Energy Certificate
RLDC	Regional Load Despatch Centre
RPO	Renewable Purchase Obligation
SBAR	State Bank Advance Rate
SBBR	State Bank Base Rate
SBI	State Bank of India
SEZ	Special Economic Zone
SLC	Service Line Contribution
SLDC	State Load Despatch Centre
STU	State Transmission Utility
U.P.F	Unity Power Factor
WRLDC	Western Regional Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1850 of 2019

Date of the Order: 03/04/2020

CORAM

Shri Anand Kumar, Chairman

Shri. P. J. Thakkar, Member

ORDER

1. Background and Brief History

1.1 Background

MPSEZ Utilities Private Limited (hereinafter referred to as "MUPL" or the "Petitioner") has filed the present Petition on 12th December, 2019 under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 for the Truing up for FY 2018-19 and for Determination of Tariff for its Mundra Port and Special Economic Zone (SEZ) area in District Kutch, Gujarat for FY 2020-21.

Gujarat Electricity Regulatory Commission notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 which shall be applicable for Determination of Tariff in all cases covered under the Regulations from 1st April, 2016 onwards.

Regulation 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2018-19, revenue from sale of power at existing tariffs and charges for the ensuing year, i.e., FY 2020-21, Revenue Gap or Revenue Surplus for the ensuing year for Determination of Tariff for FY 2020-21 to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

After technical validation of the Petition, it was registered on 18th December, 2019 as Case No. 1850/2019 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2 MPSEZ Utilities Private Limited (MUPL)

The Petitioner, MPSEZ Utilities Private Ltd (MUPL) is a company incorporated in 2008 under the Companies Act, 1956. Another company, Adani Ports and Special Economic Zone Ltd. (APSEZL), formerly known as Mundra Port and Special Economic Zone Limited (MPSEZL), is developing a multi-product SEZ at Mundra. The area of MPSEZL is about 8,481 hectares.

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

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

1.3 Commission's Order for Approval of final ARR for FY 2016-17 and Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21

The Petitioner filed its petition for Truing up for 2015-16, Approval of Final ARR for 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of Tariff for 2017-18 on 14th December, 2016. The Petition was registered on 17th December, 2016 (under Case No. 1631 of 2016). The Commission vide Order dated 31st March, 2017 approved the Truing up for 2015-16, Final ARR for

2016-17, Multi-Year ARR for FY 2016-17 to FY 2020-21 and determined the Tariff for FY 2017-18.

1.4 Commission's Order for Approval of True up of FY 2016-17 and Determination of Tariff of FY 2018-19

The Petitioner filed its Petition for Truing up for FY 2016-17 and Determination of Tariff for FY 2018-19 on 15th December, 2017. The Petition was registered on 19th December, 2017 (under Case No. 1694 of 2017). The Commission vide Order dated 5th April, 2018 approved the Truing up for FY 2016-17 and determined the Tariff for FY 2018-19.

1.5 Commission's Order for Approval of True up of FY 2017-18, Mid-Term Review of FY 2019-20 & FY 2020-21 and Determination of Tariff for FY 2019-20

The Petitioner filed its Petition for Truing up for FY 2017-18, Mid-Term Review of FY 2019-20 and FY 2020-21 and determination of Tariff for FY 2019-20 on 15th December, 2018. After technical validation the Petition was registered on 27th December, 2018 (Case No. 1772 of 2018). The Commission vide Order dated 30th July 2019 approved the Truing-up for FY 2017-18, Mid-Term review of FY 2019-20 & FY 2020-21 and determined the Tariff for FY 2019-20.

1.6 Background of the present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the control period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the Truing up for 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).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wire Business and Retail Supply Business, for each financial year, within the Control Period, based on the approved forecast and results of the Truing up exercise.

1.7 Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing up for FY 2016-17 and Determination of Tariff for FY 2018-19 on 12th December, 2019. After technical validation of the petition, it was registered on 18th December, 2019 (Case No. 1850 of 2019) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, MUPL was directed to publish its application in newspapers to ensure public participation.

The Public Notice, inviting objections /suggestions from the stakeholders on the petition, was published in the following newspapers:

Table 1-1: List of newspapers (Petitioner)

Sl. No.	Particulars	Language	Date of Publication
1	The Indian Express	English	04.01.2020
2	Kutch Mitra	Gujarati	04.01.2020

The Petitioner also placed the public notice and the petition on its website (www.adaniports.com), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 2nd February, 2020.

The Commission also placed the petition and additional details received from the Petitioner on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission has not received any objections / suggestions from the consumers / consumer organizations before or even after the due date of 2nd February, 2020. However, the Commission has scheduled a public hearing on 13th February, 2020 at the Commission's Office at Gandhinagar and on 18th February, 2020 at PGVCL Corporate Office at Rajkot for MUPL.

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

Table 1-2: List of Newspapers (Commission)

Sr. No.	Name of Newspaper	Language	Date of Publication
1.	The Indian Express	English	04/02/2020
2.	Divya Bhaskar	Gujarati	05/02/2020
3.	Sandesh	Gujarati	05/02/2020

However, the Commission has not received any objections / suggestions from consumers / consumer organizations on the Petition.

1.8 Approach of this Order

The GERC (MYT) Regulations, 2016, provide for "Truing up" for the previous year and Determination of Tariff for the ensuing year.

MUPL has approached the Commission with the present Petition for "Truing up" for FY 2018-19 and Determination of Tariff for FY 2020-21.

In this Order, the Commission has considered the "Truing up" for FY 2018-19, as per the GERC (MYT) Regulations, 2016.

The Commission has undertaken "Truing up" for FY 2018-19, based on the submissions of the Petitioner. The Commission has undertaken the computation of Gains and Losses for FY 2018-19, based on the audited annual accounts.

While Truing up for FY 2018-19, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per 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 FY 2018-19 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of Tariff for FY 2020-21 have been considered as per the GERC (Multi-Year Tariff) Regulations, 2016.

1.9 Contents of the Order

This Order is divided into **Eight** chapters as under:

1. The **First Chapter** provides the background of the Petitioner, the Petition and details of the Public Hearing Process and the Approach adopted for this Order.
2. The **Second Chapter** outlines the Summary of MUPL's Petition.
3. The **Third Chapter** deals with 'Truing up' for FY 2018-19.
4. The **Fourth Chapter** deals with the Determination of Tariff for FY 2020-21.
5. The **Fifth Chapter** deals with the Compliance of Directives.
6. The **Sixth Chapter** deals with FPPPA Charges
7. The **Seventh Chapter** deals with Determination of the Wheeling Charges and Cross-Subsidy Surcharge.
8. The **Eighth Chapter** deals with the Tariff Philosophy and Tariff Proposal.

2. Summary of MUPL's Petition

2.1 Introduction

This Chapter deals with highlights of the Petition as submitted by MUPL for Truing up for FY 2018-19 and Determination of Tariff for FY 2020-21.

2.2 True-up of FY 2018-19

A summary of the proposed ARR for Truing-up for FY 2018-19 compared with the approved final ARR for FY 2018-19 in the "Multi Year Tariff Order" dated 31st March, 2017 is presented in the Table below along with the item-wise Gain/ Loss computations as submitted by MUPL:

Table 2-1: True-up proposed for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	True-Up of FY 2018-19				
		Approved in the MYT Order	Actual Claimed	Over(+)/under(-) Recovery	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	231.24	145.48	85.76	-	85.76
2	Operation & Maintenance Expenses	10.14	8.81	1.33	-	1.33
3	Depreciation	3.84	2.90	0.95	-	0.95
4	Interest & Finance Charges	2.87	2.70	0.17	-	0.17
5	Interest on Security Deposit	0.19	0.12	0.06	-	0.06
6	Interest on Working Capital	2.65	1.37	1.28	-	1.28
7	Bad Debts Written Off	-	-	0.00	-	0.00
8	Contribution to Contingency Reserves	-	-	0.00	-	0.00
9	Return on Equity	2.97	3.02	(0.05)	-	(0.05)
10	Income Tax	-	1.83	(1.83)	-	(1.83)
11	Less: Non-Tariff Income	0.45	3.03	(2.58)	-	(2.58)
12	**Aggregate Revenue Requirement**	**253.45**	**163.20**	**90.25**	-	**90.25**

2.3 Revenue Gap / (Surplus) for FY 2018-19

The Table below summarizes the proposed ARR claimed by MUPL for Truing up.

Table 2-2: True up of FY 2018-19 as claimed by MUPL

(Rs. Crore)

Sr. No.	Particular	Claimed
1	**Approved as per the MYT Order (A)**	**253.45**
2	Less: Gain on account of Controllable Factor to be passed on to the consumers (1/3) (B)	0.00
3	Less: Gain on account of Un-controllable Factor to be passed on to the consumers (C)	90.25
4	**Trued-up ARR for FY 2018-19, D= (A-B-C)**	**163.20**

MUPL has considered Revenue Surplus of Rs. 2.15 Crore. for FY 2014-15, Revenue Gap of Rs. 8.67 Crore for up to FY 2016-17 and carrying cost of Rs. 1.15 Crore on Revenue Gap of FY 2016-17 for FY 2017-18 & FY 2018-19, which has been approved by Commission vide Tariff Order Case No. 1694 of 2017 dated 5th April, 2018.

The Table below summarizes the trued-up ARR, Revenue from Sale of Power, resultant Gap / (Surplus), carrying cost and consolidated Gap / (Surplus) for FY 2018-19.

Table 2-3: Derivation of consolidated Revenue Gap / (Surplus) claimed for FY 2018-19

(Rs. Crore)

Particulars	Actual Claimed
Net Revenue Gap / (Surplus) of FY 2018-19	3.28
Add: Approved Gap/(Surplus) for FY 2014-15	(2.15)
Add: Revenue Gap up to FY 2016-17	8.67
Add: Carrying Cost on Revenue Gap of FY 2016-17 for FY 2017-18 and FY 2018-19	1.15
Consolidated Revenue Gap for FY 2018-19	**10.94**

2.4 ARR, Revenue at Existing Tariff, Revenue Gap and Tariff Proposal for FY 2020-21

MUPL has also sought approval for final Aggregate Revenue Requirement for FY 2020-21 as per the MTR Order dated 30th July, 2019. MUPL has submitted the Revenue Requirement as under:

Table 2-4: ARR Proposed for FY 2020-21

(Rs. Crore)

Particulars	FY 2020-21
Power Purchase Cost	162.58
O&M Expenses	11.33
Depreciation	1.99
Interest and Finance Charges	2.14
Interest on Security Deposits	0.11
Interest on Working Capital	1.65
Return on Equity	3.07
Contribution to Contingency Reserves	0.00
Income Tax	2.77
Less: Non-Tariff income	2.92
ARR	**182.73**

2.5 Revenue Gap/ (Surplus) for FY 2020-21

Based on the ARR for FY 2020-21 given in the Table above, the estimated Revenue Gap for FY 2020-21 at existing tariff is shown in the following Table.

Table 2-5: Estimated Revenue Gap / (Surplus) for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Actual Claimed
1	ARR for FY 2020-21	182.73
2	Add: Consolidated Revenue Gap for FY 2018-19	10.94
3	Add: Carrying Cost on Revenue Gap of FY 2018-19 for FY 2019-20 and FY 2020-21	1.84
4	**Less: Revenue from existing tariff for FY 2020-21**	197.94
5	**Revenue Gap / (Surplus) in FY 2020-21**	**(2.43)**

2.6 Request of MUPL

1. Admit the Petition for Truing up for Aggregate Revenue Requirement for FY 2018-19 and Tariff Determination for FY 2020-21.
2. Approve consolidated Revenue Gap of FY 2018-19 along with carrying cost.
3. Approve sharing of Gains/Losses, as proposed by the Petitioner for FY 2018-19.

4. Approve Wheeling ARR and corresponding charges for wheeling of power with effect from 01.04.2020.
5. Approve Cross Subsidy Surcharge filed by the Petitioner.
6. Approve Tariff Schedule as proposed by the Petitioner.
7. Allow additions / alterations / changes modifications to the application at a future date.
8. Allow any other relief, Order or direction, which the Commission deems fit to be issued.
9. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date.

3. Truing up for FY 2018-19

3.1 Introduction

This Chapter deals with the Truing up for FY 2018-19 of MUPL.

The Commission has analysed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2018-19 in the following paragraphs.

3.2 Energy Sales

Petitioner's submission

MUPL has submitted the actual energy sales for FY 2018-19 as shown in the Table below.

Table 3-1: Energy Sales claimed for FY 2018-19

(MUs)

Particulars	Approved in the MYT Order	Actual claimed
Energy Sales	539.07	299.61

MUPL has submitted that the deviation in energy sales is mainly because of variation in number of customers and their demand. Due to overall economic slowdown, the growth in the demand and sales was lower than what was projected.

Commission's analysis

As energy sales are uncontrollable, the Commission accepts the deviation submitted by MUPL.

The sales as submitted by the Petitioner has been verified, compared and confirmed with the sale of energy furnished in the monthly return under Form A specified in Rule 6(1) (A) filed by MUPL with the Chief Electrical Inspector and Collector of Electricity Duty. The sales have also been verified and confirmed from the financial statement submitted by the Petitioner along with the Petition.

The Commission has reviewed the above submissions and found them to be satisfactory. Accordingly, the energy sales for FY 2018-19 are approved as follows:

Table 3-2: Energy Sales approved for FY 2018-19

(MUs)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Energy Sales	539.07	299.61	299.61

The Commission approves energy sales of 299.61 MUs for Truing up for FY 2018-19.

3.3 Distribution Losses

Petitioner's submission

MUPL has submitted the actual Distribution Losses for FY 2018-19 as shown in the Table below.

Table 3-3: Distribution Losses claimed for FY 2018-19

(%)

Particulars	Approved in the MYT Order	Actual claimed
Distribution Losses	4.00%	3.46%

MUPL has submitted that it considers Distribution Losses as uncontrollable since it is attributed to technical losses of electrical network which is yet to be optimally loaded.

Commission's analysis

The distribution network in the licence area of MUPL is yet to be fully established and the consumer load is also yet to be stabilized, hence, the actual Distribution Losses of MUPL are required to be considered as uncontrollable.

Table 3-4: Distribution Losses approved for FY 2018-19

(%)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Distribution Losses	4.00%	3.46%	3.46%

The Commission approves Distribution Losses of 3.46% for Truing up for FY 2018-19.

3.4 Energy Requirement

Petitioner's submission

The actual Energy Requirement for MUPL is based on the actual Energy Sales, Transmission Losses and Distribution Losses, as shown in the Table below:

Table 3-5: Energy Requirement claimed for FY 2018-19

(MUs)

Particulars	Approved in the MYT Order	Actual claimed
Energy Sales	539.07	299.61
Distribution Losses (%)	4.00%	3.46%
Distribution Losses (MU)	22.46	10.73
Energy Requirement	561.53	310.34
Transmission Losses (%)	0.81%	0.00%
Transmission Losses (MUs)	4.60	0.00
Total Energy Requirement	**566.13**	**310.34**

Commission's analysis

The actual Energy Requirement claimed by the Petitioner for FY 2018-19 along with Energy Requirement as per the MYT Order dated 31st March, 2017 has been examined and verified by the Commission. The Commission observed that there is a reduction of 255.79 MUs in the Energy Requirement for MUPL against the quantum of 566.13 MUs approved in the MYT Order.

The actual Energy Requirement is lower than that approved in the MYT Order, due to lower actual Sales, Distribution Losses and Transmission Losses. As regards consideration of Nil Transmission Losses, the Petitioner submitted in its reply to the Commission's query that it is directly connected with APMuL through a dedicated transmission line, which is in turn connected to both Intra-State and Inter-State transmission networks and therefore, no STU Charges and Losses were claimed by SLDC/STU during FY 2018-19. The actual Energy Requirement being the sum of Energy Sales and Transmission Losses & Distribution Losses, works out to 310.34 MUs for FY 2018-19.

The Commission accordingly approves the Energy Requirement at 310.34 MUs for Truing up for FY 2018-19 as given in the Table 4-6 below:

Table 3-6: Energy Requirement approved for FY 2018-19

(MUs)

Particulars	Approved in the MYT Order	Actual claimed	Approved for FY 2018-19
Energy Sales	539.07	299.61	299.61
Distribution Losses (%)	4.00%	3.46%	3.46%
Distribution Losses (MU)	22.46	10.73	10.73
Energy Requirement	561.53	310.34	310.34
Transmission Losses (%)	0.81%	0.00%	0.00%
Transmission Losses (MUs)	4.60	0.00	0.00
Total Energy Requirement	**566.13**	**310.34**	**310.34**

3.5 Energy Availability

Petitioner's submission

The Petitioner has submitted the source-wise energy purchased for FY 2018-19, as shown in the Table below:

Table 3-7: Energy Availability as claimed for FY 2018-19

(MUs)

Particular	Approved in the MYT Order	Actual Claimed
LT PPA	446.76	275.12
Bilateral & Others	47.47	25.70
Purchase from IEX	0.00	3.78
RPO – Solar	24.06	0.00
RPO – Wind	45.01	5.75
RPO – Others	2.83	0.00
Total Energy Available	**566.13**	**310.34**

Commission's analysis

For satisfaction of its base load power requirement, MUPL has entered into a Power Purchase Arrangement (PPA) with Adani Power Ltd. with contracted capacity of 50 MW for FY 2018-19, which has been approved by the Commission. The balance Energy Requirement shown under the Bilateral and Others has been met through Unscheduled Interchange (UI), which has been verified through SLDC reports. Further, energy has also been procured from IEX during this period.

Considering the foregoing submission related to Energy Sales and Distribution Losses, the Commission approves the Energy Requirement as submitted by MUPL. The Commission notes that the total energy units also include the UI units. Further, most of the energy quantum has been procured through Adani Power Ltd.'s Mundra plant at MUPL's bus and hence no Transmission Losses are incurred in FY 2018-19.

The Commission, accordingly, approves the sources of power purchase and energy units purchased as shown in the table below:

Table 3-8: Energy Availability approved for FY 2018-19

(MUs)

Particular	Approved in the MYT Order	Actual Claimed	Approved in Truing Up
LT PPA	446.76	275.12	275.12
Bilateral & Others	47.47	25.70	25.70
Purchase from IEX	0.00	3.78	3.78
RPO – Solar	24.06	0.00	0.00
RPO – Wind	45.01	5.75	5.75
RPO – Others	2.83	0.00	0.00
Total Energy Available	**566.13**	**310.34**	**310.34**

3.6 Power Purchase Cost

Petitioner's submission

MUPL has submitted the following power purchase cost.

Table 3-9: Power Purchase Cost claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Deviation
LT PPA	182.18	129.71	
Bilateral & Others	12.64	6.59	
Purchase from IEX	0.00	1.61	
RPO – Solar	14.10	0.00	
RPO – Wind	18.86	1.86	
RPO – Others	2.00	0.00	
Renewable Energy Certificates (RECs)	0.00	5.62	
Other (Reactive, SLDC & Transmission Charges)	1.46	0.09	
Net Power Purchase Cost	**231.24**	**145.48**	**85.76**

MUPL has submitted the following justifications for the power purchase cost incurred:

- The variation in power purchase cost is on account of variation in sales and variation in actual cost with respect to base rate during the year which is uncontrollable.
- MUPL has fulfilled its RPO for FY 2018-19 by purchasing Renewable Energy Certificates (RECs) of Rs. 3.91 Crore.
- MUPL has also fulfilled its RPO for FY 2013-14 by purchasing Solar & Non-Solar RECs worth of Rs. 1.71 Crore through Indian Energy Exchange (IEX) during FY 2018-19 in view of Orders passed by the Hon'ble Commission in Petition No. 1437 of 2014 & 1442 of 2014, respectively on 8th January, 2019 & 2nd January, 2019. MUPL had made provision to fulfil its RPO for FY 2013-14 in FY 2015-16 but it was not considered for Truing up as there was no actual spent on this account. Therefore, MUPL has now considered actual cost of Rs. 1.71 Crore in Truing up for FY 2018-19 for RPO of FY 2013-14.

MUPL submitted that the Commission has classified power purchase cost as uncontrollable as per Regulation 22.1 (c) of the GERC (MYT) Regulations, 2016. Thus, the Power purchase cost is as an uncontrollable item.

Commission's analysis

The Commission has analysed the power purchase cost in detail in terms of various sources of power, energy units procured and source-wise cost.

The Commission reviewed the audited accounts where the power purchase cost has been mentioned as Rs. 140.26 Crore while MUPL has considered the net power purchase cost as Rs. 145.48 Crore. As regards the deviation, the Petitioner submitted that the financial statements have shown total power purchase cost of Rs. 140.26 Crore, which is consolidated figure of actual power purchase cost of Rs. 145.48 Crore, rebate of Rs. (2.96) Crore on early payments of power, and reversal of provision of Rs. (2.25) Crore against shortfall of RPO for FY 2013-14 made in FY 2015-16.

As per Regulation 97.2 (n) of the GERC (MYT) Regulations, 2016, prompt payment rebate has been considered as Non-Tariff Income and therefore, the same has been excluded from total power purchase cost.

As regards the reversal of provision of Rs. (2.25) Crore against shortfall of RPO for FY 2015-16, MUPL submitted that it had made the provision in FY 2015-16 for pending RPO of FY 2013-14 but it was not considered for Truing-up since there was no amount incurred for the same. Accordingly, the Commission had approved the power purchase cost vide its Order for Case No. 1631 of 2016 dated 31st March, 2017.

The Commission has also noted the submissions of MUPL towards the fulfilment RPO of FY 2013-14 as Rs. 1.71 Crore. in Truing up for FY 2018-19 from the REC invoices raised by IEX.

The Petitioner has procured short-term power from IEX at the rate of Rs. 4.26 per kWh as submitted in Form F2 of the petition.

For fulfilling its RPO Obligations, MUPL has purchased Solar and Non-Solar RECs from the exchange. The REC invoices were submitted with the Commission which were verified accordingly. The Commission notes that MUPL has incurred Rs. 3.91 Crore for the purchase of Solar and Non-Solar RECs.

The power purchase cost as approved by the Commission is presented below.

Table 3-10: Source-wise Power Purchase Cost approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
LT PPA	182.18	129.71	129.71
Bilateral & Others	12.64	6.59	6.59
Purchase from IEX	0.00	1.61	1.61
RPO-Solar	14.10	0.00	0.00
RPO-Wind	18.86	1.86	1.86
RPO-Others	2.00	0.00	0.00
Renewable Energy Certificates (RECs)	0.00	5.62	5.62
Other (Reactive, UI, SLDC & Transmission Charges)	1.46	0.09	0.09
Total	**231.24**	**145.48**	**145.48**

Considering the approved power purchase cost of Rs. 145.48 Crore for the approved energy procurement of 310.34 MUs, the per unit power purchase cost works out to Rs. 4.69/kWh.

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 3-11: Gains / (Losses) on account of Power Purchase Cost for FY 2018-19

(Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Power Purchase Cost	231.24	145.48	85.76	0.00	85.76

3.7 Capital Expenditure, Capitalization and Funding of Capex

Petitioner's submission

MUPL has incurred gross capital expenditure of Rs 4.83 Crore against the approved capital expenditure of Rs. 45.35 Crore for FY 2018-19 as per the MYT Order dated 31.03.2017. MUPL has further stated that it has capitalized Rs. 18.86 Crore against approved capitalization of Rs. 9.99 Crore. Since the actual SLC received from the customers is Rs. 3.38 Crore and taking into account the impacts of previous unutilised SLC balances of FY 2016-17 & FY 2017-18, the Net Capitalization (Gross Capitalization minus SLC) for FY 2018-19 is claimed as Rs. 4.37 Crore. The following details have been submitted in respect of the capitalisation incurred during FY 2018-19.

Table 3-12: Capitalisation claimed for FY 2018-19

(Rs. Lakh)

Sr. No.	Particulars	FY 2018-19	
		Capitalization	
		Approved in the MYT Order	Actual claimed
A	**EHV (220 kV & 66 kV)**		
	EHV Transmission line	130	-
	EHV Transmission Cable	177	183
	EHV Substation	515	982
	Land Cost	-	337
	Civil Cost	89	209
	Total	**911**	**1,712**
B	**HT (33 kV & 11 kV) & NETWORK**		
	33 kV HT Cable Network	-	-
	11 kV HT Cable Network	-	149

Sr. No.	Particulars	FY 2018-19	
		Capitalization	
		Approved in the MYT Order	Actual claimed
	33 / 11 kV HT Substation	12	-
	Land Cost	-	-
	Civil Cost	-	-
	Total	**12**	**149**
C	**Others**		
	Automation & SCADA	47	13
	Testing and Measuring Equipment	-	2
	IT	28	8
	Meters & AMR	-	3
	Miscellaneous	-	-
	Buildings & other civil work	-	-
	Total	**75**	**26**
D	**Grand Total**	**999**	**1886**

Commission's analysis

The Commission observed that the Petitioner has claimed capital expenditure of Rs. 4.83 Crore, as against Rs. 45.35 Crore approved by the Commission in the MYT Order dated 31st March, 2017. The Commission has verified from the annual accounts that the Petitioner has incurred capital expenditure of Rs. 4.83 Crore during FY 2018-19.

In terms of value submitted, the Commission has scrutinized the audited annual accounts for FY 2018-19 and observed that the actual capital expenditure works out to Rs. 4.83 Crore based on the values for capital works in progress and gross fixed assets added during the year as shown in the Table below:

Table 3-13: Capex worked out by Commission for FY 2018-19

(Rs. Crore)

No.	Particulars	Value as per audited accounts
A	Opening CWIP	15.62
B	Closing CWIP	1.59
C	Gross Fixed Assets added	18.86
D	**Capex [C+(B-A)]**	**4.83**

Further, in terms of SLC, the Commission observes that in the previous Tariff Order dated 30th July, 2019, the Commission had directed the Petitioner to utilize the un-utilised balance of SLC of Rs. 13.15 Crore during FY 2018-19. On a query from the

Commission regarding the status of un-utilised SLC of 13.15 Crore, the Petitioner vide email dated 21st March, 2020 has confirmed the utilisation of the said SLC amount of Rs.13.15 Crore in Capitalisation of FY 2018-19.

The Commission accepts the contention that SLC used towards asset creation should be considered while computing the funding of capex which is in line with the approach followed for capital expenditure and capitalization. Therefore, as the capitalisation in the year is Rs. 18.86 Crore, with the accounting of unutilised SLC balances of FY 2018-19 of Rs.13.15 Crore and SLC received in FY 2018-19 of Rs.3.38 Crore, the Commission has accordingly arrived at a net Capitalisation of Rs. 2.33 (18.86-13.15-3.38) Crore.

Considering the foregoing analysis, the Commission has approved the following capex, capitalization and funding of capex.

Table 3-14: Capital Expenditure, Capitalization and Funding of Capex approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Capex	45.35	4.83	4.83
Capitalization	9.99	18.86	18.86
Less: SLC	9.52	3.38	3.38
Balance Capitalization	0.47	4.37	2.33
Normative Debt (70%)	0.33	3.06	1.63
Normative Equity (30%)	0.14	1.31	0.70

Thus, the Commission approves a Capex of Rs. 4.83 Crore and net Capitalization of Rs. 2.33 Crore after considering SLC of Rs. 3.38 Crore and unutilised SLC of previous years (Rs. 13.15 Crore), for Truing up for FY 2018-19.

3.8 Operations and Maintenance Expenses

Petitioner's submission

The Operations and Maintenance Expenses comprise of the Employee cost, Administration & General Expenses and Repairs and Maintenance expenditure. The actual Operations and Maintenance Expenses furnished by MUPL are given in the Table below:

Table 3-15: Operation and Maintenance Expenses claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Deviation +/(-)
Operation and Maintenance Expenses	10.14	8.81	1.33

MUPL has submitted that O&M Expenses depend upon addition of new sub-stations and distribution system with development of SEZ area and addition of new SEZ units. Moreover, there are various challenges related to R&M of electrical network / system in coastal area like saline weather condition for system exposed to air and high water table for network below ground level. These are uncontrollable factors which lead to deviations in O&M Expenses.

Commission's analysis

The Commission has verified the O&M Expenses from the audited accounts. MUPL has incurred Employee Expenses of Rs. 3.00 Crore, A&G expenses of Rs.4.86 Crore. The Commission observes that MUPL has excluded an amount of Rs. 0.09 Crore towards Charity & donations from A&G Expenses. The Commission also verified the R&M Expenses of Rs.0.95 Crore from the annual accounts and found the same at par with what is claimed by the Petitioner. Accordingly, the Commission approves the following O&M Expenses.

Table 3-16: Operation and Maintenance Expenses approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Employee Expenses	3.46	3.00	3.00
Repairs & Maintenance Expenses	1.94	0.95	0.95
Administration & General Expenses	4.74	4.86	4.86
Total O&M Expenses	**10.14**	**8.81**	**8.81**

The Commission approves O&M Expenses of Rs. 8.81 Crore for Truing up for FY 2018-19.

Further, as per 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 judgement dated 09th May, 2019 of the Hon'ble APTEL in Appeal No. 256 of 2016 in the matter related to TPL-D (Dahej), the Commission decides to accept MUPL's submission that O&M Expenses should be considered as uncontrollable along the lines of Distribution Losses, as the SEZ is yet to stabilize.

Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-17: Gains / (Losses) on account of O&M Expenses for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
O&M Expenses	10.14	8.81	1.33	-	1.33

3.9 Depreciation

Petitioner's submission

MUPL has submitted the following details related to fixed assets and depreciation for the purpose of Truing up for FY 2018-19.

Table 3-18: Depreciation claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Deviation +/(-)
Gross block at the beginning of the Year	90.77	92.00	
Addition during the Year	9.99	18.86	
Gross block at the end of the Year	100.76	110.86	
Depreciation	**3.84**	**2.90**	**0.94**

MUPL has submitted that the computation of depreciation on the fixed assets is based on straight line method as prescribed in the Regulations. The Depreciation rates considered are as per the GERC (MYT) Regulations, 2016.

MUPL has deducted amortization of service line contribution and accordingly, claimed depreciation of Rs. 2.90 Crore. MUPL has requested the Commission to treat the variation in depreciation amount compared to the approved amount as uncontrollable.

Commission's analysis

The Commission has considered the opening balance of GFA for FY 2018-19 equal to the closing balance of GFA for FY 2017-18 approved by the Commission in the Order in Petition No. 1772 of 2018 dated 30th July, 2019.

The Commission has verified the depreciation from the Audited Accounts for FY 2018-19. It is observed that depreciation as per Annual Accounts is Rs. 4.74 Crore. The Petitioner has deducted amortization of service line contribution of Rs. 1.84 Crore and accordingly claimed depreciation of Rs. 2.90 Crore.

The Commission approves Depreciation of Rs. 2.90 Crore for the purpose of Truing up for FY 2018-19 as shown below:

Table 3-19: Depreciation approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Gross block at the beginning of the Year	90.77	92.00	92.00
Addition during the Year	9.99	18.86	18.86
Gross block at the end of the Year	100.76	110.86	110.86
Depreciation	**3.84**	**2.90**	**2.90**

The deviation of Rs. 0.94 Crore is considered as uncontrollable Gains, as the depreciation is dependent on capitalisation.

Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-20: Gains / (Losses) on account of Depreciation for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Depreciation	3.84	2.90	0.94	0.00	0.94

3.10 Interest and Finance Charges

Petitioner's submission

MUPL submitted that it has calculated the Interest Expenses on the basis of actual weighted average interest rate charged by the bank for existing loan as per the GERC (MYT) Regulations, 2016. It is further submitted that it has availed a normative term loan for the period of 5 Year and has paid the interest amount to the bank at weighted average interest rate of 10.38% during FY 2018-19.

MUPL has submitted the following details in respect of Interest and Finance Charges.

Table 3-21: Interest and Finance Charges for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed
Interest on Normative Loan		
Opening Loans	25.38	25.43
Addition of Loan due to Capitalisation during the Year	0.33	3.06
Less: Repayment	3.84	2.90
Closing Loan	21.87	25.60
Average Loan	23.63	25.51
Rate of Interest (%)	11.65%	10.38%
Interest on Normative Loan	**2.75**	**2.65**
Bank & Finance Charges	0.12	0.05
Total Interest and Finance Charges	**2.87**	**2.70**

Commission's analysis

The Commission has verified the normative loan opening value with the normative closing loan value approved in Truing up for FY 2017-18. The loan addition has been considered in line with the normative loan addition approved in the discussion on capitalization. The repayment has been equated to net value of depreciation.

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 and computation of weighted average rate of interest, which the Petitioner submitted vide additional submissions. The Commission has verified the Rate of Interest of 10.38%

claimed by the Petitioner for the actual loan portfolio submitted for FY 2018-19 and found it to be correct.

The bank and finance charges have been cross checked with the audited accounts. The Commission observes that the Petitioner has incurred Rs. 0.05 Crore under this head.

Based on the foregoing analysis, the Commission's approves the Interest & Finance Charges of Rs. 2.63 Crore as shown in the Table below:

Table 3-22: Interest and Finance Charges approved up for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Interest on Normative Loan			
Opening Loan	25.38	25.43	25.45
Addition of Loan due to Capitalisation during the Year	0.33	3.06	1.63
Less: Repayment	3.84	2.90	2.90
Closing Loan	21.87	25.60	24.18
Average Loan	23.63	25.51	24.82
Rate of Interest (%)	11.65%	10.38%	10.38%
Interest on Normative Loan	**2.75**	**2.65**	**2.58**
Bank & Finance Charges	0.12	0.05	0.05
Total Interest and Finance Charges	**2.87**	**2.70**	**2.63**

The Commission approves Interest and Finance Charges at Rs. 2.63 Crore for Truing up for FY 2018-19.

As noted in the preceding section, the Commission is of the view that the parameters which affect interest and finance charges should be treated as uncontrollable. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-23: Gains / (Losses) on account of Interest and Finance Charges for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest and Finance Charges	2.87	2.63	0.24	0.00	0.24

3.11 Interest on Working Capital

Petitioner's submission

The Interest on Working Capital is arrived at as per the GERC (MYT) Regulations, 2016, as provided in the Table below:

Table 3-24: Interest on Working Capital claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed
Working Capital Requirement		
O&M Expenses	0.84	0.73
Spares at 1% of GFA	0.91	0.92
Receivables	23.29	13.33
Sub-total	**25.05**	**14.98**
Less: Security Deposit	2.39	2.36
Normative Working Capital	**22.66**	**12.62**
Interest Rate (%)	11.70%	10.89%
Interest on Working Capital	**2.65**	**1.37**

The working capital computed as per the GERC (MYT) Regulations, 2016 works out to be Rs. 14.98 Crore which is more than the average security deposit amount of Rs. 2.36 Crore. MUPL has considered interest on working capital at weighted average 1 year SBI Marginal Cost of Funds Based Lending Rate (MCLR) for FY 2018-19 plus 250 basis points as per the GERC (MYT) Regulations, 2016 and accordingly, interest on working capital has been considered @ 10.89% (8.39%+2.50%) for FY 2018-19.

Commission's analysis

The Commission has reviewed the working capital requirement in terms of the component wise values approved in preceding sections.

With regard to rate of interest on working capital, the Commission vide notification no. 7 of 2016 dated 2nd December, 2016 has amended its Regulation 40.4 (b) of the GERC (MYT) Regulations, 2016 as given under:

Interest shall be allowed at a rate equal to the State Bank Base Rate (SBBR) / 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable as on 1st April of the financial year in which the petition is filed plus 250 basis points:

Provided that at the time of Truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average State Bank Base Rate (SBBR) / 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable prevailing during the financial year plus 250 basis points.

In line with the above proviso to Regulation 40.4 (b), the Commission has considered the weighted average of 1-year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) of 8.39% prevailing during the financial year 2018-19 plus 250 basis points. Accordingly, the rate of interest on working capital worked out to be 10.89%.

Table 3-25: Interest on Working Capital approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Working Capital Requirement			
O&M Expenses (1 month)	0.84	0.73	0.73
Spares (1% of GFA)	0.91	0.92	0.92
Receivables (1 month of revenue at existing tariffs)	23.29	13.33	13.33
Sub-total	**25.05**	**14.98**	**14.98**
Less: Security Deposit	2.39	2.36	2.36
Normative Working Capital	**22.66**	**12.62**	**12.62**
Interest Rate	11.70%	10.89%	10.89%
Interest on Working Capital	**2.65**	**1.37**	**1.37**

The Commission approves Interest on Working Capital at Rs. 1.37 Crore for Truing up for FY 2018-19.

The Commission considers the Interest on Working Capital as uncontrollable, since the components forming part of the working capital are mostly uncontrollable. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-26: Gains / (Losses) on account of Interest on Working Capital for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest on Working Capital	2.65	1.37	1.28	0.00	1.28

3.12 Interest on Security Deposit

Petitioner's submission

MUPL has submitted that the contribution to security deposit depends upon the addition of new consumers & their load growth from time to time as projected in ARR Petition for FY 2018-19. Moreover, the bulk consumers opt to give Bank Guaranty (BG) instead of cash deposit in case of amount of security deposit more than Rs. 25 Lakh.

MUPL further submitted that as per RBI circular no. RBI/2017-18/34 dated 02.08.2017, the bank rate was 6.25%. Thus, the amount of interest on security deposit was paid to the consumers at bank rate applicable on 01.04.2018 as per the Table below:

Table 3-27: Interest on Security Deposit claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Deviation
Security Deposit	2.39	2.36	
Interest Rate (%)	7.75%	6.25%	
Interest Cost	0.19	0.12	0.07

MUPL requested the Commission to approve the actual interest paid on consumer security deposit and consider the variation as uncontrollable.

Commission's analysis

The Commission has verified from the audited accounts that the opening and closing values of security deposit are Rs. 1.86 Crore and Rs. 2.86 Crore respectively, leading to an average deposit value of Rs. 2.36 Crore. However, the actual interest paid as per audited accounts is found to be Rs. 0.12 Crore as claimed by MUPL. Accordingly, the Commission approves this value as per actuals.

Table 3-28: Interest on Security Deposit approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual claimed	Approved in Truing up
Average Deposit	2.39	2.36	2.36
Interest on Security Deposit	0.19	0.12	0.12

The Commission approves Interest on Security Deposit at Rs. 0.12 Crore for Truing up for FY 2018-19.

The factor which affects security deposit is the number of consumers. As per the GERC (MYT) Regulations, 2016 variation in the number of consumers is an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-29: Gains / (Losses) on account of Interest on Security Deposit for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest on Security Deposit	0.19	0.12	0.07	0.00	0.07

3.13 Return on Equity

Petitioner's submission

The equity addition for FY 2018-19 has been considered as 30% of the amount of net capitalization (excluding SLC) during the year. The Return on Equity (RoE) has been computed by applying a rate of 14% on the average of the opening and closing balance of equity for FY 2018-19 as per Regulation 37 of the GERC (MYT) Regulations, 2016, as shown in the Table below:

Table 3-30: Return on Equity claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed
Opening Equity	21.16	20.95
Addition to Equity towards Capital Investment	0.14	1.31
Closing Balance of Equity	21.30	22.26
Return on Opening Equity	2.96	2.93
Return on Equity Addition	0.01	0.09
RoE at 14%	**2.97**	**3.02**

The Petitioner requested the Commission to allow the same for the purpose of True-up.

Commission's analysis

The closing equity as on 31.03.2018 approved in the Order dated 30th July, 2019 in Case No. 1772 of 2018 has been considered as the opening equity for FY 2018-19. The addition of equity during FY 2018-19 is considered as approved in the Table 3-14 of this Order. The rate of return is considered 14% as per the GERC (MYT) Regulations, 2016, to work out the Return on Equity as shown in the Table below:

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

Table 3-31: Return on Equity approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up
Opening Equity	21.16	20.95	20.95
Addition to Equity	0.14	1.31	0.70
Closing Equity	21.30	22.26	21.64
Average Equity	21.23	21.60	21.29
RoE at 14%	**2.97**	**3.02**	**2.98**

The Commission approves Return on Equity at Rs. 2.98 Crore for Truing up for FY 2018-19.

The Commission is of the view that Return on Equity depends on the amount of capitalisation during the financial year and that the parameters affecting the capitalisation are uncontrollable in nature, as noted in preceding sections. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

The Commission, accordingly, approves the Gains/ (Losses) on account of Return on Equity in Truing up for FY 2018-19 as detailed below:

Table 3-32: Gains / (Losses) on account of Return on Equity for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Return on Equity	2.97	2.98	(0.01)	0.00	(0.01)

3.14 Income Tax

Petitioner's submission

MUPL has submitted that it has paid Rs. 1.83 Crore income tax for FY 2018-19. Accordingly, it has claimed Rs.1.83 Crore against NIL approved in the MYT Order dated 31.03.2017 as shown in the Table below:

Table 3-33: Income Tax claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/(-)
Income Tax	0.00	1.83	(1.83)

The Petitioner has requested the Commission to consider variation in Income Tax and allow variation as uncontrollable for the purpose of Truing up.

Commission's analysis

The Commission has verified the Income Tax claim of Rs. 1.83 Crore from the audited accounts.

The Commission asked MUPL to confirm whether any refund of Income Tax has been received during FY 2018-19, and where the same has been considered by MUPL. MUPL has clarified that it has received refund of Income Tax of Rs. 2.71 Lakh during FY 2018-19, which has been considered as Non-Tariff Income in the True-up for FY 2018-19.

Accordingly, the Commission approves Income Tax at Rs. 1.83 Crore for Truing up for FY 2018-19 as shown below:

Table 3-34: Income Tax approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing Up
Income Tax	0.00	1.83	1.83

As per the GERC (MYT) Regulations, 2016 variation in the taxes on income is an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-35: Gains / (Losses) on account of Income Tax for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Income Tax	0.00	1.83	(1.83)	0.00	(1.83)

3.15 Contingency Reserve

Petitioner's submission

MUPL has submitted that it has not contributed to the contingency reserve during FY 2018-19 against Nil value approved in the MYT Order dated 31.03.2017. Accordingly, it has not claimed any amount under this head.

Commission's analysis

The Commission approves contribution to contingency reserve at Nil for Truing up for FY 2018-19.

The Commission considers variation in the contribution to contingency reserve as an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-36: Gains / (Losses) on account of Contribution to Contingency Reserve for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Contingency Reserve	0.00	0.00	0.00	0.00	0.00

3.16 Non-Tariff Income

Petitioner's submission

MUPL has submitted that the Commission had approved the Non-Tariff Income of Rs. 0.45 Crore in the MYT Order dated 31.03.2017. However, the actual Non-Tariff Income for FY 2017-18 is Rs. 3.03 Crore, as shown in the Table below:

Table 3-37: Non-Tariff Income claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed	Deviation +/(-)
Non-Tariff Income	0.45	3.03	(2.58)

MUPL submitted that the variation in Non-Tariff Income is on account of consideration of rebate on prompt payment. MUPL requested the Commission to allow the variation in Non-Tariff Income as uncontrollable for the purpose of True-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 observed that MUPL has considered the Non-Tariff Income as Rs. 3.03 Crore comprising Rebate of Rs. 2.96 crore, Test Report charges of Rs. 1000, Income Tax Refund of Rs. 0.027 Crore and Application Fees of Rs. 0.04 Crore.

The Petitioner has excluded Rs.0.95 Crore on account of Delayed Payment Charges. The Petitioner has also clarified that an amount of Rs. 20,562 from Sales of Surplus Inventory under Miscellaneous Income (Note 23) has been excluded from the Non-Tariff Income.

Accordingly, the Commission approves Non-Tariff Income of Rs. 3.03 Crore for Truing up for FY 2018-19 as shown below:

Table 3-38: Non-Tariff Income approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing Up
Non-Tariff Income	0.45	3.03	3.03

The Commission considers variation in the Non-Tariff Income as an uncontrollable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 3-39: Gains / (Losses) on account of Non-Tariff Income for FY 2018-19

(Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Non-Tariff Income	0.45	3.03	(2.58)	0.00	(2.58)

3.17 Revenue from Sale of Power to Consumers

MUPL has claimed a revenue of Rs. 159.92 Crore from sale of power to consumers in FY 2018-19. The Commission observes that the revenue as per audited accounts is Rs. 159.92 Crore.

Accordingly, the Commission approves Revenue of Rs. 159.92 Crore from sale of power to consumers for Truing up for FY 2018-19.

3.18 Summary of Aggregate Revenue Requirement and Sharing of Gains/ Losses

Petitioner's submission

MUPL has submitted the comparison of various ARR items and computed the Gains/ Losses due to controllable and uncontrollable factors as summarized below:

Table 3-40: Controllable & Uncontrollable Variations as claimed for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2018-19)				
		Approved in the MYT Order	Actual Claimed	Over(+)/ under(-) Recovery	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	231.24	145.48	85.76	-	85.76
2	Operation & Maintenance Expenses	10.14	8.81	1.33	-	1.33
3	Depreciation	3.84	2.90	0.95	-	0.95
4	Interest & Finance Charges	2.87	2.70	0.17	-	0.17
5	Interest on Security Deposit	0.19	0.12	0.06	-	0.06
6	Interest on Working Capital	2.65	1.37	1.28	-	1.28
7	Bad Debts Written Off	-	-	0.00	-	0.00
8	Contribution to Contingency Reserves	-	-	0.00	-	0.00
9	Return on Equity	2.97	3.02	(0.05)	-	(0.05)
10	Income Tax	-	1.83	(1.83)	-	(1.83)
11	Less: Non-Tariff Income	0.45	3.03	(2.58)	-	(2.58)
12	**Aggregate Revenue Requirement**	**253.45**	**163.20**	**90.25**	-	**90.25**

MUPL has identified all the expenditure heads under controllable and uncontrollable categories. The Gains / (Losses) arise as a result of True up of FY 2018-19 for MUPL and shall be suitably passed through the tariff as per mechanism specified by the Commission. The variation in the power purchase cost from approved ARR is on account of variation in sales and variation in actual cost. Any variation on account of power procurement cost is treated as uncontrollable. The variation in O&M Expenses are treated as uncontrollable. The variations in Interest on Long Term Loan, Interest on Security Deposit, Interest on Working Capital, Income Tax and Non-Tariff Income have been treated as uncontrollable.

Based on the above, the sharing of Gains and Losses due to controllable & uncontrollable factors is summarized below.

Table 3-41: Sharing of Gains & Losses as claimed for FY 2018-19

(Rs. Crore)

Particulars	Pass through by Adjustment of Tariff	To be Retained/ Absorbed	Total
Controllable Gain	0.00	0.00	0.00
Uncontrollable Gain	90.25	0.00	90.25
Total	**90.25**	**0.00**	**90.25**

As per the above Table, Total Gains of Rs. 90.25 Crore shall be passed through to the consumers.

Following is the summary of Trued-up ARR of 2018-19 to be recovered by MUPL after incorporation of sharing of Gains / Losses

Table 3-42: Trued-up ARR as claimed for FY 2018-19

(Rs. Crore)

Sr. No.	Particular	Actual Claimed
1	**Approved as per the MYT Order (A)**	**253.45**
2	Less: Gain on account of Controllable Factor to be passed on to the Consumers (1/3) (B)	0.00
3	Less: Gain on account of Un-controllable Factor to be passed on to the Consumers (C)	90.25
4	**Trued-up ARR for FY 2018-19, D= (A-B-C)**	**163.20**

Commission's analysis

The Commission reviewed the performance of MUPL under Regulation 21 of the GERC (MYT) Regulations, 2016 with reference to the Audited Annual Accounts for FY 2018-19. The Commission has computed the sharing of Gains and Losses for FY 2018-19 based on the Truing up for each of the components discussed in the above paragraphs. The ARR approved for FY 2018-19 in the MYT Order dated 31st March, 2017 and computed in accordance with the GERC (MYT) Regulations, 2016 are given in the Table below:

Table 3-43: ARR approved for FY 2018-19 along with impact of Controllable/ Uncontrollable factors

(Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Approved in Truing up	Deviation +/(-)	Controllable (Gain/(Loss))	Uncontrollable (Gain/(Loss))
1	Power Purchase Expenses	231.24	145.48	145.48	85.76	-	85.76
2	Operation & Maintenance Expenses	10.14	8.81	8.81	1.33	-	1.33
3	Depreciation	3.84	2.90	2.90	0.94	-	0.94
4	Interest & Finance Charges	2.87	2.70	2.63	0.24	-	0.24
5	Interest on Security Deposit	0.19	0.12	0.12	0.06	-	0.06
6	Interest on Working Capital	2.65	1.37	1.37	1.28	-	1.28
7	Bad Debts Written Off	-	-	-	-	-	-
8	Contribution to Contingency Reserves	-	-	-	-	-	-
9	**Total Revenue Expenditure**	**250.93**	**161.38**	**161.31**	**89.62**	**-**	**89.62**
10	Return on Equity Capital	2.97	3.02	2.98	(0.01)	-	(0.01)
11	Income Tax	-	1.83	1.83	(1.83)	-	(1.83)
12	**Aggregate Revenue Requirement**	**253.90**	**166.24**	**166.12**	**87.78**		**87.78**
13	Less: Non-Tariff Income	0.45	3.03	3.03	(2.58)	-	(2.58)
14	Aggregate Revenue Requirement	**253.45**	**163.20**	**163.09**	**90.36**	-	**90.36**

Summary of Trued-up ARR of FY 2018-19 to be recovered by MUPL after incorporation of sharing of Gains/ Losses is as detailed in the Table below:

Table 3-44: Trued-up ARR approved for FY 2018-19

(Rs. Crore)

Sr. No.	Particular	Approved in Truing up
1	**Approved as per the MYT Order (A)**	**253.45**
2	Less: Gain on account of controllable factor to be passed on to the consumers (1/3) (B)	0.00
3	Less: Gain on account of Un-controllable factor to be passed on to the consumers (C)	90.36
4	**Trued-up ARR for FY 2018-19, D= (A-B-C)**	**163.09**

3.19 Net revenue Gap / (Surplus)

The Net revenue Gap / (Surplus) approved for FY 2018-19 is given in the Table below:

Table 3-45: Approved Revenue Gap / (Surplus) for FY 2018-19

(Rs. Crore)

Particulars	Actual Claimed	Approved in Truing up
1. Annual Revenue Requirement (Trued up)	163.20	163.09
2. Revenue from Sale of Power	159.92	159.92
3. Net Revenue Gap / (Surplus) (2-1)	3.28	3.17

MUPL has considered Revenue Surplus of Rs. 2.15 Crore for FY 2014-15, Revenue Gap of Rs. 8.67 Crore for up to FY 2016-17 and carrying cost of Rs. 1.15 Crore on Revenue Gap of FY 2016-17 for FY 2017-18 & FY 2018-19, which has been approved by Commission vide Tariff Order Case No. 1694 of 2017 dated 5th April, 2018.

The Commission has scrutinised the same with due-diligence. Accordingly, the workings of the consolidated Revenue Gap for FY 2018-19 approved by the Commission is shown below:

Table 3-46: Approved Consolidated Revenue Gap / (Surplus) for FY 2018-19

(Rs. Crore)

Particulars	Actual Claimed	Approved in Truing up
Net Revenue Gap / (Surplus) of FY 2018-19	3.28	3.17
Add: Approved Gap/(Surplus) for FY 2014-15	(2.15)	(2.15)
Add: Revenue Gap up to FY 2016-17	8.67	8.67
Add: Carrying Cost on revenue Gap of FY 2016-17 for FY 2017-18 and FY 2018-19	1.15	-
Consolidated revenue Gap for FY 2018-19	**10.94**	**9.69**

Accordingly, The Commission approves the Trued-up consolidated Revenue Gap for FY 2018-19 of Rs. 9.69 Crore. This Trued-up Gap is considered by the Commission for Determination of Tariff for FY 2020-21.

The Commission has dealt with Rs. 1.15 Crore on account of carrying cost claimed for FY 2018-19 in the next Chapter while deciding Tariff for FY 2020-21.

The Commission in its MYT Regulations, 2016 has prescribed that the carrying cost to be allowed on the amount of revenue gap or revenue surplus for the period from the date on which such (Gap) / Surplus has become due, calculated on the simple interest basis at the weightage average SBI Base Rate for the relevant year, subject to prudence check and submission of documentary evidence for having incurred for carrying cost in the year during which revenue Gap/(Surplus) remains.

Further, The Commission is allowing quarterly power purchase difference in revenue of MUPL based on its submissions. The carrying cost is to be allowed principally only on the actual Gap/(Surplus) of a particular year during the True-up and it should not be compounded, which ultimately leads to increase in burden on the consumers. Hence, the Commission has allowed carrying cost at the weighted average SBI Base Rate on the outstanding actual Gap/(Surplus) of Truing up of FY 2018-19 as per the GERC (MYT) Regulations, 2016.

4. Determination of Tariff for FY 2020-21

This Chapter deals with the determination of Revenue Gap/Surplus, as well as Consumer Tariff for FY 2020-21.

The Commission has considered the ARR approved in the MTR Order dated 30th July, 2019 for FY 2020-21 and the adjustment on account of True-up of FY 2018-19, while determining the Revenue Gap/Surplus for FY 2020-21.

4.1 Approved ARR for FY 2020-21

The Table below summarises the Annual Revenue Requirement, as approved by the Commission for FY 2020-21 in the MTR Order dated 30th July, 2019.

Table 4-1: Approved ARR for FY 2020-21

(Rs. Crore)

Particulars	FY 2020-21
Power Purchase Cost	162.58
O&M Expenses	11.33
Depreciation	1.99
Interest and Finance Charges	2.14
Interest on Security Deposits	0.11
Interest on Working Capital	1.65
Return on Equity	3.07
Contribution to Contingency Reserves	0.00
Income Tax	2.77
Less: Non-Tariff Income	2.92
ARR	**182.73**

4.2 Revenue at Existing Tariff and Gap/ (Surplus) Analysis

Petitioner's submission

MUPL has claimed carrying cost on past Revenue Gap/ (Surplus) and justified the same by stating that recovery of such carrying cost is legitimate expenditure of the distribution companies. The carrying cost is allowed based on the financial principle that whenever the recovery of cost is deferred, the financing of the Gap in cash flow arranged by the distribution company from lenders/ promoters/ accruals is to be paid by way of carrying cost.

MUPL has submitted that the projected revenue for FY 2020-21 at existing tariff, works out to Rs.197.94 Crore, against the projected ARR of Rs. 182.73 Crore. The consolidated Revenue Gap of FY 2018-19 is Rs. 10.94 Crore. MUPL has considered Carrying Cost of Rs. 1.84 Crore on Revenue Gap of FY 2018-19 for FY 2019-20 and FY 2020-21, at weighted average SBI MCLR for FY 2018-19 of 8.39% in line with the GERC (MYT) Regulations, 2016, to work out the Revenue Gap/(Surplus) for FY 2020-21. In view of the above, the Revenue Gap for FY 2020-21, considering consolidated Revenue Gap of FY 2018-19 along with Carrying Cost on Revenue Gap of FY 2018-19 for FY 2019-20 and FY 2020-21, is given in the Table below:

Table 4-2: Revenue Gap / (Surplus) with Existing Tariff as claimed for FY 2020-21

(Rs. Crore)

Sr. No.	Particulars	Claimed
1	ARR for FY 2020-21 [a]	182.73
2	Consolidated Revenue Gap for FY 2018-19 [b]	10.94
3	Add: Carrying Cost on revenue Gap of FY 2018-19 for FY 2019-20 and FY 2020-21	1.84
4	**Revenue from Existing Tariff for FY 2020-21 [c]**	**197.94**
5	**Revenue Gap / (Surplus) in FY 2020-21 [d=(a+b)-c]**	**(2.43)**

Commission's analysis

The Commission has gone through the merits of the Petition and determined the various components of the Tariff in this Order and accordingly the Commission has independently worked out the ARR as well as Revenue for MUPL for FY 2020-21, as shown in the Table below:

Table 4-3: Approved Revenue Gap / (Surplus) for FY 2020-21

(Rs. Crore)

Sr. No.	Particulars	Claimed	Approved
1	ARR for FY 2020-21 [a]	182.73	182.73
2	Revenue from Existing Tariff for FY 2020-21 [b]	197.94	197.94
3	Revenue Gap / (Surplus) in FY 2020-21 [c=(a-b)]	(15.21)	(15.21)

In Chapter 3, the Commission has approved the Revenue Gap after True-up of FY 2018-19 as Rs. 9.69 Crore as against the Revenue Gap of Rs. 10.94 Crore claimed by the Petitioner.

The summary of Cumulative Revenue Gap/ (Surplus) for Determination of Tariff for FY 2020-21 approved by the Commission is shown in the following Table:

Table 4-4: Approved Revenue Gap / (Surplus) for FY 2020-21

(Rs. Crore)

Particulars	Claimed	Approved
Gap/ (Surplus) for FY 2018-19	10.94	9.69
Gap/(Surplus) for FY 2020-21	(15.21)	(15.21)
Cumulative Gap/ (Surplus) to be recovered through Tariffs	(4.27)	(5.52)

Thus, as against the cumulative Revenue Surplus of Rs. 4.27 Crore projected by MUPL without Carrying Cost, the Commission has approved cumulative Revenue Surplus of Rs. 5.52 Crore for FY 2020-21.

The Petitioner has requested to consider the carrying cost of Rs. 2.99 (1.15 + 1.84) Crore on the Revenue Gap of FY 2018-19 including previous carrying cost of FY 2016-17. The Commission has considered the recovery of carrying cost on the Revenue Gap of Rs. 9.69 Crore for FY 2018-19 which is Rs. 1.63 Crore, as per the GERC (MYT) Regulations, 2016, as mentioned in the Table below:

Table 4-5: Break-up of Carrying Cost approved for FY 2020-2121

(Rs.Crore)

Particulars	Approved
Carrying Cost for FY 2016-17	1.15
Carrying Cost of FY 2018-19 on Rs.9.69 Crore* for FY 2019-20 and FY 2020-21	1.63 *
Total	**2.78**

* At weighted average rate of 8.39% (SBI Base Rate for the period)

The Commission in its MYT Regulations, 2016 has prescribed that the carrying cost to be allowed on the amount of revenue gap or revenue surplus for the period from the date on which such (Gap) / Surplus has become due, calculated on the simple interest basis at the weightage average SBI Base Rate for the relevant year, subject to prudence check and submission of documentary evidence for having incurred for carrying cost in the year during which revenue Gap/(Surplus) remains.

Further, The Commission is allowing quarterly power purchase difference in revenue of MUPL based on its submissions. The carrying cost is to be allowed principally only on the actual Gap/(Surplus) of a particular year during the True-up and it should not be compounded, which ultimately leads to increase in burden on the consumers. Hence, the Commission has allowed carrying cost at the weighted average SBI Base Rate on the outstanding actual Gap/(Surplus) of Truing up of FY 2018-19 as per the GERC (MYT) Regulations, 2016.

Therefore, the Commission allows Carrying cost of FY 2016-17 along with Carrying Cost of FY 2018-19 as mentioned in the Table above, which is Rs. 2.78 Crore.

Accordingly, as against the cumulative Revenue Surplus of Rs.2.43 Crore projected by MUPL, the Commission has approved a cumulative Revenue Surplus of Rs. 2.75 (-5.52+2.78) Crore.

5. Compliance of Directives

5.1 Existing directives

The Commission had issued following directives in the Tariff Order dated 30.07.2019 in case no. 1772 of 2018 and its compliance as filed by the Petitioner is follows:

Directive No. 1: Interest Cost Reduction

The Commission vide its Order dated 30.07.2019 in case no. 1772 of 2018 directed Petitioner to negotiate with the lenders for reduction in the rate of interest on borrowings.

Compliance submitted by MUPL

The Petitioner humbly submitted that it has put in its best efforts and deliberated the matter with bank to reduce interest rate and accordingly, the bank has agreed to reduce interest rate. The interest rate has been reduced from 11.65% (which has been approved by the Hon'ble Commission) to 10.38% (at the end of FY 2018-19).

The Petitioner is also in the process to get credit rating, which would be useful to negotiate interest rate further on its borrowing.

Commission View:

The Commission has noted the submission. The Commission feels that MUPL has incurred high cost debt and there is still a scope for replacing the said high cost debt with low cost debt so as to benefit the consumers. Therefore, MUPL is re-directed to negotiate with the lenders for reduction in the rate of interest on the borrowings. MUPL shall furnish half-yearly progress report about the action taken and results thereof.

5.2 Fresh Directive

Directive No.1: Load Flow for Validation of Capital Expenditure and Capitalization

The GERC Regulations allows the CAPEX to be passed through in tariff as and when the assets are put to use, after prudence check. Accordingly, the Petitioner is directed to keep a proper record of all the assets which is approved for capitalization during the years along with the necessary details, including date of commissioning / testing, date of loading (maximum and minimum during the period), time and cost overrun with respect to the approved projections. The above details have to be submitted along with the next tariff / true-up petition.

6. Fuel and Power Purchase Price Adjustment

6.1 Fuel and Power Purchase Price Adjustment

The Commission, vide its Order in Case No. 1309/2013 and 1313/2013 dated 29.10.2013, has revised the formula for Fuel Price and Power Purchase Cost Adjustment (FPPPA) as mentioned below:

FPPPA = [(PPCA-PPCB)] / [100-Loss in %]

Where,

PPCA	is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the power purchase agreements in Rs/kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs/kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.
Loss in %	is the weighted average of the approved level of Transmission and Distribution Losses (%) for the four DISCOMs / GUVNL and MUPL applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs / GUVNL and MUPL of the previous year for which true-up have been done by the Commission, whichever is lower.

6.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total power purchase cost for MUPL including fixed cost, variable cost, etc. from the various sources for FY 2020-21 in this Order, as given in the Table below:

Table 6-1: Energy Requirement and Power Purchase Cost approved by the Commission for FY 2020-21

Year	Total Energy Requirement (MUs)	Approved Power Purchase Cost (Rs Crore)	Power Purchase Cost per unit (Rs/kWh)
FY 2020-21	396.96	162.58	4.10

As mentioned above the base Power Purchase cost for MUPL is **Rs. 4.10 per kWh** and the base FPPPA charge is NIL.

MUPL may claim difference between actual power purchase cost and base power purchase cost approved in the Table above as per the approved FPPPA formula mentioned above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on the website of MUPL.

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

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

7. Wheeling Charges and Cross Subsidy Surcharge

7.1 Wheeling Charges

Regulation 91 of the GERC (MYT) Regulations, 2016, stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensee in its ARR and Tariff Order. Accordingly, the Commission has reviewed submission of MUPL in this regard and accordingly determined the wheeling charges at HT and LT levels, for long term (LT), medium term (MT) and short term (ST) open access consumers.

Petitioner's submission

MUPL has allocated the total ARR expenditure of MUPL to wire and retail supply business considering the following allocation matrix:

Table 7-1: Allocation Matrix for segregation to Wires and Retail Supply Business claimed for FY 2020-21

(%)

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	0	100
2	Intra-State Transmission Charges	0	100
3	Employee Expenses	60	40
4	Administration and General Expenses	50	50
5	Repairs and Maintenance Expenses	90	10
6	Depreciation	90	10
7	Interest on Long Term Loan Capital	90	10
8	Interest on Working Capital and Consumer Security Deposit	10	90
9	Bad Debt Written Off	0	100
10	Income Tax	90	10
11	Contribution to Contingency Reserve	100	0
12	Return on Equity	90	10
13	Non-Tariff Income	10	90

On the basis of the above allocation matrix, MUPL segregated total ARR of MUPL supply area into ARR for wire and retail supply business as shown below:

Table 7-2: Allocation Matrix for segregation to Wires and Retail Supply Business claimed for FY 2020-21

(Rs. Crore)

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	-	162.58
2	**O&M Expenses**	**6.80**	**4.54**
2.1	Employee Expenses	2.14	1.43
2.2	Administration and General Expenses	2.92	2.92
2.3	Repairs and Maintenance Expenses	1.74	0.19
3	Depreciation	1.79	0.20
4	Interest on Long Term Loan Capital	1.93	0.21
5	Interest on Security Deposit	0.01	0.10
6	Interest on Working Capital	0.17	1.49
7	Provision for Bad Debts	-	-
8	Contingency Reserve	-	-
9	Income Tax	2.49	0.28
10	**Revenue Expenditure**	**13.19**	**169.40**
11	Return on Equity	2.76	0.31
12	Less: Non-Tariff Income	0.29	2.63
13	**ARR**	**15.66**	**167.07**

a. ARR of Wire Business: Rs. 15.66 Crore

b. ARR of Retail Supply Business: Rs. 167.07 Crore

The above segregated ARR has been considered to determine the Wheeling Charges.

Determination of Wheeling Charges

The Petitioner submitted that Distribution Wires are identified as carrier of electricity from generating station or transmission network to consumer point. The consumption at a particular voltage level requires network at that voltage level and also at all higher voltage levels. Thus, consumption at the lower voltages should contribute to the cost of the higher voltage levels also. However, the consumers connected to the higher voltages would not be utilizing the services of the lower voltage level and hence, would not be required to contribute to the recovery of cost of lower voltage level.

Based on the approach discussed above, the ARR for the wheeling business is apportioned to the HT and LT voltage in two steps as described below:

a) Apportioning the ARR of wheeling business to HT and LT voltage level;

b) Apportioning the ARR of the HT voltage level again between HT & LT voltage level

MUPL submitted that it has apportioned ARR between the HT and LT voltage levels as per the segregation of the contract demand as per the approach of the Commission in the Order dated 30th July 2019.

It is submitted by MUPL that:

- The contract demand of HT and LT consumers was 64.85 MVA & 1.23 MVA respectively for FY 2018-19. The ratio of contract demands of HT level to LT level is 98:2, which is considered for the apportionment of ARR for the wire business into HT and LT voltage levels.
- Further as the HT level assets cater to the requirement of customers at both HT and LT levels, the ARR for HT is again apportioned between HT and LT voltage based on their ratio of contribution to the peak.
- The expected system peak demand for MUPL for FY 2020-21 was 86.14 MVA. In case of MUPL, assuming that 98% of the contact demand of HT consumers contributes to the system peak demand, the total demand of HT contributing to the system peak is computed as 84.53 MVA and 1.61 MVA respectively.
- To determine the wheeling charges for the HT & LT voltage levels, the ARR of the respective voltage level is divided by the peak demand of the respective voltage level. Accordingly, the wheeling charge determined has been tabulated below:

Table 7-3: Wheeling Charges as claimed for FY 2020-21

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	15.36
LT Voltage	0.29
Total	15.66
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	15.08
LT Voltage	0.58
Total	15.66
Wheeling Charges in Rs. / kWh	
HT Voltage	0.40
LT Voltage	1.72

MUPL has further stated that an Open Access consumer will also have to bear the following Wheeling Losses in kind in addition to the Wheeling Charges as mentioned above.

Table 7-4: Wheeling Losses as claimed for FY 2020-21

(%)

Particulars	Wheeling Losses
HT Category	3.00%
LT Category	7.00%

Commission's analysis

The Commission, in Order to compute the wheeling charges and cross subsidy surcharge, has considered the allocation matrix between the wires and retail supply business as per the GERC (MYT) Regulations, 2016. The allocation matrix and the basis of allocation of various cost components of the ARR as per the GERC (MYT) Regulations, 2016 are shown below:

Table 7-5: Allocation Matrix for segregation to Wires and Retail Supply Business as per the GERC (MYT) Regulations, 2016

(%)

No.	Particulars	Wires business	Retail Supply Business
1	Power Purchase Expenses	0	100
2	Intra-State Transmission Charges	0	100
3	Employee Expenses	60	40
4	Administration and General Expenses	50	50
5	Repairs and Maintenance Expenses	90	10
6	Depreciation	90	10
7	Interest on Long Term Loan Capital	90	10
8	Interest on Working Capital and Consumer Security Deposit	10	90
9	Bad Debt Written Off	0	100
10	Income Tax	90	10
11	Contribution to Contingency Reserve	100	0
12	Return on Equity	90	10
13	Non-Tariff Income	10	90

Based on the above allocation, the approved ARR for wires business and retail supply business are computed as shown below.

Table 7-6: Segregation between Wires and Retail Supply Business ARR as approved for FY 2020-21

(Rs. Crore)

No.	Particulars	Wires Business	Retail Supply Business
1	Power Purchase Expenses	-	162.58
2	**O&M Expenses**	**6.80**	**4.54**
2.1	Employee Expenses	2.14	1.43
2.2	Administration and General Expenses	2.92	2.92
2.3	Repairs and Maintenance Expenses	1.74	0.19
3	Depreciation	1.79	0.20
4	Interest on Long Term Loan Capital	1.93	0.21
5	Interest on Security Deposit	0.01	0.10
6	Interest on Working Capital	0.17	1.49
7	Provision for Bad Debts	-	-
8	Contingency Reserve	-	-
9	Income Tax	2.49	0.28
10	**Revenue Expenditure**	**13.19**	**169.40**
11	Return on Equity	2.76	0.31
12	Less: Non-Tariff Income	0.29	2.63
13	**ARR**	**15.66**	**167.07**

The above allocations of ARR are used for determination of wheeling charges for FY 2020-21.

The ARR is first apportioned between the HT and LT Voltage level in the ratio of 98:2, based on the respective contract demands. MUPL has submitted that HT consumers contribute to 98% of the system peak demand, hence, the HT ARR is further apportioned in the ratio of 98:2.

Based on the above, the wheeling charges are approved as given in the Table below:

Table 7-7: Wheeling Charges as approved for FY 2020-21

Particulars	
First Level Segregation of ARR in Rs. Crore	
HT Voltage	15.36
LT Voltage	0.29
Total	15.66
Second Level Segregation of ARR in Rs. Crore	
HT Voltage	15.08
LT Voltage	0.58
Total	15.66
Wheeling Charges in Rs. / kWh	
HT Voltage	0.40

Particulars	
LT Voltage	1.72

The Open Access consumer will also have to bear the following Losses in addition to the wheeling charges.

Table 7-8: Wheeling Losses of FY 2020-21 as approved by the Commission

(%)

Particulars	Wheeling Losses
HT Category	3.00%
LT Category	7.00%

7.2 Cross Subsidy Surcharge

Petitioner's submission

MUPL has submitted that it has computed the cross subsidy surcharge based on the formula used by the Commission in its Order dated 30.07.2019, as shown below:

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;

L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level;

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level;

R is the per unit cost of carrying regulatory asset

The cross subsidy charges based on the above formula is worked out as shown in the Table below:

Table 7-9: Cross subsidy surcharge claimed for FY 2020-21

(Rs. /kWh)

No.	Particulars	HT Category
1	T	5.26
2	C	4.10
3	D	0.40
4	L (%)	3.00%
5	**S**	**0.63**

Commission's analysis

The APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued the National Tariff Policy, 2016. According to this policy, the formula for Cross Subsidy Surcharge is 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

The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

Table 7-10: Cross Subsidy Surcharge approved for FY 2020-21

(Rs./kWh)

No.	Particulars	HT Category
1	T	5.26
2	C	4.10
3	D	0.40
4	L (%)	3.00%
5	**S**	**0.63**

S = 5.26 – [4.10/(1-3/100) + 0.40 + 0.00]

= 0.63 Rs/kWh

Thus, Cross Subsidy Surcharge as per Tariff Policy, 2016 works out to Rs. 0.63/unit.

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 the 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.

This Chapter discusses MUPL's tariff proposal and changes suggested in tariff structure and provides the Commission's final decision on the same.

8.2 MUPL's Tariff Proposal

MUPL submitted that the projected Revenue Surplus of FY 2020-21 with existing tariff for projected sales of 376.52 MUs after adjustment of consolidated Revenue Gap of FY 2018-19 including carrying cost would be Rs. 2.43 Crore. The Petitioner thus proposes to continue with the existing tariffs.

8.3 Commission's analysis

As discussed in the previous sections, the Commission has approved a cumulative Revenue Surplus of Rs. 2.75 Crore. This Surplus will be duly considered by the Commission in the Truing up exercise. Accordingly, the category-wise tariff is retained at the same level as approved for FY 2020-21.

However, the Commission has decided to introduce a Sub-category: BPL (Below Poverty Line) Household Consumers under the 'Residential' Category with a subsidised rate of 150 Paise per unit for the first 50 units of consumption in line with other Discoms.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for MPSEZ Utilities Pvt. Ltd. (MUPL) for FY 2020-21, as shown in the Table below:

(Rs. Crore)

Particulars	FY 2020-21
Power Purchase Cost	162.58
O&M Expenses	11.33
Depreciation	1.99
Interest on LT Loans and Finance Charges	2.14
Interest on Security Deposits	0.11
Interest on Working Capital	1.65
Return on Equity	3.07
Contribution to Contingency Reserves	0.00
Income Tax	2.77
Less: Non-Tariff Income	2.92
ARR	**182.73**

The retail supply tariffs for MUPL for FY 2020-21 determined by the Commission are annexed to this Order. This Order shall come into force with effect from 1st April, 2020. The rate shall be applicable for the electricity consumption from 1st April, 2020 onwards.

Sd/-	Sd/-
P. J. THAKKAR	**ANAND KUMAR**
Member	Chairman

Place: Gandhinagar

Date: 03/04/2020

ANNEXURE: TARIFF SCHEDULE

Tariff Schedule for license area of MPSEZ Utilities Pvt. Ltd. (MUPL)

Effective from 1st April, 2020

General Conditions

1. This tariff schedule is applicable to all the consumers of MUPL in License area of Mundra SEZ.

2. All these tariffs for power supply are applicable to only one point of supply.

3. The energy bills shall be paid by the consumer within 10 days from the date of billing, failing which the consumer shall be liable to pay the delayed payment charges @15% p.a. for the number of days from the due date of bill to the date of payment of bill.

4. 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.

5. The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, 2005 except Meter Charges, will continue to apply.

6. The charges specified in the tariff are on monthly basis, MUPL shall adjust the rates according to billing period applicable to consumer.

7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.

8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo -Watt (HP or kW) as the case may be.

9. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).

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

11. Contract Demand shall mean the maximum KVA for the supply which MUPL undertakes to provide facilities to the consumer from time to time.

12. For computation of Fixed Charges, they will be computed on 85 % of Contract Demand at Unity Power Factor or Actual whichever is higher on monthly basis.

13. Maximum Demand in a month means the highest value of average KVA delivered at the point of supply of the consumer during any consecutive 15/30 minutes in the said month.

14. Payment of penal charges for usage in excess of contract demand/load for any billing period does not entitle the consumer to draw in excess of contract demand/load as a matter of right. The levy of penal charge is in addition to other rights of MPSEZ Utilities Private Limited under the provisions of the Electricity Act, 2003 and Regulations notified there under.

15. 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.

16. The fuel cost and power purchase price adjustment charges shall be applicable in accordance with the formula approved by the Gujarat Electricity Regulatory Commission from time to time.

17. These rates are exclusive of Electricity Duty, Tax on sale of electricity, Customs Duty, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time in which are payable by consumers, in addition to the charges levied as per the tariff.

18. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and MUPL shall be entitled to take any other action deemed necessary and authorized under the Act.

PART- I

SUPPLY DELIVERED AT LOW OR MEDIUM VOLTAGE

(230 VOLTS- SINGLE PHASE, 400 VOLTS- THREE PHASE, 50 HERTZ)

1. RATE: Residential

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

1.1. FIXED CHARGE

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

For BPL household consumers*

Fixed Charges	Rs. 5 per month per installation

1.2. ENERGY CHARGE

(i)	First 250 units consumed per month	320 Paisa per Unit
(ii)	Remaining units consumed per month	370 Paisa 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. RATE: Commercial (Non Demand)

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

2.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per month per installation

2.2. ENERGY CHARGE

(i)	First 150 units consumed per month	370 Paisa per Unit
(ii)	Remaining units consumed per month	395 Paisa per Unit

2.3. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

3. RATE: Commercial (Demand)

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

3.1. FIXED CHARGE

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

Computed on 85 % of Contract Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paisa per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paisa per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. Six kVA

3.2 ENERGY CHARGE

A flat rate of	270 Paisa per Unit

3.3. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paisa per Unit

3.4. MINIMUM BILL

Payment of fixed charges as specified in 3.1 above.

4. <u>RATE: Industrial (Non Demand)</u>

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

4.1. FIXED CHARGE

Single Phase Supply	Rs. 100 per Month per installation

4.2. ENERGY CHARGE

(i)	First 150 units consumed per month	345 Paisa per Unit
(ii)	Remaining units consumed per month	370 Paisa per Unit

4.3. MINIMUM BILL

Payment of fixed charges as specified in 4.1 above.

5. RATE: Industrial (Demand)

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

5.1 FIXED CHARGE

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

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor or six KVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paisa per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paisa per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. Six kVA

5.2 ENERGY CHARGE

A flat rate of	270 Paisa per Unit

5.3. POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paisa per Unit

5.4. MINIMUM BILL

Payment of fixed charges as specified in 5.1 above.

6. RATE: Street Lights

Applicable to lighting systems for illumination of public roads.

6.1. ENERGY CHARGE

A flat rate of	320 Paise per Unit

7. RATE: Temporary

This tariff is applicable to installations for temporary requirement of electricity supply. A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

7.1 FIXED CHARGE

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

Computed on 85 % of Contact Demand at u.p.f. or Actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand.

7.2 ENERGY CHARGE

A flat rate of	345 Paise per unit

7.3 POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

7.4. MINIMUM BILL

Payment of fixed charges as specified in 7.1 above.

8. RATE: LT - Electric Vehicle (EV) Charging Stations

This tariff is applicable to consumers who use electricity **EXCLUSIVELY** for electric vehicle charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. Residential, Commercial, Industrial, etc.

8.1 FIXED CHARGE

Rs. 25 per month per installation

PLUS

8.2 ENERGY CHARGE

Energy Charge	305 Paise per Unit

PART- II

SUPPLY DELIVERED AT HIGH VOLTAGE

(11000 VOLTS AND ABOVE - THREE PHASE, 50 HERTZ)

9. RATE: HTMD - 1

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

9.1 FIXED CHARGE

A) For the Billing Demand of customer having

a. Contract demand up to 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor or one hundred kVA at u.p.f. whichever is higher on monthly basis at 100 % Load Factor	75 Paise per Unit

b. Contract demand above 500 kVA

Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor whichever is higher on monthly basis at 100% load factor	110 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

a. Contract demand up to 500 kVA

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	125 Paise per Unit

b. Contract demand above 500 kVA

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. One hundred kVA.

9.2 ENERGY CHARGE

For entire consumption during the month	
Up to 500 kVA of the contract demand	310 Paise per unit
Above 500 kVA of the contract demand	350 Paise per unit

9.3 POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

9.4 REBATE FOR SUPPLY AT EHV

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

9.5. MINIMUM BILL

Payment of fixed charges as specified in 9.1 above.

10. RATE: HTMD -II

This tariff is applicable for supply of energy to High Tension consumers contracting for maximum demand of 100 kVA and above for temporary period.

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

10.1 FIXED CHARGE

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

Computed on 85 % of Contact Demand at u.p.f or Actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	100 Paise per Unit

B) For Billing Demand in excess of the Contract Demand

Computed on billing demand in excess of Contract Demand on Monthly basis at 100 % Load Factor	150 Paise per Unit

NOTE: The Billing Demand shall be highest of the following:

i. Actual Maximum Demand established during the month OR

ii. Eighty – five percent of the Contract Demand OR

iii. One hundred kVA

10.2 ENERGY CHARGE

A flat rate of	445 Paise per unit

10.3 POWER FACTOR ADJUSTMENT CHARGE

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

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

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

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

10.4 REBATE FOR SUPPLY AT EHV

Sl. No.	On Energy Charges	Rebate @
1	If supply is availed at 11 KV	0.0%
2	If supply is availed at 33 KV	1.0%

Sl. No.	On Energy Charges	Rebate @
3	If supply is availed at 66 KV and above	2.0%

10.5. MINIMUM BILL

Payment of fixed charges as specified in 10.1 above.

11. RATE: HTMD – III

This tariff is applicable for supply of energy to High Tension consumers, contracting for maximum demand of 100 kVA and above, for residential purposes and availing supply at single point by a Co-operative Group Housing Society for making electricity available to the members of Co-operative Society in the same premises.

11.1 FIXED CHARGE

A) For billing demand up to and including the contract demand

Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	75 Paise per Unit

B) For billing demand in excess of the contract demand

Computed on billing demand in excess of contract demand on monthly basis at 100% Load Factor	125 Paise per Unit

NOTE: The billing demand shall be highest of the following:

i. Actual maximum demand at monthly average p.f. established during the month OR

ii. Eighty – five percent of the contract demand at u.p.f OR

iii. One hundred kVA at u.p.f.

11.2 ENERGY CHARGE

A flat rate of	270 Paise per unit

11.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average power factor during the Billing Period exceeds 90%

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

B) Where the average power factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

11.4 Rebate for Supply at EHV

On Energy Charges		Rebate @
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

***Note**: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.*

11.5 MINIMUM BILL

Payment of fixed charges as specified in 11.1 above.

12. RATE: HTMD - IV

This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities / Developer / Co-developer.

12.1 FIXED CHARGE

A) For billing demand up to and including the contract demand

Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred kVA	75 Paise per Unit

B) For billing demand in excess of the contract demand

Computed on billing demand in excess of contract demand on monthly basis at 100% Load Factor	125 Paise per Unit

NOTE: The billing demand shall be highest of the following:

i. Actual maximum demand at monthly average p.f. established during the month OR

ii. Eighty – five percent of the contract demand at u.p.f OR

iii. One hundred kVA at u.p.f.

12.2 ENERGY CHARGE

A flat rate of	270 Paise per unit

12.3 POWER FACTOR ADJUSTMENT CHARGE

A) Where the average power factor during the Billing Period exceeds 90%

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

B) Where the average power factor during the Billing Period is below 90%

For each 1% decrease in the Power Factor below 90%	Penalty of 3.00 Paise per Unit

12.4 Rebate for Supply at EHV

On Energy Charges		Rebate @
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

***Note**: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.*

12.5 MINIMUM BILL

Payment of fixed charges as specified in 12.1 above.

13. RATE: HT - Electric Vehicle (EV) Charging Stations

This tariff is applicable to consumers who use electricity **EXCLUSIVELY** for electric vehicle charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTMD-I, HTMD-II, HTMD-III & HTMD-IV.

13.1 FIXED 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

13.2 ENERGY CHARGE

Energy Charge	300 Paise per Unit