GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2018-19

and Determination of Tariff for FY 2020-21

For

GIFT Power Company Limited
(GIFT PCL)

Case No. 1851 of 2020

9th October, 2020

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
APFC	Automatic Power Factor Correction
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CLC	Cellular Lightweight Concrete
Control Period	The period from FY 2016-17 to FY 2020-21
DISCOM	Distribution Company
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FSP	Fuse Section Pillar
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GIFT PCL	GIFT Power Company Ltd.
HT	High Tension
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
LTMD	Low Tension Maximum Demand
MCLR	Marginal Cost of Funds based Lending Rate
MSP	Main Section Pillar
MUs	Million Units (Million kWh)
MVA	Megavolt Ampere
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
RoE	Return on Equity
RMC	Ready Mix Concrete
R&M	Repairs and Maintenance
SBBR	State Bank Base Rate
SBI	State Bank of India
SLC	Service Line Contribution
SLDC	State Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1851 of 2020

Date of the Order: 09/10/2020

CORAM

Shri Anand Kumar, Chairman

Shri P. J. Thakkar, Member

ORDER

1. Introduction

1.1 Background

GIFT Power Company Ltd. (hereinafter referred to as ‘GIFT PCL’ or the ‘Petitioner’) has filed the present Petition on 30th November, 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 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 the sale of power at existing tariffs and charges for the ensuing year (FY 2020-

21) and revenue Gap or revenue Surplus for the ensuing year for the determination of tariff for FY 2020-21 to be carried out under the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016.

After technical validation of the petition, it was registered on 04th January 2020 as Case No. 1851/2020 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff Order.

1.2 About Gujarat International Finance Tec-City Power Company Ltd. (GIFT PCL)

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner'), a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited, is a distribution licensee for the supply of electricity in the GIFT City area of around 886 acres of land which includes both Special Economic Zone (SEZ) area comprising of 261 acres and Domestic Tariff Area (DTA) comprising of 625 acres.

The Commission granted the second license for distribution of electricity in the said area of the existing licensee viz. Uttar Gujarat Vij Company Limited (UGVCL) vide Order dated 6th March, 2013 in Licence Application No. 1 of 2012 to the Petitioner.

1.3 Multi-Year Tariff Regulations, 2016

The Commission notified the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 applicable for a five-year Control Period starting from FY 2016-17 to FY 2020-21. The Commission subsequently notified the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) (First Amendment) Regulations, 2016 on 2nd December, 2016. These Regulations are applicable to all the distribution licensees in the State of Gujarat.

1.4 Commission's Order for Approval of ARR and Tariff for FY 2018-19

The Petitioner filed its Petition for Approval of ARR for FY 2018-19 and determination of Retail Supply Tariff for FY 2018-19 on 6th March, 2018. The Petition was registered on 14th March, 2018 under Case No. 1710 of 2018. The Commission vide Order dated 3rd December, 2018 approved the ARR for FY 2018-19 and determined the tariff for FY 2018-19.

1.5 Commission's Order for Determination of ARR for FY 2019-20 and FY 2020-21 and Determination of Tariff for FY 2019-20

The Petitioner filed its Petition for Approval of ARR for FY 2019-20 and FY 2020-21 and Determination of Tariff for FY 2019-20 on 31st December, 2018. After technical validation, The Petition was registered on 7th January, 2019 under Case No. 1777 of 2019. The Commission vide Order dated 31st July, 2019 approved the ARR for FY 2019-20 and FY 2020-21 and determined the tariff for FY 2019-20.

1.6 Filing and Registration of the Present Petition

The present Petition was filed on 30th November, 2019. The Petition was scrutinized in terms of the GERC (Conduct of Business) Regulations, 2004. The Petition was registered on 04th January, 2020 and numbered as Petition No. 1851 of 2020 after technical validation and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff Order.

1.7 Notice for Public Hearing

In accordance with Section 64 of the Electricity Act, 2003, GIFT PCL was directed to publish its tariff application in the newspapers to ensure public participation. Accordingly, Public Notices were published by the Petitioner for inviting objections/ suggestions from stakeholders on the Tariff Petition in the following newspapers:

Table 1-1: List of newspapers (Petitioner)

Sr. No.	Name of the Newspaper	Language	Date of publication
1	The Times of India	English	11.01.2020
2	Divya Bhaskar	Gujarati	11.01.2020

The Petitioner also placed the Public Notice and the Petition on its website (www.giftgujarat.in), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the Petition on or before 10th 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 also issued a notice for public hearing in the following newspapers in Order to solicit wider participation by the stakeholders:

Table 1-1: List of newspapers (Commission)

Sr. No.	Particulars	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

1.8 Public Hearing

The Commission received no objections / suggestions on the Petition till the last submission date of 10th February, 2020. Hence, no public hearing was conducted.

1.9 Approach of this Order

GIFT PCL has submitted the current Petition for "Truing up" of FY 2018-19 and determination of tariff for FY 2020-21. GIFT PCL has also submitted the final audited accounts for FY 2013-14 to FY 2017-18 as for previous four consecutive years i.e. from FY 2014-15 to FY 2017-18 , the Petitioner had applied for exemption in filing of ARR and tariff Petition to the Commission along with the request to adopt the UGVCL's tariff for retail supply in its GIFT City area due to a small consumer base and underdevelopment of network infrastructure. Accordingly, the Commission considering the request of GIFT PCL, had approved the UGVCL's tariff for the consumers of GIFT PCL for four years from FY 2014-15 to FY 2017-18.

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.

The Commission has taken into consideration the Auditor's certificate and data of actuals submitted by the Petitioner and the clarifications / additional information sought and received from the Petitioner, for finalizing the Order for FY 2020-21.

1.10 Contents of this Order

This Order consists the following chapters:

1. The **First Chapter** provides a brief 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 GIFT PCL's Petition.
3. The **Third Chapter** explains the Network Plan and Capital Investment of GIFT PCL.
4. The **Fourth Chapter** deals with the Stand-alone Revenue Gap/(Surplus) for FY 2013-14 to FY 2017-18.
5. The **Fifth Chapter** deals with the Truing-up for FY 2018-19.
6. The **Sixth Chapter** deals with the Determination of Tariff for FY 2020-21.
7. The **Seventh Chapter** deals with the Directives of the Commission.
8. The **Eighth Chapter** deals with Fuel and Power Purchase Price Adjustments.
9. The **Ninth Chapter** deals with determination of the Wheeling Charges and Cross-Subsidy Surcharge.
10. The **Tenth Chapter** deals with the Tariff philosophy and Tariff proposal.

2. Summary of GIFT PCL's Petition

2.1 Introduction

This Chapter deals with the summary of the Petition as submitted by GIFT PCL for Truing up for FY 2018-19 and determination of tariff for FY 2020-21.

2.2 Finalisation of Accounts from FY 2013-14 to FY 2017-18

GIFT PCL submits that it had not submitted any Petition prior to FY 2018-19 and no Orders were issued from the Hon'ble Commission for FY 2013-14 to 2017-18. The Petitioner therefore relies on the actual financial information, as reflected in the audited books of account of the Petitioner. Each item of expenditure as allowed in the GERC (MYT) Regulations and corresponding revenue earned by the Petitioner for FY 2013-14 to FY 2017-18 along with the standalone Gap as per audited books of account is tabulated in the Table below:

Table 2-1: ARR and Gap/(Surplus) claimed by GIFT PCL for FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**Total**
Power Purchase Expenses	2.19	3.53	6.36	7.79	11.71	31.58
Operation & Maintenance Expenses	1.20	1.12	1.97	2.20	2.64	9.13
Employee Cost	0.74	0.92	1.43	1.56	0.31	4.95
R&M	0.20	0.00	0.47	0.48	1.96	3.11
A&G	0.26	0.20	0.07	0.16	0.37	1.06
Depreciation	0.28	0.95	1.88	2.52	3.25	8.88
Interest & Finance Charges	0.44	1.60	3.05	3.93	4.57	13.59
Return on Equity	0.23	0.83	1.64	2.17	2.75	7.63
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Security Deposit	0.11	0.18	0.22	0.30	0.25	1.06
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
Contribution to Contingency Reserves	0.00	0.03	0.17	0.23	0.30	0.73
Aggregate Revenue Requirement	4.45	8.24	15.29	19.14	25.48	72.60
Less: Non-Tariff Income	0.90	1.12	0.30	0.25	0.17	2.74
Annual Revenue Requirement	3.55	7.12	15.00	18.89	25.30	69.86
Less: Revenue	2.62	3.74	6.31	7.89	11.77	32.32
Gap	**0.93**	**3.39**	**8.69**	**11.00**	**13.53**	**37.54**

2.3 True-Up of FY 2018-19

A summary of the proposed ARR for Truing-up of FY 2018-19 compared with the approved final ARR for FY 2018-19 in Tariff Order dated 3rd December, 2018 is presented in the Table below along with the item-wise computations for Gains/ Losses as submitted by GIFT PCL:

Table 2-2: True-up proposed by GIFT PCL for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2018-19)				
		Tariff Order for FY 2018-19	Actual Claimed	Over(+)/ under(-) Recovery	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	14.85	13.70	1.15	-0.09	1.24
2	Operation & Maintenance Expenses	1.79	3.06	-1.27	-1.27	-
3	Depreciation	3.64	4.83	-1.19	-	-1.19
4	Interest & Finance Charges	5.02	5.45	-0.43	-	-0.43
5	Interest on Security Deposit	0.31	0.28	0.03	-	0.03
6	Interest on Working Capital	-	-	-	-	-
7	Bad Debts Written Off	-	-	-	-	-
8	Contribution to Contingency Reserves	0.34	0.37	-0.03	-	-0.03
9	Return on Equity	1.91	3.85	-1.94	-	-1.94
10	Income Tax	-	-	-	-	-
12	Less: Non-Tariff Income	0.26	0.42	0.16	-	0.16
13	**Aggregate Revenue Requirement**	**27.60**	**31.12**	**-3.52**	**-1.36**	**-2.16**

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

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

Table 2-3: Trued-up ARR as claimed for FY 2018-19

(Rs. Crore)

Sr. No.	Particular	Legend	Claimed
1	**ARR as per the Tariff Order for FY 2018-19**	**a**	**27.60**
2	Add: Gain/Loss on account of Controllable factor to be passed on to the consumers (1/3)	b	(1.36)
3	Add: Gain/Loss on account of Un-Controllable factor to be passed on to the consumers	c	(2.16)
4	**Pass through as tariff**	**d=-(1/3b+c)**	**2.61**
5	**Trued-up ARR**	**e=a+d**	**30.21**

6	Revenue from Sale of Power	f	13.39
7	**Net Revenue Gap / (Surplus)**	**g=e-f**	**16.82**

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

GIFT PCL has also sought approval for final Aggregate Revenue Requirement for FY 2020-21 as per the Commission's Tariff Order dated 31st July, 2019. GIFT PCL has submitted the revenue requirement as under:

Table 2-4: ARR for FY 2020-21

(Rs. Crore)

Particulars	FY 2020-21
Power Purchase Expenses	19.78
O&M Expenses	2.00
Depreciation	4.56
Interest and Finance Charges	5.82
Interest on Security Deposits	0.42
Interest on Working Capital	-
Return on Equity	2.82
Contribution to Contingency Reserves	0.45
Income Tax	-
Less: Non-tariff Income	0.35
ARR	**35.50**

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

The Stand-alone Revenue Gap for FY 2020-21 as proposed by GIFT PCL is as follows:

Table 2-5: Revenue Gap / (Surplus) for FY 2020-21

(Rs. Crore)

Sr. No.	Particulars	Claimed
1	ARR for FY 2020-21 [a]	35.50
2	Revenue from Existing Tariff for FY 2020-21 [b]	33.53
3	Revenue Gap / (Surplus) in FY 2020-21 [c=(a-b)]	**1.97**

GIFT PCL has calculated the Gap for FY 2018-19 as Rs 16.82 Crores. Also, GIFT PCL has submitted the previous Gap for the years for which true-up did not happen, i.e. for FY 2013-14 till FY 2017-18 which results in a further claim of Rs 37.54 crores.

The Petitioner has requested the Commission to consider these previous year Gaps in addition to the Gap for FY 2020-21. Further, the Petitioner has requested the Commission to consider appropriate carrying cost for the Gaps for FY 2013-14 to FY 2018-19.

2.7 GIFT PCL's request to the Commission

1. Condone the delay, if any, occur in filing of the present Petition.
2. Admit the Petition for finalization of accounts for FY 2013-14 to FY 2017-18, Truing up of Aggregate Revenue Requirement for FY 2018-19 and Tariff Determination for FY 2020-21.
3. Approve the cumulative Gap / Surplus as requested after true-up of FY 2018-19.
4. Approve introduction of appropriate regulatory charges to recover the past Losses.
5. Approve base FPPPA as proposed by the Petitioner.
6. Approve Wheeling ARR and corresponding charges for wheeling of power.
7. Approve cross subsidy surcharge filed by the Petitioner.
8. Approve Tariff schedule as proposed by the Petitioner.
9. Allow additions / alterations / changes / modifications to the application at a future date.
10. Allow any other relief, Order or direction, which the Commission deems fit to be issued.
11. 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. Network Plan and Capital Investment of GIFT PCL

3.1 Introduction

This chapter explains the Network Plan and Capital Investment made from FY 2013-14 to FY 2018-19. GIFT PCL is filing its first true-up Petition and has submitted Capital investment for the period FY 2013-14 to FY 2018-19. Thus in order to form the asset base values for FY 2018-19 and further period, the Commission has undertaken prudence check for the same.

3.2 Network of GIFT PCL

The availability of qualitative and reliable power to the unit holders is the most important element for successful development of GIFT SEZ and NON-SEZ Area i.e. GIFT City. The investors prefer to set up their units with a condition that uninterrupted qualitative power supply should be maintained.

In view of this, the Petitioner had planned to establish state of art distribution network along with built-in redundancies for ensuring uninterrupted quality power to the unit holders in GIFT SEZ and NON-SEZ area which is part of GIFT PCL. The Petitioner had developed network automation for real time monitoring and operation of various equipment from Central Control Room (CCR). The coverage of network automation is from end to end interface points between take off to delivery points. The Petitioner had also developed installation of fire-fighting system on Power Transformers as per CEA Regulations, 2010, which are installed prior to the notification of this regulation. To ensure uninterrupted power for all the consumers, dual source arrangement is being developed.

GIFT PCL's network comprises of 21.67 Ckt-Km of 33 kV and 15.29 Ckt-Km of 11 kV till FY 2018-19 along with 2 Nos of 66/33 kV Receiving substations of 60 MVA capacity, 6 Nos. of 33 kV Compact Substations and 8 Nos of 11kV Compact Substations. Apart from the above, the Petitioner has also set up DG sets of various capacities.

66/33 kV Receiving Substation of GIFT PCL is fed by 66 kV Second Source substation of GETCO which is located in GIFT City area. At present, 66 kV Second Source Substation is being charged from GETCO 66 kV Shahpur Substation and additional tap arrangement from 'Chiloda - Kudasan 66 kV Line.

GIFT PCL has submitted that the power demand is set to grow and go beyond existing substation transformation capacity, since various multi storey building such as Grand Mercure Hotel, World Trade Centre (WTC), ATS- Savvy Tower (Bock 15), Prestige Commercial Tower (Block 15) etc. will be operational. In line with the same, existing '66/33 kV Receiving Substation' is falling short of 33 kV outgoing feeders and transformation capacity. It is thus augmented from 20 MVA to 60 MVA which should take care of future demand. The said work included SITC (Supply, Installation, Testing and Commissioning) of 2 no. of 20/25 MVA, 66/33 kV transformers, 66 KV outdoor GIS bays, 33 kV GIS panels etc.

It is further submitted by the Petitioner that GIFT City has mostly high-rise buildings and therefore the load is concentrated. Distribution network is therefore developed at 33 kV level to reduce line losses and space requirement by power cables in utility tunnel. Underground RMU rooms are being constructed in each block for installation of 33 kV Switching panels. Power Distribution arrangement by 33kV switching panel in RMU room includes, connectivity from '66/33 kV Receiving Substation', by 33kV cable. Petitioner has developed network for all the existing buildings and almost ready buildings like Prestige, Grand Mercure hotel, & ATS-Savvy Tower. Further, in order to cater construction power load and other miscellaneous loads at different locations 11kV ring network is also developed and 11/0.415 kV CSS are installed at specific locations along with 33/0.415 kV CSS.

There are certain consumers, like NSE, BSE etc., in SEZ area which require dedicated backup power arrangement at LT level. To meet their requirement, LT DG sets are commissioned in SEZ area. Having developed the transmission and distribution infrastructure, it is crucial to bill the consumers in an efficient manner. Automatic Meter Reading (AMR) is developed which shall increase efficiency, accuracy and reliability and avoid human errors altogether. RF (Radio Frequency) based meter installation and AMR metering with consumer portal with mobile App based application is also developed. It provides access to consumer to monitor billing related data online.

The Commission observes that GIFT PCL started its operations in FY 2013-14 and till FY 2017-18, it did not submit any tariff Petitions. GIFT PCL has filed its first truing-up Petition, for FY 2018-19 and determination of tariff for FY 2020-21. The GERC (MYT) Regulations, 2011 and 2016 empowers the Commission to have a prudence check of the Capital Cost incurred by the licensee, the relevant extract from the GERC (MYT) Regulations 2011 and 2016 is reproduced below:

GERC (MYT) Regulations, 2011

"35.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff."

GERC (MYT) Regulations, 2016

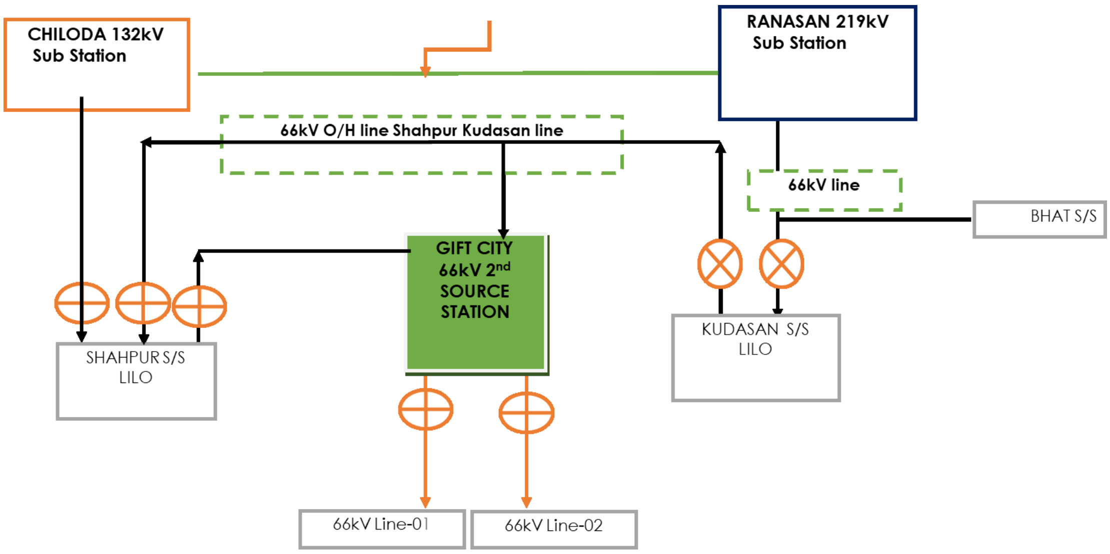
"34.2 The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

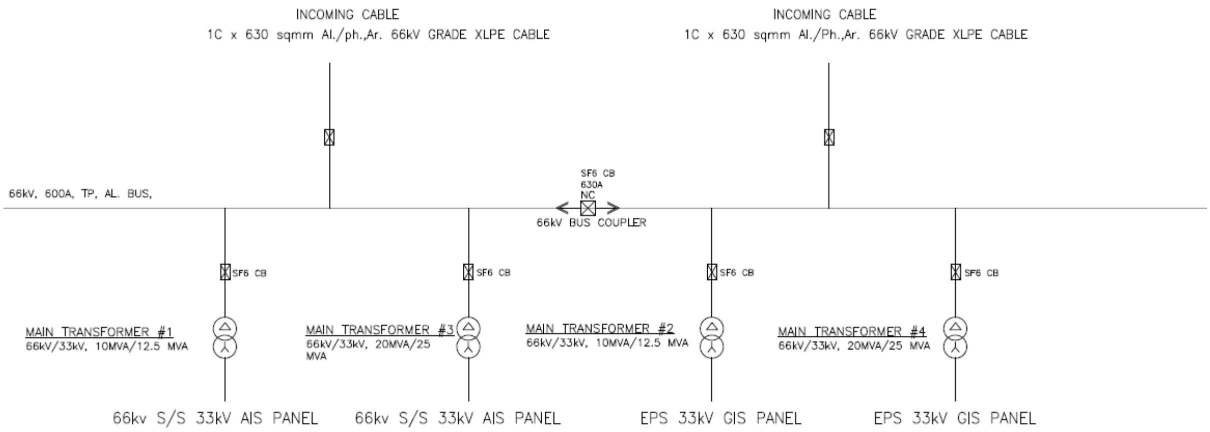
Provided that prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff."

Thus the Commission finds it prudent and necessary to verify and scrutinise the asset base which has been put to use from FY 2013-14 (the year in which GIFT PCL started its operations) till FY 2018-19. The Commission has thus conducted physical verification and the necessary prudence check, which is elaborated in the further paras.

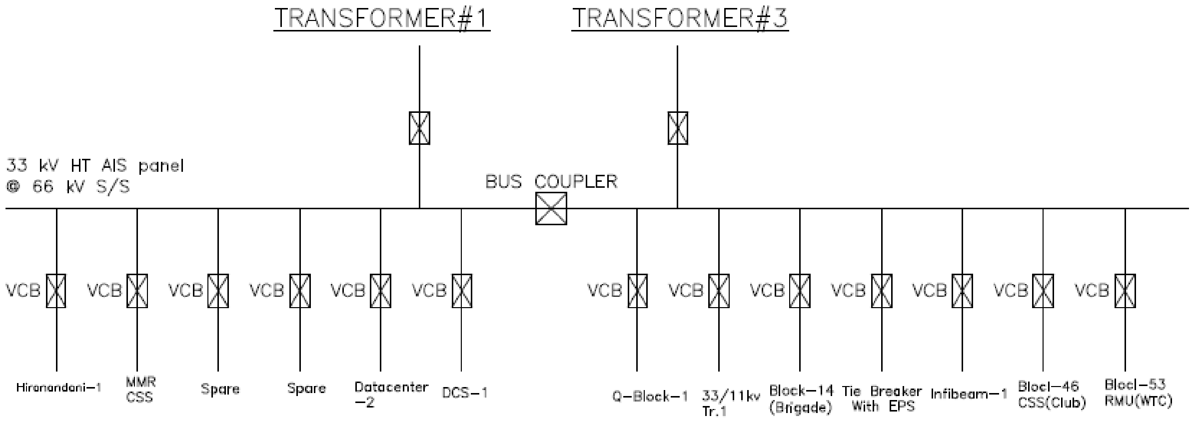
Existing GIFT PCL Network Plan:

As shown below, 66 kV Second Source (GETCO) substation is commissioned to feed '66/33 kV Receiving' Substation' of GIFT PCL and is also being charged from 'GETCO 66 kV Shahpur Substation' and additional tap arrangement from 'Chiloda - Kudasan 66 kV Line'.

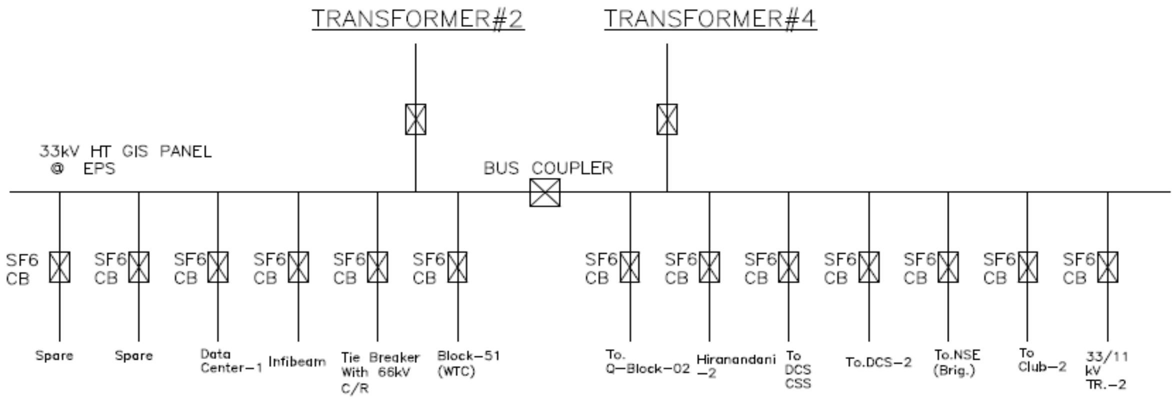




As shown in the above figure, two lines Line-01 and Line-02 emanate from the 66/33 kV receiving substation and form the 33 kV Ring network and 11kV Ring network. Line-01 goes to 33 kV AIS substation (10 and 20 MVA capacity) and Line-02 goes to 33 KV GIS Substation (10 and 20 MVA capacity) and transformation from 66 kV voltage level to 33kV voltage level happens.

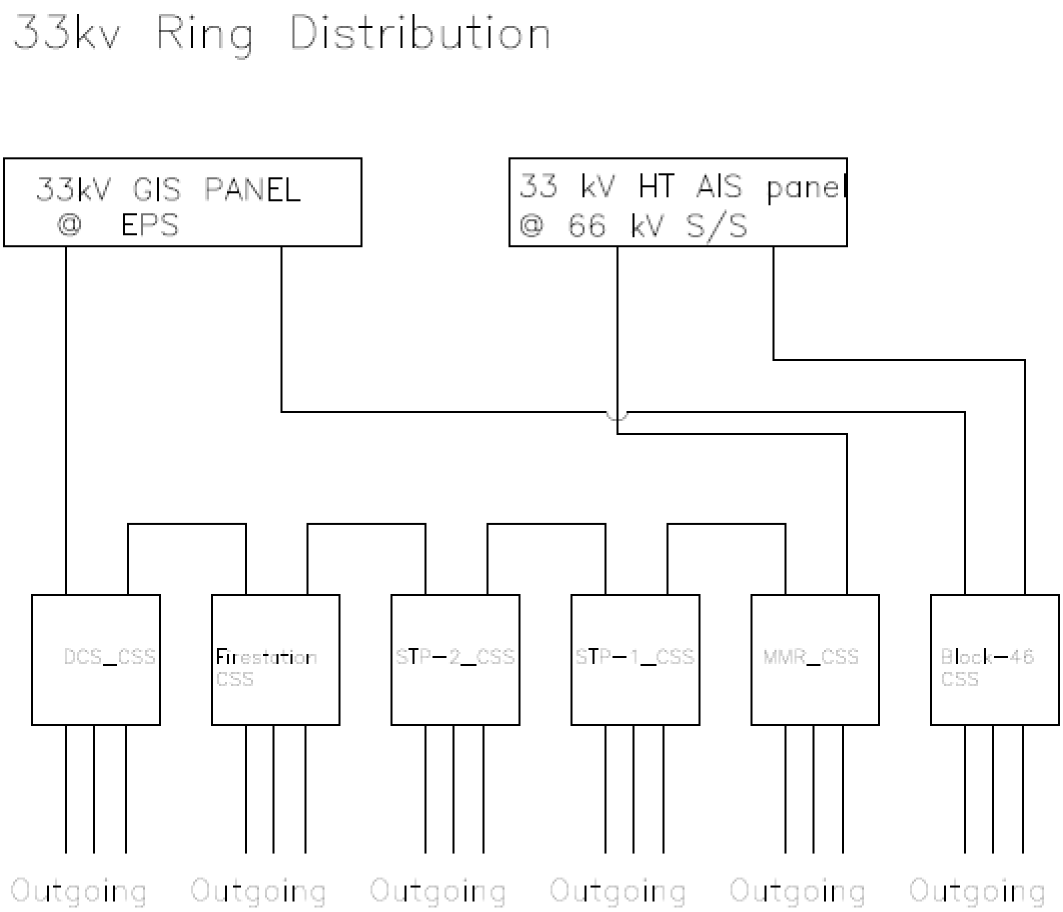


As shown in the above figure, from the 33 kV AIS substation, 13 nos. of 33 kV feeders emanate and go to various HT consumers, Tie Circuit Breakers and RMU rooms. The various HT consumers are Hiranandani-1, Infibeam, MMR CSS, Data Centre, Q block, 33/11 transformers, Brigade, Block-46 CSS and Block-53 RMU room.

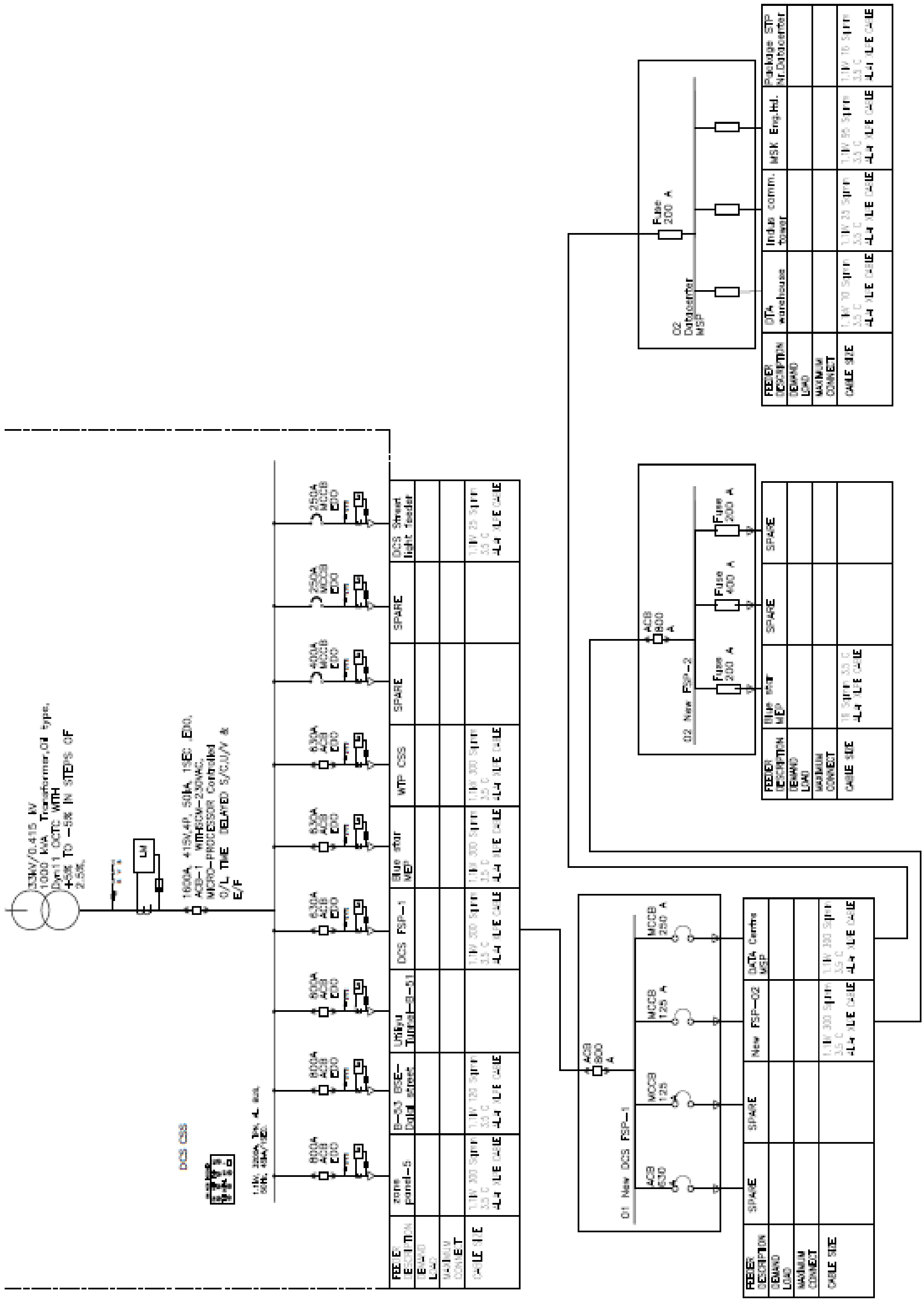


As shown in the above figure, from the 33 kV GIS substation, the 33 kV feeders emanate and go to various HT consumers viz. Data Centre, Q Block-2, DCS CSS, NSE, Club, Tie Circuit Breakers, and 33/11 kV transformers.

Apart from this, 33 kV feeders also form the 33 kV ring network which runs mainly through the underground utility tunnels , there are 6 nos. of 33 kV CSS of 1000 kVA capacity each, which are MMR CSS, DCS CSS, STP CSS (2 Nos.), Fire station CSS and Block-46 CSS, out of these , MMR CSS and Fire Station CSS are not a part of GIFT PCL's assets and the same have not been included in their asset register. The said ring network is shown below:

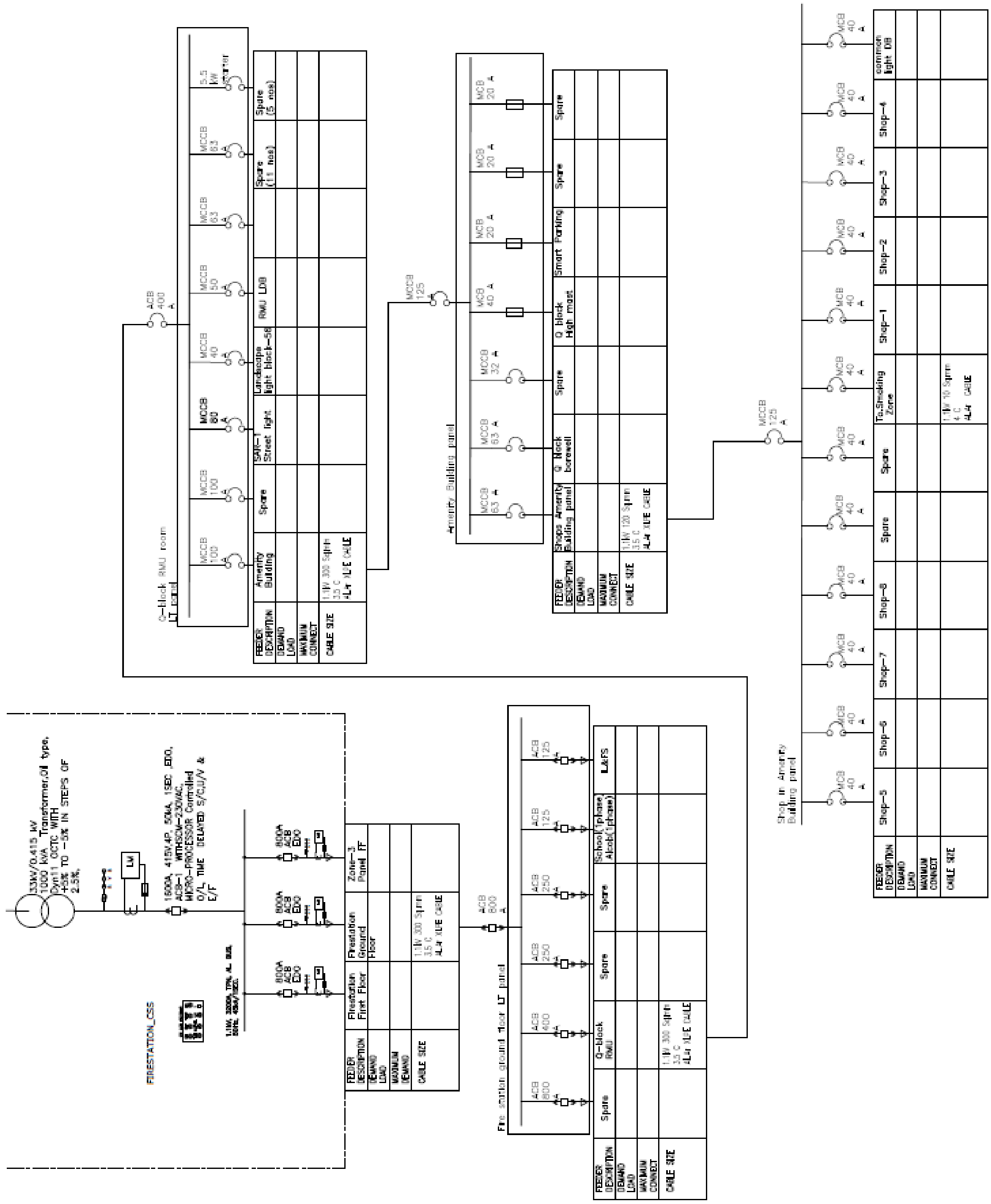

33kv Ring Distribution
33kV GIS PANEL @ EPS
33 kV HT AIS panel @ 66 kV S/S
DCS_CSS
Firestation CSS
STP-2_CSS
STP-1_CSS
MMR_CSS
Block-46 CSS
Outgoing
Outgoing
Outgoing
Outgoing
Outgoing
Outgoing

The Single line diagram of DCS (District Cooling System) CSS (33 kV CSS No.1) is shown below:



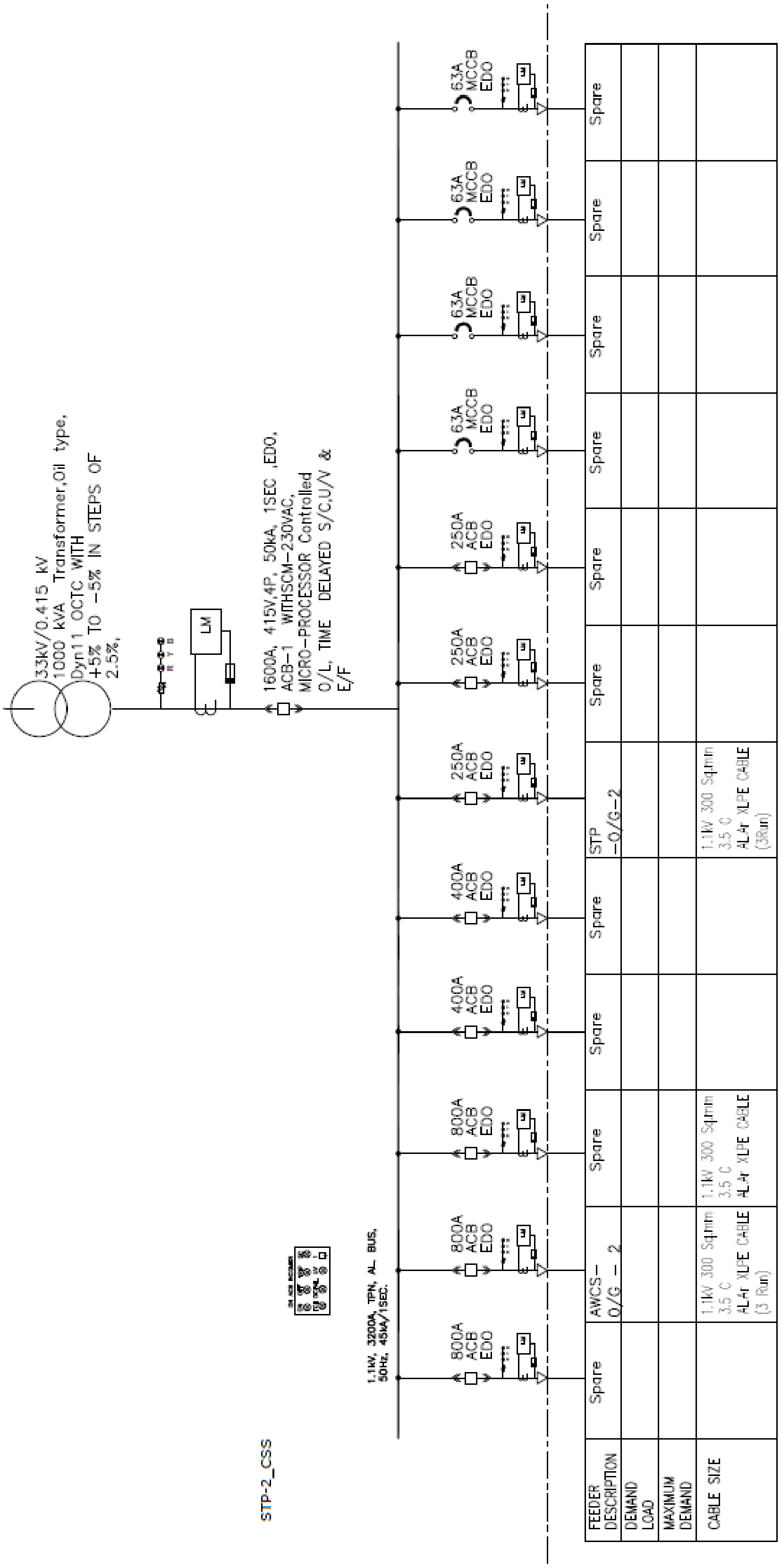
As seen from the Single line diagram, transformation from 33kV voltage level to 415 V happens and 9 nos. of feeders emanate and go to the various consumers like BSE-Dalal Street, Utility tunnel and to DCS FSP, WTP CSS and to the DCS street light feeders. From the DCS-FSP , 4 nos. of feeders go the various MSP and the FSPs . From these FSPs and the MSPs , various feeders go to the Blue Star MEP, DTA Ware house, Indus Commercial tower, MSK Engg. limited and Package STP.

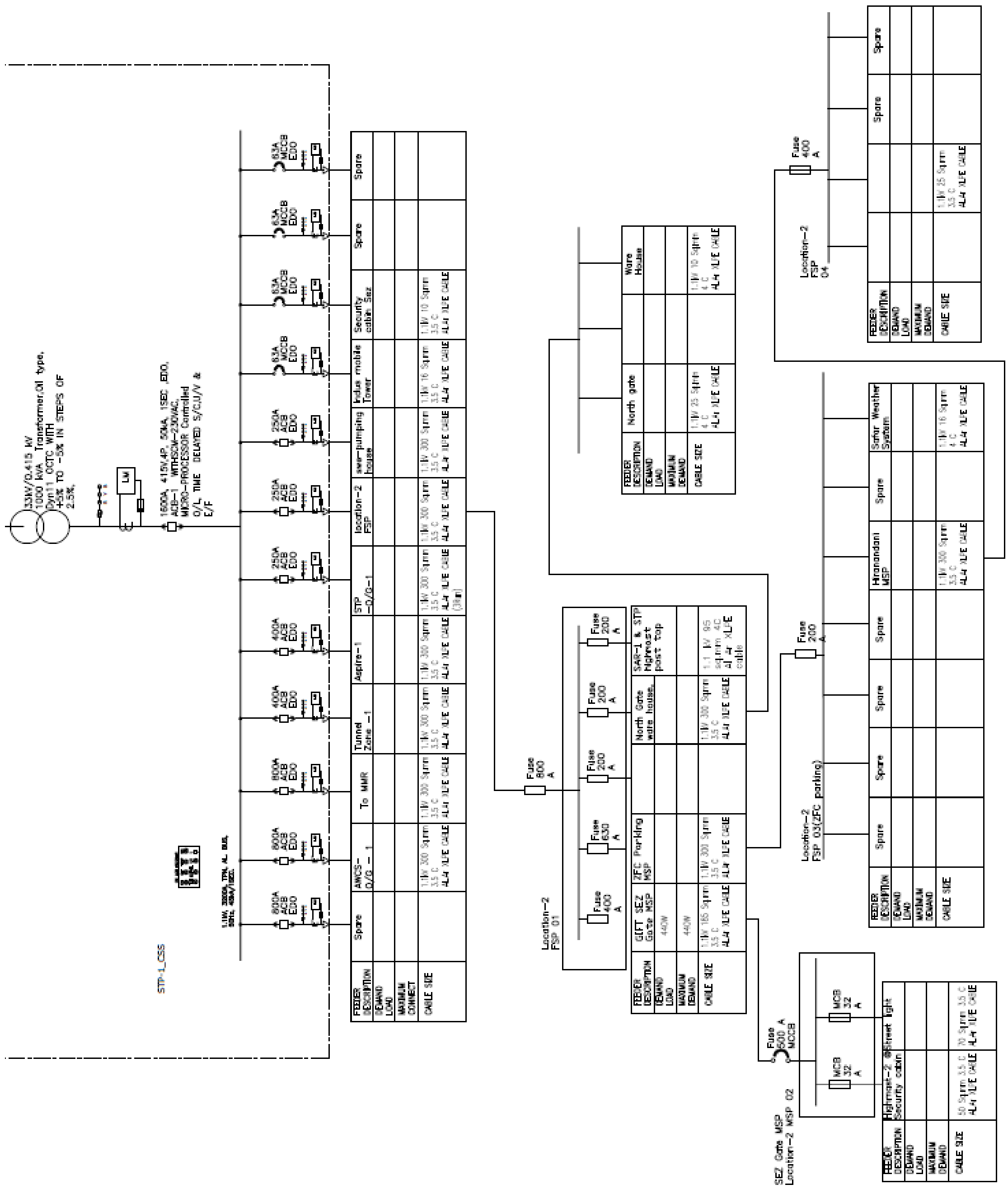
The single line diagram of Fire Station CSS (33 kV CSS No.2) is shown below:



As seen from the Single line diagram, transformation from 33kV voltage level to 415 V happens and mainly the load is concentrated in the Fire building. From the LT panel, the feeders go to the Q-block RMU, School and IL&FS. From the Q-block LT panel , the load is catered for Amenity Building, Street Lights , Landscape Lighting. From the Amenity Building, the load catered is mainly for Shops, Stores, Bore well, High Mast, Smart Parking.

The single line diagram for STP-1 (Sewage Treatment Plan) and STP-2 CSS (33 kV CSS No.3 and No.4) is shown below:

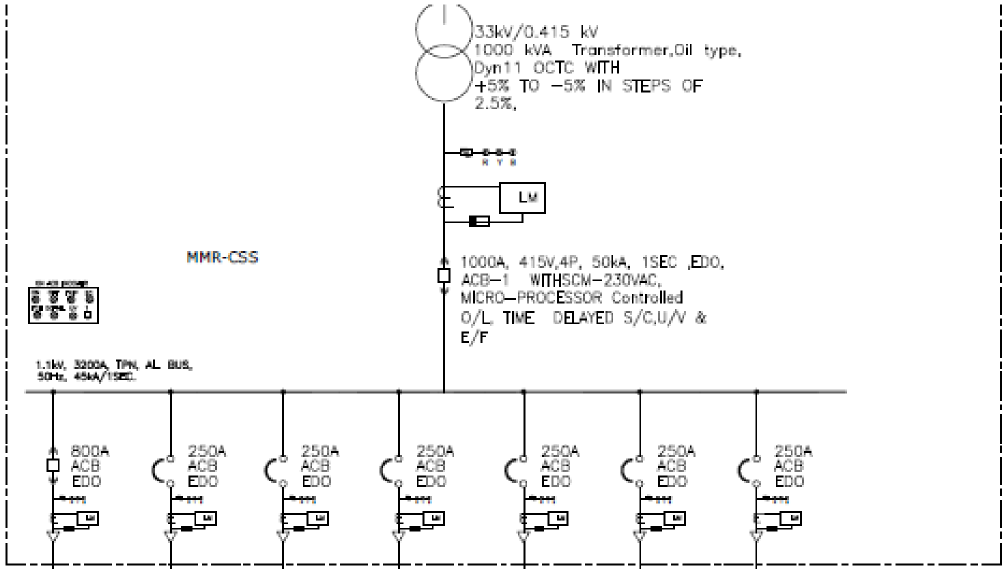




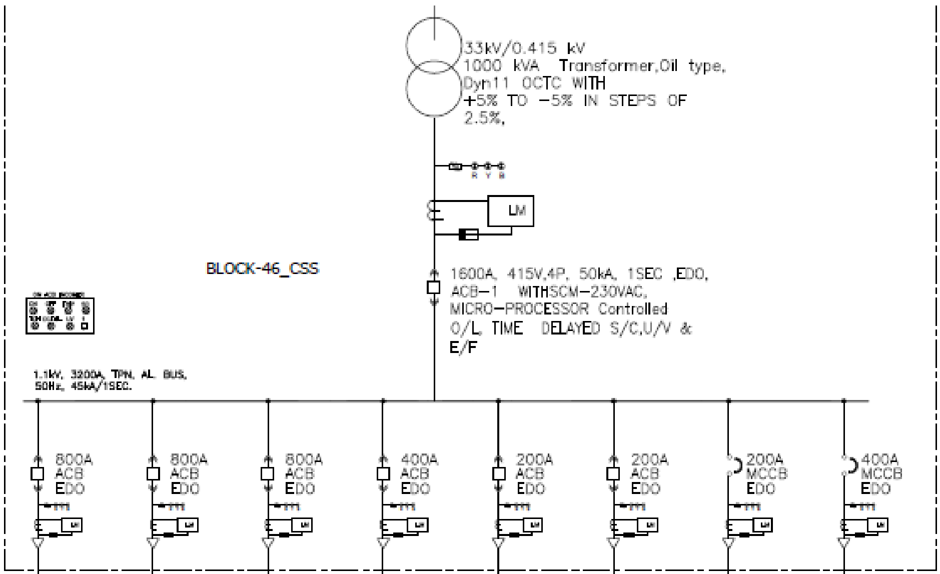
As seen from the Single line diagram for STP-1 CSS, transformation from 33kV voltage level to 415 V happens and feeders go to the Automatic Waste Collection System, MMR, Zone-1 Tunnel, Aspire Building, Sewage Treatment plant, FSP, Pumping house, Indus Mobile Tower, Security Cabin. From the FSP further distribution happens to GIFT City gate, Parking, North gate warehouse and high masts. From the GIFT City gate power gets further supplied to street lights and security cabins.

As seen from the Single line diagram for STP-2 CSS, transformation from 33kV voltage level to 415 V happens and the main load catered through this CSS is the operation of Automatic Waste Collection System and the Sewage Treatment plant.

The Single line diagram for MMR (Meet Me Room) CSS (33 kV CSS No.5) and Block-46 CSS (33 kV CSS No.5) is shown below:



FEEDER DESCRIPTION	TO MMR building	Utility tunnel B-13	Spare	Spare	Spare	Spare	Road-5c MSP
DEMAND LOAD							
MAXIMUM DEMAND							
CABLE SIZE	1.1kV 300 Sqmm 3.5 C AL 4 XLPE CABLE (2Run)	1.1kV 300 Sqmm 3.5 C AL 4 XLPE CABLE					1.1kV 300 Sqmm 3.5 C AL 4 XLPE CABLE



FEEDER DESCRIPTION	TO SOBHA DEVLOP.	Spare	Spare	Block-47 FSP	Spare	Spare	Spare	Spare
DEMAND LOAD								
MAXIMUM DEMAND								
CABLE SIZE	1.1kV 300 Sqmm 3.5 C AL 4 XLPE CABLE			1.1kV 300 Sqmm 3.5 C AL 4 XLPE CABLE				

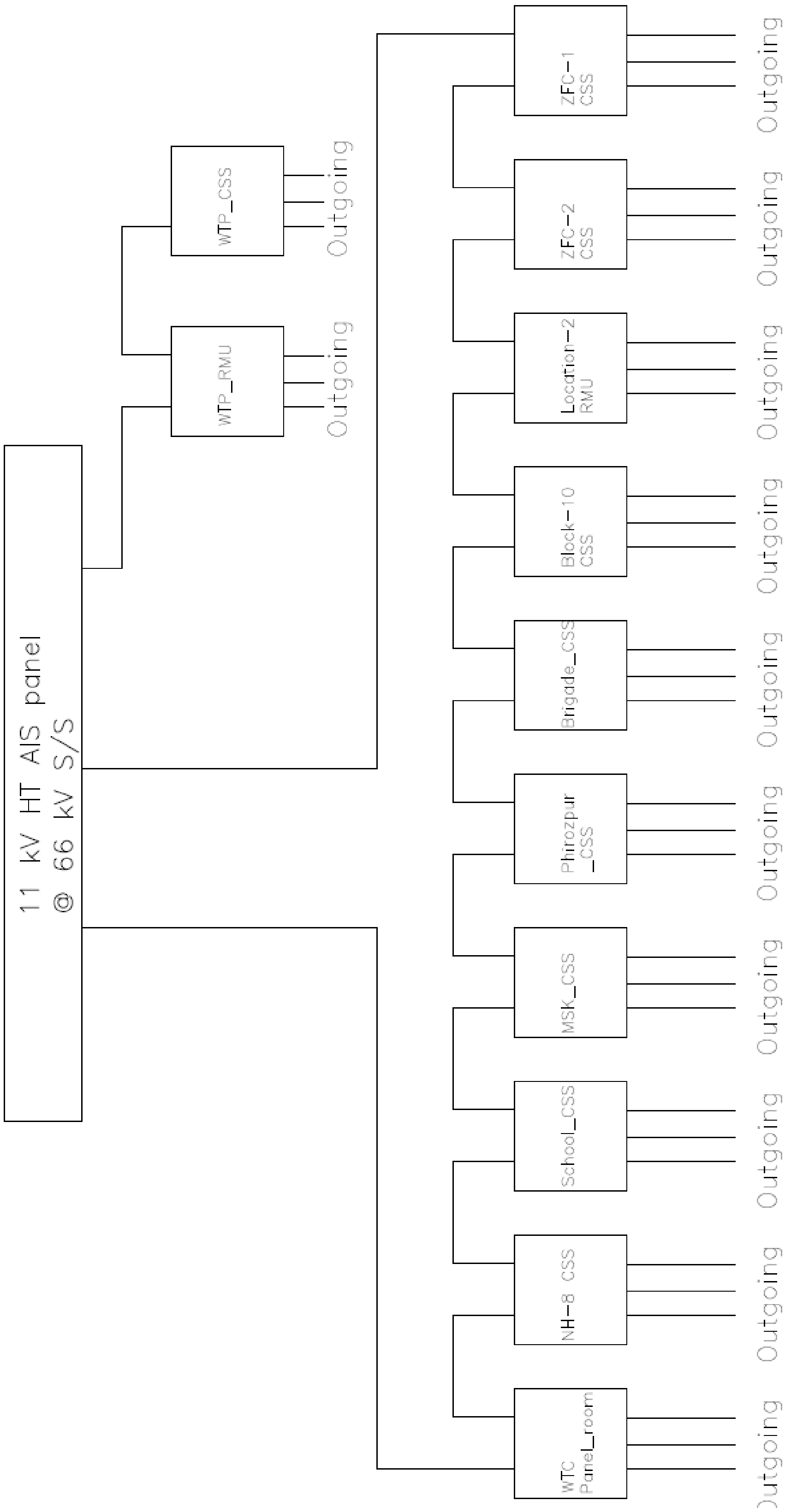
As seen from the Single line diagram for MMR CSS, transformation from 33kV voltage level to 415 V happens and mainly the supply goes to MMR Building, the Utility tunnels and the MSPs.

As seen from the Single line diagram for Block-46 CSS, transformation from 33kV voltage level to 415 V happens and supply goes to Sobha Developers and Block-47 FSP.

Thus, as seen the 33 kV CSS step down the voltage from 33 kV to 415 V and this along with the 11 kV CSS form a ring network in the GIFT area thereby catering the power demand. The major consumers catered by the 33 kV CSS are Sewage Treatment plant (STP), Automatic Waste Collection System (ACWS) , Data Centre, World Trade Centre (WTC), Meet Me Room (MMR), Fire Station. Other higher loads pertain to the District cooling system, Water Treatment Plant, GIFT-1 and 2, lighting loads for Utility Tunnel, landscape Lighting etc.

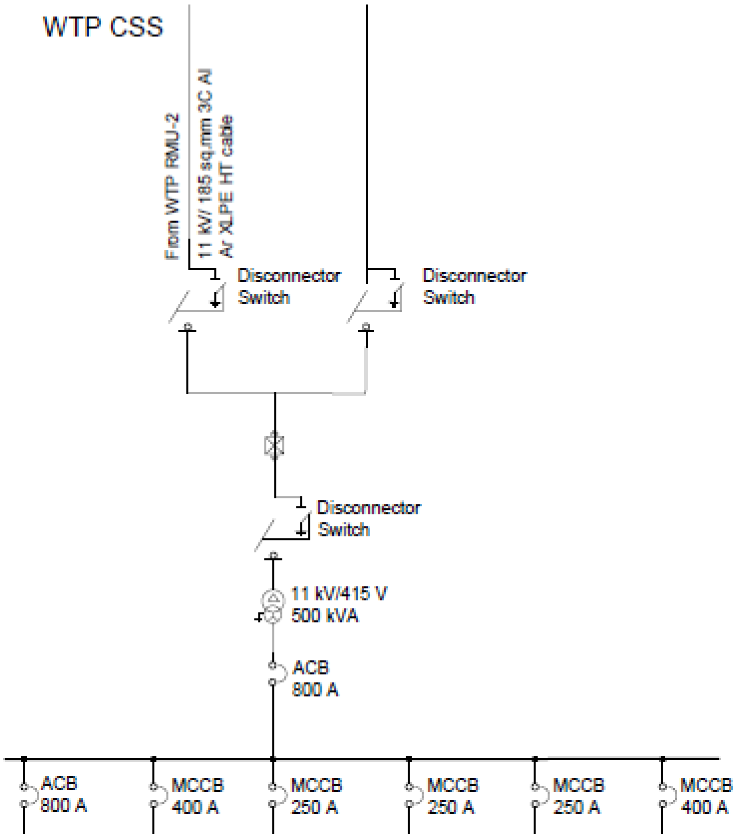
Apart from this 33kV network, GIFT PCL has also developed underground 11 kV network comprising of 8 nos.of 11 kV CSS thereby forming a ring network. The 11 kV network is further explained in the below sections.

The 11 kV ring network is shown below:

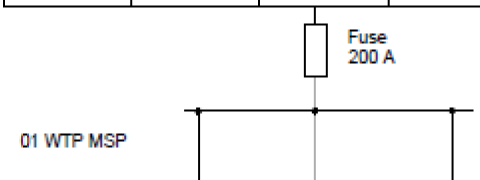


From the 33 kV HT Panel of the 66 kV substation, transformation happens from 33 kV voltage level to 11 kV voltage level in the 11 kV AIS control room, wherein 11 kV feeders emanate and go to World Trade Centre RMU, Water Treatment plant and the Zonal Facility Centre (ZFC) CSS. These feeders again go to 8 nos. of 11 kV CSS viz. NH-8 CSS, School CSS, Firozpur CSS, Brigade CSS, Block-10 CSS, ZFC CSS-1, ZFC CSS-2 and WTP CSS which step down the voltage to 415 V. The major load catered by the 11 kV CSS is the construction works and the lighting loads of the area surrounding the CSS.

The single line diagram of WTP (Water Treatment Plant) CSS (11kV CSS no.1) is shown below:



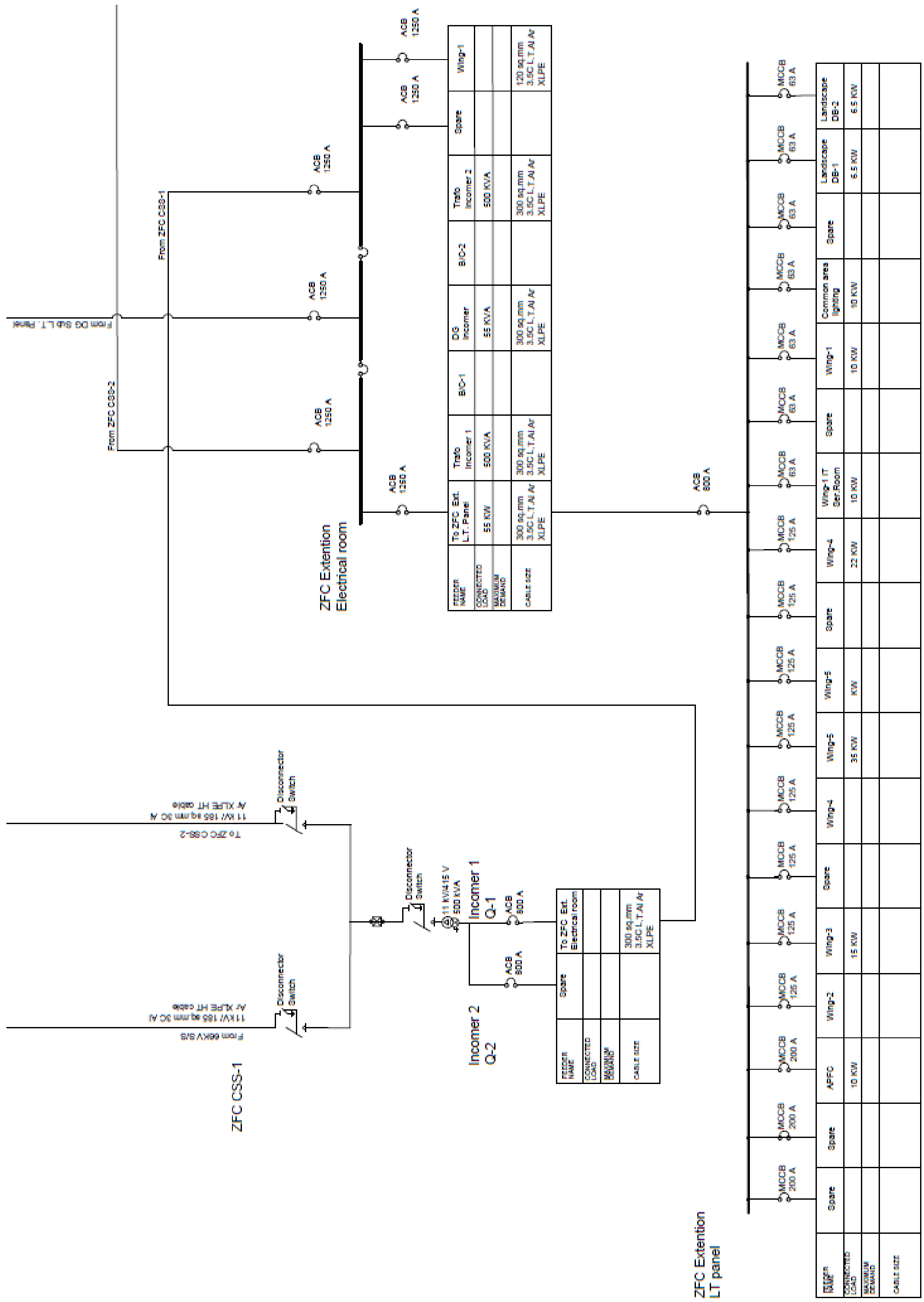
FEEDER NAME	WTP Plant	WTP MSP	Spare	Zone-5 WTP RMU panel	Spare	Spare
CONNECTED LOAD	90 KW			32 KW		
MAXIMUM DEMAND						
CABLE SIZE	300 sq.mm 3.5C L.T.Al Ar XLPE	120 sq.mm 3.5C L.T.Al Ar XLPE		300 sq.mm 3.5C L.T.Al Ar XLPE		



FEEDER NAME	WTP pump	WTP circle Highmast	Street Light	WTP Borewell
CONNECTED LOAD	KW	7 KW	6 KW	40 KW
MAXIMUM DEMAND				
CABLE SIZE	25 sq.mm 3.5C L.T.Al Ar XLPE	70 sq.mm 3.5C L.T.Al Ar XLPE	95 sq.mm 3.5C L.T.Al Ar XLPE	50 sq.mm 3.5C L.T.Al Ar XLPE

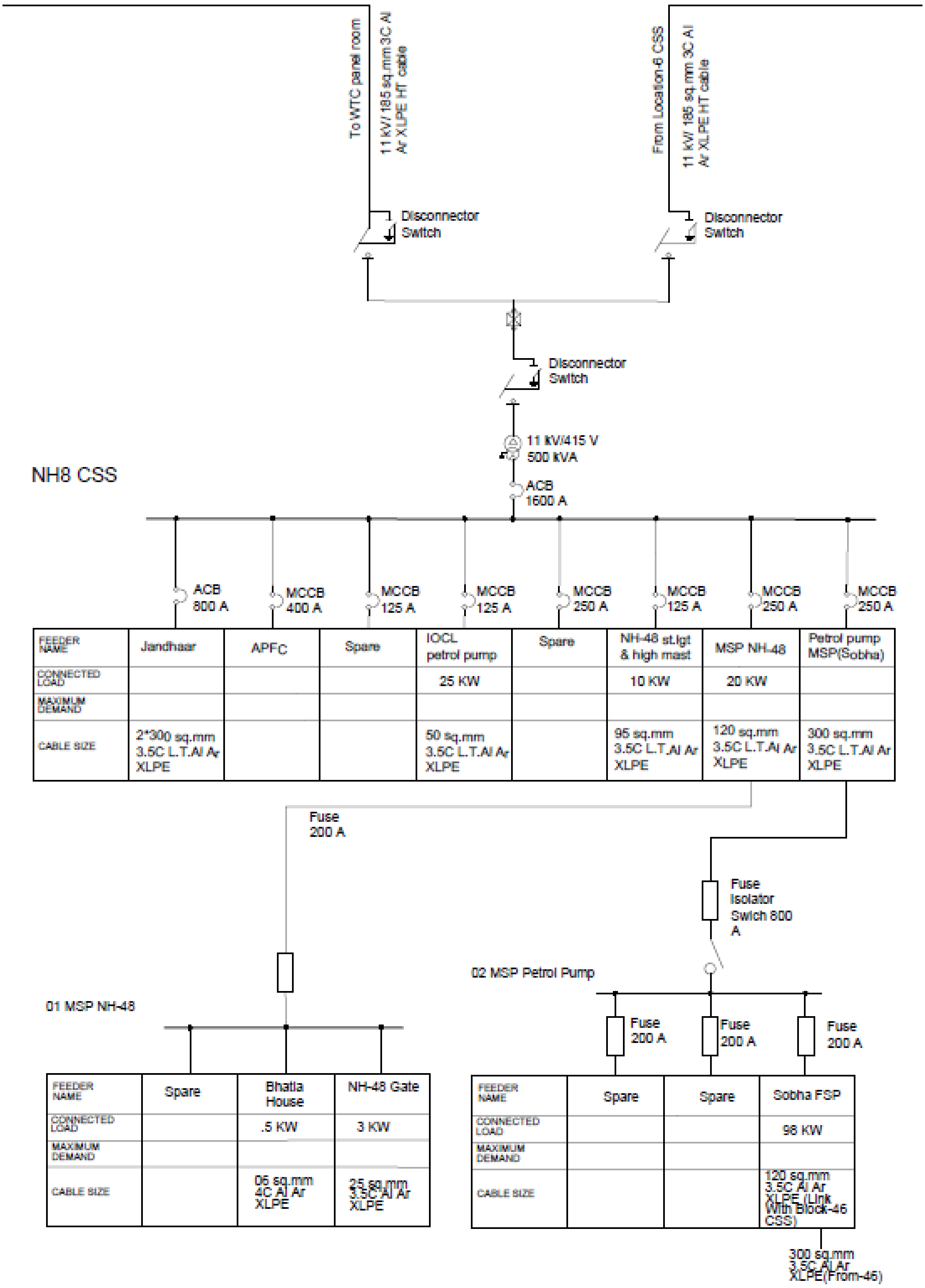
As shown in the figure, transformation from 11 kV to 415 V happens and the primary loads catered are WTP Plant, WTP MSP and Zone-5 WTP RMU Panel. The WTP MSP further caters to WTP Pump, High mast, Street Light and WTP Borewell.

The single line diagram for ZFC-1 CSS (11 kV CSS no.2) is shown below:



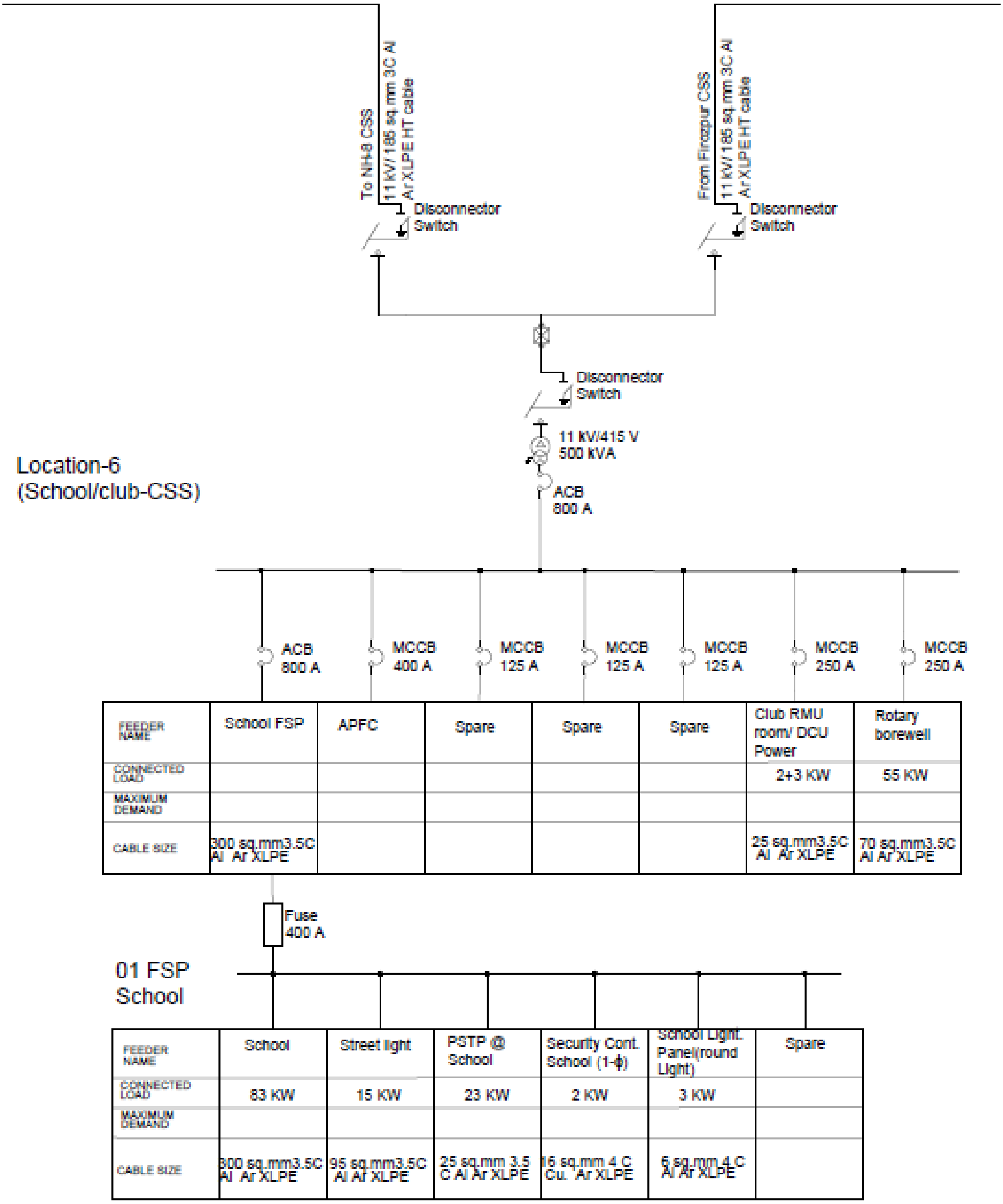
As shown in the figure, transformation from 11 kV voltage to 415 V happens and it goes to the Electrical Room. The Electrical room caters to the electrical LT panel and the DG set incomers. From the Electrical LT Panel the supply goes to APFC, various wings of ZFC, Common lighting area and Landscape Lightings.

The single line diagram for NH-8 CSS (11kV CSS no.3) is shown below:



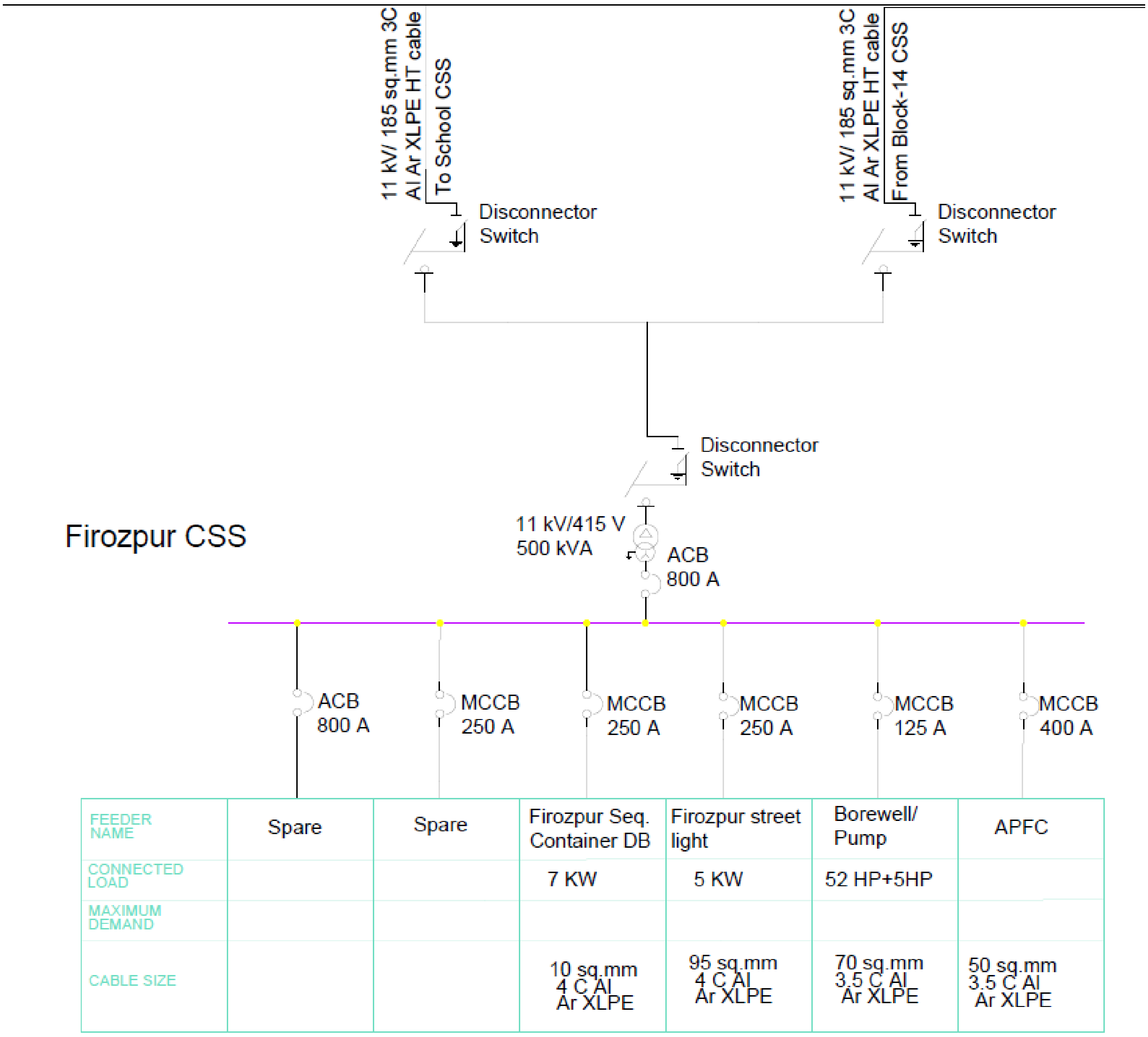
As shown in the figure, transformation from 11 kV voltage to 415 V happens and the major loads catered are Janadhar Buildings, IOCL Petrol pump, NH-48 High mast, NH-48 MSP and Petrol pump MSP. From the NH-48 MSP, load is further catered to Bhatia House and NH-48 Gate. From the Petrol pump MSP, load is further catered to Sobha FSP.

The single line diagram for Location-6 CSS (11 kV CSS no.4) is shown below:



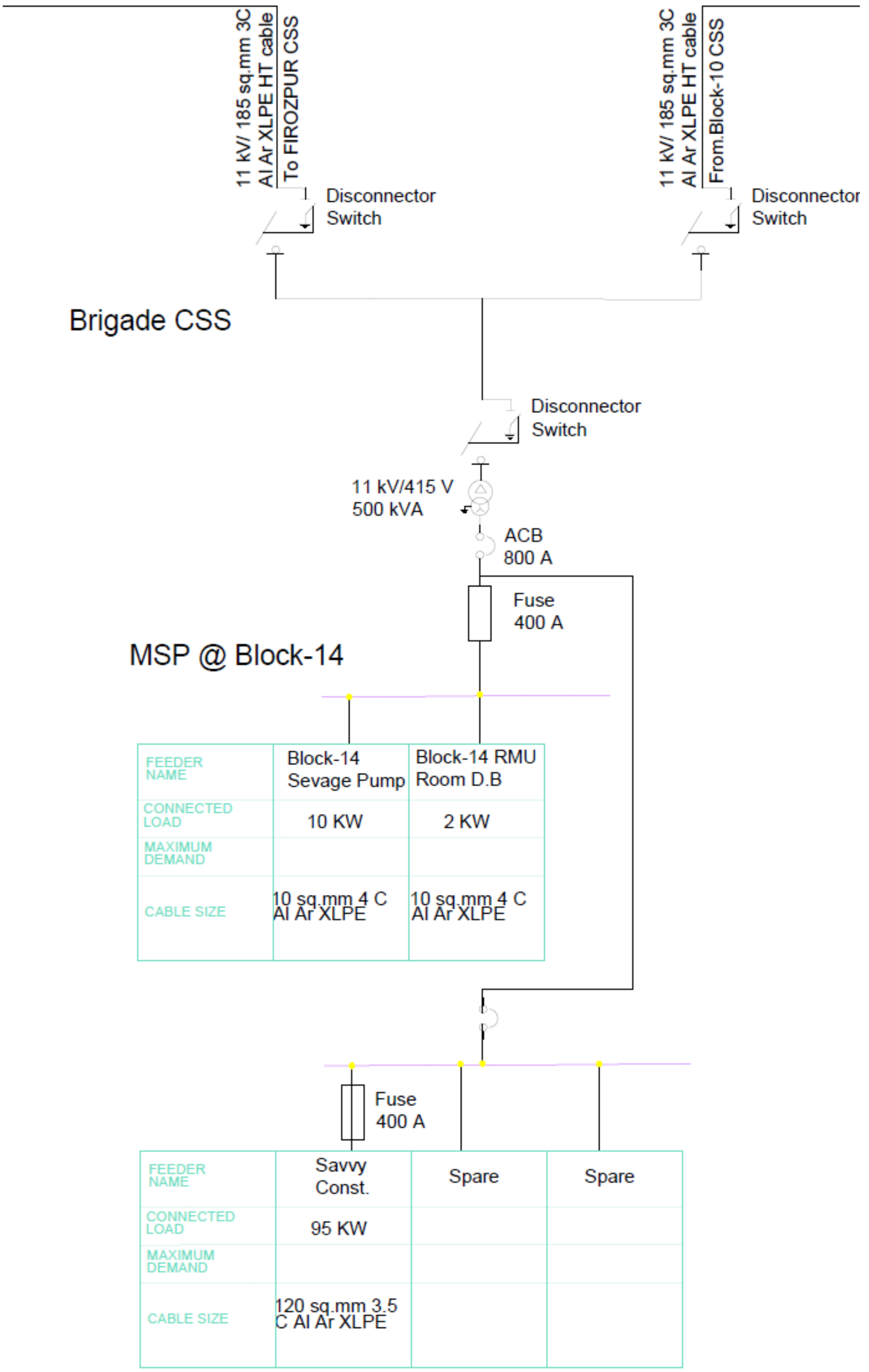
As shown in the figure, transformation from 11 kV voltage to 415 V happens and the main load catered is of School FSP, Club RMU Room and the Rotary borewell. Further from the School FSP load is distributed to the school, street lights, security cabins, and the School Light panels.

The single line diagram for Firozpur CSS (11 kV CSS no.5) is shown below:



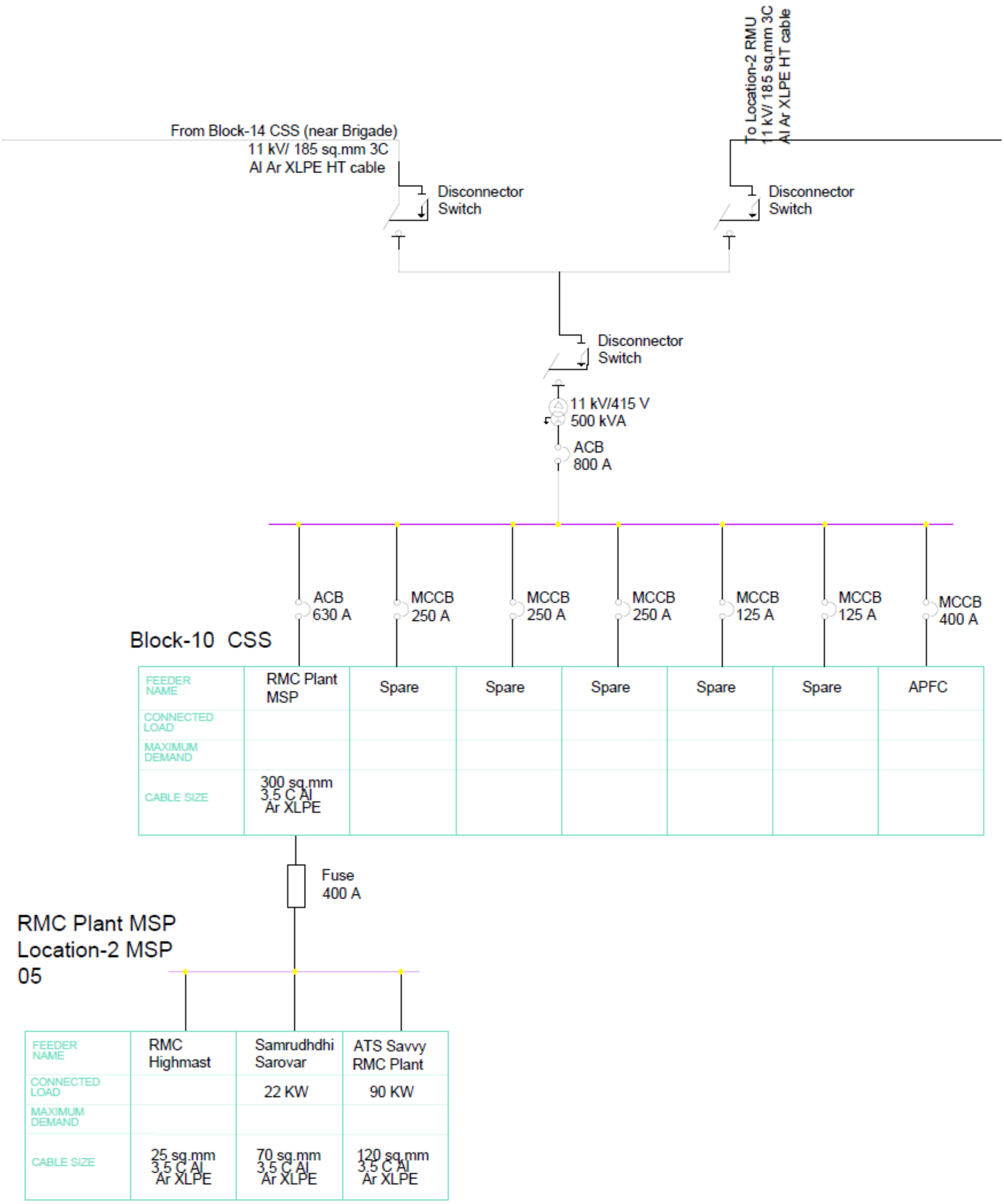
As shown in the figure, transformation from 11 kV voltage to 415 V happens and the main loads catered are Firozpur Container, Firozpur Street light and the Borewell pumps.

The single line diagram for Brigade CSS (11kV CSS No.6) is shown below:



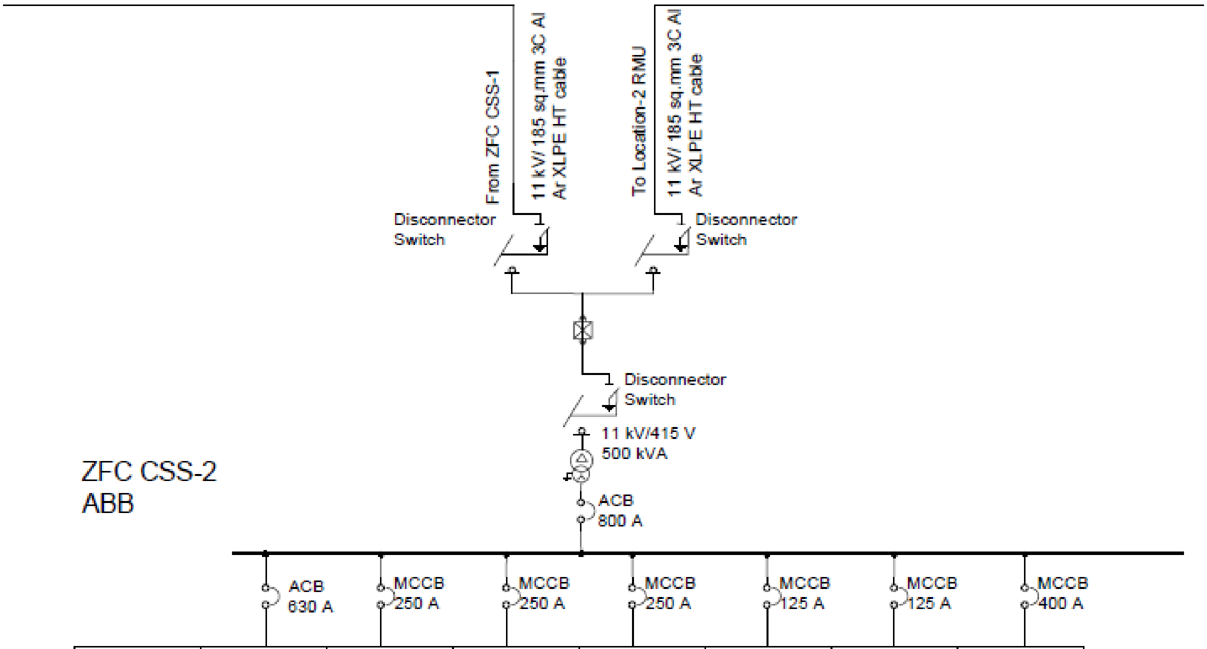
As shown in the figure, transformation from 11 kV voltage to 415 V happens and it goes to the Block-14 MSP and the main load catered is Block-14 Sewage pump and Block-14 RMU room distribution board. From the distribution board major load is catered to Savvy Construction.

The single line diagram of Block-10 CSS (11 kV CSS No.7) is shown below:



As shown in the figure, transformation from 11 kV voltage to 415 V happens and the major load is of RMC Plant MSP. From the MSP, the load gets distributed to High mast, Samruddhi Sarovar and ATS Savvy RMC plant.

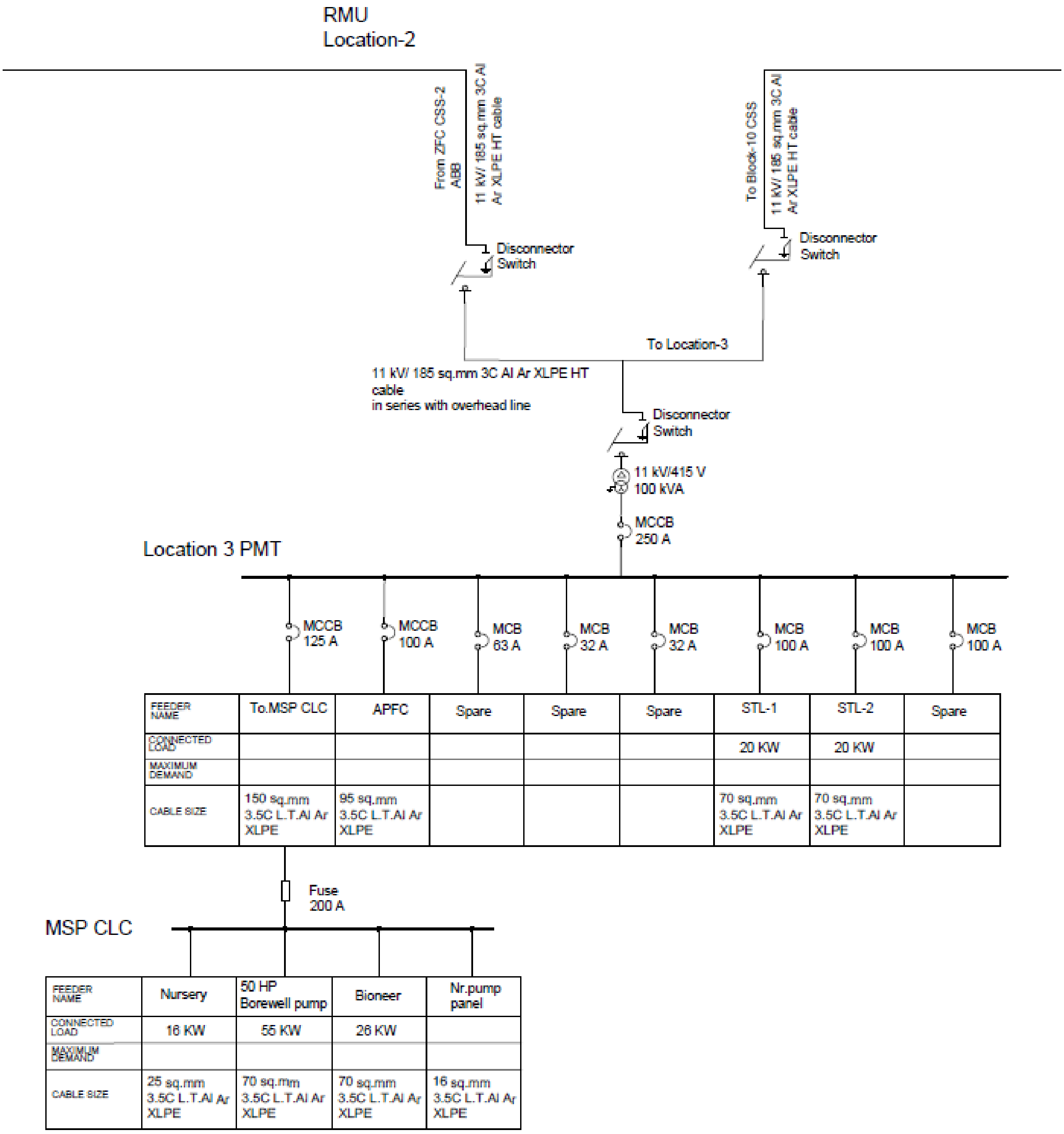
The single line diagram for ZFC-2 CSS (11 kV CSS No.8) is shown below:



FEEDER NAME	To ZFC Ext. Electrical room	Spare	Spare	Spare	Spare	Spare	APFC
CONNECTED LOAD	500 KVA						
MAXIMUM DEMAND							
CABLE SIZE	300 sq.mm 3.5C L.T.Al Ar XLPE						

As shown in the figure, transformation from 11 kV voltage to 415 V happens and the main load catered is the ZFC Electrical room.

The single line diagram for Location 3 PMT (Pole Mounted Transformer) is shown below:



FEEDER NAME	To.MSP CLC	APFC	Spare	Spare	Spare	STL-1	STL-2	Spare
CONNECTED LOAD						20 KW	20 KW	
MAXIMUM DEMAND								
CABLE SIZE	150 sq.mm 3.5C L.T.Al Ar XLPE	95 sq.mm 3.5C L.T.Al Ar XLPE				70 sq.mm 3.5C L.T.Al Ar XLPE	70 sq.mm 3.5C L.T.Al Ar XLPE	

FEEDER NAME	Nursery	50 HP Borewell pump	Bioneer	Nr.pump panel
CONNECTED LOAD	16 KW	55 KW	26 KW	
MAXIMUM DEMAND				
CABLE SIZE	25 sq.mm 3.5C L.T.Al Ar XLPE	70 sq.mm 3.5C L.T.Al Ar XLPE	70 sq.mm 3.5C L.T.Al Ar XLPE	16 sq.mm 3.5C L.T.Al Ar XLPE

As shown in the figure, transformation from 11 kV to 415 V happens and the main load catered is MSP CLC and Streetlights. Further from the MSP CLC, the load gets distributed to Nursery, Borewell Pump, Bioneer and the Pump panel.

Thus, this was the overall 33 kV and the 11 kV distribution network forming a ring structure.

As per the details furnished by GIFT PCL vide email dated 01.08.2020, the total cable length for 66 kV network is 3.75 kms, 33 kV network is 26 kms (in total, till FY 2019-20) in length and 11kV network is in 15.29 kms in length on record. Further, the cable length, maximum load and number of consumers on 33 kV and 11 kV CSS as submitted by GIFT PCL on record is shown below:

33 KV CSS Details				
Sr. No.	**CSS Location**	**Cable Length (in KMs)**	**Maximum Demand (in KW)**	**Consumers**
1	DCS CSS	0.832	570	21
2	STP CSS 1	0.010	680	16
3	STP CSS 2	1.187	453	9
4	BLOCK-46 CSS	0.976	715	318
Total		**3.01**	**2,418**	**364**

11 KV CSS Details				
Sr. No.	**CSS Location**	**Cable Length (in KMs)**	**Maximum Demand (in KW)**	**Consumers**
1	WTP CSS	0.186	130	3
2	Block-10 CSS	0.930	155	5
3	BRIGADE CSS	1.228	140	4
4	SCHOOL CSS	1.901	230	10
5	NH 48 CSS	1.456	325	21
6	FIROZPUR CSS	1.612	69	4
7	ZFC-1 CSS	1.232	158	6
8	ZFC-2 CSS	2.511	175	9

11 KV CSS Details				
Sr. No.	**CSS Location**	**Cable Length (in KMs)**	**Maximum Demand (in KW)**	**Consumers**
9	WTP RMU	0.493	90	1
10	WTC Panel Room	0.705	100	1
11	MSK Panel Room	0.771	130	1
12	Location - 3	2.260	117	4
Total		**15.29**	**1,819**	**62**

It is seen from the above table that GIFT PCL has developed distribution network of two voltage class (33 and 11 KV) in its license area. The maximum load and the number of consumers is catered by the 33 kV network and 11 kV network of 15.29 KMs usually caters to temporary construction work arrangements and the lighting loads of surrounding areas.

3.3 Prudence Check of Capital Investment:

The distribution licensees are required to make capital investment for various purposes such as capacity growth, system augmentation, network expansion, infrastructure to meet load growth, statutory requirements, metering system, consumer services, collection efficiency, quality and reliability of supply etc. Any such capital investment increases the capital base and hence, the reasonable return which consequently have an impact on the tariff to the consumers.

The licensees are required to identify the areas that need capital investment and also ensure that such capital investments are necessary, justified and do not impose an unnecessary burden on consumers by way of tariff. As capital investment has a direct correlation with the fixed charges to be recoverable through tariff, the Commission always endeavours to allow capital investment after necessary prudence check.

The licensees shall adopt an objective driven approach for capex planning and should set clear long term, medium term and short-term objectives and categorize capital investment schemes based on the objectives that the schemes tend to achieve.

While performing the prudence check of the capital investments, the Commission has tried to adhere to the following points:

- Reasonableness of the investment
- Need for investment
- Assets in use or not
- Work Order Details
- Transparent Vendor Selection process
- Use of the same assets in other businesses or for an exclusive consumer

In order to ascertain the same, the Commission has physically verified each and every capital investment made by GIFT PCL in its network area from FY 2013-14 to FY 2018-19. During the process the Commission has observed that most of the network developed by GIFT PCL is in anticipation of the load growth, which evidently has not happened as envisaged.

It is appreciated that power infrastructure is ready for providing power for existing and ongoing projects at substation level and only last mile connectivity of buildings is required for the upcoming years but at the same time the investments incurred should have been done in a more calibrated and a pragmatic manner to avoid unnecessary burden on the consumers. The increase in asset base of a distribution licensee mainly happens due to the increase in scale of distribution network operation which is due to increase in network length, load handling capacity and the increase in number of consumers served but the same is not reflected in case of GIFT PCL as elaborated in detail in Chapter-4. GIFT PCL has merely done augmentation of their network by envisaging future development of GIFT City area without proper planning and execution.

The Commission has also gone through the mechanism of tendering process followed by GIFT PCL which was mainly through:

- International Competitive Bidding: Generally adopted where the supplies need import and foreign firms are expected to participate.
- National Competitive Bidding: Normally used for public procurement throughout the country.
- Limited Bidding: It is National Competitive Bidding but by direct invitation and without open advertisement.

- Short term Limited Bidding: It is similar to Limited Bidding and is used where the work is scheduled to be completed within 1 year and floating of bid document is not required.
- Single Source Selection/Direct Contracting: Generally adopted when the equipment required is proprietary in nature or where only a particular firm is the manufacturer of the articles demanded or in case of extreme emergency.

Further it is also found that, National Competitive Bidding is being carried out for works such as Substation erection, Augmentation of the Substation etc. wherein vendors like Blue Star, Sterling and Wilson have emerged as successful bidders. For the procurement of cables, O&M works; local Bidding has been conducted wherein Diamond Cables, KEI Cables, Rajesh Power have emerged as successful bidders. Procurement of meters is mainly done through Single Source Selection wherein L&T, Secure Meters have emerged as successful bidders. The Commission also verified the Work orders and tendering documents of the procurement of assets. The procurement manual and Delegation of Powers to the officials of GIFT PCL has also been checked with the assets mentioned in the Fixed Asset Register during the physical verification of assets.

Further, it is observed that GIFT PCL has done back-up arrangements in the form of DG sets for select HT consumers. GIFT PCL has also made arrangements for dedicated express feeders and back-up arrangement for consumers like InfiBeam, NSE and BSE. In order to ensure continuous power supply to Infibeam, as it houses a Tier-4 Data centre, back-up Power to Infibeam has been arranged through a dedicated 33 kV Feeder from the substation. As both NSE and BSE are Indian exchanges, continuous and reliable power supply is must so backup power has been arranged for them as well. For NSE (National Stock Exchange), a dedicated feeder has been arranged through RMU room of Block-14 and also a back-up DG set of 1010 kVA capacity has been arranged for the same. For BSE (Bombay Stock Exchange), a DG set of 750 kVA has been arranged as a back-up power arrangement. Apart from the same, one DG set of 2.75 MVA capacity and two DG sets of 1500 kVA each have been arranged as a back-up arrangement for other HT consumers like Volupia- Hiranandani, GIFT-1, GIFT-2, ATS Savvy for their common lighting loads, lifts and firefighting arrangements. The detailed analysis for asset base formation is discussed in Chapter-4.

4. Stand-alone Revenue Gap/(Surplus) for FY 2013-14 to FY 2017-18

4.1 Introduction

This Chapter deals with the details of Stand-alone Revenue Gap/Surplus of GIFT PCL for FY 2013-14 to FY 2017-18

The Commission has analysed each of the components of the Aggregate Revenue Requirement (ARR) for FY 2013-14 to FY 2017-18 in the following paragraphs.

Petitioner's Submission

GIFT PCL has started the distribution business and is operational since June 2013. The Petitioner had not submitted any Petition prior to FY 2018-19 and no Orders were issued by the Commission for the period from FY 2013-14 to FY 2017-18. Therefore, the Petitioner relies on the actual financial information, as reflected in the audited books of account of the Petitioner. The Petitioner has submitted the expenditure and revenue figures from the audited books of account for kind consideration of the Commission.

As the consumer growth was initially slow, the revenue realization remained low. The Petitioner requests the Commission to approve the revenue Gap carried over during the power distribution business period starting from FY 2013-14 to FY 2017-18 wherein no formal Petitions were filed by GIFT PCL and treat it as regulatory asset and finalize appropriate holding cost as per the provisions under the MYT framework. This Regulatory Gap is proposed to be met through appropriate Regulatory Charge.

Commission's View

We note that the Petitioner had applied for exemption in filing ARR and tariff Petition to the Commission along with the request to adopt the UGVCL's tariff for retail supply in its GIFT City area for the period from FY 2014-15 to FY 2017-18, due to a small consumer base and underdevelopment of GIFT City infrastructure. The Commission considering the request of GIFT PCL, had approved the UGVCL's tariff for the consumers of GIFT PCL for four years from FY 2014-15 to FY 2017-18.

The Commission has analysed the components of the ARR for the period from FY 2013-14 to FY 2017-18 and formed the base values for FY 2018-19 in the subsequent sections.

4.2 Energy Sales

Petitioner's Submission

The Petitioner has not submitted any details of Energy Sales for the period from FY 2013-14 to FY 2017-18.In response to Commission's query regarding details of Energy Sales for the period of FY 2013-14 to FY 2017-18, the Petitioner submitted the same vide its email dated 29th February 2020 as shown below:

Table 4-1: Energy Sales as submitted by GIFT PCL for FY 2014-15 to FY 2017-18

(MUs)

Sr.No.	Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1	RGP	-	-	-	-
2	Non-RGP	0.22	0.25	0.47	0.71
3	GLP	-	0.09	0.13	0.17
4	LTMD	0.35	1.00	1.96	2.53
5	HTP-I	2.18	3.95	4.51	9.23
6	HTP-III	0.44	0.34	0.43	0.36
7	LT-Temporary	0.60	0.31	0.68	1.10
8	Street Light	0.24	0.38	0.34	0.39
9	**Total**	**4.03**	**6.33**	**8.52**	**14.50**

Commission's View

The Commission has verified the Energy Sales for the period from FY 2014-15 to FY 2017-18 submitted by the Petitioner with the details of sale of energy as submitted in the monthly return under Form A specified in Rule 6(1) (A) with the Office of Chief Electrical Inspector and Collector of Electricity Duty and found the same to be in Order. However, the petitioner submitted that the sales for FY 2013-14 were very low and Form-A submitted with the Office of Chief Electrical Inspector and Collector of Electricity Duty is not available. In view of the above, the Commission is unable to verify the details of FY 2013-14. The Commission therefore approves the sales as submitted by GIFT PCL for FY 2014-15 to FY 2017-18.

4.3 Power Purchase Cost

Petitioner's Submission

The Petitioner has submitted that it was purchasing power from UGVCL as a consumer for the period from FY 2013-14 to FY 2017-18.The Petitioner has submitted the Power

Purchase Cost and Quantum for FY 2013-14 to FY 2017-18 vide its letter dated 04th February 2020 as shown below:

Table 4-2: Power Purchase Cost as submitted by GIFT PCL for FY 2013-14 to FY 2017-18

Sources	Power purchase quantum (MUs)					Power purchase cost (Rs. Crore)				
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Source 1 (UGVL)	3.41	4.02	6.73	9.15	16.12	2.19	3.29	6.18	7.70	13.03

Commission's View

GIFT PCL has submitted that it required small quantum of power initially and therefore it would not have been feasible for the Petitioner initially to go for long-term competitive bidding as the generators may not respond for such a small quantum of power. Thus, the Petitioner had procured power from UGVCL as a HT consumer for meeting its requirement.

In response to Commission's query, the Petitioner has submitted the power purchase invoices of UGVCL for the period from FY 2013-14 to FY 2017-18. The Petitioner also submitted that power purchase invoices for FY 2013-14 are not available as GIFT PCL had started business from June-2013 only and the quantum of business in FY 2013-14 was very low. Therefore, we note that the power purchase cost for FY 2013-14 is not verifiable. The Commission has duly verified the power purchase cost with the UGVCL bills vis-a-vis the audited accounts and found certain discrepancies in the values as submitted by the Petitioner. The Petitioner clarified that the discrepancies are due to overlapping billing cycle of UGVCL as it has been procuring power as a HT consumer while the amount in the audited Accounts is as on 31st March of each year. The Commission has noted the same and approves the power purchase cost from FY 2014-15 to FY 2017-18 as per the actual UGVCL bills and for FY 2013-14 the Commission has considered the values as reflected in the audited Accounts.

Table 4-3: Power Purchase Cost recognized by the Commission for FY 2014-15 to FY 2017-18

Sources	Power purchase quantum (MUs)					Power purchase cost (Rs. Crore)				
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Source 1 (UGVL)	3.41	4.18	6.73	9.15	16.12	2.19	3.39	6.18	7.70	13.03

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4.4 Capital Expenditure and Capitalisation

Petitioner's Submission

GIFT PCL vide its maiden ARR and Tariff Petition for FY 2018-19, submitted that in order to ensure unrestricted power flow across in its GIFT City license area and maintain an efficient distribution system, GIFT PCL had spent significant amount of capital expenditure for construction of network and sub-stations for the period from FY 2013-14 to FY 2017-18.

Commission's View

GIFT PCL has started its operations in the year 2013. Since then it is in the process of developing the network, the Petitioner has to provide the infrastructure in the licence area to meet the demand of its consumers. The network has to be developed in a planned manner to meet the demand as and when it comes up. Also, the capital investments are necessary for ensuring reliable and quality power availability to its customers in the licence area.

The Commission notes that GIFT PCL has submitted the actual capitalisation of Rs. 74.05 Crore from FY 2013-14 to FY 2017-18. The Commission also notes that GIFT PCL, in reply to the Commission's query, has submitted the details of loading of substations, Distribution line length and key lines vide email dated 01st August 2020. Based on the capitalization, GIFT PCL has submitted that its network comprises of 21.67 Ckt-Km of 33 kV and 15.29 Ckt-Km of 11 kV till FY 2018-19 along with 2 Nos. of 66/33 kV Receiving substations of 60 MVA capacity, 6 Nos. of 33 kV Compact Substations and 8 Nos. of 11kV Compact Substations. Apart from the above, the Petitioner has also set up DG sets of different capacities.

The Commission has scrutinised the asset register of GIFT PCL received vide E-mail dated 29th February, 2020, which comprises 465 Nos of line items. The details of the major capital expenditure incurred by GIFT PCL from FY 2013-14 to FY 2018-19 is shown below:

Table 4-4: Major Works undertaken by GIFT PCL from FY 2013-14 to FY 2018-19

Major Works	Completion Year	Cost (Rs. Crore)
66 kV Incoming Substation (20 MVA)Work	FY 2014-15	17.74
33 kV Switchgear room (Q-Block, STP, WTP)	FY 2014-15	4.26

Major Works	Completion Year	Cost (Rs. Crore)
EPS Control Room	FY 2014-15	3.86
Compact Substation Works	FY 2015-16	2.50
Mechanical and Electrical Planning work	FY 2015-16	2.28
33 kV Switchgear- Data Centre	FY 2016-17	3.25
Commissioning of 2.75 MVA DG Set	FY 2016-17	4.55
Utility Tunnel Works	FY 2016-17	3.07
Power Supply arrangement for Second Source	FY 2017-18	13.56
Augmentation of Substation (20MVA to 60 MVA)	FY 2018-19	26.28
Backup Supply to INFIBEAM	FY 2018-19	3.02
Power Supply arrangement for SEZ area	FY 2018-19	6.10
Commissioning of 33 kV CSS	FY 2018-19	2.00
Backup supply to SEZ area	FY 2018-19	2.06
Total		**94.54**

The Commission notes that Regulation 34 of the GERC (MYT) Regulations, 2016 specifies that assets, which have been part of the project but have not been *put to use* will not be considered for capitalisation. In reply to the additional details sought by the Commission, GIFT PCL has submitted the Certificates of Chief Electrical Inspector (CEI). However, the Commission understands that Certificate of Chief Electrical Inspector provides for safety norms. Moreover, it is also clear that assets cannot be put to use before certification of CEI. Hence, Certificate of CEI is considered as one of the milestones for asset to be *put to use*. The Commission has verified all the assets physically that are shown in the asset register along with the respective Certificates of CEI.

During physical verification it has been observed that GIFT PCL has done back-up arrangements in the form of DG sets for select HT consumers for their common lighting load. GIFT PCL has also made arrangements for dedicated express feeders and back-up for consumers like InfiBeam, NSE and BSE. Back-up Power to Infibeam has been arranged through a dedicated 33 kV Feeder from the substation, for NSE, a dedicated feeder has been arranged through RMU room of Block-14 and also a back-up DG set of 1010 kVA capacity has been arranged for the same. For BSE, a DG set of 750 kVA has been arranged as a back-up power arrangement. Apart from the same, one DG set of 2.75 MVA capacity and two DG sets of 1500 kVA each have been arranged as a back-up arrangement for HT consumers like Volupia- Hiranandani, GIFT-1, GIFT-2, ATS Savvy and their common lighting load like lifts and firefighting arrangements.

As per the GERC Supply Code Regulations, any consumer asking for such dedicated capacity is liable to pay the service connection charges. Such charges and SLC are then deducted from the capitalised assets in order to derive at the net capitalisation. This is done to ensure that the expenses pertaining to such consumers are not loaded on the other consumers of the licensees. It is noted that from FY 2013-14 to FY 2017-18, a total of 1.49 Crores has been collected under the head of Service Line Contributions and the Commission has scrutinised the same. About backup arrangement for BSE, GIFT PCL clarified that the same has been inadvertently not included in the asset register and thus there has been no claim for the same. With regards to the back-up arrangement of GIFT City, GIFT PCL clarified that DG sets of cumulative capacity of 5.85 MVA (one 2.75 MVA , two 1.5 MVA DG sets and one 100 KVA) have been arranged at one go so that they could avoid the costs of repeatedly procuring DG sets of smaller capacity. Out of these, two DG sets of 1500 kVA capacity each are not the assets of GIFT PCL and have not been included in the asset register but the cost of allied activities like cables, etc. have been included. One DG set of capacity 100 KVA was commissioned by GIFT PCL in 2012 in order to arrange power for development of the network in the area. For the DG set of capacity 2.75 MVA, GIFT PCL clarified that it would be recovering service connection charges as and when the consumer avails the facility for back up. Thus, the Commission in order to ensure that the burden of the same does not get loaded on the consumers feels fit to not consider the amount pertaining to such DG sets for capitalisation in the present Petition and has accordingly deducted it while deriving at the Capitalisation till FY 2017-18 and consequently for FY 2018-19.

Table 4-5: Details of Work-wise capitalisation disallowed by the Commission (Rs. Crore)

Sr. No	Particulars	Year	Actual Cost
	DG Sets		
1	100 KVA DG Set	FY 2012-13	0.08
2	2.75 MVA DG Set	FY 2016-17	4.55
3	Allied Activities for DG sets	FY 2015-16	0.36
	Sub-total (A)		**4.99**
	Distribution Lines (Express Feeder)		

Sr. No	Particulars	Year	Actual Cost
1	Infibeam Backup Express Feeder*	FY 2018-19	3.02
	Sub-total (B)		**3.02**
	Grand Total (A+B)		**8.01**

**Detailed Discussion on Infibeam Backup Express Feeder is given in Chapter-5, Truing-up for FY 2018-19*

The capitalisation details arrived at from FY 2012-13 to FY 2017-18 after the deduction of the assets as shown above is shown below :

Table 4-6: Capitalisation details arrived at from FY 2012-13 to FY 2017-18

(Rs. Crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening GFA	-	4.83	6.27	34.09	45.05	54.63
Addition to GFA	4.91	1.44	27.82	11.31	14.12	14.45
GFA Disallowed	0.08	-	-	0.36	4.55	-
Deletion from GFA	-	-	-	-	-	-
Closing GFA	4.83	6.27	34.09	45.05	54.63	69.07
SLC Addition	0.17	-	0.52	-	0.41	0.39
Net Capitalisation	4.66	1.44	27.30	10.96	9.17	14.06

Further, it is observed in most cases that the respective assets are tremendously underutilized and in some cases, switching points for downstream network are not being charged on account of delays in execution of various ongoing and anticipated projects of its license area and its associated anticipated load. In such cases, it may be argued that delays on account of low execution of projects not on part of GIFT PCL. However, it is expected that distribution works are to be in co-ordination with the Projects and Planning Division of its holding company, GIFT City Company Limited (GIFT CL) so that there would be optimum utilisation of assets. In light of the foregoing analysis, the Commission, while undertaking prudence check, has also analysed GFA Utilization (Average GFA per unit sales) of GIFT PCL vis-à-vis other utilities, viz., TPL-Dahej, MUPL and UGVCL and TPL-Ahmedabad as shown in the table below:

Table 4-7: GFA per Unit Sales for Other Licensees for FY 2018-19

(Rs./Unit)

Particulars	TPL-D (A)	UGVCL	MUPL	TPL-Dahej	GIFT PCL
Average GFA (Rs. Crores)	5,646.64	6,699.07	101.43	164.38	95.39*

Particulars	TPL-D (A)	UGVCL	MUPL	TPL-Dahej	GIFT PCL
Sales (MUs)	7,835.27	22,399.71	299.61	426.15	17.67
GFA Per unit Sales	7.21	2.99	3.39	3.86	53.98

**As per annual accounts for FY 2018-19.*

Further, the details of Maximum power demand for the period from FY 2013-14 to FY 2018-19 as submitted by GIFT PCL vide its letter dated 4th February 2020 is shown below:

Table 4-8: Maximum power demand from FY 2013-14 to FY 2018-19

(MVA)

FY	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Max Demand of Power in MVA	0.5	0.5	1.6	2.7	4.2	6.14

From the above tables, the maximum load of GIFT PCL has reached at 6.14 MVA during the period from FY 2013-14 to FY 2018-19 against the total transformation capacity of 60 MVA, of which 40 MVA has been augmented in FY 2018-19, till FY 2017-18 the transformation capacity was at 20 MVA.

It is clearly evident that from the above tables, the asset utilisation of GIFT PCL are incomparable to other select licensees of the state and the assets put to use are also tremendously underutilised. The aspects like Reasonableness of Investment and Need for investment are therefore not justifiable against such huge up-front investments made by GIFT PCL.

Further, the Commission agrees to the fact that GIFT PCL has to create necessary infrastructure for power distribution, however these duties do not exempt the distribution licensee to bypass the approvals of the Commission and the applicable Regulations. Capital Expenditure and Capitalisation are governed by Regulation 19, 83 and 95 of the GERC (MYT) Regulations, 2011 and Regulation 19, 88 and 95 of the GERC (MYT) Regulations, 2016. The Relevant excerpts from the GERC (MYT) Regulations, 2016 are produced below:

"..19.3The capital investment plan shall show separately, on-going projects that will spill over into the Control Period, and new projects (along with justification) that will commence in the Control Period but may be completed within or beyond the Control Period. The Commission shall consider and approve the capital investment plan for which the Generating Company, Transmission Licensee, SLDC and Distribution

Licensee for the Distribution Wires Business and Retail Supply Business, may be required to provide relevant technical and commercial details."

"…88.1 The Distribution Licensee shall submit detailed capital investment plan, financing plan and physical targets for each year of the Control Period for meeting the requirement of load growth, reduction in distribution losses, improvement in quality of supply, reliability, etc., to the Commission for approval, as a part of the Multi-Year Aggregate Revenue Requirement for the entire Control Period.

88.2 The Distribution Licensee shall be required to ensure optimum investments to enhance efficiency, productivity and meet performance standards prescribed by the Commission."

…"95.1 The Distribution Licensee shall submit a detailed capital investment plan, financing plan and physical targets for each year of the Control Period for meeting the requirement of load growth, reduction in distribution losses, increase in collection efficiency, metering, consumer services, etc., to the Commission for approval, as a part of the Multi-Year Aggregate Revenue Requirement for the entire Control Period.

95.2 The Distribution Licensee shall be required to ensure optimum investments to enhance efficiency, productivity and meet performance standards prescribed by the Commission.

95.3 The Distribution licensee shall submit the Capital Investment Plan as specified in Chapter 2 of these Regulations."

Thus the MYT Regulations clearly specify that the licensee shall propose in their filings, a detailed capital investment plan, showing separately ongoing projects that will spill over into the Control Period and new projects (along with their justification) that will commence in the control period. The Commission had granted an exemption from filing of the petition; however, the licensee considering that such massive expenditure is to be incurred should have at least sought appropriate capital investment approvals from the Commission and there was even no intimation for the same. The capital investment plan comprises information showing the need for the proposed investments, alternatives considered, cost/benefit analysis. Also, the capital investment plan shall be based on the Load flow studies and in accordance with the requirements of the State Grid Code. Till date, no such information is shared by GIFT PCL with the Commission.

Additionally, during the prudence check process, the Commission has observed that GIFT PCL has created dual voltage networks which are underutilised. Apart from this, facility of DG sets has also been provided as a back-up arrangement. However, at the same time, the Commission feels the necessity of fair and just base values of assets in order to encourage efficiency, competition, economical use of resources, good performance and optimal investments, while safeguarding consumer interest as well as protecting financial health of the Utility.

In view of the above study and analysis, the Commission feels it appropriate to consider actual capitalization by applying an appropriate benchmarking for forming the base value for FY 2018-19. Accordingly, the Commission, with its considered view, feels appropriate to apply Average GFA Utilization i.e. Average of Net Capitalisation (Addition in GFA *minus* Deletion of GFA *minus* SLC) per unit incremental sales for the period from FY 2010-11 to FY 2018-19 of TPL-Dahej in forming asset base value for GIFT PCL as both the utilities almost carry similar characteristics in terms of Years of Operations, Consumer Mix, Type of Network etc. The Average GFA Utilisation for TPL-Dahej for the period from FY 2010-11 to FY 2018-19 come out to be Rs.6.25 per unit. The Commission has analysed the Net Capitalisation per unit incremental Sales of TPL-Dahej as shown below:

Table 4-9: Average GFA Utilisation for TPL-Dahej from FY 2010-11 to FY 2018-19

(Rs./Unit)

Particulars	**FY 2010-11**	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**
Incremental Sales (MUs)	32.25	23.45	10.78	18.58	59.78	62.14	35.12	69.76	114.29
Net Capitalisation (Rs. Crores)	5.66	45.96	4.48	49.28	2.7	2.29	4.49	13.68	1.93
Net cap per unit Incremental Sales (Rs./unit)	1.76	19.60	4.16	26.52	0.45	0.37	1.28	1.96	0.17
Average of Net Capitalisation per unit Incremental sales from FY 2010-11 to FY 2018-19 (Rs/Unit)									**6.25**

Similarly, the Commission has derived Average GFA Utilisation for GIFT PCL for the period from FY 2013-14 to FY 2018-19. In absence of verifiable energy sales of FY 2013-14, Commission has considered the power purchase quantum (3.41 MUs) as submitted by the Petitioner for FY 2013-14 and has applied actual distribution losses of 3.65% of FY 2014-15 to arrive at the sales of FY 2013-14. The net capitalisation per unit incremental Sales of GIFT PCL is also shown below:

Table 4-10: Average GFA Utilisation for GIFT PCL from FY 2010-11 to FY 2018-19

(Rs./Unit)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Incremental Sales (MUs)	3.29	0.75	2.30	2.19	5.98	3.17
Net Capitalisation (Rs. Crores)	1.44	27.30	10.96	9.17	14.06	34.98
Net cap per unit Incremental Sales (Rs/unit)	4.38	364.69	47.70	41.83	23.52	110.29
Average of Net Capitalisation per unit Incremental sales from FY 2013-14 to FY 2018-19 (Rs/Unit)						**98.74**

From the above table the Average GFA Utilisation for GIFT PCL comes out to be Rs.98.74 per unit, the Commission observes that the assets have been heavily loaded upfront by GIFT PCL to serve its consumers.

Therefore, the Commission has considered to apply the Average GFA utilisation of TPL-Dahej as derived above to the Sales of GIFT PCL from FY 2013-14 to FY 2017-18. Accordingly, the Commission has approved the Capitalisation details as shown below:

Table 4-11: Capitalisation details approved by the Commission from FY 2012-13 to FY 2017-18

(Rs. Crore)

Particulars	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening GFA	-	4.66	6.71	7.18	8.62	9.99
Net Addition to GFA	4.66	2.05	0.47	1.44	1.37	3.74
Closing GFA	4.66	6.71	7.18	8.62	9.99	13.72
Capitalisation for Debt	4.66	2.05	0.47	1.44	1.37	3.74
Capitalisation for Equity	4.66	2.05	0.47	1.44	1.37	3.74
Normative Debt @ 70%	3.26	1.44	0.33	1.01	0.96	2.62
Normative Equity @ 30%	1.40	0.62	0.14	0.43	0.41	1.12

Thus, the Commission in the present Order has adopted the approach of allowance of actual capitalisation based on benchmarking of assets as shown in the above Table and the same has been corrected for future years.

4.5 Operation and Maintenance Expenses

Petitioner's Submission

The Petitioner has submitted the actual O&M Expenses incurred by it as follows:

Table 4-12: O&M Expenses submitted by GIFT PCL for FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Operation & Maintenance Expenses	**1.20**	**1.12**	**1.97**	**2.20**	**2.64**
Employee Cost	0.74	0.92	1.43	1.56	0.31
R&M	0.20	0.00	0.47	0.48	1.96
A&G	0.26	0.20	0.07	0.16	0.37

Commission's View

O&M Expenses comprises Employee Expenses, Repairs and Maintenance Expenses and Administrative and General Expenses. All these expenses are linked with the addition of the assets in the due course of time as expenses are incurred to maintain the same and to keep business running under usual conditions. In line with the process of benchmarking adopted for Capitalisation of assets from FY 2013-14 to FY 2018-19 in the previous section, the Commission feels fit to apply average O&M per unit Sales of TPL-Dahej in deriving the O&M Expenses for GIFT PCL as both the utilities almost carry similar characteristics. The average O&M expenses per unit Sales for TPL-Dahej from FY 2010-11 to FY 2018-19 is shown below:

Table 4-13: Average O&M Expenses per unit Sales of TPL-Dahej for FY 2010-11 to FY 2018-19

(Rs./Unit)

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Operation & Maintenance Expenses (Rs. Crore)	2.36	2.33	2.09	2.56	9.64	7.70	7.69	7.37	8.16
Sales (MUs)	32.25	55.70	66.48	85.06	144.84	206.98	242.10	311.86	426.15
O&M Expenses per unit Sales (Rs./Unit)	0.73	0.42	0.31	0.30	0.67	0.37	0.32	0.24	0.19

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Average O&M Expenses per unit Sales for the period FY 2010-11 to FY2018-19 (Rs./Unit)									**0.40**

The Commission has applied the Average O&M Expenses per unit Sales as shown in the above Table to the Sales of GIFT PCL and has arrived at the O&M Expenses as shown below:

Table 4-14: O&M Expenses approved by the Commission for FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Operation & Maintenance Expenses	0.13	0.16	0.25	0.34	0.57

Accordingly, the Commission approves the O&M Expenses as shown in the above Table.

4.6 Depreciation

Petitioner's Submission

The Petitioner has submitted the Depreciation details for the period from FY 2013-14 to FY 2017-18 as shown below:

Table 4-15: Depreciation from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Depreciation	0.28	0.95	1.88	2.52	3.25

GIFT PCL 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 as per the GERC (MYT) Regulations.

The Petitioner has considered the depreciation on the basis of gross fixed asset at the starting of the financial year and additional capitalisation during the year. On this basis of average of opening and closing value of asset, the depreciation of the Gross Fixed Assets is worked out.

Commission's View

The Commission has arrived at the capitalisation from FY 2013-14 to FY 2017-18 as elaborated in the previous section. The Commission has apportioned the Depreciation to the GFA details arrived in Table 4-11 and accordingly has calculated the depreciation as shown below:

Table 4-16: Depreciation approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Depreciation	0	0.13	0.40	0.44	0.54

4.7 Interest and Finance Charges

Petitioner's Submission

The Petitioner has submitted the Interest and Finance Charges for FY 2013-14 to FY 2017-18 as shown below:

Table 4-17: Interest and Finance Charges from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Interest and Finance Charges	0.44	1.60	3.05	3.93	4.57

Commission's View

On a query from the Commission, regarding the source wise loan details availed by the Petitioner, the Petitioner vide its email dated 12th February, 2020 submitted the following:

Name of Bank	% of Funding from Banks
Bank of Baroda (Term Loan - Phase I)	20.877%
Bank of India (Term Loan - Phase I)	20.877%
Corporation Bank (Term Loan - Phase I)	8.303%
Punjab & Sind Bank (Term Loan - Phase I)	25.028%
Syndicate Bank (Term Loan - Phase I)	24.915%
Total	**100.000%**

The Petitioner vide its email dated 29th February 2020 also submitted the computation of Interest rates for the same along with the supporting documents as shown below:

Effective Date	Rate	31-Mar-13	31-Mar-14	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19
		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
17-Jul-12	12.50%	256						
30-Mar-13	11%	1	154					
1-Sep-13	11.50%		211	365	69			
8-Jun-15	11.25%				115			
1-Oct-15	10.95%				182	102		
11-Jul-16	10.85%					263	10	
10-Apr-17	10.75%						210	
6-Nov-17	8.75%						145	260
16-Dec-18	9.05%							47
1-Feb-19	9.05%							58
Total Days		257	365	365	366	365	365	365
Average Rate of Interest		12.5%	11.29%	11.50%	11.15%	10.88%	9.96%	8.84%

Further, GIFT PCL has submitted that GIFT Co. Ltd. has entered into a Common Loan Agreement with five lenders for consortium term loan facility of Rs 1157 Crore. The ROI of term loan keeps changing in harmonisation with change in Base Rate of Syndicate Bank.

Subsequently, ROI was revised to 8.75% (prevailing 1-year MCLR of Syndicate Bank {lead Bank} 8.45% + premium of 0.30%) with effect from 6th November, 2017. GIFT Co. Ltd. Has also taken additional term loan of Rs 142 Crore under existing consortium loan facility vide Supplemental Common Loan Agreement dated 13th March, 2018.The ROI as on 29th March, 2019 stands at 9.05% for Term Loan Facility of Rs 1157 Crore and 8.75% for additional term loan facility of Rs 142 Crore.

The Commission as per the Capitalisation details arrived in Table 4-11, approves the interest and finance charges as shown below:

Table 4-18: Interest and Finance Charges as approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening Balance of Normative Loan	-	1.44	1.64	2.24	2.76
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-	-	-
Addition of Normative Loan due to capitalisation during the year	1.44	0.33	1.01	0.96	2.62
Repayment of Normative loan during the year	-	0.13	0.40	0.44	0.54

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Closing Balance of Normative Loan	1.44	1.64	2.24	2.76	4.83
Average Balance of Normative Loan	0.72	1.54	1.94	2.50	3.80
Weighted average Rate of Interest on actual Loans (%)	11.29%	11.50%	11.15%	10.88%	9.96%
Interest Expenses	0.08	0.18	0.22	0.27	0.38

4.8 Return on Equity

Petitioner's submission

The Petitioner has submitted the Return on Equity for FY 2013-14 to FY 2017-18 as shown below:

Table 4-19: Return on Equity submitted by GIFT PCL from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Return on Equity	0.23	0.83	1.64	2.17	2.75

The Return on Equity (RoE) is computed in accordance with the MYT Regulations wherein RoE is computed on 30% of the capital base. The opening equity equivalent to the closing equity for previous years is considered and equity is added to the tune of 30% of assets capitalized during the year. Accordingly, the GIFT PCL has computed the Return on Equity at 14% on the average of opening and closing balance of equity.

Commission's View

The Commission as per the Capitalisation details arrived in Table 4-11, allows the Return on Equity for the period FY 2013-14 to FY 2017-18 as shown in the following Table:

Table 4-20: Return on Equity approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Opening Equity	0.00	0.62	0.76	1.19	1.60
Equity Addition	0.62	0.14	0.43	0.41	1.12
Closing Equity	0.62	0.76	1.19	1.60	2.72
Average Equity	0.31	0.69	0.97	1.39	2.16
Return on Equity (14%)	**0.04**	**0.10**	**0.14**	**0.20**	**0.30**

4.9 Interest on Working Capital

The Petitioner has not claimed any Interest on Working Capital for the period from FY 2013-14 to FY 2017-18.

Commission's View

The Commission has approved the Interest on Working Capital as Nil for the period from FY 2013-14 to FY 2017-18.

4.10 Interest on Security Deposit

The Petitioner has submitted the Interest on Security Deposit for FY 2013-14 to FY 2017-18 as follows:

Table 4-21: Interest on Security Deposit submitted by GIFT PCL from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Interest on Security Deposit	0.11	0.18	0.22	0.30	0.25

Commission's View

The Commission has verified the Interest on Security Deposit from the audited accounts and has found it to be in order and approves the same as submitted by the Petitioner.

4.11 Income Tax

The Petitioner has not claimed any Income tax for the period from FY 2013-14 to FY 2017-18 and the Commission approves the same.

4.12 Contingency Reserves

The Petitioner has claimed Contribution to Contingency Reserves for FY 2013-14 to FY 2017-18 as shown below:

Table 4-22: Contribution to Contingency Reserves submitted by GIFT PCL from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Contribution to Contingency Reserves	0.00	0.03	0.17	0.23	0.30

Commission's View

The Commission has approved the contribution to contingency Reserves as 0.5% of the Opening GFA as derived in Table 4-11 for the period FY 2013-14 to FY 2017-18 as shown below:

Table 4-23: Contribution to Contingency Reserves approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Contribution to Contingency Reserves	0.02	0.03	0.04	0.04	0.05

4.13 Non-tariff Income

The Petitioner has claimed the Non-tariff income for FY 2013-14 to FY 2017-18 as shown below:

Table 4-24: Non-tariff Income submitted by GIFT PCL Income from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Non-tariff Income	0.90	1.12	0.30	0.25	0.17

Commission's View

The Non-tariff Income claimed by the Petitioner mainly consists of Meter Rent and Interest Income from Contingency reserves as verified from the Audited accounts. The Commission approves the Non-Tariff Income as per the Audited accounts as shown below:

Table 4-25: Non-tariff Income approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Non-tariff Income	0.86	1.12	0.31	0.27	0.20

4.14 Revenue from Sale of Power

The Petitioner has submitted the Revenue from Sale of Power for FY 2013-14 to FY 2017-18 as shown below:

Table 4-26: Revenue from Sale of Power submitted by GIFT PCL from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenue from Sale of Power	2.62	3.74	6.31	7.89	11.77

Commission's View

The Commission has verified the Revenue from Sale of power from the audited accounts and has found the same to be in order and approves the same as follows:

Table 4-27: Revenue from Sale of Power approved by the Commission from FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Revenue from Sale of Power	2.61	3.73	6.30	7.87	11.74

4.15 Stand-alone Gap/(Surplus) for FY 2013-14 to FY 2017-18

The Petitioner has claimed Stand-alone Gap for the period from FY 2013-14 to FY 2017-18 as shown below:

Table 4-28: ARR and Gap/(Surplus) as submitted by GIFT PCL for FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
Power Purchase Expenses	2.19	3.53	6.36	7.79	11.71	31.58
Operation & Maintenance Expenses	1.20	1.12	1.97	2.20	2.64	9.13
Employee Cost	0.74	0.92	1.43	1.56	0.31	4.96
R&M	0.20	0.00	0.47	0.48	1.96	3.11
A&G	0.26	0.20	0.07	0.16	0.37	1.06
Depreciation	0.28	0.95	1.88	2.52	3.25	8.88

Particulars	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	Total
Interest & Finance Charges	0.44	1.60	3.05	3.93	4.57	13.59
Return on Equity Capital	0.23	0.83	1.64	2.17	2.76	7.63
Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Security Deposit	0.11	0.18	0.22	0.30	0.25	1.06
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
Contribution to Contingency Reserves	0.00	0.03	0.17	0.23	0.30	0.73
Aggregate Revenue Requirement	4.45	8.24	15.29	19.14	25.48	72.60
Less: Non-tariff Income	0.90	1.12	0.30	0.25	0.17	2.74
Annual Revenue Requirement	3.55	7.12	14.99	18.89	25.30	69.85
Less: Revenue	2.62	3.74	6.31	7.89	11.77	32.33
Gap	**0.93**	**3.39**	**8.69**	**11.00**	**13.53**	**37.54**

Commission's View

The Commission has already expressed its views on each component of the ARR in the previous sections. Accordingly, the stand-alone Gap from FY 2013-14 to 2017-18 as approved by the Commission is as follows:

Table 4-29: ARR and Gap/(Surplus) approved by the Commission for FY 2013-14 to FY 2017-18

(Rs. Crore)

Particulars	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**Total**
Power Purchase Expenses	2.19	3.39	6.18	7.70	13.03	**32.48**
Operation & Maintenance Expenses	0.13	0.16	0.25	0.34	0.57	**1.45**
Depreciation	-	0.13	0.40	0.44	0.54	**1.51**
Interest and Finance Charges	0.20	0.36	0.43	0.57	0.63	**2.18**
Interest on Working Capital	-	-	-	-	-	**-**
Bad Debts written off	-	-	-	-	-	**-**
Contribution to Contingency Reserves	0.02	0.03	0.04	0.04	0.05	**0.19**
Return on Equity Capital	0.04	0.10	0.14	0.20	0.30	**0.77**
Income Tax	-	-	-	-	-	**-**
Aggregate Revenue Requirement	2.58	4.16	7.43	9.28	15.13	**38.59**
Less: Non-tariff Income	0.86	1.12	0.31	0.27	0.20	**2.76**
True-up Aggregate Revenue Requirement	1.72	3.04	7.13	9.02	14.92	**35.82**
Revenue from Sale of electricity	2.61	3.73	6.30	7.87	11.74	**32.25**
Revenue Gap/(Surplus)	(0.89)	(0.69)	0.83	1.15	3.18	**3.57**

The Stand-alone Gap from FY 2013-14 to FY 2017-18 comes out to be Rs. 3.57 Crore. With regards to the carrying cost, the Commission is of the opinion that exemption granted for the period from FY 2013-14 to FY 2017-18 was on the Petitioner's request and cost borne by the Petitioner due to its own inefficiency shall not be passed on to consumers. Thus, the Commission is of the view that no carrying cost shall be allowed and accordingly, **the Commission has approved past year's stand-alone Gap for the period from FY 2013-14 to FY 2017-18 as Rs.3.57 Crore.**

5. Truing up for FY 2018-19

5.1 Introduction

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

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

5.2 Energy Sales

Petitioner's submission

The Petitioner has submitted that the actual energy sales for FY 2018-19 are 17.45 MUs, as against the sales of 23.28 MUs approved in the Tariff Order dated 3rd December, 2018.GIFT PCL has submitted the actual energy sales for FY 2018-19 as shown in the Table below.

Table 5-1: Energy Sales submitted by GIFT PCL for FY 2018-19

(MUs)

Particulars	Approved in the Tariff Order	Actual Claimed
RGP	0.14	0.02
LTMD/Non-RGP	5.81	3.64
GLP	0.31	0.16
Streetlight (SL)	0.78	0.47
Temporary	1.81	0.89
HTP-I	13.57	11.99
HTP-III	0.87	0.26
Total	**23.28**	**17.45**

GIFT PCL has submitted that the deviation in energy sales is mainly because of variation in demand of customers. Due to overall economic slowdown, the growth in the demand and sales was lower than what was projected. The variation in HTP-III and LT category of consumer is because of closing of operations.

Commission's view

The Commission has verified the details of sale of energy as submitted in the monthly return under Form A specified in Rule 6 (1) (A) filed by the Petitioner with the office of

Chief Electrical Inspector and Collector of Electricity Duty and found it to be 17.67 MUs. Regarding the discrepancy, the Petitioner clarified that the sales have been inadvertently claimed as 17.45 MUs. Accordingly, the energy sales for FY 2018-19 are approved as shown below.

Table 5-2: Energy Sales approved by the Commission for FY 2018-19

(MUs)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	23.28	17.45	17.67

Accordingly, The Commission approves Energy Sales of 17.67 MUs for Truing up for FY 2018-19.

5.3 Distribution Losses

Petitioner's submission

The Petitioner has created basic infrastructure to provide power connectivity to its customers in SEZ and NON-SEZ area which is spread over a land parcel of 886 acres. The Petitioner has considered N-1 network redundancy at all level for higher power reliability and availability to end consumers in the Distribution License Area.

The Petitioner restated that in anticipation of future load growth and state of art service benchmark, GIFT PCL has installed the transformer and related distribution infrastructure of desired capacity at the outset. As a result, the transformer and distribution asset remain under-loaded in initial phase leading to higher distribution losses. In view of above, the petitioner requests the Commission to approve distribution Losses of 5.56% as per the actual data for FY 2018-19. The Petitioner has has requested to consider the variation in distribution losses as controllable as per the GERC (MYT) Regulations, 2016.

In FY 2018-19, the actual Distribution Losses were at 5.56% against approved Distribution Losses of 5.50% approved by the Commission. GIFT PCL has submitted the actual Distribution Losses for FY 2018-19 as shown in the Table below.

Table 5-3: Distribution Losses claimed for FY 2018-19

(%)

Particulars	Approved in the Tariff Order	Actual Claimed
Distribution Losses	5.50%	5.56%

Commission's view

The Petitioner has considered the energy input as 18.48 MUs and the same is verified by the Commission in the subsequent section. The Energy sales are considered as 17.67 MUs as approved by the Commission in the previous section which results in Distribution Losses of 4.40%.

Any Gain / Loss on account of Distribution Losses is Controllable as per the GERC (MYT) Regulations, 2016. Accordingly, **the Commission approves Distribution Losses of 4.40% for Truing up for FY 2018-19 as shown below:**

Table 5-4: Distribution Losses approved for FY 2018-19

(%)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Distribution Losses	5.50%	5.58%	4.40%

5.4 Energy Requirement

Petitioner's submission

GIFT PCL has projected the energy requirement based on actual Energy sales and actual Distribution Losses.

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

(MUs)

Particulars	Approved in the Tariff Order	Actual Claimed
Energy Sales	23.28	17.45
Distribution Losses (%)	5.50%	5.58%
Distribution Losses (MU)	1.36	1.03
Total Energy Requirement	24.64	18.48

Commission's view

The Commission has approved the Distribution Losses at 4.40% in the above section. The Commission computed the Energy Requirement with Distribution Losses of 4.40% and Transmission Losses as Nil for FY 2018-19 based on actuals as given in the Table below:

Table 5-5.1: Energy Requirement approved for FY 2018-19

(MUs)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Energy Sales	23.28	17.45	17.67
Distribution Losses (%)	5.50%	5.58%	4.40%
Distribution Losses	1.36	1.03	0.81
Total Energy Requirement	**24.64**	**18.48**	**18.48**

Accordingly, the Commission approves total Energy Requirement of 18.48 MUs for Truing up for FY 2018-19.

5.5 Power Purchase Cost

Petitioner's submission

The actual power purchase for FY 2018-19 is compared with the power purchase approved by the Commission.

As per energy balance the actual energy procurement was 18.48 MU for FY 2018-19. The actual source wise purchase cost is shown below:

Table 5-6: Power Purchase Cost claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Power purchase Source 1 (Trader)	4.31	0.06
Power purchase Source 1 (UGVCL)	10.25	13.64
Renewable Power Obligation Cost	0.29	-
Net Power purchase cost	**14.85**	**13.70**

The petitioner has procured most of its electricity requirement from UGVCL as a HT consumer and the purchase from traders was minimal. The Petitioner 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.
- Since the power prices in exchange remained very high during FY 2018-19, GIFT PCL had to procure most of the power from UGVCL and lesser power from IEX i.e. exchange (Trader).

GIFT PCL has procured most of the electricity quantum (99.13%) from UGVCL as an HT consumer, and hence RPO was not applicable for the quantum procured from UGVCL. RPO was applicable only on the power purchase from IEX. The solar as well as non-solar RPO obligation was met by procuring electricity generated from solar roof top project installed by the Petitioner to the tune 26,553 units.

Commission's View

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 Petitioner has procured most of its electricity requirement from UGVCL as a HT consumer and the purchase from traders was minimal. On a query from the Commission, GIFT PCL submitted the actual power purchase invoices from UGVCL and Traders vide their email dated 29th February 2020. The Commission has reconciled the power purchase invoices of UGVCL and as well of the traders and has found the power purchase cost from UGVCL to be around Rs.13.38 crore instead of Rs.13.64 Crore as claimed by the Petitioner, also the power purchase expenses as reflected in the annual accounts is Rs.13.69 Crore. GIFT PCL stated that the above mentioned discrepancy corresponds to the overlapping of Billing cycle as it procures power from UGVCL as a HT consumer. Thus, the power purchase cost is reflected higher in the annual accounts as the same is on assumption basis till March-2019 while the actual amount can only be determined after billing of March-2019 gets completed. Accordingly, the Commission considers the power purchase cost from UGVCL to be Rs.13.38 Crore as reconciled from the bills for FY 2018-19 and from the traders as Rs.0.06 Crore for the purchase of 0.16 MUs.

For fulfilling its RPO obligations, the Commission has noted that GIFT PCL has procured most of the electricity quantum (99.13%) from UGVCL as an HT consumer, and hence RPO was not applicable for the quantum procured from UGVCL. RPO was applicable only on the power purchase from IEX (0.16 MUs). The solar as well as non-solar RPO obligation was met by GIFT PCL by procuring electricity generated from solar roof top project installed by the Petitioner.

The sources of power purchase and energy units procured are as presented below:

Table 5-7: Power Purchase Quantum approved for FY 2018-19

(MUs)

Particulars	Approved in the Tariff Order	Actual Submitted	Approved in Truing up for 2018-19
UGVCL	12.32	18.32	18.32
IEX	12.32	0.16	0.16
RPO-Solar	-	-	-
RPO-Wind	-	-	-
RPO-Others	-	-	-
UI	-	-	-
Total	**24.64**	**18.48**	**18.48**

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

Table 5-8: Power Purchase Cost approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
UGVCL	10.25	13.64	13.38
IEX	4.31	0.06	0.06
RPO-Solar	-	-	-
RPO-Wind	-	-	-
RPO-Others /REC	0.29	-	-
Total	**14.85**	**13.70**	**13.44**

Accordingly, the Commission approves total Power Purchase Cost of Rs. 13.44 Crore for Truing up for FY 2018-19.

5.5.1 Gains/(Losses) due to variation in Energy Requirement on account of Distribution Losses

Petitioner's Submission

GIFT PCL has computed the loss due to increase in Distribution Losses at Rs. 0.09 Crore, as given in the Petition. The computation of the same is given in the Table below:

Table 5.9: Gains/Losses due to increase in Distribution losses claimed for FY 2018-19

Particulars	Unit	Actual Claimed
Energy Sales	MU	17.45
Distribution Losses (approved in MYT)	%	5.50%

Particulars	Unit	Actual Claimed
Distribution Losses (Actual)	%	5.56%
Energy required at distribution level at approved Losses	MU	18.46
Energy required at distribution level at actual Losses	MU	18.47
Difference	MU	0.01
Average PPC	Rs./kWh	7.37
Losses	**Rs. Cr**	**0.09**

Commission's View

The Commission has approved the actual Distribution Losses at 4.40% for FY 2018-19 as against the approved Distribution Losses of 5.50% in the tariff Order for FY 2018-19.The Commission has worked out Gains/Losses on account of reduction in Distribution Losses as shown in the Table below:

Table 5.10: Approved Gain/Losses due to reduction in energy requirement for FY 2018-19

Particulars	Unit	Legend	Approved in Truing Up
Actual energy purchased at distribution level	MU	a	18.48
Energy Sales	MU	b	17.67
Wheeling of Energy	MU	c	0.00
Total energy wheeled	MU	d = b + c	17.67
Distribution Losses (approved in MYT)	%	e	5.50%
Energy required at distribution level at approved Loss	MU	f=d/(1-e)	18.70
Difference	MU	g=(f)-((a)+ (c))	0.22
Units recovered as Losses	MU	h	0.00
Reduction in Energy Requirement	MU	i=g-h	0.22
Average PPC	Rs/kWh	j	7.27
Savings	**Rs Cr**	**k=i * j**	**0.16**

The Commission, accordingly, approves the Gains on account of reduction in Distribution Losses at Rs. 0.16 Crores during FY 2018-19 for truing up.

As per the GERC (MYT) Regulations, 2016 variation in the price of fuel and/ or price of power purchase are Uncontrollable factors and the reduction in power purchase cost due to better distribution losses is considered as Controllable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 5-11: Gains / (Losses) on account of power purchase cost for FY 2018-19

(Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Total Power Purchase cost	14.85	13.44	1.41	0.16	1.25

5.6 Operation & Maintenance Expenses

Petitioner's submission

The Operations and Maintenance Expenses comprises Employee Expenses, Administration & General Expenses and Repairs and Maintenance Expenses. The actual Operations and Maintenance Expenses furnished by GIFT PCL are given in the Table below:

Table 5-12: Operation and Maintenance Expenses claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Employee Expenses	1.29	0.33
R&M Expenses	0.28	2.34
A&G Expenses	0.22	0.40
Operation and Maintenance Expenses	**1.79**	**3.06**

Following are the reasons for the variation in O&M Expenses as submitted by GIFT PCL:

1. Employee Expenses is lower because during projection, the overall employee costs was considered but in actual only employees fully associated with O&M are calculated. These employees are mainly for supervisory control only, rest all services are outsourced by open tendering method.
2. R&M Expenses increased to Rs 2.34 crores as against approved Expenses of Rs 0.28 crores. This is mainly because of awarded contract of outsourced manpower for maintenance service (24X7), AMC of all equipment, and routine testing of all protection system and equipment. Work Order is awarded by competitive bidding so services are obtained at best market prices.

3. Main factor of increase in A&G Expenses is Expenses of appointment of consultant for tariff Petition and its fees of Rs 0.10 crores.

GIFT PCL has considered O&M Expenses as controllable as per the MYT Regulations, 2016.

Commission's view

The Commission has already elaborated the computation of O&M Expenses in the previous section. The Commission has approved the O&M Expenses of FY 2018-19 for GIFT PCL as per the benchmarking done with TPL-Dahej with the O&M expenses per unit sale. Accordingly, the Commission approves the following O&M Expenses:

Table 5-13: Operation and Maintenance Expenses approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
O&M Expenses	**1.79**	**3.06**	**0.70**

Accordingly, the Commission approves O&M Expenses of Rs. 0.70 Crore for Truing up for FY 2018-19.

As per the GERC (MYT) Regulations, 2016 variation in the operations and maintenance Expenses is a Controllable factor except events of change in law and wage revision. The Petitioner has requested to consider the same as a controllable factor. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 5-14: Gains / (Losses) on account of O&M Expenses for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
O&M Expenses	1.79	0.70	1.09	1.09	-

5.7 Capital Expenditure, Capitalization and Funding of Capex

Petitioner's submission

GIFT PCL in its Petition submitted that it has incurred gross capital expenditure of Rs 12.15 Crore against the approved capital expenditure of Rs. 11.04 Crore for FY 2018-19 as per the Tariff Order dated 03.12.2018. GIFT PCL has further stated that it has capitalized Rs. 42.61 Crore against approved capitalization of Rs. 11.04 Crore.

GIFT PCL has submitted that it is operating in new Green field project of developing the smart city for Financial and IT-ITES Services. Development of buildings and occupancy inside building is dependent on market scenario. Development rights for developing floor space of commercial, residential and social nature are already allotted to many developers. Details of development of allotted, under progress and completed projects are also submitted by GIFT PCL in the Petition. It has to develop the power infrastructure so that the system is ready in this developing SEZ, because of which they incur huge capital expenditures.

GIFT PCL has been mandated to develop power network up to the building as per schedule fixed with every building developer. Developers are providing timeline for completion of the building so to match the timeline, GIFT PCL is also awarding contracts for development of power network accordingly. Projection of timeline of building sometimes gets delayed and sometimes gets completed early, based on project requirements. GIFT PCL develops power network to facilitate as per initial schedule discussed with developers of the buildings. Power load development depends on occupancy inside the building which in turn depends on market scenario, which is uncontrollable. So, this situation leads towards sub-optimal utilization of network capacity. The present status of developed floor space, projected power demand, year of completion of building, actual developed power demand is also submitted by GIFT PCL in its Petition.

It is also submitted that power infrastructure is ready for providing power for existing and ongoing projects at substation level. Only last mile connectivity of buildings is required in the forthcoming years.

The actual SLC received from the customers is Rs. 4.61 Crore, against the approved SLC of Rs. 0.08 Crore. The following details have been submitted in respect of the capital expenditure incurred during FY 2018-19.

Table 5-15: Capital Expenditure claimed for FY 2018-19

(Rs. Crores)

Particulars	Approved in the Tariff Order	Actual Claimed
Opening CWIP		65.27
Capital Expenditure during the year	11.04	12.15
Total (CWIP + Capital Expenditure)		77.42
Capitalization	11.04	42.61
Less: SLC Addition	0.08	4.61
Balance Capitalization	**10.96**	**38.00**

Commission's view

The Petitioner has submitted that it has incurred capitalisation of Rs.42.61 Crores which also comprises cost of providing backup arrangement to Infibeam of Rs.3.02 Crores. On a query from the Commission with regards to the Back-up arrangement of InfiBeam, GIFT PCL vide its mail dated 1st August, 2020 clarified that the service line charges pertaining to its backup arrangement is realised in FY 2019-20 as the same was capitalised in March-2019. Thus, the asset is reflected in the asset register of FY 2018-19 but the related SLC charges would reflect in the accounts of FY 2019-20. The Commission deems it fit to not consider the same in the true up of FY 2018-19 and the same would be dealt in the true up of FY 2019-20 and accordingly has deducted the same from the Capitalisation of FY 2018-19. GIFT PCL has received the SLC of Rs.4.61 Crores during FY 2018-19, which includes the cost of providing backup-arrangement to NSE to the tune of Rs.3.50 Crores as submitted by GIFT PCL vide its email dated 29th July, 2020. Considering the above details, the Capitalisation arrived at for FY 2018-19 is shown below:

Table 5-16: Capitalisation details arrived at for FY 2018-19

(Rs. Crore)

Particulars	FY 2018-19
Opening GFA	69.07
Addition to GFA	42.61
GFA Disallowed	3.02
Deletion from GFA	-
Closing GFA	108.66
SLC Addition	4.61
Net Capitalisation	34.98

However, the Commission has elaborated in detail the capitalisation arrived for GIFT PCL in the previous chapter, for the period FY 2013-14 to FY 2017-18, in Table 4-11. The Commission has considered the Closing GFA of FY 2017-18 as arrived at in Table 4-11 as the opening GFA of FY 2018-19 and has considered the net capitalisation as per the benchmarking done with TPL-Dahej. Accordingly, the Commission has approved the capitalization and funding of capex as shown below:

Table 5-17: Capitalization and Funding of Capex approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual claimed	Approved in Truing up
Capitalization	11.04	42.61	1.98
Less: SLC	0.08	4.61	0.00
Net Capitalization	10.96	38.00	1.98
Normative Debt (70%)	7.67	26.60	1.39
Normative Equity (30%)	3.29	11.40	0.59

Thus, the Commission approves the Net Capitalization of Rs. 1.98 Crore for Truing up for FY 2018-19.

5.8 Depreciation

Petitioner's submission

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

Table 5-18: Depreciation claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Opening GFA	67.31	74.08
Addition	11.04	42.61
Closing GFA	78.35	116.68
Average GFA	72.83	95.38
Depreciation	**3.64**	**4.83**

GIFT PCL 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 as per the GERC (MYT) Regulations, 2016.

The Petitioner has considered the depreciation based on gross fixed asset at the starting of FY 2018-19 and additional capitalisation during the year. On this basis of average of opening and closing value of asset, the depreciation of the Gross Fixed Assets based on above works out as Rs. 4.83 crore for FY 2018-19. The Petitioner has requested to consider the variation in Depreciation as uncontrollable as per the MYT Regulations, 2016.

Commission's view

As elaborated in the previous chapter, the Commission has arrived at the capitalisation for GIFT PCL from FY 2012-13 to FY 2017-18 in Table 4-11 and accordingly has arrived at the capitalisation for FY 2018-19 as per Table 5-17. Based on the same the Commission has apportioned the Depreciation for FY 2018-19 on the GFA arrived at for FY 2018-19 and allows the Depreciation as shown below:

Table 5-19: Depreciation approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed	Approved in Truing up
Depreciation	3.64	4.83	0.66

Accordingly, the Commission approves depreciation of Rs. 0.66 Crore for the purpose of Truing up for FY 2018-19.

Variations in Depreciation is considered as uncontrollable as per the GERC (MYT Regulations, 2016 .Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 5-20: Gains / (Losses) on account of Depreciation for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Depreciation	3.64	0.66	2.98	-	2.98

5.9 Interest and Finance Charges

Petitioner's submission

GIFT PCL has 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 term loan and has paid the interest amount to the bank at weighted average interest rate of 8.84% during FY 2018-19.

GIFT PCL has submitted the following details in respect of interest and finance charges. The Petitioner requests the Commission to treat the variation in Interest and Finance Charges as uncontrollable.

Table 5-21: Interest and Finance Charges claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Interest on normative loan		
Opening loans	55.32	50.81
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-
Addition	7.67	26.60
Less: Repayment	3.64	4.83
Closing loan	59.35	72.58
Average loan	57.34	61.69
Rate of interest (%)	8.75%	8.84%
Interest on normative loan	5.02	5.45
Bank & finance charges	-	-
Total interest and finance charges	**5.02**	**5.45**

Commission's view

As elaborated in the previous chapter, the Commission, after scrutinising the fixed asset register has arrived at the capitalisation and the funding pattern for GIFT PCL from FY 2012-13 to FY 2017-18 in Table 4-11 and similarly has approved the capitalisation and funding pattern for FY 2018-19 as shown in Table 5-17 .The GERC (MYT) Regulations, 2016 provide for computation of interest on loan on normative basis on the opening balance of loan brought forward from the previous year's closing balance, capitalization and funding approved during the year. The opening balance of loan for FY 2018-19 has been brought forward from the closing balance of the loan outstanding as on 31.03.2018 as derived by the Commission in Table 4-18. As per the GERC (MYT) Regulations, 2016, repayment of the loan is considered equal to the depreciation allowed.

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 Company shall be considered as the rate of interest. As per aforesaid Regulations, the Commission has worked out the interest rate of 8.84% as shown in the previous chapter based on the periodical variation in interest rate during FY 2018-19 as received through additional details vide email dated 29th February, 2020.

Based on the foregoing analysis, the Commission approves the Interest & Finance Charges of Rs. 0.46 Crore as shown in the Table below:

Table 5-22: Interest and Finance Charges approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Interest on Normative Loan			
Opening Loan	55.32	50.81	4.83
Less: Reduction of Normative Loan due to retirement or replacement of assets	-	-	-
Addition	7.67	26.60	1.39
Less: Repayment	3.64	4.83	0.66
Closing Loan	59.35	72.58	5.56
Average Loan	57.34	61.69	5.20
Rate of Interest (%)	**8.75%**	**8.84%**	**8.84%**
Interest on Normative Loan	**5.02**	**5.45**	**0.46**
Bank & Finance Charges	-	-	**-**
Total Interest and Finance Charges	**5.02**	**5.45**	**0.46**

Accordingly, the Commission approves Interest and Finance Charges at Rs. 0.46 Crore for Truing up for FY 2018-19.

Variations in Interest Expenses is considered as uncontrollable as per the GERC (MYT Regulations, 2016. Accordingly, the Commission has approved the Gains / (Losses) as shown in the Table below:

Table 5-23: Gains / (Losses) on account of Interest and Finance Charges for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order for 2018-19	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest and Finance Charges	5.02	0.46	4.56	-	4.56

5.10 Interest on Working Capital

Petitioner's submission

GIFT PCL has submitted the following details regarding Interest on Working Capital.

Table 5-24: Interest on Working claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Working Capital Requirement		
O&M Expenses	0.15	0.26
Spares at 1% of GFA	0.67	0.74
Receivables	1.69	1.12
Sub-total	**2.51**	**2.11**
Less: Security Deposit	4.43	5.43
Normative Working Capital	-	-
Interest Rate (%)	-	-
Interest on Working Capital	-	-

As per the GERC (MYT) Regulations, 2016 the working capital computed is Rs 2.11 crores and the amount of consumer security deposits is Rs 5.43 works and thereby the working capital requirement works out to be Nil.

Commission's view

The Commission has reviewed the Working Capital Requirement in terms of the component wise values approved in preceding sections. The Working Capital Requirement works out to be Nil and hence Nil interest on working capital is considered.

Table 5-25: Interest on Working Capital approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Working Capital Requirement			
O&M Expenses (1 month)	0.15	0.26	0.06
Spares (1% of GFA)	0.67	0.74	0.14
Receivables (1 month of revenue at existing tariffs)	1.69	1.12	1.12
Sub-total	**2.51**	**2.11**	**1.31**
Less: Security Deposit	4.43	5.43	5.43
Normative Working Capital	**-**	**-**	**-**
Interest Rate (%)	-	-	
Interest on Working Capital	-	-	

Accordingly, the Commission approves Interest on Working Capital as Nil for Truing up for FY 2018-19.

5.11 Interest on Security Deposit

Petitioner's submission

GIFT PCL 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.

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 5-26: Interest on Security Deposit claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Security Deposit	4.43	5.43
Interest on Security Deposit	0.31	0.28

Commission's view

The Commission has verified from the audited accounts and found the Security Deposit to be Rs.0.28 Crore. The Commission approves the same as per the following Table:

Table 5-27: Interest on Security Deposit approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing up
Average Deposit	4.43	5.43	5.43
Interest on Security Deposit	0.31	0.28	0.28

Accordingly, the Commission approves Interest on Security Deposit at Rs. 0.28 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 5-28: Gains / (Losses) on account of Interest on Security Deposit for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Interest on security deposit	0.31	0.28	0.03	-	0.03

5.12 Return on Equity

Petitioner's submission

GIFT PCL has submitted the following details with regard to return on equity:

Table 5-29: Return on Equity claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Opening Equity	11.99	21.77
Addition	3.29	11.40
Closing Equity	15.28	33.17

Particulars	Approved in the Tariff Order	Actual Claimed
Average Equity	13.63	27.47
RoE at 14%	**1.91**	**3.85**

GIFT PCL has submitted that the equity additions for FY 2018-19 have been determined based on the capitalisation during the year. The equity additions in the year have been considered as 30% of the amount of net capitalization during the year. The Return on equity has been computed by applying the rate of 14% on the average of the opening and closing balance of FY 2018-19 as per the GERC (MYT) Regulations, 2016.

Commission's view

The Commission has considered the closing equity for FY 2017-18 arrived at in Table 4-20 as the opening equity for FY 2018-19 and the addition to Equity for FY 2018-19 as per the details arrived at in Table 5-17. The Commission approves the Return on Equity for FY 2018-19 as shown below:

Table 5-30: Return on Equity approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing Up
Opening Equity	11.99	21.77	2.72
Addition	3.29	11.40	0.59
Closing Equity	15.28	33.17	3.31
Average Equity	13.63	27.47	3.02
RoE at 14%	**1.91**	**3.85**	**0.42**

Accordingly, the Commission approves Return on Equity at Rs. 0.42 Crore for Truing up for FY 2018-19. The Commission approves the Gains / (Losses) on account of Return on Equity in the Truing-Up For FY 2018-19, as detailed in the Table below:

Table 5-31: Gains / (Losses) on account of Return on Equity for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Return on Equity	1.91	0.42	1.49	-	1.49

5.13 Income Tax

Petitioner's submission

GIFT PCL has submitted that it has paid no income tax for FY 2018-19. Accordingly, it has claimed Nil Income Tax against NIL approved in Tariff Order dated 03.12.2018.

Commission's view

The Commission approves Income Tax for Truing up for FY 2018-19 as Nil.

5.14 Contingency Reserve

Petitioner's submission

GIFT PCL has submitted that it has contributed to the contingency reserve at 0.5% of the original cost of fixed assets at the beginning of the year. The amount of contingency reserve claimed by the Petitioner is Rs 0.37 Crore against Rs 0.34 Crore approved in the Tariff Order dated 03.12.2018.

Table 5-32: Contribution to Contingency Reserve claimed for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed
Contribution to Contingency Reserves	0.34	0.37

Commission's view

The Commission has approved the Contribution to Contingency Reserves as 0.5% of the Opening GFA for FY 2018-19 arrived by the Commission and approves the same as follows:

Table 5-33: Contribution to Contingency Reserve approved for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in Truing-Up
Contribution to Contingency Reserve	0.34	0.37	0.07

Accordingly, the Commission approves Contribution to Contingency Reserves at Rs. 0.07 Crore for Truing up for FY 2018-19. The Commission approves the Gains

/ (Losses) on account of Contribution to Contingency Reserves in the Truing-Up For FY 2018-19, as detailed in the Table below:

Table 5-34: Gains / (Losses) on account of Contribution to Contingency Reserves for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Contribution to Contingency Reserve	0.34	0.07	0.27	-	0.27

5.15 Non-tariff income

Petitioner's submission

GIFT PCL has submitted that the actual Non-Tariff Income for FY 2018-19 is Rs 0.42 Crore against the Non-tariff income of Rs. 0.26 Crore as approved in the Tariff Order for FY 2018-19.

Commission's view

On a query from the Commission regarding break-up of the Non-tariff Income, GIFT PCL vide its letter dated 4th February 2020 submitted the bifurcation of Non-Tariff Income as follows:

- Meter Rent: Rs.96,533
- Registration fees: Rs.60,890
- Test Report Fees: Rs.10,580
- Bid Document Fees: Rs.40,000
- Interest Received: Rs.40,40,269
- Miscellaneous Income: Rs.6,243

The Commission has verified the breakup of Non-tariff income from the annual accounts and found the Non-Tariff Income for FY 2018-19 as Rs 0.43 Crore.

Accordingly, the Commission approves Non-tariff Income at Rs. 0.43 Crore for Truing up for FY 2018-19.

The Commission considers variation in the Non-Tariff Income as an uncontrollable factor. The Commission approves the Gains / (Losses) on account of Non-tariff Income in the Truing-Up For FY 2018-19, as detailed in the Table below:

Table 5-35: Gains / (Losses) on account of Non-tariff Income for FY 2018-19

(Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + / (-)	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
Non-tariff income	0.26	0.43	0.17	-	(0.17)

5.16 Revenue from Sale of Power

GIFT PCL has claimed revenue of Rs. 13.39 Crore from sale of power to consumers in FY 2018-19. The Commission observes that the revenue as per audited accounts is Rs. 13.39 Crore.

Accordingly, the Commission approves Revenue of Rs. 13.39 Crore from sale of power to consumers for Truing up for FY 2018-19.

5.17 Summary of Aggregate Revenue Requirement and sharing of Gains/ Losses

Petitioner's submission

GIFT PCL has submitted the comparison of various ARR components and computed the Gains / (Losses) due to Controllable and Uncontrollable factors as summarized below:

Table 5-36: ARR claimed for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	True-Up Year : FY 2018-19				
		Approved in Tariff Order	Actual Claimed	Over(+)/ under(-) Recovery	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	14.85	13.70	1.15	(0.09)	1.24
2	Operation & Maintenance Expenses	1.79	3.06	(1.27)	(1.27)	
3	Depreciation	3.64	4.83	(1.19)		(1.19)
4	Interest & Finance Charges	5.02	5.45	(0.43)		(0.43)
5	Interest on Security Deposit	0.31	0.28	0.03		0.03
6	Interest on Working Capital	-	-	-		-
7	Bad Debts Written Off	-	-	-		-
8	Contribution to Contingency Reserves	0.34	0.37	(0.03)		(0.03)
9	Return on Equity	1.91	3.85	(1.94)		(1.94)
10	Income Tax	-	-	-		-
12	Less: Non-tariff Income	0.26	0.42	0.16		0.16
13	**Aggregate Revenue Requirement**	**27.60**	**31.12**	**(3.52)**	**(1.36)**	**(2.16)**

Following is the summary of trued-up ARR of 2018-19 to be recovered by GIFT PCL after incorporation of sharing of Gains / (Losses)

Table 5-37: Trued up ARR claimed for FY 2018-19

(Rs. Crore)

Sr. No.	Particular	Claimed
1	**ARR as per the Tariff Order for FY 2018-19(A)**	**27.60**
2	Add: Losses on account of Controllable factors to be passed on to the consumers (1/3) (B)	0.45
3	Add: Losses on account of Un-Controllable factors to be passed on to the consumers (C)	2.16
4	**Trued-up ARR for FY 2018-19, D= (A+B+C)**	**30.21**

Commission's view

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 in the Table below:

Table 5-38: ARR approved along with impact of Controllable/ Uncontrollable Factors for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Tariff Order for FY 2018-19	Actual Claimed	Approved in Truing-up	Controllable Gain/(Loss)	Uncontrollable Gain/(Loss)
1	Power Purchase Expenses	14.85	13.70	13.44	0.16	1.26
2	Operation & Maintenance Expenses	1.79	3.06	0.70	1.09	
3	Depreciation	3.64	4.83	0.66		2.98
4	Interest & Finance Charges	5.02	5.45	0.46		4.56
5	Interest on Security Deposit	0.31	0.28	0.28		0.03
6	Interest on Working Capital	-	-	-		
7	Bad Debts Written Off	-	-	-		
8	Contribution to Contingency Reserves	0.34	0.37	0.07		0.27
9	**Total Revenue Expenditure**	**25.95**	**27.69**	**15.60**	**1.25**	**9.10**
10	Return on Equity Capital	1.91	3.85	0.42		1.49
11	Income Tax	-	-	-		-
12	**Aggregate Revenue Requirement**	**27.86**	**31.53**	**16.02**	**1.25**	**10.59**
13	Less: Non-Tariff Income	0.26	0.42	0.43		(0.17)
14	**Aggregate Revenue Requirement**	**27.60**	**31.12**	**15.59**	**1.25**	**10.75**

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

Table 5-39: Trued up ARR approved for FY 2018-19

(Rs. Crore)

Sr. No.	Particular	Approved
1	**ARR as per the Tariff Order for FY 2018-19 (A)**	**27.60**
2	Less: Gain on account of Controllable factors to be passed on to the consumers (1/3) (B)	0.42
3	Less: Gain on account of Un-Controllable factors to be passed on to the consumers (C)	10.75
4	**Trued-up ARR for FY 2018-19, D= (A+B+C)**	**16.43**

5.18 Net Revenue Gap / (Surplus)

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

Table 5-40: Net Revenue Gap / (Surplus) approved for FY 2018-19

(Rs. Crore)

Particulars	Actual Claimed	Approved in Truing up
1. Annual Revenue Requirement (Trued-up)	**30.21**	**16.43**
2. Revenue from Sale of Power	13.39	13.39
3. Net Revenue Gap / (Surplus) (1-2)	**16.82**	**3.04**

Accordingly, the Commission approves the trued-up Gap of FY 2018-19 as Rs. 3.04 Crore against Rs. 16.82 Crore Gap claimed by GIFT PCL. This trued-up Gap is considered by the Commission for determination of tariff for FY 2020-21.

6. Determination of Tariff for FY 2020-21

6.1 Introduction

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 for FY 2020-21 in the Tariff Order dated 31st July, 2019 and the adjustment on account of True-up of FY 2018-19 while determining the revenue Gap/Surplus for FY 2020-21.

6.2 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 Tariff Order dated 31st July, 2019.

Table 6.1: Approved ARR for GIFT PCL FY 2020-21

(Rs. Crore)

Particulars	2020-21
Power Purchase Cost	19.78
O&M Expenses	2.00
Depreciation	4.56
Interest and Finance Charges	5.82
Interest on Security Deposits	0.42
Interest on Working Capital	-
Return on Equity	2.82
Contribution to Contingency Reserves	0.45
Income Tax	-
Less: Non-tariff Income	0.35
ARR	**35.50**

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

Petitioner's submission

GIFT PCL has calculated the Gap of FY 2018-19 as shown in the above sections. Also, the Petitioner has projected the previous Gap for the years for which true up did not happen, i.e. for FY 2013-14 till FY 2017-18 which results in a further claim of Rs 37.54 crores. The Petitioner has requested the Commission to consider these previous year Gaps in addition to the Gap for FY 2020-21. Further, the Petitioner has requested the

Commission to consider appropriate carrying cost for the Gaps for FY 2013-14 to FY 2018-19.

Commission's view

The Commission has considered the ARR approved for FY 2020-21 as per the Order dated 31st July, 2019 and has independently worked out the revenue for GIFT PCL for FY 2020-21. GIFT PCL has worked out the revenue considering the approved retail tariff for UGVCL with base FPPPA of Rs. 1.61 per unit. However, in the order dated 31st March, 2020 in Case no.1839 of 2019 for UGVCL, the Commission has determined the base FPPPA for FY 2020-21 as Rs.1.59 per unit and considering the same , Commission has calculated the revenue from sale of power for FY 2020-21 applying the approved retail supply tariff for UGVCL by the Commission with base FPPPA of Rs.1.59 per unit. The Revenue Gap /(Surplus) for FY 2020-21 is calculated as shown in the Table below:

Table 6-2: Approved Revenue Gap / (Surplus) of GIFT PCL for FY 2020-21

(Rs. Crore)

Sr. No.	Particulars	Claimed	Approved
1	ARR for FY 2020-21 [a]	35.50	35.50
2	Revenue from existing tariff for FY 2020-21 [b]	33.53	33.44
3	Revenue Gap / (Surplus) in FY 2020-21 [c=(a-b)	**1.97**	**2.06**

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. Hence, the Commission has allowed carrying cost at the weighted average SBI Base Rate on the outstanding actual Gap of Truing up of FY 2018-19 as per the GERC (MYT) Regulations, 2016.

The Commission has computed the consolidated Gap/ (Surplus) for FY 2020-21 which includes Gap/Surplus of FY 2020-21 and FY 2018-19, as follows:

Table 6-3: Revenue Gap / (Surplus) with Existing Tariff for FY 2020-21 as approved by Commission

(Rs. Crore)

Sr. No.	Particulars	Approved
1	ARR for FY 2020-21	35.50
2	Revenue from existing tariff for FY 2020-21 [b]	33.44
3	Revenue Gap for FY 2020-21	2.06
4	Add: Revenue Gap for FY 2018-19	3.04
5	Add: Carrying Cost on Revenue Gap of FY 2018-19*	0.51
6	Add: Standalone Revenue Gap from FY 2013-14 to FY 2017-18	3.57
7	**Total Revenue Gap / (Surplus) in FY 2020-21**	**9.18**

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

Accordingly, the Commission approves a Total Revenue Gap of Rs. 9.18 Crore for GIFT PCL.

7. Directives

7.1 Earlier Directives

Directive 1: Details of Consumers having load above 100 kW

In view of the Petitioner's proposal of redefining and restructuring the LTMD category like changing the ceiling of Aggregate Load to 'up to 400 kW' and introducing a new slab 'Above 100 kW of billing demand', the Commission would like the Petitioner to furnish details of No. of present and prospective consumers having load above 100 kW with facts such as the present technical arrangement of supply to such consumers, copies of contract, fees levied for the connection, latest copy of electricity bill raised to such consumers, separately. This information shall be submitted by 30.10.2019.

Compliance

The Petitioner is preparing the above-referred information and proposes to file a Petition in this regard. The details of the same will be part of the proposed miscellaneous Petition.

At present GIFT PCL has 10 Nos of existing consumer with demand between 100 kVA to 425 kVA, all these customers are dealt as per present HTP I customer with LT metering arrangement. The details of prospective consumers having load above 100 kW, technical arrangement, copies of contract of such consumers and the latest copy of electricity bill of such consumers are also submitted in the present Petition.

Commission's Comments

The Commission has noted the submission of the Petitioner.

Directive 2: Loss Reduction Road Map

In view of projected high losses for the relatively smaller network of GIFT PCL, the Commission directed the Petitioner to examine the reasons for such high distribution losses. The Petitioner was further directed to get its distribution system studied so that appropriate loss reduction trajectory could be fixed. The Petitioner was directed to furnish a report along with segregation of actual losses into transmission, sub-transmission, HT-LT losses separately. The Petitioner is redirected to submit this information positively before the commencement of the next Control Period, so that the loss reduction trajectory can be stipulated in the next MYT Order.

7.2 Fresh Directives

Directive 1: Power Purchase Strategy (Planning)

GIFT PCL was directed to streamline the power purchase functions and finalize long-term/ medium-term contracts for power purchase through competitive bidding immediately in order to minimize its future power purchase cost. The Petitioner was directed to create a five-year power purchase plan taking into account the sales envisaged by the Petitioner and the various power sources available. The Petitioner submitted that it has appointed PTC to streamline the power purchase in order to reduce the input energy price. The Commission redirects the Petitioner to again keep a check on their power purchase strategy and create a five-year power purchase plan taking into account the sales envisaged by the Petitioner and the various power sources available and submit the same along with the next tariff Petition.

Directive 2: Interest Cost Reduction

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

Directive 3: O&M Cost Reduction

The Commission feels that GIFT PCL is incurring higher O&M costs per unit Sales as compared to the other licensees in the state. There is a scope to reduce the same and directs GIFT PCL to streamline the process and keep an eye on the O&M expenses to be incurred.

Directive 4: Business Strategy Plan

The Commission as already elaborated in the previous chapters, feels that there was serious error in judgment for the projections and business scenarios in GIFT city area. Also, at present the whole nation is impacted due to the Covid-19 pandemic and the same will have repercussions in the future. Considering all these facts, the Commission directs the Petitioner to carry out a pragmatic and a calibrated study in order to ascertain assumptions and projections that are more realistic for the submissions of the next control period.

Directive 5: Stand-alone Loan Details

The Petitioner has submitted the loan details of consortium term loan facility that has been taken out by its holding company, GIFT City Co. Ltd. (GIFT CL) as a whole. The Petitioner is directed to submit the Allocation Mechanism for segregation of stand-alone loan details for GIFT PCL separately along with loan details of GIFT CL in the future tariff petitions.

8. Fuel and Power Purchase Price Adjustment (FPPPA)

8.1 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 and Power Purchase Price 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 TPL applicable for a particular quarter or actual weighted average in Transmission and Distribution Losses (%) for four DISCOMs / GUVNL and TPL of the previous year for which true-up have been done by the Commission, whichever is lower.

8.2 FPPPA to be charged by GIFT PCL

GIFT PCL submitted that the existing FPPPA being charged to its consumers is the FPPPA imposed by UGVCL on its consumers. GIFT PCL has requested the Commission to allow it to charge the FPPPA approved for UGVCL from time to time to its consumers.

As the Commission has decided that the UGVCL's tariff approved in the Commission's Tariff Order dated 31st March, 2020 shall be the maximum ceiling for retail supply in the GIFT City, the base FPPPA charges for UGVCL, i.e., Rs. 1.59/kWh, shall also be applicable to the consumers of GIFT PCL. The FPPPA approved by the Commission for UGVCL from time to time during FY 2020-21, shall also be applicable for GIFT PCL.

The information regarding FPPPA recovery and the FPPPA charges shall be kept on the website of GIFT PCL.

9. Wheeling Charges and Cross Subsidy Surcharge

9.1 Wheeling Charges

Regulation 91 of the GERC (MYT) Regulations, 2016 stipulates that the Commission shall specify the Wheeling Charges for distribution wires business of the distribution licensee in its ARR and Tariff Order. Accordingly, the Commission has examined the submission of the GIFT PCL 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

The Petitioner has allocated the total ARR to wire and retail supply business based on the allocation matrix specified by the Commission for segregation of Expenses between Distribution Wires Business & Retail Supply Business, as given in Regulations 87 of the GERC (Multi-Year Tariff) Regulations, 2016. The allocation of ARR into wheeling and retail supply of electricity for FY 2020-21 is given as below:

Table 9.1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner for FY 2020-21

Particulars	Allocation (%)		Allocation FY 2020-21		
	Wire Business (%)	Retail Supply Business (%)	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Power Purchase Expenses	0	100	0.00	19.78	19.78
O&M Expenses	-	-	-	-	-
Employee Expenses	60	40	0.86	0.58	1.44
Administration & General Expenses	50	50	0.13	0.13	0.26
Repairs & Maintenance Expenses	90	10	0.28	0.03	0.31
Depreciation	90	10	4.10	0.46	4.56
Interest on Long-Term Loans	90	10	5.24	0.58	5.82
Interest on Working Capital & Security Deposit	10	90	0.04	0.38	0.42
Bad Debts Written Off	0	100	0.00	0.00	0.00
Income Tax	90	10	0.00	0.00	0.00
Contribution to Contingency Reserve	100	0	0.45	0.00	0.45
Return on Equity	90	10	2.54	0.28	2.82
Less: Non-Tariff Income	10	90	0.04	0.31	0.35
Total	**-**	**-**	**13.61**	**21.90**	**35.50**

The above segregated ARR has been considered to determine the wheeling charges.

Commission's View

The Commission, in order to compute the Wheeling Charges and the Cross-Subsidy Surcharge, has considered the Allocation Matrix between the Wheeling and Retail Supply Business in accordance with the GERC (MYT) Regulations, 2016.

Based on the ARR approved by the Commission and the Allocation Matrix specified in the GERC (MYT) Regulations, 2016, the ARR approved for Wires and Retail Supply Business for FY 20120-21 is shown in the Table below:

Table 9.2: Allocation of ARR between Wheeling and Retail Supply as approved for GIFTPCL for FY 2020-21

Particulars	Allocation (%)		Allocation FY 2020-21		
	Wire Business (%)	Retail Supply Business (%)	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Power Purchase Expenses	0	100	0.00	19.78	19.78
O&M Expenses	-	-	-	-	-
Employee Expenses	60	40	0.86	0.58	1.44
Administration & General Expenses	50	50	0.13	0.13	0.26
Repairs & Maintenance Expenses	90	10	0.28	0.03	0.31
Depreciation	90	10	4.10	0.46	4.56
Interest on Long-Term Loans	90	10	5.24	0.58	5.82
Interest on Working Capital & Security Deposits	10	90	0.04	0.38	0.42
Bad Debts Written Off	0	100	0.00	0.00	0.00
Income Tax	90	10	0.00	0.00	0.00
Contribution to Contingency Reserve	100	0	0.45	0.00	0.45
Return on Equity	90	10	2.54	0.28	2.82
Less: Non-Tariff Income	10	90	0.04	0.31	0.35
Total	**-**	**-**	**13.61**	**21.90**	**35.50**

The above allocation of ARR is used for determination of wheeling charges for FY 2020-21.

9.2 Determination of Wheeling Charges

Petitioner's submission

The Petitioner has computed the voltage wise wheeling charges based on the allocation of ARR of distribution wire business, in accordance with the GERC (Multi Year Tariff) Regulations, 2016.

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

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

The Petitioner has divided the GFA in the ratio of 94.5%:5.5% among HT level and LT Voltage level to arrive voltage level wise Wheeling Charges. 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 demand.

The system peak demand for the Petitioner's Supply Area has been considered in the ratio of 58%:42% as per average peak demand contributed by HT and LT consumers.

The Petitioner has calculated the wheeling charges in terms of Rs./kWh. 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 charges determined in terms of Rs./kWh has been tabulated below:

Table 9.3: Wheeling Charges proposed by GIFT PCL for FY 2020-21

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	12.86

LT Voltage Level	0.75
Total ARR	**13.61**
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	7.46
LT Voltage Level	6.15
Total ARR	**13.61**
Wheeling Charges in (Rs./kWh)	
HT Voltage Level	4.06
LT Voltage Level	2.31

The Petitioner has proposed 5.5% wheeling Losses in addition to the wheeling charges as mentioned in above Table.

Commission's view

The Commission, in Order to compute the wheeling charges and cross subsidy surcharges, has considered the allocation matrix between the wires and retail supply business as per the GERC (MYT) Regulations, 2016 as stated in Table 9.2 above.

For the calculation of wheeling charges, the ARR for wheeling business is apportioned in the ratio of actual HT assets to LT assets which is 94.5%:5.5%, as submitted by the Petitioner.

The contribution of HT and LT categories to the system peak demand as submitted by the Petitioner is 58% and 42%, respectively. These ratios are considered for further segregation of ARR based on system peak demand.

To determine the wheeling charges for the HT & LT voltage levels, the ARR of the respective voltage level is divided by the sales handled at the respective voltage level. Accordingly, the wheeling charge is determined as shown below:

Table 9.4: Wheeling Charges as approved for GIFT PCL for FY 2020-21

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	12.86
LT Voltage Level	0.75
Total ARR	**13.61**
Second Level Segregation of ARR (Rs. in Crore)	
HT Voltage Level	7.46
LT Voltage Level	6.15
Total ARR	**13.61**

Particular	Wheeling Charge
Wheeling Charges (in Rs./kWh)	
HT Voltage Level	4.06
LT Voltage Level	2.31

The Commission has accordingly approved the wheeling charges for HT and LT voltages as shown in the Table above.

The Open Access consumer will also have to bear the **wheeling Losses at 5.50%** in addition to the wheeling charges.

9.3 Cross Subsidy Surcharge

Petitioner's submission

The Petitioner has submitted cross subsidy surcharge as per the following formula:

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

Where:
S is the Cross Subsidy 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 wheeling charges applicable to relevant category

R is the per unit cost of carrying regulatory assets.

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

Table 9.5: Cross Subsidy Surcharge as proposed by GIFT PCL for FY 2020-21

Sr. No.	Particulars	HT Category
1	T - Tariff for HT Category (Rs./kWh)	7.97
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	4.25

Sr. No.	Particulars	HT Category
3	D - Wheeling Charge (Rs./kWh)	4.06
4	L - Aggregate T&D Loss (%)	5.50%
5	R - per unit cost of carrying regulatory assets (Rs/kWh)	0.00
6	**S = Cross Subsidy Surcharge (Rs./kWh)**	**Negative**

Therefore, the Petitioner has not proposed any cross subsidy surcharge, as the same is negative.

Commission's view

Hon'ble APTEL in its judgement on the issue of formula for calculation of Cross-subsidy has endorsed the use of the formula depicted in the Tariff Policy. The Central Government has issued 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 9.6: Cross Subsidy Surcharge as approved for GIFT PCL for FY 2020-21

Sr. No.	Particulars	2020-21
1	T - Tariff for HT Category (Rs./kWh)	7.82
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	4.15

Sr. No.	Particulars	2020-21
3	D - Wheeling Charge (Rs./kWh)	4.06
4	L - Aggregate T&D Loss (%)	5.50%
5	R - per unit cost of carrying regulatory assets (Rs/kWh)	-
6	**S = Cross Subsidy Surcharge (Rs./kWh)**	**-0.63**

S = 7.82 – [4.15 / (1 - 5.50%/100) + 4.06 + 0.00]

= -0.63 Rs./kWh

As cross subsidy surcharge computation results into negative value, no cross subsidy surcharge will be applicable to Open Access consumers for FY 2020-21.

9.4 Additional Surcharge

Petitioner's submission

The Petitioner has not proposed any Additional Surcharge for FY 2020-21.

Commission's view

The Commission has not approved any Additional Surcharge for Open Access consumers for FY 2020-21.

10. Tariff Philosophy and Tariff Proposal

10.1 Overall Approach

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy, the Tariff Policy, 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 GIFTPCL's Tariff proposal and details the Commission's final decision on the same.

10.2 GIFT PCL's Tariff Proposal for FY 2020-21

The petitioner is proposing that the Tariff schedule for the different categories of consumers may be as per the existing Tariff Schedules of Uttar Gujarat Vij Company Ltd (UGVCL). The Petitioner was allowed to follow the UGVCL's tariff schedule in last two tariff Orders. The same norm may be followed for FY 2020-21 also.

Additionally, to recover the past losses, suffered by the Petitioner up to FY 2018-19, it is requested to introduce the appropriate Regulatory Charges. The Regulatory Gap that can be recovered through regulatory charges during FY 2020-21 and the unrecovered Gap can be recognised as Regulatory asset, to be recovered in future years.

10.3 Commission's Analysis

The Commission notes that Petitioners licence area overlaps with the licence area of UGVCL. The second proviso to Section 62 (1) of the Electricity Act, 2003,specifies that:

"Provided that in case of distribution of electricity in the same area by two or more distribution licensees, the Appropriate Commission may, for promoting competition among distribution licensees, fix only maximum ceiling of Tariff for retail sale of electricity."

Keeping in view the above well-established principles of legislation in determination of Tariff, we believe that the whole course of this area of jurisprudence is that the functions of determination of tariff can be discharged fixing only maximum ceiling of tariff for retail sale of electricity on the basis of promoting competition among distribution licensees where two or more such licensees are in the business of distribution of electricity.

Further, we observe that the Commission has been determining tariff in similar cases which falls under the situation envisaged under the proviso to Section 62(1) of the Electricity Act, 2003 for areas of distribution licensees like Aspen, TPL-Dahej and MUPL in accordance to the said principles of legislation. The Commission has been therefore, considering either maximum ceiling tariff as set for the principal licensee or setting the tariff which is lower than the retail supply tariff of the principal licensee for the second licensee.

Accordingly, the Commission decides that the UGVCL’s tariff approved in the Commission’s Tariff Order dated 31st March, 2020 will be the maximum ceiling for retail supply in the GIFT City in accordance with the tariff schedule annexed to this Order.

Furthermore, based on the foregoing study and analysis, the Commission observes that huge upfront investments have been made. However, the energy demand has remained relatively low. Therefore, the assets are tremendously under-utilised in comparison to other utilities.

In order to adhere to the principles as enshrined in the Electricity Act, 2003 viz., encouraging competition, efficiency, economical use of the resources, good performance, optimal investments and safeguarding the interest of consumers; the Commission has decided to apply appropriate benchmarking to form fair base asset values for the capital investments of GIFT PCL. GIFT PCL shall recover the actual costs incurred as and when the assets are utilised efficiently and optimally in the forthcoming years.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for GIFT Power Company Limited (GIFT PCL) for FY 2020-21, as shown in the Table below:

ARR approved by the Commission for FY 2020-21

(Rs. Crore)

Sr. No.	Particulars	FY 2020-21
1	Power Purchase Expenses	19.78
2	Operation & Maintenance Expenses	2.00
3	Depreciation	4.56
4	Interest & Finance Charges	5.82
5	Return on Equity	2.82
6	Interest on Working Capital	0.00
7	Interest on Security Deposits	0.42
8	Income Tax	0.00
9	Contingency Reserve	0.45
10	Aggregate Revenue Requirement	35.85
11	Less: Non-Tariff Income	0.35
12	**Net Aggregate Revenue Requirement**	**35.50**

The approved ceiling for retail supply tariff will be in accordance with the Tariff schedule annexed to this Order. This Order shall come into force with effect from 1st November 2020. The rate shall be applicable for the electricity consumption from 1st November 2020 onwards.

Sd/-

P. J. THAKKAR
Member

Sd/-

ANAND KUMAR
Chairman

Place: Gandhinagar
Date: 09/10/2020

ANNEXURE: TARIFF SCHEDULE

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st November, 2020

General

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of GIFT PCL.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipments from 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, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.
11. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.

12. Fuel 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.
13. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed payment charges for all consumers:
    - No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
    - Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
    - For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

1.1. FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

(a)	Fixed Charges	Rs. 5/- per Month

PLUS

1.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

1.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION FOR THE CONSUMERS BELOW POVERTY LINE (BPL) **

(a)	First 50 units	150 Paise per Unit
(b)	For the remaining units	Rate as per RGP

***The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.*

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

2. RATE: RGP (RURAL)

This tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

2.1. FIXED CHARGES

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

Fixed Charges	Rs. 5/- per month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMER BELOW POVERTY LINE (BPL)**

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)

**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 sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

2.4. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

Note: If the part of the residential premises is used for non-residential (commercial) purposes by the consumers located within 'Gram Panchayat' as defined in Gujarat Panchayat Act, entire consumption will be charged under this tariff.

3. <u>RATE: GLP</u>

This tariff is applicable to

(i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;

(ii) research and development laboratories;

(iii) Street Light*

(a)	Fixed charges	Rs. 70/- per Installation per Month
(b)	Energy charges	390 Paise per Unit

* Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street lighting purpose shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956/ Rules issued by CEA under the Electricity Act, 2003.

4. <u>RATE: NON-RGP</u>

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

Consumer under this category may opt to be charged as per category – 'RATE: LTMD'

4.1. FIXED CHARGES PER MONTH

(a)	First 10 kW of connected load	Rs. 50/- per kW
(b)	For next 30 kW of connected load	Rs. 85/- per kW

PLUS

4.2. ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit

4.3. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

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

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

4.3.3. The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.3.1 above and complying with the provision stipulated under sub-clause 4.3.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.

4.3.4. The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.

4.3.5. The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be taken into account while determining the amount of short-fall payable towards the annual minimum bill as specified under sub-clause 4.3.3 above.

4.3.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.3.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry

5. RATE: LTMD

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

This tariff shall also be applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff.

5.1. DEMAND CHARGE:

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

PLUS

5.2. ENERGY CHARGE:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3. REACTIVE ENERGY CHARGES:

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

5.4. BILLING DEMAND

The billing demand shall be highest of the following:

a) Eighty-five percent of the contract demand
b) Actual maximum demand registered during the month
c) 6 kW

5.5. MINIMUM BILL

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

5.6. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

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

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

5.6.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.6.1 above and complying with provisions stipulated under sub-clause 5.6.2 above shall be Rs. 2970 per annum per kW of the billing demand.

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

a) The highest of the actual maximum demand registered during the calendar year.
b) Eighty-five percent of the arithmetic average of contract demand during the year.
c) 6 kW

5.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

5.6.6 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 5.6.3 for the higher of Contract

Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

6. RATE: NON-RGP NIGHT

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10:00 PM to 06:00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

6.1. FIXED CHARGES PER MONTH:

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

PLUS

6.2. ENERGY CHARGES:

For the entire consumption during the month	260 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 6 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 6 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then fixed charge during the relevant billing month shall be billed as per Non-RGP category fixed charge rates given in para 4.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 4.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then fixed charge and entire energy consumption during the relevant*

billing month shall be billed as per Non-RGP category fixed charge and energy charge rates given in para 4.1 and 4.2 respectively, of this schedule.

6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*

This option can be exercised to shift from NON-RGP tariff category to NON-RGP NIGHT tariff or from NON-RGP NIGHT tariff category to NON-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.

7. RATE: LTMD-NIGHT

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

7.1 DEMAND CHARGES PER MONTH:

50% of the Demand charges specified in Rate **LTMD** above

PLUS

7.2. ENERGY CHARGES:

For entire consumption during the month	260 Paise per unit

PLUS

7.3. REACTIVE ENERGY CHARGES:

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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 7 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 7 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 5.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 5.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 5.1 and 5.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*
7. *This option can be exercised to shift from LTMD tariff category to LTMD NIGHT tariff or from LTMD- NIGHT tariff category to LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

8. RATE: LTP- LIFT IRRIGATION

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as canal, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

(a)	Fixed charges per month	Rs. 20/- per HP

PLUS

(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

9. RATE: WWSP

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

9.1 Type I- Water works and sewerage pumps operated by other than local authority

(a)	Fixed charges per month	Rs. 25/- per HP
	PLUS	
(b)	Energy charges per month; For entire consumption during the month	430 Paise per Unit

9.2 Type II- Water Works and sewerage pumps operated by local authority such as Municipal Corporation, Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this tariff:

(a)	Fixed charges per month	Rs. 20/- per HP
	PLUS	
(b)	Energy charges per month; For entire consumption during the month	410 Paise per Unit

9.3 Type III- Water Works and sewerage pumps operated by Municipalities/ Nagarpalikas/ and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month: For entire consumption during the month	320 Paise /Unit

9.4 TIME OF USE DISCOUNT:

Applicable to all the water works consumers having connected load of 50 HP and above for the energy consumption during the Off-Peak Load Hours of the Day.

For energy consumption during the off-peak period, viz, 1100 Hrs to 1800 Hrs	40 Paise per Unit
For energy consumption during night hours, viz, 2200 Hrs to 0600 Hrs next day	85 Paise per Unit

10. RATE: AG

This tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

10.1 The rates for following group are as under:

10.1.1 HP BASED TARIFF

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

10.1.2 METERED TARIFF

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	60 Paise per Unit

10.1.3 TATKAL SCHEME

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	80 Paise per Unit

NOTE: The consumers under Tatkal scheme shall be eligible for normal metered tariff as above, on completion of five years period from the date of commencement of supply.

10.2 No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this tariff. Any other machinery connected in the installation governed under this tariff shall be charged separately at appropriate tariff for which consumers shall have to take separate connection.

10.3 Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / metered agricultural tariff.

10.4 Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

Agricultural consumers shall have to declare their intention for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e. in March every year).

11. <u>RATE- TMP</u>

This tariff is applicable to services of electricity supply for temporary period at the low voltage. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

11.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

11.2 ENERGY CHARGE

A flat rate of	465 Paise per Unit

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

12. RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, RGP (RURAL), GLP, LTMD, NON-RGP NIGHT, LTMD-NIGHT, etc. as the case may be.

12.1 FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month

12.2 ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit

PART - II

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

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

13. RATE- HTP-1

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

13.1 DEMAND CHARGES:

13.1.1 For billing demand up to contract demand

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

13.1.2 For billing Demand in Excess of Contract Demand

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

PLUS

13.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

13.3 TIME OF USE CHARGES

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For Billing Demand above 500 kVA	85 Paise per Unit

13.4 BILLING DEMAND

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month

b) Eighty-five percent of the contract demand

c) One hundred kVA

13.5 MINIMUM BILLS:

Payment of “demand charges” based on kVA of billing demand.

13.6 POWER FACTOR ADJUSTMENT CHARGES:

13.6.1 Penalty for poor Power Factor:

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

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

13.6.2 Power Factor Rebate

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

13.7 MAXIMUM DEMAND AND ITS MEASUREMENT:

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

13.8 CONTRACT DEMAND:

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

13.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:	Rebate @

(a)	If supply is availed at 33/66 kV	0.75%
(b)	If supply is availed at 132 kV and above	1.25%

13.10 CONCESSION FOR USE OF ELECTRICITY DURING NIGHT HOURS:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning shall be eligible for concession at the rate of 43 Paise per unit.

13.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

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

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

13.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 13.11.1 above and complying with provisions stipulated under sub-clause 13.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

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

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

13.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

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

13.11.7 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 13.11.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

14. RATE- HTP-II

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities and GW & SB. GIDC Water Works.

14.1 DEMAND CHARGES:

14.1.1 For billing demand up to contract demand

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

14.1.2 For billing demand in excess of contract demand

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

PLUS

14.2 ENERGY CHARGES:

	For entire consumption during the month	
(a)	Up to 500 kVA of billing demand	435 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	455 Paise per Unit
(c)	For billing demand above 2500 kVA	465 Paise per Unit

PLUS

14.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For Billing Demand above 500 kVA	85 Paise per Unit

14.4	Billing Demand	Same as HTP-I Tariff
14.5	Minimum Bill	
14.6	Maximum demand and its measurement	
14.7	Contract Demand	
14.8	Rebate for supply at EHV	
14.9	Concession for use of electricity during night hours	

14.10 POWER FACTOR ADJUSTMENT CHARGES

14.10.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, will be charged.

14.10.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

15. RATE- HTP-III

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

15.1 DEMAND CHARGES:

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

15.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

15.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	85 Paise per Unit

15.4 Billing Demand
15.5 Minimum bill
15.6 Maximum demand and its measurement
15.7 Contract Demand
15.8 Rebate for supply at EHV

Same as HTP-I Tariff

15.9 POWER FACTOR ADJUSTMENT CHARGES

15.9.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, will be charged.

15.9.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- HTP-IV

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

16.1 DEMAND CHARGES:

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

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise/Unit

16.3 Billing Demand	Same as HTP-I Tariff
16.4 Minimum Bill	
16.5 Maximum demand and its measurement	
16.6 Contract Demand	
16.7 Rebate for supply at EHV	

16.8 POWER FACTOR ADJUSTMENT CHARGES:

16.8.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 16 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 16 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 13.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 13.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 13.1 and 13.2 respectively, of this schedule.
6. This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.
7. This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period

17. RATE- HTP-V

HT - Agricultural (for HT Lift Irrigation scheme only)

This tariff shall be applicable for supply of electricity to High Tension Agricultural consumers contracting for 100 kVA and above, requiring power supply for lifting water from surface water sources such as canal, river and dam, and supplying water directly to the fields of farmers for agricultural irrigation only.

17.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	80 Paise/Unit

17.3	Billing Demand	Same as per HTP-I Tariff
17.4	Minimum bill	
17.5	Maximum demand and its measurement	
17.6	Contract Demand	
17.7	Rebate for supply at EHV	

17.8 POWER FACTOR ADJUSTMENT CHARGES

17.8.1 Penalty for poor power factor

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, will be charged

17.8.2 Power Factor Rebate

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy

Charges", arrived at using tariff as per para 17.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

18. RATE- RAILWAY TRACTION

This tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

18.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 425 per kVA per month

NOTE: In case of the load transfer for traction supply due to non-availability of power supply at preceding or succeeding point of supply or maintenance at Discom's level, excess demand over the contract demand shall be charged at normal rate at appropriate point of supply.

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 18.1 (b).

PLUS

18.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit

18.3 Billing Demand:

18.4 Minimum Bill

18.5 Maximum demand and its measurement — Same as HTP-I Tariff

18.6 Contract Demand

18.7 Rebate for supply at EHV

18.8 POWER FACTOR ADJUSTMENT CHARGES

18.8.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, will be charged.

18.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

19. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

19.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per month

PLUS

19.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit

19.3 BILLING DEMAND

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month

b) Eighty-five percent of the contract demand

c) One hundred kVA