GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Determination of Tariff for FY 2018-19

For

GIFT Power Company Limited
(GIFT PCL)

Case No. 1710 of 2018

3rd December, 2018

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
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
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
MUs	Million Units (Million kWh)
MVA	Megavolt Ampere
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
RoE	Return on Equity
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. 1710 of 2018

Date of the Order: 03/12/2018

CORAM

Shri Anand Kumar, Chairman

Shri K. M. Shringarpure, Member

Shri P. J. Thakkar, Member

ORDER

1 Introduction

1.1 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 licence 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. GIFT PCL procures all of its power from Uttar Gujarat Vij Company Limited (UGVCL) as a HT consumer through a dedicated supply from 132 KV Chiloda sub-station of GETCO.

1.2 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.

1.3 Filing and Registration of the Present Petition

The present Petition was filed on 6th March, 2018. The Petition was scrutinized in terms of the GERC (Conduct of Business) Regulations, 2004. The Petition was registered on 14th March, 2018 and numbered as Petition No. 1710 of 2018 after technical validation.

1.4 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

Sr. No.	Name of the Newspaper	Language	Date of publication
1	Financial Express	English	27.03.2018
2	Gujarat Samachar	Gujarati	25.03.2018

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 26th April, 2018.

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.

1.5 Public Hearing

The Commission received no objections / suggestions on the petition till the last submission date of 26th April, 2018. Hence, no public hearing was conducted.

1.6 Approach of this order

GIFT PCL has submitted the current petition for approval of Aggregate Revenue Requirement (ARR) and determination of Retail Supply Tariff for FY 2018-19. However, consecutively for previous three years, 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 the GIFT City 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 three years from FY 2014-15 to FY 2017-18.

The projected ARR submitted by GIFT PCL for FY 2018-19 is stated to be based on the actual performance for FY 2016-17 and the estimates (provisional) of FY 2017-18.

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 2018-19.

The petition for approval of ARR and determination of Retail Supply Tariff for FY 2018-19 has been considered by the Commission as per the GERC (Multi-Year Tariff) Regulations, 2016.

1.7 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** deals with Determination of ARR and Retail Supply Tariff for FY 2018-19.
4. The **Fourth Chapter** deals with Tariff Philosophy and Determination of Tariff for FY 2018-19.

5. The **Fifth Chapter** deals with Fuel and Power Purchase Price Adjustment charges (FPPPA).
6. The **Sixth Chapter** deals with Wheeling Charges and Cross Subsidy Surcharge.
7. The **Seventh Chapter** deals with the Directives of the Commission.

2 Summary of ARR and Retail Supply Tariff for FY 2018-19

2.1 Introduction

This chapter outlines a summary of the current petition for approval for Aggregate Revenue Requirement and determination of Retail Supply Tariff for FY 2018-19.

2.2 Aggregate Revenue Requirement (ARR) for FY 2018-19

GIFT PCL has sought approval for projected Aggregate Revenue Requirement for FY 2018-19 as under:

Table 2.1: ARR proposed for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	2018-19
1.	Power Purchase Cost	16.93
2.	O&M Expenses	2.21
3.	Depreciation	4.93
4.	Interest & Finance Charges	6.76
5.	Interest on Working Capital	0.00
6.	Provision for Bad Debts	0.00
7.	Contingency Reserve	0.32
8.	Income tax	0.00
9.	Return on Equity @14%	4.02
10.	Less: Non-Tariff Income	0.26
11.	**Aggregate Revenue Requirement**	**34.90**

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

GIFT PCL has estimated the revenue gap for FY 2018-19 as detailed in the Table below:

Table 2.2: Estimated revenue gap / (surplus) for FY 2018-19

(Rs. Crore)

Particulars	2018-19
ARR for FY 2018-19	34.90
Revenue from Tariff for FY 2018-19	20.94
Revenue Gap / (Surplus) in FY 2018-19	**13.96**

While projecting the revenue gap for FY 2018-19 given in the Table above, the Petitioner has requested following modifications in the existing Tariff Schedule of Uttar Gujarat Vij Company Ltd. (UGVCL).

- Creation of new consumer categories such as LTMD-III for consumers having aggregate load above 100 kW and up to 500 kW and Area Lighting (AL) for the exclusive power supply for street lighting to the developers of the building.
- Widening the scope of LTMD Category by merging Non-RGP category in LTMD category.
- Redefining and Sub-categorization of LTMD category into LTMD-I, LTMD-II and LTMD-III.
- Removal of HTP-IV category from the existing tariff schedule.
- Certain modifications in respect of 'Applicability' of Billing Demand and Minimum Bill for LTMD consumers.
- Expanding the 'Applicability' of HTP-II category incorporating the load for facilities such as District Cooling System (DCS) and Automatic Waste Collection System (AWCS)

GIFT PCL has proposed a revision in retail tariff for various categories for FY 2018-19, since the computed revenue at existing tariff for FY 2018-19 is inadequate to meet the projected annual revenue requirement & Gap.

2.4 GIFT PCL's request to the Commission

a) To condone the delay, if any, occurred in filing the present petition

b) Admit the petition for Aggregate Revenue Requirement for FY 2018-19 and tariff determination for FY 2018-19

c) Approve base FPPPA as proposed by the Petitioner.

d) Approve Wheeling ARR and corresponding charges for wheeling of power.

e) Approve Cross Subsidy Charges, if any.

f) Approve Tariff schedule along with the new categories (LTMD III & AL) proposed by the Petitioner.

g) Allow additions / alterations / changes / modifications to the application at a future date

h) Allow any other relief, order or direction, which the Commission deems fit to be issued.

i) 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 Determination of Aggregate Revenue Requirement for FY 2018-19

3.1 Background

The Petitioner in its maiden tariff filing, has submitted the proposal for Annual Revenue Requirement (ARR) for FY 2018-19. The ARR components for FY 2018-19 are to be projected as per the following provisions of Regulation 19 of the GERC (Multi-Year Tariff) Regulations, 2016:

> *"…19.2 The Applicant shall develop the forecast of Aggregate Revenue Requirement using the assumptions relating to the behaviour of individual variables that comprise the Aggregate Revenue Requirement during the Control Period, including inter-alia detailed category-wise sales and demand projections, power procurement plan, capital investment plan, financing plan and physical targets, in accordance with guidelines and formats, as may be prescribed by the Commission from time to time.*
>
> *19.5 The Applicant shall develop the forecast of expected revenue from tariff and charges based on the following:*
>
> *(a) …*
>
> *(b) …*
>
> *(c) …*
>
> *(d) In the case of a Distribution Licensee, estimates of quantum of electricity to be supplied to consumers and to be wheeled on behalf of Distribution System Users for ensuing financial year within the Control Period;*
>
> *(e) Prevailing tariffs as on the date of making the application…"*

3.2 Approach for determination of ARR for FY 2018-19

This Chapter discusses in detail the individual elements constituting the ARR for FY 2018-19 considering the actual information available of various parameters for the FY 2016-17 as per the audited accounts and the provisional information available for the FY 2017-18. The revised ARR and revenue at existing tariff is determined for FY 2018-19 to arrive at the revised revenue gap/surplus for the year.

3.3 Number of Consumers, Connected Load and Energy Sales

Petitioner's submission

The Petitioner has submitted that the Financial Services / Commercial Sector development is likely to take place gradually over a period of time. The SEZ and NON-SEZ Area is still in the development phase as the new Financial Services Institution / Commercial Institution and associated necessary infrastructure is likely to take place gradually based on overall economic conditions. Hence, it would be very difficult to project the demand and sales projections precisely for this area at least during the initial phase of development.

The Petitioner has submitted that it had started the distribution of electricity operation in FY 2013-14, but notable load developed during FY 2015-16 & 2016-17. The past actual energy sales for FY 2015-16 to FY 2017-18 as submitted by the Petitioner are shown in the Table below:

Table 3-1: Past Years' Energy Sales

(MU)

Consumer Category	2015-16	2016-17	2017-18
HT & EHT Category			
HTP I	3.95	4.51	9.23
HTP III	0.34	0.43	0.35
Low Voltage Category			
GLP	0.08	0.12	0.17
LTMD	1.00	1.95	2.53
Non-RGP	0.25	0.47	0.71
SL	0.38	0.33	0.38
Temp	0.31	0.68	1.10
Total	**6.33**	**8.52**	**14.49**

The Petitioner has submitted that from FY 2015-16 to FY 2016-17 the growth was modest, i.e. about 34.61%, as the operation was in initial phase. However, energy sales during FY 2017-18 increased substantially by 76.76% over actuals of FY 2016-17.

The Petitioner has worked out the projected demand for electricity based on estimated power requirements of the existing and prospective consumers with reference to development plan. The Petitioner has submitted that it has taken conservative approach for sale forecast.

It is further submitted that due to overall economic slowdown, development / expansion of established units is uncertain in the years to come and new units which are yet to establish their set up may defer their operations. This makes it difficult to carry out projections accurately for the FY 2018-19.

However, based on the trend of past sales in various tariff categories and assessment of new load growth which may be possible in GIFT PCL area, the Petitioner has derived the energy consumption for FY 2018-19. The Petitioner has projected the energy sales for FY 2018-19 with the following assumptions:

(i) Energy sales of the existing categories: The Petitioner has worked out the demand for district cooling system (DCS), one of the major consumer in the area of the petitioner which supplies chilled water to the buildings and other consumers. The projected demand for electricity has been derived based on estimated power requirements of existing and prospective consumers. Based on the past sales and other factors, energy sales have been derived by the Petitioner for FY 2018-19.

(ii) Energy sales of all categories projected by GIFT PCL: Based on the projected energy sales of existing categories, the energy sales of various prospective consumer categories have been determined for FY 2018-19. The prospective consumer category wise sales have been derived based on certain assumption by the Petitioner.

The Petitioner has further submitted that the projections for number of consumers and corresponding connected load for the FY 2018-19 is done based on inputs collected from developer of SEZ and NON-SEZ Areas about prospective clients and details of plots allotted so far in SEZ and NON-SEZ areas.

It is further submitted that the consumer categories, mainly served in SEZ and NON-SEZ area would likely to be predominantly financial / commercial services providers, Facilities of Common Services and Commercial Bulk Consumers of HTP-I category. The consumer base of other categories would remain negligible.

The projected number of consumers, connected load and energy sales for the year as submitted by GIFT PCL are shown in the following table:

Table 3-2: Number of consumers, Connected Load and Energy Sales for FY 2018-19

Category	No. of Consumers	Connected Load (kW)	Energy Sales (kWh)
LOW TENSION			
RGP	330	990.00	136,026
Non RGP & LTMD	269	7996.00	5,814,517
GLP	2	86.50	310,287
Street Light	35	402.50	775,996
Temporary	130	4552.00	1,809,462
Sub Total	**766**	**14027.00**	**8,846,288**
HIGH TENSION			
HTP – I	13	9390.00	13,569,916
HTP – III	3	420.00	867,163
Sub Total	**16**	**9810.00**	**14,437,079**
TOTAL	**782**	**23837.00**	**23,283,367**

Commission's analysis

In order to determine the sales for the FY 2018-19 the Commission had sought the monthly sales details for FY 2015-16, FY 2016-17 and FY 2017-18 (till December). Further, the Commission has examined the forecast of number of installations, demand and energy sales projected by GIFT PCL for FY 2018-19. It is observed that the forecast is based on the estimation of number of consumers, likely demand and energy sales.

As GIFT PCL is in development stage, some of the consumers have established their offices and building premises whereas some are in the process of doing so. It is submitted by GIFT PCL that the projection of number of consumers, corresponding connected load and energy sales for FY 2018-19 are primarily based on indications given by the prospective developers.

The Commission, therefore, approves the number of consumers, connected load and energy sales projected for FY 2018-19 and any variation will be considered during truing up. Accordingly, number of consumers, connected load and energy sales for FY 2018-19 as approved are given in the Table below:

Table 3-3: Number of consumers, Connected Load and Energy Sales approved for FY 2018-19

Category	No. of Consumers	Connected Load (kW)	Energy Sales (kWh)
LOW TENSION			
RGP	330	990.00	136,026
Non RGP & LTMD	269	7996.00	5,814,517
GLP	2	86.50	310,287
Street Light	35	402.50	775,996
Temporary	130	4552.00	1,809,462
Sub Total	**766**	**14027.00**	**8,846,288**
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HTP – I	13	9390.00	13,569,916
HTP – III	3	420.00	867,163
Sub Total	**16**	**9810.00**	**14,437,079**
TOTAL	**782**	**23837.00**	**23,283,367**

The Commission approves number of consumer as 782, connected load as 23837 kW and energy sales of 23.28 MUs in the ARR of FY 2018-19.

3.4 Distribution Losses

Petitioner's submission

The Petitioner has stated that it has created basic infrastructure to provide power connectivity to its customers in the GIFT City. The Petitioner has considered N-1 network redundancy at all level for higher power reliability and availability to end consumers in the Distribution Licence Area.

The actual power purchase and corresponding energy sales for the past two years, i.e. FY 2016-17 and FY 2017-18, reveal that the distribution losses in the GIFT PCL area were 6.37% and 5.97%, respectively.

Considering the anticipated demand in future, GIFT PCL has installed the transformer and related distribution infrastructure of desired capacity from the outset. As a result, the transformer and distribution assets remain under-loaded in initial phase leading to higher distribution losses. However, as the occupancy of existing buildings increase and new buildings come up in the GIFT City, the distribution losses shall gradually decrease.

In view of above, the Petitioner has projected the distribution loss level at 5.5% for FY 2018-19, as shown in the Table below:

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

Sr. No.	Financial Year	Input Units	Units Sold	Losses (in %)
1	2015-16 (Actual)	6.52	6.33	2.91%
2	2016-17 (Actual)	9.10	8.52	6.37%
3	2017-18 (Actual)	15.41	14.49	5.97%
4	2018-19 (Proposed)	-	-	5.50%

Commission's analysis

Since the network is still being developed to serve the consumers who will set up units in different parts of the licence area, the network may remain underutilized in the initial years. The power transformers and distribution assets would be under-loaded till the load develops. Since all the consumers are metered and the distribution loss is arrived at by subtracting the energy consumed from energy input (metered), **the Commission approves the estimated distribution loss of 5.50% for FY 2018-19**.

3.5 Energy Requirement

Petitioner's submission

The Petitioner has computed the energy requirement for FY 2018-19 considering projected distribution loss and projected energy sales for the year in the licence area as shown in the Table below:

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

(MUs)

Sr. No	Particulars	Projected for 2018-19
1	Energy sales to end consumer (considering all consumers)	23.28
2	Distribution loss (In %)	5.5%
3	Distribution loss (Energy)	1.35
4	**Energy requirement at the periphery of GIFT PCL**	**24.63**

Commission's analysis

Based on the approved energy sales and distribution losses as discussed in the foregoing paragraphs, the Commission approves the energy requirement of 24.64 MU for FY 2018- 19 as per the Table below:

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

(MUs)

Sr. No	Particulars	Projected for 2018-19
1	Energy sales to end consumer (considering all consumers)	23.28
2	Distribution loss (In %)	5.5%
3	Distribution loss (Energy)	1.36
4	**Energy requirement at the periphery of GIFT PCL**	**24.64**

3.6 Power Purchase Cost

Petitioner's submission

The Petitioner has submitted that it shall meet its total energy requirement from state owned utility, UGVCL, power traders and renewable sources. It is further submitted that it currently procures power from UGVCL as a HT consumer for 5.5 MVA contracted demand at 66/33 kV sub-station of GIFT PCL. It is further submitted that GIFT PCL shall meet its power requirement up to 12.32 MU through UGVCL as per the present arrangement. However, for rest of the energy requirement, it is stated to procure power from traders or bilateral purchases, power exchanges through competitive bidding and by purchasing renewable energy certificates (RECs) to meet its Renewable Purchase Obligation (RPO) for the year.

Following assumptions have been considered for projecting the quantum and cost of power purchase:

Power Purchase from Trader or Power Exchanges

The rate of power purchase from traders or power exchange envisaged by the Petitioner is Rs. 5.25 / kWh for FY 2018-19. It is submitted that this tentative rate includes the losses and charges paid to the agencies involved in this transaction and trading margin of trader.

Power Purchase from UGVCL

GIFT PCL has projected the power purchase cost of UGVCL based on HTP–I consumer category tariff as approved by the Commission for UGVCL for FY 2017-18.

RPO Cost for FY 2018-19

The Petitioner has submitted that the RPO level fixed by the Commission for FY 2018-19 is 4.25% for solar, 7.95% for wind and 0.5% for others. The Petitioner is planning to meet the RPO by purchasing RECs, as GIFT PCL has not yet framed any plan for

RE power purchase. The Petitioner has submitted that in near future it will make arrangement for meeting RPO through RE power purchase. Accordingly, the Petitioner has considered the solar RECs @ Rs. 2.40/kWh (forbearance price of solar RECs as per CERC) and non-solar RECs of Rs. 1.50/kWh (market price of non-solar REC) for projecting its REC cost for FY 2018-19. The Petitioner has considered RPO only on energy purchase through trader (i.e., 12.32 MU). The electricity supplied by UGVCL was not considered in the calculation of REC purchase, as UGVCL being an obligated entity, is meeting its RPO separately and that the electricity supplied by it consists of renewable energy component also.

The Petitioner has submitted that the total power procurement cost would be Rs. 16.93 Crore for FY 2018-19. The average cost of power procurement is Rs. 6.87 / kWh. It is further submitted that the power purchase cost of UGVCL is inclusive of base FPPPA charge at 143 paise per unit. The detail of power purchase cost as projected by the Petitioner is shown in the Table below:

Table 3-7: Power Purchase Quantum & Cost projected for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Quantum (MU)	Rate	Amount
1	From Trader	12.32	Rs. 5.25 / kWh	6.47
2	From UGVCL	12.32	Demand charges	2.81
			Energy charges @ Rs. 4.30/kWh, ToD charges, FPPPA charges @ Rs. 1.43/kWh	7.37
3	Solar REC (4.5%)	0.52	Rs. 2.40 / kWh	0.12
4	Non-solar REC (7.95% for wind, 0.5% for others)	1.04	Rs. 1.50 / kWh	0.16
5	**Total (1 + 2)**	**24.64**		**16.93**
6	**Power Purchase Cost (Rs./kWh)**	**6.87**		

Commission's analysis

In normal course, the distribution licensee shall procure power on 'long-term / medium-term basis' based on competitive bidding process as per the guidelines issued by Ministry of Power, Government of India. However, since GIFT PCL has recently begun its operations, it therefore requires small quantum of power initially. In view of the above, it may not be 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.

The Petitioner has proposed to procure power from UGVCL as a HT consumer for half of the total energy requirement and for rest of the requirement, it has proposed to go for short-term power supply arrangements for FY 2018-19.

The power procurement cost of GIFT PCL varies from source to source. In case of procurement from UGVCL, the same is derived at the approved UGVCL tariff for FY 2018-19 with base FPPPA charges at 149 paise per unit.

Considering the previous three years' trends in price of electricity transacted through Traders and Power Exchanges, the Commission approves the rate of Rs. 3.50 per unit, which is inclusive of the losses and other payable charges, for the procurement from traders or power exchanges.

With respect to Renewable Purchase Obligations (RPO), Regulation 4.1 of the GERC (Procurement of Energy from Renewable Sources) Regulations 2010 specifies that *"Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year.''*

Further, the Commission has notified the second amendment to the Principal Regulations, 2010 on 21st April, 2018. The RPO target is set as 12.70% for FY 2018-19, comprising 7.95% for Wind, 4.25% for Solar and 0.50% for other renewable sources in the said Amendment Regulations. The Commission has therefore, considered the submission of the Petitioner that considering the availability of renewable power for small quantum, the Petitioner would fulfil its RPO through the purchase of RECs. The Commission has approved the cost of purchase of REC (both solar and non-solar) at the forbearance price of Solar RECs as approved by the CERC and the market price of Non-solar RECs as projected by the Petitioner.

Based on the above, the total power purchase quantum and cost from the various sources as approved for FY 2018-19 is as follows:

Table 3-8: Power Purchase Quantum (MU) and Cost (Rs. Crore) approved by the Commission for FY 2018-19

Sr. No.	Particulars	Quantum (MU)	Rate	Amount (Rs. Crore)
1	From Trader	12.32	Rs. 3.50 / kWh	4.31
2	From UGVCL	12.32	Demand charges	2.81

Sr. No.	Particulars	Quantum (MU)	Rate	Amount (Rs. Crore)
			Energy charges @ Rs. 4.30/kWh, ToD charges, FPPPA charges @ Rs. 1.49/kWh	7.44
3	Solar REC (4.5%)		Rs. 2.40 / kWh	0.13
4	Non-solar REC (7.95% for wind, 0.5% for others)		Rs. 1.50 / kWh	0.16
5	**Total**	**24.64**		**14.85**
6	**Power Purchase Cost (Rs./kWh)**	**6.03**		

Further, any variation on account of Fuel and Power Purchase cost shall be calculated as per the formula specified by the Commission and impact thereof shall be passed on directly to the consumers.

The licensee will compute fuel and power procurement cost variations on quarterly basis and adjustment shall be made in the consumer bills starting after a month following the end of the quarter based on the Fuel & Power Purchase Cost Adjustment (FPPCA) formula notified by the Commission.

3.7 Operations and Maintenance Expenses

The O&M Expenses consists of three elements i.e. Employee Expenses, Administrative & General (A&G) Expenses and Repair & Maintenance (R&M) Expenses.

- Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension, gratuity, leave encashment and staff welfare expenses
- A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.
- R&M Expenses go towards the day to day upkeep of the distribution network of the Company and form an integral part of the Company's efforts towards reliable and quality power supply as well as reduction of losses in the system.

Petitioner's submission

The actual Operations and Maintenance Expenses for the last five years and the projection for FY 2018-19 as submitted by the Petitioner in its presentation before the Commission on 16.05.2018, are given in the Table below:

Table 3-9: Operation and Maintenance expense proposed for FY 2018-19

(Rs. Crore)

Particulars	**Actual**					**Proposed**
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Employee expenses	0.74	0.92	1.43	1.56	1.36	1.53
Repairs & Maintenance expenses	0.20	0.00	0.47	0.48	0.44	0.49
Administration & General expenses	0.26	0.20	0.07	0.16	0.31	0.19
Total O&M expenses	**1.19**	**1.11**	**1.96**	**2.20**	**2.11**	**2.21**

The Petitioner has submitted that it has derived O&M Expenses on the average of actual Operation & Maintenance expenses for the three (3) years ending 31st March, 2015 as per GERC (MYT) Regulation, 2016.

The Petitioner has considered average of actual O&M expenses for the last three financial years and escalated the same by factor of 5.72% to arrive at O&M expenses for FY 2018-19. The actual employee expenses, R&M and A&G expenses of last three years have been considered by the Petitioner. The O&M costs projected by the Petitioner, following this approach, is Rs. 2.21 Crore for FY 2018-19.

The Petitioner has further submitted that the area of the Petitioner is still in the development phase as the new consumers / buildings and associated necessary infrastructure would likely to take place gradually based on overall development of the city; therefore, actual O&M expenses may vary than the proposed projections.

Commission's analysis

The Commission has examined the O&M Expenses projected by GIFT PCL for FY 2018-19. Regulations 94.8 of the GERC (MYT) Regulations, 2016 for O&M Expenses is reproduced below:

"94.8. Operation and Maintenance expenses:

a) The Operation and Maintenance expenses shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three

(3) years ending March 31, 2015, subject to prudence check by the Commission.

b) The average of such operation and maintenance expenses shall be considered as operation and maintenance expenses for the financial year ended March 31, 2014 and shall be escalated year on year at the escalation factor of 5.72% to arrive at operation and maintenance expenses for subsequent years up to FY 2020-21:

Provided that in case the Distribution Licensee has been in operation for less than three (3) years as on the date of effectiveness of these Regulations, the O&M Expenses shall be determined on case to case basis."

The Petitioner has submitted the details of actual O&M Expenses incurred during the last five years ending 31st March, 2015 as tabulated in Table 3.9 above. The Commission approves the said O&M Expenses, actually incurred for the period FY 2013-14 to FY 2017-18. However, the Petitioner shall file auditor's certificate for such expenses at the time of true-up.

In case of GIFT PCL, the O&M Expenses for FY 2012-13 are NIL as the operations had not commenced in the said year. Therefore, considering the jurisprudence of the GERC (MYT) Regulations, 2016, the O&M Expenses for the three years ending 31st March, 2016 are averaged out for FY 2014-15, and further escalated year on year at escalated factor of 5.72% to arrive at O&M Expenses for FY 2018-19 as given in the Table below:

Table 3-10: Operation and Maintenance Expense approved for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Actual O&M Expenses as submitted by GIFT PCL			3-Year Average	Normative		
		FY 2013-14	FY 2014-15	FY 2015-16	FY 2014-15	FY 2016-17	FY 2017-18	FY 2018-19
		(a)	(b)	(C)	(d) = [(a)+(b)+(c)] / 3	(e)	(f)	(g)
1	Employee Expenses	0.74	0.92	1.43	1.03	1.15	1.22	1.29
2	R&M Expenses	0.20	0.00	0.47	0.22	0.25	0.26	0.28
3	A&G Expenses	0.26	0.20	0.07	0.18	0.20	0.21	0.22
4	**Total O&M expenses**	**1.20**	**1.12**	**1.97**	**1.43**	**1.60**	**1.69**	**1.79**

The Commission thus approves O&M Expenses of Rs. 1.79 Crore for FY 2018-19.

3.8 Capital Expenditure and Capitalization

Petitioner's submission

The Petitioner has submitted that it has planned to establish state of the 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 the GIFT PCL. To ensure uninterrupted power for all the consumers, dual source arrangement is being developed. The Petitioner has also considered network automation for real time monitoring and operation of various equipments from Central Control Room (CCR). The coverage of network automation would be from end to end interface points between take off to delivery points. The Petitioner has also considered installation of firefighting system on Power Transformers as per CEA Regulations, 2010. The Petitioner has further detailed various major projects in its submission of Capital Expenditure Plan as below:

- The Petitioner has submitted that a 66 kV Second Source substation is being commissioned to feed 66/33 kV Receiving Substation of GIFT PCL (approx. cost Rs. 17.50 Crore). For power connectivity, an estimate of Rs. 36.95 Crore is received from UGVCL / GETCO, for laying 11 km Double Circuit 66 kV Underground cable from 132 kV Chiloda Substation to 66 kV Second Source Substation in GIFT City. An amount of Rs. 14.59 Crore is already paid and remaining balance amount is Rs. 22.35 Crore.
- Presently, GIFT PCL has 5.5 MVA Contract Demand. The demand is set to grow and go beyond existing substation transformation capacity of 20 MVA as various multi storey building such as Ibis Hotel, Club, World Trade Centre (WTC), Brigade Commercial Tower (Bock 14), Prestige Commercial Tower (Block 15) etc. will be operational soon. Thus, existing 66/33 kV Receiving Substation is being augmented from 20 MVA to 60 MVA which shall take care of future load demand. Cost of the said work is Rs. 23.99 Crore.
- GIFT City has mostly high-rise buildings, so the load is concentrated and high rise building load. Distribution network is therefore developed at 33 kV level to reduce line loses 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 33 kV switching panel in RMU room includes, connectivity from 66/33 kV Receiving Substation, by 33 kV cable. Estimated cost for such scheme development is Rs. 15.66 Crore.

- Further, there is power requirement to meet the construction power load and cater upcoming loads at different locations in short duration. 33 kV ring network is being developed and 33/0.415 kV CSS are being installed at specified locations to take care of such loads. Cost associated with said work is Rs. 1.99 Crore.
- 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 being commissioned in SEZ area. The associated cost is Rs.1.80 Crore.
- Automatic Meter Reading (AMR) system is being developed which shall increase billing efficiency, accuracy and reliability and avoid human errors altogether. Cost estimated is approximately Rs. 40 Lakh. RF based meter installation and AMR metring with consumer portal with mobile App. based application is planned. It will give access to consumer to observe their billing related data online.

The expenditure incurred by the Petitioner from its inception is as shown in the Table below.

Table 3-11: Actual Capital Expenditure incurred to operationalize the distribution system

(Rs. Crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Opening GFA	**0.00**	**4.91**	**6.36**	**34.18**	**45.50**	**59.63**
Building & Civil Work	0.65	0.10	8.29	1.39	0.46	0.00
Furniture	0.00	0.00	0.00	0.00	0.24	0.00
Plant & Machinery	4.26	1.34	19.54	9.93	13.43	7.68
Add: Capitalization during the year	**4.91**	**1.44**	**27.82**	**11.31**	**14.12**	**7.68**
Closing GFA	**4.91**	**6.36**	**34.18**	**45.50**	**59.63**	**67.31**

The Petitioner has considered the Gross Fixed Asset (GFA) of Rs. 67.31 Crore on starting of FY 2018-19. The Capital Expenditure and Capitalization during FY 2018-19 as projected by the Petitioner are Rs. 59.77 Crore. The Capital Expenditure Plan for FY 2018-19 proposed by the Petitioner is as shown in the Table below:

Table 3-12: Capital Expenditure Plan proposed for FY 2018-19

(Rs. Crore)

Particulars	Budgeted Amount
Reactive Power Compensation System for backup power in EPS at 11 kV level	1.00
Power Distribution arrangement by 33 KV switching panel and 33 KV cable in GIFT City	10.20
2nd source switching substation	1.00
Augmentation of Existing 66 kV Substation	24.96
Automatic Meter reading System for Energy billing with Meter	0.50
Power supply arrangement for new connections including cable, meter box, feeder pillars, & other misc. items	3.00
2nd source switching substation GETCO supervision charges	3.76
66 kV underground cable connectivity charges	14.60
Civil Works for CSS installation and distribution network development	0.75
Total	**59.77**

The Petitioner has further submitted that the proposed capital investments are necessary for ensuring reliable and quality power availability to its customers in the licence area. The Petitioner has requested the Commission to approve the proposed capital expenditure, capitalization and funding for FY 2018-19 as shown in the Table below:

Table 3-13: Projected Capital Expenditure, Capitalization and funding for FY 2018-19

(Rs. Crore)

Particulars	FY 2018-19
Capex of the year	59.77
Capitalization	59.77
Less: SLC Addition	0.08
Less: Grant in aid	-
Balance capitalization	59.69
Normative Debt @ 70%	41.78
Normative Equity @ 30%	17.91

Commission's analysis

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. The Commission observes that with the capital expenditure and the capitalization planned for FY 2018-19, the Petitioner shall maintain the reliable supply for the consumers of GIFT City.

Regulation 19.3 of the GERC (MYT) Regulations, 2016 specifies 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.

Considering the projected energy sales for FY 2018-19, the Commission finds that the present infrastructure sufficiently meets the load requirement. The Commission, therefore, finds it appropriate to consider average capitalization of previous 3 years to arrive at projected capitalization for FY 2018-19 at Rs. 11.04 Crore as shown below:

Table 3-14: Approved Capital Expenditure, Capitalization and funding for FY 2018-19

(Rs. Crore)

Particulars	FY 2018-19
Capex / Capitalization	11.04
Less: SLC Addition	0.08
Less: Grant in aid	-
Balance capitalization	10.96
Normative Debt @ 70%	7.67
Normative Equity @ 30%	3.29

This expenditure is being permitted to ensure the creation of infrastructure for adherence to Standard of Performance and Supply Code Regulations and meeting the loss reduction targets. However, a detailed statement of the capital expenditure incurred quarterly, the asset capitalized and added in the gross fixed assets up to 31.03.2019 on different dates during the year and its funding pattern duly certified by the statutory auditor along with the Fixed Assets and Depreciation Register be provided for true-up of FY 2018-19.

3.9 Gross Fixed Assets (GFA) and Depreciation

Petitioner's submission

The petitioner has submitted that they had Rs. 67.31 Crore of Opening Gross Fixed Assets (GFA) in FY 2018-19. GIFT PCL has further proposed capital expenditure of Rs. 59.77 Crore for FY 2018-19.

Depreciation is charged on the basis of straight-line method, on the Gross Fixed Assets in use at the beginning of the year and addition in assets during the financial year. The depreciation is based on the original cost of the Gross Fixed Assets. GIFT PCL has applied the following depreciation rates as specified by GERC in the Tariff Regulations, 2016.

Table 3-15: Depreciation rate specified by GERC

Asset Category	Depreciation Rate %
Plant & Machinery	5.28
Building & Civil Works	3.34
Furniture & Fixtures	6.33

GIFT PCL has further submitted that it has considered the assets put in use from the starting of its operation to arrive at opening value of GFA. The Petitioner has further stated that depreciation for FY 2018-19 is calculated by applying aforesaid category-wise assets depreciation rates on the opening balance of Gross Fixed Assets and addition during the year projected for 2018-19. Depreciation of Rs. 4.92 Crore for FY 2018-19 has been claimed by applying aforesaid category-wise assets depreciation rates on the average Gross Fixed Assets projected for FY 2018-19 as shown in the Table below:

Table 3-16: Depreciation proposed for FY 2018-19

(Rs. Crore)

Particulars	Plant and Machinery	Civil Works	Furniture	Total
Opening GFA as on 1st April 2018	56.18	10.88	0.24	67.31
Addition During The Year	59.77	0.00	0.00	59.77
Closing Balance	115.95	10.88	0.24	127.08
Average Balance GFA	86.07	10.88	0.24	97.20
Depreciation Rate (%)	5.28%	3.34%	6.33%	-
Depreciation Claimed	**4.54**	**0.36**	**0.02**	**4.92**

Commission's analysis

The Commission has examined the depreciation charges as computed by GIFT PCL for FY 2018-19 with respect to the GERC (MYT) Regulations, 2016.

Regulation 39.2 of the GERC (MYT) Regulations, 2016 specifies as follows:

"…The Distribution Licensee shall be permitted to recover depreciation on the value of fixed assets used in their respective Business computed in the following manner:

(a) The approved original cost of the project/fixed assets shall be the value base for calculation of depreciation;

(b) Depreciation shall be computed annually based on the straight line method at the rates specified in the Annexure I to these Regulations…"

Accordingly, the depreciation for the assets should be calculated annually at the rates specified by the Commission vide Annexure I to the GERC (MYT) Regulations, 2016. The depreciation for FY 2018-19 has been worked out at Rs. 3.64 Crore considering full year's depreciation on Opening GFA and half year's depreciation on addition during the year.

Table 3-17: Depreciation approved for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Approved for FY 2018-19
1	Opening GFA at the beginning of the year	67.31
2	Addition during The Year	11.04
3	Closing GFA at the end of the year	78.35
4	Average Balance of GFA	72.83
5	Depreciation for the year	3.64

Table 3-18: Calculation for working out the Depreciation for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	GFA at the beginning of FY 2018-19	Addition during FY 2018-19	Closing GFA at the end of FY 2018-19	Rate of Depreciation	Depreciation for FY 2018-19
1	Plant and Machinery	56.18	11.04	67.22	5.28%	3.26
2	Civil Works	10.88	0.00	10.88	3.34%	0.36
3	Furniture	0.24	0.00	0.24	6.33%	0.02

The Commission approves a depreciation of Rs. 3.64 Crore in the ARR of FY 2018-19.

3.10 Interest and Finance Charges

Petitioner's submission

The Petitioner has submitted that the interest expenses for FY 2018-19 has been worked as per Regulation 38 of the GERC (MYT) Regulations, 2016. The Petitioner has further stated that the debt-equity ratio of 70:30 has been considered as per the National Tariff Policy and the GERC (MYT) Regulations, 2016 excluding projected Consumer Contribution, which would be received from the consumers. The opening balance of loans for the FY 2018-19 is considered the same as the closing balance of the FY 2017-18. The normative loan addition in the FY 2018-19 has been computed as 70% of the capitalisation proposed during FY 2018-19.

GIFT PCL has submitted that the interest expenses are calculated by applying the Weighted Average Rate of Interest of the loan portfolio of the Petitioner at the beginning of the year, while repayment has been considered equal to the depreciation of the assets for the year as per the GERC (MYT) Regulations, 2016.

The Petitioner has further submitted that it has taken loans from financial institutions for creating the distribution infrastructure and associated facility from time to time. Additionally, other than creating the assets, the Petitioner also availed bridge loans to meet its interest obligations during each year due to its low revenue which was not sufficient to meet the interest obligation. The same is also considered as part loan portfolio of the Petitioner. The Petitioner has requested the Commission to approve the loan portfolio and interest as shown in the Table below:

Table 3-19: Interest and finance charges proposed for FY 2018-19

(Rs. Crore)

Particulars	2018-19
Opening Balance of Loan	55.32
Less: Reduction of Loan due to Retirement or Replacement of Assets	-
Addition of Loan due to Capitalization During the Year	41.78
Repayment of Loan During the Year	4.92
Closing Balance of Loan	92.19
Average Balance of Loan	73.76
Weighted Average Rate of Interest on Actual Loans (%)	8.75%
Interest Expense	**6.45**

Commission's analysis

The Interest on Loan is determined in accordance with the MYT Regulations. Various provisions of Regulation 38 of the GERC (MYT) Regulations, 2016 for Interest & Finance Charges are reproduced below:

> *"38.1 The loans arrived at in the manner indicated in Regulation 33 (for Debt-Equity Ratio) on the assets put to use, shall be considered as gross normative loan for calculation of interest on loan…*
>
> *……*
>
> *……*
>
> *38.5 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee:*
>
> *38.6 The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest:*
>
> *Provided that at the time of truing up, the normative average loan of the year shall be considered on the basis of the actual asset capitalisation approved by the Commission for the year…"*

In view of the above, the Interest Expenses has been calculated on the average loan during the year with the opening loan considered equivalent to the closing loan for FY 2017-18. The Commission has considered the actual capitalisation of assets as approved in the foregoing paragraphs. Repayment has been considered equivalent to depreciation allowed during the year. The Commission for the purpose of funding of the capitalization has considered in principle the normative debt-equity ratio of 70:30.

However, as per Regulation 33 of the GERC (MYT) Regulations, 2016 for Debt-Equity ratio, if the actual equity employed is less than 30% of the capital cost approved by the Commission, the actual equity shall be considered, and the balance amount in excess of 70% normative loan shall also be considered as loan. Therefore, the interest expenses shall be assessed based on the actual debt-equity ratio for the year as duly certified by the statutory auditors in the truing up.

The table below provides the Interest on Loan approved by the Commission.

Table 3-20: Interest on loan approved by the Commission for FY 2018-19

(Rs. Crore)

Particulars	2018-19
Opening Balance of Loan	55.32
Less: Reduction of Loan due to Retirement or Replacement of Assets	-
Addition of Loan due to Capitalization During the Year	7.67
Repayment of Loan During the Year	3.64
Closing Balance of Loan	59.35
Average Balance of Loan	57.34
Weighted Average Rate of Interest on Actual Loans (%)	8.75%
Interest Expense	**5.02**

The Commission approves Interest on Loan as Rs. 5.02 Crore in the ARR of FY 2018-19.

3.11 Return on Equity (RoE)

Petitioner's submission

The Return on Equity (RoE) is computed in accordance with the MYT Regulations 2016, wherein RoE is computed on 30% of the capital base. The opening equity equivalent to the closing equity for FY 2017-18 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.

The Petitioner has requested for Rs. 4.02 Crore as return on equity for FY 2018-19 as detailed in the Table below.

Table 3-21: Return on Equity proposed for FY 2018-19

(Rs. Crore)

Particulars	2018-19
Opening Equity at the Beginning of the Year	19.76
Equity Additions During the Year	17.91
Closing Equity at the End of the Year	37.67
Average of Opening and Closing Equity	28.72
ROE @ 14% on the average balance	**4.02**

Commission's analysis

The Commission has examined the submission of GIFT PCL. The RoE has been calculated on normative basis on the average of the opening and closing equity during the year at the rate of 14% with the opening equity considered equivalent to the closing equity of FY 2017-18 as specified in Regulation 37 of the GERC (MYT) Regulations, 2016. The Commission for the purpose of equity addition during the year has considered normative 30% of the total capitalisation as prescribed in the Regulation 33 of the GERC (MYT) Regulations, 2016.

However, as per Regulation 33 of the GERC (MYT) Regulations, 2016 for Debt-Equity ratio, if the actual equity employed is less than 30% of capital cost approved by the Commission, the actual equity shall be considered. It is observed that the opening GFA and opening loans for FY 2018-19 are considered as Rs. 67.31 Crore and Rs. 55.32 Crore as mentioned in Table 3-17 and Table 3-20, respectively. Therefore, the opening equity at the beginning of the FY 2018-19 works out to be Rs. 11.99 Crore (Rs. 67.31 Cr. – Rs. 55.32 Cr.), which is around 18% of total capital cost. Hence, in light of above observation and aforesaid Regulation, the Commission has restricted the opening equity for FY 2018-19 to the extent of Rs. 11.99 Crore.

Accordingly, the Commission has computed the Return on Equity for FY 2018-19, as detailed in the Table below:

Table 3-22: RoE approved by the Commission for FY 2018-19

(Rs. Crore)

Particulars	2018-19
Opening Equity at the Beginning of the Year	11.99
Equity Additions During the Year	3.29
Closing Equity at the End of the Year	15.28
Average of Opening and Closing Equity	13.63
ROE @ 14% on the average balance	**1.91**

The Commission approves Return on Equity of Rs. 1.91 Crore in the ARR of FY 2018-19.

3.12 Interest on Working Capital

Petitioner's submission

The interest on working capital has been calculated based on the normative principles outlined in the GERC (MYT) Regulations, 2016. The working capital requirement for FY 2016-17 has been computed considering the following parameters:

a) Operation and Maintenance Expenses for one month; plus
b) Maintenance spares @ 1% of GFA; plus
c) Receivables equivalent to one month of the expected revenue; minus
d) Amount, if any, held as security deposits against bill payment

The estimate of interest on working capital as projected by GIFT PCL is shown in the Table below:

Table 3-23: Interest on Working Capital proposed for FY 2018-19

(Rs. Crore)

Particulars	2018-19
O&M Expenses (1 Month)	0.18
Spares at 1% of GFA	1.27
Receivables (1 Month)	1.69
Sub-Total	**3.14**
Less: Security Deposit	4.43
Normative Working Capital	**(1.29)**
Interest Rate (%)	
Interest on Working Capital	**Nil**

As the working capital requirement is projected as Nil, the Petitioner has not claimed any interest on working capital.

Commission's analysis

The computation of working capital requirements and the rate of interest to be considered are stipulated in the GERC (MYT) Regulations, 2016. Relevant provisions of Regulations 40.4 and 40.5 of the MYT Regulations, 2016 are as under:

> *"(a) The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the financial year, computed as follows:*

(i) Operation and maintenance expenses for one month; plus

(ii) Maintenance spares at one (1) per cent of the historical cost; plus

(iii) Receivables equivalent to one (1) month of the expected revenue from charges for use of Distribution Wires at the prevailing tariffs; minus

(iv) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from Distribution System Users except the security deposits held in the form of Bank Guarantees: Provided that at the time of truing up for any year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up;

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

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

The Commission has examined the computation of normative working capital under the provisions of the MYT Regulations, 2016 as stated above. The Actual Working Capital requirement, after deduction of the amount of Consumer Security Deposit, becomes negative. Thus, the Interest on Working Capital has been considered as Nil, as shown in the table below:

Table 3-24: Interest on Working Capital approved by the Commission

(Rs. Crore)

Particulars	2018-19
O&M Expenses (1 Month)	0.15
Spares at 1% of GFA	0.67
Receivables (1 Month of Revenue at existing tariff)	1.69
Sub-Total	**2.51**

Particulars	2018-19
Less: Security Deposit	4.43
Normative Working Capital	**(1.92)**
Interest Rate (%)	-
Interest on Working Capital	**Nil**

The Commission approves the Interest on Working Capital as Nil in the ARR of FY 2018-19.

3.13 Interest on Security Deposits

Petitioner's submission

GIFT PCL has projected a sum of Rs. 0.31 Crore towards interest on security deposit for FY 2018-19. The Petitioner has submitted that the consumer whose amount of security exceeds Rs. 25 Lakh, at his option, furnish the security deposit in the form of irrevocable bank guarantee initially valid for a period of 2 years as per the GERC (Security Deposit) (Second Amendment) Regulations, 2015.

The Petitioner has further submitted that it has made the projections about interest payable on security deposit, considering only those customers whose amount of security would have been less than Rs. 25 Lakh.

Commission's analysis

Interest on security deposits is calculated in accordance with Regulation 38.9 of the GERC(MYT) Regulations 2016 as reproduced as below:

> *"38.9 Interest shall be allowed on the amount held as security deposit held in cash from Transmission System Users, Distribution System Users and Retail consumers at the Bank Rate as on 1st April of the financial year in which the Petition is filed."*

The Commission approves Interest on Security Deposit as Rs. 0.31 Crore in the ARR for FY 2018- 19. However, such claim shall be assessed in the truing up based on actual audited information of opening and closing consumer security deposits during the year and the Bank Rate as on 1st April, 2017.

3.14 Income Tax

Petitioner's submission

GIFT PCL has not claimed any Income Tax for FY 2018-19. The Petitioner has submitted that it shall not be able to recover the power procurement cost and cost associated with laying the distribution infrastructure from the revenue earned through sale of electricity from the consumers for FY 2018-19.

Commission's analysis

For FY 2018-19, no income tax liability is computed and the same shall be Trued-up based on the actual income tax paid by the Petitioner.

3.15 Contingency reserve

Petitioner's submission

The Petitioner has earmarked Rs. 0.32 Crore for contingency reserve for the year. The Petitioner has submitted that it has made an appropriation to the Contingency Reserves @ 0.5% of the original cost of fixed assets at the beginning of the year, for FY 2018-19.

Commission's analysis

Regulation 86.3.1 of the GERC (MYT) Regulations, 2016 stipulates that *"The Distribution Licensee may make an appropriation to the Contingency Reserve of a sum not exceeding 0.5 per cent of the original cost of fixed assets at the beginning of the year, for each year, which shall be allowed in the calculation of aggregate revenue requirement…"*

The Contingency Reserve projected by the Petitioner is in accordance with the aforementioned Regulation. **Accordingly, the Commission approves Contingency Reserve as Rs. 0.34 Crore in the ARR for FY 2018- 19.**

3.16 Non-Tariff Income

Petitioner's submission

Considering the past trends, the non-tariff income for the FY 2018-19 has been estimated as Rs. 0.26 Crore.

Commission's analysis

The non-tariff income for FY 2018-19 as projected by the Petitioner is towards miscellaneous receipts consisting of meter rent and interest income from contingency reserves.

Therefore, the Commission approves Non-Tariff Income of Rs. 0.26 Crore in the ARR of FY 2018-19.

3.17 Aggregate Revenue Requirement (ARR)

Petitioner's submission

Based on the projected expenses as detailed above, the Petitioner submitted the net aggregate revenue requirement of Rs. 34.90 Crore after adjusting the non-tariff income for FY 2018-19.

Commission's analysis

The Commission has considered and approved the ARR for FY 2018-19 based on the items of expenditure discussed in the preceding sections and the same has been summarized in the Table below. The Commission approves the ARR as below for the Control Period.

Table 3-25: Aggregate Revenue Requirement approved by the Commission for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Submitted by the Petitioner	Approved by the Commission
1	Power Purchase Expenses	16.93	14.85
2	Operation & Maintenance Expenses	2.21	1.79
3	Depreciation	4.92	3.64
4	Interest & Finance Charges	6.45	5.02
5	Return on Equity	4.02	1.91
6	Interest on Working Capital	0.00	0.00
7	Interest on Security Deposits	0.31	0.31
8	Income Tax	0.00	0.00
9	Contingency Reserve	0.32	0.34
10	Aggregate Revenue Requirement	35.16	27.85
11	Less: Non-Tariff Income	0.26	0.26
12	**Net Aggregate Revenue Requirement**	**34.90**	**27.59**

The Commission approves net ARR of Rs. 27.59 Crore for FY 2018-19.

3.18 Revenue from sale of power

Petitioner's submission

GIFT PCL has estimated the revenue from sale of power at existing tariff of Rs. 20.94 Crore is based on the projected energy sales, connected load and number of consumers which are detailed out in the respective formats.

The Petitioner further submitted that the said revenue from sale of power has been worked out considering the tariff schedule as proposed by the Petitioner, including revenue from FPPPA @ Rs. 1.63 per unit.

Commission's analysis

The Commission has analysed the sales projected by GIFT PCL and estimated the sales category-wise in the Table 3.3.

The revenue has been computed in accordance with the approved sales.

The Commission has computed the revenue from sale of power of Rs. 20.24 Crore with the existing UGVCL tariff which includes FPPPA charges @ Rs. 1.49 per unit for FY 2018-19. Accordingly, the Commission decides to consider Rs. 20.24 Crore as revenue from sale of power for FY 2018-19.

3.19 Standalone Revenue Gap / Surplus

Petitioner's submission

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 13.96 Crore is projected for FY 2018-19.

Commission's analysis

The Commission has gone through merits of the Petition and determined the various components of the ARR in the previous paras of this chapter and accordingly the Commission has independently worked out the ARR as well as revenue for GIFT PCL for FY 2018-19. The Commission based on the approved ARR and existing retail tariff has derived the following Revenue Gap/Surplus:

Table 3-26: Standalone Revenue Gap / Surplus at existing tariff for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Submitted by the Petitioner	Approved by the Commission
1	Aggregate Revenue Requirement	34.90	27.59
2	Revenue from sale of power	20.94	20.24
3	Revenue Gap / (Surplus)	13.96	7.35

The standalone revenue gap at existing retail tariff is Rs. 7.35 Crore for FY 2018-19.

4 Tariff Philosophy and Determination of Tariff for FY 2018-19

4.1 Overall Approach

The Commission in determining the ARR and Retail Supply Tariff for FY 2018-19 has kept in view the principles of determination of tariff set out in the Electricity Act, 2003 (a.k.a. Act), the Tariff Policy, 2016 and the MYT Regulations, 2016.

The Commission, with this Tariff Order, has tried to meet the objectives of the Act, as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas and the rationalisation of tariffs. The Act also directs to maintain a healthy balance between the interests of the Utilities and the reasonableness of the cost of power being supplied to consumers. The Commission has also taken into consideration the Petitioner's submissions.

4.2 Principles of Tariff Determination

As per Regulation 102 of the GERC (MYT) Regulations, 2016, "Determination of Tariff"-

> *"102.1 The Commission may categorize consumers on the basis of their load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required.*
>
> *102.2 The retail supply tariff for different consumer categories shall be determined on the basis of the average cost of supply, computed as the ratio of the aggregate revenue requirement of the Distribution Licensee for the financial year calculated in accordance with Regulation 94.1 to the total sales of the Distribution Licensee for the respective financial year.*
>
> *102.3 The Commission shall endeavour to reduce gradually the cross-subsidy between consumer categories with respect to the average cost of supply in accordance with the provisions of the Act.*
>
> *102.4 While determining the tariff the Commission may also keep in view the cost of supply at different voltage levels and the need to minimise tariff shock to any category of consumers."*

In view of above mentioned provisions, the Commission has taken a considerate view in balancing the interest of the utility and the consumers. Accordingly, the Commission has designed the tariff for different categories of consumers as brought out in the subsequent sections.

4.3 Tariff Proposal

Petitioner's Submission

While projecting the revenue for FY 2018-19 given in the Table 3.26 above, the Petitioner has requested following modifications in the existing Tariff Schedule of Uttar Gujarat Vij Company Ltd. (UGVCL).

1. The Petitioner has requested the creation of new consumer categories as follows:
   - LTMD-III for consumers having aggregate load above 100 kW and up to 500 kW
   - Area Lighting (AL) for the exclusive power supply for street lighting to the developers of the building.
2. The Petitioner has requested to widen the scope of LTMD Category by merging Non-RGP category in LTMD category.
3. The Petitioner has requested to remove HTP-IV category from the existing tariff schedule
4. The Petitioner has requested for Redefining and Sub-categorization of LTMD category into LTMD-I, LTMD-II and LTMD-III.
5. The Petitioner has requested to alter Demand Charges for LTMD and HTP-II categories of consumers.
6. The Petitioner has requested to make changes in Energy Charges for General Lighting Purpose (GLP), LTMD, Street Lighting, Area Lighting (AL), HTP-I and HTP-II categories of consumers.
7. The Petitioner has requested to do certain modifications in respect of 'Applicability' of Billing Demand and Minimum Bill for LTMD consumers.

Commission's analysis

The Petitioner has proposed certain changes in the current Tariff Schedule of UGVCL as discussed in the previous para. As discussed above, the Commission endeavours to determine the retail tariff for FY 2018-19 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the GERC (MYT) Regulations, 2016. Therefore, the provision 1 of Section 62 on 'Determination of Tariff' of Electricity Act, 2003 specifies that:

> *"The Appropriate Commission shall determine the tariff in accordance with the provisions of this Act for –*
>
> *(a) supply of electricity by a generating company to a distribution licensee:*
>
> > *Provided that the Appropriate Commission may, in case of shortage of supply of electricity, fix the minimum and maximum ceiling of tariff for sale or purchase of electricity in pursuance of an agreement, entered into between a generating company and a licensee or between licensees, for a period not exceeding one year to ensure reasonable prices of electricity;*
>
> *(b) transmission of electricity;*
>
> *(c) wheeling of electricity;*
>
> *(d) retail sale of electricity:*
>
> > *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, 2018 will be the maximum ceiling for retail supply in the GIFT City in accordance with the tariff schedule annexed to this Order.

5 Fuel and Power Purchase Price Adjustment (FPPPA) Charges

5.1 Proposal for FPPPA

The Petitioner has projected to procure 12.32 MUs of power from each of UGVCL under HTP-I category of consumer as well as through power exchanges / traders / bilateral purchases during FY 2018-19.

The Petitioners has requested the Commission to approve the base FPPPA of Rs. 1.63 per kWh being levied by UGVCL in the tariff at the time of filing this tariff application, and subsequently allow the Petitioner to charge its consumers FPPPA at the rate which shall be approved by the Commission for UGVCL from time to time during FY 2018-19.

5.2 Existing Formula

The Commission vide Order dated 29.10.2013, in Case No. 1309/2013 and 1313/2013, has revised the formula for 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.

5.3 Commission's Analysis

The Commission has noted the Petitioner's submission that the power requirement is projected to be met through UGVCL as per the existing arrangement between GIFT PCL and UGVCL and the rest through power exchanges, traders or bilateral contracts.

GIFT PCL has further submitted that at present they are charging the same rate of FPPPA to their consumers as UGVCL is charging to GIFT PCL in its power purchase bill under HTP-I tariff category. The Petitioner has proposed to apply the same rate of FPPPA charges as determined by the Commission for GUVNL from time to time to its consumers.

In view of above and as decided in the previous Chapter that the UGVCL's tariff approved in the Commission's Tariff Order dated 31.03.2018 shall be the maximum ceiling for retail supply in the GIFT City, the FPPPA charges for UGVCL, as approved by the Commission from time to time during FY 2018-19, shall also be applicable to the consumers of GIFT PCL.

6 Wheeling Charges and Cross Subsidy Surcharge

6.1 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 the FY 2018-19 is given as below:

Table 6.1: Allocation of ARR between Wheeling and Retail Supply as proposed by the Petitioner

Particulars	Allocation (%)		Allocation FY 2018-19		
	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	16.93	16.93
O&M Expenses	-	-	-	-	2.21
Employee Expenses	60	40	0.92	0.61	1.53
Administration & General Expenses	50	50	0.10	0.10	0.20
Repairs & Maintenance Expenses	90	10	0.44	0.05	0.49
Depreciation	90	10	4.43	0.49	4.92
Interest on Long-Term Loans	90	10	6.08	0.68	6.76
Interest on Working Capital & Security Deposit	10	90	0.00	0.00	0.00
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	0.32	0.00	0.32
Return on Equity	90	10	3.62	0.40	4.02
Less: Non-Tariff Income	10	90	0.03	0.23	0.26
Total	**-**	**-**	**15.88**	**19.02**	**34.90**

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

Commission's analysis

As per Regulation 87 of the GERC (MYT) Regulations, 2016

"Allocation Matrix

The Wheeling Charges of the Distribution Licensee shall be determined by the Commission on the basis of segregated accounts of Distribution Wires Business:

Provided that where the Distribution Licensee is not able to submit audited and certified separate accounts for Distribution Wires Business and Retail Supply Business, the following Allocation Matrix shall be applicable:"

It is evident from the above that there has to be a proper bifurcation of all expenses between functions of the wheeling business (wire business) and the retail supply business of the Petitioner and separate books of accounts have to be maintained.

However, the Commission observes that the Petitioner has not provided separate accounts for Wires Business and Retail Supply Business. In the absence of these details, the Commission finds it appropriate to adopt the allocation matrix as specified in Regulation 87 of GERC (MYT) Regulations, 2016. Accordingly, the allocation between the wheeling and the retail supply business for FY 2018-19 as per the approved ARR in this Order is provided in the following Table:

Table 6.2: Allocation of ARR between Wheeling and Retail Supply as approved by the Commission

Particulars	Allocation (%)		Allocation FY 2018-19		
	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	14.85	14.85
O&M Expenses	-	-	-	-	-
Employee Expenses	60	40	0.77	0.52	1.29
Administration & General Expenses	50	50	0.11	0.11	0.22
Repairs & Maintenance Expenses	90	10	0.25	0.03	0.28
Depreciation	90	10	3.27	0.36	3.64
Interest on Long-Term Loans	90	10	4.52	0.50	5.02
Interest on Working Capital & Security Deposits	10	90	0.03	0.28	0.31
Bad Debts Written Off	0	100	0.00	0.00	0.00
Income Tax	90	10	0.00	0.00	0.00

Particulars	Allocation (%)		Allocation FY 2018-19		
	Wire Business (%)	Retail Supply Business (%)	Wire Business Cost (Rs. Crore)	Retail Supply Cost (Rs. Crore)	Total Amount (Rs. Crore)
Contribution to Contingency Reserve	100	0	0.34	0.00	0.34
Return on Equity	90	10	1.72	0.19	1.91
Less: Non-Tariff Income	10	90	0.03	0.23	0.26
Total	**-**	**-**	**10.99**	**16.60**	**27.59**

The above allocation of ARR is used for determination of wheeling charges for FY 2018-19.

6.2 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 92.4%:7.6% 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 62%:38% as per average peak demand contributed by HT and LT consumers.

The Petitioner has calculated the wheeling charges as 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 6.3: Wheeling Charges proposed for FY 2018-19

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crs.)	
HT Voltage Level	14.67
LT Voltage Level	1.21
Total ARR	**15.88**
Second Level Segregation of ARR (Rs. in Crs.)	
HT Voltage Level	9.12
LT Voltage Level	6.75
Total ARR	**15.88**
Wheeling Charges in (Rs./kWh)	
HT Voltage Level	6.32
LT Voltage Level	7.67

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

Commission's analysis

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 6.2 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 92.40 : 7.60, as submitted by the Petitioner.

The contribution of HT and LT categories to the system peak demand as submitted by the Petitioner is 62.19% and 37.81%, respectively, which is based on first 9 months' load pattern of FY 2017-18. 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 6.4: Wheeling Charges for FY 2018-19 approved by the Commission

Particular	Wheeling Charge
First Level Segregation of ARR (Rs. in Crs.)	
HT Voltage Level	10.15
LT Voltage Level	0.83
Total ARR	**10.99**
Second Level Segregation of ARR (Rs. in Crs.)	
HT Voltage Level	6.83
LT Voltage Level	4.15
Total ARR	**10.99**
Wheeling Charges (in Rs./kWh)	
HT Voltage Level	4.73
LT Voltage Level	4.70

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.

6.3 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 6.5: Cross Subsidy Surcharge proposed for FY 2018-19

Sr. No.	Particulars	HT Category
1	T - Tariff for HT Category (Rs./kWh)	8.09
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	6.87
3	D - Wheeling Charge (Rs./kWh)	6.32
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 analysis

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 6.6: Cross Subsidy Surcharge for FY 2018-19 approved by the Commission

Sr. No.	Particulars	2018-19
1	T - Tariff for HT Category (Rs./kWh)	7.91
2	C - Wt. Avg. Power Purchase Cost (Rs./kWh)	6.03
3	D - Wheeling Charge (Rs./kWh)	4.73
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)**	**-3.20**

S = 7.91 – [6.03 / (1 - 5.50/100) + 4.73 + 0.00]

= -3.20 Rs./kWh

As cross subsidy surcharge computation results into negative value, no cross subsidy surcharge will be applicable to Open Access consumers for FY 2018-19.

6.4 Additional Surcharge

Petitioner's submission

No submission has been made by the Petitioner in this regard.

Commission's analysis

The Commission has notified the GERC (MYT) Regulations, 2016. Regulation 3.7 of the said Regulations states as under:

"The Commission shall also determine additional surcharge on the charges for wheeling under sub section (4) of Section 42 of the Act, in accordance with the Gujarat Electricity Regulatory Commission (Terms and Conditions of Intra-

State Open Access) Regulations, 2011 and as amended through Orders issued by the Commission from time to time."

Further, Section 42 of the Electricity Act, 2003 which deals with the Duties of distribution licensee and open access states as under:

"(4) Where the State Commission permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay an additional surcharge on the charges of wheeling, as may be specified by the State Commission, to meet the fixed cost of such distribution licensee arising out of his obligation to supply."

Further, Regulation 25 of the GERC (Terms and Conditions of Intra-State Open Access) Regulations, 2011 stipulates as under:

*"**25. Additional Surcharge***

(1) An open access customer, receiving supply of electricity from a person other than the distribution licensee of his area of supply, shall pay to the distribution licensee an additional surcharge on the charges of wheeling, in addition to wheeling charges and cross-subsidy surcharge, to meet out the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.

(2) This additional surcharge shall become applicable only if the obligation of the licensee in terms of power purchase commitments has been and continues to be stranded or there is an unavoidable obligation and incidence to bear fixed costs consequent to such a contract. However, the fixed costs related to network assets would be recovered through wheeling charges.

(3) The distribution licensee shall submit to the Commission on six monthly basis, a detailed calculation statement of fixed cost which the licensee is incurring towards his obligation to supply. The Commission shall scrutinize the statement of calculation of fixed cost submitted by the distribution licensee and obtain objections, if any, and determine the amount of additional surcharge: Provided that any additional surcharge so determined by the Commission shall be applicable only to the new open access customers.

(4) Additional surcharge determined on Per Unit basis shall be payable, on monthly basis, by the open access customers based on the actual energy

drawn during the month through open access: Provided that such additional surcharges shall not be levied in case distribution access is provided to a person who has established a captive generation plant for carrying the electricity to the destination of his own use."

Therefore, in accordance with the above Regulations the Commission is required to determine the Additional Surcharge. However, considering the fact that the Petitioner's area is still in the process of development, where there is a very low probability of any incidence of power purchase commitments getting stranded, the Commission decides not to determine any additional surcharge for the Open Access consumers of the Petitioner.

7 Directives

The Petitioner, GIFT Power Co. Ltd. (GIFT PCL) is a distribution licensee for Gujarat International Finance Tec-City (GIFT), which is envisaged as a globally benchmarked International Financial Service Centre (IFSC). The Commission believes that the success of any project like GIFT city heavily depends on efficient and goal-oriented working environment that in turn primarily requires reliable and quality power.

The Commission also acknowledges that the Petitioner has developed a reliable power infrastructure of 66/33 kV Receiving Station with 66 kV dual feed arrangement and 33 kV distribution network. Since the Petitioner endeavours to achieve high level of power availability at city level, backup power source is required with minimum start up time. We also observe that DG sets are installed at centralized location to meet emergency power requirement of GIFT City consumers. Further, to cater power demand, robust and reliable transmission/distribution network is planned with N-1 redundancy at all levels.

In view of initial stages of network development of rapidly developing GIFT City and in order to strengthen the effective monitoring and ensure timely implementation of all the required services in true spirit by the Petitioner, the Commission hereby directs that GIFT PCL shall now comply with the directions mentioned below:

Directive 1: Filing of MYT Petition

GIFT PCL is directed to file a detailed Multi-Year Tariff application for the remaining years of the third Multi-Year control period of FY 2016-17 to FY 2020-21 for the approval of ARR for FY 2019-20 to FY 2020-21 and Determination of Tariff for FY 2019-20 as per the provisions of the GERC (MYT) Regulations, 2016 latest by 31st December, 2018.

Directive 2: Maintenance of separate accounts for Distribution Business

GIFT PCL is directed to submit separate Annual Accounts such as Balance Sheet, Profit and Loss Account with relevant schedules and statements for distribution business in the GIFT City area every year, duly audited by Statutory Auditors for the annual tariff determination exercise henceforth. As Electricity Business comes under the purview of Electricity Act, 2003, the accounts pertaining to Electricity Business are required to be prepared separately and got audited.

Directive 3: Preparation of Fixed Assets and Depreciation Register

GIFT PCL is directed to prepare Fixed Assets and Depreciation Register function wise and asset classification wise exclusively for its Electricity Business related assets and get them audited. The Petitioner is directed to submit half yearly progress report. The Petitioner is also directed to maintain the details of assets created through consumer contribution, separately.

Directive 4: Opening of a separate Bank Account

The consumer's interest needs to be safeguarded as per section 61 (d) of the Electricity Act, 2003. The Commission therefore, suggest the Petitioner to open a separate bank account for all its expenditures and earnings pertaining to Electricity Business.

Directive 5: Slab-wise Energy Sales Details

The Petitioner is directed to provide the month-wise and slab-wise detailed break up of number of consumers, connected load and energy sales under each consumer category for the last five years in the next tariff filing. The Petitioner is also directed to maintain and submit monthly information for category-wise sales, number of consumers, connected load, T&D losses, source-wise power purchase, fuel cost, etc. on quarterly basis.

Directive 6: Loss Reduction Road Map

In view of projected high losses for a relatively smaller network of GIFT PCL, the Commission would like the Petitioner to examine reasons for such high distribution losses. The Petitioner is further directed to get its distribution system studied so that appropriate loss reduction trajectory could be fixed. The Petitioner is directed to furnish a report along with segregation of actual losses into transmission, sub-transmission, HT-LT losses separately.

Directive 7: Load Forecasting

The Petitioner is directed to conduct a detailed load forecasting study for short term (1-2 years), medium term (3-5 years) and long term (5-10 years) in order to understand the load requirements in their area at various periods and submit to the Commission along with next tariff Petition.

Directive 8: Power Purchase Strategy (Planning)

GIFT PCL shall 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 is directed to create a five-year power purchase plan taking into account the sales envisaged by the Petitioner and the various power sources available.

Directive 9: Renewable Energy Obligation

GIFT PCL in association with Gujarat Energy Development Agency (GEDA) or any professional agency should try to explore opportunities to develop Renewable Energy in the GIFT City area. Renewable energy policy for the GIFT City be prepared and submitted to the Commission.

Directive 10: Map of Network in GIFT City & Capex Plan

GIFT PCL is directed to submit a plan comprising a scaled map of entire GIFT City marking the existing and proposed interface points of power supply network and the areas where the office premises are likely to come up etc. for the rest of the third Multi-Year control period, i.e. for FY 2019-20 to FY 2020-21.

The Petitioner is also directed to submit the Capital Expenditure Plan along with the MYT Application for the remaining period of the third Multi-Year control period. The Commission also directs setting-up of Project Monitoring Cell for all projects costing more than Rs. 25 Lakh, to monitor the progress of these schemes on real time basis. The Capital Investment Plan to be submitted for subsequent period of the third control period should be along with cost benefit analysis and supported by Feasibility Report / Detailed Project Report as the case may be.

Directive 11: Details of O&M Expenses

The Commission directs the Petitioner to submit the auditor’s certificate certifying the Operations and Maintenance Expenses actually incurred for FY 2013-14 to FY 2017-18 along with the next Tariff Petition.

The Petitioner is directed to maintain a detailed record of these expenses and also report as part of the tariff filing formats.

Directive 12: Employee Cost and Manpower Studies

The Petitioner is directed to conduct a detailed study on manpower requirement by an accredited agency and submit the methodology for allocation of all the expenses to distribution business taking into account the future load growth in GIFT City.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for GIFT Power Company Limited (GIFT PCL) for FY 2018-19, as shown in the Table below:

Aggregate Revenue Requirement approved by the Commission for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Approved by the Commission
1	Power Purchase Expenses	14.85
2	Operation & Maintenance Expenses	1.79
3	Depreciation	3.64
4	Interest & Finance Charges	5.02
5	Return on Equity	1.91
6	Interest on Working Capital	0.00
7	Interest on Security Deposits	0.31
8	Income Tax	0.00
9	Contingency Reserve	0.34
10	Aggregate Revenue Requirement	27.85
11	Less: Non-Tariff Income	0.26
12	**Net Aggregate Revenue Requirement**	**27.59**

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 December, 2018. The rate shall be applicable for the electricity consumption from 1st December, 2018 onwards.

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

Place: Gandhinagar
Date: 03/12/2018

ANNEXURE: TARIFF SCHEDULE

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

Effective from 1st December, 2018

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Distribution Licensees viz. DGVCL, MGVCL, PGVCL and UGVCL.
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 or kilo watt (HP or kW) 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. Prompt payment discount on the total bill excluding all types of levies, duties or taxes levied by the Government or any other competent authorities and including fixed charges, energy

charges and minimum charge may be allowed at the 1% rate for all tariff categories provided that the payment is made within 7 days of presentation of bill and that no previous amount is outstanding as on the date of the bill.

12. 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.
13. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
14. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
15. 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.
16. 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
(d)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers:

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 100 units	415 Paise per Unit
(d)	Next 50 units	425 Paise per Unit
(e)	Above 250 units	520 Paise per Unit

1.3 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMER BELOW POVERTY LINE (BPL)**

(a)	First 30 units	150 Paise per Unit
(b)	For 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 30 units per month.

1.4 MINIMUM BILL

Payment of fixed charges as specified in 1.1 above.

2. RATE: RGP (RURAL)

This tariff is 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 / 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
(d)	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 100 units	375 Paise per Unit
(d)	Next 50 units	385 Paise per Unit
(e)	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 30 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 30 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. RATE: GLP

This tariff is applicable to 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 and research and development laboratories.

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

4. RATE: NON-RGP

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

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

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

(b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing 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.

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

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

(e) 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 (c) above.

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 FIXED CHARGES:

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

(b)	For billing demand in excess of the contract demand	Rs. 265/- per kW

PLUS

5.2 ENERGY CHARGES:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3 REACTIVE ENERGY CHARGES:

For all the reactive units (KVARH) drawn 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) 10 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 etc.

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) 10 kW

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

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 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 demand charge during the relevant billing month shall be billed as per*

Non-RGP category demand 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 demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 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.*
7. *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 FIXED CHARGES PER MONTH:

50% of the Fixed 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 demand charge and entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 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 For entire consumption during the month	180 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	60 Paise per Unit per month

10.1.3 TATKAL SCHEME:

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

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. RATE: SL

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

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

11.1.1 ENERGY CHARGES:

For all the units consumed during the month:	405 Paise per Unit

11.1.2 OPTIONAL KVAH CHARGES:

For all the kVAh units consumed during the month:	305 Paise per Unit

11.1.3 Renewal and Replacements of Lamps:

The consumer 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.

11.1.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

11.2 Tariff for power supply for street lighting purposes to consumers other than the local authorities and industrial estates:

11.2.1 FIXED CHARGES:

Rs. 30 per kW per month

11.2.2 ENERGY CHARGES:

For all units consumed during the month	405 Paise per kWh

11.2.3 Renewal and Replacement of Lamps:

The consumer 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.

11.2.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

12. RATE: TMP

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.

12.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

12.2 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.

13. 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.

13.1 FIXED CHARGES / MONTH:

Fixed Charge	Rs. 25 per installation

13.2 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 available for supply at high tension for large power services for contract demand not less than 100 kVA

14. RATE: HTP-I

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

14.1 DEMAND CHARGES:

14.1.1 For billing demand up to contract demand

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

14.1.2 For Billing Demand in Excess of Contract Demand

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

PLUS

14.2 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

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:

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

14.5 MINIMUM BILLS:

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

14.6 POWER FACTOR ADJUSTMENT CHARGES:

14.6.1 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 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.

14.6.2 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 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14.7 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.

14.8 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.

14.9 REBATE FOR SUPPLY AT EHV:

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

14.10 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 40 Paise per unit.

14.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

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

14.11.2 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.

14.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 14.11.1 above and complying with provisions stipulated under sub-clause 14.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

14.11.4 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.

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

14.11.6 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.

15. 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.

15.1 DEMAND CHARGES:

15.1.1 For billing demand up to contract demand

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

15.1.2 For billing demand in excess of contract demand

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

PLUS

15.2 ENERGY CHARGES:

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

PLUS

15.3 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

15.4	Billing demand	Same as per HTP-I Tariff
15.5	Minimum bill	
15.6	Maximum demand and its measurement	
15.7	Contract Demand	
15.8	Rebate for supply at EHV	
15.9	Concession for use of electricity during night hours	

15.10 POWER FACTOR ADJUSTMENT CHARGES:

15.10.1 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 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.

15.10.2 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 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. <u>RATE: HTP-III</u>

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

16.1 DEMAND CHARGES:

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

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

16.3 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

16.4 Billing demand **16.5 Minimum bill** **16.6 Maximum demand and its measurement** **16.7 Contract Demand** **16.8 Rebate for supply at EHV**	Same as per HTP-I Tariff

16.9 POWER FACTOR ADJUSTMENT CHARGES:

16.9.1 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 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.

16.9.2 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 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17 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.

17.1 DEMAND CHARGES:

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

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise per Unit

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

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%.

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 14.1 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 14.2 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 14.1 and 14.2 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*

18 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.

18.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

18.2 ENERGY CHARGES:

For all units consumed during the month	180 Paise per Unit

18.3 Billing demand

18.4 Minimum bill

18.5 Maximum demand and its measurement

18.6 Contract Demand

18.7 Rebate for supply at EHV

Same as per HTP-I Tariff

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: RAILWAY TRACTION

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

19.1 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 19.1 (b).

PLUS

19.2 ENERGY CHARGES:

For all units consumed during the month	500 Paise per Unit

19.3 Billing demand

19.4 Minimum bill

19.5 Maximum demand and its measurement

19.6 Contract Demand

19.7 Rebate for supply at EHV

Same as per HTP-I Tariff

19.8 POWER FACTOR ADJUSTMENT CHARGES:

19.8.1 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 19.2 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 19.2 of this schedule, will be charged.

19.8.2 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 19.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

20 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.

20.1 DEMAND CHARGES:

For billing demand up to contract demand	Rs. 25/- per kVA per Month
For billing demand in excess of contract demand	Rs. 50/- per kVA per Month

PLUS

20.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

Energy Charge	400 Paise per Unit

20.3 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