AFFIDAVIT

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION GANDHINAGAR

Filing No.:
Case No.:

IN THE MATTER OF	**FILING OF THE PETITION FOR TRUE UP FOR FY 2020-21 AND DETERMINATION OF ARR & TARIFF FOR FY 2022-23, UNDER GERC (MULTI YEAR TARIFF) REGULATIONS, 2016 ALONG WITH OTHER GUIDELINES AND DIRECTIONS ISSUED BY THE GERC FROM TIME TO TIME AND UNDER PART VII (SECTION 61 TO SECTION 64) OF THE ELECTRICITY ACT, 2003 READ WITH THE RELEVANT GUIDELINES**

AND

IN THE MATTER OF	**DEENDAYAL PORT TRUST (ERSTWHILE KANDLA PORT TRUST)** BUSINESS DEVELOPMENT CELL, P.O. BOX 50, ADMINISTRATIVE BUILDING, GANDHIDHAM, KUTCH, GUJARAT, INDIA - 370201

PETITIONER

THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS

1. Deendayal Port Trust (hereinafter referred to as "DPT" or "the Petitioner") [erstwhile Kandla Port Trust], is a Distribution Licensee. The licence for supply of electrical energy was granted to Kandla Port by Chief Commissioner of Kutch under Indian Electricity Act, 1910 as per Notification No. AF-133/55 dated 12th April 1956.
2. Kandla Port Trust is one the Major Ports of India, under Ministry of Shipping and Waterways, Government of India, and the main activity of the Kandla Port is to facilitate the trade for cargo handling operation.
3. Consequent upon the enactment of the Electricity Act, 2003 (hereinafter referred to as the "Act"), the process of approval of True-ups and proposed ARR and Tariffs is vested with the State Commission under Section 62 of the Act and under the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016.
4. The Petitioner is accordingly filing this Petition for approval of DPT's True-up for FY 2020-21 and ARR and Tariff for FY 2022-23.

PRAYER TO THE HON'BLE COMMISSION

The Petitioner respectfully prays to the Hon'ble Commission as under:

i. Condone the delay in filing of this Petition;
ii. To admit the Petition for True-up of FY 2020-21 and approval of ARR and Tariff for FY 2022-23 as per the provisions of GERC MYT Regulations 2016;
iii. To approve the Truing up and Revenue (Gap)/Surplus for FY 2020-21 and recovery of the same through Tariff of FY 2022-23, as proposed by DPT;
iv. To approve the ARR for FY 2022-23 and its recovery through revised tariff as proposed by DPT;
v. To approve Retail Supply Tariff for FY 2022-23 and the Tariff schedule, as proposed by DPT;
vi. To approve necessary reliefs sought by the Petitioner in the Petition;
vii. Condone any inadvertent omissions, errors, short comings and permit DPT to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
viii. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Declaration that the subject matter of the Petition has not been raised by the Petitioner before any other Competent Forum, and that no other Competent Forum is currently seized of the matter or has passed any orders in relation thereto.

Date: 22.12.2021 Yours faithfully,

Deepak Hazra

Executive Engineer (Electrical)
Deendayal Port Trust

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

CASE NO. ____________

FILING OF THE PETITION FOR TRUE UP FOR FY 2020-21 AND DETERMINATION OF ARR & TARIFF FOR FY 2022-23, UNDER GERC (MULTI YEAR TARIFF) REGULATIONS, 2016 ALONG WITH OTHER GUIDELINES AND DIRECTIONS ISSUED BY THE GERC FROM TIME TO TIME AND UNDER PART VII (SECTION 61 TO SECTION 64) OF THE ELECTRICITY ACT, 2003 READ WITH THE RELEVANT GUIDELINES

FILED BY:

DEENDAYAL PORT TRUST

(ERSTWHILE KANDLA PORT TRUST)

ELECTRICAL DIVISION, GROUND FLOOR, P&C BUILDING,

NEW KANDLA KUTCH, GUJARAT, INDIA – 370210

DECEMBER 2021

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LIST OF ABBREVIATIONS

A&G	Administrative & General
ABR	Average Billing Rate
ACoS	Average Cost of Supply
ARR	Aggregate Revenue Requirement
CSD	Consumers' Security Deposit
CSS	Cross Subsidy Surcharge
EA	Electricity Act
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Asset
HT	High Tension
IoWC	Interest on Working Capital
kV	kilo Volt
kW	kilo Watt
LT	Low Tension
LU	Lakh Units
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
PPA	Power Purchase Agreement
R&M	Repair & Maintenance
RPO	Renewable Purchase Obligation
SBI	State Bank of India
ToD	Time of Day

1 INTRODUCTION

1.1 BACKGROUND

1.1.1 Deendayal Port Trust (“DPT” or the “Petitioner”), erstwhile Kandla Port Trust (KPT), is one of the major ports of India under Ministry of Shipping & Waterways, Government of India and the main activity of the DPT is to facilitate trade for cargo handling operation. DPT's journey began in 1931 with construction of RCC Jetty by Maharao Khengarji. After partition, Deendayal Port's success story has continued, and it rose to become the No. 1 Port in India in the year 2007-08 and has since then retained the position for the 13th consecutive year.

1.1.2 DPT's vision is "*To be one of the most economical modern ports rendering cost effective service to its Customers*."

1.1.3 DPT's mission is "*Deendayal Port will emerge as a vibrant, world class, multi cargo port offering services at multiple locations and having dominant share of regional cargo by virtue of its ability to effectively leverage its locations and land resources for facilitation of growth of economic activities and investments, with the objective of developing mutually beneficial and sustainable linkages with port based industries and users, thereby making Kandla the driver of economic growth in the region*."

1.1.4 The key objectives of DPT are:

- To provide our Clientele, efficient and economical Port services.
- To render value for money and value-added services to our Customers, to their utmost satisfaction.
- To create facilities of international standards and facilitate quicker turnaround of vessels. To maintain peaceful industrial relations by recognizing our work force as an asset and develop them to adopt to the changing Port scenario.
- To participate in social development by contributing our mite to the society at large.
- To be environment friendly.

1.1.5 DPT is also a Distribution Licensee as per the licence for supply of electrical energy granted by Chief Commissioner of Kutch under Indian Electricity Act, 1910 as per Notification No. AF-133/55 dated 12th April 1956. Consequent upon the enactment of the Act, DPT has become a deemed licensee under the Act and is required to file petition under Section 62 of the Act for determination of tariff by the appropriate Commission.

1.1.6 Present distribution system of DPT comprises of one 66 kV substation and fifteen 11 kV substations in the licensed area. The 66 kV power supply is fed through double circuit overhead transmission lines from 220 kV GETCO substation situated at Anjar, 34 km away from 66 kV substations. The operation and maintenance of overhead lines is carried out by Gujarat Energy Transmission Corporation Limited (GETCO), from 220 kV Substation, Anjar, to last transmission tower erected near 66 kV switchyard of DPT. In addition, DPT (Port Division) has commissioned the wind power project with capacity of 10.2 MW for own use, and is presently consuming the entire power generated from the same.

1.1.7 With effect from September 30, 2021, DPT has not renewed the Power Purchase Agreement with Paschim Gujarat Vij Company Limited (PGVCL) and is procuring its entire power requirement from its own Wind power project and the balance energy requirement from the Power Exchange.

1.1.8 Gujarat Electricity Regulatory Commission (hereinafter referred to as "GERC" or "the Hon'ble Commission"), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State inter alia including setting of tariff for electricity consumers. The Hon'ble Commission is now deemed to be the Commission established under Sub-Section (1) of Section-3 of the Gujarat Electricity Industries (Reorganization and Regulations) Act, 2003.

1.1.9 The Hon'ble Commission had notified the GERC (Multi Year Tariff) Regulations, 2016 (hereinafter referred to as "GERC MYT Regulations, 2016"), which was made effective from 1" April 2016 onwards.

1.1.10 DPT had filed the Petition on 6th June 2019 for approval of Truing up for FY 2011-12 to FY 2015-16, MYT ARR for the period from FY 2016-17 to 2020-21, Truing up for FY 2016-17 and FY 2017-18, and determination of tariff for FY 2019-20. The Hon'ble Commission, in its Tariff Order dated 29th September 2020, approved the Truing up for the period from FY 2011-12 to FY 2017-18, MYT ARR for the period from FY 2018-19 to FY 2020-21, and the Tariff for FY 2018-19.

1.1.11 DPT had filed the Petition for True up of FY 2018-19 and FY 2019-20 and Determination of ARR and Tariff for FY 2021-22, on 30th March, 2021. The Hon'ble Commission, in its Tariff Order dated 4th September 2021, approved the Truing up for FY 2018-19 and FY 2019-20 and the ARR and Tariff for FY 2021-22.

1.2 FILING OF PRESENT PETITION UNDER GERC MYT REGULATIONS, 2016

1.2.1 The GERC MYT Regulations, 2016 were originally in force till 31st March 2021. The Hon'ble Commission has initiated the process of framing the new MYT Regulations for the new Control Period from FY 2021-22 to FY 2025-26. However, the same was deferred for one year as decided by the Commission in its Order dated 22nd December 2020 in the Suo-Motu Order No. 07 of 2020, and Utilities were directed to file the Tariff Petition for FY 2021-22 based on principles and methodologies as provided in the GERC MYT Regulations, 2016.

1.2.2 The Hon'ble Commission, vide its Suo-Motu Order No. 1995 of 2021 dated 24th September 2021, extended the applicability of the GERC MYT Regulations, 2016 by one more year, and directed the Utilities to file the Tariff Petition for FY 2022-23 based on principles and methodologies as provided in the GERC MYT Regulations, 2016. The relevant extract of the Hon'ble Commission Suo-Motu

Order No. 1995 of 2021 is reproduced below:

"17. We decide and direct generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2020- 21 and for determination of Annual ARR and Tariff for FY 2022-23 on or before 30.11.2021 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016."

1.2.3 Hence, under Section 62 of the Act and under the GERC MYT Regulations, 2016 along with other guidelines and directions issued by the Hon'ble Commission from time to time, DPT is required to file a Petition for True-up for FY 2020-21 and approval of ARR and Tariff for FY 2022-23 to the Hon'ble Commission. The relevant extracts of the GERC MYT Regulations, 2016 are given in the following paragraphs:

1.2.4 Regulation 17 of the GERC MYT Regulations, 2016 specifies as under:

"17.2 The filing for the Control Period under these Regulations shall be as under: …

b) From the second year of the Control Period and onwards, the Petition shall comprise of:

i. Truing Up for FY 2016-17 and onwards to be carried out under Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016;

ii. Revenue from the sale of power at existing tariffs and charges for the ensuing year;

iii. Revenue gap or revenue surplus, for the ensuing year calculated based on Aggregate Revenue Requirement approved in the MYT Order and truing up for the previous year;

iv. Application for determination of tariff for the ensuing year."

1.2.5 The Petition for True-up for FY 2020-21 is filed with reference to the expenses approved by the Hon'ble Commission for FY 2020-21 in the MYT Order dated 29th September 2020.

1.2.6 Accordingly, DPT is hereby filing its Petition requesting for approval of:

a) Truing up for FY 2020-21, in accordance with the provisions of GERC MYT Regulations, 2016;
b) ARR for FY 2022-23, in accordance with GERC MYT Regulations, 2016;
c) Revenue from sale of power at existing Tariffs and projected Revenue Gap/(Surplus) for FY 2022-23, in accordance with GERC MYT Regulations, 2016; and
d) Proposed category-wise Tariff for FY 2022-23, in accordance with GERC MYT Regulations, 2016.

1.3 STRUCTURE OF THE PETITION

The Petition consists of the following Chapters as outlined below:

Chapter 1: Introduction (Present Chapter)

Chapter 2: Executive Summary

Chapter 3: Truing up for FY 2020-21

Chapter 4: ARR for FY 2022-23

Chapter 5: Projected Revenue Gap/ (Surplus) with existing tariff for FY 2022-23

Chapter 6: Tariff Philosophy and Proposed Category-wise Tariffs, Wheeling Charges and Cross-subsidy Surcharge for FY 2022-23

Chapter 7: Proposed Tariff Schedule for FY 2022-23

Chapter 8: Compliance of Directives

Chapter 9: Prayers to the Hon'ble Commission

2 EXECUTIVE SUMMARY

2.1 BACKGROUND

2.1.1 This Chapter summarises the Petition of DPT for approval of Truing Up for FY 2020-21 and Determination of ARR and Tariff for FY 2022-23

2.2 TRUE-UP FOR FY 2020-21

2.2.1 DPT has computed its actual Aggregate Revenue Requirement (ARR) for FY 2020-21 based on the Audited Accounts of the electricity distribution business, provisions of the GERC MYT Regulations, 2016, and the principles adopted by the Hon'ble Commission in its previous Orders.

2.2.2 The actual expenses have been compared against those approved for FY 2020-21 in the MYT Order dated 29th September, 2020. The detailed comparison of various cost components with the values approved by the Hon'ble Commission has been presented in the next Chapter on True up of FY 2020-21. A summary of the actual ARR for Truing-up of FY 2020-21 compared with the approved ARR for FY 2020-21 is presented in the Table below:

Table 2-1: Aggregate Revenue Requirement for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
Power Purchase Cost	1720.01	738.99	981.02
Operation & Maintenance Expenses	345.26	554.02	(208.76)
Depreciation	236.42	245.30	(8.88)
Interest & Finance Charges	-	5.23	(5.23)
Interest on Working Capital	-	12.40	(12.40)
Interest on Security Deposit	-	-	-
Total Revenue expenditure	**2,301.69**	**1,555.95**	**745.74**
Return on Equity	192.42	200.00	(7.58)
Income Tax	-	-	-
Total Aggregate Revenue Requirement	**2,494.11**	**1,755.95**	**738.16**
Less: Non-Tariff Income/Other Income	21.59	30.41	(8.82)
Net Aggregate Revenue Requirement	**2,472.52**	**1,725.53**	**746.99**

2.2.3 DPT has identified all the expenditure heads under controllable and uncontrollable categories, in accordance with the provisions of the GERC MYT Regulations, 2016. The gain/(loss) for DPT arising as a result of True Up for FY 2020-21 may be suitably passed through in the Tariff for FY 2022-23 as per the mechanism specified by the Hon'ble Commission. The following Table summarizes the net gain/(loss) to DPT after truing up for FY 2020-21 on account of controllable & uncontrollable factors:

Table 2-2: Net Gains/ (Losses) for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
1	Power Purchase Cost	1720.01	738.99		981.02
2	Operation & Maintenance Expenses	345.26	554.02	(208.76)	
3	Depreciation	236.42	245.30		(8.88)
4	Interest & Finance Charges	-	5.23		(5.23)
5	Interest on Working Capital	-	12.40	(12.40)	
6	Interest on Consumer Security Deposit	-	-		-
7	**Total Revenue expenditure**	**2,301.69**	**1,555.95**	**(221.17)**	**966.91**
8	Return on Equity	192.42	200.00		(7.58)
9	Income Tax	-	-		-
10	**Total Aggregate Revenue Requirement**	**2,494.11**	**1,755.95**	**(221.17)**	**959.33**
11	Less: Non-Tariff Income	21.59	30.41		8.82
12	**Net Aggregate Revenue Requirement**	**2,472.52**	**1,725.53**	**(221.17)**	**968.15**

2.2.4 The Hon'ble Commission in its MYT Order dated 29th September, 2020 approved the ARR of Rs. 2472.52 Lakh for FY 2020-21. As per the mechanism specified in the GERC MYT Regulations 2016, DPT proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors, i.e., Rs. (73.72) lakh and total gain(loss) on account of uncontrollable factors, i.e., Rs. 968.15lakh to the consumers. Adjusting these to the net ARR, DPT has computed the Revised ARR for FY 2020-21 at Rs. 1578.09 lakh.

2.2.5 Considering the actual Revenue of Rs. 1533.27 lakh, total Revenue (Gap)/Surplus of DPT after truing up for FY 2020-21 after treatment of gain/(loss) due to controllable/uncontrollable factors is computed at Rs. (44.82) lakh as shown in the Table below:

Table 2-3: Revenue Gap/ (Surplus) for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	Truing up
1	ARR originally approved for FY 2020-21	2,472.52
2	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	968.15
3	Less: Gain/(Loss) on account of Controllable factor to passed on to Consumer (1/3rd of Total Gain/(Loss))	(73.72)
4	**Revised ARR for FY 2020-21 (1 - 2 - 3)**	**1,578.09**
5	Revenue from Sale of Power	1,533.27
6	**Revenue (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 5)**	**(44.82)**

2.2.6 **DPT requests the Hon'ble Commission to approve the Revenue (Gap)/Surplus in the truing up for FY 2020-21, as shown in the above Table, and allow DPT to recover the same along with the ARR of FY 2022-23.**

2.3 ARR FOR FY 2022-23

2.3.1 The projected ARR for FY 2022-23 as per GERC MYT Regulations, 2016 is shown in the Table below:

Table 2-4: Projected ARR for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Power Purchase Cost	2,356.62
Operation & Maintenance Expenses	619.22
Depreciation	276.01
Interest & Finance Charges	2.95
Interest on Working Capital	27.33
Interest on Security Deposit	-
Total Revenue expenditure	**3,282.14**
Return on Equity	224.43
Income Tax	-
Total Aggregate Revenue Requirement	**3,506.57**
Less: Non-Tariff Income	15.30
Net Aggregate Revenue Requirement	**3,491.27**

2.3.2 DPT requests the Hon'ble Commission to approve the ARR for FY 2022-23, as shown in the above Table.

2.4 PROJECTED REVENUE GAP/(SURPLUS) WITH EXISTING TARIFF FOR FY 2022-23

2.4.1 The projected Revenue (Gap)/Surplus of DPT for FY 2022-23 at existing tariff is shown in the Table below:

Table 2-5: Projected Revenue (Gap)/Surplus for FY 2022-23 (Rs. Lakh)

Consumer Category	Projected
Aggregate Revenue Requirement	3,491.27
Less: Revenue (Gap)/ Surplus after True up of FY 2020-21	(44.82)
Total Aggregate Revenue Requirement	**3,536.09**
Revenue with Existing Tariff	3,949.21
Revenue (Gap)/Surplus with Existing Tariff	**413.12**

2.4.2 DPT requests the Hon'ble Commission to approve the Revenue (Gap)/Surplus for FY 2022-23 at existing tariff, as shown in the above Table.

2.5 TARIFF PHILOSOPHY AND PROPOSED CATEGORY-WISE TARIFFS, WHEELING CHARGES AND CROSS-SUBSIDY SURCHARGE FOR FY 2022-23

2.5.1 DPT has projected a Revenue Surplus of Rs. 413.12 lakh for FY 2022-23, with respect to the projected revenue requirement and the revenue with existing retail supply tariff. This translates to a possible average tariff reduction of around 12%, if the tariffs are reduced across the board. However, considering that some categories are subsidising, while some categories are subsidised, and the Distribution Licensee is required to reduce the cross-subsidies over a period of time, DPT has proposed category-wise retail tariffs in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the ACOS.

2.5.2 In FY 2022-23, a total of 515.23 LU is projected in DPT network. Accordingly, the wheeling charges of FY 2022-23 have been computed based on the projected ARR of Wires Business as shown in the Table below:

Table 2.6: Proposed Wheeling Charges for FY 2022-23 (Rs. Lakh)

Particulars	Units	Amount
Wires ARR	Rs. Lakh	913.82
Energy Input	Lakh Units	515.23
Wheeling Charges	**Rs/kWh**	**1.77**

2.5.3 The Wheeling Losses are proposed to be retained at existing levels, i.e., 5%, in line with the Distribution Loss projected for FY 2022-23.

2.5.4 DPT requests the Hon'ble Commission to approve the Wheeling Charges and Wheeling Losses for FY 2022-23, as projected above.

2.5.5 DPT has proposed to revise the Energy Charges applicable for the various consumer categories, in order to achieve the target of cross-subsidy reduction and ensuring recovery of the projected revenue requirement for FY 2022-23, while passing on the benefit of the projected Revenue Surplus, and ensuring against tariff shock for any consumer category.

2.5.6 The Base FPPPA has been considered as zero, and the Energy Charges have been correspondingly revised to achieve the revenue targets. If the Base FPPPA of Rs. 0.89/kWh is continued, then the proposed Energy Charges will have to be reduced to that extent, so that the same amount of revenue is earned.

2.5.7 The Energy Charges for all slabs of RGP category and NRGP category have been proposed to be increased by Rs. 1.40/kWh, while the Energy Charges for LTMD category is proposed to be increased by Rs. 0.90/kWh . An increase of Rs. 1.70/kWh is proposed in the Energy Charges for Streetlight category, in order to increase the Average Billing Rate and reduce the cross-subsidy. An increase of Rs. 1.00/kWh is proposed in the Energy Charges for temporary category.

2.5.8 Considering that 83% of the sales of DPT are to the HT category, the bulk of the Revenue Surplus is proposed to be passed on to the HT category, through reduction and rationalisation of the Energy Charges, thereby also, eliminating the cross-subsidy provided by this category. It is proposed to have uniform Energy Charges for all levels of Contract Demand, as against the existing tariff structure of having differential/higher Energy Charges for Billing Demand in excess of 500 kVA and in excess of 2500 kVA. The Energy Charges for HT category are proposed as Rs. 5.60/kWh.

2.5.9 As regards to implementation of Green Tariff, DPT is still awaiting clarification/confirmation from the office of the Commissioner of Electricity Duty on the above aspect, and is unable to proceed with the implementation of Green Tariff in its licence area. DPT's contention is that ED exemption available for purchase directly from RE generator should also be applicable for specific purchase of RE from the Distribution Licensee, which is only acting as an aggregator of RE, and facilitating the purchase of higher RE quantum by the consumers, without having entry into separate PPAs with the consumers.

2.5.10 **DPT requests the Hon'ble Commission to issue the necessary clarification in this regard, to enable DPT to approach the office of the Commissioner of Electricity Duty for necessary relief, and facilitate the implementation of Green Tariff in DPT's licence area**.

2.6 PRAYERS TO THE HON'BLE COMMISSION

2.6.1 The Petitioner respectfully prays to the Hon'ble Commission as under:

a) Condone the delay in filing of this Petition;
b) To admit the Petition for True-up of FY 2020-21 and approval of ARR and Tariff for FY 2022-23 as per the provisions of GERC MYT Regulations 2016;
c) To approve the truing up and Revenue (Gap)/Surplus for FY 2020-21 and recovery of the same through tariff of FY 2022-23, as proposed by DPT;
d) To approve the ARR for FY 2022-23 and its recovery through revised tariff as proposed by DPT;
e) To approve Retail Supply Tariff for FY 2022-23 and the Tariff schedule, as proposed by DPT;
f) To approve necessary reliefs sought by the Petitioner in the Petition;
g) Condone any inadvertent omissions, errors, short comings and permit DPT to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
h) Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

3 TRUING-UP FOR FY 2020-21

3.1 BACKGROUND

3.1.1 This Chapter details the performance of DPT in FY 2020-21 in line with the provisions of the GERC MYT Regulations, 2016. The expenses of DPT presented for true-up are based on the Audited Accounts of FY 2020-21 and the principles adopted by the Hon'ble Commission in accordance with the GERC MYT Regulations, 2016. The ARR so determined has been compared with the ARR approved by the Hon'ble Commission for FY 2020-21 in the MYT Order dated 29th September 2020.

3.2 PRINCIPLES FOR TRUE-UP FOR FY 2020-21

3.2.1 Regulation 21 of the GERC MYT Regulations, 2016 specifies as under:

*"**21 Truing Up***

21.1 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations.

21.2 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall file an Application for Truing up of the previous year and determination of tariff for the ensuing year, within the time limit specified in these Regulations:

Provided that the Generating Company or Transmission Licensee or SLDC or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be prescribed by the Commission, together with the Audited Accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges:

…

21.3 The scope of the truing up shall be a comparison of the performance of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and expected revenue from tariff and charges and shall comprise of the following:

(a) a comparison of the audited performance of the Applicant for the previous financial year with the approved forecast for such previous financial year, subject to the prudence check;

(b) Review of compliance with directives issued by the Commission from time to time;

(c) Other relevant details, if any…"

3.2.2 Since, the distribution business is under a regulated regime, DPT is required to maintain separate Accounts, duly audited by its auditors, for its electricity distribution business. Accordingly, this Petition for truing-up for FY 2020-21 is based on the actual expenses incurred by DPT as per the audited accounts for FY 2020-21, with respect to the expense heads approved by the Hon'ble Commission in the ARR for FY 2020-21. The Audited Accounts of electricity distribution business, duly audited by the Auditor, is given as **Annexure 2** to this Petition.

3.2.3 For the purpose of True-up, all the expense heads have been categorised into Controllable and Uncontrollable factors, in accordance with the provisions of the GERC MYT Regulations, 2016 and the approach adopted by the Hon'ble Commission in previous Truing-up Orders.

3.3 CATEGORY-WISE SALES

3.3.1 The Hon'ble Commission, in the MYT Order dated 29th September 2020, approved the total energy sales of 329.72 lakh units (LU) for FY 2020-21.

3.3.2 DPT has submitted the actual category-wise energy sales for FY 2020-21 in Form F1, submitted along with the Petition. The comparison of the actual category-wise sales with the category-wise sales approved by the Hon'ble Commission for FY 2020-21 in the MYT Order, is given in the Table below:

Table 3-1: Category-wise Sales in FY 2020-21

Sl.	Category	Sales (LU)	
		Approved	Actual
1	RGP	5.11	5.28
2	NRGP	24.71	23.01
3	LTMD	29.01	35.40
4	Street Lights	16.73	10.31
5	Temporary	3.41	3.86
6	HT	250.76	82.24
7	**TOTAL**	**329.72**	**160.09**

3.3.3 The actual sales of DPT for FY 2020-21 is 160.09 LU, which is significantly lower than the sales approved in the MYT Order. As can be seen from the above Table, the sales to all LT categories is similar to that approved by the Hon'ble Commission. However, in case of HT category, the anticipated increase in sales did not materialise to the extent projected, in FY 2020-21. Though the HT sales increased from 63 LU in FY 2029-20 to 82 LU in FY 2020-21, the sales are much lower than the anticipated sales of 251 LU. The same could be attributed to lower than anticipated HT consumer addition as well as the impact of COVID-19 pandemic, which affected Industrial and Commercial category sales in a big way in FY 2020-21. However, the HT sales have significantly increased in FY 2021-22, which has been considered while projecting the category-wise sales for FY 2022-23, as detailed in the next Chapter.

3.3.4 It is clarified that the above-mentioned category-wise sales are based on actual meter readings for 85% of the consumption. The metering has since been completed with effect from September 2021, and the sales projections for FY 2022-23 are based on such metered consumption data, and are hence, reliable.

3.3.5 **DPT requests the Hon'ble Commission to true-up the actual category-wise energy sales for FY 2020-21, as shown in the above Table**.

3.4 DISTRIBUTION LOSSES

3.4.1 The Hon'ble Commission had provisionally approved Distribution Losses of 5% for FY 2020-21 in the MYT Order dated 29th September 2020, on account of the lack of authentic metered sales data. As mentioned earlier, 100% metering was not achieved in FY 2020-21, and around 15% of the sales are assessed. Based on the assessment of sales, the distribution loss works out to 5.05% for the purpose of true-up for FY 2020-21, as shown in the Table below. As 100% metering has been completed by September 2021, DPT would be in a position to submit the data regarding actual distribution losses, starting from H2 of FY 2021-22.

Table 3-2: Distribution Losses for FY 2020-21

Sl.	Particulars	Approved	Actual
1	Distribution Losses	5.00%	5.05%

3.4.2 **DPT requests the Hon'ble Commission to approve the Distribution Losses of 5% in the true-up for FY 2020-21**.

3.5 ENERGY BALANCE AND ENERGY REQUIREMENT

3.5.1 DPT has considered the Energy Balance and Energy Requirement for FY 2020-21 by grossing up the actual energy sales with the actual Distribution Losses, as discussed above. The actual energy requirement of DPT for FY 2020-21 is lower than the energy requirement approved by the Hon'ble Commission in the MYT Order dated 29th September 2020, on account of the lower actual sales.

3.5.2 The energy requirement shown by DPT in the Table below tallies with the power drawal as per SLDC.

3.5.3 The Energy Balance and Energy Requirement for FY 2020-21 is shown in the following Table:

Table 3-3: Energy Balance for FY 2020-21 (LU)

Sl.	Particulars	Approved	Actual
1	Energy Sales	329.72	160.09
2	Distribution Losses (%)	5.00%	5.05%
3	Distribution Losses	17.35	8.51
4	**Energy Requirement at DISCOM boundary**	**347.08**	**168.60**
5	Transmission Losses (%)		4.15%
6	Transmission Losses		7.30
7	**Total Energy Requirement to be purchased**		**175.90**

3.5.4 The Hon'ble Commission, while approving the energy requirement for DPT for FY 2020-21, has not considered any Transmission Losses. However, DPT has also lost certain units on account of inter-State transmission loss on the units purchased from Power Exchanges and intra-State transmission losses on the units purchased from the own Wind generation plants as well as the UI units. The effective transmission loss on the entire quantum of power purchase translates to 4.15%, which includes inter-State as well as intra-State transmission loss. Hence, DPT has incurred power purchase expenses for purchase of 175.90 LU, and has received net 168.60 LU at its periphery.

3.5.5 **DPT requests the Hon'ble Commission to approve the actual Energy Balance in the true-up for FY 2020-21, as shown in the above Table**.

3.6 POWER PURCHASE QUANTUM AND COST

3.6.1 The power purchase cost of DPT for FY 2020-21 comprises purchase from PGVCL, own wind generation plants, Indian Energy Exchange, and net purchase from Unscheduled Interchange.

3.6.2 The Hon'ble Commission vide MYT Order dated 29th September 2020 approved the power purchase quantum and cost based on the energy requirement projected by DPT in its Petition. The comparison of the actual power purchase quantum and cost with the power purchase quantum and cost approved by the Hon'ble Commission for FY 2020-21 in the MYT Order, is given in the Table below:

Table 3-4: Power Purchase Quantum and Cost for FY 2020-21

Sl.	Particulars	Approved			Actual		
		Quantum (LU)	Cost (Rs. Lakh)	Rate (Rs/ kWh)	Quantum (LU)	Cost (Rs. Lakh)	Rate (Rs/ kWh)
1	PGVCL	9.98	330.34	33.09	5.45	149.06	27.35
2	Wind Farm	146.56	468.99	3.20	67.29	215.34	3.20
3	Power Exchange	190.54	817.98	4.29	87.79	312.87	3.56
4	Transmission Charges, UI, SLDC Charges		102.69		15.36	61.73	4.02
5	**TOTAL**	**347.08**	**1720.01**	**4.96**	**175.90**	**738.99**	**4.20**

3.6.3 The quantum of power purchase from Wind Farm and Power Exchange has been shown net of applicable monthly Transmission Losses, in the above Table. As can be seen the power purchase from PGVCL has been reduced to almost Nil, and primarily Fixed Charges were payable for the contracted capacity. The Contract Demand with PGVCL in FY 2020-21 was 2500 kVA. As stated earlier, the PPA with PGVCL has not been extended since September 2021, thereby resulting in significant cost savings, as elaborated in the subsequent Chapter.

3.6.4 Purchase from own Wind generation plants have been considered at the average rate of Rs. 3.20/kWh.

3.6.5 In accordance with the GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its Amendment in 2014, the Distribution Licensees are obligated to procure a defined minimum percentage of electricity from renewable energy (RE) sources. The Renewable Purchase Obligation (RPO) target specified by the Commission for FY 2020-21 is 6.75% for Solar, 8.15% for Non-Solar, and 0.75% for Others (Biomass, Small Hydro, Bagasse, MSW).

3.6.6 DPT respectfully submits that while it has not purchased any Solar Power or RE power from Others (Biomass, Small Hydro, Bagasse, MSW), the quantum of purchase from Wind (Non-Solar) is 39% of the total power purchase quantum. Thus, the actual Non-Solar RPO achieved is far in excess of the RPO target specified by the Hon'ble Commission for Non-Solar power. While it is accepted that the RPO targets specified by the Hon'ble Commission are not fungible, in the sense that over-achievement against Non-Solar RPO cannot be set-off against under-achievement against Solar RPO, DPT humbly requests the Hon'ble Commission to consider DPT's case as a special case, considering the significantly higher over-achievement against the Non-Solar RPO target.

3.6.7 DPT has overdrawn 34.16 LU and underdrawn 18.80 LU under Unscheduled Interchange (UI), resulting in net drawal of 15.36 LU, with the UI bill of Rs. 61.73 lakh. This works out to average rate of Rs. 4.02/Wh through UI, which is lower than the overall average rate of Rs. 4.96/kWh approved by the Hon'ble Commission for FY 2020-21 in the MYT Order.

3.6.8 The actual power purchase quantum is much lower than the approved quantum, on account of the lower actual sales, as stated earlier. However, DPT has been able to reduce the power purchase cost also, in per unit terms, with the lower power drawal from PGVCL, and the average rate of power purchase from the Power Exchange being managed at Rs. 3.56/kWh, as compared to the approved rate of Rs. 4.29/kWh. The UI charges have also been managed at lower levels. As a result, the average rate of power purchase for FY 2020-21 works out to Rs. 4.20/kWh, as compared to the rate of Rs. 4.96/kWh approved by the Hon'ble Commission in the MYT Order dated 29th September 2020.

3.6.9 The variation in power purchase costs are considered as Uncontrollable as per the GERC MYT Regulations, 2016. The computation of gain/(loss) in power purchase costs due to uncontrollable factors are shown in the Table below:

Table 3-5: Gains/ (Losses) on account of Power Purchase Cost in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Power Purchase cost	1720.01	738.99	-	981.02

3.6.10 **DPT requests the Hon'ble Commission to approve the actual Power purchase quantum and cost in the truing up for FY 2020-21, as shown in the above Table**.

3.7 CAPITAL EXPENDITURE AND CAPITALISATION

3.7.1 The Hon'ble Commission, in the MYT Order dated 29th September 2020, had approved Nil Capital Expenditure and Capitalization for FY 2020-21, based on DPT's proposal in this regard. However, based on the field requirement, DPT has achieved significant capitalisation in FY 2020-21, amounting to Rs. 367.02 lakh. The scheme-wise details of the actual capitalisation achieved by DPT in FY 2020-21 are shown in the Table below:

Table 3-6: Capital Expenditure & Capitalisation for FY 2020-21 (Rs. Lakh)

Sl.	Scheme Particulars	Amount
1	11 kV Overhead Line from new Port Power House to SIPC Area	62.96
2	Procurement & Fixing of Single Phase & Three Phase digital Energy Meters	20.47
3	Upgradation of downstream Substation, RMU	168.02
4	Work of CTPT at 66KV Sub Station	16.54
5	Supply and commissioning of 10 MVA transformer in 66 kV yard	112.72
6	Strengthening of 66 kV Yard	148.56
6	Power Supply to Parking Plot, New Kandla	4.03
7	Procurement & Installation of 5000 m 3C * 300 Sq. mm. HT XLPE Aluminium Conductor Steel Armoured Cable	54.95
7	**TOTAL**	**588.24**
8	**Debt (70%)**	**411.77**
9	**Equity (30%)**	**176.47**

3.7.2 The details of the Capital Expenditure Schemes undertaken in FY 2020-21 are as under:

- **11 kV Overhead Line from new Port Power House to SIPC Area:** Two new HT consumers have applied for temporary and permanent connection of 1000 kVA each during 2019, and both these connections were released during October 2020 after erection of 5 ckt. km 11 kV overhead line.

- **Procurement & Fixing of Single Phase & Three Phase digital Energy Meters:** As per directive of the Hon'ble Commission, 1200 Single-Phase, Three-Phase, LTCT, and Multi- Function meters have been procured through Open Tender. 80% of Energy Meters were fixed at consumer premises and downstream distribution network.

- **Upgradation of downstream Substation, RMU:** This scheme is for strengthening of downstream 11 kV/440 V substations. All old technology AIS VCB's had deteriorated due to multiple short circuits and dusty and saline atmosphere of Kandla. Therefore, in order to minimize breakdowns, all substations have been upgraded with RMU's. The work has already been completed and fully capitalized in the 2020-21.

- **Work of CT-PT at 66 kV Sub-Station:** As per GETCO requirement, one additional 66 kV CT for metering purpose is to be installed in each phase of both the incoming 66 kV circuits. The work of one circuit has been completed and work for installation of CT-PT meter for other circuit has also been completed in FY 2020-21.

- **Supply and commissioning of 10 MVA transformer in 66 kV yard:** Out of two no's 6.3 MVA 66/11 kV power transformers, one transformer was under repairs and the load of entire port was being catered by only one 6.3 MVA transformer. This had implication on reliability of power supply in the licence area. As submitted earlier, additional connected load is also coming in the licence area with expansion of existing consumers in SIPC area. Hence, a new 10 MVA transformer was procured and put into service in FY 2020-21.

- **Strengthening of 66 kV Yard:** This work has been undertaken for strengthening of 66 kV Switchyard. All old technology AIS Conductors, Post Insulators, Circuit Breakers, Isolators, CT PT units had deteriorated due to frequent short circuits and dusty and saline atmosphere of Kandla. The frequent tripping at DPT 66 kV line results into tripping at GETCO Anjar. Therefore, to minimize the breakdowns, DPT is in process of upgradation of existing equipment and system strengthening at 66 kV Yard. Assets worth Rs 148.56 Lakh have been capitalized under the scheme in FY 2020-21.

- **Double Circuit 11 KV line to SIPC:** This line is being erected for giving regular power supply to industries in SIPC from 66 kV DPT substation to SIPC area. The tentative length of this line is 5.5 km. The work is under progress and would be completed in FY 2022-23.

- **Power Supply to Parking Plot, New Kandla:** The work of power supply to DPT Parking Plot and HPCL petrol pump from single circuit 11 KV line from thermal substation to SIPC, Kandla.

- **Procurement and Installation of 5000 m 3C * 300 Sq. mm. HT XLPE Aluminium Conductor Steel Armoured Cable:** The HT cable is procured for underground cable laying from 66 kV DPT Substation, Inside Port Area to Port Power House, Outside Port Area, to strengthen the power supply network to SIPC.

3.7.3 The entire capital expenditure incurred in FY 2020-21 has been put to use and capitalised in the books of accounts of DPT. DPT respectfully submits that all the capital expenditure undertaken by DPT in FY 2020-21 were essential for providing properly metered electricity supply to the consumers and improving the quality and reliability of supply to the consumers.

3.7.4 Further, though the approved Capital Expenditure and Capitalisation in the Tariff Order for FY 2020-21 was Nil, in its ARR and Tariff Petition for FY 2021-22, DPT had provided the details of capex schemes being undertaken in FY 2020-21 and FY 2021-22. DPT had projected Capital Expenditure of Rs. 525.05 lakh for FY 2020-21, in the above-said Petition.

3.7.5 The comparison of the capitalisation projected for FY 2020-21 in the ARR and Tariff Petition for FY 2021-22 and the actual capitalisation in FY 2020-21 is shown in the

Table below:

Table 3-7: Capitalisation for FY 2020-21 (Rs. Lakh)

Sl.	Scheme Particulars	Projected in FY 2021-22 Petition	Actual
1	11 kV Overhead Line from new Port Power House to SIPC Area	-	62.96
2	Procurement & Fixing of Single Phase & Three Phase digital Energy Meters	-	20.47
3	Up gradation of downstream Substation, RMU	210.00	168.02
4	Work of CTPT at 66 kV Sub Station	14.48	16.54
5	Supply and commissioning of 10 MVA transformer in 66 kV yard	133.00	112.72
6	Strengthening of 66 kV Yard	59.00	148.56
7	Power Supply to Parking Plot, New Kandla	-	4.03
8	Procurement and Installation of 5000 m 3C * 300 Sq. mm. HT XLPE Aluminium Conductor Steel Armoured Cable	-	54.95
9	**TOTAL**	**416.48**	**588.24**

3.7.6 The Hon'ble Commission, in its Order dated 4th September 2021, has taken on record DPT's submissions on Capital Expenditure for FY 2020-21, and has ruled as under:

"Commission's Analysis

The Petitioner has projected to undertake capital expenditure of Rs. 619.91 lakh in FY 2021- 22, and capitalization of Rs. 299.48 Lakh. The schemes are essential, with 100% consumer metering long overdue. If the consumer addition happens as envisaged, then the related network augmentation would also have to be undertaken.

In view of the above, the Commission approves the Capital Expenditure and Capitalization as projected by the Petitioner. The assessment of actual vs. projected capitalisation shall be done at the time of truing up for the respective year. The funding of the capitalisation has been considered in the normative Debt-Equity ratio of 70:30 in accordance with the GERC (MYT) Regulations, 2016…"

3.7.7 As compared to the capitalisation of Rs. 416.48 lakh considered by the Hon'ble Commission for FY 2020-21 in the Tariff Order for FY 2021-22, the actual capitalisation in FY 2020-21 has been Rs. 588.24 lakh.

3.7.8 The entire capital expenditure and capitalisation has been funded by DPT's internal funds, i.e., equity. However, in accordance with the GERC MYT Regulations, the funding of capitalisation has been considered on normative basis at Debt:Equity ratio of 70:30, for the purposes of computation of ARR.

3.7.9 **DPT requests the Hon'ble Commission to approve the Capital Expenditure and Capitalisation in the true-up for FY 2020-21, as discussed above**.

3.8 OPERATION AND MAINTENANCE (O&M) EXPENSES

3.8.1 Operation and Maintenance (O&M) Expenses comprise Employee Expenses, Repairs & Maintenance (R&M) Expenses, and Administrative & General (A&G) Expenses.

3.8.2 Employee Expenses comprise salaries and wages actually incurred by DPT for the electricity distribution business. DPT has considered the employee expenses of only those employees who are directly involved in the Distribution Business, and for certain percentage according to time devoted by employees of electric division in relation to electricity distribution business.

3.8.3 R&M expenses are incurred towards the day-to-day upkeep of the distribution network comprising preventive and break-down maintenance, and form an integral part of the efforts towards reliable and quality power supply to the consumers. DPT has outsourced some of the R&M activities and increased focus on R&M has resulted in significant increase in R&M expenses in FY 2020-21.

3.8.4 A&G expenses comprise vehicle hiring expenses, telephone and other communication expenses, professional charges, travelling expenses, Licence fees, Petition filing fees paid to the Hon'ble Commission, advertisements, AMC Fees, and outsourcing fees, etc. The increased focus on consumer related activities has resulted in significant increase in A&G expenses in FY 2020-21.

3.8.5 The Hon'ble Commission approved O&M expenses of Rs. 345.26 lakh, in the Tariff Order for FY 2020-21. DPT has incurred actual O&M expenses of Rs. 554.02 lakh in FY 2020-21. The approved O&M expenses for DPT do not provide the break-up of employee expenses, R&M expenses, and A&G expenses, and hence, the approved O&M expenses have been compared with the combined O&M expenses, as shown in the Table below:

Table 3-8: O&M Expenses for FY 2020-21 (Rs. Lakh)

Sl.	Particulars	Approved	Actual
1	Employee Expenses		61.40
2	R&M Expenses		320.05
3	A&G Expenses		172.57
4	**Total O&M Expenses**	**345.26**	**554.02**

3.8.6 As per the provisions of the GERC MYT Regulations, 2016, O&M expenses are categorised as controllable expenses and accordingly, the comparison of O&M expenses approved by the Hon'ble Commission with the actual O&M expenses of DPT shows a (loss) of Rs. (166.16) lakh as shown in the table below:

Table 3-9: Gains/ (Losses) on account of O&M Expenses in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
O&M Expenses	345.26	554.02	(208.76)	-

3.8.7 DPT requests the Hon'ble Commission to approve the actual O&M expenses in the truing up for FY 2020-21, as shown in the above Table.

3.9 DEPRECIATION

3.9.1 DPT has considered the opening balance of Gross Fixed Assets (GFA) for FY 2020-21, equal to the closing GFA approved by the Hon'ble Commission in the true-up for FY 2019-20. Further, during the physical verification of assets during the audit exercise for FY 2020-21, it was observed that certain assets had been put to use in earlier periods but were inadvertently not included in the GFA submitted to the Hon'ble Commission. As these assets are being used for the electricity distribution business, the corresponding amount of GFA has been added to the opening GFA of FY 2020-21, over and above the closing GFA approved by the Hon'ble Commission in the truing up of FY 2019-20. Similarly, it was also observed during the physical verification of assets during the audit exercise for FY 2020-21 that one asset, i.e., "40 Hectare Plant & Machinery" had been incorrectly added to the GFA in previous period. DPT has deleted this asset from the opening GFA of FY 2020-21.

3.9.2 The category-wise Opening GFA considered based on above rationale and the asset addition considered based on the assets put to use in FY 2020-21, are as shown in the Table below:

Table 3-10: Asset Addition for FY 2020-21 (Rs. Lakh)

Sl.	Particulars	Opening GFA	Addition to GFA	Closing GFA
1	Land & Land Rights	89.13	-	89.13
2	Buildings	319.20$	-	319.20
3	Plant & Machineries	942.63$$	466.31	1,408.93
4	Lines & Cable Net Works	3,200.09	121.94	3,322.03
5	Furniture & Fixtures & Electrical Lightings	2.85	-	2.85
6	Office Equipment	3.00	-	3.00
7	**Total**	**4,556.90**	**588.24**	**5,145.14**

Notes:

$ - GFA of Rs. 34 lakh added against sub-station building, which was not included earlier

$$ - GFA of Rs. 45.20 lakh added against APFC Panel, LT Panels, and Voltage Transformers, which were not included earlier; GFA of Rs. 134.78 lakh reduced against 40 Hecatre P&M, which had been incorrectly included earlier

3.9.3 DPT has computed the depreciation for FY 2020-21 under straight-line method in accordance with Regulation 40.2 of the GERC MYT Regulations, 2016, by applying the asset class-wise depreciation rate specified in the GERC MYT Regulations, 2016 on the average asset class-wise GFA during the year.

3.9.4 It may be noted that the depreciation booked in the Audited Accounts of DPT for FY 2020-21 have been computed in accordance with the provisions of the Major

Port Trust Act, 1963, and is hence, different from the depreciation computed in accordance with the GERC MYT Regulations, 2016. However, for the purposes of truing up for FY 2020-21, DPT has considered the depreciation computed in accordance with the GERC MYT Regulations, 2016.

3.9.5 The asset-class wise depreciation has been submitted in Form F5 submitted along with this Petition. The depreciation claimed by DPT for FY 2020-21 is shown in the following Table:

Table 3-11: Depreciation for FY 2020-21 (Rs. Lakh)

Sl.	Particulars	Approved	Actual	Deviation
1	Opening GFA	4581.35	4556.90	
2	Additions during the Year	-	588.24	
3	Retirement during the year	-	-	
4	Closing GFA	4581.35	5145.14	
5	Average GFA	4581.35	4851.02	
6	**Depreciation**	**236.42**	**245.30**	**(8.88)**
7	Average Depreciation Rate (%)	5.16%	5.06%	

3.9.6 As per the provisions of the GERC MYT Regulations, 2016, Depreciation expenses are categorised as uncontrollable expenses and accordingly, the comparison of Depreciation expenses approved by the Hon'ble Commission with the actual Depreciation expenses of DPT shows a (loss) of Rs. (8.88) lakh as shown in the table below:

Table 3-12: Gains/ (Losses) on account of Depreciation Expenses in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Depreciation	236.42	245.30	-	(8.88)

3.9.7 DPT requests the Hon'ble Commission to approve the depreciation in the true-up for FY 2020-21, as shown in the above Table.

3.10 INTEREST AND FINANCE CHARGES

3.10.1 As stated earlier, the entire capital expenditure and capitalisation has been funded by DPT's internal funds, i.e., equity. However, in accordance with the GERC MYT Regulations, 2016, the funding of capitalisation has been considered on normative basis at Debt:Equity ratio of 70:30, for the purposes of computation of ARR.

3.10.2 The Closing Balance of net normative loan approved in the true-up for FY 2019-20 has been considered as Opening Balance of net normative loan for FY 2020-21. The addition to normative loan has been considered as 70% of the addition to GFA. The depreciation has been considered as normative repayment of loan during the year. The interest on loan had been calculated on the average normative loan for the year. DPT has computed the Interest on Long-Term Loan Capital in accordance with Regulation 38 of the GERC MYT Regulations, 2016, as reproduced below:

"38.1 The loans arrived at in the manner indicated in Regulation 33 on the assets put to use, shall be considered as gross normative loan for calculation of interest on loan:

...

38.3 The repayment for the year during the Control Period from FY 2016-17to FY 2020-21shall be deemed to be equal to the depreciation allowed for that year.

38.4 Notwithstanding any moratorium period availed by the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

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:

Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the year applicable to the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee shall be considered as the rate of interest:

Provided further that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:

…

Provided also that if the Generating Company or the Transmission Licensee or SLDC or the Distribution Licensee as a whole does not have actual loan, then the Bank Rate plus 200 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.

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…"

3.10.3 As there is no actual loan in case of DPT, the interest rate has been considered based on the Reserve Bank of India (RBI) Bank Rate plus 200 basis points, as specified in the GERC MYT Regulations, 2016, i.e., Bank Rate of 4.28% as on April 1, 2020 plus 200 basis points, equalling 6.28%. As there is no actual loan, there are no actual financing charges.

3.10.4 The Interest and Finance Charges claimed by DPT in the truing up for FY 2020-21 is shown in the following Table:

Table 3-13: Interest & Finance Charges for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
Opening Balance of Net Normative Loan	-	-	
Addition of Normative Loan during the year	-	411.77	
Repayment of Normative loan during the year	236.42	245.30	
Closing Balance of Net Normative Loan	-	166.47	
Average Balance of Net Normative Loan	-	83.24	
Weighted average Rate of Interest (%)	-	6.28%	
Interest Expenses	-	5.23	
Financing Charges	-	-	
Total Interest & Financing Charges	**-**	**5.23**	**(5.23)**

3.10.5 As per the provisions of the GERC MYT Regulations, 2016, Interest expenses are categorised as uncontrollable expenses and accordingly, the comparison of Interest expenses approved by the Hon'ble Commission with the actual Interest expenses of DPT shows a (loss) of Rs. (5.23) lakh as shown in the table below:

Table 3-14: Gains/ (Losses) on account of Interest Expenses in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Interest Expenses	-	5.23	-	(5.23)

3.10.6 DPT requests the Hon'ble Commission to approve the interest and finance charges in the true-up for FY 2020-21, as shown in the above Table.

3.11 INTEREST ON WORKING CAPITAL

3.11.1 DPT has computed the normative working capital requirement in accordance with the GERC MYT Regulations, 2016, as amended from time to time.

3.11.2 In line with the First Amendment to the GERC MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the weighted average of the 1-year MCLR of the State Bank of India (SBI) during the year plus 250 basis points. This rate works out to 9.62%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act, 2003, except the security deposit held in the form of Bank Guarantees is to be deducted from it.

3.11.3 The normative interest on working capital claimed by DPT in the truing up for FY 2020-21 is shown in the Table below:

Table 3-15: Interest on Working Capital for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
O&M expenses	-	46.17	
Maintenance Spares	-	45.57	

Particulars	Approved	Actual	Deviation
Receivables	-	143.79	
Less: Consumer Security Deposit	-	106.56	
Total Working Capital Requirement	-	**128.97**	
Interest Rate (%)	10..65%	9.62%	
Interest on Working Capital	-	**12.40**	**(12.40)**

3.11.4 In this regard, DPT respectfully submits that in the Tariff Order for FY 2020-21, the Hon'ble Commission had not allowed normative Interest on Working Capital to DPT under the premise that in the truing up exercise for the previous years, the Hon'ble Commission had not been able to verify the receivables, and O&M expenses. However, for FY 2020-21, the Receivables as well as the O&M expenses have been considered as per the duly audited Accounts and are verifiable. Hence, DPT respectfully submits that normative Interest on Working Capital should be allowed to DPT in accordance with the provisions of the GERC MYT Regulations, 2016.

3.11.5 As per the provisions of the GERC MYT Regulations, 2016, Interest on Working Capital is categorised as a controllable expense and accordingly, the comparison of Interest on Working Capital approved by the Hon'ble Commission with the actual Interest on Working Capital of DPT shows a (loss) of Rs. (12.40) lakh as shown in the table below:

Table 3-16: Gains/ (Losses) on account of Interest on Working Capital in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Interest on Working Capital	-	12.40	(12.40)	-

3.11.6 DPT requests the Hon'ble Commission to approve Interest on Working Capital in the truing up for FY 2020-21, as shown in the above Table.

3.12 INTEREST ON CONSUMER SECURITY DEPOSIT

3.12.1 There is no actual interest paid out on the Consumer Security Deposits in FY 2020-21, as per the Audited Accounts of DPT. Hence, in line with the approach adopted by the Hon'ble Commission in previous truing up Orders, DPT has not claimed any interest on Consumer Security Deposits in the truing up for FY 2020-21.

3.13 RETURN ON EQUITY

3.13.1 As per the GERC MYT Regulations, 2016, a return @ 14% on the equity base is allowed by the Hon'ble Commission. Accordingly, DPT has computed the Return on Equity (RoE) considering a rate of return of 14%.

3.13.2 The Closing Balance of equity approved in the true-up for FY 2019-20 has been considered as Opening Balance of equity for FY 2020-21. Further, in order to ensure consistency in approach, 30% of the GFA added in the opening balance of GFA, has been added to the opening equity, as the funding of these assets has to also be considered. Similarly, 30% of the GFA reduced from the opening balance of GFA, has been reduced from the opening equity the addition to equity has been considered as 30% of the addition to GFA. The RoE claimed by DPT in the truing up for FY 2020-21 is shown in the Table below:

Table 3-17: Return on Equity for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
Opening Regulatory Equity	1374.40	1,340.33*	
Equity addition during the year	-	176.47	
Closing Regulatory Equity	1374.40	1,516.80	
Average Equity	1374.40	1,428.57	
Rate of Return on Equity (%)	14%	14%	
Return on Equity	**192.42**	**200.00**	**(7.58)**

Note: * - Equity of Rs. 23.76 lakh added to Opening equity, equal to 30% of GFA value that had not been included in the opening GFA though these assets were in use; equity of Rs. 40.43 lakh reduced from opening equity, equal to 30% of GFA value that had been incorrectly included in the opening GFA

3.13.3 As per the provisions of the GERC MYT Regulations, 2016, RoE is categorised as uncontrollable and accordingly, the comparison of RoE approved by the Hon'ble Commission with the actual RoE of DPT shows a (loss) of Rs. (7.58) lakh as shown in the table below:

Table 3-18: Gains/ (Losses) on account of RoE in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Return on Equity	192.42	200.00	-	(7.58)

3.13.4 DPT requests the Hon'ble Commission to approve Return on Equity in the truing up for FY 2020-21, as shown in the above Table.

3.14 INCOME TAX

3.14.1 The actual Income Tax paid/payable for the licensed electricity business of DPT is Nil, and hence, DPT has not claimed any Income Tax in the truing up for FY 2020-21.

3.14.2 DPT requests the Hon'ble Commission to approve Income Tax in the Truing up of FY 2020-21 as claimed above.

3.15 NON-TARIFF INCOME

3.15.1 Non-Tariff Income comprises interest on security deposit with PGVCL, savings bank interest, supervision charges, meter connection charges, etc. DPT has considered the actual Non-Tariff Income of Rs. 30.41 Lakh for FY 2020-21, in accordance with the Audited Accounts, as shown in the Table below.

Table 3-19: Non-Tariff Income for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
Interest on security deposit with PGVCL	21.34	15.11	
Meter Connection charges	0.24	12.75	
Surcharge Charges	-	0.18	
Supervision Charges	-	1.78	
Saving Bank Interest	-	0.59	

Particulars	Approved	Actual	Deviation
Total	**21.59**	**30.41**	**(8.82)**

3.15.2 As per the provisions of the GERC MYT Regulations, 2016, Non-Tariff Income is categorised as uncontrollable and accordingly, the comparison of Non-Tariff Income approved by the Hon'ble Commission with the actual Non-Tariff Income of DPT shows a gain of Rs. 8.82 lakh as shown in the table below:

Table 3-20: Gains/ (Losses) on account of Non-Tariff Income in the Truing up for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
Non-Tariff Income	21.59	30.41	-	8.82

3.15.3 DPT requests the Hon'ble Commission to approve Non-Tariff Income in the truing up for FY 2020-21, as shown in the above Table.

3.16 AGGREGATE REVENUE REQUIREMENT FOR FY 2020-21

3.16.1 Based on the above, the Table below summarises the actual Aggregate Revenue Requirement (ARR) of DPT claimed in the Truing up for FY 2020-21 as against the ARR approved by the Hon'ble Commission in the Tariff Order for FY 2020-21:

Table 3-21: Aggregate Revenue Requirement for FY 2020-21 (Rs. Lakh)

Particulars	Approved	Actual	Deviation
Power Purchase Cost	1720.01	738.99	981.02
Operation & Maintenance Expenses	345.26	554.02	(208.76)
Depreciation	236.42	245.30	(8.88)
Interest & Finance Charges	-	5.23	(5.23)
Interest on Working Capital	-	12.40	(12.40)
Interest on Security Deposit	-	-	-
Total Revenue expenditure	**2,301.69**	**1,555.95**	**745.74**
Return on Equity	192.42	200.00	(7.58)
Income Tax	-	-	-
Total Aggregate Revenue Requirement	**2,494.11**	**1,755.95**	**738.16**
Less: Non-Tariff Income/Other Income	21.59	30.41	(8.82)
Net Aggregate Revenue Requirement	**2,472.52**	**1,725.53**	**746.99**

3.17 SHARING OF GAINS/ (LOSSES)

3.17.1 Regulations 23 and 24 of the GERC MYT Regulations, 2016 specifies the mechanism for sharing of gains and losses on account of controllable and uncontrollable factors. The relevant Regulations are reproduced below:

"23. Mechanism for sharing of gains or losses on account of Un-controllable factors

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

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

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

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

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

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

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

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

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

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

3.17.2 In the earlier Sections, DPT has identified all the expenditure heads under controllable and uncontrollable categories. The gain/(loss) for DPT arising as a result of True Up for FY 2020-21 may be suitably passed through in the Tariff for FY 2022-23 as per the mechanism specified by the Hon'ble Commission.

3.17.3 The following Table summarizes the net gain/(loss) to DPT after truing up for FY 2020-21 on account of controllable & uncontrollable factors:

Table 3-22: Net Gains/ (Losses) for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
1	Power Purchase Cost	1720.01	738.99		981.02
2	Operation & Maintenance Expenses	345.26	554.02	(208.76)	
3	Depreciation	236.42	245.30		(8.88)

Sr. No.	Particulars	Approved	Actual	Gains/(Losses) due to controllable factors	Gains/(Losses) due to Uncontrollable factors
4	Interest & Finance Charges	-	5.23		(5.23)
5	Interest on Working Capital	-	12.40	(12.40)	
6	Interest on Consumer Security Deposit	-	-		-
7	**Total Revenue expenditure**	**2,301.69**	**1,555.95**	**(221.17)**	**966.91**
8	Return on Equity	192.42	200.00		(7.58)
9	Income Tax	-	-		-
10	**Total Aggregate Revenue Requirement**	**2,494.11**	**1,755.95**	**(221.17)**	**959.33**
11	Less: Non-Tariff Income	21.59	30.41		8.82
12	**Net Aggregate Revenue Requirement**	**2,472.52**	**1,725.53**	**(221.17)**	**968.15**

3.17.4 DPT requests the Hon'ble Commission to approve the sharing of Gains/(Losses) on account of controllable and uncontrollable items in the truing up for FY 2020-21, as shown in the above Table.

3.18 REVENUE FOR FY 2020-21

3.18.1 DPT has considered the actual revenue from sale of electricity for FY 2020-21 as Rs. 1533.27 lakh, as per the Audited Accounts. As the Hon'ble Commission had not determined tariff separately for FY 2020-21, there is no value of approved revenue for FY 2020-21.

3.18.2 DPT requests the Hon'ble Commission to approve the actual Revenue from sale of electricity in the truing up for FY 2020-21, as shown above.

3.19 REVENUE GAP/ (SURPLUS)

3.19.1 The Hon'ble Commission in its MYT Order dated 29th September, 2020 approved the ARR of Rs. 2472.52 Lakh for FY 2020-21. The Hon'ble Commission did not consider Revenue (Gap)/Surplus due to Truing up of previous years in the ARR of FY 2020-21, considering the provisional nature of data for the previous years.

3.19.2 As per the mechanism specified in the GERC MYT Regulations 2016, DPT proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors, i.e., Rs. (73.72) lakh and total gain(loss) on account of uncontrollable factors, i.e., Rs. 968.15 lakh to the consumers. Adjusting these to the net ARR, DPT has computed the Revised ARR for FY 2020-21 at Rs. 1578.09 lakh.

3.19.3 Considering the actual Revenue of Rs. 1533.27 lakh, total Revenue (Gap)/Surplus of DPT after truing up for FY 2020-21 after treatment of gain/(loss) due to controllable/uncontrollable factors is computed at Rs. (44.82) lakh as shown in the Table below:

Table 3-23: Revenue Gap/(Surplus) for FY 2020-21 (Rs. Lakh)

Sr. No.	Particulars	Truing up
1	ARR originally approved for FY 2020-21	2,472.52
2	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	968.15
3	Less: Gain/(Loss) on account of Controllable factor to be pass on to Consumer (1/3rd of Total Gain/(Loss))	(73.72)
4	**Revised ARR for FY 2020-21 (1 - 2 - 3)**	**1,578.09**
5	Revenue from Sale of Power	1,533.27
6	**Revenue (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 5)**	**(44.82)**

3.19.4 DPT requests the Hon'ble Commission to approve the Revenue (Gap)/Surplus in the truing up for FY 2020-21, as shown in the above Table, and allow DPT to recover the same along with the ARR of FY 2022-23.

4 PROJECTED ARR FOR FY 2022-23

4.1 BACKGROUND

4.1.1 This Chapter outlines the projected ARR of DPT for FY 2022-23 in accordance with the GERC MYT Regulations, 2016, covering the following aspects:

- Category-wise Sales
- Distribution Losses and Energy Balance
- Power Purchase cost
- Projection of Fixed Cost Components
- Projected Revenue with existing tariff
- Projected ARR and Revenue (Gap)/Surplus for FY 2022-23

4.2 ENERGY SALES

4.2.1 DPT has relied on the tried-and-tested approach of projecting category-wise sales based on past trend analysis. DPT has projected the category-wise sales based on the Compounded Annual Growth Rate (CAGR) trends during past years.

4.2.2 However, as stated earlier, DPT has completed consumer metering (up to 97-98%) in September 2021, and hence, the category-wise sales reported in FY 2021-22 are more reliable. Further, in FY 2021-22, there has been a significant increase in sales to HT category. The category-wise sales for FY 2021-22 has been estimated by doubling the actual category-wise sales in the first half (H1) of FY 2021-22 (April to September 2021). Based on the pending consumer applications, and ongoing discussions with certain HT consumers, DPT expects that the HT sales in FY 2022-23 are likely to be double the HT sales in FY 2021-22. Hence, considering CAGR for the period up to FY 2020-21 may not be appropriate for projecting DPT's sales for FY 2022-23.

4.2.3 Accordingly, DPT has considered the 5-year CAGR of sales for different categories over the period from FY 2016-17 to FY 2021-22, for projecting the sales for FY 2022-23, except for HT category, wherein the sales for FY 2022-23 are projected at twice the estimated sales of FY2021-22. Also, in case of Streetlight category, there is a negative CAGR, hence, the sales are projected to remain at FY 2021-22 levels in FY 2022-23 also, rather than projecting a decline in consumption.

4.2.4 The category-wise actual sales over the last six years and the 5-year CAGR are summarised in the Table below:

Table 4-1: Actual category wise Energy Sales in last 6 years (LU)

Consumer Category	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Actual)	FY 2019-20 (Actual)	FY 2020-21 (Actual)	FY 2021-22 (Estimated)	5-Year CAGR
RGP	5.73	5.21	5.74	5.53	5.33	7.02	**4.16%**

Consumer Category	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Actual)	FY 2019-20 (Actual)	FY 2020-21 (Actual)	FY 2021-22 (Estimated)	5-Year CAGR
NRGP	18.90	18.50	21.20	20.75	22.96	24.04	**4.93%**
LTMD	32.11	45.58	26.84	30.86	35.40	34.05	**1.18%**
Street Lights	-	-	12.68	9.14	10.31	9.79	**-8.26%**
Temporary	7.33	6.26	5.06	5.32	3.90	8.39	**2.74%**
HT	52.35	53.03	57.12	62.87	82.24	202.04	**31.01%**
Total	**116.42**	**128.58**	**128.64**	**134.47**	**160.15**	**285.33**	**19.64%**

4.2.5 The projected category-wise Energy Sales for FY 2022-23 are as under:

Table 4-2: Projected category wise Energy Sales for FY 2022-23 (LU)

Consumer Category	FY 2020-21 (Actual)	FY 2021-22 (Estimated)	FY 2022-23 (Projected)
RGP	5.33	7.02	7.32
NRGP	22.96	24.04	25.22
LTMD	35.40	34.05	34.45
Street Lights	10.31	9.79	9.79
Temporary	3.90	8.39	8.62
HT	82.24	202.04	404.08
Total	**160.15**	**285.33**	**489.47**

4.2.6 The category-wise number of consumers and Connected Load for FY 2022-23 have been considered based on the actual data for the month of September 2021. However, considering the expected increase in case of HT category, the Contract Demand for FY 2022-23 has been considered to increase by 50% over the Contract Demand in the month of September 2021.

4.2.7 DPT requests the Hon'ble Commission to approve the projected sales for the FY 2022-23, as elaborated above. Any deviation from the projected sales shall be claimed at the time of Truing-up for the year.

4.3 DISTRIBUTION LOSS AND ENERGY BALANCE

4.3.1 As stated earlier, DPT has almost completed the consumer metering (97-98%) by September 2021. Proper assessment of Distribution Losses would be possible once the metered sales data is available, from H2 of FY 2021-22 and beyond. In the absence of any better-quality data at this stage, DPT has considered the Distribution Losses as 5% for projecting the energy requirement for FY 2022-23. The real level of Distribution Losses shall be submitted to the Hon'ble Commission at the time of true-up for FY 2022-23. Further, the Transmission Losses (inter-State plus intra-State) have been considered at the same levels as in FY 2020-21, i.e., 4.15%.

4.3.2 DPT has arrived at the Energy Balance for FY 2022-23 based on the projected sales, Distribution Losses, and Transmission Losses, as discussed above. Accordingly, DPT has projected the energy requirement for FY 2022-23 as shown in the Table below:

Table 4-3: Projected Energy Balance for FY 2022-23 (LU)

Particulars	Projected
Energy Sales	489.47
Distribution Losses (%)	5.00%
Distribution Losses	25.76
Energy Requirement at DISCOM boundary	**515.23**
Transmission Losses (%)	4.15%
Transmission Losses	22.31
Total Energy Requirement to be purchased	**537.54**

4.3.3 DPT requests the Hon'ble Commission to approve the projected Energy Balance and power purchase requirement for FY 2022-23, as shown in the Table above.

4.4 POWER PURCHASE EXPENSES

4.4.1 Purchase from DGVCL

DPT has not renewed the PPA for purchase of power from PGVCL with effect from October 2021, and has discontinued power purchase from PGVCL. DPT has since then been meeting its entire power requirement through its own Wind Generation sources and balance from Power Exchanges. Accordingly, DPT proposes to meet its entire energy requirement in FY 2022-23 through the own Wind Generation sources and Power Exchanges, as elaborated under.

4.4.2 Purchase from Own Wind Generation Plants

At present, DPT has tied-up capacity of 10.2 MW (6.2 MW + 4 MW) of own Wind Generation Capacity, which will be available for the full FY 2022-23. Further, it is expected that another 4.2 MW of Wind Generation capacity shall be available for tie-up for H2 of FY 2022-23.

In terms of Capacity Utilisation Factor (CUF), the CUF of the existing 10.2 MW is on the lower side for various reasons. For projection purposes, DPT has considered the CUF of the existing 10.2 MW Wind Capacity as 13%, based on the actual CUF observed in FY 2020-21. The CUF of the additional 4.2 MW Wind capacity has however, been conservatively considered as 20%, though these Wind Turbines are expected to generate at higher CUF of around 25%.

The available Wind generation has been projected by considering 10.2 MW available for full year at 13% CUF, while the generation from the additional 4.2 MW has been considered for half year at 20% CUF. Further, based on past experience, it is observed that DPT is able to absorb only around 80% of the Wind generation at the time of generation, and the balance 20% energy is injected into the grid but is not available to DPT, in the absence of banking facility. Hence, only 80% of the units generated by the Wind Generation plants has been considered to meet the power purchase requirement of DPT.

The rate of power purchase from the Wind Generation plants has been considered as Rs. 3.20/kWh, based on the existing arrangement.

4.4.3 Purchase from Power Exchanges

The balance energy requirement, after considering purchase from own Wind Generation plants to the maximum extent possible, has been projected to be purchased from the Power Exchanges. The rate for purchase from Power Exchanges has been considered based on the actual average rate on the Power Exchange in H1 of FY 2021-22, i.e., Rs. 3.65/kWh, contribution of inter-State and intra-State Transmission Charges of around Rs. 0.70/kWh, and usual mark-up of around Rs. 0.50/kWh over Exchange-traded price for purchase by DPT. The effective rate for projecting cost of power purchase from Power Exchange thus, works out to Rs. 4.85/kWh.

4.4.4 Renewable Purchase Obligation

The Hon'ble Commission is yet to specify the RPO target for FY 2022-23. In absence of specific RPO target for FY 2022-23, DPT has considered the RPO target of FY 2021-22 as applicable for FY 2022-23, which translates to 8.00% from Solar, 8.25% from Wind, and 0.75% from other sources like Biomass, Bagasse, MSW, Small/ mini Hydel, etc. The combined RPO target thus, works out to 17% for FY 2022-23.

As compared to the above RPO target, the projected purchase from Wind Generation plants in FY 2022-23 translates to RPO of around 28%, which is far in excess of the Wind RPO target of 8.25%, as well as the combined RPO target of 17%. Hence, DPT requests the Hon'ble Commission to allow DPT to meet its RPO in a combined manner, rather than increasing the costs by procuring additional Solar RE power and other RE power or Renewable Energy Certificates (RECs).

4.4.5 Power Purchase Cost Summary

The summary of the projected source-wise power purchase quantum and cost for FY 2022-23, to meet the energy requirement, is shown in the Table below:

Table 4-4: Projected Power Purchase Quantum and Cost for FY 2022-23

Source of Power	Quantum (LU)	Cost (Rs. Lakh)	Per unit cost (Rs. /kWh)
Wind Power Plant	151.79	485.74	3.20
Power Exchange	385.75	1870.88	4.85
Total Power Purchase	**537.54**	**2356.62**	**4.38**

4.4.6 DPT requests the Hon'ble Commission to approve the Power Purchase Quantum and Cost for FY 2022-23 as shown in the Table above.

4.5 CAPITAL EXPENDITURE AND CAPITALISATION

4.5.1 The projected Scheme-wise Capital Expenditure and Capitalisation for FY 2022-23 is shown in the Table below:

Table 4-5: Projected Capital Expenditure and Capitalisation for FY 2021-22 and FY 2022-23 (Rs. Lakh)

Scheme Name	Capital Expenditure		Capitalisation	
	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23
Replacement of Service line of consumers at Bapat Bazar, New Kandla	13.18		13.18	
Design & SITC of DC OH/UG 11 kV line for providing Power Supply to SIPC of DPT at Kandla	140.00	150.00		290.00
Shifting & Fixing of Single Phase & Three Phase Energy Meters and Meter Box	9.81		9.81	
Strengthening of 11 kV OH line to Port Power House		239.34		239.34
Procurement & Commissioning of 12 MVA transformers		340.00		
Upgradation of 11 kV Substations outside Cargo Jetty Area		78.05		
Total	**162.99**	**807.39**	**22.99**	**529.34**

4.5.2 The details of major capital expenditure schemes proposed to be undertaken in FY 2022-23 are as follows:

4.5.3 Replacement of Service lines at Bapat Bazar, New Kandla:

The service line to commercial shops in New Kandla was very old and metering infra was in very bad condition. To avoid risk of accident, the work of replacement of Service line is executed with the concept of common panel metering.

4.5.4 DC OH/UG 11 kV line for providing Power Supply to SIPC of DPT at Kandla

Double circuit 11 kV line work is established to cater a load of 9MW to M/s. Emami. The line will also provide supply to 5 km road light, two Parking Plots of DPT, HT Power Supply to M/s. VTV, and connections in areas from West Gate 2 to Zero Point Kandla.

4.5.5 Shifting & Fixing of Single Phase & Three Phase Energy Meters and Meter Box

As per directive of the Hon'ble Commission, 1200 Single-Phase, Three-Phase, LTCT, and Multi- Function meters have been procured through Open Tender. 96% of Energy Meters were fixed at consumer premises and downstream distribution network.

4.5.6 Strengthening of 11 kV OH/UG line to Port Power House

The existing line is very old and needs replacement. The 11 kV OH/UG line will be laid from Port Power House to Old Kandla via DPT Thermal Substation.

4.5.7 Procurement & Commissioning of 12 MVA transformers

Currently One 6.3 MVA transformer is on load with 10 MVA transformer. 6.3 MVA transformer is very old and processed for Survey Off. Looking towards heavy load growth of DPT, procurement of 12 MVA transformer is under process.

4.5.8 Upgradation of 11 kV Substations outside Cargo Jetty Area

The existing breakers are very old, which needs upgradation for uninterrupted and quality power supply to Kandla Colony, Oil Jetty and surrounding areas. The work consist of replacement of Old breakers, transformers, LT Panels, etc.

4.5.9 Funding of Capitalisation

DPT proposes to undertake the entire capital expenditure and capitalisation through its own funds, i.e., equity contribution. However, in accordance with the GERC MYT Regulations, 2016, the funding of the projected capitalisation for FY 2022-23 has been considered normatively at Debt: Equity of 70:30, as shown in the Table below:

Table 4-6: Funding of Capitalisation for FY 2021-22 and FY 2022-23 (Rs. Lakh)

Particulars	FY 2021-22	FY 2022-23
Capitalisation	22.99	529.34
Debt (70%)	16.09	370.54
Equity (30%)	6.90	158.80

4.5.10 DPT requests the Hon'ble Commission to approve the proposed capital expenditure and capitalisation and funding of the same for FY 2022-23, as detailed above.

4.6 OPERATION & MAINTENANCE EXPENSES

4.6.1 The O&M expenses comprise Employee cost, R&M Expenses, and A&G Expenses.

4.6.2 Under normal circumstances, the Commission would have revised the O&M norms based on analysis of actual O&M expenses of FY 2019-20 or FY 2020-21, while framing the GERC MYT Regulations for the next Control Period and allowed appropriate escalation rate for future years including FY 2022-23. However, due to unavoidable circumstances, there is a delay in framing the GERC MYT Regulations for the next Control Period, and hence, the applicability of the GERC MYT Regulations, 2016 has been extended by two year, to include FY 2022-23 also.

4.6.3 Further, as stated in the Chapter on Truing up for FY 2020-21, the actual O&M expenses of DPT are significantly higher due to the higher level of outsourcing and greater focus towards consumer service and supply of quality power. Considering the same, the O&M expenses for FY 2022-23 have been computed by applying escalation rate of 5.72% (as approved by the Hon'ble Commission in the GERC MYT Regulations, 2016) for 2 years on the O&M expenses computed in the truing up for FY 2020-21.

4.6.4 Accordingly, the projected O&M expenses for FY 2022-23 are given in the Table below:

Table 4-7: Projected O&M Expenses for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Employee Expenses	68.63
R&M Expenses	357.71
A&G Expenses	192.88
Total O&M Expenses	**619.22**

4.6.5 **DPT requests the Hon'ble Commission to approve the projected O&M expenses for FY 2022-23, as shown in the Table above.**

4.7 DEPRECIATION

4.7.1 DPT has considered the closing GFA of FY 2020-21 as the opening GFA for FY 2021-22. The asset class-wise addition to GFA during FY 2021-22 and FY 2022-23 has been considered as shown in the Tables below, in line with the capital expenditure schemes discussed in earlier paragraphs of this Chapter:

Table 4-8: Asset Addition for FY 2021-22 (Rs. Lakh)

Sl.	Particulars	Opening GFA	Addition to GFA	Closing GFA
1	Land & Land Rights	89.13	-	89.13
2	Buildings	319.20	-	319.20
3	Plant & Machineries	1,408.93	9.81	1,418.74
4	Lines & Cable Net Works	3,322.03	13.18	3,335.21
5	Furniture & Fixtures & Electrical Lightings	2.85	-	2.85
6	Office Equipment	3.00	-	3.00
7	**Total**	**5,145.14**	**22.99**	**5,168.13**

Table 4-9: Asset Addition for FY 2022-23 (Rs. Lakh)

Sl.	Particulars	Opening GFA	Addition to GFA	Closing GFA
1	Land & Land Rights	89.13	-	89.13
2	Buildings	319.20	-	319.20
3	Plant & Machineries	1,418.74	290.00	1,708.74
4	Lines & Cable Net Works	3,335.21	239.34	3,574.54
5	Furniture & Fixtures & Electrical Lightings	2.85	-	2.85
6	Office Equipment	3.00	-	3.00
7	**Total**	**5,168.13**	**529.34**	**5,697.47**

4.7.2 DPT has computed the depreciation for FY 2022-23 under straight-line method in accordance with Regulation 40.2 of the GERC MYT Regulations, 2016, by applying the asset class-wise depreciation rate specified in the GERC MYT Regulations, 2016 on the average asset class-wise GFA during the year.

4.7.3 The asset-class wise depreciation has been submitted in Form F5 submitted along with this Petition. The depreciation claimed by DPT for FY 2022-23 is shown in the following Table:

Table 4-10: Depreciation for FY 2022-23 (Rs. Lakh)

Sl.	Particulars	Approved
1	Opening GFA	5,168.13
2	Additions during the Year	529.34
3	Retirement during the year	-
4	Closing GFA	5,697.47
5	Average GFA	5,432.80
6	**Depreciation**	**276.01**
7	Average Depreciation Rate (%)	5.08%

4.7.4 **DPT requests the Hon'ble Commission to approve the projected Depreciation expenses for FY 2022-23, as shown in the Table above**.

4.8 INTEREST AND FINANCE CHARGES

4.8.1 DPT has computed the Interest on normative loan as per Regulation 38 of the GERC MYT Regulations, 2016.

4.8.2 The closing balance of normative loan portfolio for FY 2020-21 as calculated in this Petition has been considered as opening balance of FY 2021-22. Addition of normative loan during FY 2021-22 has been considered based on the revised capitalisation estimated for FY 2021-22, as elaborated in earlier paragraphs of this Chapter. The normative repayment has been considered equal to the depreciation computed for the year, to compute the closing balance of FY 2021-22. Closing balance of FY 2021-22 thus computed has been considered as opening balance of normative loan for FY 2022-23. Addition of normative loan during FY 2022-23 has been considered based on the capitalisation projected for FY 2022-23, as elaborated in earlier paragraphs of this Chapter. The normative repayment has been considered equal to the depreciation computed for the year, to compute the closing balance of FY 2022-23.

4.8.3 The rate of interest has been considered normatively in accordance with the GERC MYT Regulations, 2016, as 6.25%, i.e., RBI Bank Rate as on 1st April 2021 (4.25%) plus 200 basis points, in the absence of actual loans on the books of DPT. Finance Charges have been projected as Nil, considering that no actual loans are proposed to be taken.

4.8.4 The Interest and Finance Charges for FY 2022-23 have been projected as shown in the Table below:

Table 4-11: Projected Interest Expenses for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Opening Balance of Net Normative Loan	-
Addition of Normative Loan during the year	370.54
Repayment of Normative loan during the year	276.01

Particulars	Projected
Closing Balance of Net Normative Loan	94.52
Average Balance of Net Normative Loan	47.26
Interest Rate (%)	6.25%
Interest Expenses	2.95
Finance Charges	-
Total Interest & Finance Charges	**2.95**

4.8.5 DPT requests the Hon'ble Commission to approve the projected Interest on loan for FY 2022-23, as shown in the Table above.

4.9 INTEREST ON WORKING CAPITAL

4.9.1 DPT has computed the normative working capital requirement in accordance with the GERC MYT Regulations, 2016, as amended from time to time.

4.9.2 In line with the First Amendment to the GERC MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the 1-year MCLR of SBI as on 1st April 2021 plus 250 basis points. This rate works out to 9.50%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act, 2003, except the security deposit held in the form of Bank Guarantees is to be deducted from it.

4.9.3 The normative interest on working capital projected by DPT for FY 2022-23 is shown in the Table below:

Table 4-12: Interest on Working Capital for FY 2022-23 (Rs. Lakh)

Particulars	Projected
O&M expenses	51.60
Maintenance Spares	51.68
Receivables	290.94
Less: Consumer Security Deposit	106.56
Total Working Capital Requirement	**287.66**
Interest Rate (%)	9.50%
Interest on Working Capital	**27.33**

4.9.4 DPT requests the Hon’ble Commission to approve normative Interest on Working Capital for FY 2022-23, as shown in the above Table.

4.10 INTEREST ON CONSUMER SECURITY DEPOSIT

4.10.1 In line with the approach adopted by the Hon’ble Commission in previous Orders, DPT has not projected any interest on Consumer Security Deposits for FY 2022-23. The actual interest paid on the Consumer Security Deposits shall be claimed at the time of truing up for FY 2022-23.

4.11 RETURN ON EQUITY

4.11.1 As per the GERC MYT Regulations, 2016, a return @ 14% on the equity base is allowed by the Hon'ble Commission. Accordingly, DPT has computed the Return on Equity (RoE) considering a rate of return of 14%.

4.11.2 The closing balance of normative equity for FY 2020-21 as calculated in this Petition has been considered as opening balance of FY 2021-22. Addition of normative equity during FY 2021-22 has been considered based on the revised capitalisation estimated for FY 2021-22, as elaborated in earlier paragraphs of this Chapter, and closing balance of FY 2021-22 computed accordingly. Closing balance of FY 2021-22 thus, computed has been considered as opening balance of normative equity for FY 2022-23. Addition of normative equity during FY 2022-23 has been considered based on the capitalisation projected for FY 2022-23, as elaborated in earlier paragraphs of this Chapter, and closing balance of FY 2022-23 computed accordingly.

4.11.3 The RoE projected by DPT for FY 2022-23 is shown in the Table below:

Table 4-13: Return on Equity for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Opening Regulatory Equity	1,523.70
Equity addition during the year	158.80
Closing Regulatory Equity	1,682.50
Average Equity	1,603.10
Rate of Return on Equity (%)	14%
Return on Equity	**224.43**

4.11.4 DPT requests the Hon'ble Commission to approve Return on Equity for FY 2022-23, as shown in the above Table.

4.12 INCOME TAX

4.12.1 DPT has not projected any Income Tax for FY 2022-23. The actual Income Tax paid/payable for the licensed electricity business of DPT, if any, shall be claimed at the time of truing up for FY 2022-23.

4.12.2 DPT requests the Hon'ble Commission to approve Income Tax for FY 2022-23 as claimed above.

4.13 NON-TARIFF INCOME

4.13.1 Non-Tariff Income for FY 2022-23 comprises savings bank interest, supervision charges, meter connection charges, etc. DPT has considered the Non-Tariff Income for FY 2022-23 at the same level as actuals of FY 2020-21. However, interest on PGVCL deposit has not been considered, as the PPA with PGVCL has not been extended, and the interest will no longer be payable by PGVCL. The Non-Tariff Income projected by DPT for FY 2022-23 is shown in the Table below.

Table 4-14: Non-Tariff Income for FY 2022-23 (Rs. Lakh)

Particulars	Projection
Meter Connection charges	12.75
Surcharge Charges	0.18
Supervision Charges	1.78
Saving Bank Interest	0.59
Total	**15.30**

4.13.2 DPT requests the Hon'ble Commission to approve Non-Tariff Income for FY 2022-23, as shown in the above Table.

4.14 PROJECTED ARR FOR FY 2022-23

4.14.1 Based on the above, the Table below summarises the projected ARR of DPT for FY 2022-23:

Table 4-15: Projected ARR for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Power Purchase Cost	2,356.62
Operation & Maintenance Expenses	619.22
Depreciation	276.01
Interest & Finance Charges	2.95
Interest on Working Capital	27.33
Interest on Security Deposit	-
Total Revenue expenditure	**3,282.14**
Return on Equity	224.43
Income Tax	-
Total Aggregate Revenue Requirement	**3,506.57**
Less: Non-Tariff Income	15.30
Net Aggregate Revenue Requirement	**3,491.27**

4.14.2 DPT requests the Hon'ble Commission to approve the ARR for FY 2022-23, as shown in the above Table.

5 REVENUE (GAP)/SURPLUS FOR FY 2022-23

5.1 BACKGROUND

5.1.1 This Chapter deals with the computation of Revenue (Gap)/Surplus for DPT for FY 2022-23 at existing tariff, i.e., the category-wise tariff in force in FY 2021-22.

5.2 REVENUE FOR FY 2022-23 WITH EXISTING TARIFF

5.2.1 Revenue from sale of power works out to Rs. 3949.21 Lakh for FY 2022-23, based on projected category-wise sales and existing retail tariff, and including Base FPPPA of Rs. 0.89/kWh. The detailed computations of revenue are given in the Formats submitted along with the Petition. The consumer category wise revenue for FY 2022-23 estimated by DPT is given in the following Table:

Table 5-1: Projected Revenue for FY 2022-23 with Existing Tariff (Rs. Lakh)

Consumer Category	Projected
RGP	39.99
NRGP	168.00
LTMD	250.96
Street Lights	55.71
Temporary	94.38
HT	3340.17
Total	**3949.21**

5.2.2 DPT requests the Hon'ble Commission to approve the Revenue for FY 2022-23 at existing retail tariff, as shown in the above Table.

5.3 PROJECTED REVENUE (GAP)/SURPLUS FOR FY 2022-23

5.3.1 Based on the above, the projected Revenue (Gap)/Surplus of DPT for FY 2022-23 at existing tariff is shown in the Table below:

Table 5-2: Projected Revenue (Gap)/Surplus for FY 2022-23 (Rs. Lakh)

Consumer Category	Projected
Aggregate Revenue Requirement	3,491.27
Less: Revenue (Gap)/ Surplus after True up of FY 2020-21	(44.82)
Total Aggregate Revenue Requirement	**3,536.09**
Revenue with Existing Tariff	3,949.21
Revenue (Gap)/Surplus with Existing Tariff	**413.12**

5.3.2 DPT requests the Hon'ble Commission to approve the Revenue (Gap)/Surplus for FY 2022-23 at existing tariff, as shown in the above Table.

6 TARIFF PHILOSOPHY AND PROPOSED CATEGORY-WISE TARIFF FOR FY 2022-23

6.1 APPROACH TO TARIFF DESIGN

6.1.1 DPT in this Petition has proposed revision in the Retail Supply Tariff and Wheeling Charges for FY 2022-23, keeping in view the principles of tariff determination set out in Sections 61 and 62 of the EA, 2003, the Tariff Policy, relevant provisions of the GERC MYT Regulations, 2016, and the Hon'ble Commission's previous Tariff Orders.

6.2 AVERAGE COST OF SUPPLY

6.2.1 The following Table shows the computation of Average Cost of Supply (ACOS) for FY 2022-23:

Table 6-1: Projected ACoS for FY 2022-23 (Rs. Lakh)

Particulars	Projected
Net ARR	3,536.09
Energy Sales (LU)	489.47
Average Cost of Supply (Rs. /kWh)	**7.22**

6.2.2 DPT requests the Hon'ble Commission to approve the ACOS for FY 2022-23, as projected in the above Table.

6.3 TARIFF PHILOSOPHY

6.3.1 As seen from Table 5-2, DPT has projected a Revenue Surplus of Rs. 413.12 lakh for FY 2022-23, with respect to the projected revenue requirement and the revenue with existing retail supply tariff. This translates to a possible average tariff reduction of around 12%, if the tariffs are reduced across the board. However, considering that some categories are subsidising, while some categories are subsidised, and the Distribution Licensee is required to reduce the cross-subsidies over a period of time, DPT has proposed category-wise retail tariffs in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the ACOS.

6.3.2 The Wheeling Charges have been computed in accordance with the approach followed by the Hon'ble Commission in the previous Orders.

6.4 DETERMINATION OF WIRES ARR

6.4.1 The Hon'ble Commission has specified the Allocation Matrix for segregation of the ARR into Wires ARR and Supply ARR under Regulation 86 of the GERC MYT Regulations, 2016, as given below:

Table 6.2: Allocation Matrix for segregation of Wires and Supply ARR

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

6.4.2 Based on the above Allocation Matrix, DPT has segregated the projected ARR for FY 2022-23 into ARR for Wires Business and Supply Business, as shown in the Table below:

Table 6.3: Segregation of ARR into Wires and Supply Business for FY 2022-23 (Rs. Lakh)

Particulars	Wires Business	Supply Business	Total DPT
Power Purchase Cost	-	2,356.62	2,356.62
O&M Expenses	459.56	159.66	619.22
Employee Expenses	*41.18*	*27.45*	*68.63*
R&M Expenses	*321.94*	*35.77*	*357.71*
A&G Expenses	*96.44*	*96.44*	*192.88*
Depreciation	248.41	27.60	276.01
Interest on Loan	2.66	0.30	2.95
Interest on Working Capital	2.73	24.59	27.33
Interest on Security Deposits	-	-	-
Total Revenue Expenditure	**713.36**	**2,568.78**	**3,282.14**
Return on Equity	201.99	22.44	224.43
Income Tax	-	-	-
Total ARR	**915.35**	**2,591.22**	**3,506.57**
Less: Non-Tariff Income	1.53	13.77	15.30
Net ARR	**913.82**	**2,577.45**	**3,491.27**

6.4.3 DPT requests the Hon'ble Commission to approve the segregation of the ARR into Wires ARR and Supply ARR for FY 2022-23, as projected in the above Table.

6.5 DETERMINATION OF WHEELING CHARGES

6.5.1 In FY 2022-23, a total of 515.23 LU is projected as at 11 kV level in DPT network. Accordingly, the wheeling charges of FY 2022-23 have been computed based on the projected ARR of Wires Business as shown in the Table below:

Table 6.4: Proposed Wheeling Charges for FY 2022-23 (Rs. Lakh)

Particulars	Units	Amount
Wires ARR	Rs. Lakh	913.82
Energy Input at 11 kV	Lakh Units	515.23
Wheeling Charges at 11 kV	**Rs/kWh**	**1.77**

6.5.2 The Wheeling Losses are proposed to be retained at existing levels, i.e., 5%, in line with the Distribution Loss projected for FY 2022-23.

6.5.3 DPT requests the Hon'ble Commission to approve the Wheeling Charges and Wheeling Losses for FY 2022-23, as projected above.

6.6 RETAIL TARIFF PHILOSOPHY

6.6.1 DPT proposes the following tariff philosophy for the determination of Retail Supply Tariff for FY 2022-23.

6.6.2 Fixed/Demand Charges

DPT has not proposed any change in the Fixed/Demand Charges applicable for the respective consumer categories, and the Fixed/Demand Charges approved by the Hon'ble Commission for FY 2021-22 are proposed to be retained in FY 2022-23.

6.6.3 Energy Charges

DPT has proposed to revise the Energy Charges applicable for the various consumer categories, in order to achieve the target of cross-subsidy reduction and ensuring recovery of the projected revenue requirement for FY 2022-23, while passing on the benefit of the projected Revenue Surplus, and ensuring against tariff shock for any consumer category.

The Base FPPPA has been considered as zero, and the Energy Charges have been correspondingly revised to achieve the revenue targets. If the Base FPPPA of Rs. 0.89/kWh is continued, then the proposed Energy Charges will have to be reduced to that extent, so that the same amount of revenue is earned.

The Energy Charges for all slabs of RGP category and NRGP category have been proposed to be increased by Rs. 1.40/kWh, while the Energy Charges for LTMD category is proposed to be increased by Rs. 0.9/kWh . An increase of Rs. 1.70/kWh is proposed in the Energy Charges for Streetlight category, in order to increase the Average Billing Rate and reduce the cross-subsidy. An increase of Rs. 1.00/kWh is proposed in the Energy Charges for temporary category.

Considering that 83% of the sales of DPT are to the HT category, the bulk of the Revenue Surplus is proposed to be passed on to the HT category, through reduction and rationalisation of the Energy Charges, thereby also, eliminating the cross-subsidy provided by this category. It is proposed to have uniform Energy Charges for all levels of Contract Demand, as against the existing tariff structure of having differential/higher Energy Charges for Billing Demand in excess of 500 kVA and in excess of 2500 kVA. The Energy Charges for HT category are proposed as Rs. 5.60/kWh.

DPT requests the Hon'ble Commission to approve the category-wise Energy Charges as proposed by DPT above.

6.6.4 Reduction of Cross Subsidy

As stated earlier, DPT has proposed category-wise retail tariffs in such a manner that the benefit of the revenue surplus is passed on more to the subsidising categories, thereby facilitating reduction in cross-subsidy with respect to the ACOS.

The category-wise reduction in cross-subsidy proposed by DPT for FY 2022-23 with respect to the cross-subsidy based on existing tariffs, as a percentage of the ACOS, is shown in the Table below:

Table 6-5: Proposed Cross-Subsidy Reduction (%)

Category	Projected ACOS (Rs/kWh)	Average Billing Rate (Rs/kWh)		Ratio of ABR to ACOS (%)		% increase / decrease in Cross-subsidy
		Existing Tariff	Proposed Tariff	Existing Tariff	Proposed Tariff	
RGP	7.22	5.47	5.98	76%	83%	7%
NRGP	7.22	6.66	7.17	92%	99%	7%
LTMD	7.22	7.28	7.29	101%	101%	0%
Street Lights	7.22	5.69	6.50	79%	90%	11%
Temporary	7.22	10.95	11.06	152%	153%	2%
HT	7.22	8.27	7.18	114%	99%	-15%

The details of proposed category-wise cross-subsidy are also provided in Form F14, submitted along with the Petition.

DPT requests the Hon'ble Commission to approve the category-wise cross-subsidy reduction as proposed by DPT in the Table above.

6.6.5 FPPPA

In the Tariff Order for FY 2021-22, the Hon'ble Commission has approved the average power purchase cost as Rs. 4.48/kWh for FY 2021-22. Based on the projected energy requirement and the power purchase from various sources projected for FY 2022-23, DPT has projected the average power purchase cost for FY 2022-23 as Rs. 4.38/kWh. Hence, DPT has not considered any revenue from Base FPPPA, and has considered the Base FPPPA as zero. In case of variation in the power purchase cost as compared to the cost approved by the Hon'ble Commission, DPT shall recover such variation from the consumers through the FPPPA mechanism prescribed by the Hon'ble Commission, and reproduced below:

Formula

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

(i) 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.

(ii) 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.

(iii) Loss in % = is the weighted average of the approved level of Transmission and Distribution losses (%) for Petitioner applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for Petitioner of the previous year for which true up have been done by the Commission, whichever is lower.

6.6.6 Tariff for Electric Vehicle (EV) Charging Facilities

In the Tariff Order for FY 2021-22, the Hon'ble Commission had created a separate tariff category for EV Charging infrastructure with Fixed Charges of Rs. 25 per month per installation and Energy Charges of Rs. 4.10 per kWh for LT consumer and Demand Charges of Rs. 25 per KVA per month and Energy Charges of Rs. 4.00 per kWh for HT consumer. Such consumers are also required to pay the FPPPA charges as applicable from time to time.

DPT presently has no consumer/consumption under this category. Hence, it is proposed to continue the charges approved by the Hon'ble Commission in the previous Tariff Order for FY 2022-23 also.

6.6.7 Green Tariff

In the Tariff Order for FY 2021-22, the Hon'ble Commission had introduced the concept of optional Green Tariff, available for Consumers who want to avail green power for meeting their requirement by payment of Green Power Tariff over and above the normal tariff applicable to the respective category as per Tariff Order. The contours of the Green Tariff approved by the Hon'ble Commission in the Tariff Order for FY 2021-22 are as under:

- Green Power Tariff of Rs 0.50/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

As the Hon'ble Commission has also observed, DPT is in a position to provide additional green power to its consumers, as it is procuring almost 28% (projected for FY 2022-23) of its energy requirement through RE sources. DPT is very keen to implement the above optional tariff for consumers desirous of procuring renewable energy through the Distribution Licensee. DPT hence, proposes to retain this option of Green Tariff in the Tariff for FY 2022-23 also.

However, DPT would like to bring to the notice of the Hon'ble Commission certain operational issues, on account of which, DPT has not been able to implement the innovative idea of Green Tariff in its licence area.

The Hon'ble Commission issued the Tariff Order for FY 2021-22 on 4th September 2021, and almost immediately, on 24th September 2021, DPT sent a communication to the Commissioner of Electricity Duty (Energy & Petrochemical Department), Government of Gujarat, requesting for certain clarifications on the applicability of Electricity Duty for the proposed transaction. In the letter Ref: EL/AC/5023/916 dated 24th September 2021, DPT sought confirmation for the following understanding from the office of the Commissioner of Electricity Duty:

"There are number of HT and LT consumers in DPT Consumer mix who are willing to avail the Green Power Tariff introduced by Honourable Commission. ***Moving towards the same, we understand that Electricity supplied under "GREEN TARIFF" within the License Area shall be exempted from payment of electricity duty*** *in accordance with clause no. 5[(v-a) "where the energy is generated by any person by solar, wind or biomass energy;] one of the provisions of the Gujarat Electricity Duty Act, 1958 and its amendments from time to time."*

DPT is still awaiting clarification/confirmation from the office of the Commissioner of Electricity Duty on the above aspect, and is unable to proceed with the implementation of Green Tariff in its licence area. DPT's contention is that ED exemption available for purchase directly from RE generator should also be applicable for specific purchase of RE from the Distribution Licensee, which is only acting as an aggregator of RE, and facilitating the purchase of higher RE quantum by the consumers, without having to enter into separate PPAs by the consumers.

The Hon'ble Commission will appreciate that such clarification and confirmation will go a long way in providing real benefit to the consumers, thereby encouraging them to go for higher consumption from renewable energy, and help the country to achieve its ambitious targets for penetration of RE sources.

DPT requests the Hon'ble Commission to issue the necessary clarification in this regard, to enable DPT to approach the office of the Commissioner of Electricity Duty for necessary relief, and facilitate the implementation of Green Tariff in DPT's licence area.

6.7 TARIFF PROPOSAL FOR FY 2022-23

6.7.1 Based on the tariff philosophy as discussed in the earlier paragraphs, DPT proposes the following revised Tariff for its area of supply for FY 2022-23:

Table 6-6: Proposed Category-wise Tariff for FY 2022-23

<table>
<tr><th>Sl.</th><th>Category</th><th>Fixed/ Demand Charge</th><th>Energy Charge (Rs/kWh)</th></tr>
<tr><td>1</td><td>RGP</td><td></td><td></td></tr>
<tr><td></td><td>Upto & Including 2 kW</td><td>10.00 Rs/Con/Month</td><td></td></tr>
<tr><td></td><td>Above 2 to 4 kW</td><td>20.00 Rs/Con/Month</td><td></td></tr>
<tr><td></td><td>Above 4 to 6 kW</td><td>30.00 Rs/Con/Month</td><td></td></tr>
<tr><td></td><td>Above 6 kW</td><td>45.00 Rs/Con/Month</td><td></td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td>1-50 kWh</td><td></td><td>5.30</td></tr>
<tr><td></td><td>51-100 kWh</td><td></td><td>5.80</td></tr>
<tr><td></td><td>101-250 kWh</td><td></td><td>6.55</td></tr>
<tr><td></td><td>Above 250 kWh</td><td></td><td>7.55</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>2</td><td>NRGP</td><td></td><td></td></tr>
<tr><td></td><td>Up to and including 10 kW</td><td>50.00 Rs/kW/Month</td><td>6.55</td></tr>
<tr><td></td><td>Above 10 and up to 40 kW</td><td>75.00 Rs/kW/Month</td><td>6.90</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td>LTMD</td><td></td><td></td></tr>
<tr><td></td><td>1-40 kW of billing demand</td><td>85.00 Rs/kW/Month</td><td rowspan="4">6.45</td></tr>
<tr><td></td><td>41-60 kW of billing demand</td><td>130.00 Rs/kW/Month</td></tr>
<tr><td></td><td>Above 60 kW of billing demand</td><td>200.00 Rs/kW/Month</td></tr>
<tr><td></td><td>Billing demand in excess of CD</td><td>250.00 Rs/kW/Month</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>4</td><td>Streetlights</td><td></td><td>6.50</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>5</td><td>Temporary</td><td>15.00 Rs/kW/day</td><td>6.95</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>6</td><td>HT</td><td></td><td></td></tr>
<tr><td></td><td>Upto 500 kVA of Billing Demand</td><td>125.00 Rs/kVA/Month</td><td>5.60</td></tr>
<tr><td></td><td>For next 500 kVA of Billing Demand</td><td>250.00 Rs/kVA/Month</td><td rowspan="2">5.60</td></tr>
<tr><td></td><td>1001 to 2500 kVA of billing demand</td><td rowspan="2">335.00 Rs/kVA/Month</td></tr>
<tr><td></td><td>>2500 kVA of billing demand</td><td>5.60</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
</table>

Sl.	Category	Fixed/ Demand Charge	Energy Charge (Rs/kWh)
	Billing Demand in Excess of contract demand	425.00 Rs/kVA/Month	

6.7.2 DPT requests the Hon'ble Commission to approve the category-wise tariffs for FY 2022-23 as proposed above.

6.7.3 The revenue projected to be recovered from revised tariffs has been provided in Form F12 submitted along with the Petition Formats.

6.8 DETERMINATION OF CROSS-SUBSIDY SURCHARGE

6.8.1 Section 2(47) of the Electricity Act, 2003 defines 'Open Access', while Section 42 of the Act inter–alia mandates the Distribution Licensee to provide Open Access to eligible consumers, subject to payment of Cross-Subsidy Surcharge, Additional Surcharge and other applicable charges.

6.8.2 Section 86(1) of the Act inter–alia mandates the Hon'ble Commission to determine Cross-Subsidy Surcharge (CSS), Additional Surcharge and other applicable charges payable by the consumers opting for Open Access.

6.8.3 Further, the Hon'ble Commission in the Tariff Order dated 4th September 2021 has determined the CSS based on the Formula stipulated in the revised Tariff Policy notified by Ministry of Power on January 28, 2016, as reproduced below:

"S = T- [C/(1-L/100) + D+ R]
Where,
S is the surcharge
T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation
C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation
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…"

6.8.4 DPT has computed the CSS for HT Category, i.e., the category eligible for Open Access, in accordance with the above formula, for FY 2022-23, as shown in the following Table:

Table 6-7: Proposed CSS for FY 2022-23

Particulars	Amount
T - Tariff for HT Category	7.18
C - Wt. avg. power purchase cost	4.38

D - Wheeling Charges	1.77
L - Aggregate T&D Loss (%)	5%
S - Cross Subsidy Surcharge	**0.79**

6.8.5 **DPT requests the Hon'ble Commission to approve the Cross Subsidy Surcharge for HT category for FY 2022-23 as proposed in the Table above**.

7 PROPOSED TARIFF SCHEDULE FOR FY 2022-23

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

Effective from 1st April, 2022

GENERAL CONDITIONS

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Deendayal Port Trust.
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. The Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for the purpose for which the Distribution Licensee has permitted a lower tariff, 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 Order.
6. The various provisions of the GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P., or vice versa, will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges, based on contracted load or maximum demand, shall be done in multiples of 0.5 (one half) Horse Power or kilo Watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done for one 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 the billing period for any reason.

11. Contract Demand shall mean the maximum kW / kVA for the supply of which the Licensee undertakes to provide to the consumer from time to time.
12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / connected load for any billing period does not entitle the consumer to draw in excess of contract demand / connected load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and the Licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed Payment Charges for all consumers:
    - No Delayed Payment Charges shall be levied if the bill is paid within ten days from the date of billing (excluding the date of billing).
    - Delayed Payment Charges will be levied at the rate of 15% per annum for the period commencing 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.
16. Green Power Tariff
    - Green Power Tariff of Rs 0.50/ kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
    - All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
    - This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

PART- I

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

1. RATE: RGP

This tariff is applicable for supply of electricity to residential premises and pumping stations run by local authorities.

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

1.1. FIXED CHARGE PER MONTH

Range of Connected Load: (Other than BPL consumers)

(a)	Up to and including 2 kW	Rs. 10/- per month
(b)	Above 2 and up to 4 kW	Rs. 20/- per month
(c)	Above 4 and up to 6 kW	Rs. 30/- per month
(d)	Above 6 kW	Rs. 45/-per month

For BPL household consumers:

Fixed Charges	Rs. 5/- per month

PLUS

1.2. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

(For Other than BPL consumers)

(a)	First 50 units	530 Paise per Unit
(b)	Next 50 Units	580 Paise per Unit
(c)	Next 150 Units	655 Paise per Unit
(d)	Above 250 Units	755 Paise per Unit

1.3. ENERGY CHARGE: FOR THE TOTAL MONTHLY CONSUMPTION:

FOR THE CONSUMERS BELOW POVERTY LINE (BPL)**

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

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

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above.

2. RATE: NON-RGP

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

2.1. FIXED CHARGES PER MONTH

(a)	Up to & including 10 kW	Rs. 50/- per kW/month
(b)	Above 10 kW and up to 40 kW	Rs. 75/- per kW/month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

(a)	Up to & Including 10 kW	655 Paise per Unit
(b)	Above 10 and up to 40 kW	690 Paise per Unit

2.3. MINIMUM BILL (excluding meter charges)

Payment of fixed charges as specified in 2.1 above.

3. RATE: LTMD

This tariff is applicable to the services for the premises, which 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 consumers belonging to the category- 'Rate: Non-RGP', i.e., those who opt for being charged in place of 'Rate: Non-RGP' tariff.

3.1. FIXED CHARGE:

(a)	For billing demand up to Contract Demand		
	(i)	For first 40 kW of billing demand	Rs. 85/-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. 200/- per kW per month
(b)	For billing demand in excess of the Contract Demand		Rs. 250/- per kW per month

PLUS

3.2. ENERGY CHARGE:

For the entire consumption during the month	645 Paise per Unit

3.3. BILLING DEMAND

The billing demand shall be highest of the following and to be rounded to the next full kW:

a) Eighty-five percent of the Contract Demand
b) Actual maximum demand registered during the month
c) 15 kW

3.4. MINIMUM BILL

Fixed/Demand Charges every month based on the billing demand.

4. RATE- SL (Street Lights)

4.1 Tariff for Street Light for Local Authority and Industrial Estates:

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

4.2 ENERGY CHARGES:

For all the units consumed during the month	650 Paise per Unit

4.3 Minimum Charges:

The minimum energy charges for a consumer with more than 50 street lights within a village or an industrial estate, as the case may be, shall be equivalent to 2200 units per annum per kilo watt hour of the connected load during the year.

4.4 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamps, associated Fixture, connecting wire, disconnecting device, switch including time switch, etc., at his cost by the 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.

5. RATE- TMP (Temporary)

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

5.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

5.2 ENERGY CHARGE

For all units consumed during the month:	695 Paise per Unit

5.3 MINIMUM CHARGES

Fixed Charges would be as given in Para 5.1 above.

6. 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, LTMD, NON-RGP, etc., as the case may be.

6.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 25 per installation per month

6.2 ENERGY CHARGE

For all units consumed during the month:	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.

7. RATE- HTP-1

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above.

7.1 DEMAND CHARGES:

7.1.1. For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 125/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 250/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 335/- per kVA per month

7.1.2. For billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 425 per kVA per month

PLUS

7.1.3. ENERGY CHARGES

For all units consumed during the month:	560 Paise per Unit

PLUS

7.1.4. 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	50 Paise per unit
(b)	For billing demand above 500 kVA	90 Paise per Unit

7.2 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

7.3 MINIMUM BILLS:

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

7.4 POWER FACTOR ADJUSTMENT CHARGES:

7.4.1 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 7.2 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 7.2 of this schedule, will be charged.

7.4.2 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 7.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

7.5 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 15 minutes period of maximum use.

7.6 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.

7.7 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%

7.8 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 90 Paise per unit.

8. 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, as the case may be.

8.1 DEMAND CHARGE

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

8.2 ENERGY CHARGE

For all units consumed during the month:	400 Paise per Unit

8.3 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

8 COMPLIANCE OF DIRECTIVES

8.1 DIRECTIVES GIVEN IN THE TARIFF ORDER FOR FY 2020-21

Directive 1: Metering of consumers

Commission's Comment: The Commission has noted the timeline provided for completion of consumer metering by the Petitioner. The Commission directs the Petitioner to take up the metering work with the utmost urgency and submit a status report on consumer metering within 15 days from issuance of this Order.

DPT Reply: The status has been shared with the Hon'ble Commission. DPT has completed 100% Consumer Metering and 97% DPT own departmental metering. Only High Masts in the licence area are remaining to be metered as their maintenance is in process.

Directive 2: Assessment of Distribution Losses

Commission's Comment: The Commission directs the Petitioner to take up the metering work with the utmost urgency and directs the Petitioner to submit monthly reports from October 2020 regarding the Distribution Losses.

DPT Reply: The accurate assessment of Distribution Losses is dependent on completion of 100% metering. As stated earlier, DPT has achieved 100% Consumer Metering and 97% DPT own departmental metering. Once 100% metering is achieved, DPT will be in a position to assess the Distribution Losses more realistically, and shall submit the data for H2 of FY 2021-22 in the truing up Petition for the respective year.

Directive 3: Separation of Accounts of Distribution Business

Commission's Comment: The Commission has taken note of the compliance.

DPT Reply: Already complied. All Petitions are being filed on the basis of duly audited accounts of the licensed electricity distribution business.

Directive 4: Meter reading and billing

Commission's Comment: The Commission takes note of the compliance and directs the Petitioner to adhere to the timelines.

DPT Reply: DPT has completed 100% Consumer Metering and DPT is preparing their electricity bills as per the actual energy consumption.

Directive 5: Directive 5: Long-Term/Medium-Term PPA to optimize Power Procurement Cost as per the Guidelines for Procurement of Power by Distribution Licensees (Notification No. 2 of 2013)

Commission's Comment: The Commission takes note of the compliance made by the Petitioner and further directs them to optimize power purchase cost by availing various options.

DPT Reply: DPT has explored various power procurement options, and has succeeded in reducing the average power purchase cost to Rs. 4.20/kWh in FY 2020-21. Further, with the discontinuation of power purchase from PGVCL from October 2021, the average power purchase cost in FY 2022-23 is projected as Rs. 4.38/kWh, which is very reasonable given the present scenario.

8.2 DIRECTIVES GIVEN IN THE TARIFF ORDER FOR FY 2021-22

Directive 1: Implementation of Smart pre-payment meter/ pre-payment meters

Commission's Directive:- The Commission refers to the Electricity (Rights of Consumers) Rules, 2020 notified on 31st December 2020 and as per this Rule, no connection shall be given without a meter and such meter shall be the Smart pre-payment or pre-payment meter. Further Ministry of Power, Government of India has issued notification vide 17th August, 2021 setting out the timelines for replacement of existing meters with smart meters with prepayment features. The Petitioner is advised for necessary participation for the scheme which will help in improvement of metering, billing and collection. In view of the fact that the consumers consuming high energy contribute higher portion of revenue, the Petitioner is directed to initiate smart meter installation to the consumers in sequential manner starting with consumers having higher consumption followed by lower consumption.

DPT Reply: DPT has recently installed Single Phase/ Three Phase / HT Smart Meters at the respective consumer sites. After receiving the directive from the Hon'ble Commission, a site survey is being conducted for preparation of the technical specifications to install prepaid meters for the commercial consumers.

Directive 2: Charging Infrastructure for Electric Vehicles

Commission's Directive:- The Commission refers to the Discussion paper on Cross Cutting Themes for Charging Infrastructure for Electric Vehicles issued by Ministry of Power on 17th March 2021. The Petitioner is suggested to explore the possibility for creation of such infrastructure in its area and come up with separate capital expenditure plan by along with next Petition for Commission's approval.

DPT Reply: Currently, there is no presence of Electric Vehicles in the local area. At present, DPT is focusing on creating and strengthening the basic distribution infrastructure in its licenced area, and is inviting entrepreneurs to set up Electric Charging stations in the Licenced Area, rather than undertaking capital expenditure on its account.

Directive 3: Operation and Maintenance Expenses

Commission's Directive:- The Commission directs DPT to provide allocation principle adopted for segregation of O&M expenses related to power business from overall O&M expenses along with next Tariff Petition. The Commission also directs DPT to provide details of employee associated with power business and its cost allocation methodology along with next Tariff Petition.

DPT Reply: DPT has outsourced the operation & maintenance of the Electrical Network (66/11 kV and 11/0.44 kV) at inside and outside port area through 2 AMC's. The O&M expenses primarily comprise of expenses against the above 2 AMC's. Apart from this, DPT has hired D/R (Daily Rated) Workers to manage the maintenance work in the network area.

The salary paid to the employees associated with the power distribution business is detailed under Note No. 9 in the books of accounts. The salary is allocated as per the involvement of the employee in the port trade and distribution licensee businesses.

PTC India Ltd. has been engaged to conduct the work of Metering & Billing, and the cost incurred towards their services is recorded under O&M Expenses.

Directive 4: Submission of Asset Register

Commission's Directive:- The Commission directs DPT to submit asset register related to power business along with next tariff Petition.

DPT Reply: The Asset Register for DPT has been updated and is attached with the True-up Petition for FY 2020-21 and ARR Tariff Petition for FY 2022-23.

Directive 5: Adherence to GERC Security Deposit Regulations, 2005

Commission's Directive:- With reference to collection of security deposit from Consumers and payment of interest on the same, the Commission directs DPT to comply with provisions of GERC Security Deposit Regulations, 2005 and amendments therein.

DPT Reply: As regards to the Rules and Regulations of the Major Ports, DPT has taken Security Deposit in the form of Bank Guarantees from the 4 HT Consumers in the DPT's Licensed Area. For the permanent LT Connections (primarily residential connections) in the Licensed Area, DPT had released the Electricity Connections in the past without taking Security Deposits due to the poor economic health of the consumers.

The Security Deposit shown in the books of accounts at Note No. 6 is primarily collected from the temporary consumers who take connections for temporary work at the licensed area. The tenure of this connection is less than 11 months, therefore, no interest is paid to the consumers on account of Security Deposit. Accordingly, DPT has not been booking any expense against interest on Consumer Security Deposit, and has not claimed the same in the Truing up for FY 2020-21 and ARR and Tariff for FY 2022-23.

Directive 6: Submission of FPPPA details

Commission's Directive:- The Commission notes that DPT has not been submitting quarterly FPPPA details. The Commission takes serious note of the same and directs DPT to comply with Order in Case No. 1309/2013 and 1313/2013 issued vide dated 29.10.2013 issued by the Commission scrupulously and strictly.

DPT Reply: After the issue of the Tariff Order on 20th September, 2020 by the Hon'ble Commission, DPT has computed the PPCA (i.e. average power purchase cost) for Quarter 1, 2, 3 & 4 of FY 2020-21 and Quarter 1 of FY 2021-22, as the FPPPA Charges to be recovered from consumers. The same has also been submitted to the Hon'ble Commission.

Directive 7: Filing of Tariff Petition

Commission's Directive:- The Commission observed that DPT always files Tariff Petition after stipulated time. Therefore, the Petitioner is directed to file Tariff Petition in timely manner.

DPT Reply: The Petitioner has taken all efforts to submit the Petition on time, in order to streamline the process of audit of accounts and preparation and filing of the Petition. On account of COVID-19, the entities have been given additional time for getting the accounts of FY 2020-21 audited. While DPT is within these timelines, there has been a slight delay in filing the Petition. DPT has requested the Hon'ble Commission to condone the delay in filing of this Petition, which has been caused due to delay in preparation and audit of the Accounts for FY 2020-21.

DPT has been streamlining all its internal processes over time, and assures the Hon'ble Commission that henceforth, the Petitions shall be filed within the prescribed timelines.

9 PRAYERS

DPT prays to the Hon'ble Commission as under:

i. Condone the delay in filing of this Petition;
ii. To admit the Petition for True-up of FY 2020-21 and approval of ARR and Tariff for FY 2022-23 as per the provisions of GERC MYT Regulations 2016;
iii. To approve the truing up and Revenue (Gap)/Surplus for FY 2020-21 and recovery of the same through tariff of FY 2022-23, as proposed by DPT;
iv. To approve the ARR for FY 2022-23 and its recovery through revised tariff as proposed by DPT;
v. To approve Retail Supply Tariff for FY 2022-23 and the Tariff schedule, as proposed by DPT;
vi. To approve necessary reliefs sought by the Petitioner in the Petition;
vii. Condone any inadvertent omissions, errors, short comings and permit DPT to add/change/modify/alter this filing and make further submissions as may be required at a future date; and
viii. Pass such other and further Orders as deemed fit and proper in the facts and circumstances of the case.

Date: 22.12.2021

Yours faithfully,

Deepak Hazra
Executive Engineer (Electrical)
Deendayal Port Trust