

DEENDAYAL PORT TRUST

An ISO 9001:2008&ISO 14001: 2004 Certified Port



Office of Executive
Engineer (Electrical),
Ground Floor, P&C
Building,
New Kandla, Kutch
Tel: 02836 270 342

No. EL/AC/3193/19(02)/229

Date: 06/06/2019

To,
The Secretary,
Gujarat Electricity Regulatory Commission,
6th Floor, GIFT ONE,
Road 5C, Zone 5, GIFT City,
Gandhinagar – 382355, Gujarat

Dear Sir,

Sub: Submission of Multi-Year Tariff Petition for FY 2016-17 to FY 2020-21 & determination of tariff for FY 2019-20

In exercise of powers conferred under section 61 of the Electricity Act, 2003, the Hon'ble Commission has issued the MYT Regulations, 2016.

Accordingly, DPT is herewith submitting the Multi-Year Tariff Petition for FY 2016-17 to FY 2020-21 & determination of tariff for FY 2019-20 for consideration and approval of the Hon'ble Commission. The documents including formal Petition, formats and affidavit, verifying the Petition along with authorization, are enclosed herewith for kind consideration and approval of the Hon'ble Commission, please.

The Petitioner respectfully submits that it had already earlier submitted the Multi Year Tariff Petition along with requisite Petition Fees for FY 2016-17 to FY 2020-21. Thus, the Petitioner requests the Hon'ble Commission to consider the Petition Fees deposited earlier and kindly admit this Multi Year Tariff Petition for FY 2016-17 to FY 2020-21 for perusal and proceed further in the matter.

We would also request the Hon'ble Commission to kindly provide us an opportunity of personal hearing to further clarify/explain our submissions in the enclosed petition.

Thanking You,

Yours Faithfully,

अधिरासी अभियंता (विद्युत)
दीनदयाल पोर्ट ट्रस्ट
Executive Engineer (Elect.)
DEENDAYAL PORT TRUST
(D.K. HAZRA)
Executive Engineer (E)
DPT, Kandla
Enclosed: As above

GANDHIDHAM

- 4 JUN 2019

Declaration that the subject matter of the petition has not been raise 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.

Identified &
Explained by me

Deepak

Date: 06/06/2019

MS 56
(D.K. HAZRA)
Executive Engineer (E)
DPT, Kandla
अधिरासी अभियंता (विद्युत)
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Executive Engineer (Elect.)
DEENDAYAL PORT TRUST

Deepak Tragi
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Azi Pur - Kutch

sworn / Signed before me

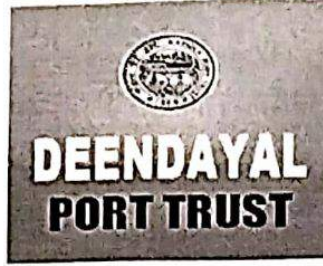
Sapna

(SAPNA B. DADLANI)
NOTARY - GOVT. OF INDIA
At.: GANDHIDHAM-KUTCH
Sr. No.: *6955* & 2019
Date: *04-06-2019*

- 4 JUN 2019



BEFORE THE GUJARAT ELECTRICITY REGULATORY
COMMISSION, GANDHINAGAR



CASE NO. _____

**FILING OF THE PETITION FOR DETERMINATION OF MULTI-YEAR
AGGREGATE REVENUE REQUIREMENT FOR
FY 2016-17 TO FY 2020-21
&
DETERMINATION OF TARIFF FOR FY 2019-20**

**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**

JUNE 2019

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ABBREVIATIONS

Sr. No.	Particulars	Acronym
1.	A&G	Administration & General Charges
2.	ARR	Aggregate Revenue Requirement
3.	DPT	Deendayal Port Trust
4.	EA, 2003	Electricity Act 2003
5.	FPPPA	Fuel and Power Purchase Price Adjustment
6.	FY	Financial Year
7.	GERC	Gujarat Electricity Regulatory Commission
8.	GERC MYT Regulations, 2016	GERC (Multi Year Tariff) Regulations, 2016
9.	GETCO	Gujarat Energy Transmission Corporation Limited
10.	GFA	Gross Fixed Assets
11.	GoG	Government of Gujarat
12.	GoI	Government of India
13.	GUVNL	Gujarat Urja Vikas Nigam Limited
14.	HT	High Tension
15.	HV	High Voltage
16.	IOCL	Indian Oil Corporation Ltd.
17.	KPT	Kandla Port Trust
18.	kV	Kilo Volt
19.	kVA	Kilo Volt Ampere
20.	kVAh	Kilo Volt Ampere Hour
21.	kW	Kilo Watt
22.	kWh	Kilo Watt Hour
23.	LT	Low Tension
24.	LU	Lakhs or Lacs Units (Lakhs or Lacs kWh)
25.	LV	Low Voltage
26.	MCLR	Marginal Cost of Funds based Lending Rate
27.	MMTPA	Million Metric Tonne Per Annum
28.	MVA	Mega Volt Ampere
29.	MW	Mega Watt
30.	MYT	Multi Year Tariff
31.	MYT Control Period	FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21
32.	O&M	Operation & Maintenance
33.	PGVCL	Paschim Gujarat Vij DPT Limited
34.	PPA	Power Purchase Agreement
35.	PX	Power Exchange
36.	R&M	Repair & Maintenance Cost
37.	RCC	Reinforced Cement Concrete
38.	RoE	Return On Equity
39.	SEZ	Special Economic Zone
40.	SIPC	Smart Industrial Port City
41.	SLDC	State Load Dispatch Centre
42.	T&D Loss	Transmission and Distribution Losses
43.	TO	Tariff Order
44.	UI	Unscheduled Interchange
45.	YoY	Year on Year

CHAPTER 1. INTRODUCTION

1.1. BACKGROUND

1.1.1 Deendayal Port Trust (DPT), erstwhile Kandla Port Trust (KPT), is one of the major ports of India under Government of India & Ministry of Shipping 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 since then retained the position for the 11th 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 that: *"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 license 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 to the enactment of the Electricity Act, 2003, DPT has become a deemed licensee under the Act and is required to file a 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 licensee area. The 66-kV power supply is fed through double circuit overhead transmission lines from 220 kV GETCO substation situated at Anjar, 34 kilometers 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 2.0 MW X 3 nos. i.e. 6.0 MW and started consuming power from the same from FY 2017-18.

1.1.7 As a distribution licensee, DPT receives 66 kV supply for various Port activities with contract demand with PGVCL of 4900 kVA, from 01st July 2014 to 31st March 2015. From 01st April 2015, DPT has further reduced its contract demand from 4900 kVA to 4100 kVA w.e.f. 01st April 2015 till 31st July 2018. DPT has further reduced its contract demand from 4100 kVA to 2500 kVA w.e.f. 01st August 2018 till present, as it

has started procuring the electricity from the 6.0 MW wind power plant as mentioned above. However, with formation of Smart Industrial Port City (SIPC), Kandla in near future, DPT is expecting an increase in demand and could increase its contract demand, as required, from existing 2.5 MVA with PGVCL in near future.

- 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 has issued the GERC (Multi Year Tariff) Regulations 2011 which was made effective from 1st April 2011 onwards.
- 1.1.10 Under section 62 of the Electricity Act, 2003 and under the MYT Regulations, 2011, DPT filed its first MYT petition for the control period from FY 2011-12 to FY 2016-17 and the MYT Order was issued by the Hon'ble Commission on 18th Aug. 2011. In the above order, the Hon'ble Commission had also approved the ARR for all the years i.e. FY 2011-12 to FY 2015-16.
- 1.1.11 As per the Regulation 17.2 (b) of the MYT Regulations, 2011 during the first year of the control period and onwards, the Distribution Licensee will have to file the petition for approval of the following:
- *Truing Up for previous year to be carried out under Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011*
 - *Revenue from sale of power at existing tariffs and charges for the ensuing year*
 - *Revenue gap for ensuing year calculated based on ARR approved in the Tariff Order or MYT Order and truing up for the previous year*
 - *Application for determination of tariff for the ensuing year*

- 1.1.12 As per the provisions stipulated in regulation 29.8 and 17.2 (b) of the MYT Regulations, 2011, DPT filed the petition for the truing up of FY 2011-12 and determination of tariff for FY 2013-14. The Hon'ble Commission in its Tariff order dated 20th May 2013 did not approve the truing up for FY 2011-12. The Hon'ble Commission had not approved the true up due to the annual accounts not being maintained separately for the Distribution business and non-submission of the audited accounts for FY 2011-12. Since the distribution business is under a regulated regime, DPT was directed to maintain separate accounts, duly audited by auditors, for electricity distribution business and develop balance sheet and profit and loss account, etc., for the distribution business and submit data relating to income and expenses from the separates accounts.
- 1.1.13 As per the provisions stipulated in regulation 29.8 and 17.2 (b), DPT had filed the petition for the truing up of FY 2012-13 and determination of tariff for FY 2014-15. The Hon'ble Commission in its Tariff order dated 29th May 2014 did not approve the truing up for FY 2012-13 in absence of separate audited accounts.
- 1.1.14 As per the provisions stipulated in regulation 29.8 and 17.2 (b), DPT had filed the petition for the truing up of FY 2013-14 and determination of tariff for FY 2015-16. The Hon'ble Commission in its Tariff order dated 23rd April 2015 did not approve the truing up for FY 2013-14 in absence of separate audited accounts.
- 1.1.15 As per the provisions stipulated in regulation 29.8 and 17.2 (b), DPT had filed the petition for the truing up of FY 2014-15 and determination of tariff for FY 2016-17. The Hon'ble Commission in its Tariff order dated 22nd June 2016 did not approve the true up for FY 2014-15 in absence of separate audited accounts.
- 1.1.16 The Hon'ble Commission had issued the GERC (Multi Year Tariff) Regulations 2016 which was made effective from 1st April 2016 onwards.
- 1.1.17 Under section 62 of the Electricity Act, 2003 and under the MYT Regulation, 2016 along with other guidelines and directions issued by the GERC from time to time, DPT is required to file a Petition for Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Tariff Petition for FY 2019-20 to the Hon'ble Commission. The relevant extracts of the MYT Regulations, 2016 are given in the following paragraphs.

Section - 3.1 of MYT Regulations, 2016:

"3.1 The Commission shall determine tariff within the Multi-Year Tariff framework, for all matters for which the Commission has jurisdiction under the Act, including in the following cases:

1. *Supply of electricity by a Generating DPT to a Distribution Licensee;*
.....
2. *Intra-State transmission of electricity;*
3. *SLDC Fees and Charges;*
4. *Intra-State Wheeling of electricity;*
5. *Retail sale of electricity." (Emphasis Added)*

Section 17 of the GERC MYT Regulations, 2016:

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

- a) *MYT Petition shall comprise of:*
 - i. *Truing up for FY 2015-16 to be carried out under Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011:*

Provided that Truing up for FY 2015-16 for SLDC shall be carried out under Gujarat Electricity Regulatory Commission (Levy and Collection of Fees and Charges by SLDC) Regulations, 2005;

- ii. *Multi-Year Aggregate Revenue Requirement for the entire Control Period with year-wise details;*
 - iii. *Revenue from the sale of power at existing tariffs and charges and projected revenue gap or revenue surplus, for the second year of the Control Period under these Regulations, viz., FY 2017-18;*
 - iv. *Application for determination of ARR for FY 2016-17 and determination of tariff for FY 2017-18.*
- 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 from the sale of power at existing tariffs and charges and projected revenue gap or revenue surplus, for the second year of the Control Period under these Regulations, viz., FY 2017-18;*
 - iv. *Application for determination of final ARR for FY 2016-17 and determination of tariff for FY 2017-18.*

1.1.18 DPT had filed the MYT petition for the period from FY 2016-17 to 2020-21 along with the truing up of FY 2015-16 and determination of tariff for FY 2017-18. The Hon'ble Commission in its Tariff order dated 30th June 2017 did not approve the true up for FY 2015-16 in absence of separate audited accounts as well as did not approve the MYT petition from FY 2016-17 to 2020-21 due to insufficient data and data gaps in MYT petition. GERC has suggested DPT to comply with the statutory requirements and re-submit the petition complete in all respect as per GERC MYT Regulations, 2011 and 2016.

1.2. SUBMISSION BY DPT TO THE HON'BLE COMMISSION

1.2.1 Considering the directives as provided by the Hon'ble Commission, DPT has prepared the separate accounts for its electricity distribution business and appointed an Auditor for its audit. The annual accounts from FY 2011-12 to FY 2017-18 have been prepared by DPT and further duly audited by the Auditor. DPT, in a separate Petition, has also submitted the True-up Petition for FY 2011-12 to FY 2015-16 to the Hon'ble Commission for approval. The methodology for preparation of separate accounts for electricity distribution business and audit of the same has been covered in next Chapter of this Petition.

1.2.2 Further, with compliance of the statutory requirement, DPT hereby files, this petition for Multi-Year ARR from FY 2016-17 to FY 2020-21 and determination of tariff for FY 2019-20 as per GERC MYT Regulations, 2016, to the Hon'ble Commission for approval. For the determination of Multi-Year ARR for FY 2016-17 to FY 2020-21, DPT has considered the actual values of FY 2016-17 & FY 2017-18 as per audited accounts and accordingly calculated the projected values for FY 2018-19, FY 2019-20 & FY 2020-21 as per GERC MYT Regulations, 2016.

CHAPTER 2, PREPARATION OF FINANCIAL STATEMENTS OF DPT'S POWER DISTRIBUTION BUSINESS

- 2.1 Power business being part of normal business of Deendayal Port Trust, ("the port"), that includes cargo handling with ship maintenance as major activities.
- 2.2 BASIS OF ACCOUNTING**
- 2.2.1 For the preparation of financial statements, specifically for the Power Distribution Business for the FY 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18, requires the management to make certain estimates for the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period;
- 2.2.2 The management believes that the estimates used in preparation of the financial statements are prudent and reasonable;
- 2.2.3 Parikh Mehta & Associates, Chartered Accountants, ("CA"), has been appointed by the Petitioner for auditing its financial statements for Power Distribution Business for F.Y 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18.
- 2.3 REVENUE RECOGNITION**
- 2.3.1 Revenue from sale of power:
- 2.3.1.1 The Petitioner is engaged in the business of electricity distribution in its port area, which is further segregated based on land demarcation as mentioned below:
- 2.3.1.1.1 Private area: Consists mainly of the place where most of the government and private offices as well as the markets, hotels and some residential colonies are there;
- 2.3.1.1.2 Inside Port area: Inside port area consists of the majorly DPT connections along with other commercial consumers;
- 2.3.1.1.3 Port Colony area: The port colony mainly consists of the DPT residential colonies.
- 2.3.1.2 In the port area approximately 64% of the meters are of electro-mechanical/analog category which are old, and accuracy is a concern. Further, these meters don't have the facility to record the maximum demand and are also not tamper free. Hence for these connections, the port is charging on average basis of the load requirements, measured with the help of technical experts.
- 2.3.1.3 Further, majority of the total number of meters were not in working condition (including either damaged, defective or their accuracy is doubtful);
- 2.3.1.4 The Petitioner is taking steps for installing the digital meters for connections as mentioned above. In this regard, procurement process has already been initiated by the Petitioner; tendering for procurement of meters is being done through a government portal (GEM) and Petitioner is expected to complete the meter installation process by end of this financial year, i.e. FY 2019-20.
- 2.3.1.5 For metered customers, revenue is recognized based on the bills raised to the consumers as per the approved tariff. The accounts had been verified by the Auditor appointed for auditing financial statements. For the electricity consumed under Port

Colony area and Inside Port area, revenue is derived based on allocated units based on load requirement and applicable tariff plan approved by the Hon'ble Commission.

2.3.2 Revenue from Other Income:

2.3.2.1 Interest on security deposits with PGVCL: Interest on security deposits with PGVCL is recognized on accrual basis and amount was verified by the Auditor with the records maintained by the port in the books accounts and duly cross checked with PGVCL invoice where credit is being given for the same.

2.3.2.2 Meter connection charges: Meter connection charges are recognized as revenue based on number of meters allocated to the customers during the year and amount charged from consumers as per the regulations/orders of the Hon'ble Commission. The Auditor appointed for auditing financial statements had verified the same with the records maintained by the port and duly cross checked with the security deposit received from the customers.

2.4 POWER PURCHASE

2.4.1 Total power purchase cost at 66 KV substation situated at the port is based on the power purchased from PGVCL and Wind Power;

2.4.2 The Auditor appointed for auditing financial statements had verified the invoices raised by PGVCL for power consumed, electricity duty, SLDC charges along with refund and UI charges wherever applicable.

2.5 SALARY AND WAGES

2.5.1 In the absence of the dedicated appointment of the employees for the business of electricity distribution activities, identification of employees is done considering the number of man hours put-in for the said business. Cost of the identified employees has been apportioned accordingly;

2.5.2 The Auditor appointed for auditing financial statements had verified the Form 16 of the relevant employees on a sample basis.

2.6 REPAIRS AND MAINTENANCE

2.6.1 Repairs and maintenance expenses are derived considering the proportion between expenditure and related assets;

2.6.2 The Auditor appointed for auditing financial statements had verified the invoices on a sample basis along with relevant contracts.

2.7 ADMINISTRATION AND GENERAL EXPENSES

2.7.1 Administration and General Expenses are derived based on relevance of the expenditure for the business of electricity distribution activities. It includes the miscellaneous expenditure, advertisement expenditure, consultant charges/ fees, license fees and Regulatory Commission charges;

2.7.2 The Auditor appointed for auditing financial statements had verified the relevant invoices on a sample basis.

2.8 DEPRECIATION

2.8.1 Depreciation is calculated based on the straight-line method as per the regulations of the Hon'ble Commission.

2.9 FIXED ASSETS

2.9.1 Fixed Assets represent investment in Fixed Assets as shown to the Hon'ble Commission in Multi-Year Tariff Petition filed in the year of 2011 in consultation with technical experts and addition to assets, if any, thereafter for electricity distribution business;

2.9.2 The Auditor appointed for auditing financial statements had physically verified the same on the test check basis along with representative from the port.

2.10 CURRENT ASSETS

2.10.1 Current assets represent security deposits with PGVCL for power purchase, accrued interest thereon and bills receivable from consumers;

2.10.2 The Auditor appointed for auditing financial statements had confirmed from PGVCL for the security deposits and the interest accrued on the same was verified from the invoice from PGVCL in which interest has been adjusted. Bills receivable were also verified by the Auditor from the receivable register being maintained at the port.

2.11 CURRENT LIABILITIES

2.11.1 Current liabilities represent security deposits collected from the consumers of electricity and power purchase bill payable for the month of March. The deposit register is being maintained by the port trust;

2.11.2 The Auditor appointed for auditing financial statements had verified the same.

2.12 RESERVES & SURPLUS

2.12.1 Reserves & Surplus included surplus or deficit from the electricity supply business activities and Deendayal Port Trust control account;

2.12.2 Surplus or deficit from the electricity supply activities represents surplus or deficit from income and expenditure account of the respective year;

2.12.3 Electricity business, not being a separate legal entity, all the income, expenses, assets and liabilities are routed through the account head namely "Deendayal Port Trust Control Account (Erstwhile KPT)" which represents contribution from or/ to electricity supply business.

CHAPTER 3. EXECUTIVE SUMMARY

3.1. BACKGROUND

1.1.1 This section highlights the summary of the DPT Multi-Year ARR Petition for FY 2016-17 to FY 2020-21 and determination of tariff for FY 2019-20. Since the distribution business is under a regulated regime, DPT is obligated to maintain separate accounts, duly audited by auditors, for electricity distribution business and develop balance sheet and profit and loss account, etc., for the distribution business and submit data relating to income and expenses from the separates accounts. Accordingly, DPT had appointed the auditor for the audit of accounts for electricity distribution business. The annual accounts from FY 2011-12 to FY 2017-18 have been duly audited by the auditor. Accordingly, DPT submits the petition for Multi-Year ARR from FY 2016-17 to FY 2020-21 and determination of tariff for FY 2019-20 to the Hon'ble Commission for approval.

1.1.2 The Hon'ble Commission in March 2016 came up with its Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 applicable from 1st April 2016. For determination of Multi-Year ARR, DPT has considered the actual values of FY 2016-17 & FY 2017-18 as per audited accounts and accordingly calculated the projected values for FY 2018-19, FY 2019-20 & FY 2020-21. Accordingly, the Aggregate Revenue Requirement for FY 2016-17 to FY 2020-21 as per GERC MYT Regulations, 2016 is projected as below:

TABLE 1 : MULTI-YEAR PROJECTED ARR FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actuals)	FY 2017-18 (Actuals)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Cost of Power Purchase	1387.83	1472.31	774.25	1205.83	1776.15
2	Operation & Maintenance Expenses	331.75	292.19	341.34	360.86	381.50
2.1	Employee Cost	193.34	176.17	186.24	196.90	208.16
2.2	Repair & Maintenance	106.32	112.79	119.24	126.06	133.27
2.3	Administration & General Charges	32.08	3.23	35.85	37.90	40.07
3	Depreciation	232.66	233.36	233.36	234.89	236.42
4	Interest & Finance Charges	187.04	148.29	120.56	106.04	87.74
5	Interest on Working Capital	5.81	5.18	3.90	10.03	14.27
6	Interest on security deposit	8.30	7.31	7.44	8.52	9.37
7	Sub-Total (1 to 6)	2,153.39	2,158.64	1,480.86	1,926.18	2,505.46
8	Return on Equity	189.42	189.98	189.98	191.20	192.42
9	Provision for Tax / Tax Paid	-	-	-	-	-
10	Total Expenditure (7 to 9)	2,342.81	2,348.62	1,670.84	2,117.38	2,697.88
11	Total Aggregate Revenue Requirement	2,342.81	2,348.62	1,670.84	2,117.38	2,697.88

1.1.3 DPT, humbly requests the Hon'ble Commission to approve Multi-Year ARR for the MYT control period from FY 2016-17 to FY 2020-21.

3.2. REVENUE GAP FOR FY 2016-17 AND FY 2017-18

3.2.1 The ARR for FY 2016-17 and FY 2017-18 based on the audited accounts is as follows:

TABLE 2: ARR FOR FY 2016-17 AND FY 2017-18

Sr. No.	Particulars	FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Cost of Power Purchase	1387.83	1472.31
2	Operation & Maintenance Expenses	331.75	292.19
2.1	Employee Cost	193.34	176.17
2.2	Repair & Maintenance	106.32	112.79
2.3	Administration & General Charges	32.08	3.23
3	Depreciation	232.66	233.36
4	Interest & Finance Charges	187.04	148.29
5	Interest on Working Capital	5.81	5.18
6	Interest on security deposit	8.30	7.31
7	Sub-Total (1 to 6)	2,153.39	2,158.64
8	Return on Equity	189.42	189.98
9	Provision for Tax / Tax Paid	-	-
10	Total Expenditure (7 to 9)	2,342.81	2,348.62
11	Total Aggregate Revenue Requirement	2,342.81	2,348.62

3.2.2 Based on the actuals as per the audited accounts, the total revenue of the DPT comprises of revenue from sale of power at existing tariff and other income for FY 2016-17 and FY 2017-18 is as shown below:

TABLE 3: TOTAL REVENUE FOR FY 2016-17 AND FY 2017-18

Sr. No.	Particulars	Rs in Lakhs	
		FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Revenue with Existing Tariff	984.71	1034.71
2	Other Income	24.94	21.59
3	Total Revenue	1,009.65	1056.30

3.2.3 Based on the above, the estimated revenue gap for FY 2016-17 and FY 2017-18 is as outlined in the table below:

TABLE 4: REVENUE GAP FOR FY 2016-17 AND FY 2017-18

Sr. No.	Particulars	Rs in Lakhs	
		FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Aggregate Revenue Requirement	2,342.81	2,348.62
2	Revenue Gap from True up	-	-
3	Total Aggregate Revenue Requirement	2,342.81	2,348.62
4	Revenue with Existing Tariff	984.71	1,034.71
5	Other Income	24.94	21.59
6	Total Revenue	1,009.65	1,056.30
7	Gap / (Surplus) (3 - 6)	1,333.16	1,292.32

3.2.4 The Hon'ble Commission is requested to approve the revenue gap for FY 2016-17 and FY 2017-18 and provide Petitioner appropriate measure/ relief.

3.3. PROJECTED REVENUE GAP FOR FY 2019-20 AT EXISTING TARIFF

3.3.1 The projected ARR for FY 2019-20 is as follows:

TABLE 5 : PROJECTED ARR FOR FY 2019-20

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Cost of Power Purchase	1205.83
2	Operation & Maintenance Expenses	360.86
2.1	Employee Cost	196.90
2.2	Repair & Maintenance	126.06
2.3	Administration & General Charges	37.90
3	Depreciation	234.89
4	Interest & Finance Charges	106.04
5	Interest on Working Capital	10.03
6	Interest on security deposit	8.52
7	Sub-Total [1 to 7]	1,926.18
8	Return on Equity	191.20
9	Provision for Tax / Tax Paid	-
10	Total Expenditure (8 to 10)	2,117.38
11	Total Aggregate Revenue Requirement	2,117.38

3.3.2 The sales projections for FY 2019-20 are shown in the table below:

TABLE 6: PROJECTED SALES (LUS) FOR FY 2019-20

Sr. No.	Category	FY 2019-20 (Projected)
1	RGP	5.43
2	NRGP	23.62
3	LTMD	27.63
4	Streetlights	15.94
5	Temporary	4.17
6	HT	152.70
	TOTAL	229.48

3.3.3 Based on projected sales & existing retail tariff, revenue from sale of power works out to Rs. 1,736.83 lakhs for FY 2019-20. The consumer category wise revenue for FY 2019-20 estimated by DPT is as given in the following table:

TABLE 7: REVENUE AT EXISTING TARIFF FOR FY 2019-20

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	RGP	46.25
2	NRGP	135.68
3	LTMD	161.37
4	Streetlights	76.50
5	Temporary	46.45
6	HT	1,270.58
	TOTAL	1,736.83

3.3.4 DPT is presently imposing Fuel Power Purchase Price Adjustment (FPPPA) charges as 0.89 paise per unit as approved by the Hon'ble Commission. Considering the same, revenue from FPPPA charges comes out to be Rs. 204.24 lakhs.

3.3.5 The revenue from Other Income for DPT includes revenue from interest on security deposit with PGVCL and meter connection charges. The break-up for FY 2019-20 is as follows:

TABLE 8: OTHER INCOME FOR FY 2019-20

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Other Income	21.59

3.3.6 Based on the above projections, the total revenue of the DPT comprises of revenue from sale of power at existing tariff, revenue from FPPPA charges and other income for FY 2019-20 is as shown below:

TABLE 9: TOTAL REVENUE FOR FY 2019-20 AT EXISTING TARIFF

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Revenue with Existing Tariff	1,736.83
2	Revenue from FPPPA Charges	204.24
3	Other Income (Consumer related)	21.59
4	Total Revenue	1,962.66

3.3.7 Based on the above, the estimated revenue gap for FY 2019-20 at existing tariff is as outlined in the table below:

TABLE 10: ESTIMATED REVENUE GAP FOR FY 2019-20 AT EXISTING TARIFF

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Aggregate Revenue Requirement	2,117.38
2	Total Revenue	1962.66
3	Gap / (Surplus) (3 - 6)	154.72

3.4. PROJECTED REVENUE GAP FOR FY 2019-20 AT TARIFF AT PAR WITH PGVCL

- 3.4.1 With the development of Smart Industrial Port City (SIPC), Kandla, and expected increase in operational load and acquisition of HT consumers in operational area in near future, DPT is expected to facilitate higher sales in coming years. For this reason, DPT wishes to be at par, with respect to electricity tariff, to be competitive with Paschim Gujarat Vij Company Ltd. (PGVCL);
- 3.4.2 With this objective, the Petitioner has also computed the revenue gap, considering DPT's tariffs at par with those approved of PGVCL and have submitted the same to the Hon'ble Commission for its perusal;
- 3.4.3 The ARR of FY 2019-20 of Rs. 2,117.28 lakhs have been considered same as earlier provided in Clause 3.3.
- 3.4.4 Based on projected sales & retail tariff, considering same as equivalent with PGVCL (sum of existing retail tariffs and FPPPA charges¹), revenue from sale of power works out to Rs. 1,955.02 lakhs for FY 2019-20:

¹ FPPPA Charges has been considered as average approved FPPPA charges of PGVCL for FY 2018-19

TABLE 11: REVENUE AT TARIFF AT PAR WITH PGVCL FOR FY 2019-20

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	RGP	54.83
2	NRGP	160.94
3	LTMD	186.50
4	Streetlights	94.11
5	Temporary	48.76
6	HT	1409.89
	TOTAL	1955.02

3.4.5 The revenue from Other Income for DPT includes revenue from interest on security deposit with PGVCL and meter connection charges. The break-up for FY 2019-20 is as follows:

TABLE 12: OTHER INCOME FOR FY 2019-20

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Other Income	21.59

3.4.6 Based on the above projections, the total revenue of the DPT (considering the Tariff at par with PGVCL) for FY 2019-20 is as shown below:

TABLE 13: TOTAL REVENUE FOR FY 2019-20 AT TARIFF AT PAR WITH PGVCL

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Revenue with Tariff (equivalent with that of PGVCL)	1,955.02
2	Other Income (Consumer related)	21.59
3	Total Revenue	1,976.61

3.4.7 Based on the above, the estimated revenue gap for FY 2019-20 at tariff, equivalent with that of PGVCL, is as outlined in the table below:

TABLE 14: ESTIMATED REVENUE GAP FOR FY 2019-20 AT TARIFF AT PAR WITH PGVCL

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Aggregate Revenue Requirement	2,117.38
6	Total Revenue	1976.61
7	Gap / (Surplus) (3 - 6)	142.78

3.4.8 The estimated revenue gap is lesser, considering Tariff at par with PGVCL, if compared with the revenue gap at existing tariff as computed under Clause 3.3.7.

3.4.9 Considering the submission made above, the Petitioner proposes to revise its existing Tariff and make it equivalent to PGVCL's tariff and requests the Hon'ble Commission to approve the same.

3.4.10 The Petitioner further proposes to undertake various performance and efficiency improvement measures, with incurring adequate capital expenditure, to meet the revenue gap at proposed tariff, as mentioned in Clause 3.4.7, and any corrections in the same considering actual revenue and expenses shall be brought under the True-up of FY 2019-20. The Petitioner shall further make its efforts for optimising the tariffs for all consumer categories.

3.4.11 The Petitioner also proposes to introduce the BPL category in the tariff structure. There are some BPL consumers in the Petitioner's operational area and Petitioner proposes to serve them the electricity supply under this proposed category. At present, without an assessment of number of consumers of this consumer category, estimated sales and revenue, the Petitioner proposes to consider the tariff rates, for this consumer category, equivalent with those of PGVCL's tariff for FY 2019-20.

3.4.12 As also submitted above, the Petitioner is expecting to facilitate higher amount of electricity sales considering the development of SIPC, increase in operational load and acquisition of bulk HT consumers. In the proposed scenario and in order to be competitive, the Petitioner also proposes to offer rebates to some consumer categories in order to maximise its revenue. The same is being proposed under Regulation 94.4 of MYT Regulations, 2016.

3.5. PROPOSED CHANGES IN THE TARIFF STRUCTURE FOR FY 2019-20

3.5.1 In order to meet the revenue gap at existing tariff for FY 2019-20, the following are proposed by the Petitioner:

- Increase in the fixed charges and bringing them at par with the PGVCL tariff for FY 2019-20;
- Removal of FPPPA charges for DPT;
- Increase in energy charges and bringing them at par with combined PGVCL tariff and FPPPA charges for FY 2019-20;
- Introduction of BPL category in the tariff structure. The tariff rates are proposed as per the PGVCL tariff for FY 2019-20;
- Removal of Time of Day (ToD) Charges and concession provided during night hours

3.5.2 As also mentioned earlier, the Petitioner also proposes to undertake various performance and efficiency improvement measures, with incurring adequate capital expenditure, to meet the revenue gap with proposed tariff, as mentioned in Clause 3.4.7.

3.5.3 It may kindly be noted that the Petitioner's tariff was last increased in the June 2016 and considering the rise in the overall expenses and inflationary measures, the Hon'ble Commission is requested to approve the same.

CHAPTER 4. DETERMINATION OF MULTI-YEAR ARR **PROJECTIONS FROM FY 2016-17 TO FY 2020-21**

4.1. PREAMBLE

4.1.1 The Hon'ble Commission in March 2016 came up with its Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 applicable from 1st April 2016.

4.1.2 This section outlines the MYT petition of DPT as per the GERC MYT Regulations, 2016 for the control period from FY 2016-17 to 2020-21. For determination of Multi-Year ARR, DPT has consider the actual values of FY 2016-17 & FY 2017-18 as per audited accounts and accordingly calculated the projected values for FY 2018-19, FY 2019-20 & FY 2020-21 as per GERC MYT Regulations, 2016. It covers the following projections:

- Sales, Number of Consumers and Connected load
- Energy requirement and Energy balance
- Power purchase cost
- Operations & Maintenance
- Depreciation
- Interest and Finance Charges
- Interest on Working Capital
- Interest on Security Deposit
- Return on Equity
- Multi-Year Aggregate Revenue Requirement from FY 2016-17 to 2020-21

4.2. PROJECTION OF ENERGY REQUIREMENT FOR FY 2016-17 TO FY 2020-21

4.2.1. Approach for Sales Projection

The Petitioner has estimated the no. of consumers, connected load and sales for various consumer categories primarily based on the CAGR trends during past years. Wherever the trend has seemed unreasonable or unsustainable, the growth factors have been adjusted to arrive at more realistic projections.

For FY 2016-17 and FY 2017-18, the actual sales, no. of consumers and connected load are considered as per the audited accounts. The Petitioner has also considered the actual numbers for sales, number of consumers and connected load for FY 2018-19 (till December) i.e. for 9 months and same was pro-rated to 12 months. The base year of FY 2018-19 was considered for projections to establish realistic scenario for projection of sales, no. of consumers and connected load in DPT distribution area.

4.2.2. Category-wise Units Sold

The break-up of the past sales and the CAGR growth rates for different periods (5 years, 4-year, 3-year, 2 year and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2013-14 to FY 2018-19, the 4-year period FY 2014-15 to FY 2018-19, the 3-year period FY 2015-16 to FY 2018-19, and the 2-year period FY 2016-17 to FY 2018-19, along with the y-o-y growth rate of FY 2017-18 over FY 2018-19, as summarised in the table below:

Also, as could be seen in the table below, the sales from street light category has been regularised and commenced from FY 2018-19. As could be seen in table below, no separate sales figures have been provided for Street Lights, due to absence of separate feeders and meters for the same. Though the same were in operations, they were being fed through common feeders of other categories like NRGP, LTMD, etc. and hence their sales figures are clubbed with these consumer categories only. However, the Petitioner has conducted a load-survey in FY 2018-19, with the help of technical experts, for assessing connected load and has started recording sales figures for Street Lights from FY 2018-19 onwards.

TABLE 15 : HISTORICAL TREND IN CATEGORY-WISE UNITS SOLD (LUs)

Sr. No.	Category	FY 13-14 (Actual)	FY 14-15 (Actual)	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Pro-rata)
1	RGP	7.81	7.12	6.44	5.73	5.21	5.77
2	NRGP	18.02	16.78	16.26	18.90	18.50	22.58
3	LTMD	36.01	31.73	26.79	32.11	45.58	26.31
4	Streetlights	-	-	-	-	-	15.18
5	Temporary	13.96	10.75	8.58	7.33	6.26	5.10
6	HT	42.25	43.67	54.10	52.35	53.03	55.20
7	Total	118.05	110.05	112.17	116.42	128.58	130.14

TABLE 16 : CATEGORY-WISE CAGR OF UNITS SOLD (LUs)

Sr. No.	Category	5 year	4 year	3 year	2 year	1 year
1	RGP	-5.88%	-5.13%	-3.61%	0.33%	10.71%
2	NRGP	4.61%	7.70%	11.56%	9.29%	22.03%
3	LTMD	-6.08%	-4.57%	-0.60%	-9.48%	-42.28%
4	Streetlights					
5	Temporary	-18.23%	-16.99%	-15.90%	-16.56%	-18.48%
6	HT	5.49%	6.03%	0.67%	2.69%	4.10%

4.2.3. Consumer Profile

The break-up of the category-wise number of consumers and the CAGR growth rates for different periods (5 years, 4-year, 3-year, 2 year and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2013-14 to FY 2018-19, the 4-year period FY 2014-15 to FY 2018-19, the 3-year period FY 2015-16 to FY 2018-19, and the 2-year period FY 2016-17 to FY 2018-19, along with the y-o-y growth rate of FY 2017-18 over FY 2018-19, as summarised in the table below:

TABLE 17 : HISTORICAL TREND IN CATEGORY-WISE NO. OF CONSUMERS

Sr. No.	Category	FY 13-14 (Actual)	FY 14-15 (Actual)	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Pro-rata)
1	RGP	1193	1160	960	931	730	551
2	NRGP	226	223	213	203	201	211
3	LTMD	23	23	23	23	23	14
4	Streetlights						15
5	Temporary	109	101	92	92	88	71
6	HT	7	7	8	8	8	8
7	Total	1558	1514	1296	1257	1050	870

TABLE 18 : CAGR OF NO. OF CONSUMERS

Sr. No.	Category	5 year	4 year	3 year	2 year	1 year
1	RGP	-14.32%	-16.98%	-16.90%	-23.07%	-24.52%
2	NRGP	-1.36%	-1.37%	-0.31%	1.95%	4.98%
3	LTMD	-9.45%	-11.67%	-15.25%	-21.98%	-39.13%
4	Streetlights					
5	Temporary	-8.22%	-8.43%	-8.27%	-12.15%	-19.32%
6	HT	2.71%	3.39%	0.00%	0.00%	0.00%

4.2.4. Connected Load Profile:

The break-up of the category-wise connected load profile and the CAGR growth rates for different periods (5 years, 4-year, 3-year, 2 year and year on year) are as follows:

TABLE 19 : HISTORICAL TREND IN CATEGORY-WISE CONNECTED LOAD (KW)

Sr. No.	Category	FY 13-14 (Actual)	FY 14-15 (Actual)	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Pro-rata)
1	RGP	2,386	2,320	1,920	1,862	1,460	1,102
2	NRGP	1,410	1,399	1,361	1,317	1,309	1,389
3	LTMD	1,608	1,608	1,608	1,608	1,608	1,154
4	Streetlights						850
5	Temporary	556	706	593	577	560	418
6	HT	5,652	5,652	5,952	5,952	5,952	5,952
7	Total	11,612	11,685	11,434	11,316	10,889	10,865

TABLE 20 : CAGR OF CONNECTED LOAD (KW)

Sr. No.	Category	5 year	4 year	3 year	2 year	1 year
1	RGP	-14.32%	-16.98%	-16.90%	-23.07%	-24.52%
2	NRGP	-0.30%	-0.18%	0.68%	2.70%	6.09%
3	LTMD	-6.42%	-7.96%	-10.47%	-15.29%	-28.23%
4	Streetlights					
5	Temporary	-5.55%	-12.28%	-11.00%	-14.89%	-25.36%
6	HT	1.04%	1.30%	0.00%	0.00%	0.00%

4.2.5. Category-wise Growth Projections for FY 2018-19 to 2020-21

RGP- Residential

DPT has witnessed a reduction in the units sold in last five years in this category. The reduction is primarily due to shifting of residential consumers from DPT distribution area. The CAGR growth rate between FY 2013-14 and FY 2018-19 was -5.88%. The Petitioner expects this trend to continue for the control period and accordingly has made the projections.

The number of consumers added in the category has witnessed a CAGR of -14.32% between FY 2013-14 and FY 2018-19. The Petitioner expects this trend to continue going forward and accordingly has made the projections.

The connected load added in the category has witnessed a CAGR of -14.32% between FY 2013-14 and FY 2018-19. The Petitioner expects this trend to continue going forward and accordingly has made the projections.

Non-RGP

For the purpose of projection of units sold, 5-year CAGR between FY 2013-14 and FY 2018-19 has been considered i.e. 4.61%. The Petitioner expects this trend to continue for the control period and accordingly has made the projections.

In FY 2018-19, some consumers from LTMD category have been shifted to NRGP category after conducting the survey across the DPT distribution area. The number of consumers added in the NRGP category has witnessed a 1-year CAGR of 4.98% between FY 2017-18 and FY 2018-19. The Petitioner expects this trend to continue going forward and accordingly has made the projections.

The connected load added in the NRGP category has witnessed a 1-year CAGR of 6.09% between FY 2017-18 and FY 2018-19. The Petitioner expects this trend may be continuously going forward and accordingly has made the projections.

LTMD

The category has observed a constant variation in sales in last five years. In addition, nine consumers from LTMD category have been shifted to NRGP category after carrying out the survey across the DPT distribution area in FY 2018-19. There are six LTMD consumers who have been shifted to HT category in FY 2019-20. The growth rate for the projection of sales in the category is considered as 5.00%, which is the subjective rate by factoring the shifting of consumers from LTMD category. The Petitioner expects this trend to continue going forward in the control period and accordingly has made the projections.

Similarly, the total number of consumers which were 23 in FY 17-18, got reduced to 14 in FY 2018-19 and to 8 in FY 2019-20 & FY 2020-21, due to shifting of some consumers to NRGP and HT categories.

Accordingly, the connected load which was 1608 kW in FY 17-18, got reduced to 1154 kW in FY 2018-19 and to 563 kW in FY 2019-20 & FY 2020-21, due to shifting of some consumers to NRGP and HT categories.

Streetlight

As mentioned earlier in this Petition, the sales from this category has been regularised from FY 2018-19. Due to the absence of past trends, a nominal subjective rate of 5% is consider for sales in street light category. The Petitioner expects this trend to continue during the control period and accordingly has made the projections.

The nominal subjective rate of 5% is considered for number of consumers in street light category. The Petitioner expects this trend to continue during the control period and accordingly has made the projections.

The nominal subjective rate of 5% is considered for connected load in street light category. The Petitioner expects this trend to continue during the control period and accordingly has made the projections.

Temporary

It has been observed that there is a continuous variation in sales due to inconsistent nature of temporary supply. The Petitioner has witnessed a reduction in the units sold in the last five years in this category. The CAGR growth rate between FY 2013-14 and FY 2018-19 was -18.23%. The Petitioner expects this trend to continue for the control period and accordingly has made the projections.

The number of consumers in the category has witnessed a CAGR of -8.22% between FY 2013-14 and FY 2018-19. The Petitioner expects this trend to continue going forward and accordingly has made the projections.

The connected load added in the category has witnessed a CAGR of -5.55% between FY 2013-14 and FY 2018-19. The Petitioner expects this trend to continue going forward and accordingly has made the projections.

Industrial HT

The Petitioner expects the introduction of a new HT consumer (3 MW) from October 2019 and further shifting of six LTMD consumers to HT category will facilitate increase in the sales. For the purpose of projection of units sold, due to the above changes, a subjective rate of 10.00% has been considered. The Petitioner expects this trend to continue for the control period and accordingly has made the projections.

Similarly, the total number of consumers which were 8 in FY 2017-18 and FY 2018-19, will increase to 15 in FY 2019-20 and FY 2020-21, due to shifting of six consumers from LTMD category to HT and addition of new HT consumer.

Accordingly, the connected load which was 5952 kW in FY 2017-18 and FY 2018-19, will increase to 11,462 kW in FY 2019-20 and FY 2020-21 due to shifting of six consumers from LTMD category to HT and addition of new HT consumer.

TABLE 21 : GROWTH RATE FOR SALES, CONSUMERS AND CONNECTED LOAD

Sr. No.	Category	Sales	Consumers	Connected Load
1	RGP	-5.88%	-14.32%	-14.32%
2	NRGP	4.61%	4.98%	6.09%
3	LTMD	5.00%	As provided in description above	
4	Streetlights	5.00%	5.00%	5.00%
5	Temporary	-18.23%	-8.22%	-5.55%
6	HT	10.00%	2.71%	As provided in description above

The estimated Sales, No. of consumers and connected load based on the above growth rates are projected in the table below:

TABLE 22 : PROJECTION OF SALES (LUS)

Sr. No.	Category	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	RGP	5.73	5.21	5.77	5.43	5.11
2	NRGP	18.90	18.50	22.58	23.62	24.71
3	LTMD	32.11	45.58	26.31	27.63	29.01
4	Streetlights	-	-	15.18	15.94	16.73
5	Temporary	7.33	6.26	5.10	4.17	3.41
6	HT	52.35	53.03	55.20	152.70	250.76
	TOTAL	116.42	128.58	130.14	229.48	329.72

TABLE 23 : PROJECTION OF NO. OF CONSUMERS

Sr. No.	Category	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	RGP	931	730	551	472	404
2	NRGP	203	201	211	221	232
3	LTMD	23	23	14	8	8
4	Streetlights	-	-	15	16	17
5	Temporary	92	88	71	65	60
6	HT	8	8	8	15	15
	TOTAL	1,257	1,050	870	797	736

TABLE 24 : PROJECTION OF CONNECTED LOAD (KW)

Sr. No.	Category	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Actual)	FY 2019-20 (Actual)	FY 2020-21 (Actual)
1	RGP	1,862	1,460	1,102	944	809
2	NRGP	1,317	1,309	1,389	1,474	1,563
3	LTMD	1,608	1,608	1,154	563	563
4	Streetlights			850	893	937
5	Temporary	577	560	418	395	373
6	HT	5,952	5,952	5,952	11,462	11,462
	TOTAL	11,316	10,889	10,865	15,730	15,707

4.3. DISTRIBUTION LOSSES

4.3.1 As also mentioned in Chapter-2 of this Petition, most of the total number of meters are not in working condition (including either damaged, defective or accuracy is a concern). Thus, computation of actual distribution losses is not feasible; for the purpose of this Petition, the Petitioner, considering its operational area, consumer categories and load survey conducted has considered a distribution loss level of 5% for the year's FY 2011-12 to FY 2015-16.

4.3.2 Further, the Petitioner is also taking steps for providing 100% metering to all consumers in its area of supply and in this regard, procurement process has already been initiated; tendering for procurement of meters is being done through a government portal (GEM) and Petitioner is expected to complete the meter installation process by end of this financial year, i.e. FY 2019-20.

TABLE 25 : DISTRIBUTION LOSSES FROM FY 2016-17 TO FY 2020-21

Particulars	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
Distribution Loss (%)	5%	5%	5%	5%	5%

4.3.3 Considering the submissions as made above and the fact that the Petitioner is taking steps for providing 100% metering to all its consumers, the Hon'ble Commission is requested to approve the considered distribution losses.

4.4. ENERGY BALANCE ENERGY REQUIREMENT PROJECTION FOR DPT

4.4.1 To arrive at the total energy requirement, the total sales in LUs as projected above has been grossed up by factoring in distribution losses. The distribution losses are taken as per the projections above. Based on the information provided above, Energy Balance of the DPT for the control period FY 2016-17 to 2020-21 is as shown below:

TABLE 26 : ENERGY BALANCE FOR FY 2016-17 TO FY 2020-21 (LUS)

Sr. No.	Particulars	Unit	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Energy Sales	LUs	116.42	128.58	130.14	229.48	329.72
2	Distribution Losses	LUs	5.82	6.43	6.51	11.47	16.49
		%	5%	5%	5%	5%	5%
3	Total Energy Requirement	LUs	122.24	135.01	136.65	240.96	346.21

4.5. ESTIMATION OF ARR FOR CONTROL PERIOD FY 2016-17 TO FY 2020-21

The components for the calculation of total expenses for the MYT petition under the control period FY 2016-17 to 2020-21 are as follow:

- Power Purchase Cost
- Operation & Maintenance Cost
- Interest on Loan and Financial Charges
- Interest on Working Capital
- Interest on Security Deposit
- Return on Equity

4.6. POWER PURCHASE COST PROJECTIONS FOR CONTROL PERIOD FOR FY 2016-17 TO FY 2020-21

4.6.1. Power Purchase Sources

As a distribution licensee, DPT receives 66 kV supply for various Port activities with a contract demand with PGVCL of 2.5 MVA. DPT's Electrical Division also receives power supply from Wind power plant, of DPT's Port Division, with installed capacity of 6 MW. DPT has started procuring supply from FY 2017-18 from Wind power plant. In addition, DPT is also planning to source power, from FY 2019-20, through Power exchange.

4.6.2. Methodology for Forecasting Power Purchase Cost from FY 2016-17 to FY 2020-21

For FY 2016-17 and FY 2017-18, the actual power purchase cost is considered as per the audited accounts. In order to optimise the power purchase cost, the total energy requirement from FY 2018-19 to FY 2020-21 is projected to be primarily fulfilled by wind power plant of 6 MW. The balance energy requirement is projected to be procured from Power exchange and PGVCL in the ratio of 95% and 5%. DPT has appointed Consultant. They are providing support to manage the day-to-day scheduling and power purchase management in addition to other activities which will help DPT to schedule power as per its requirements. This is also helping DPT to manage the gap between supply & demand and efficient power portfolio management through the power being purchased from the Power Exchange and PGVCL.

4.6.3. Power purchase from Wind Power Plant:

DPT's Project Division has commissioned the wind power project with a capacity of 6 MW and DPT's Electrical Division started consuming power from the same in FY 2017-18. In FY 2017-18, DPT used to procure the power from wind power project at the rate of Rs. 4.2/kWh. Considering the recent development on reduction in prices of wind power, the purchase prices were reviewed again, and prices were reduced to Rs. 3.2/kWh with effect from 01st April 2018 onwards. The same has been considered for projections as well. In 2017-18, the energy generated from wind power plant was 103.76 LU at a CUF of 19.74%. The power purchase projections from the wind power plant from FY 2016-17 to FY 2020-21 are as follows:

- **FY 2016-17:** The actual power purchase cost from wind power plant as per audited account is nil, since the procurement started from FY 2017-18 only.
- **FY 2017-18:** The actual power purchase cost from wind power plant as per audited account is Rs. 435.81 lakhs.

- **FY 2018-19:** In order to optimise the power purchase cost, the total energy requirement for FY 2018-19 is primarily fulfilled by wind power plant of 6 MW at 103.76 LUs with CUF of 19.74%. Considering the GETCO approved transmission charges of 3.85%, the actual power purchase from wind power plant comes to 99.77 LUs. As per the projection for FY 2018-19, the power purchase cost from wind power is Rs. 332.04 lakhs.
- **FY 2019-20:** In order to optimise the power purchase cost, the total energy requirement for FY 2019-20 will be primarily fulfilled by wind power plant of 6 MW at 152.42 LUs with CUF of 29.00%. Considering the GETCO approved transmission charges of 3.85%, the actual power purchase from wind power plant comes to 146.56 LUs. As per the projection for FY 2019-20, the power purchase cost from wind power is Rs. 487.76 lakhs. The CUF of the wind power plant has been increased considering the expected increase in sales from the HT consumers.
- **FY 2020-21:** In order to optimise the power purchase cost, the total energy requirement for FY 2020-21 will be primarily fulfilled by wind power plant of 6 MW at 152.42 LUs with CUF of 29.00%. Considering the GETCO approved transmission charges of 3.85%, the actual power purchase from wind power plant comes to 146.56 LUs. As per the projection for FY 2020-21, the power purchase cost from wind power is Rs. 487.76 lakhs. The CUF of the wind power plant has been increased considering the expected increase in sales from the HT consumers.

4.6.4. Power purchase from Power Exchange (PX):

DPT is planning to meet additional power requirement to procure power from power exchange to optimise its total power purchase cost. DPT has considered power purchase from power exchange from FY 2019-20 onwards as follows:

- **FY 2016-17:** The actual power purchase from PX as per audited account is nil.
- **FY 2017-18:** The actual power purchase from PX as per audited account is nil.
- **FY 2018-19:** The power purchase projections from PX is nil.
- **FY 2019-20:** As mentioned above, that in order to optimise the power purchase cost, the total energy requirement is projected to be primarily fulfilled by wind power plant of 6 MW. The balance energy requirement is projected to be procured from Power exchange and PGVCL in the ratio of 95% and 5%. As per the projection for FY 2019-20, 95% of the net energy requirement after deducting the power purchase units from wind power plant amounts to 89.68 LUs. Considering the PoC losses at 1.47% as per the Gujarat Withdrawal losses and approved GETCO losses at 3.85%, the net power purchase units from PX comes at 94.40 LUs and cost from PX is projected to be Rs. 405.28 lakhs. The landed cost is calculated by taking the IEX price² (W2 region) of FY 2017-18 at Rs. 3.237/kWh and escalated 2.5% Y-o-Y to arrive at Rs. 3.40/kWh for FY 2019-20. The actual IEX price (W2) region of FY 2018-19 has not been considered for escalation purposes as the same were observed to be abnormally high, considering the historical trends and prevailing prices at Power Exchanges. Open Access charges equivalent to Rs. 0.8922/kWh for FY 2019-20 has been added to the above to arrive at the landed cost from PX for FY 2019-20 at Rs. 4.29/kWh.
- **FY 2020-21:** As mentioned above, that in order to optimise the power purchase cost, the total energy requirement is projected to be primarily fulfilled by wind power plant of 6 MW. The balance energy requirement is projected to be procured from Power exchange and PGVCL in the ratio of 95% and 5%. As per the projection for FY 2020-21, 95% of the net energy requirement after deducting the power purchase units from wind power plant amounts to 189.67 LUs. Considering the PoC losses at 1.47% as per the Gujarat Withdrawal losses and approved

² Market Clearing Price
DEENDAYAL PORT TRUST

GETCO losses at 3.85%, the net power purchase units from PX comes at 199.66 LUs and cost from PX is projected to be Rs. 857.14 lakhs. The landed cost of PX is same as FY 2019-20 i.e. Rs. 4.29/kWh.

4.6.5. Power purchase from PGVCL:

DPT receives 66 kV supply for various Port activities. DPT had a contract demand with PGVCL of 4900 kVA, from 1st July 2014 to 31st March 2015. From 1st April 2015, DPT had reduced its contract demand from 4900 kVA to 4100 kVA. DPT has further reduced its contract demand from 4100 kVA to 2500 kVA w.e.f. 1st August 2018, as it has started taking the electricity from its wind power plant for optimising its power procurement costs. However, with the expected addition of a new upcoming HT consumer (3 MW) in DPT distribution area from October 2019 and with the formation of Smart Industrial Port City (SIPC), Kandla in near future, DPT is planning to increase its contract demand from existing 2.5 MVA with PGVCL in near future. For projection purposes, DPT has considered contract demand for FY 2018-19, FY 2019-20 & FY 2020-21 as 2500 MVA, 4375 MVA & 6250 MVA respectively.

- **FY 2016-17:** The actual power purchase cost from PGVCL as per audited account is 1300.34 lakhs.
- **FY 2017-18:** The actual power purchase cost from PGVCL as per audited account is Rs. 1089.99 lakhs.
- **FY 2018-19:** For the projection of power purchase for FY 2018-19, DPT has considered to procure the balance power from PGVCL after deducting total energy requirement from the power purchase from wind power plant. As per the projection for FY 2018-19, the power purchase units from PGVCL amounts to 36.88 LUs and projected cost from PGVCL is Rs. 349.06 lakhs. The fixed charges are considered for contract demand of 2500 MVA from PGVCL. The average energy rate of Rs. 6.22/kWh (inclusive of energy charges, FPPPA charges, ToU charges, etc.) is considered as per the actual bills received from PGVCL for FY 2018-19.
- **FY 2019-20:** For the projection of power purchase for FY 2019-20, DPT has considered that 5% of the net power purchase requirements after deducting the total energy requirements from the wind power plant to be met through PGVCL. As per the projection for FY 2019-20, the power purchase units from PGVCL are 4.72 LUs and projected power purchase cost from PGVCL is Rs. 214.99 lakhs.
- **FY 2020-21:** For the projection of power purchase for FY 2020-21, DPT has considered that 5% of the net power purchase requirements after deducting the total energy requirements from the wind power plant to be met through PGVCL. As per the projection for FY 2020-21, the power purchase units from PGVCL are 9.98 LUs and projected power purchase cost from PGVCL is Rs. 328.57 lakhs.

4.6.6. Transmission & SLDC charges:

The transmission and SLDC charges for FY 2016-17 and FY 2017-18 are already included in the actual power purchase cost as per the audited accounts. For the remaining years from FY 2018-19 to FY 2020-21, the treatment is as follows:

- **FY 2016-17:** The transmission and SLDC charges are included in the actual power purchase cost as per audited account.
- **FY 2017-18:** The transmission and SLDC charges are included in the actual power purchase cost as per audited account.
- **FY 2018-19:** The actual transmission and SLDC charges till December 2018 (i.e. for 9 months) have been pro-rated for 12 months and accordingly are considered at Rs. 93.15 lakhs for FY 2018-19.

- **FY 2019-20:** The projected transmission and SLDC charges are increased at the nominal rate of 5% from the base value for FY 2018-19 to arrive at Rs. 97.80 lakhs for FY 2019-20.
- **FY 2020-21:** The projected transmission and SLDC charges are increased at the nominal rate of 5% from the base value for FY 2019-20 to arrive at Rs. 102.69 lakhs for FY 2020-21.

TABLE 27: POWER PURCHASE COST FROM FY 2016-17 TO FY 2020-21

Sr. No.	Parameters (Wind Power)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Projected)	FY 19-20 (Projected)	FY 20-21 (Projected)
1	Energy generated from Wind (LU)	-	-	103.76	152.42	152.42
2	Transmission losses - GETCO (%)	-	-	3.85%	3.85%	3.85%
3	Transmission losses - GETCO (LU)	-	-	3.99	5.87	5.87
4	Power Purchase from Wind (LU)	-	-	99.77	146.56	146.56
5	Power Purchase cost from Wind (Rs Lakhs)	-	435.81	332.04	487.76	487.76

Sr. No.	Parameters (Power Exchange)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Projected)	FY 19-20 (Projected)	FY 20-21 (Projected)
1	Power Purchase from PX (LU)	-	-	-	89.68	189.67
2	PoC losses (%)	-	-	-	1.47%	1.47%
3	PoC Losses (LU)	-	-	-	1.32	2.79
4	Transmission losses - GETCO (%)	-	-	-	3.85%	3.85%
5	Transmission Losses (LU)	-	-	-	3.40	7.20
6	Net Power Purchase from PX (LU)	-	-	-	94.40	199.66
7	Power Purchase cost from PX (Rs Lakhs)	-	-	-	405.28	857.14

Sr. No.	Parameters (PGVCL)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Projected)	FY 19-20 (Projected)	FY 20-21 (Projected)
1	Contract demand (kVA)	-	-	2500.00	4375.00	6250.00
2	Fixed Charges (Rs. lakhs)	-	-	105.00	183.75	262.50
3	Power Purchase from PGVCL (LU)	-	-	36.88	4.72	9.98
4	Energy Charges (Rs. lakhs)	-	-	244.06	31.24	66.07
5	Power Purchase from PGVCL (Rs Lakhs)	1300.34	1089.99	349.06	214.99	328.57

Sr. No.	Parameters (Other Charges)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Projected)	FY 19-20 (Projected)	FY 20-21 (Projected)
1	Transmission Charges (Rs Lakhs)	-	-	92.14	96.75	101.59
2	SLDC Charges (Rs Lakhs)	-	-	1.00	1.05	1.10
3	Total (Rs Lakhs)	-	-	93.15	97.80	102.69

4.6.7. The Petitioner requests the Hon'ble Commission to approve the power purchase cost as above.

4.6.8. Renewable Purchase Obligation

In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its Amendment in 2014, the Discoms are obligated to procure electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year.

As per the clause 6.4 of the National Tariff Policy 2016 dated 28th January 2016 requires the states to achieve the target of 8% solar RPO targets by FY 2021-22. The relevant extract from the Tariff Policy has been showcased below:

"6.4 Renewable sources of energy generation including Co-generation from renewable energy sources:

(i) Within the percentage so made applicable, to start with, the SERCs shall also reserve a minimum percentage for purchase of solar energy from the date of notification of this policy which shall be such that it reaches 8% of total consumption of energy, excluding Hydro Power, by March 2022 or as notified by the Central Government from time to time.

The RPO Target trajectory has been shown as under:

TABLE 28: RPO TARGET (%)

FY	Solar	Wind	Others (Biomass, Small Hydro, Bagasse, MSW)
FY 2016-17	1.75%	7.75%	0.50%
FY 2017-18	3.00%	7.85%	0.50%
FY 2018-19	4.25%	7.95%	0.50%
FY 2019-20	5.50%	8.05%	0.75%
FY 2020-21	6.75%	8.15%	0.75%

TABLE 29: RPO FROM FY 2016-17 TO FY 2020-21 (LUs)

Parameters (Wind Power)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Projected)	FY 19-20 (Projected)	FY 20-21 (Projected)
RPO Solar (LU)	2.14	4.05	5.81	13.25	23.37
RPO Non-Solar (LU)	9.47	10.60	10.86	19.40	28.22
RPO Others (LU)	0.61	0.68	0.68	1.81	2.60
Total RPO (LU)	12.22	15.32	17.35	34.46	54.18

Regarding the renewable purchase obligation for FY 2016-17, the Petitioner refers the Hon'ble Commission's Order in the matter of Suo-Motu Petition No. 1542 /2015, dated 31st December 2016, where in under Clause no. 15 the Hon'ble Commission has exempted DPT from compliance to RPO, on the grounds that DPT is procuring power, from PGVCL, which consists of the renewable energy component also. The relevant clause of the referred order has been reproduced below for reference:

"We also note that Jubilant Infrastructure Limited, GIFT Power Company Limited and Aspen Infrastructure Limited and Kandla Port Trust are procuring the power from the DGVCL, UGVCL, MG VCL and PGVCL respectively, which consists of the renewable energy component also. Therefore, we exempt them from the renewable purchase obligations specified by the Commission."

Further, DPT has started procuring power from wind power plant from FY 2017-18. In FY 2017-18, the actual wind power procurement is 103.76 LUs against total RPO of 15.32 LUs. Also, as per the projection of power purchase in FY 2018-19, FY 2019-20 & FY 2020-21 the wind power procurement is 103.76 LUs, 152.42 LUs and 152.42 LUs respectively, which is very high in comparison to the RPO requirement.

As the Petitioner is procuring most of its energy requirement through renewable source of energy (wind power), thus it requests the Hon'ble commission for considering the power procurement from wind to meet the overall RPO obligation for the control period. Further, DPT is also planning to source power from solar power sources in future for further optimising the power purchase costs.

4.7. CAPITAL EXPENDITURE FOR THE CONTROL PERIOD FROM FY 2016-17 TO FY 2020-21

- 4.7.1 The determination of capital expenditure is considered as per the audited accounts of FY 2016-17 & FY 2017-18 and the projected values for FY 2018-19, FY 2019-20 & FY 2020-21 as per GERC MYT Regulations, 2016.
- 4.7.2 Capital expenditure is the part of corporate business plan where DPT is planning to chart out various schemes for improvement in distribution network and other services, which are under process and very essential for the port operations.
- 4.7.3 The projected capital expenditure for the MYT petition under control period from FY 2016-17 to FY 2020-21 is as shown below:

TABLE 30: CAPITAL EXPENDITURE PLAN

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Electric Power Supply to 100MT capacity pitless type Weigh Bridge	19.60	-	-	-	-
2	Power supply to SNA Jetty	7.08	-	-	-	-
3	Network Augmentation	-	-	-	10.00	-
4	Consumer Metering	-	-	-	48.00	-
5	Total	26.68			58.00	

- 4.7.4 The Petitioner submits that it takes a very cautious approach for incurring capital expenditure, so as not to burden its consumers with higher tariffs and has only made/ projected adequate capital expenditure for improvement of its distribution network. As per the audited accounts, Capex was incurred in FY 2016-17 with amount of Rs 26.67 Lakhs. The addition in FY 2016-17 is on the accounts of the works related to electric power supply to 100 MT capacity pitless type weighbridge and power supply to SNA jetty. Further, the Petitioner has projected the capital investment to the tune of Rs. 58 lakhs in FY 2019-20, out of which Rs. 48 lakhs will be incurred for attaining 100% consumer metering and Rs. 10 lakhs for Network Augmentation for the regular increase in consumer load.
- 4.7.5 The Petitioner requests the Hon'ble Commission for approving the capital expenditure as submitted above.

4.8. FUNDING OF CAPEX

- 4.8.1. The Petitioner is expecting that all the capital expenditure incurred during the year will be capitalised in the same year. Though the Petitioner has incurred/ is incurring capital expenditure requirements through its own equity, but for the purpose of MYT Petition, the capital expenditure is proposed to be funded through debt and equity in the ratio of 70:30, as guided under the prevailing MYT Regulations, 2016. The detailed breakup of funding of capitalisation during MYT for control period FY 2016-17 to 2020-21 is mentioned below.

TABLE 31: FUNDING PLAN OF CAPITAL EXPENDITURE

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Capitalisation	26.68	-	-	58.00	-
2	Debt @ 70%	18.68	-	-	40.60	-
3	Equity @ 30%	8.00	-	-	17.40	-

4.8.2. The Petitioner humbly requests the Hon'ble Commission to approve the proposed capital investment as mentioned above.

4.9. OPERATION & MAINTENANCE EXPENSES

4.9.1. The O&M expenses consist of Employee cost, Administration & General Expenses and Repair and Maintenance expenses.

4.9.2. Regulation 94.8 of GERC MYT Regulations, 2016 states the following methodology for projection of O&M expenses:

"Operation and Maintenance expenses:

a) The Operation and Maintenance expenses shall be derived on the basis of the average of the actual Operation and Maintenance expenses for the three (3) years ending March 31, 2015, subject to prudence check by the Commission.

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

4.9.3. As per the methodology of calculation on O&M expense based on GERC MYT regulation 2016, the projected value for FY 2016-17 and FY 2017-18 is higher as compared to the actuals of FY 2016-17 and FY 2017-18 as follows:

TABLE 32: O&M EXPENSE CALCULATION FOR FY 2016-17 & FY 2017-18 AS PER GERC REGULATION 2016 VS ACTUALS

Sr. No.	Particulars	FY 2016-17	FY 2016-17	FY 2017-18	FY 2017-18
		(As per GERC Regulation 2016)	(Actuals)	(As per GERC Regulation 2016)	(Actuals)
1	Employee Cost	205.09	193.34	216.82	176.17
2	Repair & Maintenance	117.88	106.32	124.63	112.79
3	Administration & General Charges	37.17	32.08	39.29	3.23
4	Operation & Maintenance Expenses	360.14	331.75	380.74	292.19

4.9.4. With an objective to optimise the revenue gap, DPT is projecting the Employee cost and Repair & Maintenance cost from FY 2018-19 to FY 2020-21, by considering the base as actual value of FY 2017-18 and escalating year on year at the escalation factor of 5.72%.

4.9.5. For the projection of Administration & General Expenses from FY 2018-19 to FY 2020-21, DPT is considering the base as actual value of FY 2016-17 and escalating year on year at the escalation factor of 5.72%. The actual value of FY 2017-18 is not considered as the same is very low, and not in tandem with the historical trends due to reduction in major components such as GERC and Consultant fees, as shown below:

TABLE 33: ACTUALS OF ADMINISTRATION & GENERAL EXPENSES

Sr. No.	Particulars	Rs in Lakhs	
		FY 2016-17 (Actual)	FY 2017-18 (Actual)
1	Telegraph, Postage & Courier	0.02	-
2	Telephones	0.06	0.01
3	Travelling Expenses	0.01	-
	Misc. Expenses	0.07	0.03
4	Hire of Vehicles	0.20	-
5	Advertisement	3.36	0.09
6	CRISIL	13.00	3.00
7	GERC	15.00	0.10
8	Licence Fees	0.37	-
9	Total	32.08	3.23

4.9.6. The O&M expenses projected during MYT control period FY 2016-17 to 2020-21 as per the above methodology are as below:

TABLE 34: PROPOSED O&M EXPENSES FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Employee Cost	193.34	176.17	186.24	196.90	208.16
2	Repair & Maintenance	106.32	112.79	119.24	126.06	133.27
3	Administration & General Charges	32.08	3.23	35.85	37.90	40.07
4	Operation & Maintenance Expenses	331.75	292.19	341.34	360.86	381.50

4.9.7. DPT, humbly requests the Hon'ble Commission to approve O&M expenses as mentioned above.

4.10. DEPRECIATION

4.11.1 Since the distribution business is under a regulated regime, the Petitioner is obligated to maintain separate accounts, duly audited by auditors. Accordingly, DPT had appointed the auditor for audit of its accounts for electricity distribution business. The annual accounts for FY 2011-12 to FY 2017-18 have been duly audited by the auditor.

4.11.2 The depreciation, under the audited accounts, has been computed as per the provisions of Major Port Trust Act, 1963. However, since DPT being a power distribution entity, and engaged in electricity distribution business, the Petitioner submits that the depreciation figures in this Petition has been computed on fixed assets at the rates prescribed in MYT Regulations, 2016, from FY 2016-17 to FY 2020-21.

4.10.1 Based on the Asset wise details as per the separate accounts for DPT' power distribution business, opening gross fixed assets i.e. Rs 4496.67 Lakhs have been established for FY 2016-17. There is addition of Rs 26.68 lakhs in FY 2016-17 on the works related to electric power supply to 100 MT capacity pitless type weighbridge and power supply to SNA jetty. A summary of the opening and closing GFA along with category wise asset details has been summarized in tables below:

TABLE 35 : FIXED ASSET DATA FROM FY 2016-17 TO FY 2017-18

Sr. No.	Particulars	FY 2016-17			Rs. in Lakhs
		Opening Balance	Additions	Deductions	Closing Balance
1	Land & Land Rights	-	-	-	-
2	Buildings	285.20	-	-	285.20
3	Plant & Machineries	1032.20	-	-	1032.20
4	Lines & Cable Net Works	3,173.41	26.68	-	3,200.09
5	Furniture & Fixtures & Electrical Lightings	2.85	-	-	2.85
6	Office Equipment	3.00	-	-	3.00
7	Gross Fixed Asset	4,496.67	-	-	4,523.35

Sr. No.	Particulars	FY 2017-18			Rs. in Lakhs
		Opening Balance	Additions	Deductions	Closing Balance
1	Land & Land Rights	-	-	-	-
2	Buildings	285.20	-	-	285.20
3	Plant & Machineries	1032.20	-	-	1032.20
4	Lines & Cable Net Works	3,200.09	-	-	3,200.09
5	Furniture & Fixtures & Electrical Lightings	2.85	-	-	2.85
6	Office Equipment	3.00	-	-	3.00
7	Gross Fixed Asset	4,523.35	-	-	4,523.35

4.10.2 In case of Depreciation, according to MYT Regulations, 2016 as per regulation 39.2:

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

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

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

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:

Provided further that for a Generating DPT or a Transmission Licensee or a Distribution Licensee formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of the Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets”

4.10.3 DPT has considered the closing Gross block of fixed assets of FY 2017-18 as the opening Gross block of fixed assets of FY 2018-19. The addition during the period from FY 2018-19 to 2020-21 has been projected considering projected capitalisation for the same for each year. Depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the projected capitalisation. The GERC MYT Regulations, 2016 specifies the rates to be used for compute depreciation to be charged during the year. The projected depreciation for MYT control period FY 2016-17 to 2020-21 is as shown below:

TABLE 36: DEPRECIATION FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	Rs. in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Gross Block in Beginning of the year	4,496.67	4,523.35	4,523.35	4,523.35	4,581.35
2	Additions during the Year	26.68	-	-	58.00	-
3	Depreciation for the Year	232.66	233.36	233.36	234.89	236.42
4	Average Rate of Depreciation	5.16%	5.16%	5.16%	5.16%	5.16%

4.10.4 The Petitioner humbly requests the Hon'ble Commission to approve the depreciation as provided above.

4.11. INTEREST & FINANCE CHARGES

4.11.1 As also mentioned earlier in this Petition, the entire capital expenditure of DPT's power distribution business since its inception has been funded by DPT itself through Budgetary supports each year. For the purpose of this Petition, and considering provisions of relevant regulations of the Hon'ble Commission, the actual capital expenditure has been apportioned in debt and equity on normative basis in the ratio of 70:30. Therefore, DPT has considered opening normative loan by taking 70% of the opening GFA and loan addition for the FY 2016-17 to FY 2020-21 based on the capital expenditure incurred.

4.11.2 DPT has calculated Interest & Finance charges from FY 2016-17 to FY 2020-21 as per Regulation 38.5 of the GERC Multi Year Tariff Regulations, 2016, as reproduced below:

"Provided also that if the Generating DPT 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."

4.11.3 In line with the approach adopted by the Hon'ble Commission and as prescribed by MYT Regulations, 2016, repayment during the year has been considered equal to the depreciation for the financial year.

4.11.4 DPT has considered the bank rate plus 200 basis points for calculating Interest and Finance charges from FY 2016-17 to FY 2020-21.

4.11.5 The closing balance of loan portfolio for FY 2017-18 amounting to Rs. 1578.06 Lakhs is considered as opening balance of FY 2018-19. The normative loan addition in the control period FY 2018-19 to FY 2020-21 is computed as per the Capex funding plan discussed above.

4.11.6 The repayment for the year during the control period from FY 2016-17 to FY 2020-21 has been taken equal to depreciation calculated for the year.

4.11.7 The Interest and Finance Charges for MYT control period FY 2016-17 to FY 2020-21 is projected as tabulated below:

TABLE 37: INTEREST & FINANCIAL CHARGES FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Opening Loans	2,025.40	1,811.42	1,578.06	1,344.70	1,150.40
2	Loan Additions during the Year	18.68	-	-	40.60	-
3	Repayment during the Year	232.66	233.36	233.36	234.89	236.42
4	Closing Loans	1,811.42	1,578.06	1,344.70	1,150.40	913.98
5	Average Loans	1,918.41	1,694.74	1,461.38	1,247.55	1,032.19
6	Interest on Loan	9.75%	8.75%	8.25%	8.50%	8.50%
7	Total Interest & Financial Charges	187.04	148.29	120.56	106.04	87.74

4.11.8 The Petitioner humbly requests the Hon'ble Commission to approve the Interest & finance charges as provided above.

4.12. INTEREST ON WORKING CAPITAL

4.12.1 DPT has calculated Interest on Working Capital from FY 2016-17 to FY 2020-21 as per Regulation 40.5 of the GERC Multi Year Tariff Regulations, 2016, as reproduced below. The amount of security deposit is assumed to increase at a nominal rate of 10% per annum by taking the base value of FY 2017-18 from audited accounts for projection of FY 2018-19 to FY 2020-21.

41.4 Retail Supply of Electricity

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

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

(iii) Receivables equivalent to one (1) month of the expected revenue from sale of electricity at the prevailing tariffs;

minus

Amount held as security deposits under clause (a) and clause (b) of sub-section (1) of Section 47 of the Act from consumers except the security deposits held in the form of Bank Guarantees:

(b) Interest shall be allowed at a rate equal to the State Bank Base Rate (SBBR) as on 1st April of the financial year in which the Petition is filed plus 250 basis points

TABLE 38: INTEREST ON WORKING CAPITAL FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	Rs in Lakhs				
		FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	O & M expenses	27.65	24.35	28.44	30.07	31.79
2	Maintenance Spares	44.97	45.23	45.23	45.23	45.81
3	Receivables	84.14	88.02	82.08	146.53	195.71
4	Less: Security Deposit	107.09	108.29	119.12	131.03	144.13
5	Total Working Capital	49.66	49.32	36.64	90.81	129.18
6	Rate of Interest on Working Capital	11.70%	10.50%	10.65%	11.05%	11.05%
7	Interest on Working Capital	5.81	5.18	3.90	10.03	14.27

4.12.2 The Petitioner humbly requests the Hon'ble Commission to approve the Interest on working capital as discussed above.

4.13. INTEREST ON SECURITY DEPOSIT

4.13.1 The security deposit held by DPT as on 31st March 2018 was Rs. 108.29 Lakhs as per the audited accounts. As per section 47 (4) of Electricity Act 2003, the distribution licensee shall pay interest equivalent to the bank rate or more as may be specified by the concerned SERC. The interest payable per annum is considered at the bank rate applicable for the concerned year from FY 2016-17 to FY 2020-21. The amount of security deposit is assumed to increase at 10% per annum by taking the base value of FY 2017-18 from audited accounts for projection of FY 2018-19 to FY 2020-21.

TABLE 39 : INTEREST ON SECURITY DEPOSIT FOR FY 2016-17 TO FY 2020-21

						Rs in Lakhs
Sr. No.	Particulars	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Amount held as Security deposit to consumer	107.09	108.29	119.12	131.03	144.13
2	Bank Rate	7.75%	6.75%	6.25%	6.50%	6.50%
3	Interest on Security deposit	8.30	7.31	7.44	8.52	9.37

4.13.2 The Petitioner humbly requests the Hon'ble Commission to approve the Interest on security deposit as mentioned above.

4.14. RETURN ON EQUITY

4.14.1 For assessing return on equity from FY 2016-17 to FY 2020-21, DPT has considered the capitalisation with 70:30 debt-equity ratio as per GERC MYT regulation 2016. The closing value of FY 2015-16 is considered as opening value of FY 2016-17. Here, 30% of the opening balance of GFA of FY 2011-12 is considered as notional equity.

4.14.2 As per the MYT Regulations, 2016, a return @ 14% on the equity base is considered as reasonable and allowed by the Hon'ble Commission. Accordingly, DPT has computed the Return on Equity considering a rate of return at 14% as below:

4.14.3 The return on equity has been computed @ 14% on average equity based upon the opening balance of equity and normative additions during the year, which has been arrived at by considering 30% of the Capitalization. Accordingly, the normative return on equity for MYT control period FY 2016-17 to FY 2020-21 is as shown below:

TABLE 40: RETURN ON EQUITY FOR FY 2016-17 TO FY 2020-21

						Rs in Lakhs
Sr. No.	Particulars	FY 2016-17 (Actual)	FY 2017-18 (Actual)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Opening Equity Capital	1,349.00	1,357.00	1,357.00	1,357.00	1,374.40
2	Equity Additions during the Year	8.00	-	-	17.40	-
3	Closing Equity	1,357.00	1,357.00	1,357.00	1,374.40	1,374.40
4	Average Equity	1,353.00	1,357.00	1,357.00	1,365.70	1,374.40
5	Rate of Return on the Equity	14%	14%	14%	14%	14%
6	Return on Equity	189.42	189.98	189.98	191.20	192.42

4.14.4 The Petitioner humbly requests the Hon'ble Commission to approve the Return on equity as provided above.

4.15. TAXES

4.15.1 The actual taxes for FY 2016-17 and FY 2017-18 have been nil and thus not considered. Further, the Petitioner is not projecting any provisions for taxes from FY 2018-19 to FY 2019-20.

4.16. PROJECTED MULTI-YEAR ARR FOR FY 2016-17 TO FY 2020-21 UNDER MYT CONTROL PERIOD

4.16.1 The table below shows projection of Aggregate Revenue Requirement by DPT under MYT control period FY 2016-17 to 2020-21.

TABLE 41: PROJECTED MULTI-YEAR ARR FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	FY 2016-17 (Actuals)	FY 2017-18 (Actuals)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Cost of Power Purchase	1387.83	1472.31	774.25	1205.83	1776.15
2	Operation & Maintenance Expenses	331.75	292.19	341.34	360.86	381.50
2.1	Employee Cost	193.34	176.17	186.24	196.90	208.16
2.2	Repair & Maintenance	106.32	112.79	119.24	126.06	133.27
2.3	Administration & General Charges	32.08	3.23	35.85	37.90	40.07
3	Depreciation	232.66	233.36	233.36	234.89	236.42
4	Interest & Finance Charges	187.04	148.29	120.56	106.04	87.74
5	Interest on Working Capital	5.81	5.18	3.90	10.03	14.27
6	Interest on security deposit	8.30	7.31	7.44	8.52	9.37
7	Sub-Total (1 to 6)	2,153.39	2,158.64	1,480.86	1,926.18	2,505.46
8	Return on Equity	189.42	189.98	189.98	191.20	192.42
9	Provision for Tax / Tax Paid	-	-	-	-	-
10	Total Expenditure (7 to 9)	2,342.81	2,348.62	1,670.84	2,117.38	2,697.88
11	Total Aggregate Revenue Requirement	2,342.81	2,348.62	1,670.84	2,117.38	2,697.88

4.16.2 The Petitioner humbly requests the Hon'ble Commission to approve the above-mentioned Aggregate Revenue Requirement under MYT control period for FY 2016-17 to 2020-21.

CHAPTER 5. DETERMINATION OF REVENUE GAP FOR FY 2016-17 & FY 2017-18

5.1 BACKGROUND

5.1.1. This chapter deals with the determination of ARR and Revenue gap for FY 2016-17 and FY 2017-18 based on the audited accounts.

5.2 ARR FOR FY 2016-17 AND FY 2017-18

5.2.1 The ARR for FY 2016-17 and FY 2017-18 based on the audited accounts is as follows:

TABLE 42: ARR FOR FY 2016-17 TO FY 2020-21

Sr. No.	Particulars	FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Cost of Power Purchase	1387.83	1472.31
2	Operation & Maintenance Expenses	331.75	292.19
2.1	Employee Cost	193.34	176.17
2.2	Repair & Maintenance	106.32	112.79
2.3	Administration & General Charges	32.08	3.23
3	Depreciation	232.66	233.36
4	Interest & Finance Charges	187.04	148.29
5	Interest on Working Capital	5.81	5.18
6	Interest on security deposit	8.30	7.31
7	Sub-Total (1 to 6)	2,153.39	2,158.64
8	Return on Equity	189.42	189.98
9	Provision for Tax / Tax Paid	-	-
10	Total Expenditure (7 to 9)	2,342.81	2,348.62
11	Total Aggregate Revenue Requirement	2,342.81	2,348.62

5.2.2 Based on the actuals as per the audited accounts, the total revenue of the DPT comprises of revenue from sale of power at existing tariff and other income for FY 2016-17 and FY 2017-18 is as shown below:

TABLE 43: TOTAL REVENUE FOR FY 2019-20

Sr. No.	Particulars	Rs in Lakhs	
		FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Revenue with Existing Tariff	984.71	1034.71
2	Other Income	24.94	21.59
3	Total Revenue	1,009.65	1056.30

5.3 REVENUE GAP FOR FY 2016-17 AND FY 2017-18

5.3.1 Based on the above, the estimated revenue gap for FY 2016-17 and FY 2017-18 is as outlined in the table below:

TABLE 44: REVENUE GAP FOR FY 2016-17 AND FY 2017-18

Sr. No.	Particulars	Rs in Lakhs	
		FY 2016-17 (Actuals)	FY 2017-18 (Actuals)
1	Aggregate Revenue Requirement	2,342.81	2,348.62
2	Revenue Gap from True up	-	-
3	Total Aggregate Revenue Requirement	2,342.81	2,348.62
4	Revenue with Existing Tariff	984.71	1,034.71
5	Other Income	24.94	21.59
6	Total Revenue	1,009.65	1,056.30
7	Gap / (Surplus) (3 - 6)	1,333.16	1,292.32

5.3.2 The Hon'ble Commission is requested to approve the above-mentioned gap and provide the Petitioner with an appropriate relief/ measure.

CHAPTER 6. DETERMINATION OF PROJECTED ARR & REVENUE GAP FOR FY 2019-20

6.1 BACKGROUND

6.1.1 This chapter deals with the determination of projected ARR for FY 2019-20 and revenue gap at existing tariff for FY 2019-20.

6.2 PROJECTED REVENUE GAP FOR FY 2019-20 WITH EXISTING TARIFF

6.2.1 The projected ARR for FY 2019-20 is as follows:

TABLE 45 : PROJECTED ARR FOR FY 2019-20

Sr. No.	Particulars	Rs in Lakhs
		FY 2019-20 (Projected)
1	Cost of Power Purchase	1275.23
2	Operation & Maintenance Expenses	369.86
2.1	Employee Cost	176.54
2.2	Repair & Maintenance	126.06
2.3	Administration & General Charges	67.26
3	Depreciation	234.89
4	Interest & Finance Charges	156.06
5	Interest on Working Capital	10.03
6	Interest on security deposit	8.52
7	Sub-Total [1 to 7]	1,926.18
8	Return on Equity	191.20
9	Provision for Tax / Tax Paid	-
10	Total Expenditure (8 to 10)	2,117.38
11	Total Aggregate Revenue Requirement	2,117.38

6.2.2 The sales projections for FY 2019-20 as per GERC MYT Regulations, 2016 are shown in the table below:

TABLE 46: PROJECTED SALES (LUS) FOR FY 2019-20

Sr. No.	Category	FY 2019-20 (Projected)
1	RGP	5.43
2	NRGP	23.62
3	LTMD	27.63
4	Streetlights	15.94
5	Temporary	4.17
6	HT	152.70
	TOTAL	229.48

6.2.3 Based on projected sales & existing retail tariff, revenue from sale of power works out to Rs. 1,736.83 lakhs for FY 2019-20. The consumer category wise revenue for FY 2019-20 estimated by DPT is as given in the following table:

TABLE 47: REVENUE AT EXISTING TARIFF FOR FY 2019-20

Sr. No.	Particulars	Rs in Lakhs
		FY 2019-20 (Projected)
1	RGP	46.25
2	NRGP	135.68
3	LTMD	161.37
4	Streetlights	76.50
5	Temporary	46.45
6	HT	1,270.58

TOTAL 1,736.83

6.2.4 REVENUE FROM FPPPA CHARGES

6.2.4.1 DPT is presently imposing Fuel Power Purchase Price Adjustment (FPPPA) charges as 0.89 paise per unit as approved by the Hon'ble Commission. Considering the same and projected sales for FY 2019-20, revenue from FPPPA charges comes out to be Rs. 204.24 lakhs.

TABLE 48: FPPPA CHARGES FOR FY 2019-20

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	FPPPA Charges	204.24

6.2.5 REVENUE PROJECTION FROM OTHER INCOME

6.2.5.1 The revenue from Other Income for DPT includes revenue from interest on security deposit with PGVCL and meter connection charges. The break-up is as follows:

TABLE 49: OTHER INCOME FOR FY 2019-20

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Other Income	21.59

6.2.6 TOTAL REVENUE FOR FY 2019-20 AT EXISTING TARIFF

6.2.6.1 Based on the above projections, the total revenue of the DPT for FY 2019-20 is as shown below:

TABLE 50: TOTAL REVENUE FOR FY 2019-20 AT EXISTING TARIFF

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Revenue with Existing Tariff	1,736.83
2	Other Income (Consumer related)	21.59
3	Revenue from FPPPA Charges	204.24
4	Total Revenue	1,962.66

6.2.7 REVENUE GAP FOR FY 2019-20 AT EXISTING TARIFF

6.2.7.1 Based on the above, the estimated revenue gap for FY 2019-20 at existing tariff is as outlined in the table below:

TABLE 51: ESTIMATED REVENUE GAP FOR FY 2019-20 AT EXISTING TARIFF

		Rs in Lakhs
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Aggregate Revenue Requirement	2,117.38
2	Total Revenue	1962.66
3	Gap / (Surplus) (3 - 6)	154.72

6.3 PROJECTED REVENUE GAP FOR FY 2019-20 AT TARIFF AT PAR

WITH PGVCL

- 6.3.1 With the development of Smart Industrial Port City (SIPC), Kandla, and expected increase in operational load and acquisition of HT consumers in operational area in near future, DPT is expected to facilitate higher sales in coming years. For this reason, DPT wishes to be at par, with respect to electricity tariff, to be competitive with Paschim Gujarat Vij Company Ltd. (PGVCL);
- 6.3.2 With this objective, the Petitioner has also computed the revenue gap, considering DPT's tariffs at par with those approved of PGVCL and have submitted the same to the Hon'ble Commission for its perusal;
- 6.3.3 The ARR of FY 2019-20 of Rs. 2,117.28 lakhs have been considered same as earlier provided in Clause 6.2.1.
- 6.3.4 Based on projected sales & retail tariff, considering same as equivalent with PGVCL (sum of existing retail tariffs and FPPPA charges³), revenue from sale of power works out to Rs. 1,955.02 lakhs for FY 2019-20:

TABLE 52: REVENUE AT TARIFF AT PAR WITH PGVCL FOR FY 2019-20

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	RGP	54.83
2	NRGP	160.94
3	LTMD	186.59
4	Streetlights	94.11
5	Temporary	48.76
6	HT	1409.89
	TOTAL	1955.02

- 6.3.5 The revenue from Other Income for DPT includes revenue from interest on security deposit with PGVCL and meter connection charges. The break-up for FY 2019-20 is as follows:

TABLE 53: OTHER INCOME FOR FY 2019-20

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Other Income	21.59

- 6.3.6 Based on the above projections, the total revenue of the DPT (considering the Tariff at par with PGVCL) for FY 2019-20 is as shown below:

TABLE 54: TOTAL REVENUE FOR FY 2019-20 AT TARIFF AT PAR WITH PGVCL

Rs in Lakhs		
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Revenue with Tariff (equivalent with that of PGVCL)	1,955.02
2	Other Income (Consumer related)	21.59
3	Total Revenue	1,976.61

- 6.3.7 Based on the above, the estimated revenue gap for FY 2019-20 at tariff, equivalent with that of PGVCL, is as outlined in the table below:

³ FPPPA Charges has been considered as average approved FPPPA charges of PGVCL for FY 2018-19
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TABLE 55: ESTIMATED REVENUE GAP FOR FY 2019-20 AT TARIFF AT PAR WITH PGVCL

		(Rs in Lakhs)
Sr. No.	Particulars	FY 2019-20 (Projected)
1	Aggregate Revenue Requirement	2,117.38
2	Total Revenue	1976.61
3	Gap / (Surplus) (3 - 6)	142.77

- 6.3.8 The estimated revenue gap is lesser, considering Tariff at par with PGVCL, if compared with the revenue gap at existing tariff as computed under Clause 6.2.7.
- 6.3.9 Considering the submission made above, the Petitioner proposes to revise its existing Tariff and make it equivalent to PGVCL's tariff and requests the Hon'ble Commission to approve the same.
- 6.3.10 The Petitioner further proposes to undertake various performance and efficiency improvement measures, with incurring adequate capital expenditure, to meet the revenue gap at proposed tariff, as mentioned in Clause 6.3.7, and any corrections in the same considering actual revenue and expenses shall be brought under the True-up of FY 2019-20. The Petitioner shall further make its efforts for optimising the tariffs for all consumer categories.
- 6.3.11 The Petitioner also proposes to introduce the BPL category in the tariff structure. There are some BPL consumers in the Petitioner's operational area and Petitioner proposes to serve them the electricity supply under this proposed category. At present, without an assessment of number of consumers of this consumer category, estimated sales and revenue, the Petitioner proposes to consider the tariff rates, for this consumer category, equivalent with those of PGVCL's tariff for FY 2019-20.

6.4 PROPOSED CHANGES IN THE TARIFF STRUCTURE FOR FY 2019-20

- 6.4.1 In order to meet the revenue gap at existing tariff for FY 2019-20, the following are proposed by the Petitioner:
- Increase in the fixed charges and bringing them at par with the PGVCL tariff for FY 2019-20;
 - Removal of FPPPA charges for DPT;
 - Increase in energy charges and bringing them at par with combined PGVCL tariff and FPPPA charges for FY 2019-20;
 - Introduction of BPL category in the tariff structure. The tariff rates are proposed as per the PGVCL tariff for FY 2019-20;
 - Removal of Time of Day (ToD) Charges and concession provided during night hours.
- 6.4.2 As also mentioned earlier, the Petitioner also proposes to undertake various performance and efficiency improvement measures, with incurring adequate capital expenditure, to meet the revenue gap with proposed tariff, as mentioned in Clause 6.3.7, and any corrections in the same considering actual revenue and expenses shall be brought under the True-up of FY 2019-20.
- 6.4.3 It may kindly be noted that the Petitioner's tariff was last increased in the June 2016 and considering the rise in the overall expenses and inflationary measures, the Hon'ble Commission is requested to approve the proposed tariff by the Petitioner.

6.4.4 As also submitted above, the Petitioner is expecting to facilitate higher amount of electricity sales considering the development of SIPC, increase in operational load and acquisition of bulk HT consumers. In the proposed scenario and in order to be competitive, the Petitioner also proposes to offer rebates to some consumer categories in order to maximise its revenue. The same is being proposed under Regulation 94.4 of MYT Regulations, 2016. The relevant regulation is reproduced below for reference:

"The Distribution Licensee shall be allowed to offer a rebate to the consumers on tariff and charges determined by the Commission:

Provided that the Distribution licensee shall submit details of such rebates to the Commission every quarter, in the manner and format, as stipulated by the Commission from time to time:

Provided further that the impact of such rebates given by the Distribution licensee shall be borne entirely by the Distribution Licensee and impact of such rebate will not be allowed to be passed through to the consumers, in any form:

Provided also that such rebates shall not be offered selectively to any consumer/s, and shall have to be offered to the entire consumer category/sub-category/consumption slab in a non-discriminatory manner."

The Petitioner, while taking a note of the referred regulation, also proposes to provide details of such rebates to the Hon'ble Commission every quarter and further the impact of such rebates shall not be passed on to the consumers in any form.

CHAPTER 7. COMPLIANCE OF DIRECTIVES

The Hon'ble Commission had instructed DPT to submit Compliance as per the Order dated 22nd June 2016. Compliance of the Directives is as mentioned below:

Directive 1: Metering of consumers

Meters to be provided to all consumers by October 2012.

Commissions' comments as per GERC order 2016:

DPT is once again directed to submit information on the total number of services and the services available with meters and indicate the plan to provide meters for the balance services. Meters shall be provided to all consumers by 30th September 2016.

Compliance:

100% metering of all interface points and all consumers as advised by independent engineer has been taken up. In this regard, procurement process has already been initiated by the Petitioner; tendering for procurement of meters is being done through a government portal (GEM) and Petitioner is expected to complete the meter installation process by end of this financial year, i.e. FY 2019-20. DPT is also going for advanced metering, data collection, organized billing through advance software. The software is already deployed and the same shall be use once the metering process is completed.

Directive 2: Assessment of Distribution Losses

Apart from providing meters to all the consumers, the licensee was directed to provide meters on 11 kV feeders, distribution transformers and conduct energy accounting to arrive at the actual distribution losses in the system and take appropriate action to reduce the distribution losses to the level prescribed by the Commission in this order and report compliance to the Commission.

Commissions' comments as per GERC order 2016:

There is no progress so far and the same non-compliance is being continued. The licensee is once again directed to submit a road map for completion of all meter related works by December 2016.

Compliance:

As submitted above, DPT has initiated the process of providing 100% metering which is expected to complete by end of this financial year, i.e. FY 2019-20. After the installation of meters, the Petitioner shall conduct the loss assessment study and derive the measures for loss reduction basis the study.

Directive 3: Separation of accounts of distribution business

The licensee has stated that the data on all expenses for ARR is to be segregated from the combined expenses of port and distribution business.

Since the distribution business is now under a regulated regime, the licensee was directed to maintain an assets register and separate accounts, duly certified by statutory auditors, for distribution business from FY 2011-12 onwards and develop balance sheet and profit and loss account, etc., for the distribution business and submit data relating to expenses from the separate accounts maintained in the ARR and Tariff Petition for FY 2012-13.

Commissions' comments as per GERC order 2016:

DEENDAYAL PORT TRUST

The audited accounts for distribution business should be submitted by August 2016. In the absence of separate audited accounts for the regulated business, truing up of the approved ARR cannot be considered.

Compliance: As directed by the Hon'ble Commission, DPT has prepared the separate accounts for its power distribution business and has appointed the Auditor for audit of its accounts. The annual accounts from FY 2011-12 to FY 2017-18 have been duly audited by the auditor and submitted to the Hon'ble Commission for perusal. Accordingly, DPT submits the petition for determination of Multi-Year ARR for FY 2016-17 to FY 2020-21 & determination of tariff for FY 2019-20 to the Hon'ble Commission for approval.

Directive 4: Business Plan

The petitioner did not submit the business plan, along with MYT petition for FY 2011-12 to FY 2016-17. The licensee is directed to prepare and submit the business plan for the control period, in accordance with GERC (MYT) Regulations, 2011, by September 2013.

Commissions' comments as per GERC order 2016:

The Compliance is the same as last years. It is once again reiterated to prepare a Business Plan for next 5 years – FY 2016-17 to FY 2020-21 and submit to the Commission by August 2016.

Compliance:

The Petitioner hereby submits the Multi-Year Tariff Petition for FY 2016-17 to FY 2020-21 & determination of tariff for FY 2019-20 to the Hon'ble Commission for approval. The MYT Petition encompasses all the workings related to the control period, including projection of sales, number of consumers, connected load, various expense heads such as power purchase expenses, operation & maintenance expenses, interest & finance charges, etc. and various revenue components such as revenue from sale of power, other income, etc.

Directive 5: Meter reading and Billing

The licensee shall organise meter readings, preferably using hand-held machines, and develop an appropriate organisation for meter reading, billing and revenue realisation. The required software for this purpose may also be got developed.

Commissions' comments as per GERC order 2016:

The compliance mentioned is the same as that of last year. It is once again reiterated that DPT should submit the schedule of firm date for implementation of the programme.

Compliance:

As submitted above, DPT has initiated the process of providing 100% metering which is expected to complete by end of this financial year, i.e. FY 2019-20. DPT is also going for advanced metering, data collection, organized billing through advance software. The software is already deployed and the same shall be used once the metering process is completed.

Directive 6: Capacity Building

DPT was directed to train the staff in meter reading, billing, revenue realisation and other distribution activities. DPT shall also develop a proper organisation to manage the distribution system and control any pilferage of energy, etc.

Commissions' comments as per GERC order 2016:

The compliance mentioned is the same as that last year. DPT is once again directed to give a road map for implementation of this by August 2016.

Compliance:

DPT has appointed a consultant for support to its staff on various areas related to electricity distribution business including power purchase optimization, scheduling, regulatory support, commercial functions (metering and billing), consumer support/ complaint handling, supervision of capital expenditure and other technical services.

CHAPTER 8. PRAYER

DPT respectfully prays to the Hon'ble Commission;

1. To admit this Petition seeking Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of Tariff for FY 2019-20.
2. To approve Multi-Year ARR for FY 2016-17 to FY 2020-21 as per GERC MYT Regulations 2016
3. To approve the revenue gap for FY 2016-17 and FY 2017-18
4. To approve the revenue gap for FY 2019-20
5. To approve the terms and conditions of Tariff for FY 2019-20 and various other matters as proposed in this petition and proposed changes therein.
6. Pass suitable orders for implementation of Tariff Proposal for FY 2019-20 for making it applicable from 1st April 2019 onwards.
7. To grant any other relief as the Hon'ble Commission may consider appropriate.
8. The Petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
9. Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

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.

Signature of the Petitioner

Place: New Kandla

Date: 06th June 2019

अधिरासी अभियंता (विद्युत)
दीनदयाल पोर्ट ट्रस्ट
Executive Engineer (Mr. D.K. HAZRA)
DEENDAYAL PORT TRUST
Executive Engineer (E)

ANNEXURE 1: PROPOSED TARIFF SCHEDULE FOR FY 2019-

20

GENERAL

- The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of DPT.
- These tariff rates 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.
- All these tariff rates for power supply are applicable to only one point of supply.
- The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
- Except in cases where the supply is used for the purpose for which the Distribution Licensee has permitted 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.
- The various provisions of the GERC (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, 2005 will continue to apply. Meter charges shall be applicable as prescribed under GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005, as amended from time to time.
- Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
- The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horsepower or kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded to next 0.5.
- The billing of energy charges will be done on complete one kilo-watthour (kWh).
- The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
- The Fixed charges, minimum charges, demand charges, meter rent 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 for any period within the duration of billing period for any reason.
- Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
- Fuel Cost and Power Purchase Adjustment (FPPA) Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
- Payment of penal charges for usage in excess of contract demand / connected load for any billing period would not entitle the consumer to draw in excess of contract demand / connected load as a matter of right.
- The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.

- **Delayed payment charges apply for all consumers:**
 - *No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).*
 - *Delayed payment charges will be levied at the rate of 15% per annum for the period commencing from the due date to the date of payment of the bill.*
 - *For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.*

PART – I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This tariff is applicable 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 CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

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

For BPL Household Consumers:

Fixed Charges	Rs. 5/- per month
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PLUS

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

(a)	First 50 Units	491 Paise per Unit
(b)	Next 50 Units	536 Paise per Unit
(c)	Next 150 Units	601 Paise per Unit
(d)	Above 250 Units	706 Paise per Unit

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

(a)	First 30 Units	150 Paise per Unit
(b)	For remaining Units	Rate as per RGP

*The consumer who wants to avail the benefit of the above tariff must produce a copy of the Card issued by the authority concerned at the office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

1.4. MINIMUM BILL (EXCLUDING METER CHARGES)

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 / MONTH:

Range of Connected Load:

(a)	Up to & Including 10 kW	Rs. 50/kW/month
(b)	Above 10 and upto 40 kW	Rs. 85/kW/month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

(a)	Up to & Including 10 kW	621 Paise per Unit
(b)	Above 10 and upto 40 kW	651 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 CHARGES:

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

PLUS

3.2. ENERGY CHARGES:

For the entire consumption during the month	646 Paise per Unit
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PLUS

3.3. BILLING DEMAND

The billing demand shall be highest of the following:

- Eighty-five percent of the contract demand
- Actual maximum demand registered during the month
- 15 kW

3.4. MINIMUM BILL.

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

4. RATE: SL

4.1. Tariff for Street Light for Local Authorities and Industrial Estates:

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

4.1.1. ENERGY CHARGES:

For all the units consumed during the month	591 Paise per Unit
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4.1.2. MINIMUM CHARGES

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

4.1.3. RENEWAL AND REPLACEMENT 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 in this regard under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

5. RATE: TMP

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

5.1. FIXED CHARGE

Fixed Charges per Installation	Rs. 15 per kW per Day
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5.2. ENERGY CHARGE

For all units consumed during the month	651 Paise per Unit
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PART-II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

(3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

6. RATE: HTP-I

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

6.1. DEMAND CHARGES

1) For billing demand up to contract demand

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

2) For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contracted demand	Rs. 555 per kVA per Month
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PLUS

6.2. ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	586 Paise per Unit
(b)	Next 2000 kVA of billing demand	606 Paise per Unit
(c)	For billing demand above 2500 kVA	616 Paise per Unit

PLUS

6.3. TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs		
(a)	For billing demand up to 500 kVA	50 Paise per Unit
(b)	For billing demand above 500 kVA	90 Paise per Unit

6.4. BILLING DEMAND:

The billing demand shall be the highest of the following:

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

6.5. MINIMUM BILLS:

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

6.6. POWER FACTOR ADJUSTMENT CHARGES:

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 6.2 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 6.2 of this schedule, will be charged.

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

6.7. MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 15 minutes period of maximum use.

6.8. CONTRACT DEMAND:

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

6.9. REBATE FOR SUPPLY AT EHV:

On Energy Charges		Rebate @
(a)	If supply is availed at 33/66 kV	0.5%
(c)	If supply is availed at 132 kV and above	1%