# JOINT ELECTRICITY REGULATORY COMMISSION

**Tariff Order**

Truing up for FY 2022-23,
Annual Performance Review (APR) for FY 2023-24
and
Aggregate Revenue Requirement and Determination of Tariff for FY 2024-25

**For**

## DND and DD Power Distribution Corporation Limited – DNDDDPDCL

**Petition No. 117 of 2023**
**13th June, 2024**

**3rd and 4th Floor, Plot No. 55-56, Sector -18, Udyog Vihar – Phase IV**
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# List of Abbreviations

| Abbreviation | Full Form |
|---|---|
| A&G | Administrative and General |
| ACoS | Average Cost of Supply |
| Act | The Electricity Act, 2003 |
| AMR | Automated Meter Reading |
| APR | Annual Performance Review |
| ARR | Aggregate Revenue Requirement |
| ATE | Appellate Tribunal for Electricity |
| BOQ | Bill of Quantity |
| BPL | Below Poverty Line |
| CAGR | Compound Annualized Growth rate |
| Capex | Capital Expenditure |
| CEA | Central Electricity Authority |
| CERC | Central Electricity Regulatory Commission |
| CGS | Central Generating Stations |
| COD | Commercial Operation Date |
| Cr | Crores |
| DD | Daman and Diu |
| Discom | Distribution Company |
| DNH | Dadra and Nagar Haveli |
| DNHPDCL | DNH Power Distribution Corporation Limited |
| DNHDDPCL | DNH and DD Power Corporation Limited |
| DNHDDPDCL | DNH and DD Power Distribution Corporation Limited |
| DSM | Deviation Settlement Mechanism |
| EA 2003 | The Electricity Act, 2003 |
| ED | Electricity Department |
| EDDD | Electricity Department of Daman and Diu |
| EHT | Extra High Tension |
| FAR | Fixed Asset Register |
| FPPCA | Fuel and Power Purchase Cost Adjustment |
| FY | Financial Year |
| Gadarwara | Gadarwara Super Thermal Power Plant |
| GFA | Gross Fixed Assets |
| HT | High Tension |
| IEX | Indian Energy Exchange Limited |
| IPP | Independent Power Producer |
| JERC | Joint Electricity Regulatory Commission for the State of Goa and Union Territories |
| JGPP or GGPP | NTPC Jhanor–Gandhar Gas-Based power plants |
| KAPS | Kakrapar Atomic Power Station |
| Kawas/KGPP | NTPC Kawas Gas-Based Power Station |
| Kharagaon/Khargone | Khargone Super Thermal Power Plant |

| Abbreviation | Full Form |
|---|---|
| KHSTPP | Kahalgaon Super Thermal Power Station |
| KSTPP | Korba Super Thermal Power Station |
| Lara | Lara Super Thermal Power Plant |
| LT | Low Tension |
| MSTPL | Mauda Super Thermal Power Station |
| MU | Million Units |
| MOD | Merit Order Dispatch |
| MYT | Multi-Year Tariff |
| NTPC | National Thermal Power Corporation Ltd. |
| O&M | Operation and Maintenance |
| PGCIL | Power Grid Corporation of India Limited |
| PLF | Plant Load Factor |
| POSOCO | Power System Operation Corporation Limited |
| PPA | Power Purchase Agreement |
| R&M | Repair and Maintenance |
| REC | Renewable Energy Certificate |
| RLDC | Regional Load Despatch Centre |
| RoE | Return on Equity |
| RPO | Renewable Purchase Obligation |
| SBI MCLR | SBI Marginal Cost of Lending Rate |
| SECI | Solar Energy Corporation of India |
| SERC | State Electricity Regulatory Commission |
| Sipat | Sipat Super Thermal Power Station |
| SLC | Service Line Consumer |
| SLDC | State Load Despatch Centre |
| Solapur or SLP | Solapur Super Thermal Power Station |
| SOP | Standard of Performance |
| TAPS | Tarapur Atomic Power Station |
| T&D | Transmission & Distribution Loss |
| TVS | Technical Validation Session |
| UI | Unscheduled Interchange |
| UT | Union Territory |
| VSTPP | Vindhyachal Super Thermal Power Station |

# Before the
# Joint Electricity Regulatory Commission
# For the State of Goa and Union Territories, Gurugram

**CORAM**

**Sh. Alok Tandon, Chairperson**

**Smt. Jyoti Prasad, Member (Law)**

**Petition No. 117/2023**

**Date: 13th June 2024**

**In the matter of**

Approval for the True-up of FY 2022-23, Annual Performance Review for FY 2023-24, Aggregate Revenue Requirements (ARR) for FY 2024-25 & Distribution and Retail Tariff for FY 2024-25.

**And in the matter of**

Dadar and Nagar Haveli and Daman & Diu, Power Distribution Corporation Limited….

**Petitioner**

**ORDER**

1. This Order is passed in respect of Petition filed by the Dadar and Nagar Haveli and Daman & Diu, Power Distribution Corporation Limited (herein after referred to as "The Petitioner" or "DNHDDPDCL" or "The Licensee") for approval of True-up of FY 2022-23, Annual Performance Review for FY 2023-24, Aggregate Revenue Requirements (ARR) and determination of Retail Tariff for FY 2024-25 before the Joint Electricity Regulatory Commission (herein after referred to as "The Commission" or "JERC").
2. The Commission scrutinised the said Petition and generally found it in order. The Commission admitted the Petition on 21st December, 2023. The Commission thereafter requisitioned further information/clarifications on the data gaps observed to take a prudent view of the said Petition. The Commission also held a Technical Validation Session to determine sufficiency of data and the veracity of the information submitted. Further, suggestions/comments were invited from the public/stakeholders. The Public Hearing was held on 6th February'2024 at Daman and Silvassa and on 8th February'2024 at Diu, to enable the stakeholders to comment, if any, related to the Petition filed by the Petitioner.

3. The Commission, based on the Petitioner's submission, relevant JERC MYT Tariff Regulations, 2021, facts of the matter and after proper due diligence has approved the True-up of FY 2022-23, APR of FY 2023-24 and proposed ARR along with the Retail Tariff for FY 2024-25.
4. A Summary has been provided as follows:
   i. The Commission while truing up of FY 2021-22 in Tariff Order dated 30th March, 2023 had determined the cumulative revenue gap as NIL at the end of FY 2021-22.
   ii. The Commission in this Order has trued up for FY 2022-23 and has approved Annual Revenue Requirement of Rs. 5,997 Crore vis-à-vis actual revenue of Rs. 5,896 Crore, resulting in standalone revenue gap of Rs. 101 Crore for FY 2022-23. The same has been carried forward in the ARR of FY 2024-25 along with applicable carrying cost.
   iii. The Aggregate Revenue Requirement, revenue at existing tariff and standalone gap/(surplus) as submitted by the Petitioner and approved by the Commission for FY 2022-23, FY 2023-24 and FY 2024-25 are as follows:

**Table 1 Aggregate Revenue Requirement *(Rs. Crore)***

| S. No. | Particulars | FY 2022-23 | | FY 2023-24 | | FY 2024-25 | |
|---|---|---|---|---|---|---|---|
| | | Petitioner's Submission | Approved by Commission | Petitioner's Submission | Approved by Commission | Petitioner's Submission | Approved by Commission |
| 1 | Net Revenue Requirement | 6,008 | 5,997 | 5,966 | 5,901 | 5,889 | 5,791 |
| 2 | Less: Revenue at existing tariff | 5,896 | 5,896 | 5,615 | 5,614 | 5,571 | 5,508 |
| 3 | Standalone Gap/(Surplus) | 112 | 101 | 351 | 287 | 318 | 284 |

   iv. Further, for FY 2023-24, the Commission has approved revised Net Revenue Requirement of Rs. 5,901 Crore and projected revenue of Rs. 5,614 Crore at existing tariff, which has resulted in standalone revenue gap of Rs. 287 Crore. The same, being still an estimation, has not been carried forward in the ARR of FY 2024-25 adhering to the JERC MYT regulations, 2021.
   v. Moreover, for FY 2024-25, the Commission has approved revised Net Revenue Requirement of Rs. 5,791 Crore and projected revenue of Rs. 5,508 Crore at existing tariff, which has resulted in standalone revenue gap of Rs. 284 Crore.

vi. Considering the Aggregate Revenue Requirement for FY 2024-25 and the revenue from sale of power at existing tariff, the Retail Tariff have been approved in "Chapter 6: Tariff Principles and Design" of this Order for the consumers.

vii. The open access consumers shall pay charges in accordance with charges determined in "Chapter 7: Open access charges for FY 2024-25" of this order.

5. This Order shall come into effect from 16th June, 2024 and shall remain applicable till further Orders.
6. The Petitioner shall publish the tariff as determined by the Commission in this Order within one week of receipt of the Order in three daily newspapers in the respective local languages of the region, besides English, having wide circulation in their respective areas of supply and also upload the Tariff Order on its website.
7. The attached documents giving detailed reasons, grounds and conditions are integral part of this Order.

Ordered accordingly.

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| (Jyoti Prasad) | (Alok Tandon) |
| Member (Law) | Chairperson |

Place: Gurugram, Haryana

Date: 13th June 2024

# Chapter 1: Introduction

## 1.1 About Joint Electricity Regulatory Commission

In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as "the Joint Electricity Regulatory Commission for the Union Territories" vide notification no. 23/52/2003-R&R dated May 2, 2005. Later with the joining of the State of Goa, the Commission came to be known as "Joint Electricity Regulatory Commission for the State of Goa and Union Territories" (hereinafter referred to as "the JERC" or "the Commission") vide notification no. 23/52/2003-R&R (Vol. II) dated May 30, 2008.

JERC is a statutory body responsible for Regulation of the Power Sector in the State of Goa and the Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry, consisting of generation, transmission, distribution, trading and use of electricity. Its primary objective includes taking measures conducive to the development of the electricity industry, promoting competition therein, protecting interest of consumers and ensuring uninterrupted and quality power at affordable rates to all areas under its jurisdiction.

## 1.2 About DNH and DD

The Union Territory of Dadra & Nagar Haveli and Daman & Diu (DNH-DD) has been formed by merging two erstwhile UTs, namely Dadra & Nagar Haveli (DNH) UT and Daman & Diu (DD) UT, on 26th January, 2020, through an Act passed in the Parliament of India.

Dadra and Nagar Haveli (hereinafter referred to as "DNH") is spread over 491 sq. km, has 72 villages with a population of 3,42,853 as per Census 2011. The natural attractions of this region have made it a popular tourist destination in the Western region of India. Additionally, due to liberalized policies of Central Government of tax benefits, the UT has also developed into a highly industrialized area.

The rapid development of the DNH has led to an increase in the demand for power. Presently, ~93% of total sales are to HT and LT industrial consumers. The peak demand of this territory was around 875 MW in FY 2021-22 as per CEA. DNH has also achieved 100% electrification which further contributes to the increasing demand for power. Daman and Diu (hereinafter referred to as "DD") covers a total area of 112 sq. km, with the Daman District comprising of an area of 72 sq. km and Diu District of 40 sq. km. The rapid development of the DD has led to an increase in the demand for power. Presently, ~83% of total sales are to HT and LT industrial consumers. The peak demand of this territory was around 371 MW in FY 2021-22 as per CEA. DD has also achieved 100% electrification which further contributes to the increasing demand for power.

## 1.3 DNH and DD Power Distribution Corporation Ltd.

DNH and DD Power Distribution Corporation Limited hereinafter referred to as "DNHDDPDCL" or "Utility") has been incorporated and reconstituted from the erstwhile DNH Power Distribution Corporation Limited (hereinafter referred to as "DNHPDCL") and the Electricity Department of Daman and Diu (hereinafter called "EDDD"). DNHDDPDCL is engaged in the electricity distribution business w.e.f. 1st April, 2022.

The distribution network at Dadra & Nagar Haveli is supported by 66/11 kV sub-stations, which are as:

**Table 1-1 66/11 kV Sub-Transmission system feeding Distribution system of DNHDDPDCL at DNH**

| S. No. | Particulars | UoM | Capacity |
|---|---|---|---|
| 1 | 66/11 kV Amli | MVA | 70 |
| 2 | 66/11 kV Dadra | MVA | 90 |
| 3 | 66/11 kV Masat | MVA | 75 |
| 4 | 66/11 kV Rakholi | MVA | 70 |
| 5 | 66/11 kV Kharadpada | MVA | 52 |
| 6 | 66/11 kV Silli | MVA | 50 |
| 7 | 66/11 kV Khadoli | MVA | 90 |

| S. No. | Particulars | UoM | Capacity |
|---|---|---|---|
| 8 | 66/11 kV Khanvel | MVA | 25 |
| 9 | 66/11 kV Athal | MVA | 40 |
| 10 | 66/11 kV Vaghdhara | MVA | 35 |
| **11** | **Total** | **MVA** | **597** |

Further, the distribution network at Daman & Diu is supported by 66/11 kV sub-stations, which are as:

**Table 1-2 66/11 kV Sub-Transmission system feeding Distribution system of DNHDDPDCL at DD**

| S. No. | Particulars | UoM | Capacity |
|---|---|---|---|
| 1 | 66/11 kV Magarwada | MVA | 30 |
| 2 | 66/11 kV Kachigam | MVA | 95 |
| 3 | 66/11 kV Dabhel | MVA | 90 |
| 4 | 66/11 kV Dalwada | MVA | 75 |
| 5 | 66/11 kV Varkund | MVA | 42 |
| 6 | 66/11 kV Ringanwada | MVA | 50 |
| 7 | 66/11 kV Bhimpore | MVA | 25 |
| 8 | 66/11 kV Kachigam-II | MVA | 45 |
| 9 | 66/11 kV Malala, Diu | MVA | 20 |
| **10** | **Total** | **MVA** | **472** |

The Distribution network transferred to DNHDDPDCL from erstwhile DNHPDCL and EDDD as on 01.04.2022 is as:

**Table 1-3 Distribution Network Characterstics of DNHDDPDCL as on 0.104.2022**

| S. No. | Particulars | UoM | Capacity |
|---|---|---|---|
| 1 | LT Line | Km | 2,310 |
| 2 | 11 kV Line | Km | 1,186 |
| 3 | 11 kV Substations | Nos. | 2,331 |
| 4 | Distribution Capacity at 11 kV | MVA | 656 |
| 5 | Consumer (LT) | Nos. | 1,50,249 |
| 6 | Consumer (HT/EHT) | Nos. | 1,641 |

## 1.4 Multi Year Tariff Regulations, 2021

DNHDDPDCL's tariff determination is now governed by "Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, hereinafter referred to as "JERC MYT Regulations", 2021. The JERC MYT Regulations, 2021 provide a framework for calculating tariffs on a cost-plus basis initially for a period of three years and allow the licensee to recover operational expenses including depreciation, interest on working capital and debt, and return on equity amongst others. The JERC MYT Regulations, 2021 segregate the items impacting tariffs into controllable and uncontrollable factors. Items that are uncontrollable are passed through to the consumers. Further, Regulation 13 of the JERC MYT Regulations, 2021 identifies the uncontrollable and controllable parameters as follows:

**Uncontrollable factors include:**

(a) Force Majeure events;
(b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;
(c) Variation in number of or mix of Consumers or quantities of electricity supplied to Consumers;
(d) ……….;
(e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved in the Commission;
(f) Variation in fuel cost;
(g) Change in power purchase mix;
(h) Inflation;
(i) Transmission charges for distribution licensee;
(j) Variation in market interest rates for long-term loans;
(k) Employee expenses limited to one time payment owing requirements of a pay Commission and terminal liability of employees;
(l) Taxes and Statutory levies;
(m) Taxes on income;
(n) Income from the realization of bad debts written off:

**Controllable parameters include:**

(a) Variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;

(b) Variation in Interest and Finance Charges, Return on Equity, and Depreciation on account of variation in capitalization, as specified in clause (a) above;

(c) Variations in technical and commercial losses of Distribution Licensee;

(d) ……….;

(e) ……….;

(f) Variation in performance parameters;

(g) Failure to meet the standards specified in the Joint Electricity Regulatory Commission for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015, as amended from time to time;

(h) Variations in labour productivity;

(i) Variation in O&M Expenses, except to the extent of inflation;

(j) Bad debts written off, in accordance with the provisions of Regulation 63;

## 1.5 Policy Directions

As mentioned in paragraph 1.3 of this order, a Government Policy Direction under Section 109 read with Section 108 of the Electricity Act, 2003 was issued by the Government of India vide gazette notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/412 dated 09/03/2022 wherein Clause 4.5 (a) of the stipulates as follows:

> *"In the larger public interest the Government has undertaken financial restructuring to provide a viable Opening Balance Sheet to the Distribution Company. Accordingly, the Distribution Company's ARR shall hereafter be decided based on the restructured Opening Balance Sheet and shall remain unaffected from the impact of any True-up of period prior to Transfer Date. Any surplus/gap arising due to True-up for the past period shall be passed on to consumer by way of adjustment in the ARR for the Electricity Department/DNHPDCL in respect of its residual transmission business, in the manner as may be decided by the Commission."*

## 1.6 Filing and Admission of the Present Petition

In accordance with the Regulation 9.1 of the JERC MYT Regulations, 2021 the Petitioner filed the Petition for approval of True-up of FY 2022-23, APR of FY 2023-24 and ARR for FY 2024-25. Further, under the same Petition, the Petitioner in accordance with the Regulation 9.1 of the JERC MYT Regulations, 2021 filed the Petition for Annual Performance Review for FY 2023-24, Aggregate Revenue Requirements (ARR) for FY 2024-25 and Distribution and Retail Tariff for FY 2024-25 for the Distribution Business left with DNHDDPDCL in line with the guidelines of Transfer Scheme dated March 09, 2022.

After initial scrutiny/analysis, the present Petition was admitted on 21st December, 2023 and marked as Petition No. 117/2023.

## 1.7 Interaction with the Petitioner

A preliminary scrutiny/analysis of the Petition was conducted, and certain deficiencies were observed. Accordingly, deficiency notes were issued to the Petitioner. Further, additional informations/clarifications were solicited from the Petitioner as and when required. The Commission and the Petitioner also discussed various concerns of the Petitioner and key data gaps, which included retail sales, revenue from retail tariff, capitalization, tariff proposal etc. The Petitioner submitted its response on the issues through various letters/emails. The Commission conducted the Technical Validation Session (TVS) with the Petitioner at the Commission's office in Gurugram, during which the discrepancies in the Petition were conveyed and additional informations required by the Commission was sought. Subsequently, the Petitioner submitted replies to the issues raised in this session and provided documentary evidence to substantiate its claims regarding various submissions.

The following table provides the list of interactions with the Petitioner along with the dates:

Table 1-4 List of Interactions with the Petitioner

| S. No. | Subject | Date |
|---|---|---|
| 1 | Receipt of Petition by the Commission | 30th November, 2023 |
| 2 | Admission of the Petition by the Commission | 21st December, 2023 |
| 3 | 1st Deficiency Note issued by the Commission | 23rd January, 2024 |
| 4 | Reply to the 1st Deficiency Note received by the Commission | 20th February, 2024 |
| 5 | Additional information asked by the Commission | 24th January, 2024 |
| 6 | Reply to the Additional information received by the Commission | 21st February, 2024 |
| 7 | Technical Validation Session (TVS) with Petitioner at JERC Office | 18th April, 2024 |

## 1.8 Notice for Public Hearing

Public notices were published by the Petitioner, inviting suggestions/comments from stakeholders on the Tariff Petition, the details of which are given below:

Table 1-5 Details of public Notices published by the Petitioner

| S. No. | Name of Newspaper | Date |
|---|---|---|
| 1 | Financial Express (English) | 28th December, 2023 |
| 2 | Silvassa Mirror (English) | 28th December, 2023 |
| 3 | Times of India (English) | 28th December, 2023 |
| 4 | Vartaman Pravah (Hindi) | 28th December, 2023 |
| 5 | Daman Ganga Times (Hindi) | 28th December, 2023 |
| 6 | Kesari – Junagadh Edition (Hindi) | 28th December, 2023 |
| 7 | Asli Azadi – Daman Edition (Gujarati) | 28th December, 2023 |
| 8 | UT Today – Silvassa Edition(Gujarati) | 28th December, 2023 |

The Commission also placed the petition on its website (www.jercuts.gov.in) for information and study for all the stakeholders.

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

Table 1-6 List of Newspapers published by the Commission

| S. No. | Name of Newspaper | 1st Notice Date | 2nd Notice Date | Place |
|---|---|---|---|---|
| 1 | Silvasa Mirror (English) | 20th January, 2024 | 04th February, 2024 | Silvassa |
| 2 | Nishpaksha Jansansar (Hindi) | 20th January, 2024 | 04th February, 2024 | Silvassa |
| 3 | Janadesh (Gujarati) | 20th January, 2024 | 04th February, 2024 | Silvassa |
| 4 | Ashali Azadi (Hindi) | 20th January, 2024 | 04th February, 2024 | Daman |
| 5 | Janadesh (Gujarati) | - | 04th February, 2024 | Daman |
| 6 | Vartaman Pravah (Gujarati) | 20th January, 2024 | 04th February, 2024 | Daman |

The Commission received objections/suggestions from the consumers/ stakeholders and examined the objections/suggestions received from the stakeholders and fixed the date for public hearing for the petition on 6th February, 2024 at Daman and Silvassa and on 8th February, 2024 in Diu.

The Commission also published the notice for Public Hearing on the Commission's website "www.jercuts.gov.in" intimating the date and venues as given below in order to solicit participation by the stakeholders who have submitted their suggestions, comments and also by other stakeholders who are interested.

## 1.9 Adherence to the Model Code of Conduct

The Commission has noted that in view of the General Elections 2024, the Model Code of Conduct (MCC) was imposed by the Election Commission of India. The MCC was effective from 16th March 2024 to 6th June 2024.

Therefore, in view of enforcement of Model Code of Conduct, the Commission decided to issue the tariff order once the Model Code of Conduct is over.

# Chapter 2: Summary of Suggestions/Comments received, Response from the Petitioner and the Commission's Views

## 2.1 Regulatory Process

On admitting the Petition, the Commission directed the Petitioner to make copies of the Petition available to the public, upload the petition on its website and also publish the same in the newspapers in abridged form inviting comments from the public as per the provisions of the JERC MYT Regulations, 2021.

The Public hearing was held on 6th February, 2024 from 10.30 A.M in Silvassa and from 4:00 P.M in Daman and further hearing was held on 8th February, 2024 from 10:30 A.M in Diu on Petition for the True-up of FY 2022-23, Annual Performance Review (APR) of FY 2023-24, Aggregate Revenue Requirement (ARR) for FY 2024-25 and determination of Retail tariff for FY 2024-25. During the Public Hearing, a few of the stakeholders who had submitted their comments in writing were asked to present their views in person before the Commission. Other participants from the general public, who had not submitted written comments earlier, were given an equal opportunity to express their views and suggestions in respect to the Petition.

The list of the Stakeholders is attached as **Annexure-1** to this order.

## 2.2 Suggestions/Comments, Response of the Petitioner and Commission's View

The Commission appreciates the efforts of various stakeholders in providing their suggestions/comments/observations to make the Electricity Distribution Sector responsive and efficient. The Commission has noted the concerns of all the stakeholders and has tried to address them to the extent possible in the Chapters on Tariff Design and Directives. Relevant observations have been suitably considered by the Commission while finalizing the Tariff Order. The submissions of the stakeholders, response of the Petitioner and views of the Commission are summarized below:

### Issue 1: Petition Dismissal

The stakeholder has contended that the Petitioner has filed the present petition without consultation or approval of the holding entity and in turn requested the Commission to dismiss the petition and direct the Petitioner to file fresh petition after obtaining approval of the UT Administration of DD & DNH.

**Petitioner's Response:** The Petitioner submitted that the privatization process carried out by the Union Territory of DNH & DD is in accordance with the approval and guidance of the Central Govt. The Transfer Scheme has been notified after following due process of approval of the Central Govt. It may kindly be noted that the provisions of Transfer Scheme do not envisage or provide any such requirement of prior approval before filing of tariff petition. It may kindly be noted that the Petitioner is the licensee responsible for carrying out electricity distribution in the license area in accordance with the provision of the Electricity Act, 2003. In compliance to the JERC Tariff Regulations, the Petitioner has filed the petition for True up of FY 2022-23, Annual Performance Review of FY 2023-24 and Determination of Aggregate Revenue Requirement & Tariff for FY 2024-25 for Union Territory of DNH & DD on 30th November, 2023.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 2: Exorbitant Expenses claimed in Petition

The stakeholder has expressed its apprehension that some of the expenses incurred/proposed in the ARR petition are exorbitant which will lead to discomfort amongst the industries.

**Petitioner's Response:** The Petitioner submitted that the said apprehension is misplaced since DNHDDPDCL has claimed all expenses in accordance with the provisions of the JERC Tariff Regulations. The Petitioner has endeavored to strike a balance amongst all consumers by giving due consideration to all commercial and technical aspects while preparing the Petition.

Further, stakeholders have submitted their suggestions/ objections on the Tariff Proposal/ Petition for the kind consideration of the Hon'ble Commission. It may kindly be noted that the Petitioner has made the entire petition available on its website and also issued the advertisements in newspapers inviting objections and suggestions from the stakeholders on the petition. The Hon'ble Commission has also issued the advertisements regarding public hearing on the tariff petition on 6th & 8th Feb, 2024. Accordingly, ample opportunity is provided to all the stakeholders to submit their comments/suggestions. Further, the Hon'ble Commission issues the tariff order after giving due consideration to objections and suggestions. Thus, interest of all the stakeholders is taken care of in accordance with the provisions of the Act.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

**Issue 3: Abnormal Increase in O&M Expenses**

The stakeholder has referred to the O&M expenses incurred / estimated by the Petitioner during FY 2022-23, FY 2023-24 and FY 2024-25 and has compared the approved and actual O&M expenses for FY 2022-23 and contended that increase in cost is not justified.

**Petitioner's Response:** The Petitioner submitted that the detailed rationale for O&M Expense is already furnished in the Petition. The Petitioner would like to reiterate that it has taken over the operations with effect from 1st April 2022 and is a new licensee for the License Area. The main drivers of O&M expenses are business growth, inflation, R&M activities, exposure of the assets to general public & safety norms. Further, the Petitioner is required to adhere to much stringent Standard of Performance which requires necessary improvement in Infrastructure and O&M practices including compliance to safety norms and provisions of law. Hence, in order to ensure required level of reliability, safety and efficiency of the Network, there is a need to revamp O&M Activities entirely in the License Area. Further, the License Area is spread over ~600 Sq.kMs. Considering such geographical spread, there is need for adequate manpower and uniformly spread infrastructure to cater the consumer requirement in time and efficiently.

It may further be noted that upon takeover, the Petitioner has observed that there is an urgent need to commence regular preventive and predictive maintenance. Even as a licensee, the Petitioner is required to carry out the breakdown maintenance of the network without asking consumer for arranging manpower / material. Accordingly, the Petitioner has taken up various O&M activities for improvement of performance and compliance to various Statutory Rules and Regulations. Earlier, consumers were asked to maintain assets though Regulations provides for maintaining the same by the licensee. Thus, considering the desired level of activities, the Petitioner has deployed necessary skilled manpower in addition to transferred employees from the erstwhile entities. Further, the Petitioner has aligned them with statutory provisions and in line with prudent industry practice. .

Based on above, the Petitioner has claimed the actual O&M expenses for FY 2022-23 and estimated the expenditure for FY 2023-24 and FY 2024-25.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The same has been dealt in True-up of O&M expenses in the Chapter 3 of this Order.

**Issue 4: Inflated Gap for Truing-Up Year**

The stakeholder has submitted that despite additional revenue of Rs. 59.03 Crore as regulatory surcharge, the Petitioner has arrived at revenue gap of Rs. 112.06 Crore in true up of FY 2022-23. ED-DD has also pointed out the estimated cumulative surplus of Rs. 28.62 Crore approved vide order dated 30th March, 2023.

**Petitioner's Response:** The Petitioner submitted that any payment relating to transfer of business to the Petitioner is subject to provisions of transfer scheme.'

Further distribution business of DNH&DD was transferred to the Petitioner w.e.f 1st April, 2022, including assets and liabilities, as per the Transfer Scheme notified. Further, the recovery made through regulatory surcharge is already reflected in the revenue of FY 2022-23. Basis the trued up ARR of FY 2022-23 and the total revenue of FY 2022-23 including revenue from regulatory surcharge, the Petitioner has arrived at the trued up gap/(surplus) of Rs. 112.06 Crore. The Petitioner has furnished all the details of ARR components as per audited accounts to arrive at the trued up gap of FY 2022-23. Regarding reference to estimated surplus of Rs. 28.62 Crore approved vide order dated 30th March, 2023, the Petitioner would like to submit that same is not comparable as it is on the basis of estimates of ED-DD and on a standalone basis for Daman and Diu area only.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The same has been dealt in Chapter 3 of this Order.

**Issue 5: Anomaly in projection of Distribution Losses**

The stakeholder has referred the actual losses of 1.62% and raised the issue of anomaly in respect of projection of distribution loss of 3.16% considered for FY 2023-24.

**Petitioner's Response:** The Petitioner submitted that as a licensee of UT of DD & DNH area, the Petitioner is bound to follow the target specified in the Transfer Scheme notified by the Hon'ble Administrator of UT of DNH & DD under Section 131 read with Section 108 and 109 of the Electricity Act, 2003. The Petitioner has considered the Distribution Loss of 3.16% for FY 2023-24 in its tariff petition in accordance with the provisions of the Transfer Scheme read with the Hon'ble Commission's Tariff Regulations.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The reconciliation of T&D losses has been carried out and is dealt in the Chapter 3 of this Order.

### Issue 6: Anomaly in Interest Rates

The stakeholder has submitted that as per MYT Regulations, the rate of interest should be SBI MCLR rate as on 1st April, 2023 plus 100 basis points which works out 9.50% and not 10.50%.

**Petitioner's Response:** The Petitioner submitted that the rate of Interest on Working Capital is correctly worked out at 10.50% in line with Regulation 32.4 of the JERC MYT Regulations, 2021 which provides for interest rate equal to one (1) Year State Bank of India (SBI) MCLR as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points.

**Commission's View:** This matter has been dealt in Chapter 3 of this Order.

### Issue 7: Mismatch in revenue in Petition from Audited Accounts

The stakeholder has referred to the revenue shown in the Petition and revenue shown in the P&L and sought clarification for considering lower figure in petition. ED-DD has further sought bifurcation of revenue from FPPCA and regulatory surcharge during FY 2022-23.

**Petitioner's Response:** The Petitioner submitted that the revenue shown in P&L is on accrual basis i.e. it includes the FPPCA revenue on accrual basis on saleable Energy and other accrued Gap/(Surplus); whereas the revenue provided in the petition is computed based on billed FPPCA on actual energy sold so as to arrive at the Gap/ Surplus.

With respect to details of revenue, the Petitioner submits that it has recovered Rs. 901.62 Crore through FPPCA; whereas the revenue recovered through regulatory surcharge is Rs. 58.42 Cr. during FY 2022-23. Same is considered as a part of revenue of Rs 5896.19 Cr. shown in the Petition.

**Commission's View:** The Commission has dealt with the same in Chapter 3 of this Order.

### Issue 8: Exorbitant increase in FPPCA charges

The stakeholder has referred to the FPPCA before and after privatization and stated that while the DNH & DD restricted the FPPCA to 10% of ABR during FY 2021-22, the FPPCA has increased by 100% within 1 year i.e. during FY 22-23.

**Petitioner's Response:** The Petitioner submitted that the FPPCA charges are recovered on account of variation in power purchase cost as per the approved formula of the Hon'ble Commission. The Petitioner is procuring power from the approved sources as tied up by the erstwhile entities and makes all efforts to optimize the power purchase cost Post takeover of the operations from 1st April, 2022, the Petitioner has received the supplementary bills of about Rs. 145 Cr pertaining to past periods from generators i.e.NTPC and NPCIL and about Rs. 65 Cr from CTU towards transmission charges pertaining to past periods. Also, overall fuel / power purchase costs have started increasing due to various geo-political and shortage of coal in domestic & international market from Q4 (21-22) and accordingly, the FPPCA of Elect Dept of DD was also increased to Rs. 1.65 per unit. It may kindly be noted that due to exceptional circumstances, Central Govt has also issued direction to all generating companies for utilization of imported coal to overcome the shortage of domestic coal. All these have contributed to higher power purchase cost and in turn, higher FPPCA. In fact, due to efforts made by Petitioner, the impact of all these factors on Power Purchase cost has been mitigated.

**Commission's View:** The stakeholder is requested to note the submission of the Petitioner.

### Issue 9: Higher Capital Expenditure

The stakeholder has referred to the capex proposed by the Petitioner for Power Supply Centre and Call Centre and stated that the said capex includes cost of land. ED-DD has stated that the UT Administration has already rented office buildings, store, laboratory, and complaint centres in DNH and DD to DNHDDPDCL and that the Petitioner should place the proposal before the UT Administration for any requirement of buildings for making arrangements instead of procurement of land privately. Hence, the proposal should be dropped.

**Petitioner's Response:** The Petitioner submitted that being a Distribution Licensee, DNHDD PDCL is required to ensure reliability of the Network and efficient operations for better consumer services. Accordingly, it has proposed necessary infrastructure. As regards suggestion to approach UT administration for any requirement of building / land, it may kindly be noted that creation of essential infrastructure like PSC/ Call Centre requires long term planning and certainty. At the time of commencing Operations, UT of DNH and DD has extended support to DNHDD PDCL by allowing DNHDD to continue to use existing space. The Petitioner has requested to extend the support for further period of 3 Years and in turn, the confirmation received from DNH PCL. However, confirmation from ED DD is still awaited. It may kindly be noted that space provided by erstwhile entities / UT Govt is about 50% of the total requirement. However, there is no commitment or clarity in terms of tenure and rent for long term lease by ED-DD / DNHDD PCL. As on date, the Petitioner has already taken premises/ space on rent of about ~1.3 Lac sq.ft (about 13,000 Sq Yds) area from Private parties since the available space for offices and customer care are limited. It is also worth noting that ED-DD has earlier provided space at Gandhipara, at Diu. However, the Petitioner was asked to vacate in 12 Months and accordingly, same was vacated in March 2023. The existing agreements also provides for vacation of premises by serving notice of 2 months. Hence, as there is no certainty about availability of space for office/ customer centres/ Storage / Power supply centres/ Meter testing Laboratory. Upon receipt of confirmation and clarity for long term lease and rent of existing assets from ED-DD / DNHDD PCL, the Petitioner will submit the revised capex plan.

Further, it is also important to note that more than 50% of premises allotted by ED-DD/ DNHDD PCL either require repairing or are about to complete residual life. In fact, more than 20% of premises are unsafe and require immediate attention.

Regarding the cost of land, the Petitioner submits that it is always preferable that Govt of UT or ED-DD / DNHDD PCL provides land on long term lease at token rent so that CAPEX can be further optimized. The Petitioner will approach the Govt of UT for making the space available at token/ subsidized rate. In case such land is made available to the Petitioner, it shall revise the cost of land, wherever applicable. The Petitioner appreciates the willingness of ED-DD / DNHDD PCL and will await for clarity of rate and tenure for providing space and premises.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and this issue has been dealt in Chapter 4 & 5 of this Order.

**Issue 10: Capital Expenditure for 33kV Network to be disallowed**

The stakeholder has contended that DNHDDPDCL is not authorized to carry out planning or any capex pertaining to 33 kV and above network and the proposal for the same should be dropped. ED-DD has referred to the Transfer Scheme and the JERC Tariff Order dated 1st November, 2010 of petition no. 13/2010.

**Petitioner's Response:** The Petitioner submitted that the present capex proposal for 33 kV and above in line with its earlier proposal submitted in last year's tariff petition and the Hon'ble Commission's order thereon. Further, it may kindly be noted that Electricity Dept had raised similar objection during the last tariff proceedings and the Hon'ble Commission has already dealt with the objection in its Tariff Order dated 01.08.2023.. Hence, the issue raised by ED DD that the Petitioner is not authorized to incur capex for creating 33 kV and above network is no longer res integra.

Further, DNHDD PCL and EDDD representatives had also attended the hearing related to 33 kV & above capex petition (Case No. 121 of 2024) on 31st January, 2024 and made their submissions before the Hon'ble Commission. In turn, the Hon'ble Commission has issued the necessary directions to DNHDDPCL to submit its Report so as to avoid any duplication of assets w.r.t "APPROVED SCHEMES" in the interest of the Consumers. However, no such Scheme having duplication is highlighted by DNHDD PCL/ ED-DD. Thus, the above amply clarifies the concerns raised in respect of capex of 33 kV and above voltage level.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

**Issue 11: Capital Expenditure towards replacement of faulty DTs**

The stakeholder has referred to the capex proposed by the Petitioner towards replacement of faulty distribution transformers (DT) and contended that the Petitioner has considered 10% yearly faulty rate for DT which is higher than permissible limit. ED-DD has alleged that the same reflects lack of proper maintenance works of existing DT and requested the Hon'ble Commission to seek clarification.

**Petitioner's Response:** The Petitioner submitted that the interpretation of ED-DD is incorrect. The existing DTs in the license area are quite old, already repaired / recycled and outdated, with many transformers nearing the end of their useful life. As transformers age, their performance and reliability decrease, leading to an increased risk of failure and reduced efficiency. In fact, the distribution transformer failure rate in the license area is very high due to lack of proper preventive and predictive maintenance in past.

Further, these transformers contain mineral oil impacting the environment in addition to posing threat to public safety. Replacing these transformers with state of the art technologically advanced, highly safe transformers will help to mitigate these risks and improve reliability. Considering the same, DNHDDPDCL has estimated the numbers of transformer replacements requirements annually. DNHDD PDCL works proactively in identifying such potential transformers likely to fail and take necessary action. While doing so, DNHDDPDCL takes care of the aspects of safety, efficiency and load growth in surrounding area.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 12: Capital Expenditure for Metering

The stakeholder has stated that all HT/EHT and LT industrial consumers were provided AMR facilities before privatization and requested to verify the details of CAPEX for Metering.

**Petitioner's Response:** The Petitioner submitted that as per the prevailing regulatory framework all new energy meters are required to be Smart meters and existing meters are required to be replaced with smart meters in a time bound manner. In turn, the Petitioner has proposed the capex for smart metering for FY 2023-24 and FY 2024-25. If the Hon'ble Commission allows to continue to use existing AMR meters, the Petitioner will reduce the proposed capex to that extent. However, the Petitioner is required to incur the capex to operationalize the existing AMR/AMI infrastructure in LT Industrial consumers. Accordingly, the associated cost of hardware/ software and communication equipment will be required to be incurred. The Petitioner requests the Hon'ble Commission to issue guidance regarding whether the Petitioner can continue with the existing conventional meters for balance consumers so as to optimize the capex to the extent possible.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and this issue has been dealt in Chapter 5 of this Order.

### Issue 13: Exorbitant increase in fixed charges proposal

The stakeholder has referred to the increase in fixed charges for HT category by around 138% to 144% and stated that such higher fixed charges will lead to hardship for industrial consumers and may become reason for industries to migrate from the UT.

**Petitioner's Response:** The Petitioner submitted that existing Fixed Charge/ Demand Charge does not commensurate with fixed costs of the Licensee. Therefore, to match recovery of fixed costs through Fixed/ Demand Charges, the Petitioner has proposed rationalization of Fixed Charges matching with the Fixed Costs and reduction in Energy Charges for HT/EHT category so that overall tariff increase remains only Rs. 0.31 per unit. It may further be noted that rationalization is also proposed to avoid creation of new level of cross subsidization due to under recovery of fixed cost, particularly, from the consumers who are opting for Open Access. The proposal is not only in line with the standard tariff philosophy but also in line with the provisions of the Act which prohibits to create new cross subsidization and also mandate to provide NON DISCRIMINATORY Open Access.

However, based on the suggestion of ED-DD, the Petitioner requests the Hon'ble Commission to maintain the fixed/demand charges for all the categories at the existing level and consider necessary adjustment in the Energy Charge only in the tariff schedule of DNHDDPDCL **for all Regular Consumers who continue to source power from the incumbent distribution licensee**. As these consumers will continue to source energy from the Petitioner, they will continue to make payment towards the under-recovery of fixed cost through Energy Charges.

As the Petitioner is also required **to ensure that these Regular Consumers should not get burdened due to under-recovery of fixed cost from Open Access Consumers**. The Petitioner would like to highlight that at present, there are no Open Access Consumers in the Licensee Area including consumers who represented for maintaining Fixed / Demand Charges. However, the Petitioner has received multiple inquiries for Open Access from its consumers and aggregate contract demand of such consumers is about 320 MW. In case, these consumers opt for Open Access , there will be under recovery of fixed cost and in turn, it will burden the other Regular Consumers.. Hence, to avoid such impact due to Open Access, the Petitioner humbly requests the Hon'ble Commission to consider rationalization of Fixed / Demand Charges as proposed by the Petitioner **only for Consumers opting for Open Access**. Thus specification of separate Fixed/ Demand Charge for OA Consumers and Regular Consumers will take care of both the issues i.e. concerns raised by Regular Consumers towards the increase in Fixed/ Demand Charges and to ensure recovery of fixed costs from such Open access consumers to avoid new level of cross subsidization by burdening Regular Consumers.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 9 of this Order.

**Issue 14: Inflated Gap of Rs. 584 Crore for FY 2024-25**

The stakeholder has stated that while the erstwhile entities were in profit, DNHDDPDCL has shown cumulative loss of Rs. 584.41 Crore during FY 2024-25 which shows inefficient operations of the unit which directly burdens the consumer.

**Petitioner's Response:** The Petitioner submitted that it may kindly be noted that the reference given to profit of erstwhile entities is misplaced and mixing profit with Gap/(Surplus) which primarily depends upon approved vis-à-vis actual power purchase cost. The Petitioner would like to clarify that during FY 2022-23, the Hon'ble Commission had arrived at surplus for the Petitioner in the Tariff Order mainly due to inadvertent error in computation of Revenue corresponding to the revised estimate of Power Purchase Cost. In this regard, the Petitioner has also filed review Petition with detailed rationale.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the gap/(surplus) for FY 2024-25 has been dealt in Chapter 5 of this Order.

**Issue 15: Increase in Demand Charges Proposal for FY 2024-25**

The stakeholder has objected to the increase in demand charges proposed by the Petitioner and contended that such increase is demotivating to industry and model of reasonable limit to demand charges vs. balancing energy charges is right model.

**Petitioner's Response:** The Petitioner submitted that the existing Fixed Charge/ Demand Charge does not commensurate with Fixed costs of the Licensee. Therefore, to match recovery of fixed costs through Fixed/ Demand Charges, the Petitioner has proposed rationalization of Fixed Charges matching with the Fixed Costs and reduction in Energy Charges for HT/EHT category so that overall tariff increase remains only Rs. 0.31 per unit. The proposal is not only in line with the standard tariff philosophy but also in line with the provisions of the Act which prohibits to create new cross subsidization and also mandate to provide NON DISCRIMINATORY Open Access.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 9 of this Order.

**Issue 16: No requirement of Additional CAPEX for 33kV Network**

The stakeholder has objected to the capex of 33kV proposed by the Petitioner, stating that since there is no new industry coming, there is no requirement of the capex.

**Petitioner's Response:** The Petitioner submitted that considering the objectives of (i) improving the reliability and safety of the network, (ii) reducing the technical losses, and (iii) to cater the future load growth, it is proposed to commission state-of-art 33/ 11 kV substations along with network. Further, at present, consumers with demand in excess of 5 MW have to avail supply directly at 66 kV with almost 3 times of CAPEX as well as higher land requirement. With implementation of 33 kV network backbone, consumer seeking demand above 5 MW upto 25 MW will be able to get expeditious supply at 33 kV with lower service line charges. This will help in reducing overall cost to consumers since creating 33 kV network is substantially cheaper in comparison to 66 kV network.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

**Issue 17: Higher Demand Charges for 220 kV Consumers**

The stakeholder has contended there is no need for higher demand charges for 200 kV consumers since all investment of 220 kV level is borne by consumer and instead of being benefited, consumer are required to pay more.

**Petitioner's Response:** The Petitioner submitted that the existing Fixed Charge/ Demand Charge does not commensurate with Fixed costs of the Licensee. Therefore, to match recovery of fixed costs through Fixed/ Demand Charges, the Petitioner has proposed rationalization of Fixed Charges matching with the Fixed Costs and reduction in Energy Charges for HT/EHT category so that overall tariff increase remains only Rs. 0.31 per unit.

Regarding benefiting the consumers at 220 kV level, it may kindly be noted that as per the proposed tariff schedule the consumer at 220 kV level have been benefited by lower energy charges as compared to 66kV and 11 kV.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

**Issue 18: Higher proposed Expenditure for PSC and Call Centre**

The stakeholder has referred to the proposed expenditure of Rs. 133.51 Crore for Power Supply Center and Call Center and contended that same will lead to additional burden to consumer.

**Petitioner's Response:** The Petitioner submitted that in the Transfer Scheme there is no provision for long term lease for civil infrastructure for administrative offices, warehouses, meter lab, QA/QC. Further, existing locations of offices / facilities are stop gap arrangements and that too have safety related and other concerns. It is submitted that necessary infrastructure is key to maintaining expected reliability as well to achieve the targets as per the Performance benchmarks. Accordingly, Petitioner has planned to establish necessary infrastructure for offices, warehouse and consumer centres, in a phased manner for efficient distribution network operations and better customer services.

This infrastructure will take care of network development, complaint management and other consumer requirements within their specified area. These Centers are essential to bring much required efficiency in operation and enhance customer services through reducing time to attend complaints, releasing connections, attending customer's request, etc.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 5 of this Order.

**Issue 19: Missing Green Energy Tariff Proposal in Present Petition**

The stakeholder has referred to MNRE promotion of green energy and contended that same is missing in the petition.

**Petitioner's Response:** The Petitioner submitted that as part of promotion of green energy, the Hon'ble Commission has prescribed the Renewable Power Purchase Obligation (RPO) for the distribution licensee. In turn, the Petitioner has taken necessary steps and already furnished the requisite details for fulfilment of RPO. Hence, the observation is erroneous.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and response of the Petitioner. The Commission is also in the process of issuance of green energy tariff through a separate order.

**Issue 20: Higher Intra-State Transmission Losses**

The stakeholder has referred to the actual distribution loss figure of 1.62% for FY 2022-23 and sought the detailed working of line losses. The stakeholder has also worked out intra-state transmission losses of 0.1581% and suggested DNHDDPDCL and DNHDDPCL to carry out system study w.r.t reliability and line loss. The stakeholder has further inquired about rationale for considering intra-state transmission losses at higher level of 1.82%. The stakeholder has also suggested to calculate distribution loss on sales other than 220 kV consumers.

**Petitioner's Response:** The Petitioner submitted that the actual distribution losses of FY 2022-23 are comparable to the target specified in the Transfer Scheme under Section 131 of the Act notified by the Hon'ble Administrator of UT of DNH & DD. The Petitioner has made sincere efforts to reduce the distribution losses including carrying out undergrounding of network, replacement of faulty meters, regularization of load, installing energy efficient transformers and asset securitization.

Further, regarding intra-state transmission losses, the Petitioner submits that the same is considered as per the difference between the actual energy injected in STU and Energy received at Distribution Periphery. The Petitioner would like to further submit that the stakeholder has referred to only 220 kV line losses for DNH Transco whereas the transmission losses include losses of 220kV and 66kV network owned and maintained by transmission utilities. Further, regarding consideration of approved transmission losses, the Petitioner would like to submit that consideration of approved transmission losses would result in substantial deviation and therefore, it has considered the actual losses observed in the system. As such the variation in transmission losses is uncontrollable parameter for distribution licensee.

However, the Petitioner would like to bring to the kind notice that in case actual Transmission loss is higher than the approved transmission loss but due to absence of actual transmission loss, approved transmission loss is considered for Open Access, un-recovered transmission loss will get transferred to the Regular consumers. Therefore, it is essential that SLDC/ STU is directed to work out monthly Transmission losses and same should be recovered uniformly for all users including Open Access Transaction.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The reconciliation of T&D losses has been carried out and is dealt in the Chapter 3 of this Order.

### Issue 21: Higher Intra-State Transmission Losses projected for APR and ARR

The stakeholder has inquired about rationale for considering intra-state transmission losses at higher level of 1.82% for FY 2022-23, 1.77% for FY 2023-24 and 1.71% for FY 2024-25.

**Petitioner's Response:** The Petitioner submitted that the consideration of approved transmission losses would result in substantial deviation. As such the variation in transmission losses is uncontrollable parameter for distribution licensees. Further, the Petitioner has projected the Intra-state losses at 189.36 MUs for FY 2023-24 and 190.97 MUs for FY 2024-25 on the energy requirement for FY 2023-24 and FY 2024-25, respectively, at UT periphery considering actual intra-state transmission loss for FY 2022-23. The same is as per the provisions of the Regulations. It is essential that transmission loss is projected correctly since deviation therein is controllable for Transmission Licensee.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The reconciliation of T&D losses has been carried out and is dealt in the Chapter 3 of this Order.

**Issue 22: Distribution Loss targets for APR and ARR required review**

The stakeholder has contended that distribution loss of 3.16% for FY 2023-24 and 2.99% for FY 2024-25 needs review.

**Petitioner's Response:** The Petitioner submitted that it is licensee for the entire area of UT of DD & DNH and is bound to follow the target specified in the Transfer Scheme under Section 131 read with Section 109 and 108 of the Act notified by the Hon'ble Administrator of UT of DNH & DD. The Transfer Scheme clearly refers to T&D loss of the Distribution Company i.e. DNHDD PDCL. Accordingly, the Petitioner has considered the Distribution Loss of 3.16% for FY 2023-24 and 2.99% for FY 2024-25 as specified in the Transfer scheme.

Regarding sales to be considered, the Petitioner would like to submit that being the distribution licensee for the UT of DNH & DD, it is the distribution licensee that makes the power purchase arrangements for all consumers including consumers at 220kV level. Accordingly, for computation of energy requirement of the UT, the sales of all consumers has to be considered. It may kindly be noted that the same is amply clarified in the Bidding Documents itself.

It may kindly be noted that the Petitioner has followed the same methodology of computing distribution losses used by discoms.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner. The reconciliation of T&D losses has been carried out and is dealt in the Chapter 3 of this Order.

**Issue 23: Details of REC Cost**

The stakeholder has referred to the cost for solar generation for FY 2023-24 and FY 2024-25 and suggested that such cost should be omitted. Further, the stakeholder has sought the details regarding REC cost and suggested to review the same w.r.t quantity and cost.

**Petitioner's Response:** The Petitioner submitted that the power purchase price of solar generation is considered as approved by the Hon'ble Commission. Regarding details of REC, it may kindly be noted that the Petitioner has considered REC quantum of 1917.29 MUs for FY 2023-24 and 2283.84 MUs for FY 2024-25 @ 50 paise/unit cost. Same is arrived at basis the RPO target for FY 2023-24 of 19.91% and 21.58% for FY 2024-25 w.r.t tied up RE sources.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 4 & 5 of this Order.

**Issue 24: Power Purchase cost of KGPP and GGPP**

The stakeholder has stated that the power purchase cost of KGPP and GGPP is not justifiable w.r.t zero Mus of power purchased.

**Petitioner's Response:** The Petitioner submitted that as detailed at para 3.14 of the petition, the energy charge of KGPP and GGPP is exorbitantly high and the tenure of the contract has already expired. Accordingly, the Petitioner has not sourced power from KGPP and GGPP for FY 2023-24 and also issued termination notice to NTPC. However, since NTPC has disputed the termination and relied on the Hon'ble Supreme Court, the Petitioner has been making payment of fixed charge for these stations under protest.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3, 4 & 5 of this Order.

### Issue 25: Computation of Working Capital

The stakeholder has referred to the computation of working capital and stated that same should be reduced by receivables from power sale for 1 month and security deposit. Further, the stakeholder has sought justification for considering the interest rate of working capital as 10.50% against the Hon'ble Commission approved rate of 9%.

**Petitioner's Response:** The Petitioner submitted that the working capital has been worked out as per the provisions of the JERC MYT Regulations and power purchase cost of 1 month and security deposit have been duly deducted to arrive at the working capital required for FY 2023-24 and FY 2024-25. Further, the rate of 10.50% is correctly worked out in line with the provisions of the JERC MYT Regulations.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3, 4 & 5 of this Order.

### Issue 26: Income Tax considered in Expenses

The stakeholder has contended that since income tax is part of profit of Petitioner, same is to be considered in account of Petitioner and cannot be considered in account of tariff/consumer power cost.

**Petitioner's Response:** The Petitioner submitted that income tax has been claimed by the Petitioner as per the provisions of the JERC MYT Regulations.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3 of this Order.

### Issue 27: Higher Fixed Cost of Power Purchase

The stakeholder has referred to the actual fixed cost incurred by the Petitioner during FY 2022-23 and contended that same is higher than cost estimated by the Commission.

**Petitioner's Response:** The Petitioner submitted that it is procuring power from the approved sources as tied up by the erstwhile entities and makes all efforts to optimize the power purchase cost. Post takeover of the operations on 1st April, 2022, the Petitioner has received the supplementary bills for past period from generators (i.e. NTPC & NPCIL) and from CTU towards transmission charges.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3 of this Order.

### Issue 28: Justification for Other Borrowing Costs

The stakeholder has referred to the borrowing cost of Rs. 1.18 Crore for FY 2022-23 considered by the Petitioner and sought justification.

**Petitioner's Response:** The Petitioner submitted that the cost primarily pertains to administrative cost for maintaining Bank Guarantee and Letter of Credit.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3 of this Order.

### Issue 29: Detailed bifurcation of Revenue from Sale of Power

The stakeholder has referred to revenue for FY 2022-23 and FY 2023-24 and stated that details provided are not sufficient and sought details of revenue received from all consumer categories. The stakeholder has stated that upon comparison of tariff for FY 2022-23 and FY 2023-24, all rates are same except FPPCA. Accordingly, the average rate of revenue for FY 2023-24 considered by the Petitioner is lower.

**Petitioner's Response:** The Petitioner submitted that it has furnished all the relevant details of revenue for FY 2022-23 and FY 2023-24 as per the prevailing Regulations and formats prescribed by the Hon'ble Commission. The Petitioner would like to further submit that the stakeholder is comparing the per unit revenue of FY 2022-23 with the revised estimated revenue of FY 2023-24 in isolation. It may kindly be noted that the revenue of FY 2022-23 reflects the revenue recovered including FPPCA for the FY 2023-24. However, the estimated revenue for FY 2023-24 consists of actuals for 6 months i.e. H1 and estimation for balance period of 6 months i.e. H2 which is computed on the basis of the sales projected for the balance period of H2. During FY 2023-24, the Petitioner has considered the revised Rapp @ Rs 4.96 per unit upto July 2023 and thereafter @ Rs. 5.20 per unit from Aug 2023 onwards and accordingly it has considered the revenue corresponding to estimated power purchase cost.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 4 of this Order.

**Issue 30: Sharing of gains on account of lower distribution losses**

The stakeholder has objected to the Petitioner's claim of 2/3rd gain for distribution loss reduction for FY 2022-23 on the ground of Petitioner already getting gain by way of reduction in power purchase cost due to reduction in distribution losses and because the cost is already loaded on the consumer by way of higher maintenance and modification cost.

**Petitioner's Response:** The Petitioner submitted that the distribution gain has been claimed in line with the provisions of the Transfer Scheme read with Tariff Regulations.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 3 of this Order.

**Issue 31: Higher rate of UI Power**

The stakeholder has referred to the rate of UI power @ Rs. 3.89 per unit vis a vis average power purchase cost of Rs. 4.40 per unit for FY 2023-24 and stated that same needs to be controlled.

**Petitioner's Response:** The Petitioner submitted that the UI is generated due to variation between schedule and actual drawal. The actual drawal of power depends upon the power demand prevailing during particular time block which is not controllable. Similarly, the UI rate is linked to the prevailing rate in the market for particular time block and is also uncontrollable as it depends upon the demand-supply position.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 4 of this Order.

**Issue 32: Mismatch in Sales projected while computing revenue**

The stakeholder has contended that there is difference in the sales shown for FY 2024-25 w.r.t sales considered for computation of revenue.

**Petitioner's Response:** The Petitioner has clarified that the sales shown in Table 47 of 10,687.06 MUs is on kWh basis for all categories whereas the sales shown in Format 23 is on kWh for all categories except HT & LT industrial consumers and Electric Vehicles which are on kVAh basis. Thus, there is no difference in the sales figures.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 5 of this Order.

**Issue 33: Computation of Demand Charges at 100% contract Demand**

The stakeholder has referred to the Format 23 wherein the column "contracted maximum demand" is shown and contended that if same is recorded maximum demand it would amount to demand charges being computed at 100% contracted demand by the Petitioner.

**Petitioner's Response:** The Petitioner has clarified that the demand shown in the head of "contracted maximum demand" is contract demand and not "recorded maximum demand". As such excess demand being penal in nature cannot be projected and is considered as part of the actual revenue.

**Commission's View:** The stakeholder is requested to note the submission of the Petitioner.

### Issue 34: Determination of Additional Surcharge based on source of Power Purchase

The stakeholder has suggested to determine Additional Surcharge on the basis of source of power purchase – i.e. OA renewable, OA bilateral, OA exchange, etc. Further, the stakeholder has also suggested to mention the applicability of maximum demand charge with additional surcharge.

**Petitioner's Response:** The Petitioner has clarified that Section 42(4) of the Act is amply clear, additional surcharge is to be specified by the State Commission to meet the fixed cost of the distribution licensee arising out of his obligation to supply. It has nothing to do with source of power purchase. Regarding applicability of demand charge with additional surcharge, it may kindly be noted that every open access consumer is required to pay the additional surcharge to meet the fixed cost of licensee.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 35: Territory wise voltage wise and category wise details of sales and revenue

The stakeholder has referred to the directive regarding territory wise voltage wise and category wise details of sales and revenue and stated that such detail is not found.

**Petitioner's Response:** The Petitioner has submitted that it is the distribution licensee for the entire license area of Dadra and Nagar Haveli and Daman and Diu. For a single license area there cannot be different territory wise sales and revenue. Regarding voltage wise sales and revenue, requisite details are already furnished in the petition in Format 23 & 24.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 36: FPPCA amount other than the billed in revenue should not be considered

The stakeholder has requested that while billing FPPCA, the old recovery or other than bill for energy supply during the quarter, should not be considered. The old recovery should be accommodated in next year tariff as fluctuation in rate can badly affect the profit and business stability.

**Petitioner's Response:** The Petitioner has submitted that as per the provisions of the Act and the Rules, recovery of FPPCA has to be carried out in an expeditious manner. Even the Ministry of Power has vide its communication dated 09.11.2021 directed the Regulatory Commissions to consider automatic pass through of additional fuel cost in tariff without any delay. Thus, the suggestion of the stakeholder is not in consonance with the provisions of the Act and Rules.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 4 of this Order.

### Issue 37: Reduce the demand level

The stakeholder has suggested to bring down the minimum demand level from 85% to 75% in light of the volatility observed in the textile market.

**Petitioner's Response:** The Petitioner has submitted that Fixed Charge is an essential component of two-part Tariff in line with principles enumerated in the Electricity Act and Tariff Policy. Further, being the distribution licensee, the Petitioner is revenue neutral but impact of any relaxation in the fixed charges to particular class of consumers would impact other consumers and result in creation of new level of cross subsidisation. This is against the intent of the Electricity Act, 2003.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 7 of this Order.

### Issue 38: Advance payment to avail rebate

The stakeholder has referred to the difficulty of working out exact amount for advance payment and in turn requested the Commission to formulate the eligible amount for advance payment to avail the rebate.

**Petitioner's Response:** The Petitioner has submitted that the terms and conditions for applicability of advance payment is amply clarified in the proposed tariff schedule. In case of difficulty to compute the advance bill amount, the provision for prompt payment rebate exists. As such the Petitioner is revenue neutral but impact of any relaxation would be a pass through in the tariff of other consumers.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 39: Separate cross subsidy surcharge and energy charge

The stakeholder has suggested to separate cross subsidy surcharge and energy charge so that industries can declare the amount paid as cross subsidy surcharge under CSR.

**Petitioner's Response:** The Petitioner has submitted that the cross subsidy surcharge applicable to HT and LT consumers has already been furnished at Table 76 of the petition. Regarding issue of declaring cross subsidy as CSR, the issue pertains to Companies Act and is extraneous to the present proceedings.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 40: Payment of Fixed Charges for surrendering Contract Demand

The stakeholder has suggested stipulation of payment of fixed charges for surrendering of contract demand within 2 years should be either removed or reduced to 6 months.

**Petitioner's Response:** The Petitioner has submitted that recovery of charges for surrendering contract demand within 2 years is as per the prevailing JERC Regulations and extraneous to the present proceedings.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 41: Anonymous Charges in Energy Bills

The stakeholder has alleged that huge amount of anonymous charges have been levied by the Petitioner on general public in light bills for profiteering.

**Petitioner's Response:** The Petitioner strongly refutes the allegations of the stakeholder and submits that being a regulated entity, the Petitioner is recovering charges, as approved by the Hon'ble Commission. Further, it may kindly be noted that the Petitioner is eligible to recover only the fixed rate of return on equity as prescribed in the JERC MYT Regulations and hence the allegation of profiteering is incorrect.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the response of the Petitioner.

### Issue 42: Over recovery due to levy of Regulatory Surcharge

The stakeholder has referred to the recovery of regulatory surcharge @ 4.41% during FY 2022-23 and contended that considering total revenue of about Rs. 6,008.25 Crore and applying 4.41%, same has resulted into over-recovery of Rs. 250-275 Crore.

**Petitioner's Response:** The Petitioner submitted that as per the Transfer Scheme, the tariff determined vide orders dated 31.03.2022 issued by the Hon'ble Commission in Petition No. 66 of 2021 filed by EDDD and Petition No. 68 of 2021 filed by DNHPDCL, is to be considered as an "Ad hoc" tariff qua the consumers of DNHDDPDCL, till the tariff is determined by the Hon'ble Commission. In its order in Petition No. 66 of 2021, Hon'ble Commission has also approved the Regulatory charge of 4.40% applicable to all the consumer categories as a percentage of the total Energy and Demand charges as part of Tariff Schedule.

Regarding continuation of Regulatory Surcharge during FY 2023-24, the Petitioner would like to submit that the Regulatory Surcharge is a component of Tariff Schedule similar to other component of Fixed Charge and Energy Charge. Tariff Order issued by the Hon'ble Commission specifies that Tariff (Fixed Charge, Energy Charge, Regulatory Surcharge etc.) shall be applicable for FY 2022-23. However, at para 4(i) of the Order, it is clearly provided that tariff shall continue till the time the new tariff order is issued by the Commission. Hence, recovery of Regulatory Surcharge was made at par with recovery of other components of Fixed & Energy Charge and in compliance to the prevailing orders of the Hon'ble Commission. However, the Petitioner has refunded the amount recovered through Regulatory

Surcharge for April & May 2024. Relevant details are already furnished in the present petition.

**Commission's View:** The Commission has noted the suggestion of the stakeholder and the issue has been dealt in Chapter 6 of this Order.

# Chapter 3: Truing-Up for FY 2022-23

## 3.1 Background

The Commission had issued the APR Order which includes APR for FY 2022-23, and ARR and determination of Retail tariff for FY 2023-24 on August 1, 2023 (hereinafter referred to as the "APR Order" for the purpose of truing- Up of FY 2022-23).

As per Regulation 12 of the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, the review and true-up of revenue and expenses of the Petitioner shall be carried out as follows:

> ***"12 Annual Performance Review, Truing-up and tariff determination during the Control Period***
>
> *12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.*
>
> *12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:*
>
> *12.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:*
>
> *a) True-up: a comparison of the audited financial and actual operational performance of the Applicant for the Financial Year for which the true up is*

*being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;*

*……….”*

This chapter deals with the truing-up of FY 2022-23 for DNHDDPDCL. The Commission has studied and analysed each component of the ARR for FY 2022-23 in the following paragraphs.

## 3.2 Approach for the True-Up of FY 2022-23

The Petitioner has submitted audited accounts for FY 2022-23 audited by the statutory auditor M/s PwC. The Commission now carried out the true-up of FY 2022-23 in accordance with the principles laid down in the JERC MYT Tariff Regulations, 2021.

## 3.3 Energy Sales to Consumers

**Petitioner's Submission:**

DNHDDPDCL has submitted category-wise actual energy sales for DNH and DD area for FY 2022-23 along with the sales approved by the Commission in the APR Order as given in the Table below.

**TABLE 3-1 ENERGY SALES FOR FY 2022-23 *(IN MU)***

| Category | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Domestic | 305.43 | 303.46 |
| LIG/Kutirjyoti | 7.40 | 2.58 |
| Commercial | 107.35 | 92.74 |
| Agriculture | 6.66 | 7.29 |
| LT Industry | 537.14 | 525.48 |
| Public Water Works | 4.46 | 4.31 |
| Public Lightning | 5.89 | 6.05 |
| HT/EHT Industry & Commercial | 8,697.34 | 8,679.94 |
| LT-EV Charging Station | - | 0.01 |
| HT-EV Charging Station | 1.44 | 1.51 |
| Temporary Supply | 7.40 | 11.42 |
| **Total Sales** | **9,680.49** | **9,634.78** |

The Petitioner has submitted that there is marginal variation in the actual sales of FY 2022-23 than the approved Sales in APR order due to seasonal variations and resumptions of economic activities post COVID-19 in LT and HT/EHT categories.

**Commission's Analysis:**

The actual sales done by DNHDDPDCL during FY 2022-23 was on lower side as compared to approved in the APR Order due to seasonal variations and resumptions of economic activities under industrial and commercial activities post COVID-19 pandemic. As per the Regulation 13.1 of the JERC MYT Tariff Regulations, 2021 the variation in consumers and energy sales are uncontrollable in nature, the relevant excerpt of the aforesaid regulations is stipulated as under:

> *"13.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:*
>
> *a) Force Majeure events;*
>
> *b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*
>
> *c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*
>
> *..."*

In order to carry out prudence check of the energy sales within the consumers category, the Commission vide Deficiency Note dated January 24, 2024 has asked the Petitioner to submit the Energy Audit Report for FY 2022-23. In response, the Petitioner vide letter dated 9th February, 2024 submitted the Energy Audit Report. The total sales as submitted by the Petitioner have been compared and found in conformity with the sale of energy furnished in the Energy Audit Report for FY 2022-23.

In view of above, the Commission approves the energy sales as mentioned in table below for DNHDDPDCL to the tune of 9,634.78 MU for FY 2022-23.

TABLE 3-2 ENERGY SALES FOR FY 2022-23 *(IN MU)*

| Category | Approved in APR Order | Petitioner's Submission | Trued-Up by Commission |
|---|---|---|---|
| Domestic | 305.43 | 303.46 | 303.46 |
| LIG/Kutirjyoti | 7.40 | 2.58 | 2.58 |
| Commercial | 107.35 | 92.74 | 92.74 |
| Agriculture | 6.66 | 7.29 | 7.29 |
| LT Industry | 537.14 | 525.48 | 525.48 |
| Public Water Works | 4.46 | 4.31 | 4.31 |
| Public Lightning | 5.89 | 6.05 | 6.05 |
| HT/EHT Industry & Commercial | 8,697.34 | 8,679.94 | 8,679.94 |
| LT-EV Charging Station | - | 0.01 | 0.01 |
| HT-EV Charging Station | 1.44 | 1.51 | 1.51 |
| Temporary Supply | 7.40 | 11.42 | 11.42 |
| **Total Sales** | **9,680.49** | **9,634.78** | **9,634.78** |

## 3.4 Open Access Sales

**Petitioner's Submission:**

The Petitioner submitted NIL Open Access Sales and NIL Open Access power purchase for FY 2022-23.

**Commission's Analysis:**

The Energy Audit report submitted by the Petitioner specifies that Open Access was not operational. Accordingly, the Commission approves NIL Open Access Sales and NIL Open Access Power Purchase in the true-up of FY 2022-23.

## 3.5 Inter-State Transmission Loss

**Petitioner's Submission:**

The Petitioner has submitted for FY 2022-23 the Inter-State transmission loss of 3.52%, as against the approved value of 3.66% in the APR.

**Commission's Analysis:**

The Commission has worked out the actual transmission losses based on the actual energy scheduled for the utility by the various generating stations as per REA accounts and the actual energy received by the utility during FY 2022-23. The computation of the same has been considered by the Commission for the purpose of truing-up.

The Commission has determined the energy requirement from tied-up sources in Energy Balance approved in the Section 3.7 of this Order. The energy available from tied-up source has been considered from the actual energy purchased as approved in Section 3.8 of this Order. The difference between the two has been considered as the Inter-State transmission loss.

The following table provides the Inter-State transmission loss approved in the APR Order, the Petitioner's submission and as Trued-up by the Commission now:

TABLE 3-3 INTER-STATE TRANSMISSION LOSS TRUED-UP FOR FY 2022-23

| Category | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| Inter-State Transmission losses (%) | 3.66% | 3.52% | 3.52% |

The Commission approves the Inter-State transmission loss of 3.52% for FY 2022-23.

## 3.6 Distribution Losses

**Petitioner's Submission:**

The Petitioner has submitted that the distribution losses for Union Territory distribution license area was specified by the Commission as per the Transfer Scheme to the tune of 3.35% as per APR Order whereas the actual distribution losses is 1.62% for FY 2022-23 as given in the Table below. DNHDDPDCL has been making consistent efforts to contain the distribution losses.

TABLE 3-4 DISTRIBUTION LOSSES FOR FY 2022-23 AS SUBMITTED BY DNDDDPDCL

| Category | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Distribution losses (%) | 3.35% | 1.62% |

DNHDDPDCL has submitted that the variation in the distribution losses compared to the approved value may be considered accordingly.

**Commission's Analysis:**

The Commission vide Deficiency Note dated 24th January, 2024 has directed the Petitioner to submit the Energy Audit Report for FY 2022-23. In response, the Petitioner vide Letter dated 9th February, 2024 submitted the Energy Audit Report for FY 2022-23. As per the Energy Audit Report submitted by the Petitioner, the distribution loss is 1.62%.

However, it has been observed that the as per the Transfer Scheme the Govt. has specified the T&D loss targets for DNHDDPDCL for starting three year of operations, the Commission has scheduled a TVS to reconcile the losses considered for FY 2022-23, against which the Petitioner has clarified that at the time of bidding for privatization various bidders has raised a query regarding clarity on loss targets given to Power Distribution utility against which the Govt. has clarified that the losses specified in RfP shall be the losses for the system owned by power distribution utility. The relevant excerpt of the aforesaid clarification is stipulated as under;

> *"The T&D loss target for the new DISCOM corresponds to the network proposed to be transferred to the new DISCOM"*

In addition to above, a joint meeting was convened to address the overall transmission and distribution (T& D) loss levels within the Union Territory (UT) of Daman & Diu and Nagar Haveli. This meeting included officials from DNHDDPDCL (the Distribution Company) and all three transmission companies: DNHDDPCL, DNH-Transmission, and EDDD. In its petition, the Distribution Company submitted an energy audit report indicating an overall T& D loss level of 3.41%. Of this, 1.62%

was attributed to distribution losses, while the remaining 1.82% was attributed to transmission losses across all three transmission utilities within the UT. However, there was a discrepancy between the transmission loss levels reported by the transmission utilities and those reported in the Distribution Company's energy audit report. It was therefore necessary for all transmission utilities to reconcile and re-submit their transmission loss figures along with their respective energy audit reports. This process aimed to determine the accurate level of transmission and distribution losses within the UT. All utilities were instructed to share their energy audit reports for reconciliation and loss level resubmission.

In view of above, the Distribution Utility has resubmitted its distribution loss level to 1.79% from 1.62% along with intra-state transmission losses from 1.82% to 1.65%.

Accordingly, the Commission has considered the distribution loss as re-submitted by the Distribution Utility. The Commission accepts submission of the Petitioner and approves the actual distribution losses of 1.79% for FY 2022-23.

Since, the Petitioner has been able to over-achieve the distribution loss target of 3.35% for the year, the incentive for the same has been provided to the Petitioner in accordance with the JERC MYT Regulations, 2021. The calculation of the same has been discussed in detail in "Section 3.20: Incentive/Disincentive towards over/under-achievement of norms of distribution losses" of this Order.

The following table provides the intra state transmission & distribution loss approved in the APR of FY 2022-23, the Petitioner's submission and as Trued-up by the Commission now:

**TABLE 3-5 INTRA STATE TRANSMISSION & DISTRIBUTION LOSS TRUED-UP BY COMMISSION FOR FY 2022-23**

| Category | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| Distribution losses (%) | 3.35% | 1.62% | 1.79% |
| Intra state transmission loss (%) | 0.48% | 1.82% | 1.65% |

The Commission approves intra state transmission & Distribution losses at 1.65% & 1.79% respectively in the true-up of FY 2022-23.

## 3.7 Energy Balance

**Petitioner's Submission:**

The Petitioner has submitted that the actual energy requirement for DNH and DD area licensee area furnished is based on the (i) actual energy sales, (ii) Intra-state transmission loss and (iii) distribution losses for FY 2022-23 as given in the Table below:

TABLE 3-6 ENERGY REQUIREMENT FOR FY 2022-23 FOR DNHDDPDCL

| Particulars | Formula | Approved in APR Order | Petitioner's Submission |
|---|---|---|---|
| Retail Sales | a | 9,680.49 | 9,634.78 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within UT (MU) | d = a + b + c | 9.680.49 | 9,634.78 |
| Less: Solar generation within UT (MU) | e | 21.91 | 20.87 |
| Net Total Sales within UT (MU) | f = d – e | 9,658.58 | 9,613.91 |
| Distribution Loss (MU) | g | 335.26 | 158.42 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 9,993.84 | 9,772.33 |
| Intra-State Transmission Losses (MU) | i | 48.34 | 181.35 |
| Energy Requirement at UT Periphery | j = h + i | 10,042.19 | 9,953.68 |
| Add: Sales to Common Pool/UI (MU) | k | - | - |
| Add: Sales through Power Exchange (MU) | l | - | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **10,042.19** | **9,953.68** |

The Petitioner submitted that the total energy requirement was met through various sources as discussed in the subsequent section.

**Commission's Analysis:**

The actual energy requirement submitted by the Petitioner for FY 2022-23 along with energy requirement as per APR Order has been examined and verified by the Commission. The Commission observed that there is a reduction of 88.48 MUs in the energy requirement for the Petitioner against the quantum of 10,042.19 MU approved in APR Order.

The actual energy requirement of the Petitioner is lower than that approved in the APR Order due to lower energy sales and variation in distribution losses. Actual energy requirement, which is the sum of energy sales, transmission losses and distribution losses, works out to 9,953.71 MUs for FY 2022-23.

TABLE 3-7 ENERGY REQUIREMENT APPROVED BY COMMISSION FOR FY 2022-23

| Particulars | Formula | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Retail Sales | a | 9,634.78 | 9,634.78 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within UT (MU) | d = a + b + c | 9,634.78 | 9,634.78 |
| Less: Solar generation within UT (MU) | e | 20.87 | 20.87 |
| Net Total Sales within UT (MU) | f = d – e | 9,613.91 | 9,613.91 |
| Distribution Loss (%) | | 1.62% | 1.79% |
| Distribution Loss (MU) | g | 158.42 | 175.05 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 9,772.33 | 9,788.97 |
| Intra-State Transmission Losses (%) | | 1.82% | 1.65% |
| Intra-State Transmission Losses (MU) | i | 181.35 | 164.74 |
| Energy Requirement at UT Periphery | j = h + i | 9,953.68 | 9,953.71 |
| Add: Sales to Common Pool/UI (MU) | k | - | - |
| Add: Sales through Power Exchange (MU) | l | - | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **9,953.68** | **9,953.71** |

**Note - The Petitioner has revised its submission on Distribution and Intra-State Transmission losses for FY 2022-23, and the same has been considered by the Commission*

The Commission accordingly approves the energy requirement at 9,953.71 MUs for truing up of FY 2022-23.

## 3.8 Power Purchase Quantum & Cost

### Petitioner's Submission:

The Petitioner has submitted that it primarily procures power from the following sources; (a) National Thermal Power Corporation Limited (NTPC) stations, (b) NSPCL Bhilai, (c) Nuclear Power Corporation of India Limited (NPCIL) stations, (d) Independent Power Producers. The plant wise details of the power purchase quantum and total power purchase cost incurred has been provided in the Petition. The Petitioner has submitted that against the power purchase cost of Rs. 5,346.05

Crore approved by the Commission in the APR Order, it has incurred a cost of Rs. 5,779.56 Crore.

The Petitioner has purchased 31.48 MU and 2,325.89 MU through UI and Open Market respectively at the cost of Rs. 33.99 Crore and 1,220.81 Crore to meet the energy shortfall during the year.

The Power purchase quantum and cost for FY 2022-23, as incurred by the Petitioner has been shown in the table below:

**Table 3-8 Power Purchase Cost submitted by the Petitioner for FY 2022-23**

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 793.48 | 52.97 | 152.01 | 204.98 | 2.58 |
| KSTPP 3 | 195.63 | 26.31 | 33.15 | 59.46 | 3.04 |
| VSTPP -I | 389.53 | 33.93 | 75.71 | 109.65 | 2.81 |
| VSTPP -II | 316.54 | 22.06 | 63.05 | 85.11 | 2.69 |
| VSTPP -III | 335.44 | 32.54 | 41.33 | 73.87 | 2.20 |
| VSTPP –IV | 468.29 | 63.00 | 88.59 | 151.59 | 3.24 |
| KGPP | 0.07 | 65.15 | 28.27 | 93.42 | - |
| GGPP | 0.03 | 60.89 | 5.20 | 66.09 | - |
| Sipat-I | 762.29 | 100.79 | 194.96 | 295.75 | 3.88 |
| Sipat-II | 302.52 | 29.65 | 62.94 | 92.59 | 3.06 |
| Mauda | 117.53 | 25.94 | 34.63 | 60.57 | 5.15 |
| VSTPS-V | 258.34 | 38.81 | 45.22 | 84.03 | 3.25 |
| Mauda 2 | 396.38 | 79.88 | 206.25 | 286.13 | 7.22 |
| Solapur | 340.23 | 118.52 | 174.13 | 292.65 | 8.60 |
| KHSTPP-II | 30.02 | 3.71 | 12.02 | 15.73 | 5.24 |
| LARA | 651.52 | 110.38 | 189.81 | 300.19 | 4.61 |
| Gadarwara | 572.85 | 163.52 | 260.26 | 423.78 | 7.40 |
| KHTPP | 286.84 | 116.71 | 156.70 | 273.41 | 9.53 |
| Miscellaneous | - | - | (13.63) | (13.63) | - |
| **Sub-total NTPC** | **6,217.52** | **1,144.76** | **1,810.62** | **2,955.38** | **4.75** |
| | | | | | |
| **NSPCL Bhiali** | **1,138.61** | **136.40** | **355.58** | **491.98** | **4.32** |
| | | | | | |
| **NPCIL** | | - | | | |
| KAPS 1 &2 | 154.22 | - | 35.31 | 35.31 | 2.29 |
| KAPS 3 | - | - | - | - | - |
| TAPS | 416.82 | - | 143.70 | 143.70 | 3.45 |
| **Sub-Total NPCIL** | **571.04** | **-** | **179.01** | **179.01** | **3.13** |
| | | | | | |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **IPPs/Traders** | | | | | |
| RGPPL | 3.11 | 5.68 | 3.26 | 8.95 | 28.75 |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 2,325.89 | - | 1,220.81 | 1,220.81 | 5.25 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 20.87 | - | 13.00 | 13.00 | 6.23 |
| | | | | | |
| **UI** | **31.48** | **-** | **33.99** | **33.99** | **10.80** |
| Less: Sale of Surplus Power | 26.21 | - | 17.56 | 17.56 | 6.70 |
| Less: Sale through DSM | 28.84 | - | 14.77 | 14.77 | 5.12 |
| | | | | | |
| **Net Power Purchase** | **10,253.48** | **1,286.84** | **3,583.95** | **4,870.79** | **4.75** |
| | | | | | |
| **Transmission Charges** | | | | | |
| PGCIL Charges | | 748.39 | - | 748.39 | |
| WRLDC Charges | | 0.66 | - | 0.66 | |
| Intra-State Transmission Charges | | 159.72 | - | 159.72 | |
| **Sub-total** | | **908.77** | **-** | **908.77** | |
| | | | | | |
| **Total Power Purchase** | **10,253.48** | **2,195.61** | **3,583.95** | **5,779.56** | **5.64** |

### Commission's Analysis:

Regulation 13.1 of the JERC MYT Regulations, 2021 provides:

*13.1 For the purpose of these Regulations, the term "uncontrollable factors" for a Transmission or Distribution Licensee shall comprise of the following factors, which were beyond the control of the Licensee, and could not be mitigated by the Licensee:*

*a) Force Majeure events;*

*b) Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;*

*c) Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;*

*d) Interstate Transmission loss;*

*e) Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;*

*f) ….;*

*g) Change in power purchase mix;*

*h) ….;*

*i) Transmission Charges for a Distribution Licensee;*

The Petitioner procures power mainly from NTPC stations, NPCIL stations, NSPCL Bhiali and IPPs. The Petitioner submitted the overall power purchase cost as Rs. 5,779.56 Crore inclusive of transmission cost and after adjusting revenue due to sale of surplus power and DSM receipts.

The Commission after prudence check considered the power purchase quantum and cost as per the monthly station-wise bills submitted by the Petitioner for each station. The cost has been reconciled with the audited annual accounts of FY 2022-23.

The Petitioner has claimed Power Purchase through UI as 31.48 MU. The Commission verified quantum of power purchase through UI from energy audit report for FY 2022-23 and found that the power purchase through UI is same as per petitioner's submission. Hence, the Commission has approved the Power Purchase through UI as per the same.

The following table provides the summary of the power purchase quantum and the cost approved by the Commission during FY 2022-23:

TABLE 3-9 POWER PURCHASE QUANTUM AND COST APPROVED BY THE COMMISSION FOR FY 2022-23

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 793.48 | 52.97 | 152.01 | 204.98 | 2.58 |
| KSTPP 3 | 195.63 | 26.31 | 33.15 | 59.46 | 3.04 |
| VSTPP -I | 389.53 | 33.93 | 75.71 | 109.65 | 2.81 |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| VSTPP -II | 316.54 | 22.06 | 63.05 | 85.11 | 2.69 |
| VSTPP -III | 335.44 | 32.54 | 41.33 | 73.87 | 2.20 |
| VSTPP –IV | 468.29 | 63.00 | 88.59 | 151.59 | 3.24 |
| KGPP | 0.07 | 65.15 | 28.27 | 93.42 | - |
| GGPP | 0.03 | 60.89 | 5.20 | 66.09 | - |
| Sipat-I | 762.29 | 100.79 | 194.96 | 295.75 | 3.88 |
| Sipat-II | 302.52 | 29.65 | 62.94 | 92.59 | 3.06 |
| Mauda | 117.53 | 25.94 | 34.63 | 60.57 | 5.15 |
| VSTPS-V | 258.34 | 38.81 | 45.22 | 84.03 | 3.25 |
| Mauda 2 | 396.38 | 79.88 | 206.25 | 286.13 | 7.22 |
| Solapur | 340.23 | 118.52 | 174.13 | 292.65 | 8.60 |
| KHSTPP-II | 30.02 | 3.71 | 12.02 | 15.73 | 5.24 |
| LARA | 651.52 | 110.38 | 189.81 | 300.19 | 4.61 |
| Gadarwara | 572.85 | 163.52 | 260.26 | 423.78 | 7.40 |
| KHTPP | 286.84 | 116.71 | 156.70 | 273.41 | 9.53 |
| Miscellaneous | - | - | (13.63) | (13.63) | - |
| **Sub-total NTPC** | **6,217.52** | **1,144.76** | **1,810.62** | **2,955.38** | **4.75** |
| | | | | | |
| **NSPCL Bhiali** | **1,138.61** | **136.40** | **355.58** | **491.98** | **4.32** |
| | | | | | |
| **NPCIL** | | **-** | | | |
| KAPS 1 &2 | 154.22 | - | 35.31 | 35.31 | 2.29 |
| KAPS 3 | - | - | - | - | - |
| TAPS | 416.82 | - | 143.70 | 143.70 | 3.45 |
| **Sub-Total NPCIL** | **571.04** | **-** | **179.01** | **179.01** | **3.13** |
| | | | | | |
| **IPPs/Traders** | | | | | |
| RGPPL | 3.11 | 5.68 | 3.26 | 8.95 | 28.75 |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 2,325.89 | - | 1,220.81 | 1,220.81 | 5.25 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 20.87 | - | 13.00 | 13.00 | 6.23 |
| | | | | | |
| **UI** | **31.48** | **-** | **33.99** | **33.99** | **10.80** |
| Less: Sale of Surplus Power | 26.21 | - | 17.56 | 17.56 | 6.70 |
| Less: Sale through DSM | 28.84 | - | 14.77 | 14.77 | 5.12 |
| | | | | | |
| **Net Power Purchase** | **10,253.48** | **1,286.84** | **3,583.95** | **4,870.79** | **4.75** |
| | | | | | |
| **Transmission Charges** | | | | | |
| PGCIL Charges | | 748.39 | - | 748.39 | |
| WRLDC Charges | | 0.66 | - | 0.66 | |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| Intra-State Transmission Charges | | 159.72 | - | 159.72 | |
| **Sub-total** | | **908.77** | **-** | **908.77** | |
| | | | | | |
| **Total Power Purchase** | **10,253.48** | **2,195.61** | **3,583.95** | **5,779.56** | **5.64** |

The Commission approves power purchase cost of Rs. 5,779.56 Crore in the true-up of FY 2022-23.

## 3.9 Renewable Purchase Obligation

**Petitioner's Submission:**

The Petitioner has submitted the RPO obligation for FY 2022-23 as per Regulation 4.1 of the JERC Procurement of Renewable Energy (Fourth Amendment) Regulations, 2022 specifying the RPO targets for FY 2022-23.

TABLE 3-10 RPO SUBMITTED BY PETITIONER FOR FY 2022-23*(IN MU)*

| Particulars | Petitioner's Submission |
|---|---|
| Sales | 9,634.78 |
| **RPO Target** | |
| Non-Solar (@9%) | 867.13 |
| Solar (@9%) | 867.13 |
| Hydro (@0.35%) | 33.72 |
| **Total (@18.35%)** | **1,767.98** |
| **Compliance (Non-Solar)** | |
| Non-Solar | 251.16 |
| Non-Solar REC | - |
| Compliance | 251.16 |
| Compliance (% of Sales) | 2.61% |
| **Compliance (Solar)** | |
| Solar | 222.82 |
| Solar REC | - |
| Compliance | 222.82 |
| Compliance (% of Sales) | 2.31% |
| **Compliance (Hydro)** | |
| Hydro | 35.22 |
| Hydro REC | - |
| Compliance | 35.22 |
| Compliance (% of Sales) | 0.37% |

The Petitioner has submitted that they will take necessary actions to comply with RPO.

**Commission's Analysis:**

The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the Regulation 4.1 of the JERC Procurement of Renewable Energy (Fourth Amendment) Regulations, 2022. The break-up of target vis-à-vis achievement is given in the Table below.

**TABLE 3-11 BREAK-UP OF PURCHASE FROM RE SOURCES FOR FY 2022-23**

| Sr. No. | Particulars | Targeted Quantum (MU) | Achieved Quantum (MU) | % of Sales Achieved |
|---|---|---|---|---|
| 1 | Wind RPO (@9%) | 867.13 | 251.16 | 2.61% |
| 2 | Solar RPO (@9%) | 867.13 | 222.82 | 2.31% |
| 3 | Hydro RPO (@0.35%) | 33.72 | 35.22 | 0.37% |
| **4** | **Total Renewable** | **1,767.98** | **509.20** | **5.29%** |

The Commission, accordingly, approves the RPO compliance of 5.29% till FY 2022-23.

**TABLE 3-12 CUMULATIVE COMPLIANCE TILL FY 2022-23**

| RPO | Sales for FY 2022-23 (Mus) | RPO Target RPO Target to be met for FY 2022-23 | | Cumulative backlog as on 31.03.2022 | Cumulative target for FY 2022-23 | RPO Compliance met for FY 2022-23 | Standalone (shortfall)/excess for FY (2022-23) | Standalone (shortfall)/excess for FY (2022-23) | Cumulative (shortfall)/excess for FY (2022-23) | Cumulative (shortfall)/excess for FY (2022-23) |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | (6=4+5) | 7 | (8=7-4) | (9=8/4) | (10=7-6) | (11=10/6) |
| | MU | % | MU | MU | MU | MU | MU | % | MU | % |
| Solar | 9775.73 | 9.00% | 879.82 | 1247.50 | 2127.32 | 222.82 | (657.00) | (74.67%) | (1904.50) | (89.53%) |
| Non-Solar | | 9.00% | 879.82 | 1343.47 | 2223.29 | 251.16 | (628.66) | (71.45%) | (1972.13) | (88.70%) |
| HPO | | 0.35% | 34.22 | 0.00 | 34.22 | 35.22 | 1.00 | 2.94% | 1.00 | 2.94% |
| Total | | 18.35% | 1793.8 | 2590.9 | 4384.82 | 509.20 | (1284.65) | (71.61%) | (3875.62) | (88.39%) |

## 3.10 Operation & Maintenance (O&M) Expenses

**Petitioner's Submission:**

The Petitioner has submitted that it has assumed operational control of the UT of Dadra and Nagar Haveli and Daman and Diu since April 1, 2022. Recognizing significant safety concerns for employees and the public, the Petitioner has undertaken various initiatives to ensure compliance with CEA safety norms and the Shops and Establishment Act related to Distribution Business. In addition to addressing safety concerns, the Petitioner has initiated activities such as asset survey, overhead line maintenance, Distribution Transformer Repairing, breathers installation, spacer installation, and pole repair to enhance operational performance. The Petitioner, aligning with the responsibilities of the Distribution Licensee, has revamped outage management systems and IT support systems to effectively manage planned and unplanned outages.

Further, Petitioner submitted that during the transfer of employees from previous entities, the Petitioner has made adjustments in payouts to comply with labor laws, including the PF Act, Bonus Act, Minimum Wages, and the Shops and Establishment Act, reflecting in the Employee Expenses. These efforts aim to ensure compliance and meet required performance standards.

In view of above, the Petitioner submitted that the base O&M Expense did not accurately reflect the desired level of activities, necessitating additional expenditure to meet stringent performance standards outlined in the Transfer Scheme. Thus, the Petitioner, in accordance with Regulation 52 of the MYT Regulations, urges the Hon'ble Commission to evaluate O&M Expenditure on an actual basis. The Petitioner anticipates that, once O&M activities are streamlined, sufficient data will be available for the Commission to assess the base O&M Expense for subsequent periods. Additionally, the Petitioner has requested a review to rectify computational errors in the approved Employee and A&G Expenses.

Petitioner has requested the Commission to consider the actual O&M expenses and approve accordingly.

**TABLE 3-13 O&M EXPENSES CLAIMED BY DNDDDPDCL FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Operation & Maintenance Expenses | 55.41 | 106.09 |

**Commission Analysis:**

As per Regulation 61 of the JERC (Generation, Transmission & Distribution MYT) Regulations, 2021:

*61.1 The Operation and Maintenance expenses for the Distribution Retail Supply Business shall be computed in accordance with this Regulation.*

*61.2 Operation and Maintenance (O&M) expenses shall comprise of the following:*

*a) Employee expenses - salaries, wages, pension contribution and other employee costs;*

*b) Administrative and General expenses including insurance charges if any; and*

*c) Repairs and Maintenance expenses.*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.*

*61.4 O&M expenses for the $n^{th}$ year of the Control Period shall be approved based on formula given below:*

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1-X_n) + \text{Terminal Liabilities}$

*Where,*

$R\&M_n = K x GFA_{n-1} \times (1+WPI_{inflation})$

$EMP_n = EMP_{n-1} \times (1+G_n) \times (1+CPI_{inflation})$

$R\&M_n = A\&G_{n-1} \times (1+CPI_{inflation})$

*'k' is a constant (expressed in %). Value for k for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance*

*expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

*$CPI_{inflation}$ is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;*

*$WPI_{inflation}$ is the average increase in Wholesale Price Index (WPI) for immediately preceding three (3) Years before the base Year;*

*$EMP_n$ Employee expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$A\&G_n$ Administrative & General expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$R\&M_n$ Repair & Maintenance expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$GFA_{n-1}$ Gross Fixed Asset of the Distribution Licensee for the $n\text{-}1^{th}$ Year;*

*$X_n$ is an efficiency factor for the $n^{th}$ Year. Value of $X_n$ shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

*$G_n$ is a growth factor for the $n^{th}$ Year. Value of $G_n$ shall be determined by the Commission in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

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

It is worthwhile to mention here that due to privatization of Utilities in Daman & Diu, the new entity DNHDDPDCL has been formed which is vested with the responsibility of distribution of power supply within the UT, thus, in absence of actual last three year audited accounts as per JERC MYT Regulations, 2021, based on new asset base, it is imperative and Commission deems it fit to consider the base year value on actual basis in order to carry out truing-up of FY 2022-23.

As above, the components comprising of the O&M expenses– employee expenses, R&M expenses and A&G expenses have been discussed separately below.

### 3.10.1 Employee Expenses

**Petitioner's Submission:**

The Petitioner has incurred actual Employee Expense to the tune of Rs. 44.27 Crore against the approved expenses of Rs. 24.32 Crore in the APR Order.

**Commission's Analysis:**

The employee expenses comprises of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. The Commission had approved employee expenses of Rs. 24.32 Crore in the APR Order. The Petitioner has submitted actual employee cost for FY 2022-23 as Rs. 44.27 Crore.

It is worthwhile to mention here that the Electricity distribution business in the union territory of Dadar & Nagar Haveli and Daman & Diu has been privatized. Under this restructuring, DNHDDPDCL has been designated as the distribution licensee, assuming responsibility for all electricity functions including distribution and retail supply of electricity with in the UT. Therefore, it is necessary to recalibrate the employee cost for DNHDDPDCL in accordance with Regulation 61.3 and 61.4 of the JERC MYT Tariff Regulations, 2021.

In view of above, in order to allow the O&M expenses for FY 2022-23, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 which specifies the following:

> *"61. Operation and Maintenance (O&M) expenses for Distribution Retail Supply Business*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the distribution Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.*

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

It is to be noted that due to restructuring, the O&M norms shall be determined on case to case basis, thus, as per the Regulations stipulated above, the Commission has considered the actual employee expenses for FY 2022-23 to be allowed in truing-up.

The Commission requested the Petitioner to provide a detailed justification for the significant variation in employee expenses compared to the approved APR. In response, the Petitioner explained that several important changes had been implemented, including:

- Revision of wages, requiring an increase in special allowance on April 1st and October 1st each year, applicable to contractual employees.
- Extending coverage under the Provident Fund Act (12% employee contribution + 12% employer contribution) to bring pay parity, regularizing employees' take-home salaries.
- Paying bonuses as per the Act, set at Rs. 7000 or the prevailing minimum wage, whichever is higher.
- Introducing a minimum of 30 leaves annually for all employees, in line with the Shops and Establishment Act.
- Providing insurance facilities for all employees, adhering to the Safety Conviction Policy and Demise Policy.

The Commission noted the Petitioner's response and agreed that these measures were necessary. Consequently, the Commission considered these factors for the truing-up process.

The following table provides the employee expenses approved by the Commission in the APR Order, Petitioner's submission and now trued-up by the Commission:

**Table 3-14 Employee Expenses trued-up by Commission for FY 2022-23 *(Rs. Crore)***

| Particulars | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| Employee Expenses | 24.32 | 44.27 | 44.27 |

Accordingly, the Commission approves Employee Expenses of Rs. 44.27 Crore for FY 2022-23.

### 3.10.2 Repair & Maintenance (R&M) Expenses

**Petitioner's submission:**

The Petitioner has incurred actual R&M Expense to the tune of Rs. 33.87 Crore against the approved expenses of Rs. 12.45 Crore in the APR Order.

**Commission's Analysis:**

As per the approach and methodology adopted while allowing employee expenses in earlier section, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 for allowing R&M expenses which specifies the following:

*"61. Operation and Maintenance (O&M) expenses for Distribution Wires Business*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the distribution Licensee, estimates* *of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.*

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

Therefore, in view of above, the Commission has considered the actual R&M expenses for FY 2022-23 to be allowed in truing-up.

The Commission requested the Petitioner to provide a detailed justification for the significant variation in R&M expenses compared to the approved APR. In response, the Petitioner explained that previously, only breakdown maintenance was conducted, often by consumers, leading to fatal and non-fatal accidents due to the network's poor condition and frequent outages. To improve reliability and safety, the Petitioner has initiated regular, condition-based preventive maintenance. Key activities include:

- **HT Feeder Pillar Maintenance:** Replacing deteriorated cable terminations and bushings, applying varnish to insulated bushings, sealing cable entries, and clearing vegetation to prevent flashovers.
- **Burnt HT/LT Cable & Transformer Breathers:** Identifying and repairing burnt cables and breathers to ensure efficient power distribution and reduce outages.
- **Gang Operated Disconnectors (GOD) Maintenance:** Repairing two-pole structures, maintaining disconnectors, and preventing flashovers with insulated jumpers and terminal protectors.
- **Asset Identification:** Numbering poles, HT feeder pillars, and DT centers for easier maintenance and quicker outage response.
- **Multiple Joint Conductor Repairs:** Rectifying conductors with multiple joints to comply with safety regulations and enhance public safety.
- **Unsafe Pole Repairs and Caution Boards:** Repairing unsafe poles and installing caution boards to mitigate electrical hazards.

- **DT Earthing Measurement and Maintenance:** Ensuring sufficient earthing to prevent electrical hazards and ensure safety.
- **Fencing Repairs and Caution Boards for DTs:** Securing DTs with fencing and caution boards to prevent unauthorized access.
- **Grass Removal and Housekeeping:** Regular housekeeping at DT centers to avoid fire hazards.
- **High Rupturing Capacity (HRC) Fuses:** Implementing HRC fuses for better circuit protection.
- **LT Line Spacers:** Installing spacers between low-voltage lines to enhance safety and reliability.

The Commission noted the Petitioner's response and agreed that these measures were necessary. Consequently, the Commission considered these factors for the truing-up process. The following table provides the R&M expenses approved by the Commission in the APR Order, Petitioner's submission and now trued-up by the Commission:

TABLE 3-15 R&M EXPENSES TRUED-UP BY COMMISSION FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| R&M Expenses | 12.45 | 33.87 | 33.87 |

The Commission approves R&M Expenses of Rs. 33.87 Crore for FY 2022-23.

### 3.10.3 Administrative and General (A&G) Expenses

**Petitioner's submission:**

The Petitioner has incurred actual A&G Expense to the tune of Rs 27.95 Crore against the approved expense of Rs. 18.64 Crore in the APR Order.

**Commission's Analysis:**

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. Similar to the methodology followed for approving the Employee Expenses, the Commission verifies the A&G expenses as per the audited accounts of FY 2022-23.

Based on the methodology adopted by the Commission in approving the Employee Expenses and R&M Expenses for FY 2022-23 in the previous sections, the following table provides the A&G expenses approved by the Commission in the APR Order, Petitioner's submission and now trued-up by the Commission:

**TABLE 3-16 A&G EXPENSES TRUED-UP BY COMMISSION FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| A&G Expenses | 18.64 | 27.95 | 27.95 |

The Commission approves A&G Expenses of Rs. 27.95 Crore for FY 2022-23.

### 3.10.4 Total Operation & Maintenance (O&M) Expenses

The following table provides the O&M Expenses, as approved by the Commission in the APR Order, Petitioner's Submission, and O&M Expenses trued-up by Commission:

**TABLE 3-17 TOTAL O&M EXPENSES TRUED-UP BY COMMISSION FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| Employee Expenses | 24.32 | 44.27 | 44.27 |
| R&M Expenses | 12.45 | 33.87 | 33.87 |
| A&G Expenses | 18.64 | 27.95 | 27.95 |
| **Total O&M Expenses** | **55.41** | **106.09** | **106.09** |

## 3.11 Gross Fixed Assets and Capitalisation

**Petitioner's Submission:**

The Petitioner has claimed Rs. 89.68 Crore towards actual capital expenditure for FY 2022-23, as against Rs. 90 Crore approved in the APR Order. Summary of capital expenditure incurred during FY 2022-23 is tabulated as under:

**TABLE 3-18 CAPITAL EXPENDITURE CLAIMED BY DNHDDPDCL FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| HT Network | 90 | 66.88 |
| LT Network | | 10.01 |
| Meter Management | | 3.29 |
| Supporting Infrastructure | | 5.43 |
| IT | | 2.36 |
| Miscellaneous | | 1.71 |
| **Total Cost** | **90.00** | **89.68** |

The petitioner has claimed actual capitalisation of Rs. 74.34 Crore for FY 2022-23, as against Rs. 75.00 Crore approved in APR Order as shown in table below:

**TABLE 3-19 CAPITALISATION CLAIMED FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Opening GFA | 509.18 | 509.17 |
| Addition to GFA | 75.00 | 74.34 |
| Deletion to GFA | - | - |
| Closing GFA | 584.18 | 583.18 |
| SLC addition | - | 0.11 |
| Capitalisation of Debt | 75.00 | 74.23 |
| Capitalisation of Equity | 75.00 | 74.23 |
| Normative Debt @70% | 52.50 | 51.96 |
| Normative Equity @30% | 22.50 | 22.27 |

**Commission's Analysis:**

The Petitioner has claimed a CAPEX of Rs. 89.68 Crore in the truing-up of FY 2022-23, compared to the Rs. 90.00 Crore approved in the APR Order. The Commission asked the Petitioner to provide supporting documents for the CAPEX and capitalization detailed in the Petition. In response, the Petitioner submitted copies of Electrical Inspector certificates, in accordance with Regulation 43 of the CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, for the energization of transformers, 11kV RMU, and cables. Additionally, the Petitioner explained that the CAPEX was incurred to accommodate load growth, reduce losses, comply with CEA safety regulations, enhance energy efficiency per BEE regulations, and address technology obsolescence.

The Commission has taken into account the CAPEX of Rs. 89.68 Crore as per the annual audited accounts for FY 2022-23. The Petitioner provided a detailed project-wise breakdown of the actual capitalization amounting to Rs. 74.34 Crore, including the Opening CWIP as of April 1, 2022, CAPEX during the year, and Closing CWIP as of March 31, 2023, in Form 9 of the petition.

The Commission has noted the submissions of the Petitioner regarding the capital expenditure as well as capitalisation of assets. The Commission notes that the Petitioner has upgraded and uprated some of the existing network for uninterrupted power supply to its end consumers.

The Commission opines that in order to meet the system demand and to provide 24x7 uninterrupted reliable quality power supply, necessary augmentation and upgradation of EHV / HV / LV network is required. The Petitioner had submitted the CAPEX plan for the period and accordingly CAPEX and capitalization is being undertaken and it is approved based on the yearly progress.

The Petitioner has considered opening GFA for FY 2022-23 at Rs. 509.17 Crore based on the Assets transferred from the DNHDDPCL and EDDD approved in transfer scheme, the same is being considered by the Commission.

The Petitioner has capitalised assets to the extent of Rs. 74.34 Crore during FY 2022-23. The Commission has addressed the Petitioner to furnish the detailed break-up of the GFA considered for FY 2022-23 against which the Petitioner has submitted the reconciliation of the same vide its reply to the deficiency note dated 20th February, 2024.

| Particulars | GFA transferred to DNHDDPDCL | Equity | Loan |
|---|---|---|---|
| DNH part as per transfer scheme as on 31.03.2022 | 264.43 | 79.33 | 86.04 |
| DD part as per transfer scheme as on 31.03.2022 | 244.75 | 73.43 | 65.48 |
| Claimed by the DNHDDPDCL in Petition | 509.18 | 152.76 | 151.52 |
| | | | |
| GFA addition as per Note 4 of the Accounts | 74.01 | | |
| GFA addition as per Note 7 of the Accounts | 0.33 | | |
| Less: SLC received | 0.11 | | |
| Total GFA Addition for FY 2022-23 as per Accounts | 74.23 | 22.27 | 51.96 |

| Particulars | GFA transferred to DNHDDPDCL | Equity | Loan |
|---|---|---|---|
| | | | |
| Less: Depreciation for FY 2022-23 | | | 13.93 |
| Claimed by DNHDDPDCL in Petition | 583.41 | 175.03 | 189.55 |

Hence, the Commission considers capital structure as submitted by the Petitioner which is duly verified by the Commission from transfer scheme. The Commission, accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2022-23 as tabulated below;

**Table 3-20 Approved Capitalisation for FY 2022-23 (Rs. Crore)**

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening GFA | 509.17 | 509.17 |
| Addition to GFA | 74.34 | 74.34 |
| Deletion to GFA | - | - |
| Closing GFA | 583.18 | 583.18 |
| Less: SLC Addition | 0.11 | 0.11 |
| Balance Capitalisation | 74.23 | 74.23 |
| Normative Debt @70% | 51.96 | 51.96 |
| Normative Equity @30% | 22.27 | 22.27 |

## 3.12 Depreciation

**Petitioner's Submission:**

The Petitioner has submitted that the depreciation rates has been considered as per the JERC MYT Regulations, 2021. The Petitioner has claimed depreciation of Rs. 13.93 Crore for FY 2022-23, as against Rs. 15.29 Crore approved in the APR Order, as detailed in table below:

**Table 3-21 Depreciation claimed by petitioner for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Depreciation | 15.29 | 13.93 |

**Commission's Analysis:**

As per Regulation 31 of the JERC (Generation, Transmission & Distribution Multi Year Tariff) Regulations, 2021:

*"31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:*

*Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:*

*Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.*

*31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.*

*Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) percent of the allowable capital cost.*

*31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*

*31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.*

*………*

*31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified Appendix I of these Regulations.*

*31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.*

*31.10 The remaining depreciable value for a Depreciation Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."*

As per the norms specified in the JERC MYT Regulations, 2021, the Commission has verified the asset wise capitalization of the Petitioner and has accordingly derived the weighted average rate of depreciation based on the asset wise depreciation rate prescribed in the JERC MYT Regulations, 2021, provided in the following table:

**TABLE 3-22 DEPRECIATION RATES**

| Description | Rate |
|---|---|
| Plant & Machinery | 3.60% |
| Underground Cables | 2.57% |
| Buildings | 1.80% |
| Vehicles | 18.00% |
| Furniture & Fixtures | 6.00% |
| Computers & Others | 6.00% |
| Land | 0.00% |
| Software-Intangible assets | 15.00% |

The Commission has calculated the depreciation on average Gross Fixed Assets (GFA) considering the opening and closing values approved in previous section of this Order. The net addition during the year has been calculated after deducting the value of retired assets. The following table provides the calculation of depreciation during the FY 2022-23:

**TABLE 3-23 DEPRECIATION APPROVED BY COMMISSION FOR FY 2022-23 *(RS. CRORE)***

| Description | Approved in APR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Opening Gross Fixed Assets | 509.18 | 509.17 | 509.17 |
| Less Assets depreciated upto 90% till FY 2021-22 | 103.13 | - | 199.49 |
| Modified Opening Gross Fixed Assets | 406.05 | 509.18 | 309.69 |
| Addition during the Year | 75.00 | 74.34 | 74.23 |
| Adjustment/retirement during the Year | - | - | - |
| Closing Gross Fixed Assets | 481.05 | 583.52 | 383.92 |
| Average Gross Fixed Assets | 443.55 | 546.35 | 346.81 |
| Rate of Depreciation (%) | 3.45% | 2.55% | 4.02% |
| Depreciation | 15.30 | 13.93 | 13.93 |

The Commission, accordingly, approves the depreciation of Rs. 13.93 Crore for FY 2022-23.

## 3.13 Interest Expenses

**Petitioner's Submission:**

The Petitioner has claimed a sum of Rs. 14.82 Crore towards actual interest and finance expenses for FY 2022-23 on normative basis as per the JERC MYT Regulations, 2021. The Petitioner further submitted that it has considered rate of interest in line with the MYT Regulations.

TABLE 3-24 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Opening Balance | 151.52 | 151.52 |
| Addition of Loan | 52.50 | 51.96 |
| Repayment during year | 15.29 | 13.93 |
| Closing Balance | 188.73 | 189.55 |
| Average Loan | 170.13 | 170.54 |
| Weighted average rate of interest (%) | 8.00% | 8.00% |
| Interest Expenses | 13.61 | 13.64 |
| Other Borrowing Costs | - | 1.18 |
| Total Interest Cost | 13.61 | 14.82 |

**Commission's Analysis:**

The Commission has considered the transfer scheme in order to work out the opening balance of normative loan for FY 2022-23, as due to transfer scheme, normative loan of Rs. 65.48 Crore is being transferred to the DNHDDPDCL during FY 2022-23 from EDDD in addition to this normative loan of Rs. 86.04 Crore is being transferred to the DNHDDPDCL during FY 2022-23 from DNHDDPCL. Thus, in view of above, the Commission has worked out the opening normative loan for DNHDDPDCL to the tune of Rs. 151.52 Crore (Rs. 86.04 Crore + Rs. 65.48 Crore). Addition to loan during the year is considered at 70% of net value of assets added during the year and repayment is considered equal to the depreciation for the year.

As per Regulation 29.4 of the JERC (MYT) Regulations, 2021, in case there is no actual loan portfolio for the licensee, the rate of interest of shall be equal to the SBI MCLR as on 1st April of the relevant financial year plus 100 basis points. The relevant excerpt of the aforesaid Regulations is stipulated as under:

***"29 Interest on Loan***

*29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:*

*Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:*

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

*Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.*

*..."*

As there is no actual loan borrowed by the Petitioner, thus, in line with the third proviso of Regulation 29.4 of the JERC (MYT) Regulations, 2021, the Commission has considered the rate of interest of 8.00 % (Using SBI MCLR as on 01.04.2022 plus 100 basis points).

The Commission sought detailed breakup of other borrowing cost of Rs. 1.18 Crore against which the Petitioner has submitted that the other borrowing cost of Rs. 1.18 Crore is on account of Bank Guarantee and LC charges to power purchase during FY 2022-23. The Commission has duly verified the same from annual audited accounts for FY 2022-23.

The following table provides the Interest on Loan, approved by the Commission in the APR Order, Petitioner's submission and now trued-up by the Commission:

TABLE 3-25 INTEREST APPROVED BY THE COMMISSION FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved in Truing-Up |
|---|---|---|
| Opening Balance | 151.52 | 151.52 |
| Addition of Loan | 51.96 | 51.96 |
| Repayment during year | 13.93 | 13.93 |
| Closing Balance | 189.55 | 189.55 |
| Average Loan | 170.54 | 170.54 |
| Weighted average rate of interest (%) | 8.00% | 8.00% |
| Interest Expenses | 13.64 | 13.64 |
| Other Borrowing Costs | 1.18 | 1.18 |
| **Total Interest Cost** | **14.82** | **14.82** |

## 3.14 Interest on Security Deposit

**Petitioner's Submission:**

The Petitioner has claimed Rs. 7.65 Crore towards interest on security deposit in truing-up for FY 2022-23 as against Rs. 7.74 Crore approved in the APR Order. The Commission in the APR Order had approved the interest on security deposit for the Petitioner considering 4.25% interest rate on the average estimated balance of security deposit for FY 2022-23.

The Petitioner has submitted the actual interest expense on security deposit considering the rate of interest of 4.25% paid to consumers based on Bank Rate is submitted in the Table below:

TABLE 3-26 INTEREST ON SECURITY DEPOSIT CLAIMED BY PETITIONER FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Interest Rate | 4.25% | 4.25% |
| Interest on Security Deposit | 7.74 | 7.65 |

**Commission's Analysis:**

Regulation 29.11 of the JERC MYT Regulations, 2021 specifies the following:

> *"29.11 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:*

*Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."*

The Commission has considered the actual interest on security deposit and found the same to be as per the annual accounts submitted with the petition. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 7.65 Crore for FY 2022-23.

**Table 3-27 Interest on Security Deposit approved for FY 2022-23 (Rs. Crore)**

| Particulars | Approved in the APR Order | Petitioner's Submission | Approved in Truing- Up |
|---|---|---|---|
| Opening Security Deposit | 177.73 | 181.72 | 181.72 |
| Addition | 8.76 | 5.88 | 5.88 |
| Closing Security Deposit | 186.49 | 187.60 | 187.60 |
| Average Security Deposit | 182.11 | 184.66 | 184.66 |
| Rate of Interest (%) | 4.25% | 4.25% | 4.25% |
| Interest on Security Deposit | 7.74 | 7.65 | 7.65 |

## 3.15 Interest on Working Capital

**Petitioner's Submission:**

The working capital requirement is arrived at as per the JERC MYT Regulations, 2021. The Petitioner has requested the Commission to approve the interest on Working Capital.

**Table 3-28 Interest on Working Capital Claimed for FY 2022-23 *(Rs. Crore)***

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| O&M Expenses for 1 Month | 4.62 | 8.84 |
| 40% of R&M expenses for one month | 0.42 | 1.13 |
| Receivables for 2 months | 998.59 | 982.70 |
| Less: Power Purchase Cost of 1 month | 445.50 | 481.63 |
| Less: Security Deposit | 182.11 | 184.66 |
| Normative Working Capital | 376.01 | 326.38 |
| Rate of Interest (%) | 9.00% | 10.50% |
| **Interest on Working Capital** | **33.84** | **34.27** |

**Commission's Analysis:**

The computation of working capital requirements and the rate of interest to be considered are stipulated in the JERC MYT Regulations, 2021. Regulation 64.1 & 32 of the JERC MYT Regulations 2021 states the following:

> *"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:*
>
> *(a) O&M Expense for 1 month; plus*
>
> *(b) Maintenance spares at 40% of R&M expenses for one (1) month; plus*
>
> *(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff; Less*
>
> *(d) Power Purchase cost for one (1) month; plus,*
>
> *(e) Amount, if any, held as security deposits under 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:*
>
> *32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."*

As above, the Commission for determination of working capital requirements of the Petitioner during the year, has considered the receivables equivalent to two months of the actual revenue requirement, the O&M Expenses for one month & Maintenance spares as 40% of R&M expenses as per the audited accounts of FY 2022-23 and has subtracted the consumer security deposit as well as one month equivalent power purchase cost. With regards to the interest rate, the Commission has considered the SBI MCLR rates (One Year) as on April 1, 2022 plus 200 basis points which is 9.00%. The following table provides the interest on working capital approved by the

Commission in the APR Order, Petitioner's submission and now trued-up by the Commission.

TABLE 3-29 INTEREST ON WORKING CAPITAL APPROVED FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved By Commission |
|---|---|---|
| O&M Expenses for 1 Month | 8.84 | 8.84 |
| 40% of R&M expenses for one month | 1.13 | 1.13 |
| Receivables for 2 months | 982.70 | 982.70 |
| Less: Power Purchase Cost of 1 month | 481.63 | 481.63 |
| Less: Security Deposit | 184.66 | 184.66 |
| Normative Working Capital | 326.38 | 326.38 |
| Rate of Interest (%) | 10.50% | 9.00% |
| **Interest on Working Capital** | **34.27** | **29.37** |

As indicated above, the Commission approves the interest on working capital as Rs. 29.37 Crore for FY 2022-23.

## 3.16 Return on Equity

### Petitioner's Submission:

The Petitioner has claimed a sum of Rs. 25.48 Crore towards return on equity for FY 2022-23, as against Rs. 25.50 Crore approved in APR Order. The Petitioner submitted that closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year, as tabled below:

TABLE 3-30 RETURN ON EQUITY CLAIMED BY THE PETITIONER FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Opening Equity | 152.75 | 152.75 |
| Equity Addition | 22.50 | 22.27 |
| Closing Equity | 175.25 | 175.02 |
| Average Equity | 164.00 | 163.89 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *22.88* | *22.86* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *2.62* | *2.62* |
| Total Return on Equity | 25.50 | 25.48 |

### Commission's Analysis:

Regulation 28.2 and 28.3 of the JERC MYT Regulations, 2021 specifies the following:

*"28. Return on Equity …….*

*28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.*

*28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum. ………"*

Further, in this regard, the Regulation 30(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulates the following:

*"30. Return on Equity: ………*

*30.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage: …….." (Emphasis supplied)*

The Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021, i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations mentioned above) and a rate of 16% for the Retail Supply Business.

The RoE has been calculated on the average of opening and closing of equity during the year at the rate of 16% on post-tax basis for Retail Supply Business and 15.50% on post-tax basis for wires business, with the opening equity considered as approved in capital structure in this Order. The following table provides the Return on Equity approved by the Commission in the APR Order, Petitioner's submission and now trued-up by the Commission.

**TABLE 3-31 RETURN ON EQUITY APPROVED FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Petitioner's Submission | Approved for Truing-Up |
|---|---|---|
| Opening Equity | 152.75 | 152.75 |
| Equity Addition | 22.27 | 22.27 |
| Closing Equity | 175.02 | 175.02 |
| Average Equity | 163.89 | 163.89 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *22.86* | *22.86* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *2.62* | *2.62* |
| **Total Return on Equity** | **25.48** | **25.48** |

The Commission accordingly, approves the return on equity of Rs. 25.48 Crore for FY 2022-23.

## 3.17 Income Tax

**Petitioner's Submission:**

The Petitioner has submitted that it has taken over the operations from 1st April 2022, the Commission in its APR Order has approved NIL income tax for FY 2022-23 and mentioned that income tax will be trued up based on actuals subject to prudence check. For FY 2022-23, the actual tax paid by the Petitioner is Rs. 31.42 Crore as tabulated below:

**TABLE 3-32 INCOME TAX CLAIMED BY PETITIONER FOR FY 2022-23 *(RS. CRORE)***

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Income Tax | - | 31.42 |

**Commission's Analysis:**

In this regard, Regulation 33 of the JERC MYT Regulations, 2021, states the following:

***"33. Tax on Income***

*33.1 The treatment of tax on income for a Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations.*

*33.2 The Commission in its MYT Order shall provisionally approve Income Tax payable for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check.*

*33.3 Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.*

*33.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition:*

*Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee."*

The Petitioner has claimed Rs. 31.42 Crore as the income tax paid. The Commission has observed that the income tax is shown as Rs. 31.42 Crore as per the latest audited accounts submitted by the petitioner for FY 2022-23. The Commission sought details regarding e-challans against which the Petitioner has submitted the detailed breakup of e-challans regarding computation of Income Tax.

It is to be noted that the Petitioner has excluded Rs. 89.21 Crores from the total revenue from power sales in the Petition for FY 2022-23. However, the actual income tax paid includes this amount. It is important to highlight that the tax was paid on a rollover basis. According to JERC MYT Tariff Regulations, 2021, the tax allowed should be based on the actual amount paid. Therefore, the Commission has decided to allow the actual tax paid for FY 2022-23. The excluded revenue of Rs.

89.21 Crores will be taken into account by the Commission once it is recovered by the utility in future years.

The Commission considered the same and accordingly approves the same to the tune of Rs. 31.42 Crore for FY 2022-23.

TABLE 3-33 INCOME TAX APPROVED BY COMMISSION FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission | Approved in Truing-Up |
|---|---|---|---|
| Income Tax | - | 31.42 | 31.42 |

## 3.18 Bad Debts Written Off

**Petitioner's Submission:**

The Petitioner submitted that it has written off the bad debts as NIL during FY 2022-23 as compared to approved level of NIL vide APR Order.

**Commission's Analysis:**

As per Regulation 63.1 of the MYT Regulations, 2021:

> *"63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:*
>
> *Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:*
>
> *Provided also that the provision for bad and doubtful debts shall limited to 1% of the Annual Revenue Requirement of the Distribution Licensee:*
>
> *Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."*

As the Petitioner has not claimed any amount towards Bad Debts, the Commission therefore has not considered any bad and doubtful debts in the true-up of FY 2022-23.

## 3.19 Non-Tariff Income

**Petitioner's Submission:**

The Petitioner has claimed Rs. 70.85 Crore towards Non-Tariff Income for FY 2022-23 as against the approved value of Rs. 3.67 Crore by the Commission in its APR Order.

TABLE 3-34 NON-TARIFF INCOME CLAIMED FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission |
|---|---|---|
| Non-Tariff Income | 3.67 | 70.85 |

**Commission's Analysis:**

The Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

***"65. Non-Tariff Income***

*65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:*

*Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.*

*65.2 The Non-Tariff Income shall inter-alia include:*

*(a) Income from rent of land or buildings;*

*(b) Income from sale of scrap in excess of 10% of the salvage value;*

*(c) Income from statutory investments;*

*(d) Interest on advances to suppliers/contractors;*

*(e) Rental from staff quarters;*

*(f) Rental from contractors;*

*(g) Income from hire charges from contactors and others;*

*(h) Income from advertisements, etc.;*

*(i) Meter/metering equipment/service line rentals;*

*(j) Service charges;*

*(k) Consumer charges;*

*(l) Recovery for theft and pilferage of energy;*

*(m) Rebate availed on account of timely payment of bills;*

*(n) Miscellaneous receipts;*

*(o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;*

*(p) Prior period income, etc.:*

*Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:*

*Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

In accordance with the above, Delayed Payment Surcharge & Interest on FD & others are not to be considered as Non-Tariff Income (NTI). The NTI claimed by Petitioner and now trued-up by the Commission is shown in the following table:

Table 3-35 Non-Tariff Income approved for FY 2022-23 *(Rs. Crore)*

| Particulars | Approved in APR Order | Petitioner's Submission | Approved in Truing-Up |
|---|---|---|---|
| Hire of Meters | - | 2.45 | 2.45 |
| Miscellaneous Income | - | 4.29 | 4.29 |
| Interest income from financial assets at amortised cost Deposits | - | 5.27 | 5.27 |
| Rebate on prompt Payment | - | 66.23 | 66.23 |
| Total | - | 78.24 | 78.24 |
| Less: Interest income from financial assets at amortised cost Deposits (DPC) | - | 5.27 | 5.27 |
| Less: Incentive on past arrear collection | - | 2.12 | 2.12 |
| **Net Total Non-Tariff Income** | **3.67** | **70.85** | **70.85** |

According to JERC Regulations on Income from Other Business, interest income should be categorized as Non-Tariff Income. Consequently, the Commission included this amount while approving the non-tariff income for FY 2022-23.

The Commission observed that the petitioner has included revenue from all the sources in Non-tariff income as provided in annual accounts of FY 2022-23. The Commission has included revenue from all the appropriate sources in Non-Tariff income as per Regulation 65 of the JERC MYT Regulations, 2021. Accordingly, the Commission approves Non-Tariff Income of Rs. 70.85 Crore in the true-up of FY 2022-23.

## 3.20 Incentive towards over/under achievement of distribution losses

**Petitioner's Submission:**

The Petitioner submitted that the Commission had approved the Distribution loss level of 3.35% against which the Petitioner has achieved Distribution loss of 1.79%. As per the Clause 4.2 of Policy Direction under Transfer Scheme, two-third of the gain is to be retained by the Distribution Licensee. Accordingly, the Petitioner has computed incentive as per the MYT Regulations read with the Transfer Scheme as under:

TABLE 3-36 COMPUTATION OF SHARING OF GAINS SUBMITTED BY PETITIONER FOR FY 2022-23

| Particulars | Formula | Normative | Actual |
|---|---|---|---|
| Retail sales within the State/UT (MU) | a | 9,634.78 | 9,634.78 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within the State/UT (MU) | d=a+b-c | 9,634.78 | 9,634.78 |
| Less: Solar Generation within the State/UT (MU) | e | 20.87 | 20.87 |
| Net Total Sales within the State/UT (MU) | f=d-e | 9,613.91 | 9,613.91 |
| Distribution Loss (%) | g | 3.35% | 1.62% |
| Distribution Loss (MU) | h=i-f | 333.71 | 158.42 |
| Energy required at Distribution Periphery (MU) | i=f/(1-g) | 9,947.62 | 9,772.33 |
| Gain on account of Distribution Loss (MU) | j=diff. of i | | 175.29 |
| Power Purchase Rate (Rs/ kWh) | k | | 5.64 |
| Gain on account of Distribution Loss (Rs. Crore) | l=j*k/10 | | 98.81 |
| Sharing of Gains on account of Distribution Loss (Rs. Crore) | m=(2/3)*l | | 65.87 |

**Note – The Petitioner has revised its Distrioubiton loss submission from 1.62% to 1.79%*

The Incentive towards over achievement of norms of distribution losses has been considered Rs. 65.87 Crore by the Petitioner and added to ARR.

**Commission's Analysis:**

In the transfer scheme the Government had approved the Distribution loss level of 3.35%. The Petitioner has claimed Distribution loss of 1.79% against the approved loss level of 3.35%. The Commission, in accordance with clause specified in the transfer scheme (reproduced below) has determined the incentive towards the over-achievement of the target of distribution loss for FY 2022-23 as follows:

> *"4.2.(b) During this period, in the event actual T&D Loss level of the Distribution Company for any particular year as determined by the Commission is better (lower) than the above target, the Distribution Company shall be entitled to retain two-thirds (2/3rd) of the additional revenue resulting from such better performance. The balance one-third (1/3rd) of additional revenue resulting from such better performance shall, however, be passed on as a benefit to consumers for the purpose of ARR and tariff determination."*

The incentive has been considered at Rs. 5.64/kWh, which is the Average Power Purchase cost (APPC) of the Petitioner for FY 2022-23. The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the true-up and the Energy at the State/UT Periphery has been computed after grossing up the retail energy sales (9,634.78 MU) with the actual Distribution Loss (1.79%). Further as per transfer scheme, stipulate the variation in distribution losses to be a controllable factor and any approved gain to the Distribution Licensee on account of controllable factors shall be shared (1/3rd) with the Consumers. The assessment of incentive for lower Distribution losses is as shown in the following table:

TABLE 3-37 COMPUTATION OF SHARING OF GAINS APPROVED BY COMMISSION FOR FY 2022-23

| Particulars | Formula | Normative | Approved by Commission |
|---|---|---|---|
| Retail sales within the State/UT (MU) | a | 9,634.78 | 9,634.78 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within the State/UT (MU) | d=a+b-c | 9,634.78 | 9,634.78 |
| Less: Solar Generation within the State/UT (MU) | e | 20.87 | 20.87 |
| Net Total Sales within the State/UT (MU) | f=d-e | 9,613.91 | 9,613.91 |
| Distribution Loss (%) | g | 3.35% | 1.79% |
| Distribution Loss (MU) | h=i-f | 333.71 | 175.05 |
| Energy required at Distribution Periphery (MU) | i=f/(1-g) | 9,947.14 | 9,788.97 |
| Gain on account of Distribution Loss (MU) | j=diff. of i | | 158.17 |
| Power Purchase Rate (Rs/ kWh) | k | | 5.64 |
| Gain on account of Distribution Loss (Rs. Crore) | l=j*k/10 | | 89.15 |
| Sharing of Gains on account of Distribution Loss (Rs. Crore) | m=(2/3)*l | | 59.44 |

The Commission approves Rs. 59.44 Crore as incentive for over-achieving the distribution loss target for FY 2022-23.

## 3.21 Aggregate Revenue Requirement (ARR)

**Petitioner's Submission:**

Based on the expenses as detailed above, the Petitioner has submitted the net Aggregate Revenue Requirement of Rs. 6,008.25 Crore for approval in the True-up of FY 2022-23.

TABLE 3-38 AGGREGATE REVENUE REQUIREMENT SUBMITTED BY PETITIONER FOR FY 2022-23 *(RS. CRORE)*

| Particulars | APR Order | Petitioner's Submission |
|---|---|---|
| Power Purchase | 5,346.05 | 5,779.56 |

| Particulars | APR Order | Petitioner's Submission |
|---|---|---|
| O&M Expense | 55.41 | 106.09 |
| Interest on Loans | 13.61 | 14.82 |
| Interest on Security Deposit | 7.74 | 7.65 |
| Interest on Working Capital | 33.84 | 34.27 |
| Depreciation | 15.30 | 13.93 |
| Bad Debts written off | - | - |
| Return on Equity | 25.50 | 25.48 |
| Income Tax | - | 31.42 |
| Less: Non-Tariff Income | 3.67 | 70.85 |
| Add: Sharing of Gains/(Losses) | - | 65.87 |
| **Net ARR** | **5,493.78** | **6,008.25** |

**Commission's Analysis:**

The Commission on the basis of the detailed analysis of the cost parameters of the Aggregate Revenue Requirement approves the net revenue requirement in the true-up of FY 2022-23 as given in the following table:

TABLE 3-39 AGGREGATE REVENUE REQUIREMENT APPROVED BY COMMISSION FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Power Purchase | 5,346.05 | 5,779.56 | 5,779.56 |
| O&M Expense | 55.41 | 106.09 | 106.09 |
| Interest on Loans | 13.61 | 14.82 | 14.82 |
| Interest on Security Deposit | 7.74 | 7.65 | 7.65 |
| Interest on Working Capital | 33.84 | 34.27 | 29.37 |
| Depreciation | 15.30 | 13.93 | 13.93 |
| Bad Debts written off | - | - | - |
| Return on Equity | 25.50 | 25.48 | 25.48 |
| Income Tax | - | 31.42 | 31.42 |
| Less: Non-Tariff Income | 3.67 | 70.85 | 70.85 |
| Add: Sharing of Gains/(Losses) | - | 65.87 | 59.44 |
| **Net ARR** | **5,493.78** | **6,008.25** | **5,996.92** |

The Commission approves net Aggregate Revenue Requirement of Rs. 5,996.92 Crore in the true-up of FY 2022-23.

## 3.22 Revenue at existing Retail Tariff

**Petitioner's Submission:**

The Petitioner has submitted actual revenue from retail sale for FY 2022-23 is Rs. 5,896.19 Crore as against Rs. 5,991.52 Crore approved by the Commission in the APR Order.

**Commission's Analysis:**

The Commission has observed that the revenue from sale of power is at Rs. 5,985.40 Crore as per the annual accounts for FY 2022-23. However, the Petitioner has depicted Rs. 5,896.19 Crore. It was stated that provision of Rs. 89.21 Crore is not considered in revenue from sale of electricity.

The Commission has asked the petitioner to explain why it is not considered under revenue for sale of energy against which the Petitioner has submitted that amount of Rs. 89.21 Crore is not recovered from the consumers on account of unrecovered gap/ FPPCA charges. The Commission not being convinced with the petitioner's reply, arranged a meeting for one to one interaction to understand the issue. The petitioner during discussion explained that the total amount under FPPCA was not approved by the commission and hence Rs 89.21 Crore was less billed to the consumers. Ideally, the billed amount only should have been entered into the financial account and the same should have been audited, but, the total accrued amount of FPPCA (i.e. approved as well as unapproved amount) has been wrongly entered into the financial account and the same has been audited by the statutory auditor, hence such difference has arisen. The Commission not being convinced with such reason, has not considered the amount of Rs. 89.21 Crore on account of unbilled FPPCA charges not being reflected as revenue for FY 2022-23. Accordingly, the Commission has considered the actual billed revenue of Rs. 5,896.19 Crore from sale of power for the purpose of truing up of FY 2022-23. Thus, the unrecovered FPPCA of the past period is reflected in trued up Gap/(Surplus) of FY 2022-23 and accordingly, the past period unrecovered FPPCA is subsumed in the trued up Gap/(Surplus) of FY 2022-23.

Accordingly, the Commission has approved a sum of Rs. 5,896.19 Crore for truing up for FY 2022-23.

## 3.23 Standalone Revenue Gap/(Surplus)

**Petitioner's Submission:**

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 112.06 Crore is arrived in the true-up of FY 2022-23.

TABLE 3-40 GAP/(SURPLUS) SUBMITETD BY PETITIONER FOR FY 2022-23 *(RS. CRORE)*

| Particulars | APR Order | Petitioner's Submission |
|---|---|---|
| Net ARR | 5,493.78 | 6,008.25 |
| Less: Revenue | 5,991.51 | 5,896.19 |
| Gap/(Surplus) | 497.73 | 112.06 |

**Commission's Analysis:**

The Commission based on the approved ARR and retail tariff has arrived at the Revenue Gap/(Surplus) as follows:

TABLE 3-41 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2022-23 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Net Revenue Requirement | 5,493.78 | 6,008.25 | 5,996.92 |
| Revenue from Retail Sales at Existing Tariff | 5,991.51 | 5,896.19 | 5,896.19 |
| **Net Revenue Gap/(Surplus)** | **(497.73)** | **112.06** | **100.73** |

Accordingly, the Commission, in the true-up of FY 2022-23 approves a gap of Rs. 100.73 Crore. This gap has been carried over in the ensuing years FY 2024-25 along with carrying cost and has been dealt with while determining the tariff for FY 2024-25.

# Chapter 4: Annual Performance Review for FY 2023-24

## 4.1 Background

The Commission had issued the ARR Order which includes APR for FY 2022-23, and ARR and determination of Retail tariff for FY 2023-24 on August 1, 2023 (hereinafter referred to as the “ARR Order” for the purpose of APR of FY 2023-24).

As per Regulation 12 of the JERC (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021, the review and true-up of revenue and expenses of the Petitioner shall be carried out as follows:

***“12 Annual Performance Review, Truing-up and tariff determination during the Control Period***

*12.1 The Generating Company, Transmission Licensee and Distribution Licensee shall be subject to annual performance review and truing up of expenses and revenue during the Control Period in accordance with these Regulations.*

*12.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:*

*12.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:*

*a) True-up: a comparison of the audited financial and actual operational performance of the Applicant for the Financial Year for which the true up is* *being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;*

*……….”*

This chapter deals with the APR of FY 2023-24 for DNHDDPDCL. The Commission has studied and analysed each component of the APR for FY 2023-24 in the following paragraphs.

## 4.2 Approach for the APR of FY 2023-24

The review of the Aggregate Revenue Requirement requires assessment of the quantum of energy sales, energy loss as well as the various cost elements like Power Purchase Cost, O&M expenses, interest on long term loans, interest on working capital loans, depreciation etc. The Annual Performance Review for FY 2023-24 has been done based on sales projected by the Petitioner based on actual data for 6 months and revised estimates for the remaining six months of FY 2023-24. The various cost elements constituting the Aggregate Revenue Requirement have been approved based on the information submitted by the Petitioner for FY 2023-24, the JERC MYT Regulations, 2021 and on the basis of the norms approved in the ARR Order dated August 1, 2023.

## 4.3 Energy Sales to Consumers

**Petitioner's Submission:**

The Petitioner has submitted that it has considered actual sales for H1 of FY 2023-24 and projection for H2 of FY 2023-24, the Petitioner has projected the sales by applying 5-year CAGR on H2 of FY 2022-23. DNHDDPDCL has submitted category-wise projected energy sales for DNH and DD area for FY 2023-24 along with the sales approved by the Commission in the ARR Order as given in the Table below.

**Table 4-1 Energy Sales for FY 2023-24 *(in MU)***

| Category | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Domestic | 338.90 | 322.87 |
| LIG/Kutirjyoti | - | 11.15 |

| Category | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Commercial | 107.35 | 98.01 |
| Agriculture | 6.66 | 7.43 |
| LT Industry | 554.85 | 552.58 |
| Public Water Works | 4.47 | 4.46 |
| Public Lightning | 5.89 | 5.84 |
| HT/EHT Industry & Commercial | 8,929.97 | 9,186.97 |
| LT-EV Charging Station | - | 0.05 |
| HT-EV Charging Station | 1.51 | 2.08 |
| Temporary Supply | 8.02 | 12.39 |
| **Total Sales** | **9,957.60** | **10,203.82** |

**Commission's Analysis:**

The Commission through the deficiency note asked the Petitioner to submit the category-wise actual sales for first 6 months of FY 2023-24 i.e., from April 2023 to September 2023, in both kWh and kVAh. The Commission has noted the audited figures for FY 2022-23 and provisional information provided by the Petitioner for the first 6 months of FY 2023-24. However, the Commission has considered category wise sales same as submitted by the Petitioner.

The table below provides the energy sales approved by the Commission in the ARR Order, the Petitioner's submission and now approved by the Commission for FY 2023-24.

TABLE 4-2 ENERGY SALES APPROVED BY COMMISSION FOR FY 2023-24 *(IN MU)*

| Category | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Domestic | 338.90 | 322.87 | 322.87 |
| LIG/Kutirjyoti | - | 11.15 | 11.15 |
| Commercial | 107.35 | 98.01 | 98.01 |
| Agriculture | 6.66 | 7.43 | 7.43 |
| LT Industry | 554.85 | 552.58 | 552.58 |
| Public Water Works | 4.47 | 4.46 | 4.46 |
| Public Lightning | 5.89 | 5.84 | 5.84 |
| HT/EHT Industry & Commercial | 8,929.97 | 9,186.97 | 9,186.97 |
| LT-EV Charging Station | - | 0.05 | 0.05 |
| HT-EV Charging Station | 1.51 | 2.08 | 2.08 |
| Temporary Supply | 8.02 | 12.39 | 12.39 |
| **Total Sales** | **9,957.60** | **10,203.82** | **10,203.82** |

The Commission approves the energy sales of 10,203.82 MU in APR for FY 2023-24.

## 4.4 Inter-State Transmission Loss

**Petitioner's Submission:**

The Petitioner has considered the Inter-State transmission loss as 3.52% for FY 2023-24.

**Commission's Analysis:**

The Commission in the APR of FY 2023-24 considers the Inter-State transmission losses in line with those approved for truing-up of FY 2022-23 in this Order. The same shall be revised based on actuals during the true-up exercise of FY 2023-24.

The following table provides the Inter-State transmission loss submitted and now approved by the Commission.

TABLE 4-3 INTER-STATE TRANSMISSION LOSS APPROVED FOR FY 2023-24

| Category | Approved in ARR Order | Petitioner's Submission | Trued-up by Commission |
|---|---|---|---|
| Inter-State Transmission losses (%) | 3.66% | 3.52% | 3.52% |

The Commission approves the Inter-State transmission loss of 3.52% in APR for FY 2023-24.

## 4.5 Distribution Losses

**Petitioner's Submission:**

The Petitioner has submitted that the distribution loss trajectory has been specified for the Union Territory for the control period in the Policy Direction under Transfer Scheme. In turn, the Hon'ble Commission has also considered the distribution loss trajectory as per the Policy Direction issued under Transfer Scheme. For FY 2023-24, the Petitioner has considered the distribution losses as approved by the Hon'ble Commission.

TABLE 4-4 DISTRIBUTION LOSSES FOR FY 2023-24 AS SUBMITTED BY PETITIONER

| Category | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Distribution losses (%) | 3.16% | 3.16% |

**Commission's Analysis:**

Regulation 13.2 (c) of the JERC, MYT Regulations, 2021, provides as follows:

> *"13.2 For the purpose of these Regulations, the term "controllable factors" for a Transmission or Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include:*
>
> *.....*
>
> *c) Variations in technical and commercial losses of Distribution Licensee; ………"*

As per Regulation 13.2 (c) of the JERC, MYT Regulations, 2021, distribution loss is a controllable factor. As per Business Transfer Scheme, the distribution loss target for FY 2023-24 is to the tune of 3.16% for DNHDDPDCL, thus, the Commission approves the same loss level as approved in the Business Transfer Scheme. Further, in accordance to Regulation 15 of the JERC, MYT Regulations, 2021, mechanism for sharing of gains or losses on account of controllable factors, the Petitioner shall be allowed an incentive/disincentive in the true-up Order considering the actual distribution loss achieved by the Petitioner in the year. The following table provides the Distribution loss approved in the ARR Order, the Petitioner's submission and now approved by the Commission.

TABLE 4-5 DISTRIBUTION LOSS APPROVED BY COMMISSION FOR FY 2023-24

| Category | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Distribution losses (%) | 3.16% | 3.16% | 3.16% |

The Commission approves Distribution loss at 3.16% in the APR of FY 2023-24.

## 4.6 Energy Balance

**Petitioner's Submission:**

The Petitioner has submitted that the energy requirement for DNH and DD licensee area furnished is based on the (i) projected energy sales, (ii) Intra-state transmission loss and (iii) distribution losses for FY 2023-24 as given in the Table below:

**Table 4-6 Energy Requirement submitted by petitioner for FY 2023-24**

| Particulars | Formula | Approved in ARR Order | Petitioner's Submission |
|---|---|---|---|
| Retail Sales | a | 9,957.60 | 10,203.82 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within UT (MU) | d = a + b + c | 9,957.60 | 10,203.82 |
| Less: Solar generation within UT (MU) | e | 21.91 | 21.41 |
| Net Total Sales within UT (MU) | f = d – e | 9,935.69 | 10,182.41 |
| Distribution Loss (%) | | 3.16% | 3.16% |
| Distribution Loss (MU) | g | 323.80 | 331.84 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 10,259.49 | 10,514.25 |
| Intra-State Transmission Losses (%) | | 0.48% | 1.77% |
| Intra-State Transmission Losses (MU) | i | 49.63 | 189.36 |
| Energy Requirement at UT Periphery | j = h + i | 10,309.12 | 10,703.61 |
| Add: Sales to Common Pool/UI (MU) | k | - | - |
| Add: Sales through Power Exchange (MU) | l | - | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **10,309.12** | **10,703.61** |

The Petitioner has estimated the total energy requirement from the tied-up sources & UI at generator end as 10,703.61 MU in the APR of FY 2023-24.

**Commission's Analysis:**

The energy requirement at State/UT Periphery is derived based on the energy sales estimate and the Intra-State transmission losses and Distribution losses approved for FY 2023-24, as shown in the following Table:

**Table 4-7 Energy Requirement approved by commission for FY 2023-24**

| Particulars | Formula | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|---|
| Retail Sales | a | 9,957.60 | 10,203.82 | 10,203.82 |

| Particulars | Formula | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|---|
| Open Access Sales (MU) | b | - | - | - |
| Less: Energy Savings (MU) | c | - | - | - |
| Total Sales within UT (MU) | d = a + b + c | 9,957.60 | 10,203.82 | 10,203.82 |
| Less: Solar generation within UT (MU) | e | 21.91 | 21.41 | 21.41 |
| Net Total Sales within UT (MU) | f = d – e | 9,935.69 | 10,182.41 | 10,182.41 |
| Distribution Loss (%) | | 3.16% | 3.16% | 3.16% |
| Distribution Loss (MU) | g | 323.80 | 331.84 | 331.84 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 10,259.49 | 10,514.25 | 10,514.25 |
| Intra-State Transmission Losses (%) | | 0.48% | 1.77% | 1.77% |
| Intra-State Transmission Losses (MU) | i | 49.63 | 189.36 | 189.36 |
| Energy Requirement at UT Periphery | j = h + i | 10,309.12 | 10,703.61 | 10,703.61 |
| Add: Sales to Common Pool/UI (MU) | k | - | - | - |
| Add: Sales through Power Exchange (MU) | l | - | - | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **10,309.12** | **10,703.61** | **10,703.61** |

The Commission approves the total Energy requirement at UT level to the tune of 10,703.61 MU in the APR for FY 2023-24.

## 4.7 Energy Availability

**Petitioner's Submission:**

The Petitioner has submitted that the energy sourcing is planned from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources. The long-term sources include allocations in various Central Sector Generating Stations, and Renewable Energy sources, while, the short-term sources include bilateral sources/power exchange. Accordingly, Petitioner has considered sourcing of balancing quantum from these sources.

In addition to above, regarding Renewable Energy, the Petitioner submitted that the Commission has specified the Renewable Purchase Obligation (RPO) vide its JERC (Procurement of Renewable Energy) (Fourth Amendment) Regulations, 2022. Considering the existing tie-up and shortfall, the Petitioner has been making all the efforts to tie-up RE Power so as to optimize its Power Purchase Cost. The Petitioner shall approach the Hon'ble Commission separately in this regard.

Moreover, regarding Transmission Losses, the Petitioner has considered the Interstate and Intrastate Transmission losses as approved by the Hon'ble Commission. Based on the above, the Petitioner submits to the Hon'ble Commission to approve the power purchase quantum as proposed.

TABLE 4-8 ENERGY AVAILABILITY SUBMITTED BY PETITIONER FOR FY 2023-24

| Particulars | Formula | Approved in ARR Order | Petitioner's Submission |
|---|---|---|---|
| Total Energy Requirement at UT Periphery | a | 10,309.12 | 10,703.61 |
| Less: Energy Purchased through UI at Periphery | b | (81.24) | - |
| Less: Purchase from Power Exchanges | c | 1,411.29 | 1,773.81 |
| Less: Open Access Sale by Consumers | d | - | - |
| Add: Sale of surplus power/ DSM | E | - | - |
| Total energy requirement at UT Periphery from tied-up Sources | f = a-b-c-d +e | 8,979.07 | 8,929.80 |
| Inter-state Transmission losses | g | 341.12 | 325.80 |
| Total requirement from tied-up sources at Generator End | h = f + g | 9,320.19 | 9,255.60 |
| Purchase from renewable sources within license area | i | | 21.41 |
| **Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State & Solar Generation within the State** | **j = b+c+d-e+h+i** | **10,672.15** | **11,050.81** |

**Commission's Analysis:**

The Commission has considered the submission of the Petitioner in order to allow energy availability for FY 2023-24 as provided in table below.

TABLE 4-9 ENERGY AVAILABILITY APPROVED BY COMMISISON FOR FY 2023-24

| Particulars | Formula | Petitioner's Submission | Approved By Commission |
|---|---|---|---|
| Total Energy Requirement at UT Periphery | a | 10,703.61 | 10,703.61 |
| Less: Energy Purchased through UI at Periphery | b | - | - |
| Less: Purchase from Power Exchanges | c | 1,773.81 | 1,773.81 |
| Less: Open Access Sale by Consumers | d | - | - |
| Add: Sale of surplus power/ DSM | E | - | - |

| Particulars | Formula | Petitioner's Submission | Approved By Commission |
|---|---|---|---|
| Total energy requirement at UT Periphery from tied-up Sources | f = a-b-c-d +e | 8,929.80 | 8,929.80 |
| Inter-state Transmission losses | g | 325.80 | 325.80 |
| Total requirement from tied-up sources at Generator End | h = f + g | 9,255.60 | 9,255.60 |
| Purchase from renewable sources within license area | i | 21.41 | 21.41 |
| **Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State & Solar Generation within the State** | **j = b+c+d-e+h+i** | **11,050.81** | **11,050.81** |

## 4.8 Power Purchase Quantum & Cost

**Petitioner's Submission:**

The Petitioner has submitted that based on the revised quantum of energy and actual power purchase rates of H1 of FY 2023-24 for the approved sources along with approved Interstate and Intra-state Transmission charges, the revised power purchase cost for FY 2023-24 has been worked out. For estimation of H2 FY 2023-24, the Petitioner has removed adjustments related to past period and aberrations such as performance gains, compensation for lower PLF, Ash Transportation charges etc. from actuals for H1of FY 2023-24.

Further, the Petitioner submitted that the Energy Charges for Gas based capacity from NTPC – Kawas and Gandhar was exorbitantly high. Also, this capacity has completed the contractual period, thus, the Petitioner has not scheduled the Energy in FY 2023-24. The Petitioner has issued termination notice as per the provisions of CERC Tariff Regulations. However, NTPC has disputed the termination and continued raising invoices referring Interim Order issued by Hon'ble Supreme Court in the Writ Petition No. 1877 of 2022 filed by NTPC against APTEL Order holding termination by Delhi Discoms valid. As NTPC has continued to raise invoices, the Petitioner has no option but to make payment under protest. However, as the Petitioner has issued Termination Notice, it has not considered NTPC-Kawas and Gandhar as source of supply for the purpose of projections.

The Power purchase quantum and cost for FY 2023-24, as projected by the Petitioner has been shown in the table below:

Table 4-10 Power Purchase Cost submitted by the Petitioner for FY 2023-24

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 756.38 | 59.11 | 113.83 | 172.94 | 2.29 |
| KSTPP 3 | 213.23 | 22.94 | 31.50 | 54.43 | 2.55 |
| VSTPP -I | 398.25 | 36.00 | 65.64 | 101.64 | 2.55 |
| VSTPP -II | 303.51 | 23.70 | 48.34 | 72.04 | 2.37 |
| VSTPP -III | 355.12 | 30.20 | 57.50 | 87.70 | 2.47 |
| VSTPP –IV | 412.77 | 67.33 | 137.34 | 204.67 | 4.96 |
| KGPP | - | 35.23 | 17.93 | 53.16 | - |
| GGPP | - | 33.68 | 6.83 | 40.52 | - |
| Sipat-I | 758.59 | 95.48 | 112.30 | 207.78 | 2.74 |
| Sipat-II | 299.30 | 30.00 | 45.06 | 75.06 | 2.51 |
| Mauda | 265.12 | 44.65 | 90.23 | 134.88 | 5.09 |
| VSTPS-V | 254.05 | 40.88 | 64.37 | 105.25 | 4.14 |
| Mauda 2 | 488.78 | 83.65 | 176.49 | 260.14 | 5.32 |
| Solapur | 549.67 | 117.65 | 246.92 | 364.57 | 6.63 |
| KHSTPP-II | 35.37 | 3.20 | 10.95 | 14.15 | 4.00 |
| LARA | 693.03 | 112.35 | 116.37 | 228.72 | 3.30 |
| Gadarwara | 702.54 | 162.71 | 253.65 | 416.37 | 5.93 |
| KHTPP | 517.21 | 119.83 | 249.26 | 369.08 | 7.14 |
| Miscellaneous | - | - | (4.53) | (4.53) | - |
| **Sub-total NTPC** | 7,002.93 | **1,118.59** | **1,839.96** | **2,958.55** | **4.22** |
| | | | | | |
| **NSPCL Bhiali** | **1,264.26** | **171.47** | **331.58** | **503.05** | **3.98** |
| | | | | | |
| **NPCIL** | | **-** | | | |
| KAPS 1 &2 | 182.74 | - | 74.81 | 74.81 | 4.09 |
| KAPS 3 | 309.95 | - | 215.36 | 215.36 | 6.95 |
| TAPS | 495.72 | - | 170.61 | 170.61 | 3.44 |
| **Sub-Total NPCIL** | 988.41 | **-** | **460.77** | **460.77** | **4.66** |
| | | | | | |
| **IPPs/Traders** | | | | | |
| RGPPL | | 6.12 | - | 6.12 | - |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 1,806.11 | - | 838.68 | 838.68 | 4.64 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 21.41 | - | 13.32 | 13.32 | 6.22 |
| | | | | | |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **UI** | **(32.30)** | **-** | **(12.57)** | **(12.57)** | **3.89** |
| Less: Sale of Surplus Power | | - | - | - | - |
| Less: Sale through DSM | | - | - | - | - |
| REC | | - | 95.86 | 95.86 | - |
| **Net Power Purchase** | **11,050.81** | **1,296.17** | **3,567.61** | **4,863.78** | **4.40** |
| | | | | | |
| **Transmission Charges** | | | | | |
| PGCIL Charges | | 714.92 | - | 714.92 | |
| WRLDC Charges | | 0.82 | - | 0.82 | |
| Intra-State Transmission Charges | | 159.56 | - | 159.56 | |
| **Sub-total** | | **875.30** | **-** | **875.30** | |
| | | | | | |
| **Total Power Purchase** | **11,050.81** | **2,171.47** | **3,567.61** | **5,739.08** | **5.19** |

**Commission's Analysis:**

The Petitioner procures power mainly from NTPC stations, NPCIL stations, NSPCL Bhilai and IPPs. The Petitioner submitted that the overall power purchase cost is being estimated at the actual rates for H1 of FY 2023-24, while estimating power purchase cost for H2 for FY 2023-24, the Petitioner has removed adjustments related to past period and aberrations from actuals of H1.

The Petitioner has claimed REC cost in order to meet RPO obligation for FY 2023-24 to the tune of Rs. 95.86 Crore against the 2,032 MUs. The Power Purchase through UI based on actuals of H1 is submitted to the tune of (32.30) MU against which cost is submitted as Rs. 12.57 Crore.

The Commission has considered the power purchase quantum and cost for the APR of FY 2023-24 as submitted by the Petitioner subject to truing-up.

The following table provides the summary of the power purchase quantum and the cost approved by the Commission for the APR purpose of FY 2023-24:

TABLE 4-11 POWER PURCHASE QUANTUM AND COST APPROVED BY THE COMMISSION FOR FY 2023-24

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 756.38 | 59.11 | 113.83 | 172.94 | 2.29 |
| KSTPP 3 | 213.23 | 22.94 | 31.50 | 54.43 | 2.55 |
| VSTPP -I | 398.25 | 36.00 | 65.64 | 101.64 | 2.55 |
| VSTPP -II | 303.51 | 23.70 | 48.34 | 72.04 | 2.37 |
| VSTPP -III | 355.12 | 30.20 | 57.50 | 87.70 | 2.47 |
| VSTPP –IV | 412.77 | 67.33 | 137.34 | 204.67 | 4.96 |
| KGPP | - | 35.23 | 17.93 | 53.16 | - |
| GGPP | - | 33.68 | 6.83 | 40.52 | - |
| Sipat-I | 758.59 | 95.48 | 112.30 | 207.78 | 2.74 |
| Sipat-II | 299.30 | 30.00 | 45.06 | 75.06 | 2.51 |
| Mauda | 265.12 | 44.65 | 90.23 | 134.88 | 5.09 |
| VSTPS-V | 254.05 | 40.88 | 64.37 | 105.25 | 4.14 |
| Mauda 2 | 488.78 | 83.65 | 176.49 | 260.14 | 5.32 |
| Solapur | 549.67 | 117.65 | 246.92 | 364.57 | 6.63 |
| KHSTPP-II | 35.37 | 3.20 | 10.95 | 14.15 | 4.00 |
| LARA | 693.03 | 112.35 | 116.37 | 228.72 | 3.30 |
| Gadarwara | 702.54 | 162.71 | 253.65 | 416.37 | 5.93 |
| KHTPP | 517.21 | 119.83 | 249.26 | 369.08 | 7.14 |
| Miscellaneous | - | - | (4.53) | (4.53) | - |
| **Sub-total NTPC** | 7,002.93 | **1,118.59** | **1,839.96** | **2,958.55** | **4.22** |
| | | | | | |
| **NSPCL Bhiali** | **1,264.26** | **171.47** | **331.58** | **503.05** | **3.98** |
| | | | | | |
| **NPCIL** | | - | | | |
| KAPS 1 &2 | 182.74 | - | 74.81 | 74.81 | 4.09 |
| KAPS 3 | 309.95 | - | 215.36 | 215.36 | 6.95 |
| TAPS | 495.72 | - | 170.61 | 170.61 | 3.44 |
| **Sub-Total NPCIL** | 988.41 | **-** | **460.77** | **460.77** | **4.66** |
| | | | | | |
| **IPPs/Traders** | | | | | |
| RGPPL | | 6.12 | - | 6.12 | - |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 1,806.11 | - | 838.68 | 838.68 | 4.64 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 21.41 | - | 13.32 | 13.32 | 6.22 |
| | | | | | |
| **UI** | **(32.30)** | **-** | **(12.57)** | **(12.57)** | **3.89** |
| Less: Sale of Surplus Power | | - | - | - | - |
| Less: Sale through DSM | | - | - | - | - |
| REC | | - | 95.86 | 95.86 | - |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **Net Power Purchase** | **11,050.81** | **1,296.17** | **3,567.61** | **4,863.78** | **4.40** |
| | | | | | |
| **Transmission Charges** | | | | | |
| PGCIL Charges | | 714.92 | - | 714.92 | |
| WRLDC Charges | | 0.82 | - | 0.82 | |
| Intra-State Transmission Charges | | 159.56 | - | 159.56 | |
| **Sub-total** | | **875.30** | **-** | **875.30** | |
| | | | | | |
| **Total Power Purchase** | **11,050.81** | **2,171.47** | **3,567.61** | **5,739.08** | **5.19** |

The Commission approves power purchase cost of Rs. 5,739.08 Crore in the APR of FY 2023-24.

## 4.9 Renewable Purchase Obligation

**Petitioner's Submission:**

The Petitioner has submitted REC cost of Rs 95.86 Crore against the RPO obligation for FY 2023-24 for 2,032 MUs.

**Commission's Analysis:**

The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the Regulation 4.1 of the JERC Procurement of Renewable Energy (Fourth Amendment) Regulations, 2022. The break-up of target vis-à-vis achievement is given in the Table below.

TABLE 4-12 RPO TARGET APPROVED BY COMMISSION FOR FY 2023-24*(IN MU)*

| Particulars | Approved by Commission |
|---|---|
| Sales | 10,204 |
| **RPO Target** | |
| Non-Solar (@9.25%) | 944 |
| Solar (@10%) | 1,020 |
| Hydro (@0.66%) | 67 |
| **Total (@19.91%)** | **2,032** |

In view of the above, the Commission directs the Petitioner to comply with the RPO targets as provided above in accordance with the JERC (Procurement of Renewable

Energy) (Fourth Amendment) Regulations, 2022. The same shall be reviewed at the time of truing-up of FY 2023-24.

## 4.10 Operation & Maintenance (O&M) Expenses

**Petitioner's Submission:**

The Petitioner has submitted that it has assumed operational control of the UT of Dadra and Nagar Haveli and Daman and Diu since April 1, 2022. It is observed that the network needs regular preventive maintenance in addition to predictive and breakdown maintenance. Accordingly, the Petitioner has continued the various activities for improvement of performance as carried out during FY 2022-23.

Further, Petitioner submitted that Regulation 52 of the MYT Regulations also provides for consideration of O&M expenses for Distribution Licensee on case to case basis. Accordingly, the Petitioner requests the Hon'ble Commission to consider O&M Expenditure on actual basis as above. Once the O&M activities gets streamlined, necessary data will be available for the Hon'ble Commission to consider base O&M Expense for subsequent period. Further, the Petitioner has also sought review to rectify the inadvertent computational errors in the approved Employee and A&G Expenses.

The Petitioner has submitted the estimates of O&M expenses for FY 2023-24 as tabulated below.

TABLE 4-13 O&M EXPENSES CLAIMED BY PETITIONER FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Operation & Maintenance Expenses | 59.78 | 112.71 |

**Commission's Analysis:**

As per Regulation 61 of the JERC (Generation, Transmission & Distribution MYT) Regulations, 2021:

*61.1 The Operation and Maintenance expenses for the Distribution Retail Supply Business shall be computed in accordance with this Regulation.*

*61.2 Operation and Maintenance (O&M) expenses shall comprise of the following:*

*a) Employee expenses - salaries, wages, pension contribution and other employee costs;*

*b) Administrative and General expenses including insurance charges if any; and*

*c) Repairs and Maintenance expenses.*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.*

*61.4 O&M expenses for the $n^{th}$ year of the Control Period shall be approved based on formula given below:*

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1-X_n) + \text{Terminal Liabilities}$

*Where,*

$R\&M_n = K x GFA_{n-1} \times (1+WPI_{inflation})$

$EMP_n = EMP_{n-1} \times (1+G_n) \times (1+CPI_{inflation})$

$R\&M_n = A\&G_{n-1} \times (1+CPI_{inflation})$

*'k' is a constant (expressed in %). Value for k for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

*$CPI_{inflation}$ is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;*

*$WPI_{inflation}$ is the average increase in Wholesale Price Index (WPI) for immediately preceding three (3) Years before the base Year;*

*$EMP_n$ Employee expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$A\&G_n$ Administrative & General expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$R\&M_n$ Repair & Maintenance expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$GFA_{n-1}$ Gross Fixed Asset of the Distribution Licensee for the n-$1^{th}$ Year;*

*$X_n$ is an efficiency factor for the $n^{th}$ Year. Value of $X_n$ shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

*$G_n$ is a growth factor for the $n^{th}$ Year. Value of $G_n$ shall be determined by the Commission in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

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

It is worthwhile to mention here that due to privatization of Utilities in Daman & Diu, the new entity DNHDDPDCL has been formed which is vested with the responsibility of distribution of power supply within the UT, thus, in absence of actual last three year audited accounts as per JERC MYT Regulations, 2021, based on new asset base, it is imperative and Commission deems it fit to consider the O&M expenses as submitted by the Petitioner in order to carry out APR of FY 2023-24.

As above, the components comprising of the O&M expenses– employee expenses, R&M expenses and A&G expenses have been discussed separately below.

### 4.10.1 Employee Expenses

**Petitioner's Submission:**

The Petitioner has projected Employee Expense to the tune of Rs. 46.90 Crore against the approved expenses of Rs. 25.75 Crore in the ARR Order.

**Commission's Analysis:**

The employee expenses comprises of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. The Commission had approved employee expenses of Rs. 25.75 Crore in the ARR Order. The Petitioner has submitted its revised estimates for employee cost for FY 2023-24 as Rs. 46.90 Crore.

It is to mention here that as part of the Aatmanirbhar Bharat Abhiyaan, the power departments/utilities in Union Territories (UTs) have been privatized. Under this initiative, DNHDDPDCL has been designated as the distribution licensee, assuming responsibility for all electricity functions including distribution and retail supply of electricity with in the UT. Therefore, it is necessary to recalibrate the employee cost for DNHDDPDCL in accordance with Regulation 61.2 and 61.3 of the JERC MYT Tariff Regulations, 2021.

In view of above, in order to allow the O&M expenses for FY 2023-24, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 which specifies the following:

> *"61. Operation and Maintenance (O&M) expenses for Distribution Retail Supply Business*
>
> *61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available*

*audited accounts, business plan filed by the distribution Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.*

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

It is to be noted that due to restructuring, the O&M norms shall be determined on case to case basis, thus, as per the Regulations stipulated above, the Commission has considered the projected employee expenses for FY 2023-24 to be allowed in APR subject to truing-up.

The following table provides the employee expenses approved by the Commission in the ARR Order, Petitioner's submission and now approved by the Commission:

TABLE 4-14 EMPLOYEE EXPENSES APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Employee Expenses | 25.75 | 46.90 | 46.90 |

Accordingly, the Commission approves Employee Expenses of Rs. 46.90 Crore in APR for FY 2023-24.

### 4.10.2 Repair & Maintenance (R&M) Expenses

**Petitioner's submission:**

The Petitioner has projected R&M Expense to the tune of Rs. 37.79 Crore against the approved expenses of Rs. 14.29 Crore in the ARR Order.

**Commission's Analysis:**

As per the approach and methodology adopted while allowing employee expenses in earlier section, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 for allowing R&M expenses which specifies the following:

*"61. Operation and Maintenance (O&M) expenses for Distribution retail Supply Business*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the distribution Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.*

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

Therefore, in view of above, the Commission has considered the projected R&M expenses for FY 2023-24 to be allowed in APR of FY 2023-24 subject to truing-up.

The following table provides the R&M expenses approved by the Commission in the ARR Order, Petitioner's submission and now approved by the Commission:

TABLE 4-15 R&M EXPENSES APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| R&M Expenses | 14.29 | 37.79 | 37.79 |

The Commission approves R&M Expenses of Rs. 37.79 Crore in APR for FY 2023-24.

### 4.10.3 Administrative and General (A&G) Expenses

**Petitioner's submission:**

The Petitioner has projected A&G Expense to the tune of Rs 28.03 Crore against the approved expense of Rs. 19.74 Crore in the ARR Order.

**Commission's Analysis:**

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. Similar to the methodology followed for approving the Employee Expenses, the Commission has considered the projected A&G expenses for the APR of FY 2023-24.

It has been observed that the Petitioner has projected License fee for FY 2023-24 to the tune of Rs. 9.61 Crore, while the Commission has allowed the same to the tune of Rs. 8.42 Crore in line to with JERC Fee Regulation in which Licensee Fee is subject to the 0.15% of the Annual Revenue Requirement for the corresponding financial year.

Based on the methodology adopted by the Commission in approving the Employee Expenses and R&M Expenses for FY 2023-24 in the previous sections, the following table provides the A&G expenses approved by the Commission in the ARR Order, Petitioner's submission and now approved by the Commission:

TABLE 4-16 A&G EXPENSES APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| A&G Expenses | 19.74 | 28.03 | 26.85 |

The Commission approves A&G Expenses of Rs. 26.85 Crore in APR for FY 2023-24.

### 4.10.4 Total Operation & Maintenance (O&M) Expenses

The following table provides the O&M Expenses, as approved by the Commission in the APR Order, Petitioner's Submission, and O&M Expenses now approved by the Commission:

TABLE 4-17 TOTAL O&M EXPENSES APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Employee Expenses | 25.75 | 46.90 | 46.90 |
| R&M Expenses | 14.29 | 37.79 | 37.79 |
| A&G Expenses | 19.74 | 28.03 | 26.85 |
| **Total O&M Expenses** | **59.78** | **112.71** | **111.53** |

## 4.11 Gross Fixed Assets and Capitalisation

**Petitioner's Submission:**

The Petitioner has claimed Rs. 243.11 Crore towards revised estimated for capital expenditure for FY 2023-24, as against Rs. 220.42 Crore approved in the ARR Order. Summary of capital expenditure projected for FY 2023-24 is tabulated as under:

**Table 4-18 Capital Expenditure Claimed by petitioner For FY 2023-24 *(Rs. Crore)***

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| HT Network | 119.83 | 131.41 |
| LT Network | 56.40 | 49.02 |
| Meter Management | 36.52 | 12.95 |
| Supporting Infrastructure | 2.01 | 1.85 |
| Power Supply Centre and Call Centre | - | 42.50 |
| IT | 2.66 | 1.13 |
| Miscellaneous | 3.00 | 4.25 |
| **Total Cost** | **220.42** | **243.11** |

The Petitioner has submitted the detailed revised capital expenditure and reasons for the variation from approved capital expenditure as under:

a) **HT Network -** For HT Network, the Petitioner has projected the revised capital expenditure for FY 2023-24 as Rs. 131.41 Crore. The details are as under:

- **Normal Load Growth –** In order to cater the existing and future load growth at 11kV level, it is proposed to install underground HT network, Ring Main Unit, Bulk Metering Cubicles, etc. Further, to relieve overloaded Distribution Transformers, it is proposed to upgrade the existing Distribution Transformer and/or establish additional Distribution Transformers considering the load in surrounding areas and based on LT network loading and network length.

  Additionally, it is proposed to incur capital expenditure towards electrification of HT customers. Further, capex is also proposed towards replacement of outdoor type Current Transformer/Potential Transformer (CT/PT) units of 11 kV HT consumers, which are majorly very old, obsolete, and prone to major breakdown with state-of-the-art Bulk Metering Cubicles having accuracy class of 0.2S which is mandatory for metering as per the CEA. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Normal Load Growth** | |
| New DT/ Augmentation | 17.40 |
| 11 kV UG New feeder cost | 17.18 |

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| 11 kV New HT Customers | 0.24 |
| 11 kV HT customer existing CT/PT unit replacement | 1.09 |
| **Total** | **35.90** |

- **Reliability, Renovation, Loss Reduction** – Due to overhead line, higher number of 11 kV feeder interruptions are observed, which leads to higher SAIFI and SAIDI. To overcome the same, it is proposed to carry out undergrounding of existing overhead HT network in a phased manner. Due to Overhead to Underground conversion, the number of tripping shall reduce, and distribution losses will also be optimized due to optimal loading of network. This new underground network will also be utilized for mitigation of future load growth.

  Additionally, capex is also proposed towards Distribution Transformer Metering & Automatic Meter Reading system, installation of Automatic Power Factor Control panels, interconnection of substations, Fuse Section Pillar replacement, Faulty Transformer replacement, and installation of Ring Main Unit.

  Further, due to Infrastructure development such as bridges/ drainage line/ water pipeline by local authority & Government agencies, existing HT network are required to be modified/upgraded. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Reliability, Renovation, Loss Reduction** | |
| 11 kV OH to UG Conversion | 42.06 |
| 11 kV OH line Augmentation | 2.74 |
| DT Metering & AMR System | 0.51 |
| Faulty DT replacement | 9.75 |
| Interconnection of feeders for Load balancing, etc. | 6.61 |
| Installation of RMU on Pad Mounted DT | 4.91 |
| FSP replacement | 1.93 |
| Installation of APFC on DT | 1.10 |
| HT Network Shifting for Infrastructure works | 1.00 |
| **Total** | **70.61** |

- **Technological Upgradation** – Under the head of Technological Upgradation it is proposed to incur capex towards Distribution Automation System including Advanced Distribution Management System (ADMS).

With the help of Distribution Automation System, nos. of affected consumers and time of interruption to affected consumers will reduce which in turn will improve reliability of the distribution network. Distribution Automation System will allow remote sectionalisation and load transfer would be possible from one feeder to another feeder as compared to manual operation at site.

It is also proposed to implement Geographical Information System from consumer to 11 kV feeder level including consumer indexing and network hierarchy. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Technological Upgradation** | |
| Distribution Automation System incl. ADMS | 19.84 |
| GIS | 0.30 |
| Total | 20.14 |

- **Safety -** Based on Condition Based Monitoring survey of existing overhead line/structure and for enhancement of safety and reliability, it is proposed to replace 11kV poles and DT structure, provide guard wire in existing overhead lines, carry out fencing of Distribution Transformers/substations, and ensure adequate earthing of all 11kV structures. It is also proposed to procure various safety tools & personal protective equipments. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Safety** | |
| 11 kV Pole Replacement | 0.50 |
| Guarding & Earthing of Pole & 11 KV line | 1.61 |
| DT Earthing | 0.81 |
| DT/Structure Refurbishment | 0.12 |
| Civil work/fencing for Dist. SS | 1.06 |
| Safety Tools/PPEs | 0.65 |
| Total | 4.76 |

b) **LT Network-** For LT Network, the Petitioner has revised capital expenditure during FY 2023-24 as Rs. 49.02 Crore. The details are as under:

- **Normal Load Growth –** The existing LT network is not sufficient to meet with the increasing demand of existing consumers and release connections to new LT consumers. Accordingly, it is proposed to create new LT network which will be ready-to-serve the new consumers and cater the increasing demand of the existing consumers. Further, to release new connections to LT consumers laying of LT services cables, installation of meter box and Mini Section Pillars are also required. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Normal Load Growth** | |
| LT New Customers | 1.63 |
| LT Network | 3.06 |
| Total | 4.69 |

- **Reliability, Renovation, Loss Reduction –** During survey, it was observed that most of LT network is overhead network with bare conductors which are prone to major network failures, can hamper safety and are vulnerable to direct theft. To overcome these drawbacks of overhead network conversion of existing overhead network to safe, reliable and less theft prone underground network is planned. Also, LT underground network will improve system reliability, safety and help in loss minimization.

  Further, during survey it was also observed that consumer installations require revamping for enhancement of protection system and safety and accordingly revamping activity is proposed. Also, interlinking of Distribution Transformers on LT side has been proposed with new distributors.

  Additionally, due to Infrastructure development such as bridges/ drainage line/ water pipeline by local authority & Government agencies, existing LT network are required to be modified/upgraded. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Reliability, Renovation, Loss Reduction** | |
| LT OH to UG Conversion | 30.01 |
| LT Bare Conductor to OH Cable | 4.23 |
| LT Customer Meter Box Revamping | 1.89 |
| LT Relieving of Overload Distributor/Interlinking | 3.55 |
| LT Network Shifting for Infrastructure works | 1.00 |
| Total | 40.68 |

- **Safety –** Based on Condition Based Monitoring survey of existing overhead line/structure and for enhancement of safety and reliability, it is proposed to replace LT poles, provide guard wire in existing overhead lines, and ensure adequate earthing of all LT structures. Further, corroded and unsafe Mini Section Pillars will also be replaced, which will help improve system reliability and safety to the public. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Safety** | |
| LT Pole Replacement | 0.78 |
| Guarding & Earthing of Pole & LT Line | 2.28 |
| MSP Replacement | 0.59 |
| Total | 3.65 |

c) **Meter Management -** For Meter Management, the revised capital expenditure during FY 2023-24 is Rs. 12.95 Crore. The details are as under:

- **Normal Load Growth & Meter Replacement** - For releasing new connections & replacement of faulty and defective meters, energy meters are required to be installed for metering and billing of each consumer. During H1 FY 2023-24, DNHDDPDCL has released connections using electronic meters. The Petitioner is in process of evaluating smart metering technology as per MOP and CEA Notifications. However, the same is at nascent stage and finalisation of technology is expected to take some time for 100% implementation of smart metering in Union Territory in phased manner. Accordingly for FY 2023-24, the Petitioner has proposed capex for new load growth and meter replacement w.r.t electronic meters.
- **Metering Infrastructure –** During FY 2023-24, DNHDDPDCL proposes to incur capex for establishment of Automatic Meter Reading/ Automatic Metering Infrastructure w.r.t hardware, software, communication equipment and integration with IT system.

The summary of expenditure planned for the above described items is provided in the table below.

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| **Meter Management** | |
| Normal Load Growth | 1.64 |
| Meter Replacement | 7.41 |
| Metering Infrastructure | 3.90 |
| Total | 12.95 |

d) **Supporting Infrastructure -** For Supporting Infrastructure, the revised capital expenditure during FY 2023-24 is Rs. 1.85 Crore. The details are as under:

- **Testing Equipments:** Testing, monitoring and measuring equipment are required to monitor and measure network parameters. Capex is proposed for procurement of required tools tackles and testing & measuring equipment to carry out various activities for HT & LT network.
- **Meter Testing Laboratory:** Provision for establishment of state-of-the-art meter testing laboratory to carry out testing of LT-HT energy meters and CT/PT units which inter-alia includes automated meter testing bench, reference standard meter, meter sealing mechanism, etc.

Accordingly, the total capital expenditure proposed towards Supporting Infrastructure is as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| Testing Equipments | 0.59 |
| Meter Testing Laboratory | 1.26 |
| Total | 1.85 |

**e) Power Supply Centre and Call Centre –** Under the head of Power Supply Centre & Call Centre, the Hon'ble Commission directed the Petitioner to file separate petition. In turn, the Petitioner has filed the requisite petition. Accordingly, the Petitioner has proposed capex for Power Supply Centres (PSC) at strategic locations across the UT to improve efficiency in operation and to improve services i.e. attending complaints, releasing connections, and attending to consumer's request.

PSC will facilitate customers for various activities i.e. registration of applications, bill payment collection, alongwith registration of no power complaints, meter and billing related complaints, and for other consumer interactions. Capex is also proposed towards establishment of centralized call centre for on-line registration and in compliance to the Rules.

During FY 2023-24, capex is proposed for procurement of land at Silvasa and Moti Daman for setting up the PSC alongwith minor civil works. Accordingly, the total capital expenditure proposed towards Power Supply Centre and Call Centre during the year is as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| PSC | 38.50 |
| Call Centre | 4.00 |
| Total | 42.50 |

### f) IT & Related Expenditure

For IT & Related Expenditure, the revised capital expenditure during FY 2023-24 is Rs. 1.13 Crore. The details are as under:

- For efficient system working and system data monitoring, capex has been proposed towards procurement of new Laptop, Desktop, establishment of LAN connectivity, Network switches, routers, firewall, servers and other associated equipment / infrastructure.
- Further, capex is also proposed towards implementing SAP to provide the integrated platform for effective outage management, material management, metering and billing, finance and accounts.

Accordingly, the total capital expenditure proposed towards IT & related expenditure is as under:

| All Figures in Rs. Crore | Petitioner's Submission |
|---|---|
| IT & Related Expenditure | 1.13 |

### g) Miscellaneous

Under the head of Miscellaneous, the capital expenditure during FY 2023-24 is Rs. 4.25 Crore towards basic infrastructure of office premises like furniture, fixtures, and other facilities along with vehicles for attending faults and transporting material and manpower on site.

The Petitioner has claimed projected capitalisation of Rs. 182.66 Crore for FY 2023-24, as against Rs. 152.84 Crore approved in ARR Order as shown in table below:

**TABLE 4-19 CAPITALISATION CLAIMED FOR FY 2023-24 *(RS. CRORE)***

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Opening GFA | 481.05 | 583.51 |
| Addition to GFA | 152.84 | 182.66 |
| Deletion to GFA | - | - |
| Closing GFA | 633.89 | 766.17 |
| SLC addition | - | - |
| Capitalisation of Debt | 152.84 | 182.66 |
| Capitalisation of Equity | 152.84 | 182.66 |
| Normative Debt @70% | 106.99 | 127.86 |
| Normative Equity @30% | 45.85 | 54.80 |

**Commission's Analysis:**

The Petitioner has claimed a CAPEX of Rs. 243.11 Crore in the APR of FY 2023-24, compared to the Rs. 220.42 Crore approved in the ARR Order. However, the Commission has restricted the CAPEX for FY 2023-24 as already approved by the Commission in its ARR Order to the tune of RS 222.42 Crore. Accordingly, the Commission has approved the capital expenditure of Rs 220.42 Crore and capitalization to the tune of Rs 182.66 Crore for the APR of FY 2023-24 which shall be trued up based on actuals.

Hence, the Commission considers capital structure as submitted by the Petitioner which is subject to true-up. The Commission, accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2023-24 as tabulated below;

**Table 4-20 Approved Capitalisation for FY 2023-24 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening GFA | 583.51 | 583.51 |
| Addition to GFA | 182.66 | 182.66 |
| Deletion to GFA | - | - |
| Closing GFA | 766.17 | 766.17 |
| Less: SLC Addition | - | - |
| Balance Capitalisation | 182.66 | 182.66 |
| Normative Debt @70% | 127.86 | 127.86 |
| Normative Equity @30% | 54.80 | 54.80 |

## 4.12 Depreciation

**Petitioner's Submission:**

The Petitioner has submitted that the depreciation rates have been considered as per the JERC MYT Regulations, 2021. The Petitioner has claimed depreciation of Rs. 19.31 Crore for FY 2023-24, as against Rs. 19.92 Crore approved in the ARR Order, as detailed in table below:

**Table 4-21 Depreciation claimed by Petitioner for FY 2023-24 *(Rs. Crore)***

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Depreciation | 19.92 | 19.31 |

**Commission's Analysis:**

As per Regulation 31 of the JERC (Generation, Transmission & Distribution Multi Year Tariff) Regulations, 2021:

> *"31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:*
>
> *Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:*
>
> *Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.*
>
> *31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.*
>
> *Provided further that the salvage value of Information Technology equipment and computer software shall be considered at zero (0) percent of the allowable capital cost.*
>
> *31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*
>
> *31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.*
>
> *………*
>
> *31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified Appendix I of these Regulations.*
>
> *31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation*

*in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.*

*31.10 The remaining depreciable value for a Depreciation Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."*

The Commission has considered the opening GFA for computation of depreciation as per Section 3.12 of this Order, addition during the year and closing GFA as approved in Section 4.10 of this Order. The depreciation has been computed on average Gross Fixed Assets (GFA). Effective Depreciation rate has been considered as per actual weighted average rate of depreciation for FY 2022-23. The following table provides the calculation of depreciation during the FY 2023-24:

**Table 4-22 Depreciation approved by Commission for FY 2023-24 *(Rs. Crore)***

| Description | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Opening Gross Fixed Assets | 481.05 | 583.51 | 383.92 |
| Less Assets depreciated upto 90% till FY 2021-22 | - | - | - |
| Modified Opening Gross Fixed Assets | 481.05 | 583.52 | 383.92 |
| Addition during the Year | 152.84 | 182.66 | 182.66 |
| Adjustment/retirement during the Year | - | - | - |
| Closing Gross Fixed Assets | 633.89 | 766.18 | 566.58 |
| Average Gross Fixed Assets | 557.47 | 674.85 | 475.25 |
| Rate of Depreciation (%) | 3.57% | 2.86% | 4.02% |
| Depreciation | 19.92 | 19.31 | 19.09 |

The Commission, accordingly, approves the depreciation of Rs. 19.09 Crore for FY 2023-24.

## 4.13 Interest Expenses

**Petitioner's Submission:**

The Petitioner has claimed a sum of Rs. 23.16 Crore towards interest and finance expenses for FY 2023-24 on normative basis as per the JERC MYT Regulations, 2021. The Petitioner further submitted that it has considered rate of interest in line with the MYT Regulations.

TABLE 4-23 INTEREST AND FINANCE CHARGES CLAIMED FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Opening Balance | 188.73 | 189.55 |
| Addition of Loan | 106.99 | 127.86 |
| Repayment during year | 19.92 | 19.31 |
| Closing Balance | 275.80 | 298.10 |
| Average Loan | 232.27 | 243.83 |
| Weighted average rate of interest (%) | 9.50% | 9.50% |
| Interest Expenses | 22.07 | 23.16 |

**Commission's Analysis:**

The Commission has considered closing balance approved in truing-up of FY 2022-23 as opening normative loan balance for FY 2023-24, addition to loan during the year is considered at 70% of net value of assets added during the year and repayment is considered equal to the depreciation for the year.

As per Regulation 29.4 of the JERC (MYT) Regulations, 2021, in case there is no actual loan portfolio for the licensee, the rate of interest of shall be equal to the SBI MCLR as on 1st April of the relevant financial year plus 100 basis points. The relevant excerpt of the aforesaid Regulations is stipulated as under:

> ***"29 Interest on Loan***
>
> *29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:*
>
> *Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:*
>
> *Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:*
>
> *Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India*

*(SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.*

*…"*

As there is no actual loan borrowed by the Petitioner, thus, in line with the third proviso of Regulation 29.4 of the JERC (MYT) Regulations, 2021, the Commission has considered the rate of interest of 9.50 % (Using SBI MCLR as on 01.04.2023 plus 100 basis points).

The following table provides the Interest on Loan, as submitted by Petitioner and now approved by the Commission:

**TABLE 4-24 INTEREST APPROVED BY THE COMMISSION FOR FY 2023-24 *(RS. CRORE)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Balance | 189.55 | 189.55 |
| Addition of Loan | 127.86 | 127.86 |
| Repayment during year | 19.31 | 19.09 |
| Closing Balance | 298.10 | 298.32 |
| Average Loan | 243.83 | 243.94 |
| Weighted average rate of interest (%) | 9.50% | 9.50% |
| **Interest Expenses** | **23.16** | **23.17** |

## 4.14 Interest on Security Deposit

**Petitioner's Submission:**

The Petitioner has claimed Rs. 13.04 Crore towards interest on security deposit in APR for FY 2023-24 as against Rs. 8.03 Crore approved in the ARR Order. The Commission in the ARR Order had approved the interest on security deposit for the Petitioner considering 4.25% interest rate, on the average estimated balance of security deposit for FY 2023-24.

The Petitioner has submitted the revised estimates of interest expense on security deposit considering the rate of interest of 6.75% based on Bank Rate as submitted in the Table below:

**TABLE 4-25 INTEREST ON SECURITY DEPOSIT CLAIMED BY PETITIONER FOR FY 2023-24 *(RS. CRORE)***

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Interest Rate | 4.25% | 6.75% |
| Interest on Security Deposit | 7.74 | 13.04 |

**Commission's Analysis:**

Regulation 29.11 of the JERC MYT Regulations, 2021 specifies the following:

> *"29.11 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:*
>
> *Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."*

The Commission has provisionally considered the interest on security deposit to be allowed in APR of FY 2023-24 as submitted by the Petitioner subject to truing-up. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 13.04 Crore for FY 2023-24.

**TABLE 4-26 INTEREST ON SECURITY DEPOSIT APPROVED FOR FY 2023-24 (RS. CRORE)**

| Particulars | Approved in the ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Opening Security Deposit | 186.49 | 187.60 | 187.60 |
| Addition | 5.00 | 11.18 | 11.18 |
| Closing Security Deposit | 191.49 | 198.78 | 198.78 |
| Average Security Deposit | 188.99 | 193.19 | 193.19 |
| Rate of Interest (%) | 4.25% | 6.75% | 6.75% |
| Interest on Security Deposit | 8.03 | 13.04 | 13.04 |

## 4.15 Interest on Working Capital

**Petitioner's Submission:**

The working capital requirement is arrived at as per the JERC MYT Regulations, 2021. The Petitioner has requested the Commission to approve the interest on Working Capital.

TABLE 4-27 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| O&M Expenses for 1 Month | 4.98 | 9.39 |
| 40% of R&M expenses for one month | 0.48 | 1.26 |
| Receivables for 2 months | 861.73 | 978.28 |
| Less: Power Purchase Cost of 1 month | 462.07 | 478.26 |
| Less: Security Deposit | 188.99 | 193.19 |
| Normative Working Capital | 216.13 | 317.41 |
| Rate of Interest (%) | 9.00% | 10.50% |
| **Interest on Working Capital** | **19.45** | **33.33** |

**Commission's Analysis:**

The computation of working capital requirements and the rate of interest to be considered are stipulated in the JERC MYT Regulations, 2021. Regulation 64.1 & 32 of the JERC MYT Regulations 2021 states the following:

*"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:*

*(a) O&M Expense for 1 month; plus*

*(b) Maintenance spares at 40% of R&M expenses for one (1) month; plus*

*(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff; Less*

*(d) Power Purchase cost for one (1) month; plus,*

*(e) Amount, if any, held as security deposits under 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:*

*32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."*

As above, the Commission for determination of working capital requirements of the Petitioner during the year, has considered the receivables equivalent to two months of the revenue requirement, the O&M Expenses for one month & Maintenance spares as 40% of R&M expenses as per the JERC MYT Regulations, 2021 and has subtracted the consumer security deposit as well as one month equivalent power purchase cost. With regards to the interest rate, the Commission has considered the SBI MCLR rates (One Year) as on April 1, 2023 plus 200 basis points which is 10.50%. The following table provides the interest on working capital as per Petitioner's submission and now approved by the Commission.

**Table 4-28 Interest on Working Capital approved for FY 2023-24 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved By Commission |
|---|---|---|
| O&M Expenses for 1 Month | 9.39 | 9.29 |
| 40% of R&M expenses for one month | 1.26 | 1.26 |
| Receivables for 2 months | 978.28 | 935.62 |
| Less: Power Purchase Cost of 1 month | 478.26 | 478.26 |
| Less: Security Deposit | 193.19 | 193.19 |
| Normative Working Capital | 317.41 | 274.73 |
| Rate of Interest (%) | 10.50% | 10.50% |
| **Interest on Working Capital** | **33.33** | **28.85** |

As indicated above, the Commission approves the interest on working capital as Rs. 28.85 Crore for FY 2023-24.

## 4.16 Return on Equity

**Petitioner's Submission:**

The Petitioner has claimed a sum of Rs. 31.48 Crore towards return on equity for FY 2023-24, as against Rs. 30.82 Crore approved in ARR Order. The Petitioner submitted that closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year, as tabled below:

TABLE 4-29 RETURN ON EQUITY CLAIMED BY THE PETITIONER FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Opening Equity | 175.25 | 175.02 |
| Equity Addition | 45.85 | 54.80 |
| Closing Equity | 221.11 | 229.82 |
| Average Equity | 198.18 | 202.42 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *27.65* | *28.24* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *3.17* | *3.24* |
| Total Return on Equity | 30.82 | 31.48 |

**Commission's Analysis:**

Regulation 28.2 and 28.3 of the JERC MYT Regulations, 2021 specifies the following:

*"28. Return on Equity …….*

*28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.*

*28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum. ………"*

Further, in this regard, the Regulation 30(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulates the following:

*"30. Return on Equity: ………*

*30.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage: …….." (Emphasis supplied)*

The Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021, i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations mentioned above) and a rate of 16% for the Retail Supply Business.

The RoE has been calculated on the average of opening and closing of equity during the year at the rate of 16% on post-tax basis for Retail Supply Business and 15.50% on post-tax basis for wires business, with the opening equity considered as approved in capital structure in this Order. The following table provides the Return on Equity as per Petitioner's submission and now approved by the Commission.

TABLE 4-30 RETURN ON EQUITY APPROVED FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Equity | 175.02 | 175.02 |
| Equity Addition | 54.80 | 54.80 |
| Closing Equity | 229.82 | 229.82 |
| Average Equity | 202.42 | 202.42 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *28.24* | *28.24* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *3.24* | *3.24* |
| **Total Return on Equity** | **31.48** | **31.48** |

The Commission accordingly, approves the return on equity of Rs. 31.48 Crore in APR for FY 2023-24.

## 4.17 Income Tax

### Petitioner's Submission:

The Petitioner has submitted that as per the MYT Regulations, income tax shall be computed based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check. For FY 2022-23, the actual income tax paid was Rs. 31.42 Crore. The same has been considered for FY 2023-24 on estimate basis:

TABLE 4-31 INCOME TAX CLAIMED BY PETITIONER FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Income Tax | - | 31.42 |

**Commission's Analysis:**

In this regard, Regulation 33 of the JERC MYT Regulations, 2021, states the following:

> ***"33. Tax on Income***
>
> *33.1 The treatment of tax on income for a Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations.*
>
> *33.2 The Commission in its MYT Order shall provisionally approve Income Tax payable for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check.*
>
> *33.3 Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.*
>
> *33.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition:*
>
> *Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee."*

Regulation 33 of the MYT Regulations, 2021 provides for allowance of provisional Income Tax based on the actual Income Tax paid in previous year, if any, as per the latest audited accounts available. However, the Commission is of the view that the same will be considered based on actuals, thus, the Commission has not considered any income tax expenses for APR purpose and the same shall be revisited at the time of truing-up. The Commission accordingly approves NIL income tax for FY 2023-24.

TABLE 4-32 INCOME TAX APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in APR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Income Tax | - | 31.42 | - |

## 4.18 Bad Debts Written Off

**Petitioner's Submission:**

The Petitioner submitted that it has written off the bad debts as NIL during FY 2022-23, thus the same is being considered for the APR of FY 2023-24.

**Commission's Analysis:**

As per Regulation 63.1 of the MYT Regulations, 2021:

> *"63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:*
>
> *Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:*
>
> *Provided also that the provision for bad and doubtful debts shall limited to 1% of the Annual Revenue Requirement of the Distribution Licensee:*
>
> *Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."*

As the Petitioner has not claimed any amount towards Bad Debts, the Commission, therefore, has not considered any bad and doubtful debts in the APR of FY 2023-24.

## 4.19 Non-Tariff Income

**Petitioner's Submission:**

The Petitioner has claimed Rs. 37.42 Crore towards Non-Tariff Income for FY 2023-24 as against the approved value of Rs. 56.78 Crore by the Commission in its ARR Order.

TABLE 4-33 NON-TARIFF INCOME CLAIMED FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Non-Tariff Income | 56.78 | 37.42 |

**Commission's Analysis:**

The Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

***"65. Non-Tariff Income***

*65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:*

*Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.*

*65.2 The Non-Tariff Income shall inter-alia include:*

*(a) Income from rent of land or buildings;*

*(b) Income from sale of scrap in excess of 10% of the salvage value;*

*(c) Income from statutory investments;*

*(d) Interest on advances to suppliers/contractors;*

*(e) Rental from staff quarters;*

*(f) Rental from contractors;*

*(g) Income from hire charges from contactors and others;*

*(h) Income from advertisements, etc.;*

*(i) Meter/metering equipment/service line rentals;*

*(j) Service charges;*

*(k) Consumer charges;*

*(l) Recovery for theft and pilferage of energy;*

*(m) Rebate availed on account of timely payment of bills;*

*(n) Miscellaneous receipts;*

*(o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;*

*(p) Prior period income, etc.:*

*Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:*

*Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

The Commission has approved Non-Tariff Income for FY 2023-24 by considering the submission made by the Petitioner including the rebate on power purchase @1% and the same has been considered as part of NTI:

TABLE 4-34 NON-TARIFF INCOME APPROVED FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Hire of Meters | 1.33 | 0.97 | 0.97 |
| Miscellaneous Income | - | 6.81 | 6.81 |
| Rebate on prompt Payment | 55.45 | 29.64 | 57.39 |
| **Total Non-Tariff Income** | **56.78** | **37.42** | **65.18** |

Accordingly, the Commission approves Non-tariff income of Rs. 65.18 Crore in the APR of FY 2023-24.

## 4.20 Aggregate Revenue Requirement (ARR)

**Petitioner's Submission:**

Based on the expenses as detailed above, the Petitioner has submitted the net Aggregate Revenue Requirement of Rs. 5,966.11 Crore for approval in the APR of FY 2023-24.

TABLE 4-35 AGGREGATE REVENUE REQUIREMENT SUBMITTED BY PETITIONER FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner Submission |
|---|---|---|
| Power Purchase | 5,544.84 | 5,739.08 |
| O&M Expense | 59.78 | 112.71 |
| Interest on Loans | 22.07 | 23.16 |
| Interest on Security Deposit | 8.03 | 13.04 |
| Interest on Working Capital | 19.45 | 33.33 |
| Depreciation | 19.92 | 19.31 |
| Bad Debts written off | - | - |
| Return on Equity | 30.82 | 31.48 |
| Income Tax | - | 31.42 |
| Less: Non-Tariff Income | 56.78 | 37.42 |
| **Net ARR** | **5,648.13** | **5,966.11** |

**Commission's Analysis:**

The Commission on the basis of the detailed analysis of the cost parameters of the Aggregate Revenue Requirement approves the net revenue requirement in the APR of FY 2023-24 as given in the following table:

TABLE 4-36 AGGREGATE REVENUE REQUIREMENT APPROVD BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Power Purchase | 5,544.84 | 5,739.08 | 5,739.08 |
| O&M Expense | 59.78 | 112.71 | 111.53 |
| Interest on Loans | 22.07 | 23.16 | 23.16 |
| Interest on Security Deposit | 8.03 | 13.04 | 13.04 |
| Interest on Working Capital | 19.45 | 33.33 | 28.85 |
| Depreciation | 19.92 | 19.31 | 19.09 |
| Bad Debts written off | - | - | - |
| Return on Equity | 30.82 | 31.48 | 31.48 |
| Income Tax | - | 31.42 | - |
| Less: Non-Tariff Income | 56.78 | 37.42 | 65.18 |
| **Net ARR** | **5,648.13** | **5,966.11** | **5,901.05** |

The Commission approves net Aggregate Revenue Requirement of Rs. 5,901.05 Crore in the APR of FY 2023-24.

## 4.21 Revenue at existing Retail Tariff

**Petitioner's Submission:**

The Petitioner has submitted projected revenue from retail sale for FY 2023-24 is Rs. 5,869.22 Crore as against Rs. 5,170.38 Crore approved by the Commission in the ARR Order.

**Commission's Analysis:**

It has been observed that the Petitioner has computed revenue for FY 2023-24 to the tune of rs. 5,869.22 Crore which seems erroneous, however, the Commission has computed the slab-wise category-wise revenue from sale of power at existing tariff for FY 2023-24 to the tune of Rs. 5,613.72 Crore which includes revenue from FPPCA charges of Rs. 306.04 Crore.

Accordingly, the Commission has approved a sum of Rs. 5,613.72 Crore for APR for FY 2023-24.

## 4.22 Standalone Revenue Gap/(Surplus)

**Petitioner's Submission:**

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 96.88 Crore is arrived in the APR of FY 2023-24.

TABLE 4-37 GAP/(SURPLUS) SUBMITETD BY PETITIONER FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission |
|---|---|---|
| Net ARR | 5,648.13 | 5,966.11 |
| Less: Revenue | 5,170.38 | 5,614.83 |
| Gap/(Surplus) | 477.74 | 351.28 |

**Commission's Analysis:**

The Commission based on the approved ARR and retail tariff has arrived at the Revenue Gap/(Surplus) as follows:

TABLE 4-38 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2023-24 *(RS. CRORE)*

| Particulars | Approved in ARR Order | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Net Revenue Requirement | 5,648.13 | 5,966.11 | 5,901.05 |
| Revenue from Retail Sales at Existing Tariff | 5,170.38 | 5,614.83 | 5,613.72 |
| **Net Revenue Gap/(Surplus)** | **477.74** | **351.28** | **287.34** |

Accordingly, the Commission, in the APR of FY 2023-24 approves a gap of Rs. 287.34 Crore.

As per Regulation 12.5 of the JERC (MYT Tariff) Regulations, 2021, the gap/(surplus) of the trued-up year only shall be carried forward in the tariff for the year for which tariff is to be determined. The relevant excerpt of the aforesaid regulation is stipulated as under:

*12.5 Upon completion of the exercise, the Commission shall pass an order recording:*

*a) Components of approved cost pertaining to the uncontrollable factors, which were not recovered during the previous Year, to be passed through in tariff as per Regulation 14 of these Regulations:*

Thus, in accordance with above clause, the Commission has not considered the gap/(surplus) for the APR of FY 2023-24 to be carried forward in the ARR of FY 2024-25.

# Chapter 5: Determination of Aggregate Revenue Requirement for FY 2024-25

## 5.1 Background

In this Chapter the Commission has determined the ARR for FY 2024-25 in accordance with the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 (hereinafter referred to as "JERC MYT Regulations, 2021").

This chapter deals with the ARR of FY 2024-25 for DNHDDPDCL. The Commission has studied and analysed each component of the ARR for FY 2024-25 in the following paragraphs.

## 5.2 Approach for the ARR of FY 2024-25

The Aggregate Revenue Requirement requires assessment of the quantum of energy sales, transmission & distribution loss as well as the various cost elements like Power Purchase Cost, O&M expenses, interest on long term loans, interest on working capital loans, depreciation etc. The various cost elements constituting the Aggregate Revenue Requirement have been approved based on the information submitted by the Petitioner for FY 2024-25, the JERC MYT Regulations, 2021 and the prudence check.

## 5.3 Energy Sales to Consumers

**Petitioner's Submission:**

The Petitioner has submitted that it has projected the sales for FY 2024-25 by considering 5-year CAGR on the revised sales estimated for FY 2023-24. For categories with negative CAGR, Petitioner has considered NIL growth. During FY 2024-25, the Petitioner has not contemplated any Open Access sales.

TABLE 5-1 ENERGY SALES FOR FY 2024-25 *(IN MU)*

| Category | Petitioner's Submission |
|---|---|
| Domestic | 338.88 |
| LIG/Kutirjyoti | 11.15 |
| Commercial | 98.50 |
| Agriculture | 7.43 |
| LT Industry | 594.52 |
| Public Water Works | 4.46 |
| Public Lightning | 5.84 |
| HT/EHT Industry & Commercial | 9,608.48 |
| LT-EV Charging Station | 0.05 |
| HT-EV Charging Station | 1.97 |
| Temporary Supply | 15.79 |
| **Total Sales** | **10,687.06** |

**Commission's Analysis:**

The Commission has considered the sales submitted by the Petitioner for ARR of FY 2024-25. The table below provides the energy sales submitted by the Petitioner and now approved by the Commission for FY 2024-25.

TABLE 5-2 ENERGY SALES APPROVED BY COMMISSION FOR FY 2024-25 *(IN MU)*

| Category | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Domestic | 338.88 | 338.88 |
| LIG/Kutirjyoti | 11.15 | 11.15 |
| Commercial | 98.50 | 98.50 |
| Agriculture | 7.43 | 7.43 |
| LT Industry | 594.52 | 594.52 |
| Public Water Works | 4.46 | 4.46 |
| Public Lightning | 5.84 | 5.84 |
| HT/EHT Industry & Commercial | 9,608.48 | 9,608.48 |
| LT-EV Charging Station | 0.05 | 0.05 |
| HT-EV Charging Station | 1.97 | 1.97 |
| Temporary Supply | 15.79 | 15.79 |
| **Total Sales** | **10,687.06** | **10,687.06** |

Accordingly, the Commission approves energy sales of 10,687.06 MU in ARR of FY 2024-25.

## 5.4 Inter-State Transmission Loss

**Petitioner's Submission:**

The Petitioner has considered the Inter-State transmission loss as 3.52% for FY 2024-25.

**Commission's Analysis:**

The Commission for the purpose of ARR of FY 2024-25 considers the Inter-State transmission losses as submitted by the Petitioner to the tune of 3.52% and the same shall be revised based on actuals during the APR of FY 2024-25.

The following table provides the Inter-State transmission loss submitted and now approved by the Commission.

TABLE 5-3 INTER-STATE TRANSMISSION LOSS APPROVED FOR FY 2024-25

| Category | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Inter-State Transmission losses (%) | 3.52% | 3.52% |

The Commission approves the Inter-State transmission loss of 3.52% in ARR for FY 2024-25.

## 5.5 Distribution Losses

**Petitioner's Submission:**

The Petitioner has submitted that the distribution loss trajectory has been specified for the Union Territory for the control period in the Policy Direction under Transfer Scheme. In turn, the Hon'ble Commission has also considered the distribution loss trajectory as per the Policy Direction issued under Transfer Scheme. For FY 2024-25, the Petitioner has considered the distribution losses as specified in transfer scheme.

TABLE 5-4 DISTRIBUTION LOSSES FOR FY 2024-25 AS SUBMITTED BY PETITIONER

| Category | Petitioner's Submission |
|---|---|
| Distribution losses (%) | 2.99% |

**Commission's Analysis:**

Regulation 13.2 (c) of the JERC, MYT Regulations, 2021, provides as follows:

> *"13.2 For the purpose of these Regulations, the term "controllable factors" for a Transmission or Distribution Licensee shall comprise of the factors which were within the control of the Licensee, shall inter-alia include:*
>
> *.....*
>
> *c) Variations in technical and commercial losses of Distribution Licensee; ………"*

As per Regulation 13.2 (c) of the JERC, MYT Regulations, 2021, distribution loss is a controllable factor. The Commission approves the same loss level as specified in the transfer scheme for FY 2024-25 i.e., 2.99%. The following table provides the Distribution loss submitted by the Petitioner and now approved by the Commission.

**TABLE 5-5 DISTRIBUTION LOSS APPROVED BY COMMISSION FOR FY 2024-25**

| Category | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Distribution losses (%) | 2.99% | 2.99% |

The Commission approves Distribution loss at 2.99% in the ARR of FY 2024-25.

## 5.6 Energy Balance

**Petitioner's Submission:**

The Petitioner has submitted that the energy requirement for DNH and DD area licensee area furnished is based on the (i) projected energy sales, (ii) Intra-state transmission loss and (iii) distribution losses for FY 2024-25 as given in the Table below:

**TABLE 5-6 ENERGY REQUIREMENT SUBMITTED BY PETITIONER FOR FY 2024-25**

| Particulars | Formula | Petitioner's Submission |
|---|---|---|
| Retail Sales | a | 10,687.06 |
| Open Access Sales (MU) | b | - |
| Less: Energy Savings (MU) | c | - |

| Particulars | Formula | Petitioner's Submission |
|---|---|---|
| Total Sales within UT (MU) | d = a + b + c | 10,687.06 |
| Less: Solar generation within UT (MU) | e | 22.43 |
| Net Total Sales within UT (MU) | f = d – e | 10,664.63 |
| Distribution Loss (MU) | g | 328.18 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 10,992.81 |
| Intra-State Transmission Losses (MU) | i | 190.97 |
| Energy Requirement at UT Periphery | j = h + i | 11,183.78 |
| Add: Sales to Common Pool/UI (MU) | k | - |
| Add: Sales through Power Exchange (MU) | l | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **11,183.78** |

The Petitioner has estimated the total energy requirement from the tied-up sources & UI at generator end as 11,183.78 MU in the ARR of FY 2024-25.

**Commission's Analysis:**

The energy requirement at State/UT Periphery is derived based on the energy sales estimate and the Intra-State transmission losses and Distribution losses approved for FY 2024-25, as shown in the following Table:

TABLE 5-7 ENERGY REQUIREMENT APPROVED BY COMMISSION FOR FY 2024-25

| Particulars | Formula | Petitioner's Submission | Approved by Commission |
|---|---|---|---|
| Retail Sales | a | 10,687.06 | 10,687.06 |
| Open Access Sales (MU) | b | - | - |
| Less: Energy Savings (MU) | c | - | - |
| Total Sales within UT (MU) | d = a + b + c | 10,687.06 | 10,687.06 |
| Less: Solar generation within UT (MU) | e | 22.43 | 22.43 |
| Net Total Sales within UT (MU) | f = d – e | 10,664.63 | 10,664.63 |
| Distribution Loss (MU) | g | 328.18 | 328.18 |
| Energy Required at DNHDDPDCL Periphery | h = f + g | 10,992.81 | 10,992.81 |
| Intra-State Transmission Losses (MU) | i | 190.97 | 190.97 |
| Energy Requirement at UT Periphery | j = h + i | 11,183.78 | 11,183.78 |
| Add: Sales to Common Pool/UI (MU) | k | - | - |
| Add: Sales through Power Exchange (MU) | l | - | - |
| **Total Energy Requirement at UT Periphery (MU)** | **m = j + k + l** | **11,183.78** | **11,183.78** |

The Commission approves the total Energy requirement at UT level to the tune of 11,183.78 MU in the ARR for FY 2024-25.

## 5.7 Energy Availability

**Petitioner's Submission:**

The Petitioner has submitted that the energy sourcing is planned from two types of sources, i.e., (a) Long Term Sources and (b) Short Term Sources. The long-term sources include allocations in various Central Sector Generating Stations, and Renewable Energy sources, while, the short-term sources include bilateral sources/power exchange. Accordingly, Petitioner has considered sourcing of balancing quantum from these sources.

In addition to above, regarding Renewable Energy, the Petitioner submitted that the Commission has specified the Renewable Purchase Obligation (RPO) vide its JERC (Procurement of Renewable Energy) (Fourth Amendment) Regulations, 2022. Considering the existing tie-up and shortfall, the Petitioner has been making all the efforts to tie-up RE Power so as to optimize its Power Purchase Cost. The Petitioner shall approach the Hon'ble Commission separately in this regard.

Moreover, regarding Transmission Losses, the Petitioner has considered the Interstate and Intrastate Transmission losses as approved by the Hon'ble Commission. Based on the above, the Petitioner submits to the Hon'ble Commission to approve the power purchase quantum as proposed.

TABLE 5-8 ENERGY AVAILABILITY SUBMITTED BY PETITIONER FOR FY 2024-25

| Particulars | Formula | Petitioner's Submission |
|---|---|---|
| Total Energy Requirement at UT Periphery | a | 11,183.78 |
| Less: Energy Purchased through UI at Periphery | b | - |
| Less: Purchase from Power Exchanges | c | 2,253.98 |
| Less: Open Access Sale by Consumers | d | - |
| Add: Sale of surplus power/ DSM | e | - |
| Total energy requirement at UT Periphery from tied-up Sources | f = a-b-c-d +e | 8,929.80 |
| Inter-state Transmission losses | g | 325.80 |
| Total requirement from tied-up sources at Generator End | h = f + g | 9,255.60 |

| Particulars | Formula | Petitioner's Submission |
|---|---|---|
| Purchase from renewable sources within license area | i | 22.43 |
| **Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State & Solar Generation within the State** | **j = b+c+d-e+h+i** | **11,532.01** |

### Commission's Analysis:

The Commission approves energy availability of 11,532.01 MU in ARR for FY 2024-25 as provided in table below:

TABLE 5-9 ENERGY AVAILABILITY APPROVED BY COMMISSION FOR FY 2024-25

| Particulars | Formula | Petitioner's Submission | Approved By Commission |
|---|---|---|---|
| Total Energy Requirement at UT Periphery | a | 11,183.78 | 11,183.78 |
| Less: Energy Purchased through UI at Periphery | b | - | - |
| Less: Purchase from Power Exchanges | c | 2,253.98 | 2,253.98 |
| Less: Open Access Sale by Consumers | d | - | - |
| Add: Sale of surplus power/ DSM | E | - | - |
| Total energy requirement at UT Periphery from tied-up Sources | f = a-b-c-d +e | 8,929.80 | 8,929.80 |
| Inter-state Transmission losses | g | 325.80 | 325.80 |
| Total requirement from tied-up sources at Generator End | h = f + g | 9,255.60 | 9,255.60 |
| Purchase from renewable sources within license area | i | 22.43 | 22.43 |
| **Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State & Solar Generation within the State** | **j = b+c+d-e+h+i** | **11,532.01** | **11,532.01** |

## 5.8 Power Purchase Quantum & Cost

### Petitioner's Submission:

The Petitioner has submitted that it has estimated the power purchase cost of FY 2024-25 based on the estimated quantum of energy as mentioned in the table above and the approved fixed cost of Central Generating Stations along with actual variable cost of H1 of FY 2023-24 for the approved sources along with projection for Transmission charges as per the latest approved figures. For estimation of FY 2024-25, the Petitioner has removed adjustments related to past period and aberrations such as incentive, compensation for lower PLF, Ash Transportation charges etc from H1 of FY 2024 and applied on the energy. The Petitioner further submitted that Energy Charges for Gas based capacity from NTPC – Kawas and Gandhar are exorbitantly high. Also, this capacity has completed the contractual period. Therefore, the Petitioner has not considered the said capacity in FY 2024-25. For these plants, as the Petitioner has issued termination notice as per CERC Tariff Regulations, it has not considered NTPC-Kawas and Gandhar as source of supply for the purpose of projections.

Further, in order to fulfil RPO, the Petitioner has considered purchase of REC corresponding to RPO for FY 2024-25. The Power purchase quantum and cost for FY 2024-25, as projected by the Petitioner has been shown in the table below:

TABLE 5-10 POWER PURCHASE COST SUBMITTED BY THE PETITIONER FOR FY 2024-25

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 756.38 | 64.33 | 107.70 | 172.03 | 2.27 |
| KSTPP 3 | 213.23 | 24.29 | 29.72 | 54.01 | 2.53 |
| VSTPP -I | 398.25 | 38.00 | 63.25 | 101.24 | 2.54 |
| VSTPP -II | 303.51 | 24.84 | 46.47 | 71.30 | 2.35 |
| VSTPP -III | 355.12 | 31.37 | 53.92 | 85.29 | 2.40 |
| VSTPP –IV | 412.77 | 68.76 | 61.84 | 130.60 | 3.16 |
| KGPP | - | - | - | - | - |
| GGPP | - | - | - | - | - |
| Sipat-I | 758.59 | 100.25 | 102.55 | 202.79 | 2.67 |
| Sipat-II | 299.30 | 31.81 | 41.72 | 73.53 | 2.46 |
| Mauda | 265.12 | 44.35 | 83.03 | 127.38 | 4.80 |
| VSTPS-V | 254.05 | 42.23 | 47.06 | 89.29 | 3.51 |
| Mauda 2 | 488.78 | 83.68 | 170.82 | 254.50 | 5.21 |
| Solapur | 549.67 | 117.68 | 240.70 | 358.38 | 6.52 |
| KHSTPP-II | 35.37 | 3.21 | 10.81 | 14.01 | 3.96 |
| LARA | 693.03 | 116.62 | 94.57 | 211.19 | 3.05 |
| Gadarwara | 702.54 | 164.44 | 243.78 | 408.21 | 5.81 |
| KHTPP | 517.21 | 120.91 | 199.73 | 320.64 | 6.20 |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **Sub-total NTPC** | **7,002.93** | **1,076.75** | **1,597.66** | **2,674.41** | **3.82** |
| | | | | | |
| **NSPCL Bhiali** | **1,264.26** | **180.09** | **321.97** | **502.06** | **3.97** |
| | | | | | |
| **NPCIL** | | | | | |
| KAPS 1 &2 | 182.74 | - | 61.53 | 61.53 | 3.37 |
| KAPS 3 | 309.95 | - | 136.38 | 136.38 | 4.40 |
| TAPS | 495.72 | - | 170.22 | 170.22 | 3.43 |
| **Sub-Total NPCIL** | 988.41 | - | **368.13** | **368.13** | **3.72** |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 2,253.98 | - | 1,046.66 | 1,046.66 | 4.64 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 22.43 | - | 13.95 | 13.95 | 6.22 |
| | | | | | |
| REC | | - | 114.19 | 114.19 | - |
| **Net Power Purchase** | **11,532.01** | **1,256.84** | **3,462.56** | **4,719.40** | **4.09** |
| | | | | | |
| **Transmission Charges** | | | | | |
| PGCIL Charges | | 714.92 | - | 714.92 | |
| WRLDC Charges | | - | - | - | |
| Intra-State Transmission Charges | | 160.38 | - | 160.38 | |
| **Sub-total** | | **875.30** | - | **875.30** | |
| | | | | | |
| **Total Power Purchase** | **11,532.01** | **2,132.13** | **3,462.56** | **5,594.93** | **4.85** |

**Commission's Analysis:**

The Petitioner procures power mainly from NTPC stations, NPCIL stations and NSPCL Bhilai. The Petitioner submitted the overall power purchase cost is being estimated at the actual rates for H1 of FY 2023-24, while estimating power purchase cost for FY 2024-25, the Petitioner has removed adjustments related to past period and aberrations from actuals of H1 of FY 2023-24.

The Petitioner has claimed REC cost in order to meet RPO obligation for FY 2024-25 to the tune of Rs. 114.19 Crore against 3,194 MUs.

The Commission has considered the power purchase quantum and cost for the ARR of FY 2024-25 as submitted by the Petitioner subject to truing-up.

The following table provides the summary of the power purchase quantum and the cost approved by the Commission for the ARR purpose of FY 2024-25:

**TABLE 5-11 POWER PURCHASE QUANTUM AND COST APPROVED BY THE COMMISSION FOR FY 2024-25**

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| **NTPC** | | | | | |
| KSTPP 1&2 | 756.38 | 64.33 | 107.70 | 172.03 | 2.27 |
| KSTPP 3 | 213.23 | 24.29 | 29.72 | 54.01 | 2.53 |
| VSTPP -I | 398.25 | 38.00 | 63.25 | 101.24 | 2.54 |
| VSTPP -II | 303.51 | 24.84 | 46.47 | 71.30 | 2.35 |
| VSTPP -III | 355.12 | 31.37 | 53.92 | 85.29 | 2.40 |
| VSTPP –IV | 412.77 | 68.76 | 61.84 | 130.60 | 3.16 |
| KGPP | - | - | - | - | - |
| GGPP | - | - | - | - | - |
| Sipat-I | 758.59 | 100.25 | 102.55 | 202.79 | 2.67 |
| Sipat-II | 299.30 | 31.81 | 41.72 | 73.53 | 2.46 |
| Mauda | 265.12 | 44.35 | 83.03 | 127.38 | 4.80 |
| VSTPS-V | 254.05 | 42.23 | 47.06 | 89.29 | 3.51 |
| Mauda 2 | 488.78 | 83.68 | 170.82 | 254.50 | 5.21 |
| Solapur | 549.67 | 117.68 | 240.70 | 358.38 | 6.52 |
| KHSTPP-II | 35.37 | 3.21 | 10.81 | 14.01 | 3.96 |
| LARA | 693.03 | 116.62 | 94.57 | 211.19 | 3.05 |
| Gadarwara | 702.54 | 164.44 | 243.78 | 408.21 | 5.81 |
| KHTPP | 517.21 | 120.91 | 199.73 | 320.64 | 6.20 |
| **Sub-total NTPC** | **7,002.93** | **1,076.75** | **1,597.66** | **2,674.41** | **3.82** |
| | | | | | |
| **NSPCL Bhiali** | **1,264.26** | **180.09** | **321.97** | **502.06** | **3.97** |
| | | | | | |
| **NPCIL** | | | | | |
| KAPS 1 &2 | 182.74 | - | 61.53 | 61.53 | 3.37 |
| KAPS 3 | 309.95 | - | 136.38 | 136.38 | 4.40 |
| TAPS | 495.72 | - | 170.22 | 170.22 | 3.43 |
| **Sub-Total NPCIL** | 988.41 | - | **368.13** | **368.13** | **3.72** |
| | | | | | |
| **Short-Term Power** | | | | | |
| Indian Energy Exchange | 2,253.98 | - | 1,046.66 | 1,046.66 | 4.64 |
| | | | | | |
| **Renewable** | | | | | |
| Solar | 22.43 | - | 13.95 | 13.95 | 6.22 |
| | | | | | |
| REC | | - | 114.19 | 114.19 | - |
| **Net Power Purchase** | **11,532.01** | **1,256.84** | **3,462.56** | **4,719.40** | **4.09** |
| | | | | | |
| **Transmission Charges** | | | | | |

| Particulars | Energy Units (MU) | Fixed Charges (Rs. Crore) | Variable Charges (Rs. Crore) | Total Charges (Rs. Crore) | Per Unit (Rs./ kWh) |
|---|---|---|---|---|---|
| PGCIL Charges | | 714.92 | - | 714.92 | |
| WRLDC Charges | | - | - | - | |
| Intra-State Transmission Charges | | 160.38 | - | 160.38 | |
| **Sub-total** | | **875.30** | **-** | **875.30** | |
| | | | | | |
| **Total Power Purchase** | **11,532.01** | **2,132.13** | **3,462.56** | **5,594.93** | **4.85** |

The Commission approves power purchase cost of Rs. 5,594.93 Crore in the ARR of FY 2024-25.

## 5.9 Renewable Purchase Obligation

**Petitioner's Submission:**

The Petitioner has submitted REC cost of Rs 95.86 Crore against the RPO obligation for FY 2023-24 against 3,194 MUs.

**Commission's Analysis:**

The Commission has specified the minimum RPO to be fulfilled by the Petitioner as per the Regulation 4.1 of the JERC Procurement of Renewable Energy (Fifth Amendment) Regulations, 2024. The break-up of target vis-à-vis achievement is given in the Table below.

TABLE 5-12 RPO TARGET APPROVED BY COMMISSION FOR FY 2024-25*(IN MU)*

| Particulars | Approved by Commission |
|---|---|
| Sales | 10,687 |
| **RPO Target** | |
| Wind RPO (@0.67%) | 72 |
| HPO (@0.38%) | 41 |
| Distributed RE RPO (@1.50%) | 160 |
| Other RE RPO (@27.35%) | 2,923 |
| **Total (@29.91%)** | **3,195** |

In view of the above, the Commission directs the Petitioner to comply with the RPO targets as provided above in accordance with the JERC (Procurement of Renewable

Energy) (Fifth Amendment) Regulations, 2024. The same shall be reviewed at the time of truing-up of FY 2024-25.

## 5.10 Operation & Maintenance (O&M) Expenses

**Petitioner's Submission:**

The Petitioner has submitted that it has assumed operational control of the UT of Dadra and Nagar Haveli and Daman and Diu since April 1, 2022. It is observed that the network needs regular preventive maintenance in addition to predictive and breakdown maintenance. Accordingly, the Petitioner has continued the various activities for improvement of performance as carried out during FY 2022-23.

Further, Petitioner submitted that Regulation 52 of the MYT Regulations also provides for consideration of O&M expenses for Distribution Licensee on case to case basis. Accordingly, the Petitioner requests the Hon'ble Commission to consider O&M Expenditure on actual basis as above. Once the O&M activities gets streamlined, necessary data will be available for the Hon'ble Commission to consider base O&M Expense for subsequent period. Further, the Petitioner has also sought review to rectify the inadvertent computational errors in the approved Employee and A&G Expenses.

The Petitioner has submitted the revised estimates of O&M expenses for FY 2024-25 as tabulated below.

TABLE 5-13 O&M EXPENSES CLAIMED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission |
|---|---|
| Operation & Maintenance Expenses | 114.83 |

**Commission Analysis**:

As per Regulation 61 of the JERC (Generation, Transmission & Distribution MYT) Regulations, 2021:

*61.1 The Operation and Maintenance expenses for the Distribution Retail Supply Business shall be computed in accordance with this Regulation.*

*61.2 Operation and Maintenance (O&M) expenses shall comprise of the following:*

*a) Employee expenses - salaries, wages, pension contribution and other employee costs;*

*b) Administrative and General expenses including insurance charges if any; and*

*c) Repairs and Maintenance expenses.*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the Distribution Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.*

*61.4 O&M expenses for the $n^{th}$ year of the Control Period shall be approved based on formula given below:*

$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1-X_n) + \text{Terminal Liabilities}$

*Where,*

$R\&M_n = K x GFA_{n-1} \times (1+WPI_{inflation})$

$EMP_n = EMP_{n-1} \times (1+G_n) \times (1+CPI_{inflation})$

$R\&M_n = A\&G_{n-1} \times (1+CPI_{inflation})$

*'k' is a constant (expressed in %). Value for k for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;*

*$CPI_{inflation}$ is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;*

*$WPI_{inflation}$ is the average increase in Wholesale Price Index (WPI) for immediately preceding three (3) Years before the base Year;*

*$EMP_n$ Employee expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$A\&G_n$ Administrative & General expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$R\&M_n$ Repair & Maintenance expenses of the Distribution Licensee for the $n^{th}$ Year;*

*$GFA_{n-1}$ Gross Fixed Asset of the Distribution Licensee for the $n$-$1^{th}$ Year;*

*$X_n$ is an efficiency factor for the $n^{th}$ Year. Value of $X_n$ shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

*$G_n$ is a growth factor for the $n^{th}$ Year. Value of $G_n$ shall be determined by the Commission in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;*

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

It is worthwhile to mention here that due to privatization of Utilities in Daman & Diu, the new entity DNHDDPDCL has been formed which is vested with the responsibility of distribution of power supply within the UT, thus, in absence of actual last three year audited accounts as per JERC MYT Regulations, 2021, based on new asset base, it is imperative and Commission deems it fit to consider the O&M expenses as submitted by the Petitioner in order to carry out ARR of FY 2024-25.

As above, the components comprising of the O&M expenses– employee expenses, R&M expenses and A&G expenses have been discussed separately below.

### 5.10.1 Employee Expenses

**Petitioner's Submission:**

The Petitioner has projected Employee Expense to the tune of Rs. 46.76 Crore for the ARR of FY 2024-25.

**Commission's Analysis:**

The employee expenses comprises of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses. The Petitioner has submitted its estimated employee cost for FY 2024-25 as Rs. 46.76 Crore.

It is to mention here that as part of the Aatmanirbhar Bharat Abhiyaan, the power departments/utilities in Union Territories (UTs) have been privatized. Under this initiative, DNHDDPDCL has been designated as the distribution licensee, assuming responsibility for all electricity functions including distribution and retail supply of electricity with in the UT. Therefore, it is necessary to recalibrate the employee cost for DNHDDPDCL in accordance with Regulation 61.2 and 61.3 of the JERC MYT Tariff Regulations, 2021.

In view of above, in order to allow the O&M expenses for FY 2023-24, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 as stated above.

It is to be noted that due to restructuring, the O&M norms shall be determined on case to case basis, thus, as per the Regulations stipulated above, the Commission has considered the projected employee expenses for FY 2024-25 to be allowed in ARR subject to truing-up.

The following table provides the employee expenses as submitted by the Petitioner and now approved by the Commission:

**TABLE 5-14 EMPLOYEE EXPENSES APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Employee Expenses | 46.76 | 46.76 |

Accordingly, the Commission approves Employee Expenses of Rs. 46.76 Crore for FY 2024-25.

### 5.10.2 Repair & Maintenance (R&M) Expenses

**Petitioner's submission:**

The Petitioner has projected R&M Expense to the tune of Rs. 39.89 Crore in the ARR for FY 2024-25.

**Commission's Analysis:**

As per the approach and methodology adopted while allowing employee expenses in earlier section, the Commission has considered Regulation 61.3 and 61.4 of the JERC MYT Regulations, 2021 for allowing R&M expenses which specifies the following:

*"61. Operation and Maintenance (O&M) expenses for Distribution Retail Supply Business*

*61.3 The Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the distribution Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.*

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

Therefore, in view of above, the Commission has considered the projected R&M expenses for FY 2024-25 to be allowed in ARR of FY 2024-25 subject to truing-up.

The following table provides the R&M expenses as submitted by the Petitioner and now approved by the Commission:

**TABLE 5-15 R&M EXPENSES APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| R&M Expenses | 39.89 | 39.89 |

The Commission approves R&M Expenses of Rs. 39.89 Crore for FY 2024-25.

### 5.10.3 Administrative and General (A&G) Expenses

**Petitioner's submission:**

The Petitioner has projected A&G Expense to the tune of Rs 28.17 Crore in the ARR of FY 2024-25.

**Commission's Analysis:**

A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. Similar to the methodology followed for approving the Employee Expenses, the Commission has considered the projected A&G expenses for the ARR of FY 2024-25.

It has been observed that the Petitioner has projected Licensee fee for FY 2024-25 to the tune of Rs. 12.01 Crore, while the Commission has allowed the same to the tune of Rs. 8.26 Crore in line to the JERC (Conduct of Business) Regulation in which Licensee Fee is subject to the 0.15% of the Annual Revenue Requirement for the corresponding financial year.

Based on the methodology adopted by the Commission in approving the Employee Expenses and R&M Expenses for FY 2024-25 in the previous sections, the following table provides the A&G expenses as submitted by the Petitioner and now approved by the Commission:

TABLE 5-16 A&G EXPENSES APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| A&G Expenses | 28.17 | 24.42 |

The Commission approves A&G Expenses of Rs. 24.42 Crore for FY 2024-25.

### 5.10.4 Total Operation & Maintenance (O&M) Expenses

The following table provides the O&M Expenses, as submitted by the Petitioner and O&M Expenses now approved by the Commission:

TABLE 5-17 TOTAL O&M EXPENSES APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Employee Expenses | 46.76 | 46.76 |
| R&M Expenses | 39.89 | 39.89 |
| A&G Expenses | 28.17 | 24.42 |
| **Total O&M Expenses** | **114.83** | **111.08** |

## 5.11 Gross Fixed Assets and Capitalisation

**Petitioner's Submission:**

The Petitioner has claimed Rs. 500.26 Crore towards capital expenditure for FY 2024-25. Summary of capital expenditure projected for FY 2024-25 is tabulated as under:

TABLE 5-18 CAPITAL EXPENDITURE CLAIMED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission |
|---|---|
| 33 kV Network | 62.71 |
| HT Network | 178.91 |
| LT Network | 71.77 |
| Meter Management | 48.35 |
| Supporting Infrastructure | 1.45 |
| Power Supply Centre and Call Centre | 133.51 |
| IT | 0.50 |
| Miscellaneous | 3.07 |

| Particulars | Petitioner's Submission |
|---|---|
| **Total Cost** | **500.26** |

The Petitioner has submitted the detailed revised capital expenditure and reasons for the variation from approved capital expenditure as under:

a) **33 kV Network –** Under the Petitioner has considered the overall CAPEX of Rs. 62.71 Crore.

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| 33 kV Network & above | |
| 220/33 KV source substation | 36.31 |
| 33/11 KV substation | 26.40 |
| **Total** | **62.71** |

b) **HT Network -** For HT Network, the Petitioner has projected the revised capital expenditure for FY 2024-25 as Rs. 178.91 Crore. The details are as under:

- **Normal Load Growth –** In order to cater the existing and future load growth at 11kV level, it is proposed to install underground HT network, Ring Main Unit, Bulk Metering Cubicles, etc. Further, to relieve overloaded Distribution Transformers, it is proposed to upgrade the existing Distribution Transformer and/or establish additional Distribution Transformers considering the load in surrounding areas and based on LT network loading and network length.

  Additionally, it is proposed to incur capital expenditure towards electrification of HT customers. Further, capex is also proposed towards replacement of outdoor type Current Transformer/Potential Transformer (CT/PT) units of 11 KV HT consumers, which are majorly very old, obsolete, and prone to major breakdown with state-of-the-art Bulk Metering Cubicles having accuracy class of 0.2S which is mandatory for metering as per the CEA. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Normal Load Growth** | |
| New DT/ Augmentation | 44.36 |
| 11KV UG New feeder cost | 33.02 |
| 11KV New HT Customers | 1.44 |
| 11 KV HT customer existing CT/PT unit replacement | 1.32 |
| Scheme for relieving overload DT | 2.30 |
| **Total** | **82.45** |

- **Reliability, Renovation, Loss Reduction** – Due to overhead line, higher number of 11kV feeder interruptions are observed, which leads to higher SAIFI and SAIDI. To overcome the same, it is proposed to carry out undergrounding of existing overhead HT network in a phased manner. Due to Overhead to Underground conversion, the number of tripping shall reduce, and distribution losses will also be optimized due to optimal loading of network. This new underground network will also be utilized for mitigation of future load growth.

  Additionally, capex is also proposed towards Distribution Transformer Metering & Automatic Meter Reading system, installation of Automatic Power Factor Control panels, interconnection of substations, Fuse Section Pillar replacement, Faulty Transformer replacement, and installation of Ring Main Unit.

  Further, due to Infrastructure development such as bridges/ drainage line/ water pipeline by local authority & Government agencies, existing HT network are required to be modified/upgraded. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Reliability, Renovation, Loss Reduction** | |
| 11KV OH to UG Conversion | 34.21 |
| 11KV OH line Augmentation | 0.11 |
| DT Metering & AMR System | 0.94 |
| Faulty DT replacement | 11.80 |
| Interconnection of feeders for Load balancing, etc. | 6.75 |
| Installation of RMU on Pad Mounted DT | 5.01 |
| FSP replacement | 1.10 |
| Installation of APFC on DT | 0.72 |
| HT Network Shifting for Infrastructure works | 2.00 |
| **Total** | **62.63** |

- **Technological Upgradation** – Under the head of Technological Upgradation it is proposed to incur capex towards Distribution Automation System. At present, partial distribution automation system is observed only in Silvassa town.

  With the help of Distribution Automation System, nos. of affected consumers and time of interruption to affected consumers will reduce which in turn will improve reliability of the distribution network. Distribution Automation System will allow remote sectionalisation and load transfer would be possible from one feeder to another feeder as compared to manual operation at site. Further, capex is also proposed towards establishment of Advanced Distribution Management System (ADMS). With the help of ADMS, common monitoring and control of SCADA, Distribution Management System as well monitoring and data analysis of Automatic Metering Infrastructure/Automatic Meter Reading for metering, billing, and sale gap analysis will also be possible.

It is also proposed to implement Geographical Information System from consumer to 11 kV feeder level including consumer indexing and network hierarchy. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Technological Upgradation** | |
| Distribution Automation System incl. ADMS | 24.26 |
| Advanced Distribution Management System | 4.08 |
| GIS | 1.00 |
| Total | 29.34 |

- **Safety -** Based on Condition Based Monitoring survey of existing overhead line/structure and for enhancement of safety and reliability, it is proposed to replace 11kV poles and DT structure, provide guard wire in existing overhead lines, carry out fencing of Distribution Transformers/substations, and ensure adequate earthing of all 11kV structures. It is also proposed to procure various safety tools & personal protective equipments. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Safety** | |
| 11KV Pole Replacement | 0.43 |
| Guarding & Earthing of Pole & 11 KV line | 1.17 |
| DT Earthing | 0.83 |
| DT/Structure Refurbishment | 0.58 |
| Civil work/fencing for Dist. SS | 0.98 |
| Safety Tools/PPEs | 0.50 |
| Total | 4.50 |

c) **LT Network-** For LT Network, the Petitioner has projected capital expenditure during FY 2024-25 is Rs. 71.77 Crore. The details are as under:

- **Normal Load Growth –** The existing LT network is not sufficient to meet with the increasing demand of existing consumers and release connections to new LT consumers. Accordingly, it is proposed to create new LT network which will be ready-to-serve the new consumers and cater the increasing demand of the existing consumers. Further, to release new connections to LT consumers laying of LT services cables, installation of meter box and Mini Section Pillars are also required. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Normal Load Growth** | |
| LT New Customers | 1.86 |
| LT Network | 4.35 |
| Total | 6.21 |

- **Reliability, Renovation, Loss Reduction –** During survey, it was observed that most of LT network is overhead network with bare conductors which are prone to major network failures, can hamper safety and are vulnerable to direct theft. To overcome these drawbacks of overhead network conversion of existing overhead network to safe, reliable and less theft prone underground network is planned. Also, LT underground network will improve system reliability, safety and help in loss minimization.

  Further, during survey it was also observed that consumer installations require revamping for enhancement of protection system and safety and accordingly revamping activity is proposed. Also, interlinking of Distribution Transformers on LT side has been proposed with new distributors.

  Additionally, due to Infrastructure development such as bridges/ drainage line/ water pipeline by local authority & Government agencies, existing LT network are required to be modified/upgraded. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Reliability, Renovation, Loss Reduction** | |
| LT OH to UG Conversion | 47.96 |
| LT Bare Conductor to OH Cable | 2.47 |
| LT Customer Meter Box Revamping | 7.91 |
| LT Relieving of Overload Distributor/Interlinking | 3.63 |
| LT Network Shifting for Infrastructure works | 2.00 |
| Total | 63.97 |

- **Safety –** Based on Condition Based Monitoring survey of existing overhead line/structure and for enhancement of safety and reliability, it is proposed to replace LT poles, provide guard wire in existing overhead lines, and ensure adequate earthing of all LT structures. Further, corroded and unsafe

Mini Section Pillars will also be replaced, which will help improve system reliability and safety to the public. The details of scheme-wise expenditure are as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Safety** | |
| LT Pole Replacement | 0.52 |
| Guarding & Earthing of Pole & LT Line | 0.62 |
| MSP Replacement | 0.45 |
| Total | 1.59 |

d) **Meter Management -** For Meter Management, the revised capital expenditure during FY 2024-25 is Rs. 48.35 Crore. The details are as under:

- **Normal Load Growth & Meter Replacement** - For releasing new connections & replacement of faulty and defective meters, energy meters are required to be installed for metering and billing of each consumer. Accordingly, for FY 2024-25, the Petitioner proposed capex for implementation of smart metering in phased manner in compliance to MOP Rules.
- **Metering Infrastructure** – CAPEX is proposed for establishment of Automatic Meter Reading/Automatic Metering Infrastructure pertaining to cost of relevant hardware, software, communication equipment and integration with IT system.

The summary of expenditure planned for the above described items is provided in the table below.

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| **Meter Management** | |
| Normal Load Growth | 3.89 |
| Meter Replacement | 44.06 |
| Metering Infrastructure | 0.40 |
| Total | 48.35 |

e) **Supporting Infrastructure -** For Supporting Infrastructure, the revised capital expenditure during FY 2024-25 is Rs. 1.45 Crore. The details are as under:

- **Testing Equipments:** Testing, monitoring and measuring equipment are required to monitor and measure network parameters. Capex is proposed for procurement of required tools tackles and testing & measuring equipment to carry out various activities for HT & LT network.
- **Meter Testing Laboratory:** Provision for establishment of state-of-the-art

meter testing laboratory to carry out testing of LT-HT energy meters and CT/PT units which inter-alia includes automated meter testing bench, reference standard meter, meter sealing mechanism, etc.

Accordingly, the total capital expenditure proposed towards Supporting Infrastructure is as under:

| All Figures in Rs. Crore | Revised Estimates |
|---|---|
| Testing Equipments | 0.64 |
| Meter Testing Laboratory | 0.81 |
| Total | 1.45 |

f) **Power Supply Centre and Call Centre –** Under the head of Power Supply Centre & Call Centre, the Hon'ble Commission directed the Petitioner to file separate petition. In turn, the Petitioner has filed the requisite petition. Accordingly, the Petitioner has proposed capex for Power Supply Centres (PSC) at strategic locations across the UT to improve efficiency in operation and to improve services i.e. attending complaints, releasing connections, and attending to consumer's request.

- PSC will facilitate customers for various activities i.e. registration of applications, bill payment collection, alongwith registration of no power complaints, meter and billing related complaints, and for other consumer interactions. Capex is also proposed towards establishment of centralized call centre for on-line registration and in compliance to the Rules.
- During FY 2024-25, capex is proposed for procurement of land at Nani Daman, Silvasa and centralized mains store for setting up the PSCs and for Call Centre. Accordingly, the total capital expenditure proposed towards Power Supply Centre and Call Centre during the year is as under:

| All Figures in Rs. Crore | FY 2024-25 |
|---|---|
| PSC | 132.99 |
| Call Centre | 0.52 |
| Total | 133.51 |

**g) IT & Related Expenditure**

For IT & Related Expenditure, the revised capital expenditure during FY 2024-25 is Rs. 0.50 Crore. The details are as under:

- For efficient system working and system data monitoring, capex has been proposed towards procurement of new Laptop, Desktop, establishment of LAN connectivity, Network switches, routers, firewall, servers and other associated equipment / infrastructure. Further, capex is also proposed towards enhancing implementation of system like SAP to provide the integrated platform for effective outage management, material management, metering and billing, finance and accounts.

Accordingly, the total capital expenditure proposed towards IT & related expenditure is as under:

| All Figures in Rs. Crore | Revised Estimates |
|---|---|
| IT & Related Expenditure | 0.50 |

### h) Miscellaneous

Capex is proposed towards basic infrastructure of office premises like furniture, fixtures, and other facilities along with vehicles for attending faults and transporting material and manpower on site. Accordingly, the total capital expenditure of Rs. 3.07 Crore is proposed under the head of Miscellaneous.

The Petitioner has claimed revised projected capitalisation of Rs. 275.16 Crore for FY 2024-25 as shown in table below:

**Table 5-19 Capitalisation Claimed for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission |
|---|---|
| Opening GFA | 766.17 |
| Addition to GFA | 275.16 |
| Deletion to GFA | - |
| Closing GFA | 1,041.33 |
| SLC addition | - |
| Capitalisation of Debt | 275.16 |
| Capitalisation of Equity | 275.16 |
| Normative Debt @70% | 192.61 |
| Normative Equity @30% | 82.55 |

**Commission's Analysis:**

The Petitioner has claimed a CAPEX of Rs. 500.26 Crore in the ARR of FY 2024-25 which includes capex of Rs. 133.51 Crore and capitalization of Rs. 0.52 Crore respectively on account of PSC and CAPEX of Rs. 62.71 Crore and capitalization as NIL on account of 220/33 kV substations for FY 2024-25. The Commission has not considered the capital expenditure and capitalization on account of 220/33 kV substations as the same has been dealt in separate Order dated 22.05.2024, under which the Commission has considered CAPEX of Rs. 96.18 Crore and capitalization of Rs. 2.47 Crore for PSC. Therefore, the Commission has approved overall CAPEX of Rs 400.22 Crore and capitalization of Rs 277.11 Crore respectively for FY 2024-25 which shall be trued up based on actuals.

The Commission, accordingly approves the opening GFA, addition to GFA during the year and closing GFA for FY 2024-25 as tabulated below;

**Table 5-20 Approved Capitalisation for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening GFA | 766.17 | 766.17 |
| Addition to GFA | 275.16 | 277.11 |
| Deletion to GFA | - | - |
| Closing GFA | 1,041.33 | 1,043.29 |
| Less: SLC Addition | - | - |
| Balance Capitalisation | 275.16 | 277.11 |
| Normative Debt @70% | 192.61 | 193.98 |
| Normative Equity @30% | 82.55 | 83.13 |

## 5.12 Depreciation

**Petitioner's Submission:**

The Petitioner has submitted that the depreciation rates has been considered as per the JERC MYT Regulations, 2021. The Petitioner has claimed depreciation of Rs. 28.45 Crore for FY 2024-25 as detailed in table below:

**Table 5-21 Depreciation claimed by petitioner for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission |
|---|---|
| Depreciation | 28.45 |

**Commission's Analysis:**

As per Regulation 31 of the JERC (Generation, Transmission & Distribution Multi Year Tariff) Regulations, 2021:

*"31.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:*

*………:*

*Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant.*

*31.2 The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to a maximum of 90% of the capital cost of the asset.*

*……..*

*31.3 Land other than the land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the assets.*

*31.4 In case of existing assets, the balance depreciable value as on April 1, 2022, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2021, from the gross depreciable value of the assets.*

*……….*

*31.7 The depreciation for a Distribution Licensee shall be calculated annually, based on the Straight Line Method, over the Useful Life of the asset at rates specified Appendix I of these Regulations.*

*31.9 The Distribution Licensee shall provide the list of assets added during each Year of Control Period and list of assets completing 90% of depreciation in the Year along with Petition for annual performance review, true-up and tariff determination for ensuing Year.*

*31.10 The remaining depreciable value for a Depreciation Licensee shall be spread over the balance useful life of the asset, on repayment of the entire loan."*

The Commission has considered the opening GFA for computation of depreciation as per Section 4.12 of this Order, addition during the year and closing GFA as approved in Section 5.10 of this Order. The depreciation has been computed on average Gross Fixed Assets (GFA). Effective Depreciation rate has been considered as per actual weighted average rate of depreciation for FY 2022-23. The following table provides the calculation of depreciation during the FY 2024-25:

**Table 5-22 Depreciation approved by Commission for FY 2024-25 *(Rs. Crore)***

| Description | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Gross Fixed Assets | 766.17 | 566.58 |
| Addition during the Year | 275.16 | 277.11 |
| Adjustment/retirement during the Year | - | - |
| Closing Gross Fixed Assets | 1,041.34 | 843.69 |
| Average Gross Fixed Assets | 903.76 | 705.13 |
| Rate of Depreciation (%) | 3.15% | 4.02% |
| Depreciation | 28.45 | 28.32 |

The Commission, accordingly, approves the depreciation of Rs. 28.32 Crore for FY 2024-25.

## 5.13 Interest Expenses

**Petitioner's Submission:**

The Petitioner has claimed a sum of Rs. 36.12 Crore towards interest and finance expenses for FY 2024-25 on normative basis as per the JERC MYT Regulations, 2021. The Petitioner further submitted that it has considered rate of interest in line with the JERC MYT Regulations.

**Table 5-23 Interest and finance charges projected by petitioner for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission |
|---|---|
| Opening Balance | 298.10 |
| Addition of Loan | 192.61 |
| Repayment during year | 28.45 |
| Closing Balance | 462.27 |
| Average Loan | 380.19 |
| Weighted average rate of interest (%) | 9.50% |
| Interest Expenses | 36.12 |

**Commission's Analysis:**

The Commission has considered closing balance approved in APR of FY 2023-24 as opening normative loan balance for FY 2024-25, addition to loan during the year is considered at 70% of net value of assets added during the year and repayment is considered equal to the depreciation for the year.

As per Regulation 29.4 of the JERC (MYT) Regulations, 2021, in case there is no actual loan portfolio for the licensee, the rate of interest of shall be equal to the SBI MCLR as on 1st April of the relevant financial year plus 100 basis points. The relevant excerpt of the aforesaid Regulations is stipulated as under:

> ***"29 Interest on Loan***
>
> *29.4 The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each Year applicable to the Transmission Licensee or the Distribution Licensee:*
>
> *Provided that at the time of truing up, the weighted average rate of interest calculated on the basis of the actual loan portfolio during the Year applicable to the Transmission Licensee or the Distribution Licensee shall be considered as the rate of interest after prudence check:*
>
> *Provided also that if there is no actual loan for a particular Year but normative loan is still outstanding, the last available weighted average rate of interest for the actual loan shall be considered:*
>
> *Provided further that if the Transmission Licensee or the Distribution Licensee does not have actual loan, then one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the relevant Year plus 100 basis points shall be considered as the rate of interest for the purpose of allowing the interest on the normative loan.*
>
> *…"*

As there is no actual loan borrowed by the Petitioner, thus, in line with the third proviso of Regulation 29.4 of the JERC (MYT) Regulations, 2021, the Commission has considered the rate of interest of 9.50 % (Using SBI MCLR as on 01.04.2023 plus 100 basis points).

The following table provides the Interest on Loan as submitted by the Petitioner and now approved by the Commission:

**TABLE 5-24 INTEREST APPROVED BY THE COMMISSION FOR FY 2024-25 *(RS. CRORE)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Balance | 298.10 | 298.32 |
| Addition of Loan | 192.61 | 193.98 |
| Repayment during year | 28.45 | 28.32 |
| Closing Balance | 462.27 | 463.98 |
| Average Loan | 380.19 | 381.15 |
| Weighted average rate of interest (%) | 9.50% | 9.50% |
| **Interest Expenses** | **36.12** | **36.21** |

## 5.14 Interest on Security Deposit

**Petitioner's Submission:**

The Petitioner has claimed Rs. 13.74 Crore towards interest on security deposit in ARR for FY 2024-25 considering 6.75% interest rate, on the average estimated balance of security deposit for FY 2024-25.

The Petitioner has submitted the revised estimates of interest expense on security deposit considering the rate of interest of 6.75% based on Bank Rate as submitted in the Table below:

**TABLE 5-25 INTEREST ON SECURITY DEPOSIT CLAIMED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)***

| Particulars | Petitioner's Submission |
|---|---|
| Interest Rate | 6.75% |
| Interest on Security Deposit | 13.74 |

**Commission's Analysis:**

Regulation 29.11 of the JERC MYT Regulations, 2021 specifies the following:

*"29.11 Interest shall be allowed on the amount held as security deposit held in cash from Retail Consumers at the Bank Rate as on 1st April of the Financial Year in which the Petition is filed:*

*Provided that at the time of truing-up, the interest on the amount of security deposit for the Year shall be considered on the basis of the actual interest paid by the Licensee during the Year, subject to prudence check by the Commission."*

The Commission has provisionally considered the interest on security deposit to be allowed in ARR of FY 2024-25 as submitted by the Petitioner subject to truing-up. Thus, the Commission, accordingly, approves the interest on security deposit at Rs. 13.74 Crore for FY 2024-25.

**TABLE 5-26 INTEREST ON SECURITY DEPOSIT APPROVED FOR FY 2024-25 (RS. CRORE)**

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Security Deposit | 198.78 | 198.78 |
| Addition | 9.52 | 9.52 |
| Closing Security Deposit | 208.30 | 208.30 |
| Average Security Deposit | 203.54 | 203.54 |
| Rate of Interest (%) | 6.75% | 6.75% |
| Interest on Security Deposit | 13.74 | 13.74 |

## 5.15 Interest on Working Capital

**Petitioner's Submission:**

The working capital requirement is arrived at as per the JERC MYT Regulations, 2021. The Petitioner has requested the Commission to approve the interest on Working Capital.

**TABLE 5-27 INTEREST ON WORKING CAPITAL CLAIMED FOR FY 2024-25 *(RS. CRORE)***

| Particulars | Petitioner's Submission |
|---|---|
| O&M Expenses for 1 Month | 9.57 |
| 40% of R&M expenses for one month | 1.33 |
| Receivables for 2 months | 981.54 |
| Less: Power Purchase Cost of 1 month | 466.22 |
| Less: Security Deposit | 203.54 |
| Normative Working Capital | 322.67 |

| Particulars | Petitioner's Submission |
|---|---|
| Rate of Interest (%) | 10.50% |
| **Interest on Working Capital** | **33.88** |

**Commission's Analysis:**

The computation of working capital requirements and the rate of interest to be considered are stipulated in the JERC MYT Regulations, 2021. Regulation 64.1 & 32 of the JERC MYT Regulations 2021 states the following:

> *"64.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Distribution Wires Business for the Financial Year, computed as follows:*
>
> *(a) O&M Expense for 1 month; plus*
>
> *(b) Maintenance spares at 40% of R&M expenses for one (1) month; plus*
>
> *(c) Receivables equivalent to two (2) months of the expected revenue from charges for use of distribution wires at the prevailing tariff; Less*
>
> *(d) Power Purchase cost for one (1) month; plus,*
>
> *(e) Amount, if any, held as security deposits under 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:*
>
> *32.4 The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."*

As above, the Commission for determination of working capital requirements of the Petitioner during the year, has considered the receivables equivalent to two months of the revenue requirement, the O&M Expenses for one month & Maintenance spares as 40% of R&M expenses and has subtracted the consumer security deposit as well as one month equivalent power purchase cost as per the JERC MYT

Regulations, 2021. With regards to the interest rate, the Commission has considered the SBI MCLR rates (One Year) as on April 1, 2023 plus 200 basis points which is 10.50%. The following table provides the interest on working capital approved by the Commission in the ARR Order, Petitioner's submission and now approved by the Commission.

**Table 5-28 Interest on Working Capital approved for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved By Commission |
|---|---|---|
| O&M Expenses for 1 Month | 9.57 | 9.26 |
| 40% of R&M expenses for one month | 1.33 | 1.33 |
| Receivables for 2 months | 981.54 | 917.93 |
| Less: Power Purchase Cost of 1 month | 466.22 | 466.22 |
| Less: Security Deposit | 203.54 | 203.54 |
| Normative Working Capital | 322.67 | 258.75 |
| Rate of Interest (%) | 10.50% | 10.50% |
| **Interest on Working Capital** | **33.88** | **27.17** |

As indicated above, the Commission approves the interest on working capital as Rs. 27.17 Crore for FY 2024-25.

## 5.16 Return on Equity

**Petitioner's Submission:**

The Petitioner has claimed a sum of Rs. 42.16 Crore towards return on equity for FY 2024-25. The Petitioner submitted that closing balance of equity has been arrived at considering additional equity of 30% of the capitalisation during the year, as tabled below:

**Table 5-29 Return on Equity claimed by the Petitioner for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission |
|---|---|
| Opening Equity | 229.82 |
| Equity Addition | 82.55 |
| Closing Equity | 312.37 |
| Average Equity | 271.10 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *37.82* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *4.34* |
| Total Return on Equity | 42.16 |

**Commission's Analysis:**

Regulation 28.2 and 28.3 of the JERC MYT Regulations, 2021 specifies the following:

> *"28. Return on Equity …….*
>
> *28.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.*
>
> *28.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of sixteen (16) per cent per annum. ………"*

Further, in this regard, the Regulation 30(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 stipulates the following:

> *"30. Return on Equity: ………*
>
> *30.2 Return on equity shall be computed at the base rate of 15.50% for thermal generating station, transmission system including communication system and run-of river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run-of river generating station with pondage: ……..." (Emphasis supplied)*

The Commission has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the JERC MYT Regulations, 2021, i.e., 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations mentioned above) and a rate of 16% for the Retail Supply Business.

The RoE has been calculated on the average of opening and closing of equity during the year at the rate of 16% on post-tax basis for Retail Supply Business and 15.50%

on post-tax basis for wires business, with the opening equity considered as approved in capital structure in this Order. The following table provides the Return on Equity as submitted by Petitioner and now approved by the Commission.

**Table 5-30 Return on Equity approved for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Opening Equity | 229.82 | 229.82 |
| Equity Addition | 82.55 | 83.13 |
| Closing Equity | 312.37 | 312.95 |
| Average Equity | 271.10 | 271.38 |
| *RoE for Wire @15.50% of 90% of Avg. Equity* | *37.82* | *37.86* |
| *RoE for Retail @16.00% of 10% of Avg. Equity* | *4.34* | *4.34* |
| **Total Return on Equity** | **42.16** | **42.20** |

The Commission accordingly, approves the return on equity of Rs. 42.20 Crore in ARR for FY 2024-25.

## 5.17 Income Tax

**Petitioner's Submission:**

The Petitioner has submitted as per the JERC MYT Regulations, income tax shall be computed based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check. For FY 2022-23, the actual income tax paid was Rs. 31.42 Crore. The same has been considered for FY 2024-25 on estimate basis:

**Table 5-31 Income Tax Claimed by Petitioner for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission |
|---|---|
| Income Tax | 31.42 |

**Commission's Analysis:**

In this regard, Regulation 33 of the JERC MYT Regulations, 2021, states the following:

*"33. Tax on Income*

*33.1 The treatment of tax on income for a Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations.*

*33.2 The Commission in its MYT Order shall provisionally approve Income Tax payable for each Year of the Control Period, if any, based on the actual income tax paid, including cess and surcharge on the same, if any, as per latest audited accounts available for the Distribution Licensee, subject to prudence check.*

*33.3 Variation between Income Tax actually paid, including cess and surcharge on the same, if any, and approved, if any, on the income stream of the Licensed business of the Distribution Licensees shall be reimbursed to/recovered from the Distribution Licensees, based on the documentary evidence submitted at the time of truing up of each Year of the Control Period, subject to prudence check.*

*33.4 Under-recovery or over-recovery of any amount from the Consumers on account of such tax having been passed on to them shall be adjusted every Year on the basis of income-tax assessment under the Income-Tax Act, 1961, as certified by the statutory auditors. The Distribution Licensee may include this variation in its truing up Petition:*

*Provided that tax on any income stream other than the core business shall not be a pass-through component in tariff and tax on such other income shall be borne by the Distribution Licensee."*

Regulation 33 of the MYT Regulations, 2021 provides for allowance of provisional Income Tax based on the actual Income Tax paid in previous year, if any, as per the latest audited accounts available. However, the Commission is of the view that the same will be considered based on actuals, thus, the Commission has not considered any income tax expenses for ARR purpose and the same shall be revisited at the time of truing-up. The Commission accordingly approves NIL income tax for FY 2024-25.

TABLE 5-32 INCOME TAX APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Income Tax | 31.42 | - |

## 5.18 Bad Debts Written Off

**Petitioner's Submission:**

The Petitioner submitted that it has written off the bad debts as NIL during FY 2022-23, thus the same is being considered for the ARR of FY 2024-25.

**Commission's Analysis:**

As per Regulation 63.1 of the MYT Regulations, 2021:

> *"63.1 The Commission may allow bad debts written off as a pass through in the Aggregate Revenue Requirement, based on the trend of bad debts written off in the previous years, subject to prudence check:*
>
> *Provided that the Commission shall true up the bad debts written off in the Aggregate Revenue Requirement, based on the actual write off of bad debts excluding delayed payment charges waived off, if any, during the year, subject to prudence check:*
>
> *Provided also that the provision for bad and doubtful debts shall limited to 1% of the Annual Revenue Requirement of the Distribution Licensee:*
>
> *Provided further that if subsequent to the write off of a particular bad debt, revenue is realised from such bad debt, the same shall be included as an uncontrollable item under the Non-Tariff Income of the year in which such revenue is realised."*

As the Petitioner has not claimed any amount towards Bad Debts, the Commission therefore has not considered any bad and doubtful debts in the ARR of FY 2024-25.

## 5.19 Non-Tariff Income

**Petitioner's Submission:**

The Petitioner has claimed Rs. 6.05 Crore towards Non-Tariff Income for FY 2024-25.

TABLE 5-33 NON-TARIFF INCOME CLAIMED FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission |
|---|---|
| Non-Tariff Income | 6.05 |

**Commission's Analysis:**

The Regulation 65 of the JERC MYT Regulations, 2021 stipulates the following:

***"65. Non-Tariff Income***

*65.1 The amount of Non-Tariff Income relating to the retail supply of electricity as approved by the Commission shall be deducted from the Aggregate Revenue Requirement in calculating the tariff for retail supply of electricity by the Distribution Licensee:*

*Provided that the Distribution Licensee shall submit full details of its forecast of Non-Tariff Income to the Commission along with its application for determination of tariff.*

*65.2 The Non-Tariff Income shall inter-alia include:*

*(a) Income from rent of land or buildings;*

*(b) Income from sale of scrap in excess of 10% of the salvage value;*

*(c) Income from statutory investments;*

*(d) Interest on advances to suppliers/contractors;*

*(e) Rental from staff quarters;*

*(f) Rental from contractors;*

*(g) Income from hire charges from contactors and others;*

*(h) Income from advertisements, etc.;*

*(i) Meter/metering equipment/service line rentals;*

*(j) Service charges;*

*(k) Consumer charges;*

*(l) Recovery for theft and pilferage of energy;*

*(m) Rebate availed on account of timely payment of bills;*

*(n) Miscellaneous receipts;*

*(o) Deferred Income from grant, subsidy, etc., as per Annual Accounts;*

*(p) Prior period income, etc.:*

*Provided that the interest/dividend earned from investments made out of Return on Equity corresponding to the Retail Supply Business of the Distribution Licensee shall not be included in Non-Tariff Income:*

*Provided further that any income earned by a Distribution Licensee by sale of power to other Distribution Licensees or to Consumers as per Section 49 of the Act using the existing power purchase agreements or bulk supply capacity allocated to the Distribution Licensee's Area of Supply shall be reduced from the Aggregate Revenue Requirement of the Distribution Licensee for the purpose of determination of tariff. Such reduction shall be carried out in accordance with Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time."*

The Commission has approved Non-Tariff Income for FY 2024-25 by considering the submission made by the Petitioner including the rebate on power purchase @1% and the same has been considered as part of NTI:

**Table 5-34 Non-Tariff Income approved for FY 2024-25 *(Rs. Crore)***

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Miscellaneous Income | 6.05 | 6.05 |

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Rebate on prompt Payment | - | 55.95 |
| **Total Non-Tariff Income** | **6.05** | **61.99** |

Accordingly, the Commission approves Non-tariff income for FY 2024-25 to the tune of Rs. 61.99 Crore in the ARR of FY 2024-25.

## 5.20 Aggregate Revenue Requirement (ARR)

**Petitioner's Submission:**

Based on the expenses as detailed above, the Petitioner has submitted the net Aggregate Revenue Requirement of Rs. 5,889.24 Crore for approval in the ARR of FY 2024-25.

TABLE 5-35 AGGREGATE REVENUE REQUIREMENT SUBMITTED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner Submission |
|---|---|
| Power Purchase | 5,594.93 |
| O&M Expense | 114.83 |
| Interest on Loans | 36.12 |
| Interest on Security Deposit | 13.74 |
| Interest on Working Capital | 33.88 |
| Depreciation | 28.45 |
| Bad Debts written off | - |
| Return on Equity | 42.16 |
| Income Tax | 31.42 |
| Less: Non-Tariff Income | 6.05 |
| **Net ARR** | **5,889.24** |

**Commission's Analysis:**

The Commission on the basis of the detailed analysis of the cost parameters of the Aggregate Revenue Requirement approves the net revenue requirement in the ARR of FY 2024-25 as given in the following table:

TABLE 5-36 AGGREGATE REVENUE REQUIREMENT APPROVD BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Power Purchase | 5,594.93 | 5,594.93 |
| O&M Expense | 114.83 | 111.08 |
| Interest on Loans | 36.12 | 36.21 |
| Interest on Security Deposit | 13.74 | 13.74 |
| Interest on Working Capital | 33.88 | 27.17 |
| Depreciation | 28.45 | 28.32 |
| Bad Debts written off | - | - |
| Return on Equity | 42.16 | 42.20 |
| Income Tax | 31.42 | - |
| Less: Non-Tariff Income | 6.05 | 61.99 |
| **Net ARR** | **5,889.24** | **5,791.42** |

The Commission approves net Aggregate Revenue Requirement of Rs. 5,791.42 Crore in the ARR of FY 2024-25.

## 5.21 Revenue at existing Retail Tariff

**Petitioner's Submission:**

The Petitioner has submitted projected revenue from retail sale for FY 2024-25 is Rs. 5,570.82 Crore in the ARR for FY 2024-25.

**Commission's Analysis:**

The Commission has computed the slab-wise category-wise revenue from sale of power at existing tariff for FY 2024-25 to the tune of Rs. 5,507.56 Crore. Accordingly, the Commission has approved a sum of Rs. 5,507.56 Crore for ARR for FY 2024-25.

## 5.22 Standalone Revenue Gap/(Surplus)

**Petitioner's Submission:**

Based on the ARR and the revenue from retail tariff, the standalone revenue gap of Rs. 318.42 Crore is arrived in the ARR of FY 2024-25.

TABLE 5-37 GAP/(SURPLUS) SUBMITETD BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission |
|---|---|
| Net ARR | 5,889.23 |
| Less: Revenue | 5,570.82 |
| Gap/(Surplus) | 318.42 |

**Commission's Analysis:**

The Commission based on the approved ARR and retail tariff has arrived at the Revenue Gap/(Surplus) as follows:

TABLE 5-38 STANDALONE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | Petitioner's Submission | Approved by Commission |
|---|---|---|
| Net Revenue Requirement | 5,889.23 | 5,791.42 |
| Revenue from Retail Sales at Existing Tariff | 5,570.82 | 5,507.56 |
| **Net Revenue Gap/(Surplus)** | **318.42** | **283.86** |

Accordingly, the Commission, in the ARR of FY 2024-25 approves a gap of Rs. 283.86 Crore.

# Chapter 6: Tariff Principles and Design

## 6.1 Overall Approach

The Commission while designing retail tariffs for the FY 2024-25 has kept in view the principles of determination of tariff as set out in the Electricity Act, 2003 (EA 2003), Tariff Policy, 2016 and the JERC MYT Regulations, 2021.

The provision of supply of electricity to all the people is an essential driver for development, and also influences social and economic change. In this Tariff Order, the Commission has continued with its endeavor to meet the objectives of the EA 2003, as set out in its Preamble, including the protection of the interest of consumers, the supply of electricity to all areas and the rationalisation of tariffs. The EA, 2003 also mandates the Commission to strike a fine balance between the interests of various stakeholders including Utilities and consumers. The Commission has also taken into consideration the Petitioner's submissions as well as the public responses in these proceedings.

## 6.2 Applicable Regulations

Regulation 20 of the JERC MYT Regulations, 2021 states the following:

***"20. Annual determination of tariff***

*20.1 The Commission shall determine the tariff of a Generating Company, Transmission Licensee and Distribution Licensee covered under a Multi Year Tariff framework for each Year during the Control Period, in accordance with timelines specified in Regulation 18, having regard to the following:*

*a) The approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges of the Generating Company, Transmission Licensee and Distribution Licensee for such Financial Year, including modifications approved at the time of Mid-term Review, if any; and*

*b) Approved gains and losses, including the incentive available, to be passed through in tariff, following the truing up of previous Year."*

Further, Regulation 68 of the JERC MYT Regulations, 2021 states the following:

***"68. Determination of Tariff***

*68.1 The Commission may categorize Consumers on the basis of their load factor, power factor, voltage, total consumption of electricity during any specified period or the time at which the supply is required or the geographical position of any area, the nature of supply and the purpose for which the supply is required and any other factor as considered appropriate by the Commission.*

*68.2 The Commission shall endeavour to determine cost of supply for each category/ sub-category of Consumers.*

*68.3 The Commission shall endeavour to reduce gradually the cross-subsidy between Consumer categories with respect to the cost of supply in accordance with the provisions of the Act.*

*68.4 The tariff proposal by Licensee and the tariff determination by the Commission shall be based on the following principles:*

*(a) The tariff for all categories shall preferably be two part, consisting of fixed and variable charges.*

*(b) The fixed charges in tariff shall progressively reflect actual fixed cost incurred by Distribution Licensee;*

*(c) The overall retail supply tariff for different Consumer categories shall progressively reflect the cost of supply for respective categories of Consumers;*

*(d) The tariff for residential Consumers shall be set considering the affordability of tariff for various class of Consumers;*

*(e) The tariff shall be set in such a manner that it may not present a tariff shock to any category of Consumers."*

## 6.3 Cumulative Revenue Gap/(Surplus) at Existing Tariff

**Petitioner's Submission:**

Based on the Gap/(Surplus) of FY 2022-23, FY 2023-24 and FY 2024-25, the Petitioner has computed the cumulative gap/(surplus) for determination of tariff for FY 2024-25 as shown in the following table.

TABLE 6-1 CUMULATIVE REVENUE GAP/(SURPLUS) SUBMITTED BY PETITIONER FOR FY 2024-25 *(RS. CRORE)*

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| ARR | 6,008.25 | 5,966.11 | 5,889.24 |
| Revenue | 5,896.19 | 5,869.22 | 5,570.82 |
| Opening Gap/(Surplus) | - | 116.54 | 229.10 |
| Gap/(Surplus) for the Year | 112.06 | 96.88 | 318.42 |
| Closing Gap/(Surplus) | 112.06 | 213.42 | 547.52 |
| Rate of Interest | 8.00% | 9.50% | 9.50% |
| Carrying Cost | 4.48 | 15.67 | 36.89 |
| **Cumulative Gap/(Surplus)** | **116.54** | **229.10** | **584.41** |

**Commission's Analysis:**

The Commission finds that the Petitioner has carried forward the gap/(Surplus) of previous years true-up into the current years ARR and the cumulative gap of current years APR into the ensuing years ARR.

As per Regulation 12.5 (C) of the JERC MYT Regulations, 2021 stipulates the following:

*"12.5 Upon completion of the exercise, the Commission shall pass an order recording:*

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*c) Carrying cost shall be allowed for a Generating Company, Transmission Licensee or Distribution Licensee on the amount of revenue gap for the period from the date on which such gap has become due, i.e., from the end of the Year for which true-up has been done, till the end of the Year in which it is* *addressed, on the basis of actual rate of loan taken by the Licensee to fund the deficit in revenue:*

*Provided that carrying cost on the amount of revenue gap shall be allowed subject to prudence check and submission of documentary evidence for having incurred the carrying cost in the years prior to the year in which the revenue gap is addressed:*

*Provided also that if no loan has been taken to fund revenue deficit, the Commission shall allow Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR /any replacement there of as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1 st April of the relevant Year plus 100 basis points;*

*Provided further that in case of revenue surplus, the Commission shall charge the Licensee a Carrying Cost from the date on which such surplus has become due, i.e., from the end of the Year for which true up has been done, till the end of the Year in which it is addressed on simple interest basis at one(1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for 1 Year period, as may be, applicable as on 1st April of the relevant Year plus 100 basis points."*

From above, it is evident that the gap/(surplus) of previous years true-up only has to be carried forward into the ensuing years ARR for which the retail tariff has to be approved considering such gap/(surplus) of previous years true-up along with carrying cost. Accordingly, the Commission has carried forward Gap/(surplus) of previous year true-up only.

Since the Petitioner has not borrowed any loan, therefore the Commission allows Carrying Cost on simple interest basis at one (1) Year State Bank of India (SBI) MCLR, as on 1st April of the relevant FY plus 100 basis points for FY 2024-25.

Accordingly, the Commission determines the standalone revenue Gap/(Surplus) for each year and likewise taking into account the previous year's Gap/(Surplus), determines the cumulative revenue Gap/ (Surplus) at the end of FY 2024-25 as shown in the tables as follows:

TABLE 6-2 CUMULATIVE REVENUE GAP/(SURPLUS) APPROVED BY COMMISSION FOR FY 2024-25 *(RS. CRORE)*

| Particulars | FY 2022-23 | FY 2023-24 | FY 2024-25 |
|---|---|---|---|
| ARR | 5,996.92 | 5,901.05 | 5,791.42 |
| Revenue | 5,896.19 | 5,613.72 | 5,507.56 |
| Opening Gap/(Surplus) | - | - | 100.73 |
| Gap/(Surplus) for the Year | 100.73 | 287.34 | 283.86 |
| Closing Gap/(Surplus) | 100.73 | 287.34 | 384.59 |
| Rate of Interest | - | - | 8.00% |
| Carrying Cost | - | - | 16.12 |
| **Cumulative Gap/(Surplus)** | **100.73** | **287.34** | **400.71** |

The Commission determines a cumulative revenue gap of Rs. 400.71 Crore till FY 2024-25 at existing tariff.

## 6.4 Treatment of the Cumulative Gap/(Surplus) and Tariff Design

As derived from above, the resultant cumulative revenue gap at the end of FY 2024-25 is Rs. 400.71 Crore. In view of the substantial gap, the Commission has decided to change the existing tariff in order to abridge the overall gap of Rs. 400.71 Crore which includes gap of Rs 116.85 Crore (including carrying cost of Rs. 16.12 Crore) pertaining to gap of truing-up of FY 2022-23. The Commission has decided to change the existing tariff schedule and the revised schedule will be applicable for FY 2024-25.

### 6.4.1 Designing of Tariff

**Petitioner's Submission:**

The Petitioner has proposed an increase in tariff to meet the cumulative revenue gap till FY 2024-25. The category wise existing and proposed tariff submitted by the Petitioner is as follows:

### Table 6-3 Retail tariff proposed by Petitioner for FY 2024-25

| Sr. No. | Category | Existing Tariff | | Proposed by Petitioner | |
|---|---|---|---|---|---|
| | | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| **1** | **DOMESTIC** | | | | |
| (i) | 0-50 Units | 10.00 Rs./kW/Month | 1.60 Rs./kWh | 10.00 Rs./kW/Month | 1.60 Rs./kWh |
| (ii) | 51-100 Units | 10.00 Rs./kW/Month | 1.60 Rs./kWh | 10.00 Rs./kW/Month | 1.60 Rs./kWh |
| (iii) | 101-200 Units | 10.00 Rs./kW/Month | 2.30 Rs./kWh | 10.00 Rs./kW/Month | 2.30 Rs./kWh |
| (iv) | 201-400 Units | 10.00 Rs./kW/Month | 2.80 Rs./kWh | 10.00 Rs./kW/Month | 2.80 Rs./kWh |
| (v) | 401 and above | 10.00 Rs./kW/Month | 3.40 Rs./kWh | 10.00 Rs./kW/Month | 3.40 Rs./kWh |
| (vi) | Life Line Consumers (Upto 2x40 W Bulbs only) | 10.00 Rs./kW/Month | 1.00 Rs./kWh | 10.00 Rs./kW/Month | 1.00 Rs./kWh |
| **2** | **NON-DOMESTIC/COMMERCIAL** | | | | |
| (i) | 0-100 Units | 20.00 Rs./kW/Month | 3.35 Rs./kWh | 20.00 Rs./kW/Month | 3.35 Rs./kWh |
| (ii) | 101 Units and above | 20.00 Rs./kW/Month | 4.35 Rs./kWh | 20.00 Rs./kW/Month | 4.35 Rs./kWh |
| **3** | **LT** | | | | |
| **(a)** | **LT Industrial** | | | | |
| (i) | Up to 20 HP | 30.00 Rs./HP/Month | 3.65 Rs./kWh | 60.00 Rs./HP/Month | 3.55 Rs./kWh |
| (ii) | Above 20 HP | 80.00 Rs./HP/Month | 3.85 Rs./kWh | 130.00 Rs./HP/Month | 3.75 Rs./kWh |
| **(b)** | **LT Public Water Works** | | | | |
| (i) | Up to 20 HP | 50.00 Rs./HP/Month | 4.50 Rs./kWh | 75.00 Rs./HP/Month | 4.00 Rs./kWh |
| (ii) | Above 20 HP | 100.00 Rs./HP/Month | 4.50 Rs./kWh | 150.00 Rs./HP/Month | 4.00 Rs./kWh |
| **4** | **HT/EHT INDUSTRIAL** | | | | |
| (i) | 11 kV Supply | 400.00 Rs./kVA/Month | 4.30 Rs./kVAh | 975.00 Rs./kVA/Month | 3.10 Rs./kVAh |
| (ii) | 66 kV Supply | 525.00 Rs./kVA/Month | 4.20 Rs./kVAh | 1,250.00 Rs./kVA/Month | 3.05 Rs./kVAh |
| (iii) | 220 kV Supply | 575.00 Rs./kVA/Month | 4.15 Rs./kVAh | 1,375.00 Rs./kVA/Month | 3.00 Rs./kVAh |
| **5** | **AGRICULTURE AND POULTARY** | | | | |
| (i) | For sanctioned load up to 10 HP | | 0.90 Rs./kWh | | 0.90 Rs./kWh |
| (ii) | Beyond 10 HP | | 1.30 Rs./kWh | | 1.30 Rs./kWh |
| **6** | **PUBLIC LIGHTNING** | | | | |
| (i) | For all Units | | 4.30 Rs./kWh | | 4.55 Rs./kWh |
| **7** | **HOARDINGS/SIGNBOARDS** | | | | |
| (i) | Hoardings/Signboards | 110.00 Rs./kVA/Month | 7.00 Rs./kWh | 110.00 Rs./kVA/Month | 7.00 Rs./kWh |
| **8** | **ELECTRIC VEHICLE CHARGING** | | | | |
| (i) | LT Category | | 5.10 Rs./kVAh | | 5.10 Rs./kVAh |
| (ii) | HT Category | | 4.90 Rs./kVAh | | 4.90 Rs./kVAh |

**Commission's Analysis:**

The Commission has determined the retail tariff for the FY 2024-25 in accordance with the principles stated in the Electricity Act, 2003 Tariff Policy, 2016, and the JERC MYT Regulations, 2021. The Tariff design in general is guided by the following principles:

1. Cost reflective: The tariffs determined should efficiently reflect the cost of supply for each consumer category.

2. Progressive tariffs: Ensuring progressivity among tariffs by having telescopic tariff slabs which encourages efficient consumption and at the same time allows intra-category cross-subsidy by way of charging higher tariff for higher consumption to subsidise the lower consumption consumers

3. Revenue neutrality: There should be no impact on the utility's yearly revenue due to rationalization of tariffs i.e. the overall status quo should be maintained.

4. Affordability: Assessing affordability of electricity for Domestic and Commercial consumers for defining slab ranges and setting tariffs

5. Revenue stability: Tariff should ensure adequate fixed cost recovery for utilities from fixed/demand charges

6. Avoiding tariff shocks: Tariff shocks should be avoided and stakeholders should be able to predict the future trends in tariffs

7. Demand management and grid stability: Demand management and grid stability should be ensured with demand-based tariffs

8. Simplified tariff structure: Tariff structure should be simplified to make it easily administrable by the utility and easy to understand for the consumer.

9. Smart tariff design: Tariff rate design should take into consideration trends in electric power such as small-scale renewable generation by consumers, energy efficiency, electric vehicle charging, etc.

While all the above parameters contribute significantly in developing a sustainable tariff framework, there are certain parameters namely Cost of Supply and Tariff Affordability which are of importance and constitute the building blocks in achieving the overall objective. The context and the approach for these parameters have been discussed as follows:

1. Cost of Supply

a) Context

Due to electricity being a crucial utility item for all consumers, over the period of time, various socio-economic issues have been factored in to determine the end user's tariffs. This has unfortunately led to severe imbalance between the tariffs levied vis-a-vis the cost of supply of the electricity, causing distress to the Distribution Licensee. For example, in order to ensure that tariffs are kept in check for domestic consumers, while still allowing cost recovery for Distribution Licensees, cross subsidy has been built in between categories. The tariffs so determined, are skewed, with tariff for industrial and commercial consumers being higher and for other categories being lower than their respective costs of supply. The implications of this imbalance in tariffs is two fold – uncompetitive industries owing to higher input costs and inability of Distribution Licensees to recover sufficient tariffs from domestic consumers, resulting in financial distress. The issue is more pronounced for rural supply where tariffs are highly subsidized, actual cost of supply is higher and revenue recovery is poor. It is thus essential that tariffs reflect the true cost to service a category of consumer. As a crucial first step towards cost-reflective tariffs, it is important for Distribution Licensees to determine the costs of supply (which cascade from generation to transmission and finally to distribution and retail supply of power) that should be prudently recovered from each consumer category. These costs should correspond to the actual costs being caused/contributed by each consumer category towards total cost incurred by the Distribution Licensee. By determining consumer category wise costs of supply, the Distribution Licensee would be in a better position to allocate costs where relevant and determine how tariffs can be levied fairly on each category.

b) Approach:

The overall approach that can be followed for accurately determining the Cost of Supply has been discussed as follows.

Presently, the most commonly used approach for determining the cost of supply of electricity for tariff determination is the Average Cost of Supply (ACoS) method. The ACoS is computed by dividing the Annual Revenue Requirement (ARR) determined by the Commission for recovery through tariffs by the total energy sales for the year. However, this methodology doesn't indicate the costs incurred by consumers at different voltage levels using different assets of the network. Therefore, it doesn't help in determining accurate tariffs for particular consumers, eventually resulting in insufficient cost coverage.

As a next logical step, the Voltage wise cost of supply (VCoS) method provides a better reflection of cost to supply to consumers at different voltage levels.

VCoS uses three parameters for allocating various costs to voltage levels – energy input at each voltage level, energy sales and asset allocation to voltage levels. The losses segregated voltage wise (as percentage of input energy) are to be allocated to different voltage levels based on energy input to each voltage level (as explained in subsequent sections). Subsequently, the cost elements such as power procurement costs, employee expenses, administrative and general expenses and income tax can be allocated to each voltage levels based on total sales at each voltage level. The cost elements, which are dependent on assets such as depreciation, interest costs, return allowed to utility etc. are allocated in ratio of assets allocated to each voltage level. The sum of all the cost components at each voltage level is the cost to supply the particular voltage (EHT/HT/LT).

The Commission is of the opinion that while VCoS differentiates cost allocation based on voltage levels, it does not factor in consumer category level differentiation. For instance, at the same LT level, cost of supplying electricity to a Commercial consumer may be different from that of a domestic consumer. Thus, it believes that the most progressive way forward for the Distribution Licensee is to accurately determine the cost of supply is to attempt to determine Cost of Supply for various consumer categories and also voltage level. The Commission notes that States like Andhra Pradesh and Telangana have determined Category wise Cost of Supply albeit with several assumptions and the Distribution Licensee must also attempt to determine the same.

The Commission is of the opinion that for determination of the Category wise Cost of Supply, the embedded cost methodology is an appropriate starting point.

The Commission strongly believes that determination of Category wise Cost of Supply is essential to ensure cost reflectivity in tariffs fixed for different categories. However, the Commission feels that to carry out this exercise a lot of field level information would be required such as Category wise co-incident and non-coincident demand, Voltage wise value of assets (Voltage wise asset ratio), Voltage wise losses, Category wise break-up of costs related to Metering, Billing and Collection etc. which currently the Petitioner doesn't maintain. Therefore, in absence of the same, the Commission is unable to determine the Category wise Cost of Supply in this Order but directs the Petitioner to start maintaining this data and submit the same in the tariff proceedings of next year. In absence of the requisite data for determination of voltage-wise/category-wise cost of supply as mentioned above, the Commission as part of this Tariff Order has determined the tariff according to the Average Cost of Supply (ACoS).

2. Tariff Affordability

a) Context

The Commission understands that the consumer base of Distribution Licensee is varied and covers a wide spectrum of socio-economic backgrounds, specially the domestic category consumers. It is also aware that most low-income households spend a substantial share of their income on utility services such as electricity, heating and water. However, any envisaged tariff reforms are often objected to avoid further burdening of these consumers. But to improve the quality of service of electricity, the Distribution Licensee has to undertake significant capital expenditure which eventually deteriorates the affordability of tariffs. Thus, to tackle this problem and in the spirit of economic wellbeing of all consumer classes, the concept of cross-subsidies has been built into the current tariff structure.

However, the Commission believes that a more scientific and logical approach can be adopted to identify the right categories of consumers and the right cross-subsidy/subsidy requirement that will benefit the end consumers at the same time. Hence, the Commission believes that there is a strong need to develop a scientific methodology to assess the social impact of electricity tariffs.

The overall approach that can be followed for determining the tariff affordability has been discussed as follows.

b) Approach

On reviewing methodologies adopted globally for social impact assessment of electricity tariffs by studying international research reports and studying model practices internationally, the Commission found that Tariff Affordability Ratio (TAR) is a reliable parameter to measure affordability of electricity in households.

TAR is defined by obtaining the burden incurred by a household for electricity as compared to the overall household expenditure. The rationale behind this concept is that the electricity is basic utility and is unavoidable in today’s scenario, however, this does not ensure that the expenditure level is in line with the overall household expenditure. Hence, this concept helps to understand the affordability level of electricity on households with different economic levels.

The electricity expenditure can be determined initially for domestic consumers by computing the average consumption levels across each slab and the household expenditure can be estimated from national surveys of household expenditure across economic levels conducted by organizations like NSSO. Thereafter the distribution of consumers of the Distribution Licensee across tariff slabs can be mapped across the established economic levels to develop the final affordability ratio matrix for the Distribution Licensee's domestic consumer base.

Following the identification of the current ratio of Tariff Affordability, the Commission in consultation with the stakeholders will develop benchmarks for acceptable affordability levels by studying trends across countries with a demography and energy scenario similar to that of India and propose appropriate tariffs. The final output shall help understand the Commission to modify tariffs in cases where there is more room for tariff increase or a need to correct tariffs. The exercise would also help the Commission in setting tariff slabs as per the paying capacity of the consumers which would be beneficial especially for Domestic category consumers. Additionally, this shall also help the Government to formulate better schemes to effectively channelize its intended benefits.

The Commission in these tariff proceedings is not carrying out this exercise due to unavailability of accurate data. The Petitioner is directed to ensure the sanctity of the data maintained pertaining to various categories.

Based on the discussions above, the Commission is continuing with its existing approach of determination of tariff for various consumer categories based on the Average Cost of Supply (ACoS) and reduction of Cross Subsidy amongst various consumer categories, ensuring consumer tariffs progressively moving towards the cost.

Keeping in view the above principles and based on the category wise information submitted by the Petitioner, the Commission has determined and restructured the Retail Tariff applicable for FY 2024-25.

As discussed earlier, the cumulative revenue gap at the end of FY 2024-25 at existing tariffs works out to be Rs. 400.56 Crore. To meet this cumulative revenue gap, the Commission has decided to increase the tariff by way of increasing the fixed charges and energy charges of all consumers categories. Commission has tried to limit the tariff increase in each category in order to safeguard the interests of consumers by avoiding tariff shock to the consumers. The revision made in the Tariff for all categories is shown as under:

TABLE 6-4 RETAIL TARIFF APPROVED BY COMMISSION FOR FY 2024-25

| Sr. No. | Category | Revised Tariff Schedule (FY 2024-25) | |
|---|---|---|---|
| | | Fixed Charges | Energy Charges |
| **1** | **DOMESTIC** | | |
| (i) | 0-50 Units | 10.00 Rs./kW/Month | 1.70 Rs./kWh |
| (ii) | 51-100 Units | 10.00 Rs./kW/Month | 1.75 Rs./kWh |
| (iii) | 101-200 Units | 10.00 Rs./kW/Month | 2.50 Rs./kWh |
| (iv) | 201-400 Units | 10.00 Rs./kW/Month | 3.05 Rs./kWh |
| (v) | 401 and above | 10.00 Rs./kW/Month | 3.70 Rs./kWh |
| (vi) | Life Line Consumers (Upto 2x40 W Bulbs only) | 10.00 Rs./kW/Month | 1.10 Rs./kWh |
| **2** | **NON-DOMESTIC/COMMERCIAL** | | |
| (i) | 0-100 Units | 20.00 Rs./kW/Month | 3.65 Rs./kWh |
| (ii) | 101 Units and above | 20.00 Rs./kW/Month | 4.75 Rs./kWh |
| **3** | **LT** | | |
| **(a)** | **LT Industrial** | | |
| (i) | Up to 20 HP | 35.00 Rs./HP/Month | 4.00 Rs./kWh |
| (ii) | Above 20 HP | 90.00 Rs./HP/Month | 4.20 Rs./kWh |
| **(b)** | **LT Public Water Works** | | |
| (i) | Up to 20 HP | 55.00 Rs./HP/Month | 4.90 Rs./kWh |
| (ii) | Above 20 HP | 110.00 RS./HP/Month | 5.00 RS./kWh |
| **4** | **HT/EHT INDUSTRIAL** | | |
| (i) | 11 kV Supply | 440.00 Rs./kVA/Month | 4.70 Rs./kVAh |
| (ii) | 66 kV Supply | 570.00 Rs./kVA/Month | 4.60 Rs./kVAh |
| (iii) | 220 kV Supply | 625.00 Rs./kVA/Month | 4.50 Rs./kVAh |
| **5** | **AGRICULTURE AND POULTARY** | | |
| (i) | For sanctioned load up to 10 HP | | 1.00 Rs./kWh |
| (ii) | Beyond 10 HP | | 1.45 Rs./kWh |
| **6** | **PUBLIC LIGHTNING** | | |
| (i) | For all Units | | 4.75 Rs./kWh |
| **7** | **HOARDINGS/SIGNBOARDS** | | |
| (i) | Hoardings/Signboards | 125.00 Rs./kVA/Month | 7.90 Rs./kWh |
| **8** | **ELECTRIC VEHICLE CHARGING** | | |
| (i) | LT Category | | 5.10 Rs./kVAh |
| (ii) | HT Category | | 5.00 Rs./kVAh |

### 6.4.2 Approved final Tariff Schedule

The existing retail tariff and tariff now approved by the Commission for each consumer category has been shown in the following table:

**TABLE 6-5 EXISTING AND APPROVED TARIFF BY COMMISSION FOR FY 2024-25**

| Sr. No. | Category | Existing Tariff for FY 2023-24 | | Approved for FY 2024-25 | |
|---|---|---|---|---|---|
| | | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| **1** | **DOMESTIC** | | | | |
| (i) | 0-50 Units | 10.00 Rs./kW/Month | 1.60 Rs./kWh | 10.00 Rs./kW/Month | 1.70 Rs./kWh |
| (ii) | 51-100 Units | 10.00 Rs./kW/Month | 1.60 Rs./kWh | 10.00 Rs./kW/Month | 1.75 Rs./kWh |
| (iii) | 101-200 Units | 10.00 Rs./kW/Month | 2.30 Rs./kWh | 10.00 Rs./kW/Month | 2.50 Rs./kWh |
| (iv) | 201-400 Units | 10.00 Rs./kW/Month | 2.80 Rs./kWh | 10.00 Rs./kW/Month | 3.05 Rs./kWh |
| (v) | 401 and above | 10.00 Rs./kW/Month | 3.40 Rs./kWh | 10.00 Rs./kW/Month | 3.70 Rs./kWh |
| (vi) | Life Line Consumers (Upto 2x40 W Bulbs only) | 10.00 Rs./kW/Month | 1.00 Rs./kWh | 10.00 Rs./kW/Month | 1.10 Rs./kWh |
| **2** | **NON-DOMESTIC/COMMERCIAL** | | | | |
| (i) | 0-100 Units | 20.00 Rs./kW/Month | 3.35 Rs./kWh | 20.00 Rs./kW/Month | 3.65 Rs./kWh |
| (ii) | 101 Units and above | 20.00 Rs./kW/Month | 4.35 Rs./kWh | 20.00 Rs./kW/Month | 4.75 Rs./kWh |
| **3** | **LT** | | | | |
| **(a)** | **LT Industrial** | | | | |
| (i) | Up to 20 HP | 30.00 Rs./HP/Month | 3.65 Rs./kWh | 35.00 Rs./HP/Month | 4.00 Rs./kWh |
| (ii) | Above 20 HP | 80.00 Rs./HP/Month | 3.85 Rs./kWh | 90.00 Rs./HP/Month | 4.20 Rs./kWh |
| **(b)** | **LT Public Water Works** | | | | |
| (i) | Up to 20 HP | 50.00 Rs./HP/Month | 4.50 Rs./kWh | 55.00 Rs./HP/Month | 4.90 Rs./kWh |
| (ii) | Above 20 HP | 100.00 Rs./HP/Month | 4.50 Rs./kWh | 110.00 Rs./HP/Month | 5.00 Rs./kWh |
| **4** | **HT/EHT INDUSTRIAL** | | | | |
| (i) | 11 kV Supply | 400.00 Rs./kVA/Month | 4.30 Rs./kVAh | 440.00 Rs./kVA/Month | 4.70 Rs./kVAh |
| (ii) | 66 kV Supply | 525.00 Rs./kVA/Month | 4.20 Rs./kVAh | 570.00 Rs./kVA/Month | 4.60 Rs./kVAh |
| (iii) | 220 kV Supply | 575.00 Rs./kVA/Month | 4.15 Rs./kVAh | 625.00 Rs./kVA/Month | 4.50 Rs./kVAh |
| **5** | **AGRICULTURE AND POULTARY** | | | | |
| (i) | For sanctioned load up to 10 HP | | 0.90 Rs./kWh | | 1.00 Rs./kWh |
| (ii) | Beyond 10 HP | | 1.30 Rs./kWh | | 1.45 Rs./kWh |
| **6** | **PUBLIC LIGHTNING** | | | | |
| (i) | For all Units | | 4.30 Rs./kWh | | 4.75 Rs./kWh |
| **7** | **HOARDINGS/SIGNBOARDS** | | | | |
| (i) | Hoardings/Signboards | 110.00 Rs./kVA/Month | 7.00 Rs./kWh | 125.00 Rs./kVA/Month | 7.00 Rs./kWh |
| **8** | **ELECTRIC VEHICLE CHARGING** | | | | |

| Sr. No. | Category | Existing Tariff for FY 2023-24 | | Approved for FY 2024-25 | |
|---|---|---|---|---|---|
| | | Fixed Charges | Energy Charges | Fixed Charges | Energy Charges |
| (i) | LT Category | | 5.10 Rs./kVAh | | 5.10 Rs./kVAh |
| (ii) | HT Category | | 4.90 Rs./kVAh | | 5.00 Rs./kVAh |

### 6.4.3 Revenue from Approved Retail Tariff for FY 2024-25

Based on the retail approved tariff as shown above, the revenue from approved tariff is shown in the following table. The Commission has not estimated any revenue for Electric Vehicle (EV) Charging Station and Hoarding /Advertisements category due to unavailability of requisite data. The Commission **directs the Petitioner to submit the requisite data for energy sales, no. of consumers and connected load in case any consumers are identified under these two categories**. The revenue from approved Retail Tariff for FY 2024-25 is shown in the Table below:

TABLE 6-6 REVENUE FROM APPROVED RETAIL TARIFF FOR FY 2024-25 *(RS. CRORE)*

| S. No. | Particulars | Fixed Charges (Rs. Crore) | Energy Charges (Rs. Crore) | Total Charges (Rs. Crore) | ABR (Rs./Unit) |
|---|---|---|---|---|---|
| **1** | **DOMESTIC** | **2.83** | **96.70** | **99.53** | **2.81** |
| (i) | 0-50 Units | - | 9.57 | 9.57 | |
| (ii) | 51-100 Units | - | 8.39 | 8.39 | |
| (iii) | 101-200 Units | - | 16.51 | 16.51 | |
| (iv) | 201 -400 Units | - | 18.17 | 18.17 | |
| (v) | 401 Units and above | - | 44.06 | 44.06 | |
| | | | | | |
| **2** | **Lifeline Consumer** | **0.02** | **1.20** | **1.22** | **1.09** |
| | | | | | |
| **3** | **Commercial/ Non-Domestic** | **1.56** | **44.79** | **46.35** | **4.71** |
| (i) | 0-100 Units | - | 3.95 | 3.95 | |
| (ii) | 101 Units and above | - | 40.84 | 40.84 | |
| | | | | | |
| **4** | **Public Street Lightning** | **-** | **2.72** | **2.72** | **4.71** |
| | | | | | |
| **5** | **Public Water Works** | **0.67** | **2.16** | **2.83** | **6.34** |
| (i) | Upto 20 HP | 0.28 | 1.49 | 1.78 | |
| (ii) | Above 20 HP | 0.39 | 0.67 | 1.05 | |
| | | | | | |

| S. No. | Particulars | Fixed Charges (Rs. Crore) | Energy Charges (Rs. Crore) | Total Charges (Rs. Crore) | ABR (Rs./Unit) |
|---|---|---|---|---|---|
| 6 | **Industrial** | | | | |
| a) | **HT** | **1,105.78** | **4,367.30** | **5,473.07** | **5.70** |
| | Upto 11kV Supply | 604.78 | 2,167.35 | 2,772.13 | |
| | Above 11kV to 66kV Supply | 294.34 | 1,284.62 | 1,578.96 | |
| | Above 66kV to 220kV Supply | 206.66 | 915.32 | 1,121.98 | |
| | | | | | |
| b) | **LT** | **35.86** | **245.03** | **280.89** | **4.72** |
| | Upto 20 HP | 0.34 | 3.40 | 3.74 | |
| | Above 20 HP | 35.52 | 241.63 | 277.15 | |
| | | | | | |
| 7 | **Agriculture Consumption** | **-** | **0.75** | **0.75** | **1.01** |
| | 0-10 HP | - | 0.68 | 0.68 | |
| | Above 10 to 99 HP | - | 0.08 | 0.08 | |
| | | | | | |
| 8 | **EV – Charging Station - HT** | **-** | **0.98** | **0.98** | **4.98** |
| 9 | **EV – Charging Station - LT** | **-** | **0.02** | **0.02** | **5.10** |
| | | | | | |
| | **Total** | **1,146.71** | **4,761.71** | **5,908.36** | **5.53** |

The Commission approves revenue from approved Retail Tariff of Rs. 5,908.36 Crore for FY 2024-25. The following table provides the category wise Existing Average Billing Rate (ABR), Approved ABR and the change in tariff for each of the consumer categories.

### TABLE 6-7 ABR APPROVED BY COMMISSION

| S. No. | Category | ABR at approved tariff (Rs./kWh) |
|---|---|---|
| 1 | Domestic | 2.75 |
| 2 | LT-Commercial | 4.71 |
| 3 | LT-Agriculture | 1.01 |
| 4 | LT-Industrial | 4.72 |
| 5 | LT-Public Lightning | 4.65 |
| 6 | LT-Public Water Works | 6.34 |
| 7 | HT- Industry | 5.70 |
| 8 | EV Charging Station - HT | 4.98 |
| 9 | EV Charging Station - LT | 5.10 |

### 6.4.4 Highlights of the Tariff Structure

The Commission has made every effort to rationalize the tariffs for FY 2024-25 so that they gradually reflect the average cost of supply in accordance with the provisions of the EA 2003 and Tariff Policy. The meter rent has already been abolished vide previous tariff order dated 1st August, 2023 as cost of meter, being considered under capital expenditure is recovered through Tariff itself.

### 6.4.5 Cross Subsidy

As per Section 61 (g) of the Electricity Act 2003;

> *"(g) that the tariff progressively reflects the cost of supply of electricity and also, reduces and eliminates cross-subsidies within the period to be specified by the Appropriate Commission;"*

For reduction of cross subsidies, the Tariff Policy 2016 in Section 8.3 stipulates as below:

> *"For achieving the objective that the tariff progressively reflects the cost of supply of electricity, the Appropriate Commission would notify a roadmap such that tariffs are brought within ±20% of the average cost of supply. The road map would also have intermediate milestones, based on the approach of a gradual reduction in cross subsidy."*

Considering the fact that the distribution business of DNHPDCL and EDDD has been handed over to the Present Distribution Utility (DNHDDPDCL). The Commission has tried to rationalize the tariff applicable to various consumer categories to have common Tariff across the Utility. However, the limit of cross subsidy, as envisaged in the Tariff Policy 2016, cannot be achieved by rationalizing the tariff in a single year, as this may lead to tariff shock to the cross subsidized consumers. In this Tariff Order, the Commission has tried its best to keep the Cross-Subsidy within the limit of +/- 20%, while rationalising the tariff for various consumer categories.

Accordingly, in this Tariff Order, the Commission has designed tariff for various consumer categories considering the Average Cost of supply in line with the provisions of the Tariff Policy, 2016.

The cross-subsidy levels for various consumer categories at existing and approved tariff are shown in the table below:

**Table 6-8 Cross-Subsidy at retail for FY 2024-25**

| Category | ACoS (Rs./kWh) | ABR at existing tariff (Rs./kWh) | Cross Subsidy level at existing tariff (%) | ABR at approved tariff (Rs./kWh) | Cross Subsidy level at approved tariff (%) |
|---|---|---|---|---|---|
| Domestic | 5.53 | 2.58 | (53)% | 2.75 | (50)% |
| LT-Commercial | 5.53 | 4.40 | (20)% | 4.71 | (15)% |
| LT-Agriculture | 5.53 | 0.93 | (83)% | 1.01 | (82)% |
| LT-Industrial | 5.53 | 4.40 | (20)% | 4.72 | (15)% |
| LT-Public Lightning | 5.53 | 4.30 | (22)% | 4.65 | (16)% |
| LT-Public Water Works | 5.53 | 5.89 | 7% | 6.34 | 15% |
| HT- Industry | 5.53 | 5.31 | (4)% | 5.70 | 3% |
| EV Charging Station - HT | 5.53 | 4.90 | (11)% | 4.98 | (10)% |
| EV Charging Station - LT | 5.53 | 5.10 | (8)% | 5.10 | (8)% |

Based on the approved cumulative Gap/(Surplus) at the end of FY 2024-25, the Commission has approved overall revenue for FY 2024-25 to abridge the aforesaid gap for determination of tariff for FY 2024-25 as shown in the following table.

**Table 6-9 Revenue Gap/(Surplus) at revised tariff approved by Commission *(Rs. Crore)***

| Particulars | Formula | FY 2024-25 |
|---|---|---|
| ARR | a | 5,791.42 |
| Revenue at existing tariff | b | 5,507.56 |
| Standalone gap/(surplus) for FY 2024-25 | c | 283.86 |
| Previous year gap/(surplus) for FY 2022-23 | d | 100.73 |
| Carrying Cost | e | 16.12 |
| New ARR at the end of FY 2024-25 | f = b+c+d+e | 5,908.27 |
| Revenue at new tariff | g | 5,908.36 |
| **Cumulative Gap/(Surplus) at the end of FY 2024-25** | **h** | **(0.09)** |

Based on the new tariff for FY 2024-25, the Commission approves overall surplus of Rs. 0.09 Crore at the end of FY 2024-25.

# Chapter 7: Open Access Charges for FY 2024-25

## 7.1 Determination of Wheeling Charges

### 7.1.1 Allocation Matrix – Allocation of ARR into Wheeling and Retail Supply of Electricity

**Petitioner's Submission:**

The Petitioner has made following submissions with regard to determination of Wheeling Charges:

TABLE 7-1 VOLTAGE-WISE ALLOCATION OF WHEELING CHARGES AS SUBMITTED BY PETITIONER FOR FY 2024-25

| Particulars | Energy Sales (MU) | Cumulative Loss (%) | Energy Input (MU) | Consumers | Voltage Wise Asset Allocation (%) |
|---|---|---|---|---|---|
| LT | 1,078.58 | 11.33% | 1,216.36 | 1,67,671 | 30% |
| HT & EHT | 9,608.48 | 1.95% | 9,799.57 | 1,666 | 70% |
| **Total** | **10,687.06** | **2.99%** | **11,015.93** | **1,69,337** | **100%** |

Accordingly, the Petitioner has submitted the following wheeling charges for FY 2024-25:

TABLE 7-2 VOLTAGE-WISE ALLOCATION OF WHEELING CHARGES AS SUBMITTED BY PETITIONER FOR FY 2024-25

| Particulars | O&M Expense (Rs. Crore ) | Other Expenses (Rs. Crore ) | Total (Rs. Crore) | Wheeling Charges (Rs./kWh) |
|---|---|---|---|---|
| LT | 63.38 | 48.43 | 111.81 | 1.04 |
| HT & EHT | 0.63 | 79.93 | 80.56 | 0.08 |

**Commission's Analysis**

In this regard, Regulation 49 of the JERC MYT Regulations, 2021 specifies as follows:

***"49. Separation of Accounts of Distribution Licensee***

*49.1 Every Distribution Licensee shall segregate accounts for Distribution Wires Business and Retail Supply Business and shall prepare an Allocation*

*Statement. The wheeling charges pertaining to Distribution Wires Business of the Distribution Licensee shall be determined by the Commission on the basis of these segregated accounts:*

*Provided that in case complete accounting segregation has not been done, the following Allocation Statement shall be applicable…..”*

The Petitioner has submitted the allocation matrix as per the JERC MYT Regulations, 2021. The Commission as per the JERC MYT Regulations, 2021, as shown above, has calculated the wheeling charges while taking into consideration the allocation matrix and the ARR approved for FY 2024-25. The allocation between wheeling and retail supply business for FY 2024-25 as per the ARR approved in this Order is provided in the table below:

**TABLE 7-3 ALLOCATION MATRIX APPROVED BY THE COMMISSION FOR FY 2024-25**

| Particulars | Allocation (%) | | FY 2024-25 | |
|---|---|---|---|---|
| | **Wheeling** | **Supply** | **Wheeling** | **Supply** |
| Power Purchase cost | 0% | 100% | - | 5,594.69 |
| Employee costs | 40% | 60% | 18.71 | 28.06 |
| Repairs & Maintenance | 90% | 10% | 35.90 | 3.99 |
| A&G expenses | 50% | 50% | 12.21 | 12.21 |
| Depreciation | 90% | 10% | 25.49 | 2.83 |
| Interest and Finance charges | 90% | 10% | 32.59 | 3.62 |
| Interest on Security Deposit | 10% | 90% | 1.37 | 12.37 |
| Interest on working capital | 10% | 90% | 2.72 | 24.45 |
| Provision for bad debts | 0% | 100% | - | - |
| Return on Equity | 90% | 10% | 37.98 | 4.22 |
| Income Tax | 90% | 10% | - | - |
| **Annual Revenue Requirement** | | | **166.97** | **5,686.44** |
| Less: Non-Tariff Income | 10% | 90% | 6.20 | 55.79 |
| **Net Revenue Requirement** | | | **160.77** | **5,630.65** |

In order to determine the wheeling charges prudently, the Commission has allocated the wheeling costs on the basis of voltage levels. The wheeling charges are levied for the distribution network utilized by Open Access consumers and primarily comprise O&M Expenses and other costs as provided in the table above. The criteria for allocation of wheeling costs are elaborated as follows:

O&M Expenses are allocated based on number of consumers under each category

All expenses other than the O&M expenses are allocated based on voltage-wise asset allocation. The Petitioner in this regard was directed to submit the voltage-wise asset allocation. However, the Petitioner has failed to submit the desired information and in the absence of such information, the Commission has assumed the voltage wise asset allocation.

The voltage-wise asset allocation assumed and the number of consumers in each category has been shown as follows:

**TABLE 7-4 VOLTAGE-WISE ALLOCATION OF WHEELING CHARGES APPROVED BY COMMISSION FOR FY 2024-25**

| Particulars | Energy Sales (MU) | Cumulative Loss (%) | Energy Input (MU) | Consumers | Voltage Wise Asset Allocation (%) |
|---|---|---|---|---|---|
| LT | 1,078.58 | 11.33% | 1,216.36 | 1,67,671 | 30% |
| HT & EHT | 9,608.48 | 1.95% | 9,799.57 | 1,666 | 70% |
| **Total** | **10,687.06** | **2.99%** | **11,015.93** | **1,69,337** | **100%** |

The costs corresponding to HT network have been allocated to HT and LT level based on the energy input at HT level for sale at HT level as well as at LT level. The reason for allocating cost corresponding to HT network to LT level is because the power supplied at LT level passes through HT network and hence, the HT network gets utilized for supplying energy at HT level as well as LT level. The costs corresponding to LT level were allocated to LT level only. Accordingly, the Commission approves the Wheeling Charges for FY 2024-25 as follows:

**TABLE 7-5 WHEELING CHARGES APPROVED BY COMMISSION FOR FY 2024-25**

| Particulars | O&M Expense (Rs. Crore ) | Other Expenses (Rs. Crore ) | Total (Rs. Crore) | Wheeling Charges (Rs./kWh) |
|---|---|---|---|---|
| LT | 66.16 | 35.45 | 101.61 | 0.94 |
| HT & EHT | 0.66 | 58.50 | 59.16 | 0.06 |

The Commission approves wheeling charge of Rs. 0.94/kWh at LT voltage level and Rs. 0.06/kWh at HT voltage level for FY 2024-25.

## 7.2 Determination of Additional Surcharge

### Petitioner's Submission:

The Petitioner has claimed Rs. 6.05 Crore towards Non-Tariff Income for FY 2024-25.

TABLE 7-6 ADDITIONAL SURCHARGE SUBMITTED BY PETITIONER FOR FY 2024-25

| Particulars | Claimed By Petitioner |
|---|---|
| Total Power Purchase Fixed Cost (excluding transmission charges) (Rs. Crores) | 1,256.84 |
| Energy Sales (MUs) | 10,687.06 |
| Additional Surcharge (RS./kWh) | 1.18 |

### Commission's Analysis

The Commission has notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017. Regulation 4.5 of the said Regulations specifies the following:

*"4.5 Additional Surcharge*

*1. An Open Access Consumer, receiving supply of electricity from a person other than the Distribution Licensee of his area of supply, shall pay to the Distribution Licensee an additional surcharge in addition to wheeling charges and cross-subsidy surcharge, to meet the fixed cost of such Distribution Licensee arising out of his obligation to supply as provided under sub-section (4) of Section 42 of the Act"*

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

*……"*

Further, Regulation 5.2 of the aforesaid JERC Regulations specifies the following:

> *"5.2 Imbalance Charges*
>
> *1. Settlement of Energy at Drawal Point in Respect of Open Access Consumer, or Trading Licensee on Behalf of Open Access Consumer*
>
> *…….*
>
> *b. Open Access Consumer, who is also a Consumer of the Distribution Licensee*
>
> *……*
>
> *The quantum of drawal of electricity by a partial Open Access Consumer from the Distribution Licensee during any Time Block of a Day should not exceed the "Admissible Drawl of Electricity by the Open Access Consumer" which is the difference of Contract Demand and maximum quantum of Open Access for which approval has been granted by the Nodal Agency.*
>
> *[Illustration: If an Open Access Consumer with a Contract Demand of 10 MW has been given an approval for a maximum Open Access quantum of 6MW for a period of 3 Months, the Admissible Drawl of Electricity from the Distribution Licensee during any Time Block shall be 4 MW for any Day during a period of 3 Months.]"*

Therefore, in accordance with the above Regulations, the Commission has determined the Additional Surcharge for FY 2024-25 as shown below:

**TABLE 7-7 ADDITIONAL SURCHARGE APPROVED BY COMMISSION FOR FY 2024-25**

| Particulars | Claimed By Petitioner |
|---|---|
| Total Power Purchase Fixed Cost (excluding transmission charges) (Rs. Crores) | 1,256.84 |
| Energy Sales (MUs) | 10,687.06 |
| Additional Surcharge (RS./kWh) | 1.18 |

Earlier, a consumer availing Open Access was required to pay full fixed charges on contracted load even when the load was drawn partially from the Distribution Licensee. However, as per the "JERC (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, a consumer is now required to pay fixed charges on reduced demand after adjusting for demand drawn through Open Access in accordance with the Regulations.

The Commission approves an Additional Surcharge of Rs. 1.18/kWh for FY 2024-25.

The Commission directs the Petitioner to submit quarterly details of power stranded on account of consumers opting for open access along with the Additional Surcharge recovered from these consumers. The Commission will analyse the information and revise the applicable Additional Surcharge, if required.

## 7.3 Cross-Subsidy Surcharge

**Petitioner's Submission:**

The Petitioner has determined the cross-subsidy charges on the basis of Voltage wise cost of supply as shown in the following table:

TABLE 7-8 CROSS SUBSIDY SURCHARGE SUBMITTED BY PETITIONER FOR FY 2024-25

| Particulars | VCoS (Rs./kWh) | ABR (Rs./kWh) | Cross- Subsidy (Rs./kWh) |
|---|---|---|---|
| LT | 7.41 | 4.21 | (3.20) |
| HT & EHT | 5.30 | 5.92 | 0.62 |

**Commission's Analysis**

The Commission in this Order has calculated the cross-subsidy surcharge with respect to voltage-wise cost of supply. The following approach has been adopted to determine the voltage-wise cost of supply:

Voltage-wise losses at each voltage level are assumed for HT voltage categories. The remaining losses are adjusted in the LT voltage level in order to maintain the distribution losses at 2.99%, as approved in the ARR for FY 2024-25. Using these losses, the energy input at each voltage level is determined based on the energy sales. The table below shows the energy input at each voltage level:

TABLE 7-9 ENERGY INPUT AT EACH VOLTAGE LEVEL (MU)

| Particulars | Energy Sales (MU) | Cumulative Loss (%) | Energy Input (MU) |
|---|---|---|---|
| LT | 1,078.58 | 11.33% | 1,216.36 |
| HT & EHT | 9,608.48 | 1.95% | 9,799.57 |
| Total | 10,687.06 | 2.99% | 11,015.93 |

Now, the overall ARR approved for FY 2024-25 is divided into variable and fixed ARR with variable ARR comprising variable power purchase cost and fixed ARR comprising all the other costs.

The fixed component comprising fixed cost of power purchase, O&M, etc., is further allocated to each voltage level as per the following principles:

The fixed cost of power purchase is assigned to each voltage level based on energy input at respective voltage levels.

The O&M expenses are allocated to each voltage level based on the number of consumers. The resultant cost allocated to HT level is then further allocated to LT level based on input energy, as the HT network is utilized by both HT and LT network consumers.

The remaining fixed costs are allocated based on voltage-wise asset allocation assumed earlier and further allocated to respective voltage levels on the basis of input energy.

TABLE 7-10 PARAMETERS USED FOR ALLOCATION OF FIXED COSTS

| Particulars | Energy Input (MU) | Voltage Wise Asset Allocation (%) | Number of Consumers |
|---|---|---|---|
| LT | 1,216.36 | 30% | 1,67,670 |
| HT & EHT | 9,799.57 | 70% | 1,667 |
| Total | 11,015.93 | 100% | 1,69,337 |

The variable component of the power purchase cost is allocated based on energy input. The Voltage-wise cost of supply (VCoS) is then determined based on energy sales of respective categories.

Accordingly, the VCoS is determined as shown in the table below:

TABLE 7-11 VOLTAGE WISE COST OF SUPPLY (VCOS)

| Particulars | Allocated Fixed Cost (Rs. Crore) | Allocated Variable Cost (Rs. Crore) | Total Cost (Rs. Crore) | Energy Sales (MU) | VCoS (Rs./kWh) |
|---|---|---|---|---|---|
| LT | 377.74 | 382.34 | 760.08 | 1,079 | 7.05 |
| HT & EHT | 1,951.13 | 3,080.22 | 5,031.34 | 9,608 | 5.24 |
| Total | 2,328.86 | 3,462.56 | 5,791.42 | 10,687 | 5.42 |

The VCoS as determined above is used to determine the Cross-Subsidy Surcharge. Accordingly, the approved Cross-subsidy surcharge is shown in the table below.

| Particulars | VCoS (Rs./kwh) | ABR (Rs./kWh) | Cross- Subsidy (Rs./kWh) |
|---|---|---|---|
| LT | 7.05 | 4.72 | (2.32) |
| HT & EHT | 5.24 | 5.70 | 0.46 |

Therefore, the Commission approves NIL Cross-Subsidy Surcharge at LT Voltage level and Rs. 0.46/kWh for HT voltage level for FY 2024-25.

## 7.4 Green Energy Open Access Charges

The open access charges as approved by the Commission in this Order shall also be applicable on the green energy open access consumers.

## 7.5 Other Charges

**Commission's Analysis**

All other charges would be determined as per the JERC (Connectivity and Open Access in Intra-State Transmission and Distribution) Regulations, 2017, as amended from time to time.

# Chapter 8: Fuel and Power Purchase Adjustment Mechanism

The State of Goa and Union Territories of Chandigarh, Dadra & Nagar Haveli and Daman & Diu, and Puducherry receive power from the Central Generating Stations, State Generating Stations, Independent Power Producers (IPPs) through the long-term power purchase agreements and short-term-purchase through exchange, bilateral purchases etc. However, the Union Territories of Andaman & Nicobar Islands and Lakshadweep Islands receive power from Intra-State generation as these two Islands are not connected with the national grid. The distribution licensees procure power from various available sources and supply power to the consumers at retail tariffs determined by the Commission. Power purchase cost is the substantial component of the Annual Revenue Requirements (ARR) of the distribution licensees and includes the cost paid for procurement of power, transmission charges, Deviation Settlement Mechanism (DSM) charges, State Load Despatch Center (SLDC)/ Regional Load Despatch Center (RLDC) charges as the case may be, and is netted off with revenue earned from the sale of surplus power.

The cost of the long-term power being procured by the distribution licensees is fixed by the Central Electricity Regulatory Commission (CERC) for plants supplying power to more than one State/UT (other than Andaman & Nicobar Islands and Lakshadweep Islands) (for example NTPC, NHPC etc.), and by JERC for the power plants located within the regions under jurisdiction of this Commission (for IPP's, licensees own generation and other State/UT generating sources).

While determining retail tariff for the ensuing year, the Commission first determines the ARR based on the projection of various cost elements including power purchase cost. The power purchase cost of the distribution licensee is derived from the power purchase quantum and per unit power purchase cost. Quantum of power purchase depends upon the energy sales projected by the distribution licensee after accounting for the distribution losses, which is purely a projection for the ensuing year. Hence, a likely variation in actual per unit power purchase cost vis-a-vis projected per unit power purchase cost due to change in fuel cost, change in power purchase mix i.e. thermal /hydel/renewable mix, long-term/short-term power mix, etc. This makes power purchase cost uncontrollable in nature.

The Commission undertakes the truing up exercise for the variation in the cost and revenue once the audited accounts of the distribution licensee are available. For example, the True-up of the FY 2024-25 will be undertaken by the Commission once the audited accounts of the FY 2024-25 are available. If the audited accounts for the FY 2024-25 are prepared timely, the impact of True-up of various cost and revenue items is allowed in the tariff of the FY 2026-27, along with the carrying cost for 2 years. As the power purchase cost is the major cost element of the ARR of the distribution licensee, adjustment due to change in power purchase cost at regular intervals is important in order to avoid the burden of carrying cost on the additional power purchase cost incurred during the year.

## 8.1 Relevant Provisions

The relevant provisions of the Electricity Act, Tariff Policy, and the ATE judgments, which enable the Commission to devise, adopt, and implement a power purchase/ fuel price adjustment mechanism are as follows:-

**Electricity Act, 2003- Section 62 (4)**

*"No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified."*

**Tariff Policy, 2016, clause 5.11 – sub-clause (h-4)**

*"Uncontrollable costs should be recovered speedily to ensure that future consumers are not burdened with past costs. Uncontrollable costs would include (but not limited to) fuel costs, costs on account of inflation, taxes and cess, variations in power purchase unit costs including on account of adverse natural events."*

**Tariff Policy, 2016, clause 8.2– sub-clause 8.2.1-(1)**

*"8.2 Framework for revenue requirements and costs*

*Actual level of retail sales should be grossed up by normative level of T&D losses as indicated in MYT trajectory for allowing power purchase cost subject to justifiable power purchase mix variation (for example, more energy may be purchased from thermal generation in the event of poor rainfall) and fuel surcharge adjustment as per regulations of the SERC."*

**Hon'ble ATE judgement in OP1 of 2011 dated 11 November 2011**

The Hon'ble ATE directed the SERCs to develop a power purchase cost adjustment mechanism within six months of the date of the Order. The relevant excerpt of the Order is shown as follows:

*"(vi)Fuel and Power Purchase cost is a major expense of the distribution Company which is uncontrollable. Every State Commission must have in place a mechanism for Fuel and Power Purchase cost in terms of Section 62 (4) of the Act. The Fuel and Power Purchase cost adjustment should preferably be on monthly basis on the lines of the Central Commission's Regulations for the generating companies but in no case exceeding a quarter. Any State Commission which does not already have such formula/mechanism in place must within 6 months of the date of this Order must put in place such formula/mechanism."*

**The Electricity Amendment Rules, 2022 – Schedule II**

The Ministry of Power vide notification dated 29th December'2022 notified the Electricity Amendment Rules 2022, which describe the fuel and power purchase cost adjustment (FPPCA) surcharge mechanism.

## 8.2 Mechanism for Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge

The following mechanism shall be followed for calculation and adjusting variations on account of Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge in the end consumer tariff, which shall come into force w.e.f. the implementation of this tariff order.

### 8.2.1 Periodicity for Recovery (Cycle), Chargeability and related Terms & Conditions:

i. Fuel and Power Purchase Cost Adjustment (FPPCA) Surcharge shall be calculated and billed to consumers automatically, without going through the regulatory approval process, on a monthly basis, according to the formula specified at 8.2.2 subject to true up, on an annual basis.

Provided that the automatic pass-through shall be adjusted in the monthly billing as mentioned below.

ii. FPPCA Surcharge shall be computed and charged by the distribution licensee, in (n+2)th month, on the basis of actual variation, in the cost of fuel and power purchase and Inter-State Transmission Charges for the power procured during the nth month. (For example, the FPPCA Surcharge on account of changes in tariff for power supplied during the month of April of any financial year shall be computed and billed in the month of June of the same financial year):

Provided that in case the distribution licensee fails to compute and charge fuel and power purchase cost adjustment surcharge within the timeline as specified above, except in case of any force majeure condition, its right for recovery of costs on account of fuel and power purchase adjustment surcharge shall be forfeited and in such cases, the right to recovery the FPPCA Surcharge determined during true-up shall also be forfeited.

iii. The distribution licensee shall submit detailed computation, on monthly basis, of the variation between expenses incurred and the fuel and power purchase cost adjustment surcharge/billed, along with supporting documents to the Commission, for verification/examination of the fuel and power purchase cost adjustment surcharge billed/to be billed.

iv. Upon verification/examination, if any discrepancies are found by the Commission, in the computation of fuel and power purchase cost adjustment surcharge, the Commission shall inform the Distribution Licensee, of such discrepancy, directing it for counter adjustment in the subsequent month's fuel and power purchase cost adjustment surcharge to be charged.

v. The revenue recovered on account of pass-through fuel and power purchase cost adjustment surcharge by the distribution licensee, shall be trued up while truing up the expenses of the relevant financial year.

vi. To ensure smooth implementation of the fuel and power purchase cost adjustment surcharge mechanism and its recovery, the distribution licensee shall ensure that the licensee billing system is updated to take this into account and a unified billing system shall be implemented to ensure that there is a uniform billing system irrespective of the billing and metering vendor through interoperability or use of open-source software as available;

vii. The distribution licensee shall publish all details including the fuel and power purchase cost adjustment surcharge formula, calculation of monthly fuel and power purchase cost adjustment surcharge, and recovery of fuel and power purchase cost adjustment surcharge on its website and archive the same through a dedicated web address.

### 8.2.2 Fuel and Power Purchase Cost Adjustment Surcharge Formula:

$$\textbf{Monthly FPPAS for } \mathbf{n^{th}} \textbf{ Month (\%)} = \frac{(A-B)*C+(D-E)}{\{Z*(1-\text{Distribution losses in }\%/100)\}*ABR}$$

Where,

$n^{th}$ month = the month in which billing of fuel and power purchase adjustment surcharge component is done. This fuel and power purchase adjustment surcharge is due to changes in tariff for the power supplied in (n-2)th month

A (in kWh) = Total units procured in $(n-2)^{th}$ Month from all sources including Long-term, medium-term–term and Short-term Power purchases.

B (in kWh) = Bulk sale of power from all Sources in $(n-2)^{th}$ Month.

C (in Rs./kWh) = Incremental Average Power Purchase Cost = Actual Average Power Purchase Cost (APPC) from all Sources in (n-2) month - Approved Average Power Purchase Cost (APPC) from all Sources.

D (in Rs.) = Actual Inter-State and Intra-State Transmission Charges in the $(n-2)^{th}$ Month,

E (in Rs.) = Approved Cost of Transmission Charges for $(n-2)^{th}$ Month = (Approved Transmission Charges (in Rs.)/12)

Z (in kWh) = [{Actual Power purchased from all the sources outside the State in $(n-2)^{th}$ Month. (in kWh)* (1 – Approved Inter-State transmission losses in % /100) + Power purchased from all sources within the State (in kWh)}*(1 – Approved Intra state losses in %) – B]/100

ABR (in Rs./kWh) = Approved Average Billing Rate for the year

Distribution Losses (in %) = Approved Distribution Losses

# Chapter 9: Tariff Schedule

## 9.1 Tariff Schedule

TABLE 9-1 TARIFF SCHEDULE FOR FY 2024-25

| Sr. No. | Category | Approved for FY 2024-25 | |
|---|---|---|---|
| | | Fixed Charges | Energy Charges |
| **1** | **DOMESTIC** | | |
| (i) | 0-50 Units | 10.00 RS./kW/Month | 1.70 RS./kWh |
| (ii) | 51-100 Units | 10.00 RS./kW/Month | 1.75 RS./kWh |
| (iii) | 101-200 Units | 10.00 RS./kW/Month | 2.50 RS./kWh |
| (iv) | 201-400 Units | 10.00 RS./kW/Month | 3.05 RS./kWh |
| (v) | 401 and above | 10.00 RS./kW/Month | 3.70 RS./kWh |
| (vi) | Life Line Consumers# (Upto 2x40 W Bulbs only) | 10.00 RS./kW/Month | 1.10 RS./kWh |
| **2** | **NON-DOMESTIC/COMMERCIAL** | | |
| (i) | 0-100 Units | 20.00 RS./kW/Month | 3.65 RS./kWh |
| (ii) | 101 Units and above | 20.00 RS./kW/Month | 4.75 RS./kWh |
| **3** | **LT** | | |
| **(a)** | **LT Industrial** | | |
| (i) | Up to 20 HP | 35.00 RS./HP/Month | 4.00 RS./kWh |
| (ii) | Above 20 HP | 90.00 RS./HP/Month | 4.20 RS./kWh |
| **(b)** | **LT Public Water Works** | | |
| (i) | Up to 20 HP | 55.00 RS./HP/Month | 4.90 RS./kWh |
| (ii) | Above 20 HP | 110.00 RS./HP/Month | 5.00 RS./kWh |
| **4** | **HT/EHT INDUSTRIAL** | | |
| (i) | 11 kV Supply | 440.00 RS./KVA/Month | 4.70 RS./kVAh |
| (ii) | 66 kV Supply | 570.00 RS./KVA/Month | 4.60 RS./kVAh |
| (iii) | 220 kV Supply | 625.00 RS./KVA/Month | 4.50 RS./kVAh |
| **5** | **AGRICULTURE AND POULTARY** | | |
| (i) | For sanctioned load up to 10 HP | | 1.00 RS./kWh |
| (ii) | Beyond 10 HP | | 1.45 RS./kWh |
| **6** | **PUBLIC LIGHTNING** | | |
| (i) | For all Units | | 4.75 RS./kWh |
| **7** | **HOARDINGS/SIGNBOARDS** | | |
| (i) | Hoardings/Signboards | 125.00 RS./KVA/Month | 7.00 RS./kWh |
| **8** | **ELECTRIC VEHICLE CHARGING** | | |
| (i) | LT Category | | 5.10 RS./kVAh |
| (ii) | HT Category | | 5.00 RS./kVAh |
| **9** | **Temporary Supply** | | |
| (i) | Tariff for Temporary Connection shall be Fixed/ Demand charges (if any) plus energy charges (for relevant slab, if any) under corresponding permanent supply category plus 50% of both. For multi activity pursuit, applicable tariff for temporary connection shall be with reference to that of non-domestic category for permanent supply. | | |
| *#If the consumption exceeds 50 units per month then Domestic tariff shall be applicable* | | | |

## 9.2 Tariff Applicability

**TABLE 9-2 APPLICABILITY OF TARIFF SCHEDULE FOR FY 2024-25**

| Sr. No. | Category | Applicability |
|---|---|---|
| 1 | **DOMESTIC** | This schedule shall apply to private houses, hospitals run on Non-commercial lines, Government Schools (including Government Schools Hostels), Charitable Religious Institutions for Light, Fans, Radios, Domestic Heating and other household appliances including water pumps up to 2 HP. |
| | | |
| 2 | **NON-DOMESTIC/COMMERCIAL** | This schedule shall apply to Shops, Offices, Restaurants, Bus Stations, Schools (other than Govt. schools & their hostels), Photo Studios, Laundries, Cinema Theatres, Industrial Lighting, clubs and other Commercial installations.<br>This includes all categories which are not covered by other tariff categories including Domestic Category, Lifeline Consumer, Industrial LT, HT/EHT Category (A&B), Agriculture and Poultry, Public Lighting. |
| | | |
| 3 | **LT Industrial** | This schedule shall apply to all Low Tension Industrial Motive Power Connections including water works/pumps with sanctioned load up to 120 HP. |
| | | |
| 4 | **HT 11 kV Supply** | This schedule shall apply to all Industrial/Motive power/ Ferro Metallurgical / Steel Melting / Steel Rerolling / Power Intensive consumers drawing through 11 kV systems |
| | | |
| 5 | **HT 66 kV Supply** | This schedule shall apply to all Industrial/Motive power/ Ferro Metallurgical / Steel Melting / Steel Rerolling / Power Intensive consumers drawing through 66 kV systems |
| | | |
| 6 | **HT 220 kV Supply** | This schedule shall apply to all Industrial/Motive power/ Ferro Metallurgical / Steel Melting / Steel Rerolling / Power Intensive consumers drawing through 220 kV systems |
| | | |
| 7 | **Agriculture and Poultry** | This schedule shall apply to Agriculture or poultry loads up to 99 HP sanctioned load will be considered in this category. |
| | | |
| 8 | **Public Lightning** | |
| | | |
| 9 | **Hoardings/Signboards** | This schedule shall apply to electricity for lighting external advertisements, external hoardings and displays at departments stores, malls, multiplexes, theatres, clubs, hotels, bus shelters, Railway Stations shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings" category, except such displays which are for the purpose of indicating / displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises. The connection for "Advertisements and Hoardings" category would be covered under the permanent supply of connection. |
| | | |
| 10 | **Temporary Supply** | The Temporary Tariff is applicable for a temporary period of supply for a period of maximum one (1) year at a time, which may be further extended, as per the provisions of Supply Code Regulations. |

| Sr. No. | Category | Applicability |
|---|---|---|
| | | |
| 11 | **Electric Charging Station** | This tariff schedule shall apply to consumers to the Public Charging Stations (PCS) and Captive Charging Stations (CCS) as defined below in accordance with the Ministry of Power, GoI revised consolidated guidelines, and standards for charging infrastructures for Electric Vehicles dated 14th January, 2022.<br>Public Charging Stations (PCS) shall mean an EV charging station where any electric vehicle can get it battery recharged.<br>Captive Charging Stations (CCS) shall mean an electric vehicle charging station exclusively for the electric vehicles owned or under the control of the owner of the charging station e.g., Government Departments, Corporate houses, Bus Depots, charging stations owned by the fleet owners etc. shall not be used for commercial purpose of charging other vehicles on paid basis.<br>The tariff for respective consumption shall be applicable for respective charging (LT/HT). |

## 9.3 General Conditions of HT and LT Supply

1. The tariffs are exclusive of electricity duty, taxes and other charges levied by the Government or other competent authority from time to time which are payable by the consumers in addition to the charges levied as per the tariffs.

2. Unless otherwise agreed to, these tariffs for power supply are applicable for supply at one point only.

3. Supply to consumers having contracted load between 100 kVA to 5000 kVA (including licensee common feeders and express feeders/dedicated feeders) shall generally be at 11 kV and for more than 5000 kVA up to 25000 kVA at 66 kV. For the consumer who requires load more than 25000 kVA, the supply voltage shall be at 220 kV level.

4. If energy supplied for a specific purpose under a particular tariff is used for a different purpose not contemplated in the contract for supply and/or for which a higher tariff is applicable, it will be deemed as unauthorized use of electricity and shall be dealt with for assessment under the provisions of Section 126 of the Electricity Act, 2003 & Supply Code Regulation notified by JERC.

5. If connected load of a domestic category is found to be at variance with the sanctioned/contracted load as a result of replacement of appliances such as lamps, fans, fuses, switches, low voltage domestic appliances, fittings, it shall not fall under Section 126 and Section 135 of the EA 2003.

6. Power Factor Charges - LT Commercial and Agriculture Connection running without proper capacitors installed so as to maintain Power Factor of 0.85 as per the JERC Supply Code Regulations, 2018 and subsequent amendment thereof

shall be charged extra 2.5% of units consumed as additional power factor charges. Payment of the power factor charge won't exempt the consumer from his responsibility to maintain the power factor. The conditions for disconnection of a consumer supply in case of non-achievement of minimum level of power factor as prescribed in the Supply Code Regulations notified by JERC, shall apply. DNHDDPDCL may install a suitable capacitor at its own cost and recover the cost thereof as arrears of energy charges. In case the monthly average power factor is less than 0.70 lagging, the installation is liable for disconnection after due notice.

7. If the consumer fails to pay the energy bill presented to him by the due date, DNHDDPDCL shall have the right to disconnect the supply after giving 15 days' notice as per the provisions of the Act and the Supply Code Regulations.

8. Fixed charges, wherever applicable, will be charged on pro-rata basis from the date of release of connection. Fixed charges, wherever applicable, will be double as and when bi-monthly billing is carried out. Similarly, slabs of energy consumption will also be considered accordingly in case of bi-monthly billing.

9. The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 85% of contracted demand, whichever is higher. If in any month, the recorded maximum demand of the consumer exceeds its contracted demand, that portion of the demand in excess of the contracted demand shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. The definition of the maximum demand would be in accordance with the provisions of the JERC Supply Code Regulations. If such over-drawal is more than 20% of the contract demand, then the connections shall be disconnected immediately.

   Explanation: Assuming the contract demand as 100 kVA, maximum demand at 120 kVA and total energy consumption as 12000 kWh, then the consumption corresponding to the contract demand will be 10000 kWh (12000*100/120) and consumption corresponding to the excess demand will be 2000 kWh. This excess demand of 20 kVA and excess consumption of 2000 kWh will be billed at twice the respective normal rate. Such connections drawing more than 120 kVA, shall be disconnected immediately.

10. Unless specifically stated to the contrary, the figures of energy charges relate to paisa per unit (kWh) charge for the energy consumed during the month.

11. Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 1.5% per month or part thereof shall be levied on all arrears of bills. Such surcharge shall be rounded off to the nearest multiple of one rupee. Amount less than 50 paisa shall be ignored and amount of 50 paisa or more shall be rounded off to the next rupee. In case of permanent

disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

12. Advance Payment Rebate: If payment is made in advance well before commencement of the consumption period for which the bill is prepared, a rebate @ 1% per month shall be given on the amount (excluding security deposit) which remains with the licensee at the end of the month. Such rebate, after adjusting any amount payable to the licensee, shall be credited to the account of the consumer.

13. Prompt Payment Rebate: If payment is made at least 7 days in advance of the due date of payment, a rebate for prompt payment @ 0.25 % of the bill amount shall be given. Those consumers having arrears shall not be entitled for such rebate.

14. TOD Tariff: For the purpose of TOD Tariff, the peak/off-peak/normal hours and charges for the corresponding period provided in the table as follows:

TABLE 9-3 DEFINITION OF TIME OF DAY AND APPLICABLE TARIFF

| Particulars | Demand Charges | Energy Charges |
|---|---|---|
| Normal period (6:00 A.M to 6:00 P.M) | Normal Rate | Normal rate of energy charges |
| Evening peak load period (6:00 P.M to 10:00 P.M) | Normal Rate | 120% of normal rate of energy charges |
| Off-peak load period (10:00 P.M to 6:00 A.M) | Normal Rate | 90% of normal rate of energy charges |

15. The adjustment on account of Fuel and Power Purchase Cost variation shall be calculated in accordance with the FPPCA formula notified in Chapter 8 of this Order. Such charges shall be recovered/refunded in accordance with the terms and conditions specified in the FPPCA formula.

## 9.4 Schedule of Miscellaneous Charges

TABLE 9-4 SCHEDULE OF MISCELLENAOUS CHARGES

| Description | Approved Charges |
|---|---|
| **Monthly Meter Rental Charges** | |
| Single Phase LT meter | NIL |
| Three Phase LT meter | NIL |
| LT Meter with MD indicator | NIL |
| Tri-vector Meter | NIL |

| Description | Approved Charges |
|---|---|
| **Note:** The type of meters to be installed in consumer premises will be decided by Discom. Generally, the consumers having connected load above 50 HP will be provided with L.T.M.D meters | |
| **Reconnection Charges** | |
| LT Services | |
| • Single Phase LT | RS. 50/- |
| • Three Phase LT | RS. 100/- |
| HT Services | RS. 1000/- |
| **Note:** If the same consumer seeks reconnection within 12 months from the date of reconnection or disconnection, 50% will be added to above charges | |
| **Testing Fee for Various Metering Equipments** | |
| Single Phase | RS. 100/- |
| Three Phase | RS. 300/- |
| Three Phase Tri-vector Meter (0.5 Class) Industrial LT Consumer | RS. 500/- |
| Three Phase Tri-vector Meter (0.5 Class) 11 kV HT Consumer | RS. 500/- |
| Three Phase Tri-vector Meter (0.2 Class) 66 KV EHT Consumers | RS. 1000/- |
| Combined CT/PT Unit for 11 KV Consumer | RS. 500/- |
| 66 KV CT/ PT Unit | RS. 500/- |
| Three Phase CT Block | RS. 300/- |
| CT Coil | RS. 100/- |
| **Service Connection Charges** | |
| Single Phase LT | RS.250/- |
| Three Phase LT | RS.1,000/- |
| HT (First 500 KVA) | RS.10,000/- |
| HT (Beyond 500 KVA) | RS. 1,000/- per 100 KVA or part thereof |
| Extra Length - Single Phase | RS. 25/- per meter |
| Extra Length - Three Phase | RS.50/- per meter |
| Extra length chargeable will be beyond the permissible 30 meters' free length from existing network for new connections for all categories except agriculture. Free length in respect of new agriculture consumer is 300 meters. | |
| Entire Cost of setting up HT connection would be borne by the consumer and 15% supervision charges shall be recovered by DNHPDCL on labor component only as per JERC Supply Code 2018. | |
| **Fees (Non-refundable) for submission of Test Report of wiring Completion** | |
| Single Phase Lighting / Domestic | RS. 10/- Per Test Report |
| Three Phase Lighting / Domestic | RS. 25/- Per Test Report |
| Single Phase Lighting / Non Domestic | RS. 50/- Per Test Report |
| Three Phase Lighting / Non Domestic | RS. 100/- Per Test Report |

| Description | Approved Charges |
|---|---|
| Three Phase LT Industries | RS. 250/- Per Test Report |
| Single Phase / Three phase Agriculture / Streetlight / Public Lighting & others | RS. 50/- Per Test Report |
| HT Industries upto 500 KVA | RS. 1,000/- Per Test Report |
| HT Industries upto 2500 KVA | RS. 5,000/- Per Test Report |
| HT Industries above 2500 KVA | RS. 10,000/- Per Test Report |
| **Registration for Change of Name** | |
| 1 Phase Domestic / commercial | |
| 3 Phase Domestic / commercial | 200 |
| LT Industries | 500 |
| HT Industries | 1000 |
| EHV Industries | 2000 |
| **Shifting of meter** | |
| 1 Phase Domestic / commercial | 100 |
| 3 Phase Domestic / commercial | 200 |
| LT Industries | 500 |

*Note: The meter rent has been abolished by the Commission vide its order dated 1st August 2023.*

# Chapter 10: Directives

## 10.1 Earlier Directives

**Directive No. 1 Separate Petition for approval of capital expenditure for 33kV and above network**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to file a separate petition with regard to capex/capitalisation schemes proposed to be executed for FY 2023-24 and FY 2024-25 with complete details of the scheme and detailed DPR along with various details. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to above direction, the Petitioner has filed the petition seeking approval of capex/capitalisation of scheme for 33 kV and above network along with detailed DPR and Investment Approval. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 2 DPRs for provisionally approved schemes**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit the DPR for all capital expenditure schemes provisionally approved along with various details. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the requisite details are being submitted separately. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 3 Quarterly Statement of Capital Expenditure and Capitalisation alongwith De-capitalisation**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit the report on progress achieved towards execution of scheme undertaken by it on quarterly basis including details of capital expenditure, capitalisation and de-capitalisation. |
| **Petitioner's Submission in Present Petition:** |

| |
|---|
| In compliance to the direction, the Petitioner has already submitted the requisite details separately. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 4 Assets created from Consumer Contribution**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit detailed scheme-wise data pertaining to assets created from consumer contribution. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the Petitioner submits that the details of Service Line Contribution (SLC) has been duly provided in the table for computation of debt & equity in relevant chapters of this petition. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 5 Submission of APR**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to consider the actual data of first six months and revise estimates of FY 2023-24 as part of APR. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the above direction, the Petitioner has submitted the APR of FY 2023-24 in the present petition based on the actual data of first six months. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 6 Refund of Regulatory Surcharge**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit actual month-wise details of Regulatory Surcharge recovered by DNHDDPDCL in FY 2023-24 beyond 31st March, 2023 and refunded back to the consumers. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the above direction, the Petitioner has furnished the details along with APR of FY 2023-24 in the present petition. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

### Directive No. 7 Territory wise Voltage wise and Category wise details of Sales and Revenue

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit the territory-wise and category-wise Sale and Revenue for FY 2022-23. |
| **Petitioner's Submission in Present Petition:**<br>In this regard, the Petitioner submits that from 1st April, 2022 the Petitioner distributes electricity to the UT of Dadra and Nagar Haveli and Daman and Diu as one license area. Hence, all relevant details of sales and revenue for the license area are provided in the petition. |
| **Commission's Directive:**<br>The Commission is not satisfied with the submission of the Petitioner and further directs to submit the territory wise and category wise sales and revenue for the next control period along with the petition of business plan and MYT petition for next control period. |

### Directive No. 8 Energy Audit Report and Distribution Losses

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission directs the Petitioner to conduct separate Energy Audit and ensure the report includes details of territory wise distribution losses for ARR and Tariff for FY 2024-25. |
| **Petitioner's Submission in Present Petition:**<br>In this regard, the Petitioner has submitted the same vide additional details to the present petition. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

### Directive No. 9 Timely submission of reports for performance indices

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit the report related to performance indices i.e. SAIFI, SAIDI, CAIDI and RI for feeder and RI for consumer on quarterly basis. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the Petitioner has already submitted the requisite details. |

| |
|---|
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and further directs to submit the target of reliability indices for the next control period along with petition of business plan and MYT petition for the next control period. |

**Directive No. 10 Information regarding determination of Voltage-wise Wheeling Charges**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit details of voltage wise assets and expenses along with allocation methodology including allocation of EHT level. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the Petitioner has provided the requisite details in the chapter on Wheeling ARR and Tariff Determination for FY 2024-25. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 11 Voltage-wise Cost of Supply**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission directs the Petitioner to submit the Voltage wise cost of supply and propose the tariffs based on Voltage wise Cost of Supply in the tariff proceedings. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the Petitioner has provided the requisite details in the chapter on Tariff Determination for FY 2024-25. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 12 Actual Details of R&M Expenses**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to give the details of actual R&M expenses in prescribed format alongwith the tariff petition. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to this direction, the Petitioner has provided the requisite details of actual R&M expenses of FY 2022-23 in the applicable format alongwith the present petition. |

**Commission's Directive:**

The Commission noted the submission of the Petitioner and drops the direction.

**Directive No. 13 Power Procurement Planning**

**Originally issued in APR Order dated August 01, 2023**

The Commission has directed the Petitioner to explore the long-term/ medium term power purchase arrangements and minimise dependence on power purchase from short term sources while also increasing the share of power purchase from renewable energy.

**Petitioner's Submission in Present Petition:**

In this regard, the Petitioner submits that at present, more than 85% of tie-up of power of DNHDDPDCL is from long term sources such as central generating stations. Only top up power of ~15% is being sourced through power exchange to address the variable demand.

Further, regarding RPO, the Petitioner would like to submit that it has been procuring renewable power from G-TAM/G-DAM markets in addition to the existing tie-up of renewable power. The Petitioner has been taking necessary steps to tie-up RE Power for fulfilment of RPO and shall approach the Hon'ble Commission in due course.

**Commission's Directive:**

The Commission noted the submission of the Petitioner and drops the direction.

**Directive No. 14 Power Purchase Cost for Renewable Power**

**Originally issued in APR Order dated August 01, 2023**

The Commission has directed the Petitioner to submit the cost of solar power in prescribed format.

**Petitioner's Submission in Present Petition:**

In this regard, the Petitioner submits that it has furnished the requisite details in the present petition.

**Commission's Directive:**

The Commission noted the submission of the Petitioner and drops the direction.

**Directive No. 15 Open Access Consumers**

**Originally issued in APR Order dated August 01, 2023**

The Commission directs the Petitioner to submit quarterly details of power stranded on account of consumers opting for open access alongwith additional surcharge recovered from these consumers.

| |
|---|
| **Petitioner's Submission in Present Petition:**<br>In this regard, it may kindly be noted that during FY 2022-23 and H1 FY 2023-24 there is no open access. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 16 Details of Consumer Security Deposit**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit various details of Consumer Security Deposit for each financial year starting from FY 2022-23 onwards. |
| **Petitioner's Submission in Present Petition:**<br>In this regard, the Petitioner has provided the requisite detail in Form No 22 of the present petition. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 17 Details of Past Arrears**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to maintain the details of past arrears and share update on 1st April of every financial year. |
| **Petitioner's Submission in Present Petition:**<br>In this regard, the Petitioner submits that the past arrears collected during FY 2022-23is passed on to the erstwhile Discoms as per the policy direction and transfer scheme. The details of the same is furnished at Form 21. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

**Directive No. 18 Details of Income Tax Assessment Order**

| |
|---|
| **Originally issued in APR Order dated August 01, 2023**<br>The Commission has directed the Petitioner to submit the income tax assessment order along with detailed calculation and challans. |
| **Petitioner's Submission in Present Petition:**<br>In compliance to the direction, the Petitioner shall submit the requisite details of income tax for FY 2022-23 separately. |
| **Commission's Directive:**<br>The Commission noted the submission of the Petitioner and drops the direction. |

# Annexures

## Annexure 1: List of stakeholders/public attended Public Hearing

The following is the list of the stakeholders who have attended the Public Hearing on 6th & 8th February, 2024.

### Table Annexure-1 List of Stakeholder

| Sr. No. | Location | Name of persons (Mr./Mrs.) | Name of Area |
|---|---|---|---|
| 1. | DNH | Ashok | Galonda |
| 2. | DNH | Dhiru m. | Silli Ranpada |
| 3. | DNH | Ishant Sharma | Silvassa |
| 4. | DNH | Vasant G. | Velugam |
| 5. | DNH | Shankar | Dapada |
| 6. | DNH | Dival | Dapada |
| 7. | DNH | Musla Goud | Dapada |
| 8. | DNH | Jamkiya Goud | Dapada |
| 9. | DNH | Praful B Patel | Dadra and Nagar Haveli |
| 10. | DNH | Sumanbhai | Dadra and Nagar Haveli |
| 11. | DNH | Sunil Ojha | Dadra and Nagar Haveli |
| 12. | DNH | Adv. Deepak Kurada | Dadra and Nagar Haveli |
| 13. | DNH | Adv. Sunil Vantur | Kilvani Gram Panchayat Silli |
| 14. | DNH | Adv. Vinay Bhoya | Dudhani |
| 15. | DNH | Ishwar Zadesha | Luhari Kharadpada |
| 16. | DNH | Adv. Shailesh | Kharadpada |
| 17. | DNH | Pravin Dinkar | Galonda Panchayat |
| 18. | DNH | Sankar Kanhat | Galonda Panchayat |
| 19. | DNH | Rajendrabhai Patel | Athal |
| 20. | DNH | Laxman | Bonta Khoripada |
| 21. | DNH | Suresh | Silli |
| 22. | DNH | Pankaj Vartha | Silli |
| 23. | DNH | Jayanti | Dapada |
| 24. | DNH | Amarbhai | Kharadpada |
| 25. | DNH | Representative | Rudana |
| 26. | DNH | Kalish | Rudana |
| 27. | DNH | Satish Patel | Vaghchhipa |
| 28. | DNH | Manish Patel | Silvassa |
| 29. | DNH | Dipak Patel | Kharadpada Panchayat |
| 30. | DNH | Maheshbhai | Naroli Panchayat |
| 31. | DNH | Pankaj | Silli Talavpada |
| 32. | DNH | Suresh vartha | Silli Talavpada |
| 33. | DNH | Kishanbhai | Rakholi Patelpada |
| 34. | DNH | Nitesh Naik | Naroli, Nani vashat |
| 35. | DNH | Chandrika Rajesh Vaghat | Dadra and Nagar Haveli |
| 36. | DNH | Usha Radiya | Faladi |
| 37. | DNH | M.N. Bhanvar | Haladpada |

| Sr. No. | Location | Name of persons (Mr./Mrs.) | Name of Area |
|---|---|---|---|
| 38. | DNH | Rajli | Faladi |
| 39. | DNH | Kipan | Kharadpada |
| 40. | DNH | Jayesh | Masat |
| 41. | DNH | Rajesh Guda | Dadra and Nagar Haveli |
| 42. | DNH | Jagdish | Samarvani |
| 43. | DNH | Majibhai | Athola |
| 44. | DNH | Ganpatbhai Dhudga | Velugam, Navarpada |
| 45. | DNH | Trimbakbhai Bobat | Karchond, Bobapada |
| 46. | DNH | Vasat | Silvassa |
| 47. | DNH | Mahesh | Dudhani |
| 48. | DNH | Rajesh | Velugam |
| 49. | DNH | Datu | Velugam |
| 50. | DNH | Prabhat | Surangi |
| 51. | DNH | Pramod Sanghvi | Pipariya |
| 52. | DNH | Ashok | Dadra and Nagar Haveli |
| 53. | DNH | Ashik Mishal | Dadra and Nagar Haveli |
| 54. | DNH | Representative | Dadra and Nagar Haveli |
| 55. | DNH | Ishwar Goud | Dadra and Nagar Haveli |
| 56. | DNH | Anil | Dadra and Nagar Haveli |
| 57. | DNH | Arvind Chaudhary | Galonda |
| 58. | DNH | Raju Goud | Vasuna |
| 59. | DNH | Asit | Silli |
| 60. | DNH | Rajesh S | Silvassa |
| 61. | DNH | Representative | Ranpada |
| 62. | DNH | Ramubhai | Galonda Panchayat |
| 63. | DNH | Nileshbhai Bhagat | Silli Talavpada |
| 64. | DNH | Pravin Kurkutya | Kherdi Panchayat |
| 65. | DNH | Dhansukh | Silli Talavpada |
| 66. | DNH | Jivan Tumbda | Galonda |
| 67. | DNH | Pooja Kuvre | Rudana |
| 68. | DNH | Jairam Kuvre | Rudana |
| 69. | DNH | Vinay Kuvre | Rudana |
| 70. | DNH | Lakhuraman | Falandi |
| 71. | DNH | Radha | Falandi |
| 72. | DNH | Nasima | Galonda |
| 73. | DNH | Vrmila | Galonda |
| 74. | DNH | Bhadli Rupji Bhanwar | Falandi |
| 75. | DNH | Meena Kharpadi | Falandi |
| 76. | DNH | Manish Patel | Athal |
| 77. | DNH | Parikshit Patel | Athal |
| 78. | DNH | Haresh Jabar | Rudana |
| 79. | DNH | Kiran Babu | Kharadpada Panchayat |
| 80. | DNH | Ashok Shankar Voghrodiya | Kharadpada Panchayat |
| 81. | DNH | Dipak Sarkar | Kharadpada Panchayat |
| 82. | DNH | Sanjay A. Dodiya | Kharadpada Panchayat |
| 83. | DNH | Prabhu Toliya | Athal-Silvassa |
| 84. | DNH | Ajay | Pati-Dapada Panchayat |
| 85. | DNH | Haresh Khurpai | Kharadpada Panchayat |

| Sr. No. | Location | Name of persons (Mr./Mrs.) | Name of Area |
|---|---|---|---|
| 86. | DNH | Vishal | Kilvani |
| 87. | DNH | Subhash | Kilvani |
| 88. | DNH | Luku | Kilvani |
| 89. | DNH | Pramila | Kilvani |
| 90. | DNH | Kanchan | Kilvani |
| 91. | DNH | Vinod | Silvassa |
| 92. | DNH | Vinay | Bhurkud |
| 93. | DNH | R.N. Purohit | Silvassa |
| 94. | DNH | Sanjay Jha | Dadra and Nagar Haveli |
| 95. | DNH | A.K. Shivhare | Dadra and Nagar Haveli |
| 96. | DNH | Ganeshbhai | Sili Ranpada |
| 97. | DNH | Sanjeev Kapoor | Dadra and Nagar Haveli |
| 98. | DNH | J.K. Vanur | Dadra and Nagar Haveli |
| 99. | DNH | Sanjay Patel | Dadra and Nagar Haveli |
| 100. | DNH | Anjuben Rathod | Falandi |
| 101. | DNH | Shailesh Patel | Athal |
| 102. | DNH | Parvesh | Sili Ranpada |
| 103. | DNH | Vijaybhai | Pati Dapada |
| 104. | Diu | Ratanben Kanji | Dholawadi, Diu |
| 105. | Diu | Solanki Maniben Bhimji | Ghoghla |
| 106. | Diu | Primiben Jenti | Dholawadi, Diu |
| 107. | Diu | Rakinben Kanji | Dholawadi, Diu |
| 108. | Diu | Ramiben Ramesh | Dholawadi, Diu |
| 109. | Diu | Lakhiben Jiva | Motiwadi, Vanakbara |
| 110. | Diu | Amreet Jiva | Motiwadi, Vanakbara |
| 111. | Diu | Sonuben Kanji | Motiwadi, Vanakbara |
| 112. | Diu | Parsottam Karsan | Dagachi |
| 113. | Diu | Subhash Keshav | Malala |
| 114. | Diu | Lalji Premji | Malala |
| 115. | Diu | Navin | Malala |
| 116. | Diu | Shamjibhai Lakham | Vanakbara |
| 117. | Diu | Mohan Kapadia | Ghoghla |
| 118. | Diu | Nanji Parmar | Vanakbara |
| 119. | Diu | Shantilal vaja | Malala |
| 120. | Diu | Kishore Kumar | Patelwadi |
| 121. | Diu | Shantilal Der | Diu |
| 122. | Diu | Hansaben Harmeet | Ghoghla |
| 123. | Diu | Rahul Rathod | Diu |
| 124. | Diu | Shamji Lokmane | Ghoghla |
| 125. | Diu | Raja Bhagwan | Vanakbara |
| 126. | Diu | Hemlata Pramesh | Ghoghla diu |
| 127. | Diu | Harsit Pramesh | Ghoghla Diu |
| 128. | Diu | Arvindbhai | Ghoghla |
| 129. | Diu | Minaxiben Ramesh | Vanakbara |
| 130. | Diu | Dhaniben Pravin | Vanakbara |
| 131. | Diu | Lakhiben Kasan | Vanakbara |
| 132. | Diu | Rajiben Babu | Vanakbara |
| 133. | Diu | Jiviben Kanji | Vanakbara |

| Sr. No. | Location | Name of persons (Mr./Mrs.) | Name of Area |
|---|---|---|---|
| 134. | Diu | Ujiben Kanji | Vanakbara |
| 135. | Diu | Lalitaben Shamji | Vanakbara |
| 136. | Diu | Hasmukhbhai Somwar | Ghoghla, Diu |
| 137. | Diu | Pankaj Panchal | Ghoghla Diu |
| 138. | Daman | Vivek Darji | Nani Daman |
| 139. | Daman | Manish Tandel | Nani Daman |
| 140. | Daman | Banty Kishor | Daman |
| 141. | Daman | Keyur Ronveliya | Daman |
| 142. | Daman | Devabhai Dhodi | Kachigam |
| 143. | Daman | Govindbhai Patel | Kachigam |
| 144. | Daman | Chiman Patel | Bhimpor |
| 145. | Daman | Soma Halpati | Naila pardi |
| 146. | Daman | Suman | Masat chowk |
| 147. | Daman | Lilaben Rai | Khariwad |
| 148. | Daman | Nurshimu | Khariwad |
| 149. | Daman | Bina | Khariwad |
| 150. | Daman | Chandubhai Patel | Daman |
| 151. | Daman | Gulabbhai Patel | Daman |
| 152. | Daman | Mukesh Keshav Patel | Patlara |
| 153. | Daman | Satish Patel | Daman |
| 154. | Daman | Bhavin Dave | Silvassa |
| 155. | Daman | Sunil Patel | Dabhel |
| 156. | Daman | Sanjay Raman | Moti Daman |
| 157. | Daman | Shailesh Patel | Dabhel |
| 158. | Daman | Patel Umesh | Daman |
| 159. | Daman | Patel Kiran | Kachigam |
| 160. | Daman | Sanjay Dalal | Daman |
| 161. | Daman | Kirit Mitra | Varkund, Nani Daman |
| 162. | Daman | Kalpesh Patel | Daman |
| 163. | Daman | Satyendra Kumar | Daman |
| 164. | Daman | Harish | Daman |
| 165. | Daman | S. Mukherjee | Daman |
| 166. | Daman | Fakirbhai Patel | Daman |
| 167. | Daman | Ishwar MP | Bhimpore |
| 168. | Daman | Zakir | Devka |
| 169. | Daman | Vinay Tandel | Nani Daman |
| 170. | Daman | Yogesh Dandekar | Daman |
| 171. | Daman | Leelaben | Daman |
| 172. | Daman | Vimal Patel | Patlara |
| 173. | Daman | Ajay Dhodi | Zari |
| 174. | Daman | Ravi Shah<br>& Sanjeet Singh | Daman |
| 175. | Daman | Shantanubhai Varli | Pariyari , Moti Daman |
| 176. | Daman | Ramanbhai Patel | Bhimpore |
| 177. | Daman | Sureshbhai Patel | Bhimpore |
| 178. | Daman | Anilbhai Halpati | Varkund |
| 179. | Daman | Rameshbhai Kamli | Varkund |
| 180. | Daman | Subhash Patel | Dalwada |

| Sr. No. | Location | Name of persons (Mr./Mrs.) | Name of Area |
|---|---|---|---|
| 181. | Daman | Keshubhai Patel | Daman |
| 182. | Daman | Yashwant Damania | Varkund |
| 183. | Daman | Chetan Halpati | Daman |
| 184. | Daman | Dhodi | Daman |
| 185. | Daman | Dinesh Dhoda | Daman |
| 186. | Daman | Pravin Dhodi | Magarwada |
| 187. | Daman | Dhirubhai Dhodi | Daman |
| 188. | Daman | Vinod Patel | Dalwada |
| 189. | Daman | Bhikhubhai | Daman |
| 190. | Daman | Vikram Singh Chauhan | Daman |
| 191. | Daman | Jignesh Patel | Dabhel |
| 192. | Daman | Zakir Khan | Gachiwad |
| 193. | Daman | Sayna Khan | Gachiwad |
| 194. | Daman | Dharmesh | Bheslore |
| 195. | Daman | Shyam Shama | Daman |
| 196. | Daman | Umed Shama | Daman |
| 197. | Daman | Nirmal Maroo | Daman |
| 198. | Daman | Patel Mayank | Dabhel |
| 199. | Daman | Bhikhubhai | Daman |