14556(2)/2023/Estt. Section

torrent POWER DNHDD

September 13, 2023

To,
The Secretary,
The Joint Electricity Regulatory Commission for the State of Goa and Union Territories,
3rd and 4th Floor, Plot No. 55-56,
Sector -18, Udyog Vihar, Phase IV
Gurugram, Haryana-122015

संयुक्त विद्युत विनियामक आयोग गोवा राज्य और संघ राज्य क्षेत्र
Joint Electricity Regulatory Commission State of Goa & Union Territories
493
15/09/23

Sub: Filing of Review Petition for reviewing the Tariff Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No. 89 of 2022.

Dear Sir,

We are filing the present review petition in six sets for reviewing the Tariff Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No. 89 of 2022.

As per the Provision of the JERC (Conduct of Business) (5th Amendment) Regulations, 2019, the amount of fees has been calculated. The details of remittance are as below.

Particulars	Details
1. Name of the Petitioner/Applicant	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited. (DNHDD PDCL)
2. Address of the Petitioner/Applicant	1st & 2nd Floor, Vidyut Bhavan, Next to Secretariat Building, 66KV Road, Dadra & Nagar Haveli and Daman and Diu – 396230
3. Subject Matter	Review Petition fees
4. Details of Fee Remitted	
a) UTR/DD/Cheque No.	BARBR52023091100758145
b) Date of Remittance	11.09.2023

DADRA AND NAGAR HAVELI AND DAMAN AND DIU POWER DISTRIBUTION CORPORATION LIMITED
A subsidiary of Torrent Power Limited
Registered Office: 1st & 2nd Floor, Vidyut Bhavan, Silvassa - 396230, DNH, India
Daman: Fortune Paradise, Dunetha, Nani Daman - 396210, Daman, India
Diu: Gangeshwar Mahadev Road, Fudam - 362520, Diu, India
Phone No.: +91-6357557777 | Customer Care No.: +91-9099991912, 1800-270-5551, 1800-233-9500, 19126
Website: connect.torrentpower.com | Email ID: connect.dnhdd@torrentpower.com | CIN: U40101DN2022PLC005707

torrent POWER DNHDD

c) Amount Remitted	5,00,000/-
d) Bank Name & Branch	Bank of Baroda , SSI Branch Daman

We request you to kindly acknowledge receipt of the above.

Thanking you,
Yours Sincerely,

Authorized Signatory

DADRA AND NAGAR HAVELI AND DAMAN AND DIU POWER DISTRIBUTION CORPORATION LIMITED
A subsidiary of Torrent Power Limited
Registered Office: 1st & 2nd Floor, Vidyut Bhavan, Silvassa - 396230, DNH, India
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BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION

FOR GOA AND UNION TERRITORIES, UDYOG VIHAR, PHASE-V, GURGAON.

REVIEW PETITION NO.___________ OF 2023

IN THE MATTER OF :	Filing of Petition under Section 94 of the Electricity Act, 2003 read with Regulation 74(B) of the JERC (Conduct of Business) Regulations, 2009;
	AND
IN THE MATTER OF :	Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No. 89 of 2022;
	AND
IN THE MATTER OF :	Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited 1st & 2nd Floor, Vidyut Bhavan Next to Secretariat Building, 66 kV Road Dadra and Nagar Haveli and Daman and Diu – 396 230 …Petitioner

<u>REVIEW PETITION UNDER REGULATION 74(B) OF THE JERC (CONDUCT OF BUSINESS) REGULATIONS, 2009 AS AMENDED VIDE JERC (CONDUCT</u>

OF BUSINESS) (FOURTH AMENDMENT) REGULATIONS, 2015, w.e.f. 11.02.2015 READ WITH SECTION 94(1)(f) OF THE ELECTRICITY ACT 2003 FOR REVIEWING THE TARIFF ORDER DATED 01.08.2023 PASSED BY THIS HON'BLE COMMISSION IN PETITION NO 89 OF 2022

RESPECTFULLY SHOWETH:

1) The Petitioner, DNH and DD Power Distribution Corporation Limited (**"DNHDDPDCL" or "Utility"**) has been incorporated and reconstituted from the erstwhile DNH Power Distribution Corporation Limited (**"DNHPDCL"**) and the Electricity Department of Daman and Diu (**"EDDD"**). DNHDDPDCL is engaged in the electricity distribution business w.e.f. 01.04.2022.

2) 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 2nd May, 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" (**"the JERC" or "the Hon'ble Commission"**) vide notification no. 23/52/2003-R&R (Vol. II) dated 30th May, 2008.

This Hon'ble Commission 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 the supply of electricity to all areas.

3) That the instant Review Petition is being filed by the DNHDDPDCL in respect of the Tariff Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No 89 of 2022. A copy of the Order dated 01.08.2023 is appended hereto as **Annexure P-1**

4) That the present Review Petition is being filed within the limitation period of Forty-Five (45) days. It is pertinent here to mention that the DNHDDPDCL has received the Order dated 01.08.2023 on 02.08.2023 through email.

5) The brief facts relating to the present Petition, are as under:

5.1) On 10.06.2003, the Electricity Act, 2003 came into force.

5.2) On 30.07.2009, the JERC Business of Conduct Regulations, 2009 came into force. These Regulations have been amended from time to time.

5.3) On 11.02.2015, the amendment to Regulation 74 of the Principal Regulations 2009 was made vide JERC (Conduct of Business) (Fourth Amendment) Regulations, 2015. The Regulation 74 of the Principal Regulations as it stood when the Regulations were framed, was substituted and renumbered as Regulation 74 (B) of the Regulations.

5.4) On 12.05.2020, MoP vide its letter advised to corporatize and privatize the Electricity Distribution and Retail Supply Function undertaken by the Electricity Department and DNHPDCL.

5.5) On 22.03.2021, the JERC for the State of Goa and UTs generation, transmission, distribution MYT Regulations, 2021 were notified and applicable for the period from FY 2022-23 onwards and upto FY 2024-25 (i.e.) 01.04.2022 to 31.03.2025.

5.6) On 07.02.2022, the Hon'ble Administrator of UT of DNH&DD issued a Letter of Intent in favour of the successful bidder, TPL for the purchase of 51% shares in DNH&DDPDCL.

5.7) On 08.03.2022, a Limited Liability Company in the name of DNH&DDPPDCL was incorporated under the Companies Act, 2013 being a special purpose vehicle created to undertake the power distribution functions in the UT of DNH & DD wherein TPL is having 51% stake and remaining49% vests with Hon'ble Administrator of UT.

5.8) On 09.03.2022, UT Administration of DNH& DD vide notification issued DNH&DD Electricity (Reorganization and Reforms) Transfer Scheme, 2022 for providing and giving effect to the transfer of the electricity functions together with the assets, liabilities, interests, rights, functions, obligations, proceedings and personnel of distribution and retail undertaking of Electricity Department and DNHPDCL to DNHDDPDCL.

5.9) On 11.03.2022, both, the Transfer Scheme under section 131, 133 & 134 and the Transfer Policy Directions under Section 109 r/w 108 were published in the Official Gazette.

5.10) On 21.03.2022, the UT Administration of DNH& DD issued notification that the effective date for the purpose of implementing of the Transfer Scheme, 2022 as 01.04.2022.

5.11) On 31.03.2022, this Hon'ble Commission passed the Tariff Orders in Petition No. 66 of 2021 and 68 of 2021 followed by Corrigendum Orders thereof dated 30.05.2022 and 13.06.2022.

5.12) In November 2022, the Petition No. 89 of 2022 filed for determination of ARR and MYT Control Period (FY 2022-23 to 2024-25) and determination of Tariff for FY 2023-24 for the UT of DNH & DD and Petition No. 90 of 2022 for Business Plan.

5.13) On 03.01.2023, the notice issued by this Hon'ble Commission for admission hearing of the Petitions No. 89 and 90 of 2022 on 12.01.2022.

5.14) On 23.01.2023, the DNHDDPDCL has filed detailed Written Submissions before this Hon'ble Commission.

5.15) On 27.02.2023, this Hon'ble Commission passed a common order in Petition No. 89 and 90 of 2022.

5.16) On 10.03.2023, in accordance with this Hon'ble Commission's Order dated 27.02.2023 and Policy Directions, the DNHDDPDCL filed a modified Petition in accordance with the Regulation 12.1 of the JERC MYT Regulations, 2021 for approval of Review of Annual Revenue Requirement for FY 2022-23, Determination of Aggregate Revenue Requirement (ARR) for FY 2023-24 and Tariff for FY 2023-24 vide mail on the said date.

5.17) On 22.03.2023, the Petition No. 89 of 2022 was admitted.

5.18) On 19.04.2023, the public notices published in various Newspapers by this Hon'ble Commission intimating of the Public Hearing to be conducted by this Hon'ble Commission on 10.05.2023 and 12.05.2023.

5.19) On 22.04.2023, the public notices published by the DNHDDPDCL in various Newspapers for inviting suggestions / comments from stakeholders on the Tariff Petition No. 89 of 2022.

5.20) On 10.05.2023, the public hearing was held at Silvassa and Daman in Tariff Petition No. 89 of 2022 by this Hon'ble Commission.

5.21) On 12.05.2023, the public hearing was held at Diu in Tariff Petition No. 89 of 2022 by this Hon'ble Commission.

5.22) On 29.05.2023, the DNHDDPDCL filed their written submissions in the Petition No. 89 of 2022.

5.23) On 14.06.2023, the DNHDDPDCL submitted the additional information in the Petition No. 89 of 2022 sought by this Hon'ble Commission vide Deficiency Note dated 07.06.2023.

5.24) On 01.08.2023, the impugned Tariff Order in Petition No. 89 of 2022 came to be passed by this Hon'ble Commission.

6) THE LEGAL FRAMEWORK RELATING TO REVIEW :

6A) The Applicable Statutory provisions

i) The power of this Hon'ble Commission to review its own orders arises under Section 94 (1) (f) of the Electricity Act, 2003 ("**Act**"), read with Regulation 74 (B) of the Joint Electricity Regulatory Commission (Conduct of Business) Regulations, 2009 as amended vide JERC (Conduct of Business) (Fourth Amendment) Regulations, 2015 w.e.f. 11.02.2015.

ii) The Electricity Act, 2003 confers the power of Review of its decisions on this Hon'ble Commission. Section 94 (1) (f) of the Act incorporates and provides for this authority on this Hon'ble Commission to review its Orders.

Section 94(1) (f) of the Act reads as follows:

"94. (1) The Appropriate Commission shall, for the purposes of any inquiry or proceedings under this act, have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 in respect of the following matters, namely:-

....

(f) reviewing its decisions, directions and orders:"

(emphasis supplied)

iii) Further, this Hon'ble Commission has in exercise of powers under Section 181 (ZL) read with Section 92 (1) of the Electricity Act, 2003 framed its Conduct of Business Regulations which incorporates and provide for review of its decisions. These Regulations have been amended from time to time. The amendment to Regulation 74 of the Principle Regulations 2009 was made vide JERC (Conduct of Business) (Fourth Amendment) Regulations, 2015 on 11.02.2015. Regulation 74 of the Principle Regulations as it stood when the Regulations were framed was substituted and renumbered as Regulation 74 (B) of the Regulations.

The relevant portion of Regulation 74 (B) (i) of the above Regulation reads as follows:

"Regulation 74 (B) Review of Decisions, Directions and Orders:-

i. The Commission may, on an application of any of the persons or parties concerned made within 45 days of making such Decisions.

Directions or Orders, review such decisions, directions or orders and pass such appropriate orders as the Commission deems fit."

....

(relevant extract)

Therefore, Regulation 74 (B) is to be read in consonance with Section 94 (1) (f) of the Act to comprehend the ambit and scope of the power to review an Order passed by the Commission, as devolved on it.

iv) In this regard, it would be apposite to refer to the decision of the Hon'ble Supreme Court in ***State of West Bengal and Ors Vs Kamal Sen Gupta & Anr (2008) 8 SCC 612.***

In Kamal Sen Gupta (*supra*), the Hon'ble Supreme Court was considering the issues which related to Tribunal established under Section 4 of the Administrative Tribunals Act, 1985 being able to review their decisions. One of the issues therein related to interpretation of Section 22 (3) of the Administrative Tribunals Act, 1985. While considering a parametria (same) provision akin to Section 94 (1) (f) of the Act is exactly same in the content to Section 22 (3) of the Administrative Tribunals Act, 1985. The Hon'ble Supreme Court held that while considering the power of review such provisions will enable a Tribunal under that Act to exercise the powers of a Civil Court.

Essentially, this Hon'ble Commission is also vested with the powers of Civil Court in respect of matters relating to review of its decisions.

The relevant extract of the Hon'ble Supreme Court decision in Kamal Sen Gupta *(supra)* is as under :

> ***16.*** *With a view to achieve the object underlying the enactment of Article 323-A i.e. expeditious adjudication of service disputes/complaints, the tribunals established under the Act have been freed from the shackles of procedure enshrined in CPC but, at the same time, they have been vested with the powers of a civil court in respect of some matters including review of their decisions. This is clearly evinced from the plain language of Section 22 of the Act, which is reproduced below:*
>
> *"22. Procedure and powers of Tribunals………………*
>
> *………………………………………*
>
> *…………………………………………………………………*
>
> *(3) A Tribunal shall have, for the purposes of discharging its functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely,—*
>
> *(a) summoning and enforcing the attendance of any person and examining him on oath;*

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavits;

(d) subject to the provisions of Sections 123 and 124 of the Indian Evidence Act, 1872 (1 of 1872), requisitioning any public record or document or copy of such record or document from any office;

(e) issuing commissions for the examination of witnesses or, documents;

(f) reviewing its decisions;

(g) dismissing a representation for default or deciding it ex parte;

(h) setting aside any order of dismissal of any representation for default or any order passed by it ex parte; and

(i) any other matter which may be prescribed by the Central Government."

A reading of the above reproduced section makes it clear that even though a tribunal is not bound by the procedure laid down in CPC, it can exercise the powers of a civil court in relation to matters enumerated in clauses (a) to (i) of sub-section (3) including the power of reviewing its decision.

(relevant extract)

It is seen that in the said decision of Kamal Sen Gupta (*supra*) the Hon'ble Supreme Court having come to the conclusion about devolving the powers of the Civil Court on a Tribunal thereafter referred to the relevant portions of the Court of Civil Procedure, 1908 as under :

> *"17. The power of a civil court to review its judgment/decision is traceable in Section 114 CPC. The grounds on which review can be sought are enumerated in Order 47 Rule 1 CPC, which reads as under:*
>
> *"1. Application for review of judgment.—(1) Any person considering himself aggrieved—*
>
> *(a) by a decree or order from which an appeal is allowed, but from which no appeal has been preferred,*
>
> *(b) by a decree or order from which no appeal is allowed, or*
>
> *(c) by a decision on a reference from a Court of Small Causes,*
>
> *and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence was not within his knowledge or could not be produced by him at the time when the decree was passed or order made, or on account of some mistake or error apparent on the face of the record, or for any other sufficient reason, desires to obtain a review of the decree passed or order made against him, may apply for a review of judgment to the court which passed the decree or made the order."*
>
> *(relevant extract)*

Thus, to conclude Section 94(1)(f) of the Electricity Act read with Regulation 74 (B) of the JERC (Conduct of Business) Regulations, 2009 as amended empowers this Hon'ble Commission to invoke the powers vested in a civil court under the Code of Civil Procedure, 1908 ("**CPC**") to review its own decision.

6B) **The Power vested in the Hon'ble JERC to review its decision:**

i) It is seen from the contents in the preceding Paragraph (6A) that this Hon'ble Commission having been vested with the powers of a Civil Court to review its decision is entitled to review the Tariff Order dated 01.08.2023 in Petition No. 89 of 2022.

Thus, a plain reading of Section 94(1) (f) with Regulation 74 (B) demonstrates that this Hon'ble Commission has the power to review an order it has passed, if, inter alia, the following conditions (with reference to present proceedings) are satisfied:

a) No Appeal has been preferred against the order.

b) There is an "*error apparent on the face of the record*", or if there is "*any sufficient reason*" for review.

Therefore, it is respectfully submitted that a party can approach this Hon'ble Commission to review an order passed by the Hon'ble Commission in which there is an "*error apparent on the face of the record*".

ii) In a catena of judgments dealt with the aforesaid power of review as under :

In ***Thungabhadra Industries Ltd.*** **v.** ***Govt. of A.P.*** **- (1964) 5 SCR 174,** the Hon'ble Supreme Court held as follows

> *"............... where without any elaborate argument one could point to the error and say here is a substantial point of law which stares one in the face, and there could reasonably be no two opinions entertained about it, a clear case of error apparent on the face of the record would be made out."*

(relevant extract)

In ***Aribam Tuleshwar Sharma*** **v.** ***Aribam Pishak Sharma*** **- (1979) 4 SCC 389**, speaking through Chinnappa Reddy, J. the Hon'ble Supreme Court has made the following pertinent observations:

> *"............................... The power of review may be exercised on the discovery of new and important matter or evidence which, after the exercise of due diligence was not within the knowledge of the person seeking the review or could not be produced by him at the time when the order was made; it may be exercised where some mistake or error apparent on the face of the record is found, it may also be exercised on any analogous ground. ...."*

(relevant extract)

iii) Accordingly, the DNHDDPDCL herein approaches this Hon'ble Commission under Regulation 74 read with Section 94 (1) (f) of the Electricity Act, 2003 seeking review of the Order dated 01.08.2023 passed by this Hon'ble Commission in Petition No. 89 of 2022.

7) Thus, as stated above, DNHDDPDCL approaches this Hon'ble Commission seeking review of the Tariff Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No 89 of 2022, on following amongst other grounds, which reveal the errors apparent on record. These grounds are urged without prejudice to each other:

This Hon'ble Commission under the Electricity Act, 2003 regulates the Tariff of inter-alia Electricity Distribution Companies as per the provisions of the Act.

Determination of electricity tariff involves humongous and complex financial, technical and legal consideration by the Regulatory Commission. Therefore, the power conferred on this Hon'ble Commission under Regulation 74 (B) read with Section 94 (1) (f) of the Electricity Act, 2003, becomes imperative to address the errors apparent on record considering the ambit, the quantum and the complexities of the initial tariff Order. particularly when the errors are apparent on the face of the Order themselves.

The Hon'ble Supreme Court in ***State of Gujarat v. Utility Users' Welfare Assn.*, (2018) 6 SCC 21** came to the conclusion that determination of tariff is a regulatory process / function undertaken by the Electricity Regulatory Commission including this Hon'ble Commission. The Hon'ble Supreme Court in its decision in UUWA (*supra)* held as under:

> *"90. We may also look to the nature and functions performed by the State Commission. Functions of the State Commission are prescribed under Section 86 of the said Act. The enumerated functions are determination of tariff, regulation of electricity purchase and procurement process of distribution licensees, facilitating intra-State transmission, issuing licences to persons, promoting cogeneration and generation of electricity from renewable sources, levy fee, specify or enforce standards, fix trading margins. All these functions are regulatory in character rather than adjudicatory………………….."*
>
> *(relevant extract)*

A) <u>Inadvertent error in computation of the Power Purchase Cost (PPC) and FPPCA Revenue for F.Y. 2022-23.</u>

In accordance with the earlier Orders dated 31.03.2022 in Petition No. 66 of 2021 and 68 of 2021 passed by this Hon'ble Commission, DNHDDPDCL considered the PPC for F.Y. 2022-23 along with incremental requirements to be procured from exchange as per the rate approved in the said Orders. While doing so DNHDDPDCL also considered the revenue as per the Orders dated 31.03.2022. Accordingly, variation in cost of power purchase has been separately dealt with in the FPPCA since the same is a pass through for DISCOMS and does not warrant permanent tariff increase.

This Hon'ble Commission in the impugned Order dated 01.08.2023 has estimated the Power Purchase Cost for FY 2022-23 based on actual power purchase data for the period April 2022 to December 2022, to estimate for Q4 of FY 2022-23.

DNHDDPDCL submitted the month-wise PPC for the period April 2022 to December 2022 vide submission dated 14.06.2023. As per the same, the actual PPC for Apr 2022 to Dec 2022 works out to be Rs. 5.70 per kWh. However, in the impugned Order dated 01.08.2023, the average PPC estimated for the entire F.Y. 2022-23 is Rs. 5.17 per kWh.

TABLE – 1

Particulars	**Energy Units (Mus)**	**Fixed Charges (Rs.Crore)**	**Variable Charges (Rs./Kwh)**	**Variable Charges (Rs.Crore)**	**Total Charges (Rs.Crore)**	**Total Charges (Rs./Kwh)**
Q1 FY 2022-23 **(Actual)**	2,595.11	498.14	4.15	1,076.86	1,575.01	6.07
Q2 FY 2022-23 **(Actual)**	2,552.99	572.93	3.35	854.91	1,427.84	5.59
Q3 FY 2022-23 **(Actual)**	2,513.63	574.08	3.15	791.43	1,365.51	5.43
Total upto Q3 FY 2022-23 **(Actual)**	7,661.73	1,645.16	3.55	2,723.20	4,368.36	5.70
Approved for FY 2022-23 as per Order	10,349.41	1,932.65	3.30	3,413.51	5,346.05	5.17

Accordingly, considering revised estimation of power purchase cost of Rs 5.17 per kWh and transmission and distribution losses, Rapp for FY 22-23 works out to be about Rs 5.50 per kWh as against approved base Rapp of Rs 4.96 per kWh The working of derived RApp is detailed below in Table 2.

TABLE – 2 Working of Rapp (Rs/ kWh) for FY 22-23 based on approved PPC by Hon'ble JERC

Particulars	DNHDD PDCL
Total Power Purchase Cost (incl. Transmission Charges) approved by Hon'ble Commission (INR Crore), Papp	5346
Power Purchase Quantum from CGS Stations at Generator Ex-bus (MU). PPOapp	7,796
Approved Weighted Average Inter-State Transmission Loss (%), TLapp	3.66%
Power Purchase Quantum from sources within State/ Open Market, PPIapp	2,554
Quantum of Sale of Surplus Power (MU), PSOapp	-
Approved Intra-State T&D Loss (%), DLapp	3.35%
Energy Sales for LIG and Agriculture consumer category (MU), Zapp (MU)	14
Rapp as per the revised estimate for FY 22-23 (INR/kWh)	**5.50**

Based on revised estimation of Rs 5.50 per kWh, derived FPPCA works out to Rs 0.54 per kWh for FY 22-23 (i.e. Rs 5.50 per kWh – Rs 4.96 per kWh). As such any variation in the Power Purchase Cost (PPC) is reflected in quarterly FPPCA working and in turn such derived FPPCA gets recovered through quarterly FPPCA charges either in immediate subsequent quarter or spread over few subsequent quarters. However, the Hon'ble Commission has inadvertently considered revenue for FY 22-23 of FPPCA @ Rs 1.00 per kWh on account of revenue from FPPCA instead of Rs 0.54 per kWh corresponding to approved revised estimates of Power Purchase Cost of FY 2022-23. In other words, there is inadvertent estimation of higher revenue by Rs 445 Cr [= (Rs 1.00-Rs 0.54) x approved Sales of 9680 MU].

Ergo, a bare perusal of the above reveals the error apparent in the computation of the estimation of power purchase cost of FY 2022-23 and corresponding revenue from FPPCA for F.Y. 2022-23 and in turn, resulting into higher revenue.

Accordingly, there is an error apparent on the face on account of incremental Power Purchase cost vis-à-vis Revenue Recovery from FPPCA charges for F.Y. 2022-23 which needs to be addressed.

B) The present Petition seeks to invoke the power of this Hon'ble Commission in revisiting the methodology by revision thereof, as held by the Hon'ble Supreme Court in ***UPPCL Vs. NTPCL – (2009) 6 SCC 235***

> *"**34.** While exercising its power of review so far as alterations or amendment of a tariff is concerned, the Central Commission stricto sensu does not exercise a power akin to Section 114 of the Code of Civil Procedure or Order 47 Rule 1 thereof. Its jurisdiction, in that sense, as submitted by Mr Gupta, for the aforementioned purposes would not be barred in terms of Order 2 Rule 2 of the Code of Civil Procedure or the principles analogous thereto.*

35. <u>Revision of a tariff must be distinguished from review of a tariff order.</u> Whereas Regulation 92 of the 1999 Regulations provides for revision of tariff, Regulations 110 to 117 also provide for extensive power to be exercised by the Central Commission in regard to the proceedings before it.

…………………………………………….

*40. Regulations 92 and 94, in our opinion, **<u>do not restrict the power of the Central Commission to make additions or alterations in the tariff. Making of a tariff is a continuous process. It can be amended or altered by the Central Commission, if any occasion arises therefor</u>**. The said power can be exercised not only on an application filed by the generating companies but by the Commission also on its own motion.*

…………………………………………….

46. <u>The concept of regulatory jurisdiction provides for revisit of the tariff.</u> It is now a well-settled principle of law that a subordinate legislation validly made becomes a part of the Act and should be read as such.

…………………………………………….

49. Even otherwise the power of regulation conferred upon an authority with the obligations and functions that go with it and are incidental to it are not spent or exhausted with the grant of permission. (See State of U.P. v. Maharaja Dharmander Prasad Singh [(1989) 2 SCC 505] at SCC p. 522, para 52.) In that sense, the power of the Central Commission stricto sensu is not a judicial power.

50. This Court in V.S. Rice and Oil Mills v. State of A.P. [AIR 1964 SC 1781 : (1964) 7 SCR 456] held: (AIR p. 1787, para 20)

> *"20. Then it was faintly argued by Mr Setalvad that the power to regulate conferred on the respondent by Section 3(1) cannot include the power to increase the tariff rate; it would include the power to reduce the rates. This argument is entirely misconceived. The word 'regulate' is wide enough to confer power on the respondent to regulate either by increasing the rate, or decreasing the rate, the test being what is it that is necessary or expedient to be done to maintain, increase, or secure supply of the essential articles in question and to arrange for its equitable distribution and its availability at fair prices."*

(relevant extract)

Thus, this Hon'ble Commission exercises regulatory power while determining the methodology for deriving / estimation of the PPC of F.Y. 2022-23 and corresponding revenue from FPPCA. Therefore, in terms of the dictum of the Hon'ble Supreme Court in UPPCL (*supra)*, the Tariff Order dated 01.08.2023 in Petition No. 89 of 2022 can be revised to rectify the estimation of the PPC for F.Y. 2022-23 as well as the revenue for F.Y. 2022-23 which is estimated higher by Rs. 445 Cr. approximately on account of FPPCA recovery. Thus, the surplus of Rs. 496 Crore arrived at for FY 2022-23 is in fact not available upon rectification as above.

In the impugned Order dated 01.08.2023, Hon'ble Commission has further revised PPC for F.Y. 2023-24 (considering revised approved PPC of FY 2022-23) of Rs 5,544.84 Cr for procurement of 10,753 Mus. The same has culminated in per unit landed cost of power purchase (Rapp.) for FY 23-24 @ Rs 5.57 per kWh.

It may be noted that Average Billing Rate approved by Hon'ble Commission is Rs 5.20 per kWh as against Rapp of Rs 5.57 per kWh. Further, as explained hereinabove, since there is an inadvertent error in considering revenue for F.Y. 2022-23 higher by Rs 445 Cr, there is no reason for setting of higher PPC than ABR else same will result in substantial under recovery during F.Y. 2023-24.

In this regard, DNHDD PDCL would like to refer Electricity (Amendment) Rules, 2022 which stipulates detailed mechanism for Fuel and Power

Purchase Adjustment. As per the said mechanism, the shortfall in power purchase cost as compared to approved Power purchase Cost is to be recovered expeditiously on pass-through basis. However, as seen above, there will be substantial under recovery which will put additional burden of carrying cost to the consumers. Thus MoP Rules also emphasize to avoid any under recovery. Further, the under recovery also increases the cost to the end consumers by way of carrying cost. Hence, in accordance with the regulatory framework and the MoP Rules. DNHDDPDCL earnestly requests to revise Rapp as submitted above in the interest of all the stakeholders.

This error is revealed from mere perusal of the Order itself and it is humbly submitted that this error apparent on the record needs to be reviewed and rectified. DNHDDPDCL also submits that the Hon'ble Commission has exercised its regulatory power to correct the Rapp for FY 22-23 in the matters of ED-DD and DNH PDCL bearing Petition No. 66 of 2021 and 68 of 2021.

C) **Inadvertent error in computation of O & M Expense:**

It is indubitably. indicated in the impugned Order that the Hon'ble Commission will consider actuals of the O&M Expenses at the time of True-up of F.Y.2022-23. It is imperative to point out the computational error in the O & M Expense approved in the impugned Order.

i) **Erroneous consideration of employee expenses:**

The impugned Order has inadvertently considered the additional expenses at Rs.4.97 Cr for employees recruited by DNHDDPDCL instead of Rs. 14.61 Cr. for FY 22-23. The above error has resulted in the impact of Rs. 9.07 Cr. and 9.61 Cr. for FY 22-23 & FY 23-24 respectively.

ii) **Erroneous consideration of A&G Expenses:**

From the perusal of impugned Order it appears that Hon'ble Commission has inadvertently considered the actual A&G Expense for 9 Months instead of normalizing it for 12 months for FY 2022-23. The resultant adverse impact on DNHDDPDCL is of Rs. 6.33 Cr and Rs. 6.70 Cr for F.Y. 2022-23 & F.Y. 2023-24 respectively.

D) Time of Day Tariff-

In the tariff petition filed vide Petition no. 89/2022. DNHDDPDCL had proposed TOD Tariff in respect of HT/EHT consumers as DNH does not have TOD Tariff for LT Industrial consumers. In doing so. DNHDDPDCL ensured that requisite time is available to replace the meters before implementing the TOD Tariff for other categories.

Accordingly. DNHDDPDCL had proposed as under:

*"**Annexure-1: Proposed Tariff Schedule***

20. TOD Tariff: *For the purpose of TOD Tariff, the peak/off-peak/normal hours and charges in respect of HT/EHT consumers for the corresponding period provided in the table as follows:*

Time of Use	***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*

…………."

In turn, considering DNHDDPDCL's submission, Hon'ble JERC was pleased to approve the TOD Tariff as proposed, as under:

"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 130: Definition of Time of Day and applicable Tariff

Time of use	***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*

………"

However, while approving the TOD tariff in the order, Hon'ble JERC has not mentioned the applicability of TOD Tariff to only category of HT/EHT consumers. It may kindly be noted that earlier, TOD Tariff was applicable for categories of HT / EHT & LT Industrial in Daman and Diu and accordingly, TOD Meters/ features are already in place for these categories in Daman and Diu. However, in DNH area, TOD Meters/ Features are available only in HT/ EHT Category consumers as TOD Tariff was not applicable to LT Industrial Consumers. Accordingly, DNHDDPDCL requests the Hon'ble Commission to take note that DNHDDPDCL will replace the existing meters with TOD meters/ features in LT Industries during FY 23-24.

Accordingly, DNHDDPDCL will implement TOD Tariff for all HT/ EHT consumers and LT Industrial consumers; where TOD Meters are already installed. Thus, TOD tariff facility shall be extended to remaining consumers of LT Industries during FY 23-24 in phased manner upon replacement/ installation of existing meters with the meters with TOD features. Thus, DNHDDPDCL seeks limited review in terms of relief for transitory period only to the extent of operational aspect of fixing the TOD meters.

E) **HT/EHT Tariff:**

In the tariff petition, it was proposed that HT/EHT tariff shall be applicable to all consumers having Contract Demand above 100 kVA and not included in any other Tariff Category. The relevant extract of the petition is as under:

"Annexure-1: Proposed Tariff Schedule

RATES

7. RATE: HT/ EHT

This tariff schedule shall apply to all consumers having Contract Demand above 100 kVA and not included in any other Tariff Category.

………..”

In turn, Hon'ble JERC in its order dated 1st August, 2023 was pleased to approve the rate for HT/EHT category. Relevant extract is as under:

"8.1. Tariff Schedule

Table 128: Tariff Schedule for FY 2023-24

S. No.	*Category*	*Fixed Charges*	*Energy Charges*
4.	***HT/EHT INDUSTRIAL***		
(i)	*11 kV supply*		
(ii)	*66 kV supply*		
(iii)	*220 kV supply*		

………"

In this regard it may kindly be noted that in erstwhile Utility of DNH i.e. DNHPDCL, there was only one category named "HT/EHT Industrial" wherein all the consumers of Industries, Hotels, Government etc. having demand greater than 100 kVA were billed. However, in erstwhile Utility of ED-DD, there was separate category named "HT Commercial" with only six consumers.

Hence, while implementing uniform tariff, DNHDD PDCL has also proposed only one category named "HT/EHT" in line with tariff of DNH PDCL for all the HT/ EHT Consumers with demand greater than 100 kVA. However, from bare perusal of Order, it seems that "HT/EHT Industrial" is mentioned in the Tariff Schedule inadvertently in place of "HT/EHT".

In this background, DNHDDPDCL requests the Hon'ble Commission to kindly clarify that HT/EHT Tariff is applicable to all the consumers having Contract Demand above 100 kVA. Thus, DNHDDPDCL seeks limited review/clarifications only in respect of operational aspects.

8) DNHDDPDCL reserves their right to file detailed Application / Affidavit / Submission, if deemed fit and craves leave to add to the submissions as deemed necessary in the course of the proceedings before the Hon'ble Commission and at an appropriate stage.

9) The present Petition is not barred by limitation.

10) DNHDDPDCL is amenable to the jurisdiction of this Hon'ble Commission. The cause of action has arisen within the jurisdiction of this Hon'ble Commission. This Hon'ble Commission has therefore jurisdiction to try and entertain the present Petition.

11) DNHDDPDCL craves leave of this Hon'ble Commission to add, alter, modify and amend the aforesaid grounds during the pendency of this Review.

PRAYER

12) In the facts and circumstances, mentioned above, it is respectfully prayed that the Hon'ble Commission may be pleased to:

a) Admit the Petition;

b) Considering that the matter pertains to a tariff order, it may be heard expeditiously at urgent basis

c) Review the Order dated 01.08.2023 in Petition No. 89 of 2022 to the extent as prayed for in the above Petition particularly on the grounds of inadvertent error in computation of the Power Purchase Cost (PPC) & FPPCA Revenue for F.Y. 2022-23; and inadvertent error in computation of O & M Expense, applicability of TOD tariff and applicability of HT/EHT Tariff for all consumers having Contract Demand above 100 kVA.

d) Pending the hearing and final disposal of the present Review Petition, DNHDDPDCL be allowed the ABR of Rs. 5.20 per kWh (which was duly approved by this Hon'ble Commission in its Order dated 31.03.2022), as base per unit cost of power purchase (Rapp), as an interim arrangement, subject to adjustment at the time of final true up for F.Y. 2022-23;

e) Grant any other relief which this Hon'ble Commission may deem fit in the facts and circumstances of the case.

Place:

Date: September 13th 2023

DADRA AND NAGAR HAVELI AND DAMAN AND DIU POWER DISTRIBUTION CORPORATION LIMITED

Authorised Signatory

BEFORE THE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION FOR GOA AND UNION TERRITORIES, UDYOG VIHAR, PHASE-V, GURGAON

Serial No. A-08727/2023

REVIEW PETITION NO._________ OF 2023

(PARESH G. BAROT)
NOTARY
GOVT. OF INDIA

13 SEP 2023

IN THE MATTER OF: Filing of Petition under Section 94 of the Electricity Act, 2003 read with Regulation 74(B) of the JERC (Conduct of Business) Regulations, 2009;

AND

IN THE MATTER OF: Order dated 01.08.2023 passed by the Hon'ble Commission in Petition No. 89 of 2022;

AND

IN THE MATTER OF: Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited

1st & 2nd Floor, Vidyut Bhavan

Next to Secretariat Building, 66 kV Road

Dadra and Nagar Haveli and Daman and Diu – 396 230

...Petitioner

NOTARY · PARESH G. BAROT · AHMEDABAD DIST · Regd. No. 9565 · GOVT. OF INDIA

AFFIDAVIT

I, Chetan Bundela, son of Shri Manharlal Bundela, aged about 51 years, duly authorized by the Petitioner, DNHDDPDCL, having its office at 1st & 2nd Floor, Vidyut Bhavan, Next to Secretariat Building, 66 kV Road, Dadra and Nagar Haveli and Daman and Diu – 396230 do solemnly affirm and state on oath as under:


NOTARIAL
FIVE RUPEES
NOTARY
GOVT. OF INDIA
PARESH G. BAROT
AHMEDABAD DIST
Regd.No. 9585

1. That the deponent is authorized as per the resolution of the company dated 22nd May, 2023 and is acquainted with the facts deposed as below.

2. I, the deponent named above do hereby verify that the contents of the petition are based on the records of the DNHDDPDCL maintained in the ordinary course of business and believed them to be true and I believe that no part of it is false, and no material facts have been concealed therefrom.

DADRA AND NAGAR HAVELI AND DAMAN AND DIU POWER DISTRIBUTION CORPORATION LIMITED

(DEPONENT)

NOTARY G. BAROT ...BAD DIST ...No. 9585 ...OF INDIA

I, ________________, Advocate, ________________ do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this ______ day of September, 2023 at _____ pm/am by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about Section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

NOTARY PARESH G. BAROT AHMEDABAD DIST Regd.No. 9585 GOVT. OF INDIA

SOLEMNLY AFFIRMED BEFORE ME

(PARESH G. BAROT) NOTARY GOVT. OF INDIA

13 SEP 2023

TARIFF ORDER

Review of Aggregate Revenue Requirement of FY 2022-23,

Aggregate Revenue Requirement (ARR) for FY 2023-24

and

Determination of Retail Tariff for FY 2023-24

Petition No.89/2022

For

DNH and DD Power Distribution Corporation Limited

(DNHDDPDCL)

1st August, 2023

JOINT ELECTRICITY REGULATORY COMMISSION
For the State of Goa and Union Territories,
3rd and 4th Floor, Plot No. 55-56,
Sector -18, Udyog Vihar - Phase IV
Gurugram, (122015) Haryana
Telephone: +91(124) 4684705 Telefax: +91(124) 4684706
Website: www.jercuts.gov.in
E-mail: secy.jercuts@gov.in

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Table of Contents

List of Tables

List of Abbreviations

Abbreviation	Full Form
A&G	Administrative and General
ACoS	Average Cost of Supply
Act	The Electricity Act, 2003
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
KHSTPP	Kahalgaon Super Thermal Power Station
KSTPP	Korba Super Thermal Power Station

Abbreviation	Full Form
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
PLR	Prime Lending Rate
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 PLR	SBI Prime Lending Rate
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
Sipat	Sipat Super Thermal Power Station
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

Shri. Alok Tandon (Chairperson)

Smt. Jyoti Prasad, Member (Law)

Petition No. 89/2022

In the matter of

Approval of Review for ARR for FY 2022-23, Aggregate Revenue Requirement (ARR) and Determination of Retail Tariff for FY 2023-24 for DNHDDPDCL.

And in the matter of

DNH and DD Power Distribution Corporation Limited (DNHDDPDCL)..**Petitioner**

ORDER

1. This Order is passed in respect of a Petition filed by the DNH and DD Power Distribution Corporation Limited (DNHDDPDCL) (hereinafter referred to as "The Petitioner" or "DNHDDPDCL" or "The Licensee") for approval of Review of Annual Revenue Requirement for FY 2022-23, Aggregate Revenue Requirements (ARR) for FY 2023-24 and Tariff Proposal of DNHDDPDCL for FY 2023-24 before the Joint Electricity Regulatory Commission (hereinafter referred to as "The Commission" or "JERC").

2. The Commission scrutinized the said Petition and generally found it in order. The Commission admitted the Petition on 22nd March, 2023. The Commission thereafter requisitioned further information & clarifications on the data gaps observed to take a prudent view on the said Petition. Further, suggestions/comments were invited from the Public/Stakeholders. The Commission decided to conduct the Public Hearing which was held on 10th May, 2023 at 10:00 AM at Silvassa and at 04:00 PM at Daman and on 12th May, 2023 at 10:30 AM Diu and all the Stakeholders/Electricity Consumers present in the Public Hearing were heard. The Commission also held a Technical Validation Session on 31st May, 2023 to determine the sufficiency of data and the veracity of the information submitted.

3. The Commission, based on the Petitioner's submission & relevant JERC MYT Regulations, facts of the matter and after due diligence has approved the APR of FY 2022-23 and ARR for FY 2023-24 along with the Determination of Retail Tariff for FY 2023-24.

Secretary (I/c), JERC
(For Goa and UTs)

4. The summary has been provided as follows:

(a) The following table provides Standalone Revenue and Gap/(Surplus) as submitted by the Petitioner and approved by the Commissions in the APR of FY 2022-23:

Table 1: Standalone Revenue Gap/ (Surplus) approved for FY 2022-23 (INR Crore)

S. No.	Particulars	Petitioner's submission	Approved by Commission
1	Annual Revenue Requirement	5,064.45	5,493.78
2	Revenue from the Sale of Power	5,055.58	5,018.79
3	Revenue from Open Access Charges	-	-
4	Revenue from FPPCA	-	972.73
5	Total Revenue	5,055.58	5,991.51
6	**Revenue Gap/(Surplus)**	**8.87**	**(497.73)**

(b) The following table provides ARR, Revenue and Gap/(Surplus) as submitted by the Petitioner and approved by the Commission for FY 2023-24:

Table 2: Standalone Revenue Gap/ (Surplus) approved for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's submission	Approved by Commission
1	Net Revenue Requirement	5,261.46	5,648.12
2	Revenue from Retail Sales at approved Tariff	5,241.31	5,170.38
3	Revenue Gap / (Surplus)	**20.15**	**477.74**

(c) Accordingly, the following table provides the Cumulative Revenue Gap/ (Surplus) as submitted by the Petitioner and approved by the Commission at the end of FY 2023-24:

Table 3: Cumulative Revenue Gap/ (Surplus) approved by Commission at the end of FY 2023-24 (INR Crore)

S. No.	Particulars	Formula	Petitioner's submission	Approved by Commission
a	Opening Gap/ (Surplus)		9.23	(517.64)
b	Add: Gap/ (Surplus)		20.15	477.74
c	Closing Gap/ (Surplus)	c=a+b	29.38	(39.91)
d	Average Gap/ (Surplus)	d=(a+c)/2	19.30	(278.77)
e	Rate of Interest		8.00%	9.50%
f	Carrying/Holding cost	f=d*e	1.54	(26.48)
g	**Closing Gap/ (Surplus)**	**g=f+c**	**30.92**	**(66.39)**

(d) In view of the Cumulative nominal Surplus of INR 66.39 Crore at the end of FY 2023-24 and no Tariff revision sought by the Petitioner, the Commission has approved the Tariff Schedule for FY 2023-24 as proposed by the Petitioner for DNHDDPDCL.

5. This Order shall come into effect from 1st August, 2023 and shall remain applicable till further Orders. All existing provisions that are not modified by this Order shall continue to be in force.

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

Secretary (I/c), JERC
(For Goa and UTs)

English, having wide circulation in their respective areas of supply and upload the Tariff Order on its website.

7. Ordered accordingly. The attached documents giving detailed reasons, grounds and conditions are integral part of this Order.

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

Place: Gurugram, Haryana
Date: 1st August, 2023

Certified Copy

(S.D. Sharma)
Secretary (I/c), JERC

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Chapter 1: Introduction

1.1. About Joint Electricity Regulatory Commission (JERC)

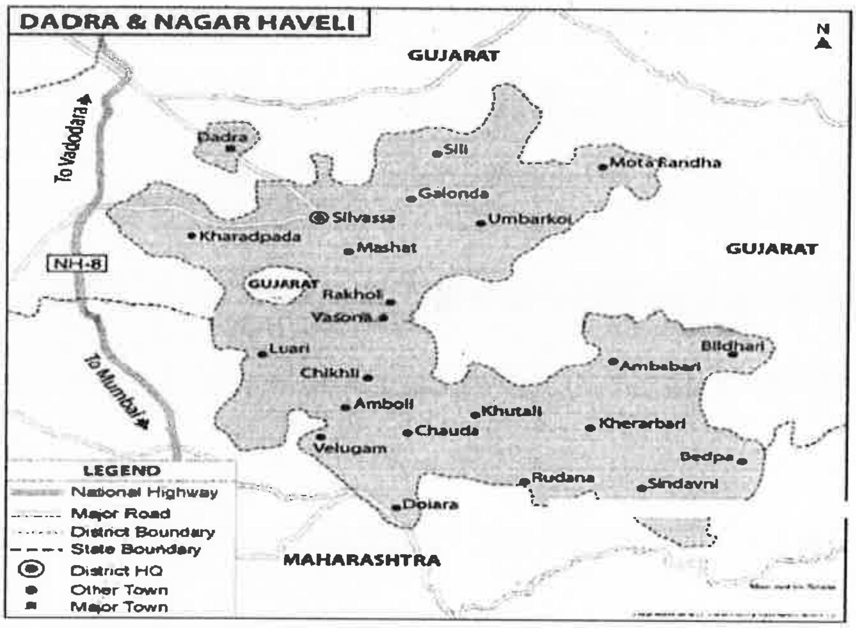
In exercise of powers conferred by the Electricity Act 2003, the Central Government constituted a Joint Electricity Regulatory Commission for all the Union Territories except Delhi to be known as the "Joint Electricity Regulatory Commission for the Union Territories" vide notification no. 23/52/2003-R&R dated 2nd May, 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 30th May, 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 the supply of electricity to all areas.

1.2. About Dadra and Nagar Haveli

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.



1.3. About Daman & Diu

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.

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.

1.4. 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.

On 16th May, 2020, the Government of India (GOI) announced Privatization of power departments/utilities in Union Territories (UTs) as a part of Aatmanirbhar Bharat Abhiyaan. The intent of this initiative is to provide to better service to customers, improvement in operational and financial efficiency in distribution & sale of power and will also provide a model for emulation by other utilities across the country.

Pursuant to the Atmanirbhar Bharat initiative of the Government of India and unification of the UTs of DNH and DD, the Administration of UT of DNH-DD (Administration) has resolved to unbundle/reorganize power distribution business in the following manner:

(i) A new Distribution Company, named as DNH and DD Power Distribution Corporation Limited (hereinafter referred to as “DNHDDPDCL” or “New Utility”) (DNHDDPDCL), has to undertake the business of distribution of electricity in the UT of DNH-DD.

(ii) Network at 11 kV and below voltage level of both erstwhile DNHPDCL and EDDD has to be transferred to the said new Distribution Company.

(iii) Residual network/assets of erstwhile DNHPDCL and EDDD would remain with respective entities and

(iv) DNHPDCL would be renamed as DNH and DD Power Corporation Limited (DNHDDPCL) and both the erstwhile entities namely DNHDDPCL and EDDD will function as transmission licensee.

The above restructuring and reorganization of power business in the area of UT of DNH and DD has already been notified by issuing ‘The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organisation and Reforms) Transfer Scheme 2022’ vide gazette notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/411 dated 09/03/2022.

Further, a Government Policy direction under Section 109 read with Section 108 of the Electricity Act 2003 has also been notified vide gazette notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/412 dated 09/03/2022 wherein the above said notification has been made effective from 01/04/2022.

The Government of India, carried out the Bidding Process for the privatization of the power distribution function in the UT of Dadra and Nagar Haveli and Daman and Diu. Torrent Power Limited, a Company incorporated under the Companies Act, 1956 was selected as H1 Bidder in the Bidding Process for the purchase of a 51% stake in the Power Distribution Company in the UT of Dadra and Nagar Haveli and Daman and Diu and LOI was issued in its favour.

Subsequently, a Special Purpose Vehicle, Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (hereinafter referred to as "DNHDDPDCL" for sake of brevity), was created to undertake the power distribution functions in the UT of Dadra and Nagar Haveli and Daman and Diu wherein Torrent Power Limited is having 51% stake and remaining 49% stake vests with Administrator of UT.

Existing Network

The total Distribution Network Capacity at 11 kV for DNHDDPDCL is of 656 MVA and is fed by the sub-transmission system of DNHDDPCL at Dadra and Nagar Haveli via 220/66 kV Kharadpada sub-station with capacity of 467 MVA and 220/66 kV Khadoli sub-station with a capacity of 320 MVA;

and sub-transmission system of EDDD at Daman and Diu via 220/66 kV Magarwada sub-station with capacity of 520 MVA and 220/66 kV Ringanwada sub-station with capacity of 260 MVA.

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

Table 4: 66/11 kV Sub-Transmission system feeding Distribution System of DNHDDPDCL at Dadra and Nagar Haveli

S. No.	Description of sub-station	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
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 5: 66/11 kV Sub-Transmission system feeding Distribution System of DNHDDPDCL at Daman and Diu

S. No.	Description of sub-station	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 6: Distribution Network Characteristics of DNHDDPDCL as on 01.04.2022

S. No.	Description	UOM	No.
1.	LT Line	Km	2,310
2.	11 kV Line	Km	1,186
3.	11 kV Substations	No.s	2,331
4.	Distribution Capacity at 11 kV	MVA	656
5.	Consumer Energy Meters (LT)	No.s	1,50,249
6.	Consumer Energy Meters (HT/EHT)	No.s	1,641

1.5. Multi-Year Tariff Regulation, 2021

The Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 on 22nd March, 2021. These Regulations are applicable in the 3rd MYT Control Period comprising three financial years from FY 2022- 23 to FY 2024-25. These Regulations are applicable to all the generation companies, transmission and distribution licensees in the State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra Nagar Haveli & Daman and Diu and Puducherry for determination of tariff in 3rd Control Period.

1.6. Approval of Business Plan for 3rd MYT Control Period

It is to note that DNHDDPDCL is a distribution licensee which is taking care of the distribution business of erstwhile DNHPDCL in Dadra and Nagar Haveli and EDDD in Daman & Diu w.e.f 1st April, 2022.

In accordance with the Regulation 8.1 and 17 of the JERC MYT Regulations 2021, the erstwhile **DNHPDCL** filed the Petition for approval of Business Plan for 3rd Multi-Year Control Period from FY 2022-23 to FY 2024-25 on 24th December, 2021. The Commission has issued the Business Plan Order for the MYT Control Period (hereinafter referred to as 'Business Plan Order') on 31st March, 2022.

Further, the Commission vide Order dated March 31, 2022 approved the MYT Order for True-up of FY 2020-21, Annual Performance Review for FY 2021-22, Aggregate Revenue Requirements (ARR) for 3rd MYT Control Period (FY 2022-23 to FY 2024-25) and Retail Tariff for FY 2022-23 along with Corrigendum on 13th June, 2022 for DNHPDCL.

In accordance with the Regulation 8.1 and 17 of the JERC MYT Regulations 2021, the erstwhile **EDDD** filed the Petition for approval of Business Plan for 3rd Multi-Year Control Period from FY 2022-23 to FY 2024-25 on December 22, 2021. The Commission issued the Business Plan Order for the MYT Control Period (hereinafter referred to as 'Business Plan Order') on 31st March, 2022.

Further, the Commission vide Order dated March 31, 2022 approved the MYT Order for True-up of FY 2020-21, Annual Performance Review for FY 2021-22, Aggregate Revenue Requirements (ARR) for 3rd MYT Control Period (FY 2022-23 to FY 2024-25) and Retail Tariff for FY 2022-23 for EDDD.

1.7. Policy Directions

As mentioned in paragraph 1.4 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."

Accordingly, as per provisions of Policy Directions, the True-up of DNH Power Distribution Corporation Limited (DNHPDCL) and Electricity Department of Daman & Diu (EDDD) for FY 2021-22 has been carried out as part of DNHDDPCL and EDDD Petitions respectively.

1.8. Filing and Admission of the Present Petition

In accordance with JERC's Order dated 27th February, 2023 by the Commission and Policy Directions, the Petitioner filed a modified Petition in accordance with the Regulation 12.1 of the JERC MYT Regulations, 2021 for approval of Review of Annual Revenue Requirement for FY 2022-23, Determination of Aggregate Revenue Requirement (ARR) for FY 2023-24 and Tariff for FY 2023-24 vide mail dated 10th March, 2023. After initial scrutiny/analysis, the present Petition was admitted on 22nd March, 2023 and numbered as 89/2022.

1.9. 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 information/clarifications were sought 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 information 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 7: List of interactions with the Petitioner

S. No	Subject	Date
1.	Receipt of Petition by the Commission	10th March, 2023
2.	Admission of the Petition by the Commission	22nd March, 2023
3.	1st Deficiency Note issued by the Commission	26th April, 2023
4.	Replies to 1st Deficiency Note received by the Commission	15th May, 2023 and 18th May, 2023
5.	2nd Deficiency Note issued by the Commission	22nd May, 2023
6.	Technical Validation Session (TVS) with Petitioner at JERC Office	31st May, 2023
7.	Technical Validation Session (TVS) Minutes issued	7th June, 2023
8.	Replies to 2nd Deficiency Note received by the Commission	15th June, 2023
9.	Reply received from Petitioner to queries raised during TVS	15th June, 2023
10.	Replies to Stakeholders Comments received from Petitioner	23rd June, 2023
11.	3rd Deficiency Note issued by the Commission	30th June, 2023
12.	Replies to 3rd Deficiency Note received by the Commission	3rd July, 2023

1.10. Notice for Public Hearing

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

Table 8: Details of Public Notices published by the Petitioner

S. No.	Date	Name of Newspaper	Place of Circulation
i)	22.04.2023	Financial Express (English)	Dadra & Nagar Haveli and Daman and Diu
ii)	22.04.2023	Silvassa Mirror (English)	
iii)	22.04.2023	Times of India (English)	
iv)	22.04.2023	Vartman Pravah (Gujrati)	
v)	22.04.2023	Daman Ganga Times (Gujrati)	
vi)	22.04.2023	Kesri (Gujrati)	
vii)	22.04.2023	Asli Azadi (Hindi)	

S. No.	Date	Name of Newspaper	Place of Circulation
viii)	22.04.2023	UT Today (Hindi)	

The Commission also published Public Notices in the leading newspapers as tabled below, giving due intimation to the stakeholders, consumers and the Public at large about the Public Hearing conducted by the Commission on 10th May, 2023 at Silvassa and Daman and 12th May, 2023 at Diu.

Table 9: Details of Public Notices published by the Commission

S. No.	Date	Name of Newspaper	Place of Circulation
1.	19.04.2023	Indian Express (English)	Dadra & Nagar Haveli
2.	19.04.2023	Gujarat Samachar (Gujarati)	
3.	19.04.2023	Nishpaksha Janasansar (Hindi)	
4.	19.04.2023	Saamna Times (Hindi)	
5.	19.04.2023	Times of India (English)	Daman & Diu
6.	20.04.2023	Asli Azadi (Hindi)	
7.	19.04.2023	Savera India Times (Gujarati)	

During the Public Hearing, the issues and concerns raised by the stakeholders in writing and/or voiced by them have been examined by the Commission. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission, have been summarized in Chapter 2.

1.11. Public Hearing

The Commission decided that the comments/suggestions of the stakeholders need to be heard for seeking their opinion. Accordingly, the Public Hearing was held on 10th May, 2023 at Silvassa and Daman and on 12th May, 2023 at Diu to enable the stakeholders to raise issues, if any, related to the Petition filed by the Petitioner. The issues and concerns raised by the stakeholders in writing and as voiced by them during the Public Hearing have been examined by the Commission. The names of the stakeholders who attended the Public Hearing are provided in **Annexure-I**. The major issues discussed, the responses of the Petitioner thereon and the views of the Commission have been summarized in Chapter 2 of this Order.

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 an abridged form duly inviting comments/suggestions from the Public as per the provisions of the JERC MYT Regulations, 2018 & 2021.

The Public Hearing was held on 10th May, 2023 at Silvassa and Daman and on 12th May, 2023 at Diu on the Petition for the Annual Performance Review (APR) of FY 2022-23 and Aggregate Revenue Requirements (ARR) for FY 2023-24 and Determination of Retail Tariff for FY 2023-24. During the Public Hearing, a few of the stakeholders who had submitted their comments in writing also presented 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 too, to present their views/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 Views

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:

2.2.1. Tariff Revision

Stakeholder's Comment:

A Kumar Industries stated that Daman and Dadar Nagar Haveli are the same Union Territory and are under same administration but have different tariff rates. As in Daman, tariff applicable for steel melting induction furnace is 75 paise higher than that of DNH and this difference is detrimental.

A Kumar Industries stated that, industry is affected by number of factors and it faces lot of ups and downs so sometimes industries have to cut down the production to avoid losses. However, due to fixed charges industries are unable to reduce production and like in many other States, they requested the Commission to allow reduction of Fixed Charges by half in case the unit wants to run only on a 12-hour single night shift. Punjab allows this and hence has saved a lot of industrial units from permanent closure. Further, they requested to allow temporary reduction or surrender of load if possible.

Wellknown Polysters Limited stated that there was gap of INR 59.03 Crore in FY 2021-22 which commission allowed in tariff order for FY 2022-23. The recovery of this gap was done through regulatory surcharge of 4.4% approved in tariff and recovered from consumer of Daman & Diu by DNHDDPDCL in FY 2022-23. While truing up the Commission for FY 2021-22 approved cumulative surplus of INR 28.62 crore for ARR of FY 2023-24. Hence the collected amount by DNHDDDCL should be returned back to consumers of Daman and Diu.

Wellknown Polysters Limited stated that as DNHDDPCL has filed one single ARR and Tariff Petition, there is increase in demand charges to 525 per KVA per month from Rs. 355 per KVA per month. This increase in demand charges increases the demand charge component of electricity tariff to Rs. 0.73 per unit from Rs. 0.50 per unit.

Federation of Industries Association requested to reduce the minimum demand level from 85% to 75% and reduce the demand charges by 15% in order to help the industries affected by the pandemic.

During the public hearing some of the stakeholders suggested to continue the differential tariff for DD and DNH.

Petitioner's Response:

Petitioner submits that at present it is billing Tariff as per the Tariff Orders dated 31.03.2022 issued for erstwhile entities i.e. EDDD & DNHPDCL in accordance with the provisions of the Transfer Scheme. Further, despite cumulative revenue gap of Rs. 30.94 Crore for FY 23-24, DNHDDPDCL has not proposed any increase in overall tariff. Rather it has proposed to unify the tariff of DD and DNH wherein lower of energy charge of DD/DNH is considered. As part of unification of the tariff structure, DNHDDDPCL has ensured that there is no discrimination between the consumers of the same category.

Further, Petitioner submitted that any variation in approved gap/(surplus) is recovered through the tariff. Accordingly, the adjustment of gap/(surplus) till FY 2021-22 is already considered by the Commission in intra-state transmission charges through the same order wherein Trued-up surplus of Rs 28.62 Crore is approved by the Commission.

Regarding fixed charges Petitioner has submitted that the Petitioner has taken over the operations from erstwhile Discoms with effect from 1st April, 2022. The Petitioner is the distribution licensee having single license for the UT of Dadra and Nagar Haveli and Daman and Diu. Accordingly, it has proposed to unify the tariff of DD and DNH wherein lower of energy charge of DD/DNH is considered. As part of unification of the tariff structure, DNHDDDPCL has ensured that there is no discrimination between two consumers of the same category.

Further, 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, DNHDDPDCL is revenue neutral and however, impact of any relaxation in the fixed charges would pass through in the tariff of other consumers and result in creation of new level of cross subsidisation, which is against the intent of the Electricity Act, 2003.

Regarding differential tariff for DD and DNH, the Petitioner submitted that as per the Transfer Scheme notified under Section 131 of Act, there will be single distribution licensee in place of erstwhile two distribution licensees. The Hon'ble Commission is required to determine the tariff for each category of consumers within the license area of a Distribution Licensee and there cannot be discrimination between same category of consumers.

Further, the summary of category-wise issues raised by stakeholder and the Petitioner's response in given in following Table:

Suggestions	Petitioner's Response
Tariff of Domestic / Agriculture is increased year on year basis	DNHDD PDCL has not increased the rate instead, it has proposed lower of rates approved for the erstwhile Utilities.
There is lack of clarity about eligibility criteria for LIG/Kutir Yojna. Definition of LIG to be amended to include 2 bulbs & 1 fan.	DNHDD PDCL has not proposed any change in Eligibility Criteria of LIG/Kutir Yojna. The same is applicable upto 2x40 W bulbs. Further, in case the consumption with 2x40 W bulbs goes above 50 kWh in a month, then Domestic tariff is applicable. Regarding amendment in the definition of LIG, DNHDD PDCL submits that being the distribution licensee, it is revenue neutral and impact of any relaxation in the definition would be pass through in the tariff of other consumers and result in creation of new level of cross-subsidisation, which is against the intent of the Electricity Act, 2003.
Tariff rates of Commercial and bakery shops are higher than industries.	DNHDD PDCL has not sought any increase in the tariff rates of Commercial category. It may kindly be noted that the rates of one category cannot be compared with other category in isolation.
Fixed charges should be removed and electricity should be made free to agriculture and small shops.	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, DNHDDPDCL is revenue neutral and impact of any relaxation in the fixed charges would be pass through in the tariff of other consumers and result in creation of new level of cross subsidisation, which is against the intent of the electricity Act, 2003
Rates of Public Lighting are high and needs to be reduced	The contention raised is not correct. DNHDD PDCL has not proposed any increase in the tariff. Instead, tariff is proposed at lower of the rates of erstwhile Utilities.
Fishing industry is declared it as part of Agriculture category by Govt. of India. Fishing allied Ice factories should also be declared as Agriculture.	It may kindly be noted that DNHDDPDCL has not proposed any change in definition of agriculture. Regarding the suggestion of including fishing allied ice factories in definition of Agriculture category it may kindly be noted that DNHDDPDCL. being the distribution licensee, is revenue neutral and impact of any relaxation in the definition would be pass through in the tariff of other consumers and result in creation of new level of cross subsidisation, which is against the intent of the Electricity Act, 2003.
Seasonal Tariff Category needs to be introduced as there are many consumers who operates only for few months.	It may kindly be noted that DNHDDPDCL has not proposed any new category in tariff structure.
To unify the tariff of DD and general industry in line with DNH consumers and fix lower of fixed and energy charges of DD and DNH. Further, suggest to treat steel melting furnace units as treatment given to copper induction melting furnace units	It may kindly be noted that despite cumulative revenue gap of Rs. 30.94 Crore for FY 23-24, DNHDDPDCL has not proposed any increase in overall tariff. Rather it has proposed to unify the tariff of DD and DNH wherein lower of energy charge of DD/DNH is considered. As part of unification of the tariff structure. DNHDDDPCL has ensured that there is no discrimination between the consumers of the same category.

Commission's View:

The Commission has taken note of the suggestions and replies of the Petitioner.

As per the provisions of Transfer Scheme and Policy Directions, the impact of truing up till FY 2021-22 has to be allowed in the residual entities i.e., DNHDDPCL and EDDD. Accordingly, the Commission has considered the impact of revenue gap and surplus up to FY 2021-22 in its Tariff Orders for DNHDDPCL and EDDD for FY 2023-24.

The Commission has dealt with the issues regarding revision in tariff proposed by the Petitioner on account of having uniform tariff in DD and DNH in Chapter 5 of the Order (Tariff Principles and Design).

As regards the reduction in billing demand, the Commission is of the view that the consumer needs to specify its Contract Demand considering the actual Demand as the same will help the Utility for better planning of its network and power purchase. Accordingly, the provision i.e. 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 is appropriate and does not need any modification.

Regarding differential tariff for DD and DNH, the Commission agrees with the views of the Petitioner that the Commission is required to determine the tariff for each category of consumers within the license area of a Distribution Licensee and there cannot be discrimination between same category of consumers. Accordingly, the Commission deliberated in Chapter 5 (Tariff Principles and Design) of the Order.

2.2.2. Transmission & Distribution Losses

Stakeholder's Comment:

During the public hearing, the stakeholder submitted that for FY 2020-21, EDDD has recorded distribution loss of 2.89%.

Federation of Industrial Association stated that the solar generation must be deducted while computation of distribution loss. Further, the intra-state transmission losses of 124.26 MUsfor FY 22-23 and 129.37 MUsfor FY 23-24 considered by the Petitioner results in duplication of losses

Petitioner's Response:

The Petitioner submitted that it is a licensee for the entire license area of UT of DD & DNH and is bound to follow 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 considered the Distribution Loss in its tariff petition accordingly. Further, any gain on account of a reduction in the Distribution Loss will also be shared with the consumers, as per the Provisions of the Transfer Scheme notified under Section 131 of the Act.

Further Petitioner stated that it has estimated the transmission losses for computing the energy requirement at the UT periphery. It may kindly be noted that same gets adjusted with actual Intra-state Transmission Loss for the particular year at the time of True-up. Further, the transmission losses are uncontrollable for any distribution licensee including the Petitioner.

Commission's View:

The Commission has dealt with the issue of Transmission and Distribution Losses for FY 2022-23 and FY 2023-24 in Chapter 3 (Annual Performance Review for FY 2022-23) and Chapter 4 (Annual Revenue Requirement for FY 2023-24) of the Order.

2.2.3. Power Purchase

Stakeholder's Comment:

Federation of Industrial Association stated that the average price of power purchase from solar generation at Rs. 6.22 per unit is higher than the market price of solar power of Rs. 3-4 per unit. Further, the Objector has also suggested that Petitioner should execute long term power purchase agreements with solar/wind agencies and cost of REC should be saved.

During the public hearing, the stakeholder submitted that the DNHDDPCL should purchase only long-term power and the purchase of REC should be avoided.

Petitioner's Response:

The Petitioner submitted that DNHDDPCL is fulfilling 90% of its power requirement through long term power purchase agreements with Central Generating Stations and only top up power is sourced from power exchange to address the variability in demand-supply.

Regarding REC purchase, the Petitioner submitted that it has initiated the bidding process for procurement of renewable power on Round-The-Clock (RTC) basis to fulfil its RPO requirement instead of purchasing REC.

Petitioner stated that the power purchase price of solar generation is considered as per the Commission's approval. Further, the Petitioner would also like to submit that the DNHDDPDCL is fulfilling 90% of its power requirement through long-term power purchase arrangement with Central Generating Stations. Only top up power is sourced from power exchange to address the non-availability of long-term source and / or variability in demand-supply. Regarding long-term agreement with wind/solar agencies and RECs, the Petitioner would like to submit that it has initiated the bidding process for procurement of Renewable Power on Round-The-Clock (RTC) basis to fulfil its RPO requirement instead of purchasing REC.

Commission's View:

The Commission has dealt with the issue of Power Purchase quantum and cost for FY 2022-23 and FY 2023-24 in Chapter 3 (Annual Performance Review for FY 2022-23) and Chapter 4 (Annual Revenue Requirement for FY 2023-24) of the Order.

As regards the suggestion of entire power to be procured from long term sources, around 90% of power to DNH and DD is being sourced through long-term contracts and balance power is procured through short-term including power exchange. The Commission is of the view that any Distribution Licensee needs to have some flexibility in power procurement to meet the demand-supply situation.

As regards the procurement of renewable power on long term basis instead of REC, the Commission appreciates the initiatives of the Petitioner on procurement of RE power on RTC basis.

2.2.4. O&M expenses

Stakeholder's Comment:

Wellknown Polyesters Limited stated that Employee expenses approved by Commission for FY 2022-23 for DD is Rs 17.5 Crore and DNH is Rs 17.64Crore totaling Rs 35.49 Crore for employees who were looking after transmission & distribution network of DNH & DD. DNHDDPDCL in its petition for review of FY2022-23 and determination of ARR tariff for FY2023-24 has proposed employee expenses of Rs. 41.26 Crore. The stakeholder sought the reason as to why there is increase by Rs. 5.77 Crore in employee expenses as this increased cost burdens to consumers.

Federation of Industrial Association stated that O&M expenses proposed by the Petitioner for FY 22-23 is higher than the O&M expenses approved for erstwhile entities.

Federation of Industrial Association stated that for computation of working capital, though O&M expenses include R&M expenses, separate 40% R&M expenses are considered. Further, Objector has contended that receivables of 60 days considered in working capital computation is on higher side.

Petitioner's Response:

The Petitioner submitted that the O&M expenses consist of Employee expenses, Administration & General expenses and Repair & Maintenance expenses. The Petitioner has taken over the operations from erstwhile Discoms with effect from 1st April, 2022. It is observed that network needs critical relook for regular preventive maintenance in addition to predictive & breakdown maintenance. Accordingly, the Petitioner has initiated various activities for improvement and better maintenance of the assets. Main drivers of O&M Expenses are business growth, inflation, standard of performance, condition of existing assets, exposure of the assets to general public & safety norms. Considering the level of activities, the Petitioner has considered the following:

As per the Transfer Scheme, all administrative offices and spaces owned by erstwhile Discoms have been kept with them. Accordingly, DNHDD PDCL has to arrange for premises at various locations in order to maintain its operations. Further, entire work force of staff category i.e. Permanent, Contractual and NMR have been transferred to the Petitioner as its employees and salaries / wages have also been revised.

It is observed that consumers were asked to provide manpower / material for any outage management. Even the transformer maintenance was earlier carried out at the Consumers' cost only. Hence, substantial expenses; which the erstwhile Distribution Licensee was required to carry out, was not incurred by the erstwhile Distribution licensees and accordingly, not reflected in the said distribution licensee's O&M Expenses. DNHDD PDCL has initiated actions to re-align the entire outage management Activities with the applicable norms.

There is a requirement for revamping of outage and material management system with IT support in order to track and manage planned / unplanned outages effectively.

Necessary system improvement is proposed to ensure reliability as well as safety of the working staff and common public. Further, there is a necessity to increase skilled manpower to train and develop the existing manpower to improve performance and quality of workmanship in addition to implementing good industrial practices coupled with safety.

Further, the Petitioner submitted that working capital is being computed as per the JERC MYT Regulations, 2021.

Commission's View:

The Commission has dealt with the issue of O&M Expenses and Interest on Working Capital for FY 2022-23 and FY 2023-24 in Chapter 3 (Annual Performance Review for FY 2022-23) and Chapter 4 (Annual Revenue Requirement for FY 2023-24) of the Order.

2.2.5. Incentive / Rebate / Penalty

Wellknown Polyesters Limited stated that DNHDDPDCL proposed tariff for 220 kV consumer demand charge of Rs. 575/kVA/month & energy change of Rs. 4.15 per unit. Based on this net tariff for 220 kV consumer is higher than 66 kV consumer. The 220 kV consumer contribute towards reduction in line transmission losses but does not getting benefit in tariff net rate.

Federation of Industrial Association stated that penalty clause for surrendering of contract demand within 2 years should be removed as many start-ups does not survive due to various reasons.

Petitioner's Response:

The Petitioner submitted that as per the existing tariff schedule which is applicable as "ad hoc" tariff in DD, there is no distinction in tariff of 220 kV consumers and 66kV consumers. Further, the proposed tariff structure will also be lower for existing 220 kV consumers in the DD area.

Further, the Petitioner submitted that recovery of charges for surrendering contract demand within 2 years is as per the prevailing regulatory framework.

Commission's View:

The Commission has dealt with the issues regarding revision in tariff proposed by the Petitioner on account of having uniform tariff in DD and DNH in Chapter 5 of the Order, i.e,, Tariff Principles and Design.

The recovery of charges for surrendering Contract Demand is governed by the JERC Supply Code Regulations as issued by he Commission and applicable to all the territories under the jurisdiction of the Commission.

2.2.6. *Capital Expenditure*

Wellknown Polyester Ltd. stated that DNHDDPDCL proposed capital expenditure for 33 kv supply New Network development but presently no new industries are coming in this area then why this unnecessary expenditure is required causing burden to the consumers.

Federation of Industrial Association sought details of benefits to customers considering the capital expenditure proposed for reliability, renovation and loss reduction

Electricity Department, Daman and Diu stated DNHDDPCL has proposed two numbers of 220/33 kV source sub-station, one each at Silvassa and Daman including 33/11 kV substations. It is not clear from the description provided in the petition how the Petitioner has proposed to construct these sub-stations since the EHV network is not under the scope of the utility. Further, the works related to above 11 KV voltage level are under the scope of Electricity Department and any new construction work and operation & maintenance of the existing network is also under the scope of Electricity Department. The proposed capital expenditure for these substations is Rs 62.71 Crore, which is a substantial amount and will burden the consumers of the territory.

Petitioner's Response:

The Petitioner submitted that considering the objectives of improving the reliability of the network, reducing the technical losses, and to cater the future load growth it has proposed to commission state-of-art 33/ 11 kV substations along with network. The 33/11 kV substations shall be established near the load centres, which will help in reducing the length of 11 kV lines. At present, if any consumer wants quantum of more than 5 MW the supply of electricity can be made available at 66 kV, whereas 33 kV voltage level helps to cater to the demand upto 25 MW. As the cost of creating 33 kV infrastructure is significantly lower than 66 kV, it will benefit all the consumers in reducing its cost.

Petitioner would like to submit that due to overhead line, higher number of interruptions are observed. To overcome the same, it is proposed to carry out undergrounding of existing overhead HT & LT network in a phased manner. The number of tripping shall reduce once Overhead to Underground conversion is completed. Further with laying of new network, the Petitioner will be able to cater to the demand of the consumers and optimal loading of network will also help in reducing the distribution losses. 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, 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. due to Infrastructure development such as bridges/ drainage line/ water pipeline by local authority & Government agencies, existing HT & LT network are required to be modified/upgraded.

It is further submitted that proposal of the Petitioner is within ambit of the Electricity Act, 2003. Even, erstwhile utilities of EDDD as well as DNH PDCL have established and maintained 220 kV and 66 kV network as a Distribution Licensee. And under the provisions of the Act and Regulations, there is a contemplation of creation of infrastructure at appropriate voltage level by the Distribution Licensee. Even Supply code also specifies, 33kV and above as part of distribution system. The Distribution Code also provides discretion to the Distribution Licensee to provide supply to consumers at EHT/HT level which inter-alia includes 220kV, 132kV, 66kV, 33 kV, 22 kV or 11 kV or voltage as agreed by the Distribution Licensee. Further, as per the Transfer Scheme formulated under Section 131 of the Act, there is no restriction on establishment of distribution network as may be required. Hence, the proposal of the Petitioner is also in line with the Transfer Scheme notified.

Commission's View

The Commission has dealt with the issue of Capital Expenditure and Capitalisation for FY 2022-23 and FY 2023-24 in Chapter 3 (Annual Performance Review for FY 2022-23) and Chapter 4 (Annual Revenue Requirement for FY 2023-24) of the Order.

2.2.7. Revenue

Federation of Industrial Association has submitted that the average rate for industrial units works to ~Rs. 5.4 per unit in addition to Rs. 1 per unit of FPPCA whereas the Petitioner has computed the Revenue at ~Rs. 5.30 per unit.

Petitioner's Response:

Petitioner submitted that it has computed the revenue and approved power purchase cost as per the approved tariff orders of the Commission. The Petitioner submits that it recovers FPPCA only in case of actual power purchase cost is higher than base power purchase cost.

Commission's View

The Commission has dealt with the issue of Revenue Computation for FY 2022-23 and FY 2023-24 in Chapter 3 (Annual Performance Review for FY 2022-23) and Chapter 4 (Annual Revenue Requirement for FY 2023-24) of the Order.

2.2.8. Regulatory Surcharge and Gap (Surplus):

Stakeholder's Comment:

During the public hearing, the stakeholder submitted that in FY 21-22, though EDDD did not have any gap, DNHDDPDCL has recovered Regulatory Surcharge @ 4.40% and it ought to be refunded to consumers of DD. The Stakeholder further submitted that the regulatory surcharge is to be recovered only during FY 22-23 and cannot be continued for April, 23 onwards.

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. Subsequently, the Hon'ble Commission vide its order dated 27.02.2023 at page no. 217 has observed that the tariff determined by the Hon'ble Commission for FY 2022-23 will be treated as ad hoc retail tariff for DNHDDPDCL for the distribution business and shall be applied till the tariff is determined by the Commission for FY 23-24. Accordingly, the Petitioner recovers the prevailing tariff: which inter alia includes Regulatory Surcharge as one of the Tariff Component.

The Petitioner further submitted that the Commission vide Order dated 31.03.2022 in Petition No. 66/2021 filed by Electricity Department of Daman & Diu, has determined the Cumulative Revenue Gap of Rs. 59.03 Crore upto FY 2021-22. Accordingly, the recovery of the cumulative Gap of Rs. 59.03 Crore is allowed through Regulatory Surcharge. It may kindly be noted that the actual recovery of the tariff including Regulatory Surcharge gets trued-up and accordingly gets adjusted in the subsequent Tariff exercise.

As regards continuation of Regulatory Surcharge from April, 23 onwards, the Petitioner submitted 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 22-23. 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 is at par with recovery of other component of Fixed & Energy Charge and in compliance to the prevailing orders of the Hon'ble Commission.

Commission's View

The Commission vide its Order dated 31.03.2022 for EDDD has directed to levy Regulatory Surcharge at 4.40% for FY 2022-23. The Regulatory Surcharge is a part of Tariff but the same is levied to recover the computed deficit or gap in FY 2021-22. Hence, the same should be levied for FY 2022-23 only. The excess amount recovered thorough Regulatory Surcharge beyond FY 2022-23 should be refunded to the respective consumers immediately.

2.2.9. Miscellaneous

A. Kumar Industries requested steel melting furnace should be treated as general industry and not as a special category made up for 5 units only. They further mentioned that Copper Induction melting furnace units using same technology are also treated as general industry

Karamchari NMR stated that the salary of the employees is low as it was promised that salary will increase within 1 year but yet not done and when Torrent Power came the salary of 21 employee of NMR was increased but not for the rest of the employees. The Stakeholder has submitted that there is discrimination in salary of NMR employees who are transferred from the erstwhile entities to DNHDDPDCL and the employees of DNHDDPDCL.

Hafiz Khan from Switz international Pvt ltd stated that they are facing a feeder loss problem and requested DNHDDPDCL to provide actual feeder loss for the months of March 2023 and April 2023 as per new Metering Cubical installed power consumption and wave off the previous excess feeder unit loss which are above 5%.

Federation of Industrial Association stated that "R" value of a category should not be more than the average power purchase price.

Federation of Industrial Association stated that there should be separate tariff category for seasonal industries as there are many consumers who operates only for few months.

Petitioner's Response:

The Petitioner submitted that the objector's contention about increase in salary of 21 NMR employees by DNHDDPDCL is incorrect. The salary of these 21 NMR employees has been increased by erstwhile entities. and regarding the allegation of discrimination in salary, the Petitioner strongly denies the baseless allegations and submits that post commencement of its operations w.e.f 1st April, 2022, the Petitioner has regularised the benefits to the NMR employees which were not being provided by the erstwhile entities.

To illustrate:

- Statutory requirements like Employee Provident Fund, Paid Holiday, Leave and Gratuity were not provided to employee under NMR category. After transfer of employees, DNHDDPDCL has complied with the requirement.
- Payment of bonus under the Bonus Act, 1965.

In view of the above, the contentions raised are misplaced and ought to be rejected summarily.

The Petitioner stated that stakeholder has made submissions regarding independent feeder loss allocation which is extraneous to the present proceedings and has no relevance to the Tariff proposal made by the Petitioner or otherwise relating to tariff to be determined for the activities of the Petitioner. In case the Objector has any issues regarding the operational aspects of the Petitioner, the Objector may approach the Consumer Grievance Redressal Forum established by the licensee under Section 42 of the Electricity Act, 2003 and the Ombudsman appointed by the Commission.

Further, Petitioner would like to submit that "R" value is considered as per the prevailing methodology of the Commission.

Regarding introduction of seasonal tariff Petitioner submitted that DNHDDPDCL has not proposed any new category in tariff structure.

Commission's View

The Commission has discussed the issue of change in category for steel melting furnace as general industry in line with the treatment given to copper induction melting furnace units and introduction of seasonal tariff category in Chapter 5 (Tariff Principles and Design) of the Order.

Regarding the issue related to revision in salary of some of the employees, the issue does not relate to the current Petition. The Employee Cost and the other cost has been dealt in APR and ARR CHapters

On the issue of independent feeder loss allocation, the Commission agrees with the views of the Petitioner that the issue is not related to APR and ARR Petition and the consumer may approach the Consumer Grievance Redressal Forum established by the licensee under Section 42 of the Electricity Act, 2003 and the Ombudsman appointed by the Commission for redressal.

As regards the R value, the Commission is of the view that it is governed by the provisions of Tariff Regulations and cannot be changed through the Tariff Order.

Chapter 3: Review of Aggregate Revenue Requirement for FY 2022-23

3.1. Background

The MYT Orders for FY 2022-23 was issued by the Commission on 31st March, 2022 (hereinafter referred to as 'MYT Order' or 'MYT Orders' for the purpose of APR of FY 2022-23) approving the True-up of FY 2020-21, Annual Performance Review of FY 2021-22, Aggregate Revenue Requirements (ARR) for 3rd MYT Control Period (FY2022-23 to FY 2024-25) and Retail Tariff for FY 2022-23 for erstwhile DNHPDCL and EDDD.

This Chapter covers the Review of Annual Revenue Requirement for FY 2022-23 for DNHDDPDCL. The Annual Performance Review for FY 2022-23 is to be carried out as per the provisions of the JERC (Generation, Transmission & Distribution Multi Year Tariff), Regulations, 2021.

""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:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges.

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:

.....

b) Annual Performance Review: a comparison of the revised estimates of performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;

.....

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

e) Other relevant details, if any.

12.4 Upon completion of the exercise, the Commission shall attribute any variations or expected variations in performance for variables specified under Regulation 13 below, to factors within the control of the Applicant (controllable factors) or to factors beyond the control of the Applicant (uncontrollable factors):

Provided that any variations or expected variations in performance, for variables other than those specified under Regulation 13.1 below shall not ordinarily be reviewed by the Commission during the Control Period and shall be attributed entirely to controllable factors:

Provided further that, where the Petitioner believes, for any variable not specified under Regulation 13.1, that there is a material variation or expected variation in performance for any year on account of uncontrollable factors, it may apply to the Commission for inclusion of such variable.

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:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

b) Approved aggregate gain or loss to the Transmission Licensee or Distribution Licensee on account of controllable factors, and the amount of such gains or such losses that may be shared in accordance with Regulation 15 of these Regulations:

Provided that, for a Generating Company, the above exercise shall be in accordance with prevalent CERC Tariff Regulations.

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 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;

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.

d) Revision of estimates and tariff for the ensuing Financial Year."

The Commission notes that post unbundling of DNHPDCL and EDDD, DNHDDPDCL is a Distribution utility as per "The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organization and Reforms) Transfer Scheme 2022" notified vide notification no. 1(FTS-118044)/Electricity Distribution/Privatization/2022/411 dated 09/03/2022 and is now engaged with distribution business in the area of DNH (Dadra and Nagar Haveli) and DD (Daman and Diu) w.e.f. 01/04/2022.

The Commission vide Deficiency Note dated 26.04.2023 directed the Petitioner to submit the final Opening Balance sheet of DNHDDPDCL approved by the Government. The Petitioner vide its reply dated 15.05.2023 submitted the Final Opening Balance Sheet notified by the Government.

The Commission observed that the Petitioner has filed the Petition for approval of APR for FY 2022-23 and ARR for FY 2023-24 along with Determination of Tariff for FY 2023-24 in accordance with the provisions of MYT Regulations, 2021, considering the opening Gross Block, Loan and Equity as approved in Opening Balance Sheet of DNHDDPDCL as on 1st April, 2022.

Accordingly, the Commission has considered this Petition filed for approval of APR for FY 2022-23 and ARR for FY 2023-24 along with Determination of Tariff for FY 2023-24, which is to be carried out as per the provisions of the JERC (Generation, Transmission & Distribution Multi Year Tariff), Regulations, 2021 (hereinafter referred to as "MYT Regulations, 2021").

3.2. Approach for the Review for FY 2022-23

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 2022-23 has been done based on actual data for 9 months and revised estimates for the remaining 3 months of FY 2022-23. The various cost elements constituting the Aggregate Revenue Requirement have been approved based on the actual information submitted by the Petitioner for the 9 (nine) months of FY 2022-23, the JERC MYT Regulations, 2021 and on the basis of the norms approved in the MYT Order dated 31st March, 2022 for erstwhile agencies DNHPDCL and EDDD.

3.3. Energy Sales

Petitioner's Submission

The Petitioner in its Petition submitted that the sales for FY 2022-23 in Dadra and Nagar Haveli and Daman and Diu have been considered as approved by the Commission vide its MYT Order dated 31st March, 2022 respectively. The combined sales of 9,487.55 MUs were approved by the Commission and same has been considered by the Petitioner.

Commission's Analysis:

The Commission vide Deficiency Note dated 26.04.2023 asked the Petitioner to submit the category-wise and month-wise actual sales for first 9 months of FY 2022-23, i.e., from April 2022 to December 2022. The Petitioner in response to Deficiency Note dated 26.04.2023 submitted the Sales for H1 FY 2022-23 only. The Commission after scrutinizing the information submitted by the Petitioner vide TVS Letter dated 07.06.2023 once again directed the Petitioner to submit the category-wise and month-wise actual sales for first 9 months of FY 2022-23, i.e., from April 2022 to December 2022. The Petitioner vide Letter dated 14.06.2023 submitted the requisite information with regards to the Actual Sales.

The Commission has noted the audited figures for FY 2021-22 for erstwhile DNHPDCL and EDDD and actual sales information by the Petitioner for the first 9 months of FY 2022-23.

For all the consumers' categories, the Commission has combined the actual energy sales of DNHPDCL and EDDD during the last three years. The Commission has considered actual energy sales provided by the Petitioner for the first 9 months of FY 2022-23 and using FY 2021-22 as base year, the Commission has extrapolated the average proportion of actual sale for the last quarter, i.e., January, 2022 to March, 2022 to First 3 Quarter of FY 2021-22 to estimate the annual energy sales for FY 2022-23.

The table below provides the combined energy sales approved by the Commission in the MYT Order for erstwhile DNHPDCL and EDDD for FY 2022-23, the Petitioner's submission and now approved by the Commission for FY 2022-23.

Table 10: Energy Sales approved by the Commission for FY 2022-23 (MU)

S. No.	Category	Approved in MYT Order (DNHPDCL and EDDD)	Petitioner's Submission	Now Approved by Commission
1	Domestic	334.99	334.99	305.43
2	Lifeline Consumer	8.11	8.11	7.40
3	Commercial/Non-Domestic	86.19	86.19	107.35
4	Agriculture	7.95	7.95	6.66
5	LT Industry	459.39	459.39	537.14
6	HT Industry	8567.86	8567.86	8,697.34
7	Public Lighting	7.73	7.73	5.89
8	Public Water Works	7.91	7.91	4.46
9	Temp. Supply	7.40	7.40	7.40
10	EV Charging Station	0.00	0.00	1.44
	Gross Total	**9487.53**	**9487.53**	**9,680.49**

The Commission approves energy sales of 9,680.49 MUs in the APR of FY 2022-23.

The Commission directs the Petitioner to submit territory-wise and category-wise Sales during True-up of FY 2022-23.

3.4. Open Access Sales

Petitioner's Submission

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

Commission's Analysis

The Petitioner has clarified that Open Access has not been used by any consumer. Hence, there is NIL Open Access Sales approved by the Commission for FY 2022-23.

3.5. Inter-State Transmission Loss

Petitioner's submission

The Petitioner has considered the Inter-State Transmission Loss of 3.66% in FY 2022-23.

Commission's Analysis

The Commission in the APR of FY 2022-23 has considered the Inter-State transmission losses in line with that approved in the MYT Order. The same shall be revised based on actuals during the True-up exercise of FY 2022-23.

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

Table 11: Inter-State Transmission Loss for FY 2022-23 (%)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Inter-State Transmission Losses	3.66%	3.66%	3.66%

The Commission approves Inter-State transmission loss of 3.66% in the APR of FY 2022-23.

3.6. Intra-State Transmission Loss

Petitioner's submission

The Petitioner has considered the Intra-State Transmission Loss of 1.25% in FY 2022-23.

Commission's Analysis

The Commission in the APR of FY 2022-23, taking approved transmission losses for Electricity Department, Transmission Division of UT of Dadra and Nagar Haveli (hereinafter referred to as "ED-DNH Transmission"), DNHDDPCL and EDDD in line with that approved in Tariff Order dated 30th March, 2023, respectively, has considered weighted average of the losses based on the actual energy approved at periphery in the True-up of FY 2021-22. The same shall be revised based on actuals during the True-up exercise of FY 2022-23.

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

Table 12: Intra-State Transmission Loss for FY 2022-23 (%)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Intra-State Transmission Losses	1.25%	0.48%

The Commission approves Intra-State transmission loss of 0.48% in the APR of FY 2022-23.

3.7. Distribution Loss

Petitioner's submission

The Petitioner has submitted distribution losses of 3.35% for FY 2022-23 as per the distribution loss trajectory specified for the Union Territory for the control period in the Policy Direction read with Transfer Scheme. The Petitioner has considered the distribution losses after considering approved sales and target stipulated in the Transfer Policy Directions.

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 has derived the Weighted average Distribution Loss for DNHDDPCL based on the Sales approved for EDDD and DNHPDCL and Distribution Losses approved for EDDD and DNHPDCL vide MYT Order dated 31st March, 2022 for erstwhile agency DNHPDCL and EDDD. The Details of the Distribution Loss approved for FY 2022-23 is given in the table below:

Table 13: Distribution loss derived for DNHDDPCL for FY 2022-23 (%)

S. No.	Particulars	Approved vide Order dt. 31.03.2022		Derived for DNHDDPCL
		DNHPDCL	EDDD	
1	Approved Retail Sales (MU)	6923.89	2563.66	9487.55

S. No.	Particulars	Approved vide Order dt. 31.03.2022		Derived for DNHDDPDCL
		DNHPDCL	EDDD	
2	Approved Distribution Loss (MU)	228.89	100.44	329.33
3	**Distribution Loss (%)**	**3.20%**	**3.77%**	**3.35%**

Further, in accordance with Regulation 15 of the MYT Regulations, 2021, mechanism for sharing of gains or losses on account of controllable factors, the Petitioner shall be allowed an incentive/disincentive based on the actual distribution loss achieved by the Petitioner during the True-up exercise.

The following table provides the detail of individual Distribution loss approved in the MYT Orders for erstwhile agencies DNHPDCL and EDDD, the Petitioner's submission and now approved by the Commission for DNHDDPDCL.

Table 14: Distribution loss for FY 2022-23 (%)

S. No.	Particulars	Approved in MYT Order dt. 31.03.2022 (DNHPDCL and EDDD)		Petitioner's Submission	Now Approved by Commission
1	Distribution Loss	3.20%	3.77%	3.35%	3.35%

The Commission approves distribution loss of 3.35% in the APR of FY 2022-23.

The Commission directs the Petitioner to submit territory-wise distribution losses during True-up along with Energy Audit Report.

3.8. Energy Balance

Petitioner's submission

The energy requirement as submitted by the Petitioner for FY 2022-23 has been shown in the following table:

Table 15: Energy Balance as submitted by the Petitioner for FY 2022-23 (MU)

Particulars	FY 2022-23
Sales	9,487.53
Open Access Sales	0.00
Less: Energy Savings	0.00
Total Sales	**9,487.53**
Distribution Loss (%)	3.35%
Add: Distribution Losses (MU)	329.33
Energy Required at Distribution Periphery	**9,816.38**
Intra-State Transmission Loss (%)	1.25%
Add: Intra-State Transmission Loss (MU)	124.26
Energy Requirement at UT Periphery	**9940.64**
Add: Sales to common pool consumer/UI Sale	0.00
Add: Sales through Power Exchange	0.00
Less: Own Generation	21.91
Total Energy Requirement at UT Periphery	**9,918.73**
Less: Energy Purchased through UI at Periphery	0.00
Less: Power from Power Exchange	711.29

Particulars	FY 2022-23
Less: Purchase from Renewable Sources	0.00
Less: Open Access Sale/Purchase by Consumers	0.00
Less: UI Overdrawl	0.00
Total Energy requirement from tied up sources	**9207.73**
Inter-state Transmission loss (%)	3.66%
Add: Inter-state Transmission loss (MU)	349.81
Energy Requirement from tied up sources & UI at Generator End	**9557.53**
Total Energy Requirement in UT including Open Access	**10290.44**

The Petitioner has estimated the Total Energy Requirement in UT including Open Access at STU periphery is 10290.44 MUs in the APR for FY 2022-23.

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 2022-23, as shown in the following Table:

Table 16: Energy Balance as approved by the Commission for FY 2022-23 (MU)

Sr. No.	Particulars	Formula	Petitioner's Submission	Now Approved by Commission
A	Energy sales within the State/UT		9,487.53	9,680.49
B	Open Access Sales		-	-
C	Less: Energy Savings		-	-
D	**Total Sales within the State/UT**	**D=A+B+C**	**9,487.53**	**9,680.49**
M'	Less: Solar Generation within State/UT		-	21.91
D'	**Net Total Sales within the State/UT**	**D'=D+M'**	**9,487.53**	**9,658.58**
	Distribution losses			
E	in %		3.35%	3.35%
F	In MU	F=G-D'	328.85	335.26
G	**Energy Required within Distribution Periphery**	**G=D'/(1-E)**	**9,816.38**	**9,993.84**
G'	**Energy Required at Distribution Periphery**	**G'=D/(1-E)**	**9,816.38**	**10,016.51**
	Intra-state Transmission Loss			
H	in %		1.25%	0.48%
I	In MU	I=J-G	124.26	48.35
J	**Energy Requirement at UT Periphery**	**J=G/(1-H)**	**9,940.64**	**10,042.19**
J'	**Energy Requirement within UT Periphery**	**J'=G'/(1-H)**	**9,940.64**	**10,064.97**
	Energy Transactions at Periphery			
K	Add: Sales to common pool consumer/UI Sale		-	-
L	Add: Sales through Power Exchange		-	-
M	Less: Solar Generation within State/UT		21.91	-
	Total Energy Requirement within UT		**9,918.73**	**10,064.10**
	Total Energy Requirement at UT Periphery		**9,918.73**	**10,042.19**
N	Less: Energy Purchased through UI at Periphery		-	20.64
O	Less: Purchase from Power Exchanges		711.00	2,511.00

Sr. No.	Particulars	Formula	Petitioner's Submission	Now Approved by Commission
P	Less: Purchase from Renewable sources		-	-
Q	Less: Open Access Sale by Consumers		-	-
R	Less: UI Overdrawl		-	-
S	**Total energy requirement at UT Periphery from tied-up Sources**	**S=J-M-M'-N-O-P-Q**	**9,207.73**	**7,510.55**
	Inter-state Transmission losses			
T	in %		3.66%	3.66%
U	in MU	U=V-S	349.81	285.33
V	**Total requirement from tied-up sources at Generator End (MU)**	**V=S/ (1-T)**	**9,557.53**	**7,795.88**
W	**Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State and Solar Generation within the State**	**W=V+O+M +M'**	**10,290.44**	**10,349.43**
X	**Total availability from tied up sources at Generator End (MU) including Solar Generation within State**	**X=V+N+M +M'**	**9,579.44**	**7,838.43**
Y	**Deficit/(surplus)**	**Y=X-W**	**711.00**	**2,511.00**

The Commission approves the Total Energy requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State is as 10,349.43 MUs in the APR for FY 2022-23. The Commission has estimated a deficit of 2,511.00 MUs and has assumed that the deficit power would have been purchased from the Open Market.

3.9. Power Purchase Quantum & Cost

3.9.1. Availability of power

Petitioner's submission:

The energy sourcing is planned to be done 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. The short-term sources include bilateral sources/Power Exchange. Accordingly, DNHDDPDCL has considered sourcing of balancing quantum from these sources.

Considering the existing tie-up and shortfall of RPO, DNHDDPDCL has been exploring procurement of renewable power from G-TAM/G-DAM markets. Further, considering the RPO shortfall and also to optimize power purchase cost, DNHDDPDCL is in the process of initiating bidding for RE RTC to meet the RPO shortfall expeditiously.

Petitioner submitted total Energy Availability of 9,207.94 MUs from Long Term sources at STU periphery and also stated that it will be procuring 1,119.96 MUs through Short-Term Purchase. Further, in response to 1st Deficiency Note issued by the Commission, the Petitioner submitted the revised energy availability as:

Table 17: Energy Availability submitted by the Petitioner for FY 2022-23 (MU)

Particulars	FY 2022-23
Net own generation	21.91
Net Purchase from Long Term Sources	9,207.94
Power Purchased from UI/ PX/ Short-Term	711.29
Net power purchase (1 +2 +3)	9,941.14
Total Energy Availability	**9,941.14**

Commission's Analysis:

The Commission sought month-wise actual power purchase data for the period from April, 2022 to December, 2022 from the Petitioner in the 1st Deficiency Note and reiterated the same during the TVS. Also, vide 3rd Deficiency Note, the Commission inquired about minuscule offtake from 3 Central Generating Stations viz. Kawas, JGPP and Ratnagiri for First 9 Months of FY 2022-23, in response the Petitioner submitted that these plants being Gas based Generating Stations are operated in Open Cycle and Closed Cycle Mode based on the aggregate schedule of DISCOMS on these plants. Accordingly, Gas based Generators declares Variable Charges for each month on month ahead basis for Open Cycle and Closed Cycle Operations.

After taking over the operations w.e.f. 01.04.2022, the Petitioner observed that Variable charges being declared by these Generators are exorbitantly high as against Variable Charges approved by the Hon'ble Commission for FY 2022-23 and even under most optimistic scenario (i.e considering lowest Variable Charge in Closed Cycle), DNHDDPDCL would have incurred additional burden of about Rs 466 Crore over and above approved Variable Charges. It may kindly be noted that DNHDD PDCL has ensured 24 x7 power supply without sourcing any power from these plants. Thus, these plants do not contribute to Resource Adequacy and DNHDDPDCL is able to ensure Resource Adequacy without these plants.

Under the circumstances, DNHDDPDCL has made efforts to optimize Power Purchase Cost. In turn, DNHDDPDCL has procured only 3.21 MUs from Kawas and Gandhar during first two months of taking over of operations on 01.04.2022. In lieu of purchase from these plants, DNHDDPDCL has procured equivalent quantum of power from short term sources at an average price below Rs 5.00 per kWh which has resulted into saving of about Rs 350 Crore for 697 Mus.

The Commission appreciates the efforts made by the Petitioner and directs the Petitioner to explore possibilities of long term and medium power sources to suffice the requirement presently being fulfilled by power exchange.

The Commission considered the provisional data for first 9 (nine) months of FY 2022-23 as submitted by the Petitioner and estimated the power purchase quantum for the remaining months of the financial year considering the 3 years (i.e., FY 2021-22, FY 2020-21 and FY 2019-20) historical combined data for power purchase from various generating stations. The source wise methodology followed for estimation of quantum of power procurement has been detailed as follows:

Availability of energy from NTPC Stations:

- Actual Power Purchase Quantum is available for first 9 (nine) months for FY 2022-23 and from January to March 2023, power purchase quantum for 14 of the total 18 NTPC plants has been estimated based on 3 years average of quantum of energy purchased from the respective station during these months (FY 2021-22, FY 2020-21 and FY 2019-20).
- For NTPC Kawas, JGPP, Khargone and Gadarwara for the power purchase quantum for January to March 2023, the Commission has considered the Petitioner's estimation of power purchase for entire year due to irregular scheduling of power from these stations. The actual power purchase of first 9 months is subtracted from total Power Purchase quantum submitted by the Petitioner. Remaining value of Power Purchase quantum from each plant is equally distributed in last 3 months of the FY 2022-23 to arrive at the month wise quantum purchased for FY 2022-23.

Availability of energy from NSPCL Bhilai station:

- Actual Power Purchase Quantum is available for first 9 (nine) months for FY 2022-23 and from January to March 2023, power purchase quantum has been estimated based on 3 years average of quantum of energy purchased from the respective station during these months (FY 2021-22, FY 2020-21 and FY 2019-20).

Availability from NPCIL stations and RGPPL:

- DNHDDPDCL receives supply from two NPCIL stations - Tarapur and Kakrapara atomic plants and also received power from Ratnagiri Gas and Power Private Limited. Actual Power Purchase Quantum is available for first 9 months for FY 2022-23 and from January to March 2023, power purchase quantum has been estimated based on average of 9 (nine) months for Tarapur and Kakrapara Atomic Stations.

- For Ratnagiri Gas and Power Private Limited, the Commission has considered the Petitioner's estimation of 17.10 MUs of power purchase for entire year due to irregular scheduling of power from the station. The actual power purchase of first 9 months, i.e., 3.11 MUs has been subtracted from total Power Purchase quantum submitted by the Petitioner. Remaining value of Power Purchase quantum has been equally distributed in last 3 months of the FY to arrive at the month-wise quantum purchased for FY 2022-23.

Availability of power from the within the State/UT i.e Solar (Roof-top and Ground mounted)

- The availability of these plants has been considered as per Petitioners submission and has been dealt in Section 3.10 of this order.

Availability of power from the Open Market, Unscheduled Interchange and Banking

- The Open market purchase of 1763.40 MUs for first 9 months has been considered as per actuals and for the remaining months, the quantum for purchase has been considered as 747.60 MUs to meet the total energy requirement for FY 2022-23.

- Quantum under UI Overdrawal/ Underdrawal for first 9 months of FY 2022-23 has been considered as 20.64 MUs as per actuals. No quantum is approved under UI Overdrawal by the Commission for the last quarter (January-March) of FY 2022-23.

3.9.2. Power Purchase Cost

Petitioner's submission:

The total power purchase cost has been worked out based on the energy availability estimated by the Petitioner and the approved power purchase cost for the sources and Intra-State Transmission charges as per:

(i) transmission charges as per the BPTAs executed with DNHPDCL and EDDD under the Transfer Scheme subject to adjustment as per the approval of the Hon'ble Commission; and

(ii) Transmission Charges approved by JERC for Intra-State Transmission System

The total power purchase cost of INR 4,884.76 Crore against quantum of 10,290.95 MUs is claimed by the Petitioner as per the above methodology. The Commission sought detailed break-up of the power purchase data in 1st Deficiency Note issued to the Petitioner. The Petitioner responded to the Deficiency Note with the data as presented in the following table:

Table 18: Power Purchase Quantum (MU) and Cost (INR Crore) submitted by Petitioner for FY 2022-23

S. No	Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	Rebate	All Charges Total	Per Unit Cost
	NTPC Stations							
1	KSTPP 1&2	763.30	49.49	110.94	-	-	160.43	2.10
2	KSTPS 3	212.79	28.01	29.43	-	-	57.44	2.70
3	VSTPP-I	400.05	35.17	66.47	-	-	101.64	2.54
4	VSTPP-II	313.39	20.90	49.63	-	-	70.53	2.25
5	VSTPP- III	342.68	34.46	54.05	-	-	88.51	2.58
6	VSTPP- IV	432.93	65.33	67.60	-	-	132.93	3.07

S. No	Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	Rebate	All Charges Total	Per Unit Cost
7	KGPP	370.78	69.62	135.10	-	-	204.72	5.52
8	GGPP	312.49	70.80	82.55	-	-	153.35	4.91
9	Sipat-I	857.28	106.28	129.56	-	-	235.84	2.75
10	Sipat-II	312.75	36.81	48.61	-	-	85.42	2.73
11	Mauda	49.96	16.57	15.95	-	-	32.52	6.51
12	VSTPS-V	243.24	39.98	39.42	-	-	79.40	3.26
13	Mauda 2	362.31	82.70	121.90	-	-	204.60	5.65
14	Solapur	713.63	122.13	253.53	-	-	375.66	5.26
15	KHSTPP-II	171.05	28.74	38.37	-	-	67.11	3.92
16	LARA	732.67	130.14	173.21	-	-	303.35	4.14
17	Gadarwara	772.14	155.17	225.38	-	-	380.55	4.93
18	KHTPP	506.03	91.22	148.84	-	-	240.06	4.74
	Subtotal	**7,869.47**	**1,183.52**	**1,790.54**	-	-	**2,974.06**	**3.78**
B	**NSPCL – Bhilai**	**1,179.00**	**198.32**	**312.24**	-	-	**510.56**	**4.33**
C	**NPCIL**							
1	KAPS	145.16	-	33.50	-	-	33.50	2.31
2	TAPS 3&4	347.02	-	117.86	-	-	117.86	3.40
	Subtotal	**492.18**	-	**151.36**	-	-	**151.36**	**3.08**
D	**RGPPL**	**17.10**	**13.34**	**10.35**	-	-	**23.69**	**13.85**
E	**Power purchase from Other Sources**							
1	Power Exchange/Bilateral	711.29	-	284.52	-	-	284.52	4.00
2	UI	-	-	-	-	-	-	-
3	Solar	21.91	-	13.77	-	-	13.77	6.28
4	Non Solar	-	-	-	-	-	-	-
5	Solar REC	-	-	-	-	-	-	-
6	Non Solar REC	-	-	-	133.37	-	133.37	-
7	Solar (SECI)	-	-	-	-	-	-	-
8	Wind (SECI)	-	-	-	-	-	-	-
	Subtotal	**733.20**	-	**298.29**	**133.37**	-	**431.66**	**5.89**
	Misc. Arrears	-	-	-	-	-	-	-
	Total Power Purchase	**10,290.95**	**1,395.18**	**2,562.78**	**133.37**	-	**4,091.33**	**3.98**
F	**Transmission Charges**							
1	PGCIL Charges				618.11		618.11	
2	POSOCO/WRLDC Charges				1.17		1.17	
3	Intra State Transmission Charges				172.40		172.40	
4	MSETCL				1.75		1.75	
	Grand Total of Charges	**10,290.95**	**1,395.18**	**2,562.78**	**926.80**	-	**4,884.76**	**4.75**

Commission's Analysis:

The Commission vide 1st Deficiency Note sought the month wise details of power purchase cost for first 9 months of FY 2022-23 from the Petitioner, i.e., from April 2022 to December 2022. The Petitioner in response submitted the details of power purchase cost for H1 FY 2022-23 only. The Commission after scrutinizing the information submitted by the Petitioner, vide TVS Minutes, again directed the Petitioner to submit month wise details of the power purchase cost for first 9 months of FY 2022-23, i.e., from April 2022 to December 2022. The Petitioner vide letter dated 14.06.2023 submitted the requisite information with regards to the Power Purchase Cost.

Based on the availability of data, following methodology has been adopted to work out the Power Purchase Cost for FY 2022-23:

- In order to allocate the actual Power Purchase Cost of Nine Months of FY 2022-23 into Fixed Cost, Variable Cost and Other Charges, the Commission has derived the ratio of Fixed Charge, Variable Charge and Other Charges based on the actual station wise 9 Months breakup of Total Power Purchase Cost of FY 2021-22. The same has been considered as the base for division of Total Power Purchase Cost into FC, VC and OC.

- Estimation of Q4 Charges has been done as under:

    - Fixed Charges:

        - Based on the methodology detailed above, the actual Fixed Costs have been considered for the first nine months for all stations for FY 2022-23.
        - The fixed costs for the remaining months of FY 2022-23 have been considered based on the Tariff Orders issued by the CERC for respective Central Generating Stations.
        - Fixed cost has been apportioned as per the DNHDDPDCL's share in each station and average of the annual plant availability factor achieved during the last three years.
        - The remaining fixed cost, after deducting the fixed cost already paid by the Petitioner during the first nine months from the Annual Fixed Cost share of Petitioner for a plant for whole year has been considered for the period January to March 2023.

    - Variable Charges:

        - Based on the methodology detailed above, the actual Variable Costs have been considered for the first nine months for all stations for FY 2022-23.
        - The per unit variable costs for various power stations and Open Market have been computed by taking the actual variable charges during the first 9 months from April 2022 to December 2022 for all the stations.
        - For computing variable cost for January 2023 to March 2023, the derived MUs at Ex-bus is multiplied by the average as per unit variable cost during the first 9 months of FY 2022-23.
        - For January to March 2023. the average per unit variable costs for Open Market purchase have been computed by multiplying required MUs through Open Market and per unit variable cost during the first 9 months of FY 2022-23 i.e., considering average rate of INR 5.26/kWh.

    - Other Charges:

        - Actual charges have been considered for the first 9 months of FY 2022-23. No other charges have been considered for the remaining months of FY 2022-23 being one time payment for the year.

➢ DNHDDPDCL has not provided any projections for RPO for FY 2022-23. Accordingly, no Cost towards RPO has been allowed for APR. The same shall be reviewed during the Truing-up exercise of FY 2022-23.

3.9.3. Transmission Charges

Petitioner's submission:

DNHDDPDCL estimated the transmission charges for FY 2022-23 as INR 793.43 Crore inclusive of PGCIL, POSOCO/WRLDC, MSETCL and Intra-State Transmission Charges being paid to DNHDDPCL (erstwhile DNHPDCL) and EDDD as per BPTAs signed subject to adjustment as per the approval of the Hon'ble Commission for FY 2022-23.

Further, the Petitioner submitted revised details in response to 1st Deficiency Note issued by the Commission wherein the Petitioner estimated total transmission charge of INR 793.43 Crore.

Commission's Analysis:

The Transmission Charges (including PGCIL Charges, POSOCO/WRLDC Charges and MSETCL Charges) have been approved in line with the charges as approved by the Commission for erstwhile agencies vide Order dated 31.03.2022. Intra-State Transmission Charges has been approved by the Commission in line with the Tariff Order approved by the Commission for ED-DNH Transmission, DNHDDPCL and EDDD dated 30th March, 2023. Accordingly, the Commission approves the Total Transmission Charges.

The Commission approves total of INR 801.45 Crore as Transmission Charges for FY 2022-23, the same shall be trued-up as per actuals.

The Commission observes that Petitioner has paid the transmission charges to ED-DNH Transmission, DNHDDPCL and EDDD on Adhoc basis as agreed in the BPTA signed with the respective utilities. The Petitioner is hereby directed to settle the amount with ED-DNH Transmission, DNHDDPCL and EDDD after adjusting Transmission Tariff approved by the Commission dated 30th March, 2023 vide their respective Tariff Orders.

3.9.4. Total power purchase quantum and cost approved by Commission

The following table provides the quantum of energy availability and the power purchase cost approved by the Commission for FY 2022-23:

Table 19: Power Purchase Quantum (MU) and cost (INR Crore) approved by the Commission for FY 2022-23

S. No	Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	Rebate	TOTAL	Per Unit Cost
	NTPC Stations							
1	KSTPP 1&2	687.34	53.55	222.01	1.68	-	277.24	4.03
2	KSTPS 3	154.37	26.97	40.04	(0.13)	-	66.88	4.33
3	VSTPP-I	321.03	34.36	97.60	1.45	-	133.41	4.16
4	VSTPP-II	252.67	23.07	82.71	0.01	-	105.78	4.19
5	VSTPP- III	281.74	29.80	82.90	(0.37)	-	112.32	3.99
6	VSTPP- IV	381.20	65.33	94.55	0.01	-	159.89	4.19
7	KGPP	371.00	72.08	22.14	0.00	-	94.22	2.54
8	GGPP	312.00	67.99	27.02	0.00	-	95.01	3.05
9	Sipat-I	589.49	103.09	150.48	(0.49)	-	253.08	4.29
10	Sipat-II	258.76	28.96	73.41	(0.15)	-	102.22	3.95
11	Mauda	74.28	15.16	19.95	0.07	-	35.18	4.74
12	VSTPS-V	206.28	41.59	52.19	(0.16)	-	93.62	4.54

S. No	Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	Rebate	TOTAL	Per Unit Cost
13	Mauda 2	299.44	88.65	80.49	0.60	-	169.74	5.67
14	Solapur	250.43	76.92	60.93	0.21	-	138.06	5.51
15	KHSTPP-II	26.16	4.55	8.48	(0.00)	-	13.02	4.98
16	LARA	517.21	87.53	138.76	(0.19)	-	226.10	4.37
17	Gadarwara	772.00	51.96	180.04	(0.19)	-	231.81	3.00
18	KHTPP	506.00	91.23	121.21	(0.14)	-	212.30	4.20
	Subtotal	**6,261.42**	**962.79**	**1,554.89**	**2.20**	-	**2,519.88**	**4.02**
B	**NSPCL – Bhilai**	**946.74**	**165.72**	**270.93**	**0.12**	-	**436.78**	**4.61**
C	**NPCIL**							
1	KAPS	149.61	-	53.47		-	53.47	3.57
2	TAPS 3&4	421.01	-	183.22		-	183.22	4.35
	Subtotal	**570.63**	-	**236.69**	-	-	**236.69**	**4.15**
D	**RGPPL**	**17.10**	**0.56**	**1.82**	**(0.20)**	-	**2.18**	**1.27**
E	**Power purchase from Other Sources**							
1	Power Exchange/Bilateral	2,511.00	-	1,308.14	-	-	1,308.14	5.21
2	UI	20.64	-	27.16	-	-	27.16	13.16
3	Solar	21.91	-	13.77	-	-	13.77	6.28
4	Non-Solar	-	-	-	-	-	-	-
5	Solar REC	-	-	-	-	-	-	-
6	Non-Solar REC	-	-	-	-	-	-	-
7	Solar (SECI)	-	-	-	-	-	-	-
8	Wind (SECI)	-	-	-	-	-	-	-
	Subtotal	**2,553.54**	-	**1,349.07**	-	-	**1,349.07**	**5.28**
	Misc. Arrears	-	-	-	-	-	-	-
	Total Power Purchase	**10,349.43**	**1,129.07**	**3,413.41**	**2.13**	-	**4,544.60**	**4.39**
F	**Transmission Charges**							
1	PGCIL Charges						618.10	
2	POSOCO/WRLDC Charges						1.17	
3	Intra State Transmission Charges						180.43	
4	MSETCL						1.75	
	Sub-Total of Transmission Charges						**801.45**	
	Grand Total of Charges	**10,349.43**	**1,129.07**	**3,413.41**	**2.13**	-	**5,346.05**	**5.17**

The Commission approves the quantum of power purchase as 10,349.43 MUs at the Generator periphery with total cost of INR 5,346.05 Crore in the APR for FY 2022-23.

3.10. Renewable Purchase Obligation (RPO)

Petitioner's submission:

The Petitioner submits that there is pendency of RPO as on 31st March, 2022 of around 2600 MUs (corresponding to ~27% of yearly demand - 1245 MUs Solar & 1341 MUs - non-solar) which is in addition to the current year RPO of ~1740 MUs (@18.35% RPO). Considering the existing tie-up and shortfall, DNHDDPDCL has been exploring procurement of renewable power from G-TAM/G-DAM markets. Further, considering the

RPO shortfall and to optimize power purchase cost, DNHDDPDCL is in the process of initiating bidding for RE RTC to meet the RPO shortfall expeditiously.

Commission's Analysis:

Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 provides:

"(1.1) Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

Also, the Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March, 2022 and approved the RPO trajectory, as per which the Petitioner should comply 18.35% of its total consumption through renewable sources (Solar: 9.00%, HPO: 0.35% and Other Non-solar: 9.00%) for FY 2022-23. This translates to the requirement of procurement of 871.24 MUs of solar energy, and 905.13 MUs of Non-solar energy in FY 2022-23.

Further, the Petitioner is required to clear the backlog of 2584.59 MUs (Solar: 1062.62 MUs and Non-Solar: 1521.97 MU) up to FY 2021-22 that has been carried forward.

Based on the above, the Commission has computed the cumulative RPO compliance at the end of FY 2022-23 as shown in the following table:

Table 20: Compliance status of Renewable Purchase Obligation (RPO) for FY 2022-23 (MUs)

S. No	Particulars	FY 2022-23
1	Solar Target	9.00%
2	Non-Solar Target	9.35%
	HPO	*0.66%*
	Other Non-Solar HPO	*9.00%*
Total Target		18.35%
3	Sales Within UT	9680.49
	RPO Target	
4	Solar	871.24
5	Non-Solar	905.13
	HPO	*33.88*
	Other Non-Solar HPO	*871.24*
Total RPO Target		**1776.37**
	RPO Compliance (Actual Purchase)	
6	Solar	21.91
7	Non-Solar	0
	HPO	*0*
	Other Non-Solar HPO	*0*
Total RPO Compliance (Actual Purchase)		**21.91**
	RPO Compliance (REC Certificate Purchase)	
8	Solar	0
9	Non-Solar	0
	HPO	*0*

S. No	Particulars	FY 2022-23
	Other Non-Solar HPO	*0*
Total RPO Compliance (REC Certificate)		**0**
	RPO Compliance (REC+Actual)	
10	Solar	21.91
11	Non-Solar	0.00
	HPO	*0.00*
	Other Non-Solar HPO	*0.00*
Total RPO Compliance		21.91
	Cumulative Requirement till current year	
12	Solar	3239.24
13	Non-Solar	4724.33
	HPO	*33.88*
	Other Non-Solar HPO	*4690.44*
	Total	**7963.57**
	Cumulative Compliance till current year	
14	Solar	1327.30
15	Non-Solar	2297.23
	HPO	*0.00*
	Other Non-Solar HPO	*2297.23*
Total		**3624.53**
	Cumulative Shortfall till current year	
16	Solar	1911.94
17	Non-Solar	2427.10
	HPO	*33.88*
	Other Non-Solar HPO	*2393.21*
Total		**4339.04**

The Commission directs the Petitioner to ensure compliance of RPO Targets and clear the Backlog on priority.

Based on the submissions of the Petitioner, the Commission has not approved any cost towards the fulfilment of RPO. The same would be reviewed during the Truing-up exercise for FY 2022-23 based on the actuals.

The Petitioner is directed to submit annual reports on power purchase from respective renewable power plants within the state including Solar Roof Top plants, Solar Ground Mounted plants and Other Renewable Sources within one month of the issue of the Order.

3.11. Operation & Maintenance Expenses

The Operation & Maintenance (O&M) Expenses comprise the Employee Expenses, Administrative and General (A&G) Expenses and the Repair & Maintenance (R&M) Expenses. The MYT Regulations, 2021 recognize the variation of O&M Expenses to be controllable.

Regulation 13.2 of the MYT Regulations, 2021, which recognizes O&M expenses as controllable, specifies the following:

"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:

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) Intrastate Transmission loss for transmission licensee;

e) Availability of transmission system;

f) Variations 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 labor 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:

........"

Regulation 52 of the MYT Regulation, 2021 states the following:

"52.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

52.2 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.

52.3 The Distribution 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 transmission Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

52.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

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

Where,

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

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

$\boldsymbol{A\&G_n = (A\&G_{n-1}) \times (CPI_{inflation})}$

'K' is a constant (expressed in %). Value of 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 the Wholesale Price Index (CPI) 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 and General Expenses of the Distribution Licensee for the n^{th} Year;

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

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

X_n is an efficiency factor for nth 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 nth Year. Value of G_n shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, and approved cost by the Commission in past and any other factor that the Commission feels appropriate:

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.

52.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

***52.6 For the purpose of estimation, the same value of factors – CPI $_{inflation}$ and WPI $_{inflation}$ shall be used for all Years of the Control Period.** However, the Commission shall consider the actual values of the factors – CPI $_{inflation}$ and WPI $_{inflation}$ during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation."*

Provided that at the time of truing up, the variation in the normative and actual O&M expenses shall be dealt in accordance with Regulation 15.

(Emphasis supplied)

3.11.1. Employee Expenses

Petitioner's submission

The Petitioner has taken over the operations of the UT of Dadra and Nagar Haveli and Daman and Diu with effect from 1st April, 2022. In view of the requirement for regular preventive maintenance in addition to predictive and breakdown maintenance, the Petitioner has taken up various activities for improvement of performance.

As part of the transfer process, employees have been transferred from erstwhile entities. However, considering the level of activities required to achieve the sustainable reliability targets, DNHDDPDCL has deployed necessary skilled manpower.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has submitted estimate for Employee Expenses of INR 40.93 Crore for FY 2022-23.

The Petitioner also provided Growth Rate (Gn) for Number of employees as:

Table 21: Growth in the number of employees (Gn) (%) submitted by the Petitioner

S. No	Particulars	As on 01-04-2022
1	Number of employees as on 1st April	789
2	Employees on deputation/ foreign service as on 1st April	0
3	Total number of employees (1+2)	789
4	Number of employees retired/retiring during the year	32
5	Number of employees added	72
6	Number of employees at the end of the year (4-5)	829
7	**Growth Rate (Gn)**	**5.07%**

Commission's Analysis

In accordance with the MYT Regulations, 2021, the Commission has determined the Employee expenses for FY 2022-23. The Regulation 6 of the MYT Regulations, 2021 specifies the following:

"6. Values for Base Year

6.1 The values for the Base Year of the Control Period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and other factors considered relevant by the Commission:

Provided that, in absence of availability of audited accounts or provisional accounts of last three (3) Years, the Commission may benchmark the parameters with other similar utilities to establish the values for Base Year:

Provided, further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts.

Noting down the submissions of the Petitioner with regard to O&M Expenses, the Commission took a legal opinion with regard to whether O&M Expenses for DNHDDPDCL shall be determined considering it a New Entity or O&M Expenses shall be determined based on Norms considering the Normative Expenses of Previous Distribution Business Entities i.e., EDDD and DNHPDCL with some additional O&M expenses subject to prudence check.

The Commission based on the Legal Opinion 06.07.2023 received from M/s. Arijit Maitra observed that DNHDDPDCL has been formed to transfer the existing distribution assets and functions of erstwhile agency EDDD and DNHPDCL u/s. 131 and 133 of the Act. Accordingly, the O&M expenditure for DNHDDPDCL should be considered based on O&M expenses of erstwhile Distribution businesses.

Further, Regulation 6 quoted above provides that the Commission may change the values for Base Year considering the actual figures from audited accounts. Since, the audited accounts are not available for DNHDDPDCL as the DNHDDPDCL took over the operations of the UT of Dadra and Nagar Haveli and Daman and Diu with effect from 1st April, 2022, the Commission, based on the True-up done for DNHDDPCL and EDDD on 30th March, 2023 and submission made by the respective entities in their respective Petitions, which have been discussed above has provisionally calculated the revised Employee Expenses for FY 2022-23 and applied the CPI Inflation for approving the revised Employee Expenses for FY 2022-23.

The Commission notes that approved normative Employee Expenses for erstwhile DNHPDCL and EDDD for FY 2022-23 vide MYT Orders dated 31st March, 2022 as INR 17.64 Crore and INR 17.85 Crore, respectively, and erstwhile utilities were managing intra-State Transmission as well as Distribution business.

Also, the approved normative Employee Expenses for FY 2021-22 for DNHDDPCL and EDDD vide ARR Orders dated 30th March, 2023 are as INR 14.73 Crore and INR 16.13 Crore, respectively, wherein the utilities were managing intra-State Transmission Business only.

Since, the DNHDDPCL and EDDD, as per Transfer Scheme are engaged only in intra-State transmission business since 1st April, 2022, the Commission sought the bifurcation of employees transferred to new utility

(DNHDDPDCL) and retained at DNHDDPCL and EDDD along with actual salaries paid in first half (H1) of FY 2022-23.

The Commission observes that as per Schedule-D of Transfer Scheme, 2022, a total of 281 employees of DNHPDCL and 417 employees of EDDD were to be transferred to DNHDDPDCL. Therefore, a total of 698 employees were to be transferred to DNHDDPDCL. The Commission sough details of opening employees from the Petitioner vide 3rd Deficiency Note. In response, the Petitioner submitted that total of 674 employees choose to join DNHDDPDCL and a total of 115 employees were recruited by DNHDDPDCL as on 1st April, 2022.

Accordingly, the Commission considers opening of Number of employees as follows:

Table 22: Growth in number of employees (Gn) (%) approved by the Commission

S. No	Particulars	As on 1st April, 2022
1.	Number of employees as on 1st April, 2022	789
2.	Number of employees retired/retiring during the year	32
3.	Number of employees added	72
4.	Number of employees at the end of the year (4-5)	829
5.	**Growth Rate (Gn)**	**5.07%**

The Commission also sought detailed breakup of employee expenses vide 1st Deficiency Note issued to the Petitioner and sought actual employee expenses up to December 2022 vide TVS Minutes dated 31st May, 2023. The Petitioner provided detailed breakup in response to the Deficiency Note and also provided actual expenses incurred up to December 2022 as INR 34.69 Crore vide response to TVS Minutes.

The CPI Inflation has been computed as follows:

Table 23: Average CPI Inflation Rate (%)

FY	Average of (Apr-Mar)	Increase in CPI Index	Average increase in CPI indices over 3 years
2018-19	299.92		
2019-20	322.50	7.53%	
2020-21	338.69	5.02%	
2021-22	356.06	5.13%	
		CPI Inflation	**5.89%**

Also, the Commission vide 3rd Deficiency Note also sought the grade-wise average salary details for additional employees recruited by DNHDDPDCL to tally the opening strength of 789 employees as on 1st April, 2022. In response, the Petitioner submitted the grade-wise average salary details.

Based on the analysis of the Petitioner's submissions, the Commission approves the number of employees transferred from erstwhile entities as 674 employees as 24 employees did not consent to join DNHDDPDCL. Accordingly, the Commission has considered additional recruitment of 115 employees made by DNHDDPDCL to tally the opening strength of 789 employees as on 1st April, 2022.

The Commission approved the normative employee expenses for FY 2021-22 for combined entities DNHPDCL and EDDD, based on the submissions of erstwhile entities during APR and ARR Tariff proceedings.

The Commission allocated the normative employee expenses approved for FY 2021-22 by considering the ratio of actual basic salary paid to Employees transferred to DNHDDPDCL from the erstwhile DNHPDCL and EDDD to the total actual basic salary paid to Employees of Combined DNHPDCL and Combined EDDD Entity (excluding the salary details pertaining to Superannuation, Transfer, etc.) during truing up of FY 2021-22. The ratio of salary of employees transferred to DNHDDPDCL from the erstwhile DNHPDCL and EDDD worked out to be 61.04% and 48.92%

Accordingly, the Commission found it to be prudent to consider 61.04% and 48.92% to calculate the Revised Normative Employee Expenses approved during truing up of FY 2021-22 as the Revised Normative Employee Expenses pertaining to 698 Employee Expenses transferred to DNHDDPDCL as INR 16.88 Crore

The Revised Normative Employee Expenses of INR 16.88 Crore retained by DNHDDPDCL for FY 2021-22 along with the additional employee expenses of INR 4.15 Crore considering the grade-wise average salary details of additional employees deployed by DNHDDPDCL for additionally necessary skilled manpower in lieu of activities required to achieving the sustainable reliability targets, have been escalated with average CPI inflation of 5.89% & Employee Growth Rate (Gn) of 5.07% for FY 2022-23 as submitted by the Petitioner to approve the Employee Expenses for FY 2022-23.

Based on the above, the following table provides Employee expenses approved by the Commission for FY 2022-23:

Table 24: Employee Expenses approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Derived for FY 2021-22	Petitioner's Submission	Now Approved by Commission
1	Normative Employee Expenses transferred from erstwhile Entities	16.88	-	16.88
2	Actual Employee Expenses for Additionally Deployed Employees	-		4.97
3	Growth in number of employees (Gn)	-		5.07%
4	CPI Inflation for the preceding three years (CPI)	-		5.89%
5	**Employee Expenses**	**16.88**	**40.93**	**24.32**

The Commission at this stage approves employee expenses of INR 24.32 Crore in the APR of FY 2022-23 subject to True-up. The Commission will carry out the detailed prudence check of actual employee expenses for FY 2022-23 during truing-up and the Commission may revise the employee expenses for FY 2022-23 accordingly.

3.11.2. Administrative and General (A&G) Expenses

Petitioner's submission

The Petitioner has submitted that as per the Transfer Scheme, all the administrative offices owned by erstwhile Discoms have been retained by them. Accordingly, the Petitioner has to arrange for rented premises at multiple locations within the licence area in order to comply with the operational norms. Similarly, Administrative and General expenses are required to be incurred in terms of need-based deployment of a contractual workforce.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has submitted estimate of INR 21.18 Crore towards A&G expenses for FY 2022-23.

The Commission sought detailed breakup of A&G Expenses and up to December 2022 vide TVS Minutes and in response the Petitioner submitted actual expenses of INR 24.79 Crore up to December 2022.

Commission's Analysis

The Commission has considered the actual A&G expenses up to December 2022 after adjusting Provision for Bad & Doubtful Debt, considering Tariff Petition Filling Fee as per actual and has considered the CPI Inflation for approving the A&G Expenses for FY 2022-23. The Tariff Petition Filing Fee has been added to the A&G Expenses worked out to arrive at the Final A&G Expenses approved for FY 2022-23. The A&G expenses for FY 2022-23 are as shown in the following table:

Table 25: A&G Expenses approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	A&G Expense for FY 2022-23 up to December 2022	24.79	12.10*
2	CPI Inflation		5.89%
3	A&G Expenses for FY 2022-23		12.81
4	Total Administration & General Expenses for FY 2022-23 after adding back JERC Filing Fee	**21.18**	**18.64**

* *Exclusive of Doubtful Debt of Rs. 6.86 Crore and JERC Filing Fee of Rs. 5.83 Crore*

The Commission now approves the Administrative & General (A&G) expenses of INR 18.64 Crore in the APR for FY 2022-23 subject to True-up.

3.11.3. Repair & Maintenance (R&M) Expenses

Petitioner's submission

The Petitioner has submitted that the Commission requires the Petitioner to meet stringent performance standards and ensuring high reliability of supply, hence, DNHDDPDCL is incurring necessary expenditure for repairs and maintenance also. Further, O&M being the responsibility of the Distribution Licensee, the Petitioner has also aligned outage management and ensured that complete activity of fault management is done by the Licensee. In order to track and manage planned/unplanned outages effectively, the Petitioner is also in process of revamping the outage management system and IT support system including revamping of material management system. The Petitioner always keeps safety as a prime objective and accordingly, the Petitioner has been making necessary improvement in the system to ensure safety of the working staff as well.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee, which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has submitted estimate of INR 32.68 Crore towards R&M for FY 2022-23.

Commission's Analysis

Noting down the submissions of the Petitioner with regard to O&M Expenses, the Commission observed that DNHDDPDCL has been formed to transfer the existing distribution assets and functions of erstwhile agency EDDD and DNHPDCL u/s. 131 and 133 of the Act.

Accordingly, the O&M expenditure for DNHDDPDCL should be considered based on O&M expenses of erstwhile Distribution businesses and DNHDDPDCL's expenses shall not be determined considering it a New Entity and are being determined based on Norms considering the Normative Expenses of Previous Distribution Business Entities i.e., EDDD and DNHPDCL.

The Commissions has derived revised 'K' factor, i.e., 2.32% based on Opening GFA approved for FY 2022-23 in the Opening Balance Sheet of the erstwhile entities i.e., DNHPDCL and EDDD and 'K' factor approved for the respective entities approved by the Commission in MYT order dated 31st March, 2022 for FY 2022-23.

Table 26: Computation of 'K' factor (%)

Particulars	Approved for DNHPDCL	Approved for EDDD	Weighted Average 'K' Factor
'K' Factor	2.13%	2.53%	2.32%
Opening GFA	264.43	244.75	

Further, as provided in Regulations 52.6, the WPI Inflation has been computed as follows:

Table 27: Computation of WPI Inflation (%)

FY	Average of (Apr-Mar)	Increase in WPI Index	Average increase in WPI indices over 3 years
2018-19	119.79		
2019-20	121.80	1.68%	
2020-21	123.38	1.29%	
2021-22	139.41	13.00%	
		Total	**5.32%**

The Opening GFA for FY 2022-23 as per Opening Balance Sheet for DNHDDPDCL has been considered for computation of R&M expenses for FY 2022-23. Hence, the R&M expenses approved by the Commission for FY 2022-23 are as provided in the following table:

Table 28: R&M approved by the Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening GFA for DNHDDPDCL	-	509.18
2	K factor approved (K)	-	2.32%
3	WPI Inflation	-	5.32%
	R&M Expenses = (K x (GFA $_{n-1}$) x (1+WPI$_{inflation}$)	**32.68**	**12.45**

The Commission at this stage approves the Repair & Maintenance (R&M) expenses of INR 12.45 Crore in the APR of FY 2022-23. The Commission will carry out the detailed prudence check of actual R&M expenses for FY 2022-23 during truing-up and the Commission may revise the R&M expenses for FY 2022-23 accordingly.

Keeping in view the fact that DNHDDPDCL has old network which requires frequent repair and maintenance, the Commission directs the Petitioner to give complete details of R&M Expenses in the Petition for True-up of FY 2022-23.

3.11.4. Total Operation and Maintenance (O&M) Expenses

The following table provides the O&M expenses submitted by the Petitioner and O&M expenses now approved by the Commission:

Table 29: O&M Expenses approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Employee Expenses	40.93	24.32
2	Administrative & General Expenses	21.18	18.64
3	Repair & Maintenance Expenses	32.68	12.45
4	**Total Operation & Maintenance Expenses**	**94.79**	**55.41**

The Commission approves the Operation & Maintenance (O&M) expenses of INR 55.41 Crore in the APR of FY 2022-23 subject to True-up.

3.12. Gross Fixed Assets (GFA) and Capitalization

Petitioner's submission

The Petitioner has requested the Commission to approve the capital expenditure and capitalization as given in the following table:

Table 30: Capital Expenditure & Capitalization submitted by the Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Capital Expenditure	114.17
2	Capitalization	100.96

The Commission also sought actual capital expenditure and capitalization up to December 2022 vide TVS Minutes. The Petitioner submitted in response that INR 37.48 Crore is the capital expenditure and INR 15.86 Crore is the capitalization up to December 2022 along with revised submission as follows:

Table 31: Revised Capital Expenditure & Capitalization submitted by the Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Capital Expenditure	90.00
2	Capitalization	75.00

Commission's Analysis

The Petitioner has proposed the revised capital expenditure and capitalization as approved by the Commission in its MYT Order dated 31st March, 2022.

The Commission sought supporting documents as well as scheme-wise details for the Capitalization of INR 100.96 Crore claimed by the Petitioner vide 1st Deficiency Note, 2nd Deficiency Note and also directed the Petitioner to submit actual details up to December 2022 vide TVS Minutes. The Petitioner submitted revised details in response to 2nd Deficiency Note issued to the Petitioner stating that as per revised estimates, DNHDDPDCL shall be able to incur a total capex of about INR 90.00 Crore during FY 2022-23 with capitalisation of INR 75.00 Crore.

Accordingly, the Commission at this stage after considering the revised details submitted by the Petitioner and considering the schemes which likely to be capitalized in FY 2022-23, approved the capital expenditure and capitalisation is as shown in Table below. The same shall be reviewed based on actuals during the Truing Up exercise.

Table 32: Capital Expenditure & Capitalization approved by the Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Approved in MYT Order (DNHPDCL & EDDD)	Petitioner's Revised Submission	Now Approved by Commission
1	Capital Expenditure	56.43	90.00	90.00
2	Capitalization	37.43	75.00	75.00

The Commission approves capital expenditure of INR 90.00 Crore and Capitalization of INR 75.00 Crore in the APR for FY 2022-23.

The Commission also directs the Petitioner to timely submit the quarterly reports to the Commission for Capital Expenditure and Capitalization.

3.13. Capital Structure

Petitioner's Submission

The Petitioner has considered funding of the Assets capitalized during FY 2022-23 on normative debt-equity ratio of 70:30 as per the MYT Regulations, 2021.

The debt and equity component is estimated as in the table below:

Table 33: GFA Addition and Funding Plan submitted by the Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	509.18
2	Addition During FY	100.96
3	Adjustment/Retirement During FY	-
4	**Closing Gross Fixed Assets**	610.41
5	Capitalization	100.96
6	Debt (%)	70%
7	Equity (%)	30%
8	**Normative Loan**	**70.67**
9	**Normative Equity**	**30.29**

Commission's Analysis

Regulation 27 of MYT Regulations, 2021 specifies that if the equity actually deployed is more than 30% of the capital cost, then equity in excess of 30% would be considered as normative loan.

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

Provided that in case of retirement or replacement or De-capitalization of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided, further that in case of retirement or replacement or De-capitalization of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 23, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalized asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in this Regulation."

In accordance with the above, the Commission sought details of funding for Capex and Capitalization vide 1st deficiency issued to the Petitioner, in response the Petitioner has submitted that the entire capitalization is funded through equity, thus equity higher than 30% of capitalization has been considered as normative loan.

The opening Gross Fixed Assets for FY 2022-23 has been considered as per the final Opening Balance Sheet of DNHDDPDCL as on 1st April, 2022.

The closing Gross Fixed Assets is approved after estimated GFA addition by the Petitioner in FY 2022-23. Similarly, the values of opening loan and equity have been considered as per the final Opening Balance Sheet. The loan and equity addition has been considered on normative basis as 70% and 30%, respectively, of the approved capitalization for the year.

Also, the Petitioner submitted revised details in response to 2nd Deficiency Note issued to the Petitioner stating that as per revised estimates, DNHDDPDCL shall be able to incur a total capex of about INR 90.00 Crore during FY 2022-23 with capitalisation of INR 75.00 Crore.

Accordingly, the Commission approves the capital structure for FY 2022-23 as shown in the tables below:

Table 34: Funding Plan approved by the Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Capitalization	100.96	75.00
2	Debt (%)	70%	70%
3	Equity (%)	30%	30%
4	**Normative Loan**	**70.67**	**52.50**
5	**Equity**	**30.29**	**22.50**

Table 35: GFA addition approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Gross Fixed Assets	509.18	509.18
2	Addition During FY	100.96	75.00
3	Adjustment/Retirement During FY	-	-
4	Less: Assets depreciated up to 90% till FY 2020-21		103.13
5	**Closing Gross Fixed Assets**	639.02	481.05

Table 36: Normative Loan addition for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	151.07	151.52
2	Add: Normative Loan During the year	70.67	52.50
3	Less: Normative Repayment equivalent to Depreciation	17.64	15.29
4	**Closing Normative Loan**	**204.10**	**188.73**

Table 37: Normative Equity addition for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Equity	152.75	152.75
2	Additions on account of new capitalization	30.29	22.50
3	**Closing Equity**	**183.04**	**175.25**

3.14. Depreciation

Petitioner's submission

The Petitioner submitted that Depreciation has been calculated based on depreciation rates in accordance with the MYT Regulations, 2021. However, the Petitioner has not submitted any calculations for the same. Therefore, the Commission has prepared the following presentation of the facts of the Petition regarding Deprecation.

Table 38: Depreciation submitted by Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	509.18
2	Less: Assets depreciated up to 90% till FY 2021-22	0.00
3	Adjustment/Retirement During FY	0.00
4	Modified Opening GFA	509.18
5	Addition During FY	100.96
6	Closing Gross Fixed Assets	610.14
7	Average Gross Fixed Assets	559.66
8	Effective Rate of Depreciation (%)	3.15%
9	**Depreciation**	**17.64**

Commission's Analysis

Regulation 31 of the MYT Regulations, 2021 specifies the following:

"***31. Depreciation***

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.

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.

31.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalized at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalized by the Applicant, subject to the prudence check of the Commission.

31.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

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 in Appendix I of the Regulations.

31.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided, further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

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 Distribution 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, addition during the year and closing GFA as approved in *Section 3.12 and Section 3.13* this Order. The Commission has determined the revised GFA after deducting the value of assets that have achieved 90% depreciation as of 1st April, 2022.

The depreciation has been computed on average Gross Fixed Assets (GFA). Effective Depreciation rate has been computed by calculating asset-wise depreciation with the depreciation rates as specified in Appendix I of MYT Regulations, 2021.

The following table provides the calculation of deprecation during FY 2022-23:

Table 39: Depreciation approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Gross Fixed Assets	509.18	509.18
2	Less: Assets depreciated up to 90% till FY 2021-22	0.00	103.13
3	Adjustment/Retirement During FY	0.00	0.00
4	Modified Opening GFA	509.18	406.05
5	Addition During FY	100.96	75.00
6	Closing Gross Fixed Assets	610.14	481.05
7	Average Gross Fixed Assets	559.66	443.55
8	Effective Rate of Depreciation (%)	3.15%	3.45%
9	**Depreciation**	**17.64**	**15.29**

Accordingly, the Commission now approves depreciation of INR 15.29 Crore in the APR for FY 2022-23.

3.15. Interest on Loan

Petitioner's submission

The Petitioner submitted that the MYT Regulations, 2021 provides for the calculation of interest expenses on normative basis considering the amount of depreciation of assets as the amount of repayment. The Petitioner has considered the interest expenses as per the MYT Regulations, 2021 on normative loans.

The Petitioner has calculated the interest expenses by applying the estimated opening Weighted Average Rate of interest of the loan portfolio of the Petitioner at the beginning of the year on the estimated opening normative loan for FY 2022-23 arrived at based on provisional details shared by DNHPDCL and EDDD, while repayment has been considered equal to the depreciation of the assets for the year. Opening GFA as per the details made available by DNHPDCL and EDDD subject to adjustment upon issuance of Opening Balance sheet under the Transfer Scheme.

The rate of interest has been considered as 7.65%. The Petitioner has calculated the Interest on Loan as:

S. No	Particulars	Petitioner's Submission
1	Opening Normative Loan	151.07
2	Add: Normative Loan During the year	70.67
4	Less: Normative Repayment equivalent to Depreciation	17.64
5	Closing Normative Loan	204.10
6	Average Normative Loan	177.59
7	Interest Rate	7.65%
8	**Interest on Loan**	**13.59**

Commission's Analysis:

Regulation 29 of the MYT Regulations, 2021 specifies:

"***29. Interest on Loan***

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided, further that in case of De-capitalization or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalized or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2022, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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.

29.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalization approved by the Commission for the Year.

29.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) 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, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

29.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

29.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

29.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

29.10 The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

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 values for opening loan and loan addition as approved in the *Section 3.13: Capital Structure* of this Order. Further, the repayment is considered same as depreciation approved for the year. In line with past practice, the Commission for the purpose of calculation of Interest on Loan has considered the interest rate equivalent to 1-year SBI MCLR (as on 01.04.2022, i.e., 7.00%) plus 100 basis points as rate of interest, in accordance with the MYT Regulations, 2021. The following table provides the Interest on Loan approved by the Commission:

Table 40: Interest on Loan approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	151.07	151.52
2	Add: Normative Loan During the year	70.67	52.50
4	Less: Normative Repayment equivalent to Depreciation	17.64	15.29
5	Closing Normative Loan	204.10	188.73
6	Average Normative Loan	177.59	170.12
7	Interest Rate	7.65%	8.00%
8	**Interest on Loan**	**13.59**	**13.61**

Accordingly, the Commission approves Interest on Loan of INR 13.61 Crore in the APR of FY 2022-23.

3.16. Return on Equity (RoE)

Petitioner's Submission

The Return on Equity (RoE) for wheeling and retail business has been computed based on the opening & closing balance of the equity arrived at considering the estimated capitalization for FY 2022-23.

The RoE is computed as per the provisions of the MYT Regulations, 2021, on the average of the opening and closing balance of equity for FY 2022-23. The RoE estimated by the Petitioner is shown in the table below:

Table 41: Return on Equity submitted by Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Equity	152.75
2	Additions on account of new capitalization	30.29
3	Closing Equity	183.04
4	Average Equity	167.90
5	Equity for Wires Business (90%)	151.11
6	Equity for Retail Supply Business (10%)	16.79
7	Return on Equity for Wire Business (%)	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%
9	Return on Equity for Wire Business	23.42
10	Return on Equity for Retail Supply Business	2.69
11	**Return on Equity**	**26.11**

The Petitioner has considered the rate of Return on Equity as 15.50% for distribution Wire Business and 16.00% for Retail Supply Business.

<u>Commission's Analysis:</u>

In this regard the Regulation 28.2 and 28.3 of the MYT Regulations, 2021 specifies the following:

"...

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.

28.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year."

(Emphasis supplied)

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 Matrix provided in the 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) and a rate of 16% for the Retail Supply Business. The equity component has been determined in accordance with capital structure as discussed above in *Section 3.13: Capital Structure* of this Order.

The RoE has been calculated on the average of opening and closing of equity during FY 2022-23 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 per the final Opening Balance Sheet for DNHDDPDCL. The following table provides the Return on Equity submitted by the Petitioner and approved for FY 2022-23 by the Commission.

Table 42: Return on Equity approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Equity	152.75	152.75
2	Additions on account of new capitalization	30.29	22.50
3	Closing Equity	183.04	175.25
4	Average Equity	167.90	164.00
5	Equity for Wires Business (90%)	151.11	147.60
6	Equity for Retail Supply Business (10%)	16.79	16.40
7	Return on Equity for Wire Business (%)	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%
9	Return on Equity for Wire Business	23.42	22.88
10	Return on Equity for Retail Supply Business	2.69	2.62
11	**Return on Equity**	**26.11**	**25.50**

Accordingly, the Commission approves the Return on Equity of INR 25.50 Crore in the APR of FY 2022-23.

3.17. Interest on Security Deposits

Petitioner's Submission

The Petitioner has estimated the interest on security deposit for FY 2022-23 considering the interest rate of 4.25% on the average of opening balances and closing balance of security deposit for the licence area.

The Petitioner submitted INR 7.83 Crore as revised estimates for interest on consumer security for the licence area.

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 vide TVS Minutes sought details of Consumer Deposits. The Petitioner in response submitted the actual details of consumer deposit up to December 2022.

Considering the submission made by the Petitioner, the Commission noted down the actual details of Opening Consumer Security Deposit (CSD) and Additions made to CSD during FY 2022-23 (up to Q3) and has accordingly worked out the interest on CSD. The same shall be trued-up during the truing-up exercise based on the actuals.

The table below provides details submitted by the Petitioner and approved consumer security deposits for FY 2022-23 by the Commission.

Table 43: Interest on Security Deposits approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Security Deposit	181.72	177.73
2	Add: Deposits During the year	5.00	8.76
3	Less: Deposits refunded	0.00	0.00
4	Closing Security Deposit	186.72	186.49
5	Average Security Deposit	184.22	182.11
6	Rate of Interest (%)	4.25%	4.25%
7	**Interest on Security Deposit**	**7.83**	**7.74**

The Commission approves Interest on Security Deposit as INR 7.74 Crore in the APR of FY 2022-23.

3.18. Interest on Working Capital (IoWC)

Petitioner's Submission

The interest on working capital is computed as per the MYT Regulations, 2021. The interest rate, being the SBBR (State Bank Base Rate) rate on 1st April of the Financial Year in which Petition is filed plus 200 basis points, of 9.00% is to be applied on the working capital requirement arrived at in accordance with the Regulations.

Based on revised submissions made by the Petitioner post query raised vide 1st, 2nd Deficiency Notes issued and TVS Minutes, the Commission has presented the revised estimate of interest on working capital by the Petitioner as is shown in the table below:

Table 44: Interest on Working Capital submitted by Petitioner for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	O&M expense for one month	7.90
2	Maintenance spares at 40% of R&M for one month	1.09
3	Receivables equivalent to two (2) months of the expected revenue	1005.26
4	Less: Power Purchase Cost 1 month	407.06
5	Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt	184.22
6	Net Working Capital required after deduction of Security Deposit	422.97
7	Rate of Interest (%)	9.00%
8	**Interest on Working Capital**	**38.07**

Commission's Analysis:

Regulations 32.2, 32.3 and 32.4 of the MYT Regulations, 2021 specifies the following:

"32 Interest on Working Capital

....

32.2 The norms for working capital for Distribution Wires Business and Retail Supply Business shall be as specified in Chapter 6 and Chapter 7 of these Regulations respectively.

32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

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 (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."

Also, the Regulation 53 of the MYT Regulations, 2021 specifies the following:

"53. Norms of Working Capital for Wires Business

53.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

(a) O&M Expenses for one (1) month; plus

(b) Maintenance spares at 40% of repair and maintenance 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) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided, that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, the Regulation 64 of the MYT Regulations, 2021 specifies the following:

"64. Norms of Working Capital for Retail Supply Business

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

(a) O&M Expenses for one (1) month; plus

(b) Maintenance spares at 40% of repair and maintenance 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 distribution system users except the security deposits held in the form of Bank Guarantees:

Provided, that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

In accordance with the MYT Regulations, 2021, the Commission has computed the Interest on Working Capital for FY 2022-23. The rate of interest on working capital is considered as 1-year SBI MCLR rate as on April 1, 2022 plus 200 basis points (7.00%+2% = 9.00%).

The following table provides the interest on working capital as submitted by the Petitioner and now approved by the Commission.

Table 45: Interest on Working Capital approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	O&M expense for one month	7.90	4.62
2	Maintenance spares at 40% of R&M for one month	1.09	0.42
3	Receivables equivalent to two (2) months of the expected revenue	1005.26	998.59
4	Less: Power Purchase Cost 1 month	407.06	445.50
5	Less: Average Consumer Security Deposit but excluding Bank Guarantee/Fixed Deposit Receipt	184.22	182.11
6	Net Working Capital required after deduction of Security Deposit	422.97	376.00
7	Rate of Interest (%)	9.00%	9.00%
8	**Interest on Working Capital**	**38.07**	**33.84**

Accordingly, the Commission approves the Interest on Working Capital as INR 33.84 Crore in the APR of FY 2022-23.

3.19. Income Tax

Petitioner's Submission

As per the MYT Regulations, 2021, 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.

Since, DNHDDPDCL has taken over the operations w.e.f. 1st April, 2022, the Income Tax has been considered as nil. The same shall be considered on actual basis at the time of True-up.

Commission's Analysis:

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. Since, DNHDDPDCL has taken over the operations w.e.f. 1st April, 2022, the income tax has been approved as nil, which will be trued up based on actuals subject to prudence check.

Table 46: Income tax approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Income Tax	NIL	NIL

The Commission approves NIL for income tax for FY 2022-23.

3.20. Provision for Bad & Doubtful Debts

Petitioner's Submission

The Petitioner has not proposed any provision for bad and doubtful debts for the FY 2022-23 as Petitioner took over the operations w.e.f. 1st April, 2022,

Commission's Analysis

Regulation 63 of MYT Regulations, 2021 specifies the following:

"63. Provision for bad and doubtful debts

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 be 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 realized 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 realized."

As per the Petitioner's submission, the Commission has not considered any provision for Bad & Doubtful Debts. The same shall be accounted for as per actuals, subject to prudence check, in the True-up of FY 2022-23.

3.21. Non-Tariff Income (NTI)

Petitioner's Submission

The Non-Tariff Income consists of income from rent of and/ building/ meter/ service line, sale of scrap, service charges, consumer charges, etc.

The Petitioner has forecasted the Non-Tariff Income on the basis of current trends as INR 3.67 Crore for FY 2022-23.

Commission's Analysis:

Regulation 65 of the MYT Regulations, 2021 specifies 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."

Further, Regulation 35.2 of the MYT Regulations, 2021 specifies the following:

"35.2 The delayed payment charge earned by the Transmission Licensee or the Distribution Licensee shall not be considered under its Non-Tariff Income."

For the APR of FY 2022-23, the Commission has considered Non-Tariff Income for FY 2022-23 as proposed by the Petitioner. The same shall be considered at actuals at the time of truing up of FY 2022-23.

Table 47: Non-Tariff Income approved by Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Non-Tariff Income	3.67	3.67

The Commission now approves Non-Tariff Income of INR 3.67 Crore in the APR for FY 2022-23.

3.22. Aggregate Revenue Requirement (ARR)

Petitioner's Submission

Based on the expenses as detailed above, the net Aggregate Revenue Requirement is INR 5,064.45 Crore after adjusting the Non -Tariff Income for FY 2022-23.

The Petitioner also submitted that it will be filing a separate Petition seeking approval of the Commission for the DSM plan for the Control Period as per the JERC (Demand Side Management) Regulations, 2014. Based on the approval received and the actual cost incurred, the Petitioner shall claim the actual DSM expenses as part of its truing up Petitions.

Commission's Analysis

On the basis of the detailed analysis of the cost parameters of the ARR, the revenue requirement in the APR of FY 2022-23 is approved as follows:

Table 48: Aggregate Revenue Requirement approved by the Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Power Purchase Cost	4,884.74	5,346.05
2	Operation & Maintenance Expenses	94.79	55.41
3	Depreciation	17.64	15.29
4	Interest and Finance charges	13.59	13.61
5	Interest on Working Capital	38.07	33.84
6	Return on Equity	26.11	25.50
7	Provision for Bad Debt	0.00	0.00
8	Interest on Security Deposit	7.83	7.74

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
9	Income Tax	0.00	0.00
10	**Total Revenue Requirement**	**5,082.76**	**5,497.45**
11	Less: Non-Tariff Income	3.67	3.67
12	**Net Revenue Requirement**	**5,079.09**	**5,493.78**

The Commission approves the net ARR of INR 5,493.78 Crore in the APR of FY 2022-23. The ARR as approved by the Commission is higher than the ARR as submitted by the Petitioner mainly due to the reason that the Petitioner while estimating the power purchase cost for FY 2022-23 had not considered the actual power purchase cost for first half of FY 2022-23. The basic objective of APR is to revise the estimates of current financial year based on actual data available for first six or nine months of the current year. Accordingly, the Commission as a part of APR has considered the actual data for first nine months of FY 2022-23.

The Commission directs the Petitioner to consider the actual data for first six months and revise the estimates of Current Year as part of APR while filing the APR Petition from next year onwards.

3.23. Revenue at existing Retail Tariff

Petitioner's Submission

The Petitioner has estimated the revenue from sale of power for FY 2022-23 at approved tariff. DNHDDPDCL being a new Distribution Licensee for entire area of Union Territory, it is incumbent on it to ensure tariff for all the consumers of UT as per the provisions of Electricity Act, 2003 read with Transfer Scheme.

The total revenue estimated by the Petitioner from the Sale of Power for FY 2022-23 is INR 5,055.58 Crore.

Commission's Analysis

The Commission sought details for month-wise, category-wise and territory-wise revenue billed for FY 2022-23 up to December 2022 vide 1st Deficiency Note and also vide TVS Minutes. The Petitioner in response provided the combined monthly and category-wise revenue collected up to December 2022.

Accordingly, to calculate the Revenue for FY 2022-23, the Commission worked out the Average Billing Rate (ABR) for each category as per the details submitted by the Petitioner for 9 (nine) months and multiplied the same with estimated sales for fourth quarter, i.e., January 2023 to March 2023, thereby, adding the same to actual revenue up to December submitted by the Petitioner.

The Total Revenue submitted by the Petitioner and calculated by the Commission is as follows:

Table 49: ABR for 9 months at existing tariff computed by Commission for FY 2022-23 (INR per kWh)

S. No	Category	Actual Sales (MU) (9 Months)	Actual Revenue (INR Crore) (9 Months)	ABR Calculated (Rs/kWh)
1	Domestic & LIG	239.56	65.68	2.74
2	Commercial/Non-Domestic	81.40	38.16	4.69
3	Agriculture	5.06	0.51	1.01
4	LT Industry	393.75	182.59	4.64
5	Public Lighting	4.46	2.12	4.76
6	Public water works	3.27	2.45	7.49
7	HT/EHT Industry	6464.39	3,435.81	5.31
8	EV Charging Station	1.15	0.57	5.00
9	**Total**	**7,193.05**	**3,727.90**	**5.18**

The category-wise revenue computed by the Commission for FY 2022-23 is shown in the following table:

Table 50: Revenue at existing tariff computed by Commission for FY 2022-23 (INR Crore)

S. No	Category	Estimated Sales (MU) (Jan – Mar)	Revenue Calculated (Jan – Mar)	Actual Revenue (9 Months)	Total Revenue
1	Domestic & LIG	73.27	20.09	65.68	85.76
2	Commercial/Non-Domestic	33.35	15.63	38.16	53.80
3	Agriculture	1.59	0.16	0.51	0.67
4	LT Industry	143.38	66.49	182.59	249.08
5	HT/EHT Industry	2232.95	1,186.80	3453,81	4,622.61
6	Public Lighting	1.43	0.68	2.12	2.80
7	Public Water Works	1.18	0.89	2.45	3.34
8	EV Charging Station	0.29	0.14	0.57	0.72
9	**Total**	**2487.44**	**1,290.89**	**3,727.90**	**5,018.79**

The Commission has determined revenue from sale of power at existing tariff as INR 5,018.79 Crore in the APR of FY 2022-23.

The Commission directs the Petitioner to submit territory-wise and category-wise, as well as head-wise (Demand Charges, Energy Charges, Regulatory Surcharge, FPPCA, etc.). Revenue during True-up of FY 2022-23.

3.24. FPPCA Computation

Petitioner's Submission

The Petitioner did not submit FPPCA details along with the Petition. The Commission directed the Petitioner to submit the details of FPPCA vide 1st deficiency and vide TVS Minutes as well, the Petitioner in response submitted that DNHDDPDCL has collected FPPCA revenue at Rs 1 per kWh for Q1 and Q2 of FY 2022-23 in Q2 and Q3 of FY 2022-23 on the sales of 4833.99 MU.

Commission's Analysis

The Commission directed the Petitioner to submit the FPPCA details and computations.

The following table provides revenue from FPPCA as per Petitioner's submission and as calculated by the Commission as per the submissions made by the Petitioner.:

Table 51: Revenue from FPPCA allowed by the Commission for FY 2022-23 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	**FPPCA**	-	972.73

The Commission provisionally approves the FPPCA as INR 972.73 Crore in the APR of FY 2022-23 and the same shall be approved as per actual in True-up of FY 2022-23.

3.25. Standalone Revenue Gap/Surplus

Petitioner's Submission

The Petitioner has considered the revised ARR for FY 2022-23 based on revised estimates as detailed hereinabove. At present, no revenue is considered from open access. Accordingly, the Gap estimated by the Petitioner for FY 2022-23 is INR 8.87 Crore.

The Petitioner did not consider revenue from FPPCA, therefore, the Commission sought details of FPPCA recovered by the Petitioner in FY 2022-23 vide TVS Minutes, the Petitioner in reply, submitted that FPPCA is DNHDDPDCL has collected FPPCA revenue at Rs 1 per kWh for Q1 and Q2 of FY 2022-23 in Q2 and Q3 of FY 2022-23 on the sales of 4833.99 MU.

Based on revised submission made by the Petitioner the Commission has presented the revised estimated for Gap/ (Surplus) as follows:

Table 52: *Standalone Revenue Gap/(Surplus) at existing tariff submitted by Petitioner for FY 2022-23 (INR Crore)*

S. No	Particulars	Petitioner's Submission
1	Net Annual Revenue Requirement	5079.09
2	Revenue from sale of power at existing tariff	5055.58
3	Revenue from Open Access Charges	0.00
4	Revenue from FPPCA	0.00
5	Total Revenue	5055.58
6	**Revenue Gap/(Surplus)**	**8.87**

Thus, considering the ARR and the revenue from retail tariff, a standalone revenue Surplus of INR 8.87 Crore is observed in the APR for FY 2022-23.

Commission Analysis

The Standalone Revenue Gap/(Surplus) as submitted by the Petitioner and approved in this Order is as follows:

Table 53: *Standalone Revenue Gap/(Surplus) at existing tariff approved by Commission for FY 2022-23 (INR Crore)*

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Annual Revenue Requirement	5079.09	5493.78
2	Revenue from Sale of Power	5055.58	5018.79
3	Revenue from Open Access Charges	0.00	0.00
4	FPPCA	0.00	972.73
5	Total Revenue	5055.58	5991.51
6	**Revenue Gap/(Surplus)**	**8.87**	**(497.73)**

The Commission approved the Standalone Surplus as INR 497.73 Crore in the APR of FY 2022-23. This estimated Surplus is carried over to the next year and has been considered while determining the tariff for FY 2023-24.

Chapter 4: Determination of Aggregate Revenue Requirement for FY 2023-24

4.1. Background

The Aggregate Revenue Requirement (ARR) for FY 2023-24 was approved for erstwhile DNHPDCL and EDDD vide Tariff Orders dated 31st March, 2022.

In this Chapter, the Commission has determined the ARR for FY 2023-24 for the combined entity for Distribution Business, i.e., DNHDDPDCL having combined area of erstwhile DNHPDCL and EDDD based on APR for FY 2022-23 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 "MYT Regulations, 2021").

4.2. Approach for determination of ARR for FY 2023-24

The Commission has computed the individual elements constituting the ARR for FY 2023-24 based on figures submitted by the Petitioner, the actual information available of various parameters for first nine (9) months of FY 2022-23 and the provisional information available for last quarter, i.e., January 2023 to March 2023 for FY 2022-23. The ARR and Revenue is determined for DNHDDPDCL for FY 2023-24 to arrive at the revenue Gap/Surplus for the year.

4.2.1. Projection of Number of consumers, Connected Load and Energy Sales

Petitioner's Submission

The Commission vide its Order dated 31st March, 2022 has approved the sales forecast for the UT of Dadra and Nagar Haveli and Daman and Diu. The Commission had projected the growth rates by factoring in the historical Compounded Annual Growth Rates (CAGRs) and applied the same on the base year of FY 2021-22 to make the projections.

Considering the factors taken into account for approval of the projections by the Commission, DNHDDPDCL has considered the earlier approved forecast of load, consumer numbers and sales for FY 2023-24. The details of category-wise sales, as approved by the Commission and considered by the Petitioner, are summarized as under.

Table 54: Energy Sales submitted by the Petitioner for FY 2023-24 (MU)

S. No.	Category	Petitioner's Submission
1	Domestic	373.08
2	Lifeline Consumer	8.97
3	Commercial/Non-Domestic	90.67
4	Agriculture	8.49
5	LT Industry	479.77
6	Public Lighting	8,913.00
7	Public water works	7.96
8	HT/EHT Industry	8.21
9	Temp. Supply	7.74
10	EV Charging Station	-

S. No.	Category	Petitioner's Submission
11	**Gross Total**	**9,897.89**

Commission's Analysis

The Commission in the MYT Orders dated 31st March, 2022 had approved the category-wise energy sales for erstwhile DNHPDCL and EDDD based on historical trends and actual data available for previous years.

Based on the number of Consumers, Connected Load and Sales approved for FY 2022-23, the Commission has projected the Number of Consumers, Connected Load and Sales for FY 2023-24 by considering FY 2021-22 as Base Year and applying 5-year CAGR of the combined sales for erstwhile DNHPDCL and EDDD. In cases where the CAGR is negative, Nil growth has been considered for projecting the sales. The Number of Consumers, Connected Load and Sales for FY 2023-24 approved for FY 2023-24 are as:

Table 55: Number of Consumers projections approved by the Commission for FY 2023-24 (Nos.)

S. No.	Category	Petitioner's Submission	Now Approved by Commission
1	Domestic	118474	144416
2	Lifeline Consumer	20349	-
3	Commercial/Non-Domestic	17086	16362
4	Agriculture	2701	2539
5	LT Industry	4329	4399
6	Public Lighting	1187	1108
7	Public water works	663	606
8	HT/EHT Industry	1695	1723
9	Temp. Supply	391	1241
10	EV Charging Station	-	1
	Gross Total	**166875**	**172395**

Table 56: Connected Load projections approved by the Commission for FY 2023-34 (kW)

S. No.	Category	Petitioner's Submission	Now Approved by Commission
1	Domestic	230158	234718
2	Lifeline Consumer	1684	-
3	Commercial/Non-Domestic	74718	75109
4	Agriculture	12872	9443
5	LT Industry	295189	298568
6	Public Lighting	4301	4117
7	Public water works	6398	3926
8	HT/EHT Industry	1708589	1778684
9	Temp. Supply	2727	5312
10	EV Charging Station	-	1300
	Gross Total	**2336636**	**2411178**

Table 57: Energy Sales projections approved by the Commission for FY 2023-24 (MU)

S. No.	Category	Petitioner's Submission	Now Approved by Commission
1	Domestic	373.08	338.90
2	Lifeline Consumer	8.97	-
3	Commercial/Non-Domestic	90.67	107.35
4	Agriculture	8.49	6.66
5	LT Industry	479.77	554.85
6	Public Lighting	7.96	5.89
7	Public water works	8.21	4.47
8	HT/EHT Industry	8,913.00	8,929.97

S. No.	Category	Petitioner's Submission	Now Approved by Commission
9	Temp. Supply	7.74	8.02
10	EV Charging Station	-	1.51
	Gross Total	**9,897.89**	**9,957.60**

The Commission approves the Number of Consumers, Connected Load and Energy Sales as shown in the Tables above for FY 2023-24.

4.3. Open Access Sales

Petitioner's Submission

The Petitioner submitted NIL Open Access Sales for FY 2023-24.

Commission's Analysis

The Petitioner has not projected any sales via Open Access. Hence, NIL Open Access Sales is approved for FY 2023-24.

4.4. Inter-State Transmission Loss

Petitioner's submission

The Petitioner has considered the Inter-State Transmission Loss of 3.66% as approved in the MYT Order.

Commission's Analysis

The Commission for the purpose of ARR of FY 2023-24 has considered the Inter-State transmission losses in line with that approved in the MYT Order for erstwhile DNHPDCL and EDDD. The same shall be revised based on actuals during the APR of FY 2023-24.

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

Table 58: Inter-State Transmission Loss for FY 2023-24 (%)

S. No	Particulars	Approved in MYT Order	Petitioner's Submission	Now Approved by Commission
1	Inter-State Transmission Losses	3.66%	3.66%	3.66%

The Commission approves Inter-State transmission loss of 3.66% in the ARR of FY 2023-24.

4.5. Intra-State Transmission Loss

Petitioner's submission

The Petitioner has considered the Intra-State Transmission Loss of 1.25% in FY 2023-24.

Commission's Analysis

The Commission in the APR of FY 2022-23 has considered approved transmission losses for Electricity Department, Transmission Division of UT of Dadra and Nagar Haveli (hereinafter referred to as "ED-DNH Transmission"), DNHDDPCL and EDDD in line with that approved in Tariff Order dated 30th March 2023, respectively. Thereafter, taking weighted average of the losses to the total energy required at periphery approved in the True-up of FY 2021-22. The same shall be revised based on actuals during the APR of FY 2023-24.

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

Table 59: Intra-State Transmission Loss for FY 2023-24 (%)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Intra-State Transmission Losses	1.25%	0.48%

The Commission approves Intra-State transmission loss as in the table above for FY 2023-24.

4.6. Distribution Loss

Petitioner's submission

The Petitioner has considered distribution losses of 3.16% for FY 2023-24 as per the distribution loss trajectory specified for the Union Territory for the Control Period in the Policy Directions read with Transfer Scheme. The Petitioner has considered the distribution losses after considering approved sales and target stipulated in the Transfer Policy Directions.

Commission's Analysis

Regulation 13.2 (c) of the JERC, MYT Regulations, 2021, specifies 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 the above, distribution loss is a controllable factor. The Commission has considered the submission of the Petitioner and the same shall be revised based on actuals during the APR exercise.

Based on the methodology considered by the Commission for approving the Distribution Loss during FY 2022-23 as detailed under APR Section, the Commission has approved the Distribution Loss for FY 2023-24. The following table provides the Petitioner's submission and now approved by the Commission.

Table 60: Distribution loss for FY 2023-24 (%)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Distribution Loss	3.16%	3.16%

The Commission approves distribution loss as in the table above in the ARR of FY 2023-24.

4.7. Energy Balance

Petitioner's submission

Based on the energy sales forecast and targets prescribed for distribution loss for the network handed over to DNHDDPDCL along with projected intra-State transmission loss, the total energy requirement for FY 2023-24 is projected. The total energy requirement thus arrived is shown in the table below:

Table 61: Energy Balance as submitted by the Petitioner for FY 2023-24 (MU)

Particulars	FY 2023-24
Sales	9,897.89
Open Access Sales	-
Less: Energy Savings	-
Total Sales	**9,897.89**
Distribution losses	
in %	3.16%
In MU	322.57
Energy Required at Distribution Periphery	**10,220.46**
Intra-state Transmission Loss (%)	1.25%
Add: Intra-state Transmission Loss (MU)	129.37
Energy Requirement at UT Periphery	**10,349.83**
Add: Sales to common pool consumer/UI Sale	
Add: Sales through Power Exchange	-
Less: Own Generation	21.91
Total Energy Requirement at UT Periphery	**10,327.92**
Less: Energy Purchased through UI at Periphery	-
Less: Power from Power Exchange	1,120.71
Less: Purchase from Renewable Sources	-
Less: Open Access Sale/Purchase by Consumers	-
Less: UI Overdrawal	-
Total Energy requirement from tied up sources	**9,207.21**
Inter-state Transmission loss (%)	3.66%
Add: Inter-state Transmission loss (MU)	349.79
Energy Requirement from tied up sources & UI at Generator End	**10,699.62**
Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State (MU)	**10,699.62**
Total availability from tied up sources at generator end (MU)	**10,699.62**

The Petitioner has projected the Total Energy Requirement in UT including Open Access at UT Periphery as 10,327.92 MUs in the ARR for FY 2023-24.

Commission's Analysis

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

Table 62: Energy Balance as approved by the Commission for FY 2023-24 (MU)

Sr. No.	Particulars	Formula	Petitioner's Submission	Now Approved by Commission
A	Energy sales within the State/UT		9,897.89	9,957.60
B	Open Access Sales		-	-
C	Less: Energy Savings		-	-
D	**Total Sales within the State/UT**	D=A+B+C	**9,897.89**	**9,957.60**
M'	Less: Solar Generation within State/UT		-	21.91
D'	**Net Total Sales within the State/UT**	D'=D+M'	**9,487.53**	**9,935.69**
	Distribution losses			
E	in %		3.16%	3.16%
F	In MU	F=G-D'	322.57	323.80
G	**Energy Required within Distribution Periphery**	G=D'/(1-E)	**10,220.46**	**10,259.49**
G'	**Energy Required at Distribution Periphery**	G'=D/(1-E)	**10,220.46**	**10,282.12**

Sr. No.	Particulars	Formula	Petitioner's Submission	Now Approved by Commission
	Intra-state Transmission Loss			
H	in %		1.25%	0.48%
I	In MU	I=J-G	129.37	49.63
J	**Energy Requirement within UT Periphery**	**J=G/(1-H)**	**10,349.83**	**10,309.12**
J'	**Energy Requirement at UT Periphery**	**J" = G'/(1-H)**	**10,349.83**	**10,331.86**
	Energy Transactions at Periphery			
K	Add: Sales to common pool consumer/UI Sale		-	81.24
L	Add: Sales through Power Exchange		-	-
M	Less: Solar Generation within State/UT		21.91	-
	Total Energy Requirement within UT Periphery		**10,327.92**	**10,390.36**
	Total Energy Requirement at UT Periphery		**10,327.92**	**10413.09**
N	Less: Energy Purchased through UI at Periphery		-	-
O	Less: Purchase from Power Exchanges		1,120.71	1,411.29
P	Less: Purchase from Renewable sources		-	-
Q	Less: Open Access Sale/Purchase by Consumers		-	-
R	Less: UI Overdrawal		-	-
S	**Total energy requirement at State Periphery from tied-up Sources**	**S=J-M-M'-N-O-P-Q**	**9,207.21**	**8,979.07**
	Inter-State Transmission losses			
T	in %		3.66%	3.66%
U	in MU	U=V-S	349.79	341.12
V	**Total requirement from tied-up sources at Generator End (MU)**	**V=S/ (1-T)**	**9,557.00**	**9,320.19**
W	**Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State**	**W=V+O**	**10,677.71**	**10,731.48**
W'	**Total requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State including Solar Generation within UT**	**W'=W+M+M'**	**10,699.62**	**10,753.39**
X	**Total availability from tied up sources at Generator End (MU) including Solar Generation within UT**	**X=W'-O**	**9,578.91**	**9,342.10**
Y	**Deficit/(surplus)**	**Y=X-W**	**1120.71**	**1411.29**

The Commission approves the Total Energy requirement from Tied-up sources including purchase from Power Exchange & UI/ Traders/ Banking within State as shown in the table above. The Commission has projected a deficit of 1,411.29 MUs and has assumed that the deficit power would have been purchased from the Open Market.

4.8. Power Purchase Quantum & Cost

4.8.1. Availability of power

Petitioner's submission:

The energy sourcing is planned to be done 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. The short-term sources include bilateral sources/Power Exchange. Accordingly, DNHDDPDCL has considered sourcing of balancing quantum from these sources.

Considering the existing tie-up and shortfall of RPO, DNHDDPDCL has been exploring procurement of renewable power from G-TAM/G-DAM markets. Further, considering the RPO shortfall and also to optimize power purchase cost, DNHDDPDCL is in the process of initiating bidding for RE RTC power to meet the RPO shortfall expeditiously.

Petitioner submitted total Energy Availability of 9,207.21 MUs from Long-Term sources at UT periphery and also stated that it will be procuring 1,120.71 MUs through Short-Term Purchase. Further, in response to 1st deficiency note issued by the Commission, the Petitioner submitted the revised energy availability as:

Table 63: Energy Availability submitted by the Petitioner for FY 2023-24 (MU)

Particulars	FY 2023-24
Net own generation	21.91
Net Purchase from Long-Term Sources	9,207.21
Power Purchased from UI/ PX/ Short-Term	1,120.71
Net power purchase (1 +2 +3)	10,349.83
Total Energy Availability	**10,349.83**

Commission's Analysis:

The Commission has employed the following approach and assumptions to forecast the power purchase from tied-up sources for FY 2023-24:

- **Allocation from CGS:** The firm allocation and allocation from the unallocated quota from the various generating stations has been considered as assumed by the Petitioner in its submissions vide response to 1st Deficiency Note. The same share of allocation has been assumed for FY 2023-24.
- **Purchase of power from Ratnagiri Power:** As per the submissions of DNHDDPDCL, the power purchase of 17.10 MUs from the plant has been considered for FY 2023-24.
- **Plant Load Factor (PLF):** For NTPC, NSPCL and NPCIL, the Commission has considered the PLF based on actual PLF achieved during the past three years. For the newer plants such as Solapur, Lara, Gadarwara and Khargone, normative PLF for the Control Period has been considered at 85%.
- **Auxiliary consumption:** The Commission has considered auxiliary consumption of 5.75% and 2.80% for coal and gas based Central Sector generating stations, respectively, as per CERC Tariff Regulations, 2019.
- **Inter-State transmission losses:** The Commission has considered Inter-State transmission losses as 3.66% for FY 2023-24, as per the Petitioner's submissions.
- **Power Purchase from IEX/Bilateral Sources:** In order to meet the total energy requirement, the Commission has considered the balance energy requirement after availability from firm sources to be procured from IEX/Bilateral sources.

The Commission notes that the Petitioner is resorting to short-term procurement of power through Power Exchange for 11% of its total power requirement for FY 2023-24. The proportion of short-term is expected to further increase. The Commission strongly feels that this arrangement is not sustainable and results in exposure of consumers to risk of fluctuating tariffs. Further, the Commission observes that the Petitioner despite carrying huge backlog towards the RPO fulfilment in the previous years, has not considered enough power procurement from renewable sources including Solar and Non-Solar while projecting the power purchase for FY 2023-24. This is expected to create huge backlog towards the fulfilment of RPO obligation.

The Commission directs the Petitioner to explore long-term/ medium-term power purchase arrangements and thereby increasing its dependence on more risk-free sources of power and reduce its dependence on purchase of power from short-term sources such as UI/ Traders / Power Exchange.

Further, the Commission directs the Petitioner to increase the share of power purchase from renewable sources in the energy mix planned for FY 2023-24 and FY 2024-25 so that the share of clean energy increases in the energy mix and the backlog of RPO targets is cleared by the end of the Control Period, i.e., 31st March, 2025.

4.8.2. Power Purchase Cost

Petitioner's submission:

The total power purchase cost has been worked out based on the energy availability projected by the Petitioner and the approved power purchase cost for the sources and Intra-State Transmission charges as under:

(i) transmission charges as per the BPTAs executed with EDDD and DNHPDCL under the Transfer Scheme subject to adjustment as per the approval of the Commission; and

(ii) Transmission Charges approved by the Commission for Intra-State Transmission System.

The total power purchase cost of INR 5,051.72 Crore has been claimed by the Petitioner against quantum of 10,699.62 MUs as per the above methodology. The Commission sought detailed break-up of the power purchase data in 1st Deficiency Note issued to the Petitioner. The Petitioner responded to the deficiency note with the data as presented in the following table:

Table 64: Power Purchase Quantum (MU) and Cost (INR Crore) submitted by Petitioner for FY 2023-24

S. No	Source	Units Purchased (MU)	Fixed Charges	Variable Charges	Other Charges	Rebate	Total Charges	Per Unit Cost (Rs/kWh)
	NTPC Stations							
1	KSTPP 1&2	763.30	49.49	110.94	-	-	160.43	2.10
2	KSTPS 3	212.79	28.01	29.43	-	-	57.44	2.70
3	VSTPP-I	400.05	35.17	66.47	-	-	101.64	2.54
4	VSTPP-II	313.39	20.90	49.63	-	-	70.53	2.25
5	VSTPP- III	342.68	34.46	54.05	-	-	88.51	2.58
6	VSTPP- IV	432.93	65.33	67.60	-	-	132.93	3.07
7	KGPP	370.78	69.62	135.10	-	-	204.72	5.52
8	GGPP	312.49	70.80	82.55	-	-	153.35	4.91
9	Sipat-I	857.28	106.28	129.56	-	-	235.84	2.75
10	Sipat-II	312.75	36.81	48.61	-	-	85.42	2.73
11	Mauda	49.96	16.57	15.95	-	-	32.52	6.51
12	VSTPS-V	243.24	39.98	39.42	-	-	79.40	3.26
13	Mauda 2	362.31	82.70	121.90	-	-	204.60	5.65
14	Solapur	713.63	122.13	253.53	-	-	375.66	5.26
15	KHSTPP-II	171.05	28.74	38.37	-	-	67.11	3.92
16	LARA	732.67	130.14	173.21	-	-	303.35	4.14
17	Gadarwara	772.14	155.17	225.38	-	-	380.55	4.93
18	KHTPP	506.03	91.22	148.84	-	-	240.06	4.74
	Subtotal	**7,869.47**	**1,183.52**	**1,790.54**	-	-	**2,974.06**	**3.78**
B	**NSPCL – Bhilai**	**1,179.00**	**198.32**	**312.24**	-	-	**510.56**	**4.33**

S. No	Source	Units Purchased (MU)	Fixed Charges	Variable Charges	Other Charges	Rebate	Total Charges	Per Unit Cost (Rs/kWh)
C	**NPCIL**							
1	KAPS	145.16	-	33.50	-	-	33.50	2.31
2	TAPS 3&4	347.02	-	117.86	-	-	117.86	3.40
	Subtotal	492.18	-	151.36	-	-	151.36	3.08
D	**RGPPL**	**17.10**	**13.34**	**10.35**	-	-	**23.69**	**13.85**
E	**Power purchase from Other Sources**							
1	Power Exchange/Bilateral	1,119.96	-	447.99	-	-	447.99	4.00
2	UI	-	-	-	-	-	-	-
3	Solar	21.91	-	13.77	-	-	13.77	6.28
4	Non-Solar	-	-	-	-	-	-	-
5	Solar REC	-	-	-	-	-	-	-
6	Non-Solar REC	-	-	-	112.95	-	112.95	-
7	Solar (SECI)	-	-	-	-	-	-	-
8	Wind (SECI)	-	-	-	-	-	-	-
	Subtotal	**1,141.87**	-	**461.76**	**112.95**	-	**574.71**	**5.03**
	Total Power Purchase	**10,699.62**	**1,395.18**	**2,726.25**	**112.95**	-	**4,234.38**	**3.96**
F	**Transmission Charges**							
1	PGCIL Charges				646.30		646.30	
2	POSOCO/WRLDC Charges				1.23		1.23	
3	Intra State Transmission Charges				168.06		168.06	
4	MSETCL				1.75		1.75	
	Grand Total of Charges	**10,699.62**	**1,395.18**	**2,726.25**	**930.29**	-	**5,051.72**	**4.72**

Commission's Analysis:

The source-wise methodology followed for estimation of cost of power procurement has been detailed as follows:

Variable Charges:

- The variable charges have been worked out by considering actual Per Unit Variable Charge from April to Dec 2022 and escalating them by 7% for all the stations except for Kawas and JGPP, wherein owing to erratic power scheduling, the Per Unit Variable Cost has been considered at actual FY 2021-22 level with escalation of 10%.

Fixed Charges:

- The fixed costs have been determined based on the Tariff Orders issued by CERC for respective Central Generating Stations.

- The Fixed cost has been apportioned on the basis of DNHDDPDCL share in each station and power purchase quantum as approved in the previous section.

- No escalation has been considered in the Fixed Charges for FY 2023-24.

Charges towards Procurement of Energy from Power Exchange:

- Quantum of Energy projected to be procured from Power Exchange has been considered to be the balance energy between the total energy requirement at State periphery and net energy available from CGS after Transmission Losses. The Per Unit Rate for projected Power Purchase from Power Exchange has been considered at Rs 5.29/kWh, which is the actual Average Power Purchase Cost for Power Procured from Power Exchange during first 9 months of FY 2022-23. It has been observed that the Petitioner has under-estimated the Power Purchase Cost towards energy procurement from Power Exchange by considering per unit rate as Rs 4/kWh.

Cost of Solar Power:

- The Commission vide Order dated 28.04.2021 in Petition No. 42/2021 had determined the levelized tariff for Ground Mounted Solar PV Plants and Rooftop Solar PV Plants installed in the UT of Daman & Diu. Also, the Commission vide Order dated 05.03.2021 in Petition No. 43/2021 had determined the levelized tariff for Ground Mounted Solar PV Plants and Rooftop Solar PV Plants installed in the UT of DNH.

- Further, the Commission vide same Orders empowered erstwhile entities DNHPDCL and EDDD, to include and claim the cost incurred towards the power procurement from the Solar Power Plants installed in the UT of DNH and Daman & Diu by respective entities in the Power Purchase Cost from 1st April 2021 onwards.

- Post Transfer Scheme, the Solar assets have been kept by DNHDDPCL and EDDD respectively and a Power Purchase agreement has been signed between respective entities and DNHDDPDCL. Accordingly, the Commission has considered the cost of solar power as per the cost submitted by the Petitioner, the same would be reviewed as per actuals during the Truing Up proceedings of FY 2023-24 based on the tariff approved by the Commission.

Other Charges (including REC Cost and Transmission Charges):

- No Other Charges have been considered while approving the power purchase cost for FY 2023-24.

- The Commission has not considered REC Cost for the Quantum of RPO shortfall during FY 2023-24 as Petitioner has not submitted any RPO Plan during FY 2023-24. The Petitioner has simply considered the RPO cost as approved in MYT Orders for erstwhile entities DNHPDCL and EDDD and has submitted that the Petitioner is exploring the procurement of renewable power through G-TAM/G-DAM, i.e., procuring shortfall of energy from G-TAM/G-DAM. Further, the Commission has observed that Petitioner has not made any actual Green Energy Purchase during the first nine months of FY 2022-23 via Power Exchange. In view of the same, the Commission is not inclined to approve REC Cost for FY 2023-24. Further, the Petitioner has submitted that it intends to procure RE RTC power for fulfilling the RPO targets and shortfall, which will also replace the short-term purchase from the Power Exchange. Hence, there is no reason to approve additional cost for purchase of RECs for FY 2023-24. The same would be reviewed based on the RPO Plan submitted by the Petitioner during APR of FY 2023-24.

- The Transmission Charges (including PGCIL Charges, POSOCO/WRLDC Charges and MSETCL Charges) have been approved in line with the charges as approved by the Commission for erstwhile agencies vide Order dated 31.03.2022. Intra-State Transmission Charges has been approved by the Commission in line with the Tariff Order approved by the Commission for ED-DNH Transmission, DNHDDPCL and EDDD dated 30th March, 2023. Accordingly, the Commission approves the Total Transmission Charges.

The Commission approves total of INR 829.71 Crore as Other Charges (including REC Cost and Transmission Charges) for FY 2023-24, the same shall be trued-up as per actuals.

4.8.3. Total power purchase quantum and cost approved by Commission

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

Table 65: Power Purchase Quantum (MU) and cost (INR Crore) approved by the Commission for FY 2023-24

S. No	Source	Units Purchased (MU)	Fixed Charges	Variable Charges	Other Charges	Rebate	TOTAL	Per Unit Cost (Rs/ kWh)
	NTPC Stations							
1	KSTPP 1&2	763.32	54.43	263.81	-	-	318.25	4.17
2	KSTPS 3	212.74	22.62	59.04	-	-	81.66	3.84
3	VSTPP-I	400.02	35.17	130.12	-	-	165.29	4.13
4	VSTPP-II	313.40	23.34	109.77	-	-	133.11	4.25
5	VSTPP- III	342.69	29.92	107.89	-	-	137.81	4.02
6	VSTPP- IV	432.98	65.34	114.91	-	-	180.25	4.16
7	KGPP	370.77	76.50	77.90	-	-	154.40	4.16
8	GGPP	312.47	68.25	69.77	-	-	138.02	4.42
9	Sipat-I	857.28	101.67	234.16	-	-	335.83	3.92
10	Sipat-II	312.76	29.07	94.94	-	-	124.01	3.97
11	Mauda	49.97	14.98	14.36	-	-	29.34	5.87
12	VSTPS-V	243.19	40.93	65.84	-	-	106.77	4.39
13	Mauda 2	362.32	88.54	104.21	-	-	192.75	5.32
14	Solapur	713.65	76.92	185.78	-	-	262.71	3.68
15	KHSTPP-II	33.69	2.91	9.67	-	-	12.58	3.73
16	LARA	677.85	80.98	169.15	-	-	250.13	0.00
17	Gadarwara	809.58	58.61	207.50	-	-	266.11	3.29
18	KHTPP	608.96	157.92	211.16	-	-	369.08	6.06
	Subtotal	**7,817.65**	**1,028.11**	**2,229.99**	**-**	**-**	**3,258.10**	**4.17**
B	**NSPCL – Bhilai**	**1,179.00**	**167.22**	**361.02**	**-**	**-**	**528.24**	**4.48**
C	**NPCIL**							
1	KAPS	145.15	-	72.52	-	-	72.52	5.00
2	TAPS 3&4	161.28	-	80.58	-	-	80.58	5.00
	Subtotal	**306.44**	**-**	**153.10**	**-**	**-**	**153.10**	**5.00**
D	**RGPPL**	**17.10**	**13.34**	**2.01**	**-**	**-**	**15.35**	**8.98**
E	**Power purchase from Other Sources**							
1	Power Exchange/Bilateral	1,411.29	-	746.57	-	-	746.57	5.29
2	UI	-	-	-	-	-	-	-
3	Solar	21.91	-	13.77	-	-	13.77	6.28
4	Non-Solar	-	-	-	-	-	-	-
5	Solar REC	-	-	-	-	-	-	-
6	Non-Solar REC	-	-	-	-	-	-	-
7	Solar (SECI)	-	-	-	-	-	-	-
8	Wind (SECI)	-	-	-	-	-	-	-
	Subtotal	**1,433.20**	**-**	**760.34**	**-**	**-**	**760.34**	**5.31**

S. No	Source	Units Purchased (MU)	Fixed Charges	Variable Charges	Other Charges	Rebate	TOTAL	Per Unit Cost (Rs/ kWh)
	Total Power Purchase	**10,753.39**	**1,208.67**	**3,506.45**	-	-	**4,715..13**	**4.38**
F	**Tranmission Charges**							
1	PGCIL Charges				646.30		646.30	
2	POSOCO/WRLDC Charges				1.23		1.23	
3	Intra State Transmission Charges				180.43		180.43	
4	MSETCL				1.75		1.75	
	Grand Total of Charges	**10,753.39**	**1,208.67**	**3,506.45**	**829.71**	-	**5,544.84**	**5.16**

The Commission approves the quantum of power purchase as 10,753.39 MUs at the Generator periphery with total cost of INR 5,544.84 Crore in the ARR for FY 2023-24.

4.8.4. Net Power Purchase Cost

The generating companies and transmission licensees provides 1.5% rebate on the bills on payment within 5 days from the production of such bills and 1% rebate on payment within 30 days from production of such bills. Since adequate interest for working capital is provided in the ARR, the Petitioner shall take every effort to make payment of the bills of Gencos and Transcos at least within one month from production of such bills so as to avail this opportunity and reduce their power purchase costs. Accordingly, the Commission approved power purchase cost (net of rebate) in line with the APTEL's order dated 30th July 2010 in Appeal No. 153 of 2009 as detailed below:

Table 66: Net Power Purchase Cost approved by the Commission for FY 2023-24

Particular	FY 2023-24
Total Power Purchase Cost including transmission charges (INR Cr)	5,544.84
Less: Rebate @1% (INR Cr)	55.45
Net Power Purchase Cost (INR Cr)	**5,489.39**

The rebate computed above has been considered as part of Non-Tariff Income in Section 4.20.

4.9. Renewable Purchase Obligation (RPO)

Petitioner's submission:

The Petitioner submitted that for FY 2022-23 that there is pendency of RPO as on 31st March, 2022 of around 2600 MUs (corresponding to ~27% of yearly demand - 1245 MUs Solar & 1341 MUs - non-solar) which is in addition to the current year RPO of ~1740 Mus (@18.35% RPO). Considering the existing tie-up and shortfall, DNHDDPDCL has been exploring procurement of renewable power from G-TAM/G-DAM markets. Further, considering the RPO shortfall and to optimize power purchase cost, DNHDDPDCL is in the process of initiating bidding for RE RTC to meet the RPO shortfall expeditiously.

Commission's Analysis:

Clause 1, Sub-clause (1) of the JERC for the State of Goa and UTs (Procurement of Renewable Energy) Regulations, 2010 provides:

"(1.1) Each distribution licensee shall purchase electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of all the consumers in its area during a year."

Also, the Commission notified the JERC (Procurement of Renewable Energy), (Fourth Amendment) Regulations, 2022 on 24th March, 2022 and approved the revised RPO targets, as per which the Petitioner must purchase 19.91% of its total consumption through renewable sources (Solar: 10.00%, HPO: 0.66% and Other Non-solar: 9.25%) for FY 2022-23. This translates to the requirement of procurement of 995.76 MUs of solar energy, and 986.80 MUs of Non-solar energy in FY 2023-24.

Further, the Petitioner is required to clear the backlog of 4339.04 MUs (Solar: 1911.94 MUs and Non-Solar: 2427.10 MU) up to FY 2022-23 that has been carried forward.

Based on the above, the Commission has computed the cumulative RPO compliance at the end of FY 2023-24 as shown in the following table:

Table 67: Compliance status of Renewable Purchase Obligation (RPO) for FY 2023-24 (MUs)

S. No	Particulars	FY 2023-24
1	Solar Target	10.00%
2	Non-Solar Target	9.91%
	HPO	*0.66%*
	Other Non-Solar HPO	*9.25%*
Total Target		**19.91%**
3	Sales Within UT	9957.60
	RPO Target	
4	Solar	995.76
5	Non-Solar	986.80
	HPO	*65.72*
	Other Non-Solar HPO	*921.08*
Total RPO Target		**1776.37**
	RPO Compliance (Actual Purchase)	
6	Solar	21.91
7	Non-Solar	0
	HPO	*0*
	Other Non-Solar HPO	*0*
Total RPO Compliance (Actual Purchase)		**21.91**
	RPO Compliance (REC Certificate Purchase)	
8	Solar	0
9	Non-Solar	0
	HPO	*0*
	Other Non-Solar HPO	*0*
Total RPO Compliance (REC Certificate)		**0**
	RPO Compliance (REC+Actual)	
10	Solar	21.91
11	Non-Solar	0.00
	HPO	*0.00*
	Other Non-Solar HPO	*0.00*
Total RPO Compliance		**21.91**
	Cumulative Requirement till current year	

S. No	Particulars	FY 2023-24
12	Solar	4235.00
13	Non-Solar	5711.12
	HPO	*99.60*
	Other Non-Solar HPO	*5611.52*
	Total	**9946.13**
	Cumulative Compliance till current year	
14	Solar	1349.21
15	Non-Solar	2297.23
	HPO	*0.00*
	Other Non-Solar HPO	*2297.23*
Total		**3624.53**
	Cumulative Shortfall till current year	
16	Solar	2885.79
17	Non-Solar	3413.89
	HPO	*99.60*
	Other Non-Solar HPO	*3314.29*
Total		**6299.69**

Accordingly, the Commission directs the Petitioner to process RE to meet the compliance on priority.

The Commission has not approved any cost towards the fulfilment of RPO. The same would be reviewed during the APR for FY 2023-24 based on the actuals.

The APPC has been computed at the UT Periphery excluding the transmission charges and cost of purchase of renewable energy. The same shall be used for the purpose of compensation / payment of surplus power at the end of each settlement period in case of Net-metering consumers by the Petitioner. The Average Power Purchase Cost (APPC) for FY 2023-24 has been determined as provided in the following table:

Table 68: Average Power Purchase Cost (APPC) approved by the Commission for FY 2023-24

Particulars	Value
Total Power Purchase Cost (Rs Cr)	5,544.84
Less: Transmission charges and Power Purchase cost from renewable energy sources (Rs Cr)	829.71
Net Power Purchase Cost (Rs Cr)	4642.33
Total Power Purchase quantum (MU)	10,753.39
Less: Quantum from renewable energy sources (MU)	21.91
Quantum of energy at State Periphery excluding from renewable energy sources (MU)	10,731.48
APPC (Rs/kwh)	**4.39**

The Commission approves the Average Power Purchase Cost (APPC) as INR 4.39/ kWh for the FY 2023-24.

4.10. Operation & Maintenance (O&M) Expenses

The Operation & Maintenance Expenses comprise of the Employee Expenses, Administrative and General Expenses (A&G) and the Repair & Maintenance Expenses (R&M).

Regulation 13.2 of the MYT Regulations, 2021, which recognizes O&M expenses as controllable, specifies the following:

"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:

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) Intrastate Transmission loss for transmission licensee;

e) Availability of transmission system;

f) Variations 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 labor 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:

........"

Regulation 52 of the JERC MYT Regulation, 2021 states the following:

"52. Operation and Maintenance (O&M) expenses for the Distribution Wires Business

52.1 The Operation and Maintenance expenses for the Distribution Wires Business shall be computed in accordance with this Regulation.

52.2 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.

52.3 The Distribution 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 considering the latest available audited accounts, business plan filed by the transmission Licensee, estimates of the actuals for the Base Year, prudence check and any other factors considered appropriate by the Commission.

52.4 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

O&Mn = (R&Mn + EMPn + A&Gn) x (1 – Xn) + Terminal Liabilities

Where,

R&Mn = K x GFAn-1 x (WPIinflation)

EMPn = (EMPn-1) x (1+Gn) x (CPIinflation)

A&Gn = (A&Gn-1) x (CPIinflation)

'K' is a constant (expressed in %). Value of 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;

CPIinflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPIinflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMPn – Employee expenses of the Distribution Licensee for the nth Year;

A&Gn – Administrative and General expenses of the Distribution Licensee for the nth Year;

R&Mn – Repair and Maintenance expenses of the Distribution Licensee for the nth Year;

GFAn-1 – Gross Fixed Asset of the transmission Licensee for the n-1th Year;

Xn is an efficiency factor for nth Year. Value of Xn 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;

Gn is a growth factor for the nthYear. Value of Gn shall be determined by the Commission for each Year 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 that the Commission feels appropriate:

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.

52.5 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

52.6 For the purpose of estimation, the same value of factors – CPIinflation and WPIinflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPIinflation and WPIinflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation."

4.10.1. Employee Expenses

Petitioner's submission

As stated in the APR for FY 2022-23, the Petitioner has taken over the operations of the UT of Dadra and Nagar Haveli and Daman and Diu with effect from 1st April, 2022. In view of the requirement for regular preventive maintenance in addition to predictive and breakdown maintenance, the Petitioner has taken up various activities for improvement of performance.

As part of the transfer process, employees have been transferred from erstwhile entities. However, considering the level of activities required to achieve the sustainable reliability targets, DNHDDPDCL has deployed necessary skilled manpower.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has projected Employee Expenses of INR 33.95 Crore for FY 2023-24.

Table 69: Employee Expenses submitted by Petitioner for FY 2023-24 (INR Crore)

Particular	Petitioner's Submission
Employee Expenses	33.95

Commission's Analysis

The Regulation 6 of the JERC MYT Regulations, 2021 stipulates the following:

"6. Values for Base Year

6.1 The values for the Base Year of the Control Period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) Years, and other factors considered relevant by the Commission:

Provided that, in absence of availability of audited accounts or provisional accounts of last three (3) Years, the Commission may benchmark the parameters with other similar utilities to establish the values for Base Year:

Provided further that the Commission may change the values for Base Year and consequently the trajectory of parameters for Control Period, considering the actual figures from audited accounts."

The Commission has considered the approved employee expenses for FY 2022-23. Thereafter, the employee expenses, thus, arrived have been escalated by the CPI inflation to arrive at employee expenses for FY 2023-24.

The CPI Inflation has been computed as follows:

Table 70: Average CPI Inflation Rate (%) for FY 2023-24

FY	Average of (Apr-Mar)	Increase in CPI Index	Average increase in CPI indices over 3 years
2018-19	299.92		
2019-20	322.50	7.53%	
2020-21	338.69	5.02%	
2021-22	356.06	5.13%	
		CPI Inflation	**5.89%**

Accordingly, the employee expenses approved by the Commission for the FY 2023-24 have been provided in the following table:

Table 71: Employee Expenses approved by the Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Employee Expenses		24.32
2	Growth in number of employees (Gn)	-	-
3	CPI Inflation for preceding three years (CPI)	-	5.89%
4	**Employee Expenses (Crore)**	**33.95**	**25.75**

The Commission at this stage approves Employee Expenses as in the table above for FY 2023-24. As discussed in previous section of the Order, the Commission may revise the employee expenses for FY 2022-23 as part of truing up and accordingly the Commission may revise the Employee Expenses for FY 2023-24 during APR of FY 2023-24.

4.10.2. Administrative and General (A&G) Expenses

Petitioner's submission

As stated in the APR for FY 2022-23, the Petitioner has submitted that as per the Transfer Scheme, all the administrative offices owned by erstwhile Discoms have been retained by them. Accordingly, the Petitioner has to arrange for rented premises at multiple locations within the licence area in order to comply with the operational norms. Similarly, Administrative and General expenses are required to be incurred in terms of need-based deployment of contractual workforce.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has projected INR 24.09 Crore towards A&G expenses for FY 2023-24.

Table 72: A&G submitted by Petitioner for FY 2023-24 (INR Crore)

Particular	Petitioner's Submission
Projected A&G expenses	**24.09**

Commission's Analysis

The Commission has followed the similar methodology as followed while estimating the employee expenses in ARR of FY 2023-24 to approve the A&G expenses for FY 2023-24.

Table 73: A&G Expenses approved by the Commission FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	A&G Expenses		18.64
2	CPI Inflation for preceding three years (CPI)	-	5.89%
3	**A&G Expenses (Crore)**	**24.09**	**19.74**

The Commission approves A&G Expenses as in the table above for FY 2023-24 subject to prudence check during APR of FY 2023-24.

4.10.3. Repair & Maintenance Expenses (R&M)

Petitioner's submission

As stated in the APR for FY 2022-23, the Petitioner has submitted that the Commission requires the Petitioner to meet stringent performance standards and ensuring high reliability of supply, hence, DNHDDPDCL is incurring necessary expenditure for repairs and maintenance also. Further, O&M being the responsibility of the Distribution Licensee, the Petitioner has also aligned outage management and ensured that complete activity of fault management is done by the Licensee. In order to track and manage planned/unplanned outages effectively, the Petitioner is also in process of revamping the outage management system and IT support system including revamping of material management system. The Petitioner always keeps safety as a prime objective and accordingly, the Petitioner has been making necessary improvement in the system to ensure safety of the working staff as well.

The Petitioner requested the Commission to note that Regulation 52 of the MYT Regulations, 2021 provides that O&M expenses for Distribution Licensee, which has been in operation for less than three (3) Years shall be determined on case-to-case basis. Since, DNHDDPDCL is a new licensee, it is proposed to consider its expenditure on actual basis for the Control Period. Once the O&M activities are established, necessary data will be available for the Commission to consider base O&M Expense for subsequent period.

The Petitioner has projected of INR 37.57 Crore towards R&M for FY 2023-24.

Table 74: R&M expenses submitted by Petitioner for 3rd Control Period (INR Crore)

Particular	Petitioner's Submission
Projected R&M Expenses	37.57

Commission's Analysis

Similar to the methodology followed while approving the R&M Expenses for FY 2022-23, the Commissions has approved the R&M Expenses for FY 2023-24 considering the Opening GFA for FY 2023-24 and revised 'K' factor, i.e., 2.32% and has applied the WPI Inflation as detailed below:

Table 75: Computation of WPI Inflation (%)

FY	Average of (Apr-Mar)	Increase in WPI Index	Average increase in WPI indices over 3 years
2018-19	119.79		
2019-20	121.80	1.68%	
2020-21	123.38	1.29%	
2021-22	139.41	13.00%	
		Total	5.32%

The R&M expenses approved by the Commission for FY 2023-24 are as provided in the following table:

Table 76: R&M approved by the Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening GFA for DNHDDPDCL	-	584.18
2	K factor approved (K)	-	2.32%
3	WPI Inflation	-	5.32%
	R&M Expenses = (K x (GFA $_{n-1}$) x (1+WPI$_{Inflation}$)	**37.57**	**14.29**

The Commission at this stage approves the Repair & Maintenance (R&M) expenses as in the table above for ARR of FY 2023-24. As discussed in previous section of the Order, the Commission may revise the R&M for FY 2022-23 as part of truing up and accordingly the Commission may revise the R&M Expenses for FY 2023-24 during APR of FY 2023-24.

4.10.4. Total Operation and Maintenance (O&M) Expenses

The following table provides the total O&M expenses approved by the Commission for FY 2023-24.

Table 77: O&M Expenses approved by the Commission for 3rd Control Period (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Employee Expenses	33.95	25.75
2	Administrative & General Expenses (A&G)	24.09	19.74
3	Repair & Maintenance Expenses	37.57	14.29
4	**Total Operation & Maintenance Expenses**	**95.61**	**59.78**

The Commission approves total O&M Expenses as in the table above subject to prudence check during the APR of FY 2023-24.

4.11. Gross Fixed Assets (GFA) and Capitalisation

Petitioner's Submission

The Petitioner has submitted the opening Gross Fixed Assets (GFA) of INR 610.14 Crore for FY 2022-23 based on closing of FY 2022-23. Further, the Petitioner has projected asset addition of INR 305.68 Crore for FY 2023-24. Thus, the Petitioner has projected the closing GFA of FY 2023-24 as INR 915.81 Crore.

Table 78: Gross Fixed Assets and Capitalisation Proposed by the Petitioner for FY 2023-24 (INR Crore)

Sr. No.	Particulars	Petitioner's Submission
1	Opening GFA	610.14
2	Addition during the year	305.68
3	Closing GFA	915.81

The Petitioner has requested the Commission to approve the capital expenditure and capitalization as given in table below:

Table 79: Capital Expenditure & Capitalization Proposed by the Petitioner for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Capital Expenditure	535.45
2	Capitalization	305.68

The Commission also sought capital investment plan for the submitted expenditure and capitalization along with supporting documents vide 1st and 2nd deficiency note issued to the Petitioner, which was discussed in detail during TVS wherein Petitioner was asked to submit the revised details vide TVS Minutes.

The Petitioner submitted the revised required details. The Scheme-wise Investment Plan as submitted in the Petition and after detailed revised submissions scrutinized by the Commission are presented as follows:

Table 80: Schemes proposed by the Petitioner (INR Crore)

S. No	Particulars	Petitioner's Submission	Revised Submission
1	33 kV Network	62.71	62.71
2	HT Network	198.56	119.83
3	LT Network	74.92	56.40
4	Meter Management	36.52	36.52
5	Supporting Infrastructure	2.01	2.01
6	Power Supply Centre and Call Centre	155.07	155.07
7	IT	2.66	2.66
8	Miscellaneous	3.00	3.00
9	**Total**	**535.45**	**438.20**

Commission's Analysis

The Petitioner has claimed capital expenditure of INR 535.45 Crore and capitalization of INR 305.68 Crore for FY 2023-24. In this regard, the Commission vide 1st deficiency note issued to the Petitioner sought details of the scheme like DPR/Approvals, Work Orders, Physical Progress, Financial Progress and likely date of commissioning. In response, the Petitioner only provided brief details of the schemes.

During the TVS, the schemes were again discussed in detail and the Petitioner was directed to submit revised DPRs, which shall include cost benefit analysis for the said schemes. In response, the Petitioner submitted the revised DPRs of the said schemes.

The Commission observes that the Petitioner has not submitted the scheme-wise details of completion. Based on the submissions of the Petitioner and considering the current status of proposed schemes in FY 2023-24, the schemes-wise capital expenditure and capitalisation approved by the Commission are discussed below:

Scheme 1: 33 kV Network

The Commission notes the revised submissions made vide response to TVS Minutes and finds them insufficient to be approved.

As per JERC's Supply Code Regulations, 2018:

Distribution System is defined as under with following explanation:

(31) "Distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers;

Explanation: Any system consisting mainly of overhead lines, underground cables, service lines, electrical plant, control switchgear and meters having design voltage of 33 kV and below and shall also include any other system of higher voltage as the Commission may specifically recognize. The Distribution System shall not include any part of the Transmission System except the terminal equipment (metering system, CT and PT) connected at consumer end and used for the supply of electricity to extra high voltage (66 kV and above) consumers;

Transmission System is defined as under:

(70) "Transmission System" means the system consisting of EHV electric lines being operated at EHV (excluding generator interconnection facilities) owned and/or operated by the Transmission Licensee for the purposes of transmission of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external interconnection equipment up to the interconnection with the distribution system and includes the plant and apparatus and meters owned or used by the Transmission Licensee in connection with the transmission of electricity, but shall not include any part of any Licensee's distribution system;

wherein EHV is defined as under:

(36) "Extra High Voltage (EHV)" or "Extra High Tension (EHT)" means a voltage exceeding 33000 Volts;

..."

Thus, in accordance with the provision of the Electricity Act, 2003 read with JERC's Electricity Supply Code Regulations, 2018 DNHDDPDCL is permitted to implement schemes from 33 kV and below voltage level only and the entity could be allowed to execute the schemes above 33 kV voltage level only with the prior approval of the Commission.

Hence, at this stage, the Commission is not inclined to consider the capex and capitalisation of such schemes without going into details such as its requirements, benefit, etc. and hearing the various stakeholders based on detailed submission.

The Commission directs the Petitioner to submit a fresh Petition regarding Capital Expenditure and Capitalization of 33 kV and above Network in line with JERC's State Grid Code Regulations, and JERC's Electricity Supply Code Regulations, 2018 and amendments thereof in consultation with UT of DNH and DD. The Commission also suggests to make ED-DNH, DNHPCL and EDDD as parties/respondents to the Petition.

Therefore, the Commission at present is not approving any capital expenditure for Scheme 1: 33 kV Network.

Scheme 2: HT Network (below 33 kV)

The Petitioner has divided HT schemes into 4 parts:

Part A: Normal Load Growth
Part B: Reliability, Renovation, Loss Reduction
Part C: Technological Upgradation
Part D: Safety

Part A: Normal Load Growth:

The Commission observes there was a discrepancy in submissions made by the Petitioner and submissions made in response to Deficiency Notes. Also, the Petitioner was not able to provide details for the said investment.

The Petitioner plans to place New DTs/Augment present DTS, relieve overloaded DTs and replace faulty DTs thereby replacing/adding 648 number of Hermetically sealed Ester Oil filled Distribution transformers against existing Mineral Oil filled Distribution transformers whereas the Petitioner plans to invest in 671 new transformers. The Petitioner was able to invest around INR 7.41 (3.06+4.35) Crore up to Q3 of FY 2022-23 out of Capex planned of INR 23.04 Crore and plans to invest another INR 58.63 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Part B: Reliability, Renovation, Loss Reduction:

The Commission observes there was a discrepancy in submissions made by the Petitioner and submissions made in response to Deficiency Notes. Also, the Petitioner was not able to provide details for the said investment.

The Commission observes as regards conversion of overhead to underground for 100 No.s of HT Feeders that the Petitioner was able to invest around INR 11.13 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 9.08 Crore and plans to invest another INR 32.11 Crore in FY 2023-24. Hence, the Petitioner has exceeded the planned budget for this scheme up to Q3 of FY 2022-23.

Part C: Technological Upgradation:

The Commission observes there was a discrepancy in submissions made by the Petitioner and submissions made in response to Deficiency Notes.

The Petitioner plans to implement Distribution Automation System (DAS) wherein major investment is required for procuring 362 No.s SF6 Breakers for preparing Ring Main Units, which will minimize the interruption frequency and enhance consumer satisfaction. The Petitioner was able to invest around INR 0.49 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 2.91 Crore and plans to invest another INR 23.79 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Part D: Safety:

The Commission observes that the Petitioner was not able to provide details for the said investment. Since, Safety works are of utmost importance, the Commission directs to complete the Safety works by FY 2023-24 and to submit head-wise status report along with the quarterly reports.

Further, the Commission observes the Petitioner was able to invest around INR 1.43 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 8.37 Crore and plans to invest another INR 5.30 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Accordingly, the Commission provisionally approves the capital expenditure planned for the Scheme 2: HT Network (below 33 kV) subject to prudence check during truing up exercise.

Scheme 3: LT Network

The Petitioner has divided LT schemes into 3 parts:

Part A: Normal Load Growth
Part B: Reliability, Renovation, Loss Reduction
Part C: Safety

Part A: Normal Load Growth:

The Commission observes there was a discrepancy in submissions made by the Petitioner and submissions made in response to Deficiency Notes. Also, the Petitioner was not able to provide details for the said investment.

The Petitioner was able to invest around INR 1.57 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 3.61 Crore and plans to invest another INR 5.87 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Part B: Reliability, Renovation, Loss Reduction:

The Commission observes there was a discrepancy in submissions made by the Petitioner and submissions made in response to Deficiency Notes.

The Commission observes as regards to conversion of overhead to underground for 146 No.s of LT Feeders that the Petitioner was able to invest around INR 1.69 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 18.38 Crore and plans to invest another INR 47.03 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Part D: Safety:

The Commission observes that the Petitioner was not able to provide details for the said investment. Since, Safety works are of utmost importance, the Commission directs to complete the Safety works by FY 2023-24 and to submit head-wise status report along with the quarterly reports.

Further, the Commission observes the Petitioner was able to invest around INR 0.21 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 3.14 Crore and plans to invest another INR 3.50 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Accordingly, the Commission provisionally approves the capital expenditure planned for Scheme 3: LT Network subject to prudence check during truing up exercise.

Scheme 4: Meter Management

The Commission understands the need for the implementation of Smart Metering and directs the Petitioner to keep this scheme on priority as this will mitigate the requirement for manual reading and establish Automatic Metering Infrastructure (AMI) for remote metering, communication, monitoring and consumption analysis.

The Commission observes that *the Petitioner was able to invest around INR 2.22 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 11.24 Crore and plans to invest another INR 36.52 Crore in FY 2023-24.* Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

The Commission provisionally approves the capital expenditure planned for Scheme 4: Meter Management subject to prudence check during truing up exercise.

Scheme 5: Supporting Infrastructure

The Commission observes that the Petitioner was not able to provide details for the said investment and directs to submit the details for Testing Equipment procured and details for Meter Testing Laboratory during True-up.

The Commission provisionally approves the capital expenditure planned for Scheme 5: Supporting Infrastructure subject to prudence check during truing up exercise.

Scheme 6: Power Supply Centre (PSC) and Call Centre

The Commission observes that the Petitioner was not able to provide detailed plans for the said investment such as timeline to execute the scheme and cost benefit analysis.

The Commission observes that the Petitioner was able to invest around INR 1.38 Crore up to Q3 of FY 2022-23 out of Capex planned of INR 3.00 Crore and plans to invest another INR 155.07 Crore in FY 2023-24. Hence, the Petitioner has under-utilized the planned budget for this scheme up to Q3 of FY 2022-23.

Therefore, the Commission at present is not approving any capital expenditure for Scheme 6: Power Supply Centre (PSC) and Call Centre.

The Commission directs the Petitioner to submit a fresh Petition for approval of Capital Expenditure for Power Supply Centre (PSC) including the detailed progress of proposed PSCs at 6 locations (Silvassa, Nani Daman, Moti Daman, Diu, Khanvel, Rakholi).

Scheme 7: IT & Related Infrastructure

The Commission observes that the Petitioner was not able to provide details for the said investment and directs to submit the details of infrastructure created including Enterprise Resource Planning along with commissioning date during True-up.

The Commission provisionally approves the capital expenditure planned for Scheme 7: IT & Related Infrastructure subject to prudence check during truing up exercise.

Scheme 8: Miscellaneous

The Commission observes that the Petitioner was not able to provide details for the said investment and directs to submit the details expenditure done in heads of furniture, fixtures and other facilities, separately for vehicles during True-up.

The Commission provisionally approves the capital expenditure planned for Scheme 8: Miscellaneous, subject to prudence check during truing up exercise.

Table 81: Schemes approved by the Commission (INR Crore)

Sr. No.	Name of the Scheme	Petitioner's Submission	Scrutinized Submission	Now Approved by Commission
1	33 kV Network	62.71	62.71	-
2	HT Network	198.56	119.83	119.83
3	LT Network	74.92	56.40	56.40
4	Meter Management	36.52	36.52	36.52
5	Supporting Infrastructure	2.01	2.01	2.01
6	Power Supply Centre and Call Centre	155.07	155.07	-
7	IT	2.66	2.66	2.66
8	Miscellaneous	3.00	3.00	3.00
9	**Total**	**535.45**	**438.20**	**220.42**

Therefore, the Commission has now approved capital expenditure of INR 220.42 Crore. Further, considering the current progress of works and deficient details of schemes proposed, the

Commission for the time being, approves 50% of the total capitalization claimed i.e. INR 152.84 Crore during FY 2023-24, for the purpose of ARR and tariff determination.

The Commission directs the Petitioner to file a separate Petition with regard to Capex/Capitalization Schemes proposed to be executed for FY 2023-24 and FY 2024-25 with complete details of the scheme and Detailed DPR with Cost Benefit Analysis, detailed head-wise cost break-up BOQ, detailed write-up justifying need and requirement of the Scheme, Investment Approval from the Competent Authority.

The Commission also directs the Petitioner to submit the Detailed Project Report for all the Capital Expenditure Schemes provisionally approved in this Order which shall include Cost Benefit Analysis, detailed head-wise cost break-up BOQ, detailed write-up justifying need and requirement of the Scheme within 01 Month of the issue of this order.

The Commission will consider the actual capitalization during FY 2023-24 at the time of True-up exercise subject to prudence check. Further, the Commission has considered the opening GFA for FY 2023-24 same as the closing GFA approved in APR of FY 2022-23.

The table below provides the details of capitalization and GFA approved by the Commission for FY 2023-24:

Table 82: Gross Fixed Assets and Capitalisation Approved by the Commission for FY 2023-24 (INR Crore)

Sr. No.	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening GFA for FY 2022-23	509.18	509.18
2	Addition During FY 2022-23	100.96	75.00
3	Closing for FY 2022-23	610.14	584.18
4	**Opening for FY 2023-24**	**610.14**	**584.18**
5	Addition during FY 2023-24	305.68	152.84
6	**Closing GFA for FY 2023-24**	**915.82**	**737.02**

The Commission approves the capitalization and closing Gross Fixed Assets for FY 2023-24 as shown in the table above.

4.12. Capital Structure

Petitioner's Submission

The Petitioner has considered funding of the Assets capitalized during FY 2023-24 on normative debt-equity ratio of 70:30 as per the JERC (Multi Year Distribution Tariff) Regulations, 2021.

The debt and equity component are projected as shown in the table below:

Table 83: GFA Addition and Funding Plan submitted by the Petitioner for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	610.14
2	Addition During FY	305.68
3	Adjustment/Retirement During FY	-
4	Closing Gross Fixed Assets	915.82
5	Capitalization	305.68
6	Debt (%)	70%
7	Equity (%)	30%

S. No	Particulars	Petitioner's Submission
8	Normative Loan	213.98
9	Normative Equity	91.70

Commission's Analysis

Regulation 27 of MYT Regulations, 2021 specifies that if the equity actually deployed is more than 30% of the capital cost, then equity in excess of 30% would be considered as normative loan.

"27. Debt to Equity Ratio

27.1 In case of Existing Projects, debt to equity ratio allowed by the Commission for determination of tariff for the period ending March 31, 2022 shall be considered:

Provided that in case of retirement or replacement or De-capitalization of the assets, the equity capital approved as mentioned above, shall be reduced to the extent of 30% (or actual equity component based on documentary evidence, if it is lower than 30%) of the original cost of such assets:

Provided, further that in case of retirement or replacement or De-capitalization of the assets, the debt capital approved as mentioned above, shall be reduced to the extent of outstanding debt component based on documentary evidence, or the normative loan component, as the case may be, of the original cost of such assets.

27.2 For New Projects, the debt-equity ratio as on the Date of Commercial Operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 23, after prudence check for determination of tariff:

Provided that where equity actually deployed is less than 30% of the capital cost of the capitalized asset, the actual equity shall be considered for determination of tariff:

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as a normative loan for the Licensee for determination of tariff:

Provided also that the Licensee shall submit documentary evidence for the actual deployment of equity and explain the source of funds for the equity:

Provided also that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system or the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.

27.3 Any expenditure incurred or projected to be incurred on or after April 1, 2022, as may be admitted by the Commission, as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in this Regulation."

In accordance with the above, the Commission sought details of funding for Capex and Capitalization vide 1st deficiency issued to the Petitioner. In response, the Petitioner has submitted that the entire capitalization is funded through equity, thus, equity higher than 30% of capitalization has been considered as normative loan.

The opening Gross Fixed Assets for FY 2023-24 has been considered as per the closing GFA of FY 2022-23 and the closing Gross Fixed Assets is approved after considering GFA addition approved for FY 2023-24.

Similarly, the values of opening loan and equity has been considered as per the closing of FY 2022-23. The loan and equity addition has been considered on normative basis as 70% and 30% respectively of the approved capitalization for the year.

Accordingly, the Commission approves the capital structure as per the capital expenditure approved for FY 2023-24 in the tables below:

Table 84: Funding Plan approved by the Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Capitalization	305.68	152.84
2	Debt (%)	70%	70%
3	Equity (%)	30%	30%
4	**Normative Loan**	**213.98**	**106.99**
5	**Equity**	**91.70**	**45.85**

Table 85: GFA addition approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening GFA for FY 2022-23	509.18	509.18
2	Addition During FY 2022-23	100.96	75.00
3	Closing for FY 2022-23	610.14	584.18
4	**Opening for FY 2023-24**	**610.14**	**584.18**
5	Addition during FY 2023-24	305.68	152.84
6	**Closing GFA for FY 2023-24**	**915.82**	**737.02**

Table 86: Normative Loan addition for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	204.10	188.73
2	Add: Normative Loan During the year	213.98	106.99
3	Less: Normative Repayment equivalent to Depreciation	26.85	19.92
4	**Closing Normative Loan**	**391.23**	**275.80**

Table 87: Normative Equity addition for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Equity	183.04	175.25
2	Additions on account of new capitalization	91.70	45.85
3	**Closing Equity**	**274.75**	**221.10**

The Petitioner is directed to submit quarterly decapitalization details along with quarterly capex and capitalization details to the Commission.

4.13. Depreciation

Petitioner's submission

The Petitioner submitted that Depreciation has been calculated based on depreciation rates in accordance with the MYT Regulations, 2021, though the Petitioner has not submitted any calculations for the same. Therefore, the Commission has prepared the following presentation of the facts of the Petition regarding Deprecation.

Table 88: Depreciation submitted by Petitioner for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Gross Fixed Assets	610.14
2	Less: Assets depreciated up to 90% till FY 2020-21	0.00
3	Adjustment/Retirement During FY	0.00
4	Modified Opening GFA	610.14
5	Addition During FY	305.68
6	Closing Gross Fixed Assets	915.82
7	Average Gross Fixed Assets	762.98
8	Effective Rate of Depreciation (%)	3.52%
9	**Depreciation**	**26.85**

Commission's Analysis

Regulation 31 of the MYT Regulations, 2021 specifies the following:

*"**31. Depreciation***

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.

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.

31.5 The depreciation shall be chargeable from the first Year of commercial operations. In case of projected commercial operation of the assets during the Year, depreciation shall be computed based on the average of opening and closing value of assets:

Provided that depreciation shall be re-calculated during truing-up for assets capitalized at the time of truing up of each Year of the Control Period, based on documentary evidence of asset capitalized by the Applicant, subject to the prudence check of the Commission.

31.6 For Transmission Licensee, the depreciation shall be calculated at rates and norms specified in the prevalent CERC Tariff Regulations for transmission system.

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 in Appendix I of the Regulations.

31.8 In addition to allowable depreciation, the Distribution Licensee shall be entitled to advance against depreciation (AAD), computed in the manner given hereunder:

AAD = Loan (raised for capital expenditure) repayment amount based on loan repayment tenure, subject to a ceiling of 1/10th of loan amount minus depreciation as calculated on the basis of these Regulations:

Provided that advance against depreciation shall be permitted only if the cumulative repayment upto a particular Year exceeds the cumulative depreciation upto that Year:

Provided, further that advance against depreciation in a Year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation upto that Year.

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 Distribution 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, addition during the year and closing GFA as approved in *Section 4.9 and Section 4.10* of this Order. The depreciation has been computed on average Gross Fixed Assets (GFA). Effective Depreciation rate has been computed by calculating asset-wise depreciation with the depreciation rates as specified in Appendix I of MYT Regulations, 2021.

The following table provides the calculation of deprecation during FY 2023-24:

Table 89: Depreciation approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening GFA for FY 2022-23	509.18	509.18
2	Less: Assets Depreciated up to 90% till FY 2021-22	-	103.13
3	Addition During FY 2022-23	100.96	75.00
4	Closing GFA for FY 2022-23	610.14	481.05
5	**Opening GFA for FY 2023-24**	**610.14**	**481.05**
6	Addition during FY 2023-24	305.68	152.84
7	**Closing GFA for FY 2023-24**	**915.82**	**633.89**
8	Average Gross Fixed Assets for FY 2023-24	762.98	557.47
9	Effective Rate of Depreciation (%)	3.52%	3.57%
10	**Depreciation**	**26.85**	**19.92**

Accordingly, the Commission now approves depreciation for FY 2023-24 as shown in the table above.

4.14. Interest on Loan (IoL)

Petitioner's submission

The Petitioner submits that the MYT Regulations, 2021 provides for the calculation of interest expenses on normative basis considering the amount of depreciation on assets as the amount of repayment. The Petitioner has considered the interest expenses as per the MYT Regulations, 2021 on normative loans.

The Petitioner has calculated the interest expenses by applying the projected opening Weighted Average Rate of interest of the loan portfolio of the Petitioner at the beginning of the year on the projected opening normative loan for FY 2023-24 arrived at based on provisional details shared by DNHPDCL and EDDD of the UT while repayment has been considered equal to the depreciation on the assets for the year. Opening GFA are considered as per the details made available by the UT subject to adjustment upon issuance of Opening Balance sheet under the Transfer Scheme.

The rate of interest has been considered as 7.65%. The Petitioner has calculated the Interest on Loan as:

Table 90: Interest on loan submitted by the Petitioner for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	Opening Normative Loan	204.10
2	Add: Normative Loan During the year	213.98
4	Less: Normative Repayment equivalent to Depreciation	26.85
5	Closing Normative Loan	391.23
6	Average Normative Loan	297.66
7	Interest Rate	7.65%
8	**Interest on Loan**	**22.77**

Commission's Analysis:

Regulation 29 of the MYT Regulations, 2021 specifies as under:

"***29. Interest on Loan***

29.1 The loans arrived at in the manner indicated in Regulation 27 on the assets put to use, shall be considered as gross normative loan for calculation of interest on the loan:

Provided that interest and finance charges on capital works in progress shall be excluded:

Provided, further that in case of De-capitalization or retirement or replacement of assets, the loan capital shall be reduced to the extent of outstanding loan component of the original cost of the de-capitalized or retired or replaced assets, based on documentary evidence.

29.2 The normative loan outstanding as on April 1, 2022, shall be worked out by deducting the cumulative repayment as admitted by the Commission up to March 31, 2021, from the gross normative loan.

29.3 Notwithstanding any moratorium period availed by the Transmission Licensee or the Distribution Licensee, as the case may be, the repayment of loan shall be considered from the first Year of commercial operation of the project and shall be equal to the annual depreciation allowed in accordance with Regulation 31.

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.

29.5 The interest on loan shall be calculated on the normative average loan of the Year by applying the weighted average rate of interest:

Provided that at the time of truing up, the normative average loan of the Year shall be considered on the basis of the actual asset capitalization approved by the Commission for the Year.

29.6 For new loans proposed for each Financial Year of the Control Period, interest rate shall be considered as lower of (i) 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, and (ii) weighted average rate of interest proposed by the Distribution Licensee.

29.7 The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee.

29.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.

29.9 The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case to case basis, after prudence check by the Commission:

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost:

Provided further that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

29.10 The Transmission Licensee or the Distribution Licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the equally between the beneficiaries and the Transmission Licensee or the Distribution Licensee and the Consumers of Distribution Licensee.

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 values for opening loan and loan addition as approved in the *Section 4.10* of this Order. Further, the repayment is considered same as depreciation approved for the year. In line with past practice, the Commission for the purpose of calculation of Interest on Loan has considered the interest rate equivalent to 1-year SBI MCLR (as on 01.04.2023, i.e., 8.50%) plus 100 basis points as rate of interest, in accordance with the MYT Regulations, 2021, as there are no actual loans. The following table provides the Interest on Loan approved by the Commission:

Table 91: Interest on Loan approved by Commission for FY 2023-24 (INR Crore)

S. No.	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Normative Loan	204.10	188.73
2	Add: Normative Loan During the year	213.98	106.99
4	Less: Normative Repayment equivalent to Depreciation	26.85	19.92
5	Closing Normative Loan	391.23	275.80
6	Average Normative Loan	297.66	232.26

S. No.	Particulars	Petitioner's Submission	Now Approved by Commission
7	Interest Rate	7.65%	9.50%
8	Interest on Loan	**22.77**	**22.06**

Accordingly, the Commission approves Interest on Loan for ARR of FY 2023-24 as shown in the table above.

4.15. Return on Equity (RoE)

Petitioner's Submission

The Return on Equity (RoE) for wheeling and retail business has been computed based on the opening and closing balance of the equity arrived at considering the projected capitalization for FY 2023-24.

The RoE is computed as per the provisions of the MYT Regulations, 2021, on the average of the opening and closing balance of equity for FY 2023-24. The RoE projected by the Petitioner is shown in the table below:

Table 92: Return on Equity submitted by Petitioner for FY 2023-24

S. No	Particulars	Petitioner's Submission
1	Opening Equity	183.04
2	Additions on account of new capitalization	91.70
3	Closing Equity	274.75
4	Average Equity	228.89
5	Equity for Wires Business (90%)	206.00
6	Equity for Retail Supply Business (10%)	22.89
7	Return on Equity for Wire Business (%)	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%
9	Return on Equity for Wire Business	31.93
10	Return on Equity for Retail Supply Business	3.66
11	**Return on Equity**	**35.59**

The Petitioner has considered the rate of Return on Equity as 15.50% for distribution Wire Business and 16.00% for Retail Supply Business.

Commission's Analysis:

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

"...

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.

28.4 The return on equity shall be computed on average of equity capital at the beginning and end of Year."

(Emphasis supplied)

Further, in this regard, 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 Matrix provided in the 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) and a rate of 16% for the Retail Supply Business. The equity component has been determined in accordance with capital structure as discussed above in *Section 4.12* of this Order.

The RoE has been calculated on the average of opening and closing of equity during FY 2023-24 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 per the Closing Equity of FY 2022-23 as approved in the APR of FY 2022-23. The following table provides the Return on Equity submitted by the Petitioner and approved for FY 2023-24 by the Commission.

Table 93: Return on Equity approved by Commission for FY 2023-24

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Equity	183.04	175.25
2	Additions on account of new capitalization	91.70	45.85
3	Closing Equity	274.75	221.10
4	Average Equity	228.89	198.18
5	Equity for Wires Business (90%)	206.00	178.36
6	Equity for Retail Supply Business (10%)	22.89	19.82
7	Return on Equity for Wire Business (%)	15.50%	15.50%
8	Return on Equity for Retail Supply Business (%)	16.00%	16.00%
9	Return on Equity for Wire Business	31.93	27.65
10	Return on Equity for Retail Supply Business	3.66	3.17
11	**Return on Equity**	**35.59**	**30.82**

Accordingly, the Commission approves the Return on Equity for FY 2023-24 as shown in the table above.

4.16. Interest on Security Deposits

Petitioner's Submission

The Petitioner has projected the interest on security deposit for FY 2023-24 considering the interest rate of 4.25% on the average of opening balances and closing balance of security deposit for the licence area.

The Petitioner submitted INR 8.04 Crore as revised projection for interest on consumer security for the licence area.

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 vide TVS Minutes sought details of Consumer Deposits. The Petitioner in response submitted the actual details of consumer deposit up to December 2022.

Considering the submission made by the Petitioner, the Commission noted down the actual details of Opening Consumer Security Deposit (CSD) and Additions made to CSD during FY 2022-23 (up to Q3) and has accordingly worked out the interest on CSD for FY 2022-23. The Closing Value of Security Deposits for FY 2022-23 has been considered as Opening Value of Security Deposits for FY 2023-24. The additions during the year have been considered in line with the submissions made by the Petitioner. Further RBI Bank Rate prevailing as on 01.04.2022, i,e., 4.25% which is the Bank Rate applicable during FY 2022-23 in which the Petition has been filed has been considered to compute the Interest on Security Deposits. The same shall be revised during the APR exercise based on the actuals.

The table below provides details submitted by the Petitioner and approved interest on consumer security deposits for FY 2023-24:

Table 94: Interest on Security Deposits approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Opening Security Deposit	186.72	186.49
2	Add: Deposits During the year	5.00	5.00
3	Less: Deposits refunded	0.00	0.00
4	Closing Security Deposit	191.72	191.49
5	Average Security Deposit	189.22	188.99
6	Rate of Interest (%)	4.25%	4.25%
7	**Interest on Security Deposit**	**8.04**	**8.03**

The Commission approves Interest on Security Deposit for FY 2023-24 as shown in the table above.

4.17. Interest on Working Capital (IoWC)

Petitioner's Submission

The interest on working capital is computed as per the MYT Regulations, 2021. The interest rate, being the SBBR (State Bank Base Rate) rate on 1st April of the Financial Year in which Petition is filed plus 200 basis points, of 9.00% is to be applied on the working capital requirement arrived at in accordance with the Regulations.

The projections for interest on working capital as submitted by the Petitioner is shown in the table below:

Table 95: Interest on Working Capital submitted by Petitioner for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission
1	O&M expense for one month	7.97

S. No	Particulars	Petitioner's Submission
2	Maintenance spares at 40% of R&M for one month	1.25
3	Receivables equivalent to two (2) months of the expected revenue	873.55
4	Less: Power Purchase Cost 1 month	420.98
5	Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt	189.22
6	Net Working Capital required after deduction of Security Deposit	272.57
7	Rate of Interest (%)	9.00%
8	**Interest on Working Capital**	**24.53**

Commission's Analysis:

Regulations 32.2, 32.3 and 32.4 of the MYT Regulations, 2021 specifies the following:

"32 Interest on Working Capital

....

32.2 The norms for working capital for Distribution Wires Business and Retail Supply Business shall be as specified in Chapter 6 and Chapter 7 of these Regulations respectively.

32.3 The interest on working capital shall be a payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

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 (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."

Also, Regulation 53 of the MYT Regulations, 2021 specifies the following:

"53. Norms of Working Capital for Wires Business

53.1 The Distribution Licensee shall be allowed interest on the estimated level of working capital for the Retail Supply Business for the Financial Year, computed as follows:

(a) O&M Expenses for one (1) month; plus

(b) Maintenance spares at 40% of repair and maintenance 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) Amount, if any, held as security deposits under clause (b) of sub-section (1) of Section 47 of the Act from distribution system users except the security deposits held in the form of Bank Guarantees:

Provided, that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

Further, Regulation 64 of the MYT Regulations, 2021 specifies the following:

"64. Norms of Working Capital for Retail Supply Business

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

(a) O&M Expenses for one (1) month; plus

(b) Maintenance spares at 40% of repair and maintenance 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 distribution system users except the security deposits held in the form of Bank Guarantees:

Provided, that at the time of truing up for any Year, the working capital requirement shall be re-calculated on the basis of the values of components of working capital approved by the Commission in the truing up."

In accordance with the MYT Regulations, 2021, the Commission has computed the Interest on Working Capital for FY 2023-24. The rate of interest on working capital is considered as 1-year SBI MCLR rate as on April 1, 2022 plus 200 basis points (7.00%+2% = 9.00%).

The following table provides the interest on working capital as submitted by the Petitioner and now approved by the Commission.

Table 96: Interest on Working Capital approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	O&M expense for one month	7.97	4.98
2	Maintenance spares at 40% of R&M for one month	1.25	0.48
3	Receivables equivalent to two (2) months of the expected revenue	873.55	861.73
4	Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt	189.22	188.99
5	Less: Power Purchase Cost 1 month	420.98	462.07
6	Net Working Capital required after deduction of Security Deposit	272.57	216.12
7	Rate of Interest (%)	9.00%	9.00%
8	**Interest on Working Capital**	**24.53**	**19.45**

Accordingly, the Commission approves the Interest on Working Capital as in the table above for FY 2023-24.

4.18. Income Tax

Petitioner's Submission

As per the MYT Regulations, 2021, 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.

Since, DNHDDPDCL has taken over the operations w.e.f. 1st April, 2022, the Income Tax has been considered as nil. The same shall be considered on actual basis at the time of True-up.

Commission's Analysis:

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. Since, DNHDDPDCL has taken over the operations w.e.f. 1st April, 2022, the income tax has been approved as nil, which will be trued up based on actuals subject to prudence check.

Table 97: Income tax approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Income Tax	NIL	NIL

The Commission approves NIL income tax for FY 2023-24.

4.19. Provision for Bad & Doubtful Debts

Petitioner's Submission

The Petitioner has not proposed any provision for bad and doubtful debts for FY 2023-24 as Petitioner took over the operations w.e.f. 1st April, 2022.

Commission's Analysis

Regulation 63 of MYT Regulations, 2021 specifies the following:

"63. Provision for bad and doubtful debts

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 be 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 realized 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 realized."

As per the Petitioner's submission, the Commission has not considered any provision for Bad & Doubtful Debts. The same shall be accounted for as per actuals, subject to prudence check, in the True-up of FY 2023-24.

4.20. Non-Tariff Income (NTI)

Petitioner's Submission

The Non-Tariff Income consists of income from rent of and/ building/ meter/ service line, sale of scrap, service charges, consumer charges, etc.

The Petitioner has forecasted the Non-Tariff Income as approved in APR of FY 2022-23 as INR 3.67 Crore for FY 2023-24.

Commission's Analysis:

Regulation 65 of the MYT Regulations, 2021 specifies 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."

Further, Regulation 35.2 of the MYT Regulations, 2021 specifies the following:

"35.2 The delayed payment charge earned by the Transmission Licensee or the Distribution Licensee shall not be considered under its Non-Tariff Income."

The Commission has approved Non-Tariff Income for FY 20223-24 by considering the submission made by the Petitioner excluding the revenue recovered through Meter Rent and the same shall be considered at actuals at the time of APR of FY 2023-24. Further, the Commission has computed the rebate on power purchase @1% in Section 4.8.4 and the same has been considered as part of NTI.

Table 98: Non-Tariff Income approved by Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Non-Tariff Income	3.67	1.33
2	Rebate on Power Purchase	-	55.45
3	**Total Non-Tariff Income**	**3.67**	**56.78**

The Commission now approves Non-Tariff Income for FY 2023-24 as shown in the table above.

4.21. Aggregate Revenue Requirement (ARR)

Petitioner's Submission

Based on the expenses as detailed above, the net Aggregate Revenue Requirement is INR 5,261.46 Crore after adjusting the Non -Tariff Income for FY 2023-24.

The Petitioner also submitted that it will be filing a separate Petition seeking approval of the Commission for the DSM plan for the Control Period as per the JERC (Demand Side Management) Regulations, 2014. Based on the approval received and the actual cost incurred, the Petitioner shall claim the actual DSM expenses as part of its truing up Petitions.

Commission's Analysis

On the basis of the detailed analysis of the cost parameters of the ARR, the ARR of FY 2023-24 is approved as follows:

Table 99: Aggregate Revenue Requirement approved by the Commission for FY 2023-24 (INR Crore)

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Power Purchase Cost	5,051.72	5,544.84
2	Operation & Maintenance Expenses	95.61	59.78
3	Depreciation	26.85	19.92
4	Interest and Finance charges	22.77	22.06

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
5	Interest on Working Capital	24.53	19.45
6	Return on Equity	35.59	30.82
7	Provision for Bad Debt	0.00	0.00
8	Interest on Security Deposit	8.04	8.03
9	Income Tax	0.00	0.00
10	**Total Revenue Requirement**	**5,265.12**	**5,704.90**
11	Less: Non-Tariff Income	3.67	56.78
12	**Net Revenue Requirement**	**5,261.46**	**5,648.12**

The Commission approves the net ARR for FY 2023-24 as shown in the table above.

4.22. *Revenue for FY 2023-24*

Petitioner's Submission

The Petitioner has projected the revenue from sale of power for FY 2023-24 at approved tariff. DNHDDPDCL being a new Distribution Licensee for entire area of Union Territory, it is incumbent on it to ensure tariff for all the consumers of UT as per the provisions of Electricity Act, 2003 read with Transfer Scheme.

The total revenue projected by the Petitioner from the Sale of Power for FY 2023-24 is INR 5,241,31 Crore.

Commission's Analysis

The Commission has approved sales for the Combined Entity for FY 2023-24 in Section 4.2.1: Projection of Number of consumers, Connected Load and Energy Sales. The Commission has not worked out the Revenue at Existing Tariff since the erstwhile Utilities have been merged and the Tariff Schedule was earlier approved for Individual Entitles.

Since the said Tariff Order will be applicable from 1st August, 2023, accordingly, in order to calculate the Revenue for FY 2023-24, the Commission has considered the Average Billing Rate (ABR) for each category as per the details submitted by the Petitioner for 9 (nine) months of FY 2022-23 and multiplied the same with estimated sales for FY 2023-24 to work out the Revenue for entire Year. This Revenue has been further pro-rated to work out the revenue for First Four months of FY 2023-24 i.e., from April 2023 to July 2023.

Further, for remaining 8 Months of FY 2023-24 i.e., from August 2023 to March 2024, the Commission has considered the Rationalized Tariff Schedule for FY 2023-24 for the combined Entity DNHDDPDCL considering the lowest of the Tariff Schedule approved for erstwhile EDDD and DNHPDCL. The revenue worked out by this methodology for FY 2023-24 has been further pro-rated to work out the revenue for remaining Eight months of FY 2023-24 i.e., from August 2023 to March 2024.

The sum of the pro-rated revenue from April 2023 to July 2023 and August 2023 to March 2024 has been considered as Revenue for FY 2023-24 to work out the Gap/(Surplus) for FY 2023-24.

The Total Revenue approved by the Commission is as follows:

The category-wise revenue computed by the Commission for FY 2023-24 is shown in the following table:

Table 100: Pro-rated Revenue computed by Commission for April 2023 to July 2023 based on ABR (INR Crore) approved in Tariff Order dated 31.03.2022

S. No	Particulars	Revenue Calculated (Apr – Mar)	Pro-Rated Revenue (April 2023 to July 2023)
1	Revenue in Rs. Crore	5,158.12	1,719.37

Table 101: Revenue computed by Commission for FY 2023-24 (INR Crore)

S. No	Category	Fixed Charges (INR Cr)	Energy charges (INR Cr)	Total (INR Cr)	ABR (INR/unit)
1	**DOMESTIC SUPPLY (DS)**	**2.82**	**83.37**	**86.18**	**2.54**
1	0-50 units	0.52	9.99	10.51	1.68
2	51-100 units	0.48	9.33	9.81	1.68
3	100-200 units	0.51	14.14	14.66	2.38
4	201-400 units and above units	0.47	15.69	16.15	2.88
5	401 and above units	0.84	34.22	35.05	3.48
2	**COMMERCIAL / NON-DOMESTIC**	**1.93**	**46.39**	**48.32**	**4.19**
1	0-100 units	0.63	12.71	13.34	3.52
2	101 Units and Above	1.30	33.68	34.98	4.52
3	**AGRICULTURAL**	**-**	**0.61**	**0.61**	**0.92**
1	For sanctioned load up to 10 HP	-	0.58	0.58	0.90
2	Beyond 10 HP	-	0.03	0.03	1.30
4	**LT INDUSTRY**	**28.19**	**250.97**	**279.16**	**5.03**
1	For sanctioned load up to 20 HP	0.28	6.29	6.57	4.49
2	Beyond 20 HP	27.91	244.68	272.59	5..05
5	**HT INDUSTRY**	**950.29**	**3806.33**	**4756.62**	**5.33**
1	11 kV	374.23	1680.07	2054.30	5.30
2	66 kV	278.75	1083.58	1362.33	5.32
3	220 kV	297.31	1042.68	1339.99	5.37
6	**PUBLIC LIGHTING (PL)**	**0.00**	**2.53**	**2.53**	**4.30**
7	**PUBLIC WATER WORKS**	**0.31**	**2.01**	**2.32**	**5.19**
1	For sanctioned load up to 20 HP	0.16	1.41	1.57	5.03
2	Beyond 20 HP	0.14	0.60	0.74	5.56
8	**TEMPORARY SUPPLY**	**0.00**	**0.00**	**0.00**	**0.00**
9	**EV Charging Station**	**0.00**	**0.77**	**0.77**	**5.10**
	TOTAL	**983.53**	**4192.21**	**5176.51**	**5.20**

Table 102: Pro-rated Revenue computed by Commission for August 2023 to March 2024 based on ABR (INR Crore)

S. No	Particulars	Revenue Calculated (Apr – Mar)	Pro-Rated Revenue (August 2023-March 2023)
1	Revenue in Rs. Crore	5,176.51	3,451.01

Table 103: Revenue approved by the Commission for FY 2023-2024 (INR Crore)

S. No	Particulars	Pro-Rated Revenue based on ABR (4 Months)	Pro-Rated Revenue (8 Months)	Total Revenue approve for FY 2023-24
1	Revenue in Rs. Crore	1,719.37	3,451.01	5,170.38

4.23. Standalone Revenue Gap/Surplus

Petitioner's Submission

The Petitioner has projected ARR for FY 2023-24 based on revised projections as detailed hereinabove. At present, no revenue is considered from open access. Accordingly, the Gap projected by the Petitioner for FY 2023-24 is INR 20.15 Crore.

The following table presents the submissions made by the Petitioner for standalone Gap/(Surplus):

Table 104: *Standalone Revenue Gap/(Surplus) at existing tariff submitted by Petitioner for FY 2023-24 (INR Crore)*

S. No	Particulars	Petitioner's Submission
1	Net Annual Revenue Requirement	5261.46
2	Revenue from sale of power at existing tariff	5241.31
3	Revenue from Open Access Charges	0.00
4	Revenue from FPPCA	0.00
5	Total Revenue	5241.31
6	**Revenue Gap/(Surplus)**	**20.15**

Thus, considering the ARR and the revenue from retail tariff, a standalone revenue Gap of INR 20.15 Crore is projected for FY 2023-24.

Commission Analysis

The Commission, based on the approved ARR and revenue at existing retail tariff has derived the following Revenue Gap/(Surplus):

Table 105: *Standalone Revenue Gap/(Surplus) approved by Commission for FY 2023-24 (INR Crore)*

S. No	Particulars	Petitioner's Submission	Now Approved by Commission
1	Annual Revenue Requirement	5261.46	5648.12
2	Revenue from sale of power at existing tariff	5241.31	5170.38
3	**Revenue Gap/(Surplus)**	**20.15**	477.74

The standalone revenue Gap at existing retail tariff for FY 2023-24 is as in the table above. The estimated gap is considered while determining the retail tariff for FY 2023-24, as discussed in the subsequent Chapter.

Chapter 5: Tariff Principles and Design

5.1. Overall Approach

The Commission while designing retail tariffs for FY 2023-24 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 endeavour 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.

5.2. Applicable Regulations

Regulation 20 of the JERC MYT Regulations, 2021 specifies 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 specifies 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."

5.3. Cumulative Revenue Gap/ Surplus at Existing Tariff

Petitioner's Submission

The Petitioner has proposed a cumulative revenue surplus of INR 1048.88 Crore till FY 2023-24. The standalone and consolidated revenue Gap/(Surplus) as submitted by the Petitioner have been tabulated below:

Table 106: Standalone Revenue Gap/ (Surplus) submitted by Petitioner for FY 2023-24 (INR Crore)

Particulars	FY 2023-24
Net Revenue Requirement	5261.46
Revenue from existing tariff (Including OA charges)	5241.31
Gap/(Surplus) for the year	**20.15**

Table 107: Cumulative Revenue Gap/ (Surplus) submitted by Petitioner for FY 2023-24 (INR Crore)

Particular	FY 2023-24
Opening Gap/(Surplus)	9.23
Add: Gap/(Surplus) during the year	20.15
Closing Gap/(Surplus)	**29.38**
Carrying cost	1.54
Total Gap/(Surplus)	**30.92**

Commission's Analysis

Regulation 12.5 (c) of the JERC MYT Regulation, 2021 specifies 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 1st 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."

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 FY 2023-24 plus 100 basis points.

Accordingly, the Commission has determined the standalone revenue Gap/(Surplus) for FY 2023-24 and the cumulative revenue Gap/ (Surplus) at the end of FY 2023-24 as shown in the tables below:

Table 108: Standalone Revenue Gap/ (Surplus) determined by the Commission at existing tariff (INR Crore)

Particulars	FY 2023-24
Net Revenue Requirement	5648.12
Revenue from Retail Sales at Existing Tariff	5170.38
Standalone Gap/(Surplus) for the year	**477.74**

Table 109: Consolidated Revenue Gap/ (Surplus) determined by the Commission at existing tariff (INR Crore)

Particulars	FY 2023-24
Opening Gap/(Surplus)	(517.64)
Addition Gap/(Surplus) due to standalone year	477.74
Closing Gap/(Surplus)	(39.91)
Average Gap/(Surplus)	(278.77)
Rate of Interest	9.50%
Carrying cost	(26.48)
Closing Gap/ (Surplus)	**(66.39)**

The Commission determines a Cumulative Revenue Surplus of INR 66.39 Crore till FY 2023-24.

5.4. Treatment of the cumulative Gap/ Surplus and Tariff Design

As derived from above, the resultant cumulative revenue Surplus at the end of FY 2023-24 is INR 66.39 Crore. In view of the same, the Commission has decided not to change the existing tariff schedule. However, the Commission has rationalized the Tariff Schedule for Combined Entity DNHDDPDCL considering the slabs proposed by the Petitioner and Lower of Tariff approved for erstwhile agencies DNHPDCL and EDDD.

5.4.1. Designing of Tariff

Petitioner's Submission

DNHDDPDCL has proposed rationalise the fixed charge and energy charge of all the categories for FY 2023-24.

The category-wise proposed tariff submitted by the Petitioner is as follows:

Table 110: Retail Tariff proposed by the Petitioner for FY 2023-24

S. No.	Category	Proposed (FY 2023-24)	
		Fixed Charges	Energy Charges
1	**LT-D/Domestic**		
1	0 to 50 Units	10 INR/kW/Month	1.60 INR/kWh
2	51 to 100 Units		1.60 INR/kWh
2	101 to 200 Units		2.30 INR/kWh
3	201 to 400 Units		2.80 INR/kWh
4	Beyond 401 Units		3.40 INR/kWh
2	**Lifeline Consumer#**	10 INR/kW/month	1.00 INR/kWh

S. No.	Category	Proposed (FY 2023-24)	
		Fixed Charges	Energy Charges
3	**LT-C/Commercial**		
1	1st 100 Units	20 INR/kW/Month	3.35 INR/kWh
2	Beyond 100 Units		4.35 INR/kWh
4	**LT- Ag/ Agriculture**		
1	For sanctioned load up to 10 HP	-	0.90 INR/kWh
2	Beyond 10 HP	-	1.30 INR/kWh
5	**LT-PL/Public Lighting**	-	4.30 INR/kWh
6	**LT-Public Water Works**		
1	For sanctioned load up to 20 HP	50.00 Rs/HP/month	4.50 Rs/kWh
2	Beyond 20 HP	100.00 Rs/HP/Month	4.50 Rs/kWh
7	**LT Industry**		
1	For sanctioned load up to 20 HP	30.00 Rs/HP/Month	3.65 Rs/kVAh
2	Beyond 20 HP	80.00 Rs/HP/Month	3.85 Rs/kVAh
8	**HT**		
1	11 kV	400.00 Rs/kVAh/Month	4.30 Rs/kVAh
2	66 kV	525.00 Rs/kVAh/Month	4.20 Rs/kVAh
3	220 kV	575.00 Rs/kVAh/Month	4.15 Rs/kVAh
9	**Hoardings/Sign Boards**	110 INR/kVA/month	7.00 INR/kWh
10	**EV Charging Station**		
1	LT		5.10 INR/kVAh
2	HT		4.90 INR/kVAh

Commission's Analysis

The Commission has determined the retail tariff for FY 2023-24 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 electricity 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 key importance and constitute the building blocks in achieving the overall objective. The context and the approach for these parameters have been discussed below:

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. A simplified version of the same was suggested by Hon'ble APTEL in 2010, to determine VCoS in the absence of all necessary data. In this method, the power purchase costs and other costs (such as network costs, wheeling costs etc.) are allocated to various consumer categories based on energy input or energy sales (as considered appropriate by the State Commission). This approach factors in the voltage level differentiation based on losses, however, it does not factor in asset utilization at different voltage levels.

A more refined version of determination of 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.

On studying the existing methodologies followed internationally, among developing nations with energy access situations like India's, 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 embedded cost method identifies and appropriately assigns the historical or accounting costs that make up a Distribution Licensee's revenue requirement to all categories and sub-categories of consumers. This method involves three steps:

- Cost Functionalization
- Cost Classification
- Cost Allocation

Cost functionalization separates cost data into the functional activities performed in the operation of a utility system - power generation/supply, transmission, distribution and retail supply. Cost classification determines the portion of the cost that is related to specific cost-causal factors, such as those that are demand-related, energy-related, or customer-related. Finally, the cost allocation step assigns the costs to specific customer categories based on the customer's contribution to the specific classifier selected.

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- co-incident 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, especially 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. At the same time, 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 2023-24.

As discussed earlier, the Commission has rationalized the Tariff Schedule for the combined Entity for FY 2023-24 considering the lowest of the Tariff Rates approved for erstwhile Entities EDDD and DNHPDCL.

5.4.2. Approved Final Tariff Schedule

The tariff now approved by the Commission for each consumer category has been shown in the following table:

Table 111: Approved tariff by the Commission for FY 2023-24

S. No.	Category	Approved (FY 2023-24)	
		Fixed Charges	Energy Charges
1	**LT-D/Domestic**		
1	0 to 50 Units	10 INR/kW/Month	1.60 INR/kWh
2	51 to 100 Units		1.60 INR/kWh
2	101 to 200 Units		2.30 INR/kWh
3	201 to 400 Units		2.80 INR/kWh
4	Beyond 401 Units		3.40 INR/kWh
2	**Lifeline Consumer#**	10 INR/kW/month	1.00 INR/kWh
3	**LT-C/Commercial**		
1	1st 100 Units	20 INR/kW/Month	3.35 INR/kWh
2	Beyond 100 Units		4.35 INR/kWh
4	**LT- Ag/ Agriculture**		
1	For sanctioned load up to 10 HP	-	0.90 INR/kWh
2	Beyond 10 HP	-	1.30 INR/kWh
5	**LT-PL/Public Lighting**	-	4.30 INR/kWh
6	**LT-Public Water Works**		
1	For sanctioned load up to 20 HP	50.00 Rs/HP/Month	4.50 Rs/kVAh
2	Beyond 20 HP	100.00 Rs/HP/Month	4.50 Rs/kVAh
7	**LT Industry**		
1	For sanctioned load up to 20 HP	30.00 Rs/HP/Month	3.65 Rs/kVAh
2	Beyond 20 HP	80.00 Rs/HP/Month	3.85 Rs/kVAh
8	**HT Industry**		
1	11 kV	400.00 Rs/kVAh/Month	4.30 Rs/kVAh
2	66 kV	525.00 Rs/kVAh/Month	4.20 Rs/kVAh
3	220 kV	575.00 Rs/kVAh/Month	4.15 Rs/kVAh

S. No.	Category	Approved (FY 2023-24)	
		Fixed Charges	Energy Charges
9	**Hoardings/Sign Boards**	110 INR/kVA/month	7.00 INR/kWh
10	**EV Charging Station**		
1	LT		5.10 INR/kWh
2	HT		4.90 INR/kWh

 # If the consumption exceeds 50 units per month, then Domestic tariff shall be applicable.

5.4.3. Revenue from Approved Retail Tariff for FY 2023-24

Based on the retail tariff approved above, the revenue from approved tariff is shown in the following table.

Table 112: Revenue from approved retail tariff determined by the Commission for FY 2023-24 (INR Crore)

S. No	Category	Fixed Charges	Energy charges	Total	ABR (INR/unit)	k-factor
1	**DOMESTIC SUPPLY (DS)**	**2.82**	**83.37**	**86.18**	**2.54**	**0.49**
1	0-50 units	0.52	9.99	10.51	**1.68**	0.32
2	51-100 units	0.48	9.33	9.81	**1.68**	0.32
3	100-200 units	0.51	14.14	14.66	**2.38**	0.46
4	201-400 units and above units	0.47	15.69	16.15	**2.88**	0.55
5	401 and above units	0.84	34.22	35.05	**3.48**	0.67
2	**Lifeline Consumer**	0.00	0.00	0.00	0.00	-
3	**COMMERCIAL / NON-DOMESTIC**	**1.93**	**46.39**	**48.32**	**4.19**	**0.81**
1	0-100 units	0.63	12.71	13.34	3.52	0.68
2	101 Units and Above	1.30	33.68	34.98	4.52	0.87
4	**AGRICULTURAL**	-	**0.61**	**0.61**	**0.92**	**0.18**
1	For sanctioned load up to 10 HP	-	0.58	0.58	0.90	0.17
2	Beyond 10 HP	-	0.03	0.03	1.30	0.25
5	**LT INDUSTRY**	**28.19**	**250.97**	**279.16**	**5.03**	**0.97**
1	For sanctioned load up to 20 HP	0.28	6.29	6.57	4.49	0.86
2	Beyond 20 HP	27.91	244.68	272.59	5.05	0.97
6	**HT INDUSTRY**	**950.29**	**3806.33**	**4756.62**	**5.33**	**1.02**
1	11 kV	374.23	1680.07	2054.30	5.30	1.02
2	66 kV	278.75	1083.58	1362.33	5.32	1.02
3	220 kV	297.31	1042.68	1339.99	5.37	1.03
7	**PUBLIC LIGHTING (PL)**	**0.00**	**2.53**	**2.53**	**4.30**	**0.83**

S. No	Category	Fixed Charges	Energy charges	Total	ABR (INR/unit)	k-factor
8	**PUBLIC WATER WORKS**	**0.31**	**2.01**	**2.32**	**5.19**	**1.00**
1	For sanctioned load up to 20 HP	0.16	1.41	1.57	5.03	0.97
2	Beyond 20 HP	0.14	0.60	0.74	5.56	1.07
9	**TEMPORARY SUPPLY***	**0.00**	**0.00**	**0.00**	**0.00**	**-**
10	**EV Charging Station**	**0.00**	**0.77**	**0.77**	**5.10**	**0.98**
	TOTAL	**983.53**	**4192.21**	**5176.51**	**5.20**	**1.00**

**1.50 times the k factor of the relevant category in which the connection falls*

The Commission approves revenue from approved Retail Tariff of INR 5176.51 Crore for FY 2023-24.

However, the revenue of INR 5,170.38 Crore has been considered for the purpose of Standalone Gap/(Surplus) for FY 2023-24 in line with the methodology adopted under Section 4.22: Revenue for FY 2023-24 of this order.

The following table provides the category wise Approved ABR for each of the consumer categories.

Table 113: Tariff increase/decrease approved by the Commission

Category	ABR at Approved Tariff (INR/kWh)
Domestic	2.54
LT-Commercial	4.19
LT-Agriculture	0.92
LT-Industrial	5.03
LT-Public Lighting	4.30
LT-Public Water Works	5.19
HT-Industry	5.33
EV Charging Station	5.10
Total	**5.20**

The Commission approves a Cumulative Revenue Surplus of INR 66.39 Crore till FY 2023-24 which will be considered at the time of Truing-up.

5.4.4. Highlights of the Tariff Structure

The highlights of the tariff structure approved by the Commission for FY 2023-24 are as follows:

1. The Commission has made every effort to rationalize the tariffs so that they gradually reflect the average cost of supply in accordance with the provisions of the EA 2003 and Tariff Policy.
2. The Commission has not considered any tariff revision for FY 2023-24.
3. The meter rent has been abolished as cost of meter, being considered under capital expenditure is recovered through Tariff itself.

5.4.5. 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 114: Cross Subsidy at Retail Tariff for FY 2023-24 (INR Crore)

Category	ACoS (INR/kWh) [A]	ACoS after adjustment of Tariff (INR/kWh) [B]	ABR at approved tariff (INR/kWh) [C]	Cross Subsidy level at approved tariff (%) [D= (1-C/B) x 100]
Domestic	5.67	5.61	2.54	(54.63) %
LT Commercial	5.67	5.61	4.19	(25.28) %
Agriculture	5.67	5.61	0.92	(83.67) %
Public Lighting	5.67	5.61	4.30	(23.29) %
Public Water Works	5.67	5.61	5.19	(7.49) %
LT Industrial	5.67	5.61	5.03	(10.24) %
HT Industrial	5.67	5.61	5.33	(4.98) %

Chapter 6: Open Access Charges for FY 2023-24

6.1. Determination of Wheeling Charges

6.1.1. 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 115: Voltage-wise allocation of wheeling charges as submitted by the Petitioner for FY 2023-24

Particulars	Energy Sales (MU)	Cumulative Loss (%)	Energy Input (MU)	Consumers	Voltage Wise Asset Allocation (%)
LT	984.87	12.50%	1125.55	165180	30%
HT & EHT	8913.00	2.00%	9094.90	1695	70%
Total	**9897.87**	**3.16%**	**10220.44**	**166875**	**100%**

Accordingly, the Petitioner has submitted the following wheeling charges for FY 2023-24:

Table 116: Wheeling charges proposed for FY 2023-24 by the Petitioner (INR Crore)

Category	O&M	Others	Total	Wheeling Charges (INR/kWh)
LT	58.54	29.97	88.81	0.90
HT & EHT	0.60	49.51	50.12	0.06

Commission's Analysis

In this regard, Regulation 49 of the JERC MYT Regulations, 2021 specifies as follows:

*"**49. Separation of Accounts of Distribution Licensee***

48.1 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 2023-24. The allocation between wheeling and retail supply business for FY 2023-24 as per the ARR approved in this Order is provided in the table below:

Table 117: Allocation matrix approved by the Commission for FY 2023-24

Particulars	Allocation (%)		FY 2023-24		
	Wheeling	Supply	Wheeling	Supply	Total
Cost of power purchase for full year	0%	100%	-	5,544.84	5,544.84
Employee costs	40%	60%	10.30	15.45	25.75
Administration and General Expenses	50%	50%	9.87	9.87	19.74
Repair and Maintenance Expenses	90%	10%	12.86	1.43	14.29
Depreciation	90%	10%	17.93	1.99	19.92
Interest and Finance Charges	90%	10%	19.86	2.21	22.06
Interest on Working Capital	10%	90%	1.95	17.51	19.45
Interest on Security Deposit	10%	90%	0.80	7.23	8.03
Return on Equity			27.73	3.08	30.82
Provision of Bad & Doubtful Debt	0%	100%	-	-	-
Income Tax	90%	10%	-	-	-
Total Revenue Requirement			**101.30**	**5,603.60**	**5,704.90**
Less: Non-Tariff Income	10%	90%	5.68	51.10	56.78
Income from other Business	50%	50%	-	-	-
Net Revenue Requirement			**95.62**	**5,552.50**	**5,648.12**

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 118: Parameters assumed for voltage-wise allocation of wheeling charges for FY 2023-24

Particulars	Energy Sales (MU)	Cumulative Loss (%)	Energy Input (MU)	Consumers	Voltage Wise Asset Allocation (%)
LT	1027.63	11.31%	1158.73	170672	30.00%
HT	8929.97	2.12%	9123.38	1723	70.00%
Total	**9957.60**	**3.16%**	**10282.12**	**172395**	**100.00%**

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 2023-24 as follows:

Table 119: Wheeling Charges approved by the Commission for FY 2023-24

Category	O&M (INR Crore)	Others (INR Crore)	Total (INR Crore)	Wheeling Charges (INR/kWh)
LT	32.74	23.71	56.45	0.55
HT	0.29	38.87	39.17	0.04

The Commission approves wheeling charge of INR 0.55/kWh at LT voltage level and INR 0.04/kWh at HT voltage level for FY 2023-24.

6.2. Determination of Additional Surcharge

Petitioner's Submission:

The Petitioner has submitted the additional surcharge for FY 2023-24 as under:

Table 120: Additional Surcharge submitted by the Petitioner for FY 2023-24

S. No.	Particulars	FY 2023-24
1	Total Power Purchase cost (INR Crore)	1395.18
2	Energy Sales (MU)	9897.87
3	**Additional Surcharge (INR/kWh)**	**1.41**

<u>Commission's Analysis</u>

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. *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

....

<u>b. Open Access Consumer, who is also a Consumer of the Distribution Licensee</u>

......

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 2023-24 as shown below:

Table 121: Additional Surcharge approved by the Commission for FY 2023-24

S. No.	Particulars	FY 2023-24
1	Total Power Purchase Fixed Cost approved for FY 2023-24 (Excluding transmission charges) (INR Crores)	1208.67
2	Energy Sales (MU)	9957.60
3	**Additional Surcharge (INR/kWh)**	**1.21**

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 INR 1.21/kWh for FY 2023-24.

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.

6.3. *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 122: Cross Subsidy Surcharge as submitted by the Petitioner for FY 2023-24

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross Subsidy (INR/kWh)
LT	7.05	3.73	(3.32)
HT & EHT	5.12	5.47	0.34

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 3.16%, as approved in the ARR for FY 2023-24. 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 123: Energy Input at each voltage level (MU)

Category	Energy Sales (MU)	Cumulative Losses (%)	Energy Input (MU)
LT level	1027.63	11.31%	1158.73
HT level	8929.97	2.12%	9123.38
Total	**9957.60**	**3.16%**	**10282.12**

Now, the overall ARR approved for FY 2023-24 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 124: Parameters used for allocation of fixed costs

Category	Energy Input (MU)	Voltage-wise Asset Allocation (%)	Number of Consumers
LT level	1158.73	30.00%	170672
HT level	9123.38	70.00%	1723
Total	**10282.12**	**100%**	**172395**

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 125: Voltage Wise Cost of Supply (VCoS)

Category	Allocated Fixed Cost (INR Cr)	Allocated Variable Cost (INR Cr)	Total Cost (INR Cr)	Energy Sales (MU)	VCoS (INR/kwh)
LT level	305.44	395.16	700.60	1027.63	6.82
HT level	1836.42	3111.30	4947.52	8929.97	5.54
Total	**2141.66**	**3506.45**	**5648.12**	**9957.60**	**5.67**

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.

Table 126: Cross-Subsidy Surcharge approved by the Commission for FY 2023-24

Category	VCoS (INR/kWh)	ABR (INR/kWh)	Cross- Subsidy (INR/kWh)
HT	5.54	5.33	(0.21)

Therefore, the Commission approves NIL Cross-Subsidy Surcharge at HT Voltage level and LT voltage level for FY 2023-24.

6.4. 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 7: Fuel and Power Purchase Adjustment Mechanism

The State of Goa and Union Territories of Andaman & Nicobar Islands, Lakshadweep, Chandigarh, Dadra & Nagar Haveli and Daman & Diu and Puducherry receive power from the Central Generating Stations, State Generating Stations, Independent Power Producer's (IPP's) through the long-term power purchase agreements and short-term purchases – through power exchanges, bilateral purchases etc. The distribution licensees of JERC procure power from various available sources and supply power to the consumers at retail tariffs determined by the Commission. Power purchase cost accounts for more than 80% 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 Dispatch Center (SLDC)/ Regional Load Dispatch Center (RLDC) charges 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 (for example NTPC, NHPC etc.) and by the JERC for plants located within its territory/state (for IPP's, licensees own generation and other State generating sources). Charges for the Over-drawl/Under-drawl from the Grid and the Inter State Transmission charges, RLDC charges are fixed by the CERC, while Intra-State Transmission charges and SLDC charges are fixed by the JERC. Short term purchase/ sale of power is done through traders, bilateral contracts, banking and power exchanges at market determined prices.

While determining retail tariff for any year, the Commission first determines the ARR based on the projection of various cost elements including power purchase cost. 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 to the retail consumer and distribution losses, out of which energy sales is not under the control of the distribution licensee. There is also variation in actual per unit power purchase cost I 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, True-up of the FY 2022-23 will be undertaken by the Commission once the audited accounts of the FY 2022-23 are available. If the audited accounts for the FY 2022-23 are prepared timely, the impact of True-up of various cost and revenue items is allowed in the tariff of the FY 2022-23, 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.

7.1. Legal Provisions

The relevant provisions of the Electricity Act, Regulations, Policy document and the ATE judgments, which enable the Commission to devise, adopt and implement a power purchase/ fuel price adjustment mechanism are as follows:

(a) 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."

(b) 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."

(c) 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."

(d) 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."

7.2. *Existing Formula*

The Commission first introduced the provision for adjustment of fuel surcharge in the Joint Electricity Regulatory Commission for the State of Goa and UT's (Terms and conditions for determination of tariff) Regulations, 2009 notified on 08 February 2010. The relevant Clause 7 of the Regulations is provided below:
"7. Fuel Surcharge Formula
(1) The fuel cost revisions for the generating companies/units owned by the licensee that are due to reasons beyond the control of the generating companies / the licensee be in accordance with the fuel surcharge formula as may be decided by the Commission from time to time.
(2) The generating company or the licensee may determine such charge in accordance with the specified formula and recover the same from such categories of consumers or the licensees, as the case may be after following procedure and the terms and conditions attached thereto."

The Commission subsequently notified the Joint Electricity Regulatory Commission for the State of Goa and UT's (Terms and conditions for determination of tariff) (First Amendment) Regulations, 2009 on 27 June, 2012 prescribing the methodology for determination and the recovery mechanism of Fuel & Power Purchase Cost Adjustment (FPPCA) formula. Subsequently on 18 January, 2013, the Commission issued a Corrigendum correcting the calculations of the FPPCA for certain consumer categories.

On 30 June, 2014 the Commission notified the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2014 wherein the Commission proposed to adopt the same methodology as prescribed in the Joint Electricity Regulatory Commission for the State of Goa and UT's (Terms and conditions for determination of tariff) (First Amendment) Regulations, 2009 in the MYT Period. Clause 19 of the Regulations is shown as follows
"19. Treatment of Incremental Power procurement cost
The Distribution Licensee shall recover the incremental cost on account of fuel & power purchase adjustment in accordance with FPPCA formula provided in JERC Terms & Condition for determination of Tariff (first amendment) Regulations, 2009."

On 19 October, 2016 JERC notified the Joint Electricity Regulatory Commission for the State of Goa and UT's (Multi Year Distribution Tariff) (Second Amendment) Regulations, 2016 according to which the Fuel and Power Purchase cost adjustment charge shall be levied by distribution licensees on consumer electricity bills on account of the incremental power purchase cost incurred by the licensees and the Transmission charge recovery was also added to the formula.

1. Periodicity for recovery (Cycle)

The licensee shall compute the fuel and power procurement cost variations on a quarterly basis. The adjustment shall be made in the consumers bills starting after a month following the end of the quarter on the units billed in the months following the quarter.

For example, FPPCA for the quarter April- June shall be done in the month of July and shall be reflected in the consumer bills raised in the months of August, September and October on the units billed for the months of July, August and September respectively.

2. Chargeability

FPPCA charges shall be levied on all consumer categories excluding Below Poverty Line (BPL) and Agriculture category consumers on per unit basis on monthly/ bi-monthly consumption depending on the billing cycle.

3. Formula

The FPPCA formula shall contain the following three components:

1. Power Purchase Cost adjustments which shall contain the following elements:
   - Variation in the Power Purchased from long term/ firm sources viz. CGS, IPP's, State, Own generation etc. This may consist of fixed cost, variable costs, arrears, other charges but excluding any kind of penalties.
   - Variation in Short term power purchase cost through IEX, Bilateral etc. (shall be allowed upto a certain ceiling rate as may be fixed in the Tariff Order by the Commission).
   - Variation on account of Deviation Settlement Mechanism – Shall be allowed, but the incentive/penalty shall be excluded.
2. Transmission cost adjustments which shall contain the following elements:
   - Variation on account of Central Transmission Charges including arrears/ revisions.
   - Variation on account of State Transmission charges including arrears/revisions.
3. Other Charges which shall contain all the other elements not forming part of the above two components for example:
   - Any adjustments /reversals due to over recovery of charges
   - Any adjustments due to under recovery of charges in case the Commission decides to limit the FPPCA charges in previous quarters to avoid tariff shock or other reasons
   - Any other adjustments on account of factors not envisaged at the time of tariff fixation
4. Less any revenue from Additional Surcharge collected from Open Access consumer towards the stranded power purchase cost.

Based on the components as defined above, the new FPPCA formula can be represented as follows:

$$FPPCA\left(\frac{Rs.}{Unit}\right) = .\left(\frac{(Pact + Tact + Oact - ASact) * 10}{\{\{[PPOact * (1 - TLapp) - PSOact] * (1 - TintraLapp) + PPIact\} * (1 - DLapp)\} - Zact}\right) - Rapp$$

Where:

- $Pact(in\ Rs.Cr.)$: Actual Power purchase cost inclusive of fixed cost, variable costs, arrears, and other charges excluding any kind of penalties incurred in the quarter. This shall include:
  - Cost of procurement from sources outside the State,
  - Cost of procurement from sources within the State,
  - Cost of DSM excluding any penal charges,
  - Cost of procurement from the Bilateral/ Power Exchange etc.
  - Less: Revenue from sale of surplus power/ DSM
- $Tact\ (in\ Rs.Cr.)$: Actual Transmission cost inclusive of any kind of arrears, other charges etc. and excluding any kind of penalties incurred in the quarter. This shall include:
  - Inter-State transmission cost (PGCIL charges),
  - Intra-State transmission cost
- $Oact\ (in\ Rs.Cr.)$: Adjustments from the previous FPPCA quarter on account of over/ under recovery and any other incidental costs not accounted for at the time of retail tariff fixation
- $ASact\ (in\ Rs.Cr.)$: Revenue from Additional Surcharge collected from Open Access consumer towards the stranded power purchase cost
- $PPOact\ (in\ MU)$: Quantum of power purchased in the quarter from sources outside State/ Union Territory
- $TLapp\ (in\ \%)$: Approved Inter- State transmission losses for the year in consideration as provided in the relevant Tariff Order
- $TintraLapp\ \ (in\ \%)$: Approved Intra- State transmission losses for the year in consideration as provided in the relevant Tariff Order
- $PPIact\ (in\ MU)$: Quantum of power purchased in the quarter from sources within State/Union Territory, Bilateral/ Power Exchange and Over-drawal under the DSM
- $PSOact\ \ (in\ MU)$: Actual quantum of sale of surplus power/ under-drawal under the DSM in the quarter
- $DLapp\ (in\ \%)$: Approved T&D losses for the year in consideration as provided in the relevant Tariff Order
- $Zact\ (in\ MU)$: Actual energy sales for agriculture and BPL category consumers in the quarter

$$Rapp\ (\frac{Rs}{unit}) = \left(\frac{(Papp + Tapp) * 10}{\{[PPOapp * (1 - TLapp) - PSOapp] * (1 - TintraLapp) + PPIapp\} * \{(1 - DLapp)\} - Zapp}\right)$$

- $Papp\ \ (in\ Rs.Cr.)$: Total power purchase cost approved in the Tariff Order for a quarter inclusive of fixed costs, variable costs etc. and containing the following elements:
  - Cost of procurement from sources outside the State,
  - Cost of procurement from sources within the State,
  - Cost of procurement from the Bilateral/ Power Exchange etc.
  - Less: Revenue from sale of surplus power
- $Tapp\ (in\ Rs.Cr.)$: Total transmission charges approved in the Tariff Order for a quarter consisting of the following elements:
  - Inter-State transmission charges (PGCIL charges),
  - Intra-State transmission charges
- $PPOapp\ \ (in\ MU)$: Quantum of power to be procured from sources outside State/ Union Territory in a quarter as approved in the Tariff Order
- $TLapp\ \ (in\ \%)$: Approved Inter- State transmission losses for the year in consideration as provided in the relevant Tariff Order

- $PPIapp\ (in\ MU)$: Quantum of power to be procured from sources within the State, Bilateral/ Power Exchange in a quarter as approved in the Tariff Order
- $DLapp\ (in\ \%)$: Approved T&D losses for the year in consideration as provided in the Tariff Order
- $PSOapp\ (in\ MU)$: Quantum of sale of surplus power approved in the Tariff Order for a quarter
- $Zapp\ (in\ MU)$: Sales for agriculture and BPL category consumers for a quarter as approved in the relevant Tariff Order

4. Other Terms and conditions

1. For the purpose of the Fuel and Power Purchase Cost Adjustment, all the bills admitted and credits, if any, received by the distribution licensee during the period in consideration, irrespective of the period to which they pertain, may be considered.

2. The FPPCA charges determined as per the formula above may be recovered from the consumers of all categories based on their billed units excluding the BPL and the agriculture category consumers.

3. The FPPCA charges for a quarter shall be limited to a ±10% of the ABR of the consumer category. The distribution licensee shall be allowed to collect the ±10% FPPCA without obtaining prior approval from the Commission. However, the distribution licensee shall be required to submit the FPPCA calculation to the Commission at least one week before levying the same on the consumers. In case FPPCA is more than ±10% of ABR the licensee shall charge full/higher FPPCA only with prior approval from the Commission.

4. The per unit FPPCA so worked out is charged differentially as per the approved retail tariff of the consumers. The determination of differential per unit FPPCA is mentioned below:
   - Step 1: Determination of Value of K

$$\frac{Approved\ Retail\ Tariff\ for\ a\ category\ or\ sub\ category\ (\frac{Rs.}{unit})}{Weighted\ Average\ Retail\ Tariff\ (WART)(\frac{Rs.}{unit})}$$

   The value of K for different consumer category or subcategory for the year in consideration is considered as approved in this Tariff Order.

   - Step 2: Determination of proportionate FPPCA (INR/unit) consumer category/sub-category wise

$$FPPCA\ \left(\frac{Rs.}{Unit}\right) = Average\ FPPCA * K\ for\ that\ consumer\ category\ or\ sub - category$$

5. The Petitioner shall compute fuel and power procurement cost variations, and adjustments shall be made in the consumer bills based on the Fuel and Power Purchase Cost Adjustment (FPPCA) formula notified by the Commission in this Order.

   For the purpose of calculation, the approved per unit cost of power purchase ($R_{approved}$) shall be taken as INR 5.47 per unit for the FY 2023-24, as shown in the following Table.

Table 127: $R_{approved}$ determined by the Commission for FY 2023-24

S. No.	Particulars	Amount
1	Total Power Purchase Cost (Rs Crore), Papp	4,715.13
2	Transmission Charges (Rs Cr), Tapp	829.71
3	Power Purchase Quantum from CGS Stations at Generator Periphery (NTPC, NPCIL, RGPPL) (MU), PPOapp	9,320.19

S. No.	Particulars	Amount
4	Approved Weighted Average Inter-State Transmission Loss (%), TLapp	3.66%
5	Power Purchase Quantum from sources within State/ Open Market, PPIapp	1,433.20
6	Quantum of Sale of Surplus Power (MU), PSOapp	81.24
7	Approved Intra-State T&D Loss (%), TintraLapp	0.48%
8	Approved Distribution Loss (%) DLapp	3.16%
9	Energy Sales for LIG and Agriculture consumer category (MU), Zapp (MU)	6.66
10	**Rapp (Rs/kWh)**	**5.57**

Chapter 8: Tariff Schedule

8.1. Tariff Schedule

Table 128: Tariff Schedule for FY 2023-24

S. No.	Category	Fixed Charges	Energy Charges
1.	**DOMESTIC**		
(i)	0-50 units	10.00 INR/kW/Month	1.60 INR/kWh
(ii)	51-100 units		1.60 INR/kWh
(iii)	101-200 units		2.30 INR/kWh
(iv)	201-400 units		2.80 INR/kWh
(v)	401 and above		3.40 INR/kWh
(vi)	Life Line Consumer# (Up to 2x40 W Bulbs only)	10.00 INR/kW/Month	1.00 INR/kWh
2.	**NON-DOMESTIC/COMMERCIAL**		
(i)	0-100 units	20.00 INR/kW/Month	3.35 INR/kWh
(ii)	101 units and above	20.00 INR/kW/Month	4.35 INR/kWh
3.	**LT**		
(a)	LT Industrial		
(i)	Up to 20 HP	30.00 INR/HP/Month	3.65 INR/kVAh
(ii)	Above 20 HP	80.00 INR/HP/Month	3.85 INR/kVAh
(b)	LT Public Water Works		
(i)	*Up to 20 HP*	50.00 INR/HP/Month	4.50 INR/kWh
(ii)	*Above 20 HP*	100.00 INR/HP/Month	4.50 INR/kWh
4.	**HT/EHT INDUSTRIAL**		
(i)	11 kV supply	400.00 INR/kVA/month	4.30 INR/kVAh
(ii)	66 kV supply	525.00 INR/kVA/month	4.20 INR/kVAh
(iii)	220 kV supply	575.00 INR/kVA/month	4.15 INR/kVAh
5.	**AGRICULTURE AND POULTRY**		
(i)	For sanctioned load up to 10 HP	-	0.90 INR/kWh
(ii)	Beyond 10 HP	-	1.30 INR/kWh
6.	**PUBLIC LIGHTING**		
(i)	For all units	-	4.30 INR/kWh
7.	**HOARDINGS/ SIGNBOARDS**		
(i)	Hoarding/ Signboards	INR 110 per kVA per Month or part thereof	7.00 INR/kWh
8.	**ELECTRIC VEHICLE CHARGING**		
(i)	LT Category	-	5.10 INR/kVAh

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S. No.	Category	Fixed Charges	Energy Charges
	HT Category	-	4.90 INR/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.			

8.2. Applicability

Table 129: Applicability of Tariff Schedule for FY 2023-24

S. 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. 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 Lighting**	-
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

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S. No	Category	Applicability
		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.
11.	Electric Charging Station	This tariff schedule shall apply to consumers that have set up Public Charging Stations (PCS) in accordance with the technical norms/ standards/specifications laid down by the Ministry of Power, GoI and Central Electricity Authority (CEA) from time to time. The tariff for domestic consumption shall be applicable for domestic charging (LT/HT).

8.3. 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.

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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 130: Definition of Time of Day and applicable Tariff

Time of use	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.

16. The values of the 'K' factor applicable for the different consumer categories for use in the FPPCA formula shall be as specified in this Tariff Order for the FY 2023-24.

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8.4. Schedule of Miscellaneous Charges

Table 131: Schedule of Miscellaneous 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
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	INR 50/-
• Three Phase LT	INR 100/-
HT Services	INR 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	INR 100/-
Three Phase	INR 300/-
Three Phase Tri-vector Meter (0.5 Class) Industrial LT Consumer	INR 500/-
Three Phase Tri-vector Meter (0.5 Class) 11 kV HT Consumer	INR 500/-
Three Phase Tri-vector Meter (0.2 Class) 66 KV EHT Consumers	INR 1000/-
Combined CT/PT Unit for 11 KV Consumer	INR 500/-
66 KV CT/ PT Unit	INR 500/-
Three Phase CT Block	INR 300/-
CT Coil	INR 100/-
Service Connection Charges	
Single Phase LT	INR250/-
Three Phase LT	INR1,000/-
HT (First 500 KVA)	INR10,000/-
HT (Beyond 500 KVA)	INR 1,000/- per 100 KVA or part thereof
Extra Length - Single Phase	INR 25/- per meter
Extra Length - Three Phase	INR50/- per meter

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Description	Approved Charges
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	INR 10/- Per Test Report
Three Phase Lighting / Domestic	INR 25/- Per Test Report
Single Phase Lighting / Non Domestic	INR 50/- Per Test Report
Three Phase Lighting / Non Domestic	INR 100/- Per Test Report
Three Phase LT Industries	INR 250/- Per Test Report
Single Phase / Three phase Agriculture / Streetlight / Public Lighting & others	INR 50/- Per Test Report
HT Industries upto 500 KVA	INR 1,000/- Per Test Report
HT Industries upto 2500 KVA	INR 5,000/- Per Test Report
HT Industries above 2500 KVA	INR 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

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Chapter 9: Directives

Over the years, the Commission has issued various directives to the erstwhile Petitioners (DNHPDCL and EDDD) for necessary action. Since the DNHDDPDCL has taken over operations from 1st April, 2022 the Commission expects it to comply with the directives issued by the Commission previously.

In order to strengthen the effective monitoring and ensure timely implementation of all the directives in true spirit, the Commission once again directs the Petitioner to submit the quarterly progress report along with the detailed action plan for all the directives issued in the subsequent section within 30 days of the end of each quarter of the financial year.

9.1. New Directives issued in this Order for DNHDDPDCL

The Commission hereby directs the utility to comply with the directions mentioned below in the given timeframe, failing which the Commission shall be constrained to initiate necessary action under relevant sections of the Electricity Act, 2003 and the Regulations made thereunder.

9.1.1. Separate Petition for Approval of Capital Expenditure for 220 kV and downstream 33 kV scheme

Commission's direction in this Tariff Order

The Commission directs the Petitioner to submit a fresh Petition regarding Capital Expenditure and Capitalization of 33 kV and above Network in line with JERC's State Grid Code Regulations, 2010 and amendments thereof and JERC's Electricity Supply Code Regulations, 2018 and amendments thereof in consultation with STU of DNH and DD. The Commission also suggests to make ED-DNH, DNHPCL and EDDD as parties/respondents to the Petition.

The Commission further directs the Petitioner to include the details such as Detailed DPR with Cost Benefit Analysis for schemes proposed, detailed head-wise cost break-up BOQ, detailed write-up justifying need and requirement of the Scheme, Investment Approval from the Competent Authority, permissions and opinions taken from PGCIL, Intra-State Transmission Entities, etc while filing the Petition with regard to Schemes proposed above 33 kV and connected downstream schemes.

The Commission also directs the Petitioner to file a separate Petition with regard to Capex/Capitalization Schemes proposed to be executed for FY 2023-24 and FY 2024-25 with complete details of the scheme and Detailed DPR with Cost Benefit Analysis, detailed head-wise cost break-up BOQ, detailed write-up justifying need and requirement of the Scheme, Investment Approval from the Competent Authority.

9.1.2. Separate Petition for Approval of Capital Expenditure for Power Supply Center scheme

Commission's direction in this Tariff Order

The Commission directs the Petitioner to submit a fresh Petition for Power Supply Centre (PSC) including the detailed progress of proposed PSCs at 6 locations (Silvassa, Nani Daman, Moti Daman, Diu, Khanvel, Rakholi) and Capex & Capitalization.

The Commission further directs the Petitioner to include the details such as Detailed DPR with Cost Benefit Analysis for schemes proposed, detailed head-wise cost break-up BOQ, detailed write-up justifying need and

requirement of the Scheme, Investment Approval from the Competent Authority and benchmarking. While filing the Petition with regard to Schemes proposed.

9.1.3. DPRs for Provisionally approved Schemes

Commission's direction in this Tariff Order
The Commission also directs the Petitioner to submit the Detailed Project Report for all the Capital Expenditure Schemes provisionally approved in this Order which shall include Cost Benefit Analysis, detailed head-wise cost break-up BOQ, detailed write-up justifying need and requirement of the Scheme.

9.1.4. Quarterly Statement of Capital Expenditure and Capitalization along with De-capitalization

Commission's direction in this Tariff Order
The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission on Quarterly basis from erstwhile utilities. The Commission directs the Petitioner to submit report on progress achieved towards execution of the schemes undertaken by it on quarterly basis with respect to the Capital Expenditure and Capitalization approved for the schemes along with De-capitalization if any, within 15 days of the subsequent quarter.

9.1.5. Assets Created from Consumer Contribution

Commission's directions in this Tariff Order
The Commission directs the Petitioner to submit detailed scheme-wise data pertaining to the assets created consumer contributions along with the Tariff petition for determination of retail Tariff for FY 2024-25. *The absence of this data constraint the Commission in fair determination of average cost of supply and tariff.*

9.1.6. Directive for submission of APR Petition

Commission's direction in this Tariff Order
The Commission directs the Petitioner to consider the actual data for first six months and revise the estimates of Current Year as part of APR while filing the APR Petition from next year onwards.

9.1.7. Refund of Regulatory Surcharge

Commission's direction in this Tariff Order
The Petitioner is directed to refund excess Regulatory Surcharge recovered by DNHDDPDCL beyond 31.03.203 to the respective consumers immediately by way of suitable mechanism. *The Commission also directs the Petitioner to submit actual month-wise details of such Regulatory Surcharge recovered by DNHDDPDCL in FY 2023-24 beyond 31st March, 2023 and refunded back to Consumers in the True-up Petition for FY 2022-23.*

9.1.8. Territory-wise Voltage Wise and Category Wise details of Sales and Revenue

Commission's direction in this Tariff Order

The Commission directs the Petitioner to submit territory-wise and category-wise Sales and Revenue (head-wise including Demand Charges, Energy Charges, Regulatory Surcharge, FPPCA, etc.) during True-up of FY 2022-23 in next Tariff Petition.

9.1.9. Energy Audit Report and Distribution Losses

Commission's direction in this Tariff Order

The Commission directs the Petitioner to carry out Calibration and periodical testing of meters being used for conducting Energy Audit.

The Commission directs the Petitioner to conduct separate Energy Audit and ensure the report includes data for DNH and DD separately, which shall include the details of territory-wise Distribution Losses for ARR and Tariff petition for FY 2024-25.

9.1.10. Timely Submission of reports for Performance Indices

Commission's direction in this Tariff Order

The Commission noticed that the Petitioner has not submitted the report related to performance indices i.e., SAIFI, SAIDI, CAIDI and RI for Feeder and RI for Consumer in past on regular basis since it took Operations on 1st April, 2022. The Commission directs the petitioner to submit the above respective reports for each territory i.e., DNH and DD separately on quarterly basis. The Report should be submitted within 15 days from the end of Quarter.

9.1.11. Information for determination of Voltage-wise Wheeling Charges

Commission's direction in this Tariff Order

The Commission directs the Petitioner to submit details of voltage wise assets and expenses along with the allocation methodology including allocation at EHT level along with next Tariff Petition.

9.1.12. Voltage wise Cost of Supply

Commission's direction in this Tariff Order

The Commission directs the Petitioner to maintain the following data for computing Voltage wise Cost of Supply and Category wise Cost to Serve and submit the same in the tariff proceedings of next year.

- *Category wise co-incident and non- co-incident demand*
- *Voltage wise value of assets (Voltage wise asset ratio)*
- *Voltage wise Energy Input*
- *Voltage wise losses*
- *Voltage-wise Employee, A&G and R&M expenses*
- *Category wise break-up of costs related to Metering, Billing and Collection*
- *Voltage wise No. of Consumers, Connected Load and Energy Sales*

The Commission also 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 of next year.

9.1.13. Actual Details of R&M Expenses

Commission's direction in this Tariff Order

The Commission directs the Petitioner to give details of actual R&M Expenses in the table below in the Petition for future Petitions:

S. No	Particulars	Amount
1.	Plant & Machinery (Sub-station & Line Wise)	
2.	Buildings	
3.	Underground Cable (Voltage Wise)	
4.	Meters (Category & Consumer Wise)	
5.	LED Street Light	
6.	Vehicles	
7.	Furniture & Fixtures	
8.	**Total**	

9.1.14. Power Procurement Planning

Commission's direction in this Tariff Order

The Commission directs the Petitioner to explore long-term/ medium term power purchase arrangements and thereby minimizing its dependence on more risk-free sources of power and reduce its dependence on purchase of power from short-term sources such as UI/ Traders / Power Exchange.

Further, the Commission directs the Petitioner to increase the share of power purchase from renewable sources in the energy mix planned during the Control Period so that the share of clean energy increases in the energy mix and the backlog of RPO targets as well as current targets is cleared by the end of the Control Period.

9.1.15. Power Purchase Cost for Renewable Power

Commission's direction in this Tariff Order

The Petitioner is directed to submit annual reports of power purchase from respective renewable power plants within the state in the following format:

Table 132: Power Purchase Cost for Solar Power to be submitted by the Petitioner including Solar Rooftop Plants

S. No.	Particulars	Capacity (MW)	Generation during the year (MU)	Total Amount (Rs. Crore)	Average Rate (Rs./Unit)
1	Plant Name 1				
2	Plant Name 2				

9.1.16. Open Access Consumers

Commission's direction in this Tariff Order

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.

9.1.17. Details of Consumer Security Deposit

Commission's direction in this Tariff Order
The Commission directs the Petitioner to submit the details of the Consumer Security Deposit for each financial year starting from FY 2022-23 onwards indicating the opening balance, additions, refunds, interest payable, closing balance and Interest actually paid along with the Tariff Petition to be submitted henceforth.

9.1.18. Details of Past Arrears

Commission's direction in this Tariff Order
The Commission directs the Petitioner to maintain the details of Past Arrears and share an update as on 1st April of every financial with details:

i) Total past arrears
ii) Arrears recovered
iii) Interest earned on arrears recovered
iv) Incentives retained/earned
v) Amount transferred to the Government

9.1.19. Details of Income Tax Assessment Order

Commission's direction in this Tariff Order
The Commission directs the Petitioner to submit the details of the Income Tax Assessment Order carried out in the financial year along with the detailed calculations and challans while filing the tariff petition henceforth.

Annexures

Annexure 1: List of Stakeholders

The following is the list of the stakeholders who have attended public hearing and made their submissions:

List of Stakeholders who attended the Public Hearing at Silvassa on 10.05.2023 at 10:00 AM

S. No.	Name of Stakeholders	Name of Company	Designation
1	Shri. P. K. Jadia	Federation of Industries Association	Executive Secretary
2	Shri. Atul Shah	Federation of Industries Association	President
3	Shri. Prabhu Tokia	Political congress (Adivasi Ekta Manch)	President
4	Shri. Manthan Pathak	Federation of Industries Association	Representative
5	Shri. Shailesh Mishra	Federation of Industries Association	Representative
6	Smt. Prachi Bhanushali	Federation of Industries Association	Representative
7	Smt. Aditi Thakur	Silvassa Industries Association	Representative
8	Shri. Narendra Trivedi	Federation of industries association	General Secretary
9	Shri. Hasmukh Panchal	Reliance Industries	General Manager
10	Shri. Bhavin Dave	Reliance Industries	Senior Manager
11	Shri. Sanjay Jha	Shrei Khatushyam Alloys Pvt. Ltd.	Representative
12	Shri. Suman Bhai	Silvassa Municipal	Counsellor
13	Shri. Haresh Bhai Patel	Silvassa Municipal	Representative
14	Shri. Dharmesh Patel	Silvassa Municipal	Representative
15	Shri. A. K. Shivhare	Sonathan Textiles Ltd.	Representative
16	Shri. Tanmay Satpathy	Dev Plastics Ltd.	Representative
17	Shri. Sunil	SIMA	Representative
18	Shri. R. L. Saini	Rajasthan Patrika	Press Executive
19	Shri. B.B. Patel	DNHDDPCL	Representative
20	Shri. Satish Yadav	Shekhwati Naroli	Representative
21	Shri. Ramastra	Shekhwati Naroli	Representative
22	Shri. K.T. Parmar	Federation of Industries Association	General Secretary

List of Stakeholders who attended the Public Hearing at Daman on 10.05.2023 at 04:00 PM

S. No.	Name of Stakeholders	Name of Company	Designation
1	Shri. Umesh B. Patel	Youth Action Force	President
2	Shri. Mukesh H Gosavi	Damanwada	Sarpanch
3	Shri. Ankur Thakur	Vishal Engineering	Representative
4	Shri. Sanjay Dalal	Individual Consumer	Representative
5	Shri. K. C. Parekh	Sidhi Packers & SAC Member	Representative
6	Shri. Vijay Prakash	DIA	Executive Secretary
7	Shri. Sujit Sirght	Wakeup News	Press Executive
8	Shri. Bhavin Dave	Reliance Industries	Senior Manager
9	Shri. Hasmukh Panchal	Reliance Industries	General Manager
10	Shri. Anil Patel	Public Representative	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
11	Shri. Mukesh	Public Representative	Public Representative
12	Shri. Suhail Nayari	3D News	Press Executive
13	Shri. Keval	JET News	Press Executive
14	Shri. Sanjeev	Snergn Pharma	Representative
15	Shri. M. Sama	Vishal Engineering	Representative
16	Shri. Kunhin	Public Representative	Public Representative
17	Shri. Pritam Akula	EDL	Representative
18	Shri. Mahesh	M.G Constri.	Representative
19	Shri. Suresh	M.G Constri.	Representative
20	Shri. Satish	M.G Constri.	Representative
21	Shri. Zakir	Public Representative	Public Representative
22	Shri. Atik Lakhani	Town Vending Committee, DMC, Daman	MEMBER
23	Shri. Jayesh T. Patel	Public Representative	Public Representative
24	Shri. Urvashi Patel	Sarpanch Daman	Sarpanch
25	Shri. Vijay Mehta	Wellknown Polysters Ltd., Daman	Representative
26	Shri. Kundan Par	Public Representative	Public Representative
27	Shri. Tandal Rajesh	Public Representative	Public Representative
28	Shri. Jitendra	Public Representative	Public Representative

List of Stakeholders who attended the Public Hearing at Diu on 12.05.2023 at 10:30 AM

S. No.	Name of Stakeholders	Name of Company	Designation
1	Shri. Mithun Dhal	Amit Industries	Representative
2	Karmachari - NMR Daman Diu	NMR Daman Diu	Member
3	Karmachari - NMR Daman Diu	NMR Daman Diu	Member
4	Shri. Hafiz Khan	iBake India	Representative
5	Shri. Hafiz Khan	Switz International Pvt. Ltd.	Representative
6	Shri. M. R. Ingle	Electricity Department, Daman & Diu	Executive Engineer
7	Shri. Kishor Mewji	Public Representative, Nawpada, Malala	Public Representative
8	Shri. Kaparsan	Public Representative, Uplakhetar, Malala	Public Representative
9	Shri. Samji Bhikha	Public Representative, Uplakhetar, Malala	Public Representative
10	Shri. Romik Kishor	Public Representative, Main Road, Malala	Public Representative
11	Smt. Shanta Bharat	Public Representative, Malala	Public Representative
12	Smt. Kajal Majee	Public Representative, Malala	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
13	Shri. Ramu Mahendra	Public Representative, Malala	Public Representative
14	Smt. Taramati Jamnadash	Public Representative, Malala	Public Representative
15	Shri. Diwadi Dodiya	Public Representative, Dagadwadi Panchayat, Malala	Public Representative
16	Shri. Veniben Smarslal	Public Representative, Malala	Public Representative
17	Smt. Shanta Dharamji	Public Representative, Malala	Public Representative
18	Smt. Devi Dharnti	Public Representative, Malala	Public Representative
19	Shri. Mohanbhai Kanubhai	Public Representative, Diu	Public Representative
20	Shri. Mani Shyamji	Public Representative, Vanakbara	Public Representative
21	Shri. Dinesh Bariya	Public Representative, Vanakbara	Public Representative
22	Shri. R. M. Bamania	Public Representative, Sudam	Public Representative
23	Smt. Vehnibai	Public Representative, Malala	Public Representative
24	Smt. Kasturbabu	Public Representative, Dagadwadi Panchayat, Malala	Public Representative
25	Shri. Devji Laxman	Public Representative, Diu	Public Representative
26	Shri. Bhagwan Nathu	Public Representative, Diu	Public Representative
27	Shri. Pradip Veer	Public Representative, Diu	Public Representative
28	Shri. Baria Dipesh	Public Representative, Diu	Public Representative
29	Shri. Damji Ramji	Public Representative, Diu	Public Representative
30	Smt. Sarita	Public Representative, Diu	Public Representative
31	Smt. Kanta Mohan	Public Representative, Diu	Public Representative
32	Smt. Sarita Hiralal	Public Representative, Diu	Public Representative
33	Shri. Trusnu Vinod	Public Representative, Diu	Public Representative
34	Shri. Laxman	Public Representative, Malala	Public Representative
35	Shri. Ramji Soma	Public Representative, Diu	Public Representative
36	Shri. Maganlal	Public Representative, Diu	Public Representative
37	Shri. Goving	Public Representative, Diu	Public Representative
38	Shri. Bhaidash Ramji	Public Representative, Diu	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
39	Shri. Solanki Bhawesh	Public Representative, Diu	Public Representative
40	Shri. Bharat	Public Representative, Vanakbara	Public Representative
41	Shri. Kantilal	Public Representative, Vanakbara	Public Representative
42	Shri. Bhashkar	Public Representative, Diu	Public Representative
43	Shri. Rajandra Daya	Public Representative, Dagarpadi	Public Representative
44	Shri. Ganesh Rama	Public Representative, Diu	Public Representative
45	Shri. Shankar Bhagwan	Public Representative, Diu	Public Representative
46	Shri. Ramji	Public Representative, Diu	Public Representative
47	Shri. Rakesh Bhai Bhikha	Public Representative, Malala	Public Representative
48	Shri. Keshav Bhika	Public Representative, Malala	Public Representative
49	Shri. Vijay	Public Representative, Malala	Public Representative
50	Shri. Dardar	Public Representative, Malala	Public Representative
51	Shri. Vikash	Public Representative, Malala	Public Representative
52	Shri. Dinesh Bhalia	Public Representative, Malala	Public Representative
53	Shri. Shivam Rasiklal	Public Representative, Malala	Public Representative
54	Shri. Santilal Bhika	Public Representative, Malala	Public Representative
55	Shri. Mukesh Suryakant	Public Representative, Malala	Public Representative
56	Shri. Suryakant Chagan	Public Representative, Malala	Public Representative
57	Shri. Satish Magan	Public Representative, Malala	Public Representative
58	Shri. Jayantilal Raghav	Public Representative, Ghoghla, Diu	Public Representative
59	Shri. Devchand Parbat	Public Representative, Diu	Public Representative
60	Shri. Pl Kamalia	Public Representative, Ghoghla, Diu	Public Representative
61	Shri. Dhuv Hasmuh	Public Representative, Diu	Public Representative
62	Smt. Savitaben Santilal	Public Representative, Diu	Public Representative
63	Shri. Jagdish Nathu Charania	Public Representative, Diu	Public Representative
64	Shri. Umesh Lakha Bamania	Public Representative, Diu	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
65	Shri. Hiralal Ukashe	Public Representative, Diu	Public Representative
66	Shri. Rama Rama	Public Representative, Diu	Public Representative
67	Shri. Chhagan Batha	Public Representative, Diu	Public Representative
68	Shri. Chhagan Vira Bamania	Public Representative, Diu	Public Representative
69	Shri. Jagdishkumar Karshan	Public Representative, Diu	Public Representative
70	Shri. Raju Ramji	Public Representative, Diu	Public Representative
71	Shri. Dhavin Kanji	Public Representative, Diu	Public Representative
72	Shri. Haresh Meghji	Public Representative, Diu	Public Representative
73	Shri. Chauhan Chandulal	Public Representative, Diu	Public Representative
74	Shri. Solanki Vishnu	Public Representative, Diu	Public Representative
75	Shri. Ulbaria	Public Representative, Diu	Public Representative
76	Shri. Chouhan	Public Representative, Diu	Public Representative
77	Shri. Baria Kishor	Public Representative, Diu	Public Representative
78	Shri. Dhiraj Patel Vadi	Public Representative, Diu	Public Representative
79	Shri. Hitesh	Public Representative, Diu	Public Representative
80	Shri. Valsi	Public Representative, Diu	Public Representative
81	Shri. Jayarama	Public Representative, Diu	Public Representative
82	Shri. Raja	Public Representative, Diu	Public Representative
83	Shri. Nanji Nathu	Public Representative, Diu	Public Representative
84	Shri. Chandulal	Public Representative, Diu	Public Representative
85	Shri. Narendra Jaya Baraya	Public Representative, Diu	Public Representative
86	Shri. Jethwa Yogesh	Public Representative, Diu	Public Representative
87	Shri. Narshi Bhai Laxman	Public Representative, Diu	Public Representative
88	Shri. Kanjibhai Rabhu	Public Representative, Diu	Public Representative
89	Shri. Krisha Sanjay	Public Representative, Malala	Public Representative
90	Shri. Rinku	Public Representative, Ghoghla, Diu	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
91	Shri. Susmit	Public Representative, Ghoghla, Diu	Public Representative
92	Shri. Bhavik	Public Representative, Diu	Public Representative
93	Shri. Hira Solanki	Public Representative, Ghoghla, Diu	Public Representative
94	Shri. N B Baga	Public Representative, Diu	Public Representative
95	Shri. Solanki MM	Public Representative, Diu	Public Representative
96	Shri. Ramesh Golak	Public Representative, Ghoghla, Diu	Public Representative
97	Shri. Kalpesh A. Patel	Public Representative, Ghoghla, Diu	Public Representative
98	Shri. Baria Nirmal	Public Representative, Ghoghla, Diu	Public Representative
99	Shri. Kishor B. Kapadia	Public Representative, Diu	Public Representative
100	Shri. Solanki Ramji Pooja	Public Representative, Diu	Public Representative
101	Dr. Haresh Solanki	Krishna Frozen Foods, Krishna Beach Resorts, Krishna Ice Factory	Representative
102	Smt. Mansi Bhaval	Public Representative, Chorow Khireshwar, Ghoghla	Public Representative
103	Smt. Hemlata	Diu Municipal Corporation	President
104	Shri. Jayenda Kumar	Public Representative, Diu	Public Representative
105	Shri. Imran Mohmad	Public Representative, Diu	Public Representative
106	Shri. Manilal Hasan	Public Representative, Diu	Public Representative
107	Shri. Ramesh Bhimji	Public Representative, Diu	Public Representative
108	Shri. Bhaidash Raghav	Public Representative, Diu	Public Representative
109	Shri. Haresh Raghav	Public Representative, Diu	Public Representative
110	Shri. Dipak Devani	Public Representative, Diu	Sarpanch
111	Smt. Dakhsha Devki	Public Representative, Dagari	Public Representative
112	Shri. Damyantri Prakash	Public Representative, Diu	Public Representative
113	Shri. Paresh Thaya	Public Representative, Diu	Public Representative
114	Shri. Akshay Chouhan	Public Representative, Diu	Public Representative
115	Shri. Babu Devji	Public Representative, Diu	Public Representative
116	Shri. Navin Prem	Public Representative, Malala	Public Representative

S. No.	Name of Stakeholders	Name of Company	Designation
117	Shri. Devji Sankar	Public Representative, Malala	Public Representative
118	Smt.Bhawana	Public Representative, Malala	Public Representative
119	Shri. Karvha Ravi	Public Representative, Malala	Public Representative
120	Shri. Dinesh Kapadia	Public Representative, Diu	Public Representative
121	Smt. Manisha Sanjay	Public Representative, Malala	Sarpanch
122	Shri. Sanjay Santilal	Public Representative, Malala	Public Representative
123	Shri. Amrutlal Karshan	Public Representative, Malala	Public Representative
124	Shri. Bhuvnu	Public Representative, Diu	Public Representative
125	Smt. Damyanti Prakash	Public Representative, Dagari	Public Representative
126	Shri. Haresh Kapadia	Diu Municipal Corporation	Vice President
127	Shri. Dhivas	Public Representative, Patelwadi	Public Representative
128	Shri. Chauhan Chandulal	Public Representative, Diu	Public Representative

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