Truing up for FY 2013-14, Review of FY 2014-15, ARR for Multi Year Tariff Determination for Control Period FY 2015-16 to FY 2017-18

And

Tariff Revision Proposal for FY 2015-16

Main Text & Formats (Volume I)

Submitted to:

Joint Electricity Regulatory Commission
Gurgaon

By

DNH Power Distribution Corporation Ltd.

November 2014

BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATE OF GOA& UNION TERRITORIES

Filing No.....

Case No.....

IN THE MATTER OF: Filing of Aggregate Revenue Requirement (ARR) for Multi Year Tariff Determination for the Control Period FY 2015-16 to FY 2017-18under Section 61, 62 and 64 of the Electricity Act, 2003

AND

IN THE MATTER OF DNH Power Distribution Corporation Limited (hereinafter referred to as "DNHPDCL" or "The Petitioner" or "The Department")

..... Petitioner

The Applicant respectfully submits as under: -

1. DNH Power Distribution Corporation Limited (DNHPDCL) is a statutory body engaged in the procurement of electricity and distribution in the Union Territory of Dadra & Nagar Haveli. Consequent to the enactment of the Electricity Act, 2003 (hereinafter referred to as the "Act"), the process of approval of proposed tariffs is vested with the State Commission. Based on the provisions of Section 61, 62 and 64 of the Act, DNHPDCL is filing the current Petition, in order to meet its financial requirements.

2. This is a Petition indicating the True up Petition for FY 13-14 and the Aggregate Revenue Requirement (ARR) for Multi Year Tariff Determination for the Control Period FY 2015-16 to FY 2017-18 and Tariff Revision Proposal of DNHPDCL for the FY 15-16 (Financial Year 2015-16).

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In this Petition:

All currency figures used in this Petition, unless specifically stated otherwise, are in Rs Crore and Million Units.

This petition contains the Main Text of the Petition, Formats and Annexure (Volume II)

ACRONYM	DEFINITION
A&G Expenses	Administrative & General Expenses
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckt. Km / ckm	Circuit Kilometres
EA 2003	Electricity Act 2003
G,T and D	Generation, Transmission and Distribution
GFA	Gross Fixed Assets
GoI	Government of India
IPPs	Independent Power Producers
JERC	Joint Electricity Regulatory Commission
DNHPDCL	DNH Power Distribution Corporation Limited
MU	Million Units
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PGCIL	Power Grid Corporation of India Limited
R&M Expenses	Repair & Maintenance Expenses
RoE	Return on Equity
T&D	Transmission and Distribution
S/S	Sub Station

Chapter 1: Introduction

1.1 DNHPDCL Profile

DNH Power Distribution Corporation Limited (DNHPDCL) has been created from the erstwhile Electricity Department of Dadra & Nagar Haveli (ED-DNH) and started its operation from April 1, 2013. The Ministry of Power (MoP) had advised to corporatize the ED-DNH. The Ministry of Home Affairs vide letter no. U-3034/59/2010-CPD dated 29th September 2011 has conveyed approval to corporatize ED-DNH. Subsequently, the MoP vide letter no. 36/1/2010-R&R dated 29th February 2012 has conveyed its "No Objection" for the Corporatization of ED-DNH.

The Administrator of Dadra and Nagar Haveli after satisfying the necessity to Corporatize has incorporated the "DNH Power Distribution Corporation Limited" with the Registrar of Companies, Gujarat under the Companies Act, 1956 on 13th July 2012.

The Administrator of Dadra and Nagar Haveli in exercise of powers conferred vide Notification No. F No U-11030/2/2003-UTL dated 22nd June 2004, by Ministry of Home Affairs and under section 131,133 and 134 of the Electricity Act., 2003 has prepared the "Dadra & Nagar Haveli Electricity Reforms Transfer Scheme 2013" (hereinafter referred as the "Scheme"). This Scheme has provided the transfer of assets, liabilities, rights, functions, obligations, proceedings and personnel of distribution and associated divisions of ED-DNH to DNHPDCL. The functions and duties of DNHPDCL as mentioned in the Scheme document are as follows:

(i) To carry out the business of Electricity Sub Transmission, Distribution and retail supply in the Union Territory of Dadra and Nagar Haveli and other places permitted by the appropriate authorities and for this purpose to plan, acquire, establish, alter, renovate, modernize, work and use a power system network in all its aspect.

(ii) To carry on the business of purchasing, importing, exporting, wheeling, trading of all forms of electricity energy; whether nuclear

steam, hydro or tidal, water, wind, solar, hydrocarbon fuel, thermal or any other form generated by any source like Generating companies, Captive power plants, Electricity Utilities, Government, other bodies and organizations, trading concerns licences and others including import from abroad.

(iii) To carry on the business of selling, supplying, trading, formulation of tariff to the extent to which Govt. Instructions/regulations permits, billing and collection thereof, plan, research, design and prepare project reports, diagnose operational difficulties and weakness and advice on remedial measures to improve and modernize sub-transmission and supply line and sub-stations.

The present distribution system of DNHPDCL consists of 9.9 circuit km of 220 kV double circuit (D/C) lines, 269 km of 66 kV D/C lines, 830 circuit km of 11 kV lines and 1786 kms of LT lines along with 1930 transformers.

At present, the UT of Dadra & Nagar Haveli gets power from 400/220 kV PGCIL Vapi,400/200 kV Kala of PGCIL(DNH).

The present firm and non-firm power allocation of Dadra & Nagar Haveli is 1049.77 MW in the peak hours and 940.60 MW in the off-peak hours from the various Generating Stations, which includes 693.53 MW and 586.86 MW from the Central Generating stations during peak and off-peak hours respectively, 100 MW from NTPC-SAIL plant at Bhilai,38 MW from Ratnagiri gas based power plant(RGPPL) and 200 MW from EMCO Energy Limited(GMR). The power supply from the EMCO has been started from April 2013.

The power demand is primarily dependent on the HT and LT industrial consumers contributing approximately 98% of the total sales in FY 13-14. The high demand from industrial consumers is primarily due to tax holiday benefit extended by the Govt of India in UT of Dadra & Nagar Haveli which has attracted a large number of industries to set up their industry in this region.

Considering the increase in demand from large industries, the demand is likely to increase around 6000 MUs by the end of FY 2014-15. In view of this huge power requirements, DNHPDCL had proposed a number of schemes to be

implemented during FY 13-14 to FY 14-15 for strengthening and augmentation of the transmission and distribution system in the territory.

DNHPDCL has already signed power purchase agreements (PPAs) with NTPC for allocation of power from Barh Super Thermal Power Project (BSTPP). Besides, DNHPDCL has also shown its willingness for allocation of power for Vindyachal Super Thermal Power Project (VSTPP) – V and Lara Super Thermal Power Project (LSTTP). DNHPDCL has also shown its interest for allocation of 50 MW power from the Ultra Mega Power Projects from Ministry of Power. DNHPDCL has already signed PPA with Emco Energy (GMR) to supply 200MW of power in the next seven years.

In addition to this willingness is also given for 50 MW power each from expansion of NSPCL Bhilai power plant, Jagdishpur Thermal Power Plant and Rourkela Thermal Power Plant.

DNHPDCL has total sub-transmission capacity of 840 MVA, including 520 MVA in Kharadpada and 320 MVA Khadoli sub-stations. Total installed capacity at 66/11 kV sub-stations are 622 MVA. DNHPDCL is continuously striving for increasing its distribution capacity on account of increasing electricity demand from the HT/EHT consumers.

1.2 Multi Year Tariff Distribution Tariff Regulations, 2014

DNHPDCL's tariff determination is now governed by "The Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2014" (referred to as "MYT Regulations, 2014"). The MYT Regulations, 2014 provide a framework for calculating tariffs on a cost-plus basis initially for a period of three years and allow the licensee to recover operational expenses including depreciation, interest on working capital and debt, and return on equity amongst others. The MYT Regulations, 2014 segregate the items impacting tariffs into controllable and uncontrollable factors. Items that are uncontrollable are passed through to the consumers. Further, the MYT Regulations, 2014 identifies the uncontrollable and controllable parameters as follows:

1.2.1 Uncontrollable Parameters include

1 Force Majeure events, such as acts of war, fire, natural calamities, etc.
2 Change in law;
3 Taxes and Duties;
4 Variation in sales; and
5 Variation in the cost of power generation and/or power purchase due to the circumstances, as specified in the MYT Regulations, 2014

1.2.2 Controllable Parameters include

1 Variations in CAPEX due to time and/or cost overruns/efficiencies;
2 Variations in transmission and distribution losses;
3 Variations in depreciation and working capital requirements;
4 Failure to meet the standards specified in the Joint Electricity Regulatory Commission (Standards of Performance) Regulations, 2009 except where exempted;
5 Variation in operation & maintenance expenses, except those attributable to directions of the Commission;
6 Variation in Wires Availability and Supply Availability; and
7 Variation on account of inflation.

1.3 Contents of this Petition

This Petition covers the truing up for FY 13-14, review for FY 14-15 and the basis, assumptions and projections of individual elements constituting the determination of ARR for the Control Period FY 15-16 to FY 17-18. The Joint Electricity Regulatory Commission (JERC) for the state of Goa and union territories had issued the first Tariff Order for Electricity Department of Dadra & Nagar Haveli (DNHPDCL) for the FY 10-11 on 1st November, 2010 and subsequently the second and third Tariff Orders for FY 11-12 and FY 12-13 were issued on 13th September, 2011 and 31st July, 2012.The Hon'ble Commission had issued the fourth and fifth Tariff Orders on 25thMarch 2013 and 5th May, 2014 for the FY 2013-14 and FY 2014-15 respectively. The Commission in its last Tariff Order for FY 14-15 has approved the ARR for FY 14-15 based on the actual cost for FY 12-13 and estimated expenses for FY 13-14.

Chapter 2: True Up for FY 2013-14

2.1 Principles for True Up for FY 2013-14

As per JERC Terms and Conditions for determination of Tariff Regulations, 2009, the Hon'ble Commission shall undertake the True Up of licensee for FY 2013-14 based on the comparison of the actual performance of the past year with the approved estimates for such year.

In line with the provisions of JERC Regulations, DNHPDCL is filing for True Up for the year FY 2013-14. Information provided in the True Up for FY 2013-14 is based on the Annual Accounts and principles adopted by the Hon'ble Commission in its previous orders on Interest on Term Loan, Return on Equity, Interest on Working Capital and Depreciation. This actual performance has been compared with the approved parameters as per the order dated 25th March, 2013and the revised parameters in the Tariff Order dated 5th May, 2014 for the FY 13-14.

Accordingly, revised Aggregate Revenue Requirement, revenue and gap for FY 2013-14 are given in the following sections of this chapter.

2.2 Energy Sales for FY 2013-14

The actual energy sale for FY 2013-14 has been shown below along with approved values by Hon'ble Commission vide Tariff Order dated 25thMarch, 2013and the revised sales approved in the Tariff Order dated 5th May, 2014. The actual energy sales for FY 2013-14 are as under:

Table 1: Category wise Energy Sales for FY 13-14

(MU)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Domestic	85.71	80.20	80.64
Commercial	31.68	31.15	29.79
Agriculture	3.40	4.05	4.40

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
LT Industry	160.88	175.63	176.52
HT/EHT Industry	4934.90	4668.02	4,661.27
Public Lighting	6.48	5.32	5.89
Temp. Supply	2.18	2.52	2.01
Total Sales	**5,225.23**	**4,966.89**	**4,960.53**

Note:

Domestic includes 3.11 MU energy sales to LIG category

It can be observed that the actual sales for FY 13-14 was marginally lower than the sales approved by the Commission vide its Tariff order dated 5th May, 2014.The variation in sales of electricity to the consumers is attributed as uncontrollable factor. Therefore, DNPDCL requests the Hon'ble Commission for the truing up of actual sales as shown in the Table above.

2.3 Distribution Loss for FY 2013-14

DNHPDCL has been making all efforts to contain the distribution losses. Consequent to the efforts, the distribution losses in DNHPDCL area is one of the lowest in the country.

The Hon'ble Commission vide its Tariff Orders dated 25th March, 2013 and 5th May, 2014 had approved the distribution loss at 4.70%. Against that the actual distribution losses in FY 2013-14 were 4.78%. The following Table shows the comparison of actual distribution losses of the DNHPDCL against that approved by the Hon'ble Commission vide its Tariff Orders dated 25th March, 2013 and the revised losses approved in the Tariff Order dated 5th May, 2014.

Table 2: Distribution Loss for FY 13-14

(%)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Distribution Loss	4.70%	4.70%	4.78%

The DNHPDCL requests the Hon'ble Commission to approve the actual T&D losses for FY 13-14.

2.4 Energy Requirement and Energy Balance

Based on the actual energy sales and the transmission & distribution loss units, the actual energy requirement for DNHPDCL has been furnished below. The energy requirement has been met through various sources as described in the subsequent section.

Table 3: Energy Requirement and Energy Balance for FY 13-14

(MU)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Sales	5,225.22	4,966.89	4,960.53
Add: Losses	257.70	244.96	249.27
T&D Losses	**4.70%**	**4.70%**	**4.78%**
Energy Required at Periphery	5,482.92	5,211.85	5,209.80
Transmission loss	201.97	198.58	192.49
Transmission loss (%)	3.55%	3.67%	3.69%
Energy required at generator end	5,684.89	5,417.07	5,433.81
Surplus/ (Deficit) Power	0.00	6.64	31.52

The actual energy recorded at the periphery of DNHPDCL was 5209.80 MUs during FY 2013-14. Accordingly the actual transmission losses stood at 192.49 MUs during the FY 2013-14. A copy of the monthly report of the energy

recorded at DNHPDCL periphery is being enclosed along with this petition as **Annexure I.**

2.5 Power Purchase Cost

DNHPDCL sources power from Central Generating Stations like Korba, Vindyachal, Kahalgaon, Kawas, Sipat, Tarapur and Kakrapar atomic power stations of NPCIL etc.Besides, DNHPDCL also drew power from RGGPL and EMCO Energy Limited. The power procured during FY 13-14 as against that approved by the Hon'ble Commission is provided in the table below.

Table 4: Power purchase cost for FY 2013-14

(Rs. Cr.)

Particulars	MUs		Cost	
	FY 13-14 Approved	FY 13-14 Actual	FY 13-14 Approved	FY 13-14 Actual
Power Purchase	5,417.07	5,433.81	2,040.79	2,000.15

The Hon'ble Commission had approved a power purchase cost of Rs. 2040.79 Crore in the last Tariff Order. Against that the actual power purchase cost in FY 13-14 was Rs. 2000.15Crore.In the Annual Accounts submitted to the Hon'ble Commission as **Annexure III** of this petition the power purchase cost has been given as Rs. 2122.87 Crore. The amount is inclusive of the provision of Rs. 74.97 crore for meeting the RPO backlog as determined by the Hon'ble Commission in its Tariff order dated 5th May, 2014. However, the DNHPDCL has not considered the same in its truing up for the FY 2013-14 and will consider the same in the subsequent truing up as and when the department meets the RPO backlog. Further, in the Annual Accounts the rebate given in the power purchase bills amounting to Rs. 37.19 Crore during the FY 2013-14 has been considered in the other income. The same has been deducted from the power purchase cost for the truing up purpose. Also an amount of Rs. 10.59 Crore has been deducted from the power purchase as given in schedule 22 of the Annual Accounts on account of stores and spares consumed by the DNHPDCL during FY 2013-14.

The power purchase quantum and cost depends on various parameters such as the energy sales, distribution loss, energy requirement and the energy availability. The variation in the power purchase cost from the Tariff Order is on account of variation in sales and variation in actual cost with respect to the base rate along with purchase of power from short-term sources to meet the shortfall during the year.

The DNHPDCL, requests the Hon'ble Commission to approve the actual power purchase cost for FY 13-14 without any deduction.

2.6 Operation and Maintenance Expenses

Operations and Maintenance (O&M) Expenses of the company consists of the following elements:

- Employee Expenses
- Repairs and Maintenance Costs
- Administrative and General Expenses

Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

Repairs and Maintenance Expenses go towards the day to day maintenance of the distribution network of the DNHPDCL and form an integral part of the company's efforts towards reliable and quality power supply as also in the reduction of losses in the system.

Administration expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, other debits.

The Hon'ble Commission had approved the O&M cost at Rs. 14.03 Crore and Rs. 16.15Crore respectively vide Tariff Orders dated 25th March, 2013and 5th May, 2014respectively.

During FY 2013-14, DNHPDCL incurred actual O&M expense of Rs. 17.97Crore which included Employee cost of Rs. 8.16Crore, Repair & Maintenance charges of Rs. 5.31Crore and Administration & General Expenses of Rs. 4.50Crore as given in the Table below:

Table 5: Operation &Maintenance Expenses for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Employee Cost	5.63	8.27	8.16
R&M	6.08	4.68	5.31
A&G	2.32	3.20	4.50
O&M Expenses	14.03	16.15	17.97

The O&M expenses incurred by the DNHPDCL are more than the O&M expenses approved by the Hon'ble Commission due to increase in the R&M and the A&G expenses. The DNHPDCL would like to submit that the R&M expenses are very vital for the smooth running of the distribution system and help in reduction of breakdowns in the system. Further, the A&G expenses are also vital for the smooth running of the administrative functions of the department. Therefore, the DNHPDCL requests the Hon'ble Commission to approve the O&M expenses as per above submission.

2.7 Capital Expenditure & Capitalization

The actual capital expenditure incurred by DNHPDCL during the FY 13-14 was Rs. 13.21Crore, which is lower than that approved by the Hon'ble Commission in its tariff order dated 25th March, 2013 and 5th May, 2014. The capital expenditure incurred and capitalization for FY 2013-14 against that approved by the Hon'ble Commission is as shown below:

Table 6: Capital Expenditure and Capitalization for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Capital Expenditure	81.48	164.32	13.21
Capitalization	61.60	66.86	4.82

The DNHPDCL, therefore, requests the Hon'ble Commission to approve the capital expenditure and capitalization for FY 13-14.

2.8 Depreciation

The depreciation has been worked out after applying the Depreciation rates as per the JERC (Terms and Conditions for determination of Tariff), Regulations, 2009.

For computation of depreciation, DNHPDCL has considered the opening balance of the GFA for FY 13-14and subsequently added the assets capitalized in FY 13-14.

Accordingly, the depreciation so arrived and approved depreciation for FY 2013-14 are as shown below:

Table 7: Depreciation for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Opening GFA	320.17	301.01	424.90
Addition during the year	61.60	66.86	4.82
Closing GFA	381.77	367.96	429.73
Average GFA	350.57	334.53	427.31
Depreciation during the year	**17.97**	**16.94**	**14.05**

The DNHPDCL, requests the Hon'ble Commission to approve the actual depreciation for FY 13-14 without any deduction.

2.9 Interest and Finance Charges

For assessing interest on Loans in FY 13-14, DNHPDCL has considered the Opening Balance of Loans for FY 13-14 as approved by the Hon'ble Commission in its Tariff Order dated 5th May, 2014for the Review of the ARR for FY 13-14. The normative loan addition in FY 13-14 has been computed as 70% of the capitalization for FY 13-14 which works out to Rs. 3.38Crore. The capitalization for FY 13-14was Rs. 4.82Crore as per the annual accounts for FY 13-14.

In line with the approach adopted by the Hon'ble Commission in its previous Tariff Orders, 10% of the opening loans have been considered as the repayment during the year. Further the rate of interest has been considered as equal to the SBI PLR of 14.45%.

The total Interest & Financial charges for FY 2013-14 computed by DNHPDCL as against approved by the Hon'ble Commission is as shown below:

Table 8: Interest on Loan for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Opening normative loan	54.21	52.31	52.31
Loan for additional Capex (70:30 debt-equity)	43.21	46.80	3.38
Loan Repayment (10% of Opening Balance)	17.97	5.23	2.78
Closing Loan	79.36	93.88	52.90
Interest Cost on Avg. Loans	**9.65**	**10.56**	**7.60**

The DNHPDCL, requests the Hon'ble Commission to approve the interested on loan computed for FY 13-14.

2.10 Interest on Working Capital

The interest on working capital has been calculated based on the normative principles outlined by the Hon'ble Commission in the JERC (Terms and Conditions for determination of Tariff), Regulations, 2009.

DNHPDCL has computed interest on working capital at 14.45% as equal to the SBI PLR. The interest on working capital for FY 13-14 incurred by DNHPDCL against that approved by the Hon'ble Commission is as shown below:

Table 9: Interest on Working Capital for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
O&M expense for 1 month	1.17	1.35	1.50
Power Purchase Cost for 1 month	171.48	170.02	166.68
Fuel Cost	0.00	0.00	0.00
Total	172.65	171.37	168.18
Less: Security Deposit	18.06	22.48	0.00
Total Working Capital after deduction of Security Deposit from Working Capital Requirement	154.59	148.89	168.18
Interest on Working Capital	**22.34**	**21.66**	**24.30**

The DNHPDCL, requests the Hon'ble Commission to approve the interested on working capital computed for FY 13-14.

2.11 Return on Equity

As per the Regulation 23 of JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009, DNHPDCL is entitled to a return on capital base of 3% on net block of approved assets. Accordingly, DNHPDCL has computed the Return on capital base at 3% of the net block at the beginning of FY 2013-14.

The return on capital base as computed for FY 2013-14 is as shown below:

Table 10: Return on Equity for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Return on Equity	10.83	10.24	12.33

The DNHPDCL, requests the Hon'ble Commission to approve the return on capital base computed for FY 13-14.

2.12 Income Tax

As per the JERC Terms and Conditions for determination of Tariff Regulations, 2009, "*Obligatory taxes, if any, on the income of the generating company or the licensee from its core / licensed business shall be computed as an expense and shall be recovered from the customers/consumers*". The DNHPDCL had paid an income tax of Rs. 49.17 Crore during the FY 2013-14. The details of the same have been given in the annual audited accounts of the DNHPDCL for the FY 2013-14.

Table 11: Income Tax for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Income Tax	0.00	0.00	49.17

The DNHPDCL, requests the Hon'ble Commission to approve the tax on income for FY 13-14 as given in the table above.

2.13 Interest on Security Deposit

In terms of the section 47 (4) of the Electricity Act, 2003 '*the distribution licensee is required to pay interest on security deposit collected from consumers equivalent to bank rate or more as may be specified by the Commission.*' The DNHPDCL paid the interest on security deposit of Rs. 3.48 Crore to its consumers during the FY 2013-14.

Table 12: Interest on Security Deposit for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Interest on Security Deposit	1.58	0.00	3.48

The DNHPDCL, requests the Hon'ble Commission to approve the interest on security deposit for FY 13-14 as given in the table above.

2.14 Non Tariff Income

The actual Non-Tariff Income of DNHPDCL for FY 13-14 was Rs. 29.35Crore. The Hon'ble Commission had approved non-tariff income of Rs.11.29Crore and Rs. 11.56 Crore in the Tariff Orders dated 25th March, 2013 and 5th May, 2014 respectively. Against that the actual Non Tariff for FY 13-14 was Rs. 29.35 Crore as shown in the Table below:

Table 13: Non Tariff Income for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Non tariff Income	**11.29**	**11.56**	**29.35**

Out of the Rs. 29.35 Crore, Rs. 20.95 Crore is on account of Interest on Fixed Deposits & Others. Earlier, before the corporatization of the department all the revenue used to be transferred to the Government Treasury and therefore the department was not getting any interest on the fixed deposits. However, since the corporatization of the department the funds are transferred to the bank account and the department is getting on the fixed deposits.

The remaining Rs. 8.40 Crore is on account of various other components like delayed payment surcharge, meter testing charges etc. DNHPDCL submits that

the variation in non tariff income is uncontrollable. Accordingly, it requests the Hon'ble Commission to allow the variation in Non Tariff Income as uncontrollable for the purpose of truing up.

2.15 Aggregate Revenue Requirement for FY 2013-14

Based on above expenses, the Table below summarizes Aggregate Revenue Requirement for FY 13-14 for DNHPDCL in comparison with values approved by the Hon'ble Commission in the last two Tariff Orders:

Table 14: Aggregate Revenue Requirement for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Power Purchase Cost	2,058.00	2,040.79	2,000.15
O&M Expense	14.03	16.15	17.97
Depreciation	17.97	16.94	14.05
Interest Cost on Long-term Capital Loans	9.65	10.56	7.60
Interest on Working Capital Loans	22.34	21.66	24.30
Return on Equity	10.83	10.24	12.33
Provision for Bad Debt	10.39	0.00	0.00
Interest on security deposit	1.58	0.00	3.48
Income Tax	0.00	0.00	49.17
RPO provisioning to cover backlog of the previous years upto current year	0.00	74.98	0.00
Total Revenue Requirement	**2,144.79**	**2,191.32**	**2,132.70**
Less:			
Non-Tariff Income	11.29	11.56	29.35
Aggregate Revenue Requirement	**2,133.50**	**2,179.76**	**2,099.70**

DNHPDCL requests the Hon'ble Commission to kindly approve the ARR submitted hereinabove.

2.16 Revenue for FY 2013-14

During the FY 13-14, DNHPDCL's actual revenue from retail sales amounted to Rs. 2115.34Crore(including the amount received on account of FPPCA charges of Rs. 196.25 Crore) as against Rs. 2078.93Crore and Rs. 2083.43Crore as approved by the Hon'ble Commission vide its Tariff Order dated 25th March, 2013 and 5th May, 2014respectively.

Table 15: Revenue for FY 2013-14

(Rs. Cr.)

Particulars	FY 13-14		
	Approved (T.O. dated 25th March 2013)	Approved (T.O. dated 5th May, 2014)	Actual
Revenue from retail sale of power	2,078.93	2,083.43	2115.34
Revenue from Surplus Power Sale	0.00	0.58	0.00
Total revenue	**2078.93**	**2084.01**	**2115.34**

2.17 Revenue (Gap) / Surplus for FY 2013-14

The Hon'ble Commission in Order dated 25th March, 2013 has approved a total Aggregate Revenue Requirement of Rs. 2133.50Crore for FY 13-14. Further, the Commission has computed the revised ARR in the Tariff Order dated 5th May, 2014 of Rs. 2179.76Crore. DNHPDCL has arrived at the trued-up Aggregate Revenue Requirement for FY 13-14 of Rs. 2099.70Crore.

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including revenue with existing tariff of Rs. 2115.34Crore. Accordingly, total revenue surplus of DNHPDCL for FY 13-14 is computed at Rs. 15.65Crore as depicted in the Table below:

Table 16: Revenue Gap/Surplus for FY 13-14

(Rs. Cr.)

Particulars	FY 13-14	FY 13-14
	Approved (5th May, 2014)	Actual
Annual Revenue Requirement	2179.76	2099.70

Particulars	FY 13-14 Approved (5th May, 2014)	FY 13-14 Actual
Revenue from sale of power	2083.43	2,115.34
Revenue from Surplus Power Sale	0.58	0.00
Revenue (Gap)/surplus	(95.75)	15.65
Previous Years' (Gap)/Surplus Carried Over	52.31	0.00
Carrying	0.64	0.00
Net Revenue (Gap)/surplus	(42.80)	15.65

DNHPDCL requests the Hon'ble Commission to consider the surplus of Rs. 15.65 Crore for FY 13-14 arrived as part of truing up process.

Chapter 3: Review of FY 2014-15

The review of aggregate revenue requirement for FY 14-15 is based on quantum of energy sales, energy loss as well as various cost elements like power purchase cost, O&M expenses, interest cost and depreciation etc. This has been done based on actual data for six months and revised estimates for the remaining six months of FY 14-15.DNHPDCL analysis in respect of items given below is discussed in the following paras:

a. Category wise Energy Sales & Revenues at existing tariffs;

b. T&D Losses;

c. Energy Requirement;

d. Determination of Aggregate Revenue Requirement (ARR) by forecasting the following costs, other income & returns:
   i. Power Purchase Cost
   ii. Employee Cost
   iii. Repairs & Maintenance Cost
   iv. Admin & General Cost
   v. Capital Investment Plan
   vi. Interest Cost
   vii. Interest on Working Capital
   viii. Depreciation
   ix. Provision for bad & doubtful debts
   x. Return on Equity
   xi. Income Tax
   xii. Non-Tariff Income

e. Determination of Gap between Revenue & Costs, Additional Revenue through the proposed Tariff Revision and the arrangements to cover the revenue gap; and

3.1 Energy Sales

The following table summarizes category wise actual energy sales for the first six months for all the consumer segments. As can be seen, DNHPDCL's overall energy sales are significantly dependent upon HT/EHT Industries to the extent of around 96%.

Table 17: Category wise energy sold to the Consumers from April to September 2014

(MU)

Consumers	FY 14-15 Actual
Domestic	50.72
Commercial	14.19
Agriculture	2.19
LT Industry	94.86
HT/EHT Industry	2,421.77
Public Lighting	3.36
Public Water Works	1.40
Temporary Supply	0.14
Total	**2,588.63**

Based on the actual retail sales to various consumers, DNHPDCL has estimated the total retail energy sold for FY 14-15 as shown in the Table below:

Table 18: Category wise sales for FY 14-15 (Revised Estimate)

(MU)

Sales (MUs)	FY 2014-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Domestic	91.09	101.43
Commercial	35.71	28.38
Agriculture	4.91	4.38

Sales (MUs)	FY 2014-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
LT Industry	186.26	189.73
HT/EHT Industry	5060.10	4,843.53
Public Lighting	6.63	6.73
Public Water Works	0.00	2.80
Temporary Supply	2.91	0.27
Total Sales	**5,387.61**	**5,177.26**

3.2 Distribution loss for FY 14-15

DNHPDCL has considered the distribution losses of 4.75% for FY 14-15 as against 4.70% approved by the Hon'ble Commission in its last Tariff Order.

Table 19: Distribution losses for FY 14-15

(%)

Distribution Losses	FY 2014-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Distribution losses (%)	4.70%	4.75%

3.3 Energy Requirement of the System

The following Table depicts the energy requirement of the DNHPDCL for FY 14-15.

Table 20: Energy Requirement of the System

Energy Balance	FY 2014-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Sales (MU)	5,387.61	5,177.26
Add: T&D Losses (MU)	265.71	258.18
T&D Losses (%)	**4.70%**	**4.75%**
Energy Required at Periphery (MU)	5,653.32	5,435.45

Energy Balance	FY 2014-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Transmission loss (%)	215.12	210.72
Transmission loss (MU)	3.67%	3.56%
Energy required at generator end (MU)	5,868.44	5919.17
Surplus/ (Deficit) Power (MU)	0.0	273.00

3.4 Energy Availability and power purchase cost

Dadra & Nagar Haveli has no generating stations of its own and relies on the firm and infirm allocation of power from Central Generating Stations like Korba, Vindhyachal, Kahalgaon, Kawas, Sipat, Tarapur, Kakrapar etc. to meet its energy requirement.

The DNHPDCL for the purpose of estimation of the power availability during FY 14-15 has considered the following sources of power:

- NTPC Western Region Generating Stations
- NTPC Eastern Region Generating Stations
- NSPCL (NTPC-SAIL Power Company Ltd)
- Nuclear Power Corporation of India Limited
- Ratnagiri Gas Power Plant (RGPPL)
- Private Sector Power Generating Companies
- Renewable energy sources – Solar and Non-Solar
- Other market sources

The Petitioner has allocation from Western as well as Eastern region from coal, gas and nuclear power stations. However, for meeting the supply-demand gap during the peak hours, the Petitioner has relied on energy exchange and over-drawal from the Grid (UI).

For projecting of the energy availability for FY 14-15, six months actual power purchase has been considered. For projection of remaining six months of power purchase for FY 14-15, firm and infirm allocation from various generating stations has been considered as per the allocation specified in the notification no's. WRPC/Comml-I/6/Alloc/2014/7872 dated 22.08.2014 of Western Regional Power Committee. Detailed methodology for projecting the power availability to the Petitioner from various sources is summarized below.

Table 21: Energy Allocation from Central Generating Stations

(MW)

Name of the plant	Weighted average Infirm allocation	Weighted Average Firm allocation	Weighted average total allocation
KSTPP	53.99	-	53.99
KSTPS -3	20.77	2.20	22.97
VSTPP-I	39.25	5.00	44.25
VSTPP-II	29.66	4.00	33.66
VSTPP- III	29.66	6.00	35.66
VSTPP- IV	41.52	5.55	47.07
KAWAS	56.24	25.00	81.24
GGPP	56.75	2.00	58.75
Sipat – I	82.24	9.00	91.24
Sipat – II	28.19	4.00	32.19
KHSTPP – II	3.50	3.50	3.50
Mauda I (MSTPS)	41.53	5.55	47.08
NPCIL – KAPS	10.80	2.00	12.80
NPCIL - TAPP 3&4	36.52	7.00	43.52
Total	**530.61**	**80.80**	**607.91**

Name of the plant	Weighted average Infirm allocation	Weighted Average Firm allocation	Weighted average total allocation
NSPCL Bhilai		100.00	100.00
RGPPL		38.00	38.00
EMCO Energy Ltd. (GMR Group)		200.00	200.00

Actual power purchase cost of the first six months of FY 13-14 is shown below:

Table 22: Actual Power Purchase cost for the first six months of FY 14-15

Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	All Charges Total	Per Unit Cost
NTPC Stations						
KSTPS	186.07	10.45	19.38	-0.24	29.60	1.59
KSTPS 3	195.52	12.83	8.14	0.47	21.44	1.10
VSTPP-I	139.84	9.41	21.09	1.17	31.67	2.27
VSTPP-II	109.32	7.26	15.60	2.47	25.33	2.32
VSTPP- III	116.96	13.38	16.24	0.53	30.14	2.58
VSTPP- IV	159.01	22.25	22.54	0.67	45.46	2.86
KGPP	113.33	23.04	28.48	-1.48	50.04	4.41
GGPP	63.26	21.97	19.63	-0.52	41.07	6.49
Sipat-I	316.44	46.56	46.84	2.42	95.82	3.03
Sipat-II	108.87	14.73	16.26	5.65	36.64	3.37
Mauda	48.69	23.87	23.77	-0.01	47.62	9.78
FSTPS	0.00	0.00	0.00	-0.10	-0.10	0.00
KhSTPS I	0.00	0.00	0.00	0.00	0.00	0.00
RSTPS	0.00	0.00	0.00	-0.48	-0.48	0.00
TSTPS	0.00	0.00	0.00	0.00	0.00	0.00
KHSTPP-II	8.65	1.16	2.46	0.03	3.65	4.22
Subtotal - NTPC	**1565.98**	**206.90**	**240.44**	**10.57**	**457.91**	**2.92**
NSPCL - Bhilai	369.15	57.46	81.25	4.34	**143.05**	**3.88**
NPCIL						
KAPS	41.24	0.00	9.55	0.00	9.55	2.31
TAPS	166.13	0.00	45.93	0.24	46.18	2.78
Subtotal	**207.37**	**0.00**	**55.48**	**0.24**	**55.72**	**2.69**
Others						
RGPPL	**0.07**	**13.63**	**0.02**	**0.00**	**13.65**	**1843.34**

Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	All Charges Total	Per Unit Cost
EMCO Energy Ltd. (GMR Group)	755.57	192.57	125.11	1.78	319.47	4.23
Subtotal	755.65	206.20	125.13	1.78	333.11	4.41
Power purchase from Other Sources						
Indian E. Exchange/Bilateral	0.00	0.00	0.00	0.00	0.00	0.00
UI	32.75	0.00	12.58	0.00	12.58	3.84
Solar	0.00	0.00	0.00	0.00	0.00	0.00
Non Solar	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	32.75	0.00	12.58	0.00	12.58	3.84
Misc. Arrears						
Total Power Purchase	2930.90	470.56	514.89	16.94	1002.38	3.42
External Losses	104.34					
Avialability at ED-DNH Peripheri	2826.56	413.10	433.63	12.60	1002.38	3.55
PGCIL CHARGES					79.60	
POSOCO					0.39	
WRPC					0.00	
Reactive charges					1.44	
MSTCL					1.75	
Intra-state transmission charges					0.00	
Grand Total of Charges	2826.56	413.10	433.63	12.60	1085.58	3.84

Based on the actual power purchase cost of the first six months of FY 14-15 and the remaining six months projection, the revised estimated power purchase cost for FY 14-15 is presented in the following Table:

Table 23: Revised estimated Power Purchase cost for FY 14-15

Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	All Charges Total	Per Unit Cost
NTPC Stations						
KSTPS	373.31	20.91	38.89	(0.48)	59.31	1.59
KSTPS 3	275.17	25.66	11.46	0.94	38.06	1.38
VSTPP-I	294.99	18.83	44.49	2.34	65.66	2.23
VSTPP-II	227.34	14.52	32.44	4.94	51.91	2.28
VSTPP- III	241.99	26.75	33.59	1.05	61.40	2.54
VSTPP- IV	324.04	44.49	45.93	1.34	91.76	2.83

Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	All Charges Total	Per Unit Cost
KGPP	308.81	46.07	77.61	(2.96)	120.72	3.91
GGPP	218.95	43.93	67.94	(1.04)	110.82	5.06
Sipat-I	584.52	93.13	86.53	4.83	184.49	3.16
Sipat-II	203.47	29.46	30.40	11.30	71.15	3.50
Mauda	55.65	47.73	27.16	(0.02)	74.87	13.46
FSTPS	0.00	0.00	0.00	(0.19)	(0.19)	0.00
KhSTPS I	0.00	0.00	0.00	(0.00)	(0.00)	0.00
RSTPS	0.00	0.00	0.00	(0.95)	(0.95)	0.00
TSTPS	0.00	0.00	0.00	0.00	0.00	0.00
KHSTPP-II	18.38	2.33	5.22	0.05	7.60	4.14
Subtotal - NTPC	**3126.62**	**413.81**	**501.66**	**21.14**	**936.61**	**3.00**
NSPCL - Bhilai	**724.17**	**114.91**	**159.40**	**8.68**	**282.99**	**3.91**
NPCIL						
KAPS	88.01	0.00	20.37	0.00	20.37	2.31
TAPS	298.69	0.00	82.59	0.48	83.07	2.78
Subtotal	**386.70**	**0.00**	**102.96**	**0.48**	**103.44**	**2.67**
Others						
RGPPL	0.07	27.26	0.02	0.00	27.28	3684.04
Tata Power - Haldia	0.00	0.00	0.00	0.00	0.00	0.00
EMCO Energy Ltd. (GMR Group)	1471.05	385.14	243.59	3.57	632.29	4.30
Subtotal	**1471.13**	**412.40**	**243.61**	**3.57**	**659.57**	**4.48**
Power purchase from Other Sources						
Indian E. Exchange/Bilateral	0.00	0.00	0.00	0.00	0.00	0.00
UI	32.75	0.00	12.58	0.00	12.58	3.84
Solar	32.33	0.00	30.07	0.00	30.07	9.30
Non Solar	145.47	0.00	21.82	0.00	21.82	1.50
RPO provisioning					37.49	
Subtotal	**210.55**	**0.00**	**64.47**	**0.00**	**101.96**	**14.64**

Source	Units Purchased	Fixed Charges	Variable Charges	Other Charges	All Charges Total	Per Unit Cost
Misc. Arrears						
Total Power Purchase	5919.17	941.12	1072.09	33.88	2084.58	3.52
External Losses	210.72					
Avialability at ED-DNH Peripheri	5708.45	941.12	1072.09	33.88	2084.58	3.65
PGCIL CHARGES					159.21	
POSOCO					0.79	
WRPC					0.00	
Reactive charges					2.89	
MSTCL					3.50	
Others					0.00	
Grand Total of Charges	5708.45	941.12	1072.09	33.88	2250.96	3.80

Per unit variable cost, fixed cost and other charges have been considered at the same level as actual from April to September2014.

Power purchase arrear for the remaining six months has been considered as nil as DNHPDCL has no prior information of arrear bills from the generators and transmission companies.

DNHPDCL received its full quota of 200 MW from EMCO for the first six months from April 2014 to September 2014. Therefore, the revised estimate for the period October 2014 to March 2015 for EMCO has been made by considering 200 MW supply.

The Government of India, Ministry of Power has allocated 2% (38 MW)power to DNHPDCL on a long term basis from RGPPL. The DNHPDCL has executed PPA with RGPPL and Transmission Service Agreement (TSA) with MSETCL for transmission of above allocated power of RGPPL. The state of Maharashtra has 95% share allocation from RGPPL and they are not scheduling power due to non-availability of natural gas to this project. Due to non-availability of technical minimum schedule to run the plant, presently there is no generation from the plant. Therefore, for the period October 2014 to March

2015DNHPDCL has not considered any power purchase from RGPPL. However, as per the terms of the PPA signed with RGPPL, DNHPDCL will have to pay the capacity charges for the allocated capacity share from the plant. Therefore the fixed charges have been considered for the period October 2014 to March 2014 as per the fixed charges paid during the first six months of FY 2014-15.

For FY 14-15, DNHPDCL has considered power purchase of 32.33 MU and 145.47 MU from solar and non-solar renewable energy sources respectively as per the JERC's Procurement of Renewable Energy Regulations, 2010. Further, DNHPDCL has provisioned Rs. 37.49 Crore against the RPO backlog to be met by DNHPDCL for the period FY 2010-11 to FY 2013-14.

3.5 Operation & Maintenance Costs

The approved and revised estimated O&M cost for FY 14-15 is shown in the following Table:

Table 24: O&M Expense for FY 14-15

(Rs. Cr.)

Particular	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Employee Expenses	8.73	8.76
R&M Expenses	4.93	5.70
A&G Expenses	3.38	4.84
Total	**17.04**	**19.30**

The revision on the O&M cost for FY 13-14 is mainly on escalation in R&M and A&G expenses.

3.6 Capital Expenditure Plan

DNHPDCL each year drafts an Annual Plan for the capital investment for new schemes and continuing schemes which it plans to incur in the ensuing year.

DNHPDCL's Annual Capital Expenditure Plan in FY 14-15for various schemes is summarized below:

Table 25: Capital Expenditure Plan for FY 14-15

(Rs. Lakh)

Sr.No.	Name of Scheme	FY 2014-15
1	Establishment of various capacity of Solar Power plants	1000
2	Establishment of new 66/11 KV, 2x15 MVA Velugam substation	161
3	Establishment of new 66/11 KV, 2x15 MVA Kala substation	95.28
4	Construction of new corporate office building of DNHPDCL	1000
5	Erection of various capacity of new distribution transformer, extension of HT/LT line work, releasing of new service connection of all type of category under Normal Development scheme	1200
6	Upgradation and modernization of network	100
7	Establishment of new 66/11 KV, 2x20 MVA Piparia substation	1510
	Total	**5066.28**

The capitalization of new schemes has been considered at 40% of the planned capital expenditure in the same year while the balance 60% has been capitalized in subsequent year. A summary of the capital expenditure and capitalization for FY 14-15vis-à-vis approved by the Commission is summarized in Table below:

Table 26: Capital Expenditure & Capitalization for FY 14-15

(Rs. Cr.)

Capital Expenditure & Capitalization	FY 14-15	
(Rs. Crore)	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Capital Expenditure	75.30	50.66
Asset Capitalization	114.74	25.29

3.7 Gross Fixed Assets

The Commission in its last Tariff Order has approved the opening GFA, addition of assets and closing GFA for FY 14-15 at Rs. 367.96 Crore, Rs. 114.74 Crore and Rs. 482.70 Crore respectively.

DNHPDCL had Opening Gross Fixed Assets (GFA) of Rs. 424.90Crore in FY 13-14. DNHPDCL has further added assets worth Rs4.82Crore during FY 13-14. The closing GFA by the end of FY 13-14 stands at Rs.429.73Crore.

Based on the actual capitalization of the first six months and estimated addition in GFA during the remaining six months of FY 14-15, assets amounting to Rs. 25.29Crore have been estimated to be capitalized during FY 14-15.

A summary of the Opening and Closing GFA and capitalization for FY 14-15 vis-à-vis approved by the Commission has been summarized in Table below:

Table 27: Opening and Closing GFA for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Opening Value of Assets at thebeginning of the year	367.96	429.73
Additions during the year	114.74	25.29
Gross Fixed Assets at the end of year	482.70	455.02
Average Assets	425.33	442.07

3.8 Depreciation

Depreciation is charged on the basis of straight-line method, on the Gross Fixed Assets in use at the beginning of the year and addition in assets during the financial year. The depreciation is based on the original cost of the Gross Fixed Assets.

Based on the CERC norms, DNHPDCL has applied the following depreciation rates as specified by CERC in the Tariff Regulations for FY 2009-14.

Table 28: Depreciation rate specified by CERC

Asset Category	Depreciation Rate %
Plant & Machinery	5.28%
Buildings	3.34%
Vehicles	9.50%
Furniture & Fixtures	6.33%
Computers & Others	6.33%
Land	0.00%

Depreciation for the FY 14-15 is determined by applying aforesaid category-wise assets depreciation rates on the opening balance of Gross Fixed assets and average of the addition during the year projected for FY 14-15. The Table below summarizes the asset-wise depreciation vis-à-vis approved by the Commission and computed by DNHPDCL:

Table 29: Depreciation for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Opening Value of Assets at thebeginning of the year	367.96	429.73
Additions during the year	114.74	25.29
Gross Fixed Assets at the end of year	482.70	455.02
Average Assets	425.33	442.37
Depreciation Amount	**21.69**	**22.50**

3.9 Interest & Financial Costs

3.9.1 Interest on Long-term / Capital Loans

The normative interest on long-term/capital loans against approved by the Commission in the Tariff Order dated 5th May, 2014as against the revised estimates is shown in the Table below:

Table 30: Interest on Long-term/Capital Loans for FY 14-15

(Rs. Cr.)

Interest on Long-term Loans	FY 13-14	
Rs Crore	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Opening Normative Loan	93.88	52.90
Add: Normative Loan during the year	80.32	17.71
Less: Normative Repayment pegged at Depreciation	9.39	3.53
Closing Normative Loan	164.81	67.08
Interest on Normative Loan including bank charges	**19.08**	**8.67**

DNHPDCL requests the Hon'ble Commission to approve the interest cost on long-term loans as projected above.

3.9.2 Interest on Working Capital Borrowings

DNHPDCL has computed the Interest on Working Capital for FY 14-15 based on normative basis as per the JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009.

DNHPDCL has been computed the working capital requirement for FY 14-15 considering the following parameters on normative basis:

a. One month Power purchase cost
b. One month Employees cost
c. One month Administration & general expenses
d. One month Repair & Maintenance expenses.
e. Sum of two month requirement for meeting Fuel cost.

The rate of interest of 14.45% has been considered for FY 14-15 on the working capital requirement as approved by the Hon'ble Commission in its last Tariff Order.

The normative interest on working capital for FY 14-15 considering the above methodology is summarized in the Table below:

Table 31: Interest on Working Capital for FY 14-15

(Rs. Cr.)

Interest on Working Capital	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
O&M expense for 1 month	1.42	1.61
Power Purchase Cost for 1 month	182.65	187.58
Fuel cost for two months	0.00	0.00
Total Working Capital requirement	184.07	189.19
Security Deposit	42.94	0.00
Net Working Capital required after deduction of Security Deposit	141.13	189.19
Interest on Working Capital	**20.82**	**27.34**

3.10 Return on Equity

As per the Regulation 23 of JERC (Terms and Conditions for Determination of Tariff) Regulations, 2009, DNHPDCL is entitled to a return on capital base of 3% on net block of approved assets. Accordingly, DNHPDCL has computed the Return on capital base at 3% of the net block at the beginning of FY 2014-15.

The return on capital base as computed for FY 2014-15 is as shown below:

Table 32: Return on Equity for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15	FY 14-15
	Approved (5th May, 2014)	RE
Return on Capital Base	**12.75**	**12.22**

The DNHPDCL, requests the Hon'ble Commission to approve the return on capital base computed for FY 14-15.

3.11 Interest on consumer security deposits

The Hon'ble Commission in its last Tariff Order has approved Rs. 3.86 Crore as interest payable on consumer security deposits. DNHPDCL has made a provision to pay Rs. 4.50 Crore as interest on consumer security deposits in FY 14-15.

3.12 Provision for Bad & Doubtful Debts

DNHPDCL has considered provision for Bad and Doubtful Debts as 0.50% of the receivables in the revenue requirement for FY 14-15.

DNHPDCL requests the Hon'ble Commission to approve the provision for bad & doubtful debts as summarized in the Table below:

Table 33: Provision for Bad & Doubtful debts for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15	
Rs Crore	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Provision for Bad & Doubtful Debts	10.67	11.16

3.13 Income Tax

As per the JERC Terms and Conditions for determination of Tariff Regulations, 2009, "*Obligatory taxes, if any, on the income of the generating company or the licensee from its core / licensed business shall be computed as an expense and shall be recovered from the customers/consumers*". The DNHPDCL has made a provision of Rs. 10 Crore towards tax on income for the FY 2014-15.

Table 34: Income Tax for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15

Rs Crore	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Income Tax	0.00	10.00

The DNHPDCL, requests the Hon'ble Commission to approve the tax on income for FY 14-15 as given in the table above.

3.14 Non-Tariff & Other Income

For estimating the non-tariff income for FY 14-15, an increase of 5% p.a. has been considered over the actual non-tariff income of FY 13-14 apart from the Interest on Fixed Deposits & Others. Details of the non-tariff income is provided in table below:

Table 35: Non-tariff Income for FY 14-15

(Rs. Cr.)

Particulars	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Non-tariff Income	12.14	30.81

3.15 Aggregate Revenue Requirement

The following Table summarizes DNHPDCL's Aggregate Revenue Requirement for FY 14-15 against approved by the Hon'ble Commission in the Tariff Order 5th May, 2014.

Table 36: Aggregate Revenue Requirement for FY 14-15

(Rs. Cr.)

Annual Revenue Requirement	FY 14-15	
Rs. Crore	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Power Purchase Cost	2,243.68	2,250.96
O&M Expense	17.04	19.30

Annual Revenue Requirement	FY 14-15	
Rs. Crore	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Depreciation	21.69	22.50
Interest Cost on Long-term Capital Loans	19.08	8.67
Interest on working capital & Interest on Security Deposit	20.82	27.34
Return on Equity	12.75	12.22
Provision for Bad Debt	10.67	4.50
Interest on security deposit	3.86	11.16
Income Tax	0.00	10.00
Total Revenue Requirement	2,349.59	2366.65
Less:		
Non-Tariff Income	12.14	30.81
Net Revenue Requirement	**2,337.45**	**2,335.83**

3.16 Revenue from Existing Tariff

Revenue from sale of power for FY 14-15 is determined based on the energy sales estimated and category wise tariff prevalent in the UT of Dadra & Nagar Haveli.

Revenue from sale of power at existing tariff is estimated to be Rs. 2259.21 Crore in FY 14-15, as shown in the following Table. The estimated revenue for FY 14-15 is based on the six month actual revenue at the exiting tariff (including FPPCA). The revenue for remaining six months of FY 14-15 has been computed based on the retail tariff notified by the Commission in the Tariff Order for FY 14-15 dated 5th May, 2014. The fuel purchase adjustment surcharge approved by the Hon'ble Commission is being levied to all the consumer categories except Domestic, LIG and Agriculture consumers.

The Table below summarizes the revenue from sale of power at existing tariff for FY 14-15:

Table 37: Revenue from Sale of Power at Existing Tariff for FY 14-15

(Rs. Cr.)

Revenue @ Existing Tariff	FY 14-15	
	Approved (T.O. dated 5th May, 2014)	Revised Estimate
Revenue from Retail Sales at Existing Tariff	2380.25	2259.21
Revenue from surplus power	0.00	91.73
Total Revenue	**2380.25**	**2350.94**

3.17 Coverage of Revenue Gap

Revenue from sale of power within DNHPDCL is determined in the previous Table.

The following Table summarizes the Revenue surplus at existing tariff at Rs. 30.75Crore for FY 14-15.

Table 38: Revenue Gap/Surplus for FY 14-15

Particulars	FY 14-15	FY 14-15
	Approved (5th May, 2014)	RE
Annual Revenue Requirement	2337.45	2335.83
Revenue from sale of power	2380.25	2,259.21
Revenue from Surplus Power Sale	0.00	91.73
Revenue (Gap)/surplus	42.80	15.11
Previous Years' (Gap)/Surplus Carried Over	(42.80)	15.65
Net Revenue (Gap)/surplus	0.00	30.75

Chapter 4: ARR for the MYT Control Period FY 2015-16 to FY 2017-18

DNHPDCL is submitting its ARR for the MYT Control Period FY 2015-16 to FY 2017-18 broadly on the basis of the principles outlined in MYT Tariff Regulations notified by JERC.DNHPDCL has considered the past trends and taken cognizance of other internal and external developments to estimate the likely performance for the MYT Control Period.

The following sections explain in detail the basis and forecasts of the following elements for the MYT Control Period:

a. Category wise Energy Sales & Revenues at existing tariffs;

b. T&D Losses;

c. Energy Requirement;

d. Determination of Aggregate Revenue Requirement (ARR) by forecasting the following costs, other income & returns:
   i. Power Purchase Cost
   ii. Employee Cost
   iii. Repairs & Maintenance Cost
   iv. Admin & General Cost
   v. Capital Investment Plan
   vi. Interest Cost
   vii. Interest on Working Capital
   viii. Depreciation
   ix. Provision for bad & doubtful debts
   x. Return on Equity
   xi. Income Tax
   xii. Non-Tariff Income

e. Determination of Gap between Revenue & Costs, Additional Revenue through the proposed Tariff Revision and the arrangements to cover the revenue gap; and

f. Tariff revision proposal for FY 15-16 to meet the Revenue Gap.

4.1 Load Growth

The Table given below summarizes the growth in sanctioned load over the past 3 years. The highest growth of 18.43% has been seen in the domestic category. Overall growth for the UT has been 9.96%.

Table 39: Past Years' Load Growth

Consumer Category	FY 11-12	FY 12-13	FY 13-14
kVA	Actual	Actual	Actual
Domestic	60,610.79	75,277.00	85,016.98
LIG/ Kutir Jyoti	-	1,110.00	1,150.00
Commercial	20,496.36	21,897.00	28,234.26
Agriculture	3,836.33	3,750.00	4,330.84
LT Industry	108,569.36	74,409.00	87,090.53
HT/EHT Industry	869,606.00	903,736.00	1,081,678.00
Public Lighting	1,603.81	1,177.00	1,593.69
Public Water Works	-	-	0.00
Temp. Supply	3,467.36	889.00	2,523.81
Total	**1,068,190.01**	**1,082,245.00**	**1,291,618.11**

To project the load growth for the different consumer categories, normalized CAGR has been considered for the control period. The CAGR along with the projected load for the control period has been given in the table below:

Table 40: Projected load growth during Control Period (FY 2015-16 to FY 2017-18)

Consumer Category	FY 14-15	FY 15-16	FY 16-17	FY 17-18	CAGR
kVA	R E	Projected	Projected	Projected	
Domestic	88,548.01	97,402.81	107,143.09	117,857.40	10.00%
LIG/Kutir Jyoti	1,210.00	1,258.40	1,308.74	1,361.09	4.00%

Consumer Category	FY 14-15	FY 15-16	FY 16-17	FY 17-18	CAGR
kVA	R E	Projected	Projected	Projected	
Commercial	31,260.81	32,823.85	34,465.04	36,188.30	5.00%
Agriculture	4,372.33	4,590.95	4,820.49	5,061.52	5.00%
LT Industry	90,244.45	94,756.67	99,494.51	104,469.23	5.00%
HT/EHT Industry	1,107,921.00	1,179,935.87	1,256,631.70	1,338,312.76	6.50%
Public Lighting	1,642.58	1,683.64	1,725.74	1,768.88	2.50%
Public Water Works	1,418.23	1,489.14	1,563.60	1,641.78	5.00%
Temporary	2,773.52	2,912.20	3,057.81	3,210.70	5.00%
Total	**1,329,390.93**	**1,416,853.53**	**1,510,210.71**	**1,609,871.64**	

4.2 Consumer Growth

The Table 41 below summarizes the category wise growth in consumers over the past 5 years.

Table 41: Past Years' Consumer Growth

Consumer Category	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
	Actual	Actual	Actual	Actual	Actual
Domestic	30523	32326	34,170	35,656	37,294
LIGH	13847	14000	14,110	13,870	14,097
Commercial	6495	6683	6,852	7,007	7,070
Agriculture	968	1023	1,048	1,077	1,125
LT Industry	2485	2548	2,306	1,866	1,912
HT/EHT Industry	771	811	830	859	872
Public Lighting	289	289	227	237	274
Public Water Works	0.0	0	0	0	0
Temp. Supply	-	422	200	168	251.0
Total	**55,378**	**58,102**	**59,743**	**60,740**	**62,895**

Annual Growth in the number of consumers for the MYT Control Period is projected on the basis of the y-o-y growth in the consumers across different categories. The CAGR along with the projected consumer growth for the control period has been given in the table below:

Table 42: Projected consumer growth during Control Period (FY 2015-16 to FY 2017-18)

Consumer Category	FY 14-15 R E	FY 15-16 Projected	FY 16-17 Projected	FY 17-18 Projected	CAGR
Domestic	37,944	39893	41942	44096	5.14%
LIGH	14,153	14216	14280	14344	0.45%
Commercial	6,834	6980	7130	7283	2.14%
Agriculture	1,134	1177	1223	1269	3.83%
LT Industry	1,962	2060	2163	2271	5.00%
HT/EHT Industry	879	906	935	964	3.13%
Public Lighting	287	301	316	332	5.00%
Public Water Works	259	272	286	300	5.00%
Temp. Supply	263.0	276	290	304	5.00%
Total	**63,715**	**66,083**	**68,565**	**71,165**	

4.3 Energy Sales

The following table summarizes category wise actual energy sales from FY 09-10 to FY 13-14for all the consumer segments. As can be seen, DNHPDCL's overall energy sales are significantly dependent upon HT/EHT Industries to the extent of around 96%. Energy sold to various consumer categories over the past 5 years have grown at approximately 10% p.a., mainly contributed by increase in the industrial LT and HT/EHT sales.

Table 43: Category wise sales from FY 09-10 to FY 13-14

Sales (MUs)	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Domestic	47.00	54.13	53.74	70.13	80.64

Sales (MUs)	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Commercial	19.00	20.69	27.81	26.87	29.79
Agriculture	3.00	2.26	3.00	3.36	4.40
LT Industry	125.00	147.23	152.19	161.66	176.52
HT/ EHT Industry	3131.00	3668.28	3990.20	4,322.68	4661.27
Public Lighting	2.50	2.74	5.12	4.45	5.89
Public Water Works	0.00	0.00	0.00	0.00	0.00
Temp. Supply	1.50	1.64	0.00	1.97	2.01
Total Sales	3329.00	3,896.97	4,232.06	4,591.12	4,960.53

The DNHPDCL is of the view that the factors affecting the actual consumption of electricity are numerous and often beyond the control of the utility including factors such as Government Policy, economic climate, weather conditions and force majeure events like natural disasters, etc. DNHPDCL, therefore for projecting the category-wise consumption for the MYT Control Period has considered the past growth trends in each of the consumer category including growth trend in number of consumers and connected load.

The energy sales for the Control period have been determined based on CAGR for past years and actual energy sales in various consumer categories. Since the energy sales in each category depends upon a number of factors like growth in economy, climate, Government policies, etc, normalization in sales has been undertaken in order to remove any wide fluctuations.

A CAGR of 6.50% has been considered for estimation of sales in the HT/ EHT industry category.

For the domestic consumers, the DNHPDCL has projected the energy sales for MYT control period by applying a Compounded Annual Growth Rate (CAGR) of 14.45% on the estimated sales for FY 14-15. Whereas, a CAGR of 11.90% has been considered for estimation of sales in commercial category.

For the agriculture and LT industry, the DNHPDCL has projected the energy sales for the MYT control period by applying a CAGR of 10.04% and 9.01%on the estimated sales for FY 14-15.

The following Table summarizes category wise projected energy sales for the MYT Control Period for DNHPDCL. As can be observed, the overall energy sales in UT of Dadra & Nagar Haveliare significantly dependent upon LT and HT/ EHT industrial consumption.

The DHPDCLsubmits to the Hon"ble Commission to approve the energy sales forecasted herein.

Table 44: Projected Category wise Energy Sales for MYT Control Period

Consumer Category	FY 15-16	FY 16-17	FY 17-18	CAGR considered for projections
MUs	Projected	Projected	Projected	
Domestic	116.09	132.86	152.06	14.45%
Commercial	31.76	35.54	39.77	11.90%
Agriculture	4.82	5.31	5.84	10.04%
LT Industry	206.82	225.46	245.78	9.01%
HT/ EHT Industry	5,158.36	5,493.66	5,850.75	6.50%
Public Lighting	8.33	10.33	12.80	23.90%
Public Water Works	2.94	3.09	3.25	5.00%
Temp. Supply	0.29	0.31	0.34	7.59%
Total Sales	5,529.44	5,906.57	6,310.58	

4.4 T& D Loss Reduction

The DNHPDCL has achieved a significant reduction in transmission & distribution losses. The DNHPDCL would like to submit that the system improvement works executed every year under the plan schemes as well as increase in energy sales quantum at higher voltages has resulted in the reduction of T & D losses.

DNHPDCL has considered the T&D loss of 4.75% for FY 14-15.Reduction of T&D below 4.75% will involve significant amount of capital expenditure and it is DNHPDCL"s endeavor to bring the T&D loss level further down in the subsequent years. The loss reduction trajectory for the Control Period is as given in the table below:

Table 45: Proposed T&D Losses trajectory

	FY 14 Actual	FY 15 RE	FY 16 Projected	FY 17 Projected	FY 18 Projected
T&D Losses	4.78 %	4.75%	4.70%	4.70%	4.70%

The DNHPDCL would like to bring in the notice of the Honorable Commission that the T&D losses of the Dadra & Nagar Haveli are one of the lowest in the country.

The DNHPDCL submits to the Commission to approve the T&D losses submitted herein.

4.5 Energy Requirement of the System

Based on the proposed loss levels and projected energy requirement and availability within the state, the Energy Balance is presented in the following table:

Table 46: Energy Requirement of the System during the MYT Control Period

Particulars	FY 2013-14 (Actual)	FY 2014-15 (RE)	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
Energy sales within the state (MUs)	4,960.53	5,177.26	5,529.44	5,906.57	6,310.58
Distribution Losses					
%	4.78%	4.75%	4.70%	4.70%	4.70%
MU	249.27	258.18	272.70	291.30	311.23
Energy required at state periphery(MUs)	5,209.80	5,435.45	5,802.14	6,197.87	6,621.81
Surplus power sale(MUs)	31.52	273.00	4.19	93.03	81.76
Transmission losses(MUs)	192.49	210.72	214.34	218.89	234.13
Energy Available	5419.86	5919.17	6020.66	6509.79	6937.70

4.6 Energy Availability

Dadra & Nagar Haveli has no generating stations of its own and relies on the firm and infirm allocation of power from Central Generating Stations like Korba, Vindhyachal, Kahalgaon, Kawas, Sipat, Tarapur, Kakrapar etc. to meet its energy requirement.

The DNHPDCL for the purpose of estimation of the power availability during the MYT Control Period has considered the following sources of power:

- NTPC Western Region Generating Stations
- NTPC Eastern Region Generating Stations
- NSPCL (NTPC-SAIL Power Company Ltd)
- Nuclear Power Corporation of India Limited
- Ratnagiri Gas Power Plant (RGPPL)
- Private Sector Power Generating Companies
- Renewable energy sources – Solar and Non-Solar
- Other market sources

The Petitioner has allocation from Western as well as Eastern region from coal, gas and nuclear power stations. However, for meeting the supply-demand gap during the peak hours, the Petitioner has relied on over-drawal from the Grid (UI).

For projecting of the energy availability for MYT Control Period, energy availability, firm and infirm allocation from various generating stations has been considered. Detailed methodology for projecting the power availability to the Petitioner from various sources is summarized below.

4.7 Power Purchase

Dadra & Nagar Haveli has firm and infirm allocated share in Central Sector Generating Stations (CSGS) of NTPC, Nuclear Power Corporation of India Ltd (NPCIL), and NTPC Sail Power Company Ltd (NSPCL).

The firm and infirm allocation available to DNHPDCL is as per the allocation specified in the notification no"s. WRPC/ Comml-I/ 6/ Alloc/ 2014/ 7872 dated 22.08.2014 of Western Regional Power Committee. A summary of the same is given in the table below:

Table 47: Energy Allocation from Central Generating Stations

(MW)

Name of the plant	Weighted average Infirm allocation	Weighted Average Firm allocation	Weighted average total allocation
KSTPP	53.99	-	53.99
KSTPS-3	20.77	2.20	22.97
VSTPP-I	39.25	5.00	44.25
VSTPP-II	29.66	4.00	33.66
VSTPP- III	29.66	6.00	35.66
VSTPP- IV	41.52	5.55	47.07
KAWAS	56.24	25.00	81.24
GGPP	56.75	2.00	58.75
Sipat – I	82.24	9.00	91.24
Sipat – II	28.19	4.00	32.19
KHSTPP – II	3.50	3.50	3.50
Mauda I (MSTPS)	41.53	5.55	47.08
NPCIL – KAPS	10.80	2.00	12.80
NPCIL - TAPP 3&4	36.52	7.00	43.52
Total	530.61	80.80	607.91
NSPCL Bhilai		100.00	100.00
RGPPL		38.00	38.00
EMCO Energy Ltd.		200.00	200.00

Name of the plant	Weighted average Infirm allocation	Weighted Average Firm allocation	Weighted average total allocation
(GMR Group)			

The Government of India, Ministry of Power has allocated 2% (38 MW)power to DNHPDCL on a long term basis from RGPPL. The DNHPDCL has executed PPA with RGPPL and Transmission Service Agreement (TSA) with MSETCL for transmission of above allocated power of RGPPL. The state of Maharashtra has 95% share allocation from RGPPL and they are not scheduling power due to non-availability of natural gas to this project. Due to non-availability of technical minimum schedule to run the plant, presently there is no generation from the plant. Therefore, for the MYT Control Period, DNHPDCL has not considered any power purchase from RGPPL. However, as per the terms of the PPA signed with RGPPL, DNHPDCL will have to pay the capacity charges for the allocated capacity share from the plant. Therefore the fixed charges have been considered for the MYT Control Period from RGPPL.

During the control period, it is expected that capacity from the following plants will also be allocated to DNHPDCL. The details of the plants and the capacity to be allocated to DNHPDCL are given in the table below:

Table 48: Energy Allocation from Upcoming Central Generating Stations for the Control Period

Particulars	Plant Capacity	DNHPDCL Allocation	Avg. DNHPDCL Allocation
	MW	MW	(%)
NTPC Stations			
VSTPS-V	500	3.24	0.65%
LARA	4,000	5.29	0.13%
Gadarwara	2640	25	0.95%
BARH	1320	5.50	0.42%
Dhuwaran	1980	25	1.26%
Subtotal	10440	64.03	

Particulars	Plant Capacity	DNHPDCL Allocation	Avg. DNHPDCL Allocation
	MW	MW	(%)
NSPCL Rourkela	250	50	20.00%
Grand Total	10690	114.03	

Additionally, the DNHPDCL is procuring power from EMCO Energy Limited (GMR) power plant in Maharashtra. DNHPDCL will receive 200 MW power from EMCO in during the MYT Control Period. For projection of power purchase from EMCO, DNHPDCL has project 90% PLF and 9% auxiliary consumption for the Control Period.

Power purchase quantum from the NTPC stations for the MYT Control Period has been calculated based on the installed capacity of each plant and by applying the average of previous one and half years PLF to calculate the plant-wise gross generation. For NSPCL, an average PLF of 90% has been considered in line with the actual PLF for the first six months of FY 13-14.

For gas based generating stations i.e. Kawas (KGPP) and Gandhar (GGPP) weighted average PLF of the last one and half year have been taken into account.

Auxiliary consumption of 9% and 3% has been considered for coal and gas based generating stations, respectively.

The DNHPDCL had filed a petition with the Hon"ble Commission in respect of Request for proposal documents for procurement of non solar renewable energy of 170 MUs on yearly basis as per the case-I RE bidding guidelines for Tariff Based Competitive Bidding Process for grid connected power projects based on renewable energy sources issued by the Government of India. The Hon"ble Commission has approved RFP document for the bidding vide its Order dated 28.08.2014. The DNHPDCL is in the process of inviting bids for the same and it is expected that from FY 2015-16 the department will be able to procure the non solar energy through this process. Further, the DNHPDCL will also procure renewable energy certificates of 100 MUs each during the FY 2015-

16 and FY 2016-17 and 30 MUs during the FY 2017-18 to fulfill its non solar renewable power obligation.

To meet the solar obligation for the control period FY 2015-16 to FY 2017-18, the department is in the process of installing solar plants of capacity 3.37 MW. It is expected that the plants will be commissioned by March, 2015. The per MW unit generation form the solar plants will be approx. 1.60 MUs. Further, the DNHPDCL will procure 8 MUs solar power from JNNSM 5 MW solar plant and will procure 120 MUs from solar power procurement under case – I bidding during the FY 2016-17 and FY 2017-18. Therefore, for the Control Period the DNHPDCL has considered purchase of solar renewable energy of 5.39 MUs during FY 2015-16, 133.39 MUs during FY 2016-17 and 149.39 MUs during FY 2017-18 to meet its solar RPO target through this route.

For computing the power availability at the periphery, 3.56% external transmission losses have been applied on the gross power purchase for the MYT Control Period.

Table 49 below depicts the station wise power purchase for FY 2015-16 to FY 2017-18.

Table 49: Power Purchase for the MYT Control Period

(MU)

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
NTPC Stations			
KSTPS	375.52	375.52	375.52
KSTPS 3	159.73	159.73	159.73
VSTPP-I	311.15	311.15	311.15
VSTPP-II	236.68	236.68	236.68
VSTPP- III	250.74	250.74	250.74
VSTPP- IV	330.96	330.96	330.96
KGPP	417.88	417.88	417.88
GGPP	332.81	332.81	332.81

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
Sipat-I	537.65	537.65	537.65
Sipat-II	189.72	189.72	189.72
Mauda	14.87	14.87	14.87
VSTPS-V	21.95	21.95	21.95
LARA	0.00	0.00	35.84
Gadarwara	0.00	0.00	169.40
BARH	0.00	0.00	37.27
Dhuwaran	0.00	0.00	169.40
FSTPS	0.00	0.00	0.00
KhSTPS I	0.00	0.00	0.00
RSTPS	0.00	0.00	0.00
TSTPS	0.00	0.00	0.00
KHSTPP-II	19.52	19.52	19.52
Subtotal - NTPC	3199.17	3199.17	3611.08
NSPCL - Bhilai	758.93	758.93	758.93
NSPCL - Rourkela	0.00	361.13	361.13
NPCIL			
KAPS	93.27	93.27	93.27
TAPS	264.40	264.40	264.40
Subtotal	357.67	357.67	357.67
Others			
RGPPL	0.00	0.00	0.00
Tata Power - Haldia	0.00	0.00	0.00
EMCO Energy Ltd. (GMR Group)	1529.50	1529.50	1529.50
Subtotal	1529.50	1529.50	1529.50
Power purchase from Other Sources			
Indian E. Exchange/ Bilateral			
UI	0.00	0.00	0.00

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
Solar	5.39	133.39	149.39
Non Solar	170.00	170.00	170.00
RPO provisioning			
Subtotal	175.39	303.39	319.39
Total Power Purchase	6020.66	6509.79	6937.70
External Losses	214.34	218.89	234.13
Availability at DNHPDCL Periphery	5806.33	6290.90	6703.57

The Petitioner requests the Commission to approve the Power Purchase quantum estimated in the Table above.

4.8 Energy Requirement & Availability

Based on the data on estimated & projected sales and power purchase, an Energy Balance has been prepared to assess the T&D losses in the MYT Control Period FY 15-16 to FY 2017-18.

Table 50: Energy Balance

Particulars	FY 2013-14 (Actual)	FY 2014-15 (RE)	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
Energy sales within the state (MUs)	4,960.53	5,177.26	5,529.44	5,906.57	6,310.58
Distribution Losses					
%	4.78%	4.75%	4.70%	4.70%	4.70%
MU	249.27	258.18	272.70	291.30	311.23
Energy required at state periphery(MUs)	5,209.80	5,435.45	5,802.14	6,197.87	6,621.81
Surplus power sale(MUs)	31.52	273.00	4.19	93.03	81.76
Transmission losses(MUs)	192.49	210.72	214.34	218.89	234.13
Energy Available	5419.86	5919.17	6020.66	6509.79	6937.70

4.9 Power Purchase Cost

The cost of purchase from the central generating stations for the MYT Control Period is estimated based on the following assumptions:

1. Fixed cost for the MYT Control Period has been projected considering a 5% escalation over the estimated fixed cost for various stations for FY 14-15.
2. Variable cost for each NTPC generating stations for the Control Period has been projected based on the increase in the actual average variable cost per unit for the first six months of FY 14-15.
3. The DNHPDCL has projected other charges (tax, incentives, etc) for the Control Period at similar level as estimated for full year of FY 14-15.
4. For nuclear plants i.e. KAPP and TAPP single part tariff increase in the actual average variable cost per unit for the first six months of FY 14-15 have been considered for projecting the power purchase cost for the Control Period.
5. For NTPC-SAIL Bhilai unit 1 & 2, fixed an escalation of 5% has been taken to project the fixed cost for the Control Period and for projecting the variable cost the increase in the actual average variable cost per unit for the first six months of FY 14-15 has been taken into consideration.
6. For power purchase from renewable energy sources, for the Control Period, the DNHPDCL has outsourced the maintenance cost of the solar plants to BHEL. For the purchase through Case – I bidding, Commission"s approved tariff for non-solar power in the Tariff Order for FY 2014-15 has been taken into account for projecting the cost during the Control Period.The Total Power Purchase cost from various sources for the MYT Control Period is summarized in Table below:

Table 51: Projected Power Purchase Cost for the MYT Control Period

(Rs. Crore)

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
NTPC Stations			

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
KSTPS	66.06	72.69	79.99
KSTPS 3	32.09	33.27	35.66
VSTPP-I	74.85	82.29	90.50
VSTPP-II	58.45	64.22	70.61
VSTPP- III	65.41	68.49	71.85
VSTPP- IV	101.53	111.17	121.73
KGPP	165.66	181.62	199.13
GGPP	173.39	204.62	241.91
Sipat-I	185.17	193.76	203.40
Sipat-II	70.54	72.35	74.56
Mauda	65.14	79.76	101.84
VSTPS-V	7.53	6.76	6.59
LARA	0.00	0.00	11.72
Gadarwara	0.00	0.00	61.49
BARH	0.00	0.00	14.35
Dhuwaran	0.00	0.00	65.22
FSTPS	0.00	0.00	0.00
KhSTPS I	0.00	0.00	0.00
RSTPS	0.00	0.00	0.00
TSTPS	0.00	0.00	0.00
KHSTPP-II	4.19	3.70	3.59
Subtotal - NTPC	1069.99	1174.69	1454.13
NSPCL - Bhilai	302.77	316.05	330.59
NSPCL - Rourkela	0.00	146.26	153.18
NPCIL			
KAPS	21.56	21.54	21.51
TAPS	72.42	71.27	70.13
Subtotal	93.98	92.81	91.65
Others			

Source	FY 2015-16 (Projected)	FY 2016-17 (Projected)	FY 2017-18 (Projected)
RGPPL	29.98	32.98	36.28
Tata Power - Haldia	0.00	0.00	0.00
EMCO Energy Ltd. (GMR Group)	666.92	696.44	730.89
Subtotal	696.90	729.42	767.17
Power purchase from Other Sources			
Indian E. Exchange/ Bilateral	0.00	0.00	0.00
UI	0.00	0.00	0.00
Solar	0.00	70.40	79.20
Non Solar	83.00	83.00	72.50
RPO provisioning			
Subtotal	83.00	153.40	151.70
Misc. Arrears			
Total Power Purchase	2246.65	2612.62	2948.42

4.10 Transmission and Other Charges

Transmission charges payable to PGCIL are based on the total capacity allocation in the transmission network. DNHPDCL has a mix of firm and infirm capacity allocation from various Central Generating Stations which is revised by the Ministry of Power at regular intervals. Therefore, considering the changing capacity allocation, DNHPDCL has estimated the transmission charges. For the MYT Control Period the transmission charges payable to the ED-DNH (Transmission Division) have also been considered by the DNHPDCL.

For projecting the PGCIL transmission charges for the MYT Control Period, escalation of 10% over the estimated FY 14-15 transmission charges has been considered in view of the increase in transmission charges.Further, DNHPDCL has taken into account the additional capacity share in the new stations while estimating the Inter-State transmission charges for the MYT Control Period.

Table 52: Total Power Purchase Cost for the MYT Control Period (Rs. Crore)

Particulars MUs	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Total Power Purchase	2246.65	2612.62	2948.42
PGCIL CHARGES	171.95	185.70	200.56
POSOCO	0.85	0.92	0.99
WRPC	0.00	0.00	0.00
Reactive charges	3.12	3.37	3.63
MSTCL	3.78	4.08	4.41
Others	15.00	16.20	17.50
Total Power Purchase Cost (including Transmission Cost)	2441.34	2822.89	3175.51

4.11 Operation & Maintenance Costs

Operation and Maintenance expenses comprise of the following heads:

- Employees Expenses which includes the salaries, dearness allowances, dearness pay, other allowances and retirement benefits paid to the staff;
- Repair and Maintenance (R&M) Expenses, which include all expenditure incurred on the maintenance and upkeep of transmission and distribution assets; and
- Administrative and General Expenses, which include all expenditure incurred in operating a business such as telephone charges, regulatory and consultancy fees such as energy auditing and chartered accountant fees, conveyance and travel expenses, water charges etc.

Summary of the past five year operation and maintenance expense is summarized in table below:

Table 53: Operation & Maintenance Expense (Rs. Crore)

Year	O&M Expense
	Actual

Year	O&M Expense Actual
FY 09-10	6.34
FY 10-11	6.56
FY 11-12	11.83
FY 12-13	15.27
FY 13-14	17.97

The total O&M expense for FY 13-14was Rs. 17.97Crore as compared with FY 12-13total O&M expense of Rs. 15.27Crore.

The methodology adopted by DNHPDCL for projecting the values of each component of the O&M expense for the MYT Control Period has been explained in following section.

4.11.1 Employee Expense

The Employee expense estimated by the Petitioner comprise of all costs related to employees like basic salary, dearness allowances, medical cost, leave travel allowances, honorarium, etc. But the Petitioner does not maintain cost related to leave salary contribution and pension of the employee in the employee cost. Therefore, the Petitioner will claim these expenses relating to the employee cost at an appropriate time when the respective cost items become payable.

Salary expenses for the MYT Control Period are estimated based on the average increase in the Wholesale Price Index (WPI) for immediately preceding three years. The computation of the same has been shown in the table given below:

Table 54: WPI

Financial Year	WPI Index	Growth (WPI)
FY 2010-11	143.32	
FY 2011-12	156.13	8.94%
FY 2012-13	167.62	7.36%
FY 2013-14	177.64	5.98%
Average		7.43%

As per the Tariff regulations, the employees" expenses have been calculated as per the following formulae:

EMPn = (EMPb * WPI inflation) + Provision

where:

EMPn: Employee expense for the year n

EMPb; including yearly increments of employees, bonus, promotion. VRS. Employee expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years

Provision: Provision for expenses as necessitated by the licensee due to expansion of the consumer base, yearly increments of Employees, and any expected one-time expenses as such as recovery/ adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief.

The average growth in the WPI for the last three years is 7.43%. Total employee cost of DNHPDCL for the Control Period is as given in the table below:

Table 55: Projected Employee Expense for the MYT Control Period

(Rs. Crore)

Employee Expenses (Rs. Crs)	FY 2015-16	FY 2016-17	FY 2017-18
	Projected	Projected	Projected
Employee Expenses	9.41	10.11	10.86

DNHPDCL would like to pray to the Hon"ble Commission that salaries/ employee cost increase should be considered as uncontrollable factor specially factors like DA/ Basic hike through Government. Therefore, DNHPDCL requests the Hon"ble Commission to approve the employee costs as projected in the foregoing table.

4.11.2 Repairs & Maintenance Expense

Repairs and maintenance expense comprise of expenses incurred by the Petitioner with regard to maintenance and upkeep of the transmission and distribution system. Adequate R&M activities help in reduction of transmission and distribution losses and breakdowns in the system.

The actual R&M expense for FY 13-14 for DNHPDCL was Rs. 5.31Crore.

For FY 14-15, DNHPDCL has considered the R&M expense of Rs. 5.70 Crore. As per the JERC Tariff Regulations the R&M expenses shall be calculated as percentage (as per the norm defined) of Opening Gross Fixed Assets for the year governed by following formula:

R&Mn = Kb* GFAn* Inflation Index

where:

R&Mn: Repairs & Maintenance expense for nth year

GFAn: Opening Gross Fixed Assets for nth year

Kb: Percentage point as per the norm

GFA : Gross Fixed Assets at the beginning of the Financial Year

Inflation Index is CPI : WPI :: 60 : 40

CPI is Consumer Price Index issued by Govt. of India & these indices are for immediately preceding three years

WPI is whole sale price Index issued by Govt. of India & these indices are for immediately preceding three years

The computation of the WPI has been given in the table 50. The CPI inflation has been computed as given in the table below:

Table 56: CPI

Financial Year	CPI Index	Growth (CPI)
FY 2010-11	179.75	
FY 2011-12	194.83	8.39%
FY 2012-13	215.17	10.44%
FY 2013-14	236.00	9.68%
Average		9.50%

For projecting the R&M expense for the Control Period, the DNHPDCL has considered the inflation index as 8.67% (CPI: WPI :: 60 : 40). Total & maintenance cost of DNHPDCL for the Control Period is summarized in the table below:

Table 57: Repairs & Maintenance Expense (Rs. Crore)

Repair & Maintenance Expense (Rs. Crs)	FY 2015-16	FY 2016-17	FY 2017-18
	Projected	Projected	Projected

Repair & Maintenance Expense (Rs. Crs)	FY 2015-16	FY 2016-17	FY 2017-18
	Projected	Projected	Projected
R&M Expenses	8.46	9.98	11.96

DNHPDCL requests the Commission to approve the R&M expense without any disallowances as the same is necessary for proper maintenance and strengthening of the system and quality of supply in the region in order to ensure consumer satisfaction.

4.11.3 Administration & General Expense

Administrative and General (A&G) expense comprise of various sub-heads including the following:

- Telephone, postage & telegrams charges;
- Travel and conveyance expenses;
- Consultancy and regulatory fees; and
- Consumer indexing fee

The actual A&G expense for FY 13-14was Rs. 4.50Crore. Further, DNHPDCL has estimated the A&G expense of Rs. 4.84Crore for FY 14-15.

For projecting the A&G expenses for the Control Period the following formula has been used as given in the MYT Regulations:

A&Gn = (A&Gb * WPI inflation) + Provision

where:

A&Gn: A&G expense for the year n A&Gb:

A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years

Provision: Cost for initiatives or other one-time expenses as proposed by the Distribution Licensee and validated by the Commission.

The computation of the WPI has been given in the table 50. The R&M expenses projected for the Control Period have been given in the table below:

Table 58: A&G Expense (Rs. Crore)

A&G Expense (Rs. Crs)	FY 2015-16	FY 2016-17	FY 2017-18
	Projected	Projected	Projected
A&G Expenses	5.20	5.58	6.00

The Regulatory & Consultancy expenses for the Control Period has been projected as per the existing agreements, contracts with the consultants and the best estimates for the future regulatory and consultancy works.

DNHPDCL, therefore, requests the Hon'ble Commission to approve the A&G expenses projected for the MYT Control Period.

4.11.4 Total Operation and Maintenance Expense

Based on the employee, R&M and A&G expenses projected above, the total O&M expenditure for the MYT Control Period is summarized in table below. The Hon"ble Commission is requested to approve the total O&M expense as projected by DNHPDCL.

Table 59: Total O&M Expense for the MYT Control Period (Rs. Crore)

O&M Expenditure	FY 2015-16	FY 2016-17	FY 2017-18
	Projected	Projected	Projected
Employee Cost	9.41	10.11	10.86
R&M Cost	8.46	9.98	11.96
A&G Expenditure	5.20	5.58	6.00
Total O&M Expenditure	23.07	25.67	28.81

4.12 Capital Expenditure Plan

As has been discussed above, the DNHPDCL is engaged in the procurement, transmission and distribution of electricity to the various consumer categories in the Union Territory of Dadra and Nagar Haveli. Apart from the upcoming solar plants, it does not have its own power generation station and completely rely on the Central Sector Generating Stations (CSGS) in Western Region to meet its energy demand.

Based upon the above mandate the CAPEX Plan proposals (scheme wise) for FY 15-16 to FY 17-18 under the MYT Control Period FY 2015-18 have been formulated by DNHPDCL in order to effect better planning, budgeting and monitoring at macro & micro levels. The schemes are divided under the following two categories:

A. Ongoing Schemes
B. New Schemes

A. Ongoing Schemes

The ongoing schemes have been given in the table below:

Table 60: Ongoing Schemes

Sr.No.	Name of Scheme	Total estimated amount for MYT Control Period (Lakh)	Proposed Expenditure in Lakh.		
			2015-16	2016-17	2017-18
1	Establishment of various capacity of Solar Power plants	1359	815.4	407.7	135.9
2	Establishment of new 66/ 11 KV, 2x15 MVA Velugam substation	1076.75	646.05	323.025	107.675
3	Establishment of new 66/ 11 KV, 2x15 MVA Kala substation	894.72	536.832	268.416	89.472
4	Construction of new corporate office building of DNHPDCL	1100	660	330	110
5	Erection of various capacity of new distribution transformer, extension of HT/ LT line work, releasing of new service connection of all type of category under Normal Development scheme	800	480	240	80
6	Upgradation and modernization of network	1100	660	330	110

Sr.No.	Name of Scheme	Total estimated amount for MYT Control Period (Lakh)	Proposed Expenditure in Lakh.		
			2015-16	2016-17	2017-18
	Total	6330.47	3798.282	1899.141	633.047

B. New Schemes

Table 61: New Schemes

Sr.No.	Name of Scheme	Total Estimated amount (Lakh)	Proposed Expenditure in Lakh.		
			2015-16	2016-17	2017-18
1	Augmentation of 66/ 11 kV Athal Substation	200	100	100	0
2	Underground cabling system with new 66/ 11 KV GIS substation in SMC area	9921	5952.6	2976.3	992.10
3	Scheme for integrated solution for Electrical network modelling and distribution analysis software with allied study of power sector in the territory	1556.54	933.924	466.962	155.65
4	Up gradation and modernisation of existing 66/ 11 KV substation at village Amli, Khadoli and Masat	1500	500	500	500
5	Scheme for Smart Grid in SMC Area of Silvassa	3000	1800	900	300.00
6	Establishment of new solar power plant of 22 MW	15141	3000	3000	4000.00
7	Distribution Transformer metering with AMR	200	100	100	0.00
8	Provision of capacitor bank to various substations	500	300	200	0.00
9	Procurement of fully automatic meter test bench	200	200	0.00	0.00
	Total	31818.54	12586.524	8143.262	5947.754

The capitalization of new schemes has been considered at 40% of the planned capital expenditure in the same year while the balance 60% has been

capitalized in subsequent year. A summary of the capital expenditure and capitalization for the Control Period is summarized in Table below:

Table 62: Capital Expenditure & Capitalization for the MYT Control Period

Capital Expenditure & Capitalization (Rs. Crore)	FY 15-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Capital Expenditure	163.85	100.42	65.81
Asset Capitalization	85.79	107.25	89.31
Capital Work in Progress	111.81	104.98	81.48

4.13 Gross Fixed Assets

Based on the capital expenditure plan as detailed above, Rs. 85.79 Crore, Rs. 107.25 Crore and Rs. 89.31 Crore is proposed to be capitalized during the FY 2015-16, FY 2016-17 and FY 2017-18.

A summary of the Opening and Closing GFA and capitalization has been summarized in table below:

Table 63: Opening and Closing GFA for the MYT Control Period

Particulars (Rs. Crore)	Opening GFA	Additions during the Year	Closing GFA
FY 2015-16 (Projected)	455.02	85.79	540.81
FY 2016-17(Projected)	540.81	107.25	648.06
FY 2017-18(Projected)	648.06	89.31	737.37

4.14 Depreciation

Depreciation is charged on the basis of straight-line method, on the Gross Fixed Assets in use at the beginning of the year and addition in assets during the financial year. The depreciation is based on the original cost of the Gross Fixed Assets.

Based on the CERC norms, DNHPDCL has applied the following depreciation rates as specified in the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014.

Asset Category	Depreciation Rate %
Plant & Machinery	5.28%
Buildings	3.34%
Vehicles	9.50%
Furniture & Fixtures	6.33%
Computers & Others	6.33%
Land	0.00%

Depreciation for the MYT Control Period is determined by applying aforesaid category-wise assets depreciation rates on the opening balance of Gross Fixed assets and average of the addition during each year of the Control Period. The DNHPDCL would like to submit to the Hon"ble Commission that it has computed the depreciation based on the closing value of GFA for FY 2013-14 as given in the fixed asset register and the estimated capitalization for FY 14-15 and the Control Period.

Table 64: Depreciation (in Rs. Crore)

Particulars	FY 15-16	FY 16-17	FY 17-18
	Projected	Projected	Projected
Opening GFA	455.02	540.81	648.06
Additions	85.79	107.25	89.31
Closing GFA	540.81	648.06	737.37
Average GFA	497.91	594.44	692.72
Depreciation Amount	25.44	30.53	35.33
Average Depreciation Rate	4.70%	4.71%	4.79%

4.15 Interest & Financial Costs

4.15.1 Interest on Long-term / Capital Loans

Assets capitalized during the MYT Control Period have been considered based on normative debt-equity ratio of 70:30 as per the as per the JERC (Multi Year Distribution Tariff) Regulations, 2014.

Interest rate of 14.45% has been considered for computation of interest cost for long-term loans which is similar to the prevailing SBI Prime Lending Rate. Details of the loan amounts and interest cost computed for the MYT Control Period is summarized in Table below:

Table 65: Total Interest on Long-term Loans

Interest on Long-term Loans	FY 15-16	FY 16-17	FY 17-18
Rs Crore	Projected	Projected	Projected
Opening Loan	67.08	120.77	186.06
Addition in Loan (70% of Asset Capitalization)	60.05	75.08	62.52
Repayment of Loan (10% of Opening Balance)	6.36	9.79	12.43
Closing Loan Amount	120.77	186.06	236.15
Average Loan	93.93	153.42	211.10
Interest Rate on Loan	14.45%	14.45%	14.45%
Total Interest Cost on Long-term Loans	13.57	22.17	30.50

Therefore, DNHPDCL requests the Hon"ble Commission to approve the interest cost on long-term loans as projected above.

4.15.2 Interest on Working Capital Borrowings

DNHPDCL has computed the Interest on Working Capital for the Control Period based on normative basis as per the JERC (Multi Year Distribution Tariff) Regulations, 2014.

The working capital requirement for the Control Period has been computed considering the following parameters:

f. Receivables of two months of billing
g. Less power purchase cost of one month
h. Less consumer security deposit but excluding Bank Guarantee/ Fixed Deposit
i. Inventory for two months based on annual requirement for previous year

A rate of interest of 14.75% has been considered on the working capital requirement, being the SBI Prime Lending Rate as on 1st April of the year. This is in line with the JERC (Multi Year Distribution Tariff) Regulations, 2014 which states that "The rate of interest on working capital shall be equal to the base rate for the State Bank of India on the 1st April of the relevant financial year."

The normative interest on working capital for the MYT Control Period considering the above methodology is summarized in the Table below:

Table 66: Interest on Working Capital for the MYT Control Period

Interest on Working Capital	FY 15-16	FY 16-17	FY 17-18
Rs Crore	Projected	Projected	Projected
Receivables of two months of billing	396.75	423.33	451.73
Less power purchase cost of one month	203.45	235.24	264.63
Less consumer security deposit but excluding Bank Guarantee/ Fixed Deposit Receipt	55.06	55.06	55.06
Inventory for two months based on annual requirement for previous year	4.79	5.03	5.28
Total Working Capital requirement	143.04	138.06	137.33
Rate of Interest on Working Capital	14.45%	14.45%	14.45%
Total Interest on Working Capital	20.67	19.95	19.84

Therefore, DNHPDCL requests the Hon'ble Commission to approve the interest cost on working capital as projected above.

4.16 Return on Equity

As per the JERC (Multi Year Distribution Tariff) Regulations, 2014, DNHPDCL is entitled for a Return on Equity (RoE).

Return on equity has been computed on 30% of the capital base. The rate of return has been taken as 16% as per the MYT Regulations. The details of the same has been given in the Table below:

Table 67: Return on Equity for the MYT Control Period

Return on Equity	FY15-16	FY16-17	FY17-18
Rs Crore	Projected	Projected	Projected
Opening Equity	136.51	162.24	194.42
Addition in Equity on account of new capitalization (70:30 debt-equity)	25.74	32.18	26.79
Closing Equity	162.24	194.42	221.21
Return on Equity	23.90	28.53	33.25

Therefore, DNHPDCL requests the Hon"ble Commission to approve the return on equity capital as projected above.

4.17 Provision for Bad & Doubtful Debts

DNHPDCL has considered provision for Bad and Doubtful Debts as 0.50% of the receivables in the revenue requirement for the MYT Control Period.

DNHPDCL requests the Hon"ble Commission to approve the provision for bad & doubtful debts as summarized in the Table below:

Table 68: Provision for Bad & Doubtful debts for the MYT Control Period

Provision for Bad & Doubtful Debts	FY 15-16	FY 16-17	FY 17-18
Rs Crore	Projected	Projected	Projected
Provision for Bad & Doubtful Debts as % of Receivables	0.50%	0.50%	0.50%

Provision for Bad & Doubtful Debts	FY 15-16	FY 16-17	FY 17-18
Provision for Bad & Doubtful Debts	11.90	12.70	13.55

4.18 Interest on consumer security deposits

DNHPDCL has made a provision to pay Rs. 4.50Crore as interest on consumer security deposits during the MYT Control Period.

4.19 Income Tax

As per the JERC (Multi Year Distribution Tariff) Regulations, 2014, " Income Tax, if any, on the Licenced business of the Distribution Licensee shall be treated as expense and shall be recoverable from consumers through tariff." The DNHPDCL has made a provision of Rs. 10 Crore towards tax on income for each year of the MYT Control Period.

Table 69: Income Tax for the MYT Control Period

(Rs. Cr.)

Income Tax	FY 15-16	FY 16-17	FY 17-18
Rs Crore	Projected	Projected	Projected
Income Tax	10.00	10.00	10.00

The DNHPDCL, requests the Hon"ble Commission to approve the tax on income for the MYT Control Period as given in the table above.

4.20 Non-Tariff & Other Income

Non-tariff income includes meter rent/ service line rentals, recovery for theft of power/ malpractices, miscellaneous charges from consumers. Other income includes Interest on Staff loans & advances, Delayed payment charges from consumers, Interest on advances to suppliers/ contractors, and Miscellaneous receipts.

For projecting the non-tariff income for the Control Period, an year on year increase of 5% p.a. has been considered over the estimated non-tariff income

for FY 14-15. Details of the year wise non-tariff income is provided in table below:

Details of the year wise non-tariff income is provided in the Table below:

Table 70: Non-tariff Income for the MYT Control Period

Particulars (Rs Crore)	FY 15-16	FY 16-17	FY 17-18
	Projected	Projected	Projected
Non-tariff Income	32.35	33.97	35.67

4.21 Aggregate Revenue Requirement

The following Table summarizes DNHPDCL"s Aggregate Revenue Requirement for the MYT Control Period.

Table 71: Aggregate Revenue Requirement for the MYT Control Period

Annual Revenue Requirement	FY 15-16	FY 16-17	FY 17-18
Rs. Crs.	Projected	Projected	Projected
Power Purchase Cost	2,441.34	2,822.89	3,175.51
O&M Expense	23.18	25.88	29.07
Depreciation	25.44	30.53	35.33
Interest Cost on Long-term Capital Loans	13.57	22.17	30.50
Interest on Working Capital Loans	20.67	19.95	19.84
Return on Capital Employed	23.90	28.53	33.25
Interest on Security Deposit	4.50	4.50	4.50
Provision for Bad Debt	11.90	12.70	13.55
Income Tax	10.00	10.00	10.00
Less: Non-Tariff Income	32.35	33.97	35.67

Annual Revenue Requirement	FY 15-16	FY 16-17	FY 17-18
Rs. Crs.	Projected	Projected	Projected
Annual Revenue Requirement	2,542.15	2,943.19	3,315.89

4.22 Revenue at Existing Tariff

Revenue from sale of power for the MYT Control Period is determined based on the energy sales estimated and category wise tariff prevalent in the UT of Dadra & Nagar Haveli as per the tariff notified by the Hon"ble Commission in the Tariff Order for FY 14-15 dated 5th May, 2014.

The table below summarizes the revenue from sale of power at existing tariff for the MYT Control Period:

Table 72: Revenue from Sale of Power at Existing Tariff for the MYT Control Period

Revenue @Existing Tariff	FY 15-16	FY 16-17	FY 17-18
(Rs Crore)	Projected	Projected	Projected
Domestic	27.98	32.02	36.65
Commercial	9.62	10.77	12.05
Agriculture	0.38	0.42	0.46
LT Industry	71.38	77.81	84.82
HT/ EHT Industry	2266.88	2414.01	2570.66
Public Lighting	2.50	3.10	3.84
Public Water Works	1.12	1.18	1.24
Temp. Supply	0.65	0.65	0.65
Total	2,380.52	2,539.96	2,710.37
Revenue from surplus power	1.41	31.26	27.47
Total Revenue	2,381.93	2,571.22	2,737.84

4.23 Coverage of Revenue Gap

Revenue from sale of power with-in the UT (category-wise) is determined in Table 72.

Table 73 summarizes the ARR for DNHPDCL for FY 2013-14, FY 2014-15 and FY 2015-16 along with the revenue and the resulting revenue (gap)/ surplus. The cumulative gap for the three years is Rs.129.47 Crore as given in the table below.

Table 73: Revenue Gap for FY 15-16

Sr. No.	Particulars	FY 13-14 Actual	FY 14-15 Revised Estimates	FY15-16 Projected
1	Total ARR	2,099.70	2,335.83	2,542.15
2	Revenue @Existing Tariff	2,115.34	2,259.21	2,380.52
3	Revenue from Surplus Power Sale	0.00	91.73	1.41
4	Total Revenue(2+3)	2,115.34	2,350.94	2,381.93
5	Revenue (Gap) /Surplus(4-1)	15.65	15.11	(160.22)
	Covered By			
6	Previous Years' (Gap)/ Surplus Carried Over	0.00	15.65	30.75
7	Total (Gap)/Surplus for three years(5+6)	15.65	30.75	(129.47)

4.24 Average Cost of Supply

The following Table summarizes Average Cost of supply and total average realization at the existing tariff approved by the Hon"ble Commission.

Table 74: Average Cost of Supply & Revenue Realization

Average Realization & Cost of Supply (Rs/Unit)	FY 13-14 Actual	FY 14-15 Revised Estimate	FY 15-16 Projected

Average Realization & Cost of Supply (Rs/Unit)	FY 13-14 Actual	FY 14-15 Revised Estimate	FY 15-16 Projected
Average Cost of Supply of DNHPDCL	4.21	4.29	4.59
Average Realization	4.24	4.31	4.30
Revenue (Gap)/ surplus at Existing Tariff	0.03	0.03	(0.29)
Net Revenue (Gap)/ Surplus(Includes gap of previous year)	0.03	0.06	(0.23)
Additional revenue at Proposed Tariff	0.00	0.00	0.24

4.25 Initiatives

A) Promotion of Solar energy

The department has installed grid interactive roof top solar panels on the government buildings in the UT of Dadra and Nagar Haveli.

In order to encourage the use of solar power, the department proposes to purchase excess power from all the consumers having grid interactive roof top solar panels at the rate of Rs. 4.06 per unit.

4.26 Tariff Proposal for FY 15-16

DNHPDCL submits to the Commission that the sales to LT industrial and HT/ EHT category form approximately 98% of the total sales within the UT of Dadra &Nagar Haveli. However, the per unit revenue realization from this category is below the average cost of supply leading to revenue losses for DNHPDCL. Further, the average cost of supply has also increased over the past years due to increase in power purchase cost. Therefore, the current two-part Tariff structure is inadequate to compensate for the loss of revenue.

Table below summarizes the existing and proposed tariff structure for various consumer categories.

Table 75: Proposed Tariff Structure for FY 15-16

Tariff Structure	Existing FY 14-15		Proposed FY 15-16	
	Energy Charges (Rs/Kwh)	Fixed Charges	Energy Charges (Rs/Kwh)	Fixed Charges
LT-D/Domestic				
Ist 50 Units	1.20		1.20	
51 to 200 Units	1.80		1.80	
201 to 400 Units	2.20		2.20	
Beyond 401 Units	2.55		2.55	
LIGH		Rs. 10/ HP/ month		Rs. 10/ HP/ month
LT-C/Commercial				
1st 100 Units	2.55		2.55	
Beyond 100 Units	3.35		3.35	
LT- Ag/ Agriculture				
Upto 10 HP	0.70		0.70	
10 HP to 99 HP	1.00		1.00	
LTP Motive Power				
Upto 20 HP of Connected Load	3.45		3.55	
Above 20 HP Connected Load	3.45	Rs. 25/ HP/ month	3.55	Rs. 25/ HP/ month
LT Public Water Works				
Upto 20 HP of Connected Load	3.70		3.70	
Above 20 HP Connected Load	3.70	Rs. 25/ HP/ month	3.70	Rs. 25/ HP/ month

Tariff Structure	Existing FY 14-15		Proposed FY 15-16	
	Energy Charges (Rs/Kwh)	Fixed Charges	Energy Charges (Rs/Kwh)	Fixed Charges
LT-PL/Public Lighting				
Public Lighting	3.00		3.10	
HT				
HTA(A) - General (11 kV or 66 kV)				
For all units	4.20	Rs. 105/ kVA/ month	4.40	Rs. 130/ kVA/ month*
HTA(A) - General (above 66 kV)				
For all units	4.10	Rs. 100/ kVA/ month		
HT(B)Ferro				
For all units	4.10	Rs. 375/ kVA/ month	4.30	Rs. 400/ kVA/ month
Hoardings/Advertisements	7.00	Rs. 100/ kVA/ month	7.00	Rs. 100/ kVA/ month

* It is proposed to keep only a single category for HT(A) General for supply at 11 kV/ 66 kV/ 220 kV.

Chapter 6: Compliance of Directives

The Hon"ble Commission vide Tariff Order dated 25th March, 2013 had issued a set of directives to be followed by DNHPDCL to comply with the JERC (Terms and Conditions of Determination of Tariff) Regulations, 2009.

In line with the directives, DNHPDCL has been taken several steps to comply with the directives. The purpose of this section is to appraise the Hon"ble Commission on progress made by DNHPDCL on this matter since the issuance of the aforesaid tariff order.

1. Directive 1: Segregation of T&D losses and loss reduction trajectory:

The Petitioner is directed to furnish segregation of losses into transmission and distribution losses in the first instant and further segregated distribution losses into technical and commercial losses separately in their next ARR and tariff petition, along with the status report on energy accounting and T&D losses.

Compliance:

The ED-DNH has evaluated T&D losses for the financial year 11-12 on the basis of total power purchase at DNH peripheral and total units billed to the various categories of consumers. Moreover ED-DNH has also invited tender for implementing energy audit and evaluate component wise AT &C losses along with GIS mapping.
In addition to above a scheme for integrated solution for the electricity has also been approved by Central Electricity Authority & SFC (still awaited). This scheme in turn will provide overall solution for the energy auditing and evaluation of AT&C losses as well as indexing of all categories of consumers by implementing GIS mapping & simulation of all related data.

Commission's Comments

Action taken is noted and the Petitioner is directed to submit the status report and progress of the said facility by September 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the consultant appointed for the task has submitted their draft report. The said report is being reviewed by DNHPDCL. Upon finalization of the report, DNHPDCL will submit the report before the Hon"ble Commission.

Commission's Comments

Action taken is noted. As the petitioner has failed to submit the report by September 2013 as per earlier direction, the Commission now directs the petitioner to submit the final report before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003 and Regulations framed by JERC.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the department got a study conducted to access the AT&C losses of the DNHPDCL and to segregate the distribution losses into technical and commercial losses. The draft report of the study has been received by the department and is under review. The DNHPDCL will submit the final report to the Hon"ble Commission as soon as it is finalized.

2. Directive 2: Load Forecasting study:

The Petitioner is directed to conduct a detailed load forecasting study for short term (2-5 years), medium term (7-10 years) and long term (15-25 years) in order to understand the load requirements in their area at various periods and submit to Commission along with next ARR and tariff petition.

Compliance:
The ED-DNH already appointed M/s Panacean Energy Solutions Pvt. Ltd., Mumbai to carry out the study for short term (2-5 years), medium term (7-10 years) and long term (15-25 years) in order to understand the load requirements. The department will submit the report to the Hon" ble Commission by the end of January 2013.

Commission's Comments

Action taken is noted and the Petitioner is directed to submit the status report and progress in this regard by September 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that M/ s Panacean Energy Solutions Pvt. Ltd., Mumbai has been appointed to undertake Load Forecasting Study for short term (2-5 years), medium term (7-10 years) and long term (15-25 years) in order to understand the future load requirements of DNHPDCL. The department will submit the load forecasting before the Hon"ble Commission by May, 2014.

Commission's Comments

Action taken is noted. As petitioner has failed to submit any detailed justification for inordinate delay of submission of report as per its own commitments and has also failed to ensure compliance of directions issued by the Commission in previous tariff order, the Commission now directs the petitioner to submit the final report before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003 and Regulations framed by JERC.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commissionthat the department is going to conduct the system study of the network of U.T Dadra and Nagar Haveli and is in the process to engaged PGCIL for the same. The department will submit the report to the Hon"ble Commission as soon as it is finalised. Further, an extract from the 18th Electric power survey of India conducted by CEA is being enclosed along with this petition as Annexure II wherein the demand forecast of the UT of Dadra and Nagar Haveli has been done till the FY 2021-22.

3. Directive 3: Renewable Purchase obligation:

The petitioner is directed to stagger the purchase over the year to avoid bunching of purchase at high cost towards the end of the year.

Compliance:

ED-DNH would like to submit that the Ministry of Power in a process to formulate the guidelines for the procurement of Renewable Energy through competitive bidding process. ED-DNH will explore the possibility of purchase the power form Solar Energy after the guidelines are finalized by MOP.

Moreover ED-DNH has also invited tender by following e-tendering process to procure Non-Solar Energy to the tune of 150 MU. The lowest bidder was selected for procurement of 61 MU i.e M/s. Betul Non Convential Energy Pvt. Ltd for the year 2013-14. The petition is already filed for the approval of PPA for the procurement of 61 MU before JERC.

The ED-DNH has procured 80,000 Non-Solar Certificates amounting Rs. 14.50 Crore to meet the RPO obligation for the year 2012-13 upto October 2012.

ED-DNH is also exploring the possibility to establish Solar Power Plant of its own at Velugam village as sufficient land is available at proposed 66/11 KV Velugam Sub-Station. The ED-DNH has invited an offer from BHEL, a Government undertaking for establishment of the said Solar Power Plant. The capacity of the proposed power plant will be approximately 5MW."

Commission's Comments

Action taken is noted. It is observed that the Petitioner has not made any renewable energy purchase during FY 2011-12 and H1 of FY 2012-13. The Petitioner should ensure that its RPO obligations as per the JERC Procurement of Renewable Energy Regulations 2010 are met for FY 2012-13 and FY 2013-14. The RPO obligations in respect of both solar and non-solar power purchase should be ensured separately by the licensee.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the department is fully committed to comply with the RPO guidelines issued by the Hon"ble Commission. In this regard DNHPDCL has already submitted a compliance report before the Commission vide letter no. 1-1(536)/ ELE/ 2011/ 2280 dated 27th September, 2013. In the said compliance report DNHPDCL has submitted its plan to meet the RPO. Key extracts of the compliance report are presented below:

Tulip.

- Installation of 3 MW grid connected Solar PV plant at Velugam, Silvassa. Bids are invited from the parties (Tender id – 124850) and the contract was expected to be awarded by March, 2014. But as the model code of conduct came into force in the month of March 2014 the contract is now expected to be awarded by May, 2014. The Solar Plant is expected to generate 4.8 MU on annually. DNHPDCL also plans to install more grid connected Solar PV project of kW scale as well as solar roof-top in its territory.
- Purchase of 5 MW solar power from JNNSM. DNHPDCL has already shown its willingness to procure 5 MW solar power from JNNSM vide letter no. 1-1 (38)./ PDCL-AE (Comml.)/ 2013/ 2003 dated 7th September 2013.

Further, the DNHPDCL is already buying approximately 10,000 (ten thousand) RECs on monthly trading session at power exchange.

Commission's Comments

Action taken is noted. The Commission appreciates the efforts made by the petitioner to bridge the gap between peak demand and supply for the users within its territory. However, as detailed in para 6.9 of this order, the Commission has approved a provision of RPO Compliance of Rs. 74.98Crores for the review of FY 2013-14 along with penalty for Non-Compliance.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that it has already filed an affidavit in the Petition No.61/ 2012 in respect of Compliance of Renewable Power Purchase Obligation showing the details roadmap of renewable power obligation.

4. Directive 4:Enforcement Cell:

The petitioner is directed to submit the status of the functioning of enforcement cell and quarterly progress report detailing number of cases, amount involved,

Rlip.

amount of revenue fines recovered, (to be shown separately in ARR), sub-judice cases, and reduction in losses as a consequence.

Compliance:

It is submitted that the Electricity Department Dadra and Nagar Haveli has a separate division for Lab & Vigilance to monitor and conduct vigilance check on all consumer categories. The quarterly progress report will be submitted to the Hon" ble Commission shortly.

Commission's Comments

Action taken is noted and hereby the petitioner is directed to status report of the progress made in this direction on quarterly basis. The report of the quarter ending March 31"2013 should be sent by April 15"2013.

Compliance:

The DNHPDCL would like to submit to that the quarterly progress report will be submitted to the Hon"ble Commission shortly.

Commission's Comments

As petitioner has failed to submit any detailed justification for inordinate delay of submission of report and has also failed to ensure compliance of directions issued by the Commission in previous tariff order, the Commission now directs the petitioner to submit the quarterly progress report upto 31st March 2014 before 30th June 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the Enforcement i.e Lab & Vigilance department is looking after the work of Vigilance activity throughout the territory in respect of all the category of consumers. The vigilance check has been kept by the Division of (Lab

&Vigilance) for metering arrangement of consumers, their consumption as per their contractual power demand etc.

If any irregularity is observed the same will be informed to the Hon"ble Commission.

5. Directive 5: Data on the consumption and load profile of Advertisement Hoardings, Sign boards, Signage's etc.

The Petitioner is directed to separately capture the data regarding consumption and the load profile of the users of advertisement hoardings, signboards, signage"s etc. and propose tariff for this category separately in the next tariff petition, so that the differential tariff for this category could be set as they draw power during the peak hours.

Compliance:

It is submitted that the department does not maintain any record separately for the consumption and load profile of the users of advertisement, hoardings, signboards, signage's etc. The initiative has been taken to segregate such type of consumers and evaluate the data regarding consumption and load profile of such users so that the same can be accommodated with differential tariff for this category to draw power during the peak hours.

Commission's Comments

The Commission understands that as per the existing tariff schedule there is no separate category for the users of advertisement, hoardings, signboards, signage"s etc. The Petitioner was directed to separately capture the data regarding consumption and the load profile of these users so that differential tariff for this category could be set.

As the directive has not been adhered to, the Commission re-directs the Petitioner to separately capture the data regarding consumption and the load profile of the users of advertisement hoardings, signboards, signage"s etc. in its licensee area and submit the same to the Commission by July 31" 2013, failing which the Commission would be forced to take serious action.

Dilip.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the department is in the process of segregating the data related to the consumption and load profile of the users of advertisement, hoardings, signboards, signage"s etc. Previously, the said data was not maintained by the department as there was no separate consumer category for this type of users. However, in compliance to the directive of the Hon"ble Commission, DNHPDCL has initiated the process to segregate the data for the same and will submit the same to the Hon"ble Commission shortly.

Commission's Comments

As petitioner has failed to submit any detailed justification for failure to ensure compliance ofdirections issued by the Commission in previous tariff order, the Commission now directs thepetitioner to submit the information to 31st March 2014 before 30th June 2014 failing which theCommission will be constrained to take appropriate action under various provisions of ElectricityAct 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the UT Dadra and Nagar Haveli does not have the kind of load profile which pertains to Advertisement Hoardings, Sign boards, Signage"s etc. only some negligible Sign Boards and Hoardings exist in the territory.

6. Directive 6:Assessment of the open access consumers

The Petitioner is directed to provide an assessment of the number of open access consumers greater than 1 MW to the Commission by September 30" 2012. The Petitioner to provide the detailed scheme to operationalize open access scheme including setting up of the STU and SLDC (nodal agency) by the power department of the appropriate government.

Compliance:

It is submitted that the department has notified the procedure for according open access for the long term and short term open access. The list of consumers 1 MW and above has been evaluated and submitted to the Hon"ble Commission. The matter for evaluation of wheeling charges, losses charges and cross subsidiary etc for Open Access Customer is under progress in consultation with M/s Panacean Energy Solutions Pvt Ltd, Mumbai. The U.T Dadra & Nagar Haveli already has notified State Transmission Utility (STU) and has established SLDC with a nodal officer i.e. Deputy Engineer (N/Z).

Commission's Comments

The process of operationalization of open access in the licensee"s area should be expedited and the Commission should be updated about the progress of the same by September 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the task of preparing the road map for operationalization of open access consumers has been initiated. The said road map will be submitted to the Hon"ble Commission shortly.

Commission's Comments

As petitioner has failed to submit any detailed justification for failure to ensure adequate compliance of directions issued by the Commission in previous tariff order, the Commission now directs the petitioner to submit the roadmap before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the DNHPDCL has notified the procedure for according " Short-Term" and " Long-

Term" procedure. The Hon"ble Commission has also issued tariff for Open Access in the Tariff Order of FY 2014-15.

At present there is no Open Access consumer in the territory.

7. Directive 7: Standard of Performance:

The Commission has notified the JERC (Standards of Performance) Regulation 2009, wherein the guaranteed and overall standards of performance are prescribed to ensure the quality of supply. The petitioner is bound to adhere to the Regulations prescribed and impart the stipulated performance standards. The Commission in this regard directs the Petitioner to submit the information regarding the standards of performance achieved for FY 2011-12 within one month from the issue of this order. Further, the licensee should ensure timely submission of the information as per the requirement laid down in the JERC (Standards of Performance) Regulation, 2009.

Compliance:

The SOP data upto August, 2012 has been submitted to the Hon'ble Commission and from now onwards the quarterly data as per the requirement will be submitted to the Hon'ble Commission. The ED-DNH is in the process to develop software for availing the data of each complaint centre and office details on month on month basis.

Commission's Comments

The submission of the Petitioner is noted. Timely submission as per the requirements laid down in the JERC (Standards of Performance) Regulation, 2009 should be duly adhered to. The process of developing the software for availing the data of each complaint centre and office details should be expedited so that data collection can happen in a timely manner.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the process of developing the software for availing the data of each complaint centre is being expedited so that data collection can happen in a timely manner.

Commission's Comments

As petitioner has failed to submit any specific deadline for roll out of software for availing data of each complaint centre and office details, the Commission feels that the petitioner has failed to ensure adequate compliance of directions issued by the Commission in previous tariff order. The Commission now directs the petitioner roll out this software before 15th August 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003. In case there is any issue in adhering to this deadline by the petitioner, the petitioner should submit, within 1 month of the issue of this tariff order, the actual date of roll out of the software detailing the reasons for further delay.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the DNHPDCL has prepared a software in consultant with consultant M/ s Panacean Energy Solutions and provided the same at each Complaint Centre to maintain and entry of the day to day Complaints as per requirement of SOP regulations of JERC.

8. Directive 8: Security Deposit

The Commission in its previous order had directed to follow the provisions of Clause 6.10 of JERC (Electricity Supply Code) Regulations 2010. Wherever existing mode of deposit i.e. bank guarantee, fixed deposit etc. is different from that provided in the Regulation, the same be replaced by those as specified therein. The petitioner is directed to submit the present status versus regulations requirement.

Compliance:

The ED-DNH would like to submit that it has issued a notice that all the concerned consumers who have submitted bank guarantee shall replace their bank guarantees with either cash or bankers cheque or fixed deposit. The Silvassa Industries Association have

filed a petition with the Hon" ble Commission to continue with the bank guarantees in the future.

Commission's Comments

The submission is noted; adherence to the Regulations should be ensured by the Licensee before September 30"2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that as per the order issued by the Hon"ble Commission dated 13.08.2013 on the petition seeking relaxation of Regulation 6.10 (2) of JERC (Electricity Supply Code) Regulations, 2010 to the extent of allowing payment of Security Deposit in the form of Bank Guarantee instead of Demand Draft or Banker"s Cheque, the Hon"ble Commission has allowed security in the form of Bank Guarantee and fixed deposit for LT, HT, EHT and Micro, Small and Medium Entrepreneurs Consumers (MSME) for the existing and new connections of consumers to the respondent viz., ED-DNH. Accordingly, the DNHPDCL has also stopped the conversion of security deposit in the form of Bank Guarantee to Demand Draft or Banker"s Cheque.

Commission's Comments

The Commission had issued the second amendment to the JERC (Electricity Supply Code) Regulations 2010 on 10th October 2013, which is reiterated as below:

Amendment of Regulation 6.10 (2) principal regulation to be replaced as under:

Consumer shall have the option to make advance payment and in such a event security amount shall be proportionately fixed. The procedure for the determination of security deposit, for different categories of consumers, shall be determined by the licensee and approved by the Commission. The deposit shall be accepted in form of cash, cheque, draft or bank guarantee in case of LT Consumers and in the form of draft, banker's cheque or bank guarantee in case of HT/EHT Consumers. The licensee shall maintain a separate head of account of such security deposits. On termination of the agreement, the security deposit will be refunded to the consumer after adjustment of the amount, if any, remaining payable to him.

As detailed above, the Commission has specified various modes of consumer security deposits. However it is evident from submission of the petitioner that considerable amount of consumer security deposits exist in the form of fixed deposits which is not the acknowledged form of the consumer security deposit as per the provisions of the JERC (Electricity Supply Code) Regulations 2010. The Commission now directs the petitioner keep consumer security deposits in approved forms only and submit the compliance report before 30th June 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit that as per the order of Hon"ble Commission the security deposits are being accepted in the form of Bank Guarantee, Fixed Deposit etc and the record of Security Deposit is being maintained regularly. The Date of validity of Security Deposit is also displayed on the monthly Electricity Bills issued to the Industrial Consumers.

9. Directive 9 :Forecasting Power requirements

The licensee is directed to improve the forecasting of the requirement of Energy basically for the Industry to help plan for Power Purchase at a reasonable cost, rather than spot purchase.

Compliance:

ED-DNH would like to submit that it has already appointed M/s Panacean Energy Solutions Pvt. Ltd., Mumbai to carry out the study for load forecasting for short term (2-5 years), medium term (7-10 years) and long term (15-25 years) to improve the forecasting of the requirement of energy so that it procures energy at a reasonable rate. Further looking to the existing and pending power applications the department has invited competitive bid for procurement of 200 MW power on long term basis, following e-tendering process as per Standard Bidding Guidelines of Ministry of Power under Case-I route. The lowest bidder was finalized and the petition for the approval of PPA in respect of procurement of 200 MW power on Long Term basis has been filed before Hon" ble Commission.

Commission's Comments

The status and the progress of the load forecasting study should be submitted to the Commission by September 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that M/ s Panacean Energy Solutions Pvt. Ltd., Mumbai has been appointed for this task and the department will submit the report as soon as it is finalized.

Commission's Comments

As petitioner has failed to submit any specific deadline for submission of study report, the Commission feels that the petitioner has failed to ensure compliance of direction issued by the Commission in previous tariff order. The Commission now directs the petitioner submit the load forecasting studying before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commissionthat the department is going to conduct the system study of the network of U.T Dadra and Nagar Haveli and is in the process to engaged PGCIL for the same. The department will submit the report to the Hon"ble Commission as soon as it is finalised. Further, an extract from the 18th Electric power survey of Indiaconducted by CEA is being enclosed along with this petition as Annexure II wherein the demand forecast of the UT of Dadra and Nagar Haveli has been done till the FY 2021-22.

10. Directive 10: Energy Audit Expenses

The Petitioner is directed to submit all the documents establishing capability and rate reasonability for awarding the work of energy audit within two weeks

of issuance of this Tariff order so as to check the reasonableness of the expenditure. The matter has been discussed in relevant Chapters of this order.

Compliance:

ED-DNH has invited tender for implementing energy audit and evaluate component wise AT & C losses along with GIS mapping. As soon as the tendering process is complete ED-DNH will submit all the relevant documents to the Hon" ble Commission.

Commission's Comments

Action taken is noted and hereby the petitioner is directed to file status report of the progress made in this direction on quarterly basis by September 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the energy audit is under process and the department will submit the report as soon as it is finalized.

Commission's Comments

As petitioner has failed to submit any specific deadline for submission of study report, the Commission feels that the petitioner has failed to ensure compliance of direction issued by the Commission in previous tariff order. The Commission now directs the petitioner submit the energy audit report before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that the work of preparation of energy audit report has given to consultant M/ s Panacean Energy Solutions Mumbai and the report will be submitted to the Hon"ble Commission as soon as soon as it is finalised.

11. Directive 11 : Continuous & Non-Continuous Industries

A scheme is to be framed by the Petitioner to meet industry demand for uninterrupted supply & its commercial mechanism.

Compliance:
ED-DNH is in a process for framing a scheme to meet industry demand for uninterrupted supply & its commercial mechanism. As soon as the scheme is finalized, ED-DNH will submit it to the Hon" ble Commission for its approval.

Commission's Comments

Action taken is noted. The petitioner is hereby directed to submit the status report of the progress made in this direction by September 30" 2013.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that it is preparing the status report for the aforementioned and will submit the same to the Hon"ble Commission shortly.

Commission's Comments

As petitioner has failed to submit any specific deadline for submission of status report, the Commission feels that there is serious non-compliance of direction issued by the Commission in previous tariff order considering the fact that the industries constitute more than 90% of total share of DNHPDCL. The Commission now directs the petitioner submit the scheme before 30th June 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon"ble Commission that it has received the draft report and the same is under scrutiny by the department. The

DNHPDCL will submit the final report to the Hon'ble Commission as soon as the same is finalized.

12. Directive 12 : Assets verification

The third party physical verification is required to be done by the competent firm of Chartered Accountant. The assets not employable for delivery of service to the consumer as useful assets should be written off.

Compliance:

ED-DNH would like to submit that third party physical verification of its assets is being done by a competent firm of Chartered Accountant. The fixed asset register is being enclosed along with this petition as Annexure II.

Commission's Comments

Action taken is noted and Commission appreciates the effort made by the petitioner in this regard. Ongoing through the submission of the Petitioner, it was observed that the fixed asset register submitted did not have any mention of the actual physical verification of the assets by the Chartered Accountant. The same was pointed out to the Petitioner during the technical validation session dated January 17'2013, but the petitioner did not responded to the same. As per para 5.10, the petitioner to indicate the value list of assets being used for rendering the services or alternatively indicate as to what %age of Gross block be considered on ad hoc basis & the basis thereof.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that the physical verification of the fixed assets has been done while preparing the asset register for FY 2012-13. The certificate of Charter Accountant has also been submitted to the Hon'ble Commission.

Commission's Comments

Action taken is noted and Commission appreciates the effort made by the petitioner in this regard. On going through the submission of the Petitioner, it was observed that the fixed asset register submitted mentions of the actual physical verification of the assets on sampling basis by the Chartered Accountant. The same was pointed out to the Petitioner during the technical validation session dated 20th December 2013, but the petitioner did not responded to the same. The petitioner was required to indicate the value list of assets being used for rendering the services or alternatively indicate as to what %age of Gross block be considered on ad hoc basis & the basis thereof. However, in absence of concrete reply on same, the Commission now directs the petitioner to indicate the value list of assets being used for rendering the services or alternatively indicate as to what %age of Gross block be considered on ad hoc basis & the basis thereof before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that the asset verification is under process & will be submitted to the Hon'ble Commission shortly.

13. Directive 13 : Roadmap for reduction in cross-subsidy

The petitioner is directed to propose a road map for an increase in the tariff rate which progressively reduces to bring the gap between per unit tariff and the average cost of supply over a period of 5 years in two phases i.e. first 3 years from FY 2012-13, FY 2013-14 and FY 2014-15 a review thereafter and further reduction during FY 2015-16 and FY 2016-17.

Compliance:

The ED-DNH will submit the roadmap to the Hon"ble Commission shortly.

Commission's Comments

Action taken is noted. The petitioner is directed to file the roadmap latest by July 31'2013.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that it is preparing the roadmap for reduction in cross subsidy and will submit the same to the Hon'ble Commission shortly.

Commission's Comments

As petitioner has failed to submit any specific deadline for submission of roadmap, and as 2 years have already passed without any concrete action in this context, the Commission feels that there is serious non-compliance of direction issued by the Commission in previous tariff order. The Commission now directs the petitioner submit the roadmap before 31st July 2014 failing which the Commission will be constrained to take appropriate action under various provisions of Electricity Act 2003.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that the Cross Subsidy will be reduced in a phased manner and the department will submit roadmap to the Hon'ble Commission shortly.

14. Directive 14: Capital expenditure:

The petitioner is directed to submit the detailed statement of capital expenditure incurred and capitalization for every quarter, within 15 days in the subsequent quarter.

Compliance:

It is submitted that the status of capital expenditure incurred during the first 2 quarters for the current financial year i.e. April, May, June – 2012 and July, August, September – 2012 has been prepared and is being enclosed along with the petition as Annexure III.

Commission's Comments

The submission of the Petitioner is noted. The timeline stipulated for the submission as per the direction should be adhered to and quarterly submissions should be made for the remaining quarters of FY 2012-13 and going forward for the coming years.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that the actual capital expenditure for FY 12-13 has already been submitted along with the true-up petition. The proposed capital expenditure for FY 13-14 and FY 14-15 has also been submitted in the ARR petition for FY 2014-15. Further, the DNHPDCL will submit the quarterly progress report of capital expenditure as directed by the Hon'ble Commission.

Commission's Comments

The submission of the Petitioner is noted. The timeline stipulated for the submission as per the direction should be adhered to and quarterly submissions should be made for the remaining quarters of FY 2013-14 and going forward for the coming years.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commissionthat the progress Report of Quarterly Capital Expenditure will be submitted to the Hon'ble Commission shortly.

15. Directive 15: Overdrawls/Underdrawls beyond the frequency band specified by CERC

As per the CERC (Unscheduled Interchange charges and related matters) Principle Regulations and its amendments thereof applicable for FY 2011-12 and Press Notification issued by Ministry of Power on 23rd July 2009 and after

verification of the data submitted by the Petitioner, Commission is mandated to disallow the additional UI charges of Rs. 5.21 Crores against the UI over-drawl/under drawl beyond 49.5 Hz frequency from April 2011 to March 2012, imposed on the utility under the UI regulations of CERC(as amended from time to time) for overdrawl during the period when the frequency was below 49.5 Hz (amended to 49.7 Hz vide CERC order dated 5th March 2012) and it will not be a pass through in the aggregate revenue requirement of the Petitioner for FY 2011-12. As such penal rate which have been imposed as Unscheduled Interchange charges should be stated separately and very clearly and those payments which are in the nature of damages should not be shown as purchase of Power because it is on account of poor management of Load by ED-DNH. The ED-DNH is directed to forecast their demand more precisely and plan the Power purchase in advance. The burden of additional UI charges would have to be borne by the petitioner from their own finances and will not be allowed to pass this on to the consumers. Therefore, the Commission directs the licensee to separately show the date wise/time wise details of all short-term Power purchases including quantum, rate & amount and grid frequency in case of U.I. over drawls/underdrawls.

Compliance:

The details of the UI over drawls/under drawls are being enclosed along with the tariff petition (soft copy).

Commission's Comments

Submission is noted; the Commission would like to reiterate that overdrawals/underdrawals beyond the frequency band specified by CERC attract penal charges and would not be allowed as a pass-through in the ARR. This puts undue burden on the grid and should be avoided by the licensee through proper load management and appropriate load forecasting.

Compliance:

DNHPDL is mostly complying with this directive.

Commission's Comments

Submission is noted; the Commission would like to reiterate that overdrawals/underdrawals beyond the frequency band specified by CERC attract penal charges and would not be allowed as a pass-through in the ARR. This puts undue burden on the grid and should be avoided by the licensee through proper load management and appropriate load forecasting.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that it has arranged the scheduling and drawl of power on a day to day basis so as to avoid such panel changes due to overdrawl from the grid beyond the frequency band specified by the CERC.

16. Directive 16 : Interest on Security Deposit

As per Clause 47(4) of the Electricity Act, 2003 and as specified in regulation 25 of JERC Tariff Regulations 2009, *the distribution licenses shall pay interest on security deposit collected from the consumers, equivalent to the bank rate or more as may be specified by the Commission.* On account of provisions mentioned in the Act and regulation, Commission directs the petitioner, that the petitioner must pay the interest on consumer security deposit for FY 2012-13 (at the Bank Rate i.e. 9.5026% per annum applicable as on 1st April 2012) with effect from 1st April 2012 to the consumers on their security deposit irrespective of petitioner's constraints and should explicitly mention the same as the 'Interest on security deposit for FY 2012-13' on the bills of the consumers. **Any non-compliance in this regard shall be viewed seriously by the Commission.**

Compliance:

The ED-DNH has already directed consumers to replace the bank guarantee with fixed deposit. Further, the Silvassa Industries Association has filed a petition before Hon'ble Commission to retain the procedure for accepting the bank guarantee.

Commission's Comments

Action taken is noted. The Commission has observed that the petitioner has not paid any interest to the consumers on the security deposit held during FY 2011-12. Though Commission appreciates the effort made by the petitioner for

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conversion of BGs into Deposits but still this mode of consumer security deposit is different from those provided in the provided in the provisions of Sub regulation no. 6.10 of JERC (Electricity Supply Code) Regulations, 2010, the same be replaced by those as specified therein, as per section 47(1) Electricity Act 2003 and pay interest as per section 47(4) Electricity Act, 2003.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that as per the order issued by the Hon'ble Commission dated 13.08.2013 on the petition seeking relaxation of Regulation 6.10 (2) of JERC (Electricity Supply Code) Regulations, 2010 to the extent of allowing payment of Security Deposit in the form of Bank Guarantee instead of Demand Draft or Banker's Cheque, the Hon'ble Commission has allowed security in the form of Bank Guarantee and fixed deposit for LT, HT, EHT and Micro, Small and Medium Entrepreneurs Consumers (MSME) for the existing and new connections of consumers to the respondent viz., ED-DNH. Accordingly, the DNHPDCL has also stopped the conversion of security deposit in the form of Bank Guarantee to Demand Draft or Banker's Cheque.

Commission's Comments

Action taken is noted. The Commission has observed that the petitioner has not paid any interest to the consumers on the security deposit held during FY 2012-13. The Commission would like to emphasize that fixed deposits as mode of consumer security deposit is different from those provided in the provided in the provisions of Sub regulation no. 6.10 of JERC (Electricity Supply Code) Regulations, 2010, the same be replaced by those as specified therein, as per section 47(1) Electricity Act 2003 and pay interest as per section 47(4) Electricity Act, 2003.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that generally bank guarantee and fixed deposit are taken as a security deposit as per the Hon'ble commission's Order and interest on the security deposit is being paid to the consumer.

17. Directive 17 : Filing of separate petitions for Transmission and Distribution Businesses:

As ED-DNH now has been entrusted with Transmission Business, the Commission now directs the Electricity Department, Dadra and Nagar Haveli to file a separate petition for transmission business before 30th November 2014 for FY 2015-16 onwards. As DNHPDCL now has been entrusted with Distribution Business, the Commission now directs the Dadra and Nagar Haveli Power Distribution Corporation Limited to file a separate petition for distribution business before 30th November 2014 for FY 2015-16 onwards.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that it is filing separate petition for its distribution business for the MYT Control Period FY 2015-16 to FY 2017-18 and transmission business for FY 2015-16.

18. Directive 18 : Maintaining separate accounts for Transmission and Distribution Businesses

The Commission directs both ED-DNH and DNHPDCL to maintain separate accounting of its businesses w.e.f. 01st April 2013.

Compliance:

The DNHPDCL would like to submit to the Hon'ble Commission that it is maintaining separate accounting for its business w.e.f. 01st April, 2013.

Tariff Schedule

General Terms and Conditions:

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 4000 KVA (including licensee common feeders and express feeders/dedicated feeders) shall generally be at 11 KV and for more than 4000 KVA up to 25000 KVA at 66 KV. The consumer who requires load more than 25000 KVA load, the supply voltage shall be at 220 KV level. However, wherever the existing feeders are required to be augmented, the Electricity Department shall carry out such augmentation by 30th September, 2014. This satisfies the grievances of 97% of the total consumers having connected load above 1500 kVA.

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 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.

   Provided that

   a) If a portion of the domestic premises limited to only one room is used for running small household business having connection under domestic category, such connection shall be billed under domestic category provided that the total monthly consumption of the consumer (including consumption for above mentioned small household business) does not exceed 150 kWh.

   b) If either more than one room or only one room having monthly consumption exceeding 150 kWh for consecutive three months is

detected in the domestic premises being used for mixed purposes having domestic connection, such connection shall further be billed under commercial category until a separate connection of appropriate tariff is taken for that portion used for non-domestic purpose.

5. If connected load of a domestic category is found to be at variance from the sanctioned/contracted load as a result of increase of load or due to replacement of lamps, fans, fuses, switches, low voltage domestic appliances, fittings, etc it shall neither fall under unauthorized use of electricity (Section 126 of EA 2003) nor under theft of electricity (Section 135 of EA 2003).

6. If the consumer fails to pay the energy bill presented to him by the due date, the Department shall have the right to disconnect the supply after giving 15 days' notice as per provision of the Act & Supply Code Regulation.

7. Fixed charges, wherever applicable, ***will be charged on monthly basis.*** 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.

8. *a)* The billing in case of HT/EHT shall be on the maximum demand recorded during the month or 75% 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 Supply Code Regulation. If such over-drawl is more than 20% of the contract demand then the connections shall be disconnected immediately.

   b)In case of LT CONSUMER, if in any month, the recorded maximum demand of the consumer exceeds its sanctioned load, that portion of the

demand in excess of the sanctioned load shall be billed at double the normal rate. Similarly, energy consumption corresponding to excess demand shall also be billed at double the normal rate. If such over-drawl continues for 3 consecutive months, such connection further shall be charged under high tension Category (V).

c) The definition of the maximum demand would be in accordance with the provisions of the Supply Code Regulation. If such over-drawl is more than 20% of the contract demand / sanctioned load 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 2000Kwh will be billed at twice the respective normal rate. Such connections drawing more than120 kVA, shall be disconnected immediately.

9. Unless specifically stated to the contrary, the figures of energy charges relates to paisa per unit (kWh) charge for energy consumed during the month.

10. Delayed payment surcharge shall be applicable to all categories of consumers. Delayed payment surcharge of 2% 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 paise shall be ignored and amount of 50 paise or more shall be rounded off to next rupee. In case of permanent disconnection, delayed payment surcharge shall be charged only up to the month of permanent disconnection.

11. **Advance Payment Rebate:** If payment is made in advance well before commencement of consumption period for which 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.

12. **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 current month bill amount (excluding penalty charges if any, arrears and credit) shall be given. Those consumers having arrears shall not be entitled for such rebate.

13. The adjustment on account of Fuel and Power Purchase Cost variation shall be calculated in accordance with FPPCA formula separately notified by the Commission under the Regulation. Such charges shall be recovered / refunded in accordance with the terms and conditions specified in the FPPCA formula.
14. 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 FY 2015-16.

15. Schedule of other charges approved in this Tariff Order will remain in force till 31st March.

The detailed tariff Schedule is outlined as under:

DETAILED TARIFF SCHEDULE

I. (A) Domestic Category

Applicable to private houses, hostels, hospitals run on Non-commercial lines, Charitable, Educational and Religious Institutions for light, Fans, Radios, domestic heating and other household appliances including water pumps up to 2 HP.

1. Energy Charges

Usage(Units/Month)	Energy Charge (Ps./Unit)
0-50 units	120
51-200 units	180
201-400 units	220
401 and above	255

(B) Power Supply to Low Income Group (Up to 2x40 W bulbs only)

Power supply to low income group connections will be charged at Rs. 10.00/- per service connection per month. For any unauthorized increase in the load beyond 2x40 watts, **penal** charges at the rate of Rs. 20.00 per month per point will be levied **for the past six months from the date of detection and further such connection shall be charged under Domestic Category (A).**

II. Non-Domestic Category/Commercial

This includes all categories, which are not covered by other tariff categories including Domestic Category, Power Supply to low Income Group, Industrial LT, HT/EHT Category (A&B), Agriculture and Poultry, Public Lighting.

Applicable for Shops, Offices, Restaurants, Bus Stations, Photo Studios, Laundries, Cinema Theatres, clubs, common meters of societies and other Commercial installations.

1. Energy Charges

Usage(Units/Month)	Energy Charge (Ps./Unit)
1-100 units	255
101 units and above	335

III. LT Category

Applicable to all Low Tension Motive Power Connections including water works/pumps except LT Public Water Works with sanctioned load up to 99 HP.

1. Energy Charges

Usage(Units/month)	Energy Charge (Ps./Unit)-
For all units	355

2. Fixed Charges

	Fixed charge (Rs./HP/month) or part thereof
Upto 20 HP	Nil
For loads above20 HP	Rs 25.00/- per HP or part thereof

3. Power Factor Charges

Any motive power connection above 3 HP running without proper capacitors installed so as to maintain Power Factor 0.90 as per the Commission's regulation 11/2010 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. In case of abnormal power factor decrease, the department will give the consumer 15days' time to install appropriate capacitors and maintain the standard power factor. If the consumer is not able to rectify

the problem within the notice time, the connection will be liable for disconnection. ED-DNH reserves the right to 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.

IV. LT Public Water Works

Applicable to all Low Tension Public Water Works/Pumps-Government aswell as non-Government connections- with sanctioned load up to 99 HP.

1. Energy Charges

Usage(Units/month)	Energy Charge (Ps./Unit)-
For all units	370

2. Fixed Charges

	Fixed charge (Rs./HP/month) or part thereof
Upto 20 HP	Nil
For loads above20 HP	Rs 25.00/- per HP or part thereof

3. Power Factor Charges

Any motive power connection above 3 HP running without proper capacitors installed so as to maintain Power Factor 0.90 as per the Commission's regulation 11/2010 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. In case of abnormal power factor decrease, the department will give the consumer 15 days' time to install appropriate capacitors and maintain the standard power factor. If the consumer is not able to rectify the problem within the notice time, the connection will be liable for disconnection. ED-DNH reserves the right to 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.

V. HT/EHT Category

A. High Tension Consumer HT (A) - I

Applicable to all Industrial/Motive power consumers drawing through 11 kV/66 kV/220 kV systemshaving contract demand of 100 kVA and above.

1. Fixed Charges(Demand Charges)

For Billing Demand	Charges (Rs./KVA/month) or part thereof
Up to Contract Demand	Rs. 130/-
In Excess of Contract Demand	Rs 260/-

2. Energy Charges

Usage(Units/Month)	Tariff (Ps./Unit)
All units	440

3. Penalty Charges: Twice the applicable Charges.

a) Penalty charges will be levied on those units, which are drawn beyond the contact demand. These Units will be worked out on pro-rata basis co - relating the total consumption of the month with billing demand.

b) If Industries are overdrawing power by more than 20% of the Contract demand, their electricity connection will be disconnected immediately.

4. Power Factor Charges

a. The monthly average power factor of the supply shall be maintained by the consumer not less than 0.90 (lagging). If the monthly average power

factor of a consumer falls below 90% (0.9 lagging), such consumer shall pay a surcharge in addition to his normal tariff @ 1% on billed demand and energy charges for each fall of 0.01 in power factor.

b. In case the monthly average power factor of the consumer is more than 95% (0.95 lagging), a power factor incentive @ 0.5% on demand and energy charges(excluding penalty charges, if any) shall be given for each increase of 0.01 in power factor above 0.95 (lagging).

c. If the average power factor falls below 0.70 (lagging) consecutively for 3 months, the licensee reserves the right to disconnect the consumer's service connection without prejudice for the levy of the surcharge.

d. The power factor shall be rounded off to two decimal places. For example, 0.944 shall be treated as 0.94 and 0.946 shall be treated as 0.95.

5. Billing Demand

Billing demand will be the highest among the following:
a) 100 kVA
b) 75% of the Contract demand
c) Actual Demand Established

B. HT Industrial HT (B) (Ferro Metallurgical/ Steel Melting/ Steel Rerolling Power Intensive)

1. Fixed Charges(Demand Charges)

For Billing Demand	Tariff (Rs./KVA/month) or part thereof
Up to Contract Demand	Rs. 400/-
In Excess of Contract Demand	Rs. 800/-

2. Energy Charges

Usage(Units/Month)	Tariff (Ps./Unit)

Usage(Units/Month)	Tariff (Ps./Unit)
For all units	430

3. **Penalty Charges**: Twice the applicable Charges.

a) Penalty charges will be levied on those units, which are drawn beyond the contact demand. These Units will be worked out on pro-rata basis co-relating the total consumption of the month with billing demand.

b) If Industries are overdrawing power by more than 20% of the Contract demand, their electricity connection will be disconnected immediately.

4. **Power Factor Charges**

a. The monthly average power factor of the supply shall be maintained by the consumer not less than 0.90 (lagging). If the monthly average power factor of a consumer falls below 90% (0.9 lagging), such consumer shall pay a surcharge in addition to his normal tariff @ 1% on billed demand and energy charges for each fall of 0.01 in power factor.

b. In case the monthly average power factor of the consumer is more than 95% (0.95 lagging), a power factor incentive @ 0.5% on demand and energy charges (excluding penalty charges, if any) shall be given for each increase of 0.01 in power factor above 0.95 (lagging).

c. If the average power factor falls below 0.70 (lagging) consecutively for 3 months, the licensee reserves the right to disconnect the consumer's service connection without prejudice for the levy of the surcharge.

d. The power factor shall be rounded off to two decimal places. For example, 0.944 shall be treated as 0.94 and 0.946 shall be treated as 0.95.

5. **Billing Demand**

Billing demand will be the highest among the following:

a) 100 kVA

b) 75% of the Contract demand

c) Actual Demand Established

VI. Agriculture and Poultry

Agriculture, Lift Irrigation Schemes or poultry loads up to 99 HP sanctioned will be considered in this category.

1. Energy Charges

Usage	Tariff (Ps./Unit)
For connected load upto 10 HP	70
Beyond 10 HP and upto 99 HP connected load	100

VII. Public Lighting

1. Energy Charges

Usage	Tariff (Ps./Unit)
For all units	310

VII. HOARDINGS/SIGNBOARDS

Electricity for lighting external advertisements, external hoardings and displays at departments stores, malls , multiplexes, theatres, clubs, hotels, bus shelters, Railway Stations shall be separately metered and charged at the tariff applicable for "Advertisements and Hoardings" category, except such displays which are for the purpose of indicating / displaying the name and other details of the shop, commercial premises itself. Such use of electricity shall be covered under the prevailing tariff for such shops or commercial premises. The connection for " Advertisements and Hoardings" category would be covered under the permanent supply of connection.

Energy Charges (Paise /kWh)	Fixed Charge
700	Rs 100 per kVA per Month or part thereof

IX. Temporary Supply: 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.

The Temporary Tariff are applicable for temporary period of supply up to 1 (one) month, which can be extended for another period of supply up to maximum period of 2 years.

X. Schedule of Other Charges

a. Meter Rent

S.No.	Meter type	Tariff (in Rs.)/Month or part thereof
1	Single Phase	Rs 10
2	Three Phase	Rs 50
3	LT Meter with MD indicator	Rs 200
4	Tri- vector Meter	Rs 500

Note: The type of meters to be installed in consumer premises will be decided by the department.Generally, the consumers having connected load above 50 HP will be provided with L.T.M.D. meters

b. Reconnection Charges

S.No.	Connection type	Tariff (in Rs.)/Month or part thereof
1	Single Phase	Rs 50
2	Three Phase	Rs 100
3	Three Phase Industrial	Rs. 500
4	HT	Rs 1000

c. Service Connection Charges

S.No.	Connection type	Tariff (in Rs.)/Month or part thereof
1	Single Phase	Rs 250
2	Three Phase	Rs 1000
3	Three Phase Industrial	Rs 2500
4	HT (First 500 KVA)	Rs 15000
5	HT (Beyond 500 KVA)	Rs 1200 per 100 KVA or part thereof

d. Extra Length Charge

S.No.	Connection type	Tariff /Meter (in Rs.)
1	Single Phase	Rs 25/meter
2	Three Phase	Rs 50/meter

Extra length Chargeable will be beyond permissible 30 meters free length from existing network fornew connection for all categories except Agriculture. Free length in respect of New Agricultureconsumer is 300 meters

e. Cost of HT connection

Entire Cost of setting up HT connection would be borne by the consumer and the agreement period would be two years for the category. 15% supervision charges shall be recovered by DNHPDCL.

f. Testing Fee for various Metering Equipment

S.No.	Connection Type	Fee per unit (in Rs.)
1	Single Phase	100
2	Three Phase	300
3	Three Phase Tri-vector Meter (0.5 Class) Industrial LT Consumer	500
4	Three Phase Tri-vector Meter (0.5 Class) 11 KV HT Consumer	500
5	Three Phase Tri-vector Meter (0.2 Class) 66KV EHT Consumers	1000
6	Combined CTPT Unit for 11 KV Consumer	500
7	66 KV CT / PT Unit	1000
8	Three Phase CT Block	300
9	CT Coil	100

g. **Fees (Non-refundable) for submission of Test Report of wiring Completion**

S.No.	Types of Connection	Fee per test report (in Rs.)
1	Single Phase Lighting / Domestic	10
2	Three Phase Lighting /Domestic	25
3	Single Phase Lighting / Non Domestic	50
4	Three Phase Lighting / Non Domestic	100
5	Three Phase LT Industries	250
6	Single Phase / Three phase Agriculture / Streetlight / Public Lighting & others	50
7	HT Industries upto 500 KVA	1000
8	HT Industries upto 2500 KVA	5000
9	HT Industries above 2500 KVA	10000

XI. Change of Name

S.No	Connection Type.	Fee per unit (in Rs.)
1.	Domestic / commercial / Agriculture /Poultry (1o / 3o connections).	100
2.	LT / PWW / PL / Hoardings / sign board / Temporary connections.	500
3.	HT Connections.	1000

XII. Security Deposit for release of connection

S.No	Connection Type.	Amount in Rs.
1.	Domestic / commercial / Agriculture /Poultry (1o / 3o connections).	Rs.2 per watt.
2.	LT / PWW / PL / Hoardings / sign board / Temporary Connections.	Rs.1500 per HP.

3.	HT Connections.	Rs.5000 per KVA.

XIII. Cheque Bounce Charges

S.No	Amount of Cheque	Amount of Penalty (Rs.)
1.	Rs. 1000 to Rs. 5000	Rs. 250
2.	Rs. 5000 to Rs. 50000	Rs. 500
3.	Rs. 50000 and above	Rs. 1000

Prayer

1. DNHPDCL requests the Honorable Commission to:

- Admit and approve the Aggregate Revenue Requirement (ARR) for Multi Year Tariff Determination for the Control Period FY 2015-16 to FY 2017-18 as submitted herewith.

- Approve the proposal for Aggregate Revenue Requirement and Tariff Hike for FY 15-16.

- Admit and approve the Trued up ARR for FY 2013-14.

- Condone any inadvertent omissions/ errors/ shortcomings and permit the Petitioner to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date.

- Submit necessary additional information required by the Commission during the processing of this petition.

- And pass such other and further orders as are deemed fit and proper in the facts and circumstances of the case.

BY THE APPLICANT THROUGH

PETITIONER
DNH Power Distribution Corporation Ltd.

Executive Engineer(Dist.)
DNH Power Distribution Corporation Ltd.
U.T. of Dadra & Nagar Haveli, Silvassa

Silvassa
Dated: