



दादरा नगर हवेली उजा वितरण निगम लिमिटेड
(सरकार का उपक्रम)
DNH POWER DISTRIBUTION CORPORATION LTD.
(A Government Undertaking)
CIN : U40100DN2012GO1000405

No. 11-8(55)/DNHDDPCL/2022 592

Dated: - 06/12/2022

To,
The Secretary

Joint Electricity Regulatory Commission

(for the state of Goa and Union Territories)

3rd and 4th, Plot No. 55-56, Pathkind Lab Building,

Sector -18, Udyog Vihar, Phase IV

Gurgaon, (122015) Haryana.

Sub: Petition for Approval of ARR for the FY 2023-24 for DNH and DD Power Corporation Limited under section 61, 62 and 64 of The Electricity Act 2003 and Tariff proposal for FY 2023-24.

Respected Sir,

With reference to the above cited subject please find enclosed herewith the Petition for approval of ARR for the FY 2023-24 for DNH and DD Power Corporation Limited under section 61, 62 and 64 of The Electricity Act 2003 & Tariff Proposal for FY 2023-24. The petition fees of Rs. 20,00,000/- has been paid vide RTGS (UTR No. - **BARBH**).

22340783220

The DNH and DD Power Corporation Limited most respectfully submits the above ARR Petition to the Hon'ble Joint Electricity Regulatory Commission.

Yours faithfully,

(Signature)
05/12/2022
(C.A.Parmar)

Chief Engineer

Chief Engineer
DNH Power Distribution Corporation Ltd.
U.T. of Dadra & Nagar Haveli, Silvassa

List of Enclosures. :-

1. Six Copies of the ARR Petition for the FY 2023-24
2. Annexures

पंजीकृत कार्यालय: विद्युत भवन, ६६ केवी रोड, सचिवालय के पास, आमली, सिलवासा - ३९६ २३०.

Regd. Office: Vidyut Bhavan, 66 KV Road, Near Secretariat, Amli, Silvassa - 396 230.

Tele.: (0260) 2406500 | TeleFax: (0260) 2642338 | Fax: (0260) 2406502 | Email: support@dnhpdcl.in | Website: www.dnhpdcl.in

“बिजली की बचत ही बिजली का उत्पादन है। ENERGY IS LIFE. CONSERVE IT.”

AFFIDAVIT

**BEFORE HON'BLE JOINT ELECTRICITY REGULATORY COMMISSION FOR THE
STATE OF GOA & UNION TERRITORIES**

File No. _____

Case No. _____

IN THE MATTER OF: Filing of Aggregate Revenue Requirement (ARR) for FY 2023-24 under Section 61, 62 and 64 of the Electricity Act, 2003

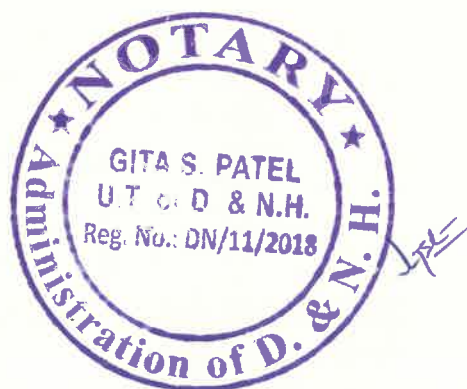
AND

IN THE MATTER OF DNH and DD Power Corporation Limited
(hereinafter referred to as "DNHDDPCL" or "The Petitioner" or
"The Department")
..... Petitioner

I, Shri Chhatrasinh Parmar, son of Shri Ambelal Parmar (aged 66 years), (occupation) Government Service residing at Valsad, the deponent named above do hereby solemnly affirm and state on oath as under:

1. That the deponent is the Chief Engineer, DNH Power Distribution Corporation Limited, who is authorized by the order of the Administration of Dadra & Nagar Haveli and is acquainted with the facts deposed as below.
2. I, the deponent name above do hereby verify that the contents of the accompanying petition are based on the records of the DNH Power Distribution Corporation Limited maintained in the ordinary course of business and believed them to be true and I believe that no part of it is false and no material facts have been concealed therefrom.

Details of enclosures:





Proposal for Aggregate Revenue Requirement (ARR) and Tariff Petition for the FY 2023-24 for determination of tariff.

Petition fee - Rs. 20,00,000/- vide RTGS.

As per The Joint Electricity Regulatory Commission for Goa & Union Territories (Conduct of Business) (Fourth Amendment (Regulations, 2015).

Parman

For the DNH Power Distribution Corporation Limited

Chief Engineer Petitioner
DNH Power Distribution Corporation Ltd.
Place: Dadra & Nagar Haveli, Silvassa



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

Advocate

Solemnly affirmed before me on this 05 day of December 2022 at Silvassa p.m/a.m by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

Solemnly affirmed before me by

Shri C. A. PARMAR

who is identified by Shri R. B. Chaudhary

whom I personally known

SIGNED BEFORE ME

[Signature]
105/12/2022

GITA S. PATEL
B. A., LLB
ADVOCATE & NOTARY
Vachla Faliya, Kheradpada,
U.T. of Dadra & Nagar Haveli
Silvassa-396 230.

Book No. 18
Page No. 29
Serial No. 8635
Date: 05/12/2022
Certificate of Practice
Valid till 10-10-2023

IDENTIFIED BY ME

[Signature]
9904802082



Truing up for FY2021-22,

AND

Review of FY 2022-23,

ARR for FY 2023-24

And

Tariff Revision Proposal for FY 2023-24
Main Text & Formats (Volume I)

Submitted to:

Joint Electricity Regulatory Commission
Gurgaon

By

DNH and DD Power Corporation Ltd.



December 2022

**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 FY
2023-24 under Section 61, 62 and 64 of the Electricity Act,
2003

AND

IN THE MATTER OF DNH and DD Power Corporation Limited
(hereinafter referred to as "DNHDDPCL" or "The
Petitioner" or "The Department")
..... Petitioner

The Applicant respectfully submits as under: -

1. DNH and DD Power Corporation Limited (DNHDDPCL) is Corporation engaged in the transmission of electricity in Dadra & Nagar Haveli w.e.f. 01/04/2022 in view of 'The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organisation and Reforms) Transfer Scheme 2022'. 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 Joint Electricity Regulatory Commission. Based on the provisions of Section 61, 62 and 64 of the Act, DNHDDPCL is filing the current Petition, in order to meet its financial requirements.
2. This is a Petition indicating the Truing up Petition for FY 2021-22, Review of FY2022-23, Aggregate Revenue Requirement (ARR) and Tariff Proposal of DNHDDPCL for the FY 2023-24 (Financial Year 2023-24).



TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION	9
1.1 DNHDDPCL PROFILE	9
1.2 MULTI YEAR TARIFF DISTRIBUTION REGULATIONS, 2021	12
1.2.1 UNCONTROLLABLE PARAMETERS INCLUDE	12
1.2.2 CONTROLLABLE PARAMETERS INCLUDE	13
1.3 CONTENTS OF THIS PETITION.....	13
CHAPTER 2: TRUE UP FOR FY 2021-22	15
2.1 PRINCIPLES FOR TRUE UP FOR FY 2021-22	15
2.2 ENERGY SALES FOR FY 2021-22	15
2.3 DISTRIBUTION LOSSES FOR FY 2021-22	16
2.4 ENERGY REQUIREMENT AND ENERGY BALANCE	17
2.5 POWER PURCHASE COST	17
2.6 OPERATION AND MAINTENANCE EXPENSES.....	20
2.7 CAPITAL EXPENDITURE AND CAPITALIZATION	25
2.8 DEPRECIATION	25
2.9 INTEREST AND FINANCE CHARGES.....	26
2.10 INTEREST ON WORKING CAPITAL	27
2.11 RETURN ON EQUITY	28
2.12 INCOME TAX	31
2.13 INTEREST ON SECURITY DEPOSIT	32
2.14 NON-TARIFF INCOME.....	32
2.15 INCENTIVE/DISINCENTIVE TOWARDS OVER/UNDER ACHIEVEMENT OF NORMS OF DISTRIBUTION LOSSES	33
2.16 ANNUAL REVENUE REQUIREMENT FOR THE FY 2021-22	34
2.17 REVENUE FOR FY 2021-22.....	35
2.18 REVENUE (GAP)/SURPLUS FOR FY 2021-22	36
CHAPTER 3: REVIEW OF FY 2022-23	38
3.1 OPERATION & MAINTENANCE COSTS.....	40
3.2 CAPITAL EXPENDITURE PLAN	41
3.3 GROSS FIXED ASSETS	41
3.4 DEPRECIATION	42
3.5 INTEREST & FINANCIAL COSTS	43
3.9.1 INTEREST ON LONG-TERM / CAPITAL LOANS.....	43
3.9.2 INTEREST ON WORKING CAPITAL BORROWINGS	43
3.6 RETURN ON EQUITY	45

3.7	INCOME TAX.....	46
3.8	NON-TARIFF & OTHER INCOME.....	48
3.9	AGGREGATE REVENUE REQUIREMENT.....	48
3.10	REVENUE FROM EXISTING TARIFF	49
3.11	COVERAGE OF REVENUE GAP	49
CHAPTER 4: ARR FOR THE FY 2023-24		51
4.1	OPERATION & MAINTENANCE COSTS.....	52
4.11.1	EMPLOYEE EXPENSE	52
4.11.2	REPAIRS & MAINTENANCE EXPENSE.....	53
4.11.3	ADMINISTRATION & GENERAL EXPENSE.....	54
4.11.4	TOTAL OPERATION AND MAINTENANCE EXPENSE.....	55
4.2	CAPITAL EXPENDITURE PLAN	56
4.3	GROSS FIXED ASSETS.....	57
4.4	DEPRECIATION	57
4.5	INTEREST & FINANCIAL COSTS	58
4.15.1	INTEREST ON LONG-TERM / CAPITAL LOANS.....	58
4.15.2	INTEREST ON WORKING CAPITAL BORROWINGS.....	59
4.6	RETURN ON EQUITY	60
4.7	INCOME TAX.....	61
4.8	NON-TARIFF & OTHER INCOME.....	62
4.9	AGGREGATE REVENUE REQUIREMENT.....	63
4.10	COVERAGE OF REVENUE GAP	63
CHAPTER 5: TARIFF DETERMINATION		65
5.1	DETERMINATION OF THE TRANSMISSION CAPACITY OF THE SYSTEM	65
5.2	TARIFF DETERMINATION.....	65
CHAPTER 6: COMPLIANCE OF DIRECTIVES		66
PRAYER.....		72



LIST OF TABLES

TABLE 1: CATEGORY WISE SALES FOR FY 2021-22	15
TABLE 2: DISTRIBUTION LOSS FOR THE FY 2021-22	16
TABLE 3: ENERGY REQUIREMENT AND ENERGY BALANCE FOR FY 2021-22	17
TABLE 4: POWER PURCHASE COST FOR FY 2021-22	18
TABLE 5: RPO COMPLIANCE DURING FY 2021-22	19
TABLE 6: O&M EXPENSES FOR FY 2021-22	21
TABLE 8: ANALYSIS OF O&M EXPENSES	24
TABLE 9: CAPITAL EXPENDITURE AND CAPITALIZATION FOR FY 2021-22	25
TABLE 10: DEPRECIATION FOR FY 2021-22	26
TABLE 11: INTEREST ON LOAN FOR FY 2021-22	27
TABLE 12: INTEREST ON WORKING CAPITAL FOR FY 2021-22	28
TABLE 13: RETURN ON EQUITY FOR FY 2021-22	29
TABLE 14: ADDITIONAL ROE FOR FY 2020-21	31
TABLE 15: INCOME TAX FOR FY 2021-22	31
TABLE 16: INTEREST ON SECURITY DEPOSIT FOR FY 2021-22	32
TABLE 17: NON-TARIFF INCOME FOR FY 2021-22	32
TABLE 18: INCENTIVE DUE TO OVER-ACHIEVEMENT OF INTRA-STATE DISTRIBUTION LOSS TARGET	34
TABLE 19: ANNUAL REVENUE REQUIREMENT FOR FY 2021-22	34
TABLE 20: REVENUE FOR FY 2021-22	35
TABLE 21: REVENUE GAP/SURPLUS FOR FY 2021-22	37
TABLE 22: O&M EXPENSE FOR FY 2022-23	40
TABLE 23: CAPITAL EXPENDITURE & CAPITALIZATION FOR FY 2022-23	41
TABLE 24: OPENING AND CLOSING GFA FOR FY 2022-23	41
TABLE 25: DEPRECIATION RATE	42
TABLE 26: DEPRECIATION FOR FY 2022-23	42
TABLE 27: INTEREST ON LONG-TERM/CAPITAL LOANS FOR FY 2022-23	43
TABLE 28: INTEREST ON WORKING CAPITAL FOR FY 2022-23	44
TABLE 29: RETURN ON EQUITY FOR FY 2022-23	46
TABLE 30: INCOME TAX FOR FY 2022-23	47
TABLE 31: NON-TARIFF INCOME FOR FY 2022-23	48
TABLE 32: AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23	48
TABLE 33: REVENUE AT EXISTING TARIFF FOR FY 2022-23	49
TABLE 34: REVENUE GAP/SURPLUS FOR FY 2022-23	49
TABLE 35: PROJECTED EMPLOYEE EXPENSE FOR THE FY 2023-24	53
TABLE 36: REPAIRS & MAINTENANCE EXPENSE	54
TABLE 37: A&G EXPENSE	55
TABLE 38: TOTAL O&M EXPENSE FOR THE FY 2023-24	55
TABLE 39: CAPITAL EXPENDITURE FOR THE FY 2023-24	56
TABLE 40: CAPITAL EXPENDITURE & CAPITALIZATION FOR THE FY 2023-24	57
TABLE 41: OPENING AND CLOSING GFA FOR THE FY 2023-24	57
TABLE 42: DEPRECIATION	58
TABLE 43: TOTAL INTEREST ON LONG-TERM LOANS	58
TABLE 44: INTEREST ON WORKING CAPITAL FOR THE FY 2023-24	60
TABLE 45: RETURN ON EQUITY FOR THE FY 2023-24	61
TABLE 46: INCOME TAX FOR THE FY 2023-24	62
TABLE 47: NON-TARIFF INCOME FOR THE FY 2023-24	63
TABLE 48: AGGREGATE REVENUE REQUIREMENT FOR THE FY 2023-24	63

TABLE 49: REVENUE GAP FOR FY 2023-24.....	64
TABLE 50: TRANSMISSION CAPACITY OF THE TRANSMISSION SYSTEM.....	65
TABLE 51: DETERMINATION OF TRANSMISSION TARIFF	65

Notes:

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
DNHDDPCL	DNH DD Power Corporation Limited
DNHDDPDCL	DNH and DD Power Distribution Corporation Limited
ED-DD	Electricity Department, Daman and Diu
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 DNHDDPCL Profile

DNH and DD Power Corporation Limited (DNH-DDPCL) has been incorporated and reconstituted from the erstwhile DNHPDCL (DNH Power Distribution Corporation Limited) and engaged in the electricity transmission business from April 1, 2022. On May 16, 2020, the Government of India (GOI) announced Privatization of power departments / utilities in Union Territories (UTs) as a part of Aatmanirbhar Bharat Abhiyaan. The intent of this initiative is to provide to better service to customers, improvement in operational and financial efficiency in distribution of power and will also provide a model for emulation by other utilities across the country. Further, the Union Territory of Dadra & Nagar Haveli and Daman & Diu (DNH-DD) has been formed by merging two erstwhile UTs, namely Dadra & Nagar Haveli (DNH) UT and Daman & Diu (DD) UT, on January 26, 2020, through an Act passed in the Parliament of India.

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

- (a) A new Distribution Company, named as DNH-DD Power Distribution Corporation Limited (DNH-DD PDCL), has to be undertaken the business of distribution of electricity in the UT of DNH-DD.
- (b) Network at 11 kV and below voltage level of both erstwhile DNH PDCL and EDDD has to be transferred to the said new Distribution Company.
- (c) Residual network/assets of EDDD and erstwhile DNH PDCL would be remain with respective entities.
- (d) DNH PDCL would be renamed as DNH and DD Power Corporation Limited (DNH-DDPCL) and will function as transmission licensee; and
- (e) The EDDD will be responsible for all electricity functions including transmission, STU, SLDC, generation and planning in the UT.



The above restructuring and reorganization of power business in the area of UT of DNH and DD has already been notified by issuing 'The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organisation and Reforms) Transfer Scheme 2022' vide gazette notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/411 dated 09/03/2022. Further, a Government Policy direction under section 109 read with section 108 of the Electricity Act 2003 has also been notified vide gazette notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/412 dated 09/03/2022. The above said notification has been made effective from 01/04/2022. The copies of these gazette notifications has been attached with the said tariff petition.

Brief Information about erstwhile DNHPDCL (DNH Power Distribution Corporation Limited)

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 DNHDDPCL. The functions and duties of DNHDDPCL as mentioned in the Scheme document are as follows:

- Laying and operating of such electric line, sub-station and electrical plant that is primarily maintained for the purpose of distributing electricity in

the area of supply of DNHDDPCL, notwithstanding that such line, sub-station or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purpose of transmitting electricity for others, in accordance with Electricity Act, 2003 or the Rules framed there under.

- Arranging, in-coordination with the Generating Company(ies) operating in or outside the State, for the supply of electricity required within the State and for the distribution of the same in the most economical and efficient manner;
- Supplying electricity, as soon as practicable to any person requiring such supply, within its competency to do so under the said Act;
- Preparing and carrying out schemes for distribution and generally for promoting the use of electricity within the State.

The present distribution system of DNHDDPCL consists of 36.88 circuit km of 220 kV double circuit (D/C) lines, 279.90 km of 66 kV D/C lines, 833.70 circuit km of 11 kV lines along with 1102 distribution transformers.

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

The power demand is primarily dependent on the HT and LT industrial consumers contributing approximately 97% of the total sales. Considering the present demand from HT and LT industrial consumers, the demand by the end of FY 2022-23 is likely to reach around 6800 MUs. In view of the power requirements, DNHDDPCL had proposed a number of schemes to be implemented during the coming years for strengthening and augmentation of the transmission and distribution system in the territory.

DNHDDPCL has total sub-transmission capacity of 1000 MVA, including 520 MVA in Kharadpada and 420 MVA Khadoli sub-stations. Total installed capacity at 66/11 kV sub-stations are 782 MVA. DNHDDPCL 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 Regulations, 2021

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

1.2.1 Uncontrollable Parameters include

- 1 Force Majeure events;
- 2 Change in Law, judicial pronouncements and Orders of the Central Government, State Government or Commission;
- 3 Variation in the number or mix of Consumers or quantities of electricity supplied to Consumers;
- 4 Transmission loss;
- 5 Variation in the cost of power purchase due to variation in the rate of power purchase from approved sources, subject to clauses in the power purchase agreement or arrangement approved by the Commission;
- 6 Variation in fuel cost;
- 7 Change in power purchase mix;
- 8 Inflation;
- 9 Transmission Charges for a Distribution Licensee;
- 10 Variation in market interest rates for long-term loans;
- 11 Employee expenses limited to one time payment owing requirements of a pay commission and terminal liability of employees;



- 12 Taxes and Statutory levies;
- 13 Taxes on income;
- 14 Income from the realization of bad debts written off:

1.2.2 Controllable Parameters include

- 1 Variations in capitalization on account of time and/or cost overruns/ efficiencies in the implementation of a capital expenditure project not attributable to an approved change in scope of such project, change in statutory levies or force majeure events;
- 2 Variation in Interest and Finance Charges, Return on Equity, and Depreciation on account of variation in capitalization, as specified in clause (a) above;
- 3 Variations in technical and commercial losses of Distribution Licensee;
- 4 Availability of transmission system;
- 5 Variations in performance parameters;
- 6 Failure to meet the standards specified in the Joint Electricity Regulatory Commission for the State of Goa & UTs (Standard of Performance for Distribution Licensees) Regulation, 2015, as amended from time to time;
- 7 Variations in labour productivity;
- 8 Variation in O&M Expenses, except to the extent of inflation;
- 9 Bad debts written off;

1.3 Contents of this Petition

This Petition covers the truing up of FY 2021-22, review for FY 2022-23 and the basis, assumptions and projections of individual elements constituting the determination of ARR and Tariff Proposal for FY 2023-24. The Joint Electricity Regulatory Commission (JERC) for the State of Goa and Union Territories had issued the first Tariff Order for DNHDDPCL for the FY 10-11 on 1st November, 2010 and subsequently the second and third Tariff Orders for FY 2011-12 and FY 2012-13 were issued on 13th September, 2011 and 31st July, 2012. The Hon'ble Commission had issued the fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth and thirteenth Tariff Orders on 25th March 2013, 5th May, 2014, 1st April, 2015, 7th April, 2016, 9th June, 2017, 30th January, 2018, 29th May, 2019, 18th May, 2020, 23rd March, 2021 and 31st March, 2022 for the FY 2013-14, FY 2014-15, FY 2015-16, MYT Control Period FY 2016-17 to FY 2018-19, FY 2017-18, FY

2018-19, MYT Control Period FY 2019-20 to FY 2021-22, FY 2020-21, FY 2021-22 and MYT Control period FY 2022-23 to FY 2024-25 respectively. The Commission in its last Tariff Order for the FY 2021-22 has approved the ARR for the Control Period FY 2022-23 to FY 2024-25 based on the actual cost for FY 2020-21 and estimated expenses for FY 2021-22.

Chapter 2: True up for FY 2021-22

2.1 Principles for True up for FY 2021-22

As per The Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2018, the Hon'ble Commission shall undertake the True Up of licensee for FY 2021-22 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 MYT Regulations, DNHDDPCL is filing for True Up for the year FY 2021-22. Information provided in the True Up for FY 2021-22 is based on the Annual Audited 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 23rd March, 2021 and the revised parameters in the Tariff Order dated 31st March, 2022 for the FY 2021-22.

Accordingly, revised Aggregate Revenue Requirement, revenue and gap for FY 2021-22 are given in the following sections of this chapter.

2.2 Energy Sales for FY 2021-22

The actual energy sale for FY 2021-22 has been shown below along with approved values by Hon'ble Commission vide Tariff Order dated 23rd March, 2021 and the revised sales approved in the Tariff Order dated 31st March, 2022. The actual energy sales for FY 2021-22 are as under:

Table 1: Category wise sales for FY 2021-22

Particulars	(MU)		
	FY 21-22 Approved (23 rd March, 2021)	FY 21-22 Approved (31 st March, 2022)	FY 21-22 Actual
Domestic	167.74	160.72	156.58
LIG/ Kutir Jyoti	0.00	7.33	7.40

Particulars	FY 21-22	FY 21-22	FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Commercial	38.89	36.53	37.22
Agriculture	5.46	4.28	4.21
LT Industry	227.55	236.36	241.39
HT/EHT Industry	6088.87	6200.57	6,189.72
Public Lighting	3.22	2.40	2.47
Public Water Works	5.26	5.10	5.09
Temp. Supply	3.79	7.07	4.42
Total Sales	6,540.78	6,660.36	6648.49

It can be observed that the actual sales for FY 2021-22 is slightly less than the sales approved by the Commission vide its Tariff order dated 31st March, 2022. The variation in sales of electricity to the consumers is attributed as uncontrollable factor. Therefore, DNHDDPCL requests the Hon'ble Commission for the truing up of actual sales as shown in the Table above.

2.3 Distribution Losses for FY 2021-22

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

The Hon'ble Commission vide its Tariff Orders dated 31st March, 2022 had approved the distribution loss at 4.10%. Against that the actual distribution losses in FY 2021-22 were 2.89%. The following Table shows the comparison of actual distribution losses of the DNHDDPCL against that approved by the Hon'ble Commission vide its Tariff Orders dated 23rd March, 2021 and 31st March, 2022.

Table 2: Distribution Loss for the FY 2021-22

Particulars	FY 21-22	FY 21-22	FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Distribution Loss	4.10%	4.10%	2.89%

The DNHDDPCL requests the Hon'ble Commission to approve the actual T&D losses for FY 2021-22.

2.4 Energy Requirement and Energy Balance

Based on the actual energy sales and the transmission & distribution loss units, the actual energy requirement for DNHDDPCL 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 2021-22

Particulars	FY 21-22	FY 21-22
	Approved (31st March, 2022)	Actual
Sales	6,660.36	6,648.49
Open Access Sales	0.00	0.00
Less: Energy Savings	0.00	0.00
Total Sales	6,660.36	6,648.49
Add: Losses	284.75	197.84
T&D Losses	4.10%	2.89%
Energy Required at Periphery	6945.11	6,846.33
Add: Sales to common pool consumer	0.00	0.00
Add: Sales through IEX	0.00	17.61
Less: Own Generation	5.91	4.81
Total energy requirement at state periphery	6939.20	6859.13
Less: Energy Purchased through UI at Periphery	44.64	63.55
Less: Purchase from Renewable Sources	0.00	0.00
Less: Open Access Purchase	0.00	0.00
Less: Purchase from Power Exchange	944.37	996.44
Total Energy Required at Periphery	5,950.19	5,799.14
Transmission loss	226.05	252.02
Transmission loss(%)	3.66%	4.16%
Total Energy to be purchased	6,176.24	6,051.16
Total Energy requirement from tied up sources + UI at generator end +renewable sources	7,171.16	7,115.96
Total Energy requirement in UT including Open Access	7,171.16	7,115.96

The actual energy recorded at the periphery of DNHDDPCL was 6846.33 MUs (including own generation) during FY 2021-22. Accordingly, the actual transmission losses stood at 252.02 MUs during the FY 2021-22.

2.5 Power Purchase Cost

DNHPDCL sources power from Central Generating Stations like Korba, Vindhyachal, Kahalgaon, Kawas, Sipat, Tarapur and Kakrapar atomic power stations of NPCIL etc. The power procured during FY 2021-22 as against that approved by the Hon'ble Commission is provided in the table below.

Table 4: Power Purchase Cost for FY 2021-22

Particulars	MUs		Cost	
	FY 21-22	FY 21-22	FY 21-22	FY 21-22
	Approved	Actual	Approved	Actual
Power Purchase cost as per note 22	7,171.16	0.00	3,389.30	3,409.17
Less: Sale through Exchange				8.33
Less: Sale through DSM				3.11
Less: Sale through SECD				3.50
Net power purchase cost from outside market deducting sale through Exchange /DSM/SECD				3,394.23
Add: Cost towards own generation (Solar as tabled below)				3.27
Total power purchase cost				3,397.50

Cost towards Own Generation of Solar Power Installed by DNHPDCL

The Hon'ble Commission in petition no. 43/2021 has determined the cost of generation for solar plants owned and operated by DNHPDCL. The units generated from these plants during the FY 2021-22 is 4.81 MUs and these units have been distributed to the consumers and accordingly, the cost of generation of these units has been claimed as power purchase cost as tabled below;

S. N	Plants details	Units (MUs)	Rate (Rs.) per kWh	Power Cost (Cr)
1	Roof-top Solar PV - 485 kWh	0.31	7.12	0.22
2	Ground Mounted (Kala - 900 kWh	0.97	7.12	0.69
3	Ground Velugam & Athal - 3200 kWh	3.18	6.82	2.17
4	Ground Athal (Goldi) - 200 kWh	0.25	4.98	0.12
5	Ground Athal (HA) - 200 kWh	0.10	6.82	0.07
	Total	4.81		3.27

The Hon'ble Commission had approved a power purchase cost of Rs. 3389.30 Crore in the last Tariff Order, whereas, the actual power purchase cost was Rs. 3397.50 Crore.

The DNHDDPCL purchased 63.55 MU and 996.44 MU during FY 2021-22 through UI and Open Market respectively at the cost of Rs. 29.88 Crore and Rs. 493.87 Crore to meet the energy shortfall during the year. The cost of these procurement is Rs. 4.70 per unit (UI) and Rs. 4.96 per unit (Open Market). The DNHDDPCL also requests the JERC to allow the UI and Open Market purchases during FY 2021-22 without any penalty as the DNHDDPCL has already incurred the amount and these costs has been included in the power purchase cost for FY 2021-22.

In the Annual Audited Accounts submitted to the Hon'ble Commission the power purchase cost has been given as Rs. 3409.17 Crore. During the FY 2021-22 the DNHDDPCL's own generation of solar power was 4.81 MUs. Hence, an amount of Rs. 3.27 Crore has been added towards own generation of solar power based on the levelised tariff approved by the Hon'ble Commission for solar power. Further, the revenue earned through sale of power through exchange, deviation settlement mechanism and SCED income amounting to Rs. 14.94 Crore (note 20 of Annual Audited Accounts) has been deducted from the power purchase cost to arrive at the total power purchase cost for the FY 2021-22. Hence, the total power purchase cost is Rs. 3397.50 Crore.

The power purchase cost approved by the Commission for FY 2021-22 was Rs. 3389.30 crore (Units - 7171.16 MUs), whereas, the actual power purchase cost as tabled above as per audited financial statements was Rs. 3397.50 crore (Units - 7115.96 MUs). The marginal variation in power purchase cost was around Rs. 8.20 crore. The said variation is mainly on account of non-consideration of cost of power from own generation and further increase in prices for power purchase from open market and tied up sources.

RPO Compliance

The details of RPO compliance during the FY 2021-22 is provided in the table given below:

Table 5: RPO Compliance during FY 2021-22

Particulars	Mus
Generation of Solar Power by DNHDDPCL	4.81
Generation of Solar Power by Consumers	48.76
Solar Power Purchase	189.01
Total Solar RPO Compliances	242.58
Non-solar Power Purchase	338.46
Non-solar Power Certificate	200.00
Total non Solar RPO Compliances	538.46
Total RPO Compliances	781.04

Further, power purchase cost is approximately the same as approved by the Hon'ble Commission for FY 2021-22. There is no abnormal / material variation, which requires any justification / explanation. This clearly establishes that DNHDDPCL is making its best efforts to procure power at best economical rate by scheduling the power from cheaper sources by reviewing the daily power requirement and making efforts to procure power through UI as per permissible norms instead of procuring costlier power from other sources.

The DNHDDPCL, requests the Hon'ble Commission to approve the actual power purchase cost for FY 2021-22 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 systematic and planned maintenance, the day to day maintenance of the distribution network of the DNHDDPCL and form an integral part of the company's efforts towards reliable and 24X7 power supply as also in the reduction of losses in the system. This

further includes stores and spares used for maintenance activity and licensing fees paid to JERC.

Administration expenses mainly comprise of audit expenses, printing and stationery, advertisements, telephone and communication expenses, legal and professional charges, fees and subscription, conveyance and travelling allowances and other miscellaneous office expenses.

The Hon'ble Commission had approved the O&M cost at Rs. 34.76 Crore and Rs. 36.90 Crore respectively vide Tariff Order dated 23rd March, 2021 and 31st March, 2022 respectively. The actual and O&M expenses approved by the Hon'ble Commission are given in the table below:

Table 6: O&M Expenses for FY 2021-22

Particulars	FY 21-22	FY 21-22	(Rs. Crore) FY 21-22
	Approved (23 rd March, 2021)	Approved (31 st March, 2022)	Actual
Employee Cost	14.73	14.86	14.00
R&M	13.07	13.11	20.22
A&G	6.96	8.93	5.59
O&M Expenses	34.76	36.90	39.81

During FY 2021-22, DNHDDPCL incurred actual O&M expense of Rs. 39.81 Crore which included Employee cost of Rs. 14.00 Crore, Repair & Maintenance charges of Rs. 20.22 Crore and Administration & General Expenses of Rs. 5.59 Crore.

Analysis of O&M Expenses

The analysis of O&M expenses each head wise as tabled above incurred for FY 2021-22 along with variations, reasons and other factors are further analysed as under.

Repair & Maintenance Expenses

The approved Repair & Maintenance Expenses as per the tariff order dated 31/03/2022 is Rs. 13.11 Crore for the FY 2021-22, whereas, the actual expenditure is Rs. 20.22 Crore. The variation (i.e. increase) in the repair and maintenance cost as actual and approved is Rs. 7.11 Crore (i.e. Rs. 20.22 Crore less Rs. 13.11 Crore). In the said matter the following may be seen;

a. License Fees for Operation of Business

The Commission vide notification dated 11/09/2019 (5th Amendment)) issued under JERC Conduct of Business Regulation 2019 has increased the distribution licensee fees payable by the distribution licensee. The old and new provision related to payment of license fees is as under;

- Fees as per Old Regulation - 0.10% (percent) of revenues (excluding taxes, and duties) from the sale of electricity,
- Fees as per Old Regulation - 0.15% (percent) of revenues (excluding taxes, and duties) from the proposed sales (as proposed by the petitioner) and at existing tariff (approved by the Commission) of electricity for that respective year

The said changes in the payment of licensee fees not only resulted in the increase of percentage, but also the amount of revenue to be considered for the payment of license fees.

Particulars	FY 2021-22	FY 2019-20
License Fees	5.36	2.9

This has resulted increase in JERC license fees approximately 100% in the said charges. The license fees for FY 2021-22 was Rs. 5.36 crore, whereas before the said increase the level of license fees was to the tune of Rs. 2.90 crore. Apart from above, the Corporation has also paid fees for JERC filing petition to the tune of Rs. 91 Lakh for FY 2021-22.

Hence, the total payment to JERC was Rs. 6.27 crore (i.e. Rs. 5.36 crore plus Rs. 91 Lakh) around 30% of the total R&M expenses.

As per the MYT Regulation 2018, any order, pronouncement or applicable regulation by the Commission is uncontrollable event. Moreover, the Commission vide letter no. JERCC/RA-3/VI/2020-21/40 dated 04/06/2020 also assured that the additional financial implication on account of change in the payment of distribution license fees would be allowed while truing up the expenditure for FY 2020-21 and onwards. Hence, it is being submitted that the



said additional amount may be allowed as non-controllable expenses as resulting on account of changes in law.

JUSTIFICATION FOR REPAIRS & MAINTENANCE COST INCURRED BY DNHDDPCL

- A) The actual R&M expenditure of DNHDDPCL is Rs. 20.22 crore for FY 2021-22. Whereas, the approved R&M expenses for FY 2021-22 is Rs. 13.11 Crore. When, the approved R&M expenditure is Rs. 13.11 crore. The licence fees of JERC as per old methodology was Rs. 2.90 crore (around 22.12% of the approved expenses). Due to change in regulation of payment of licence fees, the licence fee is increased to Rs. 5.36 Crore for FY 2021-22 and the resultant increase is around 85 percent. Hence, the methodology of increase in R&M expenses as per WPI is not representative of actual cost recovery as allowed under regulation. If the license fee is presumed to be 22.12% of new R&M expense. The R&M expenses should be Rs. 24.23 crore (Rs. 5.36 crore/22.12*100). This is higher to the actual R&M expenses incurred by the DNHDDPCL.
- B) Secondly, as per 9th Annual Integrated Rating of State Distribution Discoms published by Ministry of Power in July 2021, any Distribution Utility under 'Cost Efficiency' is allowed highest rating (A rating), if their ratio of OM expenses excluding employee cost / revenue from sale of power is between 1% to 2%. For the FY 2021-22, the R&M and Admin expenses of DNHDDPCL is Rs. 25.81 Crore (i.e. Rs. 20.22 Crore plus Rs. 5.59 Crore). Whereas, the revenue from sale of power is Rs. 3,549.13 Crore. Hence, the ratio of 'Cost Efficiency' for DNHDDPCL worked out to be as 0.73% (i.e. Rs. 25.81 Crore / Rs. 3549.13 Crore). This is even less than minimum threshold of 1% as prescribed by Ministry of Power for getting the excellent rating. Hence, any reduction in the said scale of R&M expenditure is not representing of recovery of actual Cost of R&M expenditure.
- C) Thirdly, the R&M expenditure approved for DNHDDPCL in comparison with EDDD for FY 2021-22 is given in the table below:

Table 7: Analysis of O&M Expenses

Particulars	DNHDDPCL	EDDD
Load Management (MU)	6,648.49	2482.34
220 KV(CKM)	37	33
66 KV(CKM)	280	89
33 KV (CKM)	0	0
11 kV (CKM)	834	448
Total Line Length (CKM)	1151	570
Approved R&M Cost FY 2021-22 (Rs. Crore)	13.11	17.81

From the above table, it may be seen that the Power Load Management of the DNHDDPCL is higher by 150% as compared to EDDD. Further, the line length maintained by the DNHDDPCL is materially higher than as compared to EDDD. Accordingly, the R&M expenses should be higher for DNHDDPCL as compared to EDDD. However, the Commission has approved abnormally lower (approx. 55%) R&M expense for DNHDDPCL. It is also worth to mention here that the distribution area of DNHDDPCL is greater than EDDD. However, the methodology of approving the R&M expenditure under the tariff regulation is considering GFA (Gross Fixed Assets), K factor and WPI inflation, which is not a scientific methodology. This is on account of reason that the GFA value would be higher in case of modernisation, upgradation and use of new technology e.g. if GIS sub-stations along with underground cable works is undertaken in place of overhead lines. The value of GFA would be abnormally higher. However, the same would result into lower R&M cost due to state of the art facility, automation and lower maintenance cost. Whereas, under the regulation, the higher R&M would be allowed as per the applicable provision of regulation. In view of above, the present regulation results into a substantially lower R&M expenditure for the DNHDDPCL.

Moreover, it may also be noticed that Section 61 of the Electricity Act 2003 inter-alia specifically requires that the terms and conditions of determination of tariff should invariably ensure the recovery of cost of electricity in a reasonable manner. In the case of R&M expenses incurred by DNHDDPCL, it may be noticed that the scale of expenditure incurred by DNHDDPCL is reasonably less than the minimum threshold limit prescribed by Ministry of Power for grant of

excellent grading. Hence, any further deduction / materially less allowance of expenditure on the basis of other parameters i.e. considering GFA, K factor and WPI inflation and without considering the area, number of consumers, line length, number of sub-stations and other factors remains arbitrary in nature. Hence, it is requested that the R&M expenses incurred by DNHDDPCL during the FY 2021-22 may be allowed in the true up without any deduction.

2.7 Capital Expenditure and Capitalization

The actual capitalization incurred by DNHDDPCL during the FY 2021-22 was Rs. 9.61 Crore, as against Rs. 8.26 Crore approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2022. However, during the FY 2021-22, assets amounting to Rs. 26.32 Crores have been deducted from the GFA as their useful life is over or replacement. Hence, the net additions during the FY 2021-22 stood at Rs. -16.71 Crores. The capital expenditure incurred and capitalization for FY 2021-22 against that approved by the Hon'ble Commission is as shown below:

Table 8: Capital Expenditure and Capitalization for FY 2021-22

(Rs. Crore)

Particulars	FY 21-22	FY 21-22	FY 21-22
	Approved (23 rd March, 2021)	Approved (31 st March, 2022)	Actual
Capital Expenditure	18.00	10.00	9.61
Capitalisation	48.00	8.60	9.61
De-capitalization			-26.32

The DNHDDPCL, therefore, requests the Hon'ble Commission to approve the capital expenditure and capitalization for FY 2021-22.

2.8 Depreciation

The depreciation has been worked out after applying the Depreciation rates as per the JERC (Multi Year Distribution Tariff) Regulations, 2018.

For computation of depreciation, DNHDDPCL has considered the opening balance of the GFA for FY 2021-22 and subsequently added the assets capitalized in FY 2021-22.

Accordingly, the depreciation so arrived and approved depreciation for FY 2021-22 are as shown below:

Table 9: Depreciation for FY 2021-22

(Rs. Crore)			
Particulars	FY 21-22	FY 21-22	FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Opening GFA	625.53	630.76	630.76
Addition during the year	48.00	8.26	9.61
Decapitalization during the year			(26.32)
Closing GFA	673.53	639.02	614.05
Average GFA	649.53	634.89	622.40
Depreciation during the year	21.34	20.82	13.73

The opening GFA as per Annual Accounts FY 2021-22 is Rs. 661.17 Crore which also includes assets pertaining to solar plants amounting to Rs. 30.41 Crore. Accordingly, opening GFA of Rs. 630.76 Crore excluding the solar plants has been considered. There is capitalization of new assets amounting to Rs. 9.61 crore and decapitalization of assets of Rs. 26.32 crore. The net addition during the year is Rs. -16.71 Crore. Accordingly, the closing GFA considered above amounting to Rs. 614.05 crore is excluding the solar plant value of Rs. 30.41 Crore. The DNHDDPCL, requests the Hon'ble Commission to approve the actual depreciation of Rs. 13.73 Crores excluding depreciation on solar plants for FY 2021-22 without any deduction.

2.9 Interest and Finance Charges

For assessing interest on Loans in FY 2021-22, DNHDDPCL has considered the Opening Balance of Loans for FY 2021-22 as approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2022 for the Review of the ARR for FY 2021-22. The normative loan addition in FY 2021-22 has been computed as 70% of the new capitalization for FY 2021-22 which works out to Rs. 6.73Crore.. In case of decapitalization of Assets of Rs. 26.32 crore, as the full depreciation has already been provided and treated the same as full repayment

of normative loan, hence, there would not be any adjustment in normative loan on account of the said assets decapitalization (Regulation 26.2 of MYT Regulation 2018).

The repayment of loans has been considered equal to the depreciation during the FY 2021-22. Further the rate of interest has been considered as equal to the SBI PLR as on 1st April, 2021 plus 100 basis points which is 8.00%.

The total Interest & Financial charges for FY 2021-22 computed by DNHDDPCL as against approved by the Hon'ble Commission is as shown below:

Table 10: Interest on Loan for FY 2021-22

Particulars	(Rs. Crore)		
	FY 21-22 Approved (23rd March, 2021)	FY 21-22 Approved (31st March, 2022)	FY 21-22 Actual
Opening Loan	112.75	116.32	116.32
Loan for additional Capex (70:30 debt-equity)	33.60	5.78	6.73
Loan Repayment	21.34	20.82	13.73
Closing Loan	125.01	101.28	109.32
Interest Cost on Avg. Loans	9.51	8.70	9.03

The DNHDDPCL, requests the Hon'ble Commission to approve the interest on loan computed for FY 2021-22.

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 (Multi Year Distribution Tariff) Regulations, 2018.

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

- O&M expense for one month
- Maintenance spares at 40% of R&M for one month
- Receivables for 2 months
- Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt

DNHDDPCL has computed interest on working capital at 9.00% (SBI base rate as on 1st April, 2021 plus 200 basis points). The interest on working capital for FY 2021-22 as per applicable regulation against approved by the Hon'ble Commission is as shown below:

Table 11: Interest on Working Capital for FY 2021-22

Particulars	FY 21-22	FY 21-22	(Rs. Crore) FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
O&M expense for one month	2.90	3.07	3.32
Maintenance spares at 40% of R&M for one month	0.44	0.44	0.67
Receivables for 2 months	556.68	574.35	579.67
Total	560.02	577.86	583.44
Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt	60.63	76.13	83.88
Net Working Capital required after deduction of Security Deposit	499.39	501.73	499.56
Interest on Working Capital	48.69	45.16	44.98

The DNHDDPCL, requests the Hon'ble Commission to approve the interested on working capital computed for FY 2021-22.

2.11 Return on Equity

As per the JERC (Multi Year Distribution Tariff) Regulations, 2018, DNHDDPCL is entitled for a Return on Equity (RoE).

The Regulation 27.2 and 27.3 of the MYT Regulations, 2018 stipulates the following:

"27.2 The return on equity for the Distribution Wires Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use at post-tax rate of return on equity specified in the prevalent CERC Tariff Regulations for transmission system.

27.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use, at the rate of sixteen (16) per cent per annum."

The DNHDDPCL has segregated the approved average equity (average of opening and closing equity) into average equity for Distribution Wires Business and Retail Supply Business based on the Allocation Statement provided in the MYT Regulations, 2018 i.e. 90% allocation for the Distribution Wires Business and 10% allocation for the Retail Supply Business. The Commission has considered a rate of 15.50% for the Distribution Wires Business (as per the prevalent CERC Regulations) and a rate of 16% for the Retail Supply Business. The equity component has been determined in accordance with the Regulation 26 of the MYT Regulations, 2018. The following table provides the Return on Equity approved for the FY 2021-22.

Table 12: Return on Equity for FY 2021-22

Particulars	(Rs. Crore)		
	FY 21-22 Approved (23rd March, 2021)	FY 21-22 Approved (31st March, 2022)	FY 21-22 Actual
Opening Equity	152.03	153.60	189.23
Additions on account of new capitalisation	14.40	2.48	2.88
Equity adjustment for assets decapitalized	0.00	0.00	7.89
Closing Equity	166.43	156.07	184.22
Average Equity	159.23	154.84	186.72
Equity for wire business (90%)	143.31	139.35	168.05
Equity for Retail Supply Business (10%)	15.92	15.48	18.67
Return on Equity for Wire Business (%)	15.50%	15.50%	15.50%
Return on Equity for Retail Supply Business (%)	16.00%	16.00%	16.00%
Return on Equity for Wire Business	22.21	21.60	26.05
Return on Equity for Retail Supply Business	2.55	2.48	2.99
Return on Capital Base	24.76	24.08	29.03

The DNHDDPCL, requests the Hon'ble Commission to approve the return on equity computed for FY 2021-22.

Additional ROE for the FY 2020-21 and FY 2016-17, FY 2017-18, FY 2018-19 & FY 2019-20

The new concept for allowance of return on equity @ 16% of the 30% of capital base or actual equity, whichever is less, was introduced in MYT regulation 2014 (applicable from FY 2016-17). Regulation 27 of MYT Regulations, 2014 provide as follows:

“The Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower:

Provided that.....

The return on the equity invested in working capital shall be allowed from the date of start of commercial operation.

16% post-tax return on equity shall be considered irrespective of whether the Distribution Licensee has claimed return on equity in the ARR Petition”

The Opening Gross Fixed Assets as on 01/04/2016 of DNHDDPCL was Rs. 385.27 Crore. Hence, as per the applicable regulation, the equity ought to be Rs. 115.58 Crore (i.e. 30% of the capital base / Gross Fixed Assets). Whereas, the Hon’ble Commission has been considered the Opening Equity (on 01/04/2016) as Rs. 80.00 Crore by taking the value of equity share capital in place of equity as provided in the regulation. In this regard, it is worth to submit that the actual opening equity as per the Financial Statement of FY 2016-17 of DNHDDPCL was Rs. 600.45 Crore, which was more than the normative equity of Rs. 115.60 crore normative equity as on 01/04/2016, hence Rs. 115.60 crore was required to be considered as per the Regulation. The less consideration of equity by Rs. 35.60 Crore (i.e. Rs. 115.60 Crore less Rs. 80.00 Crore) has resulted into lower allowance of return of equity by Rs. 5.70 Crore (16% on Rs. 115.60 Crore = Rs. 18.50 less Rs. 16% of Rs. 80.00 Crore = Rs. 12.80 Crore) for FY 2016-07 to FY 2019-20 (four MYT years). **The total financial implication for 4 years is Rs. 22.65 crore.**

Further, the DNHDDPCL has already filed an appeal before the Hon’ble APTEL against the allowance of the lower ROE in deviation with specific provision of JERC MYT Regulation, 2014 in true up tariff order of FY2019-20. In the said appeal, the DNHDDPCL has claimed an amount of Rs. 22.65 crore less allowance of return on equity for 4 financial years i.e. FY 2016-17 to FY 2019-20.

In this regard it is also worth mentioning that Regulation specifically states that ROE should be allowed irrespective of whether the Distribution Licensee has claimed return on equity in the ARR Petition. Hence, the DNHDDPCL is claiming less allowance of ROE as additional ROE for FY 2016-17 to FY 2019-20.

The less allowance of Return of equity is also continued in true up petition for FY 2020-21 filed as per MYT Regulation, 2018. Regulation 27 of MYT Regulations, 2018 provide as follows:

“....27.3 The return on equity for the Retail Supply Business shall be allowed on the equity capital determined in accordance with Regulation 26 for the assets put to use, at the rate of 16 per cent per annum.....”

As given above, the MYT Regulations allow the utility to claim ROE on 30% of the capital base or the actual equity whichever is lower. However, the errors of less allowance of equity by computing lesser amount of equity that had crept in the previous financial years (i.e. FY 2016-17 to FY 2019-20) continued for the FY 2020-21 also under the new MYT regulation 2018. Hence, the DNHDDPCL is claiming additional ROE for the FY 2020-21 as detailed in the table given below:

Table 13: Additional ROE for FY 2020-21

Particulars	(Rs. Crore)
	FY 20-21
Return on Equity claimed in the true up Petition of FY 2020-21	25.60
Return on Equity approved for FY 2020-21 in Tariff Order	20.06
Differential ROE claimed	5.54

The DNHDDPCL, requests the Hon'ble Commission to approve the additional ROE amounting to Rs. 5.54 Crores for the FY 2020-21 also.

In view of above it is submitted that the additional ROE of Rs. 28.19 Crore (i.e. Rs. 22.65 crore plus Rs. 5.54 crore) may please be allowed for the FY 2016-17 to FY 2020-21.

2.12 Income Tax

The JERC (Multi Year Distribution Tariff) Regulations, 2018, has a provision for Income Tax on actual payment basis. The DNHDDPCL paid Rs. 27.96 Crore as income tax during the FY 2021-22.

Table 14: Income Tax for FY 2021-22

Particulars	(Rs. Crore)		
	FY 21-22	FY 21-22	FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Income Tax	15.00	20.00	27.96

In the said matter, it may be noticed that DNHDDPCL has paid a total amount of Rs. 27.96 Crore as income tax liability for the FY 2021-22 (i.e. current income tax liability as per the Statement of Profit & Loss Account). The DNHPDCL requests the Hon'ble Commission to approve the Income Tax for FY 2021-22.

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 DNHDDPCL paid the interest on security deposit of Rs. 3.46 Crore to its consumers during the FY 2021-22. The opening security deposit for the FY 2021-22 was Rs. 76.13 Crore and the closing security deposit was Rs. 84.68 Crore.

Table 15: Interest on Security Deposit for FY 2021-22

Particulars	FY 21-22	FY 21-22	(Rs. Crore) FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Interest on Security Deposit	4.20	3.20	3.46

The DNHPDCL, requests the Hon'ble Commission to approve the interest on security deposit for FY 2021-22 as given in the table above.

2.14 Non-Tariff Income

The actual Non-Tariff Income of DNHDDPCL for FY 2021-22 was Rs. 10.65 Crore. The Hon'ble Commission had approved non-tariff income of Rs. 12.66 Crore and Rs. 5.87 Crore in the Tariff Orders dated 23rd March, 2021 and 31st March, 2022 respectively. The details are as shown in the Table below:

Table 16: Non-Tariff Income for FY 2021-22

Particulars	FY 21-22	FY 21-22	(Rs. Crore) FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Non-tariff Income	12.66	5.87	10.65
Tender Fees			0.02
Provision Written Back			3.28
Sale of Scrap			-
Miscellaneous Income			2.11

Particulars	FY 21-22	FY 21-22	FY 21-22
	Approved (23rd March, 2021)	Approved (31st March, 2022)	Actual
Other Operating Income			5.24

In the matter of non-tariff income, it is further submitted that the total other income as per Note – 21 of the Financial Statement of FY 2021-22 is Rs. 39.20 Crore. However, the said other income also included the elements like interest and delayed payment charges amounting to Rs. 33.79 Crore, which are not part of non-tariff income as per the applicable provisions of Regulation (i.e. Regulation – 34.2 and 64.2 of MYT Regulation 2018). Hence, the net other income to be considered as non-tariff income is Rs. 5.41 Crore (i.e. Rs. 39.20 Crore less Rs. 33.79 Crore). Moreover, there is other operating income of Rs. 5.24 crore as per Note – 20 of the Financial Statement of FY 2021-22. Hence, the total non-tariff income works out to be Rs. 10.65 Crore.

2.15 Incentive/Disincentive towards over/under achievement of norms of distribution losses

In the APR for FY 2021-22, the Commission had approved the T&D loss level of 4.10%. The DNHDDPCL has achieved T&D loss of 2.89% against the approved loss level of 4.10%. The DNHDDPCL, in accordance with Regulation 14.1 of the JERC MYT Regulations, 2018 (reproduced below) has determined the incentive towards the over-achievement of the target of Intra-State distribution loss for FY 2021-22 as follows:

“14.1 Approved aggregate gain to the Transmission Licensee or Distribution Licensee on account of controllable factors shall be shared equally between Licensee and Consumers:

Provided that the mechanism for sharing of gains or losses on account of controllable factors for a Generating Company shall be as specified in the prevalent CERC Tariff Regulations.”

The incentive has been considered at INR 5.10/kWh, which is the Average Power Purchase cost (APPC) of the Petitioner. The APPC has been derived at State/UT Periphery based on the Power Purchase cost approved in the true-up and the retail energy sales (6660.36 MU).

Table 17: Incentive due to over-achievement of Intra-State Distribution Loss target

Particulars	Approved	Actual
Retail Sales	6648.49	6648.49
T%D Loss (%)	4.10%	2.89%
Power Purchase at State Periphery	6932.74	6846.35
Gain/Loss (MU)		86.38
Average Power Purchase Cost		5.13
Gain/Loss (Rs. Crore)		44.31
Sharing of 50% of gain with Petitioner (Rs. Crore)		22.16

2.16 Annual Revenue Requirement for the FY 2021-22

Based on above expenses, the Table below summarizes Aggregate Revenue Requirement for FY 2021-22 for DNHDDPCL in comparison with values approved by the Hon'ble Commission in the last two Tariff Orders:

Table 18: Annual Revenue Requirement for FY 2021-22

Particulars	(Rs. Crore)		
	FY 21-22 Approved (23rd March, 2021)	FY 21-22 Approved (31st March, 2022)	FY 21-22 Actual
Power Purchase Cost	3,234.13	3,389.30	3,397.50
O&M Expense	34.76	36.90	39.81
Depreciation	21.34	20.82	13.73
Interest Cost on Long-term Capital Loans	9.51	8.70	9.03
Interest on Working Capital Loans	48.69	45.16	44.98
Return on Equity	24.76	24.08	29.03
Additional ROE for previous year	0.00	0.00	28.19
Provision for Bad Debt	0.00	0.00	0.00
Interest on security deposit	4.20	3.20	3.46
Income Tax	15.00	20.00	27.96
Incentive/Disincentive on achievement of norms	0.00	0.00	22.16
Total	3,392.39	3,548.16	3,615.85
Less:			
Non-Tariff Income	12.66	5.87	10.65
Annual Revenue Requirement	3,379.73	3,542.29	3,605.20

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

2.17 Revenue for FY 2021-22

During the FY 21-22, DNHDDPCL's actual revenue from retail sales amounted to Rs. 3,478.05 Crore as against Rs. 3535.69 Crore and Rs. 3446.09 Crore as approved by the Hon'ble Commission vide its Tariff Order dated 23rd March, 2021 and 31st March, 2022 respectively.

Table 19: Revenue for FY 2021-22

Particulars	FY 21-22	FY 21-22	(Rs. Crore) FY 21-22
	Approved (23 rd March, 2021)	Approved (31 st March, 2022)	Actual
Revenue from sale of power	3,535.69	3,446.09	3478.05
Total revenue	3535.69	3446.09	3478.05

It may be seen that the total revenue from sale of power is Rs. 3,543.89 Crore as per the audited Annual Accounts for FY 2021-22. However, after adjusting the amount of sale of power from other sources (i.e. Exchange, DSM and SCED) amounting to Rs. 14.94 crore as adjustment to power purchase cost, the net revenue is Rs. 3,528.95 Crore. Further, an amount of Rs. 50.90 pertaining to Contract Liability towards Consumers has been further deducted to derive the actual revenue from operations amounting to Rs. 3,478.05 Crore.

The Corporation is registered Company under the Company Act and also under the regulatory regime of JERC. The Corporation is mandatorily required to keep the books of accounts as per the accrual basis of accounting. The regulatory regime sometimes results into sales billing in excess of eligible revenue as per applicable regulations. In view of said circumstances, the accounting policy related to 'Revenue recognition from sale of power' provides that unearned and deferred revenue (Contract Liability) is recognised, when there is billing in excess of revenue as per applicable regulations and reversed in the next year when there is shortage of revenue as per applicable regulations. Hence, an amount of Rs. 50.90 crore was shown as 'Contract Liability towards consumer' for FY 2020-21 and reversed in FY 2021-22. However, this is an accrual entry and has been reversed in FY 2021-22. In FY 2020-21, based on its recognition, the same has resulted in the reduction of revenue under accrual basis of accounting, whereas, it has been offered as part of revenue under the regulatory regime by

adding the same into the revenue under accrual basis of accounting for FY. This may be seen as per table (Reference Note – 18 (iv) of the Financial Statements of FY 2020-21).

Particulars	Amount (Cr.)
Revenue as per Audited Notes	2875.72
Less: Sale of power from other sources (i.e. Exchange, DSM and SCED) as adjustment to power purchase cost	23.96
Add: Contract Liability towards Consumers	50.90
Total Revenue as per true up Tariff Order of FY 2020-21	2902.66

From the above, it may be seen that the Contract Liability towards Consumers has already been considered as revenue from sale of power in the true up tariff order of FY 2020-21. As, the same has been reversed during the current FY 2021-22 by adding to the revenue from sale of power, hence, requires deduction for determining the revenue to be considered sale of power under the tariff regime. Accordingly, the same has been deducted.

2.18 Revenue (Gap)/Surplus for FY 2021-22

The Hon'ble Commission in Order dated 23rd March, 2021 has approved a total Aggregate Revenue Requirement of Rs. 3379.73 Crore for FY 2021-22. Further, the Commission has computed the revised ARR in the Tariff Order dated 31st March, 2022 of Rs. 3542.29 Crore. DNHDDPCL has arrived at the trued-up Aggregate Revenue Requirement for FY 2021-22 of Rs. 3605.18 Crore.

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including revenue with existing tariff of Rs. 3478.05 Crore. Accordingly, total revenue gap of DNHDDPCL for FY 2021-22 is computed at Rs. 127.15 Crore as depicted in the Table below:

Table 20: Revenue Gap/Surplus for FY 2021-22

Particulars	(Rs. Crore)	
	FY 21-22 Approved (31st March, 2022)	FY 21-22 Actual
Annual Revenue Requirement	3542.29	3605.20
Revenue from sale of power	3446.09	3478.05
Revenue (Gap)/Surplus	(96.20)	(127.15)
Previous Years' (Gap)/Surplus Carried Over	29.88	29.88
Holding Cost	(1.46)	(2.69)
Net Revenue (Gap)/surplus	(67.78)	(99.96)

DNHDDPCL requests the Hon'ble Commission to consider the revenue gap of Rs. 127.15 Crore for FY 2021-22 arrived as part of truing up process.

Chapter 3: Review of FY 2022-23

In view of "The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organization and Reforms) Transfer Scheme 2022" notified vide notification no. 1(FTS-118044)/Electricity Distribution/Privatization/2022/411 dated 09/03/2022, DNH-DD PCL (DNH DD POWER CORPORATION LIMITED) has engaged with intra-state transmission business in the area of DNH (Dadra and Nagar Haveli) w.e.f. 01/04/2022. The said transfer scheme read with policy direction issues in the said matter provides that ARR (annual revenue requirements) of restructured entity would be determined on the basis of restructured business scenario and notified assets value. Further, any surplus / gap arising due to true up for the past period shall remain unaffected and passed on to the consumers by adjusting ARR of the respective business set-up. Accordingly, the review petition of FY 2022-23 and tariff determination petition for FY 2023-24 has been filed.

The value of Gross fixed assets, Equity and Normative loans as per the true up petition filed for FY 2021-22 has been as tabled below;

(Rs. Crore)		
Sr. No.	Particulars	Amount
1.	Gross Fixed Assets Value as of 31 st March 2022	Rs. 614.05
2.	Equity as of 31 st March 2022	Rs. 184.21
3.	Normative Loan as of 31 st March 2022	Rs. 109.32

The above value of Gross fixed assets (GFA), Equity and Normative loan is required to be bifurcated between the two entities i.e. DNH-DD PDCL (DNH DD POWER DISTRIBUTION CORPORATION LIMITED - new entity responsible for electricity distribution business) and DNH DD PCL (DNH DD POWER CORPORATION LIMITED - erstwhile DNHPDCL, which is presently responsible for electricity transmission business). The estimated bifurcated value of these two business entities related to GFA, Equity and normative loan as on 31/03/2022 are further produced below;

Sr. No.	Particulars	DNHDDPCL Amount	DNHDDPDCL (New Entity) Amount	Total
1.	Gross Fixed Assets Value as of 31 st March 2022*	Rs. 349.62	Rs. 264.43	Rs. 614.05
2.	Equity as of 31 st March 2022**	Rs. 104.88	Rs. 79.33	Rs. 184.21
3.	Normative Loan as of 31 st March 2022	Rs. 15.95	Rs. 93.37	Rs. 109.32

* Excluding the value of Rs. 30.41 crore of Solar plants owned by DNHDD PCL as retained by DNHDD PCL as per the transfer scheme 2022.

* The above equity value is as per the calculation DNHDD PCL, however, there is less determination of equity by the Commission in FY 2016-17 as explained in true up petition for FY 2021-22. An appeal in the said matter is already preferred before Hon'ble APTEL. If the Commission does not agree with the DNHDD PCL submissions, the resultant equity adjustment would be done with the equity pertaining to DNHDD PCL.

The above value is estimated value and subject to adjustment on account of outcome of true up petition read with final opening balance sheet and related notes thereon as notified in pursuance to provision contained in the 'The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organisation and Reforms) Transfer Scheme 2022'. Further, the review of aggregate revenue requirement for FY 2022-23 for DNH DD PCL is based on various cost elements like O&M expenses, interest on working capital, interest cost on loan capital and return on equity on the value as bifurcated above and pertaining to DNH DD PCL, and depreciation on assets etc.

The review data has been done based on actual data for six months and revised estimates for the remaining six months of FY 2022-23 in case of O&M expenses. Further, other elements of cost of the business have been determined as per the applicable regulation. DNHDDPCL analysis in respect of items given below is discussed in the following paras:

- a. Determination of Aggregate Revenue Requirement (ARR) by forecasting the following costs, other income & returns:
 - i. Employee Cost
 - ii. Repairs & Maintenance Cost
 - iii. Admin & General Cost

- iv. Capital Investment Plan
- v. Interest Cost
- vi. Interest on Working Capital
- vii. Depreciation
- viii. Provision for bad & doubtful debts
- ix. Return on Equity
- x. Income Tax
- xi. Non-Tariff Income

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

3.1 Operation & Maintenance Costs

The revised estimated O&M cost for FY 2022-23 is shown in the following Table:

Table 21: O&M Expense for FY 2022-23

Particulars	(Rs. Cr.)		
	FY 22-23 H1	FY 22-23 H2	FY 22-23 RE
Employee Cost	3.03	3.54	6.57
R&M	3.86	4.50	8.36
A&G	2.98	3.47	6.45
O&M Expenses	9.87	11.51	21.38

As per regulation 42.6 of MYT Regulation 2021, the O&M expenses of new transmission licensee shall be determined on case to case basis. In view of above, it is being submitted that O&M expenses is being estimated on the basis of the actual expenditure as being incurred in new restructured scenario in the current financial year.

The DNHDDPCL has computed the employee cost, R&M expenses and A&G expenses as per the methodology given in the MYT Regulations, 2021 for the FY 2022-23. The actual expenses incurred during the first six months have been considered to estimate the costs for the remaining six months. However, the actual expenses for the full financial year would only be determined after the completion of the said financial year. Detailed breakup of the Employee

expenses, R&M expenses and A&G expenses have been provided in the regulatory formats enclosed along with this petition. It is also submitted that the employee expenses have been estimated based on the present employee strength of DNHDDPCL which is 55 nos. However, the no. of employees may increase by around 20 nos. in the next 2 to 3 years and the employee expenses will also increase accordingly.

The DNHDDPCL requests the Hon'ble Commission to approve the O&M expenses as submitted above for the FY 2022-23.

3.2 Capital Expenditure Plan

DNHDDPCL has considered the capital expenditure and capitalization as per the ongoing works in the UT and based on the estimated expenditure to be incurred during the FY 2022-23. The DNHDDPCL requests the Hon'ble Commission to approve the capital expenditure against the scheme as submitted herewith.

A summary of the capital expenditure and capitalization for FY 2022-23 is summarized in Table below:

Table 22: Capital Expenditure & Capitalization for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Capital Expenditure	11.10
Capitalisation	11.10

3.3 Gross Fixed Assets

DNHDDPCL had Opening Gross Fixed Assets (GFA) of Rs. 349.62 Crore in FY 2022-23. Based on the capital expenditure and capitalization estimated above, assets amounting to Rs. 11.10 Crore have been estimated to be capitalized during FY 2022-23.

A summary of the Opening and Closing GFA and capitalization for FY 2022-23 has been summarized in Table below:

Table 23: Opening and Closing GFA for FY 2022-23

(Rs. Cr.)

Particulars	Opening GFA	Additions during the Year	Closing GFA
FY 2022-23 (RE)	349.62	11.10	360.72

3.4 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.

The depreciation has been worked out after applying the Depreciation rates as per the CERC (Terms and Conditions of Tariff), 2019.

Table 24: Depreciation rate

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%
Software-Intangible Assets	15.00%

Depreciation for the FY 2022-23 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 2022-23. The Table below summarizes the asset-wise depreciation computed by DNHDDPCL:

Table 25: Depreciation for FY 2022-23

(Rs. Cr.)

Particulars	FY 22-23 RE
Opening GFA	349.62
Addition during the year	11.10
Closing GFA	360.72
Average GFA	355.17
Depreciation during the year	18.45

3.5 Interest & Financial Costs

3.9.1 Interest on Long-term / Capital Loans

Assets capitalized during the FY 2022-23 have been considered based on normative debt-equity ratio of 70:30 as per the as per the JERC (Multi Year Distribution Tariff) Regulations, 2021. The Hon'ble Commission had approved the closing loan for the FY 2021-22 at Rs. 109.32 Crores. Further, the closing GFA for the FY 2021-22 was Rs. 614.05 Crores. However, the distribution business of DNHDDPCL has been privatized and the corresponding assets have been transferred to the new distribution utility. After transferring the distribution assets, the opening GFA of DNHDDPCL for the FY 2022-23 is Rs. 349.62 Crores after excluding Solar asset value Rs. 30.41 Crores. Hence, the opening loan has been considered as per the finalized in the gazette notification of the Transfer Scheme, 2021 of the DNHDDPCL. The opening loan thus considered for FY 2022-23 is Rs. 15.95 Crores. The interest rate has been considered as 8% as per Clause 29.4 of MYT Regulation 2021 i.e. 7% one year SBI MCLR and 100 basis points.

Table 26: Interest on Long-term/Capital Loans for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Opening Loan	15.95
Loan for additional Capex (70:30 debt-equity)	7.77
Loan Repayment	18.45
Closing Loan	5.27
Interest Cost on Avg. Loans	0.85

DNHDDPCL 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

DNHDDPCL has computed the Interest on Working Capital for the Control Period based on normative basis as per the JERC (Multi Year Distribution Tariff) Regulations, 2021. Clause no. 43.1 of the MYT regulations states the following: "The Transmission Licensee shall be allowed interest on the estimated level of working capital for the Financial Year computed in accordance with prevalent CERC Tariff Regulations."

Further, Regulation 34 (C) of the CERC (Terms and Conditions of Tariff) Regulations, 2019 specifies:

“34. Interest on Working Capital: (1) The working capital shall cover:

.....

(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.”

A rate of interest of 9.00% has been considered on the working capital requirement, being the 1 year SBI MCLR plus 200 basis points. This is in line with the JERC (Multi Year Distribution Tariff) Regulations, 2021 which states that “The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points.”

The normative interest on working capital for FY 2022-23 considering the above methodology is summarized in the Table below:

Table 27: Interest on Working Capital for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Receivables equivalent to 45 days of fixed cost	8.01
Maintenance spares at 15% of operation and maintenance expenses	3.21
Operation and maintenance expense for one month	1.78
Total	12.99
Interest on Working Capital	1.17

As per Clause 43 of MYT Regulation 2021, the working capital would be determined in accordance with prevalent CERC Regulation. As per clause 34 of CERC Regulation 2019, the interest on working capital loan for transmission system would be determined as per following methodology;

(i) Receivables equivalent to 45 days of annual fixed costs,

- (ii) Maintenance spares @ 15% of O&M expenses, and
- (iii) O&M expenses for one month

Further, Chapter 3 of CERC regulation specify that the fixed cost would be determined considering return on equity, interest on loans, interest on working capital loan, O&M expenses, depreciation and income tax. In view of above the annual fixed cost for FY 2022-23 has been determined as under;

A financial year has been considered consisting of total 360 days for the calculation.

Annual Fixed Cost for FY 2022-23

Particulars	Amount (Cr.)
O&M Expenses	21.38
Depreciation	18.45
Return on Equity	16.51
Interest on Capital Loans	0.85
Income Tax	5.69
Interest on Working Capital loans	1.17
Total	64.05

3.6 Return on Equity

As per the JERC (Multi Year Distribution Tariff) Regulations, 2021, DNHDDPCL is entitled for a Return on Equity (RoE).

The Regulation 28.1 of the MYT Regulations, 2021 stipulates the following:

“28.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use for the Transmission Licensee and shall be allowed in accordance with the prevalent CERC Tariff Regulations for transmission system.”

Further, the Regulation 30 (2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019, states that:

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

.....”

A normative debt-equity ratio of 70:30 is considered on the assets capitalized during the FY 2022-23 as per the MYT Regulations, 2021.

Hence, a normative equity on the assets is considered and claimed the RoE of 15.50% for FY 2022-23 in this Petition.

The closing equity for the FY 2021-22 was Rs. 184.21 Crores. Further, the closing GFA for the FY 2021-22 was Rs. 614.05 Crores. However, the distribution business of DNHDDPCL has been privatized and the corresponding assets have been transferred to the new distribution utility. After transferring the distribution assets, the opening GFA of DNHDDPCL for the FY 2022-23 is Rs. 349.62 Crores. Hence, the opening equity has been considered as per the finalized in the gazette notification of the Transfer Scheme, 2021 of the DNHDDPCL. The opening equity thus considered for FY 2022-23 is Rs. 104.88 Crores.

Table 28: Return on Equity for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Opening Equity	104.88
Additions on account of new capitalisation	3.33
Closing Equity	108.21
Average Equity	106.55
Return on Equity (%)	15.50%
Return on Equity	16.51

The DNHDDPCL, requests the Hon'ble Commission to approve the return on equity computed for FY 2022-23.

3.7 Income Tax

The MYT Regulations, 2021 vide its clause 33 in the matter of tax on income provides that treatment of tax for a transmission system shall be in accordance with the prevalent CERC tariff regulation.

The clause 31 of the CERC regulation provides that rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below;

Rate of pre-return of equity = Base rate of ROE / (1 - t)

Where "t" – is the effective tax rate as per the income tax act.

DNHDD PCL has opted the special provisions for the discharge of income tax as per Section – 115BAA of the Income Tax Act, wherein the base income tax rate is 22%. Hence, the effective tax rate is as under;

Base rate of income tax	-	22.00
Surcharge @ 12%	-	2.64
Education cess 4% on above two	-	0.99
Effective rate	-	25.63%
OR say		.2563

Hence, rate of pre-return of equity = $15.50 / (1 - .2563)$
= 20.841

Average Equity as computed above = Rs. 106.55 crore * 20.841%
= Rs. 22.20 crore

Income Tax = Return of equity with income tax – ROE as computed above
= Rs. 22.20 crore less Rs. 16.51 crore = Rs. 5.69 crore

Other way =

Total Return along with income tax = Rs. 22.20 crore

Applicable income tax @ 25.63%, hence income tax = Rs. 22.20 crore * 25.63% = Rs. 5.69 crore.

Table 29: Income Tax for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Income Tax	5.69

3.8 Non-Tariff & Other Income

The non-tariff income for FY 2022-23 has been estimated by considering elements like supervision charges, tender fees etc. However, one-time income like provision written back has not been considered to estimate the non-tariff income for FY 2022-23. Details of the non-tariff income is provided in table below:

Table 30: Non-tariff Income for FY 2022-23

Particulars	(Rs. Cr.)		
	FY 22-23 H1	FY 22-23 H2	FY 22-23 RE
Supervision charges	0.25	0.25	0.49
Tender Fees	0.00	0.00	0.01
Miscellaneous Income	1.40	1.40	2.80
Non tariff Income	1.65	1.65	3.29

Under the applicable MYT Regulations, the interest earned on equity or ROE which remains in the business as other investment should not be considered as non-tariff income. Further, the delayed payment charges should not be considered as non-tariff income. Hence, the non-tariff income for FY 2022-23 has been estimated on the line of requirement of applicable MYT Regulation on the basis of Annual Audited Account of FY 2022-23.

The DNHDDPCL requests the Hon'ble Commission to approve the non-tariff income as submitted for the FY 2022-23.

3.9 Aggregate Revenue Requirement

The following Table summarizes DNHDDPCL's Aggregate Revenue Requirement for FY 2022-23.

Table 31: Aggregate Revenue Requirement for FY 2022-23

Particulars	(Rs. Cr.)	
	FY 22-23	RE
O&M Expense		21.38
Depreciation		18.45
Interest Cost on Long-term Capital Loans		0.85
Interest on Working Capital Loans		1.17

Particulars	FY 22-23
Return on Equity	16.51
Income Tax	5.69
Total	64.04
Less:	
Non-Tariff Income	3.29
Annual Revenue Requirement	60.76

3.10 Revenue from Existing Tariff

Revenue at existing tariff is estimated to be Rs. 62.94 Crore in FY 2022-23, as shown in the following Table. The estimated revenue for FY 2022-23 is based on the six month actual revenue at the existing tariff. The revenue for remaining six months of FY 2022-23 has been computed based on the tariff notified in the MOU signed between DNHDDPCL and the new distribution utility.

The Table below summarizes the revenue at existing tariff for FY 2022-23:

Table 32: Revenue at Existing Tariff for FY 2022-23

Particulars	(Rs. Cr.)		
	FY 22-23 H1	FY 22-23 H2	FY 22-23 RE
Revenue from Operations	31.47	31.47	62.94

3.11 Coverage of Revenue Gap

Revenue within DNHDDPCL is determined in the previous Table. The following Table summarizes the revenue surplus at existing tariff at Rs. 2.18 Crore for FY 2022-23.

Table 33: Revenue Gap/Surplus for FY 2022-23

Particulars	(Rs. Cr.)
	FY 22-23 RE
Annual Revenue Requirement	60.76
Revenue from sale of power	62.94
Revenue (Gap)/surplus	2.18
Previous Years' (Gap)/Surplus Carried Over	(99.96)
Holding Cost	(7.91)
Net Revenue (Gap)/surplus	(105.69)

The total revenue gap at the end of FY 2022-23 by taking into account the revenue surplus arrived at after truing up of FY 2022-23 is Rs. 105.69 Crore. The Hon'ble Commission is requested to approve the same as part of the review of FY 2022-23.

Chapter 4: ARR for the FY 2023-24

In view of "The Dadra and Nagar Haveli and Daman and Diu Electricity (Re-organisation and Reforms) Transfer Scheme 2022" notified vide notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/411 dated 09/03/2022, DNH-DD PCL (DNH DD POWER CORPORATION LIMITED) has engaged with intra-state transmission business in the area of DNH (Dadra and Nagar Haveli) w.e.f. 01/04/2022. The said transfer scheme read with policy direction issues in the said matter provides that ARR (annual revenue requirements) of restructured entity would be determined on the basis of restructured business scenario and notified assets value. DNHDDPCL is submitting its ARR for the FY 2023-24 broadly on the basis of the principles outlined in MYT Tariff Regulations notified by JERC. DNHDDPCL has considered the past trends and taken cognizance of other internal and external developments to estimate the likely performance for the FY 2023-24.

The following sections explain in detail the basis and forecasts of the following - elements for the FY 2023-24:

- a. Determination of Aggregate Revenue Requirement (ARR) by forecasting the following costs, other income & returns:
 - i. Employee Cost
 - ii. Repairs & Maintenance Cost
 - iii. Admin & General Cost
 - iv. Capital Investment Plan
 - v. Interest Cost
 - vi. Interest on Working Capital
 - vii. Depreciation
 - viii. Provision for bad & doubtful debts
 - ix. Return on Equity
 - x. Income Tax
 - xi. Non-Tariff Income
- b. Determination of Gap between Revenue & Costs, Additional Revenue through the proposed Tariff Revision and the arrangements to cover the revenue gap; and

- c. Tariff revision proposal for FY 2023-24 to meet the Revenue Gap.

4.1 Operation & Maintenance Costs

Operation and Maintenance expenses comprise of the following heads:

- **Employees Expenses** which includes the salaries, dearness allowances, other allowances, incentives, leave salary and retirement and other benefits paid to the employees;
- **Repair and Maintenance (R&M) Expenses**, which include all expenditure incurred on the maintenance and upkeep of transmission and other assets and regulatory purposes, and
- **Administrative and General Expenses**, which include all expenditure incurred in operating a business such as telephone charges, legal expenses, consultancy fees, audit fees, conveyance and travel expenses, printing & stationery expenses, postage expenses and other expenses.

The methodology adopted by DNHDDPCL for projecting the values of each component of the O&M expense for the FY 2023-24 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, performance incentive, medical cost, leave travel allowances etc.

Based on the various expense head related to employee booked during six months of FY 22-23, DNHDDPCL has estimated the total employee cost for full year of FY 22-23 as Rs. 6.57 Crore. Salary expenses for the FY 2023-24 is estimated based on the average increase in the Consumer Price Index (CPI) for immediately preceding three years. The average CPI for the last three years is 6.33%.

As per the MYT Regulations, 2021, the employees' expenses have been calculated as per the following formulae:

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

where:

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

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

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

The average growth in the CPI for the last three years is 6.33%. Total employee cost of DNHDDPCL for the FY 2023-24 is as given in the table below:

Table 34: Projected Employee Expense for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Employee Cost	6.99

DNHDDPCL 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. Therefore, DNHDDPCL 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.

For FY 2022-23, DNHDDPCL has considered the R&M expense of Rs. 8.36 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:

$$R\&M_n = K \times GFAn-1 \times (WPI \text{ inflation})$$

where:

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

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

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

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

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

For projecting the R&M expense for the FY 2023-24, the DNHDDPCL has considered the WPI inflation as 2.42%. Total repair & maintenance cost of DNHDDPCL for the FY 2023-24 is summarized in the table below:

Table 35: Repairs & Maintenance Expense

Particulars	(Rs. Crore)
	FY 23-24 Projected
R&M	9.07

DNHDDPCL 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, quality of supply and reduction in losses 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

DNHDDPCL has estimated the A&G expense of Rs. 6.45 Crore for FY 22-23.

For projecting the A&G expenses for the FY 2023-24 the following formula has been used as given in the MYT Regulations:

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

where:

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

CPI_{inflation} – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year and the same is around 6.33%;

The A&G expenses projected for the FY 2023-24 have been given in the table below:

Table 36: A&G Expense

Particulars	(Rs. Crore)
	FY 23-24 Projected
A&G	6.85

The Regulatory & Consultancy expenses for the FY 2023-24 has been projected as per the existing agreements, contracts with the consultants and the best estimates for the future regulatory and consultancy works.

DNHDDPCL, therefore, requests the Hon'ble Commission to approve the A&G expenses projected for the FY 2023-24.

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 FY 2023-24 is summarized in table below. The Hon'ble Commission is requested to approve the total O&M expense as projected by DNHDDPCL.

Table 37: Total O&M Expense for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24

	Projected
Employee Cost	6.99
R&M	9.07
A&G	6.85
O&M Expenses	22.91

4.2 Capital Expenditure Plan

As has been discussed above, the DNHDDPCL is engaged in the transmission of electricity to the various consumer categories in Dadra and Nagar Haveli.

The scheme wise capital expenditure plan for the FY 2023-24 is given in the table below:

Table 38: Capital Expenditure for the FY 2023-24

(Rs. Crore)

Sr. No.	Name of Scheme	Total estimated amount	Proposed Expenditure	
			2022-23	2023-24
1	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	7.12	3.19	3.93
2	Strengthening of 66 KV line from Kala to Velugam S/s	4.50	0.00	4.50
3	Augmentation of 66/11 Waghdara Substation from 2X20 MVA to 3x20 MVA	4.57	0.00	4.57
4	Replacement of existing conductor from 66 KV Kahadpada to Masat circuit line 1	2.13	2.13	0.00
5	Conversion of double circuit 66 KV line from 220 kV Kharadpada to Rakholi substation from panther to TACSR	2.57	2.57	0.00
6	Conversion of double circuit 66 KV line from 220 KV Khadoli substation to Rakholi substation	3.21	3.21	0.00
7	Construction of new control room building at Dadra sub-station	5.00	0.00	5.00
	Total	29.10	11.10	18.00

The DNHDDPCL requests the Hon'ble Commission to approve the capital expenditure against the scheme as submitted herewith.

A summary of the capital expenditure and capitalization for the FY 2023-24 is summarized in Table below:

Table 39: Capital Expenditure & Capitalization for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Capital Expenditure	18.00
Capitalisation	18.00

The DNHDDPCL requests the Hon'ble Commission to approve the capital expenditure and capitalization as projected above.

4.3 Gross Fixed Assets

DNHDDPCL had Rs. 349.62 Crore of Opening Gross Fixed Assets (GFA) in FY 22-23. Assets amounting to Rs. 11.10 Crore have been estimated added to the GFA during the FY 2022-23.

Similarly, based on the capital expenditure plan as detailed above, Rs. 18.00 Crore is proposed to be capitalized during the FY 2023-24.

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

Table 40: Opening and Closing GFA for the FY 2023-24

Particulars	(Rs. Crore)		
	Opening GFA	Additions during the Year	Closing GFA
FY 2023-24 (Projected)	360.72	18.00	378.72

The DNHDDPCL requests the Hon'ble Commission to approve the GFA as projected above.

4.4 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.

DNHDDPCL has applied the depreciation rates as specified in the CERC MYT Regulations, 2019.

Depreciation for the FY 2023-24 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 FY 2023-24. The DNHDDPCL would like to submit to the Hon'ble Commission that it has computed the depreciation based on the closing value of GFA for FY 2022-23 and the estimated capitalization for the FY 2023-24.

Table 41: Depreciation

Particulars	(Rs. Crore)
	FY 23-24 Projected
Opening GFA	360.72
Addition during the year	18.00
Closing GFA	378.72
Average GFA	369.72
Depreciation during the year	19.22

4.5 Interest & Financial Costs

4.15.1 Interest on Long-term / Capital Loans

Assets capitalized during the FY 2023-24 have been considered based on normative debt-equity ratio of 70:30 as per the as per the MYT Regulations, 2021.

Interest rate of 8.00% has been considered for computation of interest cost for long-term loans which is similar to the prevailing 1 year SBI MCLR plus 100 basis points. Details of the loan amounts and interest cost computed for the FY 2023-24 is summarized in Table below:

Table 42: Total Interest on Long-term Loans

Particulars	(Rs. Crore)
	FY 23-24 Projected
Opening Loan	5.27
Loan for additional Capex (70:30 debt-equity)	12.60
Loan Repayment	19.22
Closing Loan	-1.35

Particulars	FY 23-24
	Projected
Average Capital loan	1.96
Interest Cost on Avg. Loans	0.16

Therefore, DNHDDPCL requests the Hon'ble Commission to approve the interest cost on long-term loans of Rs. 0.16 crore as projected above.

4.15.2 Interest on Working Capital Borrowings

DNHDDPCL has computed the Interest on Working Capital for the FY 2023-24 based on normative basis as per the MYT Regulations, 2021.

Clause no. 43.1 of the MYT regulations states the following:

"The Transmission Licensee shall be allowed interest on the estimated level of working capital for the Financial Year computed in accordance with prevalent CERC Tariff Regulations."

Further, Clause 34 of the CERC (Terms and Conditions of Tariff) Regulations, 2019 specifies, the calculation of working capital requirement for transmission system as per below methodology

- i. Receivables equivalent to 45 days of annual fixed cost;
- ii. Maintenance spares @ 15% of operation and maintenance expenses including security expenses
- iii. Operation and maintenance expenses, including security expenses for one month

Further, Chapter 3 of CERC regulation specify that the fixed cost would be determined considering return on equity, interest on loans, interest on working capital loan, O&M expenses, depreciation and income tax. In view of above the annual fixed cost for FY 2022-23 has been determined as under;

A financial year has been considered consisting of total 360 days for the calculation.

Annual Fixed Cost for FY 2023-24

Particulars	Amount (Cr.)
O&M Expenses	22.91

Particulars	Amount (Cr.)
Depreciation	19.22
Return on Equity	17.19
Interest on Capital Loans	0.16
Income Tax	5.92
Interest on Working Capital loans	1.23
Total	66.64

A rate of interest of 9.00% has been considered on the working capital requirement, being the 1 year SBI MCLR plus 200 basis points as on 1st April of the year. This is in line with the MYT Regulations, 2021 which states that "The rate of interest on working capital shall be equal one (1) Year State Bank of India (SBI) MCLR / any replacement thereof as notified by RBI for the time being in effect applicable for one (1) Year period, as may be applicable as on 1st April of the Financial Year in which the Petition is filed plus 200 basis points."

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

Table 43: Interest on Working Capital for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Receivables equivalent to 45 days of fixed cost	8.33
Maintenance spares at 15% of operation and maintenance expenses	3.44
Operation and maintenance expense for one month	1.91
Total	13.68
Interest on Working Capital	1.23

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

4.6 Return on Equity

As per the MYT Regulations, 2021 DNHDDPCL is entitled for a Return on Equity (RoE).

The Regulation 28.1 of the MYT Regulations, 2021 stipulates the following:

"28.1 Return on equity shall be computed on the paid up equity capital determined in accordance with Regulation 27 for the assets put to use for the Transmission Licensee and shall be allowed in accordance with the prevalent CERC Tariff Regulations for transmission system."

Further, the Regulation 30 (2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019, states that:

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

The equity component has been determined in accordance with Regulation 27 of the MYT Regulations. Assets proposed to be capitalized during the FY 2023-24 have been considered based on normative debt-equity ratio of 70:30 as per the MYT Regulations, 2021. The following table provides the ROE for the FY 2023-24:

Table 44: Return on Equity for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Opening Equity	108.21
Additions on account of new capitalisation	5.40
Closing Equity	113.61
Average Equity	110.91
Return on Equity (%)	15.50%
Return on Equity	17.19

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

4.7 Income Tax

The MYT Regulations, 2021 vide its clause 33 in the matter of tax on income provides that treatment of tax for a transmission system shall be in accordance with the prevalent CERC tariff regulation.

The clause 31 of the CERC regulation provides that rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below;

$$\text{Rate of pre-return of equity} = \text{Base rate of ROE} / (1 - t)$$

Where "t" – is the effective tax rate as per the income tax act.

DNHDD PCL has opted the special provisions for the discharge of income tax as per Section - 115BAA of the Income Tax Act, wherein the base income tax rate is 22%. Hence, the effective tax rate is as under;

Base rate of income tax	-	22.00
Surcahrge @ 12%	-	2.64
Education cess 4% on above two	-	0.99
Effective rate	-	25.63%
OR say		.2563

$$\begin{aligned} \text{Hence, rate of pre-return of equity} &= 15.50 / (1-.2563) \\ &= 20.841 \end{aligned}$$

$$\begin{aligned} \text{Average Equity as computed above} &= \text{Rs. 110.91 crore} * 20.841\% \\ &= \text{Rs. 23.11 crore} \end{aligned}$$

$$\begin{aligned} \text{Income Tax} &= \text{Return of equity with income tax} - \text{ROE as computed above} \\ &= \text{Rs. 23.11 crore less Rs. 17.19 crore} = \text{Rs. 5.92 crore} \end{aligned}$$

Other way =

$$\text{Total Return along with income tax} = \text{Rs. 23.11 crore}$$

$$\begin{aligned} \text{Applicable income tax @ 25.63\%, hence income tax} &= \text{Rs. 23.11 crore} * 25.63\% = \\ &\text{Rs. 5.92 crore} \end{aligned}$$

Table 45: Income Tax for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Income Tax	5.92

4.8 Non-Tariff & Other Income

Non-tariff income includes supervision charges, tender fees, miscellaneous charges from consumers. Other income includes Interest on Staff loans &

advances, Interest on advances to suppliers/contractors, and Miscellaneous receipts.

Details of the non-tariff income for the FY 2023-24 is provided in table below:

Table 46: Non-tariff Income for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
Supervision charges	0.25
Tender Fees	0.01
Miscellaneous Income	0.00
Non tariff Income	0.26

4.9 Aggregate Revenue Requirement

The following Table summarizes DNHDDPCL's Aggregate Revenue Requirement for the FY 2023-24.

Table 47: Aggregate Revenue Requirement for the FY 2023-24

Particulars	(Rs. Crore)
	FY 23-24 Projected
O&M Expense	22.91
Depreciation	19.22
Interest Cost on Long-term Capital Loans	0.16
Interest on Working Capital Loans	1.23
Return on Equity	17.19
Income Tax	5.92
Total	66.63
Less:	
Non-Tariff Income	0.26
Annual Revenue Requirement	66.37

4.10 Coverage of Revenue Gap

Table 49 summarizes the ARR for DNHDDPCL for FY 2021-22, FY 2022-23 and FY 2023-24 along with the revenue and the resulting revenue (gap)/surplus. The cumulative gap for the three years is Rs. 172.06 Crore as given in the table below.

Table 48: Revenue Gap for FY 2023-24

Sr. No.	Particulars	(Rs. Crore)		
		2021-22 Actual	2022-23 Revised Estimates	2023-24 Projected
1	Total ARR	3,605.20	60.76	66.37
2	Revenue @ Existing Tariff	3,478.05	62.94	0.00
3	Total Revenue	3,478.05	62.94	0.00
4	Revenue (Gap) / Surplus(3-1)	(127.16)	2.18	(66.37)
	Covered By			
5	Previous Years' (Gap)/Surplus Carried Over	29.88	(99.96)	(105.69)
6	Total (Gap)/Surplus (4+5)	(97.28)	(97.78)	(172.06)
7	Holding Cost	(2.70)	(7.91)	-
8	Net(Gap)/Surplus (6+7)	(99.96)	(105.69)	(172.06)



Chapter 5: Tariff Determination

DNHDDPCL considers power tariff as a sensitive subject having substantial impact on social, economic and financial well-being of the State as well as the viability and growth of power sector. The transmission tariff has been determined based upon the energy transmitted through the system, aggregate revenue requirement.

5.1 Determination of the transmission capacity of the system

The transmission system capacity is the contracted capacity made available to the beneficiary during the given period. The present capacity of 14 no. of 66/11 KV sub-stations is 797 MVA. The contracted transmission capacity of the system is as under:

Table 49: Transmission capacity of the Transmission System

Tariff Determination	FY 22-23	FY 23-24
Transmission Capacity (MW)	789.03	789.03

5.2 Tariff Determination

Based upon the projected capacity of the transmission capacity, the tariff is determined as follows:

Table 50: Determination of Transmission Tariff

Tariff Determination	FY 23-24
Aggregate Revenue Requirement (Rs. Crore)	172.06
Transmission Capacity (MW)	789.03
Long/Medium Term Transmission charges (Rs./MW/Month)	181,722.00
Short Term Open Access Transmission charges (Rs./MW/Day)*	6,058.00

* Financial year has been considered consisting of total 360 days for the calculation.

Chapter 6: Compliance of Directives

The Hon'ble Commission vide Tariff Order dated 31st March, 2022 had issued a set of directives to be followed by DNHDDPCL to comply with "The Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Multi Year Distribution Tariff) Regulations, 2021."

In line with the directives, DNHDDPCL 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 DNHDDPCL on this matter since the issuance of the aforesaid tariff order.

A. Directives continued in this Tariff Order

1. Directive 1: 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/Action taken mentioned in ARR and Tariff Petition for FY 2013-14:

Petitioner's Submission:

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/Action taken mentioned in ARR and tariff Petition for FY 2014-15:**Petitioner's Submission:**

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/Action taken mentioned in ARR and tariff Petition for FY 2015-16:**Petitioner's Submission:**

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

Commission's Comments

Compliance is noted. The quarterly reports on capital expenditure and capitalization shall be reported regularly.

Compliance/Action taken mentioned in ARR and Tariff Petition for MYT Control Period FY 2016-17 to FY 2018-19:**Petitioner's Submission:**

No Response Submitted

Commission's Comments

The quarterly reports on capital expenditure and capitalization shall be reported regularly.

Compliance/Action taken mentioned in ARR and Tariff Petition for FY 2017-18:

Petitioner's Submission:

The DNHPDCL shall submit the quarterly report on capital expenditure as directed by the Commission.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive and submit the desired reports on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner.

Compliance/Action taken mentioned in ARR and Tariff Petition for FY 2018-19:

Petitioner's Submission:

The DNHPDCL shall submit the quarterly report on capital expenditure as directed by the Commission.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive and submit the desired reports on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner. Further, it is observed that the Petitioner has been able to submit capitalisation of only Rs.7.22 cr. in FY 2017-18



and nil in FY 2018-19. The Commission directs the Petitioner to increase its efforts towards capex activities necessary to enhance reliability and quality of supply to consumers.

Compliance/Action taken mentioned in ARR for MYT Control Period FY 2019-20 to FY 2021-22:

Petitioner's Submission:

The DNHPDCL would like to submit that the Quarterly report will be submitted to the Hon'ble Commission shortly.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive and submit the desired reports on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner.

Petitioner's Submission:

The DNHPDCL would like to submit that the Quarterly report will be submitted to the Hon'ble Commission shortly.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive within three months from the date of issuance of this order and submit the desired reports regularly on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner.

Petitioner's Submission:

The DNHPDCL would like to submit that the Quarterly report will be submitted to the Hon'ble Commission shortly.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive within three months from the date of issuance of this order and submit the desired reports regularly on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner.

Petitioner's Submission:

The DNHPDCL would like to submit that the Quarterly report will be submitted to the Hon'ble Commission shortly.

Commission's Comments

The Commission has noted with concern that Petitioner is yet to submit the details as sought by the Commission. The Commission now directs the Petitioner to ensure compliance of this directive and submit the desired reports on quarterly basis, failing which the Commission will be constrained to take appropriate action against the Petitioner.

Petitioner's Submission:

The DNHDDPCL would like to submit that the Quarterly report will be submitted to the Hon'ble Commission shortly.

2. Directive 2: Timely Submission of Reports

The Commission has observed that the Petitioner do not submit the quarterly or any other report within time as specified by the Commission in previous Orders. Accordingly, the Petitioner is directed to comply with the timelines decided by the Commission for all such reports.

Petitioner's Submission:

The DNHPDCL would like to submit that the reports pertaining to RPO, metering, FPPCA, SAIFI, SAIDI are submitted to the Hon'ble Commission on a regular basis.

Commission's Comments

The Commission has noted the compliance to the above directive and noticed that the petitioner has not submitted the report related to SAIFI/SAIDI in past on regular basis. Accordingly, the Commission directs the petitioner to submit the aforementioned reports regularly in future.



Petitioner's Submission:

The DNHPDCL would like to submit that the report related to SAIFI/SAIDI shall be submitted to the Hon'ble Commission on a regular basis.

Commission's Comments

The Commission noticed that the petitioner has not submitted the report related to SAIFI/SAIDI in past on regular basis. The Commission directs the petitioner to submit the aforementioned reports regularly in future with respect to the approved trajectory in the Business Plan Order for the upcoming Control Period.

Petitioner's Submission:

The DNHDDPCL would like to submit that the report related to SAIFI/SAIDI shall be submitted to the Hon'ble Commission on a regular basis.

3. Directive 3: Details of Income Tax Assessment Order

The Commission directs the Petitioner to submit the details of the Income Tax Assessment Order for previous three years and should submit the assessment order carried out in the financial year while filing the tariff petition henceforth.

Petitioner's Submission:

The DNHDDPCL would like to submit that the Income Tax Assessment Order for the previous three years have been enclosed along with this petition.



Prayer

1. DNHDDPCL prays the Honorable Commission to:

- Admit and approve the Aggregate Revenue Requirement (ARR) for the FY 2023-24 as submitted herewith.
- Admit and approve the Trued up ARR for FY 2021-22.
- Admit and approve the Revised Estimates for the FY 2022-23 as submitted herewith.
- 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.
- Allow to submit necessary additional information required by the Commission during the processing of this petition.
- And pass such other orders and further orders as are deemed fit and proper in the facts and circumstances of the case.

BY THE APPLICANT THROUGH



Chief Engineer
DNH Power Distribution Corporation Ltd.
U.T. of Dadra & Nagar Haveli, Silvassa

PETITIONER
DNH DD Power Corporation Limited

Silvassa

Dated: - 05/12/2022.

FORMATS

Format -1

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
ENERGY DEMAND
FY 2021-22

Sr.No.	Category of Consumer	No. of Consumers at the end of FY 2021-22 (Nos.)	Connected Load	Energy Sale/Demand (MUs)
1	2	3	4	5
1	Domestic	57,354	1,11,883.00	163.98
2	LIG/ Kutir Jyoti	17,988	1,597.00	
3	Commercial	8,062	36,926.00	37.22
4	Agriculture	1,201	4,764.00	4.21
5	LT Industry	2,305	1,44,698.00	241.39
6	HT/EHT Industry	936	12,21,141.00	6,189.72
7	Public Lighting	435	2,454.00	2.47
8	Public Water Works	481	3,069.52	5.09
9	Temp. Supply	458	3,004.00	4.42
10	Total	89,220	15,29,536.52	6,648.49

Format-2

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding AT&C Loss OF Licensee

S. No.	Particulars	Calculation	Unit	Previous Year FY 2021-22 (Actual)
1	Generation (own as well as any other connected generation net after deducting auxiliary consumption) within area of supply of DISCOM.	A	MU	4.81
2	Input energy (metered Import) received at interface points of DISCOM network.	B	MU	
3	Input energy (metered Export) by the DISCOM at interface points of DISCOM network.	C	MU	6841.52
4	Total energy available for sale within the licensed area to the consumers of the DISCOM	D=A+BC	MU	6846.33
5	Energy billed to metered consumers within the licensed area of the DISCOM	E	MU	6648.49
6	Energy billed to unmetered consumers within the licensed area of the DISCOM	F	MU	
7	Total energy billed	G=E+F	MU	6648.49
8	Amount billed to consumer within the licensed area of DISCOM.	H	Rs.	3478.05
9	Amount realized by the DISCOM out of the amount Billed at H#	I	Rs.	3478.05
10	Collection efficiency (%) (= Revenue realized/ Amount billed)	J=(I/H)x100	%	100.00%
11	Energy realized by the DISCOM	K=JxG	MU	6648.49
12	Distribution loss (%)	L=((DG)/D)x100	%	2.89%
13	AT&C Loss (%)	M=((DK)/D)x100	%	2.89%

Handwritten signature

Format-3

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
ENERGY BALANCE

(all figures in Mus)

Sr.No.	Category of Consumer	Previous year FY 2021-22 (Actual)
1	2	3
A)	ENERGY REQUIREMENT	
1	Energy sales to metered category within the State/UT	6,648.49
2	Energy sales to Agriculture consumers	
3	Total sales within the State/UT	6,648.49
4	Sales to common pool consumers/ UI	0.00
5	Sales outside state/UT	
6	Sales to electricity traders & through PX	18
7	Sales to other distribution licensees a) Bilateral Trade b) Banking Arrangement	
8	Total sales	6,666.10
9	T&D losses	
(i)	%	2.89%
(ii)	MU	197.84
10	Total energy requirement	6,863.94
B)	ENERGY AVAILABILITY	
1	Net own generation	4.81
2	Net Purchase	6,051.17
3	Power Purchased from UI & IEE	1,059.98
4	Net power purchase (1 +2 +3)	7,115.96
9	Total energy availability	7,115.96

Handwritten signature

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Investment Plan (year-wise)

Project Details			SOURCE OF FINANCING FOR SCHEME									
Name of scheme 1	Year of Start 2	Nature of Project (Select appropriate code from below) 3	Approved by the Commission* (YES/NO) 4	Project Start Date (DD-MM- YY) 5	Project Completion date (DD-MMYY) 6	Total capital expenditure approved by JERC (Rs. Cr.) 7	Equity component			Capital Subsidies / grants component 10	Consumer Contribution component 11	Actual Expenditure 12
							Internal Accrual (from free reserves and surplus) 8	Equity infused** 9				
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	FY 2022-23	b II	No									
Strengthening of 66 KV line from Kala to Velugam S/s	FY 2023-24	b II	No									
Augmentation of 66/11 Waghdara Substation from 2X20 MVA to 3x20 MVA	FY 2023-24	b I	Yes									
Replacement of existing conductor from 66 KV Kalhadpada to Masat circuit line 1	FY 2022-23	b II	No									
Conversion of double circuit 66 KV line from 220 KV Kharadpada to Rakholi substation from panther to TACSR	FY 2022-23	b II	Yes									
Conversion of double circuit 66 KV line from 220 KV Khadoli substation to Rakholi substation	FY 2022-23	b II	Yes									
Construction of new control room building at Dadra sub-station	FY 2023-24	b II	No									

Notes:

* Support with appropriate paper work i.e. Detailed Project Reports and other documents, as necessary

** Provide break up of Government and Licensee/Private share

Codes for selecting Nature of work

a. EHV Schemes

b. Distribution schemes

I. System augmentation

II. System improvement

III. Schemes for loss reduction

c. Metering schemes

d. Capacitor

e. SCADA / DMS etc

f. Miscellaneous

Format -6

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Capital Base and Return

(all figures in Crs)

Sr.No.	Category of Consumer	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	5	6	7
1	Gross block at beginning of the year	630.76	349.62	360.72
2	Less accumulated depreciation	319.39	218.23	237.45
3	Net block at beginning of the year	311.37	131.39	123.27
4	Less accumulated consumer contribution	0.00	0.00	0.00
5	Net fixed assets at beginning of the year	311.37	131.39	123.27
6	Reasonable return @3% of NFA	9.34	3.94	3.70

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Original Cost of Fixed Assets

(Rs. Crores)

Sr.No.	Particulars Name of the Assets	Value of assets at the beginning of the FY 2021-22	Addition during the FY 2021-22	Closing balance at the end of FY 2021-22	Opening balance during FY 2022-23	Addition during FY 2022-23	Closing balance at the end of FY 2022-23	Addition during FY 2023-24	Closing balance at the end of FY 2023-24
1	2	3	4	5	6	7	8	9	10
1	Plant & Machinery	330.81	-17.65	313.16	205.26	11.10	216.36	18.00	234.36
2	Underground cable	159.64	0.00	159.64	25.47	0.00	25.47	0.00	25.47
3	Buildings	29.96	0.00	29.96	29.96	0.00	29.96	0.00	29.96
4	Vehicles	1.99	0.00	1.99	0.00	0.00	0.00	0.00	0.00
5	Furniture & Fixtures	1.57	0.01	1.58	1.86	0.00	1.86	0.00	1.86
6	Computers & Others	90.72	0.93	91.64	70.99	0.00	70.99	0.00	70.99
7	Land	13.65	0.00	13.65	13.65	0.00	13.65	0.00	13.65
8	Software-Intangible assets	2.42	0.00	2.42	2.42	0.00	2.42	0.00	2.42
9	Total	630.76	-16.71	614.05	349.61	11.10	360.71	18.00	378.71

Format -8

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Works-in-Progress

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	4	5	6
1	Opening balance	0.00	-0.00	-0.00
2	Add: New investments	9.61	11.10	18.00
3	Total	9.61	11.10	18.00
4	Less investment capitalized	9.61	11.10	18.00
5	Closing balance	-0.00	-0.00	-0.00



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Interest Capitalized

Format -9

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	WIP*			
2	GFA* at the end of the year			
3	WIP+GFA at the end of the year		NA	
4	Interest(excluding interest on WCL*)			
5	Interest Capitalized			



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Details of loans for the year

		(Rs. Crores)				
Sr.No.	Particulars (Source)	Opening Balance	Rate of Interest	Addition during the year	Repayment during the year	Amount of interest paid
					Closing Balance	Current year
						Ensuing year
1	SLR Bonds					
2	Non SLR Bonds					
3	LIC					
4	REC					
5	Commercial Banks					
6	Bills discounting					
7	Lease rental					
8	PFC					
9	GPF					
10	CSS					
11	Working capital loan					
12	Others					
13	Total					
	Add Govt. loan					
	-State Govt.					
	-Central Govt.					
14	Total					
15	Total (13+14)					
16	Less capitalization					
17	Net interest					
18	Add prior period					
19	Total interest					
20	Finance charges					
21	Total interest and finance charges					

N/A

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
 Information regarding restructuring of outstanding loans during the year

(Rs. Crores)

Sr.No.	Source of Loan	Amount of original loan (Rs. in crores)	Old rate of interest	Amount already restructured (Rs. in crores)	Revised rate of interest	Amount now being restructured (Rs. in crores)	New rate of interest
1	2	3	6	7	8	9	10

N/A



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Value of Assets and Depreciation Charges

Sr.No.	Particulars Name of the Assets	Rate of depreciation on*	Previous Year		Current Year		Ensuing Year	
			Assets value at the beginning of FY 2021-22	Depreciation charges	Assets value at the beginning of FY 2022-23	Depreciation charges	Assets value at the beginning of FY 2023-24	Depreciation charges
1	Plant & Machinery	5.28%	330.81	5.62	205.26	11.13	216.36	11.90
2	Underground cable	5.28%	159.64	3.63	25.47	1.34	25.47	1.34
3	Buildings	3.34%	29.96	0.50	29.96	1.00	29.96	1.00
4	Vehicles	9.50%	1.99	0.27	0.00	0.00	0.00	0.00
5	Furniture & Fixtures	6.33%	1.57	0.09	1.86	0.12	1.86	0.12
6	Computers & Others	6.33%	90.72	3.28	70.99	4.49	70.99	4.49
7	Land	0.00%	13.65	0.00	13.65	0.00	13.65	0.00
8	Software-Intangible assets	15.00%	2.42	0.34	2.42	0.36	2.42	0.36
9	Total		630.76	13.73	349.61	18.45	360.71	19.22

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Repair and Maintenance Expenses

Format -13

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Plant & machinery			
	-Plant & Apparatus			
	-EHV substations			
	- 33kV substation			
	- 11kV substation			
	- Switchgear and cable connections			
	- Others			
	Total			
2	Building			
3	Hydraulic works & civil works			
4	Line cable & network			
	-EHV Lines			
	- 33kV lines			
	- 11kV lines			
	- LT Lines			
	- Meters and metering equipment			
	- Others			
	Total			
5	Vehicles			
6	Furniture & fixtures			
7	Office equipments			
8	Operating expenses			
9	Total			
10	Add/Deduct share of others (To be specified)			
11	Total expenses			
12	Less capitalized			
13	Net expenses			
14	Add prior period *			
15	Total expenses charged to revenue as R&M expenses	20.22	8.36	9.07

Breakup not available

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Total Number of Employees

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Number of employees as on 1st April	364	52	57
2	Employees on deputation/ foreign service as on 1st April	0	0	0
3	Total number of employees (1+2)	364	52	57
4	Number of employees retired/retiring during the year	10	0	0
5	Number of employees added	0	5	15
6	Number of employees at the end of the year (4-5)	354	57	72



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Employee Cost

Format -15

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
		Total	Total	Total
1	2	3	4	5
1	Salary & Wages	12.79	6.00	6.38
2	Provident Fund Contribution	0.56	0.26	0.28
3	Leave Salary, Pension and Gratuity	0.64	0.30	0.32
4	Staff Welfare Expenses	0.01	0.01	0.01
5	Grand total	14.00	6.57	6.99

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Administration and General Expenses

Format -16

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Fees to Auditors	0.09	0.58	0.61
2	Printing and Stationery Expenses	0.13	0.84	0.89
3	Travelling and Accommodation Expenses	0.03	0.22	0.23
4	Advertisement Expenses	0.01	0.05	0.06
5	Corporate Social Responsibility Expenses	2.03	0.00	0.00
6	Telephone Expenses	0.46	2.99	3.18
7	Legal and Professional Charges	0.91	5.84	6.21
8	Bank Charges	0.88	6.35	6.75
9	Fees and Subscription Expenses	0.08	0.52	0.56
10	Other Expenses	0.87	5.60	5.96
12	Total	5.59	6.45	6.85
13	Add/Deduct share of others (to be specified)			
14	Total expenses	5.59	6.45	6.85
15	Less capitalized	0.00	0.00	0.00
16	Net expenses	5.59	6.45	6.85
17	Add prior period	0.00	0.00	0.00
18	Total expenses charges to revenue	5.59	6.45	6.85

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Bad and Doubtful Debts

Format -17

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Amount of receivable	3,478.05	62.94	66.38
1	Provision made for debts in ARR	0.00	0.00	0.00



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Working Capital for the current and ensuing year

Sr.No.	Particulars	Amount (in Crores Rs.)
		Previous year FY 2021-22 (Actual)
1	2	3
1	O&M expense for one month	3.32
2	Maintenance spares at 40% of R&M for one month	0.67
3	Receivables for 2 months	579.67
4	Total Working Capital requirement	583.67
5	Less Power Purchase Cost of 1 month	0.00
6	Less consumer security deposit but excluding Bank Guarantee/Fixed Deposit Receipt	83.88
7	Total Working Capital requirement	499.79



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Working Capital for the current and ensuing year

Sr.No.	Particulars	Amount (In Crores Rs.)	
		Current year FY 2022-23 (RE)	Ensuing year FY 2023-24 (Projection)
1	2	3	4
1	Receivables equivalent to 45 days of fixed cost	8.01	8.33
2	Maintenance spares at 15% of operation and maintenance expenses	3.21	3.44
3	Operation and maintenance expense for one month	1.78	1.91
7	Total Working Capital requirement	13.00	13.67



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Foreign Exchange Rate Variation (FERV)

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Amount of liability provided		NA	
2	Amount recovered			
3	Amount adjusted			



Format -20

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Non Tariff Income

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Tender Fees	0.02	0.01	0.01
2	Provision Written Back	3.28	0.00	0.00
3	Sale of Scrap	0.00	0.00	0.00
4	Miscellaneous Income	2.11	2.80	0.00
5	Reactive Income	0.00	0.00	0.00
6	STOA Application Fees	0.00	0.00	0.00
7	Supervision Charges	0.00	0.49	0.25
8	Other operation income	5.24	0.00	0.00
9	Total income	10.64	3.29	0.26
10	Add prior period income*	0.00	0.00	0.00
11	Total non tariff income	10.64	3.29	0.26



Format -21

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Revenue from Other Business

(Rs. in crores)

Sr.No.	Particulars	Previous year FY 2021-22 (Actual)	Current Year FY 2022-23 (RE)	Ensuing Year FY 2023-24 (Projections)
1	2	3	4	5
1	Total revenue from other business			
2	Income from other business to be considered for licensed business as per regulations		NA	



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Lease Details

Sr.No.	Name of Lesser	Gross Assets (Rs.in crores)	Lease entered on	Lease Rentals	Primary period ended/ ending by	Secondary period ending by
1	2	3	4	5	6	7
Not Applicable						



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding Wholesale Price Index (All Commodities)

Sr.No.	Period	WPI/CPI	Increase over previous year
1	2	3	4
1	FY 2020-21	123.38	1.29%
2	FY 2021-22	138.90	12.58%
3	FY 2022-23	153.36	10.41%



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24
Information regarding amount of equity and loan

(Rs. in crores)

Sr.No.	Period	Amount of equity (Rs. in crore)	Amount of loan (Rs. in crore)	Ratio of equity & loan
1	2	3	4	5
1	As on March 31 of Previous Year	NA		
2	As on March 31 of Current Year			
3	As on March 31 of Ensuing Year			



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24

(Rs. in crores)

Sr.No.	Particular	FY 2021-22 Approved by the Commission (Tariff Order dated 31st March, 2022)	FY 2021-22 Actuals
1	Cost of fuel		3,397.50
2	Cost of power purchase	3,389.30	0.00
3	Provision for RPO compliance	0.00	14.00
4	Employee costs	14.86	20.22
5	R&M expenses	13.11	5.59
6	Administration and General expenses	8.93	13.73
7	Depreciation	20.82	54.01
8	Interest charges (including interest on working capital)	53.86	29.03
9	Return on NFA / Equity	24.08	28.19
10	Additional ROE for previous year	0.00	0.00
11	Additional Expenses	0.00	0.00
12	Provision for Bad Debt	0.00	3.46
13	Interest on security deposit	3.20	27.96
14	Income Tax	20.00	22.16
15	Incentive on achievement of norm of T&D	0.00	3,615.86
16	Total revenue requirement	3,548.16	10.65
17	Less: non tariff income	5.87	3,605.20
18	Net revenue requirement (10-11)	3,542.29	3,478.05
19	Revenue from tariff	3,446.09	0.00
20	Revenue from UI	0.00	-127.16
21	(Gap)/surplus (12-13)	-96.20	0.00
22	Revenue from Open Access	0.00	0.00
23	Recovery on account of PPCA variation	0.00	-127.16
24	(Gap)/Surplus after adjusting PPC variations	-96.20	29.88
25	(Gap)/Surplus of previous years	29.88	-2.70
26	Carrying cost	-1.46	-99.97
27	Total (Gap)/surplus (14+15)	-67.78	0.00
28	Revenue surplus carried over	0.00	0.00
29	Carrying Cost	0.00	0.00
30	Additional revenue from proposed tariff	0.00	0.00
31	Energy sales (MU)	6,660.36	6,648.49

DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24

(Rs. in crores)

Sr.No.	Particular	FY 2022-23 (RE)
1	Cost of power purchase	0.00
2	Employee costs	6.57
3	R&M expenses	8.36
4	Administration and General expenses	6.45
5	Depreciation	18.45
6	Interest charges (including interest on working capital	2.02
7	Return on NFA / Equity	16.51
8	Provision for Bad Debt	0.00
9	Interest on security deposit	0.00
10	Income Tax	5.69
11	RPO provisioning to cover backlog of the previous years upto current year	0.00
12	Total revenue requirement	64.05
13	Less: non tariff income	3.29
14	Net revenue requirement (10-11)	60.76
15	Revenue from tariff	62.94
16	Revenue from UI	0.00
17	(Gap)/surplus (12-13)	2.18
18	Revenue from Open Access	0.00
19	Recovery on account of PPCA variation	0.00
20	Revenue from Regulatory Surcharge	0.00
21	(Gap)/Surplus after adjusting PPC variations	2.18
22	(Gap)/Surplus for previous year	-99.96
23	Carrying cost	-7.91
24	Total gap (14+15)	-105.69
25	Revenue surplus carried over	0.00
26	Carrying Cost	0.00
27	Additional revenue from proposed tariff	0.00
28	Energy sales (MU)	0.00



DNH and DD Power Corporation Limited
ANNUAL REVENUE REQUIREMENT FOR THE FY 2023-24

(Rs. in crores)

Sr.No.	Particular	FY 2023-24 (Projection)
1	Cost of power purchase	6.99
2	Employee costs	9.07
3	R&M expenses	6.85
4	Administration and General expenses	19.22
5	Depreciation	1.39
6	Interest charges (including interest on working capital	17.19
7	Return on NFA / Equity	0.00
8	Provision for Bad Debt	5.92
9	Income Tax	0.00
10	Interest on security deposit	
	RPO provisioning to cover backlog of the previous years upto current year	0.00
12		66.63
13	Total revenue requirement	0.26
14	Less: non tariff income	66.38
15	Net revenue requirement (13-14)	0.00
16	Revenue from tariff	0.00
17	Revenue from UI	(66.38)
18	(Gap)/surplus (16+17-15)	(105.69)
19	Gap for previous year	0.00
20	Carrying cost	(172.07)
21	Total gap (18+19+20)	-
22	Revenue surplus carried over	-
23	Carrying Cost	-
24	Reduction in surplus @ Proposed Tariff	-
25	Energy sales (MU)	-

