

MPSEZ UTILITIES PRIVATE LIMITED

Regd Office: Adani House, Nr. Mithakali Circle, Navrangpura, Ahmedabad - 380 009 Tel No.: 079 - 2555 5801, Fax No.: 079 - 2555 6490

SUMMARY OF PETITION NO. 1772 / 2018 FOR (i) TRUE UP OF FY 2017-18, (ii) TARIFF DETERMINATION FOR FY 2019-20 AND (iii) MID-TERM REVIEW OF AGGREGATE REVENUE REQUIREMENT FOR THE PERIOD FY 2019-20 TO FY 2020-21

Background Information:

- MPSEZ Utilities Private Limited (MUPL) is a company incorporated in 2008 under the provisions of the Companies Act, 1956. It has started its commercial operation from 28.08.2010 and is in the process of establishing distribution network for power distribution to various entities in SEZ.
- MUPL is engaged in distribution of electricity for the Mundra SEZ area as a distribution licensee. MUPL has filed the Petition before the Hon'ble Gujarat Electricity Regulatory Commission for (i) True up of FY 2017-18, (ii) Tariff Determination for FY 2019-20 & (iii) Approval of Mid-term Review of Aggregate Revenue Requirement (ARR) for the period FY 2019-20 to FY 2020-21 as per GERC (Multi Year Tariff) Regulations, 2016.

True Up for FY 2017-18

- The Petitioner in its Multi Year Tariff Petition had submitted projections for the control period from FY 2016-17 to FY 2020-21. Accordingly, ARR for FY 2017-18 had been approved by the Hon'ble Commission vide its MYT order dated 31.03.2017.
- The Petitioner in this Petition has submitted details based on audited accounts for the purpose of true up.
- In line with the provisions of the MYT Regulations, 2016, considering actual expenses vis-a-vis approved expenses, the Petitioner has true up ARR and computed the gains and losses on account of controllable and uncontrollable parameters.
- The sale by Petitioner in its license area is 283.98 MUs during FY 2017-18. The distribution loss is 3.39% as against estimated loss of 4.00%. Accordingly, the energy balance furnished is based on actual sales and actual T&D losses.
- The following summary of true up ARR for FY 2017-18 to be recovered by MUPL after incorporation of sharing of gains / losses.

Table 1: True up ARR for FY 2017-18

		(Rs Crs)
Particulars		Actual for FY 2017-18
ARR approved in the MYT order for FY 2017-18	(a)	189.39
Less : Gains on account of Controllable factor to be passed on to the consumers (1/3rd)	(b)	0.00
Less : Gains on account of Uncontrollable factor to be passed on to the consumers	(c)	39.73
ARR true up for FY 2017-18	d=a-(b+c)	149.66

- The true up ARR is Rs. 149.66 Crs. after sharing of gains and losses for FY 2017-18, whereas, the revenue from sales of power is Rs. 152.50 Crs. Thus, revenue surplus for FY 2017-18 works out to Rs. 2.85 Crs.
- The consolidated revenue gap / (surplus) for FY 2017-18 including the approved gap of previous years along with carrying cost is as mentioned in the below table:

Table 2: Consolidated Revenue Gap / (Surplus) for FY 2017-18

		(Rs Crs)
Particulars		Actual
Revenue Gap / (Surplus) for FY 2017-18		(2.85)
Add: Recovery of Approved Revenue Gap / (Surplus) of FY 2015-16		5.42
Add: Carrying Cost on approved gap / (Surplus) of FY 2015-16 for FY 2016-17 & FY 2017-18		1.26
Consolidated Revenue Gap / (Surplus) of FY 2017-18		3.84

Revenue Gap / (Surplus) and Tariff Proposal

- The projected revenue for FY 2019-20, at existing tariff, works out to be Rs. 191.95 Crs. as against projected revised ARR of Rs. 202.00 Crs.
- The Petitioner has considered consolidated revenue gap of FY 2017-18 along with carrying cost on consolidated gap of FY 2017-18 for FY 2018-19 and FY 2019-20 to determine projected revenue gap / (surplus) for FY 2019-20. Thus, projected revenue gap for FY 2019-20 would be Rs. 14.50 Crs. as mentioned in the below table:

Table 3: Revenue gap / (surplus) with existing tariff for FY 2019-20

		(Rs Crs)
Particulars		FY 2019-20
Revised ARR for FY 2019-20		202.00
Add: Consolidated Revenue gap of FY 2017-18		3.84
Add: Carrying cost on consolidated gap of FY 2017-18 for FY 2018-19 & FY 2019-20		0.61
Projected Revenue from existing tariff for FY 2019-20		191.95
Revenue Gap / (Surplus) in FY 2019-20		14.50

Tariff Proposal for FY 2019-20

- The Projected Revenue Gap of FY 2019-20 with existing tariff for projected sale of 365.69 MUs, after adjustment of consolidated revenue gap of FY 2017-18 including carrying cost, would be Rs. 14.50 Crs.
- The Petitioner proposes to split the existing HTMD-1 Category in to two different categories i.e. HTMD-1 (Commercial) and HTMD-1 (Industrial) for better forecasting of load and accordingly plan for the power procurement.
- Petitioner also proposes to increase the energy charges of HTMD-1 (Industrial) category consumers having contract demand in excess of 500 KVA by 20 Paise / unit.

Mid-Term Review of Aggregate Revenue Requirement (ARR) for the Period FY 2019-20 to FY 2020-21

- The Mid-term Review of the ARR, for licence area of the Petitioner, is computed based on the guidelines laid by the Hon'ble Commission in the GERC MYT Regulations, 2016. Petitioner has submitted the revised ARR for the period FY 2019-20 to FY 2020-21 as mentioned in the below table:

Table 4: Revised ARR for the Period FY 2019-20 to FY 2020-21

Parameter	(Rs Crs)			
	FY 2019-20 Approved	FY 2019-20 Revised	FY 2020-21 Approved	FY 2020-21 Revised
Power Purchase Cost	260.45	182.35	273.82	189.65
O&M Expenses	10.72	10.25	11.33	10.84
Depreciation	3.88	2.16	4.12	2.70
Interest & Finance Charges	2.68	2.54	2.51	2.88
Interest on Security Deposits	0.20	0.11	0.20	0.11
Interest on Working Capital	3.03	1.72	3.14	1.80
Provision for Bad debts	-	-	-	-
Contingency Reserve	-	-	-	-
Income Tax	-	2.77	-	2.77
Revenue Expenditure	280.96	201.91	295.13	210.75
Return on Equity	3.10	2.99	3.26	3.31
Less: Non-tariff Income	0.45	2.90	0.45	2.92
Less Income from Other Business	-	-	-	-
Total ARR	283.61	202.00	297.94	211.14

Tariff Schedule of FY 2019-20

- Petitioner has not proposed any increase in tariff, except for one category i.e. HTMD-I (Industrial), w.e.f. 1st April, 2019. The proposed tariff schedule of Mundra SEZ area is given below:

Table 5: Tariff schedule for MUPL license area of Mundra SEZ

Sr No	Category	Fixed Charge	Energy charge	
1	Residential	Fixed charge Single phase supply Rs. 30 per month per installation Three phase supply Rs. 45 per month per installation	First 250 units	320 Paise/ unit
			Remaining units	370 Paise/ unit
2	Commercial Non demand (Connected load up to 6 kVA)	Single Phase supply Rs. 100 per month per installation	First 150 units	370 Paise/ unit
			Remaining units	395 Paise/ unit
3	Commercial demand (Connected load of 6 kVA & Above)	Billing demand upto and including the contract demand (Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor or six KVA whichever is higher on monthly basis) 75 Paise / unit In excess of contract demand 125 Paise / unit	Entire consumption	270 Paise/ unit
4	Industrial Non demand (Connected load up to 6 kVA)	Single phase supply Rs. 100 per month per installation	First 150 units	345 Paise/ unit
			Remaining units	370 Paise/ unit
5	Industrial demand (Connected load of 6 kVA & Above)	Billing demand upto and including the contract demand (Computed on 85 % of contract demand at u.p.f. and 100 % load factor or actual maximum demand at monthly average power factor or six KVA whichever is higher on monthly basis) 75 Paise / unit In excess of contract demand 125 Paise / unit	Entire consumption	270 Paise/ unit
6	Street Lights		Entire consumption	320 Paise/ unit
7	Temporary demand	Billing demand upto and including the contract demand (Computed on 85 % of contract demand at u.p.f. and 100 % load factor or actual max demand at monthly average power factor whichever is higher on monthly basis) 75 Paise /unit In excess of contract demand 125 Paise / unit	Entire consumption	345 Paise/ unit
8	LT - Electric Vehicle (EV) Charging Station	Rs. 25 per month per installation	Entire consumption	305 Paise/ unit

9	HTMD - I (Commercial)	A) For the billing demand of customer having 1) Contract demand up to 500 kVA (Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred KVA) 75 Paise /unit 2) Contract demand above 500 kVA (Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis) 110 Paise /unit B) In excess of contract demand 1) Contract demand up to 500 kVA 125 Paise / unit 2) Contract demand above 500 kVA 150 Paise / unit	Contract demand up to 500 kVA	310 Paise/ unit
			Contract demand above 500 kVA	350 Paise/ unit
10	HTMD - I (Industrial)	B) In excess of contract demand 1) Contract demand up to 500 kVA 125 Paise / unit 2) Contract demand above 500 kVA 150 Paise / unit	Contract demand up to 500 kVA	310 Paise/ unit
			Contract demand above 500 kVA	370 Paise/ unit
11	HTMD - II	Billing demand upto and including the contract demand (Computed on 85 % of contract demand at u.p.f or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred KVA) 100 Paise /unit In excess of contract demand 150 Paise / unit	Entire consumption	445 Paise/ unit
12	HTMD-III	Billing demand upto and including the contract demand (Computed on 85 % of contract demand at u.p.f and 100 % load factor or actual maximum demand at monthly average power factor whichever is higher on monthly basis or one hundred KVA) 75 Paise /unit In excess of contract demand 125 Paise / unit	Entire consumption	270 Paise/ unit
13	HTMD-IV		Entire consumption	270 Paise/ unit
14	HT - Electric Vehicle (EV) Charging Stations	Billing demand upto and including the contract demand Rs. 25 per KVA per month In excess of contract demand Rs. 50 per KVA per month	Entire consumption	300 Paise/ unit

Notes:

- Power factor adjustment charges - applicable to commercial demand based, Industrial demand based, HTMD-I (Commercial), HTMD-I (Industrial), HTMD-II, HTMD-III and HTMD-IV.
The rebate is provided for each 1 % improvement in power factor.
Power factor 90% to 95 % - 0.15 paise/unit
Power factor over 95 % - 0.27 paise / unit
The penalty is levied for each 1 % decrease in power factor.
Power factor below 90 % - 3.00 Paise / unit
- FPPPA charges - As applicable
- Rebate for supply at EHV for category of HTMD-I (Commercial), HTMD-I (Industrial), HTMD-II, HTMD-III & HTMD - IV is as follows:

On Energy Charges		Rebate @
1	If supply is availed at 11 kV	0.0 %
2	If supply is availed at 33 kV	1.0 %
3	If supply is availed at 66 kV and above	2.0 %

Note: The above rebate will be applicable only on monthly basis and consumer with arrears shall not be eligible for the above rebate. However, the applicable rebates shall be allowed to consumers with outstanding dues, wherein such dues have been stayed by the appropriate authority/Courts.