

MPSEZ UTILITIES LIMITED

Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad - 382 421

SUMMARY OF PETITION NO. 1924 / 2021 FOR (i) TRUE UP OF FY 2019-20 AND (ii) AGGREGATE REVENUE REQUIREMENT & TARIFF DETERMINATION FOR FY 2021-22

Background Information:

- **MPSEZ Utilities Limited (MUL)** [Formerly known as 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 on 28.08.2010 and is in the process to establish power distribution network to various entities in Mundra SEZ.
- MUL is engaged in distribution of electricity in Mundra SEZ as a distribution licensee. MUL has filed the Petition before the Hon'ble Gujarat Electricity Regulatory Commission for (i) True up of FY 2019-20 and (ii) Aggregate Revenue Requirement & Tariff Determination for FY 2021-22 in view of GERC (MYT) Regulations, 2016 and Suo-Motu order dated 22.12.2020.

True Up for FY 2019-20

- The Petitioner in its Multi Year Tariff Petition had submitted projections for the control period from FY 2016-17 to FY 2020-21 and accordingly, ARR for FY 2019-20 was approved by the Hon'ble Commission vide its MYT order dated 31.03.2017.
- The Petitioner in its MTR Petition had submitted revised projections for FY 2019-20 and accordingly, ARR for FY 2019-20 was approved by the Hon'ble Commission vide its order dated 30.07.2019.
- The Petitioner in this Petition has submitted details based on audited accounts for True-up of FY 2019-20.
- In line with the provisions of the MYT Regulations, 2016, considering actual expenses vis-a-vis approved expenses, the Petitioner has trued up ARR and computed gains and losses on account of controllable and uncontrollable parameters.
- The sale by Petitioner in its license area for FY 2019-20 was 327.16 MUs. The distribution loss for FY 2019-20 was 3.81% against estimated loss of 4.00% and transmission loss for FY 2019-20 was 0.40% against estimated loss of 1.20%. Accordingly, the energy balance for FY 2019-20 has been furnished based on actual sales and actual T&D losses.
- The following summary of trued up ARR for FY 2019-20 to be recovered by MUL after incorporation of sharing of gains / losses.

Table 1: Trued up ARR for FY 2019-20

(Rs Crs)

Particulars		Actual for FY 2019-20
ARR approved in the MTR order for FY 2019-20	(a)	179.01
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)	2.20
ARR trued up for FY 2019-20	d=a-(b+c)	176.81

- The trued up ARR is Rs. 176.81 Crs. after sharing of gains and losses for FY 2019-20. Whereas, the revenue from sales of power for FY 2019-20 is Rs. 175.85 Crs. Thus, there is a revenue gap Rs. 0.96 Crs for FY 2019-20.
- The consolidated revenue gap / (surplus) for FY 2019-20 including approved gap of previous years along with carrying cost is mentioned in below table:

Table 2: Consolidated Revenue Gap / (Surplus) for FY 2019-20

(Rs Crs)

Particulars	Actual
Net Revenue Gap / (Surplus) for FY 2019-20	0.96
Add: Approved Consolidated Revenue Gap / (Surplus) of FY 2017-18	2.01
Add: Approved Carrying Cost on Revenue Gap of 2017-18 for FY 2018-19 and FY 2019-20	0.32
Add: Carrying Cost on Revenue Gap of FY 2015-16 for FY 2016-17 & FY 2017-18	1.26
Consolidated Revenue Gap / (Surplus) of FY 2019-20	4.55

Aggregate Revenue Requirement (ARR) for FY 2021-22

- The Aggregate Revenue Requirement for license area of the Petitioner has been computed based on guidelines laid by the Hon'ble Commission in GERC MYT Regulations, 2016 in view of Suo-Motu order dated 22.12.2020. The Petitioner has submitted ARR for FY 2021-22 as mentioned in below table:

Table 3: ARR for FY 2021-22

(Rs Crs)

Parameter	FY 2021-22
Power Purchase Expenses	187.35
O&M Expenses	11.99
Depreciation	3.22
Interest & Finance Charges	2.59
Interest on Security Deposits	0.14
Interest on Working Capital	1.83
Provision for Bad debts	-
Contingency Reserve	-
Revenue Expenditure	207.13

Return on Equity Capital	3.44
Income Tax	1.59
Total Revenue Expenditure	212.16
Less: Non-Tariff Income	3.35
Aggregate Revenue Requirement	208.81

Revenue Gap / (Surplus)

- The projected revenue for FY 2021-22 at existing tariff works out to be Rs. 206.22 Crs. against projected ARR of Rs. 208.81 Crs.
- The Petitioner has considered consolidated revenue gap of FY 2019-20 along with carrying cost on consolidated gap of FY 2019-20 for FY 2020-21 and FY 2021-22 to determine projected revenue gap / (surplus) for FY 2021-22. Thus, projected revenue gap for FY 2021-22 would be Rs. 7.63 Crs. as mentioned in below table:

Table 4: Revenue gap / (surplus) with existing tariff for FY 2021-22

Particulars	(Rs Crs) FY 2021-22
Estimated ARR for FY 2021-22	208.81
Add: Consolidated Revenue gap for FY 2019-20	2.97
Add: Consolidated Carrying Cost up to FY 2019-20	1.58
Add: Carrying cost on consolidated gap of FY 2019-20 for FY 2020-21 & FY 2021-22	0.48
Estimated Revenue from existing tariff for FY 2021-22	206.22
Revenue Gap / (Surplus) in FY 2021-22	7.63

Tariff Proposal for FY 2021-22

- The Projected Revenue Gap of FY 2021-22 with existing tariff for projected sale of 403.91 MUs would be Rs. 7.63 Crs.
- The Petitioner proposes to increase energy charges by Rs. 0.10/kWh for all the tariff category. Accordingly, there would be additional revenue of Rs. 4.04 Crs. against projected revenue gap of Rs. 7.63 Crs. for FY 2021-22.
- The Petitioner also proposes to introduce tariff category for Railway Traction in its license area.

Tariff Schedule of FY 2021-22

- The Petitioner has proposed increase energy charges by Rs. 0.10/kWh for all the tariff category and also introduced tariff category for Railway Traction w.e.f. 1st April, 2021. The proposed tariff schedule is as mentioned in below table:

Table 5: Tariff schedule for MUL's license area

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	330 Paise/ unit
			Remaining units	380 Paise/ unit
2	Commercial Non demand (Connected load up to 6 kVA)	Single Phase supply Rs. 100 per month per installation	First 150 units	380 Paise/ unit
			Remaining units	405 Paise/ unit
3	Commercial demand (Connected load of 6 kVA & Above)	Billing demand up to 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	280 Paise/ unit
4	Industrial Non demand (Connected load up to 6 kVA)	Single phase supply Rs. 100 per month per installation	First 150 units	355 Paise/ unit
			Remaining units	380 Paise/ unit
5	Industrial demand (Connected load of 6 kVA & Above)	Billing demand up to 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	280 Paise/ unit
6	Street Lights		Entire consumption	330 Paise/ unit
7	Temporary demand	Billing demand up to 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	Entire consumption	355 Paise/ unit

		125 Paise / unit		
8	LT - Electric Vehicle (EV) Charging Station	Rs. 25 per month per installation	Entire consumption	315 Paise/ unit
9	HTMD - I	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 Contract demand above 500 kVA	320 Paise/ unit 360 Paise/ unit
10	HTMD - II	Billing demand up to 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	455 Paise/ unit
11	HTMD-III	Billing demand up to 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	280 Paise/ unit
12	HTMD-IV	Billing demand up to 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	280 Paise/ unit
13	HT - Electric Vehicle (EV) Charging Stations	Billing demand up to and including the contract demand Rs. 25 per KVA per month In excess of contract demand Rs. 50 per KVA per month	Entire consumption	310 Paise/ unit
14	RAILWAY TRACTION	Billing demand up to and including the contract demand Rs. 180 per kVA per month In excess of contract demand Rs. 425 per KVA per month	Entire consumption	500 Paise/ unit

Notes:

- Power factor adjustment charges - applicable to commercial demand based, Industrial demand based, HTMD-I, HTMD-II, HTMD-III, HTMD-IV and Railway Traction
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, HTMD-II, HTMD-III, HTMD-IV & Railway Traction 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.