

considered necessary, etc. These measures, which the Central Commission is empowered to take, have got to be in conformity with the regulations under Section 178, wherever such regulations are applicable. Measures under Section 79 (1), therefore, have got to be in conformity with the regulations under Section 178.

55. To regulate is an exercise which is different from making of the regulations. However, making of a regulation under Section 178 is not a pre-condition to the Central Commission taking any steps/measures under Section 79(1). As stated, if there is a regulation, then the measure under Section 79(1) has to be in conformity with such regulation under Section 178. This principle flows from various judgments of this Court which we have discussed hereinafter. For example, under Section 79(1)(g) the Central Commission is required to levy fees for the purpose of the 2003 Act. An order imposing regulatory fees could be passed even in the absence of a regulation under Section 178. If the levy is unreasonable, it could be the subject matter of challenge before the Appellate Authority under Section 111 as the levy is imposed by an Order / decision making process. Making of a regulation under Section 178 is not a pre-condition to passing of an Order levying a regulatory fee under Section 79(1)(g).

56.

57.

58. One must understand the reason why a regulation has been made in the matter of capping the trading margin under Section 178 of the Act. Instead of fixing a trading margin (including capping) on a case to case basis, the Central Commission thought it fit to make a regulation which has a general application to the entire trading activity which has been recognized, for the first time, under the 2003 Act. Further, it is important to bear in mind that making of a regulation under Section 178 became necessary because a regulation made under Section 178 has the effect of interfering and overriding the existing contractual relationship between the regulated entities. A regulation under Section 178 is in the nature of a subordinate Legislation. Such subordinate Legislation can even override the existing contracts including Power Purchase Agreements which have got to be aligned with the regulations under Section 178 and which could not have been done across the board by an Order of the Central Commission under Section 79 (1) (j)



Further, the Hon'ble Appellate Tribunal for Electricity has in Judgement dated 1.3.2012 in Appeal No. 131 of 2011 in case of Haryana Power Generation Corporation Ltd. v/s. Haryana Electricity Regulatory Commission held that the State Commission is bound by the statutory Regulations.

The Hon'ble APTEL has in its Judgement dated 4.2.2012 in Appeal No. 100/2007 in case of Karnataka Power Transmission Company Ltd. v/s. Karnataka Electricity Regulatory Commission & Ors. and in case of North Delhi Power Ltd. v/s. Delhi Electricity Regulatory Commission reported in 2007 (APTEL 193) held that truing up is not a stage where any new methodology can be adopted by the State Commission. The State Commission has to undertake only the financial true up and cannot change the principle followed at the time of initial determination of tariff.

The Hon'ble APTEL has in its judgement dated 30.11.2015 in Appeal No. 33 of 2015 in case of SLDC v/s GERC & Ors. held that the State Commission is bound by its Regulations. All measures the State Commission takes in respect of charges of the SLDC have to be in conformity with the said Regulations. Moreover, it is also held that truing up exercise is only adjustment of actual qua the estimated amounts and not a stage for introducing any new methodology or providing for any new adjustment not envisaged at the time of determination of revenue requirements on estimated basis.

The aforesaid decisions of the Hon'ble Supreme Court and Hon'ble APTEL make it clear that it is mandatory for the Commission to follow the provisions of Regulations. In the present case as stated above, Regulation 21 of the GERC (MYT) Regulations specifically provides for the methodology for truing-up. Any deviation from the provisions of the prescribed Regulations not in consonance with the decisions of the Hon'ble Supreme Court of India, which is binding under Article 141 of the Constitution of India and Hon'ble APTEL is illegal. Therefore, I am of the view that it is necessary to follow Regulation 21 of the GERC (MYT) Regulations, 2016.



In light of the above, the Tariff Order passed by my learned brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi differs from the methodology adopted in other distribution licensee case, and procedure conformity on legal validity specified in the Regulations and, therefore, I do not agree to approve the complete Tariff Order in its present form put up to me, but partially agree.

Taking into account the above analysis and arguments, I respectfully disagree with the Tariff Order passed by my learned brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi and I issue my separate Order.

In view of the above, I agree with the contents of Chapter-1 and Chapter-2 of the Tariff Order of my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi.

I disagree with analysis and decision stated in Chapter-3 of the Tariff Order of my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi and, therefore, analysis and decision of said Chapter-3 is not taken into consideration by me in my decision/order.

Chapter-4 of the Tariff Order pertains to true up for FY 2019-20, prepared by my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi, I disagree with the analysis, and decision. The said Chapter in the Order is not in consonance with provisions of the GERC (MYT) Regulations, 2016, and deviates on principle and methodology of True-up adopted in case of other distribution licensees of the State is also not in consonance with the existing practice. It is also against the decision of the Hon'ble Supreme Court and Hon'ble APTEL in various cases as recorded in earlier para. Therefore, the True-up for FY 2019-20 of GIFT Power Company Ltd. is prepared by me separately based on GERC (MYT) Regulations, 2016.

I also disagree with Chapter-5 of the Tariff Order prepared by my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi. The said Chapter



pertains to determination of ARR for FY 2021-22. In the said Chapter some of the parameters of ARR needs to be considered from the Chapter of True up for FY 2019-20 as a part of ARR for FY 2021-22 with consideration of provisions of GERC (MYT) Regulations, 2016. Thus, there is deviation and difference in the ARR for FY 2021-22 as determined by brethren Chairman and Member. Therefore, the said Chapter is also prepared by me separately on the basis of my analysis.

Similarly, Chapter-6 of the Tariff Order prepared by my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi pertains to determination of Tariff for FY 2021-22 is also prepared by me separately with consideration of interpretation of earlier analysis and decision of my order.

So far as compliance of directives is concerned, I agree with the decision of my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi. Moreover, I have also added a fresh directive after directive No. 3 in my Order.

So far as Chapter-7 concerning Fuel and Power Purchase Price Adjustment, I agree with the decision of my brethren Chairman Shri Anand Kumar and Member Shri M.M. Gandhi.

Chapter-8 pertains to Wheeling Charges and Cross-Subsidy Surcharge with regard to wheeling charge I disagree with the decision of my brethren Chairman and Member. Therefore, it is separately worked out by me.

So far as Chapter-9 pertaining to Tariff Philosophy and proposal for Tariff is concerned, I partly agree with the decision of my brethren Chairman Shri Anand Kumar and Member Shri M.M.Gandhi except some changes with regard to analysis and decision derived from earlier part of Chapters i.e. true up for FY 2019-20 and determination of ARR for FY 2021-22 and those figures are reflected as a part of different para of the said Chapter of the Order of my brethren Chairman Shri Anand Kumar and Member Shri M.M.Gandhi. I disagree with the contents of the same para of the Chapter and the figures which are based on the analysis



made and decision taken in earlier part of the Order are different and distinct than the decision of brethren Chairman and Member. Therefore, the said Chapter is prepared separately by me as a part of my decision.

Based on the aforesaid, I disagree with the Commission's Order for ARR approved for FY 2021-22 stated in Order of my brethren Chairman Shri Anand Kumar and Member Shri M.M.Gandhi and the same is separately prepared as a part of my decision.

Chapter-10, Annexure to Tariff Schedule, is concerned I agree with the decision of my brethren Chairman Shri Anand Kumar and Member Shri M.M.Gandhi.

Considering the above, I have prepared separate Tariff Order in Petition No. 1942 of 2021 of GIFT Power Company Ltd. (GPCL), as under;







**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**

GANDHINAGAR

Tariff Order

Truing up for FY 2019-20
and Determination of ARR & Tariff for FY 2021-22

For

**GIFT Power Company Limited
(GIFT PCL)
by S.R. Pandey, Member**

Case No. 1942 of 2021

1st July, 2021



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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
DISCOM	Distribution Company
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GFA	Gross Fixed Assets
GIFT CL	GIFT City Co. Ltd.
GIFT PCL	GIFT Power Company Ltd.
HT	High Tension
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension
LTMD	Low Tension Maximum Demand
MCLR	Marginal Cost of Funds based Lending Rate
MUs	Million Units (Million kWh)
MVA	Megavolt Ampere
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
RoE	Return on Equity
R&M	Repairs and Maintenance
SBI	State Bank of India
SLC	Service Line Contribution
SLDC	State Load Despatch Centre
STU	State Transmission Utility



**Before the Gujarat Electricity Regulatory Commission at
Gandhinagar**

Case No. 1942 of 2021

Date of the Order: 01/07/2021

CORAM

Shri Anand Kumar, Chairman

Shri M. M. Gandhi, Member

Shri S. R. Pandey, Member

ORDER BY

S.R. Pandey, Member



1 Background and Brief History

1.1 Background

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner') has filed the present Petition on 01st February, 2021 under Section 62 of the Electricity Act, 2003, read in conjunction with the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (herein after referred to as the "GERC (MYT) Regulations, 2016") for the Truing up for FY 2019-20 and Aggregate Revenue Requirement (ARR) & determination of tariff for FY 2021-22.

Gujarat Electricity Regulatory Commission notified the GERC (MYT) Regulations, 2016 on 29th March, 2016 which shall be applicable for determination of Tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of detailed application comprising of Truing up for FY 2019-20, ARR for FY 2021-22, revenue from the sale of power at existing tariffs and charges for the ensuing year (FY 2021-22) and revenue Gap or revenue Surplus thereof for the ensuing year for the determination of Tariff to be carried out under the GERC (MYT) Regulations, 2016 and amendment thereof from time to time.

The ensuing year in the present case is FY 2021-22, however, the GERC (MYT) Regulations, 2016 which has been notified on 29th March, 2016 is in force till 31st March 2021. While the Commission had initiated the process of framing the MYT Regulations for new Control Period of FY 2021-22 to FY 2025-26 by issuing public notice dated 10th August, 2020, the process was delayed due to circumstances and reasons beyond the control of the Commission. Considering the delay, the Commission vide its Suo-Motu Order No. 07 of 2020 dated 22 December, 2020 deferred the 5-year control period for new MYT Regulations for one year Accordingly, all the concerned utilities and licensees were directed to file annual ARR for FY 2021-22 and application for determination of tariff for FY 2021-22 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016.



After technical validation of the petition, it was registered on 04th February 2021 as Case No. 1942/2021 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff Order.

1.2 About Gujarat International Finance Tec-City Power Company Ltd. (GIFT PCL)

GIFT Power Company Ltd. (hereinafter referred to as 'GIFT PCL' or the 'Petitioner'), a 100% subsidiary company of Gujarat International Finance Tec-City Company Limited, is a distribution licensee responsible for the supply of electricity in the GIFT City area of around 886 acres of land which includes both Special Economic Zone (SEZ) area comprising of 261 acres and Domestic Tariff Area (DTA) comprising of 625 acres.

The Commission granted the second license for distribution of electricity in the said area of the existing licensee viz. Uttar Gujarat Vij Company Limited (UGVCL) vide Order dated 6th March, 2013 in Licence Application No. 1 of 2012 to the Petitioner.

1.3 Commission's Order for approval of ARR and Tariff for FY 2018-19

The Petitioner filed its Petition for approval of ARR for FY 2018-19 and determination of Retail Supply Tariff for FY 2018-19 on 6th March, 2018. The Petition was registered on 14th March, 2018 under Case No. 1710 of 2018. The Commission vide Order dated 3rd December, 2018 approved the ARR for FY 2018-19 and determined the tariff for FY 2018-19.

1.4 Commission's Order for determination of ARR for FY 2019-20 and FY 2020-21 and determination of Tariff for FY 2019-20

The Petitioner filed its Petition for approval of ARR for FY 2019-20 and FY 2020-21 and determination of Tariff for FY 2019-20 on 31st December, 2018. After technical validation, the Petition was registered on 7th January, 2019 under Case No. 1777 of 2019. The Commission vide Order dated 31st July, 2019 approved the ARR for FY 2019-20 and FY 2020-21 and determined the tariff for FY 2019-20.



1.5 Commission's Order for approval of True up of FY 2018-19, and determination of Tariff for FY 2020-21

The Petitioner filed its Petition for True up of FY 2018-19 and determination of Tariff for FY 2020-21 on 30th November, 2019. After technical validation, the Petition was registered on 4th January, 2020 under Case No. 1851 of 2020. The Commission vide Order dated 9th October, 2020 approved the True up for FY 2018-19 and determined the Tariff for FY 2020-21.

1.6 Background of the present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the control period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the Truing up for previous year's Expenses and Revenue based on Audited Annual Accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wire Business and Retail Supply Business, for each financial year, within the Control Period, based on the approved forecast and results of the Truing up exercise.

The Commission has issued Suo-Motu order No. 7 of 2020 dated 22nd December, 2020 directing the Licensees to file their Application / Petition for determining the annual ARR for FY 2021-22 and proposal for determination of Tariff for FY 2021-22 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016 on or before 8 January, 2021.

GIFT PCL has filed the present Petition on 1st February, 2021. The Petition filed by GIFT PCL covers the Truing up of FY 2019-20 and ARR & Tariff determination for FY 2021-22 in line with the provisions of Act and Regulations issued by the Commission along with the other guidelines and directions issued by the Commission from time to time.



1.7 Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing up for FY 2019-20 and determination of ARR & Tariff for FY 2021-22 on 1st February, 2021. After technical validation of the petition, it was registered on 4th February, 2021 (Case No. 1942/2021) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, GIFT PCL was directed to publish its tariff application in the newspapers to ensure public participation. Accordingly, Public Notices were published by the Petitioner for inviting objections/suggestions from stakeholders on the Tariff Petition in the following newspapers:

Table 1-1: List of newspapers (Public Notice issued by the Petitioner)

Sr. No.	Name of the Newspaper	Language	Date of publication
1	The Times of India	English	12.02.2021
2	Sandesh	Gujarati	12.02.2021

The Petitioner also placed the Public Notice and the Petition on its website (www.giftgujarat.in), for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the Petition on or before 13th March, 2021.

The Commission also placed the Petition and additional details received from the Petitioner on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission has not received any objections / suggestions on the Petition till the last submission date of 13th March, 2021. Hence, no public hearing was conducted.

1.8 Approach of this Order

The GERC (MYT) Regulations, 2016, provide for “Truing up” for the previous year and determination of Tariff for the ensuing year.



As per Clause 1.2 & 1.4 of the GERC (MYT) Regulations, 2016, the Commission has specified that the MYT framework will be applicable from 1st April, 2016 and shall be remain in force till 31st March, 2021.

GIFT PCL has approached the Commission with the present Petition for “Truing up” of FY 2019-20 and ARR & tariff determination for FY 2021-22. GIFT PCL has also submitted the final certified Audited Annual Accounts for FY 2019-20 extracted from the Audited Annual Accounts of GIFT Company Limited.

In this Order, the Commission has considered the “Truing up” for FY 2019-20, as per the GERC (MYT) Regulations, 2016. The ARR & Tariff determination for FY 2021-22 has also been carried out as per the provisions of the GERC (MYT) Regulations, 2016 as per the directions issued by the Commission vide Suo-Motu Order dated 22nd December, 2020.

The Commission has undertaken “Truing up” for FY 2019-20, based on the submissions of the Petitioner and as per the information available in Audited Annual Accounts. The Commission has undertaken the computation of Gains and Losses for FY 2019-20, based on the comparison of the approved vis-à-vis actual expenses.

While Truing up for FY 2019-20, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised, based on the actual performance observed.
- The Truing up for FY 2019-20 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of ARR & Tariff for FY 2021-22 have been carried out as per the principles and methodology specified in the GERC (MYT) Regulations, 2016 in line with the directions of the Commission vide its Suo-Motu Order No. 7 of 2020 dated



22nd December, 2020. Truing up for FY 2021-22 shall be carried out based on the principles and methodology adopted in the GERC (MYT) Regulations, 2016.

1.9 Contents of this Order

This Order consists of the following chapters:

1. The **First Chapter** provides a brief background of the Petitioner, the Petition and details of the public hearing process and the approach adopted for this Order.
2. The **Second Chapter** outlines the Summary of GIFT PCL's Petition.
3. The **Third Chapter** deals with the Truing-up for FY 2019-20.
4. The **Fourth Chapter** deals with the Determination of ARR for FY 2021-22.
5. The **Fifth Chapter** deals with the Determination of Tariff for FY 2021-22.
6. The **Sixth Chapter** deals with the Compliance of Directives of the Commission.
7. The **Seventh Chapter** deals with Fuel and Power Purchase Price Adjustments.
8. The **Eighth Chapter** deals with determination of the Wheeling Charges and Cross-Subsidy Surcharge.
9. The **Ninth Chapter** deals with the Tariff philosophy and Tariff proposal.



2 Summary of GIFT PCL's Petition

2.1 Introduction

This Chapter deals with highlights of the Petition as submitted by GIFT PCL for Truing up for FY 2019-20 and determination of ARR & Tariff for FY 2021-22.

2.2 True-Up of FY 2019-20

A summary of the proposed ARR for Truing-up of FY 2019-20 compared with the approved final ARR for FY 2019-20 in the "Multi Year Tariff" (MYT) Order dated 31st July, 2019 is presented in the Table below along with the item-wise computations for Gains/ Losses as submitted by GIFT PCL:

Table 2-1: True-up proposed by GIFT PCL for FY 2019-20

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20)				
		Approved in the MYT Order	Actual Claimed	Difference	Gains / (Losses) due to Controllable factor	Gains / (Losses) due to Uncontrollable factor
1	Power Purchase Expenses	14.38	10.35	4.03	-	4.03
2	Operation & Maintenance Expenses	1.89	3.57	(1.68)	-	(1.68)
3	Depreciation	4.03	5.46	(1.43)	-	(1.43)
4	Interest & Finance Charges	5.54	5.30	0.24	-	0.24
5	Interest on Security Deposit	0.35	0.32	(0.03)	-	(0.03)
6	Interest on Working Capital	-	-	-	-	-
7	Bad Debts Written Off	-	-	-	-	-
8	Contribution to Contingency Reserves	0.39	-	0.39	-	0.39
9	Return on Equity	2.37	4.51	(2.14)	-	(2.14)
10	Income Tax	-	-	-	-	-
12	Less: Non-Tariff Income	0.32	0.44	(0.12)	-	(0.12)
13	Aggregate Revenue Requirement	28.62	29.07	(0.45)	-	(0.45)



2.3 Revenue Gap/(Surplus) for FY 2019-20

The Table below summarizes the proposed ARR claimed by GIFT PCL for Truing up.

Table 2-2: Trued-up ARR as claimed for FY 2019-20

(Rs. Crore)

Sr. No.	Particular	Legend	Claimed
1	ARR as per the MYT Tariff Order for FY 2019-20	a	28.62
2	Add: Gain/(Loss) on account of Controllable factor to be passed on to the consumers (1/3)	b	-
3	Add: Gain/(Loss) on account of Un-Controllable factor to be passed on to the consumers	c	(0.45)
4	Pass through as tariff	d = - (1/3 b + c)	0.45
5	Trued-up ARR	e = a + d	29.07
6	Revenue from Sale of Power	f	16.22
7	Net Revenue Gap / (Surplus)	g = e - f	12.85

2.4 ARR, Revenue at Existing Tariff, Revenue Gap and Tariff Proposal for FY 2021-22

GIFT PCL has also sought approval for Aggregate Revenue Requirement for FY 2021-22 as per the GERC (MYT) Regulations, 2016 in line with the Commission's direction issued vide Suo-Motu Order No. 7 of 2020 dated 22nd December, 2020. GIFT PCL has submitted the revenue requirement as under:

Table 2-3: Proposed ARR for FY 2021-22

(Rs. Crore)

Particulars	FY 2021-22
Power Purchase Expenses	13.35
O&M Expenses	3.99
Depreciation	6.22
Interest and Finance Charges	4.10
Interest on Security Deposits	0.37
Interest on Working Capital	-
Return on Equity	5.11
Contribution to Contingency Reserves	0.83
Income Tax	-
Less: Non-tariff Income	0.53
ARR	33.44



2.5 Estimated Revenue Gap / (Surplus) for FY 2021-22

Based on the estimated ARR for FY 2021-22 given in the Table 2-3 above and the estimated revenue at the existing tariff, the estimated Revenue Gap for FY 2021-22 at existing tariff is shown in the following Table.

Table 2-4: Revenue Gap / (Surplus) for FY 2021-22 (Existing Tariff)

(Rs. Crore)		
Sr. No.	Particulars	Claimed
1	ARR for FY 2021-22 [a]	33.44
2	Revenue from Existing Tariff for FY 2021-22 [b]	22.21
3	Revenue Gap / (Surplus) in FY 2021-22 [c=(a-b)]	11.23

GIFT PCL has also calculated the Revenue Gap for FY 2019-20 as Rs 12.85 Crores. The Petitioner has requested the Commission to consider the Revenue Gap of FY 2019-20 for recover in FY 2021-22. The Petitioner has requested to introduce appropriate regulatory charge for recovering of past gap. This charge will help to recover its legitimate dues of recovering past losses in ensuring years.

2.6 GIFT PCL's Prayers to the Commission

1. To condone the delay, if any, occur in filing of the present petition.
2. Admit the Petition for True-up for FY 2019-20, Aggregate Revenue Requirement for FY 2021-22 and tariff determination for FY 2021-22.
3. Approve the cumulative gap / surplus as requested after true-up for FY 2019-20.
4. Approve introduction of appropriate regulatory charges to recover the past losses.
5. Approve the aggregate revenue requirement for FY 2021-22.
6. Approve base FPPPA and base power purchase cost as proposed by the Petitioner.
7. Approve Wheeling ARR and corresponding charges for wheeling of power.
8. Approve Cross Subsidy Surcharges, if any.



9. Approve Tariff Schedule as proposed by the Petitioner.
10. Allow additions/ alterations/ changes modifications to the application at a future date.
11. Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.
12. 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.



3 Truing up for FY 2019-20

3.1 Introduction

This Chapter deals with the Truing up for FY 2019-20 of GIFT PCL.

Each of the components of the Aggregate Revenue Requirement (ARR) for FY 2019-20 is analysed in the following paragraphs.

3.2 Energy Sales

Petitioner's submission

The Petitioner has submitted that the actual energy sales for FY 2019-20 are 21.53 MUs, as against the sales of 32.01 MUs approved in the Tariff Order dated 31st July, 2019. GIFT PCL has submitted the actual energy sales for FY 2019-20 as shown in the Table below.

Table 3-1: Energy Sales claimed for FY 2019-20

(MUs)

Particulars	Approved in the MYT Order	Actual Claimed
RGP	0.38	0.14
Non-RGP	1.96	1.09
LTMD	14.04	2.70
GLP	0.31	0.17
Streetlight (SL)	0.58	0.43
Temporary	1.69	0.89
HTP-I	12.51	15.81
HTP-III	0.54	0.29
Total	32.01	21.53

GIFT PCL has submitted that the deviation in energy sales is mainly because of variation in customer demand. Due to overall economic slowdown, the growth in the demand and sales was lower than what was projected. The variation in HTP-III and LT category of consumer is because of closing of operations.



Analysis

The details of sale of energy as submitted in the monthly return under Form A specified in Rule 6 (1) (A) filed by the Petitioner with the office of Chief Electrical Inspector and Collector of Electricity Duty is verified and accordingly, the energy sales for FY 2019-20 are approved as shown below.

Table 3-2: Energy Sales approved for FY 2019-20

(MUs)

Particulars	Approved in MYT Order	Actual Claimed	Approved in Truing up
Energy Sales	32.01	21.53	21.53

Accordingly, Energy Sales of 21.53 MUs is approved on Truing up of FY 2019-20.

3.3 Distribution Losses

Petitioner's submission

The Petitioner has created basic infrastructure to provide power connectivity to its customers in SEZ and Non-SEZ area which is spread over a land parcel of 886 acres. The Petitioner has considered N-1 network redundancy at all level for higher power reliability and availability to end consumers in the Distribution License Area.

The Petitioner restated that in anticipation of future load growth and state of art service benchmark, GIFT PCL has installed the transformer and related distribution infrastructure of desired capacity at the outset. As a result, the transformer and distribution asset remain under-loaded in initial phase leading to higher distribution losses. However, with gradual increase in load, the distribution loss level is also decreased correspondingly. In view of above, the petitioner requests the Commission to approve distribution Losses of 3.21% as per the actual data for FY 2019-20.

In FY 2019-20, the actual Distribution Losses were at 3.21% against approved Distribution Losses of 5.50% approved by the Commission. GIFT PCL has submitted the actual Distribution Losses for FY 2019-20 as shown in the Table below.

