

MPSEZ UTILITIES LIMITED

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

SUMMARY OF PETITION NO. 2430 / 2024 FOR (i) TRUE UP OF FY 2023-24 AND (ii) APPROVAL OF AGGREGATE REVENUE REQUIREMENT FOR THE PERIOD FROM FY2025-26 TO FY2029-30 & DETERMINATION OF TARIFF FOR FY 2025-26

Background Information:

- **MPSEZ Utilities Limited (MUL)** is a company incorporated in 2008 under the provisions of the Companies Act, 1956. MUL is engaged in distribution of electricity in Mundra as a distribution licensee.
- MUL has filed the Petition before the Hon'ble Gujarat Electricity Regulatory Commission for (i) True up of FY 2023-24 as per GERC (MYT) Regulations, 2016 and (ii) Approval of Aggregate Revenue Requirement for 4th Control Period from FY2025-26 to FY2029-30 & Determination of Tariff for FY 2025-26 as per GERC (MYT) Regulations.

True Up for FY 2023-24

- The Petitioner in its Tariff Petition vide case no. 2177 / 2023 had submitted projections for FY 2023-24 and accordingly, ARR for FY 2023-24 was approved by the Hon'ble Commission vide its order dated 31.03.2023.
- The Petitioner in this Petition has submitted details based on audited accounts for the purpose of True-up of FY 2023-24.
- The Petitioner has tried up ARR and computed gains and losses on account of controllable and uncontrollable parameters in line with the provisions of the MYT Regulations, 2016, considering actual expenses vis-a-vis approved expenses.
- The Petitioner has sold 657.23 MUs in its license area for FY 2023-24. The actual distribution loss for FY 2023-24 was 2.61% against estimated loss of 3.21% and transmission loss for FY 2023-24 was 0.63% against estimated loss of 1.01%. Accordingly, the energy balance for FY 2023-24 has been furnished based on actual sales and actual T&D losses.
- The summary of tried up ARR for FY 2023-24 to be recovered by MUL after incorporation of sharing of gains / losses is as below.

Table 1: Trued up ARR for FY 2023-24

		(Rs Cr.)
Particulars		Actual
ARR approved in the MTR order for FY 2023-24	(a)	1,547.97
Less : Gains / (losses) on account of Controllable factor to be passed on to the consumers (1/3rd)	(b)	-

Less : Gains / (losses) on account of Uncontrollable factor to be passed on to the consumers	(c)	1,210.02
ARR trued up for FY 2023-24	d=a-(b+c)	337.95

- The trued up ARR is Rs. 337.95 Cr. after sharing gains / losses for FY 2023-24 and the revenue from sales of power for FY 2023-24 is Rs. 378.30 Cr. Thus, there is a revenue surplus of Rs. 40.35 Cr. for FY 2023-24.
- The Hon'ble Commission, in its Tariff Order dated 31.03.2023 has approved consolidated revenue surplus of Rs. 8.95 Cr. and holding cost of Rs. (-)1.54 Cr. Accordingly, the same has been considered by the Petitioner.
- The consolidated revenue Gap / (surplus) for FY 2023-24 including approved Gap of previous years along with carrying cost is as below:

Table 2: Consolidated Revenue Gap / (Surplus) for FY 2023-24

(Rs Cr.)

Particulars	Actual
Net Revenue Gap / (Surplus) for FY 2023-24	(40.35)
Add: Approved Consolidated Revenue Gap / (Surplus) for FY 2021-22	(8.95)
Add: Carrying / (Holding) Cost on Revenue Gap of FY 2021-22 for FY 2022-23 & FY 2023-24	(1.54)
Consolidated Revenue Gap / (Surplus) of FY 2023-24	(50.84)

Aggregate Revenue Requirement (ARR) for the Control Period from FY 2025-26 to FY 2029-30

- 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, 2024. The Petitioner has submitted ARR for the Control Period from FY 2025-26 to FY 2029-30 as below:

Table 3: ARR for the Control Period from FY 2025-26 to FY2029-30

(Rs Cr.)

Parameter	2025-26	2026-27	2027-28	2028-29	2029-30
Power Purchase Expenses	1,398.68	3,828.97	5,479.35	5,520.27	7,410.42
O&M Expenses	16.92	26.42	28.93	29.46	30.01
Depreciation	8.82	35.23	37.69	37.73	76.84
Interest & Finance Charges	3.90	3.29	2.68	2.07	1.45
Interest on Security Deposits	0.72	0.72	0.72	0.72	0.72
Interest on Working Capital	12.04	32.44	45.68	46.06	67.61
Provision for Bad debts	-	-	-	-	-
Contingency Reserve	-	-	-	-	-

Revenue Expenditure	1,441.08	3,927.07	5,595.04	5,636.31	7,587.05
Return on Equity Capital	5.94	5.94	5.94	5.94	5.94
Income Capital Employed	26.86	61.10	68.22	66.41	115.21
Total Revenue Expenditure	1,473.87	3,994.11	5,669.20	5,708.65	7,708.21
Less: Non-Tariff Income	26.78	-	-	-	-
Less: Income from Wheeling Charges	1.57	39.82	54.75	53.56	57.83
Aggregate Revenue Requirement	1,445.52	3,954.29	5,614.46	5,655.09	7,650.38

Revenue Gap / (Surplus)

- The projected revenue for FY 2025-26 at existing tariff works out to be Rs. 1,437.85 Cr. against projected ARR of Rs. 1,445.52 Cr.
- The Petitioner has considered consolidated revenue surplus of FY 2023-24 along with consolidated holding cost up to FY 2023-24 to determine projected revenue Gap / (surplus) for FY 2025-26. Thus, the projected revenue surplus for FY 2025-26 would be Rs. 43.17 Cr. as below:

Table 4: Revenue Gap / (surplus) with existing tariff for FY 2025-26

(Rs Cr.)

Particulars	FY 2025-26
Estimated ARR for FY 2025-26	1,445.52
Add: Consolidated Revenue Gap / (Surplus) for FY 2023-24	(49.30)
Add: Consolidated Carrying / (Holding) Cost up to FY 2023-24	(1.54)
Estimated Revenue from existing tariff for FY 2025-26	1,437.85
Revenue Gap / (Surplus) in FY 2025-26	(43.17)

Tariff Proposal for FY 2025-26

- The Projected Revenue Surplus of FY 2025-26 at existing tariff for projected sale of 2,470 MUs would be Rs. 43.17 Cr. However, the Projected Revenue Gap of FY 2026-27 at existing tariff for projected sale of 5,908 MUs work out to be Rs. 308.52 Cr. Therefore, consolidated revenue Gap would be Rs. 265.35 Cr. for FY 2026-27 after adjustment of estimated revenue surplus of Rs. 47.13 Cr. for FY 2025-26.
- In view of the above, the Petitioner proposes to continue with the existing tariff for all categories of consumers.

Tariff Schedule of FY 2025-26

- The Petitioner has proposed tariff w.e.f. 1st April, 2025 as below:

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 For BPL household consumers Rs. 5 per month per installation	First 250 units	420 Paise/unit
			Remaining units	470 Paise/unit
			First 50 units	250 paise/unit
			Remaining units	As per Residential
2	Commercial Non demand (Connected load up to 6 kVA)	Single Phase supply Rs. 100 per month per installation	First 150 units	470 Paise/unit
			Remaining units	495 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	370 Paise/unit
4	Industrial Non demand (Connected load up to 6 kVA)	Single phase supply Rs. 100 per month per installation	First 150 units	445 Paise/unit
			Remaining units	470 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	Entire consumption	370 Paise/unit

		higher on monthly basis) 75 Paise / unit In excess of contract demand 125 Paise / unit		
6	Street Lights		Entire consumption	420 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 125 Paise / unit	Entire consumption	445 Paise/ unit
8	LT – Electric Vehicle (EV) Charging Station	Rs. 25 per month per installation	Entire consumption	415 Paise/ unit
9	HTMD - I	A) For the billing demand of customer having <u>1) Contract demand up to 500 kVA</u> (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 <u>2) Contract demand above 500 kVA</u> (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 <u>1) Contract demand up to 500 kVA</u>	Contract demand up to 500 kVA	410 Paise/ unit
			Contract demand above 500 kVA	450 Paise/ unit

		125 Paise / unit 2) <u>Contract demand above 500 kVA</u> 150 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	545 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	370 Paise/ unit
12	HTMD-IV	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	410 Paise/ unit
13	HT - Electric Vehicle (EV) Charging Stations	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	590 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	590 Paise/ unit

Notes:

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

Rebate is provided for each 1 % improvement in the power factor.

Power factor 90% to 95 % - 0.15 Paise/unit

Power factor over 95 % - 0.27 Paise/unit

Penalty is levied for each 1 % decrease in the power factor.

Power factor below 90 % - 3.00 Paise / unit

2 FPPAS charges - As applicable

3 Rebate for supply at EHV for category of HTMD-I, HTMD-II, HTMD-III, HTMD-IV & Railway Traction is as below:

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.

15	GREEN TARIFF	<ul style="list-style-type: none">• Green Tariff of Rs. 1.00/kWh, which is over and above the normal tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.• All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.• This option can be exercised by consumer giving billing cycle notice to the Distribution Licensee in writing before commencement of billing period.
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