

GUJARAT ELECTRICITY REGULATORY COMMISSION



Tariff Order

Truing up for FY 2023-24,
Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30
and Determination of Tariff for FY 2025-26

For

**Torrent Power Limited – Distribution
SURAT**

**Case No. 2427 of 2024
29 March, 2025**

6th Floor, GIFT ONE, Road 5C, GIFT CITY
Gandhinagar-382 355 (Gujarat), INDIA
Phone: +91-79-23602000 Fax: +91-79-23602054/55
E-mail: gerc@gercin.org : Website www.gercin.org

Table of Contents

CHAPTER 1: BACKGROUND AND BRIEF HISTORY.....	10
1.1 BACKGROUND.....	10
1.2 TORRENT POWER LIMITED (TPL)	12
1.3 COMMISSION’S TARIFF ORDER FOR FY 2024-25.....	12
1.4 BACKGROUND OF THE PRESENT PETITION	13
1.5 REGISTRATION OF THE CURRENT PETITION AND THE PUBLIC HEARING PROCESS	13
1.6 APPROACH OF THIS ORDER	15
1.7 CONTENTS OF THIS ORDER.....	16
CHAPTER 2: SUMMARY OF TPL-D (SURAT)’S PETITION	17
2.1 INTRODUCTION.....	17
2.2 ACTUAL FOR FY 2023-24 SUBMITTED BY TPL-D (S)	17
2.3 SUMMARY OF ARR, REVENUE AT EXISTING TARIFF AND PROPOSED REVENUE GAP FOR FY 2023-24 17	
2.4 ARR, REVENUE AT EXISTING TARIFF AND REVENUE GAP/(SURPLUS) FOR FY 2025-26	18
2.5 TPL-D (S)’S PRAYER TO THE COMMISSION	20
CHAPTER 3: BRIEF OUTLINE OF OBJECTIONS RAISED, RESPONSE FROM TPL-D (S) AND COMMISSION’S VIEW	22

Torrent Power Limited – Distribution (Surat)
Truing up for FY 2023-24, ARR for FY 2025-26 to FY 2029-30 and Determination of
Tariff for FY 2025-26

3.1 INTRODUCTION.....	22
3.2 INFORMATION ON VARIOUS OPERATIONAL ASPECTS.....	22
3.3 TARIFF FOR AGRICULTURE CONSUMERS	25
3.4 TARIFF FOR RESIDENTIAL CONSUMERS	25
3.5 SEPARATE TARIFF CATEGORY	26
3.6 FPPPA CHARGES AND CEILING TARIFF FOR POWER PURCHASE.....	27
3.7 DISTRIBUTION LOSS AND TRANSMISSION LOSS FOR NEW CONTROL PERIOD.....	29
3.8 INTEREST ON WORKING CAPITAL AND RoE.....	29
3.9 TARIFF RELATED ISSUES	30
3.10 SEPARATE TRUE-UP AND TARIFF PETITION	33
3.11 TARIFF STRUCTURE AND TARIFF SCHEDULE	34
3.12 POWER PURCHASE AGREEMENT FROM UNOSUGEN	36
3.13 POWER PURCHASE FROM UNOSUGEN	37
CHAPTER 4: TRUING-UP FOR FY 2023-24.....	39

Torrent Power Limited – Distribution (Surat)
Truing up for FY 2023-24, ARR for FY 2025-26 to FY 2029-30 and Determination of
Tariff for FY 2025-26

4.1 INTRODUCTION.....	39
4.2 ENERGY SALES TO CONSUMERS.....	39
4.3 DISTRIBUTION LOSSES.....	41
4.4 ENERGY REQUIREMENT.....	42
4.5 ENERGY AVAILABILITY.....	43
4.6 POWER PURCHASE COST.....	49
4.7 SHARING OF GAINS/(LOSSES) DUE TO REDUCTION IN DISTRIBUTION LOSSES.....	57
4.8 OPERATION & MAINTENANCE (O&M) EXPENSES.....	59
4.9 CAPITAL EXPENDITURE, CAPITALISATION AND SOURCES OF FUNDING.....	62
4.10 DEPRECIATION.....	71
4.11 INTEREST EXPENSES.....	73
4.12 INTEREST ON SECURITY DEPOSIT.....	77
4.13 INTEREST ON WORKING CAPITAL.....	78
4.14 RETURN ON EQUITY.....	80
4.15 INCOME TAX.....	82
4.16 BAD DEBTS WRITTEN OFF.....	83
4.17 CONTINGENCY RESERVE.....	85
4.18 NON-TARIFF INCOME.....	85
4.19 REVENUE FROM SALE OF POWER.....	87
4.20 GAINS/(LOSSES) UNDER TRUING-UP FOR FY 2023-24.....	89
4.21 SHARING OF GAINS/LOSSES FOR FY 2023-24.....	91
CHAPTER 5: ARR FOR THE MYT CONTROL PERIOD FY 2025-26 TO 2029-30 AND TARIFF DETERMINATION FOR FY 2025-26.....	95

Torrent Power Limited – Distribution (Surat)
Truing up for FY 2023-24, ARR for FY 2025-26 to FY 2029-30 and Determination of
Tariff for FY 2025-26

5.1 INTRODUCTION.....	95
5.2 ENERGY SALES TO CONSUMERS.....	95
5.3 DISTRIBUTION LOSSES.....	106
5.4 ENERGY REQUIREMENT:.....	109
5.5 ENERGY AVAILABILITY	111
5.6 POWER PURCHASE COST	117
5.7 OPERATION & MAINTENANCE (O&M) EXPENSES.....	124
5.8 CAPITAL EXPENDITURE, CAPITALISATION AND SOURCES OF FUNDING.....	127
5.9 CAPITALIZATION AND GROSS FIXED ASSETS	139
5.10 DEPRECIATION	144
5.11 INTEREST EXPENSES.....	146
5.12 INTEREST ON SECURITY DEPOSIT.....	149
5.13 INTEREST ON WORKING CAPITAL	150
5.14 RETURN ON EQUITY.....	151
5.15 RETURN ON CAPITAL EMPLOYED	160
5.16 BAD DEBTS WRITTEN OFF.....	161
5.17 CONTINGENCY RESERVE	162
5.18 NON-TARIFF INCOME.....	162
5.19 AGGREGATE REVENUE REQUIREMENT (ARR) FOR MYT CONTROL PERIOD.....	163
5.20 REVENUE FROM SALE OF POWER	164
5.21 TRUED UP NET REVENUE GAP/(SURPLUS) OF FY 2025-26.....	165
5.22 REVENUE GAP/(SURPLUS) FOR FY 2025-26.....	166
CHAPTER 6: COMPLIANCE OF DIRECTIVES.....	168
6.1 EARLIER DIRECTIVES	168
6.2 NEW DIRECTIVES.....	168
CHAPTER 7: FUEL AND POWER PURCHASE ADJUSTMENT SURCHARGE.....	169