BEFORE THE HON'BLE GUJARAT ELECTRICITY REGULATORY COMMISSION

AHMEDABAD

Filing No. _______________

Case No. ……. /2012

IN THE MATTER OF Filing of Petition under section 62 of the Electricity Act, 2003 for Aggregate Revenue Requirement of Distribution business of the Company under MYT Control Period FY 2011-12 to FY 2015-16 under GERC Multi Year Tariff Regulations along with other guidelines and directions issued by the GERC from time to time and under PART VII (Section 61 to 64) of the Electricity Act, 2003 read with the relevant Guidelines and Regulations.

AND

IN THE MATTER OF **Jubilant Infrastructure Ltd. (JIL)**
Plot No.5, Vilayat Industrial Estate,
Tal. Vagra, Dist. Bharuch., Gujarat

Contact Person & Designation:
Mr. Ravindra Tiwari, Sr. Vice President (SEZ)
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…………..PETITIONER

THE PETITIONER RESPECTFULLY SUBMITS AS UNDER:

Jubilant Infrastructure Ltd. (JIL) Plot No. 5, Vilayat Industrial Estate, Taluka Vagra, Dist Bharuch, Gujarat hereinafter referred to as the Petitioner, files the petition for Aggregate Revenue Requirement of its Distribution business under MYT Control Period FY 2011-12 to FY 2015-16.

1. **JIL** is a company incorporated in 2008 under the provisions of the Companies Act, 1956 and wholly owned subsidiary company of Jubilant Life Science Ltd. a leading Integrated Pharma and Life sciences company with global presence having manufacturing facilities in India in UP, Uttarakhand, Maharashtra, Karnataka and Gujarat and also in USA and Canada.

2. Jubilant Infrastructure Ltd (JIL) is developing a sector specific SEZ for Chemicals at **Vilayat; Dist: Bharuch** over area of about 107 hectares. JIL has been notified by the Ministry of Commerce and Industry, Government of India vide Notification **No. SO 290 (E) Dtd 11th February 2008** as SEZ for chemicals.

3. The Ministry of Commerce and Industry, Government of India has approved JIL as a Co-developer to set up infrastructure in JIL vide letter ref No SO 290 (E) Dtd 11th February 2008.

4. Ministry of Commerce and Industry, Government of India issued notification dated 11-2-2008, applicable to all Special Economic Zones notified under sub-section (1) of section 4 of the Special Economic Zones Act, 2005, wherein Developer of a Special Economic Zone shall be deemed to be a licensee from the date of notification of such Special Economic Zone.

5. JIL by virtue of notification issued by Government of India obtained the status of Distribution Licensee vide Govt. of India notification dated 11-02-2008.

6. **JIL** is establishing power distribution network for various entities in SEZ.

7. Pursuant to the provisions of the Electricity Act, 2003, **JIL** is required to submit its ARR and Tariff Petitions as per procedures outlined in section 61, 62 and 64 of Electricity Act 2003 and the governing regulations thereof.

8. The present petition is filed with the Hon'ble Commission for approval of the for Aggregate Revenue Requirement of Distribution Business of the Company under MYT Control Period FY 2011-12 to FY 2015-16 in accordance with Section 61, 62 of the Electricity Act 2003 and has taken into consideration the provisions of the GERC (Terms and Conditions of Tariff) Regulations, 2011notified by Hon'ble Gujarat Electricity Regulatory Commission alongwith other guidelines and directions issued by Hon'ble Commission from time to time.

9. **JIL** along with this petition is submitting the statutory formats with data & information to an extent available and would make available any additional data required by the Hon'ble Commission from time to time.

Prayers to the Commission:

The petitioner respectfully prays that the Hon'ble Commission may be pleased to:

- Admit the Aggregate Revenue Requirement (ARR) application for the MYT Control Period as submitted herewith.
- Examine the proposal submitted by the petitioner as detailed in the enclosed proposal for a favorable dispensation.
- Pass suitable orders with respect to the ARR for FY 2011-12 to FY 2015-16 as proposed by **JIL** in this petition along with the relevant operational and financial parameters as proposed in the petition.
- **JIL** may also be permitted to propose suitable changes to ARR and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.
- Allow any deviations from the estimates and projections as "UNCONTROLLABLE" and treat accordingly during truing up exercise.
- Allow the carrying cost for any deferment in the gap recovery
- Approve all the cost elements to be of "UNCONTROLLABLE" nature and allow the deviation from projected cost and estimates to be passed on to the consumers.
- Approve the ARR for Source/Purchase of electricity.
- Approve the Fuel Price and Power Purchase Adjustment formula for **JIL** business.
- Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.
- Condone any inadvertent omissions/errors/shortcomings and permit **JIL** to add/amend/ this submissions as may be required later on.
- Pass such further orders, as the Hon. Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

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Abbriviations	**Description**
A&G	Administrative and General
ARR	Aggregate Revenue Requirement
AT&C Loss	Aggregate Technical & Commercial Loss
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Crs	Crores
EA 2003	Electricity Act, 2003
F & A	Finance and Accounts
FPPPA	Fuel Price and Power Purchase Adjustment
FY	Financial Year
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Electricity Transmission Company Limited
GFA	Gross Fixed Assets
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
HTMD	High Tension Maximum Demand
kV	Kilo Volt
kVA	Kilo-Volt Amperes
kW	Kilo-Watt
kWh	Kilo-Watt Hour
LF	Load Factor
LT	Low Tension
MD	Maximum Demand
JIL	Jubilant Infrastructures Limited
MUs	Million Units
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
NFA	Net Fixed Assets
NTP	National Tariff Policy
O&M	Operation & Maintenance
PLR	Prime Lending Rate
PPA	Power Purchase Adjustment
R&M	Repairs & Maintenance
RoE	Return on Equity
SBI	State Bank of India
SEZ	Special Economic Zone
UI	Unscheduled Interchange
u.p.f	Unity Power Factor
w.e.f	With effect from
YoY	Year on Year
T&D Loss	Transmission & Distribution Loss

CHAPTER 1: EXECUTIVE SUMMARY

Introduction:-

1.1 **Jubilant Infrastructure Ltd. (JIL)** is a company incorporated in 2008 under the provisions of the Companies Act, 1956 having its registered office at 1A, Sector 16-A, Institutional Area, Noida – 201 301, Uttar Pradesh.

1.2 **JIL** is developing a multi product (Chemicals) SEZ at **Vilayat** over area of about 107 Hectares. **JIL** SEZ has been notified by the Ministry of Commerce and Industry, Government of India vide Notification no. 290 (A) in Extra ordinary Gazette of Government of India Sr no. 194 Dtd 11th February 2008 as a multi-product (Chemicals) SEZ.

1.3 Ministry of Commerce and Industry, Government of India issued notification Dtd 11th February 2008 , applicable to all Special Economic Zones notified under sub-section (1) of section 4 of the Special Economic Zones Act, 2005, wherein Developer of a Special Economic Zone shall be deemed to be a licensee from the date of notification of such Special Economic Zone.

1.4 **JIL** by virtue of notification issued by Government of India obtained the status of Distribution Licensee vide Govt. of India notification dated 11th February 2008 and payment of Rs. 5.00 Lacs towards initial fee in accordance with the GERC (Fees & charges) Regulation, 2005 which was also endorsed by Hon'ble GERC vide order no GERC / Legal /SEZ/0123 dated 18/01/2011 for Distribution of Electricity in **JIL** SEZ area, **Vilayat**, Gujarat.

1.5 **JIL** is wholly owned subsidiary company of Jubilant Life Science Ltd. a leading Integrated Pharma and Life science company and a Co-Developer to provide infrastructure facilities.

1.6 **JIL** was incorporated primarily to cater to the infrastructure and utility services to the area of Vilayat of Tal Vilayat; Special Economic Zone in District, Bharuch, Gujarat. The Company's services encompass to develop, maintain and provide infrastructure facilities, utilities and services in the entire SEZ including but not limited to Water and Waste Management, Telecom and transportation services, Distribution of Power and Natural Gas or any other forms of energy.

1.7 **JIL** is engaged in distribution of electricity for the Vilayat SEZ area as a distribution licensee.

1.8 **JIL** is establishing distribution network for various entities in SEZ.

Overall Approach for filing

1.9 The key aspects of the approach to the filing are as discussed below:

1.10 Hon'ble Commission had earlier notified the GERC (Terms and Conditions, of Tariff) Regulations on 31st March, 2005 in exercise of powers conferred by Section 45 (2), 61 and 62 read with Section 181 of Electricity Act 2003. Further, the Hon'ble Commission has also notified the Multi Year Tariff Regulation as an appendix to GERC (Terms and Conditions of Tariff) Regulations 2005, in exercise of power conferred under clause (zd), (ze) and (zf) of Section 181 (2) read with section 61 and 62 of Electricity Act, 2003. However now both of these Regulation are superseded by latest MYT Regulations, 2011 and this petition is framed accordingly.

1.11 Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2011 Notification No. 1 of 2011 and as per section 16.1 The Commission shall determine the tariff for matters covered under clauses (i), (ii), (iii), and (iv) of Regulation 3.1 above, under a Multi-Year Tariff framework with effect from April 1, 2011:

Provided that the Commission may, either on suo-motu basis or upon application made to it by an applicant, exempt the determination of tariff of a Generating Company or Transmission Licensee or Distribution Licensee under the Multi-Year Tariff frame work for such period as may be contained in the Order granting such an exemption.

1.12 **JIL** prays to the Hon'ble Commission to admit its MYT Petition for the Control Period FY 2011-12 to FY 2015-16.

1.13 **JIL** is filing a detailed tariff determination application to the Hon'ble Commission and it has made all out efforts to provide the necessary data in the prescribed formats.

1.14 **JIL** along with this petition is submitting the GERC prescribed formats with data & information to an extent available and would make available any additional data required by the Hon'ble Commission from time to time.

Projections for the Control Period

1.15 **JIL** is submitting this petition for approval of the Aggregate Revenue Requirement (ARR) for its distribution business in its license area of **Vilayat** SEZ, Dist Bhrauch in accordance with the provisions of GERC (Multi Year Tariff) Regulations, 2011. The petitioner through this petition requests for the approval of **JIL** ARR for respective years during the MYT Control Period FY 2011-12 to FY 2015-16.

1.16 In the following paragraphs, the petitioner is highlighting key assumptions on various factors and operational parameters which have an influence or bearing on tariff determination for the kind consideration of Hon'ble Commission.

Energy Sales Projections

1.17 License area of **JIL** i.e. **Vilayat** SEZ area, being developed for setting up of new industries by creating necessary infrastructure and the industrial development is likely to take place gradually over a period of time. Since it is new area it is difficult to carry out projections for number of consumers and power requirement by them accurately particularly considering the present global/domestic economic scenario. Development is yet to take place and industries will be coming gradually based on overall improvement in economic conditions. Hence, it would be very difficult to carry out the Demand and Sales projections accurately and precisely for this area.

1.18 The demand for electricity in **Vilayat** SEZ Area has been forecasted based on estimates of the quantum and location of load requirements within the SEZ. **Vilayat** SEZ is likely to have mainly industrial consumers with negligible contribution from other consumer categories.

1.19 **JIL** has considered the indications given by the prospective industrial consumers who are either in the process of setting up their manufacturing facilities or have already set up the same in the area.

1.20 The sales projections in **Vilayat** SEZ Area have been carried out based upon projections of the quantum and location of load requirements within the **Vilayat** SEZ area. JIL is likely to have predominantly industrial Consumers with negligible contribution of other consumer categories. JIL has considered the input received during interaction with some prospective consumers including a few who are already on the verge of starting their production activity and few others who are on the verge of starting their construction activities. Attempts have been made to carry out the projections by way of collecting maximum information which may vary with pace at which the development of the SEZ takes place.

1.21 The predominant category of consumers in the **Vilayat** SEZ area is industrial and based on available information. Since these are new consumers the exact load-pattern cannot be forecasted with full accuracy and the same is based on the assumptions.

1.22 The sales projections for different consumer categories in **Vilayat** SEZ license area have been carried out separately. Further, **JIL** has carried out end user surveys for different consumers as historical data is not available and are based on assessed data. The data through these surveys has been utilized to estimate the sales projections during the Control Period.

1.23 The Energy sales projections for the Control Period are as follows :

TABLE 1: Energy Sales Projections for the Control Period					**(In MUs)**
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Sales in Mus	**10.69**	**53.22**	**85.48**	**85.48**	**101.61**

Projection of number of consumers

1.24 The consumer categories to be served by **JIL** in **Vilayat** SEZ area is likely to be predominantly industrial Consumers i.e. High Tension Maximum Demand (HTMD - I (Industrial)) and with a negligible contribution of others.

1.25 Based on the input of the above referred interaction with prospective consumers and details of plots allotted so far in **Vilayat** SEZ area, the projections for number of consumers for the Control Period have been carried out.

The summary is as under:

TABLE 2: Projection of No. of Consumers for the Control Period					**(In Nos)**
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Number of Consumers	2	3	4	4	5

Distribution Loss

1.26 **JIL** has projected the distribution loss level of 3 % in the first year of the Control Period and has proposed a loss reduction trajectory of about 0.20 % every year for the Control Period.

1.27 **JIL** has planned to serve the customers in the SEZ area which are spread in different areas. **JIL** has initiated the process of establishing distribution network for the same to serve the customers. Higher distribution loss is expected due to energizing of new Power Transformers which will require time to reach the optimal loading. Another factor needs to be considered is that in the initial period the system which is established should be able to cater to the expected demand in the area for at least 3 to 5 years which remains under- utilised and sub-optimally loaded, which results into additional loss. **JIL** will be building up its own distribution network to wheel the power from source to the distribution area, this will add additional losses which will reflect into distribution loss of the licensee in this case, as against the transmission losses which are shown separately. Due to the above reasons **JIL** requests the Hon'ble Commission to allow distribution losses as projected.

TABLE 3: Distribution loss Projections for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Distribution Loss (%)	3.00%	2.80%	2.80%	2.60%	2.50%

Energy Balance

1.28 The projection of the Energy Balance for the Control Period are based on the Energy Sales projections being grossed up factoring in estimated Distribution Loss of **JIL** as per the trajectory and to arrive at the quantum of power purchase required to cater to the expected demand.

Summary of Energy Balance is given below :

TABLE 4: Summary of Energy Balance for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Energy Sales (MUs)	10.69	53.22	85.48	85.48	101.61
Distribution Loss (%)	3.00%	2.80%	2.80%	2.60%	2.50%
Distribution Loss (MUs)	0.32	1.49	2.39	2.22	2.54
Total Energy Requirement after Dist Loss	11.01	54.71	87.87	87.70	104.15

Capital expenditure Plan

1.29 Capital Expenditure would be the key aspect of the distribution plan of **JIL**. **JIL** would endeavour to make available quality and reliable power to the customers in the **Vilayat** SEZ area, which would have an impact on the progress and development of the **Vilayat** SEZ area. Such availability may attract the investors to prefer setting up their production units in **JIL** area. Keeping this in mind **JIL** has planned to establish the state of the art distribution network along with build-in redundancies for ensuring uninterrupted quality power to the customers in the **Vilayat** SEZ.

1.30 **JIL** has proposed to develop distribution network as a Ready to Serve Network i.e. Network is proposed to be established till the front end of consumer premises. The network is proposed to be developed with underground 11 KV cables (in most of the cases).

1.31 **JIL** has proposed capital expenditure to meet safety, supporting infrastructure and other requirements.

1.32 **JIL** requests the Hon'ble Commission to consider the revisions as may be required in future in regard to the CAPEX Plan.

1.33 The year wise Capital Expenditure proposed by **JIL** is as follows:

TABLE 5: Summary of Capital Expenditure for Control Period - Rs. in Crs					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Capital Expenditure	45.59	3.68	0.80	0.00	10.00

Aggregate Revenue Requirement for JIL

1.34 Based on the Capital Cost and consequent Capitalised Expenditure, Equity Component and Normative Debt, the aggregate revenue requirement of **JIL** have been determined in consonance with the Tariff Regulations.

1.35 The aggregate revenue requirements of **JIL** are computed based on the section 93.1 of the GERC MYT Regulations , 2011 The components of the aggregate revenue requirement are as under:

"…………93 Components of Tariff

93.1 The tariff for retail supply by a Distribution Licensee shall provide for recovery of the Aggregate Revenue Requirement of the Distribution Licensee for the financial year, as approved by the Commission and comprising the following:

(a) Return on Equity;

(b) Interest and Finance Charges on Loan Capital;

(c) Depreciation;

(d) Cost of own power generation /power purchase expenses;

(e) Transmission charges;

(f) Operation and Maintenance expenses;

(g) Interest on working capital and on consumer security deposits;

(h) Bad debts written off, if any;

(i) Balance Aggregate Revenue Requirement for Distribution Wires Business, as determined under Chapter 6 of these Regulations, after deducting income from wheeling charges payable by Distribution System Users other than the retail consumers getting electricity supply from the same Distribution Licensee in accordance with the Regulation 88.

minus:

(j) Non-Tariff Income;

(k) Income from Other Business, to the extent specified in these Regulations;

(l) Receipts on account of cross-subsidy surcharge:

Provided that the receipt of revenue on account of cross-subsidy surcharge shall be considered only at the time of truing up exercise, based on actual receipts as per Audited Accounts……………………….."

Power Purchase Cost

1.36 Different types of customers may come up in the **Vilayat** SEZ areas and to serve those customers, **JIL** has planned to source power by purchase of power from DISCOM/DGVCL initially and later on the Bilateral agreements would be entered into for purchase of power from other sources/GENERATORS/TRADERS.

1.37 **JIL** would be purchasing power initially to serve different consumers located in SEZ area and catering the same to consumers from a single receiving station in the area.

1.38 The total power procurement required to serve the consumers has been arrived at by considering the sales forecast for **Vilayat** SEZ area and projected distribution losses.

1.39 For the purpose of procurement of power by distribution licensees, the National Tariff Policy prescribes that all future requirement of power should be procured competitively by distribution licensees except in cases which have been identified in the policy. The intent is to ensure that the rate of power purchase is determined by the market through a transparent mechanism and thus would be competitive in most of the cases. While the above may be desirable, **JIL** would like to submit that with the present scale of operations this mode of power procurement would not be feasible for **JIL** as no generator is likely to participate in the competitive bidding for the kind of small volume / load of energy on which **JIL** is operating.

1.40 Therefore, in view of the above, and on account of relatively low quantum of power requirement **JIL** has approached to DGVCL for meeting its initial requirement and **JIL** initiated full-fledged efforts to identify an alternate source.

1.41 Initially DGVCL has agreed to supply power as per the Demand of **JIL**. For increase in demand in future, i.e. from 2012-13 onwards, JIL has considered operating its parent company's Gas Turbine Generators and might then identify other sources which may include on the basis by inviting short term bids. Based on the available rates, power purchase cost has been considered. Therefore, power purchase cost includes the power purchase from DGVCL initially and from the GTGs already installed in the SEZ area for the remaining part of the first Control Period.

1.42 Later on, with the development of demand, **JIL** may be able to arrange for long/medium term power purchase through Competitive Bidding. It is submitted to the Hon'ble Commission that **JIL** will undertake the competitive bidding route to procure power in future when a sizable volume is achieved by **JIL**.

1.43 **JIL** intends to purchase power on Long Term basis through Competitive Bidding Route and will approach to the Hon'ble Commission separately for its approval and further process.

1.44 Till that time **JIL** requests the Hon'ble Commission to allow purchase of power from other feasible sources under short-term arrangement by inviting bids for short term. Therefore, power purchase cost is the cost for power purchased for the Control Period as estimated.

1.45 The total power procurement cost computation for Aggregate Revenue Requirement has been done on estimated cost basis and the applicable power purchase rates. **JIL** may source power from any feasible sources using GETCO network and hence applicable Transmission losses and Charges payable to GETCO have also been considered under power procurement costs.

TABLE 6: Cost of Power Purchase for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Total Quantity in MU	11.01	54.71	87.87	87.70	104.15
From Utility	11.01	18.14	18.14	18.14	18.14
From Generation	0.00	36.57	69.73	69.56	86.00
Total Cost in Rs Cr – Utility	7.68	13.61	14.29	15.00	15.75
Total Cost in Rs Cr – Generation	0.00	48.67	101.18	109.27	145.43
Cost Per Unit (Rs / kWh) – Utility	6.98	7.50	7.88	8.27	8.68
Cost Per Unit (Rs / kWh) - Generation	----	13.31	14.51	15.71	16.91
Revenue Expenditure	7.68	62.28	115.46	124.28	161.18

Revenue Expenditure

1.46 Being a new area of operations it is very difficult to project the operational expenses very accurately. However the revenue expenditure for the Control Period has been estimated considering the GERC MYT Regulations, 2011 The various items included are power purchase expense, operation and maintenance expense, depreciation, interest expenses on long term borrowings, interest on consumer deposits, interest on working capital, return on equity and income tax.

1.47 The operation and maintenance expenses comprise of the employee cost, administrative and general expenses, and repairs and maintenance expenses. The expenses are projected for the Control Period based on estimates.

1.48 The depreciation, interest expenses, normative interest on working capital and return on equity are projected based on the proposed capital expenditure in the business, their capitalization schedule and the applicable norms as per GERC MYT regulations 2011 while the Return on equity has been computed at 14%.

1.49 The income tax on the regulated return has not been considered as **JIL** is under SEZ area and as per the SEZ policy it would not be applicable for an initial period of ten (10) years.

Summary of the ARR for the Control Period

1.50 The ARR for the Control Period is summarized below. The ARR for the five years of the Control Period are Rs 18.83 Cr, Rs 58.40Cr, Rs 100.32 Cr, Rs 109.10 Cr and Rs. 145.37Cr for FY 2011- 12, FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 respectively.

TABLE 7: Summary of Annual Revenue Requirement for the Control Period					**(Rs. in Crs)**
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Power Purchase Expn.	7.68	62.28	115.46	124.28	161.18
O&M Expenses					
Employee Expenses	0.55	1.99	2.14	2.29	2.44
R& M Expenses	0.46	0.99	1.00	1.00	1.20
A&G Expenses	0.51	1.11	1.13	1.13	1.35
Depreciation	1.20	2.60	2.64	2.64	3.17
Intt. on LT Loans	3.35	3.62	3.68	3.68	5.15
Interst on Sec. Deposit	0.03	0.11	0.13	0.13	0.16
Intt. on Working Cap.	0.39	1.03	1.47	1.56	1.91
Provision for bad debts	0.00	0.00	0.00	0.00	0.00
Contingency Reserve	0.00	0.00	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00	0.00	0.00
Revenue Expenditure	14.17	81.93	127.66	136.71	176.57
RoEquity @ 14%	1.91	2.07	2.10	2.10	2.52
Less: Non Tariff Income	0.00	0.00	0.00	0.00	0.00
ARR	16.09	84.00	129.76	138.81	179.09

Based on the above ARR data , the Revenue Gap is anticipated as mentioned under the **Table 8** below for the control period:

TABLE 8: Revenue Gap for JIL during the Control Period				(Rs. in Crs)	
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
ARR	16.09	84.00	129.76	138.81	179.09
Revenue at Provisional Tariff	7.89	84.00	129.76	138.81	179.09
Revenue Gap	-8.19	0.00	0.00	0.00	0.00
Proposed Rate per KWH	14.61	15.35	14.77	15.83	17.20

Accordingly the Revenue Gap as anticipated for the FYr 2011-12 is mentioned under the **Table 9** below :

TABLE 9: Revenue Gap for JIL during the Control Period ------ RsCRs	
Particulars	**2011-12**
ARR	16.09
Revenue at Current Provisional Tariff	7.89
Revenue Gap	8.19
Cumulative Revenue Gap	8.19

Fuel Price and Power Purchase Price Adjustment (FPPPA)

1.51 Looking to the typical situation of SEZ in a nascent state and the sources of small quantity of power, JIL would like to propose to continue present arrangement of recovering the cost under the tariff.

1.52 Looking to the present scale of operation, number of a few categories only 3 and total number of consumers being much less than say 5 as anticipated, conventional Tariffs modalities as are adopted by Distribution utilities and prescribed by the Hon'ble commission are not envisaged but the same are devised to meet ultimate objective of recovering the cost/expenses mainly keeping in view energy consumed by the customers. JIL has adopted this modalities and run the electricity retail supply business till date accordingly and has preferred to continue the same subject to relevant changes as may be directed by the Hon'ble Commission.

The above is further explained in detail under **Chapter – 8** hereinafter.

Prayers

1.53 The present application is submitted to the Hon'ble Commission for determination of tariff for FY 2011-12 (or for 2012-13 if time available for 2011-12 is not enough considering Tariff applicability from retrospective date not desirable) and Aggregate Revenue Requirement of Distribution business of the Company under MYT Control Period FY 2011-12 to FY 2015-16.

In view of the above facts and circumstances, **JIL** prays to the Hon'ble Commission that it may be pleased to:

(a) Admit the Aggregate Revenue Requirement (ARR) application for the MYT Period as submitted herewith.

(b) Condone the delay in filing this ARR petition, accept this Petition and process the same.

(c) Note that there were no material operations/data for FYr 2010-11

(d) Pass suitable orders with respect to the ARR for FY 2011-12 to FY 2015-16 as proposed by **JIL** in this petition along with the relevant operational and financial parameters as proposed in the petition.

(e) Permit the Petitioner to recover the unrecovered gap for FY 2011-12 through the existing Provisional Tariff being proposed to be made applicable on consumers during the FY 2012-13 onwards if at all there considering finally approved tariffs.

(f) **JIL** may also be permitted to propose suitable changes to ARR and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.

(g) Allow any deviations from the estimates and projections as "UNCONTROLLABLE" and treat accordingly during truing up exercise.

(h) Allow the carrying cost for any deferment in the gap recovery

(i) Approve all the cost element to be of "UNCONTROLLABLE" nature and allow the deviation from projected cost and estimates to be passed on to the consumers.

(j) Note that there is no wheeling business and only Retail Supply Business of Electricity is there.

(k) Approve the proposed modality in respect of Tariff revision on account of recovery towards Fuel Price and Power Purchase cost variations on annual basis considering a few categories/consumers for JIL business from subsequent year tariffs as firmed up after truing up.

(l) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.

(m) Condone any inadvertent omissions/errors/shortcomings and permit JIL to add/change/modify/alter this filing and make further submissions as may be required at a future date.

(n) Pass such further orders, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

CHAPTER 2: INTRODUCTION

Company profile

2.1 **Jubilant Infrastructure Limited (JIL)** is a company incorporated in 2006 under the provisions of the Companies Act, 1956 is having its registered office at Jubilant Infrastructure Ltd. 1-A, Sector 16-A, Institutional Area, Noida – 201 301, Uttar Pradesh

2.2 **Jubilant Infrastructure Limited** is developing a sector specific Chemicals SEZ at **Vilayat** over area of about 107 Hectares. The **JIL** has been notified by the Ministry of Commerce and Industry, Government of India vide Notification no.209 (A) dated 11th February 2008.

2.3 Ministry of Commerce and Industry, Government of India approved Validity period (extension upto date 20th August 2012 vide letter No. FZ/270/2006-EPZ/ dated 29th September 2011.)

2.4 **JIL** by virtue of notification issued by Government of India obtained the status of Deemed Distribution Licensee vide Govt. of India notification dated 11th February 2008 and payment of Rs. 5.00 Lacs towards initial fee in accordance with the GERC (Fees & charges) Regulation, 2005 which was also endorsed by Hon'ble GERC vide order no GERC / Legal /SEZ/0123 dated 18/01/2011 for Distribution of Electricity in **JIL** SEZ area, **Vilayat**, Gujarat.

2.5 **JIL** was incorporated primarily to cater to the infrastructure and utility services to the area of **Vilayat** Special Economic Zone in District, **Bharuch**, Gujarat. The Company's services encompass to develop, maintain and provide infrastructure facilities, utilities and services in the entire SEZ including but not limited to Water and Waste Management, Telecom and transportation services, Distribution of Power and Natural Gas or any other forms of energy.

2.6 JIL is engaged in distribution of electricity for the designated JIL area as a distribution licensee establishing distribution network for power distribution to various entities in SEZ

CHAPTER 3: OVERALL APPROACH FOR FILING

3.1 Hon'ble Commission has notified the regulations relating to Terms and Conditions of Tariff for the distribution business. In line with the same and considering the MYT Regulations 2011, **JIL** is filing its ARR and Tariff Petition for consideration of the Hon'ble Commission in the formats laid down for providing information for various parameters under consideration. The key aspects of the approach to the filing are discussed below :

Regulations on Terms and Conditions of Distribution Tariff

3.2 Pursuant to the enactment of the Electricity Act, 2003, **JIL** is required to submit its ARR and Tariff Petitions as per procedures outlined in section 61, 62 and 64, of the Electricity Act 2003, and the governing regulations thereof. Section 61 of the Electricity Act 2003 (hereinafter referred as "Act") empowers the State Electricity Regulatory Commission to determine the terms and conditions for determination of tariff. Further, it also lists down certain guiding principles which have to be considered while determining the terms and conditions of tariff. One of the key guiding factors is that the Commission shall adopt **Multi Year Tariff (MYT)** principles and other principles that reward efficiency in performance. Relevant extracts are reproduced below:

"The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the following, namely:-

a) the principles and methodologies specified by the Central Commission for determination of the tariff applicable to generating companies and transmission licensees;
b) the generation, transmission, distribution and supply of electricity are conducted
c) on commercial principles;
d) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments;
e) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner;
f) the principles rewarding efficiency in performance;
g) multiyear tariff principles;
h) that the tariff progressively reflects the cost of supply of electricity and also, reduces cross-subsidies within the period to be specified by the Appropriate Commission;
i) the promotion of co-generation and generation of electricity from renewable sources of energy;

3.3 Hon'ble GERC has notified the **(MULTI YEAR TARIFF) REGULATIONS, 2011 Notification No. 1 of 2011** in exercise of powers conferred by Section 45 (2), 61 and 62 read with Section 181 of Electricity Act 2003.

3.4 Further Gujarat Electricity Regulatory Commission has notified (Multi Year Tariff) Regulations, 2011 Notification No. 1 of 2011 and as per section 16.1 thereof the Commission shall determine the tariff for matters covered under clauses (i), (ii), (iii), and (iv) of Regulation 3.1 above, under a Multi-Year Tariff framework with effect from April 1, 2011:

3.5 **JIL**, being a Deemed distribution licensee where there already exists other licensee in the same area poses a different set of challenges to the licensee the key among which include those related to forecasting Demand and Energy Sales, planning of the Network Roll out in the licensed area so as to offer the services to consumers as per the provisions of the Electricity Act, 2003, offering quality services to the potential customers at a price which is competitive to the existing licensee and at the same time covering the reasonable cost of the licensee towards the spread out distribution network which has to be created afresh.

The key purpose of highlighting these issues is to solicit the attention of the Hon'ble Commission and granting due consideration to the same while approving the costs, actually incurred or those being projected based on analysis in the light of the unique status of the Licensee.

3.6 As per the provisions of the MYT regulations, **JIL** is filing this petition before the Hon'ble Commission for determination of ARR for the Control Period FY 2011-12 to FY 2015-16 & Tariff for FY 2012-13.(Since 2011-12 is almost over by this time).

3.7 Keeping in mind all the above stated regulations, **JIL** prays to the Hon'ble Commission to admit its First MYT Petition for the Control Period FY 2011-12 to FY 2015- 16.

Segregation of businesses under JIL

3.8 As per the Clause 3.1 of the GERC (Multi Year Tariff) Regulations, 2011 , the Hon'ble Commission shall determine the tariff under MYT framework for Generation, Transmission, Wheeling and Retail Supply.

3.9 It may please be noted that there is no wheeling business considered as of now at least and accordingly **JIL** has determined the ARR for its Retail Supply Business only.

Petition structure

3.10 **JIL** is submitting this MYT petition for determination of ARR for the control period FY 2011-12 to FY 2015-16 & Tariff for FY 2012-13 commencing from the period October 2012 (Date of commencing regular Operations) to 31st March 2016. The petition projects the expenses during the Control Period and estimates the Revenue requirement to be recovered through tariff. The petition has been structured to determine the ARR for retail supply only.

3.11 The MYT petition includes the following Chapters:

- Chapter 1 contains the Summary of the submission and **JIL**'s prayers to the Hon'ble Commission.
- Chapter 2 contains Introduction
- Chapter 3 contains Overall approach for filing
- Chapter 4 contains projection for the control period Annual Performance for FY 2011-12 with revised estimates
- Chapter 5 contains Projections for the Control Period Retail supply business demand and sales forecast.
- Chapter 6 contains Capital Expenditure Plan
- Chapter 7 covers the Projection and Aggregate Revenue Requirement for the Control Period for retail supply
- Chapter 8 covers the Revenue from existing Tariff and Gap.
- Chapter 9 covers the Tariff for FY 2011-12
- Chapter 10 covers the proposed Fuel Price and Power Purchase Adjustment formula for distribution business.
- Chapter 11 covers the prayers to the Hon'ble Commission
- Chapter 12 Annexure – I covers tariff schedule for FY 2011-12
- Chapter 12 Annexure – II Covers data formats for distribution.

CHAPTER 4: PROJECTIONS FOR THE CONTROL PERIOD

4.1 As provided under the GERC (MYT) Regulation, 2011 the distribution company shall estimate the quantum of electricity required. Relevant extract is reproduced below:

"97 Sales forecast.

97.1 The Distribution Licensee shall submit a forecast of the expected sales of electricity to each tariff category/sub-category and to each tariff slab within such tariff category/sub-category to the Commission for approval along with the Business Plan, as specified in these Regulations.

97.2 The Distribution Licensee shall submit the application for determination of tariff, based on the approved sales forecast in the Order on Business Plan.

97.3 The sales forecast shall be consistent with the load forecast prepared as part of the long-term power procurement plan submitted as a part of Business Plan under these Regulations and shall be based on past data and reasonable assumptions regarding the future:

Provided that where the Commission has stipulated a methodology for forecasting sales to any particular tariff category, the Distribution Licensee shall incorporate such methodology in developing the sales forecast for such tariff category….."

4.2 As already stated herein before, no wheeling/wire business is considered for this SEZ area of licensee and as such there is only Retail supply business at least as of now.

The sales projections in **Vilayat** SEZ Area have been carried out based upon projections of the quantum and location of load requirements within the **Vilayat** SEZ area. JIL is likely to have predominantly industrial consumers with negligible contribution of other consumer categories. JIL has considered the input received during interaction with some prospective consumers including a few who are already on the verge of starting their production activity and few others who are on the verge of starting their construction activities. Attempts have been made to carry out the projections by way of collecting maximum information which may vary with pace at which the development of the SEZ takes place.

The projections in greater details are furnished in a tabulated form under the following **Chapter 5** vide Tables 10,11 and 12 hereinafter.

CHAPTER 5: RETAIL SUPPLY BUSINESS - Demand and Sales forecast

5.1 Clause no. 92.1 of Regulations 1 of 2011 shall apply to determination of tariff for retail supply of electricity by a Distribution Licensee to its consumers.

Further, the clause 8.2.1(1) of the National Tariff policy states that the actual level of the sales should be grossed up with the normative T&D Loss to arrive at the power purchase.

Projection of sale of electricity is an important component of the business plan of any electricity distribution business. It is also a key aspect of the MYT filing.

5.2 License area of JIL i.e. Vilayat SEZ, is an area being developed for setting up of new industries by creating necessary infrastructure and the industrial development is likely to take place gradually over a period of time. Since it is new area it is difficult to carry out projections for number of consumers and power requirement by them accurately. Development is yet to take place and industries will be coming gradually based on overall economic conditions. Hence, it would be very difficult to carry out the Demand and Sales projections accurately and precisely for this area at this point of time.

5.3 The demands for electricity in **Vilayat** SEZ Area have been forecasted based upon estimates of the quantum and location of load requirements within the SEZ. **Vilayat** SEZ is likely to have mainly industrial consumers with a negligible contribution of other consumer categories.

5.4 **JIL** has considered the indications given by industrial customers who are either in the process of setting up their manufacturing facilities or have already set up the same in the area. However, since these are new consumers the exact load-pattern cannot be forecasted with desired accuracy and the same is based on the assumptions.

5.5 **JIL** also submits that as per the regulations of the Hon'ble Commission, sales are uncontrollable and any deviations therein will have to be addressed appropriately. However, **JIL** will be able to ensure effective planning and implementation of efficiencies only if the **JIL**s forecasts are considered without making any adjustments particularly keeping in mind the fact that the license area of **JIL** is a new industrial area where the industrial development is yet to take place. The Hon'ble Commission may approve the forecasts during the control period considering that business plan is based on these estimates.

Business Plan prepared as above is attached separately which also forms part of this Petition.

Demand Forecasting

5.6 The rolling short term plan has been based upon projections of the quantum and location of load requirements within the SEZ. **Vilayat** SEZ is likely to have predominantly industrial consumers with a negligible contribution of other consumer categories.

The demand indicated by the prospective consumers is considered as the basis for future projection/estimation.

Geographical distribution:

5.7 The **Vilayat** SEZ area consists of different parts and mainly the load projections are from the area where the development has already begun and the area identified for prospective consumers under the process of deciding on putting up their units in near future.

The demand projections considered are as under:

TABLE 10: Demand Projection (MVA)					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Total	**3.03**	**7.54**	**12.11**	**12.08**	**14.35**

License area of **JIL** i.e. **Vilayat** SEZ is an area which is being developed for setting up of new industries by creating necessary infrastructure and the industrial development is likely to take place gradually over a period of time. Since it is new area it is difficult to carry out projections for number of consumers and power requirement by them accurately. Development is yet to take place and industries will be coming gradually based on overall economic conditions. Hence, it would be very difficult to carry out the Demand and Sales projections accurately and precisely for this area.

Type and category of connection.

5.8 A significant component thereof the power consumption in the license area of distribution is expected to be continuous process industries. Based on available feedback, the load factor of these industries may vary between relatively narrow range as compared to non-continuous type. The consumption of other consumer categories is expected to be insignificant. A few industries will require construction power. The load factor for such power is assessed based on past data as available for a short period.

Assumptions for Demand & Sales :

Looking to the very small number of consumers operating and even expected during the control period the demand and sales are projected based on information provided by the expected consumers.

The projections of Demand and sales for the Control Period are as follows:

TABLE 11: Demand Summary (MVA)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
	3.03	7.54	12.11	12.08	14.35

TABLE 12: Sales Summary (MUs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
	10.69	53.22	85.48	85.48	101.61

5.9 The details of sales in million units and demand details for all consumer category is provided in **Form D-4** as attached in **Annexure II.**

JIL submits to the Hon'ble Commission once again that the sales projections have a significant impact on **JIL**s business plan and should be seen as internal targets set by **JIL** to achieve its business objectives. However as explained earlier this being a new area of operation where the development is yet to take place, the projected sales figures are at best estimates only and would vary depending on various factors. It may please be noted by the Hon'ble Commission that any alteration therein would affect business growth targets, capital investment plan, efficiency targets, operations etc.

Consumer Forecast

5.10 For the purpose of projecting No. of installations for Control Period, **JIL** has considered prospective consumers, market scenario, upcoming projects and expected development plans in the supply area.

As of now the details received from consumers by **JIL** and as per the plots in SEZ area, number of installation will be largely driven by High Tension consumers in processing area, mainly comprising of industrial consumers. However, there will be very few numbers of installations in other categories in the License area of **JIL** in **Vilayat** SEZ.

JIL has conducted survey of the consumers to track their future plan which will have an impact on the growth in number of consumers. Based on the input of the above mentioned survey and analysis of number of consumers, the projections for number of installations for the control period have been carried out. In view of the above, projections have been based on the results of the end user survey for all the consumer categories.

TABLE 13: Number of Installation – Forecast					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Residential	0	0	0	0	0
Commercial Non Demand	0	0	0	0	0
Commercial Demand	0	0	0	0	0
Industrial Non Demand	0	0	0	0	0
Industrial Demand	2	3	4	4	5
HTMD - I (Industrial / Commercial)	2	3	4	4	5
HTMD - II (Temp)		1	1	1	1
Street light	0	0	0	0	0
LT – Temp	0	1	1	1	1
Total					

Distribution Losses

5.11 The distribution losses of a network comprises of the technical loss component and commercial loss component. The Hon'ble Commission under Regulation 1of 2011 of GERC MYT Regulations has considered that technical and commercial losses are non controllable factors per section 23.2 (c).

The technical losses in a distribution system are dependent on various factors like network load, voltage level at which energy is drawn, feeder lengths, load balance etc. The system loss being a function of square of the system average load the losses would tend to rise in geometric progression if the technical system is not upgraded to cater to the higher load. The capital expenditure proposed during the MYT Period for the infrastructure is intended to serve the customers demand coming in different areas.

JIL has projected the distribution loss level of 2.80% during the next year of control period and a progressive reduction of about 0.20 % every year thereafter during the entire Control Period. **JIL** has planned to serve the customers in the SEZ area which are spread in different areas. **JIL** has initiated the process of establishing distribution network for the same to serve the customers. Higher distribution loss is expected due to energizing of new Power Transformers which will require time to reach the optimal loading. Another factor needs to be considered is that in the initial period the system which is established should be able to cater the expected demand in the area for at least 3 to 5 years which remains under- utilised and sub-optimally loaded that result into additional loss. As **Vilayat** SEZ is a completely new area, it is estimated that commercial losses in the distribution system would be negligible. Hence the losses estimated in the **Vilayat** SEZ area will be mainly technical.

Due to the above reasons **JIL** requests the Hon'ble Commission to allow distribution losses as per the projections.

The **JIL** requests the Hon'ble Commission to consider and approve the loss trajectory as considered under this submission as below.

TABLE 14 : Distribution loss Projection for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Distribution Loss (%)	3.00	2.80	2.80	2.60	2.50

Energy Requirement

5.12 The Energy Requirement for **JIL** License area is computed considering the distribution losses on the anticipated sales as given in the table below.

TABLE 15: Energy balance for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Energy Sales (MUs)	10.69	53.22	85.48	85.48	101.61
Distribution Loss (%)	3.0	2.80	2.80	2.60	2.50
Distribution Loss (MUs)	0.32	1.49	2.39	2.22	2.54
Energy Requirement after Loss	11.01	54.71	87.87	87.70	104.15
Transmission Loss (%)	0.00	0.00	0.00	0.00	0.00
Transmission Loss (MUs)	0.00	0.00	0.00	0.00	0.00
Total Energy Requirement after Dist Loss(Mus)	11.01	54.71	87.87	87.70	104.15
Unscheduled Interchange (UI)					

Unscheduled Interchange (UI)

5.12 As of now, the JIL envisages to obtain power from the DGVCL as a HT consumer with a contract demand to be supplemented by the Gas Turbine Generators phase wise through GTG1, GTG2 and GTG3 as already installed in the SEZ area by **JIL**. Therefore the UI Regime will generally not be applicable.

CHAPTER 6: CAPITAL EXPENDITURE PLAN

Capital Investments

6.1 Availability of quality and reliable power to the unit holders would be the most important element for successful development of the SEZ. Without such availability the investors may not prefer setting up their production units in this SEZ area. Keeping this in mind, **JIL** has planned to establish the state of the art distribution network along with build-in redundancies for ensuring uninterrupted quality power to the unit holder in the SEZ. The distribution network shall be created on Ready to Serve basis on indications of projected demand at optimal costs. i.e. Network is proposed to be established up to the front end of consumer premises. The network is proposed to be developed mainly with the 11 kv underground cables.

6.2 **JIL** has proposed capital expenditure to meet safety, supporting infrastructure and other requirements.

Network and Operational Philosophy

6.3 The Distribution System shall be planned and developed in such a way that the system should be capable of catering the requirement of different categories of consumers with a safe, reliable, economical and quality supply of electricity.

Depending on the requirement of load consumers would be fed at different voltage level as follows:

6.4 The distribution network fed from 11 kV feeders shall be initially planned as independent networks within their respective service area. Further, wherever possible, provision shall be made for interconnection with adjacent feeders for an alternate supply in case of failure. The design of distribution lines shall incorporate features to enable their augmentation in future, with minimum interruption to power supply.

6.5 Standard layouts following relevant standards, manuals and provisions of Electricity Act, 2003 would be followed. Latest technology as well as the learning from the long practical experience of the technical team would be integrated while preparing such layouts.

In general, for consumer end installations, standard utility practices shall be followed keeping in view the Supply Code provision, safety, security in view.

Adequate stand by capacity in the system will be ensured by establishing required redundant capacities in terms of additional transformers in substations and ring system of lines or cables. Suitable instrumentation for fast changeover shall also be incorporated as may be required.

6.6 The receiving stations handling bulk power at 66 kV shall have required protection system employing state of the art numerical relays, metering systems.

A central control room (CCR) would be established for monitoring of the entire network consisting of the network metering system, protection system.

The CCR would execute all activities related to outage management, load flow, energy accounting and management of power quality parameters within the supply area. Well equipped and skilled maintenance crew would be deployed on receipt of any technical or commercial complaints by the CCR.

6.7 Consumers are proposed to be given a number of options for payment of their bills through cheque drop boxes, personalized collection and internet based bill presentation and payment. Commercial operations also include consumer services, complaints redressal and maintaining congenial relations.

CAPEX Roll Out Plan

6.8 **JIL** plans to undertake capital investments for development of distribution network so as to meet the requirement of power for its consumers. **JIL** will endeavor for quality power supply to its customers.

6.9 Year wise CAPEX Roll out plan is as under :

	TABLE 16: CAPEX Roll Out Plan :				**(Rs in Lacs)**	
	Description	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
A	**EHV (220 kV & 66kV)**					
	EHV Transmission line	536				
	EHV Transmission cable					
	EHV Substation		250			
	Land Cost		25			
	Civil Cost		13			
	Total	**536**	**288**			
B	**HT (33kV & 11kV) & NETWORK**					
	33kV HT cable Network					
	11kV HT cable Network	923	80	80		100
	33/11kV HT Substation					
	Land Cost					
	Civil Cost					
	Total					
C	**Others**					
	Turbine	3100				900
	Automation & SCADA					
	Testing and Measuring Equipment					
	Meters & AMR					
	IT					
	Miscellaneous					
	Buildings & other civil work					
	Total	**4,559**	**368**	**80**		**1,000**

JIL submits to the Hon'ble Commission that the supply area being totally new where no infrastructure is existing, the proposed capital investments will be necessary for ensuring reliable and quality power availability to its customers in the license area and therefore pleads the Hon'ble Commission to approve the proposed capital expenditure. The Hon'ble Commission may please appreciate that for power distribution in the area, **JIL** has incurred CAPEX ahead of time enough to ensure that the power is made available to the units in this SEZ area as early as possible.

CHAPTER 7: AGGREGATE REVENUE REQUIREMENT (ARR)

7.1 For ARR assessments/estimations are made in compliance to the GERC Order 1 of 2011 for MYT Regulations Chapter 7; section 92 and its sub Paras, related to determination of tariff for retail supply of electricity by a Distribution Licensee to its consumers.

The details are as follows.

Power Purchase Cost

7.2 **JIL** would be purchasing power initially to serve different consumers located in different areas and will be catered through its 66 / 11 KV Main Receiving Station (MRS) in the SEZ area from a dedicated transmission line of GETCO to 66 kv Vilayat S/S. JIL has also installed Gas Turbine Generators as under:

SOURCE	MW
GTG1	4.95
GTG2	4.8
GTG3	5

The total power procurement required to serve the consumers has been arrived at by considering the sales forecast for **Vilayat** SEZ area and projected distribution losses.

7.3 For the purpose of procurement of power by distribution licensees, the National Tariff Policy prescribes that all future requirement of power should be procured competitively by distribution licensees The intent is to ensure that the rate of power purchase is determined by the market through a transparent mechanism and thus would be competitive in most of the cases.

While the above may be desirable, **JIL** would like to submit that with the present scale of operations this mode of power procurement would not be feasible for **JIL** as generators are not likely to participate in the competitive bidding for the kind of small volume / load of energy on which **JIL** is operating. However JIL is putting in its sincere efforts to achieve this objective as soon as possible.

7.4 **Power procurement for the Control Period**

The total power procurement cost for Aggregate Revenue Requirement has been done on estimated cost basis and the applicable power purchase rates.

TABLE 17: Power procurement for the Control Period					**(in Mus)**
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Power Purchse in MUs	**11.01**	**54.71**	**87.87**	**87.70**	**104.15**

The details of power purchase expenses are provided in the **Form D-1 of Annexure II**.

Summary of the total power purchase cost is tabulated below:

TABLE 18: Power purchase cost for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Power Purchase					
Total Quantity in MU	**11.01**	**54.71**	**87.87**	**87.70**	**104.15**
Total Cost in Rs Cr	**7.68**	**62.28**	**115.46**	**124.28**	**161.18**
Cost Per Unit (Rs / kWh)	**6.98**	**11.38**	**13.14**	**14.17**	**15.48**

Operations and Maintenance (O&M) Expenses

7.9 O&M expenses consist of Employee Expenses, A&G expenses and R&M expenses. **JIL** has projected the O & M expenses for the Control Period on the following principles

- Projections for the Control Period taking into account growth in the business
- The projections have to provide for inflationary increase in expenses
- O&M expenses are considered as a composite expense head so as to enable flexibility in incurring the expenses amongst its constituents

7.10 Employee expenses have been projected keeping in view the expected employees for Licensee's operations. **JIL** needs to gear up for meeting the operational requirement of servicing new consumers. This will require recruitment of additional man-power for supporting the growing distribution business operations. Manpower resources are required to meet increasing demands on account of activities like handling customer power supply applications and customer queries, designing of network strengthening / planning activities, maintenance requirement, energy auditing, bill recovery follow up etc. **JIL** submits that the Hon'ble Commission may please consider these expenses as inevitable and uncontrollable at this stage and permit **JIL** to incur the same and recover it through the tariff based on its justification.

7.11 **JIL** would like to submit that majority of HT distribution network of the Licensee is through underground cabling in favour of reliability of power for which the repairing cost is many times higher than the one in case of overhead lines. Also the underground lines laid are more vulnerable to faults that can be created by work of other agencies.

7.12 For the purpose of projecting the cost, estimation of cost under each expense head has been undertaken, after giving due consideration to the requirement of administrative support in tune with the business expansion envisaged in the control year. The key components in which these are Consultancy / Technical fees, Legal, Professional and Statutory fees, Vehicle expenses, security related, Corridor charges, Training etc.

7.13 License area of **JIL** i.e. **Vilayat** SEZ is area being developed for setting up of new industries by creating necessary infrastructure and the industrial development is likely to take place gradually over a period of time. It is very difficult to carry out accurate projections of expenses to be incurred in various heads like Employee, A & G and R & M expenses. Development is yet to take place and industries will be coming stage wise based on overall economic condition. Hence, it would be very difficult to carry out projections accurately and precisely for the given area. In addition to the above, certain increase in the employee expenses has also been assumed to offset the effect of inflation and salary hikes, etc. for the existing employees.

Specific trajectory for certain variables

7.14 Section 21 of regulation 1 of 2011 GERC (MYT) Regulations, specifies that While approving the Business Plan/MYT Petition, the Commission shall stipulate a trajectory for the variables, which shall include, but not be limited to Operation & Maintenance expenses, target plant load factor and distribution losses:

Provided that the Generating Company, Transmission Licensee and Distribution Licensee may seek a review of the trajectory at the time of mid-term review of Business Plan. any variation in repairs and maintenance expenses, employee expenses and, administrative and general expenses is to be considered as controllable. **JIL** submits to the Hon'ble Commission that as License area of **JIL** is totally new area with virgin land and development yet to happen with pace of time, it is not possible to predict accurately the expenses related to the area. Hence all the expenses related to that should be considered as "UNCONTROLLABLE".

7.15 O&M costs projected for the Control Period have been tabulated below :

TABLE 19: O&M cost for the Control Period					**(Rs. Crs)**
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Employee Cost	0.55	1.99	2.14	2.29	2.44
Repairs & Maintenance Cost	0.46	0.99	1.00	1.00	1.20
Administration & General Cost	0.51	1.11	1.13	1.13	1.35
Total O&M Expenses	1.51	4.08	4.27	4.42	4.99

7.16 As can be seen from the above, the Employee cost of **JIL** is increasing over the period under consideration on account of the fact that **JIL** is ramping up its operations whereby it is in a position to cater to the estimated load growth in future by having the necessary manpower in place. Considering the load growth in future, it is likely that the employee cost per unit will decrease or remain stable over a period of time thus ensuring that the consumers are not over burdened with higher employee costs.

Depreciation

7.17 The Computation of Depreciation on the fixed assets is based on Straight Line Method (SLM) of computation as prescribed under the Regulations. Depreciation rates considered are the rates approved by CERC and as per **Annexure – I** of the GERC MYT Regulations 1 of 2011

For Assets capitalised during the Financial Year, the depreciation to be charged during the year is on a proportionate basis and as per capitalisation during the year.

The depreciation of the Gross Fixed Assets at the rates specified by CERC/GERC works out to as under for the Control Period:

TABLE 20: Depreciation for the Control Period					Rs in Lacs
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Depreciation	120.36	260.12	264.34	264.34	317.14

7.18 The detailed schedule for depreciation is provided in **Form D-2 of Annexure II attached.**

Interest and Finance Expenses

7.19 The interest costs have been estimated under the following three heads :

- Interest on Debt;
- Interest on Security Deposit; and
- Interest on Working Capital

Interest on Debt / Loan

7.20 The entire capital expenditure incurred by **JIL** has been funded through its own resources i.e. through equity infusion and through consumer contributions.

JIL has considered the debt-equity in 70:30 ratio indicated by National Tariff Policy excluding the Service Line Contribution (SLC) which will be received from the consumers at actuals.

In case of **JIL**, with the exception of capital expenditure undertaken through consumers contribution, balance of the investment in project till date has been made through equity contribution and hence, the normative loan has been computed as 70 % of Opening balance of Gross Fixed Assets (Net of Consumer Contribution).

Based on the normative debt estimated as specified in preceding para, the interest liability is calculated at 10.50 % .

7.21 The capitalization and borrowings based on these assumptions are summarized in the table below:

TABLE 21: Borrowings					(Rs. Crs)
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Capitalization during the year	45.59	3.68	0.80	0.00	10.00
Less: Service Line Contribution (SLC) from Consumers	0.00	0.00	0.00	0.00	0.00
Balance Capitalization	45.59	3.68	0.80	0.00	10.00
Borrowings @ 70% of balance capitalization	31.91	2.57	0.56	0.00	7.00
Interest on Loan	3.35	3.62	3.68	3.68	5.15

Interest on Security Deposit

7.22 GERC (Security Deposit) Regulations 2005 provides for payment of interest on Security Deposit at the Bank Rate (as on 1st April of every year) notified by Reserve Bank of India or such higher rate as may be fixed by the Commission from time to time. Security deposits have been projected to increase at the growth rate of revenues. Interest on security deposits accordingly has been estimated for the Control Period at the rate of 6% on the average balance of security deposits in every year.

7.23 The total interest expenses considered for the revenue requirement in the Control Period under interest expenses on loans and security deposits are tabulated below:

TABLE 22: Interest expenses on security deposits					(Rs. Lacs)
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Consumer deposits	90.00	190.00	215.00	215.00	265.00
Interest Cost	2.7	11.4	12.9	12.9	15.9

TABLE 23: Interest expenses for the Control Period					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Interest expenses	3.35	3.62	3.68	3.68	5.15

7.24 The details of interest expenses are provided in **Form D-3 of Annexure II.**

Interest on Working capital

7.25 The interest on working capital has been worked out as per the approved norms in the GERC Regulations. The following have been considered for determining the base for working capital in a year

(a) One month of O&M expenses

(b) Maintenance spares @ 1% of GFA; and

(c) Receivables equivalent to two months of sales

7.26 Interest on working capital has been computed at the rate of 10.% per annum. The workings of the interest on working capital have been detailed below:

JIL submits to the Hon'ble Commission to provide for truing up of interest cost as interest expense is an uncontrollable expense, to the extent of the uncontrollable parameters involved in the computation. These include but are not limited to inflation rates considered for fixing the O&M expense, growth rate in revenue, growth in sales and the change in interest rates which is on account of economic variations. It is therefore submitted that Interest on Working Capital be allowed on Normative basis at the time of truing up considering the allowable O&M expenses, Actual Capital Expenses and Actual sales during the Control Period.

TABLE 24: Interest on working capital for the Control Period (Rs in lacs)					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
O&M expenses	151.38	408.38	426.78	441.78	499.28
Spares as 1 % of GFA	45.59	49.27	50.07	50.07	60.07
Receivables	195.98	576.58	997.25	1068.48	1354.75
Working capital	392.95	1034.22	1474.09	1560.32	1914.09
Intrst on working capital	39.30	103.42	147.41	156.03	191.41

Return on Equity

7.27 As per the Tariff Regulation issued by the Hon'ble Commission, a return @ 14 % on the equity base is considered as reasonable and hence allowed by Hon'ble Commission.

However, the Licensee would like to submit that Distribution Business has always been perceived to be a business having a greater inherent risk than the Generation or Transmission Business due to various factors amongst which the direct interface with the retail consumers is the biggest risk.

The same has been recognised by many Commissions across the country and they have proposed a higher rate of return on the equity invested in distribution business as compared to generation and transmission business. This has been demonstrated by the various Commissions by offering rate of return @16% for distribution business as compared to 14 % offered to other business areas.

It may also be kindly noted that CERC in its Tariff regulations of 2009 for Generation and Transmission has fixed pre-tax return on equity at 15.50% with an additional return of 0.50% for projects completing within specified timelines.

<u>**JIL** would like to request the Hon'ble Commission that return on equity of 16% may be allowed for the distribution business. This return expectation is in line with the regulated return approved by many SERCs in the states and the principles of National Tariff Policy.</u>

The equity for the Control Period has been determined based on the capital additions during the year and the equity contribution towards these additions. It may be noted that equity additions in a year have been taken as 30% of the additional capitalization in a year

JIL has considered a regulated return of 14% on average equity in a year for the purpose of computation in this petition.

7.28 The workings of equity base and the regulated return on the equity have been detailed below.

TABLE 25: Return on Equity for the Control Period					(Rs. Lacs)
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Opening Equity and reserves	1367.70	1477.95	1501.95	1501.95	1801.95
Additions to equity towards capital investments	0.00	0.00	0.00	0.00	0.00
Closing balance of Equity and Reserves	1367.70	1477.95	1501.95	1501.95	1801.95
ROE @ 14% on the average balance	191.48	206.91	210.27	210.27	252.27

Income tax

7.29 The income tax would not be applicable for **JIL** as per the SEZ Act and Rules. Hence **JIL** has not considered any tax on income from its business.

Non Tariff Income

7.30 The amount of non tariff income estimated for the Control Period is as under:

TABLE 26 : Non Tariff Income for the Control Period (Rs. Lacs)					
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Non Tariff Income	0	0	0	0	0
Aggregate Revenue Reqmnt.	0	0	0	0	0

Aggregate Revenue Requirement

7.31 Based on the above discussion, the **Table 27** summarizes **JIL** Aggregate Revenue Requirement for the Control Period. The ARR for the Control Period i.e. FY 2011-12 to 2015-16 is projected as under:

TABLE 27: Summary of Annual Revenue Requirement for JIL					(Rs. Lacs)
Particulars	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Power Purchase Expenses	768.50	6228.08	11546.34	12427.66	16118.33
Carry forward REV gap		819.33			
O&M Expenses					
Employee Expenses	54.50	199.00	214.00	229.00	244.00
R& M Expenses	45.59	98.53	100.13	100.13	120.13
A&G Expenses	51.29	110.85	112.65	112.65	135.15
Depreciation	120.36	260.12	264.34	264.34	317.14
Intrst on Long Term Loans	335.09	362.10	367.98	367.98	514.98
Interest on Sec. Deposit	2.70	11.40	12.90	12.90	15.90
Interst on Working Capital	39.30	103.42	147.41	156.03	191.41
Provision for bad debts	0.00	0.00	0.00	0.00	0.00
Contingency Reserve	0.00	0.00	0.00	0.00	0.00
Income Tax	0.00	0.00	0.00	0.00	0.00
Revenue Expenditure	1417.32	8192.83	12765.75	13670.69	17657.04
Return on Equity @ 14%	191.48	206.91	210.27	210.27	252.27
Less: Non Tariff Income	0.00	0.00	0.00	0.00	0.00
ARR	1608.79	8399.74	12976.02	13880.96	17909.31
Rev Realized from sale	14.61	15.35	14.77	15.83	17.20

7.33 **JIL** has allocated the expenditure to retail supply business as the distribution infrastructure up to the consumer premises is part of the retail supply business and there is no wheeling/wired business considered as such.

CHAPTER 8: REVENUE FROM EXISTING PROVISIONAL TARIFF & GAP

8.1 Looking to the present scale of operation, number of a few categories being a few i.e. only 3 and total number of consumers being much less than say 5 as anticipated, conventional Tariffs modalities as are adopted by Distribution utilities and prescribed by the Hon'ble commission are not envisaged but the same are devised to meet ultimate objective of recovering the cost/expenses mainly keeping in view energy consumed by the customers. JIL has adopted this modalities and has run the electricity retail supply business till date accordingly and has preferred to continue the same subject to relevant changes as may be directed by the Hon'ble Commission.

The above is further explained in detail as follows.

8.2 Since beginning of operations in Sept/Oct'11 till this date (To continue at least till end of the FYr 2011-12), **JIL** has only one source of power viz. power supply being received from DGVCL under the HTP-I category tariff as approved by the Hon. Commission under the tariff order for catering to its consumers in SEZ area.

Total amount of DGVCL bill with incidental cost/expenses at **JIL** end are clubbed together for deciding a rate in terms of Rs. Per Unit for recovery of electricity charges from consumers in SEZ area as a single part tariff.

Thus recovery of all costs towards electricity/power on back to back basis from Beneficiaries i.e. consumers in SEZ area consumers is done in favour of simplicity and hassle free transparent operations.

It may be noted that although JIL has already installed the Gas Turbine units 1, 2 and 3 for meeting the requirement of steam to be catered to its consumers in SEZ area as one of the services undertaken by the JIL in SEZ area. However, JIL has not considered operating these gas turbine for getting power to be catered to its consumers due to (i) high cost of power generation for part load operation, (ii) Non-availability of APM gas in required quantity at affordable price and (iii) very limited power requirement of the consumers for the present. Therefore the power source viz. power from gas turbines has not been considered at all for the FYr 2011-12. In any case, considering the reluctance of DGVCL for supplying more power under the DGVCL connection with HTP-I tariff as at present, power from JIL's own sources of power generation viz. the GTG-1, GTG-2 and GTG-3 has been considered for subsequent years of the MYT Period.

8.3 Based on the modality explained as above the ARRs and the Provisional/Proposed Tariffs are worked out and accordingly the revenue gap is considered as zero which will be there and known only after the truing up exercise is done based on year wise actual operations data and/or after considering the tariffs as may be approved by the Hon'ble Commission.

Accordingly the ARR, Revenue gap and Proposed Tariffs are proposed for consideration and approval by the Hon'ble Commission as given under the Table 8 as under:

CHAPTER 9: TARIFF FOR FY 2011-12

9.1 **JIL** has to submit that in the Year 2010-11 there has been no material operations and the operation data worth evaluation/ consideration is also not available. As such performance of the FYr 2010-11 is not considered as the basis for future years. As against this, the performance data for the FYr 2011-12 which is almost completed (and will be completed by the time the petition is decided.) is considered as basis for the data to be extrapolated for the other years of the control period.

Further the Annual Revenue Required for FY 2011-12 has also been estimated. The revenue gaps in FY 2011-12 have also been presented under Table 32 as below.

TABLE 28: Revenue Gap for JIL during the Control Period Rs. Crores

Particulars	2011-12
ARR	**16.09**
Revenue at Current Provisional Tariff	**7.89**
Revenue Gap	**8.19**
Cumulative Revenue Gap	**8.19**

This section indicates the impact of the performance of JIL and the proposal for the treatment of the revenue gap in FY 2011-12.

Tariff for FY 2011-12

9.2 **JIL** would like to submit the Hon'ble Commission that JIL would like to continue with existing tariff which is charged as per the proposal submitted in this MYT petition. **JIL** would like to submit that it would propose to recover the gap for FY 2011-12 from subsequent years as by the time the tariff proposals are decided and implemented, considerable time of FYr 2012-13 might be lost and it would result into implementation of tariff from retrospective date which is not considered desirable.

9.3 **JIL** proposes to consider the carrying cost for the 2011-12 separately for the deferment of recovery in revenue gap for 2012-13. The provisional gap for FY 2011-12 has been carried forward for the year 2012-13 of Control Period. The revised estimates for FY 2011-12 shall be finalized on the basis of audited accounts and the gap for the year shall be accordingly trued up at the end of FY 2012-13.

Revenue and Gap at existing Tariff in FY 2011-12:

9.4 The gross revenue from the existing provisional tariff on projected sales for the first year of Control Period i.e. FY 2011-12 is computed at 8.19 Crores.

9.5 **JIL** has not considered the carrying cost for the revenue gap, it begs to submit that the same may kindly be considered by the Hon'ble Commission appropriately and the effect of such cost be also considered during the total recovery during the rest of the Control Period.

9.6 The tariff schedules for **JIL** license areas are attached as **Annexure – I.**

9.7 The revenue calculated at the existing provisional tariff rates on the estimated sales in **IL** Supply area is attached as **Annexure – II in D4 Formats**.

CHAPTER 10: FUEL PRICE AND POWER PURCHASE ADJUSTMENT

Background

10.1 Power purchase cost which constitutes substantial part of the total ARR is subject to variations on account of certain uncontrollable factors. The variations being uncontrollable in nature are required to be recovered from consumers on a regular basis.

As already provided under **GERC Regulation 1 of 2011; Section 23.2 (c)** Variation in the price of fuel and/ or price of power purchase according to the FPPPA formula approved by the Commission from time to time;

Further, Section 62 (4) of the Act provides that:

"No tariff or part of any tariff may ordinarily be amended more frequently than once in any financial year, except in respect of any changes expressly permitted under the terms of any fuel surcharge formula as may be specified."

National Tariff Policy (NTP) also states that the variation in fuel and power purchase cost are mainly uncontrollable in nature and the fast recovery of the same should be allowed so that the consumers are not burdened with the past cost. Further, NTP also suggests for development of FPPPA mechanism to address power purchase cost variation based on purchase mix variation, normal fuel price variation, and power purchase cost variation due to any other reasons.

10.2 Whereas the above provisions are there and **JIL** is sincere to implement comply with the same, looking to the present scale of operation, number of a few categories (only 3) and total number of consumers being much less say 5 as anticipated during the total control period, conventional Tariffs modalities as are adopted by bigger Distribution utilities and prescribed by the Hon'ble commission are not envisaged but the same are devised to meet ultimate objective of recovering the cost/expenses mainly keeping in view energy consumed by the customers. JIL has adopted this these modalities and run the electricity retail supply business till date accordingly and has preferred to continue the same subject to relevant changes as may be directed by the Hon. Commission

Power Purchase Adjustment

10.3 **JIL** would be sourcing its additional power from its own Gas Turbine Generators or other sources under short-term arrangements and it will vary depending on the demand of **JIL**. The Power Purchase Cost would vary from the projections incorporated in the **JIL** ARR due to various uncontrollable factors, such as:

1. Demand fluctuations;
2. Energy drawal variations
3. Variations in Transmission Charges and Transmission Losses
4. Variations in fuel price, fuel transportation and/ or handling charges and other charges.
5. Others if any

CHAPTER 11: PRAYERS

11.1 The present application is submitted to the Hon'ble Commission for determination of tariff for FY 2011-12 (or for 2012-13 if time available for 2011-12 is not enough considering Tariff applicability from retrospective date not desirable) and Aggregate Revenue Requirement of Distribution business of the Company under MYT Control Period FY 2011-12 to FY 2015-16.

In view of the above facts and circumstances, **JIL** prays to the Hon'ble Commission that it may be pleased to:

(a) Admit the Aggregate Revenue Requirement (ARR) application for the MYT Period as submitted herewith.

(b) Condone the delay in filing this ARR petition, accept this Petition and process the same.

(c) Note that there were no material operations/data for FYr 2010-11

(d) Pass suitable orders with respect to the ARR for FY 2011-12 to FY 2015-16 as proposed by **JIL** in this petition along with the relevant operational and financial parameters as proposed in the petition.

(e) Permit the Petitioner to recover the unrecovered gap for FY 2011-12 through the existing Provisional Tariff being proposed to be made applicable on consumers during the FY 2012-13 onwards if at all there considering finally approved tariffs.

(f) **JIL** may also be permitted to propose suitable changes to ARR and the mechanism of meeting the revenue on further analysis, prior to the final approval by the Hon'ble Commission.

(g) Allow any deviations from the estimates and projections as "UNCONTROLLABLE" and treat accordingly during truing up exercise.

(h) Allow the carrying cost for any deferment in the gap recovery

(i) Approve all the cost element to be of "UNCONTROLLABLE" nature and allow the deviation from projected cost and estimates to be passed on to the consumers.

(j) Note that there is no wheeling business and only Retail Supply Business of Electricity is there being carried out by JIL.

(k) Approve the proposed modality in respect of Tariff revision on account of recovery towards Fuel Price and Power Purchase cost variations on annual basis considering a few categories/consumers for JIL business from subsequent year tariffs as firmed up after truing up.

(l) Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.

(m) Condone any inadvertent omissions/errors/shortcomings and permit JIL to add/change/modify/correct/alter any part of this filing and/or to make further submissions/prayers as may be required at a future date.

(n) Pass such further orders, as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

CHAPTER 12: ANNEXURE – I

TARIFF SCHEDULE FOR FY 2012-13 for JIL SEZ Area

General Conditions

1. This tariff schedule is applicable to all the consumers of in the License area of **Vilayat** SEZ.
2. All these tariffs for power supply are applicable to only one point of supply.
3. The meter charges shall be applicable as prescribed under GERC's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation.
4. The energy bills shall be paid by the consumer within 10 days from the date of billing, failing which the consumer shall be liable to pay the delayed payment charges @18% p.a. for the number of days from the date of bill to the date of payment of bill.
5. The energy supplied under these tariffs can be utilized only within the compact area of the premises not intervened by any area/road belonging to any person or authority other than the consumer.
6. The power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
7. The various provisions of the GERC's (Licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulation will continue to apply.
8. The charges specified in the tariff are on monthly basis, **JIL** shall adjust the rates according to billing period applicable to consumer.
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. These rates are exclusive of Electricity Duty, Tax on sale of electricity, Customs duty, Taxes and other charges levied / may be levied or such other taxes as may be levied by the Government or other Competent Authorities on bulk / retail supplies from time to time in which are payable by consumers, in addition to the charges levied as per the tariff.

Tariffs for the Categories under the JIL SEZ Area

1 RATE: Street Lights

Applicable to lighting systems for illumination of public roads.

A flat rate of	**1579** Paise per Unit

2 RATE: Temporary

This tariff is applicable to installations for temporary requirement of electricity supply. A Consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

A flat rate of	**2000** Paise per Unit

3 RATE: HT

This tariff is applicable for supply of energy to High Tension consumers

A flat rate of	**1579** Paise per Unit

Declaration that the subject matter of the petition has not been raised by the petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any orders in relation thereto.

Place

Date

Signature of the Petitioner/Respondent

Annexure - II

Revenue Calculation at Proposed Tariffs (Attached Forms as Listed below)

Forms And Other Information/ Documents For Tariff Filing For Distribution

Form No.	Title of Tariff Filing Forms (Distribution)	Tick
Form D – 1	Cost of Purchase of Power	**Y**
Form D – 2	Fixed Assets and Depreciation	**Y**
Form D – 3	Detailed Calculation of item wise Interest	**Y**
Form D – 4	Sale of Electrical Energy	**Y**
Form D – 5	Summary of categorywise tariff increase	**N.A.**
	BUSINESS PLAN	**Y**
Other Information/ Documents		
Sl. No.	**Information/Document**	**Tick**
1	Corporate audited Balance Sheet and Profit & Loss Accounts with all the Schedules & annexures for the relevant years.	**Y**
2	Copies of relevant loan Agreements	**Y**
3	Copies of the approval of Competent Authority for the Capital Cost and Financial package.	**Y**
4	Utilities carrying out generation and transmission in addition to distribution shall also submit all relevant forms given in Appendix - A, Appendix - B and Appendix – C	**N**
5	Any other relevant information, (Please specify)	**Y**

<u>Electronic copy in form of Compact Disc is also being submitted.</u>