

**ANNUAL PERFORMANCE REVIEW FOR FY 2015-16 AND REVISED
ANNUAL REVENUE REQUIREMENT FOR FY 2016-17**

DAKSHIN HARYANA BIJLI VITRAN NIGAM

**EXECUTIVE SUMMARY
DISTRIBUTION AND RETAIL SUPPLY BUSINESS**

SUBMITTED TO

HARYANA ELECTRICITY REGULATORY COMMISSION

Annual Performance Review (APR) for FY 2015-16 under MYT Control Period (FY 2014-15 to FY 2016-17) and revised Annual Revenue Requirement for FY 2016-17

- DHBVN is filing the Petition for Annual Performance Review (APR) for FY 2015-16, Revised Annual Revenue Requirement (ARR) for FY 2016-17 by Dakshin Haryana Bijli Vitran Nigam Ltd. under HERC (Terms and Conditions for determination of tariff for generation, transmission, wheeling and distribution & retail Supply under Multi Year Tariff Framework) Regulations, 2012 and under Section 45, 46, 47, 61, 62, 64 and 86 of The Electricity Act 2003 read with the relevant guidelines.
- This Executive Summary of Annual Performance Review (APR) for FY 2015-16 and revised Annual Revenue Requirement for FY 2016-17 presents the key elements of the MYT ARR filing made by Dakshin Haryana Bijli Vitran Nigam (DHBVN) to the Haryana Electricity Regulatory Commission (the Commission).
- This summary is not a part of the filings made by DHBVN and interested parties are encouraged to examine the documents filed by the licensee for detailed information. Further, some of the annexure mentioned and references made in this document may not be included in this summary and would be available only with the complete document filed with the Commission.

1.1 SALES PROJECTIONS AND ENERGY BALANCE FOR FY 2015-16 & FY 2016-17

1.2 In order to estimate the respective consumer category wise energy sales of DHBVNL for the FY 2015-16 and FY 2016-17, the Petitioner has relied upon the CAGR of previous year's data for connected load, sales and the resulting consumer category wise consumption per kW. Hence, after applying the projected load factor/ specific per kW consumption to the projected consumer category wise connected load, the consumer category wise sales for the FY 2015-16 have been arrived at. The methodology applied by the petitioner for estimating the metered sales is as under:-

1.3 The category-wise connected load and energy sales for the FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13, FY 2013-14 & FY 2014-15 were considered.

1.4 The category wise connected load for the FY 2015-16 and FY 2016-17 is arrived at by multiplying full year category wise connected load for the FY 2014-15 with the analysed respective full year category wise 5 year CAGR pattern of connected load.

1.4.1 The category wise energy sales of the FY 2015-16 is calculated by multiplying category wise connected load above for the FY 2015-16 with consumption per kW calculated for FY 2015-16 based on the analysed category wise actual consumption per kW pattern for past 3 years.

1.4.2 The category wise energy sales of the FY 2016-17 is calculated by multiplying category wise connected load above for the FY 2016-17 with consumption per kW calculated for FY 2016-17 based on the analysed category wise actual consumption per kW pattern for past 3 years

1.5 Agriculture consumption for the FY 2015-16 and FY 2016-17 is calculated by assuming a growth rate of 5% in actual sales over the year FY 2014-15 reported by the feeder level data and as per the methodology adopted by the Hon'ble commission in previous tariff orders.

1.6 Under the exception case of DMRC sales projection for FY 2015-16 and FY 2016-17 has been estimated based on first six month actual consumption for FY 2015-16 available with DHBVN. It has been observed that DMRC operation in Faridabad started from September 2015, before starting its operation in Faridabad, DMRC has conducted number of trial runs. Hence, the sales of first half accounted around 28 MUs. Further, based on historical unit per kW consumption of DMRC, the sale for FY 2015-16 and FY 2016-17 has been projected as 65MUs respectively. Hence, keeping the above basis in view, DHBVNL envisages the expected sales figures in following table:

Table 1: Statement of sales for FY 2015-16 and FY 2016-17

Projection of Sales for FY 2015-16 & FY 2016-17				
Category of Consumers	Approved for FY 15-16 (MU)	Sales till Sep-15 (MU)	RE Sales for FY 15-16 (MU)	RE Sales for FY 2016-17 (MU)
Domestic	4716	2,069	4,261	4,659.01
Non Domestic	4155	1,253	2,315	2,492.69
HT Industry	5431	2,378	5,100	5,150.73
Lift Irrigation	185	85	153	156.07
LT Industry	900	405	842	858.73
Agriculture Metered	2672	1,717	4,898	5,142.63
Agriculture Un – Metered	1830	772		
Bulk Supply	629	301	692	708.94
Railway Traction	349	60	120	115.41
DMRC		28	65	65.00
Street Lighting	73	29	62	89.60

Public Water Works	531	224	463	553.38
Total (MU)	21471	9,319	18,971	19,992

1.7 DHBVN request Hon'ble Commission to approve energy sales, as per revised projections for FY 2015-16 and FY 2016-17 tabulated above.

1.8 Energy Availability for Haryana

1.8.1 Summary of the details of power purchase quantum, amount (for within and outside state) and other applicable charges has been tabulated below.

Table 1: Summary of Energy Availability for FY 2015-16

Power Purchase Quantum (FY 2015-16)			
Particulars	Total	UHBVN	DHBVN
Intra State PP	28,092.26	12,360.60	15,731.67
Inter State PP	22,304.48	9,813.97	12,490.51
Total PP (MU)	50,396.74	22,174.57	28,222.18

Total Power Purchase Cost (FY 2015-16)			
Particulars	Total	UHBVN	DHBVN
PP Cost	19,905.29	8,758.33	11,146.96
Inter State Transmission Charges	840.13	369.66	470.47
Intra State Transmission Charges & SLDC	1,287.88	643.64	644.24
Grand Total (Rs. Cr.)	22,033.29	9,771.62	12,261.67
Per unit Cost (Rs./kWh)	4.37	4.41	4.34

Table 2: Summary of Energy Availability for FY 2016-17

Power Purchase Quantum (FY 2016-17)			
Particulars	Total	UHBVN	DHBVN
Intra State PP	37,178.18	16,358.40	20,819.78
Inter State PP	18,105.09	7,966.24	10,138.85
Total PP (MU)	55,283.27	24,324.64	30,958.63

Total Power Purchase Cost (FY 2016-17)			
Particulars	Total	UHBVN	DHBVN
PP Cost	22,562.79	9,927.63	12,635.16
Inter State Transmission Charges	805.00	354.20	450.80
Intra State Transmission Charges	1,287.88	643.64	644.24
Grand Total (Rs. Cr.)	24,655.67	10,925.47	13,730.20
Per unit Cost (Rs./kWh)	4.46	4.49	4.44

1.8.2 The total power purchase cost from external and state sources including transmission charges for DHBVN has been assessed at Rs. 12,261.67 Cr. for FY 2015-16 and Rs. 13,730.20 Cr. for 2016-17.

1.9 Energy Balance

1.9.1 DHBVN has computed the energy balance based on the availability of power based on the drawl ratio, sales forecast and transmission and distribution losses for FY 2015-16 and 2016-17.

1.9.2 The total power purchase quantum is divided into power availability within the state i.e. (generating stations within the state) and power availability outside the state i.e. generating stations located outside the state.

1.9.3 The petitioner has summarised the working of energy balance as state as a whole, as tabulated below:

Table 3: Energy Balance for Haryana FY 2015-16 and FY 2016-17

Particulars	Units	FY 2015-16	FY 2016-17
For the State Haryana		(Estimated)	(Projections)
Estimated sales (UH)		14,319	15,478
Distribution Losses (UH)	%	29.75%	22.67%
Energy Requirement at Distribution Periphery (UH)	MUs	20,382	20,015
Intra-state transmission losses (UH)	%	2.48%	2.46%
Energy requirement at State Boundary (UH)	MUs	20,901	20,519
Estimated sales (DH)		18,971	19,992
Distribution Losses (DH)	%	24.47%	21.70%
Energy Requirement at Distribution Periphery (DH)	MUs	25,116	25,532
Intra-state transmission losses (DH)	%	2.48%	2.46%
Energy requirement at State Boundary (DH)	MUs	25,755	26,176
Total Energy requirement (UH + DH)		46,655	46,696
Purchase within the State (Haryana)	MUs	28,092	37,178
Gross Purchase outside the State (Haryana)	MUs	22,304	18,105
Inter-state transmission losses (Haryana)	%	3.82%	3.82%
Net Outside state Purchase after reducing inter-state losses (Haryana)	MUs	21,452	17,413
Total Power available at state boundary (Haryana)		49,545	54,592
Surplus/(Deficit) (Haryana)	MUs	2,889	7,896

Approved Power Purchases per Tariff Order 2015-16 APR excluding 3691.08 MU RPO obligations	MUs	52,380	
Backing down Power Purchase	MUs	2835	
Back down Units – DHBVN	MUs	1588	

1.9.4 The petitioner has summarised the working of energy balance as DHBVN individual as tabulated below:

Table 4: Energy Balance for FY 2015-16 and FY 2016-17 of DHBVN

Particulars	Units	FY 2015-16	FY 2016-17
		(Estimated)	(Projections)
For DHBVN only			
Estimated sales (UH)		14,319	15,478
Distribution Losses (UH)	%	29.75%	22.67%
Energy Requirement at Distribution Periphery (UH)	MUs	20,382	20,015
Intra-state transmission losses (UH)	%	2.48%	2.46%
Energy requirement at State Boundary (UH)	MUs	20,901	20,519
Estimated sales (DH)		18,971	19,992
Distribution Losses (DH)	%	24.47%	21.70%
Energy Requirement at Distribution Periphery (DH)	MUs	25,116	25,532
Intra-state transmission losses (DH)	%	2.48%	2.46%
Energy requirement at State Boundary (DH)	MUs	25,755	26,176
Total Energy requirement (UH + DH)		46,655	46,696
Purchase within the State (DH)	MUs	15,732	20,820
Gross Purchase outside the State (DH)	MUs	12,491	10,139
Inter-state transmission losses (DH)	%	3.82%	3.82%
Net Outside state Purchase after reducing inter-state losses (DH)	MUs	12,013	9,752
Total Power available at state boundary (DH)		27,745	30,571
Surplus/(Deficit) (DH)	MUs	1,990	4,395

1.9.5 The Nigam has assumed that the surplus power available will be sold entirely as 'inter-state sales' throughout the FY 2015-16 and FY 2016-17 at average variable power purchase cost excluding transmission charges. However, in practice i.e. during lower demand or surplus availability, the Nigam shall resort to boxing down of plants thereby reducing losses by just paying fixed cost for box-down units and turning out the loss incurred in inter-state sale of power;

1.9.6 DHBVN request the Hon'ble Commission to approve the above submission for FY 2015-16 and FY 2016-17.

1.9.7 The Petitioner also submits the bulk supply tariff computed for DHBVNL as given below:

Table 5: Bulk Supply tariff for DHBVN

Particulars (DHBVN for BST)	Units	FY 2015-16	FY 2016-17
Per unit Rate		(Estimated)	(Projections)
Gross energy procured from outside the state sources	MUs	12,491	10,139
Inter-state transmission losses	%	3.82%	3.82%
Inter-state transmission losses	MUs	477	387
Net energy available from outside the state	MUs	12,013	9,752
Add energy generated within the state	MUs	15,732	20,820
Net energy available at state boundary for use in DHBVN	MUs	27,745	30,571
Intra-state transmission losses	%	2.48%	2.46%
Intra-state transmission losses	MUs	688	752
Energy available for sale to distribution licensee at distribution periphery	MUs	27,057	29,819
Power purchase cost	Rs Cr	11,147	12,635
Inter-state transmission charges	Rs Cr	470	451
Intra-state transmission charges	Rs Cr	644	644
Total bulk purchase and transmission charges	Rs Cr	12,261.67	13,730.20
Power purchase per unit	Rs/kWh	4.12	4.24
Inter-state transmission charges	Rs/kWh	0.17	0.15
Intra-state transmission charges	Rs/kWh	0.24	0.22
Average BST for DHBVN	Rs/kWh	4.53	4.60

1.10 Operation & Maintenance Expenses

1.10.1 The operation and maintenance expenditure of DHBVNL comprises of Employee Expenses, Repair & Maintenance expenses and Administration & General expenses. The O&M expenses, as per the MYT regulations, 2012 are considered as controllable Factor with the exception of terminal benefits. The cost of terminal benefits has been considered as uncontrollable factor.

1.10.2 The summary of projected O&M expenses for FY 2015-16 is tabulated below for reference:

Table 6: Summary of O&M Expenses for FY 2015-16 and FY 2016-17

Rs. Cr				
Sr.	Particulars	Approved for FY 2015-16	RE for FY 2015-16	Projection for FY 2016-17
1	Employee Expense	541.00	626.98	754.62
2	Administration & General Expense	65.25	75.18	78.68
3	Repair & Maintenance Expense	131.85	116.37	136.62
4	Terminal Liability	150.00	291.64	335.38
	Total	888.10	1,110.16	1,305.31

1.11 Capital Expenditure

1.12 The Hon'ble Commission has approved a Capex Plan of Rs 867.29 Cr. for FY 2015-16. However, against the same based on the available half yearly details of capital expenditure done by DHBVN, it has estimated to undertake an expenditure of Rs. 701.35 Cr. for FY 2015-16 and Rs. 1431.50 Cr. for FY 2016-17.

1.13 The detailed expected capital expenditure for FY 2015-16 and FY 2016-17 has been given as below:

Table 7: Capital Expenditure for FY 2015-16 and FY 2016-17

Particulars	Approved FY 2015-16	Incurred Till Sep 2015	Projection for FY 15-16	Projection for FY 16-17
AT&C loss reduction plan				
Procurement of single phase meters for replacement of defective meters and release of new connections.	17.8	10.20	27.00	60.00
Procurement of three phase meters for replacement of defective meters and release of new connections.	9.7	1.40	5.00	10.00
LT Connectivity of already executed HVDS works.	20	0.00	17.00	8.00
Power Factor Improvement (Providing automatic power factor correctors)	-	0.00	0.00	15.00
Load Growth schemes				
Creation of new 33 kV sub-stations	75.12	24.12	60.00	110.00
Augmentation of existing 33 kV sub-stations	24.19	10.75	24.00	30.00
Erection of new 33 kV lines	14.4	4.33	15.00	15.00
Erection of new 11 kV lines	4.8	5.63	9.00	10.00
Augmentation of existing 33 kV lines	1.68	7.40	13.00	15.00
Bifurcation of 11 kV feeders (Work of bifurcation of feeders, augmentation of ACSR)	18	23.42	38.00	74.00
Material required for release of Non-AP connections & replacement of old assets	150	45.30	175.00	200.00
Release of Tube well connection on turnkey basis	50	52.43	130.00	150.00
Procurement of power transformers and allied equipment such as 33 kV CTs, 33 kV PTs, 33 kV and 11 kV VCBs, 33 kV Control and Relay Panels etc.	9.51	16.00	17.00	25.00
Release of BPL connections under RGGVY schemes	-	-	4.00	9.00
Mahatma Gandhi Gramin Basti Yojna	-	-	2.00	-
R-APDRP schemes		0.00		
Implementation of R-APDRP (Part-A) including SCADA	15	2.03	70.00	20.00
Implementation of SCADA under R-APDRP (Part-B) in Faridabad town	250	-	4.00	80.00
Relocation of energy meters of DS & NDS consumers outside their premises in Meter Pillar boxes.	50	10.01	27.35	46.00
Civil Works	10	2.05	5.00	12.00
System Strengthening Works under IBRD loan and IBRD equity				

Executive Summary of APR for FY 2015-16 &
ARR for FY 2016-17

Under IBRD Loan	70	18.04	40.00	90.00
Under IBRD Equity	17.5	4.32	10.00	22.50
Other works				
Revamping of existing Meter Testing labs. at Dadri, Sirsa, Hisar, Faridabad & Gurgaon	13.59	-	0.00	1.00
Maintenance free earthing using 'Ground Enhancing Material' for Distribution Transformers, Meter Pillar Boxes and H-pole etc.	6.5	-	2.00	7.00
Installation of meters on 33 kV Incomers at sub-stations for energy auditing.	0	-	-	2.00
Providing RF Meters.	12.5	-	-	-
AMI on large NDS & LT consumers having load about 10 kW (IBRD funded work).	27	-	2.00	90.00
Other works for system improvement		-	-	10.00
Smart City Gurgaon			5.00	320.00
Total (Rs. Cr.)	867.29	237.43	701.35	1431.50

1.13.1 Capital Work in Progress for the control period has been projected on the basis of estimated capital expenditure and the capitalization schedule assuming 70% transfer of total cap-ex (including the CWIP carry forwarded from the previous year and capex added during the year) to fixed assets and 30% transfer of total cap-ex to capital works in progress (CWIP) for each year of operation.

1.13.2 While estimating CWIP it is assumed that 70% of the opening balance of CWIP and fresh capital investment shall be capitalized during each year of operation.

1.14 Return on Equity

1.14.1 The computation of return on equity for FY 2015-16 and FY 2016-17 is tabulated below:

Table 8: Return on Equity for FY 2015-16 & FY 2016-17

Particulars	Rs. Cr.		
	Approved	Estimated (FY 2015-16)	Projected (FY 2016-17)
Opening Equity	-	1,439.12	1,565.36
addition		126.24	257.67
Closing Equity	-	1,565.36	1,823.03
Average		1,502.24	1,694.20
Rate of RoE	-	14%	14%
Total RoE	-	210.31	237.19

1.15 Interest & Finance Charges

1.15.1 Total interest and finance charges of DHBVN for FY 2014-15 and FY2015-16 have estimated as below:

Table 9: Interest & Finance Charges for FY 2015-16 and FY 2016-17

Particular	FY 2015-16	FY 2016-17
Total Interest and finance charges on short term loan	1072.30	1265.08
Interest on Capex Loan	213.11	285.04
Total Interest and Finance Charges	1285.41	1550.12
Less: Interest and Finance Charges capitalized during year	119.34	159.62
Net Interest and Finance Charges	1166.07	1390.50
Interest on security deposit	80.99	124.94
Guarantee fee (2%)	35.69	0.00
Total Interest and Finance Charges (Cr.)	1282.74	1515.43

1.15.2 **Repayment of Working Capital Loans:** As The Petitioner requests the Hon'ble Commission to kindly allow the repayment of FRP loans to be considered under Interest and Finance charges as an exceptional scenario. It is further submitted that these are different from capex wherein the repayment of loans are funded through the depreciation allowed by the Hon'ble Commission.

1.16 Depreciation

1.16.1 For FY 2015-16 and FY 2016-17, DHBVN has estimated depreciation charges on the basis of estimated additions in GFA as per the capital investment plan for the FY 2015-16. The transfer of total Capex to fixed asset has been considered as 70%. Based on the Capex done from April 2015 to September 2015, the Capex is estimated to be Rs. 701.35 Cr. in FY 2015-16 and Capex during FY 2016-17 has been projected as Rs. 1431.50 Cr.

1.16.2 For the purpose of projecting depreciation charges for FY 2015-16, the licensee has considered the category-wise actual depreciation rates (as a percentage of opening balance of asset-class-wise GFA for that year).

1.16.3 The following depreciation workings have been provided for the reference:

Table 10: Depreciation for FY 2015-16 (Rs. Cr.)

Particulars	Accumulated depreciation at the beginning of the year	Additions during the year			Total
		Rate of depreciation (%)	Depreciation during the year	Arrears of depreciation written off during the year	
Land & Land Rights	-	-	-		-
Buildings & Civil Structure	42.23	3.34%	6.52		6.52
Plant & Machinery	1,838.36	5.28%	315.73		315.73
Vehicles	13.74	18.00%	2.47		2.47
Furniture & Fixture	8.49	6.30%	1.13		1.13
Less: Depreciation on assets contributed by Consumers and grants	58.92		30.00		30.00
Total (Rs. Cr.)	1,843.89		295.85		295.85

Table 11: Depreciation for FY 2016-17 (Rs. Cr.)

Particulars	Accumulated depreciation at the beginning of the year	Additions during the year			Total
		Rate of depreciation (%)	Depreciation during the year	Arrears of depreciation written off during the year	
Land & Land Rights	-	-	-		-
Buildings & Civil Structure	48.75	3.3%	8.12		8.12
Plant & Machinery	2154.09	5.3%	366.50		366.50
Vehicles	16.21	18.0%	2.51		2.51
Furniture & Fixture	9.62	6.3%	1.18		1.18
Less: Depreciation on assets contributed by Consumers and grants	88.92		30.00		30.00
Total (Rs. Cr.)	2139.74		348.32		348.32

1.17 Non-Tariff Income

- 1.17.1 The petitioner projects the non-tariff income, in line with the approved figures for FY 2015-16 and FY 2016-17 by Hon'ble Commission as 149.83 and 170.01 respectively.

Table 12: Non- Tariff Income for FY 2015-16 and FY 2016-17

Particulars	Rs. Cr		
	Approved for FY 2015-16	RE for FY 2015-16	FY 2016-17
Non-Tariff Income	149.83	149.83	170.01

- 1.17.2 In the Petition, the Petitioner has also submits that delayed payment surcharge is collected against the receivables from the consumers that are not received in time. As there is a delay in receiving the revenue, the Nigam has to procure additional working capital. Therefore, the revenue received on account of delayed payment surcharges is not income of the Nigam, rather it's a carrying cost recovered from consumers to pay the interest on the increased portion of working capital which occur because of delay in receiving the revenue. Therefore, it is requested that the revenue from delayed payment surcharge should not be considered as income of the Nigam.

1.18 Revenue Estimations

- 1.18.1 The revenue calculations have been done considering the Average Billing Rate (ABR) of FY 2015-16 and the category wise sales estimated for FY 2015-16. Category wise ABR is estimated based on the actual revenue collected divided by actual units billed in first half of FY 2015-16. For AP consumers ABR has been taken as 10 paisa per unit. The ABR achieved as above is being used for revenue estimation for FY 2015-16 and FY 2016-17, the details of revenue calculations have been given below:

1.19 Revenue on account of Open Access Charges

- 1.19.1 Additional Surcharge (INR 0.50 per unit) was introduced in Haryana via HERC order dated 29th May 2014. In this regard, DHBVN is collecting the charges from Open access consumers, these consumers are currently classified as Embedded consumers and hence the revenue accrued from open access charges (Cross Subsidy as well as Additional Surcharge) is classified as SOP charges in the Accounts. Hence, The estimated ABR has in built currently applicable open access charges

- 1.19.2 Further regarding the Additional Surcharge, HERC vide order No HERC/PRO-05 of 2015 dated 16th November has approved an additional surcharge to 84 paise per unit on the power drawn under the open access mechanism. The impact of INR 0.34 per unit of open access power (increase in additional surcharge from INR 0.50 to INR 0.84 per unit of open access power) for FY 2015-16 and FY 2016-17 has been estimated as follows:

Particulars	FY 2015-16	FY 2016-17
Income from Additional Surcharge (Cr.)	8.93	25.88

Table 13: Revenue Estimations for FY 2015-16

FY 2015-16			
Consumer Category	Sales (MUs)	Average Billing Rate(Rs. Per unit)	Energy Charge (Cr.)
Domestic	4,261	4.77	2,032.43
Non Domestic	2,315	5.92	1,371.42
HT Industry	5,100	5.90	3,010.16
Lift Irrigation	153	7.09	108.15
LT Industry	842	6.34	533.93
Agriculture	4,898	0.10	48.98
Bulk Supply	692	5.31	367.56
Railway Traction	120	5.60	67.22
DMRC	65	5.45	35.40
Street Lighting	62	6.08	37.88
Public Water Works	463	7.51	347.26
	18,971	4.20	7,960.38
Fixed Charge		0.45	850.85
Total	18,970.93	4.64	8,811.23
Collection Efficiency			99%
Revenue (Cr.)			8,723.11
Income from Increase in Additional Surcharge from 50 paise to 84 paise per unit of open access power (Cr.)			8.93
Net Revenue (Cr.)			8,732.05

Table 14: Revenue from Sale of Power for FY 2016-17

FY 2016-17			
Consumer Category	Sales (MUs)	Average Billing Rate(Rs. Per unit)	Energy Charge (Cr.)
Domestic	4,659	4.77	2,222.12
Non Domestic	2,493	5.92	1,476.45
HT Industry	5,151	5.90	3,040.26
Lift Irrigation	156	7.09	110.65
LT Industry	859	6.34	544.66
Agriculture	5,143	0.10	51.43
Bulk Supply	709	5.31	376.28
Railway Traction	115	5.60	64.67
DMRC	65	5.45	35.40
Street Lighting	90	6.08	54.45
Public Water Works	553	7.51	415.35
	19,992	4.20	8,391.73
Fixed Charge		0.44	873.82
Total	19,992.20	4.63	9,265.55
Collection Efficiency			99%
Revenue (Cr.)			9,172.90
Income from Increase in Additional Surcharge from 50 paisa to 84 paisa per unit of open access power (Cr.)			25.88
Net Revenue (Cr.)			9198.78

1.19.3 It is submitted by petitioner that above computed revenue is based on the Average Billing Rate of FY 2015-16; and revised projections of sales for respective years and thus, the Hon'ble Commission is requested to approve the same.

1.20 Revenue from inter-state sales

1.20.1 Revenue from inter-state sales projected for FY 2014-15 and FY 2015-16 has been considered at average variable power purchase cost including transmission charge

1.20.2 The Nigam has assumed that the surplus power available will be sold entirely as 'inter-state sales' throughout the FY 2015-16 and FY 2016-17 at average variable power purchase cost including transmission charges. The estimated revenue from interstate sales for FY 2015-16 and FY 2016-17 has been worked out as below:

Table 15: Revenue from Inter-state Sale of Power for FY 16 and FY 17

Particulars	FY2015-16	FY 2016-17
Inter State Sales (MU)	1,990.24	4,395.19
Average Variable Power Purchase Cost (Rs./kWh)	2.95	3.08
Total Revenue (Rs. Cr.)	587.06	1,354.29

1.21 Agriculture Subsidies

1.21.1 The subsidy requirement for the year 2016-17 after adjusting the average rate of growth on the subsidy approved by HERC for the FY 2015-16 has been given below. The AP sales for FY 2015-16 has been taken at 5% increase with respect to the AP sales in FY 2014-15 as has also been approved by the HERC. Moreover, the effect of increase in average cost of supply in the current petition has also been considered:

1.22 Annual Performance Review for FY 2014-15 and Revised Annual Revenue Requirement for FY 2015-16

1.22.1 The cumulative revenue gap from FY 2015-16 to FY 2016-17 is estimated to be Rs 8405.64 Crs. after taking into consideration the revenue gaps, holding costs and subsidies to be availed.

Table 16: ARR for FY 2015-16 and FY 2016-17

ARR of DHBVN			
Particulars	FY 2014-15	FY 2015-16	FY 2016-17
Power Purchase Cost		12,262	13,730
O&M Expense		1,110	1,305
Depreciation		296	348
Interest & Finance Charges (Net)		1,283	1,515
ROE		210	237
ARR of DHBVN		15,161	17,136
Non Tariff Income		150	170
Net ARR		15,011	16,966
Revenue		9,319	10,553
Gross Regulatory Gap	(1,318.97)	(5,691.79)	(6,413.37)
Subsidies		2,483.72	2,983.52
Carrying Cost	(80.79)	(367.96)	
Net Regulatory Gap	(1,399.76)	(3,576.04)	(3,429.85)
Less:			
Depreciation		296	348
FSA Income		2,261	161
Add:			
Loan Repayment - Capex		230.06	277.35
WC Changes		(381.84)	(172.13)
Loan Repayment - WC		144.78	484.42
Net Cash Gap/(Surplus)		(1,775.78)	(3,854.87)

1.23 Wheeling and Retail ARR for FY 2015-16 and FY 2016-17

1.23.1 The ARR for FY 2015-16 and FY 2016-17 has been segregated into Wheeling and Retail ARR as provided in the table given below:

Table 17: Wheeling and Retail ARR for FY 2015-16 and FY 2016-17

ARR of DHBVN Particulars	Criteria			FY 2015-16		FY 2016-17	
	Wheeling	Retail		Wheeling	Retail	Wheeling	Retail
Power Purchase Cost	0%	100%		-	12,262	-	13,730
Employee Cost	48%	52%		301	326	362	392
A&G Expenses	42%	58%		32	44	33	46
R&M expenses	70%	30%		81	35	96	41
Terminal Liability	48%	52%		140	152	161	174
Depreciation	82%	18%		243	53	286	63
Interest on Long Term Loan	90%	10%		90	10	113	13
Interest on Short Term Loan	10%	90%		110	992	127	1,139
Interest on security Deposit	10%	90%		8	73	12	112
ROE	90%	10%		189	21	213	24
Non Tariff Income	11%	89%		16	133	19	151
Net ARR				1,177	13,834	1,384	15,582
Revenue (Interstate)	0%	100%			587		1,354
Revenue (Intrastate)	29%	71%		2,532	6,200	2,668	6,531
Agriculture Subsidy	0%	100%			2,484		2,984
Interest from FSA	0%	100%			2,261		161
Carrying Cost					368		
Total Revenue				2,532.29	11,163.67	2,667.65	11,029.50
Gap to be addressed (after conceding FSA Income)				1,354.91	(2,669.85)	1,283.49	(4,552.78)

1.24 Recovery of Gaps

- 1.24.1 The cumulative revenue gap from FY 2014-15 to FY 2016-17 is estimated to be Rs 8405.64 Cr. after taking into consideration the revenue gaps, holding costs and subsidies to be availed and excluding FSA income.
- 1.24.2 Government of India has notified Ujwal Discom Assurance Yojana (UDAY) scheme for operational and financial turnaround of power distribution companies (DISCOMs), on 20th Nov 2015 under which State shall take over 75% of Discom debt as on 30th September, 2015 over two years – 50% of Discom debt shall be taken over in FY 2015-16 and 25% in FY 2016-17.
- 1.24.3 The implementation of UDAY would lead to changes in the projections of interest and finance charges for the Discoms which will further change the revenue requirement of the Discoms. It has been decided in-principle to implement the UDAY scheme in Haryana Discoms, however, the details of the same are still being worked upon by the Discoms and State Government. Thereafter, the same shall be placed before the State Cabinet for approval. Subsequently, the Discoms shall submit revised numbers before the Hon'ble Commission once decision on UDAY scheme has been taken.