

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**



**Summary of Case No: 1841 /2019**

**Filing of the Petition for True Up of FY 2018-19  
&  
Determination of Tariff for FY 2020-21**

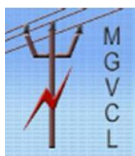
**Under  
GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines  
and Directions issued by the GERC from time to time AND under Part VII  
(Section 61 to Section 64) of the Electricity Act, 2003 read with the  
relevant Guidelines**

**Filed by:-**

**Madhya Gujarat Vij Company Ltd.**

**Corp. Office: Sardar Patel Vidyut Bhavan, Race Course Road, VADODARA - 390 007**

**“Save Energy for Benefit of Self and Nation”**



## 1. INTRODUCTION:

Madhya Gujarat Vij Company Limited (MGVCL) is an unbundled entity of erstwhile Gujarat Electricity Board and one of the distribution companies engaged in distribution of electricity in the Central area of Gujarat.

Madhya Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15<sup>th</sup> October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31<sup>st</sup> March, 2005. The Company has started commercial function w.e.f. 1<sup>st</sup> April 2005.

The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “the Hon’ble Commission”), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State inter alia including setting of tariff for electricity consumers. The Hon’ble Commission is now deemed to be the Commission established under Sub-Section (1) of Section-3 of the Gujarat Electricity Industries (Reorganization and Regulations) Act, 2003.

Pursuant to GERC (Multi Year Tariff) Regulations, 2016 along with other guidelines and directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines, MGVCL has file petition for True Up for FY 2018-19 and Determination of tariff for FY 2020-21.

### Case No. 1841 of 2019.

Petition submitted to Hon’ble Commission is summarized as under.

## 2. TRUE -UP FOR FY 2018 - 19:

### a) CATEGORY WISE SALES/REVENUE APPROVED AND ACTUAL FOR 2018-19

TABLE 1 : CATEGORY-WISE SALES/REVENUE

Sr. No.	Particulars	Sales(MUs)		Revenue (Rs. Crores)	
		FY 2018-19 (Approved)	FY 2018-19 (Actual)	FY 2018-19 (Approved)	FY 2018-19 (Actual)
<b>A</b>	<b>LT Consumers</b>				
1	RGP	2,831	2,609	1,646.12	1,400.06
2	GLP	71	63	40.279	37.28
3	Non-RGP & LTMD	1,571	1,543	1072.229	1,097.65
4	Public Water Works	288	302	146.062	156.96
5	Agriculture - Metered	1,070	857	260.66	415.50
6	Agriculture - Unmetered	472	475	136.948	
7	Public Lighting	65	61	35.975	35.32
	<b>LT Total (A)</b>	<b>6,366</b>	<b>5,910</b>	<b>3,337.96</b>	<b>3,142.77</b>
<b>B</b>	<b>HT Consumers</b>				
8	Industrial HT	3,534	4,094	2,686.14	2,809.23
9	Railway Traction	-	-		-
	<b>HT Total (A)</b>	<b>3,534</b>	<b>4,094</b>	<b>2,686.14</b>	<b>2,809.23</b>
	<b>Grand Total (A + B)</b>	<b>9,900</b>	<b>10,004</b>	<b>6,024.10</b>	<b>5,952.00</b>

### b) DISTRIBUTION LOSSES

The table below highlights the comparison of actual distribution losses of the MGVCL against that approved by the Hon’ble Commission vide its Order in, Petition no. 1624 of 2016 dated 31<sup>st</sup> March 2017.

Table 2 : Distribution Losses

Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)
1	Distribution Losses	11.65%	9.98%

c) **ENERGY REQUIREMENT AND ENERGY BALANCE:**

The gross energy requirement of MGVCL is as under

TABLE 3 : ENERGY REQUIREMENT AND ENERGY BALANCE

S.No.	Particulars	Unit	FY 2018-19 (Approved)	FY 2018-19 (Actual)
1	Energy Sales	MUs	9900	10,004.36
2	Distribution Losses	MUs	1305	1,109.00
		%	11.65%	9.98%
3	Energy Requirement	MUs	11205	11,113.36
4	Local Power Purchase by Discom	MUs	0	37.19
5	Power Purchase at T<D periphery from GUVNL	MUs	11,205	11,076.17
6	Transmission Losses	MUs	449	455.00
		%	3.85%	3.9492%
7	Total Energy to be input to Transmission System	MUs	11654	11,531.17
8	Pooled Losses in PGCIL System	MUs	213	225.142
9	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>11867</b>	<b>11,793.50</b>

d) **CAPITAL EXPENDITURE:**

The scheme-wise capital expenditure incurred in FY 2018-19 against approved by the Hon'ble Commission is as shown below:

Table 4 : Capital Expenditure

	Particulars	FY 2018-19	FY 2018-19	Deviation
		Approved	Actual	
A	Distribution Schemes			
	Normal Development Scheme	26.31	20.00	6.31
	Distribution Infra & Shifting Schemes(DISS)	26.31	16.01	10.30
	Electrification of hutments	10.13	9.60	0.53
	Kutir Jyoti Scheme	2.96	3.00	(0.04)
	Others Harijan Basti – Petapara	0.92	0.30	0.62
	<b>Total</b>	<b>66.63</b>	<b>48.91</b>	<b>17.72</b>
B	Rural Electrification Schemes - Plan			
	TASP(Wells & Petapara)	146.78	38.09	108.69
	Special Component plan	4.80	1.07	3.73
	RE Wells(OA +SPA)	188.79	80.68	108.11
	Dark Zone	72.82	13.68	59.14
	<b>Total</b>	<b>413.19</b>	<b>133.52</b>	<b>279.67</b>
C	Non Plan Schemes			
	Integrated Power Development Scheme (IPDS)	119.10	147.31	(28.21)
	Din Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY)	52.72	76.08	(23.36)
	R-APDRP(Scada)-A	0.00	0.00	-
	R-APDRP(Scada)-B	2.00	0.00	2.00
	PSDF	0.00	0.00	-
	RAPDRP (Part B)	5.00	0.00	5.00
	<b>Total</b>	<b>178.82</b>	<b>223.39</b>	<b>(44.57)</b>
D	Other Schemes			
	Sagar Khedu	1.50	1.51	(0.01)
	Energy Conservation(HVDS)	5.00	5.38	(0.38)
	Vehicle	0.99	0.19	0.80
	Sardar Krushi Jyoti Yojna	0.00	3.79	(3.79)
	Misc Civil + Electrical Works + Furniture	4.00	0.70	3.30
	SKY	0.00	0.12	(0.12)
	<b>Total</b>	<b>11.49</b>	<b>11.69</b>	<b>(0.20)</b>
F	<b>Capital Expenditure Total</b>	<b>670.13</b>	<b>417.51</b>	<b>252.62</b>

**FUNDING OF CAPITALISATION**

The funding of actual capitalisation is done through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The detailed



breakup of funding of capitalised asset during FY 2018-19 is mentioned in the table below.

**Table 5 : Funding of Capitalisation**

Rs in Crores

Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Deviation
1	Capitalization	670.13	411.86	258.27
2	Less : Consumer Contribution	26.31	102.87	(76.56)
3	Grants	123.6	80.77	42.83
<b>4</b>	<b>Balance CAPEX</b>	<b>520.22</b>	<b>228.22</b>	<b>292.00</b>
5	Debt @ 70%	364.15	159.76	204.39
6	Equity @ 30%	156.07	68.47	87.60

**e) AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19**

Aggregate Revenue Requirement for FY 2018-19 for MGVCL in comparison with values approved by the Hon'ble Commission is as under:

**TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2018-19**

Rs in Crores

Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Deviation
1	Cost of Power Purchase	5,328.11	5,350.66	(22.55)
2	Operation & Maintenance Expenses	427.81	544.06	(116.25)
2.1	Employee Cost	396.26	481.30	(85.04)
2.2	Repair & Maintenance	59.83	41.69	18.14
2.3	Administration & General Charges	74.23	79.28	(5.04)
2.4	Other Debits		-	-
2.5	Extraordinary Items		-	-
2.6	Net Prior Period Expenses / (Income)		-	-
2.7	Other Expenses Capitalised	(102.51)	(58.20)	(44.31)
3	Depreciation	304.84	253.49	51.35
4	Interest & Finance Charges	114.17	54.17	60.00
5	Interest on Working Capital		-	-
6	Provision for Bad Debts	-	6.07	(6.07)
<b>7</b>	<b>Sub-Total [1 to 6]</b>	<b>6,174.93</b>	<b>6,208.45</b>	<b>(33.52)</b>
8	Return on Equity	168.36	139.62	28.74
9	Provision for Tax / Tax Paid	17.59	4.44	13.15
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>6,360.89</b>	<b>6,352.51</b>	<b>8.37</b>
11	Less: Non-Tariff Income	137.11	142.42	(5.31)
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>6,223.77</b>	<b>6,210.10</b>	<b>13.67</b>

**f) SHARING OF GAINS & LOSSES**

The following Table summarizes net gain/(loss) to MGVCL during FY 2018-19 on account of controllable & uncontrollable factors.



TABLE 7 : NET GAIN/ (LOSS) FOR FY 2018-19

Rs in Crore					
Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	5,328.11	5,350.66	95.58	(118.13)
2	Operation & Maintenance Expenses	427.81	544.06	(7.43)	(108.82)
2.1	Employee Cost	396.26	481.30	(20.52)	(64.51)
2.2	Repair & Maintenance	59.83	41.69	18.14	-
2.3	Administration & General Charges	74.23	79.28	(5.04)	-
2.4	Other Debits	-	-	-	-
2.5	Extraordinary Items	-	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	-	-	-
2.7	Other Expenses Capitalised	(102.51)	(58.20)	-	(44.31)
3	Depreciation	304.84	253.49	-	51.35
4	Interest & Finance Charges	114.17	54.17	-	60.00
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	-	6.07	(6.07)	-
7	Return on Equity	168.36	139.62	-	28.74
8	Provision for Tax / Tax Paid	17.59	4.44	-	13.15
9	<b>ARR (1 to 8)</b>	<b>6,360.89</b>	<b>6,352.51</b>	<b>82.09</b>	<b>(73.72)</b>
10	<b>Non - Tariff Income</b>	<b>137.11</b>	<b>142.42</b>	<b>-</b>	<b>(5.31)</b>
11	<b>Total ARR (9-10)</b>	<b>6,223.77</b>	<b>6,210.10</b>	<b>82.09</b>	<b>(68.41)</b>

g) REVENUE FOR FY 2018-19

ACTUAL REVENUE OF MGVCL FOR FY 2018-19, IS AS UNDER:  
TABLE 8 : REVENUE FOR FY 2018-19

Rs in Crores			
Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)
1	Revenue from Sale of Power	4,549.00	5,952.00
2	Revenue from FPPPA at Rs. 1.49 per kWh	1,475.10	
3	Other Income (Consumer related)	102.45	
4	<b>Total Revenue excluding subsidy (1 + 2 + 3)</b>	<b>6,126.55</b>	<b>6,035.62</b>
5	Agriculture Subsidy	74.25	73.87
6	<b>Total Revenue including subsidy (4 + 5)</b>	<b>6,200.80</b>	<b>6,109.50</b>

h) REVENUE GAP/(SURPLUS) FOR FY 2018-19

Table 9: Revenue Gap for FY 2018-19

**Rs in Crore**

Sr. No.	Particulars	FY 2018-19 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2018-19	6,223.77
2	Add: Gap/(Surplus) of FY 2016-17	(105.36)
3	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(68.41)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	27.36
5	<b>Revised ARR for FY 2018-19 (1 + 2 - 3 - 4)</b>	<b>6,159.46</b>
6	Revenue from Sale of Power	5,952.00
7	Other Income (Consumer related)	83.62
8	<b>Total Revenue excluding Subsidy (6 + 7)</b>	<b>6,035.62</b>
9	Agriculture Subsidy	73.87
10	GUVNL Profit / (Loss) Allocation	4.56
11	<b>Total Revenue including Subsidy (8 + 9 + 10)</b>	<b>6,114.05</b>
12	<b>Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5 - 11)</b>	<b>45.41</b>

The Hon'ble Commission is requested to approve above mentioned gap and allow MGVCL to recover this gap in FY 2020-21.

### 3. ARR and Tariff Determination for FY 2020-21:

MGVCL submits that the revenue gap/(surplus) for FY 2020-21 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2018-19 and the ARR approved by the Hon'ble Commission for FY 2020-21 in its MTR Order issued on 24<sup>TH</sup> April 2019. The approved ARR for FY 2020-21 is as follows:

Table 10 : Approved ARR for FY 2020-21

Sr. No.	Particulars	Approved for Mid-Term Review
		2020-21
1	Cost of Power Purchase	5723.62
2	Operations & Maintenance Expenses	682.86
2.1	Employee Cost	581.19
2.2	Repairs & Maintenance Expenses	69.72
2.3	Administration & General Expenses	88.01
2.4	Other Debits	0.00
2.5	Extraordinary Items	0.00
2.6	Net Prior Period Expenses / (Income)	0.00
2.7	Other Expenses Capitalised	(56.05)
3	Depreciation	270.64
4	Interest & Finance Charges	63.38
5	Interest on Working Capital	0.00
6	Bad Debts Written off	0.0041
7	<b>Sub-Total [1 to 6]</b>	<b>6740.50</b>
8	Return on Equity	158.12
9	Provision for Tax / Tax Paid	12.11
10	<b>Total Expenditure (7 to 9)</b>	<b>6910.73</b>
11	Less: Non-Tariff Income	130.28
12	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>6780.45</b>

**(a) Approved Sales for FY 2018-19:**

The Hon'ble Commission has approved sales of 11076 MUs for FY 2020-21 in Order dated 24<sup>TH</sup> April 2019 for FY 2020-21 in the table below:

**(b) Revenue Projection:**

Based on approved sales & existing retail tariff, revenue from sale of power works out to Rs. 4919.83 Crore for FY 2020-21. The consumer category wise revenue for FY 2020-21 estimated by MGVCL is as given in the following table:

**TABLE 12: REVENUE AT EXISTING TARIFF FOR FY 2020-21**

S.No.	Particulars	FY 2020-21 (Projected)
<b>A</b>	<b>LT Consumers</b>	
1	RGP	1,244.03
2	GLP	29.43
3	Non-RGP & LTMD	904.23
4	Public Water Works	137.05
5	Agriculture-Unmetered	67.12
6	Agriculture-Metered	98.12
7	Street Light	25.94
	<b>LT Total (A)</b>	<b>2,505.92</b>
<b>B</b>	<b>HT Consumers</b>	
8	Industrial HT	2,413.90
9	Railway Traction	-
	<b>HT Total (B)</b>	<b>2,413.90</b>
	<b>Grand Total (A + B)</b>	<b>4,919.83</b>

The Revenue from FPPPA for FY 2020-21 has been projected considering the base rate of 159 paise per unit. The FPPPA projection for FY 2020-21 is as given in the table given below:

**TABLE 13: FPPPA PROJECTED FOR FY 2020-21**

Sr. No.	Particulars	FY 2020-21 (Projected)
1	Projected Sales (MU)	11,075.83
2	FPPPA Rate (Rs./kWh)	1.59
3	Revenue from FPPPA (Rs. Crore)	1,761.06

Based on the above projections, the total revenue of the company comprises of revenue from sale of power at existing tariff, FPPPA charges, other consumer related income and Agriculture Subsidy. Total revenue for FY 2020-21 is as shown below:

**TABLE 14 : TOTAL PROJECTED REVENUE FOR FY 2020-21 AT EXISTING TARIFF**

Rs Crore	
Particulars	FY 2020-21 (Projected)
Revenue with Existing Tariff	4,919.83
FPPPA Charges	1,761.06
Other Income (Consumer related)	83.62
Agriculture Subsidy	79.78
<b>Total Revenue including subsidy (4 to 7)</b>	<b>6,844.29</b>

BASED ON THE ABOVE, THE ESTIMATED REVENUE GAP / (SURPLUS) FOR FY 2020-21 AT EXISTING TARIFF IS AS OUTLINED IN THE TABLE BELOW:

TABLE 15: REVENUE GAP FOR FY 2020-21 AT EXISTING TARIFF

Rs Crore		
Sr. No.	Particulars	FY 2020-21 (Projected)
1	Aggregate Revenue Requirement	6,780.45
2	Revenue Gap from True up of FY 2018-19	45.41
<b>3</b>	<b>Total Aggregate Revenue Requirement</b>	<b>6,825.86</b>
4	Revenue with Existing Tariff	4,919.83
5	FPPPA Charges	1,761.06
6	Other Income (Consumer related)	83.62
7	Agriculture Subsidy	79.78
<b>8</b>	<b>Total Revenue including subsidy (4 to 7)</b>	<b>6,844.29</b>
<b>9</b>	<b>Gap / (Surplus) (3 - 8)</b>	<b>(18.43)</b>

**(c) Tariff Proposal:**

Company has submitted True-up application for FY 2018-19 and Determination of Tariff for FY 2020-21 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2020-21. However, following change are proposed in the tariff structure for FY 2018-19:

- Base rate for FPPPA charges works out to Rs. 1.59 paisa / unit to estimate the revenue for FY 2020-21

**(d) Provisions for availing the copy of Submission:**

Tariff petition together with supporting material will be available for inspection as well as for sale at Rs. 200/- to the interested persons at the office of The Chief Engineer, Corporate Office, Madhya Gujarat Vij Company Ltd, S.P.Vidyut Bhavan, Race course, Vadodara 390 007 and at the office of the Superintending Engineer of MGVCL, in Charge of O&M Circle. For obtaining the copy of the petition by post, postage fee @ Rs.50/- (Rupees Fifty) will be payable extra.

**NOTE: -**

The total amount in such event be sent by Money Order or Demand Draft payable in favour of Madhya Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website [www.guvnl.com](http://www.guvnl.com) and [www.mgvcl.com](http://www.mgvcl.com)

**(e) Guideline for submission of response:**

Pursuant to GERC (Multiyear Tariff) Regulations, 2016 & GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5c Zone 5, GIFT City, Gandhinagar along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before **15.01.2020** and also indicate whether they intend to be heard in person.