Summary of Petition No. 2423 / 2024

1) Introduction:

Madhya Gujarat Vij Company Limited (MGVCL) is one of the distribution companies engaged in distribution of electricity in the Central Part of Gujarat.

The Madhya Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15^{th} October, 2003. However, the Company started its commercial operations w.e.f. 1^{st} 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* 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.

Hon'ble Commission notified the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2024 ("GERC MYT Regulations, 2024") on 6th August 2024 and shall be applicable for determination of tariff in all cases covered under the regulations from 1st April, 2024 onwards.

Under section 62 of the Electricity Act, 2003 and under the MYT Regulation, 2024 along with other guidelines and directions issued by the GERC from time to time, MGVCL is required to file a Petition for Truing-Up for FY 2023-24, ARR and Determination of final Tariff for FY 2025-30 to the Hon'ble Commission:

Submission by MGVCL to the Hon'ble Commission

Under section 62 of the Electricity Act, 2003 and GERC MYT Regulations, 2024, MGVCL has submitted the Petition for Truing-Up for FY 2023-24, ARR and Determination of final Tariff for FY 2025-30 to the Hon'ble Commission for approval.

(2) True –Up for FY 2023-24:

(a) Category wise Sales and Revenue for FY 2023-24:

Category-wise Sales

Sr. No.	Particulars	Sales(MUs)	
		FY 2023-24 (Approved)	FY 2023-24 (Actual)
A	**LT Consumers**		
1	RGP	2,895	2985.23
2	GLP	116	126.86
3	Non-RGP & LTMD	1,780	1964.49
4	Public Water Works	441	465.43
5	Agriculture - Metered	913	1408.46
6	Agriculture - Unmetered	468	-
7	Electric Vehicle Charging	5	-
	LT Total (A)	**6,618.00**	**6,950**
B	**HT Consumers**		
8	Industrial HT	5,869	6006.22
9	Railway Traction	-	-
10	Electric Vehicle Charging	4	-
	HT Total (B)	**5,873.00**	**6,006.22**
	Grand Total (A+B)	**12,491**	**12,956.69**

(b) Distribution loss for FY 2023-24:

Actual Distribution loss for FY 2023-24 *vis-à-vis* approved is as under.

Distribution Losses

Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)
1	Distribution Losses	9.00%	6.77%

(c) Energy Requirement:

The gross energy requirement for MGVCL is as follows (Actual vis-à-vis approved)

Energy Requirement and Energy Balance

Energy Balance				
Sr. No.	**Particulars**	**Unit**	**FY 2023-24 (Approved)**	**FY 2023-24 (Actual)**
1	Energy Sales	MUs	12,957	12,956.68
2	Distribution Losses	MUs	1,281	940.31
		%	9.00%	6.77%
3	Energy Requirement	MUs	14,238	13,896.99
4	Less: Local Power Purchase by Discom	MUs	15	298.42
5	Power Purchase at T<>D periphery from GUVNL	MUs	14,224	13,598.57
6	Transmission Losses	MUs	512	474.70
		%	3.60%	3.3731%
7	Total Energy to be input to Transmission System	MUs	14,735.74	14,073.27
8	Pooled Losses in PGCIL System	MUs	231	230.73
9	Add: Local Power Purchase by Discom	MUs	15	298.42
10	**Total Energy Requirement**	**MUs**	**14,980.74**	**14,602.42**

Capital Expenditure incurred by MGVCL in FY 2023-24 vis-à-vis approved is as under:

Rs. in Crores

	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)
A	**Distribution Schemes**		
	N.D.Scheme - Deposit work	50.00	366.52
	Total	**50.00**	**366.52**
B	**Rural Electrification Schemes**		
	Electrification of Hutments (Gen.)/(SCL) Ru	2.50	4.12
	Electrification of Hutments (Gen/Ur..)Ur		0.30
	Kutirjyoti	1.80	2.88
	TASP-Wells	65.35	73.85
	SC Basti-House hold	0.30	0.30
	AG-Wells-SPA (Eq.Cap.)	77.46	116.15
	AG-Wells-Dark zone (Eq.Cap)	12.78	20.34
	SC AG Wells	1.35	1.20
	Other Wells / Lift Irrigation Wells Feeder Bifurcation	0.00	0.00
	Sagar Khedu	1.50	1.50
	Surya Shakti Kishan Yojana	4.50	0.00
	Vanbandhu Kalyan Yojna-2	0.00	12.30
	Dist. Infrastructure Shifting Scheme	20.00	20.00
	Sardar krushi Jyoti Yojana	6.90	7.25
	Total	**194.44**	**260.19**
C	**Other Central Schemes**		
	RDSS (SCADA Works)	0.00	29.07
	Total	**0.00**	**29.07**
D	**Renewable Energy Based Projects**		
	HVDS-KHUSHI	4.50	4.25
	PM-KUSUM PART-B	0.00	0.00
	PM-KUSUM PART-C	0.00	0.00
	Solar Roof Top on Office Building	0.00	3.35
	Total	**4.50**	**7.60**
E	**System Improvement Scheme**		
	System Improvement scheme	9.00	31.52
	Total	**9.00**	**31.52**
F	**IT BUDGET**		
	IT Equipment's	0.00	0.74
	Total	**0.00**	**0.74**
G	**Civil Budget**		
	Misc.Civil & Electrical works and contigency items	30.49	2.26
	Total	**30.49**	**2.26**
H	**Other**		
	Vehicles for Others	0.00	0.15
	Furniture & Fixtures	0.00	0.83
F	**Total**	**0.00**	**0.98**
	GRAND Total	**288.43**	**698.88**

<u>Funding of CAPEX</u>: The detailed breakup of funding of capital expenditure during FY 2023-24 is mentioned below.

FUNDING OF CAPITALISATION

Rs. in Crores

Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)	Deviation
1	Capitalization	288	659.91	(371.91)
2	Less : Consumer Contribution	160	190.20	(30.20)
3	Grants	21	22.62	(1.62)
4	**Balance Capitalization**	**107.00**	**447.09**	**(340.09)**
5	Debt @70%	75.00	312.96	(237.96)
6	Equity @30%	32.00	134.13	(102.13)

(d) Aggregate Revenue Requirement of FY 2023-24:

Aggregate Revenue Requirement for FY 2023-24 for MGVCL in comparison with values approved by the Hon'ble Commission is as under.

AGGREGATE REVENUE REQUIREMENT FOR FY 2023-24

Rs. in Crores

Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)	Deviation
1	Cost of Power Purchase	8,095.48	7,847.92	247.56
2	Operation & Maintenance Expenses	961.52	956.98	4.54
2.1	*Employee Cost*	*681.63*	*742.01*	*(60.38)*
2.2	*Repair & Maintenance*	*71.49*	*166.75*	*(95.26)*
2.3	*Administration & General Charges*	*104.45*	*136.75*	*(32.30)*
2.4	*RDSS Metering Opex*	*172.20*	*-*	*172.20*
2.5	*Other Expenses Capitalised*	*(68.25)*	*(88.54)*	*20.29*
3	Depreciation	291.28	304.71	(13.43)
4	Interest & Finance Charges	50.50	85.84	(35.34)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.001	-	0.00
7	**Sub-Total [1 to 6]**	**9,398.78**	**9,195.44**	**203.34**
8	Return on Equity	173.51	184.59	(11.08)
9	Provision for Tax / Tax Paid	21.68	178.21	(156.53)
10	**Total Expenditure (7 to 9)**	**9,593.97**	**9,558.25**	**35.73**
11	Less: Non-Tariff Income	218.55	173.64	44.91
12	**Aggregate Revenue Requirement (10 - 11)**	**9,375.41**	**9,384.61**	**(9.20)**

(e) Net Gain/ (Loss): Net Gain/Loss to MGVCL on account of controllable factors and uncontrollable factors is given here under.

NET GAIN/ (LOSS) FOR FY 2023-24

Rs. in Crores

Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)	Gain/ (Loss) due to Controllable Factors	Gain/ (Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	8,095.48	7,847.92	183.33	64.23
2	Operation & Maintenance Expenses	961.52	956.98	(115.26)	119.80
2.1	*Employee Cost*	*681.63*	*742.01*	*9.65*	*(70.03)*
2.2	*Repair & Maintenance*	*71.49*	*166.75*	*(92.61)*	*(2.65)*
2.3	*Administration & General Charges*	*104.45*	*136.75*	*(32.30)*	-
2.4	*RDSS Metering Opex*	*172.20*	-	-	*172.20*
2.5	*Other Expenses Capitalised*	*(68.25)*	*(88.54)*	-	*20.29*
3	Depreciation	291.28	304.71	-	(13.43)
4	Interest & Finance Charges	50.50	85.84	-	(35.34)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.00	-	0.00	-
7	Return on Equity	173.51	184.59	-	(11.08)
8	Provision for Tax / Tax Paid	21.68	178.21	-	(156.53)
	ARR (1 to 8)	**9,593.97**	**9,558.25**	**68.08**	**(32.35)**
	Non - Tariff Income	218.55	173.64	-	44.91
	Total ARR (9-10)	**9,375.41**	**9,384.61**	**68.08**	**(77.26)**

(f) Revenue for FY 2023-24: Actual Revenue of MGVCL vis-à-vis approved for FY 2023-24.

Rs. in Crores

Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actual)
1	Revenue from Sale of Power	5,813.00	9,716.11
2	Revenue from FPPPA	3,298.00	
3	Other Income (Consumer related)	99.00	154.85
4	**Total Revenue excluding subsidy (1 + 2 + 3)**	9,210.00	**9,870.96**
5	Agriculture Subsidy	71.00	68.60
6	**Total Revenue including subsidy (4 + 5)**	**9,281.00**	**9,939.56**

(g) Revenue Gap for FY 2023-24:

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue from sale of power of Rs. 9716.11 Crores, Other Consumer related Income of Rs. 154.85 Crores, Agriculture Subsidies of Rs 68.60 Crores and GUVNL profit allocation of Rs. 9.92 Crore, summing up to a Total Revenue of Rs. 9949.47 Crores. Accordingly, total Revenue (Gap) / Surplus of MGVCL for FY 2023-24 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 616.93 Crores as shown in the table below:

REVENUE GAP/ (SURPLUS) FOR FY 2023-24

Rs. in Crores

Sr. No.	Particulars	FY 2023-24 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2023-24	9,375.41
2	Less: (Gap) / Surplus of FY 2021-22	97.44
3	Less: Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(77.26)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	22.69
5	**Revised ARR for FY 2023-24 (1 - 2 - 3 - 4)**	**9,332.54**
6	Revenue from Sale of Power	9,716.11
7	Other Income (Consumer related)	154.85
8	**Total Revenue excluding Subsidy (6 + 7)**	**9,870.96**
9	Agriculture Subsidy	68.60
10	GUVNL Profit / (Loss) Allocation	9.92
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**9,949.47**
	Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)	**616.93**

3. <u>Tariff for FY 2025 -26:</u>

Estimated Revenue at existing Tariff for FY 2025-26 and estimated revenue gap at Existing tariff for FY 2025-26

Total Revenue for FY 2025-26 at existing Tariff:

Sr. No.	Particulars	FY2025-26
		Projected
1	Revenue with Existing Tariff	6,708.72
2	Revenue from FPPPA (Rs. Crore)	3,878.43
3	Other Income (Consumer related)	154.85
4	Agriculture Subsidy	69.86
5	**Total Revenue including subsidy (4 to 7)**	**10,811.86**

Estimated Revenue Gap/Surplus for FY 2025-26 at Existing Tariff

Rs in Crores

Sr. No.	Particulars	FY2025-26
		Projected
1	Aggregate Revenue Requirement	10,837.53
2	Less: Revenue (Gap)/ Surplus from True up	616.93
3	**Total Aggregate Revenue Requirement**	**10,220.60**
4	Revenue with Existing Tariff	6,708.72
5	Revenue from FPPPA (Rs. Crore)	3,878.43
6	Other Income (Consumer related)	154.85
7	Agriculture Subsidy	69.86
8	**Total Revenue including subsidy (4 to 7)**	**10,811.86**
9	**Revenue (Gap) / Surplus (8 - 3)**	**591.26**

The Hon'ble Commission is requested to approve the above-mentioned surplus.

Tariff Proposal

To utilise the surplus generated during FY 2023-24, MGVCL is proposing change in the tariff for various categories of consumers.

1. **Introduction of TOU Discounts:** A concession of ₹0.45/unit is proposed for energy consumption during 11:00 Hrs to 15:00 Hrs for consumer categories including HTP-I & II, LTMD, NRGP, LT& HT-EVCS category consumers and all LT consumers (except AG) installing Smart Pre-Paid Meters.

2. **Implementation of Time of Day (ToD) Charges**: Implementation of ToD Charges at ₹0.45/unit consumption for NRGP, LT Electric Vehicle and HT Electric Vehicle tariff category in line with existing HTP-I, HTP-II, HTP-III and LTMD Tariff category

3. **Introduction of Separate Tariff for Smart Pre-Paid Meter Consumers:** A 2% discount on energy charges is proposed for LT category consumers (excluding AG) who install Smart Pre-Paid Meters under the RDSS scheme, following directives from the Ministry of Power.

4. **Voltage Level-Based Rebates:** A 1% rebate on energy charges is proposed for consumers at 11 kV voltage levels. Rebates for 33 kV and above will increase from 0.75% to 2%, and for 132 kV and above, from 1.25% to 2%.

4. Provisions for availing the petition copy :

Copy of the petition will be available for inspection as well as for sale at the cost of Rs. 150/- to the interested persons at the office of The Chief Engineer, Corporate Office, Madhya Gujarat Vij Company Ltd, 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/- will be payable extra.

NOTE: - The total amount in such event is to be paid through Demand Draft payable in favor of Madhya Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website **www.guvnl.com** **and** **www.mgvcl.com**

5. Guideline for submission of response:

In accordance with GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions on the above subject matter petition, may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5C,Zone 5, GIFT City, Gandhinagar – 382 050 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 within 30 days and also indicate whether they intend to be heard in person.