BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Summary of Case No: 2319 /2024

Filing of the Petition for True Up of FY 2022-23
&
Determination of Tariff for FY 2024-25

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 15th October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31st March, 2005. The Company has started commercial function w.e.f. 1st 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 filed petition for True Up for FY 2022-23 and Determination of tariff for FY 2024-25.

Case No. 2319 of 2024.

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

2. TRUE -UP FOR FY 2022 - 23:

a) CATEGORY WISE SALES/REVENUE APPROVED AND ACTUAL FOR 2022-23

TABLE 1: CATEGORY-WISE SALES/REVENUE

Sr. No.	Particulars	Sales(MUs)	
		FY 2022-23 (Approved)	FY 2022-23 (Actual)
A	**LT Consumers**		
1	RGP	3,150.00	2,910.00
2	GLP	147.00	124.00
3	Non-RGP & LTMD	1,852.00	1,854.00
4	Public Water Works	419.00	415.00
5	Agriculture - Metered	1,021.00	923.00
6	Agriculture - Unmetered	469.00	465.00
7	Public Lighting	-	-
	LT Total (A)	**7,058.00**	**6,691.00**
B	**HT Consumers**		
8	Industrial HT	4,361.00	5,949.00
9	Bulk Supply to KPT	-	
	HT Total (A)	**4,361.00**	**5,949.00**
	Grand Total (A + B)	**11,418.99**	**12,640.00**

b) DISTRIBUTION LOSSES

In FY 2022-23, the actual distribution losses were 8.37% as against the approved level of 9.00%**.** The table below highlights the comparison of actual distribution losses of MGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

TABLE 2 : DISTRIBUTION LOSSES

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)
1	Distribution Losses	9.00%	8.37%

c) ENERGY REQUIREMENT AND ENERGY BALANCE:

The gross energy requirement of MGVCL is as under

TABLE 3: ENERGY REQUIREMENT AND ENERGY BALANCE

Energy Balance				
Sr. No.	**Particulars**	**Unit**	**FY 2022-23 (Approved)**	**FY 2022-23 (Actual)**
1	Energy Sales	MUs	11,418.33	12,640.79
2	Distribution Losses	MUs	1,129.29	1,154.22
		%	9.00%	8.37%
3	Energy Requirement	MUs	12,547.62	13,795.01
4	Less: Local Power Purchase by Discom	MUs	34	216.43
5	Power Purchase at T<>D periphery from GUVNL	MUs	12,513.90	13,578.59
6	Transmission Losses	MUs	483.50	542.33
		%	3.72%	3.8406%
7	Total Energy to be input to Transmission System	MUs	12,997.40	14,120.91
8	Pooled Losses in PGCIL System	MUs	171.03	277.34
9	Add: Local Power Purchase by Discom	MUs	34	216.43
10	**Total Energy Requirement**	**MUs**	**13,202.15**	**14,614.68**

d) CAPITAL EXPENDITURE:

The scheme-wise capital expenditure incurred in FY 2022-23 against approved by the Hon'ble Commission is as shown below:

TABLE 4 : CAPITAL EXPENDITURE

Rs. in Crores

	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
A	**Distribution Schemes**			-
	Normal Development Scheme	80.00	408.79	(328.79)
	Distribution Infra & Shifting Schemes(DISS)	20.00	17.30	2.70
	Electrification of hutments	2.25	2.25	-
	Kutir Jyoti Scheme	1.80	1.80	-
	Others Harijan Basti – Petapara	0.30	0.30	-
	System Improvement	9.00	29.03	(20.03)
	Vanbandhu Kalyan Yojana	-	12.30	(12.30)
	Total	**113.35**	**471.77**	**(358.42)**
B	**Rural Electrification Schemes**			
	TASP(Wells & Petapara)	65.00	47.50	17.50
	Special Component plan	1.35	1.35	-
	RE Wells(OA +SPA)	79.20	53.91	25.29
	Dark Zone	10.39	8.20	2.19
	Total	**155.94**	**110.96**	**44.98**
C	**Central Government Scheme - Plan**			
	R-APDRP(Scada)-B	-	0.65	(0.65)
	RDSS	-	1.32	(1.32)
	Total	**-**	**1.97**	**(1.97)**
D	**Other New Schemes**			
	Sagar Khedu	1.50	1.40	0.10
	Energy Conservation(HVDS)	4.50	3.03	1.47
	IT BUDGET	-	8.99	(8.99)
	Sardar Krushi Jyoti Yojna	6.98	4.79	2.19
	Veicle		0.91	(0.91)
	Misc Civil + Electrical Works	25.54	1.85	23.69
	Furniture	2.63	0.83	1.80
	Total	**41.15**	**21.81**	**19.34**
	Capital Expenditure Total	**310.44**	**606.51**	**(296.07)**

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 is mentioned in the table below.

TABLE 5 : FUNDING OF CAPITALISATION

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Capitalization	310.44	604.48	(294.04)
2	Less : Consumer Contribution	100.00	287.21	(187.21)
3	Grants	17.33	17.25	0.08
4	**Balance Capitalization**	**193.11**	**300.02**	**(106.91)**
5	Debt @ 70%	135.18	210.01	(74.83)
6	Equity @ 30%	57.93	90.01	(32.07)

Aggregate Revenue Requirement for FY 2022-23

Aggregate Revenue Requirement for FY 2022-23 for MGVCL in comparison with values approved by the Hon'ble Commission is as under:

TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23

RS. IN CARORE

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Cost of Power Purchase	6,221.05	8,571.12	(2,350.07)
2	Operation & Maintenance Expenses	820.11	741.29	78.82
2.1	*Employee Cost*	*644.75*	*625.19*	*19.56*
2.2	*Repair & Maintenance*	*67.62*	*82.07*	*(14.45)*
2.3	*Administration & General Charges*	*98.80*	*110.18*	*(11.38)*
2.4	*RDSS Metering Opex*	*73.50*	-	*73.50*
2.5	*Other Expenses Capitalised*	*(64.56)*	*(76.14)*	*11.58*
3	Depreciation	300.28	279.31	20.97
4	Interest & Finance Charges	45.10	48.75	(3.65)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.01	0.00	0.01
7	**Sub-Total [1 to 6]**	**7,386.55**	**9,640.47**	**(2,253.92)**
8	Return on Equity	177.03	169.45	7.58
9	Provision for Tax / Tax Paid	19.58	7.65	11.93
10	**Total Expenditure (7 to 9)**	**7,583.15**	**9,817.56**	**(2,234.40)**
11	Less: Non-Tariff Income	139.39	183.59	(44.20)
12	Add: DSM Expenses	-		
13	**Aggregate Revenue Requirement (10 - 11)**	**7,443.76**	**9,633.98**	**(2,190.22)**

e) SHARING OF GAINS & LOSSES

The following Table summarizes net gain/(loss) to MGVCL during FY 20221-23 on account of controllable & uncontrollable factors.

TABLE 7 : NET GAIN/ (LOSS) FOR FY 2022-23

RS. IN CARORES

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	6,221.05	8,571.12	56.28	(2,406.35)
2	Operation & Maintenance Expenses	820.11	741.29	88.49	(9.67)
2.1	*Employee Cost*	*644.75*	*625.19*	*109.89*	*(90.32)*
2.2	*Repair & Maintenance*	*67.62*	*82.07*	*(10.02)*	*(4.43)*
2.3	*Administration & General Charges*	*98.80*	*110.18*	*(11.38)*	-
2.4	*RDSS Metering Opex*	*73.50*	-	-	*73.50*
2.5	*Other Expenses Capitalised*	*(64.56)*	*(76.14)*	-	*11.58*
3	Depreciation	300.28	279.31	-	20.97
4	Interest & Finance Charges	45.10	48.75	-	(3.65)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.01	0.00	0.01	-
7	Return on Equity	177.03	169.45	-	7.58
8	Provision for Tax / Tax Paid	19.58	7.65	-	11.93
9	**ARR (1 to 8)**	**7,583.15**	**9,817.56**	**144.78**	**(2,379.18)**
10	Non - Tariff Income	139.39	183.59	-	(44.20)
11	**Total ARR (9-10)**	**7,443.76**	**9,633.98**	**144.78**	**(2,334.99)**

f) REVENUE FOR FY 2022-23

ACTUAL REVENUE OF MGVCL FOR FY 2022-23, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2022-23

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)
1	Revenue from Sale of Power	5,166.28	8,943.03
2	Revenue from FPPPA	2,169.97	
3	Other Income (Consumer related)	144.80	97.96
4	**Total Revenue excluding subsidy (1 + 2 + 3)**	**7,481.05**	**9,040.99**
5	Agriculture Subsidy	77.31	70.73
6	**Total Revenue including subsidy (4 + 5)**	**7,558.36**	**9,111.72**

g) REVENUE GAP/(SURPLUS) FOR FY 2022-23

TABLE 9 : REVENUE (GAP) / SURPLUS FORFY 2022-23

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)
1	Aggregate Revenue Requirement originally approved for FY 2022-23	7,443.76
2	Less: (Gap) / Surplus of FY 2020-21	53.03
3	Less: Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(2,334.99)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	48.26
5	**Revised ARR for FY 2022-23 (1 - 2 - 3 - 4)**	**9,677.46**
6	Revenue from Sale of Power	8,943.03
7	Other Income (Consumer related)	97.96
8	**Total Revenue excluding Subsidy (6 + 7)**	**9,040.99**
9	Agriculture Subsidy	70.73
10	GUVNL Profit / (Loss) Allocation	5.56
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**9,117.28**
12	**Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**(560.18)**

The Hon'ble Commission is requested to approve above mentioned gap and allow MGVCL to recover this gap in FY 2024-25.

3. ARR and Tariff Determination for FY 2024-25:

MGVCL submits that the revenue gap/(surplus) for FY 2024-25 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2022-23 and the ARR approved by the Hon'ble Commission for FY 2023-24 in its tariff Order issued on 31ST March 2023. The Projection of ARR for FY 2024-25 is as follows:

TABLE 10: PROJECTION OF ARR FOR FY 2023-24

Rs. in Crores

Sr. No.	Particulars	FY 2024-25 (Projected)
1	Cost of Power Purchase	8,885.21
2	Operation & Maintenance Expenses	1,042.72
2.1	Employee Cost	720.62
2.2	Repair & Maintenance	75.58
2.3	Administration & General Charges	110.43
2.4	RDSS Metering Opex	208.25
2.5	Other Expenses Capitalised	(72.15)
3	Depreciation	345.79
4	Interest & Finance Charges	98.34
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.00
7	**Sub-Total [1 to 6]**	**10,372.06**
8	Return on Equity	197.56
9	Provision for Tax / Tax Paid	7.65
10	**Total Expenditure (7 to 9)**	**10,577.26**
11	Less: Non-Tariff Income	205.56
12	**Aggregate Revenue Requirement (10 - 11)**	**10,371.71**
13	Revenue with Existing Tariff	10,313.66
14	Other Income (Consumer related)	97.96
15	**Total Revenue excluding Subsidy (13 + 14)**	**10,411.62**
16	Agriculture Subsidy	72.22
17	**Total Revenue including Subsidy (15 + 16)**	**10,483.85**
18	**Revenue (Gap) / Surplus (17 - 12)**	**112.14**

(a) Revenue Projection:

Based on projected sales & existing retail tariff, revenue from sale of power works out to be Rs. 6407.95 Crore for FY 2024-25. The consumer category wise revenue for FY 2023-24 estimated by MGVCL is as given in the following table:

TABLE 11: REVENUE AT EXISTING TARIFF FOR FY 2024-25

S.No.	Particulars	Revenue excluding FPPPA (Rs. in Crores)
		FY 2024-25 (Projected)
A	**LT Consumers**	
1	RGP	1,360.95
2	GLP	56.35
3	Non-RGP & LTMD	1,125.31
4	Public Water Works	178.11
5	Agriculture-Unmetered	65.66
6	Agriculture-Metered	99.66
7	Electric Vehicle Charging	0.11
	LT Total (A)	**2,886.14**
B	**HT Consumers**	
8	Industrial HT	3,521.78
9	Railway Traction	-
10	Electric Vehicle Charging	0.04
	HT Total (B)	**3,521.81**
	Grand Total (A + B)	**6,407.95**

The Revenue from FPPPA for FY 2024-25 has been projected considering the base rate of 284 paise per unit. The FPPPA projection for FY 2024-25 is as given in the table given below:

TABLE 12: REVENUE FROM FPPPA CHARGES FOR THE FY 2023-24

Rs. in Crores

Sr. No.	Particulars	FY 2024-25 (Projected)
1	Projected Sales (MU)	13,752.49
2	FPPPA Rate (Rs./kWh)	2.84
3	Revenue from FPPPA (Rs. Crore)	3,905.71

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 2024-25 is as shown below:

TABLE 13 TOTAL REVENUE FOR FY 2024-25

Rs. in Crores

Sr. No.	Particulars	FY 2024-25 (Projected)
1	Revenue with Existing Tariff	6,407.95
2	FPPPA Charges @ Rs. 2.84/ unit	3,905.71
3	Other Income (Consumer related)	97.96
4	Agriculture Subsidy	72.22
5	**Total Revenue including subsidy (1 to 4)**	**10,483.85**

Based on the above, the estimated revenue gap/ (surplus) for FY 2024-25 at existing tariff is as outlined in the table below:

TABLE 14: ESTIMATED REVENUE (GAP)/ SURPLUS FOR FY 2023-24 AT EXISTING TARIFF

Rs. in Crores

Sr. No.	Particulars	FY 2024-25 (Projected)
1	Aggregate Revenue Requirement	10,371.71
2	Less: Revenue (Gap)/ Surplus from True up of FY 2022-23	(560.18)
3	**Total Aggregate Revenue Requirement**	**10,931.88**
4	Revenue with Existing Tariff	6,407.95
5	FPPPA Charges @ Rs. 2.84/ unit	3,905.71
6	Other Income (Consumer related)	97.96
7	Agriculture Subsidy	72.22
8	**Total Revenue including subsidy (4 to 7)**	**10,483.85**
9	**Revenue (Gap) / Surplus (8 - 3)**	**(448.03)**

(b) Tariff Proposal:

Company has submitted True-up application for FY 2022-23 and Determination of Tariff for FY 2024-25 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2024-25 proposed.

1. RGP tariff category: It is proposed to cover the small-scale animal husbandry activities having electricity connection with contract demand upto 10 kW and involving not more than 30 milking animals under RGP tariff category.
2. Non-RGP Night & LTMD Night: It is proposed to discontinue Non-RGP Night tariff category & LTMD Night tariff category.

3. LTMD tariff category: It is proposed to apply Time of Use (ToU) charges at Rs. 0.45/unit for consumption during 07:00 to 11:00 hrs and 18:00 to 22:00 hrs.
4. LT category consumers: A rebate of 2% is proposed on energy charge on installation of pre-paid smart meter for respective consumers of LT category.
5. Green Power tariff: Under General Conditions of Tariff schedule, Green Power Tariff related clauses has been removed.
6. HTP-IV tariff: Energy Charges for HTP-IV Tariff category is proposed as under:

Particulars	Existing Energy Charges	Revised Energy Charges
Up to 500 KVA of billing demand	225 paise per unit	400 paise per unit
For billing demand above 500 kVA and up to 2500 KVA	225 paise per unit	420 paise per unit
For billing demand above 2500 KVA	225 paise per unit	430 paise per unit

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. 150/- to the interested persons at the office of The Additional Chief Engineer (RA&C), Madhya Gujarat Vij Company Ltd, Corporate Office, 5th floor, Sardar Patel Vidyut Bhavan, 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 and www.mgvcl.com

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 Additional Chief Engineer (RA&C), Madhya Gujarat Vij Company Ltd, Corporate Office, 5th floor, Sardar Patel Vidyut Bhavan, Vadodara 390 007 on or before **24.02.2023** and also indicate whether they intend to be heard in person.