

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**



CASE NO. _____

**Filing of Petition for True Up for FY 2022-23 and
Determination of Aggregate Revenue Requirement
&
Tariff of 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, Vadodara – 390007.



BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

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AND

IN THE MATTER OF Madhya Gujarat Vij Company Limited,
Sardar Patel Vidyut Bhavan,
Race Course, Vadodara – 390007

PETITIONER

Gujarat Urja Vikas Nigam Limited
Sardar Patel Vidyut Bhavan,
Racecourse,
Vadodara - 390 007

CO-PETITIONER

THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS

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ABBREVIATIONS

1.	ARR	Aggregate Revenue Requirement
2.	DGVCL	Dakshin Gujarat Vij Company Limited
3.	FPPPA	Fuel and Power Purchase Price Adjustment
4.	FY	Financial Year
5.	GEB	Erstwhile Gujarat Electricity Board
6.	GERC	Gujarat Electricity Regulatory Commission
7.	GERC MYT Regulations, 2016	GERC (Multi Year Tariff) Regulations, 2016
8.	GETCO	Gujarat Energy Transmission Corporation Limited
9.	GoG	Government of Gujarat
10.	GoI	Government of India
11.	GSECL	Gujarat State Electricity Corporation Limited
12.	GUVNL	Gujarat Urja Vikas Nigam Limited
13.	kV	Kilo Volt
14.	kVA	Kilo Volt Ampere
15.	kVAh	Kilo Volt Ampere Hour
16.	kWh	Kilo Watt Hour
17.	MCLR	Marginal Cost of Funds based Lending Rate
18.	MGVCL	Madhya Gujarat Vij Company Limited
19.	MTR	Mid-Term Review
20.	MU	Million Units (Million kWh)
21.	MVA	Mega Volt Ampere
22.	MW	Mega Watt
23.	MYT	Multi Year Tariff
24.	O&M	Operation & Maintenance
25.	PGVCL	Paschim Gujarat Vij Company Limited
26.	UGVCL	Uttar Gujarat Vij Company Limited

SECTION 1. Introduction

1.1. Preamble

1.1.1. This section presents the background and reasons for filing this Petition.

1.2. Introduction

1.2.1 The Government of Gujarat (hereinafter referred to as “GoG”) notified the Gujarat Electricity Industry (Reorganization and Regulation) Act 2003 (herein after called as “Act”) in May 2003 for the reorganization of the entire power sector in the State of Gujarat.

1.2.2 Pursuant to the above, Government of Gujarat in their letter vide GO / 19th August 2003 had directed GEB to form four Distribution Companies (Discoms) based on geographical location of the circles. Accordingly, the four distribution companies had been incorporated with the Registrar of Companies (RoC) on September 15th September 2003. Madhya Gujarat Vij Company Limited (MGVCL) is one of the distribution companies engaged in distribution of electricity in the south zone area of Gujarat.

1.2.3 The Madhya Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the company did not commence its commercial operations during the financial year ending 31st March, 2005. The Company started its commercial function w.e.f. 1st April, 2005.

1.2.4 The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “Hon’ble Commission”), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998 and is currently under purview of the Electricity Act, 2003. GERC is vested with the authority of regulating the power sector in the State inter alia including determination of Tariff for electricity consumers.

1.2.5 Determination of Tariff for supply of electricity is one of the important functions of the State Electricity Regulatory Commission as provided in the Section-86 of the Electricity Act, 2003. The Act provides that:

“Section 86(Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -

(a) Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk, or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;”

1.2.6 Further, the Act also provides that-

“Section 61 (Tariff regulations):

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”

- 1.2.7 The Hon'ble Commission notified the Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2016 ("GERC MYT Regulations, 2016"). Based on the petition filed by MGVCL, the Hon'ble Commission issued MYT order on 31st March, 2017 for determining the ARR for the Third Control Period i.e. FY 2016-17 to FY 2020-21 in line with provisions outlined in the GERC MYT Regulations, 2016. The GERC MYT Regulations, 2016 notified on 29th March, 2016 were in force till 31st March, 2021.
- 1.2.8 The Hon'ble Commission initially aimed to introduce new MYT Regulations for the Fourth Control Period (FY 2021-22 to FY 2025-26), but deferred it by one year through Suo-Motu Order No. 07 of 2020, directing licenses/utilities to file tariff application for FY 2021-22 based on MYT Regulations 2016. Further vide orders in Suo Motu Petitions No. 1995 of 2021, No. 2140 of 2022 directed generating companies, licensees, and utilities to submit tariff applications for true-up and determination of ARR and Tariff for respective years, following GERC MYT Regulations, 2016 ensuring regulatory compliance and financial planning for the specified periods.
- 1.2.9 Similarly, the Hon'ble Commission vide its Order in Suo Motu Petition No. 2264 of 2023 dated 5th December 2023 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2022-23 and for determination of Annual ARR and Tariff for FY 2024-25 on or before 12th January, 2023 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.10 Further, the FY 2022-23 is completed and annual accounts of MGVCL are also audited, MGVCL is required to file its Petition for True-up of FY 2022-23 in accordance with GERC MYT Regulations, 2016, to the Hon'ble Commission for its approval.
- 1.2.11 Accordingly, MGVCL is filing present petition for the True up of FY 2022-23 and determination of Aggregate Revenue Requirement & Tariff for FY 2024-25 to the Hon'ble Commission.

SECTION 2. EXECUTIVE SUMMARY

2.1. Preamble

2.1.1. This section highlights the summary of the Petition for True Up for FY 2022-23 and ARR & Tariff for FY 2024-25.

2.2. True Up of FY 2022-23

2.2.1 MGVCL has worked out its actual Aggregate Revenue Requirement (ARR) for FY 2022-23 based on the audited accounts, provisions of the GERC MYT Regulations, 2016 and the principles adopted by the Hon’ble Commission in its previous Orders.

2.2.2 The actual expenses have been compared against those approved for FY 2022-23 in the Tariff Order for ARR of FY 2022-23 in Case no. 2030 of 2021 Order dated 31st March, 2022. The detailed comparison of various cost components with the values approved by the Hon’ble Commission has been presented in the next Chapter on True up of FY 2022-23. A summary of the actual ARR for Truing-up of FY 2022-23 compared with the approved ARR for FY 2022-23 is presented in the table given below:

Table 1 : True Up for FY 2022-23

				Rs. in Crores
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)

2.2.3 In line with the provisions of the GERC MYT Regulations, 2016, MGVCL has computed the gains and losses on account of controllable and uncontrollable parameters and its proposed sharing mechanism.

2.2.4 The cost components have been segregated into controllable and uncontrollable factors

as per the methodology outlined in Regulation 22 of the GERC MYT Regulations, 2016. Summary of the difference allocation to controllable & Uncontrollable factors is outlined as per the table below:

Table 2 : Summary of Controllable and Uncontrollable Factors for FY 2022-23

Sr. No.	Particulars	Rs. in Crores			
		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)

2.2.5 As per the mechanism specified in the GERC MYT Regulation 2016, MGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e., Rs. 48.26 Crores and total gain/(loss) on account of uncontrollable factor i.e., Rs. (2,334.99) Crores to the consumers. Further, the Revenue (Gap)/Surplus approved by the Hon’ble Commission on True up of FY 2020-21 of Rs. 53.03 Crores is also considered. Adjusting these to the net Aggregate Revenue Requirement, MGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2022-23 at Rs. 9,677.46 Crores.

2.2.6 This revised Aggregate Revenue Requirement is compared against the actual income under various heads including Revenue from Existing Tariff of Rs. 8,943.03 Crores, Other Consumer related Income of Rs. 97.96 Crores, Agriculture Subsidies of Rs. 70.73 Crores and GUVNL profit allocation of Rs. 5.65 Crores, summing up to a total revenue of Rs. 9,117.28 Crores. Accordingly, total Revenue (Gap) / Surplus of MGVCL for FY 2022-23 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. (560.18) Crores as shown in the table below:

Table 3 : Revenue (Gap) / Surplus for FY 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)

2.3. Determination of ARR & Tariff for FY 2024-25

2.3.1. The Aggregate Revenue Requirement for FY 2024-25 as per GERC MYT Regulations, 2016 is projected as below:

Table 4 : Projection of ARR FY 2024-25

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

2.3.2. MGVCL requests the Hon'ble Commission to approve Aggregate Revenue Requirement for FY 2024-25.

2.4. Revenue (Gap) / Surplus for FY 2024-25

- 2.4.1. MGVCL has projected sales of 13,752 MU for FY 2024-25. Based on projected sales & existing retail tariff, revenue from sale of power works out to Rs. 6,407.95 Crore for FY 2024-25.
- 2.4.2. In the Order for True up for FY 2021-22 and Determination of Tariff for FY 2023-24 dated 31st March, 2023, the Hon'ble Commission has considered the base power purchase cost at Rs. 5.22/unit and base FPPPA at Rs. 2.64/unit. As per approved FPPPA formula, any increase in power purchase cost during the year, over and above base power purchase cost of Rs. 5.22/unit is to be recovered through FPPPA, over and above base FPPPA of Rs. 2.64/unit on quarterly basis. As per the projected ARR for FY 2024-25, the weighted average power purchase cost is worked out to Rs. 5.38/unit same as of FY 2024-25.
- 2.4.3. Thus, the change in power purchase cost is Rs 0.17/unit for FY 2024-25 and accordingly the base FPPPA is changed to 2.84/unit. Therefore, estimated revenue from FPPPA for FY 2024-25 is considered at Rs. 2.84/unit (i.e., grossing up by approved losses), as shown below:

Table 5 : FPPPA Computation for FY 2024-25

No.	Particulars	FY 2023-24	2024-25
1	Fixed Cost (Rs. Crore)	14,318	15,078
2	Variable Cost (Rs. Crore)	38,605	46,686
3	GETCO Cost (Rs. Crore)	5,013	5,830
4	GUVNL Cost (Rs. Crore)	471	523
5	PGCIL Charges (Rs. Crore)	3,320	3,276
6	SLDC Charges (Rs. Crore)	36	48
7	Total Power Purchase Cost (Rs. Crore)	61,763	71,440
8	Total Energy Requirement (MU)	1,18,353	1,32,666
9	Power Purchase Cost (Rs./kWh)	5.22	5.38
10	Increase in Power Purchase Cost (Rs./kWh)		0.17
11	Additional FPPPA Charges (Grossed up by Distribution Loss) (Rs./kWh)	0.74	0.20
12	Existing FPPPA Charges (Rs./kWh)	1.90	2.64
13	Revised FPPPA Charges (Rs./kWh)	2.64	2.84

- 2.4.4. The income under the head "Other Consumer Related Income" has been considered the same as of FY 2022-23. The agriculture subsidy for FY 2024-25 has been projected on the basis of the projected Agricultural sales for FY 2024-25.
- 2.4.5. 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 6 : Total Projected Revenue for FY 2024-25 at Existing Tariff

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

- 2.4.6. The Revenue (Gap) / Surplus of Rs. (560.18) Crores after true up exercise of FY 2022-23 is also considered for estimating Revenue (Gap) / Surplus for FY 2024-25.
- 2.4.7. Based on the above, the estimated Revenue (Gap) / Surplus for FY 2024-25 at existing tariff is as outlined in the table below:

Table 7: Estimated Revenue (Gap) / Surplus for FY 2024-25 at Existing Tariff

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)

- 2.4.8. The Hon'ble Commission is requested to approve the above-mentioned Revenue (Gap) / Surplus.

2.5. Proposed changes in the tariff structure for FY 2024-25

- 2.5.1. The consolidated resultant Revenue (Gap) / Surplus for all four distribution companies is around 8% of the total revenue at existing tariff. The revenue gap is primarily on account of Power Purchase Cost which is not within the control of the Petitioner.
- 2.5.2. Accordingly, in order to bridge the revenue gap, DISCOM is proposing change in the tariff for various categories of consumers along with minor modifications in the existing tariff structure.

A. Discontinuation of Concession for use of Electricity during night hours (22:00 Hrs. to 06:00 Hrs.)

The existing tariff structure provides for concession in energy charges for use of electricity during night hours (22:00 Hrs to 6:00 Hrs.) to HTP-I, HTP-II and WWSP tariff category. (HTP-I & II: 43 Paise/unit & WWSP > 50 HP: 85 Paise/unit).

Taking into consideration increase in average power purchase cost during night hours and higher RE penetration, it is proposed to discontinue concession being offered for use of electricity during night hours to above referred category effective from 1st April 2024.

B. *Implement Time of Day (ToD) Charges for LTMD tariff category in line with existing HTP-I Tariff category.*

In line with Ministry of Power, GoI to introduce Time of Day Tariff for Commercial and Industrial consumers having contract demand above 10 KW from 01.04.2024, it is proposed to implement ToD charges for LTMD category (above 40 kW) in line with HTP-I category effective from 1st April 2024

C. *Discontinuation of Non-RGP Night and LTMD Night Tariff category*

National Tariff Policy mandates for rationalization and simplification of tariff structure over the period of time. Considering no/negligible consumer participation under the NRGp night and LTMD night tariff category it is proposed to discontinue NRGp night and LTMD night tariff category as a part of tariff simplification and rationalization.

D. *Implementation of Energy Charges for HTP-IV category at par with HTP-I category.*

Anticipating higher RE availability during day time and increased cost of power purchase during night hours. Accordingly, it is proposed to levy energy charges for HTP-IV tariff category at par with HTP-I tariff category effective from 1st April 2024, no change is proposed in the fixed charges applicable to HTP-IV category.

E. *Introduction of concession in Energy Charges for Pre-Paid Smart Meter (Under RDSS).*

Hon'ble Commission vide letter dated 06.11.23, referring Ministry of Power letter dated 25.10.2023, directed DISCOMs to submit the proposal along for charging lower tariff to consumers with prepaid smart meters in the Tariff Petition of FY 2024-25.

In light of above, discount of 2% in energy charges is proposed for LT category (except AG consumer) covered under RDSS scheme upon installation of pre-paid smart meter effective from 1st April 2024.

F. *Amendment to the definition of RGP tariff category for inclusion of Animal Husbandry activities.*

It is proposed to amend the applicability of RGP tariff category and amend the definition of RGP tariff category effective from 1st April 2024 as under:

RGP-Urban:

This Tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

RGP-Rural:

This Tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

SECTION 3. TRUE UP FOR FY 2022-23

3.1. Preamble

- 3.1.1. This section outlines the performance of MGVCL for FY 2022-23. In line with the provisions of the GERC MYT Regulations, 2016, MGVCL hereby submits the True-Up Petition comparing the actual performance of MGVCL during FY 2022-23 with the forecast approved by the Hon'ble Commission vide Tariff Order dated 31st March, 2022.

3.2. Principles for True Up for FY 2022-23

- 3.2.1. As per GERC MYT Regulations, 2016, the Hon'ble Commission is required to undertake the True-Up of the licensees for FY 2022-23 based on the comparison of the actual performance of the past year with the approved estimates for such year. Section 21.1 of the GERC MYT Regulations, 2016 is read as below:

"The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations."

- 3.2.2. In line with the provisions of GERC MYT Regulations, 2016, MGVCL has filed this Petition for True-Up for the year FY 2022-23. Information provided in the True-Up for FY 2022-23 is based on audited actual performance and considering principles adopted by the Hon'ble Commission in its previous Orders. The actual performance has been compared with the approved numbers as per the Tariff Order in Case no. 2030 of 2021 dated 31st March 2022.
- 3.2.3. Accordingly, actual data for revised Aggregate Revenue Requirement, Revenue (Gap) / Surplus for FY 2022-23 are given in the following paragraphs of this chapter.
- 3.2.4. For the purpose of True-Up of all the expense heads have been categorized into Controllable and Uncontrollable factors. A head-wise comparison has been made between the values approved by the Hon'ble Commission and the actual values for various expenditures for FY 2022-23.

3.3. Category wise Sales

- 3.3.1. The actual category wise sales for FY 2022-23 were 12,640.00 MUs as against the approved sales of 11,418.99 MUs. The actual sales for FY 2022-23 are lower than approved sales in the LT consumer categories. However, the Industrial sales have shown increase over the approved levels leading to overall increase in the sales in FY 2022-23 over the approved levels.
- 3.3.2. The table below highlights the comparison of actual category wise sales of MGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

Table 8 : Category-wise Sales

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

3.4. Distribution Losses

3.4.1. 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 9 : Distribution Losses

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

3.4.2. The MYT Regulations categorise the Distribution Losses as a controllable factor and accordingly any gain or loss on account of this would be shared with the consumers as per the provisions of the regulations.

3.4.3. MGVCL submits that it has achieved a reduction in distribution losses during FY 2022-23. The Hon’ble Commission had approved the distribution loss levels for MGVCL at 9.00% for FY 2022-23 and the actual loss achieved were 8.37% for FY 2022-23. Various loss reduction activities were carried out during FY 2022-23 and as a result loss has reduced to 8.37% from the approved level of 9.00%.

3.4.4. Since MGVCL has distribution losses lower than those approved by the Hon’ble Commission, its impact has been discussed in the section relating to power purchase and the gains/(losses) have been captured there itself.

3.5. Energy Requirement and Energy Balance

3.5.1. The gross energy requirement of MGVCL is as follows given in the table below:

Table 10 : 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

3.5.2. The gross energy requirement for sale to the consumers in FY 2022-23 is 14,614.68 MUs as compared to 13,202.15 MUs as approved by the Hon'ble Commission. The increase in energy requirement is primarily on account of higher energy sales during the year as compared to the approved sales.

3.6. Power Purchase Cost

3.6.1. The company has been currently allocated share of generation capacities as per the scheme worked out by GUVNL. In order to minimize power purchase cost, GUVNL adopts the Merit Order Despatch principles for despatching power from the generating stations based on the demand and accordingly power gets allocated to MGVCL.

3.6.2. The actual power purchase from GUVNL is different from allocation because the demand from MGVCL is not constant and it varies from time to time.

3.6.3. The total power purchase cost of MGVCL for FY 2022-23 consists of the basic power purchase cost, transmission charges payable to GETCO and PGCIL, SLDC charges and the DISCOM's share of GUVNL cost.

3.6.4. MGVCL in its Petition for True-up of FY 2021-22 considered liabilities for the payment towards the power purchase cost to the generating companies under various PPAs are due as per the judgements of the various courts in various litigations and the payment may arise subsequently as part of Power Purchase Cost based on the final outcome in legal cases. The Hon'ble Commission in its earlier Tariff Order have ruled that additional payment liability to be allowed once it gets materialised and paid to the beneficiaries in subsequent years based on the prudence check and verification from audited accounts.

3.6.5. In the FY 2022-23, GUVNL has made provisions of Rs. 295.51 Crore towards power purchase related liabilities towards various generators. At the same time, GUVNL has also paid off some of the liabilities towards which provisions were made in the past years and not considered by the Hon'ble Commission in the past orders for approval considering that these were provisions at that point of time. The actual utilisation against such liabilities in FY 2022-23 is Rs. 2,764.35 Crore. Accordingly, the net amount of Rs. 2,468.25 crore (2,764.35-295.51) will be allocated to each of the DISCOM in the

ratio of their actual power purchase which is also in line with approach taken by the Hon'ble Commission in the past.

3.6.6. Allocation of provisions to Discom is as under:

Table 11: Allocation of Provisions of Power Purchase Cost to Discom

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
Power Purchase	20,576.34	8,271.38	22,350.65	16,931.43	68,129.81
Allocation of provisions made in Power Purchase Cost	(745.63)	(299.73)	(809.93)	(613.55)	(2,468.85)

3.6.7. The negative figures in the above table indicate that the allocated amount is paid by the Discoms towards payment of past liabilities i.e., the Discoms will need to consider the allocated share of the expense of Rs. 2,468.85 Crore in the overall power purchase cost for the year. Further, the Discom reserves its right of claim of provisions made in power purchase cost as and when it is paid to beneficiaries in the subsequent years.

3.6.8. Based on the same, the comparison of the approved and the actual cost of power purchase are as shown below:

Table 12: Net Power Purchase Cost

Sr. No.	Particulars	Rs in Crores	
		FY 2022-23 (Approved)	FY 2022-23 (Actual)
A	Cost		
1	Power Purchased from GUVNL		8,355.87
2	Power purchase from Windfarm		7.25
3	Power Purchased from Solar		44.52
4	DSM Charges Payable		-
5	SLDC Charges		1.35
	Total Cost		8,408.98
B	Less: Income		
1	Allocation of provisions made in Power Purchase Cost		(299.73)
2	DSM Income Receivable		137.60
	Net Power Purchase Cost	6,221.05	8,571.12

3.6.9. The variation in the approved and the actual power purchase expenses is on account of various reasons including change in approved cost of power, change in quantum of power purchased, changes in the transmission charges payable, etc. Further in FY 2022-23 there was the sharp increase in electricity demand throughout the country after Covid-19. Further, there has been unprecedented rise in prices of coal and gas at international levels on account of which there has been noticeable increase in cost of power purchase leading to increase in overall power purchase cost in FY 2022-23.

3.6.10. The quantum of power purchase depends upon the sales during the year as well as the losses in the system. The actual distribution losses in MGVCL distribution network have been lower than the approved level, however, the sales have been higher than that approved by the Hon'ble Commission. Hence, the quantum of power purchased was higher than the approved quantum of power required.

3.6.11. As per the GERC MYT Regulations, 2016, the Hon'ble Commission has categorised the variation in the price of fuel and/or price of power purchase according to the FPPPA

formula approved by the Hon'ble Commission as an uncontrollable factor. Further, the Hon'ble Commission has also identified the variation in the number or mix of consumers or quantity of electricity sold to consumers as an uncontrollable factor. Thus, the variation in the above factors affects the power purchase expenses and results into either a loss or gain. Accordingly, any gain or loss on this account is to be entirely passed on to the consumers as per the methodology approved by the Hon'ble Commission.

- 3.6.12. In addition to the above, there is an incidence of lower power purchase cost on account of the lower Distribution losses as compared to the Distribution losses approved by the Hon'ble Commission. These gains have resulted in lower power purchase expenses as the quantum of power required to be purchased to meet the same level of demand would be lower hence resulting in the gains as explained below:

Table 13 : Gain/ (Loss) on account of Distribution Losses for FY 2022-23

Gain/(Loss) due to Distribution Losses				
Sr. No.	Particulars	Unit	FY 2022-23 (with Approved Distribution Losses)	FY 2022-23 (with Actual Distribution Losses)
1	Energy Sales	MUs	12,640.79	12,640.79
2	Distribution Losses	MUs	1,250.19	1,154.22
		%	9.00%	8.37%
3	Energy Requirement	MUs	13,890.98	13,795.01
4	Saving due to Distribution Losses	MUs		95.96
5	Average Power Purchase Cost	Rs./Unit		5.86
6	Gain/(Loss) due to Dist. Losses	Rs. Crore		56.28

- 3.6.13. As can be seen from the above, the total gain on account of lower distribution losses as compared to approved is Rs. 56.28 Crores. This gain is categorised as on account of controllable factors and the appropriate treatment is given below:

Table 14 : Gains / (Loss) - Power Purchase Expenses

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)

- 3.6.14. Thus, as can be seen from the above table, the power purchase gain/(loss) due to controllable & uncontrollable factors are Rs. 56.28 Crores and Rs. (2,406.35) Crores respectively which would have to be passed on to the consumers as per the methodology approved by the Hon'ble Commission.

3.7. Capital Expenditure

- 3.7.1. Capital expenditure incurred by MGVCL in FY 2022-23 was Rs. 606.51 Crores (including increase in CWIP). The actual capital expenditure by MGVCL during the FY 2022-23 is higher than that approved by the Hon'ble Commission. The scheme-wise capital expenditure incurred in FY 2022-23 against approved by the Hon'ble Commission is as shown below:

Table 15 : 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)

3.7.2. Scheme wise deviation in capital expenditure is explained as under:

- RE Wells:**

The Rural Electrification Schemes of Rs. 155.94 cores which are based on grant allocation receivable by MGVCL, particularly in case of TASP wells scheme, REC wells, peta paras etc., were approved by Hon’ble Commission. Against the same, the actual expenditure of Rs. 110.96 crores incurred during FY 2022-23.

- System Improvement Scheme:**

Rs. 9.00 Crore was approved for budget of Year 2022-23 and Rs. 29.03 Crore is actual expenditure. The actual expenditure has increased due to implementation of projects of feeder bifurcation and DTC review, New Substation Link line work, Providing HT AB cable work, replacement of deteriorated conductor, which were earlier proposed under RDSS but it could not materialize. The work under system Improvement scheme were carried out for providing quality and reliable power supply to consumers.

- Normal Development:**

During the year, under this scheme, expenditure of various major works undertaken related to various shifting for National Highway, Bullet Train and Dedicated Freight Corridor which was work paid by Govt. and Central Govt. Department have been accounted. Also, in new development full amount is paid by DISCOM in New connection

of Infrastructure, Industrial LT, HT, EHT New Connection which has resulted in actual expenditure of Rs. 408.79 Crore against approved amount of Rs. 80 Crore.

It is humbly requested to Hon'ble Commission to approve the above deviation.

• **Government Schemes:**

The actual expense incurred in Distribution Infrastructure shifting scheme – DISS, Sagarkhedu, Energy Conservation, Sagar Krushi Jyoti Yojana as per actual budget allocation respective scheme from Government.

3.8. Funding of Capitalisation

3.8.1. 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 2022-23 is mentioned in the table below:

Table 16 : 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)

3.9. Fixed Cost for FY 2022-23

3.9.1. The fixed cost of MGVCL for FY 2022-23 has been determined in accordance with the GERC MYT Regulations, 2016. As outlined under the regulations, the fixed cost for MGVCL has been determined under the following major heads:

- Operation and Maintenance Expenses
- Depreciation
- Interest and Finance Charges
- Interest on Working Capital
- Income Tax
- Return on Equity

3.9.2. Net Annual Revenue Requirement of MGVCL has been computed after netting off expenses capitalised and Non-Tariff Income.

3.9.3. For the purpose of True-Up, all the heads mentioned above have been categorized into Controllable or Uncontrollable in line with provisions of GERC MYT Regulations, 2016. A head wise comparison of cost has been made between the values approved by the Hon'ble Commission vide Tariff Order dated 31st March' 2022 and the actual expenses of MGVCL in FY 2022-23.

3.10. Operation & Maintenance Expenses

3.10.1. Operations and Maintenance (O&M) Expenses of MGVCL consists of the following

elements:

- Employee Expenses
- Repairs and Maintenance Expenses
- Administrative and General Expenses

Employee Cost

3.10.2. Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

3.10.3. The employee cost incurred by the company is purely on the basis of the guidelines issued by competent authorities like the State Government. The employee cost as per profit and loss account for FY 2022-23 is Rs. 599.77 Crores. MGVCL has also claimed other comprehensive income of Rs. 11.10 Crore, wage revision arrears of Rs. 9.32 Crore and COVID 19 payment of Rs 5 Crores paid during the year. The net employee expenses claimed by MGVCL for FY 2022-23 are Rs. 625.19 Crore.

3.10.4. Employee expenses are considered as controllable expenses under the provisions of the GERC MYT Regulations, 2016. However, MGVCL has identified certain expenses which are uncontrollable in nature, and these include the following:

- **Wage Revision Arrears: Rs. 9.32 Crore**
These expenses are payable due to implementation of the 7th Pay Commission scale which is an uncontrollable event and hence considered uncontrollable by MGVCL for the purpose of working out the sharing of gains and losses. These have been paid against provisions made in the past and which were disallowed by the hon'ble Commission in the past orders.

- **Impact of implementation of 7th Pay Commission on Salary and Dearness Allowance: Rs 46.82 Crores**

It is submitted that the Hon'ble Commission in its Order in Case No. 1913 of 2020 dated 31st March 2021 had adopted the following methodology for approving the O&M expenses for FY 2021-22:

"Accordingly, GERC has computed the O&M Expenses for FY 2021-22 on the basis of the average of the actual approved O&M Expenses for the three (3) years ending 31st March, 2020 i.e. from FY 2017-18 to FY 2019-20. The average of such O&M Expenses has been considered as O&M Expenses for the financial year ended with 31st March, 2019 as a base year (FY 2018-19). Further, the y-o-y escalation @ 5.72% p.a. is applied O&M Expenses on the base year for computing the O&M Expenses viz, Employee Cost, Repairs and Maintenance Expenses, Administration and General Expenses for FY 2021-22."

It is evident from the above submission that by considering the actual approved expenses for the FY 2017-18 to FY 2019-20 as the base for projecting the expenses for FY 2021-22, the Hon'ble Commission had factored in the impact of the implementation of 7th Pay Commission while projecting the expenses for FY 2021-22 as the 7th Pay Commission was implemented from August 2017. The Hon'ble Commission, in the case of SLDC, had also annualised impact of 7th Pay

implementation for FY 2017-18 and then worked out the projection for FY 2021-22 to capture the impact of 7th Pay implementation. However, it is submitted that the actual payment of allowances and incentive as per the 7th Pay Commission was only initiated in FY 2020-21 and hence not part of the payments made in period from FY 2017-18 to FY 2019-20 and consequently not factored in the approved O&M expenses for FY 2021-22 and also subsequently in FY 2022-23. It is submitted that as the Commission had approved impact of 7th Pay by taking average of actual approved O&M expenses for FY 2017-18 to FY 2019-20 and the actual payment of 7th Pay started from FY 2019-20, only 1/3rd of the differential amount between 6th Pay and 7th Pay Commission scale had been considered, therefore remaining 2/3rd amount is remaining to be recovered. Accordingly MGVCL has included 1/3rd of 1/3rd of differential payment of 6th Pay and 7th Pay Commission scale for the year FY 2021-22 which had been inadvertently not captured in Truing-Up petition dated-28.12.2022 of FY 2021-22. Additionally, balance 1/3rd of differential payment of 6th Pay and 7th Pay Commission scale for the year FY 2022-23 has been considered in this Truing-up petition as an uncontrollable expense for the purpose of working out sharing of gains and losses. The impact has been estimated to Rs 46.82 Crores.

- Impact of implementation of 7th Pay Commission related to HRA and CLA for FY 2022-23: Rs 7.34 Crores**

Under the directive of Government order dated 12.10.2022, MGVCL also made payments towards the differential between 6th Pay and 7th Pay Commission scale worked out for the House Rent Allowance (HRA) and Company Leased Accommodation (CLA) for the FY 2022-23. The Impact is estimated to be Rs. 7.34 Crores.

- Impact of implementation of 7th Pay Commission related allowances and incentive for FY 2022-23: Rs. 21.85 Crore**

MGVCL has worked out the differential between the allowances and incentives as per the 7th Pay Commission and those as per 6th Pay Commission scale for the FY 2022-23 on similar methodology adopted for truing up of FY 2021-22. The impact works out to Rs. 13.61 Crores in the case of allowances and Rs. 8.24 Crores in case of incentives. MGVCL has considered this amount of Rs. 21.85 Crores as an uncontrollable expense for the purpose of working out the sharing of gains and losses.

3.10.5. The summary of the comparison of the actual employee expenses for FY 2022-23 vis-à-vis the expenses approved by the Hon’ble Commission is given in the table below:

Table 17 : Employee Cost for FY 2022-23

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Cost	644.75	625.19	109.89	(90.32)

Repair & Maintenance Cost

3.10.6. Repairs and Maintenance expenses are incurred towards the day-to-day upkeep of the

distribution network and form an integral part of the efforts towards reliable and quality power supply as also in the reduction of losses in the distribution system.

3.10.7. Repair and Maintenance expenditure is dependent on various factors. The assets of MGVCL are old and require regular maintenance to ensure uninterrupted operations. MGVCL has been trying its best to ensure uninterrupted operations of the system and accordingly has been undertaking necessary expenditure for R&M activities. The GERC MYT Regulations, 2016 provides for R&M expenditure as a controllable expenditure. The actual R&M cost for FY 2022-23 is Rs. 82.07 Crores.

3.10.8. Accordingly, on the basis of comparison of actual R&M expenditure of MGVCL with the values approved by the Hon'ble Commission, there is a gain/(loss) of Rs. (14.45) Crores as indicated in the table below:

Table 18 : Repair & Maintenance Cost for FY 2022-23

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Repair & Maintenance Cost	67.62	82.07	(10.02)	(4.43)

Administration & General Expenses

3.10.9. Administration & General expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc.

3.10.10. The actual A&G expense for FY 2022-23 were Rs. 110.18 Crores. As per the provisions of the GERC MYT Regulations, 2016, A&G expenses are categorised as controllable expenses and accordingly, the comparison of value approved by the Hon'ble Commission with the actual A&G expenses of MGVCL shows a gain/(loss) of Rs. (11.38) Crores as highlighted in the table below:

Table 19 : Administration & General Expenses for FY 2022-23

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Administration & General Charges	98.80	110.18	(11.38)	

RDSS Metering Expenses

3.10.11. The RDSS Metering expenses is dependent actual installation of Smart Prepaid Meters through appointed Project Implementation Agency (PIA) which is Power Grid Energy Services Limited (PESL) in case of MGVCL. In FY 22-23, appointment of PIA was under process and hence, rollout of Smart meter was not done. However, the Smart Prepaid meter rollout has been planned in FY 23-24 and MGVCL is progressing in line with the targets given by MoP guidelines. Therefore, as this involves contract management and contract negotiations therefore is beyond control of the Discom. Accordingly, it humbly proposed that for FY 2022-23, this RDSS Metering Opex should be treated as an uncontrollable gain / (loss) as the case maybe.

Table 20 : RDSS Metering Expenses

Rs. in Crores				
Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
RDSS Metering Opex	73.50	-		73.50

Other Expenses Capitalised

3.10.12. The Other expenses including expenses capitalised, etc. are beyond the control of MGVCL and therefore are considered as uncontrollable.

Table 21: Other Expenses Capitalised

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Other Expenses Capitalised	(64.56)	(76.14)		11.58

O&M Expenses

3.10.13. After the combination of all the above parameters for FY 2022-23, MGVCL's actual O&M expenses were Rs. 741.29 Crores which is inclusive of Employee cost of Rs. 625.19 Crores, Repair & Maintenance Charges of Rs. 82.07 Crores, Administration & General Expenses of Rs. 110.18 Crores. Actual other expenses capitalized is Rs. (76.14) Crores for FY 2022-23 which is reduced from actual O&M expenses.

Table 22 : Operation & Maintenance Expenses

Rs. in Crores				
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Employee Cost	644.75	625.19	19.56
2	Repair & Maintenance	67.62	82.07	(14.45)
3	Administration & General Charges	98.80	110.18	(11.38)
4	RDSS Metering Opex	73.50	-	73.50
5	Other Expenses Capitalised	(64.56)	(76.14)	11.58
5	Operation & Maintenance Expenses	820.11	741.29	78.82

3.10.14. Comparison of actual O&M charges during FY 2022-23 with the value approved by the Hon'ble Commission reflects net gain/(loss) of Rs. 88.49 Crores on account of controllable factors and gain/(loss) of Rs. (83.17) Crores on account of uncontrollable factors to MGVCL.

Table 23 : Treatment of Operation & Maintenance Expenses

3.11. Depreciation

3.11.1. The Company, being engaged in electricity business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act 2003 supersede the provisions of the Companies Act, 2013. Accordingly, the Company charges depreciation on straight line method at the depreciation rates, the methodology and the residual value as prescribed

in GERC (MYT) Regulations, 2016.

3.11.2. In case of Depreciation, the GERC MYT Regulations, 2016 provides that-

“Depreciation shall be computed annually based on the straight-line method at the rates specified in the Annexure I to these Regulations:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:

Provided further that for a Generating Company or a Transmission Licensee or SLDC or a Distribution Licensee formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets”.

3.11.3. Accordingly, MGVCL has calculated the Depreciation for FY 2022-23 in accordance with the provisions of the GERC MYT Regulations, 2016 and the aforementioned directives of the Hon’ble Commission.

3.11.4. The actual and approved depreciation for FY 2022-23 is as shown below:

Table 24 : Fixed Asset and Depreciation for FY 2022-23

Rs. in Crores				
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Gross Block in Beginning of the year	6,487.24	6,485.63	
2	Additions during the Year (Net)	310.44	591.56	
3	Closing GFA	6,797.68	7,077.19	
4	Average GFA	6,642.45	6,781.41	
5	Depreciation for the Year	300.28	279.31	20.97
6	Average Rate of Depreciation	4.52%	4.12%	

3.11.5. The actual depreciation for FY 2022-23 as against the value approved by the Hon’ble Commission results into an uncontrollable gain/(loss) of Rs. 20.97 Crores as indicated below:

Table 25 : Treatment of Depreciation

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Depreciation	300.28	279.31	-	20.97

3.12. Interest & Financial Charges

3.12.1. For assessing actual Interest charges on Loans in FY 2022-23, MGVCL has considered the opening balance of loans for FY 2022-23 same as the closing loan approved by the Hon’ble Commission for FY 2021-22 in the True up Order dated 31st March, 2023. The loan addition in FY 2022-23 is computed at Rs. 210.01 Crores which consists of loans for funding the capitalization.

3.12.2. In line with the approach adopted by the Hon’ble Commission and as prescribed by

GERC MYT Regulations, 2016 repayment during the year has been considered equal to the depreciation for the financial year.

3.12.3. Based on the provisions of the GERC MYT Regulations, 2016, the weighted average rate of interest during the year for Truing up of FY 2022-23 is 12.29% as against 6.30% as approved by the Hon'ble Commission. It is submitted that the conversion of loans into grants during year has impacted the weighted average rate of interest.

3.12.4. MGVCL has also considered the interest on security deposits of Rs. 48.69 Crore as per the provisions of the GERC MYT Regulations, 2016.

3.12.5. The total Interest & Financial charges for FY 2022-23 computed by MGVCL as against that approved by the Hon'ble Commission is as shown below:

Table 26 : Interest & Finance Charges

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Opening Loans	-	-	
2	Loan Additions during the Year	135.18	210.01	
3	Repayment during the Year	135.18	210.01	
4	Closing Loans	-	-	
5	Average Loans	-	-	
6	Interest on Loan	-	-	
7	Interest in Security Deposit	44.56	48.69	
8	Other Bank Charges	0.54	0.06	
9	Total Interest & Financial Charges	45.10	48.75	(3.65)
10	Weighted Average Rate of Interest	6.30%	12.29%	

3.12.6. The GERC MYT Regulations, 2016 categorise the interest and finance charges as uncontrollable expenses. Any changes on account of changes in applicable interest rates should be considered as uncontrollable. Accordingly, MGVCL has considered deviation in the actual vis-à-vis the approved expenses towards interest and finance charges as uncontrollable. The same has been provided in the table given below:

Table 27 : Treatment of Interest & Finance Charges

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest & Finance Charges	45.10	48.75		(3.65)

3.13. Interest on Working Capital

3.13.1. The interest on working capital has been calculated on the basis of the provisions of the GERC MYT Regulations, 2016.

3.13.2. In line with the First Amendment to the GERC MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the weighted average of the 1-year MCLR of the State Bank of India during the year plus 250 basis points. This rate works out to 10.30%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47

of the Electricity Act 2003 except the security deposit held in the form of Bank Guarantees is to be deducted from it. Since the interest on working capital for FY 2022-23 incurred by MGVCL is nil, MGVCL has not claimed interest on working capital for FY 2022-23 as shown below:

Table 28 : Interest on Working Capital

Rs. in Crores				
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	O & M expenses	68.34	61.77	
2	Maintenance Spares	64.87	64.86	
3	Receivables	629.86	759.31	
4	Amount held as security deposit from consumers	1,048.52	1,188.60	
5	Total Working Capital	(285.45)	(302.66)	
6	Rate of Interest on Working Capital	9.50%	10.30%	
7	Interest on Working Capital	-	-	-

3.14. Provision for Bad Debts

3.14.1. The actual bad debts written off in FY 2022-23 is Rs. 0.0020 Crores as shown in the following table:

Table 29: Bad & Doubtful Debts Written Off

Rs. in Crores				
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Bad and Doubtful Debts	0.0100	0.0020	0.0080

3.14.2. A comparison of the actual value with the figure approved by the Hon'ble Commission for FY 2022-23 shows a gain/(loss) of Rs. 0.0080 Crores on account of controllable factors as shown in the table below:

Table 30 : Treatment of bad & doubtful debts

Rs. in Crores					
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Bad and Doubtful Debts	0.0100	0.0020	0.0080	

3.15. Return on equity

3.15.1. As per the GERC MYT Regulations, 2016, a return @ 14% on the equity base is considered as reasonable and allowed by the Hon'ble Commission. Accordingly, MGVCL has computed the Return on Equity considering a rate of return at 14%.

3.15.2. For assessing actual return on equity for FY 2022-23, MGVCL has considered the opening balance of equity of FY 2022-23 as the closing balance of equity of FY 2021-22 approved by the Hon'ble Commission in the True up Order dated 31st March, 2023 and additions during the year as already discussed in the above paragraphs have been considered. The return on equity for FY 2022-23 is as shown below:

Table 31 : Return on Equity

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Opening Equity Capital	1,235.53	1,165.32	70.21
2	Equity Additions during the Year	57.93	90.01	(32.08)
3	Closing Equity	1,293.46	1,255.33	38.13
4	Average Equity	1,264.49	1,210.32	54.16
5	Rate of Return on the Equity	14%	14%	-
6	Return on Equity	177.03	169.45	7.58

3.15.3. A comparison of the actual Return on Equity for FY 2022-23 with the amount approved by the Hon’ble Commission shows a net uncontrollable gain/ (loss) as indicated below.

Table 32 : Treatment of Return on Equity

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	177.03	169.45		7.58

3.16. Income Tax

3.16.1. The actual tax paid in FY 2022-23 was Rs. 7.65 Crores as against Rs. 19.58 Crores approved by the Hon’ble Commission as shown below:

Table 33 : Income Tax

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Income Tax	19.58	7.65	11.93

3.16.2. It is submitted that Income Tax being a statutory expense, any variation on this account is uncontrollable. Accordingly, MGVCL requests the Hon’ble Commission to consider the same as an uncontrollable loss and allow the entire expenditure towards income tax without any deduction.

3.16.3. A comparison of actual taxes for FY 2022-23 with the amount approved by the Hon’ble Commission shows an uncontrollable gain/(loss) of Rs. 11.93 Crores as indicated in the table below:

Table 34 : Treatment of Income Tax

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Income Tax	19.58	7.65		11.93

3.17. Non-Tariff Income for FY 2022-23

3.17.1. The Non-Tariff Income of MGVCL considered for FY 2022-23 is Rs. 183.59 Crores as against Rs. 139.39 Crores approved by the Hon’ble Commission results in an uncontrollable gain/(loss) of Rs. (44.20) Crores as shown in the table below:

Table 35 : Treatment of Non-tariff Income

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Non-Tariff Income	139.39	183.59		(44.20)

3.18. Aggregate Revenue Requirement for FY 2022-23

3.18.1. Based on above, the table below summarises the actual Aggregate Revenue Requirement of MGVCL for FY 2022-23 as against the value approved by the Hon’ble Commission.

Table 36 : Aggregate Revenue Requirement for FY 2022-23

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)

3.19. Sharing of Gains & Losses

3.19.1. GERC MYT Regulations, 2016 specifies the Mechanism for treatment of Gains and Losses on account of Uncontrollable and Controllable expenses. The methodology approved by the Hon’ble Commission for sharing of such gains/ losses is as follows.

Mechanism for sharing of gains or losses on account of Un-controllable factors.

“23.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of uncontrollable factors shall be passed through as an adjustment in the tariff of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.

23.2 The Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned, and the figures approved by the Commission, in the prescribed format to the Commission, along with the detailed computations and supporting documents as may be required for verification by the Commission.

23.3 Nothing contained in this Regulation 23 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time.”

Mechanism for sharing of gains or losses on account of controllable factors.

“24.1 The approved aggregate gain to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

- (a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6.
- (b) The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.

24.2 The approved aggregate loss to the Generating Company or Transmission Licensee or SLDC or Distribution Licensee on account of controllable factors shall be dealt with in the following manner:

- (a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and
- (b) The balance amount of loss, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.”

3.19.2. As indicated above, MGVCL has identified all the expenditure heads under controllable and uncontrollable categories. The gain/ (loss) for MGVCL arising as a result of True Up for FY 2022-23 may be suitably passed through in the Tariff as per mechanism specified by the Hon’ble Commission.

3.19.3. Based on the methodology prescribed in the GERC MYT Regulations, 2016, MGVCL has classified various heads of expenses as Controllable & Uncontrollable. The head wise losses/gains have been dealt in the above sections. During FY 2022-23, MGVCL has incurred a net gain/(loss) of Rs. 144.78 Crores on account of controllable factors while the net gain/(loss) attributable to uncontrollable factors for FY 2022-23 is Rs. (2,334.99) Crores.

3.19.4. The following Table summarizes net gain/ (loss) to MGVCL during FY 2022-23 on account

of controllable & uncontrollable factors.

Table 37 : Net Gain/ (Loss) for FY 2022-23

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)

3.20. Revenue for FY 2022-23

3.20.1. During the FY 2022-23, MGVCL's actual revenue amounted to Rs. 9,111.72 Crores. The break-up is as follows:

Table 38 : 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	
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

3.21. Revenue (Gap) / Surplus for FY 2022-23

3.21.1. The Hon'ble Commission in its Tariff Order dated 31st March' 2022 has approved Aggregate Revenue Requirement of Rs. 7,558.36 Crores for FY 2022-23. The Hon'ble Commission had also worked out the Revenue (Gap) / Surplus of Rs 53.03 Crores due to Truing up of FY 2020-21 in the Aggregate Revenue Requirement.

3.21.2. As per the mechanism specified in the GERC MYT Regulation 2016, MGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e., Rs. 48.26 Crores and total gain/(loss) on account of uncontrollable factor i.e., Rs. (2,334.99) Crores to the consumers. Further, the Revenue (Gap)/Surplus approved by the Hon'ble Commission on True up of FY 2020-21 of Rs. 53.03 Crores is also considered. Adjusting these to the net Aggregate Revenue Requirement, MGVCL has arrived at the Revised

Aggregate Revenue Requirement for FY 2022-23 at Rs. 9,677.46 Crores.

- 3.21.3. This revised Aggregate Revenue Requirement is compared against the actual income under various heads including Revenue from Existing Tariff of Rs. 8,943.03 Crores, Other Consumer related Income of Rs. 97.96 Crores, Agriculture Subsidies of Rs. 70.73 Crores and GUVNL profit allocation of Rs. 5.56 Crores, summing up to a total revenue of Rs. 9,117.28 Crores. Accordingly, total Revenue (Gap) / Surplus of MGVCL for FY 2022-23 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. (560.18) Crores as shown in the table below:

Table 39 : Revenue (Gap) / Surplus for FY 2022-23

Sr. No.	Particulars	Rs. in Crores
		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)

- 3.21.4. It is submitted that the Hon'ble Commission in its Order in Case No. 2030 of 2021 dated 31st March, 2022 had determined a revenue surplus of Rs. 53.03 Crore for FY 2020-21, however, while determining the ARR for FY 2022-23, the revenue surplus for FY 2020-21 was considered to be nil.
- 3.21.5. MGVCL through this Petition intends to adjust the surplus worked on truing up of FY 2020-21 through the trued up ARR for FY 2022-23.
- 3.21.6. The Hon'ble Commission is requested to approve above mentioned Revenue (Gap) / Surplus and allow MGVCL to recover the same in FY 2024-25.

SECTION 4. Determination of ARR & Tariff for FY 2024-25

4.1. Preamble

4.1.1. This section outlines the ARR Determination of MGVCL as per the GERC MYT Regulations, 2016 for FY 2024-25 covering the following projections:

- Sales, No. of Consumers and Connected load
- Energy requirement and Energy balance
- Power purchase cost
- Bulk supply tariff
- Aggregate Revenue Requirement for FY 2024-25

4.2. Projection of Energy Requirement for FY 2024-25

4.2.1. Approach for Sales Projection

It has been observed from past experience that the historical trend method has proved to be a reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption. In light of the above, MGVCL has estimated the above for various customer categories primarily based on the CAGR trends during past years. DISCOM has worked out growth rates considering FY 2019-20 as base year and the same has been applied on FY 2022-23. Wherever the trend has seemed unreasonable or unsustainable, the growth rates have been corrected to arrive at more realistic projections.

4.2.2. Summary of Growth & Projections

The growth rates observed in the energy sold to each consumer category has been analysed for the purpose of sales projections for FY 2024-25. The analysis of the growth rate lends insight into the behaviour of each category and hence forms the basis of forecasting the sales for each category.

4.2.3. Category-wise Units Sold

The Break-up of the past sales and the CAGR growth rates for different periods (5 years, 4 years, 3 years, 2 years and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2017-18 to FY 2022-23, the 4-year period FY 2018-19 to FY 2022-23, the 3-year period FY 2019-20 to FY 2022-23, and the 2-year period FY 2020-21 to FY 2022-23, along with the y-o-y growth rate of FY 2021-22 over FY 2022-23, as summarised in the table below:

Table 40 : Historical Trend in Category-wise Units sold (MUs)

Sr. No.	Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Low Tension						
1	RGP	2,475	2,609	2,720	2,930	2,777	2,910
2	GLP	123	124	135	87	105	124
3	Non-RGP & LTMD	1,465	1,543	1,604	1,471	1,681	1,854
4	Public Water Works	286	302	314	354	379	415
5	Agriculture - Unmetered	471	475	474	469	468	465
6	Agriculture - Metered	757	857	739	911	808	923
7	Electric Vehicle Charging	-	-	-	-	-	-
	Sub Total	5,577	5,910	5,986	6,222	6,218	6,691
	High Tension						
1	Industrial HT	3,703	4,094	3,767	3,734	5,323	5,949
2	Railway Traction	-	-	-	-	-	-
	Electric Vehicle Charging	-	-	-	-	-	-
	Sub Total	3,703	4,094	3,767	3,734	5,323	5,949
	Total	9,280	10,004	9,753	9,956	11,541	12,640

Table 41 : Category-wise CAGR of Units Sold (considering FY 2022-23 as Base Year)

Sr. No.	Category	5 Year	4 Year	3 Year	2 Year	1 Year
	Low Tension					
1	RGP	3.29%	2.77%	2.28%	-0.34%	4.79%
2	GLP	0.16%	0.00%	-2.79%	19.39%	18.10%
3	Non-RGP & LTMD	4.82%	4.70%	4.95%	12.27%	10.29%
4	Public Water Works	7.76%	8.27%	9.74%	8.27%	9.50%
5	Agriculture - Unmetered	-0.26%	-0.53%	-0.64%	-0.43%	-0.64%
6	Agriculture - Metered	4.04%	1.87%	7.69%	0.66%	14.23%
7	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	3.71%	3.15%	3.78%	3.70%	7.61%
	High Tension					
1	Industrial HT	9.94%	9.79%	16.45%	26.22%	11.76%
2	Railway Traction	0.00%	0.00%	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	9.94%	9.79%	16.45%	26.22%	11.76%
	Total	6.37%	6.02%	9.03%	12.68%	9.52%

4.2.4. Consumer Profile

The Break-up of the category-wise number of consumers and the CAGR growth rates for different periods (5 years, 4 years, 3 years, 2 years and year on year) are as follows:

Table 42 : Category-wise No. of Consumers

Sr. No.	Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Low Tension						
1	RGP	25,58,658	26,30,978	26,93,137	27,50,115	27,89,510	28,42,088
2	GLP	23,964	24,554	24,881	33,944	34,563	35,055
3	Non-RGP & LTMD	3,03,531	3,17,951	3,37,387	3,44,647	3,55,463	3,67,276
4	Public Water Works	20,441	22,228	23,856	25,159	26,263	29,431
5	Agriculture - Unmetered	26,145	26,015	25,818	25,732	25,482	25,343
6	Agriculture - Metered	1,27,508	1,39,777	1,53,055	1,64,875	1,75,959	1,84,744
7	Electric Vehicle Charging	-	-	-	-	-	20
	Sub Total	30,60,247	31,61,503	32,58,134	33,44,472	34,07,240	34,83,957
	High Tension						
1	Industrial HT	2,067	2,222	2,292	2,391	2,562	2,854
2	Railway Traction	-	-	-	-	-	-
	Electric Vehicle Charging	-	-	-	-	-	1
	Sub Total	2,067	2,222	2,292	2,391	2,562	2,855
	Total	30,62,314	31,63,725	32,60,426	33,46,863	34,09,802	34,86,812

Table 43 : CAGR of no. of Consumers (considering FY 2022-23 as Base Year)

Sr. No.	Category	5 Year	4 Year	3 Year	2 Year	1 Year
	Low Tension					
1	RGP	2.12%	1.95%	1.81%	1.66%	1.88%
2	GLP	7.90%	9.31%	12.11%	1.62%	1.42%
3	Non-RGP & LTMD	3.89%	3.67%	2.87%	3.23%	3.32%
4	Public Water Works	7.56%	7.27%	7.25%	8.16%	12.06%
5	Agriculture - Unmetered	-0.62%	-0.65%	-0.62%	-0.76%	-0.55%
6	Agriculture - Metered	7.70%	7.22%	6.47%	5.85%	4.99%
7	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	2.63%	2.46%	2.26%	2.06%	2.25%
	High Tension					
1	Industrial HT	6.67%	6.46%	7.58%	9.25%	11.40%
2	Railway Traction	0.00%	0.00%	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	6.67%	6.47%	7.60%	9.27%	11.44%
	Total	2.63%	2.46%	2.26%	2.07%	2.26%

4.2.5. Connected Load Profile

The Break-up of the connected load profile and the CAGR growth rates for different periods (5 years, 4 years, 3 years, 2 years and year on year) thereof are as follows:

Table 44 : Category-wise Connected Load (MW/MVA)

Sr. No.	Category	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Low Tension						
1	RGP	2,573	2,733	2,878	3,018	3,154	3,324
2	GLP	93	100	105	109	86	121
3	Non-RGP & LTMD	1,379	1,480	1,576	1,667	1,763	1,868
4	Public Water Works	156	166	174	212	144	158
5	Agriculture - Unmetered	209	208	207	206	204	204
6	Agriculture - Metered	811	877	955	1,019	1,078	1,120
7	Electric Vehicle Charging	-	-	-	-	-	-
	Sub Total	5,221	5,564	5,895	6,231	6,429	6,795
	High Tension						
1	Industrial HT	1,400	1,533	1,643	1,796	1,805	1,930
2	Railway Traction	-	-	-	-	-	-
	Electric Vehicle Charging	-	-	-	-	-	-
	Sub Total	1,400	1,533	1,643	1,796	1,805	1,930
	Total	6,621	7,097	7,538	8,027	8,234	8,725

Table 45 : CAGR of Connected Load (considering FY 2022-23 as Base Year)

Sr. No.	Category	5 Year	4 Year	3 Year	2 Year	1 Year
	Low Tension					
1	RGP	6.61%	6.74%	7.47%	10.14%	5.39%
2	GLP	6.80%	6.56%	7.35%	11.01%	40.70%
3	Non-RGP & LTMD	7.88%	8.07%	8.87%	12.06%	5.96%
4	Public Water Works	0.32%	-1.63%	-4.71%	-25.47%	9.72%
5	Agriculture - Unmetered	-0.60%	-0.65%	-0.73%	-0.97%	0.00%
6	Agriculture - Metered	8.40%	8.49%	8.29%	9.91%	3.90%
7	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	6.81%	6.89%	7.36%	9.05%	5.69%
	High Tension					
1	Industrial HT	8.36%	7.98%	8.38%	7.46%	6.93%
2	Railway Traction	0.00%	0.00%	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	8.36%	7.98%	8.38%	7.46%	6.93%
	Total	7.14%	7.13%	7.59%	8.70%	5.96%

4.2.6. Growth Projections for FY 2024-25

This section discusses in detail the basis for taking the growth projections for various categories of consumers as enumerated above. DISCOM has worked out growth rates considering FY 2022-23 as base year to work out projections for FY 2024-25.

RGP- Residential

The company has witnessed a growth in the units sold in the last three years in this category. The 3 years CAGR growth rate between FY 2019-20 and FY 2022-23 is 2.28%. The company expects this trend to continue in FY 2024-25.

The number of consumers added in the category has witnessed a 3 years CAGR of 1.81% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

The connected load added in the category has witnessed a 3 years CAGR of 4.92% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

GLP-General Lighting Purpose

The 3 years CAGR for the purpose of projection on the units sold is estimated at (2.75) %. However, it is expected that GLP category will grow higher due to envisaged interventions for improvement of public services. Therefore, company expects a subjective growth rate of 5% for this category in FY 2024-25.

However, in case of consumer growth the number of consumers added in the category has witnessed a 3 years CAGR of 1.57% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

The connected load added in the category has also witnessed a 3 years CAGR of 4.71% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Non- RGP & LTMD

For the purpose of projection of units sold a 3 years CAGR between FY 2019-20 and FY 2022-23 has been considered which is 4.94%. The company expects this trend to continue in FY 2024-25.

The number of consumers added in the category has witnessed a 3 years CAGR of 2.87% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

The connected load added in the category has witnessed a 3 years CAGR of 5.84% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Public Water Works

For the purpose of projection of units sold a 3 years CAGR for the category is coming out to be 9.75% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Similarly, the growth rate for the number of consumers in the category has been considered to be 5% as the 3 years CAGR between FY 2019-20 and FY 2022-23 is 7.25% which is much higher than expected

The connected load added has also been considered to be growing at a subjective rate of 5% going forward.

Agriculture

It is submitted that MGVCL, based on Government & internal targets, is planning to release new connections under this category but only under the metered category. For the unmetered category the company has decided not to release any new connections therefore has assumed a growth rate of 0% to project the sales, no. of consumers and connected load during the control period.

In regard to the metered category the company has planned to add new connections under this category. The year wise addition of new metered connections during the control period in the serving area of the company has been presented in the table below:

Table 46 : MGVCL – New Connections to Agriculture Consumers

Sr. No.	Agriculture Metered	No. of Connections
1	FY 2023-24	7,000
2	FY 2024-25	9,100

In order to estimate the consumption of this category, MGVCL has gone with the same methodology as followed by the Hon’ble Commission in its previous tariff orders i.e. estimating the overall consumption assuming an average consumption, calculated based on the weighted average consumption of the metered category during the past years. MGVCL has calculated the weighted average consumption based on the data available for the last five years in order to achieve a more reasonable consumption estimate. This approach is same as adopted and approved by the Hon’ble Commission in Past Orders. Thus based on the figures arrived from above the total sales for FY 2024-25 has been calculated based on the average connected load per consumer for metered and unmetered categories combined in FY 2022-23 and the number of new connection to be added during each year.

Table 47 : MGVCL – Sales to agriculture consumers (metered)

Sr. No.	Agriculture Metered	No. of Connections	Average HP of Discom	HP Increase	MW Increase	Per HP Consumption	Additional Sale (MU)
1	FY 2023-24	7,000	8	57,924	43	626	36
2	FY 2024-25	9,100	8	75,301	56	626	47

The number of connections, unit sales and the load as estimated above have been added to the FY 2022-23 details to arrive at an estimate of the sales projections from this category for FY 2024-25.

Electric Vehicle Charging

It is humbly submitted to the EV Charging for MGVCL is estimated has been negligible. As the use of electric vehicle adoption is still to attain its maturity state within

consumers, growth estimations have therefore been done on a best available information related to EV adoption rates by different market reports.

Industrial HT

The category has observed a constant variation in sales in the last five years due to presence of open access, slowdown in the economy, etc. For the purpose of projection of units sold a 3 years CAGR between FY 2019-20 and FY 2022-23 which is 16.45% is envisaged to be higher than the normal course of growth rate. Hence a growth rate of 5% has been considered in FY 2024-25.

A 3 years CAGR of 7.58% is envisaged to be higher than the normal course of growth rate. Hence a growth rate of 5% has been considered in FY 2024-25.

The connected load added has also been considered to be growing at a subjective rate of 5% going forward.

Thus the following table summarises the growth rate assumptions and the resultant projected numbers of the sales, number of consumers and connected load within various tariff categories for control period FY 2024-25.

Table 48 : Growth Rate for Sales, No. of Consumers and Connected Load

Sr. No.	Category	Sales	Consumers	Connected Load
	Low Tension			
1	RGP	2.28%	1.81%	4.92%
2	GLP	5.00%	1.57%	4.71%
3	Non-RGP & LTMD	4.94%	2.87%	5.84%
4	Public Water Works	9.75%	5.00%	5.00%
5	Agriculture - Unmetered	0.00%	0.00%	0.00%
6	Agriculture - Metered	Based on no. of connection release		
7	Electric Vehicle Charging	Estimation based on available information		
	High Tension			
1	Industrial HT	5.00%	5.00%	5.00%
2	Railway Traction	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	Estimation based on available information		

The estimated Sales, No. of consumers and Connected load based on the above growth rates and as per the methodology used for agriculture metered category are projected in the table below:

Table 49 : Projection of Sales (MUs)

Sr. No.	Category	FY 2024-25
	Low Tension	
1	RGP	3,044
2	GLP	137
3	Non-RGP & LTMD	2,042
4	Public Water Works	500
5	Agriculture - Unmetered	465
6	Agriculture - Metered	1,006
7	Electric Vehicle Charging	0
	Sub Total	7,194
	High Tension	
1	Industrial HT	6,559
2	Railway Traction	-
3	Electric Vehicle Charging	-
	Sub Total	6,559
	Total	13,752

Table 50 : Projection of No. of Consumers

Sr. No.	Category	FY 2024-25
	Low Tension	
1	RGP	29,45,938
2	GLP	36,162
3	Non-RGP & LTMD	3,88,659
4	Public Water Works	32,448
5	Agriculture - Unmetered	25,343
6	Agriculture - Metered	2,00,844
7	Electric Vehicle Charging	41
	Sub Total	36,29,434
	High Tension	
1	Industrial HT	3,147
2	Railway Traction	-
3	Electric Vehicle Charging	2
	Sub Total	3,149
	Total	36,32,583

Table 51 : Projection of Connected Load (MW/MVA)

Sr. No.	Category	FY 2024-25
	Low Tension	
1	RGP	3,659
2	GLP	133
3	Non-RGP & LTMD	2,092
4	Public Water Works	174
5	Agriculture - Unmetered	204
6	Agriculture - Metered	1,219
7	Electric Vehicle Charging	2
	Sub Total	7,484
	High Tension	
1	Industrial HT	2,128
2	Railway Traction	-
3	Electric Vehicle Charging	1
	Sub Total	2,129
	Total	9,613

4.3. Distribution Losses

4.3.1. The company has constantly through its endeavours tried to reduce its losses in the past. These efforts shall continue and will be enhanced. Projection of distribution losses for FY 2024-25 are shown below:

Table 52 : Distribution Loss for FY 2024-25

Particulars	FY 2024-25 (Projected)
Distribution Loss	8.80%

4.3.2. MGVCL submits that it’s our endeavour to reduce distribution losses in the FY 2024-25 to 8.8% from its 9.00% projected losses of the FY 2023-24. MGVCL will put all efforts to bring down losses and continues efforts will be made to reach the level of projection made. Various loss reduction activities for system strengthening like High voltage distribution system, Conversion of O/H bare conductor line to Underground cable, providing LT AB Cable in theft prone area, Feeder bifurcation, Feeder reconfiguration, Removal of PDC line, DTC review, bringing the transformers to load centre, Faulty Meter replacement planned and will be implemented in true spirit. System strengthening work under RDSS planned and that will impact on loss reduction.

4.4. Energy Balance Energy Requirement Projection for MGVCL

4.4.1. To arrive at the total energy requirement, the total sales in MUs as projected above have been grossed up by factoring in transmission and distribution losses. It may be noted that intra-state transmission losses are assumed as per the projection by GETCO in its ARR Petition for FY 2024-25. The inter-state transmission losses viz. PGCIL pooled losses are assumed at same level as in FY 2022-23 for FY 2024-25. Further, the distribution losses are taken as per the projections above.

4.4.2. Discom has signed PPAs under Small-scale Distributed Solar Projects (SSDSP) and power generation will be available at Distribution level over and above power purchase from GUVNL. Based on the information provided above, Energy Balance of MGVCL for FY 2024-25 is as shown below:

Table 53 : Energy Balance for FY 2024-25

S.No.	Particulars	Unit	FY 2024-25 (Projected)
1	Energy Sales	MUs	13,752.49
2	Distribution Losses	MUs	1,326.99
		%	8.80%
3	Energy Requirement	MUs	15,079.49
4	Less: Local Power Purchase by Discom	MUs	220.83
5	Power Purchase required from GUVNL	MUs	14,858.66
6	Transmission Losses	MUs	593.45
		%	3.84%
7	Total Energy to be input to Transmission System	MUs	15,452.11
8	Pooled Losses in PGCIL System	MUs	303.49
9	Add: Local Power Purchase by Discom	MUs	220.83
10	Total Energy Requirement	MUs	15,976.42

4.4.3. The power purchase is assumed to be carried out in a consolidated manner and hence, energy requirement of all four distribution companies has been aggregated to arrive at consolidated energy requirement for all the four distribution companies is as shown below:

Table 54 : Consolidated Energy Requirement for FY 2024-25

Sr.No.	Details	MUs				
		DGVCL	MGVCL	PGVCL	UGVCL	Total
1	Local Power Purchase by Discom	130.88	220.83	1,009.58	600.03	1,961.33
2	Power Purchase from GUVNL	35,750	15,756	46,031	33,167	1,30,705
3	Total Power Purchase	35,881	15,977	47,041	33,767	1,32,666

4.5. Estimation of ARR for FY 2024-25

4.5.1. The components for the calculation of total expenses for determination of ARR for FY 2024-25 are as follow:

- Power Purchase Cost
- Operation & Maintenance Cost
- Interest on Loan and Financial Charges
- Interest on Working Capital
- Provision for Bad Debts
- Return on Equity
- Provision for Tax

4.6. Power Purchase Cost for FY 2024-25

4.6.1. Power Purchase from Local Sources

State Government has notified policy for development of small scale distributed solar

projects vide GR dated 6th March, 2019 referred to allowing any individuals, company or body corporate or association or body of individuals, cooperative society of individual / farmers or artificial juridical persons for setting up of solar plant of 0.5 MW to 4 MW capacity for sale of energy to the Discoms.

Discom has signed PPAs under Small-scale Distributed Solar Projects (SSDSP) and power generation will be available at Distribution level. Based on the quantum of PPA signed, expected CoD and CUF, power generation from SSDSP and cost of total power purchase from local sources is worked out as under:

Table 55 : Power Purchase from Local sources

Sr.No.	Details	Unit	DGVCL	MGVCL	PGVCL	UGVCL
1	MW Capacity tie up under SSDSP	MW	-	8.98	173.49	160.30
2	Likely CoD	mm/yy				
3	Expected CUF	%		20%	20%	20%
4	Expected Generation from SSDSP	MU	-	15.73	303.95	280.85
5	Power Purchase Rate	Rs./kWh	-	2.83	2.83	2.83
6	New SSDSP in 23-24 & 24-25	Rs. Crore	-	1.25	31.70	40.08
7	Existing Local Purchase	Rs. Crore	36.96	51.77	146.94	101.84
8	PM KUSUM -C Purchase	Rs. Crore	-	-	119.22	38.12
9	Power Purchase Cost	Rs. Crore	36.96	53.01	297.87	180.05

4.6.2. Power Purchase Sources of GUVNL

The various sources of power purchase by GUVNL on behalf of four Distribution Companies consists of (i) Generating Plants of GSECL (ii) Central Sector Power Plants- NTPC, NPC and SSNNL, (iii) Renewable sources of power – Solar, Wind, Other RE Sources (iv) IPP's and (v) Power tied up through competitive bidding etc. The power purchase sources have been differentiated into existing capacity and additional capacity envisaged during the control period.

i. Existing capacity with GUVNL

The existing contracted capacity tied up by GUVNL as on 31st March, 2023 is **31,402 MW**. Given below are the names of the existing power plants, their operational parameters, capacity allocated to GUVNL, their fixed cost along with the variable cost of generation per unit as per actual of FY 2022-23. Necessary adjustment has been made in fixed cost in case of higher/lower payment made during FY 2022-23 due to specific reasons.

Table 56 : Existing Capacity Allocation with GUVNL

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kWh)
	GSECL					
1	GSECL Gandhinagar - 5	210	9.50%	38.97%	64	3.70
2	GSECL Wanakbori - 7	210	9.50%	31.17%	56	3.83
3	GSECL Utran Expan	375	3.00%	54.11%	221	2.84
4	GSECL Dhuvaran - 7	107	4.00%	36.07%	64	2.64
5	GSECL Dhuvaran - 8	112	3.00%	34.12%	85	2.91
6	GSECL Ukai	610	9.00%	38.96%	305	3.62
7	GSECL Ukai Expan	500	6.00%	56.83%	463	3.18

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kW h)
8	GSECL Gandhinagar 3-4	420	9.50%	20.08%	213	4.02
9	GSECL Wanakbori 1-6	1,260	9.00%	22.14%	548	3.90
10	GSECL Sikka Expansion	500	9.00%	43.44%	559	3.23
11	GSECL Kutch Lignite	75	12.00%	45.18%	90	2.88
12	GSECL Kutch Lignite Exp unit 4	75	12.00%	46.13%	54	2.68
13	GSECL Ukai Hydro	305	0.60%	24.94%	33	-
14	GSECL Kadana Hydro	242	1.00%	15.21%	56	-
15	GSECL Dhuvaran CCPP III	376	3.00%	29.34%	97	2.91
16	GSECL BLTPS	500	11.00%	30.00%	222	2.98
17	GSECL Wanakbori - 8	800	5.25%	85.00%	838	3.23
	Sub Total	6,677				
	IPP's					
1	Gujarat State Energy Generation	156	2.90%	28.89%	50	3.00
2	Gujarat State Energy Generation Expansion	351	3.00%	42.37%	205	2.79
3	Gujarat Industries Power Co Ltd (165 MW)	0	0.00%	1.22%	-	3.54
4	Gujarat Industries Power Co Ltd (SLPP)	250	10.00%	59.96%	107	1.85
5	Gujarat Mineral Development Corp.	250	11.00%	14.95%	33	1.44
6	Gujarat Industries Power Co Ltd (145 MW)	28	2.90%	26.97%	4	2.21
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	250	10.00%	76.70%	225	1.43
8	GPPC Pipavav	702	3.00%	44.87%	319	2.79
	Sub Total	1,987				
	Central Sector					
1	NPC-Tarapur 1 & 2	160	9.00%	70.00%	-	3.42
2	NPC-Tarapur 3 & 4	274	9.00%	85.00%	-	3.42
3	NPC-Kakrapar	125	8.00%	85.00%	-	2.29
4	NTPC-Vindhyachal - I	247	9.00%	85.00%	154	1.71
5	NTPC-Vindhyachal - II	252	7.05%	85.00%	138	1.61
6	NTPC-Vindhyachal - III	279	6.25%	85.00%	179	1.61
7	NTPC-Korba	380	7.04%	85.00%	199	1.64
8	NTPC-Korba -III	130	6.25%	85.00%	103	1.57
9	NTPC-Kawas	187	2.75%	1.00%	119	13.65
10	NTPC-Jhanor	237	2.75%	1.00%	180	12.33
11	NTPC-Sipat-I	577	6.25%	85.00%	508	2.09
12	NTPC-Sipat - II	286	6.25%	85.00%	197	2.36
13	NTPC-Kahlagaon I	141	9.00%	85.00%	100	3.62
14	NTPC-Vindhyachal - IV	258	6.25%	85.00%	311	1.59
15	NTPC-Mauda	470	6.25%	85.00%	599	4.22
16	NTPC-Vindhyachal - V	103	7.25%	85.00%	123	1.61
17	NTPC-Mauda II	531	6.25%	85.00%	589	4.29
18	NTPC-Solapur	24	6.25%	85.00%	29	4.93
19	NTPC-Gadarwara	333	6.25%	85.00%	484	4.27
20	NTPC-LARA	186	6.25%	85.00%	218	2.62
21	NTPC-Khargone	270	6.25%	85.00%	393	4.94

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kW h)
22	NTPC-Farakka - 3	60	6.25%	85.00%	62	3.70
23	NTPC-Kahalgaon II	146	6.25%	85.00%	94	3.67
24	NTPC-Farakka - 1 & 2	255	6.78%	85.00%	161	3.82
25	NTPC-Talcher	24	7.05%	85.00%	16	1.90
26	NTPC-Darlipalli	14	6.25%	85.00%	16	1.18
27	NTPC-Unchahar - 1	63	9.00%	85.00%	45	4.46
28	NTPC-Tanda - 2	44	5.75%	85.00%	45	3.85
29	NTPC-Barah - 1	164	6.25%	85.00%	507	3.17
30	NTPC-Dadri - 1	577	8.50%	85.00%	383	4.92
31	Sardar Sarovar Narmada Nigam Ltd	232	0.70%	37.27%	-	2.05
32	Nabinagar Power Generating Co Ltd	50	6.25%	85.00%	77	2.68
33	NPCIL - KAPS 3	238	8.00%	85.00%	-	4.40
34	NPCIL - KAPS 4	238	8.00%	85.00%	-	4.40
	Sub Total	7,556				
	Others					
1	Captive Power	6	0.00%	1.43%	-	2.22
	Renewable					
1	Wind Farms	4,280	0.00%	20.99%	-	3.52
2	Solar	3,981	0.00%	22.50%	-	3.20
3	Small/Mini Hydal	22	0.00%	53.36%	-	3.97
4	Biomass	30	0.00%	0.00%	-	-
5	Waste to Energy	8	0.00%	96.10%	-	6.31
6	HPO	-	0.00%	0.00%	-	-
	Competitive Bidding					
1	Essar Power Gujarat Ltd	1,122	0.00%	80.00%	525	4.31
2	Adani Power Ltd Bid 1	1,200	0.00%	80.00%	661	4.45
3	Adani Power Ltd Bid 2	1,234	0.00%	80.00%	725	4.20
4	ACB India Ltd	200	0.00%	80.00%	109	0.70
5	Coastal Gujarat Power Co Ltd	1,805	0.00%	80.00%	1,145	4.04
6	DB Power	293	0.00%	90.00%	647	1.54
	Sub Total	15,182				
	Total	31,402				

ii. **Capacity Addition**

The capacity addition envisaged during FY 2024-25 is around 769 MW. The operational parameters, annual fixed cost and variable cost per unit for these plants is given below. The Annual Fixed Cost and the availability from the envisaged capacity during FY 2024-25 have been considered for full year as capacity will be available for 12 months of FY 2024-25 for NPCIL – KAPS 3 and DB Power. The Annual Fixed Cost and the availability from NPCIL – KAPS 4 during FY 2024-25 has been considered for 9 months.

Table 57 : Additional Capacity envisaged for FY 2022-23

Sr.No.	Name of the Station	Capacity allocated to	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost
1	NPCIL - KAPS 4	238.00	8.00%	85.00%	-	4.40
2	NPCIL - KAPS 3	238.00	8.00%	85.00%	-	4.40
3	DB Power	293.00	0.00%	90.00%	646.80	1.54

iii. Renewable Purchase Obligation

In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its First and Second Amendments in 2014, 2018 and 2022 respectively, the Discoms are obligated to procure electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year. The percentage of procurement is defined from FY 2017-18 to FY 2024-25. For FY 2024-25, RPO was 11.25% from solar, 8.55% from wind, 0.10% from Hydro and 0.80% from other sources like Biomass, Bagasse, MSW, Small/ mini Hydel etc.

While the Hon’ble Commission has defined the RPO targets for FY 2017-18 to FY 2024-25 through the Third Amendment to the RPO Regulations, GUVNL/Discoms proposes to purchase renewable power up to the tied up RE capacity only for each of the respective years as per the PPA price. Hence, GUVNL/ Discom has considered RE purchase based on actual tied up capacity only.

Purchase from RE sources for FY 2024-25 based on actual tied up capacity has been detailed as follows.

Table 58 : Additional RE Capacity envisaged for FY 2024-25

Particular	Solar	Wind	Others	HPO	Total
Additional Power Purchase (MW)	5,555	560	60	101	6,276
Additional Power Purchase (MU)	9,366	549	340	260	10,516
Power Purchase Cost (Rs./kwh)	2.37	2.90	6.31	5.00	2.59
Power Purchase Cost (Rs. Crore)	2,215	159	214	130	2,719

Based on the purchase from various RE sources for FY 2024-25, status of meeting Renewable Purchase Obligation is as under:

Table 59 : Procurement from RE for meeting projected RPO

Particulars	FY 2024-25				
	Solar	Wind	Others	HPO	Total
Total Power Purchase (MU)	130705				
RPO Target (%)	11.25%	8.55%	0.80%	0.10%	20.70%
RE Purchase Target (MU)	14,704	11,175	1,046	131	27,056
RE Purchase					
RE Purchase Existing Capacity (MU)	7,848	7,869	164	-	15,881
New Capacity - Power Purchase (MU)	9,366	549	340	260	10,516
RE Purchase under SSDSP (MU)	1,961	-	-	-	1,961
RE Purchase from Exchange	-	-	-	-	-
RE Purchase (MU)	19,175	8,418	504	260	28,358

Balance of RPO will be met through wheeling by consumers for captive/ third party consumption who are not claiming RE attributes and consumption of rooftop consumers as per the Regulation/ Order of the Hon’ble Commission.

4.6.3. Methodology for Forecasting Power Purchase Cost of GUVNL

In order to optimise the power purchase cost, comprehensive Merit Order Dispatch (MOD) has been worked out to determine the dispatch required from tied up generating capacities. The dispatch from individual generating stations is worked out based on the merit order of the variable cost of each generating unit as follows:

- The NPC power plants, renewable and hydro plants have been considered as must run power plants.
- During merit order despatch, at least 7% availability of each plant has been considered to take care of the peak loads and peak season requirements.
- Availability of Thermal Stations has been considered at 85% / 80% as defined in regulations (CERC/GERC) and performance in previous years.
- The Fixed & Variable Cost for existing GSECL, IPP, renewable and central sector plants is taken as per actuals of FY 2022-23 for arriving at base power purchase cost.
- For Private IPPs, fixed & variable cost is considered based on likely cost as per PPAs.

4.6.4. Power Purchase and Costs of GUVNL

The plant-wise dispatchable energy and costs of purchase by GUVNL from various plants of GSECL, Central Generating Stations, IPPs and other sources consists of fixed and variable cost. The dispatched MUs based on merit order stacking consists of power for supplying to the Discoms as well as for the purpose of trading (elaborated in subsequent sub-sections).

Table 60 : Power Purchase Cost for the FY 2024-25

Sr No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Rs./kwh)	Variable Cost (Rs. Cr.)	Total Cost (Rs. Cr.)
	GSECL						
1	GSECL Gandhinagar - 5	1,165	1,165	141	4.25	495	636
2	GSECL Wanakbori - 7	1,165	647	76	4.43	286	363
3	GSECL Utran Expan	32	32	204	10.37	33	237
4	GSECL Dhuvaran - 7	9	9	71	9.02	8	79
5	GSECL Dhuvaran - 8	10	10	91	6.46	6	97
6	GSECL Ukai	2,431	2,431	327	4.31	1,048	1,375
7	GSECL Ukai Expan	2,676	2,676	319	3.81	1,019	1,338
8	GSECL Gandhinagar 3-4	1,841	1,841	276	4.35	802	1,078
9	GSECL Wanakbori 1-6	4,821	703	529	4.49	316	845
10	GSECL Sikka Expansion	878	279	601	8.60	240	840
11	GSECL Kutch Lignite	434	434	143	3.95	171	314
12	GSECL Kutch Lignite Exp unit 4	116	116	47	3.67	42	90
13	GSECL Ukai Hydro	978	978	33	-	-	33
14	GSECL Kadana Hydro	349	349	64	-	-	64
15	GSECL Dhuvaran CCPP III	32	32	219	11.18	36	254
16	GSECL BLTPS	1,171	1,171	493	3.53	413	906
17	GSECL Wanakbori - 8	4,316	4,316	843	3.84	1,659	2,502
	Sub Total	22,424	17,189	4,476		6,575	11,050
	IPP's						
1	Gujarat State Energy Generation	13	13	9	13.68	18	27
2	Gujarat State Energy Generation Expansion	30	30	129	12.34	37	166
3	Gujarat Industries Power Co Ltd (165 MW)	-	-	-	12.54	-	-
4	Gujarat Industries Power Co Ltd (SLPP)	1,281	1,281	131	2.99	383	514

Sr No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Rs./kwh)	Variable Cost (Rs. Cr.)	Total Cost (Rs. Cr.)
5	Gujarat Mineral Development Corp.	585	585	44	2.16	126	170
6	Gujarat Industries Power Co Ltd (145 MW)	2	2	-	-	-	-
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	1,478	1,478	207	2.87	425	631
8	GPPC Pipavav	60	60	285	11.87	71	356
9	Adani Power Ltd Bid 1	8,410	736	661	4.45	327	988
10	Adani Power Ltd Bid 2	8,648	8,648	725	4.20	3,632	4,357
11	Essar Power Gujarat Ltd	7,863	7,863	525	4.31	3,389	3,914
12	ACB India Ltd	1,402	1,402	109	0.70	98	207
13	Coastal Gujarat Power Co Ltd	12,649	12,649	1,145	4.04	5,110	6,255
14	Power Exchange	6,500	6,500	-	6.01	3,907	3,907
15	Short term power purchase	1,500	1,500	-	7.21	1,082	1,082
16	DB Power	2,310	2,310	647	1.54	356	1,003
	Sub Total	52,731	45,057	4,617		18,960	23,577
	Central Sector						
1	NPC-Tarapur 1 & 2	893	893	-	3.42	305	305
2	NPC-Tarapur 3 & 4	1,857	1,857	-	3.42	635	635
3	NPC-Kakrapar	856	856	-	2.29	196	196
4	NTPC-Vindhyachal - I	1,676	1,676	154	1.71	287	440
5	NTPC-Vindhyachal - II	1,746	1,746	138	1.61	281	419
6	NTPC-Vindhyachal - III	1,950	1,950	179	1.61	314	492
7	NTPC-Korba	2,630	2,630	199	1.64	432	631
8	NTPC-Korba -III	909	909	103	1.57	143	246
9	NTPC-Kawas	16	16	119	13.65	22	141
10	NTPC-Jhanor	20	20	180	12.33	25	204
11	NTPC-Sipat-I	4,024	4,024	508	2.09	843	1,351
12	NTPC-Sipat - II	1,994	1,994	197	2.36	471	668
13	NTPC-Kahlagaon I	956	956	100	3.62	346	446
14	NTPC-Vindhyachal - IV	1,803	1,803	311	1.59	287	597
15	NTPC-Mauda	3,283	3,283	559	4.22	1,386	1,944
16	NTPC-Vindhyachal - V	709	709	123	1.61	114	237
17	NTPC-Mauda II	3,703	3,703	589	4.29	1,589	2,177
18	NTPC-Solapur	170	14	29	4.93	7	36
19	NTPC-Gadarwara	2,328	2,328	484	4.27	994	1,478
20	NTPC-LARA	1,300	1,300	218	2.62	341	558
21	NTPC-Khargone	1,884	155	393	4.94	77	469
22	NTPC-Farakka - 3	417	417	62	3.70	154	217
23	NTPC-Kahalgaon II	1,019	1,019	94	3.67	374	468
24	NTPC-Farakka - 1 & 2	1,770	1,770	161	3.82	676	837
25	NTPC-Talcher	166	166	16	1.90	32	47
26	NTPC-Darlipalli	98	98	16	1.18	12	28
27	NTPC-Unchahar - 1	427	35	45	4.46	16	60
28	NTPC-Tanda - 2	309	309	45	3.85	119	164
29	NTPC-Barah - 1	1,144	1,144	507	3.17	363	870
30	NTPC-Dadri - 1	3,931	324	383	4.92	159	542
31	Sardar Sarovar Narmada Nigam Ltd	752	752	-	2.05	154	154
32	Nabinagar Power Generating Co Ltd	352	352	77	2.68	94	171
33	NPCIL - KAPS 4	1,223	1,223	-	4.40	538	538
34	NPCIL - KAPS 3	1,630	1,630	-	4.40	717	717
	Sub Total	47,945	42,061	5,986		12,500	18,486
	Others						
1	Captive Power	1	1	-	2.22	0	0
	Renewable						
1	Wind Farms	7,869	7,869	-	3.52	2,772	2,772

Sr No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Cr.)	Variable Cost (Rs./kwh)	Variable Cost (Rs. Cr.)	Total Cost (Rs. Cr.)
2	Solar	7,848	7,848	-	3.20	2,511	2,511
3	Small/Mini Hydal	101	101	-	3.97	40	40
4	Biomass	-	-	-	-	-	-
5	Waste to Energy	63	63	-	6.31	40	40
6	HPO	-	-	-	-	-	-
7	Solar (New)	9,366	9,366	-	2.37	2,215	2,215
8	Wind (New)	549	549	-	2.90	159	159
9	Others (New)	340	340	-	6.31	214	214
10	HPO (New)	260	260	-	5.00	130	130
11	Solar (Exchange)	-	-	-	-	-	-
12	Wind (Exchange)	-	-	-	5.70	-	-
13	Others (Exchange)	-	-	-	-	-	-
14	HPO (Exchange)	-	-	-	-	-	-
	Sub Total	26,397	26,397	-		8,082	8,082
	TOTAL	1,49,497	1,30,705	15,078		46,118	61,196

The total power purchase cost for the company for FY 2024-25 also consists of Transmission Charges, GUVNL charges and SLDC Fees & charges in addition to the above mentioned fixed and variable charges. The details of the same are highlighted in the following paragraphs.

A. Transmission Charges

- The transmission charges of GETCO have been considered as per the Draft Tariff Petition of GETCO for FY 2024-25.
- PGCIL charges for FY 2024-25 are considered based on actual payment made in latest month of FY 2023-24.
- SLDC Fees & Charges also have been considered as per the Draft Tariff Petition of SLDC for FY 2024-25.

Based on the transmission costs of PGCIL, GETCO & SLDC, the total transmission costs to be included in the overall power purchase costs has been shown as below:

Table 61 : Transmission Charges from FY 2024-25

Sr.No.	Particulars	FY 2024-25
1	PGCIL Charges (Rs. Crore)	3,276
2	Annual Transmission charges of GETCO (Rs.	5,830
3	SLDC Charges (Rs. Crore)	48

B. GUVNL Cost

GUVNL is entrusted with the function of Bulk Power Purchase on behalf of four Distribution Companies and Bulk Supply to Distribution Companies for onwards retail supply to consumers, trading of surplus power on behalf of Distribution Companies and activities related to overall coordination between its subsidiary companies. GUVNL is procuring power on behalf of all Discoms to have an economical and optimised power purchase cost. It also undertakes the function of raising and managing the overall loan portfolio of GUVNL and its subsidiaries. GUVNL is charging Rs. 0.04 for every unit transacted. The total cost has been arrived upon after considering the total dispatchable units required to be served to all the four Discoms during FY 2024-25.

Table 62 : GUVNL Cost from FY 2024-25

Sr.No.	Particulars	FY 2024-25
1	GUVNL Cost at 4.00 Paisa per Unit (Rs.Crore)	523

4.6.5. Summary of total Power Purchase Cost of GUVNL

Fixed Cost

The table below shows the total fixed cost FY 2024-25:

Table 63 : Fixed Cost for DISCOM for FY 2024-25

					Rs. Crore	
Fixed cost	GETCO Cost	PGCIL Charges	SLDC Charges	Total Fixed Cost	Discom Fixed Cost	
15,078	5,830	3,276	48	24,231	24,231	

Variable Cost

The table below shows the total variable cost for FY 2024-25:

Table 64 : Variable Cost of Discoms for FY 2024-25

Variable cost (Rs. Crore)	GUVNL Cost (Rs. Crore)	Total Variable Cost (Rs. Crore)	Dispatched (MU)	Variable Cost (Rs./kWh)	DISCOM (MU)	Variable Cost (Rs. Crore)
46,118	523	46,641	1,30,705	3.57	1,30,705	46,641

4.6.6. The Net Power Purchase cost of GUVNL

The net power purchase cost is shown below:

Table 65 : GUVNL Net Power Purchase Cost for FY 2024-25

			Rs. Crore	
Discom Fixed cost	Discom Variable Cost	Total Power Purchase Cost		
24,231	46,641	70,872		

4.6.7. Bulk Supply Tariff (BST)

The objective of the differentiation of the BST between Discoms is due to the fact that the revenues from tariff for each Discom are different due to different consumer mix and therefore, it is necessary to build a mechanism in the projections to bring them to a level playing field. The basic objective of Bulk Supply Tariff is that:

- GUVNL shall purchase power from various sources in bulk and supply power in DISCOMs for onward retail supply.
- To ensure uniform retail consumer tariffs in the four DISCOMs.
- Since each of the DISCOM was incorporated on the basis of earlier zonal system, the consumer mix and consumption mix is different for each DISCOM. Consequently, the revenue earning capability of each DISCOM is different.
- It is necessary to build a mechanism to bring them to a level playing field in their paying capacity for power purchase and it is proposed to be achieved by different Bulk Supply Tariff (BST) to each of the DISCOMs.

By undertaking the BST method, it would be possible to ensure uniform retail consumer tariffs in the four DISCOMs.

It is submitted that when the erstwhile GEB was unbundled into seven entities, it was decided by the State Government that GUVNL shall purchase the entire power requirement from GSECL, Central Generating Companies, Traders, MPPs, IPPs and any other source available to meet the demand of the DISCOMs and shall perform the activity of bulk supplier of power to all the four Distribution Companies at Bulk supply Tariff. In accordance with this arrangement related to power procurement, the Distribution Licensee has entered into bulk supply arrangement / agreement with GUVNL to meet its supply obligations.

The State Government has envisaged uniform retail supply tariff in the four Discoms (of the unbundled GEB), so that the consumers belonging to the similar categories within the State could have a similar tariff and there may not be any discrimination between the consumers which is also the objective of the Electricity Act 2003.

It is submitted that since more than 80% of the total cost incurred by DISCOM is towards Power Purchase, the same plays a major role in determining the Annual Revenue Requirement as well as Revenue (Gap) / Surplus for the DISCOM for a particular year. Since, the consumer profile and consumption profiles are different in the four Distribution Companies, the revenue earning capabilities of each of the DISCOM differs resulting in different Annual Revenue Requirement. Therefore, it is necessary to build a mechanism in the projections to bring them to a level playing field. This is proposed to be achieved by differential Bulk Supply tariff (BST) to each of the DISCOMs which was already adopted by the Hon'ble Commission in the previous Tariff Orders. In this way, it would be possible to ensure uniform retail consumer tariffs in the four DISCOMs.

4.6.8. Allocation of Power Purchase Cost under BST mechanism

The Net Power Purchase cost worked out in the above section has been allocated for FY 2024-25 based on the methodology adopted by the Hon'ble Commission in the MYT Order dated 31st March, 2017. As per this methodology, the amount available to Discom for power purchase is computed by deducting other expenses (other than power purchase expenses) from total revenue of Discom i.e. revenue from sale of power to consumers, Non-Tariff income, Agricultural subsidy and FPPPA.

Table 66 : Allocation of Power Purchase Cost

Rs. Crore					
Sr.No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
1	Sales (MUs)	31,791	13,752	37,112	29,585
2	Revenue from Existing Tariff	15,693	6,408	15,536	10,664
3	Revenue from FPPPA @ Rs. 2.84/unit	9,029	3,906	10,540	8,402
4	Other Income (Consumer Related)	189	98	279	192
5	Agricultural Subsidy	51	72	436	541
6	Total	24,963	10,484	26,791	19,799
7	Expense other than Power Purchase	4,074	2,047	5,519	2,674
8	Local Power Purchase by Discom	37	53	298	180
9	Amount Available with Discom for Power purchase from GUVNL	20,852	8,384	20,975	16,945

Table 67 : Total Revenue (Gap) / Surplus

Sr.No.	Particulars	Rs. Crore
		FY 2024-25
1	Power Purchase Cost of GUVNL	70,872
2	Aggregate Amount available for power purchase from GUVNL	67,155
3	Revenue (Gap) / Surplus	(3,717)

Table 68 : Bulk Supply Tariff for FY 2024-25

Sr.No.	Details	2024-25			
		DGVCL	MGVCL	PGVCL	UGVCL
1	Revenue (Gap) / Surplus (Rs. Crore)	(3717)			
2	Ratio of allocation of Revenue (Gap) / Surplus	27%	12%	35%	25%
3	Revenue (Gap)/ Surplus allocation (Rs. Crore)	(1,017)	(448)	(1,309)	(943)
4	Amount Available with Discom for Power purchase from GUVNL (Rs. Crore)	20,852	8,384	20,975	16,945
5	Power purchase cost of GUVNL (Rs. Crore)	21,868	8,832	22,283	17,888
6	Local Power purchase by Discoms (Rs. Crore)	37	53	298	180
7	Power purchase cost of Discoms (Rs. Crore)	21,905	8,885	22,581	18,068
8	Energy Purchase in DISCOM (MU)	35,881	15,977	47,041	33,767
9	Bulk Supply Tariff (Rs./kWh)	6.10	5.56	4.80	5.35

4.7. Capital Expenditure for FY 2024-25

The comparison of the scheme-wise projected capital expenditure for the FY 2024-25 is as shown below:

Table 69 : Capital Expenditure Plan for FY 2024-25

		Rs. in Crores
	Particulars	FY 2024-25 (Projected)
A	Distribution Schemes	
	Normal Development Scheme	95.00
	Distribution Infra & Shifting Schemes(DISS)	20.00
	Electrification of hutments	4.00
	Kutir Jyoti Scheme	2.00
	Others Harijan Basti – Petapara	0.30
	System Improvement	21.00
	Vanbandhu Kalyan Yojana	207.05
	Total	349.35
B	Rural Electrification Schemes	
	TASP(Wells & Petapara)	49.60
	Special Component plan	1.35
	RE Wells(OA +SPA)	64.90
	Dark Zone	8.80
	Total	124.65
C	Central Government Scheme - Plan	
	RDSS	1,200.00
	Total	1,200.00
D	Renewable Energy Based Projects	
	AG. Wells Feeder Bifurcation	0.50
	Total	0.50
E	Other New Schemes	
	Sagar Khedu	1.50
	Energy Conservation(HVDS)	3.50
	Sardar Krushi Jyoti Yojna	6.98
	Misc Civil + Electrical Works	360.00
	IT BUDGET	13.00
	Total	384.98
F	Capital Expenditure Total	2,059.48

4.7.1. The details of major scheme for the projected capital expenditure for FY 2024-25 are as follows:

Normal Development Scheme:

Under the head Normal Development Scheme, generally expenses incurred to meet the Supply Obligation. As during the year, major shifting of electrical lines work will be taken up for the project like NHRCL etc. Also now as per Gamtal circular NRGp/LTMD connection situated outside Gamtal and if demand is in Agriculture land then full cost is required to recover from the applicant.

Distribution Infrastructure Shifting Scheme:

It is to mention here fund is booked under the scheme, as proposal from Municipal Corporation, Nagar Palikas essential as per the stipulation of the scheme. During the year on base of proposal received from NP, MNP and GP fund was booked.

Sagarkhedu:

In coastal area since the lines are overhead and open to the atmosphere, the salinity the wind pressures and the variations in atmospheric temperature etc affects the conductor

life. This causes deterioration and corrosion of the conductor. According to DPR fund has been booked 100% grant availed from GOG. Fund utilized is 1.50 Crore.

HVDS:

HVDS is a High Voltage Distribution System of installing smaller size of Distribution Transformers and thereby reducing LT Lines up to negligible level by converting it into HT Line. To improve Voltage profile in rural area the small capacity of Distribution Transformers are to be installed by extending 11 KV Line as possible as nearer to the load and Distribution Transformer of the capacity of 10, 16, 25, 63 KVA are erected and supply is released to consumer through a short length of LT Lines to provide quality power supply. Out of 4.50 Crore GOG grant, Rs. 0.50 Crore to be utilized for energy conversation and 4.00 Crore to be utilized under HVDS. Hence, total Rs. 4.50 Crore of capital expenditure is projected.

SKJY (Sardar Krushi Jyoti Yojana):

Fund booked as per DPR, in which 80% is GOG grant while 20% is DISCOM fund. To replace the conductors having completed useful life of 35 years & more with associated materials. The aim of these schemes is to provide reliable and quality power supply to consumers.

TASP (Wells & Petapara)

This is Government of Gujarat granted scheme in Tribal Area & Petaparas covered under MGVCL for electrification of Agriculture wells. It is also to state that Target in CAPEX is projected on average cost of Line, however actual CAPEX is booked based on actual line work done which may increase/decrease depending upon the Geographical area, ROW Constraints for line erection work and material Cost. Accordingly, expenditure under this scheme is projected Rs. 49.60 Crore for FY 2024-25.

SI Scheme:

The prime objectives of our company's operations are, to reduce Distribution and Commercial losses, to enhance revenue collection efficiency, to improve quality of power supply and to attain utmost consumer satisfaction. Keeping the above core values at the centre, competent authority has approved the fund under the SI scheme to incur capital expenditure for various system improvement and innovative Projects such as Feeder Bifurcation work having higher ampere loading and %HT VR beyond limit, Link line from new 66KV S/s, providing Aerial Bunched Conductors, High voltage Distribution System (HVDS), AG-JGY crossing at theft prone area etc.

Vanbandhu Kalyan Yojana (VKY):

Under Vanbandhu Kalyan Yojana electrification program of wells and peta paras in tribal areas under tribal area, is being carried out. In addition, under Vanbandhu Kalyan Yojana – 02 announced by State Government, the existing scheme is to be expanded to provide better quality of power in tribal areas. The work includes (a) Laying/Replacement of Conductors by Medium voltage cover conductor (b) Replacement of old deteriorated conductors and fabrications (a) Laying of Aerial Bunch Cables (ABC) in place of bare conductors (d) Operation of High Voltage Distribution System (HVDS) (e) Operation of feeder bifurcation (f) Transmission network and sub-station improvement works. Hence, total Rs. 207.05 Crore of capital expenditure is projected.

Misc. Civil + Electrical works:

MGVCL has planned renovation of its offices with better facilities for customers and working staff. There are very old quarters in Vidyut Nagar Colony, Vadodara which are in dilapidated state and as per Structure Stability Report they are risky to live. To address the issue of safety of structures it has planned to demolish the old quarters and to build new multi-story quarters in Vidyut Nagar colony. Hence, total Rs.360.00 Crore of capital expenditure is projected.

REVAMPED DISTRIBUTION SECTOR SCHEME (RDSS):

The Government of India's has approved Reforms-based and Results-linked, Revamped Distribution Sector Scheme [RDSS] which seeks to improve the operational efficiency and financial sustainability of DISCOMs/Power Departments by providing conditional financial assistance to DISCOMs for strengthening of supply infrastructure.

The objectives of the scheme are:

- Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
- Reduce the AT&C losses to pan-India levels of 12-15% by 2024-25.
- Reduce ACS-ARR gap to zero by 2024-25.

The Scheme is Structured into following Parts:

Parts-A:

- Component I: Metering
- Component II: Distribution Infrastructure Works
- Component III: Project Management

Parts-B:

- Training, Capacity Building and Other Enabling & Support Activities.

For fund release pre-qualifying criteria must be mandatorily met by the DISCOM and DISCOM needs to score a minimum of 60 marks in the Evaluation Matrix. The Results Evaluation Framework has two components. (i) Pre-qualifying Criteria; (ii) Result Evaluation Matrix.

The Scheme was sanctioned by Ministry of Power (MoP) in March 2022. MoP appointed Power Finance Corporation (PFC) as a nodal agency for financial assistance in this project.

In the case of MGVCL, the implementation of this scheme has been planned in the following Phases.

Phase - 1 : (YR 23-24)

- System Feeder Monitoring System-1977 S/S
- DT Meter - 56129 Nos.
- Smart Prepaid Meter – 2,10,360 (1-Ph Meters - 176205 Nos., 3-Ph Meters – 34155 Nos.)
- SCADA System - 18 Towns
- Bifurcation of load with New DTR 11KV/22KV -2760 Nos.
- Augmentation of DTR for right sizing of DTRS-1575 Nos.

- Replacement of old & frayed bare conductor of HT Line with new Bare Conductor - 949 km
- Bifurcation of 11/22 KV feeders- 157 Km
- Conversion of Open HT/LT to AB Cable -4299 Km

Phase - 2 (YR 24-25)

- Smart Prepaid Meter – 19,45,006 Nos.
- SCADA System - 26 Towns
- Bifurcation of load with New DTR 11KV/22KV -5134 Nos.
- Augmentation of DTR for right sizing of DTRS-2926 Nos.
- Replacement of old & frayed bare conductor of HT Line with new Bare Conductor - 201 km
- Bifurcation of 11/22 KV feeders- 293 Km
- Conversion of O/H network Five AMRUT towns to U/G network.

The DPR for the project has been approved by the nodal agency and the proposed funding as per the following table:

Table 70: RDSS Funding

Rs Crore				
Sr.No	Particulars	Approved project cost	GOI Grant sanctioned	Additional incentive (GOI Grant)
1	RDSS Smart Metering Works	2109.09	316.36	68.38
2	RDSS PMA Grant For Smart Metering Works	7.91	4.75	N A
A	TOTAL	2117	321.11	68.38
1	RDSS Loss Reduction Works	1636.56	981.94	NA
2	RDSS PMA Grant For Loss Reduction Works	24.55	14.73	NA
B	TOTAL	1661.11	996.67	NA
C	Grand Total (A+B)	3778.11	1317.78	68.38

4.8. Funding of Capitalisation

4.8.1. For Distribution business, schemes are of shorter duration and hence capitalization is considered same as above-mentioned Capital Expenditure. Funding of capitalisation is envisaged through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The remaining capital expenditure after deducting consumer contribution and grants is proposed to be funded through debt and equity in the ratio of 70:30. The detailed breakup of approved and projected funding of capitalisation for FY 2024-25 is mentioned below

Table 71 : Funding Plan of Capital Expenditure

Rs. in Crores		
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Capitalisation	2,059.48
2	Less : Consumer Contribution	290.00
3	Less: Grants	945.33
4	Balance Capitalization	824.15
5	Debt @ 70%	576.91
6	Equity @ 30%	247.25

4.9. Operation & Maintenance Expenses

- 4.9.1. The O&M expenses consist of Employee cost, Administration & General Expenses, Repair and Maintenance expenses, RDSS Metering Opex, Other Debits, Extraordinary Items, and Net Prior Period Income/Expenses.
- 4.9.2. Under normal circumstances, the Commission would have revised the O&M norms based on analysis of actual O&M expenses of FY 2022-23, while framing the GERC MYT Regulations for the next Control Period and allowed escalation rate of 5.72% for future years including FY 2024-25.
- 4.9.3. In last Tariff Order, the Hon'ble Commission has given effect to the above-mentioned principle and calculated O&M expenses for FY 2023-24 based on actual O&M Expenses in the previous years, by adopting the same principles as adopted in the previous MYT Order. Adopting the similar principle, O&M expenses for FY 2024-25 would have been approved by allowing escalation rate of 5.72% on approved O&M expenses of FY 2023-24.
- 4.9.4. Considering the same, the O&M expenses for FY 2024-25 have been computed by applying escalation rate of 5.72% (as approved by the Hon'ble Commission in the GERC MYT Regulations, 2016) on the O&M expenses of FY 2023-23 as approved in Tariff Order dated 31th March, 2023.
- 4.9.5. **RDSS Metering Opex:** Ministry of Power, New Delhi, have announced Revamped Distribution Sector Scheme (RDSS) vide Office Memorandum dated 20.07.2021 with financial outlay of Rs. 3,03,758 crore and an estimated gross budgetary support (GBS) of Rs. 97,631 crore from Central Government. The Scheme formulated with the aim of large-scale reforms in Distribution Sector that would enable the DISCOMs to reduce losses to make them financially sustainable and operationally efficient in a time bound manner by providing financial assistance to DISCOMs for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.
- 4.9.6. The Scheme has two parts. Part-A includes Component I: Metering (Consumer Metering & Feeder and DTR Metering), Component II: Distribution Infrastructure Works (Infrastructure works for loss reduction & Infrastructure works for Modernization & network strengthening) & Component III: Project Management. Part-B includes Training, Capacity Building and other Enabling & Supporting Activities.
- 4.9.7. Metering Component includes installation of prepaid smart meters for all consumers

along with associated AMI, communicable meters for DTs & Feeders, ICT including Artificial Intelligence (AI), Machine Learning (ML), etc. based solutions for power Sector and a unified billing and collection system. Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. DISCOMs have to pay monthly charges as per unit rate for 1-Ph and 3-Ph meters to the agency. Smart Meter Tender for Gujarat DISCOMs have been awarded and discovered price of smart meters is shown below.

Table 72: Discovered O&M costs per meter for MGVCL

Smart Metering		O&M Cost (Rs. per meter)
Sl. No.	Smart Meter Type	
1	1-Ph Meters	71.65
2	3-Ph Meters	95.9
3	LT CT Meters	179.59
4	LT DT Meters	210.03
5	HT CT	303.96

4.9.8. Based on the smart meter release target, additional operational cost under RDSS Metering Opex for FY 2024-25 will be as shown below:

Table 73: RDSS Metering Opex for FY 2024-25

Sr. No.	Particular	Number of Meters	O&M Cost (Rs. per meter)	Cost (Rs. Crore)
A	B	C	D	E = (C*D*12/10 ⁷)
1	Target for Single Phase Meters (New + Existing)	17,11,205	71.65	147.13
2	Target for Three Phase Meters (New + Existing)	3,79,520	95.9	43.68
3	Target for LT CT Meters (New + Existing)	11,742	179.59	2.53
4	Target for LT DT Meters (New + Existing)	56,129	210.03	14.15
5	Target for HT CT Meters (New + Existing)	2,106	303.96	0.77
	Total	21,60,702		208.25

Accordingly, the O&M expenses projected for FY 2024-25 are as below:

Table 74 : Proposed O&M Expenses for FY 2024-25

Rs. in Crores		
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Employee Cost	720.62
2	Repair & Maintenance	75.58
3	Administration & General Charges	110.43
4	RDSS Metering Opex	208.25
5	Other Expenses Capitalised	(72.15)
6	Operation & Maintenance Expenses	1,042.72

4.9.9. The Hon'ble Commission is requested to approve the above submission on the O&M expenses projections for FY 2024-25.

4.10. Depreciation

4.10.1. MGVCL has considered the closing Gross block of fixed assets of FY 2022-23 as the opening Gross block of fixed assets for FY 2023-24. The addition during the FY 2023-24 is considered same as approved by the Commission in the Tariff Order dated 31st March, 2023.

4.10.2. Accordingly, the closing balance of GFA for FY 2023-24 thus worked out is considered as opening balance of GFA for FY 2024-25. Addition for FY 2024-25 has been projected considering capitalisation during the year. Depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the projected capitalisation during the year. Depreciation rate for FY 2024-25 is considered same as actual depreciation rate of FY 2022-23. The projected depreciation for FY 2024-25 is as shown below:

Table 75 : Depreciation for FY 2024-25

Rs. in Crores		
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Gross Block in Beginning of the year	7,365.62
2	Additions during the Year (Net)	2,059.48
3	Gross Block in closing of the year	9,425.10
4	Average Gross Block of the year	8,395.36
5	Depreciation for the Year	345.79
6	Average Rate of Depreciation	4.12%

4.11. Interest on Loan

4.11.1. The interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major bearing on the long-term interest expenditure.

4.11.2. The closing balance of loan portfolio for FY 2022-23 as calculated in this Petition is taken as opening balance of FY 2023-24. Addition and repayment during FY 2023-24 is considered same as approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2023 to work out closing balance of FY 2023-24. Closing balance of FY 2023-24

thus work out has been considered as opening balance of normative loan for FY 2024-25.

4.11.3. The loan addition for FY 2024-25 is considered as 70% of the capitalisation excluding consumer contribution and grants which has been worked out in earlier section and repayment during the year is equivalent to the depreciation for FY 2024-25. The rate of interest has been taken as the weighted average rate of interest on the actual loan portfolio for FY 2022-23 that is 12.29%.

4.11.4. Interest rate on Security deposit by consumers is taken at the RBI bank rate of 6.75%.

4.11.5. Other bank charges have been considered same as of FY 2022-23.

4.11.6. The Interest and Finance Charges for FY 2024-25 is projected as tabulated below:

Table 76 : Interest & Financial Charges for FY 2024-25

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Opening Loans	-
2	Loan Additions during the Year	576.91
3	Repayment during the Year	345.79
4	Closing Loans	231.12
5	Average Loans	115.56
6	Weighted average rate of interest	12.29%
7	Interest on Loan	14.20
8	Interest in Security Deposit	84.07
9	Other Bank Charges	0.06
10	Total Interest & Financial Charges	98.34

4.12. Interest on Working Capital

4.12.1. The interest on working capital has been calculated based on the normative working formula given by the Hon'ble Commission in its GERC MYT Regulations, 2016.

4.12.2. Since the Security deposit by the consumer with the utility is more than its total normative working capital requirement therefore MGVCL is not projecting any interest on working capital for FY 2024-25.

Table 77 : Interest on Working Capital for FY 2024-25

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	O & M expenses	86.89
2	Maintenance Spares	73.66
3	Receivables	873.65
4	Less : Security Deposit	1,245.54
5	Total Working Capital	(211.34)
6	Rate of Interest on Working Capital	10.30%
7	Interest on Working Capital	-

4.13. Return on Equity

- 4.13.1. The closing balance of equity for FY 2022-23 as calculated in this Petition is taken as opening balance of FY 2023-24. Addition during FY 2023-24 is considered same as approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2023 to work out closing balance of FY 2023-24. Closing balance of FY 2023-24 thus work out has been considered as opening balance of equity for FY 2024-25.
- 4.13.2. The equity addition for FY 2024-25 has been arrived at by considering 30% of the Capitalization net of consumer contribution and grants as funded from equity as already explained above.
- 4.13.3. As per the GERC MYT Regulations, 2016, return @ 14% on the equity base is allowed by the Hon'ble Commission. Accordingly, MGVCL has computed the Return on Equity considering a rate of return at 14%.
- 4.13.4. Accordingly, the normative return on equity for FY 2024-25 is as shown below:

Table 78 : Return on Equity for FY 2024-25

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Opening Equity Capital	1,287.49
2	Equity Additions during the Year	247.25
3	Closing Equity	1,534.74
4	Average Equity	1,411.12
5	Rate of Return on the Equity	14%
6	Return on Equity	197.56

4.14. Provision for bad and Doubtful Debts

- 4.14.1. Provision for bad & doubtful debts is considered same as actuals of FY 2022-23. It is a very legitimate expenditure which is associated with the business risk and is a consumer related expense as MGVCL is in a distribution business. MGVCL accordingly, has projected Provision for Bad & Doubtful Debts for FY 2024-25 as follows:

Table 79 : Bad and Doubtful Debts for FY 2024-25

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Provision for Bad Debts	0.002

4.15. Taxes

- 4.15.1. The Income tax for FY 2024-25 has been taken as per the actual income tax paid in FY 2022-23 as per Annual Audited Accounts.

Table 80 : Taxes for FY 2024-25

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Provision for Tax / Tax Expenses	7.65

4.16. Non-Tariff Income

4.16.1. MGVCL has considered the Non-Tariff Income for FY 2024-25 same as actual figures of FY 2022-23 for all the head items except for the head item “miscellaneous receipts” which includes “Incentive received under Rooftop Solar Programme”. This incentive is received from MNRE from achievement of solar rooftop targets within the DISCOM area. For the year 2022-23, MGVCL had received this incentive amounting to Rs 0.01 Crores, however MGVCL has considered target of 38,400 connections to be achieved for solar rooftop in FY 2024-25. Therefore, based on the target, MGVCL projects incentive of Rs 22 Crore under “Incentive received under Rooftop Solar Programme” in FY 2024-25. The total Non-Tariff income for FY 2024-25 is shown below:

Table 81 : Non-Tariff Income for FY 2024-25 (Rs. Crores)

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Total Non-Tariff Income	205.56

4.17. Projected ARR for FY 2024-25

4.17.1. The table below shows projection of Aggregate Revenue Requirement by MGVCL for FY 2024-25.

Table 82 : Projected ARR for FY 2024-25

		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

MGVCL request the Hon'ble Commission to approve the above-mentioned Aggregate Revenue Requirement for FY 2024-25.

SECTION 5. Determination of Revenue (Gap) / Surplus for FY 2024-25

5.1. Preamble

5.1.1. This chapter deals with the Determination of Final ARR for FY 2024-25 and Revenue (Gap) / Surplus at existing tariff for FY 2024-25.

5.2. Revenue for FY 2024-25 with Existing Tariff

5.2.1. Based on projected sales & existing retail tariff, revenue from sale of power works out to Rs. 6,393.05 Crore for FY 2024-25. The consumer category wise revenue for FY 2024-25 estimated by MGVCL is as given in the following table:

Table 83 : 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

5.3. Revenue from FPPPA Charges

5.3.1. In the Order for True up for FY 2021-22 and Determination of Tariff for FY 2023-24 dated 31st March, 2023, the Hon'ble Commission has considered the base power purchase cost at Rs. 5.22/unit and base FPPPA at Rs. 2.64/unit. As per approved FPPPA formula, any increase in power purchase cost during the year, over and above base power purchase cost of Rs. 5.22/unit is to be recovered through FPPPA, over and above base FPPPA of Rs. 2.64/unit on quarterly basis. As per the projected ARR for FY 2024-25, the weighted average power purchase cost is worked out to Rs. 5.38/unit same as of FY 2024-25.

5.3.2. Thus, the change in power purchase cost is 0.17/unit for FY 2024-25 and accordingly base FPPPA is changed to Rs 2.84/unit. Therefore, estimated revenue from FPPPA for FY 2024-25 is considered at Rs. 2.84/unit (i.e. grossing up by approved losses), as shown below.

Table 84 : FPPPA Computation for FY 2024-25

No.	Particulars	FY 2023-24	2024-25
1	Fixed Cost (Rs. Crore)	14,318	15,078
2	Variable Cost (Rs. Crore)	38,605	46,686
3	GETCO Cost (Rs. Crore)	5,013	5,830
4	GUVNL Cost (Rs. Crore)	471	523
5	PGCIL Charges (Rs. Crore)	3,320	3,276
6	SLDC Charges (Rs. Crore)	36	48
7	Total Power Purchase Cost (Rs. Crore)	61,763	71,440
8	Total Energy Requirement (MU)	1,18,353	1,32,666
9	Power Purchase Cost (Rs./kWh)	5.22	5.38
10	Increase in Power Purchase Cost (Rs./kWh)		0.17
11	Additional FPPPA Charges (Grossed up by Distribution Loss) (Rs./kWh)	0.74	0.20
12	Existing FPPPA Charges (Rs./kWh)	1.90	2.64
13	Revised FPPPA Charges (Rs./kWh)	2.64	2.84

Table 85 : Revenue from FPPPA Charges for the FY 2024-25

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

5.4. Revenue Projection for Other Consumer Related Income

5.4.1. The revenue from Other Consumer Related Income comprises of revenue on account of charges other than the basic charges applicable to the Consumers. These include income on account of wheeling charges, inspection charges and miscellaneous charges. MGVCL has projected its Other Consumer related Income for FY 2024-25 same as actual of FY 2022-23. The same is outlined in the table below:

Table 86 : Other Consumer related Income for FY 2024-25

Rs. in Crores		
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Other Consumer related Income	97.96

5.5. Agriculture Subsidy

5.5.1. Regarding agriculture subsidy, it is submitted that the agricultural subsidy that was received by the erstwhile GEB from the State Government will continue to be received by the four DISCOMs i.e. Rs. 1100.00 Crores. The share of agricultural subsidy for FY 2024-25 is considered on pro-rata basis of agriculture consumption.

Table 87 : Agriculture Subsidy for FY 2024-25

Rs. in Crores	
Particulars	FY 2024-25 (Projected)
Share of Agriculture Subsidy	72.22

5.6. Total Revenue for FY 2024-25

5.6.1. 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 88 : 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

5.7. Estimated Revenue (Gap) / Surplus for FY 2024-25

5.7.1. Based on the above, the estimated Revenue (Gap) / Surplus for FY 2024-25 at existing tariff is as outlined in the table below:

Table 89 : Estimated Revenue (Gap) / Surplus for FY 2024-25 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)

5.7.2. The Hon'ble Commission is requested to approve the above-mentioned Revenue (Gap) / Surplus for FY 2024-25.

SECTION 6. Tariff Proposal

6.1. Introduction

6.1.1. Section 61 of the Act lays down the broad principles, and guidelines for determination of retail supply tariff. The basic principle is to ensure that the tariff should progressively reflect the cost of supply of electricity and reduce the cross subsidies amongst categories within a period to be specified by the Commission.

6.2. Total Revenue Gap for FY 2024-25

6.2.1. It can be seen from the previous sections that the total estimated revenue gap for FY 2024-25 is around 8% of the total revenue at existing tariff. Accordingly, in order to bridge the revenue gap, DISCOM is proposing change in the tariff for various categories of consumers. Moreover, DISCOM is also proposing some minor modifications in the current tariff structure.

6.2.2. It is hereby submitted to Hon’ble Commission that the Tariff Proposal is designed on consolidated basis to mitigate the revenue gap for True-up year FY 2022-23 and ARR year FY 2024-25

6.2.3. It is humbly submitted that while some of the deficit can be met through efficiency improvement measures and to some extended with following modifications in tariff schedule as proposed in the sections below.

6.3. Tariff Proposal

A. Discontinuation of Concession for use of electricity during night hours (22:00 Hrs. to 06:00 Hrs.)

At present, consumers are provided concession in energy charges for use of electricity during night hours (22 to 6 Hrs.) to HTP-I, HTP-II and WWSP tariff category. (HTP-I & II: 43 Paise/unit & WWSP > 50 HP: 85 Paise/unit).

With the increased average power purchase cost during night hours as compared to cheaper RE power during the day it is imperative to discontinue the concessional energy charges allowed for consumption during night hours. Accordingly following is proposed

Table 90: Discontinuation of Concession for use of electricity during night hours

Applicable Category	Existing Provisions	Proposed
HTP-I & II	43 paise / kWh concession during night hours (from 22:00 hrs to 6:00 Hrs.)	a. Withdrawal of night concession to the applicable category during night hours
WWSP > 50 HP Load	85 paise / kWh concession during night hours (from 22:00 hrs to 6:00 Hrs.)	a. Withdrawal of night concession to the applicable category during night hours

	hours (from 22:00 hrs to 6:00 Hrs.)	
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B. Implementation of Time of Day (ToD) Charges for LTMD tariff category in line with existing HTP-I Tariff category

Ministry of Power, GoI in Electricity (Rights of Consumer) Amendment Rules, 2023 vide notification dated 14.06.2023, under Rule 8 (A) mandated the following:

“Time of Day Tariff. -The Time-of-Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters:

The Rules inter-alia provides for introduction of Time of Day Tariff for Commercial and Industrial consumers having contract demand above 10 KW from 01.04.2024. As per present tariff schedule, ToD charges are in place for HT category (except agriculture consumer category). Accordingly , it is proposed to levy charges for LTMD category (above 40 kW) in line with HTP-I category for FY 2024-25 as under:

Table 91: Proposed ToU charges for LTMD Category for FY 2024-25

Applicable Category	Proposed
LTMD category	TOU Charge – 45 paisa / kWh

C. Discontinuation of Non-RGP Night and LTMD Night Tariff category

National Tariff Policy mandates for rationalization and simplification of tariff structure over the period of time. The existing tariff schedule provides for concessional night tariff category such as NRGP Night and LTMD Night.

As per DISCOM data, there is no / negligible consumers covered under NRGP Night & LTMD night tariff category. Moreover, under changed scenario, the cost of power purchase during night hours is higher as compared to other hours resulting into strain on DISCOM revenue. Accordingly, it is proposed to discontinue NRGP night and LTMD night tariff category as a part of tariff simplification and rationalization.

D. Energy Charges for HTP-IV category at par with HTP-I category

As per present tariff schedule, applicable energy charges for HTP-IV category is Rs 2.25 / unit while demand charges are levied at 1/3rd fixed charge applicable to HTP-I category. Accordingly, to address the revenue gap and reduce power procurement costs and ensure adequate recovery of energy charges, it is proposed to levy energy charges for HTP-IV category at par with HTP-I category

Table 92: Proposed Energy charges for HTP-IV Category for FY 2024-25

Applicable Category	Existing Provisions	Proposed Provisions
HTP – IV	Energy Charges: 2.25 Rs/kWh for all units consumed during the month	Energy Charges: 4.00 Rs/kWh Up to 500 kVA of Billing Demand 4.20 Rs/kWh for next 500 kVA of Billing Demand 4.30 Rs/kWh for billing demand in excess of 1000 kVA

E. Introduction of Rebate in Energy Charges for Pre-Paid Smart Meter (RDSS scheme)

The Government of India has approved Reformed based and Result Linked, Revamped Distribution Sector Scheme. The key objective of the scheme involves installation of prepaid smart metering for consumers along with the associated Advanced Metering Infrastructure.

The DISCOMs are in the process of implementation of the RDSS scheme in the State and the replacement of all the existing consumer meters with smart pre- paid meters will be executed by the DISCOMs in a phased wise manner.

Further, Hon'ble Commission vide letter dated 06.11.2023 have directed DISCOM's to submit the proposal for charging lower tariff to consumers with prepaid smart meters in the Tariff Petition of FY 2024-25.

Accordingly, the comparison of rebate being offered by major states was carried out. Summary of discount / rebate offered for prepaid smart meter consumer in various States is reproduced in the below table:

Table 93: Discount / rebate offered to Smart Prepayment Consumers in other States

Sr. No	State	Rebate / Discount offered on Prepaid Smart Meter
1	Madhya Pradesh	25 Paise per unit on basic energy charge of LV-1 (Domestic) & LV-2
2	Himachal Pradesh	3% rebate on Energy Charges
3	Punjab	1% rebate on Energy Charges
4	Bihar	2% on recharge amount + 1% online payment discount
5	Uttar Pradesh	2% rebate on Energy charges
6	Odisha	2% rebate on prepaid amount

It is understood from above that major States are offering rebates / discount on energy charges. Therefore, aligned to the practices adopted by other States, it is proposed to initially offer a discount / rebate of 2% in energy charges to LT category (except AG consumer) covered under RDSS scheme. Subsequently, it is proposed that, post

implementation of scheme and after a careful analysis of impact of smart prepayment metering, a detailed proposal will be submitted.

Moreover, as provided in the Electricity Act, 2003 at Section 47(5), DISCOMs cannot recover Security Deposit from the consumer being supplied through pre-payment meter. Therefore, the existing Security deposit amount of the consumer shall be set-off against equivalent amount of pre-payment, after net-off arrears if any, on installation of prepayment meter.

F. Amend the definition of RGP tariff category for inclusion of Animal Husbandry activities.

State Government vide GR dated 15.10.2022 has constituted a High-Power Committee (HPC) to address various issues / representation of Farmer Organizations / Associations / Unions. High Powered Committee recommended inclusion of animal husbandry activities involving not more than 30 milking animals under RGP tariff category.

In order to implement the directives of State Government upon recommendation of High-Power Committee (HPC), it is proposed that the definition of RGP tariff category may be modified as under:

RGP-Urban:

This Tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

RGP-Rural:

This Tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

SECTION 7. PRAYER

MGVCL respectfully prays to the Hon'ble Commission;

1. To admit this Petition seeking True up of FY 2022-23, Aggregate Revenue Requirement for FY 2024-25 and Tariff Proposal for FY 2024-25.
2. To approve the True up for FY 2022-23 and allow sharing of gains/ (losses) with the Consumers as per sharing mechanism prescribed in the GERC MYT Regulations, 2016.
3. To allow recovery of Revenue (Gap) / Surplus of FY 2022-23 as part of Tariff determination for FY 2024-25.
4. To approve Aggregate Revenue Requirement for FY 2024-25 as submitted by the Petitioner.
5. To consider approved True up parameters & ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
6. Pass suitable orders for implementation of Tariff Proposal for FY 2024-25 for making it applicable from 1st April, 2024 onwards.
7. To grant any other relief as the Hon'ble Commission may consider appropriate.
8. The Petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
9. Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

Declaration that the subject matter of the Petition has not been raise 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: Vadodara

Date: 9th January, 2024

Signature of the Petitioner


(V N Rathwa)

I/C Addl Chief Engineer (R&C)

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION,
GANDHINAGAR,

Case No.

IN THE MATTER OF

Filing of Petition for True Up for FY 2022-23,
determination of Aggregate Revenue Requirement &
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

AND

IN THE MATTER OF

Madhya Gujarat Vij Company Ltd,
Sardar Patel VidyutBhavan,
Race course,
Vadodara 390007

Petitioner

IN THE MATTER OF

Gujarat UrjaVikas Nigam Limited
Sardar Patel VidyutBhavan
Race Course,
Vadodara - 390 007

Co petitioner



THE PETITIONR ABOVE NAMED RESPECTFULLY SUBMITS:

AFFIDAVIT

I, Vechatbhai, son of Nathabhai, aged 54 years, residing at A-1/314,
Vaishnavpark Society, In front of M M Vohra Showroom, Somatalav, Vadodara
390025, do solemnly affirm and state as under:



1. I am the In-charge Addl Chief Engineer (RA&C) of Madhya Gujarat Vij Company Limited, the Petitioner in the above matter and am duly authorized by the said petitioner to make this affidavit.

2. The statement made in the response hereinabove, true to my knowledge and belief, which I believe them to be true.

Solemnly affirm at Vadodara on the 9th day of January, 2024, that the contents of the above affidavit are true to my knowledge no part of it is false and nothing material has been concealed there from.

Identified before me,

Galunze

(V N Rathva)
Petitioner

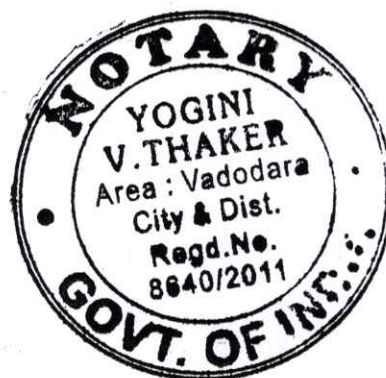
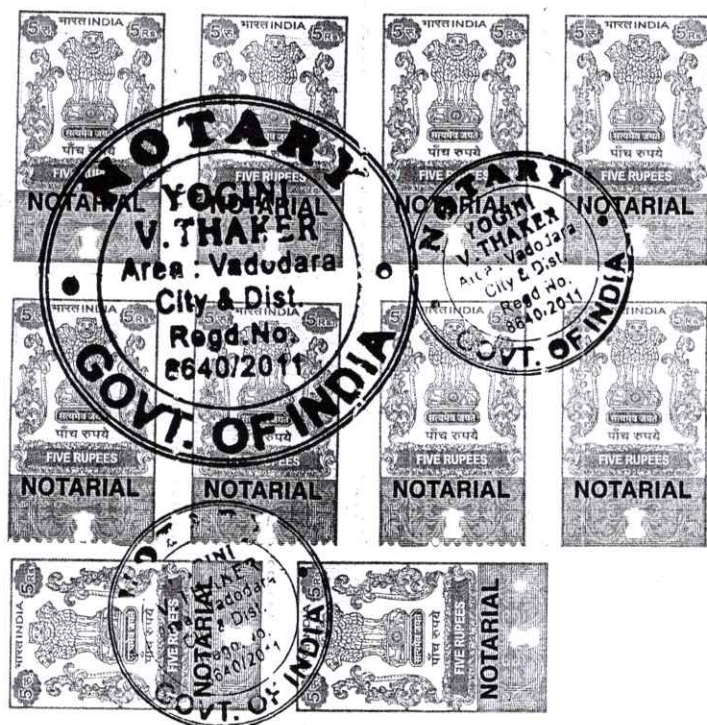
I/c Addl Chief Engineer (RA&C)
MGVCL Vadodara

Date : 9th January, 2024

Place : Vadodara

Regd.No.: 53

Date 9/01/2024



Solemnly Affirmed/Declared
Sworn Before me by V. N. Rathva
Yogini V. Thaker 9/1/24
Yogini V. Thaker
NOTARY

SECTION 8. ANNEXURE 1: TARIFF SCHEDULE FOR FY 2024-25

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st April, 2024

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Distribution Licensees viz. DGVCL, MGVCL, PGVCL and UGVCL.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, 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.
6. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipment from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.
11. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.

15. Delayed payment charges for all consumers:

- No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
- Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
- For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

PART - I
SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY
AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

1.1. FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

(a)	Fixed Charges	Rs. 5/- per Month
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PLUS

1.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

1.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMERS BELOW POVERTY LINE (BPL) **

(a)	First 50 units	150 Paise per Unit
(b)	For the remaining units	Rate as per RGP

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

1.5. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of "Energy Charge" as per 1.2 or 1.3 above, as the case may be, from the date of installation of pre-paid smart meter for respective consumers.

2. RATE: RGP (RURAL)

This tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

2.1. FIXED CHARGES

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

Fixed Charges	Rs. 5/- per month
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PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMER BELOW POVERTY LINE (BPL) **

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

2.4. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

Note: If the part of the residential premises is used for non-residential (commercial) purposes by the consumers located within 'Gram Panchayat' as defined in Gujarat Panchayat Act, entire consumption will be charged under this tariff.

2.5. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of "Energy Charge" as per 2.2 or 2.3 above, as the case may be, from the date of installation of pre-paid smart meter for respective consumers.

3. RATE: GLP

This tariff is applicable to

- (i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;
- (ii) research and development laboratories;
- (iii) Street Light*

(a)	Fixed charges	Rs. 70/- per Installation per Month
(b)	Energy charges	390 Paise per Unit

*Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street lighting purpose shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956/ Rules issued by CEA under the Electricity Act, 2003.

3.1. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of “Energy Charge” as per “b” above, from the date of installation of pre-paid smart meter for respective consumers.

4. RATE: NON-RGP

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load up to and including 40 kW.

Consumer under this category may opt to be charged as per category – ‘RATE: LTMD’

4.1. FIXED CHARGES PER MONTH

(a)	First 10 kW of connected load	Rs. 50/- per kW
(b)	For next 30 kW of connected load	Rs. 85/- per kW

PLUS

4.2. ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit

4.3. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

4.3.1. “Seasonal Consumers”, shall mean a consumer who takes and uses power supply for ice factory, ice candy machines, ginning and pressing factory, oil mill, rice mill, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, vegetable dehydration industries.

4.3.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

4.3.3. The total minimum amount under the head “Fixed and Energy Charges” payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.3.1 above and complying with the

provision stipulated under sub-clause 4.3.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.

- 4.3.4.** The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.
- 4.3.5.** The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads “Fixed Charges” and “Energy Charges”, shall be taken into account while determining the amount of short-fall payable towards the annual minimum bill as specified under sub-clause 4.3.3 above.
- 4.3.6.** Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.3.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

4.4. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of “Energy Charge” as per 4.2, from the date of installation of pre-paid smart meter for respective consumers.

5. RATE: LTMD

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW.

This tariff shall also be applicable to consumer covered in category- ‘Rate: Non-RGP’ so opts to be charged in place of ‘Rate: Non-RGP’ tariff.

5.1. DEMAND CHARGE:

	For billing demand up to the Contract demand	
(a)	(i) For first 40 kW of billing demand	Rs. 90/-per kW per month
	(ii) Next 20 kW of billing demand	Rs. 130/-per kW per month
	(iii) Above 60 kW of billing demand	Rs. 195/- per kW per month
(b)	For billing demand in excess of the contract demand	Rs. 265/- per kW

PLUS

5.2. ENERGY CHARGE:

For the entire consumption during the month	460 Paise per Unit
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PLUS

5.3. Time of Use Charges:

Concession for energy consumption during the two peak periods, viz, 07:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs	45 Paise per Unit
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PLUS

5.4. REACTIVE ENERGY CHARGES:

For all the reactive units (kVARh) during the month	10 Paise per kVARh
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5.5. BILLING DEMAND

The billing demand shall be highest of the following:

- Eighty-five percent of the contract demand
- Actual maximum demand registered during the month
- 6 kW

5.6. MINIMUM BILL

Payment of demand charges every month based on the billing demand.

5.7. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

- 5.7.1. The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers, vegetable dehydration industries.
- 5.7.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.
- 5.7.3. The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.6.1 above and complying with provisions stipulated under sub-clause 5.6.2 above shall be Rs. 2970 per annum per kW of the billing demand.
- 5.7.4. The billing demand shall be the highest of the following:
 - The highest of the actual maximum demand registered during the calendar year.
 - Eighty-five percent of the arithmetic average of contract demand during the year.
 - 6 kW
- 5.7.5. Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.
- 5.7.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 5.6.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

5.8. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of “Energy Charge” as per 5.2 above, from the date of installation of pre-paid smart meter for respective consumers.

6. RATE: LTP- LIFT IRRIGATION

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as canal, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

(a)	Fixed charges per month	Rs. 20/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

7. RATE: WWSP

This tariff shall be applicable to services used for water works and sewerage pumping purposes.

7.1. **Type I-** Water works and sewerage pumps operated by other than local authority

(a)	Fixed charges per month	Rs. 25/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	430 Paise per Unit

7.2. **Type II- Water** Works and sewerage pumps operated by local authority such as Municipal Corporation, Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this tariff:

(a)	Fixed charges per month	Rs. 20/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	410 Paise per Unit

7.3. **Type III-** Water Works and sewerage pumps operated by Municipalities/ Nagarpalikas/ and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month; For entire consumption during the month	320 Paise /Unit
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7.4. **TIME OF USE DISCOUNT:**

Applicable to all the water works consumers having connected load of 50 HP and above for the energy consumption during the Off-Peak Load Hours of the Day.

For energy consumption during the off-peak period, viz, 1100 Hrs to 1800 Hrs	40 Paise per Unit
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7.5. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of “Energy Charge” as per 7.1 or 7.2 or 7.3 above, as the case may be, from the date of installation of pre-paid smart meter for respective consumers.

8. RATE: AG

This tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

8.1. The rates for following group are as under:

8.1.1. HP BASED TARIFF

For entire contracted load	Rs. 200 per HP per month
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ALTERNATIVELY

8.1.2. METERED TARIFF

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	60 Paise per Unit

8.1.3. TATKAL SCHEME

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	80 Paise per Unit

NOTE: The consumers under Tatkal scheme shall be eligible for normal metered tariff as above, on completion of five years period from the date of commencement of supply.

8.2. No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this tariff. Any other machinery connected in the installation governed under this tariff shall be charged separately at appropriate tariff for which consumers shall have to take separate connection.

8.3. Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / metered agricultural tariff.

8.4. Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

Agricultural consumers shall have to declare their intention for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e. in March every year).

9. RATE- TMP

This tariff is applicable to services of electricity supply for temporary period at the low voltage. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

9.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day
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9.2. ENERGY CHARGE

A flat rate of	465 Paise per Unit
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Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 hours' notice.

10.RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, RGP (RURAL), GLP, LTMD, concession etc. as the case may be.

10.1. FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month
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10.2. ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit
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10.3. PRE-PAID SMART METERING

A rebate of 2% shall be applicable on Energy charges decided under the head of “Energy Charge” as per 10.2 above, from the date of installation of pre-paid smart meter for respective consumers.

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

(3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

The following tariffs are available for supply at high tension for large power services for contract demand not less than 100 kVA.

11.RATE- HTP-1

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT Categories.

11.1 DEMAND CHARGES:

11.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

11.1.2 For billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month
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PLUS

11.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

11.3 TIME OF USE CHARGES

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

11.4 BILLING DEMAND

The billing demand shall be the highest of the following:

- a) Actual maximum demand established during the month
- b) Eighty-five percent of the contract demand
- c) One hundred kVA

11.5 MINIMUM BILLS:

Payment of “demand charges” based on kVA of billing demand.

11.6 POWER FACTOR ADJUSTMENT CHARGES:

11.6.1 Penalty for poor Power Factor:

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, will be charged.

11.6.2 Power Factor Rebate

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

11.7 MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in kW/kVA directly, have been provided.

11.8 CONTRACT DEMAND:

The contract demand shall mean the maximum kW/kVA for the supply, of which the supplier undertakes to provide facilities from time to time.

11.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:		Rebate @
(a)	If supply is availed at 33/66 kV	0.75%
(b)	If supply is availed at 132 kV and above	1.25%

11.10 SEASONAL CONSUMERS TAKING HT SUPPLY:

- 11.10.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers, vegetable dehydration industries.
- 11.10.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.
- 11.10.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 11.11.1 above and complying with provisions stipulated under sub-clause 11.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.
- 11.10.4 The billing demand shall be the highest of the following:
- The highest of the actual maximum demand registered during the calendar year.
 - Eighty-five percent of the arithmetic average of contract demand during the year.
 - One hundred kVA
- 11.10.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

- 11.10.6 Electricity Bills paid during off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads “Demand Charges” and “Energy Charges” shall be taken into account while determining the amount payable towards the annual minimum bill.
- 11.10.7 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 11.11.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

12. RATE- HTP-II

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities and GW & SB. GIDC Water Works.

12.1 DEMAND CHARGES:

12.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 225/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 290/- per kVA per month

12.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month
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PLUS

12.2 ENERGY CHARGES:

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	435 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	455 Paise per Unit
(c)	For billing demand above 2500 kVA	465 Paise per Unit

PLUS

12.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

12.4 Billing Demand

12.5 Minimum Bill

12.6 Maximum demand and its measurement

12.7 Contract Demand

12.8 Rebate for supply at EHV

Same as HTP-I Tariff

12.9 POWER FACTOR ADJUSTMENT CHARGES

12.9.1 Penalty for poor Power Factor:

- The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, will be charged.

12.9.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13. RATE- HTP-III

This tariff shall be applicable to a consumer taking supply of electricity at high voltage, contracting for not less than 100 kVA for temporary period. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

13.1 DEMAND CHARGES:

For billing demand up to contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

13.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit
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PLUS

13.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	85 Paise per Unit
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13.4 Billing Demand

13.5 Minimum bill

13.6 Maximum demand and its measurement

13.7 Contract Demand

13.8 Rebate for supply at EHV

Same as HTP-I Tariff

13.9 POWER FACTOR ADJUSTMENT CHARGES

13.9.1 Penalty for poor Power Factor:

- The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month

under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.9.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14. RATE- HTP-IV

This tariff shall be applicable for supply of electricity to HT consumers opting to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day and contracted for regular power supply of 100 kVA and above.

14.1 DEMAND CHARGES:

1/3rd of the Fixed Charges specified in Rate HTP-I above

PLUS

14.2 ENERGY CHARGES:

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

14.3 Billing Demand

14.4 Minimum Bill

14.5 Maximum demand and its measurement

14.6 Contract Demand

14.7 Rebate for supply at EHV

Same as HTP-I Tariff

14.8 POWER FACTOR ADJUSTMENT CHARGES:

14.8.1 Penalty for poor Power Factor:

- The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, will be charged.

14.8.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

- 15% of the contracted demand can be availed beyond the night hours prescribed as per para 14 above.

2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 11.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 11.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 11.1 and 11.2 respectively, of this schedule.
6. This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.
7. This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period

15. RATE- HTP-V

HT - Agricultural (for HT Lift Irrigation scheme only)

This tariff shall be applicable for supply of electricity to High Tension Agricultural consumers contracting for 100 kVA and above, requiring power supply for lifting water from surface water sources such as canal, river and dam, and supplying water directly to the fields of farmers for agricultural irrigation only.

15.1 **DEMAND CHARGES:**

Demand Charges Rs. 25 per kVA per month

PLUS

15.2 **ENERGY CHARGES:**

For all units consumed during the month	80 Paise/Unit
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15.3 Billing Demand

15.4 Minimum bill

15.5 Maximum demand and its measurement

15.6 Contract Demand

15.7 Rebate for supply at EHV

Same as per HTP-I Tariff

15.8 **POWER FACTOR ADJUSTMENT CHARGES**

15.8.1 Penalty for poor power factor

- a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, will be charged

15.8.2 **Power Factor Rebate**

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the

total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- RAILWAY TRACTION

This tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

16.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 425 per kVA per month

NOTE: In case of the load transfer for traction supply due to non-availability of power supply at preceding or succeeding point of supply or maintenance at DISCOM’s level, excess demand over the contract demand shall be charged at normal rate at appropriate point of supply.

Normal Demand Charges will also apply in case of bunching of trains. However, DISCOMs shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, DISCOM shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 16.1 (b).

PLUS

16.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit
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16.3 Billing Demand:

16.4 Minimum Bill

16.5 Maximum demand and its measurement

16.6 Contract Demand

16.7 Rebate for supply at EHV

Same as HTP-I Tariff

16.8 POWER FACTOR ADJUSTMENT CHARGES

16.8.1 Penalty for poor Power Factor:

- The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
- In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.8.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.



Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

17.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per month

PLUS

17.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit
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17.3 BILLING DEMAND

The billing demand shall be the highest of the following:

- a) Actual maximum demand established during the month
- b) Eighty-five percent of the contract demand
- c) One hundred kVA

SECTION 9. Annexure 2: Tariff Filing Formats