

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**



Summary of Case No: 2030 /2021

**Filing of the Petition for True Up of FY 2020-21
&
Determination of Tariff for FY 2022-23**

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

Filed by:-

Madhya Gujarat Vij Company Ltd.

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

“Save Energy for Benefit of Self and Nation”

1. INTRODUCTION:

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

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

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

Pursuant to GERC (Multi Year Tariff) Regulations, 2016 along with other guidelines and directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines, MGVCL has file petition for True Up for FY 2020-21 and Determination of tariff for FY 2022-23.

Case No. 2030 of 2021.

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

2. TRUE -UP FOR FY 2020 - 21:

a) CATEGORY WISE SALES/REVENUE APPROVED AND ACTUAL FOR 2020-21

TABLE 1 : CATEGORY-WISE SALES/REVENUE

Sr. No.	Particulars	Sales(MUs)	
		FY 2020-21 Approved	FY 2020-21 Actual
A	LT Consumers		
1	RGP	2,979.20	2,929.65
2	GLP	69.54	86.97
3	Non-RGP & LTMD	1,716.46	1,471.32
4	Public Water Works	409.26	353.57
5	Agriculture - Metered	1,023.13	1,380.17
6	Agriculture - Unmetered	475.16	-
7	Public Lighting	63.69	-
	LT Total (A)	6,736.43	6,222
B	HT Consumers		
8	Industrial HT	4,339.40	3,734
9	Bulk Supply to KPT	-	
	HT Total (A)	4,339.40	3,734.01
	Grand Total (A + B)	11,075.83	9,955.69

b) DISTRIBUTION LOSSES

The table below highlights the comparison of actual distribution losses of the MGVCL against that approved by the Hon’ble Commission vide its Order in, Petition no. 1913 of 2020 dated 31st March 2021.

TABLE 2 : DISTRIBUTION LOSSES



Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)
1	Distribution Losses	11.55%	9.96%

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

The gross energy requirement of MGVCL is as under

TABLE 3 : ENERGY REQUIREMENT AND ENERGY BALANCE

Energy Balance				
S.No.	Particulars	Unit	FY 2020-21 Approved	FY 2020-21 Actual
1	Energy Sales	MUs	11,076	9,956
2	Distribution Losses	MUs	1,446	1,101
		%	11.55%	9.96%
3	Energy Requirement	MUs	12,522	11,057
4	Less: Local Power Purchase by Discom	MUs		107
5	Power Purchase at T<>D periphery from GUVNL	MUs	12,522	10,950
6	Transmission Losses	MUs	501	397
		%	3.85%	3.50%
7	Total Energy to be input to Transmission System	MUs	13,023	11,347
8	Pooled Losses in PGCIL System	MUs	233	171
9	Add: Local Power Purchase by Discom	MUs		107
10	Total Energy Requirement	MUs	13,255.97	11,625.38

d) **CAPITAL EXPENDITURE:**

The scheme-wise capital expenditure incurred in FY 2020-21 against approved by the Hon'ble Commission is as shown below:

TABLE 4 : CAPITAL EXPENDITURE



Rs. in Crores

	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
A	Distribution Schemes			-
	Normal Development Scheme	31.94	78.99	(47.05)
	Distribution Infra & Shifting Schemes(DISS)	20.00	20.40	(0.40)
	Electrification of hutments	5.25	3.80	1.45
	Kutir Jyoti Scheme	2.10	1.05	1.05
	Others Harijan Basti – Petapara	0.30	0.25	0.05
	System Improvement		10.70	(10.70)
	Total	59.59	115.19	(55.60)
B	Rural Electrification Schemes			
	TASP(Wells & Petapara)	55.00	68.16	(13.16)
	Special Component plan	1.25	1.57	(0.32)
	RE Wells(OA +SPA)	77.00	74.38	2.62
	Dark Zone	9.25	11.92	(2.67)
	Surya Shakti Kishan Yojana		9.45	(9.45)
	PM Kusum Comp-B		0.22	(0.22)
	PM Kusum Comp-C		1.32	(1.32)
	Total	142.50	167.02	(24.52)
C	Central Government Scheme - Plan			
	Integrated Power Development Scheme (IPDS)	-	-	-
	Din Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY)	-	-	-
	R-APDRP(Scada)-A	0.87	-	0.87
	R-APDRP(Scada)-B	-	-	-
	PSDF	14.12	-	14.12
	RAPDRP (Part B)	-	-	-
	Total	14.99	-	14.99
D	Other New Schemes			
	Sagar Khedu	1.50	1.51	(0.01)
	Energy Conservation(HVDS)	5.00	3.23	1.77
	Vehicle	1.20	-	1.20
	Sardar Krushi Jyoti Yojna	3.66	6.97	(3.31)
	Misc Civil + Electrical Works	2.00	2.84	
	Furniture		0.27	
	Total	13.36	14.82	(1.46)
	Capital Expenditure Total	230.44	297.03	(66.59)

FUNDING OF CAPITALISATION

The funding of actual capitalisation is done through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of capitalised asset during FY 2018-19 is mentioned in the table below.

TABLE 5 : FUNDING OF CAPITALISATION

Rs. in Crores

Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Capitalization	230.44	302.43	(71.99)
2	Less : Consumer Contribution	31.94	99.58	(67.64)
3	Grants	23.42	49.17	(25.75)
4	Balance Capitalization	175.08	153.68	21.40
5	Debt @ 70%	122.56	107.58	14.98
6	Equity @ 30%	52.52	46.10	6.42

Aggregate Revenue Requirement for FY 2020-21

Aggregate Revenue Requirement for FY 2020-21 for MGVCL in comparison with values approved by the Hon'ble Commission is as under:

TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2020-21

				Rs. in Crores
Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Cost of Power Purchase	5,723.61	5,237.60	486.01
2	Operation & Maintenance Expenses	682.86	625.64	57.23
2.1	Employee Cost	581.19	499.47	81.72
2.2	Repair & Maintenance	69.72	77.42	(7.70)
2.3	Administration & General Charges	88.01	88.21	(0.20)
2.4	Other Expenses Capitalised	(56.05)	(39.46)	(16.59)
3	Depreciation	270.64	270.72	(0.08)
4	Interest & Finance Charges	63.38	45.87	17.51
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.00	0.01	(0.00)
7	Sub-Total [1 to 6]	6,740.49	6,179.84	560.67
8	Return on Equity	158.12	160.04	(1.91)
9	Provision for Tax / Tax Paid	12.11	19.58	(7.47)
10	Total Expenditure (7 to 9)	6,910.73	6,359.45	551.29
11	Less: Non-Tariff Income	130.28	(62.24)	192.52
12	Add: DSM Expenses	-	-	-
13	Aggregate Revenue Requirement (10 - 11)	6,780.45	6,421.69	358.75

e) SHARING OF GAINS & LOSSES

The following Table summarizes net gain/(loss) to MGVCL during FY 2020-21 on account of controllable & uncontrollable factors.

TABLE 7 : NET GAIN/ (LOSS) FOR FY 2020-21

Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Rs. in Crores	
				Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	5,723.61	5,237.60	89.55	396.47
2	Operation & Maintenance Expenses	682.87	625.64	73.82	(16.59)
2.1	Employee Cost	581.19	499.47	81.72	-
2.2	Repair & Maintenance	69.72	77.42	(7.70)	-
2.3	Administration & General Charges	88.01	88.21	(0.20)	-
2.4	Other Expenses Capitalised	(56.05)	(39.46)	-	(16.59)
3	Depreciation	270.64	270.72	-	(0.08)
4	Interest & Finance Charges	63.38	45.87	-	17.51
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.00	0.01	(0.00)	-
7	Return on Equity	158.12	160.04	-	(1.91)
8	Provision for Tax / Tax Paid	12.11	19.58	-	(7.47)
9	ARR (1 to 8)	6,910.73	6,359.45	163.36	387.92
10	Non - Tariff Income	130.28	(62.24)	-	192.52
11	Total ARR (9-10)	6,780.45	6,421.69	163.36	195.40

f) REVENUE FOR FY 2020-21

ACTUAL REVENUE OF MGVCL FOR FY 2020-21, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2020-21

Sr. No.	Particulars	Rs. in Crores	
		FY 2020-21 (Approved)	FY 2020-21 (Actual)
1	Revenue from Sale of Power	4,847.96	6,171.59
2	Revenue from FPPPA	1,761.06	
3	Other Income (Consumer related)	83.62	144.80
4	Total Revenue excluding subsidy (1 + 2 + 3)	6,692.64	6,316.39
5	Agriculture Subsidy	79.78	84.85
6	Total Revenue including subsidy (4 + 5)	6,772.42	6,401.24

g) REVENUE GAP/(SURPLUS) FOR FY 2020-21

TABLE 9 : REVENUE (GAP) / SURPLUS FOR FY 2020-21

Sr. No.	Particulars	Rs. in Crores
		FY 2020-21 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2020-21	6,780.45
2	Less: (Gap) / Surplus of FY 2018-19	44.88
3	Less: Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	195.40
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	54.45
5	Revised ARR for FY 2020-21 (1 - 2 - 3 - 4)	6,485.71
6	Revenue from Sale of Power	6,171.59
7	Other Income (Consumer related)	144.80
8	Total Revenue excluding Subsidy (6 + 7)	6,316.39
9	Agriculture Subsidy	84.85
10	GUVNL Profit / (Loss) Allocation	12.12
11	Total Revenue including Subsidy (8 + 9 + 10)	6,413.36
12	Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)	(72.36)

The Hon'ble Commission is requested to approve above mentioned gap and allow MGVCL to recover this gap in FY 2022-23.

3. ARR and Tariff Determination for FY 2022-23:

MGVCL submits that the revenue gap/(surplus) for FY 2022-23 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2020-21 and the ARR approved by the Hon'ble Commission for FY 2021-22 in its tariff Order issued on 31ST March 2021. The Projection of ARR for FY 2022-23 is as follows:

TABLE 10: PROJECTION OF ARR FOR FY 2022-23

Rs. in Crores		
Sr. No.	Particulars	FY 2022-23 (Projected)
1	Cost of Power Purchase	6,317.33
2	Operation & Maintenance Expenses	820.11
2.1	Employee Cost	644.75
2.2	Repair & Maintenance	67.62
2.3	Administration & General Charges	98.80
2.4	RDSS Metering Opex	73.50
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-
2.7	Other Expenses Capitalised	(64.56)
3	Depreciation	300.26
4	Interest & Finance Charges	45.74
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.01
7	Sub-Total [1 to 6]	7,483.44
8	Return on Equity	177.15
9	Provision for Tax / Tax Paid	19.58
10	Total Expenditure (7 to 9)	7,680.17
11	Less: Non-Tariff Income	139.39
12	Aggregate Revenue Requirement (10 - 11)	7,540.77

(a) Approved Sales for FY 2020-21:

The actual sales for FY 2020-21 were 9,955.69 MUs as against the approved sales of 11,075.83 MUs. The actual sales for FY 2020-21 are lower than approved sales due to Covid-19 pandemic situation has impacted business which has resulted in lower commercial and industrial activities.

(b) Revenue Projection:

Based on projected sales & existing retail tariff, revenue from sale of power works out to be Rs. 5,257 Crore for FY 2022-23. The consumer category wise revenue for FY 2022-23 estimated by MGVCL is as given in the following table:

TABLE 11: REVENUE AT EXISTING TARIFF FOR FY 2022-23

S.No.	Particulars	Revenue excluding FPPPA (Rs. in Crores)
A	LT Consumers	
1	RGP	1,342
2	GLP	40
3	Non-RGP & LTMD	966
4	Public Water Works	157
5	Agriculture-Unmetered	66
6	Agriculture-Metered	98
7	Electric Vehicle Charging	
	LT Total (A)	2,670
B	HT Consumers	
8	Industrial HT	2,587
	HT Total (B)	2,587
	Grand Total (A + B)	5,257

The Revenue from FPPPA for FY 2022-23 has been projected considering the base rate of 180 paise per unit. The FPPPA projection for FY 2022-23 is as given in the table given below:

TABLE 1: REVENUE FROM FPPPA CHARGES FOR THE FY 2022-23

Rs. in Crores		
Sr. No.	Particulars	FY 2022-23 (Projected)
1	Projected Sales (MU)	11,469.44
2	FPPPA Rate (Rs./kWh)	1.80
3	Revenue from FPPPA (Rs. Crore)	2,064.50

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 2022-23 is as shown below:

TABLE 2: TOTAL REVENUE FOR FY 2022-23

Rs. in Crores		
Sr. No.	Particulars	FY 2022-23 (Projected)
1	Revenue with Existing Tariff	5,256.58
2	FPPPA Charges @ Rs. 1.80/ unit	2,064.50
3	Other Income (Consumer related)	144.80
4	Agriculture Subsidy	77.31
5	Total Revenue including subsidy (1 to 4)	7,543.18

Based on the above, the estimated revenue gap/ (surplus) for fy 2022-23 at existing tariff is as outlined in the table below:

TABLE 3: ESTIMATED REVENUE (GAP)/ SURPLUS FOR FY 2022-23 AT EXISTING TARIFF

Rs. in Crores		
Sr. No.	Particulars	FY 2022-23 (Projected)
1	Aggregate Revenue Requirement	7,540.77
2	Less: Revenue (Gap)/ Surplus from True up of FY 2020-21	(72.36)
3	Total Aggregate Revenue Requirement	7,613.13
4	Revenue with Existing Tariff	5,256.58
5	FPPPA Charges @ Rs. 1.80/ unit	2,064.50
6	Other Income (Consumer related)	144.80
7	Agriculture Subsidy	77.31
8	Total Revenue including subsidy (4 to 7)	7,543.18
9	Revenue (Gap) / Surplus (8 - 3)	(69.95)

(c) Tariff Proposal:

Company has submitted True-up application for FY 2020-21 and Determination of Tariff for FY 2022-23 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2022-23 proposed.

(d) Provisions for availing the copy of Submission:

Tariff petition together with supporting material will be available for inspection as well as for sale at Rs. 200/- to the interested persons at the office of The Additional Chief Engineer (RA&C), Madhya Gujarat Vij Company



Ltd, Corporate Office, 5th floor, Sardar Patel Vidyut Bhavan, Vadodara 390 007 and at the office of the Superintending Engineer of MGVCL, in Charge of O&M Circle. For obtaining the copy of the petition by post, postage fee @ Rs.50/- (Rupees Fifty) will be payable extra.

NOTE: -

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

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

(e) Guideline for submission of response:

Pursuant to GERC (Multiyear Tariff) Regulations, 2016 & GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5c Zone 5, GIFT City, Gandhinagar along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before **06.01.2022** and also indicate whether they intend to be heard in person.