

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**



**Summary of Case No: 2167 /2022**

**Filing of the Petition for True Up of FY 2021-22  
&  
Determination of Tariff for FY 2023-24**

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

**Filed by:-**

**Madhya Gujarat Vij Company Ltd.**

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

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



## 1. INTRODUCTION:

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

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

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

Pursuant to GERC (Multi Year Tariff) Regulations, 2016 along with other guidelines and directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines, MGVCL has filed petition for True Up for FY 2021-22 and Determination of tariff for FY 2023-24.

### Case No. 2167 of 2022.

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

## 2. TRUE -UP FOR FY 2021 - 22:

### a) CATEGORY WISE SALES/REVENUE APPROVED AND ACTUAL FOR 2021-22

TABLE 1: CATEGORY-WISE SALES/REVENUE

Sr. No.	Particulars	Sales(MUs)	
		FY 2021-22 (Approved)	FY 2021-22 (Actual)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	2,999.64	2,777.29
2	GLP	142.64	105.08
3	Non-RGP & LTMD	1,765.37	1,680.75
4	Public Water Works	380.59	378.99
5	Agriculture - Metered	473.87	468.13
6	Agriculture - Unmetered	869.90	807.85
7	Public Lighting	-	-
	<b>LT Total (A)</b>	<b>6,632.01</b>	<b>6,218</b>
<b>B</b>	<b>HT Consumers</b>		
8	Industrial HT	4,153.67	5,323
9	Bulk Supply to KPT	-	
	<b>HT Total (A)</b>	<b>4,153.67</b>	<b>5,323.26</b>
	<b>Grand Total (A + B)</b>	<b>10,785.67</b>	<b>11,541.35</b>



**b) DISTRIBUTION LOSSES**

In FY 2021-22, the actual distribution losses were 7.74% as against the approved level of 9.00%. The table below highlights the comparison of actual distribution losses of MGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

**TABLE 2 : DISTRIBUTION LOSSES**

Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	Distribution Losses	9.00%	7.74%

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

The gross energy requirement of MGVCL is as under

**TABLE 3: ENERGY REQUIREMENT AND ENERGY BALANCE**

S.No.	Particulars	Unit	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	Energy Sales	MUs	10,785.67	11,541.35
2	Distribution Losses	MUs	1,066.71	966.69
		%	9.00%	7.74%
3	Energy Requirement	MUs	11,852.39	12,508.04
4	Less: Local Power Purchase by Discom	MUs		131.57
5	Power Purchase at T<>D periphery from GUVNL	MUs	11,852.39	12,376.47
6	Transmission Losses	MUs	458.52	462.76
		%	3.72%	3.6043%
7	Total Energy to be input to Transmission System	MUs	12,310.90	12,839.23
8	Pooled Losses in PGCIL System	MUs	188.91	208.49
9	Add: Local Power Purchase by Discom	MUs		131.57
10	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>12,499.81</b>	<b>13,179.30</b>

d) CAPITAL EXPENDITURE:

The scheme-wise capital expenditure incurred in FY 2021-22 against approved by the Hon'ble Commission is as shown below:

TABLE 4 : CAPITAL EXPENDITURE

Rs. in Crores

	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
<b>A</b>	<b>Distribution Schemes</b>			-
	Normal Development Scheme	33.60	83.00	(49.40)
	Distribution Infra & Shifting Schemes(DISS)	25.00	18.40	6.60
	Electrification of hutments	3.75	3.80	(0.05)
	Kutir Jyoti Scheme	1.10	2.00	(0.90)
	Others Harijan Basti – Petapara	0.36	0.28	0.09
	System Improvement	<b>71.00</b>	109.07	(38.07)
	<b>Total</b>	<b>134.81</b>	<b>216.55</b>	<b>(81.74)</b>
<b>B</b>	<b>Rural Electrification Schemes</b>			
	TASP(Wells & Petapara)	67.60	56.00	11.60
	Special Component plan	1.30	1.35	<b>(0.05)</b>
	RE Wells(OA +SPA)	77.22	57.55	19.67
	Dark Zone	12.29		<b>12.29</b>
	Surya Shakti Kishan Yojana		3.88	(3.88)
	PM Kusum Comp-B		0.39	(0.39)
	PM Kusum Comp-C	18.80	-	18.80
	<b>Total</b>	<b>177.21</b>	<b>119.17</b>	<b>58.04</b>
<b>C</b>	<b>Central Government Scheme - Plan</b>			
	PSDF	13.00	-	13.00
	<b>Total</b>	<b>13.00</b>	-	<b>13.00</b>
<b>D</b>	<b>Other New Schemes</b>			
	Sagar Khedu	1.50	1.20	0.30
	Energy Conservation(HVDS)	4.50	3.60	0.90
	Vehicle	0.15	-	0.15
	Sardar Krushi Jyoti Yojna	6.98	5.46	1.52
	Misc Civil + Electrical Works	10.20	0.98	
	Furniture	0.60	0.48	
	<b>Total</b>	<b>23.93</b>	<b>11.72</b>	<b>12.21</b>
	<b>Capital Expenditure Total</b>	<b>348.95</b>	<b>347.44</b>	<b>1.51</b>

FUNDING OF CAPITALISATION

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

TABLE 5 : FUNDING OF CAPITALISATION

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Capitalization	348.95	348.69	0.26
2	Less : Consumer Contribution	94.71	157.45	(62.74)
3	Grants	20.20	198.19	(177.99)
<b>4</b>	<b>Balance Capitalization</b>	<b>234.04</b>	<b>(6.96)</b>	<b>241.00</b>
5	Debt @ 70%	163.83	-	163.83
6	Equity @ 30%	70.21	-	70.21

Aggregate Revenue Requirement for FY 2021-22

Aggregate Revenue Requirement for FY 2021-22 for MGVCL in comparison with values approved by the Hon'ble Commission is as under:

TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Cost of Power Purchase	5,756.21	6,617.80	(861.59)
2	Operation & Maintenance Expenses	706.21	775.39	(69.18)
2.1	<i>Employee Cost</i>	<i>609.87</i>	<i>637.30</i>	<i>(27.43)</i>
2.2	<i>Repair &amp; Maintenance</i>	<i>63.96</i>	<i>77.19</i>	<i>(13.23)</i>
2.3	<i>Administration &amp; General Charges</i>	<i>93.45</i>	<i>106.07</i>	<i>(12.62)</i>
2.4	<i>Other Expenses Capitalised</i>	<i>(61.07)</i>	<i>(45.19)</i>	<i>(15.88)</i>
3	Depreciation	294.17	264.91	29.26
4	Interest & Finance Charges	44.37	45.37	(1.00)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.00	0.00	0.00
<b>7</b>	<b>Sub-Total [1 to 6]</b>	<b>6,800.96</b>	<b>7,703.48</b>	<b>(902.51)</b>
8	Return on Equity	169.64	163.14	6.50
9	Provision for Tax / Tax Paid	12.22	21.68	(9.46)
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>6,982.81</b>	<b>7,888.30</b>	<b>(905.48)</b>
11	Less: Non-Tariff Income	145.68	227.97	(82.29)
12	Add: DSM Expenses	-	-	-
<b>13</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>6,837.13</b>	<b>7,660.33</b>	<b>(823.19)</b>

e) SHARING OF GAINS & LOSSES

The following Table summarizes net gain/(loss) to MGVCL during FY 2021-22 on account of controllable & uncontrollable factors.



TABLE 7 : NET GAIN/ (LOSS) FOR FY 2021-22

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	5,756.21	6,617.80	87.07	(948.67)
2	Operation & Maintenance Expenses	706.21	775.39	74.10	(143.27)
2.1	Employee Cost	609.87	637.30	77.46	(104.89)
2.2	Repair & Maintenance	63.96	77.19	9.26	(22.50)
2.3	Administration & General Charges	93.45	106.07	(12.62)	-
2.4	Other Expenses Capitalised	(61.07)	(45.19)	-	(15.88)
3	Depreciation	294.17	264.91	-	29.26
4	Interest & Finance Charges	44.37	45.37	-	(1.00)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.00	0.00	0.00	-
7	Return on Equity	169.64	163.14	-	6.50
8	Provision for Tax / Tax Paid	12.22	21.68	-	(9.46)
9	<b>ARR (1 to 8)</b>	<b>6,982.81</b>	<b>7,888.30</b>	<b>161.17</b>	<b>(1,066.65)</b>
10	Non - Tariff Income	145.68	227.97	-	(82.29)
11	<b>Total ARR (9-10)</b>	<b>6,837.13</b>	<b>7,660.33</b>	<b>161.17</b>	<b>(984.36)</b>

f) REVENUE FOR FY 2021-22

ACTUAL REVENUE OF MGVCL FOR FY 2021-22, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2021-22

Rs. in Crores			
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)
1	Revenue from Sale of Power	4,907.24	7,227.66
2	Revenue from FPPPA	1,941.42	
3	Other Income (Consumer related)	124.01	99.42
4	<b>Total Revenue excluding subsidy (1 + 2 + 3)</b>	<b>6,972.67</b>	<b>7,327.07</b>
5	Agriculture Subsidy	73.44	68.78
6	<b>Total Revenue including subsidy (4 + 5)</b>	<b>7,046.11</b>	<b>7,395.85</b>

**g) REVENUE GAP/(SURPLUS) FOR FY 2021-22**

**TABLE 9 : REVENUE (GAP) / SURPLUS FOR FY 2021-22**

		Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2021-22	6,837.13
2	Less: (Gap) / Surplus of FY 2019-20	409.41
3	Less: Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(984.36)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	53.72
<b>5</b>	<b>Revised ARR for FY 2020-21 (1 - 2 - 3 - 4)</b>	<b>7,358.36</b>
6	Revenue from Sale of Power	7,227.66
7	Other Income (Consumer related)	99.42
<b>8</b>	<b>Total Revenue excluding Subsidy (6 + 7)</b>	<b>7,327.07</b>
9	Agriculture Subsidy	68.78
10	GUVNL Profit / (Loss) Allocation	7.81
<b>11</b>	<b>Total Revenue including Subsidy (8 + 9 + 10)</b>	<b>7,403.66</b>
<b>12</b>	<b>Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)</b>	<b>45.30</b>

The Hon'ble Commission is requested to approve above mentioned gap and allow MGVCL to recover this gap in FY 2023-24.

**3. ARR and Tariff Determination for FY 2023-24:**

MGVCL submits that the revenue gap/(surplus) for FY 2023-24 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2021-22 and the ARR approved by the Hon'ble Commission for FY 2022-23 in its tariff Order issued on 31<sup>ST</sup> March 2022. The Projection of ARR for FY 2023-24 is as follows:

TABLE 10: PROJECTION OF ARR FOR FY 2023-24

Rs. in Crores		
Sr. No.	Particulars	FY 2023-24 (Projected)
1	Cost of Power Purchase	8,119.57
2	Operation & Maintenance Expenses	961.52
2.1	Employee Cost	681.63
2.2	Repair & Maintenance	71.49
2.3	Administration & General Charges	104.45
2.4	RDSS Metering Opex	172.20
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-
2.7	Other Expenses Capitalised	(68.25)
3	Depreciation	291.28
4	Interest & Finance Charges	50.49
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.00
<b>7</b>	<b>Sub-Total [1 to 6]</b>	<b>9,422.87</b>
8	Return on Equity	173.51
9	Provision for Tax / Tax Paid	21.68
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>9,618.05</b>
11	Less: Non-Tariff Income	218.55
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>9,399.50</b>

(a) Revenue Projection:

Based on projected sales & existing retail tariff, revenue from sale of power works out to be Rs. 5,813.45 Crore for FY 2023-24. The consumer category wise revenue for FY 2023-24 estimated by MGVCL is as given in the following table:

TABLE 11: REVENUE AT EXISTING TARIFF FOR FY 2023-24

S.No.	Particulars	Revenue excluding FPPPA (Rs. in Crores)
<b>A</b>	<b>LT Consumers</b>	
1	RGP	1,263.84
2	GLP	48.19
3	Non-RGP & LTMD	993.47
4	Public Water Works	157.54
5	Agriculture-Unmetered	65.66
6	Agriculture-Metered	93.55
7	Electric Vehicle Charging	2.09
	<b>LT Total (A)</b>	<b>2,624.34</b>
<b>B</b>	<b>HT Consumers</b>	
8	Industrial HT	3,187.39
9	Railway Traction	-
10	Electric Vehicle Charging	1.72
	<b>HT Total (B)</b>	<b>3,189.11</b>
	<b>Grand Total (A + B)</b>	<b>5,813.45</b>

The Revenue from FPPPA for FY 2023-24 has been projected considering the base rate of 260 paise per unit. The FPPPA projection for FY 2023-24 is as given in the table given below:



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

Rs. in Crores		
Sr. No.	Particulars	FY 2023-24 (Projected)
1	Projected Sales (MU)	12,491.07
2	FPPPA Rate (Rs./kWh)	2.60
3	Revenue from FPPPA (Rs. Crore)	3,247.68

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 2023-24 is as shown below:

**TABLE 13 TOTAL REVENUE FOR FY 2023-24**

Rs. in Crores		
Sr. No.	Particulars	FY 2023-24 (Projected)
1	Revenue with Existing Tariff	5,813.45
2	FPPPA Charges @ Rs. 2.6/ unit	3,247.68
3	Other Income (Consumer related)	99.42
4	Agriculture Subsidy	70.81
5	<b>Total Revenue including subsidy (1 to 4)</b>	<b>9,231.35</b>

Based on the above, the estimated revenue gap/ (surplus) for fy 2023-24 at existing tariff is as outlined in the table below:

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

Rs. in Crores		
Sr. No.	Particulars	FY 2023-24 (Projected)
1	Aggregate Revenue Requirement	9,399.50
2	Add: Past claim for uncontrollable impact of implementation of 7th Pay revision not claimed in FY 2020-21	23.26
2	Less: Revenue (Gap)/ Surplus from True up of FY 2021-22	45.30
3	<b>Total Aggregate Revenue Requirement</b>	<b>9,377.46</b>
4	Revenue with Existing Tariff	5,813.45
5	FPPPA Charges @ Rs. 2.6/ unit	3,247.68
6	Other Income (Consumer related)	99.42
7	Agriculture Subsidy	70.81
8	<b>Total Revenue including subsidy (4 to 7)</b>	<b>9,231.35</b>
9	<b>Revenue (Gap) / Surplus (8 - 3)</b>	<b>(146.11)</b>

**(b) Tariff Proposal:**

Company has submitted True-up application for FY 2021-22 and Determination of Tariff for FY 2023-24 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2023-24 proposed.

**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. 250/- to the interested persons at the office of The Additional Chief Engineer (RA&C), Madhya Gujarat Vij Company Ltd, Corporate Office, 5<sup>th</sup> 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](http://www.guvnl.com) and [www.mgvcl.com](http://www.mgvcl.com)

**Guideline for submission of response:**

Pursuant to GERC (Multiyear Tariff) Regulations, 2016 & GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5c Zone 5, GIFT City, Gandhinagar along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before **02.02.2023** and also indicate whether they intend to be heard in person.