

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**



**CASE NO. \_\_\_\_\_**

**Filing of Petition for True Up for FY 2021-22**

**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.**

**Regd. & Corporate Office: Sardar Patel Vidyut Bhavan, Race Course, Vadodara – 390007**



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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,  
Race Course,  
Vadodara - 390 007

**CO-PETITIONER**

**THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS**



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### **ABBREVIATIONS**

ARR	Aggregate Revenue Requirement
DGVCL	Dakshin Gujarat Vij Company Limited
EA 2003	The Electricity Act 2003
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Erstwhile Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
MYT Regulations, 2016	GERC (Multi Year Tariff) Regulations, 2016
GETCO	Gujarat Energy Transmission Corporation Limited
GoG	Government of Gujarat
Gol	Government of India
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh or "Unit"	Kilo Watt Hour
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid-Term Review
MU	Million Units (Million kWh)
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
PGVCL	Paschim Gujarat Vij Company Limited
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 / 19<sup>th</sup> August 2003 had directed the erstwhile Gujarat Electricity Board (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 15<sup>th</sup> September 2003. Madhya Gujarat Vij Company Limited (MGVCL) is one of the distribution companies engaged in distribution of electricity in the north zone area of Gujarat.

1.2.3 The MGVCL obtained its Certificate of Commencement of Business on the 15<sup>th</sup> October, 2003. However, the company did not commence its commercial operations during the financial year ending 31<sup>st</sup> March, 2005. The Company started its commercial function w.e.f. 1<sup>st</sup> April, 2005.

1.2.4 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 and is currently under purview of the Electricity Act, 2003 (EA 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 EA 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 EA 2003 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 31<sup>st</sup> 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 29<sup>th</sup> March, 2016 were in force till 31<sup>st</sup> March, 2021.
- 1.2.8 The Hon’ble Commission had initiated the process of framing the new MYT Regulations for the Fourth Control Period of FY 2021-22 to FY 2025-26 by issuing Public Notice dated 10<sup>th</sup> August, 2020 and invited comments/suggestions on the draft MYT Regulations from the stakeholders. However, subsequently the Commission vide its Suo-Motu Order No. 07 of 2020 dated 22<sup>nd</sup> December, 2020 deferred the notification of the Regulations by one year and directed the Licensees / utilities to file the tariff application based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.9 Similarly, the Hon’ble Commission vide its Order in Suo Motu Petition No. 1995 of 2021 dated 24<sup>th</sup> September, 2021 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2020- 21 and for determination of Annual ARR and Tariff for FY 2022-23 on or before 30<sup>th</sup> November, 2021 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016. In continuation, the Hon’ble Commission vide its Order in Suo Motu Petition No. 2140 of 2022 dated 20<sup>th</sup> October, 2022 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2021- 22 and for determination of Annual ARR and Tariff for FY 2023-24 on or before 30<sup>th</sup> November, 2022 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.10 Further, the FY 2021-22 is completed and annual accounts of MGVCL are also audited, MGVCL is required to file its Petition for True-up of FY 2021-22 in accordance with GERC MYT Regulations, 2016, to the Hon’ble Commission for its approval.
- 1.2.11 However, as regards the petition for determination of ARR and Tariff for FY 2023-24, MGVCL being a state-owned utility requires necessary consultation from the state government regarding filing of the tariff petition as it provides substantial amount of subsidy and tariff compensation. This requires exhaustive deliberations with the Govt. of Gujarat before submission of the tariff proposal for the upcoming year and, therefore, will require some additional time as the new Government is under formation. Hence, in view of the same, MGVCL is presently filing the true-up petition for FY 2021-22 and will file the petition for determination of Aggregate Revenue Requirement & Tariff for FY 2023-24 to the Hon’ble Commission separately. The Hon’ble Commission is requested to approve the request for filing of the tariff petition for FY 2023-24 separately.

## SECTION 2. EXECUTIVE SUMMARY

### 2.1. PREAMBLE

2.1.1. This section highlights the summary of the Petition for True Up for FY 2021-22.

### 2.2. TRUE UP OF FY 2021-22

2.2.1 MGVC L has worked out its actual Aggregate Revenue Requirement (ARR) for FY 2021-22 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 2021-22 in the Tariff Order for ARR of FY 2021-22 in Case No. 1913 of 2020 dated 31<sup>st</sup> March, 2021. 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 2021-22. A summary of the actual ARR for True-up of FY 2021-22 compared with the approved ARR for FY 2021-22 is presented in the table given below:

**Table 1 : True Up 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
7	<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)
10	<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	-	-	-
13	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>6,837.13</b>	<b>7,660.33</b>	<b>(823.19)</b>

2.2.3 In line with the provisions of the GERC MYT Regulations, 2016, MGVC L 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 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	<i>Employee Cost</i>	<i>609.87</i>	<i>637.30</i>	<i>77.46</i>	<i>(104.89)</i>
2.2	<i>Repair &amp; Maintenance</i>	<i>63.96</i>	<i>77.19</i>	<i>9.26</i>	<i>(22.50)</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	-
7	Return on Equity	169.64	163.14	-	6.50
8	Provision for Tax / Tax Paid	12.22	21.68	-	(9.46)
<b>9</b>	<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)
<b>11</b>	<b>Total ARR (9-10)</b>	<b>6,837.13</b>	<b>7,660.33</b>	<b>161.17</b>	<b>(984.36)</b>

2.2.5 As per the mechanism specified in the GERC MYT Regulation 2016, MGVC L proposes to pass on a sum of 1/3<sup>rd</sup> of total gain/(loss) on account of controllable factors i.e. Rs. 53.72 Crores and total gain/(loss) on account of uncontrollable factor i.e. Rs. (984.36) Crores to the consumers. Further, the Revenue (Gap)/Surplus approved by the Hon'ble Commission on True up of FY 2019-20 of Rs. 409.41 Crores is also considered. Adjusting these with the net Aggregate Revenue Requirement, MGVC L has arrived at the Revised Aggregate Revenue Requirement for FY 2021-22 at Rs. 7,358.36 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. 7,227.66 Crores, other consumer related income of Rs. 99.42 Crores, agriculture subsidies of Rs. 68.78 Crores and GUVNL profit allocation of Rs. 7.81 Crores, summing up to a total revenue of Rs. 7,403.66 Crores. Accordingly, total Revenue (Gap) /Surplus of MGVC L for FY 2021-22 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 45.30 Crores as shown in the table below:

**Table 3 : Revenue (Gap) / Surplus for FY 2021-22**

Sr. No.	Particulars	Rs. in Crores
		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>

## **SECTION 3. TRUE UP FOR FY 2021-22**

### **3.1. PREAMBLE**

3.1.1. This section outlines the performance of MGVCL for FY 2021-22. 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 2021-22 with the forecast approved by the Hon'ble Commission vide Tariff Order dated 31<sup>st</sup> March, 2021.

### **3.2. PRINCIPLES FOR TRUE UP FOR FY 2021-22**

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 2021-22 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 2021-22. Information provided in the True-Up for FY 2021-22 is based on the 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. 1913 of 2020 dated 31<sup>st</sup> March, 2021.

3.2.3. Accordingly, actual data for revised Aggregate Revenue Requirement, actual revenue and Revenue (Gap) / Surplus for FY 2021-22 are given in the following paragraphs of this chapter.

3.2.4. Further, 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 2021-22.

### **3.3. CATEGORY WISE SALES**

3.3.1. The actual category wise sales for FY 2021-22 were 11,541.35 MUs as against the approved sales of 10,785.67 MUs. The actual sales for FY 2021-22 are lower than approved sales in the LT consumer categories due to various reasons including the continuing impact of COVID-19 pandemic situation. However, the Industrial sales have not been impacted and have shown increase over the approved levels leading to overall increase in the sales in FY 2021-22 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 4 : Category-wise Sales**

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>

### 3.4. DISTRIBUTION LOSSES

3.4.1. 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 MGVC L against that approved by the Hon'ble Commission vide its Tariff Order.

**Table 5 : Distribution Losses**

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

3.4.2. The GERC MYT Regulations, 2016 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. MGVC L submits that it has achieved a significant reduction in distribution losses during FY 2021-22. The Hon'ble Commission had approved the distribution loss levels for MGVC L at 9.00% for FY 2021-22 and the actual loss achieved were 7.74% % for FY 2021-22. However, considering the consumer profile of MGVC L wherein the no. of open access consumers is increasing day by day, the losses in Urban & JGY categories showing an increasing trend combined with increase in solar rooftop penetration has made it difficult to maintain the losses at lower levels consistently. However, it is the endeavour of MGVC L to maintain losses at optimal level.

3.4.4. Since MGVC L has 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 accounted appropriately.

### 3.5. ENERGY REQUIREMENT AND ENERGY BALANCE

3.5.1. The gross energy requirement of MGVC L is given in the table below:

**Table 6 : 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
<b>10</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>12,499.81</b>	<b>13,179.30</b>

3.5.2. The gross energy requirement for sale to the consumers in FY 2021-22 was 13,179.30MUs as compared to 12,499.81MUs 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 MGVC L.

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

3.6.3. The total power purchase cost of MGVC L for FY 2021-22 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. MGVC L in its Petition for True-up of FY 2020-21 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 is 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 2021-22, GUVNL has made provisions of Rs. 361.94 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 the that point of time. The actual payment against such liabilities in FY 2021-22 is Rs. 539.49 Crore. Accordingly, the net amount of Rs. 177.54 crore (539.49 - 361.94) 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 7: Allocation of Provisions of Power Purchase Cost to Discom**

Particulars	Rs in Crores				
	DGVCL	MGVCL	PGVCL	UGVCL	Total
Power Purchase	16,121	6,596	17,775	14,025	<b>54,517</b>
Allocation of provisions made in Power Purchase Cost	-52.50	-21.48	-57.89	-45.68	<b>(177.54)</b>

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. 177.54 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 8: Net Power Purchase Cost**

Sr. No.	Particulars	Rs in Crores	
		FY 2021-22 (Approved)	FY 2021-22 (Actual)
A	<b>Cost</b>		
1	Power Purchased from GUVNL		6,742.67
2	Power purchase from Windfarm		3.05
3	Power Purchased from Solar		40.91
4	DSM Charges Payable		-
5	SLDC Charges		1.58
	<b>Total Cost</b>		<b>6,788.22</b>
B	<b>Less: Income</b>		
1	Allocation of provisions made in Power Purchase Cost		<b>(21.48)</b>
2	DSM Income Receivable		191.89
	<b>Net Power Purchase Cost</b>	<b>5,756.21</b>	<b>6,617.80</b>

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.

3.6.10. The quantum of power purchase depends upon the sales during the year as well as the losses in the system. Though the actual distribution losses in MGVCL distribution network have been lower than the approved level, the sales have been higher than the approved sales. 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 9 : Gain/ (Loss) on account of Distribution Losses for FY 2021-22**

Sr. No.	Particulars	Unit	FY 2021-22 (with Approved Distribution Losses)	FY 2021-22 (with Actual Distribution Losses)
1	Energy Sales	MUs	11,541.35	11,541.35
2	Distribution Losses	MUs	1,141.45	968.05
		%	9.00%	7.74%
3	Energy Requirement	MUs	12,682.81	12,509.40
4	Saving due to Distribution Losses	MUs		173.41
5	Average Power Purchase Cost	Rs./Unit		5.02
<b>6</b>	<b>Gain/(Loss) due to Dist. Losses</b>			<b>87.07</b>

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. 87.07 Crores. This gain is categorised as on account of controllable factors and the appropriate treatment is given below:

**Table 10 : Gains / (Loss) - Power Purchase Expenses**

Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Rs. in Crores	
				Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Power Purchase Cost	5,756.21	6,617.80	87.07	(948.67)

3.6.14. Thus, as can be seen from the above table, the power purchase gain/(loss) due to controllable & uncontrollable factors are Rs.87.07Crores and Rs. (948.67) 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 2021-22 was Rs. 347.44Crores. The actual capital expenditure by MGVCL during the FY 2021-22 is almost at par with the capital expenditure approved by the Hon'ble Commission. The scheme-wise capital expenditure incurred in FY 2021-22 against the expenditure approved by the Hon'ble Commission is as shown below:



**Table 11 : 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>

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

- Normal Development Scheme:** Approved CAPEX was Rs. 33.60 Crore and actual is Rs. 82.33 Crore in FY 2021-22. Under the new development, full amount is being paid by applicant for new connection of Infrastructure, Industrial LT, HT, EHT connections and various shifting work paid by Govt. and Central govt. department. Further, during the year with regards to various government projects of infrastructure development like Bullet Train project, Amdavad – Mumbai Expressway project, the concerned authorities had requested for shifting of existing HT/LT line & Transformer center network and paid the Estimate under ND Scheme.
- SI Scheme:** Rs. 71.00 Crore was approved for the FY 2021-22 and Rs. 109.07 Crore is actual expenditure. The actual expenditure has increase due to projects implemented in FY 2021-22 like (1) Maintenance of DTR Earthing (2) HT AB Earth Blade Switch (3) Watch dog device. Further, during the year there were no other Government Scheme like IPDS, DDUGJY existing for Distribution System



up gradation and system improvement works. On account of safety reasons also, certain works like removal of feeder crossings, HT & Lt line crossings and strengthening of Distribution Network was executed.

- **Government Schemes:** The detailed justification of actual capital expenditure incurred during F.Y. of 2021-22 against approved CAPEX for various Government schemes is as under.

**Table 12: Actual vis-à-vis approval capex for identified schemes (Rs. Crore)**

Sr. No.	Particulars	Approved Capex for F.Y. 2021-22	Actual Capital expenditure incurred for F.Y. 2021-22
1	Sagarkhedu	1.50	1.199
2	Energy Conservation (HVDS + IEC)	4.50	3.59
3	DISS	25.00	18.40
4	SKJY(GOVT Share)	6.98	5.46

- Sagarkhedu, Energy Conservation, DISS & SKJY are Government schemes, and the actual capital expenditure was incurred as per budget allocated under the respective schemes from Govt. of Gujarat.
- **PSDF:** Provision made as per sanction letter received from MoP, Gol. However, in later stages MoP, Gol has cancelled the sanctioned letter due to change in technology and accordingly, the advance was refunded. Hence, no capex was undertaken under this scheme.

### 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. In the case of MGVCL, the amount of consumer contribution and grants available for funding the capital expenditure is higher than the actual capitalisation during the year. Hence, there is no requirement of funding capitalisation via debt and equity. It is submitted that the additional grant available after funding of the capitalisation during the year will be utilised to fund the capitalisation for FY 2022-23 and would be presented during the true up process for the FY 2022-23. The higher availability of grant is an outcome of conversion of loan to grant under some of the centrally funded schemes which has led to availability of excess grants during the year. The detailed breakup of funding of capitalised asset during FY 2021-22 is mentioned in the table below:

**Table 13 : 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

**Note:** The additional grant of Rs. 6.96 Crore available after funding of the actual capitalisation during the FY 2021-22 is proposed to be utilised for funding the capitalisation for FY 2022-23 and will be presented as part of the true-up petition for FY 2022-23.

3.8.2. It is submitted that in the FY 2021-22, the grants considered for the purpose of funding the capitalisation also includes loans and interest for schemes like RAPDRP-A, RAPDRP-B and SCADA-A which were converted into grant as per the terms of the scheme. Further, in some cases, the interest converted into grants was passed on to the consumers through the non-tariff income. The Hon'ble Commission in its Order in Case No. 1913 of 2020 had mentioned that it has been allowing the interest cost in the ARR related to loans for schemes sponsored by the Central Government with provision for conversion of Loan into Grant and the same has been borne by the consumers in the tariff and the same needs to be provided appropriate treatment/adjustment in subsequent ARR. Accordingly, MGVCL has considered the loans & interest cost converted into grant as a source of funding for the capitalisation done in FY 2021-22, thus reducing the need for debt and equity linked funding. Further, the interest component converted into grant has also been passed on to the consumers through the non-tariff income. Thus, in line with the directive of the Hon'ble Commission, MGVCL has appropriately passed on the benefit of the conversion of loans to the consumers.

### 3.9. FIXED COST FOR FY 2021-22

3.9.1. The fixed cost of MGVCL for FY 2021-22 has been determined in accordance with the provisions of 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 Aggregate Revenue Requirement of MGVCL has been computed after netting off expenses capitalised and Non-Tariff Income.

3.9.3. For True-Up, all the heads mentioned above have been categorized into Controllable or Uncontrollable expenses in line with provisions of GERC MYT Regulations, 2016. Ahead wise comparison of cost has been made between the values approved by the

Hon'ble Commission vide Tariff Order dated 31<sup>st</sup> March, 2021 and the actual expenses of MGVCL in FY 2021-22.

### 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 2021-22 is Rs. 572.92 Crores which includes the provision made towards 7<sup>th</sup> Pay Commission of Rs. 15.54 Crore. In addition, MGVCL has also claimed other comprehensive income of Rs. 0.96 Crore, and wage revision arrears of Rs. 87.22 Crore paid during the year. After netting of provisions towards 7<sup>th</sup> pay Commission of Rs. 15.54 Crore and provisions towards payment for COVID 19 related expenses of Rs. 8.25 Crore, the net employee expenses claimed by MGVCL for FY 2021-22 are Rs. 637.30 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. 87.22 Crore**

These expenses are payable due to implementation of the 7<sup>th</sup> 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.

- **Actual payments towards COVID 19 related expenses: Rs. 0.25 Crore**

These expenses were incurred by MGVCL for making payments related to the impact of the COVID-19 pandemic during the FY 2021-22. These expenses were unforeseen and not part of the O&M expenses approved by the Hon'ble Commission for FY 2021-22. Hence, these payments are treated as uncontrollable for working out the sharing of gains / losses and entirely passed on through the ARR.

- **Impact of implementation of 7<sup>th</sup> Pay Commission related allowances and incentive for FY 2021-22: Rs. 17.42 Crore**

It is submitted that the Hon'ble Commission in its Order in Case No. 1913 of 2020 dated 31<sup>st</sup> 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 7<sup>th</sup> Pay Commission while projecting the expenses for FY 2021-22 as the 7<sup>th</sup> Pay Commission was implemented from August 2017. The Hon’ble Commission, in the case of SLDC, had also annualised impact of 7<sup>th</sup> Pay implementation for FY 2017-18 and then worked out the projection for FY 2021-22 to capture the impact of 7<sup>th</sup> Pay implementation. However, it is submitted that the actual payment of allowances and incentive as per the 7<sup>th</sup> 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.

Accordingly, MGVCL has worked out the differential between the allowances and incentives as per the 7<sup>th</sup> Pay Commission and those as per 6<sup>th</sup> Pay Commission scale for the FY 2021-22. The impact works out to Rs. (3.67) Crores in the case of allowances and Rs. 21.09 Crores in case of incentives. MGVCL has considered this amount of Rs. 17.42 Crores as an uncontrollable expense for the purpose of working out the sharing of gains and losses.

- **Impact of implementation of 7<sup>th</sup> Pay Commission related allowances and incentive for FY 2020-21 (To be claimed in FY 2023-24): Rs. 34.89 Crore**

It is submitted that the impact of implementation of 7<sup>th</sup> Pay Commission related allowances and incentive is also relevant for the FY 2020-21. However, MGVCL had inadvertently not identified this impact as an uncontrollable cost during the true up of FY 2020-21. This impact for the FY 2020-21 is worked out to Rs. 34.89 Crore. This differential cost was clubbed under controllable expense during the true-up of FY 2020-21 and 1/3<sup>rd</sup> of this amount was allowed for recovery during the true-up of FY 2020-21. Hence, MGVCL is seeking the balance recovery equivalent to the 2/3<sup>rd</sup> of this amount (2/3<sup>rd</sup> of 34.89 = 23.26) through the ARR for FY 2023-24. The working of the amount is given in the table below:

**Table 14: Differential amount of entitlement of O&M expenses for FY 2020-21 (To be claimed in FY 2023-24)**

Rs. in Crores						
Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor	Net Entitlement
1	Employee Cost - As approved	581.19	499.47	81.72		553.95
2	Employee Cost - Revised	581.19	499.47	116.61	(34.89)	577.21
3	<b>Differential entitlement to be claimed in FY 2023-24</b>					<b>23.26</b>

3.10.5. Accordingly, MGVCL has worked out a gain/ (loss) of Rs. 77.46 Crores on account of controllable employee cost and Rs. (104.89) Crore on account of uncontrollable factors. The uncontrollable cost of Rs. 23.26 Crore pertaining to FY 2020-21 will be claimed in ARR of FY 2023-24.

3.10.6. The summary of the comparison of the actual employee expenses for FY 2021-22 vis-à-vis the expenses approved by the Hon'ble Commission is given in the table below:

**Table 15 : Employee Cost for FY 2021-22**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Cost	609.87	637.30	77.46	(104.89)

### **Repair & Maintenance Cost**

3.10.7. 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.

3.10.8. 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. However, the Tauktae Cyclone made a landfall in the State of Gujarat in May 2021. MGVCL's property, plant and equipment were damaged and accordingly power supply was disrupted in some parts of the State. MGVCL has incurred Rs. 22.50Crore relating to restoration of damages on account of the cyclone in FY 2021-22 and the same is included under Repairs and Maintenance in FY 2021-22. Considering the nature of this expenditure, MGVCL requests the Hon'ble Commission to consider the same under uncontrollable expenses for the purpose of sharing of gains / losses.

3.10.9. Accordingly, on the basis of comparison of actual R&M expenditure of Rs 77.19 Crore of MGVCL with the values approved by the Hon'ble Commission, there is a controllable gain/(loss) of Rs. 9.26 Crore and uncontrollable gain/(loss) of Rs (22.50) Crores as indicated in the table below:

**Table 16 : Repair & Maintenance Cost for FY 2021-22**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Repair & Maintenance Cost	63.96	77.19	9.26	(22.50)

**Administration & General Expenses**

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

3.10.11. The actual A&G expenses for FY 2021-22 were Rs.106.07Crores. 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. (12.62)Crores as highlighted in the table below:

**Table 17 : Administration & General Expenses for FY 2021-22**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Administration & General Charges	93.45	106.07	(12.62)	

**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 18:Other Expenses Capitalised**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Other Expenses Capitalised	(61.07)	(45.19)		(15.88)

**O&M Expenses**

3.10.13. After the combination of all the above parameters for FY 2021-22, MGVCL's actual O&M expenses were Rs. 775.39 Crores which is inclusive of Employee cost of Rs. 637.30 Crores, Repair & Maintenance Charges of Rs. 77.19 Crores and Administration & General Expenses of Rs.106.07 Crores. Actual other expenses capitalized is Rs. (45.19) Crores for FY 2021-22 which is reduced from actual O&M expenses.

**Table 19 : Operation & Maintenance Expenses**

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Employee Cost	609.87	637.30	(27.43)
2	Repair & Maintenance	63.96	77.19	(13.23)
3	Administration & General Charges	93.45	106.07	(12.62)
4	Other Expenses Capitalised	(61.07)	(45.19)	(15.88)
5	<b>Operation &amp; Maintenance Expenses</b>	<b>706.21</b>	<b>775.39</b>	<b>(69.18)</b>

3.10.14. Comparison of actual O&M charges during FY 2021-22 with the value approved by the Hon'ble Commission reflects net gain/(loss) of Rs. 74.10 Crores on account of controllable factors and gain/(loss) of Rs. (143.27) Crores on account of uncontrollable factors to MGVCL.

**Table 20 : Treatment of Operation & Maintenance Expenses**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Expenses	609.87	637.30	77.46	(104.89)
2	Repair & Maintenance Cost	63.96	77.19	9.26	(22.50)
3	Administration & General Charges	93.45	106.07	(12.62)	-
4	Other Expenses Capitalised	(61.07)	(45.19)	-	(15.88)
5	<b>Total O&amp;M Expenses</b>	<b>706.21</b>	<b>775.39</b>	<b>74.10</b>	<b>(143.27)</b>

### 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 2021-22 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 2021-22 is as shown below:

**Table 21 : Fixed Asset and Depreciation for FY 2021-22**

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Gross Block in Beginning of the year	6,142.01	6,138.29	
2	Additions during the Year (Net)	348.95	347.34	
3	Closing GFA	6,490.96	6,485.63	
4	Average GFA	6,316.48	6,311.96	
5	<b>Depreciation for the Year</b>	<b>294.17</b>	<b>264.91</b>	<b>29.26</b>
6	<b>Average Rate of Depreciation</b>	<b>4.66%</b>	<b>4.20%</b>	

3.11.5. The actual depreciation for FY 2020-21 as against the value approved by the Hon'ble Commission results into an uncontrollable gain/(loss) of Rs. 29.26Crores as indicated below:

**Table 22 : Treatment of Depreciation**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Depreciation	294.17	264.91	-	29.26

### 3.12. INTEREST & FINANCIAL CHARGES

3.12.1. For assessing actual Interest charges on Loans in FY 2021-22, MGVCL has considered the opening balance of loans for FY 2021-22 same as the closing loan approved by the Hon'ble Commission for FY 2020-21 in the True up Order dated 31<sup>st</sup> March, 2022. As discussed in para 3.8.1 of the Petition, no addition to debt is considered for the FY 2021-22 as the capitalisation is entirely funded through the available grants and consumer contribution.

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 actual weighted average rate of interest during the year for Truing up of FY 2021-22 is 11.88% as against 5.63% 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. 42.98 Crore as per the provisions of the GERC MYT Regulations, 2016.

3.12.5. The total Interest & Financial charges for FY 2021-22 computed by MGVCL as against that approved by the Hon'ble Commission is as shown below:



**Table 23 : Interest & Finance Charges**

				Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Opening Loans	-	-	
2	Loan Additions during the Year	163.83	-	
3	Repayment during the Year	163.83	-	
4	Closing Loans	-	-	
5	<b>Average Loans</b>	-	-	
6	Interest on Loan	-	-	
7	Interest in Security Deposit	43.63	42.98	
8	Other Bank Charges	0.74	2.40	
9	<b>Total Interest &amp; Financial Charges</b>	<b>44.37</b>	<b>45.37</b>	<b>(1.00)</b>
10	Weighted Average Rate of Interest	<b>5.63%</b>	<b>11.88%</b>	

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, MGVC L 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 24 : Treatment of Interest & Finance Charges**

						Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor	
1	Interest & Finance Charges	44.37	45.37			(1.00)

### 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 2<sup>nd</sup> 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 9.50%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Further, the 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 2021-22 incurred by MGVC L is nil, MGVC L has not claimed interest on working capital for FY 2021-22 as shown below:

**Table 25 : Interest on Working Capital**

				Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	O & M expenses	58.85	64.62	
2	Maintenance Spares	61.42	61.38	
3	Receivables	587.18	616.32	
4	Amount held as security deposit from consumers	938.20	1,090.09	
5	<b>Total Working Capital</b>	<b>(230.75)</b>	<b>(347.77)</b>	
6	Rate of Interest on Working Capital	10.25%	9.50%	
7	<b>Interest on Working Capital</b>	-	-	-

### 3.14. PROVISION FOR BAD DEBTS

3.14.1. The actual bad debts written off in FY 2021-22 are shown in the following table:

**Table 26: Bad & Doubtful Debts Written Off**

				Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Bad and Doubtful Debts	0.0041	0.0006	0.0035

3.14.2. A comparison of the actual value with the figure approved by the Hon'ble Commission for FY 2020-21 shows a gain/(loss) of Rs. 0.0035 Crores on account of controllable factors as shown in the table below:

**Table 27 : Treatment of bad & doubtful debts Written Off**

						Rs. in Crores
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor	
1	Bad and Doubtful Debts	0.0041	0.0006	0.0035		

### 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 2021-22, MGVCL has considered the opening balance of equity of FY 2021-22 as the closing balance of equity of FY 2020-21 approved by the Commission in the True up Order dated 31<sup>st</sup> March, 2022 and additions have not been considered during the year as already discussed para 3.8.1 of the Petition. The return on equity for FY 2021-22 is as shown below:

**Table 28 : Return on Equity**

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Opening Equity Capital	1,176.59	1,165.32	11.27
2	Equity Additions during the Year	70.21	-	70.21
3	Closing Equity	1,246.80	1,165.32	81.48
4	Average Equity	1,211.69	1,165.32	46.37
5	Rate of Return on the Equity	14%	14%	-
6	<b>Return on Equity</b>	<b>169.64</b>	<b>163.14</b>	<b>6.50</b>

3.15.3. A comparison of the actual Return on Equity for FY 2021-22 with the amount approved by the Hon'ble Commission shows a net uncontrollable gain/ (loss) as indicated below.

**Table 29 : Treatment of Return on Equity**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	169.64	163.14		6.50

### 3.16. INCOME TAX

3.16.1. The actual tax paid in FY 2021-22 was Rs. 21.68Crores as against Rs. 12.22 Crores approved by the Hon'ble Commission as shown below:

**Table 30 : Income Tax**

Rs. in Crores				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Income Tax	12.22	21.68	(9.46)

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 2021-22 with the amount approved by the Hon'ble Commission shows an uncontrollable gain/(loss) of Rs. (9.46)Crores as indicated in the table below:

**Table 31 : Treatment of Income Tax**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Income Tax	12.22	21.68		(9.46)

### 3.17. NON-TARIFF INCOME FOR FY 2021-22

3.17.1. The Non-Tariff Income of MGVCL considered for FY 2021-22 is Rs. 227.97 Crores as

against Rs. 145.68 Crores approved by the Hon'ble Commission results in an uncontrollable gain/(loss) of Rs. (82.29) Crores. The breakup of the non-tariff income is shown below:

**Table 32 : Treatment of Non-tariff Income**

Rs. in Crores					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Non-Tariff Income	145.68	227.97		(82.29)

### 3.18. AGGREGATE REVENUE REQUIREMENT FOR FY 2021-22

3.18.1. Based on above, the table below summarises the actual Aggregate Revenue Requirement of MGVCL for FY 2021-22 as against the value approved by the Hon'ble Commission.

**Table 33 : 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>	609.87	637.30	(27.43)
2.2	<i>Repair &amp; Maintenance</i>	63.96	77.19	(13.23)
2.3	<i>Administration &amp; General Charges</i>	93.45	106.07	(12.62)
2.4	<i>Other Expenses Capitalised</i>	(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	<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)
10	<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	-	-	-
13	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>6,837.13</b>	<b>7,660.33</b>	<b>(823.19)</b>

### 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 2021-22 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 2021-22, MGVCL has incurred a net gain/(loss) of Rs. 161.00Crores on account of controllable factors while the net gain/(loss) attributable to uncontrollable factors for FY 2021-22 is Rs(984) Crores.

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

**Table 34 : 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>

### 3.20. REVENUE FOR FY 2021-22

3.20.1. During the FY 2021-22, MGVCL's actual revenue amounted to Rs.7,395.85Crores. The break-up is as follows:

**Table 35 : 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>

3.20.2. It is submitted that the DISCOMs during the FY 2021-22 have received outstanding subsidy payments from the Govt. of Gujarat. This pertains to different types of subsidies like HP based subsidy, GERC Tariff Compensation, Water Works (Gram Panchayat) and FPPPA subsidy. Against the total claim of Rs. 6,205.55 Crore (excluding HP based subsidy), the Discoms have received Rs. 8,173.85 Crores from the Govt. of Gujarat i.e. excess receipt of Rs. 1968.30 Crore which is against past subsidy claims pending with the Govt. of Gujarat. Accordingly, considering that this claim pertains to past year, the same has been adjusted from the revenue from sale of power from agricultural consumers during the year. The Discom wise allocation of this subsidy received is given in the table below:

**Table 36: Summary of the subsidy claim, and subsidy received from Govt. Of Gujarat in FY 2021-22**

(Rs. in Crore)

DISCOMS	Subsidy Claim for the FY 2021-22	Allocation of subsidy received to DISCOM	Subsidy Received for previous year claims
	A	B	C = B-A
DGVCL	316.03	427.35	111.32
MGVCL	406.75	536.29	129.54
PGVCL	2,417.84	3,279.98	862.14
UGVCL	3,064.93	3,930.24	865.31
<b>TOTAL</b>	<b>6,205.55</b>	<b>8,173.85</b>	<b>1,968.30</b>

### 3.21. REVENUE (GAP) /SURPLUS FOR FY 2021-22

3.21.1. The Hon'ble Commission in its True up Order dated 31<sup>st</sup> March' 2021 has approved Aggregate Revenue Requirement of Rs. 6,837.13Crores for FY 2021-22.The Hon'ble Commission had also worked out the Revenue (Gap) /Surplus of Rs. 409.41Crores due to Truing up of FY 2019-20 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 1/3<sup>rd</sup> of total gain/(loss) on account of controllable factors i.e. Rs. 53.72 Crores and total gain/(loss) on account of uncontrollable factor i.e. Rs.(984.36) Crores to the consumers. Adjusting these to the net Aggregate Revenue Requirement, MGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2020-21 at Rs. 7,358.36Crores.

3.21.3. This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue from sale of power of Rs.7,227.66 Crores, otherconsumer related Income of Rs. 99.42Crores, agriculture subsidies of Rs.68.78Crores and GUVNL profit allocationofRs. 7.81 Crores, summing up to a Total Revenue of Rs.7,403.66Crores. Accordingly, total Revenue (Gap) / Surplus of MGVCL for FY 2021-22 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs.45.30 Crores as shown in the table below:



**Table 37 : Revenue (Gap) / Surplus for FY 2021-22**

Sr. No.	Particulars	Rs. in Crores
		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>

3.21.4. It is submitted that the Hon'ble Commission in its Order in Case No. 1913 of 2020 dated 31<sup>st</sup> March, 2021 had determined a revenue surplus of Rs. 409.41 Crore for FY 2019-20, however, while determining the ARR for FY 2021-22, the revenue surplus for FY 2019-20 was considered to be nil. The Commission mentioned that it had verified the additional payment liability of Rs. 3,595.33 Crore as claimed by DISCOMs towards additional liability of power purchase expenses which is provisioning in the Audited Accounts of the Discom for FY2019-20 and this liability is claimed by the Petitioner towards the payments to be made to generators/ PPA liabilities on account of various court judgements. The Hon'ble Commission also worked out the consolidated surplus for all the Discoms together at Rs. 1,976.03 Crore. The Commission stated that is not giving any treatment of this amount at this stage because there is a likelihood of additional liabilities of amount of Rs. 3,595.33 Crore which may arise in the subsequent years as payment towards the liability to the generators under PPAs on account of various judgement of the courts and for which the Discoms had projected and raised the claim for Rs. 3,595.33 Crore. The Commission shall give the necessary treatment/ adjustments in the year as and when the liability gets materialised and payment is made, subject to claim in the respective year for True-up and prudence check by the Commission. As against this, the Commission stated that considering the amount of outstanding Ag. subsidy, the resultant surplus for the Discoms works out to Rs. 3,641.03 Crore (Rs.1,665.00 Cr + Rs.1,976.03 Cr) for FY 2019-20.

3.21.5. MGVCL through this Petition intends to adjust the surplus worked on true up of FY 2019-20 through the true up ARR for FY 2021-22.

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 2023-24.



## SECTION 4. COMPLIANCE OF DIRECTIVES

### 4.1. PREAMBLE

4.1.1. In the Tariff Orders, the Hon'ble Commission has specified following directives to MGVC L, to which, MGVC L is submitting the Compliance, which is as follows:

### 4.2. COMPLIANCE OF DIRECTIVES

#### 4.2.1. Directive 1: Tariff Rationalization

The Commission has directed DISCOM to study the tariff slabs of major consumer categories in other leading / neighbouring States and explore options for further rationalization and reduction in number of slabs.

##### **Compliance:**

The Hon'ble Commission had issued the above directive in its Tariff Order dated 31<sup>st</sup>March,2021 and thereafter again directed vide Tariff order dated 31<sup>st</sup>March, 2022 for further rationalization and reduction in number of slabs and submit the details along with next MYT Petition. However, Hon'ble Commission has by Order dated 20<sup>th</sup> October, 2022 in the Suo-motu petition no. 2140 of 2022 directed Utilities to file the petition for the determination of ARR and Tariff for FY 2023-24 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016. Since the petition for determination of ARR and tariff for FY 2023-24 only, DISCOM may carry out study of tariff slabs of major consumer categories with reference to its rationalization and reduction in number of slabs and submit necessary modification in Tariff Structure, if needed as and when MYT Petition will be filed. However, DISCOM may suggest certain tariff rationalisation for some consumer categories in its Tariff proposal.

#### 4.2.2. Directive 2: Implementation of Smart pre-payment meter/pre-payment meters

The Commission has advised DISCOM for necessary participation in the scheme of switching over to smart pre-payment/pre-payment meters, which will help in improvement of metering, billing and collection.

##### **Compliance:**

MGVCL & POWERGRID has signed MOU on dated 14.7.2022 for Implementation of Smart Metering Projects in jurisdiction of MGVC L, Discom of Gujarat under RDSS Scheme. Tender has been floated by POWERGRID on behalf of MGVC L & it is under process.

#### 4.2.3. Directive 3: Charging Infrastructure for Electric Vehicles

The Commission has suggested DISCOM to explore the possibility of creation of such infrastructure in its area and may come up with separate capital expenditure plan along with next petition for Commission's approval.

##### **Compliance:**

Govt. of Gujarat has declared Gujarat Electric Vehicle Policy, 2021 on 28<sup>th</sup> September, 2022 to promote EV Charging Infrastructure. As per the guidelines, GUVNL is the nodal

agency for releasing Expression of Interest (EoI), processing of applications, disbursement of subsidies and associated activities for Electric Vehicle Charging Infrastructure.

GUVNL has already initiated action for inviting EoI from the eligible entities. This would be a good move towards achieving the target for providing EV charging facilities across the state.

**4.2.4. Fresh Directive:**

The Commission vide Order dated 31st March, 2020 carried out certain rationalisation in the Tariff of HT and LT Lift Irrigation category, enhanced the Night Time Rebate for utilisation of electricity by HT category consumers and enhancement of Rebate for supply at EHV level. In order to analyse the impact of such rationalisation, DISCOMs were directed to keep the record of number of consumers, their consumption during day and night period etc. and report to the Commission on completion of FY 2020-21. Accordingly, the DISCOMs have reported the Commission. However, the presentation of such reports by each DISCOM is different. In order to carry out fruitful analysis, DISCOMs are directed to report in the following format by 30th September, 2022.

**Report on Night Time Consumption:**

Tariff Category	Number of consumers		Day time consumption in MUs		Night time consumption in MUs		Total consumption in MUs	
	(N-1) <sup>th</sup> Year	N <sup>th</sup> Year	(N-1) <sup>th</sup> Year	N <sup>th</sup> Year	(N-1) <sup>th</sup> Year	N <sup>th</sup> Year	(N-1) <sup>th</sup> Year	N <sup>th</sup> Year
HT								
HT supplied at EHT								
HT H-V								
LTP-Lift Irrigation								

**Report on Rebate to EHV category consumers**

Consumption (in MUs) (N-1) <sup>th</sup> Year	Consumption (in MUs) N <sup>th</sup> Year	EHV Rebate (in Lakh) (N-1) <sup>th</sup> Year	EHV Rebate (in Lakh) N <sup>th</sup> Year

**Report on SKY Scheme**

No. of leaders	No. of SKY consumers	No. of SKY consumers on recoverable side	No. of SKY consumers on payable side	Amount of recovery to be done from farmers (In Lakh)	Amount payable to the farmers (In Lakh)	Total Contracted load of SKY consumers in HP	Total SPV Capacity in MW-AC

**Compliance:**

MGVCL has complied with the directive and submitted the details to the Hon'ble Commission vide letter No. MGVCL/RA&C/GERC/175 Dtd 14.07.2022.



## **SECTION 5. PRAYER**

**MGVCL respectfully prays to the Hon'ble Commission:**

1. To admit this Petition seeking True up of FY 2021-22.
2. To approve the True up for FY 2021-22 and allow sharing of gains/ (losses) with the Consumers as per sharing mechanism prescribed in the MYT Regulations, 2016.
3. To allow recovery of Revenue (Gap)/ Surplus of FY 2021-22 as part of Tariff determination for FY 2023-24.
4. To allow to file ARR and Tariff Proposal for FY 2023-24 as an addendum to this Petition.
5. To consider approved True up parameters & ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
6. To grant any other relief as the Hon'ble Commission may consider appropriate.
7. 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.
8. 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.**

**Signature of the Petitioner**

**Place: Vadodara**

**K. B. Dhebar**

**Date:  December, 2022**

**Additional Chief Engineer (RA&C)**



**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**GANDHINAGAR**

Filing No:

Case No:

**IN THE MATTER OF**

Filing of the Petition for True Up for FY 2021-22 under GERC MYT 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**

MadhyaGujarat Vij Company Limited,  
Sardar Patel Vidyut Bhavan,  
Race Course, Vadodara – 390007

**PETITIONER**

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

**CO-PETITIONER**

**THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS**



Affidavit verifying the Petition

I, Kalpesh Bipinchandra Dhebar, son of Mr. Bipinchandra Dhebar, aged 56, residing at Vadodara, do solemnly affirm and say as follows:

- I. I am the Additional Chief Engineer (RA&C) of the Madhya Gujarat Vij Company Limited (MGVCL), the Petitioner in the above matter and am duly authorized by the said the Petitioner to make this affidavit.
- II. The Statements made in the Petition application herein above are true to my knowledge and belief, which I believe them to be true.

Solemnly affirmed at Vadodara on this      December, 2022 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.

**K. B. Dhebar**

**Additional Chief Engineer (RA&C)**

**Identified before me**

**Place: Vadodara**

**Date:      December, 2022**