GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2011-12 and

Determination of Tariff for FY 2013-14

For

Paschim Gujarat Vij Company Limited

Case No. 1286 of 2013

16th April 2013

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GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

AHMEDABAD

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	FY 2011-12 to FY 2015-16
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
JGY	Jyoti Gram Yojna
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
MGVCL	Madhya Gujarat Vij Company Limited
MU	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operations & Maintenance
PF	Power Factor
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
R&M	Repair and Maintenance
RLDC	Regional Load Despatch Centre
SBI	State Bank of India
SLDC	State Load Despatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Despatch Centre

Before the Gujarat Electricity Regulatory Commission at Ahmedabad

Case No. 1286 of 2013

Date of the Order: 16/04/2013

CORAM

Dr. P. K. Mishra, Chairman

Shri Pravinbhai Patel, Member

Dr. M. K. Iyer, Member

ORDER

1. Background and Brief History

1.1 Background

The GERC notified MYT Regulations 2011 on 22nd March, 2011. As per the provisions stipulated in Regulation 29.8, licensees are required to file the petition for the truing up of FY 2011-12 and determination of tariff for FY 2013-14 latest by 30th November, 2012. The Paschim Gujarat Vij Company Limited (hereinafter referred to as 'PGVCL' or 'licensee') requested the Commission to grant extension of time for filing the true up petition for FY 2011-12 as well as the tariff determination petition for FY 2013-14 up to 31st January, 2013. The Commission granted extension for filing the petition up to 31st December, 2012 which was further extended up to 10th

January, 2013. PGVCL filed the Petition under Section 62 of the Electricity Act, 2003 read with GERC (MYT) Regulations, 2011 for Truing up for FY 2011-12 and determination of Tariff for FY 2013-14 on 9th January, 2013. The petition submitted by PGVCL was lacking tariff proposal. The Commission took this submission as non-compliance of directives issued for filing the tariff petition and scheduled a hearing on 18th January, 2013 calling the petitioner to explain to submit the tariff proposal pending which action be initiated under section 146 and 149 of the Electricity Act, 2003. During the hearing, the petitioner sought the time from the Commission up to 25th January, 2013 to file the tariff proposal. Looking to the short time period asked by the petitioner, the Commission granted time-limit extension up to 25th January, 2013 through a separate order dated 19th January, 2013. Petitioner filed the complete petition as per MYT Regulations, 2011 on 24th January, 2013. The Commission admitted the Petition on 28th January, 2013.

1.2 Paschim Gujarat Vij Company Limited (PGVCL)

The Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1st April, 2005. The Generation, Transmission and Distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor companies. The seven successor companies are listed below

Generation Gujarat State Electricity Corporation Limited (GSECL)
Transmission Gujarat Energy Transmission Corporation Limited (GETCO)

Distribution Companies:

Sl. No	Name of Company
1	Dakshin Gujarat Vij Company Limited (DGVCL)
2	Madhya Gujarat Vij Company Limited (MGVCL)
3	Uttar Gujarat Vij Company Limited (UGVCL)
4	Paschim Gujarat Vij Company Limited (PGVCL)

Gujarat Ujra Vikas Nigam Limited (GUVNL), a holding company, is responsible for purchase of electricity from various sources and supply to Distribution Companies and also other activities including trading of electricity.

The Government of Gujarat vide notification dated 3rd October, 2006, notified the final opening balance sheets of the transferee companies as on 1st April, 2005. The value of assets and liabilities, which stand transferred from the erstwhile Gujarat Electricity Board to the transferee companies, include Paschim Gujarat Vij Company Limited (PGVCL). Assets and liabilities (gross block, loans and equity), as on the date mentioned in the notification, have been considered by the Commission in line with the Financial Restructuring Plan (FRP), as approved by Government of Gujarat.

1.3 Commissions Order for the second Control period

PGVCL filed its petition under the Multi-Year Tariff Framework for the control period FY 2011-12 to FY 2015-16 on 12th May, 2011 in accordance with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011.

The Commission, in exercise of the powers vested in it under sections 61, 62 and 64 of the Electricity Act, 2003 and all other powers enabling it on this behalf, and after taking into consideration the submission made by PGVCL, the objections by various stakeholders, response of PGVCL, issues raised during public hearing and all other relevant material, issued the Multi-Year tariff order on 6th September, 2011 for the control period from FY 2011-12 to FY 2015-16 based on the MYT Regulations, 2011.

The Commission issued the orders for Truing up for FY 2010-11 and determination of Tariff for FY 2012-13 on 2nd June, 2012.

1.4 Admission of the current petition and public hearing process

PGVCL submitted the current petition for ‘Truing up’ of FY 2011-12 and determination of tariff for FY 2013-14 on 24th January, 2012. The Commission admitted the petition (Case No. 1286/2013) on 28th January, 2013.

In accordance with section 64 of the Electricity Act, 2003, the Commission directed PGVCL to publish its application in the abridged form to ensure public participation. The public notice was published in the following newspapers on 30.01.2013 inviting objections / suggestions from its stakeholders on the petition filed by it.

Sl.No.	Name of the Newspaper	Language	Date of Publication
1	The Times of India (All Gujarat Editions)	English	30.01.2013
2	Divya Bhaskar (All Gujarat Editions)	Gujarati	30.01.2013
3	Gujarat Samachar (All Gujarat Editions)	Gujarati	30.01.2013

The Petitioner has also placed the public notice and the petition on its website for inviting objections and suggestions on the petition. The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 01.03.2013.

The Commission received objections / suggestions from 12 consumers / consumer organizations. The Commission examined the objections / suggestions received and fixed the date of public hearing for Discom's to be held at Ahmedabad on 11.03.2013, Surat on 13.03.2013, Rajkot on 16.03.2013 and Bhuj on 18.03.2013. Communications were sent to these consumers / consumer organizations to take part in the public hearing process for presenting their views in person before the Commission. The Public hearing was conducted as scheduled.

The names of consumers and consumer organizations who filed their objections / suggestions and the objectors who participated in the public hearing for presenting their objections are given in Annexures 1.1 and 1.2 respectively.

A short note on the main issues raised by the objectors in written submissions in public hearing in respect of the petition along with the response of PGVCL and the Commission's views on the response is given in Chapter-3.

1.5 Contents of this order

The order is divided into nine chapters:

1. The **first** chapter provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and the approach adopted in this order.
2. The **second** chapter outlines a summary of PGVCL submission.
3. The **third** chapter deals with the public hearing process including the objections raised by various stakeholders, PGVCL's response and Commission's views on the response.

4. The **fourth** chapter focuses on the details of truing up of FY 2011-12.
5. The **fifth** chapter deals with the determination of tariff for FY 2013-14.
6. The **sixth** chapter deals with the FPPPA charges.
7. The **seventh** chapter deals with wheeling charges and cross subsidy surcharge.
8. The **eighth** chapter deals with compliance of directives and issue of fresh directives.
9. The **ninth** chapter deals with the tariff philosophy and tariff proposals FY 2013-14.

1.6 Approach of this order

PGVCL has approached the Commission with the present petition for 'Truing up' for the FY 2011-12 and determination of tariff for the FY 2013-14.

The Commission has undertaken truing up for the FY 2011-12 including computation of gains and losses for the FY 2011-12 based on the submissions of the petitioner and the audited annual accounts made available by the petitioner.

While Truing up of FY 2011-12 the Commission has been primarily guided by the following principles:

1. Controllable parameters have been considered at the level of approval under the MYT order unless the Commission considers that there are valid reasons for revision of the same

2. Un-controllable parameters have been revised based on the actual performance observed.

The Truing up for the FY 2011-12 has been considered based on the GERC MYT Regulations, 2011. For the determination of the ARR for FY 2013-14, the Commission has considered the ARR for FY 2013-14 as approved in the MYT order dated 6th September, 2011.

Annexure 1.1

List of Organizations and Individuals who filed objections / suggestions

Sl. No	Name
1.	Shri S.J. Patel, Adv of Gujarat High Court
2.	Gujarat Krushi Vij Grahak Suraksha Sangh
3.	Laghu Udyog Bharati – Gujarat
4.	Consumer Education and Research Society
5.	Utility User's Welfare Association
6.	Shri. Jayesh Shah Palejwala
7.	Gondal Chamber of Commerce & Industry
8.	New Kandla Salt & Chemical Co. Pvt. Ltd.
9.	Akhil Bharatiya Grahak Panchayat
10.	Rajkot Chamber of Commerce & Industry
11.	Rajkot Engineering Association
12.	Bhavnagar Induction Furnace Association, Sihor Steel Rerolling Mills Association

Annexure 1.2

List of participants in public hearing

Sl. No	Name
1.	Gujarat Krushi Vij Grahak Suraksha Sangh
2.	Laghu Udyog Bharati – Gujarat
3.	Consumer Education and Research Society
4.	Utility User's Welfare Association
5.	Gondal Chamber of Commerce & Industry
6.	New Kandla Salt & Chemical Co. Pvt. Ltd.
7.	Akhil Bharatiya Grahak Panchayat
8.	Rajkot Chamber of Commerce & Industry
9.	Rajkot Engineering Association
10.	Shri K.K.Pandya

2. Summary of PGVCL's Submission

The Paschim Gujarat Vij Company Limited (PGVCL) submitted the of True up of FY 2011-12 and calculation of revenue estimates for FY 2013-14 details on 16th January, 2013.

2.1 Actuals for FY 2011-12 submitted by PGVCL

The details of expenses under various components of ARR for FY 2011-12 are given in the Table 2.1 below:

Table 2.1: Actuals submitted by PGVCL till FY 2011-12

(Rs. crore)

Sl.No.	Particulars	Submitted in Truing up
1	Cost of Power Purchase	6593.01
2	Operations and maintenance expenses	374.86
2.1	Employee expenses	454.07
2.2	Repair and Maintenance expenses	70.31
2.3	Administration and general expenses	91.22
2.4	Other debits	4.99
2.5	Extraordinary items	-
2.6	Net prior period expenses/(Income)	(3.24)
2.7	Other expenses capitalized	(242.51)
3	Depreciation	295.10
4	Interest on finance charges	172.77
5	Interest on working capital	-
6	Provision for bad debts	13.67
7	**Sub-total (1 to 6)**	7449.40
8	Return on equity	197.21
9	Provision for tax/ tax paid	5.41
10	Total expenditure (7 to 9)	7652.01
11	Less: Non-tariff income	200.13
12	**Aggregate Revenue requirement**	7451.88

2.2 Summary of projected revenue gap till FY 2011-12

Table below summarizes the estimated ARR submitted by the PGVCL for truing up, revenue from sale of power at the existing tariff and the revenue gap estimated for FY 2011-12:

Table 2.2: Projected Revenue Gap for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	FY 2011-12
1	ARR approved in Tariff Order dated 6th September 2011 for FY 2011-12	6126.98
2	Gains / (Losses) on account of uncontrollable factor to be passed on to the consumer	(1420.83)
3	Gain/ (Loss) on account of controllable factor to be passed on to the consumer (1/3rd of total gain/loss)	31.97
4	**Revised ARR for FY 2011-12 (1-2-3)**	**7515.83**
5	Total revenue from sales	6658.24
6	Other income (consumer related)	139.05
7	Total revenue excluding subsidy (5+6)	6797.30
8	Agriculture subsidy	406.94
9	**Total revenue including subsidy (7+8)**	**7204.24**
10	**Revised gap after treating gains/losses due to controllable/uncontrollable factors (4-9)**	**311.60**
11	Net Revenue Gap / (Surplus) of FY 2009-10 approved in the GERC order dated 2nd June 2012	(147.78)
12	Net Revenue Gap / (Surplus) of FY 2010-11 approved in the GERC order dated 2nd June 2012	133.00
13	**Consolidate Gap till FY 2011-12**	**297.12**

2.3 Summary of projected revenue gap for FY 2013-14

Table below summarizes the ARR approved by the Commission in MYT Order dated 6th September, 2011, total revenue and revenue gap projected by PGVCL from sale of power at the existing tariff for FY 2013-14.

Table 2.3: ARR, Revenue and Gap for FY 2013-14

(Rs. crore)

Sl. No.	Particulars	FY 2013-14
1	**ARR as per MYT Order**	**7674.32**
2	Revenue from sale of power	5297.49
3	Revenue from FPPPA	983.81
4	Other Income (consumer related)	124.00
5	Agriculture subsidy (expected from Govt. of Gujarat)	399.25
6	**Total Revenue (2+3+4+5)**	**6804.55**
7	**Gap / (Surplus) resulted on account of approved ARR and revenue projected at existing tariff**	**869.78**

The petitioner proposed tariff hike in all categories of consumer, excluding BPL and agricultural, to meet the gap and revenue requirement for FY 2013-14.

2.4 PGVCL's request to the Commission:

1. The Commission is requested to condone delay in filing of this petition.
2. To admit this petition seeking True up of FY 2011-12;
3. To approve the True up for FY 2011-12 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the MYT Regulations, 2011.
4. To approve the actual capital expenditure for the FY 2011-12.
5. To allow the petitioner to file its tariff petition for FY 2013-14 in due course as the revenue from subsidy is to be determined in consultation with Government of Gujarat.
6. To treat the unrecovered gap as regulatory asset to be recovered in the future tariff petition.
7. The Hon'ble Commission is requested to consider approved parameters/ARR of GSECL, GETCO and SLDC while finalizing tariff of the petitioner.
8. To grant any other relief as the Commission may consider appropriate. The petitioner craves leave of the Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
9. Pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

3. Objections raised by various stakeholders, PGVCL response and Commission's comments

3.1 Public response to the Petition

In response to the public notice, inviting objections / suggestions of the stakeholders on the petition filed by PGVCL for truing up of FY 2011-12 and determination of tariff for FY 2013-14, a number of consumers / consumer organisations filed their objections / suggestions. Some of these objectors participated in the public hearing also. It is observed that the objections / suggestions filed, by and large, are repetitive in nature. Some of the objections are general in nature and same are specific to the proposal submitted by the petitioner for approval of ARR and Tariff revision for FY 2013-14. It is also noted that many of the objections / suggestions are common to all the four DISCOMs and some are specific to the concerned DISCOM. The objections / suggestions are segregated into two groups viz. common to all DISCOMs and specific to concerned DISCOM. The Commission has, therefore, addressed the objection / suggestions issue-wise rather than objector-wise.

3.2 Common Objections / Suggestions to all DISCOMs

Objection 1: Formula for fixing fixed/demand charge

Laghu Udyog Bharati states that there must be justification and formula for fixing fixed charge/demand charge.

Response of Petitioner:

It is a basic commercial principle for any organization to recover its fixed costs through recovery of fixed charges. In the case of DISCOMs even with the proposed tariff only 27.08% fixed cost is recovered through fixed charges.

Commission's View:

Response of the petitioner is noted.

Objection 2: Receipts under Minimum Charges are not shown in ARR

The projections of ARR do not show the amount received from minimum charge. For example, if a consumer has contract demand of 200 KVA, the billing demand is 170 KVA, Actual demand is 120 KVA, the consumer has to pay Rs. 5000/- more, which results in rise of per unit cost. In the NRGP Category for low consumption consumers the difference is highest. In the ARR projections such amounts are not shown.

Response of Petitioner:

Tariff related charges recovered from the consumers are broadly classified into demand and energy charges for accounting purpose. Charges recovered towards the "Demand Charges" or "Fixed Charges" are accounted under the head demand charges, while charges recovered towards "Energy Charges" are accounted under the head energy charges.

Under the head NRGP category, "Minimum Bill" is different from payment of fixed charges. Some of the consumers of NRGP category are required to pay, for a particular billing month, a "Minimum Bill" as their aggregate amount of fixed charges and energy charges would be lower than the amount prescribed under the head minimum bill on account of their low/no consumption during that billing period(s). In such cases, the differential amount is recovered and accounted under the head energy charges. Generally it is not possible to estimate such differential amount.

Commission's View:

The response of the petitioner is noted.

Objection 3: Depreciation accounting

Along with Annual accounts and ARR projections, there must be detailed analysis by chartered accountants finalizing previous year's annual accounts to show why depreciation credit is not given on the assets for which full line cost is recovered from consumers.

Response of Petitioner:

Copy of the Audited Annual accounts for FY 2011-12 is provided with the petition.

Charging of Depreciation on total assets is as per the provision of accounting standards. Every year, Company writes back certain part of consumers' contribution and, company charges depreciation on gross value of asset.

Commission's View:

The response of the petitioner is noted.

Objection 4: Accounting of unbilled amount

The objector stated that there must be justification by chartered accountants in annual financial statements that at the end of financial year, the unbilled amount at the rate of annual % growth and the receivables as arrears in full are accounted for. Per unit cost (overall) average and Category wise unit cost as per tariff orders is assessed. The unbilled revenue, which has been arising year after year, should be accounted for appropriately.

Response of Petitioner:

The company prepares its financial statements on historical cost and accrual basis in accordance with the Accounting Standards and Generally Acceptable Accounting Principles.

The revenue from sale of power, as indicated in the petition, includes provision for unbilled revenue for which electricity is supplied to the consumer before the electricity bill is raised. Such provision for unbilled revenue is provided and included in the books of accounts in the total amount of revenue from sale of power. In fact, the company's books of account remain opened beyond the 31st March for certain period and by the time books of accounts are closed, information regarding sale of Power for the last month is available. However, since the accounts are prepared up to 31st March on accrual basis, such revenue from sale is treated as unbilled revenue.

The Tariff Petition filed is prepared as per the Provisions of Multi Year Tariff Regulations, 2011 and has accounted revenue considering billing for 12 months. The accounts of the company are also audited and certified by the Statutory Auditors and based on these accounts, the ARR Petition is prepared and filed.

Commission's View:

The response of the petitioner is noted.

Objection 5: True up of Interest on working capital

As the consumer's money as security deposit is lying with retail Electricity supply companies, interest on working capital is not being allowed. True up of the same for last 6 years is required to be carried out.

Response of Petitioner:

ARR and Tariff petitions for the previous years, prior to 2011-12, were filed under the provisions of regulations prevailing at that point of time and provisions of current regulations cannot be made applicable to previous filing.

Commission's View:

Response of the petitioner is noted.

Objection 6: Differential power purchase cost allocation for various Discoms

For the purpose of Accounting, the DGVCL is the highest payer of per unit power purchase cost. The reason of charging lowest per unit cost from PGVCL, having lower agricultural consumption than UGVCL is not justified. This issue was raised previously also.

Response of Petitioner:

Since 70%-80% of the total cost incurred by DISCOM is for Power Purchase, the same plays a major role in determining the ARR as well as Gap / (Surplus) for the DISCOM for a particular year. The consumer profile and consumption profiles are different in the four Distribution Companies. The revenue earning capabilities of each of the DISCOMs differ resulting in different ARR. It is necessary to build a mechanism for projections to bring them to a level playing field. This is proposed to be achieved by differential Bulk Supply Tariff (BST) to each of the DISCOMs which is approved by the Commission.

Commission's View:

Response of the petitioner is noted.

Objection 7: Revenue Gap

The objector objected to the increase in Revenue Gap for 2011-12 by Rs.1003.87 Crores which reflects the performance of DISCOMs. DISCOMs have not mentioned about the technical performance in 2011-12 and therefore the petitions should be rejected.

Further, the objector has suggested that the DISCOMs should be directed to improve their performance and reduce expenses by adopting economy measures.

Response of Petitioner:

Revenue gap for FY 2011-12 has been worked out as per the provisions of MYT Regulations 2011.

Commission's View:

The DISCOM shall improve the performance and reduce the costs.

Objection 8: Power Purchase Cost

(a) Random purchase of power from Independent Power Producers and drawing less power from its own plants and central plants is objected. This can be observed by Plant Load Factor of Generation Company which is less than 60%.

(b) Power Purchase Cost which is more than 80% of total expenditure has increased by 14.6%, for which the charges have been collected by petitioners through FPPPA formula. The present FPPPA charges have increased tariff by more than 40% and therefore the Commission shall reject any proposal of increasing the tariff for FY 2013-14. DISCOM should be directed to reduce its Distribution Loss, increase bill collection efficiency to recover these losses.

Response of Petitioner:

Variation in the approved and the actual power purchase expenses is on account of various reasons including, change in cost of power, change in quantum of power purchased and changes in the transmission charges payable. The quantum of power purchase depends upon the sales during the year as well as the losses in the system. The actual distribution losses have been lower than the approved level.

Commission's View:

Licensees are required to purchase power in accordance with the merit order. Power purchase costs are approved after prudence check.

Objection 9: Profit of Rs. 134.05 Crores in FY 2011-12

It is observed from the audited Annual Reports for 2011-12 that all four DISCOMs have shown profit of Rs. 134.05 Crore but in the petitions, they have shown a deficit of Rs. 1000.37 Crores and proposed to recover this deficit from consumers.

The objector rejects any increase in tariff in the case of DISCOMs due to misleading and wrong financial details in the petitions.

Response of Petitioner:

Company's accounts are prepared following the provisions of Companies Act and other relevant provisions and ARR principles are guided by MYT Regulations, EA 2003 and other relevant regulations and guidelines notified by the Commission. While truing up the ARR for FY 2011-12, the actual expenses incurred are compared with the approved values. Deviation is segregated into controllable and un-controllable gain/losses as per the provisions of Regulations and proposed for pass through after giving due treatment.

Commission's View:

The Truing up for FY 2011-12 and gains / losses are approved based on audited accounts and as per MYT Regulations.

Objection 10: Separate Tariff for each Petitioner:

1) The Electricity Act mandates competition in distribution sector which is not possible with having common tariff for all four Petitioners in Gujarat. It is shocking that the Commission has dual policy for State Owned DISCOMS and Private DISCOMs which has separate tariff in Ahmedabad and Surat.
2) The objector has been presenting since last three years for introducing separate tariff for each DISCOM in Gujarat. The criteria for fixing tariff of all four DISCOMs should be based on their individual performances. The performance in bringing down Distribution losses vary from 9.81% to 27.87 % and obviously tariff cannot be same for these DISCOMs.
3) The performance of PGVCL is very poor and not comparable with other three DISCOMs and therefore tariff of PGVCL consumers should be higher than consumers of other DISCOMS.

Response of Petitioner:

Uniform retail supply tariff for all four DISCOMs (Unbundled entities of erstwhile GEB) has been envisaged so that consumers in the similar categories in the State could have similar tariff and there may not be any discrimination among the consumers, which is also the objective of EA, 2003.

Since 70% - 80% of the total cost incurred by DISCOMs is for Power Purchase, the same plays a major role in determining the ARR as well as Gap / (Surplus) for the DISCOM for a particular year. The consumer profile and consumption profiles are different in the four Distribution Companies; the revenue earning capabilities of each of the DISCOMs differs resulting in different ARR. It is necessary to build a mechanism for projections to bring them to a level playing field. This is proposed to be achieved by differential Bulk Supply tariff (BST) to each of the DISCOMs which is approved by the Commission.

Moreover, performance of all Distribution Companies is monitored by the Commission and accordingly Distributions Loss is approved by the Commission.

Commission's View:

There is no question of the Commission having a dual policy. The Commission deals with each petition on its merit keeping in view all the relevant aspects.

Objection 11: Providing of details of Technical Performance

The filing of petitions by all four DISCOMs without providing details of technical performance is objected. All four DISCOMs should be directed to provide the following details to review their performances.

a) Details of metered and unmetered Agriculture connections.
b) Details and number of old electromechanical meters still not replaced within their respective jurisdiction.
c) Details and number of non-working meters existing in individual jurisdiction.
d) Energy consumed by each category of consumers and revenue earned from each category.
e) Details of steps taken to recover bad debts from defaulters.
f) Details of amount spent by each DISCOM against expenditure as legal fees paid to advocates which is more than Rs one Crore for each DISCOM.

g) Reduction or Increase in number of employees compared to last year.

h) Accepting such incomplete petitions without the above important details and rushing up for hearing and passing final order is against the interests of consumers.

i) The objector has been arguing before the Commission to introduce performance based tariff and to make Electricity Companies accountable. The objector has been demanding constitution of Technical Validation Committee to scrutinize tariff petitions before they are published in local newspapers.

Response of Petitioner:

(a) Details of Metered and Unmetered Agriculture connections are provided in the petition.

(b) Replacement of old electromechanical meters:

Company has large base of old consumers. Many of such consumers are being supplied power through electromechanical meters which are in working condition. Company prioritizes the replacement of non-working, defective, inaccurate meters and very old meters.

(c) Details of Non-Working Meters are provided in the petition.

(d) Details of category wise sales and revenue:

The Revenue for FY 2013-14 has been estimated in the petition based on Approved Sales, Approved Connected Load and Number of Consumers as per the Tariff Order dated 6th September, 2011 and the Revised Tariff as per the Tariff Order dated 2nd June 2012. The Slab-wise break-up of Sales, Connected Load and Number of Consumers for those tariff categories which are same as per the Tariff Order dated 6th September, 2011 has been taken based on the slab-wise break-up for FY 2011-12. For new categories introduced in the order dated 6th September, 2011 (i.e. Non-RGP, LTMD and GLP), the slab-wise break-up has been taken based on the break-up of actual sales of FY 2011-12.

(e) Steps taken to recover bad debts are as under.

- Disconnection of connections in debts.
- Recovery through civil suits
- Arranging Lok Adalats

As a special measure “Amnesty Scheme” was launched during year 2012.

(f) The amount spent against legal fees is Rs. 17.60 lacs during FY 2011-12. The amount is inclusive of advocate fees, court fees and other legal charges etc.

(g) The number of employees as on 31^{st} March 2012 are 4813 as compared to 4562 employees on 31^{st} March 2011 has been furnished.

Commission's View:

The response of the petitioner is noted. Further, office of the Commission scrutinizes the petitions before registering for data sufficiency.

Objection 12: FPPPA charges

Steep increase in FPPPA charges incorporated by all four DISCOMs is objected. The present FPPPA charges of Rs. 1.18 / kWh amounts to increase in tariff by almost 50%. The following measures to control these charges and reduce burden on consumers are suggested:

(a) Prior approval from the Commission before any increase or decrease in charges every quarter.

(b) To limit FPPPA charges at 25 % of energy charges for each slab to avoid burden on small consumers.

(c) To constitute a High Level Committee to monitor power purchase procedure of GUVNL and DISCOMs.

True picture of fuel cost and power purchase costs are not given in the petition. The cost of fuel is less than 40 % and that of power purchase is above 60 %. Objector has made representation before the Commission about low Plant Load Factor of State owned Generation Company and less purchase of power from Central Plants.

Response of Petitioner:

The Company follows "Merit Order", for procurement of power. Order of the Commission provides for prior approval of the Commission in case increase in fuel charges is beyond 10 paise/Kwh in a quarter.

The Commission may examine other suggestions and take a decision.

Commission's View:

The Commission has considered the objection/suggestion of the objector and response of the petitioner and appropriate decision taken.

Objection 13: Profits

The profits of the company have increased within three years beyond the reasonable limits. The petitioner has tried to get relaxation in the norms of controllable elements and tried to get normative values even when the value achieved is less than the normative prescribed in the Regulations.

Response of Petitioner:

Over the years since unbundling the DISCOMs show very marginal surplus much lower than allowable Return on Equity.

Commission's View:

The response of petitioner is noted.

Objection 14: Non-recovery of gap due to delay in filing petition

Delay in submission of ARR petition is an offence, to be dealt with seriously.

Discoms lost its right to recover the revenue gap because of delay. It is contemplated in Section 61 (i) that Commission shall be guided by the National Electrical Policy and National Tariff Policy. As per the provision of clause 8.1 (7) of National Policy, the gap on account of delay in filing the ARR petition should be on account of licensee and hence Discoms do not qualify for recovery of the gap.

The gap of FY 2009-10 also cannot be recovered in view of the decision of Hon. APTEL that the new consumers who were not in FY 2009-10 cannot be burdened with increased tariff.

Response of Petitioner:

Subsidy mechanism forms a significant part of the revenues and the various capital expenditure schemes of the company involve support from the State Government. The State Govt. was also required to be consulted as to whether the burden was required to be passed on to each class of consumer category or the tariff proposal has to be designed for different categories based on socio economic scenario prevailing in the State. Therefore, GoG was consulted on the issue so as to come up with more realistic estimate of the revenue requirement of the company and cogent tariff proposal. Based on the above submissions, the Commission extended the time limit for filing the petition up to 25th January, 2013 and accordingly the petition has been submitted within the extended time limit.

Commission's View:

The petitioner should file the petition in prescribed time limit as per the Regulations.

Objection 15: T&D Losses

(a) The T&D losses are very high and consumers should not be burdened by indiscriminate T&D loss of the Discoms.

(b) Even the Committee on Restructuring of APDRP has also recommended that loss reduction could be 1% per year when loss level of the system is below 20 %. (Source: T.O. No. 945/2008, page-31, para 4.5). The Commission is requested to consider the loss level based on these recommendations for consideration of Energy Requirement.

Response of Petitioner:

GERC has approved the distribution loss trajectory for the entire control period commencing from FY 2011-12 to FY 2015-16. The actual distribution losses for FY 2011-12 were lower than that approved by the Commission.

Transmission loss is approved by the Commission for the Transmission Company and same is considered by the company.

Commission's View:

The distribution losses of DISCOMs are monitored by the Commission and suitable directives are issued from time to time to reduce the losses.

Objection 16: Procurement of Power

(a) It is the duty of the Distribution licensee to procure power at the competitive price from the generators. Hon. APTEL has not considered GUVNL as granted licensee or Deemed Licensee but held that GUVNL as the holding company i.e.

of all other four subsidiary company. GUVNL is making trading for the procurement and sale of power in bulk on behalf of its subsidiary companies.

(b) GUVNL determines the sale price of power for its Discoms so that ultimate tariff for the consumers remain equal in the State. It means the consumers of the Discoms whose performance and efficiency are good has to subsidize the consumers of the Discoms whose efficiency and performance are the worst. (MGVCL, DGVCL consumers are subsidizing the consumers of PGVCL). This is not justified because the honest consumers and efficient Discoms, instead of being rewarded, are being penalized. This is against the principle of natural justice and principle of MYT Regulations made under the provision of tariff section of E.A.2003.

Response of Petitioner:

(a) GUVNL has tied up power on long term basis to fulfil the requirement of its four subsidiary Discoms. Further, Intra-Stat ABT has been implemented in the State w.e.f. 05.04.2010. In accordance with the provision of Intra-State ABT Order of the Commission, power is procured on real time basis following the principle of Merit Order irrespective of ownership of generators whereby cheaper power is scheduled first and thereafter costlier power till the demand of Discoms is met. It is pertinent to mention that GUVNL has not procured any power on short term basis during the FY 2011-12.

(b) GERC through MYT order dated 6th September 2011 has approved the concept of Bulk Supply Tariff (BST) for the Control Period from FY 2011-12 to 2015-16 for allocation of power purchase cost by GUVNL to its subsidiary Discoms. As per the concept of BST, as approved by the Commission, the power purchase cost is allocated to Discoms based on their consumer mix. The concept of BST was approved by the Commission after carrying out detailed hearings and submissions in order to keep the retail tariff uniform across the State.

Commission's View:

The response of the petitioner is noted.

Objection 17: Source of Power

The Commission has in the MYT tariff order No. 1099, 1100, 1101 and 1102 of 2011 approved the sources from whom power is to be procured and the quantum and price for FY 2011-12 to 2015-16. Discoms have not provided in truing up, the details of power purchase sources with quantum and price (fixed and variable) to arrive at variation. The Commission is requested to direct Discoms or GUVNL to provide the same.

Response of Petitioner:

The detail of power purchased by GUVNL for FY 2011-12 is provided in the audited accounts of GUVNL which is also available on web-site.

Commission's View:

The response of the petitioner is noted.

Objection 18: Function of GUVNL

Is the function of GUVNL for sale and purchase of power as per provision of EA, 2003?

The Commission is requested to consider this issue in the context of the para 13 to 45 of Hon. APTEL's order dated 1st October,2012 in Appeal No.31 of 2012 PTC vs GUVNL. The Commission is requested to advise under Section 86(2) for achievement of goal mentioned in Section 86(2) (i), (ii),(iii) and (iv). This will help in minimize the A & G cost of other four corporate companies if only GUVNL is given the functions of distribution, transmission, generation and trading.

Response of Petitioner:

GUVNL has been incorporated as a successor entity to the erstwhile GEB pursuant to a transfer scheme notification issued under the provisions of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 and the Electricity Act, 2003.

Section 28 of the Gujarat Electricity Industry Act provides that the State Government may from time to time by notification in the official Gazette, publish schemes to reorganise the Government Electricity Industry. The above is also consistent with Section 131 of the EA, 2003 which provides that the State government shall issue a transfer scheme for transfer and vesting of the property, interest in property, rights and liabilities of the erstwhile State Electricity Board. Accordingly, the State Government through notification dated 24.10.2003 issued the first Transfer scheme under which the functions of generation, transmission and distribution undertakings of the erstwhile GEB were vested in separate companies. As per the Schedule G of the said notification functions related to bulk purchase of power from the generating companies within/outside of the State of Gujarat and supply in bulk to the Discoms, any other residual liabilities, proceedings and functions etc. were not transferred to any of the undertakings and retained by the GEB for the time being. Subsequently, the State Government issued a notification dated 10.12.2004 to incorporate GUVNL for the purposes of transferring the assets, liabilities and proceedings mentioned in Schedule G of the erstwhile GEB including trading in electricity. Further, State Government through Notification dated 31.3.2005 finalized transfer of functions and activities w.e.f. 1.4.2005. Accordingly, GUVNL has been entrusted with functions of bulk purchase of power from the generating companies within/outside of the State of Gujarat and supply in bulk to the Discoms, any other residual liabilities, proceedings and functions, trading activities etc.

Accordingly, the function of bulk power purchase and bulk supply to Four Distribution Companies has been undertaken by GUVNL.

Commission's View:

The response of the petitioner is noted.

Objection 19: Utilization of services of Licensed Electrical Contractors (LECs)

(a) A few LECs have been selling test reports and have been indulging in the professional wrongdoing.
(b) All licensees should insist for a contract copy, showing the quantum of the work and the contract amount in rupees, between a consumer and an LEC along with a test report.
(c) It is suggested that GERC in consultation with all licensees and Chief Electrical Inspector will devise a procedure that checks that no work is done by unauthorized electrical contractors.

(d) It is time to devise a uniform format of Test Report. The format should be same for all licensees and such format should be approved by GERC. A test report need not have the logo and the name of the licensee as heading.

Response of Petitioner:

The Licensed Electrical Contractors are granted license for executing electrical works, by the Office of Chief Electrical Inspector of Government of Gujarat. Any indulgence in their activity or cross check by the DISCOM may delay the process of releasing connection and may cause harassment to the consumer. Generally, while releasing the connection to the electrical installation, the connected load of the consumer is verified by the Licensee. Further the load test is performed by the Licensee if actual load is available. Also from time to time installation is verified while installation checking.

As regards to asking contract copy, it is to submit that generally it is not within the competency of the Licensee. However, suggestion regarding a model Test Report amongst all DISCOMs is appreciated and may be taken up with the Chief Electrical Inspector of the State.

Commission's View:

The response of the petitioner is noted.

Objection 20: Testing of meter

In the laboratory, each meter shall be tested after it is taken away from a consumer's installation.

Response of Petitioner:

The Meter Testing laboratories of the Licensees are equipped with calibrated precision testing equipments.

Before installing any meter at consumer premises the meter is tested for accuracy. The seals are provided on meter body at laboratory and record is maintained there. Sample seal is being preserved at laboratory.

At the time of installation checking at consumer premises, status of meter and status of seals provided on it is verified. In case, if further investigation is required, meter is wrapped in 'as is' condition for detailed verification in the laboratory. The wrapped up meter is investigated in the laboratory, in presence of consumer/its representative and copy of laboratory report is provided to the consumer representative at the same time.

Commission's View:

The response of the petitioner is noted.

Objection 21: Consumer Grievances Redressal Forum

No retired employee of the same licensee should be made Chairman of Consumers Grievances Redressal Forum of the same licensee. This is because of the fact that the attitude of such retired employees of the licensees, is to dismiss objections of the consumers.

Response of Petitioner:

The appointments of Chairman and Members of CGRF are governed under regulations notified by Gujarat Electricity Regulatory Commission from time to time.

Commission's View:

The response of the petitioner is noted.

Objection 22: Meters on the distribution transformers

The Commission presented its view, *"It is not enough that the distribution transformers are metered. The readings need to be correlated with the consolidated record or consumption of the consumers on the transformer and arrive at losses as part of the energy audit. A report should be submitted in this regard to the Commission".*

It is yet not fully implemented. This shows how the licensees function. Many of the licensees fail to implement what the Commission has directed in the past.

Response of Petitioner:

Distribution Transformers supplying power to R-APDRP (i.e. having population more than 30,000) town area have been provided with communicative type of meters.

Information of such meter shall be downloaded at central server provided at Data Centre. Consumption data of such towns would also be available with Data Centre and thereby energy audit can be carried out 24.91% of Distribution transformer centres are provided with meters.

Commission's View:

The DISCOMs shall provide meters on all distribution transformers and ensure regular meter reading. The status of implementation shall be reported to the Commission by June 2013.

Objection 23: Delayed Payment Charges (DPC)

The delayed payment charges should never be more than 1.5 times of rate of savings account with any nationalized bank. Or, it should not be more than 12% per year. When no business earns more than 10% per year, it is cruel to charge heavy DPC from consumers.

Response of petitioner:

Provisions of Delayed Payment Charges (DPC) are attracted only when a consumer does not pay his energy bill in time. Since this is a deterrent provision its rate should always be higher than commercial interest rates.

Commission's View:

The response of the petitioner is noted.

Objection 24: Rebate on payment of more than two bills in advance

Residential Consumers making payment of more than 2 bills in advance should be given a rebate of at least 5% on their bill.

Response of Petitioner:

For advance payment the interest is given; at present the interest rate is 6% P.A.

Commission's View:

The response of the petitioner is noted.

Objection 25: Fuel Cost

All the Companies (of GEB) 1.GUVNL, 2 GSECL, 3.GETCO, and the four DISCOM licensees are filing petitions before the Commission on various reasons, mostly fuel cost. At present the fuel cost tariff is fixed at highest fuel cost of OPEC (134 Dollar). No company of GUVNL (GEB) has cared Electricity Users interest and economic burden, even though the oil prices have fallen to 34 dollars in the year 2010-11. In that year, the Company had got profit and adjust their own expenditure and economy but never given any concession or rebate-refund to their customers.

Response of Petitioner:

All the generating stations from which the Companies/GUVNL is purchasing power, the cost for the same is determined / approved by the appropriate Commission. Cost of power purchase from GSECL stations is determined by the GERC, and IPPs are governed by the provisions of PPAs. For central generating stations the tariff is either determined by the CERC or Department of Atomic Energy in case of Nuclear Power Plant and in case of Competitive Bidding, the tariff is adopted by the GERC. The tariff for renewable sources is also determined by the GERC. Therefore, the tariff for entire power purchased by the Company/GUVNL is determined/approved by the Commission.

Commission's View:

The response of the petitioner is noted.

Objection 26: Supply of Power to Agriculture

The information and clarifications as under, are required from the Petitioner.

1) What is the quantum of power allocated to Agriculture Sector and the total available supply?
2) What is the minimum supply (No. of hours) per day being given to Agriculture Sector.
3) Tariff ranges from Rs 350/500 per HP/PA to Rs 1680/HP/PA + 5%, but supply hours decreased from 16 to 6-8 (hrs).

Response of Petitioner:

The Petitioner has submitted as under:

1) Large number of agricultural consumers are un-metered and energy consumed by such consumers is assessed on the basis of 1700 units/HP/Annum.
2) Minimum 8 hrs power supply has been given to agriculture sector. During cropping seasons when requirement of water for irrigation is high, more hours of power has been supplied by purchasing power from various sources. In abnormal critical position, in case the agriculture sector is getting less than 5 hours supply, it is compensated during subsequent period when power position improved.

A Policy was formulated by Gujarat Urja Vikas Nigam Limited on power supply to agriculture sector as per guidelines from GoG for uniform power supply to agricultural sector all over the state and all Discoms have to implement the same to ensure a minimum of 8 hours 3Phase supply.

Commission view:

Response of the petitioner is noted.

Objection 27: Data to be furnished by DISCOMS

The following details are to be furnished by the DISCOMS.

(i) Statements of,
   (a) Defaulters, consumer category-wise
   (b) Debts written off- specially debiting of B & D provisions account with details of opening balance, additions, deletion and closing balance.
   (c) Outstanding creditors and debtors- Government and Non-Government category-wise.
   (d) Pending applications (latest position) year wise-break up scheme-wise.

(ii) Copy of document of “Golden Goals” scheme (including targets of GOG vs Achievements)

(iii) Dues to be paid to or to be recovered from State/Central Government.

(iv) Unrecoverable debts to be written off/waived during in the financial years.

(v) Statement of overhead feeders:
   1) As bifurcated during the year.
   2) To be bifurcated during the projected year.
   3) Incurred and projected capital expenses .

(vi) No. of accidental claims of human beings and cattle and amount paid.

(vii) No of feeders having loss more than 10%, such loss should not be allowed for ARR or to meet revenue gap.

(viii) (a) Agricultural connections released during FY 2011-12 and FY 2012-13- scheme-wise, targets, achievement and short comings together with reasons thereof.

(b) How many connections released out of pending as on 10/10/2000.

(ix) Total no of feeders-with break up- type or and these having more than 5km length.

(x) Total no of sub-stations-with break-up of kind / type- and those having allocation of more than 10 villages.

(xi) Sub-station reviewing without Electrical Engineer.

Response of Petitioner:

The Petitioner has submitted as under on the above mentioned items.

(i)

(a) The list of defaulters as on 31.12.2012 is being compiled and the same will be submitted separately.

(b) Year wise non-recoverable amount is waived by the company and charged to P&L A/c of the company under the head 'Other debits' of the respective year.

(c) Details of consumer category wise debited as on 31.12.2012 has been furnished.

(d) Details of pending applications of agricultural consumers category wise as 31.12.2012 has been furnished.

(ii) Achievement under different schemes under 'Golden Goal' has been submitted in the petition. The scheme was envisaged at one point of time in the first MYT Control Period of 3 years from FY 2008-09 to FY 2010-11 and later the idea was dropped.

(iii) Generally Government dues are paid by the company and the Government repays to the company regularly.

(iv) The statement of un-recoverable debts has been furnished.

(v) Load on any of the feeders is highly dynamic and feeders having earlier more length or found overload are bifurcated. The detailed of no of feeders bifurcated during FY 2011-12 and FY 2012-13 along with expenses detailed have been furnished.

(vi) Details of claims and compensation given to the deceased/dependent or owner of animal on account of electrocution during FY 2011-12 have been furnished.

(vii) Details of feeders having losses more than 10% for the year FY 2011-12 have been furnished.

(viii) Releasing of connections is an ongoing task and every year agricultural connections are released under various scheme like Normal, Tatkal, MIS, DIS etc. The details of agricultural connections released during FY 2012-13 (up to 31.12.2012) have been furnished.

(ix) Category-wise statement of feeders having more than 5KM length as on 31.12.2012 have been furnished.

(x) Voltage class wise no of sub-stations in the company area have been furnished. Generally power supply to villages is fed through 11KV feeders emanating from 66KV sub-station. Each 66KV sub-station feeds power supply to more than 10 villages.

(xi) 66KV and above sub-stations are owned and operated by GETCO and the functions of the sub-station are supervised by an Engineer.

Commission's View:

Response of the petitioner is noted.

Objection 28: Reduction in HP based Tariff

HP based tariff to be reduced as under:

(i) From Rs. 175/BHP/month to Rs. 67.50/BHP/month

(ii) Discrepancies in slabs below and above 7.5 HP to be removed.

(iii) Single and common energy changes to be introduced in both the categories i.e., un-metered and metered agricultural connection.

Response of Petitioner:

The average recovery from agriculture consumers is less than the average cost of supply.

Commission's View:

Response of the petitioner is noted.

Objection 29: Introduction of new category for Agriculture

(a) Special sub-category to be introduced and /or

(b) Grant relief to the farmers who accept, in a group, entire feeder, the meter tariff, group concession of 10paise/unit consumption for a minimum of 3 years.

Response of Petitioner:

The present tariff for agricultural is highly subsidized and hence there is no need for a separate sub-category.

Commission's View:

Response of the petitioner is noted.

Objection 30: Concessional tariff for Micro Irrigation system

Special concessional tariff rate for individual farmer adopting Micro Irrigation systems e.g. Drip, Sprinklers, Porus etc.

Response of Petitioner:

The micro/dip irrigation system requires less energy consumption. Hence such agricultural consumers are automatically benefited.

Commission's View:

Response of the petitioner is noted.

Objection 31: Adoption of Gujarat Green Revolution Company (GGRC) scheme – Hurdle to get Agriculture connections

Removal of compulsion to adopt GGRC scheme, as it proved to be a hurdle to get connection by farmers waiting for more than 10 years.

Response of Petitioner:

Priority due to water table and other relevant factors, agricultural connections could not be released in dark zone areas. Since MIS helps in conserving water and energy, it has been one of the factors for the company to relax the provisions for releasing agricultural connections in the dark zone areas.

Commission's View:

Response of the petitioner is noted.

Objection 32: Reintroduction of Energy Efficient Pump set Scheme

The Energy Efficient pump sets scheme which has been discontinued should be reintroduced.

Response of Petitioner:

If the agricultural consumer utilizes efficient pump set and adopts metering tariff, he can reduce energy consumption as well as energy bill.

A pilot project was undertaken in replacing old pump sets with efficient pump sets.

Commission's View:

Response of the petitioner is noted.

Objection 33: Relaxation of LTP-V

Certain clarification is required on:

(a) Above 125 BHP and 100 KVA for HTP-V - should be made common

(b) Certain words needed to be added for surface water facilities and lifting water from lake, tank, ponds, etc. prepared in the farm for water collection savings, check-dams etc.

Response of Petitioner:

LTP-V tariff category is basically to incentivise use of surface water resources such as rivers, cannels, dams etc., and supplying water directly to the field for agricultural irrigation only. Since specific tariff is provided for surface water irrigation, the same cannot be extended for filling up the ponds etc., prepared in the farm for water collection.

Commission's View:

Response of the petitioner is noted.

Objection 34: Supply of water to brick manufacturing by Agricultural consumers

Supply of water to brick manufactures under the head of agricultural category to be revoked and it should remain only for irrigation purposes.

Response of Petitioner:

Supply to Brick manufacture by an agricultural consumer is an optional facility and an agricultural consumer can opt for it, if he desires. This is not a compulsory requirement.

Commission's View:

Response of the petitioner is noted.

Objection 35: Interim charges by way of FPPPA

The objector has suggested not to allow interim extra charges by way of FPPPA during middle of the year.

Response of Petitioner:

Cost of the purchase of power is approved by the Commission. The incremental cost paid by the company compared to base year for purchase of power from various sources is to be recovered by the company through Fuel Power Purchase Price Adjustment mechanism

Commission's View:

Response of the petitioner is noted.

Objection 36: Transmission Losses to be restricted to 1% and Distribution Losses to 9%

Distribution loss now to be restricted up to 9% and Transmission loss to be restricted up to 1.0% and no burden on Power Loss to be passed on to the consumer.

Response of Petitioner:

The transmission and distribution losses are approved by the Commission and the same are considered by the Company.

Commission's View:

Commission regulates the energy requirement considering the distribution loss.

Objection 37: Increase in tariff to be restricted to 10 Paise/unit

Increase of 45 paise per unit is too high and it should be reduced to 10 paise per unit maximum.

Response of Petitioner:

Bulk supply Tariff mechanism has been approved by Commission taking into account the consolidated revenue gap for all the four Discoms at the time of approving MYT. Accordingly consolidated revenue gap for all the four Discoms together till FY 2013-14 works out to Rs. 3394 Crore. It is proposed to recover the gap through hike in tariff of all categories except agriculture & BPL (1-30 Kwh) by an amount of average 48 Paise/Kwh. Even after proposed increase, the revenue gap will remain at Rs. 1527 crore.

Commission's View:

Increase in tariff is examined by the Commission and appropriate decision is taken.

Objection 38: Abolition of fixed charges on residential premises up to 6 KVA

The fixed charges on residential premises up to 6 KVA should be abolished.

Response of Petitioner:

In case of DISCOMS, even with the proposed tariff, only 27.08% of fixed cost is recovered through fixed charges. It is not possible to abolish fixed charges.

Commission's View:

Response of the petitioner is noted.

Objections 39: Poor Quality of Supply

Feeders bifurcation work, distribution transformer review work and conductor replacement is reduced. HVDS and erection work under KHUSHY scheme is poor.

Response of Petitioner:

Compliance report on directives is already submitted to Commission. Actual expenditure incurred under various schemes vis-à-vis approved by the Commission is also provided to the Commission.

Commission's View:

Response of petitioner is noted.

Objection 40: Losses on JGY feeders

Distribution losses on JGY feeders however remain uncontrollable. Out of Rs. 180 crore hardly any amount has been utilized.

Response of Petitioner:

Due to constant efforts, the losses on JGY feeders have been reduced by 23.08% during FY 2011-12 from 29.67% of the FY 2007-08, which shows decreasing trend.

Commission's View:

Response of the petitioner is noted.

Objection 41: Rate of distribution transformer failure

The distribution transformer failure is not mentioned.

Response of Petitioner:

The distribution transformer failure for FY 2011-12 is 8.14%.

Commission's View:

Response of the petitioner is noted. Distribution transformer failure should be reduced further.

Objection 42: Segregation of total loan

Statement of segregation of loan not submitted

Response of Petitioner:

The details of loans were provided to the Commission in MYT Petition and no revision in approved ARR for FY 2013-14 is sought. Hence separate information regarding segregation of loan is not provided.

Commission's View:

Response of the petitioner is noted.

Objection 43: Accounting of Demand Penalty Receipts

In ARR projections, Retail supply company never shows projections of demand penalty receipts.

Response of Petitioner:

Recovery under head ‘excess demand charge’ is a meagre amount and it is very difficult to assess such amount. However, it is taken care of in true up exercise.

Commission’s View:

Response of the petitioner is noted.

Objection 44: Accounting of Time of Use (ToU) billing and Power Factor (PF) Adjustment penalty

The difference in recovering of Peak hours unit charges and night hours rebate never shown in ARR.

There is no accounting of PF Penalty/adjustment.

Response of Petitioner:

Receipts under the head “Time of Use” and ‘PF adjustment’ charges are estimated and considered accordingly.

Commission’s View:

Response of the petitioner is noted.

3.3 Objections / Suggestions specific to PGVCL

Objection 45: Collection of Meter Testing Fees: An exercise of unfair trade practice

Energy meters installed at the premises of a consumer are owned by the PGVCL. Its operation, maintenance and upkeep rests with the owner only and not with the consumers.

The provision 4.1.15 of Supply Code Notification no.11 of 2005 reads as follows:

"If a consumer so request, the Distribution licensee shall test the meter at his premises subject to payment of testing charges and issue him a test report." does not sound in order and meet the business ethics.

Aforesaid regulation framed by the Commission, therefore should not be made applicable and be omitted to protect interest of consumers. This would be clearer on referring to the CEA notification dated. 17.03.2006 vide clause no.10 which provides as follows:

"The operation, testing and maintenance of all types of meters shall be carried out by the licensee."

However, the same is not being implemented accordingly by the PGVCL.

Response of Petitioner:

Whenever consumer approaches to the Company for the testing of meter, it is required to pay testing charges prescribed by the Commission in the relevant Regulations.

Commission's View:

The response of the petitioner is noted.

Objection 46: Periodicity of Meter Testing Non-implementation

Clause 8.1 of Notification 10 of 2005 on "Standard of Performance of Distribution `Licensee" reads as follows:

"The licensee shall regularly inspect, check and test the meters. However, the periodicity of such inspection shall not be less than that as may be provided by the Central Electricity Authority in their Regulations on installation and operation of the meters."

Subsequently, the CEA had issued the Notification dated 14th March, 2006.The opening sentence of clause no. 18.1: "consumer meters": of the said notification, runs as under:

"The testing of consumer meter shall be done at site at least once in five years."

Despite of the provision as aforesaid the PGVCL has no system in practice to test the meter, at all, shelving the stipulation of periodically testing of meter once in five years. It is therefore necessary to ask the PGVCL to implement the regulations strictly without any lethargy, forthwith.

The objector requested for specifying the period of testing the Meter for ready reference & better clarification of the time limit and to amend the existing clause no.8.1, suitably to update the Notification no. 10 of 2005 at the earliest.

Response of Petitioner:

Company has large consumer base having consumers of around 43 lakh under different tariff categories. Company has been planning for checking of meter accuracy at the installation of consumer's premises. Accordingly, every year more than 9 lakh consumer installations are being verified /checked by the Company.

Commission's View:

The petitioner shall get the meters tested as provided in CEA notification.

Objection 47: Levy of Time of Use Charges

The licensees have not bothered to substitute the existing static meters with Time of the Day (TOD) meters as decided during the previous petition hearing. The existing meters do not have a provision for the use of time separately to work out Time of Use Charges on the basis of meter reading. The HT consumers are therefore billed by adopting crude method of arithmetic calculation basis instead on meter readings.

Response of Petitioner:

Electronics/Static meters provided at HT consumer premises are having compatibility of registering energy and demand in the different time zones. Metered time zones are aligned with the time duration specified in the tariff order for the purpose of levy of Time of Use (ToU) charges and night hour benefits.

Commission's View:

The petitioner should provide Time of Use (ToU) meters immediately, if such meters are not provided in some installations.

Objection 48: Common Unit for Contract Demand

The contract demand may be expressed in one common unit only either in KVA or KW to avoid conversion.

Response of Petitioner:

In case of HT consumers, the demand charge is only on KVA basis irrespective of limit of contracted demand. The recovery of demand charges in KVA basis takes care of reactive drawal (power factor maintained) by the HT consumer. HT consumer, though small in numbers, contributes significantly in the system demand and, therefore, it is essential that such consumers maintain their power factor. Billing of such consumers in “KVA” incentives them for maintaining better power factor.

In case of LT Consumers, Fixed or Demand Charges are billed on “KW” basis. As LT consumers are large in numbers having comparatively small connected load it will be difficult to maintain power factor by them in line with HT consumers. If the billing parameter is changed from “KW” to “KVA” basis, the consumer would endeavour to install excess capacitor which may result over reactive compensation in the certain portion of the system which is also detrimental for system as a whole. Further, in case of Demand based LT consumers, the provision for charging 10 Paise per Kvarh takes care of reactive drawal (power factor maintained) by the LT consumer. It is not appropriate to introduce KVA based recovery of fixed charges/demand charges in respect of LT consumers.

Commission’s View:

The response of the petitioner is noted. The introduction of kVA based charges for LT consumers will be examined and decision taken.

Objection 49: Amendment to proposed tariff schedule for adjustment of dues towards break down period.

In case there is a failure of power supply for more than 8 hours for what so ever reason, for which consumer is not responsible, it is suggested that proportionate charges for the period lost have to be worked out and adjusted in the bill to the credit of consumer.

Response of Petitioner:

Power Supply related parameters need to be analysed in context to controllable / uncontrollable factor leading to such eventuality. Therefore, the Power Supply related parameters cannot be linked with the payment of tariff related charges.

Commission's View:

The response of the petitioner is noted.

Objection 50: Accountability may be determined along with imposition of penalty for settlement of claim in time.

The order dt.02.06.12 for revised tariff was effective from 01.06.12. It was necessary to bifurcate the bill into two parts. Instead of billing energy charges at two different rates, the same had been drawn at the uniform rate of Rs.4.00 per unit.

One of the officers of PGVCL may be assigned the job to settle the claim with payment of interest in a prescribed time limit & penalty per day may be indicated for imposition on account of delay.

Response of Petitioner:

Majority of the consumers of the company are billed on bi-monthly basis and accordingly company carries out billing of more than 22 lakhs consumers every month. It is not possible to bill all consumers at one go and therefore, billing period has been spread over 20 to 25 days. Effectively, each consumer is billed for two months consumption under bi-monthly billing cycle and one month consumption under monthly billing cycle as the case may be. In the tariff order dated 2nd June, 2012, the Commission has first time provided for revision of tariff with specific date for electricity consumption. Therefore, for implementation of revised tariff effective for the electricity consumption from the 1st June, 2012, major modification in the existing billing program is required. Accordingly, Company is in the process of modification in existing billing program for ensuring requisite adjustment in the ensuing bill.

Commission's View:

The modification required shall be carried out on priority basis and billing should be done as per Tariff Order.

Objection 51: Late submission of Petition

Petition is not filed on time, and so it should be rejected.

Response of Petitioner:

The Commission has granted the time limit extension for filing the tariff petition.

Commission's View:

The Commission has granted extension time as provided in the Regulations.

Objection 52: Increase in charges despite FPPPA

Discoms have already obtained approval for the FPPPA formula from the Commission and they increased the FCA charges. So, the proposed hike in energy charge for all categories and hike in fixed charges in Industrial LT and HT category is not acceptable in current economical scenario.

Response of Petitioner:

No comment

Commission's View:

FPPPA is only to recover the incremental costs in fuel and power purchase.

Objection 53: Hike in tariff

The claim of Discoms of proposed average hike of 45-50 paise is false. The proposed hike will affect the LTMD category billing demand by Rs. 110 per KW, and the demand charge in HT category will increase by Rs. 50, 120, 160, 220. The electricity duty will further increase the overall amount. This will affect the industrial consumers.

Response of Petitioner:

Discom has proposed hike the different categories. The average of all categories comes to 45 paise.

Commission's View:

The Commission has examined the proposal and taken appropriate decision.

Objection 54: High T&D Losses in PGVCL

Discoms claim that T&D losses have reduced. It means the benefits of this should be passed on to consumers. However, it is not happening.

PGVCL is least efficient and having highest T&D loss among all the DISCOMs. Thus, tariff hike should not be given to PGVCL.

Response of Petitioner:

The Commission has approved the T&D losses for Discoms for the control period. It is controllable factor and the gain/loss is recoverable from consumers only amounting to $1/3^{rd}$ only.

Commission's View:

The response of the petitioner is noted.

Objection 55: Demand charges

There should not be change in demand charges.

As per present policy, the State Government is allocating funds to establish new sub stations in its budget and, therefore there is no need to charge the consumers.

The charges for H.T. consumers of Rs.850/kVA as development cost are being collected, and above this, a line charge is also imposed. Therefore, additional charges (proposed) are not valid.

There is no justification to increase the fixed charge/Demand charges as much as 50%.

Two Part tariff: The line / transformers & infrastructure development charges are taken into consideration for better services.

Response of Petitioner:

It is a basic commercial principle for any organization to recover its fixed costs through recovery of fixed charges. In case of DISCOMs the proposed tariff of only 27.08% of fixed cost is recovered through fixed charges. Therefore increase in demand charges for the HT category is proposed. To rationalize the tariff increase within the limit of 45 to 50 paisa/KWH, only 5 paisa increase in existing energy charges is proposed for this category.

Charges from the HT consumers for releasing new connections or releasing additional demand are recovered as per the provisions of regulation. These are the suggestions to the Commission. The Commission may examine those suggestions and take a decision.

Commission's View:

The Commission has examined the proposal of petitioner and appropriate decision taken.

Objection 56: Increase in expenses

Cost of power purchase, employee cost, administration and general charges, interest and finance charges, provision for bad debts and total expenditure have increased while operation and maintenance cost, repair and maintenance are reduced. The reduction in maintenance and repair cost will result in failure of power and increase technical losses.

Response of Petitioner:

During the year 2011-12, PGVCL spent more than Rs. 1100 Crores as a capital expenditure under various heads. PGVCL has adopted HVDS (High Voltage Distribution System) for releasing new Agricultural connections since 2009-10. For better consumer services, PGVCL spent more than Rs. 70 Crores under system improvement during FY 2011-12 and for renovation activities in the coastal area more than Rs. 36 Crores were spent. All above activities have helped in strengthening the Distribution System of the Company resulted in less R&M expenses.

Commission's View:

The response of the petitioner is noted.

Objection 57: T&D Losses

The T&D losses are decreased more than the target given by GERC. At the same time the figures are still highest of all Discoms of Gujarat State.

Response of Petitioner:

GERC has approved the distribution loss trajectory for entire control period commencing from 2011-12 to 2015-16. For FY 2011-12 approved distribution losses were 29% against which the actual losses were 27.87%.

Transmission loss approved by the Commission for the Transmission Company and same is considered by the company.

Commission's View:

Response of the petitioner is noted.

Objection 58: Demand Charges

The demand charge up to 500 KVA is increased from Rs.100 to Rs.150, For 500 KVA to 1000 KVA the rise is from Rs 200 to Rs 320, and for 1000 KVA and above the increase is from Rs 270 to Rs 430. The increase for excess demand than contract demand is proposed to be charged at Rs.590 against Rs.370. The rise in demand charge is unprecedented. This type of more than 50 % rise in a single stroke will break the neck of the consumer. After addition of 15 % electric duty on the demand charges is proposed.

Response of Petitioner:

It is a basic commercial principle for any organization to recover its fixed costs through recovery of fixed charges. In case of DISCOMs even the proposed tariff only 27.08% of fixed cost is recovered through fixed charges. Therefore increase in demand charges for the HT category is proposed. To rationalize the tariff increase within the band of 45 to 50 paisa/KWH, only 5 paisa increase in existing energy charges is proposed for this category.

Peak hour charges

Cost of supplying power at peak hours is significantly higher and network requirement for peak hour supply is also high. Thus, tariff structure is devised recognizing this fact and allow recovery at higher rates for peak hour use.

Commission's View:

The Commission has examined the proposal of the petitioner and taken appropriate decision.

Objection 59: Agriculture Subsidy

PGVCL is not showing the fuel charges subsidy paid by the State Government. The total revenue deficit burden of agricultural category is being borne by other categories.

Response by Petitioner:

The State Government compensates DISCOMs for FPPPA charge payable on account of agricultural consumers and the same is considered under the account head Revenue from sale of power.

Commission's view:

Response of the petitioner is noted.

Objection 60: R&M expenses to be reduced

PGVCL has spent more than Rs. 1100 crore as capital expenditure during FY 2011-12 and so the R&M expenses are to be reduced.

Response by Petitioner:

During FY 2011-12, the company has spent more than Rs. 1100 crore as capital expenditure under various heads. The company has adopted HVDS for releasing new agricultural connection since FY 2009-10, spent more than Rs. 70 crore for better consumer services under system improvement during FY 2011-12 and more than Rs. 36 crore for renovation activities. All these activities have helped in strengthening the distribution system and reducing R&M expenses.

Commission's view:

Capital expenditure based on the need for development of distribution network to reduce distribution losses and improve quality of supply.

Objection 61: Increase in Peak hour Charges

PGVCL has increased peak hour charges significantly

Response of Petitioner:

The cost of supplying power at peak hours is high and the network requirement for peak hour supply is also high. The Tariff structure is devised recognizing this fact and allow recover of high rates for peak hour use.

Commission's view:

Response of the petitioner is noted.

4. Truing up of FY 2011-12

The licensee, in its submission for truing up of FY 2011-12, has furnished the actual energy sales, expenditure and revenue for FY 2011-12, based on the audited annual accounts for FY 2011-12. The licensee has stated that the truing up for FY 2011-12 is based on the comparison of the actual performance of the FY 2011-12 with the approved aggregate revenue requirement for FY 2011-12 in the MYT order dated 6th September, 2011 to arrive at the gains / (losses) as per the MYT Regulations.

The Commission has analyzed the components of the actual energy sales, expenses, revenue and computed gains / (losses) in the process of truing up for FY 2011-12.

4.1 Energy sales

Licensee's submission

The licensee has submitted the category-wise actual energy sales for FY 2011-12. The details are given in the Table below:

Table 4.1: Category-wise actual sales for FY 2011-12

Sl.No.	Particulars	Sales (MU)	
		FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Submitted in Truing up)
A	**LT Consumers**		
1	Residential	2581	2652.19
2	Commercial	1049	487.31
3	Industrial LT	1436	2059.42
4	Public Water works	364	378.22
5	Agriculture – Metered	4910	5181.87
6	Agriculture – Un-metered		
7	Public Lighting	82	75.56
	LT Total (A)	10422	10834.57
B	**HT Consumers**		
8	Industrial HT	4099	4972
9	Railway Traction	-	-
	HT Total (B)	4099	4972
	Grand Total (A+B)	14521	15806.57

Commission's Analysis

The Commission, in the MYT order dated 6th September, 2011 had approved the energy sales at 14521 MU for FY 2011-12. As against the above, PGVCL has submitted the actual sales of 15806.57 MU. The actual energy sales are higher by 1285.57 MU compared to the sales approved in the order dated 6th September, 2011. There is an increase in sales to HT Industry by 873 MU and agriculture by about 272 MU. There is considerable variation in the sales to commercial and LT Industry due to re-categorization.

The Commission approves the energy sales of 15806 MU as detailed in the table below:

Table 4.2: Energy sales approved in truing up for FY 2011-12

SI.NO.	Particulars	Sales (MU)		
		FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Submitted in Truing up	FY 2011-12 (Approved in Truing up)
A	**LT Consumers**			
1	Residential	2581	2652	2652
2	Commercial	1049	487	487
3	Industrial LT	1436	2059	2059
4	Public Water works	364	378	378
5	Agriculture – Metered			
6	Agriculture – Un-metered	4910	5182	5182
7	Public Lighting	82	76	76
	LT Total (A)	10422	10834	10834
B	**HT Consumers**			
8	Industrial HT	4099	4972	4972
9	Railway Traction	-	-	-
	HT Total (B)	4099	4972	4972
	Grand Total (A+B)	14521	15806	15806

4.2 Distribution losses

Licensee's submission

The licensee has submitted that the actual distribution losses for FY 2011-12 are 27.87%, as against the approved level of 29.00% in the Tariff Order for FY 2011-12. It is submitted by the licensee that as per MYT Regulations, the distribution losses need to be treated as controllable and any gains or losses has to be dealt with accordingly as per provisions of MYT Regulations.

Commission's Analysis

The PGVCL has contended that the actual distribution losses are 27.87% for FY 2011-12, as against 29.00% considered in the MYT Order for FY 2011-12 dated 6th September, 2011.

The Commission considers distribution losses as controllable as per MYT Regulations, 2011. Accordingly, the Commission considers the distribution losses of 29.00% as approved in the MYT order for the truing up of FY 2011-12 as shown in the Table below for computation of gains/losses due to variance in distribution losses.

Table 4.3: Distribution losses considered for truing up for FY 2011-12

(%)

Particulars	FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Actual)	FY 2011-12 (Considered in True up)
Distribution Losses	29.00	27.87	29.00

4.3 Energy requirement

Licensee's submission

Based on the energy sales for FY 2011-12 and the actual distribution losses for FY 2011-12, the licensee has submitted the energy requirement for FY 2011-12, as given in the table below:

Table 4.4: Energy requirement and Energy balance as submitted by PGVCL for FY 2011-12

Sl. No.	Particulars	Unit	FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Submitted in Truing up)
1	Energy Sales	MU	14521	15807
2	Distribution Losses	MU	5931	6108
		%	29.00	27.87
3	Energy Requirement	MU	20452	21915
4	Transmission Losses	MU	879	1015
		%	4.12	4.43
5	Total energy to be input to transmission system	MU	21331	22930
6	Pooled losses in PGCIL system	MU	363	143
7	**Total Energy Requirement**	**MU**	**21694**	**23073**

Commission's Analysis

The PGVCL has computed the energy requirement based on the actual distribution losses of 27.87% and actual energy sales of 15807MU and transmission loss of 4.43%. It can be seen from the Table given above that the distribution losses are lower than that of approved in the MYT order. But the transmission losses are higher than that considered in the MYT order.

Accordingly, the Commission has computed the energy requirement of PGVCL for FY 2011-12, as shown in the Table below.

Table 4.5: Energy requirement approved by the commission for truing up for FY 2011-12

Sl. No.	Particulars	Unit	FY 2011-12 (Approved in Tariff Order)	FY 2011-12 (Actuals submitted in the petition)	FY 2011-12 (considered for truing up)
1	Energy Sales	MU	14521	15807	15807
2	Distribution Losses	MU	5931	6108	6108
		%	29	27.87	27.87
3	Energy Requirement	MU	20452	21915	21915
4	Transmission Losses	MU	879	1015	1015
		%	4.12	4.43	4.43
5	Total energy to be input to transmission system	MU	21331	22930	22930
6	Pooled losses in PGCIL system	MU	363	143	143
7	**Total Energy Requirement**	**MU**	**21694**	**23073**	**23073**

4.4 Power purchase cost

Licensee's submission

The licensee has submitted that the company has been allotted share of generation capacities as per the scheme worked out by GUVNL.

During the year, based on the requirement of power, the generation capacities have been allocated to PGVCL. At one point of time, PGVCL is drawing higher than its allocated PPA generation, and at another point of time, it is drawing lower power than its allocated PPA generation. If there is surplus power, the distribution company sells the power to GUVNL. The comparison of the approved and actual power purchase cost as submitted by PGVCL is as shown below:

Table 4.6: Net Power purchase cost for FY 2011-12

(Rs. crore)

Particulars	Approved in MYT Order	Actual submitted
Total Power Purchase Cost	5189.81	6593.01

The Power Purchase Cost given above is the net power purchase cost after considering the net UI Cost Payable/Receivable and the revenue from sale of power to GUVNL. The PGVCL has submitted the actual power purchase cost during FY 2011-12, as shown below:

Table 4.7: Power purchase cost for FY 2011-12

(Rs. crore)

Sl. No.	Particulars	Amount (Rs. crore)	Energy (MU)
1	Power Purchase from GUVNL	7311.28	25041.21
2	Power Purchase from others (wind, Reactive energy Charges)	35.99	100.20
3	UI import	246.24	549.61
4	Total Power Purchase (1+2+3)	7593.52	25691.02
5	Power sold to GUVNL	901.69	2263.49
6	UI export	98.82	354.52
7	Net Power Purchase Cost (4-5-6)	6593.01	23073.00

It is submitted by PGVCL that the variation in the approved cost and the actual power purchase expenses is on account of various reasons. These include change in cost of power, change in quantum of power purchased, consequent changes in the transmission charges payable and GUVNL cost allocation.

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 losses approved by the Commission in the Tariff Order.

It is further submitted that variation in power purchase expenses is due to variation in the cost and quantum and is an uncontrollable factor. Accordingly, any gains or losses on this account are to be entirely passed on to the consumers. However, the increase or reduction in quantum of power purchase and power purchase expense due to variation in distribution loss is a controllable factor; which would result in gains or losses under MYT Regulations and is dealt with accordingly.

Commission's Analysis

The Commission has examined the actual quantum of power purchased and the power purchase cost during the year FY 2011-12, based on the actual energy sales and the distribution losses submitted by PGVCL. The sales and the quantum of power purchase and the power purchase cost are as per the audited annual accounts for the FY 2011-12. The power purchase cost, as per the audited annual accounts for FY 2011-12, is Rs. 6593.01 crore as shown in the Table below:

Table 4.8: Power purchase cost as per audited accounts for FY 2011-12

Sl. No.	Particulars	Amount (Rs. crore)
1	Power Purchase from GUVNL	7311.28
2	Power Purchase (wind/ Reactive Energy Charges/solar)	35.99
3	Power Purchase from others	246.24
4	Total Power Purchase (1+2+3)	7593.51
5	Power sold to GUVNL	901.68
6	UI Export	98.82
7	Net Power Purchase Cost (4-5-6)	6593.01

The Commission, accordingly, considers the power purchase cost of Rs. 6593.01 crore in the truing up for FY 2011-12.

Table 4.9: Power purchase cost approved by the Commission for truing up for FY 2011-12

(Rs. crore)

Particulars	FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Submitted in Truing up)	FY 2011-12 (Approved in True up)
Total Power Purchase Cost	5189.81	6593.01	6593.01

4.4.1 Gains / losses due to distribution losses

The Commission had approved the distribution loss at 29.0% in the MYT order and against which, the actual distribution loss of PGVCL is 27.87% for FY 2011-12.

The total gains / losses on account of lower distribution loss are computed in the Table below:

Table 4.10: Gains/ (losses) on account of distribution losses for FY 2011-12

Sl. No.	Particulars	Unit	Actuals submitted for FY 2011-12	Considered for computation of Gains/(Losses) for FY 2011-12
1	Energy sales	MU	15807	15807
2	Distribution losses	MU	6108	6456
		%	27.87	29.00
3	Energy Requirement	MU	21915	22263
4	Gains/(losses) due to distribution losses	MU	364	349
5	Average cost of power purchase	Rs. / Kwh	2.86	2.39
6	Gains/(losses) due to distribution losses	Rs. crore	103.99	83.41

The total gain on account of lower distribution losses as submitted by PGVCL is Rs. 103.99 Crore and as computed by the Commission is Rs. 83.41 Crore. PGVCL has computed the gain on account of lower distribution losses by considering actual distribution losses 27.87% and transmission losses 4.43%, against 29.0% distribution losses and 4.12% transmission losses considered in MYT Order. Also, PGVCL has considered Wt. Avg. rate of power purchase as actual for FY 2011-12 instead of Wt. Avg. rate of power purchase approved by the Commission in MYT Order.

While computing the gains/losses due to change in distribution losses, the Commission has considered the distribution losses 29.0% as approved in MYT Order to arrive at change in energy requirement at distribution periphery and does not consider the transmission losses as to factor the efficiency of distribution activities only. Further, to arrive at gains/losses due to change in energy requirement, the Commission considered Wt. Avg. rate of power purchase as approved in the MYT Order.

The Commission considered change in power purchase cost, as uncontrollable attributable to the variation in cost and quantum of power due to variations in sales and transmission losses, while variations in quantum of power due to distribution losses is considered as controllable. Accordingly, gains/losses computed on account of power purchase is shown in table below.

Table 4.11: Approved Gains / (losses) – power purchase expenses for truing up for FY 2011-12

(Rs. crore)

Particulars	FY 2011-12 (Approved in MYT Order)	FY 2011-12 (Approved in True up)	Deviation + / (-)	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Total Power Purchase Cost	5189.81	6593.01	(1403.20)	83.41	(1486.61)

4.5 Fixed Charges

4.5.1 Operations and Maintenance (O&M) expenses for FY 2011-12

The PGVCL has submitted Rs. 374.86 Crore towards actual O&M expenses in the truing up for FY 2011-12 against Rs.445.96 Crore considered for FY 2011-12 in the MYT order dated 6th September 2011 as detailed in the Table below:

Table 4.12: O&M expenses submitted in the Truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12	Deviation + / (-)
1	Employee cost	391.28	454.07	(62.79)
2	Repairs and Maintenance	84.16	70.31	13.86
3	Administration and General expenses	74.35	91.22	(16.87)
4	Other debits	7.16	4.99	2.17
5	Extraordinary items	-	-	-
6	Net prior period expenses/ (income)	-	(3.24)	3.24
7	Other expenses capitalized	(111.00)	(242.51)	131.51
8	**Total O&M Expenses**	**445.95**	**374.86**	**71.10**

Licensee's submission

The PGVCL has submitted that the O&M expenses consist of the following elements:

- Employee expenses
- Repairs and Maintenance expenses
- Administration and General expenses
- Other debits
- Extraordinary items
- Net prior period expense/ (income)
- Other expenses capitalized

The PGVCL has compared the O&M expenses actually incurred during FY 2011-12 with the expenses approved by the Commission for the year in the MYT Order for FY 2011-12 and arrived at a loss of Rs. 3.02 Crore on account of controllable factor and gain of Rs. 74.12 Crore on account of uncontrollable factor as detailed in the Table below:

Table 4.13: O&M expenses and Gains/ (losses) submitted in the truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
1	Employee Cost	391.28	454.07	-	(62.79)
2	Repair and Maintenance	84.16	70.31	13.86	-
3	Administration and General expenses	74.35	91.22	(16.87)	-
4	Other debits	7.16	4.99	-	2.17
5	Extraordinary Items	-	-	-	-
6	Net prior period expenses/ (income)	-	(3.24)	-	3.24
7	Other expenses capitalized	(111.00)	(242.51)	-	131.51
8	**Total O&M Expenses**	**445.95**	**374.86**	**(3.02)**	**74.12**

The O&M expenses are discussed component – wise in the following paragraphs.

4.5.2 Employee Cost

The PGVCL has submitted Rs. 454.07 Crore towards actual employee cost in the truing up for FY 2011-12. The employee cost approved for FY 2011-12 in MYT order of 6th September, 2011, and submitted by PGVCL in the truing up are as given in the Table below:

Table 4.14: Employee cost submitted by PGVCL in the Truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Employee cost	391.28	454.07

Licensee's submission

The PGVCL has submitted that the employee cost was incurred on the basis of the guidelines issued by the competent authorities like the State Government and therefore the entire expenditure estimated is a legitimate expenditure and any variation is beyond its control. PGVCL has requested to consider the variation in employee cost as uncontrollable and accordingly give appropriate treatment for the same. PGVCL has estimated a loss of Rs. 62.79 Crore on account of uncontrollable factor.

Commission Analysis

The PGVCL has compared the actual employee cost of Rs. 454.07 Crore incurred during FY 2011-12 with Rs. 391.28 Crore considered in the MYT order for FY 2011-12. The actual employee cost as per the audited annual accounts for FY 2011-12 is Rs. 454.07 Crore.

The Commission considers the employee cost as a controllable expense, as per the MYT Regulations, 2011.

The Commission approves the employee cost at Rs. 454.07 Crore in the Truing up for FY 2011-12.

4.5.3 Repairs and Maintenance (R&M) expenses

The PGVCL has submitted Rs. 70.31 Crore towards R&M expenses in the Truing up for FY 2011-12 against Rs. 84.17 crore approved for FY 2011-12 in the MYT order. The R&M expenses approved for FY 2011-12 in MYT order of 6th September 2011, and submitted by PGVCL in the truing up are as given in the Table below:

Table 4.15: R&M expenses submitted by PGVCL for the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Repairs and Maintenance expenses	84.16	70.31

Licensee's submission

The PGVCL has submitted that the assets of PGVCL are old and require regular maintenance to ensure uninterrupted operations. It is further submitted that PGVCL has been trying its best to ensure uninterrupted operations of the system by undertaking R&M activities which are uncontrollable in nature.

The PGVCL has estimated a gain of Rs. 13.86 Crore due to controllable factor as the MYT Regulations provided R & M expenditure as a controllable expenditure.

Commission Analysis

The actual R&M expenses incurred during FY 2011-12 are Rs. 70.31 Crore as per the audited annual accounts. The Commission has observed that though the DISCOM has stated that the assets are old and require regular maintenance, it could not utilize the amount approved by the Commission under the head. The R&M expense is controllable item of expenditure under the MYT Regulations, 2011.

The Commission approves the R&M expenses at Rs. 70.31 Crore in the Truing up for FY 2011-12.

4.5.4 Administration and General (A&G) expenses

The PGVCL has submitted Rs. 91.22 Crore towards A&G expenses in the truing up for FY 2011-12. The A&G expenses approved for FY 2011-12 in MYT order of 6th September, 2011, and submitted by PGVCL in the truing up are as given in the Table below:

Table 4.16: A&G expenses submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
A&G expenses	74.35	91.22

Licensee's submission

The PGVCL has submitted that the A&G expenses are categorized as controllable expenses in the MYT Regulations and the actual A&G expenses when compared with the approved value, resulted in a loss of 16.87 Crore for FY 2011-12.

Commission's Analysis

The actual A&G expenses as per the audited annual accounts for FY 2011-12 are Rs. 91.22 crore and are higher than what was approved in the MYT order for FY 2011-12 by Rs. 16.87 crore.

The Commission, approves, the A&G expenses at Rs. 91.22 Crore in the truing up for FY 2011-12.

The parameters impacting A&G expenses are controllable in nature as specified in the MYT Regulations, 2011. The Commission, accordingly, considers the loss under A&G expenses as controllable.

4.5.5 Other Debits

Licensee's submission

The PGVCL has submitted the actual other debits at Rs. 4.99 Crore in the truing up against Rs. 7.16 Crore approved in the MYT order dated 6th September, 2011 for FY 2011-12.

Commission's Analysis

The actual other debits as per audited annual accounts for FY 2011-12 are Rs. 4.99 crore. The other debits represent miscellaneous losses written off and deferred expenses amortized.

The Commission approves the other debits are Rs. 4.99 crore in the truing up for FY 2011-12.

4.5.6 Extraordinary Items

The PGVCL has not submitted anything under extraordinary items in the truing up for FY 2011-12 against provision of NIL approved in the Tariff order for FY 2011-12.

Commission's Analysis

The actual extraordinary items are NIL as per the audited annual accounts for FY 2011-12.

The Commission approves the extraordinary items as NIL in the truing up for FY 2011-12.

4.5.7 Net prior period expenses / income

The PGVCL has submitted Rs. 3.24 crore towards net prior period income in the truing up for FY 2011-12.

Commission's Analysis

The PGVCL did not estimate prior period expenses/ income in the MYT petition for FY 2011-12. These net prior period expenses/ income are recognized through a directive in the MYT order dated 6th September, 2011. The actual net prior period income accounted for in the audited annual accounts is Rs. 3.24 crore.

The Commission, accordingly, approves the net prior period income of Rs. 3.24 crore in the truing up for FY 2011-12.

4.5.8 Other expenses capitalized

The PGVCL has submitted the actual expenses capitalized at Rs. 242.51 Crore in the truing up for FY 2011-12 against Rs. 111.00 crore approved in the MYT order for the FY 2011-12.

Commission's Analysis

The Commission has observed that the other expenses capitalized represent the capitalization of employees cost, A&G expenses and interest charges etc as seen from the note 29 of the annual accounts for FY 2011-12. The actual other expenses capitalized are Rs. 242.51 Crore as per the audited annual accounts for FY 2011-12. These other expenses capitalized include Rs. 17.55 Crore towards capitalization of interest charges. The interest charges capitalized are excluded from this since the interest charges are allowed on normative basis against the actual capitalization of CAPEX.

The Commission, approves the other expenses capitalized at Rs. 224.96 Crore excluding the interest charges capitalized in the truing up for FY 2011-12.

The total O&M expenses approved in the truing up for FY 2011-12 and the gains/(losses) considered due to controllable and uncontrollable factors are detailed in the table below:

Table 4.17: Approved O&M expenses and Gains/ (losses) in the truing up for FY 2011-12.

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Approved in Truing up for FY 2011-12	Gains/ (losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
1	Employee cost	391.28	454.07	(62.79)	-
2	Repairs and Maintenance	84.16	70.31	13.86	-
3	Administration and general expenses	74.35	91.22	(16.87)	-
4	Other debits	7.16	4.99	-	2.17
5	Extraordinary items	-	-	-	-
6	Net prior period expenses/(income)	-	(3.24)	-	3.24
7	Other expenses	(111.00)	(224.96)	-	113.96

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Approved in Truing up for FY 2011-12	Gains/ (losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
	capitalized				
8	**Total O&M expenses**	**445.95**	**392.39**	**(65.80)**	**119.37**

4.5.9 Capital expenditure, Capitalization and Funding of CAPEX

The PGVCL has furnished the capital expenditure at Rs. 1137.93 Crore in the truing up for FY 2011-12 against Rs. 1267.00 Crore considered in the ARR for FY 2011-12 in the MYT order. The details are as given in the table below:

Table 4.18: Capital expenditure submitted by PGVCL for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Considered in the MYT Order for FY 2011-12	Claimed in Truing up for FY 2011-12
1	Distribution Schemes	339.00	365.17
2	Rural Electrification Schemes	421.00	549.29
3	Non Plan Schemes	361.00	136.77
4	Others	2.00	-
5	Other new schemes	144.00	86.69
6	Total capital expenditure	1267.00	1137.93

Licensee's submission

The PGVCL has submitted that the actual capital expenditure incurred during FY 2011-12 was Rs. 1137.93 Crore which is lower than what was considered for FY 2011-12 by Rs. 129.07 Crore in the MYT order dated 6th September, 2011.

Commission's Analysis

The capital expenditure considered in the ARR for FY 2011-12 in the MYT order dated 6th September, 2011 was Rs. 1267.00 Crore. The actual capital expenditure incurred is given as Rs. 1137.93 crore which is about 90% of the CAPEX considered in the ARR for FY 2011-12. The actual capitalization was Rs. 1091.52 Crore as per the audited accounts for FY 2011-12. The consumer contribution as verified from the audited annual accounts is Rs. 471.37 crore. The subsidies and grants as verified from the audited annual accounts are Rs. 27.76 crore.

The Commission approves the capitalization at Rs. 1091.52 Crore in the truing up for FY 2011-12.

The CAPEX, capitalization and funding submitted by the PGVCL and approved by the Commission are as given in the table below:

Table 4.19: Approved capitalization and source of funding in the truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Approved in the MYT Order for FY 2010-11	Claimed in Truing up for FY 2011-12	Approved in Truing up for FY 2011-12
1	Capital Expenditure	-	-	-
2	Capitalization	760.08	1091.52	1091.52
3	Less: Consumer contribution	157.00	471.37	364.85
4	Less: Subsidies and Grants	9.00	27.76	7.68
5	Balance Capitalization	594.08	592.39	718.99
6	Debt (70%)	415.86	415.67	503.29
7	Equity (30%)	178.22	177.72	215.70

4.5.10 Depreciation

The PGVCL has submitted Rs. 295.10 Crore towards depreciation in the truing up for FY 2011-12. The depreciation charges in the MYT order of 6th September, 2011 and submitted by PGVCL in the truing up for FY 2011-12 are as given in the Table below:

Table 4.20: Depreciation submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Depreciation	284.74	295.10

Licensee's submission

The PGVCL has submitted that the amount of depreciation as per actual is higher than the approved depreciation. PGVCL has applied the rate of depreciation as specified by CERC assuming the asset mix to remain unchanged.

The PGVCL has considered the depreciation rate as per the CERC Regulations, 2009 and computed the depreciation as detailed in the table below:

Table 4.21: Fixed assets and Depreciation computed by PGVCL for FY 2011-12.

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12	Deviation + / (-)
1	Gross block at the beginning of the year	5022.95	5044.14	
2	Additions during the year	760.08	1091.52	
3	Depreciation for the year	284.74	295.10	(10.36)
4	Average rate of depreciation	5.27%	5.28%	

The PGVCL has further submitted that the actual depreciation for FY 2011-12 as against the value approved in the MYT order resulted in a net uncontrollable loss of Rs. 10.36 crore as detailed in the Table below:

Table 4.22: Gains/ (losses) due to depreciation submitted in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Depreciation	284.74	295.10	0	(10.36)

Commission's Analysis

The opening balance of GFA, the net addition during the year FY 2011-12 and the closing balance of GFA are verified with the audited annual accounts for FY 2011-12. The PGVCL has adopted the opening balance of GFA at Rs. 5044.14 crore and this is as per the audited accounts for FY 2011-12. The depreciation rate of 5.28% adopted is in the line with the depreciation rates specified in CERC Tariff Regulations, 2009.

The Commission has computed the depreciation at Rs. 295.10 Crore in the truing up for FY 2011-12 as detailed in the table below:

Table 4.23: Approved depreciation in the truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Claimed in Truing up for FY 2011-12	Approved for FY 2011-12 in truing up
1	Gross block at the beginning of the year	5044.14	5044.14
2	Additions during the year	1091.52	1091.52
3	Depreciation for the year	295.10	295.10
4	Average rate of depreciation	5.28%	5.28%

With regard to the computation of Gains / Losses, the Regulation 23.2 considers variation in capitalization on account of time and/or cost overruns / efficiencies in the implementation of capital expenditure project, not attributable to an approved change in scope of such project, change in statutory levies or force majeure events, as a controllable factor. If the gain is on account of lesser capital expenditure and capitalisation, it cannot be attributed to the efficiency of the utility to allow one-third of gain to the utility. Similarly, if the loss is on account of higher capital expenditure and capitalisation due to bona fide reasons, the utility cannot be penalised by allowing only two-thirds of the loss in the ARR. And hence, the Commission considered the variation in capitalization as uncontrollable as proposed by the petitioner. This applies to debt and equity in allowing Gains / Losses on account of interest and return on equity also.

The Commission, accordingly, approves the Gains/losses on account of depreciation in the truing up for FY 2011-12 as detailed in the Table below:

Table 4.24: Gains/ (losses) due to depreciation approved in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in Truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Depreciation	284.74	295.10	0	(10.36)

4.5.11 Interest and Finance charges

The PGVCL has submitted Rs. 172.77 Crore towards interest and finance charges in the truing up for FY 2011-12 as against Rs. 127.41 Crore approved in the MYT order for FY 2011-12 as detailed in the table below:

Table 4.25: Interest and Finance charges submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12
Interest and Finance charges	127.41	172.77

Licensee's submission

The PGVCL has submitted that it has considered opening balance of loan as the closing balance of loan approved in the truing up for FY 2010-11 in the Tariff order dated 2nd June, 2012. The loan addition is computed at Rs. 414.67 Crore towards loan for funding the CAPREX for FY 2011-12. PGVCL has considered the weighted average rate of interest of 9.39% against 7.33% considered in MYT order for FY 2011-12. In addition to the above, PGVCL has considered the guarantee charges payable on legacy loan from erstwhile GEB and interest on security deposits. The details of interest and finance charges submitted by PGVCL are as given in the table below.

Table 4.26: Interest and Finance charges submitted in the truing up for FY 2011-12

(Rs. Crore)

Sl.No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12
1	Opening loans	1140.63	1171.39
2	New loan during the year	415.86	414.67
3	Repayment during the year	284.74	295.10
4	Closing loans	1271.75	1290.97
5	Average loans	1206.19	1231.18
6	Interest on loans	88.41	115.65
7	Interest on security deposit	37.00	45.39
8	Guarantee charges & Other finance charges	2.00	11.72
9	Total interest & finance charges	127.41	172.77
10	Weighted average rate of interest	7.33%	9.39%

The PGVCL has further submitted that interest and finance charges are categorized as uncontrollable as per the MYT Regulations and accordingly worked out deviation in the actual vis-à-vis the approved expenses under uncontrollable factors and they are as given in the table below:

Table 4.27: Gains/ (losses) submitted due to interest & finance charges for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Interest and Finance charges	127.41	172.77	-	(45.36)

Commission's Analysis

The Commission has analyzed the loan for capital expenditure and approved the opening loan towards capital expenditure at Rs. 1171.39 Crore being the closing balance of loan approved in the truing up for FY 2010-11 in the Tariff order dated 2nd June, 2012. This is taken as opening balance of loan in the truing up for FY 2011-12. The capitalization and funding of CAPEX have been approved for FY 2011-12 based on the audited accounts. The interest on security deposits of Rs. 45.39 crore is not separately indicated in the audited accounts for FY 2011-12. This is included in the interest on others of Rs. 50.81 crore. With reference to a query from the commission. PGVCL has furnished the details of Rs. 50.81 crore vide its email dated 9th March, 2013. The repayment of loan is submitted at Rs. 295.10 crore in the truing up for FY 2011-12, which is equivalent to the depreciation. The guarantee charges and other finance charges as per audited accounts for FY 2011-12 are Rs. 6.31 crore against Rs. 11.72 crore claimed. Taking all these factors into consideration the interest and finance charges are computed @ 9.39% based on the actual loan portfolio in FY 2011-12 as detailed in the Table below:

Table 4.28: Interest & Finance charges approved by the Commission in the truing up for FY 2011-12

(Rs. Crore)

Sl.No	Particulars	Claimed in Truing up for FY 2011-12	Approved in truing up for FY 2011-12
1	Opening loans	1171.39	1171.39
2	New loan during the year	414.67	503.29
3	Repayment during the year	295.10	295.10
4	Closing loans	1290.97	1379.58
5	Average loans	1231.18	1275.49
6	Interest on loans	115.65	119.77
7	Interest on security deposit	45.39	45.39
8	Guarantee and other finance charges	11.72	6.31
9	Total interest & finance charges	172.77	171.47
10	Weighted average rate of interest	9.39%	9.39%

The Commission approves the interest and finance charges at Rs. 171.47 crore in the truing for FY 2011-12.

As noted in para 4.5.10 above, the Commission is of the view that the parameters which impact interest and finance charges should be treated as uncontrollable. The Commission, accordingly, approves the Gains / (Losses) on account of interest and finance charges in the Truing up for FY 2011-12**.**

The Commission, accordingly, approves the Gains/ (losses) on account of interest and finance charges in the truing up for FY 2011-12 as detailed in the table below:

Table 4.29: Gains/ (losses) approved in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in Truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Interest and Finance charges	127.41	171.47	-	(44.06)

4.5.12 Interest on Working Capital

The PGVCL has not submitted any claim towards interest on working capital in the truing up for FY 2011-12 as against NIL provision approved in the MYT order for FY 2011-12 which are as detailed in the Table below:

Table 4.30: Interest on Working Capital submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in Truing up for FY 2011-12
Interest on working capital	NIL	NIL

Licensee's submission

The licensee's has submitted that the interest on working capital has been calculated based on the normative principles outlined in the terms and conditions of tariff Regulations at an interest rate of 14.75%, being the Short-term Prime Lending Rate of SBI as on 01/04/2011 against 11.75% approved in the MYT order for FY 2011-12.

The detailed computation of interest on working capital is as given in the table below:

Table 4.31: Interest on Working Capital submitted by PGVCL in the truing up for FY 2011-12.

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
1	O&M expenses (one month)	37.16	31.24
2	Maintenance spares (1% of opening GFA)	50.23	58.93
3	Receivables	459.25	620.99
4	Less: Security deposits from Consumers	1175.08	990.40
5	Total working capital	(628.43)	(279.24)
6	Rate of interest on working capital	11.75%	14.75%
7	Interest on working capital	-	-

Commission's Analysis

The Commission has examined the computation of normative working capital and interest thereon under MYT Regulations, 2011. Regulation 41.2 (b) specifies that interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the Financial year in which the petition is filed. PGVCL has submitted with reference to a query from the Commission that the petition for Truing up for FY 2011-12 and tariff determination for FY 2013-14 has been filed on 24th January, 2013 and the rate of Interest on Working Capital was taken at State Bank Advance Rate

(SBAR) as on 1st April 2012 at 14.75 %. PGVCL has also mentioned that it is not worthwhile to consider the rate of Interest on Working Capital as the same for five different years. The Commission had taken into consideration the rate of Interest at 11.75% prevailing at the time the MYT Petition was filed. The Commission decides to consider the rate SBAR prevailing as on 1st April of the financial year for which Truing up is being done, as the current rate is not appropriate for the truing up of previous year. The SBAR as on 1st April 2011 is 13%. The Commission, accordingly, takes into consideration the SBAR of 13% in computation of Interest in Working Capital for FY 2011-12.

The Commission has computed the Working Capital and interest thereon, as detailed in Table below:

Table 4.32: Interest on working capital approved in the truing up for FY 2011-12
(Rs. Crore)

Sl. No.	Particulars	Claimed in truing up for FY 2011-12	Approved for FY 2011-12 in truing up
1	O&M expenses (one month)	31.24	32.70
2	Maintenance spares (1% of opening GFA)	58.93	50.44
3	Receivables (1month of sales)	620.99	554.85
4	Less: Security deposit from Consumers	990.40	990.40
5	Total working capital	(279.24)	(352.41)
6	Rate of interest on working capital	14.75%	13%
7	Interest on working capital	NIL	NIL

The Commission approves the interest on working capital at NIL in the truing up for FY 2011-12.

4.5.13 Provision for bad debts

The PGVCL has submitted Rs. 13.67 Crore towards provision for bad debts in the truing up for FY 2011-12 as against Rs. 8.58 Crore approved in the Tariff order for FY 2011-12. The details are as given in the table below:

Table 4.33: Provision for bad debts submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Provision for bad debt	8.58	13.67

Licensee's submission

The PGVCL has submitted that the actual value of bad debt when compared with the approved value resulted in a loss of Rs. 5.09 Crore on account of controllable factors as shown in the table below:

Table 4.34: Provision for bad debts for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Provision for bad debt	8.58	13.67	(5.09)	-

Commission's Analysis

The Commission has examined the submission made by the licensee. The actual bad debts written off / provided for during the FY 2011-12 are Rs. 13.67 crore as per audited annual accounts.

The Commission, therefore, approves the bad debt at Rs. 13.67 Crore in the truing up for FY 2011-12.

The deviation on account of bad debt written off is Rs. 5.09 Crore and the Commission considers the loss of Rs. 5.09 Crore due to controllable factors as detailed in the table below:

Table 4.35: Gains/ (losses) due to bad debt approved in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Provision for bad debt	8.58	13.67	(5.09)	-

4.5.14 Return on equity

The PGVCL has submitted Rs. 197.21 Crore towards return on equity in the truing up for FY 2011-12 as against Rs. 195.40 Crore approved in the MYT order for FY 2011-12 which are as given in the Table below:

Table 4.36: Return on equity submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Return on equity	195.40	197.21

Licensee's submission

The licensee has submitted that PGVCL has computed the return on equity considering a rate of 14% on the average of opening and closing equity taking into account the additions during the year FY 2011-12.

The details of computation of return on equity are as given in the table below:

Table 4.37: Return on equity submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Sl.No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
1	Opening equity	1306.59	1319.77
2	Additional equity during the year	178.22	177.72
3	Closing equity	1484.81	1497.49
4	Average equity	1395.70	1408.63
5	Rate of return on equity	14%	14%
6	Return on equity	195.40	197.21

Commission's Analysis

The PGVCL has furnished the opening equity capital at Rs. 1319.77 Crore for FY 2011-12 and it has submitted an equity addition of Rs. 177.72 Crore during the FY 2011-12. The actual opening equity as on 01/04/2011 was Rs. 1319.77 Crore, being the closing balance of equity approved in the True up for FY 2010-11. The Commission has approved the normative equity addition at Rs. 215.70 crore in table 4.19.

The Commission has computed the return on equity in the truing up for FY 2011-12 as detailed in the table below:

Table 4.38: Return on equity approved for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Claimed in Truing-up for FY 2011-12	Approved in truing Up for FY 2011-12
1	Opening equity	1319.77	1319.77
2	Additional equity during the year	177.72	215.70
3	Closing equity	1497.49	1535.47
4	Average equity	1408.63	1427.62
5	Rate of return on equity	14%	14%
6	Return on equity	197.21	199.87

The Commission approves the return on equity at Rs. 199.87 crore in the truing up for FY 2011-12.

As noted in Para 4.5.10 above, the factors impacting the Return on Equity are considered uncontrollable. The Commission, accordingly, approves the gains and losses on account of Return on Equity in the Truing up for FY 2011-12.

The Commission, accordingly, approves the gains/(losses) on account of return on equity in the truing up for FY 2011-12 as detailed in the table below:

Table 4.39: Approved gains/(losses) due to return on equity in the Truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Return on equity	195.40	199.87	0	(4.47)

4.5.15 Taxes

The PGVCL has submitted Rs. 5.41 Crore towards income tax in the truing up for FY 2011-12 as against Rs. 15.24 Crore approved in MYT order for FY 2011-12 as given in the table below:

Table 4.40: Taxes submitted by PGVCL in the Truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Provision for tax	15.24	5.41

Licensee's submission

The licensee has submitted that the actual tax is worked out to be Rs. 5.41 Crore as against Rs. 15.24 Crore approved in the MYT order for FY 2011-12. PGVCL has further mentioned that tax is a statutory expense and this should be allowed without any deduction. PGVCL has submitted gain of Rs. 9.83 Crore on account of tax as given in the table below:

Table 4.41: Gains/ (losses) submitted due to provision for tax for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Provision for tax	15.24	5.41	0	9.83

Commission Analysis

The Commission has obtained the copies of tax paid counterfoil and found that the licensee has paid tax of Rs. 5.38 crores. As per the audited annual accounts the tax expenses is shown as Rs. 5.40 crores. But as per the MYT Regulations, 2011 actual tax paid is pass through expense.

The Commission, accordingly, approves the tax paid at Rs. 5.38 crore in the truing up for FY 2011-12.

With regard to the computation of gains/(losses), the Regulation 23.1 considers variation in taxes on income as uncontrollable.

The Commission, accordingly, approves the gains/(losses) on account of tax on income in the truing up for FY 2011-12 which are as detailed in the table below:

Table 4.42: Approved gains/(losses) due to tax in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Provision for tax	15.24	5.38	0	9.86

4.5.16 Non-Tariff Income

The PGVCL has furnished the actual non-tariff income at Rs. 200.13 Crore in the truing up for FY 2011-12 as against Rs. 142.00 Crore approved in the MYT order for FY 2011-12 which are as detailed in the table below:

Table 4.43: Non-Tariff income submitted by PGVCL in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
Non-tariff Income	142.11	200.13

Licensee's submission

The licensee has submitted that the actual value of non-tariff income is Rs. 200.13 Crore as against Rs. 142.00 Crore approved in the MYT order for FY 2011-12 and this resulted in a net controllable gain of Rs. 58.13 Crore which is as detailed in the table below:

Table 4.44: Gains/(Losses) submitted due to non-tariff income for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Non-Tariff Income	142.11	200.13	0	58.02

Commission's Analysis

The Commission has verified and found that the actual 'other income' is Rs. 200.22 Crore as per the audited annual accounts for FY 2011-12. The deviation is Rs. 58.11 crore which is a gain.

The Commission approves the non-tariff income at Rs. 200.22 Crore in the truing up for FY 2011-12.

Table 4.45: Approved gains/(losses) due to non-tariff income in the truing up for FY 2011-12

(Rs. Crore)

Particulars	Approved for FY 2011-12 in MYT order	Approved in truing up for FY 2011-12	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Non-Tariff Income	142.11	200.22	0	58.11

4.6 Revenue from sale of power

The PGVCL has furnished the total revenue at Rs. 7204.24 Crore in the truing up for FY 2011-12 as against Rs. 5906.04 Crore considered in the MYT order for FY 2011-12 as detailed in the table below:

Table 4.46: Revenue submitted in the truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
1	Revenue from sale of power	5387.04	6658.24
2	Other income (Consumer related)	124.00	139.05

Sl. No.	Particulars	Approved for FY 2011-12 in MYT order	Claimed in truing up for FY 2011-12
3	Total revenue excluding subsidy (1+2)	5511.04	6797.30
4	Agriculture subsidy	395.00	406.94
5	Other subsidy	-	-
6	Total revenue including subsidy (3+4+5)	5906.04	7204.24

The category wise sales revenue for FY 2011-12 is given in the table below:

Table 4.47: Category-wise sales and revenue for FY 2011-12

(Rs. Crore)

Sl. No	Particulars	FY 2011-12 Actuals	
		Sales (MU)	Revenue (Rs. crore)
A	LT Consumers		
1	Domestic	2652.19	1079.27
2	Commercial / GLP	487.31	267.29
3	Industrial LT / LTMD / NRGP	2059.42	1170.76
4	Public Water Works	378.22	141.78
5	Agriculture (Metered)	5181.87	1067.43
6	Agriculture (Unmetered)		
7	Public Lighting	75.56	33.15
	LT Total A	10834.57	3759.67
B	HT Consumers		
1	Industrial HT	4972.00	2898.57
2	Railway	-	-
	Total B	4972.00	2898.57
	Grand Total (A+B)	15806.57	6658.24

Commission's Analysis

The Commission has verified the total revenue for FY 2011-12 from the audited accounts. The actual revenue from category-wise sales as per audited accounts is Rs. 6658.24 Crore. The revenue shown by the licensee from sales of power to GUVNL is Rs. 901.69 Crore and UI charges receivable is Rs. 98.82 Crore for FY 2011-12 and the same has been adjusted by the Commission against the power purchase cost for the FY 2011-12 as shown in the table 4.8.

The Commission, accordingly, approves the total revenue of Rs. 7204.24 crore including other income at Rs. 139.05 Crore and agriculture subsidy at Rs. 406.94 crore in the truing up for FY 2011-12.

Table 4.48: Revenue approved in the truing up for FY 2011-12

(Rs. crore)

Sl. No.	Particulars	Claimed in truing up for FY 2011-12	Approved for FY 2011-12 in truing up
1	Revenue from sale of power	6658.24	6658.24
2	Other income (Consumer related)	139.05	139.05
3	Total revenue excluding subsidy (1+2)	6797.30	6797.29
4	Agriculture subsidy	406.94	406.94
5	Other subsidy	-	-
6	Total revenue including subsidy (3+4+5)	7204.24	7204.23

4.7 ARR approved in the truing up

The Commission reviewed the performance of PGVCL under regulation 22 of the MYT Regulations, 2011 with reference to the audited accounts for FY 2011-12. The Commission has computed the gains/(losses) for FY 2011-12 based on the truing up for each of the component discussed in the above paragraphs.

The Aggregate Revenue Requirement (ARR) approved in the tariff order dated 6th September, 2011, actual submitted in truing up and approved for truing up and gains/(losses) computed in accordance with MYT Regulations are as given in the Table below:

Table 4.49: ARR approved in truing up for FY 2011-12

(Rs. Crore)

Sl.No	Annual Revenue Requirement	Approved for FY 2011-12 in MYT order	Claimed in Truing-up for FY 2011-12	Approved in Truing up for FY 2011-12	Deviation +/(-)	Gains/ (Losses) due to controllable factors	Gains/ (Losses) due to uncontrollable factors
1	2	3	4	5	6=(3-5)	7	8
1	Cost of power purchase	5189.81	6593.01	6593.01	(1403.20)	83.41	(1486.61)
2	Operation and Maintenance expenses	445.96	374.84	392.39	53.57		
2.1	Employee cost	391.28	454.07	454.07	(62.79)	(62.79)	
2.2	Repairs and Maintenance	84.16	70.31	70.31	13.86	13.86	
2.3	Administration and General expenses	74.35	91.22	91.22	(16.87)	(16.87)	
2.4	Other debits	7.16	4.99	4.99	2.17		2.17
2.5	Extraordinary items	0	0.00	0.00	0.00		0.00
2.6	Net prior period expenses/ income	0.00	(3.24)	(3.24)	3.24		3.24
2.7	other expenses capitalised	(111.00)	(242.51)	(224.96)	113.96		113.96
3	Depreciation	284.74	295.10	295.10	(10.36)		(10.36)
4	Interest and Finance charges	127.41	172.77	171.47	(44.06)		(44.06)
5	Interest on working capital	0.00	0.00	0.00	0.00		0.00
6	Provision for bad debts	8.58	13.67	13.67	(5.09)	(5.09)	
7	Return on equity	195.40	197.21	199.87	(4.47)		(4.47)
8	Provision for Tax / tax paid	15.24	5.41	5.38	9.86		9.86
9	**Total expenditure**	**6267.13**	**7652.01**	**7670.89**	**(1403.75)**	**12.52**	**(1416.27)**
10	Less: Non-Tariff income	142.11	200.13	200.22	(58.11)		(58.11)
11	**Aggregate Revenue Requirement**	**6125.02**	**7451.88**	**7470.67**	**(1345.64)**	**12.52**	**(1358.16)**

4.8 Sharing of Gains / (losses) for FY 2011-12

The Commission has analysed the gains / (losses) on account of controllable and Uncontrollable factors.

The relevant Regulations are extracted below

Regulation 24. Mechanism for pass-through of gains or losses on account of uncontrollable factors

24.1 The approved aggregate gain or loss to the Generating Company or Transmission Licensee 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 Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.

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

24.3 Nothing contained in this Regulation 24 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.

Regulation 25. Mechanism for sharing of gains or losses on account of controllable factors

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

One-third of the amount of such gain shall be passed on as a rebate in Tariffs over such period as may be specified in the Order of the Commission under Regulation 22.6;

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 Distribution Licensee.

25.2 The approved aggregate loss to the Generating Company or Transmission Licensee 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 specified in the Order of the Commission under Regulation 22.6; and

b. The balance amount, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company or Transmission Licensee or Distribution Licensee."

4.9 Revenue gap / surplus for FY 2011-12

As shown in the table below, the PGVCL has submitted a revenue gap of Rs. 297.12 crore in the truing up after treatment of gains / (losses) due to controllable / uncontrollable factors after comparing the performance with the Tariff order for FY 2011-12.

Table 4.50: Projected Revenue gap / (surplus) FY 2011-12

Rs. Crore)

Sl. No.	Particulars	FY 2011-12
1	ARR approved in Tariff Order dated 6th September 2011 for FY 2011-12	6126.98
2	Gains / (Losses) on account of uncontrollable factor to be passed on to the consumer	(1420.83)
3	Gain/ (Loss) on account of controllable factor to be passed on to the consumer (1/3rd of total gain/loss)	31.97
4	**Revised ARR for FY 2011-12(1-2-3)**	**7515.83**
5	Total revenue from sales	6658.24
6	Other income (consumer related)	139.05
7	Total revenue excluding subsidy(5+6)	6797.30
8	Agriculture subsidy	406.94
9	**Total revenue including subsidy(7+8)**	**7204.24**
10	**Revised gap after treating gains/losses due to controllable/uncontrollable factors(4-9)**	**311.60**
11	Net Revenue Gap / (Surplus) of FY 2009-10 approved in the GERC order dated 2nd June 2012	(147.48)
12	Net Revenue Gap / (Surplus) of FY 2010-11 approved in the GERC order dated 2nd June 2012	133.00
13	**Consolidate Gap till FY 2011-12**	**297.12**

The Commission compared the actual performance of PGVCL with the values approved in the MYT Order dated 6th September, 2011.

The Commission arrived at the revised ARR and revenue gap based on the expenses and the gains / loss approved in the truing up for FY 2011-12. . Further, it is to mention that PGVCL has considered net revenue gap/surplus of FY 2009-10 and FY 2010-11 to arrive at consolidated gap of FY 2011-12. In this regard it is to state that net revenue surplus of Rs.147.78 Crore for FY 2009-10 and gap of Rs. 133.00 Crore for FY 2010-11 have been considered by the Commission while determining the tariff for FY 2012-13. Thus any gap/surplus due to past period (FY 2009-10 and FY 2010-11) shall be considered during true up of FY 2012-13. The revenue gap / surplus approved by the Commission for FY 2011-12 is summarised in the Table below:

Table 4.51: Revenue gap / (surplus) approved in the truing up for FY 2011-12

(Rs. Crore)

Sl. No.	Particulars	FY 2011-12
1	ARR approved in Tariff Order dated 6th September 2011 for FY 2010-11	6125.02
2	Gains / (Losses) on account of uncontrollable factor to be passed on to the consumer	(1358.16)
3	Gain/ (Loss) on account of controllable factor to be passed on to the consumer (1/3rd of total gain/loss)	4.17
4	**Revised ARR for FY 2011-12(1-2-3)**	**7479.01**
5	Total revenue from sales	6658.24
6	Other income (consumer related)	139.05
7	Total revenue excluding subsidy(5+6)	6797.29
8	Agriculture subsidy	406.94
9	**Total revenue including subsidy(7+8)**	**7204.23**
10	**Revised gap after treating gains/losses due to controllable/uncontrollable factors(4-9)**	**274.78**

4.10 Consolidated revenue gap of the Discoms for FY 2011-12

The consolidated revenue gap of the four Discoms viz. DGVCL, MGVCL, PGVCL and UGVCL, after truing up of FY 2011-12 is summarised below.

Table 4.52: Consolidated revenue gap of four Discoms for FY 2011-12

(Rs. Crore)

Sl. No.	Discoms	Amount
1	DGVCL	33.97
2	MGVCL	17.73
3	PGVCL	274.78
4	UGVCL	217.28
	Total	**543.76**

While determining the ARR for FY 2013-14 in the MYT Order dated 6th September, 2011, the Commission has considered GUVNL cost of four paise per unit to be added to power purchase cost of each Discom. The Annual Report of GUVNL for FY 2011-12 indicates that the total energy purchased by GUVNL is 65827 MU. GUVNL cost to be added to power purchase cost works out to Rs. 263.31 crores. However, on verifying the figures of expenses and revenue of power purchase it emerges that GUVNL has charged Rs. 551.65 crores to Discoms. The table below summarise the eligible cost to be charged to the Discoms and the cost required to be refunded to Discoms by GUVNL.

Table 4.53: Excess Recovery of GUVNL Cost from DISCOMs in FY 2011-12

Sl. No.	Particulars	FY 2011-12
1	Total Power purchased by GUVNL (in MUs)	65827
2	GUVNL cost @ Rs. 0.04 / unit (in Rs. Crores)	263.31
3	Power purchase cost (in Rs. Crores)	24291.98
4	Discount to consumers for timely payment of bills (in Rs. Crores)	26.10
5	Delayed payment charges for purchase of power (in Rs. Crores)	6.81
6	**Total Power purchase cost (3+4+5) (in Rs. Crores)**	**24324.89**
7	Revenue from Sale of power (in Rs. Crores)	24843.63
8	Cost recovered by GUVNL from DISCOMs (7-6) (in Rs. Crore)	518.74
9	Excess cost recovered by GUVNL from DISCOMs (8-2) (in Rs. Crore)	255.43

In view of the above, the Commission decided to adjust the excess recovery of Rs. 255.43 crores in net revenue gap of FY 2011-12 amongst Discoms in proportion to the energy procured, as shown in table below:

Table 4.54: Net revenue gap / surplus approved for FY 2011-12

Sl. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
1	Energy procured by four State Owned Discoms (in MUs)	13359	9466	25041	17933	65799
2	% share in procurement of energy	20.30%	14.39%	38.06%	27.25%	100%
3	Distribution of excess cost recovery by GUVNL as per % shown in (2) (in Rs. Crores)	51.85	36.76	97.22	69.60	255.43
4	Revenue gap after truing up of FY 2011-12 (in Rs. Crores)	33.97	17.73	274.78	217.28	543.76
5	**Net revenue gap / (surplus) of FY 2011-12 to be considered (4-3) (in Rs. Crores)**	**(17.88)**	**(19.03)**	**177.56**	**147.68**	**288.33**

In the MYT Order dated 6th September, 2011, the Commission considered the consolidated gap of the four State owned Distribution Licenses at Rs. 606.67 crore. Further, the Commission had revised the tariffs for FY 2011-12 to get an additional revenue of Rs. 611.88 crore on an annualized basis.

It is observed that the actual consolidated net gap of Rs. 288.33 crore for the four Distribution Licensees for FY 2011-12 is due to delay of about 6 months in filing of the tariff petitions for FY 2011-12 by the licensees and consequently late implementation of the revised tariff.

The Commission observes that the Distribution Licensees are not punctual in filing the tariff petitions within the stipulated time. Further, various consumer organizations also repeatedly represented during the course of hearings that the consumers should not be burdened on account of default by the Distribution Licensees.

Para 8.1.7 of the Tariff Policy provides that,
"…………… It is desirable that requisite tariff changes come into effect from the date of commencement of each financial year and any gap on account of delay in filing should be on account of licensee."

In view of the above, although the Commission had condoned the delay in filing the tariff petitions and considered the same for determining the tariff, the Commission decides in this truing up exercise that the consumers should not be burdened due to default by the Distribution Licensees. Condonation of delay is to consider the petition on merit instead of rejecting it straight away. But it does not imply acceptance of revenue gap due to delayed filing of the tariff petition.

Accordingly, the Commission decides that the consolidated gap of Rs. 288.33 crore for FY 2011-12, which is due to delay in filing the tariff petition and late implementation of revised tariff in the FY 2011-12, should not be carried forward as proposed by the licensees for determination of tariff for FY 2013-14.

5. Aggregate Revenue Requirement for FY 2013-14

5.1 Introduction

This chapter deals with the determination of revenue gap/surplus as well as consumer tariff for the FY 2013-14 for PGVCL. Commission has considered the ARR approved in the MYT order dated 6th September, 2011 for FY 2013-14 and the adjustment on account of true up for FY 2011-12 while determining the revenue gap/surplus for FY 2013-14.

5.2 Approved ARR for FY 2013-14

Based on the above approach, the Table below summarises the Annual Revenue Requirement as approved by the Commission for the FY 2013-14 in the MYT Order dated 6th September, 2011. Detailed analysis of each expense head has already been provided in the MYT Order.

Table 5.1: Approved ARR for FY 2013-14

(Rs. Crore)

Sl. No.	Particulars	MYT Order
1	Cost of power purchase	**6472.59**
2	Operation and Maintenance expenses	614.50
2.1	Employee cost	437.33
2.2	Repairs and maintenance	94.07
2.3	Administration and general expenses	83.10
2.4	Other debits	7.16
2.5	Extraordinary items	0.00
2.6	Net prior period expenses / income	0.00
2.7	Other expenses capitalized	(124.00)
3	Depreciation	392.20
4	Interest and finance charges	164.31
5	Interest on working capital	0.00
6	Provision for bad debts	8.58
7	Return on equity	265.86
8	Provision for tax / tax paid	15.24
9	**Total expenditure (1 to 8)**	**7816.44**
10	Less: Non-tariff income	142.11
11	**Aggregate Revenue Requirement**	**7674.33**

5.3 Projected Revenue from existing tariff for FY 2013-14

The licensee has submitted that the revenue from sale of power is Rs. 5297.49 crore. The licensee has estimated the revenue of Rs. 5297.49 crore for FY 2013-14 based on the sales, connected load and number of consumers as approved in the MYT order dated 6th September, 2011 and the revised tariff as per the Tariff Order dated 2nd June 2012. The revenue from FPPPA for FY 2013-14 has been projected considering the rate of Rs. 0.61 per unit. The licensee has considered the approved sales for FY 2013-14 and has applied the existing tariff while computing the revenue for the FY 2013-14. The Other Consumer Related Income and the Agriculture Subsidy (expected from State Government) for FY 2013-14 have been taken equal to that approved by the Commission in its order dated 6th September, 2011, which are Rs. 124 Crore and Rs. 399.25 Crore respectively. The revenue estimated for FY 2013-14 is shown in the table below:

Table 5.2: Projected Revenue for FY 2013-14

(Rs. Crore)

Sl. No.	Parameter	Amount
1	Revenue from sale of power	5297.49
2	Revenue from FPPPA at Rs. 0.61 per kwh	983.81
3	Other Income (Consumer Related)	124.00
4	Agriculture Subsidy (expected from government)	399.25
5	Total Revenue	6804.55

5.4 Estimated Revenue and Revenue gap/surplus for FY 2013-14

The Commission has considered the total category-wise sales as approved in the MYT Order and has applied the existing tariff on the approved sales for each category of consumers. However, it is observed that PGVCL has not considered revenue on account of excess demand charges, theft of energy and underestimated the revenue from Time of Use charges and power factor adjustment charges. The Commission analysed the impact of the above factors and also likely revenue realisation in the changed scenario. Having considered the relevant aspects, the Commission has estimated the revenue of Rs. 5372.43 Crore at the existing tariff excluding FPPPA. The total revenue from sale of power computed by the Commission at existing tariff is Rs. 6879.49 Crore including FPPPA. The FPPPA rate has been considered at Rs. 0.61 per unit. The estimated gap for FY 2013-14 is given in the table below:

Table 5.3: Estimated Revenue and Revenue gap/(surplus) for FY 2013-14

(Rs. Crore)

Sl. No	Parameter	Projected by PGVCL	Estimated by the Commission
1	Approved ARR for FY 2012-13	7674.33	7674.33
2	Add: Revenue gap/(surplus) due to truing up of FY 2011-12	297.12	0.00
3	**Net ARR for FY 2013-14 (1+2)**	**7971.45**	**7674.33**
4	Revenue from sale of power at existing tariff rates	5297.49	5372.43
5	Revenue from FPPPA at Rs. 0.61 per kWh	983.81	983.81
6	Other Income (Consumer Related)	124.00	124.00
7	Agriculture Subsidy (expected from government)	399.25	399.25
8	**Total Revenue (4+5+6+7)**	**6804.55**	**6879.49**
9	**Total revenue gap for FY 2013-14 including truing up (3-8)**	**1166.90**	**794.84**

As the uniform tariff for State owned Discoms has been envisaged in the MYT Order dated 6th September, 2011, it is necessary to consider the consolidated gap of FY 2013-14 for all the State owned Discoms while determining the tariff for FY 2013-14. The consolidated gap computed for FY 2013-14 is shown in table below:

Table 5.4: Consolidated gap computed for FY 2013-14

Sl. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
1	Total revenue gap for FY 2013-14 including truing up	241.50	325.22	794.84	767.53	2129.09

The consolidated gap of the four state owned distribution licensees for FY 2013-14 works out as Rs. 2129.09 crore.

The MYT Regulations, 2011 provides that, 'the licensee shall file its Petition for approval of truing up of previous year and tariff for ensuing financial year by 30th November of the current financial year'.

The Commission observes that the Distribution Licensees are not punctual in filing the tariff petition within the stipulated time. Further, various consumer organizations also repeatedly represented during the course of hearings that the consumers should not be burdened on account of default by the Distribution Licensees.

Para 8.1.7 of the Tariff Policy provides that,

"…………… It is desirable that requisite tariff changes come into effect from the date of commencement of each financial year and any gap on account of delay in filing should be on account of licensee."

For this year also the licensees have been late in filing the tariff petition by 55 days. The Commission extended the time period and condoned the delay in filing the tariff petition for the determination of tariff. Condonation of delay is to consider the petition on merit instead of rejecting it straight away. But it does not imply acceptance of revenue gap due to delayed filing of the tariff petition. Further, looking to the representations from various consumer organizations about burdening the consumers due to default by the Distribution Licensees, the Commission decides to consider only proportionate gap of the FY 2013-14 for determination of tariff. In other words, the estimated gap is reduced in proportion to the period of delay in filing the tariff petition.

Accordingly, out of the total consolidated gap of the four distribution licensees of Rs. 2129.09 crore, the Commission considers a consolidate gap of Rs. 1808.27 crore for the determination of tariff for FY 2013-14 and disallows the gap of Rs. 320.82 crore because of delay in filing the tariff petition by the Licensees.

6. Fuel and Power Purchase Price Adjustment

6.1 Fuel Price and Power Purchase Price Adjustment

The Commission had approved the formula for Fuel Price and Power Purchase Cost Adjustment (FPPPA) vide order in Case No. 2 of 2003 dated 25th June, 2004.

The PGVCL in its submission has projected revenue from FPPPA charges of Rs. 983.81 crore for FY 2012-13. The licensee has submitted that the base FPPPA rate for FY 2013-14 was Rs. 0.61 per unit and considered this rate for projecting the total revenue from FPPPA charges for FY 2013-14.

6.2 Formula

Commission's decision

The FPPPA formula approved by the Commission in the order dated 25th June, 2004 is given below:

$$\mathbf{FPPPA = [\,F_{OG} + PPP_1 + PPP_2\,] \div [S.E.]}$$

Where,

$$\mathbf{F_{OG} = \sum_{n=1}^{k} [\,(H_B \times OGD_A\,) \times (Fuel\ C_A - Fuel\ C_B)\,]}$$

Where,

The Commission has approved the operational parameters for each source / station variable cost / kWh, total fixed cost for GSECL central generating stations, IPPs and others for the FY 2012-13 as given below:

F_{OG}	Adjustment on account of variations in delivered cost of Fuel at GEB"s Thermal Power Stations Rs. in millions
N	1 to k, the thermal power stations in GEB. Details at Table-8.
OGD_A	is the actual level of delivered energy at the bus bar (net generation) from GEB"s thermal plants in million units during the control period.
H_B	is the base station heat rate in K.Cal./ kWh calculated on the net output using permitted auxiliary consumption (Table -8)

Fuel C_A	is the new landed price of fuel at relevant GEB‟s generating stations, expressed in Rs. / Kcal calculated after **<u>allowing only statutory / notified increases (or decreases) in the price of fuel/railway freight, taxes and duties on fuel as well as fuel price increase by central/state Government PSUs.@</u>**
Fuel C_B	is the base## landed price of fuel at relevant GEB‟s generating stations, expressed in Rs. / Kcal calculated using the base data. This parameter is constant (frozen) for the various quarters (periods) for which increases in fuel prices is being permitted.

$$PPP_1 = \sum_{m=1}^{k} [(VC_A - VC_B) \times Q_A] ;$$

Where,

PPP_1	Adjustment on account of variable cost of power purchased in Rs. Millions
M	1 to k, the sources from which power is purchased
VC_A	Is the variable cost per unit of delivered energy, computed based on the principles laid down in the power purchase agreements in Rs. / kWh
VC_B	Is the base variable cost per unit of delivered energy from each source in Rs. / kWh
Q_A	Is the actual level of power purchases from each source in million units.

$$PPP_2 = \sum_{=1}^{k} [(FC_A - FC_B)]$$

Where,

PPP_2	Adjustment on account of fixed cost of power purchased in Rs. Millions

m	1 to k, the sources from which power is purchased
FCA	Is the actual fixed cost paid in Rs. Millions
FCB	Is the base fixed costs payable in Rs. Millions

and

S.E. (in MU) = [(Total Sales in MU + Excess T & D loss in MU)]

Where,

Total Sales = Actual energy sold to metered categories in MU + Estimated energy supplied to un-metered consumers based on norms approved, in MU

Excess T & D loss in MU=

{(Net Generation in MU + Power Purchase in MU – Total sales in MU)} - {(Net Generation in MU + Power Purchase in MU) X (%T& D loss Norm)}

Where,

% T & D loss Norm = % T & D loss level approved by the Commission.

6.3 Base price of power purchase from various sources

The Commission has approved the operational parameters for each source / station variable cost / kWh, total fixed cost for GSECL central generating stations, IPPs and others for the FY 2013-14 as given below:

Sl. No.	Particulars	FY 2013-14					
		Available MU	Dispatch MU	Fixed Cost (Rs.Cr)	Variable Cost (Rs /Unit)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)
	GSECL Plants						
1	Ukai TPS	5082	3388	246.64	1.710	579	825.64
2	**Ukai Hydro**	345	345	24.42	0 .000	0	24.42
3	Gandhinagar I to IV	4111	2602	266.37	2 .375	618	884.37
4	Gandhinagar V	1339	837	97.24	2 .130	178	275.24
5	Wanakbori I to VI	8035	5022	365.77	2 .108	1059	1424.77
6	Wanakbori VII	1339	837	94.58	2 .022	169	263.58
7	Sikka TPS	1329	936	121.68	2 .769	259	380.68
8	Kutch Lignite I to III	1243	1243	221.5	1 .181	147	368.5
9	Kutch Lignite IV	434	434	129.34	1 .109	48	177.34
10	Dhuvaran oi l	-	-	-	-	-	
11	Kadana Hydro	126	126	61.45	0 .00	0	61.45
12	Utran Gas Based	505	315	28.82	2 .367	75	103.82
13	Dhuvaran Gas Based - Stage-I	616	385	47.77	2 .411	93	140.77

Sl. No.	Particulars	FY 2013-14					
		Available MU	Dispatch MU	Fixed Cost (Rs.Cr)	Variable Cost (Rs /Unit)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)
14	Dhuvaran Gas Based - Stage-II	618	401	56.33	2 .388	96	152.33
15	Utran Extension	2005	1253	228.9	2 .071	260	488.9
16	Ukai Expansion 6	3206	2004	401	1.54	309	710
17	Sikka 3 & 4	3206	2004	401	1.99	398	799
18	Dhuvaran CCPP Ext - 3	104	104	14	3.39	35	49
	Sub Total	33643	22236	2806.81		4323	7129.81
	IPPs						
19	ESSAR	1439	1028	202	2.95	303	505
20	GPEC	2328	1663	307	2.4	399	707
21	GIPCL II (160)	559	349	27	1.95	68	95
22	GIPCL-SLPP	1478	1478	158	1.14	169	327
23	GSEG	858	536	101	1.77	95	196
24	GIPCL - I (145)	140	87	11	2.15	19	30
25	GMDC - Akrimota	1478	1478	203	0.74	109	312
26	GSEG Expansion	149	149	238	5	74	312
27	GIPCL Expansion	1577	1577	158	1.14	180	338
28	GSPC-Pipavav	296	296	473	5	148	621
29	BECL	265	265	33	1.2	32	65
	Sub Total	10567	8906	1911		1596	3508
	Central Sector						
30	NPC - Tarapur- 1&2	1009	1009	-	0.95	96	96
31	NPC - Kakrapar	767	767	-	2.19	168	168
32	NPC - Tarapur- 3&4	1728	1728	-	2.32	402	402
33	NTPC - KORBA	2323	2323	74	0.76	175	249
34	NTPC - VINDHYACHAL - I	1467	1467	58	1.27	186	243
35	NTPC - VINDHYACHAL - II	1549	1549	98	1.23	191	289
36	NTPC - VINDHYACHAL - III	1724	1724	165	1.21	209	375
37	NTPC - KAWAS	971	607	58	2.32	141	198
38	NTPC - JHANOR	1231	769	101	2.14	164	266
39	NTPC - Sipat Stage - I	3500	3500	421	0.88	307	728
40	SSNNL - Hydro	283	283	-	2.05	58	58
41	NTPC - Kahalgaon (New)	914	571	172	1.78	102	274
42	NTPC - Sipat Stage-II	1789	1789	192	0.88	157	350
43	NTPC - Mauda STPS-I	1573	1573	242	0.89	140	382
44	NTPC - Barh STPS-I	403	403	38	0.81	33	70
45	NTPC - Vindhyachal STPS-IV	1573	1573	287	0.87	137	424
46	NTPC - Barh STPS-II	957	957	80	0.89	85	166
47	NTPC - KORBA II	629	629	102	0.72	45	148
48	Mundra UMPP	2745	2745	314	0.91	248	563
49	Ti laiya UMPP	36	36	2	0.95	3	6
	Sub Total	**27171**	**26002**	**2404**		**3047**	**5455**
	Others						
50	Captive Power Plant (MU)	56	56	-	3.64	20	20
	Sub Total	56	56			20	20

Sl. No.	Particulars	FY 2013-14					
		Available MU	Dispatch MU	Fixed Cost (Rs.Cr)	Variable Cost (Rs /Unit)	Variable Cost (Rs Cr)	Total Cost (Rs Cr)
	Renewables						
51	Wind Farms (1.75)	44	44	-	1.75	8	8
52	Wind Farms (3.37)	1575	1575	-	3.37	531	531
53	Wind Farms (3.56)	462	462	-	3.56	164	164
54	Solar Photovoltic	1653	1653	-	15	2480	2480
55	Solar Thermal	44	44	-	11	48	48
56	Biomass	210	210	-	4.4	93	93
57	Hydro	53	53	-	3.52	19	19
	Sub Total	**4041**	**4041**			**3343**	**3343**
	Competitive Bidding						
58	APPL	14016	8760	1634	1.43	1256	2890
59	Aryan	1402	1402	226	0.55	77	303
60	Essar - 1000 MW	7008	5031	820	1.27	639	1459
61	ESSAR - 300	25	25	49	5.34	13	62
	Sub Total	22451	15218	2729		1985	4714
	RLNG						
62	GPEC - 655	112	112	208	5.21	58	266
63	Utran Gas Based - 135	25	25	23	5.77	15	38
64	Utran Extension - 375	34	34	62	4.96	17	79
65	Dhuvran Gas Based - Stage 1 - 107	7	7	8	5.26	4	12
66	Dhuvran Gas Based - Stage 2 - 112	8	8	10	5.26	4	14
67	GIPCL II (160) - 165	35	35	27	5.49	19	46
68	GSEG - 156	13	13	24	5.21	7	31
69	GIPCL - I (145) - 42	9	9	12	5.49	5	17
70	NTPC - KAWAS - 187	19	19	18	5.59	10	28
71	NTPC - JHANOR - 237	24	24	31	5.59	13	44
	Sub Total	286	286	423		152	575
	Total	**98215**	**76745**	**10273.81**		**14466**	**24744.81**

GUVNL may, on behalf of Discoms, claim the increase in the power purchase cost in accordance with the formula approved by the Commission in June, 2004 and some changes introduced by the order dated 5th May, 2006 to be recovered from the consumers as per orders of the Commission from time to time.

6.4 Base FPPPA charge fixed at 61 paise/unit

Information regarding FPPPA recovery and the FPPPA calculations submitted to the Commission for approval shall be kept on website of the Licensee / GUVNL as and when such proposal is submitted by the Licensee / GUVNL.

For any increase in FPPPA beyond ten (10) paise per kWh in a quarter, prior approval of the Commission shall be necessary, and only on approval of such increase by the Commission, the FPPPA can be billed to the consumers.

For any claim of FPPPA, the documents for approval of FPPPA shall be submitted to the Commission within one month from end of the relevant quarter.

7. Wheeling charges and cross subsidy surcharge

7.1 Allocation matrix

Regulations 88.1 of MYT Regulations, 2011 of GERC stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensees in its ARR and Tariff Order.

The PGVCL has provided the allocation matrix for allocation of costs between wire business and retail supply business as notified in the GERC (MYT) Regulations, 2011 (Regulation 81.1) as shown in the Table below:

Table 7.1 Allocation matrix for segregation of wheeling and retail supply for PGVCL

Sl. No.	Allocation Matrix	Wire Business	Retail Supply Business
1	Power Purchase Expenses	0%	100%
2.1	Employee expenses	60%	40%
2.2	Repair & Maintenance expenses	90%	10%
2.3	Administration & General Expenses	50%	50%
2.4	Other Debits	50%	50%
2.5	Extraordinary Items	50%	50%
2.6	Net Prior Period Expenses / (Income)	25%	75%
2.7	Other Expenses Capitalised	55%	45%
3	Depreciation	90%	10%
4	Interest & Finance charges	90%	10%
5	Interest on Working Capital & Security Deposit	10%	90%
6	Bad debts written off	0%	100%
7	Income tax	90%	10%
8	Return on Equity	90%	10%
9	Non-tariff income	10%	90%

The Commission has adopted the same allocation matrix and estimated segregated approved ARR for wires business and retail supply business for PGVCL for FY 2013-14 as given in Table 7.2.

Table 7.2: Allocation of ARR between wheeling and retail supply business for PGVCL for FY 2013-14

(Rs. crore)

Sl. No.	Particulars	FY 2013-14	Wire business	Retail Supply Business
1	Cost of power purchase	**6472.59**	0.00	6472.59
2	**Operation and maintenance expenses**	614.50		
2.1	Employee cost	437.33	262.40	174.93
2.2	Repair and maintenance	94.07	84.66	9.41
2.3	Administration and general charges	83.10	41.55	41.55
2.4	Other debits	7.16	3.58	3.58
2.5	Extraordinary items	0.00	0.00	0.00
2.6	Net prior period expenses / (income)	0.00	0.00	0.00
2.7	Other experiences capitalised (-)	(124.00)	(68.20)	(55.80)
3	Depreciation	392.20	352.98	39.22
4	Interest and fiancé charges	164.31	147.88	16.43
5	Interest on working capital	0.00	0.00	0.00
6	Provision for bad debts	8.58	0.00	8.58
7	**Sub-Total (1 to 6)**	**7535.33**	**824.85**	**6710.49**
8	Return on equity	265.86	239.27	26.59
9	Provision for tax / tax paid	15.24	13.72	1.52
10	**Total expenditure (7 to 9)**	**7816.43**	**1077.84**	**6738.60**
11	Less: Non-Tariff income	142.11	14.21	127.90
12	**Aggregate Revenue Requirement (10-11)**	**7674.33**	**1063.63**	**6610.70**

7.2 Wheeling charges

The wheeling charges for the four Distribution Companies, DGVCL, MGVCL, PGVCL and UGVCL for the FY 2013-14 as given below are applicable for use of the distribution system of a licensee by other licenses or generating companies or captive power plants or consumers / users who are permitted open access under section 42 (2) of the Electricity Act, 2003.

Sl.No.	Particulars	Units	Amount
1	Distribution costs of the four DISCOMs	Rs. crore	2436.99
2	Distribution cost of the four DISCOMs at 11 kV level (30% of total distribution cost)	Rs. crore	731.09
3	Energy input at 11 kV	MU	63041
4	Wheeling charges at 11 kV	Ps./kWh	12
5	Wheeling charges at 400 V (LT)	Ps./kWh	43

Detailed computation of wheeling charges is shown in the Annexure 7.1.

Distribution losses

The distribution loss at 11 kV and 400 V during FY 2013-14 are given below:

Particulars	Point of energy delivered	
	11 kV	400 Volts
11 kV, 22 kV and 33 kV	10%	10.82%
400 Volts	-	16.77%

The losses in HT and LT network are 10% and 10.82% respectively, with respect to energy input to the segment of the system. In case injection at 11 kV levels and drawal at LT level involved use of both the networks i.e. 11 kV and LT, the combined loss works out to 16.77% of the energy injection at 11 kV network.

The above wheeling charges payable shall be uniform for all the four distribution companies, DGVCL, MGVCL, PGVCL and UGVCL.

7.3 Cross subsidy charges

The cross subsidy surcharge is based on the formula given in the Tariff Policy as below:

S = T-[C(1+L/100)+D]

Where,

S is the surcharge

T is the tariff payable by the relevant category of consumers;

C is the weighted average cost of power purchase of top 5% at the margin excluding fuel based generation and renewable power.

D is the Wheeling charges.

L is the system losses for the applicable voltage level, expressed as percentage.

The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

Table 7.3: Cross subsidy surcharge for FY 2013-14

Sl. No.	Particular	HT industry
1	T	Rs.5.56 / kWh
2	C	Rs.4.54 /kWh
3	D	12 Ps/kWh
4	L	10%
5	S = cross subsidy surcharge	45 Ps/kWh

Computation of Cross subsidy surcharge

1. DISCOM Average HT tariff

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Average HT Tariff (Rs./kWh)
HT Industry	5.86	5.67	5.48	5.27	5.56

2. Wt. average power purchase cost of top 5% at the margin excluding fuel base generation and renewable power.

Stations	Energy procured (MU)	Avg. Rate (Rs./kWh)	Total cost of power (Rs. crore)
ESSAR	1028	4.91	504.75
NTPC – Khalgaon (New)	571	4.80	274.08
GPEC	1663	4.25	706.78
KLTPS-IV	101	4.09	41.31
Total	**3363**		**1526.91**

Average power purchase cost = (1526.91/3363)*10=Rs.4.54/kWh.

Cross subsidy surcharge

For H.T. : S=5.56-[4.54(1+10/100)+0.12] = Rs.0.45/kWh

Accordingly, the Commission determines the cross subsidy surcharge of 45 paise / kWh for FY 2013-14.

Annexure 7.1

Computation of Wheeling Charges

Sl. No	Particulars	Unit	DGVCL	MGVCL	PGVCL	UGVCL	TOTAL
1	Distribution		370.48	411.04	1063.63	591.84	2436.99
a	11 KV level (at 30%)	Rs. Crore	111.14	123.31	319.09	177.55	731.10
b	LT level (at 70%)	Rs. Crore	259.34	287.73	744.54	414.29	1705.89
2	Energy input at DISCOM periphery	MU	13205	9677	21648	18511	63041
3	Wheeling charges at 11 kV (a/2)*1000	Ps. / kWh	8.42	12.74	14.74	9.59	11.59
4	11 kV losses (@10%)	MU	1320.50	967.70	2164.80	1851.10	6304.10
5	Sales at 11kV	MU	4496.00	3463.00	4376.00	4977.00	17312.00
6	Energy input at LT (2 - (4+5))	MU	7388.50	5246.30	15107.20	11682.90	39424.90
7	Wheeling charges at LT (1(b)/6)*1000	Ps. / kWh	35.10	54.84	49.28	35.46	43.27
8	Sales at LT level	MU	7157.00	5029.00	11752.00	11220.00	35158.00
9	LT loss (6-8)	%	231.50	217.30	3355.20	462.90	4266.90
10	Total losses (4+9)	MU	1552.00	1185.00	5520.00	2314.00	10571.00
		%	11.75	12.25	25.50	12.50	16.77

8. Compliance of Directives

8.1 Compliance of Directives

The Commission, in its tariff order dated 2nd June, 2012, had issued various directives to PGVCL, which has submitted compliance report on the directives issued in the current petition for truing up FY 2011-12 and determination of tariff for FY 2013-14.

The Commission's comments on the status of compliance of the directives by PGVCL are given below. The Commission has also issued fresh directives to the licensee, wherever required.

Directives 1: Poor quality of supply and poor voltages

Some of the stakeholders have complained during the public hearing and also in written submission that quality of supply and the voltages are poor, particularly, in case of power supply to agricultural consumers.

The DISCOM is directed to ensure quality power supply with proper voltages to all categories of consumers particularly to consumers at tail end of feeders by providing required reactive compensation etc.

Compliance:

Providing Quality Power Supply at appropriate voltage level is the prime duty of the Company. Generally, voltage profile of the Distribution Network of the company is quite good, however, overall system voltage influence the voltage profile of the Company's Distribution network. With the increased generation in the company's area and consequent development of the Transmission System, the overall voltage profile has improved.

Moreover, to improve the voltage profile and to address the issue of low voltage, Company carries out feeder bifurcation, Distribution Transformer Centre (DTC) review, and replacement of conductor etc. Activities carried out in these regards during last four years are mentioned here under:

Particulars	Unit	2008-09	2009-10	2010 -11	2011-12
Feeder Bifurcation	No.	119	247	191	142
Dist. Transformer Center Review	No.	625	504	351	594
Conductor Replacement	KM	3363	5467	5052	3478

Further, for supplying quality power supply to the consumers, company carries out maintenance activities. Maintenance carried out during last three years by the Company is given here under.

Particulars		**Unit**	**2008-09**	**2009-10**	**2010-11**	**2011-12**
Network Maintenance	Village	No.	4064	2936	3314	3018
	HT	KM	36132	34802	36101	20299
	LT	KM	36955	37454	35513	28718
	T/C	No.	41045	44944	49986	41447
Replacement of decorated conductor		in KM	4475	3102	4028	1321
Providing of ABC		in KM	205	515	676	966
Providing of Insulated Conductor		in KM	2949	1999	1347	514
Providing of 11 KV XLPE cable/LT XLP Conductor		in KM	1968	1433	391	145

Commission's comments:

Action taken by PGVCL is noted. However, PGVCL is directed to analyse the voltage at various nodes in its LT network, identify the locations facing low voltage and submit its plan to improve the voltage profile in these areas. A report in this regard shall be submitted to the Commission by September 2013.

Directive 2: L&T Meters

While responding to a complaint by some of the stakeholders during the public hearing and through written submission on the functioning of L&T meters, the DISCOM has responded that the issue is "sub-judice'. The DISCOM is directed to submit the report on the nature of the complaint by the consumers and the present status of the case.

Compliance:

This has reference to the letter under reference seeking information about the complaint of L&T meters.

In regards to the representation regarding functioning of L&T meters, it is to inform that basically complaint is not about the L&T make meters but it is about the string/ code appears in the Static meter, particularly in L&T make meter in any of the reading parameters. Appearance of string/ code in the reading parameter is due to utilization of a device which in turn keeps meter in hang condition and thereby prevent it from accurate measurement of energy consumed. Utilization of device has been widely found in the Industrial category and commercial category consumers, who are in fact high valued and high revenue segment consumers. Further, the modus of operandi for thieving energy through utilization of device is highly technical and would not be possible without specialized person. Moreover, utilization of device was found on large scale and, therefore, if immediate and strong actions against the defaulters had not been taken, it would have badly affected the financial health of the Company.

Matter was also moved to the Hon'ble High court and Hon'ble High court took strong views and granted stay against the order passed by the lower courts to the extent that company's stand not to reconnect such connection till the consumer provides the information of device provider was also considered by the Hon'ble High court, however later on it was decided to reconnect the connection if the concerned consumer undertakes that he/she will provide the name of the device provider as and when it will come to know to him and also shall co-operate in inquiry proceedings. Copies of judgments are attached herewith for your reference. However, since the matter falls under the jurisdiction of Special Court set up under the provisions of section 153 of EA 2003, consumers were allowed by the Hon'ble High Court to approach special court.

Moreover order passed by the Hon'ble Ombudsman on the issue directing PGVCL to reconnect some of the connections, was also been set aside by the Hon'ble High court.

Since, the matter is quite important for the Company and otherwise would badly affect the revenue of the Company; Company has taken strong view against the defaulters. However, on receipt of the undertaking from the consumer, stated as above, connection is being reconnected keeping adjudication pending with the special court. The Commission has been informed earlier on the above issue by PGVCL vide letter no. PGVCL/Reg.Cell/T-6157 dated 29th August, 2011

Commission's comments:

The compliance of PGVCL is noted.

Directive 3: Interest on Capital investment for agricultural connections / extension

Some of the stakeholders have suggested that the State Government shall be asked to bear the burden of interest on capital; investment on agriculture extensions and connections. The DISCOM is directed to submit a report on the sources of funding for the extension of supply to agriculture consumers and service connections, and the costs and the interest on such investments, and how the interest on such investments is treated.

Compliance:

New Connections to Agriculture Category are released by the Company either under Tatkal Scheme or under Normal Scheme.

Under the tatkal scheme, consumer contributes in the following manner:

1. If consumers opt for installation of Micro Irrigation System/ Drip Irrigation System, he pays 50% of the estimated amount and if consumer doesn't opt for any of such systems, he pays 80% of the estimated amount.
2. For agricultural connections released under Normal Scheme, consumer pays the "Fixed Charges" as decided and approved by the Commission.

Therefore, funding of expenditure for releasing the Agriculture connection is being made partly through consumer contribution and rest is either from Company's own source as equity or Government grants or through debt finance. Since, the charges to be recovered from the consumer while releasing the connection has been decided by the Commission irrespective of the actual expenditure incurred in releasing such connection, the differential amount of actual expenditure incurred and paid by the consumer has to be funded by the Company. For funding the balance expenditure, company gets some amount of grant for electrification of well and pumps in Tribal areas from Stet Govt., company also deploys its internal resources and thereafter balance expenditure is funded from debt finance. However, while claiming the interest on capital expenditure for tariff determination purpose, overall CAPEX incurred by the Company (net off internal accruals if any, consumer contribution and grant) is taken into account and as per provisions of MYT Regulations.

Commission's comments:

The compliance of PGVCL is noted.

Directive 4: Distribution Losses

It is pointed out by a number of stakeholders that the DISCOMs have not segregated the technical and commercial losses and the burden of commercial losses is being passed on to all consumers. The DISCOM is directed to get the technical and commercial losses segregated by conducting proper energy audit. Such segregation is necessary as the measures are required to be taken for the two types of losses are different.

Compliance:

Technical Losses of the Distribution System largely depend upon "Load" on the line and configuration of line besides other technical parameters like type and size of conductor used, length of line etc. Since, loading on the line is highly dynamic throughout the year; it is very difficult to ascertain technical losses by conducting Energy Audit for a part of year. Further, it varies year on year. Therefore, such exercise has to be carried out every year for assessing the technical losses. Moreover, any such exercise has always some kind of assumptions. REC has given a theoretical formula for calculation of theoretical losses (technical losses). Since, any kind of methodology has some kind assumption; calculating theoretical loss with the formula given by REC provides reasonable approximation of technical loss. Company calculates theoretical loss every year for all feeders. Sample calculation of theoretical loss with the help of REC formula is given under:

- Feeder Parameters:
- Name of Feeder :-11 KV Khimeshwar
- Name of 66 KV S/S (from where feeder emanates) : 66 KV Bokhira
- Circle:- Porbandar

- Total nos. of Distribution Transformer Capacity wise:
  - (a) 25 KVA - 3 No,
  - (b) 63 KVA - 3 No

  Total KVA of all transformers = 264 KVA
- Maximum Amp -12 Amps
- Unit sent out during FY 2010-11 - 490335 Kwh
- Unit sold out during FY 2010-11– 353592 Kwh
- Main length of 11 KV Line: - 6.18 Kms.
- Normative LDF :
  - For Urban category feeder : 1.5
  - For Rural Category feeder : 2.0

(A) Diversity Factor (DF) :- $\dfrac{\text{Connected Load (In KVA)}}{\text{Peak Load (i.e. 1.732 x 11 KV x Max Amp.)}}$

$= \dfrac{264}{1.732*11*12}$

=1.15

(B)Load Factor (LF):- $\dfrac{\text{Unit Sent-Out (In Kwh)}}{\text{1.732 x 11 KV x Max Amp. x P.F. x 8760}}$

$= \dfrac{490335}{1.732*11*12*0.8*8760}$

= 0.3060

(C) Loss Load Factor (LLF) :- $(0.8) \times (L.F.)^2 + (0.2) \times (L.F.)$

$= 0.8 \times (0.3060)^2 + (0.2 \times 0.306)$

=0.1361

(D): Calculation of Distribution Transformer loss and LT Line loss:

Normative values of Iron Losses, Copper Losses & LT Line Losses Transformer capacity wise:

Sr. No.	X'mer Capacity	Iron Loss in Watts	Copper Loss in Watts	Avg LT Line Loss in Watts
A	5			
B	10	45	225	35
C	16	65	425	48
1	25	100	720	63
2	50	200	1300	163
3	63	200	1300	260
4	100	290	1850	1308
5	200	480	2500	2410
6	250	580	4500	---
7	300	580	4500	3008
8	500	650	5600	18910

9	650	650	5600	18910
10	750	650	5600	18910
11	800	650	5600	18910

Calculation of Iron losses:

Sr. No.	X'mer Capacity	Iron Loss in Watts (I)	Nos.of Transformers on the feeder (II)	Total Annual Iron loss in Kwh = (I) X (II) X 8760 / 1000
1	25	100	3	2628
2	63	200	3	5256
			Total Iron Loss:	7884

Calculation of Copper Losses:

Sr. No.	X'mer Capacity	Copper Loss in Watts (I)	Nos.of Transformers on the feeder (II)	Annual Copper loss in Kwh = (I) X (II) X 8760 X (LF)2 / 1000
1	25	720	3	1771.75
2	63	1300	3	3198.99
			Total Copper Loss:	4971

(E) HT Line Losses :- (In Kwh)

$$= \frac{0.105 \times (\text{Conn. Load})^2 \times \text{Length} \times \text{Resistance} \times (\text{L.L.F.})}{\text{L.D.F.} \times (\text{D.F.})^2 \times 2}$$

$$= \frac{1.05 \times (265)2 \times 6.18 \times 0.54 \times 0.1361}{1.5 \quad \times 1.15 \times 1.15 \times 2}$$

= 831

(F) Peak Power Losses :- (P.P.L.)

$$\frac{(3 \times \text{Total LT Line Losses})}{(\text{D.F.})^2 \times 1000}$$

$$= \frac{3 \times (3*63+3*260)}{1.15 \times 1.15 \times 1000}$$

= 2.18

(G) LT Line Losses (Kwh) :- (P.P.L.) x (L.L.F.) x 8760

= 2.18 x 0.1361 x 8760

= 2600

(H) Total Technical Losses (Kwh) = (HT Line Losses + LT Line Losses + Annual Copper Losses + Annual Iron Losses)

= (831+ 2600 + 4972 + 7884)

= 16287

(I) % Technical Loss :- (Total Losses) / (Unit Sent Out Annually) x 100

= (16287/490335) x100

= 3.32 %

Similarly theoretical loss (technical Loss) of all categories of feeders is calculated by the Company. Feeder category wise technical losses of the all the feeders is as under.

Sl No.	Feeder Category	% Theoretical loss
1	AG DOM	10.55
2	HT EXP	1.32
3	INDUSTRIAL	2.30
4	URBAN	7.51
5	JGY	8.39
6	GIDC	2.44
6	OVERALL	7.90

Thus, theoretical loss of all feeders together gives us the technical loss of the company. Accordingly, theoretical loss of FY 2011-12 is 9.78 %. Further, GERC has also undertaken task of Energy Audit and Segregation of Technical and Commercial Losses. Required information in this regard has been provided by PGVCL to GERC.

Commission's comments:

Compliance of PGVCL is noted.

Similar exercise may also be carried out for FY 2012-13 and reported to the Commission.

Directives 5: Category-wise cost-to-serve (Cost of supply)

PGVCL has submitted the category-wise cost of supply report for FY 2009-10. The Commission is analysing the same. PGVCL is directed to submit the same report for FY 2010-11 and FY 2011-12.

Compliance:

GUVNL has submitted the final report on "Category-wise cost of service study" for FY 2010-11 and FY 2011-12 for all DISCOMs in February 2013.

Commission's comments:

The Commission has since received the report for FY 2010-11 and FY 2011-12. PGVCL is directed to submit cost of supply for FY 2012-13 by December 2013.

8.2 New Directives

Directive 1: Meters on Distribution Transformers

PGVCL is directed to provide meters on all distribution transformers to arrive at the losses and record the energy consumption as a part of energy audit to arrive at the losses under each distribution transformer. The present status of metering on distribution transformer and recording of energy consumption shall be reported by December 2013.

Directive 2: Reintroduction of Energy Efficient Pump sets scheme

PGVCL is directed to reintroduce Energy Efficient pump set scheme to save energy. A report on the pilot project undertaken in replacing old pump set with efficient pump set may be submitted by September 2013.

Directive 3: Losses on Jyoti Gram Yojna feeders

The losses on Jyoti Gram Yojna feeders are still high at over 20%. Special efforts shall be made to reduce the losses to acceptable level as in the case of other feeders on top priority. Action taken shall be reported to the Commission by December, 2013,

9. Tariff Philosophy and Tariff Proposals

9.1 Introduction

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy (NEP), the Tariff Policy, the Regulations on Terms and Conditions of Tariff issued by the Central Electricity Regulatory Commission (CERC) and the Regulations on Terms and Conditions of Tariff and MYT Regulations notified by the Commission.

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

9.2 Proposal of PGVCL for tariff structure and changes in tariff structure

Tariff Proposal

PGVCL has proposed an increase in Fixed Charges for HTP-1, HTP-IV and Railway traction, ranging from Rs. 50 to 160 per kVA for HTP-1 and HTP-IV and Rs. 160/kVA in the case of Railway traction.

PGVCL has also proposed increase in energy charges from 45 Ps/kWh to 50 Ps/kWh for RGP (urban) and RGP (Rural) except for 1 to 50 units/month and other LT categories from 45 Ps/kWh to 50 Ps/kWh and for HT consumers at 5 Ps/kWh for HTP-1, 45 Ps. to 50 Ps./kWh for HTP-II and 30 Ps/kWh for HTP-IV.

PGVCL has requested approval for increase in tariffs as above. By revision of tariff as shown above, PGVCL has computed the additional revenue of Rs. 524.78 crore. PGVCL has submitted that the revenue surplus is arising due to approved Bulk Supply Tariff (BST) vide MYT order dated 6th September, 2011. The Bulk Supply Tariff is approved taking into account consolidated revenue of all four Discoms at the time of approving MYT order. Allocation of power purchase cost with these BST's may lead to Revenue Gap / Surplus in case of individual Discom. PGVCL has therefore, requested to consider consolidated gap of all four Discoms and determine the tariff accordingly. It is also requested to treat the consolidated unrecovered gap of four Discoms as regulatory asset to be recovered in the future tariff.

9.3 Commission's Analysis

The Commission has carried forward the process of rationalization of tariff in order to ensure that the tariffs reflect, as far as practicable, the cost of supply. The Commission has also tried to address operational and field level issues – keeping in view the interest of consumers – while rationalizing tariff structure.

The mandate of the Tariff Policy that the tariff should be within plus or minus 20% of the average cost of supply by FY 2010-11 has been the guiding principle. In working out the cost of supply the Commission has worked out on the basis of average cost of supply.

The Commission decides to continue the existing tariff structure.

Discoms have proposed a significant increase in demand charge in order to compensate for the fixed charge incurred by them. However, the Commission is of the view that demand charge should not be increased beyond a certain limit in order to keep the impact of tariff hike at reasonable level for the consumers having lower consumption. The Commission decides to increase fixed and energy charge in such a way that tariff hike for all categories of consumers remains moderate, irrespective whether usage of electricity is lower or extensive. Further, the hike in energy charge instead of higher increase in fixed charge encourages efficient use of electricity and promotes DSM measures.

9.4 Revenue Gap / Surplus

The consolidated revenue gap for the State owned Discoms for the FY 2013-14 including the truing up of FY 2011-12 is estimated at Rs. 1808 Crore as mentioned in para 5.4. The Commission has considered the consolidated revenue gap for the Discoms for determination of tariff for FY 2013-14.

It is decided to increase the tariff rates for the FY 2013-14 to meet the entire estimated gap of FY 2013-14. Accordingly, the fixed charges / demand charges and energy charges for all the categories of the consumers are increased, except for BPL consumers, as shown in the Tariff Schedule annexed with this Order. With this increase, it is estimated that the additional revenue will be Rs. 1809 crore for State Owned Discoms.

COMMISSION'S ORDER

The Commission reiterates the Aggregate Revenue Requirement for FY 2013-14 as approved in the MYT Order dated 6th September, 2011 for PGVCL as shown in the table below:

Approved ARR for FY 2013-14

(Rs. Crore)

Sl. No.	Particulars	MYT Order
1	Cost of power purchase	**6472.59**
2	Operation and Maintenance expenses	614.50
2.1	Employee cost	437.33
2.2	Repairs and maintenance	94.07
2.3	Administration and general expenses	83.10
2.4	Other debits	7.16
2.5	Extraordinary items	0.00
2.6	Net prior period expenses / income	0.00
2.7	Other expenses capitalized	(124.00)
3	Depreciation	392.20
4	Interest and finance charges	164.31
5	Interest on working capital	0.00
6	Provision for bad debts	8.58
7	Return on equity	265.86
8	Provision for tax / tax paid	15.24
9	**Total expenditure (1 to 8)**	**7816.43**
10	Less: Non-tariff income	142.11
11	**Aggregate Revenue Requirement**	**7674.33**

The retail supply tariffs for PGVCL distribution area for FY 2013-14 determined by the Commission are annexed to this order.

This order shall come into force with effect from the 1st April, 2013. The revised rate shall be applicable for the electricity consumption from the 1st April, 2013 onwards.

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Sd/-	Sd/-	Sd/-
DR. M.K. IYER	**SHRI PRAVINBHAI PATEL**	**DR. P.K. MISHRA**
Member	Member	Chairman

Place: Ahmedabad
Date: 16/04/2013

ANNEXURE: TARIFF SCHEDULE FOR FY 2013-14

TARIFF SCHEDULE

EFFECTIVE FROM 1ST APRIL, 2013

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

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of unbundled Distribution Licensees of the erstwhile GEB viz. UGVCL, DGVCL, MGVCL and PGVCL.

2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.

3. All these tariffs for power supply are applicable to only one point of supply.

4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.

5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.

6. Meter charges shall be applicable as prescribed under 'GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 as in force from time to time.

7. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations will continue to apply.

8. Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.

9. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).

10. The Connected Load for the purpose of billing will be taken as the maximum

load connected during the billing period.

11. The Fixed charges, minimum charges, demand charges, meter rent and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.

12. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.

13. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.

14. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.

15. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.

16. Delayed payment charges for all consumers:

    No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).

    Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.

    For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY AT LOW AND MEDIUM VOLTAGE

1.0 RATE: RGP

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

Single-phase supply- Aggregate load up to 6kW

Three-phase supply- Aggregate load above 6kW

1.1 FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(d)	Above 6 kW	Rs. 65/- per month

For BPL Household Consumers:

Fixed charges	Rs. 5/- per month

PLUS

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

(a)	First 50 units	315 Paise per Unit
(b)	Next 50 units	360 Paise per Unit
(c)	Next 150 units	425 Paise per Unit
(d)	Above 250 units	520 Paise per Unit

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

(a)	First 30 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

1.4 MINIMUM BILL (EXCLUDING METER CHARGES)

Payment of fixed charges as specified in 1.1 above.

2.0 RATE: RGP (RURAL)

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

However, this is not applicable to villages which are located within the geographical jurisdiction of Urban Development Authority.

Single-phase supply- Aggregate load up to 6kW

Three-phase supply- Aggregate load above 6kW

2.1 FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(d)	Above 6 kW	Rs. 65/- per month

For BPL Household Consumers:

Fixed charges	Rs. 5/- per month

PLUS

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

(a)	First 50 units	275 Paise per Unit
(b)	Next 50 units	320 Paise per Unit
(c)	Next 150 units	385 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

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

(a)	First 30 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 30 units per month.

2.4 MINIMUM BILL (EXCLUDING METER CHARGES):

Payment of fixed charges as specified in 2.1 above.

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

3.0 RATE: GLP

This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner and research and development laboratories.

(a)	Fixed charges	Rs. 60/- per month
(b)	Energy charges	380 Paise per Unit

4.0 RATE: NON-RGP

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

4.1 FIXED CHARGES PER MONTH:

(a) First 10 kW of connected load	Rs. 45/- per kW
(b) For next 30 kW of connected load	Rs. 75/- per kW

PLUS

4.2 ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10kW: for entire consumption during the month	425 Paise per Unit
(b)	For installation having contracted load exceeding 10kW: for entire consumption during the month	455 Paise per Unit

4.3 MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

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

(b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing in advance about the off-season period during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

(c) The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause (a) above and complying with the provision stipulated under sub-clause (b) above shall be Rs. 1750 per annum per kW of the contracted load.

(d) The units consumed during the off-season period shall be charged for at a flat rate of 470 Paise per unit.

(e) The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be taken into account while determining the amount of short-fall payable towards the annual minimum bill as specified under sub-clause (c) above.

5.0 <u>RATE: LTMD</u>

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

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

5.1 FIXED CHARGES:

(a)	For billing demand up to the contract demand	
	(i) For first 40 kW of billing demand	Rs. 85/- per kW per month
	(ii) Next 20 kW of billing demand	Rs. 120/- per kW per month
	(iii) Above 60 kW of billing demand	Rs. 185/- per kW per month
(b)	For billing demand in excess of the contract demand	Rs. 255/- per kW

PLUS

5.2 ENERGY CHARGES:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3 **REACTIVE ENERGY CHARGES:**

For all the reactive units (KVARH) drawn during the month	10 paise per KVARH

5.4 BILLING DEMAND

The billing demand shall be highest of the following:

(a) Eighty-five percent of the contract demand

(b) Actual maximum demand registered during the month

(c) 15 kW

5.5 MINIMUM BILL

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

5.6 SEASONAL CONSUMERS TAKING LTMD SUPPLY:

5.6.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

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

5.6.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub clause 5.6.1 above and complying with provisions stipulated under sub clause 5.6.2 above shall be Rs. 2900 per annum per kW of the billing demand.

5.6.4 The billing demand shall be the highest of the following:

(a) The highest of the actual maximum demand registered during the calendar year.

(b) Eighty-five percent of the arithmetic average of contract demand during the year.

(c) 15 kW.

5.6.5.1 Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

6.0 <u>RATE: NON-RGP NIGHT</u>

This tariff is applicable for aggregate load up to 40 kW and using electricity <u>**exclusively during night hours**</u> from 10:00 PM to 06:00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

6.1 FIXED CHARGES PER MONTH:

Fixed charges specified in Rate Non-RGP above.

PLUS

6.2 ENERGY CHARGES:

For entire consumption during the month	250 Paise per Unit

NOTE:

1. *10% of total units consumed and 15% of the contract load can be availed beyond the prescribed hours.*
2. *This tariff shall be applicable if the consumer so opts to be charged in place of* Non-RGP *tariff by using electricity exclusively during night hours as above.*
3. *The option can be exercised to switch over from Non-RGP tariff to Non-RGP Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
4. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category* Non-RGP*.*

7.0 RATE: LTMD- NIGHT

This tariff is applicable for aggregate load above 40kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

7.1 FIXED CHARGES PER MONTH:

Fixed charges specified in Rate **LTMD** above.

PLUS

7.2 ENERGY CHARGES:

For entire consumption during the month	250 Paise per Unit

7.3 REACTIVE ENERGY CHARGES:

For all reactive units (KVARH) drawn during the month	10 Paise per KVARH

NOTE:

1. *10% of total units consumed and 15% of the contract load can be availed beyond the prescribed hours.*
2. *This tariff shall be applicable if the consumer so opts to be charged in*

place of LTMD tariff by using electricity exclusively during night hours as above.

3. *The option can be exercised to switch over from LTMD tariff to LTMD-Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
4. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category LTMD.*

8.0 RATE: LTP- LIFT IRRIGATION

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

(a)	Fixed charges per month	Rs. 40/- per HP
	PLUS	
(b)	Energy charges For entire consumption during the month	170 Paise per Unit

9.0 RATE: WWSP

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

9.1 Type I – Water works and sewerage pumps operated by other than local authority:

(a)	Fixed charges per month	Rs. 20/- per HP
	PLUS	
(b)	Energy charges per month: For entire consumption during the month	420 Paise per Unit

9.2 Type II – Water works and sewerage pumps operated by local authority such as Municipal Corporation. Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this tariff:

(a)	Fixed charges per month	Rs. 15 per HP
	PLUS	
(b)	Energy charges per month: For entire consumption during the month	400 Paise per Unit

9.3.1 Type III – Water works and sewerage pumps operated by Municipalities / Nagarpalikas and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month: For entire consumption during the month	310 Paise/Unit

9.4 TIME OF USE DISCOUNT:

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

For energy consumption during the off-peak period, viz., 1100 Hrs to 1800 Hrs.	30 Paise per Unit
For energy consumption during night hours, viz., 2200 Hrs to 0600 Hrs. next day	75 Paise per Unit

10.0 RATE: AG

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

10.1 The rates for following group are as under:

10.1.1 HP BASED TARIFF:

For entire contracted load	Rs.200 per HP per month

ALTERNATIVELY

10.1.2 METERED TARIFF:

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

10.1.3 TATKAL SCHEME:

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

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

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

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

10.4 Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.
Agricultural consumers shall have to declare their intension for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e. in March every year).

11.0 RATE: SL

11.1 Tariff for Street Light for Local Authorities and Industrial Estates:

This tariff includes the provision of maintenance, operation and control of the street lighting system.

11.1.1 ENERGY CHARGES:

For all the units consumed during the month:	395 Paise per Unit

11.1.2 OPTIONAL KVAH CHARGES:

For all the kVAh units consumed during the month:	295 Paise per Unit

11.1.3 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal and replacement of lamp at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.2 Tariff for power supply for street lighting purposes to consumers other than the local authorities and industrial estates:

11.2.1 FIXED CHARGES:

Rs. 25 per kW per month

11.2.2 ENERGY CHARGES:

For all units consumed during the month	395 Paise per kWh

11.2.3 Renewal and Replacement of Lamps:

The consumer shall arrange for renewal and replacement of lamp at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.2.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting system shall be carried out by Distribution Licensee.

12.0 RATE: TMP

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

12.1 FIXED CHARGE

Fixed Charge per Installation	Rs.14 per kW per Day

12.2 ENERGY CHARGE

A flat rate of	455 Paise per Unit

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

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION (3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

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

13.0 RATE: HTP-I

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

13.1 DEMAND CHARGES:

13.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 120/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 230/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 350/- per kVA per month

13.1.2 For Billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 430 per kVA per month

PLUS

13.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	425 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	445 paise per Unit
(c)	For billing demand above 2500 kVA	455 Paise per Unit

PLUS

13.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs

(a)	For Billing Demand up to 500 kVA	35 Paise per Unit
(b)	For Billing Demand above 500 kVA	75 Paise per Unit

13.4 BILLING DEMAND:

The billing demand shall be the highest of the following:

(a) Actual maximum demand established during the month

(b) Eighty-five percent of the contract demand

(c) One hundred kVA

13.5 MINIMUM BILLS:

Payment of "demand charges" based on kVA of billing demand.

13.6 POWER FACTOR ADJUSTMENT CHARGES:

13.6.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges" for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", will be charged.

13.6.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges" for every 1% rise or part thereof in the average power factor during the month above 95%.

13.7 MAXIMUM DEMAND AND ITS MEASUREMENT:

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

13.8 CONTRACT DEMAND:

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

13.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:		**Rebate @**
(a)	If supply is availed at 33/66 kV	0.5%
(b)	If supply is availed at 132 kV and above	1.0%

13.10 CONCESSION FOR USE OF ELECTRICITY DURING NIGHT HOURS:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning as is in excess of one third of the total energy consumed during the month, shall be eligible for concession at the rate of 75 Paise per unit.

13.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

13.11.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers etc.

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

13.11.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub clause 13.11.1 above and complying with provisions stipulated under sub clauses 13.11.2 above shall be Rs. 4350 per annum per kVA of the billing demand.

13.11.4 The billing demand shall be the highest of the following:

(a) The highest of the actual maximum demand registered during the calendar year.

(b) Eighty-five percent of the arithmetic average of contract demand during the year.

(c) One hundred kVA.

13.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 455 Paise per unit.

13.11.6 Electricity bills paid during off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads "Demand Charges" and "Energy Charges" shall be taken into account while determining the amount payable towards the annual minimum bill.

14.0 <u>RATE HTP-II</u>

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

14.1 DEMAND CHARGES:

14.1.1 For billing demand up to contract demand

(a)	For first 500 kVA of billing demand	Rs. 105/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 215/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 280/- per kVA per month

14.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 350 per kVA per month

PLUS

14.2 ENERGY CHARGES:

For entire consumption during the month		
(b)	Up to 500 kVA of billing demand	425 Paise per Unit
(c)	For billing demand above 500 kVA and up to 2500 kVA	445 Paise per Unit
(d)	For billing demand above 2500 kVA	455 Paise per Unit

PLUS

14.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs		
(a)	For Billing Demand up to 500kVA	35 Paise per Unit
(b)	For Billing Demand above 500kVA	75 Paise per Unit

14.4 Billing demand
14.5 Minimum bill
14.6 Power Factor Adjustment Charges
14.7 Maximum demand and its measurement
14.8 Contract Demand
14.9 Rebate for supply at EHV
14.10 Concession for use of electricity during night hours

Same as per HTP-I Tariff

15.0 <u>RATE: HTP-III</u>

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

15.1 DEMAND CHARGES:

For billing demand up to contract demand	Rs. 480/- per kVA per month
For billing demand in excess of contract demand	Rs. 550/- per kVA per month

PLUS

15.2 ENERGY CHARGES:

For all units consumed during the month	650 Paise/Unit

PLUS

15.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz., 0700 Hrs to 1100 Hrs and 1800 Hrs to 2200 Hrs	75 Paise per Unit

15.4	Billing demand	Same as per HTP-I Tariff
15.5	Minimum bill	
15.6	Power Factor Adjustment Charges	
15.7	Maximum demand and its measurement	
15.8	Contract Demand	
15.9	Rebate for supply at EHV	

16.0 <u>RATE: HTP-IV</u>

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

16.1 DEMAND CHARGES:

Same rates as specified in Rate HTP-I

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	230 Paise per Unit

16.3 Billing demand

16.4 Minimum bill

16.5 Power Factor Adjustment Charges

16.6 Maximum demand and its measurement

16.7 Contract Demand

16.8 Rebate for supply at EHV

Same as per HTP-I Tariff

NOTE:

1. *10% of total units consumed and 15% of the contract demand can be availed beyond the prescribed hours for the purpose of maintenance.*
2. *For the purpose of office lighting, fans etc. the consumer may apply for a separate connection.*
3. *This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.*
4. *The option can be exercised to switch over from HTP-I tariff to HTP-IV tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
5. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category HTP-I.*

17.0 RATE: HTP- V

HT - Agricultural (for HT Lift Irrigation scheme only)

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

17.1 DEMAND CHARGES:

Demand Charges Rs. 40 per kVA per month

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	170 Paise per Unit

17.3 Billing demand 17.4 Minimum bill 17.5 Power Factor Adjustment Charges 17.6 Maximum demand and its measurement 17.7 Contract Demand 17.8 Rebate for supply at EHV	Same as per HTP-I Tariff

18.0 <u>RATE: RAILWAY TRACTION</u>

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

18.1 DEMAND CHARGES:

For billing demand up to the contract demand	Rs. 160 per kVA per month
For billing demand in excess of contract demand	Rs. 400 per kVA per month

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

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 18.1 (b).

PLUS

18.2 ENERGY CHARGES:

For all units consumed during the month	490 Paise per Unit

18.3	Billing demand	Same as per HTP-I Tariff
18.4	Minimum bill	
18.5	Power Factor Adjustment Charges	
18.6	Maximum demand and its measurement	
18.7	Contract Demand	
18.8	Rebate for supply at EHV	