GUJARAT ELECTRICITY REGULATORY COMMISSION

TARIFF ORDER

Truing up for FY 2016-17

and Determination of Tariff for FY 2018-19

For

Uttar Gujarat Vij Company Limited

(UGVCL)

Case No. 1699/2018
31st March, 2018

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GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

GANDHINAGAR

Tariff Order

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Abbreviations

A&G	Administration and General Expenses
AB Cable	Aerial Bunched Cable
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	FY 2016-17 to FY 2020-21
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
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
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid Term Review
MUs	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
PF	Power Factor
PFC	Power Finance Corporation
PGCIL	Power Grid Corporation of India Limited

PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
PPPA	Power Purchase Price Adjustment
R&M	Repair and Maintenance
RE	Revised Estimate
RLDC	Regional Load Despatch Centre
SBAR	State Bank Advance Rate
SBI	State Bank of India
SLDC	State Load Despatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Despatch Centre
YoY	Year on Year

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GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR

Case No. 1699/2018

Date of the Order 31.03.2018

CORAM

Shri Anand Kumar, Chairman

Shri K. M. Shringarpure, Member

Shri P. J. Thakkar, Member

ORDER

1 Background and Brief History

1.1 Background

Uttar Gujarat Vij Company Ltd. (hereinafter referred to as UGVCL or the Petitioner) filed the present petition on 15th January, 2017 under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 for the Truing up of FY 2016-17 and for determination of tariff for FY 2018-19.

Gujarat Electricity Regulatory Commission notified the GERC (Multi-Year Tariff) Regulations, 2016 on 29th March, 2016 which shall be applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 (b) of the GERC (Multi-Year Tariff) Regulations, 2016 provides for submission of detailed application comprising of truing up for FY 2016-17 to be carried out under the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, revenue from the sale of power at existing tariffs and charges for the ensuing year (FY 2018-19) and revenue gap or revenue surplus for the third year of the Control Period calculated based on the Aggregate Revenue Requirement approved in the MYT Order and truing up for the previous year and determination of tariff for FY 2018-19.

After technical validation of the petition, it was registered on 17thJanuary, 2018 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff order.

1.2 Uttar Gujarat Vij Company Limited (UGVCL)

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:

Sr. 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 Urja Vikas Nigam Limited (GUVNL), a holding company of the above named 6 subsidiary companies is responsible for bulk purchase of electricity from various sources and supply to Distribution Companies and also, other activities including trading of electricity.

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 Uttar Gujarat Vij Company Limited (UGVCL). 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 Commission's Order for tariff of FY 2016-17

The Commission in its Order dated 2nd December, 2015, in the Suo-Motu Petition No. 1534/2015 decided that the approved ARR of FY 2015-16 of the licensees / generating companies concerned be considered as provisional ARR of the licensees / generating companies for FY 2016-17.

The Commission also decided that the licensees / generating companies shall file the ARR for FY 2016-17 based on the new MYT Regulations for FY 2016-17 to FY 2020-21 and the true-up for the same shall also be governed as per the new MYT Regulations. It was also decided that the licensees / generating companies shall file the petition for determination of ARR and tariff for FY 2016-17 and true-up for FY 2014-15 within 3 weeks from the date of issuance of the Order for Commission's consideration and decision.

Accordingly, the Petitioner filed its petition (Case No. 1547/2015) for Truing-up of FY 2014-15 and determination of tariff for FY 2016-17 on 8th December 2015. The Commission approved the provisional ARR and the tariff for FY 2016-17 was determined accordingly vide Order dated 31st March 2016.

1.4 Commission's final Order For FY 2016-17 and Multi-Year for FY 2016-17 to 2021-22

The Petitioner filed its petition for Truing up for 2015-16, Approval of Final ARR for 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of tariff for 2017-18 on 30th November 2016. The petition was registered on 03rd December 2016 (under Case No. 1623 of 2016). The Commission vide Order dated 31stMarch, 2017 approved the Truing up for 2015-16, Final ARR for 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and determined the tariff for FY 2017-18.

1.5 Background of the present petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the control period of FY 2016-17 to FY 2020-21. Regulation 16.2 (iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorization of variation in performance as those caused by factors within the control of the applicant (controllable factors) and those caused by factors beyond the control of the applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wire Business and Retail Supply Business, for each financial year, within the Control Period, based on the approved forecast and results of the truing up exercise.

1.6 Registration of the Current Petition and Public Hearing Process

The Petitioner has filed the current Petition for "truing up" of FY 2016-17 and determination of tariff for FY 2018-19 on 15th January, 2018. The Petition (Case No. 1699/2018) was registered on 17th January, 2018.

In accordance with Section 64 of the Electricity Act, 2003, UGVCL was directed to publish its application in the newspaper to ensure public participation. The Public Notice, inviting objections / suggestions from the stakeholders on the petition, was published in the following newspapers on 20th January, 2018:

Sr. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	20/01/2018
2	Gujarat Samachar	Gujarati	20/01/2018

The Petitioner also placed the public notice and the petition on its website (www.ugvcl.com), for inviting objections and suggestions. The interested parties/stakeholders were asked to file their objections / suggestions on the petition on or before 19th February, 2018.

The Commission also placed the petition and additional details received from the Petitioner on its website (www.gercin.org) for information and study for all the stakeholders.

The Commission received objections / suggestions from the consumers / consumer organizations as shown in Table below. The Commission examined the objections / suggestions received and scheduled a public hearing on 27th February, 2018 at the Commission's Office at Gandhinagar and subsequently a communication was sent to the objectors to take part in the public hearing process for presenting their views in person before the Commission. The public hearing was conducted in the Commission's Office at Gandhinagar on the above date.

The status of stakeholders who submitted their written suggestion / objections, those who remained present in the public hearing, those who could not attend the public hearing and those who made oral submissions is given in the Table below:

Sr. No.	Name of Stakeholders	Written Submission	Oral Submission	Present on 27.02.2018
1.	Khedut Heet Rakshak Samiti	Yes	No	No
2.	Laghu Udyog Bharati - Gujarat	Yes	Yes	Yes
3.	Water Health India Private Limited	Yes	Yes	Yes
4.	Shri K.K. Bajaj	Yes	Yes	Yes
5.	Utility Users' Welfare Association (UUWA)	Yes	Yes	Yes

Sr. No.	Name of Stakeholders	Written Submission	Oral Submission	Present on 27.02.2018
6.	Gujarat Chamber of Commerce & Industry	Yes	Yes	Yes
7.	GIFT PCL	Yes	Yes	Yes
8.	Shri R.G. Tillan	No	Yes	Yes
9.	Kutchh Chamber of Commerce & Industry	Yes	No	No
10.	OPGS Power	Yes	No	No

The issues raised by the objectors, along with the response of UGVCL and the Commission's views on the response, are dealt with in Chapter 3 of this Order

1.7 Approach of this Order

The GERC (MYT) Regulations, 2016, provide for "Truing up" of the previous year and determination of tariff for the ensuing year.

UGVCL has approached the Commission with the present Petition for "Truing up" of FY 2016-17 and determination of tariff for FY 2018-19.

In this Order, the Commission has considered the "Truing up" for FY 2016-17, as per GERC (MYT) Regulations, 2016.

The Commission has undertaken "Truing up" for FY 2016-17, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2016-17, based on the audited annual accounts.

While truing up of FY 2016-17, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised, based on the actual performance observed.

- The Truing up for FY 2016-17 has been considered, based on the GERC (MYT) Regulations, 2016.

Determination of Tariff for FY 2017-18 have been considered as per the GERC (Multi-Year Tariff) Regulations, 2016.

1.8 Contents of this Order

The Order is divided into nine chapters as detailed under: -

1. The **first chapter** provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and approach adopted in this Order.
2. The **second chapter** outlines the summary of UGVCL's Petition.
3. The **third chapter** deals with objections raised by various stakeholders, UGVCL's response and Commission's views thereon.
4. The **fourth chapter** focuses on the details of truing up for FY 2016-17
5. The **fifth chapter** deals with the determination of ARR for FY 2018-19.
6. The **sixth chapter** deals with compliance of directives and issue of fresh directives.
7. The **seventh chapter** deals with fuel and power purchase adjustments
8. The **eighth chapter** deals with wheeling and cross subsidy surcharges
9. The **ninth chapter** deals with tariffs for FY 2018-19

2 Summary of Truing up for FY 2016-17 and Tariff for FY 2018-19

Uttar Gujarat Vij Company Limited (UGVCL) submitted the details of true-up of FY 2016-17 and requested for determination of retail supply tariff for FY 2018-19.

2.1 Actuals for FY 2016-17 submitted by UGVCL

The details of expenses under various components of ARR for FY 2016-17 are given in Table below:

Table 2.1: ARR proposed by UGVCL for FY 2016-17 True up

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	8,353.44	8,056.87	161.56	135.01
2	Operation & Maintenance Expenses	419.08	595.19	15.29	(191.39)
2.1	*Employee Cost*	400.67	513.17	-	*(112.51)*
2.2	*Repairs & Maintenance Expenses*	83.71	62.64	*21.07*	-
2.3	*Administration & General Expenses*	71.60	77.39	*(5.79)*	-
2.4	*Other Debits*	-	11.80	-	*(11.80)*
2.5	*Extraordinary Items*	-	-	-	-
2.6	*Net Prior Period Expenses / (Income)*	-	-	-	-
2.7	*Other Expenses Capitalised*	(136.89)	(69.81)	-	*(67.09)*
3	Depreciation	289.67	273.89	-	15.78
4	Interest & Finance Charges	130.38	123.08	-	7.30
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.70	0.30	0.40	-
7	**Sub Total (1 to 6)**	**9,193.28**	**9,049.32**		
8	Return on Equity	164.32	162.55	-	1.77
9	Provision for Tax / Tax Paid	17.14	20.75	-	(3.61)
10	**ARR (7 to 9)**	**9,374.74**	**9,232.62**	**177.25**	**(35.14)**
11	Non - Tariff Income	146.76	150.09	**-**	3.33
12	**Total ARR (10-11)**	**9,227.98**	**9,082.53**	**177.25**	**(31.80)**

Through the subsequent submission UGVCL has revised the above details as shown in the table below:

Table 2.2: Revised ARR proposed by UGVCL for FY 2016-17 for true up

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	8,353.44	8,056.87	156.97	139.60
2	Operation & Maintenance Expenses	419.08	595.19	15.29	(191.39)
2.1	*Employee Cost*	400.67	513.17	-	*(112.51)*
2.2	*Repairs & Maintenance Expenses*	83.71	62.64	*21.07*	-
2.3	*Administration & General Expenses*	71.60	77.39	*(5.79)*	-
2.4	*Other Debits*	-	11.80	-	*(11.80)*
2.5	*Extraordinary Items*	-	-	-	-
2.6	*Net Prior Period Expenses / (Income)*	-	-	-	-
2.7	*Other Expenses Capitalized*	(136.89)	(69.81)	-	*(67.09)*
3	Depreciation	289.67	273.89	-	15.78
4	Interest & Finance Charges	130.38	132.86	-	(2.48)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.70	0.30	0.40	-
7	**Sub Total (1 to 6)**	**9,193.28**	**9,059.10**		
8	Return on Equity	164.32	162.55	-	1.77
9	Provision for Tax / Tax Paid	17.14	20.75	-	(3.61)
10	**ARR (7 to 9)**	**9,374.74**	**9,242.62**	**172.66**	**(40.33)**
11	Non - Tariff Income	146.76	150.09	**-**	3.33
12	**Total ARR (10-11)**	**9,227.98**	**9,092.31**	**172.66**	**(37.00)**

2.2 Revenue Surplus/ (Gap) for FY 2016-17

As shown in the table below UGVCL has claimed a revenue gap of Rs. 472.01 Crore in the truing up after considering the gain/(losses) due to controllable and uncontrollable factors as shown in Table below:

Table 2.3: Revenue Surplus/ (Gap) for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	2016-17
1	Aggregate Revenue Requirement originally approved for FY 2016-17	9,227.98
2	Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer	(31.80)
3	Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain / (Loss))	59.08
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap) / Surplus for FY 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for FY 2010-11	(307.47)
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	**Revised ARR for FY 2016-17 (1 - 2 -3 - 4 - 5 - 6 - 7)**	**9,451.77**
9	Revenue from Sale of Power	8,110.82
10	Other Income (Consumer related)	324.06
11	Agriculture subsidy	544.88
12	**Total Revenue including Subsidy (9 - 10 + 11)**	**8,979.75**
13	**Revised Gap after treating gains/(losses) due to Controllable/Uncontrollable factors (8 -12)**	**472.01**

With subsequent submission UGVCL has revised the revenue gap to Rs. 478.74 Crore after considering the gains/(losses) due to controllable and uncontrollable factors as shown in Table below:

Table 2.4: Revised Revenue Surplus/ (Gap) for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	FY 2016-17
1	Aggregate Revenue Requirement originally approved for 2016-17	9,227.98
2	Gain / (Loss) on account of Uncontrollable factors to be passed on to consumer	(37.00)
3	Gain / (Loss) on account of Controllable factors to be passed on to consumer (1/3rd of Total Gain /Loss)	57.55
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap)/Surplus for 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for 2010-11	(307.47)
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	**Revised ARR for FY 2016-17 (1-2-3-4-5-6-7)**	**9,458.49**

Sr. No.	Particulars	FY 2016-17
9	Revenue from Sale of Power	8,110.82
10	Other Income (Consumer related)	324.06
11	Agriculture subsidy	544.88
12	**Total Revenue including Subsidy (9+10+11)**	**8,979.75**
13	**Revised (Surplus)/ Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8-12)**	**478.74**

2.3 Aggregate Revenue Requirement (ARR) for FY 2018-19

Uttar Gujarat Vij Company Limited (UGVCL) submitted Aggregate Revenue Requirement for FY 2018-19 as per MYT Order dated 31st March, 2017. UGVCL has submitted the revenue requirement as under:

Table 2.5: ARR proposed by UGVCL for the FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Power Purchase Cost	9,319.37
2	O&M Expenses	468.39
2.1	Employee Cost	447.81
2.2	Repairs & Maintenance Expenses	93.56
2.3	Administration & General Expenses	80.02
2.4	Other Debits	0
2.5	Extraordinary Items	0
2.6	Net Prior Period Expenses/ (Income)	0
2.7	Other Expenses Capitalised	(153.00)
3	Depreciation	368.61
4	Interest and Finance charges	140.45
5	Interest on Working Capital	0
6	Provision for Bad Debts	0.70
7	**Sub Total (1 to 6)**	**10,297.52**
8	Return on Equity	197.59
9	Provision for Tax / Tax Paid	17.14
10	**Total Expenditure (7 to 9)**	**10,512.25**
11	Less : Non-Tariff Income	146.76
12	**Aggregate Revenue Requirement (10 - 11)**	**10,365.49**

2.4 Revenue gap for FY 2018-19

Based on the ARR for FY 2018-19 as given in the Table above, the estimated revenue gap for FY 2018-19 at existing tariff is shown in the following Table.

Table 2.6: Estimated revenue Gap/ (Surplus) of UGVCL for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement for FY 2018-19	10,365.49
2	Revenue Gap from True up of FY 2016-17	472.01
3	**Total Aggregate Revenue Requirement (1 to 2)**	**10,837.50**
4	Revenue with Existing Tariff	6,579.58
5	FPPPA Charges @ Rs. 1.49/kWh	2,955.71
6	Other Income (Consumer related)	252.35
7	Agriculture Subsidy	536.06
8	**Total Revenue including subsidy (4 to 7)**	**10,323.70**
9	**Gap/(Surplus) (3-8)**	**513.80**

With subsequent submission UGVCL has revised the revenue gap to Rs. 520.53 Crore for FY 2018-19 as shown in the Table below:

Table 2.7: Revised Estimated revenue Gap/ (Surplus)of UGVCL for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement for FY 2018-19	10,365.49
2	Revenue (Surplus)/ Gap from True up of FY 2016-17	478.74
3	**Total Aggregate Revenue Requirement for FY 2018-19**	**10,844.23**
4	Revenue with Existing Tariff	6,579.58
5	FPPPA Charges @ Rs.1.49/kWh	2,955.71
6	Other Income (Consumer related)	252.35
7	Agriculture Subsidy	536.06
8	**Total Revenue including subsidy for FY 2018-19 (4 to 7)**	**10,323.70**
9	**Gap/(Surplus) (3-8)**	**520.53**

2.5 UGVCL's request to the Commission

1. To admit this Petition seeking True up of FY 2016-17 and Determination of Tariff for FY 2018-19.
2. To approve the True up for FY 2016-17 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2016.
3. To consider approved True up parameters & ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
4. To approve the terms and conditions of Tariff for FY 2018-19 and various other matters as proposed in this petition and proposed changes therein.
5. To approve the base FPPPA based on power purchase cost of FY 2018-19 as approved in the MYT Order dated 31st March, 2017.
6. Pass suitable Orders for implementation of Tariff Proposal for FY 2018-19 for making it applicable from 1st April, 2018 onwards.
7. To grant any other relief as the Commission may consider appropriate.
8. 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 Brief outline of objections raised, response from UGVCL and the Commission's View

3.1 Stakeholders' suggestions / objections, Petitioner's Response and Commission's observation

In response to the public notice, inviting objections/ suggestions of the stakeholders on the petitions filed by DISCOMs for truing up of FY 2016-17 and determination of tariff for FY 2018-19, a number of consumers/ consumer organisations filed their objections/ suggestions within the prescribed timeline. Some of these objectors participated in the public hearing also. Further, some of the objections are general in nature and some are specific to the proposals submitted by the petitioner. It is also noted that many of the objections/ suggestions are common to all the four DISCOMs and some are specific to 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 objections/ suggestions issue-wise rather than objector-wise.

3.2 Suggestions/Objections Common to all DISCOMs

1. Recovery of fixed charge from consumers

The objector stated that fixed charges are being recovered from consumers even there is no usage of electricity and such fixed charges should be abolished.

Response of DISCOMs

Petitioners submitted that principally, expenditure of the petitioners should be met from the fixed income. However, presently the recovery of the petitioners from fixed charges is 29.03% of total fixed cost of petitioners and hence, it is not desirable to give relaxation in fixed charges.

Commission's view

The Commission has noted the response of the petitioners and agrees that any further relaxation in recovery of fixed charges would cause financial burden on the petitioners due to under recovery of fixed charges out of total fixed costs.

2. Non- recovery of meter charges/ capacitor charges

The objector stated that meter charges/ capacitor charges should not be levied from energy bills of the consumers after completion of the full recovery of meters/ capacitors charges

Response of DISCOMs

Petitioners submitted that they recover meter rent from the consumers for the cost of meters borne by them. Further, based on the powers conferred under the Electricity Act, 2003 to determine meter rent charges, the Commission has determined such meter rent charges in Notification No. 9/2005 and accordingly, such meter rent charges are being levied from the consumers. Such charges are equivalent to interest of total cost of the meters. It is further mentioned that Petitioners are buying high quality meters which are installed at consumers' premises after testing the said meters in the laboratories. Such meters are maintained by the petitioners. Thus, petitioners are not recovering cost of meters but only recovering meter rent in accordance with the regulations. Petitioners have proposed to merge meter rent with fixed charges.

Commission's view

The Commission has taken a note of objection raised by the objector and after deliberations on proposal of the petitioner, it has been decided to abolish the meter rent being levied by the distribution utilities from the consumers requiring electric supply.

3. Adoption of monthly billing system in place of bi-monthly billing system

The objector objected bi-monthly billing cycle system with reasoning of such bi-monthly reading causing higher average and thus higher energy bills and therefore suggested to adopt monthly billing system.

Response of DISCOMs

Petitioners submitted that the Commission specifies the tariff of various consumer categories on monthly basis, but due to administrative reasons, consumers are being billed on bi-monthly cycle. In case of the consumers being billed on monthly basis, tariff rates as decided by the Commission are applied and in case of the consumers being billed on bi-monthly basis, tariff rates specified on monthly basis are adjusted accordingly. For instance, energy charge determined for the consumption slab up to 50 units of consumption, in case of consumers being billed on bi-monthly basis the same energy charge as determined for consumption up to 50 units is applied for 100 units of consumption.

Commission's view

Although the slabs for energy rates are prescribed in the Tariff Order for monthly consumption, in case of bi-monthly billing, appropriate adjustment is made and bill for such type of consumers is calculated by extending slab benefits appropriately. Stakeholders are requested to bring specific instances of loss to consumer due to bi-monthly billing. In view of the cost related to meter reading, billing and cash collection, Commission is of the view that the bi-monthly billing system for small consumers is cost-effective. Argument by the objector that bi monthly reading causes higher average and hence higher energy bills is not correct.

4. Non-submission of data related to consumers category-wise consumption and realization

The objector stated that category-wise consumption data and realization data are not submitted by the petitioners in accordance with Form 10 A.

Response of DISCOMs

Petitioners submitted that the petition is filed in accordance with the principles laid down by the Commission in the GERC (MYT) Regulations, 2016. Form no. 10 provides the relevant information as sought by the Respondent.

Commission's view

The Commission has noted the response of the petitioners. However, it is to mention here that category wise consumption data and realization data are not submitted as per the Form 10 A for the truing up year i.e. FY 2016-17 which have been taken note of and accordingly, the Commission directs the petitioners to submit the said data for the truing up year from next year onwards.

5. Role of GUVNL

The objector requested to make GUVNL as a co-petitioner considering its role as bulk purchaser of power on behalf of Discoms.

Response of DISCOMs

Petitioners submitted that GUVNL is co-petitioner of the petition filed.

Commission's view

The Commission noted the response of the petitioners. It is to mention that GUVNL representatives, as a Co-petitioner or otherwise, have always remained present during the hearing to satisfy the queries of the stakeholders.

6. Subsidies not accounted in the Annual Accounts

The objector stated that all the subsidies provided and to be provided by the State Government are not accounted in the Annual Accounts of the petitioners.

Response of DISCOMs

Petitioners submitted that as per the tariff order of The Commission, FPPPA charge is a part of tariff. In case of Agricultural consumers, the FPPPA charges payable by Agriculture consumers is not recovered from the consumers but it is being compensated by State Government. Revenue received from Agriculture consumers is mentioned in the Annual Accounts of the petitioners for FY 2016 – 17 which is inclusive of FPPPA subsidy and the subsidy for tariff compensation from Government for FY 2016-17, which is tabulated below;

DISCOM	Note No.	FPPPA subsidy (Rs. Crore)	Subsidy for tariff compensation (Rs. Crore)
DGVCL	27	74.24	42.35
PGVCL	28	669.79	434.18
MGVCL	29	112.48	48.00
UGVCL	26	843.48	599.99

Similarly, Subsidy received from the State Government towards the Water Works connections is also mentioned in the Annual Accounts as shown below:

DISCOM	Note No.	Subsidy towards Water Works Connections (Rs. Crore)
DGVCL	28	39.04
PGVCL	28	207.79
MGVCL	29	53.41
UGVCL	26	199.10

It may be noted that FPPPA subsidy received from State Government and subsidy for the Water Works connections have been duly considered in the Revenue from Sale of Power for respective category of consumers both in Annual Accounts of the Company and also in the True up proposal.

Commission's view

The Commission noted the response of the petitioners. It is to mention here that based on claim of the petitioner regarding outstanding agriculture subsidy from the Government of Gujarat, the said subsidy amount of Rs. 1196 Crore is considered as part of revenue for FY 2016-17 to work out Gap/Surplus after truing up of FY 2016-17.

7. Recovery of PGCIL, POSOCO and GETCO Charges

The objector stated that data furnished as part of power purchase cost are incomplete as basis for recovery of PGCIL, POSOCO and GETCO charges is not shown.

Response of DISCOMs

Petitioners submitted that PGCIL and POSOCO charges are recovered as approved by the Hon'ble CERC. PGCIL and GECTO charges and losses both are different and therefore appropriate treatment is given for losses and charges.

Commission's view

The Commission noted the response of the petitioners. GETCO losses are considered to work out total energy requirement and thus, per unit power purchase cost to determine gain/ loss on account of distribution loss. However, PGCIL and GETCO Charges are part of power purchase cost, considering distribution utilities as beneficiaries of State and National transmission system, and thus part of ARR to determine gap/ surplus of the truing up year.

8. Creation of consumer advocacy cell

The Objector has recommended that consumer advocacy cell should be formed in GERC, as detailed in model regulations framed by the Forum of Regulators, for giving guidance and legal aid to consumers.

The electricity supply companies with array of senior lawyers, that too at stakeholders' expense, are getting the favourable decisions in the absence of effective participations by consumers in the GERC hearing procedures. Most of consumer organizations are voluntary in nature, represented by their members and not having financial resources like electricity companies. While Supply companies are engaging senior lawyers at hefty fees, the normal stakeholder's voice is suffocated at hearing.

Response of DISCOMs

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Commission's view

As such at present, Staff of the Commission processing consumer complaints and providing guidance to individual consumer /Consumer Associations. However, considering representation from the various stakeholders, Commission will explore the option of constituting 'Consumer Advocacy Cell'.

9. Audit of Distribution Utilities

The objector requested for audit of distribution utilities by the Institute of Chartered Accountants of India.

Response of DISCOMs

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Commission's view

The accounts of the Petitioners, being Government owned undertakings, are audited by the Statutory Auditors (who are the members of the Institute of Chartered Accountants of India) appointed by the C & AG. Further, the accounts of the petitioners are subject to supplementary audit by the C & AG. Moreover, the C & AG also conduct issue based performance/ propriety audit of the petitioners. The Commission, therefore, does not find any merit in the objector's submission.

10. Non issuance of any circulars containing financial implications without prior approval of the Commission

The Objector has requested the Commission to direct the licensees not to issue any circular (which involves financial burden or financial benefit to any consumer) without getting the approval of Commission. Approval granted by the Commission or the power to issue the circular quoting the provisions of Act, Rules and Regulations should be disclosed in the circular. If any circular is issued which does not involve financial implications, DISCOM should give certificate on that circular confirming that no financial part is involved in this circular thus no permission is required from the Commission for this particular circular.

Response of DISCOMs

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Commission's view

Normally, activities of licensees having financial impact on its consumers are governed through various Regulations notified by the Consumers. Stakeholders may bring specific instances in this regard to the notice of the Commission.

11. Disclosure of Total Income

The objector has sought for disclosure of total income by the petitioners recovered from the consumers in accordance with various Regulations notified by the Commission and revenue earned from FPPPA Charges.

Response of DISCOMs

Petitioners submitted that Revenue in annual accounts includes revenue from sale. of power to GUVNL and DSM charges, besides revenue from sale to different consumer categories as per accounting practice whereas in the ARR net power purchase cost is shown after reducing revenue from sale of surplus power to GUVNL, as per requirement of ARR mechanism. Netting off of the same heads i.e. revenue from sale of power to GUVNL and DSM Charges have been done and they have been reduced from total power purchase cost and therefore the amounts of revenue in the annual accounts and in the true-up petition cannot be same being requirement of different accounting treatment in the ARR and Annual Accounts. Revenue from sale of Power includes revenue through FPPPA charges (revenue from temporary connections also. Further, the head “Other Income" is classified under the head of non-tariff income in the petition and the same has been reduced from total ARR rather than including it in the revenue. So the total income is disclosed in the petition but presentation is different as per Accounting Practice and requirement as per MYT Regulations.

Commission’s view

During prudence check of the submission from licensee, whenever required the Commission asks licensee to provide additional details and clarification. This time the Commission has placed all the additional information received from licensee in tariff determination exercise on Commissions’ website and made it available to all the stakeholders.

12. Higher rates of temporary connection

The objector stated that tariff rates for temporary connections are higher than tariff rates for normal supply of electricity and income from such temporary connections is not disclosed by the petitioners.

Response of DISCOMs

Petitioners submitted that being a temporary by nature, the tariff for “Temporary Connection” should always be higher than the tariff for permanent category consumers.

Commission’s view

Request for electricity supply for more than 2 years qualifies for permanent/ regular electricity connection and it is not treated as ‘Temporary’ in accordance with the present Regulations.

13. Introduction of LTMD tariff above 6 kW

The objector sought applicability of demand based tariff for consumers having load of 6 kW and above.

Response of DISCOMs

Petitioners submitted that this is suggestion to the Commission, however, any modification to be made by The Commission should be revenue neutral to the Company.

Commission’s view

The Commission has dealt with this issue appropriately in the tariff Schedule attached to this order.

14. Improper and misuse of Section 126 of the Electricity Act, 2003

The objector stated that petitioners have been misusing Section 126 of the Electricity Act, 2003 and there has not been any concrete actions carried out by the petitioners to curb the theft of electricity and to reduce the losses of high loss making feeders.

Response of DISCOMs

Petitioners have submitted they are electricity distribution companies supplying electricity to large base of consumers. Through strenuous efforts petitioners have been able to reduce distribution losses to target level with adoption of new available technology and equipments, continuous monitoring of installation checking activity, etc. Further, emphasis has been made on reduction of JGY feeders having high losses. Feeder wise feeder managers for the selected feeders are nominated and responsibility is assigned for carrying out loss reduction activities. Comprehensive planning for the work to be carried out on such feeders is done on the basis of actual field report. Moreover, fortnightly & monthly meeting of Feeder Managers is held at various levels. It is further submitted that petitioners have achieved a significant reduction in distribution losses, during recent years. These efforts shall continue and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as the loss levels go down. Distribution Loss of Agriculture category is highly influenced by the amount and spells of rainfall etc. particularly during monsoon season. However, with the continuous efforts and expeditious release of new connections, the loss of Agriculture category has also reduced.

Commission's view

The Commission has noted the response of the petitioners. While appreciating efforts made by the petitioners in achieving loss reduction up to target level, the Commission is of the view that sustained and concerted efforts should be made to reduce losses than the losses approved in the MYT Order dated 31.03.2017.

15. Revenue Billed and Revenue Collected

The objector asked the petitioners to submit Revenue Billed and Revenue Collected for FY 2016-17.

Response of DISCOMs

Petitioners submitted their collection efficiency which is tabulated below;

DISCOM	Collection efficiency (%)
DGVCL	98.20
MGVCL	100.82
PGVCL	100.00
UGVCL	100.00

Commission's view

The Commission has noted the response of the petitioner.

16. Non-submission of revenue collected from FPPPA Charges

The objector stated that segment wise approved power purchase cost by the Commission is not submitted by the petitioners. Further, revenue realized from FPPPA Charges is not submitted category-wise.

Response of DISCOMs

Petitioners submitted that all the generating stations from which Company/GUVNL is purchasing power, the cost for the same is determined / approved by the appropriate Commissions like cost of power purchase from GSECL stations is determined by the GERC, IPPs are governed by the provisions of PPAs, for central generating stations the tariff is either determined by the Central Electricity Regulatory Commission 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 or through competitive bidding. Therefore, the tariff for entire power purchased by Company/GUVNL is determined /approved by the appropriate Commission.

As per the order of the Commission, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17). Therefore, during FY 2016-17 incremental power purchase cost over the base power purchase cost was recovered over and above the base FPPPA of Rs. 1.20/unit during the quarter. Thus, there is no excess recovery of FPPPA charges from the consumers during FY 2016-17.

Commission's view

The Commission has noted the response of the petitioners which is self-explanatory. Further, as explained by the petitioners, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17).

17. Quantum of UI/DSM sales not submitted

The objector stated that details regarding quantum of UI/DSM sales to GUVNL along with UI charges borne by the petitioners are not submitted.

Response of DISCOMs

Petitioners submitted that Deviation Settlement Mechanism, which was previously known as "Unscheduled Interchange", charged for the deviation from the schedule. Rate of DSM/UI units varies time to time as it is linked with the System Frequency.

Commission's view

The Commission noted the objection of the objector and response of the petitioners. Further, details of DSM charges are submitted by the petitioners in their respective petitions while DSM sales in MUs have been sought as an additional detail and such details were also made available on the Commission's website. Power Purchase cost approved for FY 2016-17 is detailed in the Chapter 4 of this order.

18. Difference in FPPPA Charges

The objector stated that petitioner have collected FPPPA Charges higher than the approved by the Commission i.e. Rs. 1.20/unit during FY 2016-17.

Response of DISCOMs

Petitioners submitted that as per the order of The Commission, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17). Therefore, during FY 2016-17 incremental power purchase cost over the base power purchase cost was recovered over and above the base FPPPA of Rs. 1.20/unit during the quarter. Thus, there is no excess recovery of FPPPA charges from the consumers during FY 2016-17. Further, as per ARR petition mechanism, approved power purchase cost is compared with actual power purchase cost and actual sales revenue is deducted from ARR. Hence, the FPPPA charges difference is not liable to be considered as surplus available for next year.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory. Further, as explained by the petitioners, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17). While carrying out truing up exercise, approved power purchase cost is compared with actual power purchase cost and revenue from sale of power, which also includes revenue from FPPPA charges, is deducted from the approved ARR to determine gap/ surplus of the truing up year which is considered for determination of tariff for the ensuing year. Thus, difference in the FPPPA charges cannot be considered as surplus lying with the distribution utilities and also cannot be considered for determination of tariff for the ensuing year.

19. Applicability of WWSP Type III Tariff category for Water Health Centres

The objector sought for applicability of WWSP Type III tariff category for Water Health Centres established by various Local Bodies for providing safe and potable drinking water to underserved communities in the rural, peri-urban and urban areas.

Response of DISCOMs

Petitioners submitted that the present Water Works tariff category is applicable to Water and Sewerage Pumping purposes and Type – III is as applicable to 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. Water Works category is subsidized tariff category. Sheer objective of giving subsidized tariff would be killed if any associated activity is included in this category. It would be difficult also to monitor supply of purified water for the public use. Therefore, no change in the present provisions of Water Works category is required.

Commission's view

The Commission has noted the response of the petitioners and is in agreement with the response.

20. Separate tariff for each Distribution Company

The objector sought for determination of separate tariff for each of the State owned Distribution Utility considering different distribution loss of four State Owned Distribution Utilities.

Response of DISCOMs

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

The four Distribution Companies are incorporated on the basis of zonal configuration. It is submitted that since the 80% - 90% of the total cost incurred by DISCOMs is for Power Purchase, the same plays a major role in determining the Annual Revenue Requirement as well as Gap / (Surplus) for the DISCOM for a particular year. Since, the consumer profile and consumption profiles are different in the four Distribution Companies; the revenue earning capabilities of each of the DISCOMs differs resulting in different Annual Revenue Requirement. Therefore, it is necessary to build a mechanism in the projections to bring them to a level playing field. This is proposed to be achieved by differential Bulk Supply Tariff (BST) to each of the DISCOMs which is approved by the Commission. In this way, it becomes possible to ensure uniform retail consumer tariffs in the four DISCOMs.

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

Commission's view

Response of the petitioners explains the circumstances under which the uniform tariffs are adopted for all four DISCOMs.

21. Rationalisation of tariff slabs for residential category

The objector sought for rationalization of tariff slabs for residential category.

Response of DISCOMs

Petitioners submitted that they have not proposed any tariff revision or change in existing Tariff structure for FY 2018-19. Tariff structure of the different states are designed keeping in mind the different social, economical, technical, demographic and other relevant parameters of the state. In our state, the Commission has time to time reviewed the tariff structure and rationalized the tariff. However, any change in the tariff structure may be revenue neutral.

Commission's view

Rationalisation of Tariff Structure calls for reduction in number of categories and slabs. At present five energy slabs are prescribed for the residential consumers of four State Owned Discoms' areas. The Commission would like to continue existing slabs till the Commission takes decision for other licensees in the State in this regard. The Commission will decide on the slabs proposed by the Objector at appropriate time after conducting detailed study on the impact of such slabs on the consumers as well as utilities.

22. Merging of meter rent with fixed charges

The objector, based on the proposal of the petitioner about merging of meter rent with fixed charges, objected the proposal stating that collection of meter charges is debatable.

Response of DISCOMs

Merging of meter rent is proposed by the petitioner to avoid the issue of applicability of multiple taxes such as electricity duty on energy charge and fixed charge and GST on meter charge. Moreover, many a times it has been represented by various consumers Groups at different level. It would be apt to mention that to neutralize the revenue it has been appropriately proposed to recover through Fixed or Demand Charges.

Commission's view

The Commission has taken a note of objection raised by the objector and after deliberations on proposal of the petitioner, it has been decided to abolish the meter rent being levied by the distribution utilities from the consumers requiring electric supply.

23. Performance of the petitioners during FY 2016-17

The objector stated that distribution losses of PGVCL and MGVCL are higher which are passed on to the consumers of DGVCL and UGVCL and thus, consumers of DGVCL and UGVCL have to suffer for the poor performance of PGVCL and MGVCL. It is further stated that bad debts written off in case of PGVCL is high. Further, amnesty scheme notified by the Government of Gujarat should not be approved as this will burden other honest consumers.

Response of DISCOMs

Petitioners submitted that the True up gap shown in the petition is worked out based on the GERC (MYT) Regulations, 2016. The gap does not necessarily reflect the poor or better performance of a utility. The gap worked out is basically the difference between projected expenses/revenue at the time of MYT and the actual expenses/revenue at the time of truing up. The petitioner has endeavoured to curb the losses. The achievement in Distribution loss reduction is shared amongst the consumer and licensee as per the GERC (MYT) Regulations, 2016.

As regards to implication of the Amnesty Scheme, it is to submit that Company has filed a separate Petition in this regard.

Further, petitioners have taken various steps for reduction of distribution loss and endeavours to achieve the loss reduction trajectory as approved by the Commission. Petitioners have achieved a significant reduction in distribution losses, during recent years. These efforts shall continue and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as the loss level goes down. Distribution Loss of Agriculture category is highly influenced by the amount and spells of rainfall etc. particularly during monsoon season. However, with the continuous efforts and expeditious release of new connections, the loss of Agriculture category has also reduced. Distribution loss is a controllable factor and treatment for the deviation is given accordingly while computing the revenue gap for FY 2016-17.

Commission's view

The Commission noted the response of the petitioners. While appreciating the efforts made by the petitioners in achieving loss reduction up to target level, the Commission is of the view that sustained and concerted efforts should be continued to reduce losses than the approved in the MYT Order dated 31.03.2017.

Further, as stated by the petitioner, amnesty scheme is being dealt separately by the Commission in a separate petition. It is also to mention that such amnesty scheme is for FY 2017-18 which has no effect in truing up of FY 2016-17 and tariff determination for FY 2018-19.

For the issue of high amount of bad debts written off in case of PGVCL, it is to state that the Commission has approved bad debts written off in accordance with Regulation 94.9 of the GERC (MYT) Regulations, 2016 as detailed in Chapter 4 of this order.

24. Increase number of electrical accidents

The objector stated that number of electrical accidents are increasing.

Response of DISCOMs

Petitioners submitted that maximum efforts have been made in all directions to reduce electrical accidents and resultantly nos. of accidents have reduced year on year. Besides maintenance related activities, petitioners have taken various steps to create safety awareness among the employees and also among the general public.

Commission's view

The Commission has noted the objection raised by the objector and response of the petitioners. The Commission has always given utmost priority to electrical safety and has been giving directives to the petitioners to curb electrical accidents by various means. The Commission monitors the electrical accidents on quarterly basis through Standard of Performance Reports and provides inputs on the matter.

25. Replacement of Faulty Meters

The objector stated that still large number of faulty meters are pending for replacement.

Response of DISCOMs

Petitioners submitted that they endeavour to adopt upgraded technologies for metering and accordingly Company started procuring electronic meters and now only static/digital meters are procured and provided. Further automatic meter reading (AMR) system has also been provided on high valued consumer installations. Petitioners plan to adopt RF and other advanced communication technologies for meter reading and billing. Company has large base of old consumers. Petitioners prioritize the replacement of non-working, defective, inaccurate meters and very old meters. Petitioners have meter replacement plans and accordingly meters are replaced every year.

Details of Meters replaced during last three years are tabulated as under;

Year	Meters Replaced (Old+ Non-Working)			
	DGVCL	MGVCL	PGVCL	UGVCL
2015-16	94196	308932	282789	150773
2016-17	65652	352658	410232	191851
2017-18	87062 (up to January 2018)	312619 (up to December 2017)	362653 (up to December 2017)	243554 (up to December 2017)

Commission's view

The Commission has noted the response of the petitioner, however, it is observed that large number of meters are still pending for replacement which is affecting revenue of the petitioner and also resulting into grievances of consumers. The Commission, therefore, has directed the petitioner to expedite process of meter replacement and quarterly submit progress of the same.

26. Installation of Smart Meters

The objector stated that the petitioners have not provided any details about electromechanical and electronic meters within their jurisdiction. Further, details of non-working meters and smart meters installed are also not submitted.

Response of DISCOMs

Petitioners submitted that they have proposed to provide smart meters under Integrated Power Development Scheme (IPDS).

Commission's view

The Commission noted the response of the petitioners. Further, the Commission monitors progress of replacement of electromechanical meters with electronic meters and installation of smart meters on quarterly basis and provide its inputs, if any.

27. Ceiling of FPPPA Charges at Rs. 1.50/unit

The objector sought ceiling of FPPPA charges at maximum of Rs. 1.50/unit and not to allow any amount above the ceiling amount to carry forward. The objector has further objected the proposal of the petitioners to increase base price of FPPPA from Rs. 1.43/unit to Rs. 1.49/unit.

Response of DISCOMs

Basic nature of FPPPA/PPPA is 'adjustment' related to power purchase cost i.e. passing on the increase or decrease, as the case may be. The PPPA charge is being levied on the consumer categories on account of the change in the cost of power purchase, which comprises almost 80% to 95% of the Distribution Licensee's Aggregate Revenue Requirement. Any expense pertaining to the regulated business of the Distribution Licensee has to be recovered from all consumers in some manner. Therefore, the FPPPA charges are recovered in the form of an incremental energy charge (Rs/kwh) as per formulae approved by the Commission.

In the MYT order dated 31.03.2017 for Control Period FY 2016-17 to FY 2020-21, The Commission has considered the base power purchase cost at Rs. 4.17/unit and base FPPPA at Rs. 1.43/unit. As per approved FPPPA formula, any increase in power purchase cost during the year over and above base power purchase cost of Rs. 4.17/unit is to be recovered through FPPPA over and above base FPPPA of Rs. 1.43/unit on quarterly basis. As per approved ARR for FY 2018-19, the weighted average power purchase cost is worked out to Rs. 4.22/unit as against base power purchase cost of Rs. 4.17/unit. Thus, the incremental power purchase cost of Rs. 0.05/unit for FY 2018-19 (i.e. Rs. 4.22 - 4.17) will be recovered through FPPPA over and above base FPPPA of Rs. 1.43/unit. Therefore, estimated revenue from FPPPA for FY 2018-19 is considered at Rs. 1.49/unit (i.e. grossing up of Rs. 0.05 by approved losses).

Commission's view

The Commission has noted the response of the petitioners. As explained by the petitioners, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17) and FPPPA formula is designed that way. The Commission, after considering the Power Purchase Cost for FY 2018-19 approved in the MYT Order dated 31.03.2017 has worked out the average power purchase cost of Rs. 4.22/ unit and thus the base price has increased by Rs. 0.05/ unit than the approved base price of Rs. 4.17/unit in the MYT Order dated 31.03.2017, which is required to be adjusted by way of FPPPA. Thus the base price of FPPPA is increased from Rs. 1.43/unit to Rs. 1.49/unit.

28. Reduction in Electricity Duty

The objector sought for rationalization of Electricity Duty.

Response of DISCOMs

Petitioners submitted that Electricity Duty is being levied as per Provision of Electricity Duty Act.

Commission's view

Stakeholders are required to represent before the State Government regarding exemption from Tax and Electricity Duty.

29. Delay in filing tariff petitions

The objector objected of delay in filing tariff petitions by the petitioners.

Response of DISCOMs

The Petitioner has submitted that it had sought the extension of time considering prevalent scenario in the State at that point of time and in turn, the Commission had granted time period till 31.12.2017 to file the Petition and the petition was filed on 30.12.2017. The Commission is entitled under the Statutory Regulations to abridge or extend time.

Commission’s view

The Tariff Policy notified by the Ministry of Power provides that Commission should initiate tariff determination on a suo motu basis in case the licensee does not initiate filing in time. It is also provided that it is desirable that requisite tariff changes come into effect from the date of the commencement of each financial year.

Accordingly, in accordance with the MYT Regulations 2016, the Commission accepted delayed filing by the licensee and 30 days’ time period was provided to the stakeholders to file their suggestions /objections from the date of publication of advertisement in daily newspapers. Subsequently, on request from some of the stakeholders, further time period (beyond 30 days) was also provided to them for filing suggestions and objections.

30. Procurement of power at competitive bidding

The objector sought procurement of power through competitive bidding only.

Response of DISCOMs

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. 5.4.2010. In accordance with the provision of Intra-State ABT Order of the Commission, power is procured in real time basis following the principle of Merit Order irrespective of ownership of generators whereby cheaper power is scheduled first till the demand of Discoms is met.

Commission’s view

The Commission noted the response of the petitioners and agrees with the response. Further in large interest of the consumers, ABT mechanism has been developed where power is procured in real time basis following the principle of Merit Order irrespective of ownership of generators whereby cheaper power is scheduled first till the demand of Discoms is met.

31. Procurement of power by GUVNL from generating stations without approval of PPAs

The objector stated that GUVNL procures power at a higher rate from generating stations whose PPAs are not approved by the Commission.

Response of DISCOMs

For all the sources with whom GUVNL has signed PPA for procurement of power on long term basis, tariff for the same is either (i) approved by the Commission, (ii) approved by the CERC for Central Generating Stations, or (iii) discovered through competitive bidding process and adopted by the Commission.

As regards signing of PPA with wind power projects at Rs. 3.46/Unit, it is to state that these PPAs are subject to the approval of the Commission and petitions for approval of tariff are pending before the Commission.

Further, GUVNL trades the eventual surplus power and proceeds through trading of surplus power are being passed on to the Consumers of its subsidiary Distribution Companies.

Commission's view

The Commission noted the response of the petitioners. No such power source has been approved by the Commission whose PPA has not yet been approved.

32. Inclusion of UI charges in power purchase cost

The objector objected inclusion of UI charges in power purchase cost.

Response of DISCOMs

Deviation Settlement Mechanism, which was previously known as "Unscheduled Interchange", is disciplined Item and charged for the deviation from the schedule. Rate of DSM/UI units varies time to time as it is linked with the Frequency. It is further to state that DSM /UI Charges are applicable for any deviation compared to schedule in terms of applicable CERC Regulations. Therefore, it is not correct to state that DSM/UI Charges is applicable only when deviation is beyond +/- 12%. The Over Drawl deviation is very small (0.4%) in comparison to total quantum of power purchase of 85625 MUs.

Commission's view

The Commission noted the objection of the objector and response of the petitioners. Details on DSM charges are submitted by the petitioners in their respective petition while DSM sales in MUs have been sought as an additional detail and such details were also made available on the Commission's website. Power Purchase cost approved for FY 2016-17 is detailed in the Chapter 4 of this order.

33. Non-submission of details regarding energy sold to GUVNL

The objector submitted that petitioners have not submitted any details regarding energy sold to GUVNL.

Response of DISCOMs

Besides retail sale to consumers by the Discom, GUVNL trades power on behalf of the Distribution Company. Therefore, energy traded on behalf of the Distribution Company is shown as sale to GUVNL in DISCOM's account. For FY 2016-17, on behalf of Distribution Companies, GUVNL has sold surplus power of 319 MUs and Rs.114 Cr was earned on this account.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory. Further, revenue earned by GUVNL from trading of surplus power is negated from the power purchase cost and thus from ARR to pass on the benefits to the consumers.

34. Different T & D losses

The objector stated that transmission losses submitted by Discoms and GETCO transmission are different.

Response of DISCOMs

Intra State transmission loss is being applied as per Postage Stamp Method and same is considered @ 3.85% in the DISCOM's petition.

Distribution Licensees are also mandated to procure surplus renewable power locally (after giving set off at recipient unit for RE projects set up for captive/ Third party use) for which Transmission losses are not applicable. Therefore, it is not correct to state that Discoms have applied different GETCO transmission losses. The issue of GETCO transmission losses is more clarified in the additional information uploaded on the Commission's web-site.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory.

35. Recovery of FPPPA Charges

The objector stated that petitioners are recovering more amount of power purchase cost on account of FPPPA charges.

Response of DISCOMs

All the generating stations from which Company/GUVNL is purchasing power, the cost for the same is determined / approved by the appropriate Commissions like cost of power purchase from GSECL stations is determined by the GERC, IPPs are governed by the provisions of PPAs, for central generating stations the tariff is either determined by the Central Electricity Regulatory Commission 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 or through competitive bidding. Therefore, the tariff for entire power purchased by Company/GUVNL is determined /approved by the appropriate authority.

As per the order of the Commission, incremental power purchase cost over the base power purchase cost is to be recovered through FPPPA charges over and above the base FPPPA charges (i.e. Rs. 1.20/unit for FY 2016-17). Therefore, during FY 2016-17 incremental power purchase cost over the base power purchase cost of Rs. 3.76/Unit was recovered over and above the base FPPPA of Rs. 1.20/unit.

During FY 2016-17, average FPPPA was worked out to Rs. 1.61/Unit over base FPPPA of Rs. 1.20/Unit i.e. increase of 0.41/Unit. Considering incremental power purchase cost of Rs. 0.41/Unit, the power purchase cost for FY 2016-17 is worked out to Rs. 4.17/Unit (i.e. base power purchase of Rs. 3.76/Unit + 0.41/Unit) which is tallied with per unit power purchase cost as per annual account as well as power purchase cost disclosed at tariff filing format Form-2. Thus, there is no excess recovery of FPPPA charges from the consumers during FY 2016-17.

Commission's view

The Commission carry out detailed analysis of variation in fuel price on quarterly basis under FPPPA mechanism. The submission of the licensee in this regard is available on its website. The variation in quarterly FPPPA charges is reflection of fuel price as well as fixed charges and transmission charges related to procurement of power by the Distribution Licensee.

36. Deduction of cross subsidy charges and PoC charges outstanding from the consumers

The objector stated that outstanding cross subsidy charges and Parallel Operation Charges from consumers should be deducted from ARR and not to burden consumers.

Response of DISCOMs

Amount accrued on account of cross subsidy surcharge and Parallel operation charge from the respective consumers is duly accounted under 'Other Income / Non-Tariff Income' and treatment of the same is given accordingly.

Commission's view

The Commission noted the response of the petitioners. The Commission has approved non-tariff income in accordance with the GERC (MYT) Regulation, 2016. Further, non-tariff income is negated from total ARR and thus is not considered to determine tariff for the consumers.

37. To link RoE with performance of the petitioners

The objector suggested to link Return on Equity with the performance of the petitioners.

Response of DISCOMs

The petitioners have not furnished any comments in this regard.

Commission's view

The Commission approves normative equity addition at 30% of approved capitalization and allows Return on Equity at the rate of 14%. Further, as per Regulation 33 of the GERC (MYT) Regulations, 2016, where actual equity employed is more than 30% of capital cost approved by the Commission, the amount of equity for the purpose of tariff is limited to 30% and the balance is considered as loan, thereby capping the equity at 30% of the capital cost approved by the Commission. Further, petitioners' under/over performance with respect to reduction in T & D loss is taken care while sharing gains/ losses with consumers as per the GERC (MYT) Regulations, 2016.

38. Capital Investment to be verified with sale of energy

The objector sought verification of capital investment of the petitioners in context of projected and actual sale of energy.

Response of DISCOMs

Most of the capital investment schemes by the Discoms are of continuous and ongoing nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to consumers, reduction in losses, release of agriculture connections, etc.

Commission's view

The Commission noted the response of the petitioners. The Commission has approved capital expenditure as detailed in Chapter 4 of this order after verification of documents and prudence check.

39. Redetermination of ARR of FY 2016-17 and truing up of FY 2016-17 as per provisionally approved ARR and GERC (MYT) Regulations, 2011

The Objector has submitted that there is no provision in either E.A. 2003 or MYT or other Regulations to determine the ARR for the same financial year (FY 2016-17) because the sharing of gain/loss of controllable and uncontrollable factors of tariff is the comparison of approved value with the actual received in the truing up. The question is which ARR is to be considered valid which is approved in the tariff petitions No. 1547/1548/1549/1550 of 2015 which is based on the MYT Regulations, 2011 or approved in the tariff petitions No. 1622/1623/1624/1625 of 2016 which is based on the MYT Regulations, 2016. Both the tariff orders for approval of ARR of FY 2016-17 are valid and legal.

ARR is approved in Petitions No. 1547,1548,1549 and 1550 of 2015 vide order dated 31.03.2016 is based on the MYT Regulations, 2011 and petitioners have recovered the charges on the strength of the said order, how the truing up of the same ARR can be carried out under MYT Regulations, 2016 and with the ARR approved in the Petitions No.1622,1623,1624 and 1625 of 2016 Order dated 31.03.2017. The ARR for FY 2016-17 under the MYT Order is after completion of FY 2016-17 and no tariff increase or decrease was decided in the said order dated 31.03.2017. The Objector submitted that the truing up of FY 2016-17 should be compared with ARR determined vide Orders dated 31.03.2016 and not at all with ARR approved in Orders dated 31.03.2017.

Response of DISCOMs

ARR and Tariff Petition is filed following the Multi Year Tariff Regulations, 2016 and directions issued by the Commission from time to time.

As regards determination of final ARR for FY 2016-17, the GERC has by order dated 02nd December, 2015 in the Petition No. 1534/2015 decided that approved ARR of FY 2015-16 of the licensees / generating companies concerned be considered as provisional ARR of the licensees / generating companies for FY 2016-17 and that the licensees / generating companies shall file the ARR for FY 2016-17 based on the new MYT Regulations and the true up for the same shall also be governed as per the new MYT Regulations.

Accordingly, in terms of above order, True-up for FY 2016-17 is to be carried out based on the final ARR approved by the Commission vide Order dated 31.3.2017.

Commission's view

The Commission noted the response of the petitioners. Tariff Policy provides that it is desirable that requisite tariff changes come into effect from the date of the commencement of each financial year. Accordingly, the Commission adopted ARR approved for FY 2015-16 as provisional ARR for determination of tariff for FY 2016-17. In order to carry out truing up exercise for FY 2016-17, it is required to approve final ARR for FY 2016-17 with targeted/benchmarked controllable parameters as specified in new MYT Regulations. Accordingly, approval of ARR for FY 2016-17 considered by the Commission in MYT Order. Further the deviation between provisional ARR and final ARR is required to be considered as uncontrollable.

40. Problems of low voltage and violation of Section 126 of the Electricity Act, 2003

The objector pointed out low voltage problems being faced by consumers connected with agriculture feeders and not to penalize consumers under Section 126 of the Electricity Act, 2003 under such low voltage conditions.

Response of DISCOMs

Agriculture Feeders have been separated out from the Rural Category feeders by the Company while implementing the JGY Scheme. Now Agriculture Category Consumers are fed through exclusive feeders i.e. Ag. Dominant feeders. With the increase in generation in the State, overall voltage profile has improved substantially. Moreover, since Pump set of the agriculture consumer is submerged, it is not possible to read the name plate details of the Pump Set for verifying the connected load. Hence for verifying the connected load of agriculture consumer, actual technical parameters are measured with the help of Accucheck meter. Accucheck meter takes care of all technical parameters including supply voltage level available at the consumer premises and accordingly connected load is being measured. If the measured load is more than the contracted load, actions are taken for utilization of additional load than sanctioned load. Further, on input quantity so measured, 15% efficiency benefit is also to be considered in terms of directive of the Commission to arrive at connected load.

Commission’s view

The Commission noted the response of the petitioners which is self-explanatory. Such instances of low voltage may be brought to the notice of the respective Consumer Grievances Redressal Forums as specified in the GERC (Consumer Grievances Redressal Forum and Ombudsman) Regulations, 2011 for immediate and effective redressal.

41. FPPPA and Excess Demand Charges from CPP

The objector stated that three times demand charges are being recovered by the petitioners from CPP consumers for the excess demand due to costly power purchased by the petitioners to meet such excess demand. Petitioners have FPPPA mechanism where they can recover incremental cost of power purchase and thus recovery of 3 times demand charges for excess demand is not permissible.

Response of DISCOMs

Demand charges from the CPP is recovered as per the provisions of Tariff and relevant orders issued by the Commission.

Commission's view

The Commission noted the objection raised by the objector and response of the petitioners. Excess demand hampers the operation of the grid and thus should be penalized accordingly. To link demand charges in case of excess demand with recovery of FPPPA charges is not correct as one is meant for penalizing the consumers to stay within the contract demand and another is recovery mechanism for incremental power purchase cost.

42. Over compensation in application of formula for assessment under Section 126 and 135

The objector stated that under cases of Section 126 and Section 135 of the Electricity Act, 2003, FPPPA rate is doubled which results in over compensation.

Response of DISCOMs

Petitioners submitted that in terms of tariff order of the Commission, FPPPA is a part of tariff and, therefore, while assessing bill under section 126 or 135, applicable FPPPA charges are taken into account.

Commission's view

The Commission noted the objection raised by the objector. Since, the said objection is not a part of the current tariff petition. It has to be dealt with by the Electricity Supply Code Review Panel.

43. Voltage neutral FPPPA charge

The objector sought for voltage neutral FPPPA charge stating the reason that consumer connected at 220 kV will be at a loss level of 2% but pays for 33% loss and current FPPPA formula does not make any distinction between voltage levels.

Response of DISCOMs

The Commission has allowed Discoms / GUVNL to claim the increase in the Fuel Price and Power Purchase Adjustment according to the formula approved by the Commission for increase in Fuel Price and Power Purchase Adjustment (FPPPA) cost from its customers. The incremental cost paid by GUVNL/Discoms compared to base year for purchase of power from various sources is to be recovered by Discoms as Power Purchase Price Adjustment mechanism from consumers.

Petitioners have also submitted that the basic nature of FPPPA is 'adjustment' related to power purchase cost i.e. passing on the increase or decrease, as the case may be. The FPPPA charge is being levied on the consumer categories on account of change in the cost of power generation and power procured due to change in fuel cost, which comprises almost 80% to 90% of the Distribution Licensee's Aggregate Revenue Requirement, and any expense pertaining to the regulated business of the Distribution Licensee has to be recovered from all consumers in some manner. Therefore, the FPPPA charges are recovered in the form of an incremental energy charge (Rs/kWh) recovered on uniform basis and forms part of the energy bill to be served on monthly/bimonthly or any other periodical basis.

Also, the Commission has approved tariff rate on the basis of overall cost of power and is not decided based on the different voltage level. Hence, in order to implement the suggestion, the first target should be to replicate Cost to Serve as the tariff for that voltage category which is neither possible nor in terms of principle of Tariff Policy which contemplate for cross subsidization within +/- 20% of average Cost to Serve.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory.

44. Power Factor Penalty on recorded demand and not on billing demand

The objector sought applicability of power factor penalty on recorded demand and not on billing demand.

Response of DISCOMs

Power Factor penalty/ rebate are levied on "Energy Charges" only.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory. Power Factor Penalty is not levied on demand charges and thus question of penalty on billing demand does not arise.

45. Details of all the cases filed in High Court/Supreme Court by or against the Consumers

The objector sought the details of cases filed in High Court/Supreme Court by or against the Consumers to deliberate on the issues leading to filing of large number of cases.

Response of DISCOMs

Suits are filed against consumers or appeal with Hon'ble High Court or Hon'ble Supreme Court based on merits of the case to safe guard the interest of the Distribution Company and consumers at large.

Further, the objector has also raised following additional issues:

Reconnection Charges Without Disconnection:

Reconnection charges are recovered without Disconnection.

Recovery of PoC:

Parallel Operation Charges are levied as per Order of The GERC.

"Consumer Charter" is placed at a prominent place in all Subdivision offices providing vital information to the consumers. It is also placed on the web-site of consumer. The consumer can also approach to local office for any guidance.

Commission's view

The Commission noted the response of the petitioners and is of view that such matters shall be dealt separately and not as part of current tariff petitions.

46. Inspection of consumers' premises and authority to enter the premises

The objector sought clarification on authorities who can enter and inspect consumer's premises.

Response of DISCOMs

Government of Gujarat has vide notification dated 5th June, 2004 designated Officers of the Company (rank of Junior Engineer and above) for exercising powers of Assessing Officer under Section 126 within the area specified and exercising the Power under sub-section 135 within the area specified.

Commission's view

The Commission agrees with the response of the petitioners.

47. Performance of electronic meters

The objector objected the use of electronic meters stating poor performance of the electronic meters under overload or near full load conditions.

Response of DISCOMs

Meter Supplier supplies meter as per A/T Conditions, issued following provisions of relevant IS. No oral specification is conveyed to any of the supplier.

Commission's view

The Commission agrees with the response of the petitioners.

48. Abuse of Section 126 and 127 of the Electricity Act, 2003

The objector stated that consumers are being harassed by the petitioners with abuse of Section 126 and 127 of the Electricity Act, 2003 and by expression of 'Proportionate Units'.

Response of DISCOMs

Under the "Connected Load Based Tariff" consumer can connect load as per his contract demand. However, in case where units consumed are duly metered, no additional units are worked out either as per LHF formula or on Proportionate Basis for additional connected load.

Assessment on the basis of proportionate units is carried out only when the units consumed are duly metered and connection is found to be utilized for other than the authorized purpose or place.

Company follows the provisions of Regulations and Act while inspecting any premises under Section 135 and assessing any consumer under Section 126.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory.

49. Mischief in HTP III tariff category

The objector stated that deemed applicability of HTP III tariff category to consumers not taking supply on regular basis under a proper agreement results to applicability of rates of HTP III category in case of penalizing of HTP I or HTP II category consumers, and therefore, needs clarity that penalty would be on the applicable tariff and expression ‘not taking supply on regular basis under a proper agreement’ will not be revoked.

Response of DISCOMs

Response is not clear and no Annexure is found with the response. However, it is to state that provisions of “Unauthorized Use of energy” are applied only in case of breach of provisions under Section 126 and dealt with in accordance with the provisions of Act and Regulations.

Commission’s view

The Commission noted the objection raised by the objector and response of the petitioners. Assessment of energy in cases of theft/ unauthorized use of electricity is carried out in accordance with the formula specified in Annexure IV of the GERC (Electricity Supply Code and Related Matters) Regulations, 2016 and applicable tariff is used to assess the energy for the said cases.

50. Security Deposit and Reconnection Charges without Disconnections

The objector stated that load factor to calculate security deposit is high and petitioners are collecting reconnection charges without disconnection of electricity supply.

Response of DISCOMs

Security Deposit is recovered from the consumer as per the provision of Security Deposit Regulations notified by the Commission and Reconnection charges are recovered only if the connection is physically disconnected.

Commission’s view

The Commission noted the objections raised by the objector and response of the petitioners and is of view that such matters should be raised before respective Consumer Grievances Redressal Forums.

51. Night time concessional tariff

The objector stated that night time tariff category should not have any demand charges.

Response of DISCOMs

The fixed charges are levied from the consumer to recover company's fixed cost which company is incurred irrespective of consumption and time of consumption by the consumer. Fixed charges mainly cover fixed cost of generating stations / Transmission Licensee and fixed components of Discoms like cost of infrastructure, employee cost, R&M cost, A&G cost etc. Therefore, any kind of discrimination among the tariff categories would lead to passing on the burden on the other tariff categories. Thus, it is not appropriate to have different fixed charges for the consumer of the same class category.

Commission's view

The Commission noted the response of the petitioners which is self-explanatory.

52. Determination of tariff for SEZ distribution licensee procuring electricity from the petitioners

The objector requested for separate tariff category for supply of electricity by the petitioners to those licensees which are operating in the State of Gujarat either as SEZ Developers or have obtained license from the Commission by way of application considering (i) Periphery tariff of distribution licensee or (ii) BST rate determined by the Commission plus premium on it.

Response of DISCOMs

The Commission determines the Tariff in accordance with the provisions of Electricity Act, 2003. Accordingly, the Commission determines the tariff for retail sale to consumers besides transmission tariff, approval of the tariff discovered through competitive bidding for respective generating unit(s)/ station, renewable energy sources etc. Tariff for supplying power by one Distribution Licensee to other Distribution licensee or to SEZ developers is always on mutually agreement basis and cannot be determined by the Commission.

Commission' view

The Commission noted the response of the petitioners and is in agreement with the same.

53. Non-recovery of Cross Subsidy Surcharge and Additional Surcharge

The objector stated that the petitioners should not charge cross subsidy surcharge and additional surcharge for the power purchased by the objector or such distribution licensees simultaneously through open access from any other source and from petitioners as a consumer.

Response of DISCOMs

Cross Subsidy Surcharge and Additional Surcharge are recovered as per the relevant provisions of Open Access Regulations and order of the Commission in this regard.

Commission's view

The Commission noted the response of the petitioners. During the course of hearing, it was confirmed by the petitioners that distribution licensee is exempted from payment of Cross Subsidy Surcharge or Additional Surcharge.

54. Applicability of HTP IV tariff category for all sick industrial units

The objector sought applicability of HTP IV category tariff for all sick industrial units and also for applicability of said tariff category for 24 hours instead of just night hours.

Commission's view

The Commission noted the suggestion of the objector. Since, the suggestion was sent late by the objector, views on the suggestion could not be obtained from the petitioners. Without giving an opportunity of hearing on the objection to the licensees and going into details about implication on the licensees' revenue, it is not appropriate and valid to implement the suggestion. Therefore, at present the Commission does not take any view on the suggestion.

55. Submission of consolidated formats for category-wise sales and revenue

The objector stated that GUVNL should submit consolidated formats for category-wise sales and revenue.

Commission's view

The suggestion was sent late by the objector, views on the suggestion could not be obtained from the petitioners. However, as per the GERC (MYT) Regulations, 2016, petitioners are not required to submit consolidated data for sales and revenue since, the revenue gap/ surplus for the truing up year of individual Discom is worked out on the basis of their separate ARR and Revenue.

56. Sharing of Profit of GUVNL

The objector stated that profit of GUVNL should be deducted from total power purchase cost.

Commission's view

It is to clarify here that, profit earned by GUVNL from its activities is distributed amongst DISCOMs as the entire cost of GUVNL is being borne by DISCOMs and ARR of the DISCOMs to that extent is reduced.

57. Consideration of O & M expenses as controllable

The objector stated that any variation in actual O & M expenses than approved O & M expenses should be considered as controllable and not to allow pass through of its two third amount to consumers as deviation shows inefficiency of distribution utilities.

Commission's view

The deviation in actual O & M expenses with approved O & M expenses is considered as Gain/ Loss due to controllable factor as per Regulation 22.2 of the GERC (MYT) Regulations, 2016. Further, any gain arising out of such controllable parameter is negated from Approved ARR to work out revenue gap/ surplus and thus it is passed on to the consumers as a rebate in tariff, in accordance with Regulation 24.1 of the GERC (MYT) Regulations, 2016. Same way, any loss arising out of this controllable parameter is added into approved ARR to work out revenue gap/ surplus and thus it is passed on to the consumers as addition in tariff in accordance with Regulation 24.2 of the GERC (MYT) Regulations, 2016.

58. Depreciation on Assets under Transfer Scheme

The objector stated that petitioners have used straight line method to work out depreciation on assets while depreciation on assets under the transfer scheme should be worked out in accordance with Regulation 39 of the GERC (MYT) Regulations, 2016.

Commission's view

Regulation 39 of the GERC (MYT) Regulations, 2016 provides for charging depreciation on assets under transfer scheme on straight line method as per the rates specified in the GERC (MYT) Regulations, 2016 for a period of 12 years from the date of the transfer scheme and then spread depreciation over the balance useful life of the assets. Distribution utilities have been charging depreciation on the assets under transfer scheme accordingly. However, a period of 12 years from the date of transfer scheme will be over in the year 2016-17 and accordingly, depreciation shall be charged from the 13th year i.e. FY 2017-18 as provided in the Regulations. The Commission has already directed the petitioners in this regards vide Order dated 31.03.2017.

59. Justification about other debits

The objector stated that petitioners have not justified other debits of Rs. 44 Crore.

Commission's view

Other debits have been considered as part of O & M expenses. However, it is to mention that item-wise break up of O & M expenses were sought by the Commission as an additional details and submitted by the petitioners which were made available on the Commission's website. O & M expenses have been approved in accordance with the GERC (MYT) Regulations, 2016 as detailed in Chapter 4 of this order.

60. Introduction of rebate for better load factor

The objector sought for introduction of rebate for better load factor.

Commission's view

Prior to introduction of rebate for better load factor, a detailed analysis of the consumption pattern of petitioners 'consumers, its impact on load curve, load generation balance data of each time block and real time price variation in energy portfolio of the petitioners is required to strike a balance between the groups of consumers proposed to get the benefit and the remaining set of consumers.

61. Discrimination between peak hour charges and night rebate concession

The objector stated that peak hour charges and night rebate concession charges should be same.

Commission's view

The objective of giving night benefit to the consumer is to shift their demand to off peak hours and thereby help the grid as well as to flatten the demand curve of the utility. But the consumers who are otherwise of continuous demand nature or as a part of their process they consume power during night hours cannot be considered to have made additional efforts to shift the load from peak hrs. Therefore, the night hours concession is given on the energy consumption during night hours in excess of one third of the total energy consumption of particular month. The said issue was also taken up in earlier tariff orders.

62. Higher Demand Charges

The objector stated that demand charges in case of demand in excess of 1000 kVA is higher if converted into per unit demand charges considering utilization factor of HT industries between 30 % to 45%.

Commission's view

For any business, the fixed costs of the business should be recovered from fixed charges. Also, such recovery of fixed cost from consumers having different contracted demand cannot be identified as the consumer who utilizes the system more should pay more. Accordingly, present structure of levy of demand charge does not require any modification.

63. Applicability of normal agriculture tariff to Sinchai Sahakari Piyat Mandli in place of applicability of LTP category tariff.

Response of DISCOMs

Petitioners, during the course of hearing, submitted that LTP tariff is applicable to Low Tension Agriculture consumers requiring 24 hours power supply for lifting water from surface water source such as canal, river, dam and supplying water directly to the fields of farmers for irrigation while normal agriculture tariff is applicable to individual agriculture consumers being provided 8 hours power supply. Further, it is stated that any change or modification in the tariff category should be revenue neutral to the petitioners.

Commission's view

The Commission agrees with the petitioner that higher energy charge for LTP IV and HTP V category consumer is appropriate looking to availability of 24 hours power supply. However, the Commission is of the view that there is a need to encourage 'Piyat Mandalis' and use of surface water for irrigation purpose on co-operative basis and to reduce demand for separate connection of individual farmer. The Commission has revised the tariff schedule accordingly.

64. Prior intimation to consumers before disconnection of the electricity connection

The objector stated that consumers should be given prior intimation about disconnection of electricity connection in case of Section 135, Section 126, non-payment of dues and such disconnection should not be carried out after 3 PM or on Public Holidays.

Commission's view

Disconnection of supply in case of Section 135 is carried out as per the Electricity Act, 2003 while disconnection of electricity connection in case of non-payment of dues is carried out in accordance with GERC (Electricity Supply Code and Related Matters) Regulations, 2015 where such procedure for disconnection is detailed. As per the said Regulations, consumers shall be provided prior notice for payment of such dues and in case of non-payment of such dues even after completion of the notice period, such disconnection to be carried out.

65. Centralised system of appointment

The objector stated that centralised system of appointment should be established instead of each distribution utility carrying out separate appointments.

Commission's view

Appointment of staff is the administrative matter of the utilities and does not fall within the jurisdiction of the Commission.

66. Temporary supply for agriculture irrigation purpose

The objector stated that temporary supply should be provided to agriculture consumers for irrigation purpose.

Commission's view

Large number of agriculture connection applications are pending with the four State Owned DISCOMs. Considering the current scenario, it would not be appropriate to provide temporary electricity supply to agriculture consumers for irrigation purpose. This issue is not a subject matter of present petition.

67. Compulsory requirement of temporary power supply

The objector stated that in case of reconstruction of existing property, there is compulsory requirement of temporary supply for construction purpose.

Commission's view

Regulation 12.1 of the GERC (Standard of Performance of Distribution Licensee) Regulations, 2005 specifies that the consumers may get temporary supply for construction of residential houses, complexes, commercial complexes, industrial premises and for illumination during festivals, etc. However, this issue is not a subject matter of present petition.

68. Quality of Power Supply

The objector stated that consumers are facing issues of voltage fluctuations, especially in Bopal area.

Response of DISCOMs

Petitioners submitted that they have not received any such complaints of voltage fluctuations from consumers residing in Bopal area. However, a study in the said area was carried out where voltage variations were found within permissible limits.

Commission's view

Though the issue is not a subject matter of present petition, the petitioner is directed to look into the matter and ensure voltage supply within permissible limits.

69. Blacklisting of defaulters from taking part in competitive bidding process of GUVNL

The objector stated that IPPs such as Adani Power Limited, Essar Power Limited are defaulters in providing supply to GUVNL and therefore should be blacklisted from taking part in competitive bidding process of GUVNL for procurement of power.

Commission's view

Procurement of power through competitive bidding is to be done by GUVNL following the guidelines issued by the Ministry of Power, Government of India, in this regard.

4 Truing up of FY 2016-17

This Chapter deals with the truing up of FY 2016-17.

UGVCL, in its submission for True-up of FY 2016-17, has furnished details of the actual energy sales, expenditure and revenue based on the audited annual accounts for FY 2016-17. The licensee has stated that the truing up for FY 2016-17 is based on the comparison of the actual performance of FY 2016-17 with the approved aggregate revenue requirement for FY 2016-17 in the MYT Order dated 31st March, 2017 to arrive at the Gains/(Losses), as per the GERC (MYT) Regulations.

The Commission has analysed the components of the actual energy sales, expenses, revenue and computed Gains/(Losses) in the process of truing up for FY 2016-17.

4.1 Energy sales

Petitioner's submission

The Petitioner has submitted the category-wise actual energy sales for FY 2016-17 as given in the Table below:

Table 4.1: Category-wise actual sales for FY 2016-17

(MUs)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
A	**LT Consumers**		
1	RGP	2035	1971
2	GLP	44	43
3	Non-RGP & LTMD	1643	1643
4	Public Water Works	662	645
5	Agriculture- Unmetered	9010	8691
6	Agriculture-Metered		
7	Public Lighting	55	54
	LT Total (A)	**13449**	**13046**
B	**HT Consumers**		
8	Industrial HT	4632	5307
9	Railway Traction	0	0
	HT Total (B)	**4632**	**5307**

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
	Grand Total (A+B)	**18081**	**18352**

Commission's Analysis

The Commission, in the MYT Order, dated 31st March, 2017, had approved the energy sales of 18081 MUs for FY 2016-17 against which, UGVCL has submitted the actual sales of 18352 MUs.

As can be observed from the Table above, the actual energy sales to LT categories are lower than those approved by the Commission for FY 2016-17 in the MYT Order dated 31st March, 2017. However, energy Sales in Industrial HT category is higher by 14.57% than what is approved in the MYT Order dated 31st March, 2017.

Overall, the actual energy sales of UGVCL are higher by 271 MUs, against those approved in the MYT Order dated 31st March, 2017. As energy sales depends upon factors, which are related to income level and overall growth of the economy, it remains largely uncontrollable in nature.

The Commission approves the energy sales of 18352 MUs as detailed in the Table below:

Table 4.2: Energy sales approved in truing up for FY 2016-17

(Mus)

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th>Approved for 2016-17 in MYT Order</th><th>Claimed in Truing up for 2016-17</th><th>Approved in Truing up for 2016-17</th></tr>
<tr><td>A</td><td>LT Consumers</td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>RGP</td><td>2035</td><td>1971</td><td>1971</td></tr>
<tr><td>2</td><td>GLP</td><td>44</td><td>43</td><td>43</td></tr>
<tr><td>3</td><td>Non-RGP & LTMD</td><td>1643</td><td>1643</td><td>1643</td></tr>
<tr><td>4</td><td>Public Water Works</td><td>662</td><td>645</td><td>645</td></tr>
<tr><td>5</td><td>Agriculture-Unmetered</td><td rowspan="2">9010</td><td rowspan="2">8691</td><td rowspan="2">8691</td></tr>
<tr><td>6</td><td>Agriculture-Metered</td></tr>
<tr><td>7</td><td>Public Lighting</td><td>55</td><td>54</td><td>54</td></tr>
<tr><td></td><td>LT Total (A)</td><td>13449</td><td>13046</td><td>13046</td></tr>
<tr><td>B</td><td>HT Consumers</td><td></td><td></td><td></td></tr>
<tr><td>8</td><td>Industrial HT</td><td>4632</td><td>5307</td><td>5307</td></tr>
<tr><td>9</td><td>Railway Traction</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td></td><td>HT Total (B)</td><td>4632</td><td>5307</td><td>5307</td></tr>
</table>

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Approved in Truing up for 2016-17
	Grand Total (A+B)	**18081**	**18352**	**18352**

4.2 Distribution Losses

Petitioner's submission

The Petitioner has submitted that the actual distribution losses for FY 2016-17 are 8.09%, as against the approved losses of 10.00% in the MYT Order as given in the Table below:.

Table 4.3: Distribution Losses

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
1	Distribution Losses	10.00%	8.09%

The Petitioner submitted that as per the GERC (MYT) Regulations, 2016 the distribution losses need to be treated as controllable and any gain or loss has to be dealt with, accordingly, as per the provisions of the MYT Regulations.

The Petitioner vide letter dated 23rd February, 2018 has claimed the revised distribution losses of 8.15% in place of 8.09% and adjusted the transmission losses to the extent of difference in aforesaid losses of 8.15% and 8.09%.

Commission's Analysis

UGVCL has submitted that the actual distribution losses are 8.15% for FY 2016-17, as against 10.00% approved in the MYT Order dated 31st March, 2017.

The Commission considers distribution loss as controllable as per the GERC (MYT) Regulations, 2016. Accordingly, the Commission considers the distribution loss of 10.00% as approved in the MYT Order dated 31st March, 2017 for the truing up of FY 2016-17, as shown in the Table below for computation of gains/(losses) due to variance in distribution losses.

Table 4.4: Distribution losses approved for truing up for FY 2016-17

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	2016-17 (Considered in True-up)
Distribution losses	10.00%	8.15%	10.00%

4.3 Energy requirement

Petitioner's submission

UGVCL has submitted the energy requirement for FY 2016-17 based on the actual energy sales and actual distribution losses for FY 2016-17, as given in the Table below:

Table 4.5: Energy requirement and Energy balance as submitted by UGVCL for FY 2016-17

Sr. No.	Particulars	Unit	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
1	Energy Sales	MUs	18,081	18,352
2	Distribution losses	MUs	2,009	1628
		%	10.00%	8.15%
3	**Energy Requirement**	**MUs**	**20,090**	**19,980**
4	Transmission Losses	MUs	804	805
5	Total Energy to be input to Transmission System	MUs	20,894	20,785
6	Pooled Losses in PGCIL System	MUs	336	309.67
7	**Total Energy Requirement**	**MUs**	**21,231**	**21,095**

Commission's Analysis

UGVCL has computed the energy requirement based on the distribution losses of 8.15% and actual energy sales of 18,352 MUs and transmission loss of 3.87%

The Commission had approved the distribution losses of 10.00% and the transmission loss of 3.85%, in the MYT Order dated 31st March, 2017.

Accordingly, the Commission has computed the energy requirement of UGVCL for FY 2016-17, as shown in the Table below:

Table 4.6: Energy requirement approved by the Commission for truing up for FY 2016-17

Sr. No.	Particulars	Unit	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Approved in truing up for 2016-17
1	Energy Sales	MUs	18081	18352	18352
2	Distribution Losses	MUs	2009	1628	1628
		%	10.00%	8.15%	8.15%
3	**Energy Requirement**	**MUs**	**20090**	**19980**	**19980**
4	Transmission losses	MUs	804	805	805

Sr. No.	Particulars	Unit	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Approved in truing up for 2016-17
5	Total energy to be input to transmission system	MUs	20894	20785	20785
6	Pooled losses in PGCIL system	MUs	336	310	310
7	**Total energy requirement**	**MUs**	**21231**	**21095**	**21095**

4.4 Power Purchase Cost

Petitioner's submission

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

UGVCL has claimed the actual power purchase cost incurred during FY 2016-17, as shown below:

Table 4.7: Power purchase cost claimed by UGVCL for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
Total Power Purchase Cost	8353.44	8056.87

Power Purchase Cost given above is the net power purchase cost after considering the net UI/ DSM Charges Payable/Receivable and the revenue from sale of power to GUVNL. UGVCL has submitted the break-up of actual power purchase cost during FY 2016-17, as shown in the Table below:

Table 4.8: Power purchase cost submitted by UGVCL for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
A	**Cost**		
1	Power Purchase from GUVNL		8175.69
2	Unscheduled Interchange Power Purchase		2.62
3	From Wind Farm		15.49
4	Power purchase from Solar		22.79

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
5	Reactive Energy charges		-
B	**Income**		
1	Sale of Power to GUVNL		59.50
2	Unscheduled Interchange		100.22
	Net Power Purchase Cost	**8,353.44**	**8,056.87**

It is submitted by UGVCL that the total power purchase cost for FY 2016-17 consists of the basic power purchase cost, transmission charges payable to GETCO and PGCIL, SLDC charges and the Discom's share of GUVNL cost.

It is submitted by UGVCL that the variation in the power purchase cost approved by the Commission and the actual power purchase cost incurred is due to various reasons. These include change in the power purchase cost and change in quantum of power purchased.

The quantum of power purchase depends upon sales during the year, as well as the losses in the system. The actual distribution losses in UGVCL distribution network have been lower than the approved level and the sales are also lower than that approved by the Commission and hence, the overall quantum of power purchased was lower than the approved quantum of power required..

The reduction in quantum of power purchased and power purchase expense due to variation in distribution loss is a controllable factor, which would result in gains or losses under the GERC (MYT) Regulations, 2016 and is dealt with accordingly.

As per the GERC (MYT) Regulations,2016 the Commission has categorised the variation in the price of fuel and/or price of power purchase according to the FPPPA formula approved by the Commission as an uncontrollable factor. Further, the Commission has also identified the variation in the number or mix of consumers or quantity of electricity sold to consumers as an uncontrollable factor. Thus the variation in the above factors affects the power purchase expenses and results into either a loss or gain. Accordingly, any gain or loss on this account is to be entirely passed on to the consumers as per the methodology approved by the Commission.

Commission's Analysis

The Commission has examined the actual quantum of power purchased and the power purchase cost during FY 2016-17, based on the actual energy sales and the distribution losses submitted by UGVCL. The Commission observed that the Petitioner has included the SLDC Charges of Rs. 2.38 Crore in the A & G expenses, while as per the GERC (MYT) Regulations, 2016 it should form part of Power Purchase Cost and hence the same is reduced from A & G expenses and added in the Power Purchase Cost. Further, the Commission observed from the annual accounts that the Petitioner has accounted Rs. 0.27 Crore as Other Income (Note 26) towards Prompt Payment Rebate for purchase of power. The Commission has excluded this amount from Other Income and reduced it from the Power Purchase Cost. The sales and the quantum of power purchase and the power purchase cost are as per the audited annual accounts for FY 2016-17. The power purchase cost, as per the audited annual accounts for FY 2016-17, is Rs. 8056.87 Crore and after addition of SLDC Charges of Rs 2.38 Crore and deduction of Prompt Payment Rebate of Rs. 0.27 Crore works out to Rs 8058.97 Crore as shown in the Table below:

Table 4.9: Power Purchase Cost as per the audited accounts for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Power purchased from GUVNL	8,175.69
2	Power purchased from CPP/Wind Farms/Solar	15.49
3	Power purchased from Solar	22.79
4	UI/DSM Charges	2.62
5	SLDC Charges	2.38
6	**Total Power Purchase**	**8,218.97**
7	Power sold to GUVNL (Income)	59.50
8	UI/DSM Charges (income)	100.22
9	Prompt Payment Rebate	0.27
10	**Net Power Purchase Cost (4-5-6)**	**8,058.97**

The Commission approves the power purchase cost of Rs. 8,058.97 Crore for FY 2016-17 as per the audited annual accounts.

Table 4.10: Power Purchase Cost approved by the Commission for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Approved in truing up for 2016-17
Total Power Purchase Cost	8,353.44	8,056.87	8,058.97

4.5 Gain / (loss) due to distribution losses

Petitioner's Submission

UGVCL as per the subsequent submission has claimed that there is gain of Rs. 156.97 Crore in the power purchase cost due to lower distribution loss as compared to approved distribution loss in the MYT Order dated 31st March, 2017. The gain is considered as controllable variation. The calculation of gain on account of lower distribution loss as submitted by UGVCL is shown in the Table below:

Table 4.11: Gains/ (Losses) on account of distribution losses for FY 2016-17 as submitted by UGVCL

Sr. No.	Particulars	Unit	FY 2016-17(with Approved Distribution Losses	2016-17 (with Actual Distribution Losses)
1	Energy Sales	MUs	18352.45	18352.45
2	Distribution Losses	MUs	2039.00	1628.00
		%	10.00%	8.15%
3	Energy Requirement	MUs	20391.45	19980.45
4	Saving due to Distribution Losses	MUs		411.00
5	Average Cost of Power Purchase	Rs./kWh		3.82
6	Gains/(Loss) Due to Dist. Losses	Rs. Crore		156.97

Commission's Analysis

The Commission has approved distribution loss at 10% for FY 2016-17 in the MYT Order dated 31st March, 2017

UGVCL has submitted that the actual distribution loss for FY 2016-17 has been 8.15%, which is lower than the distribution losses, approved in the MYT Order dated 31st March, 2017 for FY 2016-17. However, as discussed in Section 4.2**,** the Commission has considered 10.00% as the actual distribution loss for truing up of FY 2016-17.

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

Table 4.12: Approved Gains/(losses) on account of distribution losses for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Units	2016-17 (Actual Distribution Losses)	2016-17 Approved for truing up
1	Energy Sales	MUs	18352.45	18352.45
2	Distribution Losses	MUs	1628.05	2039.16
		%	8.15%	10.00%
3	**Energy Requirement**	**MUs**	**19980.50**	**20391.61**
4	Saving due to Distribution Losses	MUs		411.11
5	Average Power Purchase Cost	Rs./Unit		3.82
6	**Gain/(Loss) due to Dist. Losses**			**157.06**

The total gain on account of lower distribution losses, as submitted by UGVCL, is Rs. 156.97 Crore and as computed by the Commission, it is Rs.157.06 Crore.

While computing the Gains/(Losses) due to change in distribution losses, the Commission has considered the distribution losses at 10.00% of actual energy sales to arrive at change in energy requirement at the distribution periphery and did not consider the transmission losses to factor the efficiency of distribution activities only.

The Commission considered change in power purchase cost as uncontrollable and 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 are considered as controllable. Accordingly, gains/losses computed on account of power purchase are shown in the Table below:

Table 4.13: Approved gain / (loss) – power purchase expenses for truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up for 2016-17	Deviation +/ (-)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to uncontrollable factor
Total Power Purchase cost	8,353.44	8,058.97	294.47	157.06	137.41

4.6 Fixed charges

4.6.1 Operation and Maintenance (O&M) expenses for FY 2016-17

UGVCL has claimed O&M expenses of Rs. 595.19 Crore, which is inclusive of employee cost of Rs. 513.17 Crore, repairs & maintenance expenses of Rs. 62.64 Crore and administration & general expenses of Rs. 77.39 Crore, other debits of Rs 11.80 Crore, and other expenses capitalized of Rs 69.81 Crore against the approved O&M expense of Rs 419.08 Crore as per the details given in the Table below:

Table 4.14: O&M expenses claimed in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation +/ (-)
1	Employee Cost	400.67	513.17	(112.51)
2	Repairs & Maintenance Expenses	83.71	62.64	21.07
3	Administration & General Expenses	71.60	77.39	(5.79)
4	Other Debits	-	11.80	(11.80)
5	Extraordinary Items	-	-	-
6	Net Prior Period Expenses /(Income)	-	-	-
7	Other Expenses Capitalised	(136.89)	(69.81)	(67.09)
8	**Operation & Maintenance Expenses**	**419.08**	**595.19**	**(176.10)**

Petitioner's submission

UGVCL has compared the O&M expenses actually incurred during FY 2016-17 with the expenses approved by the Commission in the MYT Order dated 31st March, 2017 and arrived at a gain/(loss) as shown in the Table below:

Table 4.15: O&M expenses and gains / losses claimed in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to uncontrollable factor
1	Employee Cost	400.67	513.17		(112.51)
2	Repairs & Maintenance Expenses	83.71	62.64	21.07	
3	Administration & General Expenses	71.60	77.39	(5.79)	
4	Other Debits	-	11.80		(11.80)
5	Extraordinary Items	-	-		
6	Net Prior Period Expenses /(Income)	-	-		
7	Other Expenses Capitalized	(136.89)	(69.81)		(67.09)
8	**Total O & M Expenses**	**419.08**	**595.19**	**15.29**	**(191.39)**

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

4.6.2 Employee cost

UGVCL has claimed Rs. 513.17 Crore towards the employee cost in the truing up for FY 2016-17. The employee cost approved for FY 2016-17 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are given in the Table below:

Table 4.16: Employee cost claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for FY 2016-17 in MYT Order	Claimed in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Cost	400.67	513.17		(112.51)

Petitioner's submission

UGVCL has submitted that the employee cost was incurred on the basis of the guidelines issued by the competent authorities like the State Government and that the entire expenditure estimated is a legitimate expenditure and any variation is purely beyond its control. Accordingly, UGVCL has estimated a loss of Rs. 112.51 Crore on account of uncontrollable factors.

Commission's Analysis

UGVCL has compared the actual employee cost of Rs. 513.17 Crore incurred during FY 2016-17 with Rs. 400.67 Crore approved in the MYT Order dated 31st March, 2017. The actual employee cost, as per the audited annual accounts for FY 2016-17, is Rs. 509.60 Crore before capitalization of Rs. 60.70 Crore. Further, the Petitioner has added the Re-measurement of the Defined Benefit Plans of Rs. 3.57 Crore as appearing in the Statement of P&L for the year ended 31st March, 2017 being the component of employee cost to arrive at claimed figure of Rs. 513.17 Crore. On enquiry with UGVCL it is informed that employee expenses include a provision of Rs. 80.36 Crore towards 7th Pay Commission. As payment on this account is yet to be made, the Commission disallows this provision for employee expenses, to the extent of Rs. 80.36 Crore for the purpose of true up of 2016-17. However, as and when the actual is made, the Commission would consider such claims, which would be accounted for during the true up of the respective year as uncontrollable factor

Therefore, the Commission considers Rs. 432.81 Crore (Rs. 513.17 Crore minus Rs. 80.36 Crore) as employee expenses for true up of FY 2016-17. The Commission considers the employee cost as a controllable expense, which is in line with the MYT Regulations.

The Commission, accordingly, approves the employee cost at Rs. 432.81 Crore in the truing up for FY 2016-17.

Table 4.17: Employee cost approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to uncontrollabl e factor
1	Employee Cost	400.67	432.81	(32.15)	

4.6.3 Repairs & Maintenance (R&M) Expenses

UGVCL has claimed Rs. 62.64 Crore towards R&M expenses in the truing up for FY 2016-17. The R&M expenses approved for FY 2016-17 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are given in the Table below:

Table 4.18: R&M expenses claimed by UGVCL for the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for FY 2016-17 in MYT Order	Claimed in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Repairs & Maintenance Expenses	83.71	62.64	21.07	-

Petitioner's submission

UGVCL has submitted that the assets of UGVCL are old and require regular maintenance to ensure uninterrupted operations. It has been further submitted that UGVCL has been trying its best to ensure uninterrupted operations of the system by undertaking R&M activities which are uncontrollable in nature. UGVCL has worked out a gain of Rs. 21.07 Crore due to controllable factors.

Commission's Analysis

The actual R&M expenses incurred during FY 2016-17 are Rs. 62.64 Crore, as per the audited annual accounts. The Commission has observed that R&M expenditure incurred by UGVCL is lower than the amount approved in the MYT Order dated 31st March, 2017.The R&M expense is a controllable item of expenditure under the GERC (MYT) Regulations, 2016.

The Commission accepts the contention of UGVCL and accordingly approves the R&M expenses at Rs. 62.64 Crore in the truing up for FY 2016-17.

Table 4.19: R&M expenses approved for the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Repairs & Maintenance Expenses	83.71	62.64	21.07	

4.6.4 Administration & General (A&G) Expenses

UGVCL has claimed Rs. 77.39 Crore towards A&G expenses in the truing up for FY 2016-17. The A&G expenses approved for FY 2016-17 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are given in the Table below:

Table 4.20: A&G expenses claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Administration & General Expenses	71.60	77.39	(5.79)	

Petitioner's submission

UGVCL has submitted that the A&G expenses are categorised as controllable expenses in the MYT Regulations and the actual A&G expenses, when compared with the approved value, resulted in a loss of Rs. 5.79 Crore for FY 2016-17.

Commission's Analysis

The Petitioner has claimed Rs. 77.39 Crore towards A & G Expenses. Commission observed from the Audited Annual Accounts that the A & G Expenses included an amount of Rs 0.60 Crore spent towards CSR activities and Rs. 2.38 Crore towards SLDC charges. As per the GERC (MYT) Regulations, 2016, CSR expenses are not considered while truing up and SLDC charges have been added to power purchase cost and hence the same have been reduced from the A & G expenses to arrive at Rs. 74.41 Crore. The Commission observed that the actual A&G expense is higher than Rs. 71.60 Crore approved in the MYT Order dated 31st March, 2017 for FY 2016-17.

The parameters impacting A&G expenses are controllable in nature, as specified in the GERC (MYT) Regulations, 2016. The Commission, accordingly, considers Rs. 2.81 Crore as loss under A&G expenses, on account of controllable factors. **The Commission, accordingly, approves the A&G expenses at Rs. 74.41 Crore in the truing up for FY 2016-17.**

Table 4.21: A&G expenses approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Administration & General Expenses	71.60	74.41	(2.81)	

4.6.5 Other Debits

Petitioner's submission

UGVCL has claimed the actual other debits at Rs. 11.80 Crore in the truing up, as against Rs. NIL approved in the MYT Order dated 31st March, 2017 for FY 2016-17 as shown in the Table below.

Table 4.22: Other debits as claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Other Debits	-	11.80		(11.80)

Commission's Analysis

The Commission observed that other debits considered by UGVCL includes expenses for energy conservation of Rs. 5.47 Crore, Miscellaneous losses & Write-off of Rs. 5.81 Crore and loss on account of Flood, Cyclone, Fire etc. of Rs. 0.51 Crore. In response to the Commission's query, the Petitioner furnished the break-up of such Miscellaneous Losses & Write-off as follows:

Descriptions	Amount (Rs. Crore)
Miscellaneous Losses (Includes compensation for Injury, death damage – Outsiders, Loss on sale of scrap, HBA written off etc.	2.37
Write-off (Waiver of Delayed Payment Charges)	3.44
Total	**5.81**

The aforesaid break-up of Miscellaneous Losses & Write-off is inclusive of Rs. 3.44 Crore towards waiver of Delayed Payment Charges. As the Commission does not consider the income towards delayed payment surcharges as Non-Tariff Income, the waiver of same also cannot be considered as expenses. Therefore, the Commission allows Rs. 8.35 Crore under other debits for the purpose of true up of annual accounts of 2016-17.

The Commission accordingly approves the other debits at Rs. 8.35 Crore as uncontrollable expense in the truing up for FY 2016-17.

Table 4.23: Other debits approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Other Debits	-	8.35		(8.35)

4.6.6 Other Expenses Capitalised

UGVCL has claimed the actual expenses capitalised at Rs. 69.81 Crore in the truing up for FY 2016-17, as against Rs. 136.89 Crore approved in the MYT Order dated 31st March, 2017.

Table 4.24: Other expenses capitalized as claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Other Expenses Capitalized	(136.89)	(69.81)		(67.09)

Commission's Analysis

The Commission has observed that the other expenses capitalised represent the capitalisation of employee cost and A&G expenses, as seen from the annual accounts for FY 2016-17. The actual other expenses capitalised is Rs. 69.81 Crore, as per the audited annual accounts for FY 2016-17. The Commission, accordingly, approves the other expenses capitalised at Rs. 69.81 Crore against Rs. 136.89 Crore approved in MYT Order dated 31st March, 2017 for FY

2016-17 and the loss of Rs. 67.09 Crore due to uncontrollable factors as shown in the Table below:

Table 4.25: Other expenses capitalized approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Other Expenses Capitalized	(136.89)	(69.81)		(67.09)

The total O&M expenses approved in the truing up for FY 2016-17 and the gains / (losses) considered due to controllable and uncontrollable factors are detailed in the Table below:

Table 4.26: Approved O&M expenses and gains / loss in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Approved in truing up for 2016-17	Deviation +/ (-) (2-4)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to uncontrollable factor
1	**2**	**3**	**4**	**5**	**6**	**7**
Employee Cost	400.67	513.17	432.81	(32.15)	(32.15)	
Repairs & Maintenance Expenses	83.71	62.64	62.64	21.07	21.07	
Administration & General Expenses	71.60	77.39	74.41	(2.81)	(2.81)	
Other Debits	-	11.80	8.35	(8.35)		(8.35)
Extraordinary Items	-	-	-	-	-	-
Net Prior Period Expenses /(Income)	-	-	-	-	-	-
Other Expenses Capitalised	(136.89)	(69.81)	(69.81)	(67.09)		(67.09)
Total O & M Expenses	**419.08**	**595.19**	**508.41**	**(89.32)**	**(13.89)**	**(75.44)**

4.6.7 Capital expenditure, Capitalisation and Funding of CAPEX

UGVCL has claimed actual capital expenditure of Rs. 517.82 Crore in the truing up for FY 2016-17, against Rs. 813.66 Crore approved in the MYT Order dated 31st March, 2017 as given in the Table below:

Table 4.27: Capital expenditure claimed by UGVCL for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation
A	**Distribution Schemes**			
	Normal Development Scheme	175.00	158.74	16.26
	System Improvement Scheme	30.00	21.88	8.12
	Jyotigram	0.00	0.00	-
	HVDS in selected sub-division	5.50	3.88	1.62
	Loss reduction-AG	0.00	0.00	-
	Loss reduction- nonAG	0.00	0.00	-
	Automatic Meter Reading	0.00	0.00	-
	Undergraound cables	25.00	10.94	14.06
	Aerial Bunch Conductors	0.00	0.00	-
	Load Shedding Transformers	0.00	0.00	-
	Plan Load management Transformer	4.00	0.00	4.00
	Others	0.65	0.03	0.62
	Total	240.15	195.46	44.69
B	**Rural Electrification Schemes Plan**			-
	TASP (Wells) & Petapara	40.00	24.38	15.62
	Non-TASP Wells	0.00	0.00	-
	Scheduled Caste Sub Plan(Wells)	5.00	0.20	4.80
	Scheduled Caste Sub Plan(lighting)	3.00	3.05	(0.05)
	Special Component Plan	0.00	0.00	-
	Electrification of Hutments	5.00	4.29	0.71
	Kutir Jyoti Scheme	0.50	1.12	(0.62)
	Dark Zone	225.00	159.14	65.86
	Sagarkhedu	5.00	2.83	2.17
	Solar home light	30.00	6.49	23.51
	Total	313.50	201.52	111.98
C	**Central Government Schemes- Plan**			
	RGGVY	0.00	0.00	-
	DDUJGY	36.00	0.32	35.68
	R-APDRP Part A	5.00	0.80	4.20

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation
	R-APDRP Part B	0.00	0.00	-
	BADP	0.00	0.00	-
	IPDS	30.00	0.45	29.55
	SCADA Part A	18.46	2.40	16.06
	SCADA Part B	10.00	10.89	(0.89)
	Smart Grid	15.00	0.01	14.99
	Total	114.46	14.86	99.60
D	**Other Schemes (Non Plan)**			-
	RE (Tatkal)	5.00	1.94	3.06
	Independent Consultant/Survey Agency	0.50	0.00	0.50
	AG Normal (SPA)	80.00	80.58	(0.58)
	Energy Conservation	0.10	0.00	0.10
	Total	85.60	82.52	3.08
E	**Other New Schemes**			
	Automation and Computerization	4.35	0.12	4.23
	Automatic PF Control panels	0.00	0.00	-
	Automatic Test Bench & testing van	0.00	0.00	-
	Hand Held Instruments	0.00	0.00	-
	Civil Work / New Building	17.00	3.93	13.07
	GIS in Cities	0.20	0.12	0.08
	Other Schemes(Earthing)	0.90	1.96	(1.06)
	Other Repairing Work/Civil Work	2.00	0.00	2.00
	New Furniture and Fixtures	1.00	1.58	(0.58)
	Vehicles	0.50	0.21	0.29
	GIDC BOL(Electrification)	0.00	0.00	-
	Replacement of Assets	0.00	0.00	-
	Other Renovation Work	0.00	0.00	-
	Photo Biling	0.00	0.00	-
	CCC	0.00	0.00	-
	ERDA & EQDC Material Testing	0.00	0.00	-
	R & D Budget	0.00	0.00	-
	GE 14.91 to 14.96	0.00	0.00	-
	ADB	0.00	0.00	-
	DSM	4.00	0.00	4.00
	Khushi	0.00	0.00	-
	DISS	20.00	15.55	4.45
	Solar Pump	10.00	0.00	10.00
	Vivekadin	0.00	0.00	-

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation
	Total	59.95	23.46	36.49
F	**Capital Expenditure Total**	813.66	517.82	295.84

Petitioner's Submission

Petitioner has submitted the scheme wise deviation in the capital expenditure as below

1. **IPDS & DDUGJY:-** GOI has sanctioned project of Rs. 102.22 Crore for IPDS and Rs. 121.54 Crore for DDUGJY with 60% GOG grant. For execution of both the project, it was directed that material should purchase as per the specification given by REC (Rural electrification Corporation Ltd) with engraving the word "IPDS" & "DDUGJY" respectively. For the same, for getting exemption from engraving of material & galvanization of steel material, specification as per DISCOM practice for material like HT AB cable, Transformers , Disc insulator, plastic seals etc. on behalf of all DISCOM proposal was forwarded to SLSC (State Level Standing Committee) by PGVCL through GUVNL which was approved in the month of July-2017. Hence, in the FY 2016-17, very little work like replacement of single phase meters, SMC box replacement etc. was carried and as a result capex booking against projection is less.
2. **HVDS in Selected sub-division**: - The target of HVDS work for UGVCL was of Rs. 7.0 Crore for FY 2016-17. UGVCL has carried out HVDS work for 431 Nos of Transformer center at TS amount of Rs. 7.02 Crore. The actual expenditure is always less than TS amount. There is possibility that line work completed before March-2017 but transformers are issued in FY 2017-18.
3. **TASP (Wells): -** During FY 2016-17, UGVCL has carried out electrification work of 2662 number of wells under TASP scheme at a TS amount of Rs. 42.62 Crore. The actual expenditure is always less than TS amount. For 944 Nos of connection line work completed in FY 2016-17 but transformer issued in FY 2017-18.
4. **Schedule cast Sub-plan (Wells):-** The target of SCSP Wells work for UGVCL was of Rs. 7.5 Crore for FY 2016-17. UGVCL has carried out electrification work for 478

number of wells at TS amount of Rs. 7.76 Crore. The actual expenditure is always less than TS amount. There is possibility of wrong booking of expenditure of SCSP scheme in other scheme.

5. **Electrification of Hutments**:-

   The target of Hutments electrification work for UGVCL was of Rs. 9.0 Crore for FY 2016-17. UGVCL has carried out electrification work for TS amount of Rs. 8.99 Crore.

6. **Kutir Jyoti Scheme**:- The target of electrification work under Kutir Jyoti scheme for UGVCL was of Rs 1.2 Crore for FY 2016-17. UGVCL has carried out electrification work for TS amount of Rs. 1.2 Crore.

7. **Dark Zone**:- The target of well electrification work under Dark Zone scheme for UGVCL was of Rs.. 330 Crore for FY 2016-17. UGVCL has carried out electrification work for TS amount of Rs. 313.46 Crore. The actual expenditure is always less than TS amount. For 3786 number of connection the HT line work transformer center work was carried out in FY 2016-17 but transformers were issued in year 2017-18.

8. **Sagarkhedu**:- The target of Sagarkhedu work for UGVCL was of Rs. 4.0 Crore for FY 2016-17. UGVLC has carried out electrification work for TS amount of Rs. 4.0 Crore.

9. **RE (Tatkal)**:- UGVCL has carried out electrification work for tatkal scheme at TS amount of Rs. 3.71 Crore. Due to less Nos. of pending application, the progress is less.

10. **Solar pump**:- UGVLC has carried out electrification work for 300 Nos solar Ag pump scheme at estimated amount of Rs. 12.4 Crore for FY 2016-17. The supplier bills of above system were recorded in FY 2017-18 and so expenditure booked in 2016-17 is Nil.

11. **Normal Development & System Development**:- Due to various ongoing schemes like DISS and RE schemes, the material received was less in ND scheme. Due to non-receipt of contractor bills in time before March end, expenditure booking is less.

12. **Distribution Infrastructure Shifting Scheme**: - Under DISS scheme, proposal from Municipal Corporation, Nagar Palika was essential as per the stipulation of the scheme. These organizations have not submitted the proposals and sites to be

covered under DISS as envisaged by the company. Consequently, there is a less expenditure incurred as compared to approved expenditure under scheme.

13. **Solar Home Light**:- UGVCL has done the actual expenditure is Rs. 32.75 Crore instead of Rs. 6.49 Crore. There is also possibility of booking done after March-2017.
14. **Energy Conversion**:- UGVCL has done the actual expenditure is Rs. 0.27 Crore instead of Rs. 0.00 Crore. There is also possibility of booking done after March-2017.
15. **DSM**:- UGVCL has done the actual expenditure is Rs. 5.19 Crore instead of Rs. 0.00 Crore under UJALA Gujarat Programme. There is also possibility of booking done after March-2017.

Commission's Analysis

The capital expenditure approved in MYT Order dated 31st March, 2017 for FY 2016-17 was Rs. 813.66 Crore. The actual capital expenditure incurred is Rs. 517.82 Crore, which is lower by Rs. 295.84 Crore than the CAPEX approved in the MYT Order dated 31st March 2017.

The Commission observed that in scheme IPDS and DDUGJY capital expenditure was spend less than the planned expenditure and the sanctioned amount Rs. 102.22 Crore and 121.54 Crore respectively. UGVCL submitted that thus very little work like capital expenditure on replacement on single phase meters and SMC box replacements was carried out and as a result capex booking against projection is less.

The Commission also observed that actual expenditure was less than the target expenditure as work performed in schemes like HVDS in selected sub-division and TAPS (Wells) was less than targeted work. UGVCL has submitted that expenditure under electrification of hutments and Kutir Jyoti scheme was Rs. 8.99 Crore and Rs. 1.2 Crore respectively.

The Commission also looked at 'Dark Zone' scheme and observed that expenditure under this scheme was Rs. 313.46 Cr as compared to Rs. 330 Crore and this may be due transformers issued in FY 2017-18.

UGVCL has submitted that it achieved the targeted work under scheme such as 'Sagarkhedu' scheme. UGVCL also submitted that in RE scheme work was done for Rs. 3.41 Crore as it has less pending applications and under scheme solar pump and normal development and system development suppliers invoices were booked in FY 2017-18 for the expenditure incurred.

The Commission observed that in Distribution Infrastructure Shifting Scheme the municipal corporations have not given UGVCL the embarked areas to be covered and hence there is delay in implementation of the said scheme. Apart from this UGVCL has given reasons for capital expenditure in case of solar home light, energy conservation and DSM Schemes.

The Commission has further observed that most of the capital expenditure schemes by the Discoms are of continuous and ongoing nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to the consumers, reduction in losses, release of agriculture connections, etc. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. Nevertheless, the licensee shall be more realistic in projecting the capital expenditure.

The Commission, verified the audited annual accounts of UGVCL and has observed that UGVCL has incurred actual capital expenditure of Rs. 517.82 Crore and the capitalisation of Rs. 474.83 Crore. The Commission also verified from the annual account that the Petitioner received Consumer Contribution of Rs. 120.38 Crore and Govt. Grant of Rs. 57.10 Crore during the year to part finance the capitalization of Rs. 474.83 Crore. The Commission, therefore approves the same in the truing up for FY 2016-17.

The CAPEX, capitalisation and funding claimed by UGVCL and approved by the Commission are as given in the Table below:

Table 4.28: Approved Capitalisation and sources of funding in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Schemes	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	2016-17 Approved for true up
1	Capex	813.66	517.82	517.82
2	Capitalization	813.66	474.83	474.83
3	Less: Consumer Contribution	109.75	120.38	120.38
4	Less: Grants	322.10	57.10	57.10
5	Balance CAPEX	381.81	297.35	297.35
6	Debt @ 70%	267.27	208.15	208.15
7	Equity @ 30%	114.54	89.21	89.21

4.6.8 Depreciation

UGVCL has claimed Rs. 273.89 Crore towards depreciation in the truing up for FY 2016-17 against the depreciation of Rs. 289.67 Crore approved in the MYT Order dated 31st March, 2017.

Petitioner's submission

UGVCL submitted that the financial statements have been prepared in accordance with Indian AS prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended). Property, Plant and Equipment comprising of tangible assets are stated after reducing the accumulated depreciation until the date of the Balance Sheet. UGVCL has considered opening gross fixed assets same as closing gross fixed assets for FY 2015-16 as approved by the Commission at the time of Truing up of FY 2015-16 under Tariff Order dated 31stMarch, 2017.

UGVCL has charged depreciation on fixed assets of the company, on the useful life of the assets at the rates prescribed in the GERC (MYT) Regulations, 2016 for FY 2016-17

Table 4.29: Fixed assets & depreciation computed by UGVCL for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
1	Gross Block at the Beginning of the year	5205.67	5205.67
2	Additions during the Year (Net)	813.66	474.83
3	Depreciation for the Year	289.67	273.89
4	Average Rate of Depreciation	5.16%	5.03%

UGVCL has further submitted that actual depreciation for FY 2016-17, as against the value approved in the MYT, resulted in a net uncontrollable gain of Rs. 15.78 Crore. Details are given in the Table below:

Table 4.30: Gain / loss due to deprecation claimed in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
Depreciation	289.67	273.89		15.78

Commission's Analysis

It is observed that Opening GFA as per Audited accounts have been readjusted as per Indian AS. However, the Commission has considered the opening balance of GFA as per last true up for FY 2015-16, and accordingly the closing balance of GFA, i.e. 31.03.2016 has been considered as opening balance of GFA as on 01.04.2016.

The net addition during the year of Rs. 474.83 Crore is as approved in Table 4.28 of this Order. The depreciation as per P&L Account for FY 2016-17 is Rs. 273.89 Crore. The Commission has considered depreciation of Rs. 273.89 Crore claimed by UGVCL as prescribed under the GERC (MYT) Regulations, 2016.

The Commission, accordingly, approves the depreciation at Rs. 273.89 Crore in the truing up for FY 2016-17.

Table 4.31: Approved fixed assets& depreciation for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17
1	Gross Block at the Beginning of the year	5205.67	5205.67
2	Additions during the Year (Net)	813.66	474.83
3	Gross Block at the end of the year	6019.33	5680.50
4	Depreciation for the Year	289.67	273.89
5	Average Rate of Depreciation	5.16%	5.03%

The amount of depreciation is dependent on the quantum of capitalisation, rate of depreciation, etc. The Commission has, therefore, considered the parameters impacting depreciation as uncontrollable.

The Commission, accordingly, approves the gains / losses on account of depreciation in the truing up for FY 2016-17, as detailed in the Table below:

Table 4.32: Gain / loss due to depreciation approved in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
Depreciation	289.67	273.89	-	15.78

4.6.9 Interest and Finance charges

UGVCL has claimed Rs. 123.08 Crore towards interest and finance charges in the truing up for FY 2016-17, as against Rs. 130.38 Crore approved in the MYT Order dated 31st March, 2017 as shown in the Table below:

Table 4.33: Interest and Finance charges claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
Interest and Finance charges	130.38	123.08		7.30

Petitioners' submission

UGVCL has submitted for assessing the actual Interest charges on loans in FY 2016-17, UGVCL has considered the opening balance of loans for FY 2016-17. The loan addition in FY 2016-17 is computed at Rs. 208.15 Crore towards funding of CAPEX for FY 2016-17. As per the GERC (MYT) Regulations, 2016 repayment during the year has been considered equal to the depreciation for the financial year.

UGVCL has considered the weighted average rate of interest of 7.34%, as against 7.27% approved the MYT Order dated 31st March, 2017 for FY 2016-17. Subsequently, the Petitioner has revised the interest rate from 7.34% to 8.99% and accordingly, revised the Interest and Finance Charges claim to Rs. 132.86 Crore.

In addition to the above, UGVCL has considered the guarantee charges payable on legacy loans allocated from the erstwhile GEB and interest on security deposits. The details of interest and finance charges claimed by UGVCL are as given in the Table below:

Table 4.34: Interest and Finance charges claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation
1	Opening Loans	626.03	626.03	
2	Loan Additions during the year	267.27	208.15	

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Deviation
3	Repayment during the year	289.67	273.89	
4	Closing Loans	603.63	560.29	
5	Average Loans	614.83	593.16	
6	Interest on Loan	44.70	53.33	(8.63)
7	Interest on Security Deposit	84.85	78.95	5.90
8	Guarantee Charges	0.83	0.59	0.24
9	**Total Interest & Finance Charges**	**130.38**	**132.86**	**(2.49)**
10	Weighted Average Rate of Interest	7.27%	8.99%	

UGVCL has further submitted that interest and finance charges are categorised as uncontrollable as per the GERC (MYT) Regulations, 2016 and accordingly worked out deviation in the actual vis-à-vis the approved expenses under uncontrollable factors, as given in the Table below:

Table 4.35: Gains / (Loss) claimed due to interest & finance charges for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
Interest and Finance charges	130.38	132.86	-	(2.49)

Commission's Analysis

The Commission observed that the closing balance of loan approved in true up Order for FY 2015-16 is Rs.626.03 Crore and the same has to be taken as opening loan balance for FY 2016-17. The Commission considers Rs. 626.03 Crore as the opening loan for the purpose of true up of FY 2016-17.

The capitalisation and funding of CAPEX have been approved for FY 2016-17, as per Table 4.28 of this Order.

The normative addition of loans during FY 2016-17 has been considered at Rs. 208.15 Crore as approved in Table 4.28 of this Order. The interest on security deposits submitted at Rs. 78.95 Crore is as per the audited accounts for FY 2016-17.

The repayment of loan is Rs. 273.89 Crore in the truing up for FY 2016-17, which is equivalent to the depreciation, approved in Table 4.30 of this Order. The guarantee charges and other finance charges, as per the audited accounts for FY 2016-17 are Rs. 0.59 Crore.

UGVCL has submitted details of the actual loan portfolio and the rate of interest applicable for each loan portfolio for FY 2016-17 vide email dated 22.03.2018. The Commission has worked out the weighted average rate of interest as 9.93% which is in accordance with Regulation 38 of the GERC (MYT) Regulations, 2016. Taking all these factors into consideration, the interest and finance charges have been computed as detailed in the Table below:

Table 4.36: Interest and Finance charges approved by the Commission in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17
1	Opening Loans	626.03	626.03
2	Loan Additions during the year	267.27	208.15
3	Repayment during the year	289.67	273.89
4	Closing Loans	603.62	560.29
5	Average Loans	614.83	593.16
6	Interest on Loan	44.70	58.90
7	Interest on Security Deposit	84.85	78.95
8	Guarantee Charges	0.83	0.59
9	Total Interest & Finance Charges	**130.38**	**138.44**
10	Weighted Average Rate of Interest	7.27%	9.93%

The Commission, accordingly, approves the interest and finance charges at Rs.138.44 Crore in the truing up for FY 2016-17.

As per the GERC (MYT) Regulations, 2016, 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 2016-17, as detailed in the Table below:

Table 4.37: Gain / (loss) approved in the truing up for FY 206-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to controllable factor	Gain/(Loss) due to Uncontrollable factor
Interest and Finance charges	130.38	138.44		(8.06)

4.6.10 Interest on Working Capital

UGVCL has not claimed any interest on working capital in the truing up for FY 2016-17, against Nil provision approved in the MYT Order dated 31st March, 2017 as detailed in the Table below:

Table 4.38: Interest on working capital claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
Interest on Working Capital	Nil	Nil

Petitioner's submission

UGVCL has submitted that working capital has been calculated and the rate of interest is considered as the rate equal to the weighted average State Bank Base Rate (SBBR) prevailing during the financial year plus 250 basis points, as per the GERC (MYT) Regulations, 2016. The detailed computation of interest on working capital is as given in the Table below:

Table 4.39: Interest on working capital claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
1	O&M Expenses	34.92	49.60
2	Maintenance Spares	52.06	52.06
3	Receivables	783.63	748.31
4	Less: Amount held as security deposit from consumers	1,094.80	1,142.44
5	**Total Working Capital**	**(224.19)**	**(292.47)**
6	Rate of Interest on Working Capital	11.70%	11.79%
7	**Interest on Working Capital**	-	-

Commission's Analysis

The Commission has examined the computation of normative working capital under the GERC (MYT) Regulations, 2016. The working capital requirement works out to be negative during FY 2016-17.

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

Table 4.40: Interest on working capital approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17
1	O&M expenses	34.92	42.37
2	Maintenance Spares	52.06	52.06
3	Receivables	783.63	748.34
4	Less: Amount held as security deposit from consumers	1,094.80	1,092.55
5	**Total Working Capital**	**(224.19)**	**(249.79)**
6	Rate of Interest on Working Capital	11.70%	-
7	Interest on Working Capital	-	-

The Commission, accordingly, approves the interest on working capital as Nil in the truing up for FY 2016-17.

4.6.11 Bad Debts

UGVCL has claimed Rs. 0.30 Crore towards bad debts in the truing up for FY 2016-17, as against Rs. 0.70 Crore approved in the MYT dated 31st March 2017 as given in the Table below:

Table 4.41: Bad debts claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
1	Bad Debts	0.70	0.30

Petitioner's submission

UGVCL has claimed Rs. 0.30 Crore towards bad and doubtful debts and submitted that comparison of the actual with the figure approved in the MYT Order dated 31st March, 2017 resulted in a gain of Rs 0.40 Crore on account of controllable factors, as shown in the Table below:

Table 4.42: Bad debts for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to uncontrollable factor
1	Provision for Bad Debts	0.70	0.30	0.40	-

Commission's Analysis

The Commission has observed that UGVCL has claimed Rs. 0.30 Crore towards Bad & Doubtful Debts Written Off during FY 2016-17.

The Commission verified from the audited annual accounts that UGVCL has made a provision of Rs. 6.49 Crore towards Bad Debts. Regulation 94.9 of the GERC (MYT) Regulations, 2016 specifies that the Commission may allow bad debts written off as a pass through in the aggregate revenue requirement subject to prudence check. The Commission notes that the actual amount written-off has been lower than the amount of provision made for bad debts.

The Commission, therefore, approves Rs. 0.30 Crore towards bad and doubtful debts written off in the truing up for FY 2016-17.

The deviation on account of bad debts written off is Rs. 0.40 Crore and the Commission considers the same as gain due to controllable factors, as detailed in the Table below:

Table 4.43: Gains/ (Losses) due to Bad Debts approved in the Truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in truing up for 2016-17	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable factor
1	Bad Debts	0.70	0.30	0.40	

4.6.12 Return on Equity

UGVCL has claimed Rs. 162.55 Crore towards return on equity in the truing up for FY 2016-17 as against Rs. 164.32 Crore approved in the MYT Order dated 31st March 2017, as given in the Table below:

Table 4.44: Return on equity claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
Return on Equity	164.32	162.55

Petitioner's submission

UGVCL has computed the return on equity considering the rate of 14% on the average of opening and closing equity, taking into account the additions during the year.

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

Table 4.45: Return on equity claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
1	Opening Equity Capital	1,116.47	1,116.47
2	Equity Additions during the year	114.54	89.21
3	Closing Equity	1,231.01	1,205.68
4	Average Equity	1,173.74	1,161.07
5	Rate of Return on the Equity	14%	14%
6	**Return on Equity**	**164.32**	**162.55**

Commission's analysis

UGVCL has furnished the opening equity of Rs. 1116.47 Crore for FY 2016-17 and submitted equity addition as Rs. 89.21 Crore during FY 2016-17. The actual opening equity as on 01.04.2016 was Rs. 1116.47 Crore being the closing balance of equity approved in the True Up for FY 2015-16. The Commission has approved the normative equity addition as Rs. 89.21 Crore in Table 4.28 of this Order.

The Commission has computed the return on equity in the truing up for FY 2016-17, as detailed in the Table below:

Table 4.46: Return on equity approved for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Claimed in Truing up for 2016-17	Approved in truing up for 2016-17
1	Opening Equity Capital	1,116.47	1,116.47
2	Equity Additions during the year	89.21	89.21
3	Closing Equity	1,205.68	1,205.68
4	Average Equity	1,161.07	1,161.07
5	Rate of Return on the Equity	14%	14%
6	**Return on Equity**	**162.55**	**162.55**

The Commission approves the return on equity at Rs. 162.55 Crore in the truing up for FY 2016-17.

It is considered that the deviation is due to uncontrollable factors as the return on equity is being allowed on a normative basis and the quantum of equity addition in the year depends upon the capital expenditure and the capitalization achieved during the year.

As mentioned in the GERC (MYT) Regulations, 2016, 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 2016-17.

The Commission, accordingly, approves the gains / losses on account of return on equity in the truing up for FY 2016-17, as detailed in the Table below:

Table 4.47: Approved gains/loss due to return on equity in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up for 2016-17	Gain/(Loss) due to controllable factors	Gain / (Loss) due to Un controllable factor
Return on Equity	164.32	162.55	-	1.77

4.6.13 Income Tax

UGVCL has claimed Rs. 20.75 Crore towards income tax for FY 2016-17, as against Rs. 17.14 Crore approved in the MYT Order dated 31st March, 2017, as given in the Table below:

Table 4.48: Income Tax claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17
Income Tax (MAT)	17.14	20.75

Petitioner's submission

UGVCL has submitted that income tax is a statutory expense and this should be allowed without any deduction. UGVCL has submitted a loss of Rs. 3.61 Crore on account of tax, as given in the Table below:

Table 4.49: Gains / (Loss) claimed due to provision for taxes for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MTR Order	Claimed in truing up for 2016-17	Gain /(loss) due to controllable factor	Gain / (loss) due to Un Uncontrollable factor
Income Tax (MAT)	17.14	20.75		(3.61)

Commission's Analysis

The Commission has obtained the copies of the challans of Tax payer's counterfoil and also verified from the audited annual accounts of the company and found that the licensee has paid/provide income tax of Rs. 20.75 Crore.

The Commission, accordingly, approves the Income Tax of Rs. 20.75 Crore in the truing up for FY 2016-17.

With regard to the computation of Gains/(Losses), Regulation 22 of the GERC (MYT) Regulations. 2016 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 2016-17, as detailed in the Table below:

Table 4.50: Approved gains / losses due to tax in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MTR Order	Claimed in truing up for 2016-17	Gain /(loss) due to controllable factor	Gain / (loss) due to Un Uncontrollable factor
Tax on Income	17.14	20.75	-	(3.61)

4.6.14 Non-tariff Income

UGVCL has claimed the actual Non-Tariff Income at Rs.150.09 Crore in the truing up for FY 2016-17, as against Rs. 146.76 Crore approved in the MYT Order dated 31st March 2017, as detailed in the Table below:

Table 4.51: Non-tariff income claimed by UGVCL in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
Non-tariff Income	146.76	150.09

Petitioner's submission

The Petitioner has submitted that the actual value of non-tariff income is Rs. 150.09 Crore, as against Rs. 146.76 Crore approved in the MYT Order dated 31st March, 2017. This resulted in a net uncontrollable gain of Rs. 3.33 Crore, as detailed in the Table below:

Table 4.52: Gains / (Loss) claimed due to non-tariff income for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Gain /(loss) due to Uncontrollable factor	Gain / (loss) due to Un uncontrollable factor
Non-tariff Income	146.76	150.09	-	3.33

Commission's Analysis

The Commission observed that as per audited annual accounts the non-tariff income is Rs. 151.39 Crore inclusive of interest on staff loans (Rs. 1.30 Crore) for FY 2016-17.

The Commission, approves the non-tariff income at Rs. 150.09 Crore after negating the interest on staff loans (Rs. 1.30 Crore).

The deviation in non-tariff income is considered as uncontrollable. The Commission, accordingly, approves the gains / losses on account of non-tariff income in the truing up for FY 2016-17, as detailed in the Table below:

Table 4.53: Approved gains / losses due to non-tariff income in the truing up for FY 2016-17

(Rs. Crore)

Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up for 2016-17	Gain /(loss) due to Uncontrollable factor	Gain / (loss) due to Un Uncontrollable factor
Non-tariff Income	146.76	150.09		(3.33)

4.7 Revenue from Sale of Power

UGVCL has claimed the total revenue at Rs. 8979.75 Crore in the truing up for FY 2016-17 as detailed in the Table below:

Table 4.54: Revenue submitted in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Claimed in Truing up for 2016-17
1	Revenue from Sale of Power	8110.82
2	Other Income (Consumer related)	324.06
3	**Total Revenue excluding subsidy (1+2+3)**	**8434.88**
4	Agriculture Subsidy	544.88
5	**Total Revenue including subsidy (4+5)**	**8979.75**

Commission's Analysis

The Commission has verified the total revenue for FY 2016-17 from the audited accounts. The actual revenue from category-wise sales, as per audited accounts, is Rs. 8270.54 Crore, which includes the revenue from sale of power to GUVNL of Rs. 59.50 Crore and UI charges of Rs. 100.22 Crore for FY 2016-17. These two elements have been adjusted by the Commission against the power purchase cost for the FY 2016-17, as shown in Table 4.9 of this Order. Accordingly, the net revenue from sale of power works out to Rs 8,110.82 Crore.

It is further observed that other income as per audited annual accounts is Rs. 891.50 Crore, which includes Rs 22.29 Crore towards Delayed Payment Charges, Rs. 544.88 Crore towards Agriculture Subsidy and Prompt Payment Rebate of Rs. 0.27 Crore. After excluding this three elements, the other consumer related income works out to of Rs. 324.06 Crore

The aforesaid agriculture subsidy has been claimed as a separate item of revenue, while Delayed Payment Charges income is not considered as the Delayed Payment Charges expense is also not considered as per the GERC (MYT) Regulations, 2016.

Table 4.55: Revenue approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	Claimed in truing up for FY 2016-17	Approved for 2016-17 in Truing up
1	Revenue from Sale of Power	8110.82	8110.82
2	Other income (Consumer related)	324.06	324.06
3	**Total Revenue excluding subsidy (1+2)**	**8434.88**	**8434.88**
4	Agriculture Subsidy	544.88	544.88
5	Total Revenue including Subsidy (3+4)	**8979.75**	**8979.75**

The Commission, accordingly, approves the total revenue of Rs. 8979.75 Crore, including consumer related income of Rs. 324.06 Crore and agriculture subsidy of Rs. 544.88 Crore in the truing up for FY 2016-17.

4.8 ARR approved in the truing up

The Commission reviewed the performance of UGVCL under Regulation 21 of the GERC (MYT) Regulations, 2016, with reference to the audited accounts for FY 2016-17. The Commission computed the gains/(losses) for FY 2016-17, based on the truing up for each of the component discussed in the above paragraphs.

The Aggregate Revenue Requirement (ARR) approved in the MYT Order dated 31st March 2017, actual claimed in truing up and approved for truing up and Gains/(Losses) computed in accordance with the GERC (MYT) Regulations, 2016 are given in the Table below:

Table 4.56: ARR approved in truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Annual Revenue Requirement	Approved for 2016-17 in MYT Order	Claimed in truing up for FY 2016-17	Approved for 2016-17 in Truing up	Deviation +/(-)	Gain / (loss) due to Un controllable factor	Gain / (loss) due to Un uncontrollable factor
1	**2**	**3**	**4**	**5**	**6=(3-5)**	**7**	**8**
1	Cost of Power Purchase	8,353.44	8,056.87	8,058.97	294.47	157.06	137.41
2	O&M Expenses	419.08	595.19	508.41			
2.1	Employee Cost	400.67	513.17	432.81	(32.15)	(32.15)	
2.2	Repairs & Maintenance Expenses	83.71	62.64	62.64	21.07	21.07	
2.3	Administration & General Expenses	71.60	77.39	74.41	(2.81)	(2.81)	
2.4	Other Debits	-	11.80	8.35	(8.35)		(8.35)
2.5	Other Expenses Capitalised	(136.89)	(69.81)	(69.81)	(67.09)		(67.09)
3	Depreciation	289.67	273.89	273.89	15.78	-	15.78
4	Interest and Finance Charges	130.38	132.86	138.44	(8.06)	-	(8.06)
5	Interest on working capital	-	-		-	-	-
6	Provision for Bad Debts	0.70	0.30	0.30	0.40	0.40	
7	Return on Equity	164.32	162.55	162.55	1.77	-	1.77
8	Provision for Tax / Tax paid	17.14	20.75	20.75	(3.61)	-	(3.61)
9	**Total Expenditure (1 to 8)**	**9,374.74**	**9,242.41**	**9,163.31**	**211.43**	**143.57**	**67.86**
10	Less: Non -Tariff income	146.76	150.09	150.09	(3.33)	-	(3.33)
11	**Aggregate Revenue Requirement**	**9,227.98**	**9,092.31**	**9,013.22**	**214.76**	**143.57**	**71.19**

4.9 Sharing of Gains / Losses for FY 2016-17

The Commission has analyzed the gains / (losses) on account of controllable and uncontrollable factors. The relevant Regulations are extracted below

"**Regulation 23. Mechanism for pass-through of gains or losses on account of uncontrollable factors**

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

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

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

Regulation 24. Mechanism for sharing of gains or losses on account of controllable factors

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

(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;

(b) The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company or Transmission Licensee or SLDC or Distribution Licensee.

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

(a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and

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

."

4.10 Revenue Gap/Surplus for FY 2016-17

As shown in the Table below, UGVCL has claimed a revenue gap of Rs. 472.01 Crore in the truing up considering the treatment of Gains/(Losses) due to controllable/ uncontrollable factors, after comparing the performance with the Tariff Order for FY 2016-17.

Table 4.57: Projected Revenue Surplus/ (Gap) for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	2016-17
1	Aggregate Revenue Requirement originally approved for 2016-17	9227.98
2	Gain / (Loss) on account of Uncontrollable factor to be passed on to consumer	(31.80)
3	Gain / (Loss) on account of Controllable factor to be passed on to consumer (1/3rd of Total Gain /Loss)	59.08
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap)/Surplus for 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for 2010-11	(307.47)
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	**Revised ARR for FY 2016-17 (1-2-3-4-5-6-7)**	**9,451.76**
9	Revenue from Sale of Power	8110.82
10	Other Income (Consumer related)	324.06
11	Agriculture Subsidy	544.88
12	**Total Revenue including Subsidy (9+10+11)**	**8979.75**
13	**Revised (Surplus)/ Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8-12)**	**472.01**

Petitioner's Submission

The Petitioner submitted that the Commission in the MYT Order dated 31st March, 2017 has approved Aggregate Revenue Requirement of Rs. 9227.98 Crore for FY 2016-17.

With the subsequent submission dated 23rd February, 2018 as stated in this Order, the Petitioner has claimed Revised ARR of Rs. 9092.31 Crore as shown in Table 4.56 herein above. The said revised ARR when compared with ARR of Rs. 9227.98 Crore approved in the MYT Order dated 31st March, 2017 resulted in controllable surplus of Rs. 172.66 Crore and Uncontrollable loss of Rs. (37.00) Crore.

As per the mechanism specified in the GERC (MYT) Regulation 2016, UGVCL proposed to pass on a sum of 1/3rd of total gain on account of controllable factors i.e. Rs.57.55 Crore out of Rs. 172.66 and total loss on account of uncontrollable factors i.e. Rs. 37.00 Crore to the consumers.

The past revenue (gap) / surplus of Rs. (307.47) Crore, Rs. (16.73) Crore and Rs. 41.89 Crore for FY 2010-11, FY 2009-10 and FY 2014-15 respectively are also adjusted in the approved Aggregate Revenue Requirement. GUVNL profit of Rs. 130.01 Crore for FY 2016-17 is allocated among four Discoms and UGVCL's share of GUVNL profit is Rs. 31.24 Crore. Based on the same, UGVCL has arrived at the trued up Aggregate Revenue Requirement for FY 2016-17 at Rs. 9,458.49 Crore as shown in Table below.

Table 4.58: Revised Projected Revenue Surplus / (gap) for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	2016-17
1	Aggregate Revenue Requirement originally approved for 2016-17	9,227.98
2	Gain / (Loss) on account of Uncontrollable factor to be passed on to consumer	71.19
3	Gain / (Loss) on account of Controllable factor to be passed on to consumer (1/3rd of Total Gain /Loss)	47.86
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap)/Surplus for 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for 2010-11	(307.47)
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	**Revised ARR for FY 2016-17 (1-2-3-4-5-6-7-8)**	**9,360.01**
9	Revenue from Sale of Power	8110.82
10	Other Income (Consumer related)	324.06
11	Agriculture subsidy	544.88
12	**Total Revenue including Subsidy (9+10+11)**	**8979.76**
13	**Revised (Surplus)/ Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8-12)**	**380.25**

This revised Aggregate Revenue Requirement is compared against the income under various heads including Revenue with Existing Tariff of Rs. 8110.82 Crore, Other Consumer related Income of Rs. 324.06 Crore and Agriculture Subsidies of Rs. 544.88 Crore, summing up to a Total Revenue of Rs. 8979.75 Crore. Accordingly, total Revenue Gap of UGVCL for FY 2016-17 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 478.74 Crore.

Commission's Analysis

The Commission compared the actual performance of UGVCL with the values approved in the MYT Order dated 31st March 2017 and also verified the earlier years' revenue surplus/(gap) as claimed by the Petitioner from the tariff order dated 31st March, 2016 in Petition No. 1547 of 2015.

The Petitioner has stated that subsidy of Rs. 1195.72 Crore for FY 2016-17 which was to be received in advance for all four DISCOMs as whole has not been received from the State Government. The Petitioner also informed about the State Government's commitment to release the subsidy. In view of this commitment, the consolidated gap of all four DISCOMs is reduced by the subsidy receivable amount of Rs. 1195.72 Crore. UGVCL's share in the receivable subsidy is Rs. 573.49 Crore and the same has been adjusted to work out the revenue gap/surplus of FY 2016-17.

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 2016-17. The revenue surplus/ (gap) is approved by the Commission for FY 2016-17 as summarised in the Table below:

Table 4.59: Revenue Surplus/(Gap) approved in the truing up for FY 2016-17

(Rs. Crore)

Sr. No.	Particulars	2016-17
1	Aggregate Revenue Requirement originally approved for 2016-17	9,227.98
2	Gain / (Loss) on account of Uncontrollable factor to be passed on to consumer	71.19
3	Gain / (Loss) on account of Controllable factor to be passed on to consumer (1/3rd of Total Gain /Loss)	47.86
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap)/Surplus for 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for 2010-11	(307.47)

Sr. No.	Particulars	2016-17
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	**Revised ARR for FY 2016-17 (1-2-3-4-5-6-7-8)**	**9,360.01**
9	Revenue from Sale of Power	8110.82
10	Other Income (Consumer related)	324.06
11	Agriculture Subsidy	544.88
12	**Total Revenue including Subsidy (9+10+11)**	**8979.76**
13	**Subsidy Receivable from State Government**	**573.49**
14	**Revised (Surplus)/ Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8-12-13)**	**(193.24)**

5 ARR and Gap for FY 2018-19

5.1 Revenue from existing tariff FY 2018-19

UGVCL has estimated the category-wise revenue based on existing tariff at Rs. 6,579.58 Crore for FY 2018-19, as detailed in the Table below:

Table 5.1: Sales and Revenue from existing tariff projected for FY 2018-19

Sr. No.	Particulars	Sales (MU)	Amount (Rs. Crore)
A	**LT Consumers**		
1	RGP	2,379	921.00
2	GLP	52	22.45
3	Non-RGP & LTMD	1,829	1004.87
4	Public Water Works	780	282.66
5	Agriculture-Unmetered	6,219	880.59
6	Agriculture-Metered	3,714	327.99
7	Street Light	62	25.35
	LT Total (A)	**15,035**	**3464.92**
B	**HT Consumers**		
1	Industrial HT	4,802	3114.66
2	Railway Traction		-
	HT Total (B)	**4,802**	**3114.66**
	Grand Total (A + B)	**19,837**	**6579.58**

Petitioner's submission

UGVCL submitted that it has considered sale of 19,837 MUs to different categories of consumers approved in the MYT Order dated 31st March, 2017 as shown in the Table above and the existing retail tariff to work out the revenue from sale of power of Rs. 6579.58 Crore for FY 2018-19

Commission's Analysis

The Commission observed that the category-wise sales for FY 2018-19, as considered by UGVCL is as per the MYT Order dated 31st March' 2017. Taking into consideration the existing tariff, the Commission has computed the revenue from sale of power at existing tariff for FY 2018-19 as detailed in the Table below:

Table 5.2: Approved Sales and Revenue from existing tariff for FY 2018-19

Sr. No.	Particulars	Sales (MU)	Amount (Rs. Crore)
A	**LT Consumers**		
1	RGP	2,379	921.00
2	GLP	52	22.45
3	Non-RGP & LTMD	1,829	1004.87
4	Public Water Works	780	282.66
5	Agriculture-Unmetered	6,219	880.59
6	Agriculture-Metered	3,714	327.99
7	Street Light	62	25.35
	LT Total (A)	**15,035**	**3464.92**
B	**HT Consumers**		
1	Industrial HT	4,802	3114.66
2	Railway Traction		-
	HT Total (B)	**4,802**	**3114.66**
	Grand Total (A + B)	**19,837**	**6579.58**

5.2 Revenue from FPPPA charges

UGVCL has estimated revenue from FPPPA charges for FY 2018-19, as detailed in the Table below:

Table 5.3: Revenue from FPPPA Charges for the FY 2018-19

Particulars	
Rate of FPPPA considered (Rs./kWh)	1.49
Sales (MUs)	19,837
FPPPA Charges (Rs. Crore)	**2,955.71**

Petitioner's submission

UGVCL has submitted that in the MYT Order dated 31.03.2017 for Control Period FY 2016-17 to FY 2020-21, the Commission has considered the base power purchase cost at Rs. 4.17/unit and base FPPPA at Rs. 1.43/unit. As per approved FPPPA formula, any increase in power purchase cost during the year over the base power purchase cost of Rs. 4.17/unit is to be recovered through FPPPA over and above the base FPPPA of Rs. 1.43/unit on quarterly basis. As per approved ARR for FY 2018-19, the weighted average power purchase cost is worked out to Rs. 4.22/unit as against base power purchase cost of Rs. 4.17/unit. Thus, the incremental power purchase cost of Rs. 0.05/unit for FY 2018-19 (i.e. Rs. 4.22 - 4.17) grossed with losses will be recovered through FPPPA over and above the base FPPPA of Rs. 1.43/unit totaling to Rs. 1.49/unit as shown in Table below:

Table 5.4 FPPPA Charges for the FY 2018-19

(Rs Crore)

Sr. No.	Particulars	FY 2017-18	FY 2018-19
1	Fixed Cost	12913	13520
2	Variable Cost	18302	19523
3	GETCO Cost	3407	3749
4	GUVNL Cost	350	368
5	PGCIL Charges	1591	1670
6	SLDA Charges	16	8
7	Total Power Purchase Cost	36579	38838
8	Total Energy Requirement	87619	91973
9	**Power Purchase Cost (Rs./kWh)**	**4.17**	**4.22**
10	Increase in Power Purchase Cost		0.05
11	Additional FPPPA Charges (Grossed up by Distribution Loss @ 18.32%)		0.06
12	Existing FPPPA Charges (Rs./kWh)		1.43
13	Revised FPPPA Charges (Rs./kWh)		1.49

Commission's Analysis

The Commission allows revenue from FPPPA charges on the approved sales of 19837 MUs at Rs.1.49 per kWh during FY 2018-19 as shown in Table below.

Table 5.5: Approved Revenue from FPPPA Charges for the FY 2018-19

Particulars	Amount
Rate of FPPPA considered (Rs./kWh)	1.49
Sales (MUs)	19,837
FPPPA Charges (Rs. Crore)	**2,955.71**

5.3 Other (consumer related) income

UGVCL has estimated the other consumer related income at Rs. 252.35 Crore for FY 2018-19, as detailed in the Table below:

Table 5.6: Other Consumer related Income for FY 2018-19

(Rs. Crore)

Particulars	Amount
Other Income Consumer Related	252.35

Petitioner's submission

UGVCL has submitted that the revenue from other consumer related income comprises of revenue on account of charges other than the basic charges applicable to the Consumers. These include income on account of meter rent, wheeling charges, inspection charges and miscellaneous charges.

Commission's Analysis

The Commission has observed that UGVCL has projected the other consumer related income for FY 2018-19 as approved by the Commission in the MYT Order dated 31st March 2017.

The Commission, accordingly, approves the other consumer related income at Rs. 252.35 Crore for FY 2018-19 as shown in the Table below.

Table 5.7: Approved other consumer related Income for FY 2018-19

(Rs. Crore)

Particulars	Amount
Other Income Consumer Related	252.35

5.4 Agriculture subsidy

Petitioner's submission

UGVCL submitted that the annual agricultural subsidy that was being received by the erstwhile GEB from the State Government will continue to be received by the four DISCOMs i.e. Rs. 1100 Crore. The share of agricultural subsidy for FY 2018-19 is considered at the same level as approved by the Commission in the MYT Order dated 31stMarch, 2017.

Table 5.8: Projected Agriculture Subsidy for FY 2018-19

(Rs. Crore)

Particulars	Amount
Agriculture Subsidy	536.06

Commission's Analysis

The Commission approves the Agriculture subsidy as claimed by the Petitioner as given in the Table below :

Table 5.9: Approved Agriculture Subsidy for FY 2018-19

(Rs. Crore)

Particulars	Amount
Agriculture Subsidy	536.06

The Commission, accordingly, approves agricultural subsidy as Rs. 536.06 Crore for FY 2018-19.

5.5 Total expected revenue for FY 2018-19

Petitioner's submission

The total expected revenue for UGVCL comprises of revenue from sale of power at existing tariff, FPPPA charges, other consumer related income and Agriculture Subsidy. Total revenue for FY 2018-19 is shown in the Table below:

Table 5.10: Projected Revenue for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Revenue with Existing Tariff	6,579.58
2	Base FPPPA Charges @ Rs.1.49/kWh	2955.71
3	Other Income (Consumer related)	252.35
4	Agriculture Subsidy	536.06
5	**Total Revenue including subsidy (1 to 4)**	**10,323.70**

Commission's Analysis

The total revenue as estimated by the Commission for FY 2018-19 is shown in the Table below:

Table 5.11: Approved Total Revenue for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Revenue with Existing Tariff	6,579.58
2	Base FPPPA Charges @ Rs.1.49/kWh	2955.71
3	Other Income (Consumer related)	252.35
4	Agriculture Subsidy	536.06
5	**Total Revenue including subsidy (1 to 4)**	**10,323.70**

5.6 ARR for FY 2018-19

The Table below shows the Aggregate Revenue Requirement including power purchase cost of UGVCL for FY 2018-19 approved in the MYT Order dated 31st March, 2017:

Table 5.12: Approved ARR for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Amount
1	Power Purchase Expenses	9,319.37
2	O & M Expenses	468.39
2.1	Employee Cost	447.81
2.2	Repairs & Maintenance Expenses	93.56
2.3	Administration & General Expenses	80.02
2.4	Other Debits	-
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses /(Income)	-
2.7	Other Expenses Capitalized	(153.00)
3	Depreciation	368.61
4	Interest & Finance Charges	140.45
5	Interest on Working Capital	-
6	Bad Debts Written Off	0.70
7	Contribution to Contingency Reserves	-
8	**Total Revenue Expenditure**	**10,297.52**
9	Return on Equity	197.59
10	Income Tax	17.14
11	**Aggregate Revenue Requirement**	**10,512.25**
12	Less: Non-Tariff Income	146.76
14	**Aggregate Revenue Requirement**	**10,365.49**

5.7 Estimated Revenue Gap / Surplus for FY 2018-19

Based on the above, the estimated revenue gap / surplus for FY 2018-19 at the existing tariff is worked out as shown in the Table below:

Table 5.13: Estimated Revenue Gap/(Surplus) for FY 2018-19 at Existing Tariff

(Rs. Crore)

Sr. No.	Particulars	2018-19 (Claimed)	2018-19 (Approved)
1	Aggregate Revenue Requirement for FY 2018-19	10,365.49	10,365.49
2	Revenue (Surplus)/ Gap from True up of FY 2016-17	478.74	(193.24)
3	**Total Aggregate Revenue Requirement for FY 2018-19**	**10,844.23**	**10,172.25**
4	Revenue with Existing Tariff	6,579.58	6,579.58
5	FPPPA Charges @ Rs.1.49 kWh	2,955.71	2,955.71
6	Other Income (Consumer related)	252.35	252.35
7	Agriculture Subsidy	536.06	536.06
8	**Total Revenue including subsidy for FY 2018-19 (4 to 7)**	**10,323.70**	**10,323.70**
9	**(Surplus)/ gap (3-8)**	**520.53**	**(151.45)**

6 Compliance of Directives

6.1 Compliance to earlier directives

The Commission had instructed UGVCL to submit Compliance as per the Order dated 31st March 2017. Compliance of the Directives is as mentioned below:

Directive 1: Category wise cost to serve report

DISCOMs are directed to ensure that the cost to serve report is invariably submitted every year along with tariff petition.

Compliance:

UGVCL is in process of preparation of Cost to Serve report for FY 2016-17 and shall submit at the earliest.

Commission's comments:

UGVCL has submitted the cost to serve report on 15th February, 2018.

Directive 2: Meters on Distribution Transformers

UGVCL shall strive hard and install meters on the balance transformers at the earliest and submit quarterly reports to the Commission. Results of the energy audit conducted to be submitted to the Commission along with action taken report by 30.06.2017.

Compliance:

Status update of Meters on Transformers

Meters on Distribution Transformers						
					JUNE.17	
Category	No. of Distribution Transformer	DTR with Single Metered Consumer which is considered as DTR with Meter	No. of DTs metered physically	No. of DTs metered	% DT Metered	Pending
Industrial	6738	1484	4768	6252	92.7871772	486
GIDC	1430	392	878	1270	88.81118881	160
Urban	12655	525	10941	11466	90.60450415	1189
JGY	26754	2246	21016	23262	86.94774613	3492
AG. DOM	207729	115199	48284	163483	78.70013335	44246
Total	255306	119846	85887	205733	80.58290835	49573

Meters on Distribution Transformers						
					Sept.17	
Category	No. of Distribution Transformer	DTR with Single Metered Consumer which is considered as DTR with Meter	No. of DTs metered physically	No. of DTs metered	% DT Metered	Pending
Industrial	6810	2013	4499	6512	95.62408223	298
GIDC	1435	324	994	1318	91.8466899	117
Urban	12800	554	11498	12052	94.15625	748
JGY	26834	2304	21758	24062	89.66982187	2772
AG. DOM	210202	116760	48629	165389	78.68098305	44813
Total	258081	121955	87378	209333	81.11135651	48748

Meters on Distribution Transformers as on Nov. 17						
Category	No. of Distribution Transformer	DTR with Single Metered Consumer which is considered as DTR with Meter	No. of DTs metered physically	No. of DTs metered	% DT Metered	Pending
Industrial	6885	2171	4714	6885	100	0
GIDC	1445	400	1045	1445	100	0
Urban	12908	707	12201	12908	100	0
JGY	27069	2340	22577	24917	92.04994643	2152
AG. DOM	213635	120297	48529	168826	79.02544059	44809
Total	261942	125915	89066	214981	82.0719854	46961

Results of energy audit are submitted on 21st December, 2017.

Commission's comments

The Petitioner has completed 100% metering on the distribution transformers of Industrial, GIDC and Urban category of consumers. However, on Agriculture dominant feeders the same is 79.03% and meters on 44,809 distribution transformers are still required to be provided. Similarly, in JGY category the meters provided on distribution transformers is 92.05% and meters on 2152 number of distribution transformers are required to be provided. Installation of meters on the balance transformers needs to be completed by UGVCL at the earliest and submit quarterly progress reports to the Commission.

Directive 3: Losses on Jyoti Gram Yojana feeders

UGVCL is directed to identify the feeders with more than 50 % loss level and 5% loss reduction should be targeted for such feeders.

Compliance:

Compliance status is submitted on 21st December, 2017.

Commission's comments:

Still number of JGY feeders are having more than 50% loss level and the same needs to be reduced by giving priority. The Petitioner needs to identify such feeders and 5% loss reduction should be targeted for such feeders. UGVCL should submit quarterly report to the Commission, indicating loss reduction achieved for such feeders.

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Directive 4: Report on Segregation of HT & LT losses

UGVCL is directed to conduct energy audit and submit energy audit report for transformers having different consumer mix along with action taken, if any, for reducing the losses. The Commission further directs the Utilities to conduct a fresh evaluation study to work out exact losses in HT and LT side.

Compliance:

UGVCL has submitted the report on Segregation of HT & LT Losses.

Commission's comments: .

Commission noted the compliance submitted by the Petitioner. The Commission observed from the report that as per the study carried out by the consultant, the technical and commercial losses in the HT System works out to 8.66% and for LT System 4.60%. The Petitioner is directed to submit the efforts to reduce the technical and commercial losses on HT System and LT System including different feeders, Transformers (DTC) on monthly basis to the Commission.

6.2 Directives given to UGVCL in Tariff Order dated 31.03.2017

Directive 1: Subsidy for Agricultural Consumers

Some of the stakeholders pointed out that the Discoms are not providing separate details related to Subsidy claimed, Subsidy received and outstanding subsidy with the State Government. In view of the ambitious target for clearing backlog of pending application for Agricultural connections, the Discom is directed to report progress on release of Agricultural

Connections along with details related to subsidy claimed under different heads, subsidy received and outstanding subsidy from the State Government on quarterly basis.

Compliance:

Details related to subsidy claimed under different heads, subsidy received and outstanding subsidy from the State Government as on 31.03.2017 is submitted by GUVNL vide letter No: GUVNL/COM/MYT 16-21/560 dated 12.06.2017 and the details as on 30.06.2017 is submitted vide letter No: GUVNL/COM/MYT 16-21/1127 dated 01.11.2017.

Commission's comments:

It is necessary that the subsidy is received in advance and in timely manner by the Licensee otherwise it will affect the cash flow of the licensee. The Commission therefore directs the Licensee to ensure that they receive the subsidy in time by pursuing with the State Government. The State Government is advised to release the subsidy amount to the Distribution Licensee as approved in the State Budget for FY 2018-19 as per the provisions of Section 65 of the Electricity Act, 2003.

Directive 2: Replacement of Defective Meters

It is observed that a high number of defective meters exist in the system. Such a high number of defective meters in the system is not only affecting revenues of the Discom but it also is resulting into consumer grievances. Discom is directed to prepare detailed action plan for replacement of defective meters and submit the same by 30th June 2017.

Compliance:

The status of faulty meters quarter wise is as under:

Sr. No.	Reporting Quarter period	Faulty meters pending to be replaced at the end of reporting quarter		
		1 phase	3 phase	Total
1	March-17	1405	2324	3729
2	June-17	2481	1911	4392
3	Sept-17	1814	1830	3644

It is to state that the faulty or improperly functioning meters are replaced regularly based on the monthly generated reports. This is a continuous process as new faulty meters are added during the month and the replacement of the same is also being carried out during the month.

Commission's comments:

Commission noted the compliance submitted by the Petitioner. Commission observed that the licensee has made efforts for replacement of meters as directed by the Commission. As the meter accuracy is directly linked with the revenue, it is necessary to ensure the correct functioning of the meter so that the energy consumption is reflected correctly and accordingly the correct revenue is earned from the consumers against cost of supply.

Directive 3: Rooftop Solar Installations

Discom is directed to report the progress with the details like number of applications received, kW requested, approval given, installation completed, grid connectivity provided and electricity generated from such installation on quarterly basis.

Compliance:

Summary of Solar Roof Top Applications UGVCL 30.9.2017

	Residential	Commercial	Industrial	Govt.	Others	Total
Nos. of Application Received from GEDA	1752	45	123	134	55	2109
Solar Installation Capacity (in KW)	6349.91	871.2	17827.1	3218.8	1881.2	30148.23
Nos of Application Forms Received	64	9	33	17	8	131
CEI Drawing Approval	858	24	78	75	23	1058
TFR Received	1711	42	121	134	53	2061
Estimate Issued	1711	42	121	134	53	2061
Estimate Paid	1209	29	98	100	32	1468
Connectivity Agreement Signed	1161	27	87	77	29	1381
CEI Charging Approval	858	24	78	75	23	1058
Bidirectional And Solar Meter Installed	858	24	78	75	23	1058
Meter Installed solar capacity (in KW)	**2888.01**	**449.9**	**11165.38**	**1514**	**746.9**	**16763.94**

Summary of Solar Roof Top Applications UGVCL 30.9.2017

	Residential	Commercial	Industrial	Govt.	Others	Total
Solar Unit Generation April-17 to June-17	338824	72746	1592018	75651	29191	2108430
Solar Unit Generation July-17 to September-17	548897	64721	4341756	57854	26273	5039501

Commission's comments:

The Commission noted the compliance of the Petitioner and details of installation of the solar rooftop projects.

Directive 4: Renegotiation of PPA for stranded generating stations due to non-availability of fuel or costly fuel

Some of the stakeholders represented that there is adverse impact on tariff of the consumers because of fixed cost liability of some generating stations which are not working either due to non-availability of fuel or costly fuel. In view of the above, the Distribution Licensee is directed to explore the possibilities of reduction in fixed cost elements e.g. normative O&M charges, Return on Equity, normative interest on working capital etc. by renegotiating existing PPAs of such stranded generating stations. The Distribution Licensee is also directed to submit action taken report in this regard by 30th September, 2017.

Compliance:

Compliance is submitted by GUVNL vide letter No: GUVNL/COM/MYT 16-21/560 dated 12.06.2017.

Commission's comments:

As far as renegotiation of the PPA for stranded generating stations is concerned, the same is carried out in the framework of the PPA executed between the parties.

6.3 Fresh Directives:

<u>Directive 1</u> : The Commission observed recently that the demand in the State is increasing against which the availability of power is not sufficient due to various reasons. In such a situation Licensees have to procure short term power at higher rates. The Commission is of the view that Discoms/ GUVNL should endeavour to plan out power purchase in advance on priority to optimise power purchase cost with the varying demand at competitive rate so as to maintain consistent and reliable supply in the State.

Directive 2 : In order to promote supply at higher voltages, the Commission is of the view that consumers should be appropriately incentivised for availing supply at EHV. At present there is a provision of giving rebate to such EHV consumers in terms of percentage to the energy charges. Discoms are directed to carry out a detailed study to work out cost of supply at EHV level, reduction in technical loss for supplying electricity at higher voltages, and submit it to the Commission on or before 30th September, 2018.

Directive 3 : The Government to promote renewable energy, has promulgated a scheme for installation of solar pump for agriculture consumers thereby promoting de-centralised energy generation. The scheme has manifold benefits to the society inter-alia reduction in distribution loss and power purchase cost to the distribution company. The Commission is of the view that the benefit that shall accrue to the distribution licensees should also be shared with the farmers. In order to give a boost to the programme of the Government, the Commission contemplates appropriate tariff to be paid to the farmers by the distribution licensees for surplus energy generation from such solar pump installations. The distribution licensees are directed to explore the possibilities for promotion of such installations and a report in this regard may be submitted by 30th September 2018.

Directive 4 : It is required to match the electricity demand curve with the availability of electricity supply and in order to optimise the overall cost of electricity supply to consumers and to move towards recovery of cost of supply according to time of use of electricity supply, Commission would like to introduce Demand Response measures. Accordingly, the Distribution Licensee is directed to initiate study for implementing 'Demand Response' measures and submit its Action Plan accordingly by 30th September, 2018

7 Fuel and Power Purchase Price Adjustment

7.1 Fuel Price and Power Purchase Price Adjustment

The Commission its Order in Case No. 1309/2013 and 1313/2013 vide dated 29.10.2013, has approved the formula as mentioned below:

FPPPA = [(PPCA-PPCB)] / [100-Loss in %]; Where,

PPCA	is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the Power Purchase Agreements in Rs./kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs./kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission.
Loss in %	is the weighted average of the approved level of Transmission and Distribution losses (%) for the four DISCOMs / GUVNL and TPL applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for four DISCOMs / GUVNL and TPL of the previous year for which true-up have been done by the Commission, whichever is lower.

7.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for all the DISCOMs including fixed cost, variable cost, GETCO cost, PGCIL charges, SLDC charges for FY 2018-19 from various sources as given in the Table below:

Table 7.1: Base price of power purchase

Sr. No.	Particulars	Amount
1	Fixed Cost	13,520
2	Variable Cost	19,523
3	GETCO Cost	3,749
4	GUVNL Cost	368
5	PGCIL Charge	1,670
6	SLDC Charge	8
8	**Total Power Purchase Cost**	**38,838**
9	**Total Energy Requirements**	**91,973**
10	**Power Purchase Cost (Rs. / kWh)**	**4.22**

As mentioned above the base Power Purchase cost for the DISCOMs is **Rs. 4.22/kWh**

GUVNL/DISCOMs may claim difference between actual power purchase cost and base power purchase cost approved in the Table above as per the approved FPPPA formula mentioned in **Section 7.1** above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on the website of the Licensee / GUVNL.

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

FPPPA calculations shall be submitted to the Commission within one month from the end of the relevant quarter.

8 Wheeling charges and Cross Subsidy Surcharge

8.1 Allocation matrix

Regulation 87 of the GERC(MYT) Regulations, 2016 stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensees in the ARR and Tariff Order.

UGVCL has provided the allocation matrix for allocation of costs between wires business and retail supply business as notified in the GERC (MYT) Regulations, 2016 (Regulation 87) as shown in the table below:

Table 8.1: Allocation matrix for segregation of wheeling and retail supply for the FY 2018-19

Sr. No.	Allocation Matrix	Wire Business	Retail Supply Business
1	Power Purchase Expenses	0%	100%
2.1	Employee Expenses	60%	40%
2.2	Repairs & 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 Capitalized	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%

Based on the above allocation the approved ARRs for wires business and retail supply business for FY 2018-19 are computed as shown in the Table below:

Table 8.2: Allocation of ARR between wheeling and retail supply business for FY 2018-19

(Rs. Crore)

Sr. No.	Particulars	Distribution	Wire Business	Retail Supply Business
1	Power Purchase Expenses	9,319.37	-	9,319.37
2	O & M Expenses	468.40	308.75	159.64
2.1	Employee Cost	447.81	268.69	179.12
2.2	Repairs & Maintenance Expenses	93.56	84.20	9.36
2.3	Administration & General Expenses	80.02	40.01	40.01
2.4	Other Debits	-	-	-
2.5	Extraordinary Items	-	-	-
2.6	Net Prior Period Expenses /(Income)	-	-	-
2.7	Other Expenses Capitalized	(153.00)	(84.15)	(68.85)
3	Depreciation	368.61	331.75	36.86
4	Interest & Finance Charges	37.78	34.00	3.78
5	Interest on Security Deposit	102.67	10.27	92.40
6	Interest on Working Capital	-	-	-
7	Bad Debts Written Off	0.70	-	0.70
8	Contribution to Contingency Reserves	-	-	-
9	**Total Revenue Expenditure**	**10,297.53**	**684.77**	**9,612.75**
10	Return on Equity	197.59	177.83	19.76
11	Income Tax	17.14	15.43	1.71
12	**Aggregate Revenue Requirement**	**10,512.26**	**878.03**	**9,634.23**
13	Less: Non-Tariff Income	146.76	14.68	132.08
14	**Aggregate Revenue Requirement**	**10,365.50**	**863.35**	**9,502.14**

8.2 Wheeling charges

The wheeling charges for the four Distribution Companies, DGVCL, MGVCL, PGVCL and UGVCL for the FY 2018-19, 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.

Table 8.3: Wheeling charges for FY 2018-19

Sr. No.	Particulars	Units	Amount
1	Distribution costs of the four DISCOMs	Rs. Crore	4,156.10

Sr. No.	Particulars	Units	Amount
2	Distribution cost of the four DISCOMs at 11 kV level (30% of total distribution cost)	Rs. Crore	1246.83
3	Distribution cost of the four DISCOMs at LT level (70% of total distribution cost)	Rs. Crore	2,909.27
4	Energy input at 11 kV	MUs	85,361.00
5	**Wheeling charges at 11 kV**	Ps./kWh	**14.61**
6	Energy Input at 400 V	MUs	51994.1
7	**Wheeling charges at 400 V (LT)**	Ps./kWh	**55.95**

Accordingly, the Commission approves wheeling charges for HT network (11 KV system) at 14.61 Paise per unit and wheeling charges for LT network (400 V system) at 55.95 Paise per unit.

Distribution losses:

The distribution loss at 11 kV and 400 V during FY 2018-19 are given below:

Particulars	Point of energy delivered	
	11 kV	400 Volts
11 kV, 22 kV and 33 kV	10%	13.82%
400 Volts		6.28%

The losses in HT and LT network are 10% and 6.28% respectively, with respect to energy input to the segment of the system. In case injection at 11 kV levels and drawal at LT level envisages use of both the networks i.e. 11 kV and LT, in that case, the combined loss works out to 13.82% of the energy injection at 11 kV network.

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

8.3 Cross Subsidy Surcharge

The Cross Subsidy Surcharge is based on the formula given in the Tariff Policy as below:

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

Where,

- T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation
- C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation
- D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level
- L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level
- R is the per unit cost of carrying regulatory assets.

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

Table 8.4: Cross subsidy surcharge for FY 2018-19

Sr. No.	Particulars	Units	HT Industry
1	T	Rs./ kWh	7.34
2	C	Rs./ kWh	4.22
3	D	Paise/ kWh	14.61
4	L	%	10%
5	**S (Cross Subsidy Surcharge)**	**Rs./ kWh**	**2.51**

S= 7.34 – [4.22/ (1-0.10) + (14.61/100) + 0] = 2.51

Thus, Cross Subsidy Surcharge as per Tariff Policy, 2016 works out to Rs. 2.51 /kWh for the four State owned Distribution companies viz. DGVCL, MGVCL, PGVCL and UGVCL.

However, Tariff Policy, 2016 provides that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access.

In view of above, the Commission decides to restrict the Cross Subsidy Surcharge leviable from the consumers of the four State Owned Distribution Companies, seeking Open Access at Rs. 1.47 /kWh for FY 2018-19.

Accordingly, Cross Subsidy Surcharge for HT Category = **1.47 Rs /kWh** for **FY 2018-19.**

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 GERC (MYT) Regulations, 2016 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 DISCOMs Tariff Proposal and Changes in Tariff Structure

There are few changes/revision/modification in the tariff structure proposed by the Petitioner for FY 2018-19

A. Meter rent to be merged with Fixed / Demand Charges:

To address the issue of applicability of multiple taxes such as Electricity Duty and GST on different components of electricity bill like energy charge, fixed charge, meter charge etc., the Petitioner proposed to merge meter charges into fixed charge so that only one tax i.e. Electricity Duty is applicable.

B. Change in condition for opting LTMD by NRGP:

Existing Provision

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.

Proposed Provision

This tariff shall also be applicable to consumer ***having contracted load of 15 kW and above*** covered in category – '*Rate: Non-RGP'* so opts to be charged in place of *'Rate: Non-RGP'* tariff.

C. Change in condition for switch over from Non-RGP to Non-RGP Night:

Existing Provision

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.

Proposed Provision

The option can be exercised to switch over from Non-RGP tariff to Non-RGP Night tariff **or** vice versa twice in a calendar year by giving not less than one month's notice in writing.

D. Change in condition for switch over from LTMD tariff to LTMD – Night tariff:

Existing Provision

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.

Proposed Provision

The option can be exercised to switch over from LTMD tariff to LTMD Night tariff **or** vice versa twice in a calendar year by giving not less than one month's notice in writing.

E. Change in condition for switch over from HTP-I tariff to HTP-IV tariff:

Existing Provision

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.

Proposed Provision

The option can be exercised to switch over from HTP-I tariff to HTP-IV tariff **or** vice versa twice in a calendar year by giving not less than one month's notice in writing.

9.3 Commission's Analysis

The Commission noted that the Petitioner has proposed changes in the Tariff Structure as stated above. Some of the stakeholders have also suggested modification in retail tariff schedule. The details of proposal and suggestions considered by the Commission are given here under-

1. <u>Meter Rent-</u>

The State owned Distribution Licensees have proposed merging of meter charges with the fixed charges/ demand charges. Some of the stakeholders have repeatedly suggested to abolish meter rent from the electricity bill.

At present Meter Rent is being collected by the Distribution Licensee in accordance with the Gujarat Electricity Regulatory Commission (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005.

In view of the proposal of the petitioner, representations of the stakeholders and in exercise of the powers conferred under the aforesaid Regulations, the Commission decides to abolish Meter Charges effective from 1st April 2018.

2. Clarity for shifting tariff category for exclusive night time tariff-

In order to reduce ambiguity and to provide more clarity in switching of tariff category from regular tariff to exclusive night time tariff and period of notice, Commission decides to reword existing condition as follows-

'*The option can be exercised to shift from regular tariff category to exclusive night time tariff or from exclusive night time tariff category to regular tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.'*

3. Extending benefit of Optional Demand Based Tariff to small consumers-

At present consumers covered under 'Rate: Non-RGP' category can opt for demand based 'Rate: LTMD' tariff. Some of the stakeholders represented that in order to encourage small consumers to opt for demand based tariff, it is required to reduce minimum billing criteria of 15 kW in Billing Demand of 'Rate: LTMD' category to 6 kW. Commission agrees with the suggestion to extend option of demand based tariff to small consumers and accordingly decides to reduce minimum billing criteria from existing 15 kW to 10 kW.

4. Reduction in Fixed Charges/Demand Charges for Lift Irrigation tariff-

Association of farmers; Piyat Mandalis represented that at present electricity supply for piyat mandalis for use of surface water in irrigation is covered under category created for 'Lift Irrigation'. However, tariff for this category is higher than the normal charges applicable to individual farmer for regular supply for irrigation. Discoms have replied that the special 'Lift Irrigation' category created for 24 hour electricity supply to lift surface water for irrigation purpose and tariff is also determined accordingly. Commission observed that there is a need to encourage 'Piyat Mandalis' and use of surface water for irrigation purpose on co-operative basis and to reduce demand for separate connection of individual farmer. Accordingly the Commission decides to reduce fixed charges for 'LTP- Lift Irrigation' category from Rs. 45 per HP per month to Rs. 20 per HP per month and the Demand Charges for HTP-V category from Rs. 50 per kVA per month to Rs. 25 per kVA per month.

5. Applicability of GLP tariff-

One of the stakeholders represented that the applicability of 'Rate: GLP' may also be made applicable to the institutes which are established for charity purpose but are not allowed to register with the Charity Commissioner. The Commission decides to modify applicability criteria for 'Rate: GLP' so as to include institutes registered with the Charity Commissioner and similarly placed authority designated by the Government of India for such intended purpose.

6. Tariff for Electric Vehicle (EV) charging facilities-

The Commission is aware about initiative taken by the Government to encourage use of electric vehicles. One of the challenges in this regard is identified as lack of EV charging infrastructure. Commission would like to clarify that the consumers getting electricity supply under regular tariff categories may use electricity supply for EV charging under same consumer category.

Further, in order to promote creation of new EV charging facilities, Commission decides to introduce special tariff category for exclusive EV Charging infrastructure with Fixed Charges of Rs. 25 per month per installation and Energy Charges of Rs. 4.10 per kWh for LT consumer and Demand Charges of Rs. 25 per KVA per month and Energy Charges of Rs. 4.00 per kWh for HT consumer. Such consumers are also required to pay the FPPPA charges as applicable from time to time.

In view of the above referred modifications, it is estimated that the consolidated revenue of four Discoms may be affected, which will be duly considered by Commission in next ARR in truing up exercises.

COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for UGVCL for FY 2018-19 as shown in the Table below:

(Rs. Crore)

Sr. No.	Particulars	2018-19
1	Power Purchase Cost	9319.37
2	Operation & Maintenance Expenses	468.39
2.1	*Employee Cost*	447.81
2.2	*Repairs & Maintenance Expenses*	93.56
2.3	*Administration & General Expenses*	80.02
2.4	*Other Debits*	-
2.5	*Extraordinary Items*	0.00
2.6	*Net Prior Period Expenses / (Income)*	-
2.7	*Other Expenses Capitalised*	(153.00)
3	Depreciation	368.61
4	Interest & Finance Charges	140.45
5	Interest on Working Capital	0.00
6	Provision for Bad Debts	0.70
7	**Sub-Total(1 to 6)**	**10297.53**
8	Return on Equity	197.59
9	Provision for Tax / Tax Paid	17.14
10	**Total Expenditure(7 to 9)**	**10512.26**
11	Less: Non-Tariff Income	146.76
12	**Aggregate Revenue Requirement (10 - 11)**	**10365.50**

The retail supply tariffs for UGVCL distribution area for FY 2018-19 determined by the Commission are annexed to this Order. This Order shall come into force with effect from the 1st April, 2018. The revised rate shall be applicable for the electricity consumption from the 1st April, 2018 onwards.

Sd/-	Sd/-	Sd/-
P. J. THAKKAR **Member**	**K. M. SHRINGARPURE** **Member**	**ANAND KUMAR** **Chairman**

Place: Gandhinagar

Date: 31/03/2018

ANNEXURE: TARIFF SCHEDULE

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

Effective from 1st April, 2018

GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Distribution Licensees viz. DGVCL, MGVCL, PGVCL and UGVCL.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC (licensee’s power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and 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.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being

connected or disconnected any time within the duration of billing period for any reason.

11. Prompt payment discount on the total bill excluding all types of levies, duties or taxes levied by the Government or any other competent authorities and but including fixed charges, energy charges and minimum charge may be allowed at the 1% rate for all tariff categories provided that the payment is made within 7 days of presentation of bill and that no previous amount is outstanding as on the date of the bill.
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. RATE: RGP

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

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

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. 70/- 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	305 Paise per Unit
(b)	Next 50 units	350 Paise per Unit
(c)	Next 100 units	415 Paise per Unit
(d)	Next 50 units	425 Paise per Unit

(e)	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

Payment of fixed charges as specified in 1.1 above.

2. 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.

- Single-phase supply- Aggregate load up to 6 kW
- Three-phase supply- Aggregate load above 6 kW

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. 70/- 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	265 Paise per Unit
(b)	Next 50 units	310 Paise per Unit
(c)	Next 100 units	375 Paise per Unit
(d)	Next 50 units	385 Paise per Unit
(e)	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:

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. RATE: GLP

This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose and research and development laboratories.

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

4. RATE: NON-RGP

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

4.1 FIXED CHARGES PER MONTH:

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

PLUS

4.2 ENERGY CHARGES:

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

4.3 MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

(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 at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

(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. 1800 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 480 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. RATE: LTMD

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

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

5.1 FIXED CHARGES:

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

(b)	For billing demand in excess of the contract demand	Rs. 265/- per kW

PLUS

5.2 ENERGY 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) 10 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 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

5.6.3 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. 2970 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) 10kW

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

6. RATE: NON-RGP NIGHT

This tariff is applicable for aggregate load up to 40 kW 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.)

6.1 FIXED CHARGES PER MONTH:

50% of the Fixed charges specified in Rate Non-RGP above.

PLUS

6.2 ENERGY CHARGES:

For entire consumption during the month	260 Paise per Unit

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 6 above.

2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 6 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per Non-RGP category demand charge rates given in para 4.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 4.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per Non-RGP category demand charge and energy charge rates given in para 4.1 and 4.2 respectively, of this schedule.*
6. *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.*
7. *This option can be exercised to shift from NON-RGP tariff category to NON-RGP NIGHT tariff or from NON-RGP NIGHT tariff category to NON-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

7. RATE: LTMD- NIGHT

This tariff is applicable for aggregate load above 40 kW 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:

50% of the Fixed charges specified in Rate **LTMD** above.

PLUS

7.2 ENERGY CHARGES:

For entire consumption during the month	260 Paise per Unit

PLUS

7.3 REACTIVE ENERGY CHARGES:

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

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 7 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 7 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 5.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 5.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 5.1 and 5.2 respectively, of this schedule.*
6. *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.*
7. *This option can be exercised to shift from LTMD tariff category to LTMD-NIGHT tariff or from LTMD-NIGHT tariff category to LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

8. <u>RATE: LTP- LIFT IRRIGATION</u>

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

(a)	Fixed charges per month	Rs. 20/- per HP
PLUS		
(b)	Energy charges For entire consumption during the month	180 Paise per Unit

9. 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. 25/- per HP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	430 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. 20 per HP
PLUS		
(b)	Energy charges per month: For entire consumption during the month	410 Paise per Unit

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

Energy charges per month: For entire consumption during the month	320 Paise/Unit

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.	40 Paise per Unit
For energy consumption during night hours, viz., 2200 Hrs. to 0600 Hrs. next day	85 Paise per Unit

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

11. 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:	405 Paise per Unit

11.1.2 OPTIONAL KVAH CHARGES:

For all the kVAh units consumed during the month:	305 Paise per Unit

11.1.3 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.1.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

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. 30 per kW per month

11.2.2 ENERGY CHARGES:

For all units consumed during the month	405 Paise per kWh

11.2.3 Renewal and Replacement of Lamps:

The consumer shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956 / Rules issued by CEA under the Electricity Act, 2003.

11.2.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

12. 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. 15 per kW per Day

12.2 ENERGY CHARGE

A flat rate of	465 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.

13. RATE: LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

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

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

13.1 FIXED CHARGES / MONTH:

Fixed Charge	Rs. 25 per installation

13.2 ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

ENERGY CHARGE	410 Paise per Unit

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

14. 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.

14.1 DEMAND CHARGES:

14.1.1 For billing demand up to contract demand

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

14.1.2 For Billing Demand in Excess of Contract Demand

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

PLUS

14.2 ENERGY CHARGES

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

	kVA	
(c)	For billing demand above 2500 kVA	430 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 500 kVA	45 Paise per Unit
(b)	For Billing Demand above 500 kVA	85 Paise per Unit

14.4 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

14.5 MINIMUM BILLS:

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

14.6 POWER FACTOR ADJUSTMENT CHARGES:

14.6.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

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

14.6.2 Power Factor Rebate:

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

14.7 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.

14.8 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.

14.9 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%

14.10 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 shall be eligible for concession at the rate of 40 Paise per unit.

14.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

14.11.1 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.

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

14.11.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 14.11.1 above and complying with provisions stipulated under sub-clause 14.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

14.11.4 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.

14.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

14.11.6 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.

15. <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.

15.1 DEMAND CHARGES:

15.1.1 For billing demand up to contract demand

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

15.1.2 For billing demand in excess of contract demand

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

PLUS

15.2 ENERGY CHARGES:

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

PLUS

15.3 TIME OF USE CHARGES:

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

15.4 Billing demand
15.5 Minimum bill
15.6 Maximum demand and its measurement
15.7 Contract Demand
15.8 Rebate for supply at EHV
15.9 Concession for use of electricity during night hours

} Same as per HTP-I Tariff

15.10 POWER FACTOR ADJUSTMENT CHARGES:

15.10.1 Penalty for poor Power Factor:

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

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

15.10.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE: HTP-III

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

16.1 DEMAND CHARGES:

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

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

16.3 TIME OF USE CHARGES:

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

16.4 Billing demand

16.5 Minimum bill

16.6 Maximum demand and its measurement

16.7 Contract Demand

16.8 Rebate for supply at EHV

Same as per

HTP-I Tariff

16.9 POWER FACTOR ADJUSTMENT CHARGES:

16.9.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.9.2 Power Factor Rebate:

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

17 RATE: HTP-IV

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

17.1 DEMAND CHARGES:

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

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise per Unit

17.3 Billing demand **17.4 Minimum bill** **17.5 Maximum demand and its measurement** **17.6 Contract Demand** **17.7 Rebate for supply at EHV**	Same as per HTP-I Tariff

17.8 POWER FACTOR ADJUSTMENT CHARGES:

17.8.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 17.2 of this schedule, will be charged.

17.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 17.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 16 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 16 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 14.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 14.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 14.1 and 14.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.*
7. *This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period*

18 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.

18.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

18.2 ENERGY CHARGES:

For all units consumed during the month	180 Paise per Unit

18.3 Billing demand
18.4 Minimum bill
18.5 Maximum demand and its measurement
18.6 Contract Demand
18.7 Rebate for supply at EHV

} Same as per HTP-I Tariff

18.8 POWER FACTOR ADJUSTMENT CHARGES:

18.8.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 18.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 18.2 of this schedule, will be charged.

18.8.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 18.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

19 RATE: RAILWAY TRACTION

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

19.1 DEMAND CHARGES:

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

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

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 19.1 (b).

PLUS

19.2 ENERGY CHARGES:

For all units consumed during the month	500 Paise per Unit

19.3 Billing demand
19.4 Minimum bill
19.5 Maximum demand and its measurement
19.6 Contract Demand
19.7 Rebate for supply at EHV

Same as per HTP-I Tariff

19.8 POWER FACTOR ADJUSTMENT CHARGES:

19.8.1 Penalty for poor Power Factor:

(a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 19.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

(b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 19.2 of this schedule, will be charged.

19.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 19.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

20 RATE: HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

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

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

20.1 DEMAND CHARGES:

For billing demand up to contract demand	Rs. 25/- per kVA per Month
For billing demand in excess of contract demand	Rs. 50/- per kVA per Month

PLUS

20.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit

20.3 BILLING DEMAND:

The billing demand shall be the highest of the following:

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