

# GUJARAT ELECTRICITY REGULATORY COMMISSION



## **Tariff Order**

Truing up for FY 2016-17  
and Determination of Tariff for FY 2018-19  
For

**Dakshin Gujarat Vij Company Limited  
(DGVCL)**

**Case No. 1700/2018  
31<sup>st</sup> March, 2018**

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(GERC)  
GANDHINAGAR**

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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
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. 1700/2018

**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

Dakshin Gujarat Vij Company Ltd. (hereinafter referred to as DGVCL or the Petitioner) filed the present petition on 15<sup>th</sup> January, 2017 under Section 62 of the Electricity Act, 2003, read with the 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 29<sup>th</sup> March, 2016 which shall be applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> 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 17<sup>th</sup> January, 2018 as Case No. 1700/2018 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with the tariff order.

## 1.2 Dakshin Gujarat Vij Company Limited (DGVCL)

Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1<sup>st</sup> 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:**

<b>Sr. No.</b>	<b>Name of Company</b>
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 3<sup>rd</sup> October, 2006, notified the final opening balance sheets of the transferee companies as on 1<sup>st</sup> April, 2005. The value of assets and liabilities, which stand transferred from the erstwhile Gujarat Electricity Board to the transferee companies, include Dakshin Gujarat Vij Company Limited (DGVCL). 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 2<sup>nd</sup> 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. 1548/2015) for Truing-up of FY 2014-15 and determination of tariff for FY 2016-17 on 8<sup>th</sup> December 2015. The Commission approved the provisional ARR and the tariff for FY 2016-17 was determined accordingly vide Order dated 31<sup>st</sup> March 2016.

#### **1.4 Commission’s Order for Approval of final ARR for FY 2016-17 and Approval of Multi-Year ARR 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 30<sup>th</sup> November 2016. The petition was registered on 03<sup>rd</sup> December 2016 (under Case No. 1623 of 2016). The Commission vide Order dated 31<sup>st</sup> March, 2017 approved the Truing up for 2015-16, Final ARR for 2016-17, Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determined the tariff for 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 15<sup>th</sup> January, 2018. After technical validation of the petition, it was





registered on 17<sup>th</sup> January, 2018 (Case No. 1700/2018) and as provided under Regulation 29.1 of GERC (MYT) Regulations, 2016, the Commission has proceeded with this tariff order.

In accordance with Section 64 of the Electricity Act, 2003, DGVCL 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 20<sup>th</sup> January, 2018:

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

The Petitioner also placed the public notice and the petition on its website ([www.dgvcl.com](http://www.dgvcl.com)), for inviting objections and suggestions by giving time of 30 days as per the requirement of Act and Regulations. The interested parties/stakeholders were asked to file their objections / suggestions on the petition on or before 19<sup>th</sup> February, 2018.

The Commission also placed the petition and additional details received from the Petitioner on its website ([www.gercin.org](http://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 27<sup>th</sup> 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.	Shri H J Patel	Yes	No	No
2.	Khedut Heet Rakshak Samiti	Yes	No	No
3.	Laghu Udyog Bharati - Gujarat	Yes	Yes	Yes
4.	Water Health India Private Limited	Yes	Yes	Yes
5.	Shri K.K. Bajaj	Yes	Yes	Yes
6.	Utility Users' Welfare Association (UUWA)	Yes	Yes	Yes
7.	Gujarat Chamber of Commerce & Industry	Yes	Yes	Yes
8.	GIFT PCL	Yes	Yes	Yes
9.	Shri R.G. Tillan	No	Yes	Yes
10.	Kutchh Chamber of Commerce & Industry	Yes	No	No
11.	OPGS Power	Yes	No	No

The issues raised by the objectors, along with the response of DGVCL 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.

DGVCL 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 the 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 2018-19 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 DGVCL's Petition.
3. The **third chapter** deals with objections raised by various stakeholders, DGVCL'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

Dakshin Gujarat Vij Company Limited (DGVCL) 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 DGVCL

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

**Table 2.1:ARR proposed by DGVCL 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	10,394.13	10,320.62	214.86	(141.36)
2	Operation & Maintenance Expenses	254.21	465.53	(8.37)	(202.95)
2.1	Employee Cost	284.68	402.38	-	(117.70)
2.2	Repairs & Maintenance Expenses	38.62	43.15	(4.53)	-
2.3	Administration & General Expenses	71.66	75.51	(3.85)	-
2.4	Other Debits	-	2.66	-	(2.66)
2.5	Extraordinary Items	-	0.31	-	(0.31)
2.6	DSM Expenses/Ujala Expenses	-	4.80	-	(4.80)
2.7	Other Expenses Capitalised	(140.75)	(63.27)	-	(77.48)
3	Depreciation	256.87	255.78	-	1.09
4	Interest & Finance Charges	122.39	121.05	-	1.34
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	1.50	0.10	1.40	-
7	<b>Sub Total (1 to 6)</b>	<b>11,029.09</b>	<b>11,163.09</b>		
8	Return on Equity	111.80	109.62	-	2.18
9	Provision for Tax / Tax Paid	23.50	29.20	-	(5.70)
10	<b>ARR (7 to 9)</b>	<b>11,164.39</b>	<b>11,301.91</b>	<b>207.89</b>	<b>(345.40)</b>
11	Non - Tariff Income	178.30	147.13	-	(31.17)
12	<b>Total ARR (10-11)</b>	<b>10,986.09</b>	<b>11,154.78</b>	<b>207.89</b>	<b>(376.57)</b>



Through its subsequent submission DGVCL has revised the above details as shown in the Table below:

**Table 2.2: Revised ARR proposed by DGVCL 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	10,394.13	10,320.62	214.86	(141.36)
2	Operation & Maintenance Expenses	254.21	481.38	(8.37)	(218.80)
2.1	Employee Cost	284.68	418.23	-	(133.55)
2.2	Repairs & Maintenance Expenses	38.62	43.15	(4.53)	-
2.3	Administration & General Expenses	71.66	75.51	(3.85)	-
2.4	Other Debits	-	2.66	-	(2.66)
2.5	Extraordinary Items	-	0.31	-	(0.31)
2.6	DSM Expenses/Ujala Expenses	-	4.80	-	(4.80)
2.7	Other Expenses Capitalised	(140.75)	(63.27)	-	(77.48)
3	Depreciation	256.87	255.78	-	1.09
4	Interest & Finance Charges	122.39	121.05	-	1.34
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	1.50	0.10	1.40	-
7	<b>Sub Total (1 to 6)</b>	<b>11,029.09</b>	<b>11,178.94</b>		
8	Return on Equity	111.80	109.62	-	2.18
9	Provision for Tax / Tax Paid	23.50	29.20	-	(5.70)
10	<b>ARR (7 to 9)</b>	<b>11,164.39</b>	<b>11,317.76</b>	<b>207.89</b>	<b>(361.25)</b>
11	Non - Tariff Income	178.30	162.98	-	(15.32)
12	<b>Total ARR (10-11)</b>	<b>10,986.09</b>	<b>11,154.78</b>	<b>207.89</b>	<b>(376.57)</b>

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

As shown in the Table below DGVCL has claimed a revenue gap of Rs. 161.10 Crore in the truing up after considering the gain/(losses) due to controllable and uncontrollable factors:



**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	10,986.09
2	Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer	(376.57)
3	Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain / (Loss))	69.30
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	(38.72)
5	Recovery of past year True-Up (Gap)/Surplus for FY 2009-10	53.96
6	Recovery of past year True-Up (Gap)/Surplus for FY 2010-11	(12.66)
7	Allocation of GUVNL Profit of FY 2016-17	40.02
<b>8</b>	<b>Revised ARR for FY 2016-17 ( 1 - 2 -3 - 4 - 5 - 6 - 7 )</b>	<b>11,250.77</b>
9	Revenue from Sale of Power	10,441.41
10	Other Income ( Consumer related)	600.15
11	Agriculture subsidy	48.11
<b>12</b>	<b>Total Revenue including Subsidy ( 9 - 10 + 11 )</b>	<b>11,089.67</b>
<b>13</b>	<b>Revised Gap after treating gains/(losses) due to Controllable/Uncontrollable factors (8 -12)</b>	<b>161.10</b>

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

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

**Table 2.4:ARR proposed by DGVCL for FY 2018-19**

(Rs. Crore)

Sr. No.	Particulars	2018-19
1	Cost of Power Purchase	11,744.41
2	Operation & Maintenance Expenses	284.13
2.1	Employee Cost	318.18
2.2	Repairs& Maintenance Expenses	43.17
2.3	Administration& General Expenses	80.09
2.4	Other Debits	-
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-



Sr. No.	Particulars	2018-19
2.7	Other Expenses Capitalised	(157.32)
3	Depreciation	331.89
4	Interest & Finance Charges	139.00
5	Interest on Working Capital	-
6	Provision for Bad Debts	1.50
<b>7</b>	<b>Sub-Total (1 to 6)</b>	<b>12,500.93</b>
8	Return on Equity	145.20
9	Provision for Tax / Tax Paid	23.50
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>12,669.63</b>
11	Less: Non-Tariff Income	178.30
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12,491.33</b>

## 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 after taking into account the revenue gap of Rs. 161.10 Crores according to the truing up exercise of FY 2016-17 is shown in the following Table.

**Table 2.5: Estimated revenue surplus/ (gap) of DGVCL for FY 2018-19**

(Rs. Crore)

Sr. No.	Particulars	2018-19
1	Aggregate Revenue Requirement for FY 2018-19	12,491.33
2	Revenue Surplus/ (Gap) from True up of FY 2016-17	161.10
<b>3</b>	<b>Total Aggregate Revenue Requirement (1 to 2)</b>	<b>12652.43</b>
4	Revenue with Existing Tariff	9,228.85
5	FPPPA Charges @ 149 paisa/kWh	2,805.82
6	Other Income (Consumer related)	367.84
7	Agriculture Subsidy	49.15
<b>8</b>	<b>Total Revenue including subsidy (4 to 7)</b>	<b>12,451.66</b>
<b>9</b>	<b>Surplus/ (Gap) (3-8)</b>	<b>(200.77)</b>



## 2.5 DGVCL'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 31<sup>st</sup> 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 DGVCL 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;



<b>DISCOM</b>	<b>Collection efficiency (%)</b>
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 FPPA Charges**

The objector stated that segment wise approved power purchase cost by the Commission is not submitted by the petitioners. Further, revenue realized from FPPA 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 FPPA charges over and above the base FPPA 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 FPPA of Rs. 1.20/unit during the quarter. Thus, there is no excess recovery of FPPA 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 Rest. 1.50/unit**

The objector sought ceiling of FPPPA charges at maximum of Rest. 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 Rest. 1.43/unit to Rest. 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 consumers 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.

## **3.3 Issues pertaining to DGVCL**

### **1. Introduction of Power Factor Adjustment Charges for LTMD category in line with HT category**

The objector stated that in case of HT category consumer who maintains Power Factor above 95% is eligible for rebate/incentive whereas LTMD category consumer has to pay 10 paise/kVarh charges. Further, HT category consumer who maintains Power Factor between 90% to 95% is exempted from Power Factor penalty whereas LTMD category consumer has to pay 10 Paise/kVarh charges. HT Category consumer who maintains Power Factor below 90% to 85% has to pay Power Factor adjustment charges at the rate of 1% on total amount of bill on the head energy charges for every 1% drop in Power Factor whereas LTMD category consumer has to pay 10 Paise/kVarh charges. HT category consumer who maintains Power Factor below 85% has to pay Power Factor adjustment charge at the rate of 2% on total amount of the bill on the head energy charges for every 1% drop in Power Factor whereas LTMD category consumer has to pay 10 Paise/kVarh charges. The objector further stated that for NRGV category there is no provision about maintaining Power Factor and no provision about Power Factor penalty/rebate and therefore, consumers covered in this category upto 40 kW are taking undue advantage. Due to the said reason, LTMD category should be re-described and should cover upto 25 kW and above consumers for better Power Factor management. Further in reference to the reply by the petitioner, the objector stated that nowadays automatic Power Factor Controllers are available in the market and therefore, there is no question of adverse impact on system in terms of voltage profile.

### **Response of DISCOM**

Petitioner submitted that HT consumers are having higher contract demand with the DISCOM and have higher consumption also and therefore, HT consumers causes more burden on the



network by drawing more reactive energy than that caused by LT category consumers. It would be apt to mention that the "Penalty" to the consumers for maintaining Power factor should be in proportion to the impact on the system due to reactive draw/ not maintaining power factor by such consumers. Further, HT category consumers are having skilled manpower to maintain PF controlling mechanism being larger establishment as compared to LT consumer. It is to appreciate that LT category consumer may not have such skill and man power and therefore, such LT category consumers may tempt to provide higher capacitive compensation, which may have adverse impact on system in terms of voltage profile and also endanger the network for the person working on it. However, The Commission may take a suitable view on the response.

Respondent has further suggested that LTMD Category be made applicable from 15 kW instead of above 40 kW. In this regard it is to submit that present provisions provide an option to the NRGP category consumer having contract demand in the range of 15 kW to 40 kW to choose LTMD category in place of NRGP category. The Commission may take a suitable view on the response, however, any modification to be made by The Commission should be revenue neutral to the Company.

### **Commission's view**

The Commission has noted the response of the petitioner and agrees with the response of the licensee. Further, regarding installation of automatic Power Factor Controllers, the Commission is of the view that operation of automatic Power Factor Controllers require specific skills and trained manpower and therefore, such installation of automatic Power Factor Controllers would not be in interest of vast consumer base of LTMD category and distribution utility.

Further, the issue of applicability of demand based tariff for consumers having installation above 15 kW, the Commission will consider the same after getting relevant details and studying impact of the same on revenue.



## 4 Truing up of FY 2016-17

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

DGVCL, in its submission for True-up of FY 2016-17, has furnished details of the actual energy sales, expenditure and revenue for FY 2016-17, based on the audited annual accounts. 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 31<sup>st</sup> 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 FY 2016-17 in MYT Order	Claimed in Truing up for FY 2016-17
<b>A</b>	<b>LT Consumers</b>		
1	RGP	2780	2649
2	GLP	50	47
3	Non-RGP & LTMD	5090	4848
4	Public Water Works	172	183
5	Agriculture-Metered	390	350
6	Agriculture-Unmetered	420	418
7	Street Light	59	60
	<b>LT Total (A)</b>	<b>8961</b>	<b>8555</b>
<b>B</b>	<b>HT Consumers</b>		
8	Industrial HT	7963	7727
9	Railway Traction	0	9



Sr. No	Particulars	Approved for FY 2016-17 in MYT Order	Claimed in Truing up for FY 2016-17
	<b>HT Total (A)</b>	<b>7963</b>	<b>7736</b>
	<b>Grand Total (A+B)</b>	<b>16925</b>	<b>16291</b>

### Commission's Analysis

The Commission, in the MYT Order dated 31<sup>st</sup> March, 2017 had approved the energy sales of 16925 MUs for FY 2016-17 against which DGVCL has submitted the actual sales of 16291 MUs.

As can be observed from the Table above, the actual energy sales of all the categories except Public Water Works, Street Light and Railway Tractions have been lower than the figures approved in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2016-17. Overall, the actual energy sales of DGVCL are lower by 634 MUs, against the approved MYT figures. 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 16291 MUs as detailed in the Table below:**

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

(MUs)

Sr. No.	Particulars	Approved for FY 2016-17 in MYT Order	Claimed in Truing up for FY 2016-17	Approved in Truing up for FY 2016-17
A	<b>LT Consumers</b>			
1	RGP	2780	2649	2649
2	GLP	50	47	47
3	Non-RGP & LTMD	5090	4848	4848
4	Public Water Works	172	183	183
5	Agriculture-Metered	390	350	350
6	Agriculture-Unmetered	420	418	418
7	Street Light	59	60	60
	<b>LT Total (A)</b>	<b>8961</b>	<b>8555</b>	<b>8555</b>
B	<b>HT Consumers</b>			
8	Industrial HT	7963	7727	7727
9	Railway Traction	0	9	9
	<b>HT Total (B)</b>	<b>7963</b>	<b>7736</b>	<b>7736</b>
	<b>Grand Total (A+B)</b>	<b>16925</b>	<b>16291</b>	<b>16291</b>



## 4.2 Distribution Losses

### Petitioner's submission

The Petitioner has submitted that the actual distribution losses for FY 2016-17 are 8.02%, 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 Truing up for 2016-17
1	Distribution Losses	10.00%	8.02%

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.

### Commission's Analysis

DGVCL has submitted that the actual distribution loss for FY 2016-17 was 8.02%, which is lower than the distribution loss level of 10.00% approved by the Commission in the MYT Order dated 31<sup>st</sup> March, 2017.

The Commission considers distribution loss as controllable as per the GERC (MYT) Regulations, 2016. Accordingly, the Commission considers distribution loss of 10.00%, as approved in the MYT Order dated 31<sup>st</sup> 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 FY 2016-17 in MYT Order	Claimed in Truing up for FY 2016-17	(Considered in True-up) for FY 2016-17
Distribution losses	10.00%	8.02%	10.00%

## 4.3 Energy requirement

### Petitioner's submission

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



**Table 4.5: Energy requirement and Energy balance as submitted by DGVCL 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	16925	16291
2	Distribution Losses	MUs	1881	1421
		%	10.00%	8.02%
3	Energy Requirement	MUs	18805	17712
4	Transmission Losses	MUs	753	712
5	Total Energy to be input to Transmission System	MUs	19558	18424
6	Pooled Losses in PGCIL System	MUs	205	261
<b>7</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>19763</b>	<b>18685</b>

### Commission's Analysis

DGVCL has computed the energy requirement based on the actual distribution losses of 8.02% and actual energy sales of 16,291 MUs and transmission loss of 3.85%.

The Commission had approved the distribution losses of 10.00% and transmission losses of 3.85% in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2016-17.

Accordingly, the Commission has computed the energy requirement of DGVCL 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	Approved in Truing up for 2016-17
1	Energy Sales	MUs	16925	16291
2	Distribution Losses	MUs	1881	1421
		%	10.00%	8.02%
3	Energy Requirement	MUs	18805	17712
4	Transmission Losses	Mus	753	712
<b>5</b>	<b>Total Energy to be input to Transmission System</b>	<b>MUs</b>	<b>19558</b>	<b>18424</b>
6	Pooled Losses in PGCIL System	MUs	205	261
<b>7</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>19763</b>	<b>18685</b>





## 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.

DGVCL has submitted the actual power purchase cost incurred during FY 2016-17, as shown in the Table below:

**Table 4.7: Power Purchase Cost claimed by DGVCL 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	10,394.13	10,320.62

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. DGVCL 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 DGVCL for FY 2016-17**

(Rs Crore)

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17
<b>A</b>	<b>Cost</b>		
1	Power purchased from GUVNL		10282.83
2	Power purchased from Wind Farms		15.80
3	Power Purchased from Solar		2.56
4	UI/DSM Charge		46.34
<b>B</b>	<b>Income</b>		
1	Sale of power to GUVNL		0.00
2	UI/DSM Charges Revenue		26.91
	<b>Net Power Purchase Cost (A-B)</b>	<b>10,394.13</b>	<b>10320.62</b>



It is submitted by DGVCL 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 DGVCL 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 DGVCL 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 DGVCL. The Commission observed that the Petitioner has included SLDC Charges of Rs. 2.93 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.



The sales and the quantum of power purchase and the power purchase cost are as per the audited annual accounts for the FY 2016-17. The power purchase cost, as per the audited annual accounts for FY 2016-17, is Rs. 10,320.62 Crore and after addition of SLDC Charges of Rs 2.93 Crore comes to Rs 10323.55 Crore.

**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	10282.83
2	Power purchased from Wind Farm	15.80
3	Power purchased from Solar	2.56
4	DSM Charges	46.34
5	SLDC charges	2.93
	<b>Total Power Purchase Cost</b>	<b>10350.46</b>
6	Power sold to GUVNL (Income)	-
7	DSM Charges (Income)	26.91
<b>8</b>	<b>Net Power Purchased Cost</b>	<b>10323.55</b>

The Commission approves the power purchase cost of Rs. 10,323.55 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	10,394.13	10,320.62	10323.55

## 4.5 Gain / (loss) due to distribution losses

### Petitioner's submission

DGVCL has submitted that there is gain of Rs. 214.86 Crore in the power purchase cost due to lower distribution loss as compared to approved distribution loss in the MYT Order dated 31<sup>st</sup> March, 2017. The gain is considered as controllable variation. The calculation of gain on account of lower distribution loss as submitted by DGVCL is shown in the Table below:



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

Sr. No.	Particulars	Units	2016-17 (with Approved Distribution Losses)	2016-17 (with Actual Distribution Losses)
1	Energy Sales	MUs	16291	16291
2	Distribution Losses	MUs	1810	1421
		%	10.00%	8.02%
3	<b>Energy Requirement</b>	<b>MUs</b>	<b>18101</b>	<b>17712</b>
4	Savings (loss) due to Distribution Losses	MUs		389
5	Average Cost of Power Purchase	Rs. /Unit		5.52
6	<b>Gain/(Loss) Due to Distribution Losses</b>	<b>Rs. Crore</b>		<b>214.86</b>

### Commission's Analysis

The Commission had approved distribution loss at 10.00% for FY 2016-17 in the MYT Order dated 31<sup>st</sup> March, 2017, against which the actual distribution loss of DGVCL is 8.02%. The total gains / (losses) on account of lower distribution loss are computed in the Table below:

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

(Rs Crore)

Sr. No.	Particulars	Units	Actuals submitted for 2016-17	Considered for computation of Gains/(Losses) for 2016-17
1	Energy Sales	Mus	16291.00	16291.00
2	Distribution Losses	Mus	1421.00	1810.11
		%	8.02%	10.00%
3	Energy Requirement	MUs	17712.00	18101.11
4	Savings (loss) due to Distribution Losses	MUs		389.11
5	Average Cost of Power Purchase	Rs. /Unit		5.53
6	<b>Gain/(Loss) due to Distribution Losses</b>	<b>Rs . Crore</b>		<b>214.99</b>

The total gain on account of lower distribution losses, as computed by the Commission is Rs. 214.99 Crore.



While computing the Gain/(Loss) 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, gain/loss 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 +/-	Gains/(losses) due to controllable factors	Gains/(losses) due to uncontrollable factors
Total Power Purchase Cost	10,394.13	10,323.55	70.58	214.99	(144.41)

## 4.6 Fixed charges

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

DGVCL has claimed O&M expenses of Rs. 465.53 Crore, which is inclusive of employee cost of Rs. 402.38 Crore, repair & maintenance charges of Rs. 43.15 Crore and administration & general expenses of Rs. 75.51 Crore along with other debits, extraordinary items, DSM expenses and other expenses capitalized against the approved O&M expense of Rs. 254.21 Crore.

**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
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Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Deviation
1	Employee Cost	284.68	402.38	(117.70)
2	Repair & Maintenance	38.62	43.15	(4.53)
3	Administration & General Charges	71.66	75.51	(3.85)
4	Other Debts	-	2.66	(2.66)
5	Extraordinary items	-	0.31	(0.31)
6	DSM expenses/ Ujala Expenses	-	4.80	(4.80)
7	Other Expenses Capitalised	(140.75)	(63.27)	(77.48)
8	<b>Operation &amp; Maintenance Expenses</b>	<b>254.21</b>	<b>465.53</b>	<b>(211.32)</b>

### Petitioner's submission

Subsequently DGVCL vide letter dated 23.02.2018 submitted that expenditure of Rs. 15.85 Crore as shown in the P&L A/c towards Re-measurement of Defined Benefit Plans though being part of Employee Cost has inadvertently been reduced from Non-Tariff Income and requested to consider the same in employee cost. Accordingly, DGVCL has claimed revised O & M expenses of Rs. 481.38 Crore. DGVCL has compared the O&M expenses actually incurred during FY 2016-17 with the expenses approved by the Commission in the MYT Order dated 31<sup>st</sup> March, 2017 and arrived at gain /(loss) as detailed in the Table below:

**Table 4.15: O&M expenses and gain / loss 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 Expenses	284.68	418.23	-	(133.55)
2	Repair & Maintenance Cost	38.62	43.15	(4.53)	-
3	Administration & General Charges	71.66	75.51	(3.85)	-
4	Other Debts	-	2.66	-	(2.66)
5	Extraordinary Items	-	0.31	-	(0.31)
6	DSM expenses/ Ujala Expenses	-	4.80	-	(4.80)
7	Other Expenses Capitalised	(140.75)	(63.27)	-	(77.48)
8	<b>Total O&amp;M Expenses</b>	<b>254.21</b>	<b>481.38</b>	<b>(8.37)</b>	<b>(218.80)</b>



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

#### 4.6.2 Employee cost

DGVCL has claimed Rs. 418.23 Crore towards actual employee cost in the truing up for FY 2016-17. The employee cost approved for FY 2016-17 in the MYT Order dated 31<sup>st</sup> March, 2017 and claimed by DGVCL in the truing up are given in the Table below:

**Table 4.16: Employee cost claimed by DGVCL 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	284.68	418.23	-	(133.55)

#### Petitioner's submission

DGVCL 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 is a legitimate expenditure and any variation is purely beyond its control. Accordingly, DGVCL has estimated a gain/ (loss) of Rs. (133.55) Crores on account of uncontrollable factors.

#### Commission's Analysis

It is observed that the actual employee cost, as per the audited annual accounts for FY 2016-17, is Rs. 402.38 Crore before capitalization of Rs. 53.75 Crore. As stated in para 4.6.1, DGVCL has inadvertently reduced the Non-Tariff Income by Rs. 15.85 Crore towards the expenditure on account of Re-measurement of Defined Benefit Plans (a component of employee cost) as appearing in the Statement of P & L for the year ended 31<sup>st</sup> March, 2017. The Commission has accepted the contention of DGVCL and has accordingly considered the revised employee cost of Rs. 418.23 Crore.

In response to the Commission's query, the Petitioner informed that employee expenses include provision of Rs. 59.24 Crores towards 7<sup>th</sup> 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.



59.24 Crore for the purpose of true up of 2016-17. However, as and when the actual expenses are incurred, the Commission would consider such claims, which would be accounted for during the true up of annual account of the respective year as uncontrollable factor.

Therefore, the Commission considers Rs. 358.99 Crore (Rs. 418.23 – Rs. 59.24 Crore) as employee expenses for the purpose of true up of 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. 358.99 Crore in the truing up for FY 2016-17.

**Table 4.17: Approved Employee cost 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	Employee Cost	284.68	358.99	(74.31)	-

#### 4.6.3 Repairs & Maintenance (R&M) Expenses

DGVCL has claimed Rs. 43.15 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 31<sup>st</sup> March, 2017 and claimed by DGVCL in the truing up are given in the Table below:

**Table 4.18: R&M expenses claimed by DGVCL for 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	Repairs & Maintenance Expenses	38.62	43.15	(4.53)	-

#### Petitioner's submission

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





uncontrollable in nature. DGVCL has worked out a loss of Rs. 4.53 Crore due to controllable factors.

### Commission's Analysis

The actual R&M expenses incurred during FY 2016-17 are Rs. 43.15 Crore, as per the audited annual accounts. The Commission has observed that R&M expenditure incurred by DGVCL is in excess of the amount approved in the MYT Order dated 31<sup>st</sup> March, 2017 by the Commission. The R&M expense is a controllable item of expenditure under the GERC(MYT) Regulations, 2016.

The Commission, accepts the contention of DGVCL and accordingly approves the R&M expenses at Rs. 43.15 Crore in the truing up for FY 2016-17.

**Table 4.19: Approved R&M expenses 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	38.62	43.15	(4.53)	-

#### 4.6.4 Administration & General (A&G) Expenses

DGVCL has claimed Rs. 75.51 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 31<sup>st</sup> March, 2017 and claimed by DGVCL in the truing up are given in the Table below:

**Table 4.20: A&G expenses claimed by DGVCL 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	71.66	75.51	(3.85)	-



### Petitioner's submission

DGVCL 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. 3.85 Crore for FY 2016-17.

### Commission's Analysis

It is observed that the A&G Expenses as per Audited Accounts are Rs. 111.72 Crore and, the Petitioner has deducted the expenses towards CSR of Rs 0.84 Crore and provision for bad debts of Rs. 27.84 Crore. Further, items such as bad debts written off Rs. 0.10 Crore, Ujala expenses Rs 4.80 Crore and other debits of Rs. 2.66 Crore have been claimed separately and accordingly, the Petitioner has deducted these items from A&G expenses. The Commission observed that the A&G Expenses includes Rs. 2.93 Crore towards SLDC charges which are to be reduced from A&G Expenses and included in the Power Purchase Cost. Therefore, for the purpose of true up of FY 2016-17, Rs. 72.57 Crore has been considered as actual A&G expense incurred by DGVCL. Further, the Commission observes that the A&G expenses of Rs. 72.57 Crore, is higher than Rs. 71.66 Crore approved in the MYT Order dated 31<sup>st</sup> 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. 0.91 Crore as loss under A&G expenses, on account of controllable factors.

**The Commission, accordingly, approves the A&G expenses at Rs. 72.57 Crore in the truing up for FY 2016-17.**

**Table 4.21: Approved A&G expenses 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	71.66	72.57	(0.91)	-



#### 4.6.5 Other Debits

##### Petitioners' submission

DGVCL has claimed the actual other debits at Rs. 2.66 Crore in the truing up, as against Rs. 0.00 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2016-17 as shown in the Table below:

**Table 4.22: Other debits as claimed by DGVCL 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	0.00	2.66		(2.66)

##### Commission's Analysis

The Commission observed that other debits of Rs. 2.66 Crore considered by DGVCL is the "Misc. losses & Write-offs". In response to the Commission's query, the Petitioner furnished the break-up of such Miscellaneous Losses & Write-off as follows:

Description	Amount. (Rs. Crore)
Small & low value items written off	0.03
Waiver of delayed payment charges (DPC)	1.38
Compensation for injury, death, damage outsiders	1.01
Loss on obsolescence of fixed assets	0.23
Total	<b>2.66</b>

The aforesaid break-up of Miscellaneous Losses & Write-off is inclusive of Rs. 1.38 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 the same also cannot be considered as expenses. Therefore, the Commission allows Rs. 1.28 Crore (Rs. 2.66 Crore – Rs. 1.38 Crore) under other debits for the purpose of true up of FY 2016-17.



The Commission also observes that other debits approved in the MYT Order for FY 2016-17, is Rs. 0.00 Crore, whereas the actual amount allowed by the Commission is Rs. 1.28 Crore. The Commission, accordingly, considers Rs. 1.28 Crore as loss under A&G expenses, on account of uncontrollable factors.

**The Commission approves the other debits at Rs. 1.28 Crore in the truing up for FY 2016-17.**

**Table 4.23: Approved other debits 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	0.00	1.28	-	(1.28)

#### 4.6.6 Extraordinary Items

DGVCL has claimed Rs. 0.31 Crore, which has been attributed to losses because of fire, cyclone etc., under extraordinary items in the truing up for FY 2016-17. The Commission did not approve any amount under the head of extraordinary items in the MYT Order, dated 31<sup>st</sup> March, 2017.

**Table 4.24: Extraordinary Items as claimed by DGVCL 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	Extraordinary Items	0.00	0.31	-	(0.31)

#### Commission's Analysis

The actual extraordinary items are Rs.0.31 Crore, as per the audited annual accounts for FY 2016-17. The Commission approves the extraordinary items at Rs. 0.31 Crore, as per the audited accounts and allows it as an uncontrollable loss.



**Table 4.25: Approved Extraordinary Items 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	Extraordinary Items	0.00	0.31	-	(0.31)

#### 4.6.7 DSM Expenses/ Ujala Expenses

DGVCL has claimed Rs.4.80 Crore towards DSM expenses/ Ujala Expenses in the truing up for FY 2016-17. The Commission did not approve any amount under the head of DSM Expenses/ Ujala Expenses in the MYT Order dated 31<sup>st</sup> March, 2017.

**Table 4.26: DSM expenses/ Ujala Expenses as claimed by DGVCL 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	DSM Expenses/ Ujala Expenses	0.00	4.80	-	(4.80)

DGVCL has submitted that it has received money for Ujala Scheme from Government. DGVCL has shown Ujala expenses as part of ARR and money received is passed on to the consumers as other income. DGVCL was only a facilitator and hence no expense was incurred by DGVCL but only collected money from Government and implemented the Ujala scheme. These expenses are beyond the control of DGVCL and therefore claimed as uncontrollable.

#### Commission's Analysis

The actual DSM Expenses/ Ujala Expenses accounted for in the audited annual accounts is Rs. 4.80 Crore. The Commission allows it as an uncontrollable item.

**The Commission, accordingly, approves the DSM expenses/ Ujala Expenses of Rs. 4.80 Crore in the truing up for FY 2016-17.**



**Table 4.27: Approved DSM expenses/ Ujala Expenses 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	DSM Expenses/ Ujala Expenses	0.00	4.80	-	(4.80)

#### 4.6.8 Other Expenses Capitalised

DGVCL has claimed the actual expenses capitalised at Rs. 63.27 Crore in the truing up for FY 2016-17, as against Rs. 140.75 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as shown in the Table below:

**Table 4.28: Other expenses capitalized as claimed by DGVCL 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	(140.75)	(63.27)	-	(77.48)

#### 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 are Rs. 63.27 Crore, as per the audited annual accounts for FY 2016-17 against Rs.140.75 Crore approved in the MYT Order dated 31<sup>st</sup> March 2017. The Commission allows Rs. 77.48 Crore as loss due to uncontrollable factors.

**The Commission, accordingly, approves the other expenses capitalised at Rs. 63.27 Crore for FY 2016-17.**



**Table 4.29: Approved other expenses capitalized 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	(140.75)	(63.27)	-	(77.48)

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 4.30: 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	Approved in Truing up for 2016-17	Deviation +/-	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
Employee cost	284.68	358.99	(74.31)	(74.31)	-
Repairs & Maintenance expenses	38.62	43.15	(4.53)	(4.53)	-
Administration & General Other debits	71.66	72.57	(0.91)	(0.91)	-
Other Debits	-	1.28	(1.28)	-	(1.28)
Extraordinary items	-	0.31	(0.31)	-	(0.31)
DSM expenses/ Ujala Expenses	-	4.80	(4.80)	-	(4.80)
Other expenses capitalized	(140.75)	(63.27)	(77.48)	-	(77.48)
<b>Total O&amp;M expenditure</b>	<b>254.21</b>	<b>417.82</b>	<b>(163.61)</b>	<b>(79.75)</b>	<b>(83.86)</b>

#### 4.6.9 Capital expenditure, Capitalisation and Funding of CAPEX

DGVCL has claimed capital expenditure of Rs. 501.90 Crore in the truing up for FY 2016-17, as against Rs. 721.27 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as given in the Table below:



**Table 4.31: Capital expenditure claimed by DGVCL for FY 2016-17**

(Rs Crore)

Sr.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Deviation
<b>A</b>	<b>Distribution Schemes</b>			
	Normal Development Scheme	253.93	224.11	29.82
	Zupadpatti	0.00	0.04	(0.04)
	Electrification of hutments	0.87	-	0.87
	KutirJyoti Scheme	1.04	0.47	0.57
	Scheme for meters	0.00	-	-
	Others Harijan Basti – Petapara	0.17	-	0.17
	<b>Total</b>	<b>256.01</b>	<b>224.62</b>	<b>31.39</b>
<b>B</b>	<b>Rural Electrification Schemes</b>			
	TASP (Wells & Petapara)	165.00	134.57	30.43
	Special Component plan	0.85	1.36	(0.51)
	New Gujarat Pattern	12.09	1.01	11.08
	RE Normal Wells - New Gujarat Pattern	0.00	8.00	(8.00)
	Solar Ag Pump	59.65	9.63	50.02
	Solar Pumps	0.00	-	-
	Solar Home Lights	16.32	-	16.32
	<b>Total</b>	<b>253.91</b>	<b>154.57</b>	<b>99.34</b>
<b>C</b>	<b>Others</b>			
	Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)	30.00	12.95	17.05
	Integrated Power Development Scheme (IPDS)	35.00	3.82	31.18
	<b>Total</b>	<b>65.00</b>	<b>16.77</b>	<b>48.23</b>
<b>D</b>	<b>Non Plan Schemes</b>			
	Ag Dark Zone	8.50	3.04	5.46
	RAPDRP Part A	4.54	-	4.54
	R-APDRP Part-A & Scada	8.31	6.54	1.77
	RAPDRP Part B	0.00	3.34	(3.34)
	IT Expenditure(other than RAPDRP-A)	0.00	3.74	(3.74)
	<b>Total</b>	<b>21.35</b>	<b>16.67</b>	<b>4.68</b>
<b>E</b>	<b>Other New Schemes</b>			
	General Expenditure (Under SI)		20.30	
	Under Ground Cable (S.I.)	25.00	28.42	(23.95)
	Aerial Bunch Conductors		0.23	
	DISS	30.00	18.34	11.66





Sr.	Particulars	Approved for 2016-17 in MYT Order	Claimed in Truing up for 2016-17	Deviation
	Energy Conservation	25.00	3.23	21.77
	HVDS	5.00	-	5.00
	Computer & Peripherals	3.00	-	3.00
	Coastal	6.00	6.38	(0.38)
	Misc. Civil Works	31.00	11.57	19.43
	Networking Equipments	0.00	0.03	(0.03)
	GIS Implementation & Software /Appli. Purchase	0.00	0.01	(0.01)
	Furniture	0.00	0.77	(0.77)
	<b>Total</b>	<b>125.00</b>	<b>89.27</b>	<b>35.73</b>
<b>F</b>	<b>Capital Expenditure Total</b>	<b>721.27</b>	<b>501.90</b>	<b>219.37</b>

### Petitioner's submission

DGVCL has submitted that the actual capital expenditure incurred during FY 2016-17 was Rs. 501.90 Crore, which is lower than Rs 721.27 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017.

DGVCL has explained the scheme wise deviation in the capital expenditure as under :-

- **Normal Development:**

Under the head Normal Development Scheme, generally expenses are incurred to meet with the Supply Obligation. During the FY 2016-17, growth of the Company in terms of number of consumers and load has decreased due to slack in market scenario. Therefore, company had to incur Rs. 224.11 Crores against approved Rs. 253.93 Crores.

- **Distribution Infrastructure Shifting Scheme (D.I.S.S.):**

The Government of Gujarat has introduced D.I.S.S. scheme to shift existing distribution electrical network which is obstructing to road widening work endorsed by Mahanagar palika, Nagar palika and urban development authority. The progress of scheme depends upon requirement of shifting of distribution electrical network provided by respective utilities i.e. Mahanagar palika, Nagar palika and Urban development authority.



The actual expenditure of Rs. 18.34 Crores is incurred against approved amount of Rs. 30.00 Crores for FY 2016-17. There is variance (reduction) of Rs.11.66 Crores for FY 2016-17. The DISS scheme is continued in next financial year and works are under progress as per requirement endorsed by government utilities and remaining amount will reflect in next FY 2017-18.

- **System Improvement Scheme:**

The system improvement scheme i.e. S.I. scheme incorporate the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, H.T. Aerial bunch conductor, replacement of deteriorated conductor, L.T. Aerial bunch conductor and distribution transformer review etc. The S.I. scheme is required for providing quality and reliable power supply to our esteemed consumers. The capital expenditure approved for FY 2016-17f or system improvement scheme is Rs. 25.00 Crores. It means approved total cost for various activities related to system improvement is Rs. 25.00 Crores, against this approved cost, DGVCL has incurred Rs. 20.53 Crores in general expenditure for various activities under S.I. scheme including Aerial Bunch Conductors. While DGVCL has incurred Rs. 28.49 Crores for underground cable work for 72 Nos. of new feeder link line work and 19 Nos. of bifurcation of feeder work having difficulties of way leave permission to erect new overhead line for said work under S.I. scheme.

**RE and Non-plan Scheme:**

It is stated that Release of Agriculture Connection is a Continuous process and it is governed by Government of Gujarat by monitoring the Fund, availability of Energy and Infrastructure. Under the head RE Schemes, the Company release Agriculture category connections under various schemes. DGVCL had planned to clear the applications registered during FY 2014-15 in TASP & SPA scheme during the FY 2016-17 and has released 12261 Agriculture connections during the year at the cost of Rs. 144.94 Crores among them 11166 wells in TASP Scheme, 717 wells in SPA Scheme and 13 wells in lift irrigation Scheme, 19 wells in SC-AG scheme, and 3 wells in Tatkal scheme connections were released. The actual expenditure Rs. 144.94 Crores incurred against approved Rs. 177.94 Crores by Hon'ble Commission. There is variance (reduction) of Rs.33.00 Crores



compare to approved cost for FY 2016-17. The cost is decreased with reference to the approved as the network has been extended year by year, hence actual average cost per Ag. Wells has been decreased even though physically 100 % Agriculture well target was completed by the DGVCL during FY 2016-17.

DGVCL has released 343 Nos. agriculture connections of dark zone area during FY 2016-17 against target of 300 Nos. of agriculture wells for dark zone area for FY 2016-17.

The actual expenditure Rs. 3.04 Crores incurred against approved Rs. 8.50 Crores by Hon'ble Commission. There is variance (reduction) of Rs. 5.46 Crores compare to approved cost for FY 2016-17. The cost is decreased with reference to the approved as the network has been extended year by year, hence actual average cost per Ag. Wells has been decreased even though physically more than 100 % Agriculture well target was completed by the DGVCL during FY 2016-17.

- **R- APDRP:**

Restructured Accelerated Power Development & Reforms Programme) is a Central Sector Scheme. Government of India has appointed Power Finance Corporation (PFC) as the Nodal Agency. The basic purpose of the scheme is to reduce AT&C Losses in the urban areas. Accordingly, all the towns having population more than 30,000 have been covered under this scheme. In part-A, DGVCL has 11 such towns, covering 33 sub divisions. The Scheme is being implemented in two parts: Part-A (IT Infrastructure establishment) and Part-B (Distribution strengthening and modernization). Moreover, one town i.e. Surat having population more than 4 lakhs and energy input more than 350 MUs /year has been identified for installing SCADA/DMS system, work is under progress.

**RAPDRP (Part-A):**

It is pertinent to mention that PWC has already submitted report to PFC and same has been accepted by PFC as well. As such DISCOM i.e. DGVCL needs to submit closure proposal for R-APDRP Part-A to PFC but last 10 % Post Go-live payment + FMS



(Facility Management Services) Charges for one year to ITIA (TCS) is still pending from DISCOM i.e. DGVCL end for decision regarding starting date of FMS.

- **SCADA/DMS:**

Planned Spending during the year 2016-17 of Rs 8.3 Crores, SIA M/s Chemtrols has paid approx. 3.31 Crores and as the supply of DCPS and FRTU is not done partly due to delay in procurement of 22 KV RMUs which are still not procured, which was scheduled the first instalment (40% of cost) of the same is not done. The Bandwidth provider M/s RCOM, did not start work as work order was not issued as they had not given the PBG and now they have even shown their inability to provide 3G service for which they don't have license for Gujarat and are asking us to find another third party band width service provider.

As the work is not commissioned the next instalment of the SIA, which is to be done on Site acceptance test is also not done.

- **Energy Conservation (High Voltage Distribution System (HVDS):**

The Company is having large nos. of Low Tension category consumers. To eliminate low voltage distribution and to have better voltage profile as well as for reduction of technical loss and associated commercial loss, the Company has proposed to shift over on High Voltage Distribution System by erecting small capacity transformers matching with the connected load of individual consumer or very small group of consumers in a phased manner. The Company has started to do some of the work on its own. Hence, company incurred Rs. 3.23 Crores against approved cost of Rs. 30.00 Crores although DGVCL has completed work of 375 Nos. of HVDS against target of 300 Nos. which is more than 100 % achievement in this scheme. The Company is desirous to implement HVDS scheme in its distribution area and shall endeavour to achieve the approved target. The cost is decreased with reference to the approved due to as the L.T. network has been reduced year by year.

- **Solar Water Pumping:**

The Government of Gujarat has introduced solar pumping system. In this scheme agriculture application registered under general scheme, TASP scheme, Dark zone



scheme can be switched over into solar water agriculture pumping scheme. Agriculture application registered up to 3.0 HP and 5.0 HP can be switched over into solar scheme. This scheme is turnkey base scheme.

Total Solar Agri. Pumps commissioning during FY 2016-17 was 1600 Nos. with the expenditure of 68.89 Crores However, most of work was carried out during month of Feb-March-2017 and billing procedure was done after March-2017 i.e. in F.Y. 2017-18. Hence, there is expenditure of Rs. 9.63 Crores incurred in FY 2016-17 against approved Rs. 59.65 Crores by Hon. Commission. The remaining amount will be reflected in FY 2017-18 after payment to various agencies as per work carried out.

- **Solar Home Lights:**

The Government of Gujarat has introduced solar home light scheme for electrification of remote locations where either network of DGVCL did not exist or it is techno commercially not advisable to establish network due to various constraints like forest area, hilly area and submerged area.

Total Solar Home Light commissioning during FY 2016-17 was 4100 Nos. with the expenditure of 18.78 Crores However, work is carried out during Feb-March-2017 and billing procedure was done after March-17 i.e. in FY 2017-18. Hence, there is no expenditure incurred in FY 2016-17 against approved Rs.16.32 Crores by Hon. Commission. The remaining amount will be reflected in FY 2017-18 after payment to various agencies as per work carried out.

- **Misc. Civil work & Other Construction works:**

The actual cost incurred of Rs. 11.57 Crores is decreased with reference to the approved cost of Rs. 31.00 Crores due to non-availability of Govt./Semi Govt. and GETCO land for construction of sub-division offices during stipulated time, work of Construction of Rajpipla Division, Rajpipla 1 & 2 sub division offices amounting Rs.500 lakhs was considered in the budget and for the same, the approval is received and tender has been uploaded on n-Procure in financial year 2017-18, Construction of Type IV Quarters at Bharuch (R) O&M Division, Ankleshwar O&M Division & Rajpipla O&M Division amounting Rs.400 Lakhs was considered in the budget, but still estimate is under



process and non-completion of construction of staff quarters at Vapi-Balitha amounting Rs.650 Lacs was considered in the budget as land acquisition process was not finalized during stipulated time period.

- The progress of the Misc. Civil work & Other Construction works will be reflect in next FY 2017-18, as various procedures for civil and construction work are under progress and remaining amount will be reflect in next FY 2017-18.

- **Integrated Power Development Scheme (IPDS):**

Integrated Power Development Scheme (IPDS), one of the centrally sponsored schemes introduced in the year 2015 has the main objective of providing 24X7 quality power supply to urban areas. The works under this scheme consist of strengthening of the Sub transmission & Distribution network in urban areas in addition to metering of Distribution transformers and IT enablement of the distribution sector. The scheme to be completed in a period of 30 months from the date of sanction (i.e.) 8.3.2016 in case of DGVCL has an amount of Rs 187.04 Crores approved by GOI of the sanctioned amount of Rs 187.04 Crores, the GETCO and Discom components are Rs. 110.65 Crores and Rs. 76.39 Crores respectively. Against an amount of Rs. 35 Crores approved by the Commission for the FY 2016-17 in this scheme, the actual Discom component (DGVCL) utilization was Rs. 3.82 Crores Variance due to the actual work execution in the FY 2016-17 commencing from Sept 2016 only, as the issues relating to differences in Technical specification of the materials as per SBD (standard Bidding Documents) submitted by REC Delhi and DGVCL specifications for purchase of materials for the scheme getting settled only in Sept 2016. The progress of the scheme will reflect in next FY 2017-18, as various work related to activities under IPDS is under progress and remaining amount will reflect in next FY 2017-18.

- **Deen Dayal Upadhya Gram Jyothi Yojana (DDUJGY):**

Deen Dayal Upadhya Gram Jyothi Yojana, one of the centrally sponsored schemes introduced in the year 2015 has the main objective of electrification of un-electrified villages in the country along with providing free electricity connections to below poverty line households (BPL). The works under this scheme also includes strengthening of sub



transmission and distribution network in rural areas, metering of distribution transformers, segregation of agricultural load through feeder separation etc. The scheme to be completed in a period of 30 months from the date of sanction (i.e.) 10.05.2016, in case of DGVCL has an amount of RS 185.13 Crores approved by GOI. Of the sanctioned amount of Rs 185.13 Crores, the GETCO and Discom components are Rs 24.32 Crores and Rs. 160.81 Crores respectively. Against an amount of Rs. 30 Crores approved by the Commission for the FY 2016-17 in this scheme, the actual Discom component (DGVCL) utilization was Rs. 12.95 Crores Variance due to the actual work execution in the FY 2016-17 commencing from Sept 2016 only, as the issues relating to differences in Technical specification of the materials as per SBD (standard Bidding Documents) submitted by REC Delhi and DGVCL specifications for purchase of materials for the scheme getting settled only in Sept 2016. The progress of the scheme will reflect in next FY 2017-18, as various work related to activities under DDUJGY is under progress and remaining amount will reflect in next FY 2017-18.

### **Commission's Analysis**

The Commission observes that DGVCL incurred Rs. 224.11 Crores as against the approved amount of Rs. 253.93 Crores under 'normal development scheme'. DGVCL submitted that such expenses are incurred to meet with the Supply Obligation which is mainly based on the number of applications received. As, such expenditure are dependent upon number of new connections, as submitted by DGVCL, variation in such expenses are expected to certain extent.

The Commission observed that DGVCL has incurred Rs. 134.57 Crores against the approved amount of Rs. 165 Crores in the MYT Order for FY 2016-17 under 'TASP (Wells & Petapara). DGVCL submitted to clear the applications registered during FY 2014-15 in TASP & SPA scheme during the FY 2016-17 and has released 12261 Agriculture connections during the among them 11166 wells in TASP Scheme, 717 wells in SPA Scheme and 13 wells in lift irrigation Scheme, 19 wells in SC-AG scheme, and 3 wells in Tatkal scheme connections were released.

Further, it has also been submitted by PGVCL that it has to take up 'RAPDRP' as per the guidelines issued by the PFC/ GOI from time to time. The company has spent Rs. 16.77 Crore during FY 2016-17, as RAPDRP Projects have to be completed up to March 2017 as per



guidelines given by the Central Government. As such projects are to be implemented as per the guidelines of the central government, the deviations on account of such centrally funded schemes are difficult to ascertain.

The Commission has 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 should be more realistic in projecting the capital expenditure and also try to adhere to the time limit as far as possible. It is also advised to the Discoms to plan and execute the project uniformly spread over during the year instead of executing it at the end of the year. The Commission is also concerned with the execution of scheme targeted for farmers and agriculture use in a timely and effectively manner. Discoms is to ensure the same in future.

The capital expenditure approved in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2016-17 was Rs. 721.27 Crore. The actual capital expenditure incurred is Rs. 501.90 Crore, which is lower by Rs. 219.37 Crore than the CAPEX approved in the MYT Order dated 31<sup>st</sup> March, 2017.

**The Commission, verified the audited annual accounts of DGVCL and has observed that DGVCL has incurred actual capital expenditure of Rs. 501.90 Crore, capitalisation of Rs. 507.87 Crore and received the Consumer Contribution and Govt. Grant of Rs. 140.61 Crore and Rs. 63.50 Crore respectively during the year. The Commission, therefore, approves the same in the truing up for FY 2016-17.**

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

**Table 4.32: 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	Approved in truing up for 2016-17
1	Capitalization	721.27	507.87	507.87
2	Less: Consumer Contribution	160.01	140.61	140.61





Sr. No.	Schemes	Approved for 2016-17 in MYT Order	Claimed in truing up for 2016-17	Approved in truing up for 2016-17
3	Less: Grant	153.95	63.50	63.50
4	<b>Balance CAPEX</b>	<b>407.31</b>	<b>303.76</b>	<b>303.76</b>
5	Debt @ 70%	285.12	212.63	212.63
6	Equity @ 30%	122.19	91.13	91.13

#### 4.6.10 Depreciation

DGVCL has claimed Rs. 255.78 Crore towards depreciation in the truing up for FY 2016-17 against the depreciation of Rs. 256.87 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017.

#### Petitioner's submission

DGVCL submitted that 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. DGVCL 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 31<sup>st</sup> March, 2017.

DGVCL 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 4.33: Fixed assets & depreciation computed by DGVCL 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	4543.44	4543.45
2	Additions during the Year (Net)	721.27	507.87
3	Depreciation for the Year	<b>256.87</b>	<b>255.78</b>
4	Average Rate of Depreciation	5.24%	5.33%



DGVCL has further submitted that the actual depreciation for FY 2016-17, as against the value approved, by the Commission in the MYT Order resulted in a net uncontrollable gain of Rs. 1.09 Crore as given in the Table below:

**Table 4.34: Gain / loss due to depreciation 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	256.87	255.78	-	1.09

### 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 the opening balance of GFA as on 01.04.2016.

The net addition during the year of Rs. 507.87 Crore is verified with the audited annual accounts for FY 2016-17. The depreciation as per P&L Account for FY 2016-17 is Rs. 255.78 Crore. The Commission has considered depreciation of Rs. 255.78 Crore as claimed by DGVCL as prescribed under the GERC (MYT) Regulations, 2016.

**The Commission, accordingly, approves the depreciation at Rs. 255.78 Crore in the truing up for FY 2016-17**

**Table 4.35: 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	4543.44	4543.45
2	Additions during the Year (Net)	721.27	507.87
3	Gross Block at the end of the year	5,264.71	5,051.32
4	<b>Depreciation for the Year</b>	<b>256.87</b>	<b>255.78</b>
5	Average Rate of Depreciation	5.24%	5.33%



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 4.36: Gain / loss due to depreciation approved 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 factor	Gain / (loss) due to uncontrollable factor
Depreciation	256.87	255.78	-	1.09

#### 4.6.11 Interest and Finance Charges

DGVCL has claimed Rs. 121.05 Crore towards interest and finance charges in the truing up for FY 2016-17, as against Rs. 122.39 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as shown in the Table below:

**Table 4.37: Interest and Finance charges claimed by DGVCL 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	Deviation	Gain / (loss) due to uncontrollable factor
Interest and Finance charges	122.39	121.05	1.34	1.34

#### Petitioners' submission

DGVCL has submitted that for assessing the actual interest charges on loans in FY 2016-17, DGVCL has considered the opening balance of loans for FY 2016-17. The loan addition in FY 2016-17 is computed at Rs. 212.63 Crores which consists of loans for funding the capital expenditure. As per the GERC (MYT) Regulations, 2016 repayment during the year has been considered equal to the depreciation for the financial year.



DGVCL has considered the weighted average rate of interest of 13.33%, as against 9.73% approved in the MYT Order dated 31<sup>st</sup> March, 2017 for FY 2016-17. In addition to the above, DGVCL 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 DGVCL are as given in the Table below:

**Table 4.38: Interest and Finance charges claimed by DGVCL 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	264.46	264.46	
2	Loan Additions during the year	285.12	212.63	
3	Repayment during the year	256.87	255.78	
4	Closing Loans	292.71	221.31	
5	Average Loans	278.59	242.89	
6	Interest on Loan	27.11	32.38	(5.27)
7	Interest on Security Deposit	94.07	87.35	6.72
8	Guarantee Charges	1.21	1.32	(0.11)
9	<b>Weighted Average Rate of Interest</b>	<b>9.73%</b>	<b>13.33%</b>	
10	<b>Total Interest &amp; Finance Charges</b>	<b>122.39</b>	<b>121.05</b>	<b>1.34</b>

DGVCL 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 4.39: 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	122.39	121.05	-	1.34



### Commission's Analysis

The Commission observed that the closing balance of loan approved in the true up for FY 2015-16 is Rs. 264.46 Crore and the same has to be taken as opening balance for FY 2016-17.

The capitalisation and funding of CAPEX have been approved for FY 2016-17, as per Table 4.32 of this Order.

The normative addition of loans during FY 2016-17 has been considered at Rs. 212.63 Crore as approved above in Table 4.32 of this Order. The interest on security deposits of Rs. 87.35 Crore is claimed as per the audited accounts for FY 2016-17.

The repayment of loan is Rs. 255.78 Crore in the truing up for FY 2016-17, which is equivalent to the depreciation approved in Table 4.36 of this Order. The guarantee charges and other finance charges, as per audited accounts for FY 2016-17 are Rs. 1.32 Crore. DGVCL has submitted details of the actual loan portfolio and the rate of interest applicable for each loan portfolio for FY 2016-17 vide e-mail dated 22<sup>nd</sup> March, 2018. Based on this information, the Commission has worked out the weighted average rate of interest as 9.38% which is in accordance with the Regulation 38 of the GERC (MYT) Regulations, 2016. Taking all these factors into consideration, the interest & finance charges have been computed as detailed in the Table below:

**Table 4.40: Approved Interest and Finance charges for FY 2016-17**

Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up for 2016-17
1	Opening Loans	264.46	264.46
2	Loan Additions during the year	285.12	212.63
3	Repayment during the year	256.87	255.78
4	Closing Loans	292.71	221.31
5	Average Loans	278.59	242.89
6	Interest on Loan	27.11	22.78
7	Interest on Security Deposit	94.07	87.35
8	Guarantee Charges	1.21	1.32
9	Weighted Average Rate of Interest	9.73%	9.38%
10	<b>Total Interest &amp; Finance Charges</b>	<b>122.39</b>	<b>111.45</b>



**The Commission, accordingly, approves the interest and finance charges at Rs. 111.45 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 4.41: Gain / loss approved 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	Deviation	Gain / (loss) due to Uncontrollable factor
Interest and Finance charges	122.39	111.45	10.94	10.94

#### 4.6.12 Interest on Working Capital

DGVCL 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 31<sup>st</sup> March, 2017 as detailed in the Table below:

**Table 4.42: Interest on working capital claimed by DGVCL 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	21.18	38.79
2	Maintenance Spares	45.43	45.43
3	Receivables	929.13	924.14
	<b>Working Capital requirement</b>	<b>995.74</b>	<b>1,008.36</b>
4	Less: Amount held as security deposit from consumers	1,213.80	1,222.33
5	<b>Total Working Capital</b>	<b>(218.06)</b>	<b>(213.96)</b>
6	Rate of Interest on Working Capital	11.70%	11.79%
7	<b>Interest on Working Capital</b>	-	-

#### Petitioner's submission



DGVCL has submitted that the interest on working capital has been calculated based on the GERC (MYT) Regulations, 2016, at an interest rate of 11.79%, being weighted average State Bank Base Rate (SBBR) prevailing during the financial year plus 250 basis points.

The detailed computation of working capital requirement and interest on working capital based on subsequent submission as mentioned in Para 4.6.1 of this Order is given in the Table below:

**Table 4.43: Revised Interest on working capital claimed by DGVCL 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	21.18	40.11
2	Maintenance Spares	45.43	45.43
3	Receivables	929.13	924.14
	<b>Working Capital requirement</b>	<b>995.74</b>	<b>1,009.68</b>
4	Less: Amount held as security deposit from consumers	1,213.80	1,222.33
5	<b>Total Working Capital</b>	<b>(218.06)</b>	<b>(212.64)</b>
6	Rate of Interest on Working Capital	11.70%	11.79%
7	<b>Interest on Working Capital</b>	-	-

### 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 4.44: Approved Interest on working capital 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 for one month	21.18	34.82
2	Maintenance Spares 1% of GFA	45.43	45.43
3	Receivables one month's sales	929.13	924.14
4	Less: Amount held as security deposit from consumers	1,213.80	1222.33
5	<b>Total Working Capital</b>	<b>(218.06)</b>	<b>(217.94)</b>



Sr. No.	Particulars	Approved for 2016-17 in MYT Order	Approved in Truing up for 2016-17
6	Rate of Interest on Working Capital	11.70%	-
7	<b>Interest on Working Capital</b>	-	-

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

#### 4.6.13 Bad Debts

DGVCL has claimed Rs. 0.10 Crore towards bad debts in the truing up for FY 2016-17, as against Rs. 1.50 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as given in the Table below:

**Table 4.45: Bad debts claimed by DGVCL 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	Provision for Bad Debts	1.50	0.10

#### Petitioner's submission

DGVCL has claimed Rs. 1.50 Crore towards provision for bad and doubtful debts and submitted that comparison of the actual with the figure approved in the MYT Order dated 31<sup>st</sup> March, 2017, resulted in a gain of Rs. 1.40 Crore on account of controllable factors, as shown in the Table below:

**Table 4.46: Bad debts as claimed by DGVCL 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	Bad Debts	1.50	0.10	1.40	-

#### Commission's Analysis





The Commission has observed that DGVCL has claimed Rs. 0.10 Crore towards Bad & Doubtful Debts Written Off during FY 2016-17.

The Commission verified from the audited annual accounts that DGVCL has made a provision of Rs. 27.84 Crore for bad debts and also written off Rs.0.10 Crore towards Bad Debts. Regulation 94.9 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 far lower than the amount of provision made for bad debts.

**The Commission, therefore, approves Rs. 0.10 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. 1.40 Crore and the Commission considers the same as loss due to controllable factors, as detailed in the Table below:

**Table 4.47: Approved Bad Debts 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	1.50	0.10	1.40	-

#### 4.6.14 Return on Equity

DGVCL has claimed Rs. 109.62 Crore towards return on equity in the truing up for FY 2016-17, as against Rs. 111.80 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 as given in the Table below:

**Table 4.48: Return on equity claimed by DGVCL 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	111.80	109.62

#### Petitioner's submission



DGVCL 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 4.49: Return on equity claimed by DGVCL 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 Equity Capital	737.47	737.47	-
2	Equity Additions during the year	122.19	91.13	31.06
3	Closing Equity	859.66	828.60	31.06
4	Average Equity	798.57	783.03	15.53
5	Rate of Return on the Equity	14%	14%	
6	<b>Return on Equity</b>	<b>111.80</b>	<b>109.62</b>	<b>2.17</b>

### Commission's analysis

DGVCL has furnished the opening equity of Rs. 737.47 Crore for FY 2016-17 and submitted equity addition as Rs. 91.13 Crore during FY 2016-17. The actual opening equity, as on 01.04.2016, was Rs. 737.47 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. 91.13 Crore in Table 4.32 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 4.50: Approved Return on equity 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 Equity Capital	737.47	737.47
2	Equity Additions during the year	122.19	91.13
3	Closing Equity	859.66	828.60
4	Average Equity	798.57	783.03
5	Rate of Return on the Equity	14%	14%
6	<b>Return on Equity</b>	<b>111.80</b>	<b>109.62</b>



**The Commission approves the return on equity at Rs. 109.62 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 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 4.51: Approved gains / losses 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	Gains/(Loss) due to controllable factors	Gain / (Loss) due to Un controllable factor
Return on Equity	111.80	109.62	-	2.18

#### 4.6.15 Taxes

DGVCL has claimed Rs. 29.20 Crore towards income tax in the truing up for FY 2016-17, as against Rs. 23.50 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017, as given in the Table below:

**Table 4.52: Taxes claimed by DGVCL 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)	23.50	29.20

#### Petitioner's submission



DGVCL has claimed that income tax is a statutory expense and this should be allowed without any deduction. DGVCL has claimed a loss of Rs. 5.70 Crore on account of tax, as given in the Table below:

**Table 4.53: Gains / (Loss) claimed due to provision for taxes 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
Income Tax (MAT)	23.50	29.20	-	(5.70)

#### Commission's Analysis

The Commission has verified from the audited annual accounts of the company and found that the licensee has paid/provided for current tax of Rs. 29.20 Crore.

**The Commission, accordingly, approves the Income Tax of Rs. 29.20 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 4.54: Approved gains / losses due to tax 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 Factor	Gain/(Loss) due to Uncontrollable Factor
Tax on Income	23.50	29.20		(5.70)

#### 4.6.16 Non-tariff Income

DGVCL has claimed the actual Non-Tariff income at Rs. 147.13 Crore in the truing up for FY 2016-17, against Rs. 178.30 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017.



**Table 4.55: Non-tariff income claimed by DGVCL 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	178.30	162.98

**Petitioner's submission**

The Petitioner had claimed that the non-tariff income is Rs. 147.13 Crore, as against Rs. 178.30 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 for 2016-17. The Petitioner submitted that non-tariff income also includes money received from Government for implementation of Ujala scheme.

The Petitioner vide its further submissions on dated 23.02.2018 claimed Rs. 162.98 Crore towards non-tariff income after adjustment of Rs. 15.85 Crore towards Re-measurement of Defined Benefit Plans as the same is considered in the Employee Expenses as stated in Para 4.6.1 of this Order. This has resulted in to uncontrollable loss Rs. 15.32 Crore as shown in the Table below:

**Table 4.56: 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 Controllable factor	Gain / (loss) due to Uncontrollable factor
Non-tariff income	178.30	162.98	-	(15.32)

**Commission's Analysis**

The Commission observed that as per audited annual accounts the non-tariff income is Rs. 163.81 Crore which includes interest on staff loans (Rs. 0.83 Crore) for FY 2016-17.

The Commission, approves the non-tariff income at Rs. 162.98 Crore net of interest on staff loans (Rs. 0.83) Crore in the truing up for FY 2016-17.

The deviation in non-tariff income is approved 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 4.57: Approved non-tariff income 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 factor	Gain / (loss) due to Uncontrollable factor
Non-tariff income	178.30	162.98	-	(15.32)

## 4.7 Revenue from Sale of Power

DGVCL has claimed the total revenue at Rs. 11,089.67 Crore in the truing up for FY 2016-17 as detailed in the Table below:

**Table 4.58: 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	10441.41
3	Other Income (Consumer related)	600.15
4	<b>Total Revenue excluding subsidy (1+2)</b>	<b>11041.56</b>
5	Agriculture Subsidy	48.11
6	<b>Total Revenue including subsidy (4+5)</b>	<b>11089.67</b>

### 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. 10,441.41 Crore. The revenue shown by the licensee from sale of power to GUVNL is Rs. Nil and UI charges are Rs. 26.91 Crore for FY 2016-17 and the same has been adjusted by the Commission against the power purchase cost for the FY 2016-17, as shown in Section of Power Purchase in this Order. Accordingly, the net revenue from sale of power works out to Rs. 10,441.41 Crore.

It is further observed that other operating income as per audited annual accounts is Rs. 689.25 Crore, which includes Rs. 40.99 Crore towards Delayed Payment Charges and Rs. 48.11 Crore towards Agriculture subsidy. After excluding these two elements the other Consumer related income works out to Rs. 600.15 Crore.



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

**Table 4.59: 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 FY 2016- 17 in Truing up
1	Revenue from Sale of Power	10,441.41	10,441.41
2	Other income (Consumer related)	600.15	600.15
3	Total revenue excluding subsidy (1+2)	<b>11,041.56</b>	<b>11,041.56</b>
4	Agriculture subsidy	48.11	48.11
5	<b>Total revenue including subsidy (3+4+5)</b>	<b>11,089.67</b>	<b>11,089.67</b>

**The Commission, accordingly, approves the total revenue of Rs. 11,089.67 Crore, including consumer related income of Rs. 600.15 Crore and agriculture subsidy of Rs. 48.11 Crore in the truing up for FY 2016-17.**

#### **4.8 ARR approved in the truing up**

The Commission reviewed the performance of DGVCL 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 31<sup>st</sup> 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 4.60: 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 2016-17	Approved in Truing up for 2016-17	Deviation +/-	Gains(Losses) due to controllable factors	Gains(Losses) due to uncontrollable factors
1	2	3	4	5	6	7	8
1	Cost of Power Purchase	10,394.13	10,320.62	10323.55	70.58	214.99	(144.41)
2	O&M Expenses	254.21	481.38	417.82	(163.61)		-
2.1	Employee Cost	284.68	418.23	358.99	(74.31)	(74.31)	-
2.2	Repairs and Maintenance Expenses	38.62	43.15	43.15	(4.53)	(4.53)	-
2.3	Administration and General Expenses	71.66	75.51	72.57	(0.91)	(0.91)	-
2.4	Other Debits	-	2.66	1.28	(1.28)	-	(1.28)
2.5	Extraordinary items	-	0.31	0.31	(0.31)	-	(0.31)
2.6	DSM expenses/ Ujala Expenses	-	4.80	4.80	(4.80)	-	(4.80)
2.7	Other expenses Capitalised	(140.75)	(63.27)	(63.27)	(77.48)	-	(77.48)
3	Depreciation	256.87	255.78	255.78	1.09	-	1.09
4	Interest and Finance Charges	122.39	121.05	111.45	10.94	-	10.94
5	Interest on working Capital	-	-	-	-	-	-
6	Bad Debts	1.50	0.10	0.10	1.40	1.40	
7	<b>Sub Total (1 To 6)</b>	<b>11,029.09</b>	<b>11,178.94</b>	<b>11,108.70</b>	<b>(79.60)</b>	<b>136.64</b>	<b>(216.24)</b>
8	Return on Equity	111.80	109.62	109.62	2.18	-	2.18
9	Provision for Tax / Tax paid	23.50	29.20	29.20	(5.70)	-	(5.70)
10	<b>Total Expenditure</b>	<b>11,164.39</b>	<b>11,317.76</b>	<b>11,247.52</b>	<b>(83.13)</b>	<b>136.64</b>	<b>(219.76)</b>
11	Less: Non -Tariff income	178.30	162.98	162.98	15.32	-	15.32
12	<b>Aggregate Revenue Requirement</b>	<b>10,986.09</b>	<b>11,154.78</b>	<b>11,084.54</b>	<b>(98.44)</b>	<b>136.64</b>	<b>(235.08)</b>

#### 4.9 Sharing of Gains / Losses for FY 2016-17

The Commission has analysed 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**

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

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

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

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



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

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

#### 4.10 Revenue gap / surplus for FY 2016-17

As shown in the Table below, DGVCL has claimed a revenue gap of Rs.161.10 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 4.61: Projected Revenue surplus/ (gap) FY 2016-17**

Sr. No.	Particulars	(Rs Crore)
1	Aggregate Revenue Requirement originally approved for 2016-17	10,986.09
2	Gain /(Loss) on account of Uncontrollable factor to be passed on to Consumer	(376.57)
3	Gain /(Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain /Loss)	69.30
4	Revenue (Gap) Surplus from True-Up of FY2014-15	(38.72)
5	Recovery of past year True-up (Gap)/Surplus for 2009-10	53.96
6	Recovery of past year True-up (Gap)/Surplus for 2010-11	(12.66)
7	Allocation of GUVNL Profit of FY 2016-17	40.02
8	<b>Revised ARR for FY 2016-17 (1-2-3-4-5-6-7)</b>	<b>11,250.77</b>
9	Revenue from Sale of Power	10441.41
10	Other Income (Consumer Related)	600.15
11	Agriculture Subsidy	48.11
12	<b>Total Revenue including Subsidy(9+10+11)</b>	<b>11089.67</b>
13	Revised Gap after treating gains/(losses) due to Controllable / Uncontrollable factors (8-12)	<b>161.10</b>

#### Petitioner's submission

The Petitioner submitted that the Commission in the MYT Order dated 31st March, 2017 has approved Aggregate Revenue Requirement of Rs. 10986.09 Crore for FY 2016-17.



With the subsequent submission as stated in Para 4.6.1 of this Order, the Petitioner has claimed Revised ARR of Rs. 11,154.78 Crore as shown in Table 4.60 herein above. The said revised ARR when compared with ARR of Rs. 10,986.09 Crore approved in the MYT Order dated 31<sup>st</sup> March, 2017 resulted in controllable surplus of Rs.207.89 Crore and Uncontrollable loss of Rs. 376.57 Crore.

As per the mechanism specified in the GERC (MYT) Regulation 2016, DGVCL proposed to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e. Rs. 69.30 Crore out of Rs. 207.89 Crores and total gain/(loss) on account of uncontrollable factor i.e. Rs. (376.57) Crores to the consumers. Additionally, the past revenue (gap) / surplus of Rs. (12.66) Crores, Rs. 53.96 Crores and Rs. (38.72) Crores for FY 2010-11, FY 2009-10 and FY 2014-15 respectively is also adjusted in the approved DGVCL's Aggregate Revenue Requirement. GUVNL profit of Rs. 130.01 Crores for FY 2016-17 is allocated among four Discoms and DGVCL's share of GUVNL profit is Rs. 40.02 Crores. Based on the same, DGVCL has arrived at the trued up Aggregate Revenue Requirement for FY 2016- 17 at Rs. 11250.77 Crores.

This revised Aggregate Revenue Requirement is compared against the income under various heads including Revenue with Existing Tariff of Rs. 10441.41 Crore, Other Consumer related Income of Rs. 600.15 Crore and Agriculture Subsidies of Rs. 48.11 Crore, summing up to a Total Revenue of Rs. 11,089.67 Crore. Accordingly, total Revenue Gap of DGVCL for FY 2016-17 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 161.10 Crore.

### **Commission's Analysis**

The Commission compared the actual performance of DGVCL with the values approved in the MYT Order dated 31<sup>st</sup> March, 2017.

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. DGVCL's share in the receivable subsidy is Rs. 57.37 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) as approved by the Commission for FY 2016-17 is summarised in the Table below:

**Table 4.62: Revenue Surplus/(Gap) approved in the truing up for FY 2016-17**

Sr. No.	Particulars	(Rs. Crore)
1	Aggregate Revenue Requirement originally approved for 2016-17	10,986.09
2	Gain /(Loss) on account of Uncontrollable factor to be passed on to Consumer	(235.08)
3	Gain /(Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain /Loss)	45.55
4	Revenue (Gap) Surplus from True-Up of FY2014-15	(38.72)
5	Recovery of past year True-up (Gap)/Surplus for 2009-10	53.96
6	Recovery of past year True-up (Gap)/Surplus for 2010-11	(12.66)
7	Allocation of GUVNL Profit of FY 2016-17	40.02
8	<b>Revised ARR for FY 2016-17 (1-2-3-4-5-6-7)</b>	<b>11,133.02</b>
9	Revenue from sale of power	10441.41
10	Other Income (Consumer Related)	600.15
11	Agriculture Subsidy	48.11
12	<b>Total Revenue including Subsidy (9+10+11)</b>	<b>11089.66</b>
13	<b>Subsidy Receivable from State Government</b>	<b>57.37</b>
14	<b>Revised (Surplus)/ Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8-12-13)</b>	<b>(14.01)</b>



## 5 ARR and Gap for FY 2018-19

### 5.1.1 Revenue from existing tariff FY 2018-19

DGVCL has estimated the category-wise revenue based on existing tariff at Rs 9,228.85 Crore in respect of category-wise sale in terms of MUs 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	Units (MUs)	Amount (Rs. Crore)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	3323	1,280.96
2	GLP	63	26.21
3	Non-RGP & LTMD	6048	3,085.82
4	Public Water Works	181	67.84
5	Agriculture-Unmetered	420	79.17
6	Agriculture-Metered	479	55.84
7	Street Light	72	29.20
	<b>LT Total (A)</b>	<b>10586</b>	<b>4625.03</b>
<b>B</b>	<b>HT Consumers</b>		
1	Industrial HT	8245	4603.82
2	Railway Traction	0	0.00
	<b>HT Total (B)</b>	<b>8245</b>	<b>4603.82</b>
	<b>Grand Total (A + B)</b>	<b>18831</b>	<b>9,228.85</b>

#### Petitioner's submission

DGVCL submitted that it has considered sale of 18,831 MUs to different categories of consumers approved in the MYT Order dated 31<sup>st</sup> March, 2017 and the existing retail tariff to work out the revenue from sale of power of Rs 9,228.85 Crore for FY 2018-19 as shown in the Table above.

#### Commission's Analysis

The Commission observed that the category-wise sales for FY 2018-19, as considered by DGVCL is as per the Commission's MYT Order dated 31<sup>st</sup> March, 2017 for FY 2018-19. Taking



into consideration the same and the existing tariff under each category, the Commission has computed the revenue from sale of power 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	Units (MUs)	Amount (Rs. Crore)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	3323	1,280.96
2	GLP	63	26.21
3	Non-RGP & LTMD	6048	3,085.82
4	Public Water Works	181	67.84
5	Agriculture-Unmetered	420	79.17
6	Agriculture-Metered	479	55.84
7	Street Light	72	29.20
	<b>LT Total (A)</b>	<b>10586</b>	<b>4,625.03</b>
<b>B</b>	<b>HT Consumers</b>		
1	Industrial HT	8245	4603.82
2	Railway Traction	0	0.00
	<b>HT Total (B)</b>	<b>8245</b>	<b>4603.82</b>
	<b>Grand Total (A + B)</b>	<b>18831</b>	<b>9,228.85</b>

### 5.1.2 Revenue from FPPPA charges

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

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

Particulars	2018-19
Rate of FPPPA (Rs./kwh)	1.49
Sales (MUs)	18,831
FPPPA Charges (Rs. Crore)	2,805.82

### Petitioner's submission

DGVCL has submitted that in the MYT Order dated 31<sup>st</sup> March, 2017 for Control Period FY 2016-17 to FY 2020-21, 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 (i.e. Rs. 4.22 – 4.17) grossed up with losses works out to Rs. 0.06/unit which will be recovered through FPPPA over and above the base FPPPA of Rs.1.43/unit totaling to Rs.1.49/unit during FY 2018-19as shown in the 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	<b>Power Purchase Cost (Rs./kWh)</b>	<b>4.17</b>	<b>4.22</b>
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 18,831 MUs at Rs. 1.49/kWh during FY 2018-19 as shown in the Table below.

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

Particulars	Amount
Rate of FPPPA (Rs./kwh)	1.49
Sales (MUs)	18,831
FPPPA Charges (Rs. Crore)	2,805.82



### 5.1.3 Other (Consumer related) income

DGVCL has estimated the other consumer related income at Rs. 367.84 Crore for FY 2018-19, as detailed in the Table below:

**Table 5.6: Projected other consumer related Income for FY 2018-19**

(Rs. Crore)

Particulars	Amount
Other Income Consumer Related	367.84

#### **Petitioner's submission**

DGVCL 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 DGVCL has projected the other consumer related income for FY 2018-19 as approved by the Commission in the MYT Order dated 31<sup>st</sup> March, 2017.

**The Commission, accordingly, approves the other consumer related income at Rs. 367.84 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	367.84

### 5.1.4 Agriculture subsidy

#### **Petitioner's submission**

DGVCL 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 Crores. 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 31<sup>st</sup> March, 2017.





**Table 5.8: Agriculture Subsidy projected for FY 2018-19**

(Rs. Crore)

Particulars	Amount
Agriculture Subsidy	49.15

### 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. Crores)

Particulars	Amount
Agriculture Subsidy	49.15

**The Commission, accordingly, approves unmetered agricultural subsidy as Rs 49.15 for FY 2018-19.**

### 5.1.5 Total expected revenue for FY 2018-19

#### Petitioner's submission

The total expected revenue for DGVCL 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: Total revenue projected for FY 2018-19**

(Rs Crore)

Sr. No.	Particulars	Amount
1	Revenue with Existing Tariff	9,228.85
2	Base FPPPA Charges @ 149 paisa/kWh	2,805.82
3	Other Income (Consumer related)	367.84
4	Agriculture Subsidy	49.15
5	<b>Total Revenue including subsidy (1 to 4)</b>	<b>12,451.66</b>

### 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	9,228.85
2	Base FPPPA Charges @ 149 paisa/kWh	2,805.82
3	Other Income (Consumer related)	367.84
4	Agriculture Subsidy	49.15
<b>5</b>	<b>Total Revenue including subsidy (1 to 4)</b>	<b>12,451.66</b>

## 5.2 ARR for FY 2018-19

The Table below shows the Aggregate Revenue Requirement including power purchase cost of DGVCCL for FY 2018-19 approved in the MYT Order dated 31<sup>st</sup> March, 2017.

**Table 5.12: Approved ARR, including power purchase cost for FY 2018-19**

(Rs Crore)

Sr. No.	Particulars	Amount
1	Power Purchase cost	11744.41
2	Operation & Maintenance Expenses	284.13
2.1	Employee Cost	318.18
2.2	Repair & Maintenance Expenses	43.17
2.3	Administration & General Expenses	80.09
2.4	Other Debits	-
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-
2.7	Other Expenses Capitalised	(157.32)
3	Depreciation	331.89
4	Interest & Finance Charges	139.00
5	Interest on Working Capital	-
6	Provision for Bad Debts	1.50
<b>7</b>	<b>Sub-Total (1 to 6)</b>	<b>12500.93</b>
8	Return on Equity	145.20
9	Provision for Tax / Tax Paid	23.50
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>12669.63</b>
11	Less: Non-Tariff Income	178.30
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12491.33</b>



### 5.3 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 Surplus/(Gap) for FY 2018-19 at Existing Tariff**

(Rs. Crore)

Sr. No.	Particulars	Projected by DGVCL	Approved by the Commission
1	Aggregate Revenue Requirement	12491.33	12491.33
2	Revenue (Surplus)/ gap from True up of FY 2016-17	161.10	(14.01)
<b>3</b>	<b>Total aggregate revenue requirement</b>	<b>12,652.43</b>	<b>12,477.32</b>
4	Revenue with existing tariff	9228.85	9228.85
5	PPPA charges @ Rs.1.49/kWh	2805.82	2805.82
6	Other income (Consumer related)	367.84	367.84
7	Agriculture Subsidy	49.15	49.15
<b>8</b>	<b>Total Revenue including Subsidy</b>	<b>12451.66</b>	<b>12451.66</b>
<b>9</b>	<b>Surplus/ (Gap) (8-3)</b>	<b>(200.77)</b>	<b>(25.66)</b>



## 6 Compliance of directives

### 6.1 Compliance to earlier Directives

The Commission had given various directives to DGVCL in the Order dated 31<sup>st</sup> March 2017, compliance of which is mentioned below:

#### **Directive 1: Poor quality of supply of voltages**

DISCOMs are required to clarify the following:

- 1.) The table given doesn't present the target/ planned figures for FY 2015-16. The Commission directs the DISCOMs to submit the same at the earliest.
- 2.) The last column of the table titled as "Work carried out up to Sept-16". The DISCOMs need to clearly mention whether the figures shown therein are only for FY 2016-17 or cumulative figures. The column title needs to be modified accordingly.

Further, the DISCOMs are directed to submit report every six months on the progress of the balance work.

#### **Compliance:**

Generally, Distribution infrastructure Network of the company is good and by adoption of latest technology like RMUs along with underground cable network has imparted uninterrupted power supply and resulted in better consumer satisfaction.

Moreover, to improve the Distribution network, Company carries out feeder bifurcation, DTC review, and replacement of ABC conductor etc. Company is carrying out maintenance work on almost all over headlines i.e. HT and LT and transformer centre at regular interval. Mass maintenance activity is being carried out at division and circle level to reduce shutdown period.

- 1.) Activities carried out in these regards during last Two years for target/planned figures for FY 2016-17 & for FY 2017-18 are tabulated as an Annexure-A.
- 2.) It is here by stated that for approval of MYT for FY 2016-17 to FY 2020-21, DGVCL has mentioned a Cumulative figure for FY 2016-17 up to Sept-2016.
- 3.) Latest for FY 2016-17 as on march-17 tabulated below with modified column title.



**Annexure-A**

Particulars		Unit	Planni ng for FY 2014- 15	Work carried for FY 2014- 15	Planni ng for FY 2015- 16	Work carried out for FY 2015-16	Planni ng for FY 2016-17	Work carried out for FY 2016-17	Planni ng for FY 2017- 18	Work carried out for FY 2017-18 Up to Sept-17
Network Maintena nce	Vill age	No.	525	520	425	395	550	305	400	130
	HT	Km.	25000	11375	20500	18241	20873	35514	30000	20100
	LT	Km.	8500	2043	8500	4615	12264	8382	10000	2968
	T/ C	No.	2400	5621	8500	8381	26964	23482	25000	14082
Feeder Bifurcation	No.	95	41	50	41	100	64	75	18	
Distribution Transformer Centre Review	No.	75	70	80	80	150	109	125	75	
Providing of ABC	Km.	6000	1893	2500	1802	2160	3096	3500	2589	

Due to various activities carried out, the reliability indices have improved compared to previous year which reflects improvement in quality of power supplied to the consumers.

FINANCIAL YEAR	Reliability Index		
	SAIFI	SAIDI	MAIFI
2014-15	8.35	10:41	20.15
2015-16	7.89	11:04	18.65
2016-17	7.35	07:28	15.35
2017-18 up to Sept-2017 **	9.02	09:34	19.06

\*\* Reliability Index of Current year has been calculated up to Sept-2017, which will reduce further at the end of year as monsoon season having maximum interruption.



**Commission's comments:**

Action taken by the DISCOM is noted. However, still significant work is remaining. From the details submitted by the Petitioner it seems that the maintenance work carried out at Villages, LT Network as well as Transformer Centres is quite low as compared to previous years. The Petitioner is directed to carry out Network maintenance as planned so as to complete the same in stipulated time. Similarly, feeder bifurcation work is also slow when compared to the planned during the year. Poor maintenance work affects reliability of the system and quality of power supply and therefore, the Petitioner is further directed to carry out the maintenance with proper planning such that maximum activities are carried out as planned. DISCOMs are required to submit the report of same on monthly basis to Commission.

**Directive 2: 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:**

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

**Commission's comments:**

Compliance is noted. The DISCOM has submitted the Cost to Serve report on 15<sup>th</sup> February, 2018.

**Directive 3: Meters on Distribution Transformers**

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

**Compliance:**

Progress of installation of meter on distribution transformers up to Sept-2017 and Month wise planning up to Dec-2017 is as tabulated as a Annexure—B



**Annexure B.**

Discom	Circles	Details of Distribution Transformer Metering				
		No. of DTs	No. of DTs metered	No. of DTs. with Electronic Meters & Communication Facility	Planning for DTC Meter Up to Dec-2017	% metering Completed
		SEPT-17	SEPT-17	SEPT-17		SEPT-17
DGVCL	Valsad	36413	26216	2512	10197	<b>72.00%</b>
	Surat City	14284	13946	2847	338	<b>97.63%</b>
	Surat Rural	52632	41400	1179	11232	<b>78.66%</b>
	Bharuch	29203	21280	1250	7923	<b>72.87%</b>
Total:		<b>132532</b>	<b>102842</b>	<b>7788</b>	<b>29690</b>	<b>77.60%</b>

DGVCL has completed 77.60 % metering on DTC, and all circle heads are instructed to complete the balance work at earliest and evaluate the energy on transformer centre. All field officers are instructed to speed up the process of installation of meters on distribution transformers the work will be completed before Jan-2018.

Category wise meters installed for DTRs as on SEPT-2017

Category	Total DTR	DTR with Meter (beginning of the month)	DTR meter installed during the month	DTRs with meters at the end of the month	Pending for metering as on 30/09/2017
Industrial	13785	12737	201	12938	847
GIDC	5497	5483	14	5497	0
Urban	15068	15011	57	15068	0
JGY	23723	15805	143	15948	7775
AG. DOM	74459	53186	205	53391	21068
Total	<b>132532</b>	<b>102222</b>	<b>620</b>	<b>102842</b>	<b>29690</b>



**DTR METERING PLANNING FOR 100% METERING UP TO JAN--2018**

Category	Total DTR	DTR with Meter	% Metering	Pending	Planning			
					OCT-17	NOV-17	DEC-17	JAN-18
Industrial	13785	12938	93.86%	847	847	0	0	0
GIDC	5497	5497	100.00%	0	0	0	0	0
Urban	15068	15068	100.00%	0	0	0	0	0
JGY	23723	15948	67.23%	7775	1900	1950	1950	1975
AG. DOM	74459	53391	71.71%	21068	4800	5400	5400	5468
<b>Total</b>	<b>132532</b>	<b>102842</b>	<b>77.60%</b>	<b>29690</b>	<b>7547</b>	<b>7350</b>	<b>7350</b>	<b>7443</b>

**Commission's comments**

The Petitioner has been able complete metering on 77.60% of the transformers. Installation of meters on the balance transformers needs to be completed by DGVCL within the time frame as stipulated by them. They are directed to submit quarterly progress reports to the Commission.

**Directive 4: Losses on Jyoti Gram Yojana feeders**

The feeders with more than 50% loss level should be identified and 5% loss reduction should be targeted for such feeders. DGVCL should submit quarterly report to the Commission, indicating loss reduction achieved for such feeders.

**Compliance:**

Losses of Jyoti Gram Yojana feeders of last ten financial years is tabulated below.

Financial Year	% Loss Level
2007-08	60.65
2008-09	58.35
2009-10	56.74
2010-11	52.67
2011-12	52.48
2012-13	51.54
2013-14	46.72
2014-15	45.12





Financial Year	% Loss Level
2015-16	44.10
2016-17	40.07
2017-18 (up to June'17)	36.58

Through JGY feeders, electricity is distributed in rural areas and scattered tribal areas of DGVCL and contribution of JGY category level in overall level is also significant. It can be seen from above table that % distribution losses is in reducing trends since 2007-2008. It has been reduced from 60.65 % to 36.58 % (2017-18 up to June'17) i.e. reduced by 24.07 % in last ten financial years. Company has made full efforts for reducing distribution losses, especially on JGY feeders.

Company has carried out activities like:-

1. Replacement of stopped/defective meters, provided electronics meters in place of slow and sluggish old electromechanical meters,
2. Provided Metal Meter Box, Provided Aerial Bunch Conductor in place of open bare conductors,
3. Agriculture feeders crossing from JGY feeders are removed,
4. Adoption of high voltage distribution system (HVDS), resulting to better HT/LT ratio.
5. Preventive and regular maintenance, Load Balancing and Load Management,
6. Theft of electricity publicized as a social and economic crime and people have been informed of the provisions in electricity laws, Public relation and awareness campaigns by utility, etc.
7. All the high loss feeders are allocated to feeder managers, the micro plan has already been implemented for reduction of losses on JGY feeders.

DGVCL has stated that 4 no's of JGY feeders, one from each circle, have been identified to carry out the study. As a first step of energy audit activity meter installation activity on the transformers of the selected feeders is being carried out. DGVCL has installed 322 meters on the 322 nos. of transformers. DGVCL has also started activity of creating dummy consumer



numbers of these transformers and consumer indexing work which is completed in Surat City circle whereas in other Circle it is under process.

**The Commission has instructed to target the feeders with more than 50% loss level and 5% loss reduction for such feeders.**

Focused actions in the direction of reducing the losses in JGY category will be implemented and DGVCL is committed to reduce by 5% Losses for feeders having more than 50% loss level during the current financial year (i.e. FY 2017-18). Company has planned for long term as well as short term strategies to reduce losses on JGY feeders. Activities to be carried out by the Company are furnished here under.

(A) Long term Strategies:

1. System Improvement
2. Feeder Bifurcation
3. Conductor up gradation/Replacement by ABC CABLE
4. Distribution Transformer Center Review
5. Augmentation/De-augmentation of Transformers
6. Load Balancing of Transformers
7. Distribution Transformer near Load Center.
8. Implementation of H.V.D.S.
9. Installation of 5 kVA Single phase Transformers in small Clusters.
10. Proposed 66/11 kv New Substations so that technical losses of 11 kv feeders can be reduced.
11. Distribution Transformer Metering with complete Energy Accounting

(B) Short Term Strategies:

1. Special task force to monitor Distribution Loss Activities.
2. Monitoring of consumption of consumers with the help of PRT 176



3. Verifying consumers having “0” consumption,(Faulty) “F” Meters and “Locked” Consumers.
4. Replacement of Faulty and Electromagnetic meters by Static meters
5. Removal of crossing of 11 kV JGY and 11kV Agr. Dom Feeders.
6. Timely submission of H3 forms and master creations.
7. Vigilance activity with Police protection.

For feeders having losses more than 50%, the feeder managers are nominated for these feeders. Maximum three number of feeders are allocated to each feeder manager. Also these feeders are allocated to various authorities of corporate office as well as field office for close monitoring of loss reduction activities.

- Feeders with more than 50% losses level for the Bharuch, Surat city, Surat Rural and Valsad are attached here with at Annexure-C
- Selected JGY Feeder Distribution losses Comparison—Month wise—attached at Annexure-D
- The activities carried out on JGY feeders are tabulated under as Annexure-E

Annexure-E					
DAKSHIN GUJARAT VIJ COMPANY LTD.					
Activities carried out for loss reduction on JGY feeders					
Particulars	Unit	Financial Year			
		2014-15	2015-16	2016-17	2017-18 up to 30.09.17
Feeder bifurcation	Nos.	41	41	12	18
Maintenance					
HT line	KM	11375.08	18241.04	14596.00	8272.13
LT line	KM	2042.75	4615.25	7215.00	1215.05
Transformer	No.	5621	8381	7662	3067.00
IDEAL-Villages	No.	30	13	52	1
XLPE conductor/CABLE	KM	17.88	13.63	17.16	0.42
Arial Bunch Conductor	KM	1893.33	1802.22	1003.43	1859.09
Insulated conductor	KM	0.70	0.30	0.10	2.35
Meter Replacement					



1 Ph.	No.	91787	79083	36365	43222
3Ph	No.	6388	9413	3289	2898
Installation of Meter Boxes.					
1Ph	No.	64693	70238	31619	29141
3Ph	No.	5038	7617	2915	1812
Installation Sealing					
1Ph	No.	101175	95304	39269	42175
3Ph	No.	8836	12403	6194	3110
Installation Checking					
Nos.	No.	64452	92146	84877	48213
Detection	No.	5687	5631	6392	1678
Assessment	Rs. In Lacs	1015.12	1240.73	719.47	320.18
Release of new connections	Nos.	77810	91193	48150	31309
Augmentation of Village T/C	Nos.	185	218	169	57
Amorphous X'mer replacement	No.	104	113	72	28

**(a) Selected 04 no's JGY feeder for Pilot study as on Jun-2017 T&D Losses Report.**

Name of circle	Name of JGY Feeder	Financial Year	Sent out Unit (Mus)	Sold out Unit (Mus)	Loss (Mus)	% Loss
Bharuch	11KV Kavachiya (valia s/dn)	2015-16	9.23	1.67	7.56	81.87
		2016-17	6.53	1.53	5.00	76.52
		2017-18 uptoJun-17	1.92	0.62	1.29	67.46
Surat Rural	11KV Kamalapor (Uchhal s/dn)	2015-16	8.20	3.50	4.69	57.26
		2016-17	7.03	2.53	4.50	63.98
		2017-18 uptoJun-17	2.11	0.60	1.51	71.59
Surat City	11KV Soneri (Oon s/dn)	2015-16	6.41	4.79	1.62	25.28
		2016-17	5.71	4.67	1.04	18.28
		2017-18 uptoJun-17	1.91	1.75	0.16	8.60



Name of circle	Name of JGY Feeder	Financial Year	Sent out Unit (Mus)	Sold out Unit (Mus)	Loss (Mus)	% Loss
Valsad	11KV Barsol	2015-16	19.34	5.57	13.77	71.19
		2016-17	15.72	5.54	10.19	64.78
		2017-18 uptoJun-17	4.34	1.97	2.37	54.55

Note:

During FY 2016-17 DGVCL has carried out inspection and about 557 No's of faulty meters are replaced and also installation checking was carried out and FIR lodged against consumer of 19 villages who are connected on 11 KV Kamalapur JGY feeder. But T&D losses for the Qtr-2, 3 and 4 for FY 2016-17 compared to FY 2015-16 are in increasing trend due to improper billing by Sakhimandal during this FY and also about 90% consumers are falling under BPL category.

**(b) Energy Audit---Sonari feeder Transformer for FY 2017-18**

ENERGY AUDIT OF SONARI JGY FDR REPORT									
MAY JUNE BILLED IN JULY-2017									
SR NO	TC CODE	TC TOTAL CONSUMER	SENT OUT UNIT OF DTC	M. F.	TOTAL SENT OUT OF DTC	SOLD OUT UNIT	UNIT LOSS	%T&D LOSS=(SENT OUT-SOLDOUT)/SENTOUT*100	REMARKS
1	VAS/01	23	19168	0.5	9584	9541	43	0.45	CT COIL WAS DISCONTINUED DUE TO COROSSION. SO AVARAGE SENT OUT UNIT IS TAKEN.
2	KAI/02	2	9073	1	9073	9814	-741	-8.17	CY 05 READING DATE DIFFERENCE.
3	DIP/03	133	60307	1	60307	53936	6371	10.56	THEFT PRONE ZONE
4	PCG/04	306	81617	1	81617	72505	9112	11.16	THEFT PRONE ZONE
5	PPH/05	2	0	1	0	0	0	0.00	Zero consumption
6	SYM/06	2	4807	0.5	2403.5	2546	-142.5	-5.93	CY 05 READING



ENERGY AUDIT OF SONARI JGY FDR REPORT									
MAY JUNE BILLED IN JULY-2017									
SR NO	TC CODE	TC TOTAL CONSUMER	SENT OUT UNIT OF DTC	M. F.	TOTAL SENT OUT OF DTC	SOLD OUT UNIT	UNIT LOSS	%T&D LOSS=(SENT OUT-SOLDOUT)/SENTOUT*100	REMARKS
									DATE DIFFERENCE.
7	JVJ/07	1	8960	1	8960	8406	554	6.18	SITE IS NOT APPROCHABLE DUE TO WATER LOGGING SO AVERAGE UNIT IS TAKEN.
8	KRI/09	152	72756	1	72756	73791	-1035	-1.42	CALCULATED SENT OUT UNIT AS PER RPH CT COIL OPEN. HENCE 33% SLOWNESS ADDED IN ACTUAL SENTOUT UNIT=54704+18052=72756. IT IS RECTIFIED ON DT:06.09.2017.
9	ANP/10	55	4510	1	4510	4825	-315	-6.98	CY 05 READING DATE DIFFERENCE.
10	ANP/11	54	2400	1	2400	2091	309	12.88	CY 05 READING DATE DIFFERENCE.
11	ANP/12	77	6160	1	6160	6606	-446	-7.24	CY 05 READING DATE DIFFERENCE.
12	ANP/13	79	9630	1	9630	8212	1418	14.72	CY 05 READING DATE DIFFERENCE.
13	COL/15	1	8962	1	8962	9180	-218	-2.43	CT COIL WAS DISCONTINOUED DUE TO COROSSION. SO AVARAGE SENT OUT UNIT IS TAKEN . IT IS RECTIFIED ON DT:05.09.2017
14	BUD/16	153	78366	1	78366	46744	31622	40.35	THEFT PRONE ZONE
15	BUD/17	5	6062	1	6062	3937	2125	35.05	THEFT PRONE



ENERGY AUDIT OF SONARI JGY FDR REPORT									
MAY JUNE BILLED IN JULY-2017									
SR NO	TC CODE	TC TOTAL CONSUMER	SENT OUT UNIT OF DTC	M. F.	TOTAL SENT OUT OF DTC	SOLD OUT UNIT	UNIT LOSS	%T&D LOSS=(SENT OUT-SOLDOUT)/SENTOUT*100	REMARKS
									ZONE
16	BUD/18	135	72857	1	72857	42221	30636	42.05	THEFT PRONE ZONE
17	BUD/19	93	35637	1	35637	37276	-1639	-4.60	CALCULATED SENT OUT UNIT AS PER RPH CT COIL OPEN. HENCE 33% SLOWNESS ADDED IN ACTUAL SENTOUT UNIT=26795+8842=35637. IT IS RECTIFIED ON DT:06.09.2017.
18	BUD/20	80	48725	1	48725	21109	27616	56.68	THEFT PRONE ZONE
19	PGC/21	576	148056	1	148056	146293	1763	1.19	
20	PGC/22	223	72014	1	72014	66631	5383	7.47	
21	PGC/23	271	80260	1	80260	72633	7627	9.50	
22	SAI/24	105	54681	1	54681	36141	18540	33.91	THEFT PRONE ZONE.ALL EM METERS ON THIS TC ARE RECTIFIED IN JUN-17
23	SON/25	94	65602	1	65602	49477	16125	24.58	THEFT PRONE ZONE
24	ANP/26	56	3532	1	3532	3430	102	2.89	CT COIL WAS DISCONTINOUED DUE TO COROSSION, ALSO PT WAS DISCONNECT.SO AVARAGE SENT OUT UNIT IS TAKEN . IT IS RECTIFIED ON DT:06.09.2017.



ENERGY AUDIT OF SONARI JGY FDR REPORT									
MAY JUNE BILLED IN JULY-2017									
SR NO	TC CODE	TC TOTAL CONSUMER	SENTOUT UNIT OF DTC	M. F.	TOTAL SENT OUT OF DTC	SOLDOUT UNIT	UNIT LOSS	%T&D LOSS=(SENT OUT-SOLDOUT)/SENTOUT*100	REMARKS
25	SSS/27	69	4884	1	4884	5334	-450	-9.21	CY 05 READING DATE DIFFERENCE.
26	JSS/29	3	7690	1	7690	8406	-716	-9.31	CY 05 READING DATE DIFFERENCE.
27	KVR/30	23	1600	1	1600	1535	65	4.06	
28	BUD/31	1	1557	1	1557	1574	-17	-1.09	CY 05 READING DATE DIFFERENCE.
29	SMC/32	1	3325	1	3325	3243	82	2.47	SENTOUT UNIT IS TAKEN FIRST TIME AFTER INTALLATION OF DTC METER WHICH IF OF 3 MONTHS. SO 3 MONTHS CONSUMPTION IS ALSO TAKEN IN SOLDOUT.
30	RIV/33	1	4700	1	4700	5462	-762	-16.21	CY 05 READING DATE DIFFERENCE.
31	DIP/34	52	37233	1	37233	23830	13403	36.00	THEFT PRONE ZONE

**Commission's comments:**

Commission noted the compliance submitted by the Petitioner. It is observed that there are number of JGY feeders which are still 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. DGVCL should submit quarterly report to the Commission, indicating loss reduction achieved for such feeders.





**Directive 5: Energy Audit and Segregation of HT & LT losses**

DGVCL was directed to conduct energy audit and submit findings of the energy audit report to the Commission.

**Compliance:**

**HT LT Technical Losses & Commercial Losses**

- For FY 2015-16, total distribution losses of DGVCL system was 9.07%. Out of the total distribution losses, technical (HT & LT) losses are 8.57% as per present study. Rest of the distribution losses of 0.50% are commercial losses of the distribution system. Contribution of HT System losses, LT System losses and commercial losses to total losses is 61.63%, 32.86% and 5.51% respectively.
- Commercial losses are spread across the distribution network and hence it is not correct to assign them to a particular voltage level. Commercial losses are applicable to both HT and LT system and hence added to HT and LT losses. Total losses for HT and LT system after incorporating impact of commercial losses are as under:
- The holding company (GUVNL) has appointed consultant for study and segregation of the HT & LT Losses (including Technical and Commercial Losses) in respect of four distribution Companies of GUVNL and the study report is submitted on 26.04.2017 to Hon'ble Commission, system losses tabulated as under.

Sr. No.	Particulars	HT System	LT System
1	Technical Losses	5.59%	2.98%
2	Commercial Losses	0.50%	
3	<b>Total Losses</b>	<b>9.07%</b>	

**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 total technical and commercial losses in the HT System and LT System are 9.07%. The Petitioner is directed to submit the efforts made to reduce the technical and commercial losses on HT System and LT System



including different feeders, Transformers (DTC) on monthly basis to the Commission so as to monitor the trend in status of such losses.

**Directive 6: 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:**

During F.Y. 2016-17 Scheme wise target Vs Achievements for the Agriculture Connection in various scheme like TASP, SPA, Tatkal, Dark Zone, Lift Irrigation and SC Ag. Wells are Tabulated as under:

Scheme wise target v/s achievements of agriculture connections - 2016-17						
Schemes	Targets		Achievements		% age achievement	
	Physical in Nos.	Finance in Lakh	Physical in Nos.	Finance in Lakh	Physical	Finance
TASP wells	11250	17888.00	11166	22019.30	99.25	123.10
SPA wells	660	1120.00	717	1347.26	108.64	120.29
TATKAL wells			3	4.74		
Dark Zone wells	300	650.00	343	980.63	114.33	150.87
LIFT IRRIGATION			13	35.40		
SC Ag Wells	50	80.00	19	21.58	38.00	26.98
<b>Total</b>	<b>12260</b>	<b>19738</b>	<b>12261</b>	<b>24409</b>	<b>100</b>	<b>124</b>

The Quarterly subsidy claim by DGVCL, the receipt of claim is referred to Govt. By GUVNL and it is realized centrally at GUVNL level, the details are tabulated as under.

Sr. No.	Subsidy	April 16 to Jun16	Jul16 to Sep16	Oct 16 - to Dec16	Total
1	Tariff Compensation (Unmetered)	698.97	1396.67	698.47	2794.11



Sr. No.	Subsidy	April 16 to Jun16	Jul16 to Sep16	Oct 16 - to Dec16	Total
2	Tariff Compensation (Opted meter tariff)	12.31	11.77	12.17	36.25
3	FPPPA Subsidy	3341.49	1081.67	3662.79	8085.95
4	Water works Subsidy.	1189.07	1083.84	1049.39	3322.3
	<b>TOTAL</b>	<b>5241.84</b>	<b>3573.95</b>	<b>5422.82</b>	<b>14238.61</b>
		<b>**AGRICULTURE SUBSIDY Rs.49.00 Crore</b>			

**Note:**

01. Water works is not part of Ag subsidy.

02. Rs. 49.00 Crore paid every year to DGVCL by GUVNL out of total Rs. 1100/- crore for sector as a whole.

**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 7: 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 also resulting in consumers grievances. Discom is directed to prepare detailed action plan for replacement of defective meters and submit the same by 30<sup>th</sup> June 2017.

**Compliance:**

DGVCL is trying to get minimum level of defective meters lying at the consumer installation. Also the status of pending single phase and three phase defective meters to be replaced during F.Y.2017-18 (Up to August-2017) and in addition to this planning, defective meters added during this planned duration will also be replaced and are mentioned as below.

During last year 2016-17, meter replacement activity carried out is tabulated as under.



Sr. No.	CIRCLE	Single phase					Three phase				
		Pending of April-16	Added during FY 16-17	Total	Replaced during FY 16-17	Pending as on March-17	Pending of April-16	Added during FY 16-17	Total	Replaced during FY 16-17	Pending as on March-17
1	Surat City	330	11205	11535	11350	185	105	4280	4385	4252	133
2	Surat Rural	7685	20457	28142	18675	9467	590	4884	5474	3391	2083
3	Valsad	16588	12933	29521	17019	12502	3817	3774	7591	3847	3744
4	Bharuch	9399	6273	15672	5762	9910	1233	1663	2896	1356	1540
<b>DGVCL TOTAL</b>		<b>34002</b>	<b>50868</b>	<b>84870</b>	<b>52806</b>	<b>32064</b>	<b>5745</b>	<b>14601</b>	<b>20346</b>	<b>12846</b>	<b>7500</b>

**Planning for replacement of Defective Single phase meter:**

Sr. No	Name of Circle	Non-working Meter pending to be replaced March'17	Non-working Meter added during FY-17-18 up to Sept-17	Non-working Meter replaced during FY-17-18 up to Sept-17	Non-working Meter pending to be replaced Sept'17	Month wise planning to replace Non-working meter				Total Planning
						OCT'17	NOV'17	DEC'17	JAN-18	
1	Surat (C)	185	5430	5483	132	132	0	0	0	132
2	Surat (R)	9467	15064	15421	9110	2000	2500	2500	2110	9110
3	Valsad	12502	16693	10929	18182	4500	4500	4500	4682	18182
4	Bharuch	9910	4512	4762	9660	2400	2400	2400	2400	9600
<b>DGVCL Total</b>		<b>32064</b>	<b>41699</b>	<b>36595</b>	<b>37084</b>	<b>9032</b>	<b>9400</b>	<b>9400</b>	<b>9192</b>	<b>37024</b>



**Planning for replacement of Defective Three phase meter:**

Sr. No	Name of Circle	Non-working Meter pending to be replaced March'17	Non-working Meter added during FY-17-18 up to Sept-17	Non-working Meter replaced during FY-17-18 up to Sept-17	Non-working Meter pending to be replaced Sept'17	Month wise planning to replace Non-working meter				Total Planning
						OCT'17	NOV'17	DEC'17	JAN-18	
1	Surat (C)	133	2312	2434	11	11	0	0	0	11
2	Surat (R)	2083	3940	2294	3729	850	950	950	979	3729
3	Valsad	3744	4126	1972	5883	1400	1400	1500	1583	5883
4	Bharuch	1540	724	683	1581	350	400	400	431	1581
<b>DGVCL Total</b>		<b>7500</b>	<b>11102</b>	<b>7383</b>	<b>11204</b>	<b>2611</b>	<b>2750</b>	<b>2850</b>	<b>2993</b>	<b>11204</b>

**Commission's comments**

The 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 meters so that the energy consumption is reflected correctly and accordingly the correct revenue is earned from the consumers against cost of supply.

**Directive 8: Rooftop Solar Installations**

Discoms 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:**

As per the above directives progress report for Solar rooftop with the details like number of applications received, KW requested, approval given, installation completed, grid connectivity provided as on 16.09.2017 area s under. As per the directive of Hon'ble GERC, quarterly data of electricity generated from such rooftop installations will be provided to Hon'ble GERC from 1st quarter of FY 2017-18 onwards in following format.



Quarter	Application Received		Approval given		System installed & Grid Connectivity provided		Electricity generated
	NO	KW	NO	KW	NO	KW	KWH
As on 31.03.2017	1432	16116	1229	13819	298	2029	60339
FY:2017-18:Q-I (Up-to 30.06.17)	100	1297	46	91	220	977	541764
FY :2017-18: Q-II (Up to 30.09.2017)	1870	11172	1565	11666	897	8821	943143
<b>Cumulative</b>	<b>3402</b>	<b>28585</b>	<b>2840</b>	<b>25576</b>	<b>1415</b>	<b>11827</b>	<b>1545246</b>

### Commission's comments

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

### **Directive 9: 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 30<sup>th</sup> September, 2017.

### **Compliance:**

GUVNL has submitted compliance to this directive.

### **Commission's comments**



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

## 6.2 Fresh Directives to DGVCL

**Directive 1** : 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 30<sup>th</sup> 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 30<sup>th</sup> 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 30<sup>th</sup> 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:

$$FPPPA = [(PPCA-PPCB)]/[100-Loss\ in\ \%]; \text{ Where,}$$

<b>PPCA</b>	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.
<b>PPCB</b>	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.
<b>Loss in %</b>	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**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Cost (Rs. Crores)</b>
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
<b>8</b>	<b>Total Power purchase Cost</b>	<b>38,838</b>
<b>9</b>	<b>Total Energy Requirements</b>	<b>91,973</b>
<b>10</b>	<b>Power Purchase Cost (Rs. / kWh)</b>	<b>4.22</b>

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.

DGVCL 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 DGVCL 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	11,744.41	-	11,744.41
2	O & M Expenses	284.12	183.28	100.84
2.1	Employee Cost	318.18	190.91	127.27
2.2	Repairs & Maintenance Expenses	43.17	38.85	4.32
2.3	Administration & General Expenses	80.09	40.05	40.05
2.4	Other Debits	-	-	-
2.5	Extraordinary Items	-	-	-
2.6	Net Prior Period Expenses /(Income)	-	-	-
2.7	Other Expenses Capitalized	(157.32)	(86.53)	(70.79)
3	Depreciation	331.89	298.70	33.19
4	Interest & Finance Charges	25.18	22.66	2.52
5	Interest on Security Deposit	113.82	11.38	102.44
6	Interest on Working Capital	-	-	-
7	Bad Debts Written Off	1.50	-	1.50
8	Contribution to Contingency Reserves	-	-	-
9	<b>Total Revenue Expenditure</b>	<b>12,500.92</b>	<b>516.03</b>	<b>11,984.90</b>
10	Return on Equity Capital	145.20	130.68	14.52
11	Income Tax	23.50	21.15	2.35
12	<b>Aggregate Revenue Requirement</b>	<b>12,669.62</b>	<b>667.86</b>	<b>12,001.77</b>
13	Less: Non-Tariff Income	178.30	17.83	160.47
14	<b>Aggregate Revenue Requirement</b>	<b>12,491.32</b>	<b>650.03</b>	<b>11,841.30</b>

## 8.2 Wheeling Charges

The wheeling charges for the four Distribution Companies, DGVCL, MGVCL, PGVCL and UGVCL for the FY 2017-18, 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
2	Distribution cost of the four DISCOMs at 11 kV level (30% of total distribution cost)	Rs. Crore	1,246.83



Sr. No.	Particulars	Units	Amount
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
5	<b>Wheeling charges at 11 kV</b>	<b>Ps./kWh</b>	<b>14.61</b>
6	Energy Input at 400 V	MUs	51994
7	<b>Wheeling charges at 400 V (LT)</b>	<b>Ps./kWh</b>	<b>55.95</b>

**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	<b>S (Cross Subsidy Surcharge)</b>	<b>Rs/ kWh</b>	<b>2.51</b>

$$S = 7.34 - [4.22 / (1 - 0.10) + (14.01 / 100) + 0] = 2.51$$

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. Meter Rent-**

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 1<sup>st</sup> 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 DGVCL for FY 2018-19 as shown in the Table below:

(Rs. Crore)

Sr. No.	Particulars	2018-19
1	Power Purchase cost	11744.41
2	Operation & Maintenance Expenses	284.13
2.1	<i>Employee Cost</i>	318.18
2.2	<i>Repair &amp; Maintenance Expenses</i>	43.17
2.3	<i>Administration &amp; General Expenses</i>	80.09
2.4	<i>Other Debits</i>	-
2.5	<i>Extraordinary Items</i>	-
2.6	<i>Net Prior Period Expenses / (Income)</i>	-
2.7	<i>Other Expenses Capitalised</i>	(157.32)
3	Depreciation	331.89
4	Interest & Finance Charges	139.00
5	Interest on Working Capital	-
6	Provision for Bad Debts	1.50
<b>7</b>	<b>Sub-Total (1 to 6)</b>	<b>12500.93</b>
8	Return on Equity	145.20
9	Provision for Tax / Tax Paid	23.50
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>12669.63</b>
11	Less: Non-Tariff Income	178.30
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12491.33</b>

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

Sd/-

P. J. THAKKAR  
Member

Sd/-

K. M. SHRINGARPURE  
Member

Sd/-

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 1<sup>st</sup> 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
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**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
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**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:**

	For billing demand up to the contract demand	
(a)	(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
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**PLUS**

### **5.3 REACTIVE ENERGY CHARGES:**

For all the reactive units (KVARH) drawn during the month	10 paise per KVARH
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### **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.
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**PLUS**

### **6.2 ENERGY CHARGES:**

For entire consumption during the month	260 Paise per Unit
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#### **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 <b>LTMD</b> above.
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**PLUS**

##### **7.2 ENERGY CHARGES:**

For entire consumption during the month
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260 Paise per Unit
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**PLUS**

##### **7.3 REACTIVE ENERGY CHARGES:**

For all reactive units (KVARH) drawn during the month
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10 Paise per KVARH
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**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. RATE: LTP- LIFT IRRIGATION**

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as 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
<b>PLUS</b>		
(b)	Energy charges	180 Paise per Unit



	For entire consumption during the month	
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**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
<b>PLUS</b>		
(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
<b>PLUS</b>		
(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
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**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
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#### **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
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#### **11.1.2 OPTIONAL KVAH CHARGES:**

For all the kVAh units consumed during the month:	305 Paise per Unit
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#### **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
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##### **11.2.2 ENERGY CHARGES:**

For all units consumed during the month
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405 Paise per kWh
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##### **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
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### 12.2 ENERGY CHARGE

A flat rate of	465 Paise per Unit
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*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
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#### 13.2 ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

ENERGY CHARGE	410 Paise per Unit
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**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
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**PLUS**

**14.2 ENERGY CHARGES**

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

<b>On Energy charges:</b>		<b>Rebate @</b>
(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. RATE HTP-II**

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
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**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
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**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
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**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:**

1/3 <sup>rd</sup> of the Fixed Charges specified in Rate HTP-I above.
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**PLUS**

**17.2 ENERGY CHARGES:**

For all units consumed during the month
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225 Paise per Unit
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**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
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**PLUS**

**18.2 ENERGY CHARGES:**

For all units consumed during the month	180 Paise per Unit
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**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
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<b>19.3 Billing demand</b>	}	Same as per HTP-I Tariff
<b>19.4 Minimum bill</b>		
<b>19.5 Maximum demand and its measurement</b>		
<b>19.6 Contract Demand</b>		
<b>19.7 Rebate for supply at EHV</b>		

## **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
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**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

