

Annexure-A

I. Preliminary Information required for admission of the Petition

1. Regarding the Energy Sales,
 - a. Monthly return under Form A specified in Rule 6 (1)(A) filed with the Chief Electrical Inspector and Collector of Electricity Duty for sale of energy for FY 2019-20.

Compliance: Monthly return under Form A file is attached herewith as Annexure-1.

- b. Sales Projections for FY 2021-22 (except AG and Railways): The petitioner in para 3.2.6 of the petition has mentioned that for projection for FY 2021-22, the base number of FY 2019-20 are considered. However, it is observed in FY 2021-22 revenue model that projections are based on FY 2020-21 figures. It is further observed that FY 2020-21 sales are not estimated (based on half year actuals) but are projected on FY 2019-20 considering growth assumptions. The Petitioner shall submit detailed rationale/ correction for consideration of growth rates for correct the sales projections for FY 2021-22 for all categories along with sales data including revenue for FY 2020-21 (April 2020 to Dec. 2020).

Compliance: It is to note that as FY 2019-20 is completed and audited actual data is available up to FY 2019-20 and hence the same has been considered as base for projection of sales, no. of consumers and connected load for FY 2021-22.

In revenue model also, growth rate is applied on sales data of FY 2019-20 to arrive at sales for FY 2020-21 and one more time growth rate is applied to arrive at sales for FY 2021-22.

As half yearly sales data of FY 2020-21 is provisional and may not provide correct growth rate and hence Discom has estimated sales of FY 2021-22 based on audited sales data of FY 2019-20.

For residential consumers for which growth is stable in nature and hence 5 year CAGR is considered. For agriculture consumers, growth is considered based on number of connections to be released in next 2 years. For all other consumer categories except HT Industrial, 3 years CAGR is considered which provides recent trend for projection. In normal scenario, growth in HT Industrial consumers should be projected based on 3 years CAGR only but due to COVID 19 pandemic, moderate growth of 5 % is projected.

Due to COVID 19 pandemic, billing was carried out on assessment basis and consumer mix has also drastically changed. Due to above, Monthly data of FY 2020-21 will not be provide correct basis for estimation of sales for FY 2021-22 and hence sales of FY 2020-21 is not provided.

- c. Further it is observed that petitioner has projected sales growth of 5% in FY 2021-22 for HT Industrial category. It is also presumed that sales in HT Industrial category would have dropped in Covid-19 period. Considering such scenario, how is petitioner expecting that sales would grow by 5%?. The details of any expected large Industrial houses or complex or GIDC area development, if any may be provided to justify the projections. The Petitioner to submit detailed rationale on sales projection with sale and revenue figures from March 2020 up to Jan. 2021.

Compliance:- In normal scenario, for projection of sale of HT Industrial consumer consideration of recent scenario i.e. 3 year CAGR is better approach. It is observed that 3 year CAGR is not uniform across DISCOMs. Further, due to COVID 19 pandemic, the growth rate in FY 2019-20 and FY 2020-21 is on lower side. Therefore, it is not appropriate to consider lower growth which is due to COVID pandemic or higher growth rate Hence, Discom has proposed moderate growth rate of 5% for HT Industrial consumers for projection of sales, no. of consumers and connected load.

- d. Consumer and Load Projections for FY 2021-22: Similarly, the Petitioner shall provide detailed rationale/ correction for consideration of growth rates for number of consumers and load as well.

Compliance:-For residential consumers for which growth is stable in nature and hence 5 year CAGR is considered. For agriculture consumers, growth is considered based on number of connections to be released in next 2 years. For all other consumer categories except HT Industrial, 3 years CAGR is considered which provides recent trend for projection.

2. Regarding Energy Balance,

- a. Details of 71.87 MU shown under the head 'local power purchase by Discom' mentioned in Table 6.

Compliance: In addition to power purchase from GUVNL, UGVCL has purchased 71.87 MU from various renewable energy sources such as from Solar and Wind. Source wise segregation for the above purchase is as follows:

Source of Power	Local Power Purchased (MU)
Wind	34.09
Solar	37.78
Total Power Purchased	71.87

- b. Reason for claiming Intra-State Transmission loss as 3.72% whereas GETCO in its Petition has claimed actual Transmission Loss as 3.68%.

Compliance:-As per Hon'ble Commission's Intra-State ABT Order, the transmission losses is to be published by SLDC for energy accounting and UI accounting. The Transmission loss of 3.72% is worked out based on transmission losses published by SLDC on monthly / weekly basis. The monthly transmission losses published by SLDC for FY 2019-20 is annexed as Annexure-G1.

- c. Documentary proof for claiming PGCIL system losses of 330.18 MU for FY 2019-20.

Compliance:-PGCIL System losses are applicable as notified by Regional Load Dispatch Centre (WRLDC) under CERC PoC Regulations. The losses notified by WRLDC is annexed

herewith as **ANNEXURE-G2**. During FY 2019-20, power purchased through PGCIL was 38558 MUs. The DISCOM wise losses are tabulated as under:

Units purchased from Central Sector during 2019-20

Month	Energy purchased from Centre Sector	% losses as per WRPC	Loss Mus
Apr-19	4049778061	3.09%	125138142
May-19	3477547257	3.14%	109194984
Jun-19	3011346568	3.37%	101482379
Jul-19	3188680787	3.14%	100124577
Aug-19	3034987918	3.05%	92567131
Sep-19	3202857550	2.68%	85836582
Oct-19	3515886887	2.71%	95280535
Nov-19	3246661955	2.80%	90906535
Dec-19	3378548515	3.00%	101356455
Jan-20	3660721500	2.79%	102134130
Feb-20	2280913314	2.55%	58163290
Mar-20	2510107267	2.63%	66015821
Total	38558037579	2.93%	1128200561

Pooled Losses for FY 2019-20

Discoms	Mus
DGVCL	196.659
MGVCL	188.911
PGVCL	412.452
UGVCL	330.178
Total	1128.200

- d. Justification for assumption of such higher distribution loss of 10.05% for FY 2021-22 as compared to 6.73% in FY 2019-20.

Compliance: For the projection of Distribution losses, Factors like share of Agriculture sector, Average losses of last four years, actual losses of last year, the current trend of losses with respect to similar period of past years etc. were considered.

Further, it is to inform that Agriculture losses for the year 2019-20 works out 3.49% due to good rains during the monsoon period as compared to Agriculture losses of 14.80 % during the FY 2018-19. It shows that Agriculture consumers had not fully utilized the power. Over all distribution losses is sum of Ag sector and Non Ag sectors but in UGVCL the impact of Ag sector is much higher i.e. about 40% to 45%, which ultimately resulted in lower overall losses of 6.73 % against approved losses of 9.7 % for the FY 2019-20. Hence, this abnormal decreased losses due to seasonal phenomena, which cannot be kept as base line so that company has stick to projection of distribution losses of 10.05 % for FY 2021-22. Current trend of distribution losses (April 2020 to September 2020) is also 11.87% which supports UGVCL projection of 10.05% distribution losses for FY 2021-22.

3. As regards power purchase expenses for FY 2019-20,
- a. UGVCL should also list unapproved sources, if any, from whom power was procured during FY 2019-20.

Compliance:-The purchase of power during FY 2019-20 is from approved sources only.

- b. Reasons for the increase in power purchase cost as compared to that approved even though the actual power purchase quantum is lower than the approved quantum.

Compliance:-It is to state that the approved power purchase cost by Hon'ble Commission for FY 2019-20 in the order dated 24.4.2019 is based on actual power purchase cost of FY 2017-18. Moreover, in case of power stations of central Sector and

GSECL, the power purchase is as per the respective order of Hon'ble CERC/GERC. Therefore increase/ decrease in power purchase cost in respect of these stations is due to change in approved parameters and increase/ decrease in landed cost of fuel. Further, rate for purchase of power from RE based projects is as per the tariff determined by Hon'ble Commission / adopted by Hon'ble Commission.

The analysis of source wise increase / decrease in fixed cost / variable cost as compared to approved power purchase cost for FY 2019-20 is annexed as Annexure- G3.

As per analysis of source wise variation, there is increase in variable cost to the tune of Rs. 2008 Crore on account of increase in fuel cost / power purchase rate and reduction of Rs. 1251 Crore in fixed cost.

It is further to state that there is additional liability in the books of accounts towards power purchase cost under the head "Power Purchase Cost Others" as under:

PARTICULARS	Amount (Rs. Crore)
Payment liability towards various judgments of court	3595.33
GSECL Sikka Unabsorbed Depreciation	49.08
Total	3644.41

Thus, there is net increase in power purchase cost to the tune of Rs. 3384 Crore as compared to power purchase cost approved by Hon'ble Commission for FY 2019-20.

4. UGVCL should submit the status of RPO compliance for FY 2019-20, and cumulative shortfall/surplus till FY 2019-20, if any, separately for Solar and Non-Solar RPO.

Compliance: For FY 2019-20, the RPO stipulated by Hon'ble Commission was 14.30% against which the actual target achieved is 13.00%. Thus, there is shortfall of 1.30% in RPO target achievement during FY 2019-20 due to various uncontrollable factors, for which GUVNL has filed petition before Hon'ble Commission which is pending. The details of RPO compliance is as under:

RPO	Solar	Non-Solar	Total
Stipulated RPO for FY 2019-20	5.50%	8.80%	14.30%
Achieved for FY 2019-20	3.56%	9.44%	13.00%
Shortfall	1.30%		

5. As regards to Capital Expenditure and Capitalisation for FY 2019-20
 - a. UGVCL should explain reasons for incurring capex against schemes that were not approved by the Commission for FY 2019-20 (DDUGJY, IPDS) as seen in Table 10 of the Petition.

Compliance: DDUGJY Scheme is applicable in the rural areas and IPDS is applicable to Urban areas of the Company. As per REC Guideline, physical work under both the schemes was completed in March, 2019. Hence, for FY 2019-20; it was proposed zero amounts in budgetary provision.

However, payment to the contractors for work executed up to March, 2019 was done in the FY 2019-20 due to finalization of contractor's bill for both the schemes. Further,

turnkey order was placed in June, 2018 for carrying out underground work in Sabarmati and Himmatnagar Circle for an amount of Rs. 16.41 Crore and Rs. 8.71 Crore respectively under IPDS. The turnkey work was completed in February, 2019. As per AT's terms and conditions 10% payment was kept held and it should release after finalization of all bill and submission of 10% Performance Bank Guarantee from turnkey contractor which was materialized in FY 2019-20. Hence, actual CAPEX was booked in FY 2019 - 20.

Moreover, execution of work for both scheme were completed in approved timeline. There is no impact of change of scope work and increase in price for actual CAPEX falls in FY 2019 - 20.

b. As regards the capital expenditure incurred and capitalisation during FY 2019-20, UGVCL should submit the detailed reasons and justification for increase/ (decrease) in cost of all schemes (against which capital expenditure is greater than Rs 10 crore) compared to approved scheme cost, with break-up into:

- i. Variation due to delay in execution of the project compared to approved timelines, and justification for the same
- ii. Variation due to change in scope of work, and justification for the same.
- iii. Variation due to increase in price

Compliance: 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. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short time period, most of the capital investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward.

6. Regarding the computation of depreciation for FY 2019-20, UGVCL should:

a. Confirm whether depreciation has been claimed on assets beyond 90% of the GFA value.

Compliance: It is confirmed that depreciation on assets is not claimed beyond 90% of the GFA value.

7. As regards to the Interest on Loan for FY 2019-20, UGVCL to confirm

a. Whether the loans from financial institution for the Central Govt. schemes are converted to Grant and if yes, what is the amount? The Petitioner shall also provide the details of Interest thereon converted into grant.

Compliance: It is confirmed that loans from financial institution for the Central Govt schemes are not converted to Grant.

8. As regards to Interest on Security Deposit for FY 2021-22, UGVCL should clarify how the security deposit amount remains same when no. of consumers are projected to increase from 36.85 Lakh in FY 2019-20 to 39.61 Lakh in FY 2021-22.

Compliance: For FY 2021-22, Discom has considered security deposit same as of FY 2019-20. It is to note that security deposit is not increasing in proportion to the increase in no. of consumers. Also, many consumers are providing bank guarantee in lieu of security deposit and hence there is no increase in security deposit in cash. Therefore, it is not possible to estimate increase in security deposit amount. In view of the above, Discom has not considered any growth in the same for projection.

9. Regarding Income Tax, UGVCL should submit the following:

- a. Copies of Challans and IT Return.

Compliance: Complied

- b. Confirm whether any refund of income tax has been received in FY 2019-20.

Compliance: There is no any refund of income tax has been received in FY 2019-20.

- c. Computation of Income Tax payable amount of Rs.16.84 Crore for FY 2019-20.

Compliance: Complied

10. UGVCL to provide working of GUVNL Profit/ (Loss) Allocation of Rs.27.14 Cr for FY 2019-20 along with copy of GUVNL Audited Accounts for FY 2019-20.

Compliance: GUVNL profit of Rs. 106.40 Crore is allocated in the ratio of power purchase cost of Discom.

Rs in Crores					
Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
Power Purchase	13,055	5,426	15,448	11,618	45,547
GUVNL Profit	30.50	12.68	36.09	27.14	106.40

11. Furnish the certificate from CAG on Annual Accounts of the Company for FY 2019-20.

Compliance: Certificate from CAG on Annual Accounts is attached herewith as Annexure-4.

12. As regards to Revenue gap treatment,

- a. UGVCL has stated in para 2.4.1 that 'resultant revenue gap can be met through efficiency improvement measures.' UGVCL should list out the efficiency improvement measures proposed to be undertaken.

Compliance: As mentioned in the petition, it is envisaged that part of estimated revenue gap will be mitigated through efficiency measures such as (a) reduction in distribution losses, (b) reduction in technical losses due to network strengthening / modernisation of distribution network, (c) Economisation in power purchase cost etc. Further, the unmitigated revenue gap, if any, will be considered at the time of true-up of FY 2021-22 and therefore no tariff change is proposed in the petition.

b. Further, UGVCL should confirm that revenue gap if any is arrived at the time of true up of FY 2021-22, the same will be managed through efficiency improvement measures & internal accruals and shall not be passed on to the consumers in future ARR.

Compliance:- In this regard, it is to state that any gap / surplus as a result of True up of any financial year may be attributable to various controllable and uncontrollable factors. Therefore, treatment of any gap / surplus of FY 2021-22 undertaken as per the provisions of MYT Regulations is to be considered per the mechanism provided in the MYT regulations.

13. As regards to Audited Accounts for FY 2019-20, UGVCL should clarify,

a. Defined Benefit Plans as mentioned Clause 1.3 notes to accounts, pt. xii) employee expenses along with detailed computations and certification by relevant authority/actuarial.

Compliance: Certificates are attached herewith as Annexure-5.

14. As regards to the Compliance to Directives,

a. UGVCL should submit the timeline for submission of Cost to Serve Report.

Compliance:-The Report on Cost to Serve is under preparation and the same will be submitted by 15 February, 2021.

b. UGVCL should submit timeline for submission of Time-of-Day Demand charges study report.

Compliance:-The Report on Time of Day Demand Charges is under preparation. The study involves huge amount of data collection, compilation and analysis including consumer survey. Due COVID -19 pandemic, the above work could not be undertaken as per the planning. The Report will be submitted by 28 February, 2021.

c. UGVCL should submit timeline for submission of Time-of-Day Energy charges for new residential rooftop solar consumer study report.

Compliance:-The Report on Time of Day Energy charges for new residential rooftop solar consumer is under preparation. The study involves huge amount of data collection, compilation and analysis including consumer survey. Due COVID -19 pandemic, the above work could not be undertaken as per the planning. The Report will be submitted by 28 February, 2021.

15. UGVCL should furnish the following formats pertaining to FY 2019-20 in prescribed MYT format as per Gujarat Electricity Regulatory Commission (Multi-Year Tariff), Regulations, 2016.

Sr. No.	Title	Reference	Status
1	Customer Sales & Forecast	Form-1	Month wise customer sales & forecast is not provided
2	Power Purchase Expenses	Form-2	Per Unit cost of energy purchased is not provided
3	Capital Expenditure Plan	Form-4.1	Scheme wise capital expenditure and progress
4	Capitalisation	Form-4.2	Scheme wise details of actual

			Capitalisation is not provided
5	Capital Works in Progress	Form-4.3	Scheme wise details of CWIP is not provided

15.1 Compliance:-Discom has provided monthly sales for FY 2019-20as part of data gap point no. 1.

15.2 Compliance:-Per unit cost of energy purchase is as under:

Source of Power (Station wise)	Energy Received (MU)	Total Power Purchase Cost (Rs./ kWh)
GSECL		
GSECL Gandhinagar - 5	878	4.83
GSECL Wanakbori - 7	970	4.51
GSECL UtranExpan	722	6.81
GSECL Dhuvaran - 7	179	5.63
GSECL Dhuvaran - 8	87	6.40
GSECL Ukai	2,669	4.70
GSECL UkaiExpan	2,660	5.09
GSECL Gandhinagar 3-4	657	7.61
GSECL Wanakbori 1-6	3,598	5.48
GSECL Sikka Expansion	2,451	5.99
GSECL Kutch Lignite	480	4.36
GSECL Kutch Lignite Exp unit 4	261	4.69
GSECL Ukai Hydro	765	0.54
GSECL Kadana Hydro	445	1.54
GSECL Dhuvaran CCPP III	538	5.61
GSECL BLTPS	486	5.16
GSECL Wanakbori - 8	506	6.11
Sub Total	18,355	5.10
IPP's		
Gujarat State Energy Generation	42	11.42
Gujarat State Energy Generation Expansion	562	6.69
Gujarat Industries Power Co Ltd (165 MW)	13	4.10
Gujarat Industries Power Co Ltd (SLPP)	1,423	2.38
Gujarat Mineral Development Corp.	547	2.45
Gujarat Industries Power Co Ltd (145 MW)	123	3.44
Gujarat Industries Power Co Ltd (SLPP - Exp)	1,530	3.12
GPPC Pipavav	522	9.49
Sub Total	4,761	4.02
Central Sector		
NPC-Tarapur (1 & 2)	1,014	5.09
NPC-Tarapur (3 & 4)	1,921	4.51
NPC-Kakrapar	869	1.48
NTPC-Vindhyachal - I	1,514	2.77
NTPC-Vindhyachal - II	1,553	2.53
NTPC-Vindhyachal - III	1,905	2.79
NTPC-Korba	2,566	2.14

Source of Power (Station wise)	Energy Received (MU)	Total Power Purchase Cost (Rs./ kWh)
NTPC-Korba -II	686	2.79
NTPC-Kawas	489	5.40
NTPC-Jhanor	186	13.29
NTPC-Sipat-I	3,788	2.82
NTPC-Sipat - II	1,976	2.78
NTPC-Kahlagaon	806	3.40
NTPC-Vindhyachal - IV	1,763	3.25
NTPC-Mauda	1,499	5.39
NTPC-Vindhyachal - V	720	3.35
NTPC-Mauda II	1,486	5.30
NTP C- Others	-	
NTPC- Gadarwara	216	9.72
NTPC- LARA	240	4.85
NTPC-Khargone	101	5.93
SardarSarovar Nigam Ltd	639	2.05
Sub Total	25,937	3.45
Others		
Captive Power	6	2.15
Renewable		
Wind Farms	8,218	3.85
Solar	2,702	7.82
Small/Mini Hydal	87	4.65
Biomass	165	5.86
Competitive Bidding		
Essar Power Gujarat Ltd	4,326	3.35
Adani Power Ltd - (Unit 1 - 4)	8,369	3.89
Adani Power Ltd - (Unit 5 - 6)*	2,683	3.62
ACB India Ltd.	1,270	2.08
Coastal Gujarat Power Co Ltd	11,705	2.90
Power Excahnge	1,744	3.53
Short term bilateral (GMR)	3,353	3.17
Sub Total	44,628	3.68
PGCIL and POSCO		
GETCO		
Power Purchase Cost - Other		
TOTAL	93,682	4.90

15.3, 15.4 & 15.5 Compliance:-

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. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short time period, most of the capital

investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward.

Hence, it is not possible to provide details in desired format.

Annexure-B

II. Information required for Detailed Analysis of the Petition

1. Regarding the Energy Sales,

- a. Reasons for drop in HT Industrial sales for FY 2019-20 by 2.22% when compared to FY 2018-19. Month-wise HT Industrial sales data to be provided for FY 2018-19, FY2019-20 and FY 2020-21 (Nov/Dec 2020).

Compliance: Following trend is followed by sales of HT- Industrial category in the past:

Particulars	Year				
	2015-16	2016-17	2017-18	2018-19	2019-20
Industrial HT (MU)	4,550	5,307	6,418	7,621	7,452
Y-o- Y growth rate		16.63%	20.95%	18.74%	-2.22%

It can be seen from table above that YoY change in sales of HT category has varied from -2.22% to 20.95% in the last 4 years. Therefore, sales growth may pick-up again in subsequent years.

- b. Category wise Billed Demand (kW/kVA) for the categories where Demand charges islinked to kW/kVA for FY 2019-20.

Compliance: Detail of billing demand for all categories is already provided as part of Revenue Model.

- c. Agriculture Metered Sales for FY 2021-22: The Petitioner has projected 250169connections and 273334 connections in FY 2020-21 and FY 2021-22 respectively. The Petitioner shall submit the details of such connections released from April 2020 to December 2020.

Compliance: No. of connections released from April 2020 to December 2020 are as below:

AS ON 31.12.2020	TARGET for 2020-21		Revised TARGET for 2020-21		ACUTAL Progress		CONSIDERED Progress		SPILL OVER Progress	
	PHY	FINANCIAL	PHY	FINANCIAL	PHY	FINANCIAL	PHY	FINANCIAL	PHY	FINANCIAL
AG.WELLS										
TASP	4000	5460	3850	5460	3608	4883.29	3608	4883.29		
SPA (Normal)	6000	8160	4363	7071.9	4539	7036.73	4424	6855.04	115	181.7
DARK ZONE	19000	25830	12412	20120.1	12263	22327.67	11126	20337.61	1137	1990.1
(SPA+Darkzone)	25000	33990	16775	27192	16802	29364.39	15550	27192.65	1252	2171.7
SCSP-Wells	568	679.6	568	679.6	415	723.97	390	679.60	25	44.4
TOTAL	29568	40129.6	21193	33331.6	20825	34971.66	19548	32755.54	1277	2216.1
TATKAL					142	76.13	142	76.13		
TOTAL WELLS (A+B)	29568	40129.6	21193	33331.6	20967	35047.79	19690	32831.67	1277	2216.1

Household Connection										
SCHEDULE CAST-Beneficiaries	2750	190			4572	220.42	3819	190.02	753	30.4

ZUPADPATTI SCHEME	13460	767			12746	579.09	12746	579.09		
KUTIR JYOTI (For ST Beneficiaries)	2210	122			5007	324.32	1892	122.00	3115	202.3
Total Household	18420	1079			22325	1123.83	18457	891.11	3868	232.7

d. Tariff Format-1:

- i. The sales under RGP-BPL (Rural and Other than Rural) is shown in slabs more than 51-100kWh also (including above 250 kWh). The tariff schedule provides for concessional tariff for 50 units p.m. only. The Petitioner to clarify the same and in case the sales above 50 units per month is charged at Normal RGP rates (Rural and Other than Rural), the details as per below table to be provided for BPL category.

Compliance: Discom submits that consumption of BPL consumers over and above 50 units is billed as per normal residential tariff as per rates prescribed in Tariff Schedule. Due to consumption above 50 units, category of consumer does not change from BPL to normal and hence consumption in the slabs of 51-100 and others is visible even though it is billed at normal rates.

2. As regards to Distribution Loss, UGVCL should submit detail of losses for FY 2020-21 for the period from April 2020 to Nov/ Dec 2020.

Compliance: Detail of Distribution Loss is attached herewith as Annexure-6.

3. As regards power purchase expenses for FY 2019-20,

- a. Month wise Details of DSM Income of Rs. 141.70 crore for FY 2019-20 with breakup of Overdrawal and Underdrawal and with further breakup into Capping DSM Charges, Additional DSM Charges, Sign Violation Charges and Quantum (MU) also.

Compliance: Month wise Details of DSM Income of Rs. 141.70 crore for FY 2019-20 is as under:

MONTH	SCHEDULE	DRAWAL	UI (MUs)	DSM CHARGES (in CR)			
				CAPPING DSM Charges	ADDITIONAL DSM Charges	SIGN VIOLATION ADD CH	NET DSM Charges
				Crores	Crores	Crores	Crores
	Mus	Mus					
April-19	2618.37	2540.88	-77.49	2.572	4.015	0	-15.171
May-19	2797.56	2709.40	-88.16	5.106	4.085	0	-17.631
June-19	2261.86	2176.99	-84.88	8.927	1.802	0	-19.660
July-19	2252.24	2155.24	-97.00	9.264	1.201	0	-18.545
August-19	1689.85	1652.37	-37.48	2.069	0.618	0	-10.645
September-19	1628.38	1627.59	-0.79	1.141	0.969	0	1.165
October-19	1899.34	1849.68	-49.67	1.713	0.285	0	-12.665
November-19	2088.09	2050.78	-37.31	0.708	0.661	0	-9.295
December-19	2338.47	2304.11	-34.36	1.628	0.666	0	-7.843
January-20	2409.34	2368.05	-41.29	2.619	0.827	0	-9.512
February-20	2341.64	2296.97	-44.67	1.730	2.186	0	-10.651

March-20	2226.16	2170.24	-55.91	2.904	0.656	0	-11.248
TOTAL	26551.30	25902.30	-649.00	40.38	17.97	0.00	-141.70

b. Source-wise power purchase per unit cost approved in MYT/MTR Order and source wise-per unit power purchase cost now claimed in Truing-up along with reasoning for increase/ decrease in cost.

Compliance: The details of source wise power purchase statement i.e. Power purchase cost approved in the MYT Order and Actual power purchase cost for FY 2019-20 is as per ANNEXURE-G3.

c. Reconciliation of power purchase cost with Form 2 of the Petition formats submitted by UGVCL.

Compliance:-The information provided in Form – 2 of Petition (as per additional submission dated 27.01.2021) aggregate power purchased by GUVNL on behalf of four DISCOMs. The details of power purchase cost of individual DISCOM is as under:

Rs. Crore

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Sale to GACL from Adani	Amt. not passed on to DISCOMs	Total (as per Form-2)
	Under BST mechanism						
Power Purchased through GUVNL	12898.31	5404.11	15472.43	11754.50	79	314	45922
Less: Sale of surplus power through GUVNL			38.22	35.86	-	-	
Add: UI payable	126.84				-	-	
Less: UI receivable		0.63	48.52	141.70	-	-	
Add: Local Purchase by DISCOMs	25.63	20.74	57.48	38.20	-	-	
SLDC Charges	4.17	1.90	4.70	3.35			
Total	13,54.96	5,426.12	15,447.77	11,618.49	-	-	

d. Show the DISCOM-wise power purchase considered from various sources, as Form 2 submitted by UGVCL summarises the combined power purchase of all 4 StateDISCOMs.

Compliance: It is to state that Hon'ble Commission has approved BST Mechanism for allocation of power purchase cost incurred by GUVNL to DISCOMs. Accordingly, power purchase cost for FY 2019-20 is allocated to DISCOMs on bulk supply basis and therefore in Form-2 of the petition, combined power purchase cost incurred by GUVNL is provided.

4. As regards projections of power purchase expenses for FY 2021-22,

a. UGVCL should also submit actual Power Purchase Cost incurred for the period April 2020 to November/ December 2020 as per the below format.

S.N No.	Generator	Energy despatche	Fixed	Arrear sin	Variabl e	Arrears in	Other	Total	Remarks
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		Costs (Rs. Crore)	Fixed Costs (Rs. Crore)	Costs (Rs. Crore)	Variable Costs (Rs. Crore)	Costs (Rs. Crore)	Costs (Rs. Crore)	(Nature of Other Costs)

Compliance:-The above information is annexed as Annexure-G4.

- b. UGVCL should submit actuals PLFs achieved by each generator for last 3 financial years i.e. FY 2017-18, FY 2018-19 and FY 2019-20.

Compliance: The details of actuals PLFs achieved by generators for last 3 financial years i.e. FY 2017-18, FY 2018-19 and FY 2019-20 is annexed as Annexure-G5.

- c. UGVCL should explain the allocation ratio of Gap in BST Table 32 for FY 2021-22.

Compliance: The Net Power Purchase cost has been allocated for FY 2021-22 based on the methodology adopted by the Commission in the MYT Order dated 31st March, 2017. As per this methodology, the amount available to Discoms for power purchase is computed by deducting other expenses (other than power purchase expenses) from total revenue of Discoms i.e. revenue from sale of power to consumers, Non-Tariff income, Agricultural subsidy and FPPPA.

- d. UGVCL has considered Variable Charge per unit and Fixed charges pertaining to FY 2019-20 for projecting the Power Purchase expenses for FY 2021-22. In this regard,

UGVCL to reply on below mentioned points:

- i. Whether any arrears or provisions have been considered for computation of Variable Charge per unit and Fixed Charges for the FY 2019-20. If yes, UGVCL to provide how much cost pertains towards arrears/ provisioning station wise as per the format below mentioned.

Compliance: Discom has not considered any arrears or provisions for computation of variable charges per unit and fixed charges.

- e. UGVCL has applied MoD principle to compute the energy available for dispatch.

For the computation of energy available for dispatch, UGVCL has considered Generator wise actual PLF pertaining to the FY 2019-20 for FY 2021-22 projections. Ideally, the Variable Cost per unit of the plant will be is higher if, the corresponding PLF of the plant is on the lower side and vice versa. However, as per UGVCL, certain plants with low variable cost rate are proposed to be running at lower PLFs. For Eg. Gujarat Mineral Development Corp. (IPP, Lignite) with Variable Cost per unit of Rs. 1.32 / kWh is proposed to run at 28% PLF which is abysmally low. In this regard, UGVCL should justify with respect to all generating stations as to why the stations with low variable costs cannot run at higher PLFs.

This will impact overall power purchase costs.

Compliance: Yes, Discom has applied MoD principle to compute the energy available for dispatch. As per MoD principle, PLF of power plant having lower variable cost should be higher as compared to plant having higher variable cost. In the power purchase model, it is clearly visible that power purchase (MU) from the power plant having least variable cost are considered upto maximum possible generation worked out based on projected PLF.

Discom submits that PLF of each power plant was analyzed and necessary changes were done in the PLF of FY 2019-20 to make it realistic for FY 2021-22. As illustrated, some plant's PLF is on lower side even through their variable cost is lower. Such things are happening due to some technical/ fuel related constraint of the power plant. For some plants where there is annual over hauling is scheduled, lower PLF is considered by Discom. It is important to note that even in FY 2019-20, many plants run on lower PLF even after having lower variable cost that it self suggest that technical/ fuel related constraints need to be considered in estimation of power purchase cost.

- f. UGVCL should provide the basis for considering Fixed charges and Variable cost for new plants as per Table 22.

Compliance: It is to state that the NTPC-Lara Unit-II as mentioned in table 22, is commissioned with effect from 5.11.2020. Further, NTPC Gadarwara- Stage-1, Unit-2, is likely to be commissioned by end of March- 21 as conveyed by NTPC. However, in the petitions in Table 21, the date of commissioning was inadvertently mentioned as Oct-21 & Dec-21 for NTPC-Lara Unit-II and NTPC Gadarwara- Stage-1, Unit- 2 respectively.

Accordingly, in case of NTPC-Lara Unit-II, the fixed and variable cost of unit is estimated considering availability for the entire year of FY 2021-22 based on actual billing after commissioning. In case of NTPC Gadarwara- Stage-1, Unit -2, the availability is considered for the entire year of FY 2021-22 and fixed and variable charges is taken based on as per the petition filed by NTPC before CERC.

- g. UGVCL should provide the status for date of commercial operation of new plants and supporting documents for the same.

Compliance: It is to state that the NTPC-Lara Unit-II as mentioned in table 22, is commissioned with effect from 5.11.2020. Further, NTPC Gadarwara- Stage-1, Unit-2, is likely to be commissioned by end of March- 21 as conveyed by NTPC. However, in the petitions in Table 21, the date of commissioning was inadvertently mentioned as Oct-21 & Dec-21 for NTPC-Lara Unit-II and NTPC Gadarwara- Stage-1, Unit- 2 respectively.

h. UGVCL to provide details of Additional capacity based on PPA executed for RE sources covering MW, PPA period, Commencement date, Rate, CUF % and Discom allocation ratio etc.

Compliance: Detail of additional capacity from RE sources considered for FY 2021-22, in terms of source, MW capacity, Term of PPA, Date of Commissioning / Scheduled Commercial operation date, PLF for FY 2021-22 and rate, are as under:

S N.	Name of the Station	Fuel Type	Rated Capacity allocated to GUVNL (MW)	Term of PPA (Years)	Date of Commissioning	PLF (%)	Variable Cost (Rs./kwh)
1	Goodwatts WTE Ltd	MSW	14.90	25	Aug-20	80.00%	7.03
2	JITF Urban Waste Mgmt Ahmedabad Pvt Ltd	MSW	15.00	25	Aug-21	80.00%	7.07
3	Goodwatts WTE Jamnagar Pvt Ltd	MSW	7.50	25	Nov-20	80.00%	6.31
4	Goodwatts WTE Rajkot Pvt Ltd	MSW	14.90	25	Aug-21	80.00%	6.31
5	Goodwatts WTE Vadodara Pvt Ltd	MSW	14.90	25	Aug-21	80.00%	6.31
6	Anisha Power Projects Pvt Ltd	Wind	41.80	25	Jul-21	40.00%	2.80
7	Vena Energy Shivalik Wind Power Pvt Ltd *	Wind	96.80	25	Apr-21	40.00%	2.80
8	Powerica Ltd.**	Wind	51.30	25	Jan-21	36.00%	2.80
9	GRT Jewellers Pvt Ltd	Solar	90.00	25	Mar-19	19.00%	2.65
10	Gujarat State Electricity Corporation Ltd	Solar	75.00	25	Feb-19	19.00%	2.66
11	Gujarat Industries Power Company Ltd	Solar	75.00	25	Mar-19	19.00%	2.67
12	Azure Power Thirty Three Pvt Ltd	Solar	260.00	25	Mar-19	19.00%	2.67
13	Aditya Birla Renewables Ltd	Solar	100.00	25	Dec-20	25.00%	2.44
14	Avaada Sunrise Energy Pvt Ltd	Solar	300.00	25	Mar-21	24.00%	2.44
15	Gaya Solar (Bihar) Pvt Ltd	Solar	100.00	25	Jan-21	29.00%	2.44
16	Paryapt Solar Energy Pvt Ltd	Solar	50.00	25	Apr-21	26.00%	2.55
17	Gujarat State Electricity Corporation Ltd	Solar	75.00	25	Apr-21	23.00%	2.67
18	Juniper Green Energy Pvt Ltd	Solar	120.00	25	Apr-21	26.67%	2.67
19	Adani Renewable Energy Park Gujarat Ltd	Solar	150.00	25	Apr-21	29.00%	2.67
20	Renew Solar Power Pvt Ltd	Solar	105.00	25	Apr-21	29.79%	2.68
21	Electro Solaire Pvt Ltd.	Solar	200.00	25	Apr-21	27.72%	2.65
22	Gujarat State Electricity Corporation Ltd	Solar	100.00	25	Apr-21	25.00%	2.68
23	Gujarat Industries Power Company Ltd	Solar	100.00	25	Apr-21	29.00%	2.68
24	Tata Power Renewable Energy Ltd.	Solar	100.00	25	Apr-21	29.00%	2.70
25	Tata Power Renewable Energy Ltd.	Solar	250.00	25	Jun-21	26.72%	2.75
26	Gujarat State Electricity Corporation Ltd	Solar	100.00	25	Oct-21	25.00%	2.65
27	Tata Power Renewable Energy Ltd.	Solar	50.00	25	Oct-21	28.50%	2.75
28	Vena Energy Clean Power Pvt Ltd	Solar	40.00	25	Jan-22	40.00%	2.61
29	Juniper Green Three Pvt Ltd	Solar	190.00	25	Jan-22	26.70%	2.63
30	Tata Power Renewable Energy Ltd.	Solar	120.00	25	Jan-22	27.11%	2.64

It is to state that since BST mechanism is approved by Hon'ble Commission for allocation of power purchase cost to individual DISCOM, common merit order is considered for estimation of power purchase for FY 2021-22. Therefore, DISCOM wise allocation of above capacity is not provided.

i. UGVCL should submit the justification for not planning to meet the RPO target for FY 2021-22 shown in Table 23 of the Petition. UGVCL should list out measures for meeting the RPO shortfall.

Compliance:-It is to state that from to time GUVNL has been tying-up RE capacity under Power Purchase Agreement with various RE sources i.e. Wind, Solar & Others for meeting of RPO target prescribed by Hon'ble Commission.

Further, it is to mention that following PPA based RE capacity is considered for FY 2021-22 towards RPO requirement.

Solar: 4432 MW, Wind: 4360 MW; Others: 118 MW.

Apart from availability of RE generation from above committed capacity under PPA, the RE generation from following sources will also accounted towards meeting of RPO of DISCOMs for FY 2021-22 in terms of various orders / regulations of Hon'ble Commission.

1. Energy wheeled by RE projects for Captive use / Third party sale in case of consumers not taking RE attributes for meeting its own RPO and whose energy accounting is being done on billing cycle basis (Wind, Solar incl. Rooftop Solar, Mini Hydel, MSW, etc.)
2. Purchase of surplus RE generation by DISCOMs from the RE projects wheeling power for Captive use / Third Party Sale where consumers are taking RE attributes for meeting their own RPO and whose energy accounting is being done on 15 min time block basis (Wind, Solar incl. Rooftop Solar, Mini Hydel, MSW, etc.)
3. Energy generated from Solar Rooftop projects (including under SURYA-Gujarat), Solar Agriculture Pump-sets / Irrigation Pumps, Stand-alone PV Systems & Home Lighting System, etc.
4. Energy generated from Solar PV Projects set up under SKY Scheme
5. Energy generated from Projects set up under Small Scale Solar Policy 2019.

The availability of RE energy from above sources (i.e. 1 to 5) towards RPO is not possible to estimate being non-committed capacity.

However, it is estimated that availability of generation from PPA based committed capacity and RE generation from non-committed capacity (1 to 5 above) will be adequate to meet RPO target prescribed by Hon'ble Commission for FY 2021-22.

5. As regards to Capital Expenditure and Capitalisation for FY 2019-20

a. The petitioner has shown capitalisation of Rs.724.92 Cr but has not provided scheme Wise capitalisation. The same needs to be provided akin to Table 10 along with the break-up of Interest and expenses capitalisation.

Compliance: 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. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short

time period, most of the capital investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward.

- b. The distribution licensee is requested to provide the break-up of Capitalisation/ Asset addition into various categories such as Load Growth, Loss Reduction, System Reliability & Safety Improvement, Metering, Consumer services etc. as stipulated in Regulation 88.1 & 95.1 of the Tariff Regulation 2016.

Compliance: 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. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short time period, most of the capital investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward.

6. As regards to Capital Expenditure and Capitalisation for FY 2021-22

- a. UGVCL should provide the details of Table 33 as per below format

Compliance: As complied at 5(b) above.

- c. Further the Capitalisation should be segregated under various categories such as Load growth, Loss reduction etc.

Compliance: As complied at 5(b) above.

7. As regards to the O&M Expenses, UGVCL should submit clarification on following points

a. A&G Expenses:

- i. The overall A&G expenses for FY 2019-20 are ~4.71% higher than FY 2018-19. The petitioner is requested to provide details of Other A&G expenses of Rs.18.96 Cr, Misc. Expenses – Rs.1.84 Cr and Misc. Loss – Rs.4.04 Cr for justification and necessary approval.

Compliance: Details of A&G, Misc. expenses and Misc. Loss for FY 2019-20 are attached herewith as Annexure-7.

b. R&M Expenses:

- i. The Petitioner at para 3.9.3 of the petition has mentioned that O&M expenses for FY 2021-22 are escalated by y-o-y escalation rate of 5.72% on FY 2019-20 expenses. It is submitted that for R&M expenses, the petitioner at para 3.10.14 has mentioned that R&M expenses is higher than normal due to cyclone effect. Hence Petitioner should have reduced the impact of such additional R&M expenses and then projected the same. The Petitioner is requested to provide details of such additional R&M expenses incurred due to cyclone effect along with nature of expenses, quantity, location, amount etc. for justification of Commission. Further such amount shall be certified by Auditor of the company with relevant details of R&M expenses.

Compliance: Actual R&M expenses of FY 2019-20 are escalated by Y-o-Y escalation rate of 5.72% to work out R&M expenses of FY 2021-22. As submitted in the Petition, during the year there was huge rainfall and devastating cyclones “VAYU”, “MAHA” etc were struck within the Company area and damaged the network of the Company.

It is not possible for Discom to identify whether cost incurred under head R&M expenses is due to normal R&M or asset impacted due to natural calamity. Hence, it is not possible to submit provide details of such additional R&M expenses incurred due to cyclone effect along with nature of expenses, quantity, location, amount etc.

Impact on R&M expenses due to above stated reasons may be on higher side also and Discom might have shown efficiency in their normal R&M expenses. But Discom has sought only additional R&M cost incurred over and above normative R&M expenses as uncontrollable.

c.The petitioner is requested to provide actual O&M Expenses (Employee, A&G and R&M expenses) for the period from April 2020 to Nov / Dec 2020.

Compliance: Discom’s Final Accounts are being prepared on Annual Basis and O&M cost are also finalized post booking of all provisions based on Actuarial valuations. Accordingly, O&M cost for part the period is not possible to be ascertained in absence of all the applicable provisions and expense capitalization entries.

8. Non-Tariff Income

a. The petitioner to clarify why Interest on IT Refund is not considered under NTI for FY 2019-20

Compliance: It is to note that Interest on normative working capital is allowed by the Hon’ble Commission. Any interest cost incurred beyond normative parameters is not allowed by the Hon’ble Commission. Interest on IT refund is also on account of delay in payment of IT refund for which Discom must have funded the same through its internal accruals/ working capital loan. As cost is not allowed by the Hon’ble Commission, respective income is also not offered by Discom as non-tariff income.

9. Furnish the head-wise details of claim of subsidy to Government of Gujarat and actual subsidy received in FY 2019-20.

Compliance:Details of subsidy for All four DISCOMs is as under:

Particulars	Rs. Crore	
	Claimed	Received
GERC Tariff Subsidy	1,182	1,182
FPPPA Subsidy	3,802	3,802
HP Based Subsidy	1,100	1,008
Total of AG Subsidy	6,085	5,993
Water Works Subsidy	689	689
Total AG + WW	6,774	6,682

10. Revenue from Sale of Power

- a. As per Regulation 94.4 of the Tariff Regulations 2016, the distribution licensee has to bear the impact of the rebates offered to the Consumers in tariff. The petitioner is requested to clarify/ confirm the amount of such rebate and the account head under which it is booked in FY 2019-20.

Compliance: Impact of rebates is attached herewith as Annexure-8.

- b. Tariff Format-10:

- i. The Petitioner is requested to provide revenue break-up as per slabs provided in the Tariff Schedule for FY 2019-20 along with the breakup in terms of revenue from fixed/ demand charges, energy charges, FPPPA charges, Incentives/ rebates etc. and slab wise breakup of Sales, No of Consumers and Connected Load/ Billed Demand also.

Compliance: Discom has provided details as per consumer category wise. Discom is not capturing information to further slab wise and hence it is not possible to provide the same.

11. As regards to the Revenue Model and Tariff schedule,

- a. UGVCL should confirm whether the load shown is Actual Billing demand or Contract Demand as the petitioner has assumed 100% billing demand factor in model.

Compliance: Discom submits that Load shown in the revenue model is actual billing demand.

- b. The petitioner to confirm if there is any change proposed in Section 6 Annexure 1: Tariff Schedule.

Compliance: Discom has not proposed any change in the Tariff Schedule.

12. As regards to the Compliance to Directives,

- a. It is observed that JGY, URBAN and AGDOM feeders are contributing the highest to the Distribution Losses. UGVCL should provide additional steps taken for loss reduction in these feeders.

Compliance: Additional steps taken for loss reduction in feeders are attached herewith as Annexure-9.

- b. UGVCL to provide energy details under SKY scheme implementation (against recovery and payable to farmers)

Compliance: As regards to the energy details under SKY Scheme it is to submit that Energy Accounting and Commercial Settlement under the Scheme is worked out on monthly basis, however final settlement is done at the end of Financial year. Therefore, required information shall be submitted at the end of Financial Year once the settlement is done.

- c. UGVCL should submit the status Mobile Bill Collection Van facility for the consumers of Rural area.

Compliance:As directed, the relevant information is to be provided for FY 2020-21. Therefore, the information sought shall be furnished at the end of FY 2020-21.

d. UGVCL should provide breakup of consumption during data and night period for LT Lift Irrigation consumers.

Compliance: As LT Lift Irrigation Category is not covered under ToD Tariff, Breakup of consumption for day and night period for Lift Irrigation Consumers is not available. Hence, it is not possible to provide the same.