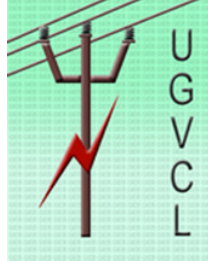


BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR



SUMMARY OF CASE NO. 1699/2018

**Filing of the Petition for True Up of FY 2016-17
&
Determination of Tariff for FY 2018-19**

Under

GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines and Directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines

Filed by:-

Uttar Gujarat Vij Company Ltd.

Corp. Office: Visnagar Road, Mehsana - 384 001

“Save Energy for Benefit of Self and Nation



INTRODUCTION:

Uttar Gujarat Vij Company Limited (UGVCL) is an unbundled entity of erstwhile Gujarat Electricity Board and one of the distribution companies engaged in distribution of electricity in the Northern area of Gujarat.

Uttar Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31st March, 2005. The Company has started commercial function w.e.f. 1st April 2005.

The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “the Hon’ble Commission”), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State inter alia including setting of tariff for electricity consumers. The Hon’ble Commission is now deemed to be the Commission established under Sub-Section (1) of Section-3 of the Gujarat Electricity Industries (Reorganization and Regulations) Act, 2003.

Pursuant to GERC (Multi Year Tariff) Regulations, 2016 along with other guidelines and directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines, UGVCL has file petition for True Up for FY 2016-17 and ARR and Determination of tariff for FY 2018 - 19.

Case No. 1699 of 2018.

Petition submitted to Hon’ble Commission is summarized as under.

1. True –Up for FY 2016 - 17:

a) Category wise Sales Approved and Actual for 2016-17 Table 1 : Category-wise Sales

S.No.	Particulars	Sales (MUs)	
		FY 2016-17 (Approved)	FY 2016-17 (Actual)
A	LT Consumers		
1	RGP	2,035	1,971
2	GLP	44	43
3	Non-RGP & LTMD	1,643	1,643
4	Public Water Works	662	645
5	Agriculture - Unmetered	9,010	8,691
6	Agriculture - Metered		
7	Street Light	55	54
	LT Total (A)	13,449	13,046
B	HT Consumers		
8	Industrial HT	4,632	5,307
9	Railway Traction	-	-
	HT Total (B)	4,632	5,307
	Grand Total (A + B)	18,081	18,352



1.1. DISTRIBUTION LOSSES

In FY 2016-17, the actual distribution losses were 8.09% as against the approved level of 10.00%. The table below highlights the comparison of actual distribution losses of UGVCL against that approved by the Hon'ble Commission:

Table 2 : Distribution Losses

Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)
Distribution Loss	10.00%	8.09%

1.2. ENERGY REQUIREMENT AND ENERGY BALANCE:

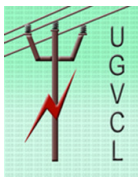
The gross energy requirement of UGVCL is as under

TABLE 3 : ENERGY REQUIREMENT AND ENERGY BALANCE

S.No.	Particulars	Unit	FY 2016-17 (Approved)	FY 2016-17 (Actual)
1	Energy Sales	MUs	18,081	18,352
2	Distribution Losses	MUs	2,009	1,616
		%	10.00%	8.09%
3	Energy Requirement	MUs	20,090	19,968
4	Transmission Losses	MUs	804	817
5	Total Energy to be input to Transmission System	MUs	20,895	20,785
6	Pooled Losses in PGCIL System	MUs	336	310
7	Total Energy Requirement	MUs	21,231	21,095

1.3. CAPITAL EXPENDITURE:

The scheme-wise capital expenditure incurred in FY 2016-17 against approved by the Hon'ble Commission is as shown below:



Summary of Petition for True Up for FY 2016-17 & Tariff for FY 2018-19

Table 4 : Capital Expenditure

Rs in Crores

Sr. No.	Schemes	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
A	Distribution Schemes			
	Normal Development Scheme	175.00	158.74	16.26
	System Improvement Scheme	30.00	21.88	8.12
	Jyotigram	-	-	-
	HVDS in selected Sub-division	5.50	3.88	1.62
	Loss reduction-AG	-	-	-
	Loss reduction- nonAG	-	-	-
	Automatic Meter Reading	-	-	-
	Underground Cables	25.00	10.94	14.06
	Aerial Bunch Conductor	-	-	-
	Load Shedding Transformers	-	-	-
	Plan Load management Transformer	4.00	-	4.00
	Others(VDS)	0.65	0.03	0.62
	Total	240.15	195.46	44.69
B	Rural Electrification Schemes- Plan			
	TASP (Wells) & Petapara	40.00	24.38	15.62
	Non-TASP Wells	-	-	-
	Scheduled Caste Sub Plan(Wells)	5.00	0.20	4.80
	Scheduled Caste Sub Plan(lightning)	3.00	3.05	(0.05)
	Special Component Plan	-	-	-
	Electrification of Hutments	5.00	4.29	0.71
	Kutir Jyoti Scheme	0.50	1.12	(0.62)
	Dark Zone	225.00	159.14	65.86
	Sagarkhedu	5.00	2.83	2.17
	Solar home light	30.00	6.49	23.51
	Total	313.50	201.52	111.98
C	Central Government Scheme- Plan			
	RGGVY	-	-	-
	DDUJGY	36.00	0.32	35.68
	R-APDRP Part A	5.00	0.80	4.20
	R-APDRP Part B	-	-	-
	BADP	-	-	-
	IPDS	30.00	0.45	29.55
	SCADA Part A	18.46	2.40	16.06
	SCADA Part B	10.00	10.89	(0.89)
	Smart Grid	15.00	0.01	14.99
	Total	114.46	14.86	99.60
D	Other Schemes (Non Plan)			
	RE (Tatkal)	5.00	1.94	3.06
	Independent Consultant/Survey Agency	0.50	-	0.50
	AG Normal (SPA)	80.00	80.58	(0.58)
	Energy Conservation	0.10	0.00	0.10
	Total	85.60	82.52	3.08
E	Other New Schemes			
	Automation and Computerization	4.35	0.12	4.23
	Automatic PF Control panels	-	-	-
	Automatic Test Bench & testing van	-	-	-
	Hand Held Instruments	-	-	-
	Civil Work / New Building	17.00	3.93	13.07
	GIS in Cities	0.20	0.12	0.08
	Other Schemes(Earthing)	0.90	1.96	(1.06)
	Other Repairing Work/Civil Work	2.00	-	2.00
	New Furniture and Fixtures	1.00	1.58	(0.58)
	Vehicles	0.50	0.21	0.29
	GIDC BOL(Electrification)	-	-	-
	Replacement of Assets	-	-	-
	Other Renovation Work	-	-	-
	Photo Biling	-	-	-
	CCC	-	-	-
	ERDA & EQDC Material Testing	-	-	-
	R & D Budget	-	-	-
	GE 14.91 to 14.96	-	-	-
	ADB	-	-	-
	DSM	4.00	-	4.00
	Khushi	-	-	-
	DISS	20.00	15.55	4.45
	Solar Pump	10.00	-	10.00
	Vivekadin	-	-	-
	Total	59.95	23.46	36.49
F	Capital Expenditure Total	813.66	517.82	295.84



Summary of Petition for True Up for FY 2016-17 & Tariff for FY 2018-19

Funding of Capitalisation

The funding of actual capitalisation is done through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of capitalised asset during FY 2016-17 is mentioned in the table below.

TABLE 5 : FUNDING OF CAPITALISATION

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
1	Capitalization	721.27	474.83	246.44
2	Less : Consumer Contribution	160.01	120.38	39.63
3	Grants	153.95	57.10	96.85
4	Balance CAPEX	407.31	297.35	109.96
5	Debt @ 70%	285.12	208.15	76.97
6	Equity @ 30%	122.19	89.21	32.99

1.4. AGGREGATE REVENUE REQUIREMENT FOR FY 2016-17

Aggregate Revenue Requirement for FY 2016-17 for UGVCL in comparison with values approved by the Hon'ble Commission is as under:

TABLE 6 : AGGREGATE REVENUE REQUIREMENT FOR FY 2016-17

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
1	Cost of Power Purchase	8,353.44	8,056.87	296.57
2	Operation & Maintenance Expenses	419.08	595.19	(176.10)
2.1	Employee Cost	400.67	513.17	(112.51)
2.2	Repair & Maintenance	83.71	62.64	21.07
2.3	Administration & General Charges	71.60	77.39	(5.79)
2.4	Other Debits	-	11.80	(11.80)
2.5	Extraordinary Items	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	-	-
2.7	Other Expenses Capitalised	(136.89)	(69.81)	(67.09)
3	Depreciation	289.67	273.89	15.78
4	Interest & Finance Charges	130.38	123.08	7.30
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.70	0.30	0.40
7	Sub-Total [1 to 6]	9,193.28	9,049.32	143.96
8	Return on Equity	164.32	162.55	1.77
9	Provision for Tax / Tax Paid	17.14	20.75	(3.61)
10	Total Expenditure (7 to 9)	9,374.74	9,232.62	142.12
11	Less: Non-Tariff Income	146.76	150.09	3.33
12	Aggregate Revenue Requirement (10 - 11)	9,227.98	9,082.53	145.45



Summary of Petition for True Up for FY 2016-17 & Tariff for FY 2018-19

1.5. SHARING OF GAINS & LOSSES

The following Table summarizes net gain/(loss) to UGVCL during FY 2016-17 on account of controllable & uncontrollable factors.

TABLE 7 : NET GAIN/ (LOSS) FOR FY 2016-17

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	8,353.44	8,056.87	161.56	135.01
2	Operation & Maintenance Expenses	419.08	595.19	15.29	(191.39)
2.1	Employee Cost	400.67	513.17	-	(112.51)
2.2	Repair & Maintenance	83.71	62.64	21.07	-
2.3	Administration & General Charges	71.60	77.39	(5.79)	-
2.4	Other Debits	-	11.80	-	(11.80)
2.5	Extraordinary Items	-	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	-	-	-
2.7	Other Expenses Capitalised	(136.89)	(69.81)	-	(67.09)
3	Depreciation	289.67	273.89	-	15.78
4	Interest & Finance Charges	130.38	123.08	-	7.30
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.70	0.30	0.40	-
7	Return on Equity	164.32	162.55	-	1.77
8	Provision for Tax / Tax Paid	17.14	20.75	-	(3.61)
9	ARR (1 to 8)	9,374.74	9,232.62	177.25	(35.13)
10	Non - Tariff Income	146.76	150.09	-	3.33
11	Total ARR (9-10)	9,227.98	9,082.53	177.25	(31.80)

1.6. REVENUE FOR FY 2016-17

ACTUAL REVENUE OF UGVCL FOR FY 2016-17, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2016-17

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Actual)
1	Revenue from Sale of Power	8,110.82
2	Other Income (Consumer related)	324.06
3	Total Revenue excluding subsidy (1 + 2)	8,434.88
4	Agriculture Subsidy	544.88
5	Total Revenue including subsidy (3 +4)	8,979.75



1.7. REVENUE GAP/(SURPLUS) FOR FY 2016-17

Table 9: Revenue Gap for FY 2016-17

		Rs in Crores
Sr. No.	Particulars	FY 2016-17
1	Aggregate Revenue Requirement approved for FY 2016-17	9,227.98
2	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(31.80)
3	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	59.08
4	Revenue (Gap)/Surplus from True-up of FY 2014-15	41.89
5	Recovery of past year True-Up (Gap)/Surplus for FY 2009-10	(16.73)
6	Recovery of past year True-Up (Gap)/Surplus for FY 2010-11	(307.47)
7	Allocation of GUVNL Profit of FY 2016-17	31.24
8	Revised ARR for FY 2016-17 (1 - 2 - 3 - 4 - 5 - 6 - 7)	9,451.76
9	Revenue from Sale of Power	8,110.82
10	Other Income (Consumer related)	324.06
11	Agriculture Subsidy	544.88
12	Total Revenue including Subsidy (9 + 10 + 11)	8,979.75
13	Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (8 - 12)	472.01

The Hon'ble Commission is requested to approve above mentioned gap and allow UGVCL to recover this gap in FY 2018-19.

3. ARR and Tariff Determination for FY 2018-19:

UGVCL submits that the revenue gap/(surplus) for FY 2018-19 is projected based on the provisions of the GERC MYT Regulations, 2016, adjustments due to True-up of FY 2016-17 and the ARR approved by the Hon'ble Commission for FY 2018-19 in its MYT Order issued on 31st March 2017. The approved ARR for FY 2018-19 is as follows:



Summary of Petition for True Up for FY 2016-17 & Tariff for FY 2018-19

Table 10 : Approved ARR for FY 2018-19

Rs in Crores

Sr. No.	Particulars	FY 2018-19 (Approved)
1	Cost of Power Purchase	9,319.37
2	Operation & Maintenance Expenses	468.39
2.1	Employee Cost	447.81
2.2	Repair & Maintenance	93.56
2.3	Administration & General Charges	80.02
2.4	Other Debits	-
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-
2.7	Other Expenses Capitalised	(153.00)
3	Depreciation	368.61
4	Interest & Finance Charges	140.45
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.70
7	Sub-Total [1 to 6]	10,297.52
8	Return on Equity	197.59
9	Provision for Tax / Tax Paid	17.14
10	Total Expenditure (7 to 9)	10,512.25
11	Less: Non-Tariff Income	146.76
12	Aggregate Revenue Requirement (10 - 11)	10,365.49

(a) Consumer category wise Approved Sales for FY 2018-19:

The sales for FY 2018-19 has been approved by Hon'ble Commission in Order dated 31st March, 2017 for FY 2018-19 in the table below:

TABLE 11: SALES FOR FY 2018-19

S.No.	Particulars	Sales (MU) FY 2018-19 (Approved)
A	LT Consumers	
1	RGP	2,379
2	GLP	52
3	Non-RGP & LTMD	1,829
4	Public Water Works	780
5	Agriculture - Unmetered	6,219
6	Agriculture - Metered	3,714
7	Street Light	62
	LT Total (A)	15,035
B	HT Consumers	
8	Industrial HT	4,802
9	Railway Traction	-
	HT Total (B)	4,802
	Grand Total (A + B)	19,837



(b) Revenue Projection:

Based on approved sales & existing retail tariff, revenue from sale of power works out to Rs. 6579.58 Crore for FY 2018-19. The consumer category wise revenue for FY 2018-19 estimated by UGVCL is as given in the following table:

TABLE 12: REVENUE AT EXISTING TARIFF FOR FY 2018-19

S.No.	Particulars	Revenue (Rs Cr)
		FY 2018-19 (Existing Tariff)
A	LT Consumers	
1	RGP	921.00
2	GLP	22.45
3	Non-RGP & LTMD	1,004.87
4	Public Water Works	282.66
5	Agriculture - Unmetered	880.59
6	Agriculture - Metered	327.99
7	Street Light	25.35
	LT Total (A)	3,464.92
B	HT Consumers	
8	Industrial HT	3,114.66
9	Railway Traction	-
	HT Total (B)	3,114.66
	Grand Total (A + B)	6,579.58

The Revenue from FPPPA for FY 2018-19 has been projected considering the base rate of 149 paise per unit. The FPPPA projection for FY 2018-19 is as given in the table given below:

TABLE 13: FPPPA PROJECTED FOR FY 2018-19

Particulars	Amount
Rate of FPPPA considered (Rs/kWh)	1.49
Sales (Mus)	19,837
FPPPA charges in Rs. Crores	2,955.71

Based on the above projections, the total revenue of the company 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 as shown below:



Summary of Petition for True Up for FY 2016-17 & Tariff for FY 2018-19

TABLE 14 : TOTAL PROJECTED REVENUE FOR FY 2018-19 AT EXISTING TARIFF

		Rs in Crores
Sr. No.	Particulars	FY 2018-19 (Projected)
1	Revenue with Existing Tariff	6,579.58
2	FPPPA Charges @ 149 paisa/kWh	2,955.71
3	Other Income (Consumer related)	252.35
4	Agriculture Subsidy	536.06
5	Total Revenue including subsidy (1 to 4)	10,323.70

BASED ON THE ABOVE, THE ESTIMATED REVENUE GAP/ (SURPLUS) FOR FY 2018-19 AT EXISTING TARIFF IS AS OUTLINED IN THE TABLE BELOW:

TABLE 15: REVENUE GAP FOR FY 2018-19 AT EXISTING TARIFF

		Rs in Crores
Sr. No.	Particulars	FY 2018-19 (Projected)
1	Aggregate Revenue Requirement	10,365.49
2	Revenue Gap from True up of FY 2016-17	472.01
3	Total Aggregate Revenue Requirement (1 to 2)	10,837.50
4	Revenue with Existing Tariff	6,579.58
5	FPPPA Charges @ 149 paisa/kWh	2,955.71
6	Other Income (Consumer related)	252.35
7	Agriculture Subsidy	536.06
8	Total Revenue including subsidy (4 to 7)	10,323.70
9	Gap / (Surplus) (3 - 8)	513.80

(c) Tariff Proposal:

Company has submitted True-up application for FY 2016-17 and Determination of Tariff for FY 2018-19 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2018-19. However, following changes are proposed in the tariff structure for FY 2018-19:

- To replace word 'and' with 'or' in condition for switch over from Non-RGP tariff to Non-RGP night tariff; from LTMD tariff to LTMD night tariff and from HTP-I tariff to HTP-IV tariff.
- To add condition 'having contracted load of 15 kW and above' in provision for Non-RGP consumers opting to be charged LTMD tariff.
- To merge meter charges into fixed charge to address the issue of applicability of multiple taxes on different component of electricity bill
- Base rate for FPPPA charges works out to Rs. 149 paisa / unit to estimate the revenue for FY 2018-19



(d) Provisions for availing the copy of Submission:

Tariff petition together with supporting material will be available for inspection as well as for sale at Rs. 160/- to the interested persons at the office of The Chief Engineer, Corporate Office, Uttar Gujarat Vij Company Ltd, Visnagar Road, Mehsana - 384 001 and at the office of the Superintending Engineer of UGVCL, in Charge of O&M Circle. For obtaining the copy of the petition by post, postage fee @ Rs.50/- (Rupees Fifty) will be payable extra.

NOTE: -

The total amount in such event be sent by Money Order or Demand Draft payable in favour of Uttar Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website www.guvnl.com and www.ugvcl.com

(e) Guideline for submission of response:

Pursuant to GERC (Multi year Tariff) Regulations, 2016 & GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5c Zone 5, GIFT City, Gandhinagar along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before 19.02.2018 and also indicate whether they intend to be heard in person.