



## Summary of Petition n. 1622 / 2016:

### **1. Introduction:**

Uttar Gujarat Vij Company Limited (UGVCL) is one of the distribution companies engaged in distribution of electricity in the north zone area of Gujarat.

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

The Hon'ble Commission has issued the GERC (Multi Year Tariff) Regulations 2011 (FY 2011-12 to FY 2015-16) which is made effective from 1<sup>st</sup> April 2011 onwards. Hon'ble Commission notified the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 ("GERC MYT Regulations, 2016") on 29th March 2016 and shall be applicable for determination of tariff in all cases covered under the regulations from 1st April, 2016 onwards.

Under section 62 of the Electricity Act, 2003 and under the MYT Regulation, 2011 and under the MYT Regulation, 2016 along with other guidelines and directions issued by the GERC from time to time, UGVCL is required to file a Petition for True-up for FY 2015-16 and Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Tariff Petition for FY 2017-18 to the Hon'ble Commission:

#### **Submission by UGVCL to the Hon'ble Commission**

Under section 62 of the Electricity Act, 2003 and GERC MYT Regulations, 2016, UGVCL has submitted the Petition for True-up of FY 2015-16, Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21, Determination of final ARR for FY 2016-17 and Determination of Tariff for FY 2017-18 to the Hon'ble Commission for approval.



## **(2) True –Up for FY 2015-16:**

### **(a) Category wise Sales and Revenue for FY 2015-16:**

The actual energy sales and revenue for FY 2015-16 are as under:

**Table: Category-wise Sales and Revenue**

Sr. No.	Particulars	Sales (MUs)	
		FY 2015-16 (Approved)	FY 2015-16 (Actual)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	1949.00	1881.34
2	GLP	41.00	41.04
3	Non-RGP & LTMD	1714.00	1557.30
4	Public Water Works	618.00	609.99
5	Agriculture - Unmetered	6094.00	6218.55
6	Agriculture – metered	1900.00	2329.95
7	Public Lighting	49.00	52.11
	<b>LT Total (A)</b>	<b>12365.00</b>	<b>12690.27</b>
<b>B</b>	<b>HT Consumers</b>		
8	Industrial HT	4461.00	4550.00
9	Railway Traction	22.00	13.96
	<b>HT Total (A)</b>	<b>4483.00</b>	<b>4563.95</b>
	<b>Grand Total (A + B)</b>	<b>16848.00</b>	<b>17254.22</b>

### **(b) Distribution loss for FY 2015-16:**

**Actual Distribution loss for FY 2015-16 vis-à-vis approved is as under.**

**DISTRIBUTION LOSSES**

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)
1	Distribution Losses	12.00%	11.07%

### **(c) Energy Requirement:**

The gross energy requirement for UGVCL is as follows (Actual vis-à-vis



approved)

**Energy Requirement and Energy Balance**

S. No.	Particulars	Unit	FY 2015-16 (Approved)	FY 2015-16 (Actual)
1	Energy Sales	MUs	16,848.00	17,254.22
2	Distribution Losses	MUs	2,297.45	2,148.14
		%	12.00%	11.07%
3	Energy Requirement	MUs	19,145.45	19,402.37
4	Transmission Losses	MUs	822.69	770.40
5	Total Energy to be input to Transmission System	MUs	19,968.14	20,172.76
6	Pooled Losses in PGCIL System	MUs	546.00	336.12
<b>7</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>20,514.14</b>	<b>20,508.88</b>

**(d) Capital Expenditure:**

Capital Expenditure incurred by UGVCL in FY 2015-16 vis-à-vis approved is as under:

**Capital Expenditure**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
<b>A</b>	<b>Distribution Schemes</b>			
	Normal Development Scheme	155.00	169.08	(14.08)
	System Improvement Scheme	125.00	25.62	99.38
	HVDS in selected sub-division	7.00	4.86	2.14
	Underground Cables	21.50	0.65	20.85
	Aerial Bunch Conductors	1.75	-	1.75
	Others	-	0.60	(0.60)
	<b>Total</b>	<b>310.25</b>	<b>200.81</b>	<b>109.44</b>
<b>B</b>	<b>Rural Electrification Schemes - Plan</b>			
	TASP (Wells)	30.00	35.63	(5.63)
	Scheduled Caste Sub Plan (lighting)	3.00	2.24	0.76
	Electrification of Hutments	8.50	4.29	4.21
	Kutir Jyoti Scheme	0.75	0.39	0.36
	Sagarkhedu Sarvangi Vikas Yojana	4.00	4.59	(0.59)
	Dark Zone	200.00	132.15	67.85
	Solar Home light	-	1.05	(1.05)
	<b>Total</b>	<b>246.25</b>	<b>180.33</b>	<b>65.92</b>
<b>C</b>	<b>Central Government Scheme - Plan</b>			
	R-APDRP Part A	8.00	3.58	4.42
	BADP	7.00	-	7.00
	SCADA Part A	10.00	-	10.00
	SCADA Part B	26.00	33.13	(7.13)



Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
	Smart Grid	25.00	-	25.00
	<b>Total</b>	<b>76.00</b>	<b>36.71</b>	<b>39.29</b>
<b>D</b>	<b>Other Schemes (Non Plan)</b>			
	RE (Tatkal)	-	9.75	(9.75)
	AG Normal (SPA)	105.00	70.76	34.24
	Energy Conservation	0.10	-	0.10
	<b>Total</b>	<b>105.10</b>	<b>80.51</b>	<b>24.59</b>
<b>E</b>	<b>Other New Schemes</b>			
	Automation and Computerization	1.60	0.67	0.93
	Civil Work/ New Building	21.00	53.31	(32.31)
	GIS in Cities	0.10	0.07	0.03
	Other Schemes (Earthing)	60.00	0.92	59.08
	Other Repairing Work / Civil Work	2.00	-	2.00
	New Furniture and Fixtures	2.00	4.56	(2.56)
	Vehicle	3.60	0.50	3.10
	BoI GIDC	50.00	10.11	39.89
	DSM	-	0.82	(0.82)
	KHUSHI/HVDS	-	0.02	(0.02)
	DISS	-	18.60	(18.60)
	Solar Pump	-	0.26	(0.26)
	<b>Total</b>	<b>140.30</b>	<b>89.84</b>	<b>50.46</b>
<b>F</b>	<b>Capital Expenditure Total</b>	<b>877.90</b>	<b>588.21</b>	<b>289.69</b>

**(e) Funding of CAPEX**

The detailed breakup of funding of capital expenditure during FY 2015-16 is mentioned below.

**Funding of Capital Expenditure**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
1	Capitalization	878.00	627.52	250.48
2	Less: Consumer Contribution	206.59	167.76	38.83
3	Less: Grants	244.35	59.42	184.93
<b>4</b>	<b>Balance CAPEX</b>	<b>427.06</b>	<b>400.34</b>	<b>26.72</b>
5	Debt @ 70%	298.94	280.24	18.71
6	Equity @ 30%	128.12	120.10	8.02

**(f) Aggregate Revenue Requirement of FY 2015-16:**

Aggregate Revenue Requirement for FY 2015-16 for UGVCL in comparison with values approved by the Hon'ble Commission is as under.



**Aggregate Revenue Requirement for FY 2015-16**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
1	Cost of Power Purchase	7,228.97	7,888.88	(659.91)
2	Operation & Maintenance Expenses	343.12	468.93	(125.81)
2.1	Employee Cost	373.28	433.82	(60.54)
2.2	Repair & Maintenance	76.21	59.72	16.49
2.3	Administration & General Charges	62.32	69.53	(7.21)
2.4	Other Debits	6.74	3.63	3.11
2.5	Extraordinary Items	0.57	14.75	(14.18)
2.6	Net Prior Period Expenses / (Income)	-	(0.35)	0.35
2.7	Other Expenses Capitalised	(176.00)	(112.18)	(63.82)
3	Depreciation	271.28	231.08	40.20
4	Interest & Finance Charges	158.81	135.58	23.23
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.72	6.15	(5.43)
7	<b>Sub-Total [1 to 6]</b>	<b>8,002.90</b>	<b>8,730.62</b>	<b>(727.72)</b>
8	Return on Equity	147.76	147.90	(0.14)
9	Provision for Tax / Tax Paid	15.00	17.14	(2.14)
10	<b>Total Expenditure (7 to 9)</b>	<b>8,165.66</b>	<b>8,895.66</b>	<b>(730.00)</b>
11	Less: Non-Tariff Income	156.83	167.85	(11.02)
12	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>8,008.83</b>	<b>8,727.80</b>	<b>(718.97)</b>

**(g) Net Gain/ (Loss) :**

Net Gain/Loss to UGVCL on account of controllable factors and uncontrollable factors is given here under.

**Net Gain/ (Loss) for FY 2015-16**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	7,228.97	7,888.88	72.06	(731.96)
2	Operation & Maintenance Expenses	343.12	468.93	(51.26)	(74.54)
2.1	Employee Cost	373.28	433.82	(60.54)	-
2.2	Repair & Maintenance	76.21	59.72	16.49	-



Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
2.3	Administration & General Charges	62.32	69.53	(7.21)	-
2.4	Other Debits	6.74	3.63	-	3.11
2.5	Extraordinary Items	0.57	14.75	-	(14.18)
2.6	Net Prior Period Expenses / (Income)	-	(0.35)	-	0.35
2.7	Other Expenses Capitalised	(176.00)	(112.18)	-	(63.82)
3	Depreciation	271.28	231.08	-	40.20
4	Interest & Finance Charges	158.81	135.58	-	23.23
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.72	6.15	(5.43)	-
7	Return on Equity	147.76	147.90	-	(0.14)
8	Provision for Tax / Tax Paid	15.00	17.14	-	(2.14)
<b>9</b>	<b>ARR (1 to 8)</b>	<b>8,165.66</b>	<b>8,895.66</b>	<b>15.36</b>	<b>(745.36)</b>
10	Non - Tariff Income	156.83	167.85	-	(11.02)
<b>11</b>	<b>Total ARR (9-10)</b>	<b>8,008.83</b>	<b>8,727.80</b>	<b>15.36</b>	<b>(734.34)</b>

**(h) Revenue for FY 2015-16: Actual Revenue of UGVCL vis-à-vis approved for FY 2009-10.**

**Revenue for FY 2015-16**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)
1	Revenue from Sale of Power	5,477.19	
2	Revenue from FPPPA at Rs. 1.20 per kWh	2,021.76	7,926.55
3	Other Income (Consumer related)	139.00	252.35
<b>4</b>	<b>Total Revenue excluding subsidy (1+2+3)</b>	<b>7,637.95</b>	<b>8,178.90</b>
5	Agriculture Subsidy	530.00	536.06
<b>6</b>	<b>Total Revenue including subsidy (4+5)</b>	<b>8,167.95</b>	<b>8,714.97</b>

**(i) Revenue Gap for FY 2015-16:**

The Hon'ble Commission in its Order dated 29th April, 2014 has approved Aggregate Revenue Requirement of Rs. 8008.83 Crores for FY 2015-16.

The Hon'ble Commission had also added Revenue gap/(surplus) of Rs. 268.88 Crores due to truing up of FY 2013-14 and DSM programme expenditure of Rs. 40.00 Crores in the above Aggregate Revenue Requirement of Rs. 8008.83 Crores and total approved Aggregate Revenue Requirement was Rs. 8317.71 Crores.



As per the mechanism specified in the MYT Regulation 2011, UGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e. Rs. (5.12) Crores and total gain/(loss) on account of uncontrollable factors i.e. Rs. (734.34) Crores to the consumers. Adjusting these to the net Aggregate Revenue Requirement, UGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2015-16 at Rs. 9046.92 Crores.

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue with Existing Tariff of Rs. 7926.55 Crores, Other Consumer related Income of Rs. 252.35 Crores, Agriculture Subsidies of Rs. 536.06 Crores, summing up to a Total Revenue of Rs. 8714.97 Crores. Accordingly, total Revenue Gap of UGVCL for FY 2015-16 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 331.96 Crores as shown in the table below:

**TABLE : REVENUE GAP FOR FY 2015-16**

		Rs in Crores
Sr. No.	Particulars	FY 2015-16
1	Aggregate Revenue Requirement originally approved for FY 2015-16	8,008.83
2	Add: Gap/(Surplus) of FY 2013-14	268.88
3	Add: DSM Programme expenditure	40.00
4	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(734.34)
5	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	5.12
<b>6</b>	<b>Revised ARR for FY 2015-16 (1 + 2 + 3 - 4 - 5)</b>	<b>9,046.92</b>
7	Revenue from Sale of Power	7,926.55
8	Other Income (Consumer related)	252.35
<b>9</b>	<b>Total Revenue excluding Subsidy (7 + 8)</b>	<b>8,178.90</b>
10	Agriculture Subsidy	536.06
11	<b>Total Revenue including Subsidy (9+10)</b>	<b>8,714.97</b>
<b>12</b>	<b>Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 11)</b>	<b>331.96</b>

The Hon'ble Commission is requested to approve above mentioned gap and allow UGVCL to recover this gap in FY 2017-18.



#### **(4) Multi Year Tariff for FY 2016-17 to 2020-21:**

##### **(a) Projection of Energy Requirement for FY 2016-17 to FY 2020-21**

###### **Approach for Sales Projection**

It has been observed from past experience that the historical trend method has proved to be a reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption. In light of the above, UGVCL has estimated the above for various customer categories primarily based on the CAGR trends during past years. Wherever the trend has seemed unreasonable or unsustainable, the growth factors have been corrected by the company, to arrive at more realistic projections.

###### **Summary of Growth & Projections**

The growth rates observed in the energy sold to each consumer category has been analysed for the purpose of sales projections for the control period FY 2016-17 to 2020-21. The analysis of the growth rate lends insight into the behavior of each category and hence forms the basis of forecasting the sales for each category.

The Break-up of the past sales and the CAGR growth rates for different periods (5 years, 4 year, 3 year, 2 year and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2010-11 to FY 2015-16, the 4-year period FY 2011-12 to FY 2015-16, the 3-year period FY 2012-13 to FY 2015-16, and the 2-year period FY 2013-14 to FY 2015-16, along with the y-o-y growth rate of FY 2014-15 over FY 2015-16.

Following table summarises the growth rate assumptions

**GROWTH RATE FOR SALES, NO. OF CONSUMERS AND CONNECTED LOAD**

Sr. No.	Category	Sales	Consumers	Connected Load
	<b>LOW TENSION</b>			
1	RGP	8.14%	3.46%	9.26%
2	GLP	8.34%	4.52%	9.34%
3	Non-RGP & LTMD	5.50%	5.62%	7.32%
4	Public Water Works	8.52%	8.54%	7.00%
5	Agriculture- Unmetered	0.00%	0.00%	0.00%





Sr. No.	Category	Sales	Consumers	Connected Load
6	Agriculture-Metered	-	-	-
7	Street Light	5.97%	7.03%	8.86%
	<b>HIGH TENSION</b>			
1	Industrial HT	1.81%	9.43%	5.57%
2	Railway Traction	0.00%	0.00%	0.00%

The estimated Sales, No. of consumers and Connected load based on the above growth rates and as per the methodology used for agriculture metered category are projected in the table below:

**PROJECTION OF SALES (MUs)**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	2035	2200	2379	2573	2783
2	GLP	44	48	52	57	61
3	Non-RGP & LTMD	1643	1733	1829	1929	2035
4	Public Water Works	662	718	780	846	918
5	Agriculture-Unmetered	6219	6219	6219	6219	6219
6	Agriculture-Metered	2791	3253	3714	4175	4636
7	Street Light	55	59	62	66	70
	<b>Sub-Total</b>	<b>13449</b>	<b>14230</b>	<b>15034</b>	<b>15864</b>	<b>16721</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	4632	4716	4802	4889	4977
2	Railway Traction	0	0	0	0	0
	<b>Sub Total</b>	<b>4632</b>	<b>4716</b>	<b>4802</b>	<b>4889</b>	<b>4977</b>
	<b>TOTAL</b>	<b>18081</b>	<b>18946</b>	<b>19836</b>	<b>20752</b>	<b>21698</b>

**PROJECTION OF NO. OF CONSUMERS**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	2607999	2698192	2791504	2888044	2987922
2	GLP	22923	23959	25041	26172	27355
3	Non-RGP & LTMD	333381	352104	371879	392764	414821
4	Public Water Works	19709	21393	23221	25205	27358
5	Agriculture-Unmetered	154182	154182	154182	154182	154182
6	Agriculture-Metered	179386	204386	229386	254386	279386
7	Street Light	12617	13505	14455	15472	16560
	<b>Sub-Total</b>	<b>3330198</b>	<b>3467721</b>	<b>3609668</b>	<b>3756224</b>	<b>3907585</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	3594	3933	4303	4709	5153
2	Railway Traction	0	0	0	0	0
	<b>Sub Total</b>	<b>3594</b>	<b>3933</b>	<b>4303</b>	<b>4709</b>	<b>5153</b>



Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>TOTAL</b>	<b>3333792</b>	<b>3471654</b>	<b>3613972</b>	<b>3760934</b>	<b>3912738</b>

**PROJECTION OF CONNECTED LOAD (MW/MVA)**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	2498	2729	2982	3258	3560
2	GLP	51	56	62	67	74
3	Non-RGP & LTMD	1627	1746	1874	2011	2158
4	Public Water Works	357	382	409	438	468
5	Agriculture-Unmetered	2736	2736	2736	2736	2736
6	Agriculture-Metered	2208	2579	2950	3320	3691
7	Street Light	27	29	32	34	37
	<b>Sub-Total</b>	<b>9504</b>	<b>10257</b>	<b>11043</b>	<b>11864</b>	<b>12724</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	2983	3149	3324	3509	3704
2	Railway Traction	0	0	0	0	0
	<b>Sub Total</b>	<b>2983</b>	<b>3149</b>	<b>3324</b>	<b>3509</b>	<b>3704</b>
	<b>TOTAL</b>	<b>12487</b>	<b>13406</b>	<b>14367</b>	<b>15373</b>	<b>16428</b>

**(b) Projection of Distribution Loss and Energy Requirement:**

**Distribution Loss for the FY 2015-16 to 2020-21**

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
Distribution Loss	10.00%	9.90%	9.80%	9.70%	9.60%

**(c) Energy Requirement for the FY 2016-17 to 2020-21:**

**Energy Balance for the FY 2016-17 to 2020-21**

Sr. No.	Particulars	Unit	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Energy Sales	MUs	18081	18946	19836	20752	21698
2	Distribution Losses	MUs	2009	2082	2155	2229	2304
		%	10.00%	9.90%	9.80%	9.70%	9.60%
3	Energy Requirement	MUs	20090	21027	21991	22982	24003
4	Transmission Losses	MUs	804	831	881	908	961
		%	3.85%	3.80%	3.85%	3.80%	3.85%
5	Total Energy to be input to Transmission System	MUs	20895	21858	22871	23889	24964
6	Pooled Losses in PGCIL System	MUs	336	336	336	336	336



Sr. No.	Particulars	Unit	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
7	Total Energy Requirement	MUs	21231	22194	23207	24226	25300

**(d) Power Purchase Cost: Bulk Supply Tariff:**

For estimation of Power Purchase Cost methodology of Bulk Supply Tariff (BST) is proposed with the objective of keeping uniform retail tariff throughout the State. The BST for DISCOMs includes the cost of power purchase from various generating stations, the transmission costs of PGCIL, GETCO and the cost of bulk supplier GUVNL. The revenue earned from sale of traded power is subtracted from the total power purchase cost to arrive at net power purchase cost to be charged to the four DISCOMs. The amount available for power purchase with the four DISCOMs is arrived at by subtracting the sum of total expenses other than the power purchase cost of all the four DISCOMs from the total revenue of the four DISCOMs. The difference between the net power purchase cost and the amount available with the four Discoms, indicates the revenue gap. This revenue gap varies from Discom to Discom. The bulk supply tariffs for the four Discoms are fixed keeping in view the magnitude of the revenue gap. For the FY 2017-18, total gap projected is Rs.676 Crores for the sector as a whole, for UGVCL, the proportionate allocated gap for FY 2017-18 works out to be Rs. 174 Crores. The allocated gap amount of each DISCOM has been added to the amount available for power purchase for that DISCOM and the figure has been divided by the number of units projected to be purchased by the DISCOMs to arrive at BST at Rs/kWh. Accordingly BST for UGVCL for FY 2016-17 works out to Rs. 3.89 per Kwh and total Power Purchase Cost of Rs. 8373 Crores, for FY 2017-18 Rs. 3.98 per Kwh and total power purchase cost Rs. 8844 Crores, for FY 2018-19 and FY 2019-20 Rs. 4.01 per Kwh and total power purchase cost Rs. 9298 Crores and Rs. 4.01 per Kwh and total power purchase cost Rs. 9725 Crores respectively and for FY 2020-21 Rs. 4.14 per Kwh and total power purchase cost Rs. 9709 Crores.

**(e) Capital Expenditure Plan:**

The scheme-wise projected capital expenditure for the MYT petition under second control period from FY 2017-18 to FY 2020-21 is as shown below:

**Table : Capital Expenditure Plan**

	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
<b>A</b>	<b>Distribution Schemes</b>					
	Normal Development Scheme	175.00	175.00	177.00	177.00	180.00
	System Improvement Scheme	30.00	35.00	40.00	40.00	40.00
	HVDS in selected Sub-division	5.50	5.50	5.00	4.50	4.50



	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
	Underground Cables	25.00	100.00	100.00	100.00	100.00
	Plan Load management Transformer	4.00	4.00	4.00	4.00	4.00
	Others(VDS)	0.65	0.65	0.65	0.65	0.65
	<b>Total</b>	<b>240.15</b>	<b>320.15</b>	<b>326.65</b>	<b>326.15</b>	<b>329.15</b>
<b>B</b>	<b>Rural Electrification Schemes- Plan</b>					
	TASP (Wells) & Petapara	40.00	35.00	25.00	20.00	20.00
	Scheduled Caste Sub Plan(Wells)	5.00	5.00	4.00	4.00	3.00
	Scheduled Caste Sub Plan(lighting)	3.00	3.00	2.75	2.50	2.50
	Electrification of Hutments	5.00	5.00	4.50	4.00	4.00
	Kutir Jyoti Scheme	0.50	0.50	0.45	0.45	0.40
	Dark Zone	225.00	150.00	100.00	100.00	100.00
	Sagarkhedu	5.00	4.50	4.50	4.50	4.00
	Solar home light	30.00	25.00	20.00	15.00	15.00
	<b>Total</b>	<b>313.50</b>	<b>228.00</b>	<b>161.20</b>	<b>150.45</b>	<b>148.90</b>
<b>C</b>	<b>Central Government Scheme- Plan</b>					
	DDUJGY	36.00	60.00	24.00	-	-
	R-APDRP Part A	5.00	2.05	2.05	2.05	2.05
	IPDS	30.00	51.00	20.00	-	-
	SCADA Part A	18.46	0.21	0.21	0.21	0.21
	SCADA Part B	10.00	-	-	-	-
	Smart Grid	15.00	14.00	2.00	2.00	2.00
	<b>Total</b>	<b>114.46</b>	<b>127.26</b>	<b>48.26</b>	<b>4.26</b>	<b>4.26</b>
<b>D</b>	<b>Other Schemes (Non Plan)</b>					
	RE (Tatkal)	5.00	6.00	4.00	2.00	1.00
	Independent Consultant/Survey Agency	0.50	-	-	-	-
	AG Normal (SPA)	80.00	60.00	40.00	30.00	30.00
	Energy Conservation	0.10	0.10	0.10	0.10	0.10
	<b>Total</b>	<b>85.60</b>	<b>66.10</b>	<b>44.10</b>	<b>32.10</b>	<b>31.10</b>
<b>E</b>	<b>Other New Schemes</b>					
	Automation and Computerization	4.35	4.35	4.35	4.35	4.35
	Civil Work / New Building	17.00	16.00	14.00	12.00	12.00
	GIS in Cities	0.20	0.20	0.20	0.20	0.20
	Other Schemes(Earthing)	0.90	0.87	0.85	0.80	0.80
	Other Repairing	2.00	2.00	2.50	2.00	2.00

	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
	Work/Civil Work					
	New Furniture and Fixtures	1.00	2.00	1.50	1.00	1.00
	Vehicles	0.50	0.50	0.50	0.50	0.50
	DSM	4.00	2.00	2.00	2.00	2.00
	DISS	20.00	10.00	5.00	5.00	-
	Solar Pump	10.00	5.00	5.00	5.00	5.00
	<b>Total</b>	<b>59.95</b>	<b>42.92</b>	<b>35.90</b>	<b>32.85</b>	<b>27.85</b>
<b>F</b>	<b>Total Capital Expenditure</b>	<b>813.66</b>	<b>784.43</b>	<b>616.11</b>	<b>545.81</b>	<b>541.26</b>

**(f) Funding of CAPEX:**

Funding of above mentioned CAPEX is envisaged through various sources categorized indebt four headings namely: Consumer Contribution, Grants, Equity and Debt.

**Funding Plan of Capital Expenditure**

Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Capitalisation	813.66	784.43	616.11	545.81	541.26
2	Less: Consumer Contribution	109.75	89.95	75.55	72.65	73.20
3	Less: Grants	322.10	277.10	173.10	129.95	122.90
<b>4</b>	<b>Balance CAPEX</b>	<b>381.81</b>	<b>417.38</b>	<b>367.46</b>	<b>343.21</b>	<b>345.16</b>
5	Debt @ 70%	267.27	292.17	257.22	240.25	241.61
6	Equity @ 30%	114.54	125.21	110.24	102.96	103.55

**(g) Summary of ARR proposed for FY 2016-17 to 2020-21 :**

Table below shows projection of Aggregate Revenue Requirement by UGVCL for the control period FY 2016-17 to 2020-21.

Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Cost of Power Purchase	8,249.78	8,843.67	9,297.82	9,724.98	10,481.96
2	Operation & Maintenance Expenses	555.16	586.71	620.06	655.32	692.60
2.1	<i>Employee Cost</i>	<i>530.78</i>	<i>561.14</i>	<i>593.24</i>	<i>627.17</i>	<i>663.05</i>
2.2	<i>Repair &amp; Maintenance</i>	<i>94.29</i>	<i>99.68</i>	<i>105.39</i>	<i>111.41</i>	<i>117.79</i>



Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
2.3	Administration & General Charges	80.65	85.26	90.14	95.30	100.75
2.4	Other Debits	3.63	3.63	3.63	3.63	3.63
2.5	Extraordinary Items	-	-	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	-	-	-	-
2.7	Other Expenses Capitalised	(154.20)	(163.02)	(172.34)	(182.20)	(192.62)
3	Depreciation	289.67	331.74	368.61	399.19	427.81
4	Interest & Finance Charges	145.76	151.30	153.47	150.91	145.83
5	Interest on Working Capital	-	-	-	-	-
6	Provision for Bad Debts	6.15	6.15	6.15	6.15	6.15
<b>7</b>	<b>Sub-Total (1 to 6)</b>	<b>9,246.53</b>	<b>9,919.57</b>	<b>10,446.11</b>	<b>10,936.56</b>	<b>11,754.34</b>
8	Return on Equity	164.32	181.11	197.59	212.51	226.97
9	Provision for Tax / Tax Paid	17.14	17.14	17.14	17.14	17.14
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>9,427.99</b>	<b>10,117.82</b>	<b>10,660.84</b>	<b>11,166.21</b>	<b>11,998.45</b>
11	Less: Non-Tariff Income	148.09	148.09	148.09	148.09	148.09
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>9,279.90</b>	<b>9,969.73</b>	<b>10,512.74</b>	<b>11,018.12</b>	<b>11,850.35</b>

### **(5) Projection of Final ARR for FY 2016-17:**

GERC Order dated 2nd December, 2015 on the Petition No. 1534/2015 states the following:

*“... We also decide that the licensees/generating companies shall file the ARR for FY 2016-17 based on the 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 ...”*

Accordingly, the Final ARR for FY 2016-17 as per GERC MYT Regulations, 2016 is projected as below:

**TABLE: PROJECTED FINAL ARR FOR FY 2016-17**

Rs in Crores		
Sr. No.	Particulars	FY 2016-17 (Final)
1	Cost of Power Purchase	8,249.78
2	Operation & Maintenance Expenses	555.16
2.1	<i>Employee Cost</i>	530.78
2.2	<i>Repair &amp; Maintenance</i>	94.29
2.3	<i>Administration &amp; General Charges</i>	80.65
2.4	<i>Other Debits</i>	3.63
2.5	<i>Extraordinary Items</i>	-
2.6	<i>Net Prior Period Expenses / (Income)</i>	-
2.7	<i>Other Expenses Capitalised</i>	(154.20)
3	Depreciation	289.67
4	Interest & Finance Charges	145.76
5	Interest on Working Capital	-
6	Provision for Bad Debts	6.15
<b>7</b>	<b>Sub-Total [1 to 6]</b>	<b>9,246.53</b>
8	Return on Equity	164.32
9	Provision for Tax / Tax Paid	17.14
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>9,427.99</b>
11	Less: Non-Tariff Income	148.09
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>9,279.90</b>

UGVCL request the Hon'ble commission to approve the final ARR for FY 2016-17 as above.

### **(6) Tariff for FY 2017 -18:**



Estimate Revenue at existing Tariff for FY 2017-18 and estimated revenue gap at existing tariff for FY 2017-18

**Total Revenue for FY 2017-18 at existing Tariff:**

Rs in Crores

Sr. No.	Particulars	FY 2017-18 (Projected)
1	Revenue with Existing Tariff	6,297.77
2	Base FPPPA Charges @ 143 paisa/kWh	2,709.24
3	Other Income (Consumer related)	252.35
4	Agriculture Subsidy	536.06
5	<b>Total Revenue including subsidy (1 to 4)</b>	<b>9,795.42</b>

**Estimated Revenue Gap for FY 2017-18 at Existing Tariff**

Sr. No.	Particulars	FY 2017-18 (Projected)
1	Aggregate Revenue Requirement for FY 2017-18	9,969.73
2	Revenue Gap from True up of FY 2015-16	331.96
3	<b>Total Aggregate Revenue Requirement for FY 2017-18</b>	<b>10,301.69</b>
4	Revenue with Existing Tariff	6,297.77
5	FPPPA Charges @ 143 paisa/kWh	2,709.24
6	Other Income (Consumer related)	252.35
7	Agriculture Subsidy	536.06
8	<b>Total Revenue including subsidy for FY 2017-18 (4 to 7)</b>	<b>9,795.42</b>
9	<b>Gap/(Surplus) (3 - 8)</b>	<b>506.27</b>

The Hon'ble Commission is requested to approve the above mentioned gap.

There are no changes/revision/modification proposed in the tariff structure by the company for FY 2017-18



## **(7) Prayer**

### **UGVCL respectfully prays to the Hon'ble Commission;**

1. To admit this Petition seeking True up of FY 2015-16, Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21, Determination of final ARR for FY 2016-17 and Determination of Tariff for FY 2017-18.
2. To approve the True up for FY 2015-16 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the GERC MYT Regulations, 2011.
3. To approve Multi-Year ARR for FY 2016-17 to FY 2020-21 as per GERC MYT Regulations 2016
4. To approve Final ARR for FY 2016-17
5. To consider approved True up parameters & Multi-Year ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
6. To approve the terms and conditions of Tariff for FY 2017-18 and various other matters as proposed in this petition and proposed changes therein.
7. Pass suitable orders for implementation of Tariff Proposal for FY 2017-18 for making it applicable from 1<sup>st</sup> April, 2017 onwards.
8. To grant any other relief as the Hon'ble Commission may consider appropriate.
9. The Petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
10. Pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

**(8) Provisions for availing the petition copy :**

Copy of the petition will be available for inspection as well as for sale at the cost of Rs. 195/- to the interested persons at the office of The Chief Engineer, Corporate Office, Uttar Gujarat Vij Company Ltd, Visnagar Road, Mehsana-384001 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/- will be payable extra.

NOTE: - The total amount in such event is to be sent by Money Order or Demand Draft payable in favor of Uttar Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website [www.guvnl.com](http://www.guvnl.com) and [www.ugvcl.com](http://www.ugvcl.com)

**(9) Guideline for submission of response:**

In accordance with GERC ( Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions on the above subject matter petition, may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6<sup>th</sup> floor, GIFT One, Road 5C, Zone 5, GIFT City, Gandhinagar – 382 355 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 07.01.2017 and also indicate whether they intend to be heard in person.