













































same is reproduced here below:

**“5.12.1 Operation and Maintenance (O&M) Expenses**

...

*The Commission noted that there is a revision in the Pay Scale of employees of the Petitioner on account of 7th Pay Commission. It is also noted by the Commission that only a part of the employees availed the revised salary and that too for a part of the year during FY 2017-18. On a query from the Commission, the Petitioner vide e-mail dated 27.02.2019 confirmed that during FY 2017-18, all non-technical employees and Class III and IV technical employees opted the revised salary and Class I and II technical employees did not opt the revised salary. It is clarified by the Petitioner that the revised salary was paid from 1st August, 2017. It is also clarified that no arrears was paid to the employees during FY 2017-18 on account of revision of salary.*

*In view of above, the Commission has considered eight months actual paid out amount due to revision in salary annualised for twelve months plus the pre-revised annual salary for FY 2017-18 to escalate @ 5.72% Y-o-Y to arrive at employee expenses for FY 2019-20 and FY 2020-21. The Commission shall consider actual employee expenses as uncontrollable to the extent of actual pay out on account of revision in salaries and allowances while truing up of FY 2019-20 and FY 2020-21.*

...”

3.10.10. It is to note that UGVCL has also paid arrears payment from its provision and cost has not reflected in P&L accounts. It is also to note that provisions made from FY 2015-16 to FY 2019-20 are not approved by the Hon’ble Commission. To work out actual pay out on account of 7<sup>th</sup> Pay Commission impact, 7<sup>th</sup> Pay Commission provision as on 31<sup>st</sup> March, 2020 is reduced from various provisions made for 7<sup>th</sup> Pay Commission (which was not allowed by the Hon’ble Commission) is reduced to work out uncontrollable employee expense during FY 2019-20. The working of the same is as shown below:

**TABLE 14 : CALCULATION OF UNCONTROLLABLE EMPLOYEE COST DURING FY 2019-20**

Sr. No.	Particulars	Amount
	<b>7th Pay Provision not considered while approval of Employee Cost by the Hon'ble Commission</b>	
1	FY 2015-16	29.77
2	FY 2016-17	80.36
3	FY 2017-18	54.80
4	FY 2018-19	41.68
5	FY 2019-20	43.11
<b>A</b>	<b>Total (1 to 5)</b>	<b>249.72</b>
<b>B</b>	<b>7th Pay Provision as on 31st March, 2020</b>	<b>164.38</b>
<b>C</b>	<b>Actual Arrears Pay out to employees from Cumulative Provisions which has not reflected in Employee Cost (P&amp;L) (A - B)</b>	<b>85.35</b>

3.10.11. Hence, total employee cost of UGVCL for FY 2019-20 is Rs. 671.09 Crore (Rs. 585.75 Crore as per employee cost in P&L + Rs. 85.35 Crore as per arrears payment from disallowed provisions) Accordingly, UGVCL has estimated a gain/ (loss) of Rs. 23.17 Crores on account of controllable employee cost and Rs. (85.35) Crores of actual payment towards 7th Pay Commission towards the uncontrollable employee cost.

3.10.12. The summary of the comparison of the actual employee expenses for FY 2019-20 vis-à-vis the expenses approved by the Hon'ble Commission is given in the table below:

**TABLE 15 : EMPLOYEE COST FOR FY 2019-20**

Rs in Crores					
Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Cost	608.92	671.09	23.17	(85.35)

### **Repair & Maintenance Cost**

3.10.13. Repair and Maintenance expenditure is dependent on various factors. The assets of UGVCL are old and require regular maintenance to ensure uninterrupted operations. UGVCL has been trying its best to ensure uninterrupted operations of the system and accordingly has been undertaking necessary expenditure for R&M activities. The MYT Regulations, 2016 provides for R&M expenditure as a controllable expenditure. The actual R&M cost for FY 2019-20 is Rs. 94.03 Crores.

3.10.14. However, 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. Due to cyclones, 93.35 Kms HT Line, 59.76 Kms LT Line, 105 nos of transformers and 3195 nos of Poles were damaged among others, which has resulted in additional expenditure of Rs. 461.245 Lacs under R&M. Therefore, UGVCL requests to Hon'ble Commission to consider the additional expenditure as "Uncontrollable".

3.10.15. Accordingly, on the basis of comparison of actual R&M expenditure of UGVCL with the values approved by the Hon'ble Commission, there is a gain/(loss) of Rs. (25.45) Crores as indicated in the table below:

**TABLE 16 : REPAIR & MAINTENANCE COST FOR FY 2019-20**

Rs in Crores					
Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Repair & Maintenance Cost	68.58	94.03		(25.45)

### **Administration & General Expenses**

3.10.16. The actual A&G expense for FY 2019-20 were Rs. 94.46 Crores. As per the provisions of the MYT Regulations, 2016, A&G expenses are categorised as controllable expenses and accordingly, the comparison of value approved by the Hon'ble Commission with the actual A&G expenses of UGVCL shows a gain/(loss) of Rs. 16.44

Crores as highlighted in the table below:

**TABLE 17 : ADMINISTRATION & GENERAL EXPENSES FOR FY 2019-20**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Administration & General Charges	110.90	94.46	16.44	

### **Other Expenses Capitalised**

3.10.17. The Other expenses including expenses capitalised, etc. are beyond the control of UGVCL and therefore are considered as uncontrollable.

**TABLE 18: OTHER EXPENSES CAPITALISED**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Other Expenses Capitalised	(77.33)	(95.23)		17.90

3.10.18. The comparison of actual O&M expenses by UGVCL during FY 2019-20 with the value approved by the Hon'ble Commission shows a net gain/(loss) on account of controllable factors of Rs. 39.62 Crores and gain/(loss) of Rs. (92.90) Crores on account of uncontrollable factors to UGVCL.

### **3.11. DEPRECIATION**

3.11.1. UGVCL had been charging depreciation on fixed assets of the Company, on the useful life of the assets at rates prescribed under Schedule XIV to the Companies Act, 1956. The Company being engaged in electricity distribution business is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013.

3.11.2. In case of Depreciation, the MYT Regulations, 2016 provides that-

*“Depreciation shall be computed annually based on the straight line method at the rates specified in the Annexure I to these Regulations:*

*Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:*

*Provided further that for a Generating Company or a Transmission Licensee or SLDC or a Distribution Licensee formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets”*

3.11.3. Accordingly, UGVCL has calculated the Depreciation for FY 2019-20 in accordance with the provisions of the MYT Regulations, 2016 and the aforementioned directives of the Hon'ble Commission.

3.11.4. The actual and approved depreciation for FY 2019-20 is as shown below:

**TABLE 19 : FIXED ASSET AND DEPRECIATION FOR FY 2019-20**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Gross Block in Beginning of the year	6,968.65	7,045.59	
2	Additions during the Year (Net)	643.35	726.27	
3	Closing GFA	7,612.00	7,771.86	
4	Average GFA	7,290.33	7,408.73	
5	<b>Depreciation for the Year</b>	<b>248.47</b>	<b>333.91</b>	<b>(85.44)</b>
6	<b>Average Rate of Depreciation</b>	<b>3.41%</b>	<b>4.51%</b>	

3.11.5. The actual depreciation for FY 2019-20 as against the value approved by the Hon'ble Commission results into a uncontrollable gain/(loss) of Rs. (85.44) Crores as indicated below:

**TABLE 20 : TREATMENT OF DEPRECIATION**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Depreciation	248.47	333.91	-	(85.44)

### 3.12. INTEREST & FINANCIAL CHARGES

3.12.1. For assessing actual Interest charges on Loans in FY 2019-20, UGVCL has considered the opening balance of loans for FY 2019-20 same as the closing loan approved by the Hon'ble Commission for FY 2018-19 in the True up Order dated 31<sup>st</sup> March, 2020. The loan addition in FY 2019-20 is computed at Rs. 339.12 Crores which consists of loans for funding the capital expenditure and the balance for funding the past liabilities.

3.12.2. In line with the approach adopted by the Hon'ble Commission and as prescribed by MYT Regulations, 2016 repayment during the year has been considered equal to the depreciation for the financial year.

3.12.3. Based on the provisions of the MYT Regulations, 2016, the weighted average rate of interest during the year for Truing up of FY 2019-20 is 18.83% as against 9.96 % as approved by the Hon'ble Commission.

3.12.4. UGVCL submits that it has been allocated some guarantees of Govt. of Gujarat, for which it is required to pay the guarantee charges. These are the legacy loans which have come from the erstwhile GEB. These charges are, thus, beyond control of UGVCL and hence are required to be considered in the total financial cost.

3.12.5. The total Interest & Financial charges for FY 2019-20 computed by UGVCL as against



that approved by the Hon'ble Commission is as shown below:

**TABLE 21 : INTEREST & FINANCE CHARGES**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Opening Loans	699.05	622.84	
2	Loan Additions during the Year	308.53	339.12	
3	Repayment during the Year	248.47	333.91	
4	Closing Loans	759.11	628.05	
<b>5</b>	<b>Average Loans</b>	<b>729.08</b>	<b>625.44</b>	
6	Interest on Loan	72.64	117.75	
7	Interest in Security Deposit	99.87	91.14	
8	Other Bank Charges	-	1.36	
9	<b>Total Interest &amp; Financial Charges</b>	<b>163.43</b>	<b>210.25</b>	
10	Weighted Average Rate of Interest	<b>9.96%</b>	<b>18.83%</b>	

3.12.6. The MYT Regulations, 2016 categorise the interest and finance charges as uncontrollable expenses. Any changes on account of changes in applicable interest rates should be considered as uncontrollable. Accordingly, UGVCL has considered deviation in the actual vis-à-vis the approved expenses towards interest and finance charges as uncontrollable. The same has been provided in the table given below:

**TABLE 22 : TREATMENT OF INTEREST & FINANCE CHARGES**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest & Finance Charges	163.43	210.25		(46.82)

### 3.13. INTEREST ON WORKING CAPITAL

3.13.1. The interest on working capital has been calculated on the basis of the provisions of the MYT Regulations, 2016.

3.13.2. In line with the First Amendment to the MYT Regulations, 2016 dated 2<sup>nd</sup> December, 2016, the rate of interest considered is the weighted average of the 1-year MCLR of the State Bank of India during the year plus 250 basis points. This rate works out to 10.66%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act 2003 except the security deposit held in the form of Bank Guarantees is to be deducted from it. Since the interest on working capital for FY 2019-20 incurred by UGVCL is nil, UGVCL has not claimed interest on working capital for FY 2019-20 as shown below:

**TABLE 23 : INTEREST ON WORKING CAPITAL**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	O & M expenses	59.26	63.70	
2	Maintenance Spares	69.69	70.46	
3	Receivables	1,005.29	1,057.59	
4	Amount held as security deposit from cor	1,452.72	1,492.63	
5	<b>Total Working Capital</b>	<b>(318.48)</b>	<b>(300.89)</b>	
6	Rate of Interest on Working Capital	10.65%	10.66%	
7	<b>Interest on Working Capital</b>	-	-	-

### 3.14. PROVISION FOR BAD DEBTS

3.14.1. The actual bad debts written off in FY 2019-20 are shown in the following table:

**TABLE 24: BAD & DOUBTFUL DEBTS WRITTEN OFF**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Bad and Doubtful Debts	0.31	1.39	(1.08)

3.14.2. A comparison of the actual value with the figure approved by the Hon'ble Commission for FY 2019-20 shows a gain/(loss) of Rs. (1.08) Crores on account of controllable factors as shown in the table below:

**TABLE 25 : TREATMENT OF BAD & DOUBTFUL DEBTS**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Bad and Doubtful Debts	0.31	1.39	(1.08)	

### 3.15. RETURN ON EQUITY

3.15.1. As per the MYT Regulations, 2016, a return @ 14% on the equity base is considered as reasonable and allowed by the Hon'ble Commission. Accordingly, UGVCL has computed the Return on Equity considering a rate of return at 14%.

3.15.2. For assessing actual return on equity for FY 2019-20, UGVCL has considered the opening balance of equity of FY 2019-20 as the closing balance of equity of FY 2018-19 approved by the Commission in the True up Order dated 31<sup>st</sup> March, 2020 and additions during the year as already discussed in the above paragraphs have been considered. The return on equity for FY 2019-20 is as shown below:

**TABLE 26 : RETURN ON EQUITY**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Opening Equity Capital	1,472.17	1,469.62	2.55
2	Equity Additions during the Year	132.23	145.34	(13.11)
3	Closing Equity	1,604.40	1,614.96	(10.56)
				-
4	Average Equity	1,538.28	1,542.29	(4.01)
5	Rate of Return on the Equity	14%	14%	-
6	<b>Return on Equity</b>	<b>215.36</b>	<b>215.92</b>	<b>(0.56)</b>

3.15.3. A comparison of the actual Return on Equity for FY 2019-20 with the amount approved by the Hon'ble Commission shows a net uncontrollable gain/ (loss) as indicated below.

**TABLE 27 : TREATMENT OF RETURN ON EQUITY**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	215.36	215.92		(0.56)

### 3.16. INCOME TAX

3.16.1. The actual tax paid in FY 2019-20 was Rs. 16.84 Crores as against Rs. 14.38 Crores approved by the Hon'ble Commission as shown below:

**TABLE 28 : INCOME TAX**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Income Tax	14.38	16.84	(2.46)

3.16.2. It is submitted that Income Tax being a statutory expense, any variation on this account is uncontrollable. Accordingly, UGVCL requests the Hon'ble Commission to consider the same as an uncontrollable loss and allow the entire expenditure towards income tax without any deduction.

3.16.3. A comparison of actual taxes for FY 2019-20 with the amount approved by the Hon'ble Commission shows an uncontrollable gain/(loss) of Rs. (2.46) Crores as indicated in the table below:

**TABLE 29 : TREATMENT OF INCOME TAX**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Provision for Tax / Tax Paid	14.38	16.84		(2.46)

**3.17. NON-TARIFF INCOME FOR FY 2019-20**

3.17.1. The actual value of Non-Tariff Income of UGVCL is Rs. 152.84 Crores as against Rs. 138.68 Crores approved by the Hon'ble Commission results in a uncontrollable gain/(loss) of Rs. (14.16) Crores.

**TABLE 30 : TREATMENT OF NON-TARIFF INCOME**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Non-Tariff Income	138.68	152.84		(14.16)

**3.18. AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20**

3.18.1. Based on above, the table below summarises the actual Aggregate Revenue Requirement of UGVCL for FY 2019-20 as against the value approved by the Hon'ble Commission.

**TABLE 31 : AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20**

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Cost of Power Purchase	11,128.50	11,618.49	(489.99)
2	Operation & Maintenance Expenses	711.06	764.35	(53.28)
2.1	Employee Cost	608.92	671.09	(62.17)
2.2	Repair & Maintenance	68.58	94.03	(25.45)
2.3	Administration & General Charges	110.90	94.46	16.44
2.4	Other Expenses Capitalised	(77.33)	(95.23)	17.90
3	Depreciation	248.47	333.91	(85.44)
4	Interest & Finance Charges	163.43	210.25	(46.82)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.31	1.39	(1.08)
7	<b>Sub-Total [1 to 6]</b>	<b>12,251.77</b>	<b>12,928.39</b>	<b>(676.61)</b>
8	Return on Equity	215.36	215.92	(0.56)
9	Provision for Tax / Tax Paid	14.38	16.84	(2.46)
10	<b>Total Expenditure (7 to 9)</b>	<b>12,481.51</b>	<b>13,161.14</b>	<b>(679.62)</b>
11	Less: Non-Tariff Income	138.68	152.84	(14.16)
12	Add: DSM Expenses			
13	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12,342.83</b>	<b>13,008.30</b>	<b>(665.47)</b>

**3.19. SHARING OF GAINS & LOSSES**

- 3.19.1. MYT Regulations, 2016 specifies the Mechanism for treatment of Gains and Losses on account of Uncontrollable and Controllable expenses. The methodology approved by the Hon'ble Commission for sharing of such gains/ losses is as follows.

***Mechanism for sharing of gains or losses on account of Un-controllable factors***

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

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

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

***Mechanism for sharing of gains or losses on account of controllable factors***

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

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

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

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

*(a) One-third of the amount of such loss may be passed on as an additional charge in*

*tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and*

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

3.19.2. As indicated above, UGVCL has identified all the expenditure heads under controllable and uncontrollable categories. The gain/ (loss) for UGVCL arising as a result of True Up for FY 2019-20 may be suitably passed through in the Tariff as per mechanism specified by the Hon'ble Commission.

### 3.20. SHARING OF GAIN/ (LOSS) FOR FY 2019-20

3.20.1. Based on the methodology prescribed in the MYT Regulations, 2016, UGVCL has classified various heads of expenses as Controllable & Uncontrollable. The head wise losses/gains have been dealt in the above sections. During FY 2019-20, UGVCL has incurred a net gain/(loss) of Rs. 401.56 Crores on account of controllable factors while the net gain/(loss) attributable to uncontrollable factors for FY 2019-20 is Rs. (1,067.03) Crores.

3.20.2. The following Table summarizes net gain/ (loss) to UGVCL during FY 2019-20 on account of controllable & uncontrollable factors.

**TABLE 32 : NET GAIN/ (LOSS) FOR FY 2019-20**

Rs in Crores					
Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	11,128.50	11,618.49	363.03	(853.01)
2	Operation & Maintenance Expenses	711.07	764.35	39.62	(92.90)
2.1	Employee Cost	608.92	671.09	23.17	(85.35)
2.2	Repair & Maintenance	68.58	94.03	-	(25.45)
2.3	Administration & General Charges	110.90	94.46	16.44	-
2.4	Other Expenses Capitalised	(77.33)	(95.23)	-	17.90
3	Depreciation	248.47	333.91	-	(85.44)
4	Interest & Finance Charges	163.43	210.25	-	(46.82)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.31	1.39	(1.08)	-
7	Return on Equity	215.36	215.92	-	(0.56)
8	Provision for Tax / Tax Paid	14.38	16.84	-	(2.46)
<b>9</b>	<b>ARR (1 to 8)</b>	<b>12,481.51</b>	<b>13,161.14</b>	<b>401.56</b>	<b>(1,081.19)</b>
<b>10</b>	<b>Non - Tariff Income</b>	<b>138.68</b>	<b>152.84</b>	<b>-</b>	<b>(14.16)</b>
<b>11</b>	<b>Total ARR (9-10)</b>	<b>12,342.83</b>	<b>13,008.30</b>	<b>401.56</b>	<b>(1,067.03)</b>

### 3.21. REVENUE FOR FY 2019-20

3.21.1. During the FY 2019-20, UGVCL's actual revenue amounted to Rs. 12,691.12 Crores. The break-up is as follows:

TABLE 33 : REVENUE FOR FY 2019-20

Sr. No.	Particulars	Rs in Crores	
		FY 2019-20 (Approved)	FY 2019-20 (Actual)
1	Revenue from Sale of Power	7,640.78	11,983.00
2	Revenue from FPPPA	3,697.78	
3	Other Income (Consumer related)	203.30	202.29
4	<b>Total Revenue excluding subsidy (1 + 2 + 3)</b>	<b>11,541.86</b>	<b>12,185.29</b>
5	Agriculture Subsidy	521.64	505.83
6	<b>Total Revenue including subsidy (4 + 5)</b>	<b>12,063.50</b>	<b>12,691.12</b>

### 3.22. REVENUE GAP/SURPLUS FOR FY 2019-20

3.22.1. The Hon'ble Commission in its MYT Order dated 24<sup>th</sup> April, 2019 has approved Aggregate Revenue Requirement of Rs. 12,342.83 Crores for FY 2019-20. The Hon'ble Commission had also added Revenue gap/(surplus) of Rs. 43.20 Crores due to Truing up of FY 2017-18 in the Aggregate Revenue Requirement.

3.22.2. As per the mechanism specified in the MYT Regulation 2016, UGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e. Rs. 133.85 Crores and total gain/(loss) on account of uncontrollable factor i.e. Rs. (1,067.03) Crores to the consumers. Adjusting these to the net Aggregate Revenue Requirement, UGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2019-20 at Rs. 13,319.20 Crores.

3.22.3. This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue with Existing Tariff of Rs. 11,983.09 Crores, Other Consumer related Income of Rs. 202.29 Crores, Agriculture Subsidies of Rs. 505.83 Crores and GUVNL profit allocation as Rs. 27.14 Crores, summing up to a Total Revenue of Rs. 12,718.26 Crores. Accordingly, total Revenue Gap / (Surplus) of UGVCL for FY 2019-20 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 600.94 Crores as shown in the table below:

**TABLE 34 : REVENUE GAP/ (SURPLUS) FOR FY 2019-20**

<b>Rs in Crores</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>FY 2019-20 (Actual)</b>
1	Aggregate Revenue Requirement originally approved for FY 2019-20	12,342.83
2	Add: Gap/(Surplus) of FY 2017-18	43.20
3	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(1,067.03)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	133.85
5	<b>Revised ARR for FY 2019-20 (1 + 2 - 3 - 4)</b>	<b>13,319.20</b>
6	Revenue from Sale of Power	11,983.00
7	Other Income (Consumer related)	202.29
8	<b>Total Revenue excluding Subsidy (6 + 7)</b>	<b>12,185.29</b>
9	Agriculture Subsidy	505.83
10	GUVNL Profit / (Loss) Allocation	27.14
11	<b>Total Revenue including Subsidy (8 + 9 + 10)</b>	<b>12,718.26</b>
12	<b>Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5 - 11)</b>	<b>600.94</b>

3.22.4. The Hon'ble Commission is requested to approve above mentioned gap/ (surplus) and allow UGVCL to recover the same in FY 2021-22.



## SECTION 4. COMPLIANCE OF DIRECTIVES

### 4.1. PREAMBLE

4.1.1. In the Tariff Orders, the Hon'ble Commission has specified following directives to UGVCL, to which, UGVCL is submitting the Compliance, which is as follows:

### 4.2. COMPLIANCE OF DIRECTIVES

#### **Directive issued vide Tariff Order dated 31.03.2020:**

4.2.1. **Smart Grid Pilot Project is functional in the selected area of UGVCL. The Commission directs the UGVCL to come up with a Tariff Proposal within three months from the date of issuance of this Order with features like Demand Response, Time of Day Tariff etc. for all consumers covered under Smart Grid Pilot Project to enable the Commission to implement the Time of Day Tariff for consumers covered under this project. This will help the Commission as well as Utility to analyse the behaviour of consumers to the Dynamic Tariff Structure and to pave the road for implementation of Smart Grid at larger scale**

#### **Compliance:**

UGVCL has submitted compliance report.

4.2.2. **The Petitioner is directed to carry out a study to implement Time of Day Demand Charges i.e. Demand Charges leviable during Peak Demand period and that leviable during off peak Demand Period. The Petitioner is directed to submit the study report by 1st September, 2020.**

#### **Compliance:**

On behalf of 4 DISCOMs, GUVNL has engaged a consultant to carry out a detailed study as per above directive of Hon'ble commission. The study work is under progress and the study report shall be submitted to Hon'ble Commission in due course upon successful completion of study. The study work was hampered due to Corona Pandemic.

4.2.3. **The Petitioner is directed to carry out study for implementation of ToD energy charge for new Residential Roof top Solar Consumer. The Petitioner is directed to submit the study report by 1st September, 2020.**

#### **Compliance:**

On behalf of 4 DISCOMs, GUVNL has engaged a consultant to carry out a detailed study as per above directive of Hon'ble commission. The study work is under progress and the study report shall be submitted to Hon'ble Commission in due course upon successful completion of study. The study work was hampered due to Corona Pandemic.

4.2.4. **The Commission by this order has taken various steps viz. reduction in energy charge for LT and HT Lift Irrigation category enhancement of Night Time Rebate for**

utilisation of electricity by HT category consumers and enhancement of rebate for supply at EHV level. While carrying out the said rationalisation, it was expected to achieve some goals which in turn shall benefit the society at large in terms of conservation of energy, betterment of environment, optimisation of power purchase cost and reduction in T & D losses. To analyse whether such goals are met or not, the DISCOMs are directed to keep the record of number of consumers, their consumption during day and night period etc. and report to the Commission on completion of FY 2020-21.

**Compliance:**

The Hon'ble Commission has directed UGVCL to keep record of number of consumers, their consumption during day and night period etc. and report to the Hon'ble Commission on completion of FY 2020-21. UGVCL will follow the direction and submit report as directed by Hon'ble Commission at the end of FY 2020-21.

**4.2.5. The Petitioner is directed to start Mobile Bill Collection Van facility for the consumers of Rural area. Compliance of this directive to be submitted latest by 30 June, 2020.**

**Compliance:**

Due to Covid-19 pandemic, implementation of Mobile Bill collection Van Facility for the consumers of Rural area is getting delay. However, it is to put under kind perusal of Hon'ble Commission that approval for start cash collection van is given to Sabarmati Circle by R & C Office and accordingly, in Gandhinagar Rural D.O, the process for tendering is completed and collection through VAN in Rural area of Gandhinagar Rural D.O will be start shortly .

**SECTION 5. PRAYER**

**PGVCL respectfully prays to the Hon'ble Commission;**

1. To admit this Petition seeking True up of FY 2019-20.
2. To approve the True up for FY 2019-20 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the MYT Regulations, 2016.
3. To allow recovery of revenue gap/ (surplus) of FY 2019-20 as part of Tariff determination for FY 2021-22.
4. ARR for FY 2021-22 to FY 2025-26 and Tariff Proposal for FY 2021-22 will be filed as an addendum to this Petition once MYT Regulations, 2021 notified or as directed by the Hon'ble Commission.
5. To grant any other relief as the Hon'ble Commission may consider appropriate.
6. 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.
7. 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.

**Declaration that the subject matter of the Petition has not been raise by the Petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any Orders in relation thereto.**

**Signature of the Petitioner**

**(Mr. \_\_\_\_\_)**

**Chief Engineer (Tech and R&C)**

**Place: Mehsana**

**Date: \_\_ November, 2020**

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION****GANDHINAGAR**

Filing No:

Case No:

**IN THE MATTER OF** Filing of the Petition for True Up of FY 2019-20 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

AND

**IN THE MATTER OF** Uttar Gujarat Vij Company Limited,  
Uttar Gujarat Vij Regd. & Corporate office,  
Visnagar Road, Mehsana - 384001

**PETITIONER**

Gujarat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhavan,  
Race Course,  
Vadodara - 390 007

**CO-PETITIONER****THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS**

Affidavit verifying the Petition



I, Mr. \_\_\_\_\_, son of \_\_\_\_\_, aged 55 years, residing at \_\_\_\_\_ - 390007 do

solemnly affirm and say as follows:

I. \_\_\_\_\_ I am the Chief Engineer (Tech and R&C) of the Uttar Gujarat Vij Company Limited (UGVCL), the Petitioner in the above matter and am duly authorized by the \_\_\_\_\_ said the Petitioner to make this affidavit.

II. \_\_\_\_\_ The Statements made in the Petition application herein above are true to my \_\_\_\_\_ knowledge and belief, which I believe them to be true.

Solemnly affirmed at Mehsana on this \_\_\_ November, 2020 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

\_\_\_\_\_

(Mr. \_\_\_\_\_)

Chief Engineer (Tech and R&C)

Identified before me

Place: Mehsana

Date: \_\_\_ November, 2020



## **SECTION 6. ANNEXURE 1: TARIFF FILING FORMATS**