

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**



Summary of Case No. 1911/2020

**Filing of the Petition for True Up of FY 2019-20 and
Determination of Aggregate Revenue Requirement
& Tariff of FY 2021-22**

**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 Limited

Corp. Office: Regd. & Corporate Office, Visnagar Road, MEHSANA - 384 001

“Save Energy for Benefit of Self and Nation”



1. 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 North 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 2019-20 and determination of ARR & Tariff for FY 2021-22.

Case No. 1911/2020

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

2. TRUE -UP FOR FY 2019 - 20:

a) CATEGORY WISE SALES APPROVED AND ACTUAL FOR 2019-20

TABLE 1 : CATEGORY-WISE SALES

Sr. No.	Particulars	Sales(MUs)	
		FY 2019-20 (Approved)	FY 2019-20 (Actual)
A	LT Consumers		
1	RGP	2,418.12	2,462.67
2	GLP	50.79	56.70
3	Non-RGP & LTMD	2,024.59	2,049.25
4	Public Water Works	816.42	814
5	Agriculture - Metered	3,118.88	9,367.84
6	Agriculture - Unmetered	6,312.65	
7	Street Light	56.19	56.37
	LT Total (A)	14,797.64	14,806.40
B	HT Consumers		
8	Industrial HT	8,169.94	7,452.07
9	Railway Traction	-	
	HT Total (A)	8,169.94	7,452.07
	Grand Total (A + B)	22,967.58	22,258.48

b) DISTRIBUTION LOSSES

In FY 2019-20, the actual distribution losses were 6.73% as against the approved level of 9.70%. The table below highlights the comparison of actual distribution losses of UGVCL against that approved by the Hon’ble Commission vide its Tariff Order.



Table 2 : Distribution Losses

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)
1	Distribution Losses	9.70%	6.73%

c) **ENERGY REQUIREMENT AND ENERGY BALANCE:**

The gross energy requirement of UGVCL is as under

TABLE 3 : ENERGY REQUIREMENT AND ENERGY BALANCE

Energy Balance				
S.No.	Particulars	Unit	FY 2019-20 Approved	FY 2019-20 Actual
1	Energy Sales	MUs	22,967.58	22,258.48
2	Distribution Losses	MUs	2,467.17	1,606.26
		%	9.70%	6.73%
3	Energy Requirement	MUs	25,434.75	23,864.74
4	Less: Local Power Purchase by Discom	MUs		71.87
5	Power Purchase at T<>D periphery from GUVNL	MUs	25,434.75	23,792.87
6	Transmission Losses	MUs	1,018.00	919.95
		%	3.85%	3.72%
7	Total Energy to be input to Transmission System	MUs	26,452.75	24,712.82
8	Pooled Losses in PGCIL System	MUs	396.26	330.18
9	Add: Local Power Purchase by Discom	MUs		71.87
10	Total Energy Requirement	MUs	26,849.02	25,114.87

d) **CAPITAL EXPENDITURE:**

The scheme-wise capital expenditure incurred in FY 2019-20 against approved by the Hon'ble Commission is as shown below:

Table 4 : Capital Expenditure



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Rs in Crores

	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
A	Distribution Schemes			-
	Normal Development Scheme	208.14	334.46	(126.32)
	System Improvement Scheme	40.00	48.01	(8.01)
	HVDS in Selected Sub-division	4.50	11.87	(7.37)
	Under Ground Cables	100.00	-	100.00
	Plan Load Management Transformer	4.00	-	
	Others (VDS)	0.65	-	
	Total	357.29	394.35	(37.06)
B	Rural Electrification Schemes-Plan		-	-
	TASP(Wells and Petapara)	20.00	32.79	(12.79)
	Schedule Caste Sub Plan (Wells)	4.00	1.40	2.60
	Schedule Caste Sub Plan (Lighting)	2.50	2.76	
	Electrification of Hutments	4.00	4.77	
	Kutir Jyoti Scheme	0.45	1.67	
	Dark Zone	140.00	132.60	
	Sagarkhedu	4.50	0.91	
	Sardar Krushi Jyoti Scheme (SKJY)	16.40	28.77	
	Solar Home Light	15.00	-	
	Total	206.85	205.68	1.17
C	Central Government Scheme Plan		-	-
	Din Dayal Upadhyay Gramin Jyoti Yojana	-	5.50	
	RAPDRP Part A	2.05	1.70	
	Integrated Power Development Scheme	-	23.64	
	SCADA Part A	0.21	3.64	
	Smart Grid	2.00	3.22	
	Total	4.26	37.70	
D	Non Plan Schemes		-	-
	RE Non Plan (Tatkal)	2.00	1.95	
	AG Normal (SPA)	30.00	55.56	
	Energy Conservation	0.10	-	0.10
	Total	32.10	57.51	(25.41)
E	Other New Schemes		-	-
	Automation and Computerisation	4.35	4.11	0.24
	Civil Works and New Buildings	12.00	7.30	4.70
	GIS in cities	0.20	-	0.20
	Other Schemes (Earthing)	0.80	1.46	(0.66)
	Other Repairing Work/Civil Work	2.00	-	2.00
	New Furnitures and Fixtures	1.00	1.47	(0.47)
	Vehicles	0.50	0.70	(0.20)
	DSM	2.00	-	2.00
	DISS	15.00	16.38	(1.38)
	Solar Pump	5.00	-	5.00
	Total	42.85	31.41	11.44
F	Capital Expenditure Total	643.35	726.64	(83.29)

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 2019-20 is mentioned in the table below.

Table 5 : Funding of Capitalisation

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Capitalization	643.35	724.92	(81.57)
2	Less : Consumer Contribution	72.65	157.46	(84.81)
3	Grants	129.95	83.01	46.94
4	Balance CAPEX	440.75	484.45	(43.70)
5	Debt @ 70%	308.53	339.12	(30.59)
6	Equity @ 30%	132.23	145.34	(13.11)



e) **AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20**

Aggregate Revenue Requirement for FY 2019-20 for UGVCL in comparison with values approved by the Hon'ble Commission is as under:

TABLE 6 : 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	Sub-Total [1 to 6]	12,251.77	12,928.39	(676.61)
8	Return on Equity	215.36	215.92	(0.56)
9	Provision for Tax / Tax Paid	14.38	16.84	(2.46)
10	Total Expenditure (7 to 9)	12,481.51	13,161.14	(679.62)
11	Less: Non-Tariff Income	138.68	152.84	(14.16)
12	Add: DSM Expenses			
13	Aggregate Revenue Requirement (10 - 11)	12,342.83	13,008.30	(665.47)

f) **SHARING OF GAINS & LOSSES**

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

TABLE 7 : NET GAIN/ (LOSS) FOR FY 2019-20



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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)
9	ARR (1 to 8)	12,481.51	13,161.14	401.56	(1,081.19)
10	Non - Tariff Income	138.68	152.84	-	(14.16)
11	Total ARR (9-10)	12,342.83	13,008.30	401.56	(1,067.03)

g) REVENUE FOR FY 2019-20

ACTUAL REVENUE OF UGVCL FOR FY 2019-20, IS AS UNDER:

TABLE 8 : REVENUE FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	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	
4	Total Revenue excluding subsidy (1 + 2 + 3)	11,541.86	12,185.29
5	Agriculture Subsidy	521.64	505.83
6	Total Revenue including subsidy (4 + 5)	12,063.50	12,691.12

h) REVENUE GAP/(SURPLUS) FOR FY 2019-20

Table 9: Revenue Gap for FY 2019-20



Rs in Crores		
Sr. No.	Particulars	FY 2019-20 (Actual)
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	Revised ARR for FY 2019-20 (1 + 2 - 3 - 4)	13,319.20
6	Revenue from Sale of Power	11,983.00
7	Other Income (Consumer related)	202.29
8	Total Revenue excluding Subsidy (6 + 7)	12,185.29
9	Agriculture Subsidy	505.83
10	GUVNL Profit / (Loss) Allocation	27.14
11	Total Revenue including Subsidy (8 + 9 + 10)	12,718.26
12	Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5 - 11)	600.94

The Hon'ble Commission is requested to approve above mentioned gap and allow UGVCL to recover this gap in FY 2021-22.

3. ARR and Tariff Determination for FY 2021-22:

The Aggregate Revenue Requirement for FY 2021-22 as per GERC MYT Regulations, 2016 is projected as below:



Rs in Crores		
Sr. No.	Particulars	FY 2021-22 (Projected)
1	Cost of Power Purchase	11,771.52
2	Operation & Maintenance Expenses	807.09
2.1	Employee Cost	702.86
2.2	Repair & Maintenance	105.10
2.3	Administration & General Charges	105.57
2.4	Other Debits	-
2.5	Extraordinary Items	-
2.6	Net Prior Period Expenses / (Income)	-
2.7	Other Expenses Capitalised	(106.44)
3	Depreciation	402.58
4	Interest & Finance Charges	214.13
5	Interest on Working Capital	-
6	Provision for Bad Debts	1.39
7	Sub-Total [1 to 6]	13,196.72
8	Return on Equity	258.68
9	Provision for Tax / Tax Paid	16.84
10	Total Expenditure (7 to 9)	13,472.24
11	Less: Non-Tariff Income	152.84
12	Aggregate Revenue Requirement (10 - 11)	13,319.40

(a) Projection of Sales (MUs)

The estimated Sales are projected in the table below:

PROJECTION OF SALES (MUs)		
Sr. No.	Category	FY 2021-22
	Low Tension	
1	RGP	2,815
2	GLP	126
3	Non-RGP & LTMD	2,375
4	Public Water Works	950
5	Agriculture - Unmetered	6,391
6	Agriculture - Metered	3,752
	Sub Total	16,408
	High Tension	
1	Industrial HT	8,216
	Sub Total	8,216
	Total	24,624

(b) Revenue Projection:

Based on projected sales & existing retail tariff, revenue from sale of power works out to Rs. 8,526Crore for FY 2021-22. The consumer category wise revenue for FY 2021-22 estimated by UGVCL is as given in the following table:



TABLE 1: REVENUE AT EXISTING TARIFF FOR FY 2021-22

S.No.	Particulars	Revenue excluding FPPPA (Rs in Crores)
A	LT Consumers	
1	RGP	1,005
2	GLP	53
3	Non-RGP & LTMD	1,325
4	Public Water Works	347
5	Agriculture-Unmetered	909
6	Agriculture-Metered	339
7	Public Lighting	
	LT Total (A)	3,977
B	HT Consumers	
8	Industrial HT	4,548
9	Railway Traction	-
	HT Total (B)	4,548
	Grand Total (A + B)	8,526

The Revenue from FPPPA for FY 2021-22 has been projected considering the base rate of 179 paise per unit. The FPPPA projection for FY 2021-22 is as given in the table given below:

		Rs in Crores
Sr. No.	Particulars	FY 2021-22 (Projected)
1	Projected Sales (MU)	24,624.23
2	FPPPA Rate (Rs./kWh)	1.79
3	Revenue from FPPPA (Rs. Crore)	4,407.74

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 2021-22 is as shown below:

TABLE 2: TOTAL REVENUE FOR FY 2021-22

		Rs in Crores
Sr. No.	Particulars	FY 2021-22 (Projected)
1	Revenue with Existing Tariff	8,525.59
2	FPPPA Charges	4,407.74
3	Other Income (Consumer related)	197.50
4	Agriculture Subsidy	554.36
5	Total Revenue including subsidy (1 to 4)	13,685.18

Based on the above, the estimated revenue gap/ (surplus) for FY 2021-22 at existing tariff is as outlined in the table below:

TABLE 3: ESTIMATED REVENUE GAP FOR FY 2021-22 AT EXISTING TARIFF



Rs in Crores

Sr. No.	Particulars	FY 2021-22 (Projected)
1	Aggregate Revenue Requirement	13,319.40
2	Revenue Gap from True up of FY 2019-20	600.94
3	Total Aggregate Revenue Requirement	13,920.34
4	Revenue with Existing Tariff	8,525.59
5	FPPPA Charges	4,407.74
6	Other Income (Consumer related)	197.50
7	Agriculture Subsidy	554.36
8	Total Revenue including subsidy (4 to 7)	13,685.18
9	Gap / (Surplus) (3 - 8)	235.16

(a) **Tariff Proposal:**

Company has submitted True-up application for FY 2019-20 and Determination of ARR & Tariff for FY 2021-22 under GERC (Multi Year Tariff) Regulations, 2016. There is No Increase in the tariff for FY 2021-22. However, following change are proposed in the tariff structure for FY 2021-22:

- Base rate for FPPPA charges works out to Rs. 1.79 paisa / unit to estimate the revenue for FY 2021-22

(l) **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. 200/- to the interested persons at the office of The Chief Engineer, Regd. and 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/- (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

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

Pursuant to GERC (Multiyear 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 12.02.2021 and also indicate whether they intend to be heard in person.