**True-Up for FY 2020-21**

1. Please submit CAG Certificate in respect to Annual Accounts for FY 2020-21.

**Compliance:** Copy of CAG Certificate is appended herewith as **Annexure-A.**

1. On studying the Excel sheet submitted along with soft copies of the Petition regarding projection of sales for various categories, it is observed that slab-wise break up for each category of consumer has been worked out based on certain figures, which do not tally with the figures of actual sales for FY 2019-20 or FY 2020-21 or any other figure. Petitioner is required to explain the base figure of sales for each category of consumer on which slab-wise consumption has been projected.

**Compliance:** Revised Excel working is for consists of all Discoms data is provided vide mail dated **15/01/2022.**

1. Significant increase in the sales is observed in LT categories (RGP, GLP, Agriculture-Metered and Agriculture-Unmetered) as compared to approved sales.  UGVCL should submit reason for the same.

**Compliance:** UGVCL submits that due to COVID-19, lockdown was imposed in the Country and majority of the people were staying at home for higher number of hours in comparison to past which seems major reason for increase in RGP consumption. It is also important to note that for FY 2019-20, the Hon’ble Commission has approved sale of 2418 MU whereas actual sale was 2463 MU and hence base is on higher side. Growth in sales for FY 2020-21 over FY 2019-20 was approved at 7.26% and actual growth rate is 7.93% which is near to approval.

The Hon’ble Commission has approved sale of 54 MU and 58 MU for GLP and Street light category respectively. Subsequently, the Hon’ble Commission has merged streetlight category with GLP category and hence sales shown in GLP category seems on higher side when it is compared with approved GLP sales. In combine, actual sales of GLP category is lower than approved sales under GLP (GLP + Streetlight) category.

Increase in agriculture consumption is depends on release of no. of connections, rain during monsoon season and number of hours of power supply. It is submitted that at the time of approval of sale for agriculture category, UGVCL has envisaged that it will release around 32,850 no. of agriculture metered connections during FY 2018-19 to FY 2020-21. In actual, UGVCL has released around 52,000 no. of agriculture metered connections during FY 2018-19 to FY 2020-21 which is main reason for increase in sales along with contribution from other parameters.

1. As regards sales to agricultural category, UGVCL should
	1. submit the break-up of revenue from sales to metered agricultural category and un-metered agricultural category;

**Compliance:**

|  |  |  |
| --- | --- | --- |
| **Sr No** | **Category** | **Revenue in Crore** |
| **2020-21** |
| 1 | AG Metered | 1659.92 |
| 2 | AG Unmetered | 1462.59 |
| Total | **3122.51** |

* 1. Explain the significant increase in revenue as compared to approved revenue, though the overall actual sales increased by only 391 MU over the approved sales;

**Compliance:** It is submitted that the Hon’ble Commission has approved Revenue of Rs. 2,712 Crore (Rs. 1,183 Crore tariff + Rs. 1,529 Crore FPPPA @ Rs. 1.59/kWh) as against that actual revenue is Rs. 3,123 Crore which is increase of Rs. 411 Crore. Two main contributors for increase in tariff is increase in sale by 391 MU and increase in FPPPA charges (Rs. 1.86 / kWh for FY 2020-21)

* 1. Provide details of actual vs. projected hours of supply to metered agricultural connections and unmetered agricultural connections.

**Compliance:** Projected hours of supply to metered & Un metered agriculture connections were 8 hours. However, Actual Average AG power supply had been given to ag consumer is 08:07:44 hours for year 2020-21 in this 10 hours AG power supply had been given to All AG consumer from dated 07.08.20 to 27.08.20.

1. UGVCL should submit the comparison of actual Average Billing Rate (ABR) vis-à-vis the approved ABR for each category and explain the difference in ABR for each category.

**Compliance:** Comparison of actual ABR vis-à-vis approved ABR is as under:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Particular** | **FY 2020-21(Approved)** | **FY 2020-21(Actual)** | **Difference** |
| 1 | RGP | 3.55 | 5.43 | 1.87 |
| 2 | GLP | 4.32 | 6.14 | 1.82 |
| 3 | Non-RGP & LTMD | 5.57 | 7.44 | 1.87 |
| 4 | Public Water Works | 3.51 | 5.94 | 2.43 |
| 5 | Agriculture | 1.23 | 3.12 | 1.89 |
| 6 | Industrial HT | 5.28 | 7.12 | 1.84 |

Main reason for difference in Approved ABR vis-à-vis Actual ABR is FPPPA charges of Rs .1.86/kWh for FY 2020-21. It is to note that change in consumption pattern by each consumer also contributes to change in actual ABR as the calculation of ABR for approval by the Hon’ble Commission is based on past trend of consumption pattern.

For Public water works, over and above FPPPA charges, receipt of higher receipt of subsidy of Rs. 37.50 Crore has contributed to higher Actual ABR. UGVCL has received subsidy of Rs. 306.70 Crore against claim of Rs. 269.02 Crore for FY 2020-21 due to pending claim of past period.

1. As regards the lower actual Distribution Losses reported by UGVCL as compared to target Distribution Losses for FY 2020-21, UGVCL should submit the following data:
	1. Comparison of Distribution Loss in FY 2020-21 w.r.t. Distribution Loss in FY 2018-19 and FY 2019-20;

**Compliance:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particular** | **FY 2018-19** | **FY 2019-20** | **FY 2020-21** |
| UGVCL | 11.20%  | 6.73%  | 6.76% |

* 1. Division-wise losses in FY 2018-19, FY 2019-20, and FY 2020-21;

**Compliance:** UGVCL submits that “Overall Distribution losses” are worked out at Division Level based on input energy recorded in the “Energy Meters” provided at “Feeder Level” (i.e. energy input/sent units in the distribution system and energy recorded in the “Consumers Meter” (i.e. energy output/sold units) during the given period of time. It includes all types of energy transactions including energy transactions due to wheeling of power under open access.

Whereas losses considered in the True up petition based on Books of Accounts, depicts the figures of the “Distribution Loss” considering the purchase and sale of Power for its retail business only i.e. Excluding wheeled energy. Therefore, Division wise Distribution Loss level information may not serve the purpose.

* 1. Category-wise Consumer mix in percentage in FY 2018-19, FY 2019-20, and FY 2020-21;

**Compliance:**

| **Sr. No.** | **Consumer Category** | **FY 2018-19** | **FY 2019-20** | **FY 2020-21** |
| --- | --- | --- | --- | --- |
| 1 | RGP | 77.61% | 77.31% | 76.94% |
| 2 | GLP | 1.12% | 1.13% | 1.12% |
| 3 | Non-RGP & LTMD | 10.29% | 10.48% | 10.71% |
| 4 | Public Water Works | 0.61% | 0.62% | 0.62% |
| 5 | Agriculture | 10.25% | 10.34% | 10.48% |
| 6 | Industrial HT | 0.12% | 0.12% | 0.12% |
| 7 | Railway Traction | 0.00% | 0.00% | 0.00% |

* 1. Category-wise consumption mix in percentage in FY 2018-19, FY 2019-20, and FY 2020-21;

**Compliance:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Sr. No.** | **Consumer Category** | **FY 2018-19** | **FY 2019-20** | **FY 2020-21** |
| 1 | RGP | 10.07% | 11.06% | 11.65% |
| 2 | GLP | 0.47% | 0.51% | 0.37% |
| 3 | Non-RGP & LTMD | 8.64% | 9.21% | 8.36% |
| 4 | Public Water Works | 3.33% | 3.66% | 3.78% |
| 5 | Agriculture | 43.47% | 42.09% | 43.84% |
| 6 | Industrial HT | 34.02% | 33.48% | 31.99% |
| 7 | Railway Traction | 0.00% | 0.00% | 0.00% |

* 1. HT:LT ratio of distribution network in FY 2018-19, FY 2019-20, and FY 2020-21;

**Compliance:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Year** | **2018-19** | **2019-20** | **2020-21** |
| HT: LT ratio | 1.46:1 | 1.49:1 | 1.48:1 |

* 1. Percentage of metered and unmetered agricultural consumption out of total consumption in FY 2018-19, FY 2019-20, and FY 2020-21.

**Compliance:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particular** | **FY 2018-19** | **FY 2019-20** | **FY 2020-21** |
| AG - Unmetered | 28.26% | 28.71% | 28.45% |
| AG - Metered | 15.21% | 13.37% | 15.39% |

1. UGVCL should submit documentary proof for claiming pooled losses in PGCIL system of 460.05 MUs for FY 2020-21.

**Compliance:**

The PGCIL system pooled losses are worked out as per the weekly Pooled Losses notified by WRLDC for the energy scheduled by WRLDC through CTU for FY 2020-21. The copy of weekly pooled losses notified by WRLDC is annexed as **Annexure GU-01** whereas the detail for Power Purchase from Centre Sector is already provided in Form 02. Further, the details of DISCOM wise pooled losses are as under:



1. UGVCL should submit the SLDC Certificate for the Energy Input considered in the Energy Balance for FY 2020-21.

**Compliance:**

Copies of month wise State Energy Certificate is annexed as **Annexure GU-02** (Collectively).

1. As regards power purchase cost for FY 2020-21, UGVCL should submit the following:
	1. source-wise power purchase per unit cost approved in MTR Order and source wise-per unit power purchase cost now claimed in Truing-up;

**Compliance:**

The details of source wise power purchase per unit cost approved in the MTR Order dated 24.04.2019 viz-a-viz per unit power purchase cost claimed in Truing up is as annexed at **Annexure GU-03.**

* 1. UGVCL should also list unapproved sources, if any, from whom power was procured during FY 2020-21;

**Compliance:**

The Power purchase during FY 2020-21 was from approved sources. Further, Ministry of Power has allocated additional capacity from NTPC on account of capacity surrendered by other beneficiary States. The tariff for NTPC Generating Stations is determined by Hon’ble CERC.

* 1. Provide the DISCOM-wise power purchase considered from various sources, as Form 2 submitted by UGVCL summarises the combined power purchase of all 4 State DISCOMs;

**Compliance:**

It is to state that Hon’ble Commission has approved BST Mechanism for allocation of power purchase cost incurred by GUVNL to DISCOMs. Accordingly, power purchase cost for FY 2020-21 is allocated to DISCOMs on bulk supply basis and therefore in Form-2 of the petition, combined power purchase cost incurred by GUVNL is provided.

* 1. Details of source-wise purchase from gas-based plants and steps taken to optimise the cost of purchase from gas-based plants.

**Compliance:**

The details of source wise power purchase from Gas based Power project plant during FY 2020-21 are as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Name of Gas based Power Station** | **Mus** | **Variable Cost (Rs./Unit)** |
| 1 | GSECL Utran Expansion | 1724 | 2.84 |
| 2 | GSECL Dhuvaran – 7 | 325 | 2.64 |
| 3 | GSECL Dhuvaran – 8 | 325 | 2.91 |
| 4 | GSECL Dhuvaran CCPP III | 937 | 2.91 |
| 5 | Gujarat State Energy Generation | 383 | 3.00 |
| 6 | Gujarat State Energy Generation Expansion | 1265 | 2.79 |
| 7 | Gujarat Industries Power Co Ltd (165 MW) | 18 | 3.54 |
| 8 | Gujarat Industries Power Co Ltd (145 MW) | 96 | 2.21 |
| 9 | GPPC Pipavav | 2677 | 2.79 |
| 10 | NTPC-Kawas | 351 | 2.11 |
| 11 | NTPC-Jhanor | 345 | 2.28 |

As regard to optimization of power cost of gas based generating station, it is to state that in order to optimise the cost of power from Gas based power plant, GUVNL has tied up Gas on High Sea sale basis from time to time as per the power requirement and considering the Gas based generation cost as per the Gas price at international market.

* 1. Power purchase expenses as claimed in the Petition does not tally with the Power Purchase expense as submitted under FPPPA and Additional Surcharge submission to the Commission. It is requested to reconcile the same.

**Compliance:**

**(A)** As regard to Power Purchase Cost as per FPPPA submission viz-a-viz claimed in the Petition, it is to state that total power purchase cost as per the FPPPA submissions for FY 2020-21 is as under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Quarter** | **Q1** | **Q2** | **Q3** | **Q4** | **Total** |
| Amount (Rs. Crore) | **9941** | **9145** | **10914** | **12216** | **42215** |

Whereas, the net power purchase cost claimed in the Petition is Rs. 41268 Crores after deducting the amount of Rs. 2015 Crore for the provision made in the books towards payment liability as per the judgment of Hon’ble Supreme Court (provision made on best estimation basis as the amount is yet to be quantified by lower court / forum).

Thus, there is difference of Rs. 947 Crore in the Power Purchase cost as per FPPPA and power purchase cost claimed in the Petition for true up of FY 2020-21.

In this regard, it is to state that as per the directive of Hon’ble Commission, FPPPA is claimed based on actual payment made during respective quarter. which do not include un-discharged liability / provisions etc. but includes the amount which is paid during the quarter for which liability is accrued and booked as expenditure in the Books of previous year. Whereas Annual Accounts are prepared on accrual basis as per the Indian Accounting Standards (IND-AS) which includes undischarged liabilities / provisions on account of matters pending in various courts and estimated as per the orders of competent courts / best assessment basis.

Thus, the major reasons for difference in power purchase cost as per submissions of FPPPA and as claimed in the Petition for FY 2020-21 are as following:

**(a) The amount which provided in Books for FY 2020-21 but not claimed in FPPPA submission for FY 2020-21**

1. The amount of Rs. 606.54 Crore (in addition to Rs. 2015 Crore) is provided in the Books being amount decided, accrued and quantified as per the order of lower forum and there is immediate liability to pay but due to pendency of matter in higher forum. Thus, the amount of Rs. Rs. 606.54 Crore is considered in the Books / Petition as power purchase cost but the same is not part of FPPPA submissions.

**(b) The amount which is claimed as part of FPPPA submission of FY 2020-21 but provided in Books of previous years.**

1. The amount of Rs. 496 Crore paid to Nuclear Power Corporation (NPC) in FY 2020-21 towards past period tariff difference, which is booked as power purchase expenditure in the books of FY 2019-20 but claimed in FPPPA calculation for first quarter of FY 2020-21.

**(c) The amount of Credit for FY 2020-21 received and Booked for FY 2020-21 subsequent to FPPPA submission for FY 2020-21.**

1. There was credit receipt for the amount of Rs. 217.45 Crore in respect of GSECL towards COVID-19 rebate and receipt of net credit of Rs. 114 Crore in respect of GETCO for FY 2020-21 after FPPPA submissions for FY 2020-21 to Hon’ble Commission.

**(d) The amount which is part of FPPPA submission but not booked in Account of FY 2020-21.**

1. The GUVNL cost @ Rs. 0.04/Unit (Rs. 374 Crore) considered in FPPPA submission as per methodology approved by Hon’ble Commission but the said amount is not part of power Purchase cost in the Books of GUVNL Accounts.
2. SLDC Charges (Rs. 33 Crore) is considered in the FPPPA submission as per methodology approved by Hon’ble GERC but the said amount is not part of Power purchase cost as the SLDC charges is directly paid by DISCOMs and thus it is booked in DISCOMs Books of Accounts under power purchase expenses.

**(e) Others**

1. In case of GSECL Station, there is deduction of Rs. 165 Crore in the FCA claim of GSECL after FPPPA submissions for FY 2020-21 to Hon’ble Commission.
2. The aggregate amount of Rs. 155 Crore is claimed in FPPPA submissions for actual payment made in FY 2020-21 towards Change in Law claims for past period in respect of CGPL/GIPCL (SLPP/SLPP Exp).

**(B)** As regard to Power Purchase Cost as per Additional Surcharge submission viz-a-viz claimed in the Petition, there is net difference of Rs. 88 Crore i.e. lower claim of Rs. 88 Crore in the Additional Surcharge submissions. The reason for such difference is on account of additional claim / provisions in the Books of account after submission of Additional Surcharge claim.

* 1. As per Form 2 of the Petition, Power Purchase Expense for FY 2020-21 is Rs. 43283 Crore. As per para 3.6.6. of the Petition, out of total power purchase cost, Rs. 2015 Crore is reduced being provisional amount against disputed cases related to power purchase. It is observed from GUVNL Accounts Note 23 that provision for disputed matters with power generators for FY 2020-21 works out to Rs. 2621.54 Crore. It is requested to clarify why only Rs. 2015 Crore is considered for adjustment in power purchase cost instead of Rs. 2621.54 Crore.

**Compliance:**

In this regard, it is to state that the provision for amount of Rs. 2015 Crore is related to payment liability as per the judgment of Hon’ble Supreme Court and the amount is provided on best estimation basis as the liability is yet to be quantified by lower court / forum. Further, the amount of Rs. 606.54 Crore (in addition to Rs. 2015 Crore) is provided in the Books being the amount is decided, accrued and quantified as per the order of lower forum and there is immediate liability to pay but due to pendency of matter in higher forum.

* 1. In Table 13 of the Petition, DSM income receivable is shown as Rs. 158.57 Crore. While in Note 50 B, UI Income is shown as Rs. 161.37 Crore while UI Expenses are shown as Rs. 1.66 Crore and thus, net UI Income works out to Rs. 159.71 Crore. Please clarify the difference.

**Compliance:** Net DSM income receivable also includes Rs. 1,14,59 ,971 towards congestion charge raised by GETCO over and above UI expense of Rs. 1.66 Crore and hence net DSM income receivable works out to Rs. 158.57 Crore.

1. UGVCL should submit the status of RPO compliance for FY 2020-21, and cumulative shortfall/surplus till FY 2020-21, if any, separately for Solar, Non-Solar RPO and Other RE sources. Moreover, it is observed that figures of procurement of energy from various sources as reported under RPO compliance report submitted by GUVNL on quarterly basis and on annual basis, as reported under FPPPA submission and as submitted in the Petition does not reconcile with each other. It is requested to clarify on the same.

**Compliance:**

It is to state that on behalf of four State owned DISCOMs, GUVNL is submitting RPO status to Hon’ble Commission. The status of RPO compliance at the end of FY 2020-21 is as under:

As regard to difference between quantum of Renewable Energy as per FPPPA submissions and quantum of Renewable Energy as per RPO compliance submission on quarterly basis, it is to state that the FPPPA submission includes purchase of Renewable Energy from the RE projects having PPA with GUVNL only whereas in addition to RE purchase under PPA based project with GUVNL, the RPO compliance submission also includes the Renewable Energy locally purchased by DISCOMs / Renewable Energy wheeled for captive / third party use and RE attribute is not claimed by consumers.

1. As regards average power purchase cost of Rs. 4.24/kWh considered in Table 14 of the Petition, UGVCL should provide computation for the rate of Rs. 4.24/kWh w.r.t. the power purchase cost shown in Form 2 of the Formats.

**Compliance:** It is to submit that power purchase cost shown in Form 2 is overall power purchase cost incurred by GUVNL for all four distribution companies whereas power purchase cost of Rs. 4.24 / kWh is pertaining to UGVCL. Calculation of power purchase cost of Rs. 4.24/kWh is as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **Particular** | **Unit** | **Amount** | **Remark** |
| Power Purchase Cost | Rs. Crore | 10,949.27 | Table 13 of the Petition |
| Power Purchase Quantum | MU | 25,819.26 | Table 10 of the Petition |
| Average Power Purchase Cost | Rs./kWh | 4.24 |  |

1. UGVCL has submitted the scheme-wise capitalisation in FY 2020-21. UGVCL should submit the scheme-wise capital expenditure in FY 2020-21, along with the details of Opening CWIP, Capitalisation against CWIP and new Schemes, and Closing CWIP for FY 2020-21.

**Compliance: Detail of scheme wise CWIP is provided as an Annexure – B.**

1. UGVCL should give reasons for not incurring capex against approved scheme i.e., Plan Load Management Transformer, RAPDRP Part A, SCADA Part A, Smart Grid, Energy Conservation, GIS in cities, Other Schemes (Earthing), Other Repairing Work/Civil Work and DSM., as seen in the Table 16 of the Petition.

**Compliance:** For RAPDRP Part A, Facility Management Services (FMS) was not started & Smart Grid FMS is going on. SCADA Part-A was short close. Other Repairing Work/Civil Work were suffered due to Covid -19 pandemic. Dehgam project did not start by contractor due to technical reason and chiloda and patan project were delayed due to land issue. While other schemes were not finalized/incurred due to COVID-19 Pandemic.

1. As regards the capital expenditure and capitalisation incurred during FY 2020-21, UGVCL should submit the detailed reasons and justification for increase/(decrease) in cost of all schemes compared to approved scheme cost, with break-up into:
	1. Variation due to delay in execution of the project compared to approved timelines, and justification for the same;
	2. Variation due to change in scope of work, and justification for the same;
	3. Variation due to increase in price.

**Compliance:** Most of the capital investment schemes by the UGVCL are of continuous and ongoing nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to consumers, reduction in losses, release of agriculture connections, etc. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short time period, most of the capital investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward.

1. UGVCL has considered gross capitalisation instead of net capitalisation (net of assets decommissioned) for working out the eligible debt and equity amount for FY 2020-21. Please explain the reasons for the same.

**Compliance:** Discom has to raise fund for the new assets (addition) created during the year either in the form of Grant, Consumer contribution, debt or equity whereas benefits of deduction in the assets are taken care in the form of gain/ (loss) in sale of scrap. Hence, Discom has considered Gross capitalization for working out the eligible debt and equity amount for FY 2020-21.

1. As regards the Capex Schemes in FY 2020-21, UGVCL should submit the following details:
	1. Actual scheme-wise funding of capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc;
	2. Proof of scheme-wise debt funding;
	3. Proof of equity funding against Capitalisation;
	4. Cost-benefit analysis for capitalised works, including details of improvement in reliability indices and loss reduction due to system improvement schemes, costing per agricultural connection, etc.

**Compliance:** Discom is raising fund in totality considering expected capital expenditure and similarly grant is released by respective agency based on availability of fund. It is possible that Discom has used grant for capital expenditure and asset is yet to get capitalised. It is possible that scheme capitalised in FY 2020-21 and its grant and consumer contribution is received in FY 2019-20 or before that. To make things simpler and considering the interest of the consumers, Discom is offering grant and consumer contribution received during the financial year for reduction of funding requirement irrespective of grant & consumer contribution is used or capital expenditure carried out through grant & consumer contribution is capitalized.

Discom is meeting its funding requirement first from grant and consumer contribution and remaining is met through raising debt, retaining earnings, internal accruals etc. Discom has provided details of fund raised during the year and remaining is met through equity contribution. For the purpose of calculation of ARR, Discom has restricted equity contribution to normative level 30% of funding as per MYT Regulations, 2016.

It is to submit that most of the capital expenditure schemes are driven by either government schemes/ targets or meeting supply obligations. In both the scenario, Discom does not have option to decide whether to invest in capital expenditure scheme or not. Hence, working out cost benefit analysis for the scheme may not be use as Discom has to carried out the scheme.

1. Please clarify whether any actual payment towards pay revision is made to employees during FY 2020-21?

**Compliance:** Discom has not made any arrear payment towards pay revision to employees during FY 2020-21.

1. As per Ministry of Finance, Government of India Notifications, Dearness Allowance to the employees for period 01.01.2020 to 01.07.2021 was not paid. It is requested to give the exact amount in Rs. Crore for such non-payment of Dearness Allowance. And also explain why the reduction in employee cost on the account of non-payment of such DA should not be considered as uncontrollable deviation.

**Compliance:** it is to submit that as Dearness Allowance to the employees for period 01.01.2020 to 01.07.2021 was not paid and hence it is not possible to workout amount of such non-payment of Dearness Allowance.

UGVCL submits that the Hon’ble Commission approves employee cost on overall basis and does not approve component wise. The Hon’ble Commission has considered escalation rate of 5.72% over approved employee cost for FY 2019-20 to arrive at employee cost for FY 2020-21. Even if actual increase in employee cost is higher than 5.72% due to various factors like regular increment of employee’s salary, increment in DA by competent authority etc. which are beyond control of Discom, the Hon’ble Commission has always considered such increase as controllable only. The Hon’ble Commission has not carried out exercise with reference to increment in DA and allowed addition employee cost incurred by the Discom as uncontrollable. In view of the same, variation in employee cost should be treated as controllable on overall basis and not to analyse component to component wise and determine whether it is controllable or uncontrollable.

1. As regards A&G Expenses, UGVCL should submit the details and justification for expenses booked under ‘Miscellaneous Losses and Write-off and ‘Other Administration & General Expenses’.

**Compliance:**

**Miscellaneous Losses & Write off**

|  |  |  |
| --- | --- | --- |
| **A/c Head** | **Description** | **CB 31-03-21** |
| 79530 | Compensation Fr Injuries Deaths-Staff | 8,133 |
| 79531 | Comp Fr Inj Death Damage-Outsiders | 1,87,25,628 |
| 79561 | Loss On Obsolescence Of Stores | 53,86,146 |
| 79572 | Loss On Sale Of Scrap | 43,83,936 |
| 79599 | Other Losses And Write-Off | 9,58,130 |
|  | **Total** | **2,94,61,974** |

**Other Administration & general Expenses**

| **A/C Head** | **Description** | **CB 31-03-21** |
| --- | --- | --- |
| 76108 | Testing Charges | 1,18,23,437 |
| 76111 | Telephones And Trunk calls | 25,08,944 |
| 76112 | Postage And Telegrams | 62,28,685 |
| 76113 | Telexes & Teleprinter Charges | 11,675 |
| 76114 | Courier Charges | 2,46,650 |
| 76115 | Fax Charges | 28,838 |
| 76116 | Mobile Phone Expenses | 1,61,68,824 |
| 76123 | Consultancy Fees And Expenses | 32,70,876 |
| 76125 | Other Prof Fees And Expenses | 20,38,769 |
| 76126 | Documentation And Design Charges | 6,98,936 |
| 76127 | Honorarium | 3,67,080 |
| 76128 | Expenditure For Paper Setting & Checking | 97,58,883 |
| 76151 | Other Fees & Subscriptions | 3,23,503 |
| 76152 | Books And Periodicals | 3,62,461 |
| 76153 | Printing & Stationery | 3,99,04,444 |
| 76154 | Expenditure On Computer Billing & Edp Chags. | 3,46,05,333 |
| 76156 | Zerox Copy Charges | 47,37,146 |
| 76157 | Contri.S & Charities | 50,000 |
| 76160 | Water Charges | 86,32,993 |
| 76165 | Guest House Expenses | 21,59,700 |
| 76166 | Upkeep Of Office/Board-S Premises. | 1,38,03,878 |
| 76168 | Expenditure Incurred On Consumer Billing & Coll. C | 1,37,90,661 |
| 76169 | Security Measures For Safety And Protection | 8,33,99,509 |
| 76170 | Gardening & Horticultural Expenses | 9,71,686 |
| 76171 | Conference/Meeting Expenses | 8,82,173 |
| 76172 | Bill Collection Charges Paid To Various Agencies | 1,67,80,999 |
| 76173 | Bill Collection Charges Paid To E-Gram Panchayat | 1,35,45,800 |
| 76176 | Hospitality Expenses | 1,20,886 |
| 76178 | Vehicle Expenses For Motor ? Car. | 6,05,182 |
| 76183 | Spares Device Maintenance | 18,750 |
| 76184 | Expenses For Use Of Sports Club Or Similar Facility | 9,184 |
| 76185 | Expenses For Gift To Employees | 2,59,610 |
| 76186 | Expenses For Lok Adalat. | 84,765 |
| 76187 | Expenses For Celebration Of events/Festival/Etc | 15,79,795 |
| 76190 | Miscellaneous Expenses | 1,21,24,386 |
| 76193 | Expenditure For Covid-19 Pandemic. | 26,83,559 |
| 76220 | Other Freight | 35,000 |
| 76240 | Exp Fr Trucks-Delvr Van Petrol &Oil | 2,42,73,730 |
| 76261 | Commission For Scrap Sales | 24,40,511 |
| 76270 | Incidental Stores Expenses | 9,93,62,617 |
| 76281 | Fabrication Charges | 2,83,55,459 |
| 76282 | Fab. Charges Absorbed In Cost Of Fab-Cr | -2,83,55,459 |
| 76501 | Rev. Stamps On Receipts Issued By Board | 9,40,146 |
| 76505 | Expenditure On Training To Staff. | 17,56,280 |
| 79215 | Miscellaneous Expenses Under Sky Scheme | 8,403 |
|  | **Total** | **43,34,04,687** |

1. As regards R&M expenses, UGVCL should provide details and justification for expenses booked under ‘Others’.

**Compliance:**

**Repairs-Others**

|  |  |  |
| --- | --- | --- |
| **A/c Head** | **Description** | **CB 31-03-21** |
| 74400 | R & M To Hydraulic Works | 31,832.00 |
| 74600 | R & M To Vehicles | 30,75,881.90 |
| 74700 | R & M To Furniture Fix Etc | 30,16,170.77 |
| 74800 | R & M To Office Equipment | 7,34,00,609.76 |
|  | **Total** | **7,95,24,494.43** |

1. Regarding the computation of depreciation, UGVCL should: clarify whether the deprecation on assets which are already depreciated up to 90% of GFA has been considered.

**Compliance:** UGVCL has not considered depreciation on assets which are already depreciated up to 90% of GFA.

1. Please submit details in regard to Depreciation in the attached format.

**Compliance:** Details in regard to depreciation is appended as **Annexure-C**.

1. UGVCL should provide detailed computation of weighted average interest rate on actual loan portfolio for FY 2019-20 and 2020-21 along with the supporting documents, in accordance with the GERC MYT Regulations, 2016, as per the attached format.

**Compliance:** Computation of weighted average interest rate on actual loan portfolio for FY 2019-20 and 2020-21 is appended as **Annexure-D**.

1. Furnish details of the loan, if any, converted into grant during FY 2020-21. Also furnish impact of such conversion on various elements of ARR.

**Compliance:** No loan was converted into Grant during the FY 2020-21.

1. UGVCL should submit the details of consumer security deposit for FY 2020-21 in the following format:

**Compliance:**

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Particulars** | **FY 2020-21** |
| **1** | Opening Balance | 1576.38  |
| **2** | Addition during the year | 173.49  |
| **3** | Closing balance | 1749.87  |
| **4** | Actual Interest Paid/adjusted on CSD | 73.03  |

1. As regards the Revenue for FY 2020-21, UGVCL should
	1. Reconcile the category-wise Revenue with the Revenue submitted to Government of Gujarat for purposes of Electricity Duty;

**Compliance:** Month wise copy of the ED return for the FY 2020-21 is attached herewith as Annexure - E.

* 1. Copies of GoG GR towards Agriculture Subsidy commitment;

**Compliance:** Copies of GoG GR towards Agriculture Subsidy commitment are attached herewith as Annexure GU - 4.

* 1. Actual agricultural subsidy received DISCOM-wise against the committed subsidy;

**Compliance:**

| **Particular** | **Claim amount (Rs. Crore)** | **Subsidy received for FY 2020-21 (Rs. Crore)** | **Subsidy received towards past period outstanding (Rs. Crore)** |
| --- | --- | --- | --- |
| Tariff Subsidy | 1245.57 | 1245.57 | 639.13 |
| FPPPA Subsidy | 3755.59 | 3755.59 | 674.46 |
| HP Based subsidy | 1100.00 | 1100.00 | 91.67 |
| **Total** | **6101.16** | **6101.16** | **1405.26** |

* 1. Provide copies of various GoG GRs as mentioned below;
		1. GUV-122020-345-K.1 dated 27.03.2020
		2. GUV-122020-345-K.1 dated 27.03.2020
		3. GUV-122020-345-K.1 dated 30.03.2020
		4. GUV-122020-345-K.1 dated 11.05.2020
		5. APB/102020/108/195224 dated 05.06.2020
		6. GUV-132020-960-K.1 dated 22.06.2020
		7. GUV-13020-960 (2)-K.1 dated 17.06.2020
		8. GUV-132020-960 (3)-K.1 dated 17.06.2020
		9. PRCH-102020-250-K dated 08.04.2020

**Compliance:** Copies of GoG GR are attached herewith as Annexure GU - 5.

* 1. Computation of relief claimed by UGVCL from GoG against various relief measures declared by GoG on account of COVID-19;

**Compliance:** Details is attached herewith as **Annexure –F.**

* 1. Details of relief claimed by UGVCL from GoG against various relief measures declared by GoG on account of COVID-19;

**Compliance:** Details is attached herewith as **Annexure –F.**

* 1. Provide the details of revenue loss and clarify whether the revenue loss on account of DPC and on account of non-levy of Fixed/Demand Charges to LTMD/NRGP/HT categories have been met by GoG;

**Compliance:** Details is attached herewith as **Annexure –G.**

* 1. Provide the details of the amount and clarify where the revenue received from GoG under Atmanirbhar Scheme are considered;

**Compliance:** Relief under Atmanirbhar package amounting to Rs. 7799.52 Lacs received. The detail breakup already available in financial statement 2020-21 page no. 60.

* 1. Clarify where the impact/benefit of rebate provided by Central Sector Utilities like NTPC, NHPC, PGCIL on account of GoI Policy to provide relief during COVID-19 have been considered.

**Compliance:**

The benefit of rebate provided by Central Sector utilities like NTPC & PGCIL towards one-time COVID-19 relief is considered in the working of FPPPA, additional surcharge and also considered in the Books of Account for FY 2020-21.

1. As regards the issue of impact on Non-Tariff Income due to prior period restatement of depreciation on assets funded through grants/consumer contribution, UGVCL should submit the following details:
	1. Depreciation charged in each year from FY 2005-06 to FY 2019-20 against assets funded through grants/consumer contribution, and allowed through ARR/Tariff;

**Compliance:** Depreciation on the assets funded through grants/consumer contribution cannot be worked out separately as there is no bifurcation of the asset funded through grants /consumer contribution. The asset block comprises of the assets funded through company’s own funds, loans, grants and consumer contribution. It is practically difficult to bifurcate the assets as per the funding pattern. Hence depreciation on the assets funded through grants/consumer contribution cannot be worked out separately.

* 1. Non-Tariff Income on account of deferred income in each year from FY 2005-06 to FY 2019-20 against assets funded through grants/consumer contribution, and considered in ARR/Tariff;

**Compliance:** Non-Tariff Income on account of deferred income in each year from FY 2005-06 to FY 2019-20 against assets funded through grants/consumer contribution, and considered in ARR/Tariff is as under:

|  |  |
| --- | --- |
| **Financial Year** | **Deferred revenue transferred to P&L (Rs. In Crores)** |
| 2005-06 |  9.46  |
| 2006-07 |  21.51  |
| 2007-08 |  26.69  |
| 2008-09 |  35.65  |
| 2009-10 |  47.38  |
| 2010-11 |  55.64  |
| 2011-12 |  65.78  |
| 2012-13 |  79.68  |
| 2013-14 |  93.72  |
| 2014-15 |  102.59  |
| 2015-16 |  115.05  |
| 2016-17 |  93.56  |
| 2017-18 |  101.54  |
| 2018-19 |  119.18  |
| 2019-20 |  131.88  |

* 1. Corresponding impact of proposed prior period restatement on the depreciation, interest expenses, Profit Before Tax, and Income tax in each year from FY 2005-06 to FY 2019-20.

**Compliance:** During Ind AS implementation in the FY 2016-17, on review of the prevailing facts and developments, the Company changed the method for recognising the government grants and consumer contribution from WDV to SLM method in the profit and loss statement and applied the change prospectively. During the FY 2020-21, based on the Expert Advisory Committee (EAC) of the Institute of Chartered Accounts of India (ICAI) opinion on government grant accounting, the Company has reviewed the accounting treatment to give effect to the opinion. Accordingly, the below mentioned year-wise retrospective impact of deferred grant due to EAC opinion has been considered in the Financial Statements for the FY 2020-21 by considering consequential impact on the retained earnings.

|  |  |  |  |
| --- | --- | --- | --- |
| **Year** | **Deferred grant as per books of Accounts. (Rs. In Crore)** | **Revised deferred grant due to EAC Opinion (Rs. In Crore)** | **Differential Impact** **(Rs. In Crores)** |
| 2005-06 | 3.79 | 2.50 | 1.28 |
| 2006-07 | 4.32 | 5.82 | -1.50 |
| 2007-08 | 17.47 | 10.68 | 6.79 |
| 2008-09 | 34.18 | 17.00 | 17.18 |
| 2009-10 | 39.42 | 21.47 | 17.95 |
| 2010-11 | 46.29 | 26.24 | 20.05 |
| 2011-12 | 57.68 | 37.91 | 19.77 |
| 2012-13 | 72.34 | 48.89 | 23.45 |
| 2013-14 | 90.56 | 62.36 | 28.20 |
| 2014-15 | 99.05 | 71.63 | 27.43 |
| 2015-16 | 112.95 | 84.03 | 28.92 |
| 2016-17 | 93.56 | 92.98 | 0.59 |
| 2017-18 | 101.54 | 99.09 | 2.45 |
| 2018-19 | 119.18 | 113.39 | 5.79 |
| 2019-20 | 131.88 | 122.24 | 9.64 |
| **Total** | **1,024.21** | **816.23** | **207.98** |

* There is no impact on the depreciation of the previous years due to implementation of EAC opinion.
* The impact of the deferred tax arising due to implementation of EAC opinion has been considered in the Financial Statement for the FY-2020-21 on the retained earnings.
* The impact of deferred grant is already incorporated in the financial statements. Further there is no impact on the depreciations. The impact of the income tax arising due to implementation of EAC opinion and will be considered as per the opinion of Consultants and will be passed on to the consumers as and when received.
1. Regarding Income Tax, UGVCL should submit the following:
	1. Copies of Challans of Income Tax paid along with the computations of Income Tax;

**Compliance:** Copies of Challans of Income Tax paid is attached herewith as **Annexure - H.**

* 1. Confirm whether any refund of income tax has been received in FY 2020-21.

**Compliance:** UGVCL has not received any refund during FY 2020-21, as the refund for the AY 2018-19, AY 2019-20 and AY 2020-21 has been adjusted against the demand for the AY 2017-18.

**ARR and Tariff for FY 2022-23**

1. UGVCL should submit the actual category-wise and slab wise sales in H1 of FY 2021-22.

**Compliance:** Details ofactual category-wise and slab wise sales in H1 of FY 2021-22 is attached herewith as **Annexure –I.**

1. With reference to Para 4.6.2, UGVCL should provide details of necessary adjustment made in fixed cost in case of higher/lower payment during FY 2020-21 due to specific reasons.

**Compliance:**

| **Sr. No.** | **Plant Name** | **Reason for adjustment in Fixed Cost** |
| --- | --- | --- |
| 1 | NTPC-Vindhyachal - I | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 2 | NTPC-Vindhyachal - II | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 3 | NTPC-Vindhyachal - III | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 4 | NTPC-Korba | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 5 | NTPC-Korba -III | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 6 | NTPC-Kawas | Fixed cost for FY 2022-23 is considered on normative availability whereas fixed cost of FY 2020-21 consists actual fixed paid cost which is having other component like FERV, URS etc.  |
| 7 | NTPC-Jhanor | Fixed cost for FY 2022-23 is considered on normative availability whereas fixed cost of FY 2020-21 consists actual fixed paid cost which is having other component like FERV, URS etc. |
| 8 | NTPC-Sipat-I | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 9 | NTPC-Sipat - II | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 10 | NTPC-Kahlagaon I | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 11 | NTPC-Vindhyachal - IV | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 12 | NTPC-Mauda | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 13 | NTPC-Vindhyachal - V | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 14 | NTPC-Mauda II | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 15 | NTPC-Gadarwara | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 16 | NTPC-LARA | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 17 | NTPC-Khargone | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 18 | NTPC-Farakka - 3 | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 19 | NTPC-Kahalgaon II | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 20 | NTPC-Farakka - 1 & 2 | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 21 | NTPC-Talcher | Higher availability is considered for FY 2022-23 as compared to FY 2020-21 and hence higher fixed cost |
| 22 | NTPC-Darlipalli | The capacity was allocated in March 2021 pursuant to capacity allocated by Ministry of Power. Therefore, the plant was available for March 2021 in FY 2020-21 whereas for FY 2022-23, the capacity is considered for entire year and hence the Fixed cost is higher in FY 2022-23 as compared to FY 2020-21. |
| 23 | NTPC-Unchahar - 1 | The capacity was allocated in March 2021 pursuant to capacity allocated by Ministry of Power. Therefore, the plant was available for March 2021 in FY 2020-21 whereas for FY 2022-23, the capacity is considered for entire year and hence the Fixed cost is higher in FY 2022-23 as compared to FY 2020-21. |
| 24 | NTPC-Tanda - 2 | The capacity was allocated in March 2021 pursuant to capacity allocated by Ministry of Power. Therefore, the plant was available for March 2021 in FY 2020-21 whereas for FY 2022-23, the capacity is considered for entire year and hence the Fixed cost is higher in FY 2022-23 as compared to FY 2020-21. |
| 25 | Sardar Sarovar Nigam Ltd | Discom has inadvertently considered fixed charges for SSNL for FY 2022-23. It is submitted that SSNL has only energy charges and hence the Hon’ble Commission is requested to consider accordingly. |
| 26 | Essar Power Gujarat Ltd | As per estimation of fixed cost payment to be made during FY 2022-23 as per PPA |
| 27 | Adani Power Ltd | As per estimation of fixed cost payment to be made during FY 2022-23 as per PPA |
| 28 | ACB India Ltd. | As per estimation of fixed cost payment to be made during FY 2022-23 as per PPA |
| 29 | Coastal Gujarat Power Co Ltd | As per estimation of fixed cost payment to be made during FY 2022-23 as per PPA |

1. As regards the Generation Capacity Addition considered in Table 58, UGVCL should provide details of expected COD of these new Stations.

**Compliance:**

| **Sr. No.** | **Plant Name** | **Expected CoD** |
| --- | --- | --- |
| 1 | Ramagundum I & II | Already commissioned power plant but additional capacity will be available during FY 2022-23 |
| 2 | Kahalgaon I |
| 3 | Farakka I & II |
| 4 | Unchahar I |
| 5 | Farakka III |

1. UGVCL has submitted Annual Transmission Charges of GETCO as Rs. 4444 Crore (in Table 62) as per the Tariff Petition of GETCO for FY 2022-23. However, GETCO in its Tariff Petition has proposed Annual Transmission Charges as Rs. 5029.90 Crore for FY 2022-23. UGVCL should give clarification in this regard.

**Compliance:** As submitted in the Petition, transmission charges are considered based on draft Petition of GETCO as finalization of both the Petitions were going on in parallel. Based on draft working of GETCO ARR of Rs. 4761.07 Crore, GETCO ARR cost allocation to GUVNL was assumed at 93.35% which works out to Rs. 4444 Crore.

1. UGVCL has submitted SLDC Charges of Rs. 23 Crore (in Table 62) as per the Tariff Petition of SLDC for FY 2022-23. However, SLDC in its Tariff Petition has proposed SLDC Charges as Rs. 29.69 Crore for FY 2022-23. UGVCL should give clarification in this regard.

**Compliance:** As submitted in the Petition, SLDC charges are considered based on draft Petition of SLDC as finalization of both the Petitions were going on in parallel. Based on draft working of SLDC ARR of Rs. 24.52 Crore, SLDC ARR cost allocation to GUVNL was assumed at 93.35% which works out to Rs. 23 Crore.

1. Energy Dispatch, Fixed charges, variable cost and total power purchase cost submitted in Table 61 and Table 66 of Petition for FY 2022-23 are not matching with the Energy received, Fixed charges, variable cost and total power purchase cost submitted in Form F2 of UGVCL Formats. UGVCL should reconcile the numbers.

**Compliance:** It is to submit that Form 2 of Format also consider power purchase under SSDSP scheme over and above power purchase from GUVNL (details worked out in table 61 and table 66). In Form 2, GUVNL trading charges are inadvertently shown as part of fixed cost in place of variable cost. Reconciliation of energy dispatch, fixed charges, variable cost and total power purchase cost is as under:

| **Particular** | **Energy Dispatch (MU)** | **Fixed Cost (Rs. Crore)** | **Variable Cost (Rs. Crore)** | **Total Cost (Rs. Crore)** |
| --- | --- | --- | --- | --- |
| Power Purchase from GUVNL (Details provided in Table 61 & 66) | 1,09,546 | 20,547 | 28,639 | 49,186 |
| Power Purchase from SSDSP | 829 | - | 235 | 235 |
| Less: GUVNL Trading Cost from Variable Cost | - | - | 438 | - |
| Add: GUVNL Trading Cost to Fixed Cost | - | 438 | - | - |
| **Total (As shown in Form 2)** | **1,10,375** | **20,986** | **28,435** | **49,421** |

1. UGVCL has stated that it has considered only the tied-up sources for meeting the RPO target. In this regard, UGVCL should submit its strategy to meet its RPO targets including shortfall of previous years.

**Compliance:** UGVCL submits that though it has considered actual tied-up sources for calculation of power purchase sources as part of ARR, there are other sources of RE power which will also help in meeting RPO. It is estimated that balance of RPO will be met through RE Energy wheeling by consumers for captive/ third party consumption who are not claiming RE attributes and consumption of rooftop consumers as per the Regulation/ Order of the Hon’ble Commission.

1. As regards Capital expenditure proposed for FY 2022-23, UGVCL should submit the following details:
	1. Scheme-wise break-up of Capital Expenditure and Capitalisation proposed for FY 2022-23 along with DPR for each scheme;
	2. Scheme-wise funding of proposed capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc;
	3. Cost-benefit analysis for proposed capitalised works;
	4. Whether any revision in Capitalisation for FY 2021-22 is envisaged, since, 9 months of the year are completed;
	5. Capitalisation against CWIP and new Schemes projected for FY 2022-23;
	6. Cost per agricultural connection considered for projection and basis for the same;
	7. DPR for proposed Smart-meter installation under TOTEX model.

**Compliance:** Most of the capital investment schemes proposed by the Discoms are of continuous and ongoing nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to consumers, reduction in losses, release of agriculture connections, etc. Generally, there are no pre-defined timelines as the schemes are further bifurcated into various works under the scheme. For e.g. the system improvement scheme i.e. S.I. scheme incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, aerial bunch conductor, replacement of deteriorated conductor, etc. Since these works are of ongoing nature and the assets created are capitalised within a short time period, most of the capital investment carried out is capitalised in the same year and therefore there is not much capital work in progress to be carried forward. Moreover, Discom does not have option to decide whether to invest in capital expenditure scheme or not. Hence, working out cost benefit analysis for the scheme may not be use as Discom has to carried out the scheme.

Discom is raising fund in totality considering expected capital expenditure and similarly grant is released by respective agency based on availability of fund. It is possible that Discom has used grant for capital expenditure and asset is yet to get capitalised. It is possible that scheme capitalised in FY 2020-21 and its grant and consumer contribution is received in FY 2019-20 or before that. To make things simpler and considering the interest of the consumers, Discom is offering grant and consumer contribution received during the financial year for reduction of funding requirement irrespective of grant & consumer contribution is used or capital expenditure carried out through grant & consumer contribution is capitalized.

Discom is meeting its funding requirement first from grant and consumer contribution and remaining is met through raising debt, retaining earnings, internal accruals etc. Discom has provided details of fund raised during the year and remaining is met through equity contribution. For the purpose of calculation of ARR, Discom has restricted equity contribution to normative level 30% of funding as per MYT Regulations, 2016.

It is to submit that most of the capital expenditure schemes are driven by either government schemes/ targets or meeting supply obligations. In both the scenario, Discom does not have option to decide whether to invest in capital expenditure scheme or not. Hence, working out cost benefit analysis for the scheme may not be use as Discom has to carried out the scheme.

As regards to revision in capitalisation for FY 2021-22, it is to submit that since year is going on and many of the works/ targets are met by March, therefore it is difficult to envisage any revision in capitalisation for FY 2021-22 at this juncture.

Rs. 1.68 Lacs is considered as cost per Agriculture connection based on historical data.

DPR for proposed Smart-meter installation under TOTEX model is yet to be finalised.

**Compliance to Directives**

1. In Tariff Order dated 31 March 2021, UGVCL was directed to submit Cost to Serve report for FY 2020-21 along with next petition on timely basis with further necessary improvement in the report:
	1. Using more specific allocation of costs for demand, energy and customer related.
	2. Technical losses on actual basis rather than estimation and duly backed by proper analysis and metering data.
	3. Petitioner should also compute Voltage-wise Cost to serve separately.

UGVCL should submit the compliance for the above directive.

**Compliance:**GUVNL on behalf of four DISCOMs has already submitted Cost to Serve Report for FY 2020-21 to Hon’ble GERC vide Letter No. GUVNL/COM/GERC/2021/1649 dated 20.12.2021. The cost to serve Reports are also uploaded on the website of GUVNL as well as website of four DISCOMs.

1. In Tariff Order dated 31 March 2021, UGVCL was directed to propose ToD tariff for Smart Grid project consumers, on pilot basis, keeping in view the solar and other renewable energy resources, in the next MYT tariff proposal.

**Compliance:** UGVCL has submitted detailed report along with various Annexures about category wise graph of consumption pattern, energy consumption of different category of consumers along with Summary Report vide letter no. UGVCL/R&C/Commerce/GC/739 dated 14/08/2020.

**D.**   **Tariff Proposal**

1. A Green Tariff of Rs. 0.50 per unit has been proposed in the Tariff Petition for FY 2022-23. In this regard, it is requested to clarify the projected demand of Green Power and proposed sources to meet out such Green Power demand along with its basic cost and other costs attached to handle such renewable power. It is also requested to submit impact on Power Purchase cost and revenue of the Discom due to inclusion of Green Power price in the Tariff Schedule. It is also requested to submit the prospective plan for meeting RPO over and above the procurement of renewable energy for supplying demand of Green Power.

**Compliance:**It is to state that the study for introduction of Green Tariff was undertaken in accordance with the directive issued by Hon’ble Commission in the Tariff order dated 31.03.2021. GUVNL/DISCOMs have analyzed tariff order of various States in the Country in relation to approach taken by various States for Green tariff. Upon analysis of the Green tariff introduced by various States including approach taken by Hon’ble Commission in respect of tariff order for Deendayal Port Trust (DPT) allowing premium of Rs. 0.50/Unit in the tariff for FY 2021-22, DISCOMs have suggested to consider introduction of Green tariff at premium of Rs. 0.50/Unit in line with tariff order for DPT, being more appropriate and reasonable as compared to approach considered by other States.

It is further to state that this being a new concept, it is difficult to estimate the demand under the optional Green Tariff category.

1. Please provide the detail of Billing and Collection Efficiency for FY 2020-21.

**Compliance:**

|  |  |  |
| --- | --- | --- |
| **Sr No** | **Particular** | **2020-21** |
| 1 | Billing Efficiency | 93.55% |
| 2 | Collection Efficiency | 101.64% |