GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2018-19 and

Determination of Tariff for FY 2020-21

For

Uttar Gujarat Vij Company Limited

(UGVCL)

Case No. 1839 of 2019

31st March, 2020

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(GERC)

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
AB Cable	Aerial Bunched Cable
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	FY 2016-17 to FY 2020-21
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat UrjaVikas Nigam Limited
HT	High Tension
Ind -AS	Indian Accounting Standards
JGY	Jyoti Gram Yojna
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid-Term Review
MUs	Million Units (Million kWh)
MW	Mega Watt

MYT	Multi Year Tariff
O&M	Operation & Maintenance
PF	Power Factor
PFC	Power Finance Corporation
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
PPPA	Power Purchase Price Adjustment
R&M	Repair and Maintenance
RE	Revised Estimate
RLDC	Regional Load Despatch Centre
SBAR	State Bank Advance Rate
SBI	State Bank of India
SLDC	State Load Despatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Despatch Centre
YoY	Year on Year

Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1839 of 2019

Date of the Order: 31/03/2020

CORAM

Shri Anand Kumar, Chairman

Shri P.J. Thakkar, Member

ORDER

1 Background and Brief History

1.1 Background

Uttar Gujarat Vij Company Ltd., (hereinafter referred to as “UGVCL” or the “Petitioner”) has filed the present Petition under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as “GERC (MYT) Regulations, 2016”), for the Truing up of FY 2018-19 and Determination of Tariff for FY 2020-21 on 30th November, 2019.

Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or the “Commission”) notified the GERC (MYT) Regulations, 2016 on 29th March, 2016, which is applicable for determination of tariff in all cases covered under the Regulations from 1st April, 2016 onwards. Regulation 17.2 (c) of the GERC (MYT) Regulations, 2016 provides for submission of detailed application comprising of truing up for FY 2018-19, revenue from the sale of power at existing tariffs and charges for the ensuing year (FY 2020-21), revenue gap or revenue surplus for the ensuing year calculated based on Aggregate Revenue Requirement (ARR) approved in the MYT Order and truing up for the previous year (FY 2018-19), application for determination of tariff for the ensuing year (FY 2020-21) to be carried out under the GERC (MYT) Regulations, 2016 and amendments thereof from time to time.

After Technical Validation of the Petition, it was registered on 11th December, 2019 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2 Uttar Gujarat Vij Company Limited (UGVCL)

Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1st April, 2005. The Generation, Transmission and Distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor Companies, as listed below:

Generation Company: Gujarat State Electricity Corporation Limited (GSECL)

Transmission Company: Gujarat Energy Transmission Corporation Limited (GETCO)

- **Distribution Companies:**

Sr.No.	Name of Company
1	Dakshin Gujarat Vij Company Limited (DGVCL)
2	Madhya Gujarat Vij Company Limited (MGVCL)
3	Uttar Gujarat Vij Company Limited (UGVCL)
4	Paschim Gujarat Vij Company Limited (PGVCL)

Gujarat Urja Vikas Nigam Limited (GUVNL) – A Holding Company of above named six subsidiary companies, responsible for bulk purchase of electricity from various sources and bulk supply to Distribution Companies.

The Government of Gujarat, vide Notification dated 3rd October, 2006, notified the final opening Balance Sheets of the transferee Companies as on 1st April, 2005. The value of assets and liabilities stand transferred from the erstwhile Gujarat Electricity Board to the transferee Companies, including Uttar Gujarat Vij Company Limited (UGVCL). Assets and liabilities (gross block, loans and equity), as on the date mentioned in the notification, have been considered by the Commission in line with the Financial Restructuring Plan (FRP), as approved by Government of Gujarat.

1.3 Commission's Orders for Approval of final ARR for FY 2016-17 and Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21

The Petitioner filed its petition for Truing up for 2015-16, Approval of Final ARR for 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Determination of tariff for 2017-18 on 30th November, 2016. The Petition was registered on 03rd December, 2016 (Case No. 1622 of 2016). The Commission vide Order dated 31st March, 2017 approved the Truing up for 2015-16, Final ARR for 2016-17, Approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and determined the tariff for FY 2017-18.

1.4 Commission's Order for Approval of True Up for FY 2016-17 and Determination of Tariff for FY 2018-19

The Petitioner filed its Petition for Truing-up of FY 2016-17 and determination of tariff for FY 2018-19 on 15th January, 2018. The Petition was registered on 17th January, 2018 (under Case No. 1699/2018). The Commission, vide Order dated 31st March, 2018 approved the truing up for FY 2016-17 and determined the tariff for FY 2018-19.

1.5 Commission's order for Approval of True up for FY 2017-18, Mid-Term Review of ARR for FY 2019-20 and FY 2020-21, and determination of Tariff for FY 2019-20

The Petitioner filed its Petition for Truing Up of FY 2017-18, Mid-Term Review of ARR for FY 2019-20 and FY 2020-21, and Determination of tariff for FY 2019-20 on 30th November, 2018. The Petition was registered on 4th December, 2018 (under Case No. 1759/2018). The Commission, vide Order dated 24th April, 2019, approved the Truing-Up of FY 2017-18, revised the ARR for FY 2019-20 and FY 2020-21, and determined the tariff for FY 2019-20.

1.6 Background of the present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the Control Period from FY 2016-17 to FY 2020-21. Regulation 16.2(iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorisation of variation in performance as those caused by factors within the control of the Applicant (controllable factors) and those caused by factors beyond the control of the Applicant (uncontrollable factors).

Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of tariff for the Generating Company, Transmission Licensee, SLDC, Distribution Wires Business and Retail Supply Business, for each financial year within the Control Period, based on the approved forecast and results of the truing up exercise.

1.7 Registration of the Current Petition and Public Hearing Process

The Petitioner submitted the current Petition for Truing–up of FY 2018-19 and Determination of Tariff for FY 2020-21 on 30th November, 2019. After Technical Validation of the Petition, it was registered on 11th December, 2019 (Case No. 1839/2019) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with the Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, UGVCL was directed to publish its application in an abridged form in the newspapers to ensure due public participation.

The Public Notice, inviting objections/ suggestions from the stakeholders on the Petition filed by UGVCL, was published in the following newspapers:

Sr. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	16/12/2019
2	Sandesh	Gujarati	16/12/2019
3	Divya Bhaskar	Gujarati	16/12/2019

The Petitioner also placed the Public Notice and the Petition on its website (www.ugvcl.com) for inviting objections and suggestions. The interested parties / stakeholders were asked to file their objections / suggestions on the Petition on or before 15th January, 2020.

The Commission also placed the Petition and additional details received subsequently from the Petitioner on its website (www.gercin.org) for information and study by all the stakeholders. The Commission also issued a notice for Public Hearing in the following newspapers in order to solicit wider participation by the stakeholders:

Sr. No.	Name of Newspaper	Language	Date of Publication
1	The Indian Express	English	04/02/2020
2	Divya Bhaskar	Gujarati	05/02/2020
3	Sandesh	Gujarati	05/02/2020

The Commission received objections/suggestions from the consumers/consumer organizations on UGVCL Petition as shown in the Table below. The Commission examined the objections / suggestions received and fixed the date for public hearing for the petition on 12th February, 2020 at the Commission's Office, Gandhinagar and subsequently a communication was sent to the objectors to take part in the public hearing process for presenting their views in person before the Commission. The public hearing was conducted in the Commission's Office at Gandhinagar as scheduled on the above date. The objectors participated in the public hearing and presented its objections.

The status of stakeholders who submitted their written suggestion / objections, those who remained present in Public Hearings, those who could not attend the public hearings and those who made oral submissions is given in the Table below:

Sr. No.	Name of Stakeholders	Written Submission	Oral Submission	Present on the day of Public Hearing
1	Commander Works Engineer-Military Engineer Services	Yes	Yes	Yes
2	Gujarat Krushi Vij Grahak Suraksha Sangha (GKVKSS)	Yes	Yes	Yes
3	Federation of Gujarat Industries (FGI)	Yes	Yes	Yes
4	Shri K.K. Bajaj	Yes	Yes	Yes
5	Laghu Udyog Bharati – Gujarat	Yes	Yes	Yes
6	Gujarat Udvahan Piyat Sahkari Sangh Ltd.	Yes	Yes	No
7	Jamnagar Factory Owner's Association	Yes	No	No
8	Gujarat Chamber of Commerce & Industry	Yes	Yes	Yes
9	Utility Users' Welfare Association (UUWA)	Yes	Yes	No
10	PACE-D 2.0 RE	Yes	No	No
11	Shri R.K. Goswami	Yes	No	No

A short note on the main issues raised by the Objectors in the submissions in respect to the Petition, along with the response of UGVCL and the Commission's views on the response, are briefly given in Chapter 3.

1.8 Approach of this Order

The GERC (MYT) Regulations, 2016 provide for Truing up of the previous year and determination of Tariff for the ensuing year. UGVCL has approached the Commission with the present Petition for Truing up of FY 2018-19 and determination of Tariff for FY 2020-21.

The Commission has undertaken Truing up for FY 2018-19, based on the submissions of the Petitioner. The Commission has undertaken the computation of gains and losses for FY 2018-19, based on the audited annual accounts.

While truing up of FY 2018-19, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved in the MYT Order, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for FY 2018-19 has been considered, based on the GERC (MYT) Regulations, 2016.

The Truing Up for the FY 2018-19 has been considered, based on the GERC (MYT) Regulations, 2016. For the determination of the ARR for FY 2020-21, the Commission has considered the ARR for FY 2020-21, as approved in the Mid-Term Review order dated 24th April, 2019.

1.9 Contents of this Order

The Order is divided into **Nine Chapters** as under: -

1. The **First Chapter** provides the background of the Petitioner, the Petition and details of the Public Hearing process and the approach adopted for this Order;
2. The **Second Chapter** outlines the summary of UGVCL's Petition;
3. The **Third Chapter** provides a brief account of the Public Hearing process, including the objections raised by various stakeholders, UGVCL's response and the Commission's views on the response;
4. The **Fourth Chapter** deals with the Truing up for FY 2018-19;

5. The **Fifth Chapter** deals with the determination of Tariff for FY 2020-21;
6. The **Sixth Chapter** deals with compliance of the Directives and issue of fresh directives for UGVCL;
7. The **Seventh Chapter** deals with Wheeling Charges and Cross Subsidy Surcharges;
8. The **Eighth Chapter** deals with tariffs for FY 2020-21;
9. The **Ninth Chapter** deals with the compliance of directives.

2 Summary of UGVCL's Petition

2.1. Introduction

This Chapter highlights the summary of the UGVCL Petition for Truing up of FY 2018-19 and determination of Tariff for FY 2020-21.

2.2. True up for FY 2018-19

UGVCL submitted the Petition on 30th November, 2019 seeking approval of Truing up of ARR for FY 2018-19. UGVCL has worked out its Aggregate Revenue Requirement (ARR) for FY 2018-19 as a part of the True Up for FY 2018-19. UGVCL has presented the actual cost components based on audited Annual Accounts for FY 2018-19. A summary of the proposed ARR for Truing-up of FY 2018-19 compared with the ARR approved for FY 2018-19 in the MYT Order dated 31st March, 2017 is presented in the Table given below:

Table 2-1: True up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Deviation
1	Cost of Power Purchase	9,319.37	11,113.87	(1,794.50)
2	Operation & Maintenance Expenses	468.40	616.02	(147.62)
2.1	Employee Cost	447.81	540.55	(92.74)
2.2	Repair & Maintenance	93.56	77.67	15.89
2.3	Administration & General Charges	80.02	90.05	(10.03)
2.4	Other Debits	-	-	
2.5	Extraordinary Items	-	-	
2.6	Net Prior Period Expenses / (Income)	-	-	
2.7	Other Expenses Capitalised	(153.00)	(92.24)	(60.76)
3	Depreciation	368.61	291.08	77.53
4	Interest & Finance Charges	140.45	140.78	(0.33)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.70	1.07	(0.37)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed	Deviation
7	**Sub-Total [1 to 6]**	**10,297.53**	**12,162.82**	**(1,865.29)**
8	Return on Equity	197.59	198.21	(0.62)
9	Provision for Tax / Tax Paid	17.14	0.95	16.19
10	**Total Expenditure (7 to 9)**	**10,512.26**	**12,361.97**	**(1,849.71)**
11	Less: Non-Tariff Income	146.76	171.70	(24.94)
12	**Aggregate Revenue Requirement (10 - 11)**	**10,365.50**	**12,190.27**	**(1,824.77)**

2.3. Revenue Surplus/ (Gap) for FY 2018-19

As shown in the Table below, UGVCL has claimed a Revenue Surplus of Rs. 141.25 Crore in the Truing up, after considering the gain/(loss) due to controllable / uncontrollable factors:

Table 2-2: Revenue (Gap)/Surplus as claimed by UGVCL (Rs. Crore)

Sr. No.	Particulars	Actual Claimed
1	Aggregate Revenue Requirement originally approved for FY 2018-19	10,365.50
2	Less: (Gap)/Surplus of FY 2016-17	193.24
3	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(1,650.27)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	(58.17)
5	**Revised ARR for FY 2018-19 (1 + 2 - 3 - 4)**	**11,880.70**
6	Revenue from Sale of Power	11,353.39
7	Other Income (Consumer related)	120.80
8	Total Revenue excluding Subsidy (6 + 7)	11,474.19
9	Agriculture Subsidy	540.68
10	GUVNL Profit / (Loss) Allocation	7.08
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**12,021.95**

Sr. No.	Particulars	Actual Claimed
12	**Revised Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11-5)**	**141.25**

2.4. Summary of projected Revenue Gap/(Surplus) for FY 2020-21

The Table below summarises the ARR approved in Mid-Term Review of ARR, the total revenue with the existing tariff and the proposed Revenue Gap/(Surplus) for FY 2020-21:

Table 2-3: Estimated Revenue Surplus/(Gap) for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	2020-21
1	Aggregate Revenue Requirement projected in MTR	13150.82
2	Revenue (Gap)/Surplus from True up of FY 2018-19	141.25
3	**Total Aggregate Revenue Requirement (1-3)**	**13009.57**
4	Revenue with Existing Tariff	8411.75
5	FPPPA Charges	3908.85
6	Other Income (Consumer related)	120.80
7	Agriculture Subsidy	511.92
8	**Total Revenue including Subsidy (4 to 7)**	**12953.32**
9	**(Gap)/Surplus (3-8)**	**(56.25)**

2.5. Prayers of UGVCL to the Commission

1. To admit this Petition seeking True up of FY 2018-19 and Determination of Tariff for FY 2020-21.
2. To approve the True up for FY 2018-19 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2016.
3. To consider approved True up parameters and Multi-Year ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
4. To approve the terms and conditions of Tariff for FY 2020-21 and various other matters as proposed in this petition and proposed changes therein.

5. Pass suitable orders for implementation of Tariff Proposal for FY 2020-21 for making it applicable from 1st April, 2020 onwards.
6. To grant any other relief as the Commission may consider appropriate.
7. The Petitioner craves leave of the Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
8. Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

3 Brief Outline of objections raised, response from UGVCL and Commission's view

3.1 Public Response to the Petition

In response to the Public Notice inviting objections/ suggestions on the Petitions filed by DISCOMs for Truing up of FY 2018-19 and determination of tariff for FY 2020-21 from the stakeholders, a number of stakeholders filed their objections/suggestions in writing and also participated in the Public Hearing. Further, some of the objections are general in nature and some are specific to the proposals submitted by the Petitioner. It is also noted that many of the objections/ suggestions are common to all the four DISCOMs and some are specific to the concerned DISCOM. The objections/suggestions connected with the current Petition are segregated into two groups, viz., common to all DISCOMs and specific to the concerned DISCOM. The Commission, has addressed the objections/ suggestions issue-wise rather than objector-wise.

These objections/suggestions, the response from the Petitioner and the views of the Commission are dealt with hereunder:

3.2 Suggestions/ Objections common to all DISCOMs

Issue No. 1: Quantum and Quality of supply to Agriculture

Information was sought on the quality of power supply and hours of power supply given to agricultural consumers, status of pending applications under agricultural category, number of agricultural connection applications rejected in the last 5 years and major reasons for rejection, etc.

It is also requested to abolish the Tatkal Scheme, and restrict power supply for day-night cricket matches and other non-productive activities, till all pending agricultural connections are released.

Response of the Petitioners

The Petitioners submitted that minimum average eight hours power supply is provided to the agriculture sector. Further, a Policy related to power supply to agriculture sector has also been formulated by Gujarat Urja Vikas Nigam Ltd. (GUVNL) as per Guidelines from Government of Gujarat (GoG) for uniform power supply to agriculture sector in the State, and DISCOMs have been implementing the same by ensuring minimum average eight hours 3-phase power supply to the agriculture sector. Moreover, during cropping seasons, as per the requirement and in order to save standing crops, more than 8 hours of power supply is also provided to the agriculture sector. In case less than 8 hours power supply is given to agricultural sector during the day due to technical constraints, the shortfall in power supply of previous day is compensated during the subsequent period. It is the endeavour of the DISCOMs to provide quality power and best possible services well within the time limits specified in the Regulations.

The DISCOMs submitted the status of pending applications of agricultural category and agricultural connections released during FY 2015-16 to 2019-20 up to December 2019.

As regards the suggestion on abolition of Tatkal Scheme, the Petitioners had filed a Petition on this issue vide Petition No. 1087/2011, and the Commission has issued the Order and disposed of the Petition.

As regards the issue of restriction of power supply to non-productive category, under the provisions of the Electricity Act (EA), 2003, the DISCOMs are obligated to supply on demand, and cannot differentiate between the class of consumers.

Commission's View

The Commission has always emphasised on providing quality power supply and is of the view that the Petitioners should take every measure to deliver quality power supply.

The Tatkal Scheme is introduced by the State Government and the Commission has no role to play in this matter. The response of the Petitioners as regards status of release of agricultural connections is noted.

As regards the issue of restriction of supply of electricity to non-productive category, the DISCOMs cannot differentiate between the class of consumers.

Issue No. 2: Revenue Projections by DISCOMs

It is submitted that projections of demand and revenue made by the DISCOMs are un-realistic.

Response of the Petitioners

There is no response of DISCOMs in this regard.

Commission's View

The Commission has determined the Tariff for FY 2020-21 based on the demand and ARR approved for FY 2020-21 in the Mid-Term Review (MTR) Order, after due diligence and prudence check.

Issue No. 3: Details of category-wise defaulters

Details of category-wise debtors and defaulters were sought along with the information on bad and doubtful debts written off.

Response of the Petitioners

The DISCOMs provided the desired information on category-wise defaulters having outstanding arrears up to Rs. 10 lakh as on 31st December 2019.

As regards bad and doubtful debts written off, every year, certain amount of some consumers, which is ascertained to be non-recoverable, is written off by the DISCOMs and charged in the Profit & Loss (P&L) Statement under the head of 'other debits' for the respective year.

Commission's View

The Commission has allowed the actual Bad and Doubtful Debts written off, in the truing up for FY 2018-19, in accordance with the GERC (MYT) Regulations, 2016.

Issue No. 4: Status of Metering of DTCs

Information was sought regarding un-metered DTCs.

Response of the Petitioners

The DISCOMs provided the desired information on total number of DTCs and status of metering of the same, showing that 100% DTC metering has been completed.

Commission's View

The response of the DISCOMs is noted.

Issue No. 5: Statement of Dues from/to State/Central Government

Information was sought regarding dues from and to the State and Central Government.

Response of the Petitioners

Generally, Government dues are paid by the DISCOMs regularly, similarly, Government also pays to the DISCOMs regularly.

Commission's View

The response of the DISCOMs is noted.

Issue No. 6: Overloaded Feeders

Information was sought regarding total number of Feeders, overloaded Feeders, and Feeders having losses more than 10%.

Response of the Petitioners

Loading on any Feeder is a highly dynamic phenomenon. However, Feeders having either more length or found to be overloaded on sustained basis are bifurcated on urgent basis. The DISCOMs submitted details of number of Feeders bifurcated during last 3 years and proposed to be bifurcated during remaining part of FY 2019-20.

Commission's View

The Commission is of the view that adequate planning is to be carried out for load management in accordance with provisions of the GERC Distribution Code, 2004, so that overloading of Feeders is avoided.

Issue No. 7: New Sub-stations

Information was sought on number of new Sub-stations installed in the last 3 years, total number of Sub-stations, breakup of how many Sub-stations are allocated to more than 10 villages, and number of sub-stations running without Electrical Engineer.

Response of the Petitioners

The DISCOMs provided the desired information on number of new Sub-stations commissioned during FY 2016-17 to FY 2018-19 and planned to be commissioned during FY 2019-20.

Generally, villages are provided power supply through 11 kV Feeders emanating from 66 kV Sub-stations. There are 689 numbers of 66 kV Sub-stations, which feed power supply to more than 10 villages. Further, 66 kV and above sub-stations are owned and operated by GETCO. Generally, functioning of Sub-station is supervised by Engineer.

Commission's View

The response of the DISCOMs is noted.

Issue No. 8: Claims and Compensation due to accidents

Information was sought on total number of claims against accidents of humans and cattle and the amount of compensation paid.

Response of the Petitioners

The DISCOMs provided the desired information on number of claims received and amount of compensation given to the deceased/dependent or owner of the animal on account of electrocution during FY 2017-18 and FY 2018-19.

Commission's View

The DISCOMs should ensure safety of operations in accordance with the GERC Supply Code, in order to minimise accidents and loss of life of humans and animals.

Issue No. 9: Tariff Categorisation and Applicability

The Commission has been requested to:

(a) remove the provision of water supply to bricks manufacturer under the head of agriculture category;
(b) remove Fixed Charges for all 4 categories of agricultural consumers;
(c) remove the discrimination in tariff rates on the basis of Normal/Tatkal category;
(d) introduce new sub-category for agriculture consumers and/or grant relief to the farmers, who accept metered tariff for entire Feeder in a group;
(e) modify the applicability and charging under LTP- lift irrigation Scheme;
(f) introduce new non-subsidized category under agriculture for rich farmers;
(g) introduce Basic Tariff Rate (BTR) and Additional Tariff Rate (ATR);

(h) exempt use of irrigation systems of agricultural consumers for others in times of natural calamities and fire;
(i) create a separate sub-category under agricultural head for Institutions and Non-Governmental Organisations (NGOs) engaged in the activity for education, research and welfare of farming, rural development works and electrical tariff to be at affordable level for them;
(j) a special concessional tariff rate should be introduced for individual farmer adopting micro irrigation systems;
(k) introduce senior citizen's sub-category in residential category and give them the opportunity to have tariff rate reduced by 50%;
(l) revise the consumption slabs in residential category from present 4 to 2;
(m) introduce new tariff categories for luxury purpose, amusement purpose and entertainment purpose;
(n) categorise the consumer categories into productive category and non-productive category;
(o) introduce a higher consumption slab of above 400 units per month for residential consumers
(p) reduce the tariff for consumption below 200 units per month and proportionally increasing the tariff with monthly consumption of 200 to 350 units per month;
(q) revise Temporary Tariff LT TMP and HTP III to sensible levels.

It was also suggested to do away with the present practice of calculating Maximum Demand with only Contracted Demand. Further, Maximum Demand (MD) charges should not be levied for small consumers like residential/ micro, mini industry consumer as they will find it difficult to bear the burden of MD charges around the year. As an alternative, periodic higher charges for higher consumption may be levied. Also, peak surges due to use of power tools or welding transformer used for one-time emergency repair work should not result in higher demand charges. Further, some sense of proportion should be used in assessing the "unauthorized use".

Response of the Petitioners

As regards the issue of supplying power to others by agricultural consumers in case of various natural calamities and fire, etc., as per the provisions of the Commission's Order/Regulations, the power supply is to be utilized only for the purpose for which consumer is authorized. In case of various natural calamities, fire, etc., the specific directives, if any, issued by the Commission on case to case basis, shall be followed.

Supplying water to brick manufacturers is an optional facility for an agricultural consumer, and an agricultural consumer can opt for it, if he so desires, as it is not a compulsory requirement.

As regards the various suggestions on creation of new sub-categories and consumption slabs, the DISCOMs have not proposed any tariff revision or change in existing Tariff structure for FY 2020-21. Tariff structure of the different States are designed keeping in mind the different social, economic, technical, demographic, and other relevant parameters specific to the State. The Commission has been reviewing the tariff structure and rationalizing the tariff time to time. However, any change in tariff structure may be revenue neutral.

Commission's View

As regards supplying of water by agricultural consumers to brick manufacturers, the Commission has noted the response of the Petitioners, which is self-explanatory.

The Commission has carefully considered all the suggestions regarding creation of new sub-categories and consumption slabs in different categories. The present tariff categorisation for the DISCOMs has evolved over the years. The Commission is allowed to differentiate between consumer categories in accordance with Section 62(3) of the EA 2003, which provides that no undue preference shall be shown to any consumer of electricity while determining the tariff.

The Commission's decisions regarding tariff categorisation and category-wise tariff for FY 2020-21 is detailed in the Tariff Philosophy Chapter of this Order.

Issue No. 10: Cases booked under Section 135 and Section 126 of EA 2003

Information was sought on cases booked under Section 135 and Section 126 of the EA 2003.

Response of the Petitioners

The DISCOMs provided the desired information on number of theft cases booked under Section 126 and Section 135 of the EA 2003.

Commission's View

The response of the DISCOMs is noted.

Issue No. 11: Working of Consumer Grievances Redressal Forum

Information was sought on the working of the Consumer Grievances Redressal Forum at different places.

Response of the Petitioners

DISCOMs have set up Consumers Grievance Redressal Forum (CGRF) under the provisions of GERC CGRF Regulations. In accordance with the Commission's direction, a CGRF is going to be established at Junagadh.

Issue No. 12: Segregation of Total Loans

Information was sought on segregation of total loans.

Response of the Petitioners

The Commission has issued the MYT Order on 31st March, 2017, approving the ARR for each year of the Control Period. The details of loans were provided to the Commission in the MYT Petition. Further, DISCOMs have filed Petition for True up for FY 2018-19, wherein relevant details of loans are provided.

Commission's View

The Commission has allowed the interest on normative loans in accordance with the GERC (MYT) Regulations, 2016.

Issue No. 13: Power Purchase Costs and FPPPA Charges

It was suggested that ceiling rate of power purchase during the year should be determined along with the Tariff. It was submitted that the Petitioners have claimed abrupt increase in power purchase cost in the Petition, without any sufficient explanation. It was submitted that there is a mismatch in the Distribution loss % and cost of power procurement in terms of quantum and cost between the Annual Report of GUVNL and the Petitions filed by the DISCOMs. It was also submitted that there is a mismatch between the power purchase cost for FY 2018-19 worked out as per data of quarterly FPPPA filing and power purchase cost now claimed in the Petitions.

Information was sought on FPPPA Charges with break-up of Fuel Charges adjustment and Power Purchase adjustment.

The following suggestions were received in respect of levy of FPPPA Charges:

a) Additional FPPPA should not be allowed during the year;
b) 50% of Base FPPPA Charges or at least 100 paise out of the present FPPPA of 210 paise should be merged with the base tariffs of all consumer categories;
c) FPPPA Charges should be shown separately in the electricity bill as FPPA and PPPA under separate column, to make the bill more transparent;
d) DISCOMs should not be allowed double recovery of FPPPA Charges in the name of deferred FPPPA Charges since many years;
e) The use of FPPPA Charges is a method to arbitrarily increase the consumer tariff after the Tariff Order has been passed;
f) FPPPA Charges levied by the Petitioners was 40% higher than the approved FPPPA charges;
g) FPPPA Charges to 400 Volt consumer and a 220 kV consumer cannot be the same.

It was submitted that GUVNL and DISCOMs are transacting power between themselves, without mentioning any reasons for such transactions, which are objectionable.

Response of the Petitioners

Basic purpose of FPPA/PPPA is 'adjustment' related to power purchase cost, i.e., pass through of increase/ decrease in the power purchase cost over the base power purchase cost. The FPPPA charge is levied on the consumer categories on account of the change in the cost of power purchase, which comprises almost 85 to 93% of the DISCOM's ARR. Any expense pertaining to the regulated business of the DISCOM has to be recovered from all consumers in some manner. In case of agriculture consumers, the applicable FPPPA charges are not recovered from consumers but the Government of Gujarat is providing subsidy to DISCOMs towards the same.

As regards showing the FPPA and PPPA charges separately, the Commission had approved the FPPPA formula through its Order dated 29th October 2013. Accordingly, any incremental power purchase cost compared to base year power purchase cost would be a power purchase price adjustment (PPPA) only, as pursuant to restructuring of erstwhile Gujarat Electricity Board, DISCOMs do not have any own generation and therefore, power purchase from all sources is to be considered for Power Purchase Price adjustment.

The overall increase in power purchase cost is due to uncontrollable factors. Otherwise, there is gain (reduction) in power purchase cost to the tune of Rs. 368 crore due to efficiency improvement by DISCOMs on account of reduction in distribution loss. The difference in actual power purchase cost is due to increase in power purchase cost during FY 2018-19 and approved power purchase cost being based on power purchase cost of FY 2015-16. The increase in power purchase cost during FY 2018-19 was on account of uncontrollable factors such as increase in fuel cost / power purchase rate and due to increase in sales quantum, etc.

Further, increase in power purchase cost in case of M/s. Adani Power Limited is due to implementation of supplemental PPA approved by CERC effective from 15.10.2018 on account of increase in price of imported coal. In case of Sikka Power Station of GSECL, the increase in variable cost is due to increase in price of imported coal during the year. As regards the mismatch between power purchase cost claimed in the Petition vis-à-vis power purchase cost as per FPPPA claim, it is submitted that FPPPA charges are recovered based on the quarterly power purchase cost, i.e., the power purchase cost mentioned in the FPPPA submission is based on actual cost incurred during the quarter. However, the power purchase cost claimed in the Petitions are based on audited annual accounts of the DISCOM.

As regards scrutiny of power purchase cost, it is submitted that the Annual Accounts of DISCOMs and GUVNL including power purchase cost is subject to Audit by various authorities including Audit by Comptroller & Auditor General (CAG). Therefore, the power purchase cost claimed in the Petitions is correct and as per the principles of MYT framework.

As regards double recovery of FPPPA charge, it is submitted that the Commission approves respective year's power purchase cost in the MYT Order. Any increase/decrease in the power purchase cost during the year is passed through to the consumers in terms of FPPPA Charges worked out on quarterly basis. The quarterly FPPPA is worked out by GUVNL as per the Formula approved by Commission. Further, for any increase in FPPPA Charges in excess of 10 paise/kWh, prior approval of the Commission is required before recovery is allowed. When there is higher increase in recoverable FPPPA in any quarter, in order to avoid sharp rise in FPPPA charges to be recovered from consumers, only part of increased FPPPA is recovered during that quarter and balance FPPPA is deferred so that the same can be recovered from consumers when there is reduction in FPPPA charges in the subsequent quarters . Further, each year's actual expenses and revenue of the DISCOM is subject to true up by the Commission. Therefore, the issue of double recovery of any expense does not arise.

As regards significant in FPPPA Charges, as per provisions of the Tariff Policy, any increase in the power purchase cost vis-a-vis power purchase cost approved by the Commission in the ARR/MYT Order, is to be recovered from consumers through FPPPA charges on quarterly basis. The power purchase cost for FY 2018-19 was approved by the Commission in the MYT Order based on the power purchase cost of FY 2015-16. The power purchase cost has increased during FY 2018-19 on account of uncontrollable factors such as increase in fuel cost/power purchase rate and change in generation mix, etc. The FPPPA for FY 2018-19 is based on the actual power purchase expenditure incurred and reflects increase in power purchase cost over the base year's power purchase cost.

Power purchase is undertaken by GUVNL on behalf of all 4 DISCOMs on the basis of energy requirement of each DISCOM. To meet the energy requirement, power is procured by GUVNL from different sources and during the process of real time operations, surplus energy is sold to by GUVNL on behalf of DISCOMs, and proceeds from the sale are passed on to the DISCOMs, which is ultimately passed on to general consumers in terms of reduction in ARR by adjusting proceeds from sale of surplus power against total power purchase cost.

Commission's View

The power purchase cost for FY 2018-19 was approved by the Commission in the MYT Order based on the power purchase cost of FY 2015-16. The Commission has approved the FPPPA formula vide its Order dated 29th October 2013. The FPPPA framework is intended to allow 'adjustment' related to power purchase cost, i.e., pass through of increase/ decrease in the power purchase cost over the base power purchase cost considered for the respective year in the MYT Order. If FPPPA is not allowed on quarterly basis, there will be significant burden on the consumers at the time of truing up. Further, the FPPPA mechanism is in accordance with the EA 2003, GERC (MYT) Regulations, 2016 and Hon'ble APTEL Order in OP No. 1 of 2011 dated November 1, 2011.

The FPPPA charged by the DISCOMs in FY 2018-19 has been vetted by the Commission. The revenue earned by FPPPA is considered in the truing up for FY 2018-19. Further, at the time of true up, the Commission examines the prudence of the power purchase cost in accordance with the GERC (MYT) Regulations, 2016.

It is clarified that after unbundling, the DISCOMs do not have any own generation, and the FPPPA comprises Power Purchase Price Adjustment (PPPA) only.

The power purchase is estimated for the ensuing years in the MYT Order. The DISCOMs plan for power purchase on day-ahead basis. However, during real-time operations, quite often, surplus power may be available, which is sold by GUVNL to earn some revenue and minimise the incidence of Fixed Charges of power purchase.

Issue No. 14: Details of Target, Achievement and Progress of various Schemes

Information was on Target, Achievement and Progress of various Schemes like UJALA, SKY, Rural Electrification, SAUBHAGYA, VDS-2017 for Agricultural connections extended up to 2019, Amnesty – 2017 Scheme extended up to 2019, Roof Top Scheme, etc.

It was requested to establish new Divisional/Circle offices in UGVCL area.

Response of the Petitioners

All agriculture connections under normal and other Schemes are released under HVDS. Besides new connections, all additional load, shifting of AG connections, etc., and upgradation of system from LT to HT are carried out under HVDS. DISCOMs submitted the information against various Schemes, as desired by the stakeholders.

As regards establishing of new administrative offices, the Petitioners submitted that Administrative Offices are created for convenience of administration, Company as well as consumers. The Companies are creating new offices as per the requirement.

Commission's View

The response of the DISCOMs is noted.

Issue No. 15: Category-wise tariffs

The following suggestions were received in respect of category-wise tariffs:

(a) HP based tariff should be reduced;
(b) The difference between RGP (rural) should be reduced from 50 paise to 40 paise, and any increase in tariff should be within 5 paise/kWh in any financial year;
(c) The tariff of Temporary category should be increased to 1500 paise/kWh;
(d) Tariff for Industrial and Commercial category should be cost-effective;
(e) Power Factor rebate/incentive should be introduced in the LT category also;
(f) Night-time rebate should be introduced for LTMD consumers also;
(g) Load Factor rebate should be introduced for consumers having better load factor in order to bring overall efficiency in the system;
(h) The EHV rebate percentage should be increased to encourage more 11 kV consumers to convert to 66 kV;
(i) There is significant difference in peak-time charges and night-time charges. Also, there is no justification for peak hour charges between 07:00 hours to 11:00 hours;

(j) There is a tariff disparity for HTP-IV category and HTP-I consumers in the same time period of 10:00 hours to 6:00 hours where HTP-I category pays Rs. 1.65/kWh higher, after night rebate;
(k) Consumers should be incentivized when Power Factor goes beyond 90%;
(l) There should be parity between incentives and penalties imposed on the consumers. Further, the incentive/penalty on energy charges including FPPPA;
(m) The Demand Charges from HT consumers eligible for Open Access should be reduced;
(n) The high Additional Surcharge imposed on Open Access consumers makes Open Access unviable, and should be reduced;
(o) The Excess Demand Charge of Rs. 555/kVA for HTP-I category is very high and should be rationalized, as even 100 kVA consumers would be forced to pay Rs. 555/kVA for Excess Demand;
(p) The tariff for each DISCOM of Gujarat should be different, to generate competition in the power sector, as the DISCOMs' performances vary from one another, especially PGVCL, who has the highest Distribution Losses;
(q) EHV tariffs should only include transmission cost and exclude distribution cost.

It was suggested to introduce a uniform model of Tariff Proposal for all the DISCOMs for ensuring common method and making it easier to study for the stakeholders.

Response of the Petitioners

As regards reduction in HP based Tariff, the Tariff Policy mentions the need to rationalize Tariff to various consumer categories such that it is more aligned to the cost of supply in the band of ± 20% of the Average Cost of Supply (ACoS). The Average Billing rate of agricultural category is already much lower than the ACoS.

As regards concessional tariff for agricultural consumers using micro-irrigation systems, irrigation of agricultural fields through micro/drip irrigation system consumes much lesser energy as compared to normal mode of irrigation. Thus, such agriculture consumers are automatically benefitted. Further, giving benefit to one class of consumers will result in increase in tariff of other class of consumers.

As regards the tariff for Industrial and Commercial category, the Petitioners submitted that though the Tariff Policy mandates that tariff for various consumer categories has to be in a band of ± 20% of the ACoS, however, ground realities of the sector also have to be kept in view. Also, Industrial and commercial consumers are primary beneficiaries of the State's efforts to provide good quality uninterrupted power. Agricultural consumers enjoy power supply for only 8 hours of the day and that too in off-peak hours and night time. So, the average power purchase cost for supply to agricultural category is much lower than that for other category enjoying power supply during peak hours also. Thus, it is natural that the tariff for agriculture category is significantly lower than that for other consumer categories. Further, the tariff for almost all categories is within ±20% of ACoS. The DISCOMs have not proposed tariff revision for any consumer category.

As regards extending the benefit of Power Factor (PF) rebate/incentive to LT category, under the 'ABT' regime, DISCOMs are required to maintain "kVARh" drawal or injection depending upon the voltage level. System is highly dynamic and therefore, dynamic compensation mechanism is also required. LT consumers are very large in number and it would be very difficult to manage "kVARh" consumption of all such consumers, particularly when rebate/incentive is provided for better PF to such consumers. The mechanism of providing PF rebate may also become counter-productive as in order to get maximum benefit, consumers may be tempted to provide excessive compensation, which besides making grid operations difficult may create serious safety related issue. Further, giving rebate or discount for one component of tariff to any category of consumers would require recovery of higher amount through other components from other categories of consumers.

Night-time rebate is also not suitable for LT category as the sheer objective of giving night-time benefit to the consumer is to shift their demand from peak hours to off peak hours and thereby to help the grid as well as to flatten the demand curve of the utility. LT category consumers are small and generally operate their industry for one shift, therefore, it is very difficult for them to shift their load from peak to off-peak hours or night hours. Further, the Commission has decided special tariff for NRGP and LTMD consumers for exclusive consumption during night hours. However, practically there is no consumer who has chosen this option. It would be apt to mention that the DISCOMs have not proposed any change in tariff.

As regards introduction of Load Factor rebate/incentive, it may be noted that many of the consumers do not draw full power from the DISCOM (through Open Access or from other sources like Solar, Wind, etc., under different arrangements). If the consumer maintains better Load Factor, the overall tariff on per unit basis would also reduce, thereby benefitting the consumer.

As regards increase in EHV rebate, the same is being given historically to Extra High Voltage consumers. Such consumers have taken EHV connection according to their load requirements and according to the Electricity Supply Code. So, the consumers cannot be considered to have made extra efforts for reducing the losses.

The rates for PF rebate were fixed by the Commission in its Order in Review Petition No. 1, 2, and 3 of 2007 after a lot of discussion and deliberation from both the sides. In previous Tariff Orders also, the matter was discussed and Commission had taken conscious decision not to alter the present rate of rebate. As for including FPPPA for give PF rebate, it is submitted that higher incentive for PF correction may lead to over compensation, which will influence the voltage profile of the system.

As regards the suggestion to reduce the Demand Charges for HT category, it is submitted that it is a basic commercial principle for any organization to recover its fixed cost through Fixed Charges. However, in the present tariff structure, part of the fixed cost is recovered through Energy Charges. Even with the existing rate of Demand Charges, the fixed cost recovery through fixed charges for HTP 1 category works out to 40.45%, remaining is being recovered through Energy Charges. In case of consumers who are not procuring power from the DISCOM corresponding to their Contract Demand, the unrecovered Fixed Cost becomes a burden for other consumers. Further, even with the proposed tariff, only 29% of the fixed cost is recovered through Fixed Charges. Therefore, it is not possible for DISCOMs to abolish Fixed Charges.

Suggestion to link the Excess Demand Charges to the normal Demand Charges based on the Contract Demand is not logical, as any consumer using load in excess of his Contract Demand causes the same effect on the distribution system irrespective of its contract demand, therefore Excess Demand Charges should not be linked with normal Demand Charges.

As regards separate tariff for each DISCOM, the Petitioners submitted that uniform Retail Supply Tariff for all four DISCOMs (Unbundled entities of erstwhile GEB) has been envisaged so that consumers in similar categories in the State could have similar tariff and there may not be any discrimination between the consumers, merely because such consumers are placed at different geographical locations and having different socio-economic conditions, which is also the objective of EA 2003.

Since the consumer and consumption profiles are different in the four DISCOMs; the revenue earning capabilities of each DISCOM also differs. In order to ensure Retail Supply Tariff for all 4 State-owned DISCOMs, differential Bulk Supply Tariff mechanism is in place, which is approved by the Commission.

Commission's View

As regards reduction in HP based Tariff, the agriculture category is a highly subsidized category for various reasons. The Commission, while determining the tariff attempts to maintain balance between subsidized category and subsidizing category.

As regards separate tariff for each DISCOM, response of the Petitioners is self-explanatory.

The Commission has carefully considered all the suggestions regarding determination of tariff for different categories.

The Commission's decisions regarding tariff categorisation and category-wise tariff for FY 2020-21 is detailed in the Tariff Philosophy Chapter of this Order.

Issue No. 16: EEPS Scheme is discontinued

It was requested to reintroduce the Energy Efficient Pump Set (EEPS) Scheme and widen the Scope to maximum number of farmers and Talukas.

Response of the Petitioners

Efficient utilization of electrical energy helps in lesser energy consumption for the same quantum of work. This phenomenon is equally applicable to the agricultural consumers. A demonstrative project was undertaken by replacing old pump sets with energy efficient pump sets. If the metered agricultural consumer installs energy efficient pump set, reduction in energy consumption as well as energy bill can be achieved.

Commission's View

The EEPS Scheme was introduced by PGVCL under Demand Side Management Programme. It is experienced that consumers are not coming forward to avail the benefits of this Scheme. Consumer organisations should take the lead in making the consumers aware about benefits of the said Scheme by opting for it.

Issue No. 17: Transmission and Distribution losses

It was submitted that Distribution Losses and Transmission Losses should be restricted up to 9% and 1%, respectively, so that T&D Losses are restricted up to 10%, and losses higher than 10% should not be passed on the consumers.

It was submitted that Distribution Losses are being controlled by reducing the supply hours to agricultural category from 16 hours to 8 hours, and due to sufficient rainfall. No sincere efforts have been made towards reduction of Technical Losses.

It was submitted that the Feeder Management system has totally failed. The post of Feeder Managers should be totally free from routine work.

The distribution losses on JGY feeders remain uncontrolled and a separate status report is required for work done, expenses and output in terms of results.

It was submitted that there is inconsistency in reporting of distribution losses in the Annual Reports and the figures shown in the Tariff Petition.

Response of the Petitioners

The Commission has approved Distribution Loss trajectory for the entire MYT Control Period from FY 2016-17 to FY 2020-21. Distribution Losses being a controllable factor, the DISCOMs have given appropriate treatment to the deviation from approved loss level in the true up petition for FY 2018-19.

Since Transmission losses are beyond the control of DISCOMs, the actual Transmission Losses are considered by the Petitioners.

As regards distribution losses in JGY feeders, the Petitioners furnished various activities carried out for loss reduction in JGY feeders.

Commission's View

The Commission is of the view that sustained and concerted efforts should be continued to further reduce the losses as compared to the levels approved in the MYT Order dated March 31, 2017.

On the issue of distribution losses in JGY Feeders, the Commission is of the view that thorough energy audit need to be carried out on JGY Feeders having higher distribution losses as per the directives issued in previous Tariff Orders and as discussed during previous meetings of the Co-ordination Forum.

Issue No. 18: Disallow Interest on Working Capital and consider Return on Equity at 12%

It was submitted that the Interest on Working Capital (IoWC) should not be allowed. It was also submitted that the Return on Equity (RoE) at 14% is too high, and should be reduced to 12%.

Response of the Petitioners

In the true up petition for FY 2018-19, No IoWC has been claimed, while RoE has been claimed in accordance with GERC (MYT) Regulations, 2016.

Commission's View

As the Petitioners have huge amount of Security Deposit with them, which they use for working capital requirement, the net working capital requirement works out to be negative and accordingly, IoWC is approved as NIL by the Commission. Further, RoE is approved @ 14%, as per provisions of the GERC (MYT) Regulations, 2016.

Issue No. 19: Large number of meters pending for replacement

It was submitted that there are still 1.4 lakh defective meters. Information was sought regarding detailed status report with reasons.

Response of the Petitioners

Petitioners submitted the status of defective meter replacement.

Commission's View

The Commission has already provided directive to the DISCOMs to adhere to the time lines specified in the GERC (SoP) Regulations, 2005 for replacement of faulty meters.

Issue No. 20: Directive Compliance

The compliance of Commission's directive was questioned, as Feeder bifurcation work is unsatisfactory, Distribution Transformer Centre review work is reduced, conductor replacement work is reduced, HVDS is not satisfactory and erection work under KHUSHY scheme is poor.

Response of the Petitioners

Compliance to directives is already submitted to the Commission from time to time and also in the present Petition.

Commission's View

The compliance of directives is discussed in detail in Chapter 6 of this Order.

Issue No. 21: Distribution Transformer Failure rate

The Distribution Transformer failure rate is very high and not acceptable, specifically of PGVCL at 11.51%.

Response of the Petitioners

Distribution Transformer failure rate for UGVCL for FY 2018-19 is 5.58%.

Commission's View

The DISCOMs should ensure that the Distribution Transformer failure rate is minimised by proper load distribution and distribution system planning, to ensure against overloading of transformers.

Issue No. 22: Consumer Charter

It was submitted that the agricultural consumers portion of the Consumer Charter "Adhikar Patra" is partial.

Response of the Petitioners

Consumer Charter is prepared for all categories of consumers including agricultural consumers.

Commission's View

The DISCOMs should ensure that the Consumer Charter is prominently displayed at all Divisional Offices, and should cover all consumer categories.

Issue No. 23: Regulations related

It was submitted that the following Regulations need to be framed/implemented:

(a) Standards of Efficiency Regulations should be framed;
(b) Separate Regulations should be framed to focus on the need of agricultural category;
(c) Clause 6.76 of the GERC Supply Code Regulations, 2015 and Section 3 of the First Amendment, 2016 are not being implemented by GUVNL and the DISCOMs, however, no action has been taken by the Commission.

Response of the Petitioners

DISCOMs have not responded to this issue.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The issue of framing new Regulations and implementation of existing Regulations is a separate matter.

Issue No. 24: Facility of Mobile Van for Electricity Bill collection in rural areas

It was suggested to provide facility of Mobile Van for Electricity Bill collection in rural areas.

Response of the Petitioners

Besides bill collection at sub-division offices, other facilities for payment of bills in rural areas are available as under:

- E-gram;
- Collection through banks/agencies;
- Village cash collection by cashier, etc.;
- Different modes for "on line" payment and payment through "App".

Commission's View

The DISCOMs may consider the cost and benefit of the suggestion and implement the same if it can help to improve the collection efficiency from the rural and agricultural sector.

Issue No. 25: Reduction of Cross Subsidy Surcharge

It was submitted that that the Commission has not prepared the roadmap towards reduction of Cross Subsidy Surcharge (CSS) as provided under Section 178 (2) (k) of the EA 2003.

It was further submitted that CSS should be determined based on determination of tariff and cross subsidy level considering voltage-wise cost of supply, and CSS should be computed on the basis of weighted average cost of power of top 5% at the margin.

It was also suggested that while determining the CSS, the payment of Demand Charges and Additional Surcharge should be deducted from applicable tariff so that Open Access consumers are not double charged.

Response of the Petitioners

Response not submitted by the Petitioner.

Commission's View

The Commission is determining the CSS in the Tariff Order for the respective year in accordance with the Formula prescribed in the Tariff Policy.

Issue No. 26: Transparency in the Petition

It was submitted that the Petition lacks crucial information relevant for tariff determination and the Petitioners have failed to comply with the Commission's earlier directives for providing this information. In the absence of such crucial information, it is very difficult to offer objections/comments/suggestions in a comprehensive manner. Further, information submitted subsequently by the Petitioner is not made available to the stakeholders.

Response of the Petitioners

The Petitions have been filed as per the principles laid down by the Commission in the applicable GERC (MYT) Regulations, 2016.

Commission's View

The Commission has ensured that the Petitions have been filed as per the principles laid down by the Commission in the applicable GERC (MYT) Regulations, 2016. Further, information submitted subsequently by the Petitioner is also made available to the stakeholders on the website of the DISCOMs.

Issue No. 27: Cost to Serve Report

It was submitted that the Petitioners have failed to submit the Report on category-wise Cost to Serve for several years.

Response of the Petitioners

In accordance with the Commission's directives, the DISCOMs have prepared the Report on Cost to Serve for FY 2018-19 through independent consultant and the same has been submitted to the Commission.

Commission's View

The DISCOMs have submitted the Report on Cost to Serve for FY 2018-19 to the Commission. However, it is directed to the Petitioner to submit the Cost to Serve Report along with the tariff petition.

Issue No. 28: Draft Tariff Order

It was suggested that the Commission should prepare and publish draft Tariff Order proposing various tariff elements and tariff structure and then invite comments/suggestions from the interested Parties on the draft Tariff Order before its finalization.

Response of the Petitioners

The Petitioners have not responded to this issue.

Commission's View

The Petitioners submit their Tariff Petitions to the Commission, which is published for inviting comments and suggestions from the stakeholders, in accordance with the EA 2003 and GERC (MYT) Regulations, 2016 and GERC (Conduct of Business) Regulations, 2004. It is impractical to expect the Commission to publish the draft Tariff Order and invite comments/suggestions on the same. It may be noted that the Commission is a quasi-judicial authority, and has certain functions and powers.

Issue No. 29: Computation of Bulk Supply Tariff

Details of the computation of Bulk Supply Tariff, which is used to determine the power purchase cost of the State DISCOMs, were sought. It was also enquired whether the Petitioners are following the mechanism approved by the Commission in its MYT Order dated March 31, 2017.

Response of the Petitioners

It is submitted that the socio-economic situation, consumer mix and geographic situation etc. is different among the four DISCOMs. The Commission has approved the Bulk Supply Tariff mechanism in the MYT Order dated March 31, 2017 for the Control Period from FY 2016-17 to FY 2020-21. For FY 2018-19, power purchase cost has been allocated to the four DISCOMs in accordance with the BST framework approved by the Commission in the MYT Order.

Commission's View

The Commission has approved the power purchase cost of the DISCOMs in the truing up for FY 2018-19 after prudence check of the actuals submitted by the Petitioners, in accordance with the Bulk Supply Tariff mechanism in the MYT Order dated March 31, 2017.

Issue No 30: True up of GUVNL Expense and Revenue

There were objections to the non-inclusion of GUVNL's expenses and revenue as part of the true up process for the 4 DISCOMs.

Response of the Petitioners

It is submitted that the Annual Accounts of DISCOMs and GUVNL including power purchase cost is subjected to audit by various authorities including CAG. Therefore, the power purchase cost claimed in the Petitions is correct and as per the principles of MYT framework.

Commission's View

The suggestion is well taken by the Commission..

Issue No. 31: Approved vs. Actual Capital Expenditure

There were objections to the huge difference between the actual and approved capital expenditure, which is around Rs. 535 crore or around 15%. If the increase in capital expenditure is due to time/cost overrun, the same may be borne by the Petitioners.

Response of the Petitioners

The Petitioner has incurred the Capital expenditure to meet the Supply obligation including releasing of new connections, additional/alteration to the existing connections, renovation and replacement of old Distribution network, bifurcation of feeders, installation/augmentation of Distribution Transformers, replacements of meters, etc. The Scheme-wise deviation and justification for the same is already provided in the Petition.

Commission's View

The Commission has approved the Capital Expenditure and Capitalisation in the truing up for FY 2018-19 after due prudence check, as discussed in Chapter 4 of this Order.

Issue No. 32: Increase in O&M expenses

There were objections to the huge variation in actual O&M expenses incurred vis-à-vis the approved O&M expenses for the year. According to Regulation 22.2 (h) of the GERC (MYT) Regulations, 2016, variation in O&M expense is to be taken as controllable factor and therefore one-third of the variation is to be allowed as pass through. The Petitioners' claim of considering O&M expenses as uncontrollable is contrary to the Regulations.

Response of the Petitioners

O&M expenses comprise Employee cost, A&G expenses, and R&M expenses.

The growth in number of consumers necessitate corresponding increase in employee expenses and A&G expenses. Employee expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity, leave encashment and staff welfare expenses, etc. Expenses incurred under this head is mainly by following the guidelines issued by Competent Authority like State Government. The DISCOMs also make all efforts to reduce the Distribution Losses to achieve Loss reduction trajectory approved by the Commission, which increases R&M expenses. Hence, entire expenditure is a legitimate expenditure and variation is purely beyond its control.

Commission's View

O&M expenses are approved in the truing up for FY 2018-19 after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in Chapter 4 of this Order.

Issue No. 33: Depreciation

It was submitted that the Petitioners have not submitted the break-up of assets for claiming depreciation, and the Petitioners may have given differential treatment to the assets transferred under the Transfer Scheme, 2004.

Response of the Petitioners

Depreciation is claimed as per provisions of GERC (MYT) Regulations, 2016.

Commission's View

Depreciation is approved in the truing up for FY 2018-19 after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in Chapter 4 of this Order.

Issue No. 34: Return on Equity

It was submitted that the Petitioners have not furnished documentary evidence and proof of actual equity deployment. The Commission was requested to verify actual equity deployment and in case equity deployment is less than 30% of capital expenditure, then actual equity should be considered to calculate RoE.

Response of the Petitioners

RoE is claimed as per provisions of GERC (MYT) Regulations, 2016.

Commission's View

RoE is approved in the truing up for FY 2018-19 after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in Chapter 4 of this Order.

Issue No. 35: Other Income

It was submitted that there is a significant variation in the Other Income stated in the Petitions and the Other Income approved in the MYT Order.

Response of the Petitioners

Other Income comprises Service Line Charges, Wheeling Charges, CSS, Additional Surcharge, Recovery from theft of power, Delayed Payment Charges, etc. The Commission has abolished the Meter Rent, which has reduced the income under this head. Therefore, there is reduction in Other Income.

Commission's View

The Other Income has been considered in the truing up for FY 2018-19 after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in Chapter 4 of this Order.

Issue No. 36: Tariff Proposal for FY 2020-21 - Revenue from FPPPA charges

It was submitted that the roadmap for reduction of FPPPA charges in FY 2020-21 by 0.51/kWh should be verified. Further, as per GERC (MYT) Regulations, revenue is to be considered only at existing tariff and not separately showing earnings from FPPPA Charges, hence, FPPPA Charges should be merged with the base tariff.

Response of the Petitioners

FPPPA Charges being adjustment charges towards variation in power purchase cost due to various uncontrollable factors, it may increase / decrease based on variation in actual power purchase cost. Any increase in power purchase cost during FY 2020-21 over base power purchase cost will be recovered as incremental FPPPA over Base FPPPA of Rs. 1.59/kWh.

Commission's View

The Response of the Petitioner is self-explanatory.

Issue No. 37: Loss level applicable for Open Access consumers

It was submitted not to consider losses applicable to Open Access users at 10% since actual losses are lower.

Response of the Petitioners

Petitioner submits that various consumers/consumer groups had raised the issue in the tariff proceedings for FY 2015-16 that the wheeling loss determined by the Commission is too high as compared to actual loss levels for 11 kV. The Commission, in its Tariff Order dated March 31, 2015 felt that a recalculation of HT-LT losses is necessary to arrive at reasonable wheeling losses. So, the Commission issued directives to DISCOMs to initiate a study on the segregation of HT and LT losses. Considering the findings of the Report, the Commission has not revised the wheeling loss applicable for wheeling of energy at 11 kV (HT) level and 440 V (LT) level.

Commission's View

The response of the Petitioner is self-explanatory.

Issue No. 38: Poor Consumer Services

It was submitted that the consumer service provided by all four Petitioners should be taken up in the truing up process and hearing.

Response of the Petitioners

Consumer installations are checked and discrepancy found, if any, is dealt with as per relevant provisions of EA 2003 and Regulations notified by the Commission in this regard. Generally, consumer's meter for billing purpose are read within the time frame provided by the Commission. The Petitioners have submitted their plan for meter replacement in the Petition. Maximum efforts have been taken to reduce electrical accidents. The DISCOMs have set up CGRF under the provisions of GERC (CGRF) Regulations.

Commission's View

The response of the Petitioner is self-explanatory. The DISCOMs should ensure that the supply and service to the consumers is in accordance with the EA 2003 and the Regulations notified by the Commission.

Issue No. 39: Review of performance during FY 2018-19

It was submitted that the Commission should not approve parameters where the Petitioners have claimed in excess of the approved parameters.

Response of the Petitioners

Various steps are taken for reduction of Distribution Losses and all efforts are being made to achieve further reduction in distribution losses. Petitioner endeavours to achieve the loss reduction trajectory approved by the Commission.

Commission's view

The Commission have noted the efforts made. However, loss reduction activity being continuous, sustained and concerted efforts should be made to reduce the losses in coming years also.

All the four Distribution Companies are catering to different mix of consumers having different characteristics of geographical area. Comparing losses of one DISCOM with another is not appropriate. Instead, comparison of current year's performance in loss reduction activities with that of previous years is more appropriate.

The Commission has approved the normative performance parameters in the truing up for FY 2018-19, and any variation in performance due to controllable parameters has been shared in the ratio of 1/3rd : 2/3rd in accordance with the GERC (MYT) Regulations, 2016.

Issue No. 40: Indirect Increase in Tariff during last 5 years

It was submitted that that though officially, tariff of any consumer category has not been increased in Gujarat, but indirect increase in electricity bill of all consumers is more than 14% during last 5 years.

Response of the Petitioners

Basic nature of FPPPA is 'adjustment' related to power purchase cost, i.e., pass through of increase or decrease, as the case may be, in the power purchase cost over base power purchase cost. As the power purchase cost changes, the FPPPA Charge changes, and are recovered in the form of an incremental energy charge (Rs./kWh) recovered as per the Formula approved by the Commission.

Commission's View

The power purchase cost for FY 2018-19 was approved by the Commission in the MYT Order based on the power purchase cost of FY 2015-16. The Commission has approved the FPPPA formula vide its Order dated 29th October 2013. The FPPPA framework is intended to allow 'adjustment' related to power purchase cost, i.e., pass through of increase/ decrease in the power purchase cost over the base power purchase cost considered for the respective year in the MYT Order. Further, the FPPPA mechanism is in accordance with the EA 2003, GERC (MYT) Regulations, 2016 and Hon'ble APTEL Order in OP No. 1 of 2011 dated November 1, 2011.

Detailed clarification has been provided in past years' Tariff Orders and also in Chapter 7 of this Order.

Issue No. 41: Tariff Subsidies provided by State Government

It was submitted that the Government grants tariff subsidies of different types to GUVNL, which is distributed to DISCOMs, however, details of subsidy to agriculture, FPPPA related subsidy, and subsidy to Water Works are not accounted in the Annual Reports. It was submitted to consider subsidy received from State Government under various heads as the revenue of DISCOMs while calculating the revenue requirement of FY 2018-19.

Response of the Petitioners

As per the Commission's Tariff Order, FPPPA is a part of tariff. The FPPPA Charges payable by agricultural consumers is not recovered from the consumers but is being compensated by the State Government as a subsidy support to agriculture consumers. Revenue received from agriculture consumers is mentioned in the the Annual Accounts of the Petitioners which is inclusive of FPPPA subsidy from State Government, subsidy for tariff compensation from State Government. Similarly, subsidy received from the State Government towards Water Works connections is also mentioned in the Annual

Accounts for FY 2018-19, which is inclusive of Water Works subsidy from State Government.

It may be noted that FPPPA subsidy received from the State Government and subsidy for Water Works connections have been duly considered in the revenue from Sale of Power for respective category of consumers, both in Annual Accounts of the Company and also in the true up Petition.

Commission's View

The response of the Petitioners is self-explanatory.

Issue No. 42: Disclosure of Total Income

It was submitted that the DISCOMs should be directed to disclose total income including the revenue from tariff and Non-Tariff Income, which they collect from consumers according to Rules and Regulations with details of income received from every head.

Response of the Petitioners

As per Accounting practice, revenue accounted in the Annual Accounts includes revenue from Sale of Power to GUVNL (Surplus Sale) and DSM charges, besides revenue from sale of power to retail consumer categories. However, in the Petition, net power purchase cost is shown, i.e., after reducing amount towards sale of surplus power to GUVNL from total power purchase cost charged by GUVNL. Netting off of the same heads, i.e., revenue from sale of power to GUVNL and DSM Charges have been done and therefore, the amounts of revenue in the Annual Accounts and in the true up Petition is different, on account of different accounting treatment in the ARR and the Annual Accounts.

Revenue from sale of power includes revenue through FPPPA charges and revenue from temporary connections also. Further, the head "Other Income" is classified under the head of Non-Tariff Income in the Petition and the same has been reduced from total ARR rather than including it in the revenue. So, the total income is disclosed in the Petition but presentation is different as per Accounting Practice and requirement as per GERC (MYT) Regulations, 2016.

Commission's View

The response of the Petitioners is self-explanatory.

Issue No. 43: Introduction of LTMD Tariff above 6 kW in all RGP categories

It was requested to introduce optional demand-based tariff for RGP Tariff. Other stakeholders should have no locus standi to give any kind of objections as the tariff would be optional for high load RGP consumers. It was suggested to incorporate the clause in LTMD category that "Those RGP Category consumers having connected load above 6 kW may opt for LTMD Tariff".

Response of the Petitioners

This is the suggestion to the Commission and any modification to be made by the Commission should be revenue neutral to the DISCOM.

Commission's View

Though, proposal for introduction of Demand Based in Tariff in RGP category is appropriate but it requires to have technical skill in residential consumers to declare their billing demand. The Commission has noted the suggestion. .

Issue No. 44: Theft of Electricity

It was submitted that the DISCOMs do not have any concrete action plan to stop direct theft of electricity. It was also requested to submit the list of high loss-making feeders with action plan for improvement in reducing the losses.

Response of the Petitioners

The overall distribution loss level of UGVCL at the end of March 2006 was 21.11%. UGVCL has been able to achieve reduction of approximately 13.35% over a span of 12 years and present loss level is 7.76%. Significant loss reduction was possible in all category Feeders including JGY category, where the loss has reduced from 37.5% to 17.62%, while in Urban category, losses are reduced from 14.59% to 6.62%.

For having focused action on high loss feeders, Feeders are selected based on the distribution loss on following criteria and specific actions are planned:

a) Urban category feeders - above 15% loss
b) JGY category feeders - above 50% loss
c) Industrial / GIDC feeders - above 5% loss

Feeder-wise Feeder Managers for the selected Feeders are nominated and responsibility assigned for carrying out loss reduction activities. Comprehensive planning for the work to be carried out on such Feeders is done on the basis of actual field report. Moreover, fortnightly and monthly meeting of Feeder Managers is carried out at various levels.

These efforts shall continue and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as the loss level goes down. Distribution Loss of Agriculture category is highly influenced by the amount and spells of rainfall, etc., particularly during monsoon season. However, with the continuous efforts and expeditious release of new connections, the loss of agriculture category has also reduced.

Commission's View

The Commission has noted the efforts of the Petitioners to achieve loss reduction target. The Commission is of the view the Petitioners should continue identifying high loss making Feeders and set targets for loss reduction, and steps should be taken to achieve the set target.

Issue 45: Rationale for recovery of DSM/UI Charges

Objections on recovery of DSM/UI charges have been raised.

Response of the Petitioners

Deviation Settlement Mechanism, which was previously known as "Unscheduled Interchange", is meant for grid discipline and payable/ receivable for the deviation from the schedule. Rate of UI/DSM units varies time to time as it is linked with the grid frequency. Further, amount receivable/ payable towards DSM/UI charges are duly accounted and appropriate treatment is given in the petition.

Commission's View

The response of the Petitioner is self-explanatory.

Issue 46: Less revenue shown in the ARR/ True up proposal

Less revenue is shown in the ARR / True Up proposal.

Response of the Petitioners:

Revenue in annual accounts includes revenue from sale of surplus power to GUVNL and DSM charges, besides revenue from sale to different consumer categories as per Accounting practice. Whereas in the ARR petition, the net power purchase cost is shown after reducing the amount of surplus power as per requirement of ARR. Netting of the same heads i.e. revenue from sale of power to GUVNL and DSM Charges have been done and they have been reduced from total power purchase cost so the amount of revenue from annual accounts and shown in petition is not same. Revenue from sale Power from respective category includes revenue through FPPPA. Also the head "Other Income" is classified under the head of non-tariff income in the petition and the same has been reduced from total ARR rather than including it in the revenue. So there is no error in the petition but presentation is in different format as per Accounting Practice and requirement as per MYT Regulations.

Commission's view:

The Commission has approved the proposal after prudence check considering revenue from different sources.

Issue No. 47: Revenue Billed and Revenue collected

It was submitted that the DISCOMs should submit the figures of revenue billed and revenue collected during FY 2018-19.

Response of the Petitioners

Collection Efficiency of the Petitioner is @ 100% for FY 2018-19.

Commission's View

The response of the Petitioner is self-explanatory.

Issue No. 48: Unutilized Units by Open Access consumers

It was submitted that the Commission should enquire about the units unutilized by Open Access consumers, regarding who is the eventual beneficiary of these units and how they are accounted in the Energy Balance.

Response of the Petitioners

Petitioner submitted that the treatment for inadvertent flow of power is given as per the applicable orders/ regulations of the Commission. In case of Open Access transaction for non-Re based power, there is no provision for purchase of inadvertent flow of power by Discoms after giving set off at recipient units. Therefore, such energy is not accounted in books of GUVNL/ Discoms.

Commission's View

Difference of energy scheduled and drawn by the Open Access consumers is an inadvertent flow into the infinite grid. Response of the Petitioner is self-explanatory.

Issue No. 49: Outsourcing

It was submitted that large part of work has been outsourced by the DISCOMs, and DISCOMs should disclose about the outsourced work, scope, and outgoing amounts on this account. The DISCOMs should also state what activities have been franchised like different Feeders monitored and what are the expenses and terms of Agreement.

Response of the Petitioners

Response not submitted by the Petitioner.

Commission's View

The Commission is of the view that expenditure incurred for the projects implemented through outsourced or implemented through internal workforce, treatment is given same while allowing the expenditure in the ARR.

Issue 50: To make last five years' petition as well as FPPPA data available on websites of the Petitioners:

DISCOMs should be directed to keep data live on the components, value and methodology related to FPPPA on GERC website for at least 5 years.

Response of the Petitioners

Response not submitted by the Petitioner.

Commission's View

As regards to keeping data of FPPPA on websites, the Commission has already directed the Licensees to keep the FPPPA data for last 8 quarters on their websites.

3.3 Suggestions/ Objections pertaining to UGVCL

Issue No. 1: Licensee status under EA '03 to Military Engineering services for special tariff

It was submitted that Military Engineering Services (MES) as department under Ministry of Defence has the mandate to supply electricity to its quarters pertaining to defence personnel, both married and unmarried. It was suggested that MES should be covered under a special tariff category similar to the tariff it enjoyed with Order dated 25th June, 2004.

Response of the Petitioner

The present tariff structure has evolved and has been rationalized over a period of time. Under LT category, there are mainly two categories, residential and non-residential categories only, besides others for very specific purpose. Therefore, any further addition in categorization would be against the move to rationalise tariffs.

Further, MES being a deemed Distribution Licensee, as decided in the Order on Petition No. 849/2005, can source power as per their requirement on mutually agreed basis.

Commission's View

The explanation of the Petitioner is self-explanatory.

Issue No. 2: Time of Day (ToD) Demand Charges

It was proposed that a new tariff structure for HTP-1 customers would better align consumer demand with grid operational conditions (e.g., energy availability, peak demand). This will better align customers' electricity consumption behaviour with energy availability during times of peak demand, which tries to help DISCOMs to manage periods of extremely high peak demand in a cost-effective manner. It will also serve as a strong incentive for customers to invest in storage, and for those customers to operate their storage units in a grid-friendly manner.

Response of the Petitioners

Response not submitted by the Petitioner.

Commission's View

The Commission is of the view that the Petitioner along with other three State Owned DISCOMs should evaluate the suggestion and carry out a study to implement the same. DISCOMs are required to submit the study report by 1st September, 2020.

Issue No. 3: Implementation of ToD Energy charges for new residential Solar Customers

A new tariff was proposed for grid-connected solar PV systems in order to better align customer electricity consumption behaviour with energy availability.

Response of the Petitioners

Response not submitted by the Petitioner.

Commission's View

The suggestion is well taken. The Petitioner is directed to carry out study for implementation of ToD energy charge for new Residential Roof top Solar Consumer.

4 Truing up of FY 2018-19

This Chapter deals with the truing up of FY 2018-19.

UGVCL, in its submission for True-up of FY 2018-19, has furnished details of the actual energy sales, expenditure and revenue based on the audited Annual Accounts for FY 2018-19. The Licensee has stated that the truing up for FY 2018-19 is based on the comparison of the actual performance of FY 2018-19 with the ARR approved for FY 2018-19 in the MYT Order dated 31st March, 2017 to arrive at the Gains/(Losses), as per the GERC (MYT) Regulations, 2016.

The Commission has analysed the components of the actual energy sales, expenses, revenue and computed Gains/ (Losses) in the process of truing up for FY 2018-19.

4.1 Energy Sales

Petitioner's Submission

The Petitioner has submitted the category-wise actual energy sales for FY 2018-19 as given in the Table below:

Table 4-1: Category-wise sales for FY 2018-19 (MU)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing Up
A	**LT Consumers**		
1	RGP	2,379	2,256
2	GLP	52	50
3	Non-RGP & LTMD	1,829	1,935
4	Public Water Works	780	745
5	Agriculture- Unmetered	3,714	3,406
6	Agriculture-Metered	6,219	6,331
7	Public Lighting	62	56
	LT Total (A)	**15,035**	**14,779**
B	**HT Consumers**		
8	Industrial HT	4,802	7,621
9	Railway Traction		
	HT Total (B)	**4,802**	**7,621**
	Grand Total (A+B)	**19,837**	**22,400**

Commission's Analysis

The Commission, in the MYT Order, dated 31st March, 2017, had approved the energy sales of 19,837 MU for FY 2018-19 against which, UGVCL has submitted the actual sales of 22,400 MU.

As can be observed from the Table above, the actual energy sales to LT categories are slightly lower than that approved by the Commission for FY 2018-19 in the MYT Order dated 31st March, 2017. On the other hand, the actual energy sales to HT categories are significantly higher than that approved by the Commission for FY 2018-19 in the MYT Order dated 31st March, 2017.

The Commission enquired from UGVCL regarding the reasons for the increase in energy sales to HT category. UGVCL replied that the actual sales to HT category were higher than approved primarily on account of reduction in Open Access sales.

Overall, the actual energy sales of UGVCL are higher as compared to that approved in the MYT Order dated 31st March, 2017. As energy sales are largely uncontrollable in nature, the Commission approves the actual energy sales as detailed in the Table below:

Table 4-2: Energy sales approved in truing up for FY 2018-19 (MU)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing Up	Approved after Truing Up
A	**LT Consumers**			
1	RGP	2,379	2,256	2,255.92
2	GLP	52	50	49.64
3	Non-RGP & LTMD	1,829	1,935	1,935.43
4	Public Water Works	780	745	744.96
5	Agriculture-Unmetered	3,714	3,406	3,406.37
6	Agriculture-Metered	6,219	6,331	6,330.65
7	Public Lighting	62	56	55.54
	LT Total (A)	**15,035**	**14,779**	**14,778.51**
B	**HT Consumers**			
8	Industrial HT	4,802	7,621	7,621.20
9	Railway Traction			-
	HT Total (B)	**4,802**	**7,621**	**7,621.20**
	Grand Total (A+B)	**19,837**	**22,400**	**22,399.71**

4.2 Distribution Losses

Petitioner's Submission

The Petitioner has submitted that the actual distribution losses for FY 2018-19 are 11.19%, as against the losses of 9.80% approved in the MYT Order dated 31st March, 2017, as given in the Table below:

Table 4-3: Distribution Losses for FY 2018-19 as submitted by UGVCL (%)

Particulars	Approved in the MYT Order	Actual Claimed
Distribution Losses (%)	9.80%	11.19%

The Petitioner submitted that distribution losses have marginally increased during recent years. However, UGVCL has made continuous efforts to lower distribution losses.

The Petitioner submitted that as per the GERC (MYT) Regulations, 2016, the Distribution Losses need to be treated as controllable and any gain or loss has to be dealt with in accordance with the provisions of the GERC (MYT) Regulations, 2016.

Commission's Analysis

The Commission sought justification from UGVCL for the higher than approved Distribution Losses in FY 2018-19. UGVCL submitted that Distribution Losses of non-agricultural categories feeders has reduced from 6.99% during FY 2017-18 to 6.22% during FY 2018-19, while the Distribution Losses for the agricultural category feeders has increased from 8.76% during FY 2017-18 to 14.80% during FY 2018-19.

Further, UGVCL is having agricultural dominant consumer mix and weightage of agricultural category Feeders is 42%, in terms of consumption. Due to errant rain in FY 2018-19, power was scheduled for more than 8 hours to agricultural category, which is reflected in 13% rise in consumption for the metered agricultural category. Similarly, the consumption of the unmetered agricultural category has also increased in FY 2018-19 as compared to FY 2017-18. As a result, the Distribution Losses have increased in FY 2018-19.

The Commission has verified the quantum of power purchase from the audited accounts and considered the intra-State Transmission Losses as 3.9492%, as submitted by UGVCL based on data available from the SLDC website. Considering the actual sales of 22,400 MU, the Distribution Loss in FY 2018-19 works out to 11.20%, as compared to 11.19% submitted by UGVCL.

The Commission considers Distribution Losses as controllable as per the GERC (MYT) Regulations, 2016. Accordingly, the Commission has considered the Distribution Losses of 11.20% as shown in the Table below for computation of Gain/ (Loss) due to variance in Distribution Losses:

Table 4-4: Distribution Losses approved for truing up for FY 2018-19 (%)

Particulars	Approved in the MYT Order	Actual Claimed	Approved in True Up
Distribution Losses (%)	9.80%	11.19%	11.20%

4.3 Energy requirement

Petitioner's Submission

UGVCL has submitted the energy requirement for FY 2018-19 based on the actual energy sales and the actual distribution losses, as given in the Table below:

Table 4-5: Energy Requirement and Energy Balance submitted by UGVCL for FY 2018-19 (MU)

Sr. No.	Particulars	Unit	Approved in the MYT Order	Actual Claimed in Truing up
1	Energy Sales	MUs	19,836	22,400
2	Distribution Losses	MUs	2,155	2,823
		%	9.80%	11.19%
3	Energy Requirement	MUs	21,991	25,223
4	Local Power Purchase by Discom	MUs	-	54
5	Power Purchase at T<>D periphery from GUVNL	MUs	21,991	25,169
6	Transmission Losses	MUs	881	1,035
		%	3.85%	3.9492%
7	Total Energy to be input to Transmission System	MUs	22,871	26,204
8	Pooled Losses in PGCIL System	MUs	336	504
9	**Total Energy Requirement**	**MUs**	**23,207**	**26,762**

Commission's Analysis

UGVCL has computed the energy requirement based on the actual Distribution Losses of 11.19%, actual energy sales of 22,400 MU and Transmission Losses of 3.9492%.

The Commission had approved the distribution losses of 9.80% and the transmission losses of 3.85% in the MYT Order dated 31st March, 2017. The Commission has worked out the energy requirement of 26,764 MU after truing up of FY 2018-19, considering the actual Distribution Loss of 11.20% and actual intra-State Transmission Loss of 3.9492%, as shown in the Table below:

Table 4-6: Energy Requirement approved by the Commission in truing up for FY 2018-19 (MU)

Sr. No.	Particulars	Unit	Approved in MYT Order	Actual Claimed in truing up	Approved in truing up
1	Energy Sales	MU	19,836	22,400	22,399.71
2	Distribution Losses	MU	2,155	2,823	2,824.56
		%	9.80%	11.19%	11.20%
3	Energy Requirement	MU	21,991	25,223	25,224.28
4	Local Power Purchase by Discom	MU	-	54	54.20
5	Power Purchase at T<>D periphery from GUVNL	MU	21,991	25,169	25,170.08
6	Transmission Losses	MU	881	1,035	1,034.89
		%	3.85%	3.9492%	3.9492%
7	Total Energy to be input to Transmission System	MU	22,871	26,204	26,204.97
8	Pooled Losses in PGCIL System	MU	336	504	504.18
9	**Total Energy Requirement**	**MU**	**23,207**	**26,762**	**26,763.34**

4.4 Power Purchase Cost

Petitioner's Submission

The Petitioner has submitted that it has been allocated share of generation capacities as per the scheme worked out by GUVNL. In order to minimise power purchase cost, GUVNL adopts the Merit Order Despatch (MOD) principles for despatching power from the generating stations based on the demand and accordingly power gets allocated to UGVCL.

The actual power purchase from GUVNL is different from the allocation because the demand from UGVCL is not constant and varies from time to time. The total power purchase cost of UGVCL for FY 2018-19 consists of the basic power purchase cost, Transmission Charges payable to GETCO and PGCIL, and SLDC charges.

Further, UGVCL has earned income on account of sale of power to GUVNL and from UI charges. The net power purchase cost has been computed by deducting the aforesaid income from total power purchase cost. Based on above computation, actual cost of power purchase vis-a- vis the approved power purchase cost for FY 2018-19 is submitted in the Table below:

Table 4-7: Power Purchase Cost submitted by UGVCL for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed
A	**Cost**		
1	Power Purchased from GUVNL		11,218.15
2	Power purchase from Windfarm		11.65
3	Power Purchased from Solar		23.49
4	Unscheduled Interchange Charges/DSM Charges		
5	SLDC Charges		0.99
	Total Cost		**11,254.28**
B	**Income**		
1	Sale of Power to GUVNL		0.76
2	Unscheduled Interchange		139.65
	Net Power Purchase Cost	**9,319.37**	**11,113.87**

The quantum of power purchase depends upon sales during the year as well as the losses in the system. The actual Distribution Losses in UGVCL distribution network have been higher than the approved level and the sales are also higher than that approved by the Commission. Hence, the actual quantum and cost of power purchase was higher than the approved quantum and cost of power purchase.

As per the GERC (MYT) Regulations, 2016, the Commission has categorised the variation in the price of fuel and/or price of power purchase according to the FPPPA formula approved by the Commission as an uncontrollable factor. Further, the Commission has also identified the quantity of electricity sold to consumers as an uncontrollable factor. Accordingly, any gain or loss on this account is to be entirely passed on to the consumers as per the methodology approved by the Commission.

In addition to the above, there is an incidence of higher power purchase quantum and cost on account of the higher Distribution Loss as compared to the loss approved by the Commission. The variation in power purchase quantum and cost due to variation in Distribution Loss is a controllable factor, which would result in gain/loss under the GERC (MYT) Regulations, 2016.

UGVCL has claimed that there is loss of Rs. 161.63 Crore in the power purchase cost due to higher actual Distribution Losses as compared to Distribution Losses approved in the MYT Order dated 31st March, 2017. The loss is considered as controllable variation. The calculation of loss on account of Distribution Losses as submitted by UGVCL is shown in the Table below:

Table 4-8: Gain/ (Loss) on account of Distribution Losses for FY 2018-19 as submitted by UGVCL (Rs. Crore)

Sr. No.	Particulars	Unit	With Approved Distribution Losses	With Actual Distribution Losses
1	Energy Sales	MU	22,399.71	22,399.71
2	Distribution Losses	MU	2,433.67	2,822.88
		%	9.80%	11.19%
3	Energy Requirement	MU	24,833.39	25,222.59
4	Gain/(Loss) due to Distribution Losses	MU		(389.20)
5	Average Power Purchase Cost	Rs./kWh		4.15
6	Gain/(Loss) due to Dist. Losses	Rs. Crore		**(161.63)**

The summary of the gain/(loss) on account of controllable and uncontrollable factors of power purchase, as submitted by UGVCL, is shown in the Table below:

Table 4-9: Gains/(Loss) on account of truing up of Power Purchase Expenses for FY 2018-19 (Rs. Crore)

Particulars	Approved in the MYT Order	Actual	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Total Power Purchase Cost	9,319.37	11,113.87	(161.63)	(1,632.87)

Commission's Analysis

The Commission has examined the actual quantum of power purchased and the power purchase cost during FY 2018-19, based on the audited Annual Accounts of UGVCL. The quantum and cost of power purchase are as per the audited annual accounts for FY 2018-19.

The total power purchase cost of UGVCL for FY 2018-19 consists of the basic power purchase cost, Transmission Charges payable to GETCO and PGCIL, SLDC charges and Net UI Charges. The power purchase cost has been reduced to the extent of revenue from sale of surplus power through GUVNL.

The net Power Purchase Cost after truing up for UGVCL for FY 2018-19 works out to Rs. 11,113.87 Crore, as shown in the Table below:

Table 4-10: Power Purchase Cost approved in truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up	Approved in Truing up
A	**Cost**			
1	Power Purchased from GUVNL		11,218.15	11,218.15
2	Power purchase from Windfarm		11.65	11.65
3	Power Purchased from Solar		23.49	23.49
4	Unscheduled Interchange Charges/DSM Charges			
5	SLDC Charges		0.99	0.99
			11,254.28	**11,254.28**
B	**Income**			
1	Sale of Power to GUVNL		0.76	0.76
2	Unscheduled Interchange		139.65	139.65
	Net Power Purchase Cost	**9,319.37**	**11,113.87**	**11,113.87**

The Commission has approved Distribution Losses at 9.80% for FY 2018-19 in the MYT Order dated 31st March, 2017, against which UGVCL has achieved Distribution Losses of 11.20%. As stated earlier, the actual Distribution Losses in UGVCL distribution network have been higher than the approved level. The variation in power purchase quantum and cost due to variation in Distribution Loss is a controllable factor, which would result in gain/(loss) under the GERC (MYT) Regulations, 2016.

The calculation of the gain/(loss) on account of the controllable factor of Distribution Losses, as approved by the Commission in the Truing up for FY 2018-19, is shown in the Table below:

Table 4-11: Approved Gain/ (Loss) on account of Distribution Losses for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Unit	With Approved Distribution Losses	Actual Claimed in Truing up	Approved for truing up
1	Energy Sales	MU	22,399.71	22,399.71	22,399.71
2	Distribution Losses	MU	2,433.67	2,822.88	2,824.56
		%	9.80%	11.19%	11.20%
3	Energy Requirement	MU	24,833.39	25,222.59	25,224.28
4	Gain/(Loss) due to Distribution Losses	MU		(389.20)	(390.89)
5	Average Power Purchase Cost	Rs. /kWh		4.15	4.1529
6	Gain/(Loss) due to Dist. Losses			**(161.63)**	**(162.33)**

While computing the Gain / (Loss) due to change in Distribution Losses, the Commission has considered the Distribution Losses at 11.20% of actual energy sales to arrive at change in energy requirement at the distribution periphery and has not considered the Transmission Losses to factor the efficiency of distribution activities only.

The Commission has considered change in power purchase cost attributable to the variation in cost and quantum of power due to variation in sales and transmission losses as uncontrollable.

Accordingly, the total Gain/(Loss) computed on account of power purchase is shown in the Table below:

Table 4-12: Approved gain / (loss) on account of power purchase expenses for truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in the MYT Order	Approved in Truing up	Deviation + (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Total Power Purchase Cost	9,319.37	11,113.87	(1,794.50)	(162.33)	(1,632.17)

4.5 Fixed Cost

4.5.1 Operation and Maintenance (O&M) Expenses for FY 2018-19

UGVCL has claimed O&M Expenses of Rs. 616.02 Crore, which is inclusive of Employee Cost of Rs. 540.55 Crore, Repairs & Maintenance Expenses of Rs. 77.67 Crore, and Administration & General Expenses of Rs. 90.05 Crore and Other Expenses Capitalized of Rs. 92.24 Crore against the approved O&M Expense of Rs. 468.40 Crore as per the details given in the Table below:

Table 4-13: O&M Expenses claimed in the truing up for FY 2018-19 (Rs, Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Deviation + (-)
1	Employee Cost	447.81	540.55	(92.74)
2	Repair & Maintenance (R&M) expenses	93.56	77.67	15.89
3	Administration & General (A&G) expenses	80.02	90.05	(10.03)
4	Other Debits	-		
5	Extraordinary Items	-		
6	Net Prior Period Expenses/(Income)	-	-	-
7	Other Expenses Capitalised	(153.00)	(92.24)	(60.76)
8	**Operation & Maintenance Expenses**	**468.40**	**616.02**	**(147.63)**

Petitioner's Submission

UGVCL has compared the O&M expenses actually incurred during FY 2018-19 with the expenses approved by the Commission in the MYT Order dated 31st March, 2017, and arrived at gain/(loss), as shown in the Table below:

Table 4-14: O&M Expenses and Gain/(Loss) claimed in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Expenses	447.81	540.55	(18.37)	(74.37)
2	R&M Expenses	93.56	77.67	15.89	-
3	A&G Expenses	80.02	90.05	(10.03)	-
4	Other Debits	-	-	-	-
5	Extraordinary Items	-	-	-	-
6	Net Prior Period Expenses/(Income)	-	-	-	-
7	Other Expenses Capitalised	(153.00)	(92.24)	-	(60.76)
8	**Operation & Maintenance Expenses**	**468.40**	**616.02**	**(12.50)**	**(135.13)**

The component-wise O&M expenses are discussed in the following paragraphs.

4.5.1.1 Employee Cost

UGVCL has claimed employee cost of Rs. 540.55 Crore in the truing up for FY 2018-19. The employee cost approved for FY 2018-19 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are given in the Table below:

Table 4-15: Employee Cost claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	447.81	540.55	(18.37)	(74.37)

Petitioner's Submission

UGVCL submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity, leave encashment, and staff welfare expenses. UGVCL submitted that the actual employee cost for FY 2018-

19 was Rs. 540.55 Crore, which excludes the provision made towards 7th Pay Commission of Rs. 41.68 Crore, but includes the actual amount paid towards 7th Pay Commission of Rs. 74.37 Crore. In line with the approach adopted by the Commission in previous Orders, UGVCL has considered loss of Rs. 74.37 Crore of actual payment towards 7th Pay Commission as uncontrollable, and the balance loss of Rs. 18.37 crore has been considered as controllable.

Commission's Analysis

UGVCL has claimed actual employee cost of Rs. 540.55 Crore for FY 2018-19 as against Rs. 447.81 Crore approved in the MYT Order dated 31st March, 2017. The Commission has verified the actual employee expenses from the audited Annual Accounts of UGVCL. The actual employee expenses claimed by UGVCL excludes Rs. 41.68 Crore towards Provision for 7th Pay Commission but includes Rs. 74.37 Crore towards the actual payout on account of wage revision.

Therefore, the Commission considers the actual employee expenses of Rs. 540.55 Crore for the purpose of true up of FY 2018-19. The Commission considers the employee cost as a controllable expense, in accordance with the GERC (MYT) Regulations, 2016. However, the actual payment of Rs. 74.37 Crore towards the 7th Pay Commission has been considered as uncontrollable, in line with the approach adopted in previous Orders.

The Commission, accordingly, approves the employee cost at Rs. 540.55 Crore in the truing up for FY 2018-19, with the sharing of Gains/(Losses) as shown in the Table below:

Table 4-16: Employee Cost approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	447.81	540.55	(18.37)	(74.37)

4.5.1.2 Repairs & Maintenance (R&M) Expenses

UGVCL has claimed R&M expenses of Rs. 77.67 Crore in the truing up for FY 2018-19. The R&M expenses approved for FY 2018-19 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are as given in the Table below:

Table 4-17: R&M Expenses claimed by UGVCL for the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	R&M Expenses	93.56	77.67	15.89	-

Petitioner's Submission

UGVCL has submitted that the assets of UGVCL are old and require regular maintenance to ensure uninterrupted operations. It has been further submitted that UGVCL has been trying its best to ensure uninterrupted operations of the system by undertaking necessary expenditure for R&M activities. The GERC (MYT) Regulations, 2016 provides for R&M expenses as a controllable expense. The actual R&M expenses for FY 2018-19 are Rs. 77.67 Crore, which is lower than the approved R&M expenses of Rs. 93.56 crore. UGVCL has worked out a gain of Rs. 15.89 Crore due to controllable factors as provided in the GERC (MYT) Regulations, 2016.

Commission's Analysis

The actual R&M expenses incurred during FY 2018-19 are Rs. 77.67 Crore, as per the audited annual accounts. The actual R&M expenses incurred by UGVCL are lower than the amount approved in the MYT Order dated 31st March, 2017. The R&M expenses are a controllable item of expenditure under the GERC (MYT) Regulations, 2016. Accordingly, the Commission has trued up the R&M expenses and the sharing of Gains/(Losses) due to controllable factors, as shown in the Table below:

Table 4-18: R&M Expenses approved for the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	R&M Expenses	93.56	77.67	15.89	-

4.5.1.3 Administration & General (A&G) Expenses

UGVCL has claimed A&G expenses of Rs. 90.05 Crore in the truing up for FY 2018-19. The A&G expenses approved for FY 2018-19 in the MYT Order dated 31st March, 2017 and claimed by UGVCL in the truing up are given in the Table below:

Table 4-19: A&G Expenses claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	A&G Expenses	80.02	90.05	(10.03)	-

Petitioner's Submission

UGVCL has submitted that A&G expenses mainly comprise rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. The A&G expenses are categorised as controllable expenses in the GERC (MYT) Regulations, 2016 and the actual A&G expenses are higher than the approved expenses, resulting in a loss of Rs. 10.03 Crore for FY 2018-19.

Commission's Analysis

The actual A&G expenses incurred during FY 2018-19 are Rs. 90.05 Crore, as per the audited annual accounts. The actual A&G expenses incurred by UGVCL are higher than the amount approved in the MYT Order dated 31st March, 2017. The A&G expenses are a controllable item of expenditure under the GERC (MYT) Regulations, 2016. Accordingly, the Commission has trued up the A&G expenses and the sharing of Gains/(Losses) due to controllable factors, as shown in the Table below:

Table 4-20: A&G Expenses approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Administration & General Charges	80.02	90.05	(10.03)	-

4.5.1.4 Other Expenses Capitalised

UGVCL has claimed the actual expenses capitalised at Rs. 92.24 Crore in the truing up for FY 2018-19, as against Rs. 153.00 Crore approved in the MYT Order dated 31st March, 2017 as shown in the Table below:

Table 4-21: Other Expenses Capitalised as claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Other Expenses Capitalised	(153.00)	(92.24)	-	(60.76)

Commission's Analysis

The Commission has observed that the other expenses capitalised represent the capitalisation of Employee Expenses and A&G Expenses. The actual other expenses capitalised is Rs. 92.24 Crore, as per the audited annual accounts for FY 2018-19.

The Commission, accordingly, approves the Other Expenses Capitalised at Rs. 92.24 Crore against Rs. 153 Crore approved in the MYT Order dated 31st March, 2017. The Commission allows Rs. 60.76 Crore as loss due to uncontrollable factors as shown in the Table below:

Table 4-22: Other Expenses Capitalised approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Other Expenses Capitalised	(153.00)	(92.24)	-	(60.76)

The total O&M expenses approved in the truing up for FY 2018-19 and the Gain / (Loss) due to controllable and uncontrollable factors are detailed in the Table below:

Table 4-23: Approved O&M expenses and Gain / (Loss) in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Approved in truing up	Gain/ (Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	447.81	540.55	540.55	(18.37)	(74.37)
2	R&M Expenses	93.56	77.67	77.67	15.89	
3	A&G Expenses	80.02	90.05	90.05	(10.03)	
4	Other Debits	-				
5	Extraordinary Items	-				
6	Net Prior Period Expenses/(Income)	-				
7	Other Expenses Capitalised	(153.00)	(92.24)	(92.24)		(60.76)
8	**O&M Expenses**	**468.40**	**616.02**	**616.02**	**(12.50)**	**(135.13)**

4.5.2 Capital Expenditure and Capitalization

UGVCL has furnished actual capital expenditure of Rs. 706.28 Crore in the truing up for FY 2018-19, against Rs. 616.11 Crore approved in the MYT Order dated 31st March, 2017, as given in the Table below:

Table 4-24: Capital Expenditure claimed by UGVCL for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Deviation
A	**Distribution Schemes**			
	Normal Development Scheme	177.00	259.63	(82.63)
	System Improvement Scheme	40.00	28.85	11.15
	HVDS in selected Sub-division	5.00	7.52	(2.52)
	Under Ground Cables	100.00	-	100.00
	Plan Load Management Transformer	4.00	-	4.00
	Others (VDS)	0.65	-	0.65
	Total	**326.65**	**296.00**	**30.65**
B	**Rural Electrification Schemes - Plan**			
	TASP (Wells & Petapara)	25.00	21.50	3.50
	Schedule Caste Sub Plan (Wells)	4.00	1.59	2.41
	Schedule Caste Sub Plan (lighting)	2.75	1.53	1.22
	Electrification of Hutments	4.50	4.94	(0.44)
	Kutir Jyoti Scheme	0.45	1.87	(1.42)
	Dark Zone	100.00	149.19	(49.19)
	Sagarkhedu	4.50	1.85	2.65
	Sardar Krushi Jyoti (SKJY) Scheme	-	18.15	(18.15)
	Solar home light	20.00	-	20.00
	Total	**161.20**	**200.62**	**(39.42)**
C	**Central Government Scheme - Plan**			
	Din Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY)	24.00	37.40	(13.40)
	RAPDRP Part A	2.05	0.01	2.04
	Integrated Power Development Scheme (IPDS)	20.00	60.43	(40.43)
	SCADA Part A	0.21	-	0.21
	SCADA Part B	-	1.72	(1.72)
	Smart grid	2.00	29.34	(27.34)
	Total	**48.26**	**128.90**	**(80.64)**
D	**Non Plan Schemes**			
	RE (Tatkal)	4.00	0.40	3.60
	AG Normal (SPA)	40.00	51.65	(11.65)
	Energy Conservation	0.10	-	0.10
	Total	**44.10**	**52.05**	**(7.95)**
E	**Other New Schemes**			
	Automation and computerisation	4.35	1.94	2.41

Sr. No.	Particulars	FY 2018-19 (Approved)	FY 2018-19 (Actual)	Deviation
	Civil work New Building	14.00	1.63	12.37
	GIS in cities	0.20	-	0.20
	Other Schemes (earthing)	0.85	4.38	(3.53)
	Other Repairing work / Civil work	2.50	-	2.50
	New Furniture and Fixtures	1.50	0.80	0.70
	Vehicles	0.50	0.83	(0.33)
	DSM	2.00	-	2.00
	DISS	5.00	19.13	(14.13)
	Solar Pump	5.00	-	5.00
	Total	**35.90**	**28.71**	**7.19**
F	**Capital Expenditure Total**	**616.11**	**706.28**	**(90.17)**

Petitioner's Submission

UGVCL has submitted that the actual capital expenditure incurred during FY 2018-19 is Rs. 706.28 Crore, which is higher by Rs. 90.17 Crore as compared to the capital expenditure approved in the MYT Order dated 31st March, 2017. UGVCL has explained the scheme-wise deviation in the capital expenditure as under:

1. **Normal Development**: Under the head Normal Development Scheme, expenses are incurred to meet with the Supply Obligation. During FY 2018-19, growth of UGVCL in terms of number of consumers and load has exceeded. Therefore, UGVCL has incurred higher capital expenditure of Rs. 259.63 Crore against approved Rs. 177.00 Crore.
2. **System Improvement Scheme**: The system improvement scheme (S.I. scheme) incorporates the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, H.T. Aerial Bunch Conductor, replacement of deteriorated conductor, L.T. Aerial Bunch Conductor, distribution transformer review, etc. The S.I. scheme aims to improve the quality and reliable of power supply to our esteemed consumers. As per the capital expenditure report for FY 2018-19, cost approved for system improvement scheme is 40.00 Crore. Against this amount, UGVCL has incurred Rs. 28.85 Crore in activities related to S.I. scheme. The actual capital expenditure under SI scheme is lower than the approved capital expenditure, because UGVCL has carried out some of the works of similar nature under

different schemes. This includes replacement of deteriorated conductor being carried out under SKJY scheme and feeder bifurcation work being carried out under IPDS and DDUGJY schemes.

3. **Under Ground cables scheme**: Expenditure in underground cables scheme related to conversion of overhead line to underground network in the area of Mahanagar Palika. Under this scheme, the Commission has approved capital expenditure of Rs. 100 Crore. However, due to delay in necessary DPR approval, execution of work could not be carried out in FY 2018-19 as per approved schedule.
4. **HVDS in selected Sub-division**: UGVCL has large numbers of Low Tension (LT) category consumers. For better voltage profile and to reduce technical loss and associated commercial loss, UGVCL has proposed to shift on High Voltage Distribution System by erecting small capacity transformers matching load profile of individual/very small group of consumers in a phased manner. UGVCL has commenced the work and intends to implement HVDS scheme in its distribution area and shall endeavour to achieve the approved target. Due to higher quantum of work being carried out under HVDS Scheme, the capital expenditure is higher in comparison to the approved capital expenditure.
5. **Other (VDS) Scheme:** VDS scheme was not declared in FY 2018-19. Therefore, no capital cost is booked under VDS scheme.
6. **Kutir Jyoti Scheme:** Electrification of 1290 nos. of hutments has been done against target of 1000 nos.
7. **Dark Zone:** Capital expenditure under this scheme has increased due to higher number of wells being electrified during FY 2018-19.
8. **Sagarkhedu:** Capital expenditure under this scheme has decreased due to lesser work being carried out during FY 2018-19 vis-à-vis approved capital expenditure. This was because most of the work is already carried out during earlier years.
9. **DDUJGY:** DPR of Rs. 122.03 Crore was approved under the said Scheme in May 2016. As per the approved DPR, execution of work in field was carried out later. As per REC Guidelines, execution of work under the said Scheme had to be completed before March, 2019. Therefore, UGVCL has expedited all field work and booked material along with the payment to the contractors in FY 2018-19 to meet the aforesaid deadline, and completed the work in March,

2019. Hence, actual expenditure is more than budgetary provision. However, it has not exceeded the capital expenditure approved in DPR.

10. **IPDS:** Capital expenditure of Rs. 102.22 Crore was approved in the DPR for the said Scheme in May, 2016. As per PFC Guidelines, execution of work under the said Scheme had to be completed before March, 2019. Hence, UGVCL has expedited the field work. Turnkey order was placed in June, 2018 for carrying out underground work in Sabarmati Circle and Himmatnagar Circle for an amount of Rs. 16.41 Crore and Rs. 8.71 Crore, respectively. These works were completed within time.
11. **SCADA Part A:** Work has been completed in March, 2019. Actual expenditure is more than budgetary provision. However, it does not exceed the approved capex in DPR.
12. **Smart Grid Project**: The broad scope of the pilot project is as under:
    a. AT&C Loss Reduction
    b. Peak Load Management
    c. AMI for Industrial, commercial & residential consumers,
    d. Outage Management and,
    e. Demand Side Management and Demand Response and ToD tariff for consumers.

    The Purchase Order (PO) under this Scheme was awarded in June, 2017. Budgetary provision of Rs 15 Crore made in FY 2017-18 could not be utilised in the respective financial year. Instead, that amount has been utilised in FY 2018-19 as milestone was achieved during FY 2018-19. Therefore, capital expenditure of Rs 29.34 Crore has been incurred in FY 2018-19.

13. **AG Normal (SPA):** Due to electrification of higher number of wells, the capital expenditure has increased.
14. **DISS:** the expenditure incurred under DISS scheme during FY 2018-19 is Rs. 19.13 Crore against approved cost of Rs 5 Crore, due to revision in target of Rs. 15.55 Crore for activities related to DISS scheme.
15. **Sardar Krushi Jyoti Yojna (SKJY)**: Capital expenditure incurred under SKJY Scheme is Rs. 18.15 Crore as compared to Nil approved capital expenditure. The target under the SKJY scheme was not given at time of capex submission.

Approval for cost of Rs. 13.13 Crore under the SKJY scheme was received subsequently.

UGVCL has claimed actual capitalisation of Rs. 693.05 crore in the truing up for FY 2018-19, as compared to the capitalisation of Rs. 616.11 crore approved in the MYT Order dated 31st March 2017.

UGVCL has requested the Commission to approved above deviations.

Commission's Analysis

The capital expenditure (CAPEX) approved for FY 2018-19 in the MYT Order dated 31st March, 2017 was Rs. 616.11 Crore. The actual capital expenditure incurred is Rs. 706.28 Crore, which is higher by Rs. 90.17 Crore than the CAPEX approved in the MYT Order dated 31st March 2017.

The Commission observed that there is good growth in terms of number of consumers and load and therefore, there is an increase in expenditure under the Normal Development scheme as compared to the amount approved in the MYT Order. UGVCL has incurred Rs. 259.63 Crore as against Rs. 177 Crore approved, which contributes to the bulk of the variation between actual and approved CAPEX. In the underground cable work as the necessary DPR was not approved there was no expenditure. Further, it is observed that in IPDS and DDUGJY capital expenditure was more than the planned expenditure by Rs. 40.43 Crore and Rs. 13.40, Crore respectively. UGVCL submitted that DPR of both these schemes were approved in May 2016 and execution of work was carried out later. It is further submitted by UGVCL that as per guidelines of PFC and REC for completion of work under IPDS and DDUJGY respectively, before March 2019, work was expedited and completed in FY 2018-19. UGVCL submitted that very little work like capital expenditure on Solar home light and RAPDRP Part A was carried and as a result capex booking against projection is lower under these Schemes.

The Commission also observes that CAPEX for smart grid and DISS are much higher than planned. UGVCL submitted that purchase order under Smart Grid project scheme was awarded in June 2017. A budgetary provision of Rs. 15.00 Crore was made in FY 2017-18 but could not be utilised. The said amount was utilised in FY 2018-19. For the

DISS scheme, UGVCL submitted that due to revision in target expenditure of Rs. 19.13 Crore was incurred against the approved CAPEX of Rs. 5.00 Crore.

The Commission observes that most of the CAPEX Schemes by the DISCOMs are of continuous and on-going nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to the 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. Nevertheless, the Licensee should be more realistic in projecting the CAPEX.

The Commission, verified the audited annual accounts of UGVCL and has observed that UGVCL has incurred actual CAPEX of Rs. 706.28 Crore and capitalisation of Rs. 693.05 Crore. The Commission, therefore, approves the same in the truing up for FY 2018-19.

4.5.2.1 Funding of Capitalisation

Petitioner's Submission

UGVCL submitted that the funding of actual capitalisation is done through various sources categorised under four headings, viz., Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of assets capitalised during FY 2018-19 is given in the Table below:

Table 4-25: Funding of Capitalisation submitted by UGVCL for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Claimed in truing up
Capitalisation	**616.11**	**693.05**
Consumer Contribution	75.55	256.92
Grants	173.10	77.15
Balance CAPEX for the Year	**367.46**	**358.98**
Debt (70%)	257.22	251.29
Equity (30%)	110.24	107.69

Commission's Analysis

It is observed that UGVCL has claimed the funding of Capitalisation, net of Consumer Contribution and Government Grant, in the normative Debt:Equity ratio of 70:30, as specified in the GERC (MYT) Regulations, 2016.

The Commission has verified the amount considered by UGVCL against Government Grants and Consumer Contribution from the audited Annual Accounts for FY 2018-19. The Commission has accordingly considered the funding of capitalisation in FY 2018-19 through Consumer Contribution and Grants of Rs. 256.92 Crore and Rs. 77.15 Crore, respectively, in the truing up for FY 2018-19.

The Commission, therefore, approves the funding of Capitalization in the truing up of FY 2018-19 as given in the Table below:

Table 4-26: Approved Capitalisation and sources of funding in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Claimed in truing up	Approved in Truing Up
Capitalization	**616.11**	**693.05**	**693.05**
Consumer Contribution	75.55	256.92	256.92
Grants	173.10	77.15	77.15
Balance CAPEX for the Year	367.46	358.98	358.98
Debt (70%)	257.22	251.29	251.29
Equity (30%)	110.24	107.69	107.69

4.5.3 Depreciation

UGVCL has claimed Depreciation of Rs. 291.08 Crore in the truing up for FY 2018-19 against the Depreciation of Rs. 368.61 Crore approved in the MYT Order dated 31st March, 2017.

Petitioner's Submission

UGVCL submitted that it has calculated depreciation for FY 2018-19 in accordance with the provisions of the GERC (MYT) Regulations, 2016, as shown in the Table below:

Table 4-27: Fixed Assets & Depreciation computed by UGVCL for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Deviation
1	Gross Block in Beginning of the year	6,803.76	6,352.54	
2	Additions during the Year (Net)	616.11	693.05	
3	**Depreciation for the Year**	**368.61**	**291.08**	**77.53**
4	**Average Rate of Depreciation**	**5.18%**	**5.55%**	

UGVCL further submitted that actual depreciation for FY 2018-19, as against the value approved in the MYT Order, resulted in a net uncontrollable gain of Rs. 77.53 Crore, as shown in the Table below:

Table 4-28: Gain/(Loss) due to Deprecation claimed in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	368.61	291.08	-	77.53

Commission's Analysis

It is observed that the Opening Gross Fixed Assets (GFA) as per Audited accounts, which is readjusted as per IND AS. However, the Petitioner has considered the Opening GFA in the truing up for FY 2018-19 as per the truing up Order for FY 2017-18, which is correct. The Commission has accordingly considered the Closing GFA of FY 2017-18 as Opening GFA of FY 2018-19.

The net addition during the year of Rs. 693.05 Crore has been verified from the audited Annual Accounts for FY 2018-19. The depreciation as per audited Annual Accounts for FY 2018-19 is Rs. 291.08 Crore.

It is observed that Petitioner has considered Opening and Closing Gross Fixed Assets (GFA) as per Audited Accounts, which is readjusted as per IND AS to work out weighted average rate of depreciation as 5.55%. However, the Commission has considered Opening GFA as per Closing GFA in the truing up Order for FY 2017-18 and net addition as per audited Annual Account for FY 2018-19 to work out weighted average rate of depreciation as 4.35%.

The Commission, accordingly, approves Depreciation at Rs. 291.08 Crore in the truing up for FY 2018-19, as shown in the Table below:

Table 4-29: Approved fixed assets & depreciation for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in MYT Order	Actual Claimed in Truing up	Approved in Truing Up
1	Gross Block in Beginning of the year	6,803.76	6,352.54	6,352.54
2	Additions during the Year (Net)	616.11	693.05	693.05
3	Gross Block at the end of the year	7,419.87	7,045.59	7,045.59
4	**Depreciation for the Year**	**368.61**	**291.08**	**291.08**
5	**Average Rate of Depreciation**	**5.18%**	**5.55%**	**4.35%**

The amount of depreciation is dependent on the quantum of capitalisation, rate of depreciation, etc. The Commission has, therefore, considered the parameters impacting depreciation as uncontrollable.

The Commission, accordingly, approves the Gain /(Loss) on account of depreciation in the truing up for FY 2018-19, as detailed in the Table below:

Table 4-30: Gain/(Loss) due to Depreciation approved in truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	368.61	291.08	-	77.53

4.5.4 Interest and Finance charges

UGVCL has claimed Rs.140.78 Crore towards interest and finance charges in the truing up for FY 2018-19, as against Rs.140.45 Crore approved in the MYT Order dated 31st March, 2017, as shown in the Table below:

Table 4-31: Interest and Finance Charges claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up
Interest and Finance Charges	140.45	140.78

Petitioner's Submission

UGVCL submitted that it has considered the Opening Balance of loans for FY 2018-19 equal to the Closing Balance of Loans approved by the Commission for FY 2017-

18. The loan addition in FY 2018-19 is considered as Rs. 251.29 Crore towards funding of CAPEX for FY 2018-19. As per the GERC (MYT) Regulations, 2016, repayment during the year has been considered equal to the depreciation for the financial year.

UGVCL has considered the weighted average rate of interest of 9.69% as against 7.27% approved in the MYT Order dated 31st March, 2017 for FY 2018-19.

In addition, UGVCL has considered the interest on security deposits as per the provisions of the GERC (MYT) Regulations, 2016. The details of interest and finance charges claimed by UGVCL are as given in the Table below:

Table 4-32: Interest and Finance Charges claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Opening Loans	564.05	662.63
2	Loan Additions during the Year	257.22	251.29
3	Repayment during the Year	368.61	291.08
4	Closing Loans	452.67	622.84
5	**Average Loans**	**508.36**	**642.73**
6	Interest on Loan	36.96	62.31
7	Interest on Consumers' Security Deposit	102.67	78.19
8	Guarantee Charges	0.83	0.28
9	**Total Interest & Financial Charges**	**140.45**	**140.78**
10	Average Interest on Loan	7.27%	9.69%

UGVCL submitted that interest and finance charges are categorised as uncontrollable as per the GERC (MYT) Regulations, 2016, and that it has accordingly computed the gain/(loss) between the actual and the approved expenses under uncontrollable factors, as given in the Table below:

Table 4-33: Gain / (Loss) claimed due to Interest & Finance Charges for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest and Finance Charges	140.45	140.78	-	(0.33)

Commission's Analysis

The Commission has considered the Closing Balance of Loans approved in the true up Order for FY 2017-18, as the Opening Balance of Loans for FY 2018-19. The normative addition of loans during FY 2018-19 has been considered at Rs. 251.29 Crore, as approved in Table 4.26 of this Order. The repayment of loan has been considered equal to the depreciation approved in this Order.

The interest on security deposits of Rs. 78.19 Crore has been verified from the audited Annual Accounts for FY 2018-19. The Guarantee Charges have been considered as per the audited Annual Accounts for FY 2018-19.

UGVCL has submitted details of the actual loan portfolio and the rate of interest applicable for each loan portfolio for FY 2018-19. The Commission has computed the weighted average rate of interest as 9.69% in accordance with the Regulation 38 of the GERC (MYT) Regulations, 2016.

Taking all these factors into consideration, the interest and finance charges approved in the truing up for FY 2018-19 is detailed in the Table below:

Table 4-34: Interest and Finance Charges approved by the Commission in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up	Approved in Truing up
1	Opening Loans	564.05	662.63	662.63
2	Loan Additions during the Year	257.22	251.29	251.29
3	Repayment during the Year	368.61	291.08	291.08
4	Closing Loans	452.67	622.84	622.84
5	**Average Loans**	**508.36**	**642.73**	**642.73**
6	Interest on Loan	36.96	62.31	62.31
7	Interest on Security Deposit to the Consumers	102.67	78.19	78.19
8	Guarantee Charges	0.83	0.28	0.28
9	**Total Interest & Financial Charges**	**140.45**	**140.78**	**140.78**
10	Average Interest on Loan	7.27%	9.69%	9.69%

The Commission, accordingly, approves the interest and finance charges at Rs. 140.78 Crore in the truing up for FY 2018-19.

As per the GERC (MYT) Regulations, 2016, the parameters which impact interest and finance charges are uncontrollable. The Commission, accordingly, approves the Gain / (Loss) on account of interest and finance charges in the truing up for FY 2018-19, as detailed in the Table below:

Table 4-35: Gain / (Loss) approved in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest and Finance Charges	140.45	140.78	-	(0.33)

4.5.5 Interest on Working Capital

UGVCL has not claimed any interest on working capital in the truing up for FY 2018-19, against Nil provision approved in the MYT Order dated 31st March, 2017 as detailed in the Table below:

Table 4-36: Interest on Working Capital claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Interest on Working Capital	-	-

Petitioner's Submission

UGVCL has submitted that working capital has been calculated and the rate of interest is considered as the rate equal to the weighted average of the 1-year Marginal Cost of Lending Rate (MCLR) of State Bank of India (SBI) during the year plus 250 basis points, as per the GERC (MYT) Regulations, 2016. This rate works out to 10.89%.

The detailed computation of Working Capital requirement as per the provisions of the GERC (MYT) Regulations, 2016 and Interest on Working Capital, is as given in the Table below:

Table 4-37: Interest on Working Capital claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	O & M expenses	39.03	51.34
2	Maintenance Spares	68.04	63.53
3	Receivables	850.36	1,001.24
4	Amount held as security deposit from consumers	1,324.71	1,333.32
5	**Total Working Capital**	**(367.28)**	**(217.22)**
6	Rate of Interest on Working Capital	11.70%	10.89%
7	**Interest on Working Capital**	**-**	**-**

Commission's Analysis

The Commission has examined the computation of normative working capital under the GERC (MYT) Regulations, 2016. The working capital requirement works out to be negative during FY 2018-19. As the working capital requirement works out to be negative, there cannot be any interest on working capital. Accordingly, neither any interest is claimed by UGVCL nor any interest is approved by the Commission.

The detailed computation of the Working Capital and interest thereon is given in the Table below:

Table 4-38: Interest on working capital approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up	Approved in Truing up
1	O&M expenses	39.03	51.34	51.34
2	Maintenance Spares	68.04	63.53	63.53
3	Receivables	850.36	1,001.24	1,001.24
4	Amount held as security deposit from consumers	1,324.71	1,333.32	1,333.32
5	**Total Working Capital**	**(367.28)**	**(217.22)**	**(217.22)**
6	Rate of Interest on Working Capital	11.70%	10.89%	10.89%
7	**Interest on Working Capital**	**-**	**-**	**-**

The Commission, accordingly, approves the interest on working capital as Nil in the truing up for FY 2018-19.

4.5.6 Bad Debts Written Off

UGVCL has claimed Rs. 1.07 Crore towards bad debts written off in the truing up for FY 2018-19, as against Rs. 0.70 Crore approved in the MYT dated 31st March 2017 as given in the Table below:

Table 4-39: Bad Debts claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Bad Debts Written Off	0.70	1.07

Petitioner's Submission

UGVCL submitted that as per the audited Annual Accounts for FY 2018-19, bad and doubtful debts written off in FY 2018-19 are Rs. 25.52 Crore, out of which Rs 24.45 Crore is written-off towards Amnesty Scheme. The Commission, vide Order dated 18th June, 2018, ruled that impact of bad debts written off under the Amnesty Scheme needs to be absorbed by the DISCOMs. Hence, UGVCL has claimed only the balance Bad Debts Written Off, resulting in a loss of Rs. 0.37 Crore on account of controllable factors, as shown in the Table below:

Table 4-40: Bad Debts claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Bad Debts Written Off	0.70	1.07	(0.37)	-

Commission's Analysis

As per Regulation 94.9.1 of the GERC (MYT) Regulations, 2016, the bad debts written off in the Aggregate Revenue Requirement is to be passed through based on the actual write off of bad debts during the year.

The Commission has verified the Bad & Doubtful debts written off from the audited Annual Accounts that UGVCL for FY 2018-19. The Annual Accounts shows the bad & doubtful debts written off as Rs. 25.52 Crore in FY 2018-19, with the Note that the State Government has declared Amnesty Scheme for various categories of consumers as one-time settlement of their outstanding dues. Under this Scheme, UGVCL has waived off Principal dues amounting to Rs. 24.45 Crore. The Commission has earlier ruled vide Order dated 18th June, 2018 that the impact of bad debts written off under the Amnesty Scheme needs to be absorbed by the DISCOMs. Hence, the Commission has considered the balance amount of Rs. 1.07 crore against Bad & Doubtful Debts Written off during FY 2018-19.

The deviation on account of bad debts written off is Rs. 0.37 Crore and the Commission considers the same as loss due to controllable factors, as detailed in the Table below:

Table 4-41: Gain/ (Loss) due to Bad Debts approved in the Truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Bad Debts Written Off	0.70	1.07	(0.37)	-

4.5.7 Return on Equity

UGVCL has claimed Rs. 198.21 Crore towards Return on Equity (RoE) in the truing up for FY 2018-19 as against Rs. 197.59 Crore approved in the MYT Order dated 31st March 2017, as given in the Table below:

Table 4-42: Return on Equity claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Return on Equity	197.59	198.21

Petitioner's Submission

UGVCL has computed RoE considering the rate of 14% on the average of opening and closing equity, taking into account the additions during the year, as given in the Table below:

Table 4-43: Return on Equity claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Opening Equity Capital	1,356.23	1,361.93
2	Equity Additions during the Year	110.24	107.69
3	Closing Equity	1,466.47	1,469.62
4	Average Equity	1,411.35	1,415.78
5	Rate of Return on the Equity	14%	14%
6	**Return on Equity**	**197.59**	**198.21**

UGVCL has computed the Gain / (Loss) on account of RoE in the truing up for FY 2018-19, as detailed in the Table below:

Table 4-44: Gain / (Loss) due to RoE claimed by UGVCL for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Return on Equity	197.59	198.21	-	(0.62)

Commission's Analysis

The Commission has considered the Closing Balance of equity as approved in the truing up of FY 2017-18, as the Opening Balance of equity for FY 2018-19. The Commission has approved the normative Equity addition of Rs. 107.69 Crore in Table 4.26 of this Order.

The Commission has computed the RoE in the truing up for FY 2018-19 considering the rate of 14% specified in the GERC (MYT) Regulations, 2016 as detailed in the Table below:

Table 4-45: Return on Equity approved in truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up	Approved in Truing up
1	Opening Equity Capital	1,356.23	1,361.93	1,361.93
2	Equity Additions during the Year	110.24	107.69	107.69
3	Closing Equity	1,466.47	1,469.62	1,469.62
4	Average Equity	1,411.35	1,415.78	1,415.78
5	Rate of Return on the Equity	14%	14%	14%
6	**Return on Equity**	**197.59**	**198.21**	**198.21**

The Commission approves the Return on Equity at Rs. 198.21 Crore in the truing up for FY 2018-19.

Deviation in RoE is due to uncontrollable factors as RoE is being allowed on a normative basis and the quantum of equity addition in the year depends upon the capital expenditure and the capitalization achieved during the year.

The Commission, accordingly, approves the Gain/(Loss), on account of RoE, in the Truing up for FY 2018-19 as uncontrollable, as detailed in the Table below:

Table 4-46: Approved Gain / Loss due to Return on Equity in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Return on Equity	197.59	198.21	-	(0.62)

4.5.8 Income Tax

UGVCL has claimed Rs. 0.95 Crore towards Income Tax for FY 2018-19, as against Rs. 17.14 Crore approved in the MYT Order dated 31st March, 2017, as given in the Table below:

Table 4-47: Income Tax claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Income Tax (MAT)	17.14	0.95

Petitioner's Submission

UGVCL submitted that Income Tax being a statutory expense, any variation on this account is uncontrollable. UGVCL has claimed a gain of Rs. 16.19 Crore on this account, as given in the Table below:

Table 4-48: Gain / (Loss) claimed due Income Tax claimed by UGVCL in the truing up (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Provision for Tax / Tax Paid	17.14	0.95	-	16.19

Commission's Analysis

The Commission has verified the amount of Income Tax payable from the audited Annual Accounts of UGVCL, i.e., Rs. 0.95 Crore. The Commission, accordingly, approves the Income Tax of Rs. 0.95 Crore in the truing up for FY 2018-19.

Variation in Income Tax is uncontrollable, hence, the Commission approves the Gain/(Loss) on account of Income Tax in the truing up for FY 2018-19, as detailed in the Table below:

Table 4-49: Approved Gain / (Loss) due to Income Tax in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Income Tax	17.14	0.95	-	16.19

4.5.9 Non-Tariff Income

UGVCL has claimed the actual Non-Tariff Income as Rs. 171.70 Crore in the truing up for FY 2018-19, as against Rs. 146.76 Crore approved in the MYT Order dated 31st March 2017, as detailed in the Table below:

Table 4-50: Non-Tariff Income claimed by UGVCL in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in the MYT Order	Actual Claimed in Truing up
1	Non-Tariff Income	146.76	171.70

Petitioner's Submission

UGVCL submitted that the actual Non-Tariff Income as per audited Annual Accounts is Rs. 172.90 Crore, which includes interest on staff loans of Rs. 1.20 Crore. UGVCL has excluded interest income on staff loans from Non-Tariff income. Accordingly, Non-Tariff Income claimed by UGVCL in FY 2018-19 is Rs 171.70 Crore (i.e., Rs. 172.90 Crore – Rs. 1.20 Crore), as against Rs. 146.76 Crore approved in the MYT Order dated 31st March, 2017. This has resulted in an uncontrollable loss of Rs. 24.94 Crore, as detailed in the Table below:

Table 4-51: Gain / (Loss) claimed due to Non-Tariff Income for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Non-Tariff Income	146.76	171.70	-	(24.94)

Commission's Analysis

The actual Non-Tariff Income as per audited Annual Accounts is Rs. 172.90 Crore for FY 2018-19. However, in line with the approach adopted in previous Orders, the Commission has not considered income on staff welfare activities of Rs. 1.20 Crore as part of Non-Tariff Income.

The Commission approves the Non-Tariff Income as Rs. 171.70 Crore in the truing up for FY 2018-19. The deviation in Non-Tariff Income is considered as uncontrollable.

The Commission, accordingly, approves the Gains/(Losses) on account of Non-Tariff Income in the truing up for FY 2018-19, as detailed in the Table below:

Table 4-52: Approved Gain/(Loss) due to Non-Tariff Income in the truing up for FY 2018-19 (Rs. Crore)

Particulars	Approved in MYT Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Non-Tariff Income	146.76	171.70	-	(24.94)

4.6 ARR approved in the Truing up for FY 2018-19

The ARR approved in the MYT Order dated 31st March 2017, actual claimed in truing up, approved in the truing up and Gain/(Loss) computed in accordance with the GERC (MYT) Regulations, 2016, is given in the Table below:

Table 4-53: ARR approved in truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Annual Revenue Requirement	Approved in the MYT Order	Actual Claimed in Truing up	Approved in Truing up	Deviation +/(-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	9,319.37	11,113.87	11,113.87	(1,794.50)	(162.33)	(1,632.17)
2	O&M Expenses	468.40	616.02	616.02	(147.63)	(12.50)	(135.13)
2.1	Employee Cost	447.81	540.55	540.55	(92.74)	(18.37)	(74.37)
2.2	R&M Expenses	93.56	77.67	77.67	15.89	15.89	-
2.3	A&G Expenses	80.02	90.05	90.05	(10.03)	(10.03)	-
2.4	Other Debits	-	-			-	-
2.5	Extraordinary Items	-	-			-	-
2.6	Net Prior Period Expenses/(Income)	-	-			-	-
2.7	Other Expenses Capitalised	(153.00)	(92.24)	(92.24)	(60.76)	-	(60.76)
3	Depreciation	368.61	291.08	291.08	77.53	-	77.53
4	Interest & Finance Charges	140.45	140.78	140.78	(0.33)	-	(0.33)
5	Interest on Working Capital	-	-	-		-	-
6	Bad Debts Written off	0.70	1.07	1.07	(0.37)	(0.37)	-
7	Return on Equity	197.59	198.21	198.21	(0.62)	-	(0.62)
8	Income Tax	17.14	0.95	0.95	16.19	-	16.19
9	**ARR (1 to 8)**	**10,512.26**	**12,361.97**	**12,361.97**	**(1,849.72)**	**(175.21)**	**(1,674.51)**
10	Less: Non-Tariff Income	146.76	171.70	171.70	(24.94)	-	(24.94)
11	**Total ARR (9-10)**	**10,365.50**	**12,190.27**	**12,190.27**	**(1,824.78)**	**(175.21)**	**(1,649.57)**

4.7 Revenue for FY 2018-19

UGVCL has claimed the total revenue of Rs. 12,014.87 Crore in the truing up for FY 2018-19 as against Rs. 10,323.70 Crore approved in the MYT Order dated 31st March, 2017, as detailed in the Table below:

Table 4-54: Revenue submitted in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 31.03.2018 for FY 2018-19	Actual Claimed in Truing up
1	Revenue from Sale of Power	6,579.58	11,353.39
2	Revenue from FPPPA	2,955.71	
3	Other Income (Consumer related)	252.35	120.80
4	**Total Revenue excluding subsidy (1+2+3)**	**9,787.64**	**11,474.19**
5	Agriculture Subsidy	536.06	540.68
6	**Total Revenue including Subsidy (3+4)**	**10,323.70**	**12,014.87**

Commission's Analysis

The Commission has verified the total category-wise revenue for FY 2018-19 from the audited Annual Accounts. The actual revenue from category-wise sales, as per audited Annual Accounts, is Rs. 11,353.39 Crore.

The Other Income as per audited Annual Accounts is Rs. 120.80 Crore. The Commission has considered the actual Agriculture Subsidy Rs. 540.68 Crore separately as per the GERC (MYT) Regulations, 2016.

The aforesaid Agriculture Subsidy has been claimed as a separate item of revenue.

Table 4-55: Revenue approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Approved in Order dated 31.03.2018 for FY 2018-19	Actual Claimed in Truing up	Approved in Truing up
1	Revenue from Sale of Power	9535.29	11,353.39	11,353.39
2	Other Income (Consumer related)	252.35	120.80	120.80
3	**Total Revenue excluding subsidy (1+2)**	**9,787.64**	**11,474.19**	**11,474.19**

Sr. No.	Particulars	Approved in Order dated 31.03.2018 for FY 2018-19	Actual Claimed in Truing up	Approved in Truing up
4	Agriculture Subsidy	536.06	540.68	540.68
5	**Total Revenue including subsidy (3+4)**	**10,323.70**	**12,014.87**	**12,014.87**

The Commission, accordingly, approves the total revenue of Rs. 12,014.87 Crore, including consumer related income of Rs. 120.80 Crore and Agriculture Subsidy of Rs. 540.68 Crore, in the truing up for FY 2018-19.

4.8 Revenue (Gap) / Surplus for FY 2018-19

As shown in the Table below, UGVCL has claimed a Revenue Gap of Rs. 141.25 Crore in the truing up considering the treatment of Gain/(Loss) due to controllable/ uncontrollable factors, after comparing the performance with the Tariff Order for FY 2018-19:

Table 4-56: Revenue Surplus/ (Gap) for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Actual Claimed
1	Aggregate Revenue Requirement originally approved for FY 2018-19	10,365.50
2	(Gap)/Surplus of FY 2016-17	193.24
3	Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer	(1,650.27)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	(58.17)
5	**Revised ARR for FY 2018-19 (1 - 2 - 3 - 4)**	**11,880.70**
6	Revenue from Sale of Power	11,353.39
7	Other Income (Consumer related)	120.80
8	**Total Revenue excluding Subsidy (6 + 7)**	**11,474.19**
9	Agriculture Subsidy	540.68
10	GUVNL Profit / (Loss) Allocation	7.08
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**12,021.95**
12	**Revised (Gap)/Surplus after considering gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**141.25**

Petitioner's Submission

The Petitioner submitted that the Commission in the MYT Order dated 31st March, 2017 has approved the ARR of Rs. 10,365.50 Crore for FY 2018-19.

As per the mechanism specified in the GERC (MYT) Regulations, 2016, UGVCL proposed to pass on 1/3rd of total losses on account of controllable factors, i.e., Rs. 58.17 Crore out of Rs. 174.51 Crore, and total loss on account of uncontrollable factors, i.e., Rs. 1,650.27 Crore to the consumers.

The past Revenue Surplus of Rs. 193.24 Crore, for FY 2016-17 is also adjusted in the approved Aggregate Revenue Requirement. Accordingly, UGVCL has arrived at the revised ARR for FY 2018-19 at Rs. 11,880.70 Crore as shown in the above Table.

The revised ARR is compared against the revised Revenue with Existing Tariff of Rs. 11,353.39 Crore, Other Consumer related Income of Rs. 120.80 Crore and Agriculture Subsidy of Rs. 540.68 Crore. The GUVNL profit of Rs. 28.01 Crore for FY 2018-19 is allocated amongst four DISCOMs, with UGVCL's share being Rs. 7.08 Crore. Accordingly, the Total Revenue considering all these elements works out to Rs. 12,021.95 Crore. Revenue (Gap)/Surplus of UGVCL for FY 2018-19 after considering all the above adjustments is computed at Rs. 141.25 Crore.

Commission's Analysis

The Commission has computed the revised ARR and Revenue (Gap)/Surplus for FY 2018-19, based on the expenses and the Gain / (Loss) approved in the truing up for FY 2018-19, and after considering the earlier year's Revenue Surplus. UGVCL's share of GUVNL profit has been considered as Rs. 7.08 Crore for FY 2018-19 as submitted by UGVCL.

The Revenue (Gap)/Surplus approved by the Commission after truing up for FY 2018-19, is summarised in the Table below:

Table 4-57: Revenue (Gap)/Surplus approved in the truing up for FY 2018-19 (Rs. Crore)

Sr. No.	Particulars	Actual Claimed	Approved after truing up
1	Aggregate Revenue Requirement originally approved for FY 2018-19	10,365.50	10,365.50
2	(Gap)/Surplus of FY 2016-17	193.24	193.24
3	Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer	(1,650.27)	(1,649.57)
4	Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain / (Loss))	(58.17)	(58.40)
5	**Revised ARR for FY 2018-19 (1 - 2 - 3 - 4)**	**11,880.70**	**11,880.23**
6	Revenue from Sale of Power	11,353.39	11,353.39
7	Other Income (Consumer related)	120.80	120.80
8	**Total Revenue excluding Subsidy (6 + 7)**	**11,474.19**	**11,474.19**
9	Agriculture Subsidy	540.68	540.68
10	GUVNL Profit / (Loss) Allocation	7.08	7.08
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**12,021.95**	**12,021.95**
12	**Revised (Gap)/Surplus after considering gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**141.25**	**141.72**

5 ARR and Revenue (Gap)/Surplus for FY 2020-21

5.1 ARR for FY 2020-21

The Table below shows the approved ARR of UGVCL for FY 2020-21 as per MTR Order dated 24th April, 2019:

Table 5-1: Approved ARR for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21
1	Cost of Power Purchase	11,843.65
2	Operations & Maintenance Expenses	751.74
2.1	Employee Cost	643.75
2.2	Repairs & Maintenance	72.50
2.3	Administration & General Expenses	117.24
2.4	Other Debits	0.00
2.5	Extraordinary Items	0.00
2.6	Net Prior Period Expenses / (Income)	0.00
2.7	Other Expenses Capitalised	(81.76)
3	Depreciation	273.65
4	Interest & Finance Charges	173.91
5	Interest on Working Capital	0.00
6	Provision for Bad Debts	0.31
7	**Sub-Total [1 to 6]**	**13,043.26**
8	Return on Equity	231.86
9	Provision for Tax / Tax Paid	14.38
10	**Total Expenditure (7 to 9)**	**13,289.50**
11	Less: Non-Tariff Income	138.68
12	**Aggregate Revenue Requirement (10 - 11)**	**13,150.82**

5.2 Revenue from existing tariff FY 2020-21

UGVCL has estimated the category-wise revenue for FY 2020-21 based on existing tariff, as Rs. 8411.75 Crore, as detailed in the Table below

Table 5-2: Sales and Revenue from existing tariff projected by UGVCL for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Sales (MU)	Amount (Rs. Crore)
A	**LT Consumers**		
1	RGP	2594	921.19
2	GLP	54	23.35
3	Non-RGP & LTMD	2170	1,207.81
4	Public Water Works	877	307.46
5	Agriculture-Unmetered	6313	889.25
6	Agriculture-Metered	3301	293.65
7	Public Lighting	58	23.88
	LT Total (A)	**15366**	**3,666.59**
B	**HT Consumers**		
8	Industrial HT	9218	4,745.16
9	Railway Traction	-	-
	HT Total (B)	**9218**	**4,745.16**
	Grand Total (A + B)	**24584**	**8,411.75**

Petitioner's Submission

UGVCL submitted that it has considered sale of 24584 MU to different consumer categories as approved in the MTR Order dated 24th April, 2019. The revenue from sale of power at existing retail tariff has been computed as Rs. 8,411.75 Crore for FY 2020-21, as shown in the Table above.

Commission's Analysis

The Commission has considered the category-wise sales for FY 2020-21, as approved in the MTR Order dated 24th April, 2019. Taking into consideration the existing retail tariff, the Commission has correctly computed the revenue from sale of power at existing tariff for FY 2020-21, as detailed in the Table below:

Table 5-3: Approved Sales and Revenue from existing tariff for FY 2020-21

Sr. No.	Particulars	Sales (MU)	Amount (Rs. Crore)
A	**LT Consumers**		
1	RGP	2593.69	921.19
2	GLP	54.05	23.35
3	Non-RGP & LTMD	2169.80	1,207.81
4	Public Water Works	876.76	307.46
5	Agriculture-Unmetered	6312.65	889.25
6	Agriculture-Metered	3301.07	293.65
7	Public Lighting	58.34	23.88
	LT Total (A)	**15366.36**	**3,666.59**
B	**HT Consumers**		
8	Industrial HT	9217.62	4,865.60
9	Railway Traction	-	-
	HT Total (B)	**9217.62**	**4,865.60**
	Grand Total (A + B)	**24583.98**	**8,532.19**

5.3 Revenue from FPPPA charges

UGVCL has estimated the revenue from FPPPA charges for FY 2020-21, as detailed in the Table below:

Table 5-4: Revenue from FPPPA Charges for the FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Amount
1	Projected Sales (MU)	24,583.98
2	FPPPA Rate (Rs./kWh)	1.59
3	**Revenue from FPPPA (Rs. Crore)**	**3,908.85**

Petitioner's Submission

UGVCL has submitted that in the MTR Order dated 24th April, 2019 for FY 2019-20 to FY 2020-21, the Commission has considered the base power purchase cost at Rs. 4.32/kWh and base FPPPA at Rs. 1.61/kWh. As per approved FPPPA formula, any change in power purchase cost during the year over the base power purchase cost of Rs. 4.32/kWh is to be recovered through FPPPA over and above the base FPPPA of Rs. 1.61/kWh on quarterly basis. As per approved ARR for FY 2020-21, the weighted average power purchase cost works out to Rs. 4.30/kWh as against base power purchase cost of Rs. 4.32/kWh.

Thus, change in power purchase cost of Rs. (0.02)/kWh for FY 2020-21 (i.e., Rs. 4.30 - 4.32) grossed up with losses, will require corresponding change in base FPPPA, as shown in the Table below:

Table 5-5: Base FPPPA Charges as submitted by UGVCL for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2019-20	FY 2020-21
1	Fixed Cost	11,900	12,173
2	Variable Cost	24,572	26,105
3	GETCO Cost	4,115	4,502
4	GUVNL Cost	399	423
5	PGCIL Charges	2,077	2,181
6	SLDC Charges	29	33
7	Total Power Purchase Cost	43,092	45,417
8	Total Energy Requirement in MUs	99,680	1,05,652
9	**Power Purchase Cost (Rs./kWh)**	**4.32**	**4.30**
10	**Increase in Power Purchase Cost**		**(0.02)**
11	Incremental FPPPA Charges (Grossed up by T&D Losses)		(0.02)
12	Existing FPPPA Charges (Rs./kWh)		1.61
13	**Revised Base FPPPA Charges (Rs./kWh)**		**1.59**

UGVCL has estimated the revenue from approved sales and revised Base FPPPA of Rs. 1.59/kWh, as Rs. 3908.85 crore for FY 2020-21.

Further, any change in power purchase cost during the year vis-a-vis base power purchase cost of Rs. 4.30/kWh shall be pass through variation in FPPPA Charge with respect to base FPPPA of Rs 1.59/kWh on quarterly basis, in accordance with the Formula approved by the Commission.

Commission's Analysis

The Commission allows Base FPPPA charges for FY 2020-21 at 1.59/kWh considering the Fixed Cost and Variable Cost of power purchase as approved in the MTR Order, as shown in Table below:

Table 5-6: Approved Base FPPPA Charges for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2019-20	FY 2020-21
1	Fixed Cost	11,900	12,173
2	Variable Cost	24,572	26,105
3	GETCO Cost	4,115	4,502
4	GUVNL Cost	399	423
5	PGCIL Charges	2,077	2,181
6	SLDC Charges	29	33
7	Total Power Purchase Cost	43,092	45,417
8	Total Energy Requirement in MUs	99,680	1,05,652
9	**Power Purchase Cost (Rs./kWh)**	**4.32**	**4.30**
10	**Increase in Power Purchase Cost in Paise/unit**		**(0.02)**
11	Incremental FPPPA Charges (Grossed up by 16.87% loss) in Paise/unit		(0.02)
12	Existing FPPPA Charges (Rs./kWh)		1.61
13	**Revised Base FPPPA Charges (Rs./kWh)**		**1.59**

The Commission allows revenue from FPPPA charges on the approved sales of 24,583.98 MU at Rs.1.59 per kWh during FY 2020-21, as shown in Table below:

Table 5-7: Approved Revenue from FPPPA Charges for the FY 2020-21

Sr. No.	Particulars	Approved in this Order
1	Projected Sales (MU)	24,583.98
2	FPPPA Rate (Rs./kWh)	1.59
3	**Revenue from FPPPA (Rs. Crore)**	**3,908.85**

5.4 Other (consumer related) income

UGVCL has estimated the other consumer related income at Rs. 120.80 Crore for FY 2020-21, i.e., at the same levels as actuals for FY 2018-19, as detailed in the Table below:

Table 5-8: Other Consumer related Income projected by UGVCL for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21 (Projected)
1	Other Income consumer related	120.80

Petitioner's Submission

UGVCL has submitted that the revenue from other consumer related income comprises charges other than the basic charges applicable to the consumers. UGVCL has projected its other consumer related income for FY 2020-21 same as actual other consumer related income of FY 2018-19 as per the audited Annual Accounts.

Commission's Analysis

The Commission observes that UGVCL has projected the other consumer related income for FY 2020-21 at actuals of FY 2018-19 as per audited Annual Accounts. The Commission, accordingly, approves the other consumer related income at Rs. 120.80 Crore for FY 2020-21, as shown in the Table below:

Table 5-9: Approved Other Consumer related Income for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Approved in this Order
1	Other Income consumer related	120.80

5.5 Agriculture Subsidy

Petitioner's Submission

UGVCL submitted that the annual Agricultural Subsidy that was being received by the erstwhile GEB from the State Government will continue to be received by the four DISCOMs in FY 2020-21, i.e., Rs 1100 Crore. The share of Agricultural Subsidy for FY 2020-21 is considered on pro-rata basis of agriculture sales of UGVCL vis-à-vis total agricultural sales of all 4 State DISCOMs. UGVCL's share of Agricultural Subsidy for FY 2020-21 is shown in the Table below:

Table 5-10: Agriculture Subsidy projected by UGVCL for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21 (Projected)
1	Agriculture Subsidy	511.92

Commission's Analysis

The Commission has considered the Agriculture Subsidy as projected by the Petitioner, and accordingly, approves Agricultural Subsidy as Rs.511.92 Crore for FY 2020-21, as shown in the Table below:

Table 5-11: Approved Agriculture Subsidy for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Approved in this Order
1	Agriculture Subsidy	511.92

5.6 Total Expected Revenue for FY 2020-21

Petitioner's Submission

UGVCL has submitted the total expected revenue for FY 2020-21 as shown in the Table below:

Table 5-12: Revenue projected by UGVCL for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	FY 2020-21 (Projected)
1	Revenue with Existing Tariff	8,411.75
2	Base FPPPA Charges @ 159 paisa/kWh	3,908.85
3	Other Income (Consumer related)	120.80
4	Agriculture Subsidy	511.92
5	**Total Revenue including subsidy (1 to 4)**	**12,953.32**

Commission's Analysis

The total revenue as estimated by the Commission for FY 2020-21 is shown in the Table below:

Table 5-13: Approved Total Revenue for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	UGVCL (Projected)	Approved in this Order
1	Revenue with Existing Tariff	8,411.75	8,532.19
2	Base FPPPA Charges @ 159 paise/kWh	3,908.85	3,908.85
3	Other Income (Consumer related)	120.80	120.80
4	Agriculture Subsidy	511.92	511.92
5	**Total Revenue including subsidy (1 to 4)**	**12,953.32**	**13,073.76**

5.7 Estimated Revenue (Gap)/Surplus for FY 2020-21

Petitioner's Submission

UGVCL has estimated the cumulative Revenue (Gap)/Surplus for FY 2020-21 as shown in the Table below:

Table 5-14: Estimated Revenue (Gap)/Surplus for FY 2020-21 at Existing Tariff (Rs. Crore)

Sr. No.	Particulars	FY 2020-21 (Projected)
1	Aggregate Revenue Requirement	13,150.82
2	Revenue (Gap)/Surplus from True up of FY 2018-19	141.25
3	**Total Aggregate Revenue Requirement**	**13,009.57**
4	Revenue with Existing Tariff	8,411.75
5	FPPPA Charges	3,908.85
6	Other Income (Consumer related)	120.80
7	Agriculture Subsidy	511.92
8	**Total Revenue including subsidy (4 to 7)**	**12,953.32**
9	**(Gap)/Surplus (8 - 3)**	**(56.25)**

The Petitioner requested the Commission to approve the above-mentioned Revenue Gap of Rs. 56.25 crore.

Commission's Analysis

The Commission has estimated the total Revenue (Gap)/Surplus for FY 2020-21 at the existing tariff, as shown in the Table below:

Table 5-15: Revenue (Gap)/Surplus estimated by the Commission for FY 2020-21 at Existing Tariff (Rs. Crore)

Sr. No.	Particulars	Claimed by UGVCL	Approved in this Order
1	Aggregate Revenue Requirement	13,150.82	13,150.82
2	Revenue (Gap)/Surplus from True up of FY 2018-19	141.25	141.72
3	**Total Aggregate Revenue Requirement**	**13,009.57**	**13,009.10**
4	Revenue with Existing Tariff	8,411.75	8,532.19
5	FPPPA Charges	3,908.85	3,908.85
6	Other Income (Consumer related)	120.80	120.80
7	Agriculture Subsidy	511.92	511.92
8	**Total Revenue including subsidy (4 to 7)**	12,953.32	13,073.76
9	**(Gap)/Surplus (8 - 3)**	**(56.25)**	**64.66**

5.8 Consolidated Revenue (Gap)/Surplus of the State-Owned DISCOMs

Petitioner's Submission

UGVCL has submitted that consolidated resultant Revenue Gap for all four State-owned DISCOMs is Rs. 884.62 Crore. It is envisaged that part of estimated Revenue Gap will be mitigated through efficiency measures. The unmitigated Revenue Gap, if any, will be considered at the time of final true-up of FY 2020-21. Therefore, no increase in tariff rates is proposed in FY 2020-21.

Commission's Analysis

Since the uniform tariff for State-owned DISCOMs has been envisaged in the MYT Order dated 31st March, 2017 and MTR Order dated 24th April 2019, it is necessary to consider the consolidated (Gap)/Surplus of FY 2020-21 for all the State-owned DISCOMs, while determining the tariff for FY 2020-21. The consolidated (Gap)/Surplus computed for FY 2020-21 is shown in the Table below:

Table 5-16: Consolidated (Gap)/Surplus computed for FY 202021 (Rs. Crore)

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
Trued up (Gap)/Surplus of FY 2018-19	(423.83)	(44.88)	(313.34)	141.72	(640.33)
Total (Gap)/Surplus for FY 2020-21 including (Gap)/ Surplus of Trued Up Year	(434.49)	(52.91)	(216.69)	64.66	(639.43)

The consolidated (Gap)/Surplus approved by the Commission for FY 2020-21 as shown in the Table above, is Rs. 639.43 crore, as compared to Rs. 884.62 estimated by the State-owned DISCOMs.

It is observed that the State-owned DISCOMs have not proposed any tariff revision for FY 2020-21, and intend to recover part of the Revenue Gap through efficiency gains and remaining at the time of true-up.

The Commission has observed that out of the total Revenue Gap of Rs.639.43 Crore calculated after truing up of FY 2018-19, approximately Rs. 490.00 Crore is on account of deferred FPPPA recovery of Quarter 3 of FY 2018-19. The Commission has allowed the four DISCOMs to recover these deferred FPPPA charges of FY 2018-19 during Quarter 1 and Quarter 2 of FY 2019-20. Accordingly, the trued up Gap of Rs. 149.43 Crore (Rs. 639.43 Crore- Rs. 490 Crore) actually remains to be recovered through Tariff during FY 2020-21.

The Commission has decided not to pass on the Gap of Rs. 149.43 Crore in the tariff for FY 2020-21 considering the plea of the Petitioner to mitigate the Gap through efficiency measures.

Also, in response to the representations of the consumers and furthering the process of Tariff Rationalisation, the Commission has made some changes in the categorisation and tariff rates. The actual revenue impact of these changes and the efficiency measures that the Petitioners are planning to take up shall be taken care by the Commission during the true up of FY 2020-21.

6 Compliance to Directives

6.1 Compliance to earlier directives

The Commission had given various directives to UGVCL in the Order dated 24th April 2019, compliance of which is mentioned below:

Directive 1: Category wise Cost to Serve Report

UGVCL should ensure that the cost to serve report is submitted along with the tariff petition.

Compliance:

UGVCL is in process of preparation of Cost to Serve Report for FY 2018-19 and shall submit at the earliest.

Commission's comments:

The DISCOMs have subsequently submitted the Cost to Serve Report for FY 2018-19. It is noted by the Commission that a said report is submitted by the Discoms just prior to the date of public hearing on the true up and tariff petitions. Though, it was uploaded by the Petitioner on it's website, the Commission feels that the Stakeholders were not able to study report and express their views on it due to paucity of time. It is hereby directed to the Staff of the Commission and the Petitioner to upload the said report on their websites and seek comments from the consumers by 1st July, 2020. The Commission will take appropriate view on the report after hearing the consumers.

Directive 2: Losses on Jyoti Gram Yojana feeders

DISCOMs are directed to identify the feeders with more than 50% of loss level and accordingly reduce losses of such feeder and submit the quarterly report about actions taken in this regard to the Commission.

Compliance:

The Status of Distribution losses of JGY Feeders are as follows:

Sr. No.	Year	Unit sent out (MU)	Unit sold (MU)	% Loss
1	2012-13	2362.185	1837.117	22.23

2	2013-14	2529.814	1974.876	21.94
3	2014-15	2766.467	2182.678	21.10
4	2015-16	2955.158	2346.743	20.59
5	2016-17	3139.246	2511.423	20.00
6	2017-18	3398.128	2753.756	18.96
7	2018-19	3633.533	2993.376	17.62

The Status of Distribution loss of 54 Nos JGY Feeders are as follows:

Sr. No.	Year	Unit sent out (MU)	Unit sold (MU)	% Loss
1	2016-17	278.575	92.435	66.82
2	2017-18	281.813	98.955	64.89
3	2018-19	282.923	103.313	63.48
4	2018-19(Aug-18)	131.948	45.856	65.25
5	2019-20(Aug-19)	136.123	46.061	66.16

From above tables, it can be seen that overall % distribution losses in JGY category have been reduced from 22.23 % (FY 2012-13) to 17.62 % (FY 2018-19) by 4.61% in last six years. Further, 54 numbers of JGY High loss feeders having more than 50% distribution losses have shown reducing trends up to March-19 (FY 2018-19). Out of these 54 numbers of feeders, losses for 20 numbers of JGY feeders have shown reducing trend compared to target up to August, 2019. Loss of 25 number of JGY feeders has reduced compared to previous year for same period. UGVCL has put significant efforts for reducing distribution losses on JGY feeders.

Commission's comments:

The Commission appreciates the efforts being made by the Petitioners in achieving the target of loss reduction. However, loss reduction activity being continuous, sustained and concerted efforts should be made to reduce the losses in coming years also, as there are still several Feeders having very high loss levels. Thus, the Petitioner is directed to continue efforts for reduction in the losses.

Directive 3: Replacement of Defective Meters

The Commission directed to replace the defective energy meters as planned. Utilities may also conduct a study to understand the nature of fault and take up the issue with the manufacturers of such meters for mitigation.

Compliance:

Faulty or improperly functioning meters are replaced regularly based on monthly generated reports. This is a continuous and ongoing process as new faulty meters are added during the month and the replacement of the same is also being carried out during the month.

Sr. No.	Reporting Quarter period	Faulty Meters to be replaced at the end of reporting quarter		
		1-phase	3-phase	Total
1	June-19	4351	1542	5893
2	Sept-19	5291	302	6593
3	Oct-19	5908	1389	7297

Commission's comments:

The DISCOMs have stated that they are replacing defective energy meters as planned. However, the DISCOMs have been also directed to conduct a study to understand the nature of fault and take up the issue with the manufacturers of such meters for mitigation.

Directive 4: Detailed study to work out cost of supply at EHV level

In order to promote supply at higher voltages the DISCOMs are directed to carry out a detailed study to work out cost of supply at EHV level, reduction in technical loss for supplying electricity at higher voltages, and submit it to the Commission on or before 30th June, 2019

Compliance:

On behalf of all four DISCOMs, GUVNL has already submitted study report to the Commission vide letter No: GUVNL/COM/TO 31318/807 Dated 25.07.2019.

Commission's comments:

The DISCOMs have submitted the Study Report of Cost of Supply at EHV level which is under deliberation.

Directive 5: Scheme for Installation of solar pump for agriculture consumers

The Commission has directed to submit the outcome of pilot project namely Suryashakti Kisan Yojna (SKY).

Compliance:

As per directive of the Commission, the scheme has been implemented on Pilot basis in the areas of all four DISCOMs. Performance of the Scheme is being analysed by the Company and shall be submitted to the Commission in due course of time.

Commission's comments:

DISCOMs should expedite the submission of the outcome of pilot project namely Suryashakti Kisan Yojna (SKY).

Directive 6: Initiate study for implementing Demand Response Measures

The Commission has directed DISCOM to ensure timely completion of the study for implementing Demand Response Measures and submit the report by 30th June, 2019

Compliance:

On behalf of all four DISCOMs, GUVNL has already submitted study report to the Commission vide letter No: GUVNL/COM/TO 31318/807 Dated 25.07.2019.

Commission's comments:

The DISCOMs have submitted the Report which is under deliberation.

6.2 Compliance to directives in the recent order

Directive 1: Outcome of HVDS implementation

Petitioner is directed to report the outcome of HVDS implementation along with the next Tariff Petition.

Compliance:

UGVCL had done work of Rs.714.9 lakh during FY 2018-19 in implementation of HVDS for selected 18 no. of AG dominant 11 kV Feeders with work involvement of installation of 555 nos. of small capacity transformers and reduction of LT line by 46.17 km. Further during FY 2019-20, up to the month of October 2019, UGVCL has installed total 258 nos. of small capacity transformers with reduction of 6.1 km LT line, incurring capital expenditure of Rs 327.0 lakh. UGVCL plans to continue the work by erecting more 414 nos. of small capacity transformers with expenditure of Rs. 273 lakh and 2.4 km LT line will be reduced. The outcomes of implementing the HVDS system are as under:

- Improvements in voltage regulation, i.e., better voltage level at consumer end.
- Reduction in T&D loss due to lower length of LT line
- Improved service reliability, i.e., lower nos. of consumers get affected in case of failure of transformer
- Reduction in commercial losses due to high voltage system up to consumer end, reduction in theft of power

Commission's comments:

The DISCOM's reply is noted.

Directive 2: Publish FPPPA information on website

Petitioner is directed to keep FPPPA information available on their website for all the quarters of a year till the truing up exercise of that particular year is completed.

Compliance:

Information is available on GUVNL's website.

Commission's comments:

The DISCOM's reply is noted.

6.3 Fresh Directives

Directive 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.

Directive 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.

Directive 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.

Directive 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.

Directive 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 30th June 2020.

7 Fuel and Power Purchase Price Adjustment

7.1 Fuel Price and Power Purchase Price Adjustment

The Commission its Order in Case No. 1309/2013 and 1313/2013 vide dated 29.10.2013, has approved the formula as mentioned below:

FPPPA = [(PPCA-PPCB)] / [100-Loss in %]; Where,

PPCA	is the average power purchase cost per unit of delivered energy (including transmission cost), computed based on the operational parameters approved by the Commission or principles laid down in the Power Purchase Agreements in Rs./kWh for all the generation sources as approved by the Commission while determining ARR and who have supplied power in the given quarter and transmission charges as approved by the Commission for transmission network calculated as total power purchase cost billed in Rs. Million divided by the total quantum of power purchase in Million Units made during the quarter.
PPCB	is the approved average base power purchase cost per unit of delivered energy (including transmission cost) for all the generating stations considered by the Commission for supplying power to the company in Rs./kWh and transmission charges as approved by the Commission calculated as the total power purchase cost approved by the Commission in Rs. Million divided by the total quantum of power purchase in Million Units considered by the Commission
Loss in %	is the weighted average of the approved level of Transmission and Distribution losses (%) for the four DISCOMs / GUVNL and TPL applicable for a particular quarter or actual weighted average in Transmission and Distribution losses (%) for four DISCOMs / GUVNL and TPL of the previous year for which true-up have been done by the Commission, whichever is lower.

7.2 Base Price of Power Purchase (PPCB)

The Commission has approved the total energy requirement and the total Power Purchase Cost for all the DISCOMs including fixed cost, variable cost, GETCO cost, PGCIL charges, SLDC charges for FY 2020-21 from various sources as given in the Table below:

Sr. No.	Particulars	FY 2020-21
1	Fixed Cost in Rs. Crore	12,173
2	Variable Cost in Rs. Crore	26,105
3	GETCO Cost in Rs. Crore	4,502
4	GUVNL Cost in Rs. Crore	423
5	PGCIL Charges in Rs. Crore	2,181
6	SLDC Charges in Rs. Crore	33
7	Total Power Purchase Cost in Rs. Crore	45,417
8	Total Energy Requirement in MUs	1,05,652
9	**Power Purchase Cost (Rs./kWh)**	**4.30**

As mentioned above, the base Power Purchase cost for the DISCOMs is Rs. 4.30/kWh. GUVNL/DISCOMs may claim difference between actual power purchase cost and base power purchase cost approved in the Table above as per the approved FPPPA formula mentioned above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on the website of the Licensee / GUVNL.

For any increase in FPPPA, worked out on the basis of above formula, beyond ten (10) paise per kWh in a quarter, prior approval of the Commission shall be necessary and only on approval of such additional increase by the Commission, the FPPPA can be billed to consumers.

FPPPA calculations shall be submitted to the Commission within one month from the end of the relevant quarter.

7.3 Shifting of Base FPPPA

As stated earlier, the Commission has approved base power purchase cost for FY 2020-21 as Rs. 4.30/kWh. Thus, there is a decrease of Rs. 0.02/kWh in the base power purchase cost of DISCOMs for FY 2020-21 over that of for FY 2019-20. The Commission finds it appropriate to decrease the base FPPPA by Rs. 0.02/unit after grossing up the incremental base power purchase cost of Rs. (0.02) /unit with the approved loss. Accordingly, the base FPPPA for FY 2020-21 is approved as Rs. 1.59/unit (1.61+(0.02)).

8 Wheeling Charges and Cross-Subsidy Surcharge

8.1 Allocation Matrix

Regulations 87 of the GERC (MYT) Regulations, 2016 stipulates that the Commission shall determine the Wheeling Charges of Distribution Wires Business of the Distribution Licensees in the ARR and Tariff Order.

The Allocation Matrix for allocation of costs between the Wires Business and Retail Supply Business as specified in the GERC (MYT) Regulations, 2016, is shown in the table below:

Table 8-1: Allocation matrix for segregation of wheeling and retail supply business of Distribution Licensees

Allocation Matrix	Wires Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
Repair & Maintenance Expenses	90%	10%
Administration & General Expenses	50%	50%
Other Debits	50%	50%
Extraordinary Items	50%	50%
Net Prior Period Expenses / (Income)	25%	75%
Other Expenses Capitalized	55%	45%
Depreciation	90%	10%
Interest & Finance charges	90%	10%
Interest on Working Capital & Security Deposit	10%	90%
Bad Debts Written off	0%	100%
Income Tax	90%	10%
Return on Equity	90%	10%
Non-Tariff Income	10%	90%

Based on the above Allocation Matrix, the approved ARR for Wires Business and Retail Supply Business for FY 2019-20 is shown in the Table below:

Table 8-2: Allocation of ARR between Wheeling and Retail Supply Business for the four State Owned DISCOMs for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Distribution	Wire Business	Retail Supply Business
1	Power Purchase Expenses	45,415.89	-	45,415.89
2	O & M Expenses	3,178.72	1,993.83	1,184.89
2.1	Employee Cost	2,819.45	1,691.67	1,127.78
2.2	Repair & Maintanance Expenses	368.00	331.20	36.80
2.3	Administration & General Expenses	484.72	242.36	242.36
2.4	Other Debits	-	-	-
2.5	Extraordinary Items	-	-	-
2.6	Net Prior Period Expenses /(Income)	-	-	-
2.7	Other Expenses Capitalized	(493.44)	(271.39)	(222.05)
3	Depreciation	1,680.41	1,512.37	168.04
4	Interest & Finance Charges	431.06	387.95	43.11
5	Interest on Security Deposit	417.02	41.70	375.32
6	Interest on Working Capital	-	-	-
7	Bad Debts written Off	2.66	-	2.66
8	Contribution to contingency reserves	-	-	-
9	**Total Revenue Expenditure**	**51,125.76**	**3,935.86**	**47,189.90**
10	Return on Equity Capital	1,199.02	1,079.12	119.90
11	Income Tax	73.11	65.80	7.31
12	**Aggregate Revenue Requirement**	**52,397.89**	**5,080.78**	**47,317.12**
13	Less: Non-Tariff Income	688.40	68.84	619.56
14	Add: DSM Expenses	2.50	2.50	-
15	**Aggregate Revenue Requirement**	**51,712.00**	**5,014.44**	**46,697.56**

8.2 Wheeling charges

The Wheeling Charges for the four Distribution Companies, DGVCL, MGVCL, PGVCL and UGVCL for FY 2020-21, as given below are applicable for use of the distribution system of a Distribution Licensee by other Licenses or Generating Companies or captive power plants or consumers / users who are permitted Open Access under Section 42 (2) of the Electricity Act, 2003

Table 8-3: Wheeling charges for FY 2020-21

Sr. No.	Particulars	Units	Amount
1	Distribution costs of the four DISCOMs	Rs. Crore	5,014.44

Sr. No.	Particulars	Units	Amount
2	Distribution cost of the four DISCOMs at 11 kV level (30% of total distribution cost)	Rs. Crore	1,504.33
3	Distribution cost of the four DISCOMs at LT level (70% of total distribution cost)	Rs. Crore	3,510.11
4	Energy input at 11 kV	MUs	100155
5	**Wheeling charges at 11 kV**	**Ps./kWh**	**15.02**
6	Energy Input at 400 V	MUs	53,749
7	**Wheeling charges at 400 V (LT)**	**Ps./kWh**	**65.31**

Accordingly, the Commission approves Wheeling Charges for HT network (11 KV system) at 15.02 Paise per kWh unit and Wheeling Charges for LT network (400 V system) at 65.31 Paise per unit.

Distribution losses:

The distribution loss at 11 kV and 400 V during FY 2020-21 are given below

Sr. No.	Particulars	Point of Energy Delivered	
		11 kV	400 Volts
1	11 kV, 22 kV and 33 kV	10%	12.31%
2	400 Volts		4.31%

The losses in HT and LT network are 10% and 4.31% respectively, with respect to energy input to the segment of the system. In case injection at 11 kV levels and drawal at LT level envisages use of both the networks, i.e., 11 kV and LT, in that case, the combined loss works out to 12.31% of the energy injection at 11 kV network.

The above Wheeling Charges payable shall be uniform in all the four Distribution Licensees, viz., DGVCL, MGVCL, PGVCL and UGVCL.

8.3 Cross-Subsidy Surcharge

The Cross-Subsidy Surcharge (CSS) is based on the formula given in the Tariff Policy as below:

S = T- [C/ (1-L/100) +D +R]

Where,

- T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation
- C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation
- D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level
- L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level
- R is the per unit cost of carrying regulatory assets

The CSS based on the above formula is worked out as shown in the Table below:

Table 8-4: Cross subsidy surcharge for FY 2020-21

Sr. No.	Particulars	Units	HT Industry
1	T	Rs./ kWh	7.07
2	C	Rs./ kWh	4.30
3	D	Paise/ kWh	15.02
4	L	%	10%
5	S (Cross Subsidy Surcharge)	Rs./ kWh	2.14

S = 7.07 [4.30/(1-10/100)+0.1502+0] = 2.14

Thus, CSS as per Tariff Policy, 2016 works out to Rs. 2.14/kWh for the four State owned Distribution companies viz. DGVCL, MGVCL, PGVCL and UGVCL.

However, Tariff Policy, 2016 provides that the surcharge shall not exceed 20% of the tariff applicable to the category of the consumers seeking Open Access. Accordingly, the leviable CSS from the consumers of the four State Owned Distribution Companies seeking Open Access, for FY 2020-21 works out to Rs. 1.41/kWh.

Accordingly, CSS for HT Category = 1.41 Rs. /kWh for FY 2020-21.

9 Tariff Philosophy and Tariff Proposals

9.1 Introduction

The Commission is guided by the provisions of the Electricity Act, 2003, the National Electricity Policy (NEP), the Tariff Policy, the Regulations on Terms and Conditions of Tariff issued by the Central Electricity Regulatory Commission (CERC) and GERC (MYT) Regulations, 2016 notified by the Commission.

Section 61 of the Act lays down the broad principles, and guidelines for determination of retail supply tariff. The basic principle is to ensure that the tariff should progressively reflect the cost of supply of electricity and reduce the cross subsidies amongst categories within a period to be specified by the Commission.

9.2 Rationalisation of Tariff

The Commission has noted that the DISCOMs have not proposed any change in the present Tariff Schedule. However, some of the Stakeholders have suggested to rationalise tariff. The Commission is also of the view to simplify the present Tariff Schedule and rationalise the level of cross subsidisation without adversely impacting the electricity bills of the consumers. Simultaneously, the Commission has taken care that Licensees are also not impacted much with the rationalisation in the Tariff Schedule. The details of modification carried out by the Commission in the Tariff Schedule is given as under.

9.2.1 Reduction in the Tariff for Lift Irrigation

It has been represented before the Commission to reduce the tariff of Lift Irrigation and make it at par with tariff of Agriculture category since the end purpose of the usage of the electricity by consumers of both the categories is same. It has been observed by the Commission that in LTP - Lift Irrigation and HTP V category, there are generally more than one consumer. These consumers are utilising the surface water from dam, canal and sewage water sources to irrigate their agriculture land. We note that utilisation of such surface water conserves the electricity as compared to the usage of water by drawing from well and bore well. This helps the utilities in loss reduction and the society as a whole by the way of energy conservation. It is also a fact that more utilisation of surface water enriches underground water table of the State which has multiple benefits to the environment and eco system. Earlier, vide Tariff Order dated 24.04.2019, the Commission reduced energy charge of these categories from Rs. 1.80/kWh to Rs. 1.50/kWh. It is observed by the Commission that there is significant increase in number of connections for Lift Irrigation in LT as well as HT category in FY 2019-20 (up to December) compared to those in FY 2018-19. Thus, a greater number of farmers are establishing co-operative societies to fulfil their purpose for irrigation of agriculture land through these tariff category connections. This has strengthened the co-operative culture in the farmer community in the State. In order to further promote the utilisation of surface water and encash the multiple benefits streaming out of surface water utilisation as stated above, the Commission has decided to reduce energy charge for these categories by 70 Paise/kWh. With this change, it apparently looks that tariff of LTP and HTP Lift Irrigation category has become equivalent to the tariff of AG Tatkal Category. But there is a basic difference in terms of number of beneficiaries in AG Tatkal Category and Lift Irrigation Category. AG Tatkal Category consumer is one farmer availing 8 hours power supply in a day. Whereas, in Lift Irrigation Category, there are number of farmers getting water supply in rotational basis through the 24 hours fed electricity connection. Thus, looking to the number of hours a farmer getting benefited with the electricity supply in both the categories viz. AG Tatkal and Lift Irrigation, are almost identical. Accordingly, the tariff rates in isolation, even if looks identical, then also the farmers included in the Lift Irrigation category are offering better advantage to the society as a whole for the reasons enumerated above.

With this change in the tariff, the total reduction in the revenue of the four DISCOMs is expected to be Rs. 2.31 Crore in FY 2020-21.

9.2.2 Merging of Street Light and GLP Category

It is observed by the Commission that there are two separate categories viz. GLP and SL in the present Tariff Schedule of the four DISCOMs. GLP category is applicable to the educational institutes and other institutions registered with the Charity Commissioner and Research and Development Laboratories. Whereas, SL category is applicable for Street Light operated by Local Authorities, Industrial Estates and for Street Lighting purpose to consumers other than Local Authorities and Industrial Estates. It is observed by the Commission that Street Light Load comes on the system during night hours only and are being utilised for the convenience of public at large. In order to simplify the Tariff Schedule and to reduce the number of categories in the Tariff Schedule, the Commission has decided to merge the SL category with the GLP category. The fixed charges in GLP category is in terms of Rs./Connection/Month whereas, fixed charges for Street Lighting purpose by consumers other than Local Authorities and Industrial Estates is in terms of Rs./kW/Month. There is no fixed charge levied for Street Light operated by Local Authority and Industrial Estate. In order to merge the SL category into GLP category, identical Tariff Structure is also required to be imposed on the Street Lighting usage of electricity. Though, there is introduction of fixed charges for Street Light operated by Local Authority and Industrial Estate, the overall electricity bill of Local Authority and Industrial Estate for Street Light consumption shall reduce as there is significant reduction of 15 Paise/kWh in the energy charge for this category.

It is observed by the Commission that there is a provision of Optional kVAh Tariff for the Street Light consumption by Local Authority and Industrial Estate in the Tariff Schedule since last many years. However, it is observed by the Commission that there is no Street Light consumer has opted for kVAh Tariff till today. Hence, the Commission has decided to remove the provision for Optional kVAh Charges for electricity consumption for street lighting purpose from the Tariff Schedule.

With this changes in the Tariff Schedule, there will be reduction of Rs. 2.10 Crore in the revenue of four DISCOMs.

9.2.3 Night Time Rebate

It is observed by the Commission that Time of Use Tariff is in vogue in the State of Gujarat since many years. There is repeated demand from the Industrial Consumers to rationalise the Time of Use Tariff during the course of hearing since last few years. Time of Use Tariff has two components; (i) Additional 45 or 85 Paise/kWh in regular energy charges for the usage of electricity during two peak periods i.e. 7:00 Hrs to 11:00 Hrs and 18:00 Hrs to 22:00 Hrs; (ii) Concession of 40 Paise/kWh in regular energy charges for the usage of electricity during night hours of 10:00 PM to 06:00 AM next morning. In order to incentivise energy consumption during night hours and optimise the power purchase cost of Distribution Licensee by increasing utilisation of generation capacity during night hours, the Commission has decided to increase the concession in regular energy charge for the usage of electricity during 10:00 PM to 06:00 AM next morning from existing 40 Paise/kWh to 43 Paise/kWh. With this change, there will be reduction in the electricity bill of the HT consumer category. Also, level of Cross Subsidization by HT consumer category to other category of consumers w.r.t. Average Cost of Supply of the four DISCOMs shall also reduce. With this change in the night time concession, there will be impact of Rs. 32.94 Crore in the revenue of the four DISCOMs at the present level of consumption.

9.2.4 EHV Rebate

During the course of hearing, various industrial consumer organisations have repeatedly demanded enhancement in EHV Rebate. The Commission is of the view that saving in losses for supplying electricity at extra high voltage level needs to be appropriately shared between consumers and the Distribution Licensees. In order to incentivise the supply at EHV level, the Commission has decided to enhance the present rebate by 0.25% for getting supply at EHV level. Accordingly, the EHV rebate for getting supply at 33 kV and 66 kV is increased from 0.5% to 0.75% and rebate for getting supply at 132 kV and above is increased from 1.0% to 1.25%. This will also reduce the extent of cross-subsidisation

Due to this change in Tariff Schedule, there will be impact of Rs. 14.47 Crore in revenue of four DISCOMs at the present level of consumption.

It is appropriate to mention that due to the changes as mentioned above in the Tariff Schedule of FY 2020-21, level of cross subsidization by HT tariff category will be reduced w.r.t. Average Cost of Supply.

9.2.5 Relaxation to BPL category residential consumers

During the course of tariff hearings since last few years', consumer organisations are demanding for increase in quantum of concessional rate electricity for BPL category residential consumers in view of increasing dependency of such consumers on electricity and their limited means of earning. At present, BPL consumers are getting electricity at concessional rate of Rs. 1.50/Unit for their monthly consumption up to 30 units. Accordingly, monthly consumption beyond 30 units is being charged at the tariff of Rs. 3.05/Unit and onwards for BPL-Urban consumers and Rs. 2.65/ Unit and onwards for BPL-Rural consumers. The Commission has decided to enhance the present limit of 30 Unit /Month to 50 Unit /Month for concessional rate of Rs. 1.50/Unit for BPL consumers of the four State Owned DISCOMs. Thus, from now, BPL category consumers shall get benefit of concessional rate of electricity, i.e. Rs 1.50/Unit, for their monthly consumption up to 50 Units. Consumption beyond 50 Unit /Month, shall be charged Rs. 3.50/Unit and onwards for BPL-Urban consumers and at Rs. 3.10/Unit and onwards for BPL-Rural consumers. With this change in the Tariff Schedule, there shall be reduction of Rs. 11.58 Crore in the revenue of the Four State Owned DISCOMs.

9.2.6 Applicability of seasonal tariff

The Commission has received representation from vegetable dehydration industry to qualify them as a seasonal consumer since their industry is dependent upon the agriculture crop. The Distribution Licensees have shown their concern regarding non-payment of minimum bill which is to be calculated at the end of calendar year by the seasonal consumer. The Commission is of the view that concern of Distribution Licensees is well in its place since non-payment of electricity bill by one consumer affects the services of the Distribution Licensees and in turn adversely affects the other consumers. In order to address concern of vegetable dehydration industry and the Distribution Licensee both, the Commission has decided to incorporate provision of submission of Bank Guarantee by seasonal consumer category. With this inclusion of requirement of submission of Bank Guarantee by seasonal consumer, both, the Licensee as well as consumer shall have upfront surety and clarity respectively about their right and responsibility. This being a change related to operation of the Tariff Schedule which is optional, there may not be any adverse financial impact.

Conclusion:

Due to the changes in the Tariff Schedule and Tariff Structure of the State Owned DISCOMs as stated at Para 9.2.1 to 9.2.5 there will be estimated financial impact of Rs. 63.40 Crore in the revenue of the four DISCOMs. The Commission is of the view that this shortfall in the revenue shall be recouped with the increase in sales across all the categories during FY 2020-21. However due to change in the structure, any further impact on the revenue of the four DISCOMs shall be taken care by the Commission while truing up of FY 2020-21.

Commission's Order

The Commission approves the Aggregate Revenue Requirement (ARR) for UGVCL for FY 2020-21 as shown in the Table below:

ARR approved for FY 2020-21 (Rs. Crore)

Sr. No.	Particulars	Approved in the MTR Order
1	Cost of Power Purchase	11843.65
2	Operation & Maintenance Expenses	751.74
2.1	Employee Cost	643.75
2.2	Repair & Maintenance	72.50
2.3	Administration & General Charges	117.24
2.4	Other Debits	0.00
2.5	Extraordinary Items	0.00
2.6	Net Prior Period Expenses / (Income)	0.00
2.7	Other Expenses Capitalised	(81.76)
3	Depreciation	273.65
4	Interest & Finance Charges	173.91
5	Interest on Working Capital	0.00
6	Provision for Bad Debts	0.31
7	**Sub-Total [1 to 6]**	**13043.26**
8	Return on Equity	231.86
9	Provision for Tax / Tax Paid	14.38
10	**Total Expenditure (7 to 9)**	**13289.50**
11	Less: Non-Tariff Income	138.68
12	**Aggregate Revenue Requirement (10 - 11)**	**13150.82**

The retail supply tariffs for UGVCL distribution area for FY 2020-21 determined by the Commission are annexed to this Order. This Order shall come into force with effect from the 1st April 2020. The revised rate shall be applicable for the electricity consumption from the 1st April, 2020 onwards.

Sd/-	Sd/-
P. J. THAKKAR **Member**	**ANAND KUMAR** **Chairman**

Place: Gandhinagar

Date: 31/03/2020

ANNEXURE: TARIFF SCHEDULE

TARIFF FOR SUPPLY OF ELECTRICITY AT LOW TENSION, HIGH TENSION, AND EXTRA HIGH TENSION

Effective from 1st April, 2020

General

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of Distribution Licensees viz. DGVCL, MGVCL, PGVCL and UGVCL.
2. These tariffs are exclusive of Electricity Duty, tax on sale of electricity, taxes and other charges levied by the Government or other competent authorities from time to time which are payable by the consumers, in addition to the charges levied as per the tariff.
3. All these tariffs for power supply are applicable to only one point of supply.
4. The charges specified are on monthly basis. Distribution Licensee may decide the period of billing and adjust the tariff rate accordingly.
5. Except in cases where the supply is used for purposes for which a lower tariff is provided in the tariff schedule, the power supplied to any consumer shall be utilized only for the purpose for which supply is taken and as provided for in the tariff.
6. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipments from kilowatt to B.H.P. or vice versa will be done, when necessary, at the rate of 0.746 kilowatt equal to 1 B.H.P.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.
10. The Fixed charges, minimum charges, demand charges, and the slabs of consumption of energy for energy charges mentioned shall not be subject to any adjustment on account of existence of any broken period within billing period arising from consumer supply being connected or disconnected any time within the duration of billing period for any reason.

11. Contract Demand shall mean the maximum kW / kVA for the supply of which licensee undertakes to provide facilities to the consumer from time to time.
12. Fuel Cost and Power Purchase Adjustment Charges shall be applicable in accordance with the Formula approved by the Gujarat Electricity Regulatory Commission from time to time.
13. Payment of penal charges for usage in excess of contract demand / load for any billing period does not entitle the consumer to draw in excess of contract demand / load as a matter of right.
14. The payment of power factor penalty does not exempt the consumer from taking steps to improve the power factor to the levels specified in the Regulations notified under the Electricity Act, 2003 and licensee shall be entitled to take any other action deemed necessary and authorized under the Act.
15. Delayed payment charges for all consumers:
    - No delayed payment charges shall be levied if the bill is paid within ten days from the date of billing (excluding date of billing).
    - Delayed payment charges will be levied at the rate of 15% per annum in case of all consumers except Agricultural category for the period from the due date till the date of payment if the bill is paid after due date. Delayed payment charges will be levied at the rate of 12% per annum for the consumer governed under Rate AG from the due date till the date of payment if the bill is paid after due date.
    - For Government dues, the delayed payment charges will be levied at the rate provided under the relevant Electricity Duty Act.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. RATE: RGP

This tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

1.1. FIXED CHARGES / MONTH:

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

(a)	Fixed Charges	Rs. 5/- per Month

PLUS

1.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

(OTHER THAN BPL CONSUMERS)

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

1.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION FOR THE CONSUMERS BELOW POVERTY LINE (BPL) **

(a)	First 50 units	150 Paise per Unit
(b)	For the remaining units	Rate as per RGP

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

2. RATE: RGP (RURAL)

This tariff will be applicable to all services for residential premises located in areas within Gram Panchayat as defined in the Gujarat Panchayats Act.

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

2.1. FIXED CHARGES

Range of Connected Load: (Other than BPL Consumers)

(a)	Up to and including 2 kW	Rs. 15/- per month
(b)	Above 2 to 4 kW	Rs. 25/- per month
(c)	Above 4 to 6 kW	Rs. 45/- per month
(b)	Above 6 kW	Rs. 70/- per month

For BPL Household Consumers

Fixed Charges	Rs. 5/- per month

PLUS

2.2. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

(a)	First 50 units	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

2.3. ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: FOR THE CONSUMER BELOW POVERTY LINE (BPL)**

(a)	First 50 units	150 Paise per Unit
(b)	For remaining units	Rate as per RGP (Rural)

**The consumer who wants to avail the benefit of the above tariff has to produce a copy of the Card issued by the authority concerned at the sub-division office of the Distribution Licensee. The concessional tariff is only for 50 units per month.

2.4. MINIMUM BILL

Payment of fixed charges as specified in 2.1 above.

Note: If the part of the residential premises is used for non-residential (commercial) purposes by the consumers located within 'Gram Panchayat' as defined in Gujarat Panchayat Act, entire consumption will be charged under this tariff.

3. RATE: GLP

This tariff is applicable to

(i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;

(ii) research and development laboratories;

(iii) Street Light*

(a)	Fixed charges	Rs. 70/- per Installation per Month
(b)	Energy charges	390 Paise per Unit

* Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street lighting purpose shall arrange for renewal, maintenance and replacement of lamp, associated Fixture, connecting wire, disconnecting device, switch including time switch etc. at his cost by person authorised by him in this behalf under Rule-3 of the Indian Electricity Rules, 1956/ Rules issued by CEA under the Electricity Act, 2003.

4. RATE: NON-RGP

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load up to and including 40 kW.

Consumer under this category may opt to be charged as per category – 'RATE: LTMD'

4.1. FIXED CHARGES PER MONTH

(a)	First 10 kW of connected load	Rs. 50/- per kW
(b)	For next 30 kW of connected load	Rs. 85/- per kW

PLUS

4.2. ENERGY CHARGES:

(a)	For installation having contracted load up to and including 10 kW: for entire consumption during the month	435 Paise per Unit
(b)	For installation having contracted load exceeding 10 kW: for entire consumption during the month	465 Paise per Unit

4.3. MINIMUM BILL PER INSTALLATION FOR SEASONAL CONSUMERS

4.3.1. "Seasonal Consumers", shall mean a consumer who takes and uses power supply for ice factory, ice candy machines, ginning and pressing factory, oil mill, rice mill, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, vegetable dehydration industries.

4.3.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

4.3.3. The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.3.1 above and complying with the provision stipulated under sub-clause 4.3.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.

4.3.4. The units consumed during the off-season period shall be charged for at a flat rate of 480 Paise per unit.

4.3.5. The electricity bills related to the off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills related to the seasonal period only under the heads "Fixed Charges" and "Energy Charges", shall be taken into account while determining the amount of short-fall payable towards the annual minimum bill as specified under sub-clause 4.3.3 above.

4.3.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.3.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry

5. RATE: LTMD

This tariff is applicable to the services for the premises those are not covered in any other tariff categories and having aggregate load above 40 kW and up to 100 kW.

This tariff shall also be applicable to consumer covered in category- 'Rate: Non-RGP' so opts to be charged in place of 'Rate: Non-RGP' tariff.

5.1. DEMAND CHARGE:

(a)	For billing demand up to the Contract demand		
	(i)	For first 40 kW of billing demand	Rs. 90/-per kW per month
	(ii)	Next 20 kW of billing demand	Rs. 130/-per kW per month
	(iii)	Above 60 kW of billing demand	Rs. 195/- per kW per month
(b)	For billing demand in excess of the contract demand		Rs. 265/- per kW

PLUS

5.2. ENERGY CHARGE:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3. REACTIVE ENERGY CHARGES:

For all the reactive units (kVARh) during the month	10 Paise per kVARh

5.4. BILLING DEMAND

The billing demand shall be highest of the following:

a) Eighty-five percent of the contract demand
b) Actual maximum demand registered during the month
c) 6 kW

5.5. MINIMUM BILL

Payment of demand charges every month based on the billing demand.

5.6. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

5.6.1 The expression, “Seasonal Consumer”, shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers, vegetable dehydration industries.

5.6.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

5.6.3 The total minimum amount under the head “Demand and Energy Charges” payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.6.1 above and complying with provisions stipulated under sub-clause 5.6.2 above shall be Rs. 2970 per annum per kW of the billing demand.

5.6.4 The billing demand shall be the highest of the following:

a) The highest of the actual maximum demand registered during the calendar year.
b) Eighty-five percent of the arithmetic average of contract demand during the year.
c) 6 kW

5.6.5 Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

5.6.6 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 5.6.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

6. RATE: NON-RGP NIGHT

This tariff is applicable for aggregate load up to 40 kW and using electricity **exclusively during night hours** from 10:00 PM to 06:00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

6.1. FIXED CHARGES PER MONTH:

50% of the Fixed charges specified in Rate Non-RGP above

PLUS

6.2. ENERGY CHARGES:

For the entire consumption during the month	260 Paise per unit

NOTE:

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 6 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 6 above.*
3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then fixed charge during the relevant billing month shall be billed as per Non-RGP category fixed charge rates given in para 4.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per Non-RGP category energy charge rates given in para 4.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then fixed charge and entire energy consumption during the relevant*

billing month shall be billed as per Non-RGP category fixed charge and energy charge rates given in para 4.1 and 4.2 respectively, of this schedule.

6. *This tariff shall be applicable if the consumer so opts to be charged in place of Non-RGP tariff by using electricity exclusively during night hours as above.*

This option can be exercised to shift from NON-RGP tariff category to NON-RGP NIGHT tariff or from NON-RGP NIGHT tariff category to NON-RGP tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.

7. RATE: LTMD-NIGHT

This tariff is applicable for aggregate load above 40 kW and using electricity **exclusively during night hours** from 10.00 PM to 06.00 AM next day. (The supply hours shall be regulated through time switch to be provided by the consumer at his cost.)

7.1 DEMAND CHARGES PER MONTH:

50% of the Demand charges specified in Rate **LTMD** above

PLUS

7.2. ENERGY CHARGES:

For entire consumption during the month	260 Paise per unit

PLUS

7.3. REACTIVE ENERGY CHARGES:

For all reactive units (kVARh) drawn during the month	10 Paise per kVARh

NOTE: *260 P*

1. *15% of the contracted demand can be availed beyond the night hours prescribed as per para 7 above.*
2. *10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 7 above.*

3. *In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per LTMD category demand charge rates given in para 5.1 of this schedule.*
4. *In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category energy charge rates given in para 5.2 of this schedule.*
5. *In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per LTMD category demand charge and energy charge rates given in para 5.1 and 5.2 respectively, of this schedule.*
6. *This tariff shall be applicable if the consumer so opts to be charged in place of LTMD tariff by using electricity exclusively during night hours as above.*
7. *This option can be exercised to shift from LTMD tariff category to LTMD NIGHT tariff or from LTMD- NIGHT tariff category to LTMD tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.*

8. <u>RATE: LTP- LIFT IRRIGATION</u>

Applicable for supply of electricity to Low Tension Agricultural consumers contracting load up to 125 HP requiring continuous (twenty-four hours) power supply for lifting water from surface water sources such as canal, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

(a)	Fixed charges per month	Rs. 20/- per HP

PLUS

(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

9. RATE: WWSP

This tariff shall be applicable to services used for water works and sewerage pumping purposes.

9.1 Type I- Water works and sewerage pumps operated by other than local authority

(a)	Fixed charges per month	Rs. 25/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	430 Paise per Unit

9.2 Type II- Water Works and sewerage pumps operated by local authority such as Municipal Corporation, Gujarat Water Supply & Sewerage Board located outside Gram Panchayat Area will also attract this tariff:

(a)	Fixed charges per month	Rs. 20/- per HP
PLUS		
(b)	Energy charges per month; For entire consumption during the month	410 Paise per Unit

9.3 Type III- Water Works and sewerage pumps operated by Municipalities/ Nagarpalikas/ and Gram Panchayats or Gujarat Water Supply & Sewerage Board for its installations located in Gram Panchayats:

Energy charges per month: For entire consumption during the month	320 Paise /Unit

9.4 TIME OF USE DISCOUNT:

Applicable to all the water works consumers having connected load of 50 HP and above for the energy consumption during the Off-Peak Load Hours of the Day.

For energy consumption during the off-peak period, viz, 1100 Hrs to 1800 Hrs	40 Paise per Unit
For energy consumption during night hours, viz, 2200 Hrs to 0600 Hrs next day	85 Paise per Unit

10. RATE: AG

This tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

10.1 The rates for following group are as under:

10.1.1 HP BASED TARIFF

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

10.1.2 METERED TARIFF

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	60 Paise per Unit

10.1.3 TATKAL SCHEME

Fixed Charges	Rs. 20 per HP per month
Energy Charges: For entire consumption during the month	80 Paise per Unit

NOTE: The consumers under Tatkal scheme shall be eligible for normal metered tariff as above, on completion of five years period from the date of commencement of supply.

10.2 No machinery other than pump water for irrigation (and a single bulb or CFL up to 40 watts) will be permitted under this tariff. Any other machinery connected in the installation governed under this tariff shall be charged separately at appropriate tariff for which consumers shall have to take separate connection.

10.3 Agricultural consumers who desire to supply water to brick manufacturing units shall have to pay Rs. 100/HP per annum subject to minimum of Rs. 2000/- per year for each brick Mfg. Unit to which water is supplied in addition to existing rate of HP based / metered agricultural tariff.

10.4 Such Agricultural consumers shall have to pay the above charges for a full financial year irrespective of whether they supply water to the brick manufacturing unit for full or part of the Financial Year.

Agricultural consumers shall have to declare their intention for supply of the water to such brick manufacturing units in advance and pay charges accordingly before commencement of the financial year (i.e. in March every year).

11. RATE- TMP

This tariff is applicable to services of electricity supply for temporary period at the low voltage. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

11.1 FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

11.2 ENERGY CHARGE

A flat rate of	465 Paise per Unit

Note: Payment of bills is to be made within seven days from the date of issue of the bill. Supply would be disconnected for non-payment of dues on 24 hours' notice.

12. RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. RGP, RGP (RURAL), GLP, LTMD, NON-RGP NIGHT, LTMD-NIGHT, etc. as the case may be.

12.1 FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month

12.2 ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit

PART - II

TARIFFS FOR SUPPLY OF ELECTRICITY AT HIGH TENSION

(3.3 KV AND ABOVE, 3-PHASE 50 HERTZ), AND EXTRA HIGH TENSION

The following tariffs are available for supply at high tension for large power services for contract demand not less than 100 kVA

13. RATE- HTP-1

This tariff will be applicable for supply of electricity to HT consumers contracted for 100 kVA and above for regular power supply and requiring the power supply for the purposes not specified in any other HT Categories.

13.1 DEMAND CHARGES:

13.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

13.1.2 For billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month

PLUS

13.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit
(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

13.3 TIME OF USE CHARGES

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

13.4 BILLING DEMAND

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month
b) Eighty-five percent of the contract demand
c) One hundred kVA

13.5 MINIMUM BILLS:

Payment of "demand charges" based on kVA of billing demand.

13.6 POWER FACTOR ADJUSTMENT CHARGES:

13.6.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.
b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, will be charged.

13.6.2 Power Factor Rebate

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13.7 MAXIMUM DEMAND AND ITS MEASUREMENT:

The maximum demand in kW or kVA, as the case may be, shall mean an average kW/kVA supplied during consecutive 30/15 minutes or if consumer is having parallel operation with the grid and has opted for 3 minutes, period of maximum use where such meter with the features of reading the maximum demand in kW/kVA directly, have been provided.

13.8 CONTRACT DEMAND:

The contract demand shall mean the maximum kW/kVA for the supply, of which the supplier undertakes to provide facilities from time to time.

13.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:		Rebate @
(a)	If supply is availed at 33/66 kV	0.75%
(b)	If supply is availed at 132 kV and above	1.25%

13.10 CONCESSION FOR USE OF ELECTRICITY DURING NIGHT HOURS:

For the consumer eligible for using supply at any time during 24 hours, entire consumption shall be billed at the energy charges specified above. However, the energy consumed during night hours of 10.00 PM to 06.00 AM next morning shall be eligible for concession at the rate of 43 Paise per unit.

13.11 SEASONAL CONSUMERS TAKING HT SUPPLY:

13.11.1 The expression, "Seasonal Consumer", shall mean a consumer who takes and uses power supply for ice factory, ice-candy machines, ginning and pressing factory, oil mill, rice mill, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fishery industry), tapioca industries manufacturing starch, pumping load or irrigation, white coal manufacturers, vegetable dehydration industries.

13.11.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing at least one month before commencement of billing period about the off-season during which energy consumption, if any, shall be mainly for overhauling of the plant and machinery. The off-season period at any time shall be a full calendar month/months. The total period of the off-season so declared and observed shall be not less than three calendar months in a calendar year.

13.11.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 13.11.1 above and complying with provisions stipulated under sub-clause 13.11.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

13.11.4 The billing demand shall be the highest of the following:

a) The highest of the actual maximum demand registered during the calendar year.
b) Eighty-five percent of the arithmetic average of contract demand during the year.
c) One hundred kVA

13.11.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

13.11.6 Electricity Bills paid during off-season period shall not be taken into account towards the amount payable against the annual minimum bill. The amount paid by the consumer towards the electricity bills for seasonal period only under the heads "Demand Charges" and "Energy Charges" shall be taken into account while determining the amount payable towards the annual minimum bill.

13.11.7 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 13.11.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

14. RATE- HTP-II

Applicability: This tariff shall be applicable for supply of energy to HT consumers contracting for 100 kVA and above, requiring power supply for Water Works and Sewerage pumping stations run by Local Authorities and GW & SB. GIDC Water Works.

14.1 DEMAND CHARGES:

14.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 115/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 225/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 290/- per kVA per month

14.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month

PLUS

14.2 ENERGY CHARGES:

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	435 Paise per unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	455 Paise per Unit
(c)	For billing demand above 2500 kVA	465 Paise per Unit

PLUS

14.3 TIME OF USE CHARGES:

For energy consumption during the two peak periods, viz, 0700 Hrs to 1100 Hrs and 1800 Hrs. to 2200 Hrs.		
(a)	For Billing Demand up to 500 kVA	45 Paise per unit
(b)	For billing demand above 500 kVA	85 Paise per Unit

14.4 Billing Demand
14.5 Minimum Bill
14.6 Maximum demand and its measurement
14.7 Contract Demand
14.8 Rebate for supply at EHV
14.9 Concession for use of electricity during night hours

Same as HTP-I Tariff

14.10 POWER FACTOR ADJUSTMENT CHARGES

14.10.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 14.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 14.2 of this schedule, will be charged.

14.10.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

15. RATE- HTP-III

This tariff shall be applicable to a consumer taking supply of electricity at high voltage, contracting for not less than 100 kVA for temporary period. A consumer not taking supply on regular basis under a proper agreement shall be deemed to be taking supply for temporary period.

15.1 DEMAND CHARGES:

For billing demand up to contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

15.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

15.3 TIME OF USE CHARGES:

Additional charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	85 Paise per Unit

15.4	Billing Demand	Same as HTP-I Tariff
15.5	Minimum bill	
15.6	Maximum demand and its measurement	
15.7	Contract Demand	
15.8	Rebate for supply at EHV	

15.9 POWER FACTOR ADJUSTMENT CHARGES

15.9.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, will be charged.

15.9.2 Power Factor Rebate:

If the power factor of the consumer’s installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head “Energy Charges”, arrived at using tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- HTP-IV

This tariff shall be applicable for supply of electricity to HT consumers opting to use electricity exclusively during night hours from 10.00 PM to 06.00 AM next day and contracted for regular power supply of 100 kVA and above.

16.1 DEMAND CHARGES:

1/3rd of the Fixed Charges specified in Rate HTP-I above

PLUS

16.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise/Unit

16.3 Billing Demand **16.4** Minimum Bill **16.5** Maximum demand and its measurement **16.6** Contract Demand **16.7** Rebate for supply at EHV	Same as HTP-I Tariff

16.8 POWER FACTOR ADJUSTMENT CHARGES:

16.8.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, will be charged.

16.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 16 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 16 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 13.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 13.2 of this schedule.
5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 13.1 and 13.2 respectively, of this schedule.
6. This tariff shall be applicable if the consumer so opts to be charged in place of HTP-I tariff by using electricity exclusively during night hours as above.
7. This option can be exercised to shift from HTP-I tariff category to HTP-IV tariff or from HTP-IV tariff category to HTP-I tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period

17. RATE- HTP-V

HT - Agricultural (for HT Lift Irrigation scheme only)

This tariff shall be applicable for supply of electricity to High Tension Agricultural consumers contracting for 100 kVA and above, requiring power supply for lifting water from surface water sources such as canal, river and dam, and supplying water directly to the fields of farmers for agricultural irrigation only.

17.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

17.2 ENERGY CHARGES:

For all units consumed during the month	80 Paise/Unit

17.3 Billing Demand
17.4 Minimum bill
17.5 Maximum demand and its measurement
17.6 Contract Demand
17.7 Rebate for supply at EHV

Same as per HTP-I Tariff

17.8 POWER FACTOR ADJUSTMENT CHARGES

17.8.1 Penalty for poor power factor

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 17.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 17.2 of this schedule, will be charged

17.8.2 Power Factor Rebate

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 17.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

18. RATE- RAILWAY TRACTION

This tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

18.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 425 per kVA per month

NOTE: In case of the load transfer for traction supply due to non-availability of power supply at preceding or succeeding point of supply or maintenance at Discom's level, excess demand over the contract demand shall be charged at normal rate at appropriate point of supply.

Normal Demand Charges will also apply in case of bunching of trains. However, Discoms shall charge excess demand charges while raising the bills and Railways have to give convincing details and documentary proof of bunching of trains if they want to be charged at the normal demand charges. If satisfactory proof of bunching of trains is provided, Discom shall consider that occasion for normal demand charges, otherwise excess demand charges will be applicable specified as above at 18.1 (b).

PLUS

18.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit

18.3 Billing Demand:
18.4 Minimum Bill
18.5 Maximum demand and its measurement
18.6 Contract Demand
18.7 Rebate for supply at EHV

Same as HTP-I Tariff

18.8 POWER FACTOR ADJUSTMENT CHARGES

18.8.1 Penalty for poor Power Factor:

a) The power factor adjustment charges shall be levied at the rate of 1% on the total amount of electricity bills for the month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% drop or part thereof in the average power factor during the month below 90% up to 85%.

b) In addition to the above clause, for every 1% drop or part thereof in average power factor during the month below 85% at the rate of 2% on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, will be charged.

18.8.2 Power Factor Rebate:

If the power factor of the consumer's installation in any month is above 95%, the consumer will be entitled to a rebate at the rate of 0.5% (half percent) in excess of 95% power factor on the total amount of electricity bill for that month under the head "Energy Charges", arrived at using tariff as per para 18.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

19. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category i.e. HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

19.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per month

PLUS

19.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit

19.3 BILLING DEMAND

The billing demand shall be the highest of the following:

a) Actual maximum demand established during the month
b) Eighty-five percent of the contract demand
c) One hundred kVA