

Subject: Re: Data Gaps in the PGVCL Petition No. 1842/2019
Date: Tuesday, 21 January 2020 at 2:10:14 PM India Standard Time
From: pgvcl_corpoff@gebmail.com <pgvcl_corpoff@gebmail.com>
To: Santosh Asipu <santosh@gercin.org>
CC: D.R.Parmar <drparmar@gercin.org>, Sanjay Anada <s.anada@gercin.org>, Apurva Adhvaryu <adhvaryu@gercin.org>, Ketan Thanki <kmthanki@gercin.org>, Palaniappan Meyyappan <palaniappan.m@abpsiapl.com>, ketan.patil@abpsiapl.com <ketan.patil@abpsiapl.com>, karan.swar@abpsiapl.com <karan.swar@abpsiapl.com>, A N Khambhatta <acecom@gebmail.com>, det.guvnl@gebmail.com <det.guvnl@gebmail.com>
Attachments: butterfly_top.gif, butterfly_bottom.gif, PGVCL data gaps 16Jan20.docx, Annexure- D Capex approved vs actual.xls, Annexure- E Inerest Calculation 2018-19.xlsx, Annexure-B_WRLDC Pooled loss - 2018-19.pdf, Annexure-C Power Purchase 2018-19 Appr v Act.pdf, Annx - A FORM A APRIL-18 TO MARCH-19.xlsx, Annx - F- ITR.zip, Annx - G -PGVCL C&AG comment -2018-19.pdf

-----Original Message-----

From: [Santosh Asipu](#)
Date: 22/12/2019 01:32:07 PM
To: gandhijasmin@yahoo.co.in; pgvcl_corpoff@gebmail.com
Cc: [D R Parmar](#); [Sanjay Anada](#); [Apurva Adhvaryu](#); [Ketan Thanki](#); [Palaniappan Meyyappan](#); ketan.patil@abpsiapl.com; karan.swar@abpsiapl.com
Subject: Data Gaps in the PGVCL Petition No. 1842/2019

Respected Sir,

I am directed to forward the below mentioned additional details required from M/s PGVCL in the Petition No. 1842/2019 for True up of FY 2018-19 and Determination of Tariff for FY 2020-21. You are requested to submit those details **in soft copy (in MS Excel/PDF) and hard copy within 15 days.**

A. True-Up for FY 2018-19

1. Significant increase in sales is observed in Industrial HT Category. In this regard, PGVCL should
 - a. submit the reasons for the same.
 - b. Clarify whether this trend of sales increase is expected to continue
2. As regards sales to agricultural category, PGVCL should
 - a. submit the break-up of sales to metered agricultural category and un-metered agricultural category.

- b. submit the break-up of revenue from sales to metered agricultural category and un-metered agricultural category.
 - c. Explain the significant increase in revenue as compared to approved revenue, though the overall actual sales are only around 200 MU higher than the approved sales
 - d. Explain why the metered sales are lower than approved sales, while the unmetered sales are higher by the similar amount than respective approved sales
2. PGVCL should furnish sale of energy as per monthly return under Form A specified in Rule 6 (1) (A) filed with the Chief Electrical Inspector and Collector of Electricity Duty.
4. PGVCL should submit category-wise number of consumers, connected load, contract demand and billed demand for FY 2018-19 for all categories
5. PGVCL should submit the comparison of actual Average Billing Rate (ABR) vis-à-vis the approved ABR for each category, and explain the difference in ABR for each category
6. PGVCL should clarify where the sales and revenue to Bulk Licensee category is included in Table 7.
7. PGVCL should submit clarification of 130 MU shown under the head 'local power purchase by Discom' mentioned in Table 9.
8. PGVCL should submit the reasons for claiming Intra-state Transmission Loss of 3.95% whereas GETCO in its Petition has claimed Transmission loss of 3.92%.
9. PGVCL should submit documentary proof for claiming PGCIL system losses of 569 MU for FY 2018-19.
10. As regards power purchase expenses, PGVCL should submit
 - a. source-wise power purchase per unit cost approved in MYT Order and source wise-per unit power purchase cost now claimed in Truing-up.
 - b. PGVCL should provide source-wise reasoning for increase/decrease in per unit cost of power purchase with respect to the approved rates.
 - c. PGVCL should also list unapproved sources, if any, from whom power was procured during FY 2018-19.
 - d. Reconciliation of power purchase cost with Form 2 of the Petition formats submitted by PGVCL
 - e. Show the DISCOM-wise power purchase considered from various sources, as Form 2 submitted by PGVCL summarises the combined power purchase of all 4 State DISCOMs
11. PGVCL should reconcile the power purchase expenses of Rs. 15406.20 crore claimed in the Petition with the amount of Rs. 15467.79 crore as per the Audited Accounts
12. PGVCL should submit the status of RPO compliance for FY 2018-19, and cumulative shortfall/surplus till FY 2018-19, if any, separately for Solar and Non-Solar RPO.
13. As regards average power purchase cost of Rs. 4.05/kWh considered in Table 11 of the Petition, PGVCL should

- a. provide computation for the rate of Rs. 4.05/kWh
 - b. Explain the difference with the average rate of Rs. 4.54/kWh worked out from Form F2 submitted by PGVCL, i.e., total power purchase cost of Rs. 44763 crore for purchase of 98688 MU.
14. PGVCL should explain reasons for incurring capex against schemes that were not approved by the Commission for FY 2018-19 (SKJY, IPDS, DDUGJY, etc.) as seen in Table 13 of the Petition.
 15. As regards the capital expenditure incurred and capitalisation during FY 2018-19, PGVCL should submit the detailed reasons and justification for increase/(decrease) in cost of all schemes (against which capital expenditure is greater than Rs 10 crore) compared to approved scheme cost, with break-up into:
 - i. Variation due to delay in execution of the project compared to approved timelines, and justification for the same
 - ii. Variation due to change in scope of work, and justification for the same.
 - iii. Variation due to increase in price
 16. The Commission in MYT Order dated 31 March 2017 had approved Scheme-wise capital expenditure and capitalization for FY 2018-19. As against this approval, PGVCL should submit the following details:
 - a. Actual scheme-wise Capital expenditure incurred during FY 2016-17 to FY 2018-19 vis-à-vis capital expenditure approved
 - b. Actual scheme-wise Capitalisation for FY 2016-17 to FY 2018-19 vis-à-vis capitalisation approved
 - c. Actual scheme-wise funding of capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc.
 - d. Cost-benefit analysis for capitalised works
 17. PGVCL should give head-wise reasons for significant increase in employee cost as compared to that approved, apart from the arrears of Rs. 119.52 Crore paid during FY 2018-19.
 18. PGVCL should reconcile the amount reflecting in annual accounts for employee expenses (Rs. 897.82 Crore), which includes the provision of Rs. 66.89 crore, as against the amount claimed in Truing-up Petition (Rs. 889.02 Crore).
 19. PGVCL should provide the heads under which the actual amount of arrears paid during the year (Rs. 119.52 Crore) is accounted for in the audited accounts of FY 2018-19.
 20. PGVCL should justify the increase in R&M expenses as compared to the approved R&M expenses.
 21. PGVCL should submit the break-up of 'Other Administration & General Expenses' of Rs. 27.96 crore, considered under A&G expenses in the Accounts.
 22. PGVCL should reconcile the amount reflecting in annual accounts for A&G expenses (Rs.

120 Crore) as against the amount claimed in Truing-up Petition (Rs. 175.64 Crore).

23. PGVCL should clarify whether it has claimed the expenses of Rs. 0.36 crore against Corporate Social Responsibility (CSR) under A&G expenses.
24. PGVCL should submit head/sub-head wise reasoning for increase in A&G expenses as compared to approved (Rs. 132.74 Crore) and as compared to the amount claimed in Truing-up of FY 2017-18.
25. As regards 'Other expense capitalized'
 - a. PGVCL should reconcile the amount claimed in the Petition with the amounts appearing in the Audited Accounts under various heads, i.e., employee expenses capitalised (Rs. 251.75 crore), Finance Cost capitalised (Rs. 1.40 crore), A&G expenses capitalised (Rs. 47.35 crore)
 - b. PGVCL should explain the reduction in the amount though the actual capitalisation is significantly higher as compared to approved capitalisation for FY 2018-19.
26. PGVCL should reconcile the opening GFA as specified in Note 2 of the audited accounts (Rs. 11936.47 Crore) as compared to the opening GFA claimed in Table 23 of the Tariff Petition (Rs. 14864.75 Crore).
27. Regarding the computation of depreciation, PGVCL should:
 - a. Clarify whether the depreciation on assets which already depreciated up to 90% of GFA has been considered
 - b. Confirm whether depreciation has been claimed on assets funded by grants and consumer contribution.
 - c. Justify the average rate of depreciation of 5.73% claimed, when the bulk of the assets are in the Plant & Machinery and Lines & Cable network category, which has depreciation rate of 5.28%
 - d. Justify the higher depreciation rates considered for all assets as compared to the depreciation rates specified in the GERC MYT Regulations, as seen from Form 5
28. PGVCL should provide detailed computation of weighted average interest rate on actual loan portfolio for FY 2018-19 along with the supporting documents substantiating the loan amounts and the interest rate paid on the respective loans.
29. PGVCL should justify the increase in interest rate to 9.96% as against the approved rate of 8.09%
30. PGVCL should submit the details of consumer security deposit for FY 2018-19 in the following format:

Sr. No.	Particulars	FY 2018-19
1	Opening Balance	
2	Addition during the year	
3	Closing balance	
4	Actual Interest Paid/adjusted on CSD	

31. PGVCL should reconcile the Other Income as reflecting in Audited Accounts (Rs. 294.65 Crore) against the amount claimed in Truing-up Petition (Rs. 183.98 Crore) under the head Other Income (Consumer related) in Table 36.
32. PGVCL should reconcile the revenue of Rs. 16,972.91 Crore shown in Table 37 for FY 2018-19 against the amount of Rs. 17,131.90 Crore reflecting in audited accounts.
33. Regarding Income Tax, PGVCL should submit the following:
 - a. Copies of Challans and ITR6
 - b. Confirm whether any refund of income tax has been received in FY 2018-19
 - c. Computation of Income Tax refund amount of Rs. 8.46 Crore for FY 2018-19
34. Furnish the head-wise details of claim of subsidy to Government of Gujarat and actual subsidy received in FY 2018-19
35. Furnish details of the loan, if any, converted into grant during FY 2018-19. Also furnish impact of such conversion on various elements of ARR
36. Furnish the certificate from CAG on Annual Accounts of the Company for FY 2018-19

B. Tariff for FY 2020-21

37. PGVCL has stated in para 4.8.1 that 'part of estimated revenue gap will be mitigated through efficiency measures.' PGVCL should list out the efficiency measures proposed to be undertaken and detailed procedure on how the gap will be mitigated through these measures.

C. Compliance to Directives

38. PGVCL should submit the timeline for submission of Cost to Serve Report.
39. PGVCL should submit the actual number of defective meters in FY 2017-18, FY 2018-19, and FY 2019-20 (till September 2019), as per the following format:

Sl.	Particulars	FY 2017-18	FY 2018-19	FY 2019-20 (till date)
1	Opening number of Defective meters			
2	Additional defective meters during the year			
3	Defective meters replaced during the year			
4	Closing number of Defective meters			

40. PGVCL to give timeline for submission of report on Pilot Project on Scheme for Installation of solar pump for agriculture consumers.

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Thanks and Regards

Santosh Kumar Asipu

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