



Summary of Case no. 1760/2018:

1. Introduction:

Dakshin Gujarat Vij Company Limited (DGVCL) is an unbundled entity of erstwhile Gujarat Electricity Board and one of the distribution companies engaged in distribution of electricity in the South zone area of Gujarat.

Dakshin Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31st March, 2005. The Company has started commercial function w.e.f. 1st April 2005.

The Gujarat Electricity Regulatory Commission (hereinafter referred to as "GERC" or "the Hon'ble Commission"), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State inter alia including setting of tariff for electricity consumers. The Hon'ble Commission is now deemed to be the Commission established under Sub-Sect. (1) of Section-3 of the Gujarat Electricity Industries (Reorganization and Regulations) Act, 2003.

In exercise of the powers conferred under Section 62 and 64 of the Electricity Act, 2003 and in pursuance to the Regulation 10.2 and 26.2 of GERC (Multi Year Tariff) Regulations, 2016 and all powers enabling on that behalf, the Gujarat Electricity Regulatory Commission has empowered to determine the Tariff for FY 2019-20 for the Dakshin Gujarat Vij Company Limited.

In compliance to directive of Hon'ble GERC, DGVCL has submitted details along with Audited Annual Accounts of FY 2017-18 for True up of FY 2017-18, Mid Term Review of ARR for FY 2019-20 to FY 2020-21 and Determination of Tariff for FY 2019-20 under GERC (Multi Year Tariff) Regulations, 2016

Details submitted to Hon'ble Commission is summarised here under.

2. True –Up for FY 2017-18:

(a) Category wise Sales and Revenue for FY 2017– 18: The actual energy sales and revenue for FY 2017-18 are as under:

Category-wise Sales and Revenue

Sr.No.	Particulars	Sales (MUs)		Revenue in Lacs as per annual report- 2018-19
		F.Y.2017-18 (Approved)	F.Y.2017-18 (Actual)	
A	LT Consumers			
1	RGP	3040	2887	156503
2	GLP	56	54	3153
3	Non RGP & LTMD	5549	5162	352262
4	Public Water Works	176	220	9684
5	Agriculture- metered	434	385	17507
6	Agriculture- Unmetered	420	417	
7	Public Lighting	65	59	3439
	LT Total (A)	9740	9184	542549
B	HT Consumers			
8	Industrial HT	8103	8274	584248
9	Railway Traction	-	9	658
	HT Total (B)	8103	8283	544906
	Grand Total (A+B)	17843	17467	1127455

(b) Distribution Losses: -.

In FY 2017-18, the actual distribution losses were **6.28 %** as against the approved level of **10 %**. The table below highlights the comparison of actual distribution losses of DGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

Distribution Losses-

Particulars	F.Y.2017-18 (Approved)	F.Y.2017-18 (Actual)
Distribution Loss	10%	6.28 %

(c) Capital Expenditure:

The actual capital expenditure in FY 2017-18 was Rs. **159.26** Crores lower than the amount approved by the Hon'ble Commission in the ARR of FY 2017-18 of Rs **730.71** Crores. The scheme-wise capital expenditure incurred in FY 2017-18 against that approved by the Hon'ble Commission is as shown below.

Sr. No	Particulars	FY 2017-18 (Approved)	FY 2017-18 (Actual)	Deviation
A	Distribution Schemes			
	Normal Development Scheme	271.70	196.10	75.60
	Zupadpatti	25.00	64.12	(39.12)
	Electrification of hutments	0.85	-	0.85
	Kutir Jyoti Scheme	1.00	0.57	0.43
	Others Harijanbasti-petapara	0.15	0.04	0.11
	Total	298.70	260.84	37.86
B	Rural Electrification Schemes			
	TASP (Wells & Petapara)	148.91	131.55	17.36
	REC Normal	-	9.70	(9.70)
	Special Component plan	0.50	0.04	0.46
	New Gujarat Pattern	1.86	0.20	1.66
	Solar Ag Pump	30.00	-	30.00
	Solar home light	10.00	-	10.00
	Total	191.27	141.50	49.77
C	Others			
	Energy Conservation	15.00	-	15.00
	SKJY Scheme	-	8.44	(8.44)
	DDUGJY	95.00	69.26	25.74
	IPDS	90.00	34.62	55.38
	Total	200.00	112.33	87.67
D	Non Plan Schemes			
	Ag Dark Zone	5.60	4.56	1.04
	RAPDRP Part A	2.24	-	2.24
	RAPDRP Part A + SCADA	3.00	0.84	2.16
	RAPDRP Part B	-	3.49	(3.49)
	Total	10.84	8.89	1.95
E	Other New Schemes			
	HVDS	5.00	3.34	1.66
	DISS	-	19.58	(19.58)
	Computer and peripherals	1.35	0.58	0.77
	Costal	6.00	5.91	0.09
	National Electricity Fund Project	-	0.02	(0.02)
	Office Equipments	-	3.67	(3.67)
	Misc. Civil Works	17.55	14.81	2.74
	Total	29.90	47.90	(18.00)
F	Capital Expenditure Total	730.71	571.45	159.26

(d) Funding of Capitalisation-

The funding of above mentioned Capital Expenditure is done through various sources. The detailed breakup of funding of capitalisation during FY 2017-18 is mentioned in the table below.

Rs in Crores

Sr. No.	Particulars	FY 2017-18 (Approved)	FY 2017-18 (Actual)	Deviation
1	Capitalization	730.71	522.30	208.41
2	Less : Consumer Contribution	168.06	131.14	36.92
3	Grants	169.36	81.15	88.21
4	Balance CAPEX	393.29	310.01	83.28
5	Debt @ 70%	275.30	217.01	58.29
6	Equity @ 30%	117.99	93.00	24.99

(e) Energy Requirement and Energy Balance:

The gross energy requirement of DGVCL is given in the table below:

Sr. No.	Particulars	Unit	FY 2017-18 (Approved)	FY 2017-18 (Actual)
1	Energy Sales	MUs	17,483	17,467
2	Distribution Losses	MUs	1,983	1,171
		%	10.00%	6.28%
3	Energy Requirement	MUs	19,826	18,638
4	Local Power Purchase by Discom	MUs	-	50
5	Power Purchase at T<> D periphery from GU	MUs	19,826	18,588
6	Transmission Losses	MUs	794	723
		%	3.85%	3.75%
7	Total Energy to be input to Transmission System	MUs	20,620	19,311
8	Pooled Losses in PGCIL System	MUs	205	277
9	Total Energy Requirement (7+8+4)	MUs	20,825	19,638

The net energy requirement for sale to retail consumers in FY 2017-18 is **19,638** MUs as compared to **20,825** MUs approved by the Hon'ble Commission.

(f) Aggregate Revenue Requirement for FY 2017-18.

Aggregate Revenue Requirement of DGVCL for FY 2017-18 as against the values approved by the Hon'ble Commission.

Rs in Crores

Sr. No.	Particulars	FY 2017-18 (Approved)	FY 2017-18 (Actual)	Deviation
1	Cost of Power Purchase	11084.30	10434.85	649.45
2	Operation & Maintenance Expenses	268.75	917.79	(649.03)
2.1	Employee Cost	300.97	435.73	(134.76)
2.2	Repair & Maintenance	40.83	43.37	(2.54)
2.3	Administration & General Charges	75.76	77.84	(2.08)
2.4	Other Debits	-	-	-
2.5	Extraordinary Items	-	440.40	(440.40)
2.6	Net prior period Expenses/(income)	-	-	-
2.7	Other Expenses Capitalised	(148.80)	(79.56)	(69.24)
3	Depreciation	294.57	257.44	37.13
4	Interest & Finance Charges	132.23	104.24	27.99
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	1.50	0.20	1.30
7	Sub-Total [1 to 6]	11781.35	11714.51	66.85
8	Return on Equity	128.61	122.51	6.10
9	Provision for Tax / Tax Paid	23.50	17.92	5.58
10	Total Expenditure (7 to 9)	11933.46	11854.94	78.53
11	Less: Non-Tariff Income	178.30	160.86	17.44
12	Aggregate Revenue Requirement (10 - 11)	11755.16	11694.09	61.08

(g) Sharing of Gains & Losses:

The net gain/ (loss) during FY 2016-17, the DGVCL has incurred **Rs 300.45** Crores on account of controllable factors while net gain/(loss) attributable to uncontrollable factors is **(239.37)** Crores are summarized as under.

Rs in Crores

Sr. No.	Particulars	FY 2017-18 (Approved)	FY 2017-18 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	11084.30	10434.85	409.03	240.42
2	Operation & Maintenance Expenses	268.75	917.79	(109.88)	(539.15)
2.1	Employee Cost	300.97	435.73	(105.26)	(29.50)
2.2	Repair & Maintenance	40.83	43.37	(2.54)	-
2.3	Administration & General Charges	75.76	77.84	(2.08)	-
2.4	Other Debits	-	-	-	-
2.5	Extraordinary Items	-	440.40	-	(440.40)
2.6	Net prior period Expenses/(income)	-	-	-	-
2.7	Other Expenses Capitalised	(148.80)	(79.56)	-	(69.24)
3	Depreciation	294.57	257.44	-	37.13
4	Interest & Finance Charges	132.23	104.24	-	27.99
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	1.50	0.20	1.30	-
7	Return on Equity	128.61	122.51	-	6.10
8	Provision for Tax / Tax Paid	23.50	17.92	-	5.58
9	Total Expenditure (1 to 8)	11933.46	11854.94	300.45	(221.92)
10	Less: Non-Tariff Income	178.30	160.86	-	17.44
11	Aggregate Revenue Requirement (9-10)	11755.16	11694.09	300.45	(239.37)

(h) Revenue for FY 2017-18:-

During the FY 2017-18, DGVCL's actual revenue was Rs. **11646.81** Crores given as under.

Rs in Crores

Sr. No.	Particulars	FY 2017-18 (Actual)
1	Revenue from Sale of Power	11274.55
2	Other Income (Consumer related)	287.81
3	Total Revenue excluding subsidy (1+2)	11562.35
4	Agriculture Subsidy	48.56
5	GUVNL Profit/ (Loss) Allocation	35.90
6	Total Revenue including subsidy (4+3)	11646.81

(i) Revenue Gap / Surplus for FY 2017-18:

This Aggregate Revenue Requirement is compared against the revised Income under various heads total Revenue Gap of DGVCL for FY 2017-18 after treatment of gain/(loss) due to Controllable / uncontrollable factors is computed at Rs. **31.20** Crores as given in the Table Below:

Rs in Crores

Sr. No.	Particulars	FY 2016-17
1	Aggregate Revenue Requirement originally approved for FY 2017-18	10986.09
2	Add:Gap/(Surplus) of FY 2015-16	(216.37)
3	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(239.37)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	100.15
5	Revised ARR for FY 2017-18 (1+2-3-4)	11678.01
6	Revenue from Sale of Power	11274.55
7	Other Income (Consumer related)	287.81
8	Total Revenue excluding subsidy (6+7)	11562.35
9	Agriculture Subsidy	48.56
10	GUVNL Profit/ (Loss) Allocation	35.90
11	Total Revenue including subsidy (8+9+10)	11646.81
12	Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5-11)	31.20

3. Mid Term Review of ARR projections from FY 2019-20 to FY 2020-21

The Hon'ble Commission in March 2016 came up with its Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 applicable from 1st April 2016. Accordingly, the Aggregate Revenue Requirement for FY 2019-20 to FY 2020-21 as per GERC MYT Regulations, 2016 is projected as below:

Sr. No	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Projected)	FY 2020-21 (Approved)	FY 2020-21 (Projected)
1	Cost of Power Purchase	12424.33	11975.64	13427.25	12429.92
2	Operation & Maintenance Expenses	300.38	631.62	317.56	710.56
2.1	Employee Cost	336.38	590.22	355.62	666.79
2.2	Repair & Maintenance	45.64	45.64	48.25	48.25
2.3	Administration & General Charges	84.67	84.67	89.52	89.52
2.4	Other Debits	-	-	-	-
2.5	Extraordinary Items	-	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	-	-	-
2.7	Other Expenses Capitalised	(166.31)	(88.92)	(175.83)	(94.00)
3	Depreciation	365.86	309.65	398.20	336.5
4	Interest & Finance Charges	142.06	146.29	143.92	152.90
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	1.50	0.20	1.50	0.20
7	Sub-Total (1 to 6)	13234.13	13063.40	14288.43	13630.07
8	Return on Equity	161.00	153.15	176.32	168.47
9	Provision for Tax / Tax Paid	23.50	17.92	23.50	17.92
10	Total Expenditure (7 to 9)	13418.63	13234.48	14488.25	13816.46
11	Less: Non-Tariff Income	178.30	160.86	178.30	160.86
12	Aggregate Revenue Requirement (10 - 11)	13240.33	13073.62	14309.95	13655.61

4. Tariff Determination for FY 2019-20:-

- a) The sales & Revenue projections for FY 2019-20 as per GERC MYT Regulations, 2016 are shown in the table below.

Sr. No.	Particulars	FY 2019-20 (Projected) Sales (Mus)	FY 2019-20 (Projected) Revenue At Existing Tariff excluding FPPPA
A	LT Consumers		
1	RGP	3400	1318.05
2	GLP	68	28.20
3	Non-RGP & LTMD	5927	3018.74
4	Public Water Works	268	97.93
5	Agriculture-Unmetered	417	58.82
6	Agriculture-Metered	461	54.87
7	Street Light	70	29.58
	Total (A)	10610	4606.20
B	HT Consumers		
1	Industrial HT	8687	4690.23
2	Railway Traction	-	-
	HT Total (B)	8687	4690.23
	Grand Total (A+B)	19297	9296.43

- b) The FPPPA projection for FY 2019-20 is as given in the table given below.

Particulars	Amount
Rate of FPPPA considered (Rs/Kwh)	1.63
Sales (MUs)	19296.88
FPPPA charges in Rs. Crore	3145.39

- c) **Total Estimated Revenue for FY 2019-20:-**

The total revenue estimated for FY 2019-20 at existing tariff is as given in the table below.

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Projected)
1	Revenue with Existing Tariff	9296.43
2	FPPPA Charges	3145.39
3	Other Income (Consumer related)	234.96
4	Agriculture Subsidy	48.55
5	Total Revenue including subsidy (1 to 4)	12725.32

- d) Based on the above, the estimated revenue gap/ (surplus) for FY 2019-20 at existing tariff is as outlined in the table below.

Sr. No	Particulars	FY 2019-20 (Projected)
1	Aggregate Revenue Requirement For FY 2019-20 (Projected) MTR	13073.62
2	Revenue Gap from True up of FY 2017-18	31.20
3	Total Aggregate Revenue Requirement	13104.82
4	Revenue with Existing Tariff	9296.43
5	FPPPA Charges	3145.39
6	Other Income (Consumer related)	234.96
7	Agriculture Subsidy	48.55
8	Total Revenue including subsidy for FY 2017-18 (4 to 7)	12725.32
9	Gap/(Surplus) (3 - 8)	379.50

5. Provisions for availing the copy of Submission:

For reference of those who are interested, copies of the details submitted for True Up of FY 2017-18, Mid Term Review of ARR for FY 2019-20 to FY 2020-21 and Determination of Tariff for FY 2019-20 along with cost of service study report of Discom and GUVNL for FY 2017-18 are available for inspection at The General Manager [F&A], Corporate Office, Dakshin Gujarat Vij Company Ltd, Kapodara, Nana Varachha Road, Surat 395 006 and at the office of the Superintending Engineer of DGVCL, in Charge of O&M Circles at Surat city, Surat Rural, Bharuch & Valsad circle

Further, the copies submitted to Hon'ble GERC for True Up of FY 2017-18, Mid Term Review of ARR for FY 2019-20 to FY 2020-21 and Determination of Tariff for FY 2019-20 along with cost of service study report of Discom and GUVNL for FY 2017-18 will be available for sale at Rs. **250/-** to the interested persons at the office of The General Manager[F&A], "Urja Sadan," Corporate Office, Dakshin Gujarat Vij Company Ltd, Kapodara, Nana Varachha Road, Surat – 395 006 and at the office of the Superintending Engineer of DGVCL, in Charge of O&M Circle at Surat city, Surat Rural, Bharuch & Valsad. For obtaining the copy of the documents by post, postage fee @ Rs.50/- (Rupees 50/-) will be payable extra. The electronic copies of the above mentioned petition are available at website (www.guvnl.com, www.dgvcl.com)

(B) Guideline for submission of response:

Pursuant to GERC(Multi Year Tariff framework) Regulation, 2016 and GERC (Conduct of Business) Regulations 2004, persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th Floor, GIFT One city, Road 5C , Zone 5, Gandhinagar 382 355 with the document on which they want to rely upon, in five sets, duly supported by an affidavit on or before **07.01.2019** and also indicate whether they to be heard in person.