



## **Summary of Case no. 1700/2018:**

### **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 15<sup>th</sup> October, 2003. However, the company had not commenced its commercial operations during the financial year ended 31<sup>st</sup> March, 2005. The Company has started commercial function w.e.f. 1<sup>st</sup> 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 2018-19 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 2016-17 for True Up of FY 2016-17, Determination of Tariff for FY 201-19 under GERC (Multi Year Tariff) Regulations, 2016 Details submitted to Hon'ble Commission is summarised here under.

## 2. True –Up for FY 2016-17:

(a) **Category wise Sales and Revenue for FY 2016– 17:** The actual energy sales and revenue for FY 2016-17 are as under:

### Category-wise Sales and Revenue

Sr.No.	Particulars	Sales (MUs)		Revenue in Lacs as per annual report-2016-17
		F.Y.2016-17 (Approved)	F.Y.2016-17 (Actual)	
<b>A</b>	<b>LT Consumers</b>			
1	RGP	2780	2649	140233
2	GLP	50	47	2737
3	Non RGP & LTMD	5090	4848	324445
4	Public Water Works	172	183	8666
5	Agriculture- Unmetered	420	418	17108
6	Agriculture-metered	390	350	
7	Public Lighting	59	60	3337
	<b>LT Total (A)</b>	<b>8961</b>	<b>8555</b>	
<b>B</b>	<b>HT Consumers</b>			
8	Industrial HT	7963	7727	546952
9	Railway Traction	-	9	662
	<b>HT Total (B)</b>	<b>7963</b>	<b>7736</b>	
	<b>Grand Total (A+B)</b>	<b>16925</b>	<b>16291</b>	<b>1044140</b>

### (b) Distribution Losses: -.

In FY 2016-17, the actual distribution losses were **8.02 %** 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.2016-17 (Approved)	F.Y.2016-17 (Actual)
Distribution Loss	10%	8.02%

### (c) Capital Expenditure:

The actual capital expenditure in FY 2016-17 was Rs. **219.37** Crores lower than the amount approved by the Hon'ble Commission in the ARR of FY 2065-17 of Rs **721.26** Crores. The scheme-wise capital expenditure incurred in FY 2016-17 against that approved by the Hon'ble Commission is as shown below.

Sr. No	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
<b>A</b>	<b>Distribution Schemes</b>			
	Normal Development Scheme	253.93	224.11	29.82
	Zupadpatti	-	0.04	(0.04)
	Electrification of hutments	0.87	-	0.87
	Kutir Jyoti Scheme	1.04	0.47	0.57
	Scheme for meter	-	-	-
	Others Harijanbasti-petapara	0.17	-	0.17
	<b>Total</b>	<b>256.01</b>	<b>224.62</b>	<b>31.38</b>
<b>B</b>	<b>Rural Electrification Schemes</b>			
	TASP (Wells & Petapara)	165.00	134.57	30.43
	Special Component plan	0.85	1.36	(0.51)
	New Gujarat Pattern	12.09	1.01	11.08
	RE Normal Wells - New Gujarat Pattern	-	8.00	(8.00)
	Solar Ag Pump	59.65	9.63	50.02
	Solar pump	-	-	-
	Solar home light	16.32	-	16.32
	<b>Total</b>	<b>253.91</b>	<b>154.57</b>	<b>99.34</b>
<b>C</b>	<b>Others</b>			
	DDUGJY	30.00	12.95	17.05
	IPDS	35.00	3.82	31.18
	<b>Total</b>	<b>65.00</b>	<b>16.77</b>	<b>48.23</b>
<b>D</b>	<b>Non Plan Schemes</b>			
	Ag Dark Zone	8.50	3.04	5.46
	RAPDRP Part A	4.54	-	4.54
	RAPDRP Part A + SCADA	8.31	6.54	1.77
	RAPDRP Part B	-	3.34	(3.34)
	IT Expenditure(other than RAPDRP-A)	-	3.74	(3.74)
	<b>Total</b>	<b>21.35</b>	<b>16.67</b>	<b>4.68</b>
<b>E</b>	<b>Other New Schemes</b>			
	General expenditure (under SI)		20.30	
	Underground cable (SI)	25.00	28.42	(23.95)
	Aerial bunch conductors		0.23	
	DISS	30.00	18.34	11.66
	Energy conservation	25.00		
	HVDS	5.00	3.23	26.77
	Computer and peripheral	3.00	-	3.00
	Costal	6.00	6.38	(0.38)
	Misc. Civil work & Other Construction works	31.00	11.57	19.43
	Networking Equipments	-	0.03	(0.03)
	GIS Implementation & software/Application purchase	-	0.01	(0.01)
	Furniture	-	0.77	(0.77)
	<b>Total</b>	<b>125.00</b>	<b>89.27</b>	<b>35.73</b>
<b>F</b>	<b>Capital Expenditure Total</b>	<b>721.27</b>	<b>501.90</b>	<b>219.37</b>

**(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 2016-17 is mentioned in the table below.

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
1	Capitalization	721.27	507.87	213.40
2	Less : Consumer Contribution	160.01	63.50	96.51
3	Less: Grants	153.95	140.61	13.34
4	<b>Balance CAPEX</b>	407.31	303.76	103.55
5	Debt @ 70%	285.12	212.63	72.48
6	Equity @ 30%	122.19	91.13	31.06

**(e) Energy Requirement and Energy Balance:**

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

S. No.	Particulars	Unit	FY 2016-17 (Approved)	FY 2016-17 (Actual)
1	Energy Sales	MUs	16925	16291
2	Distribution Losses	MUs	1881	1421
		%	10	8.02
3	Energy Requirement	MUs	18805	17712
4	Transmission Losses	MUs	753	712
5	Total Energy to be input to Transmission System	MUs	19558	18424
6	Pooled Losses in PGCIL System	MUs	205	261
7	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>19763</b>	<b>18685</b>

The net energy requirement for sale to retail consumers in FY 2016-17 is **18685** MUs as compared to **19763** MUs approved by the Hon'ble Commission.

(f) Aggregate Revenue Requirement for FY 2016-17.

Aggregate Revenue Requirement of DGVCL for FY 2016-17 as against the values approved by the Hon'ble Commission.

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Deviation
1	Cost of Power Purchase	10394.13	10320.62	73.51
2	Operation & Maintenance Expenses	254.21	465.53	(211.32)
2.1	Employee Cost	284.68	402.38	(117.70)
2.2	Repair & Maintenance	38.62	43.15	(4.53)
2.3	Administration & General Charges	71.66	75.51	(3.85)
2.4	Other Debits	-	2.66	2.66
2.5	Extraordinary Items	-	0.31	(0.31)
2.6	DSM Expenses/Ujala expenses	-	4.80	(4.80)
2.7	Other Expenses Capitalised	(140.75)	(63.27)	(77.48)
3	Depreciation	256.87	255.78	1.09
4	Interest & Finance Charges	122.39	121.05	1.34
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	1.50	0.1	1.40
7	<b>Sub-Total [1 to 6]</b>	<b>11029.09</b>	<b>11163.09</b>	<b>(133.99)</b>
8	Return on Equity	111.80	109.62	2.18
9	Provision for Tax / Tax Paid	23.50	29.20	(5.70)
10	<b>Total Expenditure (7 to 9)</b>	<b>11164.39</b>	<b>11301.91</b>	<b>(137.52)</b>
11	Less: Non-Tariff Income	178.30	147.13	(31.17)
12	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>10986.09</b>	<b>11154.78</b>	<b>(168.68)</b>

**(g) Sharing of Gains & Losses:**

The net gain/ (loss) during FY 2016-17, the DGVCL has incurred Rs **207.89** Crores on account of controllable factors while net gain/(loss) attributable to uncontrollable factors is **(376.57)** Crores are summarized as under.

Rs in Crores

Sr. No.	Particulars	FY 2016-17 (Approved)	FY 2016-17 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	10394.13	10320.62	214.86	(141.36)
2	Operation & Maintenance Expenses	254.21	465.53	(8.37)	(202.95)
2.1	Employee Cost	284.68	402.38	-	(117.70)
2.2	Repair & Maintenance	38.62	43.15	(4.53)	-
2.3	Administration & General Charges	71.66	75.51	(3.85)	-
2.4	Other Debits	-	2.66	-	(2.66)
2.5	Extraordinary Items	-	0.31	-	(0.31)
2.6	DSM Expenses/Ujala expenses	--	4.80	-	(4.80)
2.7	Other Expenses Capitalised	(140.75)	(63.27)	-	(77.48)
3	Depreciation	256.87	255.78	-	1.09
4	Interest & Finance Charges	122.39	121.05	-	1.34
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	1.50	0.10	1.40	-
7	Return on Equity	111.80	109.62	-	2.18
8	Provision for Tax / Tax Paid	23.50	29.20	-	(5.70)
9	<b>ARR (1 to 8)</b>	<b>11164.39</b>	<b>11301.91</b>	<b>207.89</b>	<b>(345.40)</b>
10	<b>Non - Tariff Income</b>	<b>178.30</b>	<b>147.13</b>	<b>-</b>	<b>(31.17)</b>
11	<b>Total ARR (9-10)</b>	<b>10986.09</b>	<b>11154.78</b>	<b>207.89</b>	<b>(376.57)</b>