# GUJARAT ELECTRICITY REGULATORY COMMISSION

**Tariff Order**

Truing up for FY 2013-14 and

Determination of Tariff for FY 2015-16

**For**

# Dakshin Gujarat Vij Company Limited (DGVCL)

**Case No. 1464 of 2014**

**31st March, 2015**

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# GUJARAT ELECTRICITY REGULATORY COMMISSION

# (GERC)

## GANDHINAGAR

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# ABBREVIATIONS

| | |
|---|---|
| A&G | Administration and General Expenses |
| ARR | Aggregate Revenue Requirement |
| CAPEX | Capital Expenditure |
| CERC | Central Electricity Regulatory Commission |
| Control Period | FY 2011-12 to FY 2015-16 |
| DGVCL | Dakshin Gujarat Vij Company Limited |
| Discom | Distribution Company |
| EA | Electricity Act, 2003 |
| 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 Urja Vikas Nigam Limited |
| HT | High Tension |
| JGY | Jyoti Gram Yojna |
| kV | Kilo Volt |
| kVA | Kilo Volt Ampere |
| kVAh | Kilo Volt Ampere Hour |
| kWh | Kilo Watt Hour |
| LT | Low Tension Power |
| MGVCL | Madhya Gujarat Vij Company Limited |
| MTR | Mid-term Review |
| MU | Million Units (Million kWh) |
| MW | Mega Watt |
| MYT | Multi-Year Tariff |
| O&M | Operations and Maintenance |
| p.a. | per annum |
| PF | Power Factor |
| PGCIL | Power Grid Corporation of India Limited |
| PGVCL | Paschim Gujarat Vij Company Limited |
| PPA | Power Purchase Agreement |
| R&M | Repairs and Maintenance |
| RLDC | Regional Load Despatch Centre |
| SBI | State Bank of India |
| SLDC | State Load Despatch Centre |
| UGVCL | Uttar Gujarat Vij Company Limited |
| WRLDC | Western Regional Load Despatch Centre |

# Before the Gujarat Electricity Regulatory Commission at Gandhinagar

## Case No. 1464 of 2014

**Date of the Order: 31/03/2015**

**CORAM**

Shri Pravinbhai Patel, Chairman

Dr. M. K. Iyer, Member

Shri K.M. Shringarpure, Member

## ORDER

# 1. Background and Brief History

## 1.1 Background

Dakshin Gujarat Vij Company Limited (hereinafter referred to as DGVCL or Petitioner) has filed its petition on 1st December, 2014 under Section 62 of the Electricity Act, 2003, read in conjunction with the applicable Gujarat Electricity Commission (Multi-Year Tariff) Regulations, 2011 for True-up of FY 2013-14, and determination of Tariff for FY 2015-16.

The Commission admitted the petition on 8th December, 2014 as Case No. 1464/2014.

## 1.2 Dakshin Gujarat Vij Company Limited (DGVCL)

The 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. The seven successor companies are listed below:

**Generation** Gujarat State Electricity Corporation Limited (GSECL)
**Transmission** Gujarat Energy Transmission Corporation Limited (GETCO)

### Distribution Companies:

| Sl. 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, is responsible for purchase of electricity from various sources and supply to Distribution Companies and also other activities including trading of electricity.

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, which stand transferred from the erstwhile Gujarat Electricity Board to the transferee companies, include Dakshin Gujarat Vij Company Limited (DGVCL). 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 the second Control period

DGVCL filed its petition under the Multi-Year Tariff Framework for the control period FY 2011-12 to FY 2015-16 on 12th May, 2011, in accordance with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2011.

The Commission, in exercise of the powers vested in it under sections 61, 62 and 64 of the Electricity Act, 2003 and all other powers enabling it in that behalf, and after taking into consideration the submissions made by DGVCL, the objections raised by various stakeholders, response of DGVCL, issues raised during public hearing and all other relevant material, issued the Multi-Year tariff order on 6th September, 2011 for the control period from FY 2011-12 to FY 2015-16, based on the GERC (MYT) Regulations, 2011.

The Commission issued the orders for Truing up for FY 2010-11 and determination of Tariff for FY 2012-13 on 2nd June, 2012.

The Commission issued the order for Truing up for FY 2011-12 and determination for Tariff for FY 2013-14 on 16th April 2013.

## 1.4 Commission's Orders for Mid-term Review of Business plan for DGVCL

DGVCL filed its Petition for Mid-term Review of Business Plan and revision of ARR for balance years for FY 2014-15 and FY 2015-16 of the control period in terms of Regulation 16.2 (i) of GERC (MYT) Regulations, 2011.

The Commission in exercise of the powers vested in it under section 61, 62 and 64 of the Electricity Act, 2003 and all other powers enabling it in that behalf and after taking into consideration the submissions made by DGVCL, the objections raised by various stakeholders, response of DGVCL, issues raised during public hearing and all other relevant material, approved the revised ARR for FY 2014-15 and FY 2015-16 in the Mid-term Review of Business Plan for DGVCL on 29th April, 2014.

The Commission issued the order for truing up for FY 2012-13 and determination of Tariff for FY 2014-15 on 29th April, 2014.

## 1.5 Admission of the current petition and public hearing process

DGVCL submitted the current petition for 'Truing up' of FY 2013-14 and determination of tariff for FY 2015-16 on 1st December, 2014. The Commission admitted the petition (Case No. 1464/2014) on 8th December, 2014.

In accordance with Section 64 of the Electricity Act, 2003, the Commission directed DGVCL to publish its application in the abridged form to ensure public participation. The public notice, inviting objections / suggestions from its stakeholders on the petition filed by it, was published in the following newspapers on 15th December, 2014.

| Sl. No. | Name of the Newspaper | Language | Date of Publication |
|---|---|---|---|
| 1 | The Times of India | English | 15/12/2014 |
| 2 | Divya Bhaskar | Gujarati | 15/12/2014 |

The Petitioner has also placed the public notice and the petition on its website for inviting objections and suggestions on the petition.

The interested parties / stakeholders were asked to file their objections / suggestions on the petition on or before 15th January, 2015.

Some of the consumers/consumer organisations requested for extension of last date for submission of objections. The Commission granted extension of time up to 25th January, 2015.

The Commission received objections / suggestions from 19 consumer / consumer organizations. The Commission examined the objections / suggestions received and scheduled the public hearing for DGVCL on 11th February, 2015 and 13th February, 2015 at the Commission's Office at 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 Commission's Office in Gandhinagar on above dates.

The names of the stakeholders who filed their objections and the objectors who participated in the public hearing for presenting their objections are given below:

| Sl. No. | Name of Stakeholders | Participated in the Public Hearing |
|---|---|---|
| 1. | Shri Mahesh Patel | No |
| 2. | L&T Special Steel and Heavy Forgings Pvt. Ltd. | Yes |
| 3. | Western Railways | Yes |
| 4. | Shri H.J. Patel | Yes |
| 5. | Consumer Education and Research Society (CERS) | Yes |
| 6. | Laghu Udyog Bharati - Gujarat | No |
| 7. | The Kutch Salt & Allied Industries Ltd. | No |
| 8. | Gujarat Krushi Vij Grahak Suraksha Sangh | Yes |
| 9. | Shri V.J. Vachharajani | Yes |
| 10. | Yash Complex Co-Operative Housing Service Society Limited, Vadodara | Yes |
| 11. | Akhil Gujarat Grahak Sewa Kendra | No |
| 12. | Gondal Chamber of Commerce & Industry | No |
| 13. | Indian Captive Power Producers Association (ICPPA) | Yes |
| 14. | Shri Amarsinh Chavda | Yes |

| Sl. No. | Name of Stakeholders | Participated in the Public Hearing |
|---|---|---|
| 15. | Shri Manibhai Gigabhai Dangodara | No |
| 16. | Ahmedabad Textile Mills' Association (ATMA) | No |
| 17. | Utility Users' Welfare Association (UUWA) | Yes |
| 18. | The Gandhidham Chamber of Commerce & Industry | No |
| 19. | Gujarat Wind Farms Ltd. | Yes |

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

## 1.6 Contents of this order

The order is divided into nine chapters:

1. The **first** chapter provides a brief background regarding the Petitioner, the petition on hand and details of the public hearing process and the approach adopted in this Order.
2. The **second** chapter outlines a summary of DGVCL's submission.
3. The **third** chapter deals with the public hearing process, including the objections raised by various stakeholders, DGVCL's response and Commission's views on the response.
4. The **fourth** chapter focuses on the details of truing up for FY 2013-14.
5. The **fifth** chapter deals with the determination of tariff for FY 2015-16.
6. The **sixth** chapter deals with the FPPPA charges.
7. The **seventh** chapter deals with wheeling charges and cross-subsidy surcharge.
8. The **eighth** chapter deals with compliance of directives and issue of fresh directives.
9. The **ninth** chapter deals with the tariff philosophy and tariff proposals for FY 2015-16.

## 1.7 Approach of this Order

DGVCL has approached the Commission with the present petition for 'Truing up' for the FY 2013-14 and determination of tariff for the FY 2015-16.

The Commission has undertaken truing up for the FY 2013-14, including computation of gains and losses for the FY 2013-14, based on the submissions of the petitioner and the audited annual accounts made available by the petitioner.

While Truing up for FY 2013-14, the Commission has been primarily guided by the following principles:

1. Controllable parameters have been considered at the level of approval under the MYT order, unless the Commission considers that there are valid reasons for revision of the same.

2. Un-controllable parameters have been revised, based on the actual performance observed.

The Truing up for the FY 2013-14 has been considered, based on the GERC (MYT) Regulations, 2011. For determination of the ARR for FY 2015-16, the Commission has considered the ARR for FY 2015-16 as approved in the Mid-term Review Order dated 29th April, 2014.

# 2. A Summary of DGVCL's Petition

Dakshin Gujarat Vij Company Limited (DGVCL) submitted the details of True-up of FY 2013-14 and revenue estimates for FY 2015-16 on 1st December, 2014.

## 2.1 Actuals for FY 2013-14 submitted by DGVCL

The details of expenses under various components of ARR for FY 2013-14 are given in Table below:

**Table 2.1: Actuals submitted by DGVCL for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved in MYT Order | Claimed in Truing up |
|---|---|---|---|
| 1 | Cost of Power Purchase | 5870.06 | 7101.09 |
| 2 | Operations and Maintenance Expenses | 204.91 | 200.13 |
| 2.1 | Employee Cost | 186.79 | 237.01 |
| 2.2 | Repairs and Maintenance Expenses | 30.34 | 30.88 |
| 2.3 | Administration and General Expenses | 34.28 | 62.15 |
| 2.4 | Other Debits | 4.23 | 1.74 |
| 2.5 | Extraordinary Items | 0.27 | 0.06 |
| 2.6 | Less: Net Prior Period Income | | 1.15 |
| 2.7 | Less: Other Expenses Capitalised | (51.00) | (132.87) |
| 3 | Depreciation | 151.49 | 163.93 |
| 4 | Interest & Finance Charges | 42.26 | 83.21 |
| 5 | Interest on Working Capital | - | - |
| 6 | Provision for Bad Debts | 3.84 | 4.35 |
| 7 | **Sub-Total [1 to 6]** | **6272.56** | **7552.72** |
| 8 | Return on Equity | 63.17 | 66.67 |
| 9 | Provision for Tax / Tax Paid | 19.33 | 15.29 |
| 10 | **Total Expenditure (7 to 9)** | **6355.06** | **7634.68** |
| 11 | Less: Non-Tariff Income | 88.62 | 151.36 |
| **12** | **Aggregate Revenue Requirement (10 - 11)** | **6266.44** | **7483.32** |

## 2.2 Summary of projected revenue gap for FY 2015-16

The Table below summarises the Aggregate Revenue Requirement projected in the Mid-term Review of Business plan, the total revenue with existing tariff and the proposed gap for FY 2015-16.

**Table 2.2: ARR, Revenue and Gap for FY 2015-16**

**(Rs. Crore)**

| Sl. No. | Parameter | FY 2015-16 (Projected) |
|---|---|---|
| 1 | Aggregate Revenue Requirement | 8826.46 |
| 2 | Revenue Gap from True-up of FY 2013-14 | 140.82 |
| 3 | DSM Programme expenditure | 21.37 |
| 4 | **Total Aggregate Revenue Requirement** | **8988.65** |
| 5 | Revenue with Existing Tariff | 6868.15 |
| 6 | FPPPA Charges @ 120 paisa/kWh | 1669.20 |

| Sl. No. | Parameter | FY 2015-16 (Projected) |
|---|---|---|
| 7 | Other Income (Consumer related) | 314.00 |
| 8 | Agriculture Subsidy | 53.00 |
| 9 | **Total Revenue including subsidy (5 to 8)** | **8904.35** |
| 10 | **Gap / (Surplus) (4-9)** | **84.30** |

In order to bridge the revenue gap, DGVCL has proposed change in the Tariff for various categories of consumers except agriculture. DGVCL has proposed overall increase of 2.57% over existing tariff and recovery of remaining unrecovered gap is proposed to be met though efficiency improvement measures or as deemed appropriate by the Commission.

Over and above, change in tariff rates, the company has proposed some minor modifications in current tariff structure.

## 2.3 DGVCL's request to the Commission:

1. To admit this petition seeking True-up of FY 2013-14 and Tariff Petition for FY 2015-16.
2. To approve the True-up for FY 2013-14 and allow sharing of Gains/(Losses) with the Consumers, as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2011.
3. Not to consider Delayed Payment Charges in the calculation of ARR.
4. To consider approved parameters/ARR of GESCL, GETCO and SLDC while finalizing Tariff of the Petitioner.
5. Pass suitable orders for implementation of Tariff Proposal for FY 2015-16 for making it applicable from 1st April, 2015 onwards.
6. To approve the terms and conditions of Tariff and various other matters as proposed in this Petition and proposed changes therein.
7. To allow recovery of uncovered gap through efficiency improvement measures or deem fit by the Commission.
8. To grant any other relief as the Commission may consider appropriate. The petitioner craves leave of the Commission to allow further submissions, additions and alteration to this Petition as may be necessary from time to time.
9. 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 DGVCL and the Commission's View

### 3.0 Stakeholders' suggestions / objections, Petitioner's Response and Commission's observation

In response to the public notice, inviting objections / suggestions of the stakeholders on the petitions filed by Discoms for truing up of FY 2013-14 and determination of tariff for FY 2015-16, a number of consumers / consumer organisations filed their objections / suggestions. Some of these objectors participated in the public hearing also. It is observed that the objections/ suggestions filed, by and large, are repetitive in nature. Some of the objections are general in nature and some are specific to the proposals submitted by the petitioner for approval of True-up for FY 2013-14 and ARR and Tariff revision for FY 2015-16. 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 are segregated into two groups viz. common to all Discoms and specific to concerned Discom. The Commission has, therefore, addressed the objections / suggestions issue-wise rather than objector-wise.

### 3.1 Common Suggestions/objections

### Issue 1: Application of KVAh Tariff to LT Motive Power Consumer

Shri H.J. Patel, Retd. CE DGVCL has suggested for implementation of tariff of KVAh to LT Motive Power Consumers instead of kWh while enumerating the benefits of KVAh tariff including better discipline for power factor management, reduction in losses, reduction in transformer loading and maintaining voltage level without modification in existing meters.

**Response of Discoms**

The Petitioner has stated that any attempt of migration to KVAh metering might be detrimental to residential consumers as well as meter manufacturers. It has now become necessary to make consumers to improve PF through some mechanism in consumer tariff by charging low PF consumer more than those maintaining high PF. As per Commission's order dated 06.09.2011, all LTMD consumers having contract demand above 40 KW are already with kVARh consumption tariff and with this earlier commercial category of consumers having contract demand above 40 KW are also covered in kVARh tariff. In the case of HT consumers, the PF penalty tariff already exists. For consumers having I-Phase connection, KVAh tariff and KVAh, metering is not desirable due to:

(a) Introduction of penalty tariff for low PF consumers through some mechanism could mean either through tariff or through metering. In both cases, Discoms have to measure one more quantity other than active energy.
(b) All existing meters measure only Active energy as per prevailing tariff requirement.
(c) If I-Phase consumers are insisted upon to install capacitor at their installation to improve PF, it will lead to think twice on the following aspects in regard safety and hazards:

  (i) All existing electrical and electronic appliances are rated only with Active Energy consumption and the average PF rating or reactive power consumption ratings are not specified on any electrical appliances or products. Therefore, the consumer does not have data as to how many capacitors are required to install for improvement of PF. Installation of abrupt rating capacitors may lead to safety and system problems.
  (ii) Whether the capacitor shall be connected at mains or/on individual connecting socket.
  (iii) If capacitors are installed at mains, the same may boost to very high voltage during use of meagre load resulting in damage/burning of other electrical products. On individual appliances, it is not possible to install as consumers do not know the VAR rating of products.
  (iv) Location of installation of capacitor is also debatable. If capacitors are accessible to children in a house, the same may cause serious hazards to their life.

Unless the above issues are addressed at appropriate levels, it is not prudent to adopt Apparent Energy and KVAh metering and tariff. The petitioner has suggested that instead of moving towards KVAh based tariff and metering, the applicability' of KVARh consumption tariff be further widened for other consumer categories as well as for lower contract demand in case of existing consumer categories. This would serve the purpose to a large extent and would be cost effective too. Further the charges for drawal of KVARh should also be increased from Rs. 0.10/KVARh to Rs. 0.25/KVARh. This will help in achieving the same object without changing entire system.

**Commission's Observation**

The Commission notes the suggestion of the objector and the response of Discoms. It may be difficult at this stage to implement kVARh tariff for the category of consumer suggested by the objector. However, Discoms may explore the possibility of such alternate tariff in future.

### Issue 2: Issues raised by Gujarat Krushi Vij Grahak Suraksha Sangh

The General Secretary, Gujarat Krushi Vij Grahak Suraksha Sangh, Visnagar has sought the following information and made certain observations and suggestion.

1. Quantum and quality of supply and supply hours to agriculture
2. Various revenue projections
3. Statement of defaulters – consumer category-wise
4. Statement of debts written off by debiting B&D provision account details, PDC consumer`s arrears – category wise, nos. and amount in Crore.
5. Statement of outstanding debtors, both government and non-government category wise separately.
6. Statement of pending applications – year wise along with breakup of various schemes up to 10.10.2000 and thereafter separately, along with details.
   Surveyed, under survey and un-surveyed
   Pending with GGRC
   Pending as per A,B,C,D classification
7. Status report on unmetered DTC work
8. Statement of dues to pay/recover from GOG/central govt.
9. Statement of unrecoverable debts - To be written of - year-wise.
10. Statement of overloaded feeders as bifurcated during the year or to be bifurcated during projected year along with incurred and projected capital expenditure.
11. Statement of new-substations installed, Commissioned during last 3 years and projected to be installed during the coming year.

12. No of claims received for accidents of human being / cattle along with amount paid for them.
13. No of feeders having losses more than 10%.
14. No of agricultural connections actually released during last 5 years – scheme-wise, target achievement and shortcomings along with reasons.
15. Total No. of feeders with breakup of kind/type and how many of them are having length of more than 5 KM.
16. Total no of substations with breakup of kind/type and those having allocation more than 10 villages.
17. Sub-stations running without Electrical Engineers.
18. Latest position of PDC Nos. of connections, amount of arrears (in Crore) – consumer categories those before 10.10.2000 and after to be shown separately after giving effect of reconnection, recoveries, settlement schemes 2002 and 2005, Lok Adalat, Amnesty Scheme and any other etc. Net position as per latest records.
19. Statement of faulty/closed condition meters during last 3 years.
20. Statement of year – wise agriculture applications rejected / cancelled during last 5 years along with reasons
21. Status report on RE work in rural areas i.e. revenue villages, Peta Paras, Paras etc. No covered, under progress, pending etc.
22. Statement of Agriculture connections with A1, A2, A3, A4 etc. classification with information regarding cumulative nos. existing nos. and PDC Nos.
23. Statement of Agriculture connections relating to Brick manufacturing units, No of connections and income earned from them ( last 3 years)
24. HT based tariff is required to be reduced as under:
    (a) Reduction in HP based tariff from Rs. 200 per BHP/month to Rs. 72.50/BHP/month and
    (b) Removal of discrimination of slabs up to 7.50 HP and above required.
    (c) Fixed charges to be totally removed
    (d) Introduction of single and common energy / charges to be introduced in both metered and unmetered categories.
25. Introduction of special sub-category and or grant relief to farmers who accept in a group of entire feeder the meter tariff, group concession of 10/paise/unit consumption for a period minimum of 3 years.

26. Special concessional tariff for individual farmer adopting micro irrigation system e.g. drip, sprinklers, porous etc.
27. Removal of compulsion to adopt GGRC schemes, as it has become hurdle to farmers waiting for more than 10 years.
28. Abolition of Tatkal Scheme.
29. Restarting of Scheme of Energy Efficient pump-set which is discontinued and to be reintroduced in at least 57 dark zone Talukas.
30. Clarification on LTP-V tariff category – Lift irrigation
    (i) About 125 BHP and 100 KVA for HTP-V. It should be made common.
    (ii) Certain words needed to be adopted for surface water facilities and lifting of water from lake, tank etc. prepared in farms for water collection savings.
31. Meter charges, meter rent charges to be removed.
32. Population limit has to be raised from 15000 to 25000 for Gram Panchayat Area.
33. Supply of water by Agricultural consumers to others to help people during natural calamities:

    Agriculture consumers to be allowed to use /supply the water merely to help people during natural calamities like drought, scarcity, floods, earthquake, failure of tube wells for drinking water. For this they should not be penalized and on the contrary to exempt them from charging the bills for certain period /months in such cases. The Commission should include clarification clause in the Tariff Order.
34. Power Purchase price Adjustment:

    Not to allow any interim extra charges by way of Power Purchase Agreement in between the year
35. T&D Losses:

    Distributions to be restricted up to 9% and transmission losses to be restricted up to 1% and both T&D losses are to be restricted to 10% and no loss to be passed on to consumers.
36. Interest on working Capital:

    Interest on working capital is not grantable. Column to be removed from ARR format.
37. Action on losses including technical losses:

    No sincere effort is done at sub-station and feeder level as there is no sufficient staff. Transmission losses are more than 3% and hence not acceptable after 10 years. It should be limited to 2%.

38. Replacement of non – working meters: 1.80 Lakh meters are still under non – working condition. Status report along with reasons to be submitted.
39. Fixed Charges:
    Fixed Charge on Agricultural consumers to be abolished totally.
40. Directives 1, 2 & 3 not fulfilled. Feeder bifurcation work is unsatisfactory, DTC review work and replacement of conductors is reduced. Erection work under HVDS is unsatisfactory under KHUSHY scheme, the work is too poor.
41. JGY losses: Distribution losses on JGY feeders remained uncontrolled. A status report is to be submitted.
42. Distribution Transformer failure rate:
    The Distribution Transformer failure rate is not mentioned.
43. Release of connections under SPA and Dark Zones (57 Nos.):
    2368 SPA connections are pending release and Dark zone connections pending are 334 since 1990 to 2001 – Total 2702.
44. Theft cases:
    Cases booked under section 126 and 135 not given.
45. Segregation of total loans:
    The statement of segregation of total loans is not submitted.
46. Consumer charter:
    This is not prepared for farmers having Agricultural Connection.
47. Providing of premises for Offices of Appellate Authority
    No accommodation has been provided in the corporate office compound at Mehsana for establishment of separate offices for:
    (i) Gujarat Rural Area Vij Company/board/corporation, and
    (ii) Feeders management company
48. Mobile van facility for payment of bills
49. FPPPA charges to be separated and to be mentioned in the electricity consumption bills under separate columns.

**Response of Discoms**

The licensee has submitted, as under, to the above points raised by the Secretary, Gujarat Krushi Vij Grahak Suraksha Sangh (GKVGSS):

1. Quantum and Quality of supply to Agriculture: Minimum of 8 hours power supply has been given to agricultural sector. During cropping season more than 8 hours of power has also been given by purchasing power from various sources. In case

power supply to agriculture is given less than 8 hours, it is compensated during subsequent period when power position is improved.

A policy was formulated by GUVNL on power supply to agriculture sector as per guidelines from GoG for uniform power supply and Discoms have been implementing the same.

For better load management agricultural feeders are segregated in various groups and power supply to all the groups is given in different time zones of 8 hours each day. Every week power supply timings are changed and rotated amongst the groups.

Regarding quantum of energy, it is stated that the large number of Agricultural consumers are unmetered and energy consumed by such consumers is assessed in the basis of 1700 units / HP / annum.

2. Revenue Projections: The estimates of revenue has been worked out based on consumer category-wise sales, connected load and number of consumers approved by the Commission in its order dated 29.4.2014 in the Mid-term Review of Business Plan.
3. Details of defaulters: The statement of defaulters, consumer-wise, along with list of defaulters as on 31.12.2014 having outstanding arrears more than Rs. 1 Lac has been furnished.
4. Bad Debts Accounts: Every year certain amount of some consumers which seems to be non- recoverable, is waived by the company and charged to P&L account under “other debits”
5. Statement of Debtors: Statement of debtors as on 31.12.2014 is furnished.
6. Statement of Pending Applications: Statement of pending applications as on 31.12.2014 is furnished.
7. Status of unmetered DTs: Position as on 31.12.2014 of meters of distribution transformer level is furnished.
8. Government Dues: Generally, government dues are paid by the company regularly and government similarly pays to the company regularly.
9. Un-recoverable debts: Statement of unrecoverable debts is furnished.
10. Over Loaded Feeders: Load on the feeders is highly dynamic and feeders having either more length or found over loaded are bifurcated. No of feeders bifurcated during 2013-14 and to be bifurcated during FY 2014-15 is furnished.

11. New sub-stations: Statement of new substations Commissioned during FY 2013-14 up to March 2014 and planned to be commissioned during FY 2014-15 is furnished.
12. Compensation on Accidents: Claims and compensation given to deceased dependent or owner of animals on account of electrocution during FY 2013-14 is furnished.
13. Feeders Having Losses: Statements of feeders having losses more than 10% in FY 2013-14 is furnished.
14. Release of connections: Releasing of connections is an on-going task. Every year agricultural connections are released under various schemes, like normal, Tatkal, MIS, DIS etc. Agricultural connections released during last 5 year up to December 2014 is furnished.
15. Feeders having line length: Category-wise statement of feeders having more than 5 KM line length as on 31.12.2014 is furnished.
16. No of sub-stations: Voltage wise no. of substations as on 31.12.2014 is as under.

| Sl. No | Voltage – Class | Nos. |
|---|---|---|
| 1 | 400 KV | 2 |
| 2 | 200 KV | 10 |
| 3 | 132 KV | 13 |
| 4 | 66 KV | 159 |

Generally feeder supply to villages is fed through 11 KV feeder, emanating from 66 KV sub stations. Almost 95% of 66 KV substations feed power supply to more than 10 villages. Only a few GIDC & city SS are with less than 10 villages.

17. No. of sub-stations without Engineer: 66 KV and above sub-stations are owned and operated by GETCO. Generally function of substation is supervised by an Engineer.
18. PDC Connections: Statement of PDC connections and amount of arrears as on 31.12.2014 is furnished.
19. Details of faulty / locked condition meters: Statement of faulty and locked condition meters as on 31.12.2014 is furnished
20. Agriculture applications rejected/cancelled: Statement of agricultural applications rejected/cancelled with major reasons as on 31.12.2014 is furnished.
21. Rural Electrification: Electrification of petaparas, muwadas etc. is a continuous process and as and when application / request is made by any local authority or any other authority for electrification of any petapara etc., the same is electrified.

22. Agriculture Connections Category-wise: Statement of Connections – category–wise along with PDC connections as on 31.12.2014 is furnished.
23. Supply of Water to brick manufacturers: Supply to brick manufactures by an agricultural consumer is an optional facility and an agricultural consumer can opt for it, if he desires. This is not compulsory requirement.
24. Reduction in HP based Tariff: In order to ensure uniform tariff rates for all Discoms, differential bulk supply tariff mechanism is in place. The average recovery from agricultural category is less than the average cost of supply.
25. Special sub-category to Agriculture Consumers: Present tariff for agriculture is highly subsidized and hence needs no separate category
26. Concessional Tariff to micro irrigation system: Irrigation to agricultural field through micro/drip irrigation system requires less energy consumption compared to normal mode of irrigation and hence such agricultural consumers are benefited. Giving benefit to one class of consumer will result in increase in tariff of other class of consumers.
27. Adoption of GGRC Scheme: GGRC facilitates agricultural consumers for installation of micro irrigation system. Since MIS helps in conserving water and energy, it has been one of the enabling factors for the company to relax the provision for releasing agricultural connections in dark zone areas.
28. Abolition of Tatkal Scheme: The Petitioner filed a petition on the issue vide No. 1087/2011 and the Commission has issued an order and disposed of the petition.
29. EEPS Scheme: Efficient use of electrical energy helps in less energy consumption for the same quantum of work. This phenomenon is equally applicable to agriculture consumers. A demonstrative project was undertaken by replacing old pump sets in the effective pump sets. It is intended to carry out similar programmes under DSM activities.
30. Relaxation to LTP – V: LTP-V category is basically to incentivize use of surface water, such as river, canal, dam etc. and thereby promote energy and water conservation, particularly for consumers in the command area of Sardar Sarovar Project area and such other mini irrigation system, which require 24 hour power supply and therefore a separate category is provided and the same cannot be extended for filling up the 'houze' etc. prepared in farm for water collection and it will lead to operational issue also.
31. Abolition of Meter Charges: Meter charges is are recovered as per provisions of the Act and Regulations notified by the Commission.

32. Raise in Population Limits: RGP rural category tariff is applicable to Gram Panchayat areas as defined in Gram Panchayat Act but not to villages which are located within the jurisdiction of Urban Development Authority.
33. Supply of Water by Agriculture Consumer to Others: Generally power supply is to be utilized only for the purpose to which the consumer is authorized. In case of various national calamities, specific directives, if any, issued by the Commission can be followed.
34. PPPA Adjustment: The cost paid by the company/GUVNL as compared to approved base year cost for purchase of power from various sources is to be recovered by companies through PPA. Adjustment Mechanism is as per formula approved by the Commission. Since increase in cost of power is on account of reasons beyond the control of the company, decrease/increase of FPPPA will have implication on consumer by way of interest on additional fund. Discoms will have liquidity issue.
35. Transmission and Distribution Losses: The Commission approved distribution loss trajectory for FY 2014-15 and FY 2015-16. Since distribution losses being controllable, the company has given appropriate treatment to the deviation to approved loss level in the true-up petition for FY 2013-14. As the transmission losses are beyond the control Discom the actual transmission losses are considered by the company.
36. Interest on Working Capital and RoE: In the true-up petition for FY 2013-14, no claim for interest on working capital and ROE is worked out as per GERC (MYT) Regulations, 2011.
37. Reduction in Distribution Losses: The Company makes all efforts for reduction of distribution losses and ensure that loss reduction trajectory as approved by the Commission shall be followed and at the end of the control period the company shall at least achieve approved distribution loss level.
38. Replacement of non-working meters: Status of meters replaced during FY 2013-14 and during FY 2014-15 (up to 31.12.2014) are as under:

| Year | Number of Meters Replaced |
|---|---|
| FY 2013-14 | 101567 |
| FY 2014-15 (up to 31.12.2014) | 124181 |

39. Abolition of fixed charges: It is a basic commercial principle to recover fixed costs through recovery of fixed charges. In the case of Discoms only 31.57% fixed cost

is recovered through fixed charges. Hence it is not possible to abolish fixed charges.

40. Reply to Directives: Compliance of directions is submitted from time to time and also in the present petition. Actual expenditure incurred under various schemes vis-à-vis approved by the Commission is provided in the petition.
41. JGY Losses: various activities have been carried out for loss reduction in JGY feeders. Due to constant efforts of the company, the losses on JGY feeders have been reduced to 35.19% during FY 2013-14 from 37.77% in FY 2012-13 which shows a decreasing trend.
42. DT Failure: Distribution Transformer failure rate for FY 2013-14 is 4.51%
43. Releasing connections under SPA Dark Zone areas: Releasing of connections is an ongoing task. Every year agricultural connections are released under various schemes like, normal, Tatkal etc.
44. Statement of Theft Cases: The details of theft cases booked under section 126 and 135 are furnished.
45. Segregation of Total Loan: The Company has filed petition for Mid-term Review of Business Plan for FY 2014-15 and 2015-16 wherein relevant details of loan were provided and the Commission has issued the order on 29.4.2014 revising ARR for FY 2014-15 to FY 2015-16.
46. Consumer Charter: The Respondent filed a separate petition on similar issue with GERC.
47. Providing Office to Appellate Authority: Section 127 of EA, 2003, provides for "Appellate Authority and in Gujarat, State "Electrical Inspector" is designated as "Appellate Authority".
48. Mobile van facility for payment of bills: Besides bills collection at sub-division offices, facilities for payment bills in rural areas are available as under:
    - E-Gram Panchayat Office
    - Post Offices
    - Collections through bankers/agencies/RTGS/NEFT.
    - Payment through ATMs of selected banks
    - Various modes of online payment
    - Village cash collection by cashier etc.
49. FPPPA Charges: The amount payable under the head FPPPA charges is shown separately in the consumer energy bills. In case of agricultural consumers same is compensated by the state government.

The Respondent has suggested some of the operational suggestions to the company which will be analysed for implementation.

**Commission's Observation**

The response of Discoms is noted. The Commission appreciates the efforts made by Discom to meet various targets etc. Discoms shall make efforts to bring down the JGY losses.

## Issue 3: Formula for arriving Theoretical / Technical Losses

President Yash Complex Cooperative Housing Service society Limited, Vadodara, has stated that the formula used for arriving of theoretical formula differs from Discom to Discom.

**Response of Discoms**

The Commission has directed Discoms to segregate technical and commercial losses from the total distribution losses. Different methods prevail for calculation of technical/theoretical losses of a feeder. Each has certain assumptions for calculations and same method is followed consistently by the respective Discoms and therefore it holds good for them.

EHV system does not form part of distribution network and therefore losses in EHV system cannot be a part of distribution loss.

To illustrate the method of calculation of theoretical losses, sample calculation of one of the feeders has been enumerated in the petition and same exercise is carried out for all feeders to arrive at theoretical/technical losses.

**Commission's Observation**

The response of Discoms is noted.

## Issue 4: Attempt to discourage Open Access users

Federation of Gujarat Industries have stated that the proposed tariff structure is one deliberate attempt to deter/discourage Open Access users from buying power from other sources after earlier attempts like:

(i) Deemed Open Access separate tariff;

(ii) Imposing unlawful and arbitrary conditions through undertakings by using utility consent requirement.

(iii) demanding additional surcharges;

(iv) Restricting to Open Access up to contract demand and;

(v) Consent denial threatening notices for minor variations in Open Access power drawals etc.

Since the above attempts are in contravention to the provisions of EA, 2003, National Tariff Policies and Regulations framed by the Commission, the Commission is requested to take action to respect/uphold the law in preference to benefits of the petitioners.

**Response of Discoms**

The point wise replies to the issues raised by objectors are as under:

(i) No such separate tariff category is proposed since the objective of Open Access consumer is to purchase power from sources other than Discoms

(ii) The undertaking taken by Discoms is as per orders of the Commission and to ensure safety of grid and for load management purpose.

(iii) Additional surcharge is levied as per Sec. 42 (4) of EA, 2003 after due verification by the GERC.

(iv) Short-term Open Access is allowed within the available margin in the network.

Commission has already decided and issued orders in regard to scheduling and drawal of load by Open Access consumers in petitions No. 1325 and 1327/2013.

**Commission's Observation**

The response of Discoms is noted. The issues raised will be examined.

### Issue 5: Single Part Tariff for industries with poor plant load factor (PLF)

M/s Ultra Tech Cements Ltd. and Aditya Birla Nova Ltd. have stated that for many industries with inherently poor PLF, present HTP-I tariff leads to very unrealistic and skewed cost of power in terms of Rs./unit, say Rs. 15/unit and even more.

**Response of Discoms**

It is a basic commercial principle for any organization to recover its fixed cost through recovery of fixed charges and variable cost from variable charges i.e. energy charges. Therefore present tariff structure consists of two part tariff.

**Commission's Observation**

The response of Discoms is noted. The tariffs are determined category wise and not based on the PLF of the industry.

## Issue 6: True-Up proposal for FY 2013-14 and ARR for FY 2015-16

Laghu Udyog Bharati (LUB) Gujarat has submitted that:

**1. True-up of FY 2013-14**

(a) If return on equity is considered on actual share capital of Rs. 1227.02 Crore @ 14%. The difference works out to Rs. 103.117 Crore The total current assets are Rs. 1853.34 Crore and hence the surplus is Rs.(-244.50 – 103.177 + 1835.34) equals to Rs. 1487.70 Crore Barring discussion on all issues in the petition, actually there is no ARR gap in current and previous true-up APR covered in the current petition.

(b) The effective per unit cost is Rs. 6.13/ unit with expenses and FPPPA charges. The per unit expenses are Rs. 0.81/unit (As per ARR true-up), the Government subsidy is Rs. 0.728/Unit Agricultural consumer pays Rs. 1/- per unit and so the effective realization/unit is: 1+0.728-0.81=0.918. If the FPPPA charges are considered, net recovery from agriculture consumer is (0.918-1.2) = Rs. 0.282/unit Net loss due to Agricultural category is Rs.(6.131+0.375) 6.506/unit. For 6017 MU Agricultural consumption, the total loss is Rs. 3914.66 Crore recovered from other categories.

(c) In annual accounts, the unit cost realization is shown as Rs. 2.432/unit, excluding Agricultural subsidy by Government which is shown separately. It is not clear wherefrom this amount is adjusted in the light of D4 forms for Agricultural category, which show FPPPA charges as Rs. 1.2, which are never realized. Per unit cost category wise in annual reports and True-up of FY 2013-14 proposal do not match with actual receipts.

In view of the above, all cross subsidy calculations in various presentations of ARR stand doubtful and need to be reworked out by the Commission

**2. Return on equity**

Further, the APTEL order in case No. 142 and 168 of 2013 supports that consumer contribution towards line component and Government grants cannot be part of equity. The Respondent suggests the following action to be taken for ARR proposal in the light of judgment of APTEL

(i) Calculate return on equity on paid up capital only.
(ii) Add Reserve and Surplus to net income.
(iii) Add current assets to net income.
(iv) No units are shown in ARR proposal on account of UI / sales back of power to GUVNL and rates applied along with GERC approval to such rates.

The Commission is therefore requested to quash ARR True-up proposal for FY 2013-14 and recalculate ARR proposals of the previous years.

**3. ARR 2015-16**

The respondent has raised the following points:

(i) LUB does not find any units in APR proposals on account of UI/Sale back of power to GUVNL and rates applied along with GERC approval to such rates.
(ii) LUB finds that PGVCL has not sought tariff revision but has sought approval to tariff schedule.
(iii) For the revised tariff schedule, PGVCL has submitted D-4 formats showing per unit cost category wise at revised tariff schedule.
(iv) Commission may verify from enclosed calculations that PGVCL is already getting per unit revenue, category wise, at the prevailing tariff schedule of 2014-15
(v) New tariff schedule is not necessary as there is surplus as per D-4 formats for FY 2015-16, projected unit sale units and FY 2014-15 per unit cost as per tariff 2014-15-Tariff schedule of rates.

Issue of FPPPA subsidy to agricultural consumers is required to be resolved by the Commission. PGVCL has to explain that how it is adjusting Agricultural consumers FPPPA charges in Annual Financial Report and ARR.

**Response of Discoms**

1. **True-up for FY 2013-14:**

   The Respondent has mixed up the principles of ARR with cash flow of the company. ARR is governed by GERC (MYT) Regulations, 2011 and accordingly the proposals and tariff are prepared. True-up Petition is required to be filed in which actual/normative cost along with actual revenue as per audited accounts submitted with resultant revenue gap. After detailed scrutiny and prudence the gap is approved.

2. **Return on Equity:**

   The opening equity for FY 2013-14 is considered same as approved closing equity for FY 2012-13 and for equity addition during FY 2013-14 consumer contribution is reduced from capitalisation and remaining amount is apportioned in debt: equity ratio 70:30.

3. **ARR for 2015-16:**

   Company has not proposed any changes in ARR for FY 2015-16 and has proposed the same as approved in Mid-term Review order dated 29.4.2011. Revenue gap for FY 2013-14, based on GERC (MYT) Regulations, 2011 and DSM expenditure as per direction of the Commission is added to work out the total ARR for FY 2015-16.

   Revenue at existing as well as proposed tariff for FY 2015-16 is worked out based on sales, number of consumers and connected load as approved by the Commission for 2015-16. PPA charges are calculated at Rs. 1.20/kWh, while other income (Consumer related) and agricultural subsidy are considered same as approved in Mid-term Review order dated 29..4.2014. The total gap for all 4 Discoms is around 4.07% of the total revenue at the existing tariff. The company has proposed an overall increase of only 2.57% over the existing tariff.

   UI/sales/purchase is real time phenomenon and hence cannot be projected. Regarding sale of power to GUVNL, the same has been considered while working out power purchase cost for FY 2015-16 in Mid-term Review order dated 29.4.2014. The sale proceeds has been adjusted while working out cost of power purchase at Table-11 (Net Power Purchase Cost) in the Petition. Further the same amount is shown in financial statement of Discoms for FY 2013-14 as revenue from sale of power to GUVNL. Since power is supplied to GUVNL at Discom periphery, the cost for supply to be borne by Discoms. Out of the proceeds, GUVNL is keeping only 4 Paise/unit as approved by the Commission.

Regarding `Nil` receipt D-4 formats in some of the tariff categories, the company has not proposed any sales for these category of slabs and hence no projection of revenue for the same.

**Commission's Observation**

The response of Discoms is noted. The Commission has taken appropriate decision.

### Issue 7: Sale of Power to GUVNL – Discriminatory Approach to OA Consumers

President, Yash Complex Cooperation Service Society Limited has stated that all Discoms have sold power to GUVNL from whom they purchase and on one hand the Open Access customer, if he has not utilized his scheduled share, though it is received in Discom area, it is not compensated. On the contrary Discom sells to GUVNL. This discriminatory approach is objectionable.

**Response of Discoms**

The power is sold by GUVNL on day ahead basis following scheduling mechanism as per IEGC whereas the surplus of Open Access customers is on real time basis. Therefore there is no substance in the allegation and unutilized energy of Open Access customers is compensating the system loss.

**Commission's Observation**

The response of Discoms is noted.

### Issue 8: Income on account of Theft of energy/ diversion of energy

President, Yash Complex Cooperative Service Society Limited has stated that none of Discoms has not submitted the form D-4 containing special provision in respect of amount recovered from concerned on account of theft of energy, diversion of energy etc. Discoms have to submit details as per note 3 under special provision.

**Response of Discoms**

While approving the revenue gap, the Commission considered other consumer related income i.e. meters rent and service line changes, recovery from theft of power, miscellaneous charges from consumer etc. For FY 2015-16 similar methodology is adopted for working out revenue gap.

**Commission's Observation**

These are accounted for in other consumer related income.

### Issue 9: Details of Cost of Advocate Panel for APTEL / Supreme Court

President, Yash Complex Cooperative Service Society Limited has stated that the cost of fees of Advocate panel for APTEL/Supreme court is borne by GUVNL and such details of account are not shown in the petition.

**Response of Discoms**

Fees paid to the advocate panel forms part of A&G charges.

**Commission's Observation**

The legal expenses are accounted under A&G Expenses.

### Issue 10: ARR for GUVNL

President, Yash complex Cooperative service society Limited has stated that GUVNL procures power, arranges allocation area-wise generation to have uniform tariff for all Discoms within the State, finalises cost data, purchases back unused power, pays fees of advocate panel etc. on behalf of Discoms. Hence it is necessary for GUVNL to file ARR also.

**Response of Discoms**

GUVNL, as a trading licensee, has been entrusted with the function of bulk purchase of power from generating companies within/outside the State of Gujarat and supply in bulk to Discoms and sells power on behalf of Discoms. As per GERC Regulations on trading margin, a trading licensee can recover a trading margin of 4 paise/unit per regulations. A trading licensee is not required to file ARR Petition.

**Commission's Observation**

GUVNL is a holding company and entrusted with purchase of power from various sources and supply to Discoms. GUVNL's requirement is reflected in Discoms petition.

## Issue 11: Expense per unit of Supply

President, Yash Complex Cooperative Service Society Limited has stated that employee cost and Administration cost/unit in respect of MGVCL is highest among all Discoms, though the handling of energy is only 13.65% of total and the cost per unit except power purchase is also highest of all. The data of MGVCL for ARR is far away from actual data for ARR and it needs re-verification by the Commission.

**Response of Discoms**

The overall growth of MGVCL in terms of unit sales is minimal or negative mainly on account of Open Access. Through the employee cost and A&G cost form part of fixed costs of the company, it increases every year due to inflation and other parameters. Further at the time of restructuring, more senior employees having high salary had opted for MGVCL. Hence expense per unit of supply of MGVCL seems to be higher.

**Commission's Observation**

The Commission verifies the audited accounts while truing up.

## Issue 12: Clarifications on Merger of Connections and Agricultural Subsidy

President, Yash Complex Consumers Service Society Limited has stated that.

**Merger of connections:**

- NRGP/LTMD category having load up to 40 KW has an option to go to LTMD and vice versa. NRGP consumer having 20 KW load can opt for LTMD but whether he is to be billed on reordered demand or 85% of contract demand whichever is higher or 85% of LTMD limit of 40 KW i.e. 32 KW is not clear. This needs clarification.

**Response of Discoms**

Following the MYT Order dated 06.09.2011, the company merged the connections of same tariff categories i.e. NRGP/LTMD, existing in same premises and owned by the same legal entity and having same electricity duty. Consumer shall utilize the quantum of power within its contract with Discoms. The consumers under LTMD is billed for the demand either for 85% of contract demand or 15 KW or actual maximum demand registered during the month whichever is higher.

**Commission's Observation**

The response of Discoms is noted.

## Issue 13: Agricultural Subsidy

The Government has assisted only Rs. 0.78/unit as against overall average purchase cost/unit of Rs. 3.91. The average realization from agricultural category is Rs. 1.24/Unit through tariff. The FCA/FPPPA is over and above it are to be compensated. Thus for total of 15058 MU-Rs. 3.91 – Rs. 1.24 = 2.67 less Agricultural Subsidy of 0.78 = Rs. 1.89/unit is yet to be claimed to meet power purchase cost i.e. 15508 x 1.89/10 = Rs. 2931 Crore as against FPPPA Rs. 15508 X 1.20 / 10 = Rs. 1860.96 Crore Effort for claiming this shortfall in Agricultural Subsidy is not appearing in the petition.

**Response of Discoms**

All four Discoms together claimed subsidy of Rs. 3873 Crore towards

(i) Tariff compensation
(ii) Fuel Surcharge and
(iii) Fixed Subsidy of Rs. 1100 Crore from State Government, which worked out to subsidy amount of Rs. 2.5/unit as against subsidy amount of Rs. 0.78/unit. After adjusting the subsidy of Rs. 3873 Cr, the per unit average utilization from Agricultural Consumer is Rs. 3.13/unit as against realization indicated i.e. Rs. 1.24/Unit.

The suggestion regarding payment of subsidy to agricultural consumer can be thought of.

**Commission's Observation**

The issue raised by the objector and response of Discoms is noted.

## Issue 14: Details of Sources of Power Purchase

M/s Utility Users' Welfare Association has stated that Discoms have not provided the sources of power procurement, quantum and tariff for which power procurement is done. The Commission is requested to direct GUVNL/Discoms to provide quantum of power purchase and source-wise with price at which it is procured.

**Response of Discoms**

The details of power purchased by GUVNL for FY 2013-14 is provided in the audited account of GUVNL which is also available on website.

**Commission's Observation**

The response is noted. The actual cost of power purchase for FY 2013-14 is provided in the annual accounts for FY 2013-14.

## Issue 15: Legal Status of GUVNL

M/s Utility Users' Welfare Association has stated that GUVNL has been entrusted with functions of bulk purchase of powered from the generating companies within / outside the state of Gujarat and supply in bulk to Discoms. GUVNL is a co-partner along into all Discoms as Petitioner. Now GUVNL is not a co-partner and then what is the legal status of GUVNL as per definition of Electricity Act 2003 in the context with Discoms.

**Response of Discoms**

GUVNL has been incorporated as a successor entity to erstwhile Gujarat Electricity Board (GEB) pursuant to a transfer scheme notification issued under provisioning Gujarat Electricity Industry (Reorganization and Regulation) Act, 2003 and as per Electricity Act 2003. Under notification dated 24.10.2003, the Gujarat State Government issued first Transfer Scheme under which generation, transmission and distribution functions of GEB have been vested in separate companies. As per schedule "G", of the said notification, the functions relating to bulk purchase of power from generating companies within / outside the state of Gujarat and supply to Discoms in bulk, any other residual liabilities etc. were not transferred to any of the companies and retained by GEB. Subsequently, the State Government issued a notification dated 10.12.2004 incorporating GUVNL for the purpose of transferring the assets, liabilities etc. mentioned in schedule "G", including trading in electricity.

Further, the State Government through notification dated 31.03.2005 transferred the functions and activities w.e.f 01.04.2005 to GUVNL. Hence GUVNL has been entrusted with function of bulk purchase of power from the generating companies within/outside the state and supply in bulk to Discoms. Accordingly, the function of bulk purchase has been undertaken by GUVNL.

**Commission's Observation**

GUVNL is a holding company and is responsible for purchase of electricity from various sources and supply of distribution companies and also other activities including trading of electricity.

## Issue 16: Procurement of power at competitive rate

M/s Utility Users' Welfare Association has stated that Gujarat is having surplus production of 13143 MU in FY 2013-14 and this is the ideal condition to create competition amongst Discoms and the Commission may advise the GOG to allow Discoms to carry out their business independently in respect of expansion of supply area, procurement of cheaper power etc.

**Response of Discoms**

GUVNL has tied up power on long term basis to fulfil to requirement of Discoms. In accordance with intra-State ABT order of the Commission, power is procured on real time basis following the principle of merit order irrespective of ownership of generators, whereby cheaper power is scheduled first and thereafter costlier power till demand of Discoms is met. GUVNL has not procured power in FY 2012-13 on short-term basis.

**Commission's Observation**

The response of Discoms is noted.

## Issue 17: Fixation of tariff to various consumers

M/s Utility Users' Welfare Association has stated that as per existing cost of power the consumer has to pay is Rs. 8 to 8.50/unit whereas in china, Japan, Korea etc. the cost of power is not more than Rs. 4 to Rs. 4.50/unit including taxes. Industries are not able to compete in the international market as well as domestic market with such high rate. The power cost in other states in India is also lower. In view of this, the Commission is requested not to approve ARR of Discoms.

**Response of Discoms**

The Commission determines the tariff for various categories of consumers following relevant provisions of Electricity Act, 2003 and relevant regulations notified by the Commission taking into account the objections of the stakeholders and after due process of hearing.

**Commission's Observation**

The response of Discoms is noted.

## Issue 18: Merit Order

M/s Utility Users' Welfare Association has stated that as per state owned generating units have remained closed under merit order dispatch system. The cost of generation of GSECL come to Rs. 3.40 to Rs. 3.60/unit with variable and fixed cost is not getting supply instructions under merit order despatch system. Whereas the cost of generation of private generating units like TPL, Ahmedabad plant is Rs. 4.44/unit and still they are operating. Why merit order despatch is not applicable to TPL? This is a question to be replied.

**Response of Discoms**

Principle of merit order dispatch in picking up and backing down is to be followed for the power stations tied up by respective Discoms and approved by the Commission.

**Commission's Observation**

The response of Discoms is noted.

## Issue 19: Transmission and Distribution Losses

M/s Utility Users' Welfare Association has stated that the actual sale of various utilities is Rs. 60,352 MUs for FY 2013-14 and energy requirement for such sale is 73079 MUs; which indicates that the transmission and distribution losses is 12727 MU. The average cost per unit comes to Rs. 4.11/unit and if Rs. 1 per unit is added, the power cost works out to Rs. 5.11/ unit. For 12727 MUs @ Rs. 5.11 /unit, it amounts to Rs. 6503 Crore and the consumers of Gujarat paid, such huge amount on account of T&D loss in FY 2013-14.

The transmission loss is about 4.5% and it goes up to 7% with pooled loss and if the GETCO / SLDC to install or augment the system in such a way that the transmission loss is reduced by 1.5%, it will be a huge amount and tariff can be reduced to that extent.

**Response of Discoms**

For Discom, the distribution loss is controllable and treatment for deviation is given accordingly. The company takes various steps for reduction of distribution loss and ensures that the loss trajectory as approved by the Commission is followed and achieves it by the end of control period.

Transmission loss is approved by the Commission for the transmission company and the same is considered by the company.

**Commission's Observation**

The distribution losses are reduced over the years to a considerable extent. Efforts are required to be made by Discoms to reduce the losses further.

## Issue 20: Supply of power to TPL by GUVNL

M/s Utility Users' Welfare Association has stated that GUVNL, instead by supplying power to TPL at lower rate than Discoms, GUVNL should supply power at the same rate to Discoms as it should supply power in the area of TPL.

**Response of Discoms**

GUVNL trades the eventual surplus power and income earned through trading is passed to consumers of Discoms. The Commission may take a suitable decision on the suggestion of the respondent.

**Commission's Observation**

TPL purchases power from GUVNL on short-term basis.

## Issue 21: Deciding of bulk supply tariff by GUVNL

M/s Utility Users' Welfare Association has stated that if GUVNL is a trading licensee, how can GUVNL decide bulk supply tariff and how can the Commission approve such bulk supply tariff.

### Response of Discoms

The Commission, through its MYT order dated 6.9.2011, has approved the concept of Bulk Supply Tariff (BST) for the control period FY 2011-12 to 2015-16 for allocation of power purchase cost by GUVNL to Discom. As per approved BST concept, the power purchase cost is allocated to Discoms based on their consumer mix. The Commission has approved the BST concept after carrying out detailed hearings and submissions in order to keep the retail tariff uniform across the State.

### Commission's Observation

The response of Discoms is noted. The Commission has approved BST (Bulk Supply Tariff) to keep uniform tariff for all Discoms.

## 3.2 Suggestions/objections pertaining to DGVCL

## Issue 1: Need for Tariff Reduction

The Deputy Chief Electrical Engineer, Western Railways, has requested for reduction in tariff based on:

1. **Steep Hike in fixed charges**

   The proposed fixed charges for Railways for FY 15-16 is Rs. 195/KVA, as against existing charges of Rs. 160/KVA with a hike of 21.88% in fixed charges for Railway Traction Tariff which is not justified:

2. **Error in projection of Railway Tariff Revenue for FY 2015-16:**

   The Railway Traction Tariff Revenue has been shown as Rs. 410.66 Crore whereas in FY 2013-14 the traction bill paid was Rs. 451.66 Crore As per estimation of Railways the bills for FY 15-16 would be Rs. 484.20 Crore If this is corrected, the ARR for FY 2015-16 will get reduced by Rs. 73.48 Crore which should be corrected by Discom. The railway traction consumption is estimated about 755 MU and understatement of Railway Tariff Revenue of Rs. 73.48 Crore is to be adjusted by reducing tariff for energy charge by Rs. 0.97/Unit.

3. **Fuel Cost Adjustment Charges:**

   Discoms considered FCA at Rs. 1.20/Unit but at present coal and fuel prices have come down very steeply and internationally i.e. the crude oil by 54% and imported coal by 17.24% but the Discoms are charging between .105 to 122 Paise/Unit in 2013-14 and between 110 to 130 paise per unit in 2014-15 till November 2014. FCA should be reduced as per international trend and the consumer should get benefit in the form of lower FCA now

4. **Cross Subsidy:**

   In Gujarat, industrial HT and Railway traction consumers are heavily cross subsiding other consumers which needs to be reduced. The cost for transmission line and other works from SEBs owned GSS to railway TSS is borne by the railways. The Commission is requested to reduce the existing tariff to Railways.

5. **Voltage Unit/Category wise cost of supply:**

   The APTEL in Appeal No. 79 of 2005 (Union of India Vs. APTEL) has stated that Railway being a public utility and handling passengers and goods throughout the length and breadth of the country; its plea for reasonable tariff for Railway traction needs to be given serious thought.

6. **Distribution Losses:**

   The cost of service has been uniformly calculated by Discoms for all categories at Rs. 5.57/KWH, which is unjustified as Railways transmission losses are too low in comparison to other categories. Hence tariff should be reduced by 10% from the existing rate.

7. **Simultaneous Maximum Demand:**

   Since total load from traction on State grid remains more or less the same, the demand charges should be based on Simultaneous Maximum Demand, which is the sum total of all substations and it should not be levied on traction substation-wise. If this is not done, traction tariff should be a single point tariff. The Rajasthan Discoms and TATA in Maharashtra have already implemented the scheme wherein MD of individual TSS is not considered and sum total of all TSS is considered for the purpose of billing.

8. **Incentive for Power factor improvement:**

The PF rebate should be enhanced to 1.5% of energy charges for PF
from 0.95 to 0.96 - 2%;
from 0.96 to 0.97.3%-3%;
from 0.97 to 0.99-5% and from 0.98% to 0.99%-7%.

9. **EHV Rebate:**

MSEDCL gives 3% as EHV rebate as against of 1% by Gujarat Discoms on energy charges to consumers above 132 KV and this rebate should be increased to 3% to promote consumers going in for higher voltages and thereby reduce T&D losses in the distribution system. Railway Electrification Work, Ahmedabad - Palanpur, has already been sanctioned and in addition electrification works are also under consideration by Ministry of Railways. As this will be beneficial for Gujarat State for faster movement of goods and passengers, a rebate of 10% in energy charges may be considered in line with Madhya Pradesh State.

**Response of Discom**

1. **Reduction in Tariff:**

The cost of transfer of coal charges to railways is much higher compared to the cost of coal itself. It can be seen from past tariff orders that there has been no revision of energy charges for railways since last seven tariff orders even though there has been substantial increase in cost of operations and service for the utility and also rate of inflation. Effective tariff of railway is lower than HT consumers. Supply to railways is given on two of Phases which induces imbalance in the system. Excess demand reflects due to bunching of trains which is charged at normal tariff and no penalty is levied. There are no load shedding and no power cuts unlike other HT consumers. Traction load transmits fluctuations and harmonies which are harmful to the system and generators resulting in reduction of life of equipment and generators, which are absorbed in the system without any extra charge. The average realization in other States is more than in Gujarat.

2. **Error in revenue for FY 2015-16**

The Projections for FY 2015-16 are made based on approved sales, No. of consumers and load as per Commission's order dated 29.04.2014 in Mid-term Review of Business plan.

**3. FCA Charges**

This is an adjustment related to power purchase cost. The PPPA charge is levied on the consumer categories on account of change in the cost of power purchase, comprising almost 80% to 90% of ARR. Any expense pertaining to regulated business of licensee has to be recovered from all consumers in same manner and therefore the PPA charges are recovered in the form of incremental energy charge (Rs./kWh) as per formula approved by the Commission.

**4. Cross Subsidy**

One of the primary beneficiaries of the State's efforts to supply good quality and uninterrupted supply for industries and commercial entities in the state. Most of the public service utilities are working with the principle of subsidizing some part of consumers, it is not possible for the utility to charge a particular category/consumer on the basis of cost to serve without changing the tariff of other categories of consumers. Further to ensure uniform tariff rates for all Discoms, differential bulk supply mechanism is in place. The average realization from the railways for FY 2013-14 was within the limit of +20%. For 2015-16 it has been estimated on the basis of approved connected load and sale and accordingly it is 23% only.

**5. Voltage Unit / Category-wise cost of supply**

The company is in the process of filing COS report for FY 2013-14.

**6. Distribution Loss:**

There is no issue of allocation of distribution loss to individual tariff category as tariff is to be decided on the basis of average cost of supply.

**7. Simultaneous Maximum Demand:**

The request of the railways that demand charges be based on maximum demand recorded at all railways traction substations (TSS) of Discoms is not reasonable due to the fact that the distribution network has to service to the maximum local demands and hence investments are triggered by local (Non-coincident / separate) peaks in demand. The Electricity Act, 2003 states that there shall not be any undue preference to a particular consumer in a service area and hence the present system of levying demand charges at individual TSS is the most appropriate basis for recovery of demand charges as each TSS is an individual consumer. At the meeting convened by the Commission with railway authorities, an understanding was given that after allowing bunching of trains, the issue is being largely addressed. Further there is no difference between load/demand of Railways at various locations and load/demand of other industries having multiple locations/factories in Discom, who may claim simultaneous maximum demand. If the simultaneous maximum demand is allowed. It means the sum of the demand of various locations can be drawn at a single location which will have catastrophic consequences as electrical infrastructure on Discom side is not designed / provided for entire load of all locations at a particular location. Hence it is not possible to accept simultaneous maximum demand.

8. **Incentive for PF improvement:**

   The PF incentive rate of 0.5% is fixed by the Commission in Review Petition Nos.: 1, 2 & 3 of 2007 filed by Western Railways after lot of discussion on both sides.

9. **EHV Rebate:**

   Rebate to consumers availing power at higher voltage should be commensurate with reduction in loss from the normal voltage level for which tariff has been determined. It is difficult to quantify the exact savings on energy loss due to power supply at higher voltage class.

**Commission's Observation**

The response of Discom is noted.

## Issue 2: Increase in fixed and energy charges

Shri Mahesh Patel has stated that the Petitioner has proposed to increase the fixed and energy charges which cannot be borne by the rural consumers.

**Response of Discom**

DGVCL has filed tariff petition as per GERC (MYT) Regulations, 2011. As per National Tariff Policy, tariff for each category should be within +/- 20% of average cost of supply. At present, residential consumer category is paying less than average cost of supply of the licensee. Appropriate tariff hike is sought for each category of consumers.

**Commission's Observation**

The response of Discom is noted.

## Issue 3: Increase in average unit cost

M/s. Larsen & Toubro Special Steels and Heavy Forgings Pvt. Ltd. stated that they have a specific industry / process with a low plant load factor of 5.3% and therefore end up with un-realistic tariff of Rs. 15.16 / unit to Rs. 17.08 / unit.

**Response of DGVCL**

Under two part tariff mechanism average per unit realization varies with load factor of the consumer. For consumers having high load factor per unit rate of realization is less as compared to those having low load factor.

As a part of rationalization, fixed / demand charges are proposed to be increased, including HTP category. Even with the proposed increase only 31.57% of fixed cost is recovered through fixed / demand charges and remaining 68.43% is still being recovered through energy charges and in case of HTP category, the fixed cost recovery through demand charges is 53% and remaining 47% is recovered through energy charges.

**Commission's Observation**

The Commission determines the tariff after prudence check. The tariff categories are general in nature and not industry specific.

## Issue 4: Linking of HTP – IV Tariff Day Time Power Limits to "Contract Demand"

M/s. Larsen Toubro Special Steel and Heavy Forgings Pvt. Ltd. have stated that the proposed HTP-IV Tariff Day Time limits need be linked only to the "Contract Demand" and suggested to:

a. Continue with day time limitations stipulated as 15% of contract demand"

b. Expel the condition which reads 10% of energy consumption of total consumption
c. Expel the conditionality imposed for the "HTP – IV consumers" which restrict the usage of power during day time for the purpose of maintenance.

**Response of Discom**

Basically HTP-IV tariff category is to incentivize the consumer for utilization of energy during night hours and thereby to help the grid and flattening the load curve of the utility. The purpose of permitting 15% of the contract demand or 10% of the energy consumed during the month for utilization in other than night hours is to facilitate such consumers for carrying out maintenance related activities which otherwise cannot be performed during night hours. Therefore, in lieu of maintenance related activities, production / process activities cannot be permitted during other than night hours, as otherwise it will kill the purpose of night hour tariff benefit.

**Commission's Observation**

The response of Discom is noted.

## Issue 5: Single Part Tariff

M/s. Larsen Toubro Special Steels and Heavy Forgings Pvt. Ltd. and Federation of Gujarat Industries have requested to consider single part tariff based on average realization rate i.e. pooled revenue realization (Fixed cost i.e. Contract demand charges and energy charges) for HTP-I category and if necessary 10% may be added in energy charges to such tariff as a deterrent to ensure that only genuine consumers, who face similar problems inherent to their process may go for this special single part tariff.

Indian Captive Power Producers Association has requested that demand charges be abolished for all consumers and single charges based on energy supply on a monthly basis be imposed.

**Response of Discom**

It is a basic commercial principle for any organization to recover its fixed costs and variable costs through fixed charges and energy charges respectively. Therefore the present tariff structure consists of two parts.

**Commission's Observation**

The response of Discom is noted. Discoms are entitled to recover fixed costs separately.

## Issue 6: Declaration of duration of off season period

M/s Kutch Salt & Allied Industries Ltd. and the Gandhidham Chamber of Commerce and Industries have stated that the salt production season occurs during the period between the two consecutive monsoons, which is uncertain and variable each year. The length of the monsoon varies throughout the country. In accordance with tariff schedule, the off season period of the industry should be a full calendar month and it has to be observed not less than three calendar months and the same has to be notified to Discom one month in advance, which is impossible.

The respondents have suggested that the duration of off season for seasonal salt industry may be shrieked to one and half months and shall be extendable up to 3 months. In case of necessity, notice of actual commencement of off season being the date of onset of monsoon locally may be accepted on the date of said issue of information to the licensee by the consumer.

**Response of Discom**

Consumer desirous of availing the benefit of off season period is required to give information in advance so that necessary change in Billing Master can be made and consumption during the so called off season period can be billed according to the provisions of seasonal tariff for respective tariff category. It is therefore proposed that such consumer shall intimate the base one month before the commencement of billing period about off season period. Time limit of one month is reasonable and consumer can accordingly plan.

The provisions for "seasonal consumers" are mainly to support the industrial undertakings which are seasonal in nature and cannot run their industries during the entire year". Span of season may vary year to year and industry to industry but the same cannot be considered for less than three months, otherwise it will become highly subjective leading to operational disputes and difficulties. Time period of three months is reasonable and need not require review for the consumer to be eligible for seasonal tariff.

**Commission's Observation**

The Commission agrees with the response of Discom. Notice as indicated to be given by the Industry.

## Issue 7: Review of Fuel Cost

Gondal Chamber of Commerce & Industry has requested the Commission to stay the premature tariff of FY 2015-16 by considering the fall in fuel cost in consumers' interest at large.

**Response of Discom**

Basic nature of FPPPA/PPPA is "adjustment" related to power purchase cost i.e. passing on increase or decrease as the case may be, and it is being levied on consumer categories on account of change in the cost of power purchase, which comprises almost 80% to 90% of Discoms' ARR. Since any expense pertaining to regulated business of the licensee has to be recovered from all consumers in some manner, PPPA charges are levied in the form of incremental energy charge (Rs./kWh) as per formula approved by the Commission. Quantum of oil used in coal plant as secondary fuel is negligible and hence reduction in oil cost has no significance on overall power purchase cost of the company. Further reduction in oil cost has happened during Q3 & Q4 of FY 2014-15 and so whatever negligible benefits will arise due to reduction in oil prices, will be reflected in FPPPA of Q3 & Q4 of FY 2014-15.

**Commission's Observation**

The tariff is determined by the Commission on the basis of the prices existing at the time of the order. Any subsequent variation in fuel price is passed on through FPPPA.

## Issue 8: Revenue gap for FY 2013-14

Consumer Education and Research Society has stated that the revenue deficit of Rs. 925.98 Crore should not the approved by the Commission and requested that only

50% of the revenue gap should be allowed and the remaining should be borne by all Discoms.

**Response of Discom**

As per GERC (MYT) Regulations, 2011, the company has filed True-up petition for FY 2013-14 comprising expenses (after giving treatment of controllable and un-controllable factors) and actual revenue from sale for power. Based on the same, revenue gap is worked out for FY 2013-14.

**Commission's Observation**

The Commission has taken an appropriate decision taking in to consideration all the factors and the GERC (MYT) Regulations, 2011.

## Issue 9: Distribution Losses

Consumer Education and Research Society has stated that in DGVCL the actual distribution losses are 9.03% as against 11.75% approved. It demands reduction in distribution losses by 5% for DGVCL and in case the target is not achieved, then entire burden shall be transferred to Discom and not to consumers.

**Response of Discom**

The distribution loss is a controllable factor and treatment for the deviation is given accordingly while computing revenue gap for FY 2013-14. Company has taken various steps for reduction of distribution loss and ensures loss reduction trajectory as approved by the Commission is followed.

**Commission's Observation**

The response of Discom is noted. However, DGVCL shall complete some of the schemes such as HVDS etc. to reduce the losses further.

## Issue 10: Difference in Power Purchase Cost

Consumers Education and Research Society has stated that it fails to understand difference in cost of power purchase/unit and that the Commission has to adjust power purchase cost for each Discom + or – 10% in order to monitor their performance.

**Response of Discom**

Power Purchase cost for FY 2013-14 is allocated to all Discoms following bulk supply tariff mechanism approved by the Commission.

**Commission's Observation**

The response of Discom is noted.

## Issue 11: Increase in Employee Cost and Appointment of Independent Authority for Investigation.

The consumers Education and Research Society has stated that the large number of recruitments in officers category has put heavy burden on consumers and demanded appointment of Independent Authority under sec 128 of Electricity Act, 2003 for investigation and for submission of report within 30 days to the Commission.

The respondent also demanded details of officers and employees recruited during FY 2013-14 and also to provide details of number of employees as on 31.03.2014 along with Man: MW ratio for DGVCL.

**Response of Discom**

Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity, leave encashment and staff welfare expenses. There is substantial increase in some of the components like basic salary, HRA, Conveyance allowance, gratuity, bonus and staff welfare expenses. Moreover, in view of retirement of officers / employees in large scale in the coming years, extra provision is required to be made towards leave encashment.

Further ambitious capital Expenditure plan for releasing new connections as well as other activities has resulted in corresponding increase in employee cost.

**Commission's Observation**

The issues raised by the objector and response of Discom are noted.

## Issue 12: Bad Debts

Consumers Education and Research Society has stated that most of the defaulters are from State Governments bodies e.g. Municipal Gram Panchayats, Water

Pumping Stations and H.T. consumers and requested the Commission to direct Discoms to adjust these arrears against electricity bills of these bodies instead of transferring the burden on other consumers and also not to sanction any additional amount over that already approved.

**Response of Discom**

The following steps are taken for recovery of arrears

1. Disconnections
2. Recovery through Civil suits
3. Arranging Lok Adalat etc.

If after disconnection, the consumer does not turn up for payment, the connection is treated as permanently disconnected. Every year, certain amount of some consumers is waived, which is considered as un-recoverable and charged to P&L under “other debits” for the respective years. The same is proposed for recovery in true-up petition as controllable as per GERC (MYT) Regulations, 2011.

No provision is made for bad debts for live consumers even if they are in arrears. Water works connections of Nagarpalikas etc. are still live and their arrears do not affect the provision of bad debts.

**Commission’s Observation**

The issues raised by the objector is noted. DGVCL shall make efforts to recover all the arrears.

### Issue 13: Replacement of Meters

Consumer Education and Research Society has stated that it has been demanding replacement of old electro mechanical meters which are to be replaced as per the provisions of EA, 2003 and Electricity Supply Code Regulations. Further details of non-working old electro mechanical meters under Discoms and measures taken for non-replacement may be furnished.

**Response of Discom**

The company endeavours to adopt upgraded technologies for metering and started procuring electronic meters now only, static/digital meters are procured and provided.

Further automatic method of reading has also been provided on high valued consumer installations.

Company has large base of old consumers and it prioritizes the replacement of non-working, defective, inaccurate meters and very old meters. Company has meter replacement plans and accordingly meters are replaced every year.

**Commission's Observation**

The issue raised by the objector and response of Discom is noted. The old electromagnetic meters are to be replaced by the static with time bound programme.

## Issue 14: Abolition of Meter Rent

Consumer Education and Research Society, Ahmedabad has stated that it has been demanding for abolition of meter rent since two years. Meter rent is demanded even though the cost of the meter is recovered. Discoms are demanding meter rent even if the meter is not working due to faulty installation. The cost of the meter can be recovered through fixed charges. Many SERCs have merged meter rent into fixed charges. The Commission is requested to abolish meter rent and pass suitable orders in new tariff order.

**Response of Discom**

Meter rent is recovered as per provisions of GERC Regulations. Company has large consumer base under different categories. Every year more than 2 Lakh consumer's installations are being verified/checked by the company.

**Commission's Observation**

The issue raised by the objector and response of Discom are noted. The Commission will examine the issue raised.

## Issue 15: DSM Initiatives

Consumers Education and Research Society objects to the demand of Discoms for proposing huge amount for implementation of DSM measures.

**Response of Discom**

As per DSM Regulations and as approved by the Commission, expenses perceived to be expended for this activity during FY 2015-16 under these programmes are activities like replacement of fans, providing energy efficient pump sets, providing LEDs etc.

**Commission's Observation**

The Commission has notified the DSM Regulations to ensure savings to both the consumers as well as the distribution companies and efficient use of the electrical equipments.

## Issue 16: Revenue Gap for FY 2015-16

Consumer Education and Research Society objects to any increase in tariff demanded by Discoms as the amount of deficit can be recovered through improvement in performance and economy measures.

The total deficit for all Discoms works out to Rs. 216.83 Crore which is a small amount of 0.66% of total revenue requirement of FY 2015-16.

**Response of Discom**

In line with GERC (MYT) Regulations, 2011, Company has not proposed any changes in ARR for FY 2015-16 and proposed the same ARR as approved in Mid-term Review Order dated 29.4.2014. Revenue gap for FY 2013-14 based on GERC (MYT) Regulations, 2011 and DSM expenditure as per direction of the Commission is added to work out the total revenue requirement for FY 2015-16.

Revenue at existing as well as proposed tariff for FY 2015-16 is worked out based on sales, no. of consumers and connected load as approved by the Commission for FY 2013-14. PPA charges are calculated at Rs. 1.20/unit (kWh), while other income (consumer related) agricultural subsidy is considered as approved in Mid-term Review order dated 29.04.2014. The total revenue gap for all Discoms is around 4.07% of the total revenue at the existing tariff. The company has proposed an overall increase of 2.57% over the existing tariff.

**Commission's Observation**

The Commission has examined the issue raised and response of Discom and has taken appropriate decisions.

## Issue 17: Separate Tariff for each Discom

Consumer Education and Research Society has demanded separate tariff for each Discoms based on its performance and Revenue requirements since the other three Discoms are cross subsidizing PGVCL which has failed to improve its performance in all parameters. There are separate tariffs for two Discoms of TPL whereas there is single tariff for 4 Discoms. The tariff for poor performing Discom should be higher than better performing Discoms.

**Response of Discom**

Uniform retail supply tariff for 4 Discoms has been envisaged so that the consumer in the similar categories in the State could have similar tariff without any discrimination as per objective of Electricity Act 2003.

Since 80%-90% of the total cost incurred by Discoms is for power purchase, the same plays an important role in determining ARR as well as gap (surplus) for Discom for a particular year. As the consumer and consumption profiles are different for 4 Discoms, the revenue earning capacities of each of Discoms defer resulting in different ARR. Hence it is necessary to build a mechanism in the projections to bring them to a level playing field. This is proposed to be achieved by BST to each of Discom, which is approved by the Commission. Further the performance of all 4 Discoms is monitored by the Commission and accordingly distribution loss is approved by the Commission.

**Commission's Observation**

The response of Discom is noted.

## Issue 18: Poor Consumer Services

Consumer Education and Research Society has raised the following issues:

(i) Reconnection charges are still being collected, if bill payment is made after due date.

(ii) Issue of assessed bills for more than two years and providing adjustment for bills where readings are not taken.

(iii) Delay in providing new connections, shifting of meters etc.

(iv) Trapping of consumers under sec 126/135 voltage directive.

**Response of Discom**

(i) Reconnection charges are recovered only if the connection is disconnected

(ii) Generally bill to consumer is issued as per the status of the meter at the time of meter reading. If meter is found to be defective/non-working, energy bills for that billing period is issued on average basis. If any such incident mentioned is noticed, the consumer may approach the CGRF for redressal of grievances.

(iii) Generally connections are increased as per priority and the standards of performance as laid down.

(iv) Company is following provisions of Regulations and the Act while inspecting any premises under sec 135 and assessing any consumer under sec 126 of EA, 2003.

**Commission's Observation**

The response of Discom is noted.

### Issue 19: 'Start-up Power' - Insisting of contract demand from generators

The Indian Captive Power Producers Association has stated that insisting of contract demand from generators for their start-up power is a violation of the directives of APTEL and that the Commission itself has in its past tariff order granted relief to generating companies in this regard by converting the demand changers for start-up power from Rs/KVA/day. The licensees are insisting on maintenance of contract demand by generating companies. The Commission is requested to fix up tariff for start-up power in Rs/kWh basis with an appropriate rate as is the practice in other states, such as M.P. and Odisha.

**Response of Discom**

The Commission in its order dated 29.04.2014 has addressed the issue of start-up power by the generator and modified the provision of HTP-III tariff category and the licensee has continued the same provision for availing power supply under temporary arrangement.

The generator requires power for start-up at any point of time and the distribution licensee has to maintain the network and power supply all the time to meet the eventuality and fixed cost incidental thereto. The generator also should pay demand charges.

**Commission's Observation**

The issue raised and the response of Discom are noted.

### Issue 20: Detailed Study of Wheeling Losses

The Indian captive Power Producer`s Association has stated that in the determination of wheeling charges and wheeling losses, the Commission has approved 10% as wheeling loss for HT network and 10.31% as loss in LT network, which is not understandable. The Commission is requested to correct the anomaly and approve wheeling loss at HT level as 6% initially and direct for a detailed study to ascertain actual level of losses.

**Response of Discom**

Charging a wheeling loss is matter of energy accounting. Wheeling losses are worked out on the basis of overall distribution loss level adopted by the Commission. The Commission determines the wheeling loss for the consumers connected at different voltage level.

**Commission's Observation**

The response of Discom is noted. However, Discoms shall initiate a study on the segregation of HT & LT losses and submit a report by September, 2015.

### Issue 21: Levy of Electricity Duty

Gujarat Granito Manufacturer`s Association, Bhavnagar Induction Furnace Association and Sihor steel Re-Rolling Mills Association have stated that electricity duty is levied on sale of electricity and by no logic, the same can be levied on demand charge, which is not a sale charge. In Electricity Duty Collection notification it is not mentioned that duty should be collected on demand charge and also on fixed charge.

**Response of Discom**

Electricity duty is collected as per provisions of Electricity Duty Act.

**Commission's Observation**

Electricity duty is levied by the State Government and distribution companies collect the same on behalf of State Government.

### Issue 22: Increase in demand charges for HTP consumers

The Indian Captive Power Producers Association has stated that effective increase in demand charges of consumers with billing demand above 1 MVA will be more than 20%, that too merely in the name of requirement of 2.57% increase in tariff. Even in the case of a subsidizing category like HTP-I, the licensee has proposed that energy charge be maintained at 4.45-4.55 Rs./kWh . Even the cross subsidy element in tariff of HTP-I seems to be met from demand charge component instead of energy charges. It is therefore clear that the licensee has proposed tariff in such a way that energy charges are kept artificially low and has skewed the cost recovery towards demand charge in the case of HTP-I category which can in no way be justified.

**Response of Discom**

As a part of rationalization, fixed/demand charges are proposed to be increased including HTP category. Even with the present tariff structure, part of fixed cost is recovered through energy charges. Even with the proposed increase in demand charges for HTP consumers, only 31.57% of fixed cost is recovered through fixed demand charges and the balance 68.43% is still to be recovered through energy charges. In case of HTP consumers the fixed cost recovery through demand charges will be 53% and the balance will be recovered through energy charges.

**Commission`s View**

The response of Discom is noted.

## Issue 23: System of earthing, size of main Phase and Neutral conductor and investigation in case of total electrical Accidents

Shri. V.J. Vachharajani, Consumer Safety Activist has raised the following issues for consideration:

1. GERC in its order dated 20.04.2009 directed CEI to frame necessary guidelines for implementation of Rule 33 of IE Rules, 1956 for overhead as well as underground system as per recommendations of CEA. But CEI defaulted the directions of GERC
2. Discoms have missed the main concern – that of lingering short circuit fault
3. Investigation in case of a ten year old boy who died of electrocution is to be carried out to check and if necessary correct the consumer/neutral/source earthing or even earthing system as a preventive measure.

**Response of Discom**

DGVCL has submitted on the above issues as under:

1. GERC issued orders in petition No. 909 of 2007 for providing earth terminal at consumer premises. The company started providing earthed terminal at consumer`s premises in compliance with the orders of the Commission. The method providing earthed terminal has been evaluated after thorough examination and exhausting various options in consultation with CEI.
2. Generally 34 Sq. mm All Alloy Aluminium conductor is used for LT distribution and same size of conductor is used for phase and neutral.
3. Each electrical accident is investigated by an officer of the rank, generally by a Dy. Engineer level, and also by the officers of Inspectorate and the cause that lead to electrical accident is analysed and corrective action is taken as a preventive measure.

**Commission’s Observation**

The response of Discom is noted

## Issue 24: Consumer Contribution and Depreciation

President, Yash Complex Cooperative Housing Service Society Limited has stated that in the estimate, the cost from applicants is being recovered on demand base cost data as per approval obtained by GUVNL on behalf of Discom. This is nothing but contribution of consumer towards capital assets and it is to be accounted separately. If it is included in other income, it should be separately shown as it is not liable for depreciation.

**Response of Discom**

As per accounting standards, every year company writes back certain part of consumer's contribution under the head "other income' and thus the appropriate effect to the consumer`s contribution is given and therefore the company charges depreciation on gross value of asset.

**Commission's Observation**

The response of Discom is noted.

## Issue 25: Cost of Supply

President, Yash Complex Cooperation Service Society Limited has stated that the petitioner has not submitted cost of supply for category of consumers, voltage class of consumers nor the revenue realized for FY 2013-14 for each category. Billed MUs are shown but revenue has not been shown category-wise.

**Response of Discom**

The company is in the process of filing COS report FY 2013-14.

**Commission's Observation**

The response of Discom is noted.

# 4. Truing up for FY 2013-14

DGVCL, in its submission for True-up of FY 2013-14, has furnished details of the actual energy sales, expenditure and revenue for FY 2013-14, based on the audited annual accounts for FY 2013-14. The licensee has stated that the truing up for FY 2013-14 is based on the comparison of the actual performance of the FY 2013-14 with the approved aggregate revenue requirement for FY 2013-14 in the Tariff Order dated 6th September, 2011 to arrive at the Gains/(Losses), as per the GERC (MYT) Regulations.

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 2013-14.

## 4.1 Energy sales

### Licensee's Submission

The licensee has submitted the category-wise actual energy sales for FY 2013-14, as given in the Table below:

**Table 4.1: Category–wise actual sales for FY 2013-14**

| Sl. No. | Particulars | Sales (MU) | |
|---|---|---|---|
| | | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Submitted in Truing up) |
| **A** | **LT Consumers** | | |
| 1 | RGP | 2317 | 2056 |
| 2 | GLP | 841 | 35 |
| 3 | Non RGP & LTMD | 3175 | 3856 |
| 4 | Public Water works | 137 | 160 |
| 5 | Agriculture – Metered | 649 | 624 |
| 6 | Agriculture – Un-metered | | |
| 7 | Public Lighting | 38 | 42 |
| | **LT Total (A)** | **7157** | **6773** |
| **B** | **HT Consumers** | | |
| 8 | Industrial HT | 4178 | 4950 |
| 9 | Railway Traction | 318 | 317 |
| | **HT Total (B)** | **4496** | **5267** |
| | **Grand Total (A+B)** | **11653** | **12040** |

### Commission's Analysis

The Commission, in the MYT order dated 6th September, 2011, had approved the energy sales of 11653 MU for FY 2013-14. As against the above, DGVCL has submitted the actual sales of 12040 MU for FY 2013-14.

It can be seen from the above Table that the actual energy sales of the residential categories are lower than those approved by the Commission for FY 2013-14 and the energy sales to the Industrial HT category are higher than those approved in the MYT Order. Overall, the actual energy sales of DGVCL are higher by 387 MU, against those approved in the MYT Order.

**The Commission approves the energy sales of 12040 MU for FY 2013-14, as detailed in the Table below:**

**Table 4.2: Energy sales approved in the truing up for FY 2013-14**

| Sl. No. | Particulars | Sales (MU) | | |
|---|---|---|---|---|
| | | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Submitted in Truing up | FY 2013-14 (Approved in Truing up) |
| **A** | **LT Consumers** | | | |
| 1 | RGP | 2317 | 2056 | 2056 |
| 2 | GLP | 841 | 35 | 35 |
| 3 | Non RGP & LTMD | 3175 | 3856 | 3856 |
| 4 | Public Water works | 137 | 160 | 160 |
| 5 | Agriculture – Metered | 649 | 624 | 624 |
| 6 | Agriculture – Un-metered | | | |
| 7 | Public Lighting | 38 | 42 | 42 |
| | **LT Total (A)** | **7157** | **6773** | **6773** |
| **B** | **HT Consumers** | | | |
| 8 | Industrial HT | 4178 | 4950 | 4950 |
| 9 | Railway Traction | 318 | 317 | 317 |
| | **HT Total (B)** | **4496** | **5267** | **5267** |
| | **Grand Total (A+B)** | **11653** | **12040** | **12040** |

## 4.2 Distribution losses

### Licensee's Submission

The licensee has submitted that the actual distribution losses for FY 2013-14 were 9.03%, as against the approved level of 11.75% for FY 2013-14. The licensee has submitted that the distribution losses need to be treated as controllable and any gains or losses have to be dealt with accordingly, as per provisions of GERC (MYT) Regulations, 2011.

### Commission's Analysis

DGVCL has submitted that the actual distribution loss for FY 2013-14 was 9.03%, which is lower than the distribution loss level of 11.75% approved by the Commission in the MYT Order dated 6th September, 2011.

The Commission considers distribution loss as controllable as per GERC (MYT) Regulations, 2011. Accordingly, the Commission considers the distribution loss of 11.75% as approved in the MYT Order for the truing up of FY 2013-14, as shown in the Table below for computation of gains/(losses) due to variance in distribution losses.

**Table 4.3: Distribution Losses considered for truing up for FY 2013-14**

(%)

| Particulars | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Actual) | FY 2013-14 (Considered in True-up) |
|---|---|---|---|
| Distribution Loss | 11.75 | 9.03 | 11.75 |

## 4.3 Energy Requirement

### Licensee's Submission

DGVCL has submitted the energy requirement for FY 2013-14, based on the actual energy sales and the actual distribution losses for FY 2013-14. The following Table summarises the energy requirement of DGVCL for FY 2013-14:

**Table 4.4: Energy requirement and Energy balance as submitted by DGVCL for FY 2013-14**

| Sl. No. | Particulars | Unit | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Submitted in Truing up) |
|---|---|---|---|---|
| 1 | Energy Sales | MU | 11653.00 | 12040.00 |
| 2 | Distribution Losses | MU | 1552.00 | 1195.00 |
| | | % | 11.75% | 9.03% |
| 3 | Energy Requirement | MU | 13205.00 | 13235.00 |
| 4 | Transmission Losses | MU | 567.00 | 552.45 |
| | | % | 4.12% | |
| 5 | Total energy to be input to transmission system | MU | 13772.00 | 13787.45 |
| 6 | Pooled losses in PGCIL system | MU | 281.00 | 184.55 |
| **7** | **Total Energy Requirement** | **MU** | **14053.00** | **13972.00** |

### Commission's Analysis

DGVCL has computed the energy requirement, based on the actual distribution losses of 9.03%, actual energy sales of 12040 MU and transmission losses of 4.00%.

To arrive at energy requirement the Commission has considered distribution loss as 9.03% as submitted by DGVCL and transmission loss at 3.95% as per SLDC for FY 2013-14.

Accordingly, the Commission has computed the energy requirement of DGVCL for FY 2013-14, as shown in the Table below:

**Table 4.5: Energy Required / Procured Approved by the Commission for truing up for FY 2013-14**

| Sl. No. | Particulars | Unit | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Actuals submitted in the petition) | FY 2013-14 (considered for truing up for the purpose of energy requirement) |
|---|---|---|---|---|---|
| 1 | Energy Sales | MU | 11653.00 | 12040.00 | 12040.00 |
| 2 | Distribution Losses | MU | 1552.00 | 1195.00 | 1195.13 |
| | | % | 11.75% | 9.03% | 9.03% |
| 3 | Energy Required / Procured | MU | 13205.00 | 13235.00 | 13235.13 |
| 4 | Transmission Losses | MU | 567.00 | 552.45 | 544.27 |
| | | % | 4.12% | | 3.95% |
| 5 | Total energy to be input to transmission system | MU | 13772.00 | 13787.45 | 13779.42 |
| 6 | Pooled losses in PGCIL system | MU | 281.00 | 184.55 | 184.55 |
| **7** | **Total Energy Required / Procured** | **MU** | **14053.00** | **13972.00** | **13963.97** |

## 4.4 Power purchase cost

### Licensee's Submission

The licensee has submitted that the company has been allotted share of generation capacities, as per the scheme worked out by GUVNL.

During the year, based on the requirement of power, the generation capacities have been allocated to DGVCL. Based on the allocation, if there is surplus power, the distribution company sells the power to GUVNL. The comparison of the approved and actual power purchase cost, as submitted by DGVCL, is as shown below:

**Table 4.6: Net Power Purchase Cost for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved in MYT Order | Actual submitted |
|---|---|---|
| Total Power Purchase Cost | 5870 | 7101.09 |

The Power Purchase Cost given above is the net power purchase cost after considering the net UI Cost Payable/receivable and the revenue from sale of power to GUVNL. DGVCL has submitted the actual power purchase cost during FY 2013-14, as shown in Table below:

**Table 4.7: Power purchase cost submitted by DGVCL for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Actual) |
|---|---|---|---|
| **A** | **Cost** | | |
| 1 | From GUVNL | | 7097.45 |
| 2 | Unscheduled Interchange Power Purchase | | 37.06 |
| 3 | From Wind Farm | | 10.16 |
| 4 | Solar Power Purchase | | 2.19 |
| 5 | Reactive Energy Charges | | |
| **B** | **Income** | | |
| 1 | Sale of Power to GUVNL | | 8.41 |
| 2 | Unscheduled Interchange | | 37.36 |
| | **Net Power Purchase Cost** | **5870** | **7101.09** |

It is submitted by DGVCL that the variation in the approved power purchase cost by the Commission and the actual power purchase cost incurred is due to various reasons. These include change in the power purchase cost, change in quantum of power purchased, consequent changes in the transmission charges payable and GUVNL cost allocation.

The quantum of power purchase depends upon sales during the year, as well as the losses in the system. The actual distribution losses in DGVCL distribution network have been lower than the approved level. However, the sale was higher, as compared to that approved by the Commission and hence, the quantum of power purchased was higher than the approved quantum of power required.

However, the increase or reduction in quantum of power purchased and power purchase expense due to variation in distribution loss is a controllable factor, which would result in gains or losses under GERC (MYT) Regulations, 2011 and is dealt with accordingly.

### Commission's Analysis

The Commission has examined the actual quantum of power purchased and the power purchase cost during the year FY 2013-14, based on the actual energy sales the distribution losses submitted by DGVCL and the transmission loss as per SLDC. It is observed by the Commission that GUVNL cost allocated to the Discoms is less than 4 paise/unit allowed in the MYT order dated 6th September, 2011. Hence, the Commission allows the same. The sales and the quantum of power purchase and the power purchase cost are as per the audited annual accounts for the FY 2013-14. The power purchase cost, as per the audited annual accounts for FY 2013-14, is Rs. 7101.09 Crore, as shown in the Table below:

**Table 4.8: Power purchase cost as per the audited accounts for FY 2013-14**
**(Rs. Crore)**

| Sl. No. | Particulars | Amount |
|---|---|---|
| 1 | Power Purchase from GUVNL | 7097.45 |
| 2 | Power Purchase from Others (Wind & Solar) | 12.35 |
| 3 | UI Import | 37.06 |
| 4 | Total Power Purchase | 7146.86 |
| 5 | Power sold to GUVNL (Income) | (8.41) |
| 6 | UI Export (Income) | (37.36) |
| **7** | **Net Power Purchase Cost (4-5-6)** | **7101.09** |

**The Commission, accordingly, approves the power purchase cost of Rs. 7101.09 Crore in the truing up for FY 2013-14.**

**Table 4.9: Power purchase cost approved by the Commission for truing up for FY 2013-14**
**(Rs. Crore)**

| Particulars | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Submitted in Truing up) | FY 2013-14 (Approved in True-up) |
|---|---|---|---|
| Total Power Purchase Cost | 5870.06 | 7101.09 | 7101.09 |

## 4.4.1 Gains/(Losses) due to distribution losses

### Licensee's Submission

DGVCL has submitted that there is gain of Rs. 207.36 Crore in the power purchase cost due to lower distribution loss as compared to approved distribution loss in the MYT Order. The gain is considered as controllable variation. The calculation of gain on account of lower distribution loss as submitted by DGVCL is shown in the table below:

**Table 4.10 (a): Gains/ (Losses) on account of distribution losses for FY 2013-14 as submitted by DGVCL**

| Sl. No. | Particulars | Unit | FY 2013-14 (with Approved Distribution Losses) | FY 2013-14 (with Actual Distribution Losses) |
|---|---|---|---|---|
| 1 | Energy Sales | MU | 12040 | 12040 |
| 2 | Distribution Losses | MU | 1603 | 1195 |
| | | % | 11.75 | 9.03 |
| 3 | Energy Requirement | MU | 13643 | 13235 |
| 4 | Saving due to Distribution Losses | MU | | 408 |
| 5 | Average Cost of Power Purchase | Rs. / kWh | | 5.08 |
| 6 | Gains/(Losses) Due to Distribution Losses | Rs. Crore | | 207.36 |

**Commission's Analysis**

The Commission had approved the distribution loss at 11.75% in the MYT Order, against which the actual distribution loss of DGVCL is 9.03% for FY 2013-14.

The total Gains/(Losses) on account of lower distribution loss are computed in the Table below:

**Table 4.10 (b): Gains/(Losses) on account of distribution losses for FY 2013-14**

| Sl. No. | Particulars | Unit | Actuals submitted for FY 2013-14 | Considered for computation of Gains/(Losses) for FY 2013-14 |
|---|---|---|---|---|
| 1 | Energy sales | MU | 12040 | 12040 |
| 2 | Distribution losses | MU | 1195 | 1603 |
| | | % | 9.03 | 11.75 |
| 3 | Energy Requirement | MU | 13235 | 13643 |
| 4 | Gains/(Losses) due to distribution losses | MU | 408 | 408 |
| 5 | Average cost of power purchase | Rs./kWh | 5.08 | 4.18 |
| 6 | Gains/(Losses) due to distribution losses | Rs. Crore | 207.36 | 170.54 |

The total gain on account of lower distribution losses, as submitted by DGVCL, is Rs. 207.36 Crore and as computed by the Commission, it is Rs. 170.54 Crore. DGVCL has considered Wt. Avg. rate of power purchase as actual for FY 2013-14, instead of Wt. Avg. rate of power purchase approved by the Commission in MYT Order.

While computing the Gains/(Losses) due to change in distribution losses, the Commission has considered the distribution losses @ 11.75% of actual energy sales proposed by DGVCL to arrive at change in energy requirement at the distribution periphery and did not consider the transmission losses to factor the efficiency of distribution activities only. Further, to arrive at Gains/(Losses) due to change in energy requirement, the Commission considered Wt. Avg. rate of power purchase, as approved in the MYT Order.

The Commission considered change in power purchase cost as uncontrollable and attributable to the variation in cost and quantum of power due to variations in sales and transmission losses, while variations in quantum of power due to distribution losses are considered as controllable. Accordingly, gains/losses computed on account of power purchase are shown in the Table below:

**Table 4.11: Approved Gains/(Losses) – power purchase expenses for truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | FY 2013-14 (Approved in MYT Order) | FY 2013-14 (Approved in True-up) | Deviation + / (-) | Gains/(losses) due to controllable factors | Gains/(losses) due to uncontrollable factors |
|---|---|---|---|---|---|
| Total Power Purchase Cost | 5870.06 | 7101.09 | (1231.03) | 170.54 | (1401.57) |

## 4.5 Fixed Charges

### 4.5.1 Operations and Maintenance (O&M) expenses for FY 2013-14

DGVCL has submitted Rs. 200.13 Crore towards actual O&M expenses in the truing up for FY 2013-14, as against Rs. 204.91 Crore approved for FY 2013-14 in the MYT Order dated 6th September 2011, as detailed in the Table below:

**Table 4.12: O&M expenses submitted in the Truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Deviation + / (-) |
|---|---|---|---|---|
| 1 | Employee cost | 186.79 | 237.01 | (50.22) |
| 2 | Repairs and Maintenance | 30.34 | 30.88 | (0.54) |
| 3 | Administration and General expenses | 34.28 | 62.15 | (27.87) |
| 4 | Other debits | 4.23 | 1.74 | 2.49 |
| 5 | Extraordinary items | 0.27 | 0.06 | 0.21 |
| 6 | Net prior period expenses/ (income) | - | 1.15 | (1.15) |
| 7 | Other expenses capitalized | (51.00) | (132.87) | 81.87 |
| **8** | **Total O&M Expenses** | **204.91** | **200.13** | **4.78** |

**Licensee's Submission**

DGVCL has submitted that the O&M expenses consist of the following elements:

- Employee expenses
- Repairs and Maintenance expenses
- Administration and General expenses
- Other debits
- Extraordinary items
- Net prior period expense/ (income)
- Other expenses capitalised

DGVCL has compared the O&M expenses actually incurred during FY 2013-14 with the expenses approved by the Commission for the year in the MYT Order for FY 2013-14 and arrived at a gain of Rs. 83.41 Crore on account of uncontrollable factors and loss of Rs. 78.63 Crore on account of controllable factors, as detailed in the Table below:

**Table 4.13: O&M expenses and Gains/(Losses) submitted in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No | Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 | Gains/(losses) due to controllable factors | Gains/(losses) due to uncontrollable factors |
|---|---|---|---|---|---|
| 1 | Employee Cost | 186.79 | 237.01 | (50.22) | - |
| 2 | Repairs and Maintenance | 30.34 | 30.88 | (0.54) | - |
| 3 | Administration and General expenses | 34.28 | 62.15 | (27.87) | - |
| 4 | Other debits | 4.23 | 1.74 | - | 2.49 |
| 5 | Extraordinary Items | 0.27 | 0.06 | - | 0.21 |
| 6 | Net prior period expenses/ (income) | - | 1.15 | - | 1.15 |
| 7 | Other expenses capitalized | (51.00) | (132.87) | - | 81.87 |
| 8 | **Total O&M Expenses** | **204.91** | **200.13** | **(78.63)** | **83.41** |

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

## 4.5.2 Employee Cost

DGVCL has submitted Rs. 237.01 Crore towards actual employee cost in the truing up for FY 2013-14. The employee cost approved for FY 2013-14 in MYT Order of 6th September, 2011, and submitted by DGVCL in the truing up, are as given in the Table below:

**Table 4.14: Employee cost submitted by DGVCL in the Truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Employee cost | 186.79 | 237.01 |

### Licensee's Submission

DGVCL has requested that the variation in employee cost be considered as uncontrollable and, accordingly, appropriate treatment be given to the same. DGVCL has estimated a loss of Rs. 50.22 Crore, on account of controllable Employee cost.

### Commission's Analysis

DGVCL has compared the actual employee cost of Rs. 237.01 Crore incurred during FY 2013-14 with Rs. 186.79 Crore approved in the MYT Order for FY 2013-14. The actual employee cost, as per the audited annual accounts for FY 2013-14, is Rs. 237.01 Crore.

The Commission considers the employee cost as a controllable expense, in accordance with the GERC (MYT) Regulations, 2011.

**The Commission approves the employee cost at Rs. 237.01 Crore in the Truing up for FY 2013-14, as per audited accounts.**

### 4.5.3 Repairs and Maintenance (R&M) Expenses

DGVCL has submitted Rs. 30.88 Crore towards R&M expenses in the Truing up for FY 2013-14, as against Rs. 30.34 Crore approved for FY 2013-14 in the MYT Order. The R&M expenses approved for FY 2013-14 in MYT Order of 6th September 2011, and submitted by DGVCL in the truing up are as given in the Table below:

**Table 4.15: R&M Expenses submitted by DGVCL for the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Repairs and Maintenance expenses | 30.34 | 30.88 |

**Licensee's Submission**

DGVCL has submitted that the assets of DGVCL are old and require regular maintenance to endure uninterrupted operations. It is further submitted that DGVCL has been trying its best to ensure uninterrupted operations of the system, by undertaking R&M activities, which are controllable in nature.

DGVCL has estimated a loss of Rs. 0.54 Crore due to controllable factors.

**Commission's Analysis**

The actual R&M expenses incurred during FY 2013-14 are Rs. 30.88 Crore, as per the audited annual accounts. The R&M expense is a controllable item of expenditure under the GERC (MYT) Regulations, 2011.

**The Commission approves the R&M expenses at Rs. 30.88 Crore in the Truing up for FY 2013-14, as per audited accounts.**

### 4.5.4 Administration and General (A&G) expenses

DGVCL has mentioned Rs. 62.15 Crore towards A&G expenses in the truing up for FY 2013-14. The A&G expenses approved for FY 2013-14 in the MYT Order of 6th September, 2011, and submitted by DGVCL in the truing up are as given in the Table below:

**Table 4.16: A&G expenses submitted by DGVCL in the truing up for FY 2013-14**
**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| A&G expenses | 34.28 | 62.15 |

**Licensee's Submission**

DGVCL has submitted that the A&G expenses are categorised as controllable expenses in the GERC (MYT) Regulations, 2011 and the actual A&G expenses, when compared with the approved value, resulted in a loss of Rs. 27.87 Crore for FY 2013-14.

**Commission's Analysis**

The actual A&G expenses excluding charity expenses, as per the audited annual accounts for FY 2013-14, are Rs. 61.86 Crore. The actual A&G Expenses are higher than what was approved in the MYT Order for FY 2013-14 by Rs. 27.58 Crore. The increase is mainly observed due to increase in professional fees and other miscellaneous expenses.

**The Commission approves the A&G expenses at Rs. 61.86 Crore in the truing up for FY 2013-14, as per audited accounts.**

The parameters impacting A&G expenses are controllable in nature, as specified in the GERC (MYT) Regulations, 2011. The Commission, accordingly, considers the loss under A&G expenses as controllable.

### 4.5.5 Other Debits

**Licensee's Submission**

DGVCL has submitted the actual other debits at Rs. 1.74 Crore in the truing up, as against Rs. 4.23 Crore approved in the MYT order dated 6th September, 2011 for FY 2013-14.

**Commission's Analysis**

The actual other debits, as per audited annual accounts for FY 2013-14, are Rs. 1.74 Crore.

**The Commission approves the other debits at Rs. 1.74 Crore in the truing up for FY 2013-14.**

### 4.5.6 Extraordinary Items

DGVCL has claimed Rs. 0.06 Crore towards extraordinary items expenditure in the truing up for FY 2013-14, as against provision of Rs. 0.27 Crore approved in the Tariff Order for FY 2013-14.

**Commission's Analysis**

The actual extraordinary items expenditure are Rs. 0.06 Crore, as per the audited annual accounts for FY 2013-14.

**The Commission approves the extraordinary items expenditure at Rs. 0.06 Crore in the truing up for FY 2013-14.**

### 4.5.7 Net Prior Period Expenses / (Income)

DGVCL has submitted Rs. 1.15 Crore towards net prior period expenses in the truing up for FY 2013-14.

**Commission's Analysis**

DGVCL did not estimate prior period expenses in the MYT petition for FY 2013-14. These net prior period expenses are recognised through a directive in the MYT Order dated 6$^{th}$ September, 2011. The actual net prior period expenses accounted for in the audited annual accounts are Rs. 1.15 Crore.

**The Commission approves the net prior period expenses of Rs. 1.15 Crore in the truing up for FY 2013-14.**

### 4.5.8 Other Expenses Capitalised

DGVCL has submitted the actual expenses capitalised at Rs. 132.87 Crore in the truing up for FY 2013-14, as against Rs. 51.00 Crore approved in the MYT Order for the FY 2013-14.

**Commission's Analysis**

The Commission has observed that the other expenses capitalised represent the capitalisation of employees cost, A&G expenses and interest charges, etc., as seen from Note 29 to the Annual Accounts for FY 2013-14. The actual other expenses capitalised are Rs. 138.06 Crore, as per the audited annual accounts for FY 2013-14. These other expenses capitalised include Rs. 5.19 Crore towards capitalisation of interest charges. The interest charges capitalised are excluded from this, since the interest charges are allowed on normative basis against the actual capitalisation of CAPEX.

**The Commission approves the other expenses capitalized at Rs. 132.87 (138.06 - 5.19) Crore, excluding the interest charges capitalised, in the truing up for FY 2013-14.**

The total O&M expenses approved in the truing up for FY 2013-14 and the Gains/(Losses) considered due to controllable and uncontrollable factors are detailed in the Table below:

**Table 4.17: Approved O&M expenses and Gains/(Losses) in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Approved in Truing up for FY 2013-14 | Deviation + / (-) | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|---|---|
| 1 | Employee cost | 186.79 | 237.01 | (50.22) | (50.22) | |
| 2 | Repairs and Maintenance | 30.34 | 30.88 | (0.54) | (0.54) | |
| 3 | Administration and General expenses | 34.28 | 61.86 | (27.58) | (27.58) | |
| 4 | Other debits | 4.23 | 1.74 | 2.49 | | 2.49 |
| 5 | Extraordinary items | 0.27 | 0.06 | 0.21 | | 0.21 |
| 6 | Net prior period expenses | 0.00 | 1.15 | (1.15) | | (1.15) |
| 7 | Other expenses capitalized | (51.00) | (132.87) | 81.87 | | 81.87 |
| **8** | **Total O&M expenses** | **204.91** | **199.59** | **5.08** | **(78.34)** | **83.42** |

## 4.5.9 Capital Expenditure, Capitalization and Funding of CAPEX

DGVCL has furnished the capital expenditure at Rs. 625.43 Crore in the truing up for FY 2013-14, as against Rs. 307.26 Crore approved in the ARR for FY 2013-14 in the MYT Order. The details are as given in the Table below:

**Table 4.18: Capital Expenditure Submitted by DGVCL for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved in the MYT Order for FY 2013-14 | Claimed in Truing up for FY 2013-14 |
|---|---|---|---|
| 1 | Distribution Schemes | 96.21 | 300.33 |
| 2 | Rural Electrification Schemes | 134.85 | 207.48 |
| 3 | Non-Plan Schemes | 10.00 | 87.55 |
| 4 | Others | 2.00 | - |
| 5 | Other New Schemes | 64.20 | 30.07 |
| **6** | **Total Capital Expenditure** | **307.26** | **625.43** |

### Licensee's Submission

DGVCL has submitted that the actual capital expenditure incurred during FY 2013-14 was Rs. 625.43 Crore, which is higher than what was approved for FY 2013-14 by Rs. 318.17 Crore in the MYT Order dated 6th September, 2011, but the actual capitalisation claimed by DGVCL for FY 2013-14 is Rs. 609.73 Crore. The scheme wise deviation is explained as under:

### Normal Development:

Under the head Normal Development Scheme, generally expenses are incurred to meet with the Supply Obligation. During the FY 2013-14, growth of the Company in terms of number of consumers and load has exceeded, therefore, company had to incur Rs. 207.08 Crore against approved Rs. 80 Crore.

### RE and non-plan Scheme:

It is to state that release of Agriculture Connection is a continuous process and it is governed by Government of Gujarat by monitoring the Fund, availability of Energy and Infrastructure. Under the head RE Schemes, the Company releases Agriculture category connections under various schemes. The company has invited applications for switch over to Tatkal Scheme from the registered pending applicants in the year 2013-14 in addition to TASP and Normal scheme. Tatkal Scheme is on cost sharing mechanism & following the directive of Commission, during year 2013-14, DGVCL has planned to clear the application registered during 2011 in TASP & SPA scheme. During the FY 2013-14, Company has released more than 13179 Agriculture connections during the year at the cost of Rs. 207.48 Crore among them 11644 wells in TASP Scheme, 885 wells in SPA Scheme and 70 wells in lift irrigation Scheme connections were released. The cost is increased with reference to the approved due to coverage of remote forest area by lying very long lines in hilly forest area and electrification of peta paras in again forest area by long lines.

Application registered under dark zone scheme under dark zone area was pending since 1993 due to ban in agriculture connection in Dark Zone area. Government of Gujarat has lifted the ban for Dark Zone area vide letter no ELC/2012/773/k1/708 dated 12.04.2012. Accordingly DGVCL has processed all pending application as per the guidelines issued for the scheme. During the FY 2013-14, company has released 574 nos. Agriculture connections during the year at the cost of Rs. 14.22 Crore in dark zone area. At present status there is no pending application registered up to 10.10.2000 at DGVCL level. Only 126 nos. of application are pending due to non-fulfilling the criteria as per norms at different level either due to no bore well, non-availability of document or due to no agreement with GGRC.

**R-APDRP:**

R-APDRP (Restructured Accelerated Power Development & Reforms Programme) is a Central Sector Scheme. GoI has appointed Power Finance Corporation (PFC) as the Nodal Agency.

The basic purpose of the scheme is to reduce AT&C Losses in the urban areas. Accordingly all the towns having population more than 30,000 have been covered under this scheme. In part-A, DGVCL has 11 such towns, covering 33 sub divisions. The Scheme is being implemented in two parts: Part-A (IT Infrastructure establishment) and Part-B (Distribution strengthening and modernization). Moreover, one town i.e. Surat having population more than 4 Lakh and energy input more than 350 MUs /year has been identified for installing SCADA/DMS system, work in under progress.

**Part-A Includes:**

Part-A includes establishment of baseline data and adoption of IT applications for meter reading, billing & collections; energy accounting & auditing; MIS; establishment of IT enabled consumer service centres etc. and DGVCL has already declared ten towns live.

**Part-B Includes:**

Renovation, modernization and strengthening of 11 kV level substations, transformers/transformers centres, re-conductoring of lines at 11 kV level and below, load bifurcation, feeder separation, Load Balancing, HVDS (11 kV), Aerial Bunched Conductor in dense areas, replacement of electromagnetic energy meters with tamper proof electronics meters, Installation of capacitor banks and mobile service centres etc. The Scheme is to be implemented as per the guidelines issued by PFC time to time and FY 2013-14 Company has spent Rs. 41.73 Crore, as RAPDRP Projects have to be completed up to March 2015 as per guide line given by the central government.

**SCADA/DMS includes:**

SCADA/DMS helps in achieving the objective of supply of quality power, faster identification of faults & early restoration of power, proper metering, strategic placement of capacitor banks & switches and proper planning & designing of distribution networks and the real time monitoring & control of the distribution system SCADA/DMS project is being implemented in Surat Town. Total loan of Rs. 30.81 Crore is sanctioned under Part A of RAPDRP and covers all distribution substations under the project area & 11/22 kV urban feeder network. For deriving maximum benefits it is essential that necessary upgradation of distribution Substation & 11/22 kV network being carried out to meet the SCADA/DMS requirements. M/s Chemtrols India Ltd is selected as SIA for all Gujarat Discoms. M/s Chemtrols was issued order by DGVCL on 4th April, 2013. At present design and survey portion of the project is completed and BOQ for SCADA portion is worked out and data requirement sheets are approved and FAT and acceptance of SCADA/DMS functionality will be completed within short time.

**High Voltage Distribution System (HVDS):**

The Company is having large nos. of Low Tension category consumers. To eliminate low voltage distribution and to have better voltage profile as well as for reduction of technical loss and associated commercial loss, the company has proposed to shift over on High Voltage Distribution by erecting small capacity transformers matching with the connected load of individual consumer of very small group of consumers in a phased manner. The company has started to do some of the work on its own. Hence company could incur Rs. 2.44 Cores. The company is desirous to implement HVDS scheme in its distribution area and shall endeavour to achieve the approved target.

**Commission's Analysis**

The capital expenditure considered in the ARR for FY 2013-14 in the MYT Order dated 6th September, 2011 was Rs. 307.26 Crore. The actual capital expenditure incurred has been given as Rs. 625.43 Crore, which is about 104% higher than the

CAPEX considered in the ARR for FY 2013-14. DGVCL had revised the Capital Expenditure of Rs. 307.26 Crore, approved in the MYT Order, to Rs. 612.45 Crore in the Mid-term Review petition for FY 2013-14. The actual Capital Expenditure of Rs. 625.43 Crore, furnished by DGVCL is in line with the revised Capital Expenditure projected in the Mid-term review petition for FY 2013-14. The actual capitalisation was Rs. 609.73 Crore, as per the audited accounts for FY 2013-14. DGVCL has received grant of Rs. 166.55 Crore and consumer contribution of Rs. 176.94 Crore which are as per the audited annual accounts, DGVCL has explained the reasons for increase in expenditure under various heads.

**The Commission, approves, the capitalisation at Rs. 609.73 Crore in the truing up for FY 2013-14.**

The CAPEX, capitalisation and funding submitted by DGVCL and approved by the Commission are as given in the Table below:

**Table 4.19: Approved capitalization and source of funding in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved in the MYT Order for FY 2013-14 | Claimed in Truing up for FY 2013-14 | Approved in Truing up for FY 2013-14 |
|---|---|---|---|---|
| 1 | Capital Expenditure | 307.26 | 625.43 | 625.43 |
| 2 | Capitalisation | 307.26 | 609.73 | 609.73 |
| 3 | Less: Consumer Contribution | 80.00 | 176.94 | 176.94 |
| 4 | Less: Subsidies and Grants | 140.00 | 166.55 | 166.55 |
| 5 | Balance Capitalisation | 87.26 | 266.25 | 266.24 |
| 6 | Debt (70%) | 61.08 | 186.37 | 186.37 |
| 7 | Equity (30%) | 26.18 | 79.87 | 79.87 |

## 4.5.10 Depreciation

DGVCL has submitted Rs. 163.93 Crore towards depreciation in the truing up for FY 2013-14. The depreciation charges approved in the MYT Order of 6th September, 2011 and submitted by DGVCL in the truing up for FY 2013-14 are as given in the Table below:

**Table 4.20: Depreciation submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Depreciation | 151.49 | 163.93 |

### Licensee's Submission

DGVCL has submitted that the amount of depreciation, as per actuals, is higher than the approved depreciation.

DGVCL has considered the depreciation rate as per the GERC Regulations and computed the depreciation as detailed in the Table below:

**Table 4.21: Fixed Assets and Depreciation for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Deviation + / (-) |
|---|---|---|---|---|
| 1 | Gross block at the beginning of the year | 2721.01 | 2816.68 | |
| 2 | Additions during the year | 307.26 | 609.73 | |
| 3 | Depreciation for the year | 151.49 | 163.93 | (12.44) |
| 4 | Average rate of depreciation | 5.27% | 5.25% | |

DGVCL has further submitted that the actual depreciation for FY 2013-14, as against the value approved in the Tariff Order, resulted in a net uncontrollable loss of Rs. 12.44 Crore as detailed in the Table below:

**Table 4.22: Gains/(Losses) due to depreciation submitted in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Depreciation | 151.49 | 163.93 | - | (12.44) |

### Commission's Analysis

The opening balance of GFA, the net addition during the year FY 2013-14 and the closing balance of GFA have been verified with the audited annual accounts for FY 2013-14. DGVCL has the opening balance of GFA at Rs. 2816.68 Crore and this is as per the audited accounts for FY 2013-14. The depreciation claimed is Rs. 163.93 Crore that works out to 5.25%. This is in line with the GERC (MYT) Regulations, 2011.

**The Commission approves the depreciation at Rs. 163.93 Crore in the truing up for FY 2013-14, as detailed in the Table below:**

**Table 4.23: Approved depreciation in the truing up for FY 2013-14**

(Rs. Crore)

| Sl. No. | Particulars | Claimed in Truing up for FY 2013-14 | Approved for FY 2013-14 in truing up |
|---|---|---|---|
| 1 | Gross block at the beginning of the year | 2816.68 | 2816.68 |
| 2 | Additions during the year | 609.73 | 609.73 |
| 3 | Depreciation for the year | 163.93 | **163.93** |
| 4 | Average rate of depreciation | 5.25% | 5.25% |

With regard to the computation of Gains/(Losses), Regulation 23.2 considers the variation in capitalisation on account of time and/or cost overruns / efficiencies in the implementation of capital expenditure projects, not attributable to an approved change in scope of such project, change in statutory levies or force majeure events, as a controllable factor. While approving the True-up for FY 2011-12, the Commission had considered the variation in the Capitalisation and the resultant change in depreciation, Interest on borrowings and Return on Equity as uncontrollable.

The Commission, accordingly, approves the Gains/(Losses) on account of depreciation in the truing up for FY 2013-14, as detailed in the Table below:

**Table 4.24: Gains/ (Losses) due to depreciation approved in the truing up for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Approved in Truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Depreciation | 151.49 | 163.93 | - | (12.44) |

## 4.5.11 Interest and Guarantee charges

DGVCL has submitted Rs. 83.21 Crore towards interest and guarantee charges in the truing up for FY 2013-14, as against Rs. 42.26 Crore approved in the MYT Order dated 6th September, 2011 for FY 2013-14, as detailed in the Table below:

**Table 4.25: Interest and Guarantee charges submitted by DGVCL in the truing up for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 |
|---|---|---|
| Interest and Finance charges | 42.26 | 83.21 |

### Licensee's Submission

DGVCL has submitted that it has considered the closing balance of loan for FY 2012-13 as the opening balance of loan approved in the truing up for FY 2013-14. DGVCL has considered the weighted average rate of interest of 9.91%, as against 10.26% approved in MYT Order for FY 2013-14. In addition, DGVCL has considered the guarantee charges payable on legacy loan from the erstwhile GEB and interest on security deposits. The details of interest and guarantee charges submitted by DGVCL are as given in the Table below:

**Table 4.26: Interest and Guarantee charges submitted in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Deviation |
|---|---|---|---|---|
| 1 | Opening loans | 153.25 | 149.94 | |
| 2 | New Loans during the year | 61.08 | 186.37 | |
| 3 | Repayment during the year | 151.49 | 163.93 | |
| 4 | Closing loans | 62.84 | 172.38 | |
| 5 | Average loans | **108.05** | **161.16** | |
| 6 | Interest on loans | 11.09 | 15.97 | (4.89) |
| 7 | Interest on security deposit | 31.00 | 66.03 | (35.03) |
| 8 | Guarantee charges & Other finance charges | 1.00 | 1.20 | (0.20) |
| 9 | Total Interest & Guarantee Charges | **43.09** | **83.21** | **(40.12)** |
| 10 | Weighted average rate of interest | **10.26%** | **9.91%** | |

DGVCL has further submitted that interest and guarantee charges are categorised as uncontrollable, as per the GERC (MYT) Regulations, 2011 and, accordingly, worked out the deviation in the actual vis-à-vis the approved expenses under uncontrollable factors. Details of these are as given in the Table below:

**Table 4.27: Gains/ (Losses) submitted due to Interest & Guarantee charges for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Interest and Guarantee charges | 42.26 | 83.21 | - | (40.95) |

### Commission's Analysis

The Commission has considered the opening balance of loans at Rs. 149.94 Crore for FY 2013-14 being the closing balance of loans approved in the truing up for FY 2012-13 as per the Tariff Order dated 29th April, 2014. The normative addition of loans during FY 2013-14 has been considered at Rs. 186.37 Crore as approved in Table 4.19 based on the actual capitalisation as per the audited annual accounts. The interest on security deposits is submitted at Rs. 66.04 Crore as per audited accounts for FY 2013-14.

The repayment of loan is submitted as Rs. 163.93 Crore in the truing up for FY 2013-14, which is equivalent to the depreciation. The guarantee charges and other finance charges, as per audited accounts for FY 2013-14, are Rs. 1.20 Crore. DGVCL has submitted details of the actual opening balance as on 01.04.2013 for each loan portfolio and the rate of interest applicable for each loan portfolio for FY 2013-14. Based on these details, the weighted average rate of interest in accordance with the Clause 39 of GERC (MYT) Regulations, 2011, works out to 9.41%. Taking all these factors into consideration, the interest charges have been computed as detailed in the Table below:

**Table 4.28: Interest & Guarantee charges approved by the Commission in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Claimed in Truing up for FY 2013-14 | Approved in truing up for FY 2013-14 |
|---|---|---|---|
| 1 | Opening Loans | 149.94 | 149.94 |
| 2 | New Loans During the Year | 186.37 | 186.37 |
| 3 | Repayment During the Year | 163.93 | 163.93 |
| 4 | Closing Loans | 172.38 | 172.38 |
| 5 | Average Loans | 161.16 | 161.16 |
| 6 | Weighted Average Rate of Interest | 9.91% | 9.41% |
| 7 | Interest on Loans | 15.97 | 15.17 |
| 8 | Interest on Security Deposit | 66.03 | 66.04 |
| 9 | Guarantee and Other Finance Charges | 1.20 | 1.20 |
| **10** | **Total Interest & Guarantee charges** | **83.21** | **82.41** |

**The Commission approves the interest and guarantee charges at Rs. 82.41 Crore in the truing for FY 2013-14.**

As noted in Para 4.5.10 above, the Commission is of the view that the parameters which impact interest and finance charges should be treated as uncontrollable.

**The Commission, accordingly, approves the Gains/(Losses) on account of interest and guarantee charges in the truing up for FY 2013-14, as detailed in the Table below:**

**Table 4.29: Gains/ (Losses) approved in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Approved in Truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Interest and Guarantee charges | 42.26 | 82.41 | - | (40.15) |

### 4.5.12 Interest on Working Capital

DGVCL has not submitted any claim towards interest on working capital in the truing up for FY 2013-14, against Nil provision approved in the MYT Order for FY 2013-14 which are as detailed in the Table below:

**Table 4.30: Interest on Working Capital submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 |
|---|---|---|
| Interest on working capital | Nil | Nil |

**Licensee's Submission**

The licensee has submitted that the interest on working capital has been calculated based on the GERC (MYT) Regulations, 2011, at an interest rate of 14.45%, being the SBAR of SBI as on 1st April 2013, as against 11.75% approved in the MYT Order for FY 2013-14.

The detailed computation of interest on working capital is as given in the Table below:

**Table 4.31: Interest on working capital submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|---|
| 1 | O&M expenses (one month) | 17.08 | 16.68 |
| 2 | Maintenance spares (1% of opening GFA) | 21.38 | 28.17 |
| 3 | Receivables | 462.43 | 619.00 |
| 4 | Less: Security deposits from Consumers | 651.14 | 911.96 |
| 5 | Total working capital | (150.25) | (248.12) |
| 6 | Rate of interest on working capital | 11.75% | 14.45% |
| 7 | Interest on working capital | - | - |

**Commission's Analysis**

The Commission has examined the computation of normative working capital and interest thereon under GERC (MYT) Regulations, 2011. Regulation 41.2 (b) specifies that interest shall be allowed at a rate equal to the State Bank Advance Rate (SBAR) as on 1st April of the Financial Year in which the petition is filed. While truing up for FY 2011-12, the Commission had decided to consider the interest rate as SBAR prevailing as on 1st April of the Financial Year for which Truing up is being done, instead of 1st April of the Financial Year in which the petition was filed. The SBAR as on 1st April, 2013 was 14.45%. The Commission, accordingly, takes into consideration the SBAR of 14.45% in computation of Interest on Working Capital for FY 2013-14.

The Commission has computed the Working Capital and interest thereon, as detailed in the Table below:

**Table 4.32: Interest on working capital approved in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Claimed in truing up for FY 2013-14 | Approved for FY 2013-14 in truing up |
|---|---|---|---|
| 1 | O&M expenses (one month) | 16.68 | 16.65 |
| 2 | Maintenance spares (1% of opening GFA) | 28.17 | 28.17 |
| 3 | Receivables (1 month of sales) | 619.00 | 591.49 |
| 4 | Less: Security deposit from Consumers (Avg.) | 911.96 | 888.08 |
| 5 | Total working capital | (248.12) | **(251.77)** |
| 6 | Rate of interest on working capital | 14.45% | 14.45% |
| 7 | Interest on working capital | Nil | Nil |

**The Commission approves the interest on working capital as Nil in the truing up for FY 2013-14.**

### 4.5.13 Provision for bad debts

DGVCL has claimed Rs. 4.35 Crore towards provision for bad debts in the truing up for FY 2013-14, as against Rs. 3.84 Crore approved in the MYT Order dated 6th September, 2011 for FY 2013-14. The details are as given in the Table below:

**Table 4.33: Provision for bad debts submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Provision for bad debts | 3.84 | 4.35 |

**Licensee's Submission**

DGVCL has claimed Rs. 4.35 Crore towards provision for bad debts and doubtful debts and submitted that comparison of the actual with the figure approved in the MYT Order resulted in a loss of Rs. 0.51 Crore on account of controllable factors, which are as shown in the Table below:

**Table 4.34: Provision for bad debts for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 | Gains/(losses) due to controllable factors | Gains/(losses) due to uncontrollable factors |
|---|---|---|---|---|
| Provision for bad debts | 3.84 | 4.35 | (0.51) | - |

### Commission's Analysis

The Commission has observed that DGVCL has claimed Rs. 4.35 Crore towards Provision for Bad Debts for FY 2013-14. As verified from the audited annual accounts the bad debts provided for were Rs. 4.04 Crore and the actual bad debts written off was Rs. 0.31 Crore. Regulation 98.8.1 specified that the Commission may allow bad debts written off as a pass through in the aggregate revenue requirement subject to prudence check**.** The Actual bad and doubtful debt written off was at Rs. 0.31 Crore as per the audited accounts of FY 2013-14.

**The Commission, therefore, approves at Rs. 0.31 Crore towards bad and doubtful debts written off in the truing up for FY 2013-14.**

The deviation on account of bad debts written off is Rs. 3.53 Crore and the Commission considers the same as gain of Rs. 3.53 Crore due to controllable factors, as detailed in the Table below:

**Table 4.35: Gains/ (Losses) due to Bad Debts approved in the Truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Approved in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Provision for bad debts | 3.84 | 0.31 | 3.53 | - |

## 4.5.14 Return on equity

DGVCL has submitted Rs. 66.67 Crore towards return on equity in the truing up for FY 2013-14, as against Rs. 63.17 Crore approved in the MYT order dated 6th September, 2011 for FY 2013-14, which are as given in the Table below:

**Table 4.36: Return on equity submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Return on equity | 63.17 | 66.67 |

### Licensee's Submission

DGVCL has submitted that the return on equity is computed considering a rate of 14% on the average of opening and closing equity, taking into account the additions during the FY 2013-14.

The details of computation of return on equity are as given in the Table below:

**Table 4.37: Return on equity submitted by DGVCL in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|---|
| 1 | Opening equity | 438.13 | 436.25 |
| 2 | Additional equity during the year | 26.18 | 79.87 |
| 3 | Closing equity | 464.31 | 516.12 |
| 4 | Average equity | 451.22 | 476.19 |
| 5 | Rate of return on equity | 14% | 14% |
| 6 | Return on equity | 63.17 | 66.67 |

**Commission's Analysis**

DGVCL has furnished the opening equity of Rs. 436.25 Crore for FY 2013-14 and it has submitted equity addition as Rs. 79.87 Crore during the FY 2013-14. The actual opening equity, as on 01/04/2013, was Rs. 436.25 Crore, being the closing balance of equity approved in the True-up for FY 2012-13. The Commission has approved the normative equity addition as Rs. 79.87 Crore in Table 4.19.

The Commission has computed the return on equity in the truing up for FY 2013-14, as detailed in the Table below:

**Table 4.38: Return on equity approved for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | Claimed in Truing up for FY 2013-14 | Approved in truing Up for FY 2013-14 |
|---|---|---|---|
| 1 | Opening equity | 436.25 | 436.25 |
| 2 | Additional equity during the year | 79.87 | 79.87 |
| 3 | Closing equity | 516.12 | 516.12 |
| 4 | Average equity | 476.19 | 476.19 |
| 5 | Rate of Return on Equity | 14% | 14% |
| 6 | Return on Equity | 66.67 | 66.67 |

**The Commission approves the return on equity at Rs. 66.67 Crore in the truing up for FY 2013-14.**

As noted in Para 4.5.10 above, the factors impacting the Return on Equity are considered uncontrollable. The Commission, accordingly, approves the gains and losses, on account of Return on Equity, in the Truing up for FY 2013-14.

**The Commission, accordingly, approves the Gains/(Losses), on account of return on equity, in the truing up for FY 2013-14, as detailed in the Table below:**

**Table 4.39: Approved Gains/(Losses) due to return on equity in the Truing up for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Approved in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Return on equity | 63.17 | 66.67 | 0 | (3.50) |

### 4.5.15 Taxes

DGVCL has submitted Rs. 15.29 Crore towards income tax in the truing up for FY 2013-14, as against Rs. 19.33 Crore approved in MYT Order for FY 2013-14, as given in the Table below:

**Table 4.40: Taxes submitted by DGVCL in the Truing up for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Provision for tax | 19.33 | 15.29 |

**Licensee's Submission**

The licensee has submitted that the actual tax worked out to be Rs. 15.29 Crore, as against Rs. 19.33 Crore approved in the MYT order for FY 2013-14. DGVCL has further mentioned that tax is a statutory expense and this should be allowed without any deduction. DGVCL has submitted a gain of Rs. 4.04 Crore on account of tax, as given in the Table below:

**Table 4.41: Gains/ (Losses) submitted due to provision for tax for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Provision for tax | 19.33 | 15.29 | 0 | 4.04 |

**Commission's Analysis**

The Commission has obtained the copies of Tax payer's counterfoil and found that the licensee has paid tax of Rs. 16.72 Crore which includes Rs. 1.66 Crore towards interest charges.

**The Commission approves the tax paid at Rs. 15.06 (16.72-1.66) Crore, in the truing up for FY 2013-14.**

With regard to the computation of Gains/(Losses), Regulation 23.1 considers variation in taxes on income as uncontrollable.

The Commission, accordingly, approves the Gains/(Losses) on account of tax on income in the truing up for FY 2013-14, which are as detailed in the Table below:

**Table 4.42: Approved Gains/(Losses) due to tax in the truing up for FY 2013-14**
**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Approved in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Provision for tax | 19.33 | 15.06 | 0 | 4.27 |

### 4.5.16 Non-Tariff Income

DGVCL has furnished the actual Non-Tariff income at Rs. 151.36 Crore in the truing up for FY 2013-14, as against Rs. 88.62 Crore approved in the MYT order dated 6th September, 2011 for FY 2013-14, which are as detailed in the Table below:

**Table 4.43: Non-Tariff income submitted by DGVCL in the truing up for FY 2013-14**
**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 |
|---|---|---|
| Non-Tariff Income | 88.62 | 151.36 |

**Licensee's Submission**

DGVCL has submitted that the Commission, for purpose of ARR determination, considers revenue from Tariff on accrual basis, i.e., the amount billed by DGVCL. However, consumers are not paying the entire amount in the stipulated time frame and the revenue collected (cash basis) is lower than the amount billed. In order to fund this gap (receivables so created), DGVCL has to borrow higher amount for its increased working capital requirement. The delayed payment surcharges are payable by the consumers on such unpaid amounts. In the Annual Accounts, the revenue (on the income side) is on billed basis (accrual), but the borrowings for increased working capital also get reflected as increased interest cost under the Interest and Finance Charges account. Thus, in a way, Delayed Payment Charges (DPC) are sources for funding this increased working capital. The Commission considers revenue on accrual basis and the working capital requirement, though computed on normative basis, does not take into consideration the increased receivable (beyond the norms of 1 month) amount that has to funded by DGVCL. If DGVCL were to collect the entire amount that it has billed, there would be no income from DPC (no receivable would exist). However, the Commission considers income from DPC. As a result, DGVCL is doubly penalised. The income is considered on accrual basis and simultaneously DPC is also considered in the ARR. In view of this, DGVCL requests the Commission not to consider any income from DPC, since this is a source for funding the increased working capital requirement for receivables created on account of uncollected amount not recognised (in the computing working capital requirement and Revenue) by the Commission in the ARR. The petitioner has referred to some of the cases where there is APTEL decision that DPC should not be part of ARR.

The licensee has submitted that the actual value of Non-Tariff income is Rs. 151.36 Crore, as against Rs. 88.62 Crore approved in the MYT order for FY 2013-14 and this resulted in a net uncontrollable gain of Rs. 62.74 Crore, which is as detailed in the Table below:

**Table 4.44: Gains/(Losses) submitted due to Non-Tariff income for FY 2013-14**

**(Rs. Crore)**

| Particulars | Approved for FY 2013-14 in MYT order | Claimed in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Non-Tariff Income | 88.62 | 151.36 | 0 | 62.74 |

### Commission's Analysis

DGVCL has requested that any income from delayed payment charges may not be considered, since DPC is a source of funding the increased working capital requirement for receivables created on account of uncollected amount not recognised in computing working capital requirement and revenue.

Regulation 86.1 indicates the list of various heads to be considered for Non-Tariff income, which includes interest on delayed or deferred payment on bills (term). The Commission, accordingly, considers DPC as a part of Non-Tariff income.

The Commission has verified and found that the actual 'Non-Tariff income' is Rs. 181.95 Crore, including Delayed Payment Charge of Rs. 30.59 Crore, as per the audited annual accounts for FY 2013-14. The deviation is Rs. 93.33 Crore which is a gain.

**The Commission approves the Non-Tariff income at Rs. 181.95 (151.36+30.59) Crore in the truing up for FY 2013-14.**

**Table 4.45: Approved Gains/(Losses) due to Non-Tariff income in the truing up for FY 2013-14**

(Rs. Crore)

| Particulars | Approved for FY 2013-14 in MYT order | Approved in truing up for FY 2013-14 | Gains/(Losses) due to controllable factors | Gains/(Losses) due to uncontrollable factors |
|---|---|---|---|---|
| Non-Tariff Income | 88.62 | 181.95 | 0 | 93.33 |

## 4.6 Revenue from sale of power

DGVCL has furnished the total revenue at Rs. 7427.98 Crore in the truing up for FY 2013-14, as against Rs. 5599.16 Crore considered in the MYT Order dated 6th September, 2011 for FY 2013-14, as detailed in the Table below:

**Table 4.46: Revenue submitted in the truing up for FY 2013-14**

(Rs. Crore)

| Sl. No. | Particulars | Approved for FY 2013-14 in MYT Order | Claimed in Truing up for FY 2013-14 |
|---|---|---|---|
| 1 | Revenue from sale of power | 5486.16 | 7053.50 |
| 2 | Other income (Consumer related) | 63.00 | 330.09 |
| 3 | Total revenue excluding subsidy (1+2) | 5549.16 | 7383.59 |
| 4 | Agriculture subsidy | 50.00 | 44.39 |
| 5 | Total revenue including subsidy (3+4+5) | 5599.16 | 7427.98 |

### Commission's Analysis

The Commission has verified the total revenue for FY 2013-14 from the audited accounts. The actual revenue from category-wise sales, as per audited accounts, is Rs. 7053.50 Crore. The revenue shown by the licensee from sale of power to GUVNL is Rs. 8.41 Crore and UI charges receivable are Rs. 37.36 Crore for FY 2013-14 and the same has been adjusted by the Commission against the power purchase cost for the FY 2013-14, as shown in the Table 4.8.

**Table 4.47: Revenue approved in the truing up for FY 2013-14**

(Rs. Crore)

| Sl. No. | Particulars | Claimed in truing up for FY 2013-14 | Approved for FY 2013-14 in Truing up |
|---|---|---|---|
| 1 | Revenue from sale of power | 7053.50 | 7053.50 |
| 2 | Other income (Consumer related) | 330.09 | 330.09 |
| 3 | Total revenue excluding subsidy (1+2) | 7383.59 | 7383.59 |
| 4 | Agriculture subsidy | 44.39 | 44.39 |
| 5 | Total revenue including subsidy (3+4+5) | 7427.98 | 7427.98 |

**The Commission, accordingly, approves the total revenue of Rs. 7427.98 Crore, including consumer related income, at Rs. 330.09 Crore and agriculture subsidy at Rs. 44.37 Crore in the truing up for FY 2013-14.**

## 4.7 ARR approved in the truing up

The Commission reviewed the performance of DGVCL under Regulation 22 of the GERC (MYT) Regulations, 2011, with reference to the audited accounts for FY 2013-14. The Commission computed the gains/(losses) for FY 2013-14, based on the truing up for each of the component discussed in the above paragraphs.

The Aggregate Revenue Requirement (ARR) approved in the MYT order dated 6th September 2011, actual submitted in truing up and approved for truing up and Gains/(Losses) computed in accordance with GERC (MYT) Regulations, 2011 are a given in the Table below:

**Table 4.48: ARR approved in truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Annual Revenue Requirement | Approved for FY 2013-14 in MYT order | Claimed in Truing up for FY 2013-14 | Approved in Truing up for FY 2013-14 | Deviation +/(-) | Gains/ (Losses) due to controllable factors | Gains/ (Losses) due to uncontrollable factors |
|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6=(3-5)** | **7** | **8** |
| 1 | Cost of power purchase | 5870.06 | 7101.09 | 7101.09 | (1231.03) | 170.54 | (1401.57) |
| 2 | O&M Expenses | **204.91** | **200.13** | **199.83** | **5.08** | | |
| 2.1 | Employee cost | 186.79 | 237.01 | 237.01 | (50.22) | (50.22) | 0.00 |
| 2.2 | Repairs and Maintenance | 30.34 | 30.88 | 30.88 | (0.54) | (0.54) | 0.00 |
| 2.3 | Administration and General expenses | 34.28 | 62.15 | 61.86 | (27.58) | (27.58) | 0.00 |
| 2.4 | Other debits | 4.23 | 1.74 | 1.74 | 2.49 | | 2.49 |
| 2.5 | Extraordinary items | 0.27 | 0.06 | 0.06 | 0.21 | | 0.21 |
| 2.6 | Net prior period expenses/(income) | 0.00 | 1.15 | 1.15 | (1.15) | | (1.15) |
| 2.7 | Other expenses capitalised | (51.00) | (132.87) | (132.87) | 81.87 | | 81.87 |
| 3 | Depreciation | 151.49 | 163.93 | 163.93 | (12.44) | | (12.44) |
| 4 | Interest and Finance charges | 42.26 | 83.21 | 82.41 | (40.15) | | (40.15) |
| 5 | Interest on working capital | 0.00 | 0.00 | 0.00 | 0.00 | | 0.00 |
| 6 | Provision for bad debts | 3.84 | 4.35 | 0.31 | 3.53 | 3.53 | 0.00 |
| 7 | Return on equity | 63.17 | 66.67 | 66.67 | (3.50) | | (3.50) |
| 8 | Provision for Tax / tax paid | 19.33 | 15.29 | 15.06 | 4.27 | | 4.27 |
| **9** | **Total expenditure (1to 8)** | **6355.06** | **7634.68** | **7629.29** | **(1274.23)** | **95.73** | **(1369.96)** |
| 10 | Less: Non-Tariff income | 88.62 | 151.36 | 181.95 | (93.33) | | (93.33) |
| **11** | **Aggregate Revenue Requirement** | **6266.44** | **7483.32** | **7447.34** | **(1180.90)** | **95.73** | **(1276.63)** |

## 4.8 Sharing of Gains / (losses) for FY 2013-14

The Commission has analysed the gains / (losses) on account of controllable and uncontrollable factors.

The relevant Regulations are extracted below

***Regulation 24. Mechanism for pass-through of gains or losses on account of uncontrollable factors***

*24.1 The approved aggregate gain or loss to the Generating Company, or Transmission Licensee, or Distribution Licensee, on account of uncontrollable factors shall be passed through as an adjustment in the Tariff of the Generating Company or Transmission Licensee or Distribution Licensee over such period as may be specified in the Order of the Commission passed under these Regulations.*

*24.2 The Generating Company, or Transmission Licensee or Distribution Licensee shall submit such details of the variation between expenses incurred and revenue earned and figures approved by the Commission, in the prescribed format to the Commission, along with detailed computations and supporting documents as may be required for verification by the Commission.*

*24.3 Nothing contained in this Regulation 24 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase which shall be dealt with as specified by the Commission from time to time.*

***Regulation 25. Mechanism for sharing of gains or losses on account of controllable factors***

*25.1 The approved aggregate gain to the Generating Company, or Transmission Licensee, or Distribution Licensee, on account of controllable factors, shall be dealt with in the following manner:*

*One-third of the amount of such gain shall be passed on as a rebate in Tariffs over such period as may be specified in the Order of the Commission under Regulation 22.6;*

*The balance amount, which will amount to two-thirds of such gain, may be utilised at the discretion of the Generating Company, or Transmission Licensee, or Distribution Licensee.*

*25.2 The approved aggregate loss to the Generating Company, or Transmission Licensee, or Distribution Licensee, on account of controllable factors, shall be dealt with in the following manner:*

*a. One-third of the amount of such loss may be passed on as an additional charge in Tariffs over such period as may be specified in the Order of the Commission under Regulation 22.6; and*

*b. The balance amount, which will amount to two-thirds of such loss, shall be absorbed by the Generating Company, or Transmission Licensee or Distribution Licensee."*

## 4.9 Revenue (Gap) / Surplus for FY 2013-14

As shown in the Table below, DGVCL has submitted a revenue gap of Rs. 98 Crore in the truing up after treatment of Gains/(Losses) due to controllable/ uncontrollable factors, after comparing the performance with the Tariff Order for FY 2013-14.

**Table 4.49: Projected Revenue (Gap)/Surplus FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | FY 2013-14 |
|---|---|---|
| 1 | Aggregate Revenue Requirement originally approved for FY 2013-14 | 6266.44 |
| 2 | Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer | (1345.10) |
| 3 | Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain / Loss) | 42.74 |
| **4** | **Revised ARR for FY 2013-14 (1 - 2 - 3)** | **7568.80** |
| 5 | Revenue from Sale of Power | 7053.50 |
| 6 | Other Income (Consumer related) | 330.09 |
| 7 | Agriculture Subsidy | 44.39 |
| **8** | **Total Revenue including Subsidy (5+6+7)** | **7427.98** |
| **9** | **Revised (Gap)/Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (8 - 4)** | **(140.82)** |

The Commission compared the actual performance of DGVCL with the values approved in the MYT Order dated 6th September, 2011.

The revenue (gap) / surplus approved by the Commission for FY 2013-14 is summarised in the Table below:

**Table 4.50: Revenue Surplus/(Gap) approved in the truing up for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Particulars | FY 2013-14 |
|---|---|---|
| 1 | ARR approved in Tariff Order dated 6th September 2011 for FY 2013-14 | 6266.44 |
| 2 | Gains / (Losses) on Account of Uncontrollable factors to be Passed on to the Consumers | (1276.63) |
| 3 | Gain/ (Loss) on Account of Controllable factors to be Passed on to the Consumers (1/3rd of total gain/loss) | 31.91 |
| **4** | **Revised ARR for FY 2013-14 (1-2-3)** | **7511.16** |
| 5 | Total Revenue from Sales | 7053.50 |
| 6 | Other Income (Consumer Related) | 330.09 |
| 7 | Agriculture Subsidy | 44.39 |
| **8** | **Total Revenue, Including Subsidy (5+6+7)** | **7427.98** |
| **9** | **Revised Surplus/(Gap) after Treating Gains/(Losses) due to Controllable/Uncontrollable factors (8-4)** | **(83.18)** |

## 4.10 Consolidated revenue Surplus/(Gap) of the Discoms for FY 2013-14

The consolidated revenue surplus / (gap) of the four Discoms viz. DGVCL, MGVCL, PGVCL and UGVCL, after truing up of FY 2013-14 is summarised below.

**Table 4.51: Consolidated revenue surplus / (gap) of four Discoms for FY 2013-14**

**(Rs. Crore)**

| Sl. No. | Discoms | Surplus/(Gap) |
|---|---|---|
| 1 | DGVCL | (83.18) |
| 2 | MGVCL | (19.78) |
| 3 | PGVCL | (310.19) |
| 4 | UGVCL | (272.25) |
| | **Total** | **(685.40)** |

While determining the ARR for FY 2015-16 in the MYT Order dated 6th September, 2011, the Commission has considered GUVNL cost of 4 paise per unit to be added to power purchase cost of each Discom. GUVNL is entrusted for purchase of power on behalf of Discoms and sale of surplus power, if any, thereby adjusting power purchase cost of the Discoms. The 4 paise / unit is allowed by the Commission to GUVNL for meeting their expenses to carry out the business entrusted to it. It is very clear that any profit earne d by GUVNL out of its statutory activities should be distributed amongst Discoms as the entire cost of GUVNL is being borne by Discom. In view of the above, the Commission decides to adjust the amount of Rs. 12.88 Crore which is profit After Tax in P&L Statement of the Annual Accounts of GUVNL for FY 2013-14 in proportion to the actual energy procured, as shown in the Table below:

**Table 4.52: Net revenue (Gap) / Surplus approved for FY 2013-14**

| Sl. No. | Particulars | DGVCL | MGVCL | PGVCL | UGVCL | Total |
|---|---|---|---|---|---|---|
| 1 | Energy procured by four State Owned Discoms (in MUs) | 13964 | 8438 | 24086 | 16463 | 62951 |
| 2 | % share in procurement of energy | 22.18% | 13.40% | 38.26% | 26.15% | 100.00% |
| 3 | Distribution of excess cost recovery by GUVNL as per % shown in (2) (in Rs. Crore) | 2.86 | 1.73 | 4.93 | 3.37 | 12.88 |
| 4 | Revenue (gap) / surplus after truing up of FY 2013-14 (in Rs. Crore) | (83.18) | (19.78) | (310.19) | (272.25) | (685.40) |
| **5** | **Net revenue (gap) / surplus of FY 2013-14 to be considered (4+3) (in Rs. Crore)** | (80.32) | (18.06) | (305.26) | (268.88) | (672.52) |

# 5. Determination of Tariff for FY 2015-16

## 5.1 Introduction

This chapter deals with the determination of revenue gap/surplus, as well as consumer tariff for the FY 2015-16 for DGVCL. The Commission has considered the ARR approved in the Mid-term Review for FY 2015-16 and the adjustment on account of True-up for FY 2013-14, while determining the revenue gap/surplus for FY 2015-16.

## 5.2 Approved ARR for FY 2015-16

Based on the above approach, the Table below summarises the Annual Revenue Requirement, as approved by the Commission in the Mid-term Review for the FY 2015-16. Detailed analysis of each expense head has already been provided in the Mid-term Review.

**Table 5.1: Approved ARR for FY 2015-16**

(Rs. Crore)

| Sl. No. | Particulars | Approved in Mid-term Review |
|---|---|---|
| 1 | Cost of power purchase | 8327.45 |
| 2 | Operations and Maintenance expenses | 225.26 |
| 2.1 | Employee cost | 257.12 |
| 2.2 | Repairs and Maintenance | 33.17 |
| 2.3 | Administration and General expenses | 59.03 |
| 2.4 | Other debits | 0.94 |
| 2.5 | Extraordinary items | - |
| 2.6 | Net prior period expenses / income | - |
| 2.7 | Other expenses capitalised | (125.00) |
| 3 | Depreciation | 214.99 |
| 4 | Interest and finance charges | 132.92 |
| 5 | Interest on working capital | - |
| 6 | Provision for bad debts | 0.10 |
| 7 | Return on equity | 96.47 |
| 8 | Provision for tax / tax paid | 6.51 |
| **9** | **Total expenditure (1 to 8)** | **9003.69** |
| 10 | Less: Non-Tariff income | 177.24 |
| **11** | **Aggregate Revenue Requirement** | **8826.45** |

## 5.3 Projected Revenue from existing tariff for FY 2015-16

DGVCL has projected the Revenue from sale of power at Rs. 8904.35 Crore for FY 2015-16 with existing Tariff, including FPPPA of Rs. 1.20 per kWh, other Consumer related income and agriculture subsidy, as detailed in the Table below:

**Table 5.2: Projected Revenue for FY 2015-16**

(Rs. Crore)

| Sl. No | Parameter | Projected for FY 2015-16 |
|---|---|---|
| 1 | Revenue from Sale of Power @ Existing Tariff | 6868.15 |
| 2 | Revenue from FPPPA at Rs. 1.20 per kWh | 1669.20 |
| 3 | Other Income (Consumer Related) | 314.00 |
| 4 | Agriculture Subsidy (expected from government) | 53.00 |
| **5** | **Total Revenue** | **8904.35** |

The Category-wise estimated sales, number of consumers, connected load and sales revenue are as given in the Table below:

**Table 5.3: Projected Sales, and Category Wise Revenue for FY 2015-16**

| Sl. No | Particulars | Projected for FY 2015-16 | |
|---|---|---|---|
| | | Sales (MU) | Revenue (Rs. Crore) |
| **A** | **LT Consumers** | | |
| 1 | Residential | 2502 | 955.07 |
| 2 | Commercial | 39 | 15.68 |
| 3 | Industrial LT | 4427 | 2174.98 |
| 4 | Public Water Works | 167 | 60.25 |
| 5 | Agriculture | 674 | 86.72 |
| 6 | Public Lighting | 49 | 19.43 |
| | **Total (A)** | **7858** | **3312.12** |
| **B** | **HT Consumers** | | |
| 1 | Industrial HT | 5691 | 3359.47 |
| 2 | Railway Traction | 361 | 196.56 |
| | **HT Total (B)** | **6052** | **3556.02** |
| | **Grand Total** | **13910** | **6868.15** |

DGVCL has projected a revenue gap of Rs. 84.30 Crore for FY 2015-16 with the existing tariff, as detailed in the Table below:

**Table 5.4: Projected Revenue gap/(surplus) for FY 2015-16 with existing Tariff**

(Rs. Crore)

| Sl. No. | Parameter | FY 2015-16 (Projected) |
|---|---|---|
| 1 | Aggregate Revenue Requirement | 8826.46 |
| 2 | Revenue Gap from True-up of FY 2013-14 | 140.82 |
| 3 | DSM Programme expenditure | 21.37 |
| 4 | **Total Aggregate Revenue Requirement** | **8988.65** |
| 5 | Revenue with Existing Tariff | 6868.15 |
| 6 | FPPPA Charges @ 120 paisa/kWh | 1669.20 |
| 7 | Other Income (Consumer related) | 314.00 |
| 8 | Agriculture Subsidy | 53.00 |
| 9 | **Total Revenue including subsidy (5 to 8)** | **8904.35** |
| 10 | **Gap / (Surplus) (4-9)** | **84.30** |

### Commission's Analysis

The Commission has reviewed the sales projected in the Mid-term Review and approved the sales at 13910 MU in the Mid-term Review for FY 2015-16. The Commission has recomputed the sales revenue based on the sales approved in the Mid-term Review and applying FPPPA @ Rs. 1.20 per kWh, as detailed in the Table below:

The Revenue projected by DGVCL for FY 2015-16 and approved by the Commission are given in the Table below:

**Table 5.5: Approved Sales and Category Wise Revenue for FY 2015-16**

| Sl. No | Particulars | Projected for FY 2015-16 | | Approved by the Commission | |
|---|---|---|---|---|---|
| | | MU | (Rs. Crore) | MU | (Rs. Crore) |
| **A** | **LT consumers** | | | | |
| 1 | RGP | 2502 | 955.07 | 2502 | 955.07 |
| 2 | GLP | 39 | 15.68 | 39 | 15.68 |
| 3 | Industrial-LT & Non RGP | 4427 | 2174.98 | 4427 | 2174.98 |
| 4 | Public lighting | 167 | 60.25 | 167 | 60.25 |
| 5 | Agriculture | 674 | 86.72 | 674 | 86.72 |
| 6 | Water works | 49 | 19.43 | 49 | 19.43 |
| | **LT Total (A)** | **7858** | **3312.12** | **7858** | **3312.12** |
| **B** | **HT consumers** | | | | |
| 7 | Industrial – HT | 5691 | 3359.47 | 5691 | 3359.47 |
| 8 | Railways | 361 | 196.56 | 361 | 196.56 |
| | **HT Total (B)** | **6052** | **3556.02** | **6052** | **3556.02** |
| **9** | **Sub Total** | **13910** | **6868.15** | **13910** | **6868.15** |
| 10 | FPPPA | | 1669.20 | | 1669.20 |
| 11 | Add: Other income (consumer related) | | 314.00 | | 314.00 |
| **12** | **Total** | | **8851.35** | | **8851.35** |
| 13 | Add: Agriculture subsidy | | 53.00 | | 53.00 |
| **14** | **Total revenue including agriculture subsidy** | | **8904.35** | | **8904.35** |

## 5.4 Estimated Revenue and Revenue (Gap)/Surplus for FY 2015-16

The Commission has considered the total category-wise sales, as approved in the Mid-term Review Order, and has applied the existing tariff on the approved sales for each category of consumers. The total revenue from sale of power computed by the Commission at existing tariff is Rs. 8904.35 Crore, including FPPPA. The FPPPA rate has been considered at Rs. 1.20 per unit. The estimated (gap)/surplus for FY 2015-16 is given in the Table below:

**Table 5.6: Approved Revenue (Gap)/Surplus for FY 2015-16 with existing Tariff**

**(Rs. Crore)**

| Sl. No. | Parameter | Approved in Mid-term Review for FY 2015-16 |
|---|---|---|
| 1 | Aggregate Revenue Requirement | 8826.45 |
| 2 | Revenue Gap from True-up of FY 2013-14 | 80.32 |
| 3 | DSM Programme expenditure | 21.37 |
| **4** | **Total Aggregate Revenue Requirement** | **8928.14** |
| 5 | Revenue with Existing Tariff | 6868.15 |
| 6 | FPPPA Charges @ 120 paisa/kWh | 1669.20 |
| 7 | Other Income (Consumer related) | 314.00 |
| 8 | Agriculture Subsidy | 53.00 |
| **9** | **Total Revenue including subsidy (5 to 8)** | **8904.35** |
| **10** | **(Gap) / Surplus (9-4)** | **(23.79)** |

As the uniform tariff for State owned Discoms has been envisaged in the MYT Order dated 6th September, 2011, it is necessary to consider the consolidated surplus of FY 2015-16 for all the State owned Discoms, while determining the tariff for FY 2015-16. The consolidated (gap)/surplus computed for FY 2015-16 is shown in the Table below:

**Table 5.7: Consolidated (Gap)/Surplus computed for FY 2015-16**

**(Rs. Crore)**

| Sl. No. | Particulars | DGVCL | MGVCL | PGVCL | UGVCL | Total |
|---|---|---|---|---|---|---|
| 1 | Total revenue gap for FY 2015-16 including truing up | (23.79) | (3.23) | (388.62) | (149.76) | (565.40) |

Further, the Discoms had filed an appeal before Hon'ble APTEL on the Tariff orders dated 16.04.2013 issued by the Commission. Hon'ble APTEL has given its verdict on the Discoms' appeal on 04.12.2014. The Commission has issued the consequential order on 24.03.2015 to implement the judgement dated 04.12.2014 of Hon'ble APTEL. As per the aforementioned order of the Commission, previous years consolidated gap of Rs. 288.33 Crore has been considered. Further, an amount of Rs. 142.72 Crore actually paid by GUVNL/Discoms to M/s Adani Power Ltd. towards custom duty as against the claim of Rs. 255.43 Crore as per their letter dated 31.01.2015 is also added in the consolidated gap worked out in the Table 5.7 above. Accordingly, a total amount of Rs. 431.10 Crore (288.33+142.77) is added to the consolidated gap of Rs. 565.40 Crore as worked out in the Table 5.7 above. Thus, the total consolidated gap of Rs. 996.50 Crore (565.40+431.10) is considered by the Commission for determination of tariff for FY 2015-16.

# 6. Fuel and Power Purchase Price Adjustment

## 6.1 Fuel Price and Power Purchase Price Adjustment

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

## 6.2 Formula

**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. |

## 6.3 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 the FY 2015-16 from the various sources in the order of Mid-term Review of Business Plan as given in the Table below:

| Year | Total Energy Requirement (MU) | Fixed cost (Rs. Crore) | Variable costs (Rs. Crore) | GETCO costs (Rs. Crore) | GUVNL charges (Rs. Crore) | PGCIL charges (Rs. Crore) | SLDC charges (Rs. Crore) | Total Power Purchase cost (Rs. Crore) | Power Purchase cost per unit (Rs./kWh) |
|---|---|---|---|---|---|---|---|---|---|
| FY 2015-16 | 82798 | 11446 | 15779 | 2770 | 331 | 789 | 19 | 31134 | 3.76 |

As mentioned above the base Power Purchase cost for the Discoms is Rs. 3.76/kWh and the base FPPPA charge is Rs. 1.20/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 in para 6.2 above.

Information regarding FPPPA recovery and the FPPPA calculations shall be kept on 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 end of the relevant quarter.

# 7. Wheeling charges and Cross Subsidy Surcharge

## 7.1 Allocation matrix

Regulation 88.1 of GERC (MYT) Regulations, 2011 of GERC stipulates that the Commission shall specify the wheeling charges of distribution wires business of the distribution licensees in its ARR and Tariff Order.

The allocation matrix for allocation of costs between wires business and retail supply business as adopted by the Commission in MYT order is shown in the Table below:

**Table 7.1: Allocation matrix for segregation of wheeling and retail supply for DGVCL**

| Sl. No. | Allocation Matrix | Wires Business | Retail Supply Business |
|---|---|---|---|
| 1 | Power Purchase Expenses | 0% | 100% |
| 2.1 | Employee expenses | 60% | 40% |
| 2.2 | Repairs & Maintenance expenses | 90% | 10% |
| 2.3 | Administration & General Expenses | 50% | 50% |
| 2.4 | Other Debits | 50% | 50% |
| 2.5 | Extraordinary Items | 50% | 50% |
| 2.6 | Net Prior Period Expenses / (Income) | 25% | 75% |
| 2.7 | Other Expenses Capitalised | 55% | 45% |
| 3 | Depreciation | 90% | 10% |
| 4 | Interest & Finance charges | 90% | 10% |
| 5 | Interest on Working Capital & Security Deposit | 10% | 90% |
| 6 | Bad debts written off | 0% | 100% |
| 7 | Income tax | 90% | 10% |
| 8 | Return on Equity | 90% | 10% |
| 9 | Non-tariff income | 10% | 90% |

The Commission has adopted the same allocation matrix and estimated segregated approved ARR for wires business and retail supply business for DGVCL for FY 2015-16 as given in Table 7.2.

**Table 7.2: Allocation of ARR between wire and retail supply business for DGVCL for FY 2015-16**

**(Rs. Crore)**

| Sl. No. | Allocation Matrix | App ARR for FY 2015-16 | Wires Business | Supply Business |
|---|---|---|---|---|
| 1 | Cost of Power Purchase | 8327.45 | 0.00 | 8327.45 |
| 2 | Operations & Maintenance Expenses | 225.26 | 145.36 | 79.90 |
| 2.1 | Employee Cost | 257.12 | 154.27 | 102.85 |
| 2.2 | Repairs & Maintenance | 33.17 | 29.85 | 3.32 |
| 2.3 | Administration & General Charges | 59.03 | 29.52 | 29.52 |
| 2.4 | Other Debits | 0.94 | 0.47 | 0.47 |
| 2.5 | Extraordinary Items | 0 | 0.00 | 0.00 |
| 2.6 | Net Prior Period Expenses / (Income) | 0 | 0.00 | 0.00 |
| 2.7 | Other Expenses Capitalised | 125 | 68.75 | 56.25 |
| 3 | Depreciation | 214.99 | 193.49 | 21.50 |
| 4 | Interest & Finance Charges | 132.92 | 119.63 | 13.29 |
| 5 | Interest on Working Capital | 0 | 0.00 | 0.00 |
| 6 | Provision for Bad Debts | 0.1 | 0.00 | 0.10 |
| **7** | **Sub-Total [1 to 6]** | **8900.72** | **458.48** | **8442.24** |
| 8 | Return on Equity | 96.47 | 86.82 | 9.65 |
| 9 | Provision for Tax / Tax Paid | 6.51 | 5.86 | 0.65 |
| **10** | **Total Expenditure (7 to 9)** | **9003.70** | **551.16** | **8452.54** |
| 11 | Less: Non-Tariff Income | 177.24 | 17.72 | 159.52 |
| **12** | **Aggregate Revenue Requirement (10 - 11)** | **8826.46** | **533.44** | **8293.02** |

## 7.2 Wheeling charges

The wheeling charges for the four Distribution Companies, DGVCL, MGVCL, PGVCL and UGVCL for the FY 2015-16 as given below are applicable for use of the distribution system of a 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.

| Sl. No. | Particulars | Units | Amount |
|---|---|---|---|
| 1 | Distribution costs of the four Discoms | Rs. Crore | 3219.06 |
| 2 | Distribution cost of the four Discoms at 11 kV level (30% of total distribution cost) | Rs. Crore | 965.72 |
| 3 | Energy input at 11 kV | MU | 69965 |
| 4 | Wheeling charges at 11 kV | Ps./kWh | 14 |
| 5 | Wheeling charges at 400 V (LT) | Ps./kWh | 51 |

Detailed computation of wheeling charges is shown in the Annexure 7.1.

**Distribution losses**

The distribution loss at 11 kV and 400 V during FY 2015-16 are given below:

| Particulars | Point of energy delivered | |
|---|---|---|
| | 11 kV | 400 Volts |
| 11 kV, 22 kV and 33 kV | 10% | 15.98% |
| 400 Volts | | 9.55% |

The losses in HT and LT network are 10% and 9.55% respectively, with respect to energy input to the segment of the system. In case injection at 11 kV levels and drawal at LT level involved use of both the networks i.e. 11 kV and LT, the combined loss works out to 15.98% of the energy injection at 11 kV network.

The above wheeling charges payable shall be uniform for all the four distribution companies viz. DGVCL, MGVCL, PGVCL and UGVCL.

## 7.3 Cross Subsidy Surcharge

The cross subsidy surcharge based on the formula given in the Tariff Policy as below:

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

Where,

**S** is the surcharge

**T** is the tariff payable by the relevant category of consumers;

**C** is the weighted average cost of power purchase of top 5% at the margin excluding liquid fuel based generation and renewable power.

**D** is the Wheeling charges.

**L** is the system losses for the applicable voltage level, expressed as percentage.

The cross subsidy surcharge based on the above formula is worked out as shown in the Table below:

**Table 7.3: Cross subsidy surcharge approved by the Commission for FY 2015-16**

| Sl. No. | Particular | HT industry |
|---|---|---|
| 1 | T | Rs. 7.41 / kWh |
| 2 | C | Rs. 6.07 /kWh |
| 3 | D | 14 Ps/kWh |
| 4 | L | 10% |
| 5 | S = cross subsidy surcharge | 59 Ps/kWh |

**Computation of Cross subsidy surcharge**

1. **Discom weighted Average HT tariff including base FPPPA charge @ Rs. 1.20 per unit**

| Particulars | DGVCL | MGVCL | PGVCL | UGVCL | Average HT Tariff (Rs./kWh) |
|---|---|---|---|---|---|
| HT Industry | 7.43 | 7.82 | 7.12 | 7.51 | 7.41 |

**2. Wt. average power purchase cost of top 5% at the margin excluding liquid fuel base generation and renewable power.**

The Commission has considered 50% availability of energy from costlier gas based power stations looking to the limited supply of gas. The Commission has also added costs of GETCO, PGCIL, GUVNL and SLDC in the average power purchase cost as shown below:

| Stations | Energy procured (MU) | Avg. Rate (Rs./kWh) | Total cost of power (Rs. Crore) |
|---|---|---|---|
| GPEC | 1164 | 6.5424 | 761.54 |
| Utran extension | 1003 | 5.4368 | 545.04 |
| Sikka TPS | 1974 | 5.0099 | 988.96 |
| **Total** | **4140** | | **2295.53** |

Average power purchase cost = {[(2295.53/4140)*10] + [GETCO, PGCIL, GUVNL and SLDC cost @ Rs. 0.52/kWh]} = Rs. 5.96/kWh.

**Cross subsidy surcharge**

For H.T. : S=7.41-[6.07(1+10/100)+0.14] = Rs. 0.59/kWh

## Annexure 7.1

### Computation of Wheeling Charges

| Sl. No | Particulars | Unit | DGVCL | MGVCL | PGVCL | UGVCL | TOTAL |
|---|---|---|---|---|---|---|---|
| 1 | Distribution | | 533.44 | 540.63 | 1396.54 | 748.45 | 3219.06 |
| a | 11 KV level (at 30%) | Rs. Crore | 160.03 | 162.19 | 418.96 | 224.54 | 965.72 |
| b | LT level (at 70%) | Rs. Crore | 373.41 | 378.44 | 977.58 | 523.92 | 2253.34 |
| 2 | Energy input at Discom periphery | MU | 15718 | 9092 | 977.58 | 523.92 | 69965 |
| 3 | Wheeling charges at 11 kV (a/2)*1000 | Ps. / kWh | 10.18 | 17.84 | 16.11 | 11.73 | 13.80 |
| 4 | 11 kV losses (@10%) | MU | 1571.80 | 909.20 | 2601.00 | 1914.50 | 6996.50 |
| 5 | Sales at 11 kV | MU | 6052.00 | 2845.00 | 5799.00 | 4483.00 | 19179.00 |
| 6 | Energy input at LT (2 - ( 4+5)) | MU | 8094.20 | 5337.80 | 17610.00 | 12747.50 | 43789.50 |
| 7 | Wheeling charges at LT (1(b)/6)*1000 | Ps. / kWh | 46.13 | 70.90 | 55.51 | 41.10 | 51.46 |
| 8 | Sales at LT level | MU | 7858.00 | 5156.00 | 14229.00 | 12365.00 | 39608.00 |
| 9 | LT loss (6-8) | % | 236.20 | 181.80 | 3381.00 | 382.50 | 4181.50 |
| 10 | Total losses (4+9) | MU | 1808.00 | 1091.00 | 5982.00 | 2297.00 | 11178.00 |
| | | % | 11.50% | 12.00% | 23.00% | 12.00% | 15.98% |

# 8. Compliance of Directives

## 8.1 Compliance of Directives

The Commission, in its Tariff Orders dated 2nd June, 2012, 16th April 2013 and 29th April, 2014 had issued various directives to DGVCL. DGVCL has submitted its Compliance Report on the directives issued.

The Commission's comments on the status of compliance of the directives by DGVCL are given below. The Commission has also issued fresh directives to the licensee, wherever required.

### Earlier Directives

### Directive 1: Poor quality of supply of voltages

DGVCL was directed to analyze the voltage at various nodes in its LT network, identify the locations facing low voltage and submit its plan to improve the voltage profile in licensee's areas.

**Compliance**

It's a prime duty of the company to provide quality power supply at appropriate voltage level. Generally, voltage profile of the distribution network of the Company is good, and satisfactory. Now a day's complaint regarding voltage either high or low, in the Company have become negligible. However, overall system voltage influences the voltage profile of the Company's distribution network.

Moreover, to improve the voltage profile of the distribution network, Company carries out feeder bifurcation, DTC review, and replacement of ABC conductor etc. Company is carrying out maintenance work on almost all overhead lines i.e. HT and LT at regular intervals. Maintenance activity is carried out as mass maintenance at Division and Circle level.

- Activities carried out in this regard during last three years & planning for FY 2014-15 are mentioned here under:

| Particulars | | Unit | 2011-12 | 2012-13 | 2013-14 | Planning for FY 2014-15 | Work carried out up to September, 2014 |
|---|---|---|---|---|---|---|---|
| Network Maintenance | Village | No. | 197 | 322 | 419 | 525 | 300 |
| | HT | Km. | 18800.3 | 13841 | 11402 | 25000 | 13067 |
| | LT | Km. | 9660.46 | 6751 | 7716.31 | 8500 | 3575 |
| | T/C | No. | 18625 | 17001 | 23031 | 2400 | 12082 |
| Feeder Bifurcation | | No. | 65 | 68 | 74 | 95 | 49 |
| Distribution Transformer Centre Review | | No. | 118 | 47 | 105 | 75 | 19 |
| Providing of ABC | | Km. | 888.396 | 2335 | 7000 | 6000 | 1162 |

**Commission's Comments**

Action taken by the Discom is noted. The balance work shall be completed and a progress report to be submitted every six months.

## Directive 2: Segregation of Technical and Commercial Losses

DGVCL is directed to carry out a similar exercise for FY 2013-14, as carried out for FY 2012-13.

**Compliance**

Technical Losses of the distribution system largely depend upon "Load" on the line and configuration of line besides other technical parameters like type and size of conductor used, length of line etc. Since, loading on the line is highly dynamic throughout the year, it is very difficult to ascertain technical losses by conducting Energy Audit for a part of year. Further, it varies year on year, therefore, such exercise has to be carried out every year for assessing the technical losses. Moreover, any such exercise has always some kind of assumptions.

REC has given a theoretical formula for calculation of theoretical losses (technical losses). Since, any kind of methodology has some kind of assumptions; calculating theoretical loss with the formula given by REC provides reasonable approximation of technical loss. Company calculates theoretical loss every year for all feeders.

**Sample calculation of theoretical loss with the help of REC formula is given here under.**

| SHEET - I | | | |
|---|---|---|---|
| **Theoretical Losses Calculations** | | | |
| **SURAT RURAL – DGVCL - CIRCLE** | | | |
| **SR. NO.** | **LOCATION** | **NAME** | |
| 1 | DIVISION | VYARA | |
| 2 | SUB-DIVISION | VYARA RURAL | |
| 3 | FEEDER | 11KV MANDAL(JGY) | |
| 4 | SUB-STATION | 66 KV VYARA | |
| **BASIC DETAILS** | | | |
| **SR.NO.** | **PARAMETERS** | **UNITS** | **VALUES** |
| 1 | CONNECTED LOAD | KVA | 4650 |
| 2 | LINE VOLTAGE | KV | 11 |
| 3 | LINE LENGTH | **IN KM** | |
| | | L.T | 165.6 |
| | | H.T | 28.3 |
| | | TOTAL | 193.9 |
| 4 | MAXIUM | AMP. | 150 |
| | CURRENT | | |
| 5 | UNITS SENT OUT | KWH | 10687180 |
| 6 | **L.D.F. = Load x Km / KVA. Km** | **VALUE** | |
| | RURAL | | 2 |
| | URBAN | | 1.5 |
| | INDUSTRIAL | | 1 |
| 7 | **TRANSFORMERS** | **KVA** | **NO.** |
| | 11KV | 10 | 11 |
| | | 16 | 9 |
| | | 25 | 38 |
| | | 50 | **0** |
| | | 63 | 42 |
| | | 100 | 6 |
| | | 200 | 1 |
| 8 | **CONDUCTOR** | **RESI.** | **CON.CONST.** |
| | ACSR 30 mm | 0.556 | 1578 |
| | ACSR 50 mm | 0.3656 | 2088 |
| | DOG | 0.2789 | 2516 |
| A | HT LINE LOSSES | | 1504627.9 |
| B | LT LINE LOSSES | | 78273.7 |
| C | TRANSFORMER LOSS | | 391114.1 |
| D | TOTAL LOSSES | | 1974015.6 |
| E | **% THORETICAL LOSS** | | **18.47** |

| SHEET- II | | | |
|---|---|---|---|
| **HT VR CALCULATIONS &THEORITICAL LOSSES CALCULATIONS** | | | |
| **Sr. No.** | **PARAMETERS** | **FORMULA** | **RESULTS** |
| 1 | **D. F. =** | CONNECTED LOAD / PEAK LOAD | **1.63** |
| | | Where, | |
| | | {PEAK LOAD= 1.732*V*I } | |
| 2 | **% H.T V.R =** | (1.06*LOAD*LENGTH OF MAIN LINE *P.F) / (LDF*DF*CONN.CONS.) | **28.97** |
| 3 | **L. F. =** | UNIT SENT / {8760*1.732*11* I max * P .F} | **0.53** |
| 4 | **L. L. F. =** | 0.8 * LF * LF + 0.2 *LF | **0.33** |
| 5 | **HT LINE** | {0.105*(LOAD*LOAD)*LENGTH*RESIS*LLF} | **1504628** |

| | | | |
|---|---|---|---|
| | **LOSSES =** | { 2 * LDF * ( D.F * D.F) } | |
| 6 | **%HTLOSSES=** | HT LINE LOSSES * 100 / UNIT SENT | **14.08** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **SHEET - III** | | | | | | | |
| **DISTRIBUTION TRANSFORMERS LOSSES** | | | | | | | |
| **SR. NO.** | **TRANSFORMER CAPACITY KVA** | **NO. OF TRANSFORMERS** | **TOTAL CONNECTED KVR** | **IRON LOSS** | **TOTAL IRON LOSS** | **COPPER LOSS** | **TOTAL COPPER LOSS** |
| | KVA | NOS. | KVA | WATT | WATT | WATT | WATT |
| | 10 | **11** | 110 | 45 | 495 | 225 | 2475 |
| | 16 | **9** | 144 | 65 | 585 | 425 | 3825 |
| 1 | 25 | 38 | 950 | 100 | 3800 | 720 | 27360 |
| 2 | 50 | 0 | 0 | 200 | 0 | 1300 | 0 |
| 3 | 63 | 42 | 2646 | 200 | 8400 | 1300 | 54600 |
| 4 | 100 | 6 | 600 | 290 | 1740 | 1850 | 11100 |
| 5 | 200 | 1 | 200 | 480 | 480 | 3000 | 3000 |
| | | **TOTAL LOSSES** | 4650 | | 15500 | | 102360 |
| | | | | | | {For Ag. 8*365=2920} | |
| (A) | **ANNUAL IRON LOSSES =** | | TOTAL IRON LOSSES * No. of PS Hrs x 365 days / 1000 | | | | |
| | | | | | **135780** | | |
| (B) | **ANNUAL COPPER LOSSES =** | | TOTAL COPPER LOSSES *8760*LF*LF / 1000 | | | | |
| | | | | | **255334.078** | | |
| (C) | **TOTAL X 'MER LOSSES =** | | | ( A) + ( B ) = | | **391114.078** | KWH / YEAR |

| | | | | |
|---|---|---|---|---|
| **SHEET- IV** | | | | |
| **LT LINE LOSSES CALCULATIONS** | | | | |
| **SR. NO.** | **TRANSFORMER CAPACITY** | **NO.OF TRANSFORMERS** | **STANDARD LT LINE LOSSES** | **TOTAL LOSSES** |
| | KVA | NOS. | WATT | WATT |
| 1 | 10 | **11** | 0 | 0 |
| 2 | 16 | **9** | 0 | 0 |
| 3 | 25 | 38 | 63 | 2394 |
| 4 | 50 | 0 | 163 | 0 |
| 5 | 63 | 42 | 260 | 10920 |
| 6 | 100 | 6 | 1308 | 7848 |
| 7 | 200 | 1 | 2410 | 2410 |
| 8 | 300 | 0 | 3008 | 0 |
| 9 | 500 | 0 | 18910 | 0 |
| 10 | 600 | 0 | | 0 |
| 11 | 1000 | 0 | | 0 |
| **TOTAL LT LINE LOSSES** | | | | 23572 |
| 1 | **PEAK POWER LOSSES =** | | 3 * TOTAL LINE LOSSES / ( 1000 * DF *DF) | |
| | | **( PPL )** | **26.71** | |
| 2 | **ANNUAL ENERGY LOSSES =** | | PPL * LLF * 8760 | |
| | | **( A E L )** | **78273.67** | **KWH / YEAR** |

| SHEET- V | | | |
|---|---|---|---|
| THEORITICAL LOSSES CALCULATIONS | | | |
| 1 | TOTAL LOSSES | = | HT LINE LOSS + LT LINE LOSS + X ' MER LOSS |
| | | = | 1974015.64 |
| 2 | THEO. LOSS OF THE FEEDER | = | TOTAL LOSSES * 100<br>UNIT SENT OUT |
| | | = | 18.47 |

Similarly theoretical loss (technical Loss) for all categories of feeders is calculated by the Company for FY 2013-14 are given under.

| Sr. No. | Feeder Category | % Theoretical Loss |
|---|---|---|
| 1. | EHT | 0.53 |
| 2. | HT | 1.19 |
| 3. | Industrial | 4.75 |
| 4. | Urban | 7.96 |
| 5. | GIDC | 4.05 |
| 6. | Ag. Dom. | 13.48 |
| 7. | SST | 1.27 |
| 8. | JGY | 9.83 |
| **9.** | **TOTAL** | **7.08** |

Thus, theoretical loss of all feeders together gives us the technical loss of the Company. Accordingly, theoretical loss of DGVCL for FY 2013-14 is 7.08 % as above which is in fact the arithmetic sum of all feeders.

Technical and commercial losses of last eight years are segregated as under.

| Financial Year | Distribution Loss [%] [approved] | Distribution Loss [%] [actual] | Technical Loss [%] | Commercial Loss [%] |
|---|---|---|---|---|
| 2006-07 | 16.59 | 16.11 | 5.93 | 10.18 |
| 2007-08 | 15.59 | 15.04 | 7.42 | 7.62 |
| 2008-09 | 14.45 | 14.48 | 7.47 | 7.01 |
| 2009-10 | 13.45 | 14.53 | 8.40 | 6.13 |
| 2010-11 | 12.45 | 12.34 | 7.30 | 5.04 |
| 2011-12 | 12.35 | 10.24 | 6.01 | 4.23 |
| 2012-13 | 12.00 | 11.95 | 6.84 | 5.11 |
| 2013-14 | 11.75 | 9.94 | 7.08 | 2.86 |

It can be seen from above table that commercial loss which was of the tune of 10.18% in the year 2006-07 has come down to 2.86 % in FY 2013-14. Therefore the commercial losses are almost reduced by 7.32% in last Eight years. This is as a result of various measures taken by DGVCL for the improvement in collation efficiency, disconnection activity, intensive checking of installations for curbing of theft, etc.

**Commission's Comments**

The compliance is noted. Since theoretical losses are known, efforts shall be made to reduce commercial losses to bring down distribution losses.

## Directive 3: Category wise Cost to Serve Report

The Commission has directed DGVCL to submit cost of supply report for FY 2013-14.

**Compliance**

The cost of supply report for FY 2013-14 is under preparation and shall be submitted to the Commission at the earliest.

**Commission's Comments**

Compliance is noted. However, Discoms are directed to submit the cost to serve report every year along with tariff petition.

## Directives issued in Tariff Order dated 16th April, 2013:

## Directive 1: Meter on Distribution Transformers

The Commission has directed to provide meters on all distribution transformers to arrive at the losses and record the energy consumption as a part of energy audit to arrive at the losses under each distribution transformer. It can be seen from the table below that 65.40% metering is completed, and all circle heads are instructed to complete the balance work at the earliest and evaluate the energy on transformer centre. 11 KV Mandal Ag feeders calculation of losses evaluated by Surat Rural circle attached h/w it is 18.47%.

| Discom | Circles | Distribution Transformer Metering | | | | |
|---|---|---|---|---|---|---|
| | | No. of DTs | No. of DTs metered | No. of DTs. with Electronic Meters &Communication Facility | Planning for DTC Meter During 2014-15 | % metering Completed |
| | | Oct-2014 | Oct-2014 | Oct-2014 | | Oct-2014 |
| DGVCL | Valsad | 25868 | 15340 | 2446 | 2946 | 59.30% |
| | Surat City | 11241 | 9530 | 2704 | 3404 | 84.78% |
| | Surat Rural | 30921 | 19751 | 1140 | 1940 | 63.88% |
| | Bharuch | 20030 | 12970 | 1250 | 1850 | 64.75% |
| **Total:** | | **88060** | **57591** | **7540** | **10140** | **65.40%** |

It can be seen from above table that 65.40% Metering Completed, and all circle heads are instructed to complete the balance work as earliest and evaluate the energy on transformer centre.

| 22 KV GLAXO FEEDER, GIDC SUB DIVISION, ANKLESHWAR (IND) DIV | | | | | | | |
|---|---|---|---|---|---|---|---|
| T/C wise T&D losses from 13.09.14 TO 15.09.14 | | | | | | | |
| | | | DATE | DATE | | | |
| | | | 13.09.14 | 15.09.14 | | | |
| LOCATION OF T/C | VILLAGE | METER NO. | Initial Reading | Final Reading | DIFF. | | Total unit in KWH |
| **ANK TIMBER** | **GIDC** | **DG00205** | **258162.00** | **258431.00** | **269.00** | | **269.00** |
| ANK TIMBER | | 93265 | 430754.00 | 431021.00 | 267.00 | | 267.00 |
| | | | | | | | **0** |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **269.00** | **267.00** | **2** | **0.74** | | | |
| | | | | | | | |
| **ZAB SYNTHETICS** | **GIDC** | **6332612** | **66137.00** | **66194.00** | **57.00** | | **57** |
| | | | | | | | |
| Shanti Enterprise | GIDC | 4713351 | 43930.00 | 43930.00 | 0.00 | | |
| Deluxe industries | GIDC | 4952942 | 49954.00 | 50009.00 | 55.00 | | |
| **Laxmi Industries** | GIDC | **4713505** | **592813** | **592813.00** | 0.00 | | **0.00** |
| | | | | | 55.00 | | 55.00 |
| | | | | | | | |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **57.00** | **55.00** | **2** | **0.04** | | | |
| | | | | | | | |
| **SHANTI ENTERPRISE** | GIDC | **39200** | **16087.00** | **16087.00** | **0.00** | | **0.00** |
| **Shanti enterprise** | GIDC | 6581111 | 130254.00 | 130254.00 | 0.00 | | 0.00 |
| | | | | | | | |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **55.00** | **0.00** | **55** | **0.0000** | | | |
| | | | | | | | |
| **PLATINUM TANNING** | GIDC | **37710** | **50927.00** | **51499.00** | **572.00** | | 572.00 |
| **Platinum Tanning** | GIDC | 1996733 | 1348665.00 | 1349234.00 | 569.00 | | 569.00 |
| | | | | | | | |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **572.00** | **569.00** | **3** | **0.01** | | | |
| | | | | | | | |
| | | | | | | | |
| **SANJAY TRADERS** | GIDC | **39241** | **7224.00** | **7225.00** | **1.00** | | **1.00** |
| | GIDC | **17969** | **30597.00** | **30598.00** | **1.00** | | **1.00** |
| | | | | | | | |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of** | **1.00** | **1.00** | **0** | **0.0000** | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **T/C** | | | | | | | |
| | | | | | | | |
| **DRAINAGE PUMP** | **GIDC** | **37708** | **106960.00** | **107475.00** | **515.00** | | 515.00 |
| | | | | | | | |
| **Drainage Pump B** | GIDC | 6765266 | 649526 | 649985.00 | 459.00 | | |
| **N.A.O. Street Light** | GIDC | 58020 | 120896 | 120950.00 | 54.00 | | |
| | | | | | 513.00 | | 513.00 |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **515.00** | **513.00** | **2** | **0.0039** | | | |
| | | | | | | | |
| **WORLD PHARMA** | **GIDC** | **37709** | **45985** | **46010.00** | **25.00** | | 25.00 |
| | | | | | | | |
| World pharma chem | GIDC | 40737 | 8165 | 8189.00 | 24.00 | | 24.00 |
| | | | | | | | |
| | **sent out** | **sold out** | **diff** | **% loss** | | | |
| **T&D losses of T/C** | **25.00** | **24.00** | **1** | **4.0000** | | | |
| **HT CONNECTIONS** | | **METER NO** | **INITIAL** | **FINAL** | **DIFF.** | **MF** | **UNITS CONSUMED** |
| DY STAR | GIDC | 10362539 | 329993 | 330470.00 | 477.00 | 8 | 3816 |
| RALLIES INDIA | GIDC | STA04459 | 365099 | 365160.00 | 61.00 | 3 | 183 |
| HEMANI INTER. | GIDC | GEB02965 | 306754 | 308814.00 | 2060.00 | 16 | 32960 |
| MERIDIAN CHEM BOND | GIDC | GEB18471 | 2765433 | 2769230.00 | 3797.00 | 4 | 15188 |
| UNITED PHOSPHORUS | GIDC | 11490852 | 31149 | 31210 | 61.00 | 3 | 183 |
| UPL UNIT III | GIDC | 4247162 | 2088945 | 2090652 | 1707.00 | 8 | 13656 |
| GLANMARK | GIDC | GJ2836B | 4579.96 | 4610.28 | 30.32 | 4000 | 121280 |
| | | | | | **TOTAL** | | **187266** |

| | **LT** | **HT** | **Total** |
|---|---|---|---|
| TOTAL SENT OUT FROM T/C | 1439 | 187266 | 188705 |
| **Consumer end sold out** | **1429** | **187266** | **188695** |

**ANKLESHWAR 66KV “A” S/S**

**DATE** **DATE**

**13.09.2014** **15.09.2014**

| **PANNEL METER READING** | | **DIFF.** | **TOTAL** |
|---|---|---|---|
| | | **MWH** | **KWH** |
| **Initial reading** | **Final reading** | | |
| 252114.7218 | 252304.0566 | 189.3348 | 189334.8 |

| | | |
|---|---|---|
| **T&D LOSSES OF HT LINE AND T/C** | ⇨ | **-0.33%** |

| | | |
|---|---|---|
| **NOW T&D LOSSES OF WHOLE FEEDER** | ⇨ | **0.34%** |

**Commission's Comments**

Metering of balance transformers shall also be completed and a half yearly report on the same be submitted.

## Directive 2: Losses on Jyoti Gram Yojna feeders

The Commission has directed that the losses are still very high at 45.70%. More serious efforts are to be made for curbing pilferage of energy to reduce the losses, apart from replacing the defective meters on priority and also replacing electromagnetic meters with static meters, if any, still in service.

**Compliance**

Losses of Jyoti Gram Yojna feeders of last seven year is tabulated below

| FY Year | % Loss |
|---|---|
| 2006-07 | 60.39 |
| 2007-08 | 60.65 |
| 2008-09 | 58.35 |
| 2009-10 | 56.74 |
| 2010-11 | 52.67 |
| 2011-12 | 52.48 |
| 2012-13 | 51.54 |
| 2013-14 | 45.70 |
| 2014-15 ( UP TO JULY 2014 ) | **42.97** |

It can be seen from the above table that % distribution losses is in reducing trend since 2007-2008. It has been reduced from 60.39 % to 42.97 % i.e. reduced by 17.42 % in last seven years. Company has made full efforts for reducing distribution losses specially on JGY feeders .Company has carried out activities like replacement of stop meters, provided electronic meters in place of slow and sluggish old electromechanical meters, Provided Metal Meter Box, Provided Aerial Bunch Conductors in place of open bare conductors, Agriculture feeders crossing from JGY feeders are removed etc. Also by constant monitoring from higher authority and respective officers on all the high loss feeders allocated, the micro plan has already been implemented for reduction of losses on JGY feeders.

**Commission's Comments**

Action taken is noted. Loss level of 42.97% is not at acceptable level. Serious efforts need to be made to reduce the loss substantially.

### Directive 3: Billing based on simultaneous maximum demand for Railway traction load

The Discom is directed to examine, the technical feasibility of recording and billing based on simultaneous maximum demand in its area and submit a report to the Commission by 30th April 2014.

**Compliance**

As already complied in last petition it is not possible to accept simultaneous maximum demand.

**Commission's Comments**

Action taken is noted.

## 8.2 New Directive

### Directive

The Commission considers HT & LT voltage loss level historically as submitted by Discoms since long. There is significant change in HT-LT ratio of distribution network in last few years. Hence, it is required to revisit HT-LT losses to arrive at a reasonable wheeling charge. In view of the above, Discoms shall initiate a study on the segregation of HT & LT losses and submit a report by September, 2015.

# 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, 2011 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 Proposal of Discom for Tariff Structure and changes in Tariff Structure

### Tariff Proposal

The Discoms have submitted that the total revenue gap of all four state distribution companies is around 4.07% of the total revenue at existing tariff. The subsequent paragraphs highlight the changes proposed by Discom in order to bridge the existing revenue gap.

9.2.1 In order to bridge the revenue gap, Discom has proposed change in the tariff for various categories of consumers except agriculture. Discom has proposed overall increase of 2.57% over existing tariff and recovery of remaining unrecovered gap is proposed to be met though efficiency improvement measures. Further, the Discoms vide letter dated 31.01.2015 had requested the Commission to consider the impact of Hon'ble APTEL's judgement dated 04.12.2014.

9.2.2 Over and above change in tariff, the Company is proposing some minor modifications in current tariff structure. The proposed changes are outlined in the subsequent paragraphs.

### 9.2.3 Proposed changes in the tariff structure (LT Category):

**A. Fixed Charges for BPL (Urban/ Rural) Consumers**:

The present tariff structure has uniform fixed charges for all the consumers under BPL category. Considering the connected load 2 KW, it is proposed to levy fixed charges on BPL consumers having connected load of more than 2 kW at par with regular residential consumers.

**Existing Fixed Charges**

| | |
|---|---|
| Fixed Charges | Rs. 5/- per month |

**Proposed Fixed Charges**

| | |
|---|---|
| Up to 2 kW | Rs. 5/ per month |

| | |
|---|---|
| Above 2 kW | Rate as per RGP (Urban/Rural as applicable) |

**B. Clarity on applicability of GLP category**:

The utilities in the past have faced certain issues pertaining to applicability of this category to various consumers due to certain ambiguity in defining applicability of this category. Hence, following change is proposed in order to bring clarity regarding applicability of this category to identified consumers enabling ease of implementation.

**Existing Provision**

*This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner and research and development laboratories.*

**Proposed Provision**

*This Tariff is applicable to the:*

1. *Educational institutes operated / owned by Government or by Government owned organisations/ companies;*

2. *Institutions registered with the Charity Commissioner; and*

3. *Research and development laboratories not involved in any manufacturing or service industry.*

**C. Sub categorisation of GLP category**:

Discom has submitted that presently the GLP category has no sub-categories. It is proposed to introduce two new sub categories under GLP category. The first sub-category is for connected load up to 15 kW and second is for connected load above 15 kW. Further, demand based tariff is proposed for consumers with connected load above 15 kW. Demand based tariff is proposed for higher connected load consumers to align them with the non-RGP consumers.

**Existing Provision**

| | | |
|---|---|---|
| (a) | Fixed Charges | Rs. 60/- per month |
| (b) | Energy Charges | 380 Paise per Unit |

**Proposed Provision**

**(a) Connected load up to 15 kW**

| | | |
|---|---|---|
| (a) | Fixed Charges | Rs. 75/- per month |
| (b) | Energy Charges | 380 Paise per Unit |

**(b) Connected load above 15 kW**

**Fixed Charges**

| | | |
|---|---|---|
| (a) | For billing demand | 5 Rs per kW per month |
| (b) | For billing demand in excess of contract demand | 10 Rs per kW per month |

**Definition of Billing Demand:**

The billing demand shall be highest of the following, rounded to the next full kW:

a. Eighty-five percent of the contract demand

b. Actual maximum demand registered during the month

c. 15 kW.

**Energy Charges**

| | | |
|---|---|---|
| (a) | Energy Charges | 380 Paise per Unit |

Discom has submitted that on account of no past trends, it is difficult to estimate the fixed charges which are likely to be recovered from consumers having connected load above 15 kW due to introduction of demand based tariff and hence the same has not been submitted in the formats. However, recovery of revenue for GLP on an existing structure has been submitted for reference. Discom has requested the Commission to consider the above submission considering the practical issue faced by Discom.

## D. Intimation of off-seasonal period by Seasonal consumers of Non-RGP & LTMD Tariff Category:

Revision in the provision is proposed to bring in the necessary clarity over intimation of off-seasonal period by the seasonal consumers.

**Existing Provision**

*2) A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in* ***advance*** *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 off-season so declared and observed shall be not less than three calendar months in a calendar year.*

**Proposed Provision**

*2) A consumer, who desires to be billed for minimum charges on annual basis, shall intimate 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 off-season so declared and observed shall be not less than three calendar months in a calendar year.*

## E. Restriction over consumption during off-seasonal period by Seasonal consumers of Non-RGP Tariff Category:

Under the head of Minimum Bill per Installation for seasonal consumer, following clause is proposed to be inserted:

- *Up to 10% of monthly average consumption of the previous seasonal* period or up to 15% of contracted load can be availed every month during off-seasonal *period. In case the consumer is exceeding any of these conditions then such consumer for the relevant billing period shall be billed under tariff category of Non-RGP as if non-seasonal consumer.*

## F. Restriction over consumption during off-seasonal period by Seasonal consumers of LTMD Tariff Category:

Discom has proposed to include the following clause under the head of seasonal consumers taking LTMD supply:

- *"Up to 10% of monthly average consumption of the previous seasonal period or up to 15% of contracted load can be availed every month during off-seasonal period. In case the consumer is exceeding any of these conditions then such consumer for the relevant billing period shall be billed under tariff category of LTMD as if non-seasonal consumer.*

**G. Restriction over consumption beyond prescribed hours by consumers of Non-RGP Night & LTMD Night Tariff Category:**

Minor modification has been proposed over consumption beyond prescribed hours.

**Existing Provision**

Note:

*a. 10% of total units consumed* ***and*** *15% of the contract load can be availed beyond the prescribed hours.*

**Proposed Provision**

Note:

*a. 10% of total units consumed* ***or*** *15% of the contract load can be availed beyond the prescribed hours.*

**H. Modification in Tariff for power supply for street lighting purposes to consumers other than the local authorities and industrial estates:**

Discom has proposed change to bring clarity for implementation as given below:

**Existing Provision**

***Renewal and Replacement of Lamps:***

*The consumer shall arrange for renewal and replacement of lamp at his cost by person authorized by him in this behalf under* ***Rule 3 of the Indian Electricity Rules, 1956/*** *Rules issued by CEA under the Electricity Act, 2003.*

***Maintenance other than Replacement of Lamps:***

*Maintenance of the street light****ing system*** *shall be carried out by Distribution Licensee.*

**Proposed Provision**

***Renewal and Replacemen t of Lamps:***

*The consumer 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 authorized by him in this behalf under Rules issued by CEA under the Electricity Act, 2003.*

***Maintenance other than Replacement of Lamps:***

*Maintenance of the street light **conductor provided on pole to connect the street light** shall be carried out by Distribution Licensee.*

**9.2.4 Proposed changes in the tariff structure (HT Category):**

**A. Intimation of off-seasonal period by Seasonal consumers of HTP-I Category:**

Discom has proposed to provide clarity over intimation of off-seasonal period as given below:

**Existing Provision**

3) *A consumer, who desires to be billed for minimum charges on annual basis, shall intimate in writing in **advance** 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 off-season so declared and observed shall be not less than three calendar months in a calendar year.*

**Proposed Provision**

3) *A consumer, who desires to be billed for minimum charges on annual basis, shall intimate 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 off-season so declared and observed shall be not less than three calendar months in a calendar year.*

**B. Under the head seasonal consumers taking HT Supply, following clause is proposed to be inserted.**

*"Up to 10% of monthly average consumption of the previous season*al period or up to 15% of contracted load can be availed every month during off-seasonal

period. In case *the consumer is exceeding any of these conditions, then such consumer for the relevant billing period shall be billed under tariff category of HTP-I as if non-seasonal consumer."*

**C. Restriction over consumption beyond prescribed hours by consumers of HTP- IV Tariff Category:**

Minor modification has been proposed over consumption beyond prescribed hours.

**Existing Provision**

Note:

*a.* *10% of total units consumed* ***and*** *15% of the contract load can be availed beyond the prescribed hours.*

## 9.3 Commission's Analysis

The Commission has carried forward the process of rationalization of tariff in order to ensure that the tariffs reflect, as far as practicable, the cost of supply. The Commission has also tried to address operational and field level issues – keeping in view the interest of consumers – while rationalizing tariff structure.

The Commission decides to continue the existing tariff structure except rationalization of tariff structure for residential category by introducing additional slabs of 101 to 200 units and 201 to 250 units to promote energy conservation taking into consideration the capacity to pay. Further, the Commission has considered to approve the change proposed for seasonal consumers regarding intimation of off seasonal period as proposed by the Discoms. This will give operational clarity to both, consumers as well as Discoms. The Commission has also considered the proposed change related to renewal and replacement of lamps as well as maintenance other than replacement of lamps in the street light category applicable to consumers other than local authorities and industrial estates. This will also provide ample clarity while implementing the tariff.

Discoms have proposed a significant increase in demand charge in order to compensate for the fixed charge incurred by them. However, the commission is of the view that demand charge should not be increased beyond a certain limit in order to keep the impact of tariff hike at reasonable level for the consumers having lower consumption. The Commission decides to increase fixed and energy charge in such a way that tariff hike for all categories of consumers remains moderate, irrespective whether usage of electricity is lower or extensive. Further, the hike in energy charge instead of higher increase in fixed charge encourages efficient use of electricity and promotes DSM measures.

In view of the above, while increasing tariff, the Commission has taken care of paying capacity of the consumers. The Commission has not increased the energy charge for monthly consumption up to 200 units for residential purpose. Also, the fixed charge for the single phase residential consumers is not increased. Further, the Commission has not increased the tariff for BPL and Agriculture consumers. There is a moderate increase of Rs. 5 per installation per month in fixed charge of consumers having connected load above 6 kW. For the rest of the consumer categories average increase of 13 paise/unit including both, increase in fixed as well as energy charge, is approved by the Commission.

Further, in order to encourage night time consumption, the Commission has reduced the demand charge of HTP-IV category consumers from 1/2 to 1/3 of HTP-I consumers. This will help Discoms to utilise generation sources which otherwise requires backing down in the off-peak periods.

With this increase, an amount of Rs. 780.90 Crore of additional revenue is estimated for the four Discoms for addressing significant portion of the gap of Rs. 996.48 Crore. Discoms are required to make up the balance gap of Rs. 215.58 Crore by taking measure for improving efficiency in its operations.

# COMMISSION'S ORDER

The Commission approves the Aggregate Revenue Requirement (ARR) for DGVCL for FY 2015-16 as shown in the Table below:

**Approved ARR for DGVCL for FY 2015-16**

**(Rs. Crore)**

| Sl. No. | Particulars | FY 2015-16 |
|---|---|---|
| 1 | Cost of power purchase | 8327.45 |
| 2 | Operations & Maintenance expenses | 225.26 |
| 2.1 | Employee cost | 257.12 |
| 2.2 | Repairs and Maintenance | 33.17 |
| 2.3 | Administration and General expenses | 59.03 |
| 2.4 | Other debits | 0.94 |
| 2.5 | Extraordinary items | - |
| 2.6 | Net prior period expenses / income | - |
| 2.7 | Other expenses capitalised | (125.00) |
| 3 | Depreciation | 214.99 |
| 4 | Interest and finance charges | 132.92 |
| 5 | Interest on working capital | - |
| 6 | Provision for bad debts | 0.10 |
| 7 | Return on equity | 96.47 |
| 8 | Provision for tax / tax paid | 6.51 |
| **9** | **Total expenditure (1 to 8)** | **9003.69** |
| 10 | Less: Non-Tariff income | 177.24 |
| **11** | **Aggregate Revenue Requirement** | **8826.45** |

The retail supply tariffs for DGVCL distribution area for FY 2015-16 determined by the Commission are annexed to this order.

This order shall come into force with effect from the 1st April, 2015. The revised rate shall be applicable for the electricity consumption from the 1st April, 2015 onwards.

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **SHRI K.M. SHRINGARPURE** | **DR. M.K. IYER** | **SHRI PRAVINBHAI PATEL** |
| Member | Member | Chairman |

Place: Gandhinagar
Date: 31/03/2015

## ANNEXURE: TARIFF SCHEDULE

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

**Effective from 1st April, 2015**

### GENERAL

1. The tariff figures indicated in this tariff schedule are the tariff rates payable by the consumers of unbundled Distribution Licensees of the erstwhile GEB 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. Meter charges shall be applicable as prescribed under 'GERC (Licensee's Power to Recover Expenditure incurred in providing supply and other Miscellaneous Charges) Regulations, 2005 as in force from time to time.

7. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations will continue to apply.

8. 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.

9. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power or kilo watt (HP or kW) as the case may be. The fraction of less than 0.5 shall be rounded to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).

10. The Connected Load for the purpose of billing will be taken as the maximum load connected during the billing period.

11. The Fixed charges, minimum charges, demand charges, meter rent 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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

### 1.0 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 |
| (d) | Above 6 kW | Rs. 70/- per month |

For BPL Household Consumers:

| | |
|---|---|
| Fixed charges | Rs. 5/- per month |

**PLUS**

### 1.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION: (OTHER THAN BPL CONSUMERS)

| | | |
|---|---|---|
| (a) | First 50 units | 315 Paise per Unit |
| (b) | Next 50 units | 360 Paise per Unit |
| (c) | Next 100 units | 425 Paise per Unit |
| (d) | Next 50 units | 435 Paise per Unit |
| (e) | Above 250 units | 530 Paise per Unit |

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

| | | |
|---|---|---|
| (a) | First 30 units | 150 Paise per Unit |
| (b) | For 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 30 units per month.

### 1.4 MINIMUM BILL (EXCLUDING METER CHARGES)

Payment of fixed charges as specified in 1.1 above.

## 2.0 RATE: RGP (RURAL)

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

However, this is not applicable to villages which are located within the geographical jurisdiction of Urban Development Authority.

Single-phase supply- Aggregate load up to 6 kW

Three-phase supply- Aggregate load above 6 kW

## 2.1 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 |
| (d) | 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 | 275 Paise per Unit |
| (b) | Next 50 units | 320 Paise per Unit |
| (c) | Next 100 units | 385 Paise per Unit |
| (d) | Next 50 units | 395 Paise per Unit |
| (e) | Above 250 units | 500 Paise per Unit |

## 2.3 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION:

**FOR THE CONSUMER BELOW POVERTY LINE (BPL) ****

| | | |
|---|---|---|
| (a) | First 30 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 30 units per month.

## 2.4 MINIMUM BILL (EXCLUDING METER CHARGES):

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*.

**3.0 RATE: GLP**

This tariff is applicable to the educational institutes and other institutions registered with the Charity Commissioner and research and development laboratories.

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

**4.0 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.

**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**

(a) "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, huller, salt industry, sugar factory, khandsari, cold storage plants (including such plants in fisheries industry), tapioca industries manufacturing starch, etc.

(b) Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing atleast 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.

(c) The total minimum amount under the head “Fixed and Energy Charges” payable by the seasonal consumer satisfying the eligibility criteria under sub-clause (a) above and complying with the provision stipulated under sub-clause (b) above shall be Rs. 1800 per annum per kW of the contracted load.

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

(e) 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 (c) above.

## 5.0 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 FIXED CHARGES:

| | | |
|---|---|---|
| (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 CHARGES:

| | |
|---|---|
| For the entire consumption during the month | 470 Paise per Unit |

**PLUS**

## 5.3 REACTIVE ENERGY CHARGES:

| | |
|---|---|
| For all the reactive units (KVARH) drawn 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) 15 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 etc.

5.6.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing atleast 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) 15 kW.

5.6.5.1 Units consumed during the off-season period shall be charged for at the flat rate of 480 Paise per unit.

## 6.0 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 entire consumption during the month | 260 Paise per Unit |

*NOTE:*

1. *10% of total units consumed and 15% of the contract load can be availed beyond the prescribed hours.*
2. *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.*
3. *The option can be exercised to switch over from Non-RGP tariff to Non-RGP Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
4. *In case the consumer is not fulfilling the conditions of this tariff category,*

*then such consumer for the relevant billing period will be billed under tariff category* Non-RGP*.*

## 7.0 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 FIXED CHARGES PER MONTH:

| |
|---|
| 50% of the Fixed charges specified in Rate **LTMD** above. |

**PLUS**

### 7.2 ENERGY CHARGES:

| | |
|---|---|
| For entire consumption during the month | 260 Paise per Unit |

### 7.3 REACTIVE ENERGY CHARGES:

| | |
|---|---|
| For all reactive units (KVARH) drawn during the month | 10 Paise per KVARH |

*NOTE:*

1. *10% of total units consumed and 15% of the contract load can be availed beyond the prescribed hours.*
2. *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.*
3. *The option can be exercised to switch over from LTMD tariff to LTMD-Night tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
4. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category LTMD.*

## 8.0 RATE: LTP- LIFT IRRIGATION

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 cannel, river, & dam and supplying water directly to the fields of farmers for agricultural irrigation only.

| | | |
|---|---|---|
| (a) | Fixed charges per month | Rs. 45/- per HP |
| | PLUS | |
| (b) | Energy charges<br>For entire consumption during the month | 180 Paise per Unit |

**9.0 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:<br>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:<br>For entire consumption during the month | 410 Paise per Unit |

9.3.1 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:<br>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 |

## 10.0 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 | 60 Paise per Unit per month |

### 10.1.3 TATKAL SCHEME:

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

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 intension 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).

## 11.0 RATE: SL

### 11.1 Tariff for Street Light for Local Authorities and Industrial Estates:

This tariff includes the provision of maintenance, operation and control of the street lighting system.

#### 11.1.1 ENERGY CHARGES:

| | |
|---|---|
| For all the units consumed during the month: | 405 Paise per Unit |

#### 11.1.2 OPTIONAL KVAH CHARGES:

| | |
|---|---|
| For all the kVAh units consumed during the month: | 305 Paise per Unit |

11.1.3 Renewal and Replacements of Lamps:

The consumer shall arrange for renewal and replacement of lamp 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.

11.2 **Tariff for power supply for street lighting purposes to consumers other than the local authorities and industrial estates:**

#### 11.2.1 FIXED CHARGES:

| |
|---|
| Rs. 30 per kW per month |

#### 11.2.2 ENERGY CHARGES:

| | |
|---|---|
| For all units consumed during the month | 405 Paise per kWh |

11.2.3 Renewal and Replacement of Lamps:

The consumer 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.

11.2.4 Maintenance other than Replacement of Lamps:

Maintenance of the street lighting conductor provided on pole to connect the street light shall be carried out by Distribution Licensee.

## 12.0 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.

### 12.1 FIXED CHARGE

| | |
|---|---|
| Fixed Charge per Installation | Rs. 15 per kW per Day |

### 12.2 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.*

## 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

### 13.0 RATE: HTP-I

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 first 500 kVA of billing demand | Rs. 130/- per kVA per month |
| (b) | For next 500 kVA of billing demand | Rs. 240/- per kVA per month |
| (c) | For billing demand in excess of 1000 kVA | Rs. 425/- 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. 505 per kVA per month |

**PLUS**

### 13.2 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**

### 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” 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”, 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” 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 | 0.5% |
| (b) | If supply is availed at 132 kV and above | 1.0% |

### 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 as is in excess of one third of the total energy consumed during the month, shall be eligible for concession at the rate of 85 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 etc.

13.11.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect in writing atleast 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 clauses 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 465 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.

## 14.0 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 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 | | |
|---|---|---|
| (b) | Up to 500 kVA of billing demand | 435 Paise per Unit |
| (c) | For billing demand above 500 kVA and up to 2500 kVA | 455 Paise per Unit |
| (d) | 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 Power Factor Adjustment Charges
14.7 Maximum demand and its measurement
14.8 Contract Demand
14.9 Rebate for supply at EHV
14.10 Concession for use of electricity during night hours

$\Bigg\}$ Same as per HTP-I Tariff

**15.0 <u>RATE: HTP-III</u>**

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 |

**PLUS**

**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 per HTP-I Tariff |
| 15.5 | Minimum bill | |
| 15.6 | Power Factor Adjustment Charges | |
| 15.7 | Maximum demand and its measurement | |
| 15.8 | Contract Demand | |
| 15.9 | Rebate for supply at EHV | |

**16.0 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 | 240 Paise per Unit |

| | | |
|---|---|---|
| 16.3 | Billing demand | Same as per HTP-I Tariff |
| 16.4 | Minimum bill | |
| 16.5 | Power Factor Adjustment Charges | |
| 16.6 | Maximum demand and its measurement | |
| 16.7 | Contract Demand | |
| 16.8 | Rebate for supply at EHV | |

*NOTE:*

1. *10% of total units consumed and 15% of the contract demand can be availed beyond the prescribed hours for the purpose of maintenance.*
2. *For the purpose of office lighting, fans etc. the consumer may apply for a separate connection.*
3. *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.*

4. *The option can be exercised to switch over from HTP-I tariff to HTP-IV tariff and vice versa twice in a calendar year by giving not less than one month's notice in writing.*
5. *In case the consumer is not fulfilling the conditions of this tariff category, then such consumer for the relevant billing period will be billed under tariff category HTP-I.*

## 17.0 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. 50 per kVA per month |

**PLUS**

## 17.2 ENERGY CHARGES:

| | |
|---|---|
| For all units consumed during the month | 180 Paise per Unit |

| | | |
|---|---|---|
| 17.3 | Billing demand | Same as per HTP-I Tariff |
| 17.4 | Minimum bill | |
| 17.5 | Power Factor Adjustment Charges | |
| 17.6 | Maximum demand and its measurement | |
| 17.7 | Contract Demand | |
| 17.8 | Rebate for supply at EHV | |

## 18.0 RATE: RAILWAY TRACTION

This tariff is applicable for power supply to Railway Traction at 132 kV/66 kV.

## 18.1 DEMAND CHARGES:

| | |
|---|---|
| For billing demand up to the contract demand | Rs. 180 per kVA per month |
| 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 units consumed during the month | 500 Paise per Unit |

| | | |
|---|---|---|
| 18.3 | Billing demand | Same as per HTP-I Tariff |
| 18.4 | Minimum bill | |
| 18.5 | Power Factor Adjustment Charges | |
| 18.6 | Maximum demand and its measurement | |
| 18.7 | Contract Demand | |
| 18.8 | Rebate for supply at EHV | |