The additional details sought from M/s DGVCL in the Petition No. 1840/2019 for True up of FY 2018-19 And Determination of Tariff for FY 2020-21. The same is submitted hereunder.

A. True-Up for FY 2018-19

1. Significant increase in sales is observed in Industrial HT Category. In this regard, DGVCL should

a. Submit the reasons for the same.

b. Clarify whether this trend of sales increase is expected to continue

DGVCL Reply:

As per our opinion, the sales in HT Category has significantly increased in FY 2018-19 due to higher market price of other options like open access, solar, CPP units etc.

The sales of HT category since last five years is as under

(Sales in MUs)

Particulars	Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
Industrial HT	7691	7826	7727	8274	9454
Railway Traction	335	266	9	9	10
Total HT Sales	**8026**	**8092**	**7736**	**8283**	**9464**

Y-O-Y growth rate - Indus. HT		1.76%	-1.27%	7.08%	14.26%
Y-O-Y growth rate – Railway		-20.60%	-96.62%	0.00%	11.11%
Y-O-Y growth rate – HT Cat.		0.82%	-4.40%	7.07%	14.26%

Looking at above year on year trend, the increase/decrease in sales of HT category was uneven. I.e. the negative growth is registered during the year 2016-17 compared to 2015-16 and on contrary the positive growth is noticed in the year 2018-19 compared to 2017-18.

Further to this , the growth in HT category which we have analysed particularly, the number of applications received for HT category (no. of consumers) ,connected load and the trend of Open Access for the period of 2017-18, 2018-19 and for the current period is as under:-

Year	No. Of Consumers	Connected load (MW)	Sales Mus	HT Revenue (Rs. In Crore)	No Of Open Access /CPP/Wind Firm Consumers)	Consumption in MUs (OA/CPP/WF)
2017-18	3705	2913	8283	5849	288	2445
2018-19	3928	3154	9464	6763	278	2536

For the future years, the consumers have also been executing wheeling arrangement for captive solar power. Hence the projection of HT category is difficult.

c. **Explain the more than proportionate increase in revenue as compared to approved revenue, as against increase in actual sales as compared to approved sales**

DGVCL Reply:

(Rs. In crore)

Details	Sales in Mus (Approved)	Sales in Mus (Actual)	Revenue (Approved)	Revenue (Actual)
1	18834	19080	9228.86	12573.88
2	FPPPA (Avg. FPPPA 1.7125 * 19080)		3267.45	
Actual vs Approved sales amount			**12496.31**	**12573.88**

The approved sales exclude FPPPA and actual sales includes FPPPA component. If we add the FPPPA component on approved sales, then the approved versus actual sales amount shows positive variance of (0.62%) Rs 77.57 Crores.

2. **As regards sales to agricultural category, DGVCL should**

   a. **Submit the break-up of sales to metered agricultural category and un-metered agricultural category.**

   b. **Submit the break-up of revenue from sales to metered agricultural category and un-metered agricultural category.**

c. **Explain the significant increase in revenue as compared to approved revenue, though the overall actual sales is very close to approved sales**

DGVCL Reply:

The details of Ag. Consumer is tabulated hereunder:

Sr. No.	Particulars	Sales (MUs)		Revenue (Rs. Crores)	
		FY 2018-19 (Approved)	FY 2018-19 (Actual)	FY 2018-19 (Approved)	FY 2018-19 (Actual)
1	Agriculture - Metered	420	491	79.17	66.01
2	Agriculture - Unmetered	479	417	55.84	214.61
3	Total Agricultural	899	908	135.01	280.62

*Sale in MU Sold and Revenue is as per the Note 48 of Audit report.

Year	Ag. Consumers (metered)	Sales MUS		Ag. Consumers (un-metered)	Sales MUS	Ag. Revenue (In Rs. Crores)
2017-18	120808	385		44184	417	175.07
2018-19	130967	491		43845	417	280.62

During the FY 2017-18 DGVCL received tariff compensation & FPPPA subsidy for an amount of Rs. 117.31 Crore, while during the FY 2018-19 DGVCL has received tariff compensation & FPPPA subsidy of Rs. 214.61 Crore. Hence, showing increase in revenue in Agriculture category.

3. **DGVCL should submit category-wise number of consumers, connected load, contract demand and billed demand for FY 2018-19 for all categories**

DGVCL Reply:

The details of the same are tabulated hereunder:

Category wise details for the F.Y. 2018-19					
Sr no	Category	Nos of Consumer	Connected load (MW)	Contract Demand	Billing Demand
1	RGP	2572762	2725	2726	
2	GLP	16845	53	53	
3	LTMD & NRGP	429938	2870	2912	
4	Industrial HT	3957	3150	3018	2874
5	Public Lighting	9745	35	35	
6	Traction Railway	1	5	5	4
7	Agriculture				
	Agriculture Meter	43845	760	760*	
	Agriculture Un-meter	130967	245	245	
8	Public Water Works & Sewerage Pumps	29062	150	150	
	Total	**3237122**	**9993**	**9904**	**2878**

4. **DGVCL should submit the comparison of actual Average Billing Rate (ABR) vis-à-vis the approved ABR for each category, and explain the difference in ABR for each category**

DGVCL Reply:

The details of the same are tabulated hereunder:

Approved vs actual ABR are as follows for various tariff categories.

Particulars	Sales (MU)		Revenue (Rs. Crore)		ABR (Rs. /unit)	
	FY 2018-19 Approved	FY 2018-19 Actual	FY 2018-19 Approved*	FY 2018-19 Actual*	Approved ABR	Actual ABR
LT Consumers						
RGP	3323	3,011	1,776.09	1,629.83	5.34	5.41
GLP	63	53	35.60	31.02	5.65	5.88
Non-RGP & LTMD	6048	5,350	3,986.97	3,706.51	6.59	6.93
Public Water Works	181	234	94.81	126.61	5.24	5.42
Agriculture – Metered	420	491	141.75	66.01	3.38	1.35
Agriculture - Unmetered	479	417	127.21	214.61	2.66	5.15
Public Lighting	72	61	39.93	35.59	5.55	5.82
Industrial HT	8245	9,464	5,832.33	6763.70	7.07	7.15
	18831	19,080	12,034.69	12,573.88		

** Approved revenue contains revenue from FPPPA charges at Rs. 1.49/unit and actual revenue contains revenue from FPPPA charges at Rs. 1.71/unit*

*Agriculture-Metered Rs 66.01 Cr without subsidy/compensation

Actual ABR for all categories has increased due to increase in actual FPPPA revenue in FY 2018-19 vis-à-vis FPPPA charge/unit considered by the commission in the Tariff Order.

5. DGVCL should submit clarification of 66 MU shown under the head 'local power purchased by Discom' mentioned in Table 9.

DGVCL Reply: DGVCL have signed Wheeling Agreement and Purchase Agreement with the Consumers/Third party from whom DGVCL purchased unutilized excess units from the consumers on account of their generation from Wind/Solar/Biomass. The same 66MUs has been considered as a local purchase by Distribution Company and shown under power purchase cost.

6. **DGVCL should submit the reasons for claiming Intra-state Transmission Loss of 3.93% whereas GETCO in its Petition has claimed Transmission loss of 3.92%.**

DGVCL Reply: DGVCL has computed Intra-state Transmission Loss as per data available on SLDC website. Same is submitted below for ready reference.

Month	Energy Injected into GETCO Network (in MU)	Energy Dispatched from GETCO Network (in MU)	Energy Losses (in MU)	% Losses
Mar-19	8937.83	8613.99	323.84	3.62
Feb-19	7886.03	7576.31	309.72	3.93
Jan-19	8615.7	8271.79	343.91	3.99
Dec-18	8726.13	8372.8	353.33	4.05
Nov-18	8309.82	8003.83	306	3.68
Oct-18	10037.63	9623.27	414.36	4.13
Sep-18	9131.76	8734.85	396.91	4.35
Aug-18	8498.44	8165.13	333.32	3.92
Jul-18	7754.05	7438.33	315.72	4.07
Jun-18	8977.01	8571.88	405.13	4.51
May-18	9327.94	8991.6	336.34	3.61
Apr-18	8955.62	8641.28	314.34	3.51
Total	**105157.96**	**101005.06**	**4152.92**	**47.37**
	A	B		C=B/A
	210315.92	202010.12	8305.84	3.9492%

However, GETCO computes transmission loss as per methodology approved by the Hon'ble Commission in Order No. 990 /2010. In Table 10 of Tariff Petition by GETCO for Truing up of FY 2018-19, actual transmission loss for FY 2018-19 as per SLDC and as per revised methodology approved in Order no. 990/2010 both are mentioned. Actual transmission loss for FY 2018-19 as per SLDC in table 10 mentioned above matches with that submitted by the Petitioner.

PGCIL System losses are applicable as notified by Regional Load Dispatch Centre (WRLDC) under CERC PoC Regulations. The losses notified by WRLDC is annexed herewith as **Annexure-A**. During FY 2018-19, power purchased through PGCIL was 50743 MUs. The DISCOM wise losses are tabulated as under:

DISCOMs	Loss (MUs)
DGVCL	326.593
MGVCL	225.142
PGVCL	568.624
UGVCL	504.178
Total	1,624.54

8. As regards power purchase expenses, DGVCL should submit

a. source-wise power purchase per unit cost approved in MYT Order and source wise-per unit power purchase cost now claimed in Truing-up.

b. DGVCL should provide source-wise reasoning for increase/decrease in per unit cost of power purchase with respect to the approved rates.

c. DGVCL should also list unapproved sources, if any, from whom power was procured during FY 2018-19.

d. Reconciliation of power purchase cost with Form 2 of the Petition formats submitted by DGVCL

e. Show the DISCOM-wise power purchase considered from various sources, as Form 2 submitted by DGVCL summarises the combined power purchase of all 4 State DISCOMs

DGVCL Reply:

a. **Source-wise power purchase per unit cost approved in MYT Order and source wise-per unit power purchase cost now claimed in Truing-up.**

   Compliance: The details of source wise power purchase statement i.e. Power purchase cost approved in the MYT Order dated 31.3.2017 and Actual power purchase cost for FY 2018-19 is annexed herewith as per **Annexure-B**.

b. **DISCOM should provide source-wise reasoning for increase/decrease in per unit cost of power purchase with respect to the approved rates.**

Compliance: The details of increase / decrease in the actual power purchase cost for FY 2018-19 vis-à-vis approved power purchase cost is included in **Annexure-B** attached.

It is to state that the approved power purchase cost by Hon'ble Commission for FY 2018-19 in the order dated 31.3.2017 is based on actual power purchase cost of FY 2015-16. Moreover, in case of power stations of central Sector and GSECL, the power purchase is as per the respective order of Hon'ble CERC/GERC. Therefore increase/ decrease in power purchase cost in respect of these stations is due to change in approved parameters and increase/ decrease in landed cost of fuel. Further, rate for purchase of power from RE based projects is as per the tariff determined by Hon'ble Commission / adopted by Hon'ble Commission. In respect of other stations, mainly there is increase in variable cost and reasons for the same areas under:

No	Station	Approved Variable cost (Rs/Unit)	Actual Variable cost (Rs/Unit)	Reason
1	CLP India	3.20	5.34	Due to increase in Gas price as compared to FY 2015-16
2	GSEG	2.59	7.49	
3	GSEG Exp	4.29	6.41	
4	GMDC	0.93	1.12	Due to non-availability of lignite from Panadhro mine, lignite is to be transported from far end mine at Mata no Madh
5	Adani Power	1.59	3.05	Due to implementation of Suppl. PPA w.e.f 15.10.2018 as approved by CERC
6	ACB	0.66	0.81	Due to change in law
7	CGPL	1.60	1.83	

c. **DISCOM should also list unapproved sources, if any, from whom power was procured during FY 2018-19.**

Compliance: Due to non-availability of power from certain approved stations and also to economise cost of power, power purchase was undertaken from short term sources when market condition was favourable to DISCOMs. The power purchase arrangement from GMR Chhatisgarh under coal tolling was separately approved by Hon'ble Commission. The details are as under:

No	Source	MUs
1	NTPC Solapur (Un-requisite 100 MW quantum allocated by MoP for 3 months)	50
2	Power Exchanges	6407
3	Other short-term sources including GMR (Coal Tolling arrangement)	4245

d. **Reconciliation of power purchase cost with Form 2 of the Petition formats submitted by DISCOM**

Compliance:

It is to state that Hon'ble Commission has approved BST Mechanism for allocation of power purchase cost incurred by GUVNL to DISCOMs. Accordingly, power purchase cost for FY 2018-19 is allocated to DISCOMs on bulk supply basis and therefore in Form-2 of the petition, combined power purchase cost incurred by GUVNL. Summarised detailed power Purchase cost of Individual Discom is provided in reply to query sr. no. 8- e.

The information provided in Form – 2 of Petition is aggregate power purchased by GUVNL on behalf of four DISCOMs. The details of power purchase cost of individual DISCOM is as under:

e. **Show the DISCOM-wise power purchase considered from various sources, as Form 2 submitted by DISCOM summarises the combined power purchase of all 4 State DISCOMs**

Compliance:

The information provided in Form – 2 of Petition is aggregate power purchased by GUVNL on behalf of four DISCOMs. Reconciliation of power purchase cost for all the four Discoms are as follows:

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total for DISCOMS	Sale to GACL from Adani	Amt. not passed on to DISCOMs	Total
	Under BST mechanism							
Power Purchased through GUVNL	12001.68	5340.20	15417.99	11218.15	43978	106	679	44763
Less: Sale of surplus power through GUVNL	0	0	1.15	139.65		-	-	-
Add: UI payable	102.49	0	0	0		-	-	-
Less: UI receivable	0	7.50	60.45	0.76		-	-	-
Add: Local Purchase by DISCOMs (Solar & Wind)	22.68	17.44	48.43	35.14		-	-	-
SLDC Charges	1.23	0.52	1.37	0.99				
Total	**12128.09**	**5350.66**	**15406.20**	**11113.87**		-	-	-

The details of power purchase cost of DGVCL is as under:

Purchase of Power **(Rs in Crore)**

Particular	For the year ended 31st March, 2019
Purchase of power from GUVNL	12001.68
Purchase of power from Wind Turbine Generators/ CPP	17.91
Purchase of power from Solar Generators	4.77
DSM Charges purchase (Netted Off against DSM Charges Revenue)	102.49
SLDC Charges	1.23
Amount Claimed in petition	**12128.09**

9. **DGVCL should submit reasons for the increase in power purchase cost as compared to that approved even though the actual power purchase quantum is lower than the approved quantum.**

DGVCL Reply:

As mentioned in response to query above, the Hon'ble Commission has approved BST Mechanism for allocation of power purchase cost incurred by GUVNL to DISCOMs. Power purchase cost for FY 2018-19 is allocated to DISCOMs on bulk supply basis as per above mechanism.

10. **DGVCL should submit the status of RPO compliance for FY 2018-19, and cumulative shortfall/surplus till FY 2018-19, if any, separately for Solar and Non-Solar RPO.**

DGVCL Reply:

For FY 2018-19, the RPO stipulated by Hon'ble Commission was 12.70% against which the actual target achieved is 12.04%. Thus, there is shortfall of 0.66% in RPO target achievement during FY 2018-19 due to various uncontrollable factors, for which GUVNL has filed petition before Hon'ble Commission which is pending. The details of RPO compliance is as under:

RPO	Wind	Solar	Others	Total
Stipulated RPO for FY 2018-19	7.95%	4.25%	0.50%	12.70%
Achieved for FY 2018-19	9.02%	2.77%	0.25%	12.04%
Shortfall (-) / Excess (+)	- **0.66%**			

11. **As regards average power purchase cost of Rs. 5.66/kWh considered in Table 11 of the Petition, DGVCL should**

  a. **provide computation for the rate of Rs. 5.66/kWh**

DGVCL Reply:

The DGVCL has computed average power purchase cost as follows:

Particulars	Amount	Unit	Formula	Reference in Petition
Cost of Power Purchase	12,128.09	Rs. Crore	A	Table 10
Total Energy Requirement	21,432.57	MU	B	Table 9
Avg. power purchase cost	5.66	Rs./kWh	C=A/B*10	

b. **Explain the difference between the average rate of Rs. 4.54/kWh worked out from Form F2 submitted by DGVCL, i.e., total power purchase cost of Rs. 44763 Crore for purchase of 98688 MU.**

DGVCL Reply:

After unbundling of Gujarat Electricity Board, Gujarat Urja Vikas Nigam Limited (GUVNL), which is holding company of all 4 state distribution companies, does bulk power purchase of electricity and sale to four Discoms. Form 2 submitted along with the Petition contains power purchase by GUVNL, not by the Petitioner alone.

Average power purchase cost computed above corresponds to allocated power purchase cost of the Petitioner out of overall cost of power purchase of GUVNL and the power purchase locally from RE Sources by the Petitioner. Therefore, avg. power purchase cost in Form F2 cannot be compared to that submitted in Table 11.

12. **DGVCL should explain reasons for incurring capex against schemes that were not approved by the Commission for FY 2018-19 (SKJY, SKY, Ag-Tatkal, R-APDRP Part B, DISS etc.) as seen in Table 13 of the Petition.**

DGVCL Reply:

- **"Suryashakti Kisan Yojna" (SKY):** The E&P Department & GoG, announced the SKY scheme vide resolution no. SLR/11/2016/2284/B1 dated 27 June, 2018 and vide resolution no. SLR/11/2018/974/B1 dated 12 July, 2018 issued the administrative approval for implementation of the pilot project under SKY scheme. Under this scheme, 21 nos of feeder were allotted to DGVCL. Under this scheme, grid-connected solar PV systems are provided to farmers already connected to grid. Expenditure for selected SKY feeder is done accordingly. As scheme was not announced during MYT petition filing, hence it was not approved by the Hon'ble commission during FY 2018-19.

  RE Scheme: The electrification of agriculture wells is a continuous process, governed by Government of Gujarat through fund monitoring and availability of energy & infrastructure. Under the head of RE Schemes, the company has released various schemes such as TASP, SPA, SC-AG, lift irrigation, Tatkal etc. to issue agriculture category connections. The actual capital expenditure incurred is Rs. 169.74 Crore vis-a-vis approved capital expenditure of Rs. 206.1 Crore. Capital expenditure is lower, because the network has been extended year by year. Therefore, actual average cost per agricultural well has decreased, to achieve the target made during FY 2018-19.

  Distribution Infrastructure Shifting Scheme (DISS): The distribution infrastructure shifting work in rural area is included in the same scheme vide letter no: GUV/2015/599/K1 dated 17 April 2017.

Under this scheme one municipal corporation, 22 nos. of municipalities and various gram panchayat are included in the license area of DGVCL. Accordingly, field offices have approached the authorities of above-mentioned areas for obtaining request/ valuable suggestions for work to be carried out in their areas. After obtaining such request, DGVCL got approval from competent authorities for 438 nos. of projects and carried out works amounting Rs. 34.06 Crore for the FY 2018-19 as shown in table below:

Table 1: SUMMARY OF WORKS EXECUTED UNDER DISS SCHEME IN FY 2018-19

TYPE OF DGVCL AREA	CUMULATIVE WORK EXECUTED AT THE END OF REPORTING WEEK									
	No. of Projects (As per applications	Total HT		Total L.T.		Transformer		Pole		Exp (Cr.)
		Km	EXP IN CRO.	Km	EXP IN CRO.	Nos.	EXP IN CRO.	Nos.	EXP IN CRO.	
Urban (Mahanagarpalika & Nagarpalika)	432	212.94	28.097	42.753	1.085921	298	2.628	1920	2.0552	33.92
Rural (Gram Panchayats)	6	2.1	0.1785	0.5	0.001	1	0.006	27	0.0119	0.15
DGVCL Total	438	215.04	28.276	43.253	1.086921	299	2.635	1947	2.0671	34.06

13. As regards the capital expenditure incurred and capitalisation during FY 2018-19, DGVCL should submit the detailed reasons and justification for increase/(decrease) in cost of all schemes (against which capital expenditure is greater than Rs 10 crore) compared to approved scheme cost, with break-up into:

i. Variation due to delay in execution of the project compared to approved timelines, and justification for the same

ii. Variation due to change in scope of work, and justification for the same.

iii. Variation due to increase in price

DGVCL Reply:-

- **Normal Development Scheme (Deposit Work):**

  New demand for industrial application was below expectation due to lower than expected growth in industrial consumption. Similar effect of lower than expected growth was observed in residential and commercial infrastructure development projects. This resulted in actual capital expenditure being lower than approved capital expenditure.

- **Distribution Infrastructure Shifting Scheme (DISS):**

GoG vide letter no: GUV/2015/599/K1 dtd 17 June, 2015. The distribution infrastructure shifting work in rural area is also included in the same scheme vide letter no: GUV/2015/599/K1 dtd 17 April, 2017.

DGVCL got approval from competent authorities for 438 nos. of projects, and carried out works amounting Rs. 34.06 Crore for the FY 2018-19

- **Sardar Krushi Jyoti Yojna (SKJY):**

  DGVCL had identified 89 no's of AG feeder from all circles under this scheme and carried out maintenance work accordingly during FY 2018-19. As per allocated amount by Govt. of Gujarat for SKJY scheme, capital expenditure in FY 2018-19 is Rs. 24.00 Crore.

  Capital expenditure under SKJY scheme comprises of Rs. 8.38 Crore for the replacement of 2,693 km conductor and Rs. 15.62 Crore for other materials replaced

- **"Suryashakti Kisan Yojna" (SKY):**

  The E&P Department, GoG, announced the SKY scheme vide resolution no. SLR/11/2016/2284/B1 dated 27 June, 2018 and vide resolution no. SLR/11/2018/974/B1 dated 12 July, 2018 issued the administrative approval for implementation of the pilot project under SKY scheme.

- **RE Scheme:**

  Gujarat has lifted the ban for Dark Zone area vide latter no ELC/2012/773/K1/708 dated 12 April, 2012. Accordingly, DGVCL has processed all pending application as per the guidelines issued for the scheme. During FY 2018-19, Company has released 220 nos. of agricultural connections at cost of Rs. 4.18 Crore in Dark Zone area

- **System Improvement Scheme:**

  There is variance (reduction) of Rs. 6.85 Crore compare to approved capital expenditure which is due to the works proposed under S.I. scheme being done considering power supply reliability as main aspect. However, some of the works are done under centrally sponsored scheme i.e. IPDS/DDUGJY.

- **IPDS Scheme:** Against the capital expenditure of Rs. 55 Crore for IPDS scheme, actual expenditure for FY 2018-19 booked is Rs 53.42 Crore. The physical completion of all the item wise works in IPDS scheme utilizing 100% of the sanctioned amount was completed before the scheduled date of 31

March, 2019. The financial closure of the scheme currently in progress is expected to be completed by December, 2019.

- **DDUGJY Scheme:** Against the approved capital expenditure of Rs. 60 Crore for DDUGJY scheme, the actual capital expenditure for the same fiscal year booked is Rs 87.81 Crore. The actual capital expenditure booked in fiscal year 2018-19 vis-a-vis the approved capital expenditure shows deviation of Rs. 27.81 Crore. This is due to booking of capital expenditure which was already completed in FY 2017-18 in FY 2018-19. The physical completion of all the item wise works in DDUGJY scheme (utilizing 100% of the amount sanctioned by REC) was completed before the scheduled date of 31 March, 2019. Further, the financial closure of the scheme currently in progress is expected to be completed by December, 2019.

14. **The Commission in MYT Order dated 31 March 2017 had approved Scheme-wise Capital Investment Plan for MYT Control Period from FY 2016-17 to FY 2020-21. The Commission had approved capital expenditure and capitalization for FY 2018-19. As against this approval, DGVCL should submit the following details:**

   a. **Actual scheme-wise Capital expenditure incurred during FY 2016-17 to FY 2018-19 vis-à-vis capital expenditure approved**

DGVCL Reply:

The same is enclosed at **<u>Annexure-C</u>** file:

   b. Actual scheme-wise Capitalisation for FY 2016-17 to FY 2018-19 vis-à-vis capitalisation approved

DGVCL Reply:

The same is enclosed hereunder

(Rs. In Crore)

Particulars	2016-17		2017-18		2018-19	
	Approved	Actual	Approved	Actual	Approved	Actual
Capitalisation	721.27	507.87	730.71	522.30	706.36	757.56

c. Actual scheme-wise funding of capitalised works with break-up of Grants, Loans, Consumer Contribution, Equity, etc.

(Rs. In Crore)

NET CAPITAL EXPENDITURE	**501.91**	**571.45**	**711.58**
Funding of Capex	**2016-17**	**2017-18**	**2018-19**

Capital Assets Grant	63.50	81.14	91.53
Consumers Contribution Towards Capital	140.61	131.14	190.94
Share Capital	16.94	24.89	30.23
Share Application Money	0.00	0.56	0.00
Share Premium	280.86	182.09	234.54
Internal Accruals		151.63	164.34
Total Funding	**501.91**	**571.45**	**711.58**

d. Cost-benefit analysis for capitalised works

DGVCL Reply:

The cost benefit is reflected in form of gain on account of reduction in distribution losses and is reflected in the column of "Cost Of power purchase" under the head Controllable factor in respective year. The DGVCL distribution losses for FY 2016-17, FY 2017-18 & FY 2018-19 is at 8.02%,6.28% & 5.90% respectively and accordingly the gain on account of actual Distribution loss which is lower to approved loss the benefit works out and displayed i.e. at Table -11 of the current Petition.

15. DGVCL should give head-wise reasons for significant increase in employee cost as compared to that approved, apart from the arrears of Rs. 55.45 Crore paid during FY 2018-19.

DGVCL Reply:

The approved amount is Rs. 318.18 crores for employee cost is based on MYT Order 1623 of 2016. It is to state that DGVCL has submitted that annual escalation rate of 10% for MYT period but commission has considered escalation rate of 5.72% prescribed y-o-y escalation factor as per Regulation 94.8 of the MYT Regulations 2016. it is to state that , the increase in expenses is on two counts (i) inflationary increase and (ii) increase in number of employees, rate of Dearness Allowance and promotions and fresh recruitment etc. as compared to base years and hence there is a variation in approved versus actual expenses.

16. DGVCL should reconcile the amount reflecting in annual accounts for employee expenses (Rs. 369.19 Crore) as against the amount claimed in Truing-up Petition (Rs. 440.27 Crore).

DGVCL Reply:

DGVCL during the F.Y. 2018-19 made an expenditure of Rs. 447.07 crore towards employee cost which includes the payment of arrears for the 7th Pay is Rs. 55.45 crore and provision of Rs. 33.03 crore. While submitting petition DGVCL have claimed total employee cost of Rs. 440.27 which includes of Rs. 55.45 crore actual payment of 7th Pay and excludes Rs. 33.03 crore of provision on account of 7th Pay and includes other comprehensive income of Rs. 26.33 crore which arises due to re-measurement of defined benefit plans. The reconciliation is as under: -

SR NO.	PARTICULARS	AMOUNT (Rs. In Crore)
1	Employee cost as per Annual Account	369.19
2	Add Expenses capitalized	77.88
3	Add Other comprehensive Income	26.23
4	**Total Expenses.**	**473.30**
5	Less Provision on account of 7th Pay done.	33.03
6	**Claimed in petition**	**440.27**

17. DGVCL should provide the heads under which the actual amount of arrears paid during the year (Rs. 55.45 Crore) is accounted for in the audited accounts of FY 2018-19.

DGVCL Reply:

DGVCL has paid the arrears payment on account of Basic Salary and Dearness Allowance only hence, the amount paid for arrears is under account code of "75.110 Salary & Wages" and on account of "75.310 Dearness Allowance".

18. **DGVCL should submit the break-up of 'Other Administration & General Expenses' of Rs. 15.14 crore, considered under A&G expenses of Rs. 81.44 crore in the Accounts.**

DGVCL Reply:

The details are as under:

F.Y 2018-19		**Rs. In Lakh**
A/C Code	**Particulars**	**Closing Balance as on 31.3.19**
76103	Penalties on statutory levies	0.56
76120	Fees to auditors for other works	0.03
76151	Other fees & subscriptions	129.38
76152	Books and periodicals	2.79
76161	Maintenance to tree plantation	-
76162	Entertainment	0.78
76165	Quest house expenses	0.25

F.Y 2018-19		Rs. In Lakh
A/C Code	**Particulars**	**Closing Balance as on 31.3.19**
76166	Upkeep of office/board-s premises.	150.96
76167	Expenses for Jyotigram Samarpan Samaroh	0.16
76168	Expenditure incurred on consumer billing & coll. c	694.89
76170	Gardening & horticultural expenses	1.78
76171	Conference/meeting expenses	11.55
76175	Bill collection charges paid to employees for collection of cons b	0.17
76176	Hospitality expenses	3.02
76178	Vehicle expenses for motor car.	0.03
76180	Expense on sponsorship of sports event or any other ev	46.37
76184	Expenses for use of sports club or similar facility	0.75
76185	Expenses for gift to employees	3.75
76186	Expenses for Lok Adalat	5.08
76187	Expenses for celebration of events/festival/etc	36.96
76198	License fees to GERC license fees to Gujarat	414.06
76501	Revenue stamps on receipts issued by board	10.98
76179	Vehicle Licenses and Registration Fees for Motor Car	-
Total		**1,514.31**

19. **DGVCL should reconcile the amount reflecting in annual accounts for A&G expenses (Rs. 81.45 Crore) as against the amount claimed in Truing-up Petition (Rs. 90.07 Crore).**

DGVCL Reply:

The reconciliation of A&G expenses is as under: -

SR NO.	PARTICULARS	AMOUNT (Rs. In Crore)
1	A& G expenses	81.45
2	Less Corporate Social Responsibility	1.11
3	**Total.....**	**80.34**
4	Add miscellaneous expenses	6.25
5	Add miscellaneous losses and write offs	3.47
6	**Claimed in petition**	**90.07**

20. **DGVCL should clarify whether it has claimed the expenses of Rs. 1.11 crore against Corporate Social Responsibility (CSR) under A&G expenses.**

DGVCL Reply:

As stated above Corporate Social Responsibility (CSR) has not been considered while claiming Administration and General Expenses.

21. **DGVCL should submit head/sub-head wise reasoning for increase in A&G expenses as compared to approved (Rs. 80.09 Crore) and as compared to the amount claimed in Truing-up of FY 2017-18 (Rs. 77.84 Crore).**

DGVCL Reply:

In above reference, it would like to state that due to increased scale of distribution operations which is beyond the control of the distribution licensee and due to this on regular basis the bifurcation of the existing sub divisions and creation of new sub divisions the , expenses have increased i.e. the building taken on rent for subdivisions , fixture and furniture, computers, printers, scanners, HHE equipments and mobiles for spot billing and also the stationary, bill printing, the meter reading and billing expenditure increased due to engagement of agencies for meter reading / billing as the increase in number of consumers .

22. **As regards 'Other expense capitalized'**

a. DGVCL should submit reasons for reduction in other expense capitalized amount as compared to approved expenses capitalized for FY 2018-19.

b. DGVCL should explain the reduction in the amount though the actual capitalisation is significantly higher as compared to approved capitalisation for FY 2018-19.

DGVCL Reply:

At the time of approval of Other expense capitalized in MYT Order, the Rate of Capitalization i.e. 'Head office Supervision Charges' (HOSC) was considered as 25%. From the FY 2016-17, DGVCL has changed the Rate of Capitalization (HOSC) from 25% to 15%. Hence there is reduction in the 'Other expense capitalized' as compared to approved amount in MYT order.

c. DGVCL should reconcile the amount claimed in the Petition with the amounts appearing in the Audited Accounts under various heads, i.e., employee expenses capitalised (Rs. 77.89 crore), Finance Cost capitalised (Rs. 0.27 crore), A&G expenses capitalised (Rs. 14.98 crore)

DGVCL Reply: The reconciliation of expenses capitalized in petition is as under: -

SR NO.	PARTICULARS	AMOUNT 2018-19 (Rs. In Crore)
1	Employee expenses capitalised	77.88
2	A&G expenses capitalised	14.98
3	**Claimed in petition**	**92.86**

Further, to above the expenses capitalized not claimed in petition, is Rs. 0.27 crore capitalized on account of finance cost which is reflected in DGVCL CAPEX as a capital work in progress for an amount of Rs. 0.27 crore.

23. DGVCL should reconcile the opening GFA as specified in Note 2 of the audited accounts (Rs. 4521.95 Crore) as compared to the opening GFA claimed in Table 24 of the Tariff Petition (Rs. 5573.62 Crore).

DGVCL Reply:

As far as Annual Account figures are concerned, it is stated that pursuant to adoption to IndAS and as also disclosed under Note no. 2.3 of Audited Annual Account for F.Y 2016-17, the Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) as its deemed cost as on the transition date. Accordingly, for F.Y 2017-18, the opening block was considered at carrying cost as deemed cost i.e. Gross block Less Accumulated Depreciation is equal to Net Block was considered as per new deemed Gross block.

24**. Regarding the computation of depreciation, DGVCL should:**

a. Clarify whether the deprecation on assets which already depreciated up to 90% of GFA has been considered

DGVCL Reply: DGVCL has considered depreciation up to 90% of GFA across all Divisions of DGVCL.

b. Confirm whether depreciation has been claimed on such grants.

DGVCL Reply: DGVCL has made an expenditure against which grants has been received, are being capitalized and depreciation is charged on such assets. However, the deferred revenue is also booked on these assets in Note 29 'Other Income' to match the depreciation expense. Same is considered in Tariff Petition as Non-Tariff Income.

25. **DGVCL should provide detailed computation of weighted average interest rate on actual loan portfolio for FY 2018-19 along with the supporting documents substantiating the loan amounts and the interest rate paid on the respective loans.**

DGVCL Reply: The interest calculation on loan is tabulated hereunder: -

Particular	FY 2018-19 (Actual) [In Lacs]				
	Opening Loan	Additions	Repayments	Closing Loan	Interest
Secured Loan From Financial institution PFC /REC	4475.58	29.70	184.88	4320.40	664.76
STATE GOVT.LOANS APDRP	1632.21	0.00	331.52	1300.69	162.45
Total	6107.79	29.70	516.40	5621.09	827.21

26. **DGVCL should justify the steep increase in interest rate to 14.11% as against the approved rate of 9.73% and interest rate approved in FY 2017-18 (9.81%)**

DGVCL Reply: The interest charged on DGVCL PFC loan for RAPDRP have an opening balance of Rs. 44.75 crore and PFC has considered the project has been completed and charged interest on full amount of loan and the conversion of loan into grant has been pending. Hence, the interest charged during the year 2018-19 is to the tune of Rs. 6.65 crore which includes interest on outstanding loan and also interest on interest during moratorium period of the loan. Thus, it shows interest on higher side compared to last year.

27. **DGVCL should submit the details of consumer security deposit for FY 2018-19 in the following format:**

Sr. No.	Particulars	FY 2018-19
1)	Opening Balance	1461.61
2)	Net Addition during the year	182.43
3)	Closing balance	1644.04
4)	Actual Interest Paid/adjusted on CSD	85.47

28. **DGVCL should reconcile the Other Income as reflecting in Audited Accounts (Rs. 298.59 Crore) against the amount claimed in Truing-up Petition (Rs. 195.06 Crore) under the head Other Income (Consumer related) in Table 38.**

DGVCL Reply:

Servicing of loans and funding of working capital depends upon steady cash flow from revenue from sale of electricity. Any delay in collection of revenue results in financial implications for the Discom due to timely payment of financial obligations and funding of working capital. Therefore, the Petitioner has not considered delayed payment charges of Rs. 52.36 Crore collected from consumers as Other Income. Agricultural subsidy is considered in revenue of the Petitioner separately in Table 38 of the Petition. Therefore, agricultural subsidy is deducted in order to avoid double counting.

Accordingly, reconciliation of Other Income is submitted as shown in table below.

Particulars	Amount (Rs. Crore)
Other Income as per Audited Accounts	298.58
LESS: Delayed payment charges from consumers	52.36
LESS: Agriculture Subsidy	51.16
Other Income claimed in the Petition	**195.06**

29. **DGVCL should reconciled the revenue of Rs. 12,820.11 Crore shown in Table 38 for FY 2018-19 and the amount of Rs. 12827 crore shown in Table 39, against the amount of Rs. 12,872.47 Crore reflecting in audited accounts.**

DGVCL Reply:

GUVNL has incurred total profit of Rs. 28.01 Crore during FY 2018-19. This is allocated amongst the state Discoms on pro-rata basis of power purchase cost allotted amongst themselves. Allocation of profit of GUVNL to the Petitioner is Rs. 7.72 Crore. Accordingly, revenue in Table 39 is Rs. 12,827.83 Crore (Rs. 12,820.11+7.72).

Revenue in audited accounts of Rs. 12,872.47 Crore in Note 28 consists of Revenue from Sale of Power (operating activity) and Income from Other Operating Activity. Income from Other Operating Activity (Rs. 298.59 Crore) is considered in Other Income. Reconciliation for which has already been provided in response to query 28 above. Reconciliation of remaining revenue, i.e., Revenue from Sale of Power (operating activity) of Rs. 12,573.88 Crore with Rs. 12,820.11 Crore is already provided in Table 38 of the Petition and with Rs. 12,827.83 Crore is already provided in Table 39 of the Petition.

30. **Regarding Income Tax, DGVCL should submit the following:**

a. Copies of Challans and ITR6

DGVCL Reply: -Copy of acknowledgment of ITR-6 enclosed as **Annexure-D** file

b. Confirm whether any refund of income tax has been received in FY 2018-19

DGVCL Reply: -DGVCL has not received income tax refund during FY 2018-19

c. Computation of Income Tax payable amount of Rs. 3.96 Crore for FY 2018-19

DGVCL Reply: - Copy Computation of Income Tax payable is enclosed as an **Annexure-E** file

31. Furnish the head-wise details of claim of subsidy to Government of Gujarat and actual subsidy received in FY 2018-19

S.No.	**Particulars**	**Amount (Rs. In Crore)**
1	Ag. Tariff compensation	65.18
2	Ag. Subsidy of FPPPA	149.43
3	W/W Subsidy	76.37

32. Furnish details of the loan, if any, converted into grant during FY 2018-19. Also furnish impact of such conversion on various elements of ARR

DGVCL Reply: -There are no loans converted into grant during FY 2018-19.

33. Furnish the certificate from CAG on Annual Accounts of the Company for FY 2018-19

DGVCL Reply: - Copy Enclosed as an Annexure-F file

B. **Tariff for FY 2020-21**

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

DGVCL Reply:

As mentioned in the petition, it is envisaged that part of estimated revenue gap will be mitigated through efficiency measures such as (a) reduction in distribution losses JGY, URBAN and AGDOM Feeders , (b) reduction in technical losses due to network strengthening / modernisation of distribution network, (c) Economisation in power purchase cost etc. Further, the unmitigated revenue gap, if any, will be considered at the time of true-up of FY 2020-21 and therefore no tariff change is proposed in the petition.

C. **Compliance to Directives**

35. DGVCL should submit the timeline for submission of Cost to Serve Report.

DGVCL Reply:

Cost of Service Report will be submitted to Hon'ble Commission in due course.

36. It is observed that JGY, URBAN and AGDOM feeders are contributing the highest to the Distribution Losses. DGVCL should provide additional steps taken for loss reduction in these feeders.

DGVCL Reply:

Company has carried out following activities to reducing distribution losses on JGY, URBAN and AGDOM feeders. :-.

- Replacement of stop meters, provided electronics meters in place of slow and sluggish old electromechanical meters,
- Provided Metal Meter Box, Provided Aerial Bunch Conductor in place of open bare conductors,
- Agriculture feeders crossing from JGY feeders are removed, Increase in HT/LT ratio,
- Adoption of high voltage distribution system (HVDS),
- Preventive and regular maintenance, Load Balancing and Load Management,

- Theft of electricity should be publicized as a social and economic crime and people should be informed of the provisions in electricity laws, Public relation and awareness campaigns by utility, etc.

Focused actions in the direction of reducing the losses in JGY category will be implemented and DGVCL is committed to reduce by 5% Losses for feeders having with more than 50%leval during the current financial year (i.e. FY 2019-20). Company will be planned for long term as well as short term strategies to reduce losses on JGY feeders. Activities will be carried out by the Company are furnished here under.

(A) Long term Strategies:

- System Improvement
- Feeder Bifurcation
- Conductor up gradation/Replacement by ABC CABLE
- Distribution Transformer Center Review
- Augmentation/De-augmentation of Transformers
- Load Balancing of Transformers
- Distribution Transformer near Load Centre.
- Implementation of H.V.D.S.
- Installation of 5 kVA Single phase Transformers in small Clusters.
- Proposed 66/11 kV New Substations so that technical losses of 11 kV feeders can be reduced.
- Distribution Transformer Metering with complete Energy Accounting

(B) Short Term Strategies:

- Special task force to monitor Distribution Loss Activities.
- Monitoring of consumption of consumers with the help of PRT 176
- Verifying consumers having "0" consumption, "F" Meters and "Locked" Consumers.
- Replacement of Faulty Meters. Replacement of Electromagnetic meters by Static meters
- Removal of crossing of 11 kV JGY and 11kV Agr. Dom Feeders.
- Timely submission of H3 and forms and master creations.

37. DGVCL should submit the reasons for increase in loss % in URBAN and GIDC feeders under Table 51.

DGVCL Reply:

DGVCL has selected 276 no's of High losses feeder for FY 2019-20 for energy audit purpose and made continues exercise to monitor monthly comparison for past and current year it seems it increase in Jun-19 compare to Jun-18 but at the end of FY it is decreasing mode.

Particulars	URBAN FDR	GIDC FDR
FY 2017-18	9.25	1.31
FY 2018-19	8.03	1.0
FY 2019-20 up to Nov-19	7.34	0.65

38. DGVCL should justify the increase in number of defective meters till August 2019, as compared to the number of defective meters in April 2019.

DGVCL Reply:

DGVCL is trying to get minimum level of defective meters lying at the consumer installation and it is a continues process to replace the same in a schedule time but in FY 2019-20 monsoon season running much more than expected time hence technical staff remained busy for rectification of monsoon damage work so that it is increase compared to past year.

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

DGVCL Reply:

"Suryashakti Kisan Yojna" (SKY): The E&P Department, GoG, resolution no. SLR/11/2018/974/B1 dated 12 July, 2018 issued the administrative approval for implementation of the pilot project under SKY scheme. Under this scheme, 21 no's of feeder were allotted to DGVCL. Under this scheme, grid-connected solar PV systems are provided to 378 no's of farmers for FY 2018-19 and 207 no's of farmers for FY 2019-20, Expenditure for selected SKY feeder is done accordingly