



## **Summary of Case no. 1912/2020:**

### **1. Introduction:**

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

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

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

In exercise of the powers conferred under Section 62 and 64 of the Electricity Act, 2003 and in pursuance to the Regulation 10.2 and 26.2 of GERC (Multi Year Tariff) Regulations, 2016 and all powers enabling on that behalf, the Gujarat Electricity Regulatory Commission has empowered to Approved the True up for FY 2019-20 and determine the Tariff for FY 2021-22 for the Dakshin Gujarat Vij Company Limited.

In compliance to directive of Hon'ble GERC, DGVCL has submitted details along with Audited Annual Accounts of FY 2019-20 for True up of FY 2019-20, and Determination of Tariff for FY 2021-22 under GERC (Multi Year Tariff) Regulations, 2016 Details submitted to Hon'ble Commission is summarised here under.

## 2. True –Up for FY 2019-20:

**(a) Category wise Sales and Revenue for FY 2019-20:** The actual energy sales for FY 2019-20 are tabulated as under:

### Category-wise Sales

S.No.	Particulars	Sales (MUs)	
		FY 2019-20 (Approved)	FY 2019-20 (Actual)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	3,400	3,195
2	GLP	68	59
3	Non-RGP & LTMD	5,927	5,924
4	Public Water Works	268	243
5	Agriculture	878	882
6	Public Lighting	70	62
	<b>LT Total (A)</b>	<b>10,610</b>	<b>10,365</b>
<b>B</b>	<b>HT Consumers</b>		
7	Industrial HT	8,687	9,321
8	Railway Traction	-	6
	<b>HT Total (B)</b>	<b>8,687</b>	<b>9,327</b>
	<b>Grand Total (A + B)</b>	<b>19,297</b>	<b>19,692.44</b>

### **(b) Distribution Losses: -.**

In FY 2019-20, the actual distribution losses were 3.04 % as against the approved level of 9.90 %. The table below highlights the comparison of actual distribution losses of DGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

### Distribution Losses-

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)
1	Distribution Losses	9.90%	3.04%

### **(c) Capital Expenditure:**

The actual capital expenditure in FY 2019-20 was Rs. 150.82 Crores higher than the amount approved by the Hon'ble Commission in the ARR of FY 2019-20 of Rs 608.31 Crores. The scheme-wise capital expenditure incurred in FY 2019-20 against that approved by the Hon'ble Commission is as shown below.

	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
<b>A</b>	<b>Distribution Schemes</b>			
	Normal Development Scheme	230.07	279.20	
	Distribution Infrastructure Shifting Scheme (DISS)	91.00	41.05	
	SKJY	-	31.98	
	PSDF	-	0.00	
	Saubhagya	-	-	
	<b>Total</b>	<b>321.07</b>	<b>352.23</b>	
<b>B</b>	<b>Rural Electrification Schemes</b>			
	TASP Wells	212.40	173.40	
	TASP Petapara	-	-	
	REC Normal Wells (SPA)	-	19.35	
	SC Ag Wells	-	-	
	Special Component plan (Household) SCP	0.50	0.17	
	Kutir Jyoti Scheme	1.00	1.01	
	Others(Zupadpatti)	1.00	0.87	
	Ag. Tatkal	-	1.05	
	Ag. Dark Zone	4.00	6.11	
	KHUSHY/HVDS in selected sub-division	5.00	3.79	
	Sagar Khedu Sarvangi Vikas Yojana (Coastal)	6.00	5.15	
	New Gujarat Pattern	5.60	0.01	
	Energy Audit	-	-	
	Energy Conservation (IEC)	5.50	-	
	<b>Total</b>	<b>241.00</b>	<b>210.91</b>	
<b>C</b>	<b>Other Central Schemes</b>		-	
	R-APDRP Part-A & SCADA	2.64	1.05	
	R-APDRP Part-B	-	1.13	
	Din Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY)	-	24.65	
	Integrated Power Development Scheme (IPDS)	-	5.05	
	<b>Total</b>	<b>2.64</b>	<b>31.88</b>	
<b>D</b>	<b>Renewable Energy Based Projects</b>		-	
	Solar Ag Pump	20.00	4.18	
	Solar Home Lights	10.00	0.02	
	Suryashakti Kishan Yojna (SKY)		22.75	
	<b>Total</b>	<b>30.00</b>	<b>26.94</b>	
<b>E</b>	<b>System Improvement Scheme</b>		-	
	Fault Passage Indicator (FPI)		-	
	Under Ground Cables (Under SI)		36.59	
	General Expenditure (Under SI)		80.50	
	Assistance to Industrial Infrastructure		-	
	Ring Main Units		-	
	<b>Total</b>	<b>-</b>	<b>117.10</b>	
<b>F</b>	<b>IT BUDGET</b>		-	
	Computers, peripherals & HHE	1.65	1.39	
	Networking Equipment		0.08	
	WAN Equipment /Connectivity /AMI Project		-	
	GIS Implimentation & Software /Appli. Purchase		0.01	
	Office Equipment		1.48	
	<b>Total</b>	<b>1.65</b>	<b>2.96</b>	
<b>G</b>	<b>Civil Budget</b>		-	
	Aniticipated budget for civil works	11.95	17.11	
	Aniticipated budget for civil works (Corp.)		-	
	<b>Total</b>	<b>11.95</b>	<b>17.11</b>	
	<b>Capital Expenditure Total</b>	<b>608.31</b>	<b>759.13</b>	<b>(150.82)</b>

**(d) Funding of Capitalisation-**

The funding of above mentioned Capital Expenditure is done through various sources. The detailed breakup of funding of capitalisation during FY 2019-20 is mentioned in the table below.

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Capitalization	608.31	771.02	(162.71)
2	Less : Consumer Contribution	190.24	172.92	17.32
3	Grants	62.10	115.09	(52.99)
<b>4</b>	<b>Balance CAPEX</b>	<b>355.97</b>	<b>483.01</b>	<b>(127.04)</b>
5	Debt @ 70%	249.18	338.11	(88.93)
6	Equity @ 30%	106.79	144.90	(38.11)

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

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

Energy Balance				
S.No.	Particulars	Unit	FY 2019-20 Approved	FY 2019-20 Actual
1	Energy Sales	MUs	19,296.88	19,692.44
2	Distribution Losses	MUs	2,120.30	617.47
		%	9.90%	3.04%
3	Energy Requirement	MUs	21,417.19	20,309.91
4	Less: Local Power Purchase by Discom	MUs		68.72
5	Power Purchase at T<>D periphery from GUVNL	MUs	21,417	20,241
6	Transmission Losses	MUs	858.00	783.05
		%	3.85%	3.72%
7	Total Energy to be input to Transmission System	MUs	22,275.19	21,024
8	Pooled Losses in PGCIL System	MUs	276.55	196.66
9	Add: Local Power Purchase by Discom	MUs		68.72
<b>10</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>22,551.73</b>	<b>21,289.62</b>

The gross energy requirement for sale to consumers in FY 2019-20 is **21289.62** MUs as compared to **22551.73** MUs approved by the Hon'ble Commission.

**(f) Aggregate Revenue Requirement for FY 2019-20.**

Aggregate Revenue Requirement of DGVCL for FY 2019-20 as against the values approved by the Hon'ble Commission.

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Cost of Power Purchase	11,929.92	13,054.96	(1,125.04)
2	Operation & Maintenance Expenses	550.04	627.76	(77.72)
2.1	Employee Cost	503.49	555.97	(52.48)
2.2	Repair & Maintenance	48.47	66.83	(18.36)
2.3	Administration & General Charges	87.00	106.04	(19.04)
2.4	Other Expenses Capitalised	(88.92)	(101.08)	12.16
3	Depreciation	309.65	312.63	(2.98)
4	Interest & Finance Charges	121.34	132.89	(11.55)
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	0.20	0.41	(0.21)
7	<b>Sub-Total [1 to 6]</b>	<b>12,911.16</b>	<b>14,128.65</b>	<b>(1,217.50)</b>
8	Return on Equity	153.15	159.12	(5.97)
9	Provision for Tax / Tax Paid	17.92	18.92	(1.00)
10	<b>Total Expenditure (7 to 9)</b>	<b>13,082.23</b>	<b>14,306.68</b>	<b>(1,224.46)</b>
11	Less: Non-Tariff Income	160.86	203.48	(42.62)
12	Add: DSM Expenses			
13	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12921.37</b>	<b>14,103.20</b>	<b>(1,181.83)</b>

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

The net gain/ (loss) during FY 2019-20, the DGVCL has incurred **Rs 931.92** Crores on account of controllable factors while net gain/(loss) attributable to uncontrollable factors is **(2113.76)** Crores are summarized as under.

Rs in Crores					
Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	11,929.92	13,054.96	948.20	(2,073.24)
2	Operation & Maintenance Expenses	550.04	627.76	(16.07)	(61.65)
2.1	Employee Cost	503.49	555.97	2.97	(55.45)
2.2	Repair & Maintenance	48.47	66.83	-	(18.36)
2.3	Administration & General Charges	87.00	106.04	(19.04)	-
2.4	Other Expenses Capitalised	(88.92)	(101.08)	-	12.16
3	Depreciation	309.65	312.63	-	(2.98)
4	Interest & Finance Charges	121.34	132.89	-	(11.55)
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	0.20	0.41	(0.21)	-
7	Return on Equity	153.15	159.12	-	(5.97)
8	Provision for Tax / Tax Paid	17.92	18.92	-	(1.00)
<b>9</b>	<b>ARR (1 to 8)</b>	<b>13,082.23</b>	<b>14,306.68</b>	<b>931.92</b>	<b>(2,156.38)</b>
<b>10</b>	<b>Non - Tariff Income</b>	<b>160.86</b>	<b>203.48</b>	<b>-</b>	<b>(42.62)</b>
<b>11</b>	<b>Total ARR (9-10)</b>	<b>12,921.37</b>	<b>14,103.20</b>	<b>931.92</b>	<b>(2,113.76)</b>

#### (h) Revenue for FY 2019-20:-

During the FY 2019-20, DGVCL's actual revenue was Rs. **13985.14** Crores given as under.

Rs in Crores			
Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)
1	Revenue from Sale of Power	9,296.43	13,653.66
2	Revenue from FPPPA	3,106.80	
3	Other Income (Consumer related)	234.96	
<b>4</b>	<b>Total Revenue excluding subsidy (1 + 2 + 3)</b>	<b>12,638.19</b>	<b>13,940.63</b>
5	Agriculture Subsidy	48.55	44.51
<b>6</b>	<b>Total Revenue including subsidy (4 + 5)</b>	<b>12,686.74</b>	<b>13,985.14</b>

**(i) Revenue Gap / Surplus for FY 2019-20:**

This Aggregate Revenue Requirement is compared against the revised Income under various heads total Revenue Gap of DGVCL for FY 2019-20 after treatment of gain/(loss) due to Controllable / uncontrollable factors is computed at Rs. 299.22 Crores as given in the Table Below:

Rs in Crores		
Sr. No.	Particulars	FY 2019-20 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2019-20	12,921.37
2	Add: Gap/(Surplus) of FY 2017-18	(409.64)
3	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(2,113.76)
4	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	310.64
5	<b>Revised ARR for FY 2019-20 (1 + 2 - 3 - 4)</b>	<b>14,314.85</b>
6	Revenue from Sale of Power	13,653.66
7	Other Income (Consumer related)	286.97
8	<b>Total Revenue excluding Subsidy (6 + 7)</b>	<b>13,940.63</b>
9	Agriculture Subsidy	44.51
10	GUVNL Profit / (Loss) Allocation	30.50
11	<b>Total Revenue including Subsidy (8 + 9 + 10)</b>	<b>14,015.64</b>
12	<b>Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (5 - 11)</b>	<b>299.22</b>

### 3. Tariff Determination for FY 2021-22:-

- a) The sales & Revenue projections for FY 2021-22 as per GERC MYT Regulations, 2016 are shown in the table below.

Sr. No.	Particulars	FY 2021-22(Projected) Sales (Mus)	FY 2020-21 (Projected)Revenue At Existing Tariff excluding FPPPA
<b>A</b>	<b>LT Consumers</b>		
1	RGP	3616	1377
2	GLP	131	54
3	Non-RGP & LTMD	6771	3557
4	Public Water Works	294	105
5	Agriculture-Unmetered	416	59
6	Agriculture-Metered	569	56
	<b>Total (A)</b>	<b>11797</b>	<b>5207</b>
<b>B</b>	<b>HT Consumers</b>		
1	Industrial HT	10276	5785
2	Railway Traction	6	4
	<b>HT Total (B)</b>	<b>10282</b>	<b>5789</b>
	<b>Grand Total (A+B)</b>	<b>22079</b>	<b>10996</b>

- b) The FPPPA projection for FY 2021-22 is as given in the table given below.

Particulars	Amount
Rate of FPPPA considered (Rs/Kwh)	1.79
Sales (MUs)	22079
FPPPA charges in Rs. Crore	3952.21

- c) **Total Estimated Revenue for FY 2021-22:-**

The total revenue estimated for FY 2021-22 at existing tariff is as given in the table below.

Sr. No.	Particulars	FY 2021-22 (Projected)
1	Revenue with Existing Tariff	10995.65
2	FPPPA Charges	3952.21
3	Other Income (Consumer related)	286.97
4	Agriculture Subsidy	53.85
<b>5</b>	<b>Total Revenue including subsidy (1 to 4)</b>	<b>15288.68</b>



d) Based on the above, the estimated revenue gap/ (surplus) for FY 2021-22 at existing tariff is as outlined in the table below.

<b>Sr. No</b>	<b>Particulars</b>	<b>FY 2021-22 (Projected)</b>
1	Aggregate Revenue Requirement For FY 2021-22	15198.13
2	Revenue Gap from True up of FY 2019-20	299.22
<b>3</b>	<b>Total Aggregate Revenue Requirement</b>	<b>15497.35</b>
4	Revenue with Existing Tariff	10995.65
5	FPPPA Charges	3952.21
6	Other Income (Consumer related)	286.97
7	Agriculture Subsidy	53.85
<b>8</b>	<b>Total Revenue including subsidy for FY 2021-22 (4 to 7)</b>	<b>15288.68</b>
<b>9</b>	<b>Gap/(Surplus) (3 - 8)</b>	<b>208.67</b>

**4. Provisions for availing the copy of Submission:**

For reference of those who are interested, copies of the details submitted for True Up of FY 2019-20 and Determination of Tariff for FY 2021-22 along with cost of service study report of Discom and GUVNL for FY 2019-20 are available for inspection at The General Manager [F&A], Corporate Office, Dakshin Gujarat Vij CompanyLtd, Kapodara, Nana Varachha Road, Surat 395006 and at the office of the Superintending Engineer of DGVCL, in Charge of O&M Circles at Surat city, Surat Rural, Bharuch & Valsad circle

Further, the copies submitted to Hon'ble GERC for True Up of FY 2019-20 along with cost of service study report of Discom and GUVNL for FY 2019-20 and Determination of Tariff for FY 2021-22 will be available for sale at Rs. **250/-** to the interested persons at the office of The General Manager[F&A], "Urja Sadan," Corporate Office, Dakshin GujaratVij Company Ltd, Kapodara, Nana Varachha Road, Surat – 395 006 and at the office of the Superintending Engineer of DGVCL, in Charge of O&M Circle at Surat city, Surat Rural,Bharuch & Valsad. For obtaining the copy of the documents by post, postage fee @ Rs.50/- (Rupees 50/-) will be payable extra. The electronic copies of the above mentioned petition are available at website ([www.guvnl.com](http://www.guvnl.com), [www.dgvcl.com](http://www.dgvcl.com))

**(B)** Guideline for submission of response:

Pursuant to GERC( Multi Year Tariff framework ) Regulation, 2016 and GERC ( Conduct of Business) Regulations 2004, persons who are interested in filing their objections/suggestions to the above petition may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6<sup>th</sup> Floor, GIFT One city,Road 5C , Zone 5, Gandhinagar 382 355 with the document on which they want to rely upon, in five sets, duly supported by an affidavit on or before **12.02.2021** and also indicate whether they to be heard in person.