GUJARAT ELECTRICITY REGULATORY COMMISSION

Tariff Order

Truing up for FY 2022-23 and

Determination of Tariff for FY 2024-25

For

Madhya Gujarat Vij Company Limited

(MGVCL)

Case No. 2319 of 2024

1st June, 2024

6th Floor, GIFT ONE, Road 5C, Zone 5, GIFT CITY

Gandhinagar-382 355 (Gujarat), INDIA

Phone: +91-79-23602000 Fax: +91-79-23602054/55

E-mail: gerc@gercin.org : Website www.gercin.org

सत्यमेव जयते

GUJARAT ELECTRICITY REGULATORY COMMISSION

(GERC)

GANDHINAGAR

Tariff Order

Truing up for FY 2022-23

and Determination of Tariff for FY 2024-25

For

Madhya Gujarat Vij Company Limited

(MGVCL)

Case No. 2319 of 2024

1st June, 2024

CONTENTS

List of Tables

ABBREVIATIONS

A&G	Administration and General Expenses
AB Cable	Aerial Bunched Cable
ABR	Average Billing Rate
AG	Agriculture
APTEL	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BST	Bulk Supply Tariff
C&I	Commercial & Industrial
CAGR	Compounded Annual Growth Rate
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Cr	Crore
CSS	Cross-Subsidy Surcharge
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
DSM	Deviation Settlement Mechanism
EA	Electricity Act
EHT	Extra High Tension
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
GLP	General Lighting Purpose
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited

HT	High Tension
Ind-AS	Indian Accounting Standards
JGY	Jyoti Gram Yojna
kV	kilo Volt
kVA	kilo Volt Ampere
kVAh	kilo Volt Ampere Hour
kVARh	Reactive Energy
kWh	kilo Watt Hour
LT	Low Tension
MCLR	Marginal Cost of Funds based Lending Rate
MGVCL	Madhya Gujarat Vij Company Limited
Mus	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi Year Tariff
O&M	Operation & Maintenance
OA	Open Access
PF	Power Factor
PFC	Power Finance Corporation
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
PWW	Public Water Works
R&M	Repair and Maintenance
RBI	Reserve Bank of India
RE	Revised Estimate
REC	Renewable Energy Certificate
RGP	Residential General Purpose
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
Rs.	Rupees
SBAR	State Bank Advance Rate

SBI	State Bank of India
SLDC	State Load Despatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Despatch Centre
YoY	Year on Year

GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Case No. 2319 of 2024

Date of the Order 01/06/2024

CORAM

Anil Mukim, Chairman

Mehul M. Gandhi, Member

S. R. Pandey, Member

ORDER

1 Background and Brief History

1.1 Background

Madhya Gujarat Vij Company Ltd., (hereinafter referred to as "MGVCL" or the "Petitioner") has filed a petition under Section 62 of the Electricity Act, 2003, read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016, for the Truing up of FY 2022-23 and Determination of retail supply Tariff for FY 2024-25 on 12 January, 2024.

Gujarat Electricity Regulatory Commission notified the GERC (Multi-Year Tariff) Regulations, 2016 [GERC (MYT) Regulations, 2016] on 29th March, 2016 which is applicable for determination of Tariff in all cases covered under the Regulations from 1st April, 2016 onwards. The Commission vide its Suo-Motu Order dated 5th December, 2023 in Case No. 2264 of 2023 in the matter of "Filing of application for determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25", has decided to determine the ARR for FY 2024-25 based on the principles and methodology as provided in the GERC (MYT) Regulations, 2016 and defer the next MYT Control Period by one year. Accordingly, the Commission directed all the concerned utilities to file the ARR and Tariff petition based on principles and methodology as provided in the GERC (MYT) Regulations, 2016 on or before 12th January, 2024. Accordingly, MGVCL has filed the petition on 12th January, 2024 for Truing up of FY 2022-23 and, approval of ARR and determination of Tariff for FY 2024-25.

After technical validation of the petition, it was registered on 24th January, 2024 and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

1.2 Madhya Gujarat Vij Company Limited (MGVCL)

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 Company Gujarat State Electricity Corporation Limited (GSECL)

Transmission Company Gujarat Energy Transmission Corporation Limited (GETCO)

Distribution Companies:

Sr. 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 of the above named 6 subsidiary companies is responsible for bulk purchase of electricity from various sources and supply to Distribution Companies and also, other activities including trading of electricity.

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 Madhya Gujarat Vij Company Limited (MGVCL). 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 Order for Approval of True up for FY 2020-21 and determination of Tariff for FY 2022-23

The petitioner filed a petition for Truing Up of FY 2020-21 and determination of Tariff for FY 2022-23 on 30th November, 2021. The petition was registered on 3rd December 2021 (Case No. 2030/2021). The Commission approved the Truing-Up of FY 2020-21, and determined the tariff for FY 2022-23 vide order dated 31st March, 2022.

1.4 Commission's Order for Approval of True up for FY 2021-22 and determination of Tariff for FY 2023-24

The petitioner filed a petition for Truing Up of FY 2021-22 and determination of Tariff for FY 2023-24 on 15th December, 2022. The petition was registered on 28th December 2022 (Case No. 2167/2022). The Commission approved the Truing-Up of FY 2021-22, and determined the Tariff for FY 2023-24 vide order dated 31st March, 2023.

1.5 Background of the Present Petition

The Commission has notified the GERC (MYT) Regulations, 2016 for the Control Period of FY 2016-17 to FY 2020-21. Regulation 16.2(iii) of the GERC (MYT) Regulations, 2016 provides for the truing up of previous year's expenses and revenue based on audited accounts vis-à-vis the approved forecast and categorisation of variation in performance as those caused by factors within the control of applicant (controllable factors) and those caused by factors beyond the control of applicant (uncontrollable factors).

Further, Regulation 16.2 (vi) of the GERC (MYT) Regulations, 2016 provides for annual determination of Tariff for Generating Company, Transmission Licensee, SLDC, Distribution Wires Business and Retail Supply Business for each financial year, within the control period, based on the approved forecast and results of the truing up exercise.

1.6 Registration of the Petition and Public Hearing Process

The petitioner submitted the current petition for Truing–up of FY 2022-23 and Determination of retail supply Tariff for FY 2024-25. After technical validation of the petition, it was registered on 24th January, 2024 (Case No. 2319/2024) and as provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff order.

In accordance with Section 64 of the Electricity Act, 2003, the Commission directed MGVCL to publish its application in the abridged form to ensure public participation.

The Public Notice, inviting objections/ suggestions from the stakeholders on the Truing up and Tariff determination petition filed by MGVCL was published on the following newspapers:

S. No.	Name of the Newspaper	Language	Date of publication
1	The Indian Express	English	26.1.2024
2	SANDESH	Gujarati	26.1.2024

The petitioner also placed the public notice and the petition on the website (www.mgvcl.com) and also hosted on the website of GUVNL, i.e., www.guvnl.com, which is the holding Company of the four State owned DISCOMs for inviting objections and suggestions on its petition. The interested parties/stakeholders were asked to file their objections / suggestions on or before 25th February 2024.

The Commission also placed the petition on its website (www.gercin.org) for information and study of all the stakeholders. The Commission also issued a notice for public hearing in the following newspapers in order to solicit wider participation by the stakeholders.

S. No.	Name of the Newspaper	Language	Date of publication
1	The Indian Express	English	29/02/2024
2	Divya Bhaskar	Gujarati	28/02/2024
3	Gujarat Samachar	Gujarati	28/02/2024

The Commission received objections/suggestions from the consumers/consumer organizations as shown in the Table below. The Commission examined the objections/suggestions received and fixed the date for Public Hearing at Commission's Office for the aforesaid Petition on 14th March, 2023 at 11.30 AM. The public hearings were conducted in the Commission's Office at Gandhinagar as scheduled on the above date. The objectors participated in the public hearing and presented their objections.

The status of stakeholders who submitted their written suggestion / objections, those who remained present in public hearing, those who could not attend the public hearings and those who made oral submissions are given in the Table below:

Sr. No.	Name of Stakeholders	Against the Petition	Written Submission	Oral Submission	Present on the day of public hearing
1.	Gujarat Krushi Vij Grahak Surakhsya Sangha	MGVCL	Yes	No	No
2.	M/s Indian Oil Corporation Limited (IOCL)	MGVCL	Yes	No	No
3.	Tata Consultancy Services	MGVCL	Yes	Yes	Yes
4.	Military Engineer Services	MGVCL	Yes	No	No
5.	Federation of Gujarat Industries (FGI)	MGVCL	Yes	Yes	Yes
6.	KOTHI STEEL Ltd.	MGVCL	Yes	No	No
7.	Shri Shirish Madhav Bokil	MGVCL	Yes	No	No
8.	Yash Complex Co-Operative Housing Service Society Limited	MGVCL	Yes	No	No
9.	Gujarat Chamber of Commerce & Industry	MGVCL	Yes	Yes	Yes
10.	UltraTech Cements	MGVCL	Yes	Yes	Yes

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

1.7 Approach of this Order

MGVCL has approached the Commission with the present petition for Truing up of FY 2022-23 and determination of retail supply Tariff for FY 2024-25.

The Commission has undertaken Truing up for FY 2022-23, including computation of gains and losses for FY 2022-23, based on the submissions of the petitioner and audited Annual Accounts made available by the petitioner.

While truing up of FY 2022-23, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved as per the Tariff Order dated 31st March 2022, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised, based on the actual performance observed.

The Truing Up for FY 2022-23 has been considered, based on the GERC (MYT) Regulations, 2016.

The petitioner has also approached the Commission through its present petition for the determination of ARR and Tariff for FY 2024-25. ARR is required to be determined for the ensuing year, as the MYT Control Period (FY 2016-17 to FY 2020-21) is over, the process related to framing of MYT Regulations for the next Control Period was delayed. In view of the above, the Commission issued suo-moto Order dated 5th December, 2023 to file the ARR and Tariff for the FY 2024-25 and accordingly, the Commission has taken up the determination of ARR and Tariff for FY 2024-25 as per the provisions of GERC (MYT) Regulations, 2016 and amendments thereof. Further, truing up of FY 2024-25 shall be carried out, based on the principles & methodology adopted in GERC (MYT) Regulations, 2016 and this Tariff Order.

1.8 Contents of this Order

The Order is divided into **Ten chapters**, as under:

1. The **First Chapter** provides a background of the petitioner, the petition and details of the public hearing process and approach adopted for this order.
2. The **Second Chapter** provides a summary of the petition.

3. The **Third Chapter** deals with the public hearing process including the Objections raised by Stakeholders, MGVCL's response and the Commission's views on the response.
4. The **Fourth Chapter** deals with the Truing up for FY 2022-23.
5. The **Fifth Chapter** deals with the approval of ARR for FY 2024-25.
6. The **Sixth Chapter** deals with the Cumulative Revenue Gap/(Surplus) for FY 2024-25.
7. The **Seventh Chapter** deals with compliance of the Directives and issue of fresh directives for MGVCL.
8. The **Eighth Chapter** deals with fuel and power purchase adjustments.
9. The **Ninth Chapter** deals with wheeling and cross subsidy surcharges.
10. The **Tenth Chapter** deals with the Tariff philosophy and Determination of retail supply Tariff for FY 2024-25.

2 Summary of MGVCL's Petition

2.1 Introduction

This chapter deals with highlights of the petition as submitted by MGVCL for truing up of FY 2022-23 and determination of ARR and Tariff for FY 2024-25.

2.2 True-Up for FY 2022-23

MGVCL submitted the petition on 12th January, 2024 seeking approval of truing up of ARR for FY 2022-23. MGVCL has worked out its Aggregate Revenue Requirement (ARR) for FY 2022-23 as a part of the True Up for FY 2022-23. MGVCL has presented the actual cost components based on audited annual accounts for FY 2022-23. A summary of the proposed ARR for Truing-up of FY 2022-23 compared with the approved ARR for FY 2022-23 in the Tariff Order dated 31st March 2022 is presented in the Table given below:

Table 2-1: ARR proposed by MGVCL for FY 2022-23 True up (Rs. Crore)

Sr. No.	Particulars	2022-23 (Approved)	2022-23 (Actual)	Deviation
1	Cost of Power Purchase	6,221.05	8,571.12	(2,350.07)
2	Operation & Maintenance Expenses	820.11	741.29	78.82
2.1	*Employee Cost*	*644.75*	*625.19*	*19.56*
2.2	*Repair & Maintenance*	*67.62*	*82.07*	*(14.45)*
2.3	*Administration & General Expenses*	*98.80*	*110.18*	*(11.38)*
2.4	*RDSS Metering Opex*	*73.50*	-	*73.50*
3	Other Expenses Capitalised	(64.56)	(76.14)	11.58
4	Depreciation	300.28	279.31	20.97
5	Interest & Finance Charges	45.10	48.75	(3.65)
6	Interest on Working Capital	-	-	-
7	Provision for Bad Debts	0.01	0.00	0.01
8	Return on Equity	177.03	169.45	7.58
9	Provision for Tax/Tax Paid	19.58	7.65	11.93

Sr. No.	Particulars	2022-23 (Approved)	2022-23 (Actual)	Deviation
10	**Sub-Total [1 to 9]**	**7,583.15**	**9,817.56**	**(2,234.40)**
11	Less: Non-Tariff Income	139.39	183.59	(44.20)
12	**Aggregate Revenue Requirement [10-11]**	**7,443.76**	**9,633.98**	**(2,190.22)**

2.3 Revenue Gap for FY 2022-23

As shown in the Table below, MGVCL has claimed a Revenue gap of Rs. 560.18 Crore in the Truing up after considering the gain/(loss) due to controllable / uncontrollable factors:

Table 2-2: Revenue Surplus/ (Gap) as claimed by MGVCL for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Amount
1	Aggregate Revenue Requirement originally approved for FY 2022-23	7,443.76
2	Less: (Gap) / Surplus of FY 2020-21	53.03
3	Less: Gain / (Loss) on account of Uncontrollable factors to be passed on to Consumer	(2334.99)
4	Less: Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain / (Loss))	48.26
5	**Revised ARR for FY 2020-21 (1 - 2 - 3 - 4)**	**9,677.46**
6	Revenue from Sale of Power	8,943.03
7	Other Income (Consumer related)	97.96
8	**Total Revenue excluding Subsidy (6 + 7)**	**9,040.99**
9	Agriculture Subsidy	70.73
10	GUVNL Profit / (Loss) Allocation	5.56
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**9,117.28**
12	**Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**(560.18)**

2.4 Aggregate Revenue Requirement for FY 2024-25

MGVCL, in the petition, sought approval of ARR and Tariff for FY 2024-25. A summary of the proposed ARR for FY 2024-25 is presented in the Table given below:

Table 2-3: ARR proposed by MGVCL for FY 2024-25 ARR (Rs. Crore)

Sr. No.	Particulars	2024-25 (Projected)
1	Cost of Power Purchase	8,885.21
2	Operation & Maintenance Expenses	1,042.72
2.1	*Employee Cost*	*720.62*
2.2	*Repair & Maintenance*	*75.58*
2.3	*Administration & General Expenses*	*110.43*
2.4	*RDSS Metering Opex*	*208.25*
2.5	*Other Expenses Capitalised*	*(72.15)*
3	Depreciation	345.79
4	Interest & Finance Charges	98.34
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.00
7	**Sub-Total [1 to 6]**	**10,372.06**
8	Return on Equity	197.56
9	Provision for Tax/Tax Paid	7.65
10	**Total Expenditure [7 to 9]**	**10,577.26**
11	Less: Non-Tariff Income	205.56
12	**Aggregate Revenue Requirement [10-11]**	**10,371.71**

2.5 Summary of projected Revenue Surplus/(Gap) for FY 2024-25

The Table below summarises the Aggregate Revenue Requirement, the total revenue with the existing Tariff and the Revenue Gap projected for FY 2024-25 by MGVCL:

Table 2-4: Estimated Revenue (Gap)/Surplus for FY 2024-25 (Rs. Crore)

Sr. No.	Particulars	2024-25 (Projected)
1	Aggregate Revenue Requirement	10,371.71
2	Less: Revenue Gap from True up of FY 2021-22	(560.18)
3	**Total Aggregate Revenue Requirement**	**10,931.88**
4	Revenue with Existing Tariff	6,407.95
5	FPPPA Charges @ Rs. 2.84/Unit	3,905.71
6	Other Income (Consumer related)	97.96
7	Agriculture Subsidy	72.22
8	**Total Revenue including Subsidy (4 to 7)**	**10,483.85**
9	**Revenue (Gap)/Surplus (8-3)**	**(448.03)**

2.6 Proposed Changes in the Tariff Structure for FY 2024-25

MGVCL submitted that the consolidated resultant Revenue (Gap) / Surplus for all four distribution companies is around 8% of the total revenue at existing tariff. The revenue gap is primarily on account of Power Purchase Cost which is not within the control of the Petitioner. Accordingly, in order to bridge the revenue gap, DISCOM is proposing a change in the tariff for various categories of consumers along with minor modifications in the existing tariff structure.

A. Discontinuation of Concession for use of electricity during night hours (22:00 Hrs. to 06:00 Hrs.)

The Petitioner submitted that the existing tariff structure provides for concession in energy charges for use of electricity during night hours (22:00 Hrs to 6:00 Hrs.) to HTP-I, HTP-II and WWSP tariff category. (HTP-I & II: 43 Paise/unit & WWSP > 50 HP: 85 Paise/unit). Taking into consideration increase in average power purchase cost during night hours and higher RE penetration, the Petitioner proposed to discontinue concession being offered for use of electricity during night hours to above referred category effective from 1st April 2024.

B. *Implement Time of Day (ToD) Charges for LTMD tariff category in line with existing HTP-I Tariff category.*

In line with Ministry of Power, GoI to introduce Time of Day Tariff for Commercial and Industrial consumers having contract demand above 10 KW from 01.04.2024, the Petitioner proposed to implement ToD charges for LTMD category (above 40 kW) in line with HTP-I category effective from 1st April 2024.

C. *Discontinuation of Non-RGP Night and LTMD Night Tariff category*

National Tariff Policy mandates rationalization and simplification of tariff structure over the period of time. Considering no/negligible consumer participation under the NRGP night and LTMD night tariff category it is proposed to discontinue NRGP night and LTMD night tariff category as a part of tariff simplification and rationalization.

D. *Implementation of Energy Charges for HTP-IV category at par with HTP-I category.*

The Petitioner submitted that it is anticipating higher RE availability during day time and increased cost of power purchase during night hours. Accordingly, the Petitioner has proposed to levy energy charges for HTP-IV tariff category at par with HTP-I tariff category effective from 1st April 2024, no change is proposed in the fixed charges applicable to HTP-IV category.

E. *Introduction of concession in Energy Charges for Pre-Paid Smart Meter (Under RDSS).*

The Petitioner submitted that the Commission vide its letter dated 06.11.23 , referring Ministry of Power letter dated 25.10.2023, directed DISCOMs to submit the proposal along for charging lower tariff to consumers with prepaid smart meters in the Tariff Petition of FY 2024-25. In light of above, the Petitioner has proposed a discount of 2% in energy charges for LT category (except AG consumer) covered under RDSS scheme upon installation of pre-paid smart meter effective from 1st April 2024.

F. *Amendment to the definition of RGP tariff category for inclusion of Animal Husbandry activities.*

The Petitioner proposed to amend the applicability of RGP tariff category and amend the definition of RGP tariff category effective from 1st April 2024 as under:

RGP-Urban:

This Tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

RGP-Rural:

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

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

2.7 Request of MGVCL

1. To admit this Petition seeking True up of FY 2022-23, Aggregate Revenue Requirement for FY 2024-25 and Tariff Proposal for FY 2024-25.
2. To approve the True up for FY 2022-23 and allow sharing of gains/ (losses) with the Consumers as per sharing mechanism prescribed in the GERC MYT Regulations, 2016.
3. To allow recovery of Revenue (Gap) / Surplus of FY 2022-23 as part of Tariff determination for FY 2024-25.
4. To approve Aggregate Revenue Requirement for FY 2024-25 as submitted by the Petitioner.
5. To consider approved True up parameters & ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
6. Pass suitable orders for implementation of Tariff Proposal for FY 2024-25 for

making it applicable from 1st April, 2024 onwards.

7. To grant any other relief as the Hon'ble Commission may consider appropriate.

8. The Petitioner craves leave of the Hon'ble Commission to allow further submissions, addition and alteration to this Petition as may be necessary from time to time.

9. Pass any other Order as the Hon’ble 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 MGVCL and Commission's view.

3.1 Public Response to the Petition

In response to the Public Notice inviting objections/ suggestions on the petitions filed by DISCOMs for Truing up of FY 2022-23 and determination of Tariff for FY 2024-25 from the stakeholders, a number of stakeholders filed their objections/suggestions in writing and also participated in the Public Hearing. Further, some of the objections are general in nature and some are specific to the proposals submitted by the petitioner. 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 connected with the current petition are segregated into two groups, viz., common to all DISCOMs and specific to the concerned DISCOM. The Commission has addressed the objections/ suggestions issue-wise rather than objector-wise.

These objections/suggestions, the response from the petitioner, and the views of the Commission are dealt with hereunder:

3.2 Suggestions/ Objections common to all DISCOMs

Issue No. 1: Setting up of EV Charging Station (EVCS) - Concessions in Fixed Charges and unit rate for EV connections

The objector has sought support for following:

1. Provision of separate connection for the EV charger at petrol pumps

2. Single part tariff (nil fixed demand chargers).

3. Expeditious award of connection for EV Chargers on priority basis

4. Provision of electrical connection on LT level.

Response of the Petitioner

DISCOMs are already processing applications for separate electricity connection for EV charging stations in the existing premises in accordance with prevailing applicable rules / regulations.

From the representation of the objector, it is apprehended that they are planning to have EVCS with capacities of 30 kW and 60 kW charging gun / connectors. In this regard, it may be noted that for EV charging stations with a demand or connected load below 100 kVA, LT-EVCS tariff category is applicable. As per approved Tariff schedule, the fixed charge applicable for LT EVCS connections is nominal rate of Rs. 25 per installation per month only. It is pertinent to mention that the levy of fixed charges for LT EVCS connection is based on per month basis and is not linked with the connected load of the EV charging station unlike other commercial / industrial consumer category. Additionally, average rate of realization for LT-EVCS is lower than Average Cost of Supply for DISCOMs. Accordingly, it is not appropriate to provide further relaxation in fixed charge applicable to LT EVCS connection being already subsidized in nature. Additionally, the approved tariff schedule provides for separate LTEVCS tariff category which is applicable for use of electricity exclusively for EV charging stations at low and medium voltage and there is no need for further clarification in the matter.

A dedicated online portal has been established for registration & processing of new electricity connections for DISCOM wherein applicants are facilitated with upfront payment facility of all charges as a part of ease of doing business. Further, DISCOMs are processing applications on "first come, first serve" basis in accordance with timeframe stipulated in various GERC Rules/Regulations.

Commission’s View

The Commission has noted the response of the petitioner.

Issue No. 2: Review the Green Energy Tariff for DISCOMs

The objector has submitted that the Green Energy tariff in Gujarat is higher than other states and therefore needs to be reviewed.

Response of the Petitioner

It is stated that pursuant to the Rules notified by Ministry of Power, Govt. of India vide notification dated 06.05.2022, DISCOMs had submitted methodology for computation of green power tariff as per the directions from the Hon'ble Commission in the Tariff Petition for FY 2023-24 and accordingly, Hon'ble Commission has decided the premium of Rs. 1.50/unit over and above normal tariff for availing green power by consumers from DISCOMs.

It is imperative to note that Hon'ble Commission vide notification dated 20.02.2024 has issued GERC (Terms and Conditions for Green Energy Open Access) 2024 wherein consumers can avail green energy from sources other than DISCOMs as per their requirement. Additionally, consumers can meet their RE power under various regulations / orders notified by Hon'ble Commission from time to time in order to fulfil their green power requirement.

Hon'ble Commission may consider to take a suitable view in accordance with the prevailing rules in regards to the determination of applicable Green Power Tariff for consumers availing green power from the DISCOMs in revenue neutral manner.

Commission's View

The Commission has noted the response of the petitioner. The Commission has dealt with the issue in the respective section of the Tariff Order.

Issue No. 3: Introduction of special electric tariff slab for defence establishment

The objector has sought to introduce separate tariff for Defence establishment within the state, as the FoR has also conveyed that SERCs of respective state has to induct the special slab. It has requested to make a special slab of tariff with lower rates for Defence establishment in Gujarat.

Response of the Petitioner

In this regard, it is to state that as a part of tariff rationalization and simplification, in case of State owned DISCOMs, the number of tariff categories has been reduced considerably. In case of HT connections, mainly single tariff category i.e. HTP-I tariff is applicable irrespective of purpose for which electricity is used. Therefore, introduction / creation of any new tariff category for HT connections would be retrogressive and against the objective of tariff rationalization and simplification.

It is relevant to mention that unlike other States wherein separate higher tariff category for Armed force connections is applicable, in the State of Gujarat, there is no such special higher tariff / slab for Armed Force connections. The connections of Armed Forces are charged at normal tariff as applicable to other consumers of respective category. It is further to submit that any modification to be made by Hon'ble Commission should be revenue neutral to the Company.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 4: Cost to serve report

The objector has stated that the cost to serve report of FY 2022-23 of all discoms are available on website of GUVNL and not on the website of MGVCL. Further, the objector states that the report is simply a replica of a similar report made for TANGEDCO in January 2013. The parameters of report have remained identical for Gujarat is surprising. The % for various category for parameters is derived without any logic, which cannot be considered.

Response of the Petitioner

In this regard, it is to inform that as per the directives of Hon'ble Commission, Company has prepared Cost to Serve Report for FY 2022-23 through independent consultant and the same is submitted to Hon'ble Commission on date 31.01.2024 by GUVNL for each subsidiary distribution companies of GUVNL and consolidated report for four distribution companies as a whole. The cost to serve report for FY 2022-23 has been uploaded on GUVNL & petitioner's website.

Commission's View

The Commission directs the petitioner to submit the cost to serve report along with tariff petition in future.

Issue No. 5: Energy Audit Report

The objector has averred that the Energy Audit report is not reported by the Discoms in timely manner, as per BEE regulations.

Response of the Petitioner

It is submitted that the utility conducts energy account regularly and submits Energy Account reports, from time to time, to BEE as provided in the Regulations. Energy Audit for FY 2022-23 as well as past years has been submitted to Bureau in timely manner and same is under evaluation at their level. It will be uploaded on the website of Company once finalized.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 6: Assessment of unmetered Agricultural category

The objector has stated that since the final order in the petition no. 2135/2022 is pending and since the losses of unmetered agriculture category play very crucial role in the ARR, hence the current petitions are recommended for rejection.

Response of the Petitioner

The objection raised by the respondent is outside the scope of present Tariff Petition.

Commission's View

The Commission has noted the objection and the same shall be dealt with separately.

Issue No. 7: Allocated capacity of power stations should be 30401 MW and not 31402 MW

The objector has stated that the allocated capacity of power stations should be 30401 MW and not 31402 MW as shown in petition.

Response of the Petitioner

In this regard, it is submitted that the allocated capacity of power stations in Table 56 in Tariff Petition of MGVCL includes capacity 1000 MW of MTOA capacity approved by Hon'ble Commission. The value is an inadvertent error and it is requested to the Hon'ble Commission to also consider this value as referred in other Discom Petitions while considering the allocated capacity of power station.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 8: Power purchase cost of GSECL stations in Discom's petition different than generation cost in GSECL's petition

The objector has averred that, comparison of average cost of generation of GSECL and MGVCL Petitions, shows that the generation cost considered for same power station by GSECL and MGVCL are not same, which needs to be justified.

Response of the Petitioner

As regard to fixed cost and variable cost considered by DISCOMs and GSECL for FY 2024-25, it is to state that DISCOMs has estimated the cost of generation for GSECL stations based on the past years actual data towards fixed cost, plant availability and plant load factor etc. Moreover, DISCOMs have already prayed in the Petition that in case of GETCO & GSECL, actual expenses to be approved by Hon'ble commission in their respective tariff petition may be considered at the time of finalizing power purchase expenses of DISCOMs.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 9: GSECL's old aged power stations

The objector has stated that the over aged power stations must be discarded and its equity should not be allowed. All R&M and establishment expense should be reduced by GSECL/ GUVNL so as to reduce power purchase cost, as they are running at very low PLF. Moreover, overaged plants are to be discarded by replacement with new highly efficient plants.

Response of the Petitioner

In this regard, it is to state that the estimation of power purchase for FY 2024-25 is done following the Merit Order despatch principle wherein cheaper source of power is scheduled first and so on till the energy requirement is met except for must run stations and gas based stations wherein certain level of utilization as explained in the Petition, is considered. In case of GSECL's power projects, utilization level is lower on account of higher variable cost of generation as compared to NTPC stations or other stations. Therefore, on account of lower utilization, the cost of GSECL's power on per unit basis appears to be on higher side.

It is imperative to note that the availability of firm power from existing as well new stations is vital for grid stability considering increased share of renewable generation especially solar and wind being infirm and intermittent in nature and it is also important to have adequate generation capacity within State helping in balancing of inter-state drawl.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 10: Dumped energy

The objector has stated that the dumped energy on account of inadvertent flow is also one of the sources of power supply at no cost, which also needs to be accounted and cannot be considered for showing efficiency in reduction of loss.

Response of the Petitioner

In this regard, it is to mention that the "Overall Distribution loss" are worked out based on input energy recorded in the "Energy Meters" provided at "Feeder Level" (i.e. energy input in the system) and energy recorded in the "Consumers Meter" which includes all types of energy transaction due to wheeling of power under Open Access. Further, energy accounting for wheeled energy under open access and treatment for surplus energy is carried out in accordance with applicable orders / regulations of Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 11: Solar roof top energy accounting

The objector has stated that since the roof top solar installations have been increased considerably due to government policy, the contribution of the consumer with respect to reductions in consumption from petitioner's supply and sale to petitioners at the lowest rate of Rs. 2.251/kWh needs to be separately accounted in the petitions.

Response of the Petitioner

In this regard, it is to clarify that purchase of Surplus energy from Solar Roof Top Consumers have been accounted under the head "Cost of Power Purchase" and also considered in the Energy Balance as" Local Power Purchase by Discoms".

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 12: Purchase of power (approved vs actual)

The objector has stated that the power purchase in FY 2022-23 is higher than approved quantum and that the additional energy requirement has been purchased at a rate of Rs. 16.64/unit than approved cost.

Response of the Petitioner

Increase in Power Purchase Cost during FY 2022-23 was on account of uncontrollable factors such as increase in fuel cost, change in generation mix and increase in sales quantum, etc.

Further, based on the Merit order dispatch principle, generating stations are scheduled to operate from cheaper to costlier power till consumer demand is met on real time basis. Therefore, procuring higher quantum of power shall require operating of higher marginal generating stations, increasing overall power purchase cost.

Therefore, there is increase in overall power purchase cost due to uncontrollable factors. Otherwise, there is gain (reduction) in power purchase cost due to efficiency improvement by DISOMs in terms of reduction in distribution losses as compared to approved losses.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 13: Revenue from tariff

The objector has stated that the average rate of realization is Rs. 7.08 against approved Rs. 6.42/unit and Rs. 7.13 including subsidy and has sought details of account of revenue realized category wise and income from supplementary bills on account of unauthorized load, theft of energy, slow and not working of meters etc.

Response of the Petitioner

In this regard, it is submitted that the revenue realized consist of two parts; a) Revenue from sale of power at existing tariff and b) Revenue from FPPPA. It is stated that the FPPPA Charges are towards adjustment due to increase / decrease in actual power purchase cost during the year vis-å-vis power purchase cost approved by Hon'ble Commission. The same is being computed and submitted before Hon'ble Commission on quarterly basis as per the methodology approved by Commission. Further, station wise details under FPPPA submission for past 8 quarters is also available on GUVNL/Discom's website.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 14: Agriculture sales, Revenue, subsidies and its accounting and Real Losses

The objector has sought for precise working out of correct sales of unmetered consumers and losses for agriculture category. It is suggested that since agricultural subsidy is now claimed in beginning of financial year, it can be transferred to consumer in his account like any other benefit and any manipulation can be avoided. Also, the pattern of assessment of subsidy to be reviewed.

Response of the Petitioner

The petitioner submits as follows:

a. As regard to the projection for FY 24-25, it is to state that methodology based on past trend has proved to be a reasonably accurate and well-accepted method for estimating the load, number of consumers and energy consumption. Accordingly, estimation for FY 24-25 for energy sales, the number of consumers and connected load, based on Compounded Annual Growth Rate (CAGR) during the past years except where growth rate trend seems unreasonable for arriving at more realistic projection.

b. It is submitted that as regard to the assessment of unmetered Agriculture consumers, it is to state that the norms of 1700 Units/ HP [Annum is derived on the detailed study assessment undertaken by expert Committee, namely, Dr. P.K. Mishra Committee, wherein the Committee has analysed consumption patterns and consumption parameters in detailed and recommended the assessment of 1700 per HP per Annum for un metered agricultural connections in a scientific manner. Moreover, study was also undertaken by TERI for the assessing consumption of unmetered Agriculture consumers. Therefore, there is no reason / justification to raise any issue with regard to the normative consumption assessment considered for un-metered agriculture consumers.

c. As regards to discrepancy of Energy Requirement claimed by the Company and as per SLDC Energy Accounts for 2022-23, it is to submit that SLDC Energy Account doesn't consider the energy injected by small generators at 11 KV or 22 KV level.

d. As regards variation in calculation of Technical/Theoretical loss, various factors like length of line, line configuration, loading pattern, maximum load, Diversity Factor, Load Factor, etc., affects the technical loss of the network.

e. In regards to the evaluation of losses, it is to state that, performance of all the Distribution Companies is monitored by the Commission and accordingly Distribution Loss is approved by the Commission and any variation in the losses is dealt in accordance with principles of GERC (MYT) Regulations, 2016. Furthermore, Company takes various steps, narrated as under, for reduction of Distribution Loss. Company makes all efforts for reduction of Distribution losses endeavours to achieve the Loss reduction trajectory as approved by the Hon'ble Commission. The utility has further submitted the planned technical and commercial loss reduction activities and other activities done for loss reduction.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 15: RIMS report

The objector has stated that no reports of RIMS for 4th quarter have been made available.

Response of the Petitioner

MGVCL has already submitted quarter wise RIMS reports for FY 2022-23 to Hon'ble GERC in timely manner.. As of now RIMS report up to Quarter III of FY 2023-24 is already submitted to Hon'ble GERC and further RIMS report for 4th quarter of FY 2022-23 already available on MGVCL web site.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 16: Discontinuation of concession for use of electricity during night hours and implementation of Energy Charges for HTP-IV category at par with HTP-I category

The objector states that there is no valid reason for discontinuing night hour rebate and that too without illustrative working of loss on account of Higher RE Generation and amount of income with proposed revision.

Response of the Petitioner

As regard to the tariff proposal it is to submit that, in past conventional sources of generation was having dominant share in power generation mix of DISCOMs and therefore lower variable charges / night rebate was offered for consumption during night hours as to support the base Load generating stations coupled with lower cost of generation.

However, there is paradigm shift in generation profile and energy mix of DISCOM on account of inclusion of RE generation i.e. particularly solar generation. Therefore, in the given scenario, the cost of power during certain day hours has reduced with availability of solar power and the cost of power during night hours has increased on account of increase in fuel prices along with minimal availability of RE power during night hours.

Thus, to align with the generation profile, optimize the power purchase cost and to have, it is desirable to align energy charges for HTP-IV category and discontinue night hour rebate so as to ensure cost reflective tariff.

Commission's View

The Commission has noted the response of the petitioner and appropriate decision has been taken in the relevant section of the Tariff Order.

Issue No. 17: Implement Time of Day (ToD) Charges for LTMD tariff category.

The objector has stated that in respect of LTMD consumers the minimum load is 6 KW and hence entire category cannot be included as per Electricity Rules.

Response of the Petitioner

As regard to the implementation of TOD charges for LTMD tariff category it is to state that Ministry of Power, Govt. of India vide notification dated 14.06.2023 have notified Electricity (rights to Consumer) Rules 2023 which provides for applicability of TOD charges for consumers having maximum demand more than 10 kW further, the cost of supplying power at peak hours is significantly higher and the network requirement during peak hour supply is also high. The purpose of TOD charges is to reflect the optimal utilization of available resources during peak periods and to ensure cost reflective recovery from consumers.

As regard to the minimum load of 6 kW, it is to state that LTMD tariff category is demand based category and Non-RGP category consumers are eligible to opt and billed as per demand based LTMD tariff category. Accordingly, the consumers opting to be billed under the LTMD tariff category shall require to pay, all charges as per tariff schedule applicable for LTMD category shall be applicable including Time of Use charges.

Commission's View

The Commission has noted the response of the petitioner and appropriate decision has been taken in the relevant section of the Tariff Order.

Issue No. 18: Introduction of rebate in Energy Charges for Pre-Paid Smart Meter (RDSS scheme)

The objector has stated that the smart meter is an advance prepaid system with 2% reduction on energy charges is not genuine as against rate of delayed payment charges of 15%.

Response of the Petitioner

As regard to the 2% rebate for pre-paid meters as against 15% DPC, it is to state that the very objective of introduction of rebate in energy charges for Pre-Paid smart meter is to encourage consumers to adopt and install pre-paid smart meters. The rebate is to be given to all consumers installing pre-paid smart meters. Whereas, the objective of the delayed payment charges is to levy additional charge, in case of consumer do not pay the energy bills within given grace period provided, thus it is a sort of penalty charges. Accordingly, it is not appropriate to compare rebate with delayed payment charges.

Commission's View

The Commission has noted the response of the petitioner and appropriate decision has been taken in the relevant section of the Tariff Order.

Issue No. 19: Discrepancy in power purchase expense for FY 2022-23 as per FPPPA submissions and tariff petition

The objector states that as per FPPPA submission of FY 2022-23, the power purchase expense is Rs. 71,503 Crore whereas as per tariff petition, the power purchase cost is Rs. 72,416 Crore, i.e., a difference of around Rs. 913 Crore.

Response of the Petitioner

In this regards it is to state that as per the directive of Hon'ble Commission, FPPPA is computed based on the actual payment made during respective quarter, which do not include un-discharged liability / provisions etc. but includes the amount which is paid during the quarter for which liability is accrued and booked as expenditure in the Books of previous year. Whereas Annual Accounts are prepared on accrual basis as per the India Accounting Standards (IND-AS) which includes undischarged liabilities / provisions on account of matters pending in various courts and estimated as per the Orders of competent courts / best assessment basis.

Thus, the reasons for variation in power purchase cost as per books and claimed in FPPPA are (i) there are certain amounts which are claimed / credited in FPPPA on actual payment basis but part of previous year books; (ii) there is increase / decrease in the final bill amount after FPPPA submission; (iii) amount accounted in FY 2022-23 but payment is made in subsequent period.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 20: Additional Power Purchase costs towards past period liabilities

The objector has stated that additional power purchase cost of Rs. 2764.35 Crore is claimed in the Petitions toward actual payment made to generators for past period liabilities, however, no supporting documents are provided for the same.

Response of the Petitioner

In this regard, it is to clarify that there are provisions in the books of previous years related to payment liability as per the judgment of various court and the amount was provided on best estimation basis as the liability was yet to be quantified by lower court / forum. Further, there are provisions in the books being the amount is decided, accrued and quantified as per the order of lower forum and there is immediate liability to pay but due to pendency of matter in higher forum. However, Hon'ble Commission had disallowed such provision of power purchase cost in respective year's truing up order, clarifying that these amounts in the books are provisions only and no actual payment is made. Further, in the relevant order, Hon'ble Commission had provided liberty to DISCOMs to claim such amount as and when payment is materialized / utilized.

In the FY 2022-23, GUVNL had paid and utilized amount of Rs. 2764.35 Cr. towards which provisions were made in past years and not considered by Hon'ble Commission in the past orders. It is further to mention that provisions worth of Rs. 295.51 Cr. made during the year FY 2022-23 have been reduced from the power purchase cost claimed by DISCOMs before Hon'ble Commission.

Therefore, power purchase amount of Rs. 2764.35 Crore claimed by DISCOMs for FY 2022-23 as per the actual payment made to generators towards past period liabilities, is legitimate and in accordance with orders of Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order.

Issue No. 21: Purchase of Power from short term market and levy of Additional Surcharge

The objector has stated that in FY 2022-23, power purchase from power exchange was 9319 Mus which is significantly higher and constitutes around 9% of total power purchase. Considering the same, there is no justification to claim Additional Surcharge when DISCOMs are in shortage of power and there is no stranded capacity.

Response of the Petitioner

In this regard, it is to state that levy of additional surcharge and purchase of power from short term market are entirely independent aspects. The levy of Additional Surcharge is in accordance with Section 42(4) of the Electricity Act 2003 and is for compensating DISCOMs towards stranded power purchase cost due to purchase of power by consumers from other sources. The Additional Surcharge is levied as per the formula approved by Hon'ble Commission and after demonstrating the stranded power purchase cost. Whereas the purpose of purchase of power from short term market is to economize overall power purchase cost specifically when power is available from market at competitive rates.

Further, DISCOMs have tied up significant RE capacity specifically from Wind and Solar sources for fulfilment of RPO obligation stipulated by Hon'ble Commission. Moreover, consumers are also wheeling RE power (Wind/Solar) under open access. The generation (Wind/Solar) power is infirm in nature and integration of RE power on large scale basis necessitates purchase of power from power exchanges to mitigate variation in RE generation.

Therefore, the action of DISCOMs for purchase of power from short term market to economize the overall power purchase cost and as balancing power to mitigate variation in RE generation cannot be construed as shortage of power or non-existence of stranded power purchase cost.

Commission’s View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 22: Working of BST rate in True up petition

The objector has averred that working of BST rate for allocation of power purchase cost to DISCOMs is not explained in the Petition.

Response of the Petitioner

In this regard, it is to clarify that that in MYT/MTR orders Hon'ble Commission has approved BST mechanism. Thus, power purchase cost incurred by GUVNL for FY 2022-23 is allocated to individual DISCOM as per the BST mechanism approved by Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order.

Issue No. 23: Exorbitant increase in tariff due to FPPPA charges

The objector has stated that there is huge increase in the tariff due to increase in FPPPA charges and therefore consumers are to be heard before approving the increase in FPPPA charges.

Response of the Petitioner

In this regard, it is submitted that as per the provisions of National Tariff Policy, any increase in the Power Purchase cost viz-a-viz power purchase cost approved by Hon'ble Commission in the DISCOM's ARR/MYT Petition, is to be recovered from consumers through FPPPA charges on quarterly basis. The Power Purchase cost for FY 2022-23 was approved by Hon'ble Commission in the order dated 31.03.2022 based on actual power purchase cost of FY 202021 .

Since then, there has been increase in power purchase cost during FY 2022-23 on account of uncontrollable factors such as increase in fuel cost / power purchase rate and change in generation mix etc. The FPPPA for FY 2022-23 is based on the actual power purchase expenditure incurred and reflects increase in power purchase cost over the base year power purchase cost. Further, the computation of FPPPA charges is carried out as per the formula approved by Hon'ble Commission in the order dated 29.10.2013. The FPPPA formula was approved by Hon'ble Commission in the order dated 29.10.2013 in a transparent manner after conducting public hearing. The working of quarterly FPPPA charges merely involves computation as per approved formula and actual figures of power purchase cost.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 24: Increase in R&M Expenses

The objector has stated that there is increase in R&M expense of all DISCOMs except DGVCL. The justification given in the petition for increase R&M expenses is due to Taukte Cyclone (in May 2O21) related restoration work in case of PGVCL. Further, in the previous year petition, it was mentioned that PGVCL received Rs. 200 Crores from Government for cyclone restoration work. Considering this fact, Hon. Commission is requested to seek complete details and information in relation to R&M expenses claimed by the Petitioners and in absence of convincible explanation for the same, Hon. Commission may not allow such expenditure..

Response of the Petitioner

In this regard, it is submitted that Repair and Maintenance expenditure is dependent on various factors. The assets of Discoms which are old require regular maintenance to ensure uninterrupted and continuous grid operations. Discoms are undertaking best efforts to ensure uninterrupted operations of the system and accordingly has been undertaking necessary expenditure for R&M activities. Moreover, DISCOMs takes various steps for efficient and reliable electricity distribution to its consumers and for reduction of distribution loss. Further, considering long coastal line of the State and vast season various in past couple of years, DISCOMs are prone to such natural calamities. These frequent cyclone and Natural calamities disrupt the network and company is required to spend amount towards restoration. Moreover, DISCOMs makes all the efforts for reduction of Distribution losses and endeavours to achieve the Loss reduction trajectory as approved by the Commission, which besides other increase the R&M expenses for a Discom. Hence, the entire expenditure is legitimate expenditure and any variation is purely beyond its control.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order. Further PGVCL vide letter dated 17/05/2024 submitted that the state had witnessed Tauktae cyclone during May 2021 and the network of DISCOMs was heavily affected, resulting into disruption in power supply of the state. PGVCL had incurred R&M expenditure of Rs. 650.09 Crore including work carried out towards restoration of the network. However, state government had provided subsidy assistance of Rs. 200 Crore towards restoration activities and the same has been considered by the Commission while approving R&M expenses of PGVCL for FY 2021-22. Moreover, PGVCL has not received any grant for Tauktae during FY 2022-23 and requisite details in relation to R&M expenses have been submitted before the Commission as a part of tariff petition.

Issue No. 25: Employee expenses

The objector has averred that the employee expenses have been claimed for previous years which is not justified and there is a mismatch in cost as per audited accounts and as claimed in the petition.

Response of the Petitioner

In this regards it is submitted that Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of gratuity, leave encashment and staff welfare expenses. Furthermore, Employee expenses are considered as controllable expenses under the provisions of the GERC MYT Regulations, 2016, however, post implementation of 7th Pay Commission, Discoms had to bear the impact of increased salary pay-outs along with payment of arrears related to wage revisions, incentives, allowances and HRA&CLA. These expenses are being claimed as uncontrollable in accordance with the approach adopted by Hon'ble Commission.

It may be noted that the impact due to 7th Pay Commission was implemented from August 2017 but the actual payment of salaries as per 7th Pay Commission was initiated from FY 2019-20 and the settlement towards revised allowances and incentives were pending which were settled in FY 2020-21 and payment towards the same has initiated from in FY 2020-21.

Since the revised salary as per 7th pay was paid only from FY 2019-20 onwards, the base O&M expenses derived by Commission as FY 2018-19 based on average of FY 2017-18 to FY 2019-20 has only factored in 2/ 3rd impact of salary revision, being of FY 2018-19 & FY 2019-20. Thus, the escalated employee expenses approved by Commission for ARR FY 2021-22 and FY 2022-23 has not captured in 1/3rd increase in employee cost on account of salary revision. It is therefore contemplated that only 2/3rd impact of 7th pay towards salary revision is factored in the base year (and subsequent years) and remaining 1/3rd amount is remaining to be considered as uncontrollable expense while working out sharing of gains and losses. Accordingly, the sharing of gain and losses have been computed under the head of employee expense.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order.

Issue No. 26: Increase in interest and Finance Charges

The objector has stated that DISCOMs shall not be allowed interest and finance charges more than bank rate plus 200 base point.

Response of the Petitioner

In this regard, it is to state that as per MYT framework approved by Hon'ble Commission, for truing up, the interest rate shall be considered at the weighted average rate of interest rate calculated based on the actual loan portfolio of company. Accordingly, the claim towards interest and finance charges are legitimate and a detailed computation has been submitted to Hon'ble Commission as sought.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 27: Computation of Depreciation

The objector has stated that evidence shall be provided to ensure no depreciation is claimed on the assets depreciated up to 90%.

Response of the Petitioner

In this regard, it is to state that Discoms has not claimed depreciation on assets which are already depreciated up to 90% of GFA as per the MYT framework. Further, Company's Annual accounts / financial statements for the year ending 31st March 2023 are audited by C&AG and CAG certificate in this regard has been submitted to the Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 28: Estimation of Power purchase cost for FY 2024-25

The objector has stated that there is significant quantum estimated to be purchased through short term / power exchange, which indicates that the petitioners are in deficit of power and therefore recovery of additional surcharge should be discontinued.

Response of the Petitioner

In this regard, it is to state that the estimation of purchase of power through short term arrangement for FY 2024-25 is based on present market condition with an objective to economize overall power purchase cost specifically to avoid costlier power purchase from gas-based power stations due to exorbitant increase in gas price at international market. It is to clarify that the Petitioners have power purchase arrangement on long terms basis having fixed cost payment liabilities to meet the demand of existing as well future consumer base.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 29: Comparison of Power Purchase Rate of the QI of FY 2023-24 with the Power Purchase Cost estimated for FY 2024-25

The objector has stated that no justification is given as to how power purchase cost for FY 2024-25 (Rs. 5.38 per unit) would be lower side as compared to current power purchase cost (Rs. 5. 85 for Q1 of FY 2023-24).

Response of the Petitioner

In this regard, it is to submit that Power Purchase cost of a Quarter cannot justify the Power Purchase cost estimated for a year. Generation mix, availability of power stations, energy balance and demand and supply scenario of a quarter & estimated scenario for FY 2024-25 is entirely different and not comparable and therefore it is not appropriate to compare the per unit power purchase cost of a quarter of FY 2023-24 & estimated power purchase cost of FY 2024-25. The power purchase cost for FY 2024-25 is estimated considered availability of new generation capacity, estimated availability of tied up capacity during the year and off-taking of power considering merit order dispatch principle giving highest priority to the generating stations having lower coat of generation and so on.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order.

Issue No. 30: Estimation of Sale, Energy requirements and T&D losses for FY 2024-25

The objector has stated that sales for HT consumer is estimated at lower level as compared to the growth rate of actual sales to HT consumers for previous years. Further, it is stated that higher T&D loss is considered for estimation of power purchase cost as compared to actual T&D losses for FY 2022-23 by DGVCL & MGVCL.

Response of the Petitioner

In this regard, it is to mention that constant variation in sales has been observed in the Industrial HT category in last five years due to presence of Open Access, slowdown in the economy etc. Year on Year growth may be higher but it would not be appropriate to expect this growth to be sustainable as this growth was driven by Industrial Open Access and Captive consumers resorted to Company's power as alternative source was significantly high. Therefore, sales estimated for HT Category is quite realistic and prudent.

Further, the T&D loss level of FY 2022-23 is abnormal on account of various reasons including weather conditions, high valued HT consumers resorted to Company's Power etc. Therefore, realistic approach has been considered for estimating T&D loss for FY 2024-25 considering the various promotional measures to adopt RE power by consumers has been initiated by State Government as well as Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the respective section of the Tariff Order.

Issue No. 31: Estimation of RDSS expenses for FY 2024-25

The objector has stated that expenditure proposed under RDSS for smart meters is wasteful as electronic meters with RMF facility are already installed and that the distribution loss is also below 10%. So the same should only be approved after proper cost-benefit analysis and further there should not be any tariff increase on account of this.

Response of the Petitioner

As regard to the expenditure under RDSS scheme for FY 2024-25, it is stated that Govt. of India has launched Reformed based and Result Linked, Revamped Distribution Scheme. The key objectives of the scheme are (i) to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector; (ii) Reduce the AT&C losses and (iii) Reduce ACS-ARR gap. Accordingly, the projected capital expenditures have been claimed by Company in accordance with the approved Detailed Project Reports.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in the relevant section of the Tariff Order.

Issue No. 32: Segregation / determination of Wheeling Charges in the retail tariff applicable to various category of consumers

The objector has requested to approve separate wheeling charges for higher voltage level or to provide EHT rebate to consumers.

Response of the Petitioner

In this regard, it is to state that Hon'ble Commission already determined separate wheeling charges and losses for LT level and HT network managed by the Company. Moreover, as regard to providing EHV rebate, it is to state that as per Tariff Policy, tariff determination is based on overall Average Cost to Serve. Consumers are being connected at different voltage level according to their load requirement and as per relevant provisions of Electricity Supply Code. Therefore, consumer being supplied at certain voltage level by virtue of its load requirement consuming power supply at that voltage class can't be considered to have made extra efforts in reducing the losses. Since, the EHV rebate is given historically to the consumers consuming power supply at Extra High Voltage level and have been revised by Hon'ble Commission in recent past, at least there is no need to further increase the rebate of consumption. However, any revision in tariff shall be revenue neutral for DISCOM.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 33: Incentives for incremental consumption from Discom

The objector has represented that there should be a rebate mechanism to incentivize consumers to increase consumption from DISCOMs.

Response of the Petitioner

In this regard, it is to state that, in case the consumer maintains better load factor, the overall Tariff on per unit basis will get reduced due to higher utilization for a given contract demand. Thus, by maintaining a better load factor, the consumer is already benefitted by way of lower cost of electricity per unit due to increased utilization of their contracted capacity and socialization of demand charges on higher consumption units.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 34: Rebate for payment of bills through digital mode

The objector has submitted that consumers shall be incentivize by allowing rebate towards digital payments.

Response of the Petitioner

In this regard, it is to state that Hon'ble Commission vide notification dated 05.12.2023 has issued GERC (Supply Code) Third Amendment 2023 wherein it is provided that DISCOM shall give a rebate of 0.01% or Rs. 50, whichever is less, calculated on the annual energy bill amount, to such consumer who has paid all the bills of a financial year within due date of payment of such bills through e-payment mechanism. Moreover, it is also provided that such amount shall be claimed by Company in its Annual Revenue Requirement.

Commission’s View

The Commission has noted the response of the petitioner.

Issue No. 35: Introduction of Rebate / Incentive for better load factor for HT/demand based consumers

The objector has suggested to introduce incentives/rebates for maintaining better load factor by HT consumers and demand based LT consumers, which in turn help Discom in better utilisation of generation capacity and transmission & distribution network leading to economization of fixed cost.

Response of the Petitioner

In this regard, it is submitted that many of the consumers don't draw their entire power requirement from the Grid instead prefer to draw partly or fully through Open Access or from the other sources like Solar, Wind etc. under different arrangements. Therefore, the load factor of such consumers would be better but the requirement might not have met from the Company. It is further to submit that in case consumer maintains better load factor, in that case, the overall tariff on per unit basis will get reduced due to higher utilization for a given contract demand. By this way, the consumer is already getting benefit for maintaining better load factor. It is further to submit that any modification to be made by Hon'ble Commission should be revenue neutral to the Company.

Commission’s View

The Commission has noted the response of the petitioner.

Issue No. 36: EHV rebate to be increased

The objector has proposed to increase the rebate offered to consumers availing power supply at 66 kV and above to at least 7.50% or Rs. 0.50/unit.

Response of the Petitioner

The petitioner has stated that as per Tariff Policy, tariff determination is based on overall Average Cost to Serve. Consumers are being connected at different voltage level according to their load requirement and as per relevant provisions of Electricity Supply Code. Therefore, consumer being supplied at certain voltage level by virtue of its load requirement consuming power supply at that voltage class can't be considered to have made extra efforts in reducing the losses. Since, the EHV rebate is given historically to the consumers consuming power supply at Extra High Voltage level and have been revised by Hon'ble Commission recently, at least there is no need to further increase the rebate of consumption.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 37: Rationalization in Energy Charges slabs for HTP-I Category

The objector has sought for single energy charge for HTP-I Category irrespective of the billing demand. Moreover, the cost of energy supply reduces with increase in voltage level, so it is against the principle enumerated in the Electricity Act 2003 to charge higher rates for higher billing demand.

Response of the Petitioner

In this regard, it is to state that the average realization from HTP category is nearly within the band provided in the National Tariff Policy and the petitioner have not suggested tariff change for HT tariff category except for discontinuation of night hour rebate and HTP-IV concessional energy charges. Further, it would be apt to mention that it is not appropriate to delink the energy charge from the billing demand, as for higher demand, besides more power requirement, network requirement also increase. Therefore, change in any particular category shall not be considered in an isolation manner.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 38: Demand charges from HT consumers

The objector has sought for bringing down the demand charges for HT consumers with contracted demand of more than 1000 kVA.

Response of the Petitioner

In this regard, it is to submit that, it is the basic commercial principle for any organization to recover its fixed costs through recovery of fixed charges. However, with the present tariff structure, partial fixed cost is recovered through energy charges. Even with the existing rate of Demand Charges, the fixed cost recovery from HTP-I consumers is partial only w.r.t fixed cost attributable to them and remaining is still being recovered through energy charges. In case of consumers who are not procuring power fr.om Distribution Licensee in correspondence to its contract demand, the unrecovered fixed cost otherwise payable by such consumers is burden to general body of consumers.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 39: Demand charges in kW basis instead of kVA basis for HT consumers

The objector has sought for determination of demand charges for HT consumers in kW basis instead of kVA basis to avoid double penalty for power factor. This is due to the fact that any decrease in Power Factor is captured in the corresponding increase in the KVA demand (being KVA= KW/PF) and thus KVA based demand charges, whereas, there is also a separate provision for PF penalty in case PF is lower than 90%.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection.

Issue No. 40: Power factor rebate

The objector has sought incentive for power factor between 90%-95% for helping the grid and that there should not be discrimination in the rate for incentive and penalties but should be at equal rate and that too on energy charges including fuel surcharge.

Response of the Petitioner

In this regard, it is submitted that the power factor rebate rate of 0.5% of Energy Charges is fixed by the Commission in Review Petition no 1, 2 & 3 of 2007 filed by Western Railway after a lot of discussion & deliberation from both the sides. In the previous Tariff Orders also, the issue was deliberated at length by the Commission and Hon'ble Commission has consciously taken decision not to alter the present rate of rebate.

As regards to suggestion to consider "Fuel Surcharge" for the purpose of giving Power factor rebate, it is to submit that higher incentive towards the Power factor correction may lead to over compensation which will influence the Voltage Profile of the System, particularly when the overall voltage profile has improved primarily due to increased Generation across the State. Moreover, the rebate on better power factor is given since long and, therefore, the cost incurred by the consumer for power factor correction should have been recovered by this time.

Thus, present provision of giving rebate or penalty on the basis of charges under the head "Energy Charges" in the Tariff Schedule annexed to the present petition is appropriate. Moreover, for better power system management, it is desirable to move towards "KVA" and "KVAH" based billing system, therefore, respondent proposal to move from KVA based to KW based billing system is not appropriate.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 41: Merging of FPPPA in tariff

The objector has sought to merge FPPPA in tariff to avoid complexity in tariff.

Response of the Petitioner

In this regard, it is submitted that the basic nature of FPPPA/PPPA is 'adjustment' related to power purchase cost i.e. pass through of increase or decrease, as the case may be, in the power purchase cost over the base power purchase cost. The PPPA charge is being levied on the consumer categories on account of the change in the cost of power purchase, which comprises almost 85 to 93% of the Distribution Licensee's Aggregate Revenue Requirement. Any expense pertaining to the regulated business of the Distribution Licensee has to be recovered from all consumers in some manner; therefore, the PPPA charges are recovered in the form of an incremental energy charge (Rs/kwh) recovered as per formulae approved by the Commission and as per directive of Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 42: Wheeling loss for consumption at 11 kV level

The objector has sought to determine wheeling loss in realistic manner considering losses of 11 KV network as the actual loss which covers both LT & HT network is lower than 10%, there is no justification and rational to approve wheeling loss of 9%-10% for consumption at 11 KV.

Response of the Petitioner

In this regard, it is submitted that Hon'ble Commission in its tariff order dated 31.03.2018 has noted that, in compliance to the above directives issued by Hon'ble Commission, Study was undertaken by GUVNL and the detailed study report in this regard was submitted to Hon'ble Commission. Considering the findings of Study Report, Hon'ble commissioning has not considered to change the wheeling loss applicable for wheeling of energy at 11 KV (HT) level and 440 KV (LT) level.

It is submitted that Hon'ble Commission has taken the note of the above study undertaken by expert external agency and determined the wheeling loss accordingly in the subsequent tariff orders.

It is further to state that, Hon'ble Commission in its Tariff order dated 31.03.2023 has already reduced the applicable wheeling losses based on the data available with the Commission and considering the comments suggestions received from stakeholders. Therefore, there may not be any further requirement to review the wheeling loss level determined by Hon'ble Commission especially when the same is being complied by submitting scientific study undertaken by external agency as well as recent relief has already been granted by the Commission.

Commission's View

The Commission has noted the response of the petitioner. The Commission has taken necessary action in relevant section of the Tariff Order.

Issue No. 43: Introduction of Power Factor Rebate / incentive for LT category

The objector has sought introduction of PF incentive / rebate to LTMD category like that existing for HT categories.

Response of the Petitioner

In this regard, it is submitted that Under the "ABT" regime, Discoms are required to maintain "kvarh" drawl or injection depending upon the voltage level. System is highly dynamic and therefore, dynamic compensation mechanism is also required. Since, LT consumers are very large in numbers and therefore, it would be very much difficult to manage "kvarh" consumption of all such consumers particularly when rebate or incentive is provided for better power factor to such consumers. The mechanism of providing PF Rebate may also work as counterproductive as in order to get maximum benefit, consumers may tempt to provide excessive compensation which besides making grid operation difficult may create a serious safety related issue. Therefore, it is not desirable to provide rebate/ incentive to LT category consumers which are large in numbers will make it difficult reactive power management and safety related issues. Further, giving rebate or discount for one component of tariff to any category of consumers would require to recover higher amount through other components from other categories of consumers.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 44: Petitioners' proposal for discontinuation of Concession for use of electricity during night hours for HTP-I category and discontinuation of concession in energy charges for HTP-IV category

The objector has opposed the petitioners' proposal and sought information / detailed justification for deciding the above proposal.

Response of the Petitioner

In this regard, it is submitted that the sheer objective of providing HTP IV tariff / night rebate was to have a flatten load curve. In the past, the conventional sources of generation were having dominant share in power generation mix of DISCOMs and therefore lower variable charges / night rebate was offered for consumption during night hours as to support the base load generating stations coupled with lower cost of generation.

However, there is paradigm shift in generation profile and energy mix of DISCOM on account of inclusion of RE generation i.e. particularly solar generation. Moreover, Gujarat is blessed with huge solar potential and it is obligation on part of DISCOMs to accommodate more RE power and fulfil the renewable power purchase obligation.

Therefore, in the given scenario, the cost of power during certain day hours has reduced with availability of solar power and the cost of power during night hours has increased on account of increase in fuel prices along with minimal availability of RE power during night hours, it is not feasible for DISCOMs to continue with the same HTPIV tariff / night rebate which was offered to consumers in the past period.

Thus, to align with the generation profile, optimize the power purchase cost, it is desirable to align energy charges for HTP-IV category and discontinue night hour rebate so as to ensure cost reflective tariff.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in relevant section of the Tariff Order.

Issue No. 45: Petitioners' proposal for continuation of Peak hour charges for use of electricity during morning peak hours for HTP-I category

The objector has sought discontinuation of peak hour charges for use of electricity during morning peak hours (7.00 hrs to 11.00 hrs) and on the contrary, considering availability of cheaper solar power during the day time, allow concession of Rs. I per unit for consumption during the day time.

Response of the Petitioner

In this regard, it is submitted that the cost of supplying power at peak hours is significantly higher and the network requirement during peak hour supply is also high. The very objective of TOU charges is to reflect the optimal utilisation of available resources during peak periods and to ensure cost reflective recovery from consumers. Further, peak hours TOU charges indicates need for shifting consumers demand in such a manner that it aligns with generation profile of the DISCOMs.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 46: Petitioners' proposal to offer discount / rebate of 2% in energy to only LT category for Pre-paid Smart Meter

The objector has sought to allow discount / rebate of 2% in energy charges for Pre-paid Smart meter for both LT & HT category of consumers, without any discrimination.

Response of the Petitioner

In this regard, it is submitted that practices adopted by other DISCOMs / States were reviewed to understand the practices adopted by them and it was observed that major States are offering rebates / discount on energy charges in range of around 2%. Accordingly, it is proposed to initially offer a discount / rebate of 2%. Moreover, as per approved DPR, presently LT category consumers are covered under RDSS scheme and therefore it is proposed to offer rebate to LT category consumers on smart prepayment meter implementation.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in relevant section of the Tariff Order.

Issue No. 47: Discontinuation of Green Tariff category

The objector has sought determination of tariff for green energy per the methodology prescribed in Electricity Rules 2022.

Response of the Petitioner

In this regard, it is submitted that pursuant to the directives of Hon'ble Commission for submission of Green tariff working in accordance with rules notified by Ministry of Power, Govt. of India, Discom has submitted the requisite computation before Commission. Thereafter, Hon'ble GERC vide Tariff order dated 31.03.2023 has introduced Green Power Tariff for FY 2023-24 in the tariff schedule.

Further, Hon'ble Commission has notified GERC Green Open Access Regulation 2024 wherein applicants/consumers can fulfil their green power requirement through open access and presently there are negligible consumers availing green power from DISCOMs. Considering above, no proposal has been submitted in this regard. However, Hon'ble Commission may consider taking a suitable view in accordance with the prevailing rules in regard to the suggestion / objection of the respondent.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 48: Cross Subsidy Surcharge

The objector has stated that there should not be determination and levy of Cross Subsidy Surcharge (CSS) from open access users before fixing the following issues:

- There must be road map in place for the reduction in cross-subsidy and CSS thereof.
- Determination of Tariff and cross subsidy level should be on the basis of voltage-wise cost of supply.
- CSS should be decided on the basis of weighted average cost of power purchase of top 5% at the margin and not on the basis of simply weighted average cost of power purchase.
- While deciding the CSS, the payment of demand charge and additional surcharge is to be deducted from the applicable Tariff so that open access consumers should not unfairly be double charged. (i.e., fixed cost recovery from Demand Charge and Additional surcharge as well as from CSS).

Response of the Petitioner

In this regard, it is submitted that Cross Subsidy Surcharge is being determined by the Commission following the principle laid down in the "National Tariff Policy" in the Tariff order for respective year.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 49: Wrong billing demand for Seasonal Consumers

The objector has stated that from March 2019, DISCOMs have changed the methodology for levy of demand charges from the consumers during the seasonal period. DISCOMs are levying demand charges during seasonal month considering actual demand or 85% of contract demand, whichever is higher. Therefore, the Commission is requested to intervene in the matter and direct DISCOMs accordingly.

Response of the Petitioner

In this regard, it is submitted that the billing for seasonal consumers are done with accordance with the provisions of tariff schedule approved by Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 50: Requirement for change in minimum agreement period of 2 years

The objector has stated that as per the present norms, the minimum agreement period is stipulated as 2 years from the date of commencement of power supply and minimum charges are applicable for the period shortfall of 2 years in case of surrender of demand before 2 years. In this context, it is to state that the minimum agreement period of 2 years is continued since past many years without any modifications. It is to submit that other consumer will be served from the demand surrender by the consumer. Thus, Discom are getting double recovery of demand charges namely as a minimum charge compensation from the consumer surrendering the demand and recovery of billing demand charges from other consumers to whom the same demand is served. Further, it is to state that in case of other States like Maharashtra, Haryana, there is provision to surrender the demand by giving one month's notice without levy of minimum charges. ln the scenario of business uncertainty due to swift change in technology and consumer preference, it is suggested to reduce the minimum agreement period to one month.

Response of the Petitioner

In this regard, it is humbly submitted that the period of Power Supply agreement is governed as per the provisions of electricity supply code and related matters regulations.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 51: Increase in contract demand limit to 150 KW for LTMD category

The objector has submitted that as per the existing Tariff structure, limit of contract demand for LTMD consumers category is 100 kW. The consumers and the petitioners both are facing Right of Way issue for the construction of new HT lines and space constraint for the installation of transformers or breakers, etc. Therefore, it is requested to increase the limit for LTMD category from 100 kW to 150 kW.

Response of the Petitioner

In this regard, it is submitted that the suggestion is not related to Tariff petition as Contract Load limit at particular voltage level is classified in the GERC (Electricity Supply Code and Related Matters) Regulations.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 52: Various statements and information required

The objector has sought various information and data relating to consumer connections, category wise sale & revenue, distribution loss, status of schemes, distribution infrastructure, power purchase data etc.

Response of the Petitioner

Relevant data has been submitted by the petitioner.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 53: Issues raised for all Agricultural categories

1. Fixed charges to be totally removed from all the four Ag. Categories. Single and Uniform Energy Charges to be introduced in all the four metered categories i.e. Normal; Tatkal, Ag. LT Lift irrigation, HT Lift irrigation connections.

Discrimination of tariff rate for Normal-60 paisa per unit and for others-80 paisa per unit required to be removed and make them uniform.

2. To be introduced a special sub category and / or grant relief to the farmers, who accept in a group of entire feeder the meter Tariff, the group concession of 10 Paisa / Unit consumption, minimum for Three years.

3. To be introduced a special concessional Tariff rate for the individual farmer adopting the Micro irrigation systems, e.g. Drip, Sprinklers, Porous, etc. to promote the saving of electricity consumptions and underground water.

4. To abolish Tatkal Scheme immediately & forever

5. To be introduced a New Non Subsidized category exempting certain class I Kinds of peoples.... So Called farmers, so that GoG's Subsidy will be made available to the real, poor and needy farmers.

6. To be introduced BTR-Basic Tariff Rate, ATR-Additional Tariff Rate, Scheme and formula thereon

7. For Tariff category HTP-V & Now LTP-Lift irrigations scheme, certain clarification required.

a. About load 125 BHP for LTP and 100 KVA for HTP-V. It should be made common & matching.

b. Certain words needed to be added for surface water facilities and lifting the water from Lake, Tank, Ponds, Houze, sump, cistern, underground tank etc. prepared in the own farm for water collection savings, check dams etc.

On 17/11/2023 EPD GoG has taken as specific decision to add 8 more purposes for such kinds of surface water based irrigation purposes. It should be considered specifically and the words to be added in the Tariff Order.

Response of the Petitioner

Reduction in HP Based Tariff

In this regard, it is submitted that National Tariff Policy mentions the need to have a rationalization of tariff to various consumer categories such that it is more aligned to the cost of supply in the band of± 20 % to the average cost of supply. In order to ensure uniform tariff rates for all four state owned distribution companies, differential bulk supply tariff mechanism is in place. Accordingly, avg. realization from all category consumers for FY 2022- 23 at proposed Tariff vis-a-vis avg. cost of supply for all the Companies is submitted by petitioner, which shows that average recovery from Agriculture category consumers is much less than average cost of supply.

As regards to abolition of Fixed Charges, it is to state that it's a basic commercial principle for any organization to recover its fixed costs through recovery of fixed charges. In case of DISCOMs even with the proposed tariff, there will be partial recovery from fixed I demand charges from consumers as against the actual fixed cost payment by DISCOMs. Therefore, it is not possible for DISCOMs to abolish fixed charges, however significant component of fixed charge is being born by State Government as a subsidy support to agriculture consumers.

Special sub category for AG Consumers

Present Tariff of agricultural is highly subsidized and hence further categorization is not appropriate.

Concessional tariff to the micro-irrigation system

Irrigation to agricultural field through micro/ drip irrigation system requires less energy consumption compared with normal mode of irrigation. Thus such agriculture consumers are automatically benefited. Giving benefit to one class of consumer will result into increase in tariff of other class of consumers.

Abolition of Tatkal Scheme

Petition was filed by the respondent in regards to above issues vide no. 1087/2011. Hon'ble Commission has issued the order and disposed of petition.

HTP-IV and LTP-Lift irrigation scheme

GoG vide GR dated 16.11.2023 has approved for inclusion of following sources namely, River, creek, canal, Dam, lake, ravine, Narmada scheme pipeline tank for individual agriculture connection in agricultural land.

Further, as regards to matching the load for LT and HT voltage level, it is to submit that Electricity Supply Code provides for LT connections up to 100 KW and HT connection beyond 100 KVA demand.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 54: Issue raised for different categories

RGP & RGP (rural) consumers

1. Existing Four groups to be revised in Two broad groups (Consumption wise)

(a) Up to 300 Units per Month-Merger of [a] to [d] groups. Remaining to be extended from 250 units to 300 units.

(b) Above 300 Units per Month form a new group

For (a) above Minimum possible rate to be applied, So that Poor and lower middle class of consumers may be benefited.

2. Demand of the objector:-

(a) Up to 300 unit / month consumption Rs. 3 per unit for group.

(b) Group over 300 unit / month consumption Rs. 5 per unit.

- Single phase supply to be restricted up to 5 kW.

- Fixed charges to be removed totally.
- Electricity Duty to be abolished totally.
- Fixed charges to be removed and minimum bill clause per month may be introduced.
- FPPPA charges Rs. 2.60 to be merged in revised tariff order and base year to be shifted accordingly.

Four More categories are to be introduced

A. Luxury Purpose

B. Amusement Purpose.

C. Entertainment Purpose

D. Advertisement purpose i.e. Glow shine boards, rolling display etc.

Maximum possible Tariff Rate to be applied and charged. It will be helpful to bridge the gap between revenue and expenditure.

These categories are purely income generating, Hence Tearless revenue can be expected.

Natural Calamities

Under the circumstances like Drought, Scarcity, Heavy rain, Flood, Earthquake, Natural calamities, Failure of Tube well for drinking water, Fire etc. when and where the farmers allow to use / supply the water merely to help the people on humanity ground. They should not be penalized by the cause of deviation of purposes i.e. irrigation. On the contrary exempt them, not to charge the Bill for certain period month's duration and help them to fulfil social obligations. Hon'ble Commission has to include the clarification clause along with the Tariff Award.

Government Decisions

Whenever the Petitioners and Co-petitioner had submitted and referred the matters in the name or decisions of GoG, the authorized copy of such documents are required to be submitted without fail in support of their submissions.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has carefully considered all the suggestions regarding creation of new sub-categories and consumption slabs in different categories. The present tariff categorisation for the DISCOMs has evolved over the years. The Commission is allowed to differentiate between consumer categories in accordance with Section 62(3) of the EA 2003, which provides that no undue preference shall be shown to any consumer of electricity while determining the tariff.

The Commission's decisions regarding tariff categorisation and category-wise tariff for FY 2024-25 is detailed in the Tariff Philosophy Chapter of this Order.

Issue No. 55: Objection to include animal husbandry category in RGP categories

The objector has submitted strong objection to include animal husbandry category in RGP categories.

Response of the Petitioner

In this regard, it is submitted that Hon'ble Commission vide Order dated 15.02.2024 after considering the suggestions / comments from Stakeholders has decided the matter.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 56: Supply of water to the Bricks manufacturers

The objector has sought supply of water to the Bricks manufacturers under the head of Agriculture category to be removed. It should be remained only for the irrigation purpose. However a separate category may be introduced if required to oblige them. The GoG may grant them also subsidy as declared for the Floriculture purpose. Other than subsidy for Agricultural connections.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

Supplying water to brick manufacturers is an optional facility for an agricultural consumer, and an agricultural consumer can opt for it, if he so desires, as it is not a compulsory requirement.

Issue No. 57: FPPPA to be allowed only once in Financial Year

The objector has sought not to allow any interim extra charges by the way of FPPPA in between the year. However if any increase required, is allowable once in a FY only.

Response of the Petitioner

In this regard, it is submitted that the FPPPA charges are towards adjustment due to increase or decrease in actual power purchase cost during the year vis-a-vis power purchase cost approved by the Commission. Since, FPPPA is an adjustment charge towards variation in power purchase cost due to various uncontrollable factors, it may increase or decrease based on variation in actual power purchase cost.

It is further to mention hat Hon'ble GERC has approved the methodology for computation of FPPPA charges wherein GUVNL/DISCOMs is submitting computation as per the methodology and approved formula before Hon'ble GERC and are collecting FPPPA charges from consumers, after approval of the Commission. Moreover, in past periods wherein the worked out FPPPA was on higher side on account of steep rise in landed cost of generation, DISCOMs had levied FPPPA charge at lower rate as compare to the actual FPPPA worked out to avoid sudden tariff shock to consumers.

Moreover, to economize the overall power purchase cost, DISCOMs are procuring power from RE sources such as wind, solar etc at cheaper rate and also procuring power from the power exchanges whenever available at cheaper rate as compared to higher marginal stations as per the prevailing demand supply scenario.

Accordingly, DISCOMs through various measures are trying to economize the overall power purchase cost in the interest of general body consumers and to provide quality power supply in the State.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 58: No allocation of supply to non-productive activities

The objector has sought restriction over day and night cricket matches and other non-productive activities, until pending list of Agriculture Connections totally fulfilled. No kind of action of earning cheap popularities to be allowed by the Hon'ble Commission and not to allocate more Electricity to such non-productive purpose activities under any kind of categories because during previous years DISCOMs had to purchase electricity at the rate of Rs. 12 to 20 per unit form open market i.e. from Electricity Exchange.

Response of the Petitioner

In this regard, it is stated that as per Section 43 of Electricity Act, 2003 the local distribution licensee is having Universal Supply obligation to provide electricity upon application made by consumer.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 59: Transmission and Distribution loss

The objector has sought restriction of distribution loss to 7% and transmission loss to 1%.

Response of the Petitioner

In this regard, it is submitted that for the year FY 2022-23, Distribution loss level was 17.43% as against approved 16.00%. Distribution losses being controllable factor, the

Company has given appropriate treatment to the deviation from approved loss level in the true up petition for FY 2022-23.

Since Transmission losses are beyond the control of Distribution Company, the actual transmission losses are considered by the Company.

Company has achieved a significant reduction in distribution losses, during recent years. These efforts shall be continued and will be enhanced. However, loss reduction is a slow process and becomes increasingly difficult as the loss levels goes further down. It can be visualized from the data provided that there is overall reduction in Distribution Loss of all category of feeders. Distribution Loss of Agriculture category is highly influenced by the amount and spells of rainfall etc. However, with the continuous efforts and expeditious release of new connections, the loss of Agriculture category has also reduced. Company required to focus all its resources on the activities related to restoration of the network and resumption of power supply to the consumers, therefore, many of the activities couldn't be performed. Under the MYT regulations, distribution loss is a controllable factor and treatment for the deviation is given accordingly while computing the revenue gap for FY 2022-23.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 60: Power purchase ceiling to be defined

The objector has sought a ceiling during the year for power purchase rate to be decide along with tariff award.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the suggestion.

Issue No. 61: Interest on working capital and Return on Equity

The objector has sought removal of Interest on working capital and reduction of rate of RoE to 10%.

Response of the Petitioner

In this regard, it is submitted that in true up petition for FY 2022-23, no claim for Interest on working capital is proposed and RoE is worked out as per MYT Regulations, 2016.

Commission's View

The Commission has noted the response of the petitioner and the same has been dealt with in the relevant section of the Tariff Order.

Issue No. 62: Power purchase projection

The objector has stated that projection of power purchase cost is too high and unrealistic. Merit list not being implemented and monitored.

Response of the Petitioner

In this regard, it is submitted that GUVNL on behalf of four Distribution Companies submits various sources of power purchase comprising of Thermal, Gas, Renewable sources of power - Solar, Wind and Other RE Sources, and Power tied up through competitive bidding, etc. Further, to optimize overall power purchase cost, purchase of power from various sources on real time basis is done following the merit order principle wherein power from various sources is scheduled in the ascending order of variable cost i.e. power from cheaper sources is scheduled first and thereafter costlier power till the demand of consumer is met on real time basis. Petitioner has submitted necessary details of all power purchase sources in the petition.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 63: Abolishing of fixed charges of residential consumer

The objector has sought the fixed charges on Residential categories to be abolished totally.

Response of the Petitioner

As regard to the fixed charges, it is to submit that petitioner incurs substantial "fixed costs" in maintaining the power supply to consumers apart from the energy/ variable charges it pays for the energy bought. These fixed costs include fixed charges paid to power plants, recurring costs of capital expenditure such as interest costs, depredation and other O&M expenses etc. Further, only part of actual fixed cost paid is recovered through fixed charges. Therefore, it is not possible for DISCOMs to abolish fixed charges.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 64: Distribution Transformer failure rate

The objector has stated that transformer failure rate should not exceed beyond 3% under normal circumstances, except natural calamities.

Response of the Petitioner

Distribution transformer failure rate for the Company for FY 2022-23 is 11.60%.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 65: Consumer charter

The objector has stated that Adhikar Patra related to the farmers is partial. There is no provision of maximum waiting period after registration of Ag. Application.

Response of the Petitioner

Consumer Charter is prepared for all categories of consumers including agricultural consumers.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 66: Bill collection directives

The objector has stated that certain Directive are still not Fulfilled. i.e. (a) Mobile van facility for bill collection in rural area. (b) Separate windows for Senior citizens, women and physically disable person. (c) Separate window for cash and non cash transactions.

Response of the Petitioner

Besides bill collection at Sub-Division offices facilities for payment of bills in rural areas are available as under:

- E-gram
- Collection through banks/agencies
- Village cash collection by cashier etc.
- Different modes for "On line" payment and payment through "App"

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 67: Information related to Short Term and Long Term Power Purchase Agreements

The objector has stated that the Short Term and Long Term Power Purchase Agreements information is not available to the consumers and Consumer organizations. For the purpose of transparency it is required to have

(a) Pre visit of the Generating Plant

(b) Proposal of contract before signing

(c) PPA after signing

(d) Approval of GERC along with authorized copies.

To be made available at all the stages, on Official Website of GUVNL without any kind of excuse.

Response of the Petitioner

It is to submit that all the generating stations from which Company/GUVNL is purchasing power, the cost for the same is determined / approved by the appropriate Commissions like cost of power purchase from GSECL stations is determined by the Hon'ble GERC, IPPs are governed by the provisions of PPAs, for central generating stations the tariff is either determined by the Central Electricity Regulatory Commission or Department of Atomic Energy in case of Nuclear Power Plant and in case of Competitive Bidding, the tariff is adopted by the GERC. The tariff for renewable sources is also determined by the Hon'ble GERC or determined through competitive bidding process. Therefore, the tariff for entire power purchased by Company/GUVNL is determined/approved by the appropriate Commission. In real time power procurement following merit order dispatch principles.

Thus, all relevant information related to power purchase agreement are made available in public domain from time to time as a part of tariff determination / tariff adoption proceedings before Hon’ble GERC / CERC.

Commission’s View

The Commission has noted the response of the petitioner.

Issue No. 68: GUVNL trading margin to be reduced

The Trading Charge being loaded on consumer via DISCOMs at 4 paisa per unit, to be reduced to 1 paisa per unit. Because Nos. of consumers as well as sale of electricity in MUs has been increased in many fold. (GUVNL earned a profit after tax of Rs 396374000 for the FY 2022-23).

Response of the Petitioner

It is humbly submitted that pursuant to restructuring of the erstwhile Gujarat Electricity Board, the function of bulk purchase of power on behalf of four DISOCMs is carried out by GUVNL. Though GUVNL is entitled to claim Rs. 0.04/Unit trading margin, GUVNL has instead of claiming any trading margin over and above power purchase cost incurred by it on behalf of subsidiary DISCOMs, GUVNL has allocated less power purchase cost to the DISCOMs. The power purchase cost for DISOCMs as per books of GUVNL is Rs. 72,396 Crores against which actual cost allocated to DISCOMS for FY 2022-23 is Rs. 68,190 Crores i.e. recovery of lesser amount instead of recovering any amount of trading margin from DISCOMs. In addition to this, GUVNL's profit of around Rs. 46 Crores is also allocated to DISCOMs.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in relevant section of the Tariff Order.

Issue No. 69: Policy, Guidelines, circular etc to be submitted

The objector has sought that copy of all the policy decisions guide lines and circulars issued related and affecting to the consumers are required to be submitted of last three years.

Response of the Petitioner

In this regard, it is to mention that as per provisions of Electricity Act, 2003, the activities related to distribution and supply of electricity is governed as per the provisions of order/ regulations / code /standard published by Hon'ble Commission from time to time. The guidelines, circulars issued by GUVNL, if any are merely intended for internal use only for providing guideline to the field offices for uniform implementation of order/ regulations / cod /standard published by Hon'ble Commission. The copy of order/ regulations / code

/standard published by Hon'ble Commission are available in public domain. Similarly, any communications to field offices which impacts general consumers such as change in FPPPA rate etc are· also available on GUVNL/DISCOMs website.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 70: Reduction of fixed charges of Agriculture connections

The objector has stated that the effect of GoG's decision to reduce partially the fixed charges on metered Agriculture connections by resolution Dated 29/10/2022 of EPD is not included in the current tariff proposal submitted, by the DISCOMs. It is required to be effected.

Response of the Petitioner

In this regard, it is to mention that the tariff / ARR proposals for FY 2024-25 has been prepared as per norms provided in the Multi Year Tariff (MYT) framework. As per the MYT framework, Hon'ble Commission determines category wise tariff without considering subsidy provided by State Government in the tariff of particular category consumers, Government compensates the DISCOMs towards differential tariff through subsidy support. Therefore, subsidy support from State Government is accounted under "Revenue from sale of Power" which included recovery from consumers as well as subsidy from State Government.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 71: Demand for establishing new administrative offices

The objector has stated that as per state Government Budget, 7 new Mahanagar palikas will be formed hence 7 new Circle offices are required to be established. For that planning should be made well in advance accordingly.

Response of the Petitioner

Administrative offices are created for convenience of administration for the Company as well as consumers. Accordingly, Company is undertaking creation of new offices as per the requirements.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 72: Delayed payment charges

Payment period for Electricity Bill for the senior citizens to be extended from 10 to 15 days, looking to their various kind of difficulties and prevent them from delayed payment charges. Further, payment charges for Ag. Category and Residential category to be reduced from 12 & 15 % p.a. to 9% p.a. because interest rate on bank deposits and other rate reduced during last so many years.

Response of the Petitioner

It is not possible for a Distribution Company to discriminate Grace Period for payment of billing related charges based of as to whether a consumer is senior citizen or not. Moreover, it is not desirable to change at this juncture when, Discoms are moving from Post Paid regime to Pre-payment regime.

Delayed Payment Charges are levied if consumers do not pay the energy bills within given grace period provided, thus it is a sort of penalty charges. Thus, Penalty charges should always be higher than the normal rate of interest and it will not be appropriate to revise the DPC.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 73: Reduction in time period for conversion from Ag. Tatkal to Normal

The objector has sought conversion period of Ag. Tatkal category of connection to be reduced from 5 years to 2 years in to the normal category.

Response of the Petitioner

Tatkal category is an optional category, whereby applicant consumer chose to get the connection quite early compared with the applicant consumer registered on same date for getting new Agriculture connection by paying all related charges including tariff. Since, such Agriculture consumers chose the Tatkal category, naturally he should pay such charges for significant time. Therefore, it is not advisable to reduce the years for Tatkal category for conversion from Tatkal to Normal.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 74: Quantum, quality and hours of supply to Agriculture consumers

The objector has raised the issue of day time power supply to the farmers. It has stated that the percentage as well as hours, quality of supply had declined, while Realization per Unit has increased throughout. Also, six State Governments are providing Free Electricity supply to their farmers in their states to promote & support the farming and irrigation activities, but in GERC/Gujarat Government is not ready to reduce/abolish extra charges like fixed charges, FPPPA. Electricity Duty etc. Further, the Industrial Sector is being heavily benefited at the cost of Agriculture Sector.

Response of the Petitioner

As regard to the quantum and quality of supply to Agriculture consumers, it is most respectfully stated that minimum average eight hours power supply has been provided to agriculture sector. Further a policy related to power supply to agriculture sector has also been formulated by Gujarat Urja Vikas Nigam Ltd as per guidelines from GOG for uniform power supply to agriculture sector in the state and DISCOMs have been implementing the same by ensuring minimum average eight hours 3 phase power supply to agricultural sector.

Moreover, during cropping seasons as per the requirement in order to save standing crop, more than 8 hours of power supply is also provided to agriculture sector. In case power supply to Agriculture Sector is given less than 8 hours during the day due to technical constraints related issues, in that case the shortfall in power supply of previous day is compensated during the subsequent period. It is the endeavour of the Distribution Companies to provide the quality power and best possible services well within the time limits specified in Regulations.

With regards to issue of quantum of energy as raised in the response, it is to clarify that large number of agriculture consumers are un-metered and energy consumed by such consumer is assessed on the basis of consumption criteria of 1700 units/HP/Annum. Earlier the assessment for consumption by Agriculture consumers were being made based on different methodology involving theoretical loss level of the feeders, and therefore it is not appropriate to compare with the quantum of energy supplied to the agriculture consumers. However, as stated above average 8 hours power supply is given to the agriculture consumers and there is no curtailment in power supply to agricultural sector.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 75: Discoms issues circulars without pre-dialogue with farmers

The objector has stated that DISCOMs disturb the farmers by the way of circulars unanimously without any pre dialogue with the Farmers / Farmer's organizations and even without referring to the Hon'ble Commission, overlooking the New Electricity Act, 2003.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection.

Issue No. 76: Poor rural electrification work

The objector has stated that no scheme proved progressed except TASP. More than 10,000 habitations out 34,845 are still remained un electrified. Clear picture is yet not available on the records.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection.

Issue No. 77: Technical losses reduction at substation and feeder level

The objector has stated that to reduce the technical losses, sincere efforts are not done at substation and feeder level. There is no sufficient staff for the work. The post of J.E. not fulfilled. Most of the substations are running with the operators only. As per latest information received 1066 substations are to be allotted to private agencies. Then who will be responsible for such technical losses?

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection.

Issue No. 78: Certain grievances raised

The objector has raised following grievances:

i. Distribution Transformer Centre review work is reduced. Conductor replacement work is also reduced. HVDS work is not satisfactory. Erection work under KHUSHY scheme is too poor.

ii. Distribution Losses on JGY Feeders are since remained uncontrolled. A separate status report is required to be submitted for work done, expenses and output results.

iii. Feeder bifurcation work is unsatisfactory & poor. No feeder should have distance more than 5 Km. Establishment of new sub-station, sub-division, Division, Circle Offices, Consumers Forum not taken care in rural Area looking to their need. All the works are carried out to fulfil the need of industrial and urban sectors only.

iv. Progress under Dark Zone area is unsatisfactory.

v. Supply Code Regulations,2015 Section 6.76 and its First Amendment 2016 Section 3 are not being implemented by GUVNL & DISCOMS. No action has been taken by GERC. We have not received any reply of our letter from GERC & GUVNL till today.

vi. Review of uncontrolled losses & other matters of PGVCL since not considered by Hon'ble Commission.

vii. Website information for Ag. Pending application status is not being updated regularly on monthly basis i.e. at the end of each month. No responsibility is fixed to the pin point person.

viii. Effect of settlement between BKS and GoG not appeared in the captioned tariff proposals

(a) Reduction of fix charges in various Ag. . Categories

(b) Formation of New category for animal Husbandry / Herding.

ix. In the Petition 912/2007 we had submitted 30 nos. of points of our grievances pertaining to the Farm Sector & Rural Area. After long period only few of them have been justified and satisfied. Anti-farmers system is being developed knowingly.

x. About 54 thousand of Ag. Applications are still pending of which in PGVCL such applications are pending since year 2020. It should be reviewed separately and specific order to be passed by Hon'ble Commission.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the grievances of the objector.

Issue No. 79: Uncontrolled and unjustified O&M expenses

The objector has stated that there is vast expenditure and difference in repairing cost of transformers within the DISCOMs. Hence O&M expenses are remaining uncontrolled, without justification and the amount claimed in ARR is not reasonable. Hence detailed report with clarification should be asked by the Hon'ble Commission regarding the matter.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The O&M expenses are approved after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in relevant section of this Tariff Order.

Issue No. 80: Claiming depreciation benefit twice

The objector has stated that DISCOMS are claiming the depreciation amount in both the ways

(a) ln books of account on expenses side and taking tax benefit as per taxation laws.

(b) Simultaneously they are entering and claiming the same amount in ARR for the purpose of tariff determination and for the coming F.Y.

Thus they are taking double benefit of the system. Hence same amount to be excluded from approved component of ARR.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The depreciation expenses are approved after prudence check, in accordance with relevant provisions of the GERC (MYT) Regulations, 2016, as detailed in relevant section of this Tariff Order.

Issue No. 81: Matters relating to State Government

The objector has raised following matters relating to State Government:

i. GoG had since not provided sufficient Relief to Agriculture Consumers except subsidy to DISCOMs.

ii. Percentage of subsidy for micro irrigation scheme by GoG in old 57 Dark zone Taluka is required to be raised up to 90%.

iii. Our demand to establish a separate Gujarat Rural Area Vij Company to justify the thirst and need for farm sector and rural area, its subsidiary for Agro. Irrigation Ele. Connections since not considered.

iv. Our demand to establish a separate Feeders Management Company is very much required to control the High Loss making feeders had been ignored.

v. Concerned Officers of Energy Dept. & Finance Dept. of GoG are required to be call on during the hearing to submit the authorized information, policy decisions and clarifications if any they have taken in the related matters.

vi. About their Policy decisions, Administrative decision, Resolutions. Orders, Circulars, Budgetary Provisions, Schemes, Subsidies and other such related matters that may effect to the subject matters of the case, to be produced before the Hon'ble commission during course of hearing. To clarify the situation.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The issues raised are a separate matter and need to be taken up directly with the state government.

Issue No. 82: Matters relating to GSECL

The objector has raised following matters relating to GSECL:

i. The loss due to non operative generation plant and plants running under efficiency must not pass any load by the way of fixed charges, directly on DISCOMs and indirectly on the consumers.

ii. Statement of performance of State owned Generation companies e.g. GSECL & others, required to be submitted with details of Established capacity, Actual capacity of Generation in MWS / MUS, plant efficiency Gap, variance etc.

iii. Calculation of Fixed charges being loaded on the consumers, even though working conditions having under efficiency.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The issue of GSECL and its plants have been addressed in separate petition.

Issue No. 83: Matters relating to GETCO

The objector has raised following matters relating to GETCO:

i. Transmission losses to be reduced up to 1 % otherwise activity wise unbundling is meaningless.

ii. Statement of Substation wise and line wise Transmission losses is required to be submitted.(Last three Years)

iii. Statement of sub-stations running without the Electrical Engineer required to be submitted specifically.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The issue of GETCO have been addressed in separate petition.

Issue No. 84: Matters relating to GERC

The objector has raised following matters relating to GERC:

i. Standards of Efficiency Regulations since not prepared

ii. Need of Farm, Solar P.V. Grid, Inter-Active system is yet remained unsatisfied. Hence a separate regulation is required to be prepared & notified.

iii. A separate Generation code regulations required to be prepared and notified.

iv. A separate Transmission code regulation required to be prepared and notified.

v. To integrate all the matters related to the Agricultural Electrical Consumers. A separate regulation "Rights of the Electricity Consumers" is essential to be prepared. We have already submitted the matter by written letter Dated: 09/06/2022. But since remained un replied.

vi. The true up petitions are to be separated from the tariff determination petitions. It should be submitted at the end of first Qtr. of the following F.Y. But not later than the end of July month.

vii. For EHT Consumers tariff schedule is to be devised separately in the schedule as Part-III.

viii. At the end of order of the various tariff petitions, Tariff Schedule to be published in the state's official language i.e. in Gujarati along with English, so that common consumer may understand it easily.

ix. For BPL residential category of consumers maximum ceiling of Electricity Consumption as well as connected load to be determined within the tariff order itself, so that to prevent misuse in the name of BPL.

x. Simplification in the tariff structure to be made by reducing some of the categories and sub slabs.

xi. A separate regulation for Agro. Irrigation work, function and system are required to be introduced by GERC to justify need of poor and real farmers.

xii. Exclusion from ARR

a) Capital expenditure towards un commissioned substations and under commission must be excluded from ARR, unless actual power feed in to the feeders and reach to the DTC and consumers.

b) B &D Provisions- Actual amount written off during the year, only balance amount to be allowed for the purpose of ARR not the whole amount to be passed on consumers,

c) Carrying cost and likewise other cost not to be allowed in ARR. Tariff determination to be done after its exclusion as per usual.

d) Any other items on expenditure side for which Tax benefit availed or eligible.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The Commission approves the ARR after following provisions in the MYT regulations and applying its prudence for allowing expenses. The Commission's views and rulings on tariff are detailed in the Tariff Philosophy section. Rest of the issues do not relate to the current tariff proceedings.

Issue No. 85: Matters relating to UGVCL & PGVCL

The objector has raised following matters relating to UGVCL & PGVCL:

i. Office of Appellate authority not provided premises in the corporate office compound at Mehsana.

ii. Our demand to establish the circle office to be open for Patan District in UGVCL area since not considered.

iii. Our demand to establish new Divisional offices at Dhanera (Dist. Banaskantha) in UGVCL area and Kheralu (Dist. Mehsana) in UGVCL area to be open on urgent bases, Since not considered.

iv. Our demand to establish a new CGRF office at Gandhinagar, since not considered.

v. ln PGVCL area some new circle offices required to established as under Savarkundla (Amreli), Gondal (Rajkot), Limdi (Surendranagar), Nakhatrana (Kutch).

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The present regulatory process relates to the Truing up and Tariff Petition filed by the DISCOMs. The issues raised are not relevant for the present Tariff proceeding.

Issue No. 86: Discrimination in HT & LT EV tariff to be removed

The objector has raised that discrimination in Energy Charges of LT Electric Vehicle (EV) charging stations and HT Electric Vehicle (EV) charging stations to be removed and make them uniform. However if Hon'ble Commission desire to allow some concession, it is to be granted for rural area stations to promote the activities of charging as nearby as possible.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection.

3.3 Suggestions/ Objections pertaining to MGVCL

Issue No. 1: Government subsidy allocation and receipt details not available

The objector has requested Commission to direct the Petitioner to submit a Detailed quarterly report for Subsidy claimed, received and not paid by Government of Gujarat particularly with a reference to agriculture subsidy granted by Government of Gujarat towards FPPPA, Tariff Subsidy and fixed charge subsidy which is shown by DISCOM as Revenue sales instead of Subsidy. It has further averred that the agriculture subsidies are not being claimed and recovered in time from the Government in accordance with the Electricity (Second Amendment) Rules 2023.

Response of the Petitioner

The State Government is providing Tariff subsidy to DISCOMs through GUVNL and the year wise details of subsidy claimed, received etc. for FY 2015-16 and onwards and treatment given thereon has already been submitted to Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 2: Working of distribution losses and energy accounting

The objector has sought factual assessment of the consumption of unmetered agriculture consumer and work out correct distribution losses.

Response of the Petitioner

It is to state that the purchase of surplus energy from solar rooftop consumers have been accounted under the head "Cost of Power Purchase" and also considered in the Energy charge as local purchase by DISCOMs. Moreover, the "overall distribution loss" are worked out based on the input energy recorded in the "energy meters" provided at "Feeder level" (i.e. energy input in the system) and energy recorded in the "consumer meter" which includes all types of energy transaction due to wheeling of power under Open Access. Further, energy accounting for wheeled energy under open access and treatment for surplus energy is carried out in accordance with applicable with applicable orders / regulations of Hon'ble Commission.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 3: Cross subsidy burden on Industrial Consumers

The objector has averred that the Cross subsidy burden on industries as per prevailing tariff is more than 20% but the cost of supply is always showed less than 20%. By removing night hour concession for industrial category and raising energy charges for HTP-IV categories as proposed, the cross subsidy level will further increase which is against the mandated under the Electricity Act 2003 and the Tariff Policy.

Response of the Petitioner

The average realization from HTP category consumers is within the band provided in the National tariff policy and the petitioner has not suggested tariff change for HT tariff category except for HTP-IV category energy charges.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in relevant section of the Tariff Order.

Issue No. 4: Industrial sales improved but still petitioner is seeking tariff hike to bridge revenue gap

The objector has stated that while bridging the revenue gap the tariff of HT consumers is increased and withdrawal of night hour concessional tariff and increase in HTP IV tariff are an example of this. This will result in higher cross subsidy levels which is unwarranted. Further, the industrial category sales have increased by 36%, which should have caused reduction in tariff as against additional recovery proposed from industrial category.

Response of the Petitioner

The Petitioner submitted that it needs to be noted that the sheer objective of providing HTP IV tariff / night rebate was to have a flatten load curve. In the past, the conventional sources of generation were having dominant share in power generation mix of DISCOMs and therefore lower variable charges / night rebate was offered for consumption during night hours as to support the base load generating stations coupled with lower cost of generation.

However, there is paradigm shift in generation profile and energy mix of DISCOM on account of inclusion of RE generation i.e. particularly solar generation. Moreover, Gujarat is blessed with huge solar potential, and it is obligation on part of DISCOMs to accommodate more RE power and fulfil the renewable power purchase obligation.

Therefore, in the given scenario, the cost of power during certain day hours has reduced with availability of solar power and the cost of power during night hours has increased on account of increase in fuel prices along with minimal availability of RE power during night hours, it is not feasible for DISCOMs to continue with the same HTP-IV tariff / night rebate which was offered to consumers in the past period.

Thus, to align with the generation profile, optimize the power purchase cost, it is desirable to align energy charges for HTP-IV category and discontinue night hour rebate so as to ensure cost reflective tariff.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the issue in relevant section of the Tariff Order.

Issue No. 5: Exorbitant increase in PGCIL losses

The objector has averred that pooled losses show an increase of 60% although the quantum of total energy handled increased just by 10%.

Response of the Petitioner

In this regard, it is to state that WRLDC notifies the pooled losses for energy schedule through CTU network on weekly basis and same has been considered for working out the PGCIL system pooled losses for FY 2022-23. Moreover, the details of power purchase from Inter-State entities on which PGCIL losses are applicable are also submitted before Hon'ble Commission. Therefore, the pooled losses applicable to DISCOM are worked out based on the pooled losses notified by WRLDC on the energy transacted from inter-state generating stations.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 6: Increase in Power Purchase Cost

The objector has stated that there has been increase of around 38% in power purchase cost for increase of only 9-10% in sales quantum.

Response of the Petitioner

In this regard, it is to state that as per the direction of Hon'ble Commission, purchase of power from various sources on real time basis is done following the merit order principle wherein power from various sources is scheduled in the ascending order of variable cost i.e. power from cheaper sources is scheduled first and thereafter costlier power till the demand of consumers is met on real time basis. Thus, the increase in power demand (power quantum) during FY 2022-23 necessitated operation of power plants having higher rank in merit order leading to marginally higher cost of power for incremental quantum.

Therefore, the overall increase in power purchase cost is due to uncontrollable factors such as increase in sales quantum and increased landed cost of generation on account of increase in fuel price. Otherwise, there is gain (reduction) in power purchase cost due to efficiency improvement by petitioner in terms of reduction Distribution Losses as compared to approved losses.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 7: Increase in Capital Expenditure

The objector has stated that that there is increase in actual CAPEX for FY 2022-23 as against the approved CAPEX by Commission by about 100%, without any justification and which causes tariff to increase.

Response of the Petitioner

In this regard, it is to state that utility has incurred Capital expenditure to meet with the Supply obligation including releasing of new connections, additional/ alteration to the existing connections, renovation and replacement of old Distribution network, bifurcation of feeders, installation/augmentation of Distribution Transformers, replacements of meters etc.

Expenditure is incurred through own resources, through financial assistance from the Central or State Government through different schemes or through consumer contribution etc. and the Scheme-wise deviation and justifications for the same is already submitted in the Petition.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 8: Increase in Interest and finance charges

The objector has stated that the weighted average rate of interest has increased to 12.29% from approved rate of 6.3% for which no satisfactory explanation is given.

Response of the Petitioner

It is submitted that as per MYT framework approved by Hon'ble Commission, for truing up, the interest rate shall be considered at the weighted average rate of interest rate calculated based on the actual loan portfolio of company. Accordingly, the claim towards interest and finance charges are legitimate and a detailed computation has been submitted to Hon'ble Commission as sought.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 9: Increase in Revenue

The objector has stated that as against 20% increase in revenue from approved figure, the ARR has increased by 30% from the approved figure. No reasoning is mentioned for the same.

Response of the Petitioner

In this regard, it is to state the category-wise revenue approved by Hon'ble Commission while preparation of ARR for FY 2022-23 whereas the actual recovery from consumers may vary on account of inter-se change in sales to consumers, variation in power purchase expenses etc. These elements are not under control of DISCOMs and accordingly actual assessment and revenue from consumers may change on account of various reasons stated above. Further, element wise details of ARR is being submitted before Hon'ble Commission in the Petition.

Commission's View

The Commission has noted the response of the petitioner and has approved the revenue after due prudence check.

Issue No. 10: Projected distribution losses & local purchase while projecting Energy Balance for FY 2024-25

The objector has claimed that DISCOM has projected higher losses as compared to truing up year and local power purchase projected is low which needs to be revised considering huge number of solarisation of agriculture feeders and installation of rooftop solar.

Response of the Petitioner

In this regard, it is to state that the T&D loss level of FY 2022-23 has seen reduction as against the approved loss by the Commission. However, with frequent weather change conditions, high valued HT consumers being resorted to DISCOM during previous year mainly due to discovery of higher prices at alternative sources etc., DISCOM have considered a realistic approach for estimating T&D loss for FY 2024-25.

Further, DISCOM after taking into account upcoming tying up of distributed RE capacity, existing wheeling capacity and surplus purchase from thereof in past years, has computed local purchase under energy balance being realistic approach.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 11: Existing capacity allocation with GUVNL

The objector has stated that capacity of 31,403 MW seems high, which could be due to old units not being retired. Further, there is no fixed cost envisaged for NPCIL KAPS 3&4 for FY 2022-23.

Response of the Petitioner

In this regard, it is to state that based on actual demand catered by DISCOMs and anticipated demand growth in consolidated manner, adequate capacity is being tied up on long term basis to meet the peak demand of DISCOM ensuring continuous supply of power to all consumers. Additionally, in order to comply with the RPO target defined by Hon'ble Commission from time to time, DISCOMs are required to tie up adequate RE capacity from various sources.

Accordingly, in order to fulfill the increasing demand and to address mismatch in demand-supply arising due to infirm RE generation being must run in nature, adequate firm generation availability is required to be ensured based on real time demand-supply scenario and the available generation capacity is being utilized in consistent and optimal manner.

Further, as regard to the fixed cost towards NPCIL KAPS 3&4, it is to state that as per the provisions of PPA with above generator, for power procured from NPCIL stations, there is single part tariff and no separate fixed cost payment towards the same. Thus, the envisaged expenses towards NPCIL KAPS 3&4 is proper and legitimate.

Commission's View

The Commission has noted the response of the petitioner and has dealt with the same in relevant section of the Tariff Order.

Issue No. 12: Petitioner to provide working sheets showing full details of credits & debits passed on for other power purchases to consumers

The objector has sought details of credits & debits passed in the monthly bills on account of other power purchases e.g. open access, renewable energies like wind, solar, hybrid power.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission is of the view that incorporating all such details in energy bill of consumers is not practical and necessary. The details to be shown in the energy bill of a consumer are stipulated in the supply code. Moreover, details of cost related to various sources of power purchase are given by the petitioner along with the petition.

Issue No. 13: Solar rooftop energy higher feed in tariff and setting off surplus energy annually

The objector has requested for the petitioner to buy solar energy at higher prices from residential consumers with rooftop solar and also provide set off of surplus energy remaining surplus at the month end, at the year end.

Response of the Petitioner

Energy accounting of residential consumers having solar rooftop is being done by Discoms as per the regulations/ orders of the Commission. The Commission invites comments/ suggestions from stakeholders while issuing the said regulations/ orders and only after due process of public consultation, regulations/ orders are issued transparently. Thus, the said issue does not relate to tariff petition.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 14: Government relief for consumption up to 100 units

The objector has stated that government relief should be provided to consumers consuming up to 100 units.

Response of the Petitioner

The Commission has determined telescopic tariff for residential consumers i.e. for 50 units, lesser rates and for 51 to 100 units, 101 to 250 units and 250 units and above energy charges are increased. Thus, from residential consumers, already less energy charges are being recovered. Further, from BPL consumers, for first 50 units, energy charges of Rs. 1.50/unit is being recovered and thus, more relief is not appropriate.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 15: Removal of fixed & FPPPA charges and making energy charges consistent

The objector has stated that fixed charge and FPPPA charges should be removed and energy charges should be logically consistent.

Response of the Petitioner

About the removal of Fixed charges, it is to state that fixed charges being recovered from consumers include financial responsibilities of Discoms such as fixed charges of Discoms such as network related fixed cost, transmission charges to be paid as per transmission tariff, fixed cost to be paid to generators under long term PPAs, etc. , in comparison to which, fixed charges being recovered from consumers are less. Further, as per financial principle. Fixed charges should be recovered same as fixed costs.

About the removal of FPPPA charges, it is to state that FPPPA charges are being recovered as per formula decided by the Commission on quarterly basis. Further, aim of fuel surcharge is settlement of increased/ decreased power purchase cost after determination of tariff and accordingly, when power purchase cost is reduced, such benefit is also passed onto the consumers. Therefore, removal of fuel surcharge is not acceptable.

Regarding making energy charge logically consistent, it is to state that the Commission vide order dated 31.03.2019, after taking into considerations objections/ suggestions of the Stakeholders, reduced the slabs of residential consumers. Thus, energy charges of residential consumers are telescopic and logically consistent.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 16: Reduction in Electricity Duty and removal of Time of Use charges

The objector has stated that Electricity Duty should be reduced, and Time of Use charges should be removed.

Response of the Petitioner

Electricity Duty issue is not related to tariff petitions. Further, in regard to Time of Use charges, it is to state that Discoms, in this tariff petitions, have not proposed imposition of Time of Use charges on residential consumers.

Commission's View

The Commission has noted the response of the petitioner.

Issue No. 17: Rebate for consumers with prepaid meter

The objector has stated that 2% rebate as per prevailing bank rate should be provided in energy charges to prepaid meters consumers.

Response of the Petitioner

Discoms have proposed to provide 2% rebate in energy charges for all LT category consumers (except agriculture and temporary consumers) for FY 2024-25 for installation of smart meters under RDSS.

Commission's View

The Commission has noted the response of the petitioner and has taken appropriate view in subsequent chapter of the Tariff Order.

Issue No. 18: Additional revenue due to proposed tariff changes

The objector has stated that the petitioner has not worked out the additional revenue generation by the proposed tariff changes and it is not clear whether these changes will meet the entire revenue gap or it will give rise to surplus revenue.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection. Further, it has worked out the revenue for the DISCOMs after taking into account the rationalisation approved in tariff in the relevant section of the Tariff Order.

Issue No. 19: Reduction in distribution losses

The objector has stated that as per MGVCL's claims it has achieved a reduction in distribution losses during FY 2022-23 from approved 9% to 8.7% due to loss reduction activities. However, looking to the fact that (i) the units catered have increased substantially, (ii) the solar generation is being injected at load end and (iii) there has been substantial increase in power purchase at distribution network, the improvement should have been much more than what is achieved with these advantages. Inadvertent free energy has also not been accounted and credit is being taken by petitioner for loss reduction.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection. Further, the distribution loss for the DISCOMs have been approved after due prudence check.

Issue No. 20: Energy requirement and energy balance

The objector has stated that the energy requirement and energy balance is worked out considering sale EHV consumers which are not supplied through the distribution network but the distribution losses are added in the requirement. This is not correct. Hon'ble Commission is requested to look into. Local purchase by MGVCL has increased by six fold.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection. Further it has approved the energy balance and energy requirement for MGVCL for FY 2022-23 as discussed in the relevant section of this Tariff Order.

Issue No. 21: Bulk Supply Tariff of MGVCL more than that of PGVCL & UGVCL

The objector has stated that for MGVCL Bulk Supply Tariff (BST) is considered as Rs. 5.56/unit which is considerably more than that for PGVCL and UGVCL tariffs viz. Rs. 4.80 & 5.35 per unit, which means that consumers of MGVCL are made to pay more for cross subsidizing the PGVCL and UGVCL consumers. This is unfair as unjust and also against the provisions of the EA03. This will discourage the enthusiasm to improve the performance of the DISCOMs. Hon'ble Commission is requested to look into and ensure compliance of law in regard to discouraging/reducing such indirect cross subsidising while determining tariffs.

Response of the Petitioner

Petitioner has not submitted any response.

Commission's View

The Commission has noted the objection. Further, the bulk supply tariff to four Discom licensees is adopted due to the difference in consumer mix and socio-economic situation of the Discoms such as agriculture, industrial, residential and commercial and it's worked out such that the uniform retail tariff is maintained.

4 Truing up of FY 2022-23

This Chapter deals with the truing up of FY 2022-23.

MGVCL, in its submission for True-up of FY 2022-23, has furnished details of the actual energy sales, expenditure and revenue based on the audited Annual Accounts for FY 2022-23. The Licensee has stated that the truing up for FY 2022-23 is based on the comparison of the actual performance of FY 2022-23 with the ARR approved for FY 2022-23 in the Tariff Order dated 31st March 2022 to arrive at the Gains/(Losses), as per the GERC (MYT) Regulations, 2016.

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 2022-23.

4.1 Energy Sales

Petitioner's Submission

The petitioner has submitted the category-wise actual energy sales for FY 2022-23 as given in the table below:

Table 4-1: Category-wise sales for FY 2022-23 (MUs)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing Up
A	**LT Consumers**		
1	RGP	3,150.00	2,910.00
2	GLP	147.00	124.00
3	Non-RGP & LTMD	1,852.00	1,854.00
4	Public Water Works	419.00	415.00
5	Agriculture- Unmetered	469.00	465.00
6	Agriculture-Metered	1,021.00	923.00
7	Public Lighting	-	-

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing Up
	LT Total (A)	**7,058.00**	**6,691.00**
B	**HT Consumers**		
8	Industrial HT	4,361.00	5,949.00
9	Bulk Supply to KPT	-	-
	HT Total (B)	**4,361.00**	**5,949.00**
	Grand Total (A+B)	**11,418.99**	**12,640.00**

The Petitioner submitted that the actual category wise sales for FY 2022-23 were 12,640.00 MUs as against the approved sales of 11,418.99 MUs. The actual sales for FY 2022-23 are lower than approved sales in the LT consumer categories. However, the Industrial sales have shown increase over the approved levels leading to overall increase in the sales in FY 2022-23 over the approved levels.

Commission's Analysis

The Commission, in the Tariff Order dated 31st March, 2022, had approved the energy sales of 11,418 MUs for FY 2022-23 against which, MGVCL has submitted the actual sales of 12,640.00 MU.

As can be observed from the Table above, the actual energy sales to LT categories are lower than that approved by the Commission for FY 2022-23 in the Tariff Order dated 31st March, 2022 mainly due to reduction in sales to RGP, GLP & Agriculture Metered category.

On the other hand, the actual energy sales to HT categories are significantly higher than that approved by the Commission for FY 2022-23 in the Tariff Order dated 31st March, 2022.

Overall, the actual energy sales of MGVCL are higher as compared to that approved in the Tariff Order dated 31st March, 2022. As energy sales are largely uncontrollable in nature, the Commission approves the actual energy sales as detailed in the Table below:

Table 4-2: Energy sales approved in truing up for FY 2022-23 (MUs)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing Up	Approved after Truing Up
A	**LT Consumers**			
1	RGP	3,150.00	2,910.00	2,910.00
2	GLP	147.00	124.00	124.00
3	Non-RGP & LTMD	1,852.00	1,854.00	1,854.00
4	Public Water Works	419.00	415.00	415.00
5	Agriculture -Unmetered	469.00	465.00	465.00
6	Agriculture-Metered	1,021.00	923.00	923.00
7	Public Lighting	-	-	-
	LT Total (A)	**7,058.00**	**6,691.00**	**6,691.00**
B	**HT Consumers**			0
8	Industrial HT	4,361.00	5,949.00	5,949.00
9	Bulk Supply to KPT	-	-	-
	HT Total (B)	**4,361.00**	**5,949.00**	**5,949.00**
	Grand Total (A+B)	**11,418.99**	**12,640.00**	**12,640.00**

4.2 Distribution Losses

Petitioner's Submission

The petitioner has submitted that the actual distribution losses for FY 2022-23 are 8.37%, as against the losses of 9.00% approved in the Tariff Order dated 31st March 2022, as given in the Table below:

Table 4-3: Distribution Losses for FY 2022-23 as submitted by MGVCL (%)

Particulars	Approved in the Tariff Order	Actual Claimed
Distribution Losses (%)	9.00%	8.37%

The petitioner submitted that it has achieved a reduction in distribution loss during FY 2022-23. Various loss reduction activities were carried out during FY 2022-23 and as a result loss has reduced to 8.37% from the approved level of 9.00%. The petitioner submitted that as per the GERC (MYT) Regulations, 2016, the Distribution Losses need to be treated as controllable and any gain or loss has to be dealt with in accordance with the provisions of the GERC (MYT) Regulations, 2016.

Commission's Analysis

The petitioner has submitted that the actual distribution losses are 8.37% against 9.00% approved in the Tariff Order dated 31st March, 2022. The Commission noted the submissions of the Petitioner and has considered the intra-State Transmission Losses as 3.84%, as submitted by Petitioner based on data available from the SLDC website. Considering the actual sales of 12,640.00 MUs, the Distribution Loss in FY 2022-23 works out to 8.37%.

The Commission considers Distribution Losses as controllable as per the GERC (MYT) Regulations, 2016. Accordingly, the Commission has considered the Distribution Losses of 8.37% as shown in the Table below for computation of Gain/(Loss) due to variance in Distribution Losses:

Table 4-4: Distribution Losses approved for truing up for FY 2022-23 (%)

Particulars	Approved in the Tariff Order	Actual Claimed	Approved in True Up
Distribution Losses (%)	9.00%	8.37%	8.37%

4.3 Energy requirement

Petitioner's Submission

MGVCL has submitted the energy requirement for FY 2022-23 based on the actual energy sales and the actual distribution losses, as given in the Table below:

Table 4-5: Energy Requirement and Energy Balance submitted by MGVCL for FY 2022-23

S. No.	Particulars	Unit	Approved in the Tariff Order	Actual Claimed in Truing up
1	Energy Sales	MUs	11,418.33	12,640.79

S. No.	Particulars	Unit	Approved in the Tariff Order	Actual Claimed in Truing up
2	Distribution Losses	MUs	1,129.29	1,154.22
		%	9.00%	8.37%
3	Energy Requirement	MUs	12,547.62	13,795.01
4	Local Power Purchase by Discom	MUs	33.72	216.43
5	Power Purchase at T<>D periphery from GUVNL	MUs	12,513.90	13,578.59
6	Transmission Losses	MUs	483.50	542.33
		%	3.72%	3.84%
7	**Total Energy to be input to Transmission System**	**MUs**	**12,997.40**	**14,120.91**
8	Pooled Losses in PGCIL System	MUs	171.03	277.34
9	Add: Local Power Purchase by Discom	MUs	33.72	216.43
10	**Total Energy Requirement**	**MUs**	**13,202.15**	**14,614.68**

Commission's Analysis

MGVCL has computed the energy requirement based on the actual Distribution Losses of 8.37%, actual energy sales of 12,640.79 MUs and Transmission Losses of 3.84%.

In reply to query on PGCIL system losses of 277.34 MUs, MGVCL submitted that PGCIL system pooled losses are worked out as per the weekly Pooled Losses notified by WRLDC for the energy scheduled by WRLDC through CTU for FY 2022-23.

The Commission had approved the distribution losses of 9.00% and the transmission losses of 3.72% in the Tariff Order dated 31st March, 2022. The Commission has worked out the energy requirement of 14,614.68 15 MUs after truing up of FY 2022-23, considering the actual Distribution Loss of 8.37% and actual intra-State Transmission Loss of 3.84%, as shown in the Table below:

Table 4-6: Energy Requirement approved by the Commission in truing up for FY 2022-23

S. No.	Particulars	Unit	Approved in Tariff Order	Actual Claimed in truing up	Approved in truing up
1	Energy Sales	MUs	11,418.33	12.640.79	12.640.79
2	Distribution Losses	MUs	9.00%	8.37%	8.37%
		%	1,129.29	1,154.22	1,154.22
3	Energy Requirement	MUs	12,547.62	13,795.01	13,795.01
4	Local Power Purchase by DISCOM	MUs	33.72	216.43	216.43
5	Power Purchase at T<>D periphery from GUVNL	MUs	12,513.90	13,578.58	13,578.58
6	Transmission Losses	MUs	3.72%	3.84%	3.84%
		%	483.50	542.33	542.33
7	**Total Energy to be input to Transmission System**	**MUs**	**12,997.40**	**14,120.91**	**14,120.91**
8	Pooled Losses in PGCIL System	MUs	171.03	277.34	277.34
9	Add: Local Power Purchase by DISCOM	MUs	33.72	216.43	216.43
10	**Total Energy Requirement**	**MUs**	**13,202.15**	**14,614.68**	**14,614.68**

4.4 Power Purchase Cost

Petitioner's Submission

The company has been currently allocated share of generation capacities as per the scheme worked out by GUVNL. In order to minimize power purchase cost, GUVNL adopts the Merit Order Despatch principles for despatching power from the generating stations based on the demand and accordingly power gets allocated to MGVCL.

The actual power purchase from GUVNL is different from allocation because the demand from MGVCL is not constant and it varies from time to time. The total power purchase cost of MGVCL for FY 2022-23 consists of the basic power purchase cost, transmission charges payable to GETCO and PGCIL, SLDC charges and the DISCOM's share of GUVNL cost.

MGVCL in its Petition for True-up of FY 2022-23 considered liabilities for the payment towards the power purchase cost to the generating companies under various PPAs are due as per the judgements of the various courts in various litigations and the payment may arise subsequently as part of Power Purchase Cost based on the final outcome in legal cases. The Commission in its earlier Tariff Order have ruled that additional payment liability to be allowed once it gets materialised and paid to the beneficiaries in subsequent years based on the prudence check and verification from audited accounts.

MGVCL submitted that during FY 2022-23, GUVNL has made provisions of Rs. 295.51 Crore towards power purchase related liabilities towards various generators. At the same time, GUVNL has also paid off some of the liabilities towards which provisions were made in the past years and not considered by the Hon'ble Commission in the past orders for approval considering that these were provisions at that point of time. The actual utilisation against such liabilities in FY 2022-23 is Rs. 2,764.35 Crore. Accordingly, the net amount of Rs. 2,468.25 crore (2,764.35-295.51) will be allocated to each of the DISCOM in the ratio of their actual power purchase which is also in line with approach taken by the Hon'ble Commission in the past. Allocation of provisions to DISCOMs is as under:

Table 4-7: Allocation of Provisions of Power Purchase Cost to DISCOMs for FY 2022-23 (Rs. Crore)

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
Power Purchase	20,576.34	8,271.38	22,350.65	16,931.43	68,129.81
Allocation of provisions made in Power Purchase Cost	(745.63)	(299.73)	(809.93)	(613.55)	(2468.85)

The negative figures in the above table indicate that the allocated amount is paid by the Discoms towards payment of past liabilities i.e., the Discoms will need to consider the allocated shared of the expense of Rs. 2,468.85 Crore in the overall power purchase cost for the year. Further, the Discom reserves its right of claim of provisions made in power purchase cost as and when it is paid to beneficiaries in the subsequent years.

Based on above computation, actual cost of power purchase vis-a-vis the approved power purchase cost for FY 2022-23 is submitted in the Table below:

Table 4-8: Power Purchase Cost as submitted by MGVCL for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed
A	**Cost**		
1	Power Purchased from GUVNL		8,355.87
2	Power purchase from Windfarm		7.25
3	Power Purchased from Solar		44.52
4	DSM Charges Payable		-
5	SLDC Charges		1.35
	Total Cost		**8,408.98**
B	**Less: Income**		
1	Allocation of provisions made in Power Purchase Cost		(299.73)
2	DSM Income Receivable		137.60
	Net Power Purchase Cost	**6,221.05**	**8,571.12**

The variation in the approved and the actual power purchase expenses is on account of various reasons including change in approved cost of power, change in quantum of power purchased, changes in the transmission charges payable, etc. Further in FY 2022-23 there was the sharp increase in electricity demand throughout the country after Covid-19. Further, there has been unprecedented rise in prices of coal and gas at international levels on account of which there has been noticeable increase in cost of power purchase leading to increase in overall power purchase cost in FY 2022-23.

The quantum of power purchase depends upon the sales during the year as well as the losses in the system. The actual distribution losses in MGVCL distribution network have been lower than the approved level, however, the sales have been higher than that approved by the Hon'ble Commission. Hence, the quantum of power purchased was higher than the approved quantum of power required.

As per the GERC MYT Regulations, 2016, the Hon'ble Commission has categorised the variation in the price of fuel and/or price of power purchase according to the FPPPA formula approved by the Hon'ble Commission as an uncontrollable factor. Further, the

Hon'ble Commission has also identified the variation in the number or mix of consumers or quantity of electricity sold to consumers as an uncontrollable factor. Thus, the variation in the above factors affects the power purchase expenses and results into either a loss or gain. Accordingly, any gain or loss on this account is to be entirely passed on to the consumers as per the methodology approved by the Hon'ble Commission.

In addition to the above, there is an incidence of lower power purchase cost on account of the lower Distribution losses as compared to the Distribution losses approved by the Hon'ble Commission. These gains have resulted in lower power purchase expenses as the quantum of power required to be purchased to meet the same level of demand would be lower hence resulting in the gains as explained below:

Table 4-9: Gain/(Loss) on account of Distribution Losses for FY 2022-23 as submitted by MGVCL (Rs. Crore)

S. No.	Particulars	Unit	With Approved Distribution Losses	With Actual Distribution Losses
1	Energy Sales	Mus	12,640.79	12,640.79
2	Distribution Losses	Mus	1,250.19	1,154.22
		%	9.00%	8.37%
3	Energy Requirement	Mus	13,890.98	13,795.01
4	Gain/(Loss) due to Distribution Losses	Mus		95.96
5	Average Power Purchase Cost	Rs./kWh		5.86
6	Gain/(Loss) due to Dist. Losses	Rs. Crore		**56.28**

The summary of the gain/(loss) on account of controllable and uncontrollable factors of power purchase, as submitted by MGVCL, is shown in the Table below:

Table 4-10: Gains/(Loss) on account of truing up of Power Purchase Expenses for FY 2022-23 (Rs. Crore)

Particulars	Approved in the Tariff Order	Actual	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Total Power Purchase Cost	6221.05	8571.12	56.28	(2406.35)

Commission's Analysis

The Commission has examined the power purchase cost during FY 2022-23 based on the audited Annual Accounts of MGVCL. Further, the Commission observed from the Annual Accounts of GUVNL, wherein it is stated that the power purchased from the Generators (State Owned, Independent Power Producers, Central Sector and others) is accounted as per the provisions of PPAs and / or Orders issued by the appropriate Commission. Further, the total power purchase cost of MGVCL for FY 2022-23 consists of the basic power purchase cost, Transmission Charges payable to GETCO and PGCIL, SLDC charges and DSM Charges.

The Commission noted that Power Purchase Cost as claimed in the petition does not tally with the Power Purchase Cost as claimed in audited account to the Commission. Therefore, the Commission asked MGVCL to reconcile the numbers.

In reply, MGVCL submitted that the net claim of Rs. 2468.85 Cr (i.e. Rs. 2764.35 Cr – Rs. 295.51 Cr) from provisions has been made under power purchase expense due to which that total power purchase cost is Rs. 68,130 Crore; whereas the net power purchase cost claimed in the petition is Rs. 70,599 Crore inclusive of amount of Rs. 2468.85 Crore for the provision made in the books towards payment liability as per the Judgment of various forums/courts (provision made on best estimation basis as the amount is yet to be quantified by lower court / forum).

Furthermore, the Commission had asked MGVCL to provide details of Rs. 295.51 Cr towards power purchase cost related liabilities towards various generators by GUVNL and details with respect to Rs. 2764.35 Cr provisions made by the GUVNL.

MGVCL replied that that the power purchase expenses related provisions are accounted in the books of accounts in accordance with the prevailing accounting standards. Thus, as per standard business practices and on best estimation basis provisions were created in books of accounts towards the amount decided, accrued and quantified by various forums and there was immediate liability to pay but due to pendency of matters in higher forum or otherwise towards disputed matters etc.

Further, as per the principle adopted by the Commission in past years tariff petition, provision amount of Rs. 295.51 Cr is not being claimed as a part of power purchase expense during truing up of FY 2022-23 and shall be claimed upon actual utilisation/realisation in subsequent year as part of power purchase expense.

Accordingly, provisions of around Rs. 295.51 Cr had been created towards aforesaid reasons for FY 2022-23 whereas the provisions provided earlier of the around Rs. 2764.35 Cr has been written back and accordingly treatment is given in the Power Purchase Expenses for FY 2022-23.

The net impact of Rs. 2468.85 Cr (i.e. Rs. 2764.35 – Rs. 295.51 Cr) had been apportioned as a part of power purchase expense and the same is part of GUVNL's Annual Account.

The Petitioner in response to query about treatment of rebate received for timely payment of Generation Companies & Transmission Service Providers, submitted that GUVNL has earned total rebate of around Rs. 1064.38 crore towards timely payment of generating companies and the same is passed on to DISCOMs while allocating power purchase costs along with revenue of Rs. 20.12 Crore earned from sale of power to others (GACL).

Furthermore, in reply to variation in power purchase cost in audited account and in Petitioner MGVCL submitted that the power purchase cost also includes provisions of Rs. 36.00 Crore made during FY 2022-23 and Past year provisions paid/utilised of Rs. 336 Crore towards power purchase expenditure.

In response to the query about reconciliation of power purchase cost with FPPPA submissions and additional surcharge submission, the Petitioner submitted that as per the directive of the Commission, the claim in FPPPA submission is based on actual payment made during respective quarter which do not include un-discharged liability / provisions etc. but includes the amount which is paid during the quarter for which liability is accrued and booked as expenditure in the Books of previous year. Whereas Annual Accounts are prepared on accrual basis as per the Indian Accounting Standards (IND-AS) which includes undischarged liabilities / provisions on account of matters pending in various courts and estimated as per the orders of competent courts / best assessment basis. Further, there are other reasons for variation in power purchase cost as per FPPPA submissions and power Purchase cost as per Books such as (i) amount claimed / credited in FPPPA on actual payment basis but part of previous year account (ii) increase / decrease in the final bill amount after FPPPA submissions (iii) amount accounted in FY 2022-23, but payment is made in subsequent period and therefore not part of FPPPA of FY 2022-23 etc. The reconciliation of power purchase cost claimed in the FPPPA submissions vis-à-vis Books of FY 2022-23 is as under:

Table 4-11 Reconciliation of power purchase cost between FPPPA submissions & Books (Rs. Crore)

Particulars	Amount (Rs. Crore)
Power Purchase Cost as per FPPPA	71,502
Less: GUVNL cost & SLDC charges (being not part of Book cost)	507
Add: Provisions made in Books	296
Net Adjustments towards:	
Less: amount claimed / credited in FPPPA on actual payment basis but part of previous year books	223
Add: increase / decrease in the final bill amount paid & booked in Annual Accounts after FPPPA submission for respective quarter	1,348
Total	**72,416**
Power Purchase cost as per Books	**72,416**

As regard to fixed power purchase cost as per Additional Surcharge submission vis-à-vis books, it is to clarify that similar to FPPPA submission, in respect of additional surcharge, the power purchase cost (fixed cost) is claimed on actual payment basis without considering provisions made in the books but including actual payment made towards previous years provisions etc. The reconciliation of power purchase cost (fixed cost) as per books viz-a-viz additional surcharge submission is as under:

Table 4-12 Reconciliation of power purchase cost (fixed cost) between additional surcharge submissions & Books (Rs. Crore)

Particulars	Amount (Rs. Crore)
Fixed cost as per Additional Surcharge submission	14,867
Add: Provisions made in books towards Fixed cost (not claimed in Additional Surcharge submission)	90
Add: Transmission cost provided in books (not part of AS submission)	8,101
Add: Net adjustments towards: (i) amount claimed / credited in AS being part of previous year books (ii) increase / decrease in the final bill amount after AS submission (iii) Provisions made in FY 2022-23 subsequent to AS submission	(111)
Total	**22,946**
Fixed cost as per Petition	**22,946**

As regards to Rebate, the Petitioner submitted that GUVNL has earned total rebate of around Rs. 1064.38 Cr towards timely payment of generating companies and the same is passed on to DISCOMs while allocating power purchase costs as under:

Table 4-13 Statement of Rebate earned during FY 2022-23 (Rs. Crore)

Particulars	Amount (Rs. Crore)
Power Purchase Cost of GUVNL as per books	72,416
Less: Revenue earned from sale of Power to others (GACL)	20
Power Purchase Cost for DISCOMs	72,396
Less: Rebate earned	1,064
Net Power Purchase Cost of GUVNL to be allocated to DISCOMs	71,331
Actual Power Purchase Cost allocated to DISCOMs	**68,191**

From the response of MGVCL, the Commission noted that DISCOMs has not considered the amount of Rs. 295.51 Crore in the Books and in the petition as power purchase cost in approach to previous Tariff Orders. Accordingly, the Commission has reduced the amount of Rs. 2,468.85 Crore from power purchase cost for each DISCOM in the same ratio considered by DISCOMs as shown in the Table below:

Table 4-14 Allocation of Additional Provisions considered by the Commission in Power Purchase Cost (Rs. Crore)

Particulars	DGVCL	MGVCL	PGVCL	UGVCL	Total
Power Purchase	20,576.34	8,271.38	22,350.65	16,931.43	68,129.81
Allocation of provisions made in Power Purchase Cost	(745.63)	(299.73)	(809.93)	(613.55)	(2,468.85)

The net Power Purchase Cost after truing up for MGVCL for FY 2022-23 works out to Rs. 8,571.12 Crore, as shown in the Table below:

Table 4-15: Power Purchase Cost approved in truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
A	**Cost**			
1	Power Purchased from GUVNL		8355.87	8355.87
2	Power purchase from Windfarm		7.25	7.25
3	Power Purchased from Solar		44.52	44.52
4	DSM Charges Payable		0.00	0.00
5	SLDC Charges		1.35	1.35
	Total Cost		**8408.99**	**8408.98**
B	**Less: Income**			
1	Allocation of provisions made in Power Purchase Cost		(299.73)	(299.73)
2	DSM Income Receivable		137.60	137.60
	Net Power Purchase Cost	**6,221.05**	**8,571.12**	**8,571.11**

The Commission has approved Distribution Losses at 9.00% for FY 2022-23 in the Tariff Order dated 31st March, 2022, against which MGVCL has achieved Distribution Losses of 8.37%. As stated earlier, the actual Distribution Losses in MGVCL distribution network have been lower than the approved level. The variation in power purchase quantum and cost due to variation in Distribution Loss is a controllable factor, which would result in gain/(loss) under the GERC (MYT) Regulations, 2016.

The calculation of the gain/(loss) on account of the controllable factor of Distribution Losses, as approved by the Commission in the Truing up for FY 2022-23, is shown in the Table below:

Table 4-16: Approved Gain/ (Loss) on account of Distribution Losses for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Unit	With Approved Distribution Losses	Actual Claimed in Truing up	Approved in truing up
1	Energy Sales	MUs	12640.79	12640.79	12640.79
2	Distribution Losses	MUs	1250.188	1154.22	1154.22
		%	9.00%	8.37%	8.37%
3	Energy Requirement	MUs	13890.98	13795.01	13795.01
4	Gain/(Loss) due to Distribution Losses	MUs		95.97	95.97
5	Average Power Purchase Cost	Rs. /kWh		5.86	5.86
6	**Gain/(Loss) due to Distribution Losses**	**Rs. Cr**		**56.28**	**56.28**

While computing the Gain/ (Loss) due to change in Distribution Losses, the Commission has considered the Distribution Losses at 8.37% of actual energy sales to arrive at change in energy requirement at the distribution periphery and has not considered the Transmission Losses to factor the efficiency of distribution activities only.

The Commission has considered change in power purchase cost attributable to the variation in cost and quantum of power due to variation in sales and transmission losses as uncontrollable.

Accordingly, the total Gain/(Loss) computed on account of power purchase is shown in the Table below:

Table 4-17: Approved gain / (loss) in power purchase expenses in truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in the Tariff Order	Approved in Truing up	Deviation + (-)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Total Power Purchase Cost	6,221.05	8,571.11	(2,350.06)	56.28	(2,406.35)

4.5 Fixed Cost

4.5.1 Operation and Maintenance (O&M) Expenses

MGVCL has claimed O&M Expenses of Rs. 741.29 Crore, which is inclusive of Employee Cost of Rs. 625.19 Crore, Repairs & Maintenance (R&M) Expenses of Rs. 82.07 Crore, Administration & General (A&G) Expenses of Rs. 110.18 Crore, and Other Expenses Capitalized of Rs. 76.14 Crore against the approved O&M Expense of Rs. 820.11 Crore, as per the details given in the Table below:

Table 4-18: O&M Expenses claimed in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Deviation + (-)
1	Employee Cost	644.75	625.19	19.56
2	R&M expenses	67.62	82.07	(14.45)
3	A&G expenses	98.8	110.18	(11.38)
4	RDSS Metering OPEX	73.5	-	73.5
4	Less: Other Expenses Capitalised	(64.56)	(76.14)	11.58
5	**O&M Expenses**	**820.11**	**741.29**	**78.82**

Petitioner's Submission

MGVCL has compared the O&M expenses actually incurred during FY 2022-23 with the expenses approved by the Commission in the Tariff Order dated 31st March 2022, and arrived at gain/(loss), as shown in the Table below:

Table 4-19: O&M Expenses and Gain/(Loss) claimed in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Expenses	644.75	625.19	109.89	(90.32)
2	R&M Expenses	67.62	82.07	(10.02)	(4.43)
3	A&G Expenses	98.8	110.18	(11.38)	-
4	RDSS Metering OPEX	73.5	-		73.5
4	Other Expenses Capitalised	(64.56)	(76.14)	-	11.58
5	**O&M Expenses**	**820.11**	**741.29**	**88.49**	**(9.67)**

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

4.5.1.1 Employee Cost

MGVCL has claimed employee cost of Rs. 625.19 Crore in the truing up for FY 2022-23. The employee cost approved for FY 2022-23 in the Tariff Order dated 31st March 2022 and claimed by MGVCL in the truing up are given in the Table below:

Table 4-20: Employee Cost claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	644.75	625.19	109.89	(90.32)

Petitioner's Submission

MGVCL submitted that Employee Expenses comprise salaries, dearness allowance, bonus, terminal benefits in the form of pension and gratuity, leave encashment, and staff welfare expenses.

The employee cost incurred by the company is purely on the basis of the guidelines issued by competent authorities like the State Government. The employee cost as per profit and loss account for FY 2022-23 is Rs. 599.77 Crores. MGVCL has also claimed other comprehensive income of Rs. 11.10 Crore, wage revision arrears of Rs. 9.32 Crore and COVID 19 payment of Rs 5 Crores paid during the year. The net employee expenses claimed by MGVCL for FY 2022-23 are Rs. 625.19 Crore.

Employee expenses are considered as controllable expenses under the provisions of the GERC MYT Regulations, 2016. However, MGVCL has identified certain expenses which are uncontrollable in nature, and these include the following:

Wage Revision Arrears: Rs. 9.32 Crore

These expenses are payable due to implementation of the 7th Pay Commission scale which is an uncontrollable event and hence considered uncontrollable by MGVCL for the purpose of working out the sharing of gains and losses. These have been paid against provisions made in the past and which were disallowed by the hon'ble Commission in the past orders.

Impact of implementation of 7th Pay Commission related allowances and incentive for FY 2022-23: Rs. 46.82 Crore

It is submitted that the Hon'ble Commission in its Order in Case No. 1913 of 2020 dated 31st March 2021 had adopted the following methodology for approving the O&M expenses for FY 2021-22:

> *"Accordingly, GERC has computed the O&M Expenses for FY 2021-22 on the basis of the average of the actual approved O&M Expenses for the three (3) years ending 31st March, 2020 i.e. from FY 2017-18 to FY 2019-20. The average of such O&M Expenses has been considered as O&M Expenses for the financial year ended with 31st March, 2019 as a base year (FY 2018-19). Further, the y-o-y escalation @ 5.72% p.a. is applied O&M Expenses on the base year for computing the O&M Expenses viz, Employee Cost, Repairs and Maintenance Expenses, Administration and General Expenses for FY 2021-22."*

It is further submitted that by considering the actual approved expenses for the FY 2017-18 to FY 2019-20 as the base for projecting the expenses for FY 2022-23, the Commission had factored in the impact of the implementation of 7th Pay Commission while projecting the expenses for FY 2022-23 as the 7th Pay Commission was implemented from August 2017. The Commission, in the case of SLDC, had also annualised impact of 7th Pay implementation for FY 2017-18 and then worked out the projection for FY 2022-23 to capture the impact of 7th Pay implementation. However, it is submitted that the actual payment of allowances and incentive as per the 7th Pay Commission was only initiated in FY 2020-21 and hence not part of the payments made in period from FY 2017-18 to FY 2019-20 and consequently not factored in the approved O&M expenses for FY 2022-23. It is submitted that as the Commission had approved impact of 7th Pay by taking average of actual approved O&M expenses for FY 2017-18 to FY 2019-20 and the actual payment of 7th Pay started from FY 2019-20, only 1/3rd of the differential amount between 6th Pay and 7th Pay Commission scale had been considered, therefore remaining 2/3rd amount is remaining to be recovered. Accordingly, MGVCL has included 1/3rd of 1/3rd of differential payment of 6th Pay and 7th Pay Commission scale for the year FY 2021-22 which had been inadvertently not captured in Truing-Up petition dated-28.12.2022 of FY 2021-22. Additionally, balance 1/3rd of differential payment of 6th Pay and 7th Pay Commission scale for the year FY 2022-23 has been considered in this Truing-up petition as an uncontrollable expense for the purpose of working out sharing of gains and losses. The impact has been estimated to Rs 46.82 Crores.

Impact of implementation of 7th Pay Commission related to HRA and CLA for FY 2022-23: Rs. 7.34 Crore

Under the directive of Government order dated 12.10.2022, MGVCL also made payments towards the differential between 6th Pay and 7th Pay Commission scale worked out for the House Rent Allowance (HRA) and Company Leased Accommodation (CLA) for the FY 2022-23. The Impact is estimated to be Rs. 7.34 Crores.

Impact of implementation of 7th Pay Commission related allowances and incentive for FY 2022-23: Rs. 21.85 Crore

MGVCL has worked out the differential between the allowances and incentives as per the 7th Pay Commission and those as per 6th Pay Commission scale for the FY 2022-23 on similar methodology adopted for truing up of FY 2021-22. The impact works out to Rs. 13.61 Crores in the case of allowances and Rs. 8.24 Crores in case of incentives. MGVCL has considered this amount of Rs. 21.85 Crores as an uncontrollable expense for the purpose of working out the sharing of gains and losses.

Commission's Analysis

MGVCL has claimed actual employee cost of Rs. 625.19 Crore for FY 2022-23 as against Rs. 644.75 Crore approved in the Tariff Order dated 31st March, 2022. The Commission has verified the actual employee expenses from the audited Annual Accounts of MGVCL. The actual employee expenses claimed by MGVCL includes Rs. 76.01 Crore towards impact of 7th Pay revision along with Rs. 9.32 Crore towards wage revision arrears and other comprehensive income of Rs. 11.10 Crore.

Further, the Petitioner has requested to consider Rs 11.80 Crore pertaining to 7th Pay Commission related expenses for FY 2021-22 under uncontrollable head. In this regard, it is to state that truing up of FY 2021-22 has attained finality and any changes in concluded trued up figures and any further modification shall amount to review of the true up Order, which is not permissible. Accordingly, the request of the Petitioner is not considered.

Therefore, the Commission after due prudence check considers the actual employee expenses of Rs. 625.19 Crore for the purpose of true up of FY 2022-23. The Commission considers the employee cost as a controllable expense, in accordance with the GERC (MYT) Regulations, 2016 except impact of Rs. 78.52 Crore (76.01+9.32+5.00-11.80) in respect to impact of 7th Pay Commission Order and actual payment made towards COVID 19 expenses.

The Commission, accordingly, approves the employee cost at Rs. 625.19 Crore in the truing up for FY 2022-22, with the sharing of Gains/(Losses) as shown in the Table below:

Table 4-21: Employee Cost approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	644.75	625.19	98.09	(78.52)

4.5.1.2 Repairs & Maintenance (R&M) Expenses

MGVCL has claimed R&M expenses of Rs. 82.07 Crore in the truing up for FY 2022-23. The R&M expenses approved for FY 2022-23 in the Tariff Order dated 31st March, 2020 and claimed by MGVCL in the truing up are as given in the Table below:

Table 4-22: R&M Expenses claimed by MGVCL for the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	R&M Expenses	67.62	82.07	(10.02)	(4.43)

Petitioner's Submission

MGVCL has submitted that R&M expenses are incurred towards the day-to-day upkeep of the distribution network and form an integral part of the efforts towards reliable and quality power supply as also in the reduction of losses in the distribution system.

MGVCL has submitted that the Repair and Maintenance expenditure is dependent on various factors. The assets of MGVCL are old and require regular maintenance to ensure uninterrupted operations. MGVCL has been trying its best to ensure uninterrupted operations of the system and accordingly has been undertaking necessary expenditure for R&M activities. The GERC MYT Regulations, 2016 provides for R&M expenditure as a controllable expenditure. The actual R&M cost for FY 2022-23 is Rs. 82.07 Crores.

The actual R&M expenses for FY 2022-23 are Rs. 82.07 Crore, which are higher than the approved R&M expenses of Rs. 67.62 Crore. MGVCL has worked out a loss of Rs. 10.02 Crore and Rs. 4.43 Crore due to controllable factors and Uncontrollable factors as provided in the GERC (MYT) Regulations, 2016.

Commission's Analysis

The actual R&M expenses incurred during FY 2022-23 are Rs. 82.07 Crore, as per the audited Annual Accounts. The actual R&M expenses incurred by MGVCL are lower than the amount approved in the Tariff Order dated 31st March, 2022. The R&M expenses are a controllable item of expenditure under the GERC (MYT) Regulations, 2016. The Petitioner accrued expenses of Rs. 4.43 Crore against the restoration of damage due to Taukte cyclone. Accordingly, the Commission has trued up the R&M expenses and the sharing of Gains/(Losses) due to controllable and uncontrollable factors, as shown in the Table below:

Table 4-23: R&M Expenses approved for the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	R&M Expenses	67.62	82.07	(10.02)	(4.43)

4.5.1.3 Administration & General (A&G) Expenses

MGVCL has claimed A&G expenses of Rs. 110.18 Crore in the truing up for FY 2022-23. The A&G expenses approved for FY 2022-23 in the Tariff Order dated 31st March 2022 and claimed by MGVCL in the truing up are given in the Table below:

Table 4-24: A&G Expenses claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	A&G Expenses	98.8	110.18	(11.38)	-

Petitioner's Submission

MGVCL has submitted that A&G expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc. The A&G expenses are categorised as controllable expenses in the GERC (MYT) Regulations, 2016 and the actual A&G expenses are higher than the approved expenses, resulting in a loss of Rs. 11.38 Crore for FY 2022-23.

Commission's Analysis

The actual A&G expenses incurred during FY 2022-23 are Rs. 110.18 Crore, as per the audited Annual Accounts. The Commission asked MGVCL to submit details and justification for expenses booked under Conveyance and travel and "Other A&G" expenses. In reply, MGVCL submitted that, the DISCOMs carry out implementation of different schemes notified by Central / State Government besides its performance related activities and universal supply obligation. This has resulted into the increase in overall admin and general expenses including conveyance and travelling expenses. The details and justification for expenses booked under "Conveyance and travel" and "Other A&G" as shown below:

Table 4-25: Conveyance and travel as submitted by MGVCL

S. No.	Description	Amount (Rs. Crore)
A	**Conveyance and travel**	
1	Expense for use of hotel, Boarding and Lodging fac	0.00

S. No.	Description	Amount (Rs. Crore)
2	Conveyance	0.10
3	Travelling Expenses	4.66
4	Travelling Allowance (T.A.)	7.73
5	Vehicle Running Expenses-Petrol, Oil, Toll Tax, etc. (Other than for Trucks & Delivery vans)	0.24
6	Vehicle Hiring Charges	28.41
7	Vehicles Licence and REG Fees	0.01
	Total Miscellaneous Losses and Write-off	**41.14**

Table 4-26: Other A&G Expenses as submitted by MGVCL

S. No.	Description	Amount (Rs. Crore)
A	**Other Expenses**	
1	Testing Charges	1.22
2	Annual Insp & Instt Chk Fee-Ch.E.I.-Gngr	0.01
3	Telephones And Trunkcalls	0.49
4	Postage And Telegrams	0.46
5	Courier Charges	0.07
6	Fax Charges	0.00
7	Mobile Phone Expenses	1.21
8	**Insurance On SKY Scheme**	**0.00**
9	CSR Administrative Expenses	0.02
10	Expenditure Under Surya Urja Rooftop Yojna (Surya Gujarat)	0.06
11	Expenditure Under PM-KUSUM Awareness Campaign	0.04
12	Other Fees & Subscriptions	0.01
13	Books And Periodicals	0.02
14	Printing & Stationery	3.33
15	Expenditure On Computer Billing & Edp Chags.	1.05
16	**Xerox Copy Charges**	**0.85**
17	Water Charges	0.84
18	Guest House Expenses	0.31
19	Upkeep Of Office/Board-S Premises.	2.49
20	Expenditure Incurred on Consumer Billing & Coll. C	1.31
21	Security Measures for Safety and Protection	14.47
22	Gardening & Horticultural Expenses	0.44

S. No.	Description	Amount (Rs. Crore)
23	Conference/Meeting Expenses	0.18
24	**Bill Collection Charges Paid to Various Agencies**	**2.65**
25	Bill Collection Charges Paid To E-Gram Panchayat	0.32
26	Bill Collection Charges Paid to Employees For Coll of Cons B	0.00
27	Vehicle Expenses for Motor Car.	0.13
28	Expenses For Use of Sports Club Or Similar Facility	0.03
29	Expenses For Gift to Employees	0.01
30	Expenses For Lok Adalat.	0.06
31	Expenses For Celebration of events/Festival/Etc	0.28
32	**Miscellaneous Expenses**	**3.98**
33	Expenditure For COVID-19 Pandemic.	0.00
34	Expenditure For Kisan Suryoday Yojna (KSY)	0.00
35	Other Freight	6.73
36	Exp Fr Trucks-Delvr Van Petrol & Oil	0.34
37	Commission For Scrap Sales	0.13
38	Incidental Stores Expenses	1.19
39	Rev. Stamps on Receipts Issued By Board	0.04
40	**Expenditure On Training to Staff.**	**0.92**
	Total	**45.68**

The Commission asked the Petitioner to submit the breakup of miscellaneous expenses, miscellaneous losses and write offs. In its reply MGVCL submitted the following details

Table 4-27: Miscellaneous losses and write offs as submitted by MGVCL

S. No.	Description	Amount (Rs. Crore)
	Miscellaneous losses and write offs	
1	Shortages on physical verification of material stocks	0.16
2	Compensation for injuries deaths-staff	0.04
3	Comp for injury / death damage-outsiders	1.23
4	Loss on obsolescence of stores	1.36
5	Loss on sale of scrap	0.14
6	Other losses and write-off	0.12
	TOTAL	**3.05**

The Commission is of the view that the amount booked against Compensation for Injuries, Deaths- Staff & Outsiders, loss on obsolescence of the stores and other losses and write offs has to be borne by MGVCL. Further, since amount of delay payment charges is not being considered as income in line with MYT Regulations, 2016, waiver of delayed payment charges also not considered as an expense. Accordingly, the Commission has disallowed total of Rs 3.05 Crore from the total A&G expenses of Rs 110.18 Crore, booked in audited annual accounts.

The actual A&G expenses incurred by MGVCL, considering the above disallowance, are higher than the amount approved in the Tariff Order dated 31st March, 2022. The A&G expenses are a controllable item of expenditure under the GERC (MYT) Regulations, 2016. Accordingly, the Commission has trued up the A&G expenses and the sharing of Gains/(Losses) due to controllable factors, as shown in the Table below:

Table 4-28: A&G Expenses approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Administration & General Charges	98.80	107.13	(8.33)	-

4.5.1.4 RDSS Metering Expenses

MGVCL has claimed zero RDSS Metering Expenses in the truing up for FY 2022-23, as against Rs. 73.50 Crore approved in the Tariff Order dated 31st March 2022 as shown in the Table below:

Table 4-29: RDSS Metering Expenses as claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	RDSS Metering OPEX	73.50	-	-	73.50

Petitioner Submission

The Petitioner submitted that RDSS Metering expenses are dependent on the approval that is secured from Govt., hence they are beyond the control of MGVCL and accordingly are considered as uncontrollable. During FY 2022-23, the expenses approved in the Tariff Order were not utilized.

Commission Analysis

The Commission has observed that there was no RDSS metering OPEX claimed by the Petitioner in actual annual accounts of FY 2022-23. The Commission accordingly approved zero expenses for RDSS Metering OPEX and allows Rs. 73.50 Crore as gain due to uncontrollable factors as shown in below table:

Table 4-30: RDSS Metering Opex as approved by the Commission in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	RDSS Metering OPEX	73.50	-	-	73.50

4.5.1.5 Other Expenses Capitalised

MGVCL has claimed the actual expenses capitalised at Rs. 76.14 Crore in the truing up for FY 2022-23, as against Rs. 64.56 Crore approved in the Tariff Order dated 31st March 2022 as shown in the Table below:

Table 4-31: Other Expenses Capitalised as claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors

1	Other Expenses Capitalised	(64.56)	(76.14)	-	11.58

Commission's Analysis

The Commission has observed that other expenses capitalised represent the capitalisation of Employee Expenses and A&G Expenses. The actual other expenses capitalised is Rs. 76.14 Crore, as per the audited annual accounts for FY 2022-23.

The Commission, accordingly, approves the Other Expenses Capitalised at Rs. 76.14 Crore against Rs. 64.56 Crore approved in the Tariff Order dated 31st March, 2022. The Commission allows Rs. 11.58 Crore as gain due to uncontrollable factors as shown in the Table below:

Table 4-32: Other Expenses Capitalised approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Approved in Truing Up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Other Expenses Capitalised	(64.56)	(76.14)	-	11.58

The total O&M expenses approved in the truing up for FY 2022-23 and the Gain / (Loss) due to controllable and uncontrollable factors are detailed in the Table below:

Table 4-33: Approved O&M expenses and Gain / Loss in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Approved in truing up	Gain/ (Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Employee Cost	644.75	625.19	625.19	98.09	(78.52)
2	R&M Expenses	67.62	82.07	82.07	(10.02)	(4.43)
3	A&G Expenses	98.80	110.18	107.13	(8.33)	-

4	RDSS Opex	73.50	0.00	-	-	73.50
4	Other Expenses Capitalised	(64.56)	(76.14)	(76.14)	-	11.58
5	**O&M Expenses**	**820.11**	**741.29**	**738.24**	**79.74**	**2.13**

4.5.2 Capital Expenditure and Capitalization

MGVCL has achieved actual capital expenditure of Rs. 606.51 Crore in FY 2022-23, against Rs 310.44 Crore approved in the Tariff Order dated 31st March 2022, as given in the Table below:

Table 4-34: Capital Expenditure claimed by MGVCL for FY 2022-23 (Rs. Crore)

	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
A	**Distribution Scheme**			
	Normal Development Scheme	80.00	408.79	(328.79)
	DISS	20.00	17.30	2.70
	Electrification of Hutments	2.25	2.25	-
	Kutir Jyoti Scheme	1.80	1.80	-
	Others Harijan Basti - Petpara	0.30	0.30	-
	System Improvement	9.00	29.03	(20.03)
	Vanbandhu Kalyan Yojana	-	12.30	(12.30)
	Total	**113.35**	**471.77**	**(358.42)**
B	**Rural Electrification Schemes**			
	TASP (Wells & Petapara)	65.00	47.50	17.50
	Special Component Plan	1.35	1.35	-
	RE Wells (OA+SPA)	79.20	53.91	25.29
	Dark Zone	10.39	8.20	2.19
	Total	**155.94**	**110.96**	**44.98**
C	**Central Govt. Schemes – Plan**			
	R-APDRP (Scada) - B	-	0.65	(0.65)
	RDSS	-	1.32	(1.32)

	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
	Total	**-**	**1.97**	**(1.97)**
D	**Other New Schemes**			
	Sagar khedu	1.50	1.40	0.10
	Energy Conservation (HVDS)	4.50	3.03	1.47
	IT BUDGET	-	8.99	(8.99)
	Sardar krushi Jyoti Yojna	6.98	4.79	2.19
	Vehicle		0.91	(0.91)
	Misc. Civil + Electrical Works	25.54	1.85	23.69
	Furniture	2.63	0.83	1.80
	Total	**41.15**	**21.81**	**19.34**
E	**Capital Expenditure Total**	**310.44**	**606.51**	**(296.07)**

Petitioner's Submission

MGVCL has submitted that Capital expenditure incurred by MGVCL in FY 2022-23 was Rs. 606.51 Crores (including increase in CWIP). The actual capital expenditure by MGVCL during the FY 2022-23 is higher than that approved by the Hon'ble Commission. The Scheme-wise deviation in capital expenditure is explained as under:

RE Wells: The Rural Electrification Schemes of Rs. 155.94 cores which are based on grant allocation receivable by MGVCL, particularly in case of TASP wells scheme, REC wells, Peta paras etc., were approved by Hon'ble Commission. Against the same, the actual expenditure of Rs. 110.96 crores incurred during FY 2022-23.

Normal Development Scheme: During the year, under this scheme, expenditure of various major works undertaken related to various shifting for National Highway, Bullet Train and Dedicated Freight Corridor which was work paid by Govt. and Central Govt. Department have been accounted. Also, in new development full amount is paid by DISCOM in New connection of Infrastructure, Industrial LT, HT, EHT New Connection which has resulted in actual expenditure of Rs. 408.79 Crore against approved amount of Rs. 80 Crore.

System Improvement (SI) Scheme: Rs. 9.00 Crore was approved for budget of Year 2022-23 and Rs. 29.03 Crore is actual expenditure. The actual expenditure has increased due to implementation of projects of feeder bifurcation and DTC review, New Substation Link line work, Providing HT AB cable work, replacement of deteriorated conductor, which were earlier proposed under RDSS, but it could not materialize. The work under system Improvement scheme were carried out for providing quality and reliable power supply to consumers.

Government Schemes: The actual expense incurred in Distribution Infrastructure shifting scheme – DISS, Sagarkhedu, Energy Conservation, Sagar Krushi Jyoti Yojana as per actual budget allocation respective scheme from Government.

Commission's Analysis

The capital expenditure (CAPEX) approved for FY 2022-23 in the Tariff Order dated 31st March, 2022 was Rs. 310.44 Crore. The actual capital expenditure incurred is Rs. 606.51 Crore, which is higher by Rs. 296.07 Crore than the CAPEX approved in the Tariff Order.

The Commission observed that there is higher Capital Expenditure of Rs. 328.79 Crore during FY 2022-23 compared to that approved in Tariff Order for Normal Development Scheme. The Commission asked the MGVCL to provide justification for deviation in capital expenditure in Normal development scheme for FY 2022-23 and project wise details of Capital Expenditure for FY 2022-23. MGVCL in its reply submitted that that under Normal Development scheme, the work related to new connections, shifting of network and extension / modification of existing connection etc. is included and at the time of Tariff petition filing, it is estimated based on the historical trends and the estimated no. of connections. Further, DISCOMs are obligated to supply / cater the requirement of existing as well as new applicants / consumers under Universal Supply Obligation (USO). Accordingly, the CAPEX under Normal Development scheme has increased as per the actual works and quantum undertaken by DISCOMs.

Hence it is observed that there is deviation in capex between approved and actual is Rs. 358.42 Crore in Normal Development Scheme for which justification has been provided by MGVCL.

The Commission observes that most of the CAPEX Schemes by the DISCOMs are of continuous and on-going nature. These are based on yearly targets set for meeting the supply obligation, providing quality and reliable power to the consumers, reduction in losses, release of agriculture connections, etc. Nevertheless, the Licensee should be more realistic in projecting the CAPEX.

The Commission has verified the audited annual accounts of MGVCL and has observed that MGVCL has incurred actual CAPEX of Rs. 606.51 Crore and capitalisation of Rs. 604.48 Crore. The Commission, therefore, approves the actual CAPEX of Rs. 606.51 Crore and net capitalisation of Rs. 591.56 Crore in the truing up for FY 2022-23 due to deduction of Rs. 12.92 Crore in Gross Fixed Asset.

4.5.2.1 Funding of Capitalisation

Petitioner's Submission

MGVCL submitted that the funding of actual capitalisation is done through various sources categorised under four headings, viz., Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of assets capitalised during FY 2022-23 is given in the Table below:

Table 4-35: Funding of Capitalisation submitted by MGVCL for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed in truing up	Deviation
Capitalisation	**310.44**	**604.48**	**(294.04)**
Less: Consumer Contribution	100	287.21	(187.21)
Less: Grants	17.33	17.25	(0.08)
Balance CAPEX for the Year	**193.11**	**300.02**	**(106.91)**
Debt (70%)	135.18	210.01	(74.83)
Equity (30%)	57.93	90.01	(32.07)

Commission's Analysis

The Commission noted that MGVCL has considered gross capitalisation instead of net capitalisation (net of assets decommissioned) for working out the eligible debt and equity amount for FY 2022-23. The Commission in accordance with the GERC (MYT) Regulations, 2016 and the approach adopted by the Commission in previous Orders on the equity and debt related to the assets decommissioned has considered net capitalisation (net of assets decommissioned of Rs. 12.92 Crore) for working out the eligible debt and equity amount for FY 2022-23.

It is observed that MGVCL has claimed the funding of Capitalisation, net of Consumer Contribution and Government Grant, in the normative Debt: Equity ratio of 70:30, as specified in the GERC (MYT) Regulations, 2016.

The Commission has verified the amount considered by MGVCL against Government Grants and Consumer Contribution from the audited Annual Accounts for FY 2022-23. The Commission has accordingly considered the funding of capitalisation in FY 2022-23 through Consumer Contribution and Grants as Rs. 287.21 Crore and Rs. 17.25 Crore, respectively, in the truing up for FY 2022-23.

The Commission, therefore, approves the funding of Capitalization in the truing up of FY 2022-23 as given in the Table below:

Table 4-36: Approved Capitalisation and sources of funding in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Claimed in truing up	Approved in Truing Up
Capitalization	**310.44**	**604.48**	**591.56**
Consumer Contribution	100.00	287.21	287.21
Grants	17.33	17.25	17.25
Balance CAPEX for the Year	**193.11**	**300.02**	**287.10**
Debt (70%)	135.18	210.01	200.97
Equity (30%)	57.93	90.01	86.13

4.5.3 Depreciation

MGVCL has claimed Depreciation of Rs. 279.31 Crore in the truing up for FY 2022-23 against the Depreciation of Rs. 300.28 Crore approved in the Tariff Order dated 31st March 2022.

Petitioner's Submission

MGVCL being engaged in electricity business, is covered under the Electricity Act, 2003 and provisions of the Electricity Act 2003 supersede the provisions of the Companies Act, 2013. Accordingly, the Company charges depreciation on straight line method at the depreciation rates, the methodology and the residual value as prescribed in GERC (MYT) Regulations, 2016.

MGVCL submitted that it has calculated depreciation for FY 2022-23 in accordance with the provisions of the GERC (MYT) Regulations, 2016, as shown in the Table below:

Table 4-37: Fixed Assets & Depreciation computed by MGVCL for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Deviation
1	Gross Block in Beginning of the year	6,487.24	6,485.63	
2	Additions during the Year (Net)	310.44	591.56	
3	Closing GFA	6,797.68	7,077.19	
4	Average GFA	6,642.45	6,781.41	
5	**Depreciation for the Year**	**300.28**	**279.31**	**20.97**
6	**Average Rate of Depreciation**	**4.52%**	**4.12%**	

MGVCL further submitted that actual depreciation for FY 2022-23, as against the value approved in the Tariff Order, resulted in a net uncontrollable gain of Rs. 20.97 Crore, as shown in the Table below:

Table 4-38: Gain/(Loss) due to Deprecation claimed in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	300.28	279.31	-	20.97

Commission's Analysis

The Commission has considered the Closing GFA of FY 2021-22 approved in Order dated 31st March, 2023 as Opening GFA of FY 2022-23. The net addition during the year of Rs. 591.56 Crore has been verified from the audited Annual Accounts for FY 2022-23. The depreciation as per audited Annual Accounts for FY 2022-23 is Rs. 279.31 Crore.

The Commission, accordingly, approves Depreciation at Rs. 279.31 Crore in the truing up for FY 2022-23, as shown in the Table below:

Table 4-39: Approved fixed assets & depreciation for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Approved in Truing Up
1	Gross Block in Beginning of the year	6,487.24	6,485.63	6,485.63
2	Additions during the Year (Net)	310.44	591.56	591.56
3	Gross Block at the end of the year	6,797.68	7,077.19	7,077.19
4	**Depreciation for the Year**	**300.28**	**279.31**	**279.31**
5	**Average Rate of Depreciation**	**4.52%**	**4.12%**	**4.12%**

The amount of depreciation is dependent on the quantum of capitalisation, rate of depreciation, etc. The Commission has, therefore, considered the parameters impacting depreciation as uncontrollable.

The Commission, accordingly, approves the Gain /(Loss) on account of depreciation in the truing up for FY 2022-23, as detailed in the Table below:

Table 4-40: Gain/(Loss) due to Depreciation approved in truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Depreciation	300.28	279.31		20.95

4.5.4 Interest and Finance charges

MGVCL has claimed Rs. 48.75 Crore towards interest and finance charges in the truing up for FY 2022-23, as against Rs. 45.10 Crore approved in the Tariff Order dated 31st March 2022, as shown in the Table below:

Table 4-41: Interest and Finance Charges claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up
Interest and Finance Charges	45.10	48.75

Petitioner's Submission

MGVCL submitted that for assessing actual Interest charges on Loans in FY 2022-23, MGVCL has considered the opening balance of loans for FY 2022-23 same as the closing loan approved by the Hon'ble Commission for FY 2021-22 in the True up Order dated 31st March, 2023. The loan addition in FY 2022-23 is computed at Rs. 210.01 Crores which consists of loans for funding the capitalization.

In line with the approach adopted by the Hon'ble Commission and as prescribed by GERC MYT Regulations, 2016 repayment during the year has been considered equal to the depreciation for the financial year.

Based on the provisions of the GERC MYT Regulations, 2016, the weighted average rate of interest during the year for Truing up of FY 2022-23 is 12.29% as against

6.30% as approved by the Commission. It is submitted that the conversion of loans into grants during year has impacted the weighted average rate of interest.

In addition, MGVCL has also considered the interest on security deposits of Rs. 48.69 Crore as per the provisions of the GERC MYT Regulations, 2016. The details of interest and finance charges claimed by MGVCL are as given in the Table below:

Table 4-42: Interest and Finance Charges claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Opening Loans	-	-
2	Loan Additions during the Year	135.18	210.01
3	Repayment during the Year	135.18	210.01
4	Closing Loans	-	-
5	**Average Loans**	-	-
6	Interest on Loan	-	-
7	Interest on Consumers' Security Deposit	44.56	48.69
8	Other Bank Charges	0.54	0.06
9	**Total Interest & Financial Charges**	**45.10**	**48.75**
10	Weighted Average Rate of Interest	6.30%	12.29%

MGVCL submitted that interest and finance charges are categorised as uncontrollable as per the GERC (MYT) Regulations, 2016, and that it has accordingly computed the gain/(loss) between the actual and the approved expenses under uncontrollable factors, as given in the Table below:

Table 4-43: Gain / (Loss) claimed due to Interest & Finance Charges for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest and Finance Charges	45.1	48.75		(3.65)

Commission's Analysis

The Commission has considered the Closing Balance of Loans approved in the true up Order for FY 2021-22, as the Opening Balance of Loans for FY 2022-23. The normative addition of loans during FY 2022-23 has been considered as 200.97 Crore, as approved in this Order. The repayment of loan has been considered equal to the depreciation approved in this Order.

The Commission has directed the petitioner to submit the detail breakup and long term loan and reconciliation of weighted average interest rate accordingly. The Petitioner in its reply submitted long term loan details and computed the Interest on loan. In its reply the petitioner submitted that there is inadvertent error in the computation of interest on long term loans and revised rate works out to 13.47% for FY 2022-23.

The Commission in its analysis find that the interest rate on Long term loans was 10.08% for FY 2022-23 as determined below table.

Table 4-44: Interest on Long Term Loans for FY 2022-23 (Rs. Crore)

	RAPDRP Part B	APDRP Loan	ADB Prog.
Opening Loan	10.06	1.34	11.20
Addition	0.00	0.00	0.00
Repayment	5.89	0.79	3.80
Closing Loan	4.16	0.55	7.40
Average Loan	7.11	0.95	9.30
Rate of Interest	9.00%	12.18%	10.69%
Weighted Avg. Rate of Interest	10.08%		

The interest on security deposits of Rs. 48.69 Crore has been verified from the audited Annual Accounts for FY 2022-23. The Other Bank charges have been considered as per the audited Annual Accounts for FY 2022-23.

MGVCL has submitted details of the actual loan portfolio and the rate of interest applicable for each loan portfolio for FY 2022-23. The Commission has computed the weighted average rate of interest as 10.08%% in accordance with Regulation 38 of the GERC (MYT) Regulations, 2016.

Taking all these factors into consideration, the interest and finance charges approved in the truing up for FY 2022-23 is detailed in the Table below:

Table 4-45: Interest and Finance Charges approved by the Commission in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
1	Opening Loans	-	-	-
2	Loan Additions during the Year	135.18	210.01	200.97
3	Repayment during the Year	135.18	210.01	200.97
4	Closing Loans	-	-	-
5	**Average Loans**	-	-	-
6	Interest on Loan	-	-	-
7	Interest on Consumers' Security Deposit	44.56	48.69	48.70
8	Other Bank Charges	0.54	0.06	0.06
9	**Total Interest & Financial Charges**	**45.10**	**48.75**	**48.75**
10	Weighted Average Rate of Interest	6.30%	12.29%	10.08%

The Commission, accordingly, approves the interest and finance charges at Rs. 48.75 Crore in the truing up for FY 2022-23.

As per the GERC (MYT) Regulations, 2016, the parameters that impact interest and finance charges are uncontrollable. The Commission, accordingly, approves the Gain /

(Loss) on account of interest and finance charges in the truing up for FY 2022-23, as detailed in the Table below:

Table 4-46: Gain / (Loss) approved in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Interest and Finance Charges	45.10	48.75		(3.65)

4.5.5 Interest on Working Capital

MGVCL has not claimed any interest on working capital in the truing up for FY 2022-23, against Nil provision approved in the Tariff Order dated 31st March 2022 as detailed in the Table below:

Table 4-47: Interest on Working Capital claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Interest on Working Capital	-	-

Petitioner's Submission

MGVCL submitted that normative working capital requirement has been calculated in accordance with the GERC (MYT) Regulations, 2016 and the rate of interest is considered as the rate equal to the weighted average of the 1-year Marginal Cost of Lending Rate (MCLR) of State Bank of India (SBI) during the year plus 250 basis points, as per the GERC (MYT) Regulations, 2016. This rate works out to 10.30%. Also, as per these Regulations, one month of receivables are to be considered for calculation of interest on working capital. Also amount held as security deposit from consumers under clause (a) and clause (b) of sub-section (1) of Section 47 of the Electricity Act 2003 except the security deposit held in the form of Bank Guarantees is to be deducted from it. Since the interest on working capital for FY 2022-23 incurred by MGVCL is NIL, no interest on working capital for FY 2022-23 has been claimed by the Petitioner as shown below:

Table 4-48: Interest on Working Capital claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	O & M expenses	68.34	61.77
2	Maintenance Spares	64.87	64.86
3	Receivables	629.86	759.31
4	Amount held as security deposit from consumers	1,048.52	1,188.60
5	**Total Working Capital**	**(285.45)**	**(302.66)**
6	Rate of Interest on Working Capital	9.50%	10.30%
7	**Interest on Working Capital**	**-**	**-**

Commission's Analysis

The Commission has examined the computation of normative working capital under the GERC (MYT) Regulations, 2016. The working capital requirement works out to be negative during FY 2022-23. As the working capital requirement works out to be negative, there cannot be any interest on working capital. Accordingly, neither any interest has been claimed by MGVCL nor any interest is approved by the Commission.

The detailed computation of Working Capital requirement and interest thereon is given in the Table below:

Table 4-49: Interest on working capital approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
1	O&M expenses	68.34	61.77	61.52
2	Maintenance Spares	64.87	64.86	64.86
3	Receivables	629.86	759.31	759.31
4	Amount held as security deposit from consumers	1,048.52	1,188.60	1,188.60

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
5	**Total Working Capital**	(285.45)	(302.66)	(302.92)
6	Rate of Interest on Working Capital	9.50%	10.30%	10.30%
7	**Interest on Working Capital**	-	-	-

The Commission, accordingly, approves the interest on working capital as Nil in the truing up for FY 2022-23.

4.5.6 Bad Debts Written Off

MGVCL has claimed bad debts written off in the truing up for FY 2022-23 as Rs. 0.002 Crore, as against Rs. 0.01 Crore approved in the Tariff dated 31st March 2022, as given in the Table below:

Table 4-50: Bad Debts claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Bad Debts Written Off	0.01	0.002

Petitioner's Submission

MGVCL submitted that as per the audited Annual Accounts for FY 2022-23, bad and doubtful debts written off in FY 2022-23 are Rs. 0.002 Crore, resulting in a gain of Rs. 0.0080 Crore on account of controllable factors, as shown in the Table below:

Table 4-51: Bad Debts claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Bad Debts Written Off	0.01	0.002	0.008	

Commission's Analysis

As per Regulation 94.9.1 of the GERC (MYT) Regulations, 2016, the bad debts written off in the ARR are to be passed through based on the actual write off of bad debts during the year.

The Commission has verified the Bad & Doubtful debts written off from the audited Annual Accounts that MGVCL for FY 2022-23. Accordingly, the Commission allows Bad & Doubtful Debts Written off during FY 2022-23 as Rs. 0.002 Crore.

The deviation on account of bad debts written off has been considered as loss due to controllable factors, as detailed in the Table below:

Table 4-52: Gain/ (Loss) due to Bad Debts approved in the Truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Bad Debts Written Off	0.01	0.002	0.008	-

4.5.7 Return on Equity

MGVCL has claimed Rs. 169.45 Crore towards Return on Equity (RoE) in the truing up for FY 2022-23 as against Rs. 177.03 Crore approved in the Tariff Order dated 31st March 2022, as given in the Table below:

Table 4-53: Return on Equity claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Return on Equity	177.03	169.45

Petitioner's Submission

MGVCL has computed RoE considering the rate of 14% on the average of opening and closing equity, considering the additions during the year, as given in the Table below:

Table 4-54: Return on Equity claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Opening Equity Capital	1235.53	1165.32
2	Equity Additions during the Year	57.93	90.01
3	Closing Equity	1293.46	1255.33
4	**Average Equity**	**1264.49**	**1210.32**
5	Rate of Return on the Equity	14.00%	14.00%
6	**Return on Equity**	**177.03**	**169.45**

MGVCL has computed the Gain / (Loss) on account of RoE in the truing up for FY 2022-23, as detailed in the Table below:

Table 4-55: Gain / (Loss) due to RoE claimed by MGVCL for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Return on Equity	177.03	169.45		7.58

Commission's Analysis

The Commission has considered the Closing Balance of equity as approved in the truing up of FY 2021-22, as the Opening Balance of equity for FY 2022-23. The Commission has approved the normative Equity addition as Rs. 86.13 Crore in Table 4.35 taking into account the capitalisation and decapitalisation for the FY 2022-23.

The Commission has computed the RoE in the truing up for FY 2022-23 considering the rate of 14% specified in the GERC (MYT) Regulations, 2016 as detailed in the Table below:

Table 4-56: Return on Equity approved in truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
1	Opening Equity Capital	1235.53	1165.32	1165.32

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up
2	Equity Additions during the Year	57.93	90.01	86.13
3	Closing Equity	1293.46	1255.33	1251.45
4	Average Equity	1264.50	1210.32	1208.39
5	Rate of Return on the Equity	14.00%	14.00%	14.00%
6	**Return on Equity**	**177.03**	**169.45**	**169.17**

The Commission approves the Return on Equity at Rs. 169.17 Crore in the truing up for FY 2022-23.

Deviation in RoE is due to uncontrollable factors as RoE is being allowed on a normative basis and the quantum of equity addition in the year depends upon the capital expenditure and the capitalization achieved during the year.

The Commission, accordingly, approves the Gain/(Loss), on account of RoE, in the Truing up for FY 2022-23 as uncontrollable, as detailed in the Table below:

Table 4-57: Approved Gain / Loss due to Return on Equity in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Return on Equity	177.03	169.17	-	7.86

4.5.8 Income Tax

MGVCL has claimed Rs. 7.65 Crore towards Income Tax for FY 2022-23, as against Rs. 19.58 Crore approved in the Tariff Order dated 31st March 2022, as given in the Table below:

Table 4-58: Income Tax claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Income Tax (MAT)	19.58	7.65

Petitioner's Submission

MGVCL submitted that Income Tax being a statutory expense, any variation on this account is uncontrollable. MGVCL has claimed a loss of Rs. 11.93 Crore on this account, as given in the Table below:

Table 4-59: Gain / (Loss) claimed due Income Tax claimed by MGVCL in the truing up (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Provision for Tax / Tax Paid	19.58	7.65		11.93

Commission's Analysis

The Commission has verified the amount of Income Tax payable from the audited Annual Accounts of MGVCL, i.e., Rs. 7.65 Crore. The Commission, accordingly, approves the Income Tax of Rs. 7.65 Crore in the truing up for FY 2022-23.

Variation in Income Tax is uncontrollable, hence, the Commission approves the Gain/(Loss) on account of Income Tax in the truing up for FY 2022-23, as detailed in the Table below:

Table 4-60: Approved Gain / (Loss) due to Income Tax in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Income Tax	19.58	7.65		11.93

4.5.9 Non-Tariff Income

MGVCL has claimed the actual Non-Tariff Income (NTI) as Rs. 183.59 Crore in the truing up for FY 2022-23, as against Rs. 139.39 Crore approved in the Tariff Order dated 31st March 2022, as detailed in the Table below:

Table 4-61: Non-Tariff Income claimed by MGVCL in the truing up for FY 2022-23 (Rs. Crore)

Sr. No.	Particulars	Approved in the Tariff Order	Actual Claimed in Truing up
1	Non-Tariff Income	139.39	183.59

Petitioner's Submission

MGVCL submitted that the NTI of MGVCL considered for FY 2022-23 is Rs. 183.59 Crore as against Rs. 139.39 Crore approved by the Commission, resulting in an uncontrollable gain/(loss) of Rs. (44.20) Crore.

Table 4-62: Gain/(Loss) claimed due to Non-Tariff Income for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Non-Tariff Income	139.39	183.59	-	(44.20)

Commission's Analysis

The actual Non-Tariff Income as per audited Annual Accounts is Rs. 183.59 Crore for FY 2022-23. Therefore, the Commission approves the net NTI as Rs. 183.59 Crore in the truing up for FY 2022-23. The deviation in Non-Tariff Income is considered as uncontrollable. The Commission, accordingly, approves the Gains/(Losses) on account of Non-Tariff Income in the truing up for FY 2022-23, as detailed in the Table below:

Table 4-63: Approved Gains/(Losses) due to Non-Tariff Income in the truing up for FY 2022-23 (Rs. Crore)

Particulars	Approved in Tariff Order	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
Non-Tariff Income	139.39	183.59	-	(44.20)

4.6 ARR approved in the Truing up for FY 2022-23

The ARR approved in the Tariff Order dated 31st March, 2022, actual claimed in truing up, approved in the truing up and Gain/(Loss) computed in accordance with the GERC (MYT) Regulations, 2016, are given in the Table below:

Table 4-64: ARR approved in truing up for FY 2022-23 (Rs. Crore)

S. No.	Annual Revenue Requirement	Approved in the Tariff Order	Actual Claimed in Truing up	Approved in Truing up	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	6,221.05	8,571.12	8,571.11	56.28	(2,406.34)
2	O&M Expenses	820.11	741.29	738.24	79.74	2.13
2.1	*Employee Cost*	644.75	*625.19*	*625.19*	*98.09*	*(78.52)*
2.2	*R&M Expenses*	67.62	*82.07*	*82.07*	*(10.02)*	*(4.43)*
2.3	*A&G Expenses*	98.80	*110.18*	*107.13*	*(8.33)*	-
2.4	*RDSS Metering Opex*	*73.50*	-	-	-	*73.50*
2.5	*Other Expenses Capitalised*	*(64.56)*	*(76.14)*	*(76.14)*	-	*11.58*
3	Depreciation	300.28	279.31	279.31	-	20.97
4	Interest & Finance Charges	45.10	48.75	48.75	-	(3.65)
5	Interest on Working Capital	-	-	-	-	-
6	Provision for Bad Debts	0.01	0.00	0.002	0.01	-
7	Return on Equity	177.03	169.45	169.17	-	7.86
8	Income Tax	19.58	7.65	7.65	-	11.93
9	**ARR (1 to 8)**	**7,583.14**	**9,817.56**	**9,814.24**	**136.03**	**(2,367.11)**
10	Non-Tariff Income	139.39	183.59	183.59	0.00	(44.20)
11	**Total ARR (9-10)**	**7,443.75**	**9,633.98**	**9,630.65**	**136.03**	**(2,322.91)**

4.7 Revenue for FY 2022-23

MGVCL has claimed the total revenue of Rs. 9,111.72 Crore in the truing up for FY 2022-23 as against Rs. 7,558.36 Crore approved as detailed in the Table below:

Table 4-65: Revenue submitted in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up
1	Revenue from Sale of Power	5166.28	8943.03
2	Revenue from FPPPA	2169.97	
3	Other Income (Consumer related)	144.8	97.96
4	**Total Revenue excluding subsidy (1+2+3)**	**7481.05**	**9040.99**
5	Agriculture Subsidy	77.31	70.73
6	**Total Revenue including Subsidy (4+5)**	**7558.36**	**9111.72**

Commission's Analysis

The Commission has verified the total category-wise revenue for FY 2022-23 from the audited Annual Accounts. The actual revenue from category-wise sales, as per audited Annual Accounts, is Rs. 8,943.03 Crore. The Commission considers revenue from sale of power for the Petitioner for truing up of FY 2022-23 as Rs. 8,943.03 Crore.

The Other Income as per audited Annual Accounts is Rs. 97.96 Crore. The Commission has considered the actual Agriculture Subsidy Rs. 70.73 Crore separately as per the GERC (MYT) Regulations, 2016.

The Revenue approved in the truing up for MGVCL for FY 2022-23 is shown in the Table below:

Table 4-66: Revenue approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Approved in Truing up
1	Revenue from Sale of Power	5,166.28	8,943.03	8,943.03
2	Revenue from FPPPA	2,169.97		

S. No.	Particulars	Approved in Tariff Order	Actual Claimed in Truing up	Approved in Truing up
3	Other Income (Consumer related)	144.8	97.96	97.96
4	**Total Revenue excluding subsidy (1+2+3)**	**7,481.05**	**9,040.99**	**9,040.99**
5	Agriculture Subsidy	77.31	70.73	70.73
6	**Total Revenue (4+5)**	**7,558.36**	**9,111.72**	**9,111.72**

On reply about reconciliation of subsidy received from GUVNL and subsidy claimed by MGVCL in their audited account for FY 2022-23 the Petitioner provided reconciliation vide additional replies as under:

Table 4-67: Subsidy received vs Subsidy claimed in the truing up for FY 2022-23 (Rs. Crore)

DISCOM	Subsidy Allocated to DISCOM as per Data gaps	Subsidy as per books of accounts	Reference note / annexure of books of accounts
MGVCL	717.00	717.00	**(i) Annexure-C to Independent auditor report (answer to Q-11) Page no. 29 of 83** GERC Tariff compensation - Rs. 65.2211 Crs FPPPA subsidy - Rs. 470.3944 Crs HP based subsidy - Rs. 70.7296 Crs Waterworks subsidy - RS. 110.6511 Crs (As per note no. 26, total revenue from public waterworks and sewerage pumps is Rs. 302.2542 Crs, out of which Rs. 110.6511 Crs is subsidy towards waterworks gram panchayat).

Further, MGVCL has provided details of subsidy claimed and received by GUVNL since FY 2015-16 onwards and allocated to DISCOMs as under:

Table 4-68: Historical detail of Subsidy claimed and received (Rs. Crore)

2015-16	Outstanding	Claimed	Received	Allocated to DISCOMs	Adj. against outstanding Prior to 2016-17	Adj. against outstanding post FY 2016-17 (part of subsidy receipt during the year)
1		2	3		4	5
OP. Outstanding	**3587.37**					

2015-16	Outstanding	Claimed	Received	Allocated to DISCOMs	Adj. against outstanding Prior to 2016-17	Adj. against outstanding post FY 2016-17 (part of subsidy receipt during the year)
DGVCL		250.31	201.00	201.00		
MGVCL		355.65	284.91	284.91		
PGVCL		2096.22	1667.01	1667.01		
UGVCL		2538.95	2011.94	2011.94		
TOTAL		**5241.13**	**4164.86**	**4164.86**	**0.00**	**0.00**
Cl. Outstanding	**4663.63**					
2016-17						
1		**2**	**3**		**4**	**5**
DGVCL		264.21	206.84	203.74	3.10	
MGVCL		377.55	290.68	287.17	3.51	
PGVCL		2255.23	1777.25	1745.51	31.74	
UGVCL		2765.27	2191.78	2147.91	43.87	
TOTAL		**5662.26**	**4466.55**	**4384.33**	**82.22**	**0.00**
	5859.34					
2017-18						
1		**2**	**3**		**4**	**5**
DGVCL		288.47	259.99	203.09	55.28	
MGVCL		407.53	367.28	283.51	87.33	
PGVCL		2405.28	2197.88	1732.08	435.80	
UGVCL		2971.11	2741.59	2188.07	581.60	
TOTAL		**6072.38**	**5566.75**	**4406.75**	**1160.00**	**0.00**
	6364.97					
2018-19						
1		**2**	**3**		**4**	**5**
DGVCL		386.10	354.30	342.14	12.17	
MGVCL		527.46	494.37	472.76	21.60	
PGVCL		3287.56	2884.29	2831.49	52.80	
UGVCL		3613.32	3386.36	3297.40	88.96	
TOTAL		**7814.44**	**7119.32**	**6943.79**	**175.53**	**0.00**
	7060.09					
2019-20						
1		**2**	**3**		**4**	**5**
DGVCL		327.53	380.75	331.95	48.80	4.42
MGVCL		433.64	502.31	436.35	65.95	2.71
PGVCL		2600.35	3044.62	2589.92	454.70	
UGVCL		3343.49	3922.04	3324.04	598.00	
TOTAL		**6705.01**	**7849.72**	**6682.26**	**1167.46**	**7.13**
	5915.38					
2020-21						
1		**2**	**3**		**4**	**5**
DGVCL		349.57	427.59	367.56	60.04	17.99
MGVCL		489.21	597.50	512.31	85.20	23.10
PGVCL		2570.65	3142.83	2669.61	473.21	98.96
UGVCL		3335.80	4072.28	3466.99	605.29	131.19
Total		**6745.23**	**8240.20**	**7016.47**	**1223.74**	**271.24**
	4420.40					
2021-22						
1		**2**	**3**		**4**	**5**
DGVCL		367.67	513.62	478.99	34.63	111.32
MGVCL		475.53	660.61	605.07	55.54	129.54

2015-16	Outstanding	Claimed	Received	Allocated to DISCOMs	Adj. against outstanding Prior to 2016-17	Adj. against outstanding post FY 2016-17 (part of subsidy receipt during the year)
PGVCL		2852.29	4042.67	3714.43	328.24	862.14
UGVCL		3610.06	4911.64	4475.36	436.28	865.31
TOTAL		**7305.55**	**10128.54**	**9273.85**	**854.69**	**1968.30**
	1597.42					
2022-23						
1		**2**	**3**		**4**	**5**
DGVCL		464.07	515.56	515.56		54.19
MGVCL		601.73	717.00	717.00		117.22
PGVCL		3583.39	4233.34	4233.34		653.65
UGVCL		4355.78	5123.07	5123.07		772.35
TOTAL		**9004.97**	**10588.96**	**10588.96**		**1597.42**
	13.42					

The Commission, accordingly, approves the total revenue of Rs. 9,111.72 Crore, including consumer related income of Rs. 97.96 Crore and Agriculture Subsidy of Rs. 70.73 Crore, in the truing up for FY 2022-23.

4.8 Revenue (Gap)/Surplus for FY 2022-23

As shown in the Table below, MGVCL has claimed a Revenue Gap of Rs. 560.18 Crore in the truing up for FY 2022-23, considering the treatment of Gain/(Loss) due to controllable/uncontrollable factors, after comparing the performance with the Tariff Order for FY 2022-23:

Table 4-69: Revenue Surplus/(Gap) claimed by MGVCL for FY 2022-23 (Rs. Crore

S. No.	Particulars	Actual Claimed
1	ARR originally approved for FY 2022-23	7,443.76
2	Less: (Gap)/Surplus of FY 2020-21	53.03
3	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	(2,334.99)
4	Less: Gain/(Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain/(Loss))	48.26
5	**Revised ARR for FY 2020-21 (1 - 2 - 3 - 4)**	**9,677.46**
6	Revenue from Sale of Power	8,943.03

S. No.	Particulars	Actual Claimed
7	Other Income (Consumer related)	97.96
8	**Total Revenue excluding Subsidy (6 + 7)**	**9,040.99**
9	Agriculture Subsidy	70.73
10	GUVNL Profit / (Loss) Allocation	5.56
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**9,117.28**
12	**Revised (Gap)/Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**(560.18)**

Petitioner's Submission

The petitioner submitted that the Commission in its Tariff Order dated 31st March' 2022 has approved Aggregate Revenue Requirement of Rs. 7,558.36 Crores for FY 2022-23. The Hon'ble Commission had also worked out the Revenue (Gap) / Surplus of Rs 53.03 Crores due to Truing up of FY 2020-21 in the Aggregate Revenue Requirement.

As per the mechanism specified in the GERC MYT Regulation 2016, MGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e., Rs. 48.26 Crores and total gain/(loss) on account of uncontrollable factor i.e., Rs. (2,334.99) Crores to the consumers. Further, the Revenue (Gap)/Surplus approved by the Hon'ble Commission on True up of FY 2020-21 of Rs. 53.03 Crores is also considered. Adjusting these to the net Aggregate Revenue Requirement, MGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2022-23 at Rs. 9,677.46 Crores.

This revised Aggregate Revenue Requirement is compared against the actual income under various heads including Revenue from Existing Tariff of Rs. 8,943.03 Crores, Other Consumer related Income of Rs. 97.96 Crores, Agriculture Subsidies of Rs. 70.73 Crores and GUVNL profit allocation of Rs. 5.56 Crores, summing up to a total revenue of Rs. 9,117.28 Crores. Accordingly, total Revenue (Gap) / Surplus of MGVCL for FY 2022-23 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. (560.18) Crores as shown in the table above.

Commission's Analysis

While examining the Annual Accounts of GUVNL, the Commission observed that there is a shortfall of Rs 176.45 Crore in FY 2022-23 and Rs 176.22 Crore in FY 2023-24 to CPF Trust due to non-receipt of Principal and Interest Amount from investment in certain entities. In accordance with the provisions of the EPF & MP Act, 1952, the employer is obligated to make good the loss to the CPF Trust. In this regard, the Commission is of the view that the loss to CPF Trust that made good by the employer (GSECL, GETCO, four DISCOMs and GUVNL) and claimed under Employee Cost by reducing the profit of GUVNL was already recovered once by the utilities under the head of Employee Expenses. In view of this, the Commission has decided to reduce the proportionate amount for the State DISCOMs, viz., DGVCL, MGVCL, UGVCL, and PGVCL, as shown in the Table below, over and above the MGVCL's share of GUVNL profit of Rs 5.56 Cr, as submitted by the Petitioner, while calculating the trued-up Gap/ Surplus for FY 2022-23

Table 4-70: Additional Reduction as GUVNL profit for State DISCOMs for FY 2022-23 (Rs. Crore)

S. No.	DISCOM	Amount
1	DGVCL	33.83
2	MGVCL	35.62
3	PGVCL	66.44
4	UGVCL	40.56
5	**Total**	**176.45**

As regards to the loss of Rs. 176.22 Crore to CPF Trust in FY 2023-24 and envisaged to be made good in FY 2023-24 by the employer, the same shall be addressed at the time of true-up for FY 2023-24.

The Revenue (Gap)/Surplus approved by the Commission after truing up for FY 2022-23, is summarised in the Table below:

Table 4-71: Revenue (Gap)/Surplus approved in the truing up for FY 2022-23 (Rs. Crore)

S. No.	Particulars	Actual Claimed	Approved after truing up
1	ARR originally approved for FY 2022-23	7,443.76	7,443.76
2	Less: (Gap) / Surplus of FY 2020-21	53.03	53.03
3	Less: Gain/(Loss) on account of Uncontrollable factors to be passed on to Consumer	(2,334.99)	(2,322.91)
4	Less: Gain / (Loss) on account of Controllable factors to be passed on to Consumer (1/3rd of Total Gain/(Loss))	48.26	45.34
5	**Revised ARR for FY 2022-23 (1 - 2 - 3 - 4)**	**9,677.46**	**9,668.30**
6	Revenue from Sale of Power	8,943.03	8943.03
7	Other Income (Consumer related)	97.96	97.96
8	Total Revenue excluding Subsidy (6 + 7)	9,040.99	9,040.99
9	Agriculture Subsidy	70.73	70.73
10	GUVNL Profit / (Loss) including allocation of impact of CPF Trust Loss	5.56	41.17
11	**Total Revenue including Subsidy (8 + 9 + 10)**	**9,117.28**	**9,152.90**
12	**Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)**	**(560.18)**	**(515.41)**

The Revenue (Gap)/Surplus approved by the Commission after truing up for FY 2022-23, has been considered for computing the cumulative Revenue (Gap)/Surplus for FY 2024-25, as elaborated in subsequent Chapters of this Order.

5 ARR for FY 2024-25

5.1 ARR for FY 2024-25

In terms of Regulations 16.2(vi) and 19.2 of the GERC (MYT) Regulations, 2016, annual Tariff determination for the Generating Company, Transmission Licensee, SLDC, and Distribution Wire Business and Retail Supply Business shall be undertaken for each financial year within the Control Period, based on the approved forecast and results of the truing-up exercise on an application that shall be filed by the utilities along with the petition for Truing-Up and Tariff determination. As detailed at para 1.1 in Chapter 1, the Commission has issued suo-moto Order for filing of ARR and Tariff for FY 2024- 25.

5.2 Submission of MGVCL

In accordance with above provision, MGVCL has submitted the petition for determination of ARR and Tariff for FY 2024-25.

5.3 Estimation of ARR for FY 2024-25

The projection of ARR for FY 2024-25 comprises the following elements:

- Energy projection
- Consumer profile
- Distribution loss
- Energy Requirement and Energy Balance
- Power purchase – Bulk Supply Tariff
- Transmission charges
- Capital expenditure and Funding of CAPEX
- O&M Expenses
- Depreciation
- Interest on loan and finance charges
- Interest on Working Capital
- Return on Equity

- Provision for Tax

The Commission has analysed the energy sales and components of expenditure and discussed the same hereunder:

5.4 Energy Sales

5.4.1 Approach for Sales Projections

MGVCL has submitted that methodology based on past trend has proved to be a reasonably accurate and well-accepted method for estimating the load, number of consumers and energy consumption. MGVCL has, therefore, estimated the energy sales, the number of consumers and connected load, based on Compounded Annual Growth Rate (CAGR) during the past years. MGVCL has worked out the growth rates considering FY 2019-20 as base year and the same has been applied on FY 2022-23. Wherever the trend has seemed unreasonable or unsustainable, the growth rates have been corrected by DISCOMs, to arrive at more realistic projections.

5.4.2 Summary of Growth and Projections

The growth rates observed in the energy sold to each consumer category have been analysed for the purpose of projection of sales for FY 2024-25. The analysis of the growth rate lends insight into the behaviour of each category and hence, forms the basis of forecasting the sales for each consumer category.

5.4.3 Category-wise projected energy sales

The Break-up of the past sales and the CAGR growth rates for different periods (5 years, 4 years, 3 years, 2 years and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2017-18 to FY 2022-23, the 4-year period FY 2018-19 to FY 2022-23, the 3-year period FY 2019-20 to FY 2022-23, and the 2-year period FY 2020-21 to FY 2022-23, along with the y-o-y growth rate of FY 2021-22 over FY 2022-23, as summarised in the table below:

Table 5-1: Historical trend in category-wise units sold (in MUs)

S. No.	Sales	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Low Tension						
1	RGP	2,475	2,609	2,720	2,930	2,777	2,910
2	GLP	123	124	135	87	105	124
3	Non-RGP & LTMD	1,465	1,543	1,604	1,471	1,681	1,854
4	Public Water Works	286	302	314	354	379	415
5	Agriculture-Unmetered	471	475	474	469	468	465
6	Agriculture-Metered	757	857	739	911	808	923
7	Electric Vehicle Charging	-	-	-	-	-	-
	Sub-Total	**5,577**	**5,910**	**5,987**	**6,222**	**6,218**	**6,691**
	High Tension						
1	Industrial HT	3,703	4,094	3,767	3,734	5,323	5,949
2	Railway Traction	-	-	-	-	-	-
	Sub Total	**3,703**	**4,094**	**3,767**	**3,734**	**5,323**	**5,949**
	Total	**9,280**	**10,004**	**9,754**	**9,956**	**11,541**	**12,640**

Table 5-2: Category-wise CAGR of Units Sold

S. No.	Category	5 years	4 years	3 years	2 years	1 year
	Low Tension					
1	RGP	3.29%	2.77%	2.28%	-0.34%	4.79%
2	GLP	0.16%	0.00%	-2.79%	19.39%	18.10%
3	Non-RGP & LTMD	4.82%	4.70%	4.95%	12.27%	10.29%
4	Public Water Works	7.76%	8.27%	9.74%	8.27%	9.50%
5	Agriculture-Unmetered	-0.26%	-0.53%	-0.64%	-0.43%	-0.64%
6	Agriculture-Metered	4.04%	1.87%	7.69%	0.66%	14.23%
7	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub-Total	3.71%	3.15%	3.78%	3.70%	7.61%
	High Tension					
1	Industrial HT	9.94%	9.79%	16.45%	26.22%	11.76%
2	Railway Traction	0.00%	0.00%	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	0.00%	0.00%	0.00%	0.00%	0.00%
	Sub Total	**9.94%**	**9.79%**	**16.45%**	**26.22%**	**11.76%**
	Total	**6.37%**	**6.02%**	**9.03%**	**12.68%**	**9.52%**

5.4.4 Consumer profile and connected load

MGVCL has also furnished the category-wise number of consumers and the connected load for the past years and CAGR growth rates for different periods (5 years, 4 years, 3 years, 2 years and YoY).

5.4.5 Category-wise Projected Growth Rates

The growth rates considered by the petitioner for projection of energy sales, number of consumers and connected load for FY 2024-25 over the base number of FY 2022-23 and thereafter on FY 2023-24 are given below:

Table 5-3: Growth rates used by MGVCL for FY 2024-25

S. No.	Category	Sales	Consumers	Connected Load
	Low Tension			
1	RGP	2.28%	1.81%	4.92%
2	GLP	5.00%	1.57%	4.71%
3	Non-RGP & LTMD	4.94%	2.87%	5.84%
4	Public Water Works	9.75%	5.00%	5.00%
5	Agriculture-Unmetered	0.00%	0.00%	0.00%
6	Agriculture-Metered	Based on no. of connections release		
7	Electric Vehicle Charging	Estimated based on available information		
	High Tension			
1	Industrial HT	5.00%	5.00%	5.00%
2	Railway Traction	0.00%	0.00%	0.00%
3	Electric Vehicle Charging	Estimated based on available information		

5.4.6 Category-wise Projections for Sales, Consumers, and Connected Load

The projected energy sales, consumers and connected load for FY 2024-25 by applying above mentioned growth rates y-o-y basis over FY 2022-23 category-wise elements are shown in the Table below:

Table 5-4: Sales, Consumers and Connected Load Projected by MGVCL for FY 2024-25

S. No.	Category	Sales (MUs)	Consumers (Nos.)	Connected Load (MW/MVA)
	Low Tension			
1	RGP	3,044	29,45,938	3,659
2	GLP	137	36,162	133
3	Non-RGP & LTMD	2,042	3,88,659	2,092
4	Public Water Works	500	32,448	174
5	Agriculture-Unmetered	465	25,343	204
6	Agriculture-Metered	1,006	2,00,844	1,219
7	Electric Vehicle Charging	0	41	2
	Sub-Total	**7,194**	**36,29,434**	**7,484**
	High Tension			
1	Industrial HT	6,559	3,147	2,128
2	Railway Traction	-	-	-
3	Electric Vehicle Charging	-	2	1
	Sub Total	**6,559**	**3,149**	**2,129**
	Total	**13,752**	**36,32,583**	**9,613**

5.4.7 Detailed Analysis of Energy Sales Projected

Based on the above submissions of the petitioner, the Commission now proceeds with the analysis and approval of Sales for each category for FY 2024-25.

5.4.7.1 RGP- Residential

Petitioner's submission

MGVCL submitted that the company has witnessed a growth in the units sold in the last three years in this category. The 3 years CAGR growth rate between FY 2019-20 and FY 2022-23 is 2.28%. The company expects this trend to continue in FY 2024-25. The number of consumers added in the category has witnessed a 3 years CAGR of 1.81% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward. The connected load added in the category has witnessed a 3 years CAGR of 4.92% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Commission's Analysis

The growth during the last 3 years in energy sales is 2.28% and MGVCL expects the same growth rate to be continued for FY 2024-25. The Commission has examined the trend of sales growth between FY 2019-20 to FY 2022-23 and finds the growth rates considered for future projections as appropriate. The Commission, therefore, approves the energy sales to the RGP-residential category at 3,044 MUs for FY 2024-25.

The Commission approves the energy sales to the RGP-residential category at 3,044 MUs for FY 2024-25.

5.4.7.2 GLP-General Lighting Purpose

Petitioner's submission

MGVCL submitted that the 3 years CAGR for the purpose of projection on the units sold is estimated at 2.75%. However, it is expected that GLP category will grow higher due to envisaged interventions for improvement of public services. Therefore, company expects a subjective growth rate of 5% for this category in FY 2024-25.

However, in case of consumer growth the number of consumers added in the category has witnessed a 3 years CAGR of 1.57% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

The connected load added in the category has also witnessed a 3 years CAGR of 4.71% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Commission's Analysis

MGVCL does not expect the three-year negative growth rate to be continued for FY 2024-25 and hence considered 5% growth rate in sales due to expected improvement in public services. The Commission has examined the trend of sales growth in the past years and finds the growth rates are not predicting the actual figures, therefore, the Commission find it appropriate to consider the growth rate of 5% for future projections. The Commission, therefore, approves the energy sales at 137 MUs for FY 2024-25.

The Commission approves the energy sales at 137 MUs for GLP category for FY 2024-25.

5.4.7.3 Non- RGP & LTMD

Petitioner's submission

MGVCL submitted that for the purpose of projection of units sold a 3 years CAGR between FY 2019-20 and FY 2022-23 has been considered which is 4.94%. The company expects this trend to continue in FY 2024-25.

The number of consumers added in the category has witnessed a 3 years CAGR of 2.87% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

The connected load added in the category has witnessed a 3 years CAGR of 5.84% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Commission's Analysis

The CAGR growth during past 3 years from FY 2019-20 to FY 2022-23 is 4.94%, and MGVCL expects the same growth rate to be continued for FY 2024-25. The Commission has examined the trend of sales growth between FY 2019-20 to FY 2022-23 and finds that growth of 4.94% adopted by MGVCL as reasonable. The Commission, therefore, approves the energy sales of 2,042 MUs to the Non-RGP & LTMD category for FY 2024-25.

The Commission approves the energy sales of 2,042 MUs for Non-RGP & LTMD category for FY 2024-25.

5.4.7.4 Public Water Works

Petitioner's submission

MGVCL submitted that for the purpose of projection of units sold a 3 years CAGR for the category is coming out to be 9.75% between FY 2019-20 and FY 2022-23. The company expects this trend to continue going forward.

Similarly, the growth rate for the number of consumers in the category has been considered to be 5% as the 3 years CAGR between FY 2019-20 and FY 2022-23 is 7.25% which is much higher than expected.

Further, the connected load added has also been considered to be growing at a subjective rate of 5% going forward.

Commission's Analysis

The CAGR growth during past 3 years between FY 2019-20 to FY 2022-23 is 9.75%, and MGVCL expects the same growth rate to be continued for FY 2024-25. The Commission has examined the trend of sales growth between FY 2019-20 to FY 2022-23 and finds the growth rates considered for future projections as appropriate. The Commission, therefore, approves the energy sales for PWW category as projected by MGVCL, i.e., 500 MU.

The Commission approves the energy sales of 500 MUs for PWW category for FY 2024-25.

5.4.7.5 Agriculture

Petitioner's submission

MGVCL submitted that based on Government and internal targets, is planning to release new connections under this category but only under the metered category. For the unmetered category the company has decided not to release any new connections therefore has assumed a growth rate of 0% to project the sales, no. of consumers and connected load during the control period.

In regard to the metered category the company has planned to add new connections under this category. The year wise addition of new metered connections during the control period in the serving area of the company has been presented in the table below:

Table 5-5: New Connections to Agriculture Consumers as submitted by MGVCL

S. No.	Period	No. of Connections
1	FY 2023-24	7,000
2	FY 2024-25	9,100

In order to estimate the consumption of this category, MGVCL has gone with the same methodology as followed by the Hon'ble Commission in its previous tariff orders i.e. estimating the overall consumption assuming an average consumption, calculated based on the weighted average consumption of the metered category during the past years. MGVCL has calculated the weighted average consumption based on the data available for the last five years in order to achieve a more reasonable consumption estimate. This approach is same as adopted and approved by the Hon'ble Commission in Past Orders. Thus based on the figures arrived from above the total sales for FY 2024-25 has been calculated based on the average connected load per consumer for metered and unmetered categories combined in FY 2022-23 and the number of new connection to be added during each year.

Table 5-6: Sales to Agriculture Consumers (Metered) as submitted by MGVCL

S. No.	Agriculture Metered	No. of Connections	Average HP of DISCOM	HP Increase	MW Increase	Per HP Consumption	Additional Sale (MUs)
1	FY 2023-24	7000	8	57924	43	626	36
2	FY 2024-25	9100	8	75301	56	626	47

The number of connections, unit sales and the load as estimated above have been added to the FY 2022-23 details to arrive at an estimate of the sales projections from this category for FY 2024-25.

Commission's Analysis

In Agriculture Consumer category, there is a mix of un-metered and metered consumers. The consumption of unmetered category has been considered at the same level as in FY

2022-23, as MGVCL has mentioned that there would be no additional connections under unmetered category in future years. The Commission has considered the approach considered by MGVCL and accordingly, approves sales of 465 MUs for unmetered category.

For consumption under metered category, the Commission has examined the methodology considered by MGVCL, which is same as that adopted by the Commission in the previous Tariff Order. Therefore, the Commission has considered the sales for metered Agriculture consumer category same as submitted by MGVCL, i.e., 1,006 MUs.

The Commission approves the energy sales of 465 MUs for Agriculture- Unmetered category and 1,006 MUs for Agriculture- Metered category for FY 2024-25.

5.4.7.6 Industrial HT

Petitioner's submission

MGVCL submitted that category has observed a constant variation in sales in the last five years due to presence of open access, slowdown in the economy, etc. For the purpose of projection of units sold a 3 years CAGR between FY 2019-20 and FY 2022-23 which is 16.45% is envisaged to be higher than the normal course of growth rate. Hence a growth rate of 5% has been considered in FY 2024-25.

A 3 years CAGR of 7.58% is envisaged to be higher than the normal course of growth rate. Hence a growth rate of 5% has been considered in FY 2024-25.

Further, the connected load added has also been growing at a subjective rate of 5% going forward.

Commission's Analysis

The different CAGRs for energy sales range between is 26.22 to 9.79% for this category, which is quite varying for a trend. MGVCL envisages that a growth rate of 5% shall indicate a normal growth rate in this category and has thus adopted growth rate of 5% for projection of energy sales for FY 2024-25. The Commission finds growth rate considered by MGVCL as appropriate. The Commission, accordingly, approves sales of 6,559 MUs for Industrial HT category.

The Commission approves the energy sales of 6,559 MUs for Industrial HT category for FY 2024-25.

5.4.7.7 Electric Vehicle Charging category (LT & HT)

Petitioner's submission

MGVCL submitted that for EV Charging, the Company is estimated has been negligible. As the use of electric vehicle adoption is still to attain its maturity state within consumers, growth estimations have therefore been done on a best available information related to EV adoption rates by different market reports.

Commission's Analysis

The Commission has examined the submission of MGVCL in this regard and approves sales as projected by MGVCL, i.e., 0.26 MUs and 0 MUs for Electric Vehicle Charging (LT & HT) respectively.

Total energy sales approved by the Commission based on the above analysis is summarised for FY 2024-25 in the Table below:

Table 5-7: Projection of Sales approved by the Commission for FY 2024-25 (MUs)

S. No.	Category	FY 2024-25
	Low Tension	
1	RGP	3,044
2	GLP	137
3	Non-RGP & LTMD	2,042
4	Public Water Works	500
5	Agriculture-Unmetered	465
6	Agriculture-Metered	1,006
7	Electric Vehicle Charging	0.26

S. No.	Category	FY 2024-25
	Sub-Total	**7,194**
	High Tension	
1	Industrial HT	6,559
2	Railway Traction	-
3	Electric Vehicle Charging	-
	Sub Total	**6,559**
	Total	**13,752**

5.5 Distribution Losses

MGVCL has projected the distribution losses for FY 2024-25 as given in the Table below:

Table 5-8: Projection of Distribution Loss (%)

Particulars	FY 2024-25
Distribution Loss	8.80%

Petitioner's submission

MGVCL submitted that it is their endeavour to reduce distribution losses in the FY 2024-25 to 8.80% from its 9.00% projected losses of the FY 2023-24. MGVCL will put all efforts to bring down losses and continuous efforts will be made to reach the level of projection made. Various loss reduction activities for system strengthening like High voltage distribution system, Conversion of O/H bare conductor line to Underground cable, providing LT AB Cable in theft prone area, Feeder bifurcation, Feeder reconfiguration, Removal of PDC line, DTC review, bringing the transformers to load centre, Faulty Meter replacement planned and will be implemented in true spirit. System strengthening work under RDSS planned and that will impact on loss reduction.

Commission's Analysis

The Commission in the Tariff Order dated 31st March, 2023, had approved the distribution loss at 9.00% for FY 2023-24. Also, the Commission had approved the distribution loss at 9.00% for FY 2022-23. However, MGVCL has achieved distribution loss of 8.37% for FY

2022-23. Considering the actual distribution losses incurred during past year with respect to the approved distribution losses, and the capital investments being made regularly by MGVCL, the Commission finds it appropriate to allow distribution losses for FY 2024-25, as actual distribution loss of FY 2022-23 which is 8.37%, as shown in the table below:

Table 5-9: Approved Distribution Loss for FY 2024-25 (%)

Particulars	Approved in this Order
Distribution Loss	8.37%

5.6 Energy Balance and Energy Requirement Projection

The total energy requirement of the Distribution Company to meet the total demand of its consumers is the sum of the estimated energy sales and the system losses (transmission & distribution loss) as approved by the Commission.

Petitioner's submission

MGVCL has submitted that to arrive at the total energy requirement, the total sales in MUs as projected above have been grossed up by factoring in transmission and distribution losses. It may be noted that intra-state transmission losses are assumed as per the projection by GETCO in its ARR Petition for FY 2024-25. The inter-state transmission losses viz. PGCIL pooled losses are assumed at same level as in FY 2022-23 for FY 2024-25. Further, the distribution losses are taken as per the projections above.

DISCOM has signed PPAs under Small-scale Distributed Solar Projects (SSDSP) and power generation will be available at Distribution level over and above power purchase from GUVNL. Based on the information provided above, Energy Balance of MGVCL for FY 2024-25 is as shown below:

Table 5-10: Energy Balance for FY 2024-25 as submitted by MGVCL

S. No.	Particulars	Unit	FY 2024-25
1	Energy Sales	MUs	13,752.49
2	Distribution Losses	MUs	1,326.99

S. No.	Particulars	Unit	FY 2024-25
		%	8.8%
3	Energy Requirement	MUs	15,079.49
4	Less: Power Purchase from SSDSP	MUs	220.83
5	Power Purchase required from GUVNL	MUs	14,858.66
6	Transmission Losses	MUs	593.45
		%	3.84%
7	**Total Energy to be input to Transmission System**	**MUs**	**15,452.11**
8	Pooled Losses in PGCIL System	MUs	303.49
9	Add: Power Purchase from SSDSP	MUs	220.83
10	**Total Energy Requirement**	**MUs**	**15,976.42**

MGVCL further submitted that the power purchase is assumed to be carried out in a consolidated manner and hence, energy requirement of all four distribution companies has been aggregated to arrive at consolidated energy requirement for all the four distribution companies is as shown below:

Table 5-11: Consolidated Energy Requirement for FY 2024-25 (MUs)

S. No.	Details	DGVCL	MGVCL	PGVCL	UGVCL	Total
1	Power Purchase from SSDSP	130.88	220.83	1,009.58	600.03	1,961.33
2	Power Purchase from GUVNL	35,750	15,756	46,031	33,167	1,30,705
3	**Total Power Purchase**	**35,881**	**15,977**	**47,041**	**33,767**	**1,32,666**

Commission's Analysis

MGVCL has submitted the energy balance and the total energy requirement as discussed above. The Commission considering the projection of energy sales and approved distribution losses as discussed above, has approved the energy requirement for FY 2024-25, as shown in the Table below:

Table 5-12: Approved Energy requirement for FY 2024-25

S. No.	Particulars	Unit	FY 2024-25
1	Energy Sales	MUs	13,752.49
2	Distribution Losses	MUs	1,255.73
		%	8.37%
3	**Energy Requirement**	**MUs**	**15,008.22**

For energy balancing, the Commission has considered the intra-State Transmission Loss and the pooled loss level same as approved for FY 2022-23. The approved Energy Balance for FY 2024-25 is shown in the Table below:

Table 5-13: Approved Energy Balance for MGVCL for FY 2024-25

S. No.	Particulars	Unit	FY 2024-25
1	Energy Sales	MUs	13,752.49
2	Distribution Losses	MUs	1,255.73
		%	8.37%
3	Energy Requirement	MUs	15,008.22
4	Less: Power Purchase from SSDSP	MUs	220.83
5	Power Purchase required from GUVNL	MUs	14,787.39
6	Transmission Losses	MUs	590.61
		%	3.84%
7	**Total Energy to be input to Transmission System**	**MUs**	**15,378.00**
8	Pooled Losses in PGCIL System	MUs	302.64
9	Add: Power Purchase from SSDSP	MUs	220.83
10	**Total Energy Requirement**	**MUs**	**15,901.46**

The Commission has approved the energy balance and the total energy requirement for FY 2024-25 for other three State DISCOMs in their respective Orders. Based on the same, the approved consolidated energy requirement for all the four DISCOMs is as shown below:

Table 5-14: Approved Consolidated Energy Requirement for FY 2024-25 (MUs)

Particulars	Unit	DGVCL	MGVCL	PGVCL	UGVCL	Total
Total Energy Requirement	**MU**	**34,185.33**	**15,901.46**	**46,483.25**	**33,694.20**	**1,30,264.24**

5.7 Estimation of ARR for FY 2024-25

The components for the calculation of total expenses for determination of ARR for FY 2024-25 are as follows:

- Power Purchase Cost
- O&M Cost
- Interest on Loan and Financial Charges
- Interest on Working Capital
- Provision for Bad Debts
- Return on Equity
- Provision for Tax

5.8 Power Purchase Cost for FY 2024-25 - Petitioner's Submission

5.8.1 Power Purchase from Small-Scale Distributed Solar Projects

Petitioner's submission

MGVCL submitted that the State Government has notified the Policy for development of small scale distributed solar projects vide GR dated 6th March, 2019 to allow individuals, company or body corporate or association or body of individuals, cooperative society of individual / farmers or artificial juridical persons to set up solar plant of capacity from 0.5 MW to 4 MW for sale of energy to the DISCOMs.

Therefore, DISCOMs have signed PPAs under SSDSP and power generation will be available at Distribution level. Based on the quantum of PPAs signed, expected Commercial Date of

Operation (CoD) and Capacity Utilization Factor (CUF), power generation from SSDSP has been estimated as shown in the Table below:

Table 5-15: Power Purchase under SSDSP for FY 2024-25

S. No.	Particulars	Unit	DGVCL	MGVCL	PGVCL	UGVCL
1	MW Capacity tied-up under SSDSP	MW	-	8.98	173.49	160.30
2	Expected CUF	%	20%	20%	20%	20%
3	Expected Generation from SSDSP	MU	-	15.73	303.95	280.85
4	Other Local Purchase (22-23)	MU	130.88	216.43	498.74	331.18
5	**New SSDSP in 23-24 & 24-25**	MU	-	4.40	112.02	141.63
6	PM KUSUM -C Purchase	MU	-	-	398.83	127.22
7	Power Purchase Rate	Rs./kWh	2.83	2.83	2.83	2.83
8	New SSDSP in 23-24 & 24-25	Rs. Crore	-	1.25	31.70	40.08
9	Existing Local Purchase	Rs. Crore	36.96	51.77	146.94	101.84
10	PM KUSUM -C Purchase	Rs. Crore			119.22	38.12
11	**Power Purchase Cost**	**Rs. Crore**	**36.96**	**53.01**	**297.87**	**180.05**

5.8.2 Power Purchase Sources of GUVNL

Petitioner's submission

The various sources of power purchase by GUVNL on behalf of four Distribution Companies consists of (i) Generating Plants of GSECL, (ii) Central Sector Power Plants- NTPC, NPC and SSNNL, (iii) Renewable sources of power – Solar, Wind, Other RE Sources, (iv) IPP's, and (v) Power tied up through competitive bidding, etc. The power purchase sources have been differentiated into existing capacity and additional capacity envisaged during the Control Period.

(I) Existing capacity with GUVNL

The existing contracted capacity tied up by GUVNL as on 31st March, 2023 is 31,402 MW. Given below are the names of the existing power plants, their operational parameters, capacity allocated to GUVNL, their fixed cost along with the variable cost of generation per unit as per actual of FY 2022-23. Necessary adjustment has been made in fixed cost in case of higher/lower payment made during FY 2022-23 due to specific reasons.

Table 5-16: Existing Capacity Allocation with GUVNL

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kWh)
	GSECL					
1	GSECL Gandhinagar - 5	210	9.50%	38.97%	64	3.70
2	GSECL Wanakbori - 7	210	9.50%	31.17%	56	3.83
3	GSECL Utran Expan	375	3.00%	54.11%	221	2.84
4	GSECL Dhuvaran - 7	107	4.00%	36.07%	64	2.64
5	GSECL Dhuvaran - 8	112	3.00%	34.12%	85	2.91
6	GSECL Ukai	610	9.00%	38.96%	305	3.62
7	GSECL Ukai Expan	500	6.00%	56.83%	463	3.18
8	GSECL Gandhinagar 3-4	420	9.50%	20.08%	213	4.02
9	GSECL Wanakbori 1-6	1,260	9.00%	22.14%	548	3.90
10	GSECL Sikka Expansion	500	9.00%	43.44%	559	3.23
11	GSECL Kutch Lignite	75	12.00%	45.18%	90	2.88
12	GSECL Kutch Lignite Exp unit 4	75	12.00%	46.13%	54	2.68
13	GSECL Ukai Hydro	305	0.60%	24.94%	33	-
14	GSECL Kadana Hydro	242	1.00%	15.21%	56	-
15	GSECL Dhuvaran CCPP III	376	3.00%	29.34%	97	2.91
16	GSECL BLTPS	500	11.00%	30.00%	222	2.98
17	GSECL Wanakbori - 8	800	5.25%	85.00%	838	3.23
	Sub Total	**6,677**				
	IPP's					
1	Gujarat State Energy Generation	156	2.90%	28.89%	50	3.00
2	Gujarat State Energy Generation Expansion	351	3.00%	42.37%	205	2.79

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kWh)
3	Gujarat Industries Power Co Ltd (165 MW)	0	0.00%	1.22%	-	3.54
4	Gujarat Industries Power Co Ltd (SLPP)	250	10.00%	59.96%	107	1.85
5	Gujarat Mineral Development Corp.	250	11.00%	14.95%	33	1.44
6	Gujarat Industries Power Co Ltd (145 MW)	28	2.90%	26.97%	4	2.21
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	250	10.00%	76.70%	225	1.43
8	GPPC Pipavav	702	3.00%	44.87%	319	2.79
	Sub Total	**1,987**				
	Central Sector					
1	NPC-Tarapur 1 & 2	160	9.00%	70.00%	-	3.42
2	NPC-Tarapur 3 & 4	274	9.00%	85.00%	-	3.42
3	NPC-Kakrapar	125	8.00%	85.00%	-	2.29
4	NTPC-Vindhyachal - I	247	9.00%	85.00%	154	1.71
5	NTPC-Vindhyachal - II	252	7.05%	85.00%	138	1.61
6	NTPC-Vindhyachal - III	279	6.25%	85.00%	179	1.61
7	NTPC-Korba	380	7.04%	85.00%	199	1.64
8	NTPC-Korba -III	130	6.25%	85.00%	103	1.57
9	NTPC-Kawas	187	2.75%	1.00%	119	13.65
10	NTPC-Jhanor	237	2.75%	1.00%	180	12.33
11	NTPC-Sipat-I	577	6.25%	85.00%	508	2.09
12	NTPC-Sipat - II	286	6.25%	85.00%	197	2.36
13	NTPC-Kahlagaon I	141	9.00%	85.00%	100	3.62
14	NTPC-Vindhyachal - IV	258	6.25%	85.00%	311	1.59
15	NTPC-Mauda	470	6.25%	85.00%	599	4.22
16	NTPC-Vindhyachal - V	103	7.25%	85.00%	123	1.61
17	NTPC-Mauda II	531	6.25%	85.00%	589	4.29
18	NTPC-Solapur	24	6.25%	85.00%	29	4.93
19	NTPC-Gadarwara	333	6.25%	85.00%	484	4.27
20	NTPC-LARA	186	6.25%	85.00%	218	2.62
21	NTPC-Khargone	270	6.25%	85.00%	393	4.94
22	NTPC-Farakka - 3	60	6.25%	85.00%	62	3.70
23	NTPC-Kahalgaon II	146	6.25%	85.00%	94	3.67

Sr. No.	Name of the Station	Capacity allocated to GUVNL (MW)	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost (Rs./kWh)
24	NTPC-Farakka - 1 & 2	255	6.78%	85.00%	161	3.82
25	NTPC-Talcher	24	7.05%	85.00%	16	1.90
26	NTPC-Darlipalli	14	6.25%	85.00%	16	1.18
27	NTPC-Unchahar - 1	63	9.00%	85.00%	45	4.46
28	NTPC-Tanda - 2	44	5.75%	85.00%	45	3.85
29	NTPC-Barah - 1	164	6.25%	85.00%	507	3.17
30	NTPC-Dadri - 1	577	8.50%	85.00%	383	4.92
31	Sardar Sarovar Narmada Nigam Ltd	232	0.70%	37.27%	-	2.05
32	Nabinagar Power Generating Co Ltd	50	6.25%	85.00%	77	2.68
33	NPCIL-KAPS 3	238	8.00%	85.00%	-	4.40
34	NPCIL-KAPS 4	238	8.00%	85.00%	-	4.40
	Sub Total	7,556				
	Others					
1	Captive Power	6	0.00%	1.43%	-	2.22
	Renewable					
1	Wind Farms	4,280	0.00%	20.99%	-	3.52
2	Solar	3,981	0.00%	22.50%	-	3.20
3	Small/Mini Hydel	22	0.00%	53.36%	-	3.97
4	Biomass	30	0.00%	0.00%	-	-
5	Waste to Energy	8	0.00%	96.10%	-	6.31
6	HPO	-	0.00%	0.00%	-	-
	Competitive Bidding					
1	Essar Power Gujarat Ltd	1,122	0.00%	80.00%	525	4.31
2	Adani Power Ltd Bid 1	1,200	0.00%	80.00%	661	4.45
3	Adani Power Ltd Bid 2	1,234	0.00%	80.00%	725	4.20
4	ACB India Ltd	200	0.00%	80.00%	109	0.70
5	Coastal Gujarat Power Co Ltd	1,805	0.00%	80.00%	1,145	4.04
6	MTOA	1,000	0.00%	0.00%	-	-
7	DB Power	293	0.00%	90.00%	647	1.54
	Sub Total	15,182				
	Total	**31,402**				

(II) Capacity Addition

The capacity addition envisaged during FY 2024-25 is around 769 MW. The operational parameters, annual fixed cost and variable cost per unit for these plants is given below. The Annual Fixed Cost and the availability from the envisaged capacity during FY 2024-25 have been considered for full year as capacity will be available for 12 months of FY 2024-25 for NPCIL – KAPS 3 and DB Power. The Annual Fixed Cost and the availability from NPCIL – KAPS 4 during FY 2024-25 has been considered for 9 months.

Table 5-17: Additional Capacity envisaged for FY 2024-25

S. No.	Name of the Station	Capacity allocated to	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost
1	NPCIL - KAPS 4	238	8.00%	85.00%	-	4.40
2	NPCIL - KAPS 3	238	8.00%	85.00%	-	4.40
3	DB Power	293	0.00%	90.00%	646.80	1.54

(III) Renewable Purchase Obligation (RPO)

In accordance with GERC (Procurement of Energy from Renewable Sources) Regulations, 2010 and its First and Second Amendments in 2014, 2018 and 2022 respectively, the Discoms are obligated to procure electricity (in kWh) from renewable energy sources, at a defined minimum percentage of the total consumption of its consumers including T&D losses during a year. The percentage of procurement is defined from FY 2017-18 to FY 2024-25. For FY 2024-25, RPO was 11.25% from solar, 8.55% from wind, 0.10% from Hydro and 0.80% from other sources like Biomass, Bagasse, MSW, Small/ mini-Hydel etc.

While the Commission has defined the RPO targets for FY 2017-18 to FY 2024- 25 through the Third Amendment to the RPO Regulations, GUVNL/Discoms proposes to purchase renewable power up to the tied up RE capacity only for each of the respective years as per the PPA price. Hence, GUVNL/ Discom has considered RE purchase based on actual tied up capacity only.

Purchase from RE sources for FY 2024-25 based on actual tied up capacity is detailed in the Table below:

Table 5-18: Additional RE Capacity envisaged for FY 2024-25

Particular	Solar	Wind	Others	HPO	Total
Additional Power Purchase (MW)	5,555	560	60	101	**6,276**
Additional Power Purchase (MUs)	9,366	549	340	260	**10,516**
Power Purchase Cost (Rs./kWh)	2.37	2.90	6.31	5	**2.59**
Power Purchase Cost (Rs. Crore)	2,215	159	214	130	**2,719**

Based on the purchase from various RE sources for FY 2024-25, status of meeting RPO is as under:

Table 5-19: Procurement from RE for meeting projected RPO for FY 2024-25

Particulars	Solar	Wind	Others	HPO	Total
Total Power Purchase (MUs)			**1,30,705.00**		
RPO Target	11.25%	8.55%	0.80%	0.10%	20.70%
RPO Target	14,704.00	11,175.00	1,046.00	131.00	27,056.00
RE Purchase					
RE Purchase capacity (MUs)	7,847.60	7,868.86	164.10	-	15,880.56
New Capacity-Power Purchase (MUs)	9,366.29	549.18	339.93	260.25	10,515.66
RE Purchase under SSDSP (MUs)/ DISCOM local power purchase	1,757.26	180.72	23.49	-	1,961.48
Total RE Purchase (MUs)	**18,971.15**	**8,598.77**	**527.53**	**260.25**	**28,357.70**

Further, MGVCL submitted that balance of RPO will be met through wheeling by consumers for captive/third party consumption who are not claiming RE attributes and consumption of rooftop consumers as per the Regulations/Orders of the Commission.

5.8.3 Methodology for Forecasting Power Purchase Cost of GUVNL

Petitioner's submission

MGVCL submitted that In order to optimise the power purchase cost, comprehensive Merit Order Dispatch (MOD) has been worked out to determine the dispatch required from tied up generating capacities. The dispatch from individual generating stations is worked out based on the merit order of the variable cost of each generating unit as follows:

- The NPC power plants, renewable and hydro plants have been considered as must run power plants.
- During merit order despatch, at least 7% availability of each plant has been considered to take care of the peak loads and peak season requirements.
- Availability of Thermal Stations has been considered at 85% / 80% as defined in Regulations (CERC/GERC) and performance in previous years.
- The Fixed Cost (FC) and Variable Cost (VC) for existing GSECL, IPP, renewable and central sector plants have been taken as per actuals of FY 2022-23 for arriving at base power purchase cost.
- For Private IPPs, FC and VC is considered based on likely cost as per PPAs.

5.8.4 Power Purchase Costs

Petitioner's submission

The plant-wise dispatchable energy and costs of purchase by GUVNL from various plants of GSECL, Central Generating Stations, IPPs and other sources consists of fixed and variable cost. The dispatched MUs based on merit order stacking consists of power for supplying to the Discoms as well as for the purpose of trading.

Table 5-20: Projected Power Purchase Cost for FY 2024-25

S. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. /kWh)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)
	GSECL						
1	GSECL Gandhinagar – 5	1,165	1,165	141	4.25	495	636
2	GSECL Wanakbori – 7	1,165	647	76	4.43	286	363

S. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. /kWh)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)
3	GSECL Utran Expan	32	32	204	10.37	33	237
4	GSECL Dhuvaran – 7	9	9	71	9.02	8	79
5	GSECL Dhuvaran – 8	10	10	91	6.46	6	97
6	GSECL Ukai	2,431	2,431	327	4.31	1,048	1,375
7	GSECL Ukai Expan	2,676	2,676	319	3.81	1,019	1,338
8	GSECL Gandhinagar 3-4	1,841	1,841	276	4.35	802	1,078
9	GSECL Wanakbori 1-6	4,821	703	529	4.49	316	845
10	GSECL Sikka Expansion	878	279	601	8.60	240	840
11	GSECL Kutch Lignite	434	434	143	3.95	171	314
12	GSECL Kutch Lignite Exp unit 4	116	116	47	3.67	42	90
13	GSECL Ukai Hydro	978	978	33	-	-	33
14	GSECL Kadana Hydro	349	349	64	-	-	64
15	GSECL Dhuvaran CCPP III	32	32	219	11.18	36	254
16	GSECL BLTPS	1,171	1,171	493	3.53	413	906
17	GSECL Wanakbori – 8	4,316	4,316	843	3.84	1,659	2,502
	Sub Total	**22,424**	**17,189**	**4,476**		**6,575**	**11,050**
	IPP's						
1	Gujarat State Energy Generation	13	13	9	13.68	18	27
2	Gujarat State Energy Generation Expansion	30	30	129	12.34	37	166
3	Gujarat Industries Power Co Ltd (165 MW)	-	-	-	12.54	-	-
4	Gujarat Industries Power Co Ltd (SLPP)	1,281	1,281	131	2.99	383	514
5	Gujarat Mineral Development Corp.	585	585	44	2.16	126	170
6	Gujarat Industries Power Co Ltd (145 MW)	2	2	-	-	-	-
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	1,478	1,478	207	2.87	425	631
8	GPPC Pipavav	60	60	285	11.87	71	356
9	Adani Power Ltd Bid 1	8,410	736	661	4.45	327	988
10	Adani Power Ltd Bid 2	8,648	8,648	725	4.20	3,632	4,357
11	Essar Power Gujarat Ltd	7,863	7,863	525	4.31	3,389	3,914

S. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. /kWh)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)
12	ACB India Ltd	1,402	1,402	109	0.70	98	207
13	Coastal Gujarat Power Co Ltd	12,649	12,649	1,145	4.04	5,110	6,255
14	Power Exchange	6,500	6,500	-	6.01	3,907	3,907
15	Short term power purchase	1,500	1,500	-	7.21	1,082	1,082
16	DB Power	2,310	2,310	647	1.54	356	1,003
	Sub Total	**52,731**	**45,057**	**4,617**		**18,960**	**23,577**
	Central Sector						
1	NPC-Tarapur 1 & 2	893	893	-	3.42	305	305
2	NPC-Tarapur 3 & 4	1,857	1,857	-	3.42	635	635
3	NPC-Kakrapar	856	856	-	2.29	196	196
4	NTPC-Vindhyachal – I	1,676	1,676	154	1.71	287	440
5	NTPC-Vindhyachal – II	1,746	1,746	138	1.61	281	419
6	NTPC-Vindhyachal – III	1,950	1,950	179	1.61	314	492
7	NTPC-Korba	2,630	2,630	199	1.64	432	631
8	NTPC-Korba -III	909	909	103	1.57	143	246
9	NTPC-Kawas	16	16	119	13.65	22	141
10	NTPC-Jhanor	20	20	180	12.33	25	204
11	NTPC-Sipat-I	4,024	4,024	508	2.09	843	1,351
12	NTPC-Sipat – II	1,994	1,994	197	2.36	471	668
13	NTPC-Kahlagaon I	956	956	100	3.62	346	446
14	NTPC-Vindhyachal – IV	1,803	1,803	311	1.59	287	597
15	NTPC-Mauda	3,283	3,283	559	4.22	1,386	1,944
16	NTPC-Vindhyachal – V	709	709	123	1.61	114	237
17	NTPC-Mauda II	3,703	3,703	589	4.29	1,589	2,177
18	NTPC-Solapur	170	14	29	4.93	7	36
19	NTPC-Gadarwara	2,328	2,328	484	4.27	994	1,478
20	NTPC-LARA	1,300	1,300	218	2.62	341	558
21	NTPC-Khargone	1,884	155	393	4.94	77	469
22	NTPC-Farakka – 3	417	417	62	3.70	154	217
23	NTPC-Kahalgaon II	1,019	1,019	94	3.67	374	468
24	NTPC-Farakka - 1 & 2	1,770	1,770	161	3.82	676	837
25	NTPC-Talcher	166	166	16	1.90	32	47
26	NTPC-Darlipalli	98	98	16	1.18	12	28

S. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Cost (Rs. Crore)	Variable Cost (Rs. /kWh)	Variable Cost (Rs. Crore)	Total Cost (Rs. Crore)
27	NTPC-Unchahar – 1	427	35	45	4.46	16	60
28	NTPC-Tanda – 2	309	309	45	3.85	119	164
29	NTPC-Barah – 1	1,144	1,144	507	3.17	363	870
30	NTPC-Dadri – 1	3,931	324	383	4.92	159	542
31	Sardar Sarovar Narmada Nigam Ltd	752	752	-	2.05	154	154
32	Nabinagar Power Generating Co Ltd	352	352	77	2.68	94	171
33	NPCIL - KAPS 4	1,223	1,223	-	4.40	538	538
34	NPCIL - KAPS 3	1,630	1,630	-	4.40	717	717
	Sub Total	**47,945**	**42,061**	**5,986**		**12,500**	**18,486**
	Others						
1	Captive Power	1	1	-	2.22	0	0
	Renewable						
1	Wind Farms	7,869	7,869	-	3.52	2,772	2,772
2	Solar	7,848	7,848	-	3.20	2,511	2,511
3	Small/Mini Hydal	101	101	-	3.97	40	40
4	Biomass	-	-	-	-	-	-
5	Waste to Energy	63	63	-	6.31	40	40
6	HPO	-	-	-	-	-	-
7	Solar (New)	9,366	9,366	-	2.37	2,215	2,215
8	Wind (New)	549	549	-	2.90	159	159
9	Others (New)	340	340	-	6.31	214	214
10	HPO (New)	260	260	-	5.00	130	130
11	Solar (Exchange)	-	-	-	-	-	-
12	Wind (Exchange)	-	-	-	5.70	-	-
13	Others (Exchange)	-	-	-	-	-	-
14	HPO (Exchange)	-	-	-	-	-	-
	Sub Total	**26,397**	**26,397**	**-**		**8,082**	**8,082**
	TOTAL	**1,49,497**	**1,30,705**	**15,078**		**46,118**	**61,196**

5.8.5 Transmission and other Cost

Petitioner's submission

MGVCL has submitted that the total power purchase cost for FY 2024-25 also consists of Transmission Charges, GUVNL charges and SLDC Fees and Charges in addition to the above-mentioned fixed cost and variable charges. The details of such charges are as under:

A. Transmission Charges

- The transmission charges of GETCO have been considered as per the Draft Tariff petition of GETCO for FY 2024-25.
- PGCIL charges for FY 2024-25 are considered based on actual payment made in first six months of FY 2023-24.
- SLDC Fees and Charges have also been considered as per the Draft Tariff petition of SLDC for FY 2024-25.

Based on the transmission costs of PGCIL, GETCO and SLDC, the total transmission costs to be included in the overall Power Purchase Costs of all DISCOMs, is shown in the Table below:

Table 5-21: Projected Transmission Charges for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	PGCIL Charges	3,276
2	Annual Transmission Charges of GETCO	5,830
3	SLDC Charges	48

B. GUVNL Cost

MGVCL has submitted that GUVNL is entrusted with the function of Bulk Power Purchase on behalf of four Distribution Companies and Bulk Supply to Distribution Companies for onwards retail supply to consumers, trading of surplus power on behalf of Distribution Companies and activities related to overall coordination between its subsidiary companies.

GUVNL is procuring power on behalf of all Discoms to have an economical and optimised power purchase cost. It also undertakes the function of raising and managing the overall loan portfolio of GUVNL and its subsidiaries. GUVNL is charging Rs. 0.04 for every unit transacted. The total cost has been arrived upon after considering the total dispatchable units required to be served to all the four Discoms during FY 2024-25.

Table 5-22: GUVNL Cost for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	GUVNL Cost at 4.00 Paisa per Unit	523

5.8.6 Total Power Purchase Cost

Petitioner's submission

Fixed Cost

The Table below shows the total fixed cost projected for FY 2024-25:

Table 5-23: Projected Fixed Cost for DISCOMs for FY 2024-25 (Rs. Crore)

Fixed cost	GETCO Cost	PGCIL Charges	SLDC Charges	Total Fixed Cost	DISCOM Fixed Cost
15,078	5,830	3,276	48	24,231	24,231

Variable Cost

The Table below shows the total variable cost projected for FY 2024-25:

Table 5-24: Projected Variable Cost for DISCOMs for FY 2024-25

Variable cost	GUVNL Cost	Total variable Cost	Despatched (MUs)	Variable Cost per Unit (Rs./kWh)	DISCOM (MUs)	Variable Cost
46,118	523	46,641	1,30,705	3.57	1,30,705	46,641

5.8.7 Net Power Purchase Cost

Petitioner's submission

The net power purchase cost is shown below:

Table 5-25: Projected Net Power Purchase Cost for FY 2024-25 (Rs. Crore)

DISCOMs Fixed cost	DISCOMs Variable Cost	Total Power purchase cost
24,231	46,641	70,872

5.8.8 Bulk Supply Tariff (BST)

Petitioner's submission

The objective of the differentiation of the BST between Discoms is due to the fact that the revenues from tariff for each Discom are different due to different consumer mix and therefore, it is necessary to build a mechanism in the projections to bring them to a level playing field. The basic objective of Bulk Supply Tariff is that:

- GUVNL shall purchase power from various sources in bulk and supply power to DISCOMs for onward retail supply.
- To ensure uniform retail consumer Tariffs in the four DISCOMs.
- Since each of the DISCOM was incorporated on the basis of earlier zonal system, the consumer mix and consumption mix are different for each DISCOM. Consequently, the revenue earning capability of each DISCOM is different.
- It is necessary to build a mechanism to bring them to a level playing field in their paying capacity for power purchase and it is proposed to be achieved by different BST to each of the DISCOMs.

By undertaking the BST method, it would be possible to ensure uniform retail consumer Tariffs in the four DISCOMs.

MGVCL submitted that when the erstwhile GEB was unbundled into seven entities, it was decided by the State Government that GUVNL shall purchase the entire power requirement from GSECL, Central Generating Companies, Traders, MPPs, IPPs and any other source available to meet the demand of the DISCOMs and shall perform the activity of bulk supplier of power to all the four Distribution Companies at Bulk supply Tariff. In accordance with this arrangement related to power procurement, the Distribution Licensee has entered into bulk supply arrangement / agreement with GUVNL to meet its supply obligations.

The State Government has envisaged uniform retail supply tariff in the four Discoms (of the unbundled GEB), so that the consumers belonging to the similar categories within the State could have a similar tariff and there may not be any discrimination between the consumers which is also the objective of the Electricity Act 2003.

It is submitted that since more than 80% of the total cost incurred by DISCOM is towards Power Purchase, the same plays a major role in determining the Annual Revenue Requirement as well as Revenue (Gap) / Surplus for the DISCOM for a particular year. Since, the consumer profile and consumption profiles are different in the four Distribution Companies, the revenue earning capabilities of each of the DISCOM differs resulting in different Annual Revenue Requirement. Therefore, 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 differential Bulk Supply tariff (BST) to each of the DISCOMs which was already adopted by the Hon'ble Commission in the previous Tariff Orders. In this way, it would be possible to ensure uniform retail consumer tariffs in the four DISCOMs.

5.8.9 Allocation of Power Purchase Cost under BST mechanism

Petitioner's submission

The Net Power Purchase cost worked out in the above section has been allocated for FY 2024-25 based on the methodology adopted by the Hon'ble Commission in the MYT Order dated 31st March, 2017. As per this methodology, the amount available to Discom for power purchase is computed by deducting other expenses (other than power purchase expenses) from total revenue of Discom i.e. revenue from sale of power to consumers, non-tariff income, Agricultural subsidy and FPPPA.

Table 5-26: Allocation of Power Purchase Cost (Rs. Crore) for FY 2024-25

S. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
1	Sales (MUs)	31,791	13,752	37,112	29,585
2	Revenue from Existing Tariff	15,693	6,408	15,536	10,664
3	Revenue from FPPPA @ Rs. 2.84/ unit	9,029	3,906	10,540	8,402

S. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
4	Other Income (Consumer Related)	189	98	279	192
5	Agricultural Subsidy	51	72	436	541
6	**Total**	**24,963**	**10,484**	**26,791**	**19,799**
7	Expense other than Power Purchase	4,074	2,047	5,519	2,674
8	Power Purchase Cost of SSDSP	37	53	298	180
9	**Amount Available with DISCOM for Power purchase from GUVNL**	**20,852**	**8,384**	**20,975**	**16,945**

Table 5-27: Total Revenue (Gap)/ Surplus (Rs. Crore) for FY 2024-25

Sr. No.	Particulars	2024-25
1	Power Purchase Cost of GUVNL	70,872
2	Aggregate Amount available for power purchase from GUVNL	67,155
3	**Revenue (Gap)/Surplus**	**(3,717)**

Table 5-28: Bulk Supply Tariff for FY 2024-25 (Rs. Crore)

S. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
1	**Revenue (Gap)/Surplus**	**(3,717)**			
2	Ratio of allocation of Revenue (Gap)/Surplus	27%	12%	35%	25%
3	Revenue (Gap)/ Surplus allocation	(1,017)	(448)	(1,309)	(943)
4	Amount Available with DISCOM for Power purchase from GUVNL	20,852	8,384	20,975	16,945
5	Power purchase cost of GUVNL	21,868	8,832	22,283	17,888
6	Power purchase cost of SSDSP	37	53	298	180
7	Power purchase cost of DISCOM	21,905	8,885	22,581	18,068
8	Energy Purchase in DISCOM (MUs)	35,881	15,977	47,041	33,767
9	**Bulk Supply Tariff (Rs. / kWh)**	**6.10**	**5.56**	**4.80**	**5.35**

5.9 Power Purchase Cost for FY 2024-25- Commission's Analysis

5.9.1 Power Purchase from SSDSP

MGVCL submitted that it has considered notification of the State Government for development of SSDSP. Therefore, DISOCMs have signed PPAs under SSDSP and power generation will be available at Distribution level. MGVCL has worked out power generation from SSDSP based on the quantum of PPA signed, expected CoD and CUF. The Commission has gone through the submission of MGVCL regarding power purchased from SSDSP and finds it prudent to allow the same. Accordingly, the Commission has approved the power purchase from SSDSP as projected by MGVCL, which is shown in the Table below:

Table 5-29: Approved Power Purchase under SSDSP for FY 2024-25

S. No.	Particulars	Unit	DGVCL	MGVCL	PGVCL	UGVCL
1	MW Capacity tied-up under SSDSP	MW	-	8.98	173.49	160.30
2	Expected CUF	%	20%	20%	20%	20%
3	Expected Generation from SSDSP	MU	-	15.73	303.95	280.85
4	Other Local Purchase (22-23)	MU	130.88	216.43	498.74	331.18
5	**New SSDSP in 23-24 & 24-25**	MU	-	4.40	112.02	141.63
6	PM KUSUM -C Purchase	MU	-	-	398.83	127.22
7	Power Purchase Rate	Rs./kWh	2.83	2.83	2.83	2.83
8	New SSDSP in 23-24 & 24-25	Rs. Crore	-	1.25	31.70	40.08
9	Existing Local Purchase	Rs. Crore	36.96	51.77	146.94	101.84
10	PM KUSUM -C Purchase	Rs. Crore			119.22	38.12
11	**Power Purchase Cost**	**Rs. Crore**	**36.96**	**53.01**	**297.87**	**180.05**

5.9.2 Power Purchase Sources

As mentioned earlier, MGVCL has submitted that GUVNL has entered into contracts for the existing capacity with GSECL, Central Generating Companies, IPPs, Renewable energy sources - Hydro, Solar, Wind, Other RE Sources, IPPs and Power tied up through competitive bidding, etc. The details of the existing plants are given in Table 5-16. GUVNL has also entered into contracts for additional capacity likely to be commissioned in FY 2024-25. The details of additional plants likely to be commissioned in FY 2024-25 are given in Table 5-17.

The capacity projected by the petitioner from each of the sources are summarised in the Table below:

Table 5-30: Capacity Contracted Source-Wise by GUVNL for FY 2024-25 as submitted by MGVCL (MW)

S. No	Particulars	FY 2024-25
1	GSECL	6,677
2	IPPs	1,987
3	Central Generating Stations	7,555
4	Renewable	8,321
5	Competitive Bidding & PX	6,854
6	Other- CPP	8
	Total	**31,402**

Capacity Addition

The capacity addition envisaged during FY 2024-25 is around 769 MW. The operational parameters, annual fixed cost and variable cost per unit for these plants is given below. The Annual Fixed Cost and the availability from the envisaged capacity during FY 2024-25 have been considered for full year as capacity will be available for 12 months of FY 2024-25 for NPCIL – KAPS 3 and DB Power. The Annual Fixed Cost and the availability from NPCIL – KAPS 4 during FY 2024-25 has been considered for 9 months.

Table 5-31: Additional Capacity envisaged for FY 2024-25

S. No.	Name of the Station	Capacity allocated to	Auxiliary Consumption (%)	Plant Load Factor (%)	Fixed Cost (Rs. Crore)	Variable Cost
1	NPCIL - KAPS 4	238	8.00%	85.00%	-	4.40
2	NPCIL - KAPS 3	238	8.00%	85.00%	-	4.40
3	DB Power	293	0.00%	90.00%	646.80	1.54

Renewable Purchase Obligation (RPO)

The petitioner has submitted the details for RPO compliance for FY 2024-25 as discussed in earlier in Section 5.8.2 (III). The Commission has approved the total energy requirement of 1,30,264.24 MUs for all the four DISCOMs for FY 2024-25 based on the energy balance and energy requirement approved for the respective DISCOMs.

As the RPO targets for FY 2024-25 are already being specified by the Commission in its third amendment of RPO Obligation. Also, while computing the RE capacity for FY 2024-25, the petitioner has considered existing tied up sources along with new RE plants expected to be commissioned in FY 2024-25. The list of new plants expected to be operational in FY 2024-25 are shown in the Table below:

Table 5-32: New MSW Plants coming up in FY 2024-25

S. No.	Name of the Station	Capacity	Variable Cost (Rs./kWh)	Generation (MUs)	Variable Cost (Rs. Crore)
1	Goodwatts WTE Ltd.	14.90	6.31	84.84	53.53
2	JITF Urban Waste Mgmt Ahmedabad Pvt. Ltd.	15.00	6.31	85.41	53.89
3	Goodwatts WTE Rajkot Pvt. Ltd.	14.90	6.31	84.84	53.53
4	Goodwatts WTE Vadodara Pvt. Ltd.	14.90	6.31	84.84	53.53

Table 5-33: New Solar Plants coming up in FY 2024-25

S No.	Name of the Station	Rated Capacity allocated to GUVNL (MW)	Variable Cost (Rs./kWh)	Generation (MUs)	Variable Cost (Rs. Crore)
1	Gujarat State Electricity Corporation Ltd	100	2.65	219.00	58.04
2	TP Saurya Ltd.	25	2.20	61.87	13.61
3	Vena Energy Clean Power Pvt Ltd	40	2.61	105.12	27.44
4	Torrent Solar Power Pvt Ltd.	100	1.99	241.60	48.08
5	NTPC Renewable Energy Ltd.	200	1.99	485.13	96.54
6	AEW India West One Pvt Ltd.	80	1.99	199.73	39.75
7	NTPC Renewable Energy Ltd.	150	2.20	366.74	80.68
8	SJVN Ltd.	70	2.21	176.60	39.03
9	TP Saurya Ltd.	10	2.20	24.75	5.44

S No.	Name of the Station	Rated Capacity allocated to GUVNL (MW)	Variable Cost (Rs./kWh)	Generation (MUs)	Variable Cost (Rs. Crore)
10	Coal India Ltd.	100	2.20	245.28	53.96
11	SJVN Limited	100	2.64	252.29	66.60
12	SJVN Limited	100	2.29	245.28	56.17
13	SolarXL Alpha Energy Private Limited	200	2.29	451.32	103.35
14	Amsa Solar Energy Private Limited	80	2.29	189.22	43.33
15	HR Sabarmati Private Limited	120	2.29	283.82	65.00
16	ABReL SPV2 Limited	500	2.30	1314.00	302.22
17	HR Sabarmati Private Limited	240	2.30	567.65	130.56
18	SJVN Limited	260	2.30	655.95	151.07
19	Solarcraft Power India 2 Private Limited	120	2.49	237.53	59.15
20	Enren Energy Private Limited	400	2.49	891.69	222.03
21	Sprng Green Power Private Limited	300	2.51	299.38	75.14
22	Annecy Solar private Limited	200	2.52	199.58	50.23
23	HR Sabarmati Private Limited	240	2.52	266.11	66.93
24	Solarcraft Power India 9 Pvt Ltd	120	2.51	125.52	31.56
25	ReNew Solar (Shakti Three) Private Limited	300	2.71	104.83	28.41
26	ReNew Samir Shakti Private Limited	100	2.71	34.94	9.47
27	Solarcraft Power India 21 Pvt Ltd	120	2.73	44.87	12.23
28	Mahindra Susten Private Limited	200	2.73	64.87	17.68
29	Avaada Sunrise Energy Private Limited	140	2.71	47.17	12.78
30	Avaada Sunrise Energy Private Limited	140	2.75	47.17	12.97
31	SECI	700	2.57	917.28	235.74

Table 5-34: New Wind Power Plants coming up in FY 2024-25

S No.	Name of the Station	Rated Capacity allocated to GUVNL (MW)	Variable Cost (Rs./kWh)	Generation (MUs)	Variable Cost (Rs. Crore)
1	Rajpur Renewables	30	2.90	22.97	6.66
2	Juniper Green Energy	70	2.90	67.50	19.57
3	Solar craft Power India 3	200	2.90	198.82	57.66
4	TEQ Green Power XII	70	2.90	65.16	18.90
5	Project Twelve Renewable	140	2.90	144.13	41.80
6	ACME Pokhran Solar	50	2.90	50.61	14.68

Table 5-35: New Hydro Power Plants coming up in FY 2024-25

S No.	Name of the Station	Rated Capacity allocated to GUVNL (MW)	Variable Cost (Rs./kWh)	Generation (MUs)	Variable Cost (Rs. Crore)
1	NHPC Subhansiri	60.75	5.00	223.51	111.76
2	NHPC Subhansiri	40.50	5.00	36.74	18.37
3	NHPC Subhansiri	60.75	5.00	0	-

The list of plants mentioned in the Table above are expected to be completed and operational by March 2024 and February 2025. Therefore, the Commission has considered generation from these plants for RPO compliance of FY 2024-25. Thus, the Commission has considered exiting tied up sources and capacity of new plants expected to be operational during FY 2024-25.

Further, the DISCOMs have projected to procure power from SSDP & local purchase to meet RPO as given in the table below:

Table 5-36: Projections for SSDSP & KUSUM for meeting projected RPO for FY 2024-25 (MU)

Details	Unit	DGVCL	MGVCL	PGVCL	UGVCL	TOTAL
MW Capacity tied-up under SSDSP	MW	-	8.98	173.49	160.30	342.77
Commissioned	YY					
Expected CUF	%	0.20	0.20	0.20	0.20	
Expected Generation from SSDSP	Mus	-	15.73	303.95	280.85	600.53
Power Purchase Rate	Rs./kWh	2.83	2.83	2.83	2.83	
Power Purchase Cost	Rs. Crore	-	4.45	86.02	79.48	169.95
Other Local Purchase (22-23)	Mus	130.88	216.43	498.74	331.18	1,177.23
Total Local Purchase	**Mus**	**130.88**	**220.88**	**584.76**	**410.66**	**1,347.18**
New SSDSP in 23-24 & 24-25	Mus	-	4.40	112.02	141.63	258.05
Existing Local Purchase	Mus	130.88	216.43	498.74	331.18	1,177.23
PM KUSUM -C Purchase	Mus	-	-	398.83	127.22	526.05
Total Local Purchase	Mus	130.88	220.83	1,009.58	600.03	1,961.33
New SSDSP in 23-24 & 24-25	Rs. Crore	-	1.25	31.70	40.08	73.03
Existing Local Purchase	Rs. Crore	36.96	51.77	146.94	101.84	337.51

Details	Unit	DGVCL	MGVCL	PGVCL	UGVCL	TOTAL
PM KUSUM -C Purchase	Rs. Crore			119.22	38.12	157.35
Total Local Purchase	**Rs. Crore**	**36.96**	**53.01**	**297.87**	**180.05**	**567.88**

Accordingly, the Commission has approved the procurement of RE power for meeting RPO target for FY 2024-25, as detailed in the Table below:

Table 5-37: Procurement from RE for meeting projected RPO for FY 2024-25 (MU)

Particulars	Wind	Solar	HPO	Others	Total
Total Power Purchase (A)			130,264.24		
RPO Target (%) (B)	8.55%	11.25%	0.10%	0.80%	20.70%
RPO Target (C)	11,137.59	14,654.73	130.26	1,042.11	26,964.70
RE Purchase (D)	8,418.05	19,175.22	260.25	504.03	28,357.55
Unmet RPO (C-D)	2,719.55	(4,520.49)	(129.99)	538.08	(1,392.85)

Further, as per GERC (Procurement of Energy from Renewable Sources) (Third Amendment) Regulations, 2022 Para 4 (d) i.e.

"If the above-mentioned minimum quantum of power purchase either from Solar or Wind or Large Hydro Power Plant of capacity above 25 MW and commissioned after 8th March, 2019 as per MoP, Government of India Notification No. F. No. 15/2/2016-H-I (Pt.) dated 08.03.019 or Others (including Biomass, Bagasse & Bio-fuel based cogeneration, MSW and Small/Mini/Micro Hydro) is not available in a particular year, then in such cases, additional renewable energy available either from Solar or Wind or Large Hydro Power Plant of capacity above 25 MW and commissioned after 8th March, 2019 as per MoP, Government of India Notification No. F. No. 15/2/2016-H-I (Pt.) dated 08.03.2019 or Others shall be utilised for fulfilment of RPO."

However, it is observed that overall RPO target is proposed to be met by the Petitioner as provided in the table above. It is also submitted that the balance RPO shall be met through wheeling by consumers for captive/ third party consumption who won't claim RE attributes and consumption of Roof Top consumers as per the relevant Regulations/ Orders of the Commission.

5.9.3 Merit Order despatch and Total Energy requirement including tradable energy

As discussed in Para 5.8.3, in order to optimize the Power Purchase Cost, GUVNL has worked out a comprehensive merit order despatch (MOD).

The quantum of power dispatchable (to be purchased) is arrived at based on the energy available from various sources less energy requirement by the four DISCOMs and energy that could be traded by GUVNL, as given in the Table below:

Table 5-38: Energy requirement and Energy dispatchable as projected by the DISCOMs (MUs)

S. No	DISCOM	FY 2024-25
1	DGVCL	35,882.58
2	MGVCL	15,976.42
3	PGVCL	47,041.14
4	UGVCL	33,766.10
5	Total requirement at four DISCOMs	1,32,666.24
6	Tradable energy projected by GUVNL	149,497.00
7	**Total Despatch units**	**130,705.00**

Though the availability is in the order of 1,49,497 MUs during FY 2024-25., DISCOMs have limited the despatch to 1,30,705 MUs as above to meet the total requirement of the four DISCOMs. The projected dispatchable energy is about 88.74% of the projected available energy during FY 2024-25.

The Commission in the analysis of energy sales projected by DISCOMs has approved energy sales and energy requirement of each DISCOM.

The energy requirement projected, and energy requirement approved for each DISCOM by the Commission are summarised below:

Table 5-39: Energy requirement and Energy dispatchable as projected by the DISCOMs and as approved by the Commission (MUs)

S. No	DISCOM	Energy Requirement for FY 2024-25	
		Projected	Approved
1	DGVCL	35,882.58	34,185.33
2	MGVCL	15,976.42	15,901.46
3	PGVCL	47,041.14	46,483.25
4	UGVCL	33,766.10	33,694.20
5	Total requirement at four DISCOMs	1,32,666.24	1,30,264.24
6	**Total Despatch units**	**1,30,705.00**	**1,28,302.92**

5.9.4 Power Purchase during FY 2024-25

The power purchase for FY 2024-25 is based on the energy requirement of MGVCL / four DISCOMs approved by the Commission.

The source-wise power available and dispatchable units based on the merit order despatch projected for FY 2024-25 are given in the Table below:

Table 5-40: Energy Available & Dispatchable approved by the Commission for FY 2024-25

Sr. No.	Name of the Station	Available (MU)	Dispatch (MU)
	GSECL		
1	GSECL Gandhinagar – 5	1165.39	1165.39
2	GSECL Wanakbori – 7	1165.39	116.54
3	GSECL Utran Expan	31.86	31.86
4	GSECL Dhuvaran – 7	9.00	9.00
5	GSECL Dhuvaran – 8	9.52	9.52
6	GSECL Ukai	2431.34	2167.66
7	GSECL Ukai Expan	2676.18	2676.18
8	GSECL Gandhinagar 3-4	1841.44	234.37
9	GSECL Wanakbori 1-6	4821.22	703.10
10	GSECL Sikka Expansion	878.23	279.01
11	GSECL Kutch Lignite	433.62	433.62
12	GSECL Kutch Lignite Exp unit 4	115.63	115.63
13	GSECL Ukai Hydro	977.78	977.78
14	GSECL Kadana Hydro	348.87	348.87
15	GSECL Dhuvaran CCPP III	31.95	31.95
16	GSECL BLTPS	1170.73	1170.73
17	GSECL Wanakbori – 8	4316.05	4316.05

Sr. No.	Name of the Station	Available (MU)	Dispatch (MU)
	IPP's		
1	Gujarat State Energy Generation	13.27	13.27
2	Gujarat State Energy Generation Expansion	29.83	29.83
3	Gujarat Industries Power Co Ltd (165 MW)	0.00	0.00
4	Gujarat Industries Power Co Ltd (SLPP)	1281.15	1281.15
5	Gujarat Mineral Development Corp.	584.73	584.73
6	Gujarat Industries Power Co Ltd (145 MW)	2.38	2.38
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	1478.25	1478.25
8	GPPC Pipavav	59.65	59.65
	Central Sector		
1	NPC-Tarapur 1 & 2	892.82	892.82
2	NPC-Tarapur 3 & 4	1856.59	1856.59
3	NPC-Kakrapar	856.29	856.29
4	NTPC-Vindhyachal – I	1675.60	1675.60
5	NTPC-Vindhyachal – II	1746.04	1746.04
6	NTPC-Vindhyachal – III	1949.55	1949.55
7	NTPC-Korba	2629.87	2629.87
8	NTPC-Korba -III	909.02	909.02
9	NTPC-Kawas	15.93	15.93
10	NTPC-Jhanor	20.19	20.19
11	NTPC-Sipat-I	4024.33	4024.33
12	NTPC-Sipat – II	1993.95	1993.95
13	NTPC-Kahlagaon I	955.53	955.53
14	NTPC-Vindhyachal – IV	1803.44	1803.44
15	NTPC-Mauda	3283.34	3283.34
16	NTPC-Vindhyachal – V	709.06	709.06
17	NTPC-Mauda II	3703.43	3703.43
18	NTPC-Solapur	169.91	13.99
19	NTPC-Gadarwara	2327.97	2327.97
20	NTPC-LARA	1300.00	1300.00
21	NTPC-Khargone	1883.93	155.15
22	NTPC-Farakka – 3	417.04	417.04
23	NTPC-Kahalgaon II	1019.17	1019.17
24	NTPC-Farakka - 1 & 2	1769.97	1769.97
25	NTPC-Talcher	166.11	166.11
26	NTPC-Darlipalli	97.73	97.73
27	NTPC-Unchahar – 1	426.88	35.15
28	NTPC-Tanda – 2	308.79	308.79
29	NTPC-Barah – 1	1144.19	1144.19
30	NTPC-Dadri – 1	3931.15	323.74
31	Sardar Sarovar Narmada Nigam Ltd	752.14	752.14
32	Nabinagar Power Generating Co Ltd	352.17	352.17
33	NPCIL - KAPS 3	1630.38	1630.38
34	NPCIL - KAPS 4	1222.78	1222.78
	Others		

Sr. No.	Name of the Station	Available (MU)	Dispatch (MU)
1	Captive Power	1.00	1.00
	Renewable		
1	Wind Farms	7868.86	7868.86
2	Solar	7847.60	7847.60
3	Small/Mini Hydal	100.96	100.96
4	Biomass	0.00	0.00
5	Waste to Energy	63.14	63.14
6	HPO	0.00	0.00
7	Solar (New)	9366.29	9366.29
8	Wind (New)	549.18	549.18
9	Others (New)	339.93	339.93
10	HPO (New)	260.25	260.25
	Competitive Bidding		
1	Adani Power Ltd Bid 1	8409.60	735.84
2	Adani Power Ltd Bid 2	8647.87	8647.87
3	Essar Power Gujarat Ltd	7862.98	7862.98
4	ACB India Ltd	1401.60	1401.60
5	Coastal Gujarat Power Co Ltd	12649.44	12649.44
6	MTOA	0.00	0.00
7	Power Exchange	6500.00	6500.00
8	Short term power purchase	1500.00	1500.00
9	DB Power	2310.01	2310.01
	Total	**149,497.46**	**128,302.92**

5.9.5 Methodology for Forecasting Power Purchase Cost of GUVNL

In order to optimise the power purchase cost, the Commission has worked out comprehensive MOD. The dispatch from individual generating stations has been worked out by the Commission based on the merit order of the variable cost of each generating unit as follows:

- The NPC power plants, renewable and hydro plants have been considered as must run power plants.
- During merit order despatch, at least 7% availability of each plant has been considered to take care of the peak loads and peak season requirements except for gas based generating stations whose load factor is considered 1% in view of the cost of generation which is impacted due to prevailing gas prices.
- Availability of Thermal Stations has been considered at 85% / 80% as defined in Regulations (CERC/GERC) and performance in previous years. Wherever required, the availability has been changed to reflect the likely scenario based on past trends or

other factors.

- The Fixed Cost, Variable Cost and PLF for existing GSECL Stations, IPP, renewable and central sector plants have been considered as projected by the Petitioner.
- For Private IPPs, FC and VC have been considered based on likely cost as per PPAs.

5.9.6 Power Purchase Cost

The power purchase for FY 2024-25 is based on the energy requirement of four DISCOMs as approved by the Commission. As stated above, the Fixed Cost, Variable Costs and PLF of GSECL stations have been considered as projected by the Petitioner. For purchases from central generating stations, IPPs and others, the fixed and variable costs are taken as projected by the Petitioner.

The power purchase costs for FY 2024-25 are shown in the Table below. These include the energy available from each station, as estimated by the Commission, and energy dispatchable, based on merit order as discussed above.

The source-wise power purchase cost for FY 2024-25 as approved by the Commission is shown in the Table below:

Table 5-41: Approved Power Purchase Cost for FY 2024-25

Sr. No.	Name of the Station	Available	Dispatch	Fixed Charge	Variable Charges	Total Variable Charge	Total Power Purchase cost
		(MU)	(MU)	Rs. Crore	Rs./kWh	Rs. Crore	Rs. Crore
	GSECL						
1	GSECL Gandhinagar – 5	1165.39	1165.39	141.08	4.25	494.91	635.99
2	GSECL Wanakbori – 7	1165.39	116.54	76.16	4.43	51.57	127.73
3	GSECL Utran Expan	31.86	31.86	203.69	10.37	33.04	236.73
4	GSECL Dhuvaran – 7	9.00	9.00	71.31	9.02	8.12	79.43
5	GSECL Dhuvaran – 8	9.52	9.52	90.66	6.46	6.14	96.80
6	GSECL Ukai	2431.34	2167.66	326.94	4.31	934.36	1261.30
7	GSECL Ukai Expan	2676.18	2676.18	318.84	3.81	1018.91	1337.76
8	GSECL Gandhinagar 3-4	1841.44	234.37	276.10	4.35	102.05	378.15
9	GSECL Wanakbori 1-6	4821.22	703.10	528.95	4.49	315.98	844.93
10	GSECL Sikka Expansion	878.23	279.01	600.57	8.60	239.82	840.39
11	GSECL Kutch Lignite	433.62	433.62	142.60	3.95	171.28	313.88

Sr. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Charge Rs. Crore	Variable Charges Rs./kWh	Total Variable Charge Rs. Crore	Total Power Purchase cost Rs. Crore
12	GSECL Kutch Lignite Exp unit 4	115.63	115.63	47.10	3.67	42.45	89.55
13	GSECL Ukai Hydro	977.78	977.78	32.99	0.00	0.00	32.99
14	GSECL Kadana Hydro	348.87	348.87	64.15	0.00	0.00	64.15
15	GSECL Dhuvaran CCPP III	31.95	31.95	218.66	11.18	35.72	254.38
16	GSECL BLTPS	1170.73	1170.73	492.95	3.53	413.11	906.06
17	GSECL Wanakbori – 8	4316.05	4316.05	843.01	3.84	1658.82	2501.83
	IPP's						
1	Gujarat State Energy Generation	13.27	13.27	9.19	13.68	18.15	27.34
2	Gujarat State Energy Generation Expansion	29.83	29.83	129.19	12.34	36.81	165.99
3	Gujarat Industries Power Co Ltd (165 MW)	0.00	0.00	0.00	12.54	0.00	0.00
4	Gujarat Industries Power Co Ltd (SLPP)	1281.15	1281.15	130.84	2.99	383.06	513.91
5	Gujarat Mineral Development Corp.	584.73	584.73	43.82	2.16	126.01	169.83
6	Gujarat Industries Power Co Ltd (145 MW)	2.38	2.38	0.00	-		0.00
7	Gujarat Industries Power Co Ltd (SLPP - Exp)	1478.25	1478.25	206.63	2.87	424.62	631.25
8	GPPC Pipavav	59.65	59.65	285.27	11.87	70.83	356.10
	Central Sector						
1	NPC-Tarapur 1 & 2	892.82	892.82	0.00	3.42	305.34	305.34
2	NPC-Tarapur 3 & 4	1856.59	1856.59	0.00	3.42	634.95	634.95
3	NPC-Kakrapar	856.29	856.29	0.00	2.29	196.09	196.09
4	NTPC-Vindhyachal – I	1675.60	1675.60	153.70	1.71	286.53	440.23
5	NTPC-Vindhyachal – II	1746.04	1746.04	137.61	1.61	281.11	418.72
6	NTPC-Vindhyachal – III	1949.55	1949.55	178.58	1.61	313.88	492.46
7	NTPC-Korba	2629.87	2629.87	199.34	1.64	431.59	630.94
8	NTPC-Korba -III	909.02	909.02	102.89	1.57	142.91	245.80
9	NTPC-Kawas	15.93	15.93	118.85	13.65	21.75	140.60
10	NTPC-Jhanor	20.19	20.19	179.51	12.33	24.89	204.41
11	NTPC-Sipat-I	4024.33	4024.33	508.03	2.09	843.00	1351.03
12	NTPC-Sipat – II	1993.95	1993.95	197.28	2.36	471.05	668.33
13	NTPC-Kahlagaon I	955.53	955.53	100.14	3.62	346.01	446.15
14	NTPC-Vindhyachal – IV	1803.44	1803.44	310.75	1.59	286.55	597.30
15	NTPC-Mauda	3283.34	3283.34	558.89	4.22	1385.57	1944.46
16	NTPC-Vindhyachal – V	709.06	709.06	122.70	1.61	114.16	236.86

Sr. No.	Name of the Station	Available (MU)	Dispatch (MU)	Fixed Charge Rs. Crore	Variable Charges Rs./kWh	Total Variable Charge Rs. Crore	Total Power Purchase cost Rs. Crore
17	NTPC-Mauda II	3703.43	3703.43	588.70	4.29	1588.77	2177.47
18	NTPC-Solapur	169.91	13.99	29.23	4.93	6.90	36.13
19	NTPC-Gadarwara	2327.97	2327.97	483.57	4.27	994.04	1477.61
20	NTPC-LARA	1300.00	1300.00	217.57	2.62	340.60	558.17
21	NTPC-Khargone	1883.93	155.15	392.65	4.94	76.64	469.29
22	NTPC-Farakka – 3	417.04	417.04	62.20	3.70	154.36	216.56
23	NTPC-Kahalgaon II	1019.17	1019.17	94.28	3.67	374.04	468.32
24	NTPC-Farakka - 1 & 2	1769.97	1769.97	160.61	3.82	676.13	836.74
25	NTPC-Talcher	166.11	166.11	15.93	1.90	31.56	47.49
26	NTPC-Darlipalli	97.73	97.73	16.24	1.18	11.53	27.77
27	NTPC-Unchahar – 1	426.88	35.15	44.65	4.46	15.68	60.33
28	NTPC-Tanda – 2	308.79	308.79	45.37	3.85	118.88	164.25
29	NTPC-Barah – 1	1144.19	1144.19	507.30	3.17	362.71	870.01
30	NTPC-Dadri – 1	3931.15	323.74	382.56	4.92	159.28	541.84
31	Sardar Sarovar Narmada Nigam Ltd	752.14	752.14	0.00	2.05	154.19	154.19
32	Nabinagar Power Generating Co Ltd	352.17	352.17	76.56	2.68	94.38	170.94
33	NPCIL - KAPS 3	1630.38	1630.38	0.00	4.40	717.37	717.37
34	NPCIL - KAPS 4	1222.78	1222.78	0.00	4.40	538.02	538.02
	Others						
1	Captive Power	1.00	1.00	0.00	2.22	0.22	0.22
	Renewable						
1	Wind Farms	7868.86	7868.86	0.00	3.52	2772.07	2772.07
2	Solar	7847.60	7847.60	0.00	3.20	2511.23	2511.23
3	Small/Mini Hydal	100.96	100.96	0.00	3.97	40.04	40.04
4	Biomass	0.00	0.00	0.00	0.00	0.00	0.00
5	Waste to Energy	63.14	63.14	0.00	6.31	39.84	39.84
6	HPO	0.00	0.00	0.00	0.00	0.00	0.00
7	Solar (New)	9366.29	9366.29	0.00	2.37	2219.81	2219.81
8	Wind (New)	549.18	549.18	0.00	2.90	159.26	159.26
9	Others (New)	339.93	339.93	0.00	6.31	214.50	214.50
10	HPO (New)	260.25	260.25	0.00	5.00	130.13	130.13
	Competitive Bidding						
1	Adani Power Ltd Bid 1	8409.60	735.84	660.99	4.45	327.45	988.44
2	Adani Power Ltd Bid 2	8647.87	8647.87	724.63	4.20	3632.11	4356.73
3	Essar Power Gujarat Ltd	7862.98	7862.98	525.45	4.31	3388.94	3914.39

Sr. No.	Name of the Station	Available	Dispatch	Fixed Charge	Variable Charges	Total Variable Charge	Total Power Purchase cost
		(MU)	(MU)	Rs. Crore	Rs./kWh	Rs. Crore	Rs. Crore
4	ACB India Ltd	1401.60	1401.60	108.67	0.70	98.11	206.78
5	Coastal Gujarat Power Co Ltd	12649.44	12649.44	1145.03	4.04	5110.37	6255.40
6	MTOA	0.00	0.00	0.00	0.00		0.00
7	Power Exchange	6500.00	6500.00	0.00	5.26	3417.33	3417.33
8	Short term power purchase	1500.00	1500.00	0.00	5.26	788.62	788.62
9	DB Power	2310.01	2310.01	646.80	1.54	355.74	1002.55
	Total	**149,497.46**	**128,302.92**	**15,077.97**		**44,292.02**	**59,369.99**

The Commission has considered IEX market prices for FY 2023-24 for determining rate of of power to be allowed for Exchange Purchase and Short-Term Purchase. The Commission after analysis of IEX market prices arrived at a rate of Rs 5.26/ kWh and has allowed the same while approving the power purchase cost.

The Commission has considered the dispatchable and available energy from the sources considered by the petitioner to arrive at projection of Power Purchase Cost for FY 2024-25, however, the petitioner shall follow the Merit Order Principles and prudent practices while availing power from different sources.

5.9.7 Transmission and Other Cost

The total power purchase cost for MGVCL for FY 2024-25 also consists of Transmission Charges, GUVNL charges and SLDC Fees and Charges in addition to the above-mentioned fixed cost and variable charges. The details of such charges are as under:

Transmission Charges

- The transmission charges of GETCO have been considered as 89.05% of the Transmission Charges approved in the Tariff Order of GETCO for FY 2024-25 in Case No. 2316 of 2024.
- PGCIL charges for FY 2024-25 are considered based on actual payment made in first six months of FY 2023-24.

- SLDC Fees and Charges also have been considered as 89.05% of the SLDC Charges approved in the Tariff Order of SLDC for FY 2024-25 in Case No. 2317 of 2024.

Based on the transmission costs of PGCIL, GETCO and SLDC, the total transmission costs to be included in the overall power purchase costs is shown in the Table below:

Table 5-42: Approved Transmission Charges for FY 2024-25

S. No.	Particulars	FY 2024-25
1	PGCIL Charges (Rs. Crore)	3,276
2	Annual Transmission Charges of GETCO (Rs. Crore)	5,584
3	SLDC Charges (Rs. Crore)	38

GUVNL Cost

MGVCL has submitted that GUVNL is charging Rs.0.04 for every transaction of one unit of energy for providing the services of procuring the power from various sources and supplying to DISCOMs, trading of surplus power on behalf of DISCOMs, the overall coordination between the subsidiary companies and also undertaking the function of raising and managing the overall loan portfolio of GUVNL and its subsidiaries.

The Commission considers the charges of Rs.0.04/unit to handle power procurement and supply, etc., as reasonable and approves the GUVNL costs, as given below, based on the energy handled during FY 2024-25:

Table 5-43: Approved GUVNL Cost for FY 2024-25

S. No.	Particulars	FY 2024-25
1	Energy handled (MUs)	128,302.92
2	GUVNL Cost at 4.00 Paisa per Unit (Rs. Crore)	513.21

5.9.8 Summary of Total Power Purchase Cost

Fixed Cost

The fixed costs, due to the capacity contracted by GUVNL, are passed on to DISCOMs, as detailed in the Table below:

Table 5-44: Approved Fixed Cost of DISCOMs for FY 2024-25 (Rs. Crore)

Fixed cost	GETCO Cost	PGCIL Charges	SLDC Charges	Total Fixed Cost	DISCOM Fixed Cost
15,078	5,584	3,276	38	23,976	23,976

<u>Variable Cost</u>

The Commission has approved variable cost for DISCOMs for FY 2024-25, as detailed in the Table below:

Table 5-45: Approved Variable Cost of DISCOMs for FY 2024-25 (Rs. Crore)

Variable cost	GUVNL Cost	Total variable Cost	Despatched	Variable Cost per Unit	DISCOM	Variable Cost
Rs. Crore	Rs. Crore	Rs. Crore	MUs	Rs./kWh	Mus	Rs. Crore
44,292	513	44,805	128,302.92	3.49	128,302.92	44,805

5.9.9 The Net Power Purchase Cost

Based on the approved Fixed Cost and Variable Cost as shown above, the Commission has approved net Power Purchase Cost for FY 2024-25, as detailed in the Table below:

Table 5-46: Approved Total Power Purchase Cost for FY 2024-25 (Rs. Crore)

DISCOMs Fixed cost	DISCOMs Variable Cost	Total Power Purchase Cost for DISCOMs
23,976	44,805	**68,781**

5.9.10 Allocation of Power Purchase Cost under BST mechanism-Commission's Analysis

Power Purchase cost worked out as above for FY 2024-25 is allocated amongst the four DISCOMs based on the methodology adopted by the Commission in the previous Tariff Orders by working out revenue available for purchase of power, Non-Tariff Income, Agricultural Subsidy and ARR other than power purchase cost, as detailed in the Table below:

Table 5-47: Approved Allocation of Power Purchase Cost (Rs. Crore)

S. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
1	Sales (MUs)	31,790.68	13,752.49	37,111.63	29,585.33

S. No.	Particulars	DGVCL	MGVCL	PGVCL	UGVCL
2	Revenue from Existing Tariff	15,939.45	6,500.88	15,762.16	10,800.63
3	Revenue from FPPPA @ Rs. 2.77/ unit	8,806.02	3,809.44	10,279.92	8,195.14
4	Other Income (Consumer Related)	189.33	97.96	279.41	192.09
5	Agricultural Subsidy	51.22	72.22	435.68	540.88
6	**Total**	**24,986.03**	**10,480.51**	**26,757.16**	**19,728.73**
7	Expense other than Power Purchase	3,786.23	1,746.53	4,993.22	2,072.31
8	Power Purchase Cost of SSDSP & KUSUM	36.96	53.01	297.87	180.05
9	**Amount Available with Discom for Power purchase from GUVNL**	**21,162.84**	**8,680.96**	**21,466.07**	**17,476.37**

Table 5-48: Approved total Revenue (GAP)/ Surplus (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Power Purchase Cost of GUVNL	68,781.18
2	Aggregate Amount available for power purchase from GUVNL	68,786.25
3	**Revenue (Gap)/Surplus**	**5.07**

Table 5-49: Approved Bulk Supply Tariff for FY 2024-25 (Rs. Crore)

S. No.	Details	FY 2024-25			
		DGVCL	MGVCL	PGVCL	UGVCL
1	**Revenue (Gap)/Surplus**	**5.07**			
2	Ratio of allocation of Revenue (Gap) / Surplus	26.54%	12.22%	35.44%	25.79%
3	Revenue (Gap)/ Surplus allocation (Rs. Crore)	1.35	0.62	1.80	1.31
4	Amount Available with Discom for Power purchase from GUVNL (Rs. Crore)	21,162.84	8,680.96	21,466.07	17,476.37
5	Power purchase cost of GUVNL (Rs. Crore)	21,161.50	8,680.34	21,464.27	17,475.06

S. No.	Details	FY 2024-25			
		DGVCL	MGVCL	PGVCL	UGVCL
6	Power purchase cost of SSDSP and KUSUM (Rs. Crore)	36.96	53.01	297.87	180.05
7	Power purchase cost of DISCOM (Rs. Crore)	21,198.45	8,733.36	21,762.14	17,655.11
8	Energy Purchase in DISCOM (MU)	34,185.33	15,901.46	46,483.25	33,694.20
9	**Bulk Supply Tariff (Rs./kWh)**	**6.20**	**5.49**	**4.68**	**5.24**

5.10 Capital Expenditure

MGVCL has claimed capital expenditure of Rs. 2059.48 Crore for FY 2024-25, as detailed in the Table below:

Table 5-50: Capital Expenditure Plan for FY 2024-25 (Rs. Crore)

S. No	Particulars	FY 2024-25 (Projected)
A	**Distribution Scheme**	
	Normal Development Scheme	95
	DISS	20
	Electrification of Hutments	4
	Kutir Jyoti Scheme	2
	Others Harijan Basti - Petpara	0.3
	System Improvement	21
	Vanbandhu Kalyan Yojana	207.05
	Total	**349.35**
B	**Rural Electrification Schemes**	
	TASP (Wells & Petapara)	49.6
	Special Component Plan	1.35
	RE Wells (OA+SPA)	64.9
	Dark Zone	8.8
	Total	**124.65**

S. No	Particulars	FY 2024-25 (Projected)
C	**Central Govt. Schemes – Plan**	
	RDSS	1200
	Total	**1200**
D	**Renewable Energy Based Projects**	
	AG. Wells Feeder Bifurcation	0.5
	Total	**0.5**
E	**Other New Schemes**	
	Sagar khedu	1.5
	Energy Conservation (HVDS)	3.5
	Sardar krushi Jyoti Yojna	6.98
	Misc. Civil + Electrical Works	360
	IT Budget	13
	Total	**384.98**
F	**Capital Expenditure Total**	**2059.48**

MGVCL has furnished scheme-wise justification for projected capital expenditure as detailed below:

Petitioner's submission

Normal Development Scheme:

Under the head Normal Development Scheme, generally expenses incurred to meet the Supply Obligation. As during the year, major shifting of electrical lines work will be taken up for the project like NHRCL etc. Also, now as per Gamtal circular NRGP/LTMD connection situated outside Gamtal and if demand is in Agriculture land then full cost is required to recover from the applicant.

Distribution Infrastructure Shifting Scheme:

It is to mention here fund is booked under the scheme, as proposal from Municipal

Corporation, Nagar Palikas essential as per the stipulation of the scheme. During the year on base of proposal received from NP, MNP and GP fund was booked.

Sagarkhedu:

In coastal area since the lines are overhead and open to the atmosphere, the salinity the wind pressures and the variations in atmospheric temperature etc affects the conductor life. This causes deterioration and corrosion of the conductor. According to DPR fund has been booked 100% grant availed from GOG. Fund utilized is 1.50 Crore.

HVDS:

HVDS is a High Voltage Distribution System of installing smaller size of Distribution Transformers and thereby reducing LT Lines up to negligible level by converting it into HT Line. To improve Voltage profile in rural area the small capacity of Distribution Transformers are to be installed by extending 11 KV Line as possible as nearer to the load and Distribution Transformer of the capacity of 10, 16, 25, 63 KVA are erected and supply is released to consumer through a short length of LT Lines to provide quality power supply. Out of 4.50 Crore GOG grant, Rs. 0.50 Crore to be utilized for energy conversation and 4.00 Crore to be utilized under HVDS. Hence, total Rs. 4.50 Crore of capital expenditure is projected.

Sardar krushi Jyoti Yojna (SKJY):

Fund booked as per DPR, in which 80% is GOG grant while 20% is DISCOM fund. To replace the conductors having completed useful life of 35 years & more with associated materials. The aim of these schemes is to provide reliable and quality power supply to consumers.

TASP (Wells & Petapara)

This is Government of Gujarat granted scheme in Tribal Area & Petaparas covered under MGVCL for electrification of Agriculture wells. It is also to state that Target in CAPEX is projected on average cost of Line, however actual CAPEX is booked based on actual line work done which may increase/decrease depending upon the Geographical area, ROW

Constraints for line erection work and material Cost. Accordingly, expenditure under this scheme is projected Rs. 49.60 Crore for FY 2024-25.

SI Scheme:

The prime objectives of our company's operations are, to reduce Distribution and Commercial losses, to enhance revenue collection efficiency, to improve quality of power supply and to attain utmost consumer satisfaction. Keeping the above core values at the centre, competent authority has approved the fund under the SI scheme to incur capital expenditure for various system improvement and innovative Projects such as Feeder Bifurcation work having higher ampere loading and %HT VR beyond limit, Link line from new 66KV S/s, providing Aerial Bunched Conductors, High voltage Distribution System (HVDS), AG-JGY crossing at theft prone area etc.

Vanbandhu Kalyan Yojana (VKY):

Under Vanbandhu Kalyan Yojana electrification program of wells and peta paras in tribal areas under tribal area, is being carried out. In addition, under Vanbandhu Kalyan Yojana – 02 announced by State Government, the existing scheme is to be expanded to provide better quality of power in tribal areas. The work includes (a) Laying/Replacement of Conductors by Medium voltage cover conductor (b) Replacement of old deteriorated conductors and fabrications (a) Laying of Aerial Bunch Cables (ABC) in place of bare conductors (d) Operation of High Voltage Distribution System (HVDS) (e) Operation of feeder bifurcation (f) Transmission network and sub-station improvement works. Hence, total Rs. 207.05 Crore of capital expenditure is projected.

Misc. Civil + Electrical works:

MGVCL has planned renovation of its offices with better facilities for customers and working staff. There are very old quarters in Vidyut Nagar Colony, Vadodara which are in dilapidated state and as per Structure Stability Report they are risky to live. To address the issue of safety of structures it has planned to demolish the old quarters and to build new multi-story quarters in Vidyut Nagar colony. Hence, total Rs.360.00 Crore of capital expenditure is projected.

Revamped Distribution Sector Scheme (RDSS):

The Government of India's has approved Reforms-based and Results-linked, Revamped Distribution Sector Scheme [RDSS] which seeks to improve the operational efficiency and financial sustainability of DISCOMs/Power Departments by providing conditional financial assistance to DISCOMs for strengthening of supply infrastructure.

The objectives of the scheme are:

- Improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient Distribution Sector.
- Reduce the AT&C losses to pan-India levels of 12-15% by 2024-25.
- Reduce ACS-ARR gap to zero by 2024-25.

The Scheme is structured into following parts -.

- **Part A**
  - Component I: Metering
  - Component II: Distribution Infrastructure Works
  - Component III: Project Management
- **Part B :**
  - Training, Capacity Building and other Enabling & Supporting Activities.

For fund release pre-qualifying criteria must be mandatorily met by the DISCOM and a DISCOM needs to score a minimum of 60 marks in the Evaluation Matrix. The Results Evaluation Framework has two components. (i) Pre-qualifying Criteria; (ii) Result Evaluation Matrix.

The Scheme was sanctioned by Ministry of Power (MoP) in March 2022. MoP appointed Power Finance Corporation (PFC) as a nodal agency for financial assistance in this project.

In the case of MGVCL, the implementation of this scheme has been planned in the following phases.

- **Phase – 1 (YR 2023-24)**
  - System Feeder Monitoring System-1977 S/S
  - DT Meter - 56129 Nos.

- Smart Prepaid Meter – 2,10,360 (1-Ph Meters - 176205 Nos., 3-Ph Meters – 34155 Nos.)
- SCADA System - 18 Towns
- Bifurcation of load with New DTR 11KV/22KV -2760 Nos.
- Augmentation of DTR for right sizing of DTRS-1575 Nos
- Replacement of old & frayed bare conductor of HT Line with new Bare Conductor - 949 km
- Bifurcation of 11/22 KV feeders- 157 Km
- Conversion of Open HT/LT to AB Cable -4299 Km

- **Phase – 2 (YR 2024-25)**
  - Smart Prepaid Meter – 19,45,006 Nos.
  - SCADA System - 26 Towns
  - Bifurcation of load with New DTR 11KV/22KV -5134 Nos.
  - Augmentation of DTR for right sizing of DTRS-2926 Nos.
  - Replacement of old & frayed bare conductor of HT Line with new Bare Conductor - 201 km
  - Bifurcation of 11/22 KV feeders- 293 Km
  - Conversion of O/H network Five AMRUT towns to U/G network

The DPR for the project has been approved by the nodal agency and the proposed funding is as per the following table:

Table 5-51 Estimated project cost for RDSS project (Rs. Crore)

Particulars	Approved Project Cost	GoI Grant Sanctioned	Additional Incentive (GoI Grant)
Smart Prepaid Meter	2,109.09	316.36	68.38
PMA	7.91	4.75	-
Total	**2,117.00**	**321.11**	**68.38**
Distribution Infrastructure Work – Loss Reduction Work	1,636.56	981.94	-
PMA	24.55	14.73	-
Total	**1,661.11**	**996.67**	**-**
Grand Total	**3,778.11**	**1,317.78**	**68.38**

Commission's Analysis

The Commission accepts the justification submitted by MGVCL for the projected capital expenditure of Rs. 2059.48 Crore for FY 2024-25. However, the Commission does not find it appropriate to consider the entire RDSS expenses of Rs 1200 Crore upfront and considers only 50% of the same for now, for determination of ARR for FY 2024-25. Further, the Commission does not find it appropriate to consider the CAPEX of Rs 360 crore towards reconstruction of quarters at Vidyut Nagar colony as proposed by the Petitioner, for determination of ARR for FY 2024-25. The Commission recognise the need for reconstruction of quarters as identified by the Petitioner but has decided to allow the said CAPEX and capitalisation against the same at the time of truing Up of FY 2024-25 after prudence check. While truing up, petitioner is required to submit the details of scheme-wise CAPEX including target and actual date of completion. The Commission shall allow such CAPEX after prudence check in respect to cost incurred, time taken to complete the project and cost benefit analysis. The petitioner shall also justify the competitiveness of the cost incurred. The Commission has reduced the amount of Grants & Consumer Contribution accordingly for now.

Table 5-52: Approved Capital Expenditure Plan for FY 2024-25 (Rs. Crore)

S. No	Particulars	FY 2024-25 (Approved)
A	Distribution Schemes	
	Normal Deve. Scheme	95.00
	DISS	20.00
	Electrification of Hutments	4.00
	Kutir Jyot Scheme	2.00
	Other Harijan Basti-Petapara	0.30
	System Improvement	21.00
	Vanbandhu Kalyan Yojana	207.05
	Total	**349.35**
B	Rural Electrification Schemes	

S. No	Particulars	FY 2024-25 (Approved)
	TASP(Wells & Petapara)	49.60
	Special Componebt Plan	1.35
	RE Wells(OA+SPA)	64.90
	Dark Jone	8.80
	Surya Sahkti Kishan Yojana	
	PM Kusun Comp-B	
	PM Kusum Comp- C	
	Total	**124.65**
C	Other Central Schemes	
	RDSS	600.00
	R-APDRP(Scada)-B	
	Total	**600.00**
D	Renewable Energy Based Projects	
	AG. Wells Feeder Bifurcation	0.50
	Total	**0.50**
E	**System Improvement Scheme**	
	Sagar Khedu	1.50
	Energy Conservation(Hvds)	3.50
	Sardar Krushi Jyoti Yojana	6.98
	……	
	Total	**11.98**
F		
	IT BUDGET	13.00
	……	
G	**Total**	**13.00**
	Civil Budget	
	Vehicle	-
	Misc Civil+ Electrical	-

S. No	Particulars	FY 2024-25 (Approved)
	Furniture	
	Total	**-**
	GRAND Total	**1,099.48**

5.11 Funding of Capitalisation

Petitioner's submission

MGVCL submitted that for Distribution business, schemes are of shorter duration and hence capitalization is considered same as above-mentioned Capital Expenditure. Funding of capitalisation is envisaged through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The remaining capital expenditure after deducting consumer contribution and grants is proposed to be funded through debt and equity in the ratio of 70:30.

The detailed breakup of projected funding of capitalisation for FY 2024-25 is mentioned below.

Table 5-53: Funding of Capitalisation for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	**Capitalization**	2059.48
2	Consumer Contribution	290.00
3	Grants	945.33
4	**Balance CAPEX for the Year**	824.15
5	Debt @70%	576.91
6	Equity @30%	247.25

Commission's Analysis

The Commission has approved the scheme-wise capital expenditure as narrated in earlier paragraphs and hence, approves the capitalisation based on Debt and Equity mix as 70:30 after deducting the consumer contribution and grants from total projected in accordance with the CAPEX considered for determination of ARR for FY 2024-25. The capitalisation approved by the Commission for FY 2024-25 is detailed in the Table below:

Table 5-54: Approved funding of Capital Expenditure Plan for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Approved
1	**Capitalization**	**1,099.48**
2	Consumer Contribution	290.00
3	Grants	585.33
4	**Balance CAPEX for the Year**	**224.15**
5	Debt @70%	156.91
6	Equity @30%	67.25

5.12 Operation and Maintenance (O&M) Expenses

MGVCL has projected O&M expenses of Rs. 1,042.72 Crore for FY 2024-25, as detailed in the Table below:

Table 5-55: Proposed O&M Expenses for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Employee Cost	720.62
2	R&M Expenses	75.58
3	A&G Expenses	110.43
4	RDSS Metering OPEX	208.25
5	Other Expenses Capitalised	(72.15)
6	**O&M Expenses**	**1042.72**

Petitioner's submission

MGVCL submitted that the O&M expenses consist of Employee cost, Administration & General Expenses, Repair and Maintenance expenses, RDSS Metering Opex, Other Debits, Extraordinary Items, and Net Prior Period Income/Expenses.

Under normal circumstances, the Commission would have revised the O&M norms based on analysis of actual O&M expenses of FY 2022-23, while framing the GERC MYT Regulations for the next Control Period and allowed escalation rate of 5.72% for future years including FY 2024-25.

In last Tariff Order, the Hon'ble Commission has given effect to the above-mentioned principle and calculated O&M expenses for FY 2023-24 based on actual O&M Expenses in the previous years, by adopting the same principles as adopted in the previous MYT Order. Adopting the similar principle, O&M expenses for FY 2024-25 would have been approved by allowing escalation rate of 5.72% on approved O&M expenses of FY 2023-24.

Considering the same, the O&M expenses for FY 2024-25 have been computed by applying escalation rate of 5.72% (as approved by the Hon'ble Commission in the GERC MYT Regulations, 2016) on the O&M expenses of FY 2023-24 as approved in Tariff Order dated 31th March, 2023.

RDSS Metering Opex Ministry of Power, New Delhi, have announced Revamped Distribution Sector Scheme (RDSS) vide Office Memorandum dated 20.07.2021 with financial outlay of Rs. 3,03,758 crore and an estimated gross budgetary support (GBS) of Rs. 97,631 crore from Central Government. The Scheme formulated with the aim of large-scale reforms in Distribution Sector that would enable the DISCOMs to reduce losses to make them financially sustainable and operationally efficient in a time bound manner by providing financial assistance to DISCOMs for strengthening of supply infrastructure based on meeting pre-qualifying criteria and achieving basic minimum benchmarks in reforms.

The Scheme has two parts. **Part-A** includes Component I: Metering (Consumer Metering & Feeder and DTR Metering), Component II: Distribution Infrastructure Works (Infrastructure works for loss reduction & Infrastructure works for Modernization &

network strengthening) & Component III: Project Management. **Part-B** includes Training, Capacity Building and other Enabling & Supporting Activities.

Metering component includes installation of pre-paid smart meters for all consumers along along with associated AMI, communicable meters for DTs & Feeders, ICT including Artificial Intelligence (AI), Machine Learning (ML), etc. based solutions for power Sector and a unified billing and collection system. Funding under this Part will be available only if the DISCOM agrees to the operation of smart meters in prepayment mode for consumers, and in accordance with the uniform approach indicated by the Central Government, with implementation in TOTEX mode. DISCOMs have to pay monthly charges as per unit rate for 1-Ph and 3-Ph meters to the agency. Smart Meter Tender for Gujarat DISCOMs have been awarded and discovered price of smart meters is shown below.

Table 5-56: Discovered O&M costs per meter for MGVCL

Smart Metering	Column2	O&M Cost (Rs. per meter)
SI. No.	Smart Meter Type	
1	1-Ph Meters	71.65
2	3-Ph Meters	95.9
3	LT CT Meters	179.59
4	LT DT Meters	210.03
5	HT CT	303.96

Based on the smart meter release target, additional operational cost under RDSS Metering Opex for FY 2024-25 will be as shown below:

Table 5-57: Proposed Operational Cost under RDSS Metering Opex for FY 2024-25 (Rs. Crore)

S. No.	Particular	Number of Meters	O&M Cost (Rs. per meter)	Cost (Rs. Crore)
A	B	C	D	E = (C*D *12/10^7)
1.	Target for Single Phase Meters (New + Existing)	17,11,205	71.65	147.13
2.	Target for Three Phase Meters	3,79,520	95.9	43.68

S. No.	Particular	Number of Meters	O&M Cost (Rs. per meter)	Cost (Rs. Crore)
A	B	C	D	E = (C*D *12/10^7)
	(New + Existing)			
3.	Target for LT CT Meters (New + Existing)	11,742	179.59	2.53
4.	Target for LT DT Meters (New + Existing)	56,129	210.03	14.15
5.	Target for HT CT Meters (New + Existing)	2,106	303.96	0.77
6.	**Total**	**21,60,702**		**208.25**

Commission's Analysis

The Employee expenses, R&M expenses and A&G expenses are commonly considered as O&M expenses. MGVCL has also included RDSS Metering Opex in the O&M expenses.

MGVCL has projected Employee cost, A&G expenses, R&M expenses and other expenses capitalised considering the base value as approved by the Commission for FY 2022-23 and 5.72% escalation rate. The Commission has gone through the computations of MGVCL in this regard.

The Commission has considered FY 2024-25 as the extended year of the Control Period. Accordingly, GERC has computed the O&M Expenses for FY 2024-25 by applying escalation of 5.72% on approved O&M of FY 2023-24. As regards RDSS Metering Opex, the Commission observed that in its previous order dated 30th March 2022 the commission has provisionally approved Rs. 73.50 Crore for RDSS metering Opex in ARR of FY 2022-23 whereas in its True Up Petition of FY 2022-23 the Petitioner had claimed zero cost for RDSS metering Opex. Considering the same, the Commission will approve the RDSS Metering Opex at the time of Truing Up of FY 2024-25 which is subject to prudence check during true up.

Accordingly, the Commission has approved total O&M expenses for FY 2024-25, as detailed in Table below:

Table 5-58: Approved O&M Expenses for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Employee Cost	720.62
2	R&M Expenses	75.58
3	A&G Expenses	110.43
4	RDSS Metering Opex	-
5	Other Expenses Capitalised	(72.15)
6	**O&M Expenses**	**834.47**

5.13 Depreciation

MGVCL has projected depreciation of Rs. 345.79 Crore for FY 2024-25, as detailed in the Table below:

Table 5-59: Depreciation for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-245
1	Gross Block in Beginning of the year	7365.62
2	Additions during the Year (Net)	2059.48
3	Gross Block in closing of the year	9425.10
4	Average Gross Block of the year	8395.36
5	**Depreciation for the Year**	**345.79**
6	Average Rate of Depreciation	4.12%

Petitioner's submission

MGVCL submitted that it has considered the closing Gross block of fixed assets of FY 2022-23 as the opening Gross block of fixed assets for FY 2023-24. The addition during the FY 2023-24 is considered same as approved by the Commission in the Tariff Order dated 31st March 2023.

Accordingly, the closing balance of GFA for FY 2023-24 thus worked out is considered as opening balance of GFA for FY 2024-25. Addition for FY 2024-25 has been projected considering capitalisation during the year. Depreciation has been calculated taking into consideration the opening balance of assets in the beginning of the year and the projected capitalisation during the year. Depreciation rate for FY 2024-25 is considered same as actual depreciation rate of FY 2022-23. The projected depreciation for FY 2024-25 is as shown below.

Commission's Analysis

The Commission notes that MGVCL has computed the depreciation for FY 2024-25, adopting the average rate of depreciation as per GERC MYT Regulations, 2016. The Commission has accordingly considered the Closing GFA as on 31st March, 2022 as approved for FY 2022-23 as the Opening GFA for FY 2023-24 and has considered the additions as proposed by MGVCL for FY 2023-24 to arrive at the Closing GFA for 2023-24, which in turn is considered as the Opening GFA as on 1st April, 2024. The additions during FY 2024-25 are considered as approved by the Commission. Accordingly, the Commission has approved the Depreciation as given in the Table below:

Table 5-60: Approved Depreciation for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Gross Block in Beginning of the year	7,365.62
2	Additions during the Year (Net)	1,099.48
3	Gross Block in closing of the year	8,465.10
4	Average Gross Block of the year	7,915.36
5	**Depreciation for the Year**	**326.02**
6	Average Rate of Depreciation	4.12%

5.14 Interest on Loan

MGVCL has projected the interest on Loan as detailed in the Table below:

Table 5-61: Interest and Finance Charge for FY 2024-25 (Rs. Crore)

S. No	Particulars	FY 2024-25
1	Opening Loans	-
2	Loan Additions during the Year	576.91
3	Repayment during the Year	345.79
4	Closing Loans	231.12
5	Average Loans	115.56
6	**Weighted average rate of interest**	12.29%
7	Interest on Loan	14.20
8	Interest on security deposit	84.07
9	Other Bank Charges	0.06
10	**Total Interest & Financial Charges**	98.34

Petitioner's submission

MGVCL submitted that the interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major bearing on the long-term interest expenditure.

The closing balance of loan portfolio for FY 2022-23 as calculated in this Petition is taken as opening balance of FY 2023-24. Addition and repayment during FY 2023-24 is considered same as approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2023 to work out closing balance of FY 2023-24. Closing balance of FY 2023-24 thus work out has been considered as opening balance of normative loan for FY 2024- 25.

The loan addition for FY 2024-25 is considered as 70% of the capitalisation excluding consumer contribution and grants which has been worked out in earlier section and repayment during the year is equivalent to the depreciation for FY 2024-25. The rate of interest has been taken as the weighted average rate of interest on the actual loan portfolio for FY 2022-23 that is 12.29%.

Interest rate on Security deposit by consumers is taken at the RBI bank rate of 6.75%. Other bank charges have been considered same as of FY 2022-23.

Commission's Analysis

The Commission has considered the Closing normative loan as on 31st March, 2023 as approved for FY 2022-23 as the Opening normative loan for FY 2023-24 and has considered the additions as proposed by MGVCL for FY 2023-24 to arrive at the Closing normative loan for 2023-24, which in turn is considered as the Opening normative loan as on 1st April, 2024. The additions during FY 2024-25 are considered as approved by the Commission.

The Commission has considered the rate of interest on long-term loans and consumer security deposit as 10.08% and 6.75%, respectively.

Further, MGVCL has considered other bank charges of Rs. 0.060 Crore as claimed in FY 2022-23. The Commission has considered the other bank charges for FY 2024-25 at the level of actuals for FY 2022-23. Considering all the above, the Commission has computed the interest and finance charges for FY 2024-25, as detailed in the Table below:

Table 5-62: Approved Interest and Finance Charge for FY 2024-25 (Rs. Crore)

S. No	Particulars	FY 2024-25
1	Opening Loans	
2	Loan Additions during the Year	156.91
3	Repayment during the Year	156.91
4	Closing Loans	-
5	Average Loans	-
6	**Weighted average rate of interest**	**10.08%**
7	Interest on Loan	-
8	Interest on security deposit	84.07
9	Other Bank Charges	0.06
10	**Total Interest & Finance Charges**	**84.14**

5.15 Interest on Working Capital

MGVCL has projected the interest on working capital for FY 2024-25, as detailed in the Table below:

Table 5-63: Interest on Working Capital for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	O & M expenses	86.89
2	Maintenance Spares	73.66
3	Receivables	873.65
4	Less: Consumers' security deposit	1,245.54
5	**Total Working Capital**	**(211.34)**
6	Rate of Interest on Working Capital	10.30%
7	**Interest on Working Capital**	-

Petitioner's submission

MGVCL has submitted that interest on working capital has been calculated on normative basis in accordance with the GERC (MYT) Regulations, 2016. Since the security deposit by the consumers with the utility is more than its total normative working capital requirement, therefore, MGVCL has not projected any interest on working capital for FY 2024-25.

Commission's Analysis

The Commission has examined the computation of interest on working capital submitted by MGVCL. The O&M expenses for one month and maintenance spares at 1% GFA are considered by MGVCL as per GERC (MYT) Regulations, 2016.

The interest on Working Capital is calculated as per the provision of GERC (MYT) Regulation para 40.4 (b) and 40.5 (b) as reproduced below

40.4 (b) Interest shall be allowed at a rate equal to the State Bank Base Rate (SBBR) as on 1stApril of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average State Bank Base Rate (SBBR) prevailing during the financial year plus 250 basis points.

40.5 (b) Interest shall be allowed at a rate equal to the State Bank Base Rate (SBBR) as on 1stApril of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average State Bank Base Rate (SBBR) prevailing during the financial year plus 250 basis points.

State Bank Base Rate as on 1st April 2023 was 8.50% and accordingly after adding the spread of 250 basis points, the applicable interest rate comes out to be 11%. Based on the approved O&M expenses and GFA, the Commission has computed the working capital and interest on working capital, as detailed in the Table below.

Table 5-64: Approved Interest on Working Capital for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	O & M expenses	69.54
2	Maintenance Spares	73.66
3	Receivables	873.38
4	Less: Consumers' security deposit	1,245.54
5	**Total Working Capital**	**(228.97)**
6	Rate of Interest on Working Capital	11.00%
7	**Interest on Working Capital**	-

The Commission, accordingly, approves the interest on working capital as Nil as detailed in the above Table for FY 2024-25.

5.16 Return on Equity

MGVCL has projected the Return on Equity for FY 2024-25, as detailed in the Table below:

Table 5-65: Return on Equity for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Opening Equity Capital	1287.49
2	Additions during the year	247.25
3	Closing Equity	1534.74
4	Average Equity	1411.12
5	Rate of Return on the Equity	14.00%
6	**Return on Equity**	**197.56**

Petitioner's submission

MGVCL submitted that the closing balance of equity for FY 2022-23 as calculated in this Petition is taken as opening balance of FY 2023-24. Addition during FY 2023-24 is considered same as approved by the Hon'ble Commission in its Tariff Order dated 31st March, 2023 to work out closing balance of FY 2023-24. Closing balance of FY 2023-24 thus work out has been considered as opening balance of equity for FY 2024-25

MGVCL has submitted that the equity addition for FY 2024-25 has been arrived at by considering 30% of the Capitalization net of consumer contribution and grants as funded from equity as already explained above. As per the GERC MYT Regulations, 2016, return @ 14.00% on the equity base is allowed by the Hon'ble Commission. Accordingly, MGVCL has computed the Return on Equity considering a rate of return at 14.00%.

Commission's Analysis

The Commission has computed the return on equity @ 14% on the average equity of the opening and closing balance and approved addition of equity for FY 2024-25, as approved in the Table below:

Table 5-66: Approved Return on Equity for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Opening Equity Capital	1,283.62

S. No.	Particulars	FY 2024-25
2	Additions during the year	67.25
3	Closing Equity	1,350.86
4	Average Equity	1,317.24
5	Rate of Return on the Equity	14.0%
6	**Return on Equity**	**184.41**

5.17 Provision for Bad and Doubtful Debt

Petitioner's submission

MGVCL has submitted that it has considered Provision for bad & doubtful debts is considered same as actuals of FY 2022-23. It is a very legitimate expenditure which is associated with the business risk and is a consumer related expense as MGVCL is in a distribution business. MGVCL accordingly, has projected Provision for Bad & Doubtful Debts for FY 2024-25 as follows.

Table 5-67: Bad and Doubtful Debts for FY 2024-25 (In Rs. Cr.)

Sr. No.	Particulars	FY 2024-25 (Projected)
1	Provision for Bad Debts	0.002

Commission's Analysis

Regulation 94.9 of the GERC (MYT) Regulations, 2016 specifies that the Commission may allow bad debts written off as a pass through in the ARR.

The Commission has approved the bad debts written off as Rs. 0.002 Crore in the truing up for FY 2022-23 as mentioned earlier. For FY 2024-25, MGVCL has projected bad and doubtful debts of Rs. 0.002 Crore, same as actuals of FY 2022-23. Therefore, the Commission has also considered the provision for bad and doubtful debt for FY 2024-25 as Rs. 0.002 Crore.

5.18 Provision for Tax

Petitioner's submission

MGVCL submitted that provision for tax is considered as actual tax paid for FY 2022-23, which is as under:

Table 5-68: Income Tax Projected for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Provision for Tax	7.65

Commission's Analysis

Regulation 41.1 of GERC (MYT) Regulations, 2016 specifies that the Commission, in its MYT Order, shall provisionally approve income tax payable for each year of the Control Period, if any, based on the actual income tax paid as per the latest audited accounts available for the applicant, subject to prudence check. The latest audited accounts available for MGVCL are for FY 2022-23 and the Income Tax admitted in the truing up for FY 2022-23 is Rs. 7.65 Crore. Therefore, provision of Tax approved for FY 2024-25 is shown in the Table below:

Table 5-69: Approved Income Tax for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Provision for Tax	7.65

5.19 Non-Tariff Income

Petitioner's submission

MGVCL has considered the Non-Tariff Income for FY 2024-25 same as actual figures of FY 2022-23 for all the head items except for the head item "miscellaneous receipts" which includes "Incentive received under Rooftop Solar Programme". This incentive is received from MNRE from achievement of solar rooftop targets within the DISCOM area. For the year 2022-23, MGVCL had received this incentive amounting to Rs 0.01 Crores, however MGVCL has considered target of 38,400 connections to be achieved for solar rooftop in FY 2024-25. Therefore, based on the target, MGVCL projects incentive of Rs 22 Crore under

"Incentive received under Rooftop Solar Programme" in FY 2024-25. The total Non-Tariff income for FY 2024-25 is shown below:

Table 5-70: Non-Tariff Income FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Non-Tariff Income	205.56

Commission's Analysis

The Commission has approved NTI for FY 2024-25 as projected by MGVCL, as shown in the Table below:

Table 5-71: Approved Non-Tariff Income FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Non-Tariff Income	205.56

5.20 ARR for FY 2024-25

Petitioner's submission

The ARR projected by MGVCL for FY 2024-25 is detailed in the Table below:

Table 5-72: Projected ARR for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Cost of Power Purchase	8,885.21
2	Operation & Maintenance Expenses	1,042.72
2.1	*Employee Cost*	*720.62*
2.2	*Repair & Maintenance*	*75.58*
2.3	*Administration & General Charges*	*110.43*
2.4	*RDSS Metering Opex*	*208.25*
2.5	*Other Expenses Capitalised*	*(72.15)*
3	Depreciation	345.79
4	Interest & Finance Charges	98.34
5	Interest on Working Capital	-

S. No.	Particulars	FY 2024-25
6	Provision for Bad Debts	0.002
7	**Sub-Total [1 to 6]**	**10,372.06**
8	Return on Equity	197.56
9	Provision for Tax	7.65
10	**Total Expenditure (7 to 9)**	**10,577.26**
11	Less: Non-Tariff Income	205.56
12	**Aggregate Revenue Requirement (10 - 11)**	**10,371.71**

Commission's Analysis

The Commission has analysed the components of ARR in the foregoing paragraphs and approved ARR for FY 2024-25 as summarised in the Table below:

Table 5-73: Approved ARR for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Cost of Power Purchase	8,733.36
2	Operation & Maintenance Expenses	834.47
2.1	*Employee Cost*	*720.62*
2.2	*Repair & Maintenance*	*75.58*
2.3	*Administration & General Charges*	*110.43*
2.4	*RDSS Metering Opex*	-
2.5	*Other Expenses Capitalised*	*(72.15)*
3	Depreciation	326.02
4	Interest & Finance Charges	84.14
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.002
7	**Sub-Total [1 to 6]**	**9,977.98**
8	Return on Equity	184.41
9	Provision for Tax	7.65

S. No.	Particulars	FY 2024-25
10	**Total Expenditure (7 to 9)**	**10,170.04**
11	Less: Non-Tariff Income	205.56
12	**Aggregate Revenue Requirement (10 - 11)**	**9,964.49**

6 Revenue (Gap)/Surplus for FY 2024-25

6.1 Revenue for FY 2024-25 with Existing Tariff

MGVCL has projected the category-wise revenue from existing Tariff for FY 2024-25, as shown in the Table below:

Table 6-1: Revenue at Existing Tariff for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Revenue excluding FPPPA
A	**LT Consumers**	
1	RGP	1,360.95
2	GLP	56.35
3	Non-RGP & LTMD	1,125.31
4	Public Water Works	178.11
5	Agriculture-Unmetered	65.66
6	Agriculture-Metered	99.66
7	Electric Vehicle Charging	0.11
	LT Total (A)	**2,886.14**
B	**HT Consumers**	
8	Industrial HT	3,521.78
9	Railway Traction	-
10	Electric Vehicle Charging	0.04
	HT Total (B)	**3,521.81**
	Grand Total (A + B)	**6,407.95**

Petitioner's submission

MGVCL has projected revenue from existing Tariff for FY 2024-25 by considering projected sales and existing Tariff, as Rs. 6,407.95 Crore.

Commission's Analysis

The Commission has approved the category-wise sales for FY 2024-25, as discussed in the preceding section and taking into consideration the rationalization made in the retail tariff as discussed in Chapter 10 of this Order, the Commission has computed the revenue from sale of power for FY 2024-25, as shown in the Table below:

Table 6-2: Approved Revenue at Existing Tariff for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Revenue excluding FPPPA
A	**LT Consumers**	
1	RGP	1,360.95
2	GLP	56.35
3	Non-RGP & LTMD	1,125.31
4	Public Water Works	178.11
5	Agriculture-Unmetered	65.66
6	Agriculture-Metered	99.66
7	Electric Vehicle Charging	0.11
	LT Total (A)	**2,886.14**
B	**HT Consumers**	
8	Industrial HT	3,614.71
9	Railway Traction	-
10	Electric Vehicle Charging	0.04
	HT Total (B)	**3,614.74**
	Grand Total (A + B)	**6,500.88**

6.2 Revenue from FPPPA Charges

The petitioner has estimated revenue from FPPPA charges for FY 2024-25, as detailed in the Table below:

Table 6-3: Revenue from FPPPA Charges for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Projected Sales (MUs)	13,752.49
2	FPPPA Rate (Rs./kWh)	2.84
3	Revenue from FPPPA (Rs. Crore)	3,905.71

Petitioner's submission

MGVCL submitted that in the Order for True up for FY 2021-22 and Determination of Tariff for FY 2023-24 dated 31st March, 2023, the Commission has considered the base power purchase cost at Rs. 5.22/unit and base FPPPA at Rs. 2.64/unit. As per approved FPPPA formula, any increase in power purchase cost during the year, over and above base power purchase cost of Rs. 5.22/unit is to be recovered through FPPPA, over and above base FPPPA of Rs. 2.64/unit on quarterly basis. As per the projected ARR for FY 2024-25, the weighted average power purchase cost is worked out to Rs. 5.38/unit same as of FY 2024-25.

Thus, the change in power purchase cost is 0.17/unit for FY 2024-25 and accordingly base FPPPA is changed to Rs 2.84/unit. Therefore, estimated revenue from FPPPA for FY 2024-25 is considered at Rs. 2.84/unit (i.e. grossing up by approved losses), as shown below:

Table 6-4: FPPPA Computation for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2023-24	FY 2024-25
1	Fixed Cost (Rs. Crore)	14318	15078
2	Variable Cost (Rs. Crore)	38605	46686
3	GETCO Cost (Rs. Crore)	5013	5830
4	GUVNL Cost (Rs. Crore)	471	523
5	PGCIL Charges (Rs. Crore)	3320	3276
6	SLDC Charges (Rs. Crore)	36	48
7	Total Power Purchase Cost (Rs. Crore)	61763	71440
8	Total Energy Requirement (MU)	118353	132666
9	Power Purchase Cost (Rs./kWh)	5.22	5.38
10	Increase in Power Purchase Cost (Rs./kWh)		0.17
11	Additional FPPPA Charges (Grossed up by Distribution Loss) (Rs./kWh)	0.74	0.20

S. No.	Particulars	FY 2023-24	FY 2024-25
12	Existing FPPPA Charges (Rs./kWh)	1.90	2.64
13	Revised FPPPA Charges (Rs./kWh)	2.64	2.84

Commission's Analysis

The Commission has approved the base power purchase cost for FY 2024-25 as Rs. 5.32/kWh. Thus, there is an increase of Rs. 0.11/kWh in the base power purchase cost of DISCOMs for FY 2024-25 over that of for FY 2023-24. After grossing up with approved overall loss, the required increase comes out to be and Rs.0.12/ kWh. The calculation of revised Base FPPPA charges for FY 2024-25 is shown in the Table below:

Table 6-5: Approved FPPPA for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2023-24	FY 2024-25
1	Fixed Cost	14,318	15,078
2	Variable Cost	38,605	44,860
3	GETCO Cost	5,013	5,584
4	GUVNL Cost	471	513
5	PGCIL Charges	3,320	3,276
6	SLDC Charges	36	38
7	Total Power Purchase Cost	61,763	69,349
8	Total Energy Requirement (MUs)	118,353	130,264
9	**Power Purchase Cost (Rs./kWh)**	**5.22**	**5.32**
10	Increase in Power Purchase Cost (Rs./ kWh)		0.11
11	Additional FPPPA Charges (Grossed up by Distribution Loss) (Rs./kWh)	0.74	0.12
12	Existing FPPPA Charges (Rs./kWh)	1.90	2.64
13	**Revised FPPPA Charges (Rs./kWh)**	**2.64**	**2.76**

Accordingly, the base FPPPA for FY 2024-25 works out to be Rs 2.76/ kWh. However, looking at the current FPPPA Charge of Rs 2.85/ kWh, the Commission decided to consider Revenue from base FPPPA Charge @ Rs 2.77/ kWh in order to mitigate the small consolidated Gap of Rs 107.17 Crores for four DISCOMs put together.

Accordingly, the Commission allows Base FPPPA charges and revenue therefrom on the approved sales of 13,752.49 MUs for FY 2024-25 at Rs. 2.77/kWh as shown in the table below:

Table 6-6: Approved revenue from FPPPA charges for FY 2024-25

S. No.	Particulars	FY 2024-25
1	Projected Sales (MUs)	13,752.49
2	FPPPA Rate (Rs./kWh)	2.77
3	**Revenue from FPPPA (Rs. Crore)**	**3,809.44**

Further it is to clarify that DISCOMs/ GUVNL shall consider Base FPPPA @ Rs 2.77/ kWh, while calculating the FPPPA Charges on quarterly basis.

6.3 Other consumer related Income

MGVCL has projected the other consumer related income as Rs. 97.96 Crore for FY 2024-25, as shown in the Table below:

Table 6-7: Other Consumer related income for FY 2024-25 (Rs Crore)

S. No.	Particulars	FY 2024-25
1	Other Consumer related income	97.96

Petitioner's submission

MGVCL submitted that the revenue from Other Consumer Related Income comprises of revenue on account of charges other than the basic charges applicable to the Consumers. These include income on account of wheeling charges, inspection charges and miscellaneous charges. MGVCL has projected its Other Consumer related Income for FY 2024-25 same as actual of FY 2022-23.

Commission's Analysis

The Commission observes that MGVCL has projected the other consumer related income for FY 2024-25 at actuals of FY 2022-23 as per audited Annual Accounts. The Commission, accordingly, approves the other consumer related income at Rs. 97.96 Crore for FY 2024-25, as shown in the Table below:

Table 6-8: Approved Other Consumer related income for FY 2024-25 (Rs Crore)

S. No.	Particulars	FY 2024-25
1	Other Consumer related income	97.96

6.4 Agriculture Subsidy

MGVCL has projected Agriculture Subsidy as Rs. 72.22 Crore for FY 2024-25 as shown in the Table below:

Table 6-9: Agriculture Subsidy for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Agriculture Subsidy	72.22

Petitioner's submission

MGVCL submitted that the Agricultural Subsidy that was received by the erstwhile GEB from the State Government will continue to be received by the four DISCOMs i.e. Rs. 1100.00 Crores. The share of agricultural subsidy for FY 2024-25 is considered on pro-rata basis of agriculture consumption.

Commission's Analysis

The Commission has considered the Agriculture Subsidy as projected by the petitioner, and accordingly, approves Agricultural Subsidy as Rs. 72.22 Crore for FY 2024-25, as shown in the Table below:

Table 6-10: Agriculture Subsidy for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Agriculture Subsidy	72.22

6.5 Total Expected Revenue for FY 2024-25

MGVCL has projected total revenue of Rs. 10,483.85 Crore for FY 2024-25, as shown in the Table below:

Table 6-11: Total projected revenue for FY 2024-24 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Revenue with Existing Tariff	6407.95
2	FPPPA Charges @ Rs. 2.84/ unit	3905.71
3	Other Income (Consumer related)	97.96
4	Agriculture Subsidy	72.22
5	**Total Revenue including subsidy (1 to 4)**	**10,483.85**

Petitioner's submission

MGVCL submitted that based on the projections, the total revenue of the company comprises of revenue from sale of power at existing tariff, FPPPA charges, other consumer related income and Agriculture Subsidy.

Commission's Analysis

The Commission has approved the total revenue for FY 2024-25, as shown in the Table below:

Table 6-12: Approved Total Revenue for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Revenue with Existing Tariff	6,500.88
2	FPPPA Charges @ Rs. 2.77/ unit	3,809.44
3	Other Income (Consumer related)	97.96
4	Agriculture Subsidy	72.22
5	**Total Revenue including subsidy (1 to 4)**	**10,480.51**

6.6 Revenue (Gap)/Surplus for FY 2024-25

Petitioner's submission

MGVCL has estimated the cumulative Revenue (Gap)/Surplus for FY 2024-25 as shown in the Table below:

Table 6-13: Estimated Revenue (Gap)/ Surplus for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Aggregate Revenue Requirement	10,371.71
2	Less: Revenue (Gap)/Surplus from True up of FY 2022-23	(560.18)
3	**Total Aggregate Revenue Requirement**	**10,931.88**
4	Revenue with Existing Tariff	6,407.95
5	FPPPA Charges @ Rs. 2.84/ unit	3,905.71
6	Other Income (Consumer related)	97.96
7	Agriculture Subsidy	72.22
8	**Total Revenue including subsidy (4 to 7)**	**10,483.85**
9	**Revenue (Gap)/Surplus (8 - 3)**	**(448.03)**

Commission's Analysis

The Commission has estimated the total Revenue (Gap)/ Surplus for FY 2024-25 at the existing Tariff, as shown in the Table below:

Table 6-14: Approved Revenue (Gap)/ Surplus for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Aggregate Revenue Requirement	9,964.49
2	Less: Revenue (Gap)/Surplus from True up of FY 2022-23	(515.41)
3	**Total Aggregate Revenue Requirement**	**10,479.89**
4	Revenue with Existing Tariff	6,500.88
5	FPPPA Charges @ Rs. 2.77/ unit	3,809.44

S. No.	Particulars	FY 2024-25
6	Other Income (Consumer related)	97.96
7	Agriculture Subsidy	72.22
8	**Total Revenue including subsidy (4 to 7)**	**10,480.51**
9	**Revenue (Gap)/Surplus (8 - 3)**	**0.62**

6.7 Consolidated ARR of the State Owned DISCOMs

Commission's Analysis

Based on the approved ARR for individual DISCOM for FY 2024-25, the consolidated position of the DISCOMS is shown in the table below:

Table 6-15: Approved Consolidated ARR for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Projected In ARR	Approved
1	Cost of Power Purchase	71,439.79	69,349.06
2	Operation & Maintenance Expenses	4,750.42	3,939.09
2.1	*Employee Cost*	*3,528.27*	*3,528.27*
2.2	*Repair & Maintenance*	*471.27*	*471.27*
2.3	*Administration & General Charges*	*609.42*	*609.42*
2.4	*RDSS Metering OPEX*	*811.34*	-
2.5	*Other Expenses Capitalised*	*(669.87)*	*(669.87)*
3	Depreciation	2,467.28	2,378.82
4	Interest & Finance Charges	868.78	715.57
5	Interest on Working Capital	-	-
6	Provision for Bad Debts	14.77	0.42
7	**Sub-Total (1 to 6)**	**79,541.04**	**76,382.96**
8	Return on Equity	1,537.12	1,480.28
9	Provision for Tax	33.70	33.70
10	**Total Expenditure (7 to 9)**	**81,111.86**	**77,896.94**
11	Less: Non-Tariff Income	1,048.42	1,048.42

S. No.	Particulars	Projected In ARR	Approved
12	**Aggregate Revenue Requirement (10-11)**	**80,063.44**	**76,848.53**

6.8 Consolidated Revenue (Gap)/Surplus of the State-Owned DISCOMs

Petitioner's submission

MGVCL submitted that the consolidated resultant Revenue (Gap) / Surplus for all four distribution companies is Rs. (3,716.64) Crore.

Commission's Analysis

Since, the uniform Tariff for State-owned DISCOMs has been envisaged in the MYT Order dated 31st March 2017 and Tariff Order dated 31st March, 2020, it is necessary to consider the consolidated (Gap)/Surplus of FY 2024-25 for all the State-owned DISCOMs, while determining the Tariff for FY 2024-25. The consolidated Revenue Surplus approved by the Commission for FY 2024-25 as shown in the Table above, is Rs. 5.07 Crore, as compared to Revenue Gap of Rs. 3,716.64 Crore estimated by the State-owned DISCOMs. The computations are shown in the Table below:

Table 6-16: Consolidated (Gap)/ Surplus computed for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Projected by DISCOMs	Approved
1	ARR for FY 2024-25	80,063.44	76,848.53
2	Revenue (Gap)/Surplus for FY 2022-23	(5,689.74)	(5,098.83)
3	**Net ARR for FY 2024-25**	**85,753.18**	**81,947.36**
4	Revenue with existing Tariff	48,301.55	49,003.12
5	FPPPA Charges	31,876.20	31,090.52
6	Other Income (Consumer Related)	758.79	758.79
7	Agriculture Subsidy	1,100.00	1,100.00
8	**Total Revenue**	**82,036.54**	**81,952.43**
9	**(Gap)/Surplus for FY 2024-25**	**(3,716.64)**	**5.07**

Accordingly, there is a Cumulative Revenue Surplus of Rs. 5.07 Crore (Consolidated for all DISCOMs) while determining the ARR for FY 2024-25.

7 Directives

Directive 1: Tariff Rationalization

The Commission directs the DISCOM to propose rationalization in the existing tariff structure based on the study of Tariff slabs of major consumer categories in other leading / neighbouring states. DISCOM is also directed to explore the possibility of providing separate tariff structure to the consumer with pre-paid Smart Meter.

Directive 2: Charging Infrastructure for Electric Vehicles

The DISCOM reported to the Commission that GUVNL has initiated action for inviting EoI from eligible entities for providing EV Charging facilities across the states. DISCOM is directed to report the progress made in this regard.

8 Fuel and Power Purchase Price Adjustment

8.1 Fuel Price and Power Purchase Price Adjustment

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

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.

8.2 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 FY 2024-25 from various sources as given in the Table below:

Table 8-1: Base FPPPA Working for FY 2024-25

S. No.	Particulars	FY 2023-24	FY 2024-25
1	Fixed Cost (Rs. Crore)	14,318	15,078
2	Variable Cost (Rs. Crore)	38,605	44,860
3	GETCO Cost (Rs. Crore)	5,013	5,584
4	GUVNL Cost (Rs. Crore)	471	513
5	PGCIL Charges (Rs. Crore)	3,320	3,276
6	SLDC Charges (Rs. Crore)	36	38
7	Total Power Purchase Cost (Rs. Crore)	61,763	69,349
8	Total Energy Requirement (MUs)	118,353	130,264
9	**Power Purchase Cost (Rs./kWh)**	**5.22**	**5.32**
10	Increase in Power Purchase Cost (Rs./ KWh)		0.11
11	Additional FPPPA Charges (Grossed up by Distribution Loss) (Rs./kWh)	0.74	0.12
12	Existing FPPPA Charges (Rs./kWh)	1.90	2.64
13	**Revised FPPPA Charges (Rs./kWh)**	**2.64**	**2.76**

As mentioned above, the base Power Purchase cost (PPCB) for the DISCOMs is Rs. 5.32/kWh for FY 2024-25. Further, based on the above computations, the base FPPPA works out to be Rs. 2.76/ kWh for FY 2024-25.

However, looking at the current FPPPA Charge of Rs 2.85/ kWh, the Commission decided to consider the base FPPPA Charge @ Rs 2.77/ kWh, in order to mitigate the small consolidated Gap of Rs 107.17 Crores for the four DISCOMs put together. Accordingly, the base FPPPA Charges for FY 2024-25 is to be considered as Rs 2.77/ kWh.

GUVNL/DISCOMs may claim difference between actual power purchase cost and base power purchase cost of Rs 5.32/ kWh, as per the approved FPPPA formula mentioned above.

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

8.3 Shifting of Base FPPPA

As deliberated earlier, the base FPPPA for FY 2024-25 is approved as Rs. 2.77/kWh and base power purchase cost (PPCB) as Rs. 5.32/kWh.

9 Wheeling Charges and Cross-Subsidy Surcharge

9.1 Allocation Matrix

Regulations 87 of the GERC (MYT) Regulations, 2016 specifies that the Commission shall determine the Wheeling Charges of Distribution Wires Business of the Distribution Licensees in the ARR and Tariff Order.

The Allocation Matrix for allocation of costs between the Wires Business and Retail Supply Business as specified in the GERC (MYT) Regulations, 2016, is shown in the table below:

Table 9-1: Allocation matrix for segregation of wheeling and retail supply business of Distribution Licensees

Allocation Matrix	Wires Business (%)	Retail Business (%)
Power Purchase Expenses	0%	100%
Employee Expenses	60%	40%
Repair & Maintenance Expenses	90%	10%
Administration & General Expenses	50%	50%
RDSS Metering OPEX*	100%	0%
Other Expenses Capitalised	55%	45%
Depreciation	90%	10%
Interest & Finance charges	90%	10%
Interest on Security Deposit	10%	90%
Interest on Working Capital	10%	90%
Provision for Bad Debts	0%	100%
Contribution to Contingency Reserves	100%	0%
Return on Equity	90%	10%
Provision for Tax/ Tax Paid	90%	10%
Non-Tariff Income	10%	90%

** RDSS Metering Opex was not envisaged as an expenditure item under the GERC (MYT) Regulations, 2016. This expense being a new element for the ARR of FY 2022-23, the Commission categorised this entire expense as the expense related to wire business of the distribution licensee.*

Based on the above Allocation Matrix, the approved ARR for Wires Business and Retail Supply Business for FY 2024-25 is shown in the Table below:

Table 9-2: Allocation of ARR between Wheeling and Retail Supply Business for the four State Owned DISCOMs for FY 2024-25 (Rs. Crore)

S. No.	Particulars	Distribution	Wire Business	Retail Supply Business
1	Power Purchase Expenses	69,349.06	-	69,349.06
2	O & M Expenses	3,939.09	2,477.38	1,461.70
2.1	*Employee Cost*	*3,528.27*	*2,116.96*	*1,411.31*
2.2	*Repair & Maintenance Expenses*	*471.27*	*424.14*	*47.13*
2.3	*Administration & General Expenses*	*609.42*	*304.71*	*304.71*
2.4	*RDSS Metering Opex*	-	-	-
2.5	*Other Expenses Capitalized*	*(669.87)*	*(368.43)*	*(301.44)*
3	Depreciation	2,378.82	2,140.94	237.88
4	Interest & Finance Charges	116.77	105.09	11.68
5	Interest on Security Deposit	598.80	59.88	538.92
6	Interest on Working Capital	-	-	-
7	Provision for Bad Debts	0.42	-	0.42
8	Contribution to Contingency Reserves	-	-	-
9	Return on Equity Capital	1,480.28	1,332.25	148.03
10	Provision for Tax/ Tax Paid	33.70	30.33	3.37
11	Total Expenditure	77,896.94	6,145.88	71,751.07
12	Less: Non-Tariff Income	1,048.42	104.84	943.58
13	Aggregate Revenue Requirement	76,848.53	6,041.04	70,807.49

9.2 Wheeling charges

The Wheeling Charges for the four Distribution Companies, viz., DGVCL, MGVCL, PGVCL and UGVCL for FY 2024-25, as given below are applicable for use of the distribution system of a Distribution 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.

Table 9-3: Wheeling charges for FY 2024-25

S. No.	Particulars	Units	Amount
1	Distribution costs of the four DISCOMs	Rs. Crore	6,041.04
2	Distribution cost of the four DISCOMs at 11 kV level (30% of total distribution cost)	Rs. Crore	1,812.31
3	Distribution cost of the four DISCOMs at LT level (70% of total distribution cost)	Rs. Crore	4,228.73
4	Energy input at 11 kV	MU	123,047.14
5	**Wheeling charges at 11 kV, 22 kV and 33 kV**	**Ps./kWh**	**14.73**
6	Energy Input at 400 V	MU	59,387.26
7	**Wheeling charges at 400 V (LT)**	**Ps./kWh**	**71.21**

Accordingly, the Commission approves Wheeling Charges for HT network (11 kV, 22 kV & 33 kV system) at 14.73 Paise per kWh and Wheeling Charges for LT network (400 V system) at 71.21 Paise per kWh.

Distribution losses:

The distribution losses applicable for Open Access during FY 2024-25 are as given below:

S. No.	Particulars	Point of Energy Delivered	
		11 kV, 22 kV & 33 kV	400 Volts
1	11 kV, 22 kV and 33 kV	8.50%	8.78%
2	400 Volts		0.59%

The losses in HT and LT network are 8.50% and 0.59% respectively, with respect to energy input to the segment of the system. In case injection at 11 kV, 22 kV & 33 kV levels and drawl at LT level envisages use of both the networks, i.e., 11 kV, 22 kV & 33 kV and LT, in that case, the combined loss works out to 8.78% of the energy injection at 11 kV network.

The above Wheeling Charges payable shall be uniform in all the four Distribution Licensees, viz., DGVCL, MGVCL, PGVCL and UGVCL.

9.3 Cross-Subsidy Surcharge

The Cross-Subsidy Surcharge (CSS) is based on the formula given in the Tariff Policy as below:

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

Where,

- T is the Tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation
- C is the per unit weighted average cost of power purchase by the Licensee, including meeting the Renewable Purchase Obligation
- D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level
- L is the aggregate of transmission, distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level
- R is the per unit cost of carrying regulatory assets

The CSS based on the above formula is worked out as shown in the Table below:

Table 9-4: Cross Subsidy Surcharge for FY 2024-25

Sr. No.	Particulars	Units	HT Industry
1	T	Rs./ kWh	8.35
2	C	Rs./ kWh	5.32
3	D	Paise/ kWh	14.73

Sr. No.	Particulars	Units	HT Industry
4	L	%	8.50%
5	S (Cross Subsidy Surcharge)	Rs./kWh	2.87

S= 8.35 - [5.32/(1-8.50%/100)+14.73/100+0]= Rs. 2.87/kWh

Thus, CSS as per Tariff Policy, 2016 works out to Rs. 2.87/kWh for the four State owned Distribution companies viz. DGVCL, MGVCL, PGVCL and UGVCL.

However, Electricity (Amendment) Rules 2022 provide the following;

"13. Surcharge payable by Consumers seeking Open Access - The surcharge determined by the State Commission under clause (a) of sub-section (1) of section 86 of the Electricity Act,2003 shall not exceed twenty per cent of the average cost of Supply."

Since 20% of the average cost of supply for the four State owned DISCOMs comes out to be Rs 1.52/ kWh, the Cross Subsidy Surcharge leviable to Open Access Consumers of the four State owned DISCOMs for FY 2024-25 is determined as Rs 1.52/ kWh

Accordingly, Cross Subsidy Surcharge = Rs. 1.52/kWh for FY 2024-25.

Further, vide Order dated 30.08.2022 on Petition No. 1747 of 2018 and 1771 of 2018 about deciding the methodology for working of Additional Surcharge applicable to Open Access consumers, it is decided by the Commission that for every year the percentage of network cost built into the demand charge for the consumers of contract demand in excess of 1000 kVA in each Tariff order will be specified by the Commission in the Tariff Order of respective financial year. Accordingly, for FY 2024-25, 6.71% portion of demand charge proposed to be recovered from the consumers of contracted demand in excess of 1000 kVA (i.e. from the consumers eligible for open access) attributes to network related fixed cost of the distribution licensees.

10 Tariff Philosophy and Tariff Proposals

10.1 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, 2016 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.

10.2 Green Tariff

Commission's view

The Commission observed that DISCOMs have not proposed any tariff for Green Energy in their petitions. However, as mandated under the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 notified by the Ministry of Power, Government of India, the Commission is required to determine Green Energy Tarif comprising of the average pooled power purchase cost of the renewable energy, cross-subsidy charges if any, and service charges covering the prudent cost of the distribution licensee for providing the green energy. In view of this, it is noted by the Commission that difference between; (i) Green Tariff worked out considering various cost elements as per ARR of the four DISCOMs and (ii) the average realisation envisaged for FY 2024-25 for HT and LT (NRGP and LTMD) categories, works out around Rs. 1.00/kWh. Accordingly, in order to comply the MoP Rules, the Commission has decided to set the rate of Green Tariff as Rs. 1.00/kWh which will be over and above the normal tariff applicable to the respective category as per Tariff Order. Green Tariff is optional and available for consumers who want to avail green power for meeting their requirement by payment of Green Power Tariff over and above the normal tariff applicable to the respective category as per Tariff Order.

- Green Power Tariff of Rs 1.00/ kWh, which is over and above the normal Tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
- All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.
- This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

10.3 Tariff Proposals

Petitioner Submission

A. Discontinuation of Concession for use of electricity during night hours (22:00 Hrs. to 06:00 Hrs.)

The Petitioner submitted that at present, consumers are provided concession in energy charges for use of electricity during night hours (22 to 6 Hrs.) to HTP-I, HTP-II and WWSP tariff category. (HTP-I & II: 43 Paise/unit & WWSP > 50 HP: 85 Paise/unit).

With the increased average power purchase cost during night hours as compared to cheaper RE power during the day it is imperative to discontinue the concessional energy charges allowed for consumption during night hours. Accordingly following is proposed by the Petitioner:

Table 10-1 Discontinuation of Concession for use of electricity during night hours

Applicable Category	Existing Provisions	Proposed
HTP-I & II	43 paisa / kWh concession during night hours (from 22:00 hrs to 6:00 Hrs.)	Withdrawal of night concession to the applicable category during night hours
WWSP > 50 HP Load	85 paisa / kWh concession during night hours (from 22:00 hrs to 6:00 Hrs.)	Withdrawal of night concession to the applicable category during night hours

Commission's view

The Commission observed that in the past, power purchase cost used to be lower during the nights as compared to days. However, the power purchase cost at night is not lower-than during day time in the present scenario. Accordingly, the Commission finds it appropriate to accept the proposal of the Petitioner and discontinues the Concession for use of electricity during night hours (22:00 Hrs. to 06:00 Hrs.)

B. **Implementation of Time of Day (ToD) Charges for LTMD tariff category in line with existing HTP-I Tariff category**

The Petitioner submitted that as per Ministry of Power, GoI in Electricity (Rights of Consumer) Amendment Rules, 2023 vide notification dated 14.06.2023, under Rule 8 (A) mandated the following:

"Time of Day Tariff. -The Time-of-Day tariff for Commercial and Industrial consumers having maximum demand more than ten Kilowatt shall be made effective from a date not later than 1st April, 2024 and for other consumers except agricultural consumers, the Time of Day tariff shall be made effective not later than 1st April, 2025 and a Time of Day tariff shall be made effective immediately after installation of smart meters, for the consumers with smart meters: ….

The Rules inter-alia provides for introduction of Time-of-Day Tariff for Commercial and Industrial consumers having contract demand above 10 KW from 01.04.2024. As per present tariff schedule, ToD charges are in place for HT category (except agriculture consumer category). Accordingly, it is proposed to levy charges for LTMD category (above 40 kW) in line with HTP-I category for FY 2024-25 as under:

Table 10-2 Proposed ToU charges for LTMD Category for FY 2024-25

Applicable Category	Proposed
LTMD category	TOU Charge – 45 paisa / kWh

Commission's view

The Commission observed that Electricity (Rights of Consumer) Amendment Rules, 2023 notified by Ministry of Power, Government of India vide notification dated 14.06.2023 stipulates that Time of Day tariff should be introduced for all the consumers above 10 kW. However, to start with introduction of ToD tariff for Low tension consumers, the Commission decides to accept the proposal of the Petitioner and introduce ToU Charges in the LTMD Tariff category as under:

Table 10-3: Approved Time of Use (ToU) charges for LTMD category

Particulars	Approved rate
Additional Charge for energy consumption during two peak periods, viz, 0700 Hrs. to 1100 Hrs. and 1800 Hrs. to 2200 Hrs.	45 paisa per Unit

C. Discontinuation of Non-RGP Night and LTMD Night Tariff category

The Petitioner submitted that National Tariff Policy mandates for rationalization and simplification of tariff structure over the period of time. The existing tariff schedule provides for concessional night tariff category such as NRGP Night and LTMD Night.

As per DISCOM data, there is no / negligible consumers covered under NRGP Night & LTMD night tariff category. Moreover, under changed scenario, the cost of power purchase during night hours is higher as compared to other hours resulting into strain on DISCOM revenue. Accordingly, it is proposed to discontinue NRGP night and LTMD night tariff category as a part of tariff simplification and rationalization.

Commission's view

The Commission observed that there is no consumer in the Tariff Category LTMD Night and NRGP Night, making this tariff categories redundant. In order to simplify the tariff schedule, the Commission decides to accept the proposal of the Petitioner.

D. Energy Charges for HTP-IV category at par with HTP-I category

The Petitioner submitted that as per present tariff schedule, applicable energy charges for HTP-IV category is Rs 2.25 / unit while demand charges are levied at 1/3rd fixed charge applicable to HTP-I category. Accordingly, to address the revenue gap and reduce power procurement costs and ensure adequate recovery of energy charges, it is proposed to levy energy charges for HTP-IV category at par with HTP-I category

Table 10-4 Proposed Energy charges for HTP-IV Category for FY 2024-25

Applicable Category	Existing Provisions	Proposed
HTP-IV	Energy Charges: Rs. 2.25 /kWh for all units consumed during the month	Energy Charges: • Rs. 4.00 /kWh Up to 500 kVA of Billing Demand • Rs. 4.20 /kWh for next 500 kVA of Billing Demand • Rs. 4.30 /kWh for billing demand in excess of 1000 kVA

Commission's view

The consumers falling under HTP-IV category expressed their concerns on the proposed changes by the Petitioner. The Petitioner also appreciated the concern of the said consumers. In view this, the Commission decided not to make any change in the HTP-IV category at present.

E. Introduction of Rebate in Energy Charges for Pre-Paid Smart Meter (RDSS scheme)

The Petitioner submitted that the Government of India has approved Reformed based and Result Linked, Revamped Distribution Sector Scheme. The key objective of the scheme involves installation of prepaid smart metering for consumers along with the associated Advanced Metering Infrastructure.

The DISCOMs are in the process of implementation of the RDSS scheme in the State and the replacement of all the existing consumer meters with smart pre- paid meters will be executed by the DISCOMs in a phased wise manner.

Further, Hon'ble Commission vide letter dated 06.11.2023 have directed DISCOM's to submit the proposal for charging lower tariff to consumers with prepaid smart meters in the Tariff Petition of FY 2024-25.

Accordingly, the comparison of rebate being offered by major states was carried out and the Petitioner has proposed to initially offer a discount / rebate of 2% in energy charges to LT Category (except AG consumer) covered under RDSS Scheme. Subsequently, it is proposed that, post implementation of scheme and after a careful analysis of impact of smart prepayment metering, a detailed proposal will be submitted.

Moreover, as provided in the Electricity Act, 2003 at Section 47(5), DISCOMs cannot recover Security Deposit from the consumer being supplied through pre-payment meter. Therefore, the existing Security deposit amount of the consumer shall be set-off against equivalent amount of pre-payment, after net-off arrears if any, on installation of prepayment meter.

Commission's view

The Commission has noted the submissions of the Petitioner. The Petitioner may offer rebate as proposed by them. However, it is clarified here that as per the relevant regulations, such rebate is not permissible to be passed on in the ARR.

F. Amend the definition of RGP tariff category for inclusion of Animal Husbandry activities.

The Petitioner submitted that State Government vide GR dated 15.10.2022 has constituted a High-Power Committee (HPC) to address various issues / representation of Farmer Organizations / Associations / Unions. High Powered Committee recommended inclusion of animal husbandry activities involving not more than 30 milking animals under RGP tariff category.

In order to implement the directives of State Government upon recommendation of High-Power Committee (HPC), it is proposed that the definition of RGP tariff category may be modified as under:

RGP-Urban:

This Tariff is applicable to all services in the residential premises which are not covered under 'Rate: RGP (Rural)' Category.

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

RGP-Rural:

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

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this tariff category.

Commission's view

The Commission has noted the submissions of the Petitioner and decide to accept the proposal of the Petitioner.

Commission's Order

The Commission approves the Aggregate Revenue Requirement (ARR) for MGVCL for FY 2024-25 as shown in the Table below:

ARR approved for FY 2024-25 (Rs. Crore)

S. No.	Particulars	FY 2024-25
1	Cost of Power Purchase	8,733.36
2	Operation & Maintenance Expenses	834.47
2.1	*Employee Cost*	720.62
2.2	*Repair & Maintenance*	75.58
2.3	*Administration & General Charges*	110.43
2.4	*RDSS Metering Opex*	-
2.5	*Other Expenses Capitalised*	(72.15)
3	Depreciation	326.02
4	Interest & Finance Charges	84.14
5	Interest on Working Capital	-
6	Provision for Bad Debts	0.002
7	**Sub-Total [1 to 6]**	**9,977.98**
8	Return on Equity	184.41
9	Provision for Tax / Tax Paid	7.65
10	**Total Expenditure (7 to 9)**	**10,170.04**
11	Less: Non-Tariff Income	205.56
12	**Aggregate Revenue Requirement (10 - 11)**	**9,964.49**

The retail supply Tariffs for MGVCL distribution area determined by the Commission are annexed to this Order and shall come into force with effect from 1st June 2024. The revised rate shall be applicable for the electricity consumption from 1st June 2024 onwards.

Sd/-	Sd/-	Sd/-
S. R. PANDEY	**MEHUL M. GANDHI**	**ANIL MUKIM**
Member	**Member**	**Chairman**

Place: Gandhinagar

Date: 01/06/2024

ANNEXURE: TARIFF SCHEDULE

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

Effective from 1st June, 2024

General

1. The Tariff figures indicated in this Tariff schedule are the Tariff rates payable by the consumers of Distribution Licensees 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. The various provisions of the GERC (licensee's power to recover expenditure incurred in providing supply and other miscellaneous charges) Regulations, except Meter Charges, will continue to apply.
7. Conversion of Ratings of electrical appliances and equipment 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.
8. The billing of fixed charges based on contracted load or maximum demand shall be done in multiples of 0.5 (one half) Horse Power, kilo watt or kilo volt ampere (HP, kW, kVA) as the case may be. The fraction of less than 0.5 shall be rounded off to next 0.5. The billing of energy charges will be done on complete one kilo-watt-hour (kWh).
9. The Connected Load for the purpose of billing will be taken as the maximum load during the billing period.
10. The Fixed charges, minimum charges, demand charges, 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.

11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. Green Power Tariff
    - Green Power Tariff of Rs 1.00/ kWh, which is over and above the normal Tariff of the respective category as per Tariff Order, be levied to the consumers opting for meeting their demand of green energy.
    - All consumers (Extra High Voltage, High Voltage and Low Voltage) shall be eligible for opting RE power on payment of Green Power Tariff.

- This option can be exercised by consumer giving one month notice to the Distribution Licensee in writing before commencement of billing period.

PART - I

SCHEDULE OF TARIFF FOR SUPPLY OF ELECTRICITY

AT LOW AND MEDIUM VOLTAGE

1. 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

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this Tariff category.

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
(b)	Above 6 kW	Rs. 70/- per Month

For BPL Household Consumers

(a)	Fixed Charges	Rs. 5/- per Month

PLUS

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

(a)	First 50 units	305 Paise per Unit
(b)	Next 50 Units	350 Paise per Unit
(c)	Next 150 Units	415 Paise per Unit
(d)	Above 250 Units	520 Paise per Unit

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

(a)	First 50 units	150 Paise per Unit
(b)	For the 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 50 units per month.

1.4. MINIMUM BILL

Payment of fixed charges as specified in 1.1 above

2. RATE: RGP (RURAL)

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

- Single Phase Supply – Aggregate load up to 6 kW
- Three Phase Supply – Aggregate load above 6 kW

Provided that the small-scale animal husbandry activities having electricity connection with contract demand up to 10 kW and involving not more than 30 milking animals shall be covered under this Tariff category.

2.1. FIXED CHARGES

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
(b)	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	265 Paise per Unit
(b)	Next 50 Units	310 Paise per Unit
(c)	Next 150 units	375 Paise per Unit
(d)	Above 250 units	490 Paise per Unit

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

(a)	First 50 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 50 units per month.

2.4. MINIMUM BILL

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. RATE: GLP

This Tariff is applicable to

(i) the educational institutes and other institutions registered with the Charity Commissioner or similarly placed authority designated by the Government of India for such intended purpose;

(ii) research and development laboratories;

(iii) Street Light*

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

* Maintenance of street lighting conductor provided on the pole to connect the street light is to be carried out by Distribution Licensee. The consumer utilising electricity for street lighting purpose 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.

4. 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.

Consumer under this category may opt to be charged as per category – 'RATE:LTMD'

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

4.3.1. "Seasonal Consumers", 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, vegetable dehydration industries.

4.3.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

4.3.3. The total minimum amount under the head "Fixed and Energy Charges" payable by the seasonal consumer satisfying the eligibility criteria under sub-clause 4.3.1 above and complying with the provision stipulated under sub-clause 4.3.2 above shall be Rs. 1800 per annum per kW of the contracted load/ sanctioned load.

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

4.3.5. 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 4.3.3 above.

4.3.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Distribution Licensee as Security Deposit and minimum bill calculated at the rate shown in para 4.3.3 with the Contracted Load/ Sanctioned Load of such consumer. If the Contracted Load/ Sanctioned Load is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

5. 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. DEMAND CHARGE:

(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 CHARGE:

For the entire consumption during the month	460 Paise per Unit

PLUS

5.3. 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.	45 Paise per Unit

PLUS

5.4. REACTIVE ENERGY CHARGES:

For all the reactive units (kVARh) during the month	10 Paise per kVARh

5.5. 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) 6 kW

5.6. MINIMUM BILL

Payment of demand charges every month based on the billing demand.

5.7. SEASONAL CONSUMERS TAKING LTMD SUPPLY:

5.7.1. 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, vegetable dehydration industries.

5.7.2. Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

5.7.3. The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 5.7.1 above and complying with provisions stipulated under sub-clause 5.7.2 above shall be Rs. 2970 per annum per kW of the billing demand.

5.7.4. 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) 6 kW.

5.7.5. Units consumed during the off-season period shall be charged for at the flat rate of 470 Paise per unit.

5.7.6. Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 5.7.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 month prior to its expiry.

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

(a)	Fixed charges per month	Rs. 20/- per HP

PLUS

(b)	Energy charges per month; For entire consumption during the month	80 Paise per Unit

7. RATE: WWSP

This Tariff shall be applicable to services used for water works and sewerage pumping purposes.

7.1. 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; For entire consumption during the month	430 Paise per Unit

7.2. 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; For entire consumption during the month	410 Paise per Unit

7.3. 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: For entire consumption during the month	320 Paise /Unit

7.4. 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

8. RATE: AG

This Tariff is applicable to services used for irrigation purposes only excluding installations covered under LTP- Lift Irrigation category.

8.1. The rates for following group are as under:

8.1.1. HP BASED TARIFF:

For entire contracted load	Rs. 200 per HP per month

ALTERNATIVELY

8.1.2. METERED TARIFF

Fixed Charges	Rs. 20 per HP per month

Energy Charges: For entire consumption during the month	60 Paise per Unit

8.1.3. TATKAL SCHEME

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

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.

8.2. 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.

8.3. 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.

8.4. 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 intention 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).

9. 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.

9.1. FIXED CHARGE

Fixed Charge per Installation	Rs. 15 per kW per Day

9.2. 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.

10. RATE- LT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This Tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category, i.e., RGP, RGP (RURAL), GLP, LTMD, etc. as the case may be.

10.1. FIXED CHARGES

Fixed Charge	Rs. 25 per Installation per Month

10.2. ENERGY CHARGES: FOR THE ENTIRE MONTHLY CONSUMPTION

Energy Charge	410 Paise per Unit

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.

11. RATE- HTP-1

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.

11.1 DEMAND CHARGES:

11.1.1 For billing demand up to contract demand

(a)	For the first 500 kVA of billing demand	Rs. 150/- per kVA per month
(b)	For next 500 kVA of billing demand	Rs. 260/- per kVA per month
(c)	For billing demand in excess of 1000 kVA	Rs. 475/- per kVA per month

11.1.2 For billing Demand in Excess of Contract Demand

For billing demand in excess over the contract demand	Rs. 555 per kVA per month

PLUS

11.2 ENERGY CHARGES

For entire consumption during the month		
(a)	Up to 500 kVA of billing demand	400 Paise per Unit
(b)	For billing demand above 500 kVA and up to 2500 kVA	420 Paise per Unit

(c)	For billing demand above 2500 kVA	430 Paise per Unit

PLUS

11.3 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

11.4 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.

11.5 MINIMUM BILLS:

Payment of "demand charges" based on kVA of billing demand.

11.6 POWER FACTOR ADJUSTMENT CHARGES:

11.6.1 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", arrived at using Tariff as per para 11.2 of this schedule, 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", arrived at using Tariff as per para 11.2 of this schedule, will be charged.

11.6.2 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", arrived at using Tariff as per para 11.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

11.7 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.

11.8 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.

11.9 REBATE FOR SUPPLY AT EHV:

On Energy charges:		Rebate @
(a)	If supply is availed at 33/66 kV	0.75%
(b)	If supply is availed at 132 kV and above	1.25%

11.10 SEASONAL CONSUMERS TAKING HT SUPPLY:

11.10.1 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, vegetable dehydration industries.

11.10.2 Any consumer, who desires to be billed for the minimum charges on annual basis shall intimate to that effect 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 the off-season so declared and observed shall be not less than three calendar months in a calendar year.

11.10.3 The total minimum amount under the head "Demand and Energy Charges" payable by a seasonal consumer satisfying the eligibility criteria under sub-clause 11.10.1 above and complying with provisions stipulated under sub-clause 11.10.2 above shall be Rs. 4550 per annum per kVA of the billing demand.

11.10.4 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.

11.10.5 Units consumed during the off-season period shall be charged for at the flat rate of 430 Paise per unit.

11.10.6 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.

11.10.7 Seasonal consumer is required to submit to the Distribution Licensee an irrevocable Bank Guarantee from a Nationalised or Scheduled Commercial Bank equal to the difference of amount/ Bank Guarantee lying with the Licensee as Security Deposit and minimum bill calculated at the rate shown in para 11.10.3 for the higher of Contract Demand or Billing Demand. If the Contract Demand is revised upward during the calendar year, the consumer shall submit a revised Bank Guarantee or additional Bank Guarantee as calculated above to the Licensee. The cost of such Bank Guarantee/s shall be borne by the consumer. It shall be the responsibility of the consumer to keep the bank guarantee/s valid at all times and to renew the bank guarantee/s at least 1 months prior to its expiry.

12. 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.

12.1 DEMAND CHARGES:

12.1.1 For billing demand up to contract demand

(a)	For the 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

12.1.2 For billing demand in excess of contract demand

For billing demand in excess of contract demand	Rs. 360 per kVA per month

PLUS

12.2 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

12.3 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

12.4	Billing Demand	Same as HTP-I Tariff
12.5	Minimum Bill	
12.6	Maximum demand and its measurement	
12.7	Contract Demand	
12.8	Rebate for supply at EHV	

12.9 POWER FACTOR ADJUSTMENT CHARGES

12.9.1 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", arrived at using Tariff as per para 12.2 of this schedule, 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", arrived at using Tariff as per para 12.2 of this schedule, will be charged.

12.9.2 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", arrived at using Tariff as per para 12.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

13. RATE- HTP-III

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.

13.1 DEMAND CHARGES:

For billing demand upto contract demand	Rs. 18/- per kVA per day
For billing demand in excess of contract demand	Rs. 20/- per kVA per day

13.2 ENERGY CHARGES:

For all units consumed during the month	660 Paise/Unit

PLUS

13.3 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

13.4 Billing Demand
13.5 Minimum bill
13.6 Maximum demand and its measurement
13.7 Contract Demand
13.8 Rebate for supply at EHV

Same as HTP-I Tariff

13.9 POWER FACTOR ADJUSTMENT CHARGES

13.9.1 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", arrived at using Tariff as per para 13.2 of this schedule, 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", arrived at using Tariff as per para 13.2 of this schedule, will be charged.

13.9.2 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", arrived at using Tariff as per para 13.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

14. 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.

14.1 DEMAND CHARGES:

1/3rd of the Fixed Charges specified in Rate HTP-I above

PLUS

14.2 ENERGY CHARGES:

For all units consumed during the month	225 Paise/Unit

14.3	Billing Demand	Same as HTP-I Tariff
14.4	Minimum Bill	
14.5	Maximum demand and its measurement	
14.6	Contract Demand	
14.7	Rebate for supply at EHV	

14.8 POWER FACTOR ADJUSTMENT CHARGES:

14.8.1 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”, arrived at using Tariff as per para 14.2 of this schedule, 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”, arrived at using Tariff as per para 14.2 of this schedule, will be charged.

14.8.2 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”, arrived at using Tariff as per para 14.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

NOTE:

1. 15% of the contracted demand can be availed beyond the night hours prescribed as per para 14 above.
2. 10% of total units consumed during the billing period can be availed beyond the night hours prescribed as per para 14 above.
3. In case the consumer failed to observe condition no. 1 above during any of the billing month, then demand charge during the relevant billing month shall be billed as per HTP-I category demand charge rates given in para 11.1 of this schedule.
4. In case the consumer failed to observe condition no. 2 above during any of the billing month, then entire energy consumption during the relevant billing month shall be billed as per HTP-I category energy charge rates given in para 11.2 of this schedule.

5. In case the consumer failed to observe above condition no. 1 and 2 both during any of the billing month, then demand charge and entire energy consumption during the relevant billing month shall be billed as per HTP-I category demand charge and energy charge rates given in para 11.1 and 11.2 respectively, of this schedule.
6. 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.
7. This option can be exercised to shift from HTP-I Tariff category to HTP-IV Tariff or from HTP-IV Tariff category to HTP-I Tariff four times in a calendar year by giving not less than 15 days' advance notice in writing before commencement of billing period.

15. 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.

15.1 DEMAND CHARGES:

Demand Charges Rs. 25 per kVA per month

PLUS

15.2 ENERGY CHARGES:

For all units consumed during the month	80 Paise/Unit

15.3	Billing Demand	Same as per HTP-I Tariff
15.4	Minimum bill	
15.5	Maximum demand and its measurement	
15.6	Contract Demand	
15.7	Rebate for supply at EHV	

15.8 POWER FACTOR ADJUSTMENT CHARGES

15.8.1 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", arrived at using Tariff as per para 15.2 of this schedule, 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", arrived at using Tariff as per para 15.2 of this schedule, will be charged.

15.8.2 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", arrived at using Tariff as per para 15.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

16. RATE- RAILWAY TRACTION

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

16.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 180 per kVA per month
(b)	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 16.1 (b).

PLUS

16.2 ENERGY CHARGES:

For all the units consumed during the month	500 Paise per Unit

16.3 Billing Demand:
16.4 Minimum Bill
16.5 Maximum demand and its measurement
16.6 Contract Demand
16.7 Rebate for supply at EHV

Same as HTP-I Tariff

16.8 POWER FACTOR ADJUSTMENT CHARGES

16.8.1 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", arrived at using Tariff as per para 16.2 of this schedule, 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", arrived at using Tariff as per para 16.2 of this schedule, will be charged.

16.8.2 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", arrived at using Tariff as per para 16.2 of this schedule, for every 1% rise or part thereof in the average power factor during the month above 95%.

17. RATE-HT ELECTRIC VEHICLE (EV) CHARGING STATIONS

This Tariff is applicable to consumers who use electricity **exclusively** for Electric Vehicle Charging installations.

Other consumers can use their regular electricity supply for charging electric vehicle under same regular category, i.e., HTP-I, HTP-II, HTP-III, HTP-IV, HTP-V, RAILWAY TRACTION as the case may be.

17.1 DEMAND CHARGES:

(a)	For billing demand up to the contract demand	Rs. 25/- per kVA per month
(b)	For billing demand in excess of contract demand	Rs. 50/- per kVA per month

PLUS

17.2 ENERGY CHARGES: FOR THE TOTAL MONTHLY CONSUMPTION

ENERGY CHARGE	400 Paise per Unit

17.3 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.