15/20/2020

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

DGVCL

CASE NO. __________

Filing of Petition for True Up for FY 2019-20

Under

GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines and Directions issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines

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Filed by:-

Dakshin Gujarat Vij Company Ltd.

Corp. Office: Urja Sadan, Nana Varachha Road, Kapodara Char Rasta, Surat –395006.

NOTARY ★ (INDIA) K. D. BAGADIYA SURAT CITY (Guj.) Regd. No. 707 Exp. Dt. 11-2-2024 ★ GOVT. OF GUJARAT

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

NOTARY ★ (INDIA) ★ GOVT. OF GUJARAT
K. D. BAGADIYA
SURAT CITY (Guj.)
Regd. No. 707
Exp. Dt. 11-2-2024

Filing No:

Case No:

IN THE MATTER OF	Filing of the Petition for True Up for FY 2019-20 under GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines and Directions` issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines

AND

IN THE MATTER OF	Dakshin Gujarat Vij Company Limited, "Urja Sadan", Nana Varachha Road, Kapodara Char Rasta, Surat - 395 006.
	PETITIONER
	Gujarat Urja Vikas Nigam Limited Sardar Patel Vidyut Bhavan, Race Course, Vadodara - 390 007
	CO-PETITIONER

THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS

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ABBREVIATIONS

1.	ARR	Aggregate Revenue Requirement
2.	DGVCL	Dakshin Gujarat Vij Company Limited
3.	FPPPA	Fuel and Power Purchase Price Adjustment
4.	FY	Financial Year
5.	GEB	Erstwhile Gujarat Electricity Board
6.	GERC	Gujarat Electricity Regulatory Commission
7.	GERC MYT Regulations, 2016	GERC (Multi Year Tariff) Regulations, 2016
8.	GETCO	Gujarat Energy Transmission Corporation Limited
9.	GoG	Government of Gujarat
10.	GoI	Government of India
11.	GSECL	Gujarat State Electricity Corporation Limited
12.	GUVNL	Gujarat Urja Vikas Nigam Limited
13.	kV	Kilo Volt
14.	kVA	Kilo Volt Ampere
15.	kVAh	Kilo Volt Ampere Hour
16.	kWh	Kilo Watt Hour
17.	MCLR	Marginal Cost of Funds based Lending Rate
18.	MGVCL	Madhya Gujarat Vij Company Limited
19.	MTR	Mid-Term Review
20.	MU	Million Units (Million kWh)
21.	MVA	Mega Volt Ampere
22.	MW	Mega Watt
23.	MYT	Multi Year Tariff
24.	MYT Control Period	FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 & FY 2020-21
25.	O&M	Operation & Maintenance
26.	PGVCL	Paschim Gujarat Vij Company Limited
27.	UGVCL	Uttar Gujarat Vij Company Limited

SECTION 1. INTRODUCTION

1.1. PREAMBLE

1.1.1. This section presents the background and reasons for filing this Petition.

1.2. INTRODUCTION

1.2.1 The Government of Gujarat (hereinafter referred to as "GoG") notified the Gujarat Electricity Industry (Reorganization and Regulation) Act 2003 (herein after called as "Act") in May 2003 for the reorganization of the entire power sector in the State of Gujarat.

1.2.2 Pursuant to the above, Government of Gujarat in their letter vide GO / 19th August 2003 had directed GEB to form four Distribution Companies (Discoms) based on geographical location of the circles. Accordingly the four distribution companies had been incorporated with the Registrar of Companies (RoC) on September 15th, 2003. Dakshin Gujarat Vij Company Limited (DGVCL) is one of the distribution companies engaged in distribution of electricity in the south zone area of Gujarat.

1.2.3 The Dakshin Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the company did not commence its commercial operations during the financial year ending 31st March, 2005. The Company has started its commercial function w.e.f. 1st April 2005.

1.2.4 The Gujarat Electricity Regulatory Commission (hereinafter referred to as "GERC" or "the Hon'ble Commission"), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998 and is currently under purview of the Electricity Act, 2003. GERC is vested with the authority of regulating the power sector in the State inter alia including determination of Tariff for electricity consumers.

1.2.5 The Hon'ble Commission notified the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 ("GERC MYT Regulations, 2016") on 29th March 2016 and shall be applicable for determination of tariff in all cases covered under the regulations from 1st April, 2016 onwards till 31st March, 2020.

1.2.6 The Hon'ble Commission issued Order in Case No. 1623 of 2016 dated 31st March, 2017 for Truing up of FY 2015-16, approval of final ARR for FY 2016-17 and approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and determination of Tariff for FY 2017-18. Subsequently, the Hon'ble Commission issued Order in Case No. 1700 of 2018 dated 31st March, 2018 for Truing up of FY 2016-17 and determination of Tariff for FY 2018-19. The Hon'ble Commission also issued Order in Case No.1760 of 2018 dated 24th April, 2019 for Truing up of FY 2017-18 and determination of Tariff for FY 2019-20. The Hon'ble Commission has also issued Order in Case No. 1840 of 2019 dated 31st March, 2020 for Truing up of FY 2018-19 and determination of Tariff for FY 2020-21.

1.3. FILING OF TRUE-UP PETITION FOR FY 2019-20

1.3.1 The Hon'ble Commission issued Order in Case No. 1623 of 2016 dated 31st March, 2017 for Truing up of FY 2015-16, approval of final ARR for FY 2016-17 and approval of Multi-Year ARR for FY 2016-17 to FY 2020-21 and determination of Tariff for FY 2017-18. Subsequently, the Hon'ble Commission also issued MTR Order in Case No.1760 of 2018 dated 24th April, 2019 for Truing up of FY 2017-18 and determination of Tariff for FY 2019-20.

1.3.2 As the FY 2019-20 is over and annual accounts of DGVCL are also audited, DGVCL is filing its Petition for True-up of FY 2019-20 in accordance with MYT Regulations, 2016, to the Hon'ble Commission for its approval.

SECTION 2. EXECUTIVE SUMMARY

2.1. PREAMBLE

2.1.1. This section highlights the summary of the Petition for True Up for FY 2019-20.

2.2. TRUE UP OF FY 2019-20

2.2.1 DGVCL has worked out its actual Aggregate Revenue Requirement (ARR) for FY 2019-20 based on the audited accounts and the principles adopted by the Hon'ble Commission in its previous Orders.

2.2.2 The actual expenses have been compared against those approved for FY 2019-20 in the MTR of ARR for FY 2019-20 to FY 2020-21 Order dated 24th April, 2019. The detailed comparison of various cost components with the values approved by the Hon'ble Commission has been presented in the next Chapter on True up of FY 2019-20. A summary of the actual ARR for Truing-up of FY 2019-20 compared with the approved ARR for FY 2019-20 is presented in the table given below:

TABLE 1 : TRUE UP FOR FY 2019-20

Rs in Crores

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

2.2.3 In line with the provisions of the GERC MYT Regulations, 2016, DGVCL has computed the gains and losses on account of controllable and uncontrollable parameters and its proposed sharing mechanism.

2.2.4 The cost components have been segregated into controllable and uncontrollable factors as per the methodology outlined in Regulation 22 of the MYT Regulations, 2016. Summary of the difference allocation to controllable & Uncontrollable factors is outlined as per the table below:

TABLE 2 : SUMMARY OF CONTROLLABLE AND UNCONTROLLABLE FACTORS FOR FY 2019-20

Rs in Crores

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

2.2.1. As per the mechanism specified in the MYT Regulation 2016, DGVCL proposes to pass on a sum of 1/3rd of total gain/ (loss) on account of controllable factors i.e. Rs. 310.64 Crores and total gain/ (loss) on account of uncontrollable factor i.e. Rs. (2,113.76) Crores to the consumers. Further, the revenue gap/ (surplus) approved by the Hon'ble Commission on True up of FY 2017-18 of Rs. (409.64) Crores is also considered. Adjusting these to the net Aggregate Revenue Requirement, DGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2019-20 at Rs. 14,314.85 Crores.

2.2.2. This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue from Existing Tariff of Rs. 13,653.66 Crores, Other Consumer related Income of Rs. 286.97 Crores, Agriculture Subsidies of Rs. 44.51 Crores and GUVNL profit allocation of Rs. 30.50 Crores, summing up to a Total Revenue of Rs. 14,015.64 Crores. Accordingly, total Revenue Gap/(Surplus) of DGVCL for FY 2019-20 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 299.22 Crores as shown in the table below:

TABLE 3 : REVENUE GAP FOR FY 2019-20

Rs in Crores

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

SECTION 3. TRUE UP FOR FY 2019-20

3.1. PREAMBLE

3.1.1. This section outlines the performance of DGVCL for FY 2019-20. In line with the provisions of the MYT Regulations, 2016, DGVCL hereby submits the True-Up Petition comparing the actual performance of DGVCL during FY 2019-20 with the forecast approved by the Hon'ble Commission vide MTR Order dated 24th April, 2019.

3.2. PRINCIPLES FOR TRUE UP FOR FY 2019-20

3.2.1. As per MYT Tariff Regulations, 2016, the Hon'ble Commission is required to undertake the True-Up of the licensees for FY 2019-20 based on the comparison of the actual performance of the past year with the approved estimates for such year. Section 21.1 of the MYT Regulations, 2016 is read as below:

"the Generating Company or Transmission Licensee or SLDC or Distribution Licensee shall be subject to truing up of expenses and revenue during the Control Period in accordance with these Regulations."

3.2.2. In line with the provisions of MYT Regulations, 2016, DGVCL has filed this Petition for True-Up for the year FY 2019-20. Information provided in the True-Up for FY 2019-20 is on the basis of audited actual performance and considering principles adopted by the Hon'ble Commission in its previous Orders. The actual performance has been compared with the approved numbers as per the MTR Order dated 24th April, 2019.

3.2.3. Accordingly, actual data for revised Aggregate Revenue Requirement, revenue and gap for FY 2019-20 are given in the following paragraphs of this chapter.

3.2.4. For the purpose of True-Up all the expense heads have been categorized into Controllable and Uncontrollable factors. A head-wise comparison has been made between the values approved by the Hon'ble Commission and the actual values for various expenditures for FY 2019-20.

3.3. CATEGORY WISE SALES

3.3.1. The actual category wise sales for FY 2019-20 were 19,692.44 MUs as against the approved sales of 19,297 MUs. The table below highlights the comparison of actual category wise sales of DGVCL against that approved by the Hon'ble Commission vide its Tariff Order.

TABLE 4 : CATEGORY-WISE SALES

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

3.4. DISTRIBUTION LOSSES

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

TABLE 5 : DISTRIBUTION LOSSES

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

3.4.2. The MYT Regulations categorise the Distribution Losses as a controllable factor and accordingly any gain or loss on account of this would be shared with the consumers as per the provisions of the regulations.

3.4.3. DGVCL submits that it has achieved a significant reduction in distribution losses during recent years. The Hon'ble Commission had approved the distribution loss levels for DGVCL at 9.90% for FY 2019-20 and the actual loss achieved were 3.04% for FY 2019-20.

3.4.4. Since DGVCL has distribution losses lower than those approved by the Hon'ble Commission, its effect has been discussed in the section relating to power purchase and the gains and losses has been captured there itself.

3.5. ENERGY REQUIREMENT AND ENERGY BALANCE

3.5.1. The gross energy requirement of DGVCL is as follows given in the table below:

TABLE 6 : ENERGY REQUIREMENT AND ENERGY BALANCE

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

3.5.2. The gross energy requirement for sale to the consumers in FY 2019-20 is 21.289.62 MUs as compared to 22,551.73 MUs as approved by the Hon'ble Commission.

3.6. POWER PURCHASE COST

3.6.1. 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 DGVCL.

3.6.2. The actual power purchase from GUVNL is different from allocation because the demand from DGVCL is not constant and it varies from time to time.

3.6.3. The total power purchase cost of DGVCL for FY 2019-20 consists of the basic power purchase cost, transmission charges payable to GETCO and PGCIL, SLDC charges and the DISCOM's share of GUVNL cost. Based on the same, the comparison of the approved and the actual cost of power purchase are as shown below:

TABLE 7: NET POWER PURCHASE COST

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)
A	**Cost**		
1	Power Purchased from GUVNL		12,898.31
2	Power purchase from Windfarm		19.35
3	Power Purchased from Solar		6.28
4	DSM Charges		126.84
5	SLDC Charges		4.17
	Total Cost		**13,054.96**
B	**Income**		
1	Sale of Power to GUVNL		-
2	DSM Charges		-
	Net Power Purchase Cost	**11,929.92**	**13,054.96**

3.6.4. 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 allowed, consequent changes in the transmission charges payable and change in cost allocation to GUVNL.

3.6.5. 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 DGVCL distribution network have been lower than the approved level as also the sales than that approved by the Hon'ble Commission and hence, the quantum of power purchased was lower than the approved quantum of power required.

3.6.6. As per the 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.

3.6.7. 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 losses approved by the Hon'ble Commission. These gains has 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 8 : GAIN/ (LOSS) ON ACCOUNT OF DISTRIBUTION LOSSES FOR FY 2019-20

Gain/(Loss) due to Distribution Losses				
S.No.	Particulars	Unit	FY 2019-20 (with Approved Distribution Losses)	FY 2019-20 (with Actual Distribution Losses)
1	Energy Sales	MUs	19,692.44	19,692.44
2	Distribution Losses	MUs	2,163.76	617.47
		%	9.90%	3.04%
3	Energy Requirement	MUs	21,856.20	20,309.91
4	Saving due to Distribution Losses	MUs		1,546.29
5	Average Power Purchase Cost	Rs./Unit		6.13
6	Gain/(Loss) due to Dist. Losses			**948.20**

3.6.8. As can be seen from the above, the total gain on account of lower distribution losses as compared to approved is Rs. 948.20 Crores. This gain is categorised as on account of controllable factors and the appropriate treatment is given below:

TABLE 9 : GAINS / (LOSS) - POWER PURCHASE EXPENSES

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Power Purchase Cost	11,929.92	13,054.96	948.20	(2,073.24)

3.6.9. Thus, as can be seen from the above table, the power purchase gain/(loss) due to controllable & uncontrollable factors are Rs. 948.20 Crores and Rs. (2,073.24) Crores respectively which would have to be passed on to the consumers as per the methodology approved by the Hon'ble Commission.

3.7. CAPITAL EXPENDITURE

3.7.1. Capital expenditure incurred by DGVCL in FY 2019-20 was Rs. 759.13 Crores. The actual capital expenditure by DGVCL during the FY 2019-20 is higher than that approved by the Hon'ble Commission. The scheme-wise capital expenditure incurred in FY 2019-20 against approved by the Hon'ble Commission is as shown below:

TABLE 10 : CAPITAL EXPENDITURE

Rs. in Crores

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

3.7.2. Scheme wise deviation in capital expenditure is explained as under:

- **RE Scheme:**

During the FY 2019-20, DGVCL has planned to clear the application registered up to Nov-19 in TASP scheme. During the FY 2019-20, Company has released 12278 Agriculture connections in TASP scheme at the cost of Rs. 173.40 Crores incurred against approved Rs. 212.40 Crore by Hon'ble Commission. The cost is decreased with reference to the approved/granted fund as the network has been extended year by year, spill over wells due to target revision and actual average cost per Ag. Wells has been decreased even though physically 100% Agriculture well target was achieved by the DGVCL during FY 2019-20.

- **System Improvement Scheme:**

The system improvement scheme i.e. S.I. scheme incorporate the various activities such as bifurcation of feeders, overhead to underground cable conversion, new substation link line work, H.T. Aerial bunch conductor, replacement of deteriorated conductor, L.T. Aerial bunch conductor and distribution transformer review etc. The S.I. scheme is required for providing quality and reliable power supply to our esteemed consumers.

The actual expenditure incurred is Rs. 117.10 Crore incurred which was mainly due to feeder bifurcation work (47 Nos.), link line works (98 Nos.), underground cable for A.I.I. projects for Udhana Udyognagar Sahakari Sangh Ltd. and Sachin GIDC,F.R.P. Fencing work, consumer earthings etc.

- **IPDS Scheme :**

The scheme sanctioned in March 2016 for strengthening and augmentation of distribution infrastructure in urban areas has its scheduled completion date on 31.03.2019.The physical completion of the item wise works in DGVCL was achieved by 28.02.2019 and the same was reported to PFC, the scheme nodal agency. As the scheme was to be completed by 31.03.2019 and DGVCL had already achieved physical completion by 28.02.2019, no capital expenditure was proposed to be incurred for the succeeding fiscal year, i.e., FY 2019-20. However, the activity of booking of capital expenditure for some of the works like laying of U/G cable, a significant portion of which was executed in last quarter of FY 2018-19, was done in FY 2019-20, as labour charges for these works, were actually paid in FY 2019-20.

- **DDUGJY Scheme:**

The scheme sanctioned in May 2016 for strengthening and augmentation of distribution infrastructure in rural areas has its scheduled completion date on 31.03.2019.The physical completion of the item wise works in DGVCL was achieved by 30.03.2019 and the same was reported to REC, the scheme nodal agency. As the scheme was to be completed by 31.03.2019 and DGVCL had already achieved physical completion by 30.03.2019, no capital expenditure was proposed to be incurred for the succeeding fiscal year, i.e., FY 2019-20. However, the activity of booking of capital expenditure for some of the works executed in last quarter of FY 2018-19, was done in FY 2019-20, as labour charges for these works were actually paid in FY 2019-20.

- **DISTRIBUTION INFRASTRUCTURE SHIFTING SCHEME (DISS):**

Shifting of DISCOM's infrastructures obstructing road widening work and public road in Nagarpalika, Municipal Corporation and Rural area

Distribution Infrastructure Shifting Scheme (DISS) is a scheme in which the DISCOM existing infrastructure i.e. HT/LT line, pole, Transformer Centre which are obstructing to road or road widening work for the development work of Nagarpalikas, Mahanagarpalika and Urban Development Authority area can be shifted and the expenditure for the same will be given by GOG as per letter received from Urja and Petrochemical Vibhag, GoG vide letter no: GUV/2015/599/K1 dtd 17.6.15 and the distribution infrastructure shifting work in village/Rural area is also included in same scheme vide letter no: GUV/2015/599/K1 dtd 17.04.2017.

Under DGVCL area there is 1 no. Mahanagar Palika and 22 nos. of Nagarpalikas and various Gram panchayat are situated and our field offices has approached the above authorities for obtaining applications for required work to be carried out in their areas and to get the valuable suggestions if any. After obtaining such request, DGVCL has prepared proposals and after getting approval from competent authorities, for 484 nos. of projects, related works were carried out during the Financial Year 2019-20 amounting to Rs. 60.002 Crore and the summary of work carried out is tabulated as below:

	Cumulative work executed during FY 2019-20									
Type of DGVCL area	No. of projects as per Application	Total HT		Total LT		Transformers		Pole		Exp Crore
		Km	Exp in Crores	Km	Exp in Crores	No.	Exp in Crores	No.	Exp in Crores	
Urban (Mahanagar palika & Nagarpalika)	232	222.1	42.50	15.30	0.6939	98	0.74	265	0.358	44.285
Rural Grampanchayats	183	106.22	14.09	12.39	0.24	117	0.74	565	0.64	15.721
DGVCL Total	415	328.32	56.59	27.69	0.9359	215	1.48	830	1.002	60.00

The expenditure booked during FY 2019-20 is Rs. 41.05 Crore, However, the activity of booking of capital expenditure for some of the works executed in last quarter of FY 2019-20 is to be done in subsequent year as and when the labour charges for these works were actually paid.

- **<u>Sardar Krushi Jyoti Yojna (SKJY):</u>**

The Govt. of Gujarat has approved 2400 lakhs for FY 2019-20 under Sardar Krushi Jyoti Yojna (SKJY) for maintenance of AG feeders in DGVCL for strengthening AG network to reduce interruption and provide quality power supply to farmers.

DGVCL had selected 91 no's of AG feeder of all circles in above scheme during FY 2019-20 and carried out maintenance work accordingly.

As per allocate amount by Govt. of Gujarat Rs. 2400 lakhs & of DGVCL Rs. 600 lakhs for SKJY scheme, FY 2019-20, & total 3198.03 Lakhs expenses made.

Expenditure under SKJY scheme is made for replacement of conductor 2109.34 km of amount 656.82 lakhs and other materials like replaced 11742 nos PSC Poles, 13121 nos V-Cross Arm, 15752 nos Disc Insulator, 59598 nos Pin Insulators,79 nos AB Swiches etc of amount 2541.21 lakhs.

- **Normal Development:**

To meet the supply obligation DGVCL requires considerable investment either for laying new distribution infrastructure (LT/HT lines, service connection lines, meters, etc.) or expansion/strengthening of existing distribution system, sub-transmission lines and sub-stations.

Under the head Normal Development Scheme, generally expenses are incurred to meet with the Supply Obligation which is mainly based on the numbers of applications received. Therefore, during the FY 2019-20, company had to incur Rs. 279.20 Crore against approved Rs. 230.07 Crore.

3.8. FUNDING OF CAPITALISATION

3.8.1. The funding of actual capitalisation is done through various sources categorised under four headings namely: Consumer Contribution, Grants, Equity and Debt. The detailed breakup of funding of capitalised asset during FY 2019-20 is mentioned in the table below.

TABLE 11 : FUNDING OF CAPITALISATION

Rs in Crores

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

3.9. FIXED COST FOR FY 2019-20

3.9.1. The fixed cost of DGVCL for FY 2019-20 has been determined in accordance with the MYT Regulations, 2016. As outlined under the regulations, the fixed cost for DGVCL has been determined under the following major heads:

- Operation and Maintenance Expenses
- Depreciation
- Interest and Finance Charges
- Interest on Working Capital
- Income Tax
- Return on Equity

3.9.2. Net Annual Revenue Requirement of DGVCL has been computed after netting off expenses capitalised and Non-Tariff Income.

3.9.3. For the purpose of True-Up, all the heads mentioned above have been categorized into Controllable or Uncontrollable in line with provisions of MYT Regulations, 2016. A head wise comparison of cost has been made between the values approved by the Hon'ble Commission vide MTR Order dated 24th April, 2019 and the actual expenses of DGVCL in FY 2019-20.

3.10. OPERATION & MAINTENANCE EXPENSES

3.10.1. Operations and Maintenance (O&M) Expenses of DGVCL consists of the following elements:

- Employee Expenses
- Repairs and Maintenance Expenses
- Administrative and General Expenses

3.10.2. Employee expenses comprise of salaries, dearness allowance, bonus, terminal benefits in the form of pension & gratuity, leave encashment and staff welfare expenses.

3.10.3. Repairs and Maintenance 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.

3.10.4. Administration & General expenses mainly comprise of rents, telephone and other communication expenses, professional charges, conveyance and travelling allowances, etc.

3.10.5. DGVCL is also required to include the expenses of the following items of the ARR into O&M expenses by the Hon'ble Commission:

- Other Debits
- Extraordinary Items
- Net Prior Period Expenses/(Income)
- Other Expenses Capitalised

3.10.6. After the combination of all the above parameters for FY 2019-20, DGVCL's actual O&M expenses were Rs. 627.76 Crores which is inclusive of Employee cost of Rs. 555.97 Crores, Repair & Maintenance Charges of Rs. 66.83 Crores and Administration & General Expenses of Rs. 106.04 Crores along with other debits, extraordinary items and net prior period expense/ (income) as nil and other expenses capitalized against the approved O&M expense which is Rs. (101.08) Crores.

TABLE 12 : OPERATION & MAINTENANCE EXPENSES

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Employee Cost	503.49	555.97	(52.48)
2	Repair & Maintenance	48.47	66.83	(18.36)
3	Administration & General Charges	87.00	106.04	(19.04)
4	Other Debits	-	-	-
5	Extraordinary Items	-	-	-
6	Net Prior Period Expenses / (Income)	-	-	-
7	Other Expenses Capitalised	(88.92)	(101.08)	12.16
8	**Operation & Maintenance Expenses**	**550.04**	**627.76**	**(77.72)**

3.10.7. Comparison of actual O&M charges during FY 2019-20 with the value approved by the Hon'ble Commission reflects net gain/(loss) of Rs. (16.07) Crores on account of controllable factors and gain/(loss) of Rs. (61.65) Crores on account of uncontrollable factors to DGVCL.

TABLE 13 : TREATMENT OF OPERATION & MAINTENANCE EXPENSES

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Expenses	503.49	555.97	2.97	(55.45)
2	Repair & Maintenance Cost	48.47	66.83	-	(18.36)
3	Administration & General Charges	87.00	106.04	(19.04)	-
4	Other Debits	-	-	-	-
5	Extraordinary Items	-	-	-	-
6	Net Prior Period Expenses / (Income)	-	-	-	-
7	Other Expenses Capitalised	(88.92)	(101.08)	-	12.16
8	**Total O&M Expenses**	**550.04**	**627.76**	**(16.07)**	**(61.65)**

Employee Cost

3.10.8. The Employee cost incurred by the company is purely on the basis of the guidelines issued by competent authorities like the state government. The actual employee cost as per profit & loss account for FY 2019-20 were Rs. 500.52 Crores which excludes the provision made towards 7th Pay Commission of Rs. 34.73 Crore but include Rs. 42.46 Crore of Re-measurement of defined benefit plans. The Hon'ble Commission in the MTR Order dated 24 April, 2019 and True up Order of FY 2018-19 dated 31 March, 2020 had not approved the provision made for respective years towards impact of 7th Pay Commission considering that actual payment is not made and had ruled that as and when the actual expenses are incurred, the Hon'ble Commission would consider such claims, which would be accounted for during the true up of annual account of the respective year as uncontrollable factor.

3.10.9. It is to note that employee cost as per 7th Pay Commission was paid to the employees of DGVCL during FY 2019-20. The Hon'ble Commission has allowed partial impact of 7th Pay Commission while approving employee cost projection for FY 2019-20 in its MTR Order in Case No. 1760 of 2018 dated 24 April, 2019. The relevant part of the same is reproduced here below:

"5.12.1 Operation and Maintenance (O&M) Expenses

...

The Commission noted that there is a revision in the Pay Scale of employees of the Petitioner on account of 7th Pay Commission. It is also noted by the Commission that only a part of the employees availed the revised salary and that too for a part of the year during FY 2017-18. On a query from the Commission, the Petitioner vide e-mail dated 12.03.2019 confirmed that during FY 2017-18, out of 5654 number of employees, 5397 number of employees opted and 257 number of employees did not opt the revised salary. It is clarified by the Petitioner that the revised salary was paid from 1st August, 2017. It is also clarified that no arrears were paid to the employees during FY 2017-18 on account of revision of salary.

In view of above, the Commission has considered eight months actual paid out amount due to revision in salary annualised for twelve months plus the pre-revised annual salary for FY 2017-18 to escalate @ 5.72% Y-o-Y to arrive at employee expenses for FY 2019-20 and FY 2020-21. The Commission shall consider actual employee expenses as uncontrollable to the extent of actual pay out on account of revision in salaries and allowances while truing up of FY 2019-20 and FY 2020-21.

..."

3.10.10. It is to note that DGVCL has also paid arrears payment from its provision and cost has not reflected in P&L accounts. It is also to note that provisions made from FY 2015-16 to FY 2019-20 are not approved by the Hon'ble Commission. To work out actual pay out on account of 7th Pay Commission impact, 7th Pay Commission provision as on 31st March, 2020 is reduced from various provisions made for 7th Pay Commission (which was not allowed by the Hon'ble Commission) is reduced to work out uncontrollable employee expense during FY 2019-20. The working of the same is as shown below:

Table 14 : Calculation of uncontrollable Employee Cost during FY 2019-20

Rs in Crores

Sr. No.	Particulars	Amount
	7th Pay Provision not considered while approval of Employee Cost by the Hon'ble Commisison	
1	FY 2015-16	13.94
2	FY 2016-17	59.24
3	FY 2017-18	42.03
4	FY 2018-19	33.03
5	FY 2019-20	34.73
A	**Total (1 to 4)**	**182.97**
B	**7th Pay Provision as on 31st March, 2020**	**127.52**
C	**Actual Arrears Pay out to employees from Cumulative Provisions which has not reflected in Employee Cost (P&L) (A - B)**	**55.45**

3.10.11. Hence, total employee cost of DGVCL for FY 2019-20 is Rs. 555.97 Crore (Rs. 500.52

Crore as per employee cost in P&L + Rs. 55.45 Crore as per arrears payment from disallowed provisions) .Accordingly, DGVCL has estimated a gain/ (loss) of Rs. 2.97 Crores on account of controllable employee cost and Rs. (55.45) Crores of actual payment towards 7th Pay Commission towards the uncontrollable employee cost.

3.10.12. The summary of the comparison of the actual employee expenses for FY 2019-20 vis-à-vis the expenses approved by the Hon'ble Commission is given in the table below:

TABLE 15 : EMPLOYEE COST FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Employee Cost	503.49	555.97	2.97	(55.45)

Repair & Maintenance Cost

3.10.13. Repair and Maintenance expenditure is dependent on various factors. The assets of DGVCL are old and require regular maintenance to ensure uninterrupted operations. DGVCL has been trying its best to ensure uninterrupted operations of the system and accordingly has been undertaking necessary expenditure for R&M activities. The MYT Regulations, 2016 provides for R&M expenditure as a controllable expenditure.

3.10.14. However, during the year there was huge rainfall and devastating cyclones "VAYU", "MAHA" etc were struck within the Company area and damaged the network of the Company. Due to cyclones, 91.06 Kms HT Line and LT Line , 110 nos of transformers, 4572 nos 3P serviceline, 50789 nos 1p serviceline and 1834 nos of Poles were damaged among others, which has resulted in additional expenditure under R&M. Therefore, DGVCL requests to Hon'ble Commission to consider the additional expenditure as "Uncontrollable".

3.10.15. The actual R&M cost for FY 2019-20 is Rs. 66.83 Crores. Accordingly, on the basis of comparison of actual R&M expenditure of DGVCL with the values approved by the Hon'ble Commission, there is a gain/(loss) of Rs. (18.36) Crores as indicated in the table below:

TABLE 16 : REPAIR & MAINTENANCE COST FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Repair & Maintenance Cost	48.47	66.83		(18.36)

Administration & General Expenses

3.10.16. The actual A&G expense for FY 2019-20 were Rs. 106.04 Crores. As per the provisions of the MYT Regulations, 2016, A&G expenses are categorised as controllable expenses and accordingly, the comparison of value approved by the Hon'ble Commission with the actual A&G expenses of DGVCL shows a gain/(loss) of Rs. (19.04) Crores as highlighted in the table below:

TABLE 17 : ADMINISTRATION & GENERAL EXPENSES FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Administration & General Charges	87.00	106.04	(19.04)	

Other Expenses Capitalised

3.10.17. The Other expenses including expenses capitalised, etc. are beyond the control of DGVCL and therefore are considered as uncontrollable.

TABLE 18: OTHER EXPENSES CAPITALISED

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Other Expenses Capitalised	(88.92)	(101.08)		12.16

3.10.18. The comparison of actual O&M expenses by DGVCL during FY 2019-20 with the value approved by the Hon'ble Commission shows a net gain/(loss) on account of controllable factors of Rs. (16.07) Crores and gain/(loss) of Rs. (61.65) Crores on account of uncontrollable factors to DGVCL.

3.11. DEPRECIATION

3.11.1. DGVCL had been charging depreciation on fixed assets of the Company, on the useful life of the assets at rates prescribed under Schedule XIV to the Companies Act, 1956. The Company being engaged in electricity distribution business is covered under the Electricity Act, 2003 and provisions of the Electricity Act supersede the provisions of the Companies Act, 2013.

3.11.2. In case of Depreciation, the MYT Regulations, 2016 provides that-

"Depreciation shall be computed annually based on the straight line method at the rates specified in the Annexure I to these Regulations:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets:

Provided further that for a Generating Company or a Transmission Licensee or SLDC or a Distribution Licensee formed as a result of a Transfer Scheme, the depreciation on assets transferred under the Transfer Scheme shall be charged as per rates specified in these Regulations for a period of 12 years from the date of Transfer Scheme, and thereafter depreciation will be spread over the balance useful life of the assets"

3.11.3. Accordingly, DGVCL has calculated the Depreciation for FY 2019-20 in accordance with the provisions of the MYT Regulations, 2016 and the aforementioned directives of the Hon'ble Commission.

3.11.4. The actual and approved depreciation for FY 2019-20 is as shown below:

TABLE 19 : FIXED ASSET AND DEPRECIATION FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Gross Block in Beginning of the year	6,279.92	6,331.18	
2	Additions during the Year (Net)	608.31	771.02	
3	Closing GFA	6,888.23	7,102.21	
4	Average GFA	6,584.08	6,716.70	
5	**Depreciation for the Year**	**309.65**	**312.63**	**(2.98)**
6	**Average Rate of Depreciation**	**4.70%**	**4.65%**	

3.11.5. The actual depreciation for FY 2019-20 as against the value approved by the Hon'ble Commission results into a uncontrollable gain/(loss) of Rs. (2.98) Crores as indicated below:

TABLE 20 : TREATMENT OF DEPRECIATION

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Depreciation	309.65	312.63	-	(2.98)

3.12. INTEREST & FINANCIAL CHARGES

3.12.1. For assessing actual Interest charges on Loans in FY 2019-20, DGVCL has considered the opening balance of loans for FY 2019-20 same as the closing loan approved by the Hon'ble Commission for FY 2018-19 in the True up Order dated 31st March, 2020. The loan addition in FY 2019-20 is computed at Rs. 338.11 Crores which consists of loans for funding the capital expenditure and the balance for funding the past liabilities.

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

3.12.3. Based on the provisions of the MYT Regulations, 2016, the weighted average rate of interest during the year for Truing up of FY 2019-20 is 12.67 % as against 9.81 % as approved by the Hon'ble Commission.

3.12.4. DGVCL has also claimed interest on security deposit of Rs. 101.13 Crore paid to the Consumers during FY 2019-20.

3.12.5. DGVCL submits that it has been allocated some guarantees of Govt. of Gujarat, for which it is required to pay the guarantee charges. These are the legacy loans which have come from the erstwhile GEB. These charges are, thus, beyond control of DGVCL and hence are required to be considered in the total financial cost.

3.12.6. The total Interest & Financial charges for FY 2019-20 computed by DGVCL as against that approved by the Hon'ble Commission is as shown below:

TABLE 21 : INTEREST & FINANCE CHARGES

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Opening Loans	175.60	230.07	
2	Loan Additions during the Year	249.18	338.11	
3	Repayment during the Year	309.65	312.63	
4	Closing Loans	115.12	255.55	
5	**Average Loans**	**145.36**	**242.81**	
6	Interest on Loan	14.27	30.77	
7	Interest in Security Deposit	105.51	101.13	
8	Other Bank Charges	1.57	1.00	
9	**Total Interest & Financial Charges**	**121.34**	**132.89**	
10	Weighted Average Rate of Interest	**9.81%**	**12.67%**	

3.12.7. The MYT Regulations, 2016 categorise the interest and finance charges as uncontrollable expenses. Any changes on account of changes in applicable interest rates should be considered as uncontrollable. Accordingly, DGVCL has considered deviation in the actual vis-à-vis the approved expenses towards interest and finance charges as uncontrollable. The same has been provided in the table given below:

TABLE 22 : TREATMENT OF INTEREST & FINANCE CHARGES

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Interest & Finance Charges	121.34	132.89		(11.55)

3.13. INTEREST ON WORKING CAPITAL

3.13.1. The interest on working capital has been calculated on the basis of the provisions of the MYT Regulations, 2016.

3.13.2. In line with the First Amendment to the MYT Regulations, 2016 dated 2nd December, 2016, the rate of interest considered is the weighted average of the 1-year MCLR of the State Bank of India during the year plus 250 basis points. This rate works out to 10.66%. 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 2019-20 incurred by DGVCL is nil, DGVCL has not claimed interest on working capital for FY 2019-20 as shown below:

TABLE 23 : INTEREST ON WORKING CAPITAL

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	O & M expenses	45.84	52.31	
2	Maintenance Spares	62.80	63.31	
3	Receivables	1,057.23	1,165.43	
4	Amount held as security deposit from cor	1,688.16	1,741.87	
5	**Total Working Capital**	**(522.28)**	**(460.82)**	
6	Rate of Interest on Working Capital	10.65%	10.66%	
7	**Interest on Working Capital**	-	-	-

3.14. PROVISION FOR BAD DEBTS

3.14.1. The actual bad debts written off in FY 2019-20 are shown in the following table:

TABLE 24: BAD & DOUBTFUL DEBTS WRITTEN OFF

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Bad and Doubtful Debts	0.20	0.41	(0.21)

3.14.2. A comparison of the actual value with the figure approved by the Hon'ble Commission for FY 2019-20 shows a gain/(loss) of (0.21) Crores on account of controllable factors as shown in the table below:

TABLE 25 : TREATMENT OF BAD & DOUBTFUL DEBTS

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Bad and Doubtful Debts	0.20	0.41	(0.21)	

3.15. RETURN ON EQUITY

3.15.1. As per the MYT Regulations, 2016, a return @ 14% on the equity base is considered as reasonable and allowed by the Hon'ble Commission. Accordingly, DGVCL has computed the Return on Equity considering a rate of return at 14%.

3.15.2. For assessing actual return on equity for FY 2019-20, DGVCL has considered the opening balance of equity of FY 2019-20 as the closing balance of equity of FY 2018-19 approved by the Hon'ble Commission in the True up Order dated 31st March, 2020 and additions during the year as already discussed in the above paragraphs have been considered. The return on equity for FY 2019-20 is as shown below:

TABLE 26 : RETURN ON EQUITY

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Opening Equity Capital	1,040.56	1,064.12	(23.56)
2	Equity Additions during the Year	106.79	144.90	(38.11)
3	Closing Equity	1,147.35	1,209.02	(61.67)
				-
4	Average Equity	1,093.95	1,136.57	(42.62)
5	Rate of Return on the Equity	14%	14%	-
6	**Return on Equity**	**153.15**	**159.12**	**(5.97)**

3.15.3. A comparison of the actual Return on Equity for FY 2019-20 with the amount approved by the Hon'ble Commission shows a net uncontrollable gain/ (loss) as indicated below.

TABLE 27 : TREATMENT OF RETURN ON EQUITY

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Return on Equity	153.15	159.12		(5.97)

3.16. INCOME TAX

3.16.1. The actual tax paid in FY 2019-20 was Rs. 18.92 Crores as against Rs. 17.92 Crores approved by the Hon'ble Commission as shown below:

TABLE 28 : INCOME TAX

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Deviation
1	Income Tax	17.92	18.92	(1.00)

3.16.2. It is submitted that Income Tax being a statutory expense, any variation on this account is uncontrollable. Accordingly, DGVCL requests the Hon'ble Commission to consider the same as an uncontrollable loss and allow the entire expenditure towards income tax without any deduction.

3.16.3. A comparison of actual taxes for FY 2019-20 with the amount approved by the Hon'ble Commission shows an uncontrollable gain/(loss) of Rs. (1.00) Crores as indicated in the table below:

TABLE 29 : TREATMENT OF INCOME TAX

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Provision for Tax / Tax Paid	17.92	18.92		(1.00)

3.17. NON-TARIFF INCOME FOR FY 2019-20

3.17.1. The actual value of Non-Tariff Income of DGVCL is Rs. 203.49 Crores as against Rs. 160.86 Crores approved by the Hon'ble Commission results in a uncontrollable gain/(loss) of Rs. (42.62) Crores.

TABLE 30 : TREATMENT OF NON-TARIFF INCOME

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Total Non-Tariff Income	160.86	203.48		(42.62)

3.18. AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20

3.18.1. Based on above, the table below summarises the actual Aggregate Revenue Requirement of DGVCL for FY 2019-20 as against the value approved by the Hon'ble Commission.

TABLE 31 : AGGREGATE REVENUE REQUIREMENT FOR FY 2019-20

Rs in Crores

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

3.19. Sharing of Gains & Losses

3.19.1. MYT Regulations, 2016 specifies the Mechanism for treatment of Gains and Losses on account of Uncontrollable and Controllable expenses. The methodology approved by the Hon'ble Commission for sharing of such gains/ losses is as follows.

Mechanism for sharing of gains or losses on account of Un-controllable factors

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

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

23.3 Nothing contained in this Regulation 23 shall apply in respect of any gain or loss arising out of variations in the price of fuel and power purchase, which shall be dealt with as specified by the Commission from time to time."

Mechanism for sharing of gains or losses on account of controllable factors

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

(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6;

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

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

(a) One-third of the amount of such loss may be passed on as an additional charge in tariffs over such period as may be stipulated in the Order of the Commission under Regulation 21.6; and

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

3.19.2. As indicated above, DGVCL has identified all the expenditure heads under controllable and uncontrollable categories. The gain/ (loss) for DGVCL arising as a result of True Up for FY 2019-20 may be suitably passed through in the Tariff as per mechanism specified by the Hon'ble Commission.

3.20. SHARING OF GAIN/ (LOSS) FOR FY 2019-20

3.20.1. Based on the methodology prescribed in the MYT Regulations, 2016, DGVCL has classified various heads of expenses as Controllable & Uncontrollable. The head wise losses/gains have been dealt in the above sections. During FY 2019-20, DGVCL has incurred a net gain/(loss) of Rs. 931.92 Crores on account of controllable factors while the net gain/(loss) attributable to uncontrollable factors for FY 2019-20 is Rs. (2113.76) Crores.

3.20.2. The following Table summarizes net gain/ (loss) to DGVCL during FY 2019-20 on account of controllable & uncontrollable factors.

TABLE 32 : NET GAIN/ (LOSS) FOR FY 2019-20

Rs in Crores

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

3.21. REVENUE FOR FY 2019-20

3.21.1. During the FY 2019-20, DGVCL's actual revenue amounted to Rs. 13,985.14 Crores. The break-up is as follows:

TABLE 33 : REVENUE FOR FY 2019-20

Rs in Crores

Sr. No.	Particulars	FY 2019-20 (Approved)	FY 2019-20 (Actual)
1	Revenue from Sale of Power	9,296.43	13,653.66
2	Revenue from FPPPA	3,106.80	
3	Other Income (Consumer related)	234.96	286.97
4	**Total Revenue excluding subsidy (1+2+3)**	**12,638.19**	**13,940.63**
5	Agriculture Subsidy	48.55	44.51
6	**Total Revenue including subsidy (4+5)**	**12,686.74**	**13,985.14**

3.22. REVENUE GAP/SURPLUS FOR FY 2019-20

3.22.1. The Hon'ble Commission in its MYT Order dated 24th April, 2019 has approved Aggregate Revenue Requirement of Rs. 12,921.37 Crores for FY 2019-20. The Hon'ble Commission had also added Revenue gap/ (surplus) of Rs. (409.64) Crores due to Truing up of FY 2017-18 in the Aggregate Revenue Requirement.

3.22.2. As per the mechanism specified in the MYT Regulation 2016, DGVCL proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e. Rs. 310.64 Crores and total gain/(loss) on account of uncontrollable factor i.e. Rs. (2,113.76) Crores to the consumers. Adjusting these to the net Aggregate Revenue Requirement, DGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2019-20 at Rs. 14,314.85 Crores.

3.22.3. This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue with Existing Tariff of Rs. 13,653.66 Crores, Other Consumer related Income of Rs. 286.97 Crores, Agriculture Subsidies of Rs. 44.51 Crores and GUVNL profit allocation of Rs. 30.50 Crore, summing up to a Total Revenue of Rs. 14,015.64 Crores. Accordingly, total Revenue Gap / (Surplus) of DGVCL for FY 2019-20 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 299.22 Crores as shown in the table below:

TABLE 34 : REVENUE GAP/ (SURPLUS) FOR FY 2019-20

Rs in Crores

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

3.22.4. The Hon'ble Commission is requested to approve above mentioned gap/ (surplus) and allow DGVCL to recover the same in FY 2021-22.

SECTION 4. COMPLIANCE OF DIRECTIVES

4.1. PREAMBLE

4.1.1. In the Tariff Orders, the Hon'ble Commission has specified following directives to DGVCL, to which, DGVCL is submitting the Compliance, which is as follows:

4.2. COMPLIANCE OF DIRECTIVES

Directive issued vide Tariff Order dated 31.03.2018:

Earlier Directives

4.2.1. **Directive 1: Category wise cost to serve report**

The Hon'ble Commission has directed to ensure that the cost to serve report is submitted along with the tariff petition.

Compliance:

DGVCL is in process of preparation of Cost to Serve Report for FY 2019-20 and shall submit at the earliest.

4.2.2. **Directive 2: Meters on Distribution Transformer Centre [DTC]:**

The Hon'ble Commission has noted achievement in reduction in Distribution Losses through the activity of energy audit by DGVCL and directed to continue this activity and report the achievement along with next Tariff Petition.

Compliance:

DGVCL has completed 100% metering on DTC, and all circle heads are instructed to evaluate the energy on transformer centre.

For achieving target of 5% distribution loss reduction, in DGVCL for FY 2019-20, total 276 no's of high losses feeders of various categories were selected. The category wise feeders and criteria applied are tabulated as below.

BREAK UP OF HIGH LOSSES SELECTED FEEDERS 2019-20

Sr. No.	Name of Circle	Category of feeder					TOTAL
		GIDC>5	IND>5	URBAN>25	JGY>50	AGDOM>50	
1	Bharuch	0	12	15	69	9	105
2	Valsad	2	11	2	53	4	72
3	Surat R	0	4	1	53	23	81
4	Surat City	2	5	11	0	0	18
5	DGVCL	4	32	29	175	36	276

The category wise comparative status of selected feeders as on March'19 & March'20 is tabulated as under

Category of Feeder	Nos. of Sel. feeder	Mus Sent Mar'19	Mus Sold Mar'19	Mus Loss	% Dist. Loss Mar'19	Mus Sent Mar'20	Mus Sold Mar'20	Mus Loss	% Dist. .Loss Mar'20	% Reduction
IND	32	335.68	308.66	27.02	8.05	364.58	351.58	13.00	3.57	4.48
JGY	175	782.20	291.93	490.27	62.68	758.13	307.02	451.11	59.50	3.18
URBAN	29	300.26	240.55	59.71	19.89	303.52	255.92	47.60	15.68	4.21
AGDOM	36	83.92	33.12	50.80	60.54	68.28	38.25	30.03	43.97	16.57
GIDC	4	29.76	28.07	1.69	5.68	52.00	51.04	0.96	1.84	3.84
TOTAL	276	1531.82	902.35	629.50	41.09	1546.52	1003.83	542.70	35.09	6.00

From the above it seems that DGVCL has taken energy audit at DTC level and achieved reduction in losses for all categories and overall reduction in selected feeders is tune of 6.00%. The % reduction in JGY selected feeder losses is 3.18 %.

Also same process is continued for FY 2020-21 and nos. of selected feeders with same criteria is 216 nos. The breakup of same is as under:

BREAK UP OF HIGH LOSSES SELECTED FEEDERS 2020-21

Sr. No.	Name of Circle	Category of feeder					TOTAL
		GIDC>5	IND>5	URBAN>25	JGY>50	AGDOM>50	
1	Bharuch	0	6	12	61	7	86
2	Valsad	1	15	2	40	3	61
3	Surat R	0	0	0	42	16	58
4	Surat City	0	8	3	0	0	11
5	DGVCL	1	29	17	143	26	216

Category of Feeder	Nos. of Sel. feeder	Mus Sent as on Sept-19	Mus Sold as on Sept-19	Mus Loss	% Dist. Loss as on Sept-19	Mus Sent as on Sept-20	Mus Sold as on Sept-20	Mus Loss	% Dist. Loss as on Sept-20
IND	29	182.13	165.63	16.50	9.06	102.87	93.98	8.89	8.65
JGY	143	320.10	117.11	202.99	63.41	356.95	125.05	231.89	64.97
URBAN	17	94.29	73.46	20.83	22.09	96.22	72.16	24.05	25.00
AGDOM	26	16.81	6.22	10.58	62.98	18.14	8.32	9.82	54.12
GIDC	1	5.90	5.93	-0.03	-0.52	4.83	4.34	0.49	10.08
TOTAL	**216**	619.24	368.36	250.87	40.51	579.00	303.86	275.15	47.52

4.2.3. **Directive 3: Losses on Jyoti Gram Yojana feeder.**

The Commission appreciates the efforts being made by the Petitioners in achieving the target of loss reduction. However, loss reduction activity being continuous, sustained and concerted efforts should be made to reduce the losses in coming years also, as there are still several Feeders having very high loss levels. Thus, the Petitioner is directed to continue efforts for reduction in the losses.

Compliance:

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

The activities carried out on JGY feeders are tabulated as under.

Activities carried out for loss reduction on JGY feeders				
Perticulars		2018-19	2019-20	2020-21 up to Sept-20
Feeder bifurcation	Nos.	25	33	1
Maintenance				
HT line	KM	12510	11511	13878
LT line	KM	2108	1886	1266
Transformer	No.	5310	6132	4156
IDEAL-Villages	No.	1	1	2
XLPE conductor/CABLE	KM	3	0	0
Arial Bunch Conductor	KM	2966	491	339
Insulated conductor	KM	0	0	1
Meter Replacement			0	0
1 Ph.	No.	77538	37210	24398
3Ph	No.	3004	3890	1402
Installation of Meter Boxes.				
1Ph	No.	53258	25818	13545
3Ph	No.	1935	3887	1221
Installation Sealing			0	0
1Ph	No.	87527	43205	23127
3Ph	No.	20121	6386	1878
Installation Checking				
Nos.	No.	39942	45946	19029
Detection	No.	2112	1804	628
Assessment	Rs Lacs	364	337	102
Release of new connections	Nos.	88525	34685	11147
Augmentation of Village T/C	Nos.	56	132	21
Amorphous X'mer replacement	No.	29	131	52

However DGVCL as a whole Losses of Jyoti Gram Yojana feeder of last five financial years are tabulated below.

FY Year	% Loss
2015-16	44.10
2016-17	40.07
2017-18	36.85
2018-19	34.81
2019-20	31.92
2020-21 Up to **Sept-20**	38.00

It can be seen from above table that % distribution losses is in reducing trends since 2015-16 it has been reduced from 44.10 % to 31.92% (2019-20) i.e. reduced by 12.18 % in last five financial years.

4.2.4. **Directive 3: Replacement of Defective Meters.**

The Commission has directed to continue the efforts for Replacement of Defective Meters as planned and also conduct a study to understand the nature of fault and take up the issue with the manufacturers of such meters for mitigation.

Compliance:

DGVCL is trying to get minimum level of defective meters lying at the consumer installation, most common reason for the meter defect is burnt of terminal block, Display problem, battery fail, NVM fail, melting of service wire, PT or CT burnt, etc inform to manufacturer's representative during schedule visit at meter testing laboratories.

Present status

During last year 2018-19 to 2020-21 up to Sept-2020, meter replacement activity carried out is tabulated as under.

DGVCL-Replacement of non working Meters:								
FY	Total numbers of defective meter at the start of FY		Total numbers of defective meter Added During FY		Nos. of Meter Replaced during FY		Total numbers of defective meter at the End of FY	
	1PH	3PH	1PH	3PH	1PH	3PH	1PH	3PH
2018-19	32863	10176	100907	31578	107389	33210	26381	8544
2019-20	26381	8544	69512	24419	69697	21878	26196	11085
2020-21 Up to Oct-	26196	11085	38407	11412	39342	9327	25261	13170

20								

The status of pending single phase and three phase defective meters to be replaced during F.Y.2020-21 and in addition to these planning, defective meters added during this planned duration will also be replaced and are mentioned as below.

Planning for replacement of Defective Single phase meter:

Sr. No	Name of Circle	Non working Meter pending to be replaced Oct-20	Month wise planning to replace Non working meter							Total Planning
			Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	April-21	May-21	
1	Surat	0	0	0	0	0	0	0	0	0
2	Surat	3157	1057	1050	1050	0	0	0	0	3157
3	Valsad	12971	1900	1900	1900	1900	1871	1750	1750	12971
4	Bharuch	9133	1300	1300	1300	1300	1300	1300	1333	9133
DGVCL Total		**25261**	**4257**	**4250**	**4250**	**3200**	**3171**	**3050**	**3083**	**25261**

Planning for replacement of Defective Three phase meter:

Sr. No	Name of Circle	Non working Meter pending to be replaced OCT-20	Month wise planning to replace Non working meter							Total Planning
			Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	April-21	May-21	
1	Surat	8	8	0	0	0	0	0	0	8
2	Surat	1959	250	250	250	300	300	300	309	1959
3	Valsad	7483	1050	1050	1050	1050	1150	1083	1050	7483
4	Bharuch	3720	500	500	550	550	550	550	520	3720
DGVCL Total		**13170**	**1808**	**1800**	**1850**	**1900**	**2000**	**1933**	**1879**	**13170**

4.2.5. Directive 4: Detailed study to work out cost of supply at EHV level

The DISCOMs have submitted the Study Report of Cost of Supply at EHV level which is under deliberation.

Compliance:

Report is under deliberation at GERC.

4.2.6. Directive 5: Scheme for Installation of solar pump for agriculture consumers

The Commission has directed to expedite the submission of the outcome of pilot project namely Suryashakti Kisan Yojna (SKY).

Compliance:

In order to achieve multiple objectives of addressing the energy requirement of farmers and to promote de-centralized renewable energy generation the state government decided to utilize solar resources available in the state for benefits of the farmers and accordingly notified the scheme namely.

Suryashakti Kisan Yojana (SKY) to be implemented on pilot basis the outcome of pilot project implemented in DGVCL as on 31.03.2020 is tabulated below.

No's of feeder	Nos' of SKY consumer	total contracted load of sky consumer on HP	Total SPV Capacity in MW-AC
16	720	5000	6.51

Out of total 720 SKY consumers billing was done during the FY 2019-20 from which 628 no's of farmers are coming on recoverable side and amount of recovery to be done from farmers is Rs 9.39 Lacs while remaining 92 No's of farmers are coming on payable side and amount payable i.e. amount given to farmers is Rs 1.32Lacs.

Fresh Directives:-

4.2.7. **Directive 1:**

The Hon'ble Commission has directed to carry out a study to implement Time of Day Demand Charges i.e. Demand Charges leviable during Peak Demand period and that leviable during off peak Demand Period. The Petitioner is directed to submit the study report by 1st September, 2020.

Compliance:

On behalf of 4 DISCOMs, GUVNL has engaged a consultant to carry out a detailed study as per above directive of Hon'ble commission. The study work is under progress and the study report shall be submitted to Hon'ble Commission in due course upon successful completion of study. The study work was hampered due to Corona Pandemic.

4.2.8. **Directive 2:**

The Hon'ble Commission has directed to carry out study for implementation of ToD energy charge for new Residential Roof top Solar Consumer. The Petitioner is directed to submit the study report by 1st September, 2020.

Compliance:

On behalf of 4 DISCOMs, GUVNL has engaged a consultant to carry out a detailed study as per above directive of Hon'ble commission. The study work is under progress and the study report shall be submitted to Hon'ble Commission in due course upon successful completion of study. The study work was hampered due to Corona Pandemic.

4.2.9. **Directive 3:**

The Commission by this order has taken various steps viz. reduction in energy charge for LT and HT Lift Irrigation category enhancement of Night Time Rebate for utilization of electricity by HT category consumers and enhancement of rebate for supply at EHV level. While carrying out the said rationalization, it was expected to achieve some goals which in turn shall benefit the society at large in terms of conservation of energy, betterment of environment, optimization of power purchase cost and reduction in T & D losses. To analyze whether such goals are met or not, the DISCOMs are directed to keep the record of number of consumers, their consumption during day and night period etc. and report to the Commission on completion of FY 2020-21.

Compliance:

LT total Lift Irrigation Consumer's consumption during up to Oct-20 is 1086759 Units of 120 consumers. (Note: Consumption during day and night period not separately available)

HT Lift Irrigation consumer's consumption during day up to Oct-20 is 598167 units & night period is 255148 Units of 15 Consumers.

4.2.10. **Directive 4:**

The Hon'ble Commission has directed to start Mobile Bill Collection Van facility for the consumers of rural area. Compliance of this directive to be submitted latest by 30th June 2020.

Compliance:

Compliance of this directive was submitted before The Hon'ble Commission vide letter No. DGVCL/C&R/GERC/Comp-Dir./20/10261 dated:-29th July, 2020

SECTION 5. PRAYER

DGVCL respectfully prays to the Hon'ble Commission;

1. To admit this Petition seeking True up of FY 2019-20.
2. To approve the True up for FY 2019-20 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the MYT Regulations, 2016.
3. To allow recovery of revenue gap/ (surplus) of FY 2019-20 as part of Tariff determination for FY 2021-22.
4. ARR for FY 2021-22 to FY 2025-26 and Tariff Proposal for FY 2021-22 will be filed as an addendum to this Petition once MYT Regulations, 2021 notified or as directed by the Hon'ble Commission.
5. To grant any other relief as the Hon'ble Commission may consider appropriate.
6. 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.
7. 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.

Declaration that the subject matter of the Petition has not been raise by the Petitioner before any other competent forum, and that no other competent forum is currently seized of the matter or has passed any Orders in relation thereto.

Signature of the Petitioner

(Mr. P P Chaudhary)

I/C Addl. Chief Engineer (C&R)

Place: Surat

Date: 26th November, 2020

BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION

GANDHINAGAR

Filing No:

Case No:

IN THE MATTER OF	Filing of the Petition for True Up of FY 2019-20 under GERC (Multi Year Tariff) Regulations, 2016 along with other Guidelines and Directions` issued by the GERC from time to time AND under Part VII (Section 61 to Section 64) of the Electricity Act, 2003 read with the relevant Guidelines

AND

IN THE MATTER OF	Dakshin Gujarat Vij Company Limited, "Urja Sadan", Nana Varachha Road, Kapodara Char Rasta, Surat - 395 006.

PETITIONER

Gujarat Urja Vikas Nigam Limited

Sardar Patel Vidyut Bhavan,

Race Course,

Vadodara - 390 007

CO-PETITIONER

THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS

Affidavit verifying the Petition

I, Mr. Pradipkumar Chaudhary, son of Prabhudas Chaudhary aged 57 years, residing at Surat, 395009 do solemnly affirm and say as follows:

I. I am the I/C Addl. Chief Engineer (C&R) of the Dakshin Gujarat Vij Company Limited (DGVCL), the Petitioner in the above matter and am duly authorized by the said the Petitioner to make this affidavit.

II. The Statements made in the Petition application herein above are true to my knowledge and belief, which I believe them to be true.

Solemnly affirmed at Surat on this 26th November, 2020 that the contents of the above affidavit are true to my knowledge, no part of it is false and nothing material has been concealed there from.

(Mr. P P Chaudhary)

I/C Addl. Chief Engineer (C&R)

Identified before me

Place: Surat

Date: 26th November, 2020

NOTARY K. D. BAGADIYA SURAT CITY (Guj.) Regd. No. 707 Exp. Dt. 11-2-2024 GOVT. OF GUJARAT (INDIA)

NOTARIAL NOTARIAL NOTARIAL NOTARIAL NOTARIAL

Reg.Sr.No. 15120

26 NOV 2020

My Commission Expires on 11-2-2024

Solemnly affirmed BEFORE ME

K. D. BAGADIYA
NOTARY
GOVT. OF GUJARAT
SURAT CITY (GUJ.)

SECTION 6. ANNEXURE 1: TARIFF FILING FORMATS

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply

Sr. No.	Title	Reference
1	Aggregate Revenue Requirement - Summary Sheet	ARR-Summary
2	Customer Sales Forecast	Form 1
3	Power Purchase Expenses	Form 2
4	Summary of Operations and Maintenance Expenses	Form 3
5	Employee Expenses	Form 3.2
6	A&G Expenses	Form 3.3
7	R&M Expenses	Form 3.4
8	Summary of Capital Expenditure & Capitalisation	Form 4
9	Assets & Depreciation	Form 5
10	Interest Expenses	Form 6
11	Interest on Working Capital	Form 7
12	Return on Regulatory Equity	Form 8
13	Non-tariff Income	Form 9
14	Revenue	Form 10
15	Truing Up Summary	Form 13

NOTE:
(1) Electronic copy in the form of CD containing excel sheets of the Forms shall also be furnished.
(2) Figures in (-ve) must be shwon in Brackets- (...) and figures in (+ve) must be shown without Bracket.

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form Summary: Aggregate Revenue Requirement - Summary Sheet

Distribution Business

(Rs. Crore)

Sr. No.	Particulars	Reference	True-Up Year (FY 2019-20)		
			Tariff Order	April - March (Audited)	Claimed in the petition
1	Power Purcahse Expenses	Form 2	11,929.92		13,054.96
2	Operation & Maintenance Expenses	Form 3	550.04		627.76
3	Depreciation	Form 5	309.65		312.63
4	Interest & Finance Charges	Form 6	121.34		132.89
5	Interest on Working Capital	Form 7	-		-
6	Bad Debts written off		0.20		0.41
7	Contribution to contingency reserves		-		-
8	**Total Revenue Expenditure**		**12,911.15**		**14,128.65**
9	Return on Equity Capital	Form 8	153.15		159.12
10	Income Tax		17.92		18.92
11	**Aggregate Revenue Requirement**		**13,082.22**		**14,306.68**
12	Less: Non Tariff Income	Form 9	160.86		203.48
13	Less: Income from Other Business				
14	**Aggregate Revenue Requirement of Wires Business**		**12,921.36**		**14,103.20**

Distribution Wires Business

Sr. No.	Particulars	Reference	True-Up Year (FY 2019-20)		
			Tariff Order	April - March (Audited)	Claimed in the petition
1	Operation & Maintenance Expenses	Form 3	352.39		342.48
2	Depreciation	Form 5	278.69		281.37
3	Interest & Finance Charges	Form 6	109.21		119.60
4	Interest on Working Capital	Form 7	-		-
5	Contribution to contingency reserves				
6	**Total Revenue Expenditure**		**740.28**		**743.45**
7	Return on Equity Capital	Form 8	137.84		143.21
8	Income Tax		16.13		17.02
9	**Aggregate Revenue Requirement**		**894.25**		**903.68**
10	Less: Non Tariff Income	Form 9	16.09		20.35
11	Less: Income from Other Business				
12	**Aggregate Revenue Requirement of Wires Business**		**878.16**		**883.33**

Distribution Retail Supply Business

Sr. No.	Particulars	Reference	True-Up Year (FY 2019-20)		
			Tariff Order	April - March (Audited)	Claimed in the petition
1	Power Purchase Expenses	Form 2	11,929.92		13,054.96
2	Operation & Maintenance Expenses	Form3	197.65		285.28
3	Depreciation	Form 5	30.97		31.26
4	Interest & Finance Charges	Form 6	12.13		13.29
5	Interest on Working Capital	Form 7	-		-
6	Bad debts written off		0.20		0.41
7	Contribution to contingency reserves				
8	**Total Revenue Expenditure**		**12,170.87**		**13,385.20**
9	Return on Equity Capital	Form 8	15.32		15.91
10	Income Tax		1.79		1.89
11	**Aggregate Revenue Requirement**		**12,187.97**		**13,403.00**
12					
13	Less: Non Tariff Income	Form 9	144.77		183.13
14	Less: Income from Other Business				
15	**Aggregate Revenue Requirement of Retail Supply**		**12,043.20**		**13,219.87**

Note
For FY 2019-20 : GERC Tariff Regulations, 2016 will be Applicable

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 1: Customer Sales & Forecast

Year: FY 2019-20

(MU)

Consumer Category & Consumption Slab		Total
LT		**10,365**
RGP		**3,195**
		1,856
	Zero	-
	1-50 kwh	18
	51-100 kwh	70
	101-250 kwh	463
	Above 250 kwh	1,305
BPL		**6**
	Zero	(0)
	1-30 kwh	0
	31-50 kwh	1
	51-100 kwh	1
	101-200 kwh	1
	201-250 kWh	1
	Above 250 kwh	2
Rural		**1,243**
	Zero	-
	1-50 kwh	36
	51-100 kwh	93
	101-200 kwh	264
	201-250 kWh	130
	Above 250 kwh	720
BPL - Rural		**90**
	Zero	-
	1-30 kwh	18
	31-50 kwh	16
	51-100 kwh	16
	101-200 kwh	12
	201-250 kWh	8
	Above 250 kwh	19
GLP		
	All	**59**
Non RGP and LTMD Total		**5,924**
Non RGP		
Consumer other than seasonal consumer		**3,105**
	For installation having contracted load up to and including 10 kW: for entire consumption during the month	808
	For installation having contracted load exceeding 10 kW: for entire consumption during the month	2,295
Seasonal Consumer		
	For installation having contracted load up to and including 10 kW: for entire consumption during the month	0
	For installation having contracted load exceeding 10 kW: for entire consumption during the month	3
LTMD		
	All	**2,819**
Non RGP Night		
	All	-
LTMD Night		
	All	-
LTP - Lift irrigatiom		
	All	-

WWSP		**243**
	Type I – Water works and sewerage pumps operated by other than local authority:	61
	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	5
	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.	177
Agriculture		**882**
	HP Based Tariff-Unmetered	425
	Metered Tariff	447
	Tatkal Scheme	10
Street Light		**62**
	For Local Authorities and Industrial Estates	8
	KWH Based Tariff	-
	kVAH Tariff	-
	Consumers other than local authorities and industrial estates	54
LT Electric Vehicle		
	All	
HT & EHT Category		9,327
Industrial HT		9,321
HTP - I		**9,029**
	1 kVA - 500 kVA of billing demand	2,405
	501 kVA - 1000 kVA of billing demand	1,470
	1001 kVA - 2500 kVA of billing demand	1,347
	For billing demand in excess of 2500 kVA	3,807
Seasonal		
	1 kVA - 500 kVA of billing demand	-
	501 kVA - 1000 kVA of billing demand	-
	1001 kVA - 2500 kVA of billing demand	-
	For billing demand in excess of 2500 kVA	-
HTP - II		**209**
	1 kVA - 500 kVA of billing demand	63
	501 kVA - 1000 kVA of billing demand	49
	1001 kVA - 2500 kVA of billing demand	80
	For billing demand in excess of 2500 kVA	18
HTP - III	All	7
HTP-IV		**75**
	1 kVA - 500 kVA of billing demand	0
	501 kVA - 1000 kVA of billing demand	0
	1001 kVA - 2500 kVA of billing demand	-
	For billing demand in excess of 2500 kVA	75
HTP V		
	All	1
Railway Traction		
	All	6
HT Electric Vehicle Charging Stations		
	All	
Total		**19,692**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
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Form 2: Power Purchase Expenses

True-Up Year (FY 2019-20)

Source of Power (Station wise)	Installed Capacity (MW)	Utility share (%)	GUVNL share (MW)	Energy Received (MU)	Total Annual Fixed charges (Rs Crore)	Capacity Charges paid/ payable by Utility (Rs Crore)	Variable Cost per unit (Rs/kWh)	Total Variable Charges (Rs Crore)	Any Other Charges (Please specify the type of charges)	Total Cost of Energy purchased (Rs Crore)
	a	b	c	d	e	f	g	h	i	j
GSECL										
GSECL Gandhinagar - 5			210	878	71.45		4.02	353		425
GSECL Wanakbori - 7			210	970	62.68		3.87	375		438
GSECL Utran										
GSECL Utran Expan			375	722	239.83		3.52	254		494
GSECL Dhuvaran - 7			107	179	49.57		2.87	52		101
GSECL Dhuvaran - 8			112	87	29.37		3.14	27		57
GSECL Ukai			610	2,669	277.53		3.67	980		1,258
GSECL Ukai Expan			500	2,660	493.14		3.24	861		1,354
GSECL Gandhinagar 3-4			420	651	229.03		4.19	273		502
GSECL Wanakbori 1-6			1,260	3,598	559.73		3.93	1,415		1,975
GSECL Sikka										
GSECL Sikka Expansion			500	2,451	602.27		3.58	877		1,479
GSECL Kutch Lignite			215	480	79.49		2.70	130		209
GSECL Kutch Lignite Exp unit 4			75	261	56.79		2.52	66		122
GSECL Ukai Hydro			305	765	41.45		-	-		41
GSECL Kadana Hydro			242	445	68.62		-	-		69
GSECL Dhuvaran CCPP III			376	538	118.27		3.41	184		302
GSECL BLTPS			500	485	110.43		2.89	140		251
GSECL Wanakbori - 8			800	506	141.86		3.31	167		309
Sub Total			**6,817**	**18,347**	**3,232**		**3.35**	**6,154**		**9,385**
IPP's										
Gujarat State Energy Generation			156	42	30.89		4.03	17		48
Gujarat State Energy Generation Expansion			351	562	169.31		3.67	206		376
Gujarat Industries Power Co Ltd (165 MW)			-	13	-		4.10	5		5
Gujarat Industries Power Co Ltd (SLPP)			250	1,423	133.58		1.44	204		338
Gujarat Mineral Development Corp.			250	547	61.92		1.32	72		134
Gujarat Industries Power Co Ltd (145 MW)			42	123	5.54		2.99	37		42
Gujarat Industries Power Co Ltd (SLPP - Exp)			250	1,530	260.68		1.41	216		477
GPPC Pipavav			702	522	313.39		3.57	187		500
Sub Total			**2,001**	**4,761**	**975**		**1.98**	**945**		**1,920**
Central Sector										
NPC-Tarapur (1 & 2)			160	1,014	-		5.09	516		516
NPC-Tarapur (3 & 4)			274	1,921	-		4.51	867		867
NPC-Kakrapar			125	869	-		1.48	128		128
NTPC-Vindhyachal - I			230	1,514	134.41		1.88	285		419
NTPC-Vindhyachal - II			239	1,553	115.39		1.79	277		393
NTPC-Vindhyachal - III			266	1,905	194.01		1.77	338		532
NTPC-Korba			360	2,566	174.25		1.46	375		550
NTPC-Korba -II			96	686	94.36		1.42	97		191
NTPC-Kawas			187	489	115.29		3.04	149		264
NTPC-Jhanor			237	186	181.02		3.55	66		247
NTPC-Sipat-I			540	3,788	492.28		1.52	578		1,070
NTPC-Sipat - II			273	1,976	239.39		1.57	310		550
NTPC-Kahlagaon			141	806	106.46		2.08	167		274
NTPC-Vindhyachal - IV			240	1,763	265.43		1.74	307		573
NTPC-Mauda			240	1,499	316.87		3.28	492		808
NTPC-Vindhyachal - V			94	720	111.77		1.80	130		242
NTPC-Mauda II			294	1,486	307.84		3.22	479		787
NTP C- Others			-	-	0.00		-	-		0
NTPC- Gadarwara			152	216	154.16		2.58	56		210
NTPC- LARA			78	240	55.05		2.55	61		116
NTPC-Khargone			246	101	29.86		2.97	30		60
Sardar Sarovar Nigam Ltd			216	639			2.05	131		131
Sub Total			**4,688**	**25,937**	**3,088**		**2.25**	**5,840**		**8,927**
Others										
Captive Power			8	6	-		2.15	1.27		1.27
Renewable										-
Wind Farms			4,170	8,217	-		3.65	3,000.09		3,000.09
Solar			1,682	2,702	-		7.82	2,112.18		2,112.18
Small/Mini Hydal			21	87	-		4.65	40.47		40.47
Biomass			30	165	-		5.86	96.91		96.91
Competitive Bidding										-
Essar Power Gujarat Ltd			1,000	4,326	492.52		1.93	833		1,325.40
Adani Power Ltd - (Unit 1 - 4)			1,200	8,369	809.84		2.92	2,446		3,255.72
Adani Power Ltd - (Unit 5 - 6)*			1,200	2,683	133.04		3.12	837		969.87
ACB India Ltd.			200	1,270	178.90		0.67	85		263.46
Coastal Gujarat Power Co Ltd			1,805	11,705	1,144.04		1.89	2,213		3,356.99
Power Excahnge				1,744	-		3.53	616		616.01
Short term bilateral (GMR)				3,353	-		3.17	1,062		1,062.12
Sub Total			**11,316**	**44,627**	**2,758**			**13,342**		**16,100**
PGCIL abd POSCO					**2,443**					**2,443**
GETCO					**3,455**					**3,455**
TOTAL			**24,821**	**93,673**	**15,950**			**26,281**		**42,231**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 3: Operations and Maintenance Expenses Summary

(Rs. Crore)

Sr. No.	Particulars	Reference	True-Up Year (FY 2019-20)		
			Tariff Order	April-March (Audited)	Deviation
			(a)	(b)	(c) = (b) - (a)
1	O&M Expenses	Form 3.1	638.96	728.84	89.88
1.1	Employee Expenses	Form 3.2	503.49	555.97	52.48
1.2	R&M Expenses	Form 3.4	48.47	66.83	18.36
1.3	A&G Expenses	Form 3.5	87.00	106.04	19.04
	Other Debits		-		-
	Extraordinary Items		-		-
	Net Prior Period Expenses/(Income)		-		-
2	O&M Expense capitalised		(88.92)	(101.08)	(12.16)
3	**Total Operation & Maintenance Expenses (net of capitalisation)**		**550.04**	**627.76**	**77.72**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 3.2: Employee Expenses

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20) April-March (Audited)		
		Regulated Business	Non-regulated Business	Total (Audited)
1	Salary & Allowances			404.77
2	Impact of 7th Pay Commission (Actual Paid)			55.45
3	Dearness Allowance (DA)			
4	House Rent Allowance			
5	Conveyance Allowance			
6	Leave Travel Allowance			
7	Earned Leave Encashment			
8	Other Allowances			
9	Medical Reimbursement			
10	Overtime Payment			
11	Bonus/Ex-Gratia Payments			
12	Interim Relief / Wage Revision			
13	Staff welfare expenses			7.84
14	VRS Expenses/Retrenchment Compensation			
15	Commission to Directors			
16	Training Expenses			
17	Payment under Workmen's Compensation Act			
18	Net Employee Costs			
19	Terminal Benefits			41.94
19.1	Provident Fund Contribution & Other Funds			38.24
19.2	Provision for PF Fund			
19.3	Pension Payments			
19.4	Gratuity Payment			
20	Other Comprehensive Income			42.46
21	**Gross Employee Expenses**			
22	Less: Provision for 7th pay Commission			(34.73)
23	**Net Employee Expenses**			**555.97**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 3.3: Administration & General Expenses

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20) April-March (Audited)		
		Regulated Business	Non-regulated Business	Total (Audited)
1	Rent Rates & Taxes			3.68
2	Insurance			0.23
3	Testing Charges			0.89
4	Telephone			2.10
5	Remuneration to collection agencies			2.58
6	Legal charges & Professional fee			2.85
7	Audit fee			0.20
8	Conveyance & Travel			34.46
9	Directors' Fees			0.02
10	Electricity charges			2.39
11	Water charges			0.77
12	Security arrangements			11.20
13	Fees & subscription			
14	Books & periodicals			
15	Computer Stationery			
16	Printing & Stationery			5.17
17	Advertisements			1.97
18	Purchase Related Advertisement Expenses			
19	Contribution/Donations			
20	License Fee and other related fee			
21	Vehicle Running Expenses Truck / Delivery Van			
22	Vehicle Hiring Expenses Truck / Delivery Van			
23	Cost of services procured			
24	Outsourcing of metering and billing system			
25	Freight Expenses			2.82
26	V-sat, Internet and related charges			
27	Training			0.58
28	Bank Charges			
29	Miscellaneous Expenses			9.70
30	Miscellaneous Losses & Write-offs			6.51
31	Office Expenses			
32	Others			17.74
33	Corporate Social Responsibility (CSR)			
34	Computer Expenses			0.05
35	Expenditure on Security Measures for Safety & Protection			
36	DSM Expenditure			
37	Expenditure on Energy Conservation			0.12
38	**Gross A&G Expenses**			**106.04**
39	Less: Expenses Capitalised			
40	**Net A&G Expenses**			**106.04**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 3.4: Repair and Maintenance Expenses

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20) (Audited)
1	Plant & Machinery	20.62
2	Buildings	1.02
3	Civil Works	
4	Hydraulic Works	
5	Lines & Cable Networks	40.14
6	Vehicles	
7	Furniture & Fixtures	
8	Office Equipment	
9	Others	5.05
10	Restoration of damage due to flood, cyclone etc.	
11	**Gross R&M Expenses**	**66.83**
12	Less: Expenses Capitalised	
13	**Net R&M Expenses**	**66.83**
14	Gross Fixed Assets at beginning of year	
15	R&M Expenses as % of GFA at beginning of year	

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 4: Summary of Capital Expenditure and Capitalisation

Distribution Business

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20)		
		Tariff Order	April-March (Audited)	Deviation
		(a)	(b)	(c) = (b) - (a)
1	Capital Expenditure		759.13	759.13
2	Capitalisation	608.31	771.02	162.71
3	IDC			-
4	Capitalisation + IDC	608.31	771.02	162.71

Note: , Detail Justification shall be provided for variation in approved capital expenditure and capitalisation vis-a-vis actual capital expenditure and capitalisation

A) Distribution Wires Business

Sr. No.	Particulars	True-Up Year (FY 2019-20)		
		Tariff Order	April-March (Audited)	Deviation
		(a)	(b)	(c) = (b) - (a)
1	Capital Expenditure	-	683.22	683.22
2	Capitalisation	547.48	693.92	146.44
3	IDC			
4	Capitalisation + IDC	547.48	693.92	146.44

Note: , Detail Justification shall be provided for variation in approved capital expenditure and capitalisation vis-a-vis actual capital expenditure and capitalisation

B) Retail Supply Business

Sr. No.	Particulars	True-Up Year (FY 2019-20)		
		Tariff Order	April-March (Audited)	Deviation
		(a)	(b)	(c) = (b) - (a)
1	Capital Expenditure	-	68.32	68.32
2	Capitalisation	54.75	69.39	14.64
3	IDC			
4	Capitalisation + IDC	54.75	69.39	14.64

Note: , Detail Justification shall be provided for variation in approved capital expenditure and capitalisation vis-a-vis actual capital expenditure and capitalisation

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 5: Assets & Depreciation

Distribution Business

Fixed Assets and Depreciation For True Up year and each Year of MYT Control Period

Particulars *	Gross Block- FY 2019-20				Depreciation- FY 2019-20				Applicable rate of Depreciation (%) *	Net Block- FY 2019-20	
	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year		As at the beginning of the Financial Year	As at the end of the Financial Year
Land	22.50	2.98	-	25.48		-					
Buildings	102.43	11.61	-	114.04		3.67					
Hydraulic works	0.28	-	-	0.28		0.01					
Other Civil Works	27.58	3.27	-	30.85		0.97					
Plant & Machinery	1,599.98	202.21	-	1,802.20		87.15					
Lines & Cables	4,493.50	548.83	0.86	5,041.47		215.01					
Vehicles	2.84	0.00	-	2.85		0.18					
Furniture & Fixtures	13.39	0.72	-	14.11		0.78					
Office Equipments	68.69	1.68	-	70.38		4.84					
Lease hold land	-	0.56	-	0.56		0.01					
Computer Software											
Capital Expenditure on Assets not belonging to utility											
Spare Units											
Capital Spares											
TOTAL	**6,331.18**	**771.88**	**0.86**	**7,102.21**	-	**312.63**	-				
Total as per Audited Account (for True up year only)	**6,331.18**	**771.88**	**0.86**	**7,102.21**		**312.63**					

* The particular of asset and rate of depreciation should match with those provided in the applicable Tariff Regulations

Distribution Wire Business

Particulars *	Gross Block- FY 2019-20				Depreciation- FY 2019-20				Applicable rate of Depreciation (%) *	Net Block- FY 2019-20	
	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year		As at the beginning of the Financial Year	As at the end of the Financial Year
Land											
Buildings											
Hydraulic works											
Other Civil Works											
Plant & Machinery											
Lines & Cables											
Vehicles											
Furniture & Fixtures											
Office Equipments											
Assets taken over from licensees pending final valuation											
Computer Software											
Capital Expenditure on Assets not belonging to utility											
Spare Units											
Capital Spares											
TOTAL					-	281.37	-	-			

Distribution Retail Supply Business

Particulars *	Gross Block- FY 2019-20				Depreciation- FY 2019-20				Applicable rate of Depreciation (%) *	Net Block- FY 2019-20	
	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year	As at the beginning of the Financial Year	Additions	Deductions	As at the end of the Financial Year		As at the beginning of the Financial Year	As at the end of the Financial Year
Land											
Buildings											
Hydraulic works											
Other Civil Works											
Plant & Machinery											
Lines & Cables											
Vehicles											
Furniture & Fixtures											
Office Equipments											
Capital Expenditure on Assets not belonging to utility											
Spare Units											
Capital Spares											
TOTAL					-	31.26	-	-			

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 6: Interest Expenses

A. Normative Loan

Sr. No.	Source of Loan	True-Up Year (FY 2019-20)		
		Tariff Order	April-March (Audited)	Deviation
		(a)	(b)	(c) = (b) - (a)
1	Opening Balance of Normative Loan	175.60	230.07	54.47
2	Less: Reduction of Normative Loan due to retirement or replacement of assets			
3	Addition of Normative Loan due to capitalisation during the year	249.18	338.11	88.93
4	Repayment of Normative loan during the year	309.65	312.63	2.98
5	Closing Balance of Normative Loan	115.12	255.55	140.43
6	Average Balance of Normative Loan	145.36	242.81	97.45
7	Weighted average Rate of Interest on actual Loans (%)	9.81%	12.67%	0.03
8	Interest Expenses	14.27	30.77	16.50
9	Interest on Security Deposit from Consumers and Distribution system Users	105.51	101.13	(4.38)
10	Other Bank Charges	1.57	1.00	(0.57)
11	Finance Charges			
12	**Total Interest & Finance Charges**	**121.34**	**132.89**	**11.55**

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 7: Interest on Working Capital

Interest on Working Capital - Distribution Business

A. True-up Year (FY 2019-20)

Sr. No	Particulars	Norm	True-up Year (FY 2019-20)		
			Tariff Order	Audited	True-Up Petition
	Computation of Working Capital				
1	O&M expenses		45.84	52.31	52.31
2	Maintenance Spares		62.8	63.31	63.31
3	Receivables		1057.23	1165.43	1,165.43
4	**Working Capital requirement**		1165.87	1281.05	1,281.05
	Less:				
5	Amount held as security deposit from Distribution System Users		1688.16	1741.87	1,741.87
6	**Total Working Capital**		(522.29)	(460.82)	(460.82)
	Computation of working capital interest				
7	Interest Rate (%)		10.65%	10.66%	0.11
8	**Interest on Working Capital**		0	0.00	-
9	**Actual Working Capital Interest**				

Interest on Working Capital - Distribution Wire Business

A. True-up Year (FY 2019-20)

Sr. No	Particulars	Norm	True-up Year (FY 2019-20)		
			Tariff Order	Audited	True-Up Petition
	Computation of Working Capital				
1	O&M expenses				5.23
2	Maintenance Spares				6.33
3	Receivables				116.54
4	**Working Capital requirement**				128.11
	Less:				
5	Amount held as security deposit from Distribution System Users				174.19
6	**Total Working Capital**				(46.08)
	Computation of working capital interest				
7	Interest Rate (%)				10.66%
8	**Interest on Working Capital**				-
9	**Actual Working Capital Interest**				-

Interest on Working Capital - Retail Supply Business

A. True-up Year (FY 2019-20)

Sl. No	Particulars	Norm	True-up Year (FY 2019-20)		
			Tariff Order	Audited	True-Up Petition
	Computation of Working Capital				
1	O&M expenses				47.08
2	Maintenance Spares				56.98
3	Receivables				1,048.89
4	**Working Capital requirement**				1,152.95
	Less:				
5	Amount held as security deposit				1,567.69
6	**Total Working Capital**				(414.74)
	Computation of working capital interest				
7	Interest Rate (%)				10.66%
8	**Interest on Working Capital**				-
9	**Actual Working Capital Interest**				-

DAKSHIN GUJARAT VIJ COMPANY LIMITED
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Form 8: Return on Regulatory Equity - Distribution Wire & Retail Supply Business

Distribution Business

Sr. No.	Particulars	Legend	True-Up Year (FY 2019-20)		
			Norm	Tariff Order	Claimed in Petition
1	Regulatory Equity at the beginning of the year	A		1,040.56	1,064.12
2	Capitalisation during the year	B			
3	Equity portion of capitalisation during the year	C		106.79	144.90
4	Reduction in Equity Capital on account of retirement / replacement of assets	D			
5	Regulatory Equity at the end of the year	E=A+C-D		1,147.35	1,209.02
	Return on Equity Computation				
6	Return on Regulatory Equity at the beginning of the year	F			
7	Return on Regulatory Equity addition during the year	G=(C-D)/2			
8	**Total Return on Equity**			**153.15**	**159.12**

Distribution Wires Business

Sr. No.	Particulars	Legend	True-Up Year (FY 2019-20)		
			Norm	Tariff Order	Claimed in Petition
1	Regulatory Equity at the beginning of the year	A		936.50	957.71
2	Capitalisation during the year	B		-	-
3	Equity portion of capitalisation during the year	C		96.11	130.41
4	Reduction in Equity Capital on account of retirement / replacement of assets	D		-	-
5	Regulatory Equity at the end of the year	E=A+C-D		1,032.62	1,088.12
	Return on Equity Computation				
6	Return on Regulatory Equity at the beginning of the year	F		-	-
7	Return on Regulatory Equity addition during the year	G=(C-D)/2		-	-
8	**Total Return on Equity**			137.84	143.21

Distribution Retail Supply Business

Sr. No.	Particulars	Legend	True-Up Year (FY 2019-20)		
			Norm	Tariff Order	Claimed in Petition
1	Regulatory Equity at the beginning of the year	A		104.06	106.41
2	Capitalisation during the year	B		-	-
3	Equity portion of capitalisation during the year	C		10.68	14.49
4	Reduction in Equity Capital on account of retirement / replacement of assets	D		-	-
5	Regulatory Equity at the end of the year	E=A+C-D		114.74	120.90
	Return on Equity Computation				
6	Return on Regulatory Equity at the beginning of the year	F		-	-
7	Return on Regulatory Equity addition during the year	G=(C-D)/2		-	-
8	**Total Return on Equity**			15.32	15.91

DAKSHIN GUJARAT VIJ COMPANY LIMITED
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Form 9: Non-tariff Income

Distribution Business

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20)			Remarks
		Tariff Order	April-March (Audited)	Deviation	
		(a)	(b)	(c) = (b) - (a)	
	Interest on staff loans and advances				
	Interest from others				
	Income from sale of scrap		0.34		
	Gain on sale of fixed assets (net)		-		
	Income from Staff Welfare Activities				
	Grant for energy conservation		0.42		
	Capital grants (Deferred amount 10% W.Back)		169.30		
	Cons. contribution (Deferred amount 10% W.Back)				
	Provisions no longer required				
	Miscellaneous receipts		33.37		
	Delay Payment Charges				
	Penalties received from Suppliers				
	Recovery of Reactive charges				
	Rents of land or buildings				
	Income from investments				
	Interest on advances to suppliers/contractors				
	Rental from staff quarters				
	Revenue subsidies and grants		0.05		
	Income from hire charges from contractors and others				
	Income from advertisements				
	Miscellaneous receipts				
	Prior Period Income				
	Other (Pls. specify)				
	...				
	Total	**160.86**	**203.48**	**42.62**	

Distribution Wires Business

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20)			Remarks
		Tariff Order	April-March (Audited)	Deviation	
		(a)	(b)	(c) = (b) - (a)	
	Interest on staff loans and advances		-		
	Interest from others		-		
	Income from sale of scrap		0.03		
	Gain on sale of fixed assets (net)				
	Income from Staff Welfare Activities				
	Grant for energy conservation		0.04		
	Capital grants (Deferred amount 10% W.Back)		16.93		
	Cons. contribution (Deferred amount 10% W.Back)				
	Provisions no longer required		-		
	Miscellaneous receipts		3.34		
	Delay Payment Charges		-		
	Penalties received from Suppliers		-		
	Recovery of Reactive charges		-		
	Rents of land or buildings				
	Income from investments				
	Interest on advances to suppliers/contractors				
	Rental from staff quarters				
	Rental from contractors				
	Income from hire charges from contractors and others				
	Income from advertisements				
	Miscellaneous receipts				
	Prior Period Income				
	Other (Pls. specify)				
	...				
	Total	**16.09**	**20.35**	**4.26**	

Distribution Retail Supply Business

(Rs. Crore)

Sr. No.	Particulars	True-Up Year (FY 2019-20)			Remarks
		Tariff Order	April-March (Audited)	Deviation	
		(a)	(b)	(c) = (b) - (a)	
1	Interest on staff loans and advances		-		
2	Interest from others		-		
	Income from sale of scrap		0.31		
	Gain on sale of fixed assets (net)				
	Income from Staff Welfare Activities		-		
	Grant for energy conservation		0.38		
	Capital grants (Deferred amount 10% W.Back)		152.37		
	Cons. contribution (Deferred amount 10% W.Back)				
	Provisions no longer required		-		
	Miscellaneous receipts		30.03		
	Delay Payment Charges		-		
	Penalties received from Suppliers		-		
	Recovery of Reactive charges		-		
	Rents of land or buildings				
	Income from investments				
	Interest on advances to suppliers/contractors				
	Rental from staff quarters				
3	Rental from contractors				
4	Income from hire charges from contractors and others				
5	Income from advertisements				
6	Miscellaneous receipts				
7	Prior Period Income				
8	Other (Pls. specify)				
9	...				
	Total	**144.77**	**183.13**	**38.36**	

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 10: Revenue for True-up Year (FY 2019-20)

True-up Year (FY 2019-20)

Category	No. of consumers	Sales in MU	Revenue from Fixed/Demand Charges (Rs. Crore)	Revenue from Energy Charges (Rs. Crore)	Total Revenue (Rs. Crore)	Government subsidy (Rs. Crore)	Total Revenue (including Subsidy) (Rs. Crore)
HT & EHT Category							
Industrial HT	4,153	9,321	1,100.59	5,979.57	7,080.17		7,080.17
Railway Traction (Bulk Supply to KPT)	1	6	0.92	4.76	5.67		5.67
Low Voltage Category							
RGP	2,659,744	3,195	45.34	1,796.49	1,841.83		1,841.83
GLP	17,126	59	1.31	34.37	35.68		35.68
Non-RGP & LTMD	453,747	5,924	297.53	3,934.18	4,231.70		4,231.70
Public Water Works	31,517	243	2.59	145.76	148.35		148.35
Agriculture	187,285	882	17.37	255.33	272.70	45.88	318.59
Street Light	10,288	62	0.18	37.37	37.55		37.55
Total	3,363,861	19,692	1,465.83	12,187.84	13,653.66	45.88	13,699.55

DAKSHIN GUJARAT VIJ COMPANY LIMITED
SURAT
MYT Petition, True-up Petition Formats - Distribution & Retail Supply
Form 13: Truing-up Summary

True-up Year (FY 2019-20)

Distribution Business

Sr. No.	Particulars	Approved (a)	Actual (b)	Deviation (c=a-b)	Reason for Deviation	Controllable	Uncontrollable
1	Power Purchase Expenses	11,929.92	13,054.96	(1,125.04)		948.20	(2,073.24)
2	Operation & Maintenance Expenses	550.04	627.76	(77.72)		(16.07)	(61.65)
3	Depreciation	309.65	312.63	(2.98)		-	(2.98)
4	Interest and Finance Charges	121.34	132.89	(11.55)		-	(11.55)
5	Interest on Working Capital	-	-	-		-	-
6	Bad debts written off	0.20	0.41	(0.21)		(0.21)	-
7	Contribution to contingency reserves			-		-	-
8	**Total Revenue Expenditure**	**12,911.15**	**14,128.65**	**(1,217.50)**		**931.92**	**(2,149.42)**
9	Return on Equity Capital	153.15	159.12	(5.97)			(5.97)
10	Income Tax	17.92	18.92	(1.00)			(1.00)
11	**Aggregate Revenue Requirement**	**13,082.22**	**14,306.68**	**(1,224.46)**		**931.92**	**(2,156.38)**
12	Less: Non Tariff Income	160.86	203.48	(42.62)			(42.62)
13	Less: Income from Other Business						
14	Less: Receipts on account of Cross Subsidy Surcharge						
15	Less: Receipts on account of Additional Surcharge on charges for wheeling						
16	Less: Receipts on account of wheeling charges						
17	**Aggregate Revenue Requirement**	**12,921.36**	**14,103.20**	**(1,181.84)**		**931.92**	**(2,113.76)**
18	**Revenue from Sale of electricity**	**12,403.23**	**13,653.66**	**(1,250.43)**			
19	**Revenue Gap/(Surplus)**	-	**299.22**	**(299.22)**			

Distribution Wires Business

(Rs. Crore)

Sr. No.	Particulars	Approved (a)	Actual (b)	Deviation (c=a-b)	Reason for Deviation	Controllable	Uncontrollable
1	Operation & Maintenance Expenses	352.39	342.48	9.91		(57.53)	67.45
2	Depreciation	278.69	281.37	(2.68)		-	(2.68)
3	Interest & Finance Charges	109.21	119.60	(10.40)		-	(10.40)
4	Interest on Working Capital	-	-	-		-	-
5	Contribution to contingency reserves						
6	**Total Revenue Expenditure**	**740.28**	**743.45**	**(3.16)**		**(57.53)**	**54.37**
7	Return on Equity Capital	137.84	143.21	(5.37)		-	(5.37)
8	Income Tax	16.13	17.02	(0.90)		-	(0.90)
9	**Aggregate Revenue Requirement**	**894.25**	**903.68**	**(9.43)**		**(57.53)**	**48.10**
10	Less: Non Tariff Income	16.09	20.35	(4.26)		-	(4.26)
11	Less: Income from Other Business						
12	**Aggregate Revenue Requirement of Wires Business**	**878.16**	**883.33**	**(5.17)**		**(57.53)**	**52.36**
13	**Revenue from Wheeling Charges**						
14	**Revenue Gap/(Surplus)**						

Distribution Retail Supply Business

Sr. No.	Particulars	Approved	Actual	Deviation	Reason for Deviation	Controllable	Uncontrollable
1	Power Purchase Expenses	11,929.92	13,054.96	(1,125.04)		948.20	(2,073.24)
2	Operation & Maintenance Expenses	197.65	285.28	(87.63)		41.46	(129.09)
3	Depreciation	30.97	31.26	(0.30)		-	(0.30)
4	Interest on Long-term Loan Capital	12.13	13.29	(1.16)		-	(1.16)
5	Interest on Working Capital	-	-	-		-	-
6	Bad debts written off	0.20	0.41	(0.21)		(0.21)	-
7	Contribution to contingency reserves	-	-	-		-	-
8	**Total Revenue Expenditure**	**12,170.87**	**13,385.20**	**(1,214.33)**		**989.45**	**(2,203.78)**
9	Return on Equity Capital	15.32	15.91	(0.60)		-	(0.60)
10	Income Tax	1.79	1.89	(0.10)		-	(0.10)
11	**Aggregate Revenue Requirement**	**12,187.97**	**13,403.00**	**(1,215.03)**		**989.45**	**(2,204.48)**
12	Less: Non Tariff Income	144.77	183.13	(38.36)		-	(38.36)
13	Less: Income from Other Business						
14	Less: Receipts on account of Cross Subsidy Surcharge						
15	Less: Receipts on account of Additional Surcharge on charges for wheeling						
16	**Aggregate Revenue Requirement from Retail Tariff**	**12,043.20**	**13,219.87**	**(1,176.67)**		**989.45**	**(2,166.12)**
17	**Revenue from Sale of electricity**	**12,403.23**	**13,653.66**	**(1,250.43)**			
18	**Revenue Gap/(Surplus)**						

Note: Please give detailed explanation separately for the deviations on account of uncontrollable factors