

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**



**CASE NO. 2031/2021**

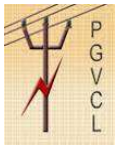
**Filing of Petition for True Up for FY 2020-21 and Determination of Aggregate  
Revenue Requirement  
&  
Tariff for FY 2022-23**

**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**

**Filed by:-**

**Paschim Gujarat Vij Company Ltd.**

**Corp. Office: Paschim Gujarat Vij Seva Sadan, Off. Nana Mava Main Road, Laxminagar, Rajkot-  
360004.**



**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION**

**GANDHINAGAR**

**Filing No:**

**Case No:**

**IN THE MATTER OF**

Filing of the Petition for True Up for FY 2020-21 and Determination of ARR & Tariff for FY 2022-23, 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**

Paschim Gujarat Vij Company Limited,  
Paschim Gujarat Vij Seva Sadan,  
Off. Nana Mava Main Road,  
Laxminagar, Rajkot – 360004.

**PETITIONER**

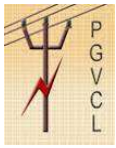
Gujarat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhavan,  
Race Course,  
Vadodara - 390 007

**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.	O&M	Operation & Maintenance
25.	PGVCL	Paschim Gujarat Vij Company Limited
26.	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 / 19<sup>th</sup> August 2003 had directed erstwhile Gujarat Electricity Board (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 15<sup>th</sup> September, 2003. Paschim Gujarat Vij Company Limited (PGVCL) is one of the distribution companies engaged in distribution of electricity in the west zone area of Gujarat.

1.2.3 The Paschim Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15<sup>th</sup> 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. 1<sup>st</sup> 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 Determination of Tariff for supply of Electricity’ is one of the important functions of the State Electricity Regulatory Commission as provided in the Section-86 of the Electricity Act, 2003. The Act provides that:-

*“Section 86 (Functions of State Commission): --- (1) The State Commission shall discharge the following functions, namely: -*

*(a) Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:*

*Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;*

1.2.6 Further, the Act also provides that-

*“Section 61 (Tariff regulations):*



*The Appropriate Commission shall, subject to the provisions of this Act, specify the terms and conditions for the determination of tariff, and in doing so, shall be guided by the ....”*

- 1.2.7 The Hon’ble Commission notified the Gujarat Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2016 (“GERC MYT Regulations, 2016”). Based on the petition filed by PGVCL, the Hon’ble Commission issued MYT order on 31<sup>st</sup> March, 2017 for determining the ARR for the Third Control Period i.e. FY 2016-17 to FY 2020-21 in line with provisions outlined in the GERC MYT Regulations, 2016. The GERC MYT Regulations, 2016 notified on 29<sup>th</sup> March, 2016 were in force till 31<sup>st</sup> March, 2021.
- 1.2.8 The Hon’ble Commission had initiated the process of framing the new MYT Regulations for the Fourth Control Period of FY 2021-22 to FY 2025-26 by issuing Public Notice dated 10<sup>th</sup> August, 2020 and invited comments/suggestions on the draft MYT Regulations from the stakeholders. However, subsequently the Commission vide its Suo-Motu Order No. 07 of 2020 dated 22 December, 2020 deferred the notification of the Regulations by one year and directed the Licensees / utilities to file the tariff application for the FY 2021-22 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.9 Similarly, the Hon’ble Commission vide its Order in Suo Motu Petition No. 1995 of 2021 dated 24<sup>th</sup> September, 2021 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2020- 21 and for determination of Annual ARR and Tariff for FY 2022-23 on or before 30<sup>th</sup> November, 2021 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.10 Also, the FY 2020-21 is completed and annual accounts of PGVCL are also audited, PGVCL is required to file its Petition for True-up of FY 2020-21 in accordance with GERC MYT Regulations, 2016, to the Hon’ble Commission for its approval.
- 1.2.11 Accordingly, PGVCL is filing present Petition for the True up for FY 2020-21 and determination of Aggregate Revenue Requirement & Tariff for FY 2022-23 to the Hon’ble Commission.

## SECTION 2. EXECUTIVE SUMMARY

### 2.1. PREAMBLE

2.1.1. This section highlights the summary of the Petition for True Up for FY 2020-21 and ARR & Tariff for FY 2022-23.

### 2.2. TRUE UP OF FY 2020-21

2.2.1 PGVCL has worked out its actual Aggregate Revenue Requirement (ARR) for FY 2020-21 based on the audited accounts, provisions of the GERC MYT Regulations, 2016 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 2020-21 in the MTR for ARR of FY 2019-20 to FY 2020-21 Order dated 24<sup>th</sup> 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 2020-21. A summary of the actual ARR for Truing-up of FY 2020-21 compared with the approved ARR for FY 2020-21 is presented in the table given below:

TABLE 1 : TRUE UP FOR FY 2020-21

Rs. in Crores				
Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Cost of Power Purchase	15,435.93	14,134.48	1,301.45
2	Operation & Maintenance Expenses	1,162.62	1,133.46	29.15
2.1	Employee Cost	1,062.21	968.45	93.76
2.2	Repair & Maintenance	174.53	199.64	(25.11)
2.3	Administration & General Charges	187.50	172.74	14.76
2.4	Other Expenses Capitalised	(261.63)	(207.37)	(54.26)
3	Depreciation	799.62	900.57	(100.95)
4	Interest & Finance Charges	485.55	441.83	43.72
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	2.15	0.41	1.74
7	<b>Sub-Total [1 to 6]</b>	<b>17,885.86</b>	<b>16,610.74</b>	<b>1,275.11</b>
8	Return on Equity	640.56	634.69	5.87
9	Provision for Tax / Tax Paid	28.71	36.16	(7.45)
10	<b>Total Expenditure (7 to 9)</b>	<b>18,555.13</b>	<b>17,281.59</b>	<b>1,273.53</b>
11	Less: Non-Tariff Income	258.58	(104.04)	362.62
12	Add: DSM Expenses	2.50		
13	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>18,299.05</b>	<b>17,385.63</b>	<b>913.42</b>

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