



Summary of Petition No. 2320 / 2024

1) Introduction:

Paschim Gujarat Vij Company Limited (PGVCL) is one of the distribution companies engaged in distribution of electricity in the Central Part of Gujarat.

The Paschim Gujarat Vij Co. Ltd obtained its Certificate of Commencement of Business on the 15th October, 2003. However, the Company started its commercial operations w.e.f. 1st April 2005.

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

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.

Under section 62 of the Electricity Act, 2003 and under the MYT Regulation, 2016 along with other guidelines and directions issued by the GERC from time to time, PGVCL is required to file a Petition for Truing-Up for FY 2022-23, ARR and Determination of final Tariff for FY 2024-25 to the Hon’ble Commission:

Submission by PGVCL to the Hon’ble Commission

Under section 62 of the Electricity Act, 2003 and GERC MYT Regulations, 2016, PGVCL has submitted the Petition for Truing-Up for FY 2022-23, ARR and Determination of final Tariff for FY 2024-25 to the Hon’ble Commission for approval.

(2) True –Up for FY 2022-23:

(a) Category wise Sales and Revenue for FY 2022-23:

Category-wise Sales

Sr. No.	Particulars	Sales(MUs)	
		FY 2022-23 (Approved)	FY 2022-23 (Actual)
A	LT Consumers		
1	RGP	4,128.00	4,206.32
2	GLP	196.00	209.03
3	Non-RGP & LTMD	4,178.00	4,439.58
4	Public Water Works	625.00	733.40
5	Agriculture - Metered	3,479.00	3,946.33
6	Agriculture - Unmetered	4,684.00	4,696.60
7	Street Lighting	-	-
8	EV Charging	-	-
	LT Total (A)	17,290.00	18,231.26
B	HT Consumers		
8	Industrial HT	13,851.00	15,997.75
9	Railway	-	-
10	EVCS	-	-
	HT Total (A)	13,851.00	15,997.75
	Grand Total (A + B)	31,140.60	34,229.00

(b) Distribution loss for FY 2022-23:

Actual Distribution loss for FY 2022-23 *vis-à-vis* approved is as under.

DISTRIBUTION LOSSES

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)
1	Distribution Losses	16.00%	17.43%

(c) Energy Requirement:

The gross energy requirement for PGVCL is as follows (Actual vis-à-vis approved)

Energy Requirement and Energy Balance

S.No.	Particulars	Unit	FY 2022-23 (Approved)	FY 2022-23 (Actual)
1	Energy Sales	MUs	31,140.60	34,229.00
2	Distribution Losses	MUs	5,931.54	7,223.07
		%	16.00%	17.43%
3	Energy Requirement	MUs	37,072.14	41,452.07
4	Less: Local Power Purchase by Discom (Net of sale to KPT)	MUs	465	498.74
5	Power Purchase at T<>D periphery from GUVNL	MUs	36,607.04	40,953
6	Transmission Losses	MUs	1,416.16	1,635.67
		%	3.72%	3.8406%
7	Total Energy to be input to Transmission System	MUs	38,023.20	42,589.01
8	Pooled Losses in PGCIL System	MUs	621.09	812.05
9	Add: Local Power Purchase by Discom	MUs	465.10	498.74
10	Total Energy Requirement	MUs	39,109.39	43,899.79

Capital Expenditure incurred by PGVCL in FY 2022-23 vis-à-vis approved is as under:

Rs. in Crores

	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
A	Distribution Schemes			
	Normal Development Scheme	325.00	441.46	(116.46)
	System Improvement Scheme	225.95	201.12	24.83
	Electrification of hutments	6.00	3.58	2.42
	Scheme for meters including installation of SMART Meters	-	42.27	(42.27)
	Total	556.95	688.43	(131.48)
B	Rural Electrification Schemes			
	Special Component plan	0.91	4.75	(3.84)
	AG Wells Electrification - Tatkal	-	0.08	(0.08)
	AG Wells Electrification (Normal +DZ + SC + Sagarkhedu)	540.00	576.72	(36.72)
	AG Wells Feeder bifurcation (NORMAL & DARK ZONE)	-	0.09	(0.09)
	Total	540.91	581.64	(40.73)
	Non Plan Schemes			
C	SCADA/DMS/RDSS - Distribution Infra Works	-	0.75	(0.75)
	Total	-	0.75	(0.75)
D	Other New Schemes			
	Civil Work	-	9.03	(9.03)
	HVDS	64.50	38.10	26.40
	Sardar Krushi Jyoti Yojna	50.00	49.80	0.20
	HVDS Encon	-	2.35	(2.35)
	DISS	25.00	15.36	9.64
	Coastal area scheme (Sagarkhedu)	34.00	30.33	3.67
	Other/ General Schemes	-	27.26	(27.26)
	Total	173.50	172.23	1.27
E	Capital Expenditure Total	1,271.36	1,443.05	(171.69)

Funding of CAPEX: The detailed breakup of funding of capital expenditure during FY 2022-23 is mentioned below.

: FUNDING OF CAPITALISATION

				Rs. in Crores
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Capitalization	1,271.36	1,426.00	(154.64)
2	Less : Consumer Contribution	200.35	289.10	(88.75)
3	Grants	172.08	86.20	85.88
4	Balance Capitalisation	898.93	1,050.70	(151.77)
5	Debt @ 70%	629.25	735.49	(106.24)
6	Equity @ 30%	269.68	315.21	(45.53)

(d) Aggregate Revenue Requirement of FY 2022-23:

Aggregate Revenue Requirement for FY 2022-23 for PGVCL in comparison with values approved by the Hon'ble Commission is as under.

AGGREGATE REVENUE REQUIREMENT FOR FY 2022-23

				Rs. in Crores
Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Deviation
1	Cost of Power Purchase	15,207.13	23,160.58	(7,953.45)
2	Operation & Maintenance Expenses	1,374.61	1,435.77	(61.16)
2.1	<i>Employee Cost</i>	<i>1,189.77</i>	<i>1,150.08</i>	<i>39.69</i>
2.2	<i>Repair & Maintenance</i>	<i>190.70</i>	<i>252.15</i>	<i>(61.45)</i>
2.3	<i>Administration & General Charges</i>	<i>215.00</i>	<i>222.69</i>	<i>(7.69)</i>
2.4	<i>RDSS Metering Opex</i>	<i>81.96</i>	<i>-</i>	<i>81.96</i>
2.5	<i>Other Expenses Capitalised</i>	<i>(302.82)</i>	<i>(189.16)</i>	<i>(113.66)</i>
3	Depreciation	1,020.37	966.78	53.59
4	Interest & Finance Charges	366.92	411.10	(44.18)
5	Interest on Working Capital	-	-	-
6	Bad Debts Written Off	0.41	14.34	(13.93)
7	Sub-Total [1 to 6]	17,969.44	25,988.57	(8,019.13)
8	Return on Equity	709.25	682.78	26.47
9	Provision for Tax / Tax Paid	36.16	7.00	29.16
10	Total Expenditure (7 to 9)	18,714.85	26,678.34	(7,963.49)
11	Less: Non-Tariff Income	292.43	406.50	(114.07)
12	Aggregate Revenue Requirement (10 - 11)	18,422.42	26,271.84	(7,849.42)

(e) Net Gain/ (Loss): Net Gain/Loss to PGVCL on account of controllable factors and uncontrollable factors is given here under.

NET GAIN/ (LOSS) FOR FY 2022-23

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	15,207.13	23,160.58	(371.02)	(7,582.43)
2	Operation & Maintenance Expenses	1,374.61	1,435.77	144.16	(205.32)
2.1	Employee Cost	1,189.77	1,150.08	192.84	(153.15)
2.2	Repair & Maintenance	190.70	252.15	(40.99)	(20.47)
2.3	Administration & General Charges	215.00	222.69	(7.69)	-
2.4	RDSS Metering Opex	81.96	-	-	81.96
2.5	Other Expenses Capitalised	(302.82)	(189.16)	-	(113.66)
3	Depreciation	1,020.37	966.78	-	53.59
4	Interest & Finance Charges	366.92	411.10	-	(44.18)
5	Interest on Working Capital	-	-	-	-
6	Bad Debts Written Off	0.41	14.34	(13.93)	-
7	Return on Equity	709.25	682.78	-	26.47
8	Provision for Tax / Tax Paid	36.16	7.00	-	29.16
9	ARR (1 to 8)	18,714.85	26,678.34	(240.79)	(7,722.70)
10	Non - Tariff Income	292.43	406.50	-	(114.07)
11	Total ARR (9-10)	18422.42	26,271.84	(240.79)	(7,608.63)

(f) Revenue for FY 2022-23: Actual Revenue of PGVCL vis-à-vis approved for FY 2022-23.

Rs. in Crores

Sr. No.	Particulars	FY 2022-23 (Approved)	FY 2022-23 (Actual)
1	Revenue from Sale of Power	12,563.02	23,667.63
2	Revenue from FPPPA	5,918.04	
3	Other Income (Consumer related)	306.36	
4	Total Revenue excluding subsidy (1 + 2 + 3)	18,787.42	23,947.04
5	Agriculture Subsidy	423.71	440.42
6	Total Revenue including subsidy (4 + 5)	19,211.14	24,387.46

(g) Revenue Gap for FY 2022-23:

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue from sale of power of Rs. 23,667.63 Crores, Other Consumer related Income of Rs. 279.41 Crores, Agriculture Subsidies of Rs.440.42 Crores and GUVNL profit allocation of Rs. 15.01 Crore, summing up to a Total Revenue of Rs. 24,402.47 Crores. Accordingly, total Revenue (Gap) / Surplus of PGVCL for FY 2022-23 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. (2005.64) Crores as shown in the table below:

REVENUE GAP/ (SURPLUS) FOR FY 2022-23

Sr. No.	Particulars	Rs. in Crores
		FY 2022-23 (Actual)
1	Aggregate Revenue Requirement originally approved for FY 2022-23	18,422.42
2	Less: (Gap) / Surplus of FY 2020-21	(296.80)
3	Less: Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(7,608.63)
4	Less: Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	(80.26)
5	Revised ARR for FY 2022-23 (1 - 2 - 3 - 4)	26,408.11
6	Revenue from Sale of Power	23,667.63
7	Other Income (Consumer related)	279.41
8	Total Revenue excluding Subsidy (6 + 7)	23,947.04
9	Agriculture Subsidy	440.42
10	GUVNL Profit / (Loss) Allocation	15.01
11	Total Revenue including Subsidy (8 + 9 + 10)	24,402.47
12	Revised (Gap)/ Surplus after treating gains/(losses) due to Controllable/ Uncontrollable factors (11 - 5)	(2,005.64)

3. Tariff for FY 2024 -25:

Estimated Revenue at existing Tariff for FY 2024-25 and estimated revenue gap at Existing tariff for FY 2024-25

Total Revenue for FY 2024-25 at existing Tariff:

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Revenue with Existing Tariff	15,536.39
2	FPPPA Charges @ Rs. 2.84/ unit	10,539.70
3	Other Income (Consumer related)	279.41
4	Agriculture Subsidy	435.68
5	Total Revenue including subsidy (1 to 4)	26,791.18

Estimated Revenue Gap for FY 2024-25 at Existing Tariff

		Rs. in Crores
Sr. No.	Particulars	FY 2024-25 (Projected)
1	Aggregate Revenue Requirement	26,094
2	Less: Revenue (Gap)/ Surplus from True up of FY 2022-23	(2,006)
3	Total Aggregate Revenue Requirement	28,100
4	Revenue with Existing Tariff	15,536
5	FPPPA Charges @ Rs. 2.84/ unit	10,540
6	Other Income (Consumer related)	279
7	Agriculture Subsidy	436
8	Total Revenue including subsidy (4 to 7)	26,791
9	Revenue (Gap) / Surplus (8 - 3)	(1,309)

The Hon'ble Commission is requested to approve the above mentioned gap.

Tariff Proposal

To bridge the revenue gap arising due to True Up for FY 2022-23, PGVCL is proposing change in the tariff for various categories of consumers. Moreover, DISCOM is also proposing some minor modifications in the current tariff structure, as under.

1. RGP tariff category: It is proposed to cover the small-scale animal husbandry activities having electricity connection with contract demand upto 10 kW and involving not more than 30 milking animals under RGP tariff category.
2. Non-RGP Night & LTMD Night: It is proposed to discontinue Non-RGP Night tariff category & LTMD Night tariff category.
3. LTMD tariff category: It is proposed to apply Time of Use (ToU) charges at Rs. 0.45/unit for consumption during 07:00 to 11:00 hrs and 18:00 to 22:00 hrs.
4. LT category consumers: A rebate of 2% is proposed on energy charge on installation of pre-paid smart meter for respective consumers of LT category.
5. Green Power tariff: Under General Conditions of Tariff schedule, Green Power Tariff related clauses has been removed.
6. HTP-IV tariff: Energy Charges for HTP-IV Tariff category is proposed as under:

Particulars	Existing Energy Charges	Revised Energy Charges
Up to 500 kVA of billing demand	225 paise per unit	400 paise per unit
For billing demand above 500 kVA and up to 2500 kVA	225 paise per unit	420 paise per unit
For billing demand above 2500 kVA	225 paise per unit	430 paise per unit

4. Provisions for availing the petition copy :

Copy of the petition will be available for inspection as well as for sale at the cost of Rs. 150/- to the interested persons at the office of The Chief Engineer, Corporate Office, Paschim Gujarat Vij Company Ltd, Laxminagar, Nana Mava Road, Rajkot-360 004 and at the office of the Superintending Engineer of PGVCL, in Charge of O&M Circle. For obtaining the copy of the petition by post, postage fee @ Rs.50/- will be payable extra.

NOTE: - The total amount in such event is to be paid through Demand Draft payable in favor of Paschim Gujarat Vij Company Ltd.

The electronic copies of the above mentioned petition are available at website www.guvnl.com and www.pgvcl.com



5. Guideline for submission of response:

In accordance with GERC (Conduct of Business) Regulations 2004, it is hereby notified that the persons who are interested in filing their objections/suggestions on the above subject matter petition, may file the same with the Secretary, Gujarat Electricity Regulatory Commission, 6th floor, GIFT One, Road 5C,Zone 5, GIFT City, Gandhinagar – 382 355 along with the document on which they want to rely upon, in five sets, duly supported by an affidavit with the copy to the undersigned on or before 26.02.2024 and also indicate whether they intend to be heard in person.