

## Summary of Petition n. 1625 / 2016:

### **1. Introduction:**

Paschim Gujarat Vij Company Limited (PGVCL) is one of the distribution companies engaged in distribution of electricity in the west zone area of Gujarat.

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

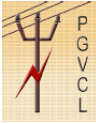
The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “the Hon’ble Commission”), an independent statutory body constituted under the provisions of the Electricity Regulatory Commissions (ERC) Act, 1998, is vested with the authority of regulating the power sector in the State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

The Hon’ble Commission has issued the GERC (Multi Year Tariff) Regulations 2016 (FY 2016-17 to FY 2020-21) which is made effective from 1<sup>st</sup> April 2011 onwards. 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 2015-16 and Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21 and Tariff Petition for FY 2017-18 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 True-up of FY 2015-16, Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21, Determination of final ARR for FY 2016-17 and Determination of Tariff for FY 2017-18 to the Hon’ble Commission for approval.



## **(2) True –Up for FY 2015-16:**

### **(a) Category wise Sales and Revenue for FY 2009-10:**

The actual energy sales and revenue for FY 2015-16 are as under:

**Table: Category-wise Sales and Revenue**

Sr. No.	Particulars	Sales (MUs)	
		FY 2015-16 (Approved)	FY 2015-16 (Actual)
<b>A</b>	<b>LT Consumers</b>		
1	RGP	3551.00	3473.93
2	GLP	113.00	104.68
3	Non-RGP & LTMD	3719.00	3042.14
4	Public Water Works	748.00	633.74
5	Agriculture – Unmetered	4081.00	4436.77
6	Agriculture – metered	1924.00	2647.81
7	Public Lighting	93.00	93.27
	<b>LT Total (A)</b>	<b>14229.00</b>	<b>14432.35</b>
<b>B</b>	<b>HT Consumers</b>		
8	Industrial HT	5799.00	6756.58
9	Railway Traction	0.00	0.00
	<b>HT Total (A)</b>	<b>5799.00</b>	<b>6756.58</b>
	<b>Grand Total (A + B)</b>	<b>20028.00</b>	<b>21188.93</b>
<b>C</b>	<b>Licensees (Kandla Port Trust)</b>	-	19.91
	<b>Grand Total (A + B + C)</b>		<b>21208.84</b>

### **(b) Distribution loss for FY 2015-16:**

**Actual Distribution loss for FY 2015-16 vis-à-vis approved is as under.**

**DISTRIBUTION LOSSES**

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)
1	Distribution Losses	23.00%	24.73%

**(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 2015-16 (Approved)	FY 2015-16 (Actual)
1	Energy Sales	MUs	20,028.00	21,188.93*
2	Distribution Losses	MUs	5,982.39	6,961.63
		%	23.00%	24.73%
3	Energy Requirement	MUs	26,010.39	28,150.56
4	Transmission Losses	MUs	1,117.68	1,094.34
5	Total Energy to be input to Transmission System	MUs	27,128.07	29,244.90
6	Pooled Losses in PGCIL System	MUs	541.00	530.70
<b>7</b>	<b>Total Energy Requirement</b>	<b>MUs</b>	<b>27,669.07</b>	<b>29,775.60</b>

**(d) Capital Expenditure:**

Capital Expenditure incurred by PGVCL in FY 2015-16 vis-à-vis approved is as under:

**Capital Expenditure**

Rs in Crores

Sr. No.	Schemes	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
<b>A</b>	<b>Distribution Schemes</b>			
	Normal Development Scheme	413.00	305.72	107.28
	System Improvement Scheme	95.00	183.44	(88.44)
	Electrification of hutments	5.00	22.20	(17.20)
	Scheme for meters	75.00	38.30	36.70
	Others Harijan Basti – Petapara	1.00	0.47	0.53
	<b>Total</b>	<b>589.00</b>	<b>550.13</b>	<b>38.87</b>
<b>B</b>	<b>Rural Electrification Schemes</b>			
	Special Component plan	1.00	10.48	(9.48)
	RE Normal + Tatkal	675.00	635.38	39.62
	<b>Total</b>	<b>676.00</b>	<b>645.86</b>	<b>30.14</b>
<b>C</b>	<b>Non Plan Schemes</b>			
	RAPDRP	-	99.22	(99.22)
	SCADA/DMS	100.00	-	100.00
	<b>Total</b>	<b>100.00</b>	<b>99.22</b>	<b>0.78</b>

Rs in Crores

Sr. No.	Schemes	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
<b>D</b>	<b>Other New Schemes</b>			-
	Fencing to Distribution Transformer	13.00	-	13.00
	Aerial Bunch Conductors	1.00	-	1.00
	HVDS	100.00	118.44	(18.44)
	Under Ground System at Pilgrim Places like Dwarka, Somnath, Bhavnath (Junagadh) etc. and important GIDC area	25.00	0.18	24.82
	JGY Load Shedding Transformers	1.00	-	1.00
	Smart village	-	1.76	(1.76)
	Solar AG Pumps	-	35.55	(35.55)
	DISS	-	44.58	(44.58)
	Coastal area scheme	30.00	56.91	(26.91)
	<b>Total</b>	<b>170.00</b>	<b>257.42</b>	<b>(87.42)</b>
<b>E</b>	<b>Capital Expenditure Total</b>	<b>1,535.00</b>	<b>1,552.63</b>	<b>(17.63)</b>

**(e) Funding of CAPEX**

The detailed breakup of funding of capital expenditure during FY 2015-16 is mentioned below.

**Funding of Capital Expenditure**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
1	Capitalization	1,427.55	1,504.52	(76.97)
2	Less : Consumer Contribution	326.48	173.86	152.62
3	Grants	90.22	109.11	(18.89)
<b>4</b>	<b>Balance CAPEX</b>	<b>1,010.85</b>	<b>1,221.54</b>	<b>(210.69)</b>
5	Debt @ 70%	707.60	855.08	(147.49)
6	Equity @ 30%	303.26	366.46	(63.21)

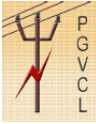
**(f) Aggregate Revenue Requirement of FY 2015-16:**

Aggregate Revenue Requirement for FY 2015-16 for PGVCL in comparison with values approved by the Hon'ble Commission is as under.

**Aggregate Revenue Requirement for FY 2009-10**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
1	Cost of Power Purchase	9,204.68	10,540.09	(1,335.41)
2	Operation & Maintenance Expenses	411.35	738.69	(327.35)



True Up of 2015-16  
Multi Year Tariff Petition for FY 2016-17 to 2020-21

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Deviation
2.1	Employee Cost	562.16	677.97	(115.82)
2.2	Repair & Maintenance	83.21	159.80	(76.59)
2.3	Administration & General Charges	114.91	122.71	(7.80)
2.4	Other Debits	3.71	86.30	(82.59)
2.5	Extraordinary Items	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	(0.94)	0.94
2.7	Other Expenses Capitalised	(352.64)	(307.15)	(45.49)
3	Depreciation	567.63	575.50	(7.87)
4	Interest & Finance Charges	332.24	301.08	31.16
5	Interest on Working Capital	-	-	-
6	Provision for Bad Debts	2.14	56.20	(54.06)
7	<b>Sub-Total [1 to 6]</b>	<b>10,518.04</b>	<b>12,211.57</b>	<b>(1,693.53)</b>
8	Return on Equity	359.42	371.49	(12.08)
9	Provision for Tax / Tax Paid	15.00	18.96	(3.96)
10	<b>Total Expenditure (7 to 9)</b>	<b>10,892.45</b>	<b>12,602.01</b>	<b>(1,709.56)</b>
11	Less: Non-Tariff Income	278.65	307.43	(28.78)
12	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>10,613.80</b>	<b>12,294.58</b>	<b>(1,680.78)</b>

**(g) 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 2015-16**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
1	Cost of Power Purchase	9,204.68	10,540.09	(210.61)	(1,124.80)
2	Operation & Maintenance Expenses	411.35	738.69	(200.21)	(127.14)
2.1	Employee Cost	562.16	677.97	(115.82)	-
2.2	Repair & Maintenance	83.21	159.80	(76.59)	-
2.3	Administration & General Charges	114.91	122.71	(7.80)	-
2.4	Other Debits	3.71	86.30	-	(82.59)

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)	Gain/(Loss) due to Controllable Factors	Gain/(Loss) due to Uncontrollable Factors
2.5	Extraordinary Items	-	-	-	-
2.6	Net Prior Period Expenses / (Income)	-	(0.94)	-	0.94
2.7	Other Expenses Capitalised	(352.64)	(307.15)	-	(45.49)
3	Depreciation	567.63	575.50	-	(7.87)
4	Interest & Finance Charges	332.24	301.08	-	31.16
5	Interest on Working Capital	-	-	-	-
6	Provision for Bad Debts	2.14	56.20	(54.06)	-
7	Return on Equity	359.42	371.49	-	(12.08)
8	Provision for Tax / Tax Paid	15.00	18.96	-	(3.96)
<b>9</b>	<b>ARR (1 to 8)</b>	<b>10,892.45</b>	<b>12,602.01</b>	<b>(464.88)</b>	<b>(1,244.68)</b>
<b>10</b>	<b>Non - Tariff Income</b>	<b>278.65</b>	<b>307.43</b>	<b>-</b>	<b>(28.78)</b>
<b>11</b>	<b>Total ARR (9-10)</b>	<b>10,613.80</b>	<b>12,294.58</b>	<b>(464.88)</b>	<b>(1,215.89)</b>

**(h) Revenue for FY 2015-16: Actual Revenue of PGVCL vis-à-vis approved for FY 2009-10.**

**Revenue for FY 2015-16**

Rs in Crores

Sr. No.	Particulars	FY 2015-16 (Approved)	FY 2015-16 (Actual)
1	Revenue from Sale of Power	7,510.11	10,973.88
2	Revenue from FPPPA at Rs. 1.20 per kWh	2,403.36	
3	Other Income (Consumer related)	221.00	
<b>4</b>	<b>Total Revenue excluding subsidy (1+2+3)</b>	<b>10,134.47</b>	<b>11,444.85</b>
5	Agriculture Subsidy	436.00	440.53
<b>6</b>	<b>Total Revenue including subsidy (4+5)</b>	<b>10,570.47</b>	<b>11,885.38</b>

**(i) Revenue Gap for FY 2015-16:**

The Hon'ble Commission in its Order dated 29th April, 2014 has approved Aggregate Revenue Requirement of Rs. 10,613.80 Crores for FY 2015-16.

The Hon'ble Commission had also added Revenue gap/(surplus) of Rs. 305.26 Crores due to truing up of FY 2013-14 and DSM programme expenditure of Rs. 40.00 Crores in the above Aggregate Revenue Requirement of Rs. 10,613.80 Crores and total approved Aggregate Revenue Requirement was Rs. 10,959.06 Crores.

As per the mechanism specified in the MYT Regulation 2011, PGVCL

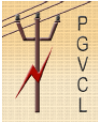
proposes to pass on a sum of 1/3rd of total gain/(loss) on account of controllable factors i.e. Rs. (154.96) Crores and total gain/(loss) on account of uncontrollable factors i.e. Rs. (1215.89) Crores to the consumers. Adjusting these to the net Aggregate Revenue Requirement, PGVCL has arrived at the Revised Aggregate Revenue Requirement for FY 2015-16 at Rs. 12,329.92 Crores.

This revised Aggregate Revenue Requirement is compared against the revised income under various heads including Revenue with Existing Tariff of Rs. 10,973.88 Crores, Other Consumer related Income of Rs. 470.98 Crores, Agriculture Subsidies of Rs. 440.53 Crores, summing up to a Total Revenue of Rs. 11,885.38 Crores. Accordingly, total Revenue Gap of PGVCL for FY 2015-16 after treatment of gain/(loss) due to controllable / uncontrollable factors is computed at Rs. 444.53 Crores as shown in the table below:

**TABLE : REVENUE GAP FOR FY 2015-16**

		Rs in Crores
Sr. No.	Particulars	FY 2015-16
1	Aggregate Revenue Requirement originally approved for FY 2015-16	10,613.80
2	Add: Gap/(Surplus) of FY 2013-14	305.26
3	Add: DSM Programme expenditure	40.00
4	Gain / (Loss) on account of Uncontrollable factor to be passed on to Consumer	(1,215.89)
5	Gain / (Loss) on account of Controllable factor to be passed on to Consumer (1/3rd of Total Gain / Loss)	(154.96)
<b>6</b>	<b>Revised ARR for FY 2015-16 (1 + 2 + 3 - 4 - 5)</b>	<b>12,329.92</b>
7	Revenue from Sale of Power	10,973.88
8	Other Income (Consumer related)	470.98
<b>9</b>	<b>Total Revenue excluding Subsidy (7 + 8)</b>	<b>11,444.85</b>
10	Agriculture Subsidy	440.53
11	<b>Total Revenue including Subsidy (9+10)</b>	<b>11,885.38</b>
<b>12</b>	<b>Revised Gap after treating gains/(losses) due to Controllable/ Uncontrollable factors (6 - 11)</b>	<b>444.53</b>

The Hon'ble Commission is requested to approve above mentioned gap and allow PGVCL to recover this gap in FY 2017-18.



#### **(4) Multi Year Tariff for FY 2016-17 to 2020-21:**

##### **(a) Projection of Energy Requirement for FY 2016-17 to FY 2020-21**

###### **Approach for Sales Projection**

It has been observed from past experience that the historical trend method has proved to be a reasonably accurate and well accepted method for estimating the load, number of consumers and energy consumption. In light of the above, PGVCL has estimated the above for various customer categories primarily based on the CAGR trends during past years. Wherever the trend has seemed unreasonable or unsustainable, the growth factors have been corrected by the company, to arrive at more realistic projections.

###### **Summary of Growth & Projections**

The growth rates observed in the energy sold to each consumer category has been analysed for the purpose of sales projections for the control period FY 2016-17 to 2020-21. The analysis of the growth rate lends insight into the behaviour of each category and hence forms the basis of forecasting the sales for each category.

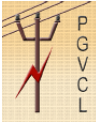
The Break-up of the past sales and the CAGR growth rates for different periods (5 years, 4 year, 3 year, 2 year and year on year) thereof are as follows. CAGR has been computed for each consumer category for the past 5-year period FY 2010-11 to FY 2015-16, the 4-year period FY 2011-12 to FY 2015-16, the 3-year period FY 2012-13 to FY 2015-16, and the 2-year period FY 2013-14 to FY 2015-16, along with the y-o-y growth rate of FY 2014-15 over FY 2015-16.

Following table summarises the growth rate assumptions

**GROWTH RATE FOR SALES, NO. OF CONSUMERS AND CONNECTED LOAD**

Sr. No.	Category	Sales	Consumers	Connected Load
	<b>LOW TENSION</b>			
1	RGP	7.71%	3.21%	4.98%
2	GLP	8.04%	5.89%	10.28%
3	Non-RGP & LTMD	3.51%	2.72%	5.96%





Sr. No.	Category	Sales	Consumers	Connected Load
4	Public Water Works	6.67%	4.55%	5.88%
5	Agriculture- Unmetered	0.00%	0.00%	0.00%
6	Agriculture- Metered	-	-	-
7	Street Light	5.61%	6.58%	7.45%
	<b>HIGH TENSION</b>			
1	Industrial HT	6.87%	7.67%	11.43%
2	Railway Traction	0.00%	0.00%	0.00%

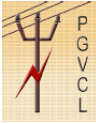
The estimated Sales, No. of consumers and Connected load based on the above growth rates and as per the methodology used for agriculture metered category are projected in the table below:

**PROJECTION OF SALES (MUs)**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	3742	4030	4341	4676	5037
2	GLP	113	122	132	143	154
3	Non-RGP & LTMD	3149	3259	3374	3492	3615
4	Public Water Works	676	721	769	820	875
5	Agriculture- Unmetered	4437	4437	4437	4437	4437
6	Agriculture- Metered	2959	3270	3580	3891	4202
7	Street Light	99	104	110	116	123
	<b>Sub-Total</b>	<b>15174</b>	<b>15944</b>	<b>16744</b>	<b>17576</b>	<b>18443</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	7221	7717	8248	8815	9421
2	Railway Traction	0	0	0	0	0
	<b>Sub Total</b>	<b>7221</b>	<b>7717</b>	<b>8248</b>	<b>8815</b>	<b>9421</b>
	<b>TOTAL</b>	<b>22395</b>	<b>23661</b>	<b>24992</b>	<b>26391</b>	<b>27864</b>

**PROJECTION OF NO. OF CONSUMERS**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	3443663	3554228	3668343	3786122	3907682
2	GLP	28353	30023	31791	33664	35646
3	Non-RGP & LTMD	633316	650551	668256	686442	705123
4	Public Water Works	16370	17114	17892	18705	19555
5	Agriculture- Unmetered	259327	259327	259327	259327	259327



Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
6	Agriculture-Metered	504267	556367	608467	660567	712667
7	Street Light	7097	7565	8063	8594	9160
	<b>Sub-Total</b>	<b>4892393</b>	<b>5075175</b>	<b>5262139</b>	<b>5453420</b>	<b>5649160</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	4792	5160	5555	5981	6440
2	Railway Traction					
	<b>Sub Total</b>	<b>4792</b>	<b>5160</b>	<b>5555</b>	<b>5981</b>	<b>6440</b>
	<b>TOTAL</b>	<b>4897186</b>	<b>5080335</b>	<b>5267694</b>	<b>5459402</b>	<b>5655601</b>

**PROJECTION OF CONNECTED LOAD (MW/MVA)**

Sr. No.	Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
	<b>LOW TENSION</b>					
1	RGP	3221	3382	3550	3727	3912
2	GLP	108	119	131	145	160
3	Non-RGP & LTMD	2739	2903	3076	3259	3454
4	Public Water Works	166	176	186	197	209
5	Agriculture-Unmetered	1957	1957	1957	1957	1957
6	Agriculture-Metered	3440	3809	4177	4545	4913
7	Street Light	31	33	36	38	41
	<b>Sub-Total</b>	<b>11663</b>	<b>12378</b>	<b>13113</b>	<b>13868</b>	<b>14645</b>
	<b>HIGH TENSION</b>					
1	Industrial HT	2904	3236	3606	4018	4477
2	Railway Traction	0	0	0	0	0
	<b>Sub Total</b>	<b>2904</b>	<b>3236</b>	<b>3606</b>	<b>4018</b>	<b>4477</b>
	<b>TOTAL</b>	<b>14567</b>	<b>15614</b>	<b>16718</b>	<b>17886</b>	<b>19123</b>

**(b) Projection of Distribution Loss and Energy Requirement:**

**Distribution Loss for the FY 2015-16 to 2020-21**

Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
Distribution Loss	22.00%	21.50%	21.00%	20.50%	20.00%

**(c) Energy Requirement for the FY 2016-17 to 2020-21:**

**Energy Balance for the FY 2016-17 to 2020-21**

Sr. No.	Particulars	Unit	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Energy Sales	MUs	22395	23661	24992	26391	27864
2	Distribution	MUs	6317	6480	6643	6805	6966

Sr. No.	Particulars	Unit	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
	Losses	%	22.00%	21.50%	21.00%	20.50%	20.00%
3	Energy Requirement	MUs	28711	30141	31635	33196	34829
4	Transmission Losses	MUs	1150	1191	1267	1311	1395
		%	3.85%	3.80%	3.85%	3.80%	3.85%
5	Total Energy to be input to Transmission System	MUs	29861	31332	32902	34507	36224
6	Pooled Losses in PGCIL System	MUs	530	530	530	530	530
7	Total Energy Requirement	MUs	30391	31862	33432	35037	36754

**(d) Power Purchase Cost: Bulk Supply Tariff:**

For estimation of Power Purchase Cost methodology of Bulk Supply Tariff (BST) is proposed with the objective of keeping uniform retail tariff throughout the State. The BST for DISCOMs includes the cost of power purchase from various generating stations, the transmission costs of PGCIL, GETCO and the cost of bulk supplier GUVNL. The revenue earned from sale of traded power is subtracted from the total power purchase cost to arrive at net power purchase cost to be charged to the four DISCOMs. The amount available for power purchase with the four DISCOMs is arrived at by subtracting the sum of total expenses other than the power purchase cost of all the four DISCOMs from the total revenue of the four DISCOMs. The difference between the net power purchase cost and the amount available with the four Discoms, indicates the revenue gap. This revenue gap varies from Discom to Discom. The bulk supply tariffs for the four Discoms are fixed keeping in view the magnitude of the revenue gap. For the FY 2017-18, total gap projected is Rs.676 Crores for the sector as a whole, for PGVCL, the proportionate allocated gap for FY 2017-18 works out to be Rs. 250 Crores. The allocated gap amount of each DISCOM has been added to the amount available for power purchase for that DISCOM and the figure has been divided by the number of units projected to be purchased by the DISCOMs to arrive at BST at Rs/kWh. Accordingly BST for PGVCL for FY 2016-17 works out to Rs. 3.36 per Kwh and total Power Purchase Cost of Rs. 10380 Crores, for FY 2017-18 Rs. 3.49 per Kwh and total power purchase cost Rs. 11128 Crores, for FY 2018-19 and FY 2019-20 Rs. 3.55 per Kwh and total power purchase cost Rs. 11883 Crores and Rs. 3.61 per Kwh and total power purchase cost Rs. 12641 Crores respectively and for FY 2020-21 Rs. 3.78 per Kwh and total power purchase cost Rs. 12787 Crores.

**(e) Capital Expenditure Plan:**

The scheme-wise projected capital expenditure for the MYT petition under second control period from FY 2017-18 to FY 2020-21 is as shown below:

**Table : Capital Expenditure Plan**

	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
<b>A</b>	<b>Distribution Schemes</b>					
	Normal Development Scheme	320.00	326.00	332.00	338.00	344.00
	System Improvement Scheme	100.00	100.00	150.00	150.00	150.00
	Electrification of hutments	7.00	7.00	7.00	7.00	7.00
	Scheme for meters	80.00	85.00	55.00	55.00	55.00
	<b>Total</b>	<b>507.00</b>	<b>518.00</b>	<b>544.00</b>	<b>550.00</b>	<b>556.00</b>
<b>B</b>	<b>Rural Electrification Schemes</b>					
	Special Component plan	1.50	1.50	1.50	1.50	1.50
	RE Normal + Tatkal	650.00	650.00	650.00	650.00	650.00
	<b>Total</b>	<b>651.50</b>	<b>651.50</b>	<b>651.50</b>	<b>651.50</b>	<b>651.50</b>
<b>C</b>	<b>Non Plan Schemes</b>					
	RAPDRP	25.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>25.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D</b>	<b>Other New Schemes</b>					
	Civil work	15.00	15.00	11.00	8.00	8.00
	Shunt Capacitors	0.00	10.00	10.00	10.00	10.00
	Fencing to Distribution Transformer	0.00	15.00	15.00	15.00	15.00
	Aerial Bunch Conductors	1.00	1.00	1.00	1.00	1.00
	HVDS	100.00	100.00	100.00	100.00	100.00
	Under Ground System at Pilgrim Places like Dwarka, Somnath, Bhavnath (Junagadh) etc. and important GIDC area	17.00	100.00	70.00	50.00	50.00
	Coastal area scheme	30.00	30.00	30.00	30.00	30.00
	IPDS	183.87	275.80	0.00	0.00	0.00
	DDUGJY	142.04	213.05	0.00	0.00	0.00
	Solar AG pumps	102.00	102.00	102.00	102.00	102.00
	DISS	20	10	10	10	10
	<b>Total</b>	<b>610.90</b>	<b>871.86</b>	<b>349.00</b>	<b>326.00</b>	<b>326.00</b>
<b>E</b>	<b>Capital Expenditure Total</b>	<b>1794.40</b>	<b>2041.36</b>	<b>1544.50</b>	<b>1527.50</b>	<b>1533.50</b>

**(f) Funding of CAPEX:**

Funding of above mentioned CAPEX is envisaged through various sources categorized in debt four headings namely: Consumer Contribution, Grants, Equity and Debt.

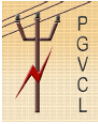
**Funding Plan of Capital Expenditure**

Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Capitalisation	1,794.40	2,041.36	1,544.50	1,527.50	1,533.50
2	Less: Consumer Contribution	178.29	179.39	180.49	181.59	182.70
3	Less: Grants	249.04	347.81	55.50	56.50	57.50
<b>4</b>	<b>Balance CAPEX</b>	<b>1,367.08</b>	<b>1,514.15</b>	<b>1,308.51</b>	<b>1,289.41</b>	<b>1,293.30</b>
5	Debt @ 70%	956.95	1,059.91	915.96	902.58	905.31
6	Equity @ 30%	410.12	454.25	392.55	386.82	387.99

**(g) Summary of ARR proposed for FY 2016-17 to 2020-21 :**

Table below shows projection of Aggregate Revenue Requirement by PGVCL for the control period FY 2016-17 to 2020-21.

Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
1	Cost of Power Purchase	10202.87	11127.63	11882.92	12641.09	13909.21
2	Operation & Maintenance Expenses	699.54	739.43	781.59	826.17	873.30
2.1	<i>Employee Cost</i>	843.63	891.88	942.90	996.83	1,053.85
2.2	<i>Repair &amp; Maintenance</i>	112.45	118.88	125.68	132.87	140.47
2.3	<i>Administration &amp; General Charges</i>	133.91	141.57	149.67	158.23	167.28
2.4	<i>Other Debits</i>	2.26	2.26	2.26	2.26	2.26
2.5	<i>Extraordinary Items</i>	-	-	-	-	-
2.6	<i>Net Prior Period Expenses / (Income)</i>	-	-	-	-	-
2.7	<i>Other Expenses Capitalised</i>	(392.71)	(415.17)	(438.92)	(464.03)	(490.57)
3	Depreciation	669.94	770.54	864.69	945.39	1,025.84
4	Interest & Finance	344.42	379.62	406.47	421.19	430.41



Sr. No.	Particulars	FY 2016-17 (Projected)	FY 2017-18 (Projected)	FY 2018-19 (Projected)	FY 2019-20 (Projected)	FY 2020-21 (Projected)
	Charges					
5	Interest on Working Capital	-	-	-	-	-
6	Provision for Bad Debts	56.20	56.20	56.20	56.20	56.20
<b>7</b>	<b>Sub-Total (1 to 6)</b>	<b>11,972.98</b>	<b>13,073.42</b>	<b>13,991.88</b>	<b>14,890.05</b>	<b>16,294.96</b>
8	Return on Equity	425.85	486.36	545.63	600.19	654.43
9	Provision for Tax / Tax Paid	18.96	18.96	18.96	18.96	18.96
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>12,417.79</b>	<b>13,578.73</b>	<b>14,556.47</b>	<b>15,509.19</b>	<b>16,968.34</b>
11	Less: Non-Tariff Income	237.62	237.62	237.62	237.62	237.62
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12,180.17</b>	<b>13,341.11</b>	<b>14,318.85</b>	<b>15,271.57</b>	<b>16,730.72</b>

**(5) Projection of Final ARR for FY 2016-17:**

GERC Order dated 2nd December, 2015 on the Petition No. 1534/2015 states the following:

*“... We also decide that the licensees/generating companies shall file the ARR for FY 2016-17 based on the MYT Regulations, for FY 2016-17 to FY 2020-21 and the true up for the same shall also be governed as per the new MYT Regulations ...”*

Accordingly, the Final ARR for FY 2016-17 as per GERC MYT Regulations, 2016 is projected as below:

**TABLE: PROJECTED FINAL ARR FOR FY 2016-17**

		Rs in Crores
Sr. No.	Particulars	FY 2016-17 (Final)
1	Cost of Power Purchase	10202.87
2	Operation & Maintenance Expenses	699.54
2.1	<i>Employee Cost</i>	843.63
2.2	<i>Repair &amp; Maintenance</i>	112.45
2.3	<i>Administration &amp; General Charges</i>	133.91
2.4	<i>Other Debits</i>	2.26
2.5	<i>Extraordinary Items</i>	-
2.6	<i>Net Prior Period Expenses / (Income)</i>	-
2.7	<i>Other Expenses Capitalised</i>	(392.71)
3	Depreciation	669.94
4	Interest & Finance Charges	344.42
5	Interest on Working Capital	-
6	Provision for Bad Debts	56.20
<b>7</b>	<b>Sub-Total [1 to 6]</b>	<b>11,972.98</b>
8	Return on Equity	425.85
9	Provision for Tax / Tax Paid	18.96
<b>10</b>	<b>Total Expenditure (7 to 9)</b>	<b>12,417.79</b>
11	Less: Non-Tariff Income	237.62
<b>12</b>	<b>Aggregate Revenue Requirement (10 - 11)</b>	<b>12,180.17</b>

PGVCL request the Hon'ble commission to approve the final ARR for FY 2016-17 as above.

**(6) Tariff for FY 2017 -18:**

Estimate Revenue at existing Tariff for FY 2017-18 and estimated revenue gap at existing tariff for FY 2017-18

**Total Revenue for FY 2017-18 at existing Tariff:**

		Rs in Crores
Sr. No.	Particulars	FY 2017-18 (Projected)
1	Revenue with Existing Tariff	8,795.82
2	Base FPPPA Charges @ 143 paisa/kWh	3,383.53
3	Other Income (Consumer related)	470.98
4	Agriculture Subsidy	440.53
<b>5</b>	<b>Total Revenue including subsidy (1 to 4)</b>	<b>13,090.86</b>

**Estimated Revenue Gap for FY 2017-18 at Existing Tariff**

Sr. No.	Particulars	FY 2017-18 (Projected)
1	Aggregate Revenue Requirement for FY 2017-18	13,341.11
2	Revenue Gap from True up of FY 2015-16	444.53
<b>3</b>	<b>Total Aggregate Revenue Requirement for FY 2017-18</b>	<b>13,785.64</b>
4	Revenue with Existing Tariff	8,795.82
5	FPPPA Charges @ 143 paisa/kWh	3,383.53
6	Other Income (Consumer related)	470.98
7	Agriculture Subsidy	440.53
<b>8</b>	<b>Total Revenue including subsidy for FY 2017-18 (4 to 7)</b>	<b>13,090.86</b>
<b>9</b>	<b>Gap/(Surplus) (3 - 8)</b>	<b>694.78</b>

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

There are no changes/revision/modification proposed in the tariff structure by the company for FY 2017-18



**(7) Prayer**

**PGVCL respectfully prays to the Hon'ble Commission;**

1. To admit this Petition seeking True up of FY 2015-16, Determination of Multi-Year ARR for FY 2016-17 to FY 2020-21, Determination of final ARR for FY 2016-17 and Determination of Tariff for FY 2017-18.
2. To approve the True up for FY 2015-16 and allow sharing of gains/losses with the Consumers as per sharing mechanism prescribed in the GERC MYT Regulations, 2011.
3. To approve Multi-Year ARR for FY 2016-17 to FY 2020-21 as per GERC MYT Regulations 2016
4. To approve Final ARR for FY 2016-17
5. To consider approved True up parameters & Multi-Year ARR of GSECL, GETCO and SLDC while finalizing Tariff of the Petitioner.
6. To approve the terms and conditions of Tariff for FY 2017-18 and various other matters as proposed in this petition and proposed changes therein.
7. Pass suitable orders for implementation of Tariff Proposal for FY 2017-18 for making it applicable from 1<sup>st</sup> April, 2017 onwards.
8. To grant any other relief as the Hon'ble Commission may consider appropriate.
9. 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.
10. 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.

**(8) 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. 195/- 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 sent by Money Order or 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](http://www.guvnl.com) and [www.pgvcl.com](http://www.pgvcl.com)

**(9) 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, 6<sup>th</sup> 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 07.01.2017 and also indicate whether they intend to be heard in person.