

EXECUTIVE SUMMARY OF

Petition filed by GIFT POWER COMPANY LIMITED before the Hon'ble GERC vide Case No.1851/2020

As per the provision of the GERC (Multi-year Tariff) Regulations, 2016 the Petitioner is filing this petition before the Commission for Finalization of account of FY 2013-14 to FY 2017-18, True up of FY 2018-19 and Tariff for FY 2020-21.

1. FINALIZATION OF ACCOUNT OF FY 2013-14 TO FY 2017-18

The Petitioner would like to respectfully submit that the Petitioner had not submitted any petition prior to FY 2018-19 and no order were issued from the Hon'ble Commission for FY 2013-14 to 2017-18. The Petitioner therefore relies on the the actual financial information, as reflected in the audited books of account of the Petitioner. Each item of expenditure as allowed in the GERC MYT Regulations and corresponding revenue earned by the petitioner for FY 2013-14 to FY 2017-18 as per audited books of account is tabulated in table below.

S.No	Particulars	Year of operation					Total
		2013/14	2014/15	2015/16	2016/17	2017/18	
1	Power Purchase Expenses	2.19	3.53	6.36	7.79	11.71	31.58
2	Operation & Maintenance Expenses	1.20	1.12	1.97	2.20	2.64	9.11
2.1	Employee Cost	0.74	0.92	1.43	1.56	0.31	4.95
2.2	Repair and Maintenance Cost	0.20	0.00	0.47	0.48	1.96	3.10
2.3	Administrative & General Cost	0.26	0.20	0.07	0.16	0.37	1.06
3	Depreciation	0.28	0.95	1.88	2.52	3.25	8.89
4	Interest & Finance Charges	0.44	1.60	3.05	3.93	4.57	13.59
5	Return on Equity	0.23	0.83	1.64	2.17	2.75	7.63
6	Interest on Working Capital	0.00	0.00	0.00	0.00	0.00	0.00
7	Interest on Security Deposits	0.11	0.18	0.22	0.30	0.25	1.06
8	Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
9	Contingency Reserve	0.00	0.03	0.17	0.23	0.30	0.73
10	Aggregate Revenue Requirement	4.45	8.24	15.29	19.14	25.48	72.59
11	Less: Non-Tariff Income	0.90	1.12	0.30	0.25	0.17	2.73
12	Annual Revenue Requirement	3.55	7.12	15.00	18.89	25.30	69.86
13	Less : Revenue	2.62	3.74	6.31	7.89	11.77	32.32
14	Gap	0.93	3.39	8.69	11.00	13.53	37.54

2. TRUE-UP OF FY 2018-19

According to GERC (MYT) Regulations, 2016, the Petitioner in its Multi Year Tariff Petition for third year of 3rd control period had submitted projections for FY 2018-19. Based on submission of the Petitioner, ARR for FY 2018-19 was approved by Hon'ble Commission vide its Tariff Order dated

03.12.2018. In line with the provisions of the GERC (MYT) Regulations, 2016, the Petitioner submits true up for FY 2018-19 comparing actual audited expenses vis-à-vis approved expenses as per Tariff Order issued by Hon'ble Commission.

Particulars	Approved	Actual	Difference	Gains/(Losses) due to Controllable factors	Gains/(Losses) due to Uncontrollable factors
Power Purchase Expenses	14.85	13.70	1.15	(0.09)	1.24
O&M Expenses	1.79	3.06	(1.27)	(1.27)	
Depreciation	3.64	4.83	(1.19)		(1.19)
Interest and Finance Charges	5.02	5.45	(0.43)		(0.43)
Interest on Working Capital					
Contingency Reserve	0.34	0.37	(0.03)		(0.03)
Interest on security deposit	0.31	0.28	0.03		0.03
Income Tax	0	0.00	0.00		
Return on Equity @ 14%	1.91	3.85	(1.94)		(1.94)
Less: Non-Tariff Income	0.26	0.42	0.16		0.16
Total Aggregate Revenue Requirement	27.60	31.12	(3.52)	(1.36)	(2.16)

Based on the MYT provisions the Petition has calculated the revised ARR after considering the pass-through expenses as below.

Particulars	Legend	Actual Claimed
ARR as per MYT order	a	27.60
Gains/(Losses) due to Uncontrollable Factors	b	(2.16)
Gains/(Losses) due to Controllable Factors	c	(1.36)
Pass through as Tariff	$d = -(1/3 \text{ of } c + b)$	2.61
Trued up ARR	$e = a + d$	30.21
Revenue	f	13.39
Gap/(Surplus) for FY 2018-19	$g = e - f$	16.82

3. ARR, GAP ANALYSIS AND TARIFF PROPOSAL FOR FY 2020-21

The Table given below summarises the Annual Revenue Requirement, as approved by the Hon'ble Commission for FY 2020-21 in the MYT Order dated 31.07.2019.

Particulars	Approved ARR for FY 20-21
Power Purchase Expenses	19.78
O&M Expenses	2.00
Depreciation	4.56
Interest and Finance Chg.	5.82
Interest on Working Capital	
Contingency Reserve	0.45
Interest on security deposit	0.42
Income Tax	
Return on Equity @ 14%	2.82
Less: Non-Tariff Income	0.35
Total Aggregate Revenue Requirement	35.50

The revenue gap as per estimated revenue for FY 2020-21 is given below.

Particulars	Approved for FY 2020-21
ARR	35.50
Revenue	33.53
Revenue gap / (surplus)	1.97

4. PRAYERS

The present Petition is submitted to the Hon'ble Commission for True - up for FY 2018-19, determination of the revised Aggregate Revenue Requirement for FY 2020-21, i.e. last year of present Control Period i.e. FY 2016-17 to FY 2020-21 and tariff determination for FY 2020-21. The Petitioner respectfully prays that the Hon'ble Commission may be pleased to:

- A. Condone the delay, if any, occur in filing of the present petition
- B. Admit the Petition for finalization of account for FY 2013-14 to FY 2017-18, True-up for FY 2018-19, Aggregate Revenue Requirement for FY 2020-21 and tariff determination for FY 2020-21.
- C. Approve the cumulative gap / surplus as requested after true-up FY 2018-19.
- D. Approve introduction of appropriate regulatory charges to recover the past losses.
- E. Approve base FPPPA as proposed by the Petitioner.
- F. Approve Wheeling ARR and corresponding charges for wheeling of power.

- G. Approve Cross Subsidy Charges, if any
- H. Approve Tariff schedule proposed by the Petitioner.
- I. Allow additions/ alterations/ changes modifications to the application at a future date.
- J. Allow any other relief, order or direction, which the Hon'ble Commission deems fit to be issued.
- K. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date.