

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**



**CASE NO. 2026 of 2021**

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

**Under  
GERC MYT Regulations, 2016 and Section 62 of the Electricity Act, 2003**

**Filed by:-**

**Gujarat Energy Transmission Corporation Limited**

**Regd. Office: Vidyut Bhavan, Race Course Circle, Vadodara – 390 007**



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**IN THE MATTER OF**

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AND

**IN THE MATTER OF**

Gujarat Energy Transmission Corporation Limited,  
Sardar Patel Vidyut Bhavan,  
Race Course,  
Vadodara 390007

**PETITIONER**

**THE PETITIONER ABOVE NAMED RESPECTFULLY SUBMITS**

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**ABBREVIATIONS**

1.	A&G	Administrative & General
2.	AC	Alternate Current
3.	ARR	Aggregate Revenue Requirement
4.	CAPEX	Capital Expenditure
5.	Ckt. km	Circuit Kilometer
6.	FY	Financial Year
7.	GEB	Gujarat Electricity Board
8.	GERC	Gujarat Electricity Regulatory Commission
9.	GETCO	Gujarat Energy Transmission Corporation Limited
10.	GoG	Government of Gujarat
11.	GSECL	Gujarat State Electricity Corporation Limited
12.	GUVNL	Gujarat Urja Vikas Nigam Limited
13.	HVDC	High Voltage Direct Current
14.	KV	Kilo Volt
15.	MVA	Mega Volt Ampere
16.	MW	Mega Watt
17.	MYT	Multi Year Tariff
18.	O&M	Operation & Maintenance
19.	R&M	Renovation & Modernization
20.	S/s	Sub Station

## SECTION 1. INTRODUCTION

### 1.1. PREAMBLE

1.1.1. This section presents the background and reasons for filing of 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 (hereinafter 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, erstwhile GEB was divided into seven different entities where in all its transmission related assets were transferred to the newly created entity Gujarat Energy Transmission Corporation Ltd (hereinafter referred as “GETCO”).

1.2.3. As per Government of Gujarat’s notification no GHU-2004-31-GEB-1104- 2946-K, GETCO has been notified as the State Transmission Utility with effect from 1<sup>st</sup> June 2004.

1.2.4. The Gujarat Electricity Regulatory Commission (hereinafter referred to as “GERC” or “the 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 EA 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 EA 2003 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 GETCO, 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 10th 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<sup>nd</sup> 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 over and annual accounts of GETCO are also audited, GETCO 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, GETCO is filing present Petition for determination of the True up for FY 2020-21 and 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 Petition for True Up for FY 2020-21 and Determination of ARR & Tariff for FY 2022-23.

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

2.2.1. GETCO has worked out its Aggregate Revenue Requirement (ARR) for FY 2020-21 as a part of the True Up for FY 2020-21. GETCO has presented the actual cost components based on audited annual accounts for FY 2020-21.

2.2.2. The detailed comparison of various cost components with the values approved by the Hon'ble Commission has been presented in Chapter True up of FY 2020-21. A summary of the proposed ARR for Truing-up of of FY 2020-21 compared with the approved ARR for of FY 2020-21 in the MYT Order dated 31<sup>st</sup> March, 2017 is presented in the table given below.

**TABLE 1 : TRUE UP FOR FY 2020-21**

Sr. No.	Particulars	Rs. in Crores		
		FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Operation & Maintenance Expenses	1,882.18	1,451.84	430.34
2	Depreciation	1,355.67	1,189.71	165.96
3	Interest & Finance Charges	618.80	506.10	112.70
4	Interest on Working Capital	93.39	72.76	20.63
5	Return on Equity	1,013.02	996.05	16.97
<b>6</b>	<b>Total Fixed Costs</b>	<b>4,963.06</b>	<b>4,216.46</b>	<b>746.60</b>
7	Add: Provison for Tax	64.62	329.88	(265.26)
<b>8</b>	<b>Total Transmission Charges</b>	<b>5,027.68</b>	<b>4,546.35</b>	<b>481.33</b>
9	Less: Expenses capitalized	194.13	213.84	(19.71)
10	Less: Non-Tariff Income	331.37	70.31	261.06
11	Add: Incentive for target availability	-	43.03	(43.03)
<b>12</b>	<b>Aggregate Revenue Requirement</b>	<b>4,502.18</b>	<b>4,305.22</b>	<b>196.96</b>

2.2.3. In line with the provisions of the GERC MYT Regulations, 2016, GETCO has computed the gains and losses on account of controllable and uncontrollable parameters and its proposed sharing mechanism. Summary of the deviation allocation to Controllable & Uncontrollable factors is outlined as per the table below: