



SECTION 1. INTRODUCTION

1.1. PREAMBLE

1.1.1. This section details the background and reasons for filing this petition.

1.2. INTRODUCTION

1.2.1. In pursuance to 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 notified by Government of Gujarat (hereinafter referred to as GoG), erstwhile GEB was divided into seven different entities wherein all its transmission related assets (including Load Despatch Centre) were transferred to newly created entity called as Gujarat Energy Transmission Corporation Ltd, herein referred as 'GETCO'

1.2.2. The Electricity Act, 2003 provides that the State Government shall have to establish a State Load Despatch Centre (SLDC). Subsection (2) of the Section 31 provides that the said SLDC shall be operated by a Government company/ authority/ corporation constituted by or under any State Act and that until such company/ authority/ corporation is notified by the State Government, the State Transmission Utility (STU) shall operate SLDC. The Government of Gujarat has then notified SLDC vide reference GHU-2004-31-GEB-1104-2946-K dated the 29th May, 2004 under Section 31 of the Electricity Act, 2003 (36 of 2003) that the Load Despatch Centre (LDC) situated in Jambuva, Dist. Vadodara as the State Load Despatch Centre, which shall be operated by Gujarat Energy Transmission Corporation Ltd., Vadodara for the purpose of exercising the powers and discharging the functions under the said Act w.e.f. 1st June, 2004 for discharging SLDC functions of electricity in the Gujarat State. Subsequently, SLDC is shifted to Gotri from Jambuva w.e.f. 6th July, 2005. Accordingly, Gujarat Energy Transmission Corporation Ltd. is presently operating SLDC business in the State.

1.2.3. SLDC-Gujarat has participated into Unified Load Despatch and Communication Scheme (herein after called as ULDC) scheme approved by Central Electricity Authority (CEA) for western region. Under this scheme, SLDC Jambuva has been shifted to SLDC Gotri from 6th July 2005 and commenced operation of three Sub-SLDCs at Gandhinagar, Jambuva and Jetpur. All those Sub-SLDCs are equipped with sufficient manpower and operated under direct control of SLDC- Gotri.

1.2.4. Section 32(3) of the Electricity Act, 2003 provides for levy and collection of fees and charges from the generating companies and licensees engaged in the intra-state transmission of electricity as may be specified by the State Commission. Subsequently after issuance of the Electricity Act, 2003, Central Government through its Order 795(E) dated 8th June 2005 has notified "The Electricity (Removal of Difficulty) Sixth Order, 2005" wherein, it has clarified that SLDC fees and charges may be levied from licensees using intra State transmission system as specified by the State Commission. It is therefore; appropriate to recover the SLDC fees and charges as specified by Hon'ble Commission vide "Levy and collection of fees and charges regulation 2005".



- 1.2.5. 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 SLDC, the Hon'ble Commission issued MYT order on 31st 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 29th March, 2016 were in force till 31st March, 2021.
- 1.2.6. 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 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.
- 1.2.7. Similarly, the Hon'ble Commission vide its Order in Suo Motu Petition No. 1995 of 2021 dated 24th 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 30th November, 2021 based on the principles and methodologies as provided in the GERC MYT Regulations, 2016.
- 1.2.8. Also, the FY 2020-21 is over and annual accounts of SLDC are also audited, SLDC 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.
- 1.2.9. Accordingly, SLDC is filing Petition for True-up for FY 2020-21 & Aggregate Revenue Requirement and SLDC Fees & Charges 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, Determination of Aggregate Revenue Requirement and SLDC Fee & Charges for FY 2022-23.

2.2. TRUE UP FOR FY 2020-21

2.2.1. SLDC has computed its Aggregate Revenue Requirement (ARR) for FY 2020-21 as a part of the True Up for FY 2020-21. SLDC 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 FY 2020-21 compared with the approved ARR for FY 2020-21 is presented in the table below:

TABLE 1 : TRUE UP FOR FY 2020-21

				Rs. in lakhs
Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Operation & Maintenance Expenses	2,692.48	2,348.82	343.66
1.1	Employee Cost	1,924.42	1,658.80	265.62
1.2	Repair & Maintenance	171.23	252.80	(81.57)
1.3	Administration & General Charges	596.83	437.22	159.61
2	Interest on Working Capital	42.55	35.21	7.34
3	Charges for ULDC & Other related Projects	245.00	477.74	(232.74)
4	Less: Non-Tariff Income	705.82	980.16	(274.34)
5	Operating Cost Budget (a)	2,274.21	1,881.61	392.60
6	Depreciation	543.98	342.79	201.19
7	Interest & Finance Charges	71.43	1.62	69.81
8	Return on Equity	192.53	120.25	72.28
9	Total Fixed Costs	807.94	464.66	343.28
10	Less: Expenses Capitalized	-	-	-
11	Add: Provision for Tax	198.53	213.00	(14.47)
12	Capital Cost Budget (b)	1,006.47	677.66	328.81
13	Total Revenue Budget (a)+(b)	3,280.68	2,559.27	721.41

2.2.3. In line with the provisions of the GERC MYT Regulations, 2016, SLDC 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:

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TABLE 2 : SUMMARY OF CONTROLLABLE & UNCONTROLLABLE FACTORS

Sr. No.	Particulars	FY 2020-21 (Approved)	FY 2020-21 (Actual)	Rs. in lakhs	
				Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Operation & Maintenance Expenses	2,692.48	2,348.82	343.66	-
1.1	Employee Cost	1,924.42	1,658.80		
1.2	Repair & Maintenance	171.23	252.80		
2.3	Administration & General Charges	596.83	437.22		
2	Interest on Working Capital	42.55	35.21		7.34
3	Charges for ULDC & Other related Projects	245.00	477.74		(232.74)
4	SCADA upgradation charges	-	-		-
5	Less: Non-Tariff Income	705.82	980.16		(274.34)
6	Operating Cost Budget (a)	2,274.21	1,881.61		48.94
7	Depreciation	543.98	342.79		201.19
8	Interest & Finance Charges	71.43	1.62		69.81
9	Return on Equity	192.53	120.25		72.28
10	Total Fixed Costs	807.94	464.66		
11	Less: Expenses Capitalized	-	-		
12	Add: Provision for Tax	198.53	213.00		(14.47)
13	Capital Cost Budget (b)	1,006.47	677.66		
14	Total Revenue Budget (a)+(b)	3,280.68	2,559.27		377.75
15	Net Gains / Losses on account of Controllable/ Uncontrollable factor			343.66	377.75
16	Gain on account of Controllable factor to be passed on to Consumer (1/3 x Sr. No. 15)			114.55	
17	Losses on account of Uncontrollable factor to be passed on to Consumer				377.75

2.2.4. The net Revenue (Gap) / Surplus recoverable from the Open Access Beneficiaries has been computed and the same would be recovered through the SLDC Fees and Charges in the FY 2022-23.

2.3. NET RECOVERY

2.3.1. Net recovery of SLDC for the FY 2020-21 is as per the table given below. The net recovery will be adjusted in the tariff determination for FY 2022-23:

TABLE 3 : NET RECOVERY FOR FY 2020-21

Sr. No.	Particulars	Rs. in Lakhs	
		Amount	
1	Gain / (Loss) on account of Uncontrollable factor to be passed on to Beneficiaries for FY 2020-21	377.75	
2	Gain / (Loss) on account of Controllable factor to be passed on to Beneficiaries (1/3rd of Total Gain / (Loss) for FY 2020-21	114.55	
3	Total Gain/ (Loss) of the true up to be addressed in the determination of tariff for FY 2022-23	492.30	

2.3.2. SLDC requests the Hon'ble Commission to approve the True-up for FY 2020-21 and allow us to pass on the Revenue (Gap) / Surplus on the approved tariff for FY 2022-23.

2.4. DETERMINATION OF ARR FOR FY 2022-23

2.4.1. As directed by the Hon'ble Commission, SLDC has projected its Aggregate Revenue Requirement for FY 2022-23 on the basis of GERC MYT Regulations, 2016. The basis of such projections has been dealt in subsequent sections of the Petition.

2.4.2. The Aggregate Revenue Requirement of SLDC for FY 2022-23 is projected as under:



TABLE 4 : TARIFF PROJECTIONS OF ARR FOR FY 2022-23

Sr. No.	Particulars	Rs. in lakhs
		FY 2022-23 (Projections)
1	Operation & Maintenance Expenses	2,971.00
1.1	Employee Cost	2,223.95
1.2	Administration & General Charges	528.85
1.3	Repairs & Maintenance	218.20
2	Interest on Working Capital	38.33
3	Charges for ULDC & other related projects	477.74
4	Less: Other Income	980.16
5	Operating Cost Budget (a)	2,506.90
6	Depreciation	529.92
7	Interest & Finance Charges	27.26
8	Return on Equity	184.35
9	Total Fixed Costs	741.52
10	Less: Expenses Capitalized	-
11	Add: Provision for Tax	213.00
12	Capital Cost Budget (b)	954.52
13	Total Revenue Requirement (a+b)	3,461.42

2.5. SLDC CHARGES FOR FY 2022-23

- 2.5.1. SLDC has calculated the Charges for FY 2022-23 by considering the ARR for FY 2022-23 as mentioned above & Revenue (Gap) / Surplus for FY 2020-21. The charges of SLDC for FY 2022-23 after applying the Revenue (Gap) / Surplus of FY 2020-21 is as follows;

TABLE 5: CHARGES FOR FY 2022-23

Sr. No.	Particulars	Rs. in lakhs
		FY 2022-23
1	ARR for 2022-23	3,461.42
2	Less: Revenue (Gap) / Surplus approved in Trueing up for FY 2020-21	492.30
3	Total SLDC charges (2 - 1)	2,969.12

- 2.5.2. It is hereby requested to the Hon'ble Commission to approve the SLDC Charges and Fees for FY 2022-23 as mentioned above.

SECTION 3. TRUE UP OF FY 2020-21

3.1. PREAMBLE

3.1.1. This section outlines performance of SLDC for FY 2020-21. In line with the provisions of the GERC MYT Regulations, 2016, SLDC hereby submits the True up Petition comparing the actual performance of SLDC during FY 2020-21 with the figures approved by the Hon'ble Commission vide MTR Order dated 24th April, 2019.

3.1.2. SLDC has presented the actual cost components based on audited annual accounts for FY 2020-21.

3.2. EMPLOYEE EXPENSES

3.2.1. Employee expenses are broadly categorized into (1) Salaries and wages (2) Contribution to provident & other funds (3) Staff welfare expenses & (4) Other terminal benefits.

3.2.2. The Employee cost incurred by the company is purely on the basis of the guidelines issued by competent authorities like the state government. The actual employee cost as per profit & loss account for FY 2020-21 were Rs. 1,658.80 Lakhs which excludes the provision made towards 7th Pay Commission of Rs. 91.98 Lakhs but include Rs. 29.25 Lakhs of Re-measurement of defined benefit plans.

3.2.3. Accordingly, SLDC has estimated a gain/ (loss) of Rs. 265.62 Lakhs on account of controllable employee cost.

3.2.4. The actual employee expense for FY 2020-21 is shown as per the table below.

TABLE 6 : EMPLOYEE EXPENSES FOR FY 2020-21

Sr. No.	Particulars	Rs. in lakhs		
		FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Total Employee Cost	1,924.42	1,658.80	265.62

3.3. REPAIRS & MAINTENANCE EXPENSES

3.3.1. The Repairs & Maintenance (R&M) expenses have been incurred on account of maintaining the asset quality given the ageing of equipment.

3.3.2. The ULDC charges which are part of R&M expenses in the P&L accounts have been negated to arrive at the R&M expenses for FY 2020-21 as the expenses related to ULDC have been considered under a separate head.

3.3.3. The actual R&M expenses for FY 2020-21 are shown as per table below:

TABLE 7 : R&M EXPENSES FOR FY 2020-21

Sr. No.	Particulars	Rs. in lakhs		
		FY 2020-21 (Approved)	FY 2020-21 (Actual)	Deviation
1	Total R&M Expenses	171.23	252.80	(81.57)

3.4. ADMINISTRATION & GENERAL EXPENSES

3.4.1. Administrative & General (A&G) expenses mainly consist of conveyance & travel, legal charges, telephone charges, electricity charges etc.