

## **1 Background and Brief History**

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### **1.1 Gujarat State Electricity Corporation Limited (GSECL)**

Government of Gujarat unbundled and restructured Gujarat Electricity Board with effect from 1<sup>st</sup> April, 2005. The Generation, Transmission and Distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor companies as listed below:

- Gujarat State Electricity Corporation Limited (GSECL) – A Generation Company
- Gujarat Energy Transmission Corporation Limited (GETCO) – A Transmission Company
- Four (4) Distribution Companies:
  - Dakshin Gujarat Vij Company Limited (DGVCL)
  - Madhya Gujarat Vij Company Limited (MGVCL)
  - Paschim Gujarat Vij Company Limited (PGVCL)
  - Uttar Gujarat Vij Company Limited (UGVCL); and
- Gujarat Urja Vikas Nigam Limited (GUVNL) – A Holding Company and also responsible for purchase of electricity from various sources and Bulk supply to Distribution Companies.

The Government of Gujarat vide Notification dated 3<sup>rd</sup> October, 2006 notified the final opening balance sheets of the transferee Companies as on 1<sup>st</sup> April, 2005, containing the value of assets and liabilities, which stand transferred from the erstwhile Gujarat Electricity Board to the transferee companies including Gujarat State Electricity Corporation Limited (GSECL). Assets and liabilities (gross block, loans and equity) as on the date mentioned in the notification have been considered by the Commission in line with the Financial Restructuring Plan (FRP) as approved by Government of Gujarat.

### **1.2 Commission’s Order for approval of True up of FY 2018-19 and Determination of Tariff for FY 2020-21**

The Petitioner filed its Petition for Truing up for FY 2018-19 and determination of tariff for FY 2020-21 on 29<sup>th</sup> November, 2019. The Petition was registered on 4<sup>th</sup> December, 2019 (Case No. 1836 of 2019). The Commission vide Order dated 26<sup>th</sup> March, 2020 approved the Truing up for FY 2018-19 and determined the Tariff for FY 2020-21.



### **1.3 Commission’s Order for approval of True up of FY 2019-20 and Determination of Tariff for FY 2021-22**

The Petitioner filed its Petition for Truing up for FY 2019-20 and determination of tariff for FY 2021-22 on 27<sup>th</sup> November, 2020. The Petition was registered on 9<sup>th</sup> December, 2020 (Case No. 1908 of 2020). The Commission vide Order dated 30<sup>th</sup> March, 2021 approved the Truing up for FY 2019-20 and determined the Tariff for FY 2021-22.

### **1.4 Background of the present Petition**

Gujarat State Electricity Corporation Limited (hereinafter referred to as “GSECL” or the “Petitioner”) has filed the present Petition on 29<sup>th</sup> November, 2021 for the truing up for FY 2020-21 and determination of tariff for FY 2022-23 under Section 62 of the Electricity Act, 2003, (hereinafter referred to as “EA 2003”) read with Gujarat Electricity Regulatory Commission (Multi-Year Tariff) Regulations, 2016 (hereinafter referred to as “GERC (MYT) Regulations, 2016”).

Gujarat Electricity Regulatory Commission (hereinafter referred to as ‘GERC’ or the ‘Commission’) notified the GERC (MYT) Regulations, 2016 on 29<sup>th</sup> March, 2016, which is applicable for determination of tariff in all cases covered under the Regulations from 1<sup>st</sup> April, 2016 until 31<sup>st</sup> March, 2021. Subsequently, the Commission vide its Suo-Motu Order No. 7 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. Similarly, the 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 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.

Thus, Regulation 17.2 (b) of the GERC (MYT) Regulations, 2016 provides for submission of Petition comprising of Truing up for FY 2020-21, Aggregate Revenue Requirement (ARR) for FY 2022-23, revenue from the sale of power at existing tariffs and charges for FY 2022-23, and Revenue Gap or Revenue Surplus for FY 2022-23.

### **1.5 Registration of the Current Petition and Public Hearing Process**

GSECL has filed the present petition for Truing up for FY 2020-21 and Determination of ARR and Tariff for FY 2022-23 on 29<sup>th</sup> November, 2021. After technical validation of the Petition, it



was registered on 3<sup>rd</sup> December, 2021 as Case No. 2025 of 2021. As provided under Regulation 29.1 of the GERC (MYT) Regulations, 2016, the Commission has proceeded with this Tariff Order.

In accordance with Section 64 of the Electricity Act, 2003, GSECL was directed to publish its application in an abridged form in the newspapers to ensure due public participation.

The Public Notice, inviting objections / suggestions from the stakeholders on the Truing up and Tariff Determination Petition filed by GSECL, was published in the following newspapers:

**Table 1.1: List of Newspapers in which Public Notice was published by the Petitioner**

Sr. No.	Name of the Newspaper	Language	Date of publication
1.	The Indian Express	English	07/12/2021
2.	Sandesh	Gujarati	07/12/2021

The Petitioner also placed the Public Notice and the Petition on its website ([www.gsecl.in](http://www.gsecl.in)) for inviting objections and suggestions on the Petition. The interested parties/stakeholders were asked to file their objections/suggestions on the Petition on or before 6<sup>th</sup> January, 2022.

The Commission also placed the Petition and additional details received subsequently from the Petitioner on its website ([www.gercin.org](http://www.gercin.org)) for information and study of all the stakeholders.

The Commission also issued a notice for Public Hearing in the following newspapers in order to solicit wider participation by the stakeholders:

**Table 1.2: List of Newspapers in which Public Notice was published by the Commission**

Sr. No.	Name of the Newspaper	Language	Date of publication
1.	The Times of India	English	06/02/2022
2.	Gujarat Samachar	Gujarati	06/02/2022
3.	Sandesh	Gujarati	06/02/2022

The Commission received objections/suggestions from the consumers/consumer organizations as shown in the Table below. The Commission examined the objections / suggestions received from the stakeholders and fixed the date for e-Public Hearing through video conferencing for the Petition on 16<sup>th</sup> February, 2022 at 11.30 AM.

The status of stakeholders who submitted their written suggestion / objections, those who participated in the Public Hearings, and those who made oral submissions are given in the Table below:



**Table 1.3: List of Stakeholders**

<b>Sr. No.</b>	<b>Name of Stakeholders</b>	<b>Written Submission</b>	<b>Oral Submission</b>	<b>Present on the day of Public Hearing</b>
1.	Federation of Kutch Industries Association (FOKIA)	Yes	Yes	Yes
2.	Shri. K. K. Bajaj	Yes	Yes	Yes
3.	Utility Users Welfare Association (UUWA)	Yes	Yes	Yes
4.	Shri Rajeshbhai Patel	No	No	Yes

A short note on the main issues raised by the Objectors in the submission in respect of the Petition, along with the response of GSECL, and the Commission's views on the response, are briefly given in Chapter 3 of this Order.

## **1.6 Contents of this Order**

This Order is divided into **Seven Chapters** as under:

- (1) The **First Chapter** provides a background of the Petitioner, the Petition and details of the public hearing process and the approach adopted for this Order;
- (2) The **Second Chapter** outlines the summary of GSECL's Petition;
- (3) The **Third Chapter** deals with the Objections raised by various Stakeholders, GSECL's response and the Commission's views on the response;
- (4) The **Fourth Chapter** deals with the Truing up for FY 2020-21;
- (5) The **Fifth Chapter** deals with the Aggregate Revenue Requirement (ARR) for FY 2022-23;
- (6) The **Sixth Chapter** deals with Tariff Determination for FY 2022-23;
- (7) The **Seventh Chapter** deals with the Compliance of directives.

## **1.7 Approach of this Order**

The GERC (MYT) Regulations, 2016 provides for "Truing up" of the previous year and determination of Tariff for ensuing year. The Commission has approved ARR for five years of the Control Period from FY 2016-17 to FY 2020-21 in the MYT Order dated 31<sup>st</sup> March, 2017.

The Commission subsequently issued Tariff Order for Determination of Tariff for FY 2020-21 vide Order dated 26<sup>th</sup> March, 2020. The Commission has considered this Tariff Order for Truing-up of FY 2020-21.



The Commission vide its Suo-Motu Order No. 7 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. Similarly, the 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 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. GSECL has approached the Commission with the present Petition for Truing up of FY 2020-21 and determination of ARR and tariff for FY 2022-23.

The Commission has undertaken Truing up for FY 2020-21, based on the submissions of the Petitioner and based on the values approved in Tariff Order dated 26<sup>th</sup> March, 2020. The Commission has undertaken the computation of Gains and Losses for FY 2020-21, based on the audited annual accounts and prudence check.

While truing up of FY 2020-21, the Commission has been primarily guided by the following principles:

- Controllable parameters have been considered at the level approved under the Tariff Order dated 26<sup>th</sup> March, 2020, unless the Commission considers that there are valid reasons for revision of the same.
- Uncontrollable parameters have been revised based on the actual performance observed.
- The Truing up for FY 2020-21 has been considered based on the GERC (MYT) Regulations, 2016.

The Commission has undertaken Determination of ARR and Tariff for FY 2022-23 as per the GERC (MYT) Regulations, 2016 and its amendment thereof as the base. Truing up of FY 2022-23 shall be carried out based on the principles and methodology adopted in GERC (MYT) Regulations, 2016.



## **2 Summary of GSECL's Petition**

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### **2.1 Summary of GSECL's Petition**

This Chapter highlights the summary of the Petition for True-Up for FY 2020-21 and Determination of ARR Tariff for FY 2022-23.

### **2.2 True-Up of FY 2020-21**

GSECL submitted the present Petition on 29<sup>th</sup> November, 2021 seeking approval of Truing up of ARR for FY 2020-21. GSECL has worked out its Aggregate Revenue Requirement (ARR) for FY 2020-21 as a part of the True-Up for FY 2020-21. GSECL has presented the actual cost components based on the audited annual accounts for FY 2020-21.

Tables below summarize the results of the True-up of FY 2020-21 of GSECL Stations. For the purpose of True-Up, GSECL has compared the actual cost for FY 2020-21 with the cost approved by the Commission in the Tariff Order dated 26<sup>th</sup> March, 2020.

The fixed cost of GSECL as submitted in the Petition is shown in Table below:



**Gujarat State Electricity Corporation Limited**  
**Truing Up for FY 2020-21 and Determination of ARR and Tariff for FY 2022-23**

**Table 2.1: Actual Fixed Cost for FY 2020-21**

(Rs. Crore)

Sr. No.	Power Station	Depreciation	Interest & Finance Charges	Return on Equity	O&M Expenses	Water Charges	SLDC Charges	Income Tax	Interest on Working Capital	Total Fixed Cost	Less: Non-Tariff Income	Net Fixed Charges
1	Ukai (3-5)	44.88	-	23.14	191.49	-	0.40	17.51	32.30	309.72	3.78	305.94
2	Gandhinagar (3-4)	35.30	-	24.27	106.28	45.02	0.28	12.05	24.25	247.46	9.99	237.47
3	Gandhinagar 5*	2.16	-	28.67	53.00	22.51	0.14	6.03	11.56	124.07	8.34	115.73
4	Wanakbori 1-6 TPS	99.28	25.89	91.91	202.96	32.09	0.83	36.16	74.50	563.63	19.37	544.26
5	Wanakbori 7*	2.15	-	26.16	14.72	6.71	0.14	6.03	11.47	67.36	19.80	47.57
6	Sikka Extension (3-4)*	175.03	149.65	137.28	129.34	5.28	0.33	14.35	27.77	639.02	5.03	633.99
7	KLTPS 1-3	29.51	0.77	54.15	77.28	0.43	0.11	2.15	4.22	168.64	1.84	166.80
8	KLTPS 4	36.35	9.87	29.65	24.14	-	0.05	2.15	3.53	105.74	0.14	105.60
9	BLTPS*	238.71	165.31	152.19	86.70	13.72	0.33	14.35	22.77	694.08	2.51	691.57
10	Dhuvaran CCPP 1*	9.73	-	10.48	44.44	-	0.07	3.06	4.11	71.89	0.59	71.30
11	Dhuvaran CCPP 2	13.08	3.76	14.53	35.68	2.05	0.07	3.23	4.67	77.08	0.60	76.48
12	Dhuvaran CCPP 3*	78.77	73.64	67.02	35.04	-	0.25	10.79	14.35	279.86	0.31	279.55
13	Utran Extension*	68.21	33.44	57.51	48.71	6.95	0.25	10.75	13.71	239.54	0.78	238.76
14	Ukai 6*	155.59	105.23	125.79	39.25	-	0.33	14.35	25.94	466.48	4.63	461.84
15	Wanakbori 8 TPS*	219.06	287.40	180.24	40.86	33.69	0.34	22.96	40.71	825.26	1.00	824.26
16	Ukai Hydro	2.31	2.38	10.64	20.44	-	0.20	8.75	0.61	45.33	0.25	45.08
17	Kadana Hydro	5.49	-	28.87	21.00	-	0.16	6.95	1.06	63.53	0.45	63.08
	<b>Total</b>	<b>1,215.59</b>	<b>857.34</b>	<b>1,062.51</b>	<b>1,171.34</b>	<b>168.46</b>	<b>4.28</b>	<b>191.63</b>	<b>317.53<sup>#</sup></b>	<b>4,988.67</b>	<b>79.40</b>	<b>4,909.28<sup>#</sup></b>

\* PPA based stations

# - Error in calculation and post rectification, the claim from GSECL for IoWC is revised to Rs.352.67 Crore and Net Fixed Charges is revised to Rs. 4,944.42 Crore



Based on actual operating and fuel related parameters during FY 2020-21, the Table below indicates actual audited energy charges for GSECL's stations for FY 2020-21 along with the approved energy charges:

**Table 2.2: Energy Charges for GSECL's Plants for FY 2020-21**

Sr. No.	Power Station	Approved in Tariff Order (Rs./kWh)	Actual claimed (Rs./kWh)
1	Ukai (3-5)	3.84	3.80
2	Gandhinagar (3-4)	4.08	4.01
3	Gandhinagar 5*	3.74	3.81
4	Wanakbori 1-6 TPS	4.19	4.18
5	Wanakbori 7*	3.85	3.82
6	Sikka Extension (3-4)*	3.40	3.52
7	KLTPS 1-3	3.05	3.08
8	KLTPS 4	2.80	3.40
9	BLTPS*	2.79	3.67
10	Dhuvaran CCPP 1*	2.66	2.91
11	Dhuvaran CCPP 2	2.94	3.27
12	Dhuvaran CCPP 3*	2.90	2.82
13	Utran Extension*	2.83	2.67
14	Ukai 6*	3.21	3.25
15	Wanakbori 8 TPS*	3.27	3.14

\* PPA based stations

The Table below summarizes the plant-wise gains/(losses) calculated by GSECL on account of controllable/uncontrollable factors, which are proposed to be shared with the consumers as per the mechanism prescribed by the Commission in the GERC (MYT) Regulations, 2016:





**Table 2.3: Gain/Loss on account of Controllable factors for FY 2020-21**

Sr. No.	Power Station	Gain/(Loss) due to Controllable Factors		Total Gains/ (Losses) due to Controllable factors	(Rs. Crore)
		O&M Expenses	Fuel Cost		Total Gains/ (Losses) to be passed through (1/3 <sup>rd</sup> of gains/ losses)
1	Ukai (3-5)	(7.40)	7.13	(0.27)	(0.09)
2	Gandhinagar (3-4)	(3.89)	4.15	0.25	0.08
3	Gandhinagar 5*	-	-	-	-
4	Wanakbori 1-6 TPS	64.95	2.12	67.07	22.36
5	Wanakbori 7*	-	-	-	-
6	Sikka Extension (3-4)*	-	-	-	-
7	KLTPS 1-3	(32.52)	(1.32)	(33.84)	(11.28)
8	KLTPS 4	(2.16)	(15.33)	(17.49)	(5.83)
9	BLTPS*	-	-	-	-
10	Dhuvaran CCPP 1*	-	-	-	-
11	Dhuvaran CCPP 2	1.80	(10.78)	(8.98)	(2.99)
12	Dhuvaran CCPP 3*	-	-	-	-
13	Utran Extension*	-	-	-	-
14	Ukai 6*	-	-	-	-
15	Wanakbori 8 TPS*	-	-	-	-
16	Ukai Hydro	2.15	-	2.15	0.72
17	Kadana Hydro	6.20	-	6.20	2.07
	<b>Total</b>	<b>29.13</b>	<b>(14.03)</b>	<b>15.09</b>	<b>5.03</b>

\* PPA based stations

Further, GSECL submitted the Gain/(Loss) on account of uncontrollable factors as shown in the following Table:



**Gujarat State Electricity Corporation Limited**  
**Truing Up for FY 2020-21 and Determination of ARR and Tariff for FY 2022-23**

**Table 2.4: Gains/(Losses) on account of Uncontrollable Factors for FY 2020-21**

(Rs. Crore)

Sr. No.	Power Station	Gain/(Loss) due to Uncontrollable Factors								Total Gains/(Losses) to be passed through
		Depreciation	Interest & Finance Charges	ROE	Water Charges	SLDC Charges	MAT	Interest on working Capital	Non-Tariff Income	
1	Ukai (3-5)	35.95	36.94	9.72	0.10	0.20	(14.04)	(2.00)	(7.61)	59.26
2	Gandhinagar (3-4)	20.97	0.08	(6.60)	(38.01)	0.22	(9.66)	(1.73)	(2.51)	(37.25)
3	Gandhinagar 5*	-	-	-	-	-	-	-	-	-
4	Wanakbori 1-6 TPS	28.08	(7.77)	3.74	3.67	(0.02)	(28.99)	(7.51)	(26.92)	(35.73)
5	Wanakbori 7*	-	-	-	-	-	-	-	-	-
6	Sikka Extension (3-4)*	-	-	-	-	-	-	-	-	-
7	KLTPS 1-3	(6.21)	(0.77)	(36.97)	(0.28)	(0.05)	(1.73)	(1.10)	0.15	(46.96)
8	KLTPS 4	0.09	(0.74)	(0.12)	0.13	(0.03)	(1.72)	(0.18)	(1.51)	(4.08)
9	BLTPS*	-	-	-	-	-	-	-	-	-
10	Dhuvaran CCPP 1*	-	-	-	-	-	-	-	-	-
11	Dhuvaran CCPP 2	11.84	4.35	3.96	(1.29)	(0.02)	(2.59)	1.33	(1.21)	16.36
12	Dhuvaran CCPP 3*	-	-	-	-	-	-	-	-	-
13	Utran Extension*	-	-	-	-	-	-	-	-	-
14	Ukai 6*	-	-	-	-	-	-	-	-	-
15	Wanakbori 8 TPS*	-	-	-	-	-	-	-	-	-
16	Ukai Hydro	(2.31)	0.15	(0.22)	-	(0.03)	(7.02)	0.15	(3.26)	(12.54)
17	Kadana Hydro	10.41	-	(0.03)	-	(0.01)	(5.57)	0.29	(2.61)	2.48
	<b>Total</b>	<b>98.82</b>	<b>32.24</b>	<b>(26.51)</b>	<b>(35.69)</b>	<b>0.26</b>	<b>(71.33)</b>	<b>(10.76)</b>	<b>(45.49)</b>	<b>(58.46)</b>

\* PPA based stations



**Gujarat State Electricity Corporation Limited**  
**Truing Up for FY 2020-21 and Determination of ARR and Tariff for FY 2022-23**

Based on the above estimated gains/(losses) on account of controllable and uncontrollable factors, GSECL has worked out the gains/(losses) of FY 2020-21 to be passed through in FY 2022-23, as given below:

**Table 2.5: Net Entitlement calculated by GSECL for FY 2020-21**

(Rs. Crore)

Sr. No.	Power Station	Gains/(losses) due to controllable factors (Fixed Charges)	Gains/(losses) due to uncontrollable factors (Fixed Charges)	Total gains/(losses) to be passed through (Fixed Charges)	Total gains/(losses) to be passed through at actual PAF (Fixed Charges)	Gains/(losses) due to controllable factors (Fuel Cost)	Total gains/(losses) to be passed through (Fuel Cost)	Total gains/(losses) to be passed through
a	B	c	d	e= c/3 + d	f	g	h= g/3	i = f + h
1	Ukai (3-5)	(7.40)	59.26	56.79	56.79	7.13	2.38	59.17
2	Gandhinagar (3-4)	(3.89)	(37.25)	(38.55)	(38.55)	4.15	1.38	(37.16)
3	Gandhinagar 5*	-	-	-	-	-	-	-
4	Wanakbori 1-6 TPS	64.95	(35.73)	(14.08)	(14.08)	2.12	0.71	(13.37)
5	Wanakbori 7 TPS*	-	-	-	-	-	-	-
6	Sikka Extn. (3-4)*	-	-	-	-	-	-	-
7	KLTPS 3	(32.52)	(46.96)	(57.80)	(57.80)	(1.32)	(0.44)	(58.24)
8	KLTPS 4	(2.16)	(4.08)	(4.80)	(2.77)	(15.33)	(5.11)	(7.88)
9	BLTPS*	-	-	-	-	-	-	-
10	Dhuvaran CCPP 1*	-	-	-	-	-	-	-
11	Dhuvaran CCPP 2	1.80	16.36	16.96	15.72	(10.78)	(3.59)	12.13
12	Dhuvaran CCPP 3*	-	-	-	-	-	-	-
13	Utran Extension*	-	-	-	-	-	-	-
14	Ukai 6*	-	-	-	-	-	-	-
15	Wanakbori 8 TPS*	-	-	-	-	-	-	-
16	Ukai Hydro	2.15	(12.54)	(11.83)	(11.42)	-	-	(11.42)
17	Kadana Hydro	6.20	2.48	4.55	4.55	-	-	4.55
	<b>Total</b>	<b>29.13</b>	<b>(58.46)</b>	<b>(48.75)</b>	<b>(47.55)</b>	<b>(14.03)</b>	<b>(4.68)</b>	<b>(52.23)</b>

\* PPA based stations



GSECL has proposed Fixed Cost for its Generating Stations for FY 2022-23 as shown in the following Table:

**Table 2.6: Proposed Fixed Cost of GSECL plants for FY 2022-23**

(Rs. Crore)				
Sr. No.	Power Station	Fixed Charges for FY 2022-23	Total Gains/(Losses) to be passed through	Net Fixed Charges for FY 2022-23
1	Ukai (3-5)	385.14	59.17	444.31
2	Gandhinagar (3-4)	279.47	(37.16)	242.31
3	Gandhinagar 5*	120.25	-	120.25
4	Wanakbori 1-6 TPS	680.38	(13.37)	667.02
5	Wanakbori 7*	59.59	-	59.59
6	Sikka Extn. (3-4)*	624.81	-	624.81
7	KLTPS 3	142.81	(58.24)	84.57
8	KLTPS 4	95.59	(7.88)	87.71
9	BLTPS*	718.39	-	718.39
10	Dhuvaran CCPP 1*	79.27	-	79.27
11	Dhuvaran CCPP 2	89.14	12.13	101.27
12	Dhuvaran CCPP 3*	235.79	-	235.79
13	Utran Extension*	228.65	-	228.65
14	Ukai 6*	455.99	-	455.99
15	Wanakbori 8 TPS*	937.41	-	937.41
16	Ukai Hydro	40.65	(11.42)	29.24
17	Kadana Hydro	73.83	4.55	78.37
	<b>Total</b>	<b>5,247.16</b>	<b>(52.23)</b>	<b>5,194.93</b>

\* PPA based stations

GSECL has proposed Energy Charges for FY 2022-23 as shown in the following Table:

**Table 2.7: Proposed Energy Charges of GSECL plants for FY 2022-23**

Sr. No.	Power Station	Energy Charges (Rs/kWh)
1	Ukai (3-5)	4.00
2	Gandhinagar (3-4)	4.35
3	Gandhinagar 5*	3.93
4	Wanakbori 1-6 TPS	4.22
5	Wanakbori 7*	4.13
6	Sikka Extension (3-4)*	4.42
7	KLTPS 3	3.05



<b>Sr. No.</b>	<b>Power Station</b>	<b>Energy Charges (Rs/kWh)</b>
8	KLTPS 4	2.86
9	BLTPS*	2.79
10	Dhuvaran CCPP 1*	2.66
11	Dhuvaran CCPP 2	2.94
12	Dhuvaran CCPP 3*	2.90
13	Utran Extension*	2.83
14	Ukai 6*	3.23
15	Wanakbori 8 TPS*	3.41

\* PPA based stations

## **2.3 Request of GSECL**

Petitioner's Prayer:

1. To admit this Petition seeking True up of FY 2020-21, Aggregate Revenue Requirement for FY 2022-23 & Tariff Proposal for FY 2022-23.
2. To approve the True up for FY 2020-21 and allow sharing of gains/ (losses) with the Consumers as per sharing mechanism prescribed in the GERC (MYT) Regulations, 2016.
3. To allow recovery of Revenue (Gap) / Surplus of FY 2020-21 from four DISCOMs through GUVNL in Twelve (12) equal monthly instalments during FY 2022-23.
4. To approve Aggregate Revenue Requirement for FY 2022-23 as submitted by the Petitioner.
5. Pass suitable orders for implementation of Tariff Proposal for FY 2022-23 for making it applicable from 1<sup>st</sup> April, 2022 onwards.



### **3 Brief outline of objections raised, response from GSECL and Commission's View**

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In response to the public notice inviting objections / suggestions on the Petition filed by GSECL for Truing up of FY 2020-21 and determination of ARR for FY 2022-23 under the GERC (MYT) Regulations, 2016 from the stakeholders, some consumers/consumer organizations filed their objections/suggestions in writing. Some of these objectors participated in the Public Hearing also. The Commission has considered objections connected with this Petition in this Chapter. The objections/suggestions by the consumers/consumer organizations, the response from the Petitioner and the views of the Commission are given below:

#### **3.1 Objections related to Performance of the Plants**

##### **3.1.1. Retirement of Old Coal Based Plants**

The Objectors submitted that the Petitioner has number of old plants which needs to be scrapped to reduce burden on consumers. They have nearly 13 (to be read as "11") old plants viz., Ukai 3 to 5, Gandhinagar 3-4 and Wanakbori 1 to 6, commissioned during 1979 to 1991, which are due for retirement, and put heavy burden on consumers as they remain under Reserve Shut Down (RSD) most of the time during the year. There is heavy expenditure when these plants are kept under RSD as Petitioner has to maintain the parameters like Pressure and Temperature for restarting the plant as early as possible by involving huge manpower. If these 11 old plants with capacity of 2430 MW are scrapped it will discontinue payment of fixed cost amounting to Rs. 1192 Crore per year. The Objector also requested the Commission to direct GSECL to submit the Action Plan to scrap these plants in a phased manner without affecting supply of power to consumers. On the contrary, it will be in the interest of consumers as cheaper power can be purchased from Indian Energy Exchange at Rs. 2.50 to Rs. 3.50 per unit without any obligation of payment of fixed cost.

The Objectors further submitted that there are many old units whose useful life is over long back but these units are not being de-commissioned by GSECL. This led to burden of additional fixed cost on the consumers without commensurate advantage. The Commission is requested to direct the Petitioner to furnish the schedule of activities for de-commissioning and disposal of all units through disposal process, tendering process, ordering for disposal and receiving payments by GSECL.

Further, the Objectors submitted that GSECL has not explained cost benefit and justification



for life extension beyond 40+ years in a situation where cost recovery for huge additional capital expenditure is not foreseeable. The Commission is requested to ensure that no additional capital expenditure towards R&M and life extension is permitted for capitalisation after useful life is over.

It was also observed that the approval of new capacity addition is being justified based on decommissioning of old units. However, such old units are being continued causing over capacity and burden on additional fixed cost.

### **Response of GSECL**

The Petitioner submitted that with regard to contention for preparation of action plan to scrap the old plants in phased manner, it has retired 11 generating plants in last 10 years in phased manner accumulating to 1215 MW. Moreover, despite of being older plants, Ukai Units-3 to 5, Gandhinagar Units-3 to 5 and Wanakbori Units 1 to 6 run at rated load whenever scheduled by SLDC as per system demand. It is also submitted that in Ukai Unit-4 Wanakbori Unit-3, major R&M work for efficiency improvement has been implemented in recent past. The gains achieved on account of efficiency improvement has also been passed to the consumers of State. After perusing the plant availability factors of these units, it is noted that the PAF of all units is above the normative level. However, lower scheduling of these units may be due to aggressive RE capacity addition in the State and must run status given to RE units. GSECL is also planning for major R&M and life extension program for old units of WTPS and Ukai TPS. Hence, the contention of the respondent to scrap these old units of GSECL may not be accepted.

### **Commission's View**

The Commission in previous Tariff Order had directed GSECL to submit an Action Plan on Capacity retirement/Addition/Utilisation for next ten (10) years for the Control Period commencing from 1<sup>st</sup> April, 2021, along with details of retirement of existing Unit/stations, generation capacity availability, capacity addition from Conventional Generating station and Renewable Energy, plan for optimum utilisation of existing generating stations and plan for achieving operational efficiency in economical manner.

The Commission observed that though the recommendations in brief are submitted by GSECL, however the detailed report was not submitted

Further, no details were provided for existing non-performing power stations (excluding the ones proposed to be retired) on how it plans to achieve optimum utilisation and the road map for attaining operational and economic efficiency.

