



ABBREVIATIONS

1.	A&G	Administrative & General
2.	AMC	Annual Maintenance Contract
3.	ARR	Aggregate Revenue Requirement
4.	CAPEX	Capital Expenditure
5.	CEA	Central Electricity Authority
6.	CERC	Central Electricity Regulatory Commission
7.	EMS	Energy Management System
8.	FY	Financial Year
9.	GEB	Gujarat Electricity Board
10.	GERC	Gujarat Electricity Regulatory Commission
11.	GETCO	Gujarat Energy Transmission Corporation Limited
12.	GoG	Government of Gujarat
13.	GoI	Government of India
14.	LTSA	Long Term Service Agreement
15.	MYT	Multi Year Tariff
16.	O&M	Operation & Maintenance
17.	R&M	Repair & Maintenance
18.	REC	Renewable Energy Certificate
19.	SCADA	Supervisory Control and Data Acquisition System
20.	SLDC	State Load Despatch Centre
21.	UI	Unscheduled Interchange
22.	ULDC	Unified Load Despatch& Control
23.	WRLDC	Western Regional Load Despatch Centre
24.	WRPC	Western Regional Power Committee



SECTION 1. INTRODUCTION

1.1. PREAMBLE

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

1.2. INTRODUCTION

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'

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.

SLDC-Gujarat has participated in the 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.

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".

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.

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 22nd 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 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. Further, the Hon'ble Commission vide its Order in Suo Motu Petition No. 2140 of 2022 dated 20th October, 2022 directed generating companies, licensees and utilities to file their tariff applications for approval of true-up for FY 2021- 22 and for determination of Annual ARR and Tariff for FY 2023-24 on or before 30th November, 2022 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016.

The Hon'ble Commission in its suo-moto order in Petition No. 2140 of 2022 directed the generating companies, SLDC, licensees and utilities to file their tariff applications for approval of true-up for FY 2021-22 and for determination of Annual ARR and Tariff for FY 2023-24 on or before 15th December, 2022 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016.

Further, the FY 2021-22 is over and annual accounts of SLDC are also audited, SLDC is required to file its Petition for True-up of FY 2021-22 and Aggregate Revenue Requirement & SLDC Fees & Charges for FY 2023-24 in accordance with GERC (MYT) Regulations, 2016, to the Hon'ble Commission for its approval.

Accordingly, SLDC is filing the present Petition for True-up for FY 2021-22 & Aggregate Revenue Requirement and SLDC Fees & Charges for FY 2023-24 to the Hon'ble Commission.



SECTION 2. EXECUTIVE SUMMARY

2.1. PREAMBLE

This section highlights the summary of Petition for True-up for FY 2021-22, Determination of Aggregate Revenue Requirement and SLDC Fee & Charges for FY 2023-24.

2.2. TRUE UP FOR FY 2021-22

SLDC has computed its Aggregate Revenue Requirement (ARR) for FY 2021-22 as a part of the True Up for FY 2021-22. SLDC has presented the actual cost components based on audited annual accounts for FY 2021-22.

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 2021-22. A summary of the proposed ARR for True-up of FY 2021-22 compared with the approved ARR for FY 2021-22 is presented in the table below:

Table 1 : True up for FY 2021-22

Rs. in lakhs				
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Deviation
1	Operation & Maintenance Expenses	2,810.25	3,176.28	(366.03)
1.1	Employee Cost	2,103.62	2,437.55	(333.93)
1.2	Repair & Maintenance	206.39	400.91	(194.52)
1.3	Administration & General Charges	500.24	337.82	162.42
2	Interest on Working Capital	39.64	38.91	0.73
3	Charges for ULDC & Other related Projects	295.74	506.91	(211.17)
4	Less: Non-Tariff Income	1,089.48	887.81	201.67
5	Operating Cost Budget (a)	2,056.15	2,834.28	(778.13)
6	Depreciation	416.78	252.74	164.04
7	Interest & Finance Charges	23.95	66.60	(42.65)
8	Return on Equity	161.36	132.02	29.34
9	Total Fixed Costs	602.09	451.36	150.73
10	Less: Expenses Capitalized	-	-	-
11	Add: Provision for Tax	184.00	-	184.00
12	Capital Cost Budget (b)	786.09	451.36	334.73
13	Total Revenue Budget (a)+(b)	2,842.23	3,285.64	(443.41)

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:

Table 2 : Summary of Controllable & Uncontrollable factors

Rs. in lakhs					
Sr. No.	Particulars	FY 2021-22 (Approved)	FY 2021-22 (Actual)	Gain/(Loss) due to Controllable Factor	Gain/(Loss) due to Uncontrollable Factor
1	Operation & Maintenance Expenses	2,810.25	3,176.28	198.66	(564.69)
1.1	Employee Cost	2,103.62	2,437.55		
1.2	Repair & Maintenance	206.39	400.91		
1.3	Administration & General Charges	500.24	337.82		
2	Interest on Working Capital	39.64	38.91		0.73
3	Charges for ULDC & Other related Projects	295.74	506.91		(211.17)
4	SCADA upgradation charges	-	-		-
5	Less: Non-Tariff Income	1,089.48	887.81		201.67
6	Operating Cost Budget (a)	2,056.15	2,834.28	198.66	(976.79)
7	Depreciation	416.78	252.74		164.04
8	Interest & Finance Charges	23.95	66.60		(42.65)
9	Return on Equity	161.36	132.02		29.34
10	Total Fixed Costs	602.09	451.36		
11	Less: Expenses Capitalized	-	-		
12	Add: Provision for Tax	184.00	-		184.00
13	Capital Cost Budget (b)	786.09	451.36		
14	Total Revenue Budget (a)+(b)	2,842.23	3,285.64	198.66	(642.06)
15	Net Gains / Losses on account of Controllable/ Uncontrollable factor			198.66	(642.06)
16	Gain on account of Controllable factor to be passed on to Consumer (1/3 x Sr. No. 15)			66.22	
17	Losses on account of Uncontrollable factor to be passed on to Consumer				(642.06)

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 2023-24.

2.3. NET RECOVERY

Net recovery of SLDC for the FY 2021-22 is as per the table given below. The net recovery will be adjusted in the tariff determination for FY 2023-24:

Table 3 : Net Recovery for FY 2021-22

Rs. in Lakhs		
Sr. No.	Particulars	Amount
1	Gain / (Loss) on account of Uncontrollable factor to be passed on to Beneficiaries for FY 2020-21	(642.06)
2	Gain / (Loss) on account of Controllable factor to be passed on to Beneficiaries (1/3rd of Total Gain / (Loss) for FY 2020-21	66.22
3	Total Gain/ (Loss) of the true up to be addressd in the determination of tariff for FY 2022-23	(575.84)

SLDC requests the Hon'ble Commission to approve the True-up for FY 2021-22 and allow us to pass on the Revenue (Gap)/ Surplus in the approved tariff for FY 2023-24.

2.4. DETERMINATION OF ARR FOR FY 2023-24

As directed by the Hon'ble Commission, SLDC has projected its Aggregate Revenue Requirement for FY 2023-24 on the basis of GERC MYT Regulations, 2016. The basis of such projections has been dealt with in subsequent sections of the Petition.

The Aggregate Revenue Requirement of SLDC for FY 2023-24 is projected as under:

**Table 4 : Tariff Projections of ARR for FY 2023-24**

		Rs. in lakhs
Sr. No.	Particulars	FY 2023-24 (Projections)
1	Operation & Maintenance Expenses	3,434.44
1.1	Employee Cost	2,351.16
1.2	Administration & General Charges	559.10
1.3	Repairs & Maintenance	524.18
2	Interest on Working Capital	49.96
3	Charges for ULDC & other related projects	506.91
4	Less: Other Income	887.81
5	Operating Cost Budget (a)	3,103.49
6	Depreciation	513.31
7	Interest & Finance Charges	96.98
8	Return on Equity	265.21
9	Total Fixed Costs	875.51
10	Less: Expenses Capitalized	-
11	Add: Provison for Tax	-
12	Capital Cost Budget (b)	875.51
13	Total Revenue Requirement (a+b)	3,978.99

2.5. SLDC CHARGES FOR FY 2023-24

SLDC has calculated the Charges for FY 2023-24 by considering the ARR for FY 2023-24 as mentioned above & Revenue (Gap) / Surplus for FY 2021-22. The charges of SLDC for FY 2023-24 after applying the Revenue (Gap) / Surplus of FY 2021-22 is as follows:

Table 5: Charges for FY 2023-24

		Rs. in lakhs
Sr. No.	Particulars	FY 2023-24
1	ARR for FY 2023-24	3,978.99
2	Less: Revenue (Gap) / Surplus approved in Truing up for FY 2021-22	(575.84)
3	Add: Unrecovered impact of 7th Pay Commission for FY 2020-21 (Allowances & Incentive)	34.88
4	Total SLDC charges (1 - 2 + 3)	4,589.71

The Hon'ble Commission is requested to approve the SLDC Charges and Fees for FY 2023-24 as mentioned above.