

**BEFORE THE GUJARAT ELECTRICITY REGULATORY COMMISSION  
GANDHINAGAR**

**Order in Suo-Motu Petition No. 2264 of 2023**

**In the matter of:**

**Filing of application for Determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25**

**CORAM**

**Anil Mukim, Chairman  
Mehul M. Gandhi, Member  
S. R. Pandey, Member**

**Date: 05/12/2023**

**ORDER**

1. The Commission initiated Suo-Motu proceedings under Regulations 23 and 24 of the GERC (Conduct of Business) Regulations, 2004 for filing the applications by the Licensees for determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25 by issuing Public Notice dated 09.11.2023 inviting comments and suggestions from the stakeholders for preparing and filing application for determination of Aggregate Revenue Requirement (ARR) and Tariff for FY 2024-25 based on the GERC MYT Regulations, 2016.
2. In the aforesaid public notice, it is also stated that the Commission defers the implementation of MYT Framework for one year and proposed the licensees, utilities and generating companies to file their application/petition for Truing up for FY 2022-23 and for determination of Annual ARR and Tariff for FY 2024-25 on or before 31.12.2023. It is specified in the Public Notice that the

stakeholders/ interested persons may file their comments/suggestions on the aforesaid Suo-Motu Petition to the Secretary, GERC. It is also stated that the public hearing in the aforesaid matter is scheduled on 04.12.2023 at 11.30 Hours.

3. Section 86 of the Act, 2003 lays down the functions of the Commission. The determination of tariff for supply of electricity is one of the important functions of the State Electricity Regulatory Commission. The relevant extract is reproduced as under:

*“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; ...”*

4. Further, while determining the tariff, the Commission follows the provisions of the Tariff Regulations notified under Section 61 of the Electricity Act, 2003 which consists of the terms and conditions for determination of tariff. The relevant extract of the said Section reads as under:

*“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 ....”*

5. The Commission has been notifying the terms and conditions for determination of tariff by framing the Tariff Regulations from time to

time specifying the terms and conditions for the determination of tariff. The last MYT Regulations were notified by the Commission on 29.03.2016. These Regulations remained in force till 31.03.2021. Subsequently, the Commission has initiated the work for the preparation of GERC (MYT) Regulations for the fourth Control Period. The Commission published the Draft GERC (MYT) Regulations, 2023 along with Explanatory Memorandum for 4th Control period on 4th September, 2023. The same was also uploaded on the website of the Commission and to solicit comments/suggestions/views from the stakeholders on the Draft GERC (MYT) Regulations, 2023 for 4th Control period. The last date for the submission of comments/suggestions/views was kept on 06.10.2023 and the public hearing for the interest parties was conducted on 10.10.2023. There have been 16 stakeholders who submitted their comments/suggestions/views on the Draft GERC (MYT) Regulations, 2023 for 4th Control period. So many issues/representations have been raised by the Stake holders on the Draft GERC (MYT) Regulations, 2023 for 4th Control period, which require detailed deliberation, analysis and examining thoroughly for deciding the final regulation.

6. The Commission is of the view that the 'regulations making' is an intensive and time-consuming but important process. The varied complexity in framing the regulations requires a deep and pensive thought, with all considerations and contemplations which are to be properly discussed/deliberated/examined before notifying the MYT Regulations for the Fourth Control Period. Further, concerned generating companies and licensees need to file their tariff applications by 30th November of the financial year so that the Commission can issue the Tariff Orders in timely manner, before commencement of next financial year. Therefore, the Commission is

of the considered opinion that such thorough examination cannot be completed due to paucity of time and enable generating companies and licensees to file their tariff applications for the next control period in a timely manner, i.e., before 30th November.

7. The GERC MYT Regulations, 2016 provide that in case if new Regulations do not come into effect on the last date of the MYT Regulations, 2016 i.e., 31.3.2021, the provisions of GERC MYT Regulations, 2016 shall remain in force. The relevant provisions of the said Regulations are reproduced below:

*“1.2 These Regulations shall come into effect from the date of their publication in the Official Gazette and shall remain in force till 31st March,2021, unless otherwise reviewed/extended.*

....

*7. Saving of Inherent Power of the Commission*

*7.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice or to prevent the abuse of the process of the Commission.*

*7.2 Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.*

*7.3 Nothing in these Regulations shall, expressly or by implication, bar the Commission to deal with any matter or exercise any power under the Acts for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.*

..

*12. Power of Relaxation*

*The Commission, for reasons to be recorded in writing, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person.”*

8. Further, it is also necessary to refer to Regulations 23 and 24 of the GERC (Conduct of Business) Regulations, 2004 which provide power to the Commission to initiate the proceedings and issue appropriate orders. The said Regulations are reproduced below”

*“23. The Commission may initiate any proceedings suo moto or on a Petition filed by any affected person.*

*24. The notice of the initiation of the proceedings may be issued by the Commission, and the Commission may give such orders and directions as may be deemed necessary, for services of notices to the affected parties, the filing of Reply in opposition or in support of the Petition in such form as it may direct.*

*The Commission may, if it considers appropriate, issue orders for publication of the Petition and/ or Reply inviting comments on the issues involved in the proceedings in such form as the Commission may direct.”*

From the aforesaid, it is clear that the Commission has power to initiate Suo-Motu Proceedings in any matter. Further Regulation 1.2 of the GERC MYT Regulations, 2016 provides that the Regulations shall remain in force till 31<sup>st</sup> March, 2021, unless otherwise reviewed/extended.

9. The Commission has invited comments / views from the stakeholders by issuing Public Notices in the following newspapers:

<b>Sr. No.</b>	<b>Name of the Newspaper</b>	<b>Language</b>	<b>Date of Publication</b>
1	The MINT-Hindustan Times	English	10.11.2023

2	The Gujarat Samachar	Gujarati	10.11.2023
3	Divya Bhaskar	Gujarati	10.11.2023

The said public notices and the Petition were also placed on the Commission's website ([www.gercin.org](http://www.gercin.org)) for inviting comments / views on the Petition. The interested persons / stakeholders were asked to file their comments / suggestions/ views regarding Suo Motu Petition to the Secretary, GERC on or before 1<sup>st</sup> December, 2023.

10. In response to the aforesaid Public Notice, the Commission has received comments/suggestions from M/s Gujrat Krushi Vij Grahak Suraksha Sangha (GKVGSS) and Gujarat Urja Vikas Nigam Ltd. (GUVNL).

10.1 M/s Gujrat Krushi Vij Grahak Suraksha Sangha (GKVGSS) has submitted that there is no need to extend the period for submitting the True-Up matter as there is no link with future MYT Regulations. Further, it has submitted that extension of period and time limit to be limited for the DISCOMs only not for Generation, Transmission and other Licensees. It has further submitted that the time limit may be extended up to 31<sup>st</sup> January, 2024, if needed, as most of the State Govt.'s administrative machineries may be occupied with the programme of Vibrant Gujarat Summit from mid-Dec, 2023 to mid-January, 2024.

10.2 GUVNL has submitted that they do not have any objection to the proposal for filing of Aggregate Revenue Requirement (ARR) and tariff proposal for FY 2024-25 based on the principles and methodology as provided in the GERC MYT Regulations, 2016 and deferment of implementation of MYT

Regulations framework for further one year. They have requested that the Commission may grant extension up to 31.01.2024 to file ARR and tariff proposal for FY 2024-25, instead of proposed timeframe of 31.12.2023, as the state owned DISCOMs shall be required to approach Government of Gujarat for concurrence and confirmation about subsidy support and tariff revision based on estimated gap/surplus position of FY 2022-23.

11. The matter was kept for hearing on 04.12.2023. On that day following stakeholders and their representatives remained present during the hearing:

<b>Sr No.</b>	<b>Name of Stakeholders</b>	<b>Name of the Representative</b>
1	Gujarat Urja Vikas Nigam Ltd. (GUVNL)	Shri J. J. Gandhi
2	Gujarat Energy Transmission Corporation Ltd..	Shri S. K. Nair
3	Dakshin Gujarat Vij Company Ltd. (DGVCL)	Shri B. K. Patel
4	Madhya Gujarat Vij Company Ltd. (MGVCL)	Shri J. R. Shah
5	Paschim Gujarat Vij Company Ltd. (PGVCL)	Shri V. G. Markana
6	Uttar Gujarat Vij Company Ltd. (UGVCL)	Shri K. B. Chaudhuri
7	Torrent Power Ltd. (TPL)	Shri Chetan Bundela
8	MPSEZ Utilities Ltd. (MUL)	Shri Anil Rabadia

12. During the hearing, Shri J. J. Gandhi, on behalf of GUVNL, submitted that the Commission may grant extension up to 31.01.2024 instead of 31.12.2023, for filing tariff application for

approval of true-up of FY 2022-23 and for determination of Annual ARR and Tariff for FY 2024-25 due to requirement for approaching Government of Gujarat for concurrence and confirmation about subsidy support and tariff revision based on estimated gap/surplus position. Shri Chetan Bundela, on behalf of TPL has submitted that they are expediting the preparation of tariff petitions and also requested to grant extension up to 31.01.2024. Shri Anil Rabadia, on behalf of MUL, has submitted that the Commission may grant extension up to One Month from the issuance of this Order.

13. We heard the parties. We have considered the submissions made by them. We note that one of the important concerns is to determine the tariff and carry out true-up in proper time frame enabling the Licensees to recover the tariff from the consumers/beneficiaries for the ensuing year at proper time to meet out its Annual ARR. It is, therefore, necessary to initiate the tariff proceedings at proper time giving an opportunity to the licensees/utilities for preparation of petition/application and file before the Commission. Such petitions are also required to be published for the knowledge of the stakeholders' inviting comments and suggestions and consider the same by the Commission. The Commission also requires to analyze the proposals of the licensees, generating companies and SLDC, comments of the consumers/stakeholders and pass appropriate order on such petitions in a prescribed time manner so that the licensees, generating companies and SLDC will be able to recover its tariff and meet out Annual ARR in sufficient time frame of the Financial Year. As the Financial Year is starting from 1<sup>st</sup> April, it is necessary for the Commission to pass appropriate order within 120 days specified in Section 64 of the Electricity Act, 2003 which works out to 30<sup>th</sup> November of the previous Financial Year by the licensee/generating company. Further, the MYT Regulations, 2016



also provide that the licensee/generating company shall file their petition on or before 30<sup>th</sup> November of the Financial Year.

14. We note that in the Suo-Motu proceedings, all the interested parties agreed with the background and views expressed in the Suo Moto Petition. Accordingly, the Commission decides to adopt determination of annual ARR and Tariff for FY 2024-25 based on the GERC (MYT) Regulations, 2016 and defer the implementation of MYT Framework for further one year. So far as GSECL, SLDC, DPA, Aspen Park Infra and GIFT PCL concerned, there is not any submission, their representatives had not remained present during the hearing. Only GUVNL, TPL and MUL have requested to grant extension for filing the tariff petitions in the matter of Truing up of FY 2022-23 and for determination of Annual ARR and Tariff for FY 2024-25.
15. We note that the proceedings and the issuance of Orders with respect to tariff applications for FY 2024-25 must be completed in a timely manner. As regards the request for time limit extension for filing the tariff application for FY 2024-25 being put forwarded by GUVNL, TPL and MUL and also as suggested by M/s GKVGSS, we decide to grant the extension of time limit for filing the tariff applications further 12 days i.e. up to 12<sup>th</sup> January, 2024.
16. M/s Gujrat Krushi Vij Grahak Suraksha Sangha (GKVGSS) has also further stated that the copies of proposals as submitted by the Companies to be provided free of cost to the Consumer Organizations/institutions. It has further stated that all their previous submission in such kind of Tariff Petitions to be taken care of so that repetitions may be avoided. The tariff proposals/applications which are part of tariff proceeding of the

respective years are always on the public domain that means those have been hosted both on the website of the Utilities so also on the website of the Commission. Further, the Commission takes on record the suggestions/comments/views as put forwarded by the various Consumer organizations/Associations/Consumers and deals appropriately in accordance with the Act/Regulations in various Tariff Proceedings.

**ORDER**

17. We decide and direct generating companies, SLDC, licensees and utilities to file their tariff applications for approval of true-up for FY 2022-23 and for approval of Annual ARR and determination of Tariff for FY 2024-25 on or before 12.01.2024 based on the principles and methodologies as provided in the GERC (MYT) Regulations, 2016 and amended thereof.
18. We Order accordingly.

**-Sd-**  
**[S. R. PANDEY]**  
**Member**

**-Sd-**  
**[MEHUL M. GANDHI]**  
**Member**

**-Sd-**  
**[ANIL MUKIM]**  
**Chairman**

Place: Gandhinagar  
Date: 05/12/2023