

**GUJARAT ELECTRICITY REGULATORY COMMISSION
GANDHINAGAR**

**Draft Gujarat Electricity Regulatory Commission (Multi-Year Tariff) (First
Amendment) Regulations, 2016**

Notification No. of 2016

In exercise of the powers conferred by sub-section (2) of section 181 read with Section 36, Section 39, Section 40, Section 41, Section 51, Section 61, Section 62, Section 63, Section 64, Section 65 and Section 86 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling it in that behalf, and under Section 32 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) and all powers enabling it in that behalf, the Gujarat Electricity Regulatory Commission hereby amend the GERC (Multi-Year Tariff) Regulations, 2016 (No. 4 of 2016), the principal Regulations.

1. Short title, extent, applicability and commencement
 - i. These regulations may be called the Gujarat Electricity Regulatory Commission (Multi-Year Tariff) (First Amendment) Regulations, 2016.
 - ii. These Regulations extend to the whole of the State of Gujarat.
 - iii. These shall come into force on the date of their publication in the Gazette
2. Amendment to Section 21.6 (c) of the principal Regulations:

Section 21.6 (c) of the principal Regulations shall be substituted as under:

“21.6 (c)

Carrying cost to be allowed on the amount of Revenue Gap or Revenue Surplus for the period from the date on which such gap/surplus has become due, i.e., from the end of the year for which true-up has been done, till the end of the year in which it is addressed, calculated on simple interest basis at the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* for the relevant year, i.e. the year for which Revenue Gap or Revenue Surplus is determined:

.....”

3. Amendment to Section 40.1 (d) of the principal Regulations:

Section 40.1 (d) of the principal Regulations shall be substituted as under:

“40.1 (d)

Interest on working capital shall be allowed at a rate equal to the ***State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable*** as on 1st April of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average ***State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable*** prevailing during the financial year plus 250 basis points.”

4. Amendment to Section 40.2 (ii) of the principal Regulations:

Section 40.2 (ii) of the principal Regulations shall be substituted as under:

“40.2 (ii)

Interest shall be allowed at a rate equal to the ***State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable*** as on 1st April of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average ***State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable*** prevailing during the financial year plus 250 basis points.”

5. Amendment to Section 40.3 (b) of the principal Regulations:

Section 40.3 (b) of the principal Regulations shall be substituted as under:

“40.3 (b)

Interest shall be allowed at a rate equal to the ***State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect***

applicable for 1 year period, as may be applicable as on 1st April of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* prevailing during the financial year plus 250 basis points.”

6. Amendment to Section 40.4 (b) of the principal Regulations:

Section 40.4 (b) of the principal Regulations shall be substituted as under:

“40.4 (b)

Interest shall be allowed at a rate equal to the *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* as on 1st April of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* prevailing during the financial year plus 250 basis points.”

7. Amendment to Section 40.5 (b) of the principal Regulations:

Section 40.5 (b) of the principal Regulations shall be substituted as under:

“40.5 (b)

Interest shall be allowed at a rate equal to the *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* as on 1st April of the financial year in which the Petition is filed plus 250 basis points:

Provided that at the time of truing up for any year, interest on working capital shall be allowed at a rate equal to the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being*

in effect applicable for 1 year period, as may be applicable prevailing during the financial year plus 250 basis points.”

8. Amendment to Section 47.12 of the principal Regulations:

Section 47.12 of the principal Regulations shall be substituted as under:

“47.12

Where the actual capital cost incurred on year to year basis is lesser than the capital cost approved for determination of tariff by the Commission on the basis of the projected capital cost as on the date of commercial operation or on the basis of the projected additional capital cost, by five percent or more, the Generation Company shall refund to the beneficiaries as approved by the Commission, the excess tariff realised corresponding to excess capital cost, along with interest at 1.20 times of the *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* plus three hundred and fifty basis points, as prevalent on the first day of April of the respective financial year.”

9. Amendment to Section 47.13 of the principal Regulations:

Section 47.13 of the principal Regulations shall be substituted as under:

“47.13

Where the actual capital cost incurred on year to year basis is higher than the capital cost approved for determination of tariff by the Commission on the basis of the projected capital cost as on the date of commercial operation or on the basis of the projected additional capital cost, by five percent or more, the Generation Company shall, subject to the approval of the Commission, be entitled to recover from the beneficiaries the shortfall in tariff corresponding to such decrease in capital cost along with interest at 0.80 times of the *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* plus three hundred and fifty basis points, as prevalent on the first day of April of the respective financial year.”

10. Amendment to Section 68.3.1 of the principal Regulations:

Section 68.3.1 of the principal Regulations shall be substituted as under:

“68.3.1

.....

Provided also that if the amount so appropriated is not invested in securities, then the normative interest income, computed at the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* for the year, shall be included under the Non-Tariff income of the Transmission Licensee.”

11. Amendment to Section 82.3 of the principal Regulations:

Section 82.3 of the principal Regulations shall be substituted as under:

“82.3

If the payment is not made within the due date, a penal interest at the rate of two hundred and fifty basis points above the *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* prevailing as on 1st April of the respective financial year, shall be payable on the unpaid amounts.”

12. Amendment to Section 86.3.1 of the principal Regulations:

Section 86.3.1 of the principal Regulations shall be substituted as under:

“86.3.1

.....

Provided also that if the amount so appropriated is not invested in securities, then the normative interest income, computed at the weighted average *State Bank Base Rate (SBBR) / 1 year State Bank of India (SBI) Marginal Cost of Funds Based Lending Rate (MCLR) / any replacement thereof by SBI for the time being in effect applicable for 1 year period, as may be applicable* for the year, shall be included under the Non-Tariff income of the Distribution Licensee.”

Sd/-

(Roopwant Singh, IAS)

Secretary

Gujarat Electricity Regulatory Commission
Gandhinagar

Place: Gandhinagar

Date: 31/08/2016