

# **GUJARAT ELECTRICITY REGULATORY COMMISSION GANDHINAGAR**

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## **PRESS NOTE**

### **Tariff Orders for the State Owned Generation, Transmission and Distribution Companies and State Load Despatch Centre**

The State Owned Generation, Transmission, Distribution Licensees and State Load Despatch Centre had filed the petitions for truing up of FY 2015-16 in accordance with GERC (MYT) Regulations, 2011, approval of final ARR of FY 2016-17, determination of Multi-year ARR for third Control Period FY 2016-17 to FY 2020-21 and determination of tariff for FY 2017-18 in accordance with GERC (MYT) Regulations, 2016. These petitions were technically validated and registered in accordance with the Electricity Act, 2003 and the relevant Regulations to proceed with the Tariff Orders.

The licensees were directed to publish their applications in the abridged form to ensure public participation. Thus, an elaborate exercise was carried out for inviting comments/ suggestions from general public and stakeholders. The suggestions/ objections were examined and public hearings were held on 8<sup>th</sup> to 10<sup>th</sup> February, 2017 and 14<sup>th</sup> February, 2017 at the office of the Commission. Several stakeholders including individuals and organisations participated in the hearings.

The Commission issued the orders on these petitions on 31<sup>st</sup> March, 2017. These orders cover trajectory for third Control Period FY 2016-17 to FY 2020-21 based on the GERC (MYT) Regulations, 2016.

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

The Commission also determined the annual revenue requirement for the five years i.e. from FY 2016-17 to FY 2020-21 and tariff for FY 2017-18 in respect of GSECL. While determining the ARR, fixed cost of GSECL is reduced by the Commission due to

decommissioning of old stations of Sikka, Gandhinagar, Ukai and Dhuvaran so as to reduce burden on the consumers.

The Commission directed GSECL to reduce the fuel cost by making efforts to obtain maximum quantity of coal from western coal fields for saving on freight charges. GSECL is also directed to negotiate with GMDC for reduction in lignite coal prices. The Commission advised GSECL to take up the matter with appropriate authorities for rationalization of green cess imposed on procurement of coal. GSECL is directed to optimize the existing Fuel Supply Agreement (FSA) and submit detailed reports on existing FSA covering take or pay liabilities, practice for procurement of imported coal and action required for optimization of FSA.

#### **Gujarat Energy Transmission Corporation Limited (GETCO)**

The Commission determined transmission charges of Rs.3821.98 / MW/Day for FY 2017-18 based on the truing up of FY 2015-16 and adjustment of Hon'ble APTEL judgments against Rs.4487.86 /MW/Day projected by GETCO.

The Commission directed GETCO to adhere to the approved CAPEX and keep the variation at minimum for the approved CAPEX. GETCO is also directed to have prior concurrence of the Commission for any deviation in capitalization across voltage classes/schemes and also to have prior approval of the Commission while incurring CAPEX in excess of Rs. 50 Crore over the approved capitalization in this MYT order with due justification.

GETCO did not propose any transmission charges for short-term collective transactions in Rs./kWh terms as per GERC (MYT) Regulations, 2016 in accordance with formula specified under the said Regulations. The Commission approved these charges at 33.25 Ps./kWh based on the proportionate energy input in transmission system

considering actuals of FY 2015-16 and transmission loading capacity of FY 2017-18 as submitted by GETCO.

### **State Load Despatch Centre (SLDC)**

The Commission approved Gap of Rs. 1978.00 Lakhs after adjustment of order dated 14.03.2016 of Hon'ble APTEL against Revenue Gap of Rs. 2287.50 Lakh claimed by SLDC. The Commission approved SLDC charges of Rs. 3236.01 Lakh for FY 2017-18 against Rs. 4429.87 Lakh projected by SLDC.

### **DISCOM**

The distribution losses in the distribution networks of the four State Owned distribution companies for the year 2015-16 are given below-

Distribution loss for FY 2015-16

	Approved	Actual
DGVCL	11.50%	9.58%
MGVCL	12.00%	11.64%
PGVCL	23.00%	24.73%
UGVCL	12.00%	11.13%

Total distribution losses of 14.24% is allowed for FY 2017-18 as against actual distribution losses of 15.90% for FY 2015-16.

The Commission approved the consolidated revenue surplus of the four DISCOMs for FY 2015-16 at Rs. 791 Crore against the consolidated revenue gap of Rs. 1051 Crore claimed by them. The main reason for surplus for FY 2015-16 is non consideration of provision of Rs. 1916 crore power purchase cost.

In view of the above, the Commission decided not to modify the existing tariff rates of consumers for FY 2017-18.

The Commission directed Discoms to submit action plan for replacement of defective meters and initiate efforts for reduction in fixed cost liability related to stranded generating stations due to non-availability of fuel or costly fuel by renegotiation of PPAs.

**Torrent Power Limited**

The Hon'ble APTEL through its judgement dated 30-03-2017, remanded back the matter related to Review of Tariff Order dated 31-03-2016 and directed to hear the review petitions afresh and pass appropriate order thereon as early as possible. The Commission decided to issue Tariff Order for MYT Control Period only after issue of appropriate order in review petitions of Tariff Order dated 31-03-2016.

Sd/-  
(Roopwant Singh, IAS)  
Secretary  
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