

GUJARAT ELECTRICITY REGULATORY COMMISSION



Tariff Order

Truing up for FY 2014-15,
Approval of Provisional ARR for FY 2016-17
and Determination of Fees and Charges for FY 2016-17

For

State Load Dispatch Centre (SLDC)

Case No. 1546 of 2015

31st March, 2016

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**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**

GANDHINAGAR

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ABBREVIATIONS

A&G	Administration and General Expenses
ARR	Aggregate Revenue Requirement
CAPEX	Capital Expenditure
CERC	Central Electricity Regulatory Commission
Control Period	FY 2011-12 to FY 2016-17
DGVCL	Dakshin Gujarat Vij Company Limited
DISCOM	Distribution Company
EA	Electricity Act, 2003
EHV	Extra High Voltage
FPPPA	Fuel and Power Purchase Price Adjustment
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GFA	Gross Fixed Assets
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
HT	High Tension
JGY	Jyoti Gram Yojna
kV	Kilo Volt
kVA	Kilo Volt Ampere
kVAh	Kilo Volt Ampere Hour
kWh	Kilo Watt Hour
LT	Low Tension Power
MGVCL	Madhya Gujarat Vij Company Limited
MTR	Mid-term Review
MUs	Million Units (Million kWh)
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operations & Maintenance
PF	Power Factor
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
R&M	Repairs and Maintenance
RLDC	Regional Load Dispatch Centre
SBI	State Bank of India
SLDC	State Load Dispatch Centre
UGVCL	Uttar Gujarat Vij Company Limited
WRLDC	Western Regional Load Dispatch Centre



Before the Gujarat Electricity Regulatory Commission at Gandhinagar

Case No. 1546 of 2015

Date of the Order: 31/03/2016

CORAM

Shri K. M. Shringarpure, Member

Shri. P. J. Thakkar, Member

ORDER

1. Background and Brief History

1.1 Background

This order relates to the petition filed by the State Load Dispatch Centre (hereinafter referred to as SLDC or the "Petitioner") on 11th December, 2015, under Section 62 of the Electricity Act, 2003, read with applicable Gujarat Electricity Regulatory Commission (GERC) Orders and Regulations, including Gujarat Electricity Regulatory Commission (Levy and Collection of Fees and Charges by SLDC) Regulations, 2005 notified on 30th March, 2005 for 'Truing up' of FY 2014-15 and for determination of SLDC fees and charges for the FY 2016-17.

The Commission admitted the petition on 17th December, 2015.



1.2 State Load Dispatch Centre (SLDC)

Government of Gujarat unbundled and restructured the Gujarat Electricity Board with effect from 1st April, 2005. The generation, transmission and distribution businesses of the erstwhile Gujarat Electricity Board were transferred to seven successor companies.

The seven successor companies are listed below:

- i) Gujarat State Electricity Corporation Limited (GSECL) - A Generation Company.
- ii) Gujarat Energy Transmission Corporation Limited (GETCO) - A Transmission Company

Four Distribution Companies:

- iii) Dakshin Gujarat Vij Company Limited (DGVCL)
- iv) Madhya Gujarat Vij Company Limited (MGVCL)
- v) Uttar Gujarat Vij Company Limited (UGVCL)
- vi) Paschim Gujarat Vij Company Limited (PGVCL); and
- vii) Gujarat Urja Vikas Nigam Limited (GUVNL) – A holding company of above named 6 subsidiary companies, responsible for purchase of electricity from various sources and supply to Distribution Companies.

The transmission assets of the erstwhile Gujarat Electricity Board, including the assets related to the State Load Dispatch Centre, were transferred to the newly created entity, GETCO. However, Government of India, Ministry of Power, has initiated steps to de-link the National and Regional / State Load Dispatch Centre, from the Central Transmission Utility (CTU) / State Transmission Utility (STU).

Section 31 (1) of the Electricity Act, 2003, requires the State Government to establish a separate State Load Dispatch Centre (SLDC). Section 31 (2) of the Electricity Act provides that the SLDC shall be operated by a Government company / authority / corporation constituted under any State Act and until such company / authority / corporation is notified by the State Government, the State Transmission Utility (STU) would operate the SLDC. Accordingly, in the State of Gujarat, the STU, viz., Gujarat Energy Transmission Corporation Limited (GETCO), has so far been operating the SLDC.

In pursuance of Government of India initiatives to de-link the operation of SLDC from STU, the Commission, in its MYT Order dated 17th January, 2009, directed that

GETCO may file a separate ARR for SLDC from FY 2009-10. The Commission had directed that GETCO should initiate action to compile the data for filing a separate ARR petition for SLDC for FY 2010-11. As per directives of the Commission, SLDC filed its first ARR Petition for the FY 2009-10.

1.3 Commission's Orders for FY 2009-10 and FY 2010-11

In accordance with the directives of the Commission in the MYT order dated 17th January, 2009, SLDC had filed a separate petition for determination of Annual Revenue Requirement, and SLDC fees and charges for the FY 2009-10 on 27th August, 2009. The Commission issued an order dated 14th December, 2009 approving the ARR and SLDC fees and charges for the FY 2009-10.

SLDC filed a petition for approval of ARR and SLDC fees and charges for the FY 2010-11 on 31st December, 2009. The Commission issued its order on 31st March, 2010 approving the ARR and SLDC fees and charges for the FY 2010-11.

1.4 Commission's MYT Orders for FY 2011-12 to FY 2015-16

SLDC filed a petition for approval of ARR for the MYT period 2011-16 and determination of SLDC fees and charges for the FY 2011-12 on 29th December, 2010. The Commission issued its order on 31st March, 2011 approving the ARR for MYT period FY 2011-12 to FY 2015-16 and SLDC fees and charges for the FY 2011-12.

1.5 Commission's Tariff Orders for FY 2012-13, FY 2013-14 and FY 2014-15

SLDC filed a petition for truing up for FY 2010-11 and determination of SLDC fees and charges for the FY 2012-13 on 25th November, 2011. The Commission, in its Order dated 7th April, 2012, approved the ARR and SLDC fees and charges for FY 2012-13.

SLDC filed a petition for truing up of FY 2011-12 and determination of SLDC fees and charges for FY 2013-14 on 30th November 2012. The Commission in its order dated 28th March 2013, approved the ARR and SLDC fees and charges for FY 2013-14.

1.6 Commission's Orders for Mid-term Review of Business plan for SLDC

SLDC filed its petition for Mid-term Review of Business Plan and revision of ARR for balance years for FY 2014-15 and FY 2015-16 of the control period in terms of Regulation 16.2(i) of GERC (MYT) Regulations, 2011.

The Commission in exercise of the powers vested in it under Section 61, 62 and 64 of the Electricity Act, 2003 and all other powers enabling it in this behalf and after taking into consideration the submissions made by SLDC, the objections by various stakeholders, response of SLDC, issues raised during public hearing and all other relevant material, approved the revised ARR for FY 2014-15 and FY 2015-16 in the Mid-term Review of Business Plan for SLDC on 29th April, 2014.

The Commission issued the order for truing up for FY 2012-13 and determination of SLDC fees and charges for FY 2014-15 on 29th April, 2014 and issued the order for truing up for FY 2013-14 and determination of SLDC fees and charges for FY 2015-16 on 31st March, 2015.

1.7 Background for the present petition

The Commission in its order dated 2nd December, 2015, on the Suo Motu Petition No. 1534/2015 decided that the approved ARR of FY 2015-16 of the licensees / generating companies concerned be considered as provisional ARR of the licensees / generating companies for FY 2016-17.

The Commission also decided that the licensees / generating companies shall file the ARR for FY 2016-17 based on the MYT Regulations for FY 2016-17 to FY 2020-21 and the true-up for the same shall also be governed as per the new MYT Regulations. It is also decided that the licensees / generating companies shall file the petition for determination of ARR and tariff for FY 2016-17 and true-up for FY 2014-15 within 3 weeks from the date of issuance of this order for Commission's consideration and decision.

SLDC has accordingly filed a petition for True-up for FY 2014-15 and provisional SLDC fees and charges for FY 2016-17 to the Commission for approval.

1.8 Admission of Current Petition and Public Hearing

SLDC has filed the current petition for 'Truing up' for FY 2014-15 and determination of SLDC fees and charges for the FY 2016-17 on 11th December, 2015. The Commission admitted the petition on 17th December, 2015 (under Case No. 1546 of 2015).

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

A public notice was published in the following newspapers inviting objections / suggestions from its stakeholders on the ARR petition filed by it.

Sl. No.	Name of the Newspaper	Language	Date of publication
1	The Indian Express	English	24/12/2015
2	Gujarat Samachar	Gujarati	24/12/2015

The petitioner also placed a public notice and the petition on its website (www.sldcguj.com) for inviting objections / suggestions.

The interested parties / stakeholders were asked to file their objections and suggestions on the petition on or before 23rd January, 2016.

The Commission received objections / suggestions from 2 consumers / consumer organizations. The Commission examined the objections / suggestions received and fixed the date for public hearing for the petition on 11th February, 2016 at the Commission's Office, Gandhinagar, and subsequently a communication was sent to the objectors to take part in the public hearing process for presenting their views in person before the Commission. The public hearing was conducted in the Commission's Office in Gandhinagar as scheduled on the above date.

The names of the stakeholders who filed their objections and the objectors who participated in the public hearing for presenting their objections are given below:

Sl. No.	Name of Stakeholders	Participated in the Public Hearing
1	Laghu Udyog Bharati - Gujarat	Yes
2	Utilities Users' Welfare Association (UUWA)	Yes

Details of the main issues raised by the objectors in the submissions in respect to the Petition, along with the response of SLDC and the Commission's views on the response, are given in Chapter 3.

1.9 Contents of the Order

The order is divided into **six** chapters, as under:

1. The **first** chapter provides the background regarding the petitioner, the petition and details of the public hearing process.
2. The **second** chapter provides a summary of the petition.
3. The **third** chapter deals with the Public hearing process including the Objections raised by Stakeholders, SLDC's response and Commission's views on the response.
4. The **fourth** chapter deals with the 'Truing up' for FY 2014-15.
5. The **fifth** chapter deals with the SLDC fees and charges for FY 2016-17.

1.10 Approach of this order

GERC (MYT) Regulations, 2011, provide for 'Truing up' of the previous year, and determination of tariff for the ensuing year. The Commission had approved the ARR for the MYT period FY 2011-12 to FY 2015-16 and SLDC fees and charges for FY 2011-12, vide order dated 31st March, 2011. Subsequently, SLDC fees and charges for FY 2012-13, FY 2013-14, FY 2014-15 and FY 2015-16 were approved by the Commission vide its orders dated 7th April, 2012, 28th March, 2013, 29th April, 2014 and 31st March, 2015 respectively.

SLDC has now approached the Commission with the present petition for 'truing up' of the FY 2014-15, and determination of SLDC fees and charges for the FY 2016-17.

The Commission has undertaken 'Truing up' for the FY 2014-15, based on the submissions of the petitioner and segregated audited annual accounts from the accounts of GETCO. The determination of the fees and charges approved for FY 2015-16 in the Tariff order dated 31st March, 2015, are provisionally considered for FY 2016-17 also, according to the Commission's order dated 2nd December, 2015 in the Suo Motu Petition No. 1534/2015.

2. A Summary of SLDC's Petition

2.1 Introduction

State Load Dispatch Centre (SLDC) submitted a petition seeking approval for 'Truing up' of FY 2014-15 and determination of provisional SLDC fees and charges for the FY 2016-17. SLDC fees and charges are to be recovered from each of the generating companies and other users, as per the Gujarat Electricity Regulatory Commission (Levy and Collection of Fees and Charges by SLDC) Regulations, 2005.

SLDC has computed its Aggregate Revenue Requirement (ARR) for FY 2014-15 as a part of the True-up for FY 2014-15. The Commission had issued order for SLDC fees and charges for FY 2014-15 with effect from 1st May 2014 and hence, the approved ARR for entire FY 2014-15 has been computed as summation of 1/12th of approved ARR of FY 2013-14 and 11/12th of approved ARR for FY 2014-15. SLDC has presented the actual cost components based on audited annual accounts for FY 2014-15.

2.2 Actuals for FY 2014-15 submitted by SLDC

The details of expenses under various heads are given in Table 2.1 below:

Table 2.1: Actuals claimed by SLDC for FY 2014-15

Particulars	FY 2014-15 (Approved- Proportionate)#	FY 2014-15 (Actual)
Operations & Maintenance Expenses	1,312.63	1,345.05
Employee Cost	1,057.52	1,051.11
Repairs & Maintenance	45.32	79.27
Administration & General Charges	209.80	214.67
Interest on Working Capital	33.63	32.69
SLDC Fees & Charges	16.34	10.00
Charges for ULDC & Other related Projects	819.24	563.39
SCADA upgradation charges	442.75	-
Less: Other Income	113.19	205.06
Operating Cost Budget (a)	2,511.40	1,746.07
Depreciation	97.09	192.56
Interest & Finance Charges	74.46	100.91
Return on Equity	67.75	71.88
Total Fixed Costs	239.30	365.35
Less: Expenses Capitalized	-	-
Add: Provision for Tax	13.54	321.88
Capital Cost Budget (b)	252.84	687.23
Total Revenue Budget (a)+(b)	2,764.24	2,433.29

Summation of 1/12th of approved ARR of FY 2013-14 and 11/12th of approved ARR for FY 2014-15



2.3 Proposed SLDC Fees and Charges

SLDC has submitted Proposal for FY 2016-17. The details furnished by SLDC are given in the Table 2.2 below:

Table 2.2: Proposed SLDC Fees and Charges for the FY 2016-17

Sl. No.	Particulars	Unit	FY 2016-17
1	Provisional ARR for FY 2016-17 (same as FY 2015-16)	Rs. Lakh	3047.09
2	Add: Revenue Gap/(Surplus) for FY 2014-15	Rs. Lakh	(385.62)
3	Total Provisional SLDC Charges for FY 2016-17	Rs. Lakh	2661.47
	Grid Connection Fees (Rupees)		10000.00

2.4 Request of SLDC

1. To admit this True-up for FY 2014-15 and determination of provisional SLDC Charges for FY 2016-17.
2. To approve True-up for FY 2014-15 and determination of provisional SLDC charges for FY 2016-17.
3. To allow for full recovery of final SLDC charges for FY 2016-17 to be determined based on the new MYT Regulations post issuance of regulation by GERC and filing of petition by SLDC.
4. To accept the figures in Rupees Lakh, as the figures of SLDC are comparatively smaller than other entities.
5. To grant any other relief as the Commission may consider appropriate.
6. To allow recovery of past costs in line with methodology detailed as per “*APTEL Order dated 30th Nov, 2015 against appeal no. 33 of 2015*” for previous years true-up.
7. To allow recovery of cost components based on methodology allowed in Order as and when issued by the Appellate Tribunal of Electricity against appeal no. 146 of 2015.
8. To allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
9. Pass any other Order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.



3. Brief outline of objections raised, response from SLDC and the Commission's View

3.1 Stakeholders' suggestions / objections, Petitioner's Response and Commission's Observation

In response to the public notice inviting objections / suggestions from stakeholders on the Petition filed by SLDC for Truing up of FY 2014-15 and determination of SLDC Fees & Charges for FY 2016-17 under GERC (MYT) Regulations, 2011, a number of Consumers / organisations filed their objections / suggestions in writing. Some of these objectors participated in the public hearing also. The Commission has addressed the objections / suggestions by the consumer / consumers organisations, the response from the Petitioner and the view of the Commission as given below:

Issue 1: True-up for FY 2014-15 Payment of SLDC Charges by GETCO and GUVNL

Stakeholders view

M/s. Laghu Udyog Bharati, Gujarat has requested for details of how much SLDC charges are paid by GETCO and GUVNL and also the quantum of units and the rate paid thereto

Response of SLDC

The SLDC charges are recovered as per methodology approved by GERC in Tariff Order dated 28.03.2013 (Case No 263 of 2012). SLDC charges are recovered from all Long-Term Open Access consumers / users (LTOA) including wind farms and all Medium-Term Open Access (MTOA) users in the State. SLDC charges are not to be levied on GETCO as it is a Transmission Utility and it is not involved in any long-term buying / sale of power. GUVNL is working on behalf of DISCOMs but SLDC charges are levied on DISCOMs.

Commission's view

SLDC charges are recovered as per the methodology approved by GERC and recovered from users for management of the grid by SLDC.



Issue 2: Data analysis of ARR for FY 2014-15

Stakeholder's view

M/s. Laghu Udyog Bharati, Gujarat has stated that the amount Rs. 2764.24 Lakh shown in ARR for FY 2014-15 is notional against of Rs. 2456.05 Lakh approved in Mid-term review of Tariff Order of GERC. The respondent has pointed out the following discrepancies.

- i. Rs. 308.19 Lakh have been wrongly calculated
- ii. The ARR Gap as per Table 2 is said to be Rs. 385.62 Lakh
- iii. The difference of (i) and (ii) is Rs. 77.44 Lakh
- iv. Revenue from operations as per notes 24 & 25 annual financial report is Rs. 3514.19 Lakh
- v. Total expenses are 2211. 91 Lakh
- vi. The net profit is Rs. 13.028 Crore. This profit is about 48.22% of ARR

The respondent has suggested for a simple method of calculation of SLDC charges as below and requested the Commission to consider the same.

For example: Appropriate units turnover is 80,000 MUs the following are interested parties.

- o GETCO
- o GUVNL
- o DISCOMs & Open excess users

For every unit every power purchaser pays Rs. 1050/MU.

The approximate sum recovered will be Rs. 25.92 Crore.

The ARR of each party to be revised with suitable marginal adjustments as per Tables 29 and 30 of ARR. Net ARR is Rs. 2528.04 Crore. Hence difference surplus is $(2569.8302 - 2528.04) = \text{Rs. } 41.79 \text{ Crore.}$

As per note 26 to 29 of Annual Accounts total expenses are Rs. 2174.705 Crore. Hence the surplus is Rs. 395.11253 Crore.

Response of SLDC

SLDC has computed ARR for 2014-15 as a part of the True-up for FY 2014-15. The Commission has issued orders for SLDC charges for FY 2014-15 with effect from 01.05.2014 and hence the approved ARR for the entire FY 2014-15 has been computed as a summation of 1/12 of the approved ARR for FY 2013-14 and 11/12 of approved ARR for FY 2014-15. SLDC has taken the actual cost of components based on audited annual accounts for FY 2014-15. Further approved figures have been considered as per GERC order no. 1438 of 2015, wherein the ARR of SLDC has been revised to Rs. 3047.09 Lakh from Rs. 2456.05 Lakh. In regard to discrepancies pointed out by the objector, the SLDC has submitted as under:

- i. Figure of Rs. 308.19 Lakh could not be found in SLDC Tariff petition 1546/2015. It is also not disclosed by the objector that the figure is related to which item.
- ii. As per SLDC, the proposed revenue surplus comes at Rs. 385.62 Lakh. The same has been considered as revenue gap by Laghu Udhog Bharati Gujarat.
- iii. The said difference is incomputable; as figure quoted in point (i) is not found in SLDCs proposed ARR.
- iv. Revenue from Operations of Rs. 3514.19 Lakh in SLDC's Final Account also includes income generated from miscellaneous sources and Short-Term Application & Scheduling Charges.
- v. Total expenses, as quoted by Laghu Udhog Bharati Gujarat, of Rs. 2211.91 Lakh is not correct as it does not include taxes paid.
- vi. Net profit as quoted by Laghu Udhog Bharati, Gujarat of Rs. 13.028 Crore is not correct as it is shown as Rs. 12.1377 cr, as per Accounts Statement of SLDC

Further, SLDC Charges are calculated as per methodology approved by GERC in its earlier orders.

Commission's view

The Commission approves the petition after detailed scrutiny and prudence checks as per the provisions of GERC (MYT) Regulations, 2011.

Issue 3: Treatment of Reserve and Surplus Consumer Contribution and Government Grant for Capital Works

Stakeholder's view

M/s. Laghu Udyog Bharati, Gujarat has stated that

- i. The reserve and surplus in the current year is Rs. 444.30129 Crore as against Rs. 3278.5684 Crore. The treatment of Reserve and Surplus amount has not been indicated.
- ii. Why true-up amount of Rs. 104.65 Crore cannot be adjusted against Reserve Surplus
- iii. Treatment of Rs. 1337.67 Crore of Consumer Contribution and Government grant has not been indicated.

Response of SLDC

The treatment of Reserve and Surplus is done as per Companies Act 2013 and GERC Regulations and it is not a component of tariff determination. The figures of Rs. 444.30129 Crore and Rs. 3278.5684 Crore quoted by the objector are not in the SLDC petition. The Reserve and Surplus shown in the SLDC Balance Sheet for FY 2014-15 is Rs. 1134.46 Lakh and the total shareholders fund is Rs. 1827.79 Lakh. In true-up for FY 2014-15 a surplus of Rs. 385.62 Lakh have been shown but not Rs. 104.65 Crore as stated by the objector. SLDC has not received any Consumers Contribution or Government Grant in FY 2014-15.

Commission view

Reserve and Surplus being a Balance Sheet item cannot be related to ARR, which is based on P&L account.

Issue 4: Reduction of interest on Working Capital

Stakeholder's view

M/s. Laghu Udyog Bharati has stated that when the payment of SLDC charges has been made by the users to SLDC with reserve and surplus and depreciation money on hand, no interest and finance charges are required to be considered.

Response of SLDC

The SLDC does not collect SLDC charges in advance from the parties. Invoices are raised after completion of the month and 15 days' time is allowed for payment as per



GERC Regulations 5 of 2005. The question of reduction in interest on working capital does not arise.

Commission's view

The response of SLDC is self-explanatory.

Issue 5: Supply of Power to Distribution Licensee without routing through SLDC

Stakeholder's view

M/s. Utility Users' Welfare Association has stated that;

- i. SLDC is allowing some generators like TPL (Ahmedabad Power Plant) to supply power to Distribution Licensee without routing through SLDC, which is a violation of provision in Electricity Act, 2003. SLDC is losing revenue and the generator is availing undue benefit of fudging their generation and metering data. SLDC should make it clear under what provision of Electricity Act 2003 or Regulation TPL – (APP) is exempted for such device.
- ii. SLDC should not allow power which does not qualify under Merit Order Principle.

Response of SLDC

During the course of hearing, SLDC has submitted that as per Intra-state ABT Order, only intra-state flow of power is monitored by SLDC from the grid operation and management point of view. Torrent being an embedded generator, they do not come under the purview of SLDC.

Commission's view

The response of SLDC is noted.

Issue 6: Selling of power at high cost by SUGEN and other plant

M/s Utility Users' Welfare Association has stated that the variable cost of SUGEN, UNOSUGEN, D-GEN and other gas plants, though their PPAs have not been approved by GERC, are able to sell their power at higher variable cost of more than Rs. 6.50/unit and GSECL, where variable cost is less than Rs. 2.00/unit is forced to keep closed. This is a violation of Section 61 of Electricity Act, 2003 as there is no optimum utilization of the assets created by the hard earned money paid as taxes to the Government by the people of Gujarat.

Response of SLDC

SLDC has not responded.

Commission's view

This issue is not the subject matter of the present petition.



4. True-up for FY 2014-15

4.0 Introduction

This chapter deals with 'Truing up' of FY 2014-15 of SLDC. The Commission has analysed each of the components of Truing up for FY 2014-15 in the following sections.

4.1 Capital Expenditure

SLDC has furnished the capital expenditure of Rs. 955.34 Lakh in the truing up for FY 2014-15 against Rs. 1025 Lakh approved by the Commission in the MTR order. The details are given in the Table below:

Table 4.1: Capital Expenditure claimed for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15
Land Acquisition cost	-	-
Augmentation/ Upgradation of existing Systems	110.00	11.72
Strengthening of communication channels	536.00	3.27
Additional system / Software planning	279.00	909.69
IT Infrastructure	50.00	5.62
SLDC Building development	30.00	3.39
Office Equipment	10.00	21.64
Staff recreation facilities	5.00	0.00
Additional Expenditure	5.00	0.00
Total	1025.00	955.34

Petitioner's Submission

The petitioner has submitted that SLDCs play a vital role as grid operator for the States and are involved round-the-clock operations. The scheduling & despatch of power is carried out on every 15 min. time block basis and any interruptions would have adverse impacts. Further, with the increasing scale of operation on year to year basis and also to support various new challenges envisaged in the forthcoming years, it is required to strengthen & upgrade the existing system to cater to the system demands. Hence, it is imperative for SLDCs to use State of the Art equipment with adequate redundancy provided to safeguard against failures.

Capital expenditure for SLDC mainly consist of projects involving upgradation of software with latest technology to incorporate various changes as per the regulations & accounting methodology. SLDC decided to phase out existing software which has



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become obsolete and same was approved in the Mid-term Review Order. The new software is expected to handle manifold additional usage with minimal manual intervention.

Commission's Analysis

The capital expenditure considered in the ARR for FY 2014-15 in the MTR order dated 29th April, 2014 was Rs. 1025 Lakh. SLDC has reported the capital expenditure incurred as Rs. 955.33 Lakh which is about 93% of the CAPEX considered in the ARR for FY 2014-15. There are no subsidies and grants available to SLDC to finance the CAPEX as verified from the audited annual accounts for FY 2014-15.

The Commission approves the capital expenditure/capitalisation of Rs. 955.33 Lakh in the truing up for FY 2014-15.

SLDC has not submitted any details of funding the CAPEX.

The Commission has observed that there is a net addition of Rs. 955.33 Lakh during FY 2014-15. The CAPEX/capitalisation and funding approved by the Commission are as given in the Table below:

Table 4.2: Approved Capitalisation and funding in the truing up for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Approved in Truing up for FY 2014-15
Capital Expenditure	1025.00	956.29
Capitalisation (net)	820.00	955.33
Debt (70%)	574.00	668.73
Equity (30%)	246.00	286.60

4.2 Operations and Maintenance (O&M) Expenses for FY 2014-15

Petitioner's Submission

The Petitioner has claimed Rs. 1345.05 Lakh towards O&M Expenses for FY 2014-15 against Rs. 1312.63 Lakh approved (proportionate) in the MTR order for FY 2014-15 as shown in the Table below:

Table 4.3: Operations & Maintenance Expenses claimed for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
Employee Cost	1,057.52	1,051.11	6.41
Repairs & Maintenance	45.32	79.27	(33.95)
Administration & General Expense	209.80	214.67	(4.87)
Total	1,312.63	1,345.05	(32.41)



Employee cost

The petitioner has claimed Rs. 1051.11 Lakh towards actual Employee cost in the Truing up for FY 2014-15, against Rs. 1057.52 Lakh approved for FY 2014-15 in the MTR order for FY 2014-15.

R&M Expenses

The Petitioner has claimed Rs. 79.27 Lakh in the truing up for FY 2014-15 against Rs. 45.32 Lakh approved for FY 2014-15 in the MTR order for FY 2014-15.

SLDC has submitted that Repairs & Maintenance (R&M) expenses have been incurred on account of maintaining the asset quality given the ageing of equipment.

The ULDC charges which are part of R&M expenses in the P&L accounts have been negated to arrive at the R&M expenses for FY 2014-15 as the expenses related to ULDC have been considered under a separate head.

The actual R&M expenses for FY 2014-15 have increased due to revision in AMC Charges and supply contact multiplying relay (CMR) and purchase of cables. The variation in R&M expenses for FY 2013-14 & 2014-15 is Rs. 26.88 Lacs. The petitioner has requested the Commission to approve the same.

A&G Expenses

The Petitioner has claimed Rs. 214.67 Lakh towards actual A&G Expenses in the truing up for FY 2014-15 against Rs. 209.80 Lakh approved for FY 2014-15 in the MTR order for FY 2014-15.

SLDC has submitted that these expenses mainly comprise of conveyance and travel, legal charges, telephone charges, electricity charges etc. The A&G expenses shown in the P&L account is inclusive of RLDC fees & charges and therefore, the same has been negated from the A&G expenses as RLDC charges have been considered under a separate head.

Commission's Analysis

The Commission has examined the submission made by SLDC. The O&M expenses claimed in the truing up are verified with the audited annual accounts for FY 2014-15 and found to be correct as detailed in the Table below:

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Table 4.4: Operations & Maintenance Expenses approved for FY 2014-15

(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
Employee Cost	1074.82	1,051.11	1051.11
Repairs & Maintenance	45.32	79.27	79.27
Administration & General Expense	204.03	214.67	214.67
Total	1324.17	1,345.05	1345.05

The Commission approves the O&M expenses at Rs. 1345.05 Lakh in the Truing up for FY 2014-15.

4.3 Depreciation for FY 2014-15

Petitioner's Submission

The petitioner has claimed Rs. 192.56 Lakh towards depreciation for FY 2014-15, against Rs. 97.09 Lakh (proportionate basis) approved by the Commission for FY 2014-15. SLDC has submitted that higher depreciation is mainly due to higher capitalisation of CAPEX in FY 2014-15 and also due to calculation of depreciation as per the new Companies Act, 2013. The depreciation claimed by SLDC for FY 2014-15 and the depreciation as approved for the year in MTR order are given in the Table below:

Table 4.5: Depreciation claimed in the truing up for FY 2014-15

(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in the true-up for FY 2014-15	Deviation +/-
Depreciation	97.09	192.56	(95.47)

Commission's Analysis

The actual depreciation, as per the audited accounts is Rs. 271.87 Lakh. However, SLDC has charged Rs. 79.31 Lakh to Retained Earnings in accordance with transitional provisions of Schedule II of the Companies Act, 2013 and balance amount of Rs. 192.56 Lakh has been claimed as depreciation for the year. This is in accordance with GERC (Levy and Collection of Fees and Charges by SLDC) Regulations, 2005.

The Commission accordingly approves the depreciation at Rs. 192.56 Lakh in the truing up for FY 2014-15 as per the audited annual accounts as detailed in the Table below:



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Table 4.6 Approved depreciation for FY 2014-15

Particulars	(Rs. Lakh)		
	Approved for FY 2014-15 in MTR order	Actual claimed in Truing up for FY 2014-15	Approved in the Truing up for FY 2014-15
Depreciation	94.09	192.56	192.56

4.4 Interest and Finance charges for FY 2014-15

Petitioner's Submission

The petitioner has claimed Rs. 100.91 Lakh towards interest and finance charges in the Truing up for FY 2014-15, as against Rs. 74.46 Lakh (proportionate basis) approved for FY 2014-15 in the MTR order. SLDC has submitted that the addition in loans for FY 2014-15 is derived based on opening and closing loans as per accounts. The interest is determined based on the actual interest cost of SLDC and the notional debt of SLDC viz. 11.78%

The details of interest and finance charges approved in the MTR order for FY 2014-15 and actuals now claimed by SLDC are given in Table below:

Table 4.7 Interest and Finance charges claimed in truing up for FY 2014-15

Particulars	(Rs. Lakh)		
	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
Opening Loans	408.05	479.96	(71.91)
Loan Additions during the Year	574.00	595.54	72.55
Repayment during the Year	94.09		
Closing Loans	887.96	1,075.50	(187.54)
Average Loans	648.00	777.73	(129.73)
Interest on Loan	69.85	91.62	(21.77)
Other Finance Charges	-	9.29	(9.29)
Total Interest & Financial Charges	69.85	100.91	
Total Interest & Financial Charges (Proportionate basis)	74.46	100.91	(26.44)
Weighted Average Rate of Interest on Loan	10.78%	11.78%	

Commission's Analysis

The Commission has examined the details of opening loans, additions and repayment during FY 2014-15. SLDC has furnished the net addition of loan at Rs. 595.54 Lakh for FY 2014-15.

The Commission has observed that there is a net addition of Rs. 955.33 Lakh of assets during FY 2014-15, as per the audited annual accounts.



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The Commission approves the debt-equity ratio of 70:30 in the truing up. GETCO has submitted the weighted average rate of interest as 11.78% based on its actual loan portfolio. Interest on loans therefore has been considered at 10.48% for SLDC in line with GETCO. The Commission has however considered the repayment of loan as equivalent to the depreciation approved in line with the GERC (MYT) Regulations, 2011. The other finance charges of Rs. 0.07 Lakh are verified as per audited annual accounts. The interest and finance charges are worked out as detailed in Table below:

Table 4.8: Approved Interest and Finance charges for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
Opening Loans	408.05	479.96	311.46
Addition During Year	574.00	595.54	668.73
Repayments During the Year	94.09		192.56
Closing Loans	887.96	1075.50	787.63
Average Loans	648.00	777.73	549.55
Interest on Loans	69.85	91.62	57.59
Other Interest Charges	-	9.29	0.07
Rate of interest	10.78%	11.78%	10.48%
Total Interest & Finance Charges	69.85	100.91	57.66

The Commission, accordingly, approves the interest and finance charges at Rs. 57.66 Lakh in the truing up for FY 2014-15.

4.5 Return on Equity for FY 2014-15

The petitioner has claimed Rs. 71.88 Lakh towards return on equity in the Truing up for FY 2014-15, as against Rs. 67.75 Lakh (proportionate basis) approved in the MTR order for FY 2014-15. The details of Return on Equity approved in the MTR order for FY 2014-15 and actuals now claimed by SLDC in truing up for FY 2014-15 are given in Table below:

Table 4.9: Return on Equity claimed in the truing up for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
Opening Equity Capital	342.51	333.53	8.98
Addition During the Year	246.00	359.80	(113.80)
Closing Equity	588.51	693.33	(104.82)
Average equity	465.51	513.43	(47.92)
Rate of Return on Equity	14%	14%	
Return on Equity	65.17	71.88	
Return on Equity (Proportionate basis)	67.75	71.88	(4.13)



Petitioner’s Submission

The petitioner has submitted that actual equity addition as per accounts has been considered for FY 2014-15 for calculation of return on equity and rate of return on equity is considered as 14% per annum as per Regulations.

Commission’s Analysis

The Commission has observed that there is a net addition of Rs. 955.33 Lakh of assets during FY 2014-15. The Commission has taken the closing equity of FY 2013-14 as the opening equity for FY 2014-15 and considered new addition of assets of Rs. 955.33 Lakh for SLDC during FY 2014-15 and allowed normative equity addition of Rs. 286.60 Lakh towards 30% of capitalization of Rs. 957.33 Lakh approved for FY 2014-15. The return on Equity has been calculated at the rate of 14%. The details are given in Table below:

Table 4.10: Approved Return on Equity for FY 2014-15

	(Rs. Lakh)		
Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
Opening Equity Capital	342.51	333.53	264.33
Addition / (Deduction) during the year	246.00	359.80	286.60
Closing Equity	588.51	693.33	550.93
Average equity	465.51	513.43	407.63
Rate of Return on Equity	14%	14%	14%
Return on Equity	65.17	71.88	57.07

The Commission, accordingly, approves the return on equity at Rs. 57.07 Lakh in the Truing up for FY 2014-15.

4.6 Interest on working capital for FY 2014-15

Petitioner’s Submission

The petitioner has submitted that interest on working capital for FY 2014-15 is computed at Rs. 32.69 Lakh, as against the amount of Rs. 33.63 Lakh (proportionate basis) approved in the MTR order for FY 2014-15. SLDC has submitted that interest on working capital has been worked out on normative basis as per the norms specified under the Regulations for the “Levy and collection of SLDC charges and fees” 2005. The interest on working capital is claimed at 14.75%, being the prime lending rate (PLR), as on 1st April 2014 in line with the regulations.



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Table 4.11: Interest on working capital claimed for FY 2014-15

(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
O&M expenses (1 Month)	110.35	112.09	(1.74)
Maintenance Spares (1% of opening GFA)	10.74	8.14	2.61
Receivables (15 days)	117.04*	101.39	15.65
Total Working Capital	238.13	221.61	16.52
Rate of Interest on Working Capital	14.45%	14.75%	
Interest on Working Capital	34.40	32.69	
Interest on Working Capital (Proportionate basis)	33.63	32.69	(0.94)

* The receivables have been modified as per Order on petition no. 1438 of 2014 dated 7th November, 2014.

Commission's Analysis

The Commission has examined the submissions made by the petitioner. Interest on working capital is to be allowed on normative basis, as per the Regulations. The working capital comprises of one month's O&M expenses, maintenance spares at 1% of opening GFA and receivables equivalent to 15 days of expected revenue from SLDC fees and charges for FY 2014-15.

SLDC has submitted that it has considered the rate of interest of 14.75% as per State Bank Advance Rate (SBAR) Rate as on 1st April 2014 in accordance with Clause 41.2 (b) GERC (MYT) Regulations, 2011.

Based on the O&M expenses and other expenses now approved in the Truing up, the working capital and interest thereon are recalculated at 14.75%, i.e. SBAR as on 1st April 2014, as detailed in Table below:

Table 4.12: Approved Interest on working capital for FY 2014-15

(Rs. Lakh)

Particulars	Approved in the Review order 1438/2014 for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
O&M Expenses (1 month)	110.35	112.09	112.09
Maintenance and Spares (1% of Opening GFA)	10.74	8.14	8.14
Receivables (15 days)	117.04	101.39	43.65
Total Working Capital	238.13	221.61	163.88
Rate of Interest	14.45%	14.75%	14.75%
Interest on working capital	34.40	32.69	24.17



The Commission, accordingly, approves the interest on working capital at Rs. 24.17 Lakh for the Truing up for FY 2014-15.

4.7 RLDC Fees for FY 2014-15

Petitioner's Submission

The petitioner has claimed the RLDC fees at Rs. 10.00 Lakh in the truing up for FY 2014-15, as detailed in Table below:

Table 4.13: RLDC charges, ULDC charges & WAM charges claimed for FY 2014-15
(Rs. Lakh)

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
RLDC Fees and Charges	16.34	10.00	6.34

Commission's Analysis

The Commission has examined the annual accounts of SLDC to verify the RLDC fees claimed in the petition. The RLDC charges are Rs. 10.00 (224.67-214.67) Lakh as per annual accounts. The RLDC fee has been included in the A&G expenses in the annual accounts. The details are given in the Table below:

Table 4.14: Approved RLDC charges for FY 2014-15

Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
RLDC Fees and Charges	16.46	10.00	10.00

The Commission approves the RLDC fees at Rs. 10.00 Lakh in the truing up for FY 2014-15.

4.8 ULDC charges for FY 2014-15

The petitioner has claimed Rs. 563.39 Lakh towards charges for ULDC and other related projects in the truing up for FY 2014-15 against Rs. 1261.99 Lakh (proportionate basis) approved in the MTR order for FY 2014-15 as detailed in the Table below:

Table 4.15: Charges of ULDC & Other projects for FY 2014-15

Sl. No.	Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
1	Central Portion - Recovery of ULDC charges	478.61	282.72	195.89
2	State Portion - Recovery of Capital Charges	197.70	114.41	83.29



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Sl. No.	Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
3	Annual Maintenance Charges	112.84	161.11	(48.27)
4	Maintenance for Wideband Communication	28.42	5.15	23.27
5	Total ULDC charges	817.57	563.39	254.18
6	SCADA Upgradation charges	483.00	0.00	483.00
7	ULDC & SCADA Upgradation Charges	1,300.57	563.39	
8	ULDC & SCADA Upgradation Charges (Proportionate basis)	1,261.99	563.39	698.60

Petitioner's Submission

ULD&C Charges

The Petitioner has submitted that CERC has issued order for approval of charges for Unified Load Dispatch & Communication Scheme in Western Region for the period from 1.2.2006. Accordingly, the Central portion charges shall be shared by beneficiaries/constituents in Western Region in the ratio of central generating capacity allocation, including the allocation from unallocated capacity from the Central Generating Stations. Inter-regional export/import of power, whether bilateral or multilateral, would not affect the sharing of charges for Unified Scheme. The State portion charges shall be shared by the states in proportion to respective capital cost as on 31.03.2006.

In the 8th meeting of WRPC held on 12th September, 2008, WRLDC had intimated that ULDC project was under extended AMC period up to 31.05.2009 and stressed the need for going in for a comprehensive Long Term Service Agreement (LTSA). In this connection, it was informed to the committee that M/s. GE had submitted offer to take up AMC which broadly covered the scope of SCADA/EMS/DTS software as well as hardware of SLDC/Sub-LDCs. Subsequently, negotiation committee was formed and deliberated on various options & aspects. It was also agreed by all committee members of WR including SLDC-Gujarat in 10th meeting that WRLDC/PGCIL would go ahead with awarding of maintenance of SCADA/EMS system in Western Region to M/s GE and LTSA arrangements with them. Accordingly, the aforesaid annual maintenance contract is commenced from 14th August, 2009. Percentage sharing of GETCO is also decided as 17.36% as per agreement executed with POWERGRID.

Existing SCADA/EMS software has been installed and commissioned since 2004 and now it is necessary to upgrade/expansion of the existing SCADA system software with advanced technology. As the hardware are at end of life cycle and needs up-



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gradation/replacement, it was decided in 16th WRPC meeting to phase out the existing ULDC system at the end of 5 year LTSA (i.e. by date 14th Oct. 2014). Also the new and old ULDC would operate in parallel for a year so as to evaluate the new system for its stability and reliability. A paradigm shift is expected in the SCADA/EMS system methodology as new regulations like WIND Generation forecasting, REC mechanism, POC charges, incorporation of WIND/SOLAR generation, increase in Open Access Users are SLDC's forthcoming challenges. Hence, this may lead to expansion/up-gradation SCADA/EMS system with high standard in terms of latest technology, handling large volume of data storage, its processing for various reports, high speed data retrieval, high accuracy and elevated security, etc. Keeping the ULDC philosophy, on request of constituents of Western Region, WRLDC has proposed the up-gradation/replacement of existing SCADA/EMS system. With the increased complexity of grid and advancement of IT system it is utmost necessary to adopt the latest available software/hardware for the SCADA system.

SCADA upgradation is still in progress and same is expected to be completed by March 2016. Hence, bill is not received in FY 2014-15 and as a result the same could not be accounted in the books.

The ULDC charges have been accounted as per the actual bills received.

Commission's Analysis

The Commission approves the ULDC and SCADA Upgradation charges at Rs. 563.39 Lakh as per Audited Account in the truing up for FY 2014-15.

4.9 Other Business Income for FY 2014-15

SLDC has furnished the actual Other Income at Rs. 205.06 Lakh in the Truing up for FY 2014-15, as against Rs. 113.19 Lakh approved in the MTR order for FY 2014-15, as detailed in Table below:

Table 4.16: Revenue from Other Income claimed for FY 2014-15

Sl. No.	Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-)
1	Interest on Staff Loans & Advances		12.17	
2	Miscellaneous Receipts		192.15	
3	Others		0.74	
	Total	113.19	205.06	(91.87)



Petitioner’s Submission

The petitioner has submitted that SLDC is earning revenue from sources other than the core business activities and hence, income from “other Business income” is deducted from the ARR to arrive at the net ARR of the SLDC.

As per the Judgment on “Appeal No. 33 of 2015 dated 30th November, 2015”, the Appellate Tribunal for Electricity (APTEL) has stated that the income from scheduling and system operation charges shall not be treated as an “other Business income” unless and until specified in the relevant regulations. The relevant section of the order is reproduced as under:

“If the charges under Regulation 4 (xviii) cannot be adjusted at the time of determination of the revenue requirements in the initial stage, there cannot be any adjustment at the stage of truing up.”

In view of the above judgement, SLDC requests the Commission not to consider the Short-Term Open Access (STOA) revenues as “Other Business Income”.

Commission’s Analysis

The Commission, after detailed examination of the audited annual accounts for FY 2014-15, found that the Other Income of SLDC is Rs. 1524.19 Lakh, which includes Rs. 12.17 Lakh towards interest on staff loans & advances and Rs. 192.15 Lakh towards miscellaneous receipts. The Commission observed that the petitioner has not considered the other operating revenue of Rs. 1086.50 Lakh in the Other Income. As per 1st amendment GERC (Levy and Collection of Fees and Charges by SLDC) (First Amendment) Regulations, 2016, the Scheduling and System Operation charges are to be considered while truing up. Further, the petitioner has not considered prior period income of Rs. 233.37 Lakh as non-tariff income. The Commission considers the other income at Rs. 1524.19 Lakh towards other income as detailed in the table below:

Table 4.17: Approved Revenue from Other Income for FY 2014-15

Sl. No.	Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
1	Interest on Staff Loans & Advances		12.17	11.15
2	Interest on advance to other		-	1.02
2	Miscellaneous Receipts		192.15	192.15
3	Scheduling Charges		-	-



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Sl. No.	Particulars	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Approved in Truing up for FY 2014-15
4	Other Operating Revenue		0.74	1086.50
5	Prior period income		-	233.37
6	Grid Connection Fee		-	-
	Total	459.58	205.06	1524.19

The Commission approves the Other Income at Rs. 1524.19 Lakh in the Truing up for FY 2014-15.

4.10 Income Tax for FY 2014-15

SLDC has furnished the income tax paid at Rs. 321.88 Lakh in the Truing up for FY 2014-15, as detailed in Table below:

Table 4.18: Provision for Taxation claimed for FY 2014-15

Particulars	(Rs. Lakh)		
	Approved in the MTR order for FY 2014-15	Claimed in truing up for FY 2014-15	Deviation +/-
Income Tax (Proportionate basis)	13.54	321.88	(308.34)

Petitioner's Submission

The Petitioner has submitted that tax on the income streams is computed as an expense and is to be recovered from the beneficiaries. GETCO makes the consolidated tax payment including SLDC.

Commission's Analysis

The Commission has verified the tax as claimed by SLDC from the audited annual accounts and found that it has made provision of Rs. 321.88 Lakh towards income tax.

The Commission approves the income tax Rs. 321.88 Lakh in the truing up for the FY 2014-15, as given in Table below:

Table 4.19: Approved income tax for FY 2014-15

Particulars	(Rs. Lakh)		
	Approved in the MTR order for FY 2014-15	Actual expenses for FY 2014-15	Approved in Truing up for FY 2014-15
Income Tax	13.03	321.88	321.88



4.11 Proposed and approved fixed costs for FY 2014-15

The fixed charges approved in the MTR order for FY 2014-15, claimed by SLDC in truing up and approved by the Commission, are summarised in the Table below:

Table 4.20: Approved fixed costs in Truing up for FY 2014-15

(Rs. Lakh)

Sl. No.	Annual Revenue Requirement	Approved in the Review Order 1438/2014 for FY 2014-15	Claimed in Truing up for FY 2014-15	Approved in Truing up for FY 2014-15
1	O&M Expense	1324.17	1345.05	1345.05
1.1	Employee Cost	1074.82	1051.11	1051.11
1.2	R&M Cost	45.32	79.27	79.27
1.3	A&G Cost	204.03	214.67	214.67
2	Interest on Working Capital	34.30	32.69	24.17
3	WRPC/RLDC Fees and charges	16.46	10.00	10.00
4	ULDC Charges	817.57	563.39	563.39
5	SCADA Upgradation	483.00	0.00	0.00
6	Less: Other Income	108.72	205.06	1524.19
7	Operating Cost Budget (a)	2566.88	1746.07	418.42
8	Depreciation	94.09	192.56	192.56
9	Interest & Finance Charges	69.85	100.91	57.66
10	Return on Equity	65.17	71.88	57.07
11	Total Fixed Costs (8+9+10)	229.11	365.35	307.29
12	Less: Expenses Capitalised	0.00	0.00	0.00
13	Add: Provision for tax	13.03	321.88	321.88
14	Capital Cost Budget (b)	242.14	687.23	629.17
15	Total Revenue Budget (a+b)	2809.92	2433.29	1047.59

4.12 Revenue Gap for FY 2014-15

Petitioner's Submission

The petitioner has estimated a revenue surplus of Rs. 385.62 Lakh during FY 2014-15, as given in Table below:

Table 4.21: Revenue Gap / (Surplus) claimed for FY 2014-15

(Rs. Lakh)

Sl. No.	Particulars	FY 2014-15
1	ARR for FY 2014-15 after truing up	2433.29
2	Add: Revenue Gap/(Surplus) approved in truing up for FY 2012-13	(595.54)
3	Total ARR for FY 2014-15	1837.75
4	Revenue from SLDC Charges	2223.37
5	Revenue Gap/(Surplus) for FY 2014-15	(385.62)

The Petitioner has requested the Commission to approve the revised ARR and consider the revenue surplus for FY 2014-15 while deciding the Tariff for the FY 2016-17.



Commission's Analysis

The GERC (Levy & Collection of Fees and Charges by SLDC) Regulations, 2005, do not provide for the computation of gains and losses for SLDC. Accordingly, the revised ARR for SLDC has been arrived at, taking into consideration the expenses and Other Income approved in the truing up for FY 2014-15, based on the audited annual accounts submitted by SLDC.

The Commission has considered gap of Rs. 306.82 Lakh pertaining to FY 2012-13 based on a consequential order issued to implement Hon'ble APTEL Judgment dated 30.11.2015 in Appeal No. 33 of 2015.

The revenue (gap) / surplus approved by the Commission for FY 2014-15 is summarised in the Table below:

Table 4.22: Approved Revenue (Gap)/Surplus for FY 2014-15
(Rs. Lakh)

Sl. No.	Particulars	FY 2014-15
1	Approved Fixed Charges in Truing up	1047.59
2	Add: Revenue Gap pertaining to FY 2012-13 as per Consequential orders in compliance of the Hon'ble APTEL in judgment dated 30.11.2015 in Appeal No. 33 of 2015	306.82
3	Net ARR of FY 2014-15	1354.41
4	Revenue from SLDC Charges	2223.37
5	Revenue (Gap)/Surplus for FY 2014-15	868.96

The Commission approves the revenue surplus of Rs. 868.96 Lakh in the truing up for FY 2014-15.



5. Determination of Fees and charges for FY 2016-17

5.1 Introduction

This Chapter deals with the revised Capital Expenditure and revised ARR for determination of SLDC fees and charges for the FY 2016-17. The Commission has considered the ARR approved in the Review Order no 1438/2014 dated 7th November, 2014 for FY 2015-16 as provisional ARR for FY 2016-17 and the adjustment on account of truing up for FY 2014-15, while determining the SLDC fees and charges for FY 2016-17.

5.2 Revised ARR claimed and approved for FY 2016-17

Based on the above approach the table given below summarises the provisional ARR approved for SLDC for FY 2016-17.

Table 5.1: Provisional ARR approved for FY 2016-17
(Rs. Lakh)

Particulars	Provisional ARR for FY 2016-17
O&M Expense	1399.91
Employee Cost	1136.30
R&M Cost	47.91
A&G Cost	215.70
Interest on Working Capital	37.94
WRPC/RLDC Fees and charges	18.10
ULDC Charges	820.42
WAM charges	0.00
SCADA Upgradation	483.00
Less: Other Income	108.72
Operating Cost Budget (a)	2650.65
Depreciation	150.20
Interest & Finance Charges	123.46
Return on Equity	102.33
Less: Expenses Capitalised	0.00
Add: Provision for tax	20.45
Capital Cost Budget (b)	396.44
Total ARR (a+b)	3047.09

The SLDC fees and charges proposed by the petitioner and as approved by the Commission for FY 2016-17 as given in the Table below:



State Load Dispatch Centre
Truing up for FY 2014-15, Approval of Provisional ARR for FY 2016-17
and Determination of Fees and Charges for FY 2016-17

Table 5.2: Approved SLDC Fees & Charges for the FY 2016-17

Particulars	Projected by SLDC	Approved by the Commission
ARR approved for FY 2016-17	3047.09	3047.09
Less: Revenue Surplus approved in truing up for FY 2014-15	385.62	868.96
Total SLDC Charges	2661.47	2178.13
Grid Connection Fees (Rupees)	10000	10000

The Commission, accordingly, approves the annual charges of SLDC at Rs. 2178.13 Lakh for the FY 2016-17, and the grid connection fees at Rs. 10,000/- (Rupees Ten thousand only). The total annual SLDC Charges, as approved above, shall be recoverable in 12 equal monthly instalments according to the formula approved by the Commission in the order dated 28th March, 2013.



COMMISSION'S ORDER

The Commission approves SLDC charges, as indicated below, for FY 2016-17.

SLDC Fees & Charges for the FY 2016-17

Particulars	Unit	Amount
ARR approved for FY 2016-17	Rs. Lakh	3047.09
Less: Revenue Surplus approved in truing up for FY 2014-15	Rs. Lakh	868.96
Total SLDC Charges	Rs. Lakh	2178.13
Grid Connection Fees	Rupees	10000

This order shall come into force with effect from 1st April, 2016.

Sd/-

P. J. THAKKAR
Member

Sd/-

K. M. SHRINGARPURE
Member

Place: Gandhinagar
Date: 31/03/2016

