

GUJARAT ELECTRICITY REGULATORY COMMISSION



Multi Year Tariff Order: Truing up for 2009-10,
Annual Performance Review for 2010-11,
Aggregate Revenue Requirement for MYT Period
2011-16 and Determination of Fees and
Charges for 2011-12

For

State Load Despatch Centre (SLDC)

Case No.1063 of 2011

31st March 2011

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**GUJARAT ELECTRICITY REGULATORY COMMISSION
(GERC)**

AHMEDABAD

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ABBREVIATIONS

ALDC	Area Load Despatch Centre
AMC	Annual Maintenance Charge
APR	Annual Performance Review
ARR	Aggregate Revenue Requirement
Capex	Capital Expenditure
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
Ckt. Km.	Circuit Kilometer
COH	Capital Overhauling
CPP	Captive Power Plant
CUF	Capacity Utilization Factor
DGVCL	Dakshin Gujarat Vij Company Limited
FY	Financial Year
GEB	Gujarat Electricity Board
GERC	Gujarat Electricity Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GoG	Government of Gujarat
GSECL	Gujarat State Electricity Corporation Limited
GUVNL	Gujarat Urja Vikas Nigam Limited
KV	Kilo Volt
KWh	Kilo Watt Hour
LTOA	Long-Term Open Access
MGVCL	Madhya Gujarat Vij Company Limited
MVA	Mega Volt Ampere
MW	Mega Watt
MYT	Multi-Year Tariff
O&M	Operation & Maintenance
PGCIL	Power Grid Corporation of India Limited
PGVCL	Paschim Gujarat Vij Company Limited
PPA	Power Purchase Agreement
PX	Power Exchange
R & M	Renovation & Modernization
R E	Revised Estimates
REA	Regional Energy Account
RLDC	Regional Load Despatch Centre
SCADA	Supervisory Control And Data Acquisition
SEA	State Energy Account
SLDC	State Load Despatch Centre
STOA	Short-Term Open Access
UGVCL	Uttar Gujarat Vij Company Limited
ULDC	Unified Load Despatch and Control
UI	Unscheduled Interchange
WAM	Wide Area Management
WRLDC	Western Regional Load Despatch Centre
WRPC	Western Region Power Committee



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**Before the Gujarat Electricity Regulatory Commission
at Ahmedabad**

Case No. 1063 of 2011

Date of the Order : 31.03.2011

CORAM

Dr. P. K. Mishra, Chairman
Shri Pravinbhai Patel, Member
Dr. M. K. Iyer, Member

ORDER

1. Background and Brief History

1.1 Background

This order relates to the petition filed by the State Load Despatch Centre (herein after referred to as SLDC or the “Petitioner”) on 29th December 2010 for ‘Truing up’ of FY 2009-10, Annual Performance Review (APR) for FY 2010-11, determination of Aggregate Revenue Requirement (ARR) for FY 2011-12 to FY 2015-16 and for determination of SLDC fees and charges for the FY 2011-12, under Sections 61 to 64 of the Electricity Act, 2003 read with applicable Gujarat Electricity Regulatory Commission (GERC) guidelines and Regulations including Gujarat Electricity Regulatory Commission (levy and collection of fees and charges by SLDC) Regulations, 2005 notified on 30th March 2005.

The Commission did a technical validation of the petition and admitted the petition on the 3rd January, 2011.



1.2 State Load Despatch Centre (SLDC)

The 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:

- i) Dakshin Gujarat Vij Company Limited (DGVCL)
- ii) Madhya Gujarat Vij Company Limited (MGVCL)
- iii) Uttar Gujarat Vij Company Limited (UGVCL)
- iv) Paschim Gujarat Vij Company Limited (PGVCL); and
- v) Gujarat Urja Vikas Nigam Limited (GUVNL) – A holding company and is also 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 Despatch Centre were transferred to the newly created entity, GETCO. However, the Government of India, Ministry of Power has initiated steps to de-link the National / State Load Despatch Centres, 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 Despatch 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 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 separate ARR for SLDC from FY 2009-10. The Commission had directed that the GETCO should initiate action to compile the data for filing separate ARR petition for SLDC for FY 2009-10. Though the SLDC has not yet been created as a separate legal entity, the first ARR Petition was filed by SLDC for the FY 2009-10.

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

In accordance with the direction of the Commission in the MYT order dated 17th January, 2009, the GETCO 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 had issued order dated 14th December, 2009 approving the ARR and SLDC fees and charges for the FY 2009-10.

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

1.4 Admission of Current Petition and Public Hearing

The SLDC has filed the current petition for 'Truing up' for FY 2009-10, Annual Performance Review for FY 2010-11, determination of Annual Revenue Requirement (ARR) for the control period FY2011-12 to FY2015-16 and determination of SLDC fees and charges etc., for the FY 2011-12 on 29th December 2010. The Commission undertook a technical validation of the petition submitted by SLDC and admitted the petition on 3rd January, 2011 (under Case No.1063 of 2011). The SLDC has also communicated the petition to the Generating Companies, Licensees and other beneficiaries.

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

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

State Load Despatch Centre
Truing Up for 2009-10, APR for 2010-11, ARR for 2011-16, Determination of Fees and Charges
for 2011-12

Sr. No.	Name of the Newspaper	Language	Date of publication
1	Sandesh	Gujarati	7 th January, 2011
2	Indian Express	English	8 th January, 2011

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

The interested parties / stakeholders were asked to file their objections and suggestions on the petition on or before 7th February, 2011. However, the SLDC / Commission have not received objections / suggestions from any one.

1.5 Contents of the Order

The order is arranged into **seven** 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 the summary of ARR petition of the petitioner for the control period.
3. The **third** chapter provides details of the activities of SLDC
4. The **fourth** chapter deals with the 'Truing up' for FY 2009-10
5. The **fifth** chapter deals with Annual Performance Review for FY 2010-11.
6. The **sixth** chapter deals with the Annual Revenue Requirement of SLDC for the control period - FY 2011-12 to FY 2015-16 and SLDC fees and charges for FY 2011-12
7. The **seventh** chapter deals with Compliance of Directives

1.6 Approach of this order

The Multi-Year Tariff Regulations, 2007 provide for 'Truing up' of the previous year, Annual Performance Review (APR) for the current year and determination of tariff for the ensuing year. The Commission had approved the ARR and SLDC fees and charges for FY 2009-10 and FY 2010-11 vide orders dated 14th December, 2009 and order dated 31st March, 2010 respectively.

The SLDC has now approached the Commission with the present petition for 'truing up' of the FY 2009-10, the annual performance review for the year 2010-11 and determination of ARR for the period FY 2011-12 to FY 2015-16 and determination of SLDC fees and charges for the FY 2011-12.



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In this order the Commission has considered the 'Truing up' for the FY 2009-10, the annual performance review for the FY 2010-11 and determination of ARR for the period FY 2011-12 to FY 2015-16 and determination of the SLDC fees and charges for the FY 2011-12 and issued these orders.

The Commission has now undertaken 'Truing up' for the FY 2009-10, annual performance review for FY 2010-11, based on the submissions of the petitioner. However, the Commission has undertaken the computation of gains and losses for the FY 2009-10 based on the segregated accounts from the audited annual accounts of GETCO made available. The Commission has not undertaken the computation of gains and losses for the FY 2010-11 as the segregated accounts and audited accounts of GETCO are not available. The computation of gains and losses would be undertaken for the FY 2010-11 based on submission of such accounts by the petitioner during the FY 2011-12, while finalizing the tariff order for FY 2012-13.

The truing up for the FY 2009-10 and annual performance review for FY 2010-11 have been considered based on the MYT Regulations-2007 and Gujarat Electricity Regulatory Commission (levy and collection of fees and charges by SLDC) Regulations, 2005. The determination of ARR for the period FY 2011-12 to FY 2015-16 and the determination of the fees and charges for FY 2011-12 have been considered as per GERC (Multi-Year Tariff) Regulations 2011 and Gujarat Electricity Regulatory Commission (levy and collection of fees and charges by SLDC) Regulations, 2005. The first draft of GERC (Multi-Year Tariff) Regulations along with the discussion paper was circulated to all the stakeholders on 14th December, 2010. Based on the comments / suggestions received from the stakeholders the Commission has notified these Regulations as GERC (Multi-Year Tariff) Regulations 2011 on 22nd March, 2011.

The Regulation 1.4 (a) of these Regulations, 2011 reads as under:

"These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from 1st April 2011 and onwards".



Chapter 2

Summary of SLDC ARR and Tariff Petition for FY 2011-12 to FY 2015-16

2.1 Introduction

The State Load Despatch Centre (SLDC) has submitted the Petition on 29th December, 2010 seeking approval for 'Truing up' of FY 2009-10, APR for FY 2010-11 and Aggregate Revenue Requirement for the FY 2011-12 to 2015-16 and SLDC fees and charges for the FY 2011-12. The 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.

2.2 Aggregate Revenue Requirement

SLDC has projected the Revenue Requirement of Rs.2305.48 lakhs for FY 2011-12, Rs.2481.56 lakh for FY 2012-13, Rs.2635.46 lakh for FY 2013-14, Rs.2778.62 lakhs for FY 2014-15 and Rs.2914.75 lakh for FY 2015-16 as detailed in Table 2.1 below:

Table 2.1 : Projected Aggregate Revenue Requirement for the period FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	Projected				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Employee Cost	900.61	990.67	1089.74	1198.71	1318.58
Repairs & Maintenance	78.21	86.03	94.63	104.10	114.51
Admin & General Expenses	290.62	305.87	322.34	340.13	359.34
Interest on Working Capital	30.63	31.89	32.85	34.65	25.28
RLDC Fees & Charges	12.36	13.60	14.96	16.46	18.10
Charges for ULDC & other Related Projects	814.98	814.98	814.98	817.57	820.41
WAM Charges	22.66	22.66	22.66	22.66	22.66
Less : Other Income	174.96	188.96	204.07	220.40	238.03
Operating Cost Budget (a)	1975.12	2076.75	2188.08	2313.87	2440.85
Depreciation	99.39	123.26	132.58	135.92	137.71
Interest & Finance Charges	112.40	136.11	148.99	150.45	148.06
Return on Equity	88.49	108.55	123.75	133.14	140.40
Total Fixed Costs	300.29	367.92	405.32	419.50	426.18
Less : Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
Add : Provision for Tax	30.08	36.90	42.06	45.25	47.72
Capital Cost Budget(b)	330.36	404.81	447.38	464.75	473.90



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Particulars	Projected				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total Revenue Budget (a+b)	2305.48	2481.56	2635.46	2778.62	2914.75

2.3 SLDC Fees and Charges

SLDC has projected the SLDC fees and charges for the control period as detailed in Table 2.2 below:

Table 2.2 : Proposed SLDC Fees and Charges for the period FY 2011-12 to FY 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
SLDC Operating Charges Budget (Rs Lakhs)	1975.12	2076.75	2188.08	2313.87	2440.85
Total MW Capacity	16972.24	18537.24	19877.24	24377.24	29873.04
Total MW Allocation	20738.30	23662.90	25676.10	30916.10	37129.90
SLDC Charges (Rs/MW/Month)	436.45	410.10	400.28	348.73	303.57
SLDC Capital Charges Budget (Rs lakhs)	330.36	404.81	447.38	464.75	473.90
SLDC Fees (Rs/MW/Half Year)	438.03	479.63	491.05	420.26	353.64
Grid Connection Fees (Rs)	100000.00	100000.00	100000.00	100000.00	100000.00

2.4 Request of SLDC

1. To admit this petition for approval of annual revenue requirement of State Load Dispatch Centre of Gujarat
2. To approve the ARR for the control period and allow recovery of charges from 1st April, 2011.
3. To accept the figures in rupees lakhs, as the figures of SLDC are comparatively smaller than other entities.
4. To approve methodology for recovery of SLDC charges and fees from existing intra state grid users.
5. To approve capital expenditure as proposed in chapter-5 for ensuing year Capex plan for the years 2011-12 to 2015-16.
6. To grant any other relief as the Commission may consider appropriate.



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7. To allow further submissions, addition and alteration to this Petition as may be necessary from time to time.
8. To pass any other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.
9. To condone delay in filing of this petition.



Chapter 3

Activities of State Load Despatch Centre (SLDC)

3.1 Functions of State Load Despatch Centre (SLDC)

In accordance with the section 32 of the Electricity Act, 2003 the SLDC shall

- be responsible for optimum scheduling and despatch of electricity within a State,
- monitor the grid operation,
- keep accounts of the quantity of electricity transmitted through State Grid,
- exercise supervision and control of the intra-state transmission system and
- be responsible for carrying out real-time operation of the grid and despatch of electricity.

The petitioner has highlighted in the petition some of the activities, which would be carried out by the SLDC during the control period FY 2011-12 to FY 2015-16. The activities of SLDC Gujarat during the control period FY 2011-12 to FY 2015-16 have been dealt with in the following sections.

3.2 Generation Capacity

The petitioner has submitted the expected generation capacity from various sources that has to be scheduled and monitored by SLDC during the control period are as given in Table 3.1 below:

Table 3.1: Expected Generation Capacity of the State

Sr. No.	Parameters	Estimated	Projected				
		FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	GSECL Plants	4996	5496	5746	6356	9556	9556
2	IPPs	6499	8509	9224	9454	10254	15150
3	Share from Central Sector	3058	4388	5748	6421	7161	7879
4	CPP Wheeling	838	84	84	84	84	84
5	Wind Farm Capacity	2091	2391	2691	2991	3291	3591
6	Solar Projects	46	427	727	927	1127	1427
7	Mini Hydro Projects	6	6	6	6	6	6
8	Bagasse Projects	0	60	60	60	60	60

(MW)



3.3 Energy Projected to be catered during the Control Period (FY 2011-12 to FY 2015-16)

Petitioner's submission

The petitioner has submitted the information on the energy that would be catered by the system during the control period FY 2011-12 to FY 2015-16.

The petitioner has stated that the energy that would be catered is the summation of energy supplied from all sources including the Unscheduled Interchange drawal from central grid to balance demand and supply within the State.

The petitioner has further stated that the energy has been calculated considering increase of 6% on estimated parameters of FY 2010-11. The anticipated energy and demand catered for the period FY 2010-11, FY 2011-12 to FY 2015-16 are given in Table 3.2 below:

Table 3.2 : Anticipated Energy and Demand catered for the period FY 2010-11 and FY 2011- 12 to FY 2015-16

Sr. No.	Parameters (in MW)	Estimated	Projected				
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Energy Catered in System (in MUs)						
	Total Energy Catered	71712	76015	80576	85410	90535	95967
	Max Catered in a Day	237.406	249	262	275	289	303
	Min. catered in a Day	138.72	143	147	152	156	161
2	Demand Catered in System (in MW)						
	Average Demand Catered	8186	8677	9198	9750	10335	10955
	Max Demand Catered	10461	11089	11754	12459	13207	13999
	Min Demand Catered	5015	5266	5529	5805	6096	6401
3	Unrestricted Demand (in MW)						
	Max unrestricted Demand	11296	11974	12692	13454	14261	15117

3.4 Generation Availability

Petitioner's submission

The petitioner has submitted that the available generation comprises of available generation of the generating stations in the state as well as share from central generating stations. The petitioner has further stated that the generation from wind based plants is absorbed within the state and surplus capacity of captive power plant is also harnessed for injection into the grid as additional resource, which increases



available generation capacity into grid. The generation availability during FY 2010-11 (upto September 2010) is given in the Table 3.3 below:

Table 3.3 : Generation Availability

Sr. No.	Parameters (in MW)	(MW)
		2010-11 upto 30 th September
1	Availability of Generation	
	Availability at Peak (MW)	10256
2	Wind Generation	
	Total Wind Generation (MUs)	1719
	Max Generation in MW	1350
3	CPP Generation Harnesssed	
	Total CPP Generation (MUs)	112

3.5 Frequency Profile

Petitioner's submission

Petitioner has submitted that SLDC, Gujarat is a member of Western Region and hence responsible for frequency profile, which is a combined effort of grid users. All members of the grid are striving to maintain standard frequency which depends on effectively balancing the demand-supply by the Load Despatch centre. The frequency profile of the integrated transmission system during FY 2010-11 (upto September, 2010) furnished by the petitioner is given in Table 3.4 below:

Table 3.4: Frequency Profile during the FY 2010-11

Sr. No.	Description	Upto 30 th September 2010
1	Average Frequency (in Hz)	49.74 Hz
2	Above 50.20 Hz	4.29 %
3	Between 50.20 & 49.80 Hz	45.26 %
4	Between 49.80 & 49.50 Hz	29.52 %
5	Between 49.50 & 49.20 Hz	12.99 %
6	Between 49.20 & 48.50 Hz	7.95 %

3.6 Implementation of Intra-State Availability Based Tariff (ABT)

In accordance with the orders of the Commission the intra-state ABT is fully implemented with all its commercial aspects w.e.f. 5th April, 2010. The petitioner has briefly given the activities carried out by SLDC for the purpose of implementation of intra-state ABT.



The summary of activities is given below:

- i. **Installation of ABT compliant meter at interface points:** State Transmission Utility (STU) has installed a total of 854 Nos. of ABT meters (As on 30th September 2010) within Intra State Grid for the purpose of accounting energy / demand etc. All the meters are configured by SLDC with software for data pooling and weekly energy accounting under intra-state ABT.
- ii. **Activities Carried out :** In line with implementation of Intra-state ABT, SLDC has carried out all the activities related to, such as scheduling, preparation of UI Bill, State Energy Account, Reactive Energy Account etc.
- iii. **Allocation of State Generating Capacity:** On the basis of existing power purchase agreements the state generating capacity and central generating capacity has been allocated to various beneficiaries of Gujarat.
- iv. **Information Sharing:** It is stated that the information system has been established by an independent 'website' of SLDC, and information posted in accordance with Open Access Regulation, 2005 of GERC. This website is also being featured for communication of various accounting and scheduling related information. Such information is considered important for effective operation / planning and same is made available to all users.

3.7 Implementation of Short-Term Open Access Petitions Submitted

It is submitted by the petitioner that SLDC is the nodal agency for providing short-term open access within Gujarat and plays a key role for operationalization of long-term open access. The procedure for reservation of transmission capacity under short-term open access is formulated by the petitioner. The activities undertaken by the petitioner include:

- Approval of short-term open access within the state.
- Issuing "no objection/standing clearance" certificate for Inter-state collective transactions through power exchange approved by the GERC, and
- Issuing concurrence for inter-state bilateral transactions through inter-state open access.

It is further stated that SLDC has granted short-term open access at intra-state level for different categories from the date of issue of Open Access Regulation. The open access application processed/granted during FY 2008-09, FY 2009-10 and 2010 (upto October, 2010) are given in Tables 3.5, 3.6, 3.7 and 3.8 below:



Table 3.5 : Open Access Approved during FY 2008-09

Sr. No.	Category	Granted (in MW)	Total MUs
1	Intra State Short Term Open Access	25	24.58
2	Collective Transactions (PX)	85	86.47
3	Inter State Bilateral Transaction	441	501.70
	Total	551	612.75

Table 3.6 : Open Access Approved during FY 2009-10

Sr. No.	Category	Granted (in MW)	Total MUs
1	Intra State Short Term Open Access	555	4546.48
2	Collective Transactions (PX)	439	3065.68
3	Inter State Bilateral Transaction	677	3487.92
	Total	1671	11100.08

Table 3.7 : Open Access Approved during FY 2010-11 (upto 25.10.10)

Sr. No.	Category	Granted (in MW)	Total MUs
1	Intra State Short Term Open Access	548	2635.38
2	Intra State Collective Transactions (PX)	1767	17176.43
3	Inter State Bilateral Transaction	150	2872.08
	Total	2465	22683.88

Table 3.8 : Open Access Approved from FY 2008-09 to 2010-11 (upto 25.10.10)

Sr. No.	Category	Granted (in MW)	Total MUs
1	Intra State Short Term Open Access	1128	7206.43
2	Intra State Collective Transactions (PX)	2291	20328.58
3	Inter State Bilateral Transaction	1268	6861.69
	Total	4687	34396.70

3.8 Generating Capacity of the State

Petitioner's submission

The petitioner has stated that in accordance with the Regulation 5 of 2005 issued by GERC, SLDC fees and charges are to be recovered from generating stations. It comprises of generating capacity of state generating stations, which fall within the jurisdiction of SLDC, Gujarat.

It is further submitted that the Torrent Power Plant comes within the jurisdiction of SLDC. As per Section 6.4 (Demarcation of responsibilities) Sub-section 2 (c) iv of the Indian Electricity Grid Code 2010 and CERC Order dated 28th July, 2010 of Petition



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No. 220/2009, control area of Adani Power Plant (4640 MW) has been transferred to Gujarat from 2nd August 2010.

Based on the above, the petitioner has furnished details of the generating stations / generation capacity in the petition. These have been revised and SLDC has furnished the revised figures vide letter dated 21st January, 2011. The revised figures have been considered for the control period FY 2011-12 to FY 2015-16 as in Table 3.9.

Table 3.9 : Projected Generating Stations / Generating Capacity for the period
FY 2010-11 and FY 2011-12 to FY 2015-16

Sr. No.	Generating capacity (in MW)	Estimated	Projected					(MW)
			2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	GSECL	4996	5496	5746	6356	9556	9556	
2	GIPCL-I	145	145	145	145	145	145	
3	GIPCL-II	165	165	165	165	165	165	
4	GIPCL-SLPP	250	250	250	250	250	250	
5	GIPCL-SLPP Extn.	250	250	250	250	250	250	
6	ESSAR	300	300	300	300	300	300	
7	ESSAR, Vadinar	0	1000	1000	1000	1000	1000	
8	ESSAR Salaya , Phase II	0	0	0	0	0	800	
9	GPEC	655	655	655	655	655	655	
10	GSEG	156	156	156	156	156	156	
11	GSEG HAZIRA Extn.	350	350	350	350	350	350	
12	GMDC - Akrimota	250	250	250	250	250	250	
13	ADANI, MUNDRA - I & II	660	660	660	660	660	660	
14	ADANI, MUNDRA - III & IV	660	660	660	660	660	660	
15	ADANI, MUNDRA - V	660	660	660	660	660	660	
16	ADANI, MUNDRA - VI	0	660	660	660	660	660	
17	SUGEN	1148	1148	1148	1148	1148	1148	
18	TPAEC	500	500	500	500	500	500	
19	GPPC , Pipavav	350	350	350	350	350	350	
20	GPPC , Pipavav - II	0	350	350	350	350	350	
21	SHAPOORJI PALLONJI , Kodinar	0	0	0	0	0	800	
22	KSK , MAHANANDI, Chattisgarh	0	0	0	0	0	1010	
23	BECL, Padva - I & II	0	0	600	600	600	600	
24	NTPL	0	0	0	0	270	270	
25	OPG Power	0	0	0	0	300	300	
26	GPPC(Conversion GTPS 3 & 4)	0	0	0	0	0	1372	
27	GPPC(Conversion Sikka 1 & 2)	0	0	0	0	0	457	
28	GPPC(Conversion DTGS 5 & 6)	0	0	0	0	0	457	
29	Tilaiya UMPP	0	0	60	180	300	300	
30	Akaltara UMPP	0	0	55	165	275	275	
31	CPP (W)	838	84	84	84	84	84	
32	WIND FARM	2091	2391	2691	2991	3291	3591	
33	SOLAR PROJECTS	46	427	727	927	1127	1427	
34	MINI HYDEL PROJECTS	6	6	6	6	6	6	
35	BAGASSE PROJECTS	0	60	60	60	60	60	
	TOTAL	14476	16973	18538	19878	24378	29874	



3.9 Allocation to Distribution Licensees / Beneficiaries

Petitioner's submission

The petitioner has stated that the distribution licensees in the State have executed long-term agreement with power suppliers and wind farm generators for purchase of power and the distribution licensees have also obtained the long-term open access to the extent of agreements made with supplier.

It is also stated that TPL-Ahmedabad and TPL-Surat, the distribution licensees are availing power from Torrent Generating Plant (500 MW) and Sugem Plant (1147.50 MW). Though the companies are amalgamated, for operational and functional purpose from grid user point of view the generating capacity is allocated to TPSECL and TPAECL (in the ratio of 50:50) within the organization. GUVNL has executed the power purchase agreement with Adani for 2000 MW and also with other generating companies in the State during the control period FY 2011-12 to FY 2015-16.

The capacity for which agreements are executed by the distribution licensees with GUVNL and wind farm generators and other Beneficiaries from whom SLDC fees and charges are to be recovered have been revised by SLDC wide its letter dated 21st January, 2011. The revised figures are given in Table 3.10 below:

Table 3.10 : Projected Allocation to Distribution Licensees / Beneficiaries for the period FY 2010-11 and FY 2011-12 to FY 2015-16

Sr. No.	LTOA Users/ Beneficiaries	Estimated	Projected				
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	DGVCL	3462	4595	5344	5860	7202	8793
2	MGVCL	1785	2369	2755	3021	3713	4533
3	UGVCL	3728	4947	5754	6309	7754	9468
4	PGVCL	4541	6027	7009	7686	9446	11534
5	GSFC FIBRE	5	5	5	5	5	5
6	GSFC POLYMER	2	2	2	2	2	2
7	GSFC SIKKA	5	5	5	5	5	5
8	GSFC VADODARA	47	47	47	47	47	47
9	GACL VADODARA	41	41	41	41	41	41
10	GAIL	2	2	2	2	2	2
11	DIU & DAMAN	70	70	70	70	70	70



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Sr. No.	LTOA Users/ Beneficiaries	Estimated	Projected				
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
12	DADRA NAGAR HAVELI	155	155	155	155	155	155
13	ONGC HAZIRA	14	14	14	14	14	14
14	ONGC ANKLESHWAR	16	16	16	16	16	16
15	GACL WHEELING	12	12	12	12	12	12
16	SEARCHCHEM	11	11	11	11	11	11
17	NIRMA	0	0	0	0	0	0
18	ESSAR STEEL LTD.	751	0	0	0	0	0
19	SAL STEEL LTD	14	14	14	14	14	14
20	NTPC VARIAV	1	1	1	1	1	1
21	TPAECL	963	963	963	963	963	963
22	TPSECL	463	463	463	463	463	463
23	WIND FARM USERS (W)	963	963	963	963	963	963
24	HEAVY WATER PLANT (H)	18	18	18	18	18	18
25	MUPL (from ADANI) **	9	9	9	9	9	9
26	TEL (from SUGEN) **	15	15	15	15	15	15
	Total	17069	20738	23663	25676	30916	37130

* Capacity Allocation has been done as per capacity allocation of GUVNL letter no GUVNL:CFM(Comm.):1817 dated 16/09/2010

**Both (MUPL & TEL) are on short-term basis and hence have not been added in the total capacity.

Commission's Analysis and Comments

SLDC, the petitioner has given details of various activities being carried out by SLDC in Gujarat which include the functions that SLDC has to carry out under the Electricity Act, 2003 and also implementation of Intra-state Availability Based Tariff (ABT), implementation of long term & short term open access. The petitioner has also furnished information on the generating stations and the capacity that would come under its operational control and the distribution licensees to whom it has to ensure the delivery of power in accordance with agreements entered.

The activities of SLDC as detailed above and the number of generating stations / companies the SLDC is likely to handle and the energy to be delivered to various distribution companies during the control period FY 2011-12 to FY 2015-16 are noted.



Chapter 4

Truing up of FY 2009-10

4.1 Introduction

This chapter deals with 'Truing up' of FY 2009-10 of SLDC. The Commission has analyzed each of the components of ARR for FY 2009-10 in the following sections.

4.2 Operation and Maintenance (O&M) Expenses for FY 2009-10

Petitioner's submission

The petitioner has claimed Rs.1115.25 lakhs towards actual O&M expenses in the Truing up for FY 2009-10 against Rs. 909 lakhs approved in the Tariff Order for FY 2009-10 as detailed in the Table 4.1 below:

Table 4.1: Operation & Maintenance expenses for FY 2009-10

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2009-10	Actual expenses for FY 2009-10	Deviation
Employee Cost	552.00	851.79	(299.79)
Repairs & Maintenance	11.00	37.45	(26.45)
Administration & General Expense	346.00	226.01	119.99
Operating Cost Budget	909.00	1115.25	(206.25)

The petitioner has submitted that increase in the employee cost is mainly due to inclusion of "terminal benefits" in the books of SLDC which were recorded earlier in the books of GETCO. It is further mentioned that expenses relating to 'revision in pay scale' do not appear in the books of SLDC as these expenses have been accounted by GETCO in its books of accounts. The details of employee cost furnished by SLDC are given in Table 4.2 below:

Table 4.2: Employee Cost for FY 2009-10

(Rs. lakhs)

Particulars	Approved in Tariff order for FY 2009-10	Actual expenses for FY 2009-10	Deviation
Basic Employee Cost	368.00	543.12	(175.120)
Conveyance & Allowances	12.00	19.49	(7.490)
Terminal Benefit	46.00	286.73	(240.730)
Staff Welfare Expenses	3.00	2.45	0.550



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Particulars	Approved in Tariff order for FY 2009-10	Actual expenses for FY 2009-10	Deviation
Arrears due to Revision of Scale	123.00	0.00	123.000
Additional Manpower	0.00	0.00	-
Total Employee Cost	552.00	851.79	(299.790)

Commission's Analysis

The Commission has examined the submission made by SLDC. The Commission has obtained the details of O&M expenses for FY 2009-10. The O&M expenses comprise Employee Cost, Repairs and Maintenance expenses and Administration and General expenses.

It is observed that the O&M expenses claimed by SLDC are as per segregated accounts. As observed from the accounts the expenses under terminal benefits are to the tune of Rs. 286.73 lakhs and it is explained by SLDC that due to inclusion of these terminal benefits in the accounts of SLDC, there is an increase in the employee cost during FY 2009-10. Earlier these terminal benefits were stated to have been included in the books of accounts of GETCO.

The R&M and A&G expenses as per the audited annual accounts are considered in truing up for FY 2009-10

The Commission accordingly considers the O&M expenses at Rs. 1115.25 lakhs for FY 2009-10. The O&M expenses approved in the Tariff Order for FY 2009-10, claimed by SLDC in the Truing up and approved by the Commission in the Truing up are detailed in the Table 4.3 below:

Table 4.3: Operation & Maintenance expenses approved for FY 2009-10

(Rs. lakhs)

Particulars	Approved in T.O. for FY 2009-10	Actual expenses for FY 2009-10	Approved in Truing up for FY 2009-10
Employee Cost	552	851.79	851.79
Repairs & Maintenance	11	37.45	37.45
Admin & General Expense	346	226.01	226.01
Total O&M expenses	909	1115.25	1115.25

The Commission approves the O&M expenses at Rs. 1115.25 lakhs in the Truing up for FY 2009-10.



4.3 Depreciation for FY 2009-10

The petitioner has claimed Rs. 63.44 lakhs towards depreciation in the Truing up for FY 2009-10 against Rs. 43 lakhs approved in the Tariff Order for FY 2009-10. SLDC has not submitted any details of computation of depreciation in the Truing up except mentioning the amount of Rs. 63.44 lakhs in Table 15 (ARR of FY 2009-10).

Commission's Analysis

The petitioner had projected capital expenditure to the tune of Rs. 1260 lakhs in the ARR petition of for FY 2009-10. The petitioner has submitted in the APR petition of FY 2009-10 that the capital expenditure for FY 2009-10 has been envisaged at Rs. 747 lakhs against Rs. 1260 lakhs.

The Gross Fixed Assets at the beginning of the year, additions during the year and the depreciation as per the accounts are as given in Table 4.4 below:

Table 4.4: Gross Fixed Assets and Depreciation for FY 2009-10

(Rs. lakhs)	
Particulars	FY 2009-10
Gross Fixed Assets at the beginning of the year	470.85
Capitalization (Assets added) during the year	218.99
Closing GFA	689.84
Depreciation	42.74

The petitioner has mentioned in the additional information furnished on 21st January 2011 that calculation of depreciation is in accordance with GERC (Levy and Collection of fees and charges by SLDC) Regulations, 2005. SLDC has given the weighted average rate of depreciation at 6.62%. The depreciation of Rs. 42.74 lakhs includes prior period depreciation to the extent of Rs.8.72 lakhs. The actual depreciation excluding the prior period depreciation as per the segregated accounts for FY 2009-10 is Rs. 34.02 lakhs. The actual weighted average rate of depreciation works out to 5.86% for the assets of SLDC for the year FY 2009-10, which is considered reasonable for SLDC assets.

The Commission accordingly approves the depreciation charges at Rs. 34.02 lakhs as per the segregated accounts in the truing up for FY 2009-10 as detailed in the table below:

Table 4.5: Approved Gross Fixed Assets and Depreciation for FY 2009-10

Particulars	(Rs. lakhs)	
	FY 2009-10	
Gross Fixed Assets at the beginning of the year	470.85	
Capitalization (Assets added) during the year	218.99	
Closing GFA	689.84	
Average assets (A)	580.35	
Depreciation (B)	34.02	
Weighted average rate of depreciation	5.86%	

4.4 Interest and Finance charges for FY 2009-10

Petitioner's submission

The petitioner has claimed Rs. 43 lakhs towards interest and finance charges in the Truing up for FY 2009-10 against Rs. 56 lakhs approved in the Tariff Order for FY 2009-10. The details of interest and finance charges approved in the Tariff Order for FY 2009-10 and actuals now claimed by SLDC are given in the Table 4.6 below:

Table 4.6: Interest and Finance charges claimed for FY 2009-10

Particulars	(Rs. lakhs)		
	Approved in the T.O. for FY 2009-10	Actual expense for FY 2009-10	Deviation
Opening Loans	350.00	300.00	50.00
Addition During Year	441.00	448.40	(7.40)
Repayment During the Year	75.00	95.00	(20.00)
Closing Loans	716.00	653.40	62.60
Average Loans	533.00	476.70	56.30
Interest on Loans	55.72	43.00	12.72
Total Interest & Finance Charges	55.72	43.00	12.72

Commission's Analysis

The Commission has examined the details of opening loans, additions and repayment during FY 2009-10. SLDC has furnished the additions of loan at Rs. 448.40 lakhs for FY 2009-10.

The SLDC has furnished details of GFA and capitalization i.e. addition of assets during FY 2009-10 as per the segregated accounts in their letter dated 21st January,



2010. The actual capitalization during FY 2009-10 is Rs. 218.99 lakhs. The Debt portion of this is Rs. 153.29 lakhs. Based on this capitalization the Commission has computed the interest on loan as detailed in the Table 4.7 below:

Table 4.7: Approved Interest and Finance charges for FY 2009-10

(Rs. lakhs)

Particulars	Approved in T.O. for FY 2009-10	Actual expenses for FY 2009-10	Approved in Truing up for FY 2009-10
Opening Loans	350.00	300.00	300.00
Addition During Year	441.00	448.40	153.29
Repayment During the Year	75.00	95.00	30.00
Closing Loans	716.00	653.40	423.29
Average Loans	533.00	476.70	361.65
Interest charges	55.72	43.00	32.62
Weighted average rate of interest	10.08%	9.02%	9.02%

The Commission accordingly approves the interest and finance charges at Rs. 32.62 lakhs in the Truing up for FY 2009-10.

4.5 Return on Equity for FY 2009-10

The petitioner has claimed Rs. 39.52 lakhs towards return on equity in the Truing up for FY 2009-10 against Rs. 45.85 lakhs approved in the Tariff Order for FY 2009-10. The details of return on equity approved in the Tariff Order for FY 2009-10 and actuals now claimed by SLDC in the Truing up are given in the Table 4.8 below:

Table 4.8: Return on Equity claimed by SLDC

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2009-10	Actual expenses for FY 2009-10	Deviation
Opening Equity Capital	233.00	161.54	71.46
Addition During the Year	189.00	241.44	(52.44)
Closing Equity	422.00	402.98	19.02
Average equity	327.50	282.26	45.24
Return on Equity	45.85	39.52	6.33

Petitioner's submission

The petitioner has submitted that return on equity for FY 2009-10 is in line with the amount approved for FY 2009-10. It is further submitted that on the basis of the normative debt to equity ratio the equity addition for FY 2009-10 has been calculated



on the actual capital expenditure of Rs. 630 lakhs, which amounts to Rs. 189 lakhs. The return on equity has been calculated at Rs. 46 lakhs at 14%.

Commission's Analysis

It is observed that SLDC has explained what was considered in the Tariff Order instead of the actual claimed in the Truing up. The Commission has calculated the return on equity based on actual capitalisation of Rs. 218.99 lakhs and normative funding of Capex as detailed in the Table 4.9 below:

Table 4.9: Approved Return on Equity for FY 2009-10

Particulars	(Rs. lakhs)		
	Approved in T.O. for FY 2009-10	Actual expenses for FY 2009-10	Approved in Truing up for FY 2009-10
Opening Equity Capital	233.00	161.54	161.54
Addition During the Year (30% of capitalisation)	189.00	241.44	65.70
Closing Equity	422.00	402.98	227.24
Average equity	327.50	282.26	194.39
Return on Equity	45.85	39.52	27.21

The Commission accordingly approves the return on equity at Rs. 27.21 lakhs in the Truing up for FY 2009-10.

4.6 Interest on working capital for FY 2009-10

The petitioner has claimed interest on working capital at Rs. 15.69 lakhs in the Truing up for FY 2009-10 against Rs. 17.32 lakhs approved in the Tariff Order for FY 2009-10 as detailed in the Table 4.10 below:

Table 4.10: Projected Interest on working capital for FY 2009-10

Particulars	(Rs. lakhs)		
	Approved in the T.O. for FY 2009-10	Actual expenses for FY 200910	Deviation
O & M Expenses	76.00	37.45	38.550
Maintenance and Spares	20.00	46.00	(26.000)
Receivables	73.00	69.66	3.340
Total Working Capital	169.00	153.11	15.890
Rate of Interest	10.25%	10.25%	-
Interest on working capital	17.32	15.69	1.629



Petitioner’s submission

The petitioner has submitted that interest on working capital for FY 2009-10 computed at Rs.15.69 lakhs as against the amount of Rs.17.32 lakhs approved in the Tariff order for FY 2009-10. The interest on working capital is claimed at 10.25%, which was approved in the Tariff Order. The deviation is Rs.1.63 lakhs a gain compared to the approved interest on working capital.

Commission’s Analysis

The Commission has examined the submission made by the petitioner. Interest on working capital is to be allowed on normative basis as per the Regulations. Based on the O&M expenses and other expenses now approved in the Truing up the working capital and interest thereon are recalculated as detailed in the Table 4.11 below:

Table 4.11: Approved Interest on working capital for FY 2009-10

(Rs. lakhs)

Particulars	Approved in T.O. for FY 2009-10	Actual expenses for FY 2009-10	Approved in Truing up for FY 2009-10
O & M Expenses (1 month)	76.00	37.45	92.94
Maintenance spares (1% of GFA)	20.00	46.00	4.71
Receivables (15 days)	73.00	69.66	74.36
Total Working Capital	169.00	153.11	172.01
Rate of Interest	10.25%	10.25%	10.25%
Interest on working capital	17.32	15.69	17.63

The Commission accordingly approves the interest on working capital at Rs.17.63 lakhs for the Truing up for FY 2009-10.

4.7 RLDC Fees and Charges, ULDC charges and WAM Charges for FY 2009-10

The petitioner has claimed the RLDC fees and charges, ULDC charges and WAM charges in the truing up for FY 2009-10 as detailed in the Table 4.12 below:

Table 4.12 : RLDC charges, ULDC charges and WAM charges claimed in truing for FY 2009-10

(Rs. lakhs)

Particulars	Approved in Tariff order FY 2009-10	Actual expenses for FY 2009-10	Deviations
RLDC Fees and Charges	11.00	12.00	(1.00)



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for 2011-12

Particulars	Approved in Tariff order FY 2009-10	Actual expenses for FY 2009-10	Deviations
ULDC charges	778.74	777.79	0.95
WAM charges	20.00	-	20.00

There are no RLDC fees and charges during FY 2009-10 in the segregated accounts. The ULDC charges are Rs 777.71 lakhs as per these accounts for FY 2009-10. The details are given in the Table 4.13 below:

Table 4.13 : Approved RLDC charges, ULDC charges and WAM charges for FY 2009-10

(Rs. lakhs)

Particulars	Approved in Tariff order FY 2009-10	Actual expenses for FY 2009-10	Approved in truing up for FY 2009-10
RLDC Fees and Charges	11.00	12.00	-
ULDC charges	778.74	777.79	777.71
WAM charges	20.00	-	-

The Commission approves the above charges at Rs. 777.71 lakhs in the truing up for FY 2009-10.

4.8 Non-tariff income for FY 2009-10

SLDC has furnished the actual other income at Rs.219.78 lakhs in the Truing up for FY 2009-10 against Rs.27 lakhs approved in the Tariff Order for FY 2009-10 as detailed in the Table 4.14 below:

Table 4.14: Revenue from other sources for FY 2009-10

(Rs. lakhs)

Sr. No.	Particulars	Approved in the T.O. for FY 2009-10	Actual Non Tariff income for FY 2009-10	Deviation
1	Interest on Staff Loans & Advances	4.00	5.17	1.17
2	Miscellaneous Receipts	10.00	111.00	101.00
3	Scheduling Charges	8.00	80.23	72.23
4	Application / registration Charges	5.00	23.38	18.38
	Total	27.00	219.78	192.78



Petitioner's submission

The petitioner has submitted that the difference between actual other income and that approved in the Tariff Order for FY 2009-10 is Rs. 192.78 lakhs which is mainly due to increase in miscellaneous receipts, scheduling charges and application / registration charges.

The actual Non-tariff income as per the segregated accounts for FY 2009-10 is Rs. 219.88 lakhs as detailed in the Table 4.15 below:

Table 4.15: Approved Revenue from other sources for FY 2009-10

(Rs. lakhs)

Sr. No.	Particulars	Approved in the T.O. for FY 2009-10	Actual Non Tariff income for FY 2009-10	Approved in truing up for FY 2009-10
1	Interest on Staff Loans & Advances	4.00	5.17	5.17
2	Miscellaneous Receipts	10.00	111.00	111.10
3	Scheduling Charges	8.00	80.23	80.23
4	Application / registration Charges	5.00	23.38	23.38
	Total	27.00	219.78	219.88

The Commission approves the Non-tariff income at Rs. 219.88 lakhs in the Truing up for FY 2009-10.

4.9 Proposed and Approved fixed costs for FY 2009-10

The fixed charges approved in the Tariff order for FY 2009-10, claimed by SLDC in truing up and approved by the Commission are summarized in the Table 4.16 below:

Table 4.16: Approved fixed costs in Truing up for FY 2009-10

(Rs lakhs)

Particulars	Approved for FY 2009-10	Claimed in True up for FY 2009-10	Approved for FY 2009-10 True up
1	2	3	4
Employee Cost	552.00	851.79	851.79
Repair & Maintenance	11.00	37.45	37.45
Administration & General Charges	346.00	226.01	226.01
Interest on working capital	17.32	15.69	17.63
RLDC fees and charges	11.00	12.00	0.00
ULDC charges	778.74	777.79	777.71



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for 2011-12

Particulars	Approved for FY 2009-10	Claimed in True up for FY 2009-10	Approved for FY 2009-10 True up
WAM charges	20.00	0	0
Less: Other income	27	219.78	219.88
Sub Total: Operating cost	1709.06	1700.95	1690.71
Depreciation	43	63.44	34.02
Interest & Finance charges	55.72	43	32.62
Return on Equity	45.85	39.52	27.21
Total fixed cost	144.57	145.96	93.85
Less : Expenses capitalized	0	0	
Sub Total: Capital Cost	144.57	145.96	93.85
Total Revenue Budget	1853.63	1846.91	1784.56

4.10 Revenue Gap for FY 2009-10

The petitioner has submitted that it has a gap of Rs.1409.99 lakhs during FY 2009-10 as it has started to levy SLDC fees and charges on LTOA consumers from January 2010 and received only Rs. 436.92 lakhs. The details are given in the Table 4.17 below:

Table 4.17: Revenue Gap projected for FY 2009-10

Sr. No.	Particulars	(Rs. lakhs) FY 2009-10
1	Aggregate Revenue Requirement approved for FY 2009-10	1853.63
2	Gains/(Losses) due to Actual expenses	6.73
3	Revised ARR for the FY 2009-10	1846.91
4	Actual Revenue from SLDC fees and charges	436.92
5	Revised Gap after taking account of Gains/(Losses) arising out of Actual expenses	1409.99

The petitioner has requested the Commission to approve the revised ARR and allow it to pass on the revenue gap obtained after treating gains/losses for FY 2009-10 in the next financial year.

With regard to the request of the petitioner on treating gains/losses to be passed on, the Commission is of the view that SLDC is not a separate licensee for considering the gains /losses on each item of expense. The revised ARR for SLDC is arrived at taking into consideration the expenses and Non tariff income approved in the truing



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up for FY 2009-10 based on the segregated accounts submitted by SLDC. The revenue gap is summarized in the table below:

Table 4.18 : Approved Revenue Gap for FY 2009-10

(Rs. lakhs)

Sr. No.	Particulars	FY 2009-10
1	Revised ARR for the FY 2009-10	1784.56
2	Actual Revenue from SLDC fees and charges	436.92
3	Revised Gap after taking account of Gains/Losses arising out of Actual expenses	1347.64

The Commission approves the revenue gap of Rs.1347.64 lakhs in the truing up for FY 2009-10. Since, prior to January 2010, the SLDC charges were being recovered by GETCO, this gap shall be considered in the tariff determination of GETCO for the FY 2011-12.



Chapter 5

Annual Performance Review for the FY 2010-11

5.1 Introduction

This chapter of the order deals with performance review for FY 2010-11 of SLDC. The Commission has analyzed each of the components of ARR for FY 2010-11 in the following sections.

5.2 Operation & Maintenance (O&M) expenses for FY 2010-11

The petitioner has claimed Rs. 1166.34 lakhs towards O&M expenses in the RE for FY 2010-11 against Rs. 941 lakhs approved by the Commission in the Tariff Order for FY 2010-11 as detailed in the Table 5.1 below:

Table 5.1: Operation and Maintenance expenses claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
Employee cost	610.00	818.74	(208.74)
R&M expenses	71.00	71.10	(0.10)
A&G expenses	260.00	276.50	(16.50)
Total O&M expenses	941.00	1166.34	(225.34)

The O&M expenses comprise of Employee cost, R&M expenses and A&G expenses. The O&M expenses claimed by the petitioner are discussed in the following paras.

5.2.1 Employee cost

Petitioner's submission

The petitioner has claimed Rs. 818.74 lakhs towards employees cost in the Revised Estimate (RE) for FY 2010-11 against Rs. 610 lakhs approved by the Commission in the Tariff Order for FY 2010-11 issued on 31st March, 2010. It is submitted that the increase is mainly due to inclusion of terminal benefits in the books of SLDC which were earlier accounted in the books of GETCO.



Commission's Analysis

The Commission has examined the employee cost claimed by the petitioner. The Commission has approved Rs. 851.79 lakhs in the Truing up for FY 2009-10 which includes Rs. 286.73 lakhs towards terminal benefits. These terminal benefits include Rs.134.39 lakhs towards onetime provision on account of Sixth Pay Commission. In other words the normalized employee cost for FY 2009-10 is Rs.717.40 lakhs (Rs.851.79 (-) Rs.134.39 lakhs). The Commission has considered the escalation rate of 4% p.a.to get the employee cost for FY 2010-11.

Accordingly, the Commission considers the employee cost at Rs. 746.10 lakhs in the review for FY 2010-11.

5.2.2 Repairs & Maintenance expenses

Petitioner's submission

The petitioner has claimed Rs. 71.10 lakhs towards R&M charges in the review for FY 2010-11 against Rs. 71.00 lakhs approved by the Commission in the Tariff Order for FY 2010-11.

Commission's Analysis

The petitioner has claimed Rs. 71.10 lakhs against Rs. 71.00 lakhs approved in the Tariff Order for FY 2010-11. The variation between now claimed and approved in Tariff Order is minimal. The petitioner has not furnished any reason for the projected increase in R&M expenses.

The Commission considers Rs. 71.00 lakh towards R&M expenses in APR for FY 2010-11 as approved in the tariff order for FY 2010-11.

5.2.3 Administration & General expenses

Petitioner's submission

The petitioner has claimed Rs. 276.50 lakhs towards A&G expenses in APR for FY 2010-11 against Rs. 260 lakhs approved by the Commission in the Tariff Order for FY 2010-11 resulting in an increase of about 6%.

Commission's Analysis

The Commission has approved Rs. 226 lakhs for FY 2009-10 in the Truing up. The increase claimed by the petitioner for FY 2010-11 is about 22.3%. The petitioner has not furnished any reason for the projected increase in A&G expenses.

The Commission retains the A&G expenses at Rs. 260 lakhs in the review for FY 2010-11 as approved in the tariff order for FY 2010-11 against Rs. 276.50 lakhs claimed by the petitioner.

5.2.4 O&M expenses

The O&M expenses approved in the tariff order dated FY 2010-11 claimed by SLDC in the APR and considered by the Commission in the APR are detailed in the Table 5.2 below:

Table 5.2 : O&M expenses considered in APR for FY 2010-11

(Rs. lakhs)

Particulars	Approved in T.O. FY 2010-11	Claimed in RE for FY 2010-11	Considered in APR for FY 2010-11
Employee cost	610.00	818.74	746.10
R&M expenses	71.00	71.10	71.10
A&G expenses	260.00	276.50	260.00
Total O&M expenses	941.00	1166.34	1077.20

5.3 Depreciation for FY 2010-11

Petitioner's submission

The petitioner has estimated the depreciation charges at Rs. 48.39 lakhs in the RE for FY 2010-11. The depreciation approved by the Commission in the Tariff Order for FY 2010-11 is Rs. 63.0 lakhs. The depreciation claimed is given in the Table 5.3 below:

Table 5.3: Depreciation claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
Depreciation	63.00	48.39	14.61
Wt. Av. rate of depreciation	4.41%	6.62%	



The petitioner submitted that the Commission has considered the average rate of depreciation @ 4.41% where as SLDC has considered at 6.62%.

Commission's Analysis

The petitioner submitted that Capex of Rs. 983 lakhs was approved by the Commission for FY 2010-11 and it is estimated that about Rs. 516.20 will be capitalized during FY 2010-11. In the Tariff Order for FY 2010-11, the Commission has approved the Capex at Rs. 983 lakhs with capitalization of Rs. 492 lakhs. The Commission considers capitalization for FY 2010-11 at Rs. 492 lakhs as approved in the Tariff Order. The weighted average rate of depreciation is considered at 5.86% on the average assets based on the straight-line method. The depreciation for FY 2010-11 is accordingly arrived as detailed in Table 5.4 below:

Table 5.4: Gross Fixed Assets and Depreciation considered in APR for FY 2010-11

Particulars	(Rs. lakhs)
	FY 2010-11
Gross Fixed Assets at the beginning of the year (Closing GFA for FY 2009-10 as per Truing up)	689.84
Capitalization during FY 2010-11 as approved by the Commission	492.00
Closing GFA	1181.84
Average fixed assets for FY 2010-11	935.94
Average Rate of Depreciation	5.86%
Depreciation	54.84

The Commission considers the depreciation at Rs. 54.84 lakhs in the review for FY 2010-11.

5.4 Interest and Finance charges for FY 2010-11

Petitioner's submission

The petitioner has claimed Rs. 83.78 lakhs towards interest & finance charges in RE for FY 2010-11 against Rs. 85.06 lakhs approved by the Commission in the Tariff Order for FY 2010-11 as detailed in Table 5.5 below:

Table 5.5: Interest & Finance charges claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved by Commission	2010-11 (RE)	Deviation
Opening Loans	676	653.4	22.60
Addition During Year	344	361.34	(17.34)
Repayment During the Year	68	65.34	2.66
Closing Loans	952	949.4	2.60
Average Loans	814	801.4	12.60
Interest on Loans	85.06	83.78	1.28
Guarantee Charges	0	0	0.00
Total Interest & Finance Charges	85.06	83.78	1.28
Average tenure of Loan (years)	10	10	0.00
Weighted Avg. Rate of Interest	10.45%	10.45%	

Commission's Analysis

The Commission has examined the details of opening loans, additions and repayment during FY 2010-11. The SLDC has furnished the addition of loans at Rs. 361.34 lakhs for FY 2010-11.

The petitioner has considered the estimated capitalization at Rs. 516.20 lakhs. The Commission had approved the capitalization at Rs. 492 lakhs for FY 2010-11 in the Tariff Order for FY 2010-11 and decided to retain the same for the purpose of APR. The debt portion (70%) of this would be Rs. 344.4 lakhs. Based on the approved capitalization the Commission has computed the interest and finance charges as detailed in Table 5.6 below:

Table 5.6: Interest & Finance charges considered in APR for FY 2010-11

(Rs. lakhs)

Sr. No.	Particulars	Approved in T.O. for FY 2010-11	Claimed for FY 2010-11 in RE	Considered in APR for FY 2010-11
1	Opening loans	676	653.40	423.29
2	Additions during the year	344	361.34	344.40
3	Repayment during the year	68	65.34	42.33
4	Closing loans	952	949.40	725.26
5	Average loans	814	801.40	574.33
6	Interest on loans	85.06	83.75	60.02
7	Finance charges	0.00	0.00	0.00
8	Weighted Avg. Rate of Interest	10.45%	10.45%	10.45%

The Commission considers the interest and finance charges at Rs. 60.02 lakhs for APR for FY 2010-11.



5.5 Return on Equity for FY 2010-11

Petitioner's submission

The petitioner has claimed at Rs. 67.26 lakhs towards return on equity in the APR for FY 2010-11 against Rs. 66.01 lakhs approved by the Commission in Tariff Order for FY 2010-11. It is stated by SLDC that it has considered equity as in the ARR for FY 2010-11 dated 31st March 2010. The details of ROE approved by the Commission and the estimated by the SLDC for 2010-11 are given in Table 5.7 below:

Table 5.7: Return on Equity claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised estimate submitted for FY 2010-11	Deviation
Opening Equity Capital	398	402.98	-4.98
Addition During the Year	147	154.86	-7.86
Closing Equity	545	557.84	-12.84
Average equity	471.5	480.41	-8.91
Return on Equity	66.01	67.26	-1.25

Commission's Analysis

The Commission has examined the claim of petitioner for APR for FY 2010-11. The SLDC has claimed the ROE based on the capitalization estimated by them for FY 2010-11.

The Commission has considered the ROE based on capitalization approved by the Commission for FY 2010-11, which is Rs. 492 lakhs. The 30% equity of it would be Rs.147.60 lakhs.

The ROE is calculated taking into consideration the equity addition during FY 2010-11, which is based on capitalization approved during FY 2010-11 by the Commission as detailed in Table 5.8 below:

Table 5.8: Return on equity considered in the APR for FY 2010-11

(Rs. lakhs)

Sr. No.	Particulars	Approved in T.O. for FY 2010-11	Claimed in RE for FY 2010-11	Considered in APR for FY 2010-11
1	Opening Equity Capital	398	402.98	227.24*
2	Addition During the Year	147	154.86	147.60
3	Closing Equity	545	557.84	374.84
4	Average equity	471.50	480.41	301.04
5	Return on Equity	66.01	67.26	42.15



* This is as per Truing up for FY 2009-10

The Commission considers the return on equity at Rs. 42.15 lakhs in the APR for FY 2010-11.

5.6 Interest on working capital for FY 2010-11

Petitioner's submission

The petitioner has claimed interest on working capital at Rs. 29.19 lakhs for the APR for FY 2010-11 against Rs. 18.55 lakhs approved in the Tariff Order for FY 2010-11 as detailed in the Table 5.9 below:

Table 5.9 : Interest on working capital claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
O & M Expenses	78	170.34	-92.34
Maintenance and Spares	18	6.25	11.75
Receivables	85	71.8	13.2
Total Working Capital	181	248.39	-67.39
Rate of Interest	10.25%	11.75%	-0.015
Interest on working capital	18.55	29.19	-10.64

It is submitted by SLDC that the interest is claimed at 11.75% as per SBI PLR as on 1st April 2010 as per orders of the Commission. It is stated that increase in interest on working capital is due to increase in O&M costs.

Commission's Analysis

The Commission has examined the submissions made by the petitioner on the working capital to be allowed on normative basis. Based on the O&M costs and other expenses now approved in APR, the working capital and interest thereon are recalculated as detailed in Table 5.10 below:

Table 5.10 : Interest on working capital considered in APR for FY 2010-11

(Rs. lakhs)

Particulars	Approved in T.O. for FY 2010-11	Claimed in RE for FY 2010-11	Considered in APR for FY 2010-11
O & M Expenses (1 month)	78	170.34	89.77
Maintenance and Spares(1% of GFA)	18	6.25	6.90
Receivables (15 Days)	85	71.8	81.25
Total Working Capital	181	248.39	177.92
Rate of Interest	10.25%	11.75%	11.75%
Interest on working capital	18.55	29.19	20.91



The Commission accordingly considers the interest on working capital at Rs. 21.98 lakhs for the APR for FY 2010-11.

5.7 RLDC Fees and Charges, ULDC charges and WAM Charges for FY 2010-11

SLDC has claimed RLDC Fees and Charges, ULDC charges and WAM charges in the APR for FY 2010-11 as detailed in the table given in the Table 5.11 below:

Table 5.11 : RLDC charges, ULDC charges and WAM charges claimed for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
RLDC Fees and Charges	12.00	11.24	-0.76
ULDC charges	1021.00	814.98	-206.02
WAM charges	22.00	22.66	0.66

These charges have to be paid as per the bills raised by WRPC and PGCIL.

The Commission considers the above charges as claimed by SLDC in the APR for FY 2010-11.

5.8 Provision for Tax for FY 2010-11

Petitioner's submission

SLDC has estimated the provision for tax at Rs. 22.86 lakhs in the APR for FY 2010-11 against Rs. 10 lakhs approved in the Tariff Order. The provision for tax approved in the Tariff Order for FY 2010-11 and now claimed by SLDC in the APR are given in Table 5.12 below:

Table 5.12: Provision for tax claimed by SLDC for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
Provision for tax	10.00	22.86	12.86

Commission's Analysis

SLDC has claimed the provision for tax @ 33.99% on the ROE projected. In the case of GETCO the provisions for tax is claimed at MAT Rate of 19.934%. The Commission is of the view that the provision for tax shall be considered at the MAT



rate of 19.934% as it is still a part of GETCO account and not an independent entity. The ROE considered in the APR is Rs. 42.15 lakhs and the provision for tax at MAT rate of 19.934% works out to Rs. 8.40 lakhs as detailed in the Table 5.13 below:

Table 5.13: Provision for tax considered in the APR for FY 2010-11

(Rs. lakhs)

Particulars	Approved in the T.O. for FY 2010-11	Claimed in RE for FY 2010-11	Considered in the APR for FY 2010-11
Provision for tax	10.00	22.86	8.40

The Commission considers the provision for tax at Rs. 8.40 lakhs in the APR for FY 2010-11.

5.9 Revenue from other sources(Other income) for FY2010-11

Petitioner's submission

The petitioner has submitted the income from other sources is Rs. 162 lakhs as against Rs. 156 lakhs approved in the Tariff Order for FY 2010-11 as detailed in Table 5.14 below:

Table 5.14: Revenue from other sources claimed for FY 2010-11

(Rs. lakhs)

Sr. No.	Particulars	Approved in the T.O. for FY 2010-11	Revised Estimate submitted for FY 2010-11	Deviation
1	Interest on Staff Loans & Advances	4	6.34	-2.34
2	Miscellaneous Receipts	50	2.15	47.85
3	Scheduling Charges	68	142.05	-74.05
4	Application / registration Charges	34	11.46	22.54
	Total	156	162	-6

It is submitted by the petitioner that the increase in income from other sources is mainly due to increase in scheduling charges for FY 2010-11.

Commission's Analysis

The income from other sources projected by SLDC is Rs. 162 lakhs and is higher than the income approved by the Commission. The Commission considers the income from other sources at Rs. 162 lakhs for the APR for FY 2010-11.



5.10 Aggregate Revenue Requirement for FY 2010-11

The operating costs and fixed charges for SLDC as approved by the Commission in Tariff Order for FY 2010-11, estimated (RE) costs and charges for FY 2010-11 claimed by SLDC for FY 2010-11 and the costs considered by the Commission in APR for FY 2010-11 are given in Table 5.15 below:

Table 5.15: Aggregate Revenue Requirement for FY 2010-11

(Rs. lakhs)

Particulars	Approved in Tariff Order for FY 2010-11	Claimed in APR for FY 2010-11	Considered in APR for FY 2010-11	Deviation (4-2)
1	2	3	4	5
Employee Cost	610.00	818.74	746.10	136.10
Repair & Maintenance	71.00	71.10	71.00	0.00
Administration & General Charges	260.00	276.50	260.00	0.00
Interest on working capital	18.00	29.19	20.91	2.91
RLDC fees and	12.00	11.24	11.24	-0.76
ULDC charges	1021.00	814.98	814.98	-206.02
WAM charges	22.00	22.66	22.66	0.66
Less: Other income	156.00	162.00	162.00	6.00
Sub Total: Operating cost	1858.00	1882.41	1784.89	73.11
Depreciation	63.00	48.39	54.84	-8.16
Interest & Finance Charges	85.00	83.78	60.02	-24.98
Return on Equity	66.00	67.26	42.15	-23.85
Total fixed cost	214.00	199.43	157.01	-56.99
Less : Expenses capitalized	0.00	0.00	0.00	0.00
Add: Provision for tax	10.00	22.86	8.40	-1.60
Sub Total: Capital cost	224.00	222.29	165.41	-58.59
Total Revenue Budget	2082.00	2104.70	1950.29	-131.71

The Commission has not considered any loss / gain in the annual performance review. The actual performance for FY 2010-11 will be reviewed with reference to the segregated annual accounts for FY 2010-11 from the audited accounts of GETCO and any sharing of loss / gain as per GERC Regulations will be considered at the time of truing up for FY 2010-11.



Chapter 6

Determination of Aggregate Revenue Requirement (ARR) for FY 2011-12 to FY 2015-16

6.1 Approach for the control period FY 2011-12 to FY 2015-16

The petitioner has approached the Commission for approval of Aggregate Revenue Requirement (ARR) for FY 2011-12 to 2015-16, and the recovery of SLDC fees and charges for the same period.

The petitioner has computed the fixed and operational charges for recovery of SLDC fees and charges. The components which constitute the fixed and operational cost are as under:

Operational Costs

- Operation & Maintenance Expenses
 - Employee cost
 - Repair and maintenance expenses
 - Administrative and general expenses
- Interest on working capital
- RLDC fees and charges
- Charges for ULDC and other related projects
- WAM charges
- Less other income

Fixed Costs

- Depreciation
- Interest and finance charges
- Return on equity
- Taxes, if any.

The operational and fixed costs projected by the petitioner for the FY 2011-12 to 2015-16 and decisions of the Commission are discussed in this chapter.



6.2 Operation and Maintenance (O&M) Expenses

The petitioner has projected the O&M expenses at Rs7587.09 lakhs for the control period FY 2011-12 to FY 2015-16. The O&M expenses comprise of employee costs, repair and maintenance expenses and administrative and general expenses as given in Table 6.1 below:

Table 6.1: O&M Expenses Estimated for FY 2011-12 to 2015-16

		(Rs. lakh)				
Sr. No.	Petitioner	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Employee cost	900.61	990.67	1089.74	1198.71	1318.58
2	A&G expenses	290.62	305.87	322.34	340.13	359.34
3	R&M expenses	78.21	86.03	94.63	104.10	114.51
	Total	1269.44	1382.57	1506.71	1641.94	1786.43

The petitioner has submitted the details of employee cost, administrative and general expenses and repairs and maintenance expenses and these are discussed below:

6.2.1 Employee Cost

The petitioner has submitted the summary of manpower at SLDC and ALDCs as given in Table 6.2 below:

Table 6.2: Summary of Manpower at SLDC & ALDCs

Sr. No.	Particulars	Deployed
1	Chief Engineer	1
2	Additional Chief Engineer	1
3	Superintending Engineer	3
4	Executive Engineer	12
5	Deputy Engineer	31
6	Junior Engineer & PLCC	26
7	Sr. Radio Mechanic	2
8	Driver	2
9	Electrician Gr. I/II	4
10	Sr. Elect. / Sr. Radio Mech.	1
11	P.O. Elect. / Radio Mech.	2
12	Helper	21
13	Dy.CAO	1
15	Dy. Superintendent (A/c)	1
17	Security Inspector	1
18	Teleprinter Operator	4
19	Junior Assistant	5
20	Steno Typist	1
21	Peon	3
22	Kamdar	1
23	Arm Guards	7
24	Watchman	3
	Total	133



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It is submitted by the petitioner that employee cost includes salaries, bonus other benefits like medical expenses reimbursement, leave travel allowance etc., the terminal benefits in the form of pension, gratuity, leave encashment, staff welfare etc.

It is further submitted by the petitioner that the employee cost of existing staff has been estimated considering trends for past years, employees cost, increase in dearness allowance, its merger and its impact on other allowance such as HRA, field allowance, PF, CPF etc. The increase in salary due to regular increments as well as promotion has also been considered.

Retirement and terminal benefits (PF, Gratuity, EL encashment etc.) were previously considered in GETCO books; therefore the expenses were not shown in the SLDC books. But now SLDC accounts are segregated from GETCO and the expenses pertaining to retirement and terminal benefits have been transferred into the books of SLDC.

It is stated that considering the above the percentage increase in existing employee cost has been considered at 10% on yearly basis during the control period. The estimated employee cost for the period FY 2010-11 and FY 2011-12 to FY 2015-16 are summarized in Table 6.3 below:

Table 6.3 : Projected Employee Cost for the FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Basic Employee Cost	682.70	750.97	826.06	908.67	999.54
Conveyance & Allowances	25.88	28.47	31.32	34.45	37.90
Terminal Benefit	184.33	202.76	223.04	245.34	269.88
Staff Welfare Expenses	7.70	8.47	9.32	10.25	11.27
Total Employee Cost	900.61	990.67	1089.74	1198.71	1318.58

Commission's analysis

The escalation in employee cost projected by the petitioner is about 10% on yearly basis. The employee cost for FY 2011-12 is higher by 10% over the estimated employee cost for FY 2010-11, which includes the terminal benefits which were earlier accounted in the books of GETCO. The estimated employee cost submitted by the petitioner for FY 2010-11 covers all elements of employee cost including terminal benefits and are approved by the Commission under APR for FY 2010-11.



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The petitioner has projected the employee cost with 10% escalation per annum over the 2010-11 costs.

GERC has notified the (MYT) Regulations, 2011. SLDC has not projected the O&M charges viz. Employee Cost, A&G expenses and R&M expenses in accordance with the provision in (MYT) Regulations, 2011. The Commission is of the view that the O&M charges shall be considered for SLDC taking the actual O&M expenses approved in the Truing up for FY 2009-10 as the basis since the actuals for the last three years are not available separately for considering the average O&M expenses. As such the O&M expenses approved in truing up for FY 2009-10 are taken as basis and these charges shall be escalated @ 4% p.a. to get the O&M expenses for FY 2011-12 as basis. Taking these O&M expenses determined for FY 2011-12 the permissible O&M expenses for the years FY 2012-13 to FY 2015-16 are arrived at by escalating the O&M expenses of FY 2011-12 at 5.72% p.a. for each year of the control period.

The Commission has approved the employee cost at Rs. 851.79 lakhs in the truing up for FY 2009-10 which includes Rs. 286.73 lakhs towards terminal benefits. These terminal benefits include Rs.134.39 lakhs towards onetime provision on account of Sixth Pay Commission. In other words the normalized employee cost for FY 2009-10 is Rs.717.40 lakhs (Rs.851.79 (-) Rs.134.39 lakhs)

The employee cost for the control period is arrived at as detailed in the Table 6.4 below:

Table 6.4: Approved Employee cost for the FY 2011-12 to 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Employee Cost	775.94	820.32	867.25	916.85	969.30

The Commission accordingly approves the employee cost as detailed in the above table for the control period for FY 2011-12 to 2015-16.

6.2.2 Administration and General (A&G) Expenses

The petitioner has projected the administration and general expenses at Rs.1618.30 lakh for the control period FY 2011-12 to FY 2015-16 as detailed in Table 6.5 below:

Table 6.5: Projected Administration & General expenses for the FY2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
A&G Expenses	190.62	205.87	222.34	240.13	259.34
E Urja Charge	100.00	100.00	100.00	100.00	100.00
Total	290.62	305.87	322.34	340.13	359.34

Petitioner's submission

The petitioner has submitted that the A&G expenses mainly comprise of rents, electricity charges, telephone and communication expenses, professional charges, conveyance and traveling expenses etc. Normally A&G expenses would increase at 8% on year to year basis during the control period FY 2011-12 to FY 2015-16. It is further submitted that the administration of SLDC is presently exercised as a separate unit of GETCO as per order of Government of Gujarat. The expenses like most of administration cost like professional charges, internal audit fees, taxation matters, legal expenses etc., are carried out by Corporate Office.

It is also stated that GUVNL and its subsidiaries have established an end to end IT solution i.e. e-Urja project. It is estimated that an amount of Rs.100 lakh per year will be allocated to SLDC from GETCO for computerization and maintenance of the system as part of A&G expenses.

As suggested by Ministry of Power, Government of India, the SLDC has to be "Ring fenced" and shall be autonomous. The accounts of SLDC have to be separated from GETCO which would increase A&G expenses.

Commission's analysis

The A&G expenses were Rs.226 lakh for FY 2009-10 and the petitioner has claimed Rs.276.5 lakh for FY 2010-11, a 22% increase against Rs. 260 lakhs approved by the Commission in the tariff order dated 31st March, 2010. The Commission has approved the A&G expenses at Rs.226.01 lakhs in the truing up for FY 2009-10. Taking these A&G expenses as base and applying the escalation factors as done in the case of employee cost the A&G expenses are arrived at for the control period as detailed in the Table 6.6 below:

Table 6.6: Approved A&G expenses for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
A&G Expenses	244.45	258.43	273.22	288.85	305.37

The Commission approves the A&G expenses for the control period FY 2011-12 to FY 2015-16 as detailed in the above table.

6.2.3 Repair and Maintenance (R&M) Expenses

The petitioner has projected the R&M expenses at Rs.477.48 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.7 below:

Table 6.7: Projected R&M expenses for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
R & M Expenses	78.21	86.03	94.63	104.10	114.51
% increase	10%	10%	10%	10%	10%

(Note: Above expenses are excluding ULDC related expenses)

Petitioner's submission

The petitioner has submitted that R&M expenses are directly related to age of the asset etc. SLDC, Gujarat is paying charges to PGCIL for the O&M of ULDC scheme for central portion. However, state portion of ULDC has to be maintained by SLDC, Gujarat.

It is also stated that SLDC has to share certain communication and hardware costs established as a part of regional system. Considering all these costs the R&M costs have been escalated at 10% on year to year.

Commission's analysis

The Commission has approved the R&M expenses at Rs. 37.45 lakhs in the truing up for FY 2009-10. Taking these R&M expenses as base and applying the escalation factors as done in the case of employee cost the R&M expenses are arrived at for the control period as detailed in the Table 6.8 below:

Table 6.8: Approved R&M expenses for FY 2011-12 to FY 2015-16



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(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
R & M Expenses	40.51	42.82	45.27	47.86	50.60

The Commission approves the R&M costs for the control period as detailed in the above table.

6.2.4 The approved O&M charges for the control period are summarized in the table 6.9 below:

Table 6.9 : Approved O&M expenses for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Employee cost	775.94	820.32	867.25	916.85	969.30
2	Repair & Maintenance	40.51	42.82	45.27	47.86	50.60
3	A&G charges	244.45	258.44	273.22	288.85	305.37
4	O&M expenses	1060.90	1121.58	1185.74	1253.56	1325.27

6.3 Interest on Working Capital

Petitioner's submission

The petitioner has projected the interest on working capital at Rs.155.3 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.10 below:

Table 6.10: Projected interest on working capital for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
O & M Expenses	179.91	188.8	199.53	211.4	154.85
Maintenance and Spares	5.32	4.92	2.94	2.01	1.75
Receivables	75.47	77.7	77.07	81.49	58.57
Total Working Capital	260.71	271.42	279.53	294.89	215.17
Rate of Interest	11.75%	11.75%	11.75%	11.75%	11.75%
Interest on working capital	30.63	31.89	32.85	34.65	25.28

It is submitted by the petitioner that the working capital and interest thereon are based on Commission's Regulations "Levy & collection of SLDC charges and fees" - 5 of 2005 and interest rate has been considered at 11.75% being the Prime Lending Rate (PLR) as on 1st April, 2010.



Commission’s Analysis

The Commission has examined the computation of normative working capital and interest thereon under GERC (“Levy & Collection of SLDC charges & fees”) Regulations. Based on the O&M expenses approved for the control period, the Commission has calculated the working capital and interest on working capital for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.11 below:

Table 6.11: Approved Interest on Working Capital for FY 2011-12 to FY 2015-16

(Rs. lakhs)						
S.No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	O&M Expenses (1 Month)	88.41	93.47	98.81	104.46	110.44
2	Maintenance Spares	11.82	16.02	20.69	23.72	25.71
3	Receivables (15 days)	85.00	90.05	94.65	98.34	101.58
4	Total Working Capital	185.23	199.53	214.15	226.52	237.72
5	Rate of Interest on Working Capital	11.75%	11.75%	11.75%	11.75%	11.75%
6	Interest on Working Capital	21.76	23.45	25.16	26.62	27.93

The Commission approves the interest on working capital as detailed in the Table 6.11 above for the control period for FY 2011-12 to FY 2015-16.

6.4 Capital Expenditure Plan for the control period for FY 2011- 12 to FY 2015-16

The petitioner has projected the capital expenditure plan at Rs. 1565 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.12 below:

Table 6.12 : Capital Expenditure Plan for FY 2011-12 to FY 2015-16

(Rs. lakhs)					
Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
New Projects	495	460	264	183	163
Total Capex	495	460	264	183	163

Petitioner’s submission

The petitioner has submitted that the revised capital expenditure plan comprises of additions / modifications to the earlier proposed capex for SLDC for the control period from FY 2011-12 to FY 2015-16. It is stated that significant portion of SLDC cost arises because of the grid operation round the clock requiring adequate redundancy resources to tide over contingencies. It is also stated that the Capex plan includes,



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projects mainly focused on system expansion, real time data requirements, installation and development of telemeter infrastructure, technological innovation and replacement of existing obsolete infrastructure, strengthening of existing data communication channels, billing and commercial centre development, system study and IT related infrastructure.

The petitioner has furnished the estimated Capex for various components of Capex during the control period detailed in Table 6.13 below:

Table 6.13 : Breakup of Capex plan for the control period for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	land Acquisition Cost	20	20	0	0	0
2	Augmentation/Upgradation of Existing System	192	145	90	75	75
3	Strengthening of Communication Channels	55	50	35	30	30
4	Additional System / Software Planning	43	40	20	20	20
5	IT Infrastructure	50	20	10	10	10
6	SLDC Building Development	50	120	80	30	10
7	Office Equipment	75	50	14	11	11
8	Staff Recreation Facilities	10	15	15	5	5
9	Additional Expenditure	-	-	-	2	2
	Total Capital Expenditure	495	460	264	183	163

The petitioner has also furnished the proposed funding of the Capex during the control period as detailed in Table 6.14 below:

Table 6.14 : Funding of proposed Capex for the control period for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Estimated Capex	495	460	264	183	163
Funding through Debt (70%)	346.5	322	184.8	128.1	114.1
Funding through Equity (30%)	148.5	138	79.2	54.9	48.9

Commission's Analysis



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The petitioner has projected a Capex of Rs. 1565 lakhs for the control period for FY 2011-12 to FY 2015-16 for strengthening the existing communications, tele metering system etc to discharge its functions effectively as an independent system operator. The Commission appreciates the important role SLDC has to play in managing the operation of state power system in coordination with Western Regional Load Despatch Centre. The Commission does not propose to prune down the proposed Capex, but the SLDC shall be judicious in implementation of the proposed Capex to keep the cost to minimum.

The SLDC has indicated that it would spend the Capex proposed in full during each year. It is considered that though the activities involved are few, it may be difficult to spend Capex in full during each year. The Commission has considered capitalization of opening balance of works in progress and 80% of Capex projected during the control period FY 2011-12 to FY 2015-16. The Capex, capitalization and the funding are detailed in Table 6.15 below:

Table 6.15 : Capex, Capitalization & Funding during the control period for FY 2011-12 to 2015-16

(Rs. lakhs)

Sr. No	Particulars	2009-10 (Actual)	2010-11 (RE)	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Opening Balance	0.00	0.00	24.00	99.00	92.00	53.00	37.00
2	Add New Investment	218.99	516.00	495.00	460.00	264.00	183.00	163.00
3	Total	218.99	516.00	519.00	559.00	356.00	236.00	200.00
4	Less: Investment Capitalized	218.99	492.00	420.00	467.00	303.00	199.00	168.00
5	Closing Balance	0.00	24.00	99.00	92.00	53.00	37.00	32.00
6	Funding of Capex							
7	Capitalization	218.99	492.00	420.00	467.00	303.00	199.00	168.00
8	Less Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Balance Capitalisation	218.99	492.00	420.00	467.00	303.00	199.00	168.00
10	Debt (70%)	153.29	344.40	294.00	326.90	212.10	139.30	117.60
11	Equity (30%)	65.70	147.60	126.00	140.10	90.90	59.70	50.40

The Commission provisionally approves the Capex and capitalization for the control period for FY 2011-12 to FY 2015-16 as given in the Table 6.15 above.



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The depreciation, interest on loans, return on equity will be regulated as per capitalization and funding as above.

The Commission has arrived at the opening and closing balance of GFA taking into consideration the capitalization approved above as detailed in the table 6.16 below:

Table 6.16 : Gross Fixed Assets for 2009-10 (Actuals), for FY 2010-11 (RE) and for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Year	Opening Balance	Additions during the year	Closing Balance
FY 2009-10 Actual	470.85	218.99	689.84
FY 2010-11(RE)	689.84	492.00	1181.84
FY 2011-12	1181.84	420.00	1601.84
FY 2012-13	1601.84	467.00	2068.84
FY 2013-14	2068.84	303.00	2371.84
FY 2014-15	2371.84	199.00	2570.84
FY 2015-16	2570.84	168.00	2738.84

6.5 Interest and Finance Charges

The petitioner has projected the interest and finance charges at Rs. 696.01 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.17 below:

Table 6.17 : Projected Interest and Finance charges for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening Loans	949.40	1,200.96	1,402.86	1,447.38	1,430.74
Addition During Year	346.50	322.00	184.80	128.10	114.10
Repayment During the Year	94.94	120.10	140.29	144.74	143.07
Closing Loans	1,200.96	1,402.86	1,447.38	1,430.74	1,401.77
Average Loans	1,075.18	1,301.91	1,425.12	1,439.06	1,416.25
Interest on Loans	112.40	136.11	148.99	150.45	148.06
Guarantee Charges	0.00	0.00	0.00	0.00	0.00
Total Interest & Finance Charges	112.40	136.11	148.99	150.45	148.06
Average tenure of Loan (years)	10.00	10.00	10.00	10.00	10.00
Weighted Avg. Rate of Interest	10.45%	10.45%	10.45%	10.45%	10.45%



Petitioner's submission

The petitioner has submitted that it has considered the actual weighted average rate of interest at 10.25% on existing loans and at 10.5% for further Capex during the FY 2011-12. It is stated for the purpose of repayment, average tenure of the loan has been assumed at 10 years for all loans portion allocated to SLDC from GETCO loans and accordingly repayment for the control period has been calculated.

Commission's Analysis

The Commission has examined the interest and finance charges projected by the petitioner for the control period for FY 2011-12 to FY 2015-16. The closing loan has been approved at Rs. 725.36 lakhs in the APR for FY 2010-11, in para 5.4 chapter 5 and this has been taken as the opening balance of loan for FY 2011-12. The Commission has analyzed the capital expenditure proposed by SLDC and approved the capitalisation and funding of Capex i.e Debt & Equity. SLDC has taken the weighted average rate of interest at 10.25% on the existing loan and for the new loans the interest rate considered is 10.50% which is in line with market rates. In respect of repayment of loans SLDC has assumed the tenure of loans as 10 years and repayment is worked out accordingly. Regulation 39.3 of GERC MYT Regulations, 2011 specifies that repayment for the year during the tariff period from FY 2011-12 to FY 2015-16 shall be deemed to be equal to the depreciation allowed for that year. The year wise depreciation approved in para 6.6 below is taken as repayment of loan now. The Commission has accordingly computed the interest charges on the opening loan and debt approved for the control period as detailed in the Table 6.18 below:

The Commission has accordingly computed the interest charges on the opening loan and the debt approved for the control period as detailed in Table 6.18 below:

Table 6.18: Approved Interest & Finance charges for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening Loans	725.36	937.80	1157.15	1239.14	1233.62
Loan Additions during the year	294.00	326.90	212.10	139.30	117.60
Repayment during the year	81.56	107.55	130.11	144.82	155.57
Closing Loans	937.80	1157.15	1239.14	1233.62	1195.64
Average Loans	831.58	1047.48	1198.14	1236.38	1214.63



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Rate of Interest on Loan	10.45%	10.45%	10.45%	10.45%	10.45%
Interest charges (B)	86.90	109.46	125.21	129.20	126.93

The Commission approves the interest and finance charges as detailed in the above Table for the control period for FY 2011-12 to FY 2015-16.

6.6 Depreciation

The petitioner has projected the depreciation charges at Rs. 628.86 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.19 below:

Table 6.19: Projected Depreciation for the period FY 2011-12 to FY 2015-16

Particulars	(Rs. lakhs)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Gross Fixed Assets at the Beginning of the Year	1378.43	1873.43	2333.43	2597.43	2780.43
New Additions During the Year	495.00	460.00	264.00	183.00	163.00
Capital Expenditure in Progress	0.00	0.00	0.00	0.00	0.00
Less : Accumulated Depreciation	303.22	426.48	559.06	694.98	832.68
Net Fixed Assets	1570.20	1906.94	2038.37	2085.45	2110.74
Depreciation	99.39	123.26	132.58	135.92	137.71
Weighted Avg. Rate of Depreciation	6.62%	6.62%	6.62%	6.62%	6.62%

Petitioner's submission

The petitioner has submitted that the capital expenditure estimation has been done for FY 2010-11. Capital works in progress during the year is assumed to be capitalized in the next financial year. Also the capitalized expenses will be reduced from the respective years operating expenses and have been added to the total assets for the respective year.

The depreciation for the year has been calculated as per Company's Act provisions for various assets and the weighted average rate of depreciation works out to be 6.62%.

It is further submitted that the fixed assets related to SLDC are segregated after detailed analysis of the books of Accounts. Assets related to SLDC have been identified along with proportionate depreciation on the same from the fixed assets



prepared at circle level. All such assets have been transferred to the SLDC account from respective circle offices. The depreciation is calculated based on a detailed analysis of the fixed asset schedule, the balance useful life of the assets and the depreciation rate for each fixed asset.

Commission's analysis

The petitioner has computed the depreciation taking into consideration the opening Gross Fixed Assets and the proposed capitalization for the control period adopting the weighted average rate of depreciation at 6.62% as per GERC Regulations, 2005.

The Commission has now computed the depreciation charges at the weighted average rate of 5.86% on the average assets based on straight-line method. The opening block of fixed assets and addition of assets on account of capitalization of Capex as approved for the control period for FY 2011-12 and 2015-16 are given in para 6.4 above.

The Commission accordingly approves the depreciation charges for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.20 below:

Table 6.20 : Approved Depreciation for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Gross Block in Beginning of the year	1,181.84	1,601.84	2,068.84	2,371.84	2,570.84
Additions during the Year (Net)	420.00	467.00	303.00	199.00	168.00
Closing GFA	1601.84	2068.84	2371.84	2570.84	2738.84
Avg asset	1,391.84	1,835.34	2,220.34	2,471.34	2,654.84
Depreciation for the year	81.56	107.55	130.11	144.82	155.57
Average Rate of Depreciation	5.86%	5.86%	5.86%	5.86%	5.86%

* Gross block at the closing of FY 2010-11 as per APR.

6.7 Return on Equity

The petitioner has projected the return on equity at Rs. 594.33 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.21 below:



Table 6.21 : Projected Return on Equity for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Opening Equity Capital	557.84	706.34	844.34	923.54	978.44
Addition During the Year	148.50	138.00	79.20	54.90	48.90
Closing Equity	706.34	844.34	923.54	978.44	1027.34
Average equity	632.09	775.34	883.94	950.99	1002.89
Return on Equity	88.49	108.55	123.75	133.14	140.40

Petitioner's submission

The petitioner has submitted that the equity of 30% of capital expenditure is considered for the control period for FY 2011-12 to FY 2015-16 and the return on equity is considered at 14% in line with the norms specified by the Commission.

Commission's Analysis

The Commission has examined the submission made by the petitioner. The return on equity has to be considered on normative basis on the opening balance of equity and approved equity additions during the respective years. The Commission has approved the capitalization, debt and equity portions of funding the approved Capex in para 6.4 above.

The closing balance of equity for FY 2010-11 has been considered at Rs. 374.84 lakhs in the APR for FY 2010-11. Taking this as opening balance of equity for FY 2011-12 and the equity additions approved for the control period in para 6.4 above, the Commission has computed the return on equity as detailed in Table 6.22 below:

Table 6.22 : Approved Return on Equity for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Sr. No	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Opening Equity Capital	374.84	500.84	640.94	731.84	791.54
2	Equity Additions during the year	126.00	140.10	90.90	59.70	50.40
3	Closing Equity	500.84	640.94	731.84	791.54	841.94
4	Average Equity	437.84	570.89	686.39	761.69	816.74
5	Return on the Equity	61.30	79.92	96.09	106.64	114.34
6	Rate of Return on Equity	14%	14%	14%	14%	14%



The Commission approves the return on equity as detailed in the above Table 7.22 for the control period for FY 2011-12 to FY 2015-16.

6.8 RLDC / WRPC charges

The petitioner has submitted that under Electricity Act, 2003, the SLDC has to work in coordination with RLDC and follow the directives of RLDC. Hence fees and charges pertaining to RLDC related activities would be considered in SLDC budget. This would be recovered as WRPC / RLDC fees and charges. WRPC in its 7th meeting dated 15th May, 2008 gave their approval for the annual expenditure of WRPC secretariat. It was agreed that it would be equally shared by each member of WRPC and reimburse expenditure of WRPC secretariat. Hence SLDC Gujarat has to pay its share of expenditure for WRPC secretariat.

The proposed expenditure is given in Table 6.23 below:

Table 6.23 : Projected WRPC charges for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
WRPC Charges	12.36	13.6	14.96	16.46	18.1
Any other charges to RLDC	0	0	0	0	0
% increase	10%	10%	10%	10%	10%
Total	12.36	13.6	14.96	16.46	18.1

It is stated by the petitioner that it has provided 10% increase year to year on 2010-11 charges.

Commission's Analysis

The Commission has examined the WRPC charges to be paid by SLDC, Gujarat for FY 2011-12 to FY 2015-16. The Commission approves the charges to be paid by SLDC, Gujarat towards WRPC charges for the control period for FY 2011-12 to FY 2015-16, as proposed by the petitioner.

The WRPC charges approved by the Commission are given in Table 6.24 below:



Table 6.24 : WRPC charges approved by for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
WRPC Charges	12.36	13.60	14.96	16.46	18.10

6.9 ULDC and other related project charges

Petitioner's submission

The petitioner has submitted that it is required to pay the ULDC charges as approved by CERC. SLDC has stated that, as per the approval, the petitioner is required to make payment towards the charges for the central portion of ULDC which are to be shared by the beneficiaries of the Western Region in the ratio of allocation from the central sector projects.

The petitioner has also stated that in the meeting of WRPC held on 12th September 2008, WRLDC has intimated that ULDC project was under extended AMC period upto 31st May 2009 and emphasized the need for going in for comprehensive Long Term Service Agreement (LTSA). A committee was constituted by WRLDC to discuss with General Electric on the LTSA SLDC, Gujarat was a Member of the Committee. During the 10th meeting of WRLDC / PGCIL it was decided to go ahead with awarding maintenance of SCADA / EMS system in Western Region to GE as LTSA arrangements with them. Accordingly the aforesaid annual maintenance contract has commenced from 14th August, 2009. It is also decided the percentage sharing of GETCO / SLDC would be 17.36% as per agreement executed with PGCIL. The proposed cost of AMC for ULDC to be borne by SLDC during the period for FY 2011-12 to FY 2015-16 is as given in Table 6.25 below:

Table 6.25 : Proposed Cost of AMC for ULDC for the period 2011-12 to 2015-16

(Rs. lakhs)

Particulars	Projected				
	2011-12	2012-13	2013-14	2014-15	2015-16
Gujarat's share in AMC for ULDC	112.84	112.84	112.84	112.84	112.84

The Commission approves cost of AMC for ULDC for the control period 2011-12 to 2015-16 as above.



6.10 Maintenance contract for wideband communication

The petitioner has submitted that WR constituents including GETCO / SLDC principally agreed to give AMC for wideband Telecommunication equipment to M/s Ericsson India Pvt. Ltd. The communication channels are required to bring data on SCADA system from Chhattisgarh, Madhya Pradesh and Gujarat. Accordingly PGCIL has finalized the terms and conditions and technical specifications and price for long term service agreement for AMC of wide band telecom equipment supplied and commissioned under system coordination & control project Western Region with M/S Ericsson India Pvt. Ltd. The cost sharing for the portion of SLDC, Gujarat is given in Table 6.26 below:

Table 6.26 : AMC for Wideband Telecommunication Equipment for the period FY 2011-12 to FY 2015-16

(Rs. in lakhs)

Particulars (Rs. In Lakhs)	Projected				
	2011-12	2012-13	2013-14	2014-15	2015-16
Total Cost of the Project	659.17	-	-	-	-
Sharing of GETCO	77.52				
Service Agreement for period (in Years)	3	-	-	-	-
Annual Payment	25.84	25.84	25.84	28.42	31.27
Amount in Lakhs per year	25.84	25.84	25.84	28.42	31.27

The Commission approves cost of AMC for wideband telecommunication equipment for the control period 2011-12 to 2015-16 as above.

6.11 Total charges of ULDC and other related projects

As discussed above in para 6.9 and 6.10 the SLDC, Gujarat has to share the charges for ULDC for central and state portions. The capacity allocated from central sector stations is considered for computation of central portion. The total charges for ULDC and related projects are given in Table 6.27 below:

Table 6.27 : Projected ULDC & Other Related Project Charges for the period FY 2011-12 to FY 2015-16

(Rs.lakhs)

Particulars	Estimated	Projected				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Central Portion						
Total ULDC Charges (Central Portion)	1980.19	1980.19	1980.19	1980.19	1980.19	1980.2
Weighted Average	24.17%	24.17%	24.17%	24.17%	24.17%	24.17%



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Particulars	Estimated	Projected				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Recovery of ULDC charges	478.57	478.57	478.57	478.57	478.57	478.57
State Portion						
Total ULDC Charges (State Portion)	801.37	801.37	801.37	801.37	801.37	801.37
Ratio for Sharing (As per CERC Order)	24.67%	24.67%	24.67%	24.67%	24.67%	24.67%
Recovery of Capital Charges	197.74	197.74	197.74	197.74	197.74	197.74
Annual Maintenance Charges						
Proposed Maintenance Charges	112.84	112.84	112.84	112.84	112.84	112.84
Maintenance for Wideband Communication						
Proposed Maintenance Charges	25.84	25.84	25.84	25.84	28.42	31.27
Sharing in Shifting of SLDC under ULD & C						
Proposed sharing of Charges	129.5	0	0	0	0	0
Backup Communication to ULD & C Scheme						
Proposed sharing of Charges	58.48	0	0	0	0	0
Charges for ULD & C & Other related Projects	1002.96	814.98	814.98	814.98	817.57	820.41

Commission's Analysis

The Commission has examined the submission made by the petitioner for payment of ULDC and other project related charges for the control period for FY 2011-12 to FY 2015-16. These charges are required to be paid by the petitioner based on the decisions of PGCIL, WRLDC & WRPC. The Commission has reviewed the various charges which have been submitted by the petitioner.

The Commission of the view that these charges are required to be paid by SLDC as a member of the Western Regional system as per directives of PGCIL & WRLDC and WRPC and the estimated charges are approved by the Commission as detailed in Table 6.28 below:

Table 6.28 : ULDC charges approved for FY 2011-12 to FY 2015-16

(Rs.lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Central Portion					
Total ULDC Charges (Central Portion)	1980.19	1980.19	1980.19	1980.19	1980.2
Weighted Average	24.17%	24.17%	24.17%	24.17%	24.17%
Recovery of ULDC charges	478.57	478.57	478.57	478.57	478.57



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Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Total ULDC Charges (State Portion)	801.37	801.37	801.37	801.37	801.37
Ratio for Sharing (As per CERC Order)	24.67%	24.67%	24.67%	24.67%	24.67%
Recovery of Capital Charges	197.74	197.74	197.74	197.74	197.74
Proposed Maintenance Charges	112.84	112.84	112.84	112.84	112.84
Maintenance for Wideband Communication					
Proposed Maintenance Charges	25.84	25.84	25.84	28.42	31.27
Charges for ULD & C & Other related Projects	814.98	814.98	814.98	817.57	820.41

The Commission approves the ULDC & related project charges as given in Table above for the period for FY 2011-12 to FY 2015-16.

6.12 Wide Area Management (WAM) System

The petitioner has submitted that WRPC in its 10th Meeting had approved the WAM system proposed by PGCIL for Western Region. The project provides advanced measurement system that will be utilized for synchronized measurements from geographically distant locations and increase the situational awareness by monitoring wide area in real-time.

It is further submitted that the project cost to be pooled in the regional system and to be shared by WR constituents including Gujarat. It is assumed that sharing of this project cost to be carried out in proportion in line with ULDC scheme.

The projected costs involved for the control period are given in Table 6.29 below:

Table 6.29 : Projected WAM Charges for the period for FY 2010-11 and 2011-12 to 2015-16

Particulars (Rs. lakhs)	Estimated				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Annual Instalment	90.27	90.27	90.27	90.27	90.27
% Allocation Average (As per March'09 REA)	25.10%	25.10%	25.10%	25.10%	25.10%
Sharing by SLDC	22.655	22.655	22.655	22.655	22.655

Commission's Analysis

The Commission has examined the submissions made by the petitioner regarding the payment for WAM system. The Commission has also noted the sharing of the



costs. The Commission is of the opinion since these charges are decided by WRPC in the interests of Regional system operation the charges are approved as given in Table 6.30 below:

Table 6.30 : Approved WAM Charges for the period for FY 2011-12 to 2015-16

(Rs. lakhs)

Particulars	Approved				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Annual Instalment	90.27	90.27	90.27	90.27	90.27
% Allocation Average (As per March'09 REA)	25.10%	25.10%	25.10%	25.10%	25.10%
Sharing by SLDC	22.655	22.655	22.655	22.655	22.655

The Commission approves the charges for WAM system as in the above Table for FY 2011-12 to FY 2015-16.

6.13 Provision for Tax for FY 2011-12 to FY 2015-16

Petitioner's submission

The petitioner has submitted the provision for tax at Rs.202.21 lakhs for the control period for FY 2011-12 to FY 2015-16 as detailed in Table 6.31 below:

Table 6.31 : Provision for Tax on Income for FY 2011-12 to FY 2015-16

(Rs. lakhs)

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Provision for Tax	30.08	36.90	42.06	45.25	47.72

It is stated that the tax is claimed at 33.99% as per the corporate tax rate on return on equity.

Commission's Analysis

The Commission has examined the submission of SLDC. The SLDC has calculated the corporate tax at 33.99% the rate for corporate tax. The provision for income tax payable for each year of the control period is to be considered based on the actual income tax paid as per the latest audited accounts available for the applicant in accordance with Regulation 42.2 of GERC (MYT) Regulations, 2011. However, as SLDC is a part of GETCO, we may consider this tax as per MAT. The SLDC has not claimed any provision for tax in the truing up for FY 2009-10. In the APR the provision for tax is considered at MAT Rate of ROE.



The tax is now considered provisionally at MAT rate of 19.934% on the ROE approved for the control period for FY 2011-12 to FY 2015-16 as detailed in the Table 6.32 below:

Table 6.32 : Approved provision for Tax on Income for FY 2011-12 to FY 2015-16

Particulars	(Rs. lakhs)				
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Return on equity	61.30	79.92	96.09	106.64	114.34
MAT at 19.93%	12.22	15.93	19.15	21.25	22.79

The Commission approves the tax on income as detailed in the above Table-7.29 for the control period for FY 2011-12 to FY 2015-16.

6.14 Revenue from other sources

The petitioner has projected the revenue from other sources at Rs. 819.21 lakhs for the control period for FY 2011-12 to FY 2015-16 as furnished by SLDC in letter dated 21st January, 2011 as detailed in Table 6.33 below:

Table 6.33 : Projected Revenue from Other sources for FY 2011-12 to FY 2015-16

Sr. No.	Particulars	Projected				
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Interest on Staff Loans & Advances	6.85	7.39	7.99	8.63	9.32
2	Miscellaneous Receipts	2.32	2.51	2.71	2.93	3.16
3	Scheduling Charges	97.08	106.79	117.46	129.21	142.13
4	Application / registration Charges	28.29	31.12	34.25	37.65	41.42
5	Total	134.54	147.81	162.41	178.42	196.03

Petitioner's submission

The petitioner has submitted that SLDC is collecting scheduling charges from various short term open access consumers and also application charges. Such revenue is accounted under revenue from other sources. It has also submitted that income from other sources includes interest on staff loans, interest on investment, income from sale of scrap etc.



Commission's Analysis

The Commission has examined the submission of the petitioner on the income from other sources and the sources from which the revenue would be realized. Since these are legitimate charges to be recovered, the Commission approves the income from other sources as given in Table 6.34 below:

Table 6.34 : Approved Revenue from other sources

(Rs. lakhs)

Sr. No.	Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Interest on staff loans & advances	6.85	7.39	7.99	8.63	9.32
2	Miscellaneous receipts	2.32	2.51	2.71	2.93	3.16
3	Scheduling charges	97.08	106.79	117.46	129.21	142.13
4	Application/registration charges	28.29	31.12	34.25	37.65	41.42
5	Total	134.54	147.81	162.41	178.42	196.03

The Commission approves the income from other sources as given in the above Table for the control period for FY 2011-12 to FY 2015-16.

6.15 Total Aggregate Revenue Requirement

The details of the petitioner's submission of the total revenue requirement for the period FY 2011-12 to FY 2015-16 are summarized in Table 6.35 below:

Table 6.35 Projected Aggregate Revenue Requirement for the period FY 2011-12 to FY 2015-16

(Rs. lakhs)

Sr. No.	Particulars	Projected				
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Employee Cost	900.61	990.67	1089.74	1198.71	1318.58
1.2	Repairs & Maintenance	78.21	86.03	94.63	104.1	114.51
1.3	Admin & General Expenses	290.62	305.87	322.34	340.13	359.34
2	Interest on Working Capital	30.63	31.89	32.85	34.65	25.28
3	RLDC Fees & Charges	12.36	13.6	14.96	16.46	18.1
4	Charges for ULDC & other Related Projects	814.98	814.98	814.98	817.57	820.41
5	WAM Charges	22.66	22.66	22.66	22.66	22.66
6	Less : Other Income	174.96	188.96	204.07	220.4	238.03
7	Operating Cost	1975.12	2076.75	2188.08	2313.87	2440.85



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Sr. No.	Particulars	Projected				
		FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
	Budget (a)					
8	Depreciation	99.39	123.26	132.58	135.92	137.71
9	Interest & Finance Charges	112.4	136.11	148.99	150.45	148.06
10	Return on Equity	88.49	108.55	123.75	133.14	140.4
11	Total Fixed Costs	300.29	367.92	405.32	419.5	426.18
12	Less : Expenses Capitalized	0	0	0	0	0
13	Add : Provision for Tax	30.08	36.9	42.06	45.25	47.72
14	Capital Cost Budget(b)	330.36	404.81	447.38	464.75	473.9
15	Total Revenue Budget (a+b)	2305.48	2481.56	2635.46	2778.62	2914.75

Based on the analysis and decision in the earlier paras the Commission approves the Annual Revenue Requirement for the FY 2011-12 to FY 2015-16 as given in Table 6.36 below:

Table 6.36: Approved Aggregate Revenue Requirement for the period FY 2011-12 to FY 2015-16

(Rs. Lakhs)

Sr. No.	Fixed Charges	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
1	Operation & Maintenance Expenses	1060.90	1121.58	1185.74	1253.56	1325.27
1.1	Employee Cost	775.94	820.32	867.25	916.85	969.30
1.2	Repair & Maintenance	40.51	42.82	45.27	47.86	50.60
1.3	Administration & General Charges	244.45	258.44	273.22	288.85	305.37
2	Interest on Working Capital	21.76	23.45	25.16	26.62	27.93
3	RLDC fees and charges	12.36	13.60	14.96	16.46	18.10
4	Charges for ULDC & other related projects	814.98	814.98	814.98	817.57	820.40
5	WAM charges	22.66	22.66	22.66	22.66	22.66
6	Less : other income	134.54	147.81	162.41	178.42	196.03
7	Operating Cost budget (a)	1,798.12	1,848.46	1,901.09	1,958.45	2,018.33
8	Depreciation	81.56	107.55	130.11	144.82	155.57
9	Interest & Finance charges	86.90	109.46	125.21	129.20	126.93
10	Return on Equity	61.30	79.92	96.09	106.64	114.34
11	Total Fixed Costs	229.76	296.94	351.41	380.66	396.85
12	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00



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for 2011-12

Sr. No.	Fixed Charges	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
13	Add: Provision for Tax	12.22	15.93	19.15	21.25	22.79
14	Capital Cost Budget (b)	241.98	312.87	370.56	401.91	419.63
15	Total Revenue Budget (a+b)	2,040.10	2,161.32	2,271.65	2,360.36	2,437.96

6.16 SLDC fees and charges

Petitioners' submission

The petitioner has submitted the methodology for recovery of SLDC fees and charges from the generation and distribution licensees / beneficiaries as below:

Methodology of recovery of SLDC fees and charges

The petitioner has, proposed methodology for recovery of SLDC charges and fees in accordance with GERC regulation "levys and collection of SLDC Charges' as under :

- (a) **Registration or Connection Fees:** Corresponding to clause no.3 of regulation 5 of 2005 issued by GERC and as per Grid Connection procedure prepared by SLDC-Gujarat. The fees has to be recovered as specified by Commission. Grid connection procedure is circulated to grid users where procedure of registration is stipulated. The registration or connection fees is to be paid while registration as per "Grid Connection Procedure".

It is to further clarify that registration is to be carried out for every update or modification or addition of element into grid with the payment of grid connection fees.

- (b) **Recovery of SLDC Fees:** Corresponding to annual capital cost proposed / incurred during 'specified control period' to be payable on semi-annual basis. Annual SLDC fees shall be recovered from generating stations and distribution licensee/beneficiaries in proportion to their installed capacity and capacity allocation to distribution licensees on semi-annual basis.

- *SLDC fees for generating companies (for six months)*

$$= (SLDC \text{ fees per MW per Six Months}) \times (Installed \text{ Capacity})$$
- *SLDC fees for distribution licensee/beneficiaries:*



$$= (\text{SLDC fees per MW per Six Month}) \times (\text{Allocated Capacity})$$

Note:

SLDC fees shall be recovered from each generating company, distribution licensees/beneficiaries on half yearly basis. The following aspects will be taken into account while calculating and recovering SLDC fees :

- (i) If any beneficiary/generating station is entering as Long term open access user within part of six months, proportionate fees shall be recovered for equivalent period. For example : If any generating station is added into grid from 1st July of year, their fees will be calculated proportionately (1x 3/6x SLDC fees for HY) for each MW quantum.
- (ii) If any beneficiary/generating company is entering within part of month (i.e. for few days), same will be considered equivalent to one month for the purpose of recovery of SLDC fees.
- (iii) In case of any upward revision occurred in capacity/allocation during the part of six months, the additional SLDC fees shall be recovered for the remaining period for the additional capacity.

(c) **Recovery of SLDC Charges:** Corresponding to annual operating costs estimated for the control period is to be recovered from the generating stations and distribution licensees on monthly basis. It comprises employee expense, R&M expense, A&G expense, interest on working capital, RLDC fees and charges and ULDC and other related project charges.

- *SLDC charges for generating companies (for one month)*
 $= (\text{SLDC charges per MW per Month}) \times (\text{Installed Capacity})$
- *SLDC charges for distribution licensee/beneficiaries:*
 $= (\text{SLDC charges per MW per Month}) \times (\text{Allocated Capacity})$

Note:

SLDC charges shall be recovered from each generating company, distribution licensees/beneficiaries on monthly basis as per billing procedure prescribed by Commission vide clause 5.0 of aforesaid regulation. The following aspects will be taken into account while calculating and recovering SLDC fees :



- (i) If any generating station / beneficiaries entered as Long term open access users within part of months, their charges shall be reduced proportionately for equivalent period. For example: If any generating station entered on 11th of the Month (considering 30 days in a month), their charges will be calculated in proportion with $(20/30) \times$ (SLDC Charges per month) for 1 MW.
 - (ii) If any beneficiary/generating company is entering within part of day, same will be consider equivalent to one day for the purpose of recovery of SLDC fees.
 - (iii) In case of any upward revision occurred in capacity/allocation during the part of months, the additional SLDC charges shall be recovered for the remaining period for the additional capacity.
- (d) **Grid Connection Fee:** SLDC proposed increase of the fee for Grid Registration to Rs.1,00,000 from present Rs.10,000/-.

SLDC has submitted that it has to study various agreements, legal documents, verification of technical information submitted to SLDC and to carry out comprehensive system study in different scenario. It may involve site visit if required. By careful consideration of above, proposes to increase registration fee from Rs.10,000 to Rs.1,00,000 and to amend the clause No. 3(1) of Regulation 5 of 2005.

Commission's Analysis

1. The Commission has taken note of the suggestions made by the Petitioner for recovery of SLDC fee and charges. Since the Commission has already allowed the suggested recovery arrangement in the tariff order dated 31st March 2010, the Petitioner is permitted to continue the same methodology for recovery of SLDC fees and charges in the ensuing control period.
2. The revision in the grid connection charges proposed by the Petitioner has been noted. However, the Commission is of the view that the existing grid connection charges of Rs.10,000 would continue as per the existing Gujarat Electricity Regulatory Commission (levy and collection of fees and charges by SLDC) Regulations, 2005.

6.16.1 Proposed SLDC fees and charges

Petitioner's submission

The proposed SLDC fees and charges by the petitioner for the control period for FY 2011-12 to FY 2015-16 are as given in Table 6.37 below:

Table 6.37 : Proposed SLDC fees & charges for the period FY 2011-12 to FY 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
SLDC Operating Charges Budget (Rs lakhs)	1975.12	2076.75	2188.08	2313.87	2440.85
Total MW Capacity	16972.24	18537.24	19877.24	24377.24	29873.04
Total MW Allocation	20738.30	23662.90	25676.10	30916.10	37129.90
SLDC Charges (Rs/MW/Month)	436.45	410.10	400.28	348.73	303.57
SLDC Capital Charges Budget (Rs lakhs)	330.36	404.81	447.38	464.75	473.90
SLDC Fees (Rs/MW/Half Year)	438.03	479.63	491.05	420.26	353.64
Grid Connection Fees (Rs)	100000.00	100000.00	100000.00	100000.00	100000.00

6.16.2 Approved SLDC fees & charges for the period for FY 2011- 12 to FY 2015-16

The Commission has analyzed the operational and fixed charges of SLDC in paras 66.2 to 6.34 above.

The charges to be recovered from generation / distribution licensees / beneficiaries as computed by the Commission are given in Table 6.38 below:

Table 6.38 : Computed SLDC fees & charges for the period FY 2011-12 to FY 2015-16

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
SLDC Operating Charges Budget (Rs. lakhs)	1,798.12	1,848.46	1,901.09	1,958.45	2,018.33
Total MW Capacity	16973	18538	19878	24378	29874
Total MW Allocation	20738	23663	25676	30916	37130
TOTAL MW	37711	42201	45554	55294	67004
SLDC Charges (Rs/MW/Month)	397.35	365.01	347.77	295.16	251.02



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for 2011-12

Particulars	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
SLDC Capital Charges Budget (Rs. lakhs)	241.98	312.87	370.56	401.91	419.63
SLDC Fees (Rs/MW/Half Year)	320.83	370.68	406.73	363.43	313.14
Grid Connection Fees (Rs.)	10000	10000	10000	10000	10000

The Commission accordingly approves the annual fees and charges of SLDC for the FY 2011-12 as above.



Chapter 7

Compliance of Directives

7.1 The commission has issued certain directives in the Tariff order dated 31st March 2010 for FY 2010-11. Some of the directives have been complied with by SLDC. SLDC has now submitted a report on compliance of the directives issued. The comments of the commission on the compliance by SLDC and some fresh directives are given below:

7.2 Directive 1: Monthly Reporting of activities relating to STOA users

The commission had directed SLDC to submit on a monthly basis the activities being undertaken with reference to the STOA consumers and report on a monthly basis, the details of the STOA consumers being served, number of applications received the number of applications processed and the permissions granted.

Compliance/Action taken

As per the directive of the Commission, SLDC has sent the details of STOA consumers month-wise up to the month of October 2010.

The submission of STOA consumer data has been delayed. SLDC requests for condonation of the delay. SLDC also assures due submission of STOA consumer details regularly on monthly basis now onwards, to the Commission.

Commission's comments

Action taken is noted. The monthly reports on STOA users shall be submitted regularly in future.ss

7.3 Directive 2: Ring Fencing and autonomy of SLDC

As advised by the Ministry of Power (MOP), ring fencing and autonomy of SLDC had to be undertaken and activities to this effect had to be pursued. Further, a Task Force was formed by MOP which provided recommendations on the activities to be

undertaken in order to ensure ring fencing and for ensuring autonomy of SLDC. The commission had directed SLDC to share information on the recommendation of the Task Force and also a status report on the recommendation which have been adopted by SLDC.

Compliance/Action taken

SLDC had initiated various activities regarding the ring fencing.

As regards the Task Force recommendations for a separate SLDC company, a resolution has been passed for making a separate company. The GETCO and GUVNL boards passed the resolution in line of MOP report about ring fencing of SLDC. The proposal was sent to Government of Gujarat for the approval and notification. On receiving the same SLDC will take further action in the matter.

Identification and Valuation of assets are completed. Transfer of Assets to SLDC from GETCO would be carried out after notification from GOG. Similarly, transfer of ULDC project will be as per directives of authorities. Separate ARR for SLDC had been prepared and duly approved by the Commission for the FY 2010-11.

Commission's Comment

The current status of transferring of assets to SLDC from GETCO and formation of a separate company for SLDC shall be reported from time to time.

7.4 Directive 3: Implementation of Intra-State ABT

With respect to the mock exercise which had been carried out by SLDC for Implementation of intra-state ABT, it is understood by the Commission that a few of the participating entities have raised issues/concerns. These issues relate to technical problems at certain bus bars, inconsistency with provisions in the existing power purchase agreements etc. Further, the Commission had during the course of the State Coordination Forum Meeting, advised the Petitioner to arrive at amicable solutions addressing the issues raised by the participating entities. The Commission has directed SLDC to submit a report on the issues which had been raised by the participating entities during the course of the mock exercise and to indicate the solutions which SLDC may have provided to resolve the issues raised.

Compliance / Action taken

As per Commission's order No. 3 of 2010, Intra-state ABT is fully implemented with all its commercial aspects w.e.f. 5th April, 2010. In the context of implementation of intra-state ABT, SLDC initiated the following activity.

Round the clock scheduling

SLDC has established round the clock scheduling with day ahead and real time revision and the schedule is also configured on SLDC's web site.

State Energy Account

SLDC has established the accounting system for state Energy account and already prepared up to November, 2010 and UI bills up to 21st November, 2010 duly configured on SLDC's web site.

There are no issues regarding implementation of Intra-state ABT with all its commercial aspects in the state.

SLDC is keen and constantly working for improvement in its infrastructure and use of new technology in Accounting and scheduling.

SLDC is also making its methodology transparent and open to all pool members and in future will select any issue by any entities/constituents with prevailing regulation and directives of Commission time to time.

Commission's Comment

Action taken is noted. It shall be ensured that the implementation of Intra-state ABT runs smoothly. Any issue raised by the utilities/users shall be sorted out promptly. No further action is required on the directive.

7.5 Fresh Directives

Directive1: Auditing of SLDC Accounts

SLDC continues to be part of GETCO though separate accounts are maintained for SLDC activities. No separate audit is done for SLDC Accounts.

State Load Despatch Centre
Truing Up for 2009-10, APR for 2010-11, ARR for 2011-16, Determination of Fees and Charges
for 2011-12

SLDC shall get its assets duly certified by a Statutory Auditor. Also accounts of SLDC should be audited by Statutory Auditor and duly certified by the auditor. The Truing up for 2010-11 would be approved only based on such certificate by the Statutory Auditor.



COMMISSION'S ORDER

The Commission approves SLDC charges and fees as indicated below for FY 2011-12.

Sr. No.	SLDC fees and charges	FY 2011-12
1.	SLDC operating charges Budget (Rs. lakh)	1798.12
2.	Total MW capacity (Generating stations)	16973
3.	Total MW allocation (Beneficiaries)	20738
4.	Total MW	37711
5.	SLDC charges (Rs./MW/Month)*	400.00
6.	SLDC capital charges Budget (Rs. lakh)	241.98
7.	SLDC Fees (Rs./MW/Half year)*	320.00
8.	Grid connections fees (Rs.)	10000

* Rounded off to the nearest multiple of ten.

This order shall come into force with effect from the 1st April, 2011.

Sd/-	Sd/-	Sd/-
_____ DR. P.K. MISHRA Chairman	_____ SHRI PRAVINBHAI PATEL Member	_____ DR. M.K. IYER Member

Date: 31st March 2011

Ahmedabad

